

City of Healdsburg



Memorial Bridge

Operating Budget

Fiscal Year 2004-2005

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CITY OF HEALDSBURG ADMINISTRATION

401 Grove Street
Healdsburg, CA 95448-4723

Phone: (707) 431-3317
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Budget Adoption

On June 7, 2004, the City Council adopted Resolution 60-2004, which approved the 2004-2005 proposed Operating, Service and Debt, and Capital Budgets totaling \$50,101,805. This budget, as amended, restores Police and Fire budgets by \$268,037 using one-time revenue sources. The anticipated one-time revenue sources to be used are:

- \$140,000 in Indian Gaming Grants,
- \$300,000 in proceeds from the sale of 210 Second Street,
- Recession reserves.

The Council is determined to identify permanent revenue sources to provide Police and Fire with the needed budget funding levels for on-going services.

In addition to adopting the 2004-2005 Operating, Debt and Capital Budgets, the City is required by Article XIII B of the State Constitution, known as Proposition 4 that establishes a formula limiting the expenditure of the "proceeds of taxes". Each year certain factors are applied to the 1978-79 base year, such as inflation and population growth, in order to determine the current year appropriations limit. This limit primarily applies to the General Fund and for the fiscal year ending June 30, 2005 is \$17,109,430. The proposed 2004-2005 budget includes \$7,502,628 of expenditures subject to this appropriations limit, which is \$9,606,802 under the appropriations limit.

Further, on June 7, 2004 the City Council adopted Resolution 6-2004 for the Redevelopment Agency. The Council approved the 2004-2005 Work Program and Budget totaling \$11,314,041.

CITY OF HEALDSBURG

RESOLUTION NO. 60-2004

A RESOLUTION OF THE CITY COUNCIL OF THE CITY HEALDSBURG: (a) ADOPTING THE RECOMMENDED 2004-2005 OPERATING, SERVICE AND DEBT, 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 Community Redevelopment Agency budgets in study sessions held on May 26 and June 2, 2004 and,

WHEREAS, the City Council has reviewed the proposed 2004-2005 Capital Improvement Program in a study session on May 26, 2004; and

WHEREAS, the Planning Commission in a meeting held on May 11, 2004 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;

THEREFORE BE IT RESOLVED that the City Council hereby finds that the 2004-2005 Operating, Service & Debt, and Capital Budget falls within the CEQA Categorical Exemption #15301.

BE IT FURTHER RESOLVED, that the City Council approves the 2004-2005 proposed Operating, Service and Debt, and Capital Budget totaling \$50,101,805 as summarized on Attachment "A" and a carry-over of unspent capital budget project appropriations from 2003-2004. A complete copy of the FY 2004-2005 Budget is on file in the City Clerk's Office.

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

BE IT FURTHER RESOLVED, that the City Council approves the 2004-2005 appropriation limit as required by Article XIII B of the State Constitution as shown on Attachment B.

DATED: June 7, 2004

VOTE upon the foregoing resolution was as follows:

AYES: Councilmembers: (5) Gleason, Gold, Liles, Mitchell and Mayor Schaffner

NOES: Councilmembers: (0) None

ABSENT: Councilmembers: (0) None

ABSTAINING: Councilmembers: (0) None

SO ORDERED:

ATTEST:

/S/ LISA W. SCHAFFNER
Lisa W. Schaffner, Mayor

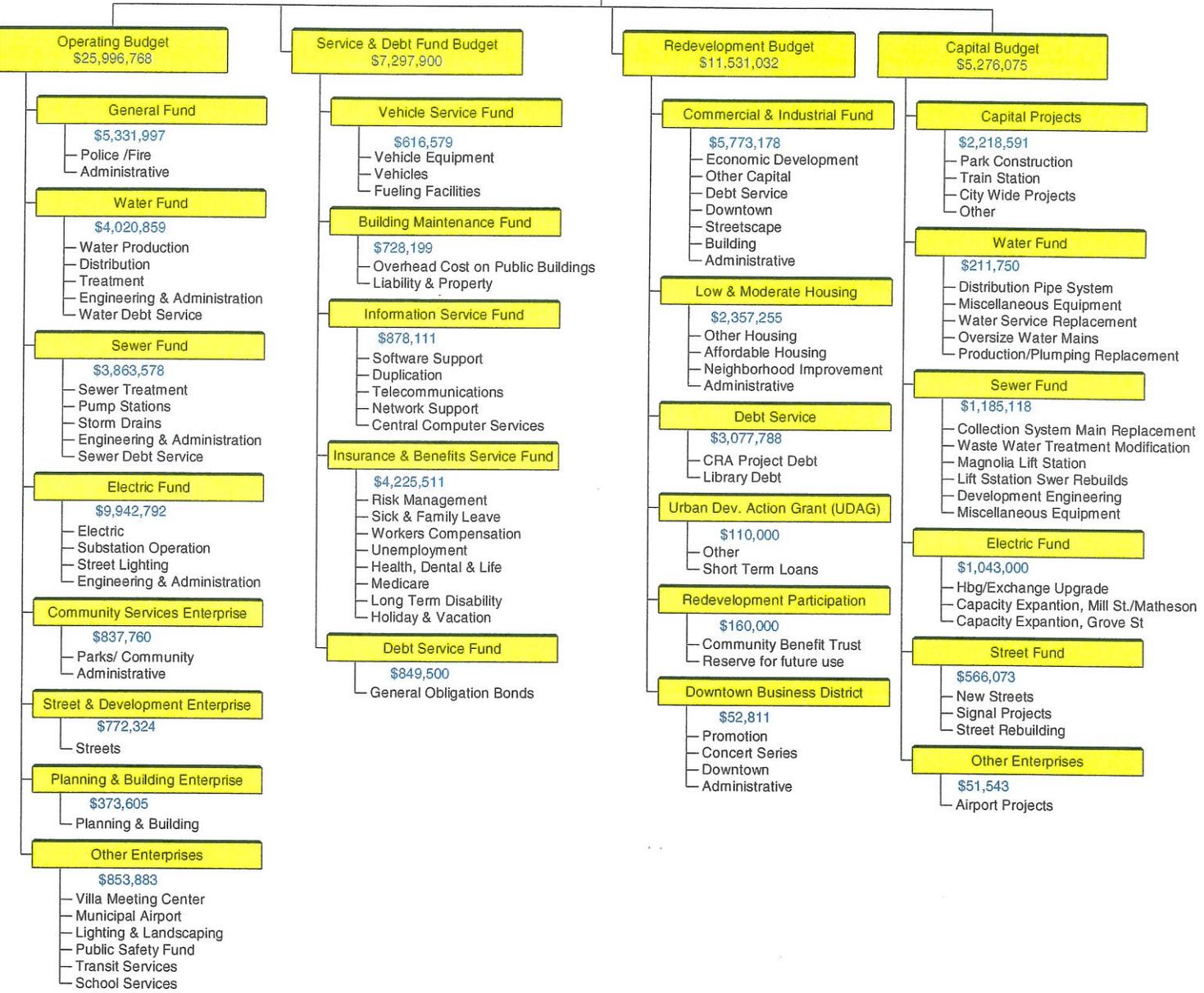
/S/ MARIA CURIEL
Maria Curiel, City Clerk

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 7th day of June, 2004.



Total City Spending Budget for Fiscal Year 2004-2005

City of Healdsburg
(A Municipal Corporation)
\$50,101,805



APPROPRIATION LIMIT WORKSHEET

For the year ending June 30, 2005

Appropriations limit for fiscal year ended
June 30, 2004 \$16,421,374

Adjustment factors for the fiscal year
ending June 30, 2005:

Inflation 1.0328
Factor

Population Factor 1.0088

Combined Factor x 1.0419

Appropriations limit for fiscal year ending
June 30, 2005 \$17,109,430

Appropriation from the
proceeds of taxes \$7,502,628

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 are usually below fifty percent of the limit. In 2004-2005 it is 44% of the appropriation limit.

REDEVELOPMENT AGENCY OF THE CITY OF HEALDSBURG

RESOLUTION NO. 6-2004

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE REDEVELOPMENT AGENCY OF THE CITY OF HEALDSBURG FINDING THE 2004-2005 ANNUAL WORK PROGRAM CONSISTENT WITH THE ADOPTED 5-YEAR IMPLEMENTATION PROGRAM AND PROJECT AREA PLAN AND ADOPTING THE 2004-2005 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 December 1999 as amended in December 2002, and with the Project Area Plan; and

BE IT FURTHER RESOLVED that the Agency approves: the 2004-2005 Work Program and Budget totaling \$11,314,041 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 Community Development and State Controller as required by State Law.

DATED: June 7, 2004

VOTE upon the foregoing resolution was as follows:

AYES: Directors: (5) Gleason, Gold, Liles, Mitchell and Chairperson Schaffner

NOES: Directors: (0) None

ABSENT: Directors: (0) None

ABSTAINING: Directors: (0) None

SO ORDERED:

ATTEST:

/S/ LISA W. SCHAFFNER
Lisa W. Schaffner, 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 7th day of June, 2004.



City of Healdsburg 2004-2005 Budget Adoption

- City Council, at Study Sessions held on May 26 and June 2, 2004, reviewed the proposed 2004-2005 Budget.
- Resolution has been prepared to adopt the proposed 2004-2005 Budget.
- CRA Board will also need to adopt the CRA portion of the budget in a separate action.
- State has not solved the \$17 billion shortfall and take-aways are still possible
- As discussed in the budget sessions the Council took action to restore Police and Fire budgets using one time revenue sources:

- **Police**

2 Officer Positions	\$186,136
Service Contract	\$ 12,000
Supplies & Printing	\$ 2,000
Training	\$ 10,000
Reduce Overtime	<u>\$ (42,000)</u>

- Total Police request \$ 168,136

- **Fire**

Fire Engineer	\$ 94,901
Training	<u>\$ 5,000</u>

- Total Fire request \$ 99,901

- **Total Police & Fire \$268,037**

Potential One-Time Revenue Sources:

- Indian Gaming Revenues \$140,612
 - Police \$110,000
 - Fire \$ 30,612
 - Proceeds from sale of 210 Second Street +/- \$300,000
 - Use of recession reserves \$1.4 million
-
- Governor's January proposal is reducing Redevelopment Agency property tax revenues by \$280,725.
 - Governor's May revise proposal includes additional reduction to property tax of \$184,074, for a total ERAF shift of \$464,772. Addition ERAF shift to be funded by Bond proceeds.
 - Revenues continuing to be at risk include:
 - Motor Vehicle License Fees
 - Property Taxes
 - Supplemental law enforcement fund
 - Additional Redevelopment
 - 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, 2005 is \$17,109,430.

- The proposed 2004-2005 budget including operating, debt service, capital and CRA funds, is \$50,101,805.

- Consider a resolution that:
 - Adopts the fiscal year 2004-2005 proposed Operating, Debt Service, Capital and CRA 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.

- Consider motion on use of recession reserve

POSITIONS ADDED BACK TO BUDGET

<u>Position</u>	<u>Budget</u>
Fire Engineer	\$94,901
2 Police Officer	<u>\$186,136</u>
Total	\$281,037

CITY OF HEALDSBURG
Fiscal Year 2004-2005 Budget

CITY COUNCIL

Lisa Wittke Schaffner, Mayor

Jason Liles, Vice-Mayor

Leah Gold

Mark Gleason

Kent Mitchell

CITY MANAGER

Chet J. Wystepek

CITY OF HEALDSBURG

Commissions and Staff

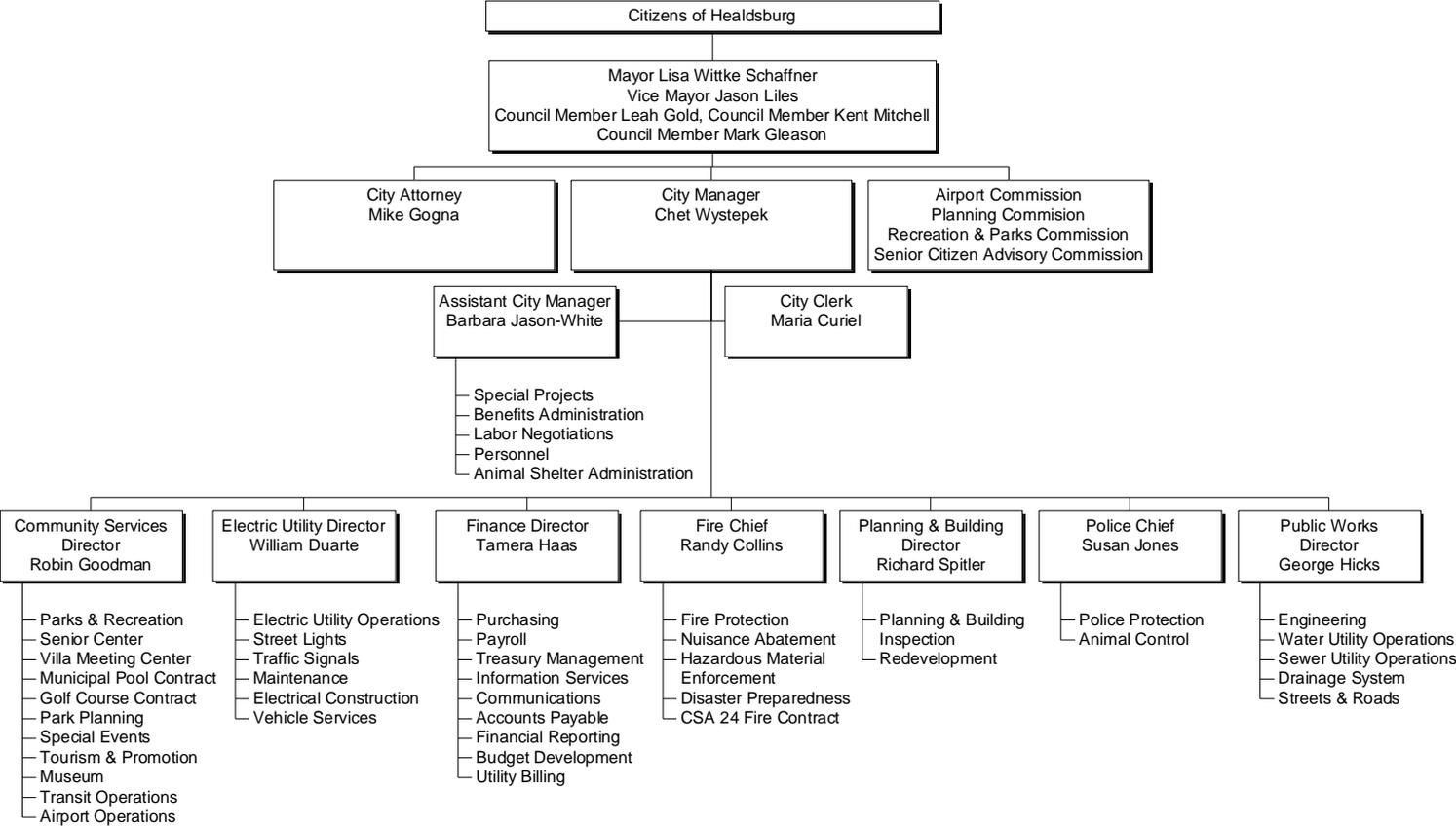
Advisory Commissions:

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

City Staff:

- City Attorney Mike Gogna
- City Clerk Maria Curiel
- Assistant City Manager Barbara Jason-White
- Finance Director Tamera Haas
- Director of Community Services Robin Goodman
- Fire Chief Randy Collins
- Police Chief Susan Jones
- Director of Planning and Building Richard Spitler
- Director of Public Works George Hicks
- Electric Utility Director William Duarte

City of Healdsburg Organization Chart



Notes:

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May 14, 2004

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

SUBJECT: Proposed FY 2004-2005 Budget

Honorable Mayor and Councilmembers:

The proposed 2004-2005 Operating Budget is for all City funds and programs, including the General Fund, Enterprise Funds, Special Revenue Funds, Community Redevelopment Agency and other special purpose funds. The Operating, and Service and Debt Fund budget, shown in the first section of this document, reflects a series of austere budget actions including personnel reductions. The Community Redevelopment Agency 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 2004-2005 budget for all City funds, including the Community Redevelopment Agency and Capital budget totals \$49,833,768. The budget is comprised of an Operating budget of \$25,728,761, a Service and Debt Fund budget of \$7,297,900, the Community Redevelopment Agency budget of \$11,531,032, and a Capital budget of \$5,276,075. The organization of the City's budget can be most clearly understood by referring to page 25.

ECONOMIC OUTLOOK:

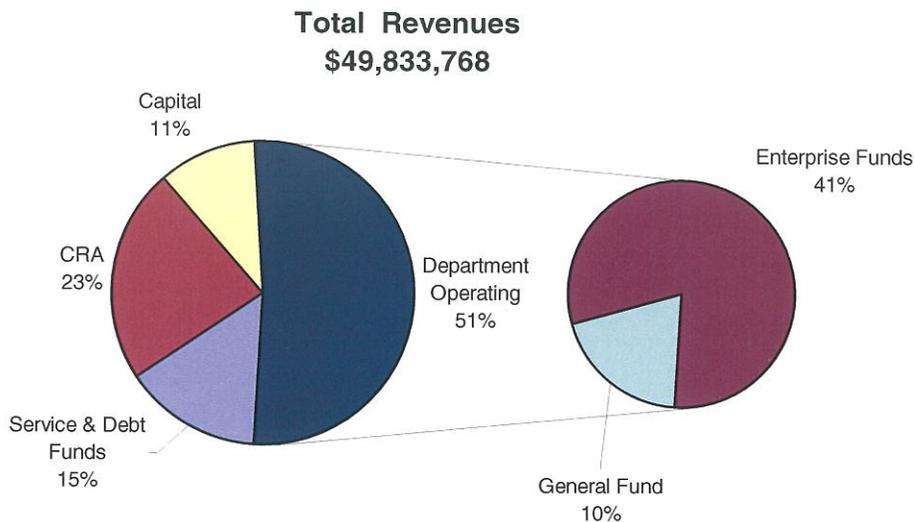
This budget has been developed against the backdrop of a slowing economy, rapidly rising Cal PERS retirement rates, and the State's budget and cash flow crisis. The State's fiscal difficulties are more than a budget that is severely out of balance. They are compounded by a potential cash flow crisis that must be managed as the State solves its budget problems. The State's government has seen its budget deficit balloon as it has continued to wrestle to find solutions to its perilous fiscal position. The Governor is working with local government officials on a deal that will have local governments shoulder significant budget cuts in return for the Governor's support for a constitutional amendment that will stabilize state financing for cities and counties in the future. The unveiling and outcome of this plan is unknown at this time. This budget has been prepared assuming the revenue actions as proposed by the Governor in his January proposed budget document. Because of the enormous size of the State budget deficit, and the uncertainty in obtaining the needed cooperation between the Governor and Legislature to adopt a budget, it may be a number of months before the actual solutions to the State budget problem are known. Adverse State budget trends, which have been accelerating since 2000, are expected to persist for 3 to 4 more additional years. Depending on the extent of State raids on local revenues, the City may be faced with continued years of budget cuts similar to the early 1990's when the City had 50% of its property tax revenue stream taken away by the State.

As a City of 11,596, 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 several years through the Council’s prudent financial policies. What we are less able to prepare for or defend against are the State raids of City revenues that are permanently disabling cities’ abilities to pay for city services.

At the local level, the growth of retail sales has slowed significantly, and the growth of other revenue sources has been at lower levels. Residential building permit activity continues to be minimal reflecting the impact of the growth management ordinance, while commercial and industrial activity is stable. Overall there are slowing trends for revenue growth in the General Fund, which has made it extremely difficult to cover the increasing costs necessary to fund continuing service levels for General Fund supported services. The costs of providing General Fund financed services in this proposed budget were covered by directing General Fund departments to develop budgets that had no growth over the previous year. That meant that all personnel contract (MOU) cost increases had to be absorbed by departments. The use of a “no growth” budget approach for General Fund departments produced a balanced General Fund budget. The challenge will be maintaining a balanced budget in the wake of the unpredictable State raids that will come with the adoption of the State budget later this year. 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 2004-2005 budget includes, \$49,833,768 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.

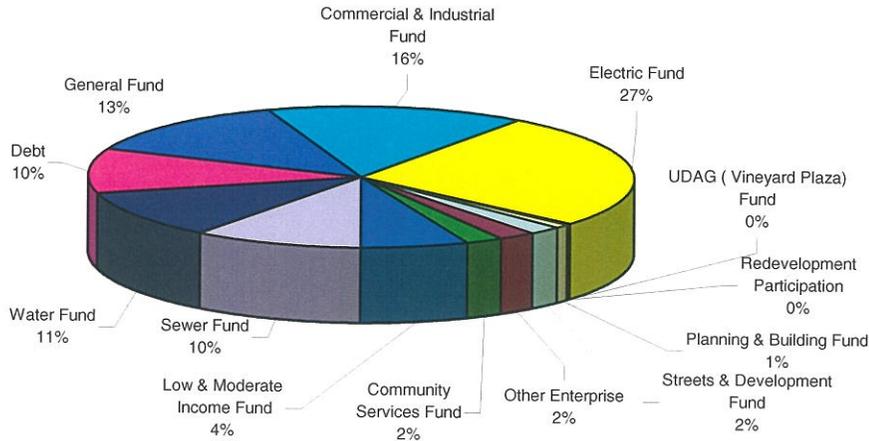


As shown on the graph, 51% of City revenues are available to fund department operating budgets, with the remaining 49% restricted to fund the Capital, CRA, and Service and Debt Fund budgets. The revenues available to fund the operating budgets are further restricted with a significant portion available 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, that is used almost exclusively for funding Police and Fire services and the related administrative support for those services.

OPERATING BUDGET (INCLUDING CRA & DEBT SERVICE)

The \$37,810,134 operating budget is \$2,038,612, 6% more than the 2003-2004 adopted budget, largely reflecting zero growth budget requests 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 increase is also attributed to the increased activity in the CRA funds. The CRA funded activities are included in the operations budget. A separate, stand-alone CRA budget is also provided in the back section of the document. General Fund, Enterprise Fund, CRA 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 CRA & Debt Service - \$37,810,134



The \$2,038,612 increase in the operating budget reflects a \$1,474,286 (15%) increase in the Redevelopment Agency Budget, a 156,912 (3%) decrease in the General Fund, a \$274,033 (7%) increase in the Water Fund, a \$506,428 (15%) increase in the Sewer Fund, a \$125,310 (1%) decrease in the Electric Fund, a \$2,467 (0%) decrease in Community Services Fund, a \$37,664 (9%) decrease in the Planning and Building Fund, and a \$32,089 (4%) 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
\$37,810,134 Operating Budget by Department***

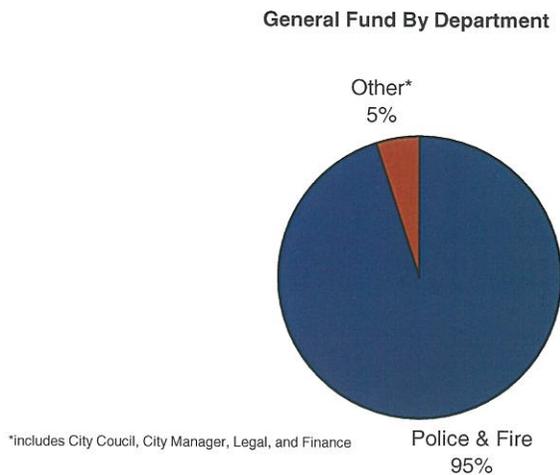
<u>Department</u>	<u>2003-2004 Budget</u>	<u>2004-2005 Budget</u>	<u>\$ Difference</u>	<u>% Difference</u>
Administration	\$ 1,432,048	\$ 1,439,430	7,382	0.5%
Finance	1,463,340	1,500,016	36,676	3.0%
Community Services	1,631,546	1,720,346	88,800	5.0%
Electric-Operations	1,958,623	2,233,267	274,644	14.0%
Electric-Power Costs	6,665,000	6,510,436	(154,564)	-2.0%
Fire	1,345,581	1,345,581	-	0.0%
Planning & Building	770,401	770,401	-	0.0%
Police	3,560,974	3,560,974	-	0.0%
Public Works	3,819,035	4,418,732	599,697	16.0%
Non-Departmental	<u>13,124,974</u>	<u>14,310,951</u>	<u>1,185,977</u>	<u>9.0%</u>
Total	<u>\$ 35,771,522</u>	<u>\$ 37,810,134</u>	<u>\$ 2,038,612</u>	<u>6.0%</u>

* Includes CRA

Significant factors impacting expenditures include increases in contracted maintenance costs, labor contract increases, and increases in PERS and health insurance costs. These underlying increases have been offset by reductions in staffing levels and other supplies and services.

GENERAL FUND:

The budget for the General Fund is \$5,063,960. As shown on the graph below approximately 95% of the budget is directly supporting public safety activities. The remaining 5% of the budget is distributed among various administrative functions, which primarily support public safety services.



The budget reduces current service levels and requires personnel reductions to be able to offset the costs of contractual wage and benefit increases. The personnel reductions do not require layoffs. Through the normal course of attrition, departments are planning to operate with vacancies. The budget reduces four positions in the General Fund to bring the fund into balance. This reflects lower projected revenues resulting from proposed state revenue raids. One of the policy decisions faced in this budget is the consideration of use of recession reserves to fill any additional State raids that are not built into the budget. If reserves are not used, additional reductions will be needed to balance the budget.

The proposed personnel reductions and additions included in the proposed General Fund budget are as follows:

Reductions-

- * Fire Engineer position
- * Police Technical Services Manager
- * Two Police Officers
- * Part-Time Assistant City Manager

Addition-

- * Part-Time Fire Inspector

Other personnel reduction and additions (non General Fund) in the proposed budget include:

Reduction-

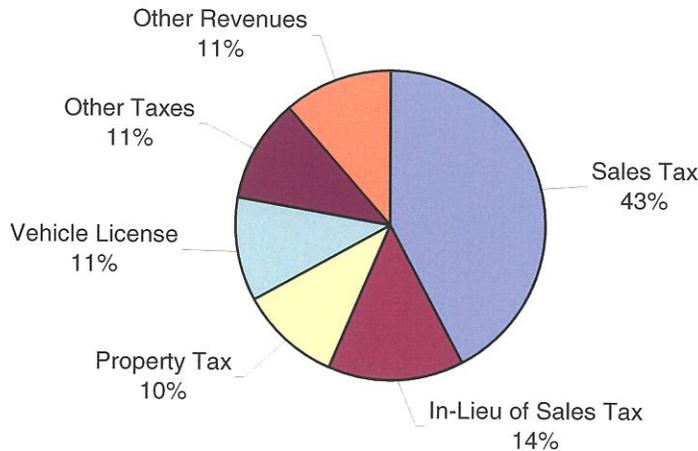
- * Building Inspector

Additions-

- * Part-Time Electric Meter Technician
- * Water Operator in Training
- * Part-Time Utility Service Worker I

The revenues available to finance General Fund services consist primarily of taxes, service fees and revenues from other governmental agencies. The \$5,063,960 of revenues by major source is shown in the graph below.

General Fund Revenues - \$5,063,960



Sales tax revenues continue to be the largest single General Fund revenue source. The growth in this revenue source is currently estimated to be flat in 2004-2005 as it faces a tenuous future. In March the voters approved two State ballot measures, Proposition 57 for \$15 billion in deficit financing bonds and Proposition 58 for balanced budget requirements. Proposition 57 includes a mechanism called a “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 cents to improve its cash flow requirement for repayment of the bond measure. The chart above shows the replaced revenue loss as “In-Lieu of Sales Tax revenue” of \$716,000 or 14% of the General Fund. This change in revenue stream will impact the cities’ cash flow and interest earnings in the General Fund since the cash flow of this revenue will be similar to property tax. The future growth formula for this revenue is tied to cities’ sales tax growth and the revenue will be considered a subset of sales tax.

The single largest component of sales tax is from sales of motor vehicles. The forecast for next year assumes a flat volume of transactions, with an inflationary increase in prices causing an increase in revenues. No significant changes are expected to 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 revenue includes a reduction of \$98,768 as part of the expanded ERAF shift included in the proposed State budget. This is part of an on going, permanent shift of local property tax from local governments to balance the State budget.

Motor vehicle license fees (VLF) have been at risk for several years due to the State decision to lower the fee rates. This year, the Governor’s January budget proposal plans to fully fund the VLF revenues. However, as of the publication of this document, the Governor was meeting with government officials in Sacramento to propose a new deal for a budget solution. The new deal would reduce the VLF by \$143,763 for the next two years with a backfill in “supplemental property tax in lieu of VLF” in the third year in exchange for the Governor’s support for a constitutional amendment to protect future revenues for local governments from future State raids. This proposal is uncertain at this time until it is reviewed and approved by the Legislature.

Should State finances continue to deteriorate, other revenues continue to be at risk including \$100,000 in State SLESF (police funding) and \$200,000 in property taxes.

TRANSIT FUND:

The Transit Fund proposed budget is balanced with a subsidy transfer from the Community Services Fund of \$8,501. Available transit funding has declined because of the California economy.

COMMUNITY SERVICES FUND:

The Community Services Fund is subsidizing other funds that cannot meet their obligation to pay for services. \$80,000 for the Animal Shelter was moved from the Police Department. \$10,519 in the school service fund to cover the School District field maintenance contract and the High School PE swim program, and \$8,501 to the Transit Fund.

KEY BUDGET ISSUE:

- *General Fund:* Since the General Fund is essentially a public safety fund; the budget is balanced after the proposed reduction of four public safety positions. The General Fund remains at risk to additional State reductions as the State moves to balance its budget with the assistance of local governments to solve its cash flow and budget problems. Once the State adopts its budget, the City may need to reduce the budget further or be prepared to use a portion of the recession reserves.

MAJOR QUESTIONS TO CONSIDER:

- How do we minimize the impact to City services while balancing the budget in the face of falling revenues or State revenue take-aways?
- How do we effectively use reserve funds to transition to lower revenues in the future?
- How do we best manage a reduction in City services over the next 3 – 4 years with the prospect of the State taking increasing amounts of City revenues?
- Do we have a clear vision or plan about what the quality of City services will be in 5 years?
- Would the community be willing to support a locally collected tax to replace funds lost to the State in order to continue to provide current levels of public safety services?

FUTURE OUTLOOK:

The proposed City budget for 2004-2005 has been prepared at a time when the historically large State budget deficit has not been fully addressed. Recent reports indicate that the State has a greater budgetary gap than what was expected and that the contribution that the State is asking from local governments has grown from \$1.3 billion to \$2.6 billion and could grow even more once the State's budget is adopted. The problems faced by the State are expected to negatively impact the City. This budget has been developed assuming reductions in property tax due to additional ERAF shift. There is additional risk in losing law enforcement supplemental funds, property taxes and VLF. 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. As a result it may be well after the city budget adoption before we know the real consequences of the State dealing with the budgetary gap. Fortunately, the City, through prior actions by the City Council, is prepared to react to adverse impacts of a State budget revenue reduction. The City has taken a proactive approach to finding ways to protect existing revenues and to generate new revenues to guard against the impacts of State raids. The following are some activities in place to protect the City's financial viability:

- Continue to monitor legislation surrounding the Governor's proposal that local governments make a total contribution of \$1.3 billion each year for two years, as a means to help solve the \$17 billion shortfall problem. In exchange for local assistance, the Governor is pledging to lead a campaign to secure legislative and voter support for a Constitutional amendment with revenue and mandate protection equivalent to or better than the LOCAL ("Local Taxpayer and Public Safety Protection Act, sponsored by the League of California Cities) Initiative on the November 2004 Statewide Ballot
- Sponsored workshop with Chamber of Commerce and lodging industry to discuss possible 2004 ballot measure to increase lodging tax by 2% for public safety
- Participating on specially formed committee at the County level and submitted applications for a portion of available Indian gaming revenues
- Sold 210 Second Street properties for General Fund use
- Explored possible creation of 911 phone fees for public safety
- Rented secured second floor space in Police Department for storage of City records
- Created a more elastic workforce with temporary staff hired to do work instead of permanent positions and outsourced work whenever cost effective
- Separated activities such as Public Works Streets, Planning and Building, and Community Services from the General Fund to make them reliant on specific revenue sources
- Created a \$1,400,000 recession reserve specifically for economic downturns and state budget takeaways
- Over the past two years, issued \$40 million in redevelopment bonds to protect program funding in the Redevelopment Agency

These actions will make it possible for the City to have the potential flexibility to make up for revenue shortfalls as the State raids City revenues.

I would like to acknowledge the special efforts of Carol Strouse, Accounting Manager who performed most of the budget coordination. Roger Cathey, Accountant who prepared the Five Year Capital Improvement Program. Karen Scalabrini former Accountant/Budget Analyst, who while leaving our finance department in April to assume the Finance Director position in St. Helena, has continued to assist us in the preparation and delivery of this year's budget. Tamera Haas, Finance Director who managed the overall preparation of this year's City Budget.

Very truly yours,



Chet J. Wysteppek
City Manager

APPROPRIATION LIMIT WORKSHEET

For the year ending June 30, 2005

Appropriations limit for fiscal year ended June 30, 2004		\$16,421,374
Adjustment factors for the fiscal year ending June 30, 2005:		
Inflation Factor	1.0328	
Population Factor	<u>1.0088</u>	
Combined Factor		x <u>1.0419</u>
Appropriations limit for fiscal year ending June 30, 2005		\$17,109,430
Appropriation from the proceeds of taxes		\$7,502,628

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 are usually below fifty percent of the limit. In 2004-2005 it is 44% of the appropriation limit.

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.
- 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 – 2004

Adopted March 1, 2004

1. FINANCIAL STABILITY

- Respond to 2004 State revenue takeaways; explore new General Fund sources for the November 2004 ballot.

2. WASTEWATER

- Study and define utility rates and impact fees necessary to support new treatment plant and wastewater options. Create a sewer advisory committee to assist the City in responding to economic issues related to the construction of upgraded treatment and disposal system. Prepare and circulate for public comment the draft EIR.

3. BARBIERI BROTHERS PARK

- Identify funding, open bids, and start construction by summer; complete park improvements by December with public opening by April 2005.

4. FOSS CREEK PATH

- Complete precise alignment and detailed engineering plans for Mill/North Streets segment. Seek railroad approval. If railroad approval forthcoming, start construction by end of 2004; identify the next path segment.

5. AFFORDABLE HOUSING

- Start construction of 16 units on Parcel B, Parkland Farms. Complete preliminary review plans at 308 East Street; conduct neighborhood review of plans; finalize funding sources and detailed construction plans. Select developer for 20 West Grant parcel.

6. AREA "C"

- Conduct review of EIR. Make "resort" proposal the preferred land use option; negotiate details of development agreement including 33-acre park site and trails system.

7. FITCH MOUNTAIN/AREA "B" RIDGELINE

- After purchase by Open Space District, cooperate in management plan preparation and take lead to create funding and stewardship plan for Fitch Mountain and adjacent open space ridge lands.

8. AIRPORT PROJECTS

- Develop bid documents and begin construction of the FAA funded projects that include runway safety area improvements, the parallel taxiway modifications and obstruction removal, and the segmented circle paving and rehabilitation. Complete construction of the taxiway retroreflective markers and the precision approach path indicators.

9. PARKING

- Complete Purity Chemical parcel purchase; demolish house. Assist Purity in relocation ahead of two-year schedule. Seek additional parcels for public parking.

10. ECONOMIC DEVELOPMENT

- Seek removal of the blighted abandoned gas stations at City entrances located at Mill/Healdsburg Avenue and Exchange/Healdsburg Avenue. Prepare marketing plan for Dry Creek Road property that maximizes revenue return to City.

