

City of Healdsburg

California



Plaza Park Gazebo

Operating Budget



Fiscal Year 2008-2009



CITY OF HEALDSBURG ADMINISTRATION

401 Grove Street
Healdsburg, CA 95448-4723
Phone: (707) 431-3317
Fax: (707) 431-3321

Visit us at www.ci.healdsburg.ca.us

Budget Adoption Executive Summary

The City Council conducted three public budget study sessions in May 2008 to review the City's proposed budget. As a result of those reviews, specific measures to reduce costs, specifically to the General Fund, were identified and adopted with the budget.

On June 16, 2008, the City Council adopted Resolution 64-2008, which approved the 2008-2009 Operating, Service and Debt, Capital and Redevelopment budgets totaling \$70,000,211.

City Council adopted the budget with the plan to implement cost saving measures during the year to minimize the need to use reserves. Without implementation of cost saving measures, the General Fund deficit is projected to be \$761,885. The cost saving measures will be implemented during the fiscal year and quarterly progress reports will be made to City Council regarding the budget and financial status of the City.

On June 16, 2008 the City Council adopted Resolution 10-2008 for the Redevelopment Agency. The Council approved the 2008-2009 Work Program and Budget totaling \$14,565,650.

Using this Document

The documents in the front of the Budget Book indicate the approval process the City Council has taken to adopt the budget. Immediately after the Table of Content (pages 5 & 6), is the proposed budget that was presented to City Council.

CITY OF HEALDSBURG

RESOLUTION NO. 64-2008

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HEALDSBURG: (A) ADOPTING THE RECOMMENDED 2008-2009 OPERATING, SERVICE AND DEBT FUNDS, AND CAPITAL BUDGET; (B) INSTITUTE BUDGET MEASURES TO ADDRESS THE GENERAL FUND DEFICIT DURING THE 2008-2009 YEAR, AND (C) ESTABLISHING AN APPROPRIATION LIMIT AS REQUIRED BY ARTICLE XIII B OF THE STATE CONSTITUTION

WHEREAS, the City Council reviewed the proposed operating, service and debt, capital and Redevelopment Agency budgets in a study session held on May 27 and 28, 2008; and

WHEREAS, the City Council acknowledged the need to develop a plan to secure ongoing General Fund revenues to support Public Safety; and

WHEREAS, the City Council acknowledged the need to maintain existing and restored Police and Fire services, and

WHEREAS, the City Council has reviewed the proposed 2008-2009 Capital Improvement Program in a study session on May 27 and 28, 2008; and

WHEREAS, the Planning Commission in a meeting held on May 27, 2008 found the Capital Improvement Program consistent with the General Plan; and

WHEREAS, the first year of the Capital Improvement program, referred to as the Capital Budget requires annual appropriation approval by the City Council; and

WHEREAS, the City's policy is to spend restricted revenue sources first (including, but not limited to Prop 42, Measure M, Federal and State Grants; and

NOW, THEREFORE, BE IT RESOLVED that the City Council hereby finds that the 2008-2009 Operating, Service & Debt, and Capital Budget falls within the CEQA Categorical Exemption #15301; and

BE IT FURTHER RESOLVED, that the City Council of the City of Healdsburg approves the 2008-2009 proposed Operating, Service and Debt Funds, and Capital Budget totaling \$70,000,211 as summarized on Attachment "A" and a carry-over of unspent capital budget project appropriations from 2007-2008. A complete copy of the FY 2008-2009 Budget is on file in the City Clerk's Office; and

BE IT FURTHER RESOLVED, that the City Council of the City of Healdsburg approves "budget measures" on Attachment "B" for implementation during the 2008-2009 year to address the \$762,000 structural deficit in the General Fund; and

BE IT FURTHER RESOLVED, that upon publication, a copy of the budget will be made available for public review at City Hall, on the City's website, and other convenient public places; and

BE IT FURTHER RESOLVED, that the City Council approves the 2008-2009 appropriation limit as required by Article XIII B of the State Constitution as shown on Attachment "C".

DATED: June 16, 2008

VOTE upon the foregoing resolution was as follows:

AYES: Councilmembers: (4) McGuire, Plass, Ziedrich and Vice-Mayor Wood

NOES: Councilmembers: (0) None

ABSENT: Councilmembers: (1) Mayor Schaffner

ABSTAINING: Councilmembers: (0) None

SO ORDERED:

ATTEST:

/S/ JIM WOOD

Jim Wood, Vice-Mayor

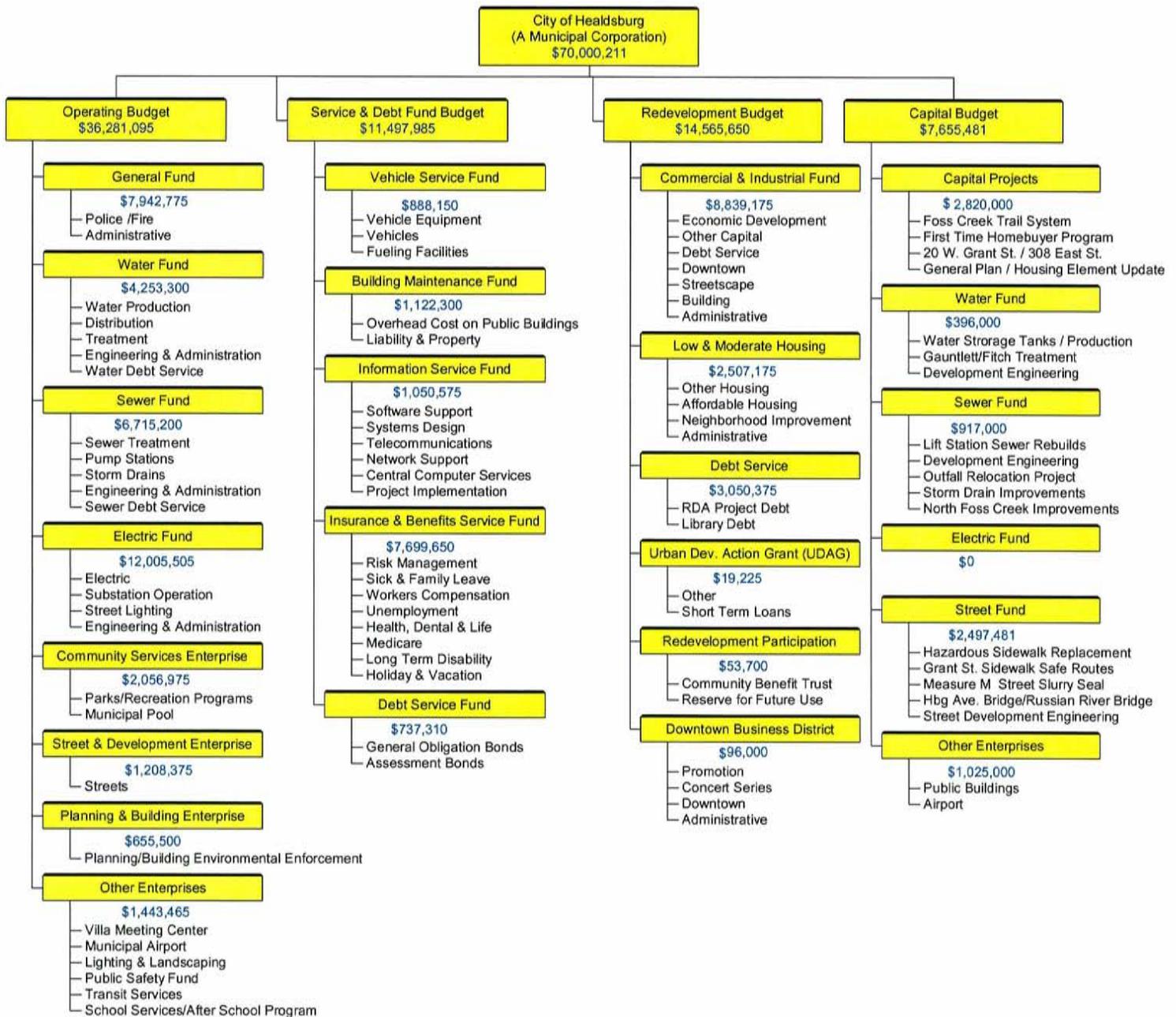
/S/ MARIA CURIEL

Maria Curiel, City Clerk

I, MARIA CURIEL, City Clerk of the City of Healdsburg, do hereby certify that the foregoing is a full, true, and correct copy of a resolution adopted by the City Council of the City of Healdsburg on the 16th day of June, 2008.



Total City Spending Budget for Fiscal Year 2008-2009



Additional Budget Measures for Council Consideration for FY 2008-2009

June 2, 2008

A.			
	1.	Transfer cell tower revenue from Community Services Scholarship fund to Police and Fire revenues	\$20,000
	2.	Charge Police Dispatcher fees for Utility callouts to Public Works and Electric Departments	50,000
	3.	Charge "franchise" or "license" fees to the sewer and electric utilities(\$100,000 each utility)	200,000
	4.	Charge a "heavy vehicle charge" for use of oversize vehicles and resulting damage on City streets (internal City charge only)	10,000
	5.	Charge Community Services for Police/Fire safety mentoring program at Foss Creek School	25,000
	6.	Charge City departments for fire training	6,000
	7.	Increase golf course fees	7,500
	8.	Reallocate City Manager recruitment costs	35,000
	9.	Sell Police Department old AS 400 computer	7,500
	10.	Reduce scope of services in janitorial contract	7,500
	11.	Sell 3 surplus fire trucks	40,000
	12.	Cancel Alhambra bottled water contract	9,000
		TOTAL A	\$417,500
B.	Recommended budget cuts from Police and Fire Budgets		
	1.	Fire Department cost reductions	\$81,550
		a. Apply 80% of ABST Grant Funds (\$33,000)	
		b. Temporarily suspend Fire vehicle replacement fees (\$48,550)	
	2.	Police Department cost reductions	\$261,200
		a. Temporarily suspend Police information services (IS) replacement fees (\$44,200)	
		b. Temporarily suspend Police vehicle replacement fees fees (\$59,000)	
		c. Offer early retirement to Police Officers (2 = \$158,000)	
		TOTAL B	\$342,750
C.	Use of General Fund reserves		\$-0-
		TOTAL	\$760,250

Additional Possible Budget Measures
(Not recommended at this time)
June 2, 2008

• Sales tax ½%, Police, Fire, streets (based on poll results) (ballot measure)	\$1,500,000
• 2% TOT increase additional for Police and Fire (ballot measure)	\$375,000
• Upgrade fee schedule – PD (alarm, vacation house)	\$5,000
• Fee parking areas	\$100,000
• Charge for business directional signs in downtown	\$10,000
• Facility use fee schedule for City Hall, Senior Center, PD, CDC, FD	\$5,000
• Reopen labor contracts – 1% reduction Police & Fire	\$34,000
• Sell Grove Street parcel to RDA	\$650,000
• Delay Administrative Assistant replacement (front counter)	\$2,500
• Delay Finance Office Assistant	\$1,100
• Delay City Manager salary savings/6 months	\$1,400
• Transfer one-time Benefit Grant Trust Fund for General Fund support	\$743,000
• Sell 3 surplus fire trucks	\$40,000
• Basic life subscription services/monthly/per call (Fire Department)	\$150,000
• Business license update	\$26,000
• Audit TOT – update ordinance	\$10,000
• Downtown parking meters	\$250,000
• Bus/limo parking area – fee based	\$10,000
• Move Senior Center to Foss Creek School and rent/sell building	\$25,000/ \$500,000
• Villa Business Plan, AL, rental excess to General Fund	\$50,000
• Fire assessment fee – high fire areas only	\$15,000
• Outsource City garage	\$80,000
• Outsource building maintenance	\$15,000
• License fee for utilities – water	\$100,000
• Heavy vehicle charge for street damage – solid waste collection	\$35,000
• After school “Neighborhood Improvement” funded by Community Services	\$50,000
• Indian Gaming grant request for FY 2008-09 (direct request)	\$235,254
• Suspend Community Benefit Grants for one year	\$62,000

APPROPRIATION LIMIT WORKSHEET

For the Year Ending June 30, 2009

Appropriations limit for fiscal year
ended June 30, 2008 \$19,935,225

Adjustment factors for the fiscal year
ending June 30, 2009:

Inflation 1.0429
Factor

Population Factor 1.0095

Combined Factor x 1.0528

Appropriations limit for fiscal year
ending June 30, 2009 \$20,987,805

Appropriation from the
proceeds of taxes \$12,351,460

Proposition 4 establishes a formula limiting the expenditure of the "proceeds of taxes" and is adjusted each year for inflation and population growth. This limit primarily applies to the General Fund. Healdsburg's appropriations for 2008-2009 are 59% of the appropriation limit.

REDEVELOPMENT AGENCY OF THE CITY OF HEALDSBURG

RESOLUTION NO. 10-2008

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE REDEVELOPMENT AGENCY OF THE CITY OF HEALDSBURG FINDING THE 2008-2009 ANNUAL WORK PROGRAM CONSISTENT WITH THE ADOPTED 5-YEAR IMPLEMENTATION PROGRAM AND PROJECT AREA PLAN AND ADOPTING THE 2008-2009 ANNUAL WORK PROGRAM AND BUDGET

BE IT RESOLVED, that the Board of Directors of the Redevelopment Agency of the City of Healdsburg find the proposed Annual Work Program for the Sotoyome Community Development Project Area consistent with the 5 Year Implementation Plan adopted by the Agency in November 2004; and

BE IT FURTHER RESOLVED that the Agency hereby finds and determines that the planning and administrative expenses to be paid from the Low and Moderate Income Housing Fund for each redevelopment project are necessary for the production, improvement or preservation of low and moderate income housing and are not disproportionate to the amounts budgeted for the costs of projection, improvement or preservation of that housing; and

BE IT FURTHER RESOLVED that the Agency approves: the 2008-2009 Work Program and Budget totaling \$14,565,650 along with carry-over project appropriations, including those for the Downtown Business District, Project Participation, and UDAG Funds; and

BE IT FURTHER RESOLVED that the Board of Directors of the Redevelopment Agency of the City of Healdsburg approves a categorical exemption for said budget and work program; and

BE IT FURTHER RESOLVED that the Agency orders that the Annual Work Program and Budget, on publication, be made available for public review at the City Hall and other public buildings and that copies be distributed to the State Department of Housing and Development and State Controller as required by State Law.

DATED: June 16, 2008

VOTE upon the foregoing resolution was as follows:

AYES: Directors: (4) McGuire, Plass, Ziedrich and Vice-Chairperson Wood

NOES: Directors: (0) None

ABSENT: Directors: (1) Chairperson Schaffner

ABSTAINING: Directors: (0) None

SO ORDERED:

ATTEST:

/S/ JIM WOOD
Jim Wood, Vice-Chairperson

/S/ MARIA CURIEL
Maria Curiel, Agency Secretary

I, MARIA CURIEL, Agency Secretary of the Redevelopment Agency of the City of Healdsburg, do hereby certify that the foregoing is a full, true, and correct copy of a resolution adopted by the Community Redevelopment Agency of the City of Healdsburg on the 16th day of June, 2008.



CITY OF HEALDSBURG

Fiscal Year 2008-2009 Proposed Budget

City Council:

Lisa Wittke Schaffner, Mayor

James Wood, Vice-Mayor

Mike McGuire, Councilmember

Gary Plass, Councilmember

Eric Ziedrich, Councilmember

City Manager:

Chet J. Wystepek

CITY OF HEALDSBURG

Commissions and Staff

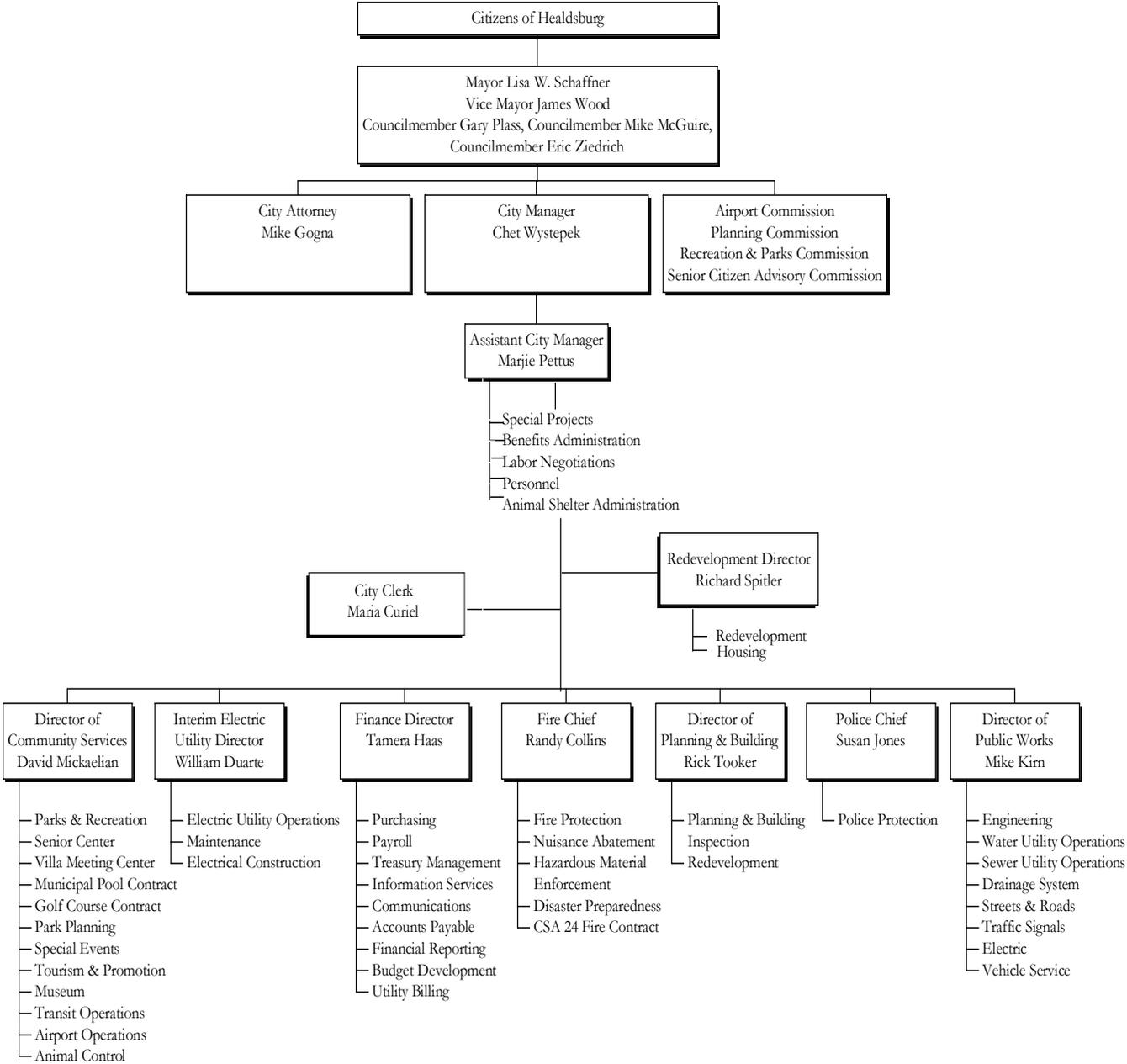
Advisory Commissions:

- Airport Commission
- Planning Commission
- Recreation and Parks Commission
- Senior Citizen Advisory Commission

City Staff:

- City Manager Chet Wysteppek
- City Attorney Mike Gogna
- Assistant City Manager Marjie Pettus
- Redevelopment Director Richard Spitler
- City Clerk Maria Curiel
- Finance Director Tamera Haas
- Director of Community Services David Mickaelian
- Fire Chief Randy Collins
- Police Chief Susan Jones
- Director of Planning and Building Rick Tooker
- Director of Public Works Mike Kirn
- Interim Electric Utility Director William Duarte

City of Healdsburg Organization Chart



Notes:

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May 13, 2008

Honorable Mayor and City Council Members
401 Grove Street
Healdsburg, CA 95448

SUBJECT: Proposed FY 2008-2009 Budget

Honorable Mayor and Councilmembers:

The proposed 2008-2009 Operating Budget is for all City funds and programs, including the General Fund, Enterprise Funds, Special Revenue Funds, Redevelopment Agency and other special purpose funds. The Operating and Service and Debt Fund budgets shown in the first section of this document reflect efforts to stretch limited financial resources to continue to provide a high level of City services. The Redevelopment Agency (RDA) budget is shown in the back section of this document. This document, together with the Capital Improvement Program (CIP) document, provides detailed information for the City Council to evaluate the entire City budget proposal.

The 2008-2009 budget for all City funds, including the Redevelopment Agency and Capital budget, totals \$70,000,211. The budget is comprised of an Operating budget of \$36,281,095, a Service and Debt Fund budget of \$11,497,985, the Redevelopment Agency budget of \$14,565,650 and a Capital budget of \$7,655,481. The organization of the City's budget can be most clearly understood by referring to page 25.

ECONOMIC OUTLOOK:

This budget has been developed during a period when the local economy, housing market and retail sales continue to slow at unprecedented levels. At the same time, the cost of fuel, energy, food, and metals continue to rise above inflationary levels, pushing up the cost of many other consumer goods and services causing a decline in consumer spending. The chronic State budget problems will mean continued risk to local monies, such as: State allocated Community Oriented Policing Services (COPS) funding and Proposition 172 sales tax monies for Public Safety. Overwhelming voter approval (82%) in support of Proposition 1A, several years ago, provides ongoing safeguards for some City revenues such as: property tax, sales tax, and perhaps redevelopment tax increment. Closer to home, Sanderson Ford's recent LAFCO approval of a Windsor relocation of its car dealership is one step closer and is likely to occur after fiscal year 2008-2009. This loss of sales tax revenue to Healdsburg's General Fund poses another hurdle in the ongoing funding problems for the Police and Fire Departments that comprise 96% of the General Fund. Replacement revenues in the form of a sales tax increase and perhaps other taxpayer approved measures will be required if the City is to maintain existing public safety levels into the future. A similar revenue need is occurring in the City's large backlog of street repair needs. Proposition 1B monies will not be sufficient to repair Healdsburg's streets. The Saggio Hills resort project offers an opportunity for additional revenue to support City services and programs.

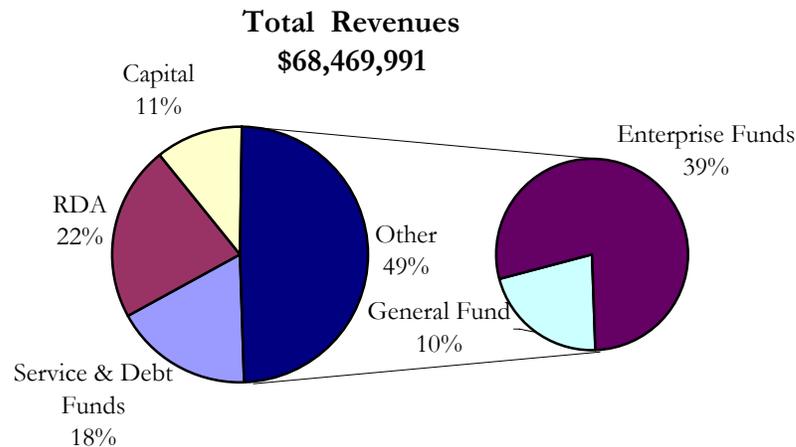
This budget has been prepared assuming implementation of the revenue actions as proposed by the Governor in his January proposed budget document. Due to the size of the State budget with numerous bills, and the historic difficulty in obtaining the needed cooperation between the Governor and Legislature to adopt a fiscally sound budget, passage of the budget may not occur until after the June 15 deadline, like it has for several years. Staff will continue to monitor the State budget process and inform the Council of any additional adverse impacts on the City from the State budget.

As a City of 11,706 residents we are well prepared to weather the “typical 18 to 24 month economic recession” with a healthy reserve fund that has been accumulated over the past decade through past Council’s prudent financial policies. It will continue to be a challenge to maintain existing service levels and financial reserves as revenues gradually recover from an economic downturn and the unknown level of State raids.

At the local level, retail sales are projected to grow at a flat or negative level over the next few years. The growth of other revenue sources is at modest levels. New auto sales continue a downward trend from its record high in fiscal year 2002. Residential building permit activity continues to be minimal, reflecting the impact of the growth management ordinance, while commercial and industrial activity is slow. Overall the trend for revenue growth is low in the General Fund, which has made it extremely difficult to close the gap to fund continuing service levels for Police and Fire services. The challenge will be maintaining a balanced budget in the wake of an economic downturn and the unpredictable State raids that will result in lower revenues and services. Options for maintaining a balanced General Fund budget in the short and long-term future are outlined in the latter part of this message.

RESOURCES FUNDING THE CITY BUDGET:

The 2008-2009 budget includes \$68,469,991 of revenues, which provides the funding that is available to provide City services. Law, or other fiscal constraints determine the manner in which a majority of City revenues may be spent, before the funds reach the City.

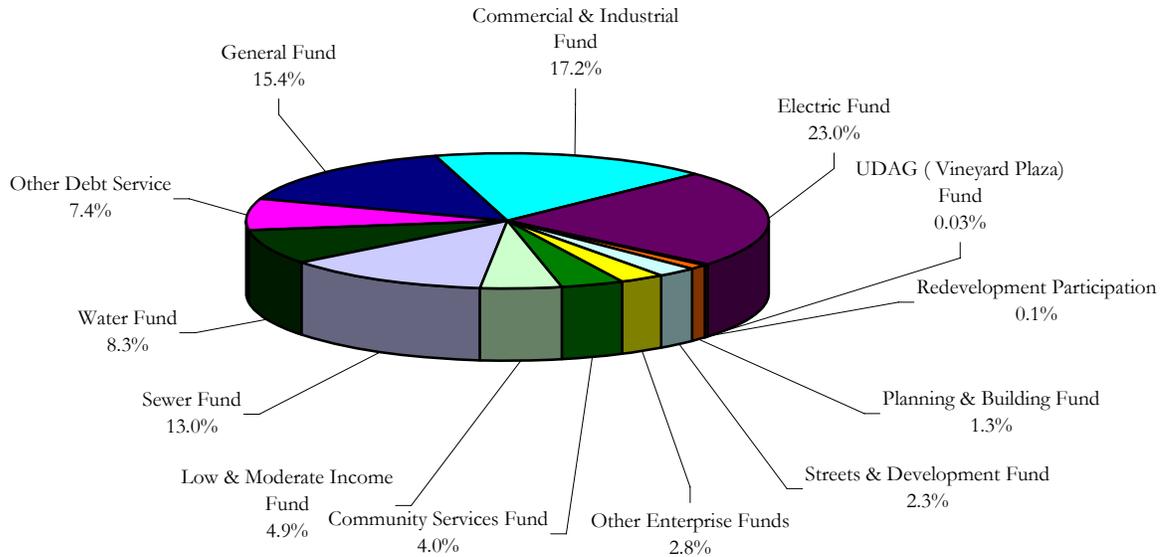


As shown on the graph, 49% of City revenues are available to fund department operating budgets, with the remaining 51% restricted to fund the Capital, RDA, and Service and Debt Fund budgets. The revenues available to fund the operating budgets are further restricted with a significant portion available only to fund enterprise activities. Enterprise activities include the Water, Sewer, Electric, Community Services, Streets, Planning and Building, Airport, Transit, School Services, Meeting Center and After School Program funds. This leaves only 10% of City revenues for the least restricted category, the General Fund, used almost exclusively for funding Police and Fire services and the related administrative support for those services.

OPERATING BUDGET (INCLUDING RDA & DEBT SERVICE)

The \$51,488,055 Operating budget is \$4,362,466 (9%) more than the 2007-2008 adopted budget, largely reflecting budget requests to maintain existing authorized staffing and service levels, with the exception of the Enterprise Funds which are self-supporting with service fees and restricted revenue sources. These funds do not rely on any General Fund revenues. The RDA funded activities are included in the operations budget. A separate, stand-alone RDA budget is also provided in the back section of the document. General Fund, Enterprise Fund, RDA Fund, and Service Fund revenue sources finance the Operating budget. The graph below shows how the Operating budget is broken out among the major fund groups.

Operating Budget Including RDA & Debt Service - \$51,488,055



The \$4,362,466 increase in the Operating budget reflects a \$1,800,672 (13%) increase in the Redevelopment Agency Budget, a \$312,844 (4%) increase in the General Fund, a \$2,664 (less than 1%) decrease in the Water Fund, a \$704,500 (12%) increase in the Sewer Fund, a \$1,303,716 (12%) increase in the Electric Fund, a \$93,645 (5%) increase in the Community Services Fund, a \$14,082 (2%) increase in the Planning and Building Fund, and a \$108,051 (10%) increase in the Streets and Development Fund, with other funds accounting for the balance of the changes. Table I below shows how the Operating budget is distributed among departments.

**Table I
\$51,488,055 Operating Budget by Department***

Department	2007-2008** Budget	2008-2009 Budget	\$ Difference	% Difference
Administration***	\$ 1,915,588	\$ 2,441,975	\$ 526,387	27%
Finance	2,115,496	2,272,440	156,944	7%
Community Services	2,921,481	3,690,800	769,319	26%
Electric-Operations	3,234,182	3,425,325	191,143	6%
Electric-Power Costs	5,990,668	7,333,130	1,342,462	22%
Fire	2,779,627	2,887,600	107,973	4%
Planning & Building	1,239,345	1,123,075	(116,270)	(9)%
Police	4,978,315	5,123,900	145,585	3%
Public Works	6,277,532	6,967,050	689,518	11%
Non-Departmental	15,673,355	16,222,760	549,405	4%
Total	\$ 47,125,589	\$ 51,488,055	\$ 4,362,466	9%

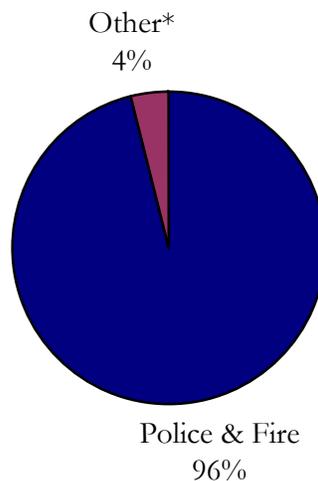
*Includes RDA **Budget as originally adopted ***Includes Legal and City Council

The single most significant factor impacting expenditures is the increase in cost to purchase electric power that is “green” and reduces greenhouse gas emissions. The remaining primary factors that represent an overall budget increase of 6.5% over last year include: increases in recreation and park programs, including a new after school program, operational start of new advanced wastewater treatment plant, salaries, benefits and supplies. The proposed personnel changes include the transfer of the Redevelopment Director and related expenses to Administration from Planning & Building to centralize the economic development oversight function in the City Manager’s budget. An additional full time position funded, effective January 2009, to handle the increased administration functions for utility billing and customer service. An additional part-time position is recommended to efficiently direct general maintenance of City facilities. A department summary of all City positions and proposed changes is shown on page 28.

GENERAL FUND:

The budget for the General Fund is \$7,942,775. As shown on the graph below approximately 96% of the budget is directly supporting public safety activities. The remaining 4% of the budget is distributed among various administrative functions, which primarily support public safety services.

General Fund By Department - \$7,942,775

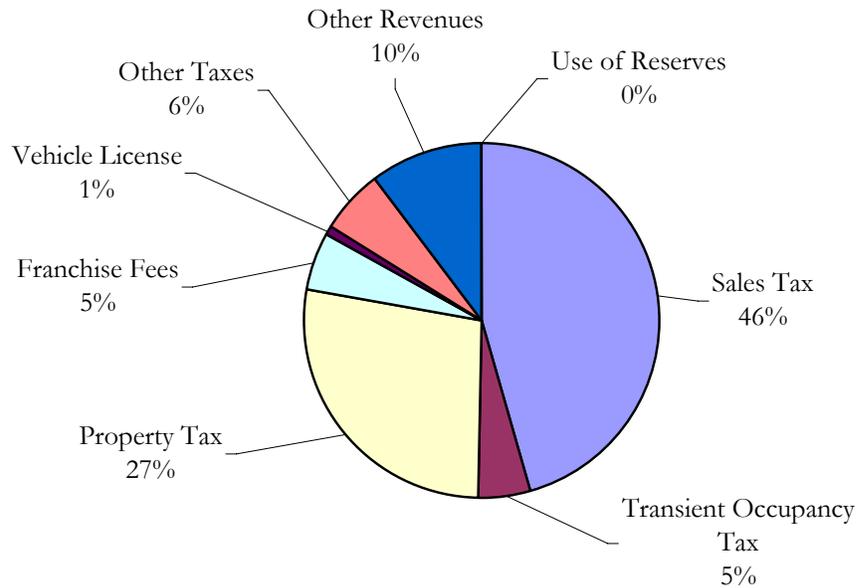


*includes City Council, City Manager, Legal, and Finance

Over the past years with State reductions and slow revenue growth, both the Police and Fire Departments have had to make significant personnel and service cuts. It has been a City Council goal to restore service levels, since fiscal year 2004. Over \$1 million in past reductions have been restored during a time period when the State was having its budget crisis. Starting in fiscal year 2006, the combination of past restorations, two years of State revenue takeaways and slow revenue growth caused a budgetary deficit that continues to plague the General Fund today. Last year, the budget deficit was cured with one-time revenue sources and contingency reserves to fund public safety needs. This year the budget was developed to maintain existing authorized staffing and service levels and once again requires the use of reserves going into the budget year.

The revenues available to finance General Fund services, consist primarily of taxes, service fees and revenues from other governmental agencies. The \$7,180,890 of revenues by major source is shown in the graph on the next page.

General Fund Revenues - \$7,180,890



Sales tax revenues continue to be the largest General Fund revenue source. In the coming year, several key economic factors are expected to influence sales tax revenues across the State such as increased fuel costs, housing market troubles, declining auto sales and consumer spending. The combination of these factors is likely to cause flat to negative 1.0% growth in Healdsburg's mix of retailers over the next few years. The single largest component of sales tax is from sales of motor vehicles by domestic car dealerships within the City. Since 2002 there has been a historical decline in sales tax generation from new auto sales. This sales tax generation has gone from making up 30% to under 20% of sales tax dollars that flow to the City. The forecast for next year assumes a decline in volume of transactions as domestic car dealerships continue to struggle with failing popularity of most sports utility vehicles now that gas prices are much higher. Over the next few years, the City will need to prepare and plan for the loss of one of its car dealerships. Losing one of the top sales tax generators in the City will create a severe loss in future revenues and a plan needs to be in place to address this loss. Staff has previously suggested a ¼ to ½ cent sales tax increase. Staff will continue to closely monitor sales tax revenues and keep the City Council apprised of any significant changes.

Property tax is the second largest revenue source and includes property tax in lieu of vehicle license fees (VLF), which used to be allocated to the City on a per-capita basis. This backfill by property taxes is assumed to grow at the same rate as assessed property values. The future growth is estimated to be 5% as the housing market continues to fall steadily from a fast pace rise over the last 10 years.

City Council re-authorized the continuation of the 2% Transient Occupancy Tax (TOT) through June 1, 2010. This strong performing revenue source now makes up 5% of the total General Fund revenues. The local tourism industry has performed at its highest level since its weakening in 2001. TOT revenue is projected to grow by 12% with a strong demand for wine and food from local and international visitors.

Local government lost the fight on AB2987 that preempts the local CATV franchise agreements effective January 2, 2008. General Fund franchise fee revenue is at future risk with the expiration of the City's existing Comcast franchise agreement on June 1, 2010. The elimination of the franchise fees at

the local level would mean telephone/communication companies would have use of public rights-of-way at no cost. The impact would be a projected annual on-going revenue loss of \$150,000 to the General Fund starting in 2011.

This means that in future years, the City will continue to be at risk for State revenue invasions until such time as the State solves its structural budget problem. Another future option is that the State can borrow property tax revenues from local government with some restrictions starting in fiscal year 2008-2009, although the State has, so far, refrained from exercising this option based on the Governor's January proposal.

UTILITY FUNDS:

Over the past several years the City has embarked on a major upgrading of its municipal water, sewer, and electric systems. Large capital construction programs to build a water filtration plant, several water storage tanks, and an advanced wastewater treatment facility have been completed and are operational. The most current undertaking is a major overhaul of the Badger Electric substation facilities. Reserves of \$2 million have been used to complete Phase I with the intent to be reimbursed through a future bond issue. The Electric Fund budget for fiscal year 2008-2009 has a deficit of almost \$2 million due to the increase in cost of electric power. City Council has conducted several workshops to study the need for future rate increase.

Facing a 2010 deadline, a wastewater reclamation system must be designed and placed into service to meet the City's wastewater discharge permit requirements. Such a system could potentially service the urban and agricultural irrigation needs, but will be a major funding challenge requiring \$8-\$15 million to build. A major initiative to secure State and Federal funding is well underway but may take several years for such funding to be realized.

Over the last few years (2004, 2005 and 2006) water usage and water sales have been low due to the high level of rainfall. In 2007, dry conditions in Sonoma County, resulted in water conservation further impacting water sales. The last quarterly water rate increase was in April 2006 and no future rate increases are scheduled at this time, since Healdsburg has the highest water rates when compared to other Cities. Water sales in 2008-2009 may be further impacted by the need to conserve and reduce water consumption by 10%-15% throughout the County. An action plan was developed to reduce costs to balance the Water Fund. The Water Fund is balanced with a slight surplus. The Water Fund is an on-going concern.

COMMUNITY SERVICES FUND:

The Community Services Fund continues to roll out new recreation programs for the community and expand planned facility/park acquisitions and improvements. The budget includes a joint use agreement with the School District for use of facilities and costs related to assuming the operation of the municipal pool. The Community Services Fund continues to subsidize other funds and programs that cannot meet their obligation to pay for services. Creating a Community Services Enterprise Fund has relieved pressure on the General Fund for these types of programs. Expenditures funded are the Animal Shelter, County Animal Control, one-third of the cost for the School District field maintenance contract, partial funding for the Boys and Girls Club and Airport. All of these subsidies together total approximately \$180,000.

STREET & DEVELOPMENT ENTERPRISE FUND:

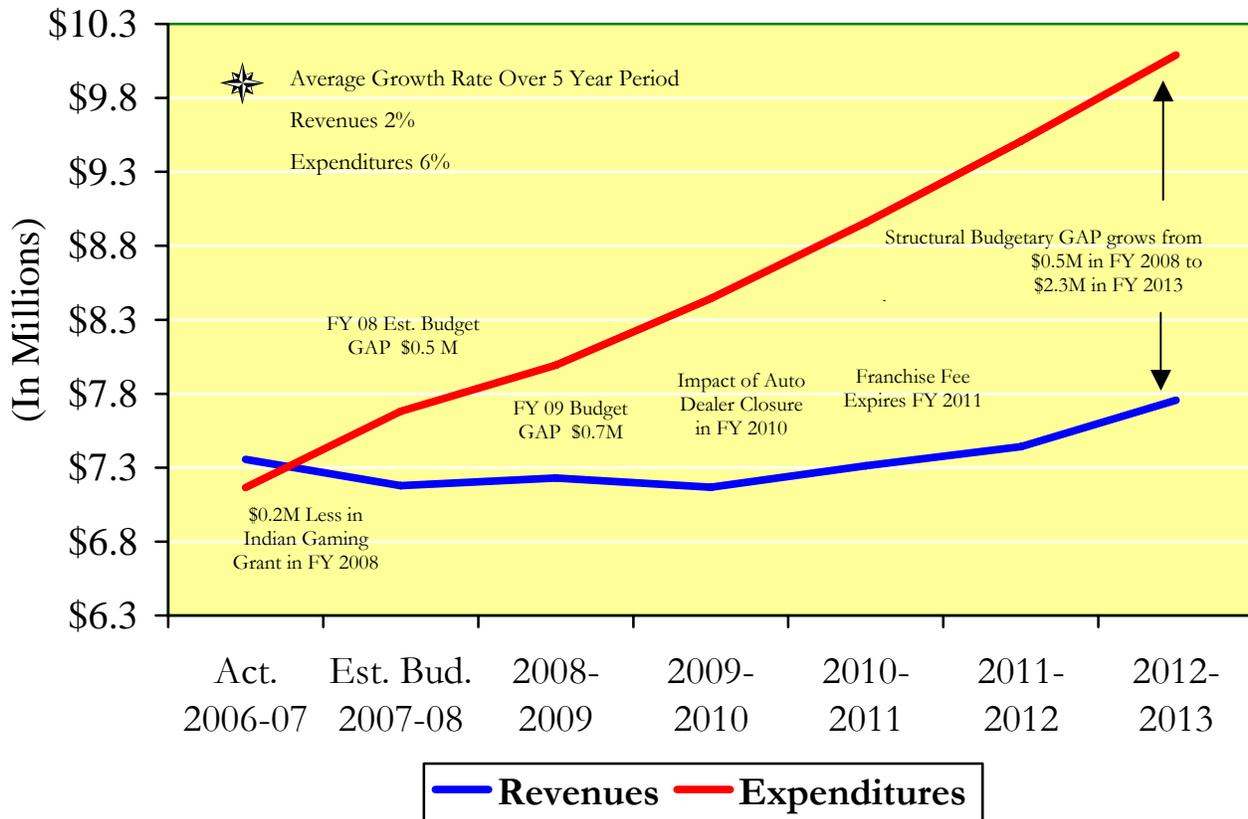
The Street and Development Fund has a small surplus, due to the anemic state of revenues for this Fund. Funding sources for streets have become almost non-existent throughout the years, except for a small amount of gas tax funds, developer fees and a small portion of Measure M funds dedicated to

repair. None of these revenue sources is significant to cover the urgently needed repairs to City streets. Funds have been diverted to the State General Fund in each of the last three fiscal years since voters approved Proposition 42 Transportation funding. Funding will be provided for fiscal year 2008-2009, however funding for future years is unknown. The State budget includes implementation of Proposition 1B which contains street capital improvement funding for local governments. The funding for Healdsburg is estimated at \$400,000 and programmed in the previous fiscal year capital improvement program. Finding predictable funding revenue sources to fund the backlog of street maintenance will be an on-going challenge for all cities in California. A more secure revenue for street maintenance is needed. An allocation of a ¼ cent sales tax increase is one possible solution.

