

CITY OF HEALDSBURG

California

January 16, 2007



Wastewater Treatment Plant Facility Progress

Operating Budget

Fiscal Year 2007-2008



Visit our website at www.cityofhealdsburg.org



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 two public budget study sessions in May 2007 to review the City's proposed budget. As a result of those reviews, the following appropriations and revenues below were added to the proposed budget.

On June 18, 2007, the City Council adopted Resolution 70-2007, which approved the 2007-2008 Operating, Service and Debt, Capital and Redevelopment budgets totaling \$68,958,774.

City Council adopted a balanced general fund budget by using contingency reserves to maintain existing service levels. The use of General Fund reserves \$722,950, which included the Indian Gaming Grant awarded to Fire \$51,872. The Streets fund budget is adopted with the use of reserves totaling \$108,044.

Additional Appropriations:

City Council amended the budget for an additional funding of \$10,000 for underground firehouse fuel tank replacement, \$75,000 for on-going contracts with the Healdsburg Chamber of Commerce, \$68,000 for the mid year addition of a Parks Caretaker II position, \$29,000 transfer from Community Services Fund to partially fund a part-time Airport Manager position.

On June 18, 2007 the City Council adopted Resolution 8-2007 for the Redevelopment Agency. The Council approved the 2007-2008 Work Program and Budget totaling \$12,755,848

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. 70-2007

A RESOLUTION OF THE CITY COUNCIL OF THE CITY HEALDSBURG: (a) ADOPTING THE RECOMMENDED 2007-2008 OPERATING, SERVICE & DEBT FUNDS, AND CAPITAL BUDGET; AND (b) 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 29 and 30, 2007; 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 2007-2008 Capital Improvement Program in a study session on May 29 and 30, 2007; and

WHEREAS, the Planning Commission in a meeting held on June 18, 2007 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;

NOW, THEREFORE, BE IT RESOLVED that the City Council hereby finds that the 2007-2008 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 2007-2008 proposed Operating, Service & Debt Funds, and Capital Budget totaling \$68,958,774 as summarized on Attachment "A" and a carry-over of unspent capital budget project appropriations from 2006-2007. A complete copy of the FY 2007-2008 Budget is on file in the City Clerk's Office; 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 2007-2008 appropriation limit as required by Article XIII B of the State Constitution as shown on Attachment B; and

BE IT FURTHER RESOLVED, that on June 18, 2007 City Council amended the budget for additional funding of \$10,000 for the Underground firehouse fuel tank replacement, \$75,000 for contracts with Healdsburg Chamber of Commerce, \$68,000 for the mid year addition of a Parks Caretaker II position, and \$29,000 transfer from Community Services Fund to partially fund a part-time Airport Manager position.

DATED: June 18, 2007

VOTE upon the foregoing resolution was as follows:

AYES: Councilmembers: (5) McGuire, Schaffner, Wood, Ziedrich and Mayor Plass

NOES: Councilmembers: (0) None

ABSENT: Councilmembers: (0) None

ABSTAINING: Councilmembers: (0) None

SO ORDERED:

ATTEST:

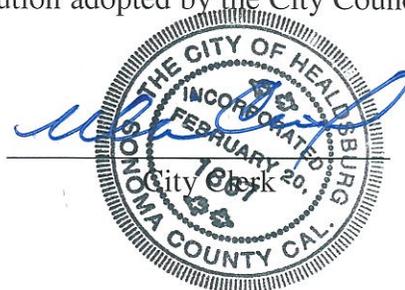
/S/ GARY W. PLASS

Gary W. Plass, Mayor

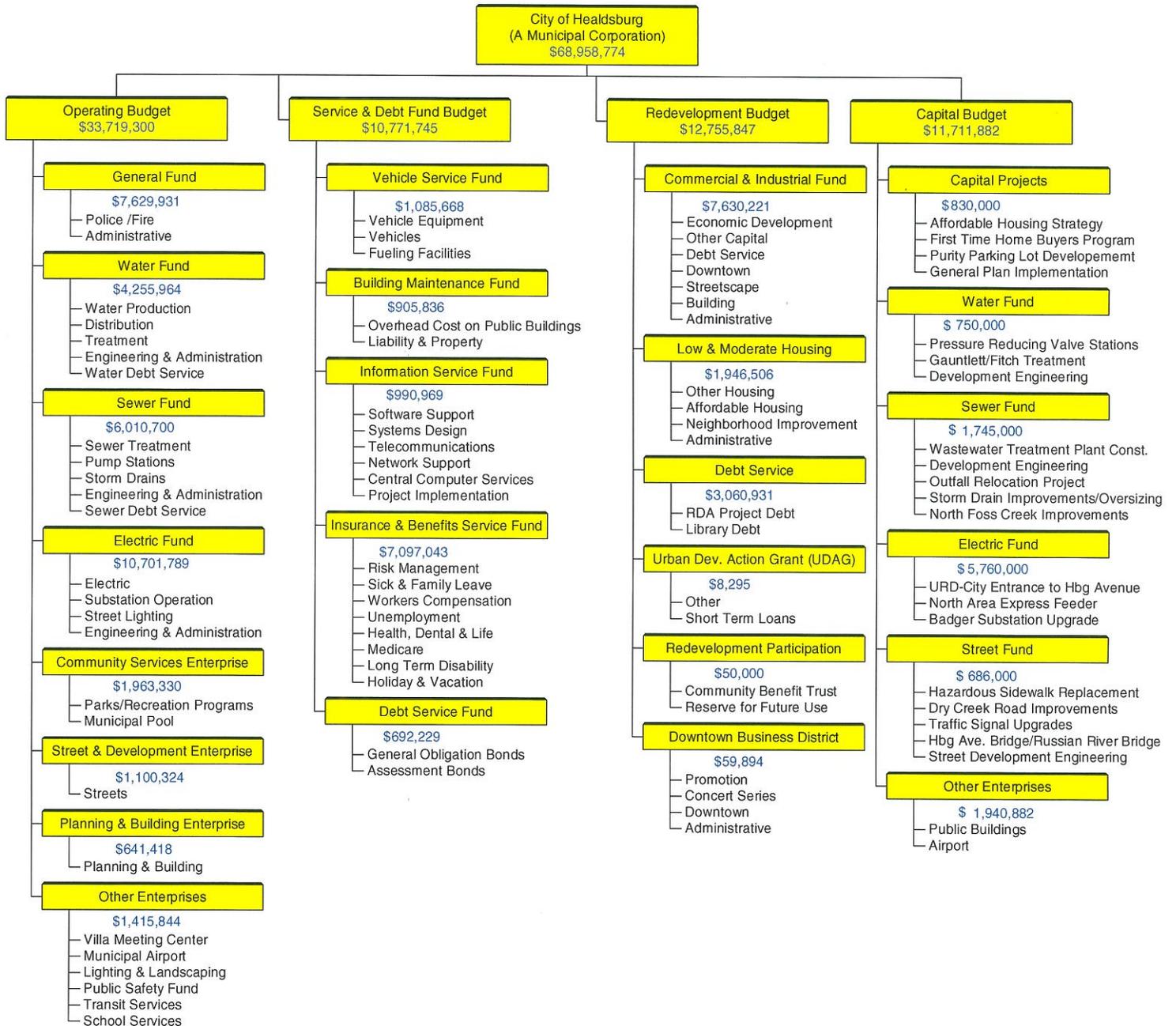
/S/ MARIA CURIEL

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 18th day of June, 2007.



Total City Spending Budget for Fiscal Year 2007-2008



APPROPRIATION LIMIT WORKSHEET

For the year ending June 30, 2008

Appropriations limit for fiscal year
ended June 30, 2007 \$18,949,834

Adjustment factors for the fiscal year
ending June 30, 2008:

Inflation 1.0442
Factor

Population Factor 1.0075

Combined Factor x 1.0520

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

Appropriation from the
proceeds of taxes \$11,339,726

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 2007-2008 are 57% of the appropriation limit.

REDEVELOPMENT AGENCY OF THE CITY OF HEALDSBURG

RESOLUTION NO. 8-2007

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE REDEVELOPMENT AGENCY OF THE CITY OF HEALDSBURG FINDING THE 2007-2008 ANNUAL WORK PROGRAM CONSISTENT WITH THE ADOPTED 5-YEAR IMPLEMENTATION PROGRAM AND PROJECT AREA PLAN AND ADOPTING THE 2007-2008 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 2007-2008 Work Program and Budget totaling \$12,755,847 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;

BE IT FURTHER RESOLVED, that on June 18, 2007 the Board of Directors of the Redevelopment Agency of the City of Healdsburg amended the budget for additional funding of \$85,000 for Underground firehouse fuel tank replacement and contracts with Healdsburg Chamber of Commerce.

DATED: June 18, 2007

VOTE upon the foregoing resolution was as follows:

AYES: Directors: (5) McGuire, Schaffner, Wood, Ziedrich and Chairperson Plass

NOES: Directors: (0) None

ABSENT: Directors: (0) None

ABSTAINING: Directors: (0) None

SO ORDERED:

ATTEST:

/S/ GARY W. PLASS
Gary W. Plass 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 18th day of June 2007.



City of Healdsburg 2007-2008 Budget Adoption Summary

- City Council, at Study Sessions held on May 29 & 30, 2007, reviewed the proposed 2007-2008 Budget.
- Resolution has been prepared to adopt the proposed 2007-2008 Budget.
- RDA Board will also need to adopt the RDA portion of the budget in a separate action.
- Factors impacting the budget are General Fund structural deficit has persisted over the last several years due to State reduction and slow growth economy, re-establishing vehicle and information systems service and replacement fees to reflect true costs, rising PERS costs, medical insurance rates, and a continuation of budget deficit problems at the Federal and State level.
- Public Safety budgets were developed to maintain existing FY 2007 service levels, funding I/S and Vehicles Funds to its true cost.
- General Fund deficit is \$722,950 after receiving Indian Gaming Grants.
- Fire received Indian Gaming grant of \$51,872.

- During the budget sessions, City Council authorized appropriations and use of reserves to fund Public Safety and the General Fund gap: **\$722,950.**
- City Council authorized appropriations and use of reserves to fund Streets Development of \$108,044.
- Revenues continue to be at risk are unknown at this time.
- After the State budget is adopted staff will recommend appropriate action if needed.
- Proposition 4, to establish an annual appropriations limit for the fiscal year ending June 30, 2008 is \$19,935,225.
- The proposed 2007-2008 budget including operating, debt service, capital and RDA funds, is \$68,958,774.
- Consider a resolution that:
 - Adopts the fiscal year 2007-2008 proposed Operating, Debt Service, Capital and RDA budgets
 - Establishes an appropriations limit as required by Article XIII B of the State Constitution.
 - Authorizes the carryover of appropriations of prior year capital projects that are not yet completed.

Notes:

CITY OF HEALDSBURG

Fiscal Year 2007-2008 Proposed Budget

CITY COUNCIL

Gary Plass, Mayor

Lisa Wittke Schaffner, Vice-Mayor

Mike McGuire

Eric Ziedrich

James Wood

CITY MANAGER

Chet J. Wystepek

CITY OF HEALDSBURG

Commissions and Staff

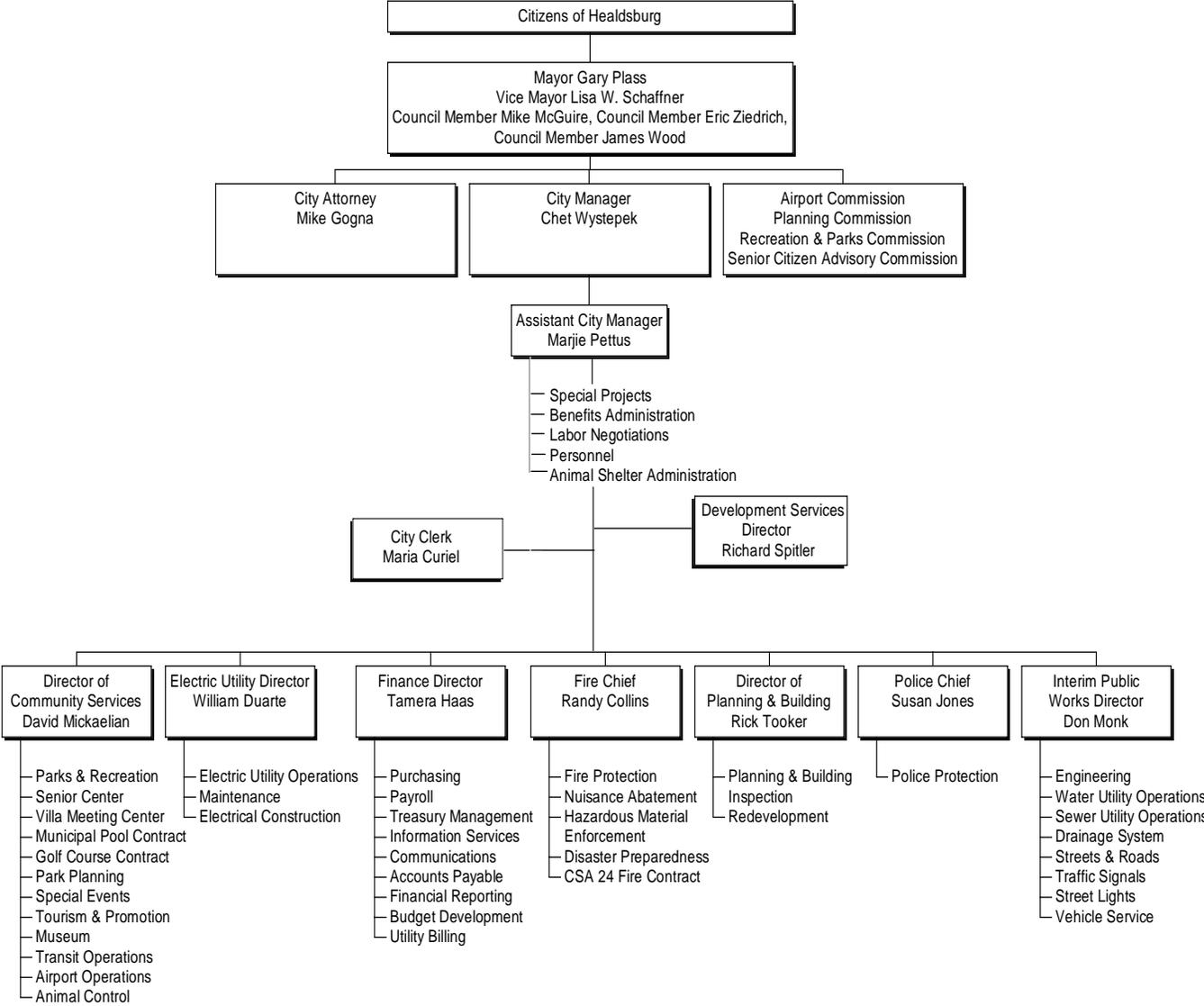
Advisory Commissions:

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

City Staff:

- City Manager Chet Wysteppek
- City Attorney Mike Gogna
- City Clerk Maria Curiel
- Assistant City Manager Marjie Pettus
- 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 (Interim) Don Monk
- Electric Utility Director William Duarte
- Development Services Director Richard Spitler

City of Healdsburg Organization Chart



Notes:

Table of Contents

	<u>Page Number</u>
Overview	
Message from the City Manager.....	7-14
Budget Principles	15
City Council Goals.....	6-17
Guide to the Budget	18-21
 Summaries	
Operating Budget Pie Chart	23
Total City Revenues Sources	24
Total City Spending Budget.....	25
Annual Capital Budget by Project	26-27
Summary of Positions	28
Financial Status Overview	29
Comparative Property Tax Bills	30-31
General Fund Revenues by Source/Expenditures by Department.....	32
General Fund.....	33
Water Enterprise Fund	34
Sewer Enterprise Fund.....	35
Electric Enterprise Fund	36
Community Services Enterprise Fund	37
Meeting Center Enterprise Fund.....	38
Transit Enterprise Fund.....	39
Planning & Building Enterprise Fund.....	40
Lighting & Landscaping District Area A.....	41
Street & Development Enterprise Fund.....	42
Airport Enterprise Fund	43
Benjamin Way Maintenance District Fund.....	44
School Services Enterprise Fund	45
Miscellaneous Funds.....	46
Commercial & Industrial Fund	47
Low & Moderate Income Housing Fund.....	48
Urban Development Action Grant (UDAG) Fund.....	49
Project Participation Fund.....	50
Insurance & Benefits Fund	51
Vehicle Replacement & Services Fund	52
Information Systems Replacement & Services Fund	53
Service Fund Budget – Building Maintenance Services Fund	54
Other Debt Service Fund	55

Table of Contents

	<u>Page Number</u>
Department Summaries and Work Plan	
Administration	57-65
Finance.....	66-71
Community Services.....	72-78
Electric	79-85
Fire	86-93
Planning & Building	94-99
Police.....	100-105
Public Works.....	106-113
Non-Departmental.....	114-116
Redevelopment Agency	
Budget Summary	119-123
Redevelopment Organization Chart.....	125
Commercial & Industrial Fund	126-143
Low & Moderate Income Housing Fund.....	144-147
Debt Service Fund.....	148-149
Urban Development Action Grant (UDAG) Fund.....	150-151
Project Participation Fund.....	152-153
Downtown Business District Fund	154-155
Glossary	157-159
Appropriation Limit Worksheet	160



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

May 22, 2007

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

SUBJECT: Proposed FY 2007-2008 Budget

Honorable Mayor and Councilmembers:

The proposed 2007-2008 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 2007-2008 budget for all City funds, including the Redevelopment Agency and Capital budget, totals \$68,863,774. The budget is comprised of an Operating budget of \$33,719,300 a Service and Debt Fund budget of \$10,771,745, the Redevelopment Agency budget of \$12,670,847 and a Capital budget of \$11,701,882. The organization of the City's budget can be most clearly understood by referring to page 25.

The Electric Department is planning for a proposed bond sale of approximately \$17.1 million (including 10% contingency) to fund the planned upgrade of Badger Substation, North area express feeder, and other electric capital improvements over the next 5 years. The 5-year Capital Improvement Program, page 90, reflects a placeholder for \$15.6 million of bond proceeds to fund these projects. The upgrade of Badger Substation is the City's largest electric capital project that is scheduled for completion in June 2009.

ECONOMIC OUTLOOK:

This budget has been developed during a period when the local economy has been continuing to experience modest growth due to the slowdown in the housing market and retail sales. Tourism activity continues to grow steadily and this is reflected in a transient occupancy tax growth rate of 8%. The local economic growth for sales tax is expected to be below inflationary levels during the upcoming year with a growth estimate of 2%. Offsetting the modest growth trends of the local economy are additional costs related to the negotiated enhanced PERS retirement benefit for the miscellaneous employee group, volatile energy costs and a chronic budget problem at the Federal and State level, which ultimately will result in unpredictable revenues to local governments. The Governor's May revisions include the implementation of several bond measures and propositions that provide some revenue relief, however the timing of receiving these revenues is uncertain until the State adopts its final budget after June 15.

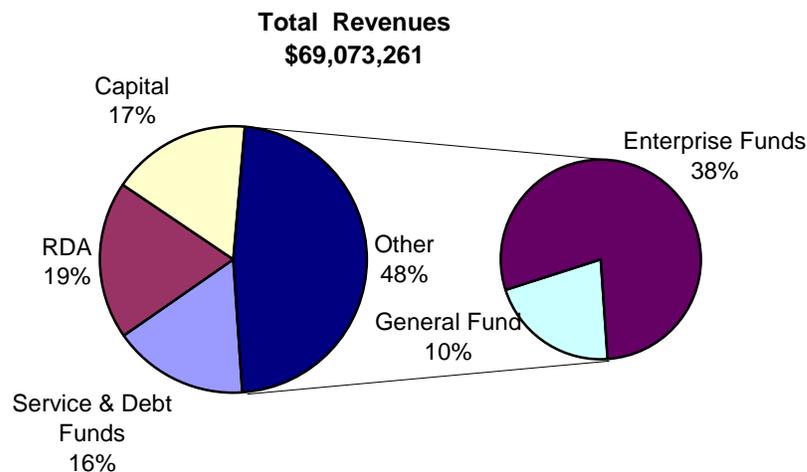
This budget has been prepared assuming implementation of the revenue actions as proposed by the Governor in his January proposed budget document. Due to the size of the State budget with numerous bills, and the historic difficulty in obtaining the needed cooperation between the Governor and Legislature 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 the State raids and economic downturn of several years ago.

At the local level, retail sales are gradually growing from significantly slow levels over the last few years, and the growth of other revenue sources has been at modest levels. The exception is new auto sales which continue a downward trend. Residential building permit activity continues to be minimal, reflecting the impact of the growth management ordinance, while commercial and industrial activity is stable. Overall the trend for revenue growth is modest in the General Fund, which has made it extremely difficult to cover the increasing costs necessary to fund continuing service levels for Police and Fire services. The challenge will be maintaining a balanced budget in the wake of the unpredictable State raids that have resulted in the reduction of 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 2007-2008 budget includes \$69,073,261 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.

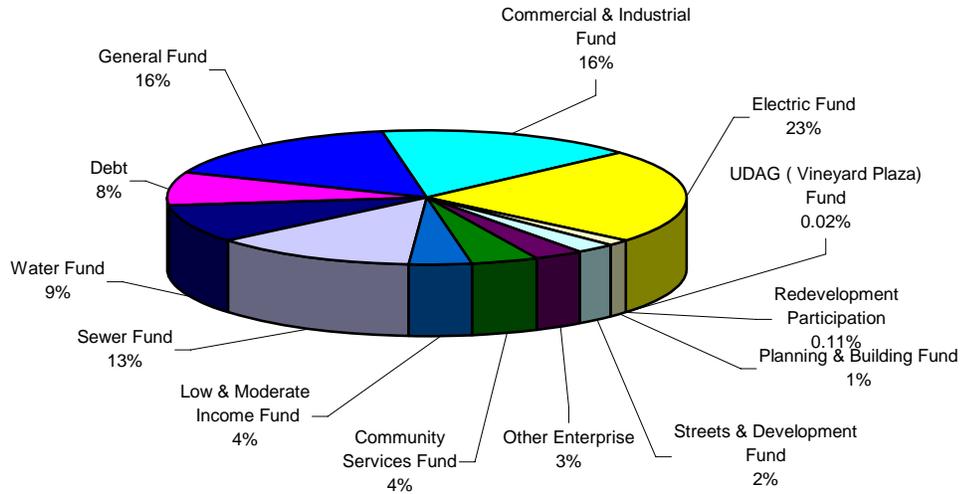


As shown on the graph, 48% of City revenues are available to fund department operating budgets, with the remaining 52% restricted to fund the Capital, RDA, and Service and Debt Fund budgets. The revenues available to fund the operating budgets are further restricted with a significant portion available only to fund enterprise activities. Enterprise activities include the Water, Sewer, Electric, Community Services, Streets, Planning and Building, Airport, Transit, School Services, and Meeting Center 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 \$47,050,589 Operating budget is \$4,144,192 (10%) more than the 2006-2007 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 - \$47,050,589



The \$4,144,192 increase in the Operating budget reflects a \$1,428,078 (13%) increase in the Redevelopment Agency Budget, a \$1,012,176 (15%) increase in the General Fund, a \$233,424 (5%) decrease in the Water Fund, a \$491,278 (9%) increase in the Sewer Fund, a \$114,060 (1%) increase in the Electric Fund, a \$649,402 (49%) increase in Community Services Fund, a \$79,589 (14%) increase in the Planning and Building Fund, and a \$164,152 (18%) 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
\$47,050,589 Operating Budget by Department***

Department	2006-2007** Budget	2007-2008 Budget	\$ Difference	% Difference
Administration***	\$ 1,787,456	\$ 1,915,588	\$ 128,132	7%
Finance	1,959,930	2,115,496	155,566	8%
Community Services	2,344,196	2,778,481	434,285	19%
Electric-Operations	3,171,251	3,234,182	62,931	2%
Electric-Power Costs	6,022,898	5,990,668	(32,230)	(1)%
Fire	2,144,113	2,779,627	635,514	30%
Planning & Building	1,113,159	1,239,345	126,186	11%
Police	4,508,380	4,978,315	469,935	10%
Public Works	5,860,165	6,277,532	417,367	7%
Non-Departmental	13,994,849	15,741,355	1,746,506	12%
Total	\$ 42,906,397	\$ 47,050,589	\$ 4,144,192	10%

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

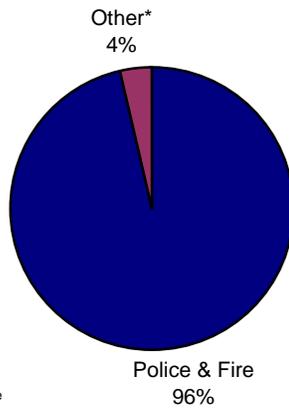
Significant factors impacting expenditures include: increases in negotiated labor contracts, enhanced PERS retirement benefits for miscellaneous employees, contracted maintenance costs and liability/property insurance increases. These underlying increases have been offset by a cost sharing agreement with employees for the enhanced PERS retirement benefit and reductions in staffing levels and other supplies and services. Two positions were eliminated from the Electric Department upon the completion of succession planning due to retirements. Three and half positions were removed from the Public Works Department to reorganize in anticipation of scheduled retirements and vacancies. The Fire Department includes a full-time Fire Marshal position that was approved by Council mid-year and is partially offset by the elimination of a part-time CUPA Inspector position. The proposed personnel reductions included in the budget are as follows:

- *Water Utility Supervisor *50% Laboratory Analyst *Part-time CUPA Inspector
- *Storekeeper *Utility Worker II
- *Electrician *Lineman

GENERAL FUND:

The budget for the General Fund is \$7,629,931. 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.

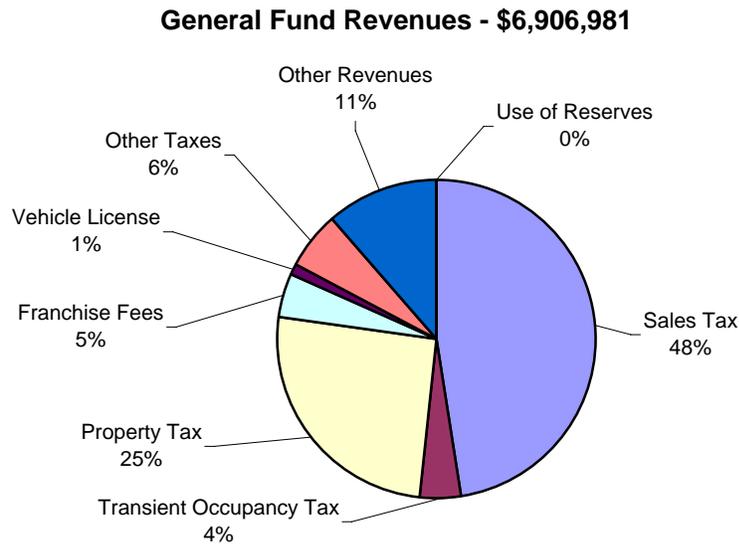
General Fund By Department



*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 \$6,906,981 of revenues by major source is shown in the graph below.



Sales tax revenues continue to be the largest General Fund revenue source. The growth in the revenue sources is currently estimated to be 2.0% in 2007-2008, which is below inflationary levels. 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 flat volume of transactions as domestic car dealerships continue to struggle with falling popularity for some 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 five 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. No other significant changes are expected in the mix of retailers during the next fiscal year. 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 6% as the housing market continues to slow down from a fast pace rise over the last 10 years.

The 2% Transient Occupancy Tax (TOT) is scheduled to sunset on June 1, 2008 and requires re-authorization by the Council. Looking forward, the estimated annual revenue loss would be \$285,000 if suspended. TOT makes up 4% of the General Fund revenues and a full year revenue estimate is included in the 2007-2008 budget. The local tourism industry has performed at its highest level since its weakening in 2001. TOT revenue is projected to grow by 8% 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 in 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 revenue loss of \$150,000 to the General Fund in 2010.

This means that in future years, the City will continue to be at risk for State revenue raids until such time as the State solves its structural budget problem. No raids are anticipated in this coming budget year; however, the State can borrow property tax revenues from local government with some restrictions starting in fiscal year 2008-2009.

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, and partial funding for the Boys and Girls Club and Villa Chanticleer. All of these subsidies together total \$170,035. The Airport Fund has a deficit of \$39,306 and includes \$50,000 for a vacant part-time Airport Manager position that will not be filled until permanent revenue sources are secured.

WATER FUND:

During the budget development process, the Water Fund budget was showing signs of a growing reliance on reserves to balance the budget. Over the last few years water usage and water sales have been low due to the high level of rainfall. 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 2007-2008 may be further impacted due to the voluntary campaign by the Sonoma County Water Agency to reduce water consumption by 10%-15%. An action plan was developed to reduce personnel costs to balance the Water Fund. The Water Fund is balanced with a slight surplus.

STREET & DEVELOPMENT ENTERPRISE FUND:

The Street and Development Fund has a deficit of \$108,044, 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 Prop 42 Transportation funding and no funding will be provided for in the 2007-2008 "gap" year. The State budget includes implementation of Proposition 1B which contains street capital improvement funding for local governments but this requires appropriation by the Legislature. SB286 is a trailer bill sponsored by the League of California Cities to make this funding predictable so that cities can move forward on vital local projects. The funding for Healdsburg is estimated at \$400,000 and programmed in the 2008-2009 capital improvement program. If SB286 is approved, every city will receive at least half of their Prop 1B funds to spend in the next two fiscal years (the 2007-2008 Prop. 42 "gap" year and 2008-2009). Finding predictable funding revenue sources to fund the backlog of street maintenance will be an on-going challenge for all cities in California.

EQUIPMENT AND SERVICE FUND CHARGES:

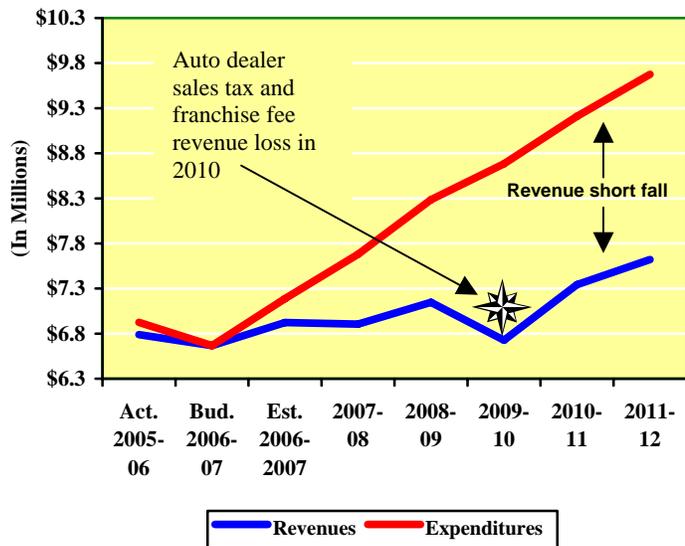
Last year the re-establishment of Equipment and Services Fund charges was successful for all departments with the exception of Police and Fire. Due to budget constraints, the General Fund replacement and service fees were held to a 5% growth level last year. This year’s budget attempts to re-establish equipment and service fund charges to reflect true costs for Police and Fire. A total of \$449,105 is being collected for vehicles, \$252,282 for computers and \$229,771 for buildings. The largest vehicle replacement items are fire trucks for the Fire Department. The Council may want to consider revising the impact fee as part of the revenue plan to reduce the burden on the General Fund.

The full funding of the equipment replacement and services in these funds will make it possible for City staff to have reliable vehicles, equipment, and appropriate work spaces to continue to provide an efficient and high level of service to the community.

KEY BUDGET ISSUE:

General Fund: The proposed FY 2007-2008 General Fund budget has a deficit of \$722,950. The challenge will be to close the growing gap in future years. Over the past few years with State revenue raids and flat to slow growing revenues, both Police and Fire Departments have had to make substantial budget cuts in personnel and service costs. The proposed 2007-2008 budget was developed to maintain current public safety service levels. Proposed expenditures are growing faster than anticipated revenues for the General Fund as shown in the 5-year forecast chart to the right. The proposed budget include, Prop 1A protection from State revenue raids, the continuation of the 2% TOT revenues, and a gradual increase in sales tax revenues based on revised estimates for the current year. Even with these positive offsets, it is still not enough to close the gap. 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 one-time revenue source included in the proposed 2007-2008 budget is an Indian Gaming Grant for \$51,872 to partially fund a Training Officer position in the Fire Department. The three options to consider in balancing the budget for fiscal year 2007-2008 are: (1) Balance the budget with budget reductions and no use of reserves; (2) Freeze Service Fund fees to 0% growth and use Service Fund reserves, this action would reduce the budget gap by \$394,500 and/or (3) Use General Fund reserves to maintain services levels as has been done in the past two budget cycles. The use of reserves is the “default” option and does not cure the problem. Reserves will eventually be exhausted.

General Fund Forecast



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 for a November 2008 ballot. The recommendation is to pursue a sales tax increase of a 1/2-cent to fill the gap of the loss of the car dealership, franchise fee revenues and the structural deficit within the General Fund. This increase would produce a projected revenue stream of

\$1.5 annually and could be available for the beginning of FY2009-2010. This funding is recommended 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 5 years and a long term funding plan to match on-going expenses to on-going revenues?

