

**CITY OF SANTA BARBARA
CITY COUNCIL**

Helene Schneider
Mayor
Randy Rowse
Mayor Pro Tempore
Grant House
Ordinance Committee Chair
Dale Francisco
Finance Committee Chair
Frank Hotchkiss
Cathy Murillo
Bendy White



James L. Armstrong
City Administrator

Stephen P. Wiley
City Attorney

City Hall
735 Anacapa Street
<http://www.SantaBarbaraCA.gov>

**AUGUST 13, 2013
AGENDA**

ORDER OF BUSINESS: Regular meetings of the Finance Committee and the Ordinance Committee begin at 12:30 p.m. The regular City Council meeting begins at 2:00 p.m. in the Council Chamber at City Hall.

REPORTS: Copies of the reports relating to agenda items are available for review in the City Clerk's Office, at the Central Library, and <http://www.SantaBarbaraCA.gov>. In accordance with state law requirements, this agenda generally contains only a brief general description of each item of business to be transacted or discussed at the meeting. Should you wish more detailed information regarding any particular agenda item, you are encouraged to obtain a copy of the Council Agenda Report (a "CAR") for that item from either the Clerk's Office, the Reference Desk at the City's Main Library, or online at the City's website (<http://www.SantaBarbaraCA.gov>). Materials related to an item on this agenda submitted to the City Council after distribution of the agenda packet are available for public inspection in the City Clerk's Office located at City Hall, 735 Anacapa Street, Santa Barbara, CA 93101, during normal business hours.

PUBLIC COMMENT: At the beginning of the 2:00 p.m. session of each regular City Council meeting, and at the beginning of each special City Council meeting, any member of the public may address the City Council concerning any item not on the Council's agenda. Any person wishing to make such address should first complete and deliver a "Request to Speak" form prior to the time that public comment is taken up by the City Council. Should City Council business continue into the evening session of a regular City Council meeting at 6:00 p.m., the City Council will allow any member of the public who did not address them during the 2:00 p.m. session to do so. The total amount of time for public comments will be 15 minutes, and no individual speaker may speak for more than 1 minute. The City Council, upon majority vote, may decline to hear a speaker on the grounds that the subject matter is beyond their jurisdiction.

REQUEST TO SPEAK: A member of the public may address the Finance or Ordinance Committee or City Council regarding any scheduled agenda item. Any person wishing to make such address should first complete and deliver a "Request to Speak" form prior to the time that the item is taken up by the Finance or Ordinance Committee or City Council.

CONSENT CALENDAR: The Consent Calendar is comprised of items that will not usually require discussion by the City Council. A Consent Calendar item is open for discussion by the City Council upon request of a Councilmember, City staff, or member of the public. Items on the Consent Calendar may be approved by a single motion. Should you wish to comment on an item listed on the Consent Agenda, after turning in your "Request to Speak" form, you should come forward to speak at the time the Council considers the Consent Calendar.

AMERICANS WITH DISABILITIES ACT: In compliance with the Americans with Disabilities Act, if you need special assistance to gain access to, comment at, or participate in this meeting, please contact the City Administrator's Office at 564-5305 or inquire at the City Clerk's Office on the day of the meeting. If possible, notification at least 48 hours prior to the meeting will enable the City to make reasonable arrangements in most cases.

TELEVISION COVERAGE: Each regular City Council meeting is broadcast live in English and Spanish on City TV Channel 18 and rebroadcast in English on Wednesdays and Thursdays at 7:00 p.m. and Saturdays at 9:00 a.m., and in Spanish on Sundays at 4:00 p.m. Each televised Council meeting is closed captioned for the hearing impaired. Check the City TV program guide at www.citytv18.com for rebroadcasts of Finance and Ordinance Committee meetings, and for any changes to the replay schedule.

ORDER OF BUSINESS

- 12:30 p.m. - Finance Committee Meeting, David Gebhard Public Meeting Room,
630 Garden Street
- 2:00 p.m. - City Council Meeting

FINANCE COMMITTEE MEETING - 12:30 P.M. IN THE DAVID GEBHARD PUBLIC MEETING ROOM, 630 GARDEN STREET (120.03)

Subject: Interim Financial Statements For The Fiscal Year Ended June 30, 2013

Recommendation: That the Finance Committee recommend that Council:

- A. Hear a report from staff on the status of revenues and expenditures in relation to budget for the fiscal year ended June 30, 2013;
- B. Accept the Interim Financial Statements for the Fiscal Year Ended June 30, 2013; and
- C. Approve the proposed adjustments to the Fiscal Year 2013 budget as detailed in the attached schedule of Proposed Budget Adjustments.

(See Council Agenda Item No. 18)

REGULAR CITY COUNCIL MEETING – 2:00 P.M.

CALL TO ORDER

PLEDGE OF ALLEGIANCE

ROLL CALL

CHANGES TO THE AGENDA

PUBLIC COMMENT

CONSENT CALENDAR

1. Subject: Minutes

Recommendation: That Council waive the reading and approve the minutes of the regular meeting of July 30, 2013.

2. Subject: Adoption Of Ordinance For Attornment Agreement With H. Oliver Dixon And Montecito Bank & Trust For An Airport Property (330.04)

Recommendation: That Council adopt, by reading of title only, An Ordinance of the Council of the City of Santa Barbara Approving an Attornment Agreement Between the City of Santa Barbara, H. Oliver Dixon, and Montecito Bank & Trust For Use of a Vehicle Parking Lot at the Santa Barbara Municipal Airport.

3. Subject: Adoption Of Ordinance For 50-Year Ground Lease With Santa Barbara Children's Museum (620.06)

Recommendation: That Council adopt, by reading of title only, An Ordinance of the Council of the City of Santa Barbara Approving and Authorizing the City Administrator to Execute a 50-Year Ground Lease with Santa Barbara Children's Museum on City-Owned Property Located at 125 State Street.

CONSENT CALENDAR (CONT'D)

4. Subject: Acceptance Of Street Easement At 901 East Cabrillo Boulevard (330.03)

Recommendation: That Council adopt, by reading of title only, A Resolution of the Council of the City of Santa Barbara Accepting a Street Easement Deed for Sidewalk and Street Purposes on Portions of that Certain Property Commonly Known as 901 East Cabrillo Boulevard, Authorizing the Public Works Director to Execute the Same, and Causing the Recordation by the City Clerk of Said Easement in the Official Records with the County Recorder.

5. Subject: July 2013 Investment Report (260.02)

Recommendation: That Council accept the July 2013 Investment Report.

6. Subject: Fiscal Year 2014 Agreement For Countywide Library System (570.04)

Recommendation: That Council:

- A. Approve and authorize the City Administrator to execute an agreement between the County of Santa Barbara and the Cities of Santa Barbara, Santa Maria and Lompoc for the operation of a Countywide Library System for Fiscal Year 2014;
- B. Increase estimated revenues and appropriations in the amount of \$93,779 (per capita and administrative fee) in the Fiscal Year General Fund Library Department budget; and
- C. Increase estimated revenues and appropriations in the amount of \$109,727 in the Fiscal Year 2014 County Library Fund budget.

7. Subject: School Crossing Guard Agreements - Santa Barbara Unified And Hope School Districts (150.05)

Recommendation: That Council:

- A. Authorize the Chief of Police to execute a Memorandum of Understanding with the Santa Barbara Unified School District for School Crossing Guard services, including Peabody Charter School, from August 2013 through June 2016; and
- B. Authorize the Chief of Police to execute a Memorandum of Understanding with the Hope School District for School Crossing Guard services from August 2013 through June 2016.

CONSENT CALENDAR (CONT'D)

8. Subject: County Of Santa Barbara Strategic Prevention Framework State Incentive Grant To Reduce Excessive And Underage Drinking (520.04)

Recommendation: That Council:

- A. Authorize the Chief of Police or his designee to execute an agreement with the County of Santa Barbara for the Strategic Prevention Framework State Incentive Grant for Fiscal Year 2014;
- B. Accept \$35,400 from County of Santa Barbara from the Strategic Prevention Framework State Incentive Grant to collaborate with County Alcohol and Drug Program to address underage and excessive drinking, and alcohol-related motor vehicle accidents for Fiscal Year 2014; and
- C. Increase appropriations and estimated revenues by \$35,400 in the Miscellaneous Grants Fund for Fiscal Year 2014.

9. Subject: Contract For Final Design Of Cota Street Bridge Replacement Project (530.04)

Recommendation: That Council:

- A. Approve and authorize the Public Works Director to execute a City Professional Services contract with Bengal Engineering, Inc., in the amount of \$650,485 for final design services for the Cota Street Bridge Replacement Project, and authorize the Public Works Director to approve expenditures of up to \$65,049 for extra services of Bengal Engineering, Inc., that may result from necessary changes in the scope of work; and
- B. Increase appropriations by \$115,000 in the Fiscal Year 2014 Streets Capital Fund from reserves generated from the proceeds of the sale of surplus properties acquired for past bridge replacement projects to the Cota Street Bridge Replacement Project to fund the City's portion necessary to complete the design costs not covered by the Federal Highway Administration.

10. Subject: Contract For Design Of The Zone 1 Pavement Maintenance Project (530.04)

Recommendation: That Council authorize the Public Works Director to execute a City Professional Services contract with Flowers & Associates, Inc., in the amount of \$76,517 for design services for the Zone 1 Pavement Maintenance Project, and authorize the Public Works Director to approve expenditures of up to \$7,652 for extra services that may result from necessary changes in the scope of work for a total contract authorization of \$84,169.

CONSENT CALENDAR (CONT'D)

11. Subject: Central Coast Collaborative On Homelessness Memorandum Of Understanding (660.04)

Recommendation: That Council authorize the City Administrator to execute a Memorandum of Understanding with the Northern Santa Barbara County United Way for the Central Coast Collaborative on Homelessness effort, subject to City Attorney approval as to form.

12. Subject: Clean Beaches Grant Initiative Application (540.13)

Recommendation: That Council adopt, by reading of title only, A Resolution of the Council of the City of Santa Barbara Rescinding Resolution No. 13-033, Authorizing and Designating the Public Works Director to Enter Into and Execute an Agreement With the State of California, Including Any Amendments Thereto, and Confirming the City's Intent to Fund the Operation and Maintenance Costs of the Wastewater Main Rehabilitation Project For a Minimum of Twenty Years.

13. Subject: Acceptance Of Southern California Edison Funds (380.01)

Recommendation: That Council:

- A. Authorize the receipt of Southern California Edison funds totaling \$52,250 through the South Coast Energy Efficiency Partnership; and
- B. Increase appropriations and estimated revenues in the Facilities Management Fund by \$52,250 .

NOTICES

14. The City Clerk has on Thursday, August 8, 2013, posted this agenda in the Office of the City Clerk, on the City Hall Public Notice Board on the outside balcony of City Hall, and on the Internet.

15. Recruitment for City Advisory Groups:

- A. The City Clerk's Office will accept applications through Tuesday, October 8, 2013, at 5:30 p.m. to fill scheduled vacancies on various City Advisory Groups and the unscheduled vacancies resulting from resignations received in the City Clerk's Office through October 8, 2013;
- B. The City Council will conduct interviews of applicants for vacancies on various City Advisory Groups on Tuesday, October 29, 2013, at 4:00 p.m. (Estimated Time), Tuesday, November 12, 2013, at 4:00 p.m. (Estimated Time), and Tuesday, November 19, 2013, at 6:00 p.m.; and
- C. The City Council will make appointments to fill the vacancies on various City Advisory Groups on Tuesday, December 10, 2013.

CONSENT CALENDAR (CONT'D)

NOTICES (CONT'D)

16. Cancellation of the regular City Council meetings of August 20, August 27, and September 3, 2013.

This concludes the Consent Calendar.

REPORT FROM THE FINANCE COMMITTEE

CITY COUNCIL ADMINISTRATIVE AND ATTORNEY REPORTS

CITY ADMINISTRATOR

17. Subject: Intent To Award Gas Franchise To SoCalGas (380.02)

Recommendation: That Council adopt, by reading of title only, A Resolution of the Council of the City of Santa Barbara Declaring Its Intent to Grant A 30-Year Franchise to Southern California Gas Company and to Set the Time and Place for a Public Hearing Pursuant to Article XIV of the City Charter.

FINANCE DEPARTMENT

18. Subject: Interim Financial Statements For the Fiscal Year Ended June 30, 2013 (250.02)

Recommendation: That Council:

- A. Hear a report from staff on the status of revenues and expenditures in relation to budget for the fiscal year ended June 30, 2013;
- B. Accept the Interim Financial Statements for the Fiscal Year Ended June 30, 2013; and
- C. Approve the proposed adjustments to the Fiscal Year 2013 budget as detailed in the attached schedule of Proposed Budget Adjustments.

PARKS AND RECREATION DEPARTMENT

19. Subject: Urban Forest Management Plan Status Report (570.05)

Recommendation: That Council receive a status report and discuss development of the Urban Forest Management Plan.

MAYOR AND COUNCIL REPORTS

20. Subject: Zoning Information Report Process (640.09)

Recommendation: That Council consider the request from Mayor Schneider and Councilmember Francisco regarding the requirement for Zoning Information Reports (ZIRs) at the time of sale of residential property, and provide direction on possible amendments to the Zoning Ordinance to change the requirements and/or processing of ZIRs.

COUNCIL AND STAFF COMMUNICATIONS

COUNCILMEMBER COMMITTEE ASSIGNMENT REPORTS

CLOSED SESSIONS

21. Subject: Conference With Real Property Negotiators (330.03)

Recommendation: That Council hold a closed session pursuant to Government Code Section 54956.8 (Conference with Real Property Negotiators):

Real Property: A portion of the Airport property located at 6100 Hollister Avenue bounded by Hollister Avenue, Frederick Lopez Road, Francis Botello Road and David Love Place (Parcel 22 of the Airport Specific Plan Map, City Parcel Map No. 20,608) in the City of Santa Barbara.

City Negotiators: Karen Ramsdell, Airport Director; Paul Casey, Assistant City Administrator/Community Development Director; Stephen P. Wiley, City Attorney; Sarah Knecht, Assistant City Attorney.

Negotiating Parties: Direct Relief International - Thomas Tighe, President and CEO; Judy Partch, Director of Human Resources, Administration & Compliance.

Under Negotiation: Instructions to negotiators will concern price and terms of payment of a possible ground lease or property purchase.

Scheduling: Duration, 30 minutes; anytime
Report: None anticipated

CLOSED SESSIONS (CONT'D)

22. Subject: Conference With Legal Counsel - Potential Litigation (160.03)

Recommendation: That Council hold a closed session to consider potential litigation pursuant to subsection (c) of Section 54956.9 of the Government Code and take appropriate action as needed (one potential case).

Scheduling: Duration, 15 minutes; anytime

Report: None anticipated

23. Subject: Conference With Labor Negotiator (440.05)

Recommendation: That Council hold a closed session, per Government Code Section 54957.6, to consider instructions to City negotiator Kristy Schmidt, Employee Relations Manager, regarding negotiations with the Police Bargaining Unit and General Bargaining Unit.

Scheduling: Duration, 30 minutes; anytime

Report: None anticipated

ADJOURNMENT

CITY OF SANTA BARBARA

FINANCE COMMITTEE

MEETING AGENDA

DATE: August 13, 2013

Dale Francisco, Chair

TIME: 12:30 P.M.

Bendy White

PLACE: David Gebhard Public Meeting Room
630 Garden Street

Cathy Murillo

James L. Armstrong
City Administrator

Robert Samario
Finance Director

ITEM TO BE CONSIDERED:

Subject: Interim Financial Statements For The Fiscal Year Ended June 30, 2013

Recommendation: That the Finance Committee recommend that Council:

- A. Hear a report from staff on the status of revenues and expenditures in relation to budget for the fiscal year ended June 30, 2013;
- B. Accept the Interim Financial Statements for the Fiscal Year Ended June 30, 2013; and
- C. Approve the proposed adjustments to the Fiscal Year 2013 budget as detailed in the attached schedule of Proposed Budget Adjustments.

(See Council Agenda Item No. 18)



CITY OF SANTA BARBARA CITY COUNCIL MINUTES

REGULAR MEETING July 30, 2013 COUNCIL CHAMBER, 735 ANACAPA STREET

CALL TO ORDER

Mayor Helene Schneider called the meeting to order at 2:00 p.m. (The Finance Committee met at 12:30 p.m. The Ordinance Committee, which ordinarily meets at 12:30 p.m., did not meet on this date.)

PLEDGE OF ALLEGIANCE

Mayor Schneider.

ROLL CALL

Councilmembers present: Dale Francisco (2:13), Frank Hotchkiss, Cathy Murillo, Randy Rowse, Bendy White (2:04), Mayor Schneider.

Councilmembers absent: Grant House.

Staff present: Assistant City Administrator Paul Casey, City Attorney Stephen P. Wiley, Deputy City Clerk Deborah L. Applegate.

PUBLIC COMMENT

Speakers: Josiah Jenkins, 2013 President of Fiesta; Lindia Mathewst, Toba Sister Cities representative; Regina Santos Moreno, Toba Sister Cities Exchange Student Representative; Steve Price; Steve Reynolds; R. John; Wayne Scoles; Corrie Jimenez, Spirit of Fiesta; Kailani Cordero, Junior Spirit of Fiesta.

CONSENT CALENDAR

The title of the ordinance related to a Consent Calendar item was read.

Motion:

Councilmembers Francisco/White to approve the Consent Calendar as recommended.

Vote:

Unanimous roll call vote (Absent: Councilmember House).

1. Subject: Minutes

Recommendation: That Council waive the reading and approve the minutes of the regular meetings of July 2 and July 16, 2013.

Action: Approved the recommendation.

2. Subject: Proposed Lease Agreement With National Oceanic And Atmospheric Administration (330.04)

Recommendation: That Council approve a five-year lease agreement with the National Oceanic and Atmospheric Administration for the approximately 2,160 square feet of water space at 4-B-End Tie, at a rent of \$2,000 per month, plus utilities, for mooring the 65-foot research vessel Shearwater.

Action: Approved the recommendation; Agreement No. 24,579 (July 30, 2013 report from the Waterfront Director).

3. Subject: Designation Of Voting Delegates And Alternates For The League Of California Cities Annual Conference (180.01)

Recommendation: That Council designate Mayor Helene Schneider as the voting delegate and Councilmember Cathy Murillo as the alternate for the League of California Cities Annual Conference.

Action: Approved the recommendation.

4. Subject: Cancellation Of The August 20, 2013, City Council Meeting (120.09)

Recommendation: That Council cancel the August 20, 2013, City Council meeting.

Action: Approved the recommendation.

5. Subject: June 30, 2013, Investment Report And June 30, 2013, Fiscal Agent Report (260.02)

Recommendation: That Council:

- A. Accept the June 30, 2013, Investment Report; and
- B. Accept the June 30, 2013, Fiscal Agent Report.

Action: Approved the recommendation. (July 30, 2013 report from the Finance Director).

6. Subject: Municipal Code Amendments For Implementation Of The Average Unit-Size Density (AUD) Incentive Program (640.02)

Recommendation: That Council adopt, by reading of title only, An Ordinance of the Council of the City of Santa Barbara Adding Chapter 28.20 to the Santa Barbara Municipal Code to Implement the City's 2011 General Plan Average Unit-Size Density Incentive Program; Amending Section 28.43.040 Regarding Exemptions to the City's Inclusionary Ordinance; Amending Sections 28.66.050, 28.69.050, 28.72.050, and 28.73.050 Concerning Building Height Standards for Community Benefit Projects in the C-2, C-M, M-1, and OM-1 Zones; and Amending Section 28.87.062 Concerning Encroachments in Open Yards.

Action: Approved the recommendation; Ordinance No. 5630.

NOTICES

- 7. The City Clerk has on Thursday, July 25, 2013, posted this agenda in the Office of the City Clerk, on the City Hall Public Notice Board on the outside balcony of City Hall, and on the Internet.

This concluded the Consent Calendar.

REPORT FROM THE FINANCE COMMITTEE

Finance Committee Co-Chair White reported that the Committee heard staff reports on the June 30, 2013, Investment Report and Fiscal Agent reports, which were approved as part of this agenda's Consent Calendar (Item No. 5).

Councilmember House arrived at 2:34 p.m.

CITY COUNCIL ADMINISTRATIVE AND ATTORNEY REPORTS

CITY ADMINISTRATOR

8. Subject: South Coast Task Force On Youth Gangs Update (520.04)

Recommendation: That Council receive an update from Saul Serrano, Task Force Coordinator, regarding the work of the South Coast Task Force on Youth Gangs.

Documents:

- July 30, 2013, report from South Coast Task Force on Youth Gangs
- PowerPoint presentation prepared and made by South Coast Task Force on Youth Gangs.

Speakers:

- South Coast Task Force on Youth Gangs Task Force Coordinator Saul Serrano.

By consensus, the Council received the report and their questions were answered.

PUBLIC WORKS DEPARTMENT

9. Subject: Capital Improvement Projects: Annual Report For Fiscal Year 2013 (230.01)

Recommendation: That Council receive the City's Capital Improvement Projects Fourth Quarter and Annual Report for Fiscal Year 2013.

Documents:

- July 30, 2013, report from the Assistant Public Works Director
- PowerPoint presentation prepared by staff.

Speakers:

- Staff: Assistant Public Works Director Pat Kelly.

By consensus, the Council received the report and their questions were answered.

COUNCILMEMBER COMMITTEE ASSIGNMENT REPORTS

Information:

- Councilmember Murillo reported on her attendance at the following meetings/events: 1) South Coast Task Force Youth Services Summit; 2) several Pre-Fiesta celebrations including the Fiesta Kick Off Party sponsored by Santa Barbara Association of Realtors; 3) Climate Change Rally sponsored by 350.ORG; 4) City and County Joint Task Force on Affordable Housing; and 5) Santa Barbara Metropolitan Transit District meeting held to discuss potential reduction of services.
- Councilmember White reported on his meeting with Parks & Recreation staff addressing the Municipal Tennis Center and possible rehabilitation for the building and the addition of a “pocket” playground in the future.
- Mayor Schneider thanked all the organizers of the Greek Festival and reported the presentation of a proclamation celebrating the organization’s fortieth anniversary.

RECESS

Mayor Schneider recessed the meeting at 3:28 p.m. in order for the Council to reconvene in closed session for Agenda Item No. 10, with no reportable action anticipated.

CLOSED SESSIONS

10. Subject: Conference With Labor Negotiator (440.05)

Recommendation: That Council hold a closed session, per Government Code Section 54957.6, to consider instructions to City negotiator Kristy Schmidt, Employee Relations Manager, regarding negotiations with the Police Bargaining Unit and General Bargaining Unit.

Scheduling: Duration, 30 minutes; anytime

Report: None anticipated

Documents:

July 30, 2013, report from Assistant City Administrator.

Time:

3:30 p.m. – 4:05 p.m. (Absent: Councilmember House).

No report made.

ADJOURNMENT

Mayor Schneider adjourned the meeting at 4:05 p.m.

SANTA BARBARA CITY COUNCIL

SANTA BARBARA
CITY CLERK'S OFFICE

HELENE SCHNEIDER
MAYOR

ATTEST:

DEBORAH L. APPLGATE
DEPUTY CITY CLERK

ORDINANCE NO. _____

AN ORDINANCE OF THE COUNCIL OF THE CITY OF SANTA BARBARA APPROVING AN ATTORNMENT AGREEMENT BETWEEN THE CITY OF SANTA BARBARA, H. OLIVER DIXON, AND MONTECITO BANK & TRUST FOR USE OF A VEHICLE PARKING LOT AT THE SANTA BARBARA MUNICIPAL AIRPORT

THE COUNCIL OF THE CITY OF SANTA BARBARA DOES ORDAIN AS FOLLOWS:

SECTION 1. In accordance with the provisions of Section 521 of the Charter of the City of Santa Barbara, that certain attornment agreement between the City of Santa Barbara, H. Oliver Dixon, Inc., and Montecito Bank & Trust allowing Montecito Bank & Trust to cure any monetary default of Lease Agreement No. 21,810, dated November 1, 2005, on behalf of H. Oliver Dixon, or to provide a substitute tenant, subject to the Airport's approval, in case of foreclosure of the loan; in order to provide continued use of the vehicle parking lot adjacent to the Super 8 Motel, at 6021 Hollister Avenue, at the Santa Barbara Airport, is hereby approved.

ORDINANCE NO. _____

AN ORDINANCE OF THE COUNCIL OF THE CITY OF SANTA BARBARA APPROVING AND AUTHORIZING THE CITY ADMINISTRATOR TO EXECUTE A 50-YEAR GROUND LEASE WITH SANTA BARBARA CHILDREN'S MUSEUM ON CITY-OWNED PROPERTY LOCATED AT 125 STATE STREET.

THE COUNCIL OF THE CITY OF SANTA BARBARA DOES ORDAIN AS FOLLOWS:

SECTION 1. In accordance with the provisions of Section 521 of the Charter of the City of Santa Barbara, An Ordinance of the Council of the City of Santa Barbara Approving a 50-Year Ground Lease With Santa Barbara Children's Museum located at 125 State Street and including Assessor's Parcel Numbers 033-075-012 and 033-0750014, is hereby approved.



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: August 13, 2013
TO: Mayor and Councilmembers
FROM: Engineering Division, Public Works Department
SUBJECT: Acceptance Of Street Easement At 901 East Cabrillo Boulevard

RECOMMENDATION:

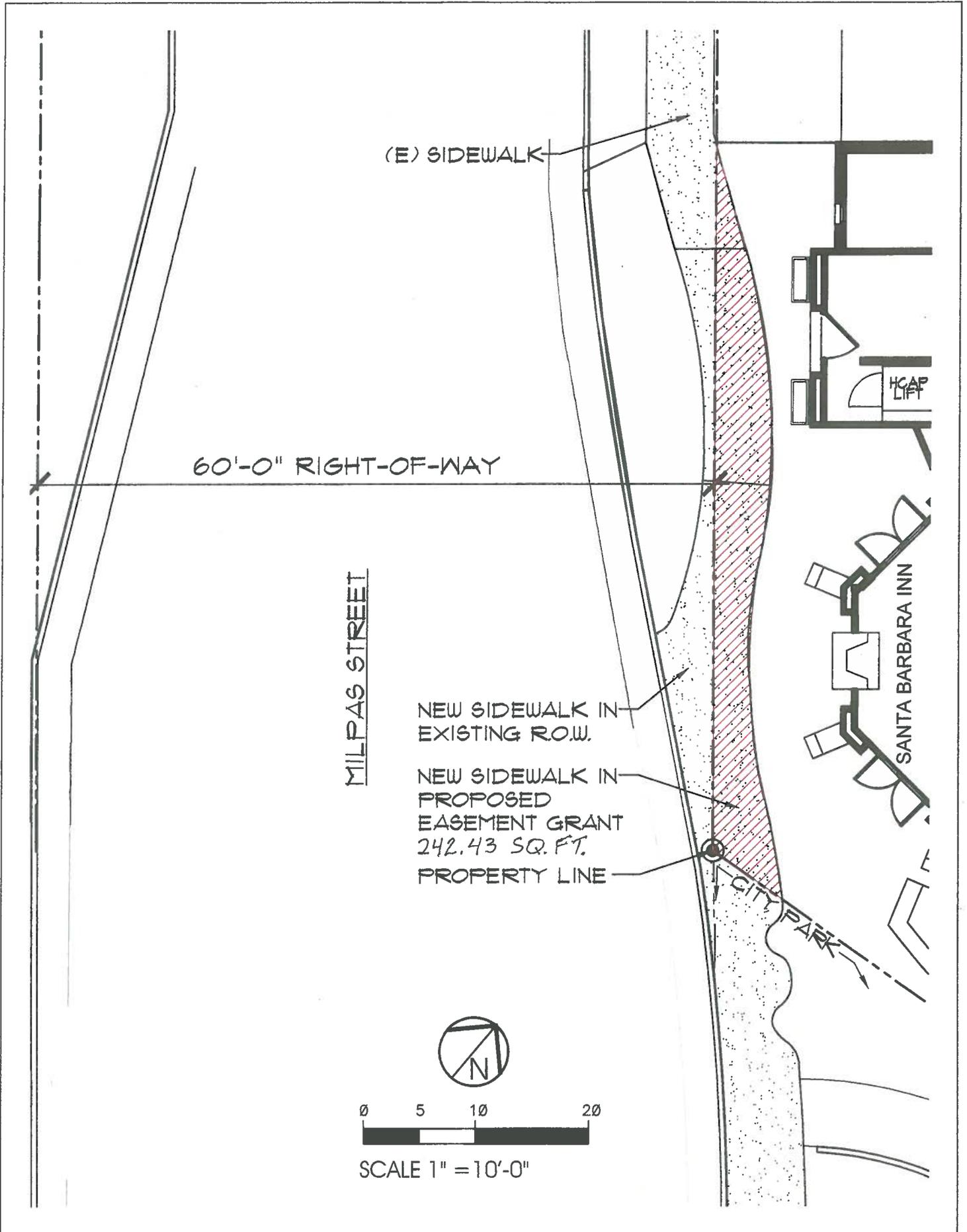
That Council adopt, by reading of title only, A Resolution of the Council of the City of Santa Barbara Accepting a Street Easement Deed for Sidewalk and Street Purposes on Portions of that Certain Property Commonly Known as 901 East Cabrillo Boulevard, Authorizing the Public Works Director to Execute the Same, and Causing the Recordation by the City Clerk of Said Easement in the Official Records with the County Recorder.

DISCUSSION:

Richard V. Gunner and Margaret S. Gunner, trustees of the Richard V. Gunner and Margaret S. Gunner Community Property Trust Agreement, Dated March 11, 2002, the owners of 901 East Cabrillo, which is presently occupied by the Santa Barbara Inn, have received City approval to renovate their building and property. Their proposed improvements include public sidewalk realignment along the Milpas Street property frontage. The owners' proposed realignment of the public sidewalk is a curvilinear sidewalk layout and encroaches onto their property. The layout was custom designed to protect and preserve the existing trees. The owners have offered to dedicate a portion of their property to complete the public sidewalk improvements as shown on the Attachment. The acceptance of this dedication by the City is required to maintain public ownership and use of the sidewalk.

This improvement, dedication and proposed acceptance, is consistent with the project's Coastal Exclusion Permit, approved on February 24, 2005, by the Coastal Commission, associated with City Application MST2004-00052. Since the original project received Coastal Exclusion approval, subsequent Planning Commission reviews and approvals were not required. The landscape plans were reviewed and approved by the Parks Commission on March 7, 2013, and associated with City Application MST2008-01317. The public improvement plans that included this sidewalk were approved by the City Engineer on June 14, 2013. This sidewalk and other improvements are ready for construction after Council accepts this easement and the City issues the permit to construct.

ATTACHMENT(S): Plan View of Sidewalk Area Offered as Easement
PREPARED BY: John Ewasiuk, Principal Civil Engineer/TS/kts
SUBMITTED BY: Christine F. Andersen, Public Works Director
APPROVED BY: City Administrator's Office



RESOLUTION NO. _____

A RESOLUTION OF THE COUNCIL OF THE CITY OF SANTA BARBARA ACCEPTING A STREET EASEMENT DEED FOR SIDEWALK AND STREET PURPOSES ON PORTIONS OF THAT CERTAIN PROPERTY COMMONLY KNOWN AS 901 EAST CABRILLO BOULEVARD, AUTHORIZING THE PUBLIC WORKS DIRECTOR TO EXECUTE THE SAME, AND CAUSING THE RECORDATION BY THE CITY CLERK OF SAID EASEMENT IN THE OFFICIAL RECORDS WITH THE COUNTY RECORDER

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SANTA BARBARA AS FOLLOWS:

SECTION 1. The City of Santa Barbara hereby accepts an easement for sidewalk and all street purposes as described in the Street Easement Deed, attached hereto as Exhibit 1, granted to the City of Santa Barbara, a municipal corporation, from Richard V. Gunner and Margaret S. Gunner, trustees of the Richard V. Gunner and Margaret S. Gunner Community Property Trust Agreement, dated March 11, 2002, on a portion of the real property commonly known as 901 E. Cabrillo Boulevard and referred to as Santa Barbara County Assessor's Parcel No. 017-313-018.

SECTION 2. The Council of the City of Santa Barbara hereby authorizes the City Public Works Director to execute the same and cause the recordation of said Street Easement Deed by the City Clerk in the Official Records with the County Recorder's Office.

RECORDING REQUESTED BY)
AND WHEN RECORDED MAIL TO:)
)
City Clerk)
City of Santa Barbara)
P.O. Box 1990)
Santa Barbara, CA 93102-1990)
)

No fee per GOVT CODE 6103

Space above line for Recorder's Use

No Documentary Transfer Tax
per REV & TAX CODE 11922

APN: 017-313-018
Address: 901 East Cabrillo Boulevard
Resolution No. _____

STREET EASEMENT DEED

For consideration, RICHARD V. GUNNER AND MARGARET S. GUNNER, TURSTEES OF THE RICHARD V. GUNNER AND MARGARET S. GUNNER COMMUNITY PROPERTY TRUST AGREEMENT DATED MARCH 11, 2002, hereinafter also referred to as "Grantor," does hereby grant to the CITY OF SANTA BARBARA, a municipal corporation, an easement for sidewalk and all street purposes and uses in, on, over, under, along, through and across a portion of that certain real property in the City of Santa Barbara, County of Santa Barbara, State of California, said easement being more particularly described in the attached **EXHIBIT A**

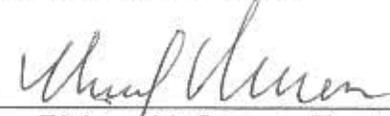
The attached **Exhibit B** graphically depicts the proffered easement For Informational Purposes Only, which is generally located at the back of the existing City sidewalk along Milpas Street, and near the intersection of East Cabrillo Boulevard, in the City of Santa Barbara, County of Santa Barbara, State of California.