KEY BUDGET ISSUE – GENERAL FUND:

The proposed 2008-2009 General Fund budget deficit is estimated at \$700,000. The challenge will be to close the growing budgetary gap in future years. Proposed expenditures are growing faster than anticipated revenues for the General Fund as shown in the five-year forecast chart below. The forecast reflects a revised 2007-2008 revenue estimate of \$7.1 million from the \$6.9 million made 18 months ago (see page 33). This revenue reduces the estimated budget gap by \$200,000 for 2007-2008 (from \$700,000 to \$500,000). Even with these positive offsets, it is still not enough to eliminate the on-going gap.

General Fund Five-Year Forecast



For the last two years, the budgetary gap was closed with the use of one-time revenues such as Indian Gaming Grants, land sale proceeds and contingency reserves. The two options to consider in balancing the budget for fiscal year 2008-2009 are: (1) Balance the budget with budget reductions and no use of reserves; and/or (2) Use General Fund reserves to maintain service levels. The use of reserves is the “default” option and does not cure the problem. Reserves, while plentiful now, will eventually be exhausted.

The trends in the forecast demonstrate the need to seek and secure on-going permanent revenue sources to cover recurring expenditures for public safety. The need to secure permanent on-going General Fund revenues requires a plan strategy and a commitment. The recommendation is to have a work plan for revenue generating options. The recommendation is to pursue a sales tax increase of a ½ cent to fill the gap of the loss of the car dealership, franchise fee revenues and the structural deficit within the General Fund. If a sales tax measure were successful on the November 2008 ballot, it would produce a projected revenue stream of \$1.5 annually and could be available for the beginning of fiscal year 2009-2010 to be used for Fire, Police and Streets.

MAJOR QUESTIONS TO CONSIDER:

- Would the community be willing to support a locally collected tax to replace prior year lost funds to the State in order to continue to provide current levels of public safety services?
- How do we effectively use reserve funds to transition to lower revenues in the future?
- How do we minimize the impact to City services while balancing the budget in the face of rising expenses that out-strip revenue growth?
- Do we have a clear vision or plan about what the quality and level of City services will be in five years and a long-term funding plan to match on-going expenses to on-going revenues?

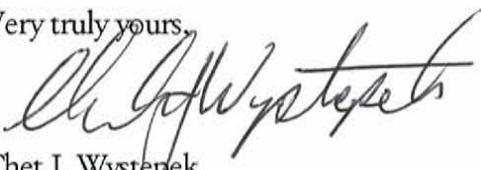
FUTURE OUTLOOK:

This budget has been developed assuming minor reductions by the State. The risk in losing other revenues such as COPS and Proposition 172 sales tax revenue is unknown at this time. These "at risk revenues" of \$225,000 currently support public safety services and are included in the proposed budget. The State has been late in adopting a budget in previous fiscal years and this year may likely be the same. The City needs to create new revenue sources to maintain the high level of service desired in the community. This includes finding ways to protect existing revenues and to create new revenues to mitigate against changes in the local economic structure (i.e. future car dealership loss). To fund Police and Fire the Council might:

- Consider preparing a ballot measure for a ½ cent increase in sale tax for public safety and local streets!
- Consider other possible ways to find revenues - outside of tax increases - (development projects) to stimulate the local economy!!

I would like to acknowledge the special efforts of the budget team: Ana Kwong, Budget Analyst, Kathleen Bradbury, Accounting Manager and Marisol Espinoza, Accounting Assistant who performed most of the budget coordination. Roger Cathey, Accountant, who prepared the Five Year Capital Improvement Program. Tamera Haas, Finance Director who managed the overall preparation of this year's City budget. As this is my last Budget Message to the City Council, I wish all of you councilmembers and staff the best of luck and may all your budgets be balanced!

Very truly yours,



Chet J. Wysteppek
City Manager

CITY OF HEALDSBURG

Budget Principles

- The budget is the City Council's primary decision and policy making tool.
- Budget information should be understandable to the public despite the complexities of accounting and legal requirements.
- The budget should reflect a bottom up multi-year look at all expenses and revenues.
- Labor costs must reflect productive labor costs and all associated fringe benefits from existing contracts, as well as management forecasts for the future for those individuals working on particular projects and programs.
- Expenses should reflect changes in operations, market conditions and forecast rate changes, not just a cost of living escalation.
- The difference between one time or non-recurring costs and on-going and recurring costs should be acknowledged. (For example an on-going revenue should be recurring for at least five consecutive years.)
- Revenues should reflect those projected to be generated from existing businesses, from plans for expansion under existing laws, not desired changes.
- Revenues should be conservatively estimated.
- Reserves should be maintained at appropriate levels as established by policy.

Utilizing these principles we attempt to present a realistic forecast of both revenues and expenses that offer a relative picture of the coming fiscal year and future years regardless of whether a deficit or surplus is forecast.

Neither optimistic assumptions as to new grants nor pessimistic forecasts of new revenue losses are reflected. Forecast expenditures only identify authorized service expansions and consensus growth assumptions.

It is hoped that the budget offers a valid base to measure the performance of City departments against their best plans, as well as the various funds and enterprises against the policies and direction provided by the City Council.



CITY COUNCIL GOALS – 2008

Adopted March 17, 2008

1. **MEMORIAL BRIDGE**

Complete a more thorough structural analysis of the bridge; have CAL-TRANS confirm the sufficiency rating; initiate the environmental review and formally engage the public; seek state and federal grant funding; and pursue a decision and schedule to rehabilitate or replace the bridge.

2. **WASTEWATER**

Complete the final process for operating an advanced wastewater treatment plant; inform the public about the 2010 deadline and costs for a wastewater reclamation system; seek state and federal funding to reduce ratepayer costs.

3. **BUDGET**

Make a decision on a sales tax measure; consider using polling information or conducting a communitywide poll; consider CPI adjustments for utility enterprises; explore the use of advisory bodies to assist public understanding of city budget issues.

4. **PARKS & RECREATION**

Prioritize facilities decisions (Foss Creek School, Open Space, Villa upgrade, Armory, Giorgi Park, etc.) Create trail implementation plan with timeline, and funding and construct the train depot segment of the Foss Creek trail. Complete Armory lease negotiations with the State.

5. **ECONOMIC DEVELOPMENT**

Enhance the business climate through a stronger economic development partnership with the Chamber of Commerce and jointly create a comprehensive marketing plan to retain, expand and attract business for Healdsburg. Complete the work of the water/sewer committee.

6. **AFFORDABLE HOUSING**

Build the 7-plex at 308 East Street; advance the 20 W. Grant Street 60 unit project; break ground on the 2 unit Habitat for Humanity project; procure more land for affordable housing; complete RDA affordable housing bond funding. Find method to have affordable housing construction keep pace with market rate housing production communitywide.

7. GREENHOUSE GAS EMISSIONS

Complete Action Plan for emissions reductions; initiate public outreach, education, and programs into the community; make decision regarding plastic bags. Include stakeholders and implement a “green building ordinance” – explore the merits of a voluntary, incentive based, or mandatory ordinance by end of 2008.

8. PUBLIC SAFETY

Maintain current police and fire service levels. Develop funding sources sufficient to add additional necessary positions and services.

9. ELECTRIC UTILITY

Implement the electric rate increase to pay for Badger sub-station upgrades and electric power costs. Find reliable and affordable green energy sources to meeting community power supply needs.

10. GENERAL PLAN

Solicit and consider input from the public. Complete the environmental review and adopt the updated General Plan that defines the community vision. General Plan policies should encourage and promote green building technology through voluntary participation.

11. SAGGIO HILLS

Complete all decisions related to the entitlement process and make a decision regarding the Saggio Hills project. If approved, initiate the community process to determine preferred site development concept for the 14 acre affordable housing site.

GUIDE TO THE BUDGET

This budget document is for fiscal year FY 2008-2009. It is organized into five parts: (1) Overview, (2) Operating, Service, Community Redevelopment, and Debt Budgets Summaries (Summaries), (3) Department Summaries, (4) Redevelopment Agency, and (5) Glossary.

The **Overview** section contains the City Manager's Budget message, an Organizational Chart of the City, a Summary of City Positions, and a Guide to the Budget that includes a description of funds, revenues and expenditures.

The **Summaries** section includes tables of total City revenues and total City spending, as well as a Summary of all budgets by fund for FY 2008-2009.

The **Department Summaries** include a separate total budget from **all sources of funding** (see Definition of Funds below) for each of the seven (7) City departments in table and graph forms, along with a brief explanation of their areas of responsibility, accomplishments of the past year, goals for the future and an organizational chart. A list of job classifications and salary information for each is also included in this section.

A Non-departmental budget summary, which includes items related to the City as a whole that cannot be easily allocated to the various departments, such as debt service, inter-fund transfers, depreciation, etc., is included in this section as well.

The Redevelopment Agency section provides budgets for Redevelopment Agency Funds.

The Operating Budget is developed by Fund on a Generally Accepted Accounting Principles (GAAP) basis except that depreciation and amortization are not budgeted. Principal and interest payments on debt in the Enterprise and RDA Funds are budgeted as an expense.

General, Service and Debt Services and RDA Funds are budgeted on a modified accrual basis. All Enterprise Funds are budgeted on an accrual basis.

The **Glossary** section provides an explanation of terms used in the budget.

DESCRIPTION OF FUNDS

City of Healdsburg services are funded from various revenue sources. These funding entities or enterprises are listed below:

General Fund: The General Fund is the most versatile of all the City's funds because it has no specific legal restrictions as to its use. General Fund revenues include property taxes, sales and use taxes, licenses, permits, franchise fees, fines and forfeitures, fees for services and for the use of money and property. General Fund revenues are primarily used to support the public safety departments and a small portion of administration.

Enterprise Funds: Revenues derived from the City's Water, Sewer, Electric, Streets, Planning & Building and Community Services are restricted to certain purposes and can only be spent to provide these services to utility customers including construction and maintenance of the distribution systems, utility billing, and administration. Revenues derived from the Villa Chanticleer Meeting Center are also restricted in this manner.

Service Funds: The City has several service funds including the Insurance & Benefits Service Fund, Information Systems Service Fund, Vehicle Service Fund, and the Building Maintenance Service Fund. These funds provide for the maintenance and periodic replacement of data processing hardware and software, telecommunications equipment, as well as vehicles and mobile equipment and maintenance services. The Insurance and Benefit Service Fund covers retirement and medical premiums, Workers' Compensation, State Unemployment Insurance and leave time. Information Systems Service Funds show an increase throughout this budget due to the City's need to upgrade its computer and communications system in keeping with its service objectives.

Internal Service Fund Transfers: These funds become a source of revenue to finance appropriations in the budget when monies are transferred from one specific fund to another fund.

DESCRIPTION OF REVENUES

Property Taxes: This revenue is derived from the tax imposed on real property and tangible personal property. The amount of property taxes currently coming to the City of Healdsburg is ten (\$.10) cents of every one dollar paid.

Other Taxes:

- **Sales Tax** is revenue derived from the sales tax paid by consumers who purchase items within the City. Approximately one cent of the seven and three quarter cent State Sales Tax Levy comes back to the City on a dollar of sales.
- **Business License** taxes are collected on retail, professional, semi-professional, general contractors, sub-contractors, wholesalers, and other enterprises doing business in Healdsburg.
- **Vehicle License Fees (VLF)** received from the State for registration of motor vehicles.
- **Transient Occupancy Tax (TOT)** is a visitors' lodging service fee collected on room rentals at hotels, motels and Bed and Breakfast inns within Healdsburg. Currently the City's TOT is 10% and effective June 1, 2006 will increase to 12%.
- **Property Transfer Tax** is a documentary transfer tax imposed on real estate transactions and collected for the City by the County.
- **Franchise Fees** are collected from utilities such as gas and cable TV and from the waste hauler for the use of the City's rights-of-way.

Charges for Service include water, sewer, and electric utility service fees and charges, as well as park fees, weed clearing fees and liens, various public safety fees, hazardous materials storage fees, and transit fares.

Intergovernmental Revenues include the City's third largest source of unrestricted funds, Vehicle License Fees, as well as an apportionment of the Highway Users Tax, ½% State Sales Tax for Public Safety, and various State grants.

Development Fees and Permits include revenues from building permits; plan checks, and various developer fees.

Oversizing Contributions are incremental grants reflecting the cost difference between standard water or sewer pipe, for example, paid for by the developer and a larger one required by the City because of the needs of the area.

Service Fund Fees are used to maintain and replace City vehicles and information systems equipment, as well as for the payment of insurance and benefits.

Utility Services fees cover the cost of electricity and water used by each department.

Investment Income is earned by the City on all idle monies. Investments are strictly limited by law to those deemed safe and prudent. The City makes only low risk investments based on an adopted Investment Policy which is approved by the City Council and reviewed annually.

Miscellaneous Fees and Charges include bond proceeds, rental income on parks and facilities such as the Villa Meeting Center, Airport fuel sales and leases, sale of property and promotions income.

DESCRIPTION OF EXPENDITURES

Labor and Benefits account for all payroll related expenses including wages, medical/dental/vision premiums and retirement costs for employees of the City.

Liability insurance costs on City property, equipment and vehicles.

CIP (Capital Improvement Program) includes capital expenditures such as construction of utility assets and infrastructure, buildings, and building and land improvements that have a useful life of greater than one year. Project accounting is used to budget and track capital expenditures that may include labor, materials and contracted services.

Contracted Construction is construction of infrastructure within the City, such as street expansion and repair, sewer lines, etc., not performed by City staff but by various companies whose services are contracted by the City.

Contracted Maintenance includes all maintenance of City buildings, parks, rights-of-way and equipment performed by contract.

Contracted Professional Services are services such as structural engineering firms for water, sewer and street expansion, consultants for specific one-time only projects. Also included is the cost for advertising and employee medical examinations.

Debt Service is an expenditure used to account for payments of debts owed by the City including interest.

Depreciation is the expense over a period of time for the use of equipment and facilities and provides for their replacement.

Equipment, Tools and Supplies required to perform department functions, including capital equipment and office supplies. It should be noted that capital equipment varies greatly from year to year due to the size and complexity of capital projects, while other items such as office supplies remain fairly constant.

Government Fees are fees the City is required to pay to another government agency, such as the County of Sonoma for property tax collection, and to the State for permits and other services.

Grants and Loans are made from time to time by the City to various agencies and to developers for payment of City fees.

Land Acquisition includes, for example, property purchased for the City's low and moderate housing, the detention basin in the north area, as well as for the widening of Healdsburg Avenue.

Meetings, Training and Travel necessary to do the City's business include mileage reimbursement or car allowances for department heads and City Manager, staff safety and technical training, and participation in professional organizations.

Oversizing Contributions incremental grants reflecting the cost difference between standard water or sewer pipe, for example, paid for by the developer and a larger one required by the City because of the needs of the area.

Service Fund Fees are used to maintain and replace City vehicles and information systems equipment, maintain City buildings, as well as for the payment of insurance and benefits.

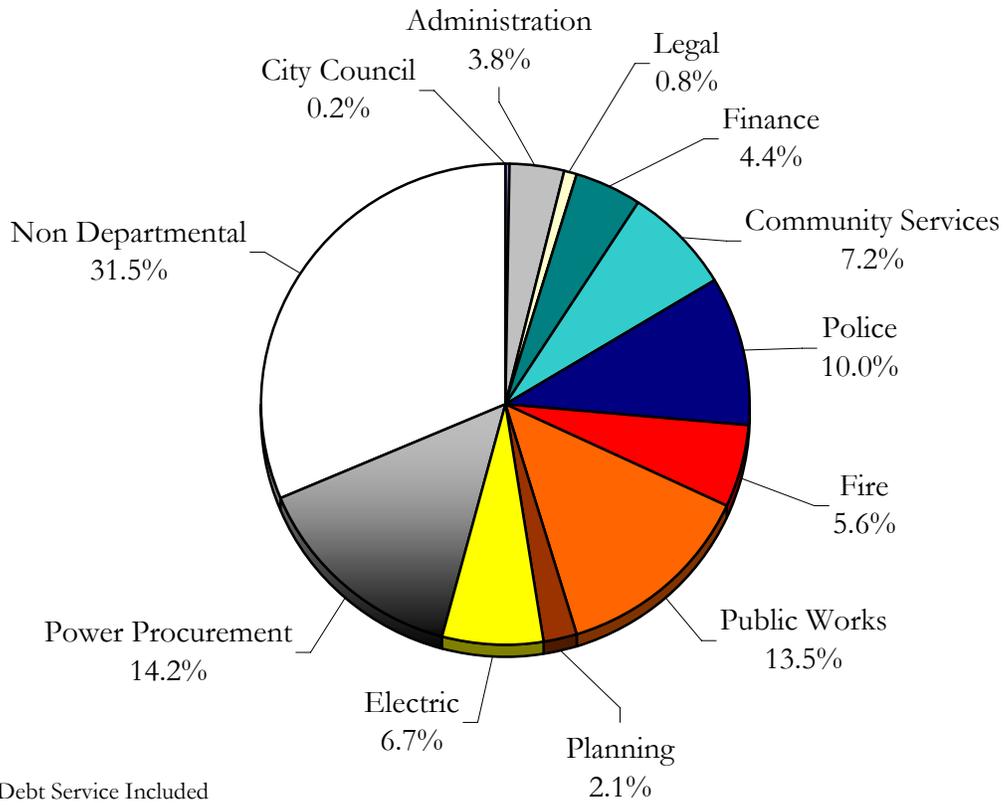
Utility Services account for the cost of electricity and water used by each department.

Wholesale Power represents the cost of buying power to provide electricity for the City.

Notes:

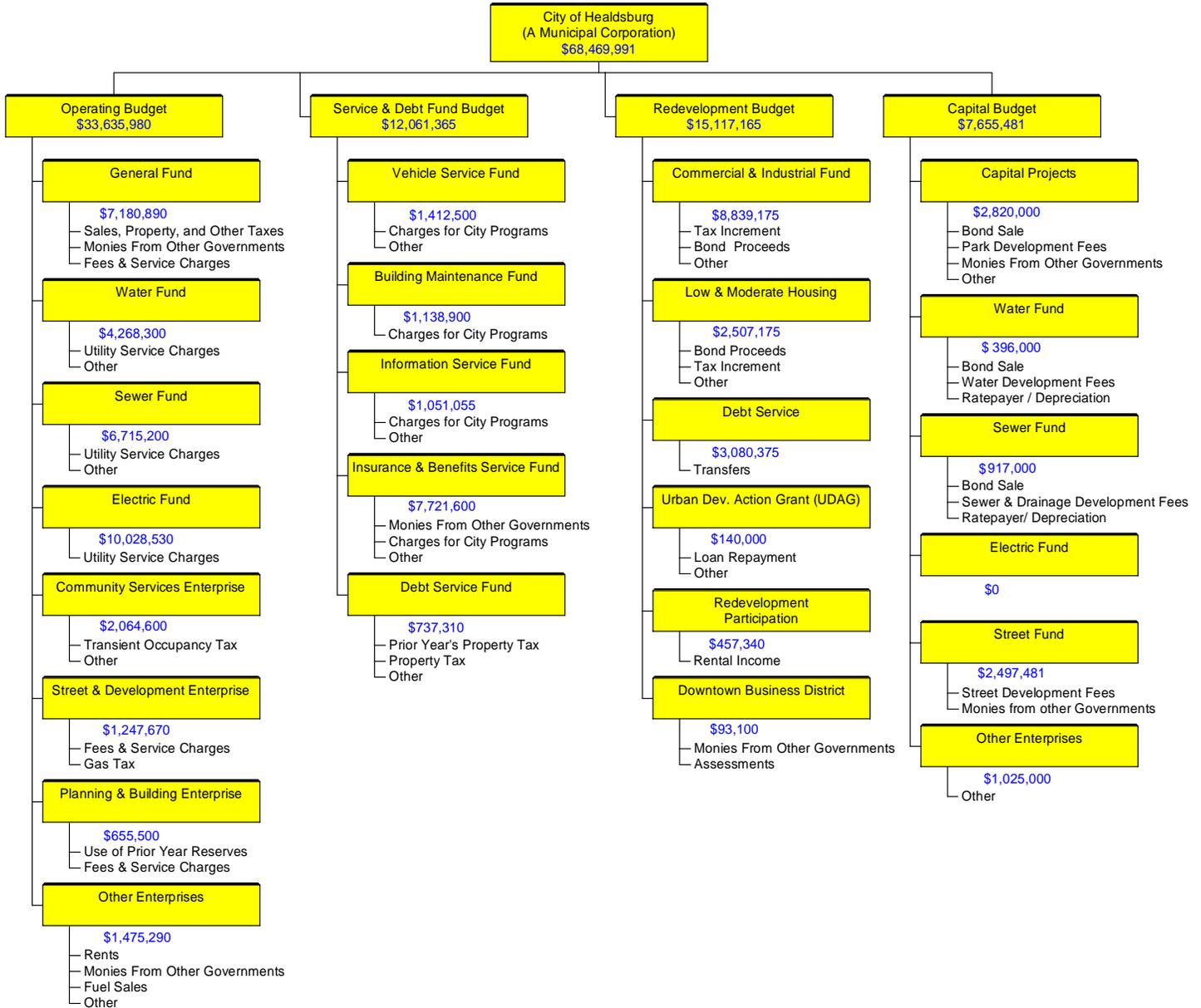
Operating* Budgets FY 2008-2009

\$51,488,055

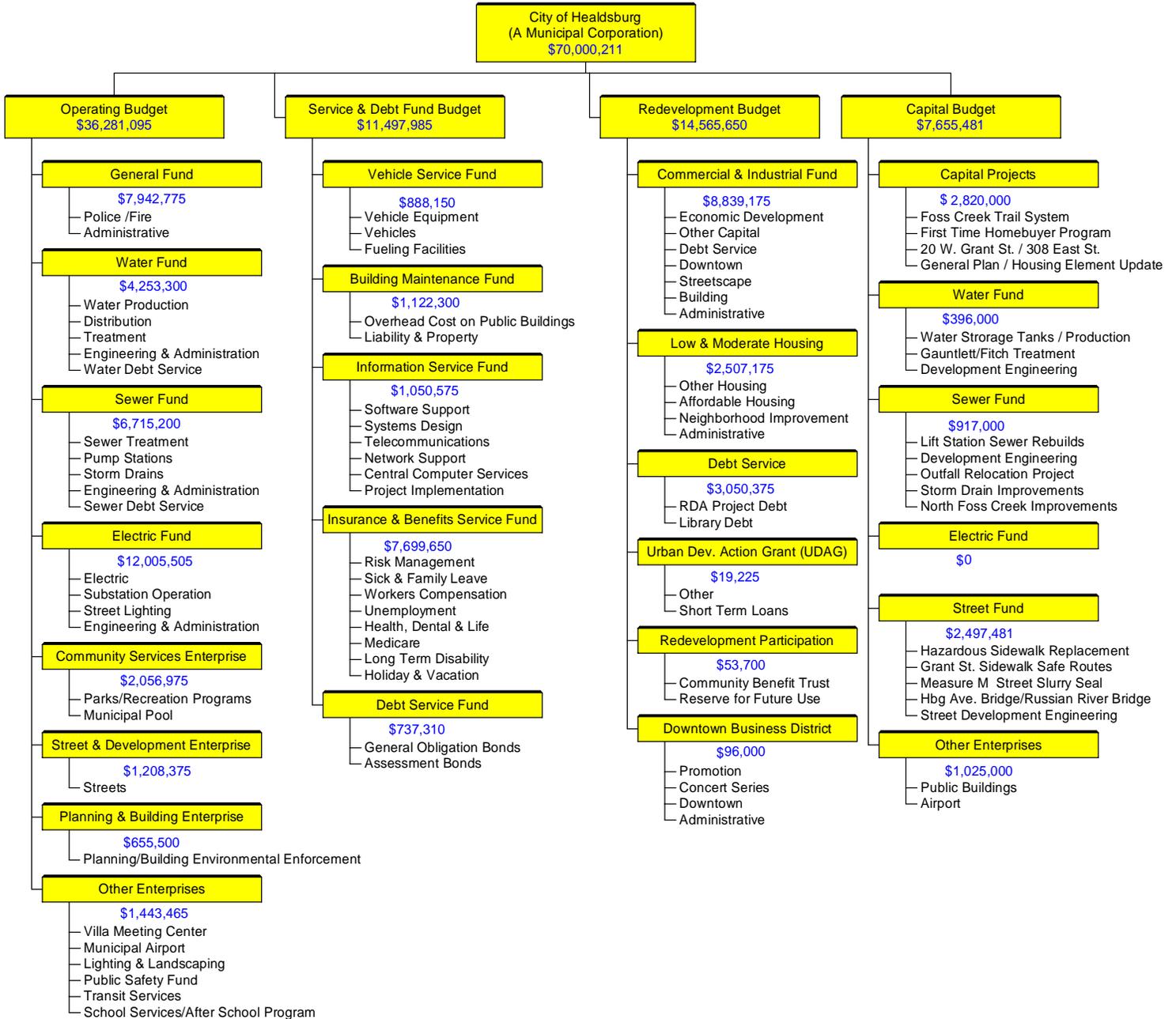


Total City Revenues

Budget for Fiscal Year 2008-2009



Total City Spending Budget for Fiscal Year 2008-2009



City of Healdsburg Annual Capital Budget by Project

Project No.	Project Title/Funding Source	Requested Funding 2008-2009
Administration:		
<u>Public Buildings Projects:</u>		
PB0014	Repair Firehouse Underground Fuel Tanks	70,000
PB0016	Fire Building Capital Maintenance	35,000
PB0017	Police Building Capital Maintenance	10,000
Total		115,000
Community Services:		
<u>Community Services Department:</u>		
PK0807	Giorgi/Recreation Park Master Plan	60,000
Total		60,000
Planning and Building Department:		
<u>City Wide Projects:</u>		
CW0003	Foss Creek Trail System	1,340,000
CW0007	Directional Sign Program	25,000
CW0008	General Plan/Housing Element Update	75,000
CW0027	20 West Grant Street	600,000
CW0028	308 East Street Expansion	350,000
CW0503	155 Dry Creek Road	100,000
CW0602	328 East Street	50,000
CW0703	15155 Grove Street Improvement Costs	20,000
CW0803	Housing Element Update	50,000
CW0804	Annexations Processing	10,000
CW0901	First Time Homebuyer Program	150,000
CW0903	627 Healdsburg Avenue	50,000
Total		2,820,000
Airport:		
<u>Airport Projects:</u>		
AP0402	Airport Improvements - Phase I, II	550,000
AP0701	Purchase of Private Hangars	300,000
Total		850,000
Public Works Department:		
<u>Water Projects:</u>		
PWW018	Water Storage Tanks	30,000
PWW043	Water Production	25,000
PWW044	Gauntlett/Fitch Treatment	241,000
PWW045	Development Engineering	100,000
Total		396,000
<u>Sewer Projects:</u>		
PWS012	Collection System Main Replacement	75,000
PWS029	Lift Station Sewer Rebuilds	212,000
PWS045	Development Engineering	90,000
PWS901	Heron Drive Force Main	240,000
Total		617,000

City of Healdsburg Annual Capital Budget by Project

Project No.	Project Title/Funding Source	Requested Funding 2008-2009
Public Works Department (Continued):		
<u>Drainage Projects:</u>		
PWD009	Miscellaneous Storm Drain Improvements	150,000
PWD045	Development Engineering - Drainage	100,000
PWD194	North Foss Creek Improvements	50,000
Total		300,000
<u>Street Projects:</u>		
PWT016	Hazardous Sidewalk Replacement within the RDA	115,000
PWT017	Annual Overlay (PMS)	409,901
PWT045	Street Development Engineering	80,000
PWT182	Hbg. Avenue Bridge - Russian River Bridge	379,120
PWT901	Measure M Street Slurry Seal	217,500
PWT902	Grant Street Sidewalk Safe Routes to Schools	1,295,960
Total		2,497,481
Total Public Works Department		3,810,481
Total CIP		7,655,481

Note: New projects are shaded

SUMMARY OF POSITIONS/FULL TIME EQUIVALENTS (FTEs)

Department	* Adopted 2007-2008	Proposed 2008-2009	Request
<i>Administration</i>	5.00	6.00	1.00 (1)
<i>Finance</i>	16.00	16.50	0.50 (2)
<i>Community Services</i>	15.50	15.00	-0.50 (3)
<i>Electric Utility</i>	15.00	15.00	0.00
<i>Fire</i>	12.00	12.00	0.00
<i>Planning & Building</i>	8.00	7.00	-1.00 (1)
<i>Police</i>	30.50	30.50	0.00
<i>Public Works</i>	40.00	40.50	0.50 (4)
<i>Total Positions/Full Time Equivalents</i>	142.00	142.50	0.50

(1) Transfer Redevelopment Director to Administration from Planning & Building

(2) Additional full-time position funded, effective January 2009

(3) Department re-organization

(4) Additional part-time position

* Note: The proposed 2008-2009 budget policy count now includes each part-time position counted as one half FTE. The adopted 2007-2008 budget has been adjusted for comparative purposes and includes any mid-year position approvals.

CITY OF HEALDSBURG
FINANCIAL STATUS OVERVIEW
Operating Budget & Debt Service

	ACTUAL 2006-2007	ADOPTED 2007-2008	BUDGET 2008-2009	DIFFERENCE FROM 2007-2008	%
					DIFFERENCE
<u>REVENUES & OTHER SOURCES</u>					
Property Tax - General Fund	\$ 1,764,179	\$ 1,758,800	\$ 1,968,590	\$ 209,790	12%
Property Tax - Bond Debt	591,014	692,229	711,810	19,581	3%
RDA Tax Increment	8,118,025	8,207,620	8,828,908	621,288	8%
Sales and Other Taxes	5,631,881	5,636,157	6,075,200	439,043	8%
Charges for Services	19,288,187	19,593,241	20,601,050	1,007,809	5%
Facility Rents	769,925	791,172	842,240	51,068	6%
Intergovernmental Revenues	1,879,548	1,479,198	1,815,895	336,697	23%
Investments	1,615,699	737,557	940,255	202,698	27%
Permits/Planning Fees	645,128	537,000	387,275	(149,725)	-28%
Transfers	3,323,816	3,680,205	3,099,025	(581,180)	-16%
Miscellaneous Revenues	1,296,640	538,712	622,500	83,788	16%
Bond Proceeds	164,640	1,159,107	2,343,442	1,184,335	102%
Use of Reserves	1,505,049	1,311,561	393,905	(917,656)	-70%
Other	323,155	600,976	782,260	181,284	30%
TOTAL REVENUES	\$ 46,916,886	\$ 46,723,535	\$ 49,412,355	\$ 2,688,820	6%
<u>EXPENSES BY DEPARTMENT & OTHER USES</u>					
City Council	\$ 93,698	\$ 95,722	\$ 100,500	\$ 4,778	5%
Administration	1,414,186	1,402,366	1,931,175	528,809	38%
Legal	376,157	417,500	410,300	(7,200)	-2%
Finance	1,946,093	2,115,496	2,272,440	156,944	7%
Community Services	3,177,086	2,921,481	3,690,800	769,319	26%
Police	4,698,037	4,978,315	5,123,900	145,585	3%
Fire	2,323,118	2,779,627	2,887,600	107,973	4%
Electric - Operating	2,747,682	3,234,182	3,425,325	191,143	6%
Electric Power Costs*	5,924,048	5,990,668	7,333,130	1,342,462	22%
Public Works	6,451,269	6,277,532	6,967,050	689,518	11%
Planning	1,349,557	1,239,345	1,123,075	(116,270)	-9%
Non Departmental	15,354,957	15,673,355	16,222,760	549,405	4%
TOTAL EXPENSES	\$ 45,855,888	\$ 47,125,589	\$ 51,488,055	\$ 4,362,466	9%
Reserved for future use	1,060,998	514,246	663,160		
RESULTING GAIN (LOSS)	\$ -	\$ (916,300)	\$ (2,738,860)		

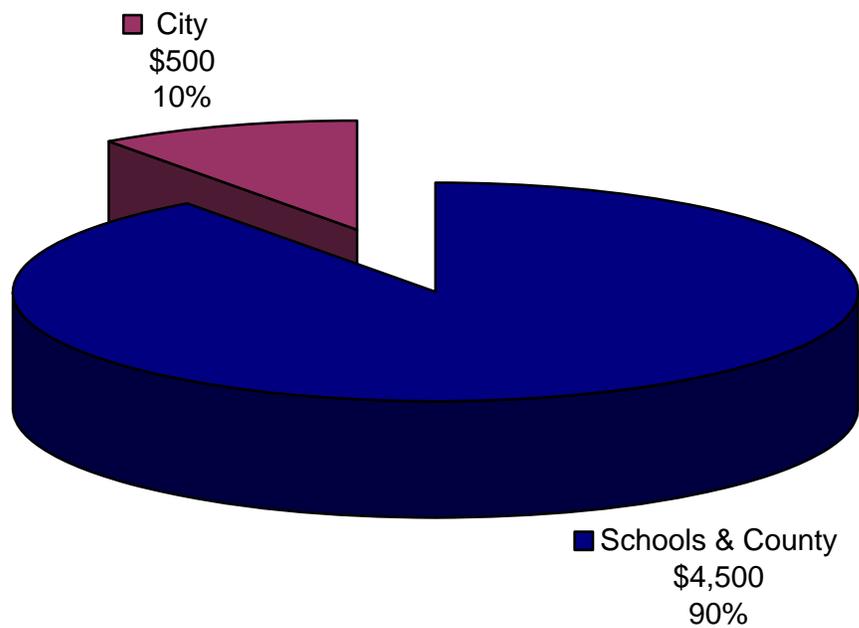
* Costs are part of the Electric Department.

City of Healdsburg Comparative Property Tax Bills

2004 Home Purchased for \$500,000

Local 1% Tax \$5,000

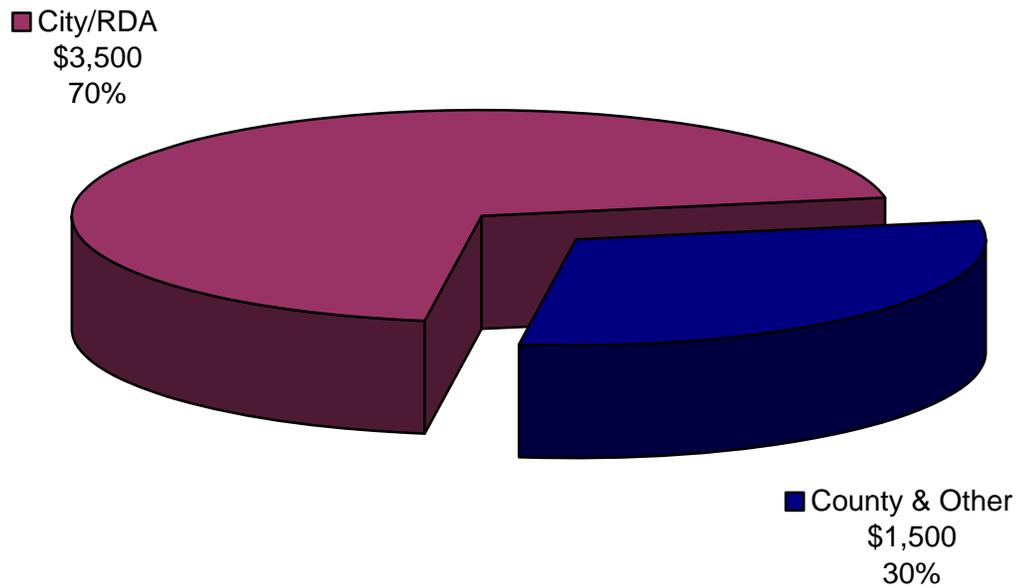
In City - Outside RDA Area



The City General Fund receives \$.10 of every local 1% property tax dollar collected on property **outside** the Redevelopment Agency (RDA) project area. This equals \$500.00 for a house valued at \$500,000 in 2004, to pay for Police, Fire and general government services.

City of Healdsburg Comparative Property Tax Bills

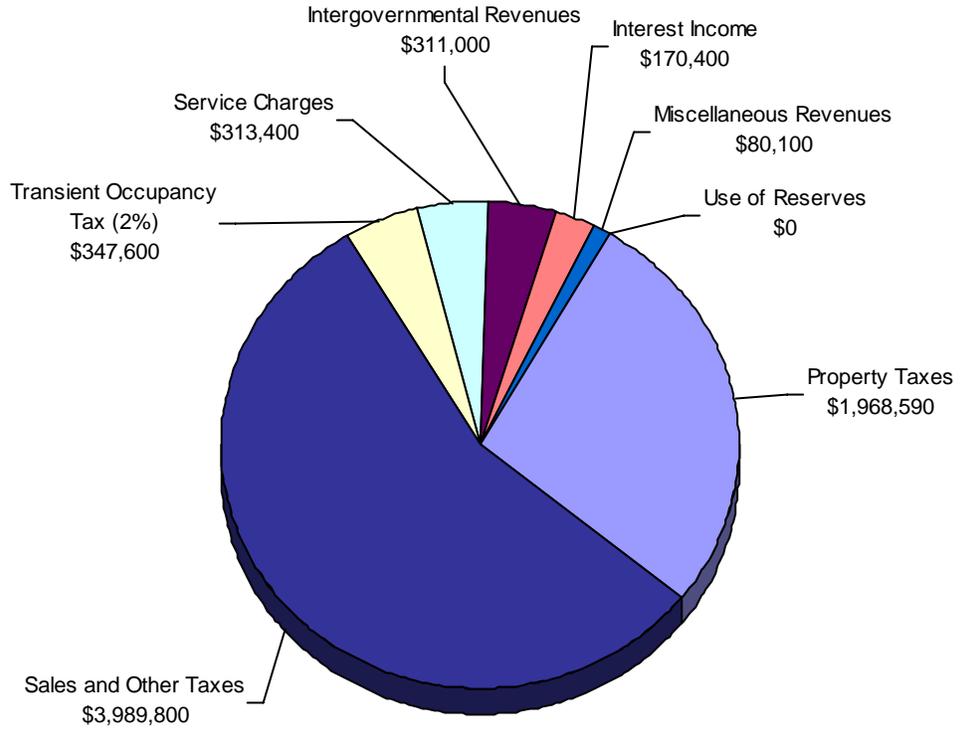
2004 Home Purchased for \$500,000
Local 1% Tax \$5,000
In City - Inside RDA Area



The same house, again valued at \$500,000 and the same local 1% property tax **inside** the Redevelopment Agency (RDA) project area, generates revenue equal to \$.70 of every dollar paid, or approximately more than seven times the property tax revenue collected outside the RDA area.

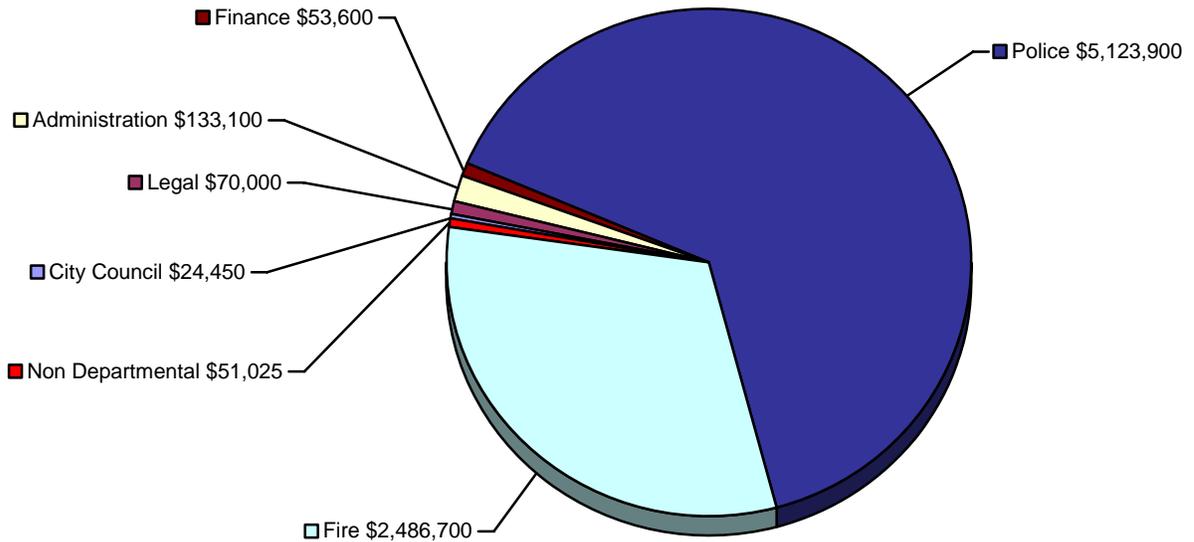
Revenues By Source - General Fund

\$7,180,890



Expenditures By Department - General Fund

\$7,942,775



GENERAL FUND

	ACTUAL 2006-2007	ADOPTED 2007-2008	BUDGET 2008-2009	DIFFERENCE FROM 2007-2008	% DIFFERENCE
<u>REVENUES</u>					
Property Taxes	\$ 1,764,179	\$ 1,758,800	\$ 1,968,590	\$ 209,790	12%
Sales and Other Taxes	3,994,562	3,928,157	3,989,800	61,643	2%
Transient Occupancy Tax (2%)	272,598	285,000	347,600	62,600	22%
Service Charges	366,083	300,651	313,400	12,749	4%
Intergovernmental Revenues	641,473	407,811	311,000	(96,811)	-24%
Interest Income	183,065	146,000	170,400	24,400	17%
Miscellaneous Revenues	82,970	80,562	80,100	(462)	-1%
Use of Reserves	-	-	-	-	0%
TOTAL REVENUES	\$ 7,304,930	\$ 6,906,981	\$ 7,180,890	\$ 273,909	4%
<u>EXPENSES BY DEPARTMENT</u>					
City Council	\$ 26,307	\$ 22,993	\$ 24,450	\$ 1,457	6%
Legal	65,538	70,000	70,000	-	0%
Administration	157,235	98,949	133,100	34,151	35%
Finance	50,021	53,958	53,600	(358)	-1%
Police	4,698,033	4,978,315	5,123,900	145,585	3%
Fire	2,062,217	2,382,570	2,486,700	104,130	4%
Transfer to Capital Improvements	15,000	15,000	-	(15,000)	-100%
Non Departmental	41,502	8,146	51,025	42,879	526%
TOTAL EXPENSES	\$ 7,115,853	\$ 7,629,931	\$ 7,942,775	\$ 312,844	4%
Reserved for future use	189,077	-	-		
RESULTING GAIN (LOSS)	\$ -	\$ (722,950)	\$ (761,885)		(1)

(1) Develop a revenue action plan to address on-going budgetary deficit.

