

**CITY OF SANTA BARBARA  
CITY COUNCIL**

**Helene Schneider**  
*Mayor*  
**Cathy Murillo**  
*Mayor Pro Tempore*  
**Randy Rowse**  
*Ordinance Committee Chair*  
**Dale Francisco**  
*Finance Committee Chair*  
**Gregg Hart**  
**Frank Hotchkiss**  
**Bendy White**



**James L. Armstrong**  
*City Administrator*

**Sarah Knecht**  
*Interim City Attorney*

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

**FEBRUARY 25, 2014  
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](http://www.citytv18.com) for rebroadcasts of Finance and Ordinance Committee meetings, and for any changes to the replay schedule.

## **ORDER OF BUSINESS**

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

### **SPECIAL ORDINANCE COMMITTEE MEETING - 12:00 NOON IN THE COUNCIL CHAMBER (120.03)**

#### **Subject: Municipal Code Amendments Regarding Fences, Screens, Walls and Hedges**

Recommendation: That the Ordinance Committee consider a draft ordinance amending the Santa Barbara Municipal Code (SBMC) as it relates to fences, screens, walls and hedges, based on recommendations from the Staff and Planning Commission.

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

#### **1. Subject: Fiscal Year 2014 Mid-Year Review**

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 six months ended December 31, 2013;
- B. Accept the fiscal year 2014 Interim Financial Statements for the Six Months Ended December, 2013; and
- C. Approve the proposed mid-year adjustments to Fiscal Year 2014 appropriations and estimated revenues as detailed in the attached Schedule of Proposed Mid-Year Adjustments.

(See Council Agenda Item No. 10)

#### **2. Subject: Banking Services Agreement**

Recommendation: That the Finance Committee recommend that Council approve, and authorize the Finance Director to execute, a banking services agreement with Union Bank, to provide banking services in an amount not to exceed \$78,000 for the period of March 1, 2014 through December 31, 2014.

(See Council Agenda Item No. 4)

## 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 further reading and approve the minutes of the special meeting of January 30, the regular meeting of February 4, and the special meeting of February 10, 2014.

**2. Subject: Acceptance Of Meter Easements For 901 Olive Street And 34 West Victoria Street (540.06)**

Recommendation: That Council adopt, by reading of title only, A Resolution of the Council of the City of Santa Barbara Accepting an Agreement for Access to Water Meters and Sub-Meters and Grant of Easement, and an Agreement for Access to Water Meter Room and Grant of Easement.

**3. Subject: January 2014 Investment Report (260.02)**

Recommendation: That Council accept the January 2014 Investment Report.

**4. Subject: Banking Services Agreement (210.03)**

Recommendation: That Council authorize the Finance Director to execute, a banking services agreement, in a form acceptable to the City Attorney, with Union Bank to provide banking services in an amount not to exceed \$78,000 for the period of March 1, 2014, through December 31, 2014.

## CONSENT CALENDAR (CONT'D)

**5. Subject: Request To Amend Homeowners' Affordability Covenant On Property Located At 3965 Via Lucero (660.04)**

Recommendation: That Council:

- A. Approve amending the homeowners' affordability covenant to allow for a maximum household income of at or below 80% of Area Median Income (AMI) for future homeowners; and
- B. Authorize the Community Development Director to execute, subject to approval as to form by the City Attorney, related documents as necessary.

**6. Subject: Loan Restatement Request On Property Located At 424-430 Rancheria Street ("Rancheria Village Apartments") (660.04)**

Recommendation: That Council approve a Restatement and Subordination of the 1994 Loan Agreement funded with Redevelopment Agency Housing Set-Aside Funds, a Restatement and Subordination of the Deed of Trust to secure the Restated Loan, and a new Affordability Housing Covenant with an extended term of an additional 45 years, and authorize the Community Development Director to execute, subject to approval as to form by the City Attorney, such agreements and related City documents as necessary.

