



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: April 17, 2012
TO: Mayor and Councilmembers
FROM: Administration Division, Finance Department
SUBJECT: Fiscal Year 2013 Recommended Operating And Capital Budget

RECOMMENDATION: That Council:

- A. Receive the Recommended Operating and Capital Budget for Fiscal Year 2013;
- B. Hear a report from staff in connection with the filing of the Recommended Budget; and
- C. Approve the proposed Schedule of Council Budget Review Meetings and Public Hearings for the Fiscal Year 2013 Recommended Budget.

DISCUSSION:

In accordance with the City Charter, the Fiscal Year 2013 Recommended Budget has been filed with the City Clerk's Office and is being submitted to Council today.

In June of 2011, the City Council adopted a Two-Year Financial Plan that included the adopted Fiscal Year 2012 budget and the proposed plan for Fiscal Year 2013. The purpose of preparing a two-year plan is to minimize the workload impacts associated with developing and producing a budget each year. Accordingly, major changes to the second year of the two year plan are avoided, if possible, with the goal of producing a "status quo" budget in relation to the previous year – at least on the appropriations side of the ledger.

In that context, the Fiscal Year 2013 Recommended Budget does not include significant changes to services or programs. However, due to unexpectedly strong growth in sales tax and transient occupancy tax revenues over the last year, the overall financial picture of the General Fund has improved significantly. Specifically, the originally proposed financial plan left the General Fund with a projected deficit of \$2.7 million. Based on our latest projections, the projected deficit is now down to approximately \$800,000, which has been closed through the proposed use of one-time funds.

For the first time in several years, the City will not be relying on wage and benefit concessions from City employees, such as unpaid furloughs, to balance the General Fund budget. This is a significant milestone in our progress towards fully resolving the General Fund's structural deficit. Without the cooperation of City employees, much deeper cuts to the organization would have been required over the last several years.

Over the next two months, staff has scheduled special budget work sessions with Council during which the details of the Recommended Budget will be presented and discussed as part of the public hearing process. Over the course of the public hearings, each City department will present its respective recommended budget. In keeping with the theme of "status quo," a focus of the presentations will be on changes to the budget in relation to the originally proposed plan, including proposed changes to performance measures and objectives.

The first of these special budget work sessions will be held on Monday, April 23, from 1:30 p.m. to 4:30 p.m. in Council Chambers. The budget work sessions are scheduled at different times of the day and evening to encourage public participation. The proposed schedule for the special budget work sessions, at which the public hearings on the budget would be held, is included as an attachment to this report for Council's approval.

In addition to the public review by Council, staff recommends that the Finance Committee review certain elements of the Recommended Plan in more detail. The proposed Finance Committee Review Schedule will be presented to the Finance Committee for approval on April 17th at 12:30 p.m. in the David Gebhard Public Meeting Room at 630 Garden Street, just prior to the City Council meeting.

A copy of the Recommended Budget will be available for review in the City Clerk's Office and the Public Library's main and eastside branches. It will also be available on the City's website at www.SantaBarbaraCa.gov.

ATTACHMENT: Schedule of Council Budget Review Meetings and Public Hearings

PREPARED BY: Robert Samario, Finance Director

APPROVED BY: City Administrator's Office

CITY OF SANTA BARBARA
Mid-Cycle Operating and Capital Budget for Fiscal Year 2013
Schedule of Council Budget Review Meetings

MEETING	DATE	BUDGET AGENDA ITEM(S)
CITY COUNCIL	Tues, April 17, 2012 Afternoon session Council Chambers	<ul style="list-style-type: none"> ➤ Filing of the Recommended Budget for Fiscal Year 2012 ➤ Schedule of Special Budget Worksessions and Public Hearings Approved ➤ Overview of Recommended Budget ➤ General Fund Balancing Strategy
CITY COUNCIL (Public Hearing #1) SPECIAL WORKSESSION	Mon, April 23, 2012 1:30 – 4:30 pm Council Chambers	<ul style="list-style-type: none"> ➤ <u>Department Budget Presentations for:</u> <ul style="list-style-type: none"> - Finance - Community Promotions/General Gov't - Administrative Services - City Attorney's Office - City Administrator's Office - Mayor & Council
CITY COUNCIL (Public Hearing #2) SPECIAL WORKSESSION	Thurs, April 26, 2012 2:00 pm – 5:00 pm Council Chambers	<ul style="list-style-type: none"> ➤ <u>Department Budget Presentations for:</u> <ul style="list-style-type: none"> - Public Works
CITY COUNCIL (Public Hearing #3) SPECIAL WORKSESSION	Wed, May 2, 2012 9:00 am – 12:00 pm Council Chambers	<ul style="list-style-type: none"> ➤ <u>Department Budget Presentations for:</u> <ul style="list-style-type: none"> - Airport - Waterfront - Solid Waste Fund (Finance)
CITY COUNCIL (Public Hearing #4) SPECIAL WORKSESSION	Wed, May 9, 2012 2:00 pm – 5:00 pm Council Chambers	<ul style="list-style-type: none"> ➤ <u>Department Budget Presentations for:</u> <ul style="list-style-type: none"> - Fire - Police
CITY COUNCIL (Public Hearing #5) SPECIAL WORKSESSION	Mon, May 14, 2012 6:00 pm – 8:00 pm Council Chambers	<ul style="list-style-type: none"> ➤ <u>Department Budget Presentations for:</u> <ul style="list-style-type: none"> - Parks & Recreation (including Creeks & Golf)
CITY COUNCIL (Public Hearing #6) SPECIAL WORKSESSION	Wed, May 16, 2012 2:00 pm – 5:00 pm Council Chambers	<ul style="list-style-type: none"> ➤ <u>Department Budget Presentations for:</u> <ul style="list-style-type: none"> - Community Development, including the Redevelopment Successor Agency - Library
CITY COUNCIL (Public Hearing #7) SPECIAL WORKSESSION	Mon, May 21, 2012 2:00 pm – 5:00 pm Council Chambers	<ul style="list-style-type: none"> ➤ Other Presentations (as needed)

**Schedule of Council Budget Review Meetings
Mid-Cycle Operating and Capital Budget for Fiscal Year 2013**

MEETING	DATE	BUDGET AGENDA ITEM(S)
CITY COUNCIL (Public Hearing #8) SPECIAL WORKSESSION	Wed, May 23, 2012 9:00 am – 12:00 pm Council Chambers	➤ Other Presentations (as needed)
CITY COUNCIL (Public Hearing #9) SPECIAL WORKSESSION	Wed, June 6, 2012 9:00 am – 12:00 pm Council Chambers	➤ Finance Committee Recommendations to Council ➤ Budget Deliberations
CITY COUNCIL (Public Hearing #10) SPECIAL WORKSESSION	Mon, June 11, 2012 2:00 pm – 5:00 pm Council Chambers	➤ Budget Deliberations (as needed) ➤ Final Council Budget Direction to Staff
CITY COUNCIL	Tues, June 19, 2012 Afternoon session Council Chambers	➤ Budget Adoption