FUTURE OUTLOOK:

This budget has been developed assuming no reductions by the State. The risk in losing other revenues is unknown at this time. These “at risk revenues” all currently support public safety services. 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 November 2008 ballot measure for a 1/2 cent increase in sale tax for public safety and local streets!
- Consider revising impact fee to cover cost of fire trucks to reduced burden on General Fund!!
- Consider re-authorization of the 2% Transient Occupancy Tax for public safety!!!

I would like to acknowledge the special efforts of Kathleen Bradbury, Accounting Manager, Ana Kwong, Budget Analyst, 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.

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.
- 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 – 2007

Adopted February 20, 2007

1. **GENERAL PLAN**

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

2. **WASTEWATER**

Complete the wastewater treatment plant and accomplish all tasks associated with the construction of the project by Jan 1, 2008. Develop an approach to communicate to the public the nature of the wastewater and reclamation projects by the 2010 deadline.

3. **BUDGET STABILITY**

Explore long term funding sources to obtain a balanced budget. Focus on identifying funding sources for all city operations and needs. Match ongoing General Fund revenues with ongoing General Fund expenses.

4. **ECONOMIC DEVELOPMENT**

Economic Development Officer to develop implementation/marketing plan that would focus on economic strategy and opportunistic land development (i.e., RJW and Nu Forest, etc.) to supplement and make up city funding resources that might be lost with the relocation of existing businesses (i.e. Sanderson Ford). Use the water/sewer citizen committee to explore solutions to the high cost of sewer and water development fees for new projects.

5. **AFFORDABLE HOUSING**

Enter into a development agreement and obtain permit entitlements for the 20 West Grant Street family rental housing project. Prepare development plans for the 308 East Street 7-plex transitional project and hire contractor in spring 2008. Design a formal development plan and move forward with the affordable housing portion of the Saggio Hills Project. Continue RDA's land acquisition program to identify and seek to purchase properties that would fit into the City's plans for affordable housing projects, including additional for-sale, moderate rate housing. Develop funding plans for the various projects.

6. **PUBLIC SAFETY**

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

7. PARKS AND RECREATION

Add another segment to the Foss Creek Pathway; look for more opportunities to increase Open Space; negotiate a long term lease and/or permanently acquire the National Guard Armory building and develop plan for future utilization of the Armory. Adopt a Master Plan for Parks.

8. OPEN SPACE

Develop a comprehensive plan for potential open space recreational partnerships that encourage community access to the “mountain, river, ridge and creek.”

9. AIRPORT

Pursue construction of approved federal and state airport grant projects. Develop a funding plan to hire a half-time airport manager.

10. MEMORIAL BRIDGE

Inform the community of the engineering needs and funding requirements to replace Memorial Bridge. Select appropriate alternative depending on available funding sources, develop funding plan, finalize the design concept, create a timeline for a construction plan, realign the intersection, and extend water and sewer utilities south of the river.

GUIDE TO THE BUDGET

This budget document is for fiscal year FY 2007-2008. 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 2007-2008.

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.

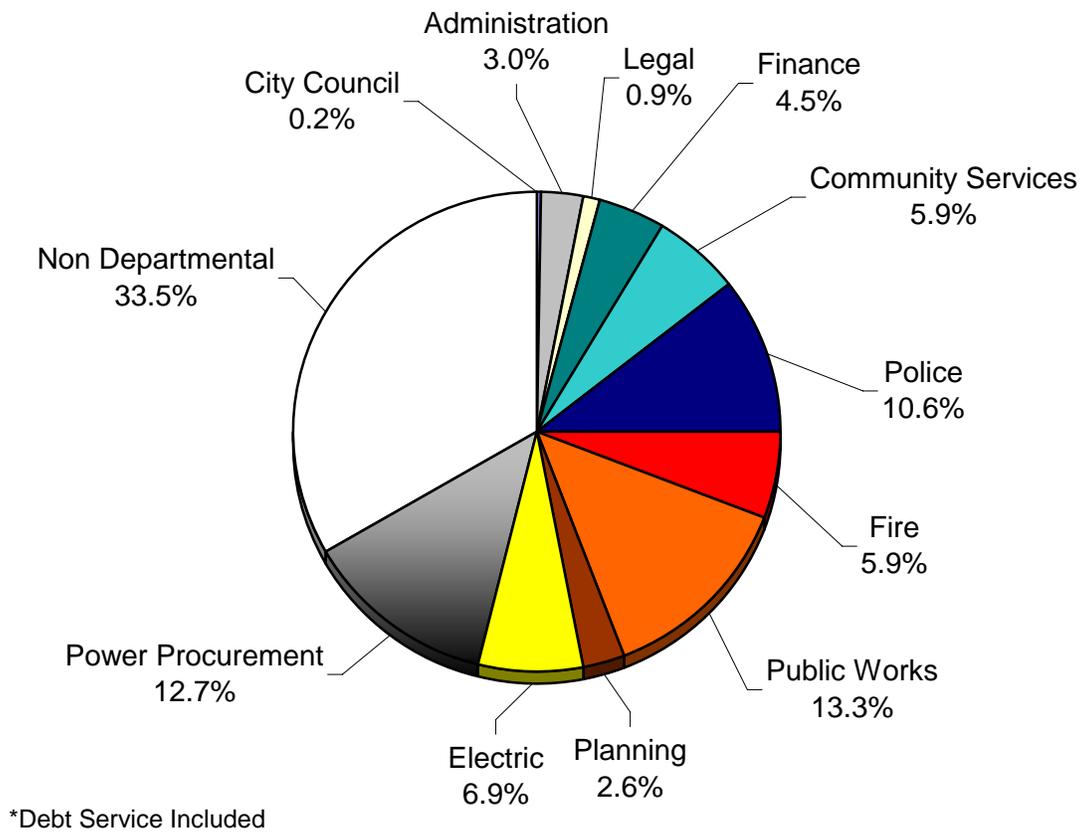
Utility Services account for the cost of electricity and water used by each department.

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

Notes:

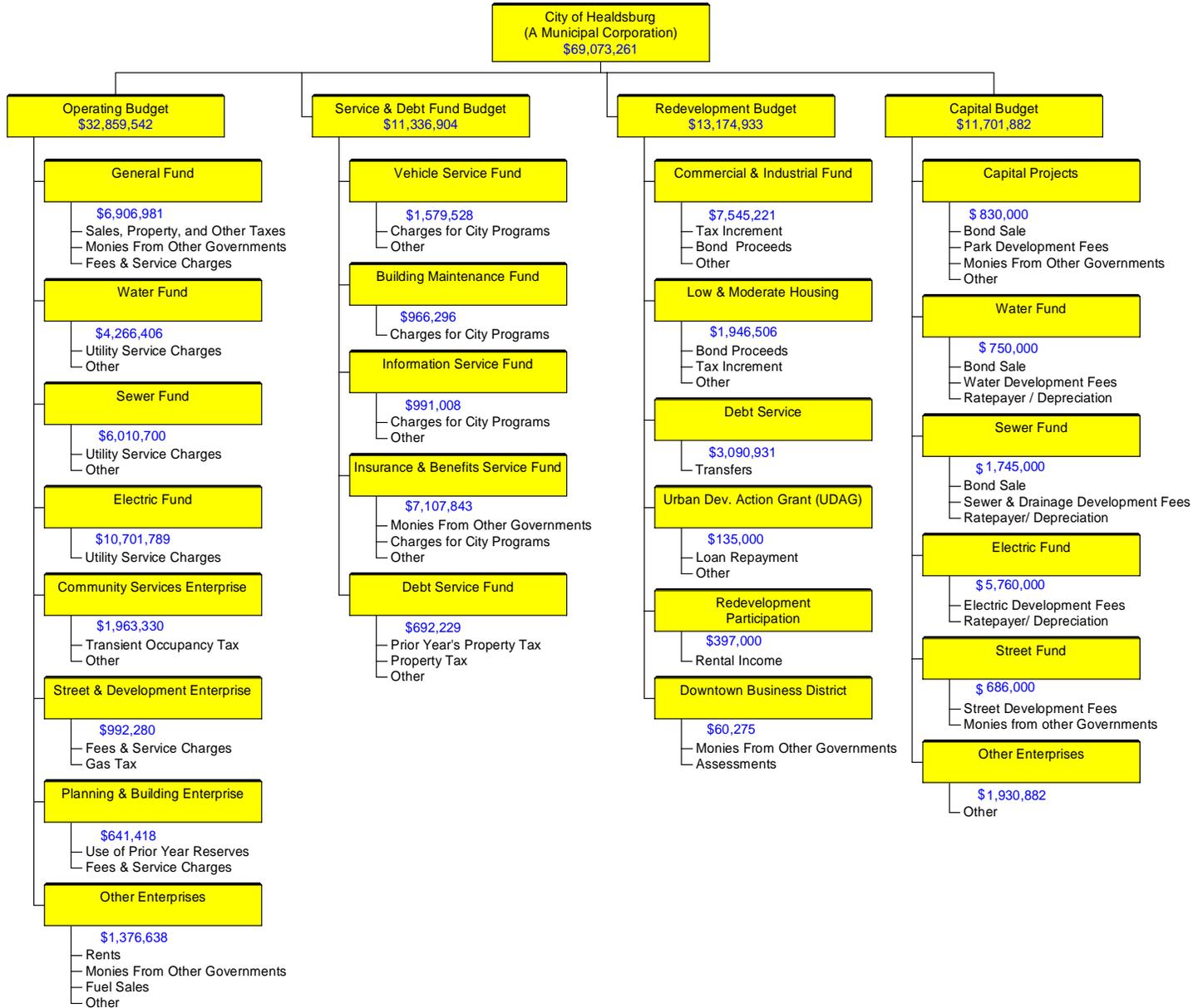
Operating* Budgets FY 2007-2008

Total \$47,050,589

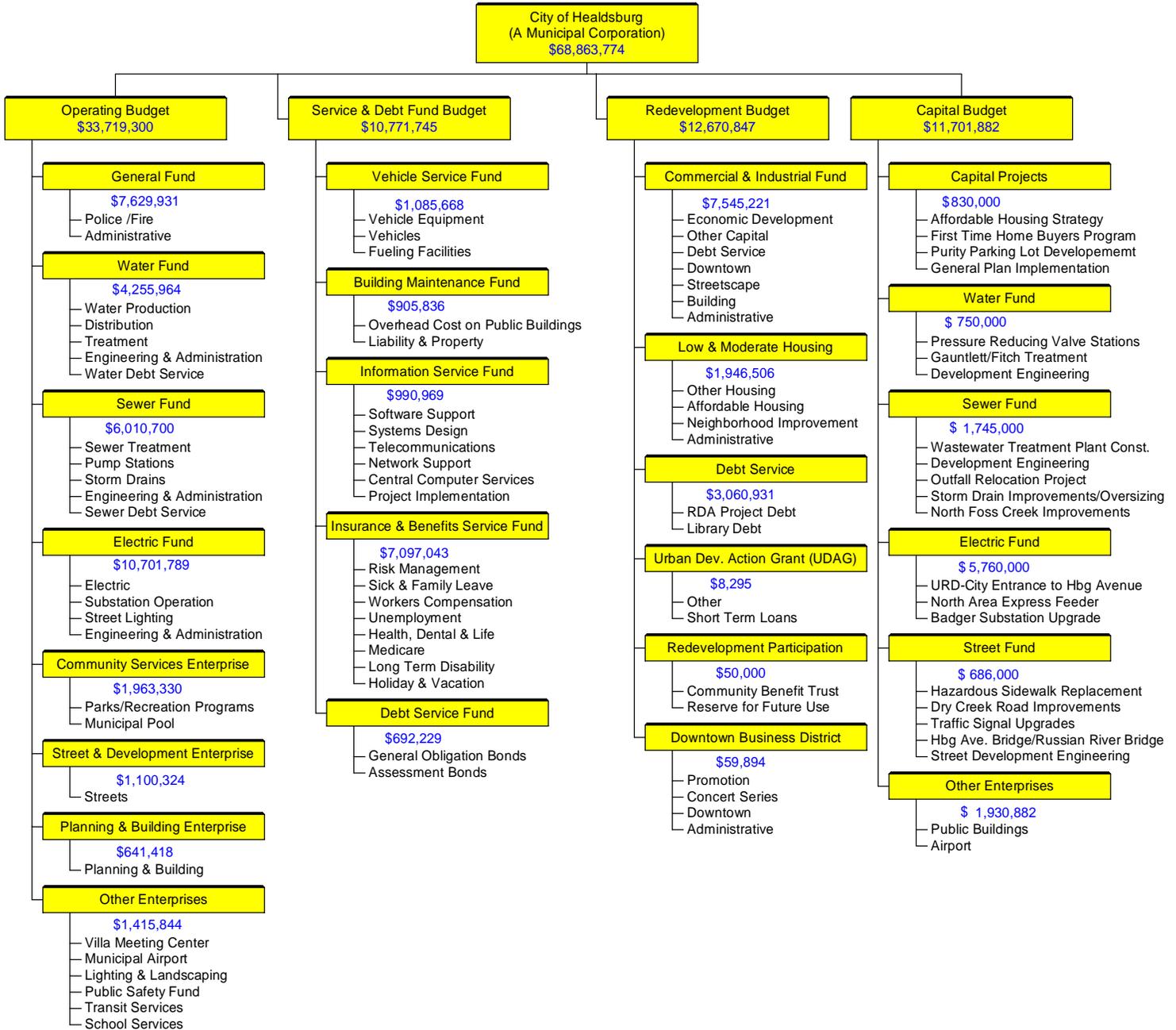


Total City Revenues

Budget for Fiscal Year 2007-2008



Total City Spending Budget for Fiscal Year 2007-2008



City of Healdsburg Annual Capital Budget by Project

Project No.	Project Title/Funding Source	Requested Funding 2007-2008
Administration:		
<u>Public Buildings Projects:</u>		
PB0014	Repair Firehouse Underground Fuel Tanks	10,000
	Total	10,000
Community Services:		
<u>Community Services Department:</u>		
PK0005	Plaza Park Renovation	20,000
PK0014	Villa Chanticleer Building Improvements	200,000
PK0701	Swimming Pool Improvements	30,000
PK0702	Parks Master Plan	10,000
PK0703	Citywide Streetscape	50,000
PK0706	Facilities Acquisitions and Improvements	100,000
PK0707	Park Acquisitions and Improvements	168,882
PK0801	Lighting and Landscaping, Dist 1	125,000
PK0802	Lighting and Landscaping, Dist 2	9,000
PK0804	Lighting and Landscaping, Dist 4	20,000
PK0805	Barbieri Brothers Park Parking Improvement Plan	73,000
PK0806	Gibbs Park Fence Replacement	20,000
PK0807	Giorgi/Recreation Park Master Plan	100,000
	Total	925,882
Electric Department:		
<u>Electric Projects:</u>		
EL0461	URD Project #3 - City Entrance to Healdsburg Avenue	160,000
EL0503	12 KV URD Primary Replacement	50,000
EL0702	North Area Express Feeder	1,250,000
EL0703	Badger Substation Upgrade	4,100,000
EL0801	Grant Street URD Expansion	200,000
	Total	5,760,000
Planning and Building Department:		
<u>City Wide Projects:</u>		
CW0006	Affordable Housing Strategy	100,000
CW0008	General Plan/Housing Element Update	150,000
CW0018	First Time Homebuyers Assistance Program	100,000
CW0024	Neighborhood Renovation Program	35,000
CW0502	Purity Parking Lot Development	200,000
CW0506	City Facilities Wireless Links	10,000
CW0802	General Plan Implementation	175,000
CW0803	Housing Element Update	50,000
CW0804	Annexations Processing	10,000
	Total	830,000

City of Healdsburg Annual Capital Budget by Project

Airport:

Airport Projects:

AP0402	Airport Improvements - Phase I, II	450,000
AP0701	Purchase of Private Hangars	300,000
AP0801	Airport Improvements - Phase III, IV, V and VI	245,000
Total		995,000

Public Works Department:

Water Projects:

PWW019	Pressure Reducing Valve Stations	50,000
PWW044	Gauntlett/Fitch Treatment	600,000
PWW045	Development Engineering	100,000
Total		750,000

Sewer Projects:

PWS001	Lift Station Alarms (SCADA)	30,000
PWS014	Outfall Relocation Project	25,000
PWS045	Development Engineering	125,000
PWS701	WWTP Construction	1,075,000
Total		1,255,000

Drainage Projects:

PWD001	Creek Channel Oversizing	20,000
PWD004	Storm Drain Oversizing	50,000
PWD009	Miscellaneous Storm Drain Improvements	300,000
PWD010	Phase II Stormwater Rule Compliance	20,000
PWD045	Development Engineering - Drainage	50,000
PWD194	North Foss Creek Improvements	50,000
Total		490,000

Street Projects:

PWT002	Dry Creek Road Improvements: Hbg Ave to Caltrans' Right of Way	100,000
PWT006	Dry Creek Rd. Interchange - Traffic Signals and Ramp Widening	100,000
PWT012	Annual Reconstruction (PMS)	100,000
PWT013	New Sidewalk Installation	35,000
PWT016	Hazardous Sidewalk Replacement Within the RDA	116,000
PWT017	Annual Overlay (PMS)	110,000
PWT045	Street Development Engineering	50,000
PWT182	Healdsburg Avenue Bridge - Russian River Bridge	50,000
PWT249	Annual Maintenance - Slurry Seal (PMS)	10,000
PWT331	Traffic Signal Upgrades and Improvements	10,000
PWT332	Right-of-Way Tree Removal	5,000
Total		686,000

Total Public Works Department **3,181,000**

Total CIP **11,701,882**

New projects are shaded

SUMMARY OF POSITIONS/FULL TIME EQUIVALENTS

Department	Original Adopted 2006-2007	Proposed 2007-2008	Request
<i>Administration</i>	5.35	5.35	0.00
<i>Finance</i>	14.00	14.00	0.00
<i>Community Services</i>	14.50	14.50	0.00
<i>Electric Utility</i>	17.00 (2)	15.00	-2.00
<i>Fire</i>	10.75	11.00	0.25 (1)
<i>Planning & Building</i>	8.00	8.00	0.00
<i>Police</i>	30.00	30.00	0.00
<i>Public Works</i>	40.00 (2)	36.50	-3.50
<i>Total Positions/Full Time Equivalents</i>	139.60	134.35	-5.25

(1) Eliminating PT 0.75 CUPA Inspector due to mid-year addition 1.0 FTE Fire Marshal.

(2) Reflects transfer of 2.0 Garage positions from Electric to Public Works with the Mechanic position unfunded, vacant and not included as an FTE.

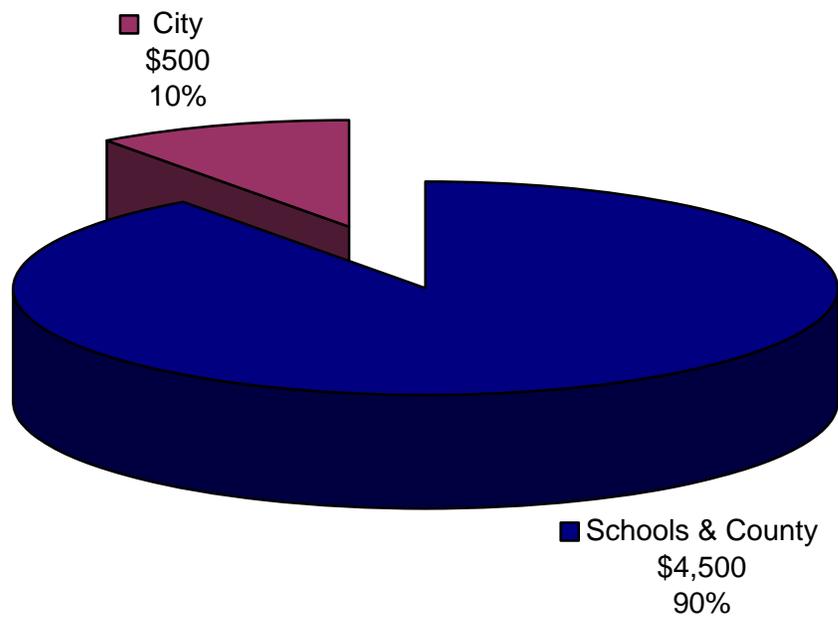
CITY OF HEALDSBURG
FINANCIAL STATUS OVERVIEW
Operating Budget & Debt Service

	ACTUAL 2005-2006	ADOPTED 2006-2007	BUDGET 2007-2008	DIFFERENCE FROM 2006-2007	%DIFFERENCE
<u>REVENUES & OTHER SOURCES</u>					
Property Tax - General Fund	\$ 1,574,157	\$ 1,652,502	\$ 1,758,800	\$ 106,298	6%
Property Tax - Bond Debt	987,394	833,170	692,229	(140,941)	-17%
RDA Tax Increment	7,425,889	7,274,227	8,207,620	933,393	13%
Sales and Other Taxes	5,041,938	4,946,282	5,636,157	689,875	14%
Charges for Services	17,612,946	18,462,318	19,385,583	923,265	5%
Facility Rents	727,671	736,612	791,172	54,560	7%
Intergovernmental Revenues	1,393,735	1,110,298	1,499,198	388,900	35%
Investments	1,122,693	484,508	737,557	253,049	52%
Permits/Planning Fees	585,283	384,200	417,000	32,800	9%
Transfers	3,388,042	3,272,657	3,651,205	378,548	12%
Miscellaneous Revenues	782,295	414,257	538,712	124,455	30%
Bond Proceeds	605,517	735,695	1,159,107	423,412	58%
Use of Reserves	565,795	2,902,645	1,861,561	(1,041,084)	-36%
Other	296,226	274,572	358,634	84,062	31%
TOTAL REVENUES	\$ 42,109,581	\$ 43,483,943	\$ 46,694,535	\$ 3,210,592	7%
<u>EXPENSES BY DEPARTMENT & OTHER USES</u>					
City Council	\$ 74,671	\$ 79,654	\$ 95,722	\$ 16,068	20%
Administration	1,180,766	1,357,802	1,402,366	44,564	3%
Legal	305,933	350,000	417,500	67,500	19%
Finance	1,913,042	1,959,930	2,115,496	155,566	8%
Community Services	2,040,157	2,344,196	2,778,481	434,285	19%
Police	4,425,957	4,508,380	4,978,315	469,935	10%
Fire	2,385,045	2,144,113	2,779,627	635,514	30%
Electric - Operating	2,582,374	3,171,251	3,234,182	62,931	2%
Electric Power Costs*	5,367,577	6,022,898	5,990,668	(32,230)	-1%
Public Works	4,922,581	5,860,165	6,277,532	417,367	7%
Planning	803,297	1,113,159	1,239,345	126,186	11%
Non Departmental	13,291,611	13,994,849	15,741,355	1,746,506	12%
TOTAL EXPENSES	\$ 39,293,011	\$ 42,906,397	\$ 47,050,589	\$ 4,144,192	10%
Reserved for future use	2,816,570	577,546	514,246		
RESULTING GAIN (LOSS)	\$ -	\$ -	\$ (870,300)		

* Costs are part of the Electric Department.

City of Healdsburg Comparative Property Tax Bills

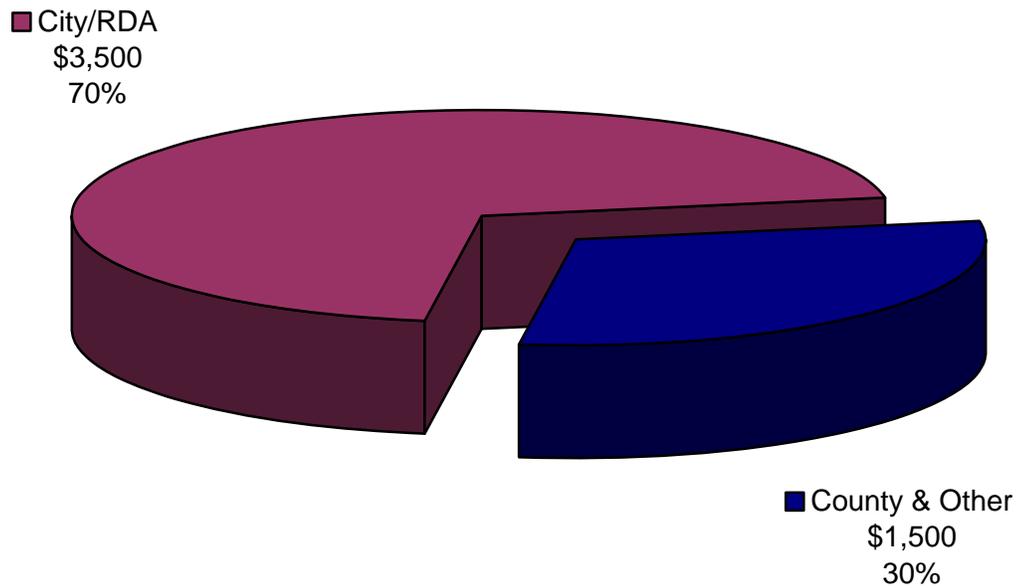
2004 Home Purchased for \$500,000
Local 1% Tax \$5,000
In City - Outside RDA Area



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.

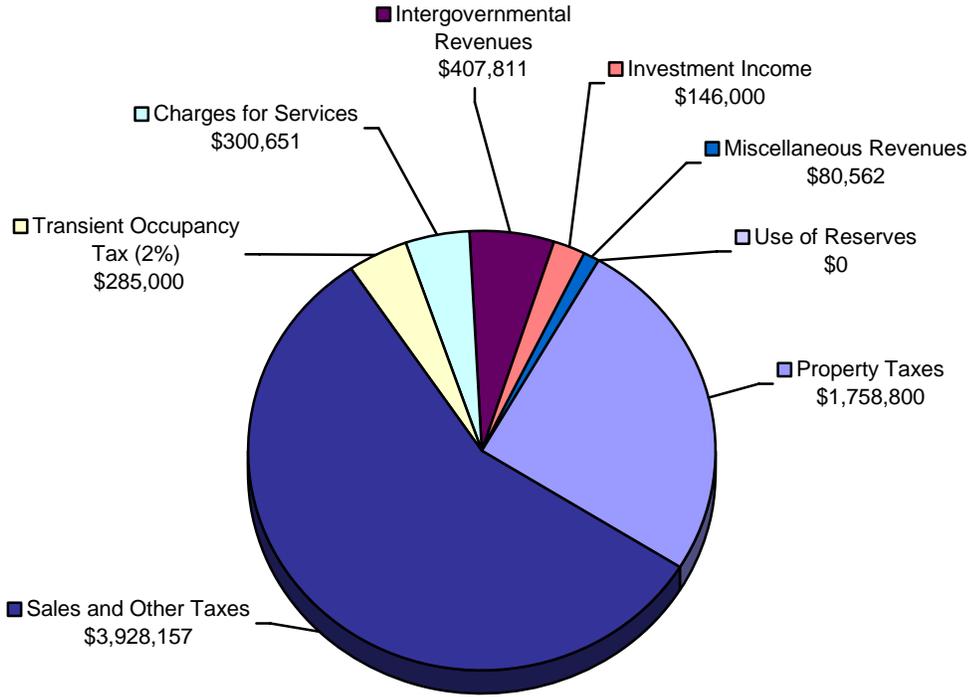
City of Healdsburg Comparative Property Tax Bills

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

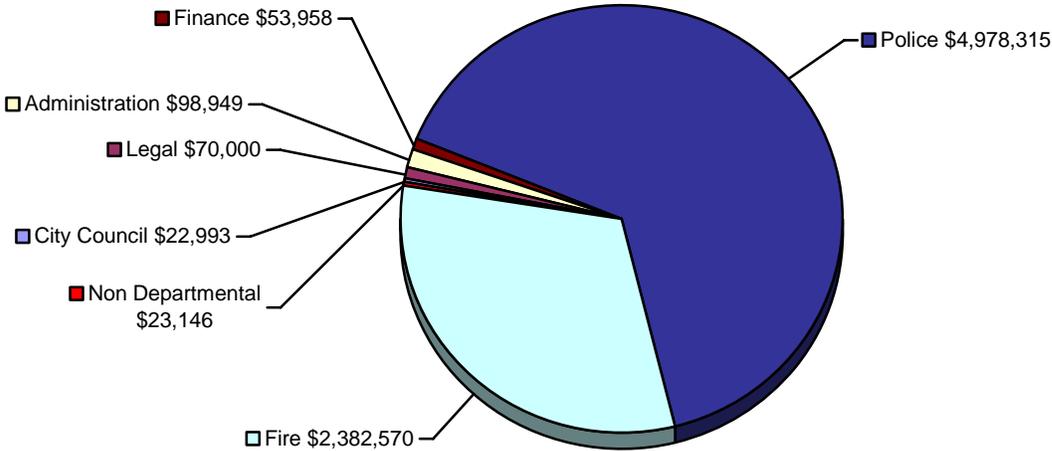


The same house, again valued at \$500,000 and the same local 1% property tax **inside** the Redevelopment Agency (RDA) project area, generates revenue equal to \$.70 of every dollar paid, or approximately more than seven times the property tax revenue collected outside the RDA area.