BLUE - Indicates Operating Fund

GREEN - Indicates Service or Debt Funds

WATER ENTERPRISE

	ACTUAL 2006-2007	ADOPTED 2007-2008	BUDGET 2008-2009	DIFFERENCE FROM 2007-2008	% DIFFERENCE
<u>REVENUES</u>					
Service Charges	\$ 4,144,542	\$ 4,203,506	\$ 4,203,500 ⁽¹⁾	\$ (6)	0%
Interest Income	69,395	61,400	63,300	1,900	3%
Miscellaneous Revenues	44,383	1,500	1,500	-	0%
Rate Stabilization Reserves	-	-	-	-	0%
TOTAL REVENUES	\$ 4,258,320	\$ 4,266,406	\$ 4,268,300	\$ 1,894	0%
<u>EXPENSES BY DEPARTMENT</u>					
City Council	\$ 13,031	\$ 15,084	\$ 15,550	\$ 466	3%
Legal	49,686	50,000	50,000	-	0%
Administration	172,804	161,863	144,750	(17,113)	-11%
Finance	481,442	441,846	464,775	22,929	5%
Planning & Building	-	32,767	34,800	2,033	6%
Fire	49,700	67,562	24,550	(43,012)	-64%
Public Works	2,693,404	2,413,142	2,449,475	36,333	2%
Electric	6,603	-	-	-	0%
Transfer to Capital Projects*	500	-	-	-	0%
Non Departmental	1,173,968	1,073,700	1,069,400	(4,300)	0%
TOTAL EXPENSES	\$ 4,641,138	\$ 4,255,964	\$ 4,253,300	\$ (2,664)	0%
Reserved for future use	-	10,442	15,000		
RESULTING GAIN (LOSS)	\$ (382,818)	\$ -	\$ -		

* Replacement only

(1) Based on a normal water usage year, fiscal year 2005 and 2006 had substantial rainfall and low water usage. Revenues may be lower due to campaign to reduce water consumption by 10%-15%.

SEWER ENTERPRISE

	ACTUAL 2006-2007	ADOPTED 2007-2008	BUDGET 2008-2009	DIFFERENCE FROM 2007-2008	% DIFFERENCE
REVENUES					
Service Charges	\$ 5,697,256	\$ 5,903,700	\$ 6,540,200	\$ 636,500	11%
Interest Income	626,635	102,000	170,000	68,000	67%
Miscellaneous Revenues	19,438	5,000	5,000	-	0%
TOTAL REVENUES	\$ 6,343,329	\$ 6,010,700	\$ 6,715,200	\$ 704,500	12%
EXPENSES BY DEPARTMENT					
City Council	\$ 13,031	\$ 15,234	\$ 15,550	\$ 316	2%
Legal	55,624	55,000	55,000	-	0%
Administration	171,126	255,604	236,700	(18,904)	-7%
Finance	421,629	469,952	505,950	35,998	8%
Planning & Building	-	32,767	34,800	2,033	6%
Fire	55,118	83,203	132,950	49,747	60%
Public Works	2,797,868	2,825,345	3,403,875	578,530	20%
Electric	480	-	-	-	0%
Transfer to Capital Projects**	165,000	375,000	402,000	27,000	7%
Non Departmental	1,503,236	1,898,595	1,928,375 (1)	29,780	2%
TOTAL EXPENSES	\$ 5,183,112	\$ 6,010,700	\$ 6,715,200	\$ 704,500	12%
Reserved for future use	1,160,217	-	-		
RESULTING GAIN (LOSS)	\$ -	\$ -	\$ -		

** Replacement only

(1) Includes debt service payment for \$30 million wastewater treatment upgrade project.

ELECTRIC ENTERPRISE

	ACTUAL 2006-2007	ADOPTED 2007-2008	BUDGET 2008-2009	DIFFERENCE FROM 2007-2008	% DIFFERENCE
<u>REVENUES</u>					
Service Charges	\$ 8,664,308	\$ 8,738,400	\$ 8,980,950	\$ 242,550	3%
Electric Public Benefit	246,000	247,904	254,100	6,196	2%
Wholesale Third Party Revenue	-	342,342	487,800 ⁽²⁾	145,458	42%
Interest Income	124,856	124,000	129,000	5,000	4%
Miscellaneous Revenues	56,526	7,000	8,000	1,000	14%
Use of Geothermal Reserves	1,505,049	1,242,143	168,680 ⁽³⁾	(1,073,463)	-86%
TOTAL REVENUES	\$ 10,596,739	\$ 10,701,789	\$ 10,028,530	\$ (673,259)	-6%
<u>EXPENSES BY DEPARTMENT</u>					
City Council	\$ 20,780	\$ 20,040	\$ 21,550	\$ 1,510	8%
Legal	79,844	62,000	80,000	18,000	29%
Administration	206,838	237,767	272,700	34,933	15%
Finance	674,478	729,428	766,900	37,472	5%
Planning	13,448	40,956	52,200	11,244	27%
Fire	28,895	40,462	41,700	1,238	3%
Public Works	50,151	2,716	2,800	84	3%
Electric	2,736,868	2,987,678	3,178,825	191,147	6%
NCPA Power Costs*	5,923,548	5,990,668	7,333,130 ⁽¹⁾	1,342,462	22%
Public Benefit Program	-	246,504	246,500	(4)	0%
Transfer to Capital Projects**	2,491,400	335,000	-	(335,000)	-100%
Non Departmental	88,372	8,570	9,200	630	7%
TOTAL EXPENSES	\$ 12,314,622	\$ 10,701,789	\$ 12,005,505	\$ 1,303,716	12%
Reserved for future use	-	-	-		
RESULTING GAIN (LOSS)	\$ (1,717,883)	\$ -	\$ (1,976,975)		

Note: Approved advance of \$2M rate stabilization reserve to complete Badger Substation phase I. Intent is to reimburse reserves through future bond sale.

- (1) \$1.2M geothermal debt service returns in fiscal year 2009 and will end in July fiscal year 2010.
- (2) The City now gets transmission service from the CAISO (California Independent System Operator) and receives these revenues from the CAISO's use of City's generation assets.
- (3) Planned use of geothermal reserves, remaining available balance after fiscal year 2008 is \$160,000. Debt service will end in July 2010.

*Costs are part of the Electric Department

** Replacement only

COMMUNITY SERVICES ENTERPRISE

	ACTUAL 2006-2007	ADOPTED 2007-2008	BUDGET 2008-2009	DIFFERENCE FROM 2007-2008	% DIFFERENCE
<u>REVENUES</u>					
Transient Occupancy Tax	\$ 1,364,721	\$ 1,423,000	\$ 1,737,800	\$ 314,800	22%
Intergovernmental	9,115	-	-	-	0%
Service Charges	150,938	181,080	286,800	(1) 105,720	58%
Interest Income	33,729	15,000	20,000	5,000	33%
Miscellaneous Revenues	658,564	24,250	20,000	(4,250)	-18%
Transfers	-	320,000	-	(320,000)	-100%
TOTAL REVENUES	\$ 2,217,067	\$ 1,963,330	\$ 2,064,600	\$ 101,270	5%
<u>EXPENSES BY DEPARTMENT</u>					
City Council	\$ 2,925	\$ 2,354	\$ 2,675	\$ 321	14%
Legal	16,338	12,000	10,000	(2,000)	-17%
Administration	26,468	73,190	102,500	29,310	40%
Finance	49,978	98,362	135,450	37,088	38%
Community Services	1,259,695	1,365,463	1,718,700	(1) 353,237	26%
Fire	21,791	35,644	36,800	1,156	3%
Public Works	2,104	-	-	-	0%
Transfer to Capital Projects	595,500	320,882	-	(320,882)	-100%
Non Departmental	87,504	55,435	50,850	(4,585)	-8%
TOTAL EXPENSES	\$ 2,062,303	\$ 1,963,330	\$ 2,056,975	\$ 93,645	5%
Reserved for future use	154,764	-	7,625		
RESULTING GAIN (LOSS)	\$ -	\$ -	\$ -		

(1) New recreation programs.

MEETING CENTER ENTERPRISE

	ACTUAL 2006-2007	ADOPTED 2007-2008	BUDGET 2008-2009	DIFFERENCE FROM 2007-2008	% DIFFERENCE
<u>REVENUES</u>					
Facility Rent	\$ 272,568	\$ 273,600	295,900	\$ 22,300	8%
Miscellaneous Revenues	20,652	26,000	21,550	(4,450)	-17%
Transfer from Community Service Ent	34,736	9,664	-	(9,664)	-100%
TOTAL REVENUES	\$ 327,956	\$ 309,264	\$ 317,450	\$ 8,186	3%
<u>EXPENSES BY DEPARTMENT</u>					
Community Services	\$ 266,240	\$ 296,155	\$ 306,200	\$ 10,045	3%
Fire	9,435	13,109	3,000	(10,109)	-77%
Non Departmental	42,018	-	-	-	0%
TOTAL EXPENSES	\$ 317,693	\$ 309,264	\$ 309,200	\$ (64)	0%
Reserved for future use	10,263	-	8,250		
RESULTING GAIN (LOSS)	\$ -	\$ -	\$ -		

TRANSIT ENTERPRISE

	ACTUAL 2006-2007	ADOPTED 2007-2008	BUDGET 2008-2009	DIFFERENCE FROM 2007-2008	% DIFFERENCE
<u>REVENUES</u>					
Transfers (Grants/Measure M)	\$ 221,393	\$ 230,507	\$ 268,675	\$ 38,168	17%
Income (Fares)	19,060	18,000	22,100	4,100	23%
Interest Income	4,519	-	5,000	5,000	100%
Transfer from Community Services Ent	47,667	-	-	-	0%
TOTAL REVENUES	\$ 292,639	\$ 248,507	\$ 295,775	\$ 47,268	19%
<u>EXPENSES BY DEPARTMENT</u>					
Finance	\$ 7,889	\$ 8,912	\$ 8,825	\$ (87)	-1%
Community Services	226,012	236,660	284,150	47,490	20%
Non Departmental	3,861	2,935	2,800	135	5%
TOTAL EXPENSES	\$ 237,762	\$ 248,507	\$ 295,775	\$ 47,538	19%
Reserved for future use	54,877	-	-		
RESULTING GAIN (LOSS)	\$ -	\$ -	\$ -		

PLANNING & BUILDING ENTERPRISE

	ACTUAL 2006-2007	ADOPTED 2007-2008	BUDGET 2008-2009	DIFFERENCE FROM 2007-2008	% DIFFERENCE
<u>REVENUES</u>					
Building Permits/Fees	\$ 491,765	\$ 417,000	\$ 297,275	\$ (119,725)	-29%
Planning Permits/Fees	153,363	120,000	90,000	(30,000)	-25%
Interest Income	60,872	35,000	43,000	8,000	23%
Use of Reserves	-	69,418	225,225	155,807	224%
TOTAL REVENUES	\$ 706,000	\$ 641,418	\$ 655,500	\$ 14,082	2%
<u>EXPENSES BY DEPARTMENT</u>					
City Council	\$ 1,311	\$ 1,685	\$ 1,700	\$ 15	1%
Legal	58,781	88,000	65,000	(23,000)	-26%
Administration	18,600	19,708	19,900	192	1%
Finance	18,467	21,419	25,700	4,281	20%
Planning & Building	505,883	482,640	525,900	43,260	9%
Public Works	2,753	2,716	2,800	84	3%
Non Departmental	4,923	25,250	14,500	(10,750)	-43%
TOTAL EXPENSES	\$ 610,718	\$ 641,418	\$ 655,500	\$ 14,082	2%
Reserved for future use	95,282	-	-		
RESULTING GAIN (LOSS)	\$ -	\$ -	\$ -		

LIGHTING & LANDSCAPING DISTRICT AREA A

	ACTUAL 2006-2007	ADOPTED 2007-2008	BUDGET 2008-2009	DIFFERENCE FROM 2007-2008	% DIFFERENCE
<u>REVENUES</u>					
Special Assessments	\$ 144,568	\$ 148,194	\$ 154,020	\$ 5,826	4%
Interest Income	16,385	5,950	5,455	(495)	-8%
Transfer	62,000	215,740 (1)	-	(215,740)	-100%
TOTAL REVENUES	\$ 222,953	\$ 369,884	\$ 159,475	\$ (210,409)	-57%
<u>EXPENSES BY DEPARTMENT</u>					
Finance	\$ -	\$ -	\$ 6,000	\$ 6,000	100%
Community Services	94,455	134,159	\$ 137,000	\$ 2,841	2%
Non Departmental	64,585	235,725	9,700	(226,025)	-96%
TOTAL EXPENSES	\$ 159,040	\$ 369,884	\$ 152,700	\$ (217,184)	-59%
Reserved for future use	63,913	-	6,775		
RESULTING GAIN (LOSS)	\$ -	\$ -	\$ -		

(1) Use of prior year reserves to fund planned capital projects within the assessment areas of the districts and in conformance with the legal guidelines.

STREET & DEVELOPMENT ENTERPRISE

	ACTUAL 2006-2007	ADOPTED 2007-2008	BUDGET 2008-2009	DIFFERENCE FROM 2007-2008	% DIFFERENCE
<u>REVENUES</u>					
Intergovernmental Revenues	\$ 946,302	\$ 771,280	\$ 952,220	(2) \$ 180,940	23%
Miscellaneous Revenues	214,209	201,000	263,950	(3) 62,950	31%
Interest Income	36,780	20,000	31,500	11,500	58%
TOTAL REVENUES	\$ 1,197,291	\$ 992,280	\$ 1,247,670	\$ 255,390	26%
<u>EXPENSES BY DEPARTMENT</u>					
City Council	\$ 3,277	\$ 3,072	\$ 3,375	\$ 303	10%
Legal	-	500	13,000	12,500	2500%
Administration	25,614	30,910	30,700	(210)	-1%
Finance	27,089	31,264	35,275	4,011	13%
Planning & Building	-	-	13,275	13,275	100%
Public Works	904,368	1,033,613	1,108,100	74,487	7%
Electric	4,235	-	-	-	0%
Non Departmental	4,459	965	4,650	3,685	382%
TOTAL EXPENSES	\$ 969,042	\$ 1,100,324	\$ 1,208,375	\$ 108,051	10%
Reserved for future use	228,249	-	39,295		
RESULTING GAIN (LOSS)	\$ -	\$ (108,044) (1)	\$ -		

(1) 2007-2008 Proposition 42 "gap" funding year.

(2) Intergovernmental includes \$83,930 Measure M, \$112,689 Traffic Congestion Relief, \$230,520 Gas Tax and \$607,500 Trench Cut and Right of Way Use Fees.

(3) Miscellaneous revenues include engineering and inspection fees.

AIRPORT ENTERPRISE

	ACTUAL 2006-2007	ADOPTED 2007-2008	BUDGET 2008-2009	DIFFERENCE FROM 2007-2008	% DIFFERENCE
<u>REVENUES</u>					
Rents	\$ 94,127	\$ 130,878	\$ 127,000	\$ (3,878)	-3%
Fuel Sales	197,968	190,000	220,000	30,000	16%
Miscellaneous Revenues	1,930	3,400	2,400	(1,000)	-29%
Transfer from Community Service Ent.	69,947	29,000	8,150	(20,850)	-72%
Interest Income	515	-	-	-	0%
TOTAL REVENUES	\$ 364,487	\$ 353,278	\$ 357,550	\$ 4,272	1%
<u>EXPENSES BY DEPARTMENT</u>					
Administration	\$ -	\$ -	\$ 6,750	\$ 6,750	100%
Finance	8,904	15,385	8,000	(7,385)	-48%
Community Services	253,227	331,419 ⁽²⁾	335,700	4,281	1%
Planning	10,642	6,474	-	(6,474)	-100%
Fire	-	-	7,100	7,100	100%
Transfer to Capital Project	70,342	-	-	-	0%
Non Departmental	1,725	-	-	-	0%
TOTAL EXPENSES	\$ 344,840	\$ 353,278	\$ 357,550	\$ 4,272	1%
Reserved for future use	19,647	-	-		
RESULTING GAIN (LOSS)	\$ -	\$ -	\$ -		

BENJAMIN WAY MAINTENANCE DISTRICT

	ACTUAL 2006-2007	ADOPTED 2007-2008	BUDGET 2008-2009	DIFFERENCE FROM 2007-2008	% DIFFERENCE
<u>REVENUES</u>					
Maintenance fees	\$ 440	\$ 440	\$ 440	\$ -	0%
Interest Income	232	100	100	-	0%
TOTAL REVENUES	\$ 672	\$ 540	\$ 540	\$ -	0%
<u>EXPENSES BY DEPARTMENT</u>					
Finance	\$ -	\$ 440	\$ 440	\$ -	0%
Non Departmental	7	-	-	\$ -	0%
TOTAL EXPENSES	\$ 7	\$ 440	\$ 440	\$ -	0%
Reserved for future use	\$ 665	100	100		
RESULTING GAIN (LOSS)	\$ -	\$ -	\$ -		

Note: City in street easements.

SCHOOL SERVICES ENTERPRISE

	ACTUAL 2006-2007	ADOPTED 2007-2008	BUDGET 2008-2009	DIFFERENCE FROM 2007-2008	% DIFFERENCE
<u>REVENUES</u>					
Healdsburg Unified School District	\$ 61,265	\$ 69,600	\$ 73,000	\$ 3,400	5%
Transfer from Community Service Ent.	31,100	44,871	40,500	(4,371)	-10%
School Fees	22,060	20,000	20,000	-	0%
TOTAL REVENUES	\$ 114,425	\$ 134,471	\$ 133,500	\$ (971)	-1%
<u>EXPENSES BY DEPARTMENT</u>					
Community Services	\$ 107,589	\$ 134,471	\$ 133,500	\$ (971)	-1%
TOTAL EXPENSES	\$ 107,589	\$ 134,471	\$ 133,500	\$ (971)	-1%
Reserved for future use	6,836	-	-		
RESULTING GAIN (LOSS)	\$ -	\$ -	\$ -		

AFTER SCHOOL PROGRAM FUND

	ACTUAL 2006-2007	ADOPTED 2007-2008	BUDGET 2008-2009	DIFFERENCE FROM 2007-2008	% DIFFERENCE
<u>REVENUES</u>					
Other Revenues	\$ -	\$ -	\$ 211,000	\$ 211,000	100%
TOTAL REVENUES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 211,000</u>	(1) <u>\$ 211,000</u>	<u>100%</u>
<u>EXPENSES BY DEPARTMENT</u>					
Community Services	\$ -	\$ -	\$ 194,300	\$ 194,300	100%
TOTAL EXPENSES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 194,300</u>	(1) <u>\$ 194,300</u>	<u>100%</u>
Reserved for future use	-	-	16,700		
RESULTING GAIN (LOSS)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>		

(1) New after school program.

COMMERCIAL & INDUSTRIAL FUND

	ACTUAL 2006-2007	ADOPTED 2007-2008	BUDGET 2008-2009	DIFFERENCE FROM 2007-2008	% DIFFERENCE
<u>REVENUES</u>					
Increment	\$ 6,494,420	\$ 6,566,500	\$ 7,068,708	\$ 502,208	8%
Interest Income	141,209	100,000	103,000	3,000	3%
Use of Taxable Bond Proceeds		752,721	1,377,467	624,746	83%
Use of Bond Proceeds	141,049	201,000	290,000	89,000	44%
TOTAL REVENUES	\$ 6,776,678	\$ 7,620,221	\$ 8,839,175	\$ 1,218,954	16%
<u>EXPENSES BY DEPARTMENT</u>					
City Council	\$ 13,031	\$ 15,259	\$ 15,650	\$ 391	3%
Legal	27,896	20,000	22,300	2,300	12%
Administration	309,332	487,182	829,975	342,793	70%
Finance	145,970	172,666	180,650	7,984	5%
Community Services	298,651	342,614	479,650	137,036	40%
Planning & Building	198,670	290,942	213,850	(77,092)	-26%
Fire	95,958	157,077	154,800	(2,277)	-1%
Financing	4,631,016	4,719,481	4,962,300	242,819	5%
Projects	1,394,292	1,121,000	1,245,000	124,000	11%
Non Departmental	373,185	294,000	735,000	441,000	150%
TOTAL EXPENSES	\$ 7,488,001	\$ 7,620,221	\$ 8,839,175	\$ 1,218,954	16%
Reserved for future use	-	-	-		
RESULTING GAIN (LOSS)	\$ (711,323)	\$ -	\$ -		

LOW & MODERATE INCOME HOUSING FUND

	ACTUAL 2006-2007	ADOPTED 2007-2008	BUDGET 2008-2009	DIFFERENCE FROM 2007-2008	% DIFFERENCE
<u>REVENUES</u>					
Increment	\$ 1,623,605	\$ 1,641,120	\$ 1,760,200	\$ 119,080	7%
Interest Income	95,932	25,000	71,000	46,000	184%
Use of Taxable Bond Proceeds	23,591	280,386	675,975	395,589	141%
TOTAL REVENUES	\$ 1,743,128	\$ 1,946,506	\$ 2,507,175	\$ 560,669	29%
<u>EXPENSES BY DEPARTMENT</u>					
Legal	\$ 22,450	\$ 60,000	\$ 45,000	\$ (15,000)	-25%
Administration	43,494	37,193	154,100	116,907	314%
Finance	56,629	67,769	73,650	5,881	9%
Community Services	68,927	80,540	101,600	21,060	26%
Planning & Building	305,909	352,799	248,250	(104,549)	-30%
Financing	834,560	824,155	820,425	(3,730)	0%
Projects	265,864	490,000	1,050,000	560,000	114%
Non Departmental	14,882	34,050	14,150	(19,900)	-58%
TOTAL EXPENSES	\$ 1,612,715	\$ 1,946,506	\$ 2,507,175	\$ 560,669	29%
Reserved for future use	130,413		-		
RESULTING GAIN (LOSS)	\$ -	\$ -	\$ -		

UDAG FUND

	ACTUAL 2006-2007	ADOPTED 2007-2008	BUDGET 2008-2009	DIFFERENCE FROM 2007-2008	% DIFFERENCE
<u>REVENUES</u>					
Developer Loan Interest Payments	\$ 156,087	\$ 90,000	\$ 120,000	\$ 30,000	33%
Interest Income	33,806	45,000	20,000	(25,000)	-56%
TOTAL REVENUES	\$ 189,893	\$ 135,000	\$ 140,000	\$ 5,000	4%
<u>EXPENSES BY DEPARTMENT</u>					
Finance	\$ 3,587	\$ 4,095	\$ 7,225	\$ 3,130	76%
Non Departmental	5,025	4,200	12,000	7,800	186%
TOTAL EXPENSES	\$ 8,612	\$ 8,295	\$ 19,225	\$ 10,930	132%
Reserved for future use	181,281	126,705	120,775		
RESULTING GAIN (LOSS)	\$ -	\$ -	\$ -		

PROJECT PARTICIPATION FUND

	ACTUAL 2006-2007	ADOPTED 2007-2008	BUDGET 2008-2009	DIFFERENCE FROM 2007-2008	% DIFFERENCE
<u>REVENUES</u>					
Rental Income	\$ 403,230	\$ 397,000	\$ 419,340 (1)	\$ 22,340	6%
Interest Income	35,690	-	38,000	38,000	100%
TOTAL REVENUES	\$ 438,920	\$ 397,000	\$ 457,340	\$ 60,340	15%
<u>EXPENSES BY DEPARTMENT</u>					
Non Departmental	\$ 51,149	\$ 50,000	\$ 53,700 (2)	\$ 3,700	7%
TOTAL EXPENSES	\$ 51,149	\$ 50,000	\$ 53,700	\$ 3,700	7%
Reserved for future use	387,771	347,000	403,640		
RESULTING GAIN (LOSS)	\$ -	\$ -	\$ -		

(1) Includes Vineyard Plaza, Swenson and Healdsburg phase II rents.

(2) Transfer to Community Benefit Trust.

INSURANCE & BENEFITS

	ACTUAL 2006-2007	ADOPTED 2007-2008	BUDGET 2008-2009	DIFFERENCE FROM 2007-2008	% DIFFERENCE
<u>REVENUES</u>					
Service Fees	\$ 7,012,585	\$ 7,060,543	\$ 7,651,600	\$ 591,057	8%
Interest Income	114,213	47,300	70,000	22,700	48%
TOTAL REVENUES	\$ 7,126,798	\$ 7,107,843	\$ 7,721,600	\$ 613,757	9%
<u>EXPENSES BY DEPARTMENT</u>					
Non Departmental:					
Public Employee Retirement	\$ 2,765,260	\$ 3,017,429	\$ 3,180,025	\$ 162,596	5%
Health & Life Insurance	1,645,683	1,572,778	1,763,200	190,422	12%
Medicare	120,930	130,918	147,100	16,182	12%
Long Term Disability	75,631	52,676	57,300	4,624	9%
State Unemployment Insurance	6,049	84,304	92,925	8,621	10%
Workers' Compensation Leave	71,211	80,293	91,050	10,757	13%
Workers' Compensation	478,351	330,592	362,400	31,808	10%
Public Safety Leave	20,173	38,114	40,175	2,061	5%
Holiday Leave	448,214	522,394	562,400	40,006	8%
Vacation Leave	673,652	770,784	836,100	65,316	8%
Management Leave	99,700	144,292	177,450	33,158	23%
Sick Leave	538,228	333,969	362,525	28,556	9%
Other	12,540	18,500	27,000	8,500	46%
TOTAL EXPENSES	\$ 6,955,622	\$ 7,097,043	\$ 7,699,650	\$ 602,607	8%
Reserved for future use	171,176	10,800	21,950		
RESULTING GAIN (LOSS)	\$ -	\$ -	\$ -		

VEHICLE REPLACEMENT & SERVICES

	ACTUAL 2006-2007	ADOPTED 2007-2008	BUDGET 2008-2009	DIFFERENCE FROM 2007-2008	% DIFFERENCE
<u>REVENUES</u>					
Service Fees	\$ 495,780	\$ 523,710	\$ 630,300	(1) \$ 106,590	20%
Replacement Fees	818,712	980,818	688,200	(1) (292,618)	-30%
Interest Income	127,606	75,000	94,000	19,000	25%
Transfers & Other Revenues	410	-	-	-	0%
TOTAL REVENUES	\$ 1,442,508	\$ 1,579,528	\$ 1,412,500	\$ (167,028)	-11%
<u>EXPENSES BY DEPARTMENT</u>					
Finance	\$ 15,416	\$ 19,036	\$ 18,075	\$ (961)	-5%
Community Services	60,472	36,900	69,300	32,400	88%
Planning & Building	1,254	1,600	1,500	(100)	-6%
Police	84,772	82,300	86,400	4,100	5%
Fire	90,940	426,352	100,775	(325,577)	-76%
Public Works	406,269	275,795	421,600	145,805	53%
Electric	49,081	205,600	140,000	(65,600)	-32%
Non Departmental	119,890	38,085	50,500	12,415	33%
TOTAL EXPENSES	\$ 828,094	\$ 1,085,668	\$ 888,150	\$ (197,518)	-18%
Reserve for future replacement	614,414	493,860	524,350		
RESULTING GAIN (LOSS)	\$ -	\$ -	\$ -		

(1) Budget 2009 reflects true costs for all departments.

VEHICLE RETIREMENTS FOR FY 2008-2009

<u>Community Services:</u>	Vehicle # 12 '93 GMC 1/2 Ton Truck
<u>Police:</u>	Vehicle # 218 '04 Crown Victoria
<u>Fire:</u>	Vehicle # 6341 '99 Dodge
<u>Electric:</u>	Vehicle # 112 '94 Ford Super Duty Bucket Truck
<u>Public Works:</u>	Vehicle # 68 '97 GMC Water Utility
<u>Public Works:</u>	Vehicle # 30 '86 Forklift

VEHICLE PURCHASES FOR FY 2008-2009

<u>Community Services:</u>	1/2 Ton Truck
<u>Police:</u>	Crown Victoria
<u>Fire:</u>	Hazmat Inspector Vehicle
<u>Electric:</u>	Super Duty Bucket truck
<u>Public Works:</u>	Water Utility Truck
<u>Public Works:</u>	Forklift

INFORMATION SYSTEMS REPLACEMENT & SERVICES

	ACTUAL 2006-2007	ADOPTED 2007-2008	BUDGET 2008-2009	DIFFERENCE FROM 2007-2008	% DIFFERENCE
<u>REVENUES</u>					
Service Fees	\$ 701,909	\$ 711,995	\$ 777,680	\$ 65,685	9%
Replacement Fees	297,639	254,013	243,375	(10,638)	-4%
Interest Income	34,647	25,000	30,000	5,000	20%
Other	62,388	-	-	-	0%
TOTAL REVENUES	\$ 1,096,583	\$ 991,008	\$ 1,051,055	\$ 60,047	6%
<u>EXPENSES BY DEPARTMENT</u>					
Legal	\$ -	\$ -	\$ -	\$ -	0%
Administration	6,183	13,715	11,200	(2,515)	-18%
Finance	680,467	496,249	474,250	(21,999)	-4%
Community Services	42,009	17,850	11,175	(6,675)	-37%
Planning & Building	5,628	9,765	7,225	(2,540)	-26%
Police	56,952	78,440	48,600	(29,840)	-38%
Fire	27,043	17,110	10,350	(6,760)	-40%
Public Works	57,215	78,080	37,725	(40,355)	-52%
Electric	13,731	11,740	14,900	3,160	27%
Non Departmental-Central Services	135,937	268,020	435,150	167,130	62%
TOTAL EXPENSES	\$ 1,025,165	\$ 990,969	\$ 1,050,575	\$ 59,606	6%
Reserved for future replacements	71,418	39	480		
RESULTING GAIN (LOSS)	\$ -	\$ -	\$ -		

INFORMATION SYSTEMS PURCHASES FOR FY 2008-2009

Department Replacements

Desktop Computers/Workstations	20,200
Laptops	17,000
Monitors	21,400
Software Upgrades	16,000
Printers	13,900
UPS Systems	11,190
Wireless Handhelds	600

Network Equipment

Network Servers/Switches/Routers	84,620
TOTAL PURCHASES	184,910

BUILDING MAINTENANCE - SERVICE FUND

	ACTUAL 2006-2007	ADOPTED 2007-2008	BUDGET 2008-2009	DIFFERENCE FROM 2007-2008	% DIFFERENCE
<u>REVENUES</u>					
Service Fees	\$ 803,623	\$ 931,296	\$ 1,123,900	\$ 192,604	21%
Interest Income	43,616	35,000	15,000	(20,000)	-57%
TOTAL REVENUES	\$ 847,239	\$ 966,296	\$ 1,138,900	\$ 172,604	18%
<u>EXPENSES BY DEPARTMENT</u>					
Finance	\$ -	\$ -	\$ 7,450	\$ 7,450	100%
Community Services	7,586	8,574	19,350	10,776	126%
Public Works	32,815	32,387	42,775	10,388	32%
Non Departmental	772,841	864,875	1,052,725	187,850	22%
TOTAL EXPENSES	\$ 813,242	\$ 905,836	\$ 1,122,300	\$ 209,014	23%
Reserve for future use	33,997	60,460	16,600		
RESULTING GAIN (LOSS)	\$ -	\$ -	\$ -		

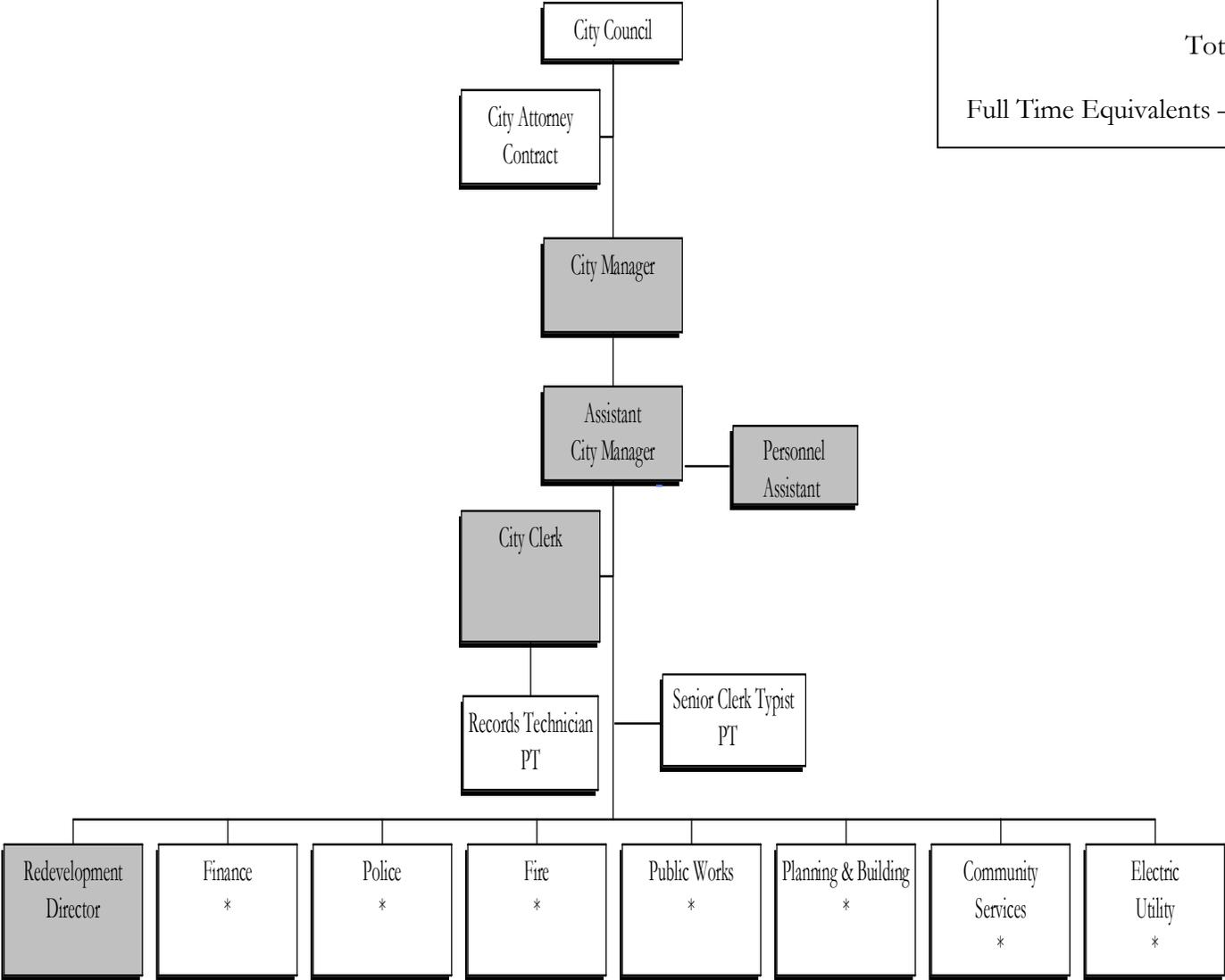
OTHER DEBT SERVICE

	ACTUAL 2006-2007	ADOPTED 2007-2008	BUDGET 2008-2009	DIFFERENCE FROM 2007-2008	% DIFFERENCE
<u>REVENUES</u>					
Transfers	\$ 3,078,366	\$ 3,060,930	\$ 3,050,375	\$ (10,555)	0%
Property Tax	591,014	692,229	711,810	19,581	3%
Interest Income	152,079	58,107	70,500	12,393	21%
TOTAL REVENUES	\$ 3,821,459	\$ 3,811,266	\$ 3,832,685	\$ 21,419	1%
<u>EXPENSES BY DEPARTMENT</u>					
Non Departmental	\$ 3,936,592	3,781,266	3,787,685	\$ 6,419	0%
TOTAL EXPENSES	\$ 3,936,592	\$ 3,781,266	\$ 3,787,685	\$ 6,419	0%
Reserved for future use	-	30,000	45,000		
RESULTING GAIN (LOSS)	\$ (115,133)	\$ -	\$ -		

Notes:

ADMINISTRATION

Full Time - 5
Part Time - 2
Contracted - 1
Total – 8
Full Time Equivalents – 6.00



*Department Heads are listed by department.

ADMINISTRATION

The legislative and central administration functions of the City are coordinated by the Administration Department, which includes the City Council, City Manager, City Attorney, City Clerk, Personnel and Redevelopment Services.

City Council

The City Council is the governing body of the City. There are five Council members, elected at large by the voters of Healdsburg to serve four-year terms. Each year the Mayor is elected by a majority vote of the City Council. It is the responsibility of the City Council to set policy for the City and to adopt an annual budget. The City Council also makes appointments to the positions of City Manager, City Attorney and City Clerk.

City Manager

The City Manager is responsible for the overall management of City operations. This includes direct coordination with the City Council, supervision of City departments, intergovernmental relations, economic development, franchise management and public information. The Assistant City Manager reports to the City Manager and provides direct assistance with these functions.

City Attorney

The City Attorney is the primary legal advisor to the City Council, its Commissions and City departments. Major activities include providing accurate legal advice and direction to ensure that the City's operations conform with all federal, state, and City laws, as well as representing the City in legal proceedings. These services are provided on a contract basis by an outside legal firm.

City Clerk

The primary function of the City Clerk's office is the maintenance and management of all official City records. This includes: legislative history, preparation of City Council agendas, noticing public hearings for the City Council and the coordination of City elections.

Personnel Services

Personnel Services is responsible for administering the City's human resources management system. This entails labor relations and negotiations, recruitment, benefits administration, policy and staff development. In addition, the division provides personnel support services to all City departments.

MAJOR DEPARTMENTAL TASKS COMPLETED FISCAL YEAR 2007-2008

- Developed and implemented personnel rules and regulations
- Completed recruitment and hired new Public Works Director
- Completed negotiations for the assignment of the solid waste franchise from Waste Management to Redwood Empire Disposal
- Completed a City Action Plan outlining tasks and activities that will enable the City to reduce greenhouse gas emissions
- Solved the cost problem that high water and sewer development fees posed for business
- Contract negotiations with the I.A.F.F.
- Distributed \$68,000 in Community Benefit Grants to local community based and nonprofit organizations

MAJOR DEPARTMENTAL GOALS FOR FISCAL YEAR 2008-2009

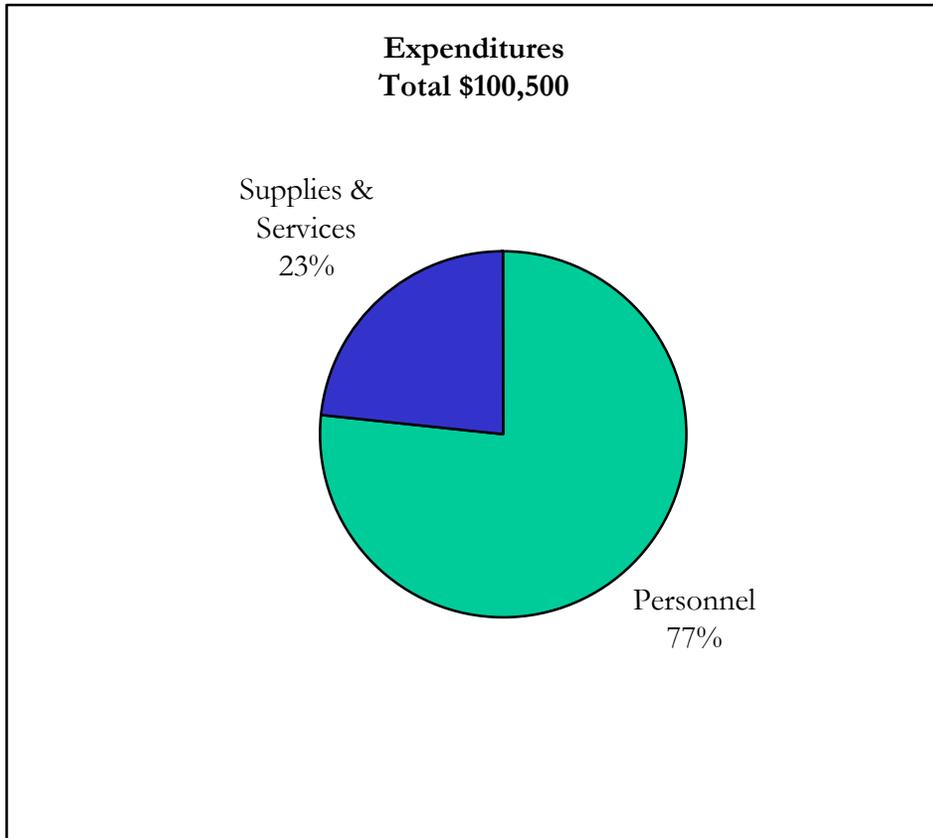
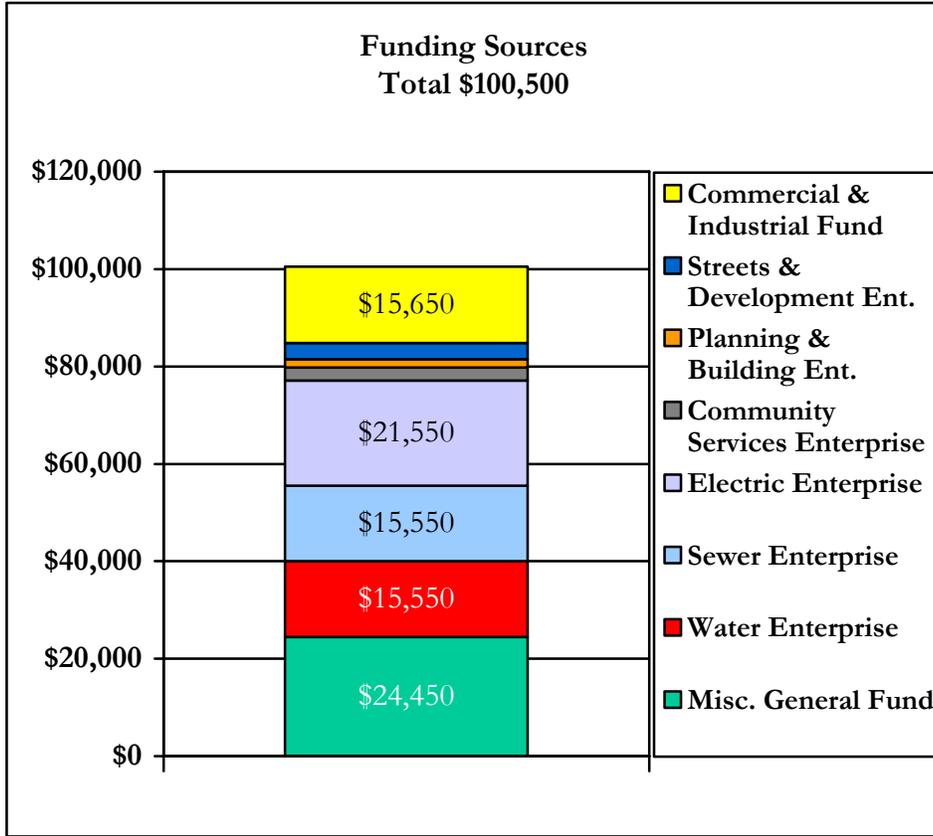
- ◆ Implement the water and sewer committee recommendations to adjust business development fees to facilitate community and economic development goals
- ◆ Complete the General Plan update
- ◆ Add another segment to the Foss Creek Trail in the vicinity of the train depot
- ◆ Secure additional revenue sources for Police, Fire and street maintenance
- ◆ Complete all decisions related to the entitlement process and make a decision regarding the Saggio Hills project; if approved, initiate the community process to determine preferred site development concept for the 14-acre affordable housing site
- ◆ Adopt and implement an operations and management agreement with the Open Space District for the Healdsburg Ridge properties
- ◆ Secure Federal and State funding for the water reclamation facility, bridge reconstruction and freeway interchange projects
- ◆ Develop and implement a Supervisor Training Academy for employees to promote succession planning and enhance interdepartmental relationships
- ◆ Compile a City policy manual.

