



# CITY OF SANTA BARBARA

## COUNCIL AGENDA REPORT

**AGENDA DATE:** May 13, 2013  
**TO:** Mayor and Councilmembers  
**FROM:** Administration Division, Finance Department  
**SUBJECT:** Proposed Two-Year Financial Plan For Fiscal Years 2014 And 2015

### **RECOMMENDATION:**

That Council hear presentations from the City Attorney, Airport and Waterfront departments and Finance's Solid Waste division on the recommended budgets as contained in the Proposed Two-Year Financial Plan for Fiscal Years 2014 and 2015.

### **DISCUSSION:**

In connection with City Council's review of the Proposed Two-Year Financial Plan for Fiscal Years 2014 And 2015, ten public hearing dates have been scheduled during which City departments will present their respective budgets and City Council make final decisions prior to adoption. All ten meetings have been publicly noticed and are special budget work sessions scheduled separately from the regularly scheduled City Council meetings held on Tuesdays. At the work sessions, members of the public are encouraged to attend and will have the opportunity to make comment and provide feedback on any aspect of the Proposed Plan.

At the three budget work sessions and public hearings held to date, Council heard department presentations from General Fund administrative departments, Community Development, including the Redevelopment Agency, Library and Public Works.

At today's budget work session, scheduled from 2:00 p.m. to 5:00 p.m., Council will hear budget presentations from the City Attorney, Airport and Waterfront departments and the Solid Waste division of the Finance Department.

At the next scheduled budget work session on Wednesday, May 15, 2015 from 9:00 a.m. to 12:00 p.m., Council will hear a department budget presentation from the Parks & Recreation Department, including its General Fund programs and the Creeks and Golf Funds.

The Schedule of Council Budget Review Meetings and Public Hearings is included as an attachment to this report.

**ATTACHMENT:** Schedule of Council Budget Review Meetings and Public Hearings

**SUBMITTED BY:** Robert Samario, Finance Director

**APPROVED BY:** City Administrator's Office

**CITY OF SANTA BARBARA**  
**Two-Year Financial Plan for Fiscal Years 2014 and 2015**

**Schedule of Council Budget Review Meetings  
and Public Hearings**

MEETING	DATE	BUDGET AGENDA ITEM(S)
SPECIAL WORKSESSION AND PUBLIC HEARING #1	Wed., May 1, 2013 3:00 – 6:00 pm Council Chambers	<ul style="list-style-type: none"> <li>➤ Open Budget Public Hearing</li> <li>➤ <u>Department Budget Presentations for:</u> <ul style="list-style-type: none"> <li>- Finance</li> <li>- Community Promotions</li> <li>- Administrative Services</li> <li>- City Administrator's Office</li> <li>- Mayor &amp; Council</li> </ul> </li> </ul>
SPECIAL WORKSESSION AND PUBLIC HEARING #2	Thurs., May 2, 2013 1:00 – 4:00 pm Council Chambers	<ul style="list-style-type: none"> <li>➤ <u>Department Budget Presentations for:</u> <ul style="list-style-type: none"> <li>- Community Development / Successor Agency</li> <li>- Library</li> </ul> </li> </ul>
SPECIAL WORKSESSION AND PUBLIC HEARING #3	Mon., May 6, 2013 2:00 – 5:00 pm Council Chambers	<ul style="list-style-type: none"> <li>➤ <u>Department Budget Presentation for:</u> <ul style="list-style-type: none"> <li>- Public Works</li> </ul> </li> </ul>
SPECIAL WORKSESSION AND PUBLIC HEARING #4	Mon., May 13, 2013 2:00 – 5:00 pm Council Chambers	<ul style="list-style-type: none"> <li>➤ <u>Department Budget Presentation for:</u> <ul style="list-style-type: none"> <li>- City Attorney's Office</li> <li>- Airport</li> <li>- Waterfront</li> <li>- Solid Waste Fund (Finance)</li> </ul> </li> </ul>
SPECIAL WORKSESSION AND PUBLIC HEARING #5	Wed., May 15, 2013 9:30 am – 12:00 pm Council Chambers	<ul style="list-style-type: none"> <li>➤ <u>Department Budget Presentations for:</u> <ul style="list-style-type: none"> <li>- Parks &amp; Recreation (including Creeks and Golf Funds)</li> </ul> </li> </ul>
SPECIAL WORKSESSION AND PUBLIC HEARING #6	Mon, May 20, 2013 2:00 – 5:00 pm Council Chambers	<ul style="list-style-type: none"> <li>➤ <u>Department Budget Presentation for:</u> <ul style="list-style-type: none"> <li>- Fire</li> <li>- Police</li> </ul> </li> </ul>

<p>SPECIAL BUDGET WORKSESSION AND PUBLIC HEARING #7</p>	<p>Wed., May 22, 2013 9:00 am – 12:00 pm Council Chambers</p>	<ul style="list-style-type: none"> <li>➤ <u>Department Budget Presentation for:</u> - Other presentations (if needed)</li> </ul>
<p>SPECIAL BUDGET WORKSESSION AND PUBLIC HEARING #8</p>	<p>Mon., June 3, 2013 2:00 – 5:00 pm Council Chambers</p>	<ul style="list-style-type: none"> <li>➤ Finance Committee Budget Recommendations to Council</li> <li>➤ Council Budget Deliberations</li> </ul>
<p>SPECIAL BUDGET WORKSESSION AND PUBLIC HEARING #9</p>	<p>Wed., June 5, 2013 3:00 – 6:00 pm Council Chambers</p>	<ul style="list-style-type: none"> <li>➤ Continue Council Budget Deliberations (if needed)</li> </ul>
<p>SPECIAL BUDGET WORKSESSION AND PUBLIC HEARING #10</p>	<p>Thurs., June 6, 2013 9:00 am – 12:00 pm Council Chambers</p>	<ul style="list-style-type: none"> <li>➤ Final Council Budget Deliberations</li> <li>➤ Close Budget Public Hearing</li> <li>➤ Final Council Budget Direction to Staff</li> </ul>
<p>REGULAR CITY COUNCIL MEETING</p>	<p>Tues., June 11, 2013 Afternoon session Council Chambers</p>	<ul style="list-style-type: none"> <li>➤ Prop. 218 Hearing on Proposed Increases to Water, Wastewater and Solid Waste Rates</li> </ul>
<p>REGULAR CITY COUNCIL MEETING</p>	<p>Tues, June 18, 2013 Afternoon session Council Chambers</p>	<ul style="list-style-type: none"> <li>➤ Budget Adoption</li> </ul>