**7. Subject: Contract For Design Of The Runway 15L-33R Pavement Rehabilitation Project (560.04)**

Recommendation: That Council authorize the Public Works Director to execute a City professional services contract with Kimley-Horn and Associates, Inc., in the amount of \$151,250 for design services for the Pavement Rehabilitation Project for Runway 15L-33R, Terminal Ramp, South General Aviation Ramp, and Signature Ramp, and authorize the Public Works Director to approve expenditures up to \$15,250 for extra services that may result from necessary changes in the scope of work.

**8. Subject: Approval of Purchase Orders For Primary Coagulant Chemicals For The William B. Cater Water Treatment Plant (540.10)**

Recommendation: That Council:

Find it in the City's best interest to waive the formal bidding process, as authorized by Municipal Code Section 4.52.070(L), and authorize the City General Services Manager to:

- A. Issue a purchase order to California Aluminum Chemicals in an amount not to exceed \$18,500 for the purchase of approximately 47,000 pounds of CalChem CC 2110 coagulant chemical for a full-scale plant water treatment trial; and

(Cont'd)

## **CONSENT CALENDAR (CONT'D)**

### **8. (Cont'd)**

- B. Issue a purchase order to California Aluminum Chemicals and issue a Purchase Order to Summit Research Labs for a total combined amount of not to exceed \$450,000 for the purchase of coagulant chemicals on an as-needed basis, with the option to renew both Purchase Orders for an additional four years, subject to Council's adoption of the budget.

## NOTICES

- 9. The City Clerk has on Thursday, February 20, 2014, 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 concludes the Consent Calendar.**

## **REPORT FROM THE FINANCE COMMITTEE**

## **REPORT FROM THE ORDINANCE COMMITTEE**

## **CITY COUNCIL ADMINISTRATIVE AND ATTORNEY REPORTS**

### FINANCE DEPARTMENT

#### **10. Subject: Fiscal Year 2014 Mid Year Review (230.04)**

Recommendation: That Council:

- A. Hear a report from staff on the status of revenues and expenditures in relation to budget for the six months ended December 31, 2013;
- B. Accept the Fiscal Year 2014 Interim Financial Statements for the Six Months Ended December 31, 2013; and
- C. Approve the proposed mid-year adjustments to Fiscal Year 2014 appropriations and estimated revenues as detailed in the attached Schedule of Proposed Mid-Year Adjustments.

## **CITY COUNCIL ADMINISTRATIVE AND ATTORNEY REPORTS (CONT'D)**

### **PUBLIC WORKS DEPARTMENT**

**11. Subject: Capital Improvement Projects: Second Quarter Report For Fiscal Year 2014 (230.01)**

Recommendation: That Council receive the City's Capital Improvement Projects Second Quarter Report for Fiscal Year 2014.

## **COUNCIL AND STAFF COMMUNICATIONS**

### **COUNCILMEMBER COMMITTEE ASSIGNMENT REPORTS**

### **CLOSED SESSIONS**

**12. Subject: Conference With Real Property Negotiators (330.03)**

Recommendation: That Council hold a closed session pursuant to Government Code Section 54956.8 to consider the possible lease of real property.

Real Property: A portion of the City-owned property located at 631 Garden Street in the City of Santa Barbara (Assessor's Parcel No. 031-152-033).

City Negotiators: Paul Casey, Assistant City Administrator; Nina Johnson, Assistant to the City Administrator; Sarah Knecht, Acting City Attorney; Scott Vincent, Assistant City Attorney.

Negotiating Parties: Santa Barbara Arts Collaborative.

Under Negotiation: Instructions to negotiators regarding the price and terms of payment of a possible ground lease.