APPROVED AS TO CONTENT:

Christine F. Andersen
Public Works Director

GRANTOR:

RICHARD V. GUNNER AND
MARGARET S. GUNNER, TRUSTEES
OF THE RICHARD V. GUNNER AND
MARGARET S. GUNNER COMMUNITY
PROPERTY TRUST AGREEMENT
DATED MARCH 11, 2002

BY: 
Richard V. Gunner, Trustee

BY: 
Margaret S. Gunner, Trustee

APPROVED AS TO FORM:
Stephen P. Wiley
City Attorney

By _____

INSTRUCTIONS

This agreement will be recorded. Your signature(s) must be acknowledged by a notary. Inform the notary that the acknowledgement is for an instrument to be recorded (California Civil Code §1169, et seq.)

Acknowledgments on next page...

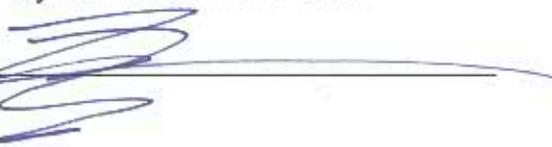
ACKNOWLEDGMENT

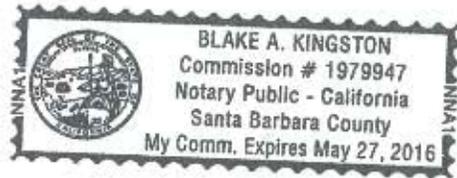
STATE OF CALIFORNIA)
COUNTY OF Santa Barbara)

On 3rd July 2013, before me, Blake A. Kingston, Notary Public
personally appeared
Richard V. Gunner & Margaret S. Gunner, who proved to me on
the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the
within instrument and acknowledged to me that he/she/they executed the same in his/her/their
authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or
the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing
paragraph is true and correct

WITNESS my hand and official seal.

Signature 



[Seal]

ACKNOWLEDGMENT

STATE OF CALIFORNIA)
COUNTY OF _____)

On _____, before me, _____
personally appeared _____, who proved to me on
the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the
within instrument and acknowledged to me that he/she/they executed the same in his/her/their
authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or
the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing
paragraph is true and correct

WITNESS my hand and official seal.

Signature _____

[Seal]

EXHIBIT A
LEGAL DESCRIPTION
SHEET 1 OF 2

That certain portion of land lying within the City of Santa Barbara, County of Santa Barbara, State of California described as Lots 54, 55, 56, 57, 58, 59, 74 and 75 of the Cabrillo Park Tract, as per map recorded in Book 15, Pages 60 and 61 of Maps, in the office of the County Recorder of said County, also shown on the map recorded as Record of Survey Book 116, Page 59, in the office of said County Recorder, being more particularly described as follows:

Beginning at a point on the northeast line of Milpas Street, sixty feet wide, as shown on said Record of Survey map, said point being distant South $48^{\circ}32'40''$ East 59.53 feet from the northwest corner of said Lot 59; thence, leaving said northeast line,

1st – South $63^{\circ}41'22''$ East, a distance of 9.78 feet; thence,

2nd – South $57^{\circ}24'17''$ East, a distance of 16.20 feet to the beginning of a non-tangent curve, concave to the southwest, having a radius of 50.75 feet and a radial center which bears South $39^{\circ}41'14''$ West; thence, along said curve,

3rd – Southeast 13.03 feet through a central angle of $14^{\circ}42'34''$ to a non-tangent curve, concave to the northeast, having a radius of 44.69 feet and a radial center which bears North $51^{\circ}02'17''$ East; thence, along said curve,

4th – Southeast 10.59 feet through a central angle of $13^{\circ}34'41''$; thence,

5th – South $52^{\circ}32'24''$ East a distance of 7.20 feet to a non-tangent curve, concave to the southwest, having a radius of 46.26 feet and a radial center which bears South $21^{\circ}01'48''$ West; thence, along said curve,

6th – Southeast 11.87 feet through a central angle of $14^{\circ}42'23''$; thence,

7th – South $54^{\circ}15'49''$ East a distance of 0.21 feet to the south line of said Lot 57; thence continuing along said south line,

8th – South $76^{\circ}46'50''$ West a distance of 7.93 feet to the southwest corner of said Lot 57, said corner also being a point on the northeast line of Milpas Street; thence continuing along said northeast line,

9th – North $48^{\circ}32'40''$ West, a distance of 63.27 feet to the Point of Beginning.

Containing 242.43 square feet, more or less.

EXHIBIT A
LEGAL DESCRIPTION
SHEET 2 of 2

The above described portion is graphically shown on Exhibit B attached hereto and made a part hereof by reference.

END OF DESCRIPTION.

Prepared by:

Aaron C. Fowler
PLS 8710
License expiration
Date: 03/31/14

Aaron Fowler
6/13/2013





NORTHWEST
CORNER LOT 59

POINT OF
BEGINNING

N 48°32'40" W

MILPAS STREET

60'
R/W

EAST CABRILLO BLVD.

50'
R/W



Aaron Fowler
6/13/2013



EXHIBIT 'B'

CITY OF SANTA BARBARA
COUNTY OF SANTA BARBARA
STATE OF CALIFORNIA
6/12/2013



Penfield & Smith
Engineering · Surveying · Planning
· Construction Management ·



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: Aug 13, 2013
TO: Mayor and Councilmembers
FROM: Treasury Division, Finance Department
SUBJECT: July 2013 Investment Report

RECOMMENDATION:

That Council accept the July 2013 Investment Report.

DISCUSSION:

The attached investment report includes Investment Activity, Interest Revenue, a Summary of Cash and Investments, and Investment Portfolio detail as of July 31, 2013.

ATTACHMENT: July 2013 Investment Report
PREPARED BY: Genie Wilson, Treasury Manager
SUBMITTED BY: Robert Samario, Finance Director
APPROVED BY: City Administrator's Office

CITY OF SANTA BARBARA
Activity and Interest Report
July 31, 2013

INVESTMENT ACTIVITY

PURCHASES OR DEPOSITS

7/8 LAIF Deposit - City	\$ 2,000,000
7/10 Federal National Mortgage Association (FNMA)	2,000,000
7/17 Federal Home Loan Bank (FHLB)	2,000,000
7/17 Federal Farm Credit Bank (FFCB)	2,000,000
7/25 Federal Home Loan Mortgage Corp (FHLMC)	2,000,000
7/30 Federal National Mortgage Association (FNMA)	1,000,000
Total	\$ 11,000,000

SALES, MATURITIES, CALLS OR WITHDRAWALS

7/1 LAIF Withdrawal - City	\$ (2,000,000)
7/11 LAIF Withdrawal - City	(2,000,000)
7/12 LAIF Withdrawal - City	(2,500,000)
7/18 LAIF Withdrawal - City	(1,500,000)
7/24 LAIF Withdrawal - City	(3,000,000)
7/25 LAIF Withdrawal - City	(1,000,000)
7/29 LAIF Withdrawal - City	(1,000,000)
Total	\$ (13,000,000)

ACTIVITY TOTAL

\$ (2,000,000)

INVESTMENT INCOME

POOLED INVESTMENTS

Interest Earned on Investments	\$ 173,740
Amortization	(24,348)
Total	\$ 149,392

INCOME TOTAL

\$ 149,392

CITY OF SANTA BARBARA
Investment Portfolio
July 31, 2013

DESCRIPTION	PURCHASE DATE	MATURITY DATE	QUALITY RATING		STATED RATE	YIELD AT 365	FACE VALUE	BOOK VALUE	MARKET VALUE	BOOK GAIN/(LOSS)	COMMENTS
	DATE	DATE	MOODY'S	S & P							
LOCAL AGENCY INVESTMENT FUNDS											
LOCAL AGENCY INVESTMENT FUND	-	-	-	-	0.266	0.266	27,000,000.00	27,000,000.00	27,000,000.00	0.00	
Subtotal, LAIF							27,000,000.00	27,000,000.00	27,000,000.00	0.00	
CERTIFICATES OF DEPOSIT											
MONTECITO BANK & TRUST	11/18/11	11/18/13	-	-	0.800	0.800	2,000,000.00	2,000,000.00	2,000,000.00	0.00	
UNION BANK	08/31/12	08/31/15	-	-	1.230	1.247	2,000,000.00	2,000,000.00	2,000,000.00	0.00	
UNION BANK	08/31/12	08/31/17	-	-	1.490	1.511	4,000,000.00	4,000,000.00	4,000,000.00	0.00	
Subtotal, Certificates of deposit							8,000,000.00	8,000,000.00	8,000,000.00	0.00	
TREASURY SECURITIES - COUPON											
U S TREASURY NOTE	10/25/12	03/15/15	Aaa	AA+	0.375	0.342	2,000,000.00	2,001,060.20	2,004,060.00	2,999.80	
U S TREASURY NOTE	10/25/12	10/31/15	Aaa	AA+	1.250	0.397	2,000,000.00	2,038,099.88	2,039,060.00	960.12	
U S TREASURY NOTE	02/22/13	05/15/16	Aaa	AA+	5.125	0.442	2,000,000.00	2,258,982.92	2,253,280.00	(5,702.92)	
U S TREASURY NOTE	02/22/13	08/31/16	Aaa	AA+	1.000	0.502	2,000,000.00	2,030,371.79	2,020,780.00	(9,591.79)	
U S TREASURY NOTE	02/22/13	02/28/17	Aaa	AA+	0.875	0.607	2,000,000.00	2,018,932.34	2,000,620.00	(18,312.34)	
Subtotal, Treasury Securities							10,000,000.00	10,347,447.13	10,317,800.00	(29,647.13)	
FEDERAL AGENCY ISSUES - COUPON											
FEDERAL FARM CREDIT BANK	02/10/11	02/10/14	Aaa	AA+	1.375	1.375	2,000,000.00	2,000,000.00	2,013,160.00	13,160.00	
FEDERAL FARM CREDIT BANK	08/15/12	08/15/17	Aaa	AA+	0.980	0.980	2,000,000.00	2,000,000.00	1,978,640.00	(21,360.00)	Callable 08/15/13, then cont.
FEDERAL FARM CREDIT BANK	02/16/11	02/16/16	Aaa	AA+	2.570	2.570	2,000,000.00	2,000,000.00	2,101,580.00	101,580.00	
FEDERAL FARM CREDIT BANK	07/17/13	07/17/17	Aaa	AA+	1.300	1.300	2,000,000.00	2,000,000.00	2,005,620.00	5,620.00	
FEDERAL HOME LOAN BANK	04/15/10	10/15/13	Aaa	AA+	2.000	2.000	2,000,000.00	2,000,000.00	2,007,840.00	7,840.00	
FEDERAL HOME LOAN BANK	08/05/10	09/12/14	Aaa	AA+	1.375	1.375	2,000,000.00	2,000,000.00	2,026,000.00	26,000.00	
FEDERAL HOME LOAN BANK	09/17/09	12/13/13	Aaa	AA+	3.125	2.440	2,000,000.00	2,004,740.78	2,022,240.00	17,499.22	
FEDERAL HOME LOAN BANK	04/05/10	11/29/13	Aaa	AA+	2.000	2.000	2,000,000.00	2,000,000.00	2,012,520.00	12,520.00	
FEDERAL HOME LOAN BANK	01/16/13	01/16/18	Aaa	AA+	1.000	1.000	4,000,000.00	4,000,000.00	3,925,800.00	(74,200.00)	Callable 10/16/13, then qtrly
FEDERAL HOME LOAN BANK	07/17/13	07/17/18	Aaa	AA+	1.750	1.750	2,000,000.00	2,000,000.00	1,995,320.00	(4,680.00)	Callable 10/17/13, then qtrly
FEDERAL HOME LOAN BANK	09/26/11	08/28/13	Aaa	AA+	1.000	0.381	1,000,000.00	1,000,462.36	1,000,680.00	217.64	
FEDERAL HOME LOAN BANK	06/27/13	06/27/18	Aaa	AA+	1.250	1.493	2,000,000.00	2,000,000.00	1,975,820.00	(24,180.00)	SU 1.125%-2.5% Call 09/27/13, then qtrly
FEDERAL HOME LOAN BANK	09/17/09	09/13/13	Aaa	AA+	4.375	2.272	2,000,000.00	2,004,665.63	2,010,000.00	5,334.37	
FEDERAL HOME LOAN BANK	02/22/10	12/13/13	Aaa	AA+	3.125	2.130	2,000,000.00	2,006,968.75	2,022,240.00	15,271.25	
FEDERAL HOME LOAN BANK	02/09/11	01/29/15	Aaa	AA+	1.750	1.750	2,000,000.00	2,000,000.00	2,043,520.00	43,520.00	
FEDERAL HOME LOAN BANK	04/15/11	05/27/15	Aaa	AA+	2.000	2.000	2,000,000.00	2,000,000.00	2,059,500.00	59,500.00	
FEDERAL HOME LOAN BANK	09/26/11	10/30/13	Aaa	AA+	2.000	0.400	1,500,000.00	1,505,903.04	1,507,080.00	1,176.96	
FEDERAL HOME LOAN MTG CORP	01/06/11	02/25/14	Aaa	AA+	1.375	1.375	2,000,000.00	2,000,000.00	2,014,220.00	14,220.00	
FEDERAL HOME LOAN MTG CORP	03/28/12	03/28/17	Aaa	AA+	1.350	1.350	2,000,000.00	2,000,000.00	2,012,440.00	12,440.00	Callable 03/28/14, once
FEDERAL HOME LOAN MTG CORP	06/26/13	06/26/18	Aaa	AA+	1.400	1.400	2,000,000.00	2,000,000.00	1,966,280.00	(33,720.00)	Callable 09/26/13, then qtrly
FEDERAL HOME LOAN MTG CORP	07/25/13	07/25/18	Aaa	AA+	1.800	1.800	2,000,000.00	2,000,000.00	2,012,560.00	12,560.00	Callable 07/25/14, once
FEDERAL HOME LOAN MTG CORP	02/21/12	02/21/17	Aaa	AA+	1.300	1.300	2,000,000.00	2,000,000.00	2,009,000.00	9,000.00	Callable 02/21/14, once

CITY OF SANTA BARBARA
Investment Portfolio
July 31, 2013

DESCRIPTION	PURCHASE DATE	MATURITY DATE	QUALITY RATING		STATED RATE	YIELD AT 365	FACE VALUE	BOOK VALUE	MARKET VALUE	BOOK GAIN/(LOSS)	COMMENTS
FEDERAL HOME LOAN MTG CORP	04/23/12	04/17/15	Aaa	AA+	0.500	0.534	2,000,000.00	1,998,841.42	2,006,660.00	7,818.58	
FEDERAL HOME LOAN MTG CORP	06/12/12	06/12/17	Aaa	AA+	1.250	1.250	2,000,000.00	2,000,000.00	1,996,000.00	(4,000.00)	Callable 06/12/14, then qtrly
FEDERAL HOME LOAN MTG CORP	07/24/12	07/24/17	Aaa	AA+	1.125	1.125	2,000,000.00	2,000,000.00	1,984,920.00	(15,080.00)	Callable 10/24/13, then qtrly
FEDERAL HOME LOAN MTG CORP	09/12/12	09/12/17	Aaa	AA+	1.000	1.000	2,000,000.00	2,000,000.00	1,972,680.00	(27,320.00)	Callable 09/12/13, then qtrly
FEDERAL HOME LOAN MTG CORP	01/16/13	01/16/18	Aaa	AA+	1.050	1.050	4,000,000.00	4,000,000.00	3,931,800.00	(68,200.00)	Callable 10/16/13, then qtrly
FEDERAL HOME LOAN MTG CORP	02/11/11	04/02/14	Aaa	AA+	4.500	1.615	2,000,000.00	2,037,503.09	2,057,360.00	19,856.91	
FEDERAL HOME LOAN MTG CORP	06/26/13	06/26/18	Aaa	AA+	1.500	1.500	2,000,000.00	2,000,000.00	1,970,000.00	(30,000.00)	Callable 09/26/13, then qtrly
FEDERAL NATL MORTGAGE ASSN	10/28/11	10/28/16	Aaa	AA+	1.500	1.521	2,000,000.00	1,999,758.33	2,005,600.00	5,841.67	Callable 10/28/13, once
FEDERAL NATL MORTGAGE ASSN	01/30/13	01/30/18	Aaa	AA+	1.030	1.030	3,000,000.00	3,000,000.00	2,939,790.00	(60,210.00)	Callable 01/30/14, then qtrly
FEDERAL NATL MORTGAGE ASSN	11/17/10	11/17/14	Aaa	AA+	1.300	1.300	2,000,000.00	2,000,000.00	2,027,660.00	27,660.00	
FEDERAL NATL MORTGAGE ASSN	08/28/12	08/28/17	Aaa	AA+	1.150	1.150	2,000,000.00	2,000,000.00	1,984,360.00	(15,640.00)	Callable 08/28/13, then qtrly
FEDERAL NATL MORTGAGE ASSN	12/12/12	12/12/17	Aaa	AA+	1.000	1.000	2,000,000.00	2,000,000.00	1,961,400.00	(38,600.00)	Callable 06/12/13, then qtrly
FEDERAL NATL MORTGAGE ASSN	06/19/13	12/19/16	Aaa	AA+	0.750	0.750	2,000,000.00	2,000,000.00	1,987,280.00	(12,720.00)	Callable 12/19/13, then qtrly
FEDERAL NATL MORTGAGE ASSN	07/30/13	07/30/18	Aaa	AA+	1.000	1.896	1,000,000.00	1,000,000.00	1,001,220.00	1,220.00	SU 1%-2% Callable 01/30/14, once
FEDERAL NATL MORTGAGE ASSN	11/08/12	11/08/17	Aaa	AA+	1.000	1.000	2,000,000.00	2,000,000.00	1,963,760.00	(36,240.00)	Callable 08/08/13, then qtrly
FEDERAL NATL MORTGAGE ASSN	11/08/12	11/08/17	Aaa	AA+	1.000	1.000	2,000,000.00	2,000,000.00	1,963,760.00	(36,240.00)	Callable 08/08/13, then qtrly
FEDERAL NATL MORTGAGE ASSN	12/26/12	12/26/17	Aaa	AA+	1.000	1.000	4,000,000.00	4,000,000.00	3,917,160.00	(82,840.00)	Callable 12/26/13, then qtrly
FEDERAL NATL MORTGAGE ASSN	07/10/13	07/10/18	Aaa	AA+	1.700	1.700	2,000,000.00	2,000,000.00	1,994,440.00	(5,560.00)	Callable 07/10/14, then qtrly
FEDERAL NATL MORTGAGE ASSN	09/21/10	09/21/15	Aaa	AA+	2.000	2.000	2,000,000.00	2,000,000.00	2,065,880.00	65,880.00	
FEDERAL NATL MORTGAGE ASSN	12/10/10	10/26/15	Aaa	AA+	1.625	2.067	2,000,000.00	1,981,277.79	2,050,620.00	69,342.21	
FEDERAL NATL MORTGAGE ASSN	02/05/13	02/05/18	Aaa	AA+	1.000	1.000	2,000,000.00	2,000,000.00	1,957,800.00	(42,200.00)	Callable 02/05/15, then qtrly
Subtotal, Federal Agencies							90,500,000.00	90,540,121.19	90,462,210.00	(77,911.19)	
CORPORATE/MEDIUM TERM NOTES											
BERKSHIRE HATHAWAY FIN	12/15/10	12/15/15	Aa2	AA	2.450	2.530	2,000,000.00	1,996,441.67	2,080,900.00	84,458.33	
GENERAL ELECTRIC CAPITAL CORP	11/10/10	11/09/15	A1	AA+	2.250	2.250	2,000,000.00	2,000,000.00	2,050,360.00	50,360.00	
GENERAL ELECTRIC CAPITAL CORP	01/07/11	01/07/14	A1	AA+	2.100	2.100	2,000,000.00	2,000,000.00	2,015,520.00	15,520.00	
PROCTOR & GAMBLE	09/20/11	11/15/15	Aa3	AA-	1.800	1.085	2,000,000.00	2,031,912.78	2,051,040.00	19,127.22	
TOYOTA MOTOR CREDIT	09/26/11	09/15/16	Aa3	AA-	2.000	1.800	2,000,000.00	2,011,887.13	2,057,660.00	45,772.87	
Subtotal, Corporate Securities							10,000,000.00	10,040,241.58	10,255,480.00	215,238.42	
SB AIRPORT PROMISSORY NOTE (LT)											
SANTA BARBARA AIRPORT	07/14/09	06/30/29	-	-	3.500	4.195	5,603,519.96	5,603,519.96	5,603,519.96	0.00	
Subtotal, SBA Note							5,603,519.96	5,603,519.96	5,603,519.96	0.00	
TOTALS							151,103,519.96	151,531,329.86	151,639,009.96	107,680.10	

Market values have been obtained from the City's safekeeping agent, Union Bank The Private Bank (UBTPB). UBTPB uses Interactive Data Pricing Service, Bloomberg and DTC.



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: August 13, 2013

TO: Mayor and Councilmembers

FROM: Administration, Library Department

SUBJECT: Fiscal Year 2014 Agreement For Countywide Library System

RECOMMENDATION: That Council:

- A. Approve and authorize the City Administrator to execute an agreement between the County of Santa Barbara and the Cities of Santa Barbara, Santa Maria and Lompoc for the operation of a Countywide Library System for Fiscal Year 2014;
- B. Increase estimated revenues and appropriations in the amount of \$93,779 (per capita and administrative fee) in the Fiscal Year General Fund Library Department budget; and
- C. Increase estimated revenues and appropriations in the amount of \$109,727 in the Fiscal Year 2014 County Library Fund budget.

DISCUSSION:

The Agreement for Operation of a Countywide Library system for Fiscal Year 2014, which is recommended for approval and execution, provides for continued funding of Library services for all Santa Barbara County residents and designates the Cities of Santa Barbara, Lompoc and Santa Maria as administrators of County Library Zones 1, 2, and 3, respectively. The City of Santa Barbara furnishes library service to all persons inhabiting Library Zone 1, including Carpinteria, Los Olivos, Montecito, Goleta, Santa Ynez, and Solvang.

On June 30, 2013, the previous one-year contract expired. A new one year contract allows the library zones to receive the recommended funding for library operations.

During County budget hearings on June 14, 2013, the Santa Barbara County Board of Supervisors voted to increase County per capita contribution from the recommended \$5.97 to \$6.90. This is a reinstatement of the 15% decrease in the per capita funding which was imposed in 2012.

BUDGET/FINANCIAL INFORMATION:

Under the terms and conditions of this contract, the Santa Barbara Public Library System will receive a total of \$1,680,560 for library services.

- \$614,666 for support of the Central and Eastside Branch Libraries (City Libraries)
- \$893,894 of County per capita funds for support of the Carpinteria, Goleta, Los Olivos, Montecito, Santa Ynez, and Solvang Libraries (County Libraries)
- Estimated assessment revenue of \$172,000 collected within the unincorporated portion of County Service Area Number Three and available to the Goleta Library as a result of voter-approved Measure L

A 9% administrative fee for managing the libraries in Carpinteria, Goleta, Los Olivos, Montecito, Santa Ynez, and Solvang in the amount of \$118,173 is charged to the County Library Fund for this contract.

The Adopted Fiscal Year 2014 Library budget does not reflect the \$203,506 increase in total funding for this contract. Therefore, staff is recommending adjustments to both the General Fund Library Department budget and the County Library Fund budget to reflect the increased funding by \$93,779 and \$109,727, respectively..

PREPARED BY: Margaret Esther, Library Services Manager

SUBMITTED BY: Irene Macias, Library Director

APPROVED BY: City Administrator's Office



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: August 13, 2013

TO: Mayor and Councilmembers

FROM: Patrol Division, Police Department

SUBJECT: School Crossing Guard Agreements – Santa Barbara Unified And Hope School Districts

RECOMMENDATION: That Council:

- A. Authorize the Chief of Police to execute a Memorandum of Understanding with the Santa Barbara Unified School District for School Crossing Guard services, including Peabody Charter School, from August 2013 through June 2016; and
- B. Authorize the Chief of Police to execute a Memorandum of Understanding with the Hope School District for School Crossing Guard services from August 2013 through June 2016.

DISCUSSION:

In partnership with the Santa Barbara Unified (SBUSD) and Hope School (Hope) Districts, and to keep the children in our community safe, the City has negotiated a Memorandum of Understanding that the City, through the Police Department, will staff and administer the school crossing guard program. The Districts will reimburse the City for one half of the cost to staff the program for Fiscal Years 2014, 2015, and 2016.

In Fiscal Year 2013 the cost to staff and administer the School Crossing Guard program was \$121,305 with each district reimbursing the City for half of the cost for the staff assigned in their district and the related administrative fee. The SBUSD also covers the costs for providing school crossing guard services for Peabody Charter School. The proposed annual costs for each district are:

SBUSD	SBUSD	Peabody	Total
Fiscal Year 2014	\$ 39,000	\$ 7,160	\$ 46,160
Fiscal Year 2015	\$ 39,780	\$ 7,304	\$ 47,084
Fiscal Year 2016	\$ 40,576	\$ 7,450	\$ 48,026

Hope School District	
Fiscal Year 2014	\$ 7,160
Fiscal Year 2015	\$ 7,304
Fiscal Year 2016	\$ 7,450

BUDGET/FINANCIAL INFORMATION:

The revenues and expenditures for the School Crossing Guard Program were included in the Fiscal Year 2014 Budget.

PREPARED BY: David Whitham, Captain/lsp

SUBMITTED BY: Camerino Sanchez, Chief of Police

APPROVED BY: City Administrator's Office



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: August 13, 2013

TO: Mayor and Councilmembers

FROM: Patrol Division, Police Department

SUBJECT: County Of Santa Barbara Strategic Prevention Framework State Incentive Grant To Reduce Excessive And Underage Drinking

RECOMMENDATION: That Council:

- A. Authorize the Chief of Police or his designee to execute an agreement with the County of Santa Barbara for the Strategic Prevention Framework State Incentive Grant for Fiscal Year 2014;
- B. Accept \$35,400 from County of Santa Barbara from the Strategic Prevention Framework State Incentive Grant to collaborate with County Alcohol and Drug Program to address underage and excessive drinking, and alcohol-related motor vehicle accidents for Fiscal Year 2014; and
- C. Increase appropriations and estimated revenues by \$35,400 in the Miscellaneous Grants Fund for Fiscal Year 2014.

DISCUSSION:

As a part of the Countywide team, the Police Department will continue its collaboration with the County Alcohol and Drug Programs (ADP), the Council on Alcoholism and Drug Abuse (CADA), the Prevention Research Center and the State Department of Alcohol and Drug Programs in Fiscal Year 2014, in order to address underage and excessive drinking and alcohol-related motor-vehicle accidents as part of the Strategic Prevention Framework State Incentive Grant (SPF SIG). The aim of the grant is to reduce underage drinking by individuals 12 to 25 with a special focus on reducing excessive drinking by individuals ages 21 to 25.

Beginning in Fiscal Year 2013, the County of Santa Barbara has received annual grant funding from the State of California to create a collaborative agency effort to reduce instances of underage and excessive drinking among target groups ranging from the ages of 12 to 25 years. The Santa Barbara Police Department is a key component in a successful program and will receive a portion of the grant funding to provide extra preventative law enforcement activities in an effort to reduce alcohol related crime.

The focus of our agency's funding will be to provide enhanced "Responsible Beverage Service" (RBS) training, contact all (on-site and off-site) alcohol establishments and encourage their participation in RBS training programs. Additionally, our agency's funding will help develop and maintain a record of compliance, create enhanced compliance accountability with local establishments and construct an evaluation methodology through the analysis of statistical data.

BUDGET/FINANCIAL INFORMATION:

The funds from the grant will be used to cover costs related to Responsible Beverage Server trainings, coordination efforts and data sharing with grant partners.

PREPARED BY: Brent Mandrell, Lieutenant

SUBMITTED BY: Camerino Sanchez, Chief of Police

APPROVED BY: City Administrator's Office



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: August 13, 2013

TO: Mayor and Councilmembers

FROM: Engineering Division, Public Works Department

SUBJECT: Contract For Final Design Of Cota Street Bridge Replacement Project

RECOMMENDATION: That Council:

- A. Approve and authorize the Public Works Director to execute a City Professional Services contract with Bengal Engineering, Inc., in the amount of \$650,485 for final design services for the Cota Street Bridge Replacement Project, and authorize the Public Works Director to approve expenditures of up to \$65,049 for extra services of Bengal Engineering, Inc., that may result from necessary changes in the scope of work; and
- B. Increase appropriations by \$115,000 in the Fiscal Year 2014 Streets Capital Fund from reserves generated from the proceeds of the sale of surplus properties acquired for past bridge replacement projects to the Cota Street Bridge Replacement Project to fund the City's portion necessary to complete the design costs not covered by the Federal Highway Administration.

DISCUSSION:

BACKGROUND

The Cota Street Bridge Replacement Project (Project) will replace the structurally deficient bridge over Mission Creek that was constructed in 1926. (See Attachment for Vicinity Map.) The new bridge will continue to accommodate the same number and sizes of traffic lanes and pedestrian access. Grant funding for the Project has been approved by the Federal Highway Administration (FHWA) with oversight provided by the State of California Department of Transportation. The FHWA previously gave authorization to proceed with Preliminary Design and right of way activities for the Project. Participating costs for design, right of way, and construction activities are reimbursed to the City at a federal reimbursement rate of 88.53 percent.

The replacement of the bridge is an integral part of the Lower Mission Creek Flood Control Project (LMCFCP), which has been a joint effort between the United States Army Corps of Engineers, Santa Barbara County Flood Control, and the City of Santa

Barbara. The LMCFCP is intended to reduce flooding on the lower portions of Mission Creek, and spans approximately 1.3 miles of the Mission Creek channel, from Canon Perdido Street to Cabrillo Boulevard. This reach of Mission Creek is subject to flooding that affects residents, businesses, and transportation facilities. Council accepted the LMCFCP Environmental Impact Report/Environmental Impact Statement in 2001.

The Project consists of removing and replacing the existing structurally deficient concrete bridge over Lower Mission Creek. The design will include lengthening the bridge to improve hydraulic conveyance, building retaining walls to accommodate the future LMCFCP, installing bridge railings, sidewalk and street enhancements, and utility realignments. In order to accommodate construction of the new bridge, the acquisition of property and relocation assistance for displaced occupants is required prior to construction of the new bridge.

The full acquisition of the properties at 221 West Cota, 230 West Cota, and 536 Bath Streets was found to be necessary to construct the proposed Project. All three acquisitions have been completed.

FINAL DESIGN PHASE - CONSULTANT ENGINEERING SERVICES

On January 26, 2010, Council authorized the Preliminary Design contract with Bengal Engineering (Bengal). Project design approval was given by the Architectural Board of Review (ABR) on July 8, 2013. Preliminary Design is now complete. Staff negotiations with Bengal Engineering for final design produced a fair and reasonable price as presented in this report.

COMMUNITY OUTREACH

The Project will need to return to the ABR for final design approval. All of the hearings have been, and will continue to be, publicly noticed.

When the construction contract is awarded, notifications by mail, including fact sheets in both English and Spanish, will be sent out to property owners and residents with basic Project related information. Pre-construction public meetings will be held to inform owners and residents of the construction timeline and review of the Project's details. Planned outreach methods during construction include Project road signs, City Television updates, news releases through local media, and a ribbon cutting ceremony for the completed bridge.

FUNDING

The FHWA will reimburse the City for 88.53 percent of eligible design, right of way, and construction costs, with a City share of 11.47 percent, plus any non-participating costs.

The following table summarizes the Project's estimated costs to date:

ESTIMATED TOTAL PROJECT COST			
COTA STREET BRIDGE REPLACEMENT	Federal Share	City Share	Project Cost
DESIGN			
Preliminary Design (by Contract with Bengal)	\$181,824	\$23,557	\$205,381
Final Design (this Contract with Bengal)	\$633,462	\$82,072	\$715,534
Environmental Review & Permits (by Contract)	\$79,310	\$10,276	\$89,586
Survey (City Staff)	\$14,636	\$6,273	\$20,909
Project Management & Review (City Staff)	\$175,000	\$75,000	\$250,000
Subtotal (Design Phase)	\$1,084,232	\$197,178	\$1,281,410
RIGHT OF WAY			
Right-of-Way (Acquisition and Relocation)	\$1,677,644	\$217,357	\$1,895,000
Real Property Services (by Contract)	\$51,347	\$6,653	\$58,000
Project Management & Review (City Staff)	\$110,663	\$14,338	\$125,000
Subtotal (Right of Way Phase)	\$1,839,654	\$238,348	\$2,078,002
CONSTRUCTION			
Construction (by Contract)	\$4,581,427	\$593,573	\$5,175,000
Construction Engineering (by Contract)	\$486,915	\$63,085	\$550,000
Project Management & Review (City Staff)	\$110,663	\$14,337	\$125,000
Subtotal (Construction Phase)	\$5,179,005	\$670,995	\$5,850,000
TOTAL ESTIMATED PROJECT COST	\$8,102,891	\$1,106,521	\$9,209,412

Construction of the Cota Street Bridge is tentatively scheduled to start in the spring of 2014 and end the summer of 2015.