# Airport Department Recommended Budget Fiscal Year 2014 - 2015

# Presentation Outline

- Airport Department Overview
- Department Reorganization
- Budget Development Goals
- Revenues
- Expenditures
- Key Performance Objectives

# Department Overview

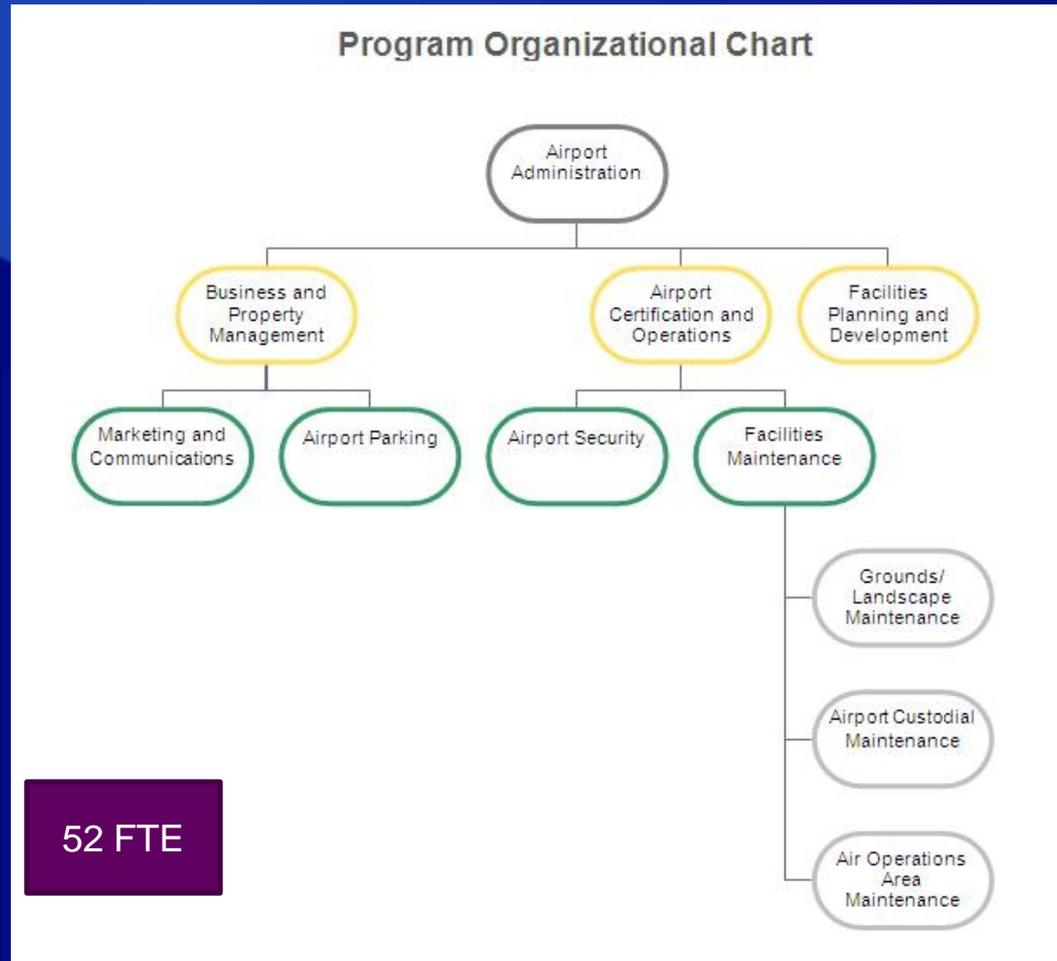
# Mission Statement

As the Tri-County region's "Airport of Choice", Santa Barbara Airport will be self-sustaining, exceed expectations for safety and quality service, and meet the air transportation and economic development needs of its customers and partners.

# Enterprise Fund

- Financially self-sustaining
- Revenues from tenant rents and user fees
- No local tax dollars received
- Federal law requires revenues spent on
  - Operations
  - Maintenance
  - Capital Improvements

# Program Organizational Chart



52 FTE

# Department Reorganization

# Organizational Plan

## Current Organization

### Strengths:

- Professional staff
- Broad areas of responsibility
- Financially sound

### Constraints:

- Highly regulated environment
- Unanticipated mandates
- Short compliance deadlines

## Proposed Changes

Adequate staffing to respond to mandates, maintain law enforcement tasks in Security Program; non-law enforcement tasks shifted to Operations Program; address administrative needs

## Cost

FY 2014 - \$269,784  
FY 2015 - \$297,787

# Summary of Proposed Changes

- Add four full-time positions
  - 1 Airport Operations Specialist
  - 2 Senior Operations Specialists
  - 1 Administrative Specialist (assign to Badging Office)
- Position adjustments:
  - Reclass Airport Patrol Supervisor
  - Eliminate Airport Noise Specialist
  - Add Operations Supervisor
  - Eliminate Accounting Assistant
  - Add Administrative Analyst I
  - Reduce 1 Airport Operations Specialist position to 50%

# Fiscal Year 2014 Budget

# Budget Goal & Objectives

- Budget Goal
  - Develop a balanced budget that incorporates the reorganization plan
- Objectives
  - Budget expenditures based on 18 months experience in new terminal
  - Transition staffing and operations as outlined in the reorganization plan