GUIDE TO THE BUDGET

This budget document is for fiscal year FY 2004-2005. 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 2004-2005.

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 Community Redevelopment Agency Funds.

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 a half 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. (Makes up the third largest source of unrestricted revenue to the General Fund.)
- **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%.
- **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, 1/2% 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.

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.

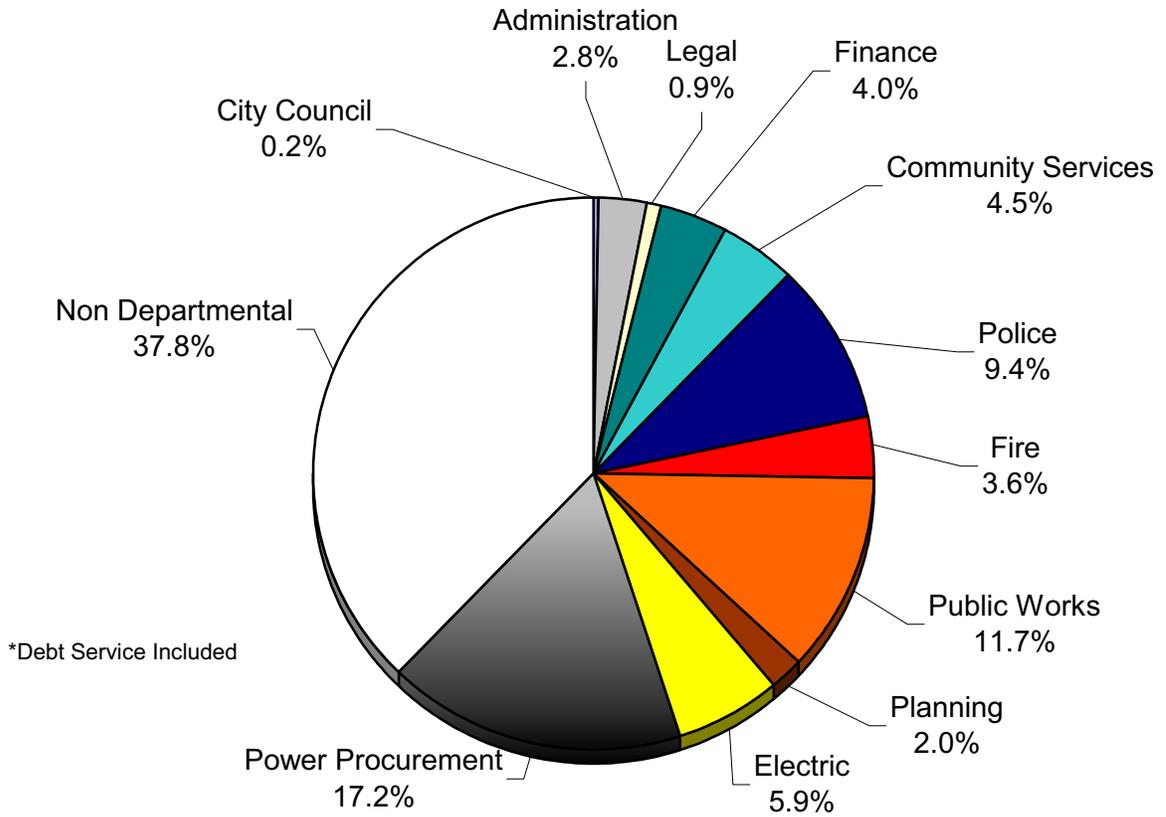
Service Fund Fees are used to maintain and replace City vehicles and information systems equipment, maintain City buildings, as well as for the payment of insurance and benefits.

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.

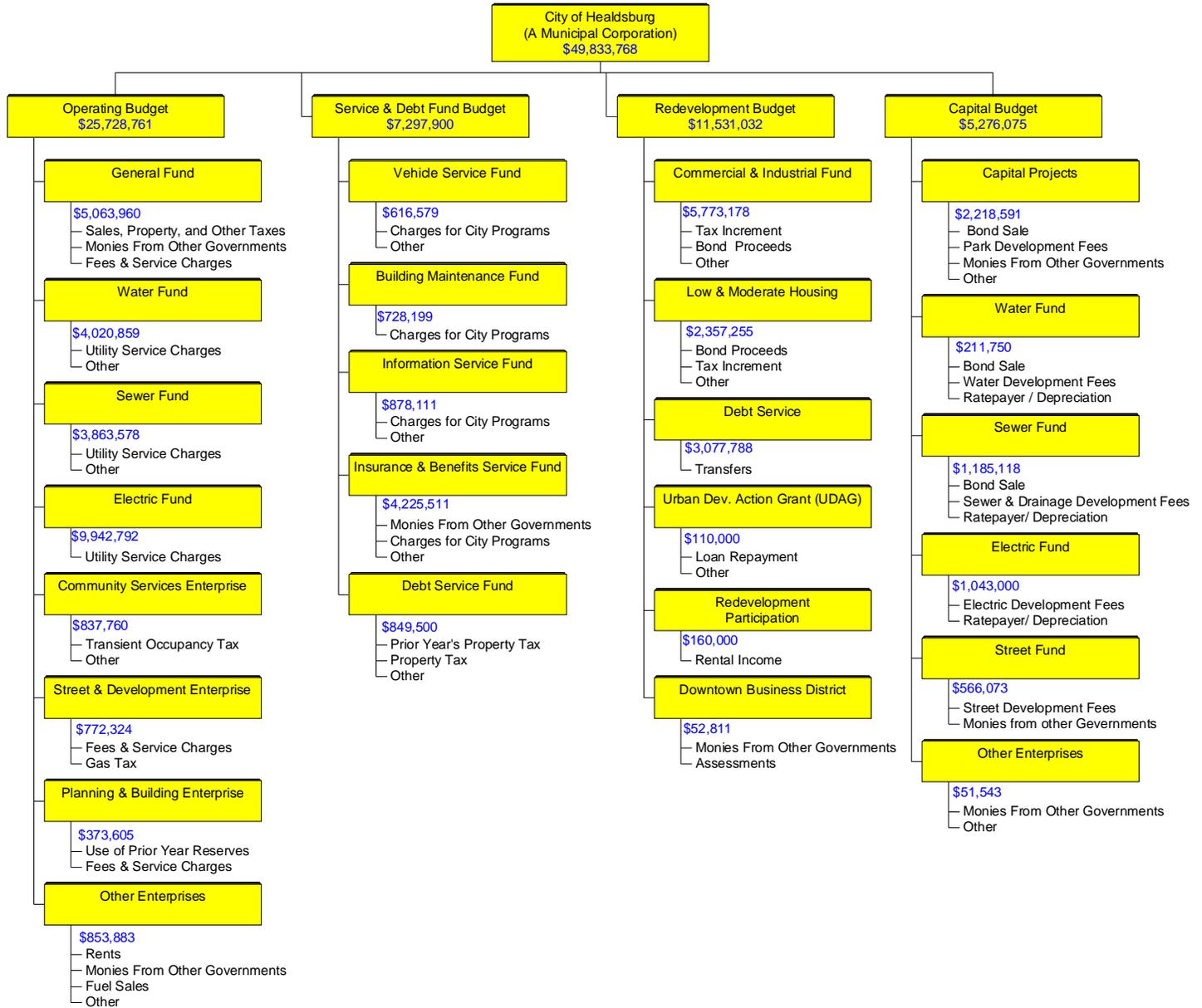
Notes:

Operating* Budgets FY 2004-2005
Total \$37,810,134



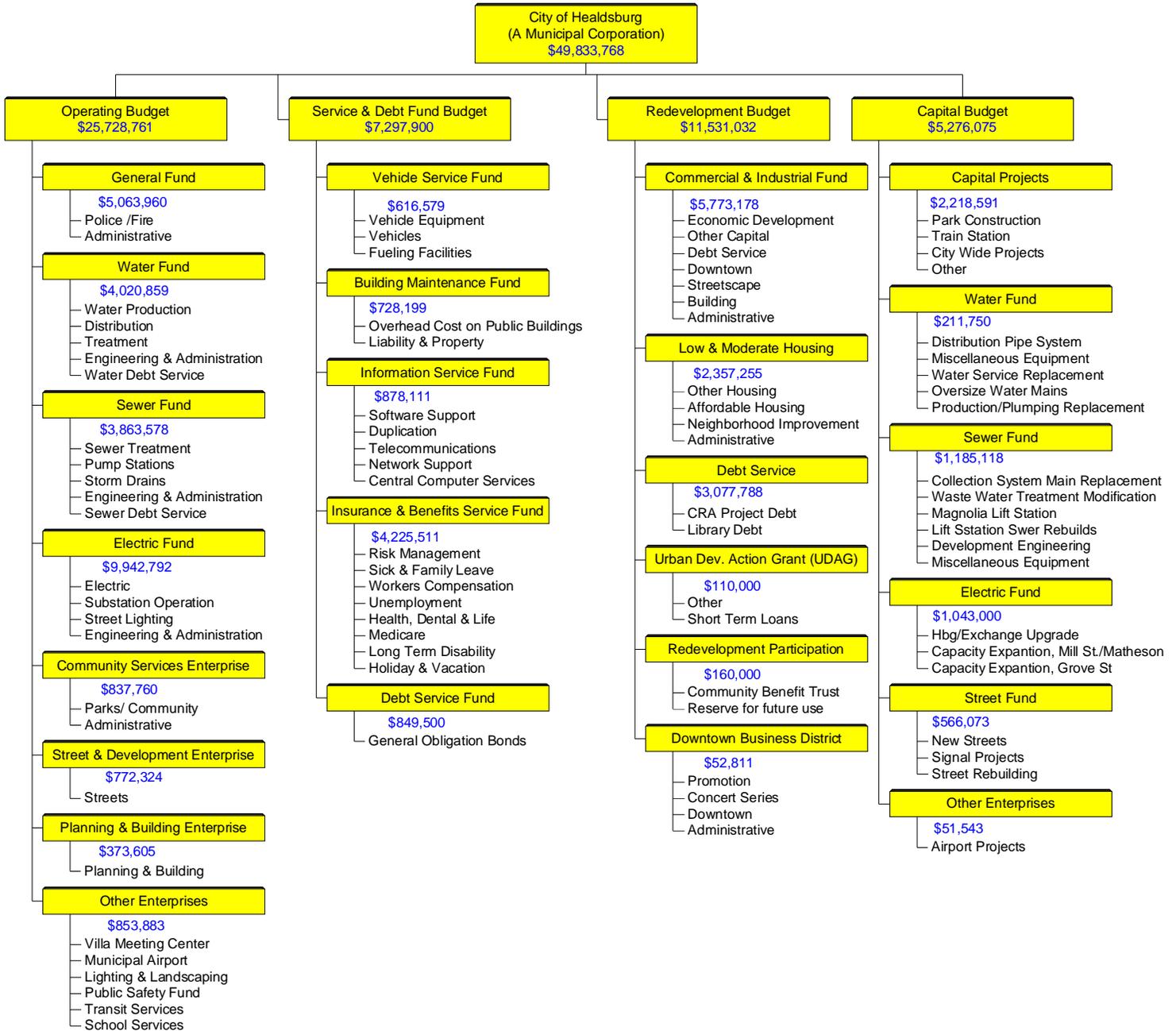
Total City Revenues

Budget for Fiscal Year 2004-2005



Total City Spending

Budget for Fiscal Year 2004-2005



City of Healdsburg Annual Capital Budget by Projects

Project No.	Project Title	Requested Funding 2004-05
Administration		
<u>Public Buildings Projects:</u>		
PB0014	Repair Firehouse Underground Fuel Tanks	\$ 10,000.00
PB0097	Community Development Center	\$ 100,000.00
	Total	\$ 110,000.00
Community Services		
<u>Park Projects:</u>		
PK0014	Villa Chanticleer Building Improvements	\$ 30,000.00
PK0017	Gibbs Park Playground Renovation - Phase I	\$ 47,451.00
PK0151	Barbieri Brothers Park - Phase I	\$ 431,140.00
	Total	\$ 508,591.00
<u>Airport Projects</u>		
AP0501	FAA Improvement Grant	\$ 51,543.00
	Total	\$ 51,543.00
Electric Department		
<u>Electric Projects</u>		
EL0019	Hbg/Exchange-Kinley URD Upgrade	\$ 300,000.00
EL0101	Dry Creek OVD Rebuild	\$ 65,000.00
EL0157	Expand 12 kV Primary	\$ 14,000.00
EL0285	Nostalgic Street Light Project	\$ 50,000.00
EL0287	Replace Distribution Transformers	\$ 40,000.00
EL0296	Replace Poles, Capacitors, Arms, Insulator	\$ 110,000.00
EL0378	Sewer Plant Feed OVD Rebuild	\$ 14,000.00
EL0501	Hbg Ave 12 KV URD Capacity Expansion, Mill St. Matheson	\$ 200,000.00
EL0503	12 KV URD Primary Replacement	\$ 50,000.00
EL0504	Replace Substation Main 60 KV SF6 Circuit Switchers	\$ 50,000.00
EL0506	Grove Street 12 KV URD Capacity Extension	\$ 150,000.00
	Total	\$ 1,043,000.00
Planning and Building		
<u>City Wide Projects:</u>		
CW0001	Community Entry Ways	\$ 100,000.00
CW0008	General Plan/Housing Element Update	\$ 20,000.00
CW0022	Train Station - Federal Match - Phase I	\$ 260,000.00
CW0024	Neighborhood Renovation Program	\$ 35,000.00
CW0027	20 West Grant Street	\$ 100,000.00
CW0028	308 East Street Expansion	\$ 900,000.00
	Total	\$ 1,415,000.00

New Projects are shaded.

City of Healdsburg Annual Capital Budget by Projects

Project No.	Project Title	Funding 2004-05
Public Works		
<u>Water Projects:</u>		
PWW020	Distribution Pipe System Replacement	\$ 62,500.00
PWW043	Production/Pumping Equipment Repl.	\$ 21,250.00
PWW045	Development Engineering	\$ 30,000.00
PWW094	Miscellaneous Equipment	\$ 60,000.00
PWW201	Oversize Water Mains	\$ 10,000.00
PWW490	Water Service Replacement	\$ 28,000.00
	Total	\$ 211,750.00
<u>Sewer Projects:</u>		
PWS012	Collection System Main Replacement	\$ 360,000.00
PWS029	Lift Station Sewer Rebuilds	\$ 75,000.00
PWS045	Development Engineering	\$ 40,000.00
PWS094	Miscellaneous Equipment	\$ 40,000.00
PWS405	Magnolia Lift Station Rehabilitation/upgrade	\$ 190,000.00
PWS445	Waste Water Treatment Modification	\$ 230,118.00
	Total	\$ 935,118.00
<u>Drainage Projects:</u>		
PWD001	Creek Channel Oversizing	\$ 10,000.00
PWD004	Storm Drain Oversizing	\$ 20,000.00
PWD006	Storm Drain Oversizing - Area B	\$ 5,000.00
PWD009	Miscellaneous Storm Drain Replacement	\$ 150,000.00
PWD010	Phase II Stormwater Rule Compliance	\$ 20,000.00
PWD045	Development Engineering - Drainage	\$ 45,000.00
	Total	\$ 250,000.00
<u>Street Projects:</u>		
PWT002	Dry Creek Rd/HBG Ave Intersection	\$ 20,000.00
PWT006	Dry Creek Rd. Interchange - New Traffic Signals at Both Ramps	\$ 65,993.00
PWT012	Annual Reconstruction (PMS)	\$ 160,000.00
PWT013	New Sidewalk Installation	\$ 155,000.00
PWT016	Hazardous Sidewalk Repair	\$ 30,080.00
PWT017	Annual Overlay (PMS)	\$ 65,000.00
PWT045	Street Development Engineering	\$ 40,000.00
PWT249	Annual Maintenance - Slurry Seal (PMS)	\$ 25,000.00
PWT332	Right-of-Way Tree Removal	\$ 5,000.00
	Total	\$ 566,073.00
<u>City Wide Projects</u>		
CW0003	Foss Creek Trail System	\$ 120,000.00
CW0007	Directional Sign Program	\$ 40,000.00
CW0023	Downtown Parking Lot Extension	\$ 25,000.00
	Total	\$ 185,000.00
	Total Public Works	\$ 2,147,941.00
	Grand Total Capital Budgets	\$ 5,276,075.00

SUMMARY OF POSITIONS/FULL TIME EQUIVALENTS

Department	Approved 2003-2004	Adopted 2004-2005	Difference
<i>Administration</i>	5.10	4.85	-0.25
<i>Finance</i>	13.00	13.00	0.00
<i>Community Services</i>	11.50	11.50	0.00
<i>Electric Utility</i>	14.00	14.50	0.50
<i>Fire</i>	7.50	7.00	-0.50
<i>Planning & Building</i>	7.00	6.00	-1.00
<i>Police</i>	27.00	24.00	-3.00
<i>Public Works</i>	30.00	31.00	1.00
<i>Total Positions/Full Time Equivalents</i>	115.10	111.85	-3.25

CITY OF HEALDSBURG
FINANCIAL STATUS OVERVIEW

Operating Budget*

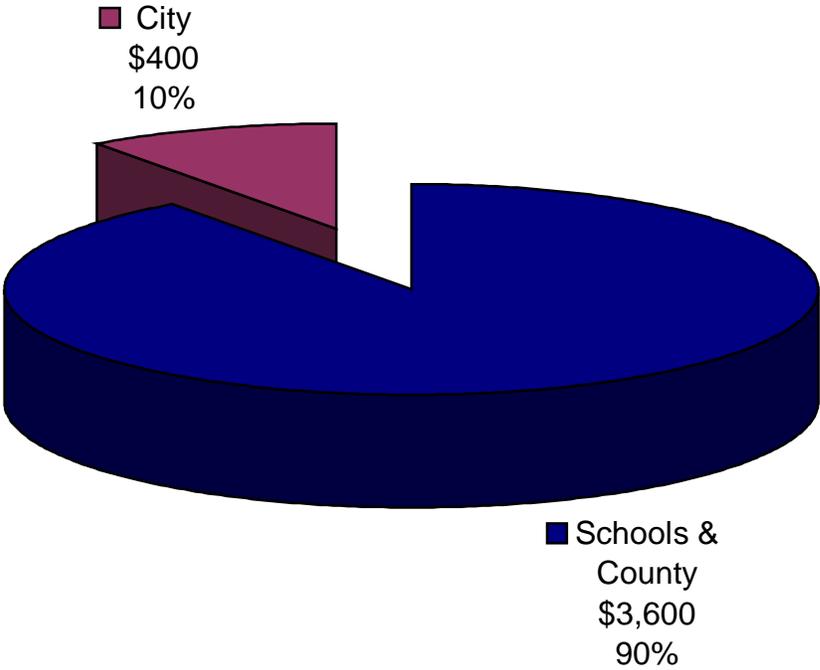
	ACTUAL 2002-2003	ADOPTED 2003-2004	BUDGET 2004-2005	DIFFERENCE FROM 2003-2004	% DIFFERENCE
<u>REVENUES</u>					
Property Tax - General Fund	\$ 607,748	\$ 616,599	\$ 527,456	\$ (89,143)	-14%
Property Tax - Bond Debt	1,041,016	822,043	842,920	20,877	3%
CRA Tax Increment	5,509,106	5,180,000	5,679,882	499,882	10%
Sales and Other Taxes	4,258,119	4,185,500	4,231,530	46,030	1%
Charges for Services	15,263,751	16,307,516	17,057,368	749,852	5%
Facility Rents	584,155	434,150	459,220	25,070	6%
Intergovernmental Revenues	2,019,745	1,592,419	1,409,356	(183,063)	-11%
Investments	1,059,330	399,985	393,900	(6,085)	-2%
Permits/Planning Fees	605,578	281,000	296,600	15,600	6%
Transfers	1,967,119	3,219,616	3,249,810	30,194	1%
Miscellaneous Revenues	486,705	187,617	269,465	81,848	44%
Note Proceeds	25,829,590	1,207,937	2,199,696	991,759	82%
Use of Reserves	153,887	1,427,991	1,117,860	(310,131)	-22%
Other	486,585	298,964	318,839	19,875	7%
TOTAL REVENUES	\$ 59,872,434	\$ 36,161,337	\$ 38,053,902	\$ 1,892,565	5%
<u>EXPENSES BY DEPARTMENT</u>					
City Council	\$ 52,493	\$ 65,528	\$ 65,528	\$ -	0%
Administration	759,445	1,042,048	1,049,430	7,382	1%
Legal	467,875	324,472	324,472	-	0%
Finance	1,403,648	1,463,340	1,500,016	36,676	3%
Community Services	1,433,861	1,631,546	1,720,346	88,800	5%
Police	3,338,591	3,560,974	3,560,974	-	0%
Fire	1,279,592	1,345,581	1,345,581	-	0%
Electric - Operating	1,806,803	1,958,623	2,233,267	274,644	14%
Electric Power Costs**	5,483,884	6,665,000	6,510,436	(154,564)	-2%
Public Works	3,274,076	3,819,035	4,418,732	599,697	16%
Planning	683,244	770,401	770,401	-	0%
Non Departmental	23,864,404	13,124,974	14,310,951	1,185,977	9%
TOTAL EXPENSES	\$ 43,847,916	\$ 35,771,522	\$ 37,810,134	\$ 2,038,612	6%
Reserved for future use	418,243	402,466	243,768		
RESULTING GAIN (LOSS)	\$ 15,606,275	\$ (12,651)	\$ -		

* Debt Service Included.

** Costs are part of the Electric Department.

City of Healdsburg Comparative Property Tax Bills

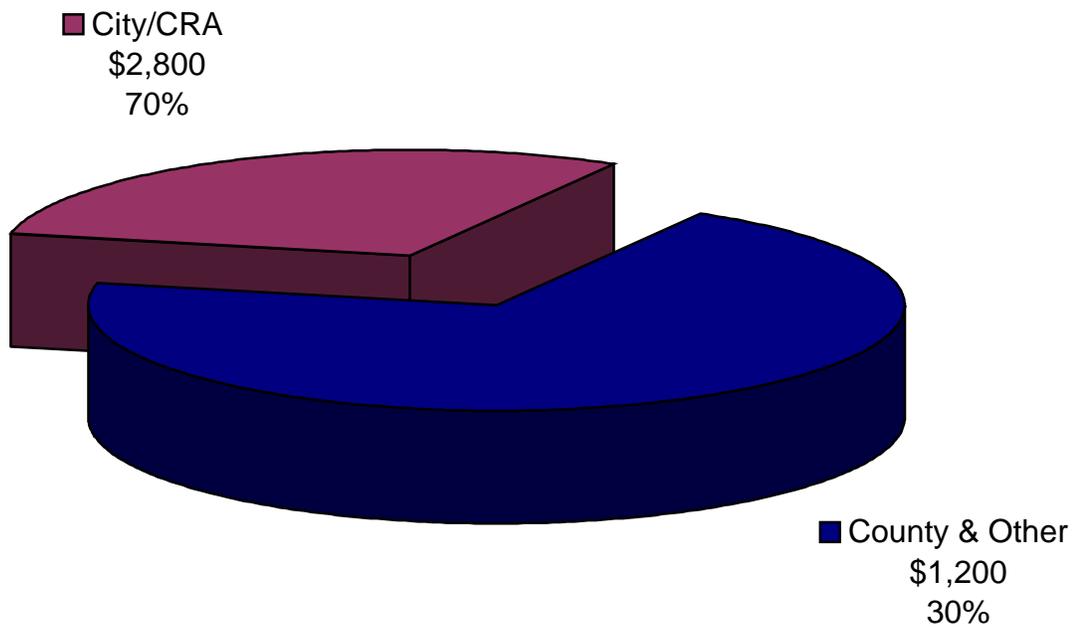
2002 Home Purchased for \$400,000
Local 1% Tax \$4,000 - 2002
In City - Outside CRA Area



The City General Fund receives \$.10 of every local 1% property tax dollar collected on property **outside** the Community Redevelopment Agency (CRA) project area. This equals \$400.00 for a house valued at \$400,000 in 2004, to pay for Police, Fire, Parks and Recreation and general government

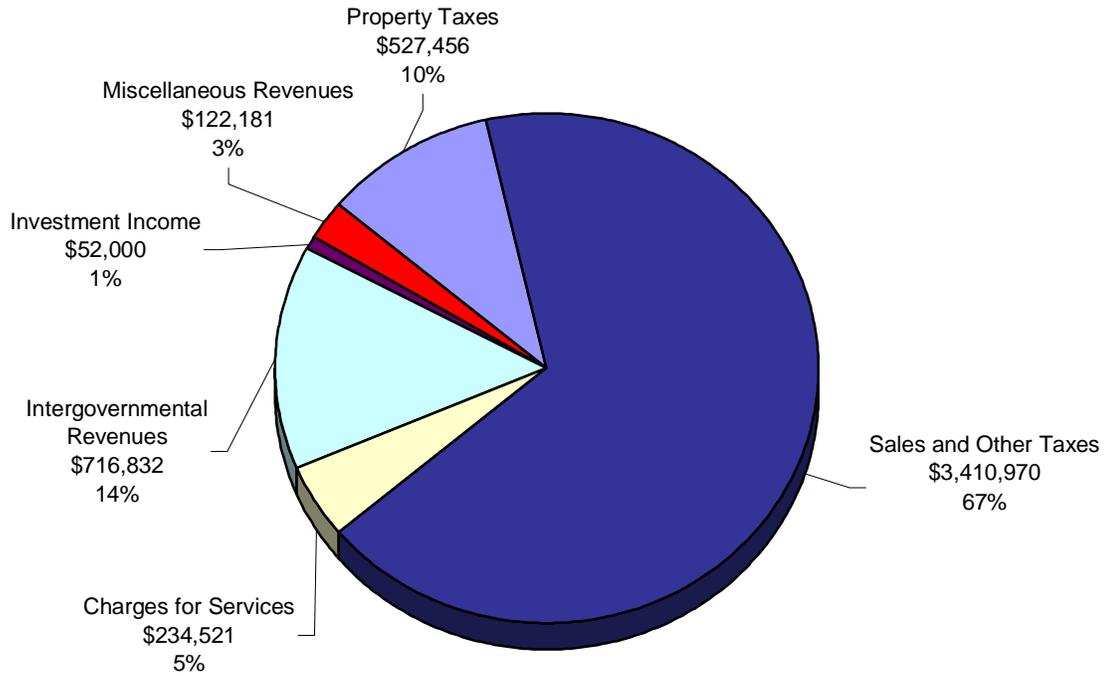
City of Healdsburg Comparative Property Tax Bills

2002 Home Purchased for \$400,000
Local 1% Tax \$4,000 - 2002
In City - Inside CRA Area

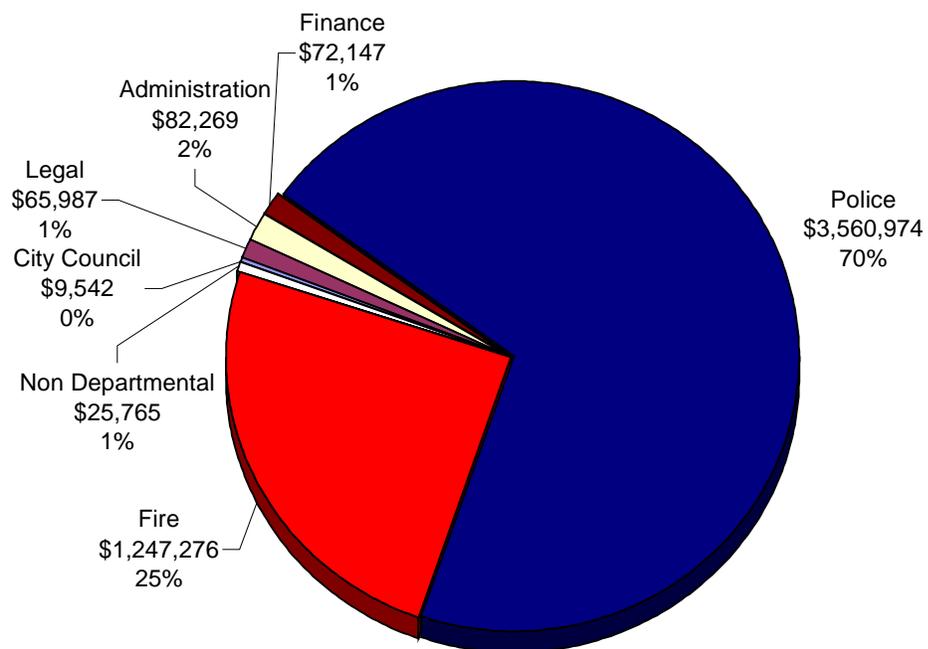


The same house, again valued at \$400,000 and the same local 1% property tax **inside** the Community Redevelopment Agency (CRA) project area, generates revenue equal to \$.70 of every dollar paid, or approximately more than seven times the property tax revenue collected outside the CRA area.

Revenues By Source - General Fund \$5,063,960



Expenditures By Department - General Fund \$5,063,960



GENERAL FUND

	ACTUAL 2002-2003	ADOPTED 2003-2004	BUDGET 2004-2005	DIFFERENCE FROM 2003-2004	% DIFFERENCE
<u>REVENUES</u>					
Property Taxes	\$ 607,748	\$ 616,599	\$ 527,456	\$ (89,143)	-14%
Sales and Other Taxes	3,515,404	3,396,500	3,410,970	14,470	0%
Charges for Services	283,064	205,366	234,521	29,155	14%
Intergovernmental Revenues	954,478	873,328 (1)	716,832	(156,496)	-18%
Investments	51,338	55,000	52,000	(3,000)	-5%
Miscellaneous Revenues	97,266	86,517	122,181	35,664	41%
Use of Reserves	-	-	-	-	100%
TOTAL REVENUES	\$ 5,509,298	\$ 5,233,310	\$ 5,063,960	\$ (169,350)	-3%
<u>EXPENSES BY DEPARTMENT</u>					
City Council	\$ 13,519	\$ 16,876	\$ 9,542	\$ (7,334)	-43%
Legal	94,930	94,225	65,987	(28,238)	-30%
Administration	124,055	110,513	82,269	(28,244)	-26%
Finance	137,398	140,660	72,147	(68,513)	-49%
Police	3,332,555	3,551,474	3,560,974	9,500	0%
Fire	1,231,973	1,284,624	1,247,276	(37,348)	-3%
Electric	-	-	-	-	100%
Transfer to Community Services Ent.	100,000	-	-	-	100%
Transfer to Community Benefit Trust	-	-	-	-	0%
Transfer to Planning & Building Ent.	-	-	-	-	0%
Transfer to Capital Improvements	30,400	-	-	-	100%
Non Departmental	26,225	22,500	25,765	3,265	15%
TOTAL EXPENSES	\$ 5,091,055	\$ 5,220,872 (2)	\$ 5,063,960	\$ (156,912)	-3%
Reserved for future use	418,243	12,438	-	-	-
RESULTING GAIN (LOSS)	\$ 418,243	\$ 12,438	\$ -	\$ -	-

BLUE - Indicates Operating Fund

GREEN - Indicates Service or Debt Funds

(1) Includes Councils action from last years' budget session to include \$460,000 VLF backfill.

(2) Includes Council action to add back \$344,611 for four positions, plus a temporary fire position.

WATER ENTERPRISE

	ACTUAL 2002-2003	ADOPTED 2003-2004	BUDGET 2004-2005	DIFFERENCE FROM 2003-2004	% DIFFERENCE
<u>REVENUES</u>					
Service Charges	\$ 3,444,666	\$ 3,730,500	\$ 3,959,975	\$ 229,475	6%
Interest Income	124,305	60,000	60,000	-	0%
Miscellaneous Revenues	14,924	900	884	(16)	-2%
Use of reserves				-	
TOTAL REVENUES	\$ 3,583,895	\$ 3,791,400	\$ 4,020,859	\$ 229,459	6%
<u>EXPENSES BY DEPARTMENT</u>					
City Council	\$ 8,584	\$ 11,205	\$ 11,832	627	6%
Legal	67,630	38,079	55,000	16,921	44%
Administration	126,066	128,456	126,227	(2,229)	-2%
Finance	282,791	283,018	323,710	40,692	14%
Public Works	1,421,319	1,626,419	2,107,624	481,205	30%
Fire	18,371	24,688	31,753	7,065	29%
Electric	8,520	-	17,116	17,116	0%
Transfer to Capital Projects*	535,042	350,833	58,000	(292,833)	-83%
Non Departmental	371,277	1,284,128	1,289,597	5,469	0%
TOTAL EXPENSES	\$ 2,839,600	\$ 3,746,826	\$ 4,020,859	\$ 274,033	7%
Reserved for future use	-	44,574			
RESULTING GAIN (LOSS)	\$ 744,295	\$ -	\$ -		

* Replacement only

SEWER ENTERPRISE*

	ACTUAL 2002-2003	ADOPTED 2003-2004	BUDGET 2004-2005	DIFFERENCE FROM 2003-2004	% DIFFERENCE
<u>REVENUES</u>					
Service Charges	\$ 3,128,820	\$ 3,385,000	\$ 3,813,578	\$ 428,578	13%
Intergovernmental Revenues					0%
Interest Income	131,172	45,000	45,000	-	0%
Miscellaneous Revenues	77,314	5,000	5,000	-	0%
Transfers	-	-	-	-	0%
Use of Capital Replacement Reserves	-	-	-	-	0%
TOTAL REVENUES	\$ 3,337,306	\$ 3,435,000	\$ 3,863,578	\$ 428,578	12%
<u>EXPENSES BY DEPARTMENT</u>					
City Council	\$ 8,584	\$ 11,208	\$ 11,332	\$ 124	1%
Legal	107,509	38,079	55,000	16,921	44%
Administration	118,099	122,675	124,934	2,259	2%
Finance	247,368	260,114	309,650	49,536	19%
Public Works	1,166,961	1,513,266	1,632,703	119,437	8%
Planning & Building	-	-	-	-	0%
Fire	16,693	21,171	29,118	7,947	38%
Police	-	-	-	-	0%
Electric	11,578	15,518	17,116	1,598	10%
New Debt Service				-	0%
Transfer to Capital Projects**	85,042	624,583	928,868	304,285	49%
Non Departmental	237,900	750,536 (1)	754,857 (1)	4,321	1%
TOTAL EXPENSES	\$ 1,999,734	\$ 3,357,150	\$ 3,863,578	\$ 506,428	15%
Reserved for future use	-	77,850	-		
RESULTING GAIN (LOSS)	\$ 1,337,572	\$ -	\$ -		

(1) Includes \$500,000 for new debt.

* This enterprise includes drainage.