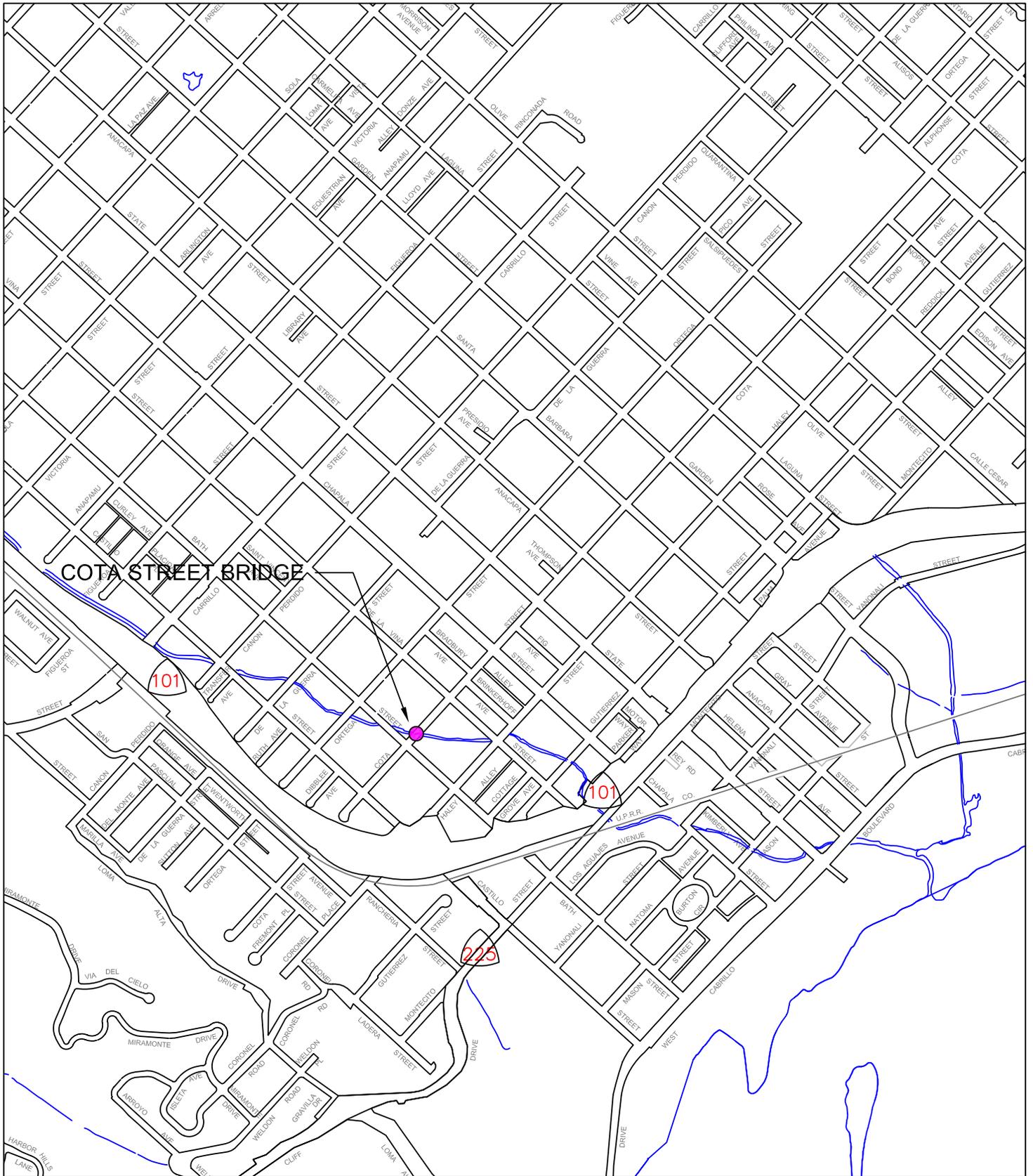
The recommended appropriation will provide sufficient funds in the Streets Fund to cover the City costs to complete the final design phase.

ATTACHMENT(S): Cota Street Bridge Replacement Project– Vicinity Map

PREPARED BY: John Ewasiuk, Principal Civil Engineer/BD/sk

SUBMITTED BY: Christine F. Andersen, Public Works Director

APPROVED BY: City Administrator's Office



COTA STREET BRIDGE VICINITY MAP

DESIGN:	BD
DRAWN:	BD
CHECKED:	BD
DATE:	07/26/13
SCALE:	1"=1000'



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: August 13, 2013

TO: Mayor and Councilmembers

FROM: Engineering Division, Public Works Department

SUBJECT: Contract For Design Of The Zone 1 Pavement Maintenance Project

RECOMMENDATION:

That Council authorize the Public Works Director to execute a City Professional Services contract with Flowers & Associates, Inc., in the amount of \$76,517 for design services for the Zone 1 Pavement Maintenance Project, and authorize the Public Works Director to approve expenditures of up to \$7,652 for extra services that may result from necessary changes in the scope of work for a total contract authorization of \$84,169.

DISCUSSION:

The Engineering Division hires design and construction consultant services for delivery of its annual Pavement Maintenance Project. In 2012, Council approved staff's recommendation to select Flowers & Associates, Inc. (Flowers) to provide these services for Fiscal Years 2013 through 2015, with separate contracts for each of the Fiscal Years.

PROJECT DESCRIPTION

The City is divided into six pavement maintenance zones (Attachment). Staff has negotiated a contract with Flowers for design phase services for Fiscal Year 2014, which will include Zone 1. This design phase includes the evaluation of over 6.5 million square feet of roadway within this zone, as well as other specific streets requiring repair outside of Zone 1. The design will specify repair and maintenance procedures to apply to streets and include the preparation of construction contract documents so that the work can be bid, awarded, and then constructed.

The scope of services from Flowers includes the following:

- Surveying the existing pavement condition;
- Marking streets for pavement repair work;
- Preparing specifications for pavement repairs; and

- Preparing construction cost estimates for all components of the construction phase, including pavement preparation, overlay, slurry seal, crack seal, and alternative repair options.

The design for the Project is scheduled to be completed by February 2014, with construction work scheduled to commence in spring/summer 2014.

DESIGN PHASE CONSULTANT ENGINEERING SERVICES

Staff recommends that Council authorize the Public Works Director to execute a contract with Flowers in the total amount of \$84,169 for design and potential extra services. Flowers is one of the participants in the City's Pre-qualified Engineering Services Program and is experienced in this type of work. Flowers was also previously selected for this type of work through a Request for Proposal process in 2009.

FUNDING

The Project is funded primarily through Streets Capital funds that were previously budgeted for pavement maintenance, which includes Measure A and Utility User Tax funds.

The following summarizes all estimated total Project costs:

ESTIMATED TOTAL PROJECT COST

Design (by Contract)	\$84,169
Other Design Costs - City staff (if contract), Environmental (Assessments, etc.)	\$50,000
Subtotal	\$134,169
Estimated Construction Contract w/Change Order Allowance	\$1,935,000
Estimated Construction Management/Inspection (by Contract)	\$300,000
Estimated Construction Project Management (by City staff)	\$100,000
Subtotal	\$2,335,000
TOTAL PROJECT COST	\$2,469,169

There are sufficient funds in the Streets Fund to cover these costs. Measure A funds are a significant funding source for the Streets Capital Program, including the design and construction of the Project.

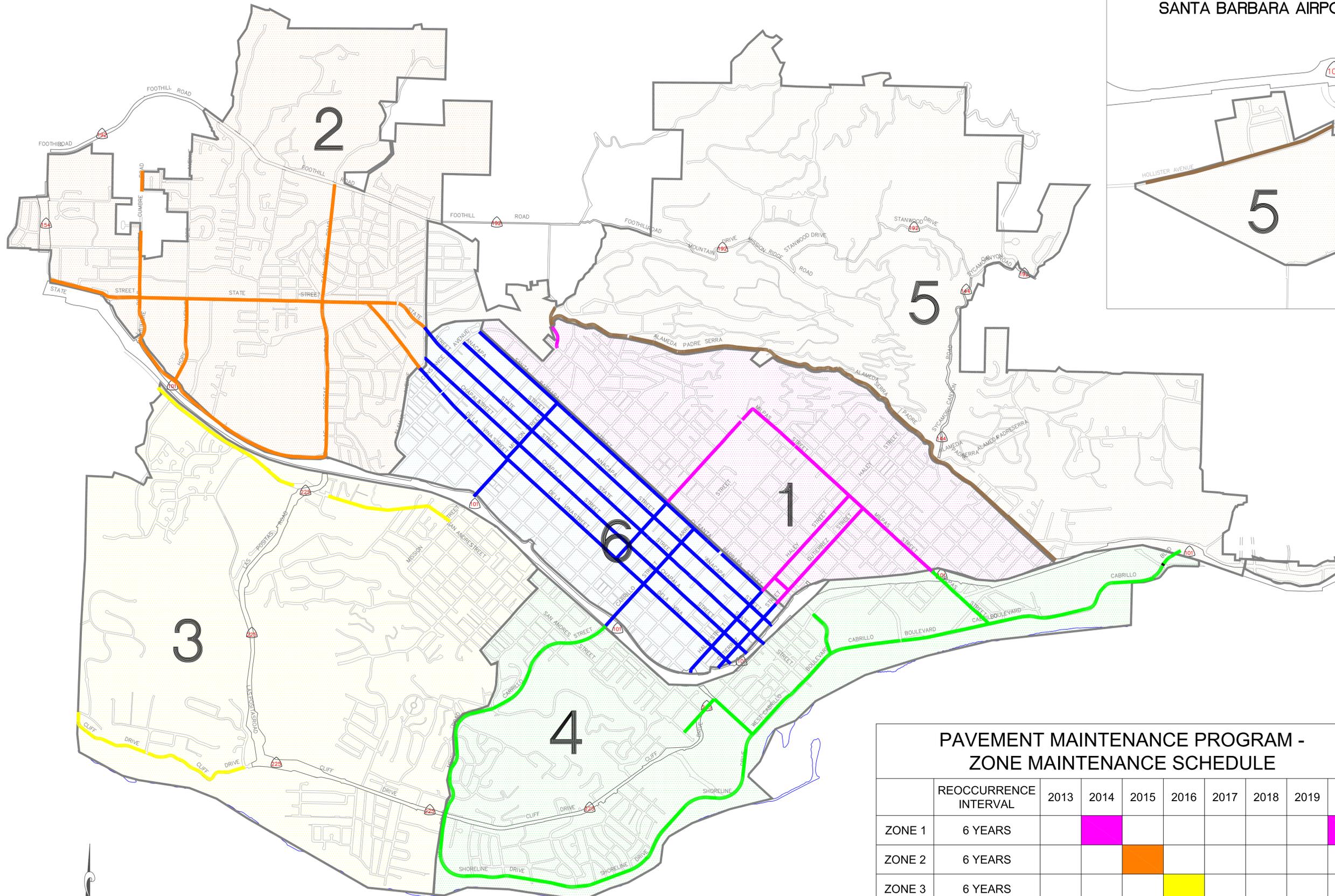
ATTACHMENT(S): Pavement Maintenance Zone Map

PREPARED BY: John Ewasiuk, Principal Civil Engineer/AS/sk

SUBMITTED BY: Christine F. Andersen, Public Works Director

APPROVED BY: City Administrator's Office

SANTA BARBARA AIRPORT



PRIORITY ROADS HIGHLIGHTED

**PAVEMENT MAINTENANCE PROGRAM -
ZONE MAINTENANCE SCHEDULE**

	REOCCURRENCE INTERVAL	2013	2014	2015	2016	2017	2018	2019	2020
ZONE 1	6 YEARS								
ZONE 2	6 YEARS								
ZONE 3	6 YEARS								
ZONE 4	6 YEARS								
ZONE 5	6 YEARS								
ZONE 6	6 YEARS								

PUBLIC WORKS DEPARTMENT
ENGINEERING DIVISION

APPROVED: _____ DATE _____
CITY ENGINEER ORIGINAL SIGNED DATE _____

NO.	DATE	APPROVED	DESIGN	DRAWN	CHECKED	REVISIONS

CITY OF SANTA BARBARA
PAVEMENT ZONE MAP
UPDATED JUNE 2013

PBW. NO. _____
BID NO. _____ SHT. DES. _____
DWG. NO. _____
SHT. _____ OF _____



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: August 13, 2013

TO: Mayor and Councilmembers

FROM: Administration, Housing & Human Services Division, Community Development Department

SUBJECT: Central Coast Collaborative On Homelessness Memorandum Of Understanding

RECOMMENDATION:

That Council authorize the City Administrator to execute a Memorandum of Understanding with the Northern Santa Barbara County United Way for the Central Coast Collaborative on Homelessness effort, subject to City Attorney approval as to form.

DISCUSSION:

On October 23, 2012, Council approved a Memorandum of Understanding (MOU) with the Northern Santa Barbara County United Way (NSBCUW) for the period of October 1, 2012 to June 30, 2013 for the Central Coast Collaborative on Homelessness (C3H) effort. Council also appointed two council members (Schneider and Francisco) and two alternates (Murillo and Hotchkiss) to serve on the C3H Policy Council.

The Policy Council has met three times and has full Countywide representation. The Policy Council includes ten representatives from the following jurisdictions: City of Santa Barbara (2); County Board of Supervisors (2); City of Santa Maria (2); City of Goleta (1); City of Lompoc (1); City of Carpinteria (1) and City of Buellton (1).

In addition, the Executive Oversight, Coordination and Housing, Shelter and Treatment committees have been meeting on a regular basis. C3H staff has also been working with "Community Action Groups" (CAG's) to help empower community members, faith organizations, business entities, and advocacy groups to participate in building solutions.

Recent accomplishments of C3H include:

1. Coordinating the Point in Time Count, a count of sheltered and unsheltered homeless persons on a single night.
2. Tracking county-wide housing placements.

3. Forming a Task Force to deal proactively with the impacts of Casa Esperanza transitioning to a sober-based facility.
4. Developing an outreach strategy regarding the Patient Protection and Affordable Care Act and health care reform and how they relate to homelessness.
5. Setting the C3H Coordination Committee up to serve as the Continuum of Care Committee for the County's Housing and Urban Development (HUD) grant review process, which means that the group will evaluate and rank proposals for HUD funding such as Continuum of Care and Emergency Solutions grants.
6. Preparing an "asset map" and developing measurement tools (in process).
7. Adding the City of Santa Maria as sponsor.

The purpose of the MOU is to collaborate and share resources to further the strategy of C3H. Sponsors include:

County of Santa Barbara	\$75,000
City of Santa Barbara	\$75,000
Housing Authority of the City of Santa Barbara	\$13,000
City of Santa Maria	\$12,000
Santa Barbara Foundation	<u>\$75,000*</u>
	\$250,000

(* \$75,000 received for Calendar Year 2013; application for \$75,000 pending for Calendar Year 2014)

Positions are allocated in the C3H budget as follows:

- .57 Full-time Employee (FTE) Facilitator
- .75 FTE Community Coordinator
- .5 FTE Special Projects & Legislative Analyst

The Facilitator receives direct supervision and direction from the Executive Oversight Committee and exercises supervision of the two staff members. The Facilitator is guiding the process by assisting in the development and implementation of the collaboration's goals and objectives. She also establishes schedules and methods for communication between the Coordination Committee, Policy Council and other related committees. She is also responsible for monitoring the progress and performance of the collaborative.

The Community Coordinator works closely with individual Community Action Groups (CAG); participates and assists in planning and facilitating the monthly Coordination Committee meetings; keeps the Coordination Committee informed of CAG work countywide; works to ensure successful team relationships within the Coordination Committee as well as between and among stakeholder groups; and assists in the communication of information between the Coordination Committee and Policy Council and the CAG's.

The Special Projects & Legislative Analyst is currently working on an asset map of homeless services. She also assists with meeting notifications and minutes as well as coordination, analysis and documentation of committee efforts.

BUDGET/FINANCIAL INFORMATION:

City funds for this effort were appropriated as part of the City's Fiscal Year 2014 budget and staff is recommending that Council formally commit the funds and approve the Memorandum of Understanding with the Northern Santa Barbara County United Way.

The County of Santa Barbara, the City of Santa Maria and the Housing Authority of the City of Santa Barbara have committed funds to this effort and a grant is pending with the Santa Barbara Foundation.

The draft Memorandum of Understanding is attached.

ATTACHMENT: Draft Central Coast Collaborative on Homelessness (C3H)
Sponsors and Host Agency Memorandum of Understanding

PREPARED BY: Sue Gray, Community Development Business Manager

SUBMITTED BY: Paul Casey, Assistant City Administrator/Community
Development Director

APPROVED BY: City Administrator's Office

**CENTRAL COAST COLLABORATIVE ON HOMELESSNESS (C3H)
SPONSORS AND HOST AGENCY MEMORANDUM OF UNDERSTANDING**

July 2013

This Memorandum of Understanding, herein after referred to as "MOU," is entered into between the Northern Santa Barbara County United Way (hereinafter referred to as "NSBCUW-Host Agency") and the project funding sources (hereinafter referred to as the "Sponsors") identified below, for the purpose of collaborating and sharing resources to further the strategy of the Central Coast Collaborative on Homelessness (hereinafter referred to as "C3H").

SPONSORS As of the execution of the MOU, the following entities have agreed to serve as Sponsors for this project:

○ County of Santa Barbara	\$75,000
○ City of Santa Barbara	\$75,000
○ Housing Authority of the City of Santa Barbara	\$13,000
○ City of Santa Maria	\$12,000
○ Santa Barbara Foundation	<u>\$75,000*</u>
	\$250,000

* \$75,000 received for Calendar Year 2013; application pending for Calendar Year 2014 (\$75,000 requested)

During the term of this MOU, new entities may choose to join as Sponsors. New Sponsors will be asked to execute a copy of this MOU, and will agree to be bound by the Sponsor responsibilities set forth in the MOU.

RESPONSIBILITIES OF SPONSORS

Sponsors agree to:

- Contribute funds as specified above, subject to the applicable and required budgetary approval process of each Sponsor entity.
- Approve the members of the Executive Committee, which shall include the NSBCUW-Host Agency Executive Director. The Executive Committee will be responsible for reviewing the C3H program and providing guidance to assist C3H in achieving its goals and objectives.

RESPONSIBILITIES OF NSBCUW-HOST AGENCY

NSBCUW-Host Agency agrees to:

- Subscribe to the C3H Guiding Principles (Attachment A) and C3H Vision (Attachment B).

- Serve as the Fiscal Agent and maintain the operating fund for C3H and the accounting documents according to generally accepted accounting practices, and to annually report on the sources and uses of funds in compliance with the program budget.
- Serve as the employer of record for the C3H employees. As such, NSBCUW will enroll C3H employee in standard employee and retirement programs including vacation, sick days, and all other benefit agreements.
- Provide in-kind support as shown in the program budget (Attachment D).
- Receive additional funds from Sponsors or other sources for operations, fund matching, internal operations or subcontracting.
- Assign its Executive Director to serve as a member of the C3H Executive Committee and Coordinating Committee.

RESPONSIBILITIES OF C3H

C3H agrees to:

- Make a commitment to serve as the lead agency in procuring funds to maintain its operations, on an annual basis.
- Establish executive committee to review C3H program and provide guidance to achieve goals and objectives.
- Support efforts to expand linkages and coordination with homeless program service providers.
- Ensure compliance with all state and federal regulatory standards and guidelines pertaining to funding provided to NSBCUW-Host Agency and fiscal agent.
- Support the work of the Community Coordinator and contract Facilitator as outlined in the job description (Attachment C).

FINANCIAL MATTERS

The parties agree that NSBCUW-Host Agency may charge the operating fund an amount not to exceed 5% of NSBCUW-Host Agency's administrative costs incurred for serving as the Fiscal Agent, and \$55/per pay period to cover the administration of benefits for the C3H employee, up to a total amount of \$11,775.00 as set forth in the program budget attached hereto as Attachment D.

The parties agree that upon expiration or termination of this MOU, any unspent funds in the operating fund shall be returned to the Sponsors on a pro rata basis according to each Sponsor's contribution.

TERM AND TERMINATION

The term of this MOU shall be from July 1, 2013 through June 30, 2014. This MOU may be terminated by any party, with or without cause, upon ninety (90) days prior written notice to the other parties. Any notice of termination shall specify the effective date of such termination. This MOU shall also terminate in the event that there are no longer monies in the operating fund to support the ongoing operations of C3H.

INDEPENDENT CONTRACTOR

NSBCUW-Host Agency, its employees, and agents are independent contractors and not employees of any of the Sponsors for any purpose whatsoever. Sponsors and NSBCUW-Host Agency do not have an employer-employee relationship and in that regard the Sponsors exercise no control whatsoever of the manner and means by which the NSBCUW -Host Agency, its employees and agents accomplish their work.

ASSIGNMENT

No party may transfer or assign this MOU without the written consent of the other parties, which consent may be withheld at the absolute discretion of the parties from whom consent is sought.

NONDISCRIMINATION

NSBCUW-Host Agency agrees to be bound by the terms and conditions of nondiscrimination.

AMENDMENT

This MOU contains the entire agreement of the parties. No additional term or modification may be made unless such addition or modification is in writing and signed by the parties to this MOU. In the event that a new Sponsor is voted on and approved by the parties to this MOU, the new Sponsor will be asked to execute this MOU, which action shall not be treated as an amendment to this MOU nor require the existing parties to re-execute this MOU.

COUNTERPARTS

This MOU may be executed in several counterparts, all of which taken together shall constitute a single agreement between the parties.

Host Agency:

Eddie Taylor
Executive Director
Northern Santa Barbara County United Way

Sponsors:

James L. Armstrong
City Administrator
City of Santa Barbara

Date

Chandra L. Wallar
Executive Officer
County of Santa Barbara

Date

Rob Pearson
Executive Director
City of Santa Barbara Housing Authority
C3H, Chairperson

Date

Rick Haydon
City Manager
City of Santa Maria

Date

Phylene Wiggins
Community Investment Officer
Santa Barbara Foundation

Date

Sylvia Barnard
C3H Vice Chairperson

Date

Central Coast Collaborative on Homelessness (C3H) Guiding Principles

The Central Coast Collaborative on Homelessness (C3H) is based on a Collective Impact approach and will use the following methodology as Guiding Principles:

- Different sectors come together on a common agenda to solve a specific social problem;
- Actions are supported by a shared measurement system, mutually reinforcing activities, frequent and ongoing communication;
- The effort is staffed by an independent backbone organization.

These Guiding Principles will help to meet the following Goals:

- Improve broad cross-sector coordination;
- Improve all aspects of the homeless service provider continuum;
- Establish reliable measurements of effectiveness and use data for decision making;
- Utilize existing resources to the maximum extent in a way that complements ongoing efforts and targets future funding and programming opportunities.

**Central Coast Collaborative on Homelessness (C3H)
Our Purpose**

The purpose statement of C3H :

C3H will harness all resources available to reduce the number of people experiencing homelessness, as well as minimize the impacts of homelessness in Santa Barbara County.

We aim to promote more efficient and effective use of resources to reduce homelessness and to meet both the needs of the most vulnerable as well as the needs of the community. C3H will:

- Coordinate the use of public and private resources.
- Develop a structure to support disciplined leadership including clear policy directive, the flexibility to coordinate responses, and guide the allocation of resources to quickly and efficiently implement solutions.

Stakeholders involved at all levels will benefit from:

- Clarity, engagement and clear lines of authority.
- Respect and empowerment that encourages flexibility and timely response.
- Shared and consistent measurements to assure accountability.

Success of C3H will be determined by:

- ✓ Clearly stated outcomes that we are trying to achieve for our intended beneficiaries through each program and service offered.
- ✓ Defining, with reasonable specificity, what each of our programs and services actually does that leads to those outcomes.
- ✓ Demonstrating that our programs and services are informed by insights from those we serve as well as relevant research and/or the proven practices of others in the field (best practices).

Attachment C

Central Coast Collaborative on Homelessness (C3H) Facilitator

*Class specifications are intended to present a descriptive list of the range of duties performed by employees in the class. Specifications are **not** intended to reflect all duties performed within the job.*

Title: Facilitator (.50 FTE)

Salary: \$65 - \$75/hr

1,200 hrs annually

\$78,000 - \$90,000 annually

This is an at-will contracted position that reports directly to the C3H Executive Oversight Committee.

Description

Drawing on their previous experience and/or demonstrating the capacity to fill in gaps in their capabilities, the ideal candidate(s) possess the following mindset and skills:

- **Educator:** Capacity to educate colleagues and build broad awareness of the benefits of Collective Impact (CI) and how it differs from traditional approaches. In meetings, workshops, and other communications, convey the fundamental differences between traditional and CI approaches in order to reinforce the paradigm shift and encourage new mindsets and behaviors.
- **Strategist:** Able to integrate CI practices with business strategy development.
- **Innovator:** Foster innovation and support stakeholders to think differently about the business they are in and how they can benefit society and clients.
- **Facilitator:** CI initiatives by definition require cross-functional involvement from design through execution. The facilitator will help stakeholders to expand their thinking from having *authority* and *ownership* for a program area to needing to *influence* a range of issues with a focus on effectiveness.
- **Collaborator:** Effective multi-stakeholder engagement is required, including partnering with government, nonprofits, and the private sector. These efforts need to be lead through existing relationships as well as creating new ones as the effort expands.
- **Knowledge Agent:** Assure that appropriate resources are employed to track and measure both the benefits and social impact of homelessness initiatives. Proper measurement of outcomes will inform and guide future internal allocation decisions and will allow for transparent communication between stakeholders. Provide strong stewardship of these knowledge needs by championing an *integrated* approach to measurement – conducting a side-by-side assessment of financial/business and social value.

DISTINGUISHING CHARACTERISTICS

- Utilizes principles of Collective Impact and effective collaboration in execution of duties;
- Serves as key resource of the “Backbone Organization” of this merger effort on homelessness;
- Model behaviors and provides effective and ethical leadership;
- Creatively and strategically plans and is accountable for strategy and goal formation consistent with collective impact approaches;

- Engages stakeholders; communicates and collaborates effectively at multiple levels;
- Develops skills in self and others;
- Analyzes issues and data
- Understands the underlying psychology of why people act as they do and changes approach to affect positive outcomes; builds rapport throughout the community; and develops human potential. Key Concepts: Staff development; communication; listening; delegation; recognition; and buy-in.

SUPERVISION RECEIVED AND EXERCISED

- Receives direct supervision and direction from the Executive Committee of the Coordination Committee
- Exercises supervision of the Community Coordinator, Administrative staff and consultants

Examples of Duties:

- Plan, prioritize, assign, supervise and review the work of staff responsible for homeless merger efforts.
- Recommend and assist in the development and implementation of goals and objectives; implement approved policies and procedures;
- Establish schedules and methods for Coordination Committee, Policy Council and other merger related meetings and communication:
- Provide staff support to the Executive Committee of the Coordination Committee;
- Monitor merger effort progress and performance;
- Participate in the selection of staff; provide or coordinate staff development and training;
- Facilitate meetings; stay abreast of new trends and innovations in collective impact strategies;
- Make public presentations on merger efforts;
- Guides the process of how the stakeholders work together using input from

QUALIFICATIONS:

Knowledge of:

- Operations, services and activities of a community non-profit and public sector programs related to homelessness
- Principles and practices of effective communication and facilitation strategies
- Principles of project management, performance measurement, budget preparation and negotiations
- Modern and complex principles and practices of program development and administration
- Collective Impact approaches to collaborative efforts
- Principles of supervision, training and performance evaluation
- Public, private and community funders
- Current needs and emerging trends affecting homeless individuals in Santa Barbara County

Ability to:

- Work under minimum supervision
- Interpret and compile a variety of information.
- Make presentations to large groups, persuade and influence others, exercise objectivity and independent judgment.
- Communicate clearly and concisely, both orally and in writing.
- Establish and maintain effective working relationships with elected and appointed public officials, colleagues, community groups, the general public and others contacted in the course of work.

Experience, Qualifications, Education:

- Possesses knowledge of homelessness related programs and issues in Santa Barbara County.
- Current technical/professional knowledge of the Collective Impact approaches
- Experience facilitating the various stakeholders regarding homelessness and Collective Impact

Central Coast Collaborative on Homelessness (C3H)

Community Coordinator

Title: Community Coordinator (.75 FTE)

Salary: \$30 – \$45 hourly + 15% benefits

1560 hrs annually

\$53,820 - \$80,730 Annually

This is an at-will position that reports directly to the merger Facilitator and Executive Committee.

Examples of Duties:

- ❖ **Utilizes principles of Collective Impact and effective collaboration in execution of duties**
- ❖ **Serves as key component of the “Backbone Organization” of this merger effort on homelessness**
- ❖ **Oversees County Community Action Groups**
 - Helps recruit and create south county and north county CAGs
 - Regularly attends regional monthly CAG meetings
 - Works closely with Administrative Coordinator to coordinate information and communication from CAGs
 - Reports information to Coordination Committee
 - Works closely with individual CAG groups seeking focus areas for greater impact
 - Works specifically with empowerment groups and Friends without Homes to assist them to develop into CGSBC leadership roles
 - Partners with current Common Ground/HAP Volunteer Teams and helps multiply teams countywide
 - Exercises a high level of independent action and decision making
- ❖ **Coordination Committee Duties**
 - Regularly participates, assists in the planning and facilitation of monthly Coordination Committee meetings
 - Informs Coordination Committee on CAG work countywide
 - Implements vision and plans in coordination with the Coordination Committee and CAG Leadership
 - Interacts regularly with members of the Coordination Committee toward the identified outcomes
 - Works to insure successful team relationships within the Coordination Committee as well as between and among stakeholder groups
 - Assists in the communication of information between the Coordination Committee and Policy Council and the CAG’s
- ❖ **Point in Time Count/Registry Week**
 - Recruits Volunteers for HUD required PIT (Point in Time) Count and Registry Week
 - Participates in Registry Week leadership and training efforts
- ❖ **Public Meetings**
 - Attends regional public meetings (City Councils and County Board of Supervisors), as needed
- ❖ **National Efforts to End Homelessness**
 - Maintains continuous communication with Community Solutions/100khomes and other national efforts
 - Researches and visits other communities successfully engaged in helping to end Homelessness
 - Reads and researches up to date models and best practices regarding Homelessness
- ❖ **Mobilizes Grass Roots Countywide Effort**

- Visit individual communities and meets with community leaders on homelessness related issues as directed by the Coordination Committee
- Assesses needs of individual communities and cities
- Assists process by discovering new sources of volunteerism within communities and cities
- Works with Faith Communities countywide
- Partners with local schools, colleges, universities as a means to educate the community and engage more volunteer leadership
- Works to educate communities on the realities of Homelessness and debunks myths utilizing best practices and data
- Represents CGSBC through local media and social marketing/on-line efforts
- Maintains up to date Social Networking Groups – Facebook, Twitter, etc...
- Works to raise funds for and within grass roots efforts

Distinguishing Characteristics:

- **Intensity:** Goes after the goal with passion; is results oriented, and gets the job done.
- **Ethical Behavior:** Does what is right regardless of temptations and pressures to do otherwise; upholds the stakeholders' trust; Is responsible and caring.
- **Influence:** Affects successful outcomes for the effort through the use of leadership, collaboration, and a keen understanding of the effort, its goals, and the interests of all parties. Engaged; collaborative; strategic, situational awareness; inspirational; energizing-empowering; team orientation; and change agent.
- **Commitment:** Successfully builds relationships with and promotes involvement of diverse groups; considers the needs of diverse stakeholders when developing actions related to service; works closely with diverse groups to identify and develop and the strategic objectives of the effort; and is committed to public service.
- **Interpersonal Skills:** Possesses and uses versatile communication styles and approaches;
- **Resiliency:** Is adaptable; takes action; leads by example; exhibits tenacity. This person is ready, flexible, self-reliant, and has a reputation for finding opportunities in difficult situations.
- **Craftsmanship:** Takes ownership of work done and results accomplished; takes pride in delivering quality services to stakeholders; seeks out opportunities to develop new and creative solutions; imagines possibilities; defines a vision, and works to bring vision into reality. Innovative; imaginative; inventive; pride-in-work; accountability; self-development; and self-starter.

Experience, Qualifications, Education: Possesses knowledge of homelessness related programs and issues in Santa Barbara County. Current technical/professional knowledge of the complex principles, methods, standards, and techniques associated with the scope of work of coordinating community activities regarding homelessness.

Central Coast Collaborative on Homelessness (C3H)

Special Projects/Legislative Analyst

Title: Special Projects/Legislative Analyst (.5 FTE)

Salary: \$20 – \$35 hourly + 15% benefits

1040 hrs annually

\$23,920 - \$41,860 Annually

This is an at-will position that reports directly to the merger Facilitator and Executive Committee.

Examples of Duties:

{TO BE INSERTED}

DRAFT

Note: This is a working budget. The Executive Oversight Committee has the authority to modify as needed.

Central Coast Collaborative on Homelessness Budget

FY 2013-14

Salary & Benefits			
Community Coordinator	.75 ft	\$44/hr + 15% benefits = \$51/hr x 1560 hrs	79,560
Sp Projects/Leg Analyst	.5 ft	\$35/hr + 15% overhead = \$40/hr x 1040 hrs	41,860
Capacity Building			
Facilitation/Coordination		\$75/hr X 1040	90,000
	Staff	Subtotal	211,420
Services & Supplies			
Supplies			3,905
Telephone			200
Postage			500
Printing/Publication			2,500
Transportation/Travel		<i>Federal mileage rate \$.56.5/mile</i>	2,000
Conferences, Meetings, Etc			7,500
Program Supplies			2,200
Advertising/Web/Outreach			2,500
Grantwriting			3,000
Evaluation related costs (tbd)			2,500
Insurance (tbd)			
		Services & Supplies Subtotal	26,805
		TOTAL	238,225
Indirect Costs			
Administrative (5%)		Subtotal	11,775
TOTAL	TOTAL PROGRAM FISCAL YEAR 2013-14		250,000



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: August 13, 2013

TO: Mayor and Councilmembers

FROM: Water Resources Division, Public Works Department

SUBJECT: Clean Beaches Grant Initiative Application

RECOMMENDATION:

That Council adopt, by reading of title only, A Resolution of the Council of the City of Santa Barbara Rescinding Resolution No. 13-033, Authorizing and Designating the Public Works Director to Enter Into and Execute an Agreement With the State of California, Including Any Amendments Thereto, and Confirming the City's Intent to Fund the Operation and Maintenance Costs of the Wastewater Main Rehabilitation Project For a Minimum of Twenty Years.

DISCUSSION:

The Clean Beaches Initiative Grant Program was initiated by the State Water Resources Control Board to provide funding for projects that promote water quality and environmental protection of coastal waters, estuaries, bays, and near-shore waters. In particular, 38 California beaches have been identified as priority beaches for grant projects, including East Beach at Mission Creek, Leadbetter Beach, and Arroyo Burro Beach.

On May 15, 2013, Council adopted Resolution No. 13-033 authorizing the Public Works Director to submit a grant application to the State Water Resources Control Board (SWRCB), and to execute, in the name of the City of Santa Barbara, all necessary applications, contracts, payment requests, agreements and amendments thereto for purposes of securing grant funds, and to implement and carry out the project identified in the grant application.

The Public Works Director thereafter submitted a grant application for the City's Wastewater Main Rehabilitation Project (Project) in the Laguna Watershed, which is an ongoing project that consists of rehabilitating wastewater pipeline to prevent possible pipe leakage from collection system pipes, which could filter through soils and enter storm drain pipes. Sewer pipes that cross directly above a storm drain pipe or are within

five meters and above a storm drain pipe are designated for rehabilitation or repair. Cured-in-place resin or plastic liner will be used to line the pipes.