# Fiscal Year 2014 Proposed Budget – All Funds

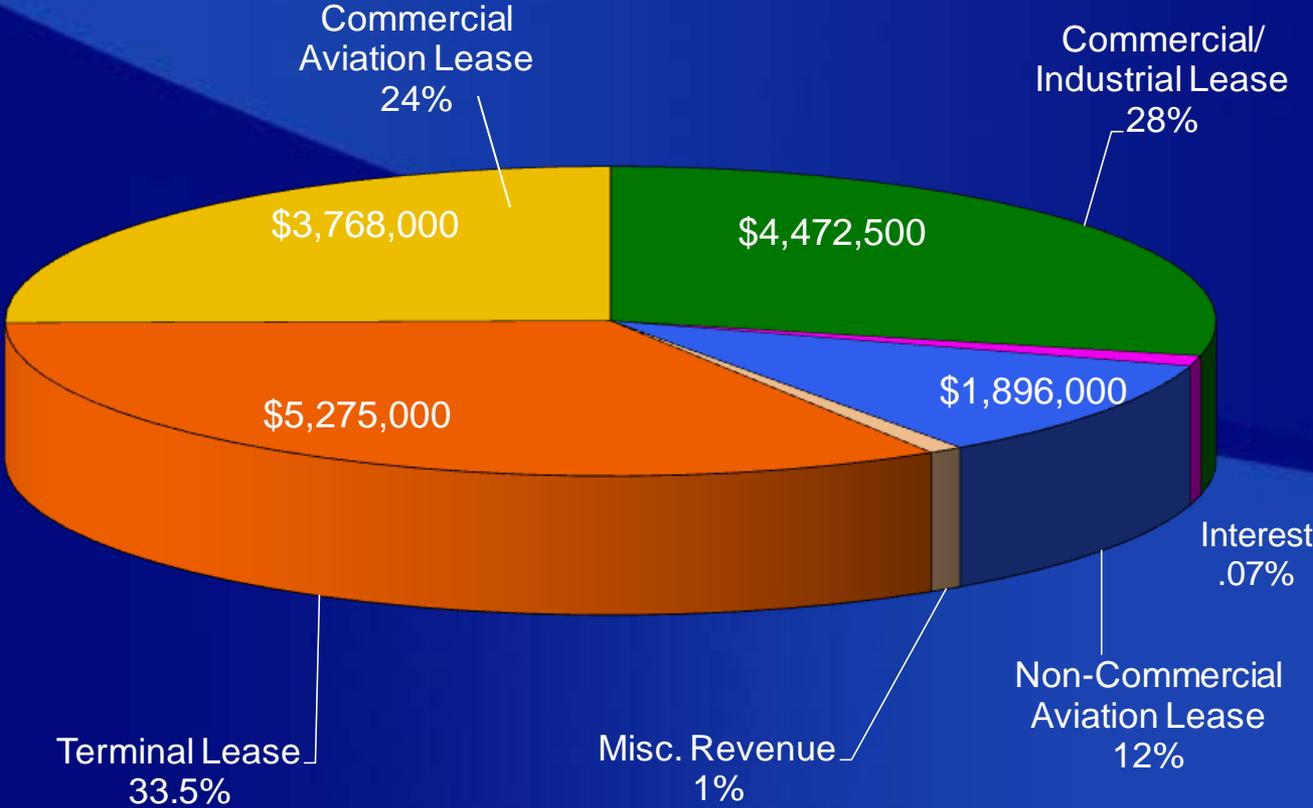
	FY 2012	FY 2013	FY 2013	FY 2014	FY 2015
	-----	-----	-----	-----	-----
	ACTUAL	AMENDED	PROJECTED	REQUEST	REQUEST
FAA Grants	2,690,714.00	3,046,424.00	2,233,914.00	-	-
Passenger Facility Charges	1,392,266.00	1,375,000.00	1,522,000.00	1,375,000.00	1,375,000.00
Customer Facility Charges	739,470.00	825,000.00	820,420.00	825,000.00	825,000.00
Intergovernmental	409,700.00	65,000.00	-	-	-
Lease Income	13,990,344.00	14,649,475.00	15,470,287.00	15,710,393.00	16,023,358.00
Interest Income	243,940.00	216,200.00	184,365.00	155,000.00	142,100.00
Other Revenue	625,300.00	401,381.00	423,844.00	377,600.00	377,400.00
Transfer In	300,166.00	-	-	-	-
<b>Total Department Revenue</b>	<b>20,391,900</b>	<b>20,578,480</b>	<b>20,654,830</b>	<b>18,442,993</b>	<b>18,742,858</b>
Salaries and Benefits	4,693,950.00	5,101,719.00	4,673,558.00	5,522,998.00	5,749,258.00
Supplies and Services	6,348,864.00	7,253,177.00	6,813,845.00	7,424,384.00	7,573,338.00
Special Projects	792,855.00	736,200.00	565,354.00	863,000.00	896,000.00
Non-Capital Equipment	61,226.00	63,569.00	19,767.00	52,500.00	49,500.00
Debt Service	2,271,601.00	3,887,583.00	3,887,583.00	3,949,665.00	3,947,266.00
Appropriated Reserve	-	515,443.00	-	506,110.00	527,496.00
Transfers Out	97,188.00	104,641.00	104,641.00	124,336.00	-
Capital Program	7,981,502.00	10,186,510.00	5,569,476.00	-	-
<b>Total Operating Expenditures</b>	<b>22,247,186</b>	<b>27,848,842</b>	<b>21,634,224</b>	<b>18,442,993</b>	<b>18,742,858</b>
<b>Addition to (use of) reserves</b>	<b>(1,855,286)</b>	<b>(7,270,362)</b>	<b>(979,394)</b>	-	-

# Airport Operations Budget

	FY 2012 ----- ACTUAL	FY 2013 ----- AMENDED	FY 2013 ----- PROJECTED	FY 2014 ----- REQUEST	FY 2015 ----- REQUEST
FAA Grants	-	-	-	-	-
PFCs	-	-	-	-	-
CFCs	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Lease Income	13,785,045.00	14,436,475.00	15,263,287.00	15,497,393.00	15,810,358.00
Interest Income	182,243.00	171,700.00	124,220.00	111,100.00	101,800.00
Other Revenue	346,690.00	166,381.00	211,532.00	142,600.00	142,400.00
Transfer In	300,166.00	-	-	-	-
<b>Total Department Revenue</b>	<b>14,614,144</b>	<b>14,774,556</b>	<b>15,599,039</b>	<b>15,751,093</b>	<b>16,054,558</b>
Salaries & Benefits	4,693,950.00	5,101,719.00	4,673,558.00	5,522,998.00	5,749,258.00
Supplies & Services	6,221,549.00	7,079,053.00	6,675,797.00	7,247,586.00	7,395,653.00
Special Projects	792,855.00	736,200.00	565,354.00	863,000.00	896,000.00
Non-Capital Equipment	61,226.00	63,569.00	19,767.00	52,500.00	49,500.00
<b>Debt Service</b>	<b>-</b>	<b>85,502.00</b>	<b>-</b>	<b>103,839.00</b>	<b>128,395.00</b>
<b>Appropriated Reserve</b>	<b>97,188.00</b>	<b>104,641.00</b>	<b>104,641.00</b>	<b>124,336.00</b>	<b>-</b>
Transfers Out	-	-	-	-	-
Capital Program	12,979,867	14,951,537	13,819,970	15,731,365	16,034,524
<b>Total Operating Expenditures</b>	<b>12,979,867</b>	<b>14,951,537</b>	<b>13,819,970</b>	<b>15,731,365</b>	<b>16,034,524</b>
Addition to (use of) Reserves	1,634,277	(176,981)	1,779,069	19,728	20,034