Revenues By Source - General Fund \$6,906,981



Expenditures By Department - General Fund \$7,629,931



GENERAL FUND

	ACTUAL 2005-2006	ADOPTED 2006-2007	BUDGET 2007-2008	DIFFERENCE FROM 2006-2007	% DIFFERENCE
<u>REVENUES</u>					
Property Taxes	\$ 1,574,157	\$ 1,652,502	\$ 1,758,800	\$ 106,298	6%
Sales and Other Taxes	3,877,795	3,618,272	3,928,157	309,885	9%
Transient Occupancy Tax (2%)	23,408	212,482	285,000	72,518	34%
Service Charges	349,229	281,757	300,651	18,894	7%
Intergovernmental Revenues	648,583	355,137 (1)	407,811	52,674	15%
Interest Income	139,544	79,175	146,000	66,825	84%
Miscellaneous Revenues	126,246	86,555	80,562	(5,993)	-7%
Use of Reserves	-	331,875 (2)	-	(331,875)	-100%
TOTAL REVENUES	\$ 6,738,962	\$ 6,617,755	\$ 6,906,981	\$ 289,226	4%
<u>EXPENSES BY DEPARTMENT</u>					
City Council	\$ 17,144	\$ 18,189	\$ 22,993	\$ 4,804	26%
Legal	57,557	59,794	70,000	10,206	17%
Administration	150,781	99,527	98,949	(578)	-1%
Finance	63,435	48,151	53,958	5,807	12%
Police	4,425,957	4,508,380	4,978,315	469,935	10%
Fire	2,107,899	1,859,750	2,382,570	522,820	28%
Public Works	271	-	-	-	0%
Transfer to Capital Improvements	15,000	15,000	15,000	-	0%
Non Departmental	36,712	8,964	8,146	(818)	-9%
TOTAL EXPENSES	\$ 6,874,756	\$ 6,617,755	\$ 7,629,931	\$ 1,012,176	15%
Reserved for future use		-	-		
RESULTING GAIN (LOSS)	\$ (135,794)	\$ -	\$ (722,950) (3)		

(1) Does not include Indian Gaming Grant for one-time capital equipment items \$172,193

(2) Includes use of reserves of \$331,875

(3) Need to develop a revenue action plan to address on-going budgetary deficit

BLUE - Indicates Operating Fund

GREEN - Indicates Service or Debt Funds

WATER ENTERPRISE

	ACTUAL 2005-2006	ADOPTED 2006-2007	BUDGET 2007-2008	DIFFERENCE FROM 2006-2007	% DIFFERENCE
<u>REVENUES</u>					
Service Charges	\$ 3,933,795	\$ 4,203,506	\$ 4,203,506	(1) \$ -	0%
Interest Income	59,659	61,400	61,400	-	0%
Miscellaneous Revenues	24,951	1,500	1,500	-	0%
Rate Stabilization Reserves	-	222,982	-	(222,982)	-100%
TOTAL REVENUES	\$ 4,018,405	\$ 4,489,388	\$ 4,266,406	\$ (222,982)	-5%
<u>EXPENSES BY DEPARTMENT</u>					
City Council	\$ 11,031	\$ 12,851	\$ 15,084	\$ 2,233	17%
Legal	62,110	50,000	50,000	-	0%
Administration	147,965	195,714	161,863	(33,851)	-17%
Finance	469,630	478,882	441,846	(37,036)	-8%
Planning & Building	132	-	32,767	32,767	0%
Fire	51,396	40,207	67,562	27,355	68%
Public Works	2,149,659	2,607,143	2,413,142	(194,001)	-7%
Electric	13,287	200	-	(200)	-100%
Transfer to Capital Projects*	302,122	-	-	-	0%
Non Departmental	875,988	1,104,391	1,073,700	(30,691)	-3%
TOTAL EXPENSES	\$ 4,083,320	\$ 4,489,388	\$ 4,255,964	\$ (233,424)	-5%
Reserved for future use	-	-	10,442	(2)	
RESULTING GAIN (LOSS)	\$ (64,915)	\$ -	\$ -		

* Replacement only

(1) Based on a normal water usage year. Fiscal year 2005 & 2006 had substantial rain fall and low water usage Revenues maybe lower due to voluntary campaign by Sonoma County Water Agency to reduce water consumption by 10% - 15%

(2) Action plan will be developed during the year to reduce reliance on reserves

SEWER ENTERPRISE

	ACTUAL 2005-2006	ADOPTED 2006-2007	BUDGET 2007-2008	DIFFERENCE FROM 2006-2007	% DIFFERENCE
<u>REVENUES</u>					
Service Charges	\$ 4,452,952	\$ 4,883,407	\$ 5,353,700	\$ 470,293	10%
Interest Income	128,622	56,015	102,000	45,985	82%
Miscellaneous Revenues	7,559	5,000	5,000	-	0%
Rate Stabilization Reserves	-	575,000	550,000	(25,000)	-4%
Use of Reserves	-	-	-	-	0%
TOTAL REVENUES	\$ 4,589,133	\$ 5,519,422	\$ 6,010,700	\$ 491,278	9%
<u>EXPENSES BY DEPARTMENT</u>					
City Council	\$ 11,277	\$ 12,901	\$ 15,234	\$ 2,333	18%
Legal	53,916	55,000	55,000	-	0%
Administration	143,738	197,373	255,604	58,231	30%
Finance	413,799	424,912	469,952	45,040	11%
Planning & Building	-	-	32,767	32,767	0%
Fire	58,098	44,886	83,203 (2)	38,317	85%
Police	-	-	-	-	0%
Public Works	1,868,256	2,350,050	2,825,345	475,295	20%
Electric	5,860	-	-	-	0%
Transfer to Capital Projects**	237,468	165,000	375,000	210,000	127%
Non Departmental	391,660	2,269,300	1,898,595 (1)	(370,705)	-16%
TOTAL EXPENSES	\$ 3,184,072	\$ 5,519,422	\$ 6,010,700	\$ 491,278	9%
Reserved for future use	1,405,061	-	-		
RESULTING GAIN (LOSS)	\$ -	\$ -	\$ -		

** Replacement only

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

(2) \$83,000 for CUPA program

ELECTRIC ENTERPRISE

	ACTUAL 2005-2006	ADOPTED 2006-2007	BUDGET 2007-2008	DIFFERENCE FROM 2006-2007	% DIFFERENCE
<u>REVENUES</u>					
Service Charges	\$ 8,611,614	\$ 8,564,832	\$ 8,738,400	\$ 173,568	2%
Electric Public Benefit	246,681	245,474	247,904	2,430	1%
Surplus Power Sales	-	156,143	-	(156,143)	-100%
Wholesale Third Party Revenue	-	-	342,342 ⁽²⁾	342,342	100%
Interest Income	140,293	108,100	124,000	15,900	15%
Miscellaneous Revenues	73,430	7,000	7,000	-	0%
Use of Geothermal Reserves	-	1,505,049	1,242,143 ⁽³⁾	(262,906)	-17%
TOTAL REVENUES	\$ 9,072,018	\$ 10,586,598	\$ 10,701,789	\$ 115,191	1%
<u>EXPENSES BY DEPARTMENT</u>					
City Council	\$ 16,884	\$ 14,148	\$ 20,040	\$ 5,892	42%
Legal	74,875	62,206	62,000	(206)	0%
Administration	157,435	209,449	237,767	28,318	14%
Finance	687,356	674,734	729,428	54,694	8%
Planning	216	15,331	40,956	25,625	167%
Fire	33,044	23,139	40,462	17,323	75%
Public Works	22,214	45,819	2,716	(43,103)	-94%
Electric	2,555,328	3,150,920	2,987,678	(163,242)	-5%
NCPA Power Costs*	5,367,577	6,022,898 ⁽¹⁾	5,990,668	(32,230)	-1%
Public Benefit Program	-	-	246,504	246,504	100%
Transfer to Capital Projects**	299,024	358,400	335,000	(23,400)	-7%
Non Departmental	13,796	9,554	8,570	(984)	-10%
TOTAL EXPENSES	\$ 9,227,749	\$ 10,586,598	\$ 10,701,789	\$ 115,191	1%
Reserved for future use	-	-	-		
RESULTING GAIN (LOSS)	\$ (155,730)	\$ -	\$ -		

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

- (1) Based on April 2006 NCPA forecast with conservative estimate of unknown costs related to Roseville leaving the pool
- (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 2005-2006	ADOPTED 2006-2007	BUDGET 2007-2008	DIFFERENCE FROM 2006-2007	% DIFFERENCE
<u>REVENUES</u>					
Transient Occupancy Tax	\$ 1,140,735	\$ 1,115,529	\$ 1,423,000	\$ 307,471	28%
Intergovernmental	353,950	6,648	-	(1) (6,648)	-100%
Service Charges	2,958	110,500	181,080	(2) 70,580	64%
Interest Income	19,095	6,000	15,000	9,000	150%
Miscellaneous Revenues	49,635	12,202	24,250	12,048	99%
Transfers	-	63,049	320,000	(5) 256,951	408%
TOTAL REVENUES	\$ 1,566,373	\$ 1,313,928	\$ 1,963,330	\$ 649,402	49%
<u>EXPENSES BY DEPARTMENT</u>					
City Council	\$ 3,035	\$ 3,521	\$ 2,354	\$ (1,167)	-33%
Legal	10,671	32,000	12,000	(20,000)	-63%
Administration	24,101	34,442	73,190	38,748	113%
Finance	48,542	52,187	98,362	46,175	88%
Community Services	882,771	1,133,151	1,297,463	(3) 164,312	15%
Fire	9,366	18,779	35,644	16,865	90%
Public Works	1,272	-	-	-	0%
Electric	348	-	-	-	0%
Transfer to Capital Projects	356,004	-	388,882	388,882	0%
Non Departmental	51,714	39,848	55,435	(4) 15,587	39%
TOTAL EXPENSES	\$ 1,387,824	\$ 1,313,928	\$ 1,963,330	\$ 649,402	49%
Reserved for future use	178,549	-	-		
RESULTING GAIN (LOSS)	\$ -	\$ -	\$ -		

(1) FY 2007 was the last year for pass through County AAA grant for Senior Center

(2) New recreation program revenues 44% recovery rate

(3) New recreation programs

(4) Transfers to cover deficit for Villa & School services

(5) Use of prior year reserves to fund park and facilities acquisitions

MEETING CENTER ENTERPRISE

	ACTUAL 2005-2006	ADOPTED 2006-2007	BUDGET 2007-2008	DIFFERENCE FROM 2006-2007	% DIFFERENCE
<u>REVENUES</u>					
Facility Rent	\$ 218,607	\$ 238,800	\$ 273,600	\$ 34,800	15%
Miscellaneous Revenues	21,968	25,000	26,000	1,000	4%
Interest Income	-	-	-	-	0%
Transfer from Community Service Ent	19,739	-	9,664	9,664	100%
TOTAL REVENUES	\$ 260,314	\$ 263,800	\$ 309,264	\$ 45,464	17%
<u>EXPENSES BY DEPARTMENT</u>					
Community Services	\$ 260,678	\$ 219,672	\$ 296,155	\$ 76,483	35%
Fire	10,916	7,352	13,109	5,757	78%
Non Departmental	25,298	20,165 (1)	-	(20,165)	-100%
TOTAL EXPENSES	\$ 296,892	\$ 247,189	\$ 309,264	\$ 62,075	25%
Reserved for future use	(36,578)	16,611	-		
RESULTING GAIN (LOSS)	\$ -	\$ -	\$ -		

(1) Transfer to School Service Fund

TRANSIT ENTERPRISE

	ACTUAL 2005-2006	ADOPTED 2006-2007	BUDGET 2007-2008	DIFFERENCE FROM 2006-2007	% DIFFERENCE
<u>REVENUES</u>					
Transfers (Grants/Measure M)	\$ 212,273	\$ 172,451	\$ 230,507	\$ 58,056	34%
Income (Fares)	18,675	16,700	18,000	1,300	8%
Interest Income	-	2,550	-	(2,550)	-100%
Transfer from Community Services Ent	-	2,935	-	(2,935)	-100%
TOTAL REVENUES	\$ 230,948	\$ 194,636	\$ 248,507	\$ 53,871	28%
<u>EXPENSES BY DEPARTMENT</u>					
Finance	\$ 6,687	\$ 8,074	\$ 8,912	\$ 838	10%
Community Services	177,153	183,627	236,660	53,033	29%
Non Departmental	2,260	2,935	2,935	-	0%
TOTAL EXPENSES	\$ 186,100	\$ 194,636	\$ 248,507	\$ 53,871	28%
Reserved for future use	44,848	20,940	-		
RESULTING GAIN (LOSS)	\$ -	\$ -	\$ -		

PLANNING & BUILDING ENTERPRISE

	ACTUAL 2005-2006	ADOPTED 2006-2007	BUDGET 2007-2008	DIFFERENCE FROM 2006-2007	% DIFFERENCE
<u>REVENUES</u>					
Permits/Planning Fees	\$ 585,283	\$ 384,200	\$ 417,000	\$ 32,800	9%
Interest Income	39,242	16,000	35,000	19,000	119%
Misc Building	116,328	50,000	120,000	70,000	140%
Use of Reserves	-	111,629	69,418	(42,211)	-38%
TOTAL REVENUES	\$ 740,853	\$ 561,829	\$ 641,418	\$ 79,589	14%
<u>EXPENSES BY DEPARTMENT</u>					
City Council	\$ 1,122	\$ 1,397	\$ 1,685	\$ 288	21%
Legal	20,023	20,500	88,000	(1) 67,500	329%
Administration	13,292	22,987	19,708	(3,279)	-14%
Finance	16,171	17,377	21,419	4,042	23%
Planning & Building	464,666	494,920	482,640	(12,280)	-2%
Public Works	952	4,393	2,716	(1,677)	-38%
Non Departmental	6,438	255	25,250	24,995	9802%
TOTAL EXPENSES	\$ 522,664	\$ 561,829	\$ 641,418	\$ 79,589	14%
Reserved for future use	218,189	-	-		
RESULTING GAIN (LOSS)	\$ -	\$ -	\$ -		

(1) \$50,000 increase due to legal work for Saggio Hills development

LIGHTING & LANDSCAPING DISTRICT AREA A

	ACTUAL 2005-2006	ADOPTED 2006-2007	BUDGET 2007-2008	DIFFERENCE FROM 2006-2007	% DIFFERENCE
<u>REVENUES</u>					
Special Assessments	\$ 141,892	\$ 144,132	\$ 148,194	\$ 4,062	3%
Interest Income	10,802	1,900	5,950	4,050	213%
Transfer	-	-	215,740	(1) 215,740	0%
TOTAL REVENUES	\$ 152,694	\$ 146,032	\$ 369,884	\$ 223,852	153%
<u>EXPENSES BY DEPARTMENT</u>					
Community Services	\$ 60,458	\$ 104,050	\$ 134,159	\$ 30,109	29%
Non Departmental	405	3,500	235,725	232,225	6635%
TOTAL EXPENSES	\$ 60,863	\$ 107,550	\$ 369,884	\$ 262,334	244%
Reserved for future use	91,831	38,482	-		
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 2005-2006	ADOPTED 2006-2007	BUDGET 2007-2008	DIFFERENCE FROM 2006-2007	% DIFFERENCE
REVENUES					
Intergovernmental Revenues	\$ 669,530	\$ 764,900	\$ 771,280	\$ 6,380	1%
Miscellaneous Revenues	276,756	157,000	201,000	44,000	28%
Interest Income	20,344	11,000	20,000	9,000	82%
Use of Reserves	-	3,272	-	(3,272)	-100%
TOTAL REVENUES	\$ 966,630	\$ 936,172	\$ 992,280	\$ 56,108	6%
EXPENSES BY DEPARTMENT					
City Council	\$ 3,175	\$ 3,521	\$ 3,072	\$ (449)	-13%
Legal	-	500	500	-	0%
Administration	24,052	32,435	30,910	(1,525)	-5%
Finance	22,133	26,866	31,264	4,398	16%
Public Works	878,294	852,760	1,033,613	180,853	21%
Electric	7,551	19,000	-	(19,000)	-100%
Non Departmental	31,339	1,090	965	(125)	-11%
TOTAL EXPENSES	\$ 966,544	\$ 936,172	\$ 1,100,324	\$ 164,152	18%
Reserved for future use	86	-	-		
RESULTING GAIN (LOSS)	\$ -	\$ -	\$ (108,044)		(1)

(1) 2007-08 Proposition 42 "gap" funding year, need reserves to fill gap

AIRPORT ENTERPRISE

	ACTUAL 2005-2006	ADOPTED 2006-2007	BUDGET 2007-2008	DIFFERENCE FROM 2006-2007	% DIFFERENCE
<u>REVENUES</u>					
Rents	\$ 104,149	\$ 117,812 ⁽¹⁾	\$ 120,572 ⁽³⁾	\$ 2,760	2%
Fuel Sales	198,386	120,000	190,000	70,000	58%
Miscellaneous Revenues	3,364	-	3,400	3,400	100%
Transfer from Community Service Ent.	-	4,911	-	(4,911)	-100%
Interest Income	-	-	-	-	0%
TOTAL REVENUES	\$ 305,899	\$ 242,723	\$ 313,972	\$ 71,249	29%
<u>EXPENSES BY DEPARTMENT</u>					
Finance	\$ 6,921	\$ 14,329	\$ 15,385	\$ 1,056	7%
Community Services	237,990	214,505 ⁽²⁾	331,419 ⁽²⁾	116,914	55%
Planning	2,470	10,473	6,474	(3,999)	-38%
Public Works	-	-	-	-	0%
Transfer to Capital Project	-	-	-	-	0%
Non Departmental	4,100	3,416	-	(3,416)	-100%
TOTAL EXPENSES	\$ 251,481	\$ 242,723	\$ 353,278	\$ 110,555	46%
Reserved for future use	54,418	-	-		
RESULTING GAIN (LOSS)	\$ -	\$ -	\$ (39,306)		

(1) Includes Metro PCS cell tower lease \$18,000 which subsequently was not allowed due to FAA regulations

(2) Includes \$50K for new PT Airport Manager. Position will not be filled until a funding source is secured

(3) Includes new hangar lease revenues \$9,772

BENJAMIN WAY MAINTENANCE DISTRICT

	ACTUAL 2005-2006	ADOPTED 2006-2007	BUDGET 2007-2008	DIFFERENCE FROM 2006-2007	% DIFFERENCE
<u>REVENUES</u>					
Maintenance fees	\$ 440	\$ 440	\$ 440	\$ -	0%
Interest Income	157	-	100	100	0%
TOTAL REVENUES	\$ 597	\$ 440	\$ 540	\$ 100	23%
<u>EXPENSES BY DEPARTMENT</u>					
Finance	\$ -	\$ 440	\$ 440	\$ -	0%
Non Departmental	6	-	-	-	0%
TOTAL EXPENSES	\$ 6	\$ 440	\$ 440	\$ -	0%
Reserved for future use	\$ 591	-	100		
RESULTING GAIN (LOSS)	\$ -	\$ -	\$ -		

Note: City in street easements

SCHOOL SERVICES ENTERPRISE

	ACTUAL 2005-2006	ADOPTED 2006-2007	BUDGET 2007-2008	DIFFERENCE FROM 2006-2007	% DIFFERENCE
<u>REVENUES</u>					
Healdsburg Unified School District	\$ 55,170	\$ 42,300	\$ 69,600	(1) \$ 27,300	65%
Transfer from Community Service Ent.	23,729	31,100	44,871	(3) 13,771	44%
Transfer from Meeting Center Ent.	-	20,165	-	(20,165)	-100%
School Fees	20,452	20,000	20,000	(2) -	0%
Interest Income	\$ -	\$ 500	\$ -	\$ (500)	-100%
TOTAL REVENUES	\$ 99,351	\$ 114,065	\$ 134,471	\$ 20,406	18%
<u>EXPENSES BY DEPARTMENT</u>					
Community Services	\$ 119,474	\$ 114,065	\$ 134,471	\$ 20,406	18%
Public Works	-	-	-	-	0%
Non Departmental	-	-	-	-	0%
TOTAL EXPENSES	\$ 119,474	\$ 114,065	\$ 134,471	\$ 20,406	18%
Reserved for future use	-	-	-		
RESULTING GAIN (LOSS)	\$ (20,123)	\$ -	\$ -		

(1) Joint use agreement

(2) User fees for use of school fields. Fee increased from \$3.00 to \$20.00 per player

(3) Transfer from Community Services Enterprise to cover deficit

MISCELLANEOUS FUNDS

	ACTUAL 2005-2006	ADOPTED 2006-2007	BUDGET 2007-2008	DIFFERENCE FROM 2006-2007	% DIFFERENCE
<u>REVENUES</u>					
Other Revenues	\$ -	\$ -	\$ -	\$ -	0%
Transfer	-	-	-	-	0%
Interest Income	-	-	-	-	0%
Use of Reserves	-	-	-	-	0%
TOTAL REVENUES	\$ -	\$ -	\$ -	\$ -	0%
<u>EXPENSES BY DEPARTMENT</u>					
Administration	\$ -	\$ -	\$ -	\$ -	0%
Police Department	-	-	-	-	0%
Non Departmental	-	-	-	-	0%
TOTAL EXPENSES	\$ -	\$ -	\$ -	\$ -	0%
Reserved for future use	-	-	-		
RESULTING GAIN (LOSS)	\$ -	\$ -	\$ -		

No activity in miscellaneous funds for FY2008

COMMERCIAL & INDUSTRIAL FUND

	ACTUAL 2005-2006	ADOPTED 2006-2007	BUDGET 2007-2008	DIFFERENCE FROM 2006-2007	% DIFFERENCE
<u>REVENUES</u>					
Increment	\$ 5,940,711	\$ 5,802,211	\$ 6,566,500	\$ 764,289	13%
Interest Income	111,493	26,000	100,000	74,000	285%
Use of Taxable Bond Proceeds	575,053	685,695	677,721	(7,974)	-1%
Use of Bond Proceeds	30,464	50,000	201,000	151,000	302%
Transfers	-	-	-	-	0%
TOTAL REVENUES	\$ 6,657,721	\$ 6,563,906	\$ 7,545,221	\$ 981,315	15%
<u>EXPENSES BY DEPARTMENT</u>					
City Council	\$ 11,003	\$ 13,126	\$ 15,259	\$ 2,133	16%
Legal	23,892	30,000	20,000	(10,000)	-33%
Administration	429,686	497,892	487,182	(10,710)	-2%
Finance	130,288	149,994	172,666	22,672	15%
Community Services	242,930	301,219	267,614	(33,605)	-11%
Planning & Building	149,000	230,100	290,942	60,842	26%
Fire	114,327	150,000	157,077	7,077	5%
Public Works	1,663	-	-	-	0%
Financing	4,303,925	4,269,263	4,719,481	450,218	11%
Projects	582,989	710,500	1,121,000	410,500	58%
Non Departmental	668,018	211,812	294,000	82,188	39%
TOTAL EXPENSES	\$ 6,657,721	\$ 6,563,906	\$ 7,545,221	\$ 981,315	15%
Reserved for future use	-	-	-		
RESULTING GAIN (LOSS)	\$ -	\$ -	\$ -		

LOW & MODERATE INCOME HOUSING FUND

	ACTUAL 2005-2006	ADOPTED 2006-2007	BUDGET 2007-2008	DIFFERENCE FROM 2006-2007	% DIFFERENCE
<u>REVENUES</u>					
Increment	\$ 1,485,178	\$ 1,472,016	\$ 1,641,120	\$ 169,104	11%
Interest Income	37,731	20,808	25,000	4,192	20%
Other Income	4,973	-	-	-	0%
Use of Taxable Bond Proceeds	-	-	280,386	280,386	100%
TOTAL REVENUES	\$ 1,527,882	\$ 1,492,824	\$ 1,946,506	\$ 453,682	30%
<u>EXPENSES BY DEPARTMENT</u>					
Legal	\$ 2,889	\$ 40,000	\$ 60,000	\$ 20,000	50%
Administration	39,995	67,983	37,193	(30,790)	-45%
Finance	44,848	60,261	67,769	7,508	12%
Community Services	60,626	73,907	80,540	6,633	9%
Planning & Building	186,813	362,335	352,799	(9,536)	-3%
Financing	835,966	830,750	824,155	(6,595)	-1%
Projects	-	25,000	490,000	465,000	1860%
Non Departmental	29,661	32,588	34,050	1,462	4%
TOTAL EXPENSES	\$ 1,200,798	\$ 1,492,824	\$ 1,946,506	\$ 453,682	30%
Reserved for future use	327,084	-	-		
RESULTING GAIN (LOSS)	\$ -	\$ -	\$ -		

UDAG FUND

	ACTUAL 2005-2006	ADOPTED 2006-2007	BUDGET 2007-2008	DIFFERENCE FROM 2006-2007	% DIFFERENCE
<u>REVENUES</u>					
Developer Loan Interest Payments	\$ 37,566	\$ 60,000	\$ 90,000	\$ 30,000	50%
Interest Income	106,168	52,000	45,000	(7,000)	-13%
Use of Reserves	-	-	-	-	0%
TOTAL REVENUES	\$ 143,734	\$ 112,000	\$ 135,000	\$ 23,000	21%
<u>EXPENSES BY DEPARTMENT</u>					
Finance	\$ 3,232	\$ 3,723	\$ 4,095	\$ 372	10%
Non Departmental	4,184	-	4,200	4,200	0%
Economic Development Loan	-	-	-	-	0%
TOTAL EXPENSES	\$ 7,416	\$ 3,723	\$ 8,295	\$ 4,572	123%
Reserved for future use	136,318	108,277	126,705		
RESULTING GAIN (LOSS)	\$ -	\$ -	\$ -		

PROJECT PARTICIPATION FUND

	ACTUAL 2005-2006	ADOPTED 2006-2007	BUDGET 2007-2008	DIFFERENCE FROM 2006-2007	% DIFFERENCE
<u>REVENUES</u>					
Rental Income	\$ 404,915	\$ 380,000 (1)	\$ 397,000	\$ 17,000	4%
Interest Income	17,263	-	-	-	0%
TOTAL REVENUES	\$ 422,178	\$ 380,000	\$ 397,000	\$ 17,000	4%
<u>EXPENSES BY DEPARTMENT</u>					
Non Departmental	\$ 50,567	\$ 50,000 (2)	\$ 50,000	\$ -	0%
TOTAL EXPENSES	\$ 50,567	\$ 50,000	\$ 50,000	\$ -	0%
Reserved for future use	371,611	330,000	347,000		
RESULTING GAIN (LOSS)	\$ -	\$ -	\$ -		

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

(2) Transfer to Community Benefit Trust

INSURANCE & BENEFITS

	ACTUAL 2005-2006	ADOPTED 2006-2007	BUDGET 2007-2008	DIFFERENCE FROM 2006-2007	% DIFFERENCE
<u>REVENUES</u>					
Service Fees	\$ 6,037,544	\$ 6,789,536	\$ 7,060,543	\$ 271,007	4%
Interest Income	68,194	30,600	47,300	16,700	55%
TOTAL REVENUES	\$ 6,105,738	\$ 6,820,136	\$ 7,107,843	\$ 287,707	4%
<u>EXPENSES BY DEPARTMENT</u>					
Non Departmental:					
Public Employee Retirement	\$ 2,414,707	\$ 2,773,597	\$ 3,017,429	\$ 243,832	9%
Health & Life Insurance	1,449,593	1,658,450	1,572,778	(85,672)	-5%
Medicare	109,153	112,557	130,918	18,361	16%
Long Term Disability	51,135	50,694	52,676	1,982	4%
State Unemployment Insurance	5,081	76,771	84,304	7,533	10%
Workers' Compensation Leave	33,488	74,021	80,293	6,272	8%
Workers' Compensation	394,673	397,676	330,592	(67,084)	-17%
Compensation Time	94,899	-	-	-	0%
Public Safety Leave	6,287	31,438	38,114	6,676	21%
Holiday Leave	359,620	471,079	522,394	51,315	11%
Vacation Leave	579,923	707,159	770,784	63,625	9%
Management Leave	75,134	125,254	144,292	19,038	15%
Sick Leave	436,624	306,287	333,969	27,682	9%
Other	21,340	20,000	18,500	(1,500)	-8%
TOTAL EXPENSES	\$ 6,031,656	\$ 6,804,983	\$ 7,097,043	\$ 292,060	4%
Reserved for future use	74,082	15,153	10,800		
RESULTING GAIN (LOSS)	\$ -	\$ -	\$ -		

VEHICLE REPLACEMENT & SERVICES

	ACTUAL 2005-2006	ADOPTED 2006-2007	BUDGET 2007-2008	DIFFERENCE FROM 2006-2007	%
				DIFFERENCE	DIFFERENCE
<u>REVENUES</u>					
Service Fees	\$ 480,757	\$ 438,836	\$ 523,710	(1) \$ 84,874	19%
Replacement Fees	771,692	514,642	980,818	(1) 466,176	91%
Interest Income	75,042	51,000	75,000	24,000	47%
Transfers & Other Revenues	410,065	-	-	-	0%
TOTAL REVENUES	\$ 1,737,556	\$ 1,004,478	\$ 1,579,528	\$ 575,050	57%
<u>EXPENSES BY DEPARTMENT</u>					
Finance	\$ 53,323	\$ 14,657	\$ 19,036	\$ 4,379	30%
Community Services	88,354	34,858	36,900	2,042	6%
Planning & Building	1,557	2,500	1,600	(900)	-36%
Police	109,648	45,400	82,300	36,900	81%
Fire	53,900	50,739	426,352	375,613	740%
Public Works	390,067	226,827	275,795	48,968	22%
Electric	330,706	34,000	205,600	171,600	505%
Non Departmental	361,908	38,410	38,085	(325)	-1%
TOTAL EXPENSES	\$ 1,389,463	\$ 447,391	\$ 1,085,668	\$ 638,277	143%
Reserve for future replacement	348,093	557,087	493,860		
RESULTING GAIN (LOSS)	\$ -	\$ -	\$ -		

(1) Budget 2008 reflects true costs for all departments

VEHICLE RETIREMENTS FOR FY 2007-2008

Police: Vehicle # 207 '03 Crown Victoria
Fire: Vehicle #6383 '87 Ford Fire Truck
Electric: Vehicle #54 '87 Three Reel Trailer
 Vehicle #56 '03 Single Reel Trailer

VEHICLE PURCHASES FOR FY 2007-2008

Police: Crown Victoria
Fire: Fire Truck
Electric: Three Reel Trailer
 Single Reel Trailer

INFORMATION SYSTEMS REPLACEMENT & SERVICES

	ACTUAL 2005-2006	ADOPTED 2006-2007	BUDGET 2007-2008	DIFFERENCE FROM 2006-2007	% DIFFERENCE
<u>REVENUES</u>					
Service Fees	\$ 677,195	\$ 556,530 ⁽¹⁾	\$ 711,995	\$ 155,465	28%
Replacement Fees	271,484	262,340 ⁽¹⁾	254,013	(8,327)	-3%
Interest Income	28,078	15,000	25,000	10,000	67%
Use of Reserves	-	116,002	-	(116,002)	-100%
Other	103,050	-	-	-	0%
TOTAL REVENUES	\$ 1,079,807	\$ 949,872	\$ 991,008	\$ 41,136	4%
<u>EXPENSES BY DEPARTMENT</u>					
Legal	\$ 4,358	\$ -	\$ -	\$ -	0%
Administration	3,018	7,323	13,715	6,392	87%
Finance	436,069	448,018	496,249	48,231	11%
Community Services	10,694	4,881	17,850	12,969	266%
Planning & Building	5,022	7,390	9,765	2,375	32%
Police	42,087	72,733	78,440	5,707	8%
Fire	5,995	19,880	17,110	(2,770)	-14%
Public Works	128,817	38,330	78,080	39,750	104%
Electric	27,294	8,160	11,740	3,580	44%
Non Departmental-Central Services	387,458	343,157	268,020	(75,137)	-22%
TOTAL EXPENSES	\$ 1,050,812	\$ 949,872	\$ 990,969	\$ 41,097	4%
Reserved for future replacements	28,995	-	39		
RESULTING GAIN (LOSS)	\$ -	\$ -	\$ -		

INFORMATION SYSTEMS PURCHASES FOR FY 2007-2008

Department Replacements

Desktop Computers	49,075
Workstations	19,000
Laptops	16,300
Monitors	48,600
Handheld Meter Reading Devices	17,250
Printers	650
UPS Systems	70
Wireless Handhelds	600

Network Equipment

Network Servers for security, accessibility, domain controller	13,500
TOTAL PURCHASES	165,045

(1) Due to budget constraints, service and replacement fees for Police & Fire held to a growth rate of 5%

BUILDING MAINTENANCE - SERVICE FUND

	ACTUAL 2005-2006	ADOPTED 2006-2007	BUDGET 2007-2008	DIFFERENCE FROM 2006-2007	% DIFFERENCE
<u>REVENUES</u>					
Service Fees	\$ 846,817	\$ 803,623	\$ 931,296	\$ 127,673	16%
Other	56,405	35,000	35,000	-	0%
TOTAL REVENUES	\$ 903,222	\$ 838,623	\$ 966,296	\$ 127,673	15%
<u>EXPENSES BY DEPARTMENT</u>					
Community Services	\$ 6,756	\$ 7,519	\$ 8,574	\$ 1,055	14%
Public Works	32,761	8,085	32,387	24,302	100%
Non Departmental	843,590	767,986	864,875	96,889	13%
TOTAL EXPENSES	\$ 883,107	\$ 783,590	\$ 905,836	\$ 122,246	16%
Reserve for future use	20,115	55,033	60,460		
RESULTING GAIN (LOSS)	\$ -	\$ -	\$ -		

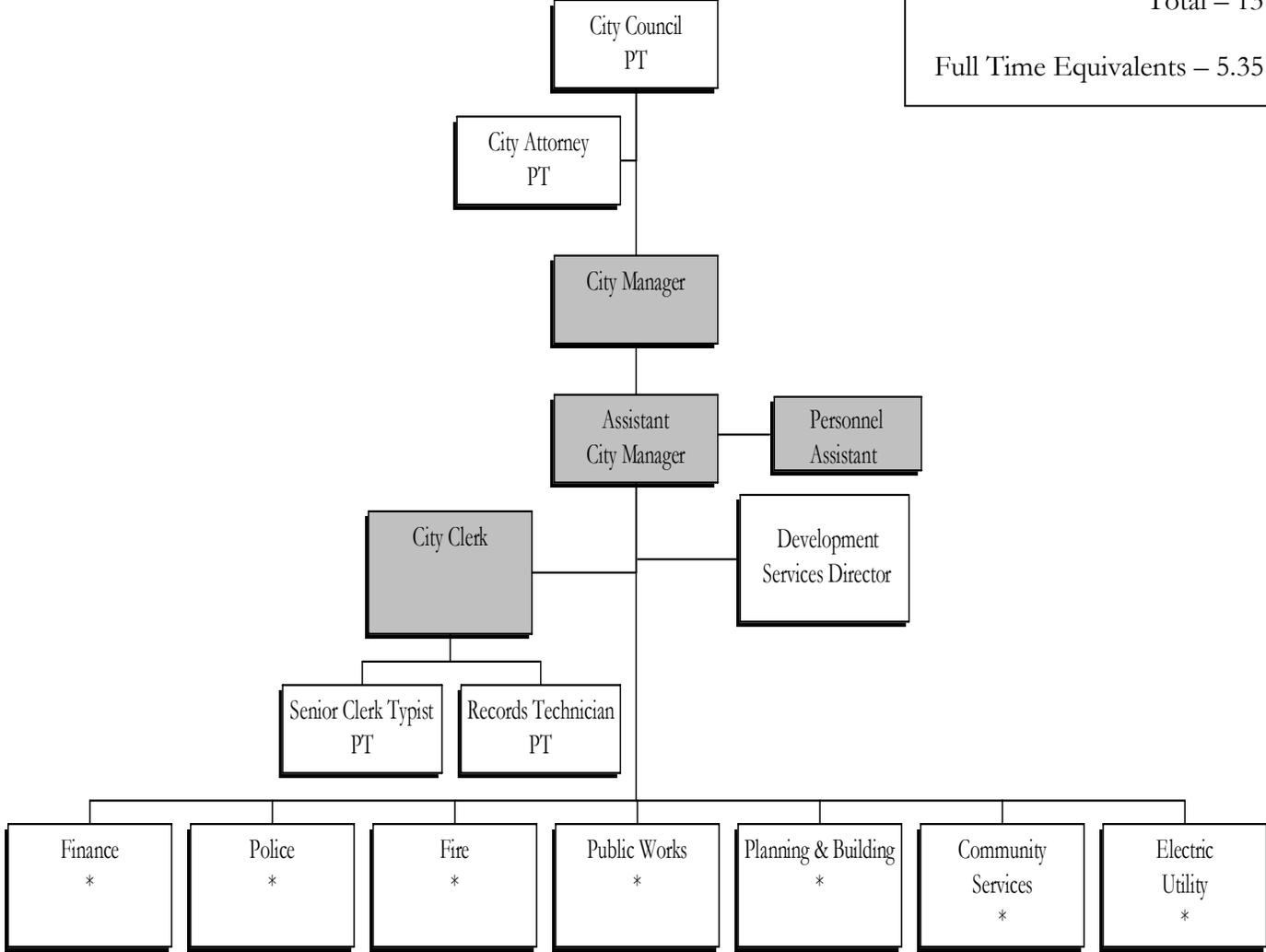
OTHER DEBT SERVICE

	ACTUAL 2005-2006	ADOPTED 2006-2007	BUDGET 2007-2008	DIFFERENCE FROM 2006-2007	% DIFFERENCE
<u>REVENUES</u>					
Transfers	\$ 3,132,301	\$ 3,072,195	\$ 3,060,930	\$ (11,265)	0%
Property Tax	987,394	833,170	692,229	(140,941)	-17%
Interest Income	120,966	43,060	58,107	15,047	35%
Bond Proceeds	-	-	-	-	0%
TOTAL REVENUES	\$ 4,240,661	\$ 3,948,425	\$ 3,811,266	\$ (137,159)	-3%
<u>EXPENSES BY DEPARTMENT</u>					
Non Departmental	\$ 3,951,628	3,863,118	3,781,266	\$ (81,852)	-2%
TOTAL EXPENSES	\$ 3,951,628	\$ 3,863,118	\$ 3,781,266	\$ (81,852)	-2%
Reserved for future use	289,033	85,307	30,000		
RESULTING GAIN (LOSS)	\$ -	\$ -	\$ -		

Notes:

ADMINISTRATION

Full Time - 4
Part Time - 2
Elected PT - 5
Contracted PT - 1
Total – 13
Full Time Equivalents – 5.35



*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 and Personnel 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 adopts 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. The City Clerk also coordinates the City's Injury and Illness Prevention Program (IIPP).