If awarded, the grant will offset 25% of the costs for project work that is currently in design. The City is required to provide a 75% funding match consisting of capital costs for design and construction. Adequate funding is available in the Wastewater Fund.

The City's application has received preliminary approval, but minor changes to the application, including submittal of the replacement resolution proposed for adoption today, are needed to proceed with the grant process.

The resolution to be submitted may not limit the amount of grant funding requested and must provide City authorization to fund operation and maintenance (O&M) costs of the project for a minimum of 20 years after completion of the project. The previous resolution limited the grant award to \$675,000 and did not include a provision regarding funding for O&M costs. Therefore, it is recommended that Resolution 13-033 be rescinded and a revised resolution be adopted in accordance with the grant application requirements.

The City's National Pollutant Discharge Permit (NPDES) requires the City to provide adequate funding to operate and maintain the wastewater collection system. Municipal Code Chapter 14.33 establishes a Wastewater Fund to pay for operation and maintenance of the wastewater system. Operation and maintenance costs for the Wastewater Main Rehabilitation Project are currently funded by the Wastewater Fund. The Council has been supportive of approving rates to fund the City's wastewater system O&M costs, and it is anticipated that the City will continue to fund the operation and maintenance of its wastewater facilities for the next 20 years.

SUSTAINABILITY IMPACT:

The Project will identify and rehabilitate wastewater pipes that have the potential to leak. Lining these pipes will proactively eliminate the opportunity for leakage that could reach storm drains and possibly Santa Barbara's beaches.

PREPARED BY: Chris Toth, Wastewater System Manager/KD/avb

SUBMITTED BY: Christine F. Andersen, Public Works Director

APPROVED BY: City Administrator's Office

RESOLUTION NO. _____

A RESOLUTION OF THE COUNCIL OF THE CITY OF SANTA BARBARA RESCINDING RESOLUTION NO. 13-033, AUTHORIZING AND DESIGNATING THE PUBLIC WORKS DIRECTOR TO ENTER INTO AND EXECUTE AN AGREEMENT WITH THE STATE OF CALIFORNIA, INCLUDING ANY AMENDMENTS THERETO, AND CONFIRMING THE CITY'S INTENT TO FUND THE OPERATION AND MAINTENANCE COSTS OF THE WASTEWATER MAIN REHABILITATION PROJECT FOR A MINIMUM OF TWENTY YEARS

WHEREAS, the California State Water Resources Control Board (SWRCB) has enacted the Clean Beaches Initiative Grant Program to support projects that promote water quality and environmental protection of coastal waters, estuaries, bays, and near-shore waters;

WHEREAS, the City of Santa Barbara is in support of projects that promote water quality and maintenance of wastewater infrastructure;

WHEREAS, the Public Works Director is authorized to submit a grant application for the Wastewater Main Rehabilitation Project, which is an ongoing project to line wastewater pipelines to prevent pipe possible leakage and beach contamination;

WHEREAS, in accordance with the Santa Barbara Municipal Code Section 14.33.020, funds deposited into the Wastewater Fund may be used only for the purposes designated therein which purposes include "payment of Maintenance and Operation Costs of the Wastewater System" which System includes the Wastewater Main Rehabilitation Project; and

WHEREAS, subject to the limitations provided in Article XVI of the California Constitution and as provided in the City Charter, City intends to use funds in the Wastewater Fund to pay for the operation and maintenance costs of the Wastewater System, including the Wastewater Main Rehabilitation Project, for 20 years after the project completion date.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SANTA BARBARA AS FOLLOWS:

SECTION 1. The City Council hereby authorizes the City of Santa Barbara to enter into an Agreement, including amendments thereto, with the State of California.

SECTION 2. The Public Works Director, or designee, is authorized to sign the Agreement with the State of California, and any amendments thereto.

SECTION 3. The City will fund the operation and maintenance costs for the wastewater facilities, including those facilities associated with the Wastewater Main Rehabilitation Project, for a minimum of 20 years.

SECTION 4. Subject to the limitations provided in Article XVI of the California Constitution and as provided in the City Charter, the City intends to use funds in the Wastewater Fund to pay for the operation and maintenance costs of the Wastewater System, including the Wastewater Main Rehabilitation Project, for 20 years after the project completion date.

SECTION 5. Resolution 13-033, adopted by the City Council on May 15, 2013, is hereby rescinded and of no further force and effect.



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: August 13, 2013

TO: Mayor and Council Members

FROM: Facilities Division, Public Works Department

SUBJECT: Acceptance Of Southern California Edison Funds

RECOMMENDATION: That Council:

- A. Authorize the receipt of Southern California Edison funds totaling \$52,250 through the South Coast Energy Efficiency Partnership; and
- B. Increase appropriations and estimated revenues in the Facilities Management Fund by \$52,250.

DISCUSSION:

Southern California Edison (SCE) is offering \$52,250 in strategic planning funds to the City to conduct a feasibility study on a revolving energy projects fund. The City is eligible for the funds through the South Coast Energy Efficiency Partnership, which provides funding for energy efficiency and conservation projects.

The City will analyze options to account for all energy savings - conservation and rate restructuring - and develop a set of approaches to continuously reinvest a portion of those savings in new energy conservation and efficiency projects. The project includes reviewing ways to identify and generate savings from energy conservation and efficiency projects and rate restructuring activities. The study will also provide metrics for energy savings and provide methods to identify and rank potential energy savings measures in City facilities.

Currently, the City spends \$3.5 million per year on energy in total, including a General Fund building use of \$1.3 million. The objective of the study is to provide options to ensure ongoing funding of energy conservation projects that provide reduced energy use and cost to City operations

BUDGET/FINANCIAL INFORMATION:

The table below outlines the budget for this project:

Develop RFP and award the contract to consultant	\$4,000
Develop Energy Efficiency (EE) Strategies (criteria, process, benchmarks, measurement and evaluation procedures)	\$14,000
Develop EE Strategies White Paper	\$12,000
Develop EE Strategies Project Report	\$10,000
Develop Forecast and Implementation Report	\$8,000
Conduct and manage meetings with City Steering Committee	\$1,000
Report monthly tracked performance indicators	\$1,000
Administration (City Staff)	\$2,250
TOTAL PROJECT COST	\$52,250

SCE will reimburse the City after the City pays the vendor invoices.

SUSTAINABILITY IMPACT:

Analyzing the approaches to better capture effects of Energy Efficiency projects will allow the City to manage General Fund energy expenditures and recover energy savings to be used to reinvest in future energy saving projects. The findings of the study will be shared with other local governments to help them develop best practice strategies in energy efficiency funding. Energy efficiency projects save operating costs and reduce green house gas emissions.

PREPARED BY: Jim Dewey, Facilities & Energy Manager/AP/mh

SUBMITTED BY: Christine Andersen, Public Works Director

APPROVED BY: City Administrator's Office



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: August 6, 2013

TO: Mayor and Councilmembers

FROM: City Administrator's Office

SUBJECT: Intent to Award Gas Franchise to SoCalGas

RECOMMENDATION: That Council adopt, by reading of title only, A Resolution of the Council of the City of Santa Barbara Declaring its Intent to Grant a 30-year Franchise to Southern California Gas Company and to Set the Time and Place for a Public Hearing Pursuant to Article XIV of the City Charter.

DISCUSSION:

On October 11, 1983, the City Council granted Southern California Gas Company ("SoCalGas") a non-exclusive franchise to install, use, maintain, repair and replace pipes and appurtenances for the purposes of transmitting and distributing gas within the City. The term of the franchise was for a period of 30 years. The franchise is scheduled to expire in October 2013. SoCalGas approached the City to renew its franchise and City staff has been meeting with SoCalGas in negotiations for the last several months.

Franchise Fee

The current franchise provides for payments to the City by SoCalGas for the use of City rights of way to provide gas service as provided by the City Charter. These payments are for SoCalGas's use of the public right of way within the City, which typically involves pipes in or along City streets and roadways. The 1983 franchise contained what is called a "most favored nations" provision, i.e., a contract term which allowed the City to require SoCalGas to pay to the City an increased franchise fee equivalent to the fee paid by SoCalGas for any other franchise agreement with a California city which SoCalGas may enter during the term of its Santa Barbara franchise.

When the 1983 franchise was first negotiated, the franchise fee was initially set at the state statutory maximum applicable to general law cities of the greater of two percent (2%) of gross annual SoCalGas receipts derived from the use, operation or possession of the franchise, or a minimum of one percent (1%) of gross annual receipts from the sale, transmission, or distribution of gas within the limits of the municipality (otherwise known as the "2%/1%" formula). In 1997, the City followed the lead of other charter cities (specifically, the city of Pasadena) and invoked the "most favored nation"

provision of the 1983 franchise to increase the SoCalGas franchise fee to the “2%/2%” formula.

With the proposed new franchise, staff is proposing to continue the current “2%/2%” franchise fee formula since SoCalGas has not negotiated higher franchise fees with any other charter city in decades. However, under the terms of the proposed new franchise, if SoCalGas agrees to a franchise with a higher franchise fee formula with some other charter city in the future, Santa Barbara could opt to re-negotiate our SoCalGas franchise in a way which could require SoCalGas to also pay Santa Barbara the higher franchise fee. In this event, SoCalGas will need to obtain approval from the California Public Utilities Commission (as required by state law) before they would be allowed to itemize that additional fee separately on the bills they send out to their customers

In Lieu Fee

In addition to the franchise fee, SoCalGas pays the City an “in lieu” fee. The Municipal Public Lands Act established this surcharge to be applied to natural gas (and electricity) transported within a municipality, to replace franchise fees that would have been collected pursuant if not for changes in the regulatory environment, such as the “unbundling” of the gas industry. This fee was not specifically identified in the prior franchise agreement, but has been delineated in the new franchise.

Other Terms

As part of the renewal, the language and terms of the franchise were modernized to reflect current practices and requirements of utility franchisees and achieve the best utility franchise terms available. For example, modern provisions addressing the indemnification of the City were added in consultation with the City Attorney’s Office and insurance requirements were added under the guidance of Risk Management. The franchise fee payment schedule and method were also altered at the request of the Finance Department to make budget projections and reconciliation more manageable. The current system provides for payments based on the prior year’s actual, with a true up afterward, the new requirements will be for quarterly payments based on actual. The franchise provides for the City’s right to audit and inspect property and records. The City plans to conduct a gas franchise fee and Utility Users Tax audit concurrent with the Cable franchise audit planned for this fall.

Pursuant to the City Charter, before granting any franchise, the City Council must adopt a resolution declaring its intention to grant the same, stating the name of the proposed grantee, describing the character of the franchise and summarizing the terms and conditions upon which it is proposed to be granted. The resolution of intention must fix a public hearing during which anyone having any interest in or objection to the proposed franchise may appear before the City Council. The hearing must occur not less than twenty (20) nor more than sixty (60) days after the passage of the resolution. The

Charter also calls for the City Council to direct the City Clerk to publish the resolution at least once, within fifteen (15) days of adoption, in an official newspaper.

The public hearing will be held on Tuesday, September 10, 2013 at 2:00 p.m. in the City Council chambers of the Santa Barbara City Hall. At the hearing the City Council will hear and pass upon all protests and make a final decision. Thereafter it may adopt an ordinance approving the franchise by a super- majority approval on the terms and conditions specified in the resolution of intention, subject to the right of referendum of the people, or it may deny the same. If the City Council determines that changes should be made in the terms and conditions upon which the franchise is proposed to be granted, a new resolution of intention will need to be adopted and the process re-initiated.

BUDGET/FINANCIAL INFORMATION:

Under the franchise, the City will continue to receive a franchise fee from SoCalGas under the 2%/2% formula. This estimated amount of \$456,800 is already included in the FY 2014 adopted budget.

PREPARED BY: Kristine Schmidt, Employee Relations Manager

SUBMITTED BY: Marcelo López, Assistant City Administrator

APPROVED BY: City Administrator's Office

RESOLUTION NO. _____

A RESOLUTION OF THE COUNCIL OF THE CITY OF SANTA BARBARA DECLARING ITS INTENT TO GRANT A 30-YEAR FRANCHISE TO SOUTHERN CALIFORNIA GAS COMPANY AND TO SET THE TIME AND PLACE FOR A PUBLIC HEARING PURSUANT TO ARTICLE XIV OF THE CITY CHARTER.

WHEREAS, Section 1401 of the Charter of the City of Santa Barbara requires the City Council to publicly declare its intention to consider and possibly grant a franchise and to state the character of the franchise and the terms and conditions under which the franchise will operate and to fix a specific date and time where persons having an interest in the franchise may be heard by the City Council and any objection to the franchise may be expressed.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SANTA BARBARA AS FOLLOWS;

SECTION 1. The City intends to grant a franchise on the terms and conditions contained in the proposed ordinance entitled “An Ordinance of the Council of the City of Santa Barbara Granting Southern California Gas Company a Franchise to Install, Use, Maintain, Repair and Replace Pipes and Appurtenances for the Purpose of Transmitting and Distributing Natural Gas for Any and All Purposes Within the City of Santa Barbara” which is attached as Exhibit A and dated as of September 10, 2013. Exhibit A is incorporated herein by this reference.

SECTION 2. Pursuant to the requirements of Section 1401 of the City Charter, the City Council of the City of Santa Barbara declares its intention to hold a public hearing on Tuesday, September 10, 2013 at 2:00 p.m. in the City Council chambers of the Santa Barbara City Hall at De La Guerra Plaza in order to consider granting a franchise to Southern California Gas Company.

SECTION 3. Any and all persons having an interest in the proposed franchise or any objections to the proposed franchise will be heard by the City Council on that date and any objection to the franchise may be expressed at such hearing prior to a City Council determination on the franchise request and the possible introduction of a City ordinance authorizing and approving the franchise.

SECTION 4. In accordance with City Charter Section 1401, the City Clerk is hereby directed to publish this Resolution at least once within fifteen (15) days of its passage in the official newspaper.

ORDINANCE NO. _____

AN ORDINANCE OF THE COUNCIL OF THE CITY OF SANTA BARBARA GRANTING SOUTHERN CALIFORNIA GAS COMPANY A FRANCHISE TO INSTALL, USE, MAINTAIN, REPAIR AND REPLACE PIPES AND APPURTENANCES FOR THE PURPOSE OF TRANSMITTING AND DISTRIBUTING NATURAL GAS FOR ANY AND ALL PURPOSES WITHIN THE CITY OF SANTA BARBARA.

THE COUNCIL OF THE CITY OF SANTA BARBARA does hereby ordain as follows:

SECTION 1. GRANT OF FRANCHISE. Subject to the terms and conditions contained in this ordinance and pursuant to the provisions of Article XIV of the Charter of the City of Santa Barbara, the City of Santa Barbara hereby grants to Southern California Gas Company, a California corporation, its successors and assigns, a nonexclusive right, privilege, and franchise to lay and use pipes and appurtenances for transmitting and distributing gas for any and all purposes, under, along, across or upon the Streets of the City. Any activities or uses of the gas system not specifically authorized under this franchise are prohibited under this franchise. Any proposed telecommunication or other non-gas system uses, other than Adjunct Communication Lines owned and used by Grantee, either by Grantee or any person or entity claiming a right under Grantee's franchise, must be authorized separately by the City under a separate agreement.

SECTION 2. INTERPRETATION OF FRANCHISE.

A. As used in this ordinance, the singular number includes the plural and the plural number includes the singular.

B. Whenever in this ordinance the words or phrases hereinafter in this section defined are used, they shall have the respective meanings assigned to them in the following definitions unless, in the given instance, the context wherein they are used shall clearly import a different meaning:

1. "Adjunct Communications Line" shall mean any facility such as coaxial cable, optical fiber, wire, wireless devices, or other transmission lines or forms of transmission, and associated equipment and devices located in, upon, along, across, under or over the streets of the City and used exclusively by Grantee, the primary function of which is to monitor or control the operation or safety of the gas system facilities via the distribution of video, audio, voice, or data signals.

2. "City" means the City of Santa Barbara, a municipal corporation and charter city duly organized under the laws of the State of California.

3. "City Rules" means the City's Charter and all of the City's ordinances, regulations and policies heretofore or hereafter adopted by the Council in the exercise of its police powers as a charter city under Article XI, Section 5 of the Constitution of the State of California and not in conflict with the paramount authority of the State of California, and that are not in conflict with or inconsistent with the authorized General Orders of Grantee, the jurisdiction of the California Public Utilities Commission, or other state or federal agency having jurisdiction over Grantee, and as to state highways, subject to the laws relating to the location and maintenance of such facilities therein.

4. "City Utilities" means all City sewers, City waterlines, City drains, and any other City facilities.

5. "Construct" means to lay, construct, erect, install, maintain, repair, replace, or remove.

6. "Engineer" means the City Engineer of City or his or her designee.

7. "Council" means the Council of the City of Santa Barbara.

8. "Franchise" means all the rights, privileges and responsibilities granted by City pursuant to Article XIV of the Charter of the City of Santa Barbara and subject to each and all of the terms and conditions contained in this Ordinance.

9. "Franchise property or properties" means all property constructed, installed, operated, or maintained by Grantee in or upon the public streets pursuant to any right or privilege granted by this franchise.

10. "Gas" means natural gas meeting the specifications required by the California Public Utilities Commission or other such state or federal agency having jurisdiction over Grantee.

11. "General Orders" means General Orders issued by the Public Utilities Commission of the State of California and applicable to Grantee.

12. "Grantee" means Southern California Gas Company to whom this franchise is granted and any other person, firm, or corporation to which this franchise may hereafter be lawfully transferred as herein provided.

13. "Lay and use" means lay, construct, erect, install, operate, maintain, use, repair, replace, remove, or abandon.

14. "Pipes and appurtenances" or "pipes and appurtenant facilities" means gas distribution and transmission facilities composed of, but not limited to, pipe, pipeline, main, service, cathodic protection equipment, trap, vent, vault, manhole, meter,

gauge, regulator, valve, conduit, cable, adjunct communications line, appliance, attachment, appurtenance, and any other property located in, upon, along, across, under, or over the streets of the City, and used or useful in carrying on the business of the transmission or distribution of gas.

15. "Reasonable Satisfaction" means the City will reasonably determine if the work has been done in a manner that is consistent with Grantee's General Orders, the rules and regulations of the California Public Utilities Commission, state and federal law, and City Rules, and if not contained therein, consistent with generally accepted industry standards.

16. "Street" means the surface of, and the space above and below, any public street, road, highway, lane, alley, court, sidewalk, parkway, easement, or similar public place, or any other area under the control of the City, which now exists or which may hereafter exist within the City, including any public highway within the City.

17. "Street, Paved" means a street constructed with a concrete or asphaltic surface.

SECTION 3. TERM OF FRANCHISE.

A. The term of this franchise shall be thirty (30) years from and after the effective date hereof. The effective date of this franchise shall be the date Grantee files a written acceptance of this franchise with the City Clerk of City. This franchise may terminate sooner upon any of the following events: (1) With the consent of the Public Utilities Commission of the State of California, this franchise is voluntarily surrendered or abandoned by its possessor; (2) The State of California or a municipal or public corporation, duly authorized by law, purchases by voluntary agreement or condemns and takes under the power of eminent domain all property actually used and useful in the exercise of this franchise and situated within the territorial limits of the State, municipal, or public corporation purchasing or condemning such property; or (3) This franchise is forfeited for noncompliance with its terms by the possessor thereof.

B. If the Grantee shall at any time fail, neglect, or refuse to comply with or to fulfill any one or more of the terms or conditions of this franchise and shall not within thirty (30) days after written demand for compliance, begin the work of compliance, or after such beginning shall not prosecute the same with due diligence to completion, then the Council may revoke this franchise.

C. If necessary, the City may sue in its own name for the forfeiture of this franchise, in the event of noncompliance or breach of this franchise by the Grantee, its successors or assigns, with any of the conditions thereof.

D. The right of the City to revoke or terminate this franchise pursuant to the terms of this Section shall be in addition to all other rights and remedies which may

otherwise accrue to the City by reason of any failure or refusal of the Grantee to perform any obligation imposed by the terms of this franchise.

SECTION 4. DUTIES OF GRANTEE. In addition to other duties set forth in this franchise, Grantee shall:

A. Construct all pipes in accordance and conformance with the City Charter and all ordinances, rules and regulations adopted by City in the exercise of its police powers and not in conflict with the paramount authority of the State of California or in conflict with the authorized General Orders of the California Public Utilities Commission applicable to Grantee, and, as to State highways, subject to the provisions of general laws relating to the location and maintenance of such public utilities.

B. Pay to City on demand, the cost of all repairs to streets and City Utilities made necessary by any operations of Grantee under this franchise.

C. Notify the City Council of City in writing within thirty (30) days of any lawful successor or assignee.

D. Collect any Utility Users' or similar tax related to the consumption of Gas within the City in accordance with applicable ordinances, rules or regulations.

E. Comply with the City Charter and all lawful ordinances and regulations of City.

SECTION 5. LOCATION AND INSTALLATION OF FRANCHISE PROPERTY.

A. Grantee shall have the right to make all necessary excavations in the streets for the laying and using of franchise properties. All excavations and pipeline installations shall be made in compliance with CPUC statutes, regulations and general orders. Street repairs shall be affected in strict compliance with this franchise and the City Rules.

B. Before commencing work to lay and use pipes and appurtenances, Grantee shall file plans with Engineer showing the proposed location of such pipes and appurtenances. The plans shall be subject to review and approval by Engineer.

C. Engineer shall have the power to give Grantee such directions for the location of any pipes or appurtenances as may be reasonably necessary to avoid utilities in or under streets.

D. Where it is necessary to construct any underground pipes and appurtenances through, under or across any portion of a paved street, such construction, where practicable and economically reasonable, as determined by the

Engineer, shall be done by a tunnel or bore so as not to disturb the foundation or surface of such paved street. In the event that tunneling or boring cannot be done practicably or at a cost that is economically reasonable, any excavation of the paved street shall be done under a permit issued by the Engineer. If a paved street is excavated in order to lay and use pipes and appurtenances, Grantee shall restore the street to as good a condition as existed before such work was done and such restoration shall be completed to the Engineer's Reasonable Satisfaction.

E. All excavations shall be conducted so as not to interfere unreasonably with the free use of the streets by the public except such temporary interference as may be authorized by the Engineer.

F. Prior to any work, including maintenance, installations, replacements, and relocations within City Streets, Grantee shall obtain any required City permit. In connection with any such permit, Grantee shall pay a permit fee calculated in accordance with the fee schedule most recently and lawfully approved by the City Council. Grantee and City, may, but shall not be obligated to, enter additional agreements regarding the payment of permitting fees for activities contemplated under this franchise on a yearly basis or otherwise.

G. All work in City streets shall be continuously prosecuted in good faith and without unnecessary or reasonably avoidable intermission or delay. It shall be done in a good and workmanlike manner and to the Engineer's Reasonable Satisfaction.

H. In accordance with General Orders of the Public Utilities Commission and applicable state and federal laws and regulations, Grantee shall promptly repair any leaks or breaks in pipes to good order and safe condition, and promptly repair and maintain all appurtenances to good order and safe condition, that are installed, maintained or operated pursuant to this franchise, or by reason of any other cause arising from the operation or existence of any pipes and appurtenances constructed or maintained pursuant to this franchise.

SECTION 6. FIESTA.

With the exception of emergency repairs or construction in areas that are exclusively zoned for single-family residential dwellings, Grantee shall not perform any construction on streets within City during the week of the annual celebration of the Fiesta.

SECTION 7. LAWS TO BE OBSERVED. The Grantee shall lay and use all pipes and appurtenances in accordance with, and in conformity with, all state and federal laws and all City Rules.

SECTION 8. INCIDENT AND EMERGENCY RESPONSE. Grantee shall, after being notified of an emergency that has the potential to affect Grantee's pipes and

appurtenances installed in City Streets, cooperate with City and make every effort to respond as soon as possible to protect the public's health, safety, and welfare.

SECTION 9. STREET IMPROVEMENT BY CITY. Grantee shall locate, remove, or relocate, at the request of the City, in a timely manner and without expense to the City, any pipes and appurtenances laid and used under this franchise if and when made necessary by any lawful change of grade, alignment, or width of any public street, way, alley or place, including the construction of any subway or viaduct by the City; provided, however, that Grantee shall not be required to bear the expense of any removal or relocation made at the request of the City on behalf or for the benefit of any private party.

SECTION 10. REMOVAL OR ABANDONMENT OF FRANCHISE PROPERTY.

A. In the event of the permanent discontinuance of the use of any pipeline, or portion thereof, maintained or operated pursuant to this franchise, Grantee shall, within thirty (30) days thereafter, make written application to the Engineer for instructions as to the abandonment or disposal to be made of the franchise property. Such application shall describe said property and shall be accompanied by a map designating its location with respect to street lines and pavements. Engineer shall, within sixty (60) days of the receipt of such application, order the properties to be removed, or, upon request of the Grantee, permit the properties to be abandoned in place; provided, however, that if Engineer shall determine that such removal will materially injure or shorten the life of the remaining portion of the pavement, said properties shall be required to be abandoned in place.

B. When the abandonment of franchise properties shall be permitted or required pursuant to the provisions of the franchise, the pipelines, or portions thereof affected, shall be capped, plugged, removed or otherwise abandoned in such manner as may be prescribed by the Engineer, consistent with state law. In the event of such abandonment, and after the completion of the required work, the City shall have the option, upon request of the Engineer to Grantee, upon terms and conditions mutually agreed upon between City and Grantee, to have the ownership transferred to the City of all franchise facilities so abandoned in place as may be permitted or required by law.

C. All excavation work done pursuant to the provisions of this Section shall be to the Engineer's Reasonable Satisfaction

SECTION 11. FRANCHISE FEES.

A. Grantee shall pay an annual franchise fee to City at the times hereinafter specified and calculated as follows:

Commencing on the first day of the calendar quarter immediately following the effective date of this franchise, an annual sum which shall be equivalent to the higher of the following two formulas:

(1) Two percent (2%) of the gross annual receipts of Grantee from the use, operation or possession of this franchise; or

(2) Two percent (2%) of the gross annual receipts of Grantee derived from the sale, transmission, or distribution of gas within the limits of City under this franchise.

B. In addition to the franchise fee, Grantee shall pay City the fee described in the Municipal Public Lands Use Surcharge Act, Chapter 2.5 of Division 3 of the California Public Utilities Code beginning with Section 6350, as such Act is now or as may be amended from time to time (the "In-Lieu Act").

1. As used herein:

(a) "Non-proprietary gas" means gas that is conducted, conveyed, transported, supplied and/or distributed, but not sold, by Grantee to the City, to its inhabitants, and/or to any gas customer of Grantee within the City.

(b) "Imputed value" means the product of the actual quantities of such non-proprietary gas conducted, conveyed, transported, supplied and/or distributed, but not sold, to the City and/or to its inhabitants within the City by Grantee during the period of calculation times the weighted average cost of gas ("WACOG") rate authorized by the CPUC for Grantee's use in the calculation of the In-Lieu Fee at the time of the calculation. Currently, it is the adjusted core procurement charge rate (G-CPA) exclusive of any California sourced franchise fee factor.

(c) "In-Lieu Fee" means the fee as calculated pursuant to Section 6353 of the Public Utilities Code, which shall be paid to Grantor as provided by Section 6354 of the Public Utilities Code at the times provided in Section 11(b) above

2. The above descriptions are provided for the convenience of the parties and in no event shall any of the provisions in this Section 11 be construed to enlarge or restrict the duties or rights of Grantee and Grantor under the In-Lieu Act or the definitions of customers, or the volumes of gas subject to the In-Lieu Act.

C. The Franchise Fee shall be paid annually in four installments.

The annual franchise fee shall be paid in four quarterly installments based on the total gross receipts of the preceding calendar quarter employing the gross receipts formula of

Subsection A. of Section 11 above, plus the amount of the In Lieu Fee of Subsection B. of Section 11 for such calendar quarter. Each installment shall be paid to the City on or prior to the twenty-fifth (25th) day of the second month following the respective quarter for which payment is made. For example, the installment for the first quarter of the year (January through March) shall be paid to the City no later than May 25th.

D. If at any time after the effective date of this Franchise, Grantee shall accept a general gas distribution franchise with any city or county that contains a franchise fee formula that provides for payment in excess of the percentages set forth in herein, then the following renegotiation provisions will apply.

1. The franchise fee formula set forth herein shall not be subject to renegotiation if within three months after such acceptance Grantee applies to the Public Utilities Commission of the State of California for authorization to impose a surcharge on the gas service provided under said franchise so as to recoup that portion of the franchise fee in excess of the percentages set forth in Subsection A. of Section 11 of this franchise.

2. In the event Grantee does not make application to the Public Utilities Commission within said three months, or if said application is denied or withdrawn, Grantee shall provide written notice to the City together with a copy of any such franchise. The City shall have three months after receipt of such notice to notify Grantee of the City's desire to renegotiate the franchise fee formula set forth herein. If the City elects to renegotiate said formula, the parties shall negotiate in good faith to arrive at a fair and equitable franchise fee formula, taking into account the circumstances connected with Grantee's acceptance of the franchise containing the excess franchise fee formula. In no event shall any renegotiated franchise fee formula exceed the formula contained in the franchise which triggers the renegotiations under this Section.

3. If within six months after the City notifies Grantee of its intention to renegotiate the franchise fee formula, the City and Grantee have not agreed upon a franchise fee formula, or to maintain the then-existing franchise fee formula, the City may upon written notice elect to have the franchise fee formula revised to the same level as in contained in the franchise which triggers the renegotiations under this Section. Any revised franchise fee formula provided for under this Section shall become effective on January 1 of the next calendar year.

4. The provisions of this Section D shall not apply to the renewal of any existing franchise that provides for payment in excess of the percentages set forth in Subsection A. of Section 11 of this franchise.

E. In the event that the imputed value cannot be determined using the methodology identified in Subsection C. of this Section 11 because such methodology is no longer in use or no longer reasonably reflects the imputed value of non-proprietary gas, the City and Grantee shall agree to the methodology as determined by the California Public Utilities Commission or the state legislature's agreed-upon value.

F. In the event the City collects or receives from gas transportation customers, transporters, and/or brokers a franchise or other fee or tax ("Commodity Fee"), excluding a utility users tax, on the quantities of gas purchased by inhabitants of the City from parties other than Grantee but transported by Grantee, the In- Lieu Fee shall be reduced by the amount of the Commodity Fee (for such corresponding quantities of gas), which is collected or received by the City.

G. In the event Grantee fails to make the payments required by this franchise on or before the dates due as hereinabove provided, Grantee shall pay as additional consideration a sum of money equal to one percent (1%) of the amount not timely paid, per month of each delinquent month or portion thereof as interest and for loss of use of the money due.

H. Any neglect, omission or refusal by said Grantee to pay said percentage at the times or in the manner hereinbefore provided shall be grounds for the declaration of a forfeiture of this franchise and all rights thereunder.

SECTION 12. ANNUAL STATEMENT OF GROSS RECEIPTS.

A. The Grantee of this franchise shall file with the City Clerk of the City of Santa Barbara within three (3) months after the expiration of the calendar year, or fractional year, following the date of the grant of this franchise, and by March 31st of each and every calendar year thereafter, a duly verified statement showing in detail the total gross receipts of the Grantee, its successors or assigns, during the preceding calendar year, or such fractional year, from the sale of the utility service within the City for which this franchise is granted.

B. Any neglect, omission or refusal by said Grantee to file such verified statement at the times or in the manner hereinbefore provided shall be grounds for the declaration of a forfeiture of this franchise and all rights thereunder.

SECTION 13. INSURANCE.

As part of the consideration of this Agreement, Grantee agrees to purchase and maintain or self insure at its sole cost and expense during the life of this agreement insurance coverage as specified in A) and B) described below. All insurance coverage shall be placed with insurers that have a Best rating of no less than B+: XII; and are admitted insurance companies in the State of California. All other insurers require prior approval of the City.

The insurance coverage limits identified below are the minimum requirements established at the beginning of the franchise term. The City retains the right to revise the minimum insurance coverage limits as reasonably determined by the City Risk Manager during the term of this agreement, provided however, that the City shall not revise the coverage limit more than once every five years during the term of this agreement.

- A. General and Automobile Liability: Commercial General Liability – Insurance Services Office Form CG 00 01 including products and completed operations with limits of no less than Ten Million Dollars (\$10,000,000) per occurrence for bodily injury, personal injury and property damage. If a general aggregate limit applies, either the aggregate limit shall apply separately to this franchise agreement or the general aggregate limit shall be twice the required occurrence limit. Automobile Liability – Insurance Services Office Form Number CA 0001 covering Code 1 (any auto) with limits of no less than Ten Million Dollars (\$10,000,000) per accident for bodily injury and property damage. Such insurance shall include the following seven (7) items.
1. Extension of coverage to the City of Santa Barbara, its officers, employees, and agents, as an additional insured, with respect to Grantee's liabilities hereunder in insurance coverage identified in item "A." above, but only as respects to the operations of the named insured. A copy of the endorsement evidencing that the City of Santa Barbara has been added as an additional insured on the policy, must be attached to the certificate of insurance.
 2. A provision that coverage will not be cancelled until at least thirty (30) days' prior written notice, and ten (10) days notice for non-payment of premium has been given to the City Clerk, addressed to P.O. Box 1990, Santa Barbara, California 93102-1990.
 3. A provision that Grantee's insurance shall apply as primary, and not excess of, or contributing with the City.
 4. Contractual liability coverage sufficient to include the liability assumed by the Grantee in the indemnity or hold harmless provisions included in this Agreement.
 5. A Cross Liability clause, or equivalent wording, stating that coverage will apply separately to each named or additional insured as if separate policies had been issued to each.
 6. Broad form Property Damage Endorsement.
 7. Policy shall apply on an "occurrence" basis.
- B. Workers' Compensation: In accordance with the provisions of the California Labor Code, Grantee is required to be insured against liability for Workers' Compensation or to undertake self-insurance. Statutory Workers' Compensation and Employers' Liability of at least \$1,000,000 shall cover all Grantee's staff while performing any work incidental to the performance or this agreement. The policy shall provide that no cancellation, major change in coverage or expiration shall be effective or occur until at least thirty (30) days after receipt of such written notice by City.