FUTURE OBJECTIVES

Overwhelming voter approval (82%) in support of proposition 1A several years ago, provides ongoing safeguards for some city revenues such as: property tax, sales tax, and perhaps redevelopment tax increment. Ongoing State budget problems (the inability to spend within revenues) will mean continued risks to local monies, such as: State allocated Cops funding and Prop 172 sales tax monies for public safety. Closer to home, Sanderson Ford's recent LAFCO approval of a Windsor relocation of its car dealership is one step closer to occurring and is likely to be completed after the fiscal year 08/09 budget year. This loss of sales tax revenue to Healdsburg's General Fund poses another hurdle in the ongoing funding problems for the Police and Fire Departments, which currently comprise 96% of the General Fund. Replacement revenue in the form of 9-1-1 telephone fees, a sales tax increase and perhaps other taxpayer approved measures will be required if the City is to maintain existing public safety levels into the future. A similar revenue need is occurring in the City's large backlog of street repair needs. Prop 1B monies will not be sufficient to repair Healdsburg's streets. The Saggio Hills resort project offers an opportunity for additional revenue to support City services and programs.

Over the past several years the City has embarked on a major upgrading of its municipal water, sewer and electric systems. Large capital construction programs to build a water filtration plant, and several water storage tanks, an advanced wastewater treatment facility, and most currently a major overhaul of the Badger Electric substation facilities. Facing a 2010 deadline, a wastewater reclamation system must be designed and placed into service to meet the City's wastewater discharge permit requirements. Such a system could potentially serve the urban and agricultural irrigation needs, but will be a major funding challenge requiring \$8-\$15 million to build. A major initiative to secure State and Federal funding is well under way but may take several years for such funding to be realized. Completion of the General Plan update will provide opportunities to redevelop some commercial and industrial portions of the community as Healdsburg further transitions to an upscale rural boutique, wine tourism economy, that if properly developed might recession-proof Healdsburg while maintaining the quality of life appreciated by its residents and visitors alike.

ADMINISTRATION - City Council

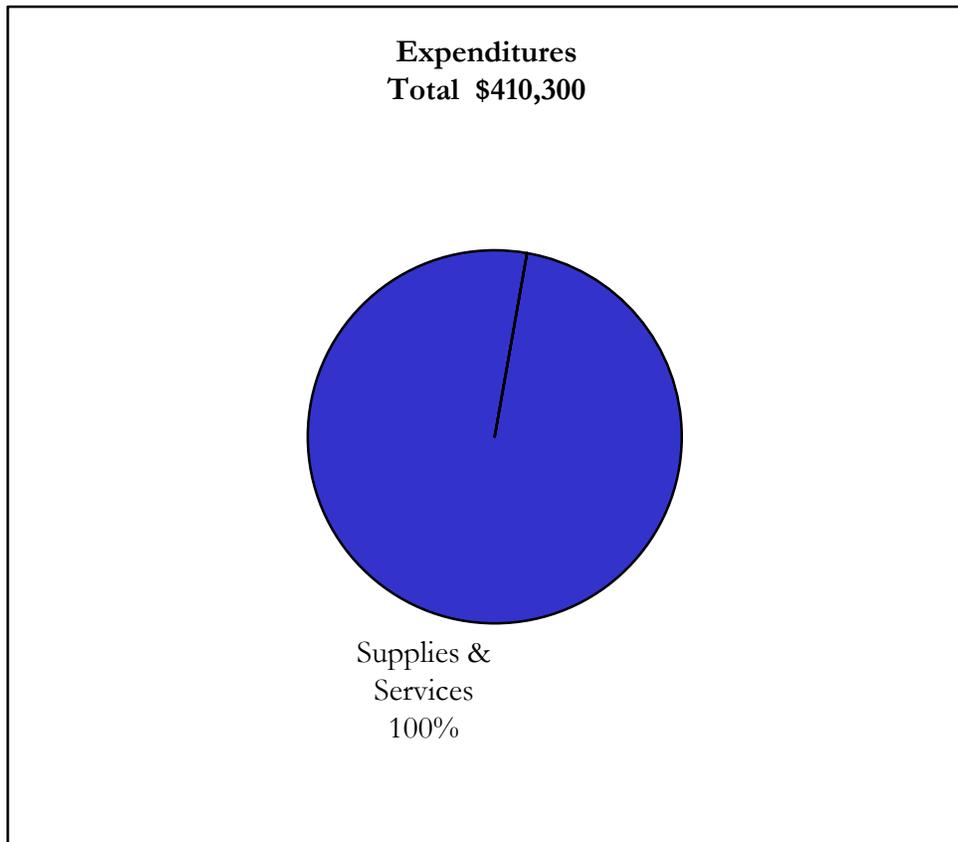
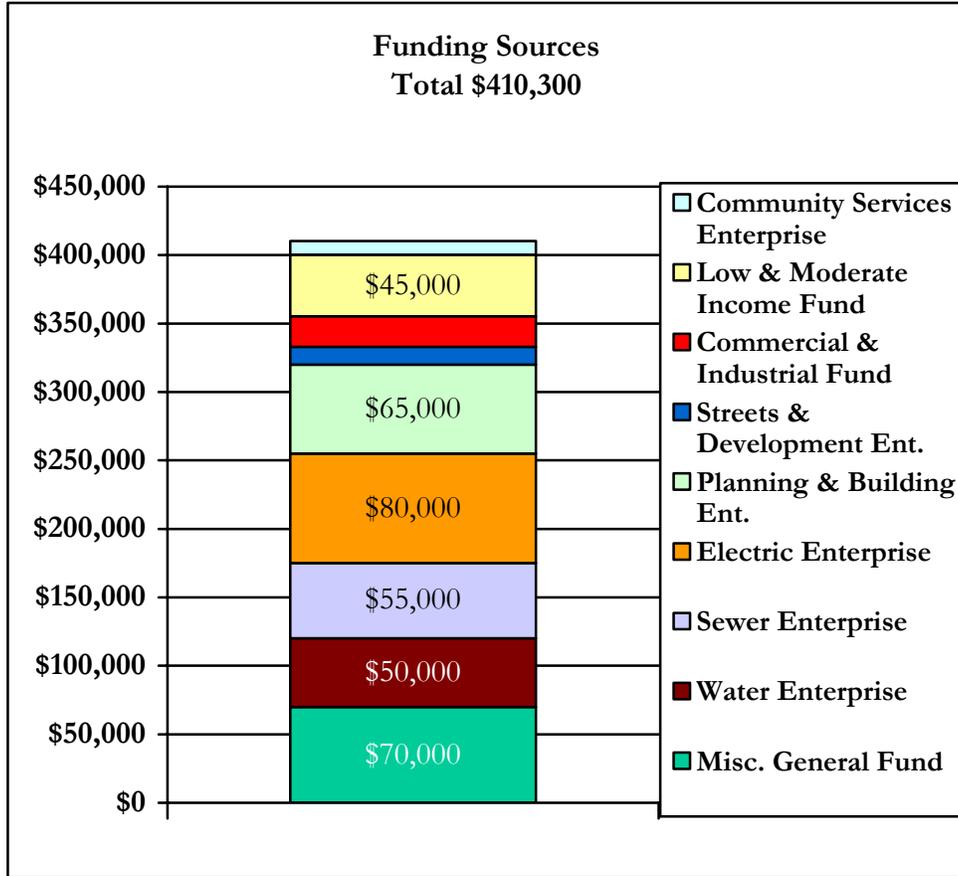


ADMINISTRATION - City Council

FUNDING SOURCES	FUNDING SOURCES 2008-2009
MISC.GENERAL FUND REVENUES	\$ 24,450
WATER ENTERPRISE	15,550
SEWER ENTERPRISE	15,550
ELECTRIC ENTERPRISE	21,550
COMMUNITY SERVICES ENTERPRISE	2,675
PLANNING & BUILDING ENTERPRISE	1,700
STREETS & DEVELOPMENT ENT.	3,375
COMMERCIAL & INDUSTRIAL FUND	15,650
TOTAL REVENUES	\$ 100,500

EXPENSES	ACTUAL 2006-2007	ADOPTED 2007-2008	BUDGET 2008-2009	DIFFERENCE FROM 2007-2008	% DIFFERENCE
WAGES & FRINGE BENEFITS	\$ 65,623	\$ 73,684	\$ 76,950	\$ 3,266	4%
CONTRACTED SERVICES	6,978	7,326	7,500	174	2%
SERVICE FEES	3,696	3,087	3,650	563	18%
TELECOMMUNICATION SERVICE	445	600	500	(100)	-17%
PRINTING & BINDING	-	-	-	-	0%
SUPPLIES	1,055	525	500	(25)	-5%
MEETINGS	12,542	8,400	10,300	1,900	23%
MEMBERSHIPS & DUES	1,312	-	-	-	0%
TRAINING	2,047	2,100	1,100	(1,000)	-48%
TOTAL EXPENSES	\$ 93,698	\$ 95,722	\$ 100,500	\$ 4,778	5%

ADMINISTRATION - Legal

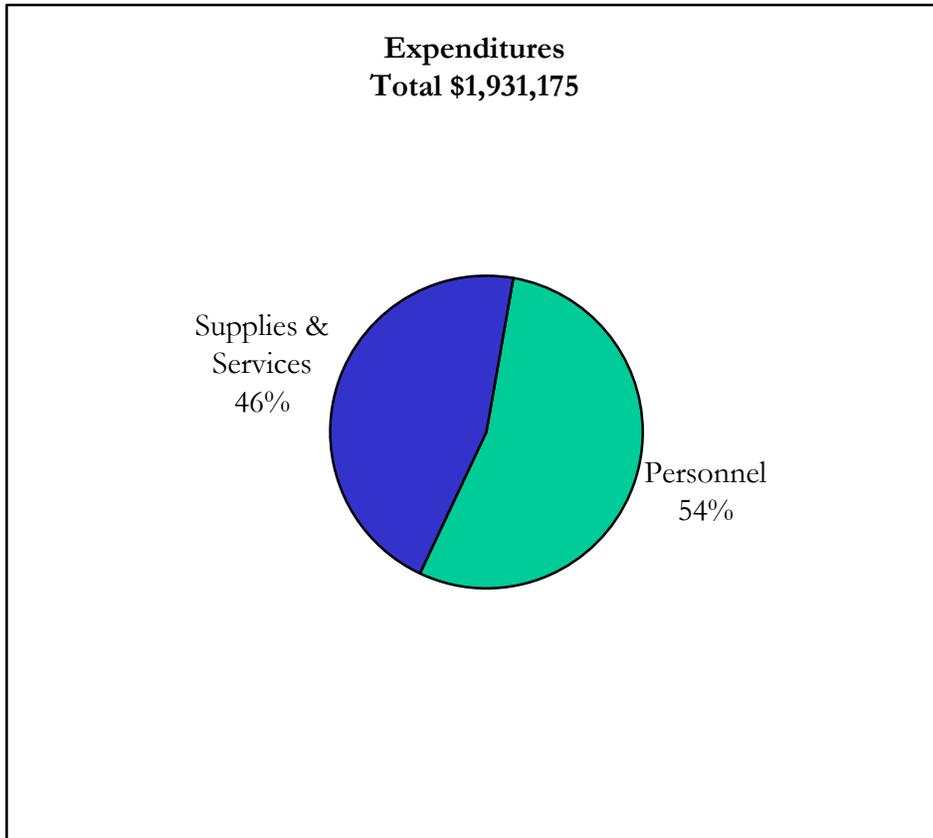
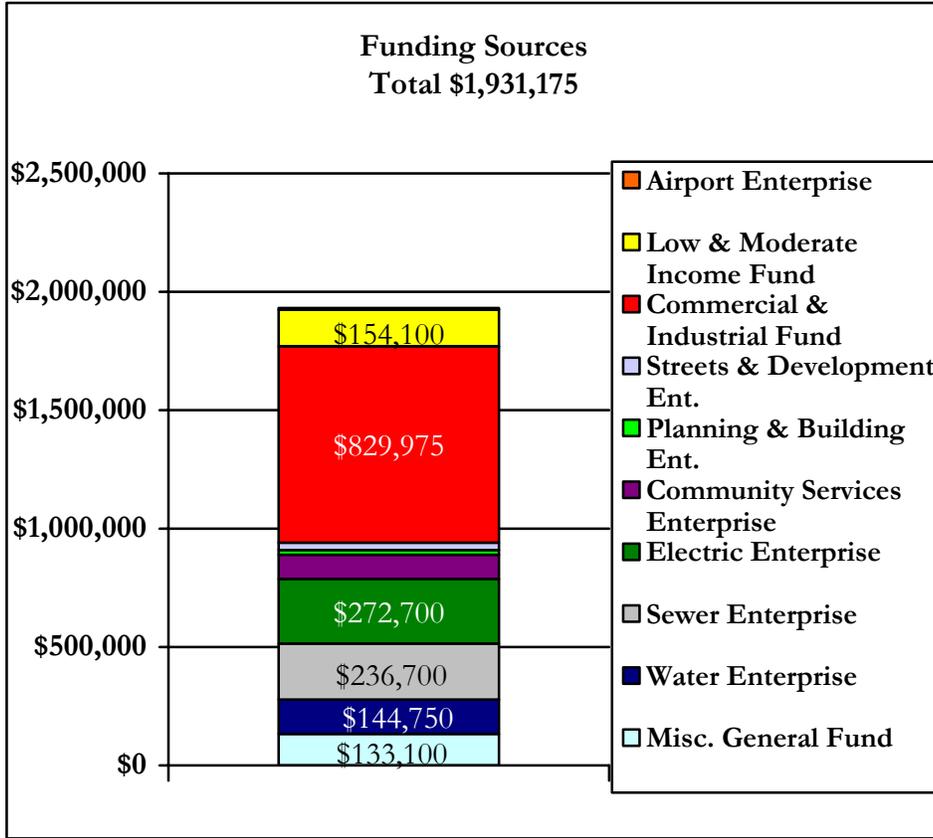


ADMINISTRATION - Legal

FUNDING SOURCES	FUNDING SOURCES 2008-2009
MISC.GENERAL FUND REVENUES	\$ 70,000
WATER ENTERPRISE	50,000
SEWER ENTERPRISE	55,000
ELECTRIC ENTERPRISE	80,000
COMMUNITY SERVICES ENTERPRISE	10,000
PLANNING & BUILDING ENTERPRISE	65,000
STREETS & DEVELOPMENT ENTERPRISE	13,000
COMMERCIAL & INDUSTRIAL FUND	22,300
LOW & MODERATE INCOME FUND	45,000
	<hr/>
TOTAL REVENUES	\$ 410,300

EXPENSES	ACTUAL 2006-2007	ADOPTED 2007-2008	BUDGET 2008-2009	DIFFERENCE FROM 2007-2008	% DIFFERENCE
WAGES & FRINGE BENEFITS	\$ -	\$ -	\$ -	\$ -	0%
CONTRACTED SERVICES	376,157	417,500	410,300	(7,200)	-2%
SERVICE FEES	-	-	-	-	0%
MEETINGS	-	-	-	-	0%
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TOTAL EXPENSES	\$ 376,157	\$ 417,500	\$ 410,300	\$ (7,200)	-2%

ADMINISTRATION - City Manager's Office



ADMINISTRATION - City Manager's Office

FUNDING SOURCES	FUNDING SOURCES 2008-2009
MISC.GENERAL FUND REVENUES	\$ 133,100
WATER ENTERPRISE	144,750
SEWER ENTERPRISE	236,700
ELECTRIC ENTERPRISE	272,700
COMMUNITY SERVICES ENTERPRISE	102,500
PLANNING & BUILDING ENTERPRISE	19,900
STREETS & DEVELOPMENT ENTERPRISE	30,700
AIRPORT ENTERPRISE	6,750
COMMERCIAL & INDUSTRIAL FUND	829,975
LOW & MODERATE INCOME FUND	154,100
CAPITAL PROJECT FUNDING	115,000
TOTAL REVENUES	\$ 2,046,175

EXPENSES	ACTUAL 2006-2007	ADOPTED 2007-2008	BUDGET* 2008-2009	DIFFERENCE FROM 2007-2008	% DIFFERENCE
WAGES & FRINGE BENEFITS	\$ 659,572	\$ 830,008	\$ 1,044,575	\$ 214,567	26%
OVERTIME	-	-	-	-	0%
SUPPORT TO ORGANIZATIONS	14,620	15,800	15,800	-	0%
CONTRACTED SERVICES	217,787	74,200	356,550	282,350	381%
INSURANCE	4,524	4,750	5,500	750	16%
GOVERNMENT FEES	486	-	-	-	0%
ELECTION EXPENSE	5,413	10,000	15,000	5,000	50%
PROJECT PARTICIPATION	60,615	296,300	296,300	-	0%
ADDITIONAL PAY	25,369	13,200	20,800	7,600	58%
RENTALS	-	-	-	-	0%
SERVICE FEES	63,644	64,908	70,700	5,792	9%
REPLACEMENT FEES	7,105	6,215	4,100	(2,115)	-34%
TELECOMMUNICATION SERVICE	3,320	2,645	3,150	505	19%
ADVERTISING & PUBLICATION	85,600	55,400	52,600	(2,800)	-5%
SUPPLIES	9,301	7,330	10,900	3,570	49%
MEETINGS	7,335	10,500	12,900	2,400	23%
MEMBERSHIPS & DUES	13,707	5,860	10,550	4,690	80%
TRAINING	13,288	5,250	6,250	1,000	19%
OTHER EMPLOYEE EXPENSES	-	-	5,500	5,500	100%
CAPITAL ITEMS	222,500	-	-	-	0%
TOTAL OPERATING EXPENSES	\$ 1,414,186	\$ 1,402,366	\$ 1,931,175	\$ 528,809	38%
CAPITAL PROJECTS		10,000	115,000		
GRAND TOTAL EXPENSES		\$ 1,412,366	\$ 2,046,175		

*Includes transfer of Development Director and related expenses from Planning.

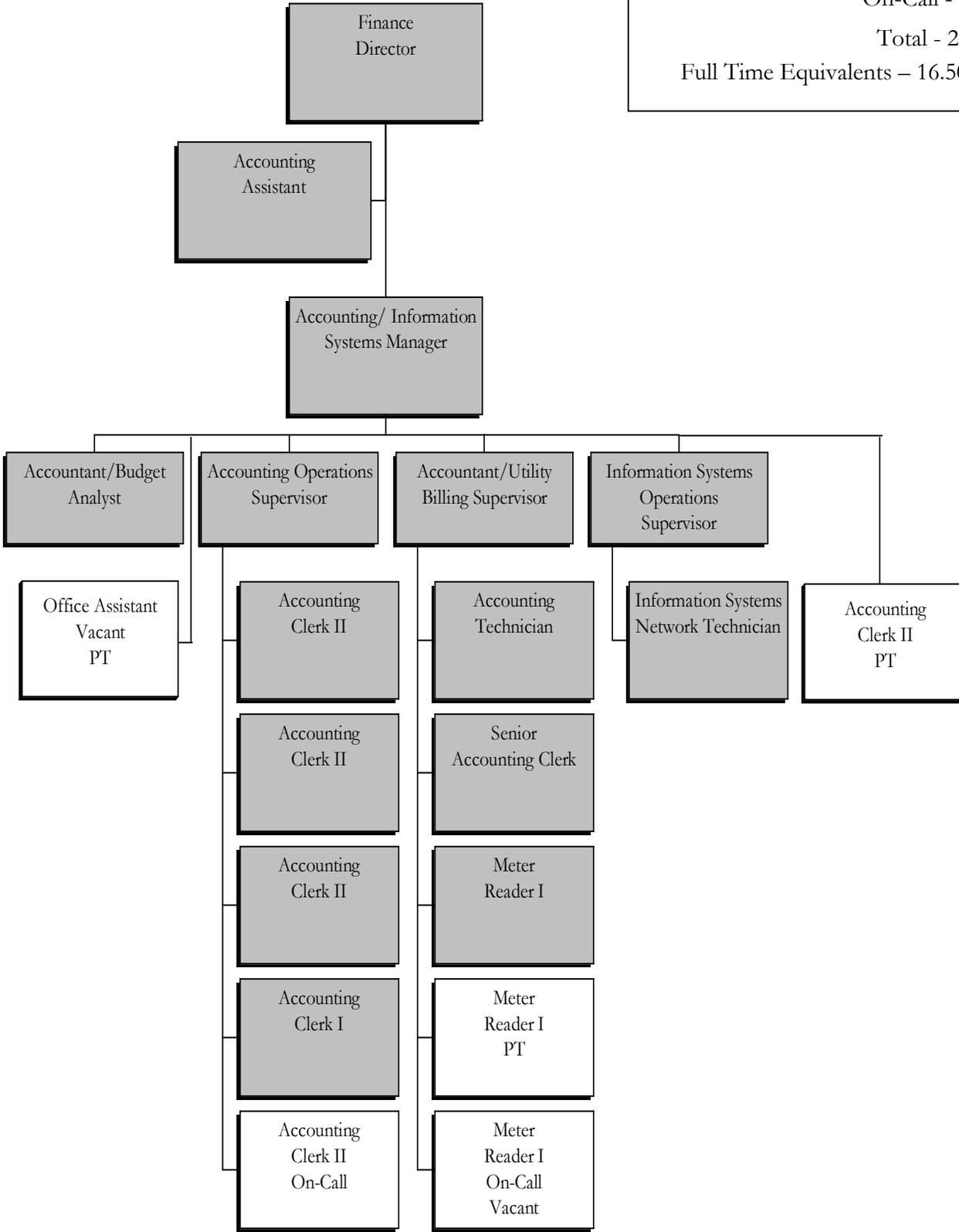
For comparative purposes administration budget increase would be 8% over last year without transfer & Carmen Group contract

FINANCE

Notes:

FINANCE

Full Time - 15
 Part Time - 3
 On-Call - 2
 Total - 20
 Full Time Equivalents – 16.50



FINANCE

The Finance Department is responsible for financial management of all City funds and for providing central support services to other City departments. Services provided include: purchasing, risk management, payroll, accounts payable, utility billing, revenue collections, budget development, treasury management, grant administration, financial reporting and information services. Financial services are also provided for the Redevelopment Agency, as well as for various Trust and Agency Funds.

General Fiscal Services

The general fiscal services provided include: payroll, accounts payable, revenue collection, treasury management, grants administration, budget development, and financial reporting. Payroll services include providing biweekly payments for the entire City workforce of permanent and temporary employees as well as filing all required reports with the Federal and State government and with the retirement system. Accounts payable services consist of making all disbursements for the City, Redevelopment Agency and Trust Funds. Revenue and collections include collection of all general government revenues such as business and transient occupancy taxes, and collection of all enterprise fund revenues such as water, sewer, electric and transit. Treasury management includes investment of funds, cash management and debt management. Grant administration consists of preparation of and billing for transit, infrastructure and disaster relief funds from other government agencies. Budget development involves coordination of departmental budget preparation and the publication of the operating and capital improvement budgets. Financial reporting consists of preparation of the Comprehensive Annual Financial Report, coordination of annual audits, filing of required statutory reports and providing operational information to departments during the year.

Utility Billing

The Department is responsible for utility billing services for all three utilities: water, sewer and electric, and the management of 6,100 resident and business utility customer accounts. The Department reads meters and bills all customers monthly and maintains a payment service counter and a drive-up payment drop box. The Department is also responsible for preparing rate studies to identify appropriate billing rates. The Department is currently utilizing a lock-box service to process mail payments.

Information Services

Information services consist of the operation and maintenance of the central computer and software, the network of personal computers, and the downtown WiFi access. The Department currently maintains two IBM AS/400 central computers, one runs financial and utility billing programs and the other runs the public safety CAD/RMS system. The latter is being phased out and replaced with RIMS software on a pc network. The Department maintains and administers a network of 150 personal computers and 40 related servers. The Information Systems Operations Supervisor and the Information Systems Technician provide network system maintenance and support.

Other Central Services

Other central services provided by the Department include, communications and office equipment services, purchasing and risk management. Communication and office equipment services include managing the contracts and replacement funds for telephone, voice mail, copy machines and other office equipment. Purchasing coordinates all procurement activities in the City. The Department coordinates with the Redwood Empire Municipal Insurance Fund to provide risk management services for the City.

MAJOR DEPARTMENTAL TASKS COMPLETED FISCAL YEAR 2007-2008

- ☑ Hired replacement for Information Systems Supervisor position and completed successful transition
- ☑ Coordinated with Electric Department to provide data to facilitate completion of cost of service and rate study
- ☑ Completed wastewater rate study including the restructure of “old” residential flat rates to winter water usage based rates to enhance fairness in rates and to promote water conservation
- ☑ Implemented utility customer purchase agreements for water and sewer capacity
- ☑ Negotiated a two year extension of audit contract for services through fiscal years 2008 and 2009
- ☑ Participated in process for selection of new website software to meet the growing complexity of City services to provide users an interactive on-line experience when doing business with the City
- ☑ Completed implementation of E-care and on-line payments as a convenience to our utility customers
- ☑ Completed upgrade of financial software server and successfully installed vendor software upgrades

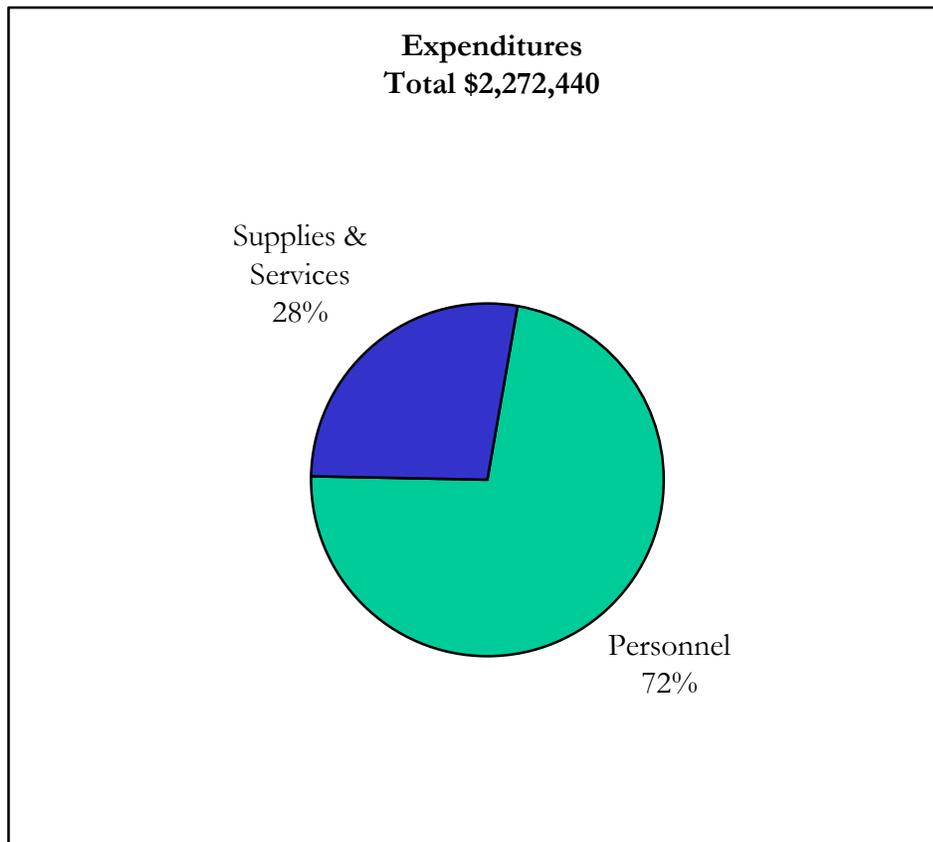
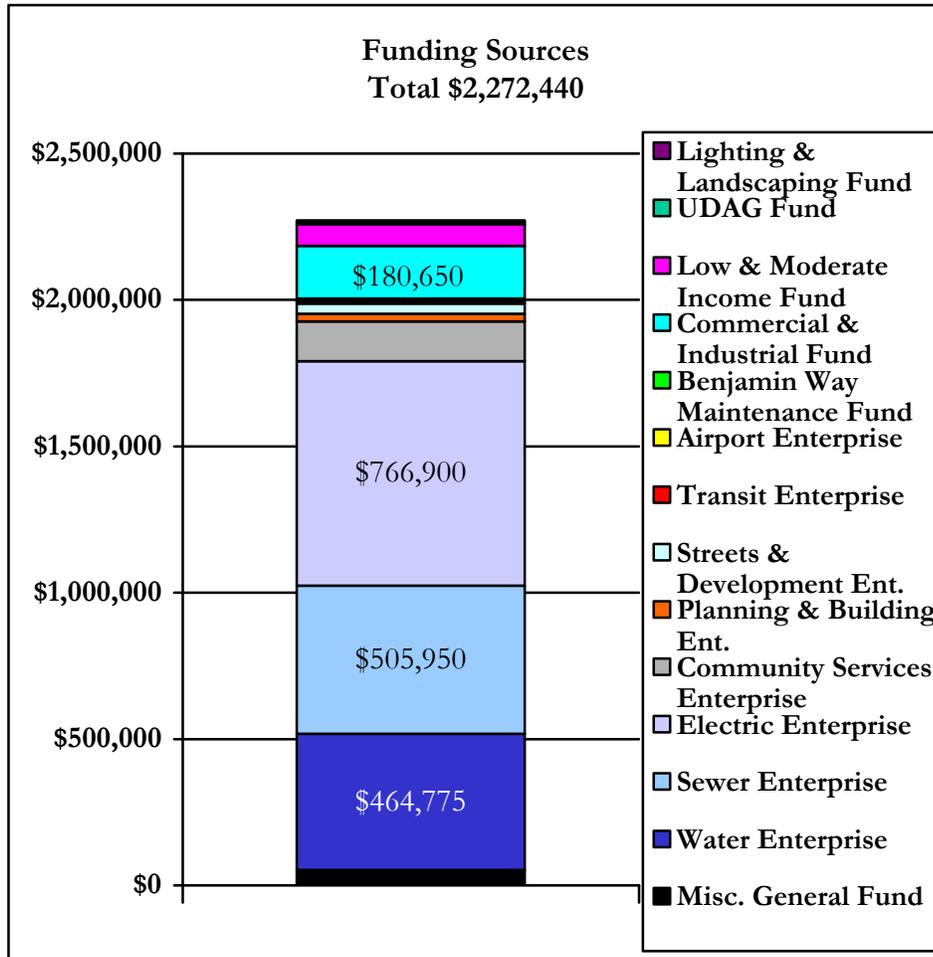
MAJOR DEPARTMENTAL GOALS FOR FISCAL YEAR 2008-2009

- ◆ Implement electric utility rate adjustments and rate structure changes upon adoption by City Council
- ◆ Plan and complete Electric enterprise bond issue for upgrades and expansion of Badger substation, to secure new power resources and fund other capital improvements
- ◆ Implement restructure of new usage wastewater rates for residential customers upon adoption by City Council
- ◆ Prepare Request for Proposal for a new audit contract that will be effective for fiscal year 2009-2010
- ◆ Coordinate implementation of new website software and design
- ◆ Continue implementation of available upgrades and staff training on existing software to improve efficiency

FUTURE OBJECTIVES

The Finance Department will continue to promote staff training in areas such as systems, software, accounting, and customer service. The Department will also continue cross training of existing staff to allow for professional growth and efficient use of resources. The Department is also working to develop protocol for network file management and shared files.

The Department is continually faced with the challenge of looking for additional ways to automate processes and to use technology to provide services to the community’s citizens, as well as other departments, as efficiently as possible. Continue to re-evaluate the Department’s priorities and methods of service delivery emphasizing a cost benefit approach for best practices. The Department will also continue to respond to the financial challenges facing the City.



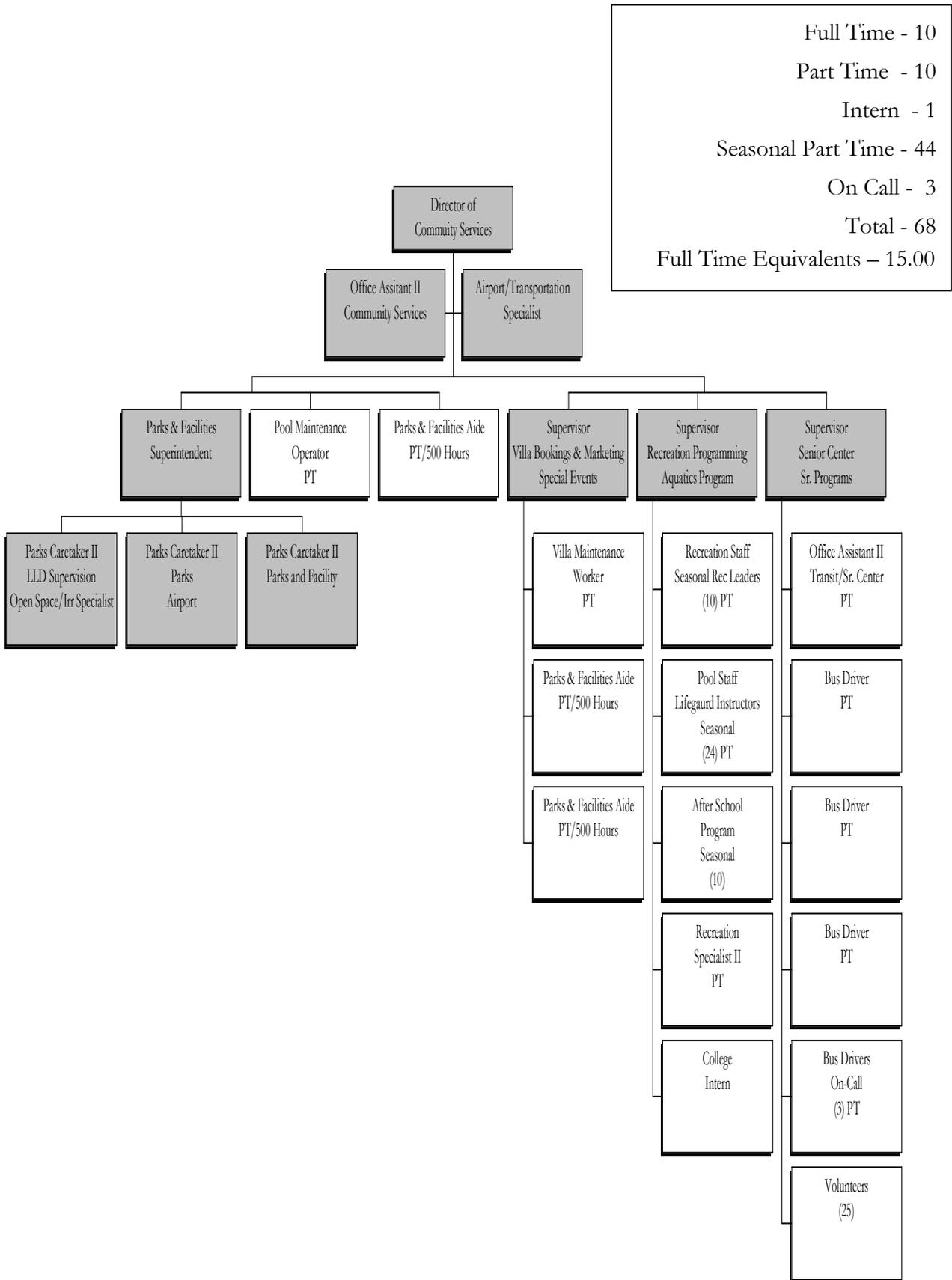
FUNDING SOURCES	FUNDING SOURCES 2008-2009
MISC.GENERAL FUND REVENUES	\$ 53,600
WATER ENTERPRISE	464,775
SEWER ENTERPRISE	505,950
ELECTRIC ENTERPRISE	766,900
COMMUNITY SERVICES ENTERPRISE	135,450
PLANNING & BUILDING ENTERPRISE	25,700
STREETS & DEVELOPMENT ENTERPRISE	35,275
TRANSIT ENTERPRISE	8,825
LIGHTING & LANDSCAPING FUND	6,000
AIRPORT ENTERPRISE	8,000
BENJAMIN WAY MAINTENANCE DIST.	440
COMMERCIAL & INDUSTRIAL FUND	180,650
LOW & MODERATE INCOME FUND	73,650
UDAG (VINEYARD PLAZA) FUND	7,225
TOTAL REVENUES	\$ 2,272,440

EXPENSES	ACTUAL 2006-2007	ADOPTED 2007-2008	BUDGET 2008-2009	DIFFERENCE FROM 2007-2008	% DIFFERENCE
WAGES & FRINGE BENEFITS	\$ 1,331,484	\$ 1,528,500	\$ 1,627,215	\$ 98,715	6%
OVERTIME	50,558	35,000	20,000	(15,000)	-43%
CONTRACTED SERVICES	34,567	40,950	37,925	(3,025)	-7%
GOVERNMENT FEES	125	100	100	-	0%
ADDITIONAL PAY	4,213	4,200	4,200	-	0%
RENTALS	132	150	150	-	0%
SERVICE FEES	317,888	326,100	389,850	63,750	20%
REPLACEMENT FEES	96,134	95,300	94,700	(600)	-1%
TELECOMMUNICATION SERVICE	8,792	8,200	9,000	800	10%
ADVERTISING & PUBLICATION	-	-	-	-	0%
PRINTING & BINDING	332	2,500	1,500	(1,000)	-40%
SUPPLIES	63,682	60,320	71,000	10,680	18%
MEETINGS	5,504	2,750	2,800	50	2%
MEMBERSHIPS & DUES	1,409	950	1,500	550	58%
TRAINING	12,133	10,000	12,000	2,000	20%
EDUCATIONAL REIMBURSEMENT	-	500	500	-	0%
BAD DEBT EXPENSE	19,140	-	-	-	0%
TOTAL EXPENSES	\$ 1,946,093	\$ 2,115,520	\$ 2,272,440	\$ 156,920	7%

COMMUNITY SERVICES

Notes:

COMMUNITY SERVICES



Full Time - 10
 Part Time - 10
 Intern - 1
 Seasonal Part Time - 44
 On Call - 3
 Total - 68
 Full Time Equivalents - 15.00

COMMUNITY SERVICES

The Community Services Department is responsible for the management and operation of parks and recreation facilities, senior services, transit services, tourism promotion, Senior Center, the Villa Chanticleer conference center, Airport management, recreation programming, management of the Healdsburg Municipal Pool, as well as Neighborhood Improvement Programs, Lighting and Landscaping District, special event coordination and film permits. Contract administration includes, Tayman Park Golf Course, Healdsburg Unified School District (HUSD) landscaping, facility scheduling for the HUSD, Healdsburg Museum, Animal Shelter, and facility caretaker contracts.

DEPARTMENT SERVICES AND ROLES:

Administration and Contract Coordination: Support the work of the Department and City Council, Parks and Recreation Commission, Senior Advisory Commission, Airport Commission, and other special committees and local organizations. Contract administration includes the school-park program; landscape and maintenance operations; and contracted service providers at the museum, Chamber of Commerce visitor center, golf course, and Animal Shelter.