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 2006-2007

- Concluded negotiations to renew labor contract with I.B.E.W. for multiple years
- Completed recruitment and hired new Planning/Building Director
- Completed recruitment and hired new Assistant City Manager
- Added another segment to the Foss Creek trail, north of North Street

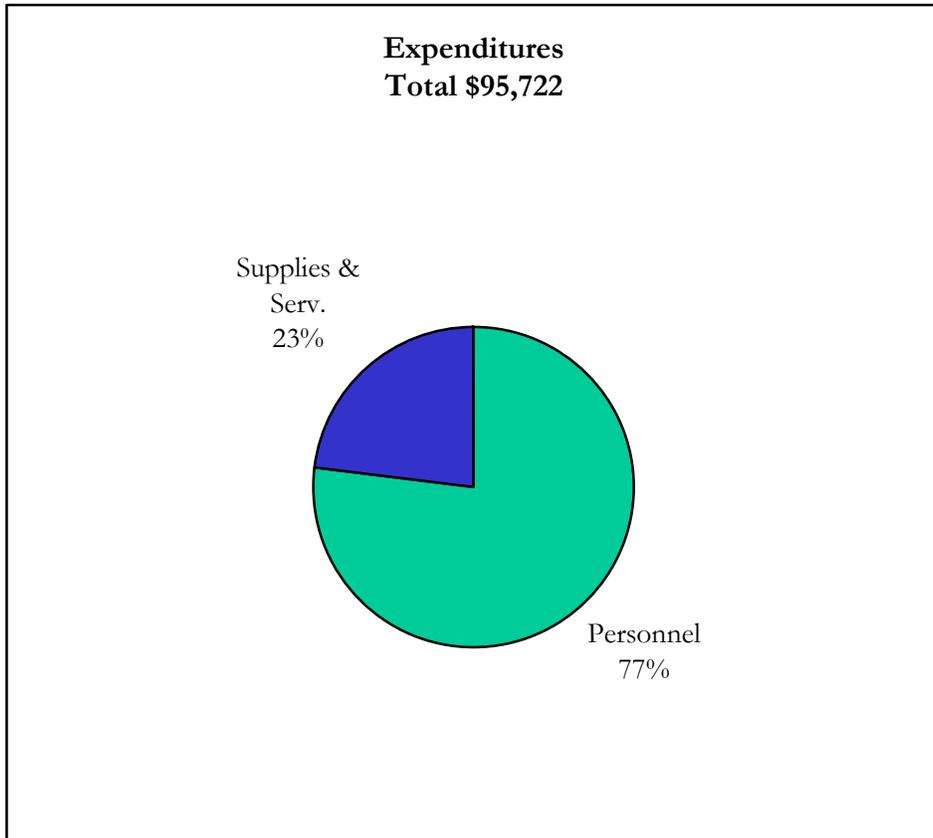
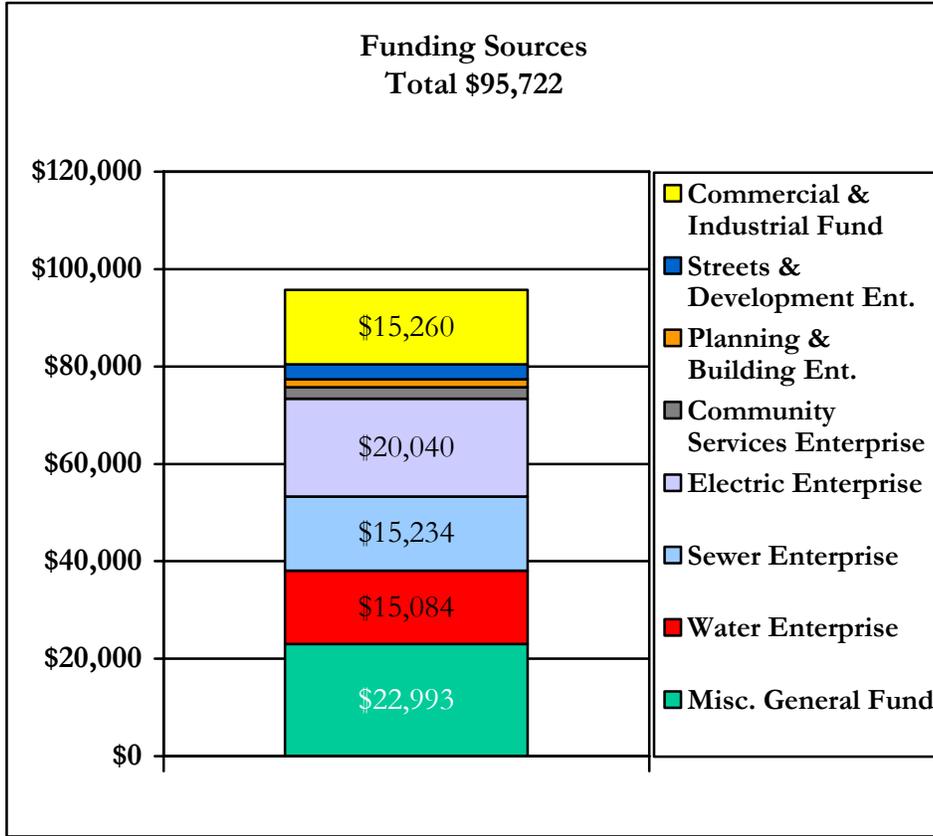
MAJOR DEPARTMENTAL GOALS FOR FISCAL YEAR 2007-2008

- ◆ Solve the cost problem that high water and sewer development fees pose for businesses desired by the 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
- ◆ Develop plans to secure additional revenue sources for Police, Fire and street maintenance
- ◆ After completion of the updated EIR, move the Saggio Hills project through Planning Commission and City Council approval process
- ◆ Complete construction of the new wastewater treatment plant in time to meet Regional Water Quality Control Board goals
- ◆ Adopt an operations and management agreement with the Sonoma County 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 final plans and secure funding for future construction of the Community Development Center
- ◆ Adopt a uniform set of Personnel Rules and Regulations
- ◆ Develop and implement a Supervisor Training Academy for employees to promote succession planning and enhance interdepartmental relationships
- ◆ Successfully conclude labor negotiations with I.A.F.F.

FUTURE OBJECTIVES

Eliminate use of the “default” (use of reserves) option to balance the General Fund budget. Seek a secure local revenue source to maintain Police and Fire services and provide for street maintenance.

ADMINISTRATION - City Council

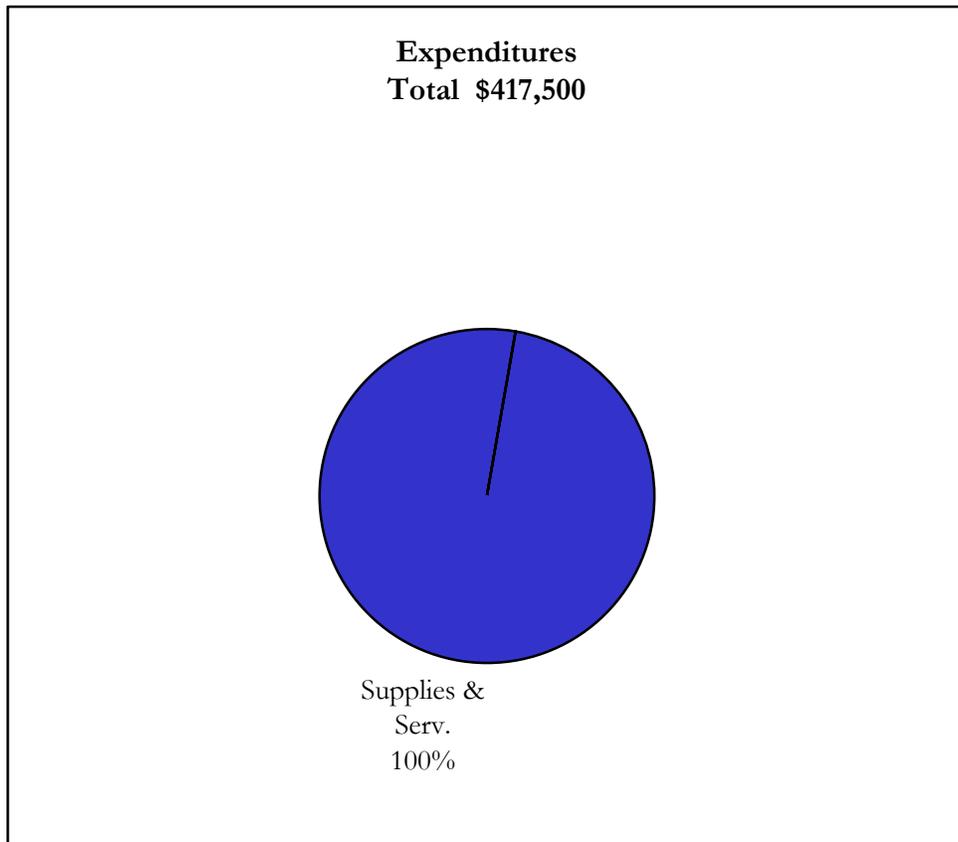
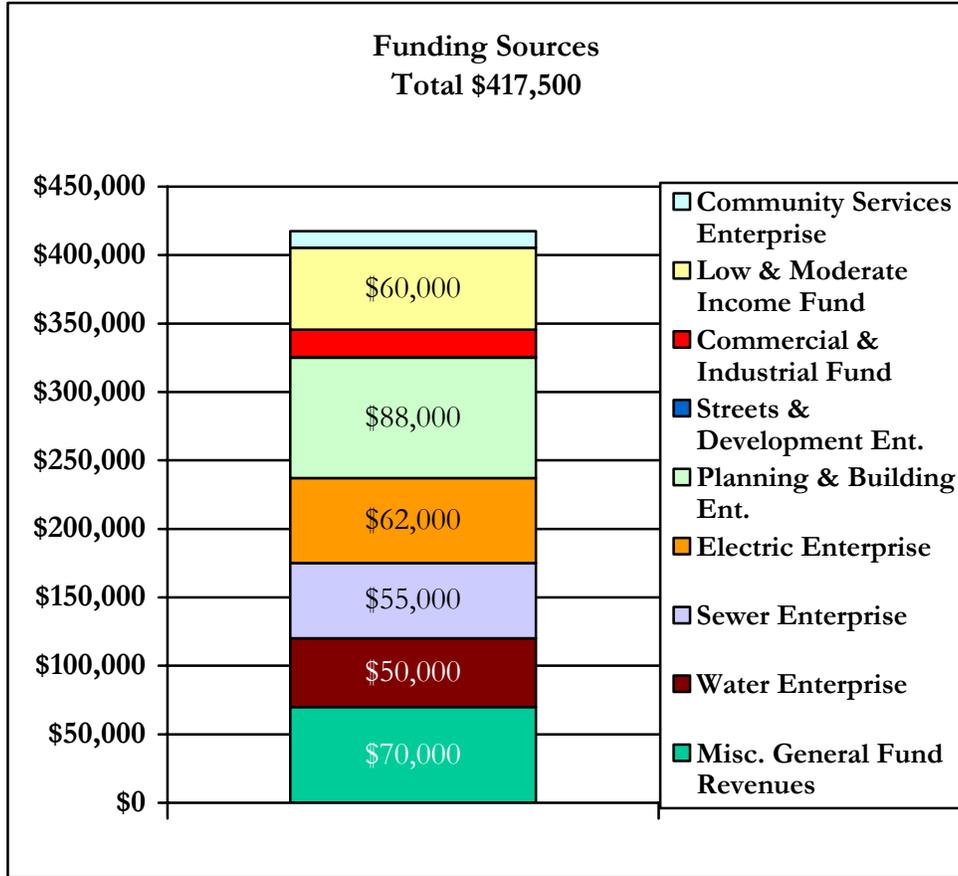


ADMINISTRATION - City Council

FUNDING SOURCES	FUNDING SOURCES 2007-2008
MISC.GENERAL FUND REVENUES	\$ 22,993
WATER ENTERPRISE	15,084
SEWER ENTERPRISE	15,234
ELECTRIC ENTERPRISE	20,040
COMMUNITY SERVICES ENTERPRISE	2,354
PLANNING & BUILDING ENTERPRISE	1,685
STREETS & DEVELOPMENT ENT.	3,072
COMMERCIAL & INDUSTRIAL FUND	15,260
TOTAL REVENUES	\$ 95,722

EXPENSES	ACTUAL 2005-2006	ADOPTED 2006-2007	BUDGET 2007-2008	DIFFERENCE FROM 2006-2007	% DIFFERENCE
WAGES & FRINGE BENEFITS	\$ 56,111	\$ 59,858	\$ 73,684	\$ 13,826	23%
CONTRACTED SERVICES	4,901	5,000	7,326	2,326	47%
SERVICE FEES	3,672	3,696	3,087	(609)	-16%
TELECOMMUNICATION SERVICE	570	600	600	-	0%
PRINTING & BINDING	-	-	-	-	0%
SUPPLIES	794	500	525	25	5%
MEETINGS	8,523	8,000	8,400	400	5%
MEMBERSHIPS & DUES	100	-	-	-	0%
TRAINING	-	2,000	2,100	100	5%
TOTAL EXPENSES	\$ 74,671	\$ 79,654	\$ 95,722	\$ 16,068	20%

ADMINISTRATION - Legal

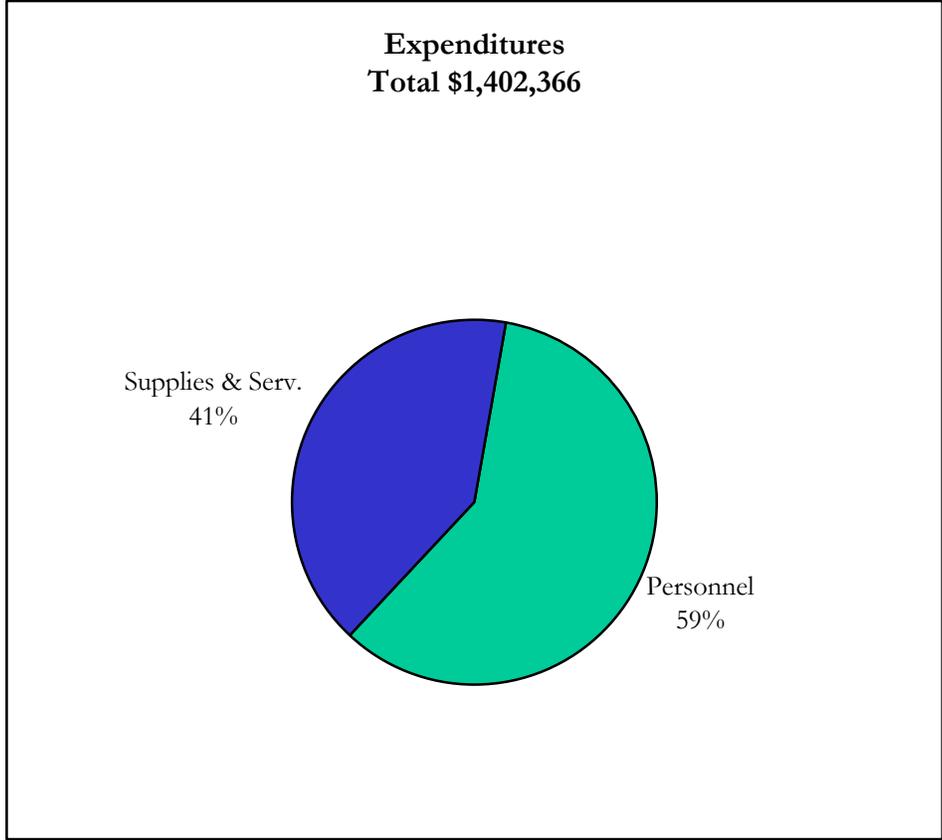
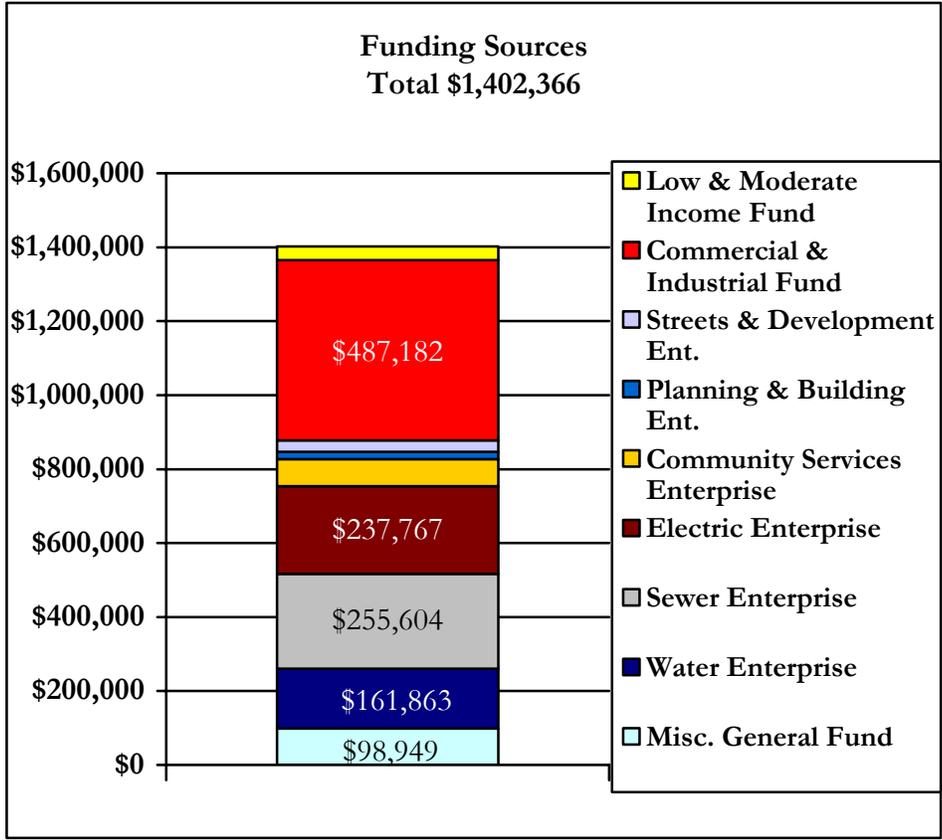


ADMINISTRATION - Legal

FUNDING SOURCES	FUNDING SOURCES 2007-2008
MISC.GENERAL FUND REVENUES	\$ 70,000
WATER ENTERPRISE	50,000
SEWER ENTERPRISE	55,000
ELECTRIC ENTERPRISE	62,000
COMMUNITY SERVICES ENTERPRISE	12,000
PLANNING & BUILDING ENTERPRISE	88,000
STREETS & DEVELOPMENT ENTERPRISE	500
COMMERCIAL & INDUSTRIAL FUND	20,000
LOW & MODERATE INCOME FUND	60,000
	<hr/>
TOTAL REVENUES	\$ 417,500

EXPENSES	ACTUAL 2005-2006	ADOPTED 2006-2007	BUDGET 2007-2008	DIFFERENCE FROM 2006-2007	% DIFFERENCE
WAGES & FRINGE BENEFITS	\$ -	\$ -	\$ -	\$ -	0%
CONTRACTED SERVICES	305,933	350,000	417,500	67,500	19%
SERVICE FEES	-	-	-	-	0%
MEETINGS	-	-	-	-	0%
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL EXPENSES	\$ 305,933	\$ 350,000	\$ 417,500	\$ 67,500	19%

ADMINISTRATION - City Manager's Office



ADMINISTRATION - City Manager's Office

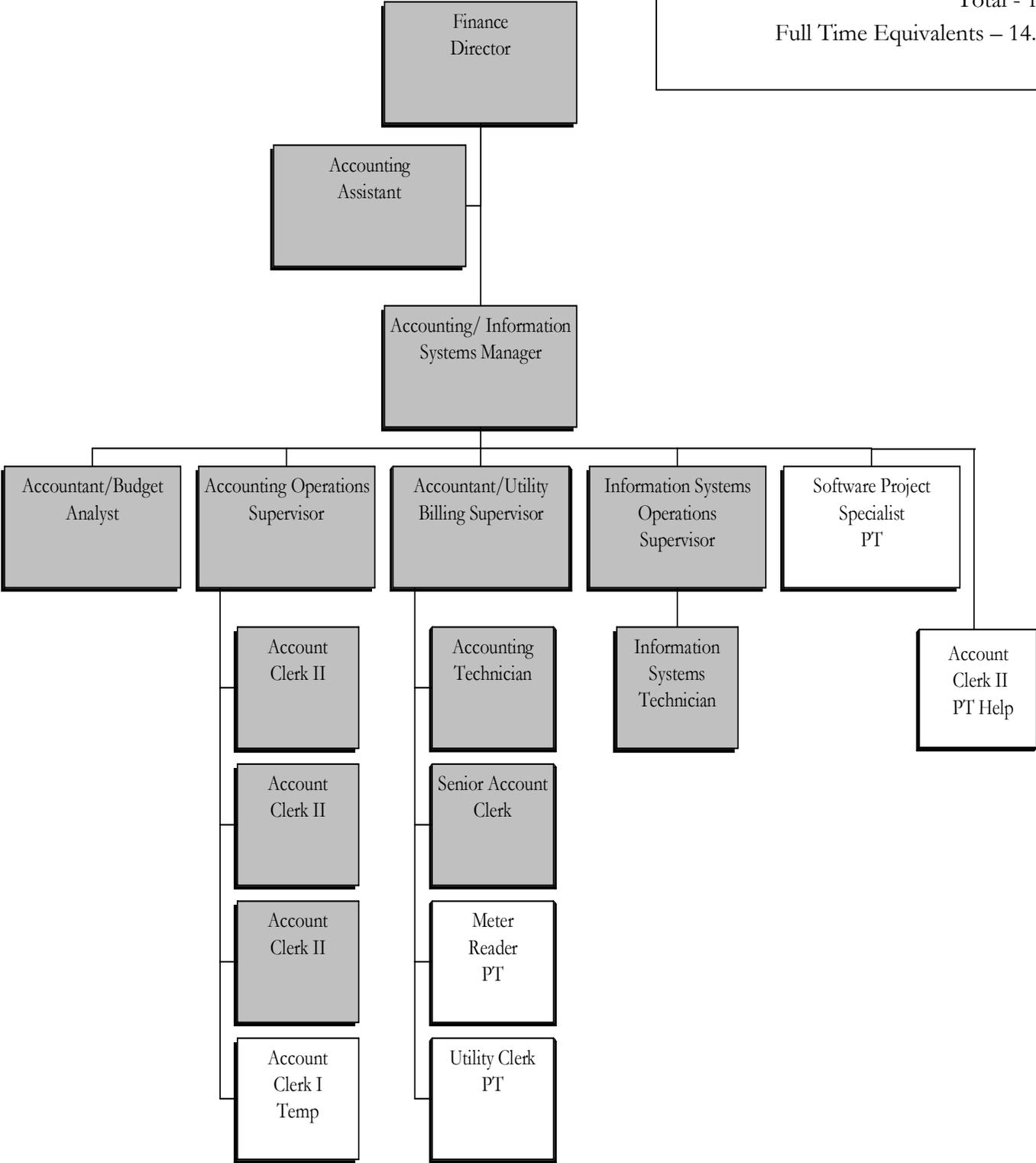
FUNDING SOURCES	FUNDING SOURCES 2007-2008
MISC.GENERAL FUND REVENUES	\$ 98,949
WATER ENTERPRISE	161,863
SEWER ENTERPRISE	255,604
ELECTRIC ENTERPRISE	237,767
COMMUNITY SERVICES ENTERPRISE	73,190
PLANNING & BUILDING ENTERPRISE	19,708
STREETS & DEVELOPMENT ENTERPRISE	30,910
COMMERCIAL & INDUSTRIAL FUND	487,182
LOW & MODERATE INCOME FUND	37,193
CAPITAL PROJECT FUNDING	10,000
TOTAL REVENUES	\$ 1,412,366

EXPENSES	ACTUAL 2005-2006	ADOPTED 2006-2007	BUDGET 2007-2008	DIFFERENCE FROM 2006-2007	% DIFFERENCE
WAGES & FRINGE BENEFITS	\$ 567,358	\$ 796,903	\$ 830,008	\$ 33,105	4%
OVERTIME	-	-	-	-	0%
SUPPORT TO ORGANIZATIONS	14,884	11,898	15,800	3,902	33%
CONTRACTED SERVICES	78,849	63,500	74,200	10,700	17%
INSURANCE	4,323	-	4,750	4,750	100%
GOVERNMENT FEES	452	-	-	-	0%
ELECTION EXPENSE	102	16,000	10,000	(6,000)	-38%
PROJECT PARTICIPATION	301,352	296,250	296,300	50	0%
PROPERTY SERVICES	-	-	-	-	0%
ADDITIONAL PAY	9,027	13,200	13,200	-	0%
RENTALS	-	-	-	-	0%
SERVICE FEES	70,707	63,644	64,908	1,264	2%
REPLACEMENT FEES	16,994	7,105	6,215	(890)	-13%
LEASE RENTALS	4,181	-	-	-	0%
TELECOMMUNICATION SERVICE	2,962	3,302	2,645	(657)	-20%
ADVERTISING & PUBLICATION	80,758	55,000	55,400	400	1%
SUPPLIES	5,787	8,000	7,330	(670)	-8%
MEETINGS	4,196	10,000	10,500	500	5%
MEMBERSHIPS & DUES	15,878	8,000	5,860	(2,140)	-27%
TRAINING	2,956	5,000	5,250	250	5%
CAPITAL ITEMS	-	-	-	-	0%
TOTAL OPERATING EXPENSES	\$ 1,180,766	\$ 1,357,802	\$ 1,402,366	\$ 44,564	3%
CAPITAL PROJECTS		10,000	10,000		
GRAND TOTAL EXPENSES		\$ 1,367,802	\$ 1,412,366		

FINANCE

Notes:

Full Time - 13
Part Time - 3
Temp - 1
Total - 17
Full Time Equivalents - 14.0



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 Department maintains and administers a network of 140 personal computers and 30 related servers. The Information Systems Operations Supervisor and an 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 fund 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 2006-2007

- ☑ Successfully completed replacement of 20 year old utility billing software with new Harris Northstar software
- ☑ Successfully implemented E-docs, an electronic file attachment module of the new utility billing system
- ☑ Hired new Accountant/Budget Analyst to fill existing vacancy
- ☑ Installed wireless connectivity between City facilities to enhance bandwidth and increase network functionality
- ☑ Completed upgrade of website content management software and held training workshops for departments
- ☑ Completed revisions to the statistical section of the CAFR (Comprehensive Annual Financial Report) as mandated by the Governmental Accounting Standards Board.
- ☑ Completed the implementation of a comprehensive Electric Public Benefits Program to provide customers with incentives to save energy
- ☑ Replaced several key servers, outdated email system, and improved desktop management to ensure stability, performance and lower staff maintenance time
- ☑ Completed vendor upgrade for financial software to run calendar year-end processes
- ☑ Coordinated efforts with Chamber to complete installation of Web Cam in Plaza
- ☑ Began planning process, including addressing security requirements, for implementation of E-care, a software to allow online utility payments and customer tools for reviewing water and electric history

MAJOR DEPARTMENTAL GOALS FOR FISCAL YEAR 2007-2008

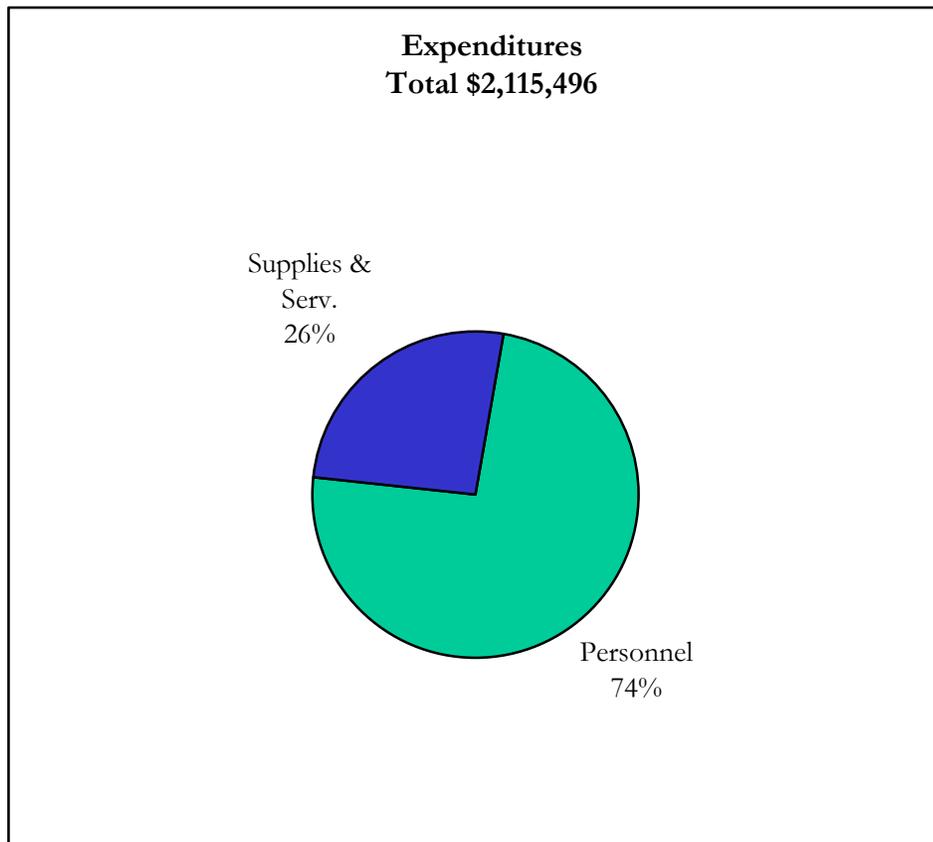
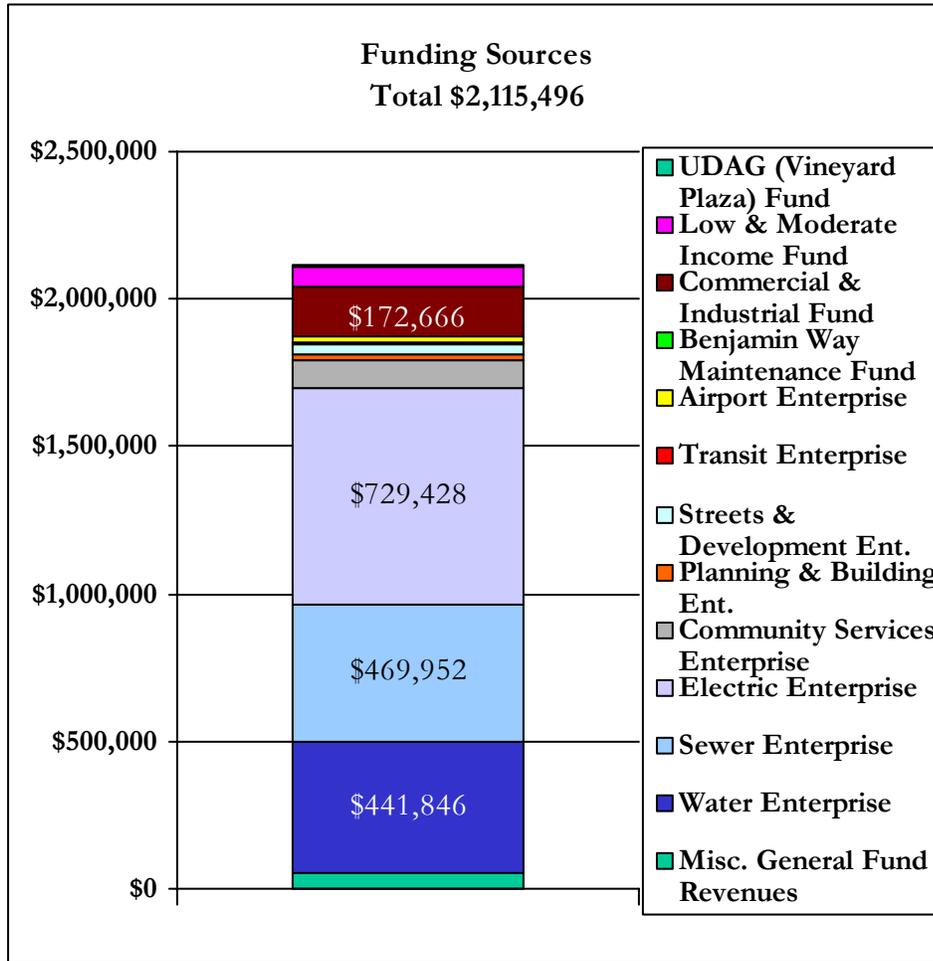
- ◆ Complete successful recruitment for Information Systems Supervisor position
- ◆ Complete implementation of E-care and make available to customers
- ◆ Complete utility rate studies for wastewater and water including the restructure of flat rates to usage based rates
- ◆ Design custom software changes to automate new capacity charges in the new utility billing system by January 31, 2008 to be included on the February 2008 billing
- ◆ Negotiate a new audit contract in accordance with the city policy requiring us to do so every five years
- ◆ Complete Redevelopment Agency Implementation Plan Amendment
- ◆ Continue development and redesign of website to be user friendly with an emphasis on customer service
- ◆ Continue to work with Electric Department and consultant to complete cost of service study with new cost based rate structure for setting electric utility rates
- ◆ Plan and complete bond issue of approximately \$17.1 million for upgrade and expansion of Badger substation and other electric capital improvements
- ◆ Upgrade server and plan for future installation of vendor released upgrades for financial software to windows based version

FUTURE OBJECTIVES

The Finance Department continues to prepare for ongoing financial reporting changes mandated by the Governmental Accounting Standards Board. These changes include revision to the CAFR (Comprehensive Annual Financial Report) for the method of accounting for other post-employment benefits.