Scheduling: Duration, 30 minutes; anytime

Report: None anticipated

## **ADJOURNMENT**

CITY OF SANTA BARBARA

**ORDINANCE COMMITTEE MEETING**

MEETING AGENDA

DATE: February 25, 2014  
TIME: 12:00 p.m.  
PLACE: Council Chambers

Randy Rowse, Chair  
Frank Hotchkiss  
Cathy Murillo

Office of the City  
Administrator

Office of the City  
Attorney

Nina Johnson  
Assistant to the City Administrator

Sarah Knecht  
Acting City Attorney

Kate Whan  
Administrative Analyst

**ITEM FOR CONSIDERATION**

**Subject: Municipal Code Amendments Regarding Fences, Screens, Walls And Hedges**

Recommendation: That the Ordinance Committee consider a draft ordinance amending the Santa Barbara Municipal Code (SBMC) as it relates to fences, screens, walls and hedges, based on recommendations from the Staff and Planning Commission.



# CITY OF SANTA BARBARA

## COUNCIL AGENDA REPORT

**AGENDA DATE:** February 25, 2014

**TO:** Council Ordinance Committee

**FROM:** Planning Division, Community Development Department

**SUBJECT:** Municipal Code Amendments Regarding Fences, Screens, Walls And Hedges

### **RECOMMENDATION:**

That the Ordinance Committee consider a draft ordinance amending the Santa Barbara Municipal Code (SBMC) as it relates to fences, screens, walls and hedges, based on recommendations from the Staff and Planning Commission.

### **DISCUSSION:**

#### Background

For many years the Planning Division has identified SBMC §28.87.170 (Fences, Screens, Walls and Hedges), originally adopted in 1957, as needing review and possible revision. On November 25, 2008, City Council adopted an ordinance to suspend for two years the application of SBMC §28.87.170.A and §28.87.170.B.1 to hedges to allow time for a comprehensive amendment to the code. The suspension was extended on March 15, 2011 for three additional years and will expire March 23, 2014.

#### Current Standards

SBMC §28.87.170 regulates the height and location of fences, screens, walls and hedges on private property in the A, E, R, C-O, and C-X Zones. Specifically, it limits the height of those elements to eight feet (8') in required setbacks, and to three and one-half feet (3½') within ten feet of a front lot line, within 10 feet of either side of driveway for a distance of 20 feet back from the front lot line, or within 50 feet of a street corner.

#### Public Input

Since 2008, Staff has maintained a list of parties interested in this subject and notified them by mail of all relevant public hearings. As part of this recent work effort, staff sought initial direction and input at seven public meetings:

- April 17, 2013 – Joint City Council/Planning Commission Work Session
- June 25, 2013 - City Council Ordinance Committee
- August 14, 2013 - Neighborhood Advisory Council

- September 23, 2013 – Single Family Design Board
- December 5, 2013 – Planning Commission
- December 18, 2013 – Historic Landmarks Commission
- January 23, 2014 – Planning Commission

Additionally, in July 2013, a page on the City's website was dedicated to this subject where background material and notices of upcoming hearings could be readily accessed by the public. Notifications were also posted on the website, NextDoor, requesting subscribers to participate in the ordinance amendment process.

Overall, public input has maintained a general and constant theme – the City should continue to regulate the height of fences and walls for the general welfare of the community, while allowing staff to approve exceptions to the standards when appropriate. Opinions are more varied when it comes to establishing and enforcing the height limit for hedges, which is further discussed below.

### Proposed Amendments

The City Attorney's office has prepared a draft ordinance based on recommendations from staff and the Planning Commission (see Attachment 1). The purpose of the proposed amendments is to develop regulations consistent with the community's values that can be regularly and fairly enforced. A large majority of the proposed amendments have the support of staff, the Planning Commission, and the public. Also strongly supported are the proposed administrative authority to grant exceptions to the height limits, when warranted, and if certain findings can be made, the use of guidelines to help implement the regulations.

The one issue that warrants further discussion is the height limit and extent of City enforcement of hedges. Throughout the public meetings, many have stated that hedges should be treated differently; however, it was not entirely clear what was intended by that statement or how that would be effectuated in an ordinance until the most recent Planning Commission meeting.