Information, Referral and Department Coordination: Provide public information concerning community services and other informational requests. Based on a customer service approach, information is provided through phone and fax communications, written and graphic materials, web site, and personal contact.

Healdsburg Municipal Pool: Plan, program, maintain and provide aquatic opportunities to the residents in and around Healdsburg. Programming includes swim lessons, public swim, lap swimming, aquatic camps, water exercise classes and lifeguard training. In addition, the pool provides a place for the high school swim team and local private swim team to practice and hold meets.

Parks and Maintenance: Maintain and operate public parks, open space and public facilities. Maintenance levels and services are based on providing safe and healthy areas at the best possible level to make them enjoyable to the community and safe to use. Trees and landscaping services are provided by participating in the planning and environmental review processes.

Park Planning and Capital Improvements: Plan, design, engineer and perform environmental review for all projects. Park planning process includes the coordination of each project from conceptual design, financial considerations, plans and specifications, construction and operational use.

Promotions and Downtown Business District (DBD): Assist with the coordination of the DBD, Chamber of Commerce and collaborative promotional efforts with the County of Sonoma.

Recreation Programming: Plan, maintain, and provide recreation programming to City residents of all ages. Programming includes youth and adult sports; senior fitness programs; and leisure, educational, and cultural arts activities.

After School Program: Partner with Healdsburg Unified School District in offering an after school program for District students. The department coordinates and staffs the after school program offered at Foss Creek School.

Scheduling and Event Coordination: Schedule and coordinate outdoor area usage at local schools, parks, and community facilities. Permits and scheduling also include special event coordination, commercial film permits, and Villa Chanticleer reservations.

Senior and Transit Services: The Senior Center provides recreational and social programs, as well as nutritional services, for seniors in the community. Transit Services are provided through a dial-a-ride system

COMMUNITY SERVICES

and innovative route schedule to accommodate all ages, those with special needs, and interaction with Sonoma County transportation systems.

Municipal Airport Services: Manage a 50-acre municipal airport with 46 hangars, 20 tie-downs, 5 businesses and a 24-hour avgas fuel service, which serves the greater Healdsburg area.

MAJOR DEPARTMENTAL TASKS COMPLETED FISCAL YEAR 2007-2008

- ☑ Completed Parks and Open Space Master Plan for the City of Healdsburg
- ☑ Began Parks and Recreation website improvements
- ☑ Began Master Plan phase for the Giorgi Park Rehabilitation Project
- ☑ Hired Airport Manager
- ☑ Hired Mead & Hunt Engineering to begin Airport Capital Improvement Projects
- ☑ Acquired nine hangars at the Healdsburg Municipal Airport
- ☑ Acquired 540 and 536 University to be incorporated into Giorgi Park in conjunction with the Giorgi Park Rehabilitation Plan
- ☑ Implemented After School Program that serves up to 199 participants
- ☑ Successfully implemented City of Healdsburg's 150 Celebration
- ☑ Expanded recreation programs

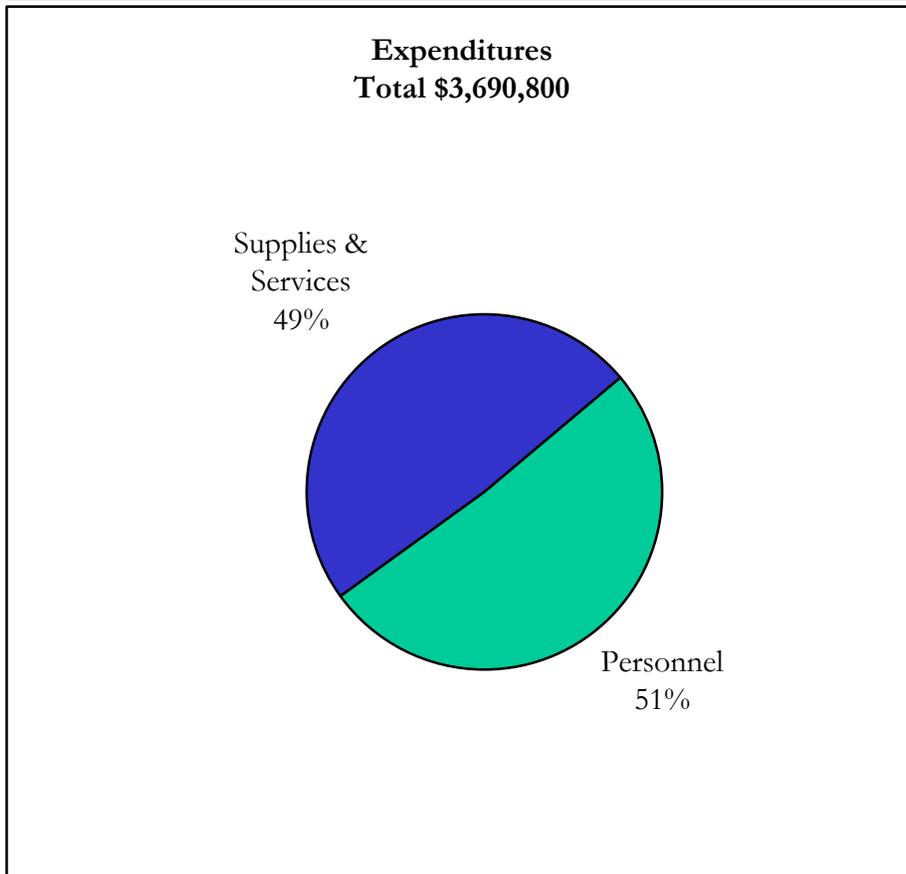
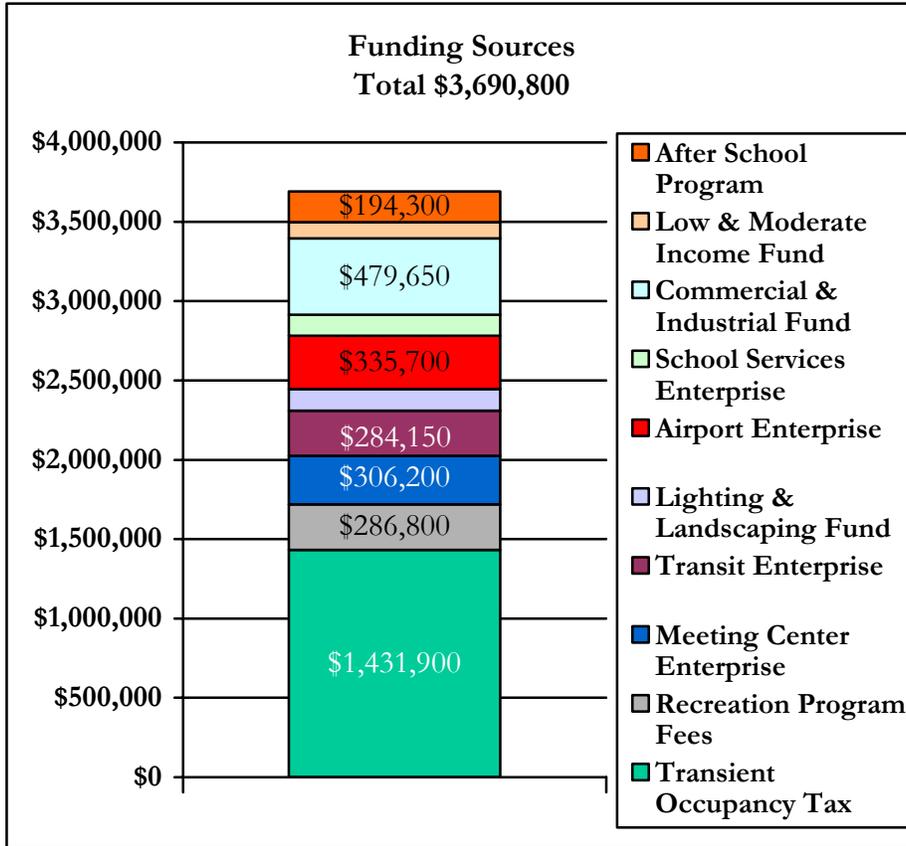
MAJOR DEPARTMENT GOALS FOR FISCAL YEAR 2008-2009

- ◆ Complete negotiations on the Healdsburg Armory with the Department of Government Services
- ◆ Complete Villa Chanticleer Business and Development Plan
- ◆ Complete Airport Improvement Projects
- ◆ Complete negotiations with Healdsburg Unified School District for Foss Creek School
- ◆ Begin construction on Giorgi Park
- ◆ Create MOU and secure funding to manage Healdsburg Ridge Open Space Preserve from Sonoma County Open Space District
- ◆ Develop special events that benefit economic development during the winter months

FUTURE OBJECTIVES

Continue to increase the level of recreation services that are available to the community. Continue to secure additional and dedicated funding to upgrade existing City parks and facilities and maintain basic service levels regardless of economic conditions. Continue to re-evaluate the Department's priorities and methods of service delivery. Continue to use opportunities to reorganize the Department due to attrition, demand for services, state budget cuts, and part-time staff. Improve cost recovery in recreation programming and pool operations.

COMMUNITY SERVICES



COMMUNITY SERVICES

FUNDING SOURCES	FUNDING SOURCES 2008-2009
TRANSIENT OCCUPANCY TAX	\$ 1,431,900
RECREATION PROGRAM FEES	286,800
MEETING CENTER ENTERPRISE	306,200
TRANSIT ENTERPRISE	284,150
LIGHTING & LANDSCAPING FUND	137,000
AIRPORT ENTERPRISE	335,700
SCHOOL SERVICES ENTERPRISE	133,500
AFTER SCHOOL PROGRAM	194,300
COMMERCIAL & INDUSTRIAL FUND	479,650
LOW & MODERATE INCOME FUND	101,600
CAPITAL PROJECT FUNDING	910,000
TOTAL REVENUES	\$ 4,600,800

EXPENSES	ACTUAL 2006-2007	ADOPTED 2007-2008	BUDGET 2008-2009	DIFFERENCE FROM 2007-2008	% DIFFERENCE
WAGES & FRINGE BENEFITS	\$ 1,159,880	\$ 1,344,534	\$ 1,880,925	\$ 536,391	40%
OVERTIME	3,951	5,000	5,000	-	0%
SUPPORT TO OUTSIDE ORGANIZATIONS	21,641	20,400	26,800	6,400	31%
CONTRACTED SERVICES	443,751	569,690	590,700	21,010	4%
INSURANCE	8,400	10,000	10,000	-	0%
GOVERNMENT FEES	6,265	2,650	1,650	(1,000)	-38%
PROJECT PARTICIPATION	60,963	65,080	103,600	38,520	59%
PROPERTY SERVICES	167,684	181,000	190,750	9,750	5%
ADDITIONAL PAY	4,213	4,200	6,000	1,800	43%
UNIFORM ALLOWANCE	2,020	4,250	5,250	1,000	24%
RENTALS	30,332	33,700	33,300	(400)	-1%
SERVICE FEES	223,284	242,596	309,650	67,054	28%
REPLACEMENT FEES	26,872	36,243	29,900	(6,343)	-18%
LOAN REPAYMENT- GENERAL FUND	1,700	1,700	1,700	-	0%
TELECOMMUNICATION SERVICE	16,878	18,050	21,250	3,200	18%
ADVERTISING & PUBLICATION	40,004	24,500	31,150	6,650	27%
PRINTING & BINDING	2,000	2,200	1,900	(300)	-14%
TRAVEL EXPENSES	681	1,550	3,550	2,000	129%
SUPPLIES	336,892	304,800	364,250	59,450	20%
MEETINGS	3,794	7,950	7,925	(25)	0%
MEMBERSHIPS & DUES	2,360	2,980	3,400	420	14%
TRAINING	2,810	7,575	10,550	2,975	39%
CAPITAL ITEMS	610,711	30,833	51,600	20,767	67%
TOTAL OPERATING EXPENSES	\$ 3,177,086	\$ 2,921,481	\$ 3,690,800	\$ 769,319	26%
CAPITAL PROJECTS		925,882	910,000		
GRAND TOTAL EXPENSES		\$ 3,847,363	\$ 4,600,800		

COMMUNITY SERVICES

PARKS & OPEN SPACE

<u>Park Name</u>	<u>Location</u>
Barbieri Brothers Park	325 Bridle Path
Badger Park	780 Heron Drive
Carson Warner Skate Park	15070 Grove Street
Gibbs Park	1529 Prentice
Giorgi Park	600 University Street
Grove Street Detention Basin	Grove Street (Adjacent to Skate Park)
Parkland Farms Blvd. Open Space	
Plaza Park	100 Matheson Street
Railroad Park	22 Front Street
Recreation Park	525 Piper Street
Tilly Grove Open Space	543 Tucker Street
Villa Chanticleer Playground	1248 N. Fitch Mountain Road

ATHLETIC FIELDS, TENNIS COURTS & SCHOOL-PARK SITES

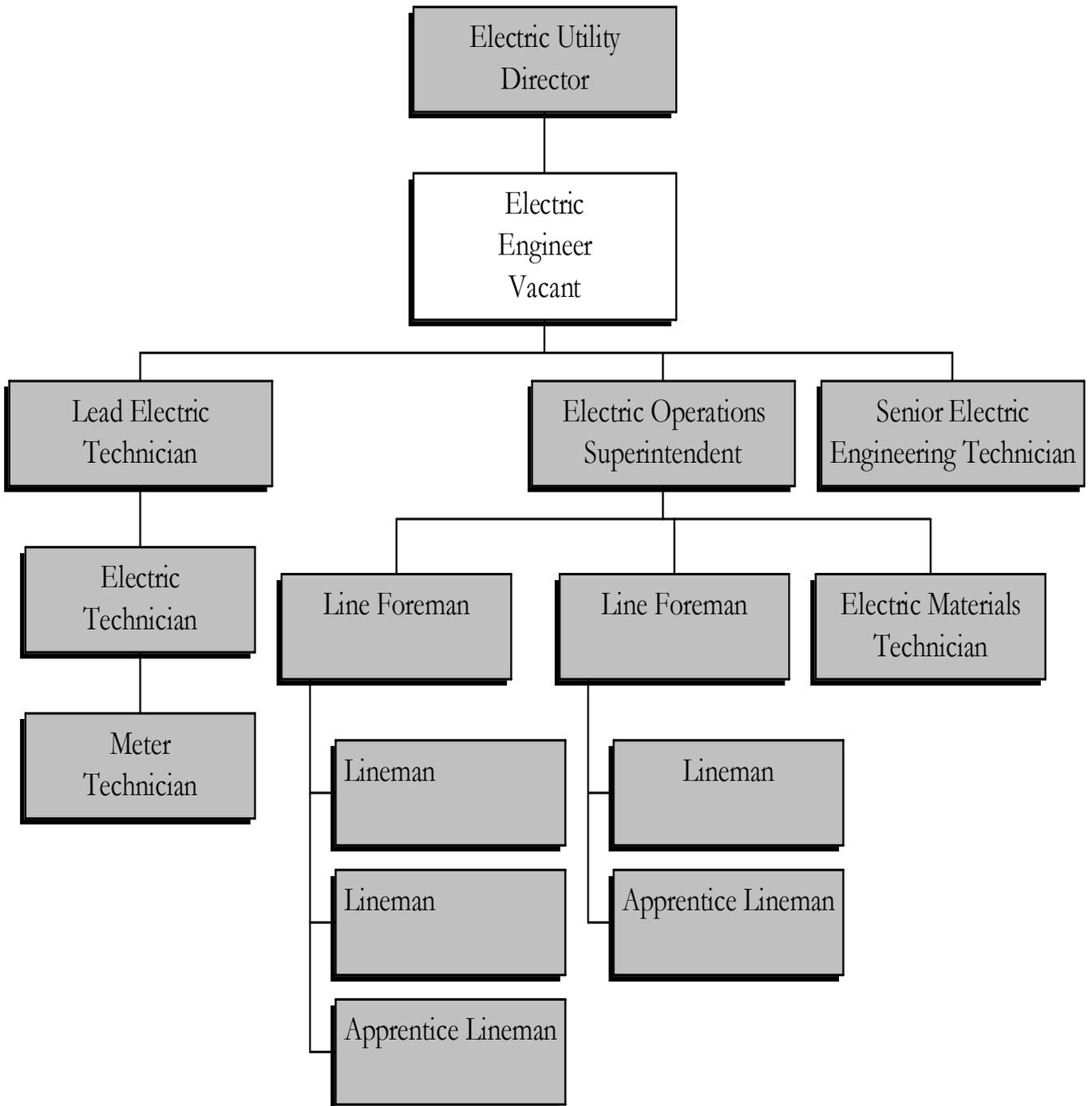
<u>Field Name</u>	<u>Location</u>
Fitch Mountain School - Multi Use Fields	565 Sanns Lane
Foss Creek School – Multi Use Fields, Basketball Courts	1557 Healdsburg Avenue
Giorgi Park-(2) Tennis Courts	600 University Street
Healdsburg Elementary School - Multi Use Fields	400 First Street
Healdsburg High School –Multi Use Fields, (4) Tennis Courts, All Weather Track, 2 Sprint Courts, 1 Baseball Field, 2 Softball Fields, 1 Football/Soccer Field, Several small overlay Soccer Fields, Basketball Courts	1024 Prince Street (Off Monte Vista Ave.)
Healdsburg Junior High School-Multi Use Fields, Walking Track	315 Grant Street
Recreation Park Field-Multi Use Fields – Football, Baseball, Soccer, Special Events	525 Piper Street

PUBLIC FACILITIES

<u>Facility</u>	<u>Location</u>
Administration & Reservations (Community Services)	401 Grove Street
Badger Dog Park	780 Heron Drive (New in 2003)
Healdsburg Municipal Airport (Community Services)	1580 Lytton Springs Road
Healdsburg Museum (Healdsburg Museum and Historical Society)	221 Matheson Street
Healdsburg Municipal Pool	360 Monte Vista Avenue
Senior Center & Transit Services (Community Services)	133 Matheson Street
Tayman Park Golf Course (Tayman Park Golf Group, Inc.)	927 S. Fitch Mountain Road
Villa Chanticleer (Community Services)	1248 N. Fitch Mountain Road
Villa Dog Park	1248 N. Fitch Mountain Rd (New in 2004)
Visitor Information Center (Chamber of Commerce)	217 Healdsburg Avenue

ELECTRIC UTILITY

Full Time - 15
Total - 15
Full Time Equivalents – 15.00



ELECTRIC UTILITY

The City's Electric Department oversees the procurement of wholesale electric power; maintains and operates the City's electric distribution system; plans, engineers, and constructs system capital replacement and capacity expansion projects; plans, engineers, and constructs electric and street light facilities for new residential and commercial development; and maintains and operates the City's street light system. Excluding power procurement, the Electric Department's Operational Budget is structured around the basic day-to-day business functions of operating an electric utility. Present focus is on new commercial construction, capacity expansion and system replacements, which are augmented through the Department's Capital Budgets.

Power Procurement

The Electric Department is responsible for power procurement, which represents 70% of the Department's Budget, for use within the City. This includes management of the City's share of debt, generation assets and power resources as part of the Northern California Power Agency (NCPA), a Federal Central Valley Project allocation through the Western Area Power Administration (Western), the City's share of the California/Oregon Transmission Project (COTP) and other various long and short-term power contracts.

Approximately 80% of the City's electric generation assets are green renewable resources.

The City's electric utility finds itself solvent, reliable, and focused on the current and future service needs of Healdsburg's residents and customers.

Distribution System

The Electric Department is responsible for the operation and maintenance associated with the distribution of electricity from the City's interconnection with the transmission system of PG&E at Badger Electric Substation located on Heron Drive to electric distribution facilities located within the City limits of Healdsburg.

ELECTRIC UTILITY

MAJOR DEPARTMENTAL TASKS COMPLETED FISCAL YEAR 2007-2008

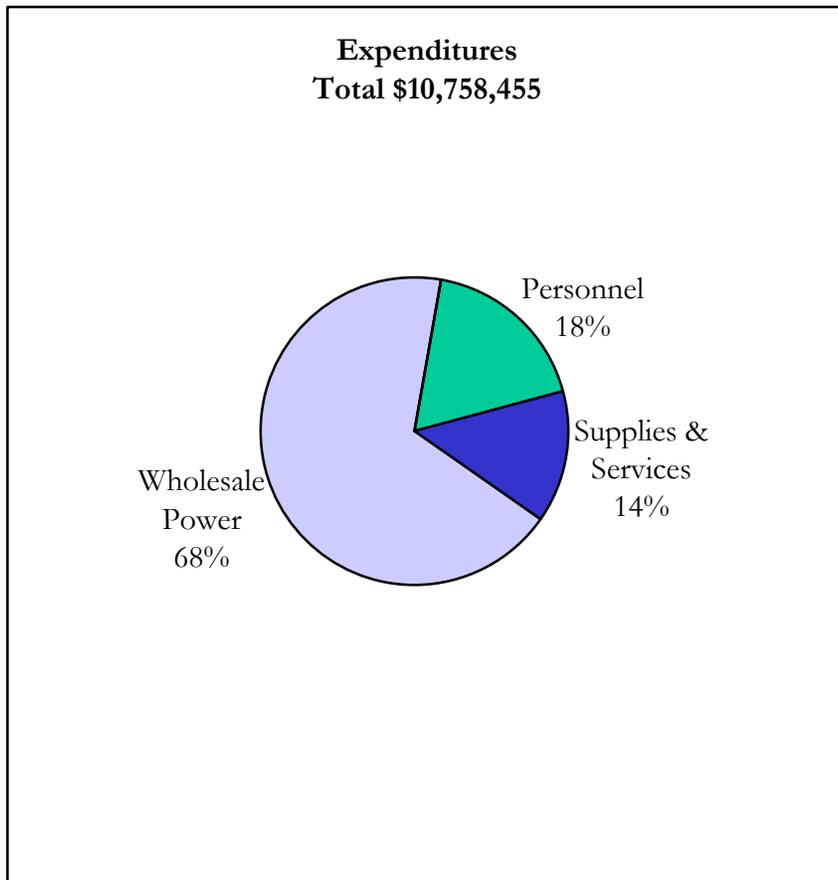
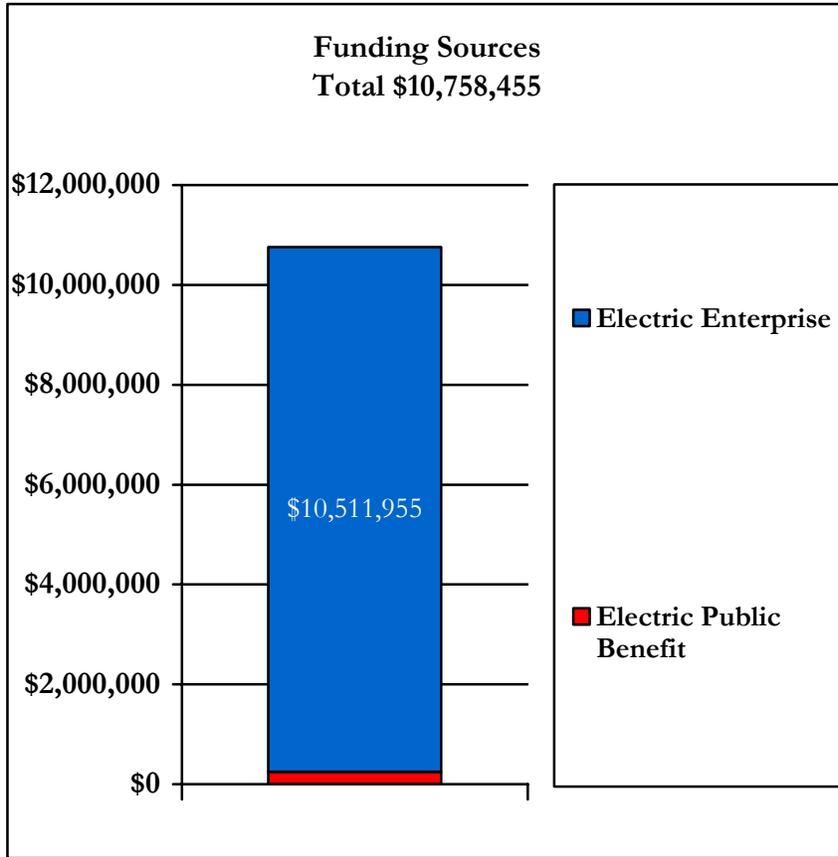
- ☑ Initiated electric rate adjustment process
- ☑ Completed Badger Substation Phase I Project
- ☑ Ordered Third Transformer for Badger Substation Phase II Project
- ☑ Completed Second Interconnection Study with PG&E
- ☑ Completed 12 KV under build study for Express North Feeder with PG&E
- ☑ Initiated Design Services work for Badger Substation Phase II Project
- ☑ Approved NCPA Second Phase Agreement for Lodi Energy Center
- ☑ Completed Cost of Service Study for the electric utility
- ☑ Approved NCPA Third Phase Agreement for Green Power Project
- ☑ Initiated investigation of new future wind generation resource through NCPA
- ☑ Initiated investigation of Healdsburg Landfill Distributive Generation Project

MAJOR DEPARTMENTAL GOALS FOR FISCAL YEAR 2008-2009

Electric Operations and CIP:

- ◆ Complete Bond Measure for Badger Substation improvements, Express North Feeder, Electric CIP Improvements, and new Electric resources
- ◆ Complete electric rate adjustment process
- ◆ Initiate design of Healdsburg specific Electric Rates
- ◆ Initiate implementation plan of COSA results
- ◆ Initiate construction of north express feeder
- ◆ Initiate construction of central feeder to Healdsburg downtown area
- ◆ Initiate upgrade of main feed to Healdsburg downtown area
- ◆ Order enclosed metal clad switchgear for Badger Substation Phase II Project
- ◆ Complete design services work for Badger Substation Phase II Project
- ◆ Initiate construction contract for Badger Substation Phase II Project
- ◆ Order balance of materials for Badger Substation Phase II Project
- ◆ Initiate geotechnical improvements to the Badger Substation site
- ◆ Approval of NCPA Third Phase Agreement for Lodi Energy Center
- ◆ Approval of NCPA Second Phase Agreement for new wind generation resource
- ◆ Initiate Healdsburg Landfill Distributive Generation Project
- ◆ Update Electric Ordinance

ELECTRIC UTILITY



ELECTRIC UTILITY

FUNDING SOURCES	FUNDING SOURCES 2008-2009
ELECTRIC ENTERPRISE	\$ 10,511,955
ELECTRIC PUBLIC BENEFIT	246,500
CAPITAL PROJECT FUNDING	-
TOTAL REVENUES	\$ 10,758,455

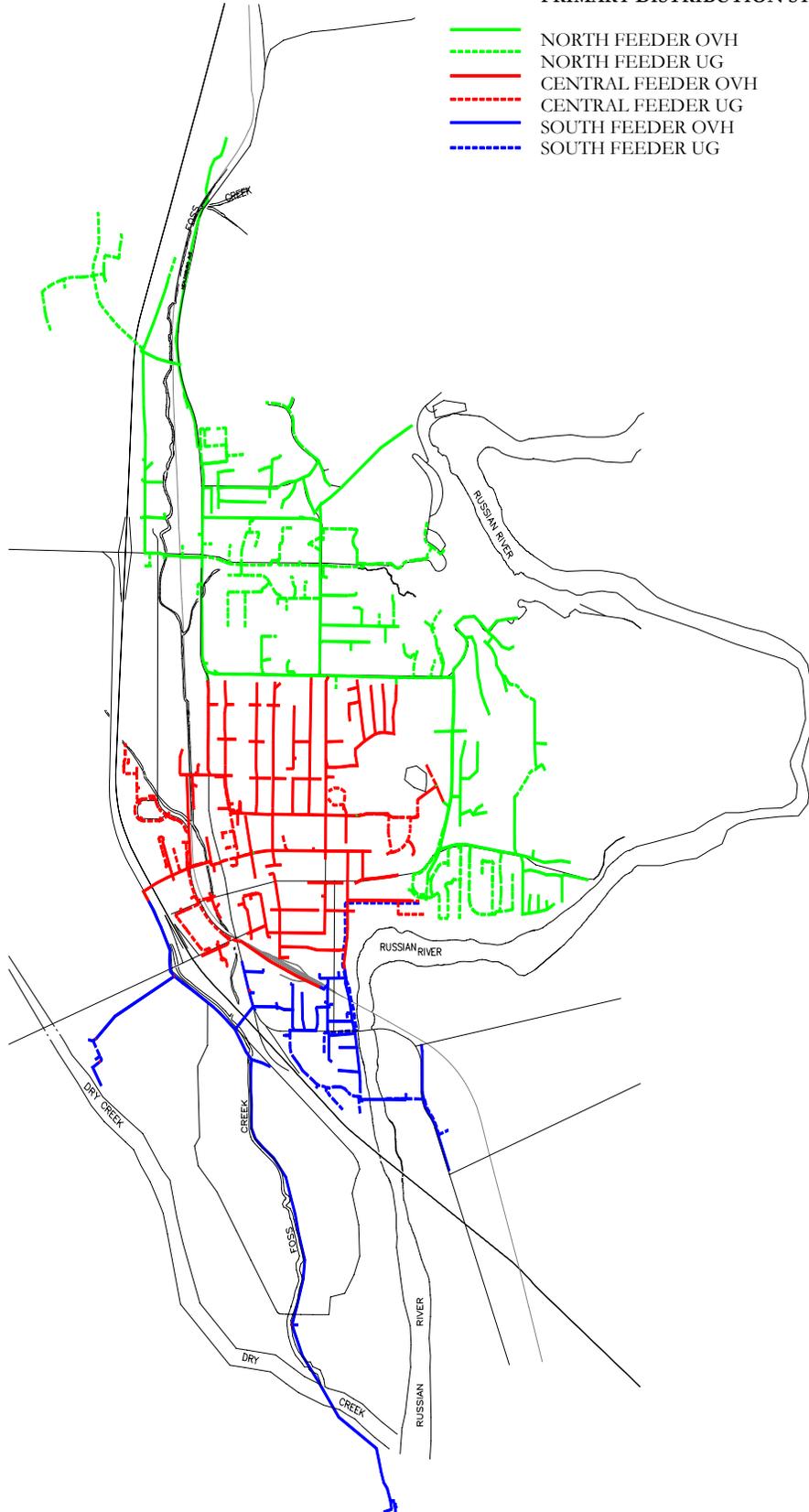
EXPENSES	ACTUAL 2006-2007	ADOPTED 2007-2008	BUDGET 2008-2009	DIFFERENCE FROM 2007-2008	% DIFFERENCE
WAGES & FRINGE BENEFITS	\$ 1,537,899	\$ 1,767,143	\$ 1,870,075	\$ 102,932	6%
OVERTIME & STAND BY	64,751	58,600	67,500	8,900	15%
CONTRACTED SERVICES	328,127	246,800	296,300	49,500	20%
PUBLIC BENEFIT SERVICES	-	246,504	246,500	(4)	0%
GOVERNMENT FEES	-	800	-	(800)	-100%
PROPERTY SERVICES	45,658	49,100	49,100	-	0%
ADDITIONAL PAY	-	4,200	4,200	-	0%
UNIFORM ALLOWANCE	15,727	15,000	15,000	-	0%
SERVICE CONTRACTS	-	-	5,000	5,000	100%
RENTALS	-	5,500	500	(5,000)	-91%
SERVICE FEES	202,615	239,195	276,150	36,955	15%
REPLACEMENT FEES	162,721	238,927	231,800	(7,127)	-3%
USE FEES	150,000	150,000	150,000	-	0%
TRENCH CUT FEES	5,000	5,000	5,000	-	0%
LOAN REPAYMENT- GENERAL FUND	9,266	9,266	9,300	34	0%
LEASE RENTALS	4,769	4,912	5,000	88	2%
TELECOMMUNICATION SERVICE	13,611	23,000	23,000	-	0%
ADVERTISING & PUBLICATION	3,446	3,250	3,250	-	0%
PRINTING & BINDING	738	1,000	1,000	-	0%
SUPPLIES	267,595	123,385	124,050	665	1%
NCPA POWER COST	5,924,048	5,990,668	7,333,130	1,342,462	22%
MEETINGS	5,937	10,400	8,400	(2,000)	-19%
MEMBERSHIPS & DUES	3,851	6,700	6,700	-	0%
TRAINING	9,382	25,000	25,000	-	0%
OTHER EMPLOYEE EXPENSES	-	500	500	-	0%
CAPITAL ITEMS	(3,045)	-	2,000	2,000	100%
LOSS IN DISPOSAL	-	-	-	-	0%
SHORT/OVER	19,055	-	-	-	0%
G&A ALLOCATION	(99,421)	-	-	-	0%
TOTAL OPERATING EXPENSES	\$ 8,671,730	\$ 9,224,850	\$ 10,758,455	\$ 1,533,605	17%
CAPITAL PROJECTS		5,760,000	-		
GRAND TOTAL EXPENSES		\$ 14,984,850	\$ 10,758,455		

ELECTRIC UTILITY

Notes:

ELECTRIC UTILITY

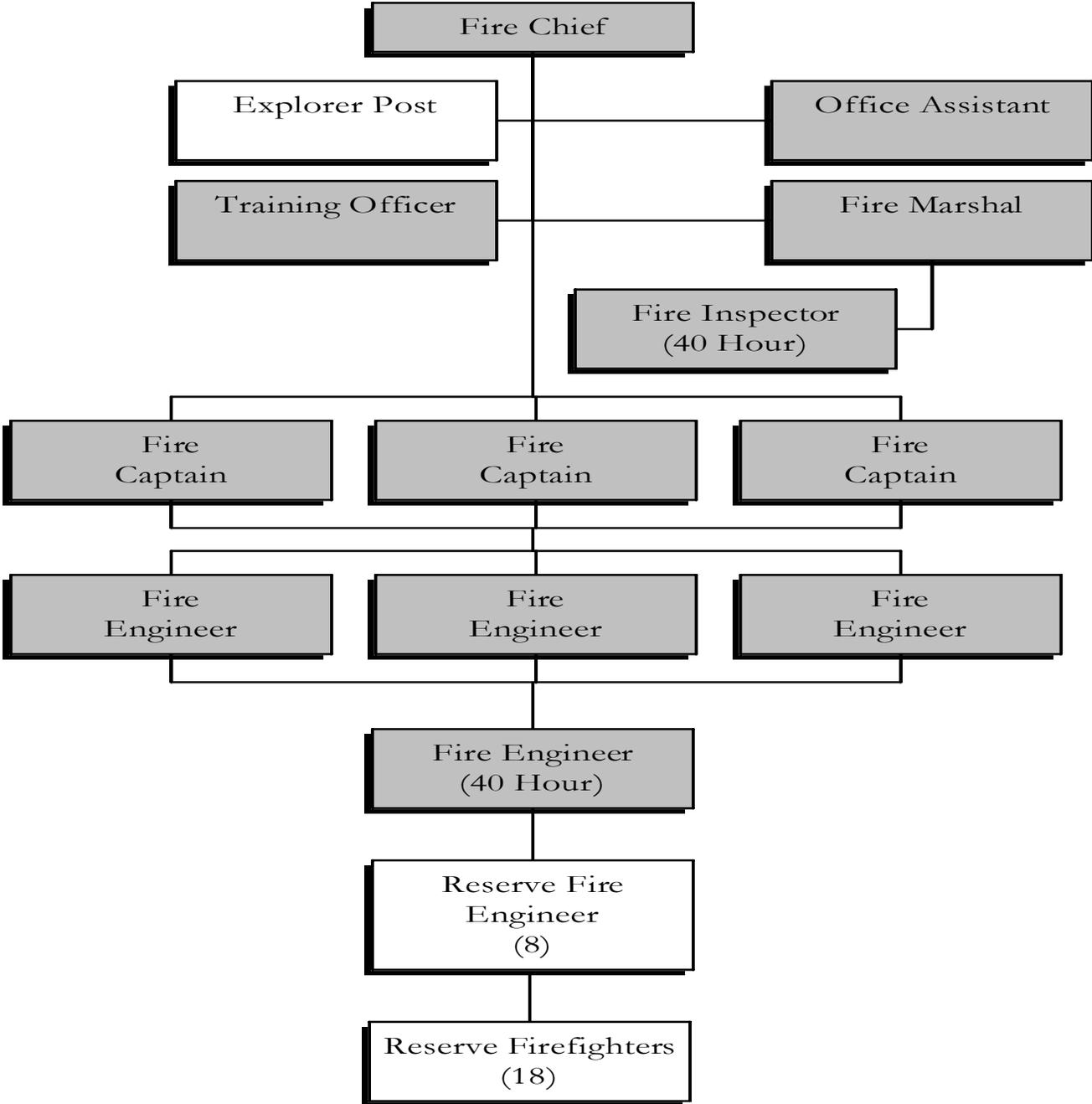
CITY OF HEALDSBURG PRIMARY DISTRIBUTION SYSTEM



FIRE

Notes:

Full Time - 12
Volunteer Reserves - 26
Total - 38
Full Time Equivalents – 12.00



FIRE

The Fire Department is a combination fire agency using 26 reserves, with twelve full time staff that is responsible for protecting life, property and the environment from the dangers of fire, explosion and hazardous materials incidents, and responding to, and providing basic life support and first aid response to medical emergencies and vehicle accidents. The department also provides fire prevention, disaster preparedness, weed abatement and hazardous materials management programs for the City.

Fire Suppression

The basic organization and orientation of the Department is directed to fire suppression, rescue and emergency service delivery. While the Fire Department places an emphasis on fire prevention, public education, risk reduction and hazard abatement programs, the ability to respond and control fires is an overriding operational priority. In addition to serving the City, the Department also provides contracted emergency services to Fitch Mountain and the lower Dry Creek Valley.

Fire Prevention

The Fire Prevention division is administered by the Fire Marshal and is responsible for enforcing the Fire Code and portions of the State Health and Safety Code. Major activities include; project reviews, conducting plan checks and inspection of new construction and fire protection systems, conducting Fire Safety Education programs and inspection of target hazards. The division is also responsible for conducting fire investigations of all unknown fires.

Emergency Medical Services (EMS)

The Department performs rescue work and provides emergency medical services to ill and injured persons. Staff is dispatched to all life threatening emergencies and maintains certification as Emergency Medical Technician I (EMT-I). Enhanced services include Early Defibrillators on all apparatus and Pulse-oximeters.

Hazardous Materials/CUPA

The department has been authorized as a Certified Unified Program Agency (CUPA) by the State to regulate six state hazardous materials and hazardous waste programs within the Cities of Healdsburg and Sebastopol. These programs are administered by the Fire Marshal.

Disaster Planning

The Fire Department is responsible for developing comprehensive disaster response plans for the City and for providing coordination of all public and private services responding to emergency situations.

MAJOR DEPARTMENTAL TASKS COMPLETED FISCAL YEAR 2007-2008

- ☑ Responded to 1319 incidents.
- ☑ Recruited and filled the vacant Fire Marshal's position.
- ☑ Recruited and filled the vacant 40 Hour Engineer's position.
- ☑ Obtained an Indian Benefit Gaming Grant to fund a quarter of the Training Officer's position.
- ☑ Participated in a Countywide work group to adopt the California Fire Code in a consistent manner throughout the County.
- ☑ Participated in the revision of the State's fire mapping for the Healdsburg area to update *Fire Severity Zones* for the City and Fitch Mountain.
- ☑ Implemented the provisions of the State *Wildland Urban Interface* Code as mandated for all designated *Fire Severity Zones*.
- ☑ Committed an engine and crew for a week in San Diego County, as part of a Strike Team fighting the Witch Fire.
- ☑ Awarded an RDA loan to retrofit a fire sprinkler system at St. John's Fintan Hall.
- ☑ Conducted a cost accountability study of the fees implemented by the department and revised the department's Fee Schedule for the first time in four years.
- ☑ Conducted our fourth, 180-hour Recruit Academy for 4 new Reserve Firefighters.

- ☑ Negotiated contracts with the County to provide fire protection to Fitch Mountain and the Sotoyome response areas.
- ☑ Participated in the 2008 California Fire Explorer Academy in Cathedral City.
- ☑ Conducted 13 CPR Classes including one in Spanish.
- ☑ Conducted over 3000 hours of volunteer and 2400 hours of paid staff training for a total of 5400 hours.
- ☑ Performed over 944 Fire code and hazardous materials inspections.
- ☑ Performed over 230 hours of public education activities including an Open House.
- ☑ Installed over 50 car seats as a certified “*Child Car Seat Installation*” agency by the *Safe Kid’s Program*.
- ☑ Conducted two, 7-week Community Emergency Response Team (CERT) academies, graduating 35 students.
- ☑ Successfully completed the third State audit of our CUPA program.
- ☑ Obtained a \$42,000 grant to administer the *Aboveground Petroleum Storage Tank* program.
- ☑ Trained 5 persons to *Swiftwater Technician* standards and established a certified *Swiftwater Rescue Team*.
- ☑ Performed a complete rewrite and update of the City’s *Emergency Operations Plan* and *Emergency Operations Center* manual.
- ☑ Conducted our second *Abalone Feed* fundraiser.