Grantee hereby agrees to waive rights of subrogation which any insurer of Grantee may acquire from Grantee by virtue of the payment of any loss. Grantee agrees to obtain any

endorsement that may be necessary to affect this waiver of subrogation. The Workers' Compensation policy shall be endorsed with a waiver of subrogation in favor of the Entity for all work performed by the Grantee, its employees, agents and subcontractors.

Approval of the insurance by City or acceptance of the certificate of insurance by City shall not relieve or decrease the extent to which the Grantee may be held responsible for payment of damages resulting from Grantee's services or operation pursuant to this Agreement, nor shall it be deemed a waiver of City's rights to insurance coverage hereunder.

Grantee must provide evidence that it has secured all the required insurance coverage before execution of this agreement and annually thereafter. A Certificate of Insurance or Letter of Self Insurance supplied to the City evidencing the above shall be completed by Grantee's insurer or its agent and submitted to the City prior to execution of this Agreement by the City. Grantee shall exercise due diligence to require all sub-contractors and all tiers of such sub-contractors to provide General and Automobile Liability, Workers' Compensation, and, if applicable, Contractor's Pollution Legal Liability insurance with limits no less than One Million Dollars (\$1,000,000) per occurrence or claim, and Two Million Dollars (\$2,000,000) policy aggregate.

Grantee shall retain the right to self insure any of the insurance requirements above. Grantee retains the sole obligation to pay for such deductibles or self-insured retentions. The City is not obligated under any circumstances to pay for such deductibles or self-insured retentions Grantee maintains. Any deductibles or self-insured retentions shall be set forth on the insurance certificate. Grantee shall deliver to the City the required certificate(s) of insurance and endorsement(s) (unless additional insured is provided within the terms and conditions of the insurance policy) as a condition of granting this franchise.

If, for any reason, Grantee fails to maintain insurance coverage which is required pursuant to this Agreement, the same shall be deemed a material breach of contract. City, at its sole option, may terminate this Agreement and obtain damages from the Grantee resulting from said breach.

SECTION 14. CITY'S RIGHT TO AUDIT AND INSPECT PROPERTY AND RECORDS. At all reasonable times, the Grantee shall permit the City to examine any and all books, accounts, papers, maps, and other records kept or maintained by the Grantee or under its control and necessary for the calculation of payments due to City under this franchise in order for the City to verify the accuracy of the payments made by Grantee or are due to the City as a result of this franchise.

SECTION 15. TRANSFER OF FRANCHISE RIGHTS. Grantee may not sell, lease, or transfer its pipelines or appurtenances located within the City without prior written notice to the City. Grantee may not transfer or assign this franchise except by consent in writing of the City Council and unless the transferee or assignees thereof shall

covenant and agree to perform and be bound by each and all of the terms and conditions imposed in the grant or by procedural ordinance and by this Charter.

SECTION 16. TERMINATION OF EXISTING FRANCHISE. This franchise is granted in lieu of all other franchises, rights, or privileges owned by Grantee, or by any successor of Grantee under this franchise, for transmitting and distributing gas within the limits of the City, as said limits now or may hereafter exist. The acceptance of this franchise by Grantee shall operate as an abandonment of all other such franchises, rights, and privileges within the limits of the City, as such limits now or may hereafter exist.

SECTION 17. FUTURE CHANGES IN AREA OF CITY. The acceptance of this franchise constitutes a continuing agreement by the Grantee that if and when the City thereafter annexes, or consolidates with, additional territory, all franchises, rights and privileges owned by Grantee therein shall be deemed abandoned within the limits of the additional territory and shall succeed to this franchise.

SECTION 18. EMINENT DOMAIN. The franchise granted hereunder shall not in any way or to any extent impair or affect the right of the City to acquire the property of Grantee either by purchase or through the exercise of the right of eminent domain, and nothing hereunder contained shall be construed to contract away or to modify or abridge, either for a term or in perpetuity, the City's right of eminent domain in respect to the Grantee or any public utility. Nor shall this franchise ever be given any value before any court or other public authority in any proceeding of any character in excess of the cost to the Grantee of the necessary publication and any other sum paid by Grantee to the City at the time of the acquisition of this franchise.

SECTION 19. INDEMNIFICATION.

A. General Indemnification. Grantee shall investigate, defend with counsel approved by City, indemnify, and hold harmless the City from any and all liability, loss, damage, cost, expense, and claim of any kind, including reasonable attorneys' and experts' fees incurred by the City in defense thereof, arising out of or related to, directly or indirectly, the installation, construction, operation, use, location, testing, repair, maintenance, or removal of Grantee's pipeline(s) or appurtenant facilities (including actions by its agents, employees, subcontractors, or by anyone Grantee directly or indirectly employs), or from the existence of Grantee's pipeline and appurtenant facilities, including each and every applicable provision of Division 3, Chapter 2 of the Public Utilities Code of the State of California, unless such indemnification is specifically released by the City in writing in conjunction with an abandonment of the pipeline or appurtenant facility. If any action or proceeding is brought against the City by reason of the pipeline(s) or appurtenant facilities, Grantee shall defend the City at the Grantee's complete expense, provided that, for uninsured actions or proceedings, defense attorneys shall first be approved by the City. Any legal counsel selected by Grantee in defense or prosecution of legal matters identified in this agreement shall be mutually

acceptable to Grantee and to City and approved by the City Attorney in writing. The City's approval of such counsel will not be unreasonably withheld.

B. Environmental Indemnification. Grantee shall indemnify, defend and save the City harmless from and against any and all liability, loss, damage, expense, actions, and claims, either at law or in equity, including, but not limited to, costs and reasonable attorneys' and experts' fees incurred by the City in defense thereof, arising directly or indirectly from (1) Grantee's breach of any environmental laws applicable to the pipeline, or (2) from any release of any hazardous substances attributable to the pipeline. This indemnity includes but is not limited to (1) liability for a governmental agency's costs of removal or remedial action for hazardous substances; (2) damages to natural resources caused by hazardous substances, including the reasonable costs of assessing such damages; (3) liability for any costs of investigation, abatement, correction, cleanup, fines, penalties, or other damages arising under any environmental laws; and (4) liability for personal injury or property damage arising under any statutory or common-law theory.

C. Grantee's failure to comply with this section's provisions, after a thirty (30) day notice from Grantor to Grantee to cure such failure, shall constitute a material breach upon which City may immediately terminate or suspend this franchise.

D. Except as otherwise agreed to in writing by City and Grantee, Grantee's obligation to indemnify, defend and hold harmless as set forth in this Section 19 shall remain in effect and shall be binding upon Grantee to the extent that such injury or damage accrues during the term of this franchise, but is discovered after termination of this franchise.

SECTION 20. MISCELLANEOUS PROVISIONS.

A. The granting of this franchise or any of the terms or conditions contained herein shall not be construed to prevent the City from granting any identical or similar franchise to any person, firm or corporation other than the Grantee.

B. Any right or power conferred, or duty imposed upon any officer, employee, department, or board of the City, shall be subject to transfer by operation of law to any other officer, employee, department, or board of the City.

C. Time is declared to be of the essence of this franchise. By accepting or permitting performance of any obligation due from the Grantee under this franchise after the due date thereof, the City shall not waive or bar its right to require prompt performance, when due, of all other obligations of the Grantee arising under this franchise.

D. The waiver of either party of any breach of any provision of this Agreement shall not operate or be construed as a waiver of any subsequent breach of that same or any other provision.

E. The validity of this Agreement and of any of its terms or provisions, as well as the rights and duties of the parties hereunder, shall be governed by the laws of the State of California.

F. Should any part, term, or provision of this Agreement or any document required herein to be executed be declared invalid, void, or unenforceable, all remaining parts, terms and provisions hereof shall remain in full force and effect and shall in no way be invalidated, impaired or affected thereby; unless the City Council finds that the invalid or unenforceable term or condition constituted a consideration material to the grant of this franchise, in which case the City Council may by ordinance terminate this franchise.

G. This franchise supersedes any and all other franchises or agreements, either oral or in writing, between the parties hereto with respect to the subject matter hereof, and no other franchise, agreement, statement, or promise relating to the subject matter of this franchise which is not contained herein shall be valid or binding.

H. All notices hereunder must be in writing and, unless otherwise provided herein, shall be deemed validly given on the date either personally delivered to the address indicated below; or on the third (3rd) business day following deposit, postage prepaid, using certified mail, return receipt requested, in any U.S. Postal mailbox or at any U.S. Post Office; or when sent via facsimile to a party at the facsimile number set forth below, or to such other or further facsimile number provided in a notice sent under the terms of this paragraph, on the date of transmission of that facsimile. Should City or Grantee have a change of address, the other party shall immediately be notified in writing of such change, provided, however, that each address for notice must include a street address and not merely a post office box. All notices, demands, or requests from Grantee to the City shall be given to the City addressed as follows:

CITY: City of Santa Barbara
Attn: City Clerk
735 Anacapa Street
Santa Barbara, CA 93102

Tel. No. (805) 654-7800
Fax. No. (805) 641-0253

GRANTEE: Southern California Gas Company
Attn: Fees and Tax Manager
555 W. 5th Street, Mail Code GT26E2
Los Angeles, CA 90013-1011
Tel. No. (213) 244-2522
Fax. No. (213) 244-4997

SECTION 21. ACCEPTANCE OF FRANCHISE. The granting of this franchise is conditioned upon the Grantee filing with the City Clerk within thirty (30) days after this ordinance becomes effective, a written instrument accepting this franchise and agreeing to perform and be bound by each and all of the terms and conditions hereof. The franchise granted hereunder shall not become effective until said written acceptance thereof shall have been filed by the Grantee with the City Clerk.

SECTION 22. ADVERTISING AND OTHER PRELIMINARY EXPENSE. The cost of advertising and other preliminary expenses in connection with the offering for sale of this franchise shall be paid by Grantee prior to the effective date, and such payment shall be a condition precedent to the vesting of this franchise.

SECTION 23. The City Clerk shall certify to the passage of this ordinance, and shall cause the same to be published once in the official newspaper, and the same shall take effect and be in force on the thirty-first (31st) day after its passage.

Passed by the Council of the City of Santa Barbara on the 10th day of September, 2013.

Mayor _____

ATTEST:

City Clerk



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: August 13, 2013

TO: Mayor and Councilmembers

FROM: Accounting Division, Finance Department

SUBJECT: Interim Financial Statements For the Fiscal Year Ended June 30, 2013

RECOMMENDATION: That Council:

- A. Hear a report from staff on the status of revenues and expenditures in relation to budget for the fiscal year ended June 30, 2013;
- B. Accept the Interim Financial Statements for the Fiscal Year Ended June 30, 2013; and
- C. Approve the proposed adjustments to the Fiscal Year 2013 budget as detailed in the attached schedule of Proposed Budget Adjustments.

DISCUSSION:

Each month, staff presents the interim financial statements (Attachment 1) showing the status of revenues and expenditures in relation to budget for each of the City's Funds. Each quarter, the interim financial statements are expanded to include a detailed narrative analysis of the General Fund and Enterprise Funds. This narrative analysis is included in Attachment 2.

In addition to the budget analysis, staff brings forward recommended adjustments for City Council approval. These adjustments are the result of new information and/or unanticipated events that occurred since the adoption of the budget in June 2012. The adjustments at year-end are also requested to address budget shortfalls and/or additional costs, and to make technical corrections to departmental budgets. A listing and description of each proposed adjustment to the current year budget is provided in Attachment 3.

Interim financial statements presented to City Council throughout the year focus on the progress of revenues and expenditures against the budget, including a discussion of where the actual revenues and expenditures might finish at year end. Since this is the final quarterly report, the revenues and expenditures are close to final; they are still subject to change as final adjustments are made for purposes of preparing for the annual audit the City's annual financial report.

As such, revenues and expenditures will continue to be analyzed and further adjusted over the next few weeks, as necessary. Once the year-end adjustments have been made, staff will return in September to the City Council to present the unaudited year-end results for the General Fund.

- ATTACHMENTS:**
1. Summary by Fund Statement of Revenues and Expenditures for the Fiscal Year Ended June 30, 2013
 2. Interim Financial Statements for the Year Ended June 30, 2013 (Narrative Analysis)
 3. Schedule of Proposed Budget Adjustments

PREPARED BY: Julie Nemes, Accounting Manager

SUBMITTED BY: Robert Samario, Finance Director

APPROVED BY: City Administrator's Office

CITY OF SANTA BARBARA
Interim Statement of Revenues and Expenditures
Summary by Fund
For the Twelve Months Ended June 30, 2013 (100% of Fiscal Year)

	<u>Annual Budget</u>	<u>YTD Actual</u>	<u>Encum- brances</u>	<u>Remaining Balance</u>	<u>Percent of Budget</u>
GENERAL FUND					
Revenue	111,185,121	112,969,661	-	(1,784,540)	101.6%
Expenditures	110,279,316	108,482,198	283,963	1,513,156	98.6%
<i>Addition to / (use of) reserves</i>	<u>905,805</u>	<u>4,487,463</u>	<u>(283,963)</u>		
WATER OPERATING FUND					
Revenue	36,392,362	38,936,859	-	(2,544,497)	107.0%
Expenditures	35,143,747	30,926,183	803,860	3,413,704	90.3%
<i>Addition to / (use of) reserves</i>	<u>1,248,615</u>	<u>8,010,676</u>	<u>(803,860)</u>		
WASTEWATER OPERATING FUND					
Revenue	20,257,200	20,407,931	-	(150,731)	100.7%
Expenditures	17,369,170	15,619,483	207,663	1,542,024	91.1%
<i>Addition to / (use of) reserves</i>	<u>2,888,030</u>	<u>4,788,447</u>	<u>(207,663)</u>		
DOWNTOWN PARKING					
Revenue	7,163,539	8,209,916	-	(1,046,377)	114.6%
Expenditures	7,905,307	7,484,514	25,501	395,292	95.0%
<i>Addition to / (use of) reserves</i>	<u>(741,768)</u>	<u>725,402</u>	<u>(25,501)</u>		
AIRPORT OPERATING FUND					
Revenue	14,774,556	15,168,981	-	(394,425)	102.7%
Expenditures	16,334,202	15,476,398	219,416	638,387	96.1%
<i>Addition to / (use of) reserves</i>	<u>(1,559,646)</u>	<u>(307,417)</u>	<u>(219,416)</u>		
GOLF COURSE FUND					
Revenue	1,872,903	1,855,377	-	17,526	99.1%
Expenditures	1,923,510	1,951,485	-	(27,975)	101.5%
<i>Addition to / (use of) reserves</i>	<u>(50,607)</u>	<u>(96,107)</u>	<u>-</u>		
INTRA-CITY SERVICE FUND					
Revenue	5,957,600	5,540,293	-	417,307	93.0%
Expenditures	6,634,278	5,964,246	483,395	186,638	97.2%
<i>Addition to / (use of) reserves</i>	<u>(676,679)</u>	<u>(423,952)</u>	<u>(483,395)</u>		

CITY OF SANTA BARBARA
Interim Statement of Revenues and Expenditures
Summary by Fund
For the Twelve Months Ended June 30, 2013 (100% of Fiscal Year)

	<u>Annual Budget</u>	<u>YTD Actual</u>	<u>Encum- brances</u>	<u>Remaining Balance</u>	<u>Percent of Budget</u>
FLEET REPLACEMENT FUND					
Revenue	2,549,018	2,601,026	-	(52,008)	102.0%
Expenditures	2,906,624	1,664,720	909,374	332,529	88.6%
<i>Addition to / (use of) reserves</i>	(357,606)	936,305	(909,374)		
FLEET MAINTENANCE FUND					
Revenue	2,441,918	2,471,900	-	(29,982)	101.2%
Expenditures	2,586,089	2,433,818	27,811	124,460	95.2%
<i>Addition to / (use of) reserves</i>	(144,171)	38,082	(27,811)		
SELF INSURANCE TRUST FUND					
Revenue	6,101,986	5,873,111	-	228,875	96.2%
Expenditures	5,949,472	6,397,456	196,356	(644,340)	110.8%
<i>Addition to / (use of) reserves</i>	152,514	(524,345)	(196,356)		
INFORMATION SYSTEMS ICS FUND					
Revenue	2,358,079	2,359,215	-	(1,136)	100.0%
Expenditures	2,933,492	2,479,238	43,621	410,633	86.0%
<i>Addition to / (use of) reserves</i>	(575,413)	(120,023)	(43,621)		
WATERFRONT FUND					
Revenue	12,072,564	12,935,121	-	(862,557)	107.1%
Expenditures	13,162,748	12,447,394	178,195	537,159	95.9%
<i>Addition to / (use of) reserves</i>	(1,090,184)	487,727	(178,195)		
TOTAL FOR ALL FUNDS					
Revenue	223,126,846	229,329,390	-	(6,202,545)	102.8%
Expenditures	223,127,955	211,327,132	3,379,156	8,421,667	96.2%
<i>Addition to / (use of) reserves</i>	(1,110)	18,002,258	(3,379,156)		

*** It is City policy to adopt a balanced budget. In most cases, encumbrance balances exist at year-end. These encumbrance balances are obligations of each fund and must be reported at the beginning of each fiscal year. In addition, a corresponding appropriations entry must be made in order to accommodate the 'carried-over' encumbrance amount. Most differences between budgeted annual revenues and expenses are due to these encumbrance carryovers.*

CITY OF SANTA BARBARA
General Fund
Interim Statement of Budgeted and Actual Revenues
For the Twelve Months Ended June 30, 2013 (100% of Fiscal Year)

	Annual Budget	YTD Actual	Remaining Balance	Percent Received	Previous YTD
TAXES					
Sales and Use	19,933,931	20,403,788	(469,857)	102.4%	18,778,491
Property Taxes	26,035,274	27,575,163	(1,539,889)	105.9%	23,712,312
Utility Users Tax	7,015,200	6,958,180	57,020	99.2%	7,059,850
Transient Occupancy Tax	14,489,200	14,517,653	(28,453)	100.2%	13,515,942
Business License	2,220,780	2,514,146	(293,366)	113.2%	2,242,871
Real Property Transfer Tax	356,180	644,438	(288,258)	180.9%	418,507
<i>Total</i>	<u>70,050,565</u>	<u>72,613,368</u>	<u>(2,562,804)</u>	103.7%	<u>65,727,974</u>
LICENSES & PERMITS					
Licenses & Permits	208,988	205,784	3,204	98.5%	215,969
<i>Total</i>	<u>208,988</u>	<u>205,784</u>	<u>3,204</u>	98.5%	<u>215,969</u>
FINES & FORFEITURES					
Parking Violations	2,382,621	2,345,442	37,179	98.4%	2,275,309
Library Fines	120,331	130,850	(10,519)	108.7%	119,710
Municipal Court Fines	162,352	89,940	72,412	55.4%	100,062
Other Fines & Forfeitures	305,000	282,694	22,306	92.7%	217,007
<i>Total</i>	<u>2,970,304</u>	<u>2,848,926</u>	<u>121,378</u>	95.9%	<u>2,712,089</u>
USE OF MONEY & PROPERTY					
Investment Income	757,296	715,773	41,523	94.5%	849,428
Rents & Concessions	453,827	426,800	27,027	94.0%	387,422
<i>Total</i>	<u>1,211,123</u>	<u>1,142,572</u>	<u>68,551</u>	94.3%	<u>1,236,850</u>
INTERGOVERNMENTAL					
Grants	521,134	888,840	(367,706)	170.6%	246,031
Vehicle License Fees	-	48,265	(48,265)	100.0%	-
Reimbursements	14,040	22,906	(8,866)	163.1%	8,471
<i>Total</i>	<u>535,174</u>	<u>960,011</u>	<u>(424,837)</u>	179.4%	<u>254,501</u>
FEES & SERVICE CHARGES					
Finance	848,301	876,036	(27,735)	103.3%	845,240
Community Development	4,495,945	4,489,082	6,863	99.8%	4,159,694
Recreation	2,441,584	2,761,227	(319,643)	113.1%	2,593,990
Public Safety	555,980	554,810	1,170	99.8%	607,178
Public Works	5,407,003	5,527,375	(120,372)	102.2%	5,381,194
Library	673,140	667,523	5,617	99.2%	675,593
Reimbursements	4,271,753	4,409,207	(137,454)	103.2%	5,860,172
<i>Total</i>	<u>18,693,706</u>	<u>19,285,259</u>	<u>(591,553)</u>	103.2%	<u>20,123,061</u>
OTHER REVENUES					
Miscellaneous	3,829,148	3,380,100	449,048	88.3%	1,611,204
Franchise Fees	3,509,700	3,556,581	(46,881)	101.3%	3,372,562
Indirect Allocations	5,841,852	5,841,852	-	100.0%	6,111,818
Operating Transfers-In	4,334,561	3,135,207	1,199,354	72.3%	1,774,527
<i>Total</i>	<u>17,515,261</u>	<u>15,913,740</u>	<u>1,601,520</u>	90.9%	<u>12,870,111</u>
TOTAL REVENUES	<u>111,185,121</u>	<u>112,969,661</u>	<u>(1,784,540)</u>	101.6%	<u>103,140,555</u>

CITY OF SANTA BARBARA
General Fund
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For the Twelve Months Ended June 30, 2013 (100% of Fiscal Year)

	Annual Budget	YTD Actual	Encum- brances	** Remaining Balance	YTD Expended and Encumbered	Previous YTD
GENERAL GOVERNMENT						
<u>Mayor & City Council</u>						
MAYOR	737,693	728,443	392	8,858	98.8%	
<i>Total</i>	737,693	728,443	392	8,858	98.8%	701,933
<u>City Attorney</u>						
CITY ATTORNEY	2,011,215	2,028,838	8,325	(25,948)	101.3%	
<i>Total</i>	2,011,215	2,028,838	8,325	(25,948)	101.3%	1,906,447
<u>Administration</u>						
CITY ADMINISTRATOR	1,551,018	1,480,779	392	69,847	95.5%	
CITY TV	473,554	453,401	107	20,046	95.8%	
<i>Total</i>	2,024,572	1,934,180	499	89,893	95.6%	1,898,838
<u>Administrative Services</u>						
CITY CLERK	461,229	421,006	2,021	38,202	91.7%	
HUMAN RESOURCES	1,258,017	1,183,265	180	74,572	94.1%	
ADMIN SVCS-EMPLOYEE DEVELOPMENT	14,447	12,185	-	2,262	84.3%	
<i>Total</i>	1,733,693	1,616,458	2,201	115,034	93.4%	1,755,259
<u>Finance</u>						
ADMINISTRATION	241,585	260,389	2,871	(21,676)	109.0%	
TREASURY	530,592	487,822	17,610	25,159	95.3%	
CASHIERING & COLLECTION	438,330	433,181	-	5,149	98.8%	
LICENSES & PERMITS	446,773	432,935	(2,785)	16,623	96.3%	
BUDGET MANAGEMENT	434,881	426,346	-	8,535	98.0%	
ACCOUNTING	493,940	468,041	26,110	(211)	100.0%	
PAYROLL	286,604	278,649	-	7,955	97.2%	
ACCOUNTS PAYABLE	218,948	213,784	-	5,164	97.6%	
CITY BILLING & CUSTOMER SERVICE	647,851	649,577	(19,535)	17,809	97.3%	
PURCHASING	698,481	566,814	286	131,381	81.2%	
CENTRAL STORES	160,944	146,051	-	14,893	90.7%	
MAIL SERVICES	108,448	109,117	-	(669)	100.6%	
<i>Total</i>	4,707,377	4,472,711	24,557	210,109	95.5%	4,270,031
TOTAL GENERAL GOVERNMENT	11,214,550	10,780,629	35,974	397,946	96.5%	10,532,508
PUBLIC SAFETY						
<u>Police</u>						
CHIEF'S STAFF	994,588	1,270,089	-	(275,501)	127.7%	
SUPPORT SERVICES	626,474	633,175	-	(6,701)	101.1%	
RECORDS	1,173,614	1,152,293	-	21,321	98.2%	
COMMUNITY SVCS	994,713	1,053,238	-	(58,525)	105.9%	
PROPERTY ROOM	155,893	141,692	-	14,201	90.9%	
TRNG/RECRUITMENT	412,970	552,609	15,217	(154,856)	137.5%	
RANGE	1,157,431	1,216,223	1,425	(60,217)	105.2%	

CITY OF SANTA BARBARA
General Fund
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For the Twelve Months Ended June 30, 2013 (100% of Fiscal Year)

	Annual Budget	YTD Actual	Encum- brances	** Remaining Balance	YTD Expended and Encumbered	Previous YTD
PUBLIC SAFETY						
<u>Police</u>						
BEAT COORDINATORS	826,160	853,384	-	(27,224)	103.3%	
INFORMATION TECHNOLOGY	1,320,105	1,171,149	3,791	145,165	89.0%	
INVESTIGATIVE DIVISION	4,697,571	4,648,656	1,317	47,598	99.0%	
CRIME LAB	132,701	130,714	-	1,987	98.5%	
PATROL DIVISION	15,300,604	15,118,958	27,775	153,871	99.0%	
TRAFFIC	1,373,035	1,353,870	-	19,165	98.6%	
SPECIAL EVENTS	786,140	911,929	-	(125,789)	116.0%	
TACTICAL PATROL FORCE	1,311,426	1,245,990	-	65,436	95.0%	
STREET SWEEPING ENFORCEMENT	306,625	234,221	-	72,404	76.4%	
NIGHT LIFE ENFORCEMENT	287,755	306,235	-	(18,480)	106.4%	
PARKING ENFORCEMENT	944,849	891,910	-	52,939	94.4%	
CCC	2,389,953	2,275,872	-	114,081	95.2%	
ANIMAL CONTROL	634,335	573,130	-	61,205	90.4%	
<i>Total</i>	<u>35,826,942</u>	<u>35,735,340</u>	<u>49,524</u>	<u>42,079</u>	99.9%	<u>34,157,519</u>
<u>Fire</u>						
ADMINISTRATION	773,141	782,249	-	(9,108)	101.2%	
EMERGENCY SERVICES AND PUBLIC ED	254,443	259,489	-	(5,046)	102.0%	
PREVENTION	1,141,192	1,063,658	-	77,534	93.2%	
WILDLAND FIRE MITIGATION PROGRAM	174,860	178,004	4,621	(7,765)	104.4%	
OPERATIONS	17,839,352	18,166,725	33,534	(360,907)	102.0%	
ARFF	1,740,953	1,785,266	-	(44,313)	102.5%	
<i>Total</i>	<u>21,923,941</u>	<u>22,235,391</u>	<u>38,155</u>	<u>(349,605)</u>	101.6%	<u>20,688,139</u>
TOTAL PUBLIC SAFETY	<u>57,750,883</u>	<u>57,970,730</u>	<u>87,680</u>	<u>(307,526)</u>	100.5%	<u>54,845,658</u>
PUBLIC WORKS						
<u>Public Works</u>						
ADMINISTRATION	1,005,992	930,384	1,940	73,667	92.7%	
ENGINEERING SVCS	4,650,713	4,491,045	2,211	157,457	96.6%	
PUBLIC RT OF WAY MGMT	1,000,166	957,717	-	42,449	95.8%	
ENVIRONMENTAL PROGRAMS	627,906	581,426	15,019	31,461	95.0%	
<i>Total</i>	<u>7,284,777</u>	<u>6,960,573</u>	<u>19,170</u>	<u>305,035</u>	95.8%	<u>6,461,756</u>
TOTAL PUBLIC WORKS	<u>7,284,777</u>	<u>6,960,573</u>	<u>19,170</u>	<u>305,035</u>	95.8%	<u>6,461,756</u>
COMMUNITY SERVICES						
<u>Parks & Recreation</u>						
PRGM MGMT & BUS SVCS	413,527	412,171	2,300	(944)	100.2%	
FACILITIES	828,084	800,600	9,724	17,760	97.9%	
YOUTH ACTIVITIES	714,977	777,586	4,316	(66,926)	109.4%	
SR CITIZENS	723,198	723,840	-	(642)	100.1%	
AQUATICS	1,096,927	1,154,575	3,795	(61,443)	105.6%	

CITY OF SANTA BARBARA
General Fund
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For the Twelve Months Ended June 30, 2013 (100% of Fiscal Year)

	Annual Budget	YTD Actual	Encum- brances	** Remaining Balance	YTD Expended and Encumbered	Previous YTD
COMMUNITY SERVICES						
<u>Parks & Recreation</u>						
SPORTS	484,909	480,297	4,788	(176)	100.0%	
TENNIS	255,362	256,598	-	(1,236)	100.5%	
NEIGHBORHOOD & OUTREACH SERV	951,954	1,004,983	-	(53,029)	105.6%	
ADMINISTRATION	599,031	587,982	-	11,049	98.2%	
PROJECT MANAGEMENT TEAM	223,076	227,077	4,654	(8,655)	103.9%	
BUSINESS SERVICES	310,413	305,602	6,082	(1,272)	100.4%	
FACILITY & PROJECT MGT	973,211	974,157	-	(946)	100.1%	
GROUND MANAGEMENT	4,357,754	4,254,195	18,087	85,472	98.0%	
FORESTRY	1,182,017	1,154,638	32,130	(4,751)	100.4%	
BEACH MAINTENANCE	151,599	149,073	3,910	(1,384)	100.9%	
<i>Total</i>	<u>13,266,039</u>	<u>13,263,366</u>	<u>89,787</u>	<u>(87,114)</u>	100.7%	<u>12,660,871</u>
<u>Library</u>						
ADMINISTRATION	537,794	531,173	-	6,621	98.8%	
PUBLIC SERVICES	2,136,837	2,011,946	700	124,191	94.2%	
SUPPORT SERVICES	2,004,205	1,883,667	19,937	100,601	95.0%	
<i>Total</i>	<u>4,678,836</u>	<u>4,426,787</u>	<u>20,637</u>	<u>231,412</u>	95.1%	<u>3,788,475</u>
TOTAL COMMUNITY SERVICES	<u>17,944,875</u>	<u>17,690,153</u>	<u>110,424</u>	<u>144,298</u>	99.2%	<u>16,449,346</u>
COMMUNITY DEVELOPMENT						
<u>Community Development</u>						
ADMINISTRATION	577,992	555,378	3,500	19,114	96.7%	
ECON DEV	47,384	40,142	-	7,242	84.7%	
CITY ARTS ADVISORY PROGRAM	427,260	427,260	-	-	100.0%	
HUMAN SVCS	926,170	920,666	-	5,504	99.4%	
RDA HSG DEV	58,687	5,400	19,600	33,687	42.6%	
LR PLANNING/STUDIES	966,481	901,393	-	65,088	93.3%	
DEV & DESIGN REVIEW	1,251,412	1,126,940	1,010	123,462	90.1%	
ZONING	1,204,968	1,105,756	-	99,212	91.8%	
DESIGN REV & HIST PRESERVATN	1,083,146	981,943	1,706	99,497	90.8%	
BLDG PERMITS	1,097,900	1,069,891	-	28,009	97.4%	
RECORDS & ARCHIVES	543,242	480,107	4,899	58,236	89.3%	
PLAN CK & COUNTER SRV	1,308,665	1,121,812	-	186,853	85.7%	
<i>Total</i>	<u>9,493,307</u>	<u>8,736,733</u>	<u>30,715</u>	<u>725,859</u>	92.4%	<u>9,031,411</u>
TOTAL COMMUNITY DEVELOPMENT	<u>9,493,307</u>	<u>8,736,733</u>	<u>30,715</u>	<u>725,859</u>	92.4%	<u>9,031,411</u>
NON-DEPARTMENTAL						
<u>Non-Departmental</u>						
DUES, MEMBERSHIPS, & LICENSES	22,272	24,057	-	(1,785)	108.0%	
COMMUNITY PROMOTIONS	1,536,799	1,581,694	-	(44,895)	102.9%	
SPECIAL PROJECTS	381,073	327,914	-	53,159	86.1%	

CITY OF SANTA BARBARA
General Fund
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For the Twelve Months Ended June 30, 2013 (100% of Fiscal Year)

	Annual Budget	YTD Actual	Encum- brances	** Remaining Balance	YTD Expended and Encumbered	Previous YTD
NON-DEPARTMENTAL						
<u>Non-Departmental</u>						
TRANSFERS OUT	43,500	43,500	-	-	100.0%	
DEBT SERVICE TRANSFERS	349,125	320,456	-	28,669	91.8%	
CAPITAL OUTLAY TRANSFER	4,045,757	4,045,757	-	-	100.0%	
APPROP. RESERVE	212,398	-	-	212,398	0.0%	
<i>Total</i>	<u>6,590,924</u>	<u>6,343,379</u>	<u>-</u>	<u>247,545</u>	96.2%	<u>2,987,525</u>
TOTAL NON-DEPARTMENTAL	<u>6,590,924</u>	<u>6,343,379</u>	<u>-</u>	<u>247,545</u>	96.2%	<u>2,987,525</u>
 TOTAL EXPENDITURES	 <u>110,279,316</u>	 <u>108,482,198</u>	 <u>283,963</u>	 <u>1,513,156</u>	 98.6%	 <u>100,308,203</u>

*** The legal level of budgetary control is at the department level for the General Fund. Therefore, as long as the department as a whole is within budget, budgetary compliance has been achieved. The City actively monitors the budget status of each department and takes measures to address potential over budget situations before they occur.*

For Enterprise and Internal Service Funds, the legal level of budgetary control is at the fund level. The City also monitors and addresses these fund types for potential over budget situations.