The 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 efficiently as possible. The Department will also continue to respond to the financial challenges facing the City.



FUNDING SOURCES	FUNDING SOURCES 2007-2008
MISC.GENERAL FUND REVENUES	\$ 53,958
WATER ENTERPRISE	441,846
SEWER ENTERPRISE	469,952
ELECTRIC ENTERPRISE	729,428
COMMUNITY SERVICES ENTERPRISE	98,362
TRANSIT ENTERPRISE	8,912
PLANNING & BUILDING ENTERPRISE	21,419
STREETS & DEVELOPMENT ENTERPRISE	31,264
AIRPORT ENTERPRISE	15,385
BENJAMIN WAY MAINTENANCE DIST.	440
COMMERCIAL & INDUSTRIAL FUND	172,666
LOW & MODERATE INCOME FUND	67,769
UDAG (VINEYARD PLAZA) FUND	4,095
TOTAL REVENUES	\$ 2,115,496

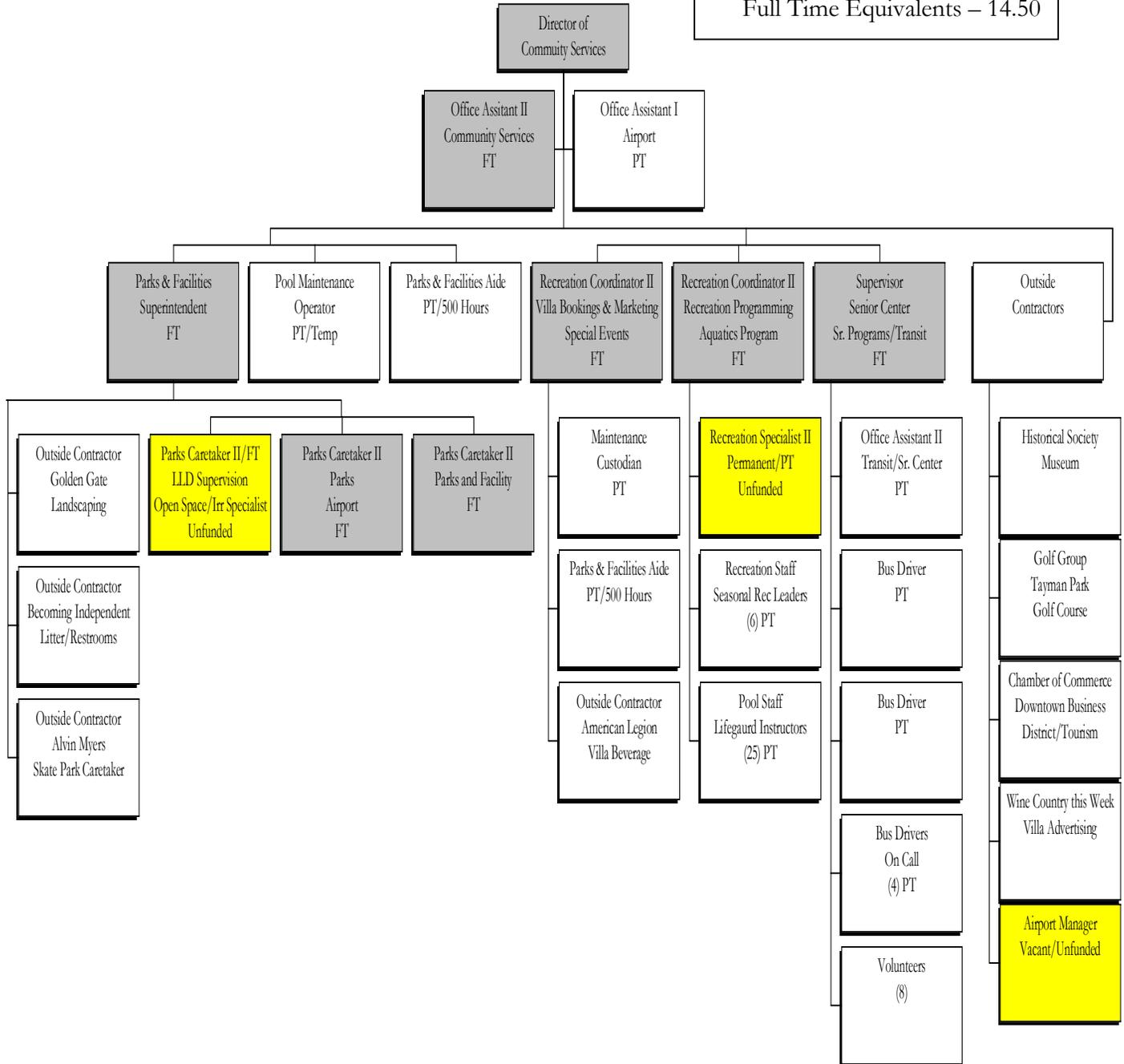
EXPENSES	ACTUAL 2005-2006	ADOPTED 2006-2007	BUDGET 2007-2008	DIFFERENCE FROM 2006-2007	% DIFFERENCE
WAGES & FRINGE BENEFITS	\$ 1,178,658	\$ 1,379,008	\$ 1,528,476	\$ 149,468	11%
OVERTIME	44,721	35,000	35,000	-	0%
CONTRACTED SERVICES	9,069	42,976	40,940	(2,036)	-5%
GOVERNMENT FEES	100	100	100	-	0%
ADDITIONAL PAY	4,213	4,200	4,200	-	0%
RENTALS	132	1,740	150	(1,590)	-91%
SERVICE FEES	419,160	317,888	326,112	8,224	3%
REPLACEMENT FEES	99,750	96,134	95,298	(836)	-1%
TELECOMMUNICATION SERVICE	8,264	7,709	8,200	491	6%
ADVERTISING & PUBLICATION	146	-	-	-	0%
PRINTING & BINDING	513	2,500	2,500	-	0%
SUPPLIES	58,711	58,475	60,320	1,845	3%
MEETINGS	4,959	2,750	2,750	-	0%
MEMBERSHIPS & DUES	1,842	950	950	-	0%
TRAINING	4,620	10,000	10,000	-	0%
EDUCATIONAL REIMBURSEMENT	-	500	500	-	0%
BAD DEBT EXPENSE	78,184	-	-	-	0%
TOTAL EXPENSES	\$ 1,913,042	\$ 1,959,930	\$ 2,115,496	\$ 155,566	8%

COMMUNITY SERVICES

Notes:

COMMUNITY SERVICES

Full Time - 9
 Part Time - 6
 Seasonal Part Time - 31
 Temp - 0
 On Call - 4
 Volunteer - 8
 Total - 58
 Full Time Equivalents - 14.50



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 facility, 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 Citizens 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 service levels are based on providing safe and healthy areas to make them enjoyable to the community. 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.

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 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 2006-2007

- ☑ Completed Joint Use Agreement with Healdsburg Unified School District.
- ☑ Recruited and hired new Recreation Coordinator to oversee recreation programming.
- ☑ Recruited and hired new Recreation Coordinator to oversee Villa Chanticleer operations.
- ☑ Completed reconstruction of Plaza Park.
- ☑ City took over operation of the Healdsburg Municipal Pool.
- ☑ Completed improvements to the Villa Chanticleer that included the arbor, refinished all wood floors and replaced the kitchen floors.
- ☑ Implemented Airport Master Plan.
- ☑ Coordinated the purchase of private hangars at Healdsburg Airport.
- ☑ Department has implemented on-line recreation programming guide.
- ☑ Completed first year of community wide recreation programming in over 13 years.
- ☑ Published multiple community wide recreation program guides.

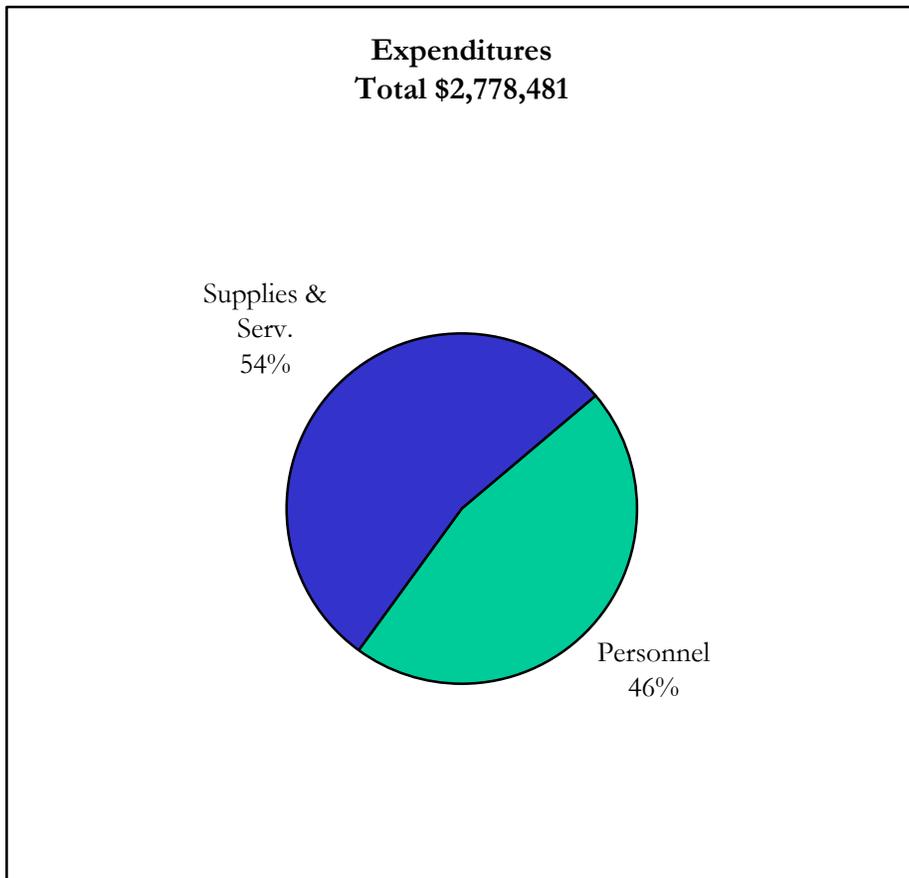
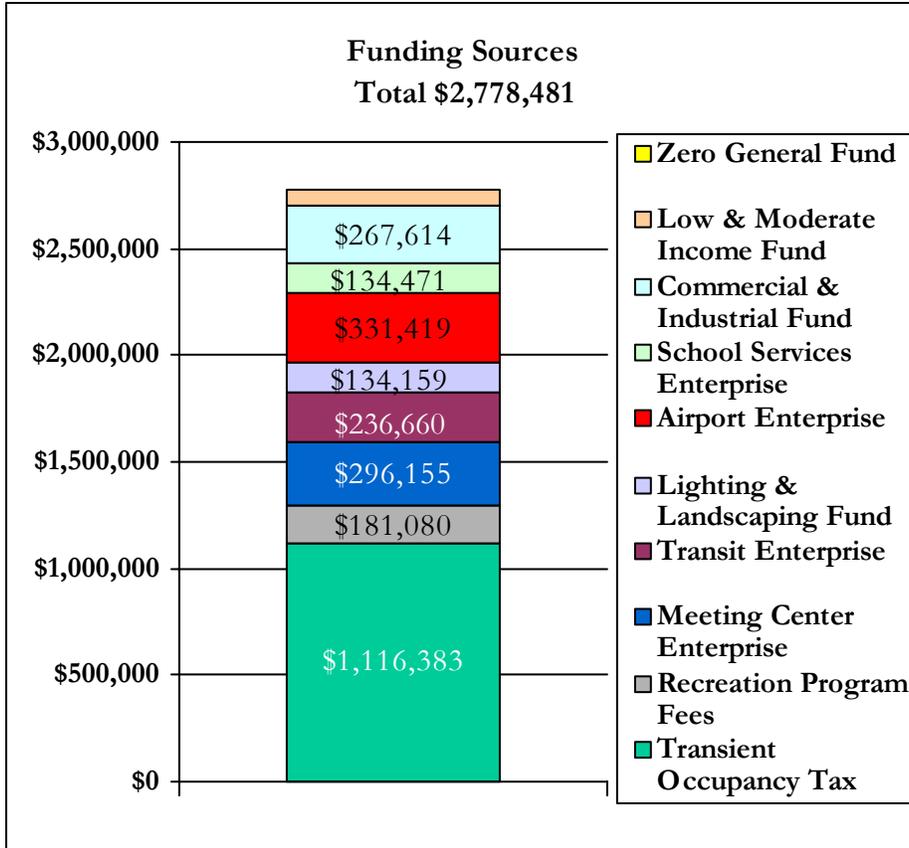
MAJOR DEPARTMENT GOALS FOR FISCAL YEAR 2007-2008

- ◆ Complete Parks and Open Space Master Plan for the City of Healdsburg.
- ◆ Complete Villa Chanticleer Business and Development Plan.
- ◆ Improve and update Parks and Recreation website.
- ◆ Continue to develop recreation programming.
- ◆ Recruit and hire FT park maintenance worker for the Parks Division.
- ◆ Acquire the Healdsburg Armory for community use.
- ◆ Continue progress on current FAA Airport grants.
- ◆ Create MOU and secure funding to manage Healdsburg Ridge Open Space Preserve from Sonoma County Open Space District.
- ◆ Begin rehabilitation project at Giorgi Park.
- ◆ Work with the Healdsburg Unified School District to incorporate recreation programming into their after school programs.

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 2007-2008
TRANSIENT OCCUPANCY TAX	\$ 1,116,383
RECREATION PROGRAM FEES	181,080
MEETING CENTER ENTERPRISE	296,155
TRANSIT ENTERPRISE	236,660
LIGHTING & LANDSCAPING FUND	134,159
AIRPORT ENTERPRISE	331,419
SCHOOL SERVICES ENTERPRISE	134,471
COMMERCIAL & INDUSTRIAL FUND	267,614
LOW & MODERATE INCOME FUND	80,540
CAPITAL PROJECT FUNDING	<u>925,882</u>
TOTAL REVENUES	\$ 3,704,363

EXPENSES	ACTUAL 2005-2006	ADOPTED 2006-2007	BUDGET 2007-2008	DIFFERENCE FROM 2006-2007	% DIFFERENCE
WAGES & FRINGE BENEFITS	\$ 776,332	\$ 1,127,166 ⁽¹⁾	\$ 1,276,534	\$ 149,368	13%
OVERTIME	8,281	-	5,000	5,000	0%
SUPPORT TO OUTSIDE ORGANIZATIONS	29,799	19,400	20,400	1,000	5%
CONTRACTED SERVICES	501,984	535,470	519,690	(15,780)	-3%
INSURANCE	8,000	8,000	10,000	2,000	25%
GOVERNMENT FEES	4,915	5,365	2,650	(2,715)	-51%
EMPLOYMENT SERVICES	1,931	-	-	-	0%
PROJECT PARTICIPATION	53,820	68,500	40,080	(28,420)	-41%
PROPERTY SERVICES	146,304	179,550	181,000	1,450	1%
ADDITIONAL PAY	2,175	4,200	4,200	-	0%
UNIFORM ALLOWANCE	1,553	2,950	4,250	1,300	44%
RENTALS	26,849	22,400	33,700	11,300	50%
SERVICE FEES	178,637	223,284	242,596	19,312	9%
REPLACEMENT FEES	22,348	26,872	28,743	1,871	7%
LOAN REPAYMENT- GENERAL FUND	1,666	1,700	1,700	-	0%
TELECOMMUNICATION SERVICE	11,100	9,540	18,050	8,510	89%
ADVERTISING & PUBLICATION	11,426	14,400	24,500	10,100	70%
PRINTING & BINDING	101	20,300	2,200	(18,100)	-89%
TRAVEL EXPENSES	605	-	1,550	1,550	100%
SUPPLIES	236,421	211,880	304,800	92,920	44%
MEETINGS	1,745	6,075	7,950	1,875	31%
MEMBERSHIPS & DUES	800	1,900	2,980	1,080	57%
TRAINING	4,690	2,450	7,575	5,125	209%
OTHER EMPLOYEE EXPENSES	3,000	-	-	-	100%
CAPITAL ITEMS	5,675	-	38,333	38,333	100%
SHORT/OVER	-	-	-	-	0%
TOTAL OPERATING EXPENSES	\$ 2,040,157	\$ 2,491,402	\$ 2,778,481	\$ 287,079	12%
CAPITAL PROJECTS		405,000	925,882		
GRAND TOTAL EXPENSES		\$ 2,896,402	\$ 3,704,363		

(1) Wages & Fringe Benefits (\$147K) includes new positions approved mid-year.
Original budget \$2,344,196.

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

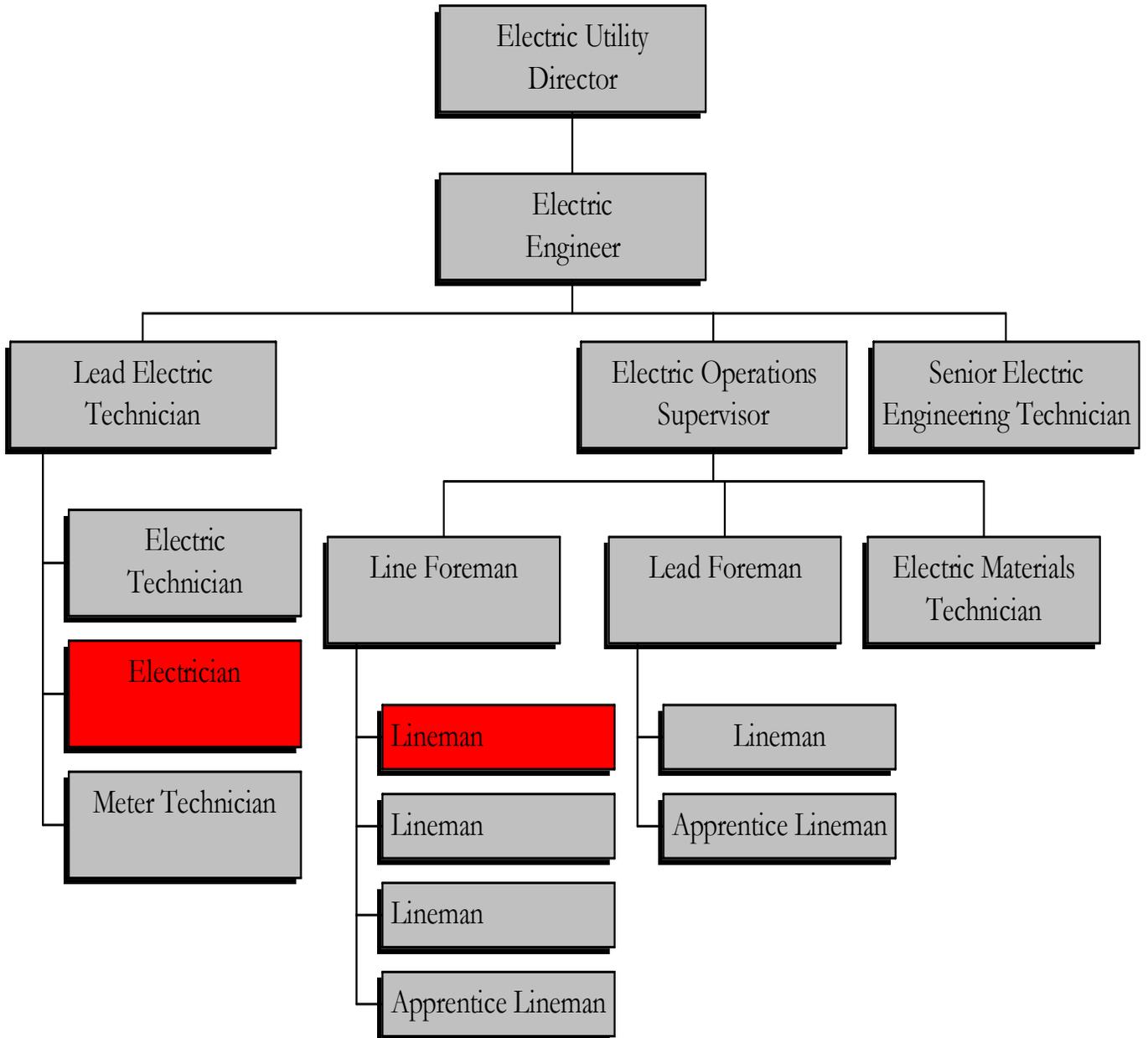
<u>Field Name</u>	<u>Location</u>
Fitch Mountain School - Multi Use Fields	565 Sanns Lane
Foss Creek School – Multi Use Fields, Basketball Courts	1557 Healdsburg Avenue
Giorgi Park-(2) Tennis Courts	600 University Street
Healdsburg Elementary School - Multi Use Fields	400 First Street
Healdsburg High 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 (Rohnert Park Swim Club, Inc.)	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 - 17
Budget Reductions - 2
Total - 15
Full Time Equivalents - 15.0



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) as well as other various long and short-term power contracts.

Close to 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 2006-2007

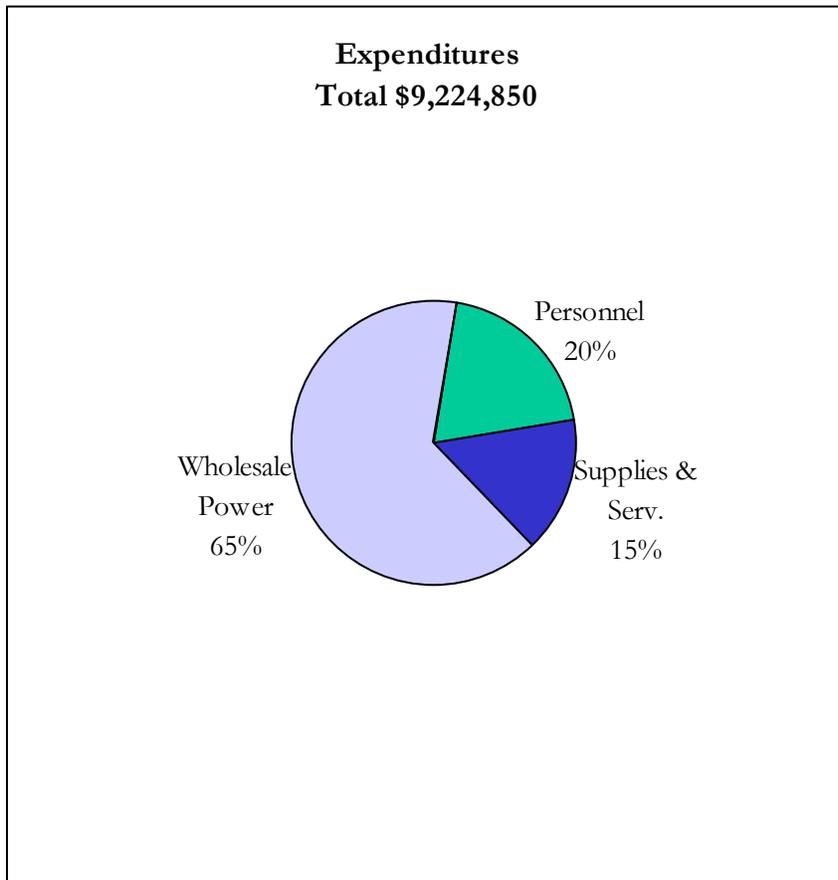
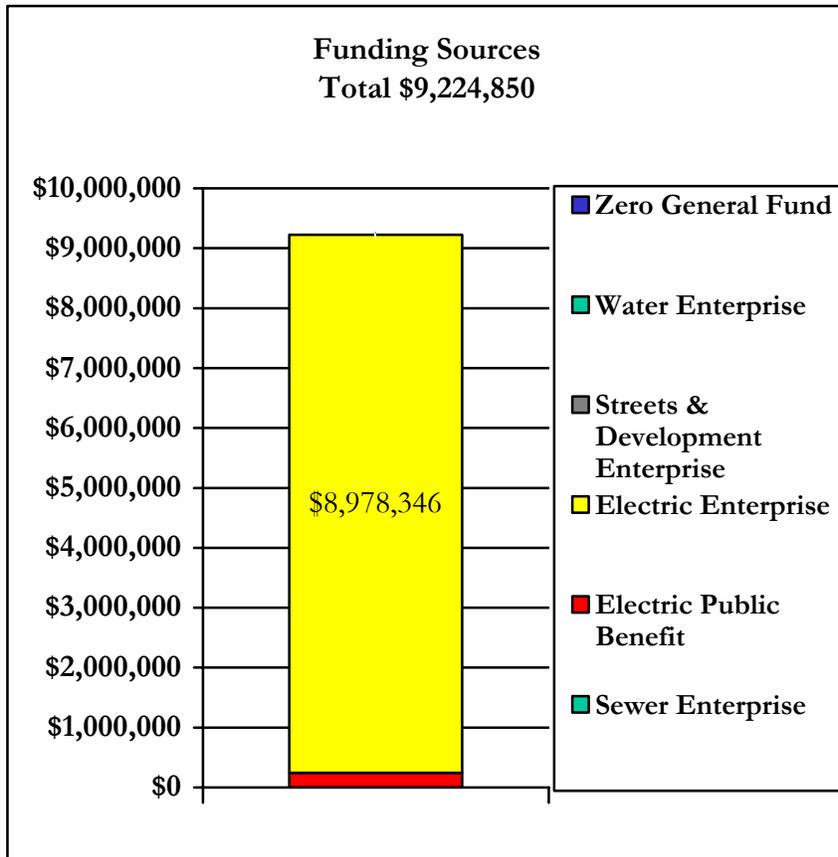
- ☑ Completed succession plan of key departmental positions
- ☑ Completed installation of roof-top photovoltaic electric program for City Hall
- ☑ Completed the implementation of a comprehensive Electric Public Benefits Program
- ☑ Completed third phase agreement for NCPA Green Power Pool
- ☑ Completed design and planning work for expansion of Badger Electric Substation
- ☑ Continued investigation of new future generation resources through NCPA
- ☑ Continued work toward creating a new cost-based rate structure for the electric utility
- ☑ Initiated Badger Substation Modernization and Expansion Phase I Project

MAJOR DEPARTMENTAL GOALS FOR FISCAL YEAR 2007-2008

Electric Operations:

- ◆ Complete Badger Substation Phase I Project
- ◆ Install geotechnical improvements to the Badger Substation Site
- ◆ Initiate engineering and design work for Badger Substation Phase II Project
- ◆ Order third transformer and switchgear for Badger Substation Phase II Project
- ◆ Complete Second Interconnection Study with PG&E
- ◆ Complete 12 KV under build study for Express North Feeder with PG&E
- ◆ Continued investigation of new future generation resources through NCPA
- ◆ Complete Cost of Service Study
- ◆ Initiate Bond Measure for Badger Substation improvements, Express North Feeder, normal CIP improvements, and new electric resources

ELECTRIC UTILITY



ELECTRIC UTILITY

FUNDING SOURCES	FUNDING SOURCES 2007-2008
WATER ENTERPRISE	\$ -
ELECTRIC ENTERPRISE	8,978,346
ELECTRIC PUBLIC BENEFIT	246,504
STREETS & DEVELOPMENT ENTERPRISE	-
CAPITAL PROJECT FUNDING	<u>5,760,000</u>
TOTAL REVENUES	<u>\$ 14,984,850</u>

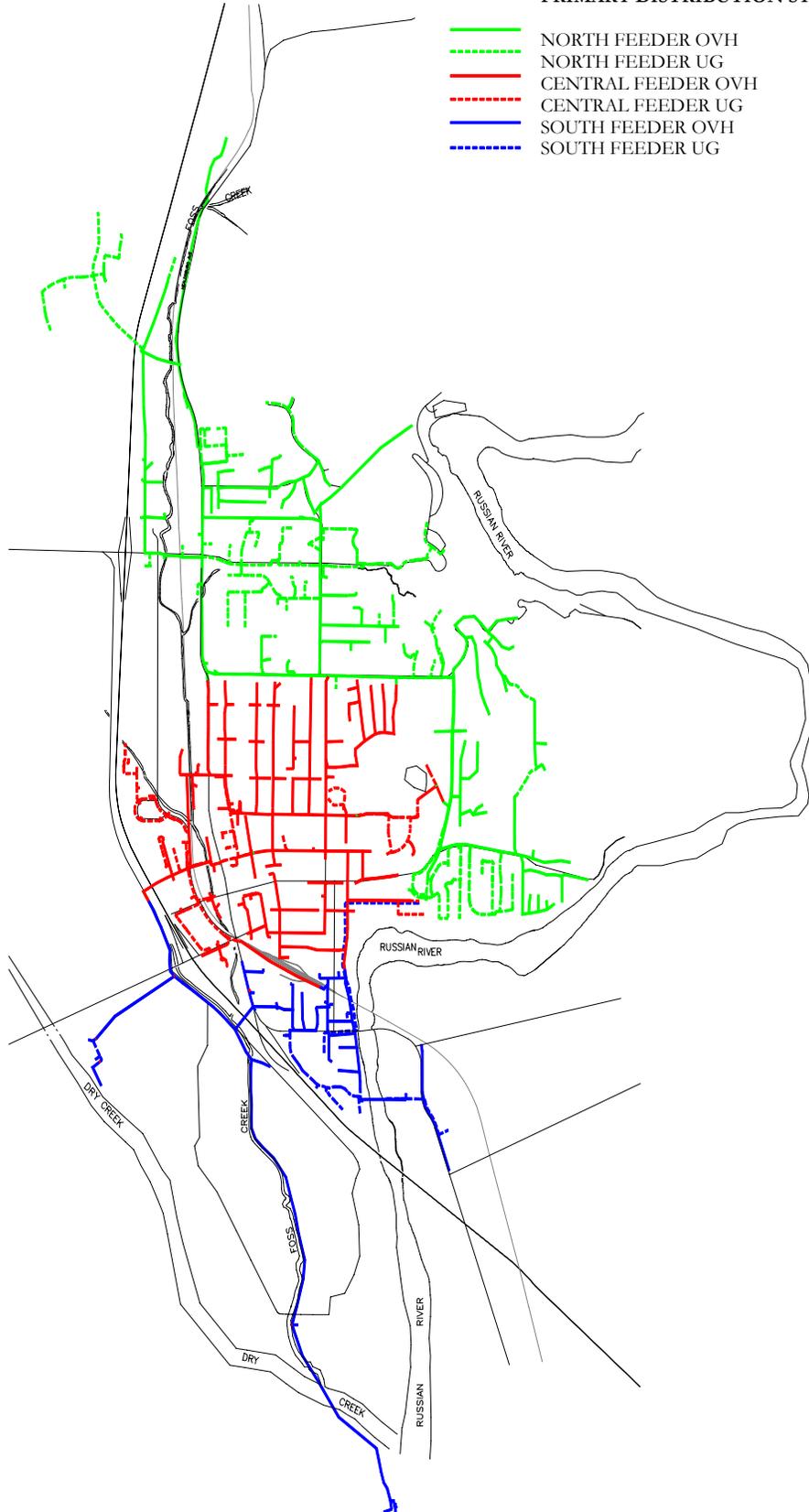
EXPENSES	ACTUAL 2005-2006	ADOPTED 2006-2007	BUDGET 2007-2008	DIFFERENCE FROM 2006-2007	% DIFFERENCE
WAGES & FRINGE BENEFITS	\$ 1,484,449	\$ 2,106,417	\$ 1,767,143	\$ (339,274)	-16%
OVERTIME & STAND BY	60,026	58,567	58,600	33	0%
CONTRACTED SERVICES	174,504	206,600	246,800	40,200	19%
PUBLIC BENEFIT SERVICES	-	-	246,504	246,504	100%
GOVERNMENT FEES	-	800	800	-	0%
PROPERTY SERVICES	45,105	56,800	49,100	(7,700)	-14%
ADDITIONAL PAY	-	4,200	4,200	-	0%
UNIFORM ALLOWANCE	22,203	10,000	15,000	5,000	50%
RENTALS	1,951	1,000	5,500	4,500	450%
SERVICE FEES	285,957	202,615	239,195	36,580	18%
REPLACEMENT FEES	103,795	162,721	238,927	76,206	47%
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	9,266	-	0%
LEASE RENTALS	4,594	4,635	4,912	277	6%
TELECOMMUNICATION SERVICE	10,536	22,100	23,000	900	4%
ADVERTISING & PUBLICATION	2,531	850	3,250	2,400	282%
PRINTING & BINDING	-	-	1,000	1,000	100%
SUPPLIES	294,687	126,880	123,385	(3,495)	-3%
NCPA POWER COST	5,367,577	6,022,898	5,990,668	(32,230)	-1%
MEETINGS	4,105	10,100	10,400	300	3%
MEMBERSHIPS & DUES	3,921	6,200	6,700	500	8%
TRAINING	17,303	25,000	25,000	-	0%
OTHER EMPLOYEE EXPENSES	-	1,500	500	(1,000)	-67%
CAPITAL ITEMS	5,646	-	-	-	0%
LOSS IN DISPOSAL	49,206	-	-	-	0%
SHORT/OVER	10,744	-	-	-	0%
G&A ALLOCATION	(163,155)	-	-	-	0%
TOTAL OPERATING EXPENSES	<u>\$ 7,949,951</u>	<u>\$ 9,194,149</u>	<u>\$ 9,224,850</u>	<u>\$ 30,701</u>	<u>0%</u>
CAPITAL PROJECTS		584,000	5,760,000		
GRAND TOTAL EXPENSES		<u>\$ 9,778,149</u>	<u>\$ 14,984,850</u>		