**Actual capital transfer is replacement portion only.

ELECTRIC ENTERPRISE

	ACTUAL 2002-2003	ADOPTED 2003-2004	BUDGET 2004-2005	DIFFERENCE FROM 2003-2004	% DIFFERENCE
<u>REVENUES</u>					
Service Charges	\$ 8,159,556	\$ 8,286,200	\$ 8,364,820	\$ 78,620	1%
Electric Public Benefit	232,162	236,000	236,000	-	0%
Surplus Power Sales	-	450,000	431,972	(18,028)	-4%
Interest Income	186,073	105,000	105,000	-	0%
Miscellaneous Revenues	18,503	5,000	5,000	-	0%
Use of Geothermal Reserves	153,887	1,000,000	800,000	(200,000)	-20%
TOTAL REVENUES	\$ 8,750,181	\$ 10,082,200	\$ 9,942,792	\$ (139,408)	-1%
<u>EXPENSES BY DEPARTMENT</u>					
City Council	\$ 9,493	\$ 10,708	\$ 13,498	\$ 2,790	26%
Legal	100,893	47,958	63,058	15,100	31%
Administration	124,543	131,138	142,111	10,973	8%
Finance	518,588	475,938	507,688	31,750	7%
Electric	1,589,751	1,779,599	1,985,454	205,855	12%
NCPA Power Costs*	5,012,433	6,349,000	6,284,436	(64,564)	-1%
Western Power Costs*	613,721	450,000	380,000	(70,000)	-16%
Transmission Cost Increase*	-	-	-	-	0%
Public Works	42,050	25,084	9,130	(15,954)	-64%
Planning & Building	-	-	-	-	0%
Fire	9,185	12,344	20,917	8,573	69%
Police	-	-	-	-	0%
Transfer to Capital Projects**	180,727	786,333	529,000	(257,333)	-33%
Non Departmental	213,495	-	7,500	7,500	0%
TOTAL EXPENSES	\$ 8,414,879	\$ 10,068,102	\$ 9,942,792	\$ (125,310)	-1%
Reserved for future use	-	14,098	-		
RESULTING GAIN (LOSS)	\$ 335,302	\$ -	\$ -		

** Replacement only

*Costs are part of the Electric Department.

COMMUNITY SERVICES ENTERPRISE *

	ACTUAL 2002-2003	ADOPTED 2003-2004	BUDGET 2004-2005	DIFFERENCE FROM 2003-2004	% DIFFERENCE
<u>REVENUES</u>					
Transient Occupancy Tax	\$ 742,715	\$ 789,000	\$ 820,560	\$ 31,560	4%
Intergovernmental	-	-	7,500	(1) \$ 7,500	100%
Miscellaneous Revenues	158,906	8,500	9,700	1,200	14%
Use of Reserves	-	38,636	-	(38,636)	-100%
TOTAL REVENUES	\$ 901,621	\$ 836,136	\$ 837,760	\$ 1,624	0%
<u>EXPENSES BY DEPARTMENT</u>					
City Council	\$ 1,323	\$ 787	\$ 3,111	\$ 2,324	295%
Legal	15,866	24,307	14,167	(10,140)	-42%
Administration	12,905	13,912	27,297	13,385	96%
Finance	23,751	30,388	32,148	1,760	6%
Community Services	622,706	651,809	692,561	40,752	6%
Fire	-	-	14,365	14,365	100%
Transfer to Capital Projects	-	64,873	30,000	(34,873)	-54%
Non Departmental	2,950	50,060 (3)	20,020 (2)	(30,040)	-60%
TOTAL EXPENSES	\$ 679,501	\$ 836,136	\$ 833,669	\$ (2,467)	0%
Reserved for future use			4,091		
RESULTING GAIN (LOSS)	\$ 222,120	\$ -	\$ -		

* This fund was recorded in the General Fund in previous years.

(1) On going pass through county AAA grant for Senior Center

(2) Transfer to School Service Ent.:

- \$7,500 for High School PE Swim Program,
- \$3,019 for Contract services and

Transfer to Transit Ent.:

- \$8,501 for Transit fund

(3) Council action during last year's budget session to transfer \$36,636 to Transit to fund deficit.

MEETING CENTER ENTERPRISE

	ACTUAL 2002-2003	ADOPTED 2003-2004	BUDGET 2004-2005	DIFFERENCE FROM 2003-2004	% DIFFERENCE
<u>REVENUES</u>					
Facility Rent	\$ 209,813	\$ 183,500	\$ 206,570	\$ 23,070	13%
Miscellaneous Revenues	28,687	26,700	26,700	-	0%
Interest Income	415	-	-	-	100%
Transfer from Community Service Ent	-	13,424	-	(13,424)	100%
TOTAL REVENUES	\$ 238,915	\$ 223,624	\$ 233,270	\$ 9,646	4%
<u>EXPENSES BY DEPARTMENT</u>					
Community Services	205,786	220,870	231,118	10,248	5%
Fire	2,915	2,754	2,152	(602)	-22%
Non Departmental	30,489	-	-	-	0%
TOTAL EXPENSES	\$ 239,190	\$ 223,624	\$ 233,270	\$ 9,646	4%
RESULTING GAIN (LOSS)	\$ (275)	\$ -	\$ -		

1) Depreciation was not budgeted

TRANSIT ENTERPRISE

	ACTUAL 2002-2003	ADOPTED 2003-2004	BUDGET 2004-2005	DIFFERENCE FROM 2003-2004	% DIFFERENCE
<u>REVENUES</u>					
Transfers (Grants)	\$ 139,543	\$ 129,006	\$ 165,002	\$ 35,996	28%
Income (Fares)	15,510	14,450	16,502	2,052	14%
Interest Income	-	2,500	2,500	-	0%
Transfer from Community Services Ent	-	36,636 (1)	8,501	(28,135)	100%
TOTAL REVENUES	\$ 155,053	\$ 182,592	\$ 192,505	\$ 9,913	5%
<u>EXPENSES BY DEPARTMENT</u>					
Finance	\$ 5,508	\$ 5,783	\$ 4,870	\$ (913)	-16%
Community Services	149,545	176,809	185,545	8,736	5%
Non Departmental	-	-	2,090	-	0%
TOTAL EXPENSES	\$ 155,053	\$ 182,592	\$ 192,505	\$ 7,823	4%
RESULTING GAIN (LOSS)	\$ -	\$ -	\$ -		

(1) Council action during last year's budget session.

PLANNING & BUILDING ENTERPRISE

	ACTUAL 2002-2003	ADOPTED 2003-2004	BUDGET 2004-2005	DIFFERENCE FROM 2003-2004	% DIFFERENCE
<u>REVENUES</u>					
Permits/Planning Fees	605,578	281,000	296,600	15,600	6%
Interest Income	9,519	5,000	5,000	-	0%
Use of prior year development reserves	-	125,269	72,005	(53,264)	-43%
TOTAL REVENUES	\$ 615,097	\$ 411,269	\$ 373,605	\$ (37,664)	-9%
<u>EXPENSES BY DEPARTMENT</u>					
City Council	\$ 940	\$ 1,072	\$ 1,154	\$ 82	8%
Legal	4,116	4,853	630	(4,223)	-87%
Administration	9,573	12,071	14,402	2,331	19%
Finance	13,339	13,252	13,289	37	0%
Public Works	-	-	-	-	0%
Planning & Building	391,314	380,021	343,810	(36,211)	-10%
Non Departmental	757	-	320	320	100%
TOTAL EXPENSES	\$ 420,039	\$ 411,269	\$ 373,605	\$ (37,664)	-9%
RESULTING GAIN (LOSS)	\$ 195,058	\$ -	\$ -		

LIGHTING & LANDSCAPING DISTRICT AREA A

	ACTUAL 2002-2003	ADOPTED 2003-2004	BUDGET 2004-2005	DIFFERENCE FROM 2003-2004	% DIFFERENCE
<u>REVENUES</u>					
Special Assessments	\$ 387,058	\$ 133,024	\$ 138,399	\$ 5,375	4%
Interest Income	2,496	2,285	2,200	(85)	-4%
Use of Reserves		-	-	-	100%
TOTAL REVENUES	\$ 389,554	\$ 135,309	\$ 140,599	\$ 5,290	4%
<u>EXPENSES BY DEPARTMENT</u>					
Community Services	\$ 24,472	\$ 45,090	\$ 81,113	\$ 36,023	80%
Non Departmental	316,458	41,200	36,800	(4,400)	-11%
TOTAL EXPENSES	\$ 340,930	\$ 86,290	\$ 117,913	\$ 31,623	37%
Reserved for future use	48,624	49,019	22,686		
RESULTING GAIN (LOSS)	\$ -	\$ -	\$ -		

STREET & DEVELOPMENT ENTERPRISE

	ACTUAL 2002-2003	ADOPTED 2003-2004	BUDGET 2004-2005	DIFFERENCE FROM 2003-2004	% DIFFERENCE
REVENUES					
Intergovernmental Revenues	863,869	656,235	662,324	6,089	1%
Miscellaneous Revenues	91,105	55,000	100,000	45,000	82%
Interest Income	48,117	10,000	10,000	-	0%
Use of reserves	-	19,000		(19,000)	-100%
TOTAL REVENUES	\$ 1,003,091	\$ 740,235	\$ 772,324	\$ 32,089	4%
EXPENSES BY DEPARTMENT					
City Council	\$ 1,310	\$ 1,442	\$ 3,255	\$ 1,813	126%
Legal	4,116	4,853	630	(4,223)	-87%
Administration	14,432	16,341	24,123	7,782	48%
Finance	16,238	14,827	13,960	(867)	-6%
Electric	54,684	48,506	59,581	11,075	23%
Public Works	643,694	654,266	669,275	15,009	2%
Planning & Building	-	-	-	-	0%
Non Departmental	4,229	-	1,500	1,500	0%
TOTAL EXPENSES	\$ 738,703	\$ 740,235	\$ 772,324	\$ 32,089	4%
RESULTING GAIN (LOSS)	\$ 264,388	\$ -	\$ -		

AIRPORT ENTERPRISE

	ACTUAL 2002-2003	ADOPTED 2003-2004	BUDGET 2004-2005	DIFFERENCE FROM 2003-2004	% DIFFERENCE
<u>REVENUES</u>					
Rents	\$ 95,434	\$ 90,650	\$ 92,650	\$ 2,000	2%
Fuel Sales	95,235	108,000	115,000	7,000	6%
Grant	-	-	-	-	0%
Interest Income	4,103	2,000	-	(2,000)	-100%
TOTAL REVENUES	\$ 194,772	\$ 200,650	\$ 207,650	\$ 7,000	3%
<u>EXPENSES BY DEPARTMENT</u>					
Finance	\$ 7,594	\$ 8,946	\$ 6,395	\$ (2,551)	-29%
Community Services	114,743	159,399	141,432	(17,967)	-11%
Transfer to Capital Project	-	24,025	51,543	(1) 27,518	115%
Non Departmental	27,276	8,280	8,280	-	0%
TOTAL EXPENSES	\$ 149,613	\$ 200,650	\$ 207,650	\$ 7,000	3%
Reserved for future reserves					
RESULTING GAIN (LOSS)	\$ 45,159	\$ -	\$ -		

(1) FAA Improvement Grants Matching.

BENJAMIN WAY MAINTENANCE DISTRICT

	ACTUAL 2002-2003	ADOPTED 2003-2004	BUDGET 2004-2005	DIFFERENCE FROM 2003-2004	% DIFFERENCE
<u>REVENUES</u>					
Maintenance fees	\$ 440	\$ 440	\$ 440	\$ -	0%
Interest Income	56	-		-	0%
TOTAL REVENUES	\$ 496	\$ 440	\$ 440	\$ -	0%
<u>EXPENSES BY DEPARTMENT</u>					
Finance	\$ -	\$ 440	\$ 440	\$ -	0%
TOTAL EXPENSES	\$ -	\$ 440	\$ 440	\$ -	0%
RESULTING GAIN (LOSS)	\$ 496	\$ -	\$ -		

SCHOOL SERVICES ENTERPRISE

	ACTUAL 2002-2003	ADOPTED 2003-2004	BUDGET 2004-2005	DIFFERENCE FROM 2003-2004	% DIFFERENCE
<u>REVENUES</u>					
Interest Income	\$ 609	\$ 1,200	\$ 1,200	\$ -	0%
Healdsburg Unified School Dist.	61,855	62,856	62,700	(156)	0%
Transfer from Community Service Ent.	-	7,500 (1)	10,519	-	0%
School Fees	6,342	5,500	5,000	(500)	-9%
TOTAL REVENUES	\$ 68,806	\$ 77,056	\$ 79,419	\$ (656)	-1%
<u>EXPENSES BY DEPARTMENT</u>					
Community Services	\$ 69,865	\$ 77,056	\$ 71,919	\$ (5,137)	-7%
Non Departmental	\$ -	\$ 7,500	\$ 7,500	\$ -	0%
TOTAL EXPENSES	\$ 69,865	\$ 84,556	\$ 79,419	\$ (5,137)	-6%
RESULTING GAIN (LOSS)	\$ (1,059)	\$ (7,500)	\$ -		

(1) For High School PE Swim Program.

MISCELLANEOUS FUNDS

	ACTUAL 2002-2003	ADOPTED 2003-2004	BUDGET 2004-2005	DIFFERENCE FROM 2003-2004	% DIFFERENCE
<u>REVENUES</u>					
Other Revenues	\$ 1,595	\$ -	\$ -	\$ -	0%
Transfer	-	-	-	-	100%
Interest Income	-	-	-	-	0%
Use of Reserves	-	9,500	-	(9,500)	-100%
TOTAL REVENUES	\$ 1,595	\$ 9,500	\$ -	\$ (9,500)	-100%
<u>EXPENSES BY DEPARTMENT</u>					
Administration	\$ -	-	\$ -	\$ -	100%
Police Department	6,036	9,500	-	(9,500)	-100%
Non Departmental	32	-	-	-	0%
TOTAL EXPENSES	\$ 6,068	\$ 9,500	\$ -	\$ (9,500)	-100%
RESULTING GAIN (LOSS)	\$ (4,473)	\$ -	\$ -		

COMMERCIAL & INDUSTRIAL FUND

	ACTUAL 2002-2003	ADOPTED 2003-2004	BUDGET 2004-2005	DIFFERENCE FROM 2003-2004	% DIFFERENCE
<u>REVENUES</u>					
Increment	\$ 4,407,195	\$ 4,145,000	\$ 4,603,482	\$ 458,482	11%
Miscellaneous Revenues	-	-	-	-	0%
Interest Income	255,094	25,000	25,000	-	0%
Note Proceeds	-	-	-	-	0%
CRA Rental Income	390,253	-	-	-	0%
Use of Taxable Bond Proceeds	-	1,122,937	1,144,696	21,759	2%
Use of Bond Proceeds	12,514,749	25,000	-	(25,000)	-100%
Use of Reserves	-	-	-	-	0%
TOTAL REVENUES	\$ 17,567,291	\$ 5,317,937	\$ 5,773,178	\$ 455,241	9%
<u>EXPENSES BY DEPARTMENT</u>					
City Council	\$ 8,740	\$ 12,230	\$ 11,804	\$ (426)	-3%
Legal	72,815	31,118	30,000	(1,118)	-4%
Administration	150,404	466,246	466,649	403	0%
Finance	106,322	156,543	159,770	3,227	2%
Community Services	179,461	221,604	249,285	27,681	12%
Planning & Building	146,824	171,863	199,761	27,898	16%
Projects	3,009,742	45,000	611,000	566,000	1258%
Financing*	3,004,415	4,090,233	3,915,869	(174,364)	-4%
Non Departmental	85,920	114,500	129,040	14,540	13%
TOTAL EXPENSES	\$ 6,764,643	\$ 5,309,337	\$ 5,773,178	\$ 463,841	9%
Reserved for future use	10,802,648	8,600	-		
RESULTING GAIN (LOSS)	\$ -	\$ -	\$ -		

LOW & MODERATE INCOME HOUSING FUND

	ACTUAL 2002-2003	ADOPTED 2003-2004	BUDGET 2004-2005	DIFFERENCE FROM 2003-2004	% DIFFERENCE
<u>REVENUES</u>					
Increment	\$ 1,101,911	\$ 1,035,000	\$ 1,076,400	\$ 41,400	4%
Interest Income	167,534	20,000	20,000	-	0%
Other Income	-	-	-	-	0%
Use of Taxable Bond Proceeds	-	60,000	400,000	340,000	567%
Use of Non Taxable Bond Proceeds	257,699	-	655,000	655,000	100%
Use of Reserves	-	235,586	205,855	(29,731)	-13%
TOTAL REVENUES	\$ 1,527,144	\$ 1,350,586	\$ 2,357,255	\$ 1,006,669	75%
<u>EXPENSES BY DEPARTMENT</u>					
Legal	\$ -	\$ 41,000	\$ 40,000	\$ (1,000)	-2%
Administration	33,368	40,696	41,418	722	2%
Finance	41,701	62,303	52,940	(9,363)	-15%
Community Services	67,075	86,409	67,373	(19,036)	-22%
Planning & Building	145,106	218,517	226,830	8,313	4%
Financing	318,882	818,041	832,644	14,603	2%
Projects	314,841	60,000	1,055,000	995,000	1658%
Non Departmental	33,969 ²	23,620	41,050	17,430	74%
TOTAL EXPENSES	\$ 954,942	\$ 1,350,586	\$ 2,357,255	\$ 1,006,669	75%
Reserved for future use	572,202	-	-		
RESULTING GAIN (LOSS)	\$ -	\$ -	\$ -		

UDAG FUND

	ACTUAL 2002-2003	ADOPTED 2003-2004	BUDGET 2004-2005	DIFFERENCE FROM 2003-2004	% DIFFERENCE
<u>REVENUES</u>					
Developer Loan Interest Payments	\$ 53,057	\$ 52,000	\$ 60,000	(2) \$ 8,000	15%
Interest Income	46,084	50,000	50,000	(1) -	0%
Rental Income	73,589	-	-	-	0%
Use of Reserves	-	-	-	-	0%
TOTAL REVENUES	\$ 172,730	\$ 102,000	\$ 110,000	\$ 8,000	8%
<u>EXPENSES BY DEPARTMENT</u>					
Finance	\$ 3,050	\$ 3,675	\$ 3,009	\$ (666)	-18%
Non Departmental	3,663	-	-	-	0%
Economic Development Loan	425,000	-	-	-	0%
TOTAL EXPENSES	\$ 431,713	\$ 3,675	\$ 3,009	\$ (666)	-18%
Reserved for future use	-	98,325	106,991		
RESULTING GAIN (LOSS)	\$ (258,983)	\$ -	\$ -		

(1) Vineyard Plaza rental income moved to new Participation Fund.

(2) Includes new developer loans.

PROJECT PARTICIPATION FUND*

	ACTUAL 2002-2003	ADOPTED 2003-2004	BUDGET 2004-2005	DIFFERENCE FROM 2003-2004	% DIFFERENCE
<u>REVENUES</u>					
Rental Income	\$ 205,319	\$ 160,000	\$ 160,000 (1)	\$ -	0%
TOTAL REVENUES	\$ 205,319	\$ 160,000	\$ 160,000	\$ -	0%
<u>EXPENSES BY DEPARTMENT</u>					
Non Departmental	\$ 75,000	\$ 50,000	\$ 50,000 (2)	\$ -	0%
TOTAL EXPENSES	\$ 75,000	\$ 50,000	\$ 50,000	\$ -	0%
Reserved for future use	130,319	110,000	110,000		
RESULTING GAIN (LOSS)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>		

* New Special Revenue Fund

(1) Includes Vineyard Plaza Rent \$50,000.

(2) Transfer to Community Benefit Trust.

INSURANCE & BENEFITS

	ACTUAL 2002-2003	ADOPTED 2003-2004	BUDGET 2004-2005	DIFFERENCE FROM 2003-2004	% DIFFERENCE
<u>REVENUES</u>					
Service Fees	\$ 3,055,936	\$ 3,282,578	\$ 4,040,308	\$ 757,730	23%
Interest Income	43,230	50,000	50,000	-	0%
REMIF* Refunds	127,531	-	-	-	0%
Use of Reserves	-	127,531	135,203	7,672	6%
TOTAL REVENUES	\$ 3,226,697	\$ 3,460,109	\$ 4,225,511	\$ 765,402	22%
<u>EXPENSES BY DEPARTMENT</u>					
Non Departmental:					
Public Employee Retirement	\$ 647,965	\$ 1,275,583	\$ 1,764,430	\$ 488,847	38%
Health & Life Insurance	950,591	908,888	1,056,085	147,197	16%
Medicare	74,970	65,933	74,861	8,928	14%
Long Term Disability	52,286	68,281	75,454	7,173	11%
Liability Property Insurance	-	-	-	-	0%
State Unemployment Insurance	2,410	54,101	58,563	4,462	8%
Workers' Compensation	248,684	76,209	120,903	44,694	59%
Compensation Time	63,789	-	-	-	0%
Public Safety Leave	84,497	81,851	85,125	3,274	4%
Holiday Leave	324,338	139,787	145,378	5,591	4%
Vacation Leave	510,951	504,898	538,352	33,454	7%
Management Leave	64,718	65,991	73,302	7,311	11%
Sick Leave	427,983	218,587	233,058	14,471	7%
Other	13,029	-	-	-	0%
	\$ 3,466,211	\$ 3,460,109	\$ 4,225,511	\$ 765,402	22%
Reserved Post Retirement Liab.	-	80,000	-		
RESULTING GAIN (LOSS)	\$ (239,514)	\$ (80,000)	\$ -		

(1) Public Safety Holiday pay. All other Holiday pay budgeted in wage accounts.

VEHICLE REPLACEMENT & SERVICES

	ACTUAL 2002-2003	ADOPTED 2003-2004	BUDGET 2004-2005	DIFFERENCE FROM 2003-2004	% DIFFERENCE
<u>REVENUES</u>					
Service Fees	\$ 386,917	\$ 372,104	\$ 379,104	\$ 7,000	2%
Replacement Fees	204,930	184,475	187,475	3,000	2%
Interest Income	27,661	68,000	50,000	(18,000)	-26%
Transfers	4,207	-	-	-	0%
TOTAL REVENUES	\$ 623,715	\$ 624,579	\$ 616,579	\$ (8,000)	-1%
<u>EXPENSES BY DEPARTMENT</u>					
Finance	12,328	12,623	11,181	\$ (1,442)	-11%
Community Services	13,124	31,525	16,000	(15,525)	-49%
Planning & Building	520	3,000	2,300	(700)	-23%
Police	86,722	114,696	85,764	(28,932)	-25%
Fire	58,710	42,237	42,922	685	2%
Public Works	115,605	91,005	60,680	(30,325)	-33%
Electric	218,462	182,184	205,301	23,117	13%
Non Departmental	216,830	35,810	29,850	(5,960)	-17%
TOTAL EXPENSES	\$ 722,301	\$ 513,080	\$ 453,998	\$ (59,082)	-12%
RESULTING GAIN (LOSS)	\$ (98,586)	\$ 111,499	\$ 162,581		

VEHICLE REPLACEMENTS & UPDATES FOR FY 2004-2005

<u>Police</u>	
2000 Squad Car #209	28,132
2000 Squad Car #210	28,132
<u>Public Works</u>	
New 1/2 Ton Pickup Truck	18,630
Total Purchases	\$ 74,894

INFORMATION SYSTEMS REPLACEMENT & SERVICES

	ACTUAL 2002-2003	ADOPTED 2003-2004	BUDGET 2004-2005	DIFFERENCE FROM 2003-2004	% DIFFERENCE
REVENUES					
Service Fees	\$ 438,843	\$ 356,884	\$ 481,561	\$ 124,677	35%
Replacement Fees	292,369	258,554	133,877	(124,677)	-48%
Interest Income	15,983	26,500	26,500	-	0%
Use of Reserves	-	188,229	236,173	47,944	25%
Other	-	-	-	-	0%
TOTAL REVENUES	\$ 747,195	\$ 830,167	\$ 878,111	\$ 47,944	6%
EXPENSES BY DEPARTMENT					
Administration	\$ 1,105	\$ 1,531	\$ 5,252	\$ 3,721	243%
Finance	272,607	387,715	443,201	55,486	14%
Community Service	14,301	9,816	5,170	(4,646)	-47%
Planning & Building	4,715	2,980	58,105	55,125	1850%
Police	108,275	140,889	28,356	(112,533)	-80%
Fire	23,440	16,880	7,445	(9,435)	-56%
Public Works	14,945	25,586	20,900	(4,686)	-18%
Electric	25,491	63,682	49,765	(13,917)	-22%
Non Departmental	401,013	181,088	259,917	78,829	44%
TOTAL EXPENSES	\$ 865,892	\$ 830,167	\$ 878,111	\$ 47,944	6%
Reserved for future replacement	-	-	-		
RESULTING GAIN (LOSS)	\$ (118,697)	\$ -	\$ -		

INFORMATION SYSTEMS PURCHASES FOR FY 2004-2005

Replace Laptops	6,000
Replace CAD Workstations	7,500
Replace Workstations	4,800
Replace Workstations with Winterms	4,200
Replace Monitors with LCD Screens	4,200
Replace UPS	2,000
Replace Printers	5,900
Network Equipment	
Replace Switches(Sr Ctr & PD)	2,000
Replace Core Network Switch	10,000
Add to Backup System	5,000
Replace Web Server	4,700
Replace Workstation Management Server	4,700
Replace Laservault(Archiving) Server	6,200
Replace Mail Room Shared PC-LCD Monitor	600
New Fluke Network Tester	6,000
New Terminal Server (Segment 2)	8,000
New File Management Server	4,700
New CIS/Com Develop Server*	11,550
Software	
Add MS Office Software Licenses (10)	3,000
Add Terminal Server Software & Licenses	15,000
New File Management Software	10,000
New Help Desk Software	4,500
New Web Content Management Software	11,000
Upgrade Laservault Software	10,000
Upgrade CIS Software*	160,000
Upgrade Meter Reading Device Software	1,000
Upgrade Electric Meter Testing Software*	5,000
Upgrade UDS Software*	15,000
New Community Development Software	55,000
New Fleet Management Software*	9,000
TOTAL PURCHASES	396,550

*These items were rolled over from FY2003-2004 Budget

SERVICE FUND BUDGET - BUILDING MAINTENANCE SERVICES

	ACTUAL 2002-2003	ADOPTED 2003-2004	BUDGET 2004-2005	DIFFERENCE FROM 2003-2004	% DIFFERENCE
<u>REVENUES</u>					
Service Fees	\$ 627,232	\$ 693,199	\$ 693,199	\$ -	0%
Other	20,525	43,600	35,000	(8,600)	-20%
TOTAL REVENUES	\$ 647,757	\$ 736,799	\$ 728,199	\$ (8,600)	-1%
<u>EXPENSES BY DEPARTMENT</u>					
Community Services	\$ 2,641	\$ 7,112	\$ 5,786	\$ (1,326)	-19%
Public Works	6,186	3,424	-	(3,424)	-100%
Non Departmental	628,636	726,263	722,413	(3,850)	-1%
TOTAL EXPENSES	\$ 637,463	\$ 736,799	\$ 728,199	\$ (8,600)	-1%
RESULTING GAIN (LOSS)	\$ 10,294	\$ -	\$ -		

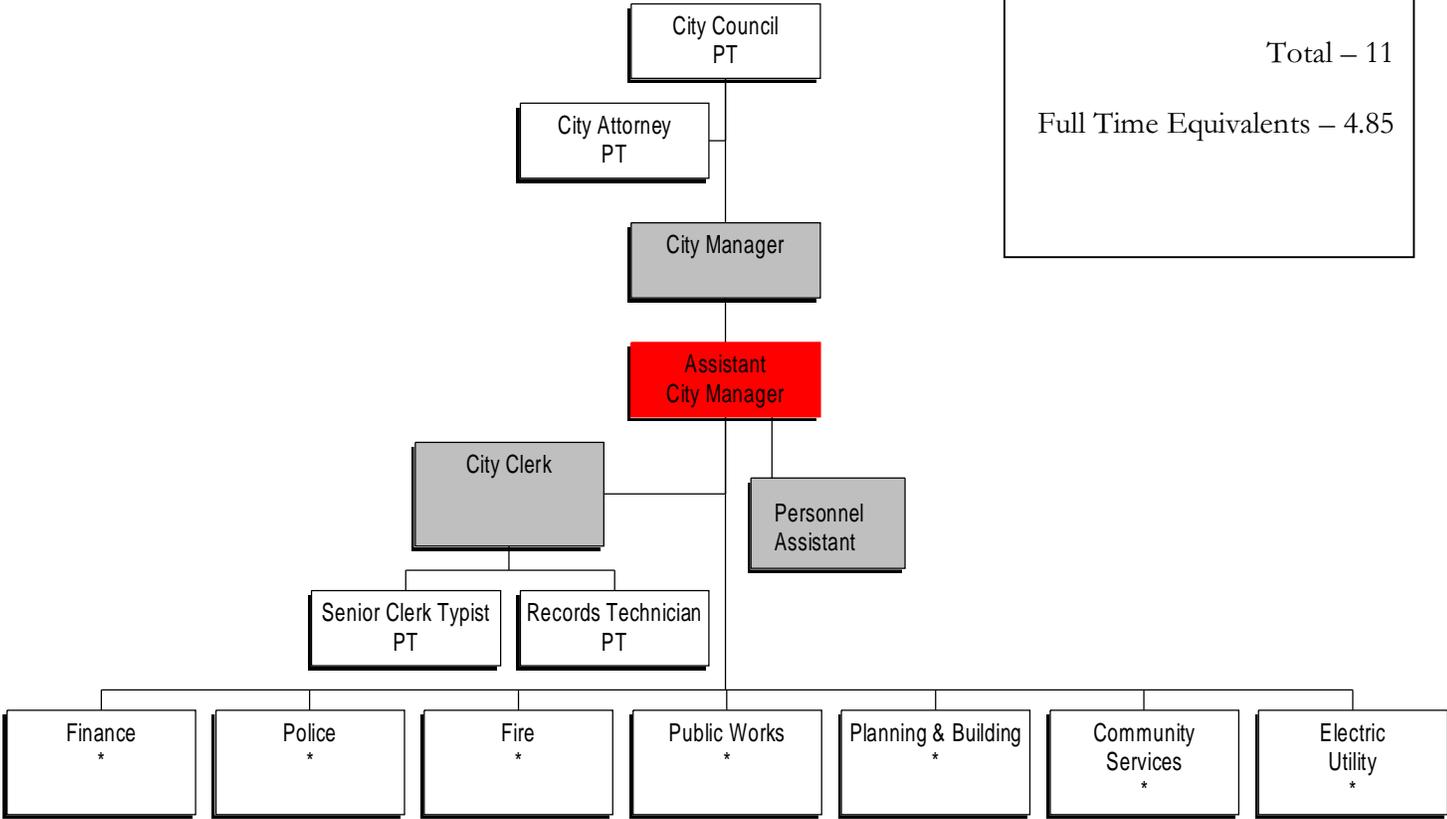
OTHER DEBT SERVICE

	ACTUAL 2002-2003	ADOPTED 2003-2004	BUDGET 2004-2005	DIFFERENCE FROM 2003-2004	% DIFFERENCE
<u>REVENUES</u>					
Transfers	\$ 1,827,576	\$ 3,069,686	\$ 3,065,788	\$ (3,898)	0%
Property Tax	1,041,016	822,043	842,920	20,877	3%
Interest Income	32,415	17,000	16,000	(1,000)	-6%
Bond Proceeds	13,000,000	-	-	-	0%
TOTAL REVENUES	\$ 15,901,007	\$ 3,908,729	\$ 3,924,708	\$ 15,979	0%
<u>EXPENSES BY DEPARTMENT</u>					
Non Departmental	\$ 14,712,512	\$ 3,908,729	\$ 3,924,708	\$ 15,979	0%
TOTAL EXPENSES	\$ 14,712,512	\$ 3,908,729	\$ 3,924,708	\$ 15,979	0%
Reserved for future use	1,188,495	-	-		
RESULTING GAIN (LOSS)	\$ -	\$ -	\$ -		

Notes:

ADMINISTRATION

Full Time - 3
Part Time - 2
Elected PT - 5
Contracted PT - 1
Budget Reduction - 1
Total – 11
Full Time Equivalents – 4.85



*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 Employee Relations and Personnel Services.

City Council

The City Council is the governing body of the City. The five Council members are elected at large by the voters of Healdsburg for four-year terms. Each year the Mayor is elected by a majority vote of the City Council. The Council sets policy for the City and adopts an annual budget. The positions of City Manager, City Attorney and City Clerk are appointed by the Council.

City Manager

The City Manager's office is responsible for the management and coordination of the day-to-day operations of the City. With the assistance of the Assistant City Manager, responsibilities include overall supervision of all City departments and direct coordination with the City Council, as well as public information, intergovernmental relations, economic development, and franchise management.

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 City Clerk's office is responsible for all official record keeping for the City, legislative history management, preparation and management of City Council agendas, noticing of public hearings for the City Council and the coordination of City elections.

Personnel Services

Personnel Services is responsible for administering the City's human resources management system, including labor relations and negotiations, benefits administration, and staff development, and for providing personnel support services to all City departments.

MAJOR DEPARTMENTAL TASKS COMPLETED IN FISCAL YEAR 2003-04

- Completed construction of Alliance Medical Clinic
- Restriped the West Plaza parking lot to provide additional parking
- Acquired the Purity Chemical property for additional downtown parking
- Acquired 20 West Grant for additional affordable housing
- Proceeded with November 2004 ballot measure to increase lodging tax by 2% for public safety; applied for Indian gaming revenues; explored a 911 fee and sold the 210 Second Street property for General Fund use.
- Completed opening of the Media Center for community access TV.

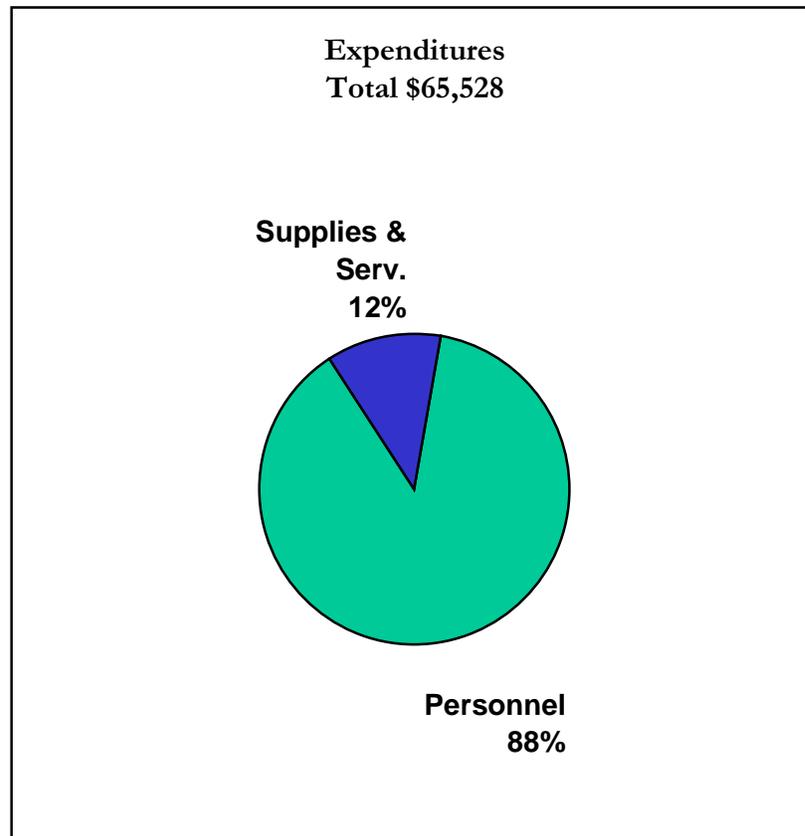
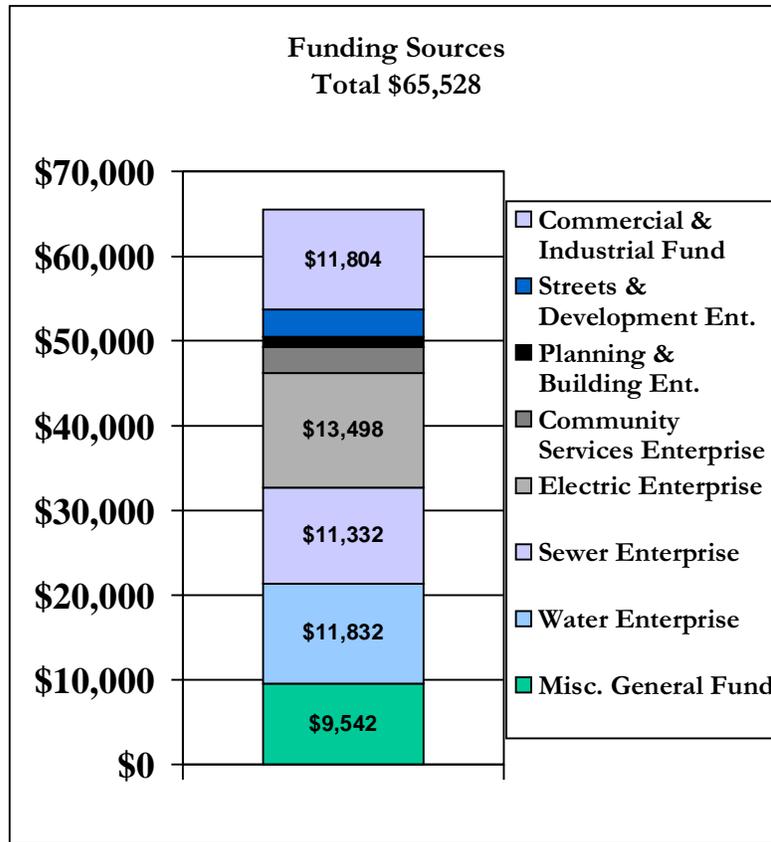
MAJOR DEPARTMENT TASKS FOR FISCAL YEAR 2004-2005

- ◆ Complete codification of the Municipal Code including “automatic updates” process.
- ◆ Complete negotiations to renew labor contracts with IBEW and the IAFF.
- ◆ After purchase of Fitch Mountain by Open Space District cooperate in development of management plan.
- ◆ Complete relocation of Purity Chemical over the next two years to construct parking lot; demolish house.
- ◆ Initiate construction of 15 single-family units on Parcel “B” in Parkland Farms and select developer for 20 West Grant Street; finalize plans for additional housing at 308 East Street.