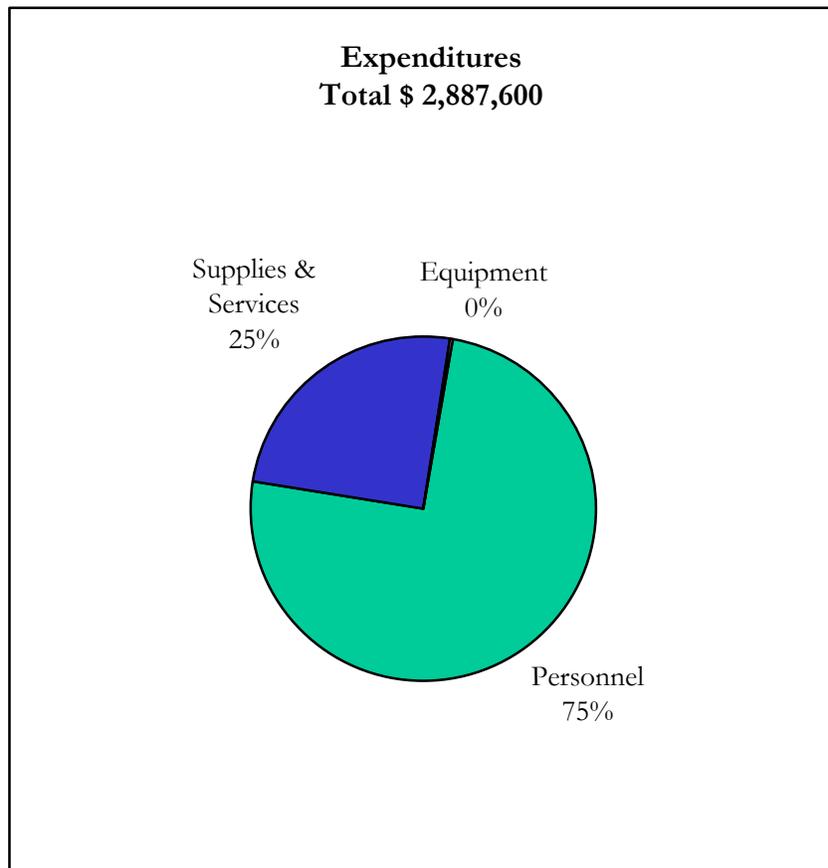
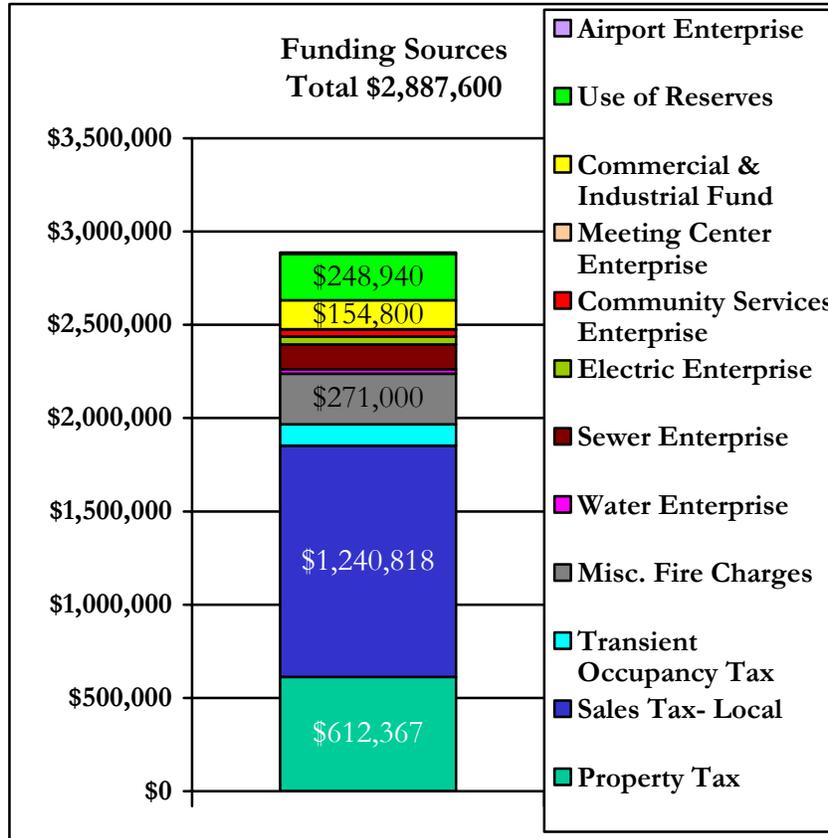
MAJOR DEPARTMENTAL GOALS FOR FISCAL YEAR 2008-2009

- ◆ Complete the City’s disaster planning process by assisting other City departments complete their emergency SOP’s and conduct a table-top and functional exercise of our Emergency Plan.
- ◆ Complete training of newly hired staff to bring into compliance with all applicable training standards.
- ◆ Finalize plans and secure funding for the fire substation proposed as part of the Saggio Hills project.
- ◆ Continue to pursue housing accommodations for Reserve Firefighters on the RDA parcel adjacent to the Firehouse.
- ◆ Train with and place *Urban Interface* engines in service scheduled to be delivered in October.
- ◆ Prepare a detailed pre-fire plan to deal with a wildfire in the Healdsburg Area Mutual Threat Zone.
- ◆ Conduct a fifth “Recruit Training Academy” for new Reserve Firefighters.
- ◆ Train and promote 2 Reserve Firefighters to Fire Engineer status.
- ◆ Remove the fire station underground fuel tank and install a compliant aboveground fuel tank system.
- ◆ Continue to implement the loan program to retrofit target buildings with fire sprinkler systems
- ◆ Obtain a FEMA Grant for the purchase of Turn-out personal protective equipment (PPE).
- ◆ Upgrade the WI-FI in the station’s training room (EOC) so staff can access the City server upon EOC activation.
- ◆ Work with the City website vendor to make all permit applications, forms and other important department documents available on-line and be capable of being submitted electronically.
- ◆ Provide I-800 NIMS training as required to all City departments with staff assigned to the EOC.
- ◆ Continue to work with the Reserve Firefighters Association to fill on-call shifts to provide necessary coverage and explore other staffing options.

FUTURE OBJECTIVES

Given the recent promotions the Department has experienced, it will continue to focus on training and obtaining those certifications for staff to effectively perform their duties. Pursuing housing for reserve firefighters will continue to be an important priority, as the department works to develop a Fire substation with firefighter housing with Saggio Hills, and with the Redevelopment Agency to construct firefighter housing on the parcel adjacent to the main station. The Department will also continue to explore staffing alternatives to fill on-call shifts.

FIRE



FUNDING SOURCES	FUNDING SOURCES 2008-2009
PROPERTY TAX	\$ 612,367
SALES TAX AND OTHER TAX	1,240,818
TRANSIENT OCCUPANCY TAX	113,575
INDIAN GAMING GRANT	-
MISCELLANEOUS FIRE CHARGES	271,000
WATER ENTERPRISE	24,550
SEWER ENTERPRISE	132,950
ELECTRIC ENTERPRISE	41,700
COMMUNITY SERVICES	36,800
MEETING CENTER ENTERPRISE	3,000
AIRPORT ENTERPRISE	7,100
COMMERCIAL & INDUSTRIAL FUND	154,800
USE OF RESERVES	248,940
TOTAL REVENUES	\$ 2,887,600

EXPENSES	ACTUAL 2006-2007	ADOPTED 2007-2008	BUDGET 2008-2009	DIFFERENCE FROM 2007-2008	% DIFFERENCE
WAGES & FRINGE BENEFITS	\$ 1,442,871	\$ 1,828,597	\$ 1,890,300	\$ 61,703	3%
VOLUNTEERS	65,961	119,000	133,000	14,000	12%
OVERTIME	105,162	113,800	131,300	17,500	15%
CONTRACTED SERVICES	165,577	226,000	234,350	8,350	4%
GOVERNMENT FEES/FINES	1,322	-	-	-	0%
PROPERTY SERVICES	5,075	3,000	3,000	-	0%
ADDITIONAL PAY	-	4,200	-	(4,200)	-100%
UNIFORM ALLOWANCE	9,436	13,250	13,250	-	0%
RENTALS	1,129	1,600	1,600	-	0%
SERVICE FEES	156,443	180,228	228,500	48,272	27%
REPLACEMENT FEES	250,496	200,127	159,000	(41,127)	-21%
TELECOMMUNICATION SERVICE	8,822	9,500	12,900	3,400	36%
ADVERTISING & PUBLICATION	535	300	300	-	0%
PRINTING & BINDING	75	750	750	-	0%
SUPPLIES	63,551	48,350	48,350	-	0%
MEETINGS	1,983	800	800	-	0%
MEMBERSHIPS & DUES	3,758	3,150	3,300	150	5%
TRAINING	40,922	19,975	19,900	(75)	0%
CAPITAL ITEMS	-	7,000	7,000	-	0%
TOTAL EXPENSES	\$ 2,323,118	\$ 2,779,627	\$ 2,887,600	\$ 107,973	4%

FIRE

2003 to 2007 EMERGENCY RESPONSES

Emergency Responses:	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Structure Fires	27	72	60	40	36
Vehicle Fires	24	15	25	13	16
Vegetation Fires	55	39	32	52	55
Other Fires	51	12	8	25	25
Emergency Medical	572	594	617	626	545
Hazardous Material/Condition	80	102	157	135	107
Vehicle Accidents	97	110	121	103	99
Other	<u>456</u>	<u>482</u>	<u>428</u>	<u>460</u>	<u>436</u>
TOTALS	1,362	1426	1,455	1,454	1,319

FIRE, EXPLOSION Includes fires out on arrival and combustible explosion with no fire. Excluded are overheat or excessive heat, unauthorized burning and controlled burning.

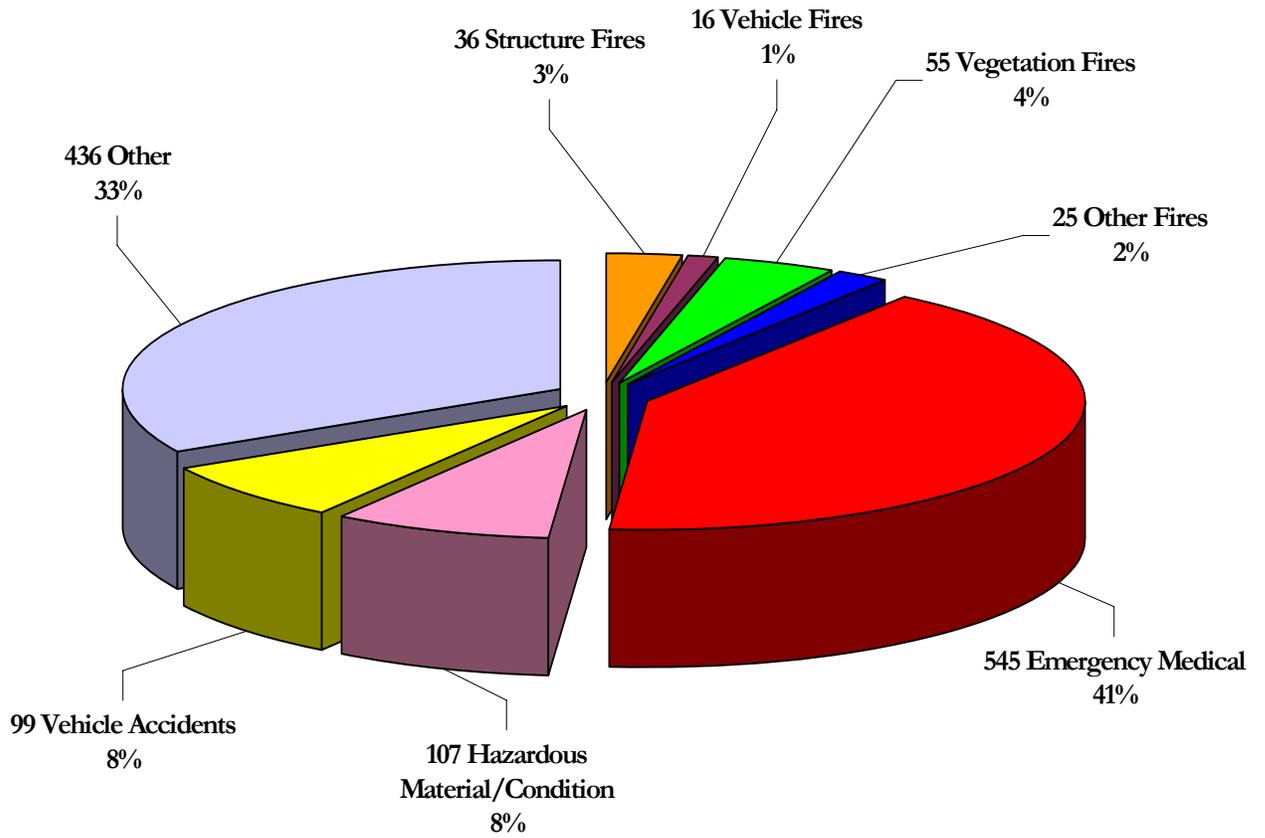
RESCUE, EMERGENCY MEDICAL Includes responses for medical assistance, drowning, lock-ins requiring medical care, electrocutions and persons trapped caught or buried.

HAZARDOUS MATERIALS Includes flammable or toxic conditions, electrical arching, radioactive conditions and attempted burning.

OTHER Includes persons in distress, water problems, animal problems, false calls and public service assistance.

Fire Service Calls

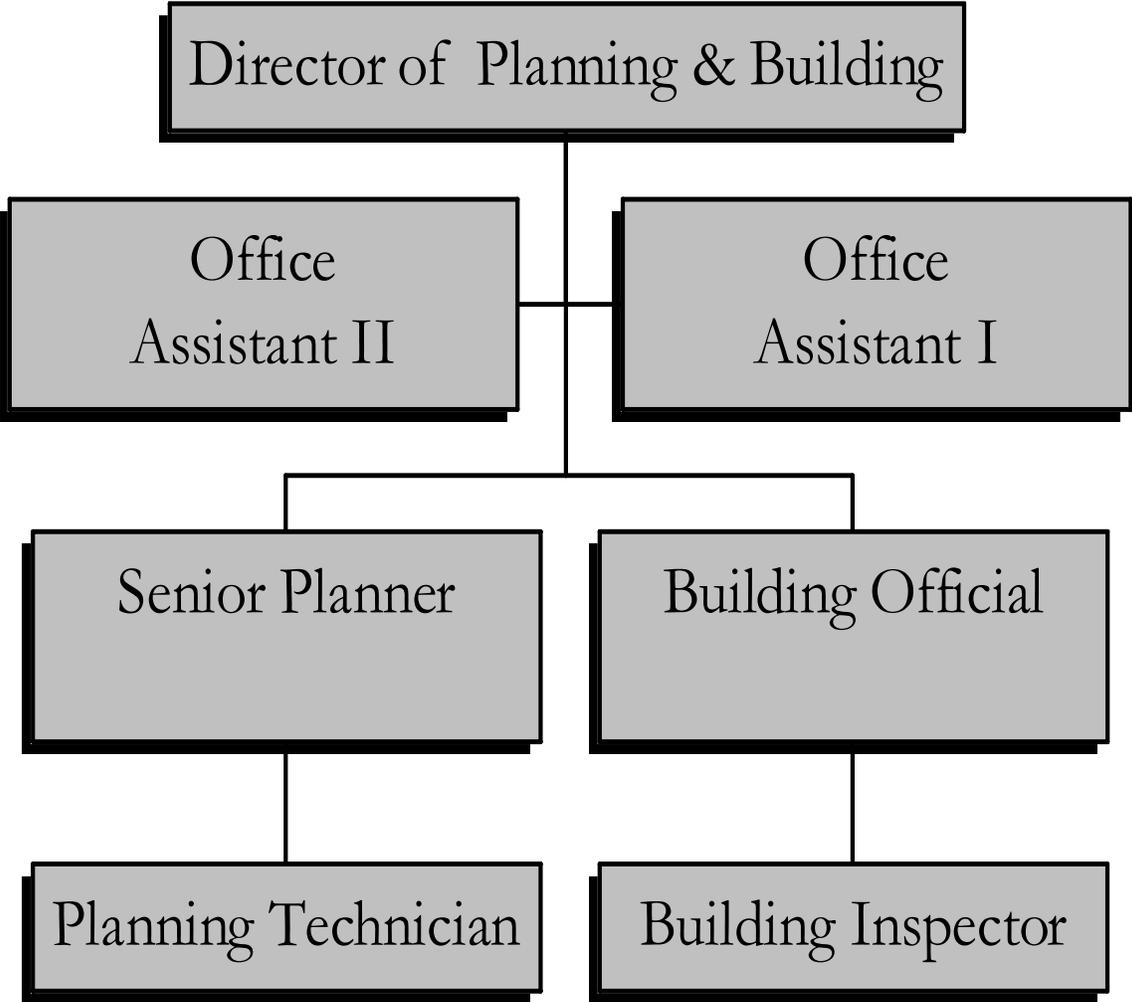
Number of Calls By Type for Calendar Year 2007



PLANNING & BUILDING

Notes:

Full Time - 7
Total - 7
Full Time Equivalents - 7.00



PLANNING & BUILDING

The Planning and Building Department is responsible for overseeing and guiding private development projects in the City of Healdsburg in accordance with state planning, development and zoning laws and the City's General Plan, Zoning Ordinance and other local land use standards. Major tasks include administering planning and building regulations, assisting public and private developers with City permit applications, conducting environmental reviews, providing staff assistance to the Planning Commission and City Council on development-related permits, and preparing and enforcing permit conditions of approval. The Department also provides advance planning services, code enforcement and participates in county-wide and regional planning efforts relating to land use and transportation. The Department also assists the City's economic development and affordable housing redevelopment functions.

Zoning and Subdivision Ordinance Administration

The Department administers the Zoning and Subdivision Ordinances and revises these ordinances as necessary to comply with changing local interests and state law. It responds to public inquires, coordinates interdepartmental review of development applications, provides interpretations on development projects, prepares staff reports on land use, design review and subdivision projects for Planning Commission and City Council review, and attends public hearings. The Department continues to find ways to make the application process easier to understand and required information more accessible to the public.

Design Review

The Department is responsible for preserving and protecting Healdsburg's natural scenic beauty and its unique built environment by administering the City's Design Review Manual and related processes and policies contained in the City's General Plan and Zoning Ordinance. The Department completes minor design review of all changes to nonresidential sites and buildings, such as for expansions of commercial, office and industrial buildings, signage and awnings. Staff also reviews substantial development projects, such as new commercial, industrial, office and residential projects with two or more units and advises the Planning Commission and City Council of a project's compliance with adopted design standards.

Advance Planning

The Department reviews all public and private development activities for consistency with the Healdsburg General Plan and applicable specific plans, such as the Area A Specific Plan. The Department also prepares special planning documents, such as the Foss Creek Pathway Plan and the update to the General Plan. The Department also processes amendments to policy documents to be more responsive to the changing community, such as making changes to the Zoning and Subdivision Ordinances, and Design Review Guidelines. The Department also provides functional support to the Healdsburg Redevelopment Agency. This includes design and environmental review for new affordable housing as well as economic development activities.

Regional Planning

The Department works with county and regional agencies on a regular basis pertaining to land use, housing, transportation and other similar issues of a county-wide and region-wide perspective. The Department reviews changes in regulations affecting local policy, analyzes land use and housing data used for the Association of Bay Area Government's regional fair share housing allocations, participates in county-wide technical and planning advisory committee meetings, and regularly attends meetings conducted on issues associated with improved air quality, regional transit and alternative transportation. The Department also reviews projects outside of the city limits for their potential effect on the North County and Healdsburg, such as development applications and environmental documents.

Environmental Review

The Department conducts environmental review for all new public and private projects under the California Environmental Quality Act (CEQA) guidelines and the City's environmental guidelines. This involves a determination of the required level of environmental review and preparing or coordinating the preparation and review of the necessary environmental documents, including environmental impact reports.

Plan Check and Building Inspection Services

The Department is responsible for implementation of the minimum building standards to safeguard the public, including life, limb and property. The Department accepts permits, reviews plans and inspects all building-related activities within the city to ensure compliance with adopted state, local and model codes. Public assistance is also given to facilitate proper plan submittals and understanding of the building permit review process. Services include continued administration of the Unreinforced Masonry requirements and implementing Building and Fire Codes. The Department also conducts investigations of all construction-related complaints and provides periodic education to the general public and construction professionals relating to new regulations and practices.

Code Enforcement

The Department is responsible for enforcing certain city regulations pertaining to public and private property and is the initial contact point for reviewing many complaints. Areas of responsibility include investigating potential violations of the City's Zoning Ordinance, noise ordinance, building code and other land use and development regulations and working to correct the violations. The Department works closely with other city departments and coordinates the review of complaints for potential public nuisances, particularly with Police and Fire.

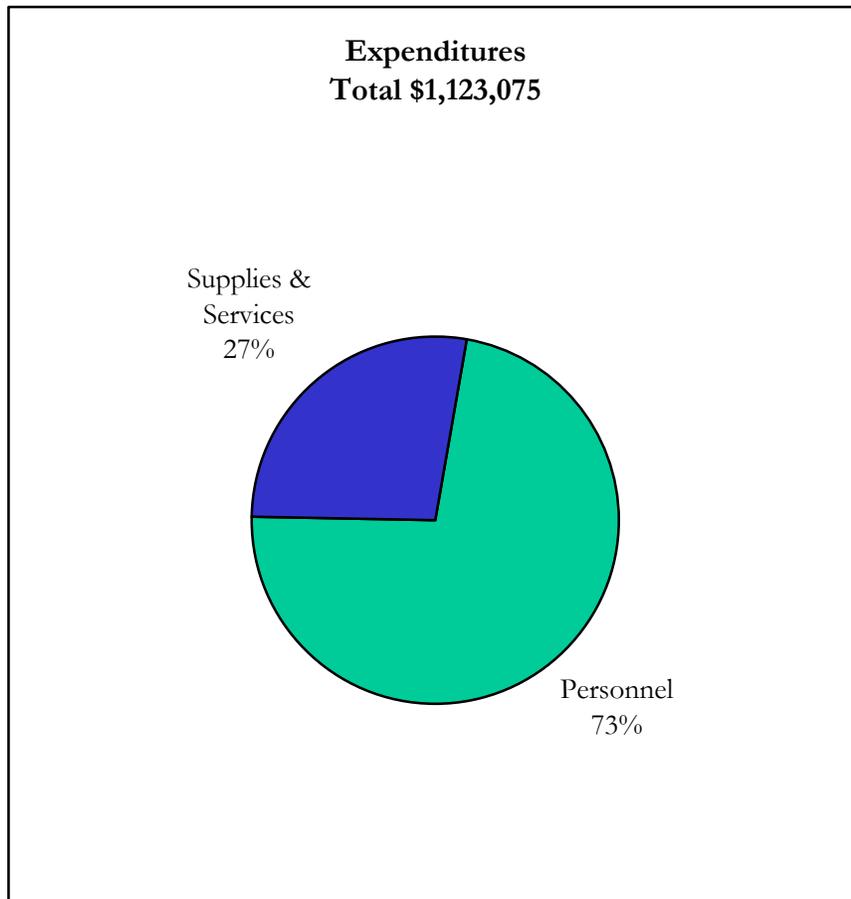
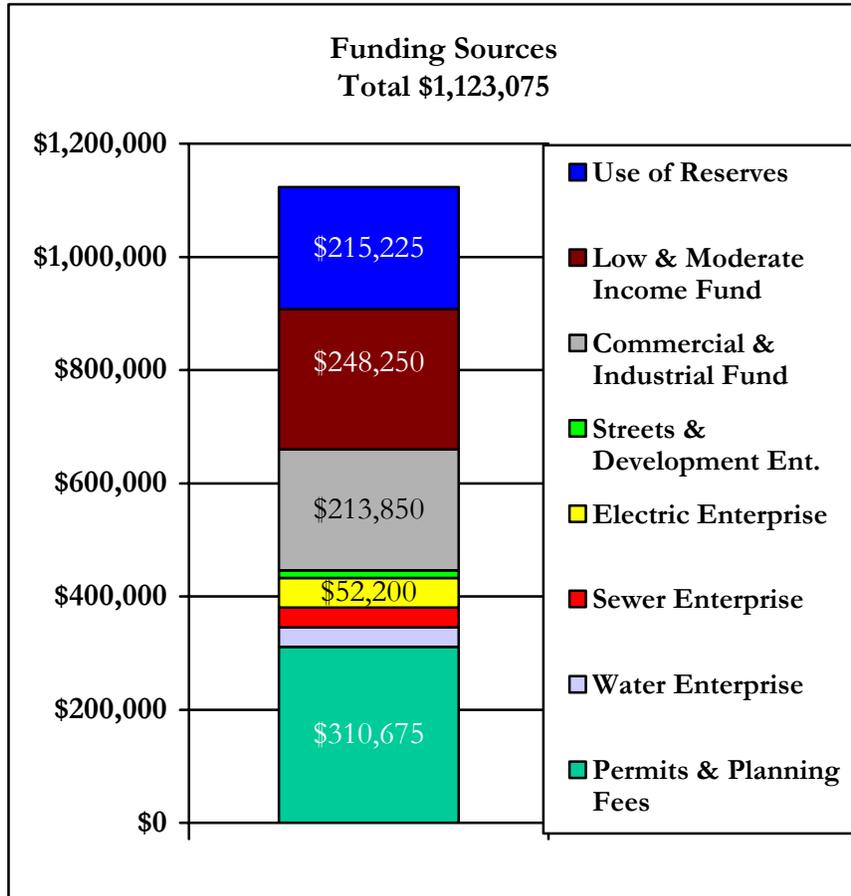
MAJOR DEPARTMENT TASKS COMPLETED FISCAL YEAR 2007-2008

- Completed preparation of the Saggio Hills Project Environmental Impact Report and Planning Commission review of project entitlements
- Completed preparation of the General Plan Update Environmental Impact Report and Planning Commission review of the Background Report, Policy Document and EIR
- Completed preparation of the Downtown Parking Area Report
- Installed new advanced winery signs and winery directional signs for the Dry Creek and Roma Station/Front Street Wineries
- Completed the annexation of the remaining Grove Street properties north of W. Grant Street
- Approved two affordable single-family dwellings to be constructed by Habitat for Humanity at 513 University Street
- Approved the first live-work units in Healdsburg at 107 W. North Street
- Assisted in expansion of the TOT base in Healdsburg by approving a public/private partnership agreement with Duchamp Hotel to secure payment of TOT as part of an effort to sell fractional ownership shares of the business and permit a 23-unit inn at 146 Healdsburg Avenue
- Prepared a Department Emergency Response Plan to help implement the adopted Emergency Operations Plan
- Completed the entitlement process for the 20 W. Grant Street affordable housing project

MAJOR DEPARTMENTAL GOALS FOR FISCAL YEAR 2008-2009

- Adopt a local green building program
- Complete City Council review of the environmental document and entitlements for Saggio Hills project
- Complete City Council review of the General Plan Update
- Amend the Zoning Ordinance to reflect the land use designations approved as part of the General Plan Update
- Complete the Housing Element Update
- Update the Department's fee schedule to reflect the cost of services, including implementation of the policies contained in the General Plan Update
- Complete annexation of the remaining county islands north of Paul Wittke Drive

PLANNING & BUILDING



PLANNING & BUILDING

FUNDING SOURCES	FUNDING SOURCES 2008-2009
PERMITS & PLANNING FEES	\$ 310,675
WATER ENTERPRISE	34,800
SEWER ENTERPRISE	34,800
ELECTRIC ENTERPRISE	52,200
STREETS & DEVELOPMENT ENT.	13,275
COMMERCIAL & INDUSTRIAL FUND	213,850
LOW & MODERATE INCOME FUND	248,250
USE OF DESIGNATED RESERVES	215,225
CAPITAL PROJECT FUNDING	<u>2,820,000</u>
 TOTAL REVENUES	 <u>\$ 3,943,075</u>

EXPENSES	ACTUAL 2006-2007	ADOPTED 2007-2008	BUDGET * 2008-2009	DIFFERENCE FROM 2007-2008	% DIFFERENCE
WAGES & FRINGE BENEFITS	\$ 674,793	\$ 863,100	\$ 813,675	\$ (49,425)	-6%
OVERTIME	2,486	2,000	2,000	-	0%
CONTRACTED SERVICES	162,394	174,500	99,500	(75,000)	-43%
GOVERNMENT FEES	199	-	2,650	2,650	100%
PROJECT BUDGET	1,192	-	-	-	0%
PROJECT PARTICIPATION	580	-	-	-	0%
ADDITIONAL PAY	7,800	8,400	4,200	(4,200)	-50%
UNIFORM ALLOWANCE	-	100	100	-	0%
SERVICE FEES	104,076	109,100	138,950	29,850	27%
REPLACEMENT FEES	41,210	35,150	22,000	(13,150)	-37%
TELECOMMUNICATION SERVICE	3,497	5,200	5,200	-	0%
ADVERTISING & PUBLICATION	11,540	15,000	10,500	(4,500)	-30%
TRAVEL EXPENSE	100	-	-	-	0%
SUPPLIES	18,431	13,750	10,800	(2,950)	-21%
MEETINGS	5,030	7,305	6,000	(1,305)	-18%
MEMBERSHIPS & DUES	-	1,750	1,800	50	3%
TRAINING	1,229	4,000	5,700	1,700	43%
LOAN PROGRAMS	<u>315,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>0%</u>
TOTAL OPERATING EXPENSES	<u>\$ 1,349,557</u>	<u>\$ 1,239,355</u>	<u>\$ 1,123,075</u>	<u>\$ (116,280)</u>	<u>-9%</u>
CAPITAL PROJECTS		830,000	2,820,000		
GRAND TOTAL EXPENSES		<u>\$ 2,069,355</u>	<u>\$ 3,943,075</u>		

*Includes transfer of Development Director and related expenses to Administration.

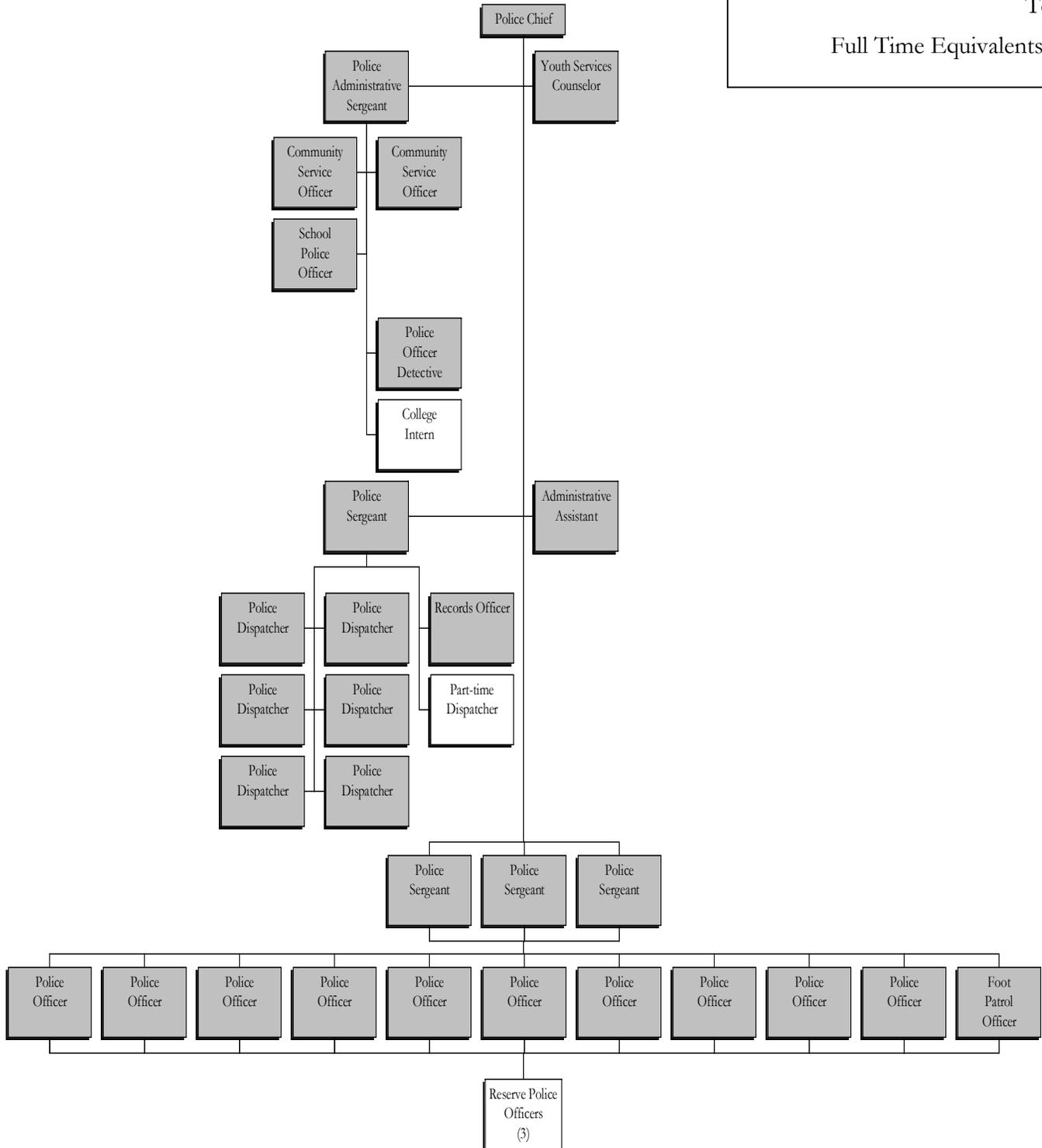
For comparative purposes planning budget increase would be 7% over last year without transfer and reallocation of personnel from Streets

POLICE

Notes:

POLICE

Full Time - 30
 Part Time - 1
 Intern - 1
 Volunteer Reserves - 3
 Total - 35
 Full Time Equivalents – 30.50



POLICE

The Healdsburg Police Department is responsible for the protection of life and property, the maintenance of order, the control and prevention of crime, and the enforcement of motor vehicle laws and regulations. Activities related to these responsibilities include law enforcement; criminal investigations; apprehension of criminals, and the use of problem solving strategies involving all stakeholders in the community to enhance the quality of life for residents and visitors.

Patrol Services

The Patrol Division provides public safety services 24-hours a day, seven days a week. Patrol responds to calls for service, provides general law enforcement activities, including traffic enforcement, initial crime scene investigation, disaster assessment, community policing strategies and preventive patrol. Patrol officers also participate in a number of community outreach efforts such as Adopt A Cop, Citizens Police Academy, Challenge Day, Alive at 25, Every 15 Minutes, and community events. Patrol officers patrol the City on foot, bicycle, and in motor vehicles.

Investigations

The responsibilities of Investigations are to investigate major crime scenes and collect evidence. They analyze fingerprints and other physical evidence, maintain court evidence, process and destroy contraband evidence; monitor activities of individuals on probation and parole, conduct major investigations with crimes requiring out-of-town follow-up. Additionally, this division maintains gang tracking and participates on countywide task forces including high profile drug cases.

School Resource Officer

The School Resource Officer divides his/her time at all of the Healdsburg schools. S/he works toward building relationships with students, faculty, staff and parents, providing counseling and education, conducting enforcement and other activities associated with creating a safer school environment and attending special events. The SRO also conducts presentations to educate students and facilitate a discussion about issues such as alcohol and drug abuse, rules of the road, gangs, criminal law, police procedures and other topics of interest that are expressed by students.

Communications

The responsibilities of this division are to maintain/operate a full 911-dispatch center for Police. They receive and process all calls for service, maintain communications with officers in the field and monitor the status of police units and field personnel. Dispatchers conduct inquiries for police officers such as warrant checks, criminal histories and vehicle registration information. Dispatchers are the critical link between citizens in need of service and law enforcement officers. They also process records and work with the Records Officer in obtaining important data and the dissemination of information.

Administration

This division manages the administrative functions of the department and prepares and implements the department budget, monitors employee recruitments and promotions, applies for and manages grant programs, reviews all employee evaluations, and maintains professional standards through training and policy review. All citizen complaints are reviewed and assigned for investigation through this office. The office also analyzes crime statistics and staffing needs.

Community Services

This unit performs Parking Enforcement and vehicle abatement duties, and manages the Property and Evidence room. Property and Evidence is monitored to ensure compliance with State and Federal laws.

MAJOR DEPARTMENTAL TASKS COMPLETED FISCAL YEAR 2007-2008

- ☑ The department purchased new Computer Aided Dispatch/Records Management and Property and Evidence software that will enhance the department's effectiveness by reducing the amount of time it takes for officers to write reports. In addition, grant information will become much easier to pull and Property and Evidence will implement a bar coding system that will allow the Property Officer the ability to easily track property and evidence destruction dates.
- ☑ Officers investigated and subsequently arrested a homicide suspect wanted out of Los Angeles for a homicide that occurred 25 years prior. This was a Los Angeles County Sheriff's Office cold case. Officers were commended by LASO and HPD for their excellent work.
- ☑ Officers developed information about a homicide suspect wanted by the Sonoma County Sheriff's Office. They were able to make the arrest and return the suspect to custody.
- ☑ Officers arrested a fugitive wanted for fraud by the Connecticut's Attorney General's Office.
- ☑ Piedmont Police Department requested Community Policing Training by HPD staff due to our successes with the problem solving process.
- ☑ Youth Services received 1,035 referrals this year and maintained a 6% recidivism rate among the offenders.

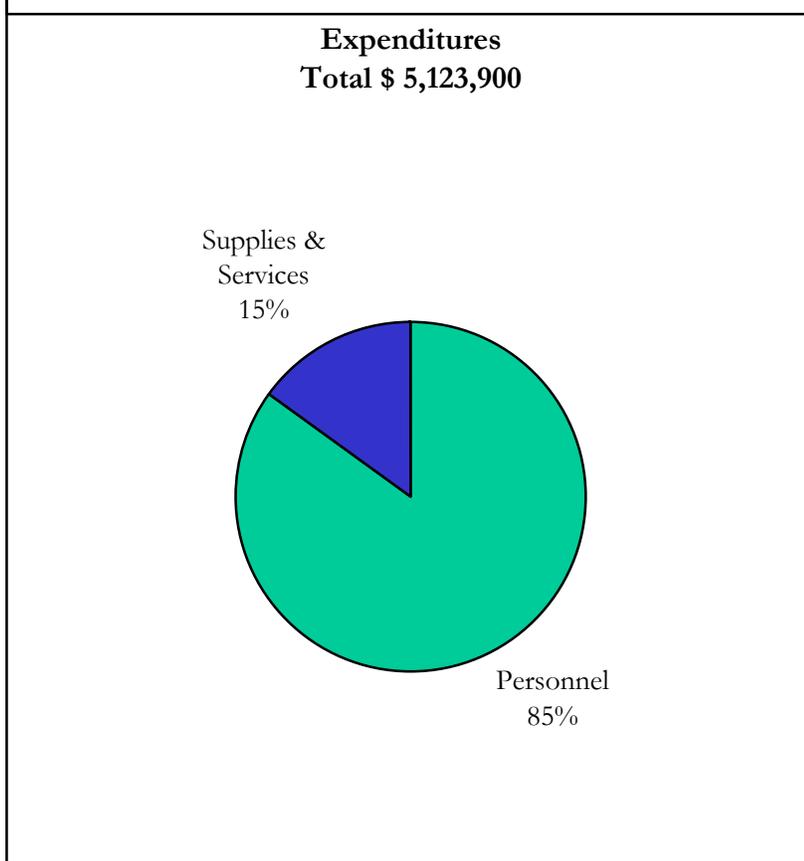
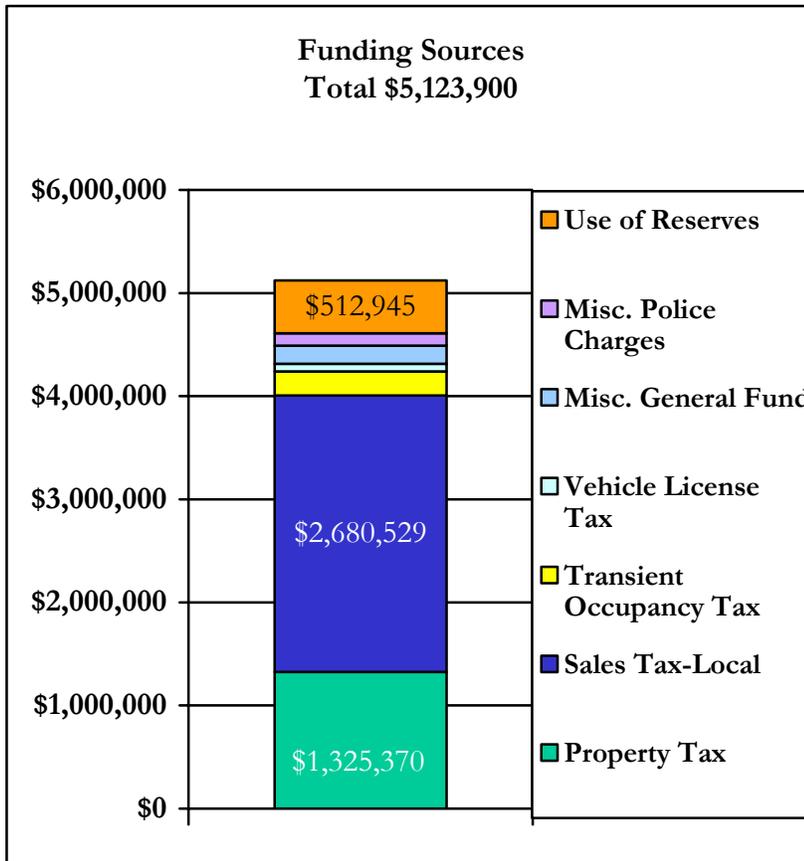
MAJOR DEPARTMENTAL GOALS FOR FISCAL YEAR 2008-2009

- Continue to research alternative funding sources
- Restructure command and supervisory positions to allow the return of the Lieutenant position to the police department
- Locate grant funds to purchase green vehicles
- Anticipate future retirements and prepare department for the hiring of new personnel

FUTURE POLICE OBJECTIVES

HPD will continue working with Sonoma County law enforcement agencies to better pool our resources and to work closely with each other in cooperative ventures. The department will also focus on developing our employees through police related training either in-house or outside POST courses. In addition, emphasis continues to be placed on employees completing their college degrees for future promotional opportunities, and to better reflect the community that we serve.