ELECTRIC UTILITY

Notes:

ELECTRIC UTILITY

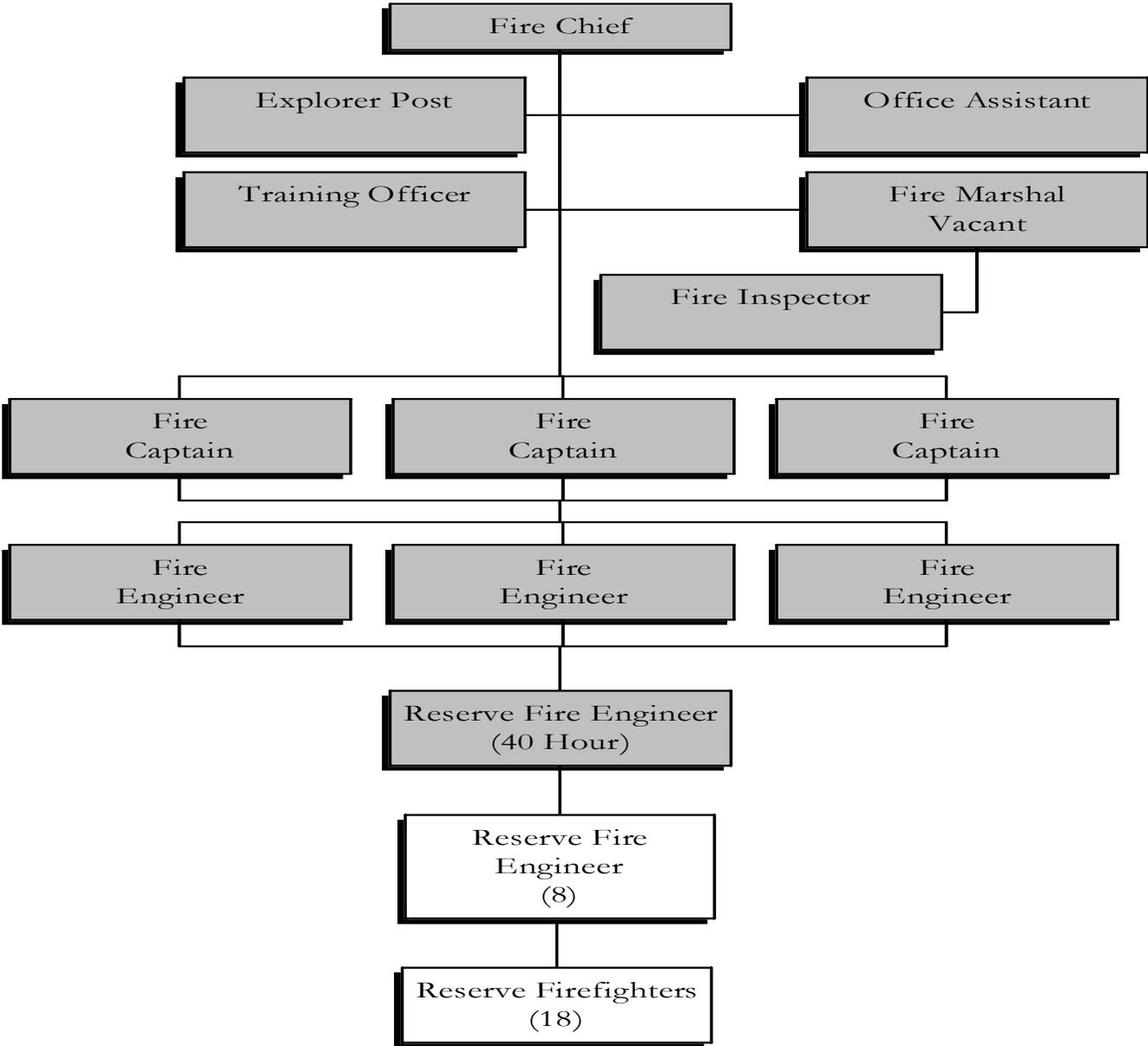
CITY OF HEALDSBURG PRIMARY DISTRIBUTION SYSTEM



FIRE

Notes:

Full Time - 11
Part Time - 0
Volunteer Reserves - 26
Total - 37
Full Time Equivalents – 11.00
*Reserve Firefighter not included in Full Time Equivalents



FIRE

The Fire Department is a combination fire agency using 26 reserves, with eleven 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 to the City.

Fire Suppression

The basic organization and orientation of the Department is directed to fire suppression 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 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 suspicious fires. Historically, the weed abatement program has been administered by the Prevention Bureau, which currently is being performed by a Contract position until the Fire Marshal's position is filled.

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

As a Certified Unified Program Agency (CUPA) for Healdsburg and the City of Sebastopol, the Department is responsible for the management of hazardous materials and waste through the administration of six state regulatory programs.

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 2006-2007

- Responded to 1454 incidents, one short of the record set in 2005-2006.
- In partnership with Dr. Anderson, implemented an EMS Scholarship Program for Reserve Personnel.
- Obtained an Indian Benefit Gaming Grant to fund half the Training Officer's position.
- Obtained an Indian Benefit Gaming Grant to purchase a Command/Utility Vehicle.
- Participated in three "Out of County" Strike Teams to Mendocino, Trinity and Ventura Counties, a record for the department.
- Raised over \$6,100 for MDA through the "Fill the Boot" Campaign.
- Awarded the first RDA loan to retrofit a fire sprinkler system in the "Round Table" building.
- Programmed and placed 23 portable and 7 mobile radios in service, obtained through a \$30,000 Grant.
- Conducted our third 180 hour Recruit Academy for 5 new Reserve Firefighters.
- Participated in the Marin-Sonoma County Multi-Agency (MAD) Drill and acted as Incident Commander for the event.
- Updated the contract with the Reserve Association including establishing minimum response standards.

- ☑ Up-graded breathing apparatus with automatic Personal Alarm Devices through a \$21,000 Grant.
- ☑ Coordinated the installation of a Fire Sprinkler System in the Tayman Park Clubhouse.
- ☑ Completed National Incident Management System (NIMS) training for City Staff.
- ☑ Purchased and developed 3 Medical cache's for use during disasters.
- ☑ Participated in the 2007 California Fire Explorer Academy in Butte County.
- ☑ Conducted 11 CPR Classes including one in Spanish.
- ☑ Conducted over 3106 hours of volunteer and 2600 hours of paid staff training for a total of 5706 hours.
- ☑ Performed over 1059 fire code and hazardous materials inspections and re-inspections.
- ☑ Performed over 333 hours of public education activities including an Open House.
- ☑ Became certified as an approved "*Child Car Seat Installation*" station by the *Safe Kid's Program*.
- ☑ Implemented our Community Emergency Response Team (CERT) program and trained and graduated two CERT academies.
- ☑ Updated and adopted the department's *Mission and Value* statements.
- ☑ Hired a consultant to conduct an audit of the City's Emergency Plan, Annexes and Emergency Operation Center Procedures and prepare a report making recommendations for improvement.
- ☑ Developed a curriculum and conducted our first *Baby Sitter's Class*.
- ☑ Responded to the most pervasive arson spree in the department's history.

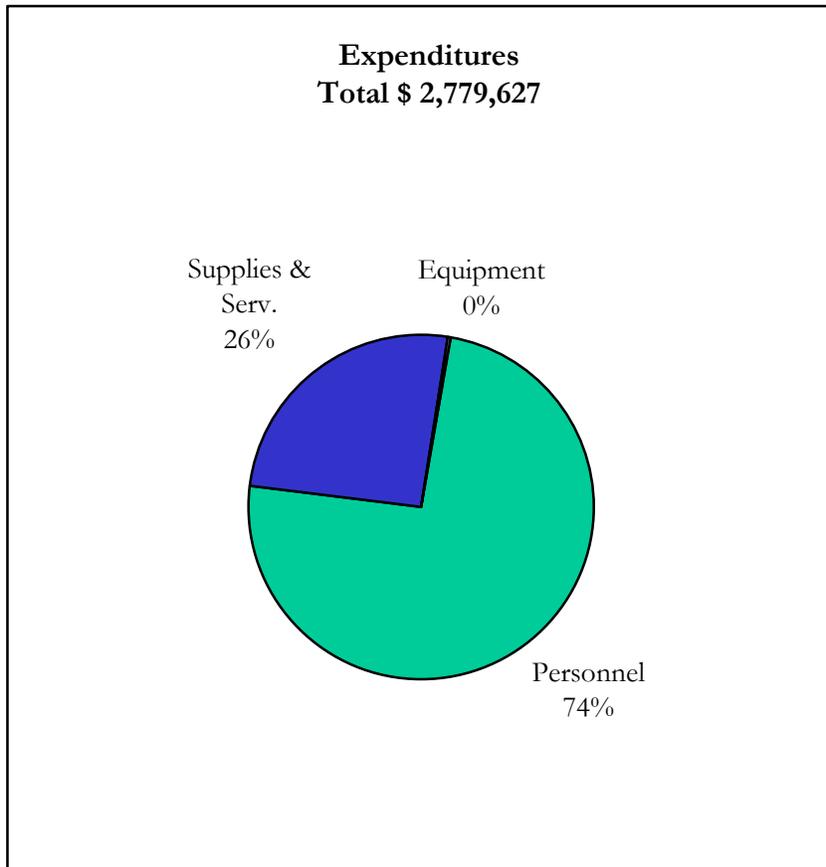
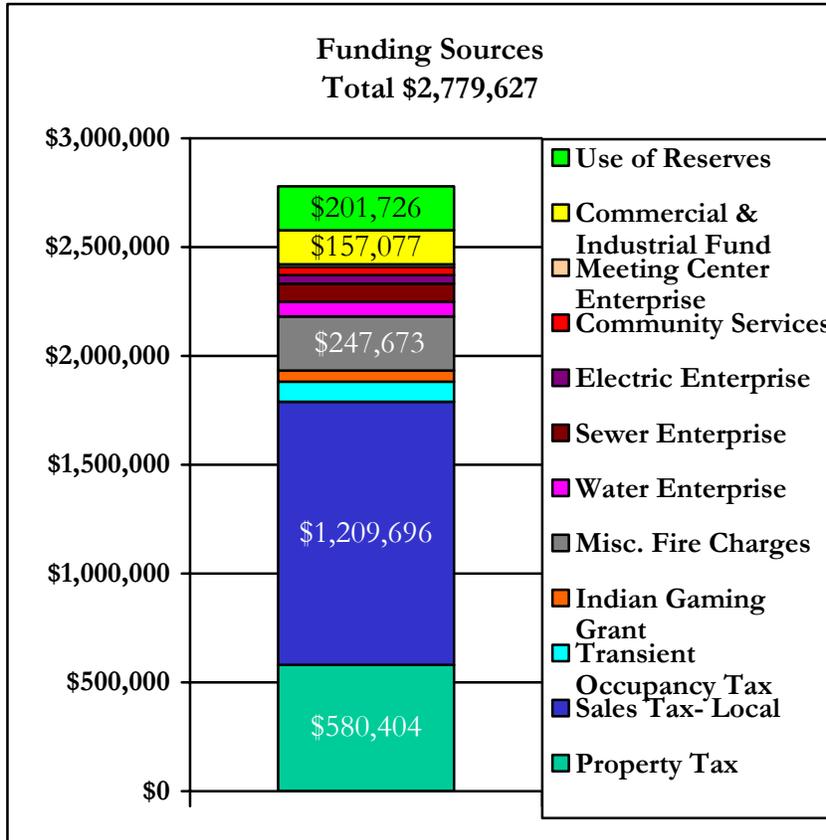
MAJOR DEPARTMENTAL GOALS FOR FISCAL YEAR 2007-2008

- ◆ Implement and develop a department Customer Service plan, the last component of the adopted Department Strategic Plan.
- ◆ Recruit and hire a Fire Marshal.
- ◆ Continue to work with Saggio Hills to develop a north area Fire Substation with living accommodations for three Reserve Firefighters.
- ◆ Continue to pursue housing accommodations for Reserve Firefighters on the RDA parcel adjacent to the Firehouse.
- ◆ Prepare a detailed pre-fire plan to deal with vegetation fire in the Healdsburg Area Mutual Threat Zone.
- ◆ Conduct our third "recruit training academy" for new Reserve Firefighters.
- ◆ Train and promote 4 Reserve Fire Engineers.
- ◆ Negotiate with the County to renew contracts for Fitch Mt. and Sotoyome response and to examine the feasibility of jointly purchasing an urban-interface fire engine to better serve the City and contract areas.
- ◆ Coordinate and oversee repairs or replace as necessary the underground fuel system at the Fire House.
- ◆ Continue to implement the loan program to retrofit target buildings with fire sprinkler systems.
- ◆ Apply for and secure FEMA Grant for the purchase of Turn-out personal protective equipment (PPE).
- ◆ Prepare amendments to, and adopt the new International Fire Code.
- ◆ Oversee the update of the City Disaster Plan, Annexes and EOC operations manual as well as conducting a table top and full scale disaster exercise.
- ◆ Apply for and secure an Indian Gaming Grant to partially fund the Training Officer's position.
- ◆ Successfully complete a State Audit of our CUPA Program.
- ◆ Explore ways to motivate Reserve Firefighters given increase in training requirements and call volume.

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 funding sources for the replacement of aging capital equipment such as a joint apparatus purchase through existing County contracts.

FIRE



FUNDING SOURCES	FUNDING SOURCES 2007-2008
PROPERTY TAX	\$ 580,404
SALES TAX AND OTHER TAX	1,209,696
TRANSIENT OCCUPANCY TAX	91,200
INDIAN GAMING GRANT	51,872
MISCELLANEOUS FIRE CHARGES	247,673
WATER ENTERPRISE	67,562
SEWER ENTERPRISE	83,203
ELECTRIC ENTERPRISE	40,462
COMMUNITY SERVICES	35,644
MEETING CENTER ENTERPRISE	13,109
COMMERCIAL & INDUSTRIAL FUND	157,077
USE OF RESERVES	201,726
TOTAL REVENUES	\$ 2,779,627

EXPENSES	ACTUAL 2005-2006	ADOPTED 2006-2007	BUDGET 2007-2008	DIFFERENCE FROM 2006-2007	% DIFFERENCE
WAGES & FRINGE BENEFITS	\$ 1,277,962	\$ 1,393,045	\$ 1,828,597	\$ 435,552	31%
VOLUNTEERS	110,537	150,800	119,000	(31,800)	-21%
OVERTIME	86,182	108,800	113,800	5,000	5%
CONTRACTED SERVICES	173,555	218,000	226,000	8,000	4%
GOVERNMENT FEES/FINES	8	-	-	-	0%
PROPERTY SERVICES	4,069	3,000	3,000	-	0%
ADDITIONAL PAY	-	4,200	4,200	-	0%
UNIFORM ALLOWANCE	9,916	8,000	13,250	5,250	66%
RENTALS	183	1,600	1,600	-	0%
SERVICE FEES	160,383	138,979	180,228	41,249	30%
REPLACEMENT FEES	469,780	29,674	200,127	170,453	574%
TELECOMMUNICATION SERVICE	7,346	9,100	9,500	400	4%
ADVERTISING & PUBLICATION	260	300	300	-	0%
PRINTING & BINDING	300	750	750	-	0%
SUPPLIES	73,420	46,850	48,350	1,500	3%
MEETINGS	888	800	800	-	0%
MEMBERSHIPS & DUES	2,675	3,150	3,150	-	0%
TRAINING	7,581	20,065	19,975	(90)	0%
CAPITAL ITEMS	-	7,000	7,000	-	0%
TOTAL EXPENSES	\$ 2,385,045	\$ 2,144,113	\$ 2,779,627	\$ 635,514	30%

FIRE

2002 to 2006 EMERGENCY RESPONSES

Emergency Responses:	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Structure Fires	28	27	72	60	40
Vehicle Fires	21	24	15	25	13
Vegetation Fires	43	55	39	32	52
Other Fires	26	51	12	8	25
Emergency Medical	555	572	594	617	626
Hazardous Material/Condition	91	80	102	157	135
Vehicle Accidents	71	97	110	128	103
Other	<u>452</u>	<u>456</u>	<u>482</u>	<u>428</u>	<u>460</u>
TOTALS	1,287	1,362	1,426	1,455	1,454

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

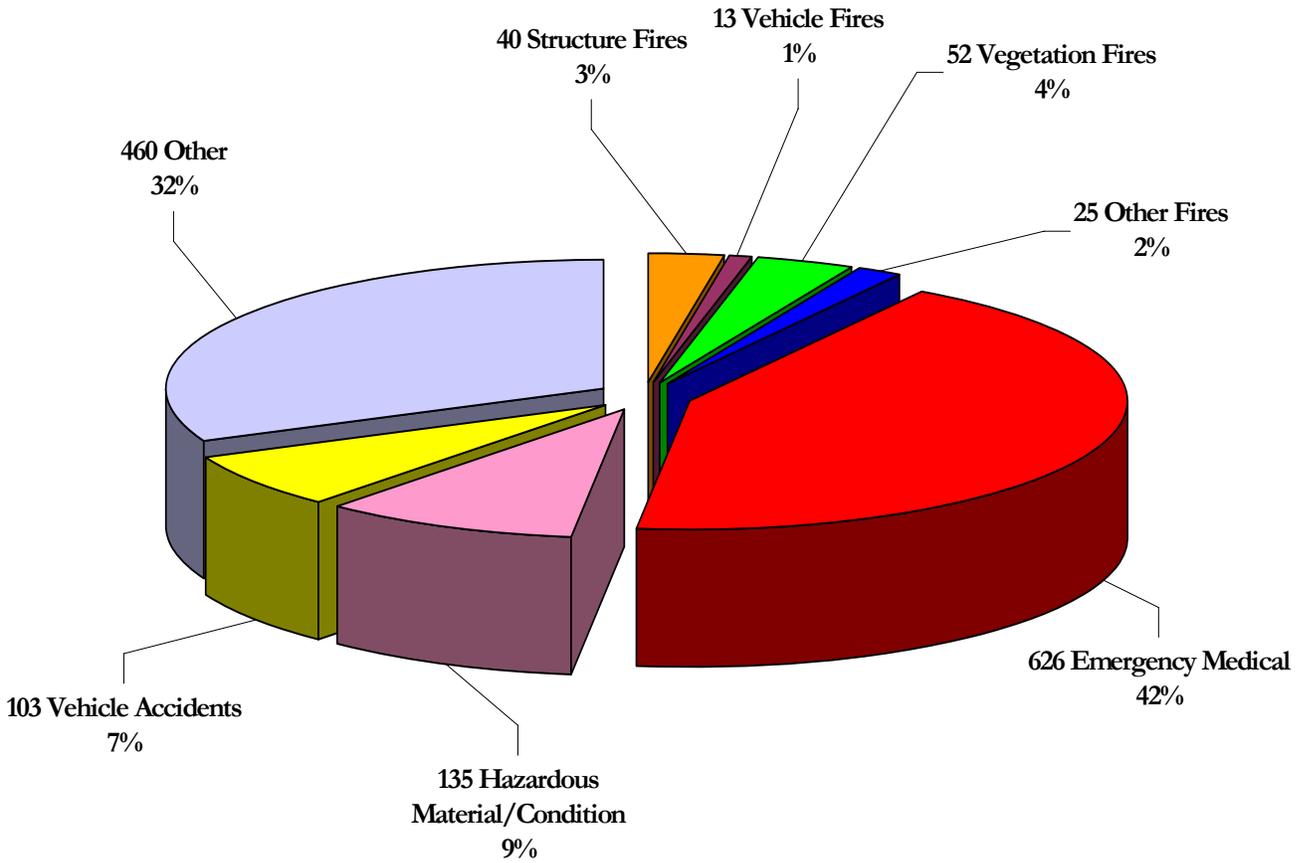
RESCUE, EMERGENCY MEDICAL Includes responses for medical assistance, drowning, lock-ins requiring medical care, electrocutions and persons trapped caught or buried.

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

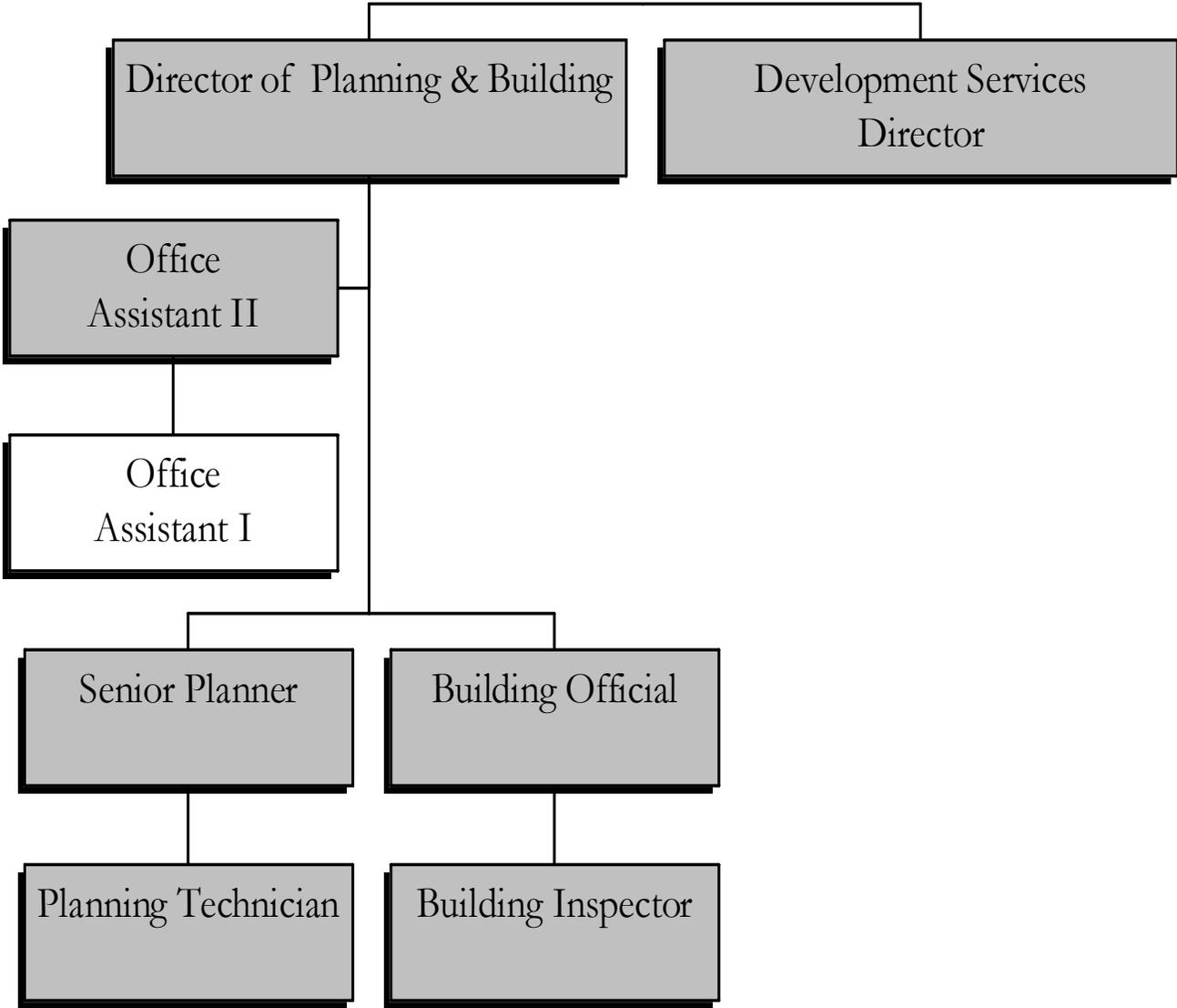
Number of Calls By Type for Calendar Year 2006



PLANNING & BUILDING

Notes:

Full Time - 7
Temp - 1
Total - 8
Full Time Equivalents - 8.0



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 advanced planning services, code enforcement and participates in county-wide and regional planning efforts relating to land use and transportation. The Department is also an active participant in the City's economic development and affordable housing redevelopment programs team.

Zoning and Subdivision 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 meetings. The Department continues to find ways to make the application process easier to understand and required information more accessible to the public.

Design and Architectural 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 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.

Advanced 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 prepares special planning documents, such as the Foss Creek Pathway Plan and the update to the General Plan. The Department 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 is involved in activities of the Healdsburg Redevelopment Agency. This includes the production of new affordable housing, such as development of the Victory Cottages transitional housing project and the 20 W. Grant Street apartment project 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 countywide 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.

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.

Healdsburg Municipal Airport

The Department assists the Airport Commission and other city departments in oversight of the municipal airport and administration of state and federal grants for airport improvements.

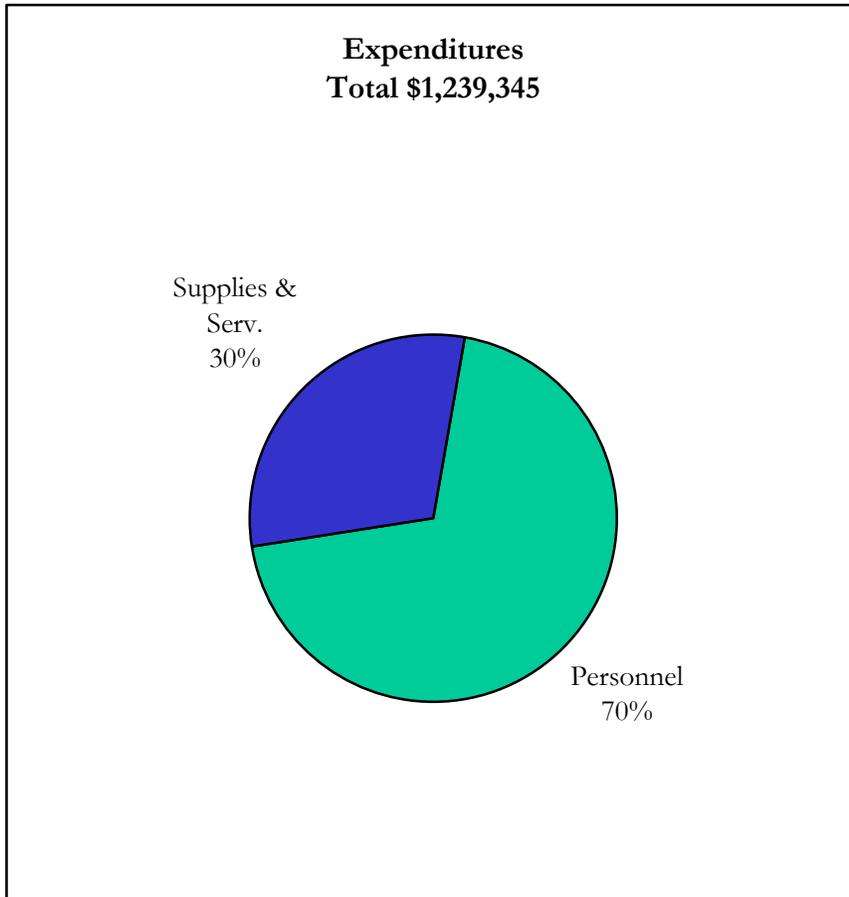
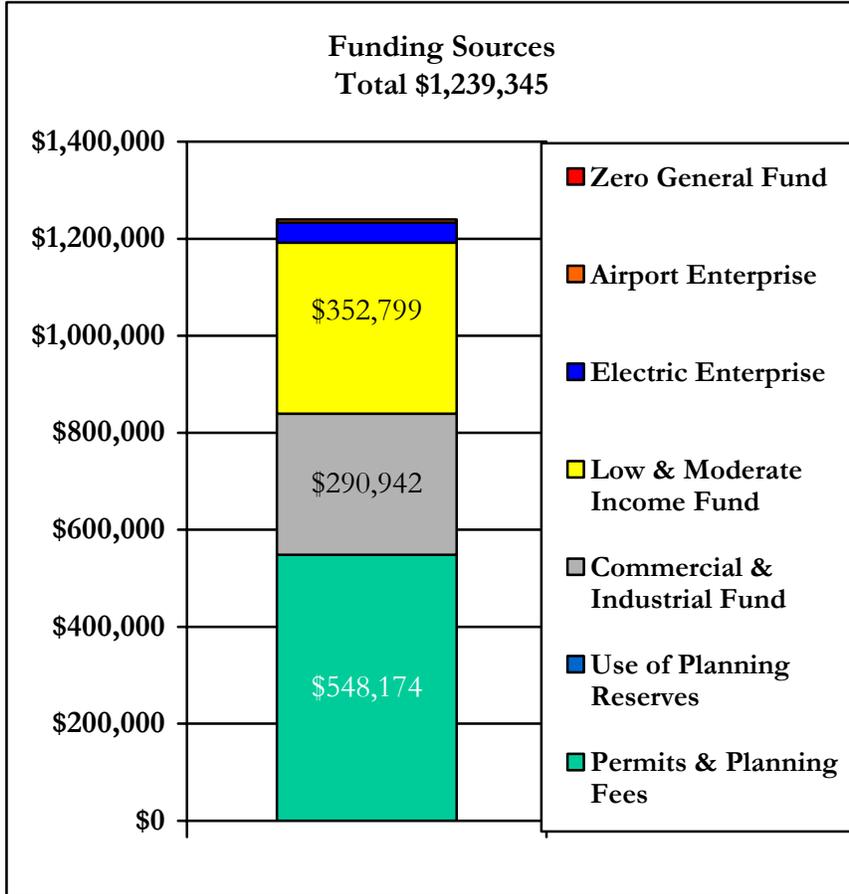
MAJOR DEPARTMENTAL TASKS COMPLETED FISCAL YEAR 2006-2007

- Implemented the winery directional sign program.
- Completed the Foss Creek Pathway Plan.
- Participated and coordinated affordable housing projects, including 20 W. Grant Street.
- Coordinated the Railroad Depot renovation with Sonoma County Transit District and other city departments.
- Completed Phase I and most of Phase II of the Housing Element Implementation Program.
- Completed the Job Center project.
- Completed the Airport Master Plan
- Assumed staff assistance function to the Airport Commission and grant administration duties.
- Processed several Zoning Ordinance amendments relating to political signs, public hearing signs, medical offices in industrial districts and affordable housing incentives.