FUTURE OBJECTIVES

Our most important objective over the next several years will be to protect the City’s financial viability in light of state budget impacts, including identifying additional revenues, postponing major capital improvement expenditures, and extending possible protection of the City’s redevelopment powers and revenues. We will also need to work to ensure long-term survivor ability of important Healdsburg institutions such as the Boys and Girls Club, the North County District Hospital and the Alliance Clinic. Try to guarantee that new developments are of significant benefit to the City’s financial viability, such as the Saggio Hills project that will provide \$1 million of additional revenue annually.

ADMINISTRATION - City Council

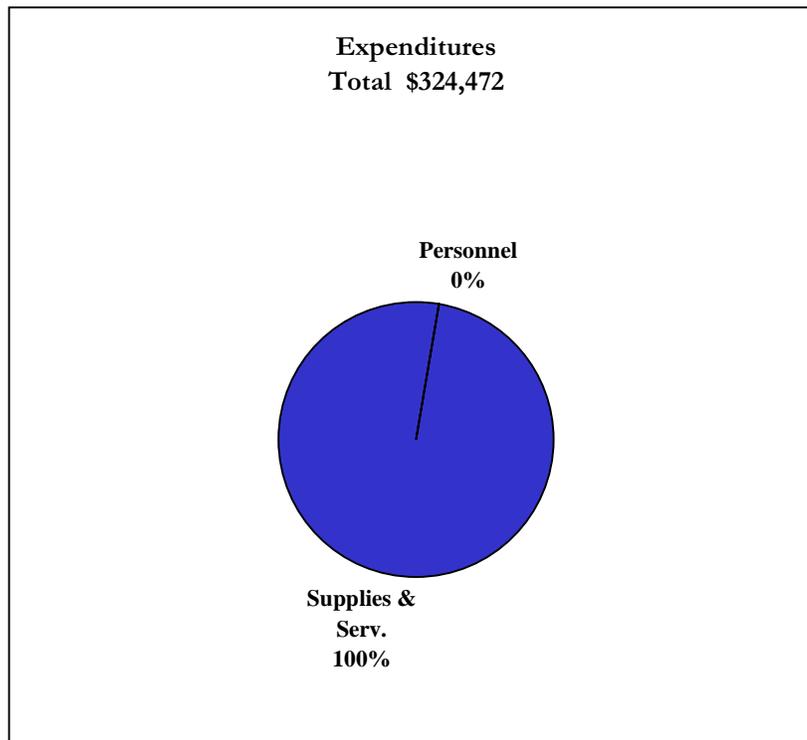
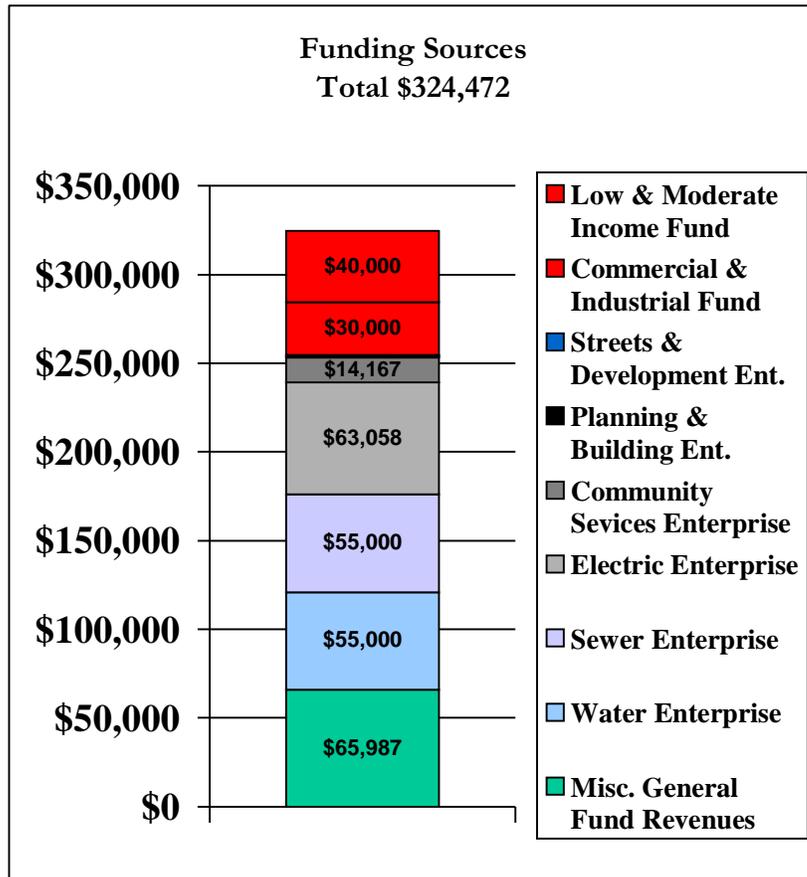


ADMINISTRATION - City Council

FUNDING SOURCES	FUNDING SOURCES 2004-2005
MISC.GENERAL FUND REVENUES	\$ 9,542
WATER ENTERPRISE	11,832
SEWER ENTERPRISE	11,332
ELECTRIC ENTERPRISE	13,498
COMMUNITY SERVICES ENTERPRISE	3,111
PLANNING & BUILDING ENTERPRISE	1,154
STREETS & DEVELOPMENT ENT.	3,255
COMMERCIAL & INDUSTRIAL FUND	11,804
TOTAL REVENUES	\$ 65,528

EXPENSES	ACTUAL 2002-2003	ADOPTED 2003-2004	BUDGET 2004-2005	DIFFERENCE FROM 2003-2004	% DIFFERENCE
WAGES & FRINGE BENEFITS	\$ 42,183	\$ 53,584	\$ 57,695	\$ 4,111	8%
CONTRACTED SERVICES	3,495	4,000	-	(4,000)	-100%
SERVICE FEES	3,056	3,672	3,672	-	0%
TELECOMMUNICATION SERVICE	474	600	600	-	0%
PRINTING & BINDING	-	-	-	-	0%
SUPPLIES	446	300	300	-	0%
MEETINGS	2,543	3,000	3,000	-	0%
MEMBERSHIPS & DUES	296	372	261	(111)	-30%
TOTAL EXPENSES	\$ 52,493	\$ 65,528	\$ 65,528	\$ -	0%

ADMINISTRATION - Legal

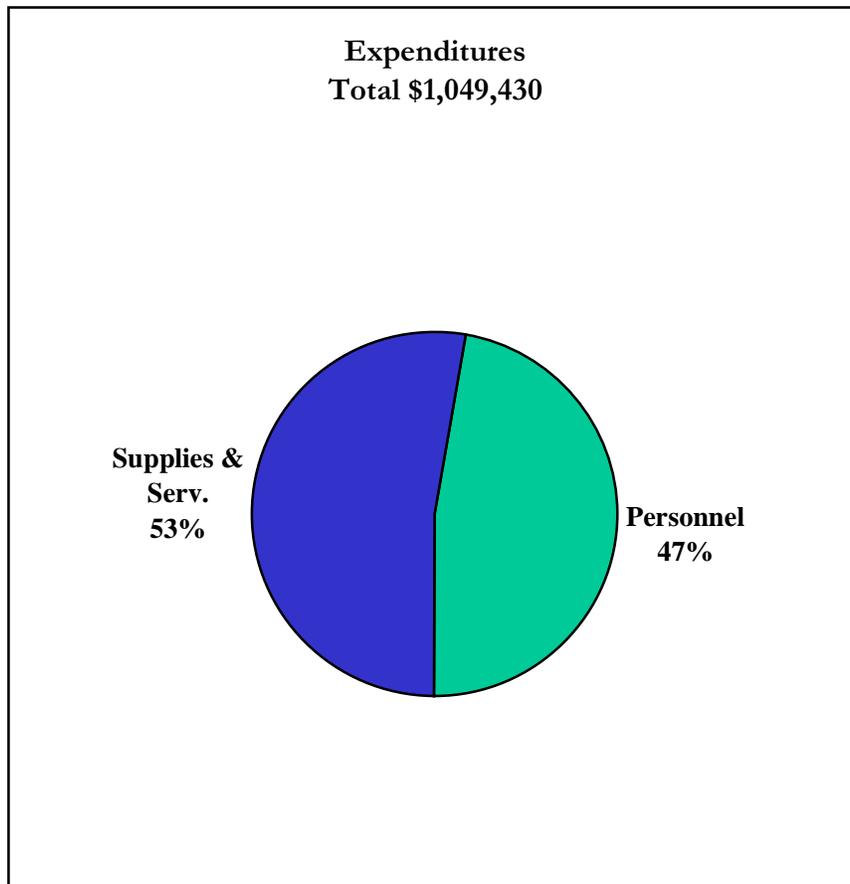
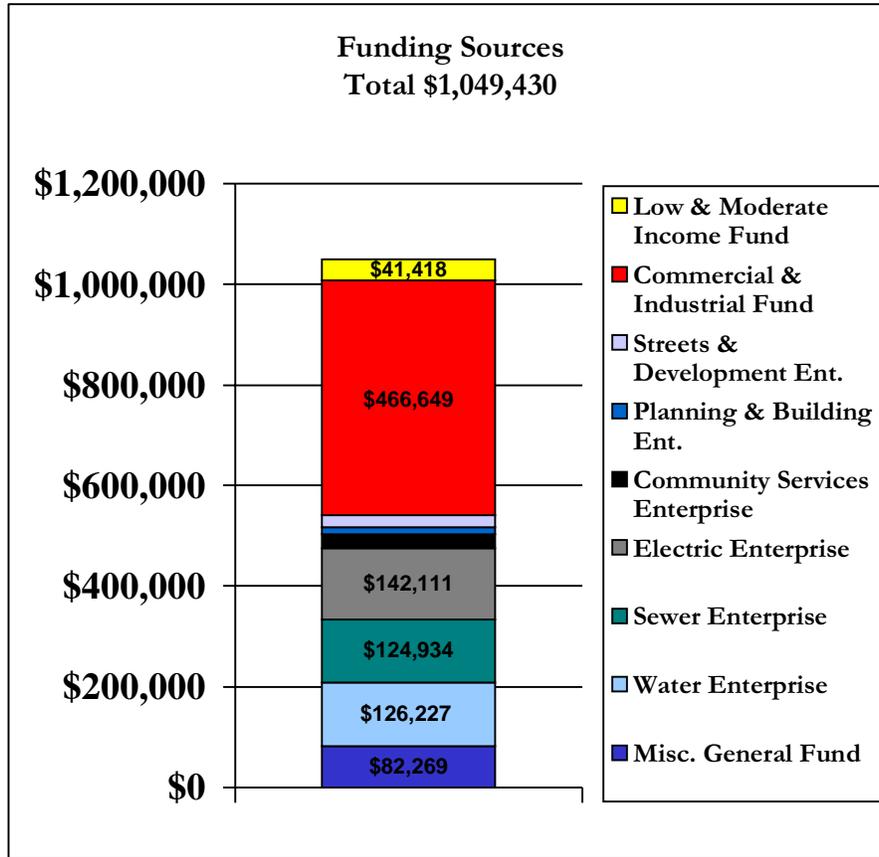


ADMINISTRATION - Legal

FUNDING SOURCES	FUNDING SOURCES 2004-2005
MISC.GENERAL FUND REVENUES	\$ 65,987
WATER ENTERPRISE	55,000
SEWER ENTERPRISE	55,000
ELECTRIC ENTERPRISE	63,058
COMMUNITY SERVICES ENTERPRISE	14,167
PLANNING & BUILDING ENTERPRISE	630
STREETS & DEVELOPMENT ENT.	630
COMMERCIAL & INDUSTRIAL FUND	30,000
LOW & MODERATE INCOME FUND	40,000
	<hr/>
TOTAL REVENUES	\$ 324,472

EXPENSES	ACTUAL 2002-2003	ADOPTED 2003-2004	BUDGET 2004-2005	DIFFERENCE FROM 2003-2004	% DIFFERENCE
WAGES & FRINGE BENEFITS	\$ 99,667	\$ 105,587	\$ -	\$ (105,587)	-100%
CONTRACTED SERVICES	366,588	217,165	322,752	105,587	49%
SERVICE FEES	1,620	1,620	1,620	-	0%
MEETINGS	-	100	100	-	0%
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL EXPENSES	\$ 467,875	\$ 324,472	\$ 324,472	\$ -	0%

ADMINISTRATION - City Manager's Office



ADMINISTRATION - City Manager's Office

FUNDING SOURCES	FUNDING SOURCES 2004-2005
MISC.GENERAL FUND REVENUES	\$ 82,269
WATER ENTERPRISE	126,227
SEWER ENTERPRISE	124,934
ELECTRIC ENTERPRISE	142,111
COMMUNITY SERVICES ENTERPRISE	27,297
PLANNING & BUILDING ENTERPRISE	14,402
STREETS & DEVELOPMENT ENT.	24,123
COMMERCIAL & INDUSTRIAL FUND	466,649
LOW & MODERATE INCOME FUND	41,418
CAPITAL PROJECT FUNDING	110,000
TOTAL REVENUES	\$ 1,159,430

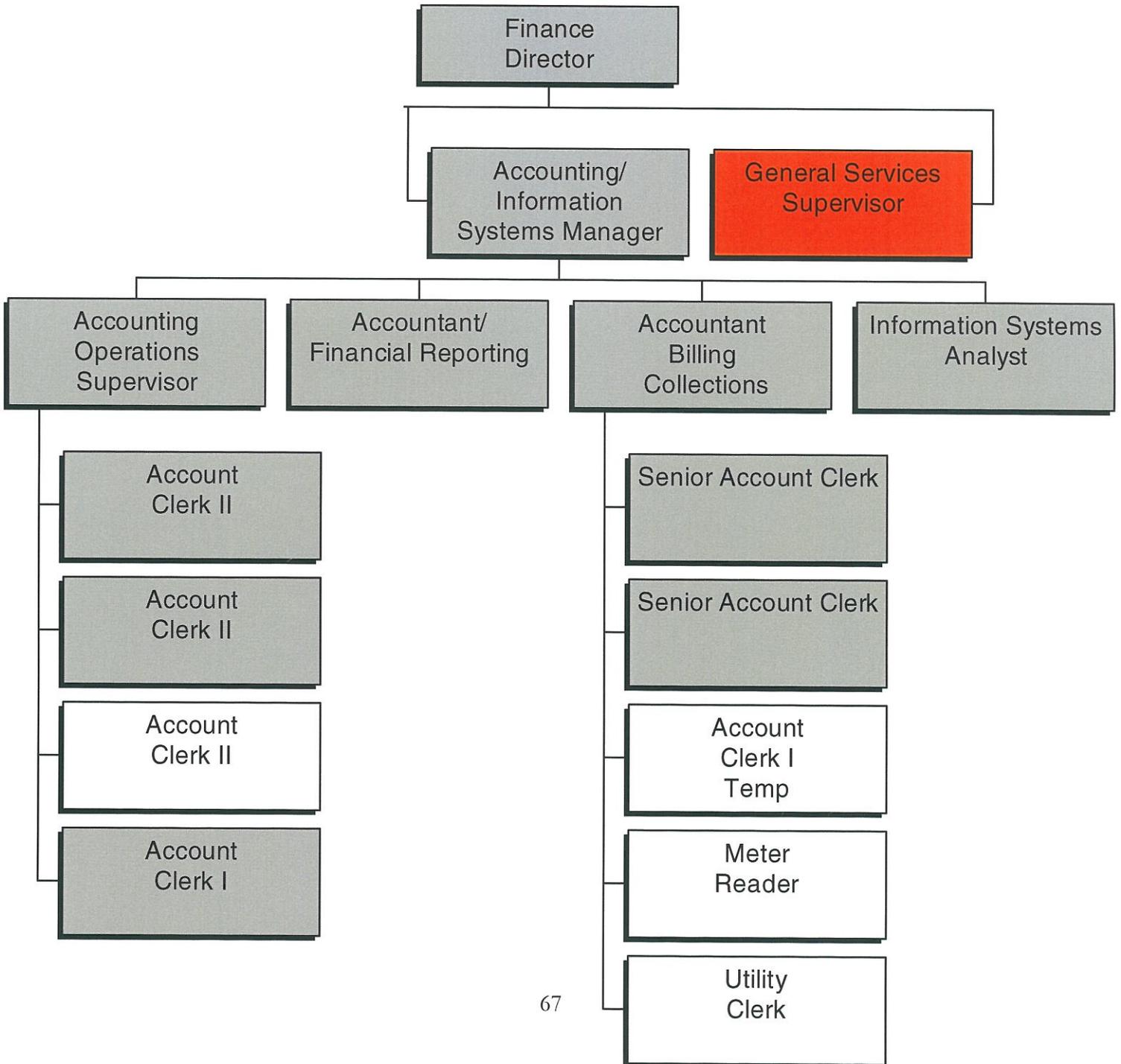
EXPENSES	ACTUAL 2002-2003	ADOPTED 2003-2004	BUDGET 2004-2005	DIFFERENCE FROM 2003-2004	% DIFFERENCE
WAGES & FRINGE BENEFITS	\$ 470,414	\$ 499,936	\$ 495,368	(1) \$ (4,568)	-1%
OVERTIME	-	-	-	-	0%
SUPPORT TO ORGANIZATIONS	1,227	1,920	2,300	380	20%
CONTRACTED SERVICES	89,433	104,140	100,529	(3,611)	-3%
INSURANCE	3,562	3,400	3,400	-	0%
GOVERNMENT FEES	-	-	-	-	0%
ELECTION EXPENSE	9,982	-	14,000	14,000	100%
PROJECT PARTICIPATION	46,000	291,400	296,950	5,550	2%
PROPERTY SERVICES	-	-	-	-	0%
ADDITIONAL PAY	12,000	10,950	7,800	(3,150)	-29%
RENTALS	-	1,800	1,800	-	0%
SERVICE FEES	53,511	55,893	55,893	-	0%
REPLACEMENT FEES	16,184	16,184	16,184	-	0%
LOAN REPAYMENT- GENERAL FUND	-	-	-	-	0%
TELECOMMUNICATION SERVICE	3,250	4,320	3,101	(1,219)	-28%
ADVERTISING & PUBLICATION	30,384	25,000	25,000	-	0%
PRINTING & BINDING	-	2,000	2,000	-	0%
SUPPLIES	5,748	8,805	8,805	-	0%
MEETINGS	5,525	8,000	8,000	-	0%
MEMBERSHIPS & DUES	11,112	6,000	6,000	-	0%
TRAINING	1,113	2,300	2,300	-	0%
TOTAL OPERATING EXPENSES	759,445	1,042,048	1,049,430	7,382	1%
CAPITAL PROJECTS		-	110,000		
GRAND TOTAL EXPENSES		\$ 1,042,048	\$ 1,159,430		

(1) Notes: Assistant City Manager reduced additional 1/4 to 1/2 time (1040 hrs no benefits).

FINANCE

Notes:

Full Time - 12
 Part Time - 3
 Temp - 1
Budget Reduction -1
 Total - 15
 Full Time Equivalents - 13.00



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 Annual Comprehensive 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 6,044 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 and the network of personal computers. 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 system. The department maintains and administers a network of 109 personal computers and the related servers. Network system maintenance is provided by the Information Systems Analyst and a supplemental service contract with Structured Business Systems.

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 DEPARTMENT TASKS COMPLETED IN FISCAL YEAR 2003-04

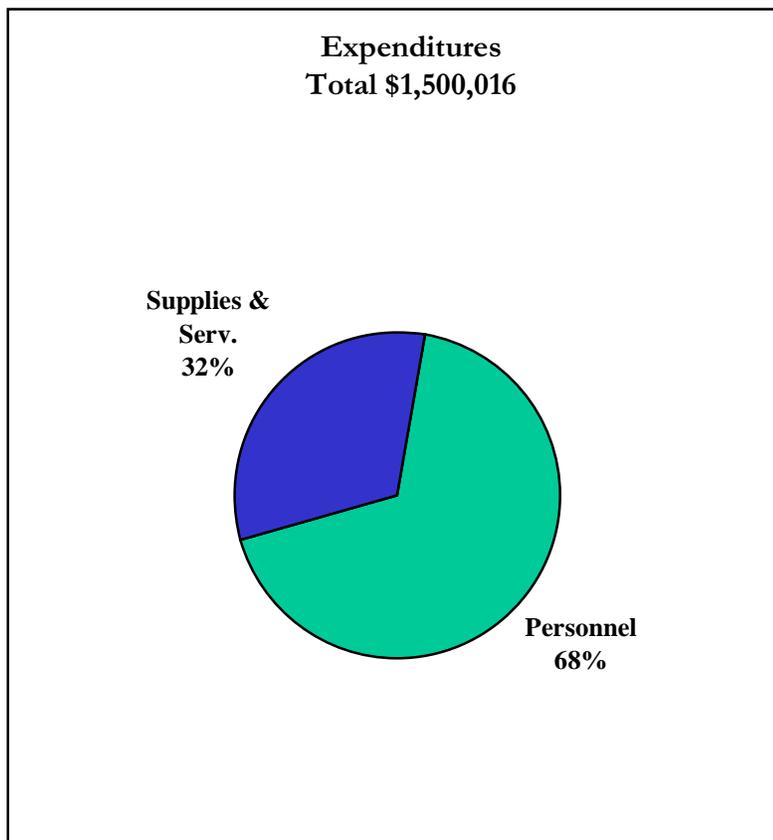
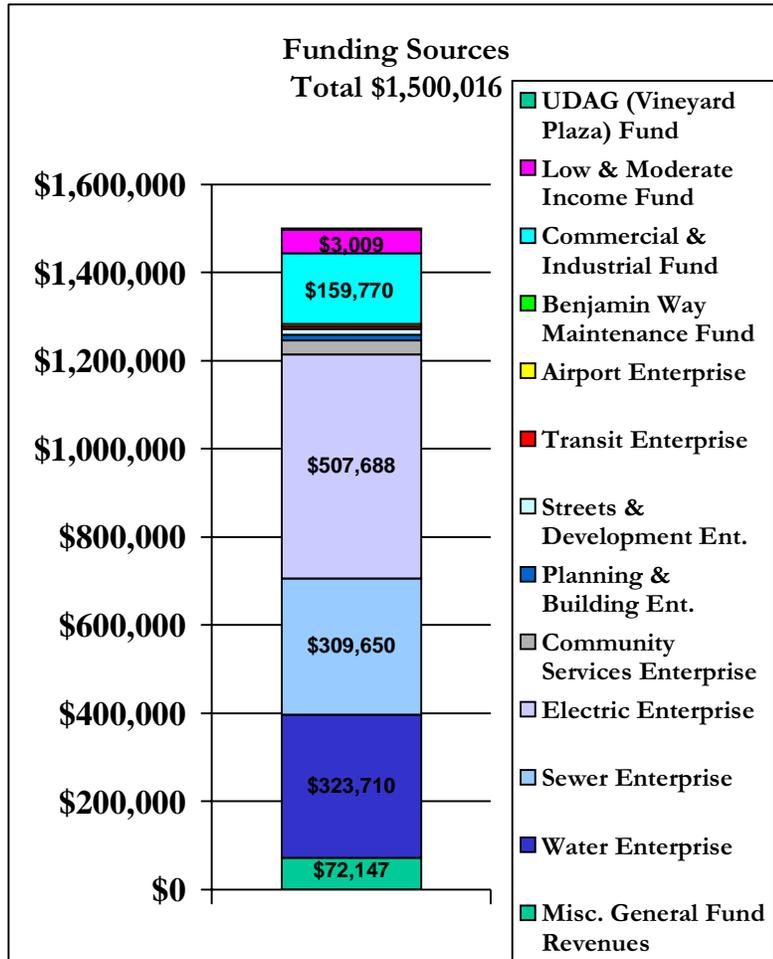
- ☑ Implemented changes to the Annual Financial Statements as required by the Governmental Accounting Standards Board Pronouncement No. 34
- ☑ Produced all financial reports “in-house” as reflected in the new audit contract
- ☑ Implemented two year rate plan for water and sewer utilities along with a program to continue the low income utility rates for customers
- ☑ Reconfigured front counter to enhance customer service and communication
- ☑ Restructured department after retirement of two long-term employees and redistributed workloads
- ☑ Updated Disposition and Development Agreement for Parcel B Affordable Housing project

MAJOR DEPARTMENT GOALS FOR FISCAL YEAR 2004-05

- ◆ Upgrade website software and redesign website to be user friendly with an emphasis on customer service
- ◆ Find ways to balance the increasing complexity of the City’s network computer systems with available resources to provide a reliable network system that delivers services to the community’s citizens as efficiently as possible
- ◆ Explore alternative methods of setting electric utility rates to replace the PUC rate structure that has been used in the past
- ◆ Review and update purchasing ordinance and manual to accommodate departments’ operating requirements
- ◆ Continue a project to convert water and electric meters to remote read capability
- ◆ Automate the requisition portion of the purchasing procedure
- ◆ Upgrade of the 18 year old utility billing software

FUTURE OBJECTIVES

The Department is faced with a number of challenges over the next several years. The implementation of the changes to the City’s financial reporting as mandated by the Government Accounting Standards Board, will require a significant amount of resources of staff, and significant efforts in reconfiguration of the City’s accounting structure. The goal of the mandated changes is to make the City’s financial reports more meaningful to the community's citizens. Perhaps the most difficult challenge faced by the Department over the coming year will be to handle the increasing complexity and time requirements for providing technical support for the City computer network. The goal of the Department is to maintain reliable information services network, so that departments can use the technology to provide services to the community’s citizens as efficiently as possible. The Department will also need to respond to the financial challenge facing the City. The Department will attempt to maintain high levels of service by continuing to automate processes where possible.



FUNDING SOURCES	FUNDING SOURCES 2004-2005
MISC.GENERAL FUND REVENUES	\$ 72,147
WATER ENTERPRISE	323,710
SEWER ENTERPRISE	309,650
ELECTRIC ENTERPRISE	507,688
COMMUNITY SERVICES ENTERPRISE	32,148
PLANNING & BUILDING ENTERPRISE	13,289
STREETS & DEVELOPMENT ENT.	13,960
TRANSIT ENTERPRISE	4,870
AIRPORT ENTERPRISE	6,395
BENJAMIN WAY MAINTENANCE DIST.	440
COMMERCIAL & INDUSTRIAL FUND	159,770
LOW & MODERATE INCOME FUND	52,940
UDAG (VINEYARD PLAZA) FUND	3,009
TOTAL REVENUES	\$ 1,500,016

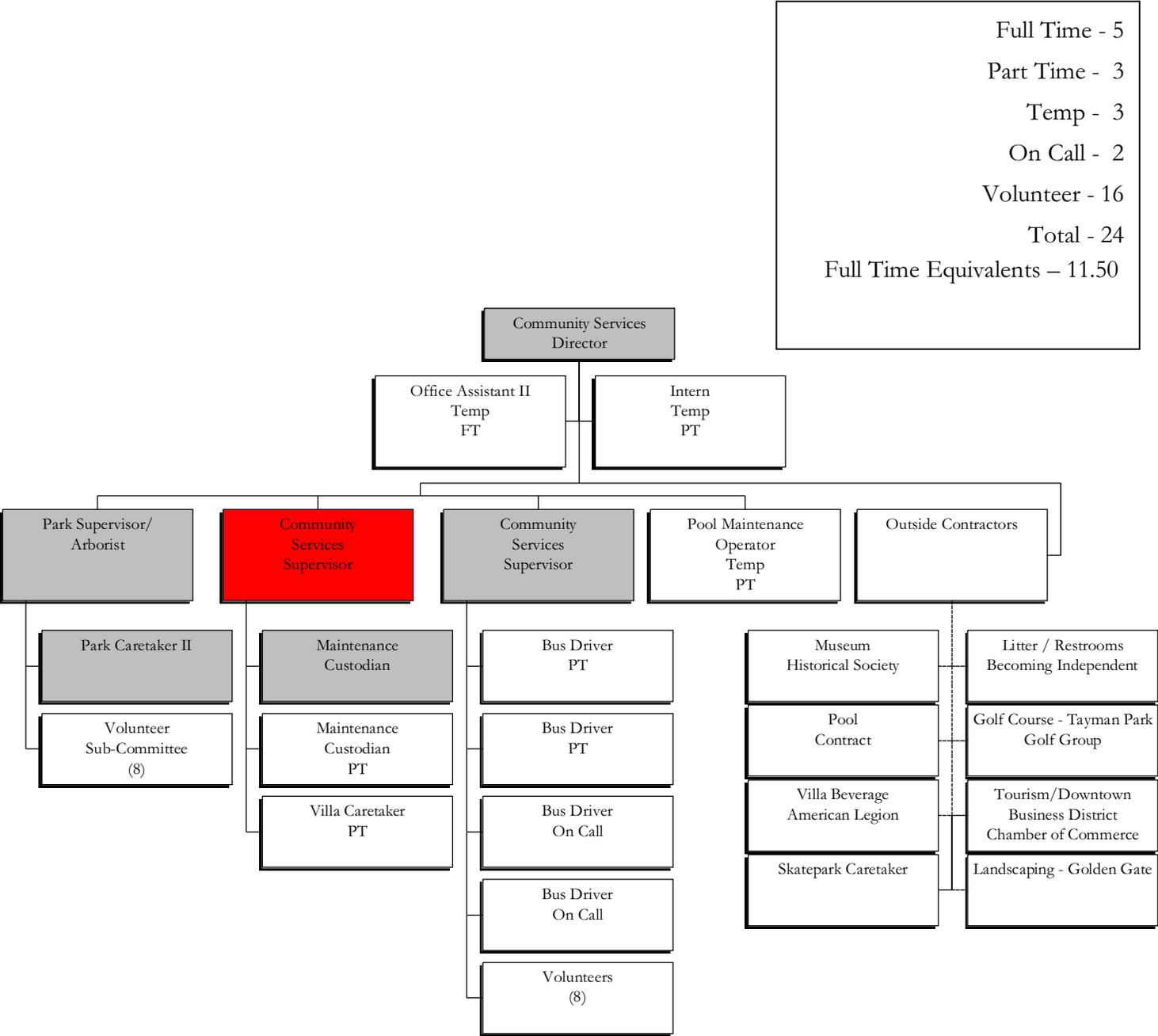
EXPENSES	ACTUAL 2002-2003	ADOPTED 2003-2004	BUDGET 2004-2005	DIFFERENCE FROM 2003-2004	% DIFFERENCE
WAGES & FRINGE BENEFITS	\$ 807,200	\$ 921,490	\$ 1,010,992 (1)	\$ 89,502	10%
OVERTIME	10,852	5,000	5,000	-	0%
CONTRACTED SERVICES	59,161	94,947	29,067	(65,880)	-69%
GOVERNMENT FEES	111	600	-	(600)	-100%
ADDITIONAL PAY	4,200	6,000	4,200	(1,800)	-30%
UNIFORM ALLOWANCE	-	100	-	(100)	-100%
RENTALS	1,359	1,850	36,936	35,086	1897%
SERVICE FEES	273,590	247,244	247,244	-	0%
REPLACEMENT FEES	123,815	95,000	95,000	-	0%
TELECOMMUNICATION SERVICE	7,109	12,000	7,127	(4,873)	-41%
ADVERTISING & PUBLICATION	1,578	1,800	-	(1,800)	-100%
PRINTING & BINDING	-	3,000	600	(2,400)	-80%
SUPPLIES	57,316	54,209	51,450	(2,759)	-5%
MEETINGS	1,592	4,000	2,750	(1,250)	-31%
MEMBERSHIPS & DUES	1,372	1,600	950	(650)	-41%
TRAINING	3,109	4,000	8,200	4,200	105%
EDUCATIONAL REIMBURSEMENT	-	500	500	-	0%
BAD DEBT EXPENSE	51,284	10,000	-	(10,000)	-100%
TOTAL EXPENSES	\$ 1,403,648	\$ 1,463,340	\$ 1,500,016	\$ 36,676	3%

(1) Notes: The finance department was reorganized. The General Services Manager retired, the position was not filled. Two account clerk positions were created. 5% reduction would replace budget by an Accounting Clerk I.

COMMUNITY SERVICES

Notes:

COMMUNITY SERVICES



COMMUNITY SERVICES

The Community Services Department is responsible for the management and operation of parks and recreation facilities, senior services, transit services, tourism promotion, Senior Center, the Villa Chanticleer conference center, Airport Management, as well as Neighborhood Improvement Programs, Lighting and Landscape District, special event coordination and film permits. Contract administration includes the municipal pool, Tayman Park Golf Course, school landscaping, Healdsburg Museum, Animal Shelter, and facility caretaker contracts.