CITY OF SANTA BARBARA
Special Revenue Funds
Interim Statement of Revenues and Expenditures
For the Twelve Months Ended June 30, 2013 (100% of Fiscal Year)

	Annual Budget	YTD Actual	Encum- brances	Remaining Balance	Percent of Budget
TRAFFIC SAFETY FUND					
Revenue	506,204	493,582	-	12,622	97.5%
Expenditures	506,204	495,927	-	10,277	98.0%
<i>Revenue Less Expenditures</i>	-	(2,345)	-	2,345	
CREEK RESTORATION/WATER QUALITY IMPRVMT					
Revenue	3,002,872	3,052,590	-	(49,718)	101.7%
Expenditures	4,119,708	3,385,954	293,803	439,951	89.3%
<i>Revenue Less Expenditures</i>	(1,116,836)	(333,364)	(293,803)	(489,669)	
SOLID WASTE PROGRAM					
Revenue	18,509,144	18,895,290	-	(386,146)	102.1%
Expenditures	18,677,350	18,537,667	110,225	29,458	99.8%
<i>Revenue Less Expenditures</i>	(168,206)	357,623	(110,225)	(415,605)	
COMM.DEVELOPMENT BLOCK GRANT					
Revenue	2,132,621	1,417,902	-	714,719	66.5%
Expenditures	2,132,621	1,116,023	-	1,016,598	52.3%
<i>Revenue Less Expenditures</i>	-	301,879	-	(301,879)	
COUNTY LIBRARY					
Revenue	1,849,920	1,708,646	-	141,274	92.4%
Expenditures	2,050,848	1,959,983	27,060	63,804	96.9%
<i>Revenue Less Expenditures</i>	(200,928)	(251,337)	(27,060)	77,470	
STREETS FUND					
Revenue	10,649,608	10,911,331	-	(261,723)	102.5%
Expenditures	14,462,609	10,643,362	1,596,325	2,222,922	84.6%
<i>Revenue Less Expenditures</i>	(3,813,000)	267,970	(1,596,325)	(2,484,645)	
MEASURE A					
Revenue	3,021,238	3,261,842	-	(240,604)	108.0%
Expenditures	4,122,218	2,397,214	739,816	985,188	76.1%
<i>Revenue Less Expenditures</i>	(1,100,980)	864,628	(739,816)	(1,225,792)	

CITY OF SANTA BARBARA
Interim Statement of Revenues and Expenses
For the Twelve Months Ended June 30, 2013 (100% of Fiscal Year)

WATER OPERATING FUND

	<u>Annual Budget</u>	<u>YTD Actual</u>	<u>Encum- brances</u>	<u>Remaining Balance</u>	<u>Percent of Budget</u>	<u>Previous YTD</u>
REVENUES						
Water Sales - Metered	29,800,000	31,654,759	-	(1,854,759)	106.2%	29,811,625
Service Charges	537,000	1,029,927	-	(492,927)	191.8%	938,042
Cater JPA Treatment Charges	2,405,482	1,903,319	-	502,163	79.1%	1,997,228
Investment Income	500,000	590,703	-	(90,703)	118.1%	693,617
Rents & Concessions	-	22,872	-	(22,872)	100.0%	-
Reimbursements	519,880	996,165	-	(476,285)	191.6%	566,740
Miscellaneous	30,000	139,115	-	(109,115)	463.7%	417,650
Operating Transfers-In	2,600,000	2,600,000	-	-	100.0%	3,002,133
TOTAL REVENUES	<u>36,392,362</u>	<u>38,936,859</u>	<u>-</u>	<u>(2,544,497)</u>	107.0%	<u>37,427,035</u>
EXPENSES						
Salaries & Benefits	7,830,597	7,414,410	-	416,187	94.7%	7,090,057
Materials, Supplies & Services	9,187,970	7,729,921	357,237	1,100,813	88.0%	7,121,249
Special Projects	1,282,374	642,381	266,076	373,917	70.8%	449,165
Water Purchases	7,963,366	7,057,635	165,035	740,697	90.7%	6,836,018
Debt Service	4,989,408	4,449,296	-	540,112	89.2%	4,453,923
Capital Outlay Transfers	3,426,649	3,426,649	-	-	100.0%	11,284,416
Equipment	149,093	69,430	8,123	71,541	52.0%	151,332
Capitalized Fixed Assets	129,289	106,722	7,389	15,178	88.3%	104,844
Other	35,000	29,740	-	5,260	85.0%	27,215
Appropriated Reserve	150,000	-	-	150,000	0.0%	-
TOTAL EXPENSES	<u>35,143,747</u>	<u>30,926,183</u>	<u>803,860</u>	<u>3,413,704</u>	90.3%	<u>37,518,221</u>

NOTE - These figures reflect the operating fund only. Though the capital fund is excluded, the current year contribution from the operating fund is shown in the Capital Transfers.

CITY OF SANTA BARBARA
Interim Statement of Revenues and Expenses
For the Twelve Months Ended June 30, 2013 (100% of Fiscal Year)

WASTEWATER OPERATING FUND

	<u>Annual Budget</u>	<u>YTD Actual</u>	<u>Encum- brances</u>	<u>Remaining Balance</u>	<u>Percent of Budget</u>	<u>Previous YTD</u>
REVENUES						
Service Charges	16,337,000	16,257,078	-	79,922	99.5%	14,759,991
Fees	614,000	836,494	-	(222,494)	136.2%	736,825
Investment Income	206,200	168,439	-	37,761	81.7%	218,633
Public Works	25,000	53,111	-	(28,111)	212.4%	38,091
Miscellaneous	25,000	42,808	-	(17,808)	171.2%	34,959
Operating Transfers-In	3,050,000	3,050,000	-	-	100.0%	674,096
TOTAL REVENUES	<u>20,257,200</u>	<u>20,407,931</u>	<u>-</u>	<u>(150,731)</u>	<u>100.7%</u>	<u>16,462,595</u>
EXPENSES						
Salaries & Benefits	5,423,604	5,191,542	-	232,062	95.7%	4,889,554
Materials, Supplies & Services	6,708,910	6,073,924	207,620	427,366	93.6%	5,890,490
Special Projects	326,300	6,740	-	319,560	2.1%	2,104
Debt Service	1,646,192	1,284,248	-	361,944	78.0%	1,280,243
Capital Outlay Transfers	3,000,121	3,000,121	-	-	100.0%	4,592,559
Equipment	83,044	39,872	44	43,128	48.1%	33,074
Capitalized Fixed Assets	26,000	20,451	-	5,549	78.7%	21,401
Other	5,000	2,585	-	2,415	51.7%	2,600
Appropriated Reserve	150,000	-	-	150,000	0.0%	-
TOTAL EXPENSES	<u>17,369,170</u>	<u>15,619,483</u>	<u>207,663</u>	<u>1,542,024</u>	<u>91.1%</u>	<u>16,712,025</u>

NOTE - These figures reflect the operating fund only. Though the capital fund is excluded, the current year contribution from the operating fund is shown in the Capital Transfers.

CITY OF SANTA BARBARA
Interim Statement of Revenues and Expenses
For the Twelve Months Ended June 30, 2013 (100% of Fiscal Year)
DOWNTOWN PARKING

	<u>Annual Budget</u>	<u>YTD Actual</u>	<u>Encum- brances</u>	<u>Remaining Balance</u>	<u>Percent of Budget</u>	<u>Previous YTD</u>
REVENUES						
Improvement Tax	840,000	966,291	-	(126,291)	115.0%	899,741
Parking Fees	5,757,166	6,681,404	-	(924,238)	116.1%	6,235,991
Investment Income	112,800	109,694	-	3,106	97.2%	117,662
Rents & Concessions	40,925	40,925	-	-	100.0%	40,925
Public Works	-	1,890	-	(1,890)	100.0%	1,890
Miscellaneous	1,500	(1,436)	-	2,936	-95.8%	(1,060)
Operating Transfers-In	411,148	411,148	-	-	100.0%	353,858
TOTAL REVENUES	<u>7,163,539</u>	<u>8,209,916</u>	<u>-</u>	<u>(1,046,377)</u>	114.6%	<u>7,649,008</u>
EXPENSES						
Salaries & Benefits	4,024,353	3,802,568	-	221,785	94.5%	3,689,779
Materials, Supplies & Services	1,915,082	1,762,429	21,876	130,778	93.2%	1,704,569
Special Projects	531,806	508,111	3,626	20,069	96.2%	459,460
Transfers-Out	297,121	297,121	-	-	100.0%	297,121
Capital Outlay Transfers	1,111,945	1,111,945	-	-	100.0%	1,043,270
Equipment	25,000	2,341	-	22,659	9.4%	3,437
TOTAL EXPENSES	<u>7,905,307</u>	<u>7,484,514</u>	<u>25,501</u>	<u>395,292</u>	95.0%	<u>7,197,636</u>

CITY OF SANTA BARBARA
Interim Statement of Revenues and Expenses
For the Twelve Months Ended June 30, 2013 (100% of Fiscal Year)
AIRPORT OPERATING FUND

	Annual Budget	YTD Actual	Encum- brances	Remaining Balance	Percent of Budget	Previous YTD
REVENUES						
Leases - Commercial / Industrial	4,345,075	4,383,325	-	(38,250)	100.9%	4,337,312
Leases - Terminal	5,043,600	4,918,987	-	124,613	97.5%	4,834,879
Leases - Non-Commerical Aviation	1,498,800	1,623,653	-	(124,853)	108.3%	1,502,912
Leases - Commerical Aviation	3,549,000	3,959,680	-	(410,680)	111.6%	3,100,213
Investment Income	171,700	127,342	-	44,358	74.2%	170,645
Miscellaneous	166,381	155,994	-	10,387	93.8%	274,471
Operating Transfers-In	-	-	-	-	100.0%	450,503
TOTAL REVENUES	14,774,556	15,168,981	-	(394,425)	102.7%	14,670,936
EXPENSES						
Salaries & Benefits	5,101,719	4,861,171	-	240,548	95.3%	4,815,269
Materials, Supplies & Services	7,079,052	6,692,272	213,558	173,221	97.6%	6,342,483
Special Projects	736,200	642,239	-	93,961	87.2%	792,854
Transfers-Out	18,295	18,295	-	-	100.0%	44,212
Debt Service	1,780,853	1,740,684	-	40,169	97.7%	1,113,099
Capital Outlay Transfers	1,469,012	1,469,012	-	-	100.0%	3,853,399
Equipment	63,569	51,564	5,858	6,148	90.3%	61,227
Other	-	1,161	-	(1,161)	100.0%	-
Appropriated Reserve	85,502	-	-	85,502	0.0%	-
TOTAL EXPENSES	16,334,202	15,476,398	219,416	638,387	96.1%	17,022,543

NOTE - These figures reflect the operating fund only. Though the capital fund is excluded, the current year contribution from the operating fund is shown in the Capital Transfers.

CITY OF SANTA BARBARA
Interim Statement of Revenues and Expenses
For the Twelve Months Ended June 30, 2013 (100% of Fiscal Year)

GOLF COURSE FUND

	<u>Annual Budget</u>	<u>YTD Actual</u>	<u>Encum- brances</u>	<u>Remaining Balance</u>	<u>Percent of Budget</u>	<u>Previous YTD</u>
REVENUES						
Fees & Card Sales	1,559,903	1,516,387	-	43,516	97.2%	1,521,724
Investment Income	6,300	10,130	-	(3,830)	160.8%	10,326
Rents & Concessions	306,000	326,164	-	(20,164)	106.6%	297,892
Miscellaneous	700	2,697	-	(1,997)	385.2%	215
Operating Transfers-In	-	-	-	-	100.0%	103,623
TOTAL REVENUES	<u>1,872,903</u>	<u>1,855,377</u>	<u>-</u>	<u>17,526</u>	<u>99.1%</u>	<u>1,933,780</u>
EXPENSES						
Salaries & Benefits	989,689	1,008,088	-	(18,399)	101.9%	1,064,161
Materials, Supplies & Services	560,984	577,781	-	(16,797)	103.0%	517,439
Special Projects	300	363	-	(63)	120.9%	-
Debt Service	185,650	179,852	-	5,798	96.9%	230,294
Capital Outlay Transfers	158,373	158,373	-	-	100.0%	92,036
Equipment	27,500	26,180	-	1,320	95.2%	1,013
Other	1,014	847	-	167	83.5%	847
TOTAL EXPENSES	<u>1,923,510</u>	<u>1,951,485</u>	<u>-</u>	<u>(27,975)</u>	<u>101.5%</u>	<u>1,905,790</u>

CITY OF SANTA BARBARA
Interim Statement of Revenues and Expenses
For the Twelve Months Ended June 30, 2013 (100% of Fiscal Year)

INTRA-CITY SERVICE FUND

	<u>Annual Budget</u>	<u>YTD Actual</u>	<u>Encum- brances</u>	<u>Remaining Balance</u>	<u>Percent of Budget</u>	<u>Previous YTD</u>
REVENUES						
Service charges	99,584	99,584	-	-	100.0%	99,584
Work Orders - Bldg Maint.	3,085,446	3,120,976	-	(35,530)	101.2%	3,130,398
Grants	321,388	128,095	-	193,293	39.9%	542,409
Community Development	-	-	-	-	100.0%	(3,000)
Service Charges	2,057,130	2,057,131	-	(1)	100.0%	2,033,544
Reimbursements	-	-	-	-	100.0%	792
Miscellaneous	394,052	134,507	-	259,545	34.1%	12,524
Operating Transfers-In	-	-	-	-	100.0%	383,226
TOTAL REVENUES	<u>5,957,600</u>	<u>5,540,293</u>	<u>-</u>	<u>417,307</u>	<u>93.0%</u>	<u>6,199,478</u>
EXPENSES						
Salaries & Benefits	3,290,726	3,179,274	-	111,452	96.6%	2,949,539
Materials, Supplies & Services	1,158,398	1,187,112	14,829	(43,543)	103.8%	1,129,751
Special Projects	1,884,447	1,382,627	468,566	33,254	98.2%	1,456,702
Equipment	15,000	4,292	-	10,708	28.6%	2,661
Capitalized Fixed Assets	285,708	210,941	-	74,767	73.8%	488,786
TOTAL EXPENSES	<u>6,634,278</u>	<u>5,964,246</u>	<u>483,395</u>	<u>186,638</u>	<u>97.2%</u>	<u>6,027,440</u>

CITY OF SANTA BARBARA
Interim Statement of Revenues and Expenses
For the Twelve Months Ended June 30, 2013 (100% of Fiscal Year)

FLEET REPLACEMENT FUND

	<u>Annual Budget</u>	<u>YTD Actual</u>	<u>Encum- brances</u>	<u>Remaining Balance</u>	<u>Percent of Budget</u>	<u>Previous YTD</u>
REVENUES						
Vehicle Rental Charges	2,146,217	2,146,217	-	-	100.0%	1,801,194
Investment Income	128,400	137,405	-	(9,005)	107.0%	138,017
Rents & Concessions	224,401	224,401	-	-	100.0%	224,401
Miscellaneous	50,000	93,003	-	(43,003)	186.0%	78,470
TOTAL REVENUES	<u>2,549,018</u>	<u>2,601,026</u>	<u>-</u>	<u>(52,008)</u>	<u>102.0%</u>	<u>2,242,082</u>
EXPENSES						
Salaries & Benefits	185,579	185,242	-	337	99.8%	158,459
Materials, Supplies & Services	3,059	2,432	-	627	79.5%	1,779
Special Projects	300,000	-	28,567	271,433	9.5%	-
Capital Outlay Transfers	275,000	275,000	-	-	100.0%	-
Capitalized Fixed Assets	2,142,986	1,202,046	880,808	60,131	97.2%	430,489
TOTAL EXPENSES	<u>2,906,624</u>	<u>1,664,720</u>	<u>909,374</u>	<u>332,529</u>	<u>88.6%</u>	<u>590,727</u>

CITY OF SANTA BARBARA
Interim Statement of Revenues and Expenses
For the Twelve Months Ended June 30, 2013 (100% of Fiscal Year)

FLEET MAINTENANCE FUND

	<u>Annual Budget</u>	<u>YTD Actual</u>	<u>Encum- brances</u>	<u>Remaining Balance</u>	<u>Percent of Budget</u>	<u>Previous YTD</u>
REVENUES						
Vehicle Maintenance Charges	2,371,918	2,371,918	-	-	100.0%	2,371,917
Reimbursements	10,000	10,000	-	-	100.0%	-
Miscellaneous	60,000	89,982	-	(29,982)	150.0%	46,257
Operating Transfers-In	-	-	-	-	100.0%	98,805
TOTAL REVENUES	<u>2,441,918</u>	<u>2,471,900</u>	<u>-</u>	<u>(29,982)</u>	101.2%	<u>2,516,979</u>
EXPENSES						
Salaries & Benefits	1,220,922	1,217,965	-	2,957	99.8%	1,129,064
Materials, Supplies & Services	1,250,057	1,166,012	12,176	71,870	94.3%	1,085,299
Special Projects	105,110	49,652	6,835	48,623	53.7%	46,615
Equipment	10,000	190	8,800	1,010	89.9%	810
Capitalized Fixed Assets	-	-	-	-	100.0%	50
TOTAL EXPENSES	<u>2,586,089</u>	<u>2,433,818</u>	<u>27,811</u>	<u>124,460</u>	95.2%	<u>2,261,839</u>

CITY OF SANTA BARBARA
Interim Statement of Revenues and Expenses
For the Twelve Months Ended June 30, 2013 (100% of Fiscal Year)

SELF INSURANCE TRUST FUND

	** Annual Budget	YTD Actual	Encum- brances	Remaining Balance	Percent of Budget	Previous YTD
REVENUES						
Insurance Premiums	2,598,025	2,598,025	-	-	100.0%	2,547,084
Workers' Compensation Premiums	2,600,000	2,600,001	-	(1)	100.0%	2,500,000
OSH Charges	187,961	-	-	187,961	0.0%	-
Investment Income	116,000	70,628	-	45,372	60.9%	112,299
Reimbursements	-	-	-	-	100.0%	967
Miscellaneous	-	4,458	-	(4,458)	100.0%	26,226
Accel - Return of Premium	600,000	600,000	-	-	100.0%	-
TOTAL REVENUES	6,101,986	5,873,111	-	228,875	96.2%	5,186,576
EXPENSES						
Salaries & Benefits	517,317	486,216	-	31,101	94.0%	437,692
Materials, Supplies & Services	5,076,048	5,555,112	196,356	(675,420)	113.3%	4,837,117
Special Projects	100	121	-	(21)	120.9%	-
Transfers-Out	356,007	356,007	-	-	100.0%	3,693,950
TOTAL EXPENSES	5,949,472	6,397,456	196,356	(644,340)	110.8%	8,968,759

*** The Self Insurance Trust Fund is an internal service fund of the City, which accounts for the cost of providing workers' compensation, property and liability insurance as well as unemployment insurance and certain self-insured employee benefits on a city-wide basis. Internal Service Funds charge other funds for the cost of providing their specific services.*

CITY OF SANTA BARBARA
Interim Statement of Revenues and Expenses
For the Twelve Months Ended June 30, 2013 (100% of Fiscal Year)

INFORMATION SYSTEMS ICS FUND

	Annual Budget	YTD Actual	Encum- brances	Remaining Balance	Percent of Budget	Previous YTD
REVENUES						
Service charges	2,358,079	2,358,078	-	1	100.0%	2,286,393
Miscellaneous	-	1,138	-	(1,138)	100.0%	1,209
Operating Transfers-In	-	-	-	-	100.0%	19,740
TOTAL REVENUES	2,358,079	2,359,215	-	(1,136)	100.0%	2,307,342
EXPENSES						
Salaries & Benefits	1,672,999	1,634,175	-	38,824	97.7%	1,477,903
Materials, Supplies & Services	795,547	664,529	28,387	102,631	87.1%	551,226
Special Projects	14,500	4,788	-	9,712	33.0%	6,045
Transfers-Out	43,000	43,000	-	-	100.0%	-
Equipment	402,853	132,745	15,234	254,874	36.7%	129,064
Capitalized Fixed Assets	1,000	-	-	1,000	0.0%	-
Appropriated Reserve	3,593	-	-	3,593	0.0%	-
TOTAL EXPENSES	2,933,492	2,479,238	43,621	410,633	86.0%	2,164,238

CITY OF SANTA BARBARA
Interim Statement of Revenues and Expenses
For the Twelve Months Ended June 30, 2013 (100% of Fiscal Year)

WATERFRONT FUND

	Annual Budget	YTD Actual	Encum- brances	Remaining Balance	Percent of Budget	Previous YTD
REVENUES						
Leases - Commercial	1,657,000	1,769,423	-	(112,423)	106.8%	1,439,633
Leases - Food Service	2,423,000	2,697,885	-	(274,885)	111.3%	2,486,793
Slip Rental Fees	4,041,464	4,065,437	-	(23,973)	100.6%	3,973,521
Visitors Fees	383,000	419,053	-	(36,053)	109.4%	400,350
Slip Transfer Fees	450,000	649,825	-	(199,825)	144.4%	614,000
Parking Revenue	1,886,360	2,069,079	-	(182,719)	109.7%	2,012,300
Wharf Parking	248,880	261,184	-	(12,304)	104.9%	255,775
Other Fees & Charges	235,008	236,599	-	(1,591)	100.7%	328,125
Investment Income	150,900	150,685	-	215	99.9%	160,588
Rents & Concessions	310,952	317,377	-	(6,425)	102.1%	314,249
Reimbursements	-	10,830	-	(10,830)	100.0%	-
Miscellaneous	286,000	287,745	-	(1,745)	100.6%	244,182
Operating Transfers-In	-	-	-	-	100.0%	453,481
TOTAL REVENUES	12,072,564	12,935,121	-	(862,557)	107.1%	12,682,998
EXPENSES						
Salaries & Benefits	5,741,416	5,537,685	-	203,731	96.5%	5,370,795
Materials, Supplies & Services	3,702,195	3,576,123	175,200	(49,128)	101.3%	3,359,738
Special Projects	140,685	123,846	2,995	13,844	90.2%	117,681
Debt Service	1,849,105	1,576,409	-	272,696	85.3%	1,520,474
Capital Outlay Transfers	1,540,978	1,540,978	-	-	100.0%	934,483
Equipment	129,369	81,881	-	47,489	63.3%	77,961
Capitalized Fixed Assets	40,000	-	-	40,000	0.0%	42,345
Other	-	10,472	-	(10,472)	100.0%	2,540
Appropriated Reserve	19,000	-	-	19,000	0.0%	-
TOTAL EXPENSES	13,162,748	12,447,394	178,195	537,159	95.9%	11,426,017

NOTE - These figures reflect the operating fund only. Though the capital fund is excluded, the current year contribution from the operating fund is shown in the Capital Transfers.

*Fiscal Year 2013 Interim Financial Statements
For the Year Ended June 30, 2013 (100% of Year Elapsed)*

General Fund Revenues

The table below summarizes General Fund revenues for the year ended June 30, 2013. For interim financial statement purposes, revenues are reported on a cash basis (i.e. when the funds are received). The table below does not include year-end adjusting entries to close the books, which will occur during the next several weeks, in preparation for the annual audit and compilation of the annual financial statements. ~~In September, after all year-end adjustments have been made, staff will present unaudited year-end results.~~ Major revenues and significant variances are discussed below.

Summary of Revenues For the Year Ended June 30, 2013 GENERAL FUND								
	Current Year Analysis					Prior Year Analysis		
	Annual Budget	YTD Budget	YTD Actual	YTD Variance	YTD Percent Rec'd	3-Year Average Bench- mark	Prior Year YTD Actual	Variance Prior Yr To Current Yr
Sales & Use Tax	\$ 19,933,931	\$ 19,933,931	\$ 20,403,788	\$ 469,857	102.36%	100.00%	\$ 18,778,491	8.7%
Property Tax	26,993,313	26,993,313	27,575,163	581,850	102.16%	100.00%	23,712,312	16.3%
UUT	7,015,200	7,015,200	6,958,180	(57,020)	99.19%	100.00%	7,055,721	-1.4%
TOT	14,489,200	14,489,200	14,517,653	28,453	100.20%	100.00%	13,515,942	7.4%
Business License	2,220,780	2,220,780	2,515,742	294,962	113.28%	100.00%	2,242,871	12.2%
Prop Trans Tax	356,180	356,180	644,438	288,258	180.93%	100.00%	418,507	54.0%
Total Taxes	71,008,604	71,008,604	72,614,965	1,606,361	102.26%	100.00%	65,723,846	10.5%
License & Permits	208,988	208,988	205,784	(3,204)	98.47%	100.00%	226,177	-9.0%
Fines & Forfeitures	2,970,304	2,970,304	2,848,926	(121,378)	95.91%	100.00%	2,712,089	5.0%
Franchise Fee	3,509,700	3,509,700	3,556,581	46,881	101.34%	100.00%	3,369,809	5.5%
Use of Money & Property	1,211,123	1,211,123	1,142,572	(68,551)	94.34%	100.00%	1,191,526	-4.1%
Intergovernmental	535,174	535,174	960,011	424,837	179.38%	100.00%	254,501	277.2%
Fee & Charges	18,693,706	18,693,706	19,285,259	591,553	103.16%	100.00%	19,818,306	-2.7%
Miscellaneous	11,847,522	11,847,522	12,355,285	507,763	104.29%	100.00%	9,204,492	34.2%
Total Other	38,976,517	38,976,517	40,354,418	1,377,901	103.54%		36,776,901	9.7%
Total Before Budgeted Variances	109,985,121	109,985,121	112,969,383	2,984,262			102,500,747	
Anticipated Year-End Var	1,200,000	1,200,000	-	(1,200,000)	0.00%	100.00%	-	0.0%
Total Revenues	\$111,185,121	\$ 111,185,121	\$ 112,969,383	\$ 1,784,262	101.60%	100.00%	\$ 102,500,747	

As seen in the table above, total revenues are approximately \$2,984,262 above the budget through June 30, 2013 before considering the Anticipated Year-End Variance of \$1.2 million. This amount represents the expected savings in expenditures at year-end.

Sales Taxes

Sales tax revenue through June 30, 2013 was \$469,857 above the budget. While representing four quarterly sales tax payments on a cash basis, the revenues received through June 30, 2013 provide information for the growth in sales tax revenues *earned* only for the quarter ended

*Fiscal Year 2013 Interim Financial Statements
For the Year Ended June 30, 2013 (100% of Year Elapsed)*

March 31, 2013. Sales tax ~~revenueses for the earned quarter~~ between April 1, 2013 and June 30, 2013 are received between July and September 2013. As part of the year-end adjustments made in September, once the payments have been received, these revenues will be treated as Fiscal Year 2013 revenue. As such, the final revenue total will change slightly.

Revenues through March were 5.0% above those from the March 2012. Sales tax revenues continue to show recovery from growth lost during the recession; however, March 2013 quarter receipts are still slightly below the level of sales tax receipts in the March quarter of fiscal year 2007, which was the City's peak year for sales tax revenue. If the final quarter results meet staff projections, Staff projects sales tax revenues to exceed budget by approximately \$429,000 at year-end. ~~based on a continuation of strong growth for the remaining three quarters.~~

Property Tax

Property tax revenue was \$581,850 above the budget, which is the final total. The actual secured and unsecured property taxes exceeded staff's budgeted growth estimates based on information received by the County after the start of the fiscal year. ~~Property tax revenues exceed the prior year totals actuals~~ by approximately \$3.98 million as the result of the dissolution of the Redevelopment Agency which resulted in one time payments to the City in the amount of \$2,365,810 and ongoing annual revenue payments of \$1,506,159.

Transient Occupancy Tax

TOT revenue was \$28,453 above the budget at June 30, 2013 on a cash basis, as shown on the table on the previous page. ~~Although the However, once year-end adjustments are still pending, based on what we know, accruals are recorded,~~ revenues ~~are expected to will end the year be \$~~\$186,411 above the adopted budget.

Business License Tax

Business License revenue is \$294,962 above the budget. The budget assumed a 1% earned revenue growth in Fiscal Year 2013. However, both a slight increase in business license renewals, and large increases in revenue resulting from the City's business license audit program, the City has seen ~~over a~~ 10.3% growth over the prior year.

Property Transfer Tax

Property Transfer Tax revenues is \$288,258 above the budget at June 30, 2013, as a result of greater than expected growth in home sales. Property Transfer Taxes are assessed at the time of the sale of real property, which are assessed based on the sales price. The large favorable variance is primarily the result of extremely strong revenues in January 2013. This was due either to an unusual number of sales and/or sales prices of the properties sold.

Intergovernmental

Intergovernmental revenue was approximately \$425,000 above budget. The largest component of intergovernmental revenue is mutual aid reimbursements received by the Fire Department for providing assistance to other agencies. The City is reimbursed for the actual costs of providing

**Fiscal Year 2013 Interim Financial Statements
For the Year Ended June 30, 2013 (100% of Year Elapsed)**

assistance plus an overhead factor. The Fire Department budgeted \$400,000 in reimbursements and has received \$735,000 in reimbursements as of June 30, 2013, amounting to \$335,000 above the adopted budget at year-end. In addition, \$155,000 of mutual aid revenues have been billed but not yet received as of June 30. These additional revenues will be used to offset additional unbudgeted overtime costs incurred responding to mutual aid calls and, accordingly, staff is recommending an increase in budgeted mutual aid revenues and a corresponding increase in appropriations for overtime costs.

Miscellaneous

Miscellaneous revenues include revenues that do not fall into one of the other major revenue categories. The largest inter-fund charge is \$5.8 million in overhead charges for administrative services (Finance, City Administrator, City Attorney, etc.) charged to special revenue and enterprise funds.

Miscellaneous revenue ~~is was~~ \$507,763 above budget primarily as a result of the sale of City owned property in the amount of \$534,000. There are also several year-end closing adjustments that have yet to be made which will result in additional revenues for ambulance services, transfers of library donations, and enterprise fund debt repayment. As such, we

Department	Annual Budget	YTD Budget	YTD Actual	Budget Variance	Percent Received YTD	Prior Year YTD	Prior Year Variance	Percent Variance
Finance	\$ 880,301	\$ 880,301	\$ 918,415	\$ 38,114	104.3%	\$ 884,995	\$ 33,421	3.8%
Community Development	4,347,916	4,347,916	4,375,886	27,970	100.6%	3,985,249	390,636	9.8%
Parks & Recreation	2,702,253	2,702,253	3,043,467	341,214	112.6%	2,883,638	159,828	5.5%
Public Safety	1,120,320	1,120,320	1,063,270	(57,050)	94.9%	1,242,840	(179,570)	-14.4%
Public Works	5,494,682	5,494,682	5,583,473	88,791	101.6%	5,482,443	101,029	1.8%
Library	681,140	681,140	682,352	1,212	100.2%	676,477	5,874	0.9%
Inter-Fund Charges	3,368,423	3,368,423	3,519,305	150,882	104.5%	4,530,012	(1,137,840)	-30.2%
Other Charges	98,671	98,671	99,093	422	100.4%	132,652	(33,646)	-31.1%
Total	\$ 18,693,706	\$ 18,693,706	\$ 19,285,259	\$ 591,553	103.2%	\$ 19,818,306	\$ (660,268)	-3.3%

expect revenues will further exceed budget.

Fees & Service Charges

Overall, fees and service charges are ~~about \$549,809~~ \$591,553 over the YTD budget. The table below provides more details on fees and service charges by department. The more significant mid-year-end variances are also discussed.

Parks & Recreation fees are approximately \$341,000 above budget. Revenues for many recreation programs performed well, providing for a year of strong growth. In particular, revenues from “active adult” classes at the Carrillo Recreation Center were approximately

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\$69,000 above budget;¹⁷ new youth programs brought in revenues \$47,000 above budget;¹⁷ cultural arts programs at the Cabrillo Pavilion Arts Center came in \$29,000 above budget;¹⁷ and the City's beach volleyball camp brought in revenues \$24,000 above budget.

Public Safety (police and fire) fees and charges are approximately \$57,000 under budget, and down approximately \$179,000 over the prior year. Several revenues are down slightly relative to the budget, including DUI response cost recovery, identification fees, and dismissal fees in the Police Department, and certain plan check fees in the Fire Department. In addition, Police Officer Standards and Training (POST) reimbursements for costs of training, which are reimbursable by the State, is down nearly \$86,000 because fewer officers participated in the special training in Fiscal Year 2013 than in Fiscal Year 2012.

Inter-Fund Charges are \$150,882 above the budget. These charges represent reimbursements from other City funds and departments and from other governments for various services. The majority of this variance is related to cost reimbursements for attorney's fees from the Redevelopment Successor Agency and SB90 reimbursements. Attorney fee reimbursements from the RDA Successor Agency have exceeded the budget by \$97,000. In addition, the City received over \$36,000 in unbudgeted SB90 reimbursements in the fiscal year.

Anticipated Year-End Variances and Budgeted Savings from Concessions

It is important to note that the table on page 1 includes \$1,200,000 for anticipated year-end budget variances. The \$1.2 million is roughly equal to 1.1% of budgeted operating expenditures in the General Fund and, although budgeted as a-revenue~~revenue~~, it represents staff's estimate of the favorable expenditure variances (i.e. expenditures *under* budget) for the year. As is the case each year, the Anticipated Year-End Variance budgeted will not reflect any actual revenues, but rather favorable variances in expenditures by year-end.

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General Fund Expenditures

The table below summarizes the General Fund budget and year-to-date expenditures through June 30, 2013. The "Adjusted Annual Budget" column represents the adopted budget, appropriation carryovers from the prior year, and any supplemental appropriations approved by Council in the current year.

The table includes actual expenditures without encumbrances, and a separate column for the variance after considering encumbrances. ~~Outstanding encumbrances include certain~~

SUMMARY OF EXPENDITURES GENERAL FUND For the Year Ended June 30, 2013							
Department	Adjusted Annual Budget	YTD Budget	YTD Actual	YTD Variance Without Encumbrance	Encum- brance	YTD Variance With Encumb Favorable (Unfavorable)	
						\$	%
Mayor & Council	\$ 737,693	\$ 737,693	\$ 728,443	\$ 9,250	\$ 392	\$ 8,858	1.2%
City Attorney	2,011,215	2,011,215	2,028,838	(17,623)	8,325	(25,948)	-1.3%
City Administrator	2,024,572	2,024,572	1,934,180	90,392	499	89,893	4.4%
Administrative Svs.	1,733,693	1,733,693	1,616,458	117,235	2,201	115,034	6.6%
Finance	4,707,377	4,707,377	4,472,711	234,666	24,557	210,109	4.5%
Police	35,826,942	35,826,942	35,735,340	91,602	49,524	42,078	0.1%
Fire	21,923,941	21,923,941	22,235,391	(311,450)	38,155	(349,605)	-1.6%
Public Works	7,284,777	7,284,777	6,960,573	324,204	19,170	305,034	4.2%
Parks & Recreation	13,266,039	13,266,039	13,263,366	2,673	89,787	(87,114)	-0.7%
Library	4,678,836	4,678,836	4,426,787	252,049	20,637	231,412	4.9%
Community Development	9,493,307	9,493,307	8,736,733	756,574	30,715	725,859	7.6%
Community Prom/Gen Gov't	6,590,924	6,590,924	6,343,379	247,545	-	247,545	3.8%
Total	\$ 110,279,316	\$ 110,279,316	\$ 108,482,199	\$ 1,797,117	\$ 283,962	\$ 1,513,155	1.4%
% of annual budget		100.0%	98.4%	1.6%	0.3%	1.4%	

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~~appropriations that were carried forward from prior year and contracts.~~

The year-to-date budget of \$110.3 million at June 30, compared to actual expenditures of \$108.5 million, resulted in a variance of approximately \$1.8 million. Significant variances in departments are discussed below.