MAJOR DEPARTMENTAL GOALS FOR FISCAL YEAR 2007-2008

- Complete update of all elements of the General Plan
- Complete the EIR and entitlement process for the Saggio Hills Area Plan and annexation
- Implement various airport grants
- Complete Phase II of the Housing Element Implementation program
- Re-initiate the City Entryways planning effort through the Special Study Areas contained in the updated General Plan
- Obtain funds and builder for the Victory Cottages transitional housing project at 308 East Street
- Begin entitlement process for 20 W. Grant Street affordable housing project
- Revise the Zoning Ordinance and Zoning Map to reflect the updated General Plan
- Complete downtown area parking study

PLANNING & BUILDING



PLANNING & BUILDING

<u>FUNDING SOURCES</u>	FUNDING SOURCES 2007-2008
PERMITS & PLANNING FEES	\$ 548,174
ELECTRIC ENTERPRISE	40,956
AIRPORT ENTERPRISE	6,474
COMMERCIAL & INDUSTRIAL FUND	290,942
LOW & MODERATE INCOME FUND	352,799
CAPITAL PROJECT FUNDING	<u>830,000</u>
 TOTAL REVENUES	 <u>\$ 2,069,345</u>

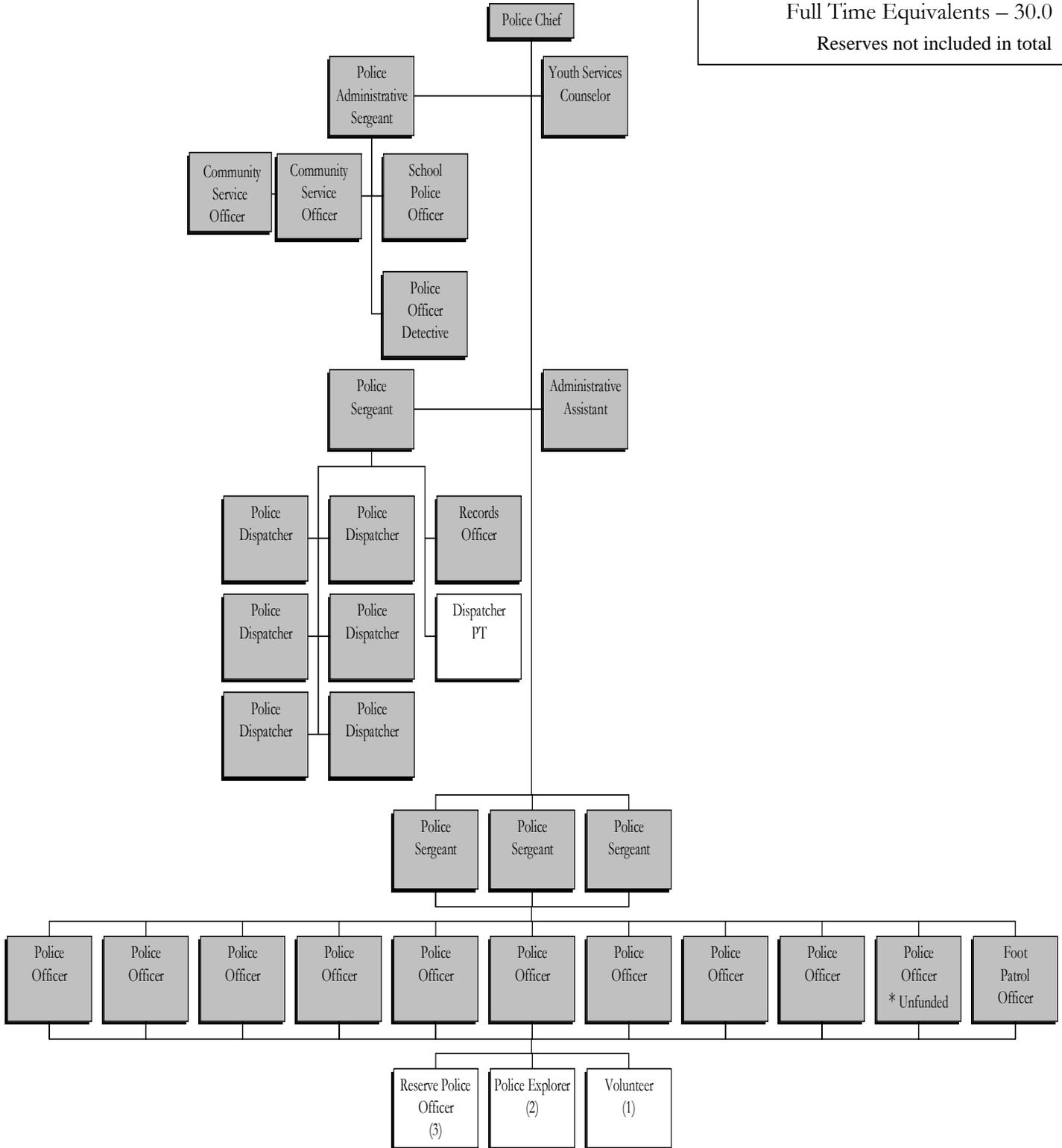
<u>EXPENSES</u>	ACTUAL 2005-2006	ADOPTED 2006-2007	BUDGET 2007-2008	DIFFERENCE FROM 2006-2007	% DIFFERENCE
WAGES & FRINGE BENEFITS	\$ 472,438	\$ 747,044	\$ 863,093	\$ 116,049	16%
OVERTIME	1,984	2,000	2,000	-	0%
CONTRACTED SERVICES	174,390	174,500	174,500	-	0%
GOVERNMENT FEES	11	-	-	-	0%
PROJECT BUDGET	-	-	-	-	0%
PROJECT PARTICIPATION	-	-	-	-	0%
ADDITIONAL PAY	4,213	8,400	8,400	-	0%
RENTALS	2,313	-	-	-	0%
UNIFORM ALLOWANCE	-	100	100	-	0%
SERVICE FEES	97,493	104,076	109,083	5,007	5%
REPLACEMENT FEES	17,127	41,210	35,140	(6,070)	-15%
TELECOMMUNICATION SERVICE	3,141	5,200	5,200	-	0%
ADVERTISING & PUBLICATION	11,190	8,800	15,000	6,200	70%
PRINTING & BINDING	88	-	-	-	0%
SUPPLIES	9,053	9,024	13,774	4,750	53%
MEETINGS	7,133	7,305	7,305	-	0%
MEMBERSHIPS & DUES	1,018	1,500	1,750	250	17%
TRAINING	1,705	4,000	4,000	-	0%
 TOTAL OPERATING EXPENSES	 <u>\$ 803,297</u>	 <u>\$ 1,113,159</u>	 <u>\$ 1,239,345</u>	 <u>\$ 126,186</u>	 <u>11%</u>
CAPITAL PROJECTS		251,500	830,000		
GRAND TOTAL EXPENSES		<u>\$ 1,364,659</u>	<u>\$ 2,069,345</u>		

POLICE

Notes:

POLICE

Full Time - 30
 Part Time -1
 Total - 31
 Full Time Equivalents – 30.0
 Reserves not included in total



* Authorized for recruitment purposes

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.

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, 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 (SRO) 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 for 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 takes disciplinary action when necessary. All citizen complaints are also reviewed and assigned for investigation through this office. The office also analyzes crime statistics and staffing needs.

MAJOR DEPARTMENTAL TASKS COMPLETED FISCAL YEAR 2006-2007

- ☑ The Peace Officers Standards and Training Regional Manager deemed staff in compliance during their annual inspection in 2006.
- ☑ POST Management Audit of the Department was completed with several recommendations for improvement. Most of them have been implemented. The ones that haven't require additional funding sources.
- ☑ The following grants were awarded to the Police Department.
 - Indian Gaming Special Distribution Funds, \$123,706.
 - Funds the radio replacement project. Purchased 25 portable radios and accessories, 10 mobile radios and 2 base stations complete with installation.
 - Homeland Security Funding of \$20,000.
 - Funds project to install video cameras in the police parking lot, lobby and jail.
- ☑ Seventeen employees and one citizen were recognized for their exemplary contribution to the community and the department.
- ☑ Chief Susan Jones was appointed to the Board of Directors of the California Police Chiefs Association. She'll be representing Region 4, which includes all agencies within Lake, Mendocino, Sonoma, Solano, and Marin counties.
- ☑ The two unfinished areas on the second floor of the police department were completed and came in on budget. The equipment room is housing police equipment, personnel files and police reports. The new Office area is the home of the Detective, School Resource Officer, Foot Patrol Officer, Domestic Violence Advocate and College Intern.
- ☑ The educational make-up of the department has changed. Today ninety-four percent of the HPD employees have attended college with 55% of those having at least an AA degree. Of the 55%, forty-six percent of them have bachelors degrees or higher.

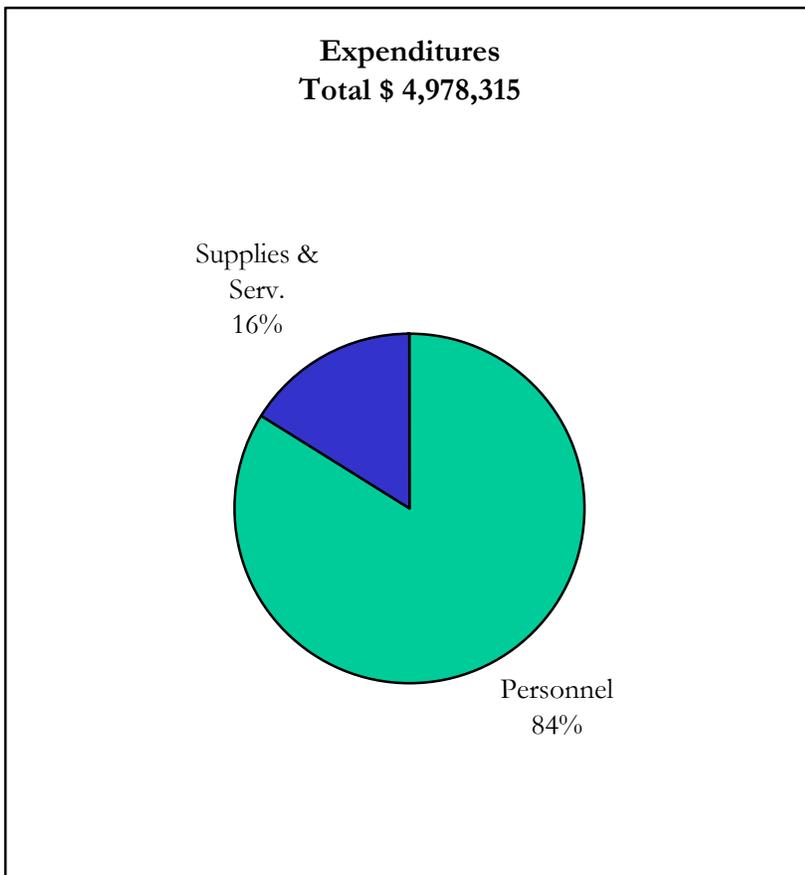
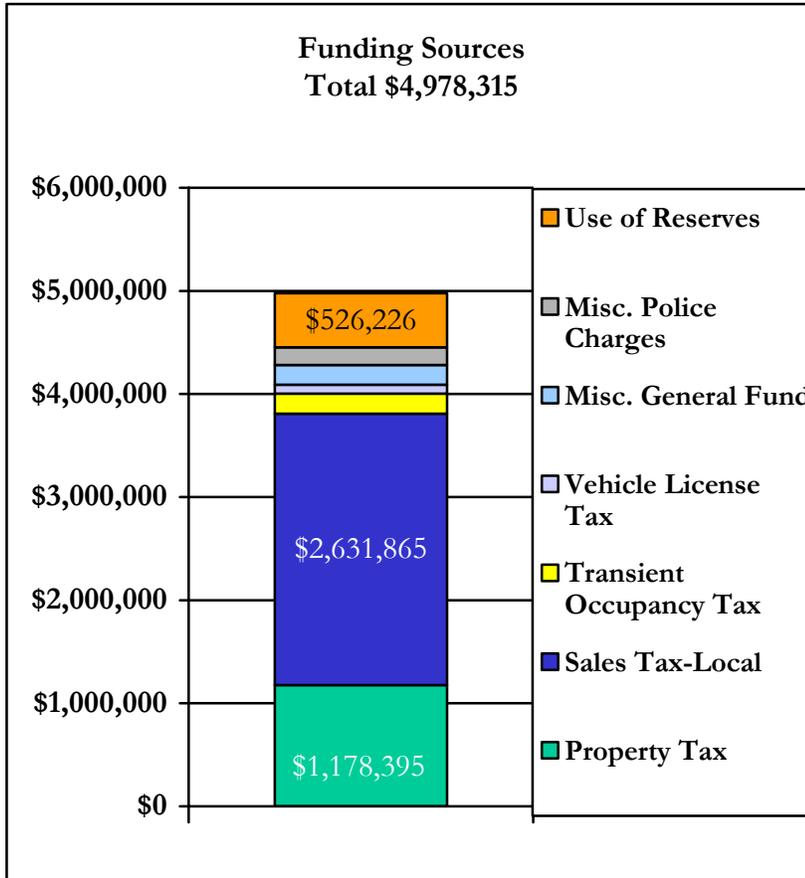
MAJOR DEPARTMENTAL GOALS FOR FISCAL YEAR 2007-2008

- Finalize the 5-year Strategic Plan for the Department.
- Continue to research alternative funding sources.
- Examine new software improvements for the CAD/RMS function.
- Find cost effective programs for the Property and Evidence function, i.e., bar coding software.
- Research alternative fuel vehicles for non-emergency functions such as parking enforcement, administration and investigations.
- Bring back the Lieutenant position to the police department by replacing the Administrative Sergeant with the management position of Lieutenant when revenues are sufficient.

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 2007-2008
PROPERTY TAX	\$ 1,178,395
SALES TAX AND OTHER TAX	2,631,865
TRANSIENT OCCUPANCY TAX	193,800
INDIAN GAMING GRANT	-
VEHICLE LICENSE FEES	85,959
MISC.GENERAL FUND REVENUES	191,985
MISCELLANEOUS POLICE CHARGES	170,084
USE OF RESERVES	526,226
TOTAL REVENUES	\$ 4,978,315

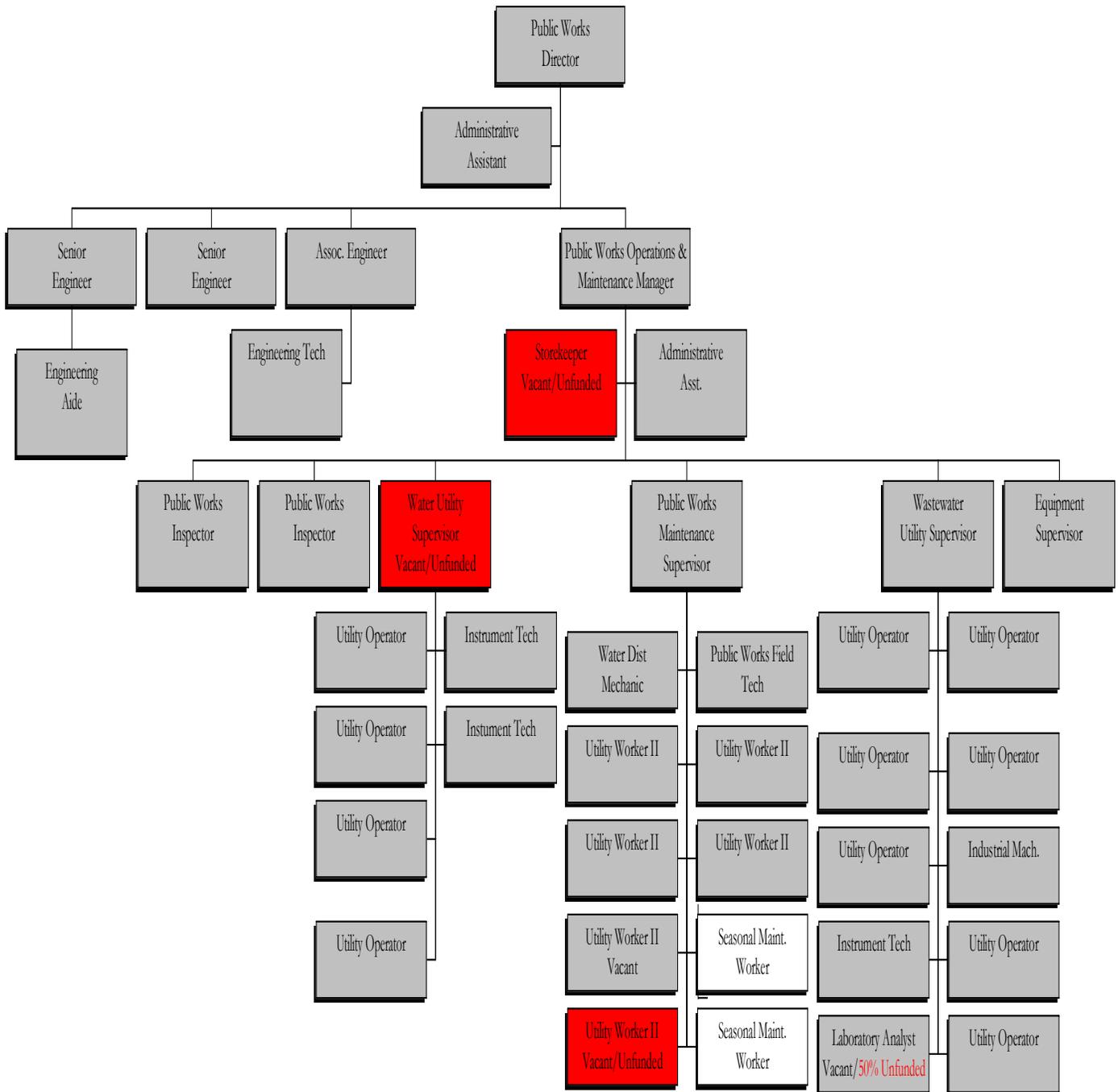
EXPENSES	ACTUAL 2005-2006	ADOPTED 2006-2007	BUDGET 2007-2008	DIFFERENCE FROM 2007-2008	% DIFFERENCE
WAGES & FRINGE BENEFITS	\$ 3,369,082	\$ 3,718,656	\$ 3,976,038	\$ 257,382	7%
OVERTIME	220,335	200,000	206,500	6,500	3%
CONTRACTED SERVICES	113,578	118,450	104,850	(13,600)	-11%
UNIFORM ALLOWANCE	21,047	20,950	21,424	474	2%
RENTALS	70	400	400	-	0%
SERVICE FEES	339,489	262,141	400,504	138,363	53%
REPLACEMENT FEES	147,642	72,558	150,299	77,741	107%
TELECOMMUNICATION SERVICE	18,583	19,350	21,050	1,700	9%
ADVERTISING & PUBLICATION	1,207	1,000	1,200	200	20%
PRINTING & BINDING	2,644	2,500	2,750	250	10%
TRAVEL EXPENSE	518	-	-	-	0%
SUPPLIES	73,649	66,300	66,300	-	0%
MEETINGS	1,140	1,275	3,350	2,075	163%
MEMBERSHIPS & DUES	1,315	1,500	1,300	(200)	-13%
TRAINING	16,488	23,300	22,350	(950)	-4%
CAPITAL ITEMS	99,170	-	-	-	0%
TOTAL OPERATING EXPENSES	\$ 4,425,957	\$ 4,508,380	\$ 4,978,315	\$ 469,935	10%

PUBLIC WORKS

Notes:

PUBLIC WORKS

Full Time - 40
Budget Reduction – 3.5
 Temp - 2
 Total – 38.5
 Full Time Equivalents – 36.5



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, the water utility including production, treatment, storage and distribution; the sewer utility including collection, pumping, treatment, and disposal/reclamation of treated effluent; storm drainage system, including design, construction and maintenance of storm water collection pipes and detention basins; development review for assurance of compliance to City standards and the internal service functions of central stores and fleet maintenance.

Engineering Division

The Engineering Division working under the authority of the Public Works Director/City Engineer consists of three engineers, two engineering technicians, and one administrative assistant. Primary responsibilities include implementing the City Water, Sewer, Drainage and Streets Capital Improvement Program (CIP), interaction and liaison on behalf of the City with outside regulatory and administrative agencies and review of land development projects. Additional responsibilities include developing and updating construction standard plans and specifications, construction inspection, issuance and administration of various permits, licenses and agreements, administration of local flood plain ordinance, management of the City's GIS and aerial photography system, traffic engineering and surveys, customer services related to public utilities, property development and public right-of-way issues.

Operation and Maintenance Division

The Public Works Operations and Maintenance (O&M) Division consists of 33 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 Maintenance section has nine full-time and two temporary employees who perform maintenance and repair of streets and roads including pavement repair, traffic signal maintenance, maintenance of all signs and pavement markings, graffiti abatement within the public right-of-way; maintenance, repair and replacement of the City's storm water drainage, sanitary sewer and water systems, weed abatement on City properties and maintenance of City buildings. The maintenance staff places an emphasis on transitioning to proactive preventative maintenance strategies. Specifically annual programs to clean the sewer collection system and flush the water system, traffic signal maintenance, hazardous sidewalk, abatement, corrosion control programs and the installation of a System Control And Data Acquisition (SCADA) computer monitoring system. Emergency repairs of broken water services continue to be a major problem for the maintenance crews, who replace approximately 125 failed services each year. For effectiveness and efficiency purposes, the Department augments its staff in these areas with external contractors for traffic stripe painting, finish paving, and concrete work.

The Water section has eight employees responsible for the City's water production, treatment, and storage systems. This group works seven days per week operating and maintaining the City's new Gauntlett/Fitch Treatment Facility, fifteen water production wells, chlorination, fluoridation, and other chemical treatment systems, seven storage reservoirs, the SCADA communication system and the Cross Connection Control Program. The Wastewater section is comprised of eleven employees. This section shares the responsibility with the maintenance section for the operation and maintenance of the sewer collection system and the City's ten sewer pump stations. Other primary responsibilities include operation and maintenance of the wastewater treatment plant and future reclamation system, water quality sampling and analysis, inspection of commercial and industrial dischargers to ensure compliance with the City's sewer ordinance and the Department's Public Education Program.

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.

MAJOR DEPARTMENTAL TASKS COMPLETED FISCAL YEAR 2006-2007

- ☑ Designed the new wastewater treatment plant, awarded the contract and began construction in August 2006
- ☑ Adopted a new ordinance for Urban Stormwater Quality Management and Discharge Controls
- ☑ Installed new sidewalk along Matheson between Greens Drive and Almond Way using CDBG funding
- ☑ Completed Center Street overlay project
- ☑ Completed Phase II of the Foss Creek Pathway Project
- ☑ Completed SCADA system upgrades including wireless communications to all water and wastewater satellite pump stations
- ☑ Completed Magnolia Sewer Lift Station upgrade project
- ☑ Made significant progress completing the replacement of failed water services in Area "A" and accepting the 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
- ☑ Adopted an updated Urban Water Management Plan
- ☑ Completed construction of the final segment of Rosewood Drive connecting the Parkland Hills Development to Healdsburg Estates subdivision (vicinity of Paul Wittke Drive).

MAJOR DEPARTMENTAL GOALS FOR FISCAL YEAR 2007-2008

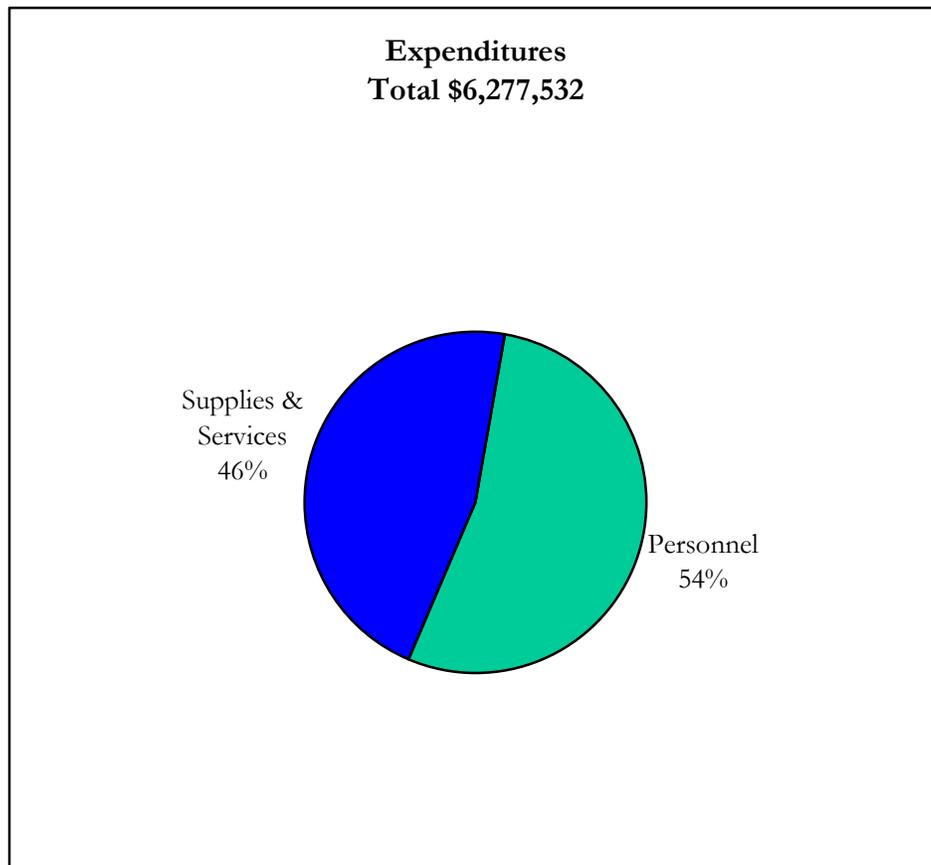
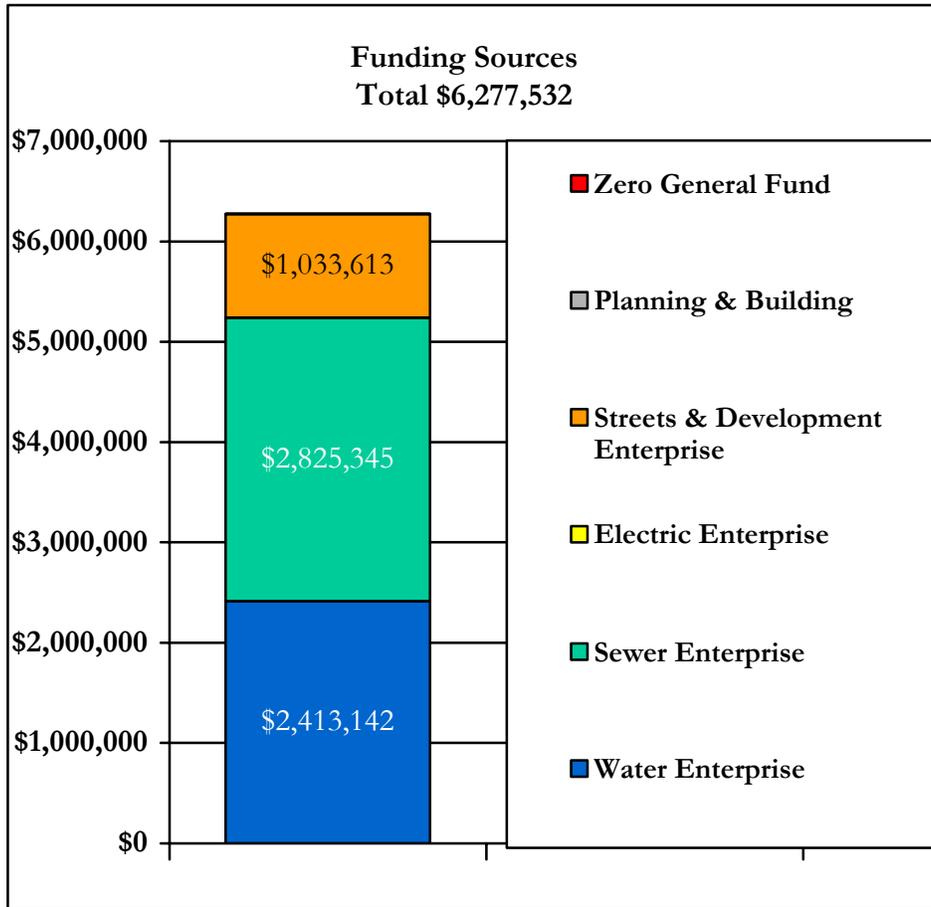
- ◆ Complete construction and start-up of the City's new advanced wastewater treatment plant
- ◆ Work with State Transportation and Federal Highway officials to begin process for the Healdsburg Avenue-Russian River Bridge reconstruction
- ◆ Complete the Foss Creek flood plain study and submit an application to FEMA to reduce flood insurance premiums paid by property owners
- ◆ Approve the master final map and public improvement plans for Saggio Hills Development
- ◆ Secure grant or low-interest loan funding for the new reclaimed water irrigation system
- ◆ Develop and implement procedures to comply with the City's new Phase II Stormwater NPDES permit
- ◆ Acquire funding for rehabilitation of Matheson Street between Center and Second Streets
- ◆ Update the Pavement Management System for the City's arterial and collector street system
- ◆ Complete comprehensive plan for future phases of the Foss Creek Pathway
- ◆ Update aerial mapping of the City's GIS system

FUTURE OBJECTIVES

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

- Provide the City's GIS and automated mapping system service to the public through the Internet
- 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 plan for installation of storm drainage systems for South Healdsburg Avenue (Ward to Front Streets) and Piper Street (College to Fitch Street)
- Replace the Sunset and Cadoul water tanks with a single, modern tank
- Investigate and pursue opportunities to fund and construct CIP projects

PUBLIC WORKS



PUBLIC WORKS

FUNDING SOURCES	FUNDING SOURCES 2007-2008
WATER ENTERPRISE	\$ 2,413,142
SEWER ENTERPRISE	2,825,345
ELECTRIC ENTERPRISE	2,716
PLANNING & BUILDING ENTERPRISE	2,716
STREETS & DEVELOPMENT ENTERPRISE	1,033,613
CAPITAL PROJECTS	3,181,000
TOTAL REVENUES	\$ 9,458,532

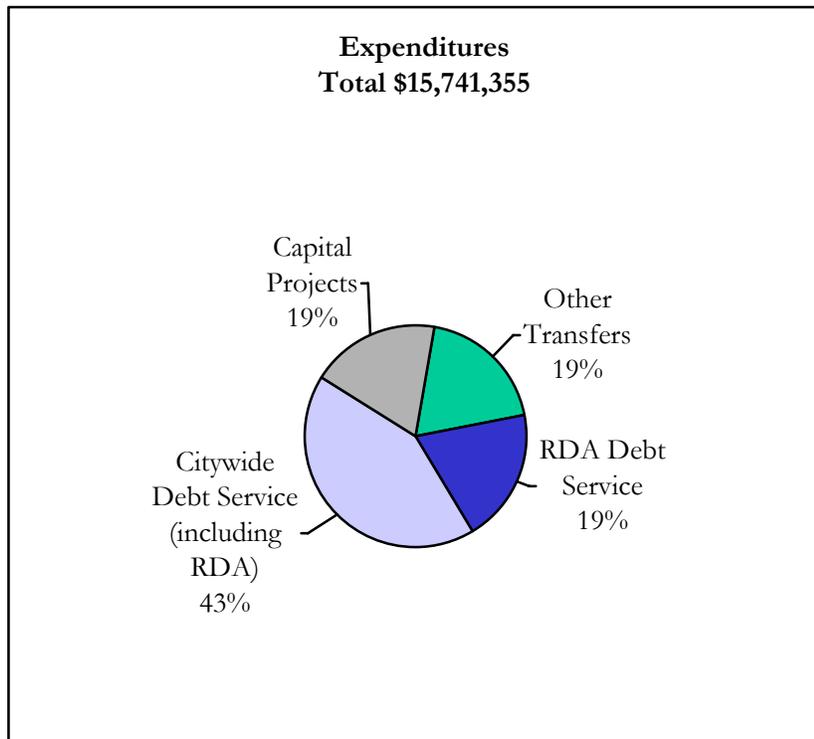
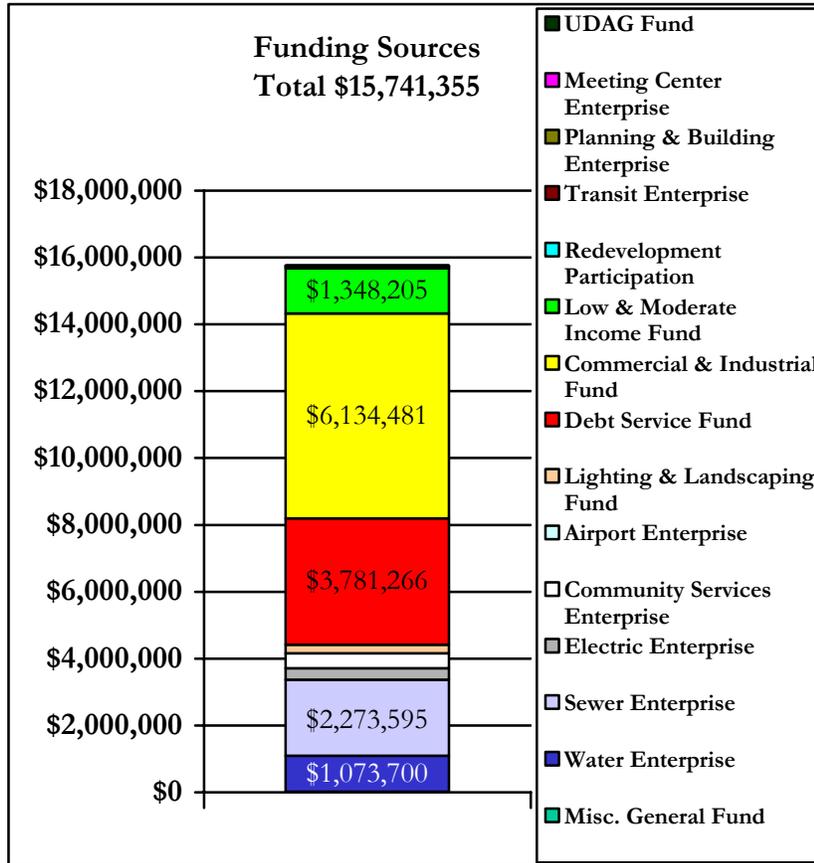
EXPENSES	ACTUAL 2005-2006	ADOPTED 2006-2007	BUDGET 2007-2008	DIFFERENCE FROM 2006-2007	% DIFFERENCE
WAGES & FRINGE BENEFITS	\$ 2,386,175	\$ 3,007,800	\$ 3,205,657	\$ 197,857	7%
OVERTIME & STAND BY	220,458	200,000	167,130	(32,870)	-16%
CONTRACTED SERVICES	254,627	277,200	315,560	38,360	14%
GOVERNMENT FEES	36,671	82,300	78,000	(4,300)	-5%
EMPLOYMENT SERVICES	9,017	-	-	-	0%
PROPERTY SERVICES	321,236	389,693	431,615	41,922	11%
ADDITIONAL PAY	9,027	9,000	9,000	-	0%
UNIFORM ALLOWANCE	21,859	20,900	20,450	(450)	-2%
RENTALS	26,859	15,550	16,900	1,350	9%
SERVICE FEES	447,771	481,255	591,623	110,368	23%
REPLACEMENT FEES	165,740	340,708	405,079	64,371	19%
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	53,259	47,704	20,682	(27,022)	-57%
ADVERTISING & PUBLICATION	7,048	3,250	7,600	4,350	134%
PRINTING & BINDING	3,193	950	2,100	1,150	121%
TRAVEL EXPENSE	-	250	250	-	0%
SUPPLIES	435,332	438,875	467,071	28,196	6%
MEETINGS	1,934	2,270	2,075	(195)	-9%
MEMBERSHIPS & DUES	36,233	45,750	42,600	(3,150)	-7%
TRAINING	19,231	22,650	16,080	(6,570)	-29%
OTHER EMPLOYEE EXPENSES	5,926	-	-	-	100%
EDUCATIONAL REIMBURSEMENT	-	9,000	8,000	(1,000)	-11%
CAPITAL ITEMS	1,302	10,000	15,000	5,000	50%
LOSS IN DISPOSAL	4,623	-	-	-	0%
SHORT/OVER	-	-	-	-	0%
TOTAL OPERATING EXPENSE	\$ 4,922,581	\$ 5,860,165	\$ 6,277,532	\$ 417,367	7%
CAPITAL PROJECTS		1,665,750	3,181,000		
GRAND TOTAL EXPENSES		\$ 7,525,915	\$ 9,458,532		

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, County pass through to State/ERAF shifts and capital projects.