DEPARTMENT SERVICES AND ROLES:

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

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

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

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

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 new 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 DEPARTMENT TASKS COMPLETED IN FISCAL YEAR 2003-2004

- ☑ Developed a new internship program for the Senior Center
- ☑ Created a Business Plan for the Healdsburg Airport
- ☑ Developed standard Airport leases, a renewal policy, and new fee schedule
- ☑ Assisted the Healdsburg Unified School District with development of the High School Campus Field Renovation Project
- ☑ Designed and created a plan to replace benches in Plaza Park and to add additional benches
- ☑ Created a Master Plan and a financing plan for renovation of Gibbs Park Playground
- ☑ Enclosed the front entry room at the Senior Center
- ☑ Initiated research to create and implement a Mayor's Youth Council in 2004
- ☑ Developed construction documents and bid Barbieri Brothers Park

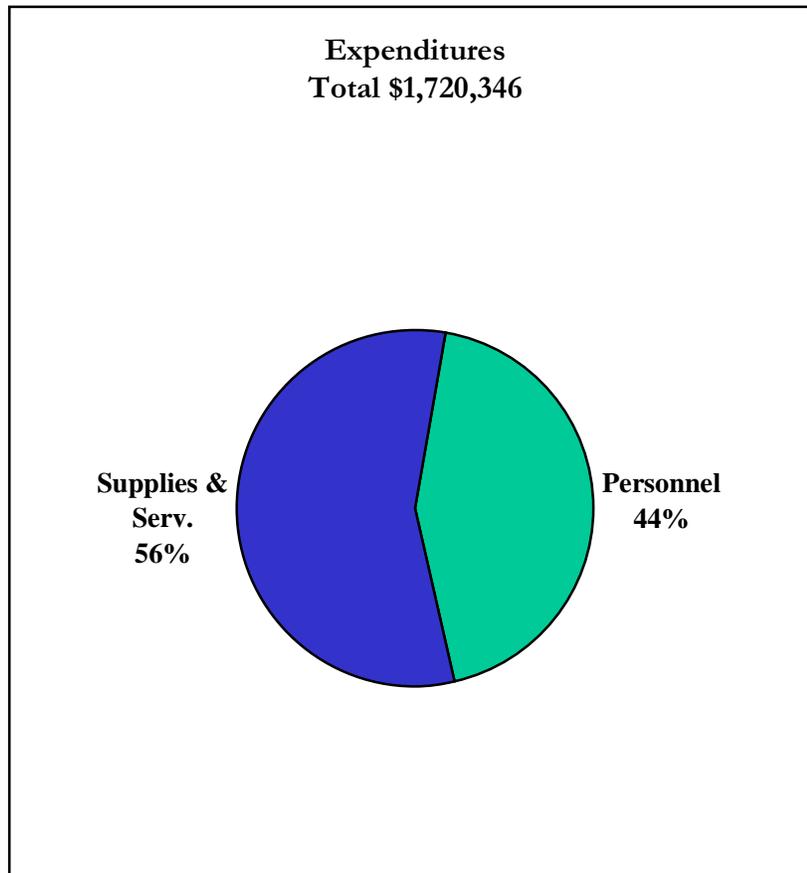
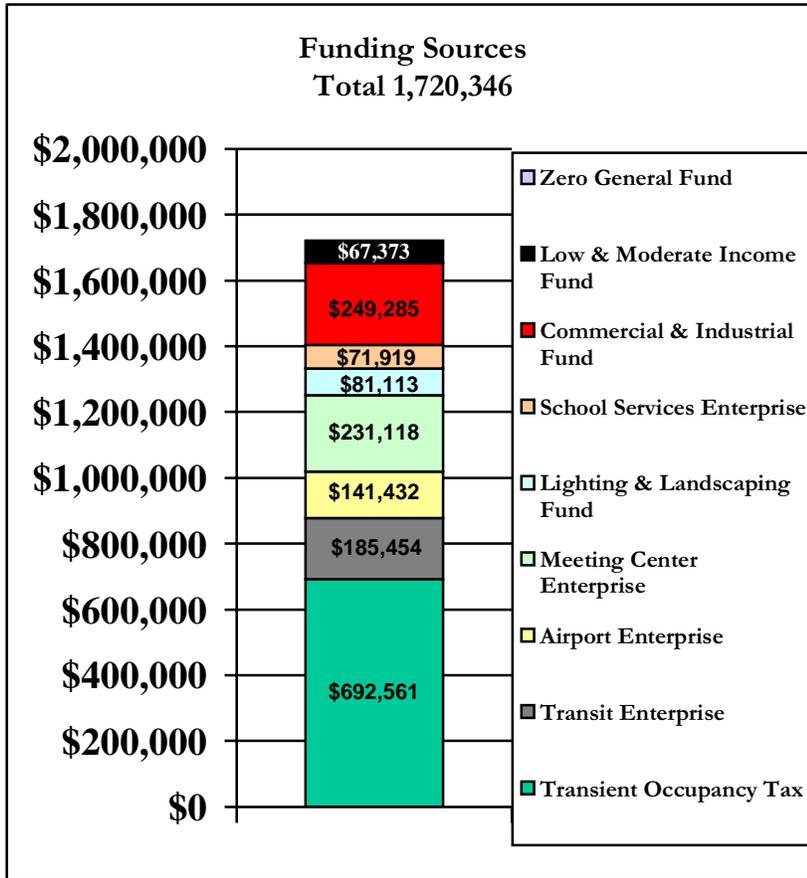
MAJOR DEPARTMENT GOALS FOR FISCAL YEAR 2004-2005

- ◆ Design and create a new entryway landscape plan into Parkland Farms (Healdsburg Avenue/Parkland Farms Boulevard) as part of the Lighting and Landscape District
- ◆ Draft a short-range transit plan for the Healdsburg Transit System to include marketing and visibility goals
- ◆ Construct and open Barbieri Brothers Park within budget
- ◆ Secure additional Federal Aviation Administration (FAA) funding for airport improvements
- ◆ Update contracts with Healdsburg Unified School District
- ◆ Design and Construct Initial Airport Improvements using FAA FY04 grant
- ◆ Begin planning and gathering public input to create an Airport Master Plan
- ◆ Review and adopt new fee schedule for Special Events, Plaza Park, and Villa Chanticleer
- ◆ Place Airport and Parks and Recreation Commissions Agendas and Minutes onto the City website
- ◆ Renovate Gibbs Park Playground

FUTURE OBJECTIVES

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. Take advantage of opportunities to reorganize the department due to attrition, state budget cuts, and part-time staff.

COMMUNITY SERVICES



COMMUNITY SERVICES

FUNDING SOURCES	FUNDING SOURCES 2004-2005
TRANSIENT OCCUPANCY TAX	\$ 692,561
TRANSIT ENTERPRISE	185,545
AIRPORT ENTERPRISE	141,432
MEETING CENTER ENTERPRISE	231,118
LIGHTING & LANDSCAPING FUND	81,113
SCHOOL SERVICES ENTERPRISE	71,919
COMMERCIAL & INDUSTRIAL FUND	249,285
LOW & MODERATE INCOME FUND	67,373
CAPITAL PROJECT FUNDING	<u>560,134</u>
 TOTAL REVENUES	 <u>\$ 2,280,480</u>

EXPENSES	ACTUAL 2002-2003	ADOPTED 2003-2004	BUDGET 2004-2005	DIFFERENCE FROM 2003-2004	% DIFFERENCE
WAGES & FRINGE BENEFITS	\$ 588,757	\$ 688,627	\$ 751,058	\$ 62,431	9%
OVERTIME	7,062	1,000	1,000	-	0%
SUPPORT TO OUTSIDE ORGANIZATIONS	24,176	29,300	19,400	(9,900)	-34%
CONTRACTED SERVICES	295,942	327,324	386,500	59,176	18%
INSURANCE	8,767	8,800	8,942	142	2%
GOVERNMENT FEES	4,271	1,750	1,750	-	0%
PROJECT PARTICIPATION	71,821	66,000	66,000	-	0%
PROPERTY SERVICES	92,293	102,500	124,100	21,600	21%
ADDITIONAL PAY	4,200	4,200	4,200	-	0%
UNIFORM ALLOWANCE	1,894	2,050	1,850	(200)	-10%
RENTALS	15,763	14,900	17,550	2,650	18%
SERVICE FEES	145,034	153,746	153,746	-	0%
REPLACEMENT FEES	17,184	17,184	17,184	-	0%
LOAN REPAYMENT- GENERAL FUND	1,666	1,666	1,666	-	0%
TELECOMMUNICATION SERVICE	10,663	10,000	9,220	(780)	-8%
ADVERTISING & PUBLICATION	10,039	7,552	6,500	(1,052)	-14%
PRINTING & BINDING	1,812	1,000	2,300	1,300	130%
SUPPLIES	125,819	169,647	141,490	(28,157)	-17%
MEETINGS	4,309	9,700	3,600	(6,100)	-63%
MEMBERSHIPS & DUES	1,626	2,100	1,140	(960)	-46%
TRAINING	763	2,500	1,150	(1,350)	-54%
CAPITAL ITEMS	-	10,000	-	(10,000)	-100%
 TOTAL OPERATING EXPENSES	 <u>1,433,861</u>	 <u>1,631,546</u>	 <u>1,720,346</u>	 <u>88,800</u>	 <u>5%</u>
CAPITAL PROJECTS		112,025	560,134		
GRAND TOTAL EXPENSES		<u>\$ 1,743,571</u>	<u>\$ 2,280,480</u>		

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

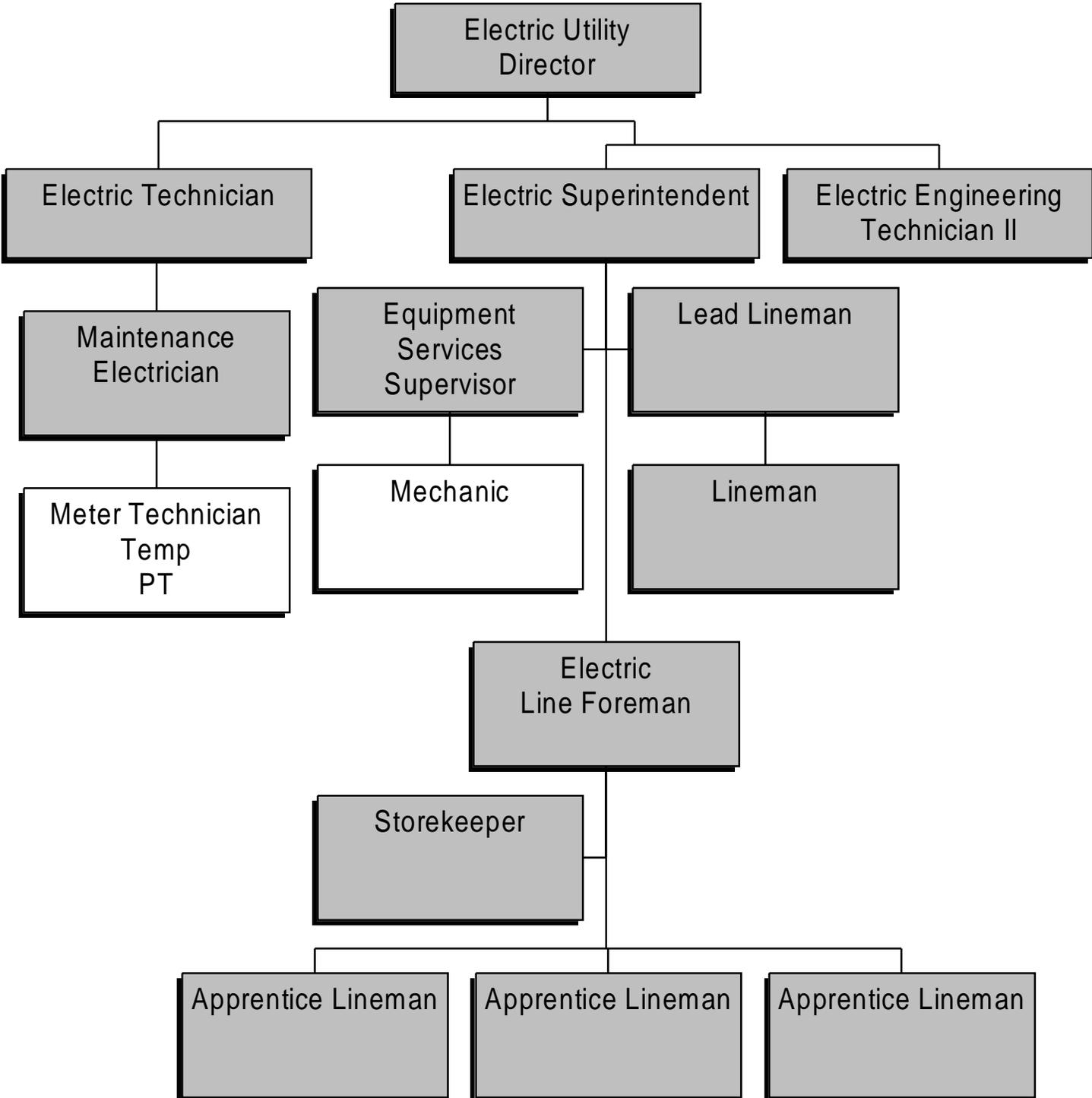
<u>Field Name</u>	<u>Location</u>
Fitch Mountain School - Multi Use Fields	565 Sanns Lane
Foss Creek School – Multi Use Fields, Basketball Courts	1557 Healdsburg Avenue
Giorgi Park-(2) Tennis Courts	600 University Street
Healdsburg Elementary School - Multi Use Fields	400 First Street
Healdsburg High 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 - 13
Temp - 2
Total - 15
Full Time Equivalents - 14.50



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 and traffic signal systems. 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 69% of the Department's budget, for use within the City. This includes management of the City's share of debt, generation assets and power resources as part of the Northern California Power Agency (NCPA), a Federal Central Valley Project allocation through the Western Area Power Administration (Western), the City's share of the California/Oregon Transmission Project (COTP) and well as other various long and short-term power contracts.

Over 80% of the City's generation assets and power resources are renewable.

The City's electric utility finds itself solvent, reliable, and focused on the current and future customer 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.

Interdepartmental Support and Services

Electric Utility personnel lend support and services to the other City departments for:

- ◆ Electrical and electronic maintenance
- ◆ Traffic signal maintenance
- ◆ City Corporation Yard management through the Electric Superintendent
- ◆ City vehicle maintenance management through the Electric Superintendent

MAJOR DEPARTMENT TASKS COMPLETED IN FISCAL YEAR 2003-2004

- ☑ Completed installation of underground electric system on Matheson Street at south side of West Side Plaza
- ☑ Completed comprehensive power pole-testing program and initiated comprehensive pole replacement program
- ☑ Completed first phase of capacity expansion and reliability improvement to the City's wastewater treatment facilities
 - West Side Road to Magnolia Lift Station 12 kV OVD Upgrade
 - Healdsburg Ave-Palm 12 kV OVD Upgrade
- ☑ Finished the Dry Creek 12 kV OVD Rebuild
- ☑ Completed the Terrace 12 kV OVD Rebuild
- ☑ Initiated expansive street light replacement program in the Powell Avenue area west of University Street due to extensive rusting of existing 40 year old plus streetlights

MAJOR DEPARTMENT GOALS FOR FISCAL YEAR 2004-2005

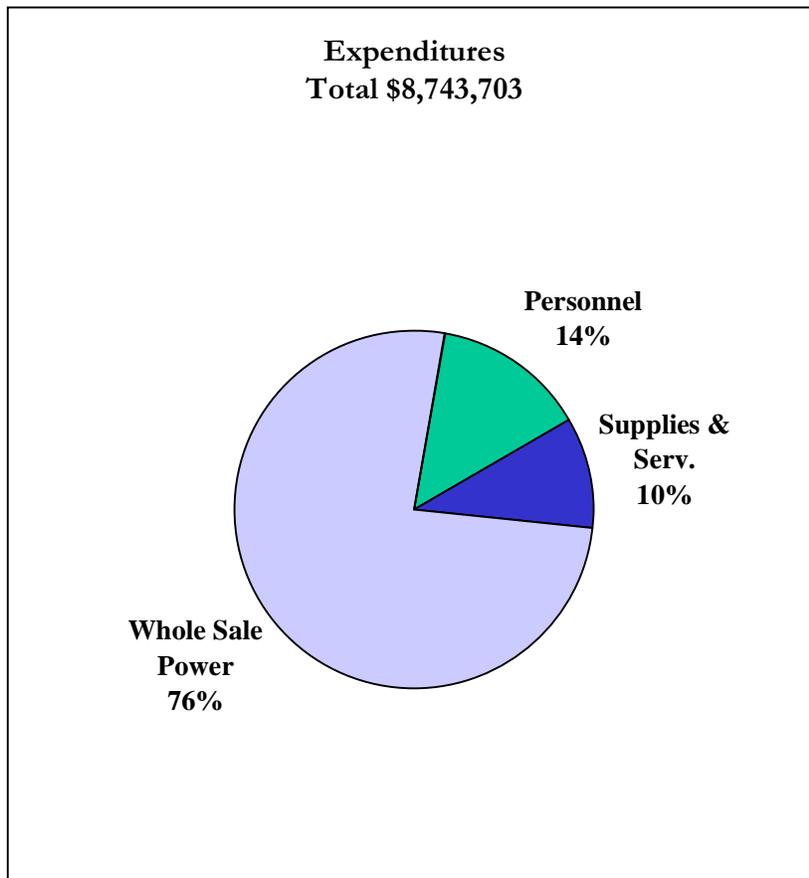
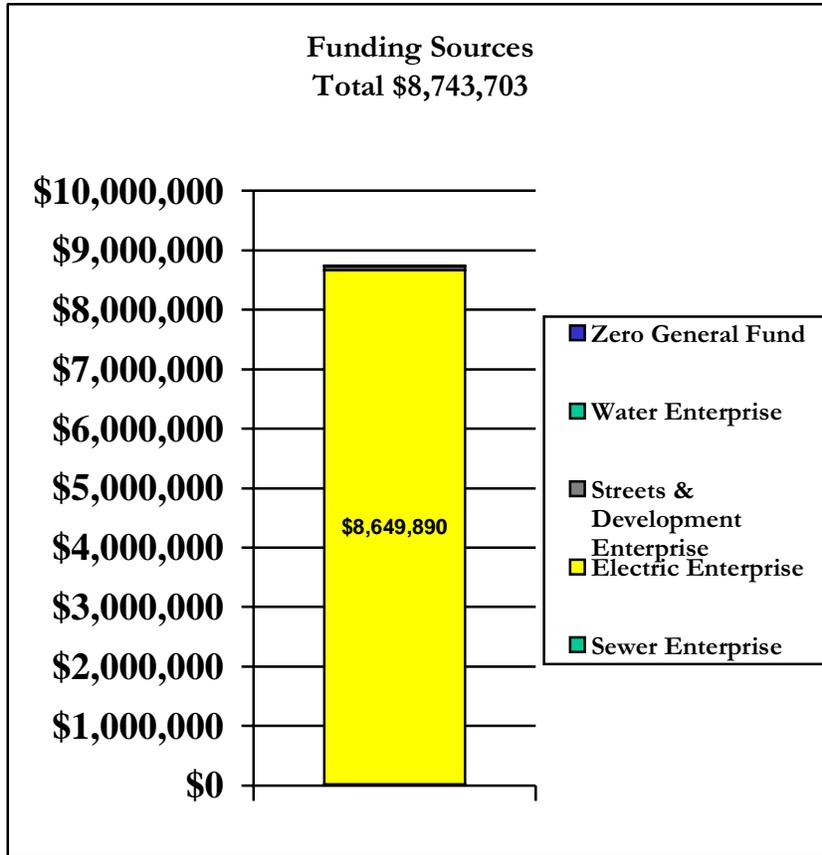
Electric Operations:

- ◆ Initiate succession-planning process due to retirement of key departmental positions
- ◆ Implement competitive actions in order to maintain financial stability
 - Continued investigation of new generation sources through NCPA
 - Investigate development of electric generation resources within the City
 - Biomass systems
 - Natural Gas Micro turbines
 - Photovoltaic systems
- ◆ Investigate competitive actions in order to provide responsiveness and local control over the community's needs and to provide additional sources of revenues for the General Fund

Capital Construction:

- ◆ Initiate replacement of 30-year-old plus equipment at Badger Electric Substation. First phase main 60kV Circuit Switchers (2)
- ◆ Initiate second major 12 kV feed into downtown area at Mill Street - Matheson area in order to handle increased load and improve system reliability in downtown area due to new construction
- ◆ Initiate 12 kV URD feed onto Grove Street from Dry Creek Road due to new construction.
- ◆ Install underground freeway crossing from Healdsburg Avenue to Kinley Drive near south entrance into City as part of on going Capacity expansion and system reliability improvement of 12 kV feed to the City's wastewater treatment facilities
- ◆ As a follow up to a comprehensive power pole-testing program, continue expansive power pole replacement program
- ◆ Continue expansive street light replacement program in the Powell Avenue area west of University Street due to extensive rusting of existing 40 year old plus streetlights
- ◆ Create an electric underground district as part of entryway project
- ◆ Continue various projects to shift load from two existing feeders that feed the City's north and downtown areas to the City's new South Fitch Mountain feeder

ELECTRIC UTILITY



FUNDING SOURCES	FUNDING SOURCES 2004-2005
MISC. GENERAL FUND REVENUES	\$ -
WATER ENTERPRISE	17,116
SEWER ENTERPRISE	17,116
ELECTRIC ENTERPRISE	8,649,390
ELECTRIC PUBLIC BENEFIT	500
STREETS & DEVELOPMENT ENT.	59,581
CAPITAL PROJECT FUNDING	1,043,000
TOTAL REVENUES	<u>\$ 9,786,703</u>

EXPENSES	ACTUAL 2002-2003	ADOPTED 2003-2004	BUDGET 2004-2005	DIFFERENCE FROM 2003-2004	% DIFFERENCE
WAGES & FRINGE BENEFITS	\$ 730,460	\$ 938,451	\$ 1,177,452	(1) \$ 239,001	25%
OVERTIME & STAND BY	48,117	25,252	42,095	16,843	67%
CONTRACTED SERVICES	92,836	186,000	180,300	(5,700)	-3%
GOVERNMENT FEES	330	800	800	-	0%
EMPLOYMENT SERVICES	8,345	-	-	-	0%
PROPERTY SERVICES	62,241	56,800	56,800	-	0%
ADDITIONAL PAY	-	4,200	4,200	-	0%
UNIFORM ALLOWANCE	4,082	4,000	4,000	-	0%
RENTALS	20,301	500	-	(500)	-100%
SERVICE FEES	167,370	199,308	199,308	-	0%
REPLACEMENT FEES	85,046	85,046	85,046	-	0%
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	4,420	4,500	4,500	-	0%
TELECOMMUNICATION SERVICE	5,752	21,000	21,000	-	0%
ADVERTISING & PUBLICATION	847	350	350	-	0%
PRINTING & BINDING	-	-	-	-	0%
SUPPLIES	244,870	113,150	113,150	-	0%
NCPA POWER COST	5,626,154	6,799,000	6,664,436	(134,564)	-2%
MEETINGS	3,655	9,700	10,000	300	3%
MEMBERSHIPS & DUES	2,372	5,000	5,000	-	0%
TRAINING	1,776	6,300	10,000	3,700	59%
OTHER EMPLOYEE EXPENSES	215	-	-	-	0%
LOSS IN DISPOSAL	8,359	-	-	-	0%
SHORT/OVER	8,873	-	1,000	1,000	100%
TOTAL OPERATING EXPENSES	<u>7,290,687</u>	<u>8,623,623</u>	<u>8,743,703</u>	<u>120,080</u>	<u>1%</u>
CAPITAL PROJECTS		1,525,000	1,043,000		
TOTAL EXPENSES		<u>\$ 10,148,623</u>	<u>\$ 9,786,703</u>		

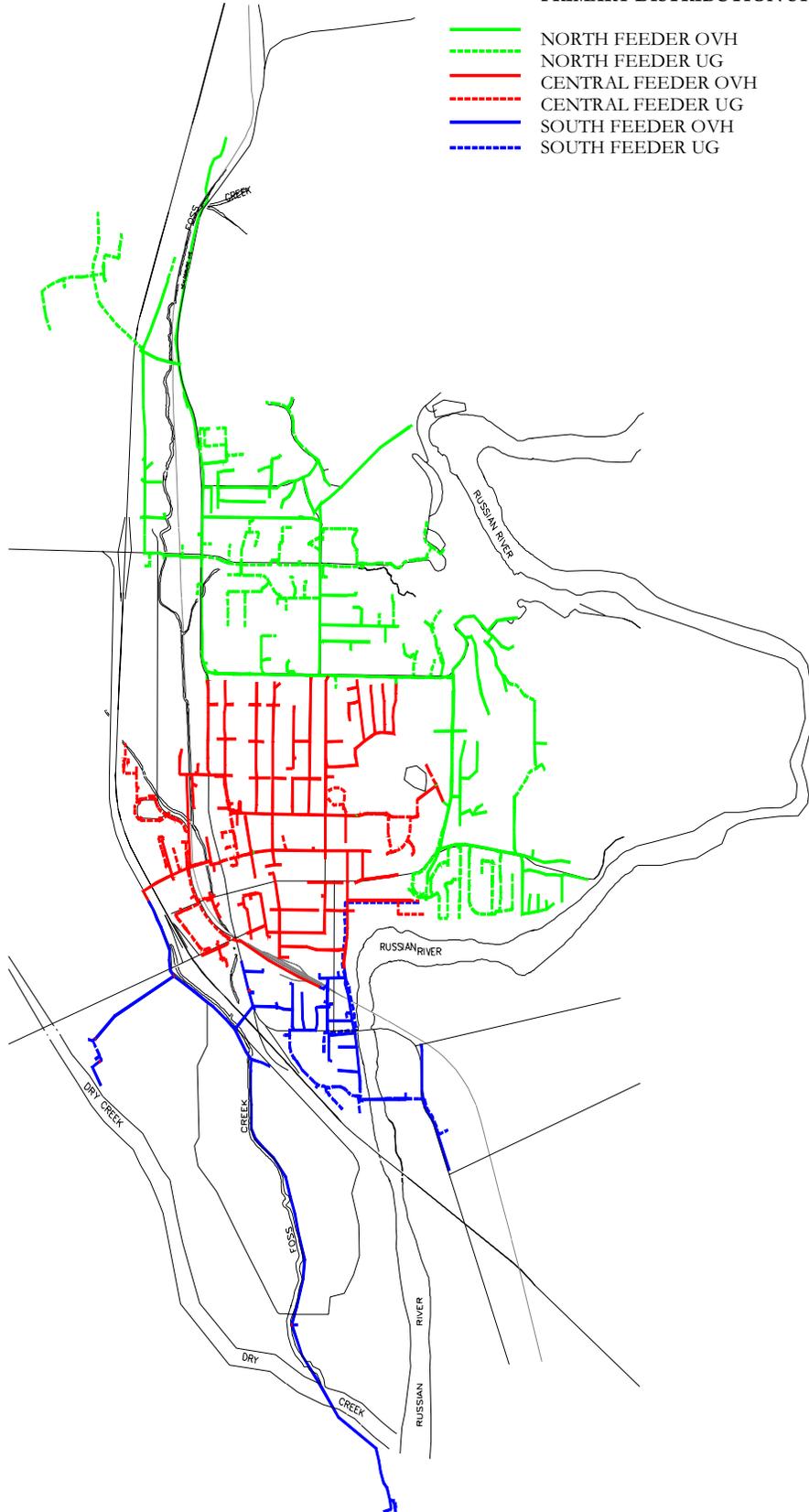
(1) Notes: Includes New Electric Position budgeted at 6 months.

ELECTRIC UTILITY

Notes:

ELECTRIC UTILITY

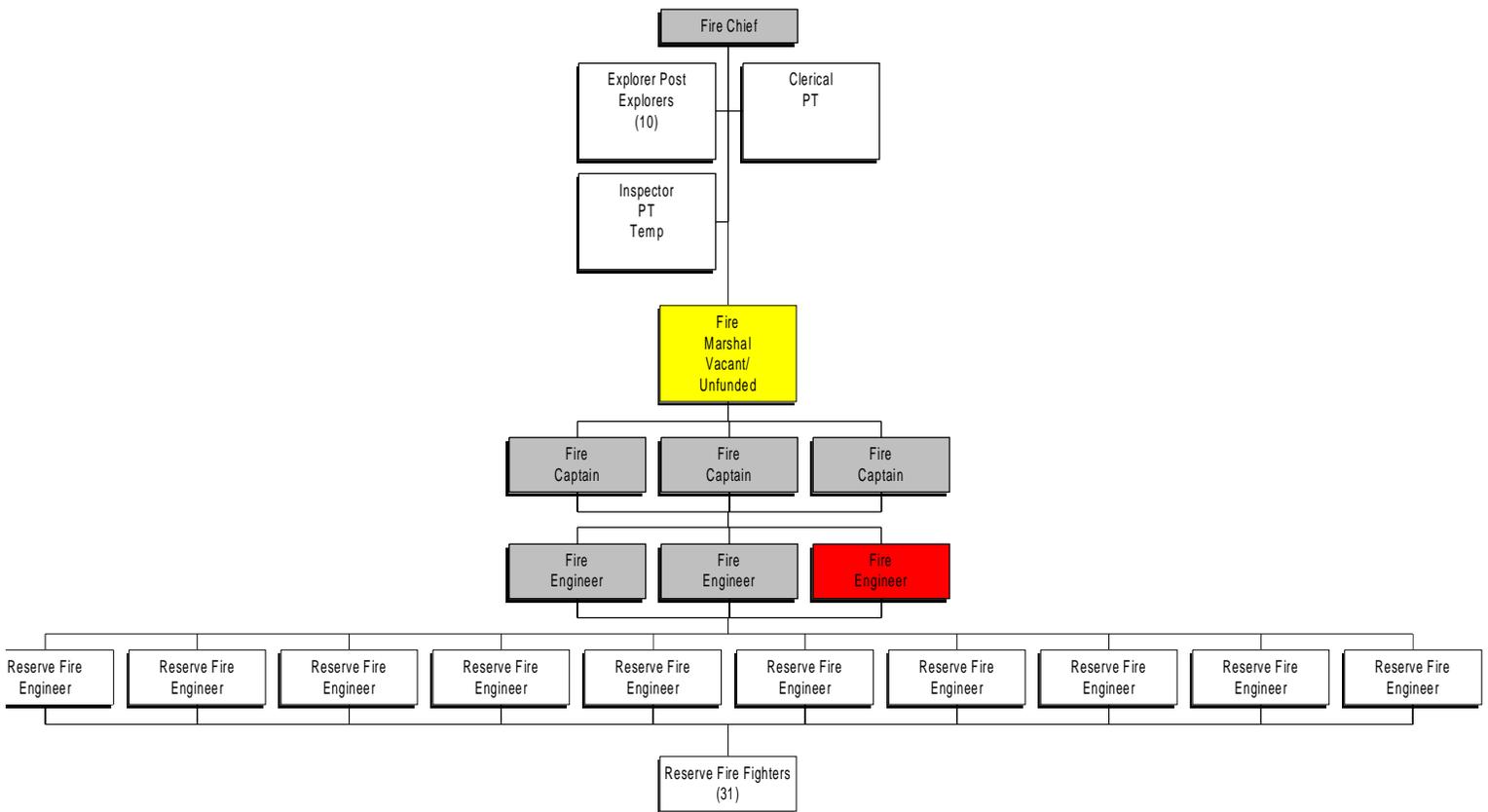
CITY OF HEALDSBURG PRIMARY DISTRIBUTION SYSTEM



FIRE

Notes:

Full Time - 6
 Part Time - 3
 Volunteer Reserves - 51
 Total - 60
 Full Time Equivalents* - 7.0
 *Reserve Firefighter not included in Full Time Equivalents



FIRE

The Fire Department is responsible for protecting life, property and the environment from the dangers of fire, explosion and hazardous materials incidents, and providing emergency & first aid response to medical emergencies and vehicle accidents. Additionally, fire prevention, disaster preparedness, weed abatement and hazardous materials management are important programs under their jurisdiction. As a combination fire agency with 38 reserves, the department uses seven full time staff to support the volunteers and to provide immediate emergency response.

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 to 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 Uniform Fire Code and portions of the State Health and Safety Code. Major activities include reviewing projects assisting in the planning stages of development, 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 has been curtailed to respond to complaints due to the Fire Marshal's position being unfunded.

Emergency Medical Services (EMS)

The Fire Department performs rescue work and provides emergency medical services to persons injured or ill. Staff is dispatched on all life threatening emergencies as a "First Responder" at the Emergency Medical Technician I (EMT-I) level. Enhanced services include Early Defibrillators on all apparatus.

Hazardous Materials/CUPA

The Fire Department has the primary responsibility for the management of hazardous materials emergencies. In addition, the Department has received certification as a Certified Unified Program Agency (CUPA) for Healdsburg and the City of Sebastopol and is responsible for administering six state regulatory programs designed to minimize the risks to the communities resulting from the storage, use, transportation and disposal of hazardous materials.