POLICE



FUNDING SOURCES	FUNDING SOURCES 2008-2009
PROPERTY TAX	\$ 1,325,370
SALES TAX AND OTHER TAX	2,680,529
TRANSIENT OCCUPANCY TAX	234,025
INDIAN GAMING GRANT	-
VEHICLE LICENSE FEES	73,000
MISC.GENERAL FUND REVENUES	177,500
MISCELLANEOUS POLICE CHARGES	120,531
USE OF RESERVES	512,945
TOTAL REVENUES	\$ 5,123,900

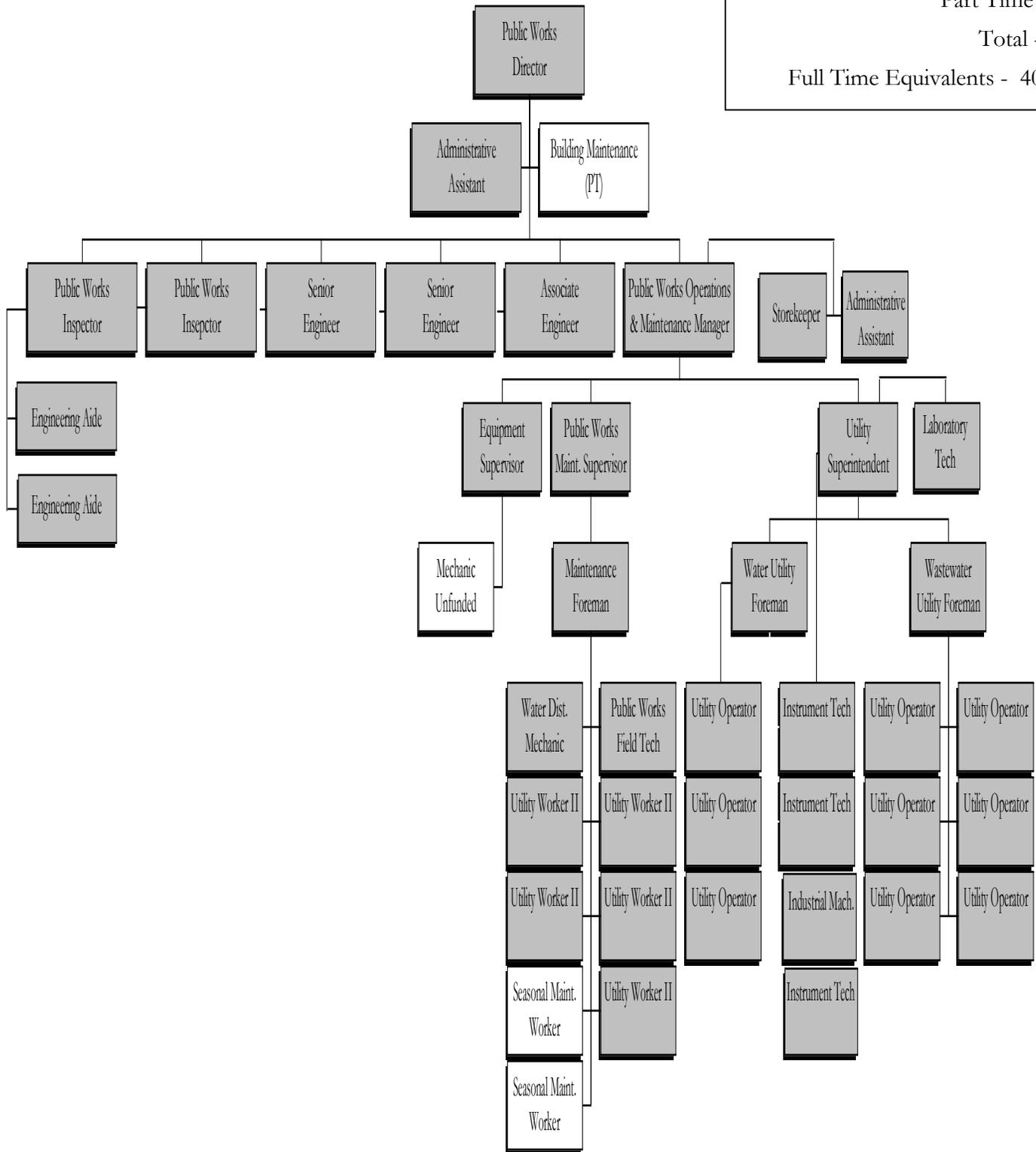
EXPENSES	ACTUAL 2006-2007	ADOPTED 2007-2008	BUDGET 2008-2009	DIFFERENCE FROM 2007-2008	% DIFFERENCE
WAGES & FRINGE BENEFITS	\$ 3,546,364	\$ 3,976,050	\$ 4,135,925	\$ 159,875	4%
OVERTIME	204,892	206,500	219,000	12,500	6%
CONTRACTED SERVICES	128,433	104,850	100,650	(4,200)	-4%
ADDITIONAL PAY	-	-	1,800	1,800	100%
UNIFORM ALLOWANCE	21,527	21,425	22,475	1,050	5%
RENTALS	-	400	400	-	0%
SERVICE FEES	390,056	400,500	419,100	18,600	5%
REPLACEMENT FEES	191,105	150,300	103,200	(47,100)	-31%
TELECOMMUNICATION SERVICE	19,615	21,050	21,050	-	0%
ADVERTISING & PUBLICATION	1,716	1,200	1,200	-	0%
PRINTING & BINDING	1,632	2,750	2,750	-	0%
TRAVEL EXPENSE	-	-	-	-	0%
SUPPLIES	43,060	66,300	66,350	50	0%
MEETINGS	1,843	3,350	4,250	900	27%
MEMBERSHIPS & DUES	955	1,300	1,800	500	38%
TRAINING	22,754	22,350	23,950	1,600	7%
CAPITAL ITEMS	124,085	-	-	-	0%
TOTAL OPERATING EXPENSES	\$ 4,698,037	\$ 4,978,325	\$ 5,123,900	\$ 145,575	3%

PUBLIC WORKS

Notes:

PUBLIC WORKS

Full Time - 40
 Seasonal Part Time- 2
 Part Time - 1
 Total - 43
 Full Time Equivalents - 40.50



PUBLIC WORKS

The Public Works Department is responsible for construction, operation and maintenance of most of the City's infrastructure. Specific areas of responsibility include design, construction and maintenance of public streets and roadways; water production, treatment, storage and distribution; sewer collection, pumping, treatment, and disposal; storm drain design and construction; maintenance of storm water collection pipes and detention basins; development review for compliance with City standards; and the internal service functions of central stores, fleet and building maintenance.

Engineering Staff

The Engineering Staff consists of four engineers, two public works inspectors, one engineering technician, one engineering aide and an administrative assistant. Responsibilities include implementing the City's Capital Improvement Program (CIP) and interacting on behalf of the City with outside agencies and reviewing land development projects. Other responsibilities include maintaining and updating the City's standard plans and specifications; inspections; issuance and administration of permits, licenses and agreements; flood plain administration; management of the City's GIS and aerial photography; traffic engineering; surveying; and customer service related to public utilities, property development and public right-of-way issues. We are proposing to add a part-time employee who would be dedicated to building maintenance efforts.

Operation and Maintenance Staff

The Public Works Operations and Maintenance (O&M) Division consists of 31 full-time and two temporary employees who are responsible for the operation, maintenance, inspection, and repair of a significant portion of the City's infrastructure. The four primary sections within the O&M Division are Maintenance, Water Operations, Wastewater Operations and Internal Services. The Public Works Operations Manager provides oversight for these divisions.

The Maintenance section has nine full-time and two temporary employees who maintain and repair streets, traffic signals, signing and striping, storm drains, sanitary sewers, water distribution piping, and City buildings. Responsibilities also include weed and graffiti abatement. The maintenance focuses on proactive management through sewer collection system cleaning, water distribution system flushing, abatement of sidewalk hazards, water system corrosion control, and operation of a Supervisory Control And Data Acquisition (SCADA) computer monitoring system. On average 125 broken water services are replaced each year. The section utilizes private contractors for traffic striping, finish paving, concrete work, and street light maintenance.

The Water section is responsible for the City's water production, treatment, and storage systems and has six employees. This group works seven days a week operating and maintaining the City's new Gauntlett/Fitch Treatment Facility, fifteen production wells; chemical treatment systems, seven storage reservoirs, the SCADA communication system and the cross connection control program. The section also includes two positions that are shared with the sewer division (Utility Superintendent and Lab Analyst).

The Wastewater section, comprised of nine employees, has primary responsibility for operation and maintenance of the wastewater treatment plant and a reclamation system (future), water quality sampling and analysis, inspection of commercial and industrial dischargers to ensure compliance with the City's sewer ordinance, and a public education program. Along with the Maintenance Section, this section operates and maintains the sewer collection system and the City's ten sewer pump stations. Two positions in this section, the Utility Superintendent and Lab Analyst, are shared with the water division.

The Internal Service section consists of three employees. This group provides Citywide inventory and fleet maintenance services for over 100 vehicles and specialized equipment. Central stores provides inventory services for many of the City's recurring equipment, materials and parts needs.

PUBLIC WORKS

MAJOR DEPARTMENTAL TASKS COMPLETED FISCAL YEAR 2007-2008

- ☑ Managed approximately \$25 million of construction work on the new wastewater treatment facility, which is expected to be in full operation by May 1, 2009
- ☑ Adopted a new ordinance related to speed designations in the City that will allow the Police Department to enforce posted speed limits with radar
- ☑ Installed a new back-up generator at the Corporation Yard to provide emergency power to Public Works and Electric Department operations buildings
- ☑ Worked with the Water and Sewer Oversight Committee to identify options to attract restaurants and hotels to Healdsburg
- ☑ Completed the “truing-up” program for properties using more plant capacity than allocated
- ☑ Completed the Recycled Water Master Plan
- ☑ Submitted a funding application to Caltrans for bridge replacement or rehabilitation
- ☑ Replaced failed water services in Area “A” and accepted public improvements for affected subdivisions
- ☑ Processed 240 building permits, 43 Planning Commission items, 9 subdivision final/parcel maps, 10 subdivision tentative maps, 4 sets of subdivision improvement plans, 6 agreements, and 87 encroachment permits
- ☑ Completed the Foss Creek flood plain study and submitted an application to FEMA to reduce flood insurance premiums paid by property owners
- ☑ Revised and updated City Standards and Specifications
- ☑ Removed 30,000 cubic yards of sediment from Foss Creek in the downtown area
- ☑ Completed negotiations on all entitlement documents for Saggio Hills
- ☑ Updated the City’s aerial mapping, which was incorporated into the GIS system
- ☑ Completed a comprehensive plan for future phases of the Foss Creek Pathway
- ☑ Secured funding for Matheson and Healdsburg Street overlay projects and completed construction plans
- ☑ Implemented policies and procedures to comply with new Phase II Stormwater NPEDS permit

MAJOR DEPARTMENTAL GOALS FOR FISCAL YEAR 2008-2009

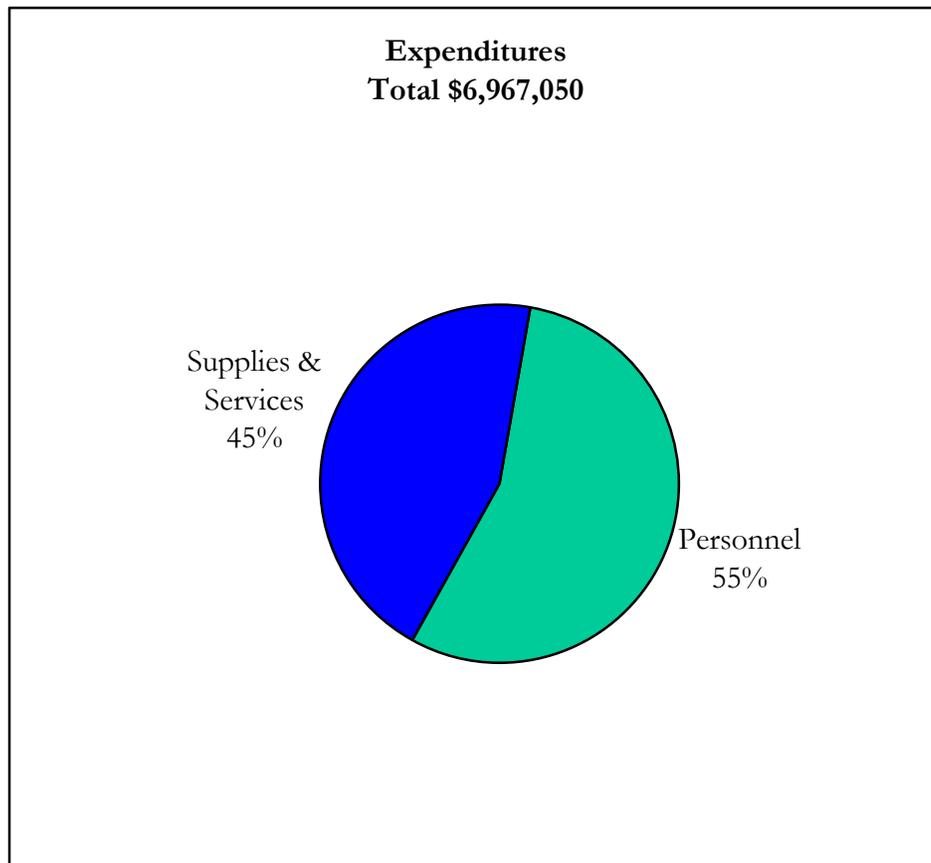
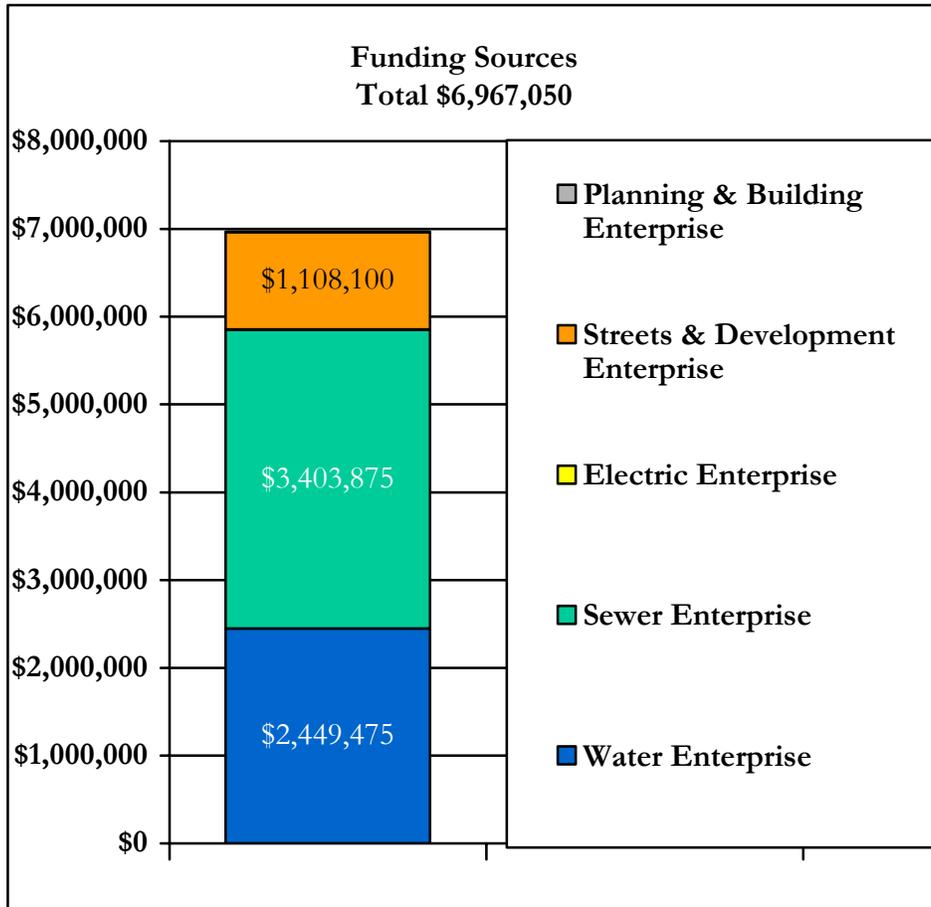
- ◆ Complete start-up and construction of the City’s new advanced wastewater treatment plant
- ◆ Work with State Transportation and Federal Highway officials to contract for preparation of an EIR and public outreach for the Healdsburg Avenue-Russian River Bridge
- ◆ Record master final map and approve public improvement plans for Saggio Hills Development
- ◆ Secure grant or low-interest loan funding for the new reclaimed water irrigation system
- ◆ Construct Foss Creek Pathway from the 5-Way intersection to Front Street, including storm drain extension
- ◆ Construct sidewalk on Grove Street at 100 Chiquita Road using CDBG funds
- ◆ Update the Pavement Management System for the City’s arterial and collector street system

FUTURE OBJECTIVES

Over the next several years, major effort will be concentrated on the following projects:

- Make the City’s GIS and automated mapping system available to the public through internet access
- Design and construct Phase II of the Gauntlett/Fitch Treatment Facility
- Explore options and opportunities to expand urban and agricultural use of the City's reclaimed water
- Develop a plan for installation of storm drain systems for Piper Street (College to Fitch Street)
- Replace the Sunset and Cadoul water tanks with a single new tank
- Investigate and pursue opportunities to fund and construct CIP projects

PUBLIC WORKS



PUBLIC WORKS

FUNDING SOURCES	FUNDING SOURCES 2008-2009
WATER ENTERPRISE	\$ 2,449,475
SEWER ENTERPRISE	3,403,875
ELECTRIC ENTERPRISE	2,800
PLANNING & BUILDING ENTERPRISE	2,800
STREETS & DEVELOPMENT ENTERPRISE	1,108,100
CAPITAL PROJECTS	<u>3,810,481</u>
 TOTAL REVENUES	 <u>\$ 10,777,531</u>

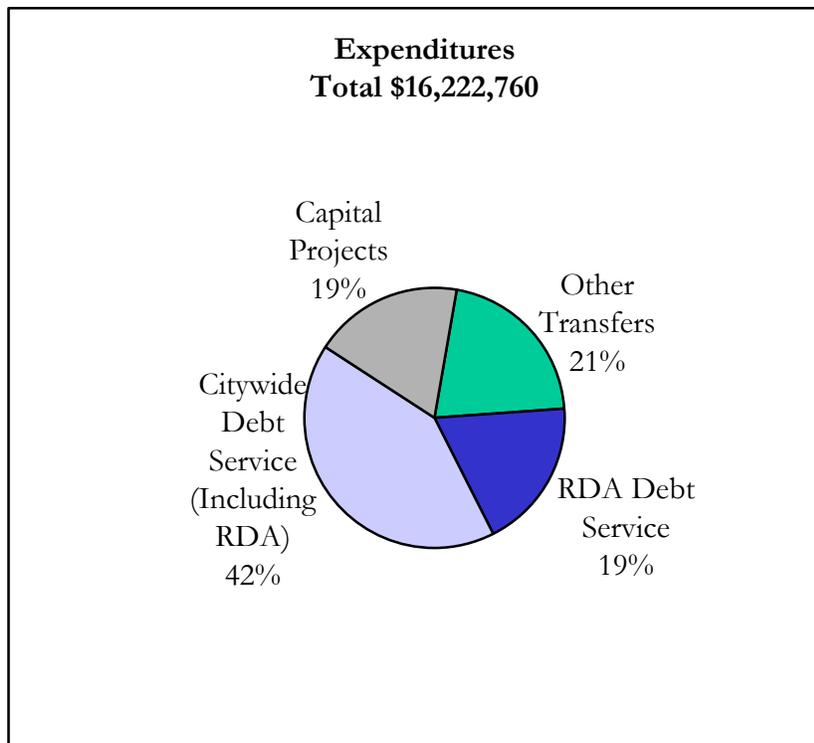
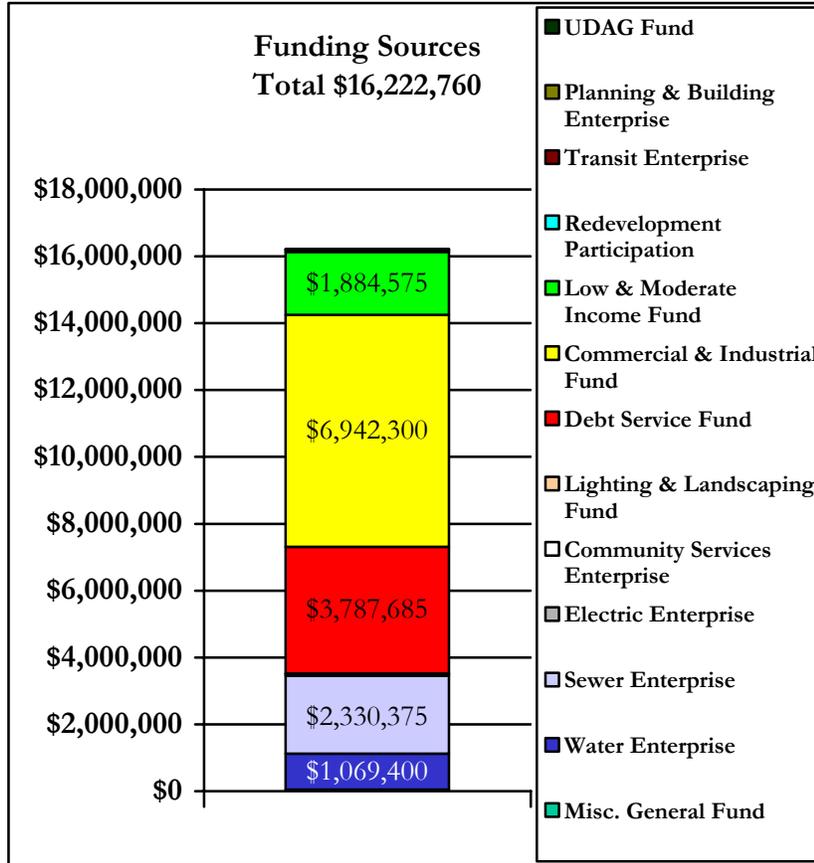
EXPENSES	ACTUAL 2006-2007	ADOPTED 2007-2008	BUDGET 2008-2009	DIFFERENCE FROM 2007-2008	% DIFFERENCE
WAGES & FRINGE BENEFITS	\$ 3,044,661	\$ 3,205,657	\$ 3,672,600	\$ 466,943	15%
OVERTIME & STAND BY	230,720	167,130	175,000	7,870	5%
CONTRACTED SERVICES	852,010	315,560	309,600	(5,960)	-2%
GOVERNMENT FEES	42,630	78,000	46,200	(31,800)	-41%
EMPLOYMENT SERVICES	970	-	1,750	1,750	100%
PROPERTY SERVICES	335,728	431,615	738,100	306,485	71%
ADDITIONAL PAY	7,014	9,000	16,200	7,200	80%
UNIFORM ALLOWANCE	22,120	20,450	22,500	2,050	10%
RENTALS	24,098	16,900	17,300	400	2%
SERVICE FEES	481,255	591,623	687,350	95,727	16%
REPLACEMENT FEES	340,708	405,079	266,890	(138,189)	-34%
USE FEES	375,000	375,000	375,000	-	0%
TRENCH CUT FEES	25,000	25,000	25,000	-	0%
LOAN REPAYMENT- GENERAL FUND	55,060	55,060	55,060	-	0%
TELECOMMUNICATION SERVICE	49,699	20,682	45,175	24,493	118%
ADVERTISING & PUBLICATION	7,008	7,600	5,550	(2,050)	-27%
PRINTING & BINDING	545	2,100	1,650	(450)	-21%
TRAVEL EXPENSE	-	250	250	-	0%
SUPPLIES	494,114	467,071	422,150	(44,921)	-10%
MEETINGS	1,442	2,075	2,175	100	5%
MEMBERSHIPS & DUES	34,790	42,600	46,100	3,500	8%
TRAINING	13,518	16,080	9,950	(6,130)	-38%
OTHER EMPLOYEE EXPENSES	7,113	8,000	7,500	(500)	-6%
CAPITAL ITEMS	6,066	15,000	18,000	3,000	20%
LOSS IN DISPOSAL	-	-	-	-	0%
SHORT/OVER	-	-	-	-	0%
 TOTAL OPERATING EXPENSE	 <u>\$ 6,451,269</u>	 <u>\$ 6,277,532</u>	 <u>\$ 6,967,050</u>	 <u>\$ 689,518</u>	 <u>11%</u>
CAPITAL PROJECTS		3,181,000	3,810,481		
 GRAND TOTAL EXPENSES		 <u>\$ 9,458,532</u>	 <u>\$ 10,777,531</u>		

PUBLIC WORKS

Notes:

NON DEPARTMENTAL

Non-Departmental includes items related to the City as a whole that cannot be easily allocated to the various departments such as transfers, debt service, Community Benefit Trust Fund, RDA County pass through to State and capital projects.



NON DEPARTMENTAL

FUNDING SOURCES	FUNDING SOURCES 2008-2009
MISC.GENERAL FUND REVENUES	\$ 51,025
WATER ENTERPRISE	1,069,400
SEWER ENTERPRISE	2,330,375
ELECTRIC ENTERPRISE	9,200
COMMUNITY SERVICES ENTERPRISE	50,850
TRANSIT ENTERPRISE	2,800
PLANNING & BUILDING ENTERPRISE	14,500
AIRPORT ENTERPRISE	-
MEETING CENTER ENTERPRISE	-
SCHOOL SERVICE ENTERPRISE	-
LIGHTING & LANDSCAPING FUND	9,700
SERVICE FUND	-
STREET & DEVELOPMENT ENTERPRISE	4,650
DEBT SERVICE FUND	3,787,685
UDAG FUND	12,000
COMMERCIAL & INDUSTRIAL FUND	6,942,300
LOW & MODERATE INCOME FUND	1,884,575
REDEVELOPMENT PARTICIPATION FUND	53,700
TOTAL REVENUES	\$ 16,222,760

EXPENSES	ACTUAL 2006-2007	ADOPTED 2007-2008	BUDGET 2008-2009	DIFFERENCE FROM 2007-2008	% DIFFERENCE
TRANSFERS:					
RDA DEBT SERVICE	\$ 3,078,366	\$ 3,060,930	\$ 3,050,375	\$ (10,555)	0%
CITYWIDE DEBT SERVICE INTEREST & FEES	4,372,591	4,698,941	4,664,200	(34,741)	-1%
CITYWIDE DEBT SERVICE PRINCIPAL	2,100,000	1,995,000	2,085,000	90,000	5%
ENTERPRISE FUNDS	65,836	54,535	48,650	(5,885)	-11%
COMMUNITY BENEFIT TRUST FUND	50,000	50,000	50,000	-	0%
CAPITAL PROJECTS	2,641,948	2,893,882	2,707,000	(186,882)	-6%
RDA COUNTY PASS THROUGH TO STATE	2,387,210	2,482,706	2,732,330	249,624	10%
TAX COLLECTION FEES	101,135	130,000	171,600	41,600	32%
CONTRACTED SERVICES	203,603	99,861	135,105	35,244	35%
PROPERTY SERVICES	-	-	300,000	300,000	100%
SUPPORT OF OUTSIDE ORGANIZATIONS	247,570	150,000	240,000	90,000	60%
SERVICE FUNDS	15,000	15,000	-	(15,000)	-100%
BOND AMORTIZATION & OTHER COSTS	66,502	18,500	18,500	-	0%
RENTALS	25,196	20,000	20,000	-	0%
SUPPLIES	-	4,000	-	(4,000)	-100%
TOTAL OPERATING EXPENSES	\$ 15,354,957	\$ 15,673,355	\$ 16,222,760	\$ 549,405	4%

NON-DEPARTMENTAL

Notes:

CITY OF HEALDSBURG

Redevelopment Agency

2008-2009 Work Plan and Proposed Budget

Board Members:

Lisa Wittke Schaffner, Chair

James Wood, Vice-Chair

Mike McGuire

Gary Plass

Eric Ziedrich

Executive Director:

Chet J. Wystepek

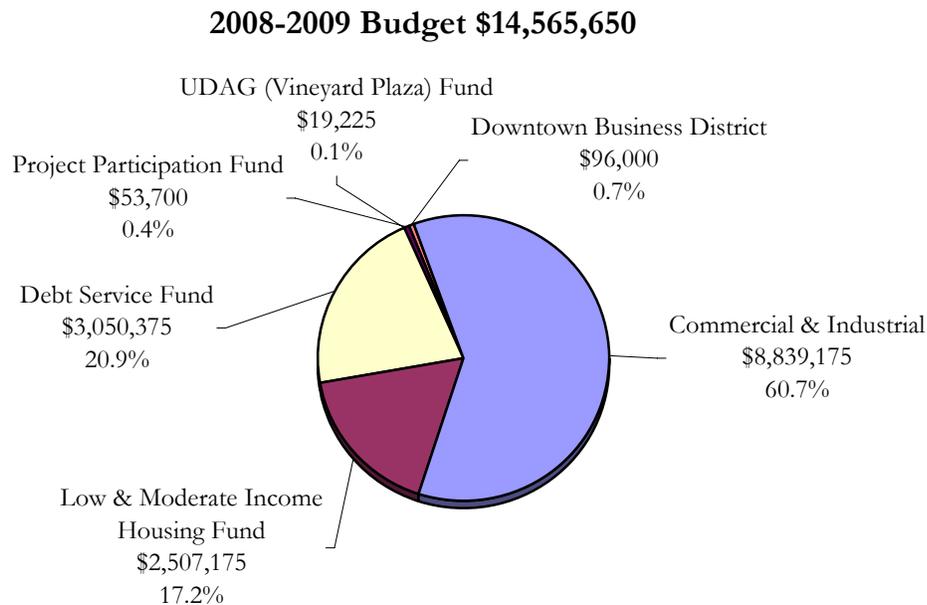
Notes:

REDEVELOPMENT AGENCY WORK PROGRAM AND BUDGET SUMMARY

The Redevelopment Agency (Agency) 2008-2009 Work Plan and Proposed Budget is outlined in the following sections of this document. The proposed 2008-2009 budget for the Agency is \$14,565,650. The work program is consistent with the Five-Year Implementation Plan that was adopted in November 2004.

Budget

The \$14,565,650 budget consists of funding for the Low and Moderate Income Housing Fund, the Commercial and Industrial Fund, the Debt Service Fund, the UDAG Fund, the Project Participation Fund and the Downtown Business District. The graph below shows how the budget is allocated amongst the fund groups.



The largest portion, 60.7%, of the Agency budget is in the Commercial and Industrial Fund. The \$8,839,175 budget in this Fund consists of funding for various projects, use of bond sale proceeds, programs and debt service. This Fund also receives the largest portion of Agency revenues primarily from property tax increment.

The Debt Service Fund accounts for 20.9% of the Agency budget. The \$3,050,375 budget in this fund consists of various debt payment obligations related to previous Agency projects. The revenues received by this Fund are debt service transfers from the Commercial and Industrial Fund and the Low and Moderate Income Housing Fund.

The Low and Moderate Income Housing Fund represents 17.2% of the Agency budget. The \$2,507,175 budget in this Fund consists of debt service and various affordable housing, use of bond proceeds, and neighborhood improvement projects. The revenues received by this Fund are primarily from property tax increment. (i.e. 20% of the total increment).

The UDAG (Vineyard Plaza) Fund is less than 1% of the Agency budget. The \$19,225 is made up primarily of economic development loans.

The Project Participation Fund is less than 1% and represents funds for the Community Benefit Trust.

The remaining 1% of the budget is funding the Downtown Business District. The \$96,000 budget consists of various promotional programs benefiting the downtown. Revenues received by this Fund are from a contribution by the Agency and by assessments of downtown businesses.

FUNDING FOR PROJECTS

The proposed budget includes \$2,295,000 of new project funding. Most projects were funded as a budget amendment in the 2002-2003 year following the 2003 Tax Allocation Bond sale. The primary means for funding the projects is utilization of some of the uncommitted tax increment and proceeds from the 2003 Tax Allocation Bond sale. In addition to the proposed new funding, there are projects budgeted in 2008-2009 as part of the Capital Improvement Program, for which carry-over appropriation authority will be requested as part of the proposed budget. Debt service for the 2003 Tax Allocation Bonds have reduced funding for 2008-2009 projects.

FUNDING FOR PROGRAMS

The proposed budget includes \$3,268,623 of funding for programs. Funding in the Commercial and Industrial Fund for programs is \$2,631,873 and program funding in the Low and Moderate Income Housing Fund is \$636,750. The programs funded include:

- ◆ Economic Development
- ◆ Promotion
- ◆ New Affordable Housing Land Acquisition and Development
- ◆ Administration and Board of Directors
- ◆ Neighborhood Improvement

AGENCY ACCOMPLISHMENTS DURING FISCAL YEAR 2007-2008

The Agency successfully completed and funded a number of projects and programs in the 2007-2008 year. These included:

- Initiated the downtown parking study
- Solicited potential developer for 20 West Grant Street for low to moderate affordable housing
- Continued the successful Neighborhood Improvement Program
- Prepared building plans for additional affordable housing units at 308 East Street
- Prepared conceptual development plans and cost estimates for firefighter housing at 627 Healdsburg Avenue
- Provided funding to match FAA entitlement grants for airport safety improvements
- Started process for hangar acquisitions and completed first phase of purchases
- Approved the loan and installation of a fire sprinkler retrofit in Fintan Hall at St. John's School
- Renewed agreement through 2010 to provide funding for lodging promotion services on a matching \$2 to \$1 basis up to \$150,000

AGENCY GOALS FOR FISCAL YEAR 2008-2009

- ◆ Prepare conceptual plans and environmental documents for downtown parking lot creek restoration and possible shade structure on Purity Chemical site
- ◆ Provide matching funds to the federally funded Railroad Depot Transit project, to also address drainage problem
- ◆ Purchase additional land for development of low-moderate income housing
- ◆ Continue development of an entryway upgrade program by initiating a special study area plan
- ◆ Secure funding for the construction of 64 affordable family apartments at 20 West Grant Street
- ◆ Develop moderate income housing/visitor lodging at 320/328 East Street property if determined to be feasible
- ◆ Explore funding of firefighter housing at 627 Healdsburg Avenue
- ◆ Construct 308 East Street, transitional housing
- ◆ Continue the Fire Sprinkler Retrofit Program
- ◆ Expand downtown streetscape where appropriate
- ◆ Initiate an update to the Five-Year Implementation Plan

HISTORY OF AGENCY

In 1980, the Healdsburg Redevelopment Agency was established. The adoption of the Sotoyome Community Development Plan occurred in 1981. The Agency's purpose was defined to provide a tool to eliminate blighting conditions and thus ensure that the City economic base would grow and remain healthy through provision of new public improvements, commercial development and affordable housing.

The Healdsburg Redevelopment Agency, like many other agencies in the State, established the City Council as its Board of Directors and established the existing City staff as the Agency's staff. Specifically, the City Manager is the Agency's Executive Director, the City Clerk is the Agency's Secretary, the Finance Director is the Agency's Fiscal Officer, and other City staff performs a variety of Agency responsibilities. The City's Department Heads serve as Program Managers in the implementation of the Plan.

The Sotoyome Community Development Plan sets forth the Project Area or limits of jurisdiction of the Agency and its tax increment spending authority generally. An exception exists in the area of low and moderate-income housing funds, which, under certain circumstances, can be used within the City, and non tax increment funds, such as UDAG loan repayment proceeds, which are restricted as to purpose, not geographically.

The Redevelopment Agency of the City of Healdsburg Project Area includes approximately 90 percent of the western half of the City, including virtually all-commercial and industrial areas and 30 percent of the eastern half of the City, including virtually all-older residential areas. The total Project Area is approximately 1,000 acres.

With adoption of major redevelopment reform legislation, AB 1290, the Agency was mandated to adopt a 5-Year Implementation Plan, which it did in December 1994. In December of 1999, the Agency adopted a new five-year implementation plan, which was amended in November of 2004.

The Agency completed the process of adopting a Plan Amendment that became effective in July 2001, which increased the tax increment and debt limit and extended the time period to incur new debt. In 2004 the Agency extended the financial life of the Agency by one year from 2021 to 2022 per State law.

LIMITATIONS AND REQUIREMENTS OF THE REDEVELOPMENT PLAN

Pursuant to the Redevelopment Plan, as amended, the total tax increment revenues received by the Agency over the life of the Redevelopment Plan cannot exceed \$307 million. The outstanding amount of indebtedness as of the tax year 2007-2008 is \$64.6 million. The Redevelopment Plan also established a limit of \$100 million on the amount of bonded indebtedness that can be outstanding at one time. Pursuant to AB 1290, the City Council adopted Ordinance No. 904 on December 19, 1994, which provides that the Agency shall not pay indebtedness or receive property taxes after June 16, 2032, or 10 years after the termination of the effectiveness of the Plan.

Recent legislation, SB1045 authorizes a local legislative body to extend these time limits by adopting an ordinance without following the procedures typically required for plan amendments when the Agency is required to make ERAF payments. Effective September 1, 2003, the Agency was required to make a payment during fiscal year 2004 in the amount of \$280,725 into the Educational Revenue Augmentation Fund (ERAF). Pursuant to SB 1045 the City's legislative body amended the Plan on May 17, 2004 by adopting Ordinance No. 1014 to extend both the Plan effectiveness date and the time limit on receipt of tax increment for repayment of debt by one year. The 2004-2005 State budget included two years of assistance from Agencies to make ERAF contributions as a means to help solve the \$17 billion shortfall problem. The Agency's ERAF payments for both fiscal year 2005 and 2006 were \$464,811 and \$473,900, respectively.

The effectiveness of the Redevelopment Plan, as amended, is currently 31 years, or through 2022. The Agency, through amendment of its plan, extended the period in which it can incur indebtedness through 2014. At the end of that period as amended, the Agency is limited to receipt of increment to pay debt service through 2032 and to undertake housing programs.

IDENTIFICATION OF BLIGHT AND PROJECT AREA GOALS, OBJECTIVES AND LINES OF ACTION

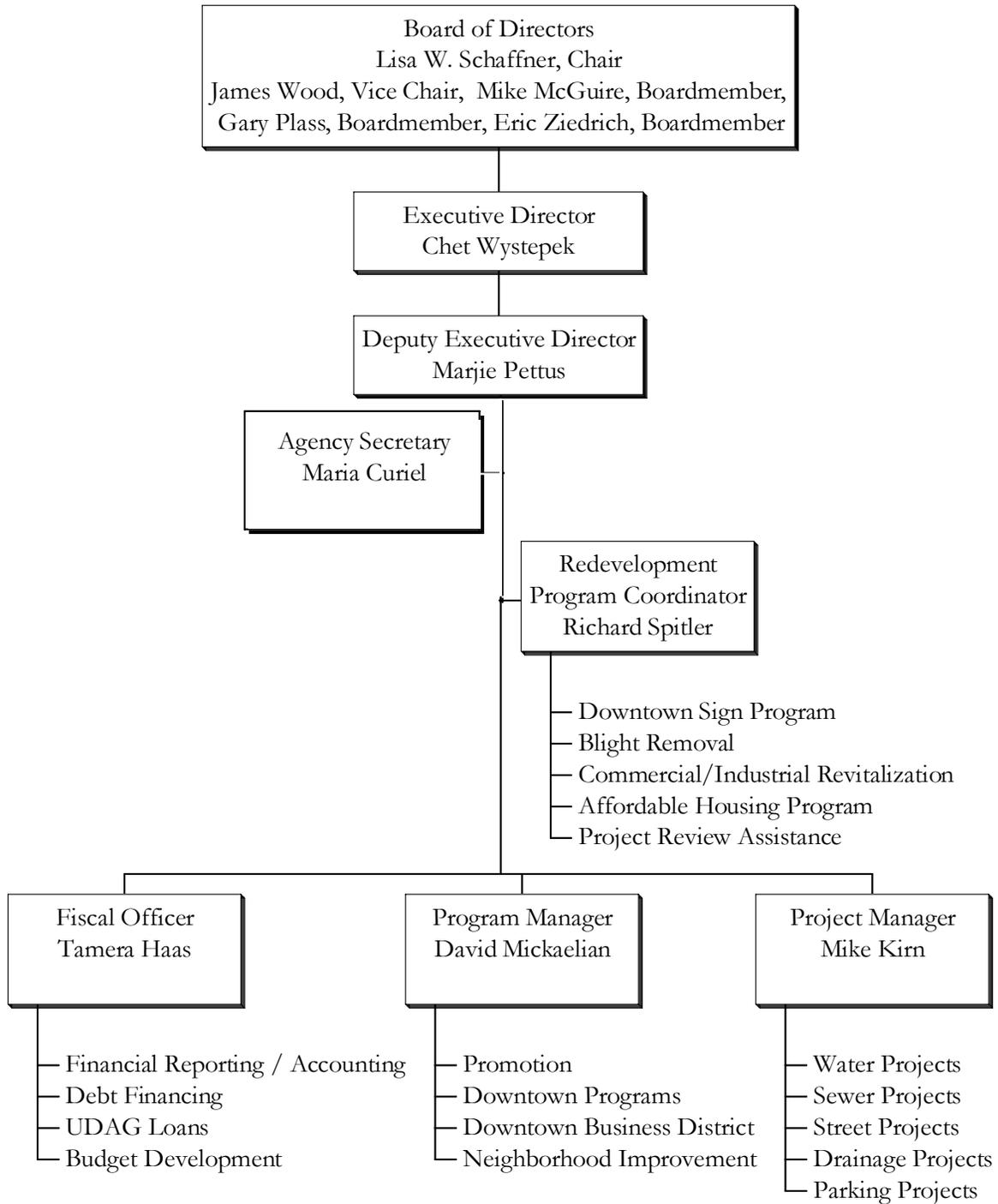
AB 1290 requires a detailed statement of blighting influences reflected in the Sotoyome Community Development Plan adopted in June of 1981, as well as subsequent efforts to mitigate such blighting influences. The blighting influences were updated in 2001 as a result of a Plan Amendment process.