Effective during the first half of fiscal year 2013, City Council approved a one-time vacation cash out of up to 40 hours per eligible employee. This resulted in unbudgeted expenditures totaling approximately \$500,000 for the majority of City Departments. ~~Virtually Staff believes that most all department sal budgets~~ have sufficient appropriations to cover these one-time vacation cash outs.

City Attorney expenditures are slightly over the YTD budget by approximately \$18,000 and by \$26,000 with encumbrances. This variance was largely due to an unbudgeted vacation cash-out of \$28,000. However, City Attorney revenues exceeded budget at June 30 by

SUMMARY OF EXPENDITURES GENERAL FUND For the Year Ended June 30, 2013							
Department	Adjusted Annual Budget	YTD Budget	YTD Actual	YTD Variance Without Encumbrance	Encum- brance	YTD Variance With Encumb Favorable (Unfavorable)	
						\$	%
Mayor & Council	\$ 737,693	\$ 737,693	\$ 728,443	\$ 9,250	\$ 392	\$ 8,858	1.2%
City Attorney	2,011,215	2,011,215	2,028,838	(17,623)	8,325	(25,948)	-1.3%
City Administrator	2,024,572	2,024,572	1,934,180	90,392	499	89,893	4.4%
Administrative Svs.	1,733,693	1,733,693	1,616,458	117,235	2,201	115,034	6.6%
Finance	4,707,377	4,707,377	4,472,711	234,666	24,557	210,109	4.5%
Police	35,826,942	35,826,942	35,735,340	91,602	49,524	42,078	0.1%
Fire	21,923,941	21,923,941	22,235,391	(311,450)	38,155	(349,605)	-1.6%
Public Works	7,284,777	7,284,777	6,960,573	324,204	19,170	305,034	4.2%
Parks & Recreation	13,266,039	13,266,039	13,263,366	2,673	89,787	(87,114)	-0.7%
Library	4,678,836	4,678,836	4,426,787	252,049	20,637	231,412	4.9%
Community Development	9,493,307	9,493,307	8,736,733	756,574	30,715	725,859	7.6%
Community Prom/Gen Gov't	6,590,924	6,590,924	6,343,379	247,545	-	247,545	3.8%
Total	<u>\$ 110,279,316</u>	<u>\$ 110,279,316</u>	<u>\$ 108,482,199</u>	<u>\$ 1,797,117</u>	<u>\$ 283,962</u>	<u>\$ 1,513,155</u>	1.4%
% of annual budget		100.0%	98.4%	1.6%	0.3%	1.4%	

approximately \$126,000 due to additional Successor Agency Oversight Board reimbursements for attorney fees and additional civil penalties for litigation settlements. As of July 31, City Attorney expenditures exceeded budget at June 30, 2013 by \$28,000. Staff is recommending an increase to appropriations and estimated revenues of \$28,000.

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Fire Department expenditures are above the YTD budget by approximately \$311,000 and by \$350,000 with encumbrances. This variance is primarily due additional mutual aid expenditures. Mutual aid expenditures relate to the cost of providing assistance to other locations throughout the state. As of June 30, mutual aid expenditures amounted to \$711,000 in comparison to budgeted mutual aid expenditures of \$173,000. However, the Fire Department realized \$335,000 in additional mutual aid reimbursement revenues as of June 30 over original budgeted revenues of \$400,000. In addition, \$155,000 of mutual aid revenues have been billed but not yet received as of June 30. Staff is recommending an increase to appropriations and estimated revenues of \$400,000 for additional mutual aid activities for fiscal year 2013.

Parks and Recreation expenditures are below the YTD budget by approximately \$3,000; however, expenditures exceed budget by \$87,000 when including encumbrances. This \$87,000 variance is primarily due to increased hourly salaries and contract payments associated with for new and expanded recreation programs, which largely contributed to the . ~~However, the Parks and Recreation Department exceeded budgeted~~ revenues exceeding budget by approximately \$355,000 ~~due to the new and expanded recreation programs~~. As of July 31, 2013 the Parks and Recreation Department has closed approximately \$20,000 in purchase orders and related encumbrances. Therefore, Sstaff is recommending an increase to appropriations and estimated revenues of \$67,000.

Community Development expenditures are below YTD budget by approximately \$757,000. This variance is largely attributed to salary savings from medical leaves of absence, vacancies and a voluntary reduction from full-time to part-time hours for one employee. In addition, non-contractual and professional service expenditures are below budget at June 30.

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Enterprise Fund Revenues and Expenses

Unlike the General Fund, which relies primarily on taxes to subsidize programs and services, Enterprise Fund operations are financed primarily from user fees and other non-tax revenues.

The table below summarizes Enterprise Fund revenues and expenses through June 30, 2013, with a comparison to the current year budget and prior year expenses. The expenses shown in the table do not include outstanding encumbrances at June 30, 2013. **Outstanding encumbrances include appropriations that were carried forward from prior year as part of the appropriation carryovers and contracts.**

SUMMARY OF REVENUES & EXPENSES For the Year Ended June 30, 2013 ENTERPRISE FUNDS								
	Current Year Analysis						Prior Year Analysis	
	Annual Budget	YTD Budget	YTD Actual	YTD Variance	YTD Percent	3 Year Average	YTD Actual	% Variance
Water Fund								
Revenues	\$ 36,392,362	\$ 36,392,362	\$ 38,936,859	\$ 2,544,497	107.0%	100.0%	\$ 37,427,035	4.0%
Expenses	35,143,747	35,143,747	30,926,183	4,217,564	88.0%	100.0%	37,462,992	-17.4%
Wastewater Fund								
Revenues	20,257,200	20,257,200	20,407,931	150,731	100.7%	100.0%	16,461,528	24.0%
Expenses	17,369,170	17,369,170	15,619,483	1,749,687	89.9%	100.0%	16,613,485	-6.0%
Downtown Parking Fund								
Revenues	7,163,539	7,163,539	8,209,916	1,046,377	114.6%	100.0%	7,649,008	7.3%
Expenses	7,905,307	7,905,307	7,484,514	420,793	94.7%	100.0%	7,181,044	4.2%
Airport Fund								
Revenues	14,774,556	14,774,556	15,168,981	394,425	102.7%	100.0%	14,520,610	4.5%
Expenses	16,334,202	16,334,202	15,476,398	857,804	94.7%	100.0%	16,980,362	-8.9%
Golf Fund								
Revenues	1,872,903	1,872,903	1,855,377	(17,526)	99.1%	100.0%	1,933,780	-4.1%
Expenses	1,923,510	1,923,510	1,951,485	(27,975)	101.5%	100.0%	1,905,703	2.4%
Waterfront Fund								
Revenues	12,072,564	12,072,564	12,935,121	862,557	107.1%	100.0%	12,683,080	2.0%
Expenses	13,162,748	13,162,748	12,447,394	715,354	94.6%	100.0%	11,398,888	9.2%

The following discussion highlights some of the more significant revenue and expense variances of the enterprise funds, in relation to budget or prior year.

Water Fund

Water Fund revenues are approximately \$2,545,000 million above ahead of the year-to-date budget as of June 30, 2013. The variance is primarily due to water sales revenue being higher than projected as a result of increased demand during a very dry year.

Expenses for the Water Fund are below the YTD budget by approximately \$4,218,000. The variance is largely due to salary savings from vacancies and reduced overtime and lower than anticipated water treatment chemical and supplies costs, utility expenses and water purchases.

Wastewater Fund

Wastewater Fund revenues slightly exceed the YTD budget at year-end. Wastewater Fund expenses are approximately \$1,750,000 below the YTD budget largely due to reduced facilities maintenance needs, lower than anticipated utility costs and various special projects being postponed to fiscal year 2014.

Downtown Parking

Downtown Parking Fund revenues are reporting a positive variance of \$1,046,000. Hourly parking revenues have exceeded expectations due to fewer retail vacancies in the downtown corridor, no lot closures during the year and the recently added service of accepting credit cards. Monthly parking is also exceeding budget, primarily due to increased usage at the Granada Garage and City Lot 2. Overall, the strong revenues are reflective of a continued economic recovery that has helped increase revenues in a number of areas throughout City operations.

Downtown Parking Fund expenses are below the YTD budget by approximately \$421,000. This variance is primarily related to vacancies in hourly positions, one permanent vacancy and reduced maintenance expenses.

Golf Course Fund

Golf Course Fund revenues are approximately \$18,000 below the YTD budget as of June 30. Over the last several years, the Golf Course has seen a decline in revenue and rounds due to a national downtrend in the sport of golf. Greens fees, the largest revenue source for the Golf Course Fund, realized revenues of \$1,516,000, approximately \$44,000 below budget. This variance in greens fee revenues was partially offset by concession revenues exceeding budget by \$20,000 and interest income exceeding budget by \$4,000.

Golf Course Fund expenses are \$28,000 above budget at June 30. The Golf Course Fund has no outstanding encumbrances at year-end. This variance was primarily due to a one-time vacation cash out of \$13,000, additional vacation cash-outs of \$8,000 and higher than anticipated water costs resulting from a dry year. Additional water costs amounted to \$67,000, which was largely offset by reduced expenses in several other line items. At the beginning of fiscal year 2013, the Golf Course Fund had a reserve balance of \$435,000, which was .

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~~Pursuant to City Policy, the Fund was~~ \$156,000 below policy reserves. Staff is recommending an increase in appropriations from reserves of \$28,000, which will increase the amount of reserves below policy.

City of Santa Barbara
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Proposed Budget Adjustments

	<u>Increase (Decrease) in Appropriations</u>	<u>Increase (Decrease) in Estimated Revenues</u>	<u>Addition to (Use of) Reserves</u>
GENERAL FUND			
City Attorney			
Successor Agency Oversight Board Reimb.- Attorney Fees & Civil Penalties	\$ -	\$ 28,035	\$ 28,035
One-Time Vacation Cash Out	28,035	-	(28,035)
<p>City Attorney's budget was unable to cover one-time unbudgeted vacation cash outs. However, City Attorney Successor Agency Oversight Board reimbursements for attorney fees and civil penalties for litigation settlements revenues exceeded budget. These recommended entries increase appropriations and estimated revenues to cover the unbudgeted vacation cash out.</p>			
Police Department			
AB109 Public Safety Realignment - Santa Barbara County Revenues	-	26,400	26,400
AB109 Public Safety Realignment - Overtime Salaries	26,400	-	(26,400)
<p>The Police Department bills Santa Barbara County quarterly for overtime salary costs related to the AB109 Public Safety Realignment Program. These recommended entries increase appropriations and estimated revenues for the FY13 activity for this program.</p>			
Transfer SBRNET Revenue Budget from General Fund to Misc. Grants Fund	-	(63,000)	(63,000)
<p>The Police Department receives grant funding for one full-time officer to participate on the Santa Barbara Regional Narcotic Enforcement Team (SBRNET). This recommended entry transfers the estimated revenues for SBRNET from the General Fund to the more appropriate Miscellaneous Grants Fund where the revenue was recorded.</p>			
Fire Department			
Mutual Aid Revenues	-	400,000	400,000
Mutual Aid Overtime Salary Costs	400,000	-	(400,000)
<p>Due to a high fire season, the Fire Department experienced higher than anticipated mutual aid expenditures related to the cost of providing assistance to other locations in the state. These recommended entries increase appropriations and estimated revenues for the additional mutual aid activities.</p>			
Parks and Recreation			
Recreation Program Revenues	-	67,000	67,000
Recreation Programs - Hourly Salaries & Contract Payments	67,000	-	(67,000)
<p>During FY13, new and expanded recreation programs resulted in additional recreation revenues and increased costs for hourly salaries and contract payments. These recommended entries increase appropriations and estimated revenues for the new and expanded recreation programs.</p>			

	<u>Increase (Decrease) in Appropriations</u>	<u>Increase (Decrease) in Estimated Revenues</u>	<u>Addition to (Use of) Reserves</u>
GENERAL FUND (Cont.)			
Community Development			
Transfer Overnight Accom. Rev/Exp Budget from Affordable Housing	15,787	1,781	(14,006)
<p>At third quarter, the remaining revenue and expenditure budget balances for overnight accommodation mitigation funds were transferred from the City Affordable Housing Fund. This recommend entry will transfer the original revenue and expenditure budgets to enable accounting for all activity for FY13 in the General Fund.</p>			
Total General Fund	<u>\$ 537,222</u>	<u>\$ 460,216</u>	<u>\$ (77,006)</u>
SPECIAL REVENUE FUNDS			
Miscellaneous Grants Fund (031)			
Transfer SBRNET Revenue Budget from Misc. Grants Fund to General Fund	\$ -	\$ 63,000	\$ 63,000
<p>The Police Department receives grant funding for one full-time officer to participate on the Santa Barbara Regional Narcotic Enforcement Team (SBRNET). This recommended entry transfers the estimated revenues for SBRNET from the General Fund to the more appropriate Miscellaneous Grants Fund where the revenue was recorded.</p>			
Avoid the 12 Grant - Campaign Against Impaired Drivers	18,327	18,327	-
<p>The Police Department receives funding from two California grants for a Multi-Agency Campaign against impaired drivers, referred to as the Avoid the 12 Grant. Billings are submitted quarterly for overtime costs related to DUI checkpoints and operations. These recommended entries increase appropriations and estimated revenues for the FY13 activity for this program.</p>			
Total Miscellaneous Grants Fund	<u>\$ 18,327</u>	<u>\$ 81,327</u>	<u>\$ 63,000</u>
City Affordable Housing Fund (122)			
Transfer Overnight Accommodation Rev/Exp Budget to General Fund	\$ (15,787)	\$ (1,781)	\$ 14,006
<p>At third quarter, the remaining revenue and expenditure budget balances for overnight accommodation mitigation funds were transferred to the General Fund. This recommended entry will transfer the original revenue and expenditure budgets to enable accounting for all activity for FY13 in the General Fund.</p>			
Total City Affordable Housing Fund	<u>\$ (15,787)</u>	<u>\$ (1,781)</u>	<u>\$ 14,006</u>
ENTERPRISE FUNDS			
Airport Capital Fund (442)			
Transfer from Airport Bond Capital for Reimb. of Airline Terminal Improv. Exp.	\$ -	\$ 346,367	\$ 346,367
<p>This recommended entry will transfer funds from the Airport Bond Capital Fund to the Airport Capital Fund to reimburse the Capital Fund for costs expended on the Airport Terminal Improvement Project.</p>			
Total Airport Capital Fund	<u>\$ -</u>	<u>\$ 346,367</u>	<u>\$ 346,367</u>

	<u>Increase (Decrease) in Appropriations</u>	<u>Increase (Decrease) in Estimated Revenues</u>	<u>Addition to (Use of) Reserves</u>
ENTERPRISE FUNDS (Cont.)			
Airport Bond Capital Fund (447)			
Transfer to Airport Capital for Reimb. of Airline Terminal Improvement Exp.	\$ 346,367	\$ -	\$ (346,367)
This recommended entry will transfer funds from the Airport Bond Capital Fund to the Airport Capital Fund to reimburse the Capital Fund for costs expended on the Airport Terminal Improvement Project.			
Total Airport Bond Capital Fund	<u>\$ 346,367</u>	<u>\$ -</u>	<u>\$ (346,367)</u>
Golf Course Fund (451)			
One-Time Vacation Cash Out & Additional Water Costs	\$ 28,000	\$ -	\$ (28,000)
This recommended entry will increase appropriations to cover a one-time vacation cash out of \$13,000 and higher than anticipated water costs during a dry year.			
Total Golf Course Fund	<u>\$ 28,000</u>	<u>\$ -</u>	<u>\$ (28,000)</u>



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: August 13, 2013

TO: Mayor and Councilmembers

FROM: Administration Division, Parks and Recreation Department

SUBJECT: Urban Forest Management Plan Status Report

RECOMMENDATION:

That Council receive a status report and discuss development of the Urban Forest Management Plan.

EXECUTIVE SUMMARY:

The City of Santa Barbara has a long history of municipal tree planting and a diverse urban forest. Today, Santa Barbara's urban forest faces a number of challenges related to tree age, infrastructure constraints, species diversity, program funds, and community participation. The Parks and Recreation Department began developing an Urban Forest Management Plan (Plan) in July 2012 to provide a long-term guide for the preservation and enhancement of trees in Santa Barbara. Progress toward developing the Plan includes the completion of the: tree canopy assessment, community tree information survey, urban forest key issues, and draft plan goals, objectives and actions as well as mission and vision statements. Next steps include additional public discussion through community and other public meetings, community outreach, and further draft plan development.

DISCUSSION:

Background

The City of Santa Barbara has a long history of municipal tree planting and a diverse urban forest. Initially spearheaded in the early 1900s through the horticultural and civic leadership of prominent City residents, it is estimated that the City's urban forest is currently comprised of more than 320,000 trees. City-owned trees along public streets and in parks and other public places are estimated to represent 20 percent of the urban forest. The remaining 80 percent is found on private and other public property. There are more than 450 species of trees on City property.

Although the City has a Street Tree Master Plan (1977) and tree preservation policy guidance in the Municipal Code, General Plan, and other policy initiatives, Santa Barbara's urban forest faces a number of challenges. In certain areas of the City, the urban forest is aging, mature trees conflict with infrastructure, and species diversity is in decline. In addition, resources for the planting and care of trees and community participation in tree management are limited. The development of an urban forest management plan provides an opportunity to identify long-term preservation and enhancement objectives, and address key management considerations including canopy cover, infrastructure constraints, and environmental, land use, aesthetic, and community considerations.

Project Scope

The Department began developing the Urban Forest Management Plan (Plan) in July 2012. The primary objective of the Plan is to provide a long-term guide for the preservation and enhancement of Santa Barbara's urban forest. The scope of work includes preparation of a baseline tree canopy assessment and policy options analysis; public outreach through community meetings, City TV, web resources, and other public information methods; public discussion during Board and Commission meetings, and final action by the City Council to incorporate the Plan in City policy and operations. The project has a technical advisory committee comprised of members from the City's Street Tree Advisory Committee, Parks and Recreation Commission, Santa Barbara Beautiful, Santa Barbara Botanic Garden, and Southern California Edison. The Department is coordinating plan development with the Community Development, Public Works, and Fire Departments, and the City Attorney's Office.

Project Status

Over the last 12 months, the Department completed and advanced a number of important project tasks. These include formation of the technical advisory committee, completion of the citywide tree canopy assessment, case studies of other urban forest management plans, preparation of the baseline analysis and background documents, completion of a community tree information survey, preparation of a key issues document, and development of draft goals, objectives, and actions as well as mission and vision statements.

Tree Canopy Assessment

The purpose of the tree canopy assessment was to document existing canopy cover through the community. A canopy cover assessment is a useful method of gauging the breadth of a community's urban forest and can provide a baseline for developing urban forest goals and programs. Canopy is generally defined as the percent of area that is covered by the crown of a tree.

Digital mapping of individual and continuous canopy throughout the City revealed that there are 2,787 acres of canopy for Santa Barbara. This area, divided by the total city area of 10,986 acres, calculated the overall citywide canopy cover at 25.4%. The area excludes unincorporated areas, the Santa Barbara Airport, and the area of the 101 Freeway that intersects within the City limits. As shown in the table below, the assessment data was used to determine canopy cover for residential areas, parks and open space, and other major land uses.

Location (2011 General Plan Zones)	Canopy Area (Acres)	Percent Canopy by Location	Percent Canopy of entire city	Estimated Tree Population
Entire City	2,787	25.4%	100%	322,290
Residential Areas	2,094	27.8%	80.6%	259,719
Parks and Open Spaces*	322	23.3%	11.6%	36,727
Commercial/Civic	140	20.4%	4.9%	16,077
Public Schools	55	18.7%	2.0%	6,299
Office Areas	20	11.4%	0.7%	2,320
Industrial	10	6.9%	0.4%	1,148

*Parks and Open Space areas in the 2011 General Plan include The Montecito Country Club, Sheffield Reservoir, Laurel Canyon Reservoir, and the Santa Barbara Municipal Golf Course.

Community Tree Survey

The purpose of the survey was to learn more about public concerns surrounding trees, gather perspectives of City tree priorities, and gauge familiarity with tree preservation ordinances. The survey was developed for distribution at community meetings held in January. The online survey tool, *Survey Monkey*, was subsequently used to broaden survey responses. A link to the online survey was emailed to a select group of residents including: City of Santa Barbara e-subscribers, subscribers to the City's weekly newsletter, and members of the online community forum Nextdoor.com. Additionally, the survey was placed on the Forestry webpage. Key findings from the 517 surveys include:

- *Most important tree-related issues:* Aesthetics and appearance, pruning and maintenance, tree health, tree protection, and historic and specimen species.
- *Top City priorities:* Tree health and aesthetics, public safety, tree planting, tree maintenance, and tree protection.
- *Resident contribution to the urban forest:* Maintaining and planting trees on private property, reporting problems, and understanding City policies and practices.
- *Contact with the City about trees:* 51% reported having contacted the City and 48% had not.
- *Familiarity with tree preservation policies:* 44% reported being unfamiliar, 47% reported being somewhat familiar, and 9% reported being very familiar.

Urban Forest Key Issues

The Department developed an assessment of urban forest key issues (Attachment 1) through the community tree survey, community meetings, and discussions with the technical advisory committee, City staff, and City Boards and Commissions, including the Street Tree Advisory Committee, Parks and Recreation Commission, Single Family Design Review Board, Architectural Board of Review, Historic Landmarks Commission and Planning Commission. As the attached document illustrates, many of the key issues address street tree and park tree maintenance and management, private tree maintenance, program funding, policy guidance, public participation and knowledge about trees, and environmental considerations.

Vision and Mission

To guide the development of the urban forest management plan, the technical advisory committee and staff developed the following vision and mission statement.

Vision: Santa Barbara's urban forest is healthy and diverse, and contributes to the community's economic, environmental, and aesthetic vitality. It is valued and cared for by the City and its citizens, and reflects our horticultural heritage.

Mission: Preserve, protect and enhance our trees, promote the benefits of trees, and foster a healthy and diverse urban forest.

Draft Goals, Objectives, Actions

Since April 2013, the Department has been working with the technical advisory committee and other department staff to develop draft urban forest plan goals, objectives, and actions (included as Attachment 2). Based on the key issues identified to date, they represent potential steps that the City and community could take over the next 30+ years to preserve and enhance Santa Barbara's urban forest.

There are four primary goals for the plan, including:

- Goal 1: Elevate the importance of the urban forest.
- Goal 2: Continue Santa Barbara's horticultural legacy.
- Goal 3: Promote a vibrant and healthy community.
- Goal 4: Foster awareness and appreciation of trees.

Fifteen draft plan objectives are organized under three areas: Tree Resource Management, City Organization and Policy, and Community Involvement. Each objective has a series of actions. Tree Resource Management objectives and supporting actions are primarily focused on the planning, planting, and maintenance of trees and tree growing spaces on City streets, parks and other public places. City Organization and Policy draft plan objectives and supporting actions address organizational management needs, and policy and inter-agency coordination considerations. Community Involvement objectives and supporting actions focus on enhancing and expanding community participation and investment in the urban forest.

Next Steps/Project Schedule

To solicit feedback and additional public discussion on the project, including a review of the draft goals, objectives and actions, the Department will be conducting additional community meetings as well as presenting to City boards and commissions in September and October 2013. The Department will also develop an implementation matrix that includes roles and responsibilities, prioritizes the actions, and establishes a timeframe (short, medium or long-term) for implementation. Community information tools including CityTV *Inside Santa Barbara*, printed materials and website updates will also be developed in fall 2013. The Department anticipates returning to Council with the draft plan in January 2014.

BUDGET/FINANCIAL INFORMATION:

The total cost of the project is \$120,342. The project is funded in part by a \$71,092 grant from the California Department of Forestry and Fire. The Parks and Recreation Department is providing matching funds in the amount of \$49,250. Matching funds are included in the Parks and Recreation Department's annual operating budget.

SUSTAINABILITY IMPACT:

In addition to quality of life and aesthetic community benefits, the City's urban forest provides energy conservation, water quality, air quality, and wildlife habitat benefits.

ATTACHMENTS: 1. Urban Forest Key Issues
2. UFMP Draft Mission, Vision, Goals, Objectives and Actions

PREPARED BY: Jill E. Zachary, Assistant Parks and Recreation Director

SUBMITTED BY: Nancy L. Rapp, Parks and Recreation Director

APPROVED BY: City Administrator's Office

**Santa Barbara Urban Forest Project
Key Issues – March 21, 2013**

In order to develop goals and actions for the Urban Forest Management Plan, a number of key issues and considerations are presented for discussion. These issues have been identified by or discussed in a range of venues by the Department and other City staff, appointed Board and Commission members, and members of the public attending Community Meetings and Tree Survey respondents. Also included are comments from Technical Advisory Committee (TAC) members. Key issues have been categorized into five subject areas: Tree Resource Management, Policy and Planning, Program Funding, City Organization and Community Involvement.

Description of Key Issue	Also Identified by Public	Comments
Tree Resource Management - Street Tree Management and Maintenance		
Low diversity/Overuse of similar species in existing population	✓	TAC identified key issue
Need to develop a proactive approach to systematic removal and replacement of poor performing trees, or trees at the end of their life	✓	Community attendees and survey respondents identified quick replacement of dead and dying trees as a key issue
Need to develop a plan to systematically address/minimize infrastructure conflict	✓	Public safety as it relates to infrastructure conflicts was one of the top five issues identified in both the Community Meeting and Tree Survey. Sidewalk conflicts fall at #6 as most important tree issue in Tree Survey.
Tree planting and landscaping challenges when buildings are constructed at property line and/or building heights limit tree sizes and/or ability to plant trees		Redevelopment/Urban infill changes street scapes and tree options.
8,000 vacant planting sites	✓	Community attendees and survey respondents identified quick replacement of dead and dying trees as a key issue
Maintenance focus on grid pruning and citizen response pruning	✓	Proactive Pruning/Maintenance second most important issue most important to public in Tree Survey and most commented on City priority.
Climate change impacts have unknown consequences on tree population	✓	Identified by TAC and City departments.

Description of Key Issue	Also Identified by Public	Public, TAC and City staff comments
Street Tree Management and Maintenance continued		
Conflict between trees/solar access/views likely to increase	✓	TAC, City departments, survey respondents identified this as a key issue.
Need for proactive vs. reactive pest management		
Value of trees not frequently considered		
Trees not treated as a capital resource		
Park Tree Management and Maintenance		
Park tree maintenance focused on safety		
Significant number of park trees occur only once with no plan to offset loss of unique species	✓	Identified by TAC and public as a key issue. Tree health and protection identified as #3 and #4 most important tree issues in Tree Survey.
Climate change impacts have unknown consequences on tree population health, longevity and maintenance requirements		
Value of trees not frequently considered (such as water sequestration to reduce runoff)		
Opportunity to restore/enhance riparian canopy, eliminate invasive species and increase native habitat in open space parks and parks with creeks	✓	Tree protection identified as 4th most important to public in Tree Survey. Bird habitat frequently commented on as important resource.
Trees not treated as a capital resource		
Private Tree Management and Maintenance		
Poor or no maintenance and inappropriate planting and pruning practices <ul style="list-style-type: none"> • Fire access and vertical height clearance • Private trees that damage public infrastructure- City liable 	✓	Identified by City Fire Department as key issue. Tree Survey respondents listed planting and maintenance as number 1 way residents can contribute to the health of the urban forest.
Loss of tree resources through removals		
Conflict between trees and access to solar and views likely to increase	✓	Identified by TAC, City staff of various departments, Community Meeting attendees and Tree Survey respondents
Tree planting and landscaping challenges when buildings are constructed at property line and/or building heights limit tree sizes and/or ability to plant trees	✓	

Description of Key Issue	Also Identified by Public	Comments
Private Tree Management and Maintenance continued		
Lack of knowledge of landowner responsibility for maintenance of private infrastructure and regulated trees	✓	City liability when private trees and infrastructure damage City property identified as key issue by various City departments.
Enforcement of City tree preservation rules complaint driven		
Opportunities for restoration and enhancement of oak woodland and riparian woodland habitat	✓	Tree protection identified as #4 most important issue to public in Tree Survey.
Climate change impacts have unknown consequences on tree population health, longevity and maintenance requirements		
Policy and Planning		
Street Tree Master Plan outdated, provides limited guidance	✓	Identified by TAC and City staff
No overall Park Tree Master Plan <ul style="list-style-type: none"> • Lack of coordination with fire guidelines in open space parks • Fire prevention and species selection in parks and open spaces (Honda, Hale, canyons, Parma park, examples) • Defensible space considerations 	✓	Fire prevention a key issue identified as a key issue in Community meeting and Tree Survey, although discussed to a lesser extent.
Landscape design guidelines require the planting and maintenance of some trees on private property, yet enforcement of those plans is limited <ul style="list-style-type: none"> • Single Family Residential landscape plan trees are not protected unless the design review approval includes a protection condition 	✓	Identified by TAC members as key issue
Tree Plantings on rooftops and design review		
Santa Barbara General Plan, Climate Action Plan, Local Coastal Plan outline support for urban forest management but implementation not fully identified	✓	Implementation identified by City staff of various departments as key issue
City has a strong foundation for tree protection and enhancement		
Well-established advisory boards provide a solid framework to address urban forest issues.		

Description of Key Issue	Also Identified by Public	Comments
Policy and Planning continued		
Tree preservation ordinances do not completely address native trees, native habitat areas, or wildlife corridors	✓	Tree protection identified as #4 issue most important to public in survey. Bird habitat commented on.
Pedestrian Master Plan does not adequately address need for space to plant trees		
Design Review Boards require landscaping within parkways without regard to maintenance needs		
Risk Reduction Plans based on reducing wind/falling limb hazards-identify potential high hazard trees or areas		
High Fire Hazard Area Defensible Space requirements limit tree planting opportunities and require certain tree maintenance	✓	Identified by Fire Dept. as key issue
Purpose and function of Historic and Specimen designations not well defined <ul style="list-style-type: none"> • Review of definition and designation process with consideration of replacement species and location 	✓	Identified by TAC and City staff of various departments as a key issue
Program Funding		
Limited funding resources to plant, establish and maintain new street trees	✓	Community attendees and survey respondents identified quick replacement of dead and dying trees as a key issue
Limited funding resources to maintain existing street trees	✓	Proactive Pruning/Maintenance second most important issue most important to public in Tree Survey and most commented on City priority.
Lack of funding and mechanisms for community education/outreach and tree planting programs	✓	Involvement in tree planting and maintenance was one of three main items identified in the Tree Survey as ways in which residents can contribute to the health of the urban forest. The number one item they would like to learn more about- Caring for Street Trees.
Limited funds (recent reductions of 20%) for park tree maintenance		
Limited of funding for new park tree planting and establishment	✓	TAC and staff identified key issue especially as it relates to lost park species diversity

Description of Key Issue	Also Identified by Public	Comments
City Organization		
Budget implications across many departments with proactive identification and resolution of infrastructure conflicts	✓	Maintenance number one item discussed at Community Meeting and on Tree Survey
No comprehensive enforcement program that is proactive, education based		
Limited staff training		
Competing priorities among different departments can create conflict and adversely affect trees <ul style="list-style-type: none"> • The Wildland Fire Plan and high voltage wire street clearance requirements can lead to radical pruning with aesthetic and tree value impacts 	✓	SCE trimming practices commented on as aesthetically displeasing in Community Meeting and on Tree Survey
Inconsistent interdepartmental communication and coordination can result in missed opportunities to plant/maintain and protect trees		
Lack of staff knowledge on tree preservation and maintenance requirements results in missed opportunities, delayed project decision-making, loss of trees, lost opportunities for planting new trees and other issues.		
Community Involvement		
Limited community involvement in street tree selection, planting and maintenance	✓	Involvement in tree planting and maintenance was one of three main items identified in the Tree Survey as ways in which residents can contribute to the health of the urban forest. Out of 5 options, Survey respondents would like to learn most about Caring for Street Trees, followed by Caring for trees on their property, Different trees in the City, Planting Street Trees and last Benefits of trees.
Limited public knowledge of tree preservation policies	✓	Tree Survey respondents familiarity with Tree Preservation Policies: 44% Unfamiliar 47% Somewhat familiar 9% Very familiar

Description of Key Issue	Also Identified by Public	Comments
Community Involvement continued		
Public perception of street trees is diverse	✓	Tree Survey and Community Meeting responses range in opinion of aesthetics, proper maintenance, species type and more.
Lack of knowledge of City preservation rules and landowner responsibility for maintenance of private infrastructure and regulated trees	✓	See above comments. Survey respondents chose “Caring for trees on their property” as the 2 nd most requested item to learn more about.
Limited resident participation in street tree maintenance	✓	Care for street trees was rated as the number 1 topic residents would like to know more about.
Community involvement primarily focused on street tree maintenance through tree permitting.		
Incentive programs do not exist to promote tree planting on private property	✓	Identified as key issue by TAC, Community Meeting attendees and Tree Survey respondents
Residential homeowners often have an expectation that the City will provide prompt response based pruning	✓	Proactive Pruning/Maintenance 2nd most important issue to public in Tree Survey and most commented on City priority.

**City of Santa Barbara Urban Forest Management Plan
Vision, Mission, Goals, Objectives and Actions
Draft - July 26, 2013**

Vision

The vision of Santa Barbara's Urban Forest Management Plan and Urban Forest Program is that:

Santa Barbara's urban forest is healthy and diverse, and contributes to the community's economic, environmental, and aesthetic vitality. It is valued and cared for by the City and its citizens, and reflects our horticultural heritage.