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 DEPARTMENT TASKS COMPLETED IN FISCAL YEAR 2003-2004

- Equipped and placed in service a Rescue Trailer that meets State Medium Rescue Requirements
- Recruited and trained five new reserve firefighters
- Obtained WMD personal protective and confined space rescue equipment through domestic preparedness grant

- ☑ Participated in Countywide Weapons of Mass Destruction (WMD) Drill
- ☑ Placed 2500 gallon water tender in service for use in city and contract areas with no water system
- ☑ Converted the department's Incident Reporting System to the federally mandated Incident reporting System
- ☑ Hosted the 2004 California State Fire Explorer Academy
- ☑ Obtained 5 Automatic Early Defibrillators (AED) through a grant from the Healdsburg Health Care Foundation
- ☑ Implemented an In-House Continuing Education program approved by the County EMS Agency
- ☑ Implemented an In-House AED recertification program approved by the County EMS Agency
- ☑ Conducted 22 CPR Classes including two Spanish Language Classes
- ☑ Conducted a review of and updated the City's Emergency Operations Center
- ☑ Brought all Underground Storage Tank (UST) sites into compliance with new UST regulations.
- ☑ Conducted over 2800 hours of volunteer training
- ☑ Performed over 1290 fire code and hazardous materials inspections and re-inspections
- ☑ Performed over 103 hours of public education activities
- ☑ Implemented new Senior "Are you ok?" call system
- ☑ Committed an engine and crew to the 2003 Southern California Firestorm for a week
- ☑ Obtained an interactive fire safety instructional "*Hazard House*" through a FEMA grant

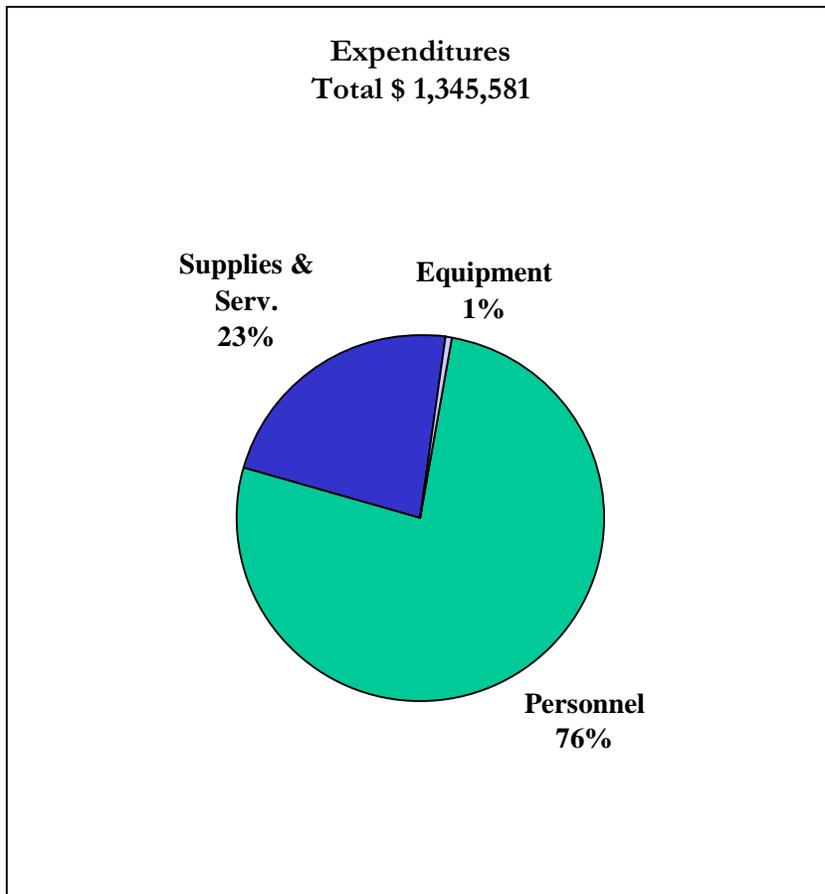
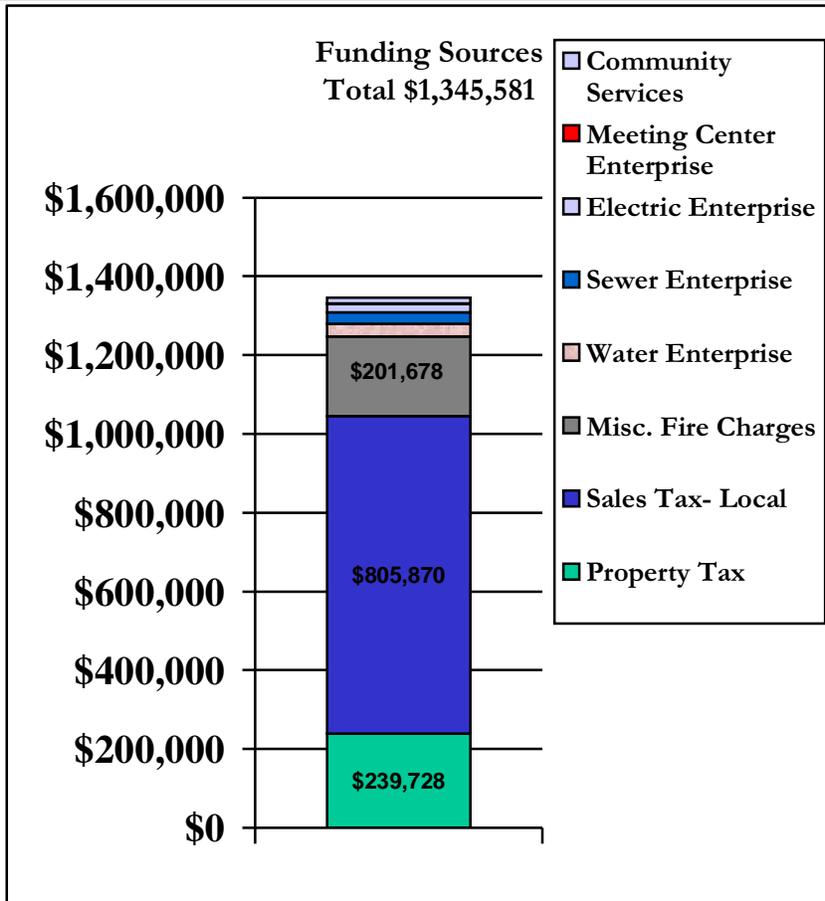
MAJOR DEPARTMENT GOALS FOR FISCAL YEAR 2004-05

- ◆ Recruit and fill the vacant Fire Captain position
- ◆ Perform a study of comparable fees and services provided by the Fire Department and adjust existing fees to cover the true costs of these services
- ◆ Implement low interest loan program to retrofit target buildings with built in fire protection systems
- ◆ Secure FEMA Grant to fund purchase of automatic passport devices for breathing apparatus and portable radios
- ◆ Train Fire Captains to assume greater administrative roles previously performed by the Fire Marshal
- ◆ Explore ways to motivate Reserve Firefighters given increasing commitment necessary to meet job requirement
- ◆ Explore the feasibility of a reserve firefighter "On-call" program to provide a continuous reserve staff to meet the sharp increase in simultaneous calls and maintain station coverage while minimizing the impact to the balance of department personnel
- ◆ Obtain Tank Endorsements for driver-engineers to operate new water tender as necessary
- ◆ Maintain existing service levels given staff reduction

FUTURE OBJECTIVES

Over the next several years, the Department will explore ways to restore the Fire Marshal's position to provide oversight for mandated inspection, plan checking and hazardous material programs and provide necessary incident command functions. As turnover of reserve firefighters continues to grow, the Department will examine ways to increase their motivation and participation including exploring the feasibility of providing subsidized housing. The Department will also examine ways to fund a full-time Training Officer's position to meet the increase in training requirements caused by an increase in State and Federal mandates and increased turnover.

FIRE



FUNDING SOURCES	FUNDING SOURCES 2004-2005
PROPERTY TAX	\$ 239,728
SALES TAX	805,870
COMMUNITY SERVICES	14,365
MISCELLANEOUS FIRE CHARGES	201,678
WATER ENTERPRISE	31,753
SEWER ENTERPRISE	29,118
ELECTRIC ENTERPRISE	20,917
MEETING CENTER ENTERPRISE	2,152
TOTAL REVENUES	\$ 1,345,581

EXPENSES	ACTUAL 2002-2003	ADOPTED 2003-2004	BUDGET 2004-2005	DIFFERENCE FROM 2003-2004	% DIFFERENCE
WAGES & FRINGE BENEFITS	\$ 801,410	\$ 880,177	\$ 924,779	(1) \$ 44,602	5%
OVERTIME	133,662	158,000	107,000	(51,000)	-32%
CONTRACTED SERVICES	23,572	25,600	60,600	35,000	137%
PROPERTY SERVICES	510	38,000	3,000	(35,000)	-92%
ADDITIONAL PAY	4,200	4,200	4,200	-	0%
UNIFORM ALLOWANCE	6,459	6,000	6,243	243	4%
RENTALS	376	1,600	1,600	-	0%
SERVICE FEES	132,121	134,723	134,723	-	0%
REPLACEMENT FEES	47,410	27,955	27,955	-	0%
TELECOMMUNICATION SERVICE	8,775	9,100	9,100	-	0%
ADVERTISING & PUBLICATION	846	-	300	300	100%
PRINTING & BINDING	-	750	750	-	0%
SUPPLIES	89,371	45,250	45,250	-	0%
MEETINGS	494	400	800	400	100%
MEMBERSHIPS & DUES	1,870	2,800	3,000	200	7%
TRAINING	9,665	4,010	9,281	5,271	131%
CAPITAL ITEMS	18,624	7,016	7,000	(16)	0%
BAD DEBT	227	-	-	-	0%
TOTAL EXPENSES	\$ 1,279,592	\$ 1,345,581	\$ 1,345,581	\$ -	0%

(1) Notes: Zero Growth removes a fire engineer and adds a partime fire inspector.

5% reduction removes two fire engineers and assumes sharing added partime fire inspector with Cloverdale

Wages and fringes include \$65,000 for volunteers for zero growth and 5% reduction.

FIRE

2000 to 2003 EMERGENCY RESPONSES

Emergency Responses:	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
Structure Fires	34	24	28	27
Vehicle Fires	13	11	21	24
Vegetation Fires	27	49	43	55
Other Fires	22	18	26	51
Emergency Medical	492	563	555	572
Hazardous Material/Condition	31	17	91	80
Vehicle Accidents	84	73	71	97
Other	<u>544</u>	<u>561</u>	<u>452</u>	<u>456</u>
TOTALS	1,247	1,316	1,287	1,362

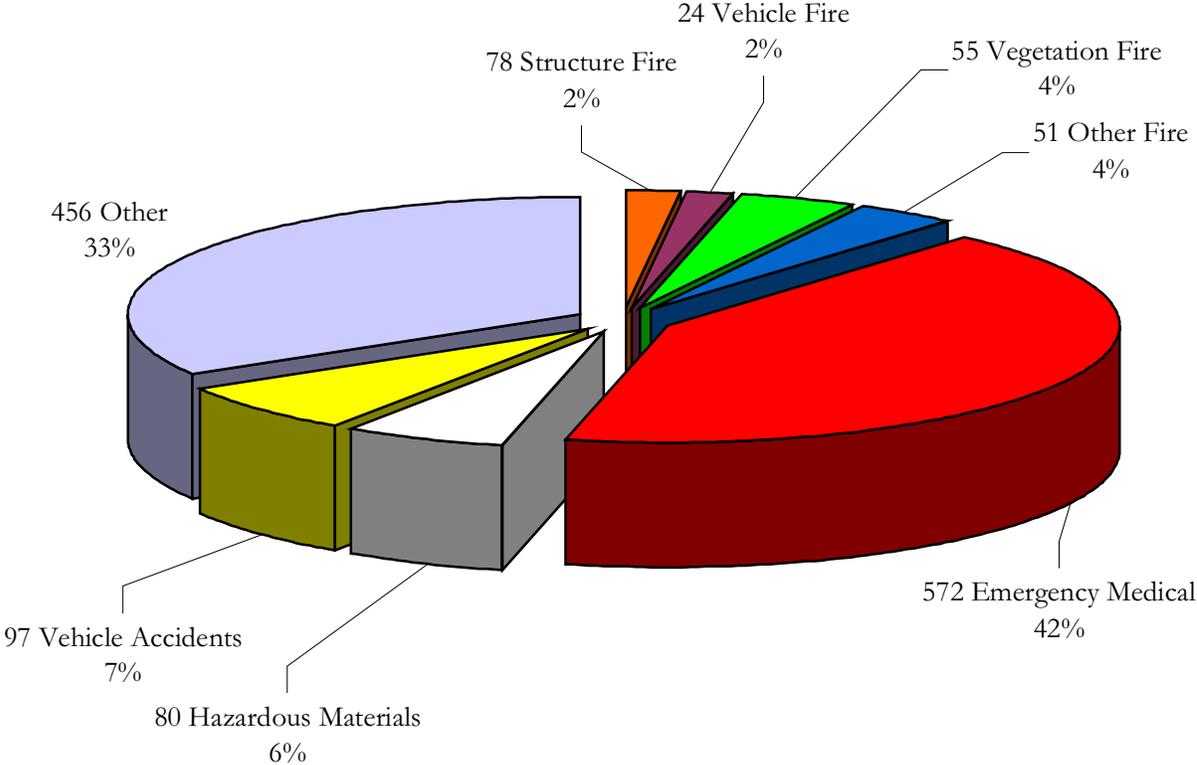
FIRE, EXPLOSION Includes Fires out on arrival and combustible explosion with no fire. Excluded are overheat or excessive heat, unauthorized burning and controlled burning.

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.

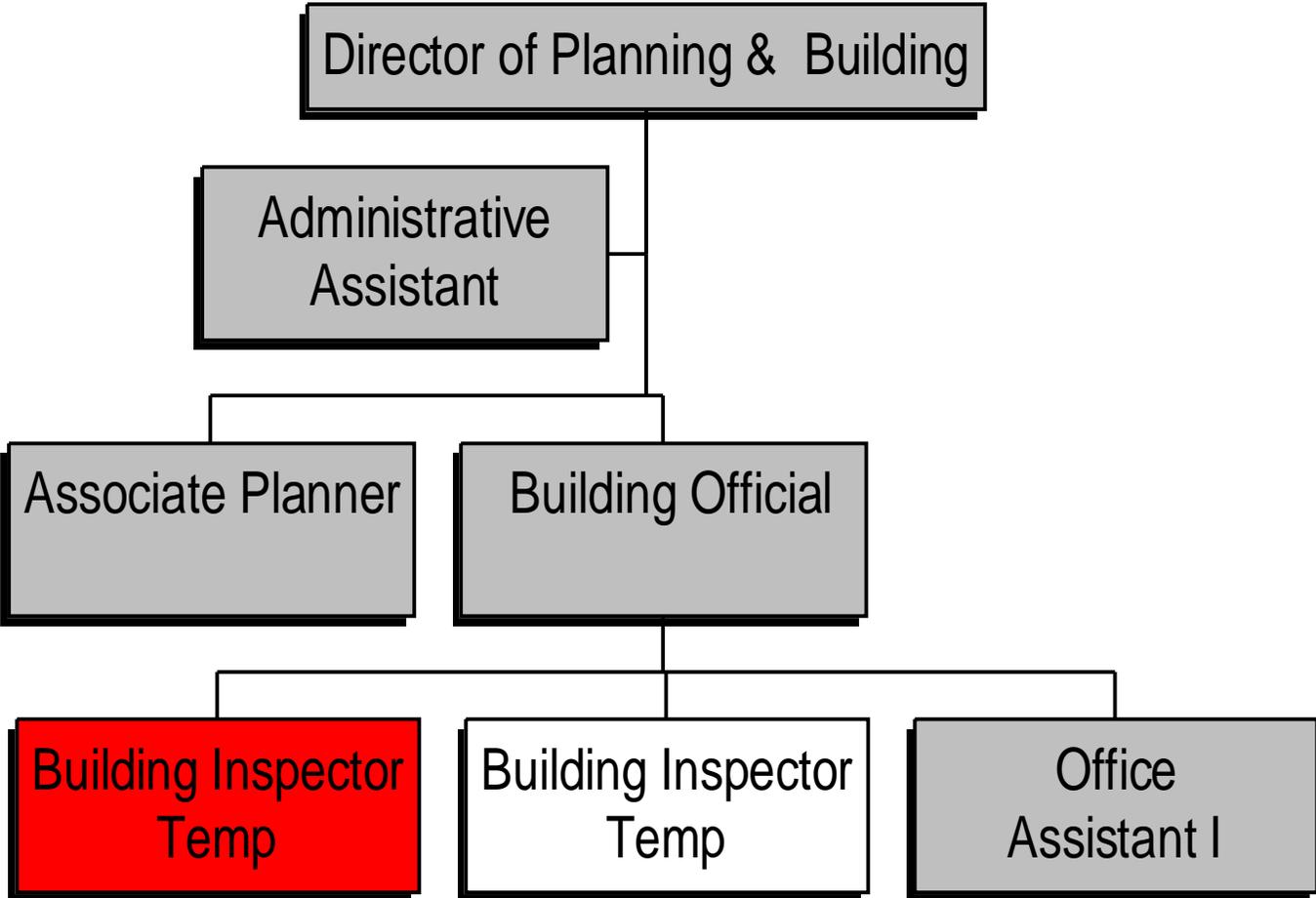
**Fire Service Calls
Number of Calls By Type for Calendar Year 2003**



PLANNING & BUILDING

Notes:

Full Time - 5
Temp - 2
Budget Reduction - 1
Total - 6
Full Time Equivalents - 6.0



PLANNING & BUILDING

The Planning and Building Department is responsible for overseeing and guiding private development activities in the City of Healdsburg during a period of sustained economic activity. Major tasks include administration of building and planning regulations, assistance to the public and to private developers on City permit applications; conducting environmental reviews under CEQA and providing staff assistance to the Planning Commission and City Council on development-related permits. The Department is also an active participant on the City's economic development and redevelopment programs team and is responsible for advanced planning.

Zoning and Subdivision Administration

Planning staff administers the Zoning and Subdivision Ordinances. It responds to public inquires, provides interpretations on development projects, prepares staff reports on land use, design review and subdivision projects for Planning Commission and City Council review, and attends public hearings. Revisions to this ordinance are also prepared. The Planning staff continues to find ways to make the application process easier to understand and the required information more accessible to the public.

Advanced Planning

All public and private development activities are reviewed for consistency with the Healdsburg General Plan and adopted specific plans such as the Area A Plan. Amendments are also processed by the Planning staff. Special planning studies are prepared such as the Foss Creek bicycle/trail plan, Community Entryways Plan, and the update to the General Plan. There is continued need to update existing regulations to be more responsive such as the Zoning and Subdivision Ordinances, and Design Review Guidelines. Staff is also involved in activities of the Redevelopment Agency. This includes the production of new affordable housing such as development of Parcel B in the Parkland Farms Subdivision and economic development activities.

Environmental Review

Environmental review under the CEQA guidelines is conducted by the Planning staff for all discretionary projects. This involves determination of the appropriate level of environmental review such as whether an environmental impact review is needed. All new projects, public or private, must be reviewed against the City's CEQA Guidelines.

Building Inspection Services

The Building staff accepts permits, reviews plans and inspects all building related activities within the city to ensure compliance with adopted codes. Public assistance is also given to facilitate proper plan submittals and understanding. Additional challenges include continued administration of the Unreinforced Masonry requirements, and to provide an easy transition with the adoption of the new building and fire codes. Enforcement of code compliance for both zoning and building rests with this division.

MAJOR DEPARTMENT TASKS COMPLETED IN FISCAL YEAR 2003- 2004

- Initiated the City Entryways planning
- Administered the Foss Creek Pathway Project and associated grants
- Initiated a possible expansion to the 308 East Street transitional housing project
- Assisted in the adoption of a comprehensive Noise Reduction Ordinance
- Administered the preparation of an EIR for the Area C (Saggio Hills) Annexation project
- Participated and coordinated affordable housing projects including a low to moderate income, Parcel B subdivision
- Accomplished enforcement leading to removal of temporary signs and initiated a coordinated sign program for the downtown area
- Managed successful GIS pilot program for departmental use
- Coordinated the Railroad Depot renovation with Sonoma County Transit District and other city departments
- Solicited interest from developers for the 20 W. Grant affordable housing project

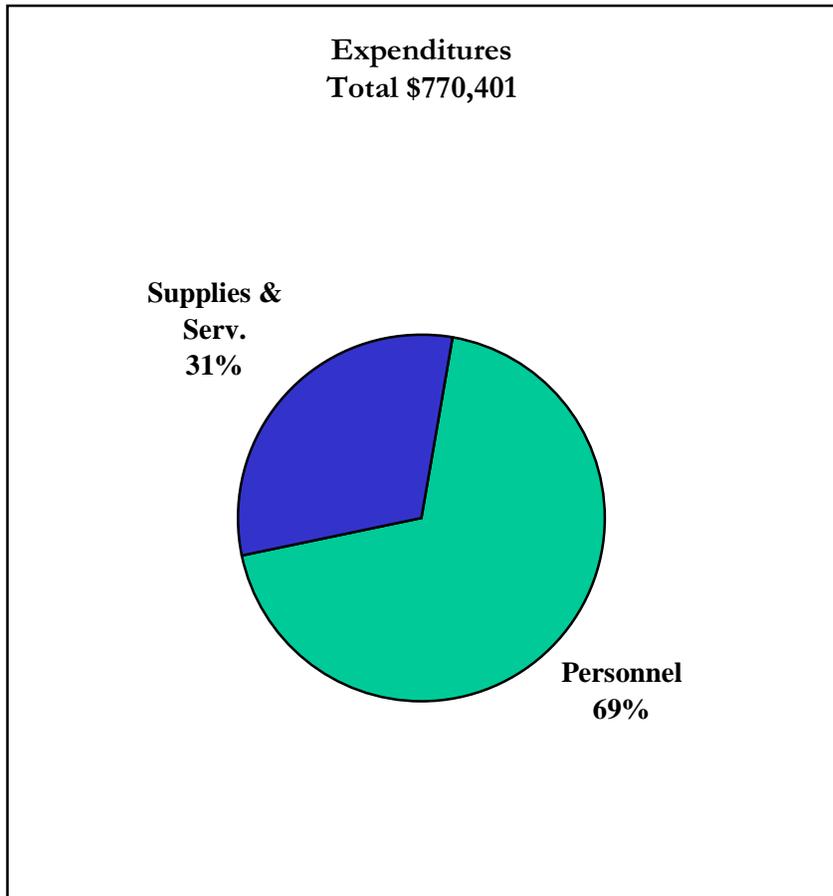
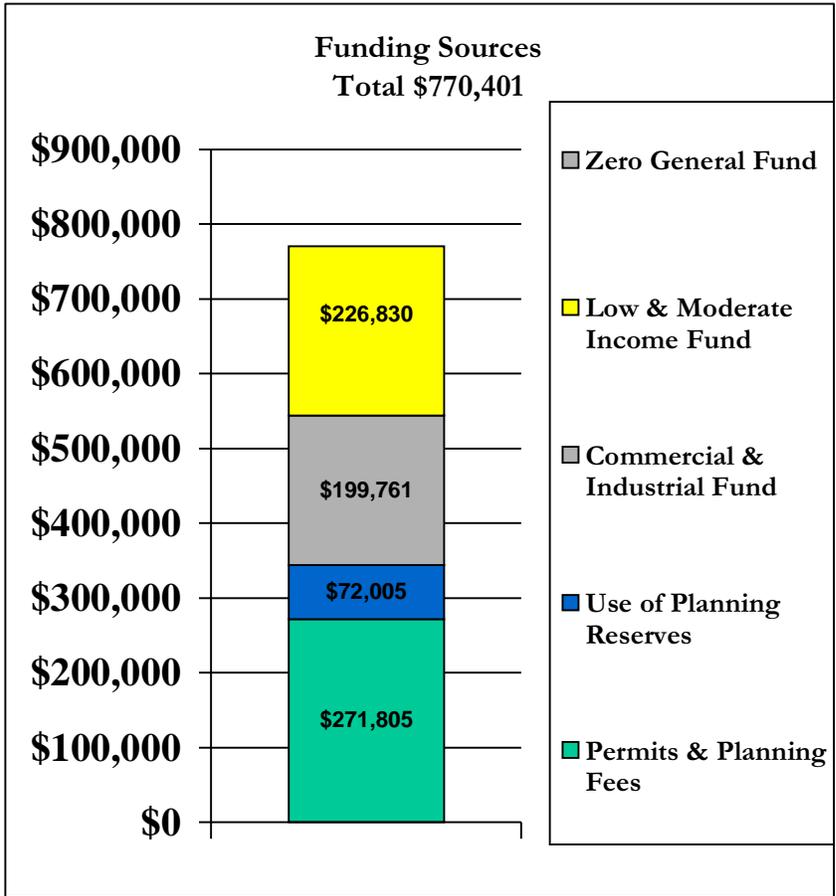
MAJOR DEPARTMENT GOALS FOR FISCAL YEAR 2004- 2005

- Complete update of all elements of the General Plan
- Complete Foss Creek Pathway Phase I project from Mill Street to North Street
- Update Design Review Guidelines
- Complete the City Entryways planning effort
- Complete permit processing of possible expansion to the 308 East Street transitional housing project
- Complete EIR and entitlement process for the Area C (Saggio Hills) Annexation project
- Complete sales Parcel B affordable housing subdivision

FUTURE OBJECTIVES

- Update the Subdivision Ordinance
- Initiate computerized permit processing system for Planning and Building

PLANNING & BUILDING



PLANNING & BUILDING

FUNDING SOURCES	FUNDING SOURCES 2004-2005
PERMITS & PLANNING FEES	\$ 271,805
COMMERCIAL & INDUSTRIAL FUND	199,761
LOW & MODERATE INCOME FUND	226,830
USE OF DESIGNATED RESERVES	72,005
CAPITAL PROJECT FUNDING	<u>1,415,000</u>
TOTAL REVENUES	<u>\$ 2,185,401</u>

EXPENSES	ACTUAL 2002-2003	ADOPTED 2003-2004	BUDGET 2004-2005	DIFFERENCE FROM 2003-2004	% DIFFERENCE
WAGES & FRINGE BENEFITS	\$ 468,300	\$ 568,676	\$ 529,978 ⁽¹⁾	\$ (38,698)	-7%
OVERTIME	3,480	2,500	500	(2,000)	-80%
CONTRACTED SERVICES	88,075	84,676	124,449	39,773	47%
GOVERNMENT FEES	4,415	-	125	125	100%
PROJECT BUDGET	8,345	-	-	-	0%
PROJECT PARTICIPATION	4,400	5,000	5,000	-	0%
ADDITIONAL PAY	4,200	4,200	4,200	-	0%
UNIFORM ALLOWANCE	-	100	100	-	0%
RENTALS	-	-	-	-	0%
SERVICE FEES	57,898	52,826	52,826	-	0%
REPLACEMENT FEES	17,453	16,453	16,453	-	0%
TELECOMMUNICATION SERVICE	4,021	6,000	5,700	(300)	-5%
ADVERTISING & PUBLICATION	6,365	7,900	8,800	900	11%
PRINTING & BINDING	162	500	500	-	0%
SUPPLIES	8,479	11,050	10,700	(350)	-3%
MEETINGS	2,876	7,370	7,420	50	1%
MEMBERSHIPS & DUES	1,123	750	950	200	27%
TRAINING	<u>3,652</u>	<u>2,400</u>	<u>2,700</u>	<u>300</u>	<u>13%</u>
TOTAL OPERATING EXPENSES	<u>683,244</u>	<u>770,401</u>	<u>770,401</u>	<u>0</u>	<u>0%</u>
CAPITAL PROJECTS		-	1,415,000		
GRAND TOTAL EXPENSES		<u>\$ 770,401</u>	<u>\$ 2,185,401</u>		

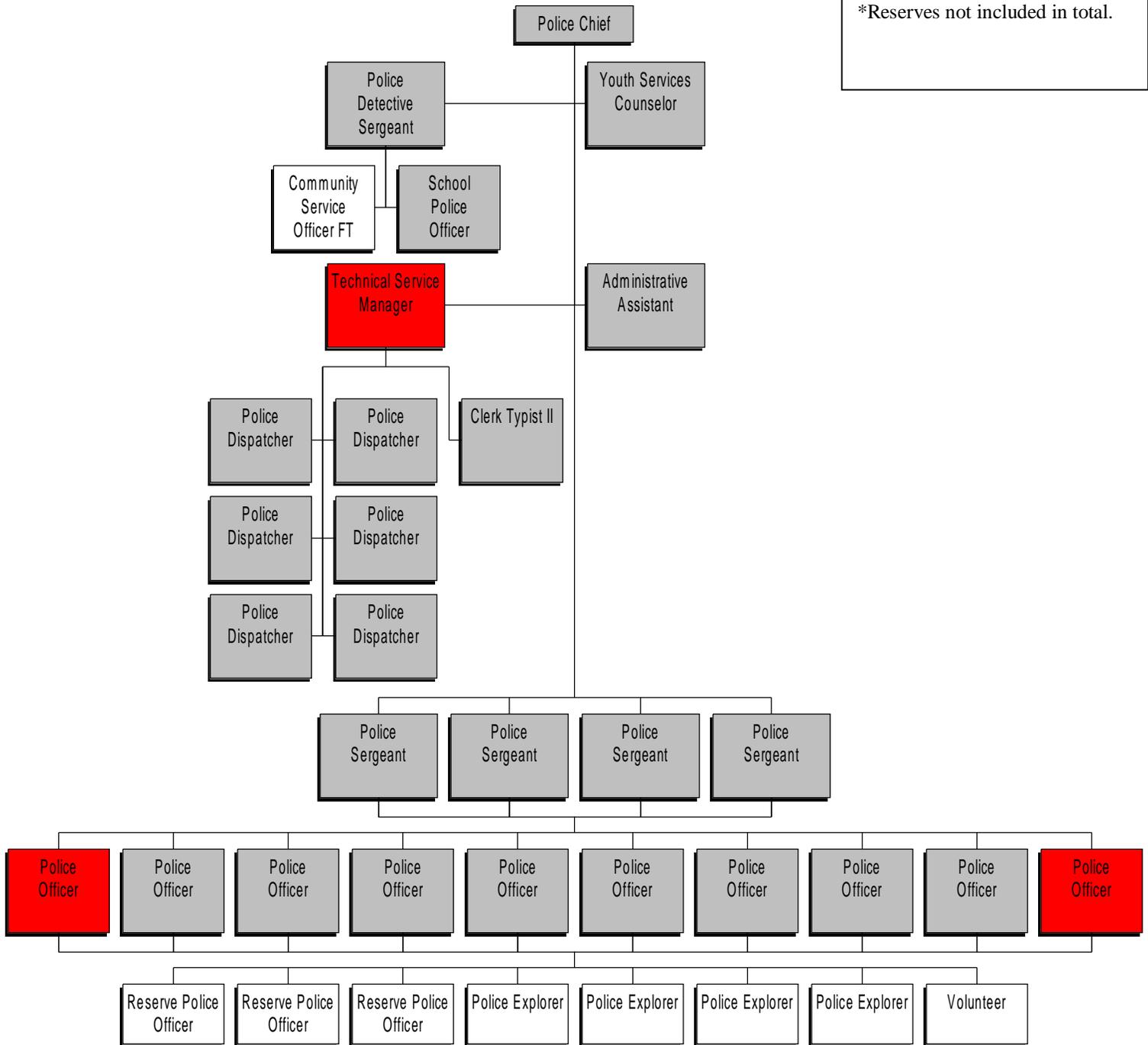
(1) Notes: Labor adjustment reflects Building Technician reduction.

POLICE

Notes:

POLICE

Full Time - 29
 Part Time - 0
 Volunteer - 8
Budget Reductions - 3
 Total - 34
 Full Time Equivalents - 26
 *Reserves not included in total.



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, the use of volunteers and problem solving strategies involving all stakeholders in the community.

Patrol Services

Patrol is responsible for providing effective and efficient police services by an officer in uniform or in civilian clothing. Functions of patrol include, but are not limited to, routine patrol and observation, preservation of public peace, answering calls and processing of complaints; identifying and implementing crime prevention strategies; investigations of crimes and accidents, collection and preservation of evidence, the arrest of criminal and traffic offenders; preparation of reports and testifying in court. Patrol also includes the planning and coordination for special events, the control of public gatherings, the protection of life and property, the examination of doors and windows of commercial and industrial establishments, and the performance of miscellaneous services relative to public health and safety.

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, provide legal update training and crime prevention presentations to the community, and 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.

Technical Services

The responsibilities of this division are to maintain/operate a full 911-dispatch center for Police. Technical Services coordinate call-outs for ambulance, Public Works, Electric Utility and animal control as required and they maintain all information covered under the public records act, as well as all department statistical information. Additionally, they oversee found/abandoned property, parking enforcement, abandoned vehicle abatements and coordinate subpoenas and the warrant system. Computer aided dispatch is also maintained by Technical Services staff, including RMS (Records Management System) Jail System, Integrated Justice System, Central Warrant System, California Law Enforcement Teletype System (CLETS) and National Crime Information Center (NCIC). Technical Services answers all business lines and provides information to the public.

Community Support

The Healdsburg Police Department participates in the county-wide Multi-Agency Gang Task Force (MAGNET). We have Youth Services Diversion, Adopt-A-Cop, Officer in the Classroom, Drug/Alcohol Awareness, Bicycle Safety, Graffiti Abatement, Bicycle Rodeo, Project Graduation, Avoid the 13, Domestic Violence Advocate, a Citizens Academy and we have done the "Every 15 Minutes" Program for Drinking Driver Awareness in conjunction with CHP, ABC, HHS and several community groups. The police non-profit group known as PAC (Parent Awareness Coalition) that involves police, schools and private citizens has continued to offer programs for our "at risk youth." We raise monies for youth programs and focus "at risk youth" into sports programs such as Little League, Pop Warner Football, Youth Soccer, Boys & Girls Club memberships and several private youth related activities such as swimming programs, pottery, ballet, etc.