NON DEPARTMENTAL

FUNDING SOURCES	FUNDING SOURCES 2007-2008
MISC.GENERAL FUND REVENUES	\$ 23,146
WATER ENTERPRISE	1,073,700
SEWER ENTERPRISE	2,273,595
ELECTRIC ENTERPRISE	343,570
COMMUNITY SERVICES ENTERPRISE	444,317
TRANSIT ENTERPRISE	2,935
PLANNING & BUILDING ENTERPRISE	25,250
AIRPORT ENTERPRISE	-
MEETING CENTER ENTERPRISE	-
SCHOOL SERVICE ENTERPRISE	-
LIGHTING & LANDSCAPING FUND	235,725
SERVICE FUND	-
STREET & DEVELOPMENT ENTERPRISE	965
DEBT SERVICE FUND	3,781,266
UDAG FUND	4,200
COMMERCIAL & INDUSTRIAL FUND	6,134,481
LOW & MODERATE INCOME FUND	1,348,205
REDEVELOPMENT PARTICIPATION FUND	50,000
TOTAL REVENUES	\$ 15,741,355

EXPENSES	ACTUAL 2005-2006	ADOPTED 2006-2007	BUDGET 2007-2008	DIFFERENCE FROM 2006-2007	% DIFFERENCE
TRANSFERS:					
RDA DEBT SERVICE	\$ 3,112,073	\$ 3,072,195	\$ 3,060,930	\$ (11,265)	0%
CITY WIDE DEBT SERVICE INTEREST & FEES	3,337,030	5,161,295	4,698,941	(462,354)	-9%
CITY WIDE DEBT SERVICE PRINCIPAL	1,430,000	2,036,708	1,995,000	(41,708)	-2%
ENTERPRISE FUNDS	23,729	59,111	54,535	(4,576)	-8%
COMMUNITY BENEFIT TRUST FUND	50,000	50,000	50,000	-	0%
CAPITAL PROJECTS	13,953,163	1,258,900	2,961,882	1,702,982	135%
COUNTY PASS THROUGH TO STATE/ERAF SHIFTS	2,027,818	2,027,818	2,482,706	454,888	22%
PROPERTY TAX	286	3,500	-	(3,500)	-100%
TAX COLLECTION FEES	105,625	121,822	130,000	8,178	7%
CONTRACTED SERVICES	527,667	71,000	99,861	28,861	41%
SUPPORT OF OUTSIDE ORGANIZATIONS	-	75,000	150,000	75,000	100%
SERVICE FUNDS	395,523	15,000	15,000	-	0%
AMORTIZATION WATER & SEWER	-	18,500	18,500	-	0%
RENTALS	-	20,000	20,000	-	0%
SUPPLIES	-	4,000	4,000	-	0%
TOTAL OPERATING EXPENSES	\$ 24,962,914	\$ 13,994,849	\$ 15,741,355	\$ 1,746,506	12%

NON-DEPARTMENTAL

Notes:

CITY OF HEALDSBURG

Redevelopment Agency

2007-2008 Work Plan and Proposed Budget

Board Members

Gary Plass, Chair

Lisa Wittke Schaffner, Vice-Chair

Mike McGuire

Eric Ziedrich

James Wood

Executive Director

Chet J. Wystepek

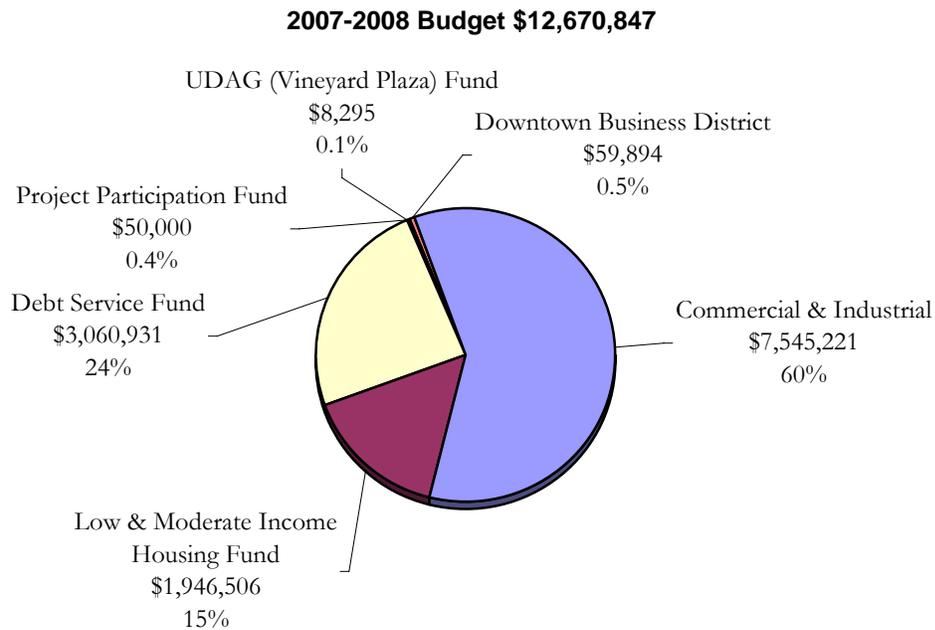
Notes:

REDEVELOPMENT AGENCY WORK PROGRAM AND BUDGET SUMMARY

The Redevelopment Agency (Agency) 2007-2008 Work Plan and Proposed Budget is outlined in the following sections of this document. The proposed 2007-2008 budget for the Agency is \$12,670,847. The work program is consistent with the 5-Year Implementation Plan that was adopted in November 2004.

Budget

The \$12,670,847 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%, of the Agency budget is in the Commercial and Industrial Fund. The \$7,545,221 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 24% of the Agency budget. The \$3,060,931 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 15% of the Agency budget. The \$1,946,506 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.

The UDAG (Vineyard Plaza) Fund is less than 1% of the Agency budget. The \$8,295 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 \$59,894 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 \$1,611,000 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 2007-2008 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 2007-2008 projects.

FUNDING FOR PROGRAMS

The proposed budget includes \$2,337,091 of funding for programs. Funding in the Commercial and Industrial Fund for programs is \$1,704,740 and program funding in the Low and Moderate Income Housing Fund is \$632,351. The programs funded include:

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

AGENCY ACCOMPLISHMENTS DURING FISCAL YEAR 2006-2007

The Agency successfully completed and funded a number of projects and programs in the 2006-2007 year. These included:

- Solicited potential developer for 20 West Grant Street for low to moderate affordable housing
- Continued the successful Neighborhood Improvement Program
- Completed informal neighborhood planning and design for additional affordable housing units at 308 East Street
- 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 2007-2008

- ◆ Prepare and design construction plans for downtown parking lot creek restoration and possible shade structure with historic false front on Purity Chemical site
- ◆ Plan for construction of next Foss Creek Pathway, including completion of downtown segment and release of overall design plan
- ◆ Plan for upgrade to the Railroad Depot project, addressing 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
- ◆ Enter into a development agreement with developer for the construction of 60 affordable family apartments at 20 West Grant Street
- ◆ Develop moderate income housing at 320/328 East Street property if determined to be feasible
- ◆ Explore feasibility of firefighter housing at 627 Healdsburg Avenue
- ◆ Construct 308 East Street, transitional housing
- ◆ Continue the Fire Sprinkler Retrofit Program
- ◆ Complete a downtown area parking study
- ◆ Expand downtown streetscape where appropriate

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 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 short fall 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

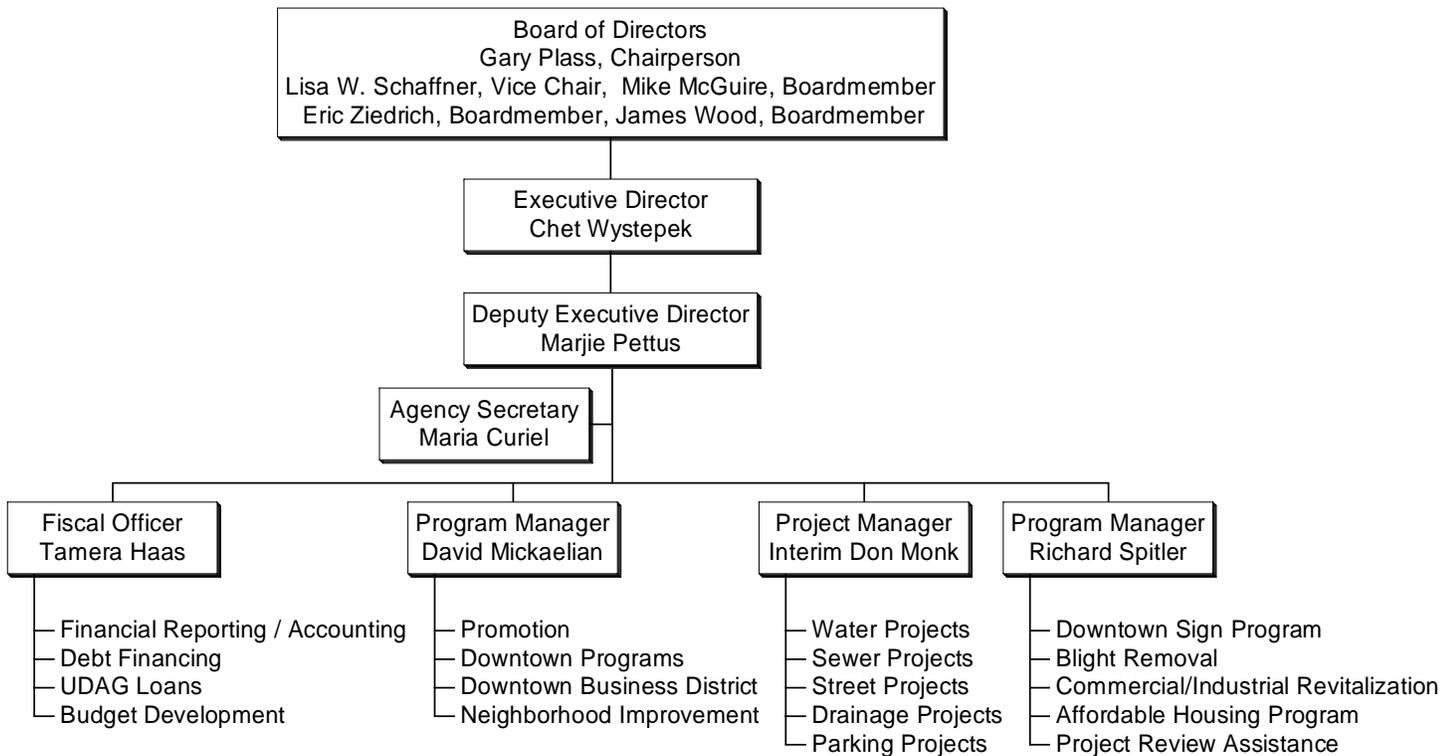
AB 1290 requires a detailed statement of blighting influences reflected in the Sotoyome Community Development Plan adopted in June of 1981, as well as subsequent efforts to mitigate such blighting influences. The blighting influences were updated in 2001 as a result of a Plan Amendment process.

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.

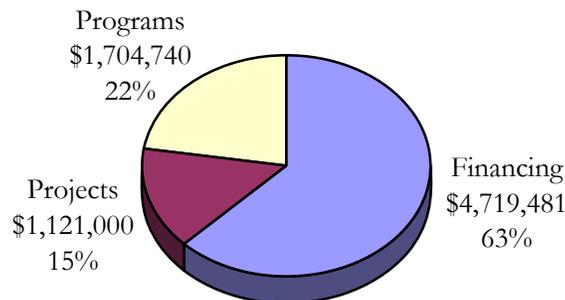
Budget Trends and Changes:

1. Prepare and design construction plans for downtown parking lot 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 with historic false front on 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 2007- 2008 Budget \$7,545,221



Commercial & Industrial

Revenue & Expense Statement

	Actual 2005-2006	Adopted 2006-2007	Budget 2007-2008	Difference from 2006-2007	% Diff
Budgeted Fund Balance	\$ 19,362,258	\$ 18,237,419	\$ 18,237,418		
Revenues					
Increment	\$ 5,940,711	\$ 5,802,211	\$ 6,566,500	\$ 764,289	13.17%
Interest Income	111,493	26,000	100,000	74,000	284.62%
2002 TAB A	-	685,695	201,000	(484,695)	-70.69%
2003 TAB A	-	50,000	677,721	627,721	0.00%
2002 TAB B-USDA	-	-	-	-	0.00%
Donations	-	-	-	-	0.00%
Total Revenues	<u>\$ 6,052,204</u>	<u>\$ 6,563,906</u>	<u>\$ 7,545,221</u>	<u>\$ 981,315</u>	<u>14.95%</u>
Financing					
Pass Thru To County	\$ 1,650,135	\$ 1,650,135	\$ 1,963,936	\$ 313,801	19.02%
Tier One Pass Through	377,683	377,683	518,770	141,087	37.36%
ERAF	473,900	-	-	-	0.00%
1995 TAB	254,430	255,069	253,758	(1,311)	-0.51%
2002 TAB A	914,026	916,056	915,204	(852)	-0.09%
2002 TAB B-USDA	126,950	117,769	120,988	3,219	2.73%
2003 TAB A	964,875	952,552	946,825	(5,727)	-0.60%
Total Financing	<u>\$ 4,761,999</u>	<u>\$ 4,269,264</u>	<u>\$ 4,719,481</u>	<u>\$ 450,217</u>	<u>10.55%</u>
Project Costs					
Water Projects	\$ -	\$ -	\$ -	\$ -	0.00%
Parking Projects	-	-	200,000	200,000	0.00%
Street Projects	686,145	176,000	201,000	25,000	14.20%
Entry Way Upgrade	-	-	-	-	0.00%
Drainage Projects	-	50,000	-	(50,000)	0.00%
Public Facilities	251,164	10,000	415,000	405,000	4050.00%
Other Projects	25,000	144,500	105,000	(39,500)	0.00%
Park Projects	-	330,000	200,000	(130,000)	0.00%
Project Total	<u>\$ 962,309</u>	<u>\$ 710,500</u>	<u>\$ 1,121,000</u>	<u>\$ 410,500</u>	<u>57.78%</u>
Program Costs					
Economic Development	\$ 514,958	\$ 726,350	\$ 794,319	\$ 67,969	9.36%
Promotion & Other Programs	334,290	376,219	417,614	41,395	11.00%
Admin. & Board Of Directors	343,238	364,762	368,807	4,045	1.11%
Tax Collection Fee	260,249	116,812	124,000	7,188	6.15%
Program Total	<u>\$ 1,452,735</u>	<u>\$ 1,584,143</u>	<u>\$ 1,704,740</u>	<u>\$ 120,597</u>	<u>7.61%</u>
Total Costs	<u>\$ 7,177,043</u>	<u>\$ 6,563,907</u>	<u>\$ 7,545,221</u>	<u>\$ 981,314</u>	<u>14.95%</u>
Ending Fund Balance	<u>\$ 18,237,419</u> (1)	<u>\$ 18,237,418</u>	<u>\$ 18,237,418</u>		

(1) Ending available balance

Notes:

SEWER PROJECTS

Implementation Plan:

Continue the support of sewer infrastructure to:

- ◆ Initiate planning to extend sewer services to the Old Redwood Highway area south of Memorial Beach
- ◆ 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 2007-2008

No new funding is proposed in this budget.

2007-2008 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 2007-2008

No new funding is proposed in this budget.

2007-2008 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 2007-2008:

Project funding totaling \$201,000 proposed for 2007- 2008 includes:

- ◆ Annual overlay - \$35,000
- ◆ Annual reconstruction - \$50,000
- ◆ Hazardous sidewalk replacement - \$116,000

2007-2008 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 2007-2008:

No new funding is proposed in this budget.

2007-2008 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 2007-2008:

Project funding totaling \$415,000 proposed for 2007-2008 includes:

- ◆ Underground Fire fuel tank replacement - \$10,000
- ◆ Purchase of private hangars - \$300,000
- ◆ Airport improvements, Phases III, IV, V and VI - \$95,000
- ◆ City Facilities Wireless Links - \$10,000

2007-2008 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 and construction of a Community Center

Project Funding 2007-2008:

Project funding totaling \$200,000 proposed for 2007-2008 includes:

- ◆ Villa Chanticleer building improvements - \$200,000

2007-2008 Work Program:

- ◆ Begin design phase for Villa Chanticleer building improvements



Villa Chanticleer

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 2007-2008:

Project funding totaling \$200,000 proposed for 2007-2008 includes:

- ◆ Purity parking lot development- \$200,000

2007-2008 Work Program:

- ◆ Expand West Plaza parking lot by 25 spaces adjacent railroad rights-of-way
- ◆ Continue efforts to use existing streets for conversion to diagonal parking
- ◆ Explore purchase of additional land for public parking lots downtown
- ◆ Complete a downtown area park study
- ◆ Continue development of Purity property for parking with creek enhancement and consideration of a parking shade structure with historic false front



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 2007-2008:

Project funding totaling \$50,000 proposed for 2007-2008 includes:

- ◆ Citywide streetscape - \$50,000

2007-2008 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

ENTRY WAY UPGRADE PROJECTS

Implementation Plan:

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

Project Funding 2007-2008:

No new funding is proposed in this budget.

2007-2008 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

Program funding for 2007-2008: \$794,319

2007-2008 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
- ◆ Continue project participation program to maximize opportunity whenever possible for retention of existing commercial enterprises

PROMOTION AND DOWNTOWN PROGRAM

Promotion Program

Continuation of ongoing promotional program that:

- ◆ Provide approximately \$25,000 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 2007-2008: \$417,614

2007-2008 Work Program:

- ◆ Promote downtown through advertising
- ◆ Continue financial & advertising partnership with Healdsburg lodging industry to promote Healdsburg
- ◆ Provide Lodging Promotion Services under 2 year agreement funding on a matching \$2 to \$1 basis up to \$150,000

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 2007-2008: \$368,807

2007-2008 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.

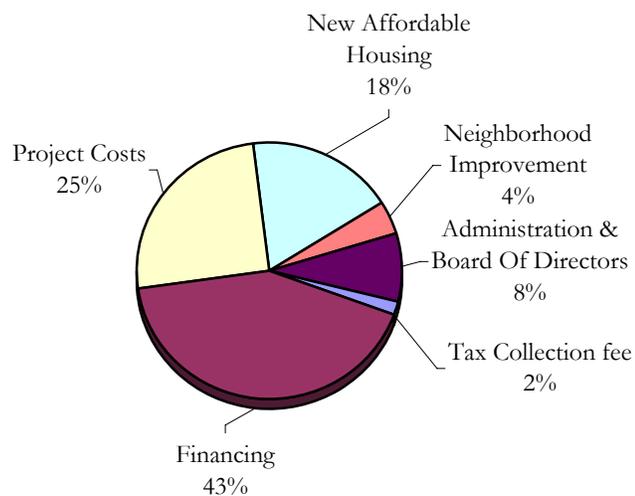
Budget Trends and Changes:

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

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. Enter in agreement with developer to provide 60 additional low and moderate-income rental units at 20 West Grant Street
4. Continue to implement Housing Element Programs
5. Develop moderate income housing 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

2007-2008 Budget \$1,946,506



Low & Moderate Income Housing Fund

Revenue & Expense Statement

	<u>Actual 2005-2006</u>	<u>Adopted 2006-2007</u>	<u>Budget 2007-2008</u>	<u>Difference from 2006-2007</u>	<u>% Diff</u>
Fund Balance	\$ 8,833,073	\$ 9,354,870	\$ 9,354,870		
Revenues					
Increment	\$ 1,485,178	\$ 1,472,016	\$ 1,641,120	\$ 169,104	11%
Interest Income	37,731	20,808	25,000	4,192	20%
Bond Proceeds	1,550,000	-	280,386	280,386	0%
Other Income	4,973	-	-	-	0%
Total Revenues	<u>\$ 3,077,882</u>	<u>\$ 1,492,824</u>	<u>\$ 1,946,506</u>	<u>\$ 453,682</u>	<u>30%</u>
Financing					
Transfer To Debt Service Fund	<u>\$ 835,966</u>	<u>\$ 830,750</u>	<u>\$ 824,155</u>	<u>\$ (6,595)</u>	<u>-1%</u>
Total Financing	<u>\$ 835,966</u>	<u>\$ 830,750</u>	<u>\$ 824,155</u>	<u>\$ (6,595)</u>	<u>-1%</u>
Project Costs					
Affordable Housing Project	\$ -	\$ -	\$ 100,000	\$ 100,000	0%
Site Acquisition	1,550,000	-	-	-	0%
Other Projects	-	25,000	390,000	365,000	1460%
Total Project Costs	<u>\$ 1,550,000</u>	<u>\$ 25,000</u>	<u>\$ 490,000</u>	<u>\$ 465,000</u>	<u>1860%</u>
Program Costs					
New Affordable Housing	\$ 186,813	\$ 362,335	\$ 352,799	\$ (9,536)	-3%
Neighborhood Improvement	60,626	73,907	80,540	6,633	9%
Administration & Board Of Directors	87,732	168,244	164,962	(3,282)	-2%
Tax Collection Fee	21,125	32,588	34,050	1,462	4%
Total Program Costs	<u>\$ 356,296</u>	<u>\$ 637,074</u>	<u>\$ 632,351</u>	<u>\$ (4,723)</u>	<u>-1%</u>
Total Costs	<u>\$ 2,742,262</u>	<u>\$ 1,492,824</u>	<u>\$ 1,946,506</u>	<u>\$ 453,682</u>	<u>30%</u>
Ending Fund Balance	<u>\$ 9,354,870</u>	<u>\$ 9,354,870</u>	<u>\$ 9,354,870</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 2007-2008: \$352,799

2007-2008 Work Plan:

- ◆ Develop the Agency ground 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
- ◆ Design and construction of family rental housing at 20 West Grant Street
- ◆ Develop moderate income housing 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 2007-2008 - \$80,540

2007-2008 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 2007-2008: \$164,962

2007-2008 Work Program:

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

TAX COLLECTION FEE

The Agency must pay the County for property tax collection services as provided for under State law. The estimated cost in 2007-2008 is \$34,050 for the housing fund collection.

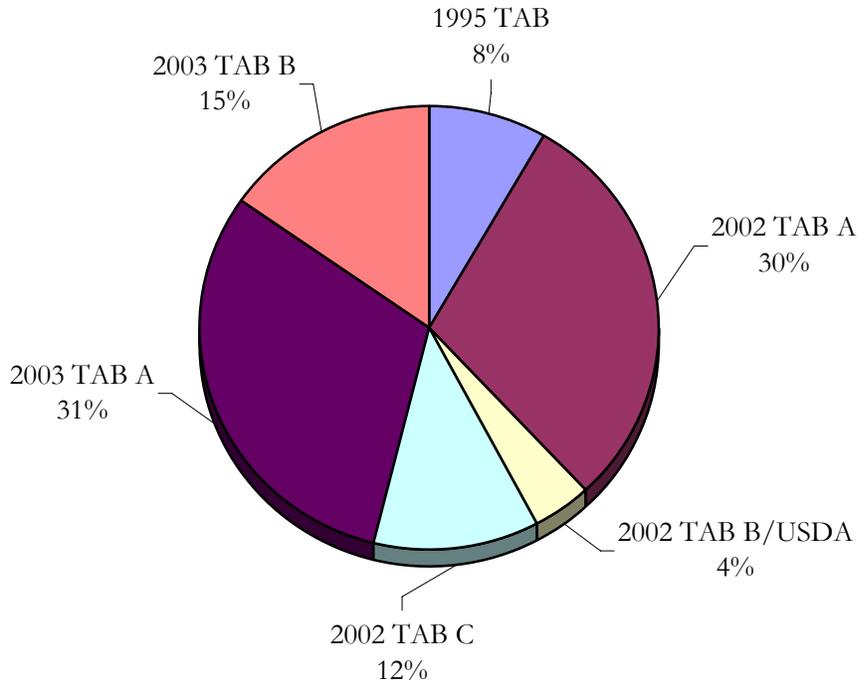
DEBT SERVICE

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

2007-2008 Budget \$3,060,931



DEBT SERVICE FUND

Revenue & Expense Statement

	Actual 2005-2006	Adopted 2006-2007	Budget 2007-2008	Difference from 2006-2007	% Diff
Fund Balance	\$ 3,127,524	\$ 3,168,004	\$ 3,198,004		
Revenues					
Transfers In:					
1995 TAB	\$ 254,436	\$ 255,069	\$ 253,758	\$ (1,311)	-1%
2002 TAB A	917,581	916,056	915,204	(852)	0%
2002 TAB B/USDA	124,550	117,769	120,988	3,219	3%
2002 TAB C	369,348	360,008	359,573	(435)	0%
2003 TAB A	965,242	952,552	946,825	(5,727)	-1%
2003 TAB B	469,034	470,743	464,583	(6,160)	-1%
Interest Income	40,480	30,000	30,000	-	0%
Total Revenues	<u>\$ 3,140,671</u>	<u>\$ 3,102,197</u>	<u>\$ 3,090,931</u>	<u>\$ (11,266)</u>	<u>0%</u>
Debt Service Expense					
1995 TAB	\$ 254,436	\$ 255,069	\$ 253,758	\$ (1,311)	-1%
2002 TAB A	917,581	916,056	915,204	(852)	0%
2002 TAB B/USDA	124,550	117,769	120,988	3,219	3%
2002 TAB C	369,348	360,008	359,573	(435)	0%
2003 TAB A	965,242	952,552	946,825	(5,727)	-1%
2003 TAB B	469,034	470,743	464,583	(6,160)	-1%
Total Expenses	<u>\$ 3,100,191</u>	<u>\$ 3,072,197</u>	<u>\$ 3,060,931</u>	<u>\$ (11,266)</u>	<u>0%</u>
Ending Fund Balance	<u>\$ 3,168,004</u>	<u>\$ 3,198,004</u>	<u>\$ 3,228,004</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</u> <u>2005-2006</u>	<u>Adopted</u> <u>2006-2007</u>	<u>Budget</u> <u>2007-2008</u>	<u>Difference</u> <u>from</u> <u>2006-2007</u>	<u>%</u> <u>Diff</u>
Revenues					
Developer Loan Interest Payments	\$ 37,566	\$ 60,000	\$ 45,000	\$ (15,000)	-25%
Other Interest Income	106,168	52,000	90,000	38,000	73%
Total Revenues	<u>\$ 143,734</u>	<u>\$ 112,000</u>	<u>\$ 135,000</u>	<u>\$ 23,000</u>	<u>21%</u>
Financing					
Economic Development Loans	\$ -	\$ -	\$ -	\$ -	0%
Other	7,416	3,723	8,295	4,572	123%
Total Financing	<u>\$ 7,416</u>	<u>\$ 3,723</u>	<u>\$ 8,295</u>	<u>\$ 4,572</u>	<u>123%</u>
Reserved for future use	136,318	108,277	126,705		
Resulting Gain (Loss)	<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, Alliance Medical Clinic and Purity Chemical. 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 2005-2006</u>	<u>Adopted 2006-2007</u>	<u>Budget 2007-2008</u>	<u>Difference from 2006-2007</u>	<u>% Diff</u>
Fund Balance	\$ 599,789	\$ 971,400	\$ 1,301,400		
Revenues					
Rental Income	\$ 422,178	\$ 380,000	\$ 397,000	\$ 17,000	4%
Housing Bonds	-	-	-	-	0%
Total Revenues	<u>\$ 422,178</u>	<u>\$ 380,000</u>	<u>\$ 397,000</u>	<u>\$ 17,000</u>	<u>4%</u>
Project Costs					
Other	<u>\$ 50,567</u>	<u>\$ 50,000</u>	<u>\$ 50,000</u>	<u>\$ -</u>	<u>0%</u>
Total Project Costs	<u>\$ 50,567</u>	<u>\$ 50,000</u>	<u>\$ 50,000</u>	<u>\$ -</u>	<u>0%</u>
Ending Fund Balance	<u><u>\$ 971,400</u></u>	<u><u>\$ 1,301,400</u></u>	<u><u>\$ 1,648,400</u></u>		

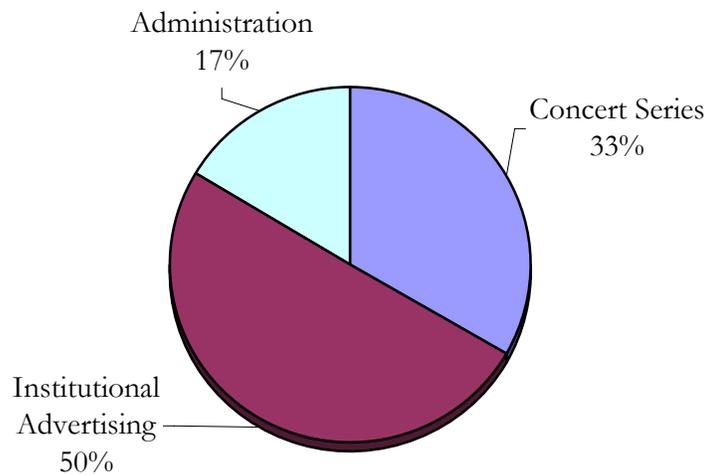
DOWNTOWN BUSINESS DISTRICT

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.

2007-2008 Budget \$59,894



Downtown Business District

Revenue & Expense Statement

	<u>Actual 2005-2006</u>	<u>Adopted 2006-2007</u>	<u>Budget 2007-2008</u>	<u>Difference from 2006-2007</u>	<u>% Diff</u>
Fund Balance	\$ 21,475	\$ 19,859	\$ 16,913		
Revenues					
Downtown Business District Assessments	\$ 32,034	\$ 29,000	\$ 32,000	\$ 3,000	10%
Contribution From RDA	25,000	25,000	25,000	-	0%
Interest Income / Other	3,453	3,175	3,275	100	3%
Total Revenues	<u>\$ 60,487</u>	<u>\$ 57,175</u>	<u>\$ 60,275</u>	<u>\$ 3,100</u>	<u>5%</u>
Expenses					
Concert Series	\$ 21,739	\$ 20,000	\$ 20,000	\$ -	0%
Beautification	-	-	-	-	0%
Institutional Advertising	30,000	30,000	30,000	-	0%
Administration	10,359	10,121	9,894	(227)	-2%
Non-Departmental	5	-	-	-	0%
Total Expenses	<u>\$ 62,103</u>	<u>\$ 60,121</u>	<u>\$ 59,894</u>	<u>\$ (227)</u>	<u>0%</u>
Ending Fund Balance	<u><u>\$ 19,859</u></u>	<u><u>\$ 16,913</u></u>	<u><u>\$ 17,294</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, 2008

Appropriations limit for fiscal year ended June 30, 2007		\$18,949,834
Adjustment factors for the fiscal year ending June 30, 2008:		
Inflation	1.0442	
Factor		
Population Factor	<u>1.0075</u>	
Combined Factor		x <u>1.0520</u>
Appropriations limit for fiscal year ending June 30, 2008		\$19,935,225
Appropriation from the proceeds of taxes		\$11,339,726

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 2007-2008 are 57% of the appropriation limit.