# Airport Operating Revenues

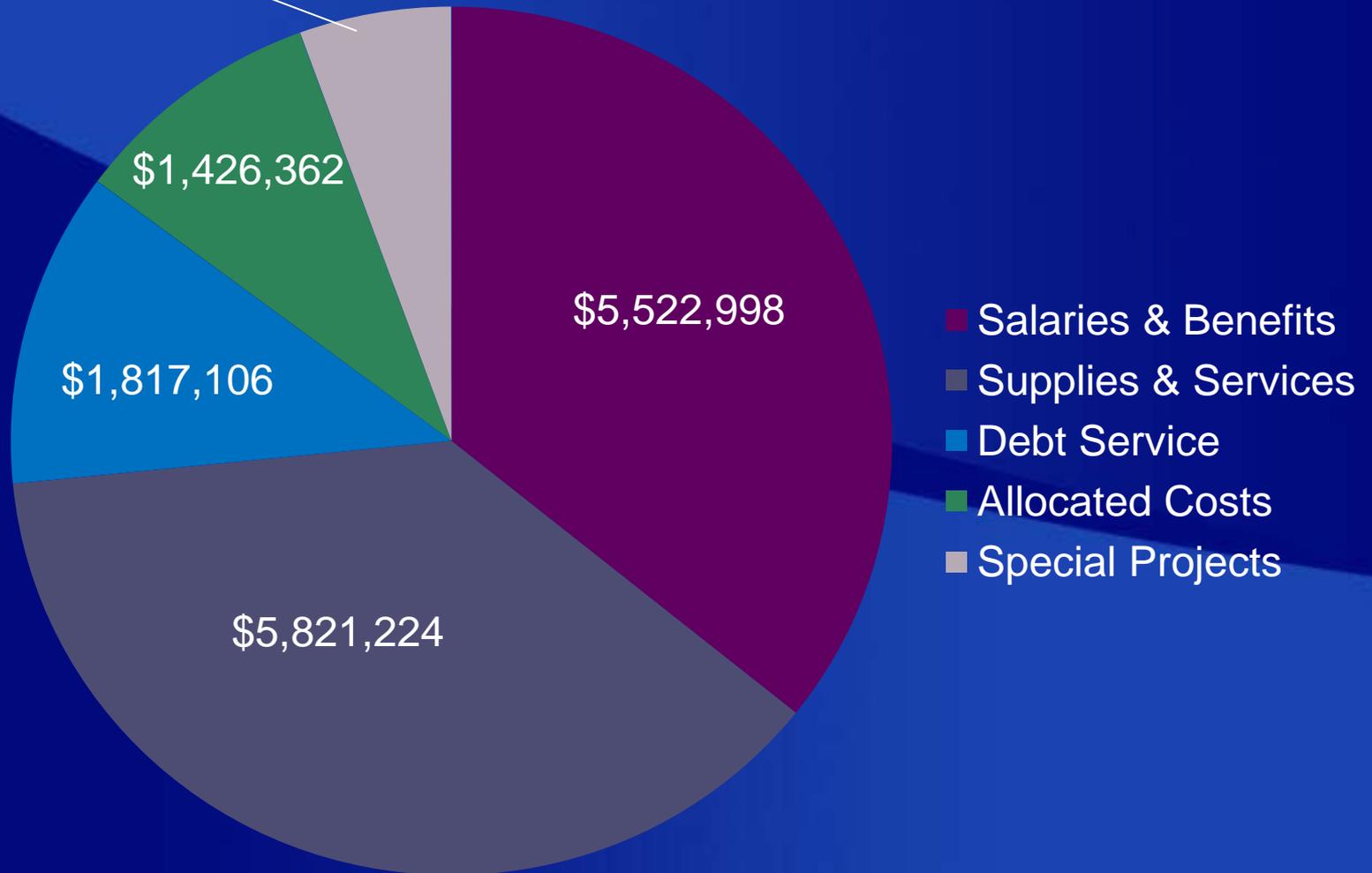
## Proposed Budget 2014 - \$15,751,093



# Airport Operating Expenditures

Proposed Budget 2014 \$15,731,365

\$863,000



# Policy Reserves

## July 1, 2012

■ Economic Uncertainty Emergencies	■ \$1,933,359
■ Future Year's Budget	■ 1,288,906
■ Capital	■ <u>882,962</u>
■ Total Required	■ <b>\$4,105,227</b>
■ Reserves Above Policy	■ \$971,723

# Key Performance Objectives

# Key Performance Objectives

- **Administration**
  - Implement the Department reorganization plan by establishing new performance standards, operating procedures, and training
- **Business & Property**
  - Develop a RFP for Fixed Base Operators by June 30, 2014
- **Marketing & Communications**
  - Increase awareness of SBA air service in Ventura County through strategic marketing program

# Key Performance Objectives

## ■ Security

- Develop an active shooter response plan for use in the event of an incident at the airline terminal

## ■ Certification and Operations

- ◆ Plan and conduct a full scale emergency exercise in compliance with FAA regulations

## ■ Facilities Planning & Development

- Publish and receive comment on a scoping document for the Airport Master Plan environmental analysis by June 2014

# Airport Commission

On March 20, 2013, Airport Commission recommended approval of the Airport Department's Annual FY 2014 – 2015 Budget