MAJOR DEPARTMENT TASKS COMPLETED IN FISCAL YEAR 2003-2004

- ☑ The Downtown Foot Patrol position was implemented in May, 2003 due to the Department being awarded a Universal Hiring Grant in the amount of \$75,000
- ☑ Officers participated in the “Remember or Be Remember” Seatbelt Campaign after the Department was awarded an Office of Traffic Safety Grant in the amount of \$7,000 to pay all overtime costs associated with the program
- ☑ The new Parking Ordinance was completed to increase the timed parking to 3 hours from 2 hours. In addition, several new spaces were marked for all day parking
- ☑ The Department completed the new property and evidence lockers at the City Corporation Yard
- ☑ The Department submitted an application for the Herman Goldstein Award for Community Policing and was commended for their community policing efforts
- ☑ Geographic Based Team Policing was developed and implemented. As a result, officer initiated calls were up 36% and crime was down 10%
- ☑ The Department completed a new Department Policy Manual, replacing the old (1994) Policy Manual
- ☑ The Special Event Fees and Administrative Costs were updated to reflect current labor costs
- ☑ The Department is now participating in the on-line auction process with Propertyroom.com and it promises to bring in 3 to 5 times more revenue than the traditional public auction
- ☑ Department personnel attended 100 Peace Officer Standards and Training (POST) courses and 6 non-POST courses logging 1,068 hours of training time
- ☑ Volunteer Stray Animal service was implemented with three Volunteers on stand by
- ☑ Twelve employees and three citizens were recognized for their exemplary contribution to the community and department
- ☑ The full-time School Community Oriented Policing Officer position was implemented and is fully paid for by a grant obtained through a partnership with the Healdsburg Unified School District

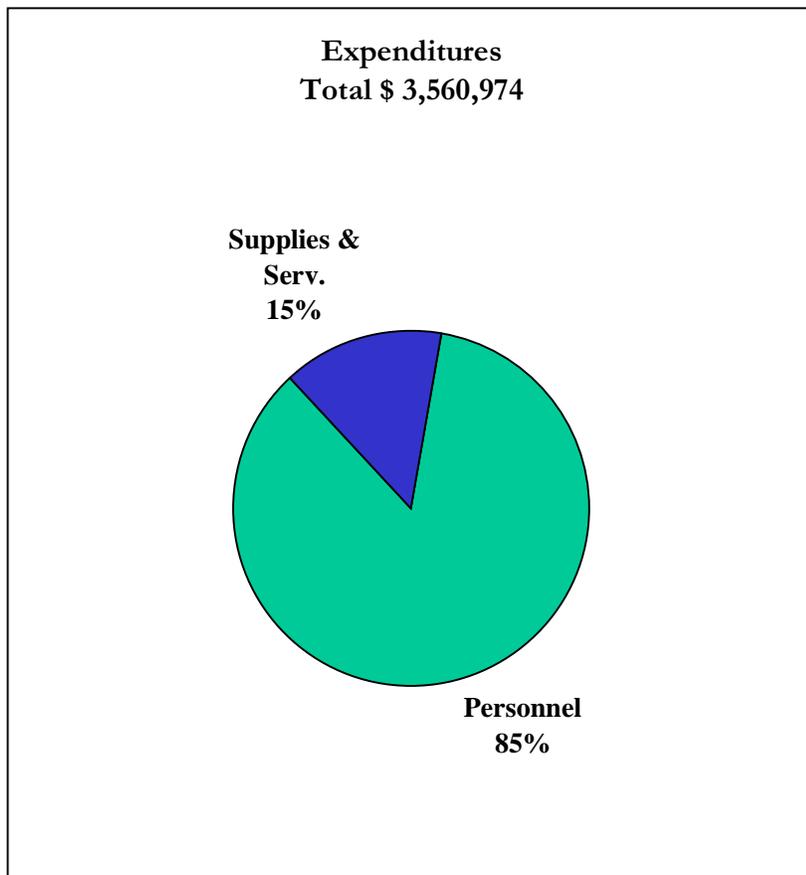
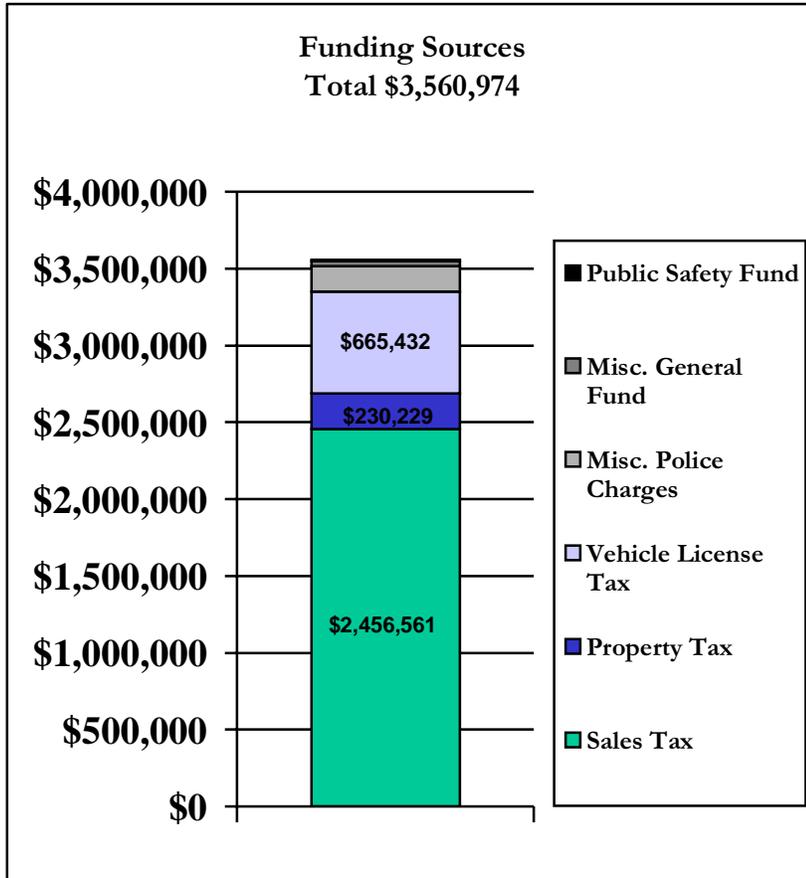
MAJOR DEPARTMENT GOALS FOR FISCAL YEAR 2004-2005

- Develop a 5-year Strategic Plan for the Department
- Reduce overtime expenditures
- Continue to research alternative funding sources
- Consider Law Enforcement Accreditation

FUTURE OBJECTIVES

We are studying our current deployment strategies to ensure that we are utilizing our resources in the most efficient and effective way. HPD will continue working with Sonoma County law enforcement agencies to better pool resources and work more 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 2004-2005
SALES TAX	\$ 2,456,561
PROPERTY TAX	230,229
VEHICLE LICENSE FEES	665,432
MISC.GENERAL FUND REVENUES	164,229
MISCELLANEOUS POLICE CHARGES	35,023
PUBLIC SAFETY FUND	9,500
CAPITAL PROJECT FUNDING	-
TOTAL REVENUES	\$ 3,560,974

EXPENSES	ACTUAL 2002-2003	ADOPTED 2003-2004	BUDGET 2004-2005	DIFFERENCE FROM 2003-2004	% DIFFERENCE
WAGES & FRINGE BENEFITS	\$ 2,395,829	\$ 2,814,812	\$ 2,858,702	(1) \$ 43,890	2%
OVERTIME	226,852	126,000	182,000	56,000	44%
CONTRACTED SERVICES	162,574	187,000	88,200	(98,800)	-53%
ADDITIONAL PAY	-	-	-	-	0%
UNIFORM ALLOWANCE	19,961	18,000	18,000	-	0%
RENTALS	322	-	-	-	0%
SERVICE FEES	269,281	272,149	272,149	-	0%
REPLACEMENT FEES	68,541	63,541	63,541	-	0%
TELECOMMUNICATION SERVICE	14,186	11,500	12,100	600	5%
ADVERTISING & PUBLICATION	729	-	-	-	0%
PRINTING & BINDING	3,374	2,000	1,000	(1,000)	-50%
SUPPLIES	74,266	50,275	49,582	(693)	-1%
EXPENDABLE EQUIPMENT	3,208	-	-	-	0%
MEETINGS	2,021	813	800	(13)	-2%
MEMBERSHIPS & DUES	1,065	1,300	1,300	-	0%
TRAINING	28,269	13,584	13,600	16	0%
CAPITAL ITEMS	68,113	-	-	-	0%
TOTAL OPERATING EXPENSE	3,338,591	3,560,974	3,560,974	-	0%

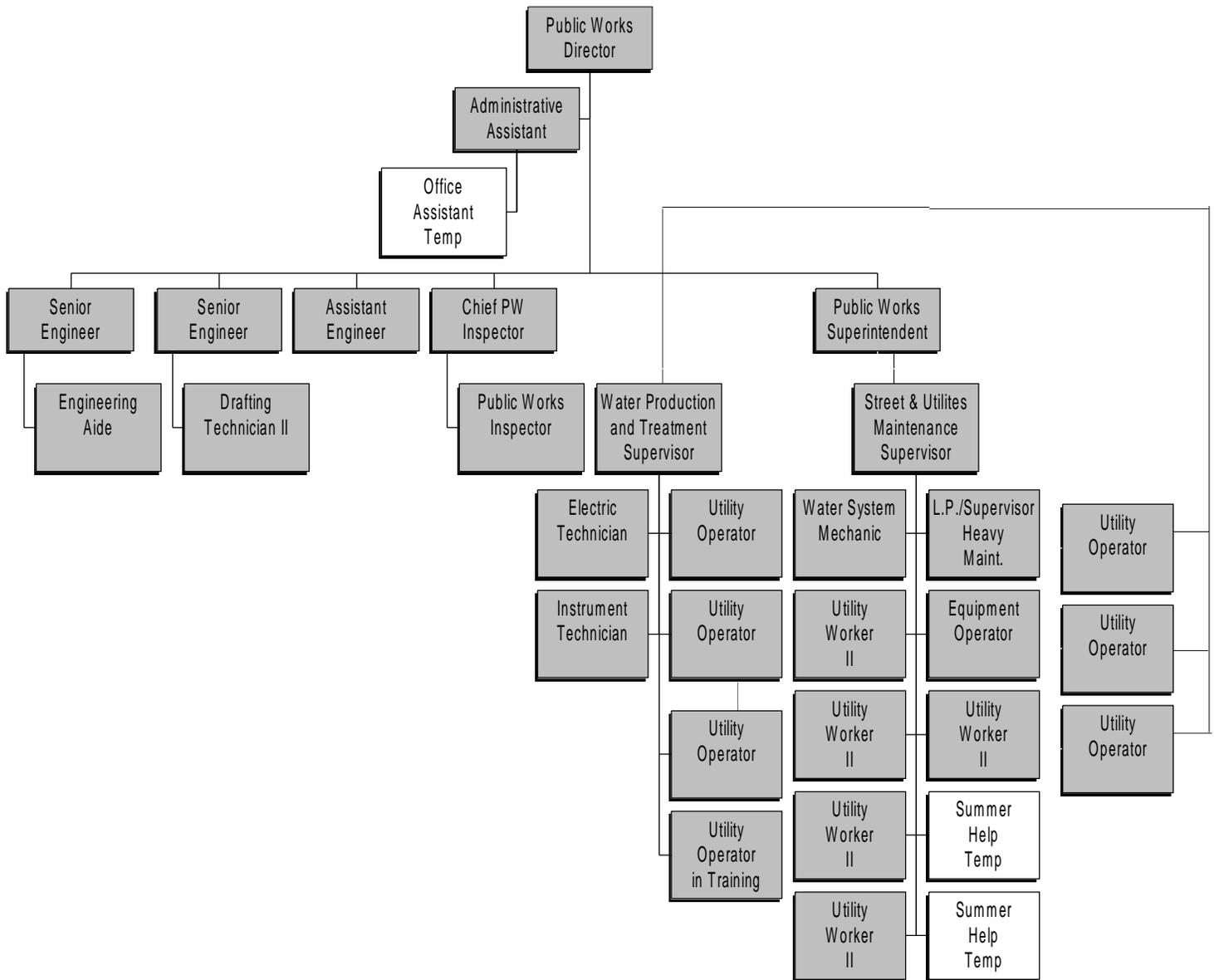
(1) Zero growth reduces department by two police officers and a Technical Services Manager.
5% reduction reduces department by three police officers, a Technical Services Manager and one dispatcher.

PUBLIC WORKS

Notes:

PUBLIC WORKS

Full Time - 27
 Temp - 5
 Budget Reductions - 0
 Total - 32
 Full Time Equivalent - 31



PUBLIC WORKS

The Public Works Department is responsible for construction, operations, and maintenance of most of the City's infrastructure. Specific areas of responsibility include public streets (including sidewalks, street and traffic signs and pavement markings), the water system (including production, treatment, storage and distribution), the sewer system (including collection, pumping, treatment and disposal/reclamation of wastewater), and the storm drainage system (including maintenance of storm drain pipes, creeks, and storm water detention basins). The Public Works Department also provides engineering review and inspection of public improvements in new development projects and in public capital and replacement projects.

Engineering Staff: The Engineering Division is comprised of the Director, three engineers, two engineering technicians, and one administrative assistant who are responsible for all traffic, water, sewer, drainage, and development engineering and construction inspection services. Most of the staff time is devoted to answering inquiries from the public, processing and inspecting development projects and building permits, and the design and construction of maintenance and capital improvement projects. Other significant areas of effort include street maintenance projects, implementation of Industrial Wastewater Discharger, Phase II Stormwater NPDES permitting, wastewater discharge permits, and modernization of City Codes relating to Public Works.

Operations and Maintenance Staff: The Public Works Operations and Maintenance (O&M) Division consists of twenty two employees who are responsible for the construction, operation, maintenance, and repair of the City's streets, water, sewer, and drainage infrastructure as well as the maintenance of public buildings. There are two primary sections within the O&M Division: Streets/Drainage and Water/Wastewater. The Division is managed by the Public Works Operations and Maintenance Manager. There are also two inspectors in the O&M Division who are responsible for the inspection of all of the public facilities constructed in the City.

The Streets/Drainage section has eight full-time and two temporary employees working on such things as patching potholes, placing regulatory, warning and informational signs, maintaining all pavement delineations and markings, performing graffiti removal within public rights-of-way, maintenance of the City's storm drainage system, creeks, channels, and detention basins, cleaning and repairing sewer mains and laterals, replacing broken water mains and services, performing weed abatement on City properties, maintenance of City buildings, and other related activities. The Department augments its staff in these areas by contracting out most striping, paving, and concrete work. The replacement of failed water services continues to be a major effort for the maintenance crews, who average approximately 125 replacements per year.

The Water/Wastewater section has eleven employees who are responsible for operating and maintaining the City's water wells, chlorination, fluoridation, and other treatment systems, the City's seven storage reservoirs, ten sewer pump stations, Cross-Connection Control Program, and the wastewater treatment plant. In addition, the sanitation personnel assist the streets personnel in the ongoing cleaning and maintenance of the collection system and also performs sampling and inspection of commercial and industrial sewer dischargers to ensure compliance with the City's sewer ordinance. This inspection work is important in preventing collection system spills from illegally discharged grease and preventing treatment plant upsets from illegally discharged pollutants. The employees in the Water/Wastewater section often must work seven days per week. Emergency call-out and related overtime averages approximately 2,700 hours per year for this group. Operation and maintenance of the water system to meet State and Federal water quality standards is this group's top priority.

MAJOR DEPARTMENT TASKS COMPLETED IN FISCAL YEAR 2003-2004

- Began preparation of the EIR for the City's Wastewater Treatment Plant Upgrades Project
- Completed design for the proposed Panorama Water Treatment Plant
- Completed the replacement/upgrade of trunk sewer main on Exchange, Adeline, and Healdsburg Ave
- Completed installation of new pedestrian bridge across Foss Creek at West Grant Street
- Replaced gaseous chlorine system at Fitch and Gauntlett well fields with non-hazardous sodium hypochlorite system
- Helped form the Russian River Watershed Association
- Completed the Powell Avenue waterline, which improved water pressure for fire systems along Borel Road
- Partnered with other jurisdictions and the RWQCB on a Mixing Zone Study to aid in compliance with State regulations
- Installed a new drainage system and upgraded the sewer system on Ward Street
- Completed the overlay of Healdsburg Avenue from North Street to Powell Avenue
- Completed emergency repairs of the Russian River Bridge
- Completed piping modifications at Tayman reservoir to improve water quality
- Acquired right-of-way for the Panorama water treatment plant project
- Completed first triennial sewer collections system maintenance cycle
- Processed 215 building permits, 67 Planning Commission items, 8 subdivision final/parcel maps, 3 sets of subdivision improvement plans, 31 agreements, and 70 encroachment permits

MAJOR DEPARTMENTAL GOALS FOR FISCAL YEAR 2004-2005

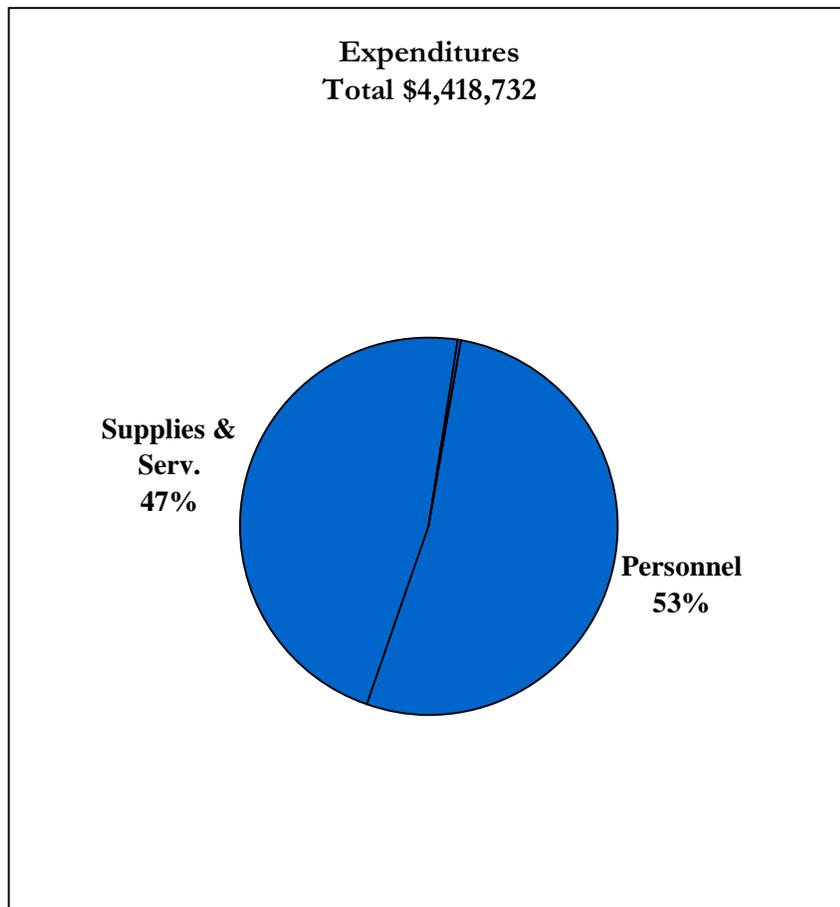
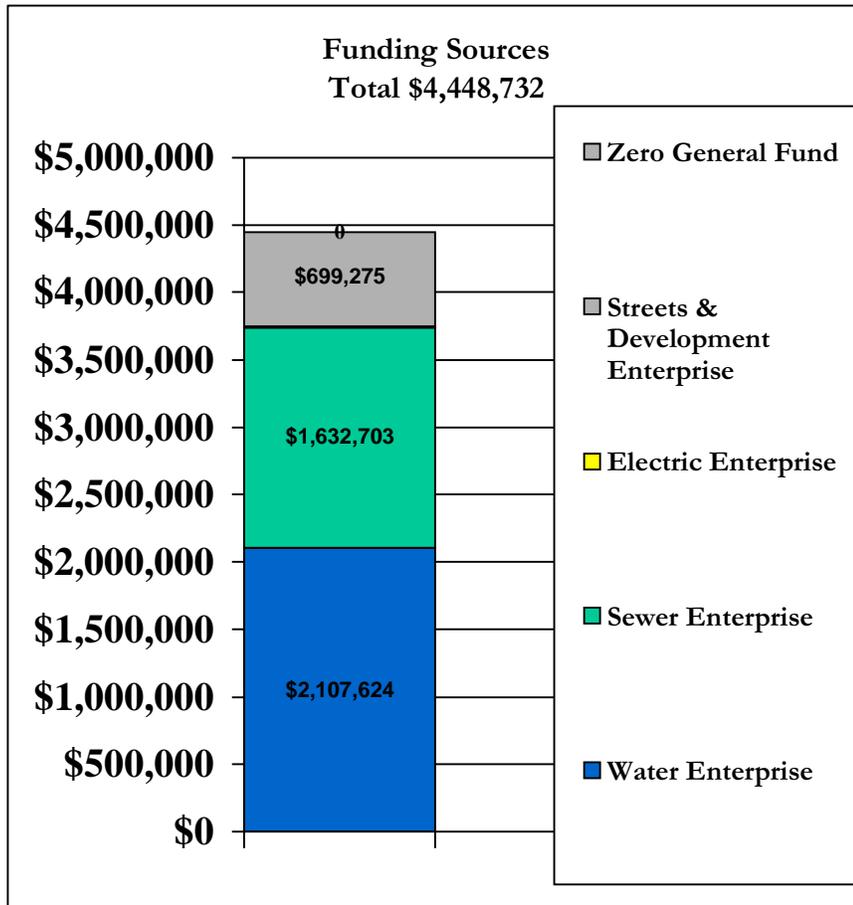
- ◆ Complete the EIR for the Wastewater Treatment Plant Upgrades Project and begin design
- ◆ Update development impact fees for water, sewer, and streets to fully fund infrastructure needs
- ◆ Complete construction of the Panorama Water Treatment Plant to remove current seasonal operational restrictions, to improve water quality, and to preserve the City's existing Russian River water rights
- ◆ Complete the upgrade of the City SCADA system to improve the reliability and decrease the cost to operate the City's water and sewer utilities
- ◆ Complete the upgrade to the electrical system for the Gauntlett Wellfield and Panorama Treatment Plant.
- ◆ Secure a revised Flood Insurance Rate Map from FEMA
- ◆ Formulate and implement programs, policies, and procedures to comply with the City's new phase II stormwater NPDES permit
- ◆ Revise City ordinances and design and construction standards to help encourage infill development while protecting adjoining properties from new impacts

FUTURE OBJECTIVES

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

- Investigate ways to fully fund the City's transportation infrastructure maintenance needs
- Make the City' GIS and automated mapping system available to the public through the internet
- Develop a plan to solve drainage problems in the Ward/Palm area and along Piper Street

PUBLIC WORKS



PUBLIC WORKS

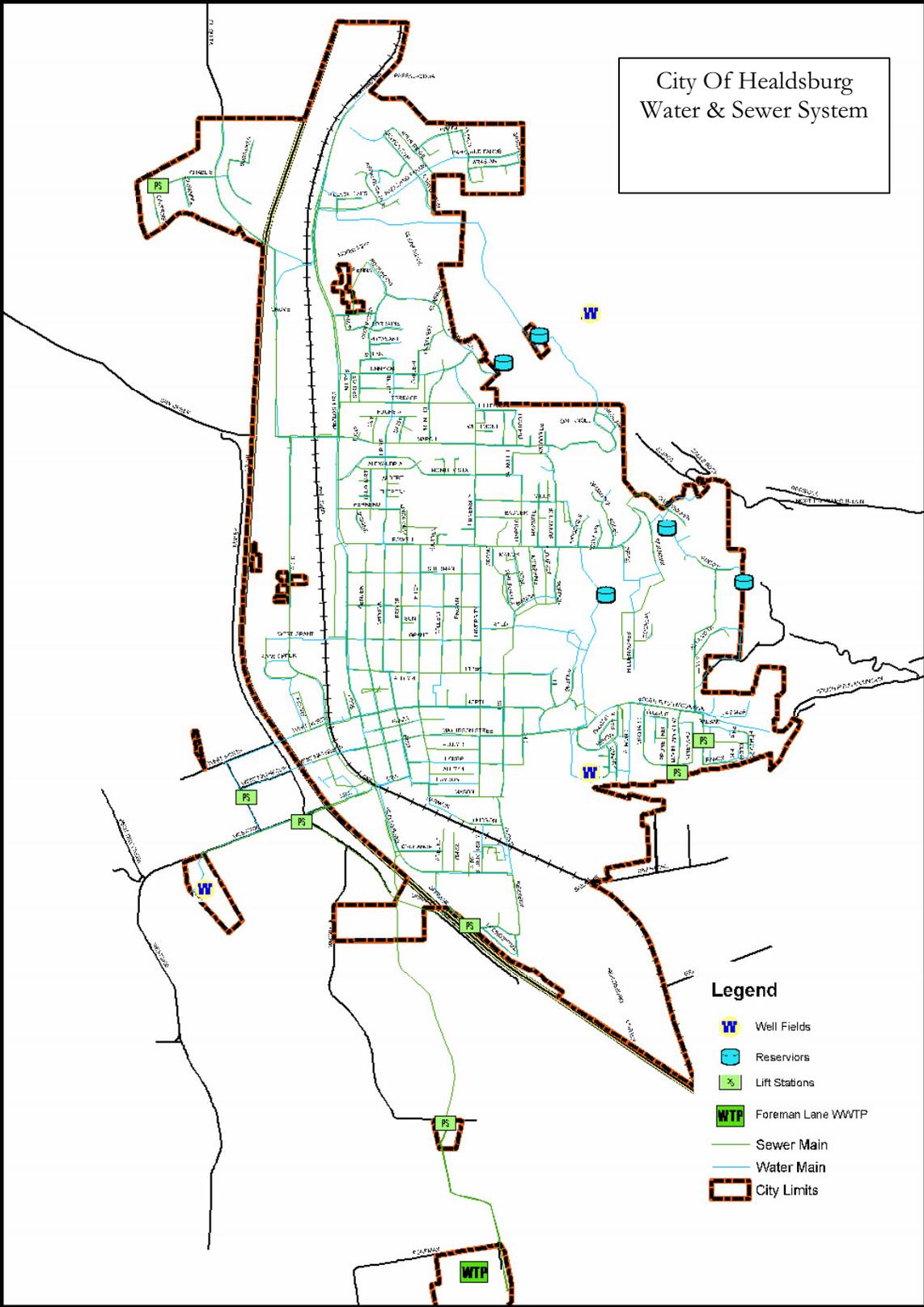
FUNDING SOURCES	FUNDING SOURCES 2004-2005
WATER ENTERPRISE	\$ 2,107,624
SEWER ENTERPRISE	1,632,703
ELECTRIC ENTERPRISE	9,130
STREETS & DEVELOPMENT ENT.	699,275
CAPITAL PROJECT FUNDING	<u>2,147,941</u>
TOTAL REVENUES	\$ 6,596,673

EXPENSES	ACTUAL 2002-2003	ADOPTED 2003-2004	BUDGET 2004-2005	DIFFERENCE FROM 2003-2004	% DIFFERENCE
WAGES & FRINGE BENEFITS	\$ 1,428,008	\$ 1,800,292	\$ 2,201,300	(1) \$ 401,008	22%
OVERTIME & STAND BY	82,382	144,846	115,000	(29,846)	-21%
CONTRACTED SERVICES	206,596	158,140	196,000	37,860	24%
GOVERNMENT FEES	43,581	52,700	70,000	17,300	33%
EMPLOYMENT SERVICES	17,006	-	-	-	0%
PROPERTY SERVICES	300,305	436,700	466,700	30,000	7%
ADDITIONAL PAY	9,000	9,000	9,000	-	0%
UNIFORM ALLOWANCE	6,937	8,500	10,000	1,500	18%
RENTALS	5,455	5,500	5,000	(500)	-9%
SERVICE FEES	281,315	303,006	308,006	5,000	2%
REPLACEMENT FEES	121,666	121,666	124,666	3,000	2%
USE FEES	400,000	375,000	375,000	-	0%
TRENCH CUT FEES	-	25,000	25,000	-	0%
LOAN REPAYMENT- GENERAL FUND	55,060	55,060	55,060	-	0%
TELECOMMUNICATION SERVICE	44,679	45,700	48,500	2,800	6%
ADVERTISING & PUBLICATION	1,817	2,750	2,000	(750)	-27%
PRINTING & BINDING	388	1,450	500	(950)	-66%
TRAVEL EXPENSE	-	750	500	(250)	-33%
SUPPLIES	236,617	235,250	350,000	114,750	49%
MEETINGS	1,420	2,175	1,500	(675)	-31%
MEMBERSHIPS & DUES	7,139	5,750	13,000	7,250	126%
TRAINING	13,966	24,800	27,000	2,200	9%
CAPITAL ITEMS	<u>10,739</u>	<u>5,000</u>	<u>15,000</u>	<u>10,000</u>	<u>200%</u>
TOTAL OPERATING EXPENSE	<u>3,274,076</u>	<u>3,819,035</u>	<u>4,418,732</u>	<u>599,697</u>	<u>16%</u>
CAPITAL PROJECTS		-	2,147,941		
GRAND TOTAL EXPENSES		<u>\$ 3,819,035</u>	<u>\$ 6,566,673</u>		

(1) Notes: Includes additional Utility Operator in training and a \$138,677 shift in wages from Capital.

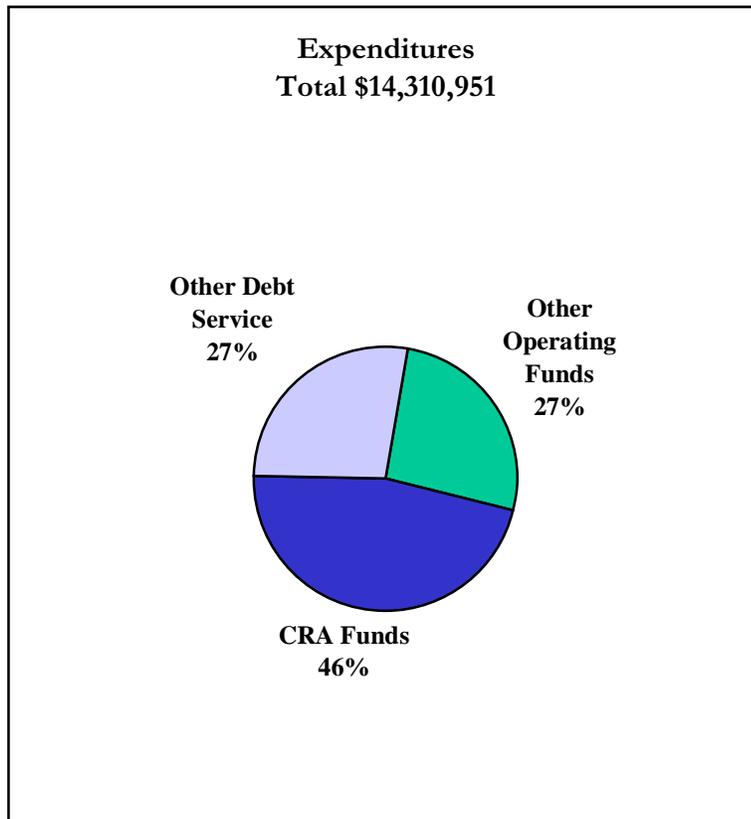
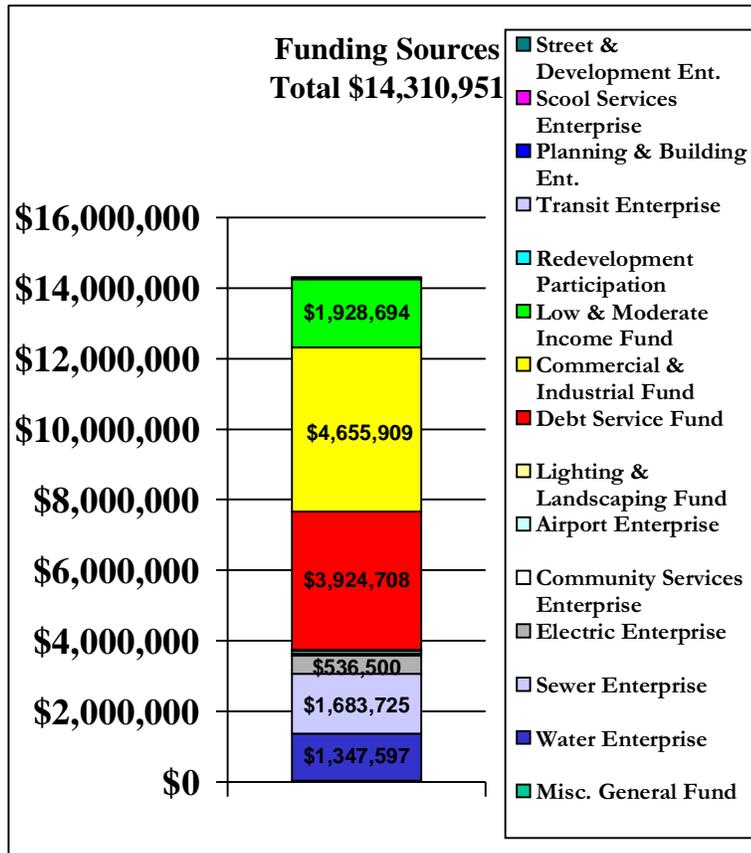
PUBLIC WORKS

Notes:



NON DEPARTMENTAL

Non Departmental includes items related to the city as a whole that cannot be easily allocated to the various departments.



NON DEPARTMENTAL

FUNDING SOURCES	FUNDING SOURCES 2004-2005
MISC.GENERAL FUND REVENUES	\$ 25,765
WATER ENTERPRISE	1,347,597
SEWER ENTERPRISE	1,683,725
ELECTRIC ENTERPRISE	536,500
COMMUNITY SERVICES ENTERPRISE	50,020
TRANSIT ENTERPRISE	2,090
PLANNING & BUILDING ENTERPRISE	320
AIRPORT ENTERPRISE	59,823
SCHOOL SERVICE ENTERPRISE	7,500
LIGHTING & LANDSCAPING FUND	36,800
STREET & DEVELOPMENT ENTERPRISE	1,500
DEBT SERVICE FUND	3,924,708
COMMERCIAL & INDUSTRIAL FUND	4,655,909
LOW & MODERATE INCOME FUND	1,928,694
REDEVELOPMENT PARTICIPATION FUND	50,000
TOTAL REVENUES	\$ 14,310,951

EXPENSES	ACTUAL 2002-2003	ADOPTED 2003-2004	BUDGET 2004-2005	DIFFERENCE FROM 2003-2004	% DIFFERENCE
SPECIAL REVENUE	\$ 4,900	\$ -	\$ -	\$ -	0%
DEBT SERVICE	1,717,974	3,069,686	3,077,788	8,102	0%
ENTERPRISE	100,000	50,060	193,994	143,934	288%
SERVICE FUNDS	35,100	15,000	15,000	-	0%
TRUST FUNDS	50,000	50,000	50,000	-	0%
CAPITAL PROJECTS	15,962,250	1,995,647	3,263,411	1,267,764	64%
DEPRECIATION	-	-	-	-	0%
DEBT SERVICE	2,414,591	3,371,174	4,014,518	643,344	19%
PROJECT PARTICIPATION	-	-	-	-	0%
COUNTY PASS THROUGH	1,191,000	1,838,588	1,670,725	(167,863)	-9%
PRINCIPAL RETIREMENT	1,940,760	2,531,734	1,789,100	(742,634)	-29%
CONTRACTED SERVICES	404,019	155,775	178,665	22,890	15%
PROPERTY TAX	3,810	3,810	15,250	11,440	300%
RENTALS	21,000	21,000	20,000	(1,000)	-5%
SUPPLIES	4,000	4,000	4,000	-	0%
G & A ALLOCATION	-	-	-	-	0%
LOAN AMORTIZATION	15,000	18,500	18,500	-	0%
TOTAL OPERATING EXPENSES	23,864,404	13,124,974	14,310,951	1,185,977	9%

(1) City hall rent charged to Community Redevelopment to fund building maintenance.

(2) Support to outside organizations was moved to Community Services Department.

NON-DEPARTMENTAL

Notes:

CITY OF HEALDSBURG

Redevelopment Agency

2004-2005 Work Plan and Proposed Budget

Board Members

Lisa Wittke Schaffner, Chair

Jason Liles, Vice-Chair

Mark Gleason

Leah Gold

Kent Mitchell

Executive Director

Chet J. Wystepek

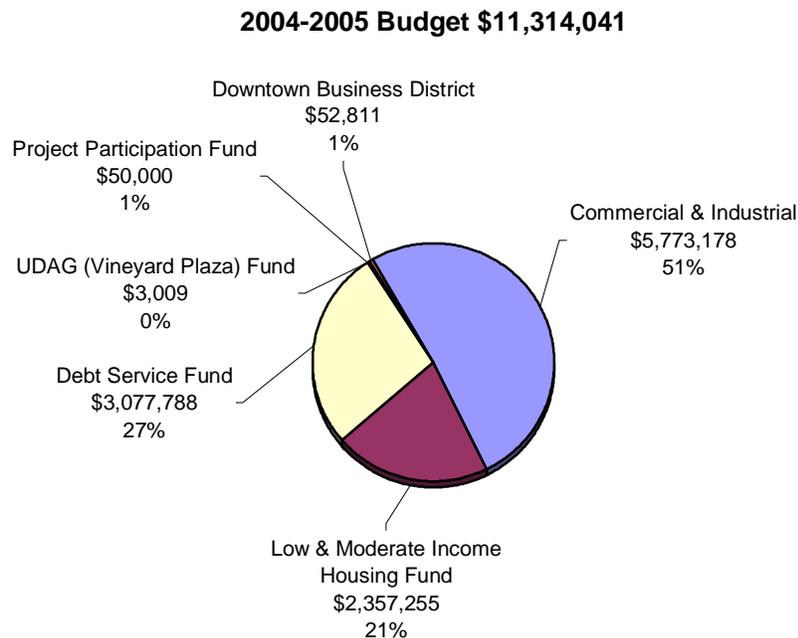
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REDEVELOPMENT AGENCY WORK PROGRAM AND BUDGET SUMMARY

The Community Redevelopment Agency (Agency) 2004-2005 Work Plan and Proposed Budget is outlined in the following sections of this document. The proposed 2004-2005 budget for the Agency is \$11,314,041. The work program is consistent with the 5-Year Implementation Plan that was adopted in December of 1999 and amended in December 2002.

Budget

The \$11,314,041 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, 51%, of the Agency budget is in the Commercial and Industrial Fund. The \$5,773,178 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 27% of the Agency budget. The \$3,077,788 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 21% of the Agency budget. The \$2,357,255 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 \$3,009 is made up primarily of economic development loans.

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

The remaining (1%) of the budget is funding the Downtown Business District. The \$52,811 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 \$1,666,000 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 2004-2005 as part of the Capital Improvement Program, for which carry-over appropriation authority will be requested as part of the budget adoption. The planned State ERAF take away of \$280,725 and debt service for the 2003 Tax Allocation Bonds have reduced funding for 2004-2005 projects.

FUNDING FOR PROGRAMS

The proposed budget includes \$1,715,920 of funding for programs. Funding in the Commercial and Industrial Fund for programs is \$1,246,309 and program funding in the Low and Moderate Income Housing Fund is \$469,611. The programs funded include:

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

AGENCY ACCOMPLISHMENTS DURING 2003-2004

The Agency successfully completed and funded a number of projects and programs in the 2003-2004 year. These included:

- Acquisition of 20 West Grant Street for low to moderate affordable housing
- Acquisition of Purity Chemical site for additional downtown parking
- Continued the successful Neighborhood Improvement Program
- Completed construction of the Alliance Medical Clinic building
- Developed a strategy for dealing with State ERAF raids
- Extended the financial life of the Agency by one year from 2021 to 2022 per State law (SB 1045).
- Initiated planning & design for additional affordable housing units at 308 East Street.
- Started Construction of 15 affordable housing units at Palomino Court.