Additionally, the 5-Year Implementation Plan adopted in December 1999 and amended in November 2004 contains a detailed listing of Project Area Plan Objectives and authorized lines of action.

Similar requirements are imposed in legislation specifying the requirements of the Annual Work Program. The Implementation Plan is incorporated into this work program by reference.

Notes:

Redevelopment Agency



COMMERCIAL AND INDUSTRIAL FUND

The Health and Safety Code stipulates that the primary responsibility of a Redevelopment Agency is Economic Development. A Redevelopment Agency typically undertakes a variety of public works to assist business development and revitalization as well as direct services and assistance to businesses. All expenditures must be in or to the benefit of the Project Area and stimulate business development, expansion or retention.

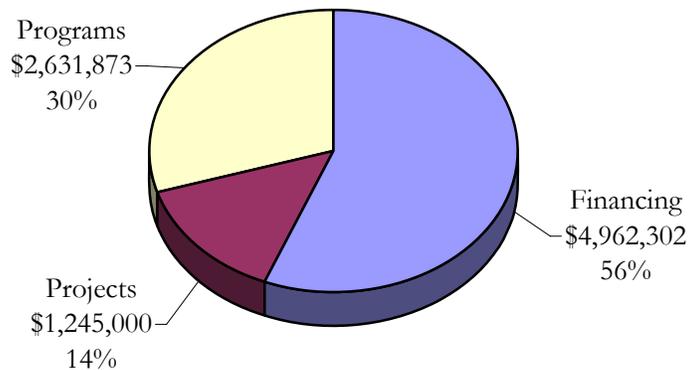
Budget Trends and Changes:

1. Prepare and design concept plans for downtown parking lot creek restoration and possible shade structure in Purity Chemical site
2. Plan for construction of Foss Creek Pathway, including downtown segment and release of overall design plan
3. Continue development of an entryway upgrade program, by initiating a special study area plan
4. Established retrofit sprinkler program for designated buildings

Major Goals and Objectives:

1. Undertake Street & Sidewalk reconstruction work
2. Develop additional downtown parking
3. Continue entry upgrade project through initiation of special study area plan
4. Acquire land for affordable housing, community center and park
5. Plan for construction of pedestrian and bike pathway along Railroad right-of-way at Foss Creek Corridor
6. Prepare and design construction plans for downtown parking lot creek restoration and possible shade structure in Purity Chemical site
7. Continue installation of directional pole signs in downtown Plaza area
8. Provide local match to federal grant for upgrade of existing historic railroad depot property into a multimodal transit facility

Commercial & Industrial Fund Expense Summary Fiscal Year 2008- 2009 Budget \$8,839,175



Commercial & Industrial

Revenue & Expense Statement

	Actual 2006-2007	Adopted 2007-2008	Budget 2008-2009	Difference from 2007-2008	% Diff
Budgeted Fund Balance	\$ 18,237,419	\$ 17,526,097	\$ 17,526,097		
Revenues					
Increment	\$ 6,494,420	\$ 6,566,500	\$ 7,068,708	\$ 502,208	8%
Interest Income	141,210	100,000	103,000	3,000	3%
2002 TAB A Proceeds	141,049	201,000	290,000	89,000	44%
2003 TAB A Proceeds		752,721	1,377,467	624,746	83%
Total Revenues	<u>\$ 6,776,679</u>	<u>\$ 7,620,221</u>	<u>\$ 8,839,175</u>	<u>\$ 1,218,954</u>	<u>16%</u>
Financing					
Pass Thru To County	\$ 1,888,393	\$ 1,963,936	\$ 2,120,650	\$ 156,714	8%
Tier One Pass Through	498,817	518,770	611,700	92,930	18%
1995 TAB	255,475	253,758	254,134	376	0%
2002 TAB A	918,155	915,204	910,234	(4,970)	-1%
2002 TAB B-USDA	117,769	120,988	119,088	(1,900)	-2%
2003 TAB A	952,407	946,825	946,496	(329)	0%
Total Financing	<u>\$ 4,631,016</u>	<u>\$ 4,719,481</u>	<u>\$ 4,962,302</u>	<u>\$ 242,821</u>	<u>5%</u>
Project Costs					
Water Projects	\$ 15,711	\$ -	\$ 55,000	\$ 55,000	100%
Parking Projects	-	200,000	-	(200,000)	-100%
Street Projects	226,000	201,000	290,000	89,000	44%
Entry Way Upgrade	-	-	-	-	0%
Drainage Projects	50,000	-	-	-	0%
Public Facilities	253,194	415,000	370,000	(45,000)	-11%
Other Projects	-	105,000	530,000	425,000	405%
Park Projects	849,387	200,000	-	(200,000)	-100%
Project Total	<u>\$ 1,394,292</u>	<u>\$ 1,121,000</u>	<u>\$ 1,245,000</u>	<u>\$ 124,000</u>	<u>11%</u>
Program Costs					
Economic Development	\$ 295,070	\$ 794,319	\$ 1,214,950	\$ 420,631	53%
Promotion & Other Programs	546,221	492,614	719,650	227,036	46%
Admin. & Board Of Directors	495,788	368,807	522,275	153,468	42%
Tax Collection and Other Fees	125,614	124,000	174,998	50,998	41%
Program Total	<u>\$ 1,462,693</u>	<u>\$ 1,779,740</u>	<u>\$ 2,631,873</u>	<u>\$ 852,133</u>	<u>48%</u>
Total Costs	<u>\$ 7,488,001</u>	<u>\$ 7,620,221</u>	<u>\$ 8,839,175</u>	<u>\$ 1,218,954</u>	<u>16%</u>
Ending Fund Balance	<u>\$ 17,526,097</u> (1)	<u>\$ 17,526,097</u>	<u>\$ 17,526,097</u>		

(1) Ending available balance

Notes:

SEWER PROJECTS

Implementation Plan:

Continue the support of sewer infrastructure to:

- ◆ Assist businesses with any extraordinary sewer requirements or expenses
- ◆ Explore provision of loans for on-site pretreatment when such a program may assist in attracting new businesses or creating desired jobs
- ◆ Assist in addressing the new wastewater collection and treatment requirements for the Project Area beyond the fiscal capability of developer fees and utility rate payers

Project Funding 2008-2009

No new funding is proposed in this budget.

2008-2009 Work Program:

- ◆ Explore provision of loans for on-site pretreatment to assist businesses
- ◆ Examine ways to assist in financing the upgrade of the wastewater treatment facility



Aerial of Sewer Treatment Plant

WATER PROJECTS

Implementation Plan:

Continue the funding of projects to replace undersized water lines in the Project Area. Program components include:

- ◆ Complete replacements of water lines and services
- ◆ Assist in funding any extraordinary water line extension or improvement costs required to mitigate low water pressure or insufficient fire flows for new businesses
- ◆ Initiate planning for extension of water services to the Old Redwood Highway Area
- ◆ Assist in addressing Project Area water supply and infrastructure deficiencies beyond the financial capabilities of the City to fund
- ◆ Install new and upgrade existing water treatment storage and distribution facilities required to serve and improve fire protection within the area

Project Funding 2008-2009

Project funding totaling \$55,000 proposed for 2008- 2009 includes:

- ◆ Cadoul and Sunset water storage tanks - \$30,000
- ◆ Replacement of production pump - \$25,000

2008-2009 Work Program:

- ◆ Undertake replacements of water main, water services, production, pumping, storage and treatment equipment which serves the Project Area
- ◆ Continue replacement of water meters to new remote read meters

STREET PROJECTS

Implementation Plan:

Continue to perform infrastructure improvements in the downtown area, as well as other projects including:

- ◆ Reconstruction of Healdsburg Avenue from the Russian River Bridge to Mill Street
- ◆ Widening and completion of street improvements on Old Redwood Highway from the Russian River Bridge southerly to the U.S. 101 interchange
- ◆ Other street projects that will assist in the attraction of desired new business and industry including funding the required upgrades of curbs, gutters and sidewalks
- ◆ Projects that eliminate traffic congestion
- ◆ Street beautification at the entrances to the City
- ◆ Improvements to the Westside Road U.S. 101 interchange
- ◆ Improvements to the Dry Creek U.S. 101 interchange
- ◆ Bridge improvements
- ◆ State highway right-of-way requirements

Project Funding 2008-2009:

Project funding totaling \$290,000 proposed for 2008- 2009 includes:

- ◆ Russian River Bridge - \$25,000
- ◆ Grant Street sidewalk safe routes to schools - \$150,000
- ◆ Hazardous sidewalk replacement - \$115,000

2008-2009 Work Program:

- ◆ Continue planning an entryway upgrade for the entrance to Healdsburg from the south on Healdsburg Avenue
- ◆ Continue to pursue the feasibility of improving the five-way intersection at Healdsburg Avenue/Mill Street/Vine Street
- ◆ Proceed with additional street reconstruction in the Project Area
- ◆ Proceed with additional overlays in the Project Area
- ◆ Proceed with sidewalk replacements and new installation in the Project Area

Notes:

DRAINAGE PROJECTS

Implementation Plan:

Continue to support infrastructure improvements that mitigate downtown flooding, install new storm drains to mitigate flooding in various neighborhoods within the Project Area, and replace undersized storm drains. Program goals include:

- ◆ Complete replacement of undersized storm drains in the Project Area
- ◆ Cooperate with the City in providing partial funding for extraordinary costs imposed on site drainage for new businesses and infill development
- ◆ Channelize or pipe portions of Foss Creek and its tributaries
- ◆ Install new drainage systems in various sub-areas (including the airport), to eliminate **existing** Project Area flooding
- ◆ Prepare and implement creek corridor plans
- ◆ Acquire necessary easements
- ◆ Acquire necessary riparian corridors

Project Funding 2008-2009:

No new funding is proposed in this budget.

2008-2009 Work Program:

- ◆ Reconstruct/rework crossings on Grant Street

Notes:

PUBLIC FACILITIES/PROJECTS

Implementation Plan:

The program assists in providing facilities to meet various community facility needs such as:

- ◆ Plan for installation of next segment of the Foss Creek Pathway and preliminary design for the remaining segments
- ◆ Acquisition of hangars and infrastructure rehabilitation at the Municipal Airport
- ◆ Support improvements to the historic Railroad Depot site as a multimodal transit center

Project Funding 2008-2009:

Project funding totaling \$370,000 proposed for 2008-2009 includes:

- ◆ Purchase of private hangars - \$300,000
- ◆ Repair firehouse underground fuel tank - \$70,000

2008-2009 Work Program:

- ◆ Plan for construction of next segment of Foss Creek Pathway
- ◆ Plan for upgrade to the Railroad Depot project, including drainage
- ◆ Continue acquisition of hangars and infrastructure rehabilitation at the municipal airport



Healdsburg Train Station

PARK PROJECTS

Implementation Plan:

The Public Facilities program assists in providing facilities to meet various community facility needs such as:

- ◆ Acquisition by the Agency or financial assistance to the City proportional to Project Area benefit to acquire a recreational field site outside the City, recognizing that there are no suitable sites within the Project Area or City limits
- ◆ Acquisition of land or suitable facility for and construction of a Community Recreation Center

Project Funding 2008-2009:

No new funding is proposed in this budget.

2008-2009 Work Program:

- ◆ Continue design phase for Villa Chanticleer building improvements
- ◆ Begin design phase and construction plan for Giorgi Park



Villa Chanticleer

Notes:

PARKING PROJECTS

Implementation Plan:

The Agency evaluates the market acceptance and desirable locations for parking structures and surface level lots. The program implementation plan is designed to:

- ◆ Assist in the revision of regulations imposed on site parking requirements on small and medium sized underdeveloped parcels or developed parcels in the Downtown area
- ◆ Reallocate street space to accommodate higher density parking (such as diagonal parking)
- ◆ Acquire easements for existing privately owned off-street lots
- ◆ Acquire land for additional lots as required
- ◆ Develop parking structures on Agency owned land or acquired land
- ◆ Explore participation in joint use industrial parks through grants
- ◆ Provide effective and convenient parking, signage and lighting

Project Funding 2008-2009:

No new funding is proposed in this budget.

2008-2009 Work Program:

- ◆ Continue efforts to use existing streets for conversion to diagonal parking
- ◆ Explore purchase of additional land for public parking lots downtown
- ◆ Prepare conceptual plan for development of Purity property for parking with creek enhancement and consideration of a parking shade structure



Parking lot west of the Plaza

STREETSCAPE PROJECTS

Implementation Plan:

The program includes undertaking necessary repairs and maintenance on previously installed streetscape, including the replacement of street trees, grates, sidewalks and brickwork. Streetscape work may be coordinated with other public improvements, or performed to solve health and safety problems, a typical health and safety problem that could be solved by the installation of safe sidewalks and pathways. Expansion of the streetscape in the downtown area is undertaken where deemed appropriate.

Project Funding 2008-2009:

No new funding is proposed in this budget.

2008-2009 Work Program:

- ◆ Replacement of damaged street trees and grates
- ◆ Necessary sidewalk and brickwork repairs
- ◆ Continue planning community entryway upgrade
- ◆ Expand downtown streetscape where appropriate.



Corner of North and Center Streets

ENTRYWAY UPGRADE PROJECTS

Implementation Plan:

Support upgrades to the central Healdsburg and Dry Creek Road entrances.

Project Funding 2008-2009:

No new funding is proposed in this budget.

2008-2009 Work Plan:

- ◆ Initiate special study plan(s)
- ◆ Identify right-of-way acquisition



Five-way intersection

ECONOMIC DEVELOPMENT

Industrial Development

The Agency proposes to continue the Economic Development Office (EDO) program with the Chamber of Commerce to:

- ◆ Assist existing businesses in retention and expansion
- ◆ Attract and assist new businesses
- ◆ Improve methods and procedures for City permit processing
- ◆ Improve coordination of marketing efforts between private and public sectors

Economic Development Office

The Agency has adopted a program in partnership with the Chamber of Commerce and initiated an Economic Development Office.

Financial Incentive Program

The Agency proposes to continue the program of financial incentives including:

- ◆ Loan guarantee programs and other incentives to assist business expansion
- ◆ Evaluating cooperative financing programs with NCPA member agencies to attract new businesses, which are desirable electric customers
- ◆ Use of UDAG funds to assist businesses and to provide short-term housing financing
- ◆ Assist new businesses in pre-development activities
- ◆ Partially fund sewer and water development fee fund deficiencies caused by new construction within the RDA project area involving high water users to include hotels, restaurants, car washes and laundry mats.

Program funding for 2008-2009: \$1,214,950

2008-2009 Work Program:

- ◆ Continue the cooperative EDO program with the Chamber of Commerce to encourage business retention, expansion and attraction
- ◆ Continue the Fire Sprinkler Retrofit program up to \$150,000
- ◆ Continue project participation program to maximize opportunity whenever possible for retention of existing commercial enterprises
- ◆ Provide up to \$300,000 for water and sewer deficiencies within RDA project area caused by specified high water and sewer users
- ◆ Continue working with Carmen Group to secure state and federal funding for various Public Works projects
- ◆ Continue working with outside consultant in on affordable housing

PROMOTION AND DOWNTOWN PROGRAM

Promotion Program

Continuation of ongoing promotional program that:

- ◆ Provide approximately \$65,000 of annual support for the Downtown Business District
- ◆ Support for visitor oriented advertising and publicity
- ◆ Support for the Chamber of Commerce weekend staffing and staff to handle external inquiries and the 800 Toll Free number
- ◆ Cooperative attendance at trade shows
- ◆ Advertising activities that go beyond tourism promotion
- ◆ Alternative marketing approaches be developed such as Internet web site promotion and off peak season community activities
- ◆ Cooperative support for promotion activities with Sonoma County and other agencies

Downtown Program

Continue the ongoing program to foster the revitalization of the downtown. The program components include:

- ◆ Projects designed to enhance the Plaza
- ◆ Projects that will further the revitalization
- ◆ Encourage special events and activities such as Farmers Markets and weekend & Tuesday concerts
- ◆ Market Agency incentive programs designed to assist downtown businesses
- ◆ Support and encourage DBD activities including a broader role in parking management and facility maintenance
- ◆ Address downtown restroom needs through grants to developers and leases

Program Funding 2008-2009: \$719,650

2008-2009 Work Program:

- ◆ Promote downtown through advertising
- ◆ Continue financial & advertising partnership with Healdsburg lodging industry to promote Healdsburg
- ◆ Provide Lodging Promotion Services under two year agreement funding on a matching \$2 to \$1 basis up to \$150,000
- ◆ Provide Retail Promotion Services under one year agreement funding on a matching \$1 to \$1 basis, up to \$40,000 in downtown business district assessment fees
- ◆ Provide Auto Sector Promotion Services under one year agreement on a matching \$1 to \$1 basis, up to \$90,000
- ◆ Replace West Plaza Fountain - \$30,000

ADMINISTRATION AND BOARD OF DIRECTORS

The Agency operates as a separate government entity even though staffed to a large part by City staff with augmentation by outside consultants. The Agency is obligated to provide a wide variety of reports to various agencies including the State Controller and the State Housing and Community Development Department. Agency staff supplies administrative support to project and program teams as well as to the Agency's Board of Directors for all non-housing programs.

Program Funding 2008-2009: \$522,275

2008-2009 Work Program:

- ◆ Continuation of administrative efforts

LOW AND MODERATE INCOME HOUSING FUND

State law requires that 20% of tax increments must be expended in developing or retaining affordable housing. The Agency typically acquires land, provides construction subsidies and works to preserve the existing affordable housing stock of the Project Area.

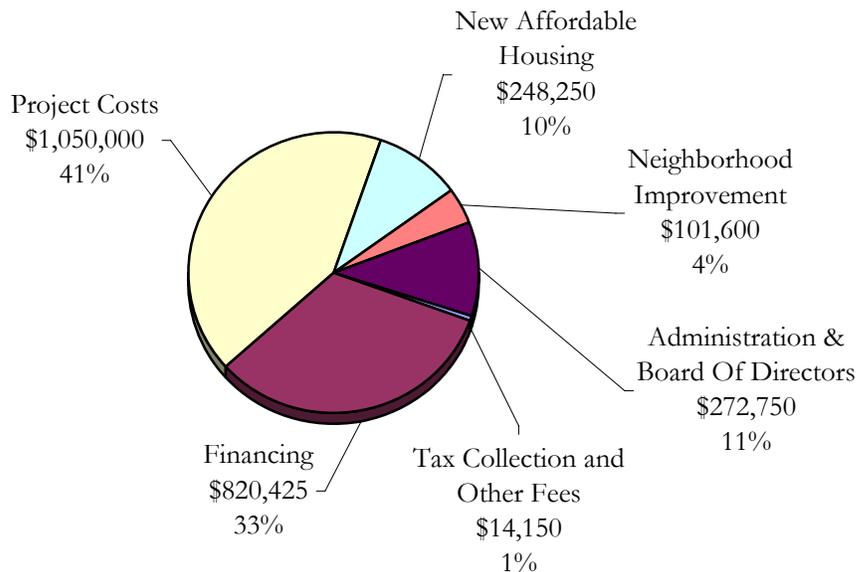
Budget Trends and Changes:

1. Continued financial assistance to facilitate construction of affordable housing projects
2. Seek funding of 20 West Grant Street family rental project for low to moderate affordable housing
3. Construct 308 East Street, transitional housing
4. The Neighborhood Improvement Program will continue at current level
5. Develop plan for firefighter housing at 627 Healdsburg Avenue
6. Continue to find land to purchase for affordable housing

Major Goals and Objectives:

1. To sustain a multi-year program of affordable (low and very low income) housing, preserve affordable housing stock, and provide incentives to first time homebuyers
2. Provide up to 7 additional transitional housing units behind existing units at 308 East Street
3. Assist Eden Housing to secure funding to provide 64 additional low and moderate income rental units at 20 West Grant Street
4. Continue to implement Housing Element Programs and update Housing Element as required by State law
5. Develop moderate income housing/visitor lodging at 320/328 East Street property if determined to be feasible
6. Seek additional land acquisitions for affordable housing
7. Explore feasibility of firefighter housing at 627 Healdsburg Avenue

Low & Moderate Income Housing Fund Expense Summary Fiscal Year 2008-2009 Budget \$2,507,175



Low & Moderate Income Housing Fund

Revenue & Expense Statement

	<u>Actual 2006-2007</u>	<u>Adopted 2007-2008</u>	<u>Budget 2008-2009</u>	<u>Difference from 2007-2008</u>	<u>% Diff</u>
Fund Balance	\$ 9,354,870	\$ 9,485,286	\$ 9,485,286		
Revenues					
Increment	\$ 1,623,605	\$ 1,641,120	\$ 1,760,157	\$ 119,037	7%
Interest Income	95,932	25,000	71,000	46,000	184%
Bond Proceeds	23,591	280,386	676,018	395,632	141%
Total Revenues	<u>\$ 1,743,128</u>	<u>\$ 1,946,506</u>	<u>\$ 2,507,175</u>	<u>\$ 560,669</u>	<u>29%</u>
Financing					
Transfer To Debt Service Fund	<u>\$ 834,560</u>	<u>\$ 824,155</u>	<u>\$ 820,425</u>	<u>\$ (3,731)</u>	<u>0%</u>
Total Financing	<u>\$ 834,560</u>	<u>\$ 824,155</u>	<u>\$ 820,425</u>	<u>\$ (3,731)</u>	<u>0%</u>
Project Costs					
Affordable Housing Project	\$ 225,000	\$ 100,000	\$ 1,000,000	\$ 900,000	900%
Site Acquisition	-	-	-	-	0%
Other Projects	40,864	390,000	50,000	(340,000)	-87%
Total Project Costs	<u>\$ 265,864</u>	<u>\$ 490,000</u>	<u>\$ 1,050,000</u>	<u>\$ 560,000</u>	<u>114%</u>
Program Costs					
New Affordable Housing	\$ 305,909	\$ 352,799	\$ 248,250	\$ (104,549)	-30%
Neighborhood Improvement	68,926	80,540	101,600	21,060	26%
Administration & Board Of Directors	122,571	164,962	272,750	107,788	65%
Tax Collection and Other Fees	14,882	34,050	14,150	(19,900)	-58%
Total Program Costs	<u>\$ 512,288</u>	<u>\$ 632,351</u>	<u>\$ 636,750</u>	<u>\$ 4,399</u>	<u>1%</u>
Total Costs	<u>\$ 1,612,712</u>	<u>\$ 1,946,506</u>	<u>\$ 2,507,175</u>	<u>\$ 560,669</u>	<u>29%</u>
Ending Fund Balance	<u>\$ 9,485,286</u>	<u>\$ 9,485,286</u>	<u>\$ 9,485,287</u>		

NEW AFFORDABLE HOUSING

This program supports acquisition of land for the development of affordable housing and provides assistance to promote the development of affordable housing.

The RDA assisted units will be subject to a multi-year or longer affordability covenant.

Program Funding 2008-2009: \$248,250

2008-2009 Work Plan:

- ◆ Secure funding for firefighter housing site behind the Fire Station
- ◆ Acquire additional sites for the development of affordable housing
- ◆ Design and construction of additional housing units at 308 East Street
- ◆ Secure funding for family rental housing at 20 West Grant Street
- ◆ Develop moderate income housing/visitor lodging at 320/328 East Street if determined to be feasible



308 East Street before and after remodel

NEIGHBORHOOD IMPROVEMENT PROGRAM

The Agency has assisted over 1,200 low and moderate income households in minor exterior rehabilitation as part of its efforts to preserve its existing affordable housing stock. Efforts have included repairs to porches and steps, window replacement, exterior debris removal and exterior paint for low-income seniors, and self-help assistance including Agency supplied debris boxes and paint vouchers for other low and moderate income households.

It is proposed that this program be continued with the objective of assisting 50 households per year.

Program Funding 2008-2009 - \$101,600

2008-2009 Work Plan:

- ◆ Agency Work Program contemplates a continuation of this successful program

ADMINISTRATION AND BOARD OF DIRECTORS

The Agency operates as a separate government entity even though staffed to a large part by City staff with augmentation by outside consultants. The Agency is obligated to provide a wide variety of reports to various agencies including the State Controller and the State Housing and Community Development Department. Agency staff supplies administrative support to project and program teams as well as to the Agency's Board of Directors for all housing programs.

Program Funding 2008-2009: \$272,750

2008-2009 Work Program:

- ◆ Continue efforts in promoting affordable housing
- ◆ Continue to defend Agency from lawsuits seeking to derail affordable housing projects

TAX COLLECTION AND OTHER FEES

As of fiscal year 2009, agency must pay the County for property tax collection services as provided for under State law from the Commercial and Industrial Fund. The estimated cost in 2008-2009 is \$14,150 for the housing fund collection.

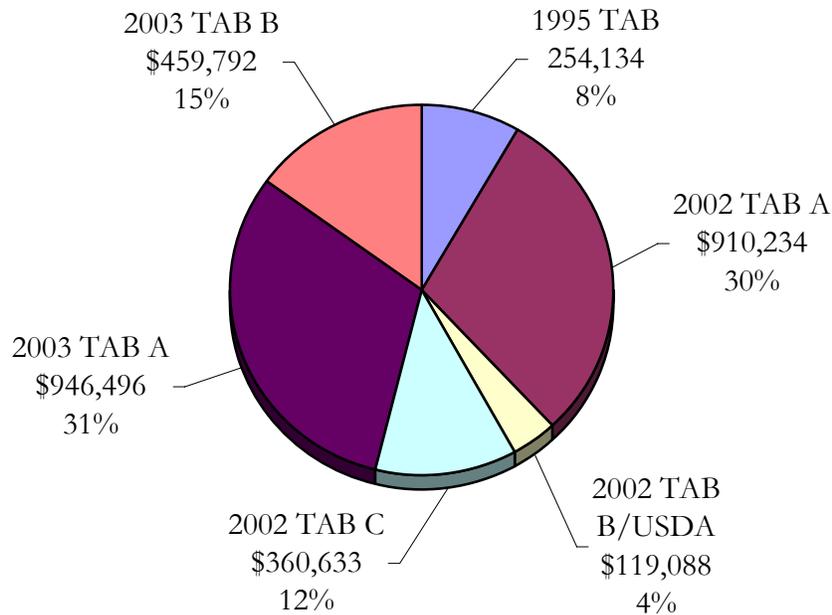
DEBT SERVICE

Redevelopment agencies are dependent on borrowing to operate programs and projects. Annually a statement of indebtedness becomes the basis of increments it receives. The Debt Service Fund is a statement of debt obligations.

The Agency's debt obligations include:

REFA II 1983	Detention Basin
REFA 1992	Refunding REFA 1985
TAB 1995	North/South Connector/Flood Control
2002 TAB A	Refunding parallel sewer, entry way upgrading, parking
2002 TAB B/USDA	Alliance Medical Clinic
2002 TAB C	Land for affordable housing
2003 TAB A	Funding for programs, administration, and projects
2003 TAB B	New affordable housing land and development

Debt Service Expense Summary
Fiscal Year 2008-2009 Budget \$3,050,375



DEBT SERVICE FUND

Revenue & Expense Statement

	<u>Actual 2006-2007</u>	<u>Adopted 2007-2008</u>	<u>Budget 2008-2009</u>	<u>Difference from 2007-2008</u>	<u>% Diff</u>
Fund Balance	\$ 3,168,004	\$ 3,366,975	\$ 3,396,975		
Revenues					
Transfers In:					
1995 TAB	\$ 255,475	\$ 253,758	\$ 254,134	\$ 376	0%
2002 TAB A	920,011	915,204	910,234	(4,970)	-1%
2002 TAB B/USDA	117,769	120,988	119,088	(1,901)	-2%
2002 TAB C	363,963	359,573	360,633	1,060	0%
2003 TAB A	952,407	946,825	946,496	(330)	0%
2003 TAB B	470,598	464,583	459,792	(4,791)	-1%
Interest Income	198,971	30,000	30,000	-	0%
Total Revenues	<u>\$ 3,279,194</u>	<u>\$ 3,090,931</u>	<u>\$ 3,080,375</u>	<u>\$ (10,556)</u>	<u>0%</u>
Debt Service Expense					
1995 TAB	\$ 255,475	\$ 253,758	\$ 254,134	\$ 376	0%
2002 TAB A	920,011	915,204	910,234	(4,970)	-1%
2002 TAB B/USDA	117,769	120,988	119,088	(1,901)	-2%
2002 TAB C	363,963	359,573	360,633	1,060	0%
2003 TAB A	952,407	946,825	946,496	(330)	0%
2003 TAB B	470,598	464,583	459,792	(4,791)	-1%
Total Expenses	<u>\$ 3,080,223</u>	<u>\$ 3,060,931</u>	<u>\$ 3,050,375</u>	<u>\$ (10,556)</u>	<u>0%</u>
Ending Fund Balance	<u>\$ 3,366,975</u>	<u>\$ 3,396,975</u>	<u>\$ 3,426,975</u>		

UDAG FUND

The Agency receives income from its prior participation in the Vineyard Plaza Project. These revenues include [1] payments on the basic loan and interest; and [2] interest income from funds on hand.

It has been the Agency's policy to utilize funds on hand for short-term loans to assist Agency projects in the promotion of economic development.



Initiatives to fill vacancies in the Vineyard Plaza Shopping Center have succeeded.

UDAG Fund

Revenue & Expense Statement

	<u>Actual 2006-2007</u>	<u>Adopted 2007-2008</u>	<u>Budget 2008-2009</u>	<u>Difference from 2007-2008</u>	<u>% Diff</u>
Revenues					
Developer Loan Interest Payments	\$ 33,806	\$ 45,000	\$ 20,000	\$ (25,000)	-56%
Other Interest Income	156,087	90,000	120,000	30,000	33%
Total Revenues	<u>\$ 189,893</u>	<u>\$ 135,000</u>	<u>\$ 140,000</u>	<u>\$ 5,000</u>	<u>4%</u>
Financing					
Economic Development Loans	\$ -	\$ -	\$ -	\$ -	0%
Other	8,613	8,295	19,225	10,930	132%
Total Financing	<u>\$ 8,613</u>	<u>\$ 8,295</u>	<u>\$ 19,225</u>	<u>\$ 10,930</u>	<u>132%</u>
Reserved for future use	181,280	126,705	120,775		
Resulting Gain (Loss)	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>		

PROJECT PARTICIPATION FUND

This special revenue fund receives miscellaneous revenues from participation in projects, such as the Vineyard Plaza Shopping Center, the Swenson Commercial Building and Alliance Medical Clinic. These revenues are used to support special items, such as the Community Benefit Trust program.



Swenson Building

Project Participation Fund

Revenue & Expense Statement

	<u>Actual 2006-2007</u>	<u>Adopted 2007-2008</u>	<u>Budget 2008-2009</u>	<u>Difference from 2007-2008</u>	<u>% Diff</u>
Fund Balance	\$ 971,400	\$ 1,338,939	\$ 1,685,939		
Revenues					
Rental Income	\$ 403,230	\$ 397,000	\$ 457,340	\$ 60,340	15%
Housing Bonds	-	-	-	-	0%
Total Revenues	<u>\$ 403,230</u>	<u>\$ 397,000</u>	<u>\$ 457,340</u>	<u>\$ 60,340</u>	<u>15%</u>
Project Costs					
Other	<u>\$ 35,691</u>	<u>\$ 50,000</u>	<u>\$ 53,700</u>	<u>\$ 3,700</u>	<u>7%</u>
Total Project Costs	<u>\$ 35,691</u>	<u>\$ 50,000</u>	<u>\$ 53,700</u>	<u>\$ 3,700</u>	<u>7%</u>
Ending Fund Balance	<u><u>\$ 1,338,939</u></u>	<u><u>\$ 1,685,939</u></u>	<u><u>\$ 2,089,579</u></u>		

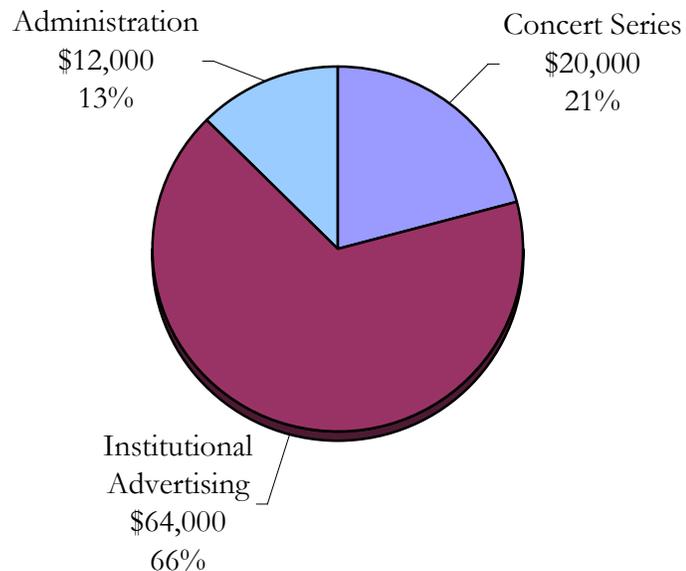
DOWNTOWN BUSINESS DISTRICT

The Agency administers the fiscal affairs of the Healdsburg Downtown Improvement and Parking District as an Agency fund. The District (DBD) is a separate special district, partially funded by business assessments along with partial funding from the RDA.

In the past its projects and programs as well as budget were developed by an Advisory Board, subject to affirmation by the Agency. The Advisory Board has been dissolved and the functions assumed by the Community Services Department and volunteers. Legal authority under the District law nevertheless rests with the City Council.

The areas of the District's assessments, projects and programs are under re-evaluation by the City and Agency. It is anticipated a variety of changes will occur in the coming months requiring budget changes.

Downtown Business District Expense Summary Fiscal Year 2008-2009 Budget \$96,000



Downtown Business District

Revenue & Expense Statement

	<u>Actual 2006-2007</u>	<u>Adopted 2007-2008</u>	<u>Budget 2008-2009</u>	<u>Difference from 2007-2008</u>	<u>% Diff</u>
Fund Balance	\$ 19,859	\$ 16,375	\$ 16,756		
Revenues					
Downtown Business District Assessments	\$ 34,367	\$ 32,000	\$ 34,000	\$ 2,000	6%
Contribution From RDA	25,000	25,000	59,000	34,000	136%
Interest Income / Other	123	3,275	100	(3,175)	-97%
Total Revenues	<u>\$ 59,490</u>	<u>\$ 60,275</u>	<u>\$ 93,100</u>	<u>\$ 32,825</u>	<u>54%</u>
Expenses					
Concert Series	\$ 20,252	\$ 20,000	\$ 20,000	\$ -	0%
Beautification	-	-	-	-	0%
Institutional Advertising & Promotion	30,000	30,000	64,000	34,000	113%
Administration	12,718	9,894	12,000	2,106	21%
Non-Departmental	4	-	-	-	0%
Total Expenses	<u>\$ 62,974</u>	<u>\$ 59,894</u>	<u>\$ 96,000</u>	<u>\$ 36,106</u>	<u>60%</u>
Ending Fund Balance	<u><u>\$ 16,375</u></u>	<u><u>\$ 16,756</u></u>	<u><u>\$ 13,856</u></u>		

Notes:

Glossary

- AAA** **Area Agency on Aging** - A subsidiary of the state agency, which coordinates and provides partial funding for local senior programs.
- ADA BUS** **Americans with Disabilities Act** - The City's "ADA Bus" is a transit vehicle equipped to serve handicapped individuals, providing door-to-door service to the handicapped.
- APPROPRIATION** Funds set aside by the City Council for a specific purpose.
- AREA A** A portion of the City encompassing approximately 236 acres in the northern portion most of which has been annexed. Commencing June 2, 2005, the 1995 Bonds were advance refunding.
- CEQA** **California Environmental Quality Act** - A state law mandating environmental reviews on most public and private projects.
- CUPA** **Certified Unified Program Agency** - A state designation of a local agency certified to provide certain hazardous material management programs and enforce State laws with respect to same.
- DBD** **Downtown Business District** - A special district and subordinate City agency created under the State's Downtown Parking and Improvement Law which provides shopping center type promotional programs on behalf of downtown businesses.
- DEREGULATION** **Electric Utility Deregulation** - With deregulation of the electric utility industry, Healdsburg's Electric Utility is open to competition from other electricity providers. At the same time, the City's Electric Utility may now supply electricity to other service areas.
- EIR** **Environmental Impact Report** - A report pursuant to CEQA analyzing the environmental impacts of a project.
- ERAF III SHIFT** **Education Revenue Augmentation Fund III shift** - It is a shift of local property tax from local governments to balance the State budget for two years FY 2004-2005 and FY 2005-2006. As part of the State – local agreement, local government will make a two year contribution to each County's ERAF, similar to ERAF I and II. The contribution is an aggregate of \$1.3 billion for each of the two years. This is in addition to the present statute that requires ERAF I and II shifts. The main difference is that ERAF III does not include year-to-year growth and that in FY 2006-2007 the additional ERAF III is ended.
- EXPENDITURES** **Amounts authorized by the City Council** - to incur obligations and make payments out of City funds.
- FY** **Fiscal Year** - A local government accounting year beginning July 1st and ending June 30th.

Glossary

FEMA	Federal Emergency Management Agency - A Federal agency setup to provide assistance in the event of a federal emergency.
MOU	Memorandum of Understanding - A labor contract pursuant to state law, the Meyers, Millias and Brown Act, between the City and a labor union or organized group of employees under which all conditions of employment are negotiated.
OPERATING BUDGET	A plan of financial operations that provides a basis for the planning, controlling, and evaluating the operational portion of governmental activities.
NCPA	Northern California Power Agency - A joint action agency providing collective electric power generation, transmission, purchasing and dispatch services to its members, including the City of Healdsburg.
OUTSOURCING	Contracting certain services - previously performed by the City to an outside source.
PERS	Public Employees Retirement System - An independent state agency that administers retirement benefits for state and contracted local agency employees.
PROJECT AREA	RDA Project Area - The geographic area in which the RDA collects tax increment revenues and is permitted by law to undertake its programs. The RDA project area does not encompass the entire City.
PROP 1A	California Proposition 1A - Grants local governments long-term fiscal protection and stability by preventing the state from continuing its practice of raiding local government coffers for revenues during times of state fiscal crisis. While the state will be able to borrow revenues from local governments during fiscal emergencies, it can only do so with a two-thirds vote of the Legislature and the Governor's signature. Borrowing can only take place twice during a 10-year period, and only after the prior loan has been repaid.
PROP 218	California Proposition 218 - A state law passed by the voters in November of 1996, effective January 1, 1997, called "The Right to Vote on Taxes Act".
PROPERTY IN-LIEU TAX	As a result of the passage of Prop 218, the City may no longer charge the enterprise funds, i.e., water, sewer and electric, a "property in-lieu fee" for services provided by the various departments to the utilities. All charges are based on actual cost of service as direct charges.
RDA	Redevelopment Agency - A separate local agency providing housing and economic development funding and programs within portions of the City known as the project area. The City Council serves as the Board of Directors of the RDA; the City Manager as its Executive Director.

Glossary

REMIF	Redwood Empire Municipal Insurance Fund - A joint action agency providing pooling insurance, purchasing and self-insurance to its member cities, including Healdsburg.
RESTRICTED REVENUE	Revenue, which by law can only be spent on or in support of specific services.
REVENUE	Sources of funding such as service fees, taxes, grants, etc., to finance City expenditures.
SB 1096	Senate Bill 1096 - Legislation passed as part of FY 2004-2005 State budget adoption concerning funding provisions relative to local governments and RDA in connection with the State Budget. This includes provisions for Triple flip, VLF swap, ERAF III and ERAF shift for RDA.
SB 90	Senate Bill 90 - A state law requiring funding of state imposed mandates.
SCADA	Supervisory Control Data Acquisition System - A computer based real time control system which operates most City water, sewer and some electric utilities equipment and facilities.
TRIPLE FLIP	Triple Flip – In March 2005 the voters passed Proposition 57 for \$15 billion in deficit financing bonds. Prop 57 includes a mechanism called “Triple Flip,” which suspends ¼ cent of cities’ sales tax revenue and replaces the lost revenue on a dollar-for-dollar basis with a supplemental property tax payment. The State’s sales tax revenue is increased by ¼ cent to improve its cash flow requirement for repayment of the bond measure. Takes effect on July 1, 2004 and remains in effect until bonds are repaid.
VLF SWAP	Motor vehicle license fees (VLF) swap – As part of the 2004 Budget Act negotiations, an agreement was made between the State and local government officials (the “State-local governments agreement”) under which VLF rates were permanently reduced from 2% to 0.65%. In order to protect local governments, the reduction in VLF revenue is replaced by an increase in property tax received by the city. This is the exchange of discretionary VLF revenues for property taxes, “in lieu of VLF” to replace the reduction in revenue.
VLF GAP LOAN	VLF Gap Loan – In June 2003 the State suspended the VLF offset due to a determination that insufficient State General Fund moneys would be available for this purpose and beginning in October 2003, the VLF was restored to the 2% level. On November 17, 2003 Governor Schwarzenegger rescinded the offset suspension and the State resumed payments to local governments. Local government received “back fill” payments with the exception of the time lapse during the period between the suspension of the VLF offset and the implementation of the higher fees (approximately 3 months). This is known as the VLF Gap, which the State has promised to pay back to local governments in August 2006.

APPROPRIATION LIMIT WORKSHEET

For the Year Ending June 30, 2009

Appropriations limit for fiscal year
ended June 30, 2008 \$19,935,225

Adjustment factors for the fiscal year
ending June 30, 2009:

Inflation 1.0429
Factor

Population Factor 1.0095

Combined Factor x 1.0528

Appropriations limit for fiscal year
ending June 30, 2009 \$20,987,805

Appropriation from the
proceeds of taxes \$12,351,460

Proposition 4 establishes a formula limiting the expenditure of the "proceeds of taxes" and is adjusted each year for inflation and population growth. This limit primarily applies to the General Fund. Healdsburg's appropriations for 2008-2009 are 59% of the appropriation limit.