# **WATERFRONT DEPARTMENT**

## *Recommended Budget for Fiscal Year 2014 and 2015*



City Council Presentation  
May 13, 2013

# DEPARTMENT OVERVIEW

*46 Full-Time Employees; 9 Programs*

## ◆ Permanent Staff

■ Managers	4
■ Supervisors	5
■ Harbor Patrol Officers	10
■ General Employees	27

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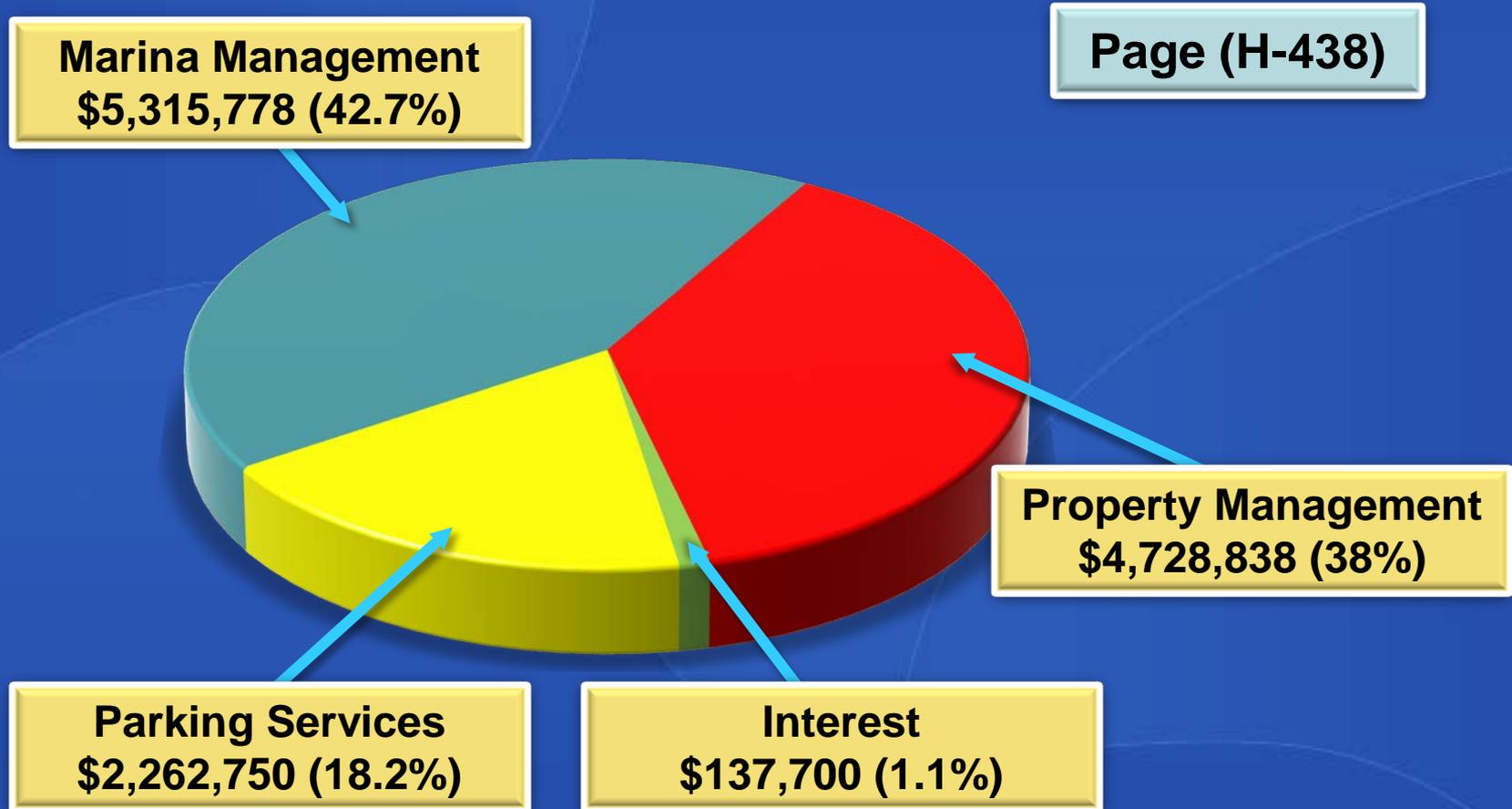
## ◆ No Permanent Staffing Increase in 11 Years

## ◆ Hourly Employees

- Harbor Patrol, Facilities and Parking Services

# WATERFRONT REVENUE

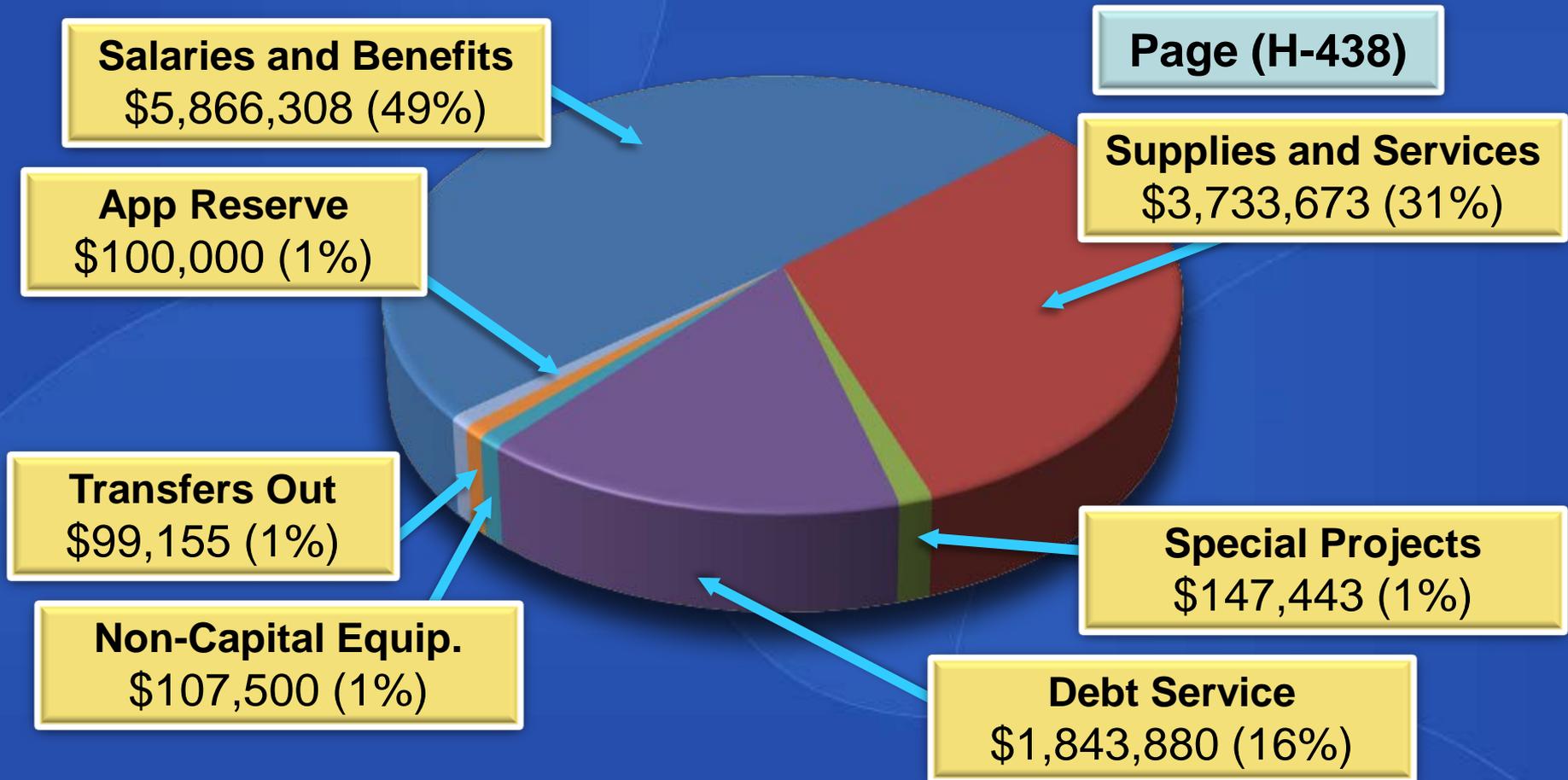
FY '14 Budgeted Revenue: \$12,445,066 (3% increase)