Mission

The mission of the urban forest management plan is to:

"Preserve, protect and enhance our trees, promote the benefits of trees, and foster a healthy and diverse urban forest."

Goals

The urban forest management plan has four main goals:

1. Elevate the importance of the urban forest.
2. Continue Santa Barbara's horticultural legacy.
3. Promote a vibrant and healthy community.
4. Foster awareness and appreciation of trees.

Urban Forest Objectives

The fifteen objectives and corresponding implementation actions of the urban forest management plan are organized under three categories: 1) Tree Resource Management, 2) City Organization and Policy, and 3) Community Involvement.

I. Tree Resource Management

Objective 1: Maintain City trees to promote safety, health and longevity.

Actions

1. Continue to maintain the city tree database to achieve urban forest objectives and monitor tree management.
2. Increase frequency of the street tree trimming /maintenance cycle to promote safety, aesthetics, and tree health.
3. Develop multi-year plan to address tree maintenance, planting and removal citywide.
4. Conduct periodic tree assessments to monitor tree performance.
5. Develop a young tree training program to reduce the potential for mature trees to conflict with high voltage lines and other utilities and infrastructure.
6. Broaden and formalize partnerships with Southern California Edison (SCE), Caltrans and other utility companies through MOU's or other means to implement tree trimming plans that minimize conflict/maximize safety while promoting tree canopy, health and longevity.
7. Continue to work with the Fire Department to develop and implement proactive maintenance plans for street trees located in high fire zones.

Objective 2: Enhance street parkway growing conditions where feasible.

Actions

1. Identify existing parkways that could be enlarged to accommodate greater canopy and/or larger canopy trees.
2. Revise City infrastructure construction specifications to maximize tree health and longevity and minimize infrastructure damage.
3. Provide extra protection for newly planted trees such as curb adjustments and protective barriers where necessary.
4. Promote streetscape redevelopment to maximize parkway planting area.
5. Improve parkway soil conditions to promote young tree root development and minimize infrastructure damage.
6. Where feasible, include irrigation during parkway and sidewalk redevelopment.
7. Revise parkway and tree planting guidelines and specifications to maximize tree health.
8. Work with adjacent land owners and neighborhoods to provide supplemental water and weed management.

Objective 3: Optimize tree canopy.

Actions

1. Identify planting locations along City streets, in City parks and on other public property that can support greater canopy and/or large canopy tree species.
2. Increase the use of large-canopy trees where practical.
3. Expand street tree planting and replacement program placing priority on neighborhood with the least trees and in neighborhoods willing to provide supplemental early tree care.
4. Expand young tree care program to increase plantings and associated care and maintenance.
5. Determine the extent of available planting space and opportunities to increase available planting space along City streets, in City parks and on other public property.

Objective 4: Optimize age and enhance species diversity.

Actions

1. Maintain existing species diversity and investigate methods for increasing desirable species that are rare.
2. Assess and develop age and species criteria for City parks and other City property.
3. As part of the Street Tree Master Plan (STMP) update, define appropriate age and species diversity distribution and locate areas where new or replacement trees should be planted.
 - Increase planting species that have longer average life spans and decrease use of those with shorter average life spans.
 - Determine potential life spans in Santa Barbara for designated trees and potential designated trees.
 - Determine potential growth size of designated and potentially designated trees in Santa Barbara.
 - Formalize the criteria and methodology for change to street tree designations.
5. Enhance and preserve historic and culturally significant trees city-wide.
6. To the extent feasible, work with local and regional nurseries and other public agencies to grow/propagate unique and desirable tree species not commercially available.

Objective 5: Maximize the economic, environmental, and aesthetic benefits of the urban forest.

Actions

1. Locate new tree plantings in areas that will maximize energy conservation in building and shading of pavement.
2. Encourage the use of parking lot and streetscape designs that provide greater amounts of pavement shading.
3. Develop an economic/environmental tree resource calculator/performance checklist to evaluate the tree resource as it relates to other capital resources during land development.
4. Develop long-term street tree plans for major commercial corridors and public areas such as Upper State St, De La Vina Street, Carrillo Street, Milpas Street, Chapala Street and Cliff Drive. Integrate plans in land development projects and public infrastructure improvements.

5. Require street tree plantings and maintenance as part of permitting for all land development and/or redevelopment, when new trees are planted.
6. Develop tree resource management guidelines that balance tree resource value with solar access and solar energy system design.
7. Work with private landowners to minimize the potential for private trees to conflict with public infrastructure.

Objective 6: Provide urban forest benefits that enhance visitor experiences in City parks and facilities.

Actions

1. Increase park tree maintenance for prolonged health and longevity.
2. Develop a tree replacement program that enhances aesthetics and promotes recreation.
3. Continue to work with the Fire Department to develop and implement proactive maintenance plans for parks located in high fire zones.
4. Protect and enhance trees in historically significant parks such as Alameda Park, Alice Keck Park Memorial Gardens, Orpet Park and Franceschi Park through increased tree maintenance and tree planting programs.
5. Maintain the history, design, cultural integrity, and functional use of developed parks, particularly during replanting and/or redesigning elements of developed parks.
6. Increase canopy cover to enhance habitat for wildlife and for public benefit, where appropriate.
7. Maintain stands of large trees in open spaces and community and developed parks.

Objective 7: Enhance and preserve trees within native habitats including riparian areas, oak woodlands and protected open spaces.

Actions

1. Use large native trees in riparian zones and areas that connect to native landscaping and open spaces, where feasible.
2. Minimize compaction of soil under drip lines of trees by routing trails and pathways around trees.
3. To the extent feasible, control invasive, non-native vegetation that threatens trees in riparian areas and open space parks.
4. Develop riparian canopy restoration program in parks with creek habitats.
5. As part of the Park Tree Master Plan, address riparian and oak woodland management to preserve and protect mature trees, native tree saplings and native understory vegetation.

City Organization and Policy

Objective 8: Enhance City investment in the health and management of the urban forest.

Actions

1. Increase funding for the management and care of City trees in the urban forest.
2. Establish funding for community outreach programs and public education resources.
3. Identify and obtain external sources of funding to support the goals and strategies of the Management Plan.
4. Develop public-private partnerships to address tree resource needs not addressed in budget appropriations.
5. Evaluate the feasibility of the Street Tree/Parkway Management Assessment District.
6. Develop tree mitigation banking program that provides funding for the young tree care program.

Objective 9: Improve interdepartmental communication and coordination related to tree preservation and enhancement.

Actions

1. Establish formal urban forest team comprised of staff from Parks and Recreation, Public Works, and Community Development and Fire to address tree management and coordinate tree review for land development projects.
2. Implement annual staff and board/commission tree training program to review Tree Preservation and Tree Maintenance Policies, plus objectives and actions outlined in the Urban Forest Management Plan.
3. Collaborate with the Public Works Department to enhance street tree grow space during construction projects that involve sidewalks, curbs, gutters and other street-related work.

Objective 10: Elevate urban forest objectives in City policies and land development considerations.

Actions

1. Update the Street Tree Master Plan to address long range tree management objectives.
2. Develop a Park Tree Master Plan that includes maintenance objectives, and planting and replacement strategies.
3. Continue to implement and update, as needed, urban forest objectives in the City's General Plan Climate Action Plan, Local Coastal Plan, Pedestrian Master Plan, and Wildland Fire Plan.
4. Integrate tree resource management objectives in the future update to the Parks, Recreation and Open Space Element of the General Plan.

Objective 11: Ensure tree preservation and land development ordinances support urban forest management goals.

Actions

1. Review and update, if necessary, the City ordinances pertaining to trees and landscapes to ensure they are consistent with urban forest management plan objectives.
2. Develop Parkway Vegetation Planting and Care Guidelines/Checklist to better articulate and document plantings during land development review.
3. Review and revise, as needed, the definition of and criteria for designation of historic and specimen trees.
4. Clarify guidance for maintenance, longevity and replacement of designated Specimen and Historic trees.

Objective 12: Improve interagency coordination and partnerships.

Actions

1. Broaden and formalize partnerships with Southern California Edison (SCE), Caltrans and other utility companies through MOU's or other means to implement tree trimming and planting plans that minimize conflict/maximize safety while promoting tree canopy, health and longevity.
2. Develop partnerships with organizations, businesses and the public school system to encourage tree health and plantings on private property.

Community Involvement

Objective 13: Enhance public awareness and appreciation of the urban forest as a community resource.

Actions

1. Develop a comprehensive tree education program to provide city residents with information about tree preservation policies, the benefits trees provide, and the importance of tree canopy.
2. Strengthen citywide approaches to communicating about trees through web, print and media and social media plus continue to provide resources about urban forestry to the public through newsletters, permitting, websites, and other resources.
3. Hold annual public workshop to educate public on policies, maintenance and care of trees.
4. Develop partnerships with organizations, businesses, private schools the public school system and other public property to encourage tree health and plantings on private property.
5. Institute a program to acknowledge and publicize contributions to urban forestry by residents, businesses, institutions, and neighborhood group organizations.
6. Develop a heritage tree program to foster appreciation and inspire awareness of the contribution of city owned street trees and park trees to the City's history and heritage.

Objective 14: Expand public participation in urban forest preservation and enhancement.

Actions

1. Develop Adopt-a-block or Adopt-a-Tree program to encourage healthy long-lived street trees.
2. Develop a technical assistance program to support the planting and care of trees on private property.
3. Develop community service opportunities with schools and other institutions for urban forest stewardship projects.
4. Identify/Explore mechanisms for community involvement in street tree designations, maintenance, plantings and care.
5. Engage the community to identify opportunities and barriers for tree planting and preservation on public property.
6. Develop volunteer maintenance programs to increase public participation opportunities.

Objective 15: Expand public/private partnerships.

Actions

1. Develop partnerships with organizations, businesses, neighborhood associations, private schools and the public school system to encourage tree health and plantings on private property.
2. Seek opportunities to collaborate with universities and colleges and the public school system on urban forestry science and current research.
3. Partner with corporate programs that fund tree planting opportunities for carbon footprint reduction.
4. Encourage private landowners to apply the tree resource calculator when selecting trees to increase economic, environmental and aesthetic benefits and enhance property values.



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: August 13, 2013

TO: Mayor and Councilmembers

FROM: Planning Division, Community Development Department

SUBJECT: Zoning Information Report Process

RECOMMENDATION:

That Council consider the request from Mayor Schneider and Councilmember Francisco regarding the requirement for Zoning Information Reports (ZIRs) at the time of sale of residential property, and provide direction on possible amendments to the Zoning Ordinance to change the requirements and/or processing of ZIRs.

DISCUSSION:

Mayor Schneider and Councilmember Francisco requested that Council review the current Zoning Information Report (ZIR) process and determine whether any amendments to the Municipal Code should be initiated, including whether ZIRs should be optional rather than mandatory (Attachment 1).

City Staff have met with the Santa Barbara Association of Realtors (SBAOR) on several occasions to discuss issues that have arisen out of the ZIR process and potential options to address those issues. A primary area of concern to both SBAOR and staff relates to discrepancies between prior ZIRs and what staff presently finds as possible violations (usually improvements made without a building permit &/or zoning infractions). Other concerns include the timeframe in which the ZIR is requested and issued, and the City fee for the ZIR (Attachment 2). Attachments 3 and 4 provide staff's thoughts on these issues including the importance of the ZIR, an explanation of the process used to address and resolve violations, and potential changes in the process.

The potential options staff has developed include a Zoning Ordinance amendment to allow the Staff Hearing Officer (SHO) the authority to grant administrative approval of minor improvements that require a modification, similar to the administrative approval the Municipal Code currently allows for design review, and/or establishing an administrative appeal process on the findings of the ZIR. Staff prefers the SHO administrative approval process. Both of these options require amendments to the Municipal Code with a hearing for the Planning Commission recommendation and adoption by Council with at least 5 affirmative votes.

In discussions with the SBAOR representatives, they expressed general support for the options outlined by staff, but they also expressed concern that it still does not fully meet their objectives to dramatically change or completely eliminate the ZIR process, and so they are hesitant to support it.

Staff does not support the elimination of the requirement for a ZIR or a proposal to make the ZIR optional. It is important to understand that violations on a property are identified in a variety of ways and times, not just through the ZIR process but also through resident inquiries and when projects are proposed. Eliminating the requirement for a ZIR will not make the issue go away; it will push it further down the road. Improvements made to a property without proper approvals/permits are illegal whether they are called out in a ZIR or not. Identifying zoning and building violations at the time of sale of a residential property gives the seller and buyer the same information from the City on the status of the property and the opportunity to decide how to resolve the violations. Staff has received few complaints regarding the ZIR process from prospective buyers of a property or neighbors, and we believe it is important to consider many perspectives on the value of ZIRs which have been an integral part of the City's code enforcement process and a City residential sale disclosure mandate since 1976.

Additionally, staff believes that ZIRs are a strong incentive for property owners to seek necessary City approvals and permits rather than trying to construct improvements without a City building permit. Property owners are aware that ZIRs are required at the time of sale of the property and that improvements made on the property without the proper permits will be identified at that time. The elimination of the requirement of ZIRs could directly result in fewer property owners obtaining the proper approvals/permits which would lead to an increase in illegal dwelling units, substandard construction, and need for enforcement. For these reasons the City's Housing Element supports the continuation of the ZIR program. The City Attorney's office also believes that the City's ZIR requirement is a fundamental and critical aspect of the City's code enforcement efforts.

Staff is very sensitive to the issue that some previous ZIRs may not have called out an improvement as a violation. When violations are identified, staff works with owners/agents to resolve them. Staff uses its good judgment to resolve issues and sign off on improvements when there is at least some credible evidence to allow the improvements to remain. However, if information in the record clearly indicates a violation of zoning or building codes has occurred, staff cannot overlook those as-built unpermitted improvements. In some of these situations, the proposed SHO administrative approval would streamline the "as-built" permit process. For those instances when an improvement would not qualify for the SHO administrative approval process (i.e. it is not a minor improvement), staff will work to continue to streamline the permit process as much as possible.

Staff has added approximately 0.5 FTE to help with the ZIR case load to help address the issue of timeliness on the scheduling of ZIR inspection appointments. In addition, with the adoption of 2014 FY budget, Council authorized \$45,000 for hourly staff

support in the Zoning Section. The new position will be primarily assigned to enforcement, but will also assist with the preparation of ZIRs during periods of high volume.

- ATTACHMENTS:**
1. Memorandum from Mayor Schneider and Councilmember Francisco dated July 17, 2013
 2. Letter from SBAOR dated May 24, 2012
 3. City Staff Letter to SBAOR dated November 29, 2012
 4. Staff Outline of ZIR Process and Considerations to Resolve Issues

PREPARED BY: Susan Reardon, Senior Planner

SUBMITTED BY: Paul Casey, Assistant City Administrator/Community Development Director

APPROVED BY: City Administrator's Office



City of Santa Barbara
Mayor and Council Office

Memorandum

DATE: July 17, 2013

TO: Jim Armstrong, City Administrator

FROM: Helene Schneider, Mayor 
Dale Francisco, Councilmember 

SUBJECT: Request to agendaize an item regarding Zoning Information Reports (ZIRs).

Pursuant to Council Resolution No. 09-097 regarding the Conduct of City Council Meetings, we request that an item be placed on the Santa Barbara City Council Agenda regarding the requirement for Zoning Information Reports (ZIRs) at the time of sale of residential property.

This item meets the following criteria as explained below.

- A. A substantive outline or summary of the information that will be presented to the City Council;

There has been significant discussion between city staff and the Santa Barbara Association of Realtors (SBAOR) about amending the ZIR process. SBAOR believes that ZIRs have outlived their usefulness, that they should be optional rather than mandatory, and that legally required reports and tests are now so extensive that ZIRs are superfluous. City staff has discussed some benefits of the ZIR process and potential amendments that could expedite the process in certain situations. The Council should have a policy discussion on how or whether to change the ZIR process and/or make them optional.

- B. A concise statement of the specific action the City Council will be asked to take on the item;

That the Council give staff direction on the ZIR process and determine whether any amendments to the municipal code should be adopted, including the option of whether ZIRs should be optional rather than mandatory.

- C. A statement of the reasons why the requesting party believes it is appropriate and within the jurisdiction of the City Council to consider this subject matter and to take the requested action.

It is appropriate for the City Council to consider this matter because ZIRs are currently required under the Zoning Ordinance (28.87.220) in order to complete the sale of residential property within the City.

cc: Mayor and Councilmembers
Steve Wiley, City Attorney

May 24, 2012

Gwen Peirce, City Clerk Services Manager
Post Office Box 1990
Santa Barbara, CA 93102-1990

Re: Zoning Information Reports (ZIRs) and Request to Place Issue Before Council

Ms. Peirce:

Since 2009, the Santa Barbara Association of REALTORS® (SBAOR) has been working on a number of issues pertaining to Zoning Information Reports (ZIR's) with city staff. Some issues have been resolved, but one major issue is still outstanding and seems to need direction from the City Council to resolve.

The major outstanding issue revolves around property owners who purchased a home with a clean ZIR (no violations cited) from the city, yet when that same property owner (having made no modifications to the property) subsequently attempts to sell the home; the new ZIR cites and requires remediation of newly discovered violation(s). The violations cited in the new report were missed in the original inspection and not reported to the purchaser in the ZIR provided by the city. The property owner relied on the report they were given by the city when they purchased the property, yet they are now being forced by that same city to spend tens or even hundreds of thousands of dollars to correct problems they were not advised of in the original report. We believe, and we hope you will agree, that this is patently unfair and unnecessary in all but the most extreme cases of properties with significant health and safety violations. This is, and has been a serious problem. There were hundreds, perhaps thousands of ZIRs done in the past, and many of them missed numerous violations at the time they were performed. Those reports were relied on by the people who purchased those homes, regardless of the small print in which the city denies any responsibility or liability for the accuracy of the report. Those people are now being penalized (in some cases financially ruined) for relying on the information provided to them by the City itself. We implore the City Council to stop this inequitable practice.

Another somewhat glaring issue with the ZIR as currently administered is the cost. As you are aware the city must be revenue neutral on such programs yet the cost is far in excess of that charged by other cities nearby (See Exhibit 1). This has become a major point of contention for our members and their clients will certainly require further scrutiny and discussion as we move forward in our analysis of the ZIR program.

By way of background, ZIR's were originally created by the City of Santa Barbara with full support from SBAOR in the late 1970's as a way to disclose information about a property to potential buyers. ZIR's were instrumental at that time because of the lack of required formal disclosures during a real estate transaction. They were originally informational only and no enforcement went along with them. They subsequently became a way to identify (and remove) illegal dwelling units at a time when those were a significant problem in the city, and correctional enforcement started to occur. Originally, however, they were for informational purposes only.

Today there are over forty (40) disclosures (some of them required by law) that are commonly used during a real estate transaction (see Exhibit 2). Some examples of required disclosures that are used during a transaction in today's market are:

- Agency Disclosure and Agency Confirmation
- The Transfer Disclosure Statement
- Smoke detectors
- Heater bracing
- Carbon Monoxide Detector Disclosure & Compliance
- The visual inspection
- Natural Hazard Disclosure Statement
- Mello-Roos Taxes and 1915 Bond Act Assessments
- Informational booklets and form FLD
 - The Homeowners Guide to Earthquake Safety Booklet
 - The Commercial Property Owner's Guide to Earthquake Safety
 - Residential Earthquake Hazards Report
 - The Lead-Based Paint Pamphlet and Form FLD
 - The Residential Environmental Hazards Booklet
 - The Home Energy Rating system (HERS) Booklet
- Registered sex offenders
- Toxic mold

Disclosures in residential real estate transactions have become the norm rather than the exception. Not only has the law and practice focused on incorporating detailed disclosures into the real estate transaction, the utilization of professional inspectors has become the norm as well. Home inspections by certified inspectors, structural pest control inspections, roof inspections, sewer lateral inspections, mold inspections, and a host of others are frequently utilized in an industry that has swung to the side of over disclosure and over inspection to avoid problems and lawsuits later. In light of these inspections, the ZIR may very well have become an unnecessary evil.

SBAOR and most homeowners believe the city has a duty to stand behind the reports that have been generated and delivered to the citizens/homeowners by the City. We believe this is the right thing for the city to do despite the "small print" denying any responsibility for the reports. We believe the City, at a bare minimum, needs to "grandfather" these previously overlooked conditions for those properties so long as the "improvements" or conditions are not in danger of falling down, or causing a fire or other major hazards. In other words, as long as they are not a serious health and safety threat. The conditions should be treated as any other legal variance or pre-existing use, and be allowed for the present and future owners.

Better yet, perhaps the city should consider eliminating ZIRs all together. If not eliminating them then go back to providing them as informational reports and drop the enforcement component all together. Make the property owner aware of the problem(s) if there are any, and explain that any new permits may require mediation of some or all noted violations.

If no other action is taken, SBAOR would ask the City Council to direct staff to create a "grandfathering" and/or "allowed exception" clause and policy pertaining to ZIR's. We would also ask that the city allow these types of issues to be fast tracked through the permitting process at no additional cost to the property owner. This is an important issue that affects all homeowners with the City of Santa Barbara.

We look forward to discussing this important issue with the City Council, and to working towards an equitable solution to this on-going problem. Thank you for your time and consideration of this request.

Sincerely,

A handwritten signature in black ink that reads "J Caldwell". The signature is written in a cursive style and is contained within a rectangular box.

Jim Caldwell
President

Cc: Mayor Helene Schneider
City Councilmember Dale Francisco
City Councilmember Frank Hotchkiss
City Councilmember Grant House
City Councilmember Randy Rowse
City Councilmember Cathy Murillo
City Councilmember Bendy White
City Administrator Jim Armstrong
City Attorney Steve Wiley
Community Development Director Paul Casey

Enclosed: Exhibit 1 - Prices of ZIR's in other CA cities
Exhibit 2 - Disclosure forms
Exhibit 3 - ZIR Stories from agents and their clients
Exhibit 4 - Santa Barbara News-Press Letters: Opinion: The \$18,000 Shower



City of Santa Barbara

Community Development Department

ATTACHMENT 3

www.SantaBarbaraCA.gov

November 29, 2012

Santa Barbara Association of Realtors
Attn: Jim Caldwell, President
1415 Chapala Street
Santa Barbara, CA 93101

Director's Office

Tel: 805.564.5502

Fax: 805.564.5506

Building & Safety

Tel: 805.564.5485

Fax: 805.564.5476

Housing &

Redevelopment

Tel: 805.564.5461

Fax: 805.564.5477

Planning

Tel: 805.564.5470

Fax: 805.897.1904

Rental Housing

Mediation Task Force

Tel: 805.564.5420

Fax: 805.564.5477

630 Garden Street

PO Box 1990

Santa Barbara, CA

93102-1990

Mr. Caldwell;

Thank you for your letter dated May 24, 2012 regarding the preparation of Zoning Information Reports (ZIR) and violations found during that process. We have had a number of internal meetings over the past couple of months with Jim Armstrong, Steve Wiley, key planning staff, and myself. This letter serves as our response.

We are committed to resolve these issues as best as possible and propose that we consider an ordinance amendment to streamline parts of the ZIR process and the review and permitting process when violations need to be abated.

Purpose of ZIRs

We agree that the function of the ZIR has evolved over time. Originally, the purpose of the ZIR was to inform a potential buyer of the zoning and permitted use of the property. Street and planning files may have been researched, but archive plans were rarely checked. The majority of zoning violations noted in the ZIR were not followed-up with enforcement actions. Overtime, the ZIR has evolved to also include obvious building code violations such as new square footage, illegal dwelling units, or conversion of non-habitable space to habitable space. It has also become an important record for the abatement of zoning and building code violations found on site. We feel this evolution is warranted as ZIRs are an important mechanism to ensure a quality housing stock in the City and abate potentially unsafe conditions.

As-Built Issues

We recognize there are problems with some previous ZIRs not documenting every violation that may have existed on the property at the time the ZIR was prepared. There are various reasons why there are sometimes discrepancies between previous ZIRs and ZIRs prepared today. One reason is the level and/or quality of the research previously performed during the preparation of the previous ZIRs. Prior to 1996, City staff did not have easy access to the archive plans as they were located off-site. Today, the archive plans are located on-site and are routinely reviewed as part of the record check performed for each ZIR.

During the preparation of a ZIR, Staff researches planning and street files, archive plans, historic research documents, Sanborn Maps, and County Assessor records to try and find evidence in the record as to when a "new" improvement first appeared. Staff looks to see if the improvement might have been covered by a previous City approval, may have been a field change during construction signed off by a Building Inspector, or if it took place at a time when the City did not require a certain permit and the zoning standards were different. Based on this research, staff uses judgment to

SBAOR
Attn: Mr. Caldwell
November 29, 2012
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resolve issues and signoff on some improvements when there is at least some credible evidence to allow the improvement to remain.

However, if information in the record clearly indicates a violation of zoning or building codes has occurred, staff cannot overlook those "as-built" improvements.

Possible Zoning Ordinance Amendment to Address As-Built Issues

Currently, some "as-built" improvements require a modification of a zoning standard and approval by the Staff Hearing Officer (SHO). Staff expedites and streamlines this process by meeting directly with the applicant, placing the project on the next available Staff Hearing Officer agenda, and not charging the applicant a double fee for the "as-built" improvements. At present the modification process is the only official way for staff to resolve a situation where the improvements are not in compliance with the Zoning Ordinance.

To try to improve this situation, Staff intends on pursuing an amendment to the Zoning Ordinance to allow the Staff Hearing Officer to grant administrative approval of modifications for minor zoning regulations in instances where discrepancies in the record are discovered and it is evident that the improvement has been there for a very long time. It is important to note that not all discrepancies will be solved by this amendment. Additional time and expense could still be required to resolve the more major discrepancies through the modification process and construction permits.

This new ordinance will need to be initiated by Council and other workload assignments will need to be considered to allow staff to work with the Planning Commission, Council, and the public in the review and identification of improvements that may qualify for these administrative modifications. We hope you see the value in pursuing such an amendment and will be able to support our efforts in this area.

Enforcement of Health and Safety Violations

Planning Staff continues to focus enforcement efforts on health and safety violations identified in ZIRs such as illegal dwelling units and new habitable space. Staff estimates that between 10-15 percent of all ZIRs issued have immediate enforcement issues. Not pursuing enforcement on these major violations would not solve the issue of "new" identified violations in a ZIR. It would only push the abatement of the violation to a later date and would require the new property owner to abate the violation with the next building permit issued for the property.

Reliance On Disclosure Process Instead of ZIRs

Your letter states that the ZIR may have become "an unnecessary evil" given all the required disclosures and utilization of professional inspectors during real estate transactions. Staff believes there are important differences between the ZIR and the other disclosures. To our knowledge, no City record check is required as part of these disclosures. The property owner must state whether they are aware of any additions, alterations, or repairs that may have been made without the necessary permits or may not be in compliance with building codes.

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Attn: Mr. Caldwell
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For whatever reason, this does not always seem to be occurring as evidenced by what we hear from realtors and owners about the issues staff finds in the ZIR process. It is common to hear that they did not know the particular improvement was built without City approval or permits at the time they bought the property. Planning Staff considers ZIRs to be necessary to properly inform buyers of the status of the improvements on the property and to abate zoning and building code violations.

Requirement for ZIRs

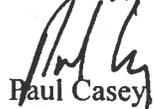
Not identifying zoning and building code violations at the time of sale has the potential to more significantly impact future property owners in the long term. Staff does not support the complete elimination of ZIRs for all residential properties as they provide important information to the prospective buyer and provide the mechanism to remove unsafe conditions on the site. Over time, City staff has seen fewer illegal units in ZIR inspections. The use of ZIRs has evolved to provide a self-correcting mechanism for abating illegal dwelling units. If the requirement for a ZIR was eliminated, overtime staff believes the City would experience an increase in illegal dwelling units and unpermitted and potentially unsafe construction.

Cost of ZIRs

ZIRs are one of the few services provided by the Planning Division that are intended to be full cost recovery. Staff believes that it is not appropriate to have tax payers subsidize private real estate transactions. If the cost was reduced below that which it costs the City to provide the service, the level of service would either have to be reduced accordingly or the funds would have to be taken from another program in the Planning Division. Planning Staff is preparing an in-house fee study for the next budget cycle. Based on preliminary results, we have found that our current ZIR fee for 1-4 units accurately reflects the cost of preparing ZIRs for those numbers of units. However, it appears that our fee for properties which have 5 or more units on site may be too high. A fee reduction will be proposed for those properties in the next budget cycle.

Thank you for your efforts to engage us in the discussion of improving the ZIR process. We look forward to meeting with you to discuss this letter and moving forward to seek Council direction on a possible Zoning Ordinance amendment.

Sincerely,



Paul Casey
Assistant City Administrator/Community Development Director

cc: Mayor and Council
Jim Armstrong, City Administrator
Steve Wiley, City Attorney
Bettie Weiss, City Planner
✓ Susan Reardon, Senior Planner

ZIR Process and Considerations to Resolve Issues

Timelines

- Within 5 days of entering into an “agreement of sale” submit ZIR application.
- “Under normal circumstances” (ZO language) issue report within 15 days of application submittal.
- So far this year, on average we complete ZIR within 20 calendar days of application submittal.
- P3 goal – issue report within 3 days of inspection, currently 100%; over last year over 96%.
- Owner is required to give buyer copy of ZIR at least 3 days prior to consummation of the transfer of title.
- So far this year, on average we complete ZIR 12 days prior to close of escrow.
- ZIR is valid for 12 months from the date of inspection or until transfer of title occurs, whichever is sooner.

Process to Prepare ZIR

- Application submitted.
- Street and planning files and archive plans are requested and reviewed.
- Inspection of property.
- Review findings of inspection against street file and archive plans.
- If match, ZIR issued.
- If they do not match, more research:
 - Sanborn Maps
 - Architectural and Historical Survey Records
 - If we have no approved plans, request owner get Residential Bldg Record from County to see if that helps determine when improvement 1st occurred
 - In most cases, especially when discrepancies between prior ZIR and new findings today, ZIR preparer meets with Supervisor to discuss findings and decision made on legality of improvement
 - Issue ZIR

Resolve Issues

- Can we sign-off? Is there any evidence that points to legality?
 - If not, determine if case is referred for immediate enforcement or just noted as violation in ZIR.
- If immediate enforcement,
 - Is modification needed? If so, expedite application. No double fee if improvement “missed” by prior ZIR.
 - Is design review required? Can it qualify for administrative approval? No double fee if improvement “missed” by prior ZIR.
 - Historic resource affected? Consult is Urban Historian.
 - Enforcement staff works with owner or new owner on timeline for abatement. We have delayed abatement to allow new owner time after buying house.
 - We require plans to show how abatement will occur but work with owner on level of detail necessary.

Possible Administrative Appeal process

A letter and documentation illustrating why it is believed the findings of the ZIR are incorrect must be submitted within 10 calendar days of the issuance of the ZIR. An associated fee will be required. The current hourly fee for Planning Staff is \$130/hr and for the City Attorney it is \$220/hr. It is estimated that an appeal could take 2-3 hrs of staff time. The internal timeline for review and issuance of a final decision will have to be determined. Council approval of an ordinance amendment (and/or resolution) would be necessary to establish this appeal process.

Possible Ordinance Amendment

Another option that could be pursued in conjunction with, or instead of, the appeal process would be an ordinance amendment to allow SHO authority to administratively approve minor modifications. We anticipate that the fee for the administrative approval process would be around \$140, similar to design review administrative approval fee. Examples that could be included are: minor hardscape improvements in interior setback; statues (not fountains) in interior setbacks; chimneys in setbacks; and, minor façade changes in front setback.

We anticipate that there will still be improvements that cannot be signed off through the administrative review or appeal process.



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: August 13, 2013

TO: Mayor and Councilmembers

FROM: Airport Administration, Airport Department

SUBJECT: Conference with Real Property Negotiators

RECOMMENDATION:

That Council hold a closed session pursuant to Government Code Section 54956.8 (Conference with Real Property Negotiators):

Real Property: A portion of the Airport property located at 6100 Hollister Avenue bounded by Hollister Avenue, Frederick Lopez Road, Francis Botello Road and David Love Place (Parcel 22 of the Airport Specific Plan Map, City Parcel Map No. 20,608) in the City of Santa Barbara.

City Negotiators: Karen Ramsdell, Airport Director; Paul Casey, Assistant City Administrator/Community Development Director; Stephen P. Wiley, City Attorney; Sarah Knecht, Assistant City Attorney.

Negotiating Parties: Direct Relief International - Thomas Tighe, President and CEO; Judy Partch, Director of Human Resources, Administration & Compliance.

Under Negotiation: Instructions to negotiators will concern price and terms of payment of a possible ground lease or property purchase.

SCHEDULING: Duration, 30 minutes; anytime

REPORT: None anticipated

PREPARED BY: Hazel Johns, Assistant Airport Director

SUBMITTED BY: Karen Ramsdell, Airport Director
Stephen P. Wiley, City Attorney

APPROVED BY: City Administrator's Office



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: August 13, 2013

TO: Mayor and Councilmembers

FROM: City Attorney's Office

SUBJECT: Conference With Legal Counsel – Potential Litigation

RECOMMENDATION:

That Council hold a closed session to consider potential litigation pursuant to subsection (c) of Section 54956.9 of the Government Code and take appropriate action as needed (one potential case).

SCHEDULING: Duration, 15 minutes; anytime

REPORT: None anticipated

SUBMITTED BY: Stephen P. Wiley, City Attorney

APPROVED BY: City Administrator's Office



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: August 13, 2013

TO: Mayor and Councilmembers

FROM: City Administrator's Office

SUBJECT: Conference With Labor Negotiator

RECOMMENDATION:

That Council hold a closed session, per Government Code Section 54957.6, to consider instructions to City negotiator Kristy Schmidt, Employee Relations Manager, regarding negotiations with the Police Bargaining Unit and General Bargaining Unit.

SCHEDULING: Duration, 30 minutes; anytime

REPORT: None anticipated

PREPARED BY: Kristy Schmidt, Employee Relations Manager

SUBMITTED BY: Marcelo López, Assistant City Administrator

APPROVED BY: City Administrator's Office