AGENCY GOALS FOR 2004-2005

- ◆ Assist in relocation of Purity Chemical to new location within City
- ◆ Prepare and design construction plans for downtown parking lot in Purity Chemical site
- ◆ Plan for construction of Foss Creek Pathway
- ◆ Plan for upgrade to Train Station project
- ◆ Complete construction under DDA of 15 new affordable homes in Palomino Court
- ◆ Purchase additional land for development of low-moderate income housing
- ◆ Continue development of an entryway upgrade program, which includes demolition of the abandoned gas station across from McDonalds
- ◆ Issue \$1.8 million in Tax Allocation Bonds to the U.S. Department of Agriculture for the Alliance Clinic Project

HISTORY OF AGENCY

In 1980, the Healdsburg Community 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 Community 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 December of 2002.

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.

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, 2031, 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 to extend both the Plan effectiveness date and the time limit on receipt of tax increment for repayment of debt by one year.

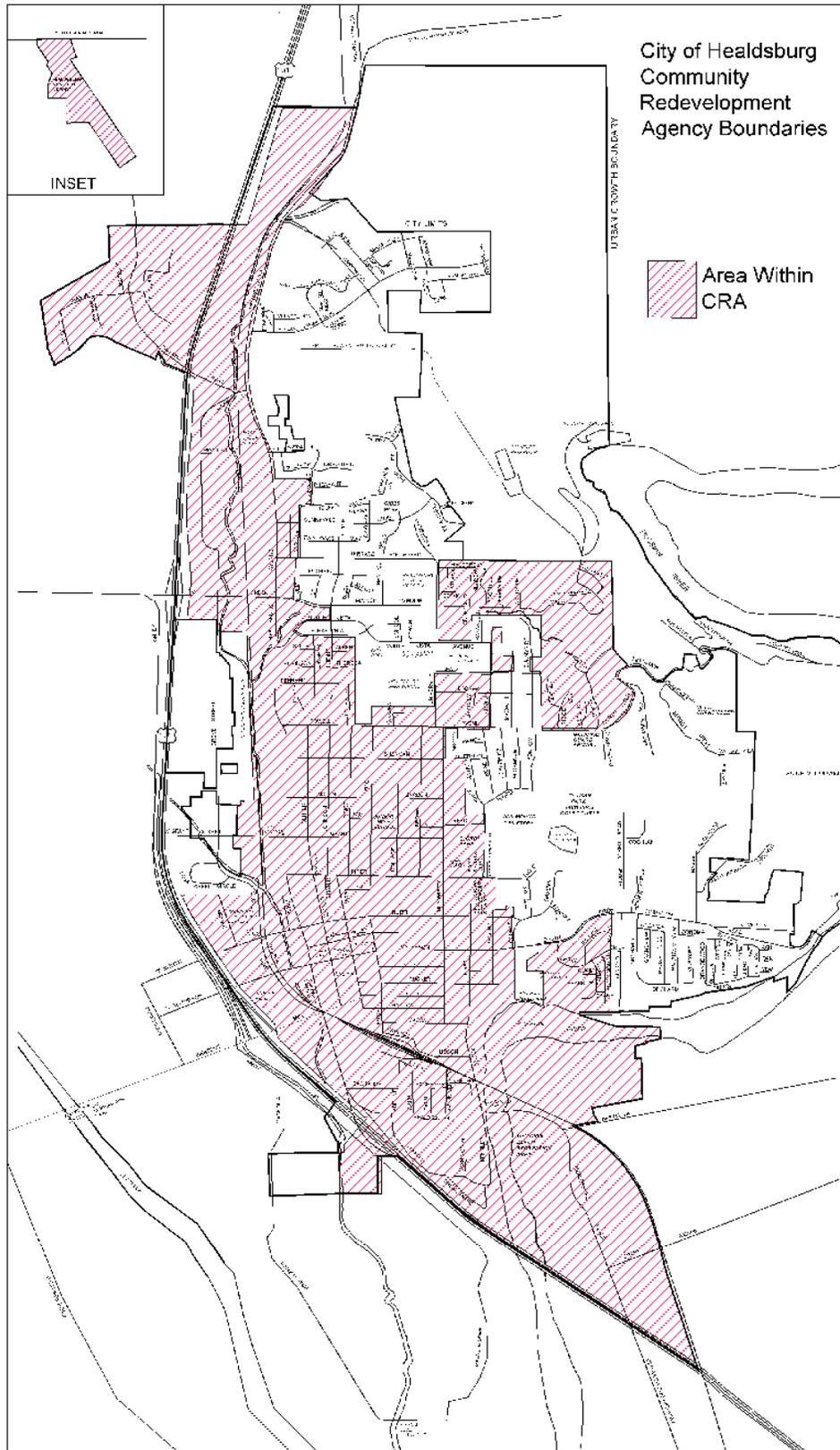
The effectiveness of the Redevelopment Plan, as amended, is currently 31 years, or through 2022. The Agency, through amendment of its plan extended the period in which it can incur indebtedness through 2014. At the end of that period as amended, the Agency is limited to receipt of increment to pay debt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

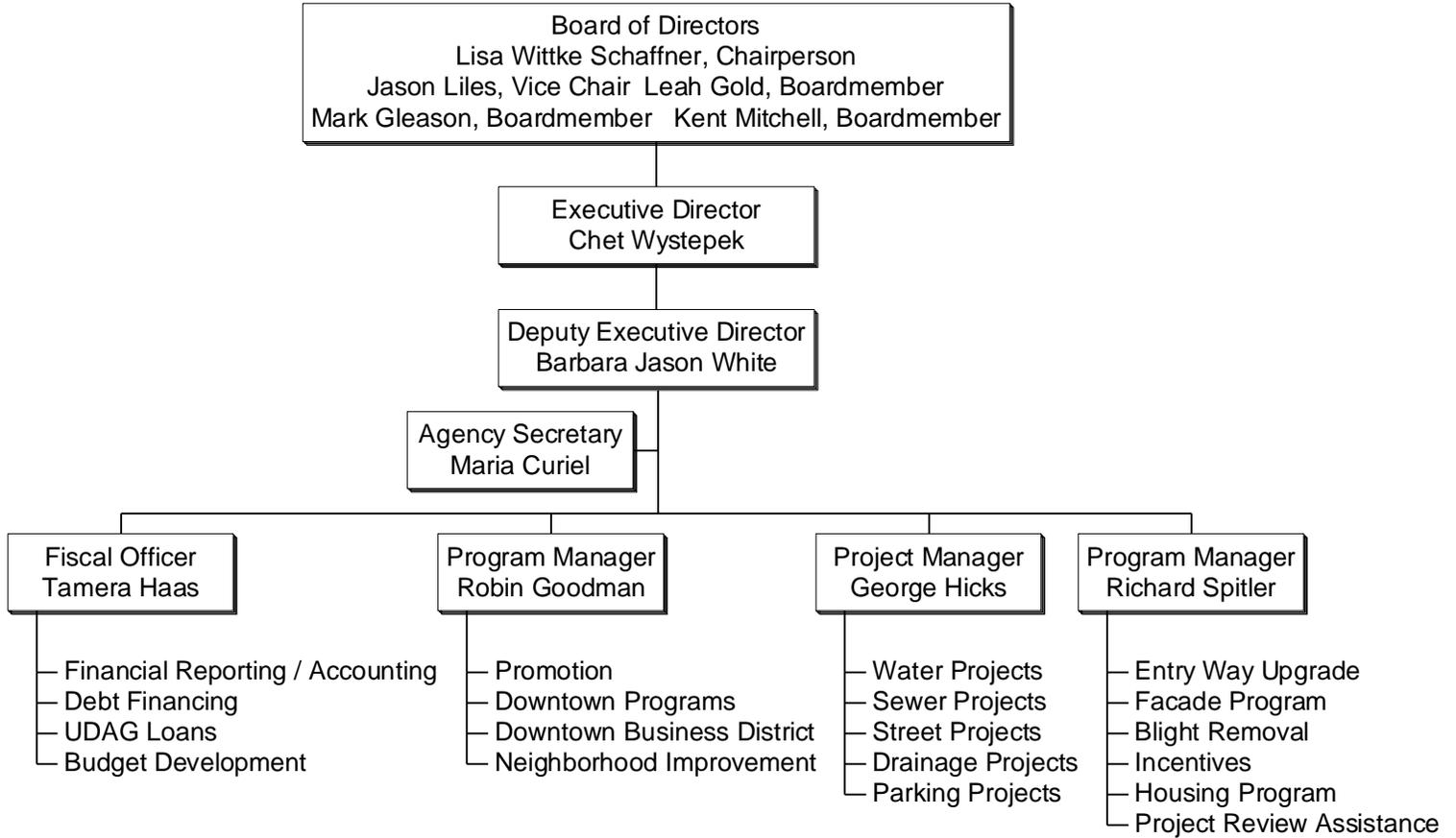
Additionally, the 5-Year Implementation Plan adopted in December 1999 and amended in December 2002 contains a detailed listing of Project Area Plan Objectives and authorized lines of action.

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:

COMMUNITY 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 business. All expenditures must be in or to the benefit of the Project Area and stimulate business development, expansion or retention.

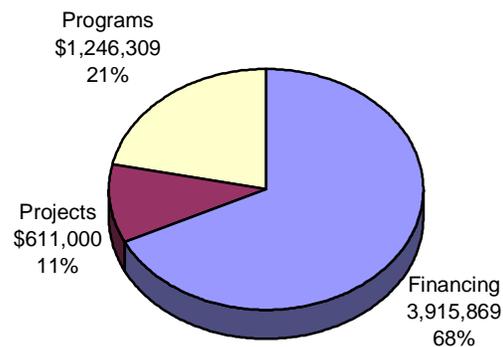
Budget Trends and Changes:

1. Completed Alliance Medical Clinic.
2. Acquired Purity Chemical for public parking lot.
3. Other programs continue at prior year levels.

Major Goals and Objectives:

1. Assist in relocation of Purity Chemical to new location within City.
2. Undertake Street & Sidewalk reconstruction work.
3. Develop additional downtown parking.
4. Continue entry upgrade project.
5. Acquire land for affordable housing, community center and park
6. Plan for construction of pedestrian and bike pathway along Railroad right-of-way at Foss Creek Corridor.
7. Prepare and design construction plans for downtown parking lot on Purity Chemical site.
8. Continue installation of directional pole signs in downtown Plaza area.
9. 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 2004- 2005 Budget \$5,773,178



Commercial & Industrial

Revenue & Expense Statement

	Actual 2002-2003	Adopted 2003-2004	Budget 2004-2005	Difference from 2003-2004	% Diff
Budgeted Fund Balance	\$ 13,830,782	\$ 24,243,150	\$ 24,255,380		
Revenues					
Increment	4,407,195	4,145,000	4,603,482	458,482	11.06%
Miscellaneous	-	-	-	-	0.00%
Interest Income	255,094	25,000	25,000	-	0.00%
2002TAB A	-	1,122,937	1,144,696	21,759	0.00%
2003 TAB A	-	25,000	-	(25,000)	-100.00%
Bond Proceeds	12,514,722	-	-	-	0.00%
Total Revenues	<u>\$ 17,177,011</u>	<u>\$ 5,317,937</u>	<u>\$ 5,773,178</u>	<u>\$ 455,241</u>	<u>-88.94%</u>
Financing					
Pass Thru To County	\$ 1,201,432	\$ 1,210,545	\$ 1,230,000	\$ 19,455	1.61%
Tier One Pass Through	149,668	128,043	160,000	31,957	24.96%
ERAF	144,620	500,000	280,725	(219,275)	-43.86%
Notes Payable /Interest Exp.	-	-	-	-	0.00%
1995 TAB	247,138	251,465	253,193	1,728	0.69%
REFA	455,106	-	-	-	0%
2002 TAB A	806,451	919,259	914,964	(4,295)	-0.47%
2002 TAB B	-	114,763	110,800	(3,963)	-3.45%
2003 TAB A	-	966,158	966,187	29	0.00%
Total Financing	<u>\$ 3,004,415</u>	<u>\$ 4,090,233</u>	<u>\$ 3,915,869</u>	<u>\$ (174,364)</u>	<u>-4.26%</u>
Project Costs					
Water Projects	\$ -	\$ -	\$ -		
Parking Projects	1,500,000	-	-		
Street Projects	209,046	-	156,000		
Entry Way Upgrade	-	-	-		
Public Facilities	733,500	-	10,000		
Other Projects	507,196	45,000	445,000		
Park Projects	60,000	-	-		
Project Total	<u>\$ 3,009,742</u>	<u>\$ 45,000</u>	<u>\$ 611,000</u>	<u>\$ 566,000</u>	<u>1257.78%</u>
Program Costs					
Economic Development	\$ 192,824	\$ 471,863	\$ 496,711	\$ 24,848	5.27%
Promotion & Other Programs	179,461	221,604	249,285	27,681	12.49%
Admin. & Board Of Directors	292,281	382,507	391,273	8,766	2.29%
Tax Collection Fee	85,920	94,500	109,040	14,540	15.39%
Program Total	<u>\$ 750,486</u>	<u>\$ 1,170,474</u>	<u>\$ 1,246,309</u>	<u>\$ 75,835</u>	<u>6.48%</u>
Total Costs	<u>\$ 6,764,643</u>	<u>\$ 5,305,707</u>	<u>\$ 5,773,178</u>	<u>\$ 467,471</u>	<u>8.81%</u>
Ending Fund Balance	<u>\$ 24,243,150</u> (1)	<u>\$ 24,255,380</u>	<u>\$ 24,255,380</u>		

(1) Ending available balance

Notes:

SEWER PROJECTS

Implementation Plan:

Continue the support of sewer infrastructure to:

- ◆ Initiate the 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 2004-2005

No new funding is provided in this budget.

2004-2005 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 areas. Program components include:

- Complete replacements of water lines
- 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 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 2004-2005

No new funding provided in this budget.

2004-2005 Work Program:

- ◆ Undertake replacements of water main, water services, production, pumping, storage and treatment equipment which serves 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:

- ◆ Cooperative acquisition of necessary rights-of-way and construction of uncompleted portions of the north-south connector (Vine-Grove) from Foss Creek Circle to Chiquita Road (with the exception of the area that is not within the CRA project area.)
- ◆ 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 US 101 interchange
- ◆ Improvements to the Dry Creek US 101 interchange
- ◆ Freeway sound wall construction
- ◆ Bridge improvements
- ◆ State highway right-of-way requirements

Project Funding 2004-2005:

Project funding totaling \$156,000 proposed for 2004 – 2005 includes:

- ◆ Annual Overlay \$50,000
- ◆ Reconstruction of City streets rated at 25 or below, per PMS, in connection with proposed annual maintenance program - \$90,000
- ◆ Repair and replacement of public sidewalks - \$16,000

2004-2005 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 2004-2005:

No additional project funding is proposed in this budget.

2004-2005 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:

- ◆ Initial design for informative Kiosks in downtown.
- ◆ Plan for installation of middle segment of the Foss Creek Pathway and design for the front street and railroad depot segments. Complete comprehensive Foss Creek Plan.
- ◆ 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 2004-2005:

Project funding totaling \$330,000 proposed for 2004-2005 includes:

- ◆ Fire tank replacement - \$10,000
- ◆ Foss Creek Trail - \$20,000
- ◆ Directional Sign Program - \$40,000
- ◆ Train Station – Federal Match – Phase I - \$260,000

2004-2005 Work Program:

- ◆ Plan for construction of Foss Creek Pathway.
- ◆ Plan for upgrade to the Train Station project.



Healdsburg Train Station

PARK PROJECTS

Implementation Plan:

The 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 2004-2005:

No new funding is included in this budget.

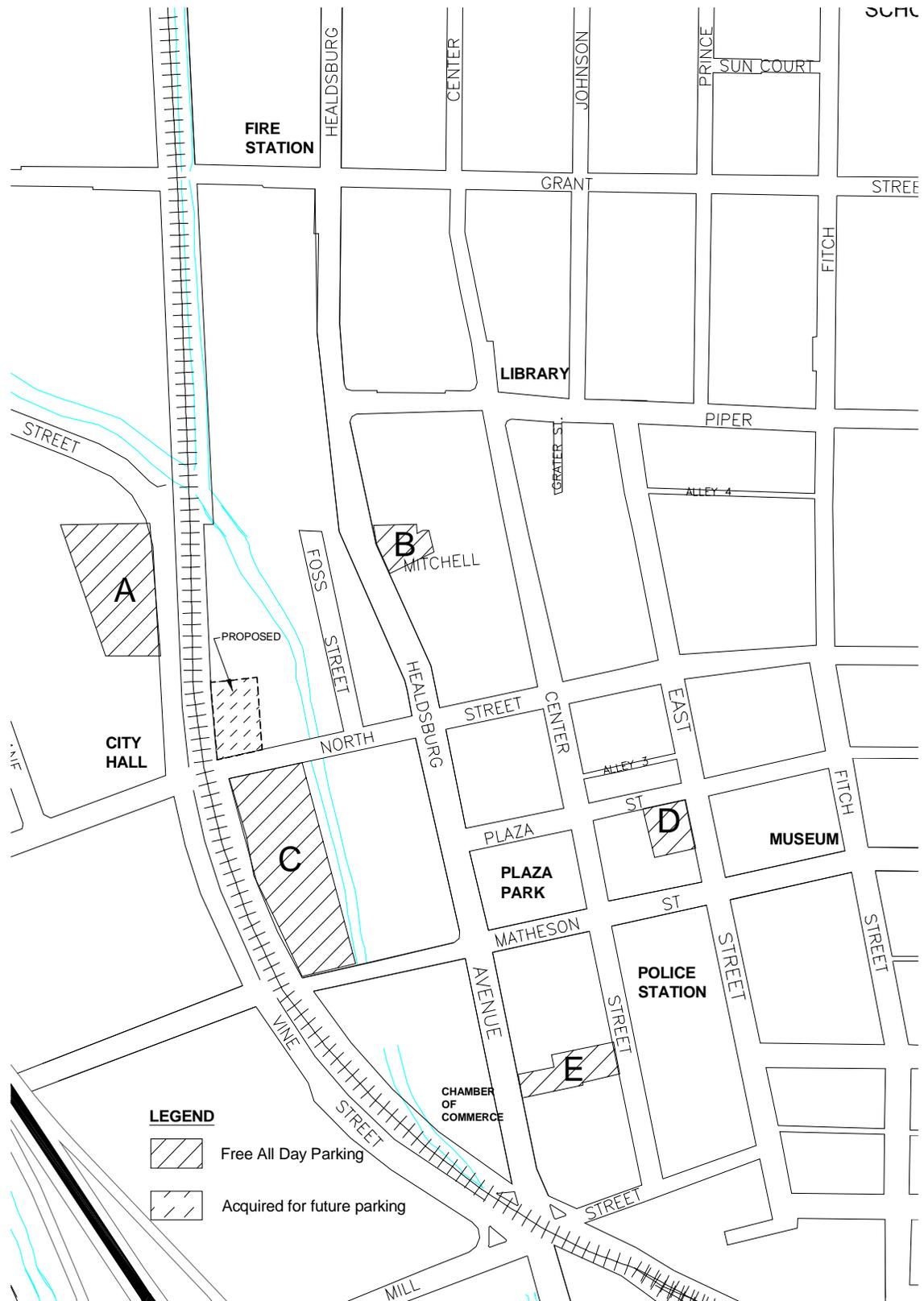
2004-2005 Work Program:

- ◆ Prepare plan for Plaza Park upgrade project



Plaza Park

Public Parking



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 2004-2005:

Project funding totaling \$25,000 proposed for 2004-2005 includes:

- ◆ Parking lot extension – West Plaza - \$25,000

2004-2005 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.



Parking lot west of the Plaza

STREETSCAPE PROJECTS

Implementation Plan:

The Agency assists business and property owners wishing to undertake streetscape improvements themselves with grants not to exceed the unit price of prior Agency projects. The program includes undertaking necessary repairs and maintenance on previously installed streetscape, including the replacement of street trees, grates, sidewalks and brickwork. In addition, 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.

Project Funding 2004-2005:

No new funding

2004-2005 Work Program:

- ◆ Replacement of damaged street trees and grates
- ◆ Necessary sidewalk and brickwork repairs
- ◆ Continue planning community entryway upgrade



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 2004-2005:

- ◆ Entry way upgrade Plan - \$100,000.

2004-2005 Work Plan:

- ◆ Complete entry way upgrade plan
- ◆ Identify right-of-way acquisition



Five-way intersection

ECONOMIC DEVELOPMENT

Industrial Development

The Agency proposed 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 proposed 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 2004-2005: \$496,711

2004-2005 Work Program:

- ◆ Continue the cooperative EDO program with the Chamber of Commerce to encourage business retention, expansion and attraction.

PROMOTION AND DOWNTOWN PROGRAM

Promotion Program

Continuation of ongoing promotional program that:

- ◆ Provides \$20,000 +/- 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 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 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 2004-2005: \$249,285

2004-2005 Work Program:

- ◆ Participate with County efforts to promote tourism.
- ◆ Promote downtown through advertising.
- ◆ Develop financial & advertising partnership with Healdsburg lodging industry to promote Healdsburg.

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 2004-2005: \$391,273

2004-2005 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.

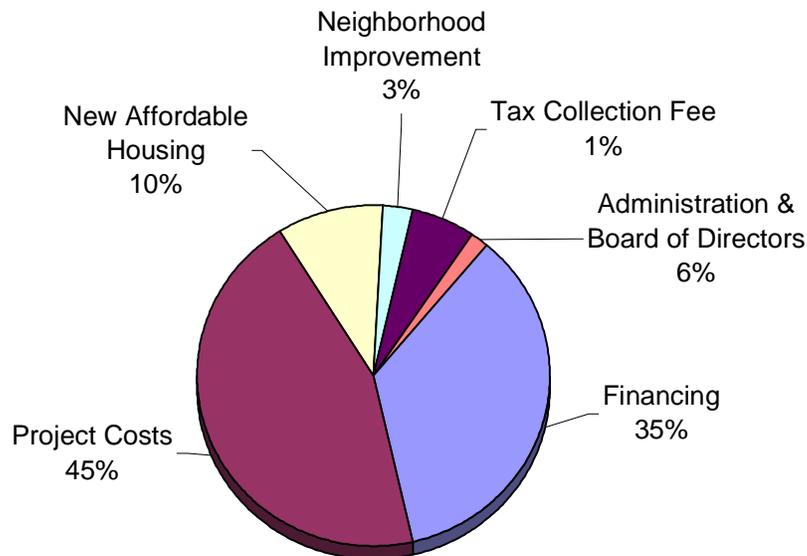
Budget Trends and Changes:

1. Continued financial assistance to facilitate construction of affordable housing projects.
2. Acquisition of 20 West Grant Street for low to moderate affordable housing
3. Transferred 210 Second Street property to City with finding that it does not have any significant value for future development for affordable housing
4. The Neighborhood Improvement Program will continue at current level.

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 8 additional transitional housing units behind existing units at 308 East Street.
3. Create additional low and moderate-income housing development on 20 West Grant Street.
4. Implementation of Housing Element Programs.
5. Completion of 15 units, Palomino Court affordable housing project.
6. Seek additional land acquisitions for affordable housing.

2004-2005 Budget \$2,357,255



Low & Moderate Income Housing Fund

Revenue & Expense Statement

	<u>Actual 2002-2003</u>	<u>Adopted 2003-2004</u>	<u>Budget 2004-2005</u>	<u>Difference from 2003-2004</u>	<u>% Diff</u>
Fund Balance	\$ 5,318,542	\$ 5,890,744	\$5,890,744		
Revenues					
Increment	1,101,911	1,035,000	1,076,400	41,400	4%
Interest Income	167,534	20,000	20,000	-	0%
Bond Proceeds	314,841	295,586	1,260,855	965,269	0%
Other Income	(57,142)	-	-	-	0%
Total Revenues	<u>\$ 1,527,144</u>	<u>\$ 1,350,586</u>	<u>\$2,357,255</u>	<u>\$ 1,006,669</u>	<u>75%</u>
Financing					
Transfer To Debt Service Fund	<u>\$ 318,882</u>	<u>\$ 818,041</u>	<u>\$ 832,644</u>	<u>\$ 14,603</u>	<u>2%</u>
Total Financing	<u>\$ 318,882</u>	<u>\$ 818,041</u>	<u>\$ 832,644</u>	<u>\$ 14,603</u>	<u>2%</u>
Project Costs					
Affordable Housing Project		\$ -	\$ -	\$ -	0%
Site Acquisition				-	100%
Other Projects	<u>314,841</u>	<u>60,000</u>	<u>1,055,000</u>	<u>995,000</u>	<u>1658%</u>
Total Project Costs	<u>\$ 314,841</u>	<u>\$ 60,000</u>	<u>\$1,055,000</u>	<u>\$ 995,000</u>	<u>1658%</u>
Program Costs					
New Affordable Housing	\$ 145,106	\$ 218,517	\$ 226,830	\$ 8,313	4%
Neighborhood Improvement	67,075	86,409	67,373	(19,036)	-22%
Administration & Board Of Directors	75,069	143,999	134,358	(9,641)	-7%
Tax Collection Fee	<u>33,969</u>	<u>23,620</u>	<u>41,050</u>	<u>17,430</u>	<u>100%</u>
Total Program Costs	<u>\$ 321,219</u>	<u>\$ 472,545</u>	<u>\$ 469,611</u>	<u>\$ (2,934)</u>	<u>-1%</u>
Total Costs	<u>\$ 954,942</u>	<u>\$ 1,350,586</u>	<u>\$2,357,255</u>	<u>\$ 1,006,669</u>	<u>75%</u>
Ending Fund Balance	<u>\$ 5,890,744</u>	<u>\$ 5,890,744</u>	<u>\$5,890,744</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 CRA assisted units will be subject to a multi-year or longer affordability covenant.

Program Funding 2004-2005: \$226,830

2004-2005 Work Plan:

- ◆ Through the DDA complete construction of 15 units in Palomino Court.
- ◆ 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.



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 2004-2005 - \$67,373

2004-2005 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 non-housing programs.

Program Funding 2004-2005: \$134,358

2004-2005 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 2004-2005 is \$41,050 for the housing fund collection.

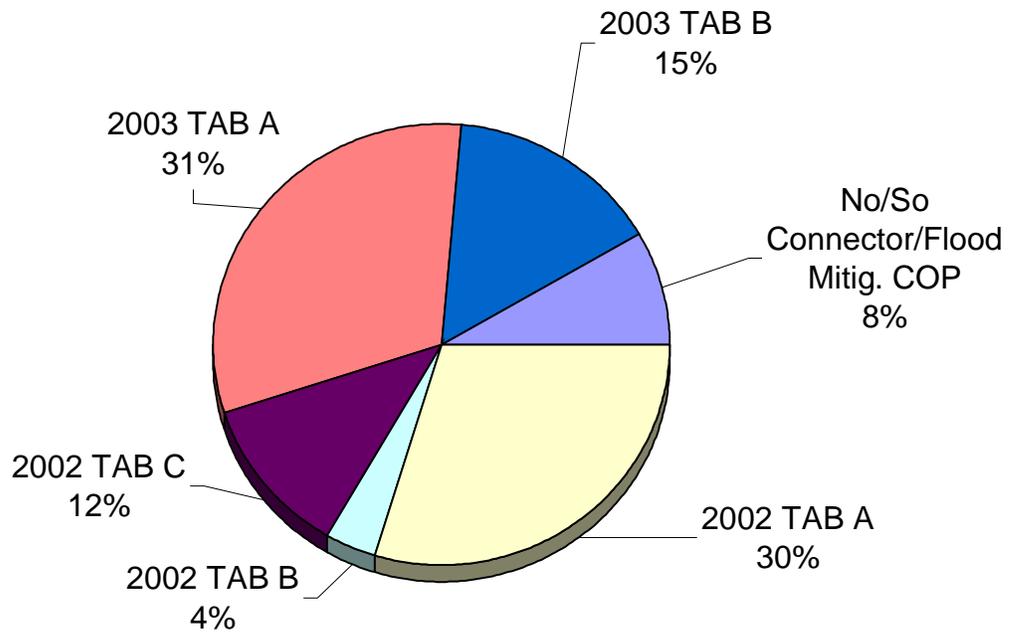
DEBT SERVICE

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	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

2004-2005 Budget \$3,077,788



DEBT SERVICE FUND

Revenue & Expense Statement

	Actual 2002-2003	Adopted 2003-2004	Budget 2004-2005	Difference from 2003-2004	% Diff
Fund Balance	\$ 1,807,438	\$ 2,856,974	\$ 2,856,974		
Revenues					
Transfers In:					
REFA II 1983	139,555	-	-	-	0%
TAB A Refunding	2,444	-	-	-	0%
REFA III 1992	313,107	-	-	-	0%
No/So Connector COP	247,138	251,465	253,193	1,728	1%
Sewer COP	-	-	-	-	0%
2002 TAB A	806,451	919,259	914,964	(4,295)	0%
2002 TAB B	-	113,763	110,800	(2,963)	-3%
2002 TAB C	318,882	361,400	348,303	(13,097)	-4%
2003 TAB A	-	964,358	966,187	1,829	0%
2003 TAB B	-	459,441	472,341	12,900	3%
Bond Proceeds	13,000,000	-	-	-	0%
Interest Income	10,465	10,000	12,000	2,000	20%
Total Revenues	\$ 14,838,042	\$ 3,079,686	\$ 3,077,788	\$ (1,898)	0%
Debt Service Expense					
REFA II 1983	\$ 139,555	\$ -	\$ -	-	0%
TAB A Refunding	-	-	-	-	0%
No/So Connector/Flood Mitig. COP	247,138	251,465	253,193	1,728	1%
REFA III Refunding 1992	313,107	-	-	-	0%
2002 TAB A	806,451	919,259	914,964	(4,295)	-0.5%
2002 TAB B	-	113,763	110,800	(2,963)	-3%
2002 TAB C	318,882	361,400	360,303	(1,097)	0%
2003 TAB A	-	974,358	966,187	(8,171)	-1%
2003 TAB B	-	459,441	472,341	12,900	3%
Other financing sources	11,800,873	-	-	-	0%
Bond issue cost	162,500	-	-	-	0%
Total Expenses	\$ 13,788,506	\$ 3,079,686	\$ 3,077,788	\$ (1,898)	0%
Ending Fund Balance	\$ 2,856,974	\$ 2,856,974	\$ 2,856,974		

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>2002-2003</u>	<u>Adopted</u> <u>2003-2004</u>	<u>Budget</u> <u>2004-2005</u>	<u>Difference</u> <u>from</u> <u>2003-2004</u>	<u>%</u> <u>Diff</u>
Revenues					
Developer Loan Interest Payments	\$ 53,057	\$ 52,000	\$ 60,000 (2)	\$ 8,000	15%
Vineyard Plaza Rental Income	-	-	- (1)	-	0%
Other Interest Income	46,084	50,000	50,000	-	0%
Use of Fund Balance	73,589	-	-	-	100%
Total Revenues	\$ 172,730	\$ 102,000	\$ 110,000	\$ 8,000	8%
Financing					
Economic Development Loans	425,000	\$ -	\$ -	\$ -	0%
Other	6,713	3,675	3,009	(666)	-18%
Total Financing	\$ 431,713	\$ 3,675	\$ 3,009	\$ (666)	-18%
Reserved for future use		98,325			
Resulting Gain (Loss)	<u>\$ (258,983)</u>	<u>\$ -</u>	<u>\$ 106,991</u>		

(1) Vineyard Plaza rental income moved to new Participation Fund.

(2) Includes new Developer Loans.

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 2002-2003</u>	<u>Adopted 2003-2004</u>	<u>Budget 2004-2005</u>	<u>Difference from 200-2004</u>	<u>% Diff</u>
Fund Balance	\$ -	\$ 130,319	\$ 215,319		
Revenues					
Rental Income	205,319	160,000	160,000	-	100%
Housing Bonds	-	-	-	-	
Total Revenues	<u>\$ 205,319</u>	<u>\$ 160,000</u>	<u>\$ 160,000</u>	<u>\$ -</u>	<u>100%</u>
Project Costs					
Other	<u>\$ 75,000</u>	<u>\$ 75,000</u>	<u>\$ 50,000</u>	<u>\$ (25,000)</u>	<u>100%</u>
Total Project Costs	<u>\$ 75,000</u>	<u>\$ 75,000</u>	<u>\$ 50,000</u>	<u>\$ (25,000)</u>	<u>100%</u>
Ending Fund Balance	<u><u>\$ 130,319</u></u>	<u><u>\$ 215,319</u></u>	<u><u>\$ 325,319</u></u>		

(1) Transfer to Community Benefit Trust

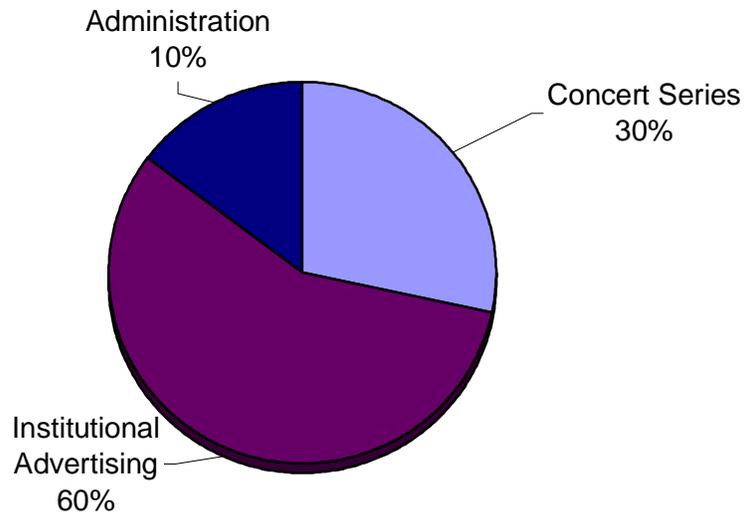
DOWNTOWN BUSINESS DISTRICT

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 CRA.

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.

2004-2005 Budget \$52,811



Downtown Business District

Revenue & Expense Statement

	<u>Actual 2002-2003</u>	<u>Adopted 2003-2004</u>	<u>Budget 2004-2005</u>	<u>Difference from 2003-2004</u>	<u>% Diff</u>
Fund Balance	\$ 31,721	\$ 27,038	\$ 27,038		
Revenues					
Downtown Business District Assessments	27,440	29,000	31,000	2,000	7%
Contribution From CRA	20,000	20,000	20,000	-	0%
Interest Income / Other	197	1,101	1,811	710	64%
Total Revenues	<u>\$ 47,637</u>	<u>\$ 50,101</u>	<u>\$ 52,811</u>	<u>\$ 2,710</u>	<u>5%</u>
Expenses					
Concert Series	\$ 15,000	\$ 15,000	\$ 15,000	-	0%
Beautification	-	-	-	-	0%
Institutional Advertising	30,000	30,000	30,000	-	0%
Administration	7,320	5,101	7,811	2,710	53%
Total Expenses	<u>\$ 52,320</u>	<u>\$ 50,101</u>	<u>\$ 52,811</u>	<u>\$ 2,710</u>	<u>5%</u>
Ending Fund Balance	<u><u>\$ 27,038</u></u>	<u><u>\$ 27,038</u></u>	<u><u>\$ 27,038</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 230 acres in the northern portion most of which has been annexed.
CEQA	California Environmental Quality Act - A state law mandating environmental reviews on most public and private projects.
CRA	Community 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 CRA; the City Manager as its Executive Director.
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.
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 1 st and ending June 30 th .
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.
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.
OPERATING BUDGET	A plan of financial operations that provides a basis for the planning, controlling, and evaluating the operational portion of governmental activities.
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	CRA Project Area - The geographic area in which the CRA collects tax increment revenues and is permitted by law to undertake its programs. The CRA project area does not encompass the entire City.
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.
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 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.