# WATERFRONT EXPENDITURES

## *by Program*

FY '14 Operating Expenditures: \$11,897,959 (0.5% increase)



# WATERFRONT BUDGET

## *Program Highlights*

### ◆ Administration

- Continue to provide the community with events such as the Harbor and Seafood Festival, July 4th, and Parade of Lights

### ◆ Property Management

- Continue to work with merchant's associations to promote the Waterfront and help ensure the success of leaseholders

# **WATERFRONT BUDGET**

## *Program Highlights - continued*

### ◆ **Parking Services**

- Install modern parking equipment

### ◆ **Marina Management**

- Provide efficient service to current marina tenants and visitors by installing new marina management software

### ◆ **Facilities Management**

- Complete preliminary design on Phase 5-8 of the Marina One Replacement Project

# **WATERFRONT DEPARTMENT**

## *Capital Improvement Program*

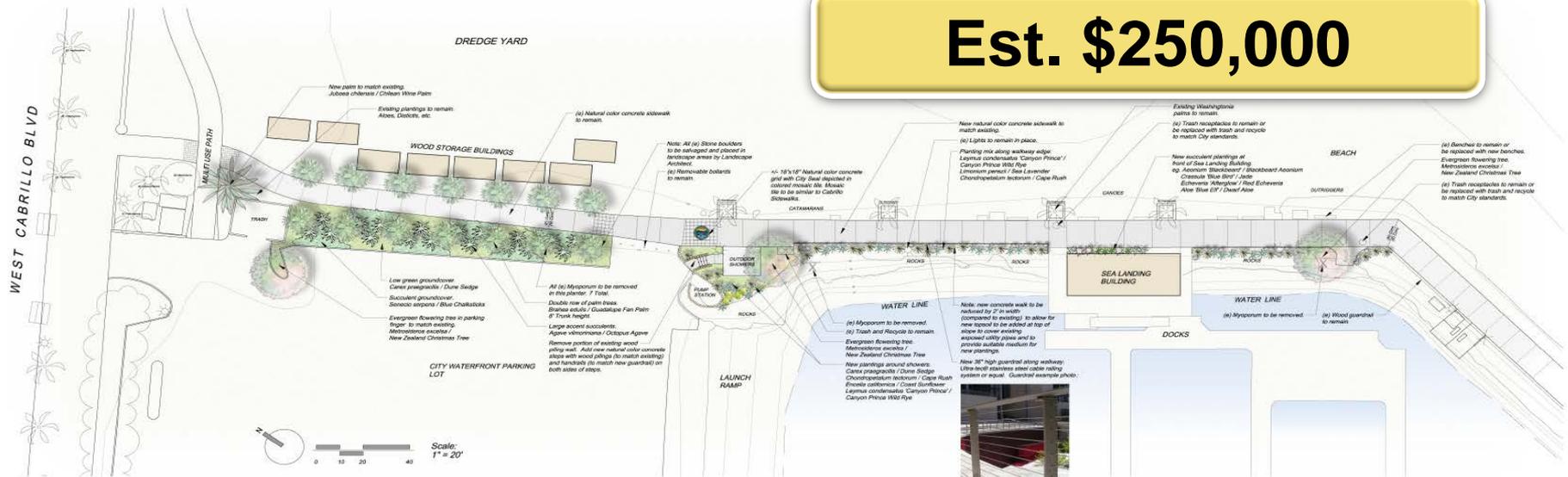
- ◆ **FY '14 Capital Funding Total \$1,455,000**
- ◆ **Significant New Capital Projects**
  - Parking Services \$200,000 for Ski Data Systems in staffed parking lots: Harbor Main, Los Baños, Stearns Wharf and Leadbetter
  - Sea Landing \$250,000 for landscaping and walkway improvements
  - FY 2015 Marina 1 Replacement \$1,676,000 for Phase 5 - “J” and “K” Fingers

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# CAPITAL PROJECTS

## Sea Landing Walkway & Landscaping

Est. \$250,000



*Brahea edulis* / Guadalupe Fan Palm



*Jubaea chilensis* / Chilean Wine Palm



*Metrosideros excelsa* / New Zealand Christmas Tree



*Agave vitmorniana* / Octopus Agave



*Aeonium Blackbeard* / Blackbeard Aeonium



*Aloe Blue Elf* / Dwarf Aloe



*Carex praegracilis* / Dune Sedge



*Chondropetalum tectorum* / Cape Rush



*Crassula Blue Bird* / Jade



*Echeveria 'Afterglow'* / Red Echeveria



*Encelia californica* / Coast Sunflower



*Leymus condensatus* / Canyon Prince / Canyon Pinus Wild Rye



*Limonium perzizi* / Sea Lavender



*Senecio serpens* / Blue Chalksticks



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NOT FOR CONSTRUCTION

# WATERFRONT DEPARTMENT

## *Key Budget Changes*

- ◆ **S. B. Maritime Museum lease buy-down**
  - \$144,000 / year reduction in lease revenues
- ◆ **Cruise Ship Visits**
  - 63,000 estimated cruise visitors
  - 97% passengers stay in town
  - 3% wine tasting tours in Santa Ynez Valley
- ◆ **Beach Lifeguard Program - Parks & Rec.**
  - Tower and staffing for West Beach

# WATERFRONT DEPARTMENT

## *FY 2014 - 2015 Recommendation*

### Fee Adjustments

#### ◆ Slip Transfer Fee Increase:

- FY 2014            \$25 / ft. increase to \$350 / ft.\*
- FY 2015            \$25 / ft. increase to \$375 / ft.\*

\* Does not include 20-Foot Slips \$200 /foot

#### ◆ Slip Fee Increase:                    2% increase

#### ◆ Self-Pay Parking Lots:            Adjust to \$2 / hr. / \$12 daily max.

# **WATERFRONT DEPARTMENT**

## *Harbor Commission Recommendation*

**Moved to forward a recommendation to City Council for approval of the Waterfront Department's Proposed FY 2014/2015 Budget, provided that Waterfront parking lot landscaping services be put out to a competitive bid**



# **WATERFRONT DEPARTMENT**

## *Recommended Budget for Fiscal Year 2014 and 2015*



City Council Presentation  
May 13, 2013

**THE END**



# SOLID WASTE FUND

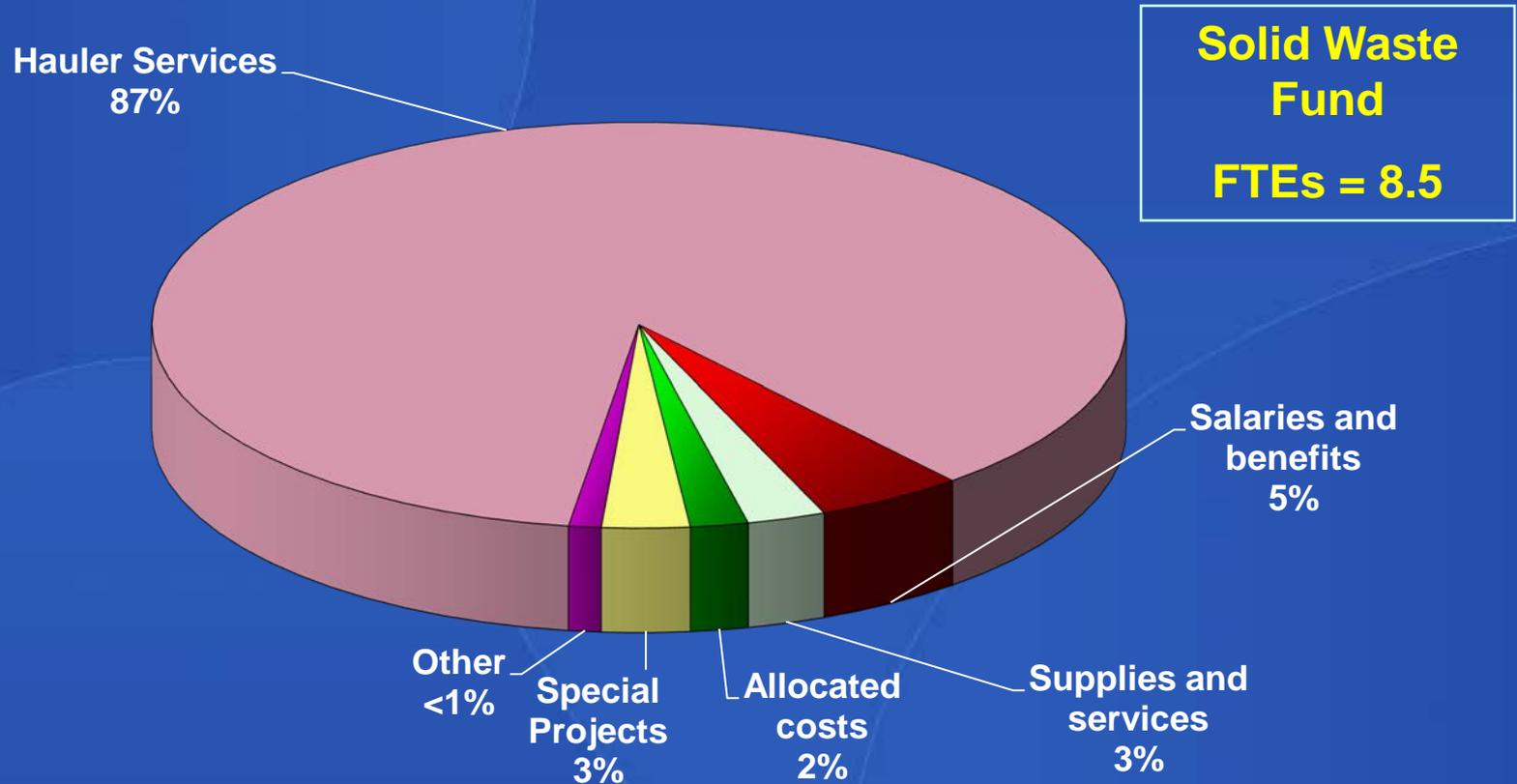
*Recommended Budget for Fiscal Year 2014*



**City Council Presentation  
May 13, 2013**

# SOLID WASTE FUND

## Appropriations by Major Object



*FY 2013 Solid Waste Fund Budget – \$19,927,443*

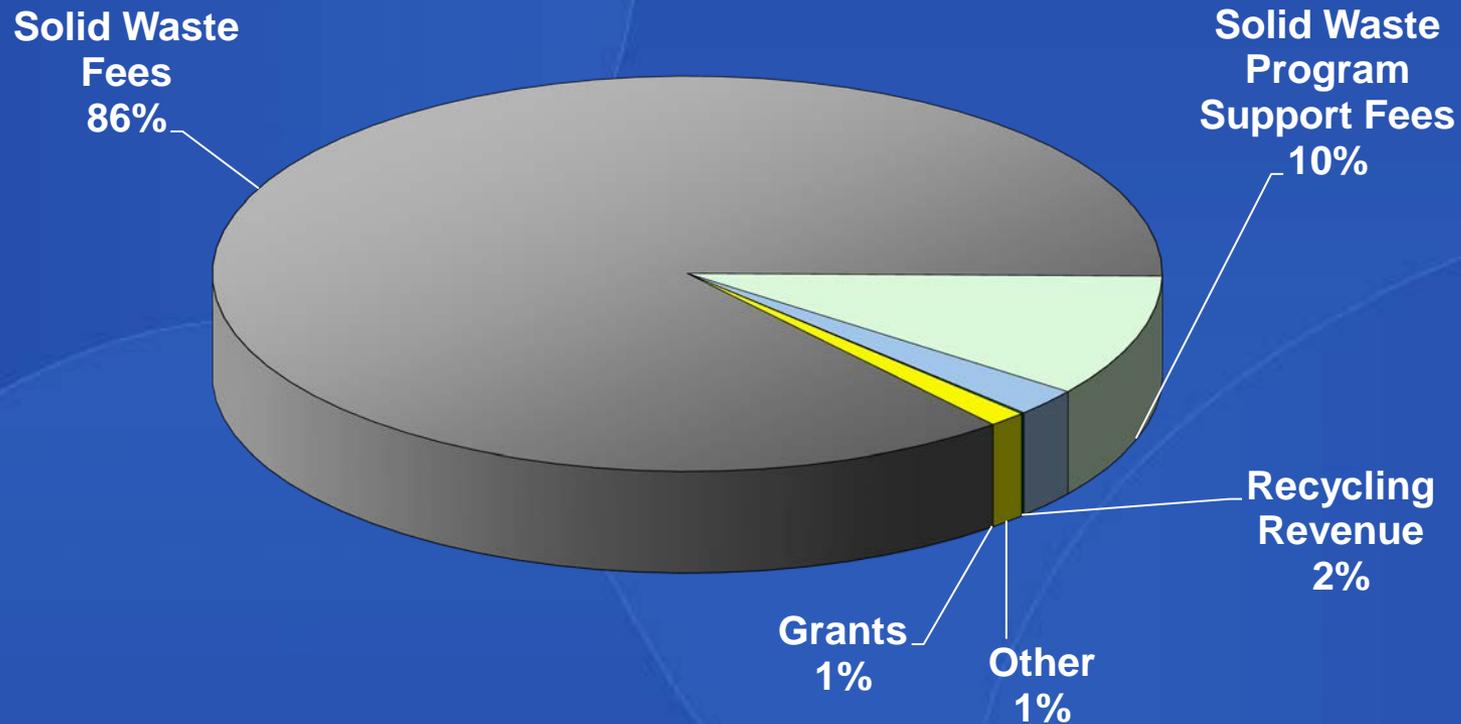
# SOLID WASTE FUND

## Appropriations – FY 2012 to 2014

	<u>FY 2012 Actual</u>	<u>FY 2013 Adopted</u>	<u>FY 2013 Projected</u>	<u>FY 2014 Recomm'd</u>	<u>% Change</u>
Salaries & benefits	\$ 855,009	\$ 926,159	\$ 878,956	\$ 979,288	5.7%
Hauler services	15,935,561	16,007,525	16,256,313	17,253,465	7.8%
Supplies & services	444,650	445,238	545,693	518,158	16.4%
Allocated costs	356,395	379,891	379,891	381,798	0.5%
Special projects	554,639	564,560	572,560	580,363	2.8%
Other	707,667	146,745	148,054	214,371	46.1%
<b>Total</b>	<b><u><u>\$ 18,853,921</u></u></b>	<b><u><u>\$ 18,470,118</u></u></b>	<b><u><u>\$ 18,781,467</u></u></b>	<b><u><u>\$ 19,927,443</u></u></b>	<b>7.9%</b>

# SOLID WASTE FUND

## Revenues by Major Object



*FY 2013 Solid Waste Fund Revenues – \$ 19,927,443*

# SOLID WASTE FUND

## Revenues – FY 2012 to 2014

	<u>FY 2012 Actual</u>	<u>FY 2013 Adopted</u>	<u>FY 2013 Projected</u>	<u>FY 2014 Recomm'd</u>	<u>%</u>
Solid Waste Fees	\$ 16,171,713	\$ 16,441,775	\$16,666,202	\$ 17,202,810	4.6%
Blended Program Fees	1,413,802	1,404,802	1,449,593	1,995,717	42.1%
Co. Recycling Revenues	537,148	268,474	268,474	449,816	67.5%
MarBorg Recycling	-	-	-	25,000	
Public Education	79,088	141,600	141,600	141,600	0.0%
Grants	310,833	153,493	102,340	20,000	-87.0%
Looking Good SB	80,000	80,000	80,000	80,000	0.0%
E-Waste Collection	14,771	15,000	10,350	10,000	-33.3%
Other	156,874	4,000	303,404	2,500	-37.5%
<b>Total Revenues</b>	<u><u>\$ 18,764,229</u></u>	<u><u>\$ 18,509,144</u></u>	<u><u>\$19,021,963</u></u>	<u><u>\$ 19,927,443</u></u>	<u>7.7%</u>



# **SOLID WASTE FEES FY 2014**

# SOLID WASTE FUND

## Changes to Fees

- ◆ FY 14: Entirely new rate schedule resulting from new franchise agreement with MarBorg
- ◆ Rates include contractual CPI and tipping fee adjustments
  - Tipping Fee adjustment includes temporary surcharge of \$2.45 per ton to cover cost of environmental impact report for the Resource Recovery Project (est. through FY 2017)
- ◆ Detailed discussion on proposed fee changes with Finance Committee tomorrow



# SOLID WASTE FUND

## *KEY PERFORMANCE OBJECTIVES*



# SOLID WASTE FUND

## Key Projects and Initiatives

1. Conversion Technology (Resource Recovery) Project
  - Complete environmental review process
  - Refine structure of contractual agreements between vendor(s) and participating jurisdictions
  - Complete financial and technical due diligence evaluation of MarBorg Material Recovery Facility Proposal
2. Implement Single Use Bag Ordinance and monitor compliance by grocery outlets

# SOLID WASTE FUND

## Key Projects and Initiatives

3. Establish revenue sharing agreement with MarBorg for commingled recyclables
4. Develop waste generation profiles of customers to evaluate adequacy of trash enclosures
5. Develop long-term options for balancing the Solid Waste Fund operating budget.



# QUESTIONS?