### **Fences and Walls**

There is general support among staff, the Planning Commission, and the public to retain the existing height limits for fences and walls, with the understanding that flexibility will be allowed through a new administrative approval process. As proposed, and recommended by the Planning Commission, fences and walls would be limited to eight feet (8') in all required setbacks and three and one-half feet (3 ½') within ten feet of a front lot line. The administrative review and approval process would allow staff to grant up to an additional four feet (4') in height in these areas if the required findings (SBMC §28.87.170.E) can be made.

### **Guardrails, Decorative Elements and Arbors**

Staff has received positive feedback on our proposal to allow building code-required guardrails to exceed the fence or wall height limit by the minimum amount necessary, and to allow decorative elements (e.g., finials, posts, lighting fixtures) to exceed the

maximum height of a fence or wall by not more than twelve inches (12”), provided such features are spaced not less than six feet (6’) apart. Similarly, there is general support to allow an entryway arbor, not to exceed eight feet in height, in front yards to announce the pedestrian entrance to the property.

### **Driveways**

The current 3½’ height limit for all elements within 10 feet of driveway for a distance of 20 feet back from the front lot line is excessive in many cases. Staff’s proposal to reduce the area subject to that 3½’ height limit to a smaller triangle (as opposed to a rectangle) has been well-received. As proposed, when a driveway directly abuts a street improved with a sidewalk and parkway, the visibility triangle is measured on two sides by a distance of 10 feet from the side of a driveway and 10 feet back from the front lot line. Otherwise, the triangular area is measured on two sides by a distance of 20 feet from the side of a driveway and 10 feet back from the front lot line. Diagrams depicting these areas are in the *Fences, Screens, Walls and Hedges Guidelines* (Attachment 2).

Notwithstanding the above, pursuant to SBMC §28.87.170.B.2, staff could further restrict the height of any fence, screen, wall or hedge if it obstructs the sightlines required for the safe operation of motor vehicles.

### **Street Corners**

Based on initial direction from the Ordinance Committee, staff developed templates for various stop-controlled intersection scenarios that establish the area within which elements on corner lots must adhere to a 3½’ height limit. The “Intersection Sight Distance” diagram is referenced in the proposed ordinance and included in the attached *Fences, Screens, Walls and Hedges Guidelines*.

### **Hedges and Screens**

At various public meetings, the question as to whether or not hedges along interior property lines should be allowed to extend to 12 feet in height, or not be regulated at all, received mixed responses from the public and advisory group members. Any established height limit will not address every situation perfectly in a community with varied topography and lot sizes, and highly valued public and private views. This is the primary reason why staff had proposed maintaining height limits of eight feet along interior property lines and 3½ feet near front property lines, with the administrative approval process to consider exceptions (up to an addition four feet) to established height limits based on site-specific factors.

While some believe that even the current height limit of eight feet along interior property lines can impede one’s access to sunlight and air on smaller lots, many people expressed to the Planning Commission that the height limit should be increased and, furthermore, that the City should only take enforcement action on an over-height hedge if/when a directly affected neighbor complains. A majority of people agree that, in any case, directly affected neighbors should play a role in establishing an agreeable height limit along interior property lines.

On January 23, 2014, the Planning Commission ultimately recommended that hedges be allowed to extend to 12 feet in all required setbacks, and to 7 ½' within ten feet of a front lot line. Hedges and screens, along with fences and walls, would continue to adhere to a 3½' height limit within the visibility triangle adjacent to driveways and in accordance with the Intersection Sight Distance for corner lots. As recommended by the Planning Commission, the administrative approval process would allow staff to grant up to an additional four feet (4') in height if the required findings can be made, including compliance with the City's solar access regulations (SBMC §28.11.020).

While staff is not proposing a change to our current enforcement policy that allows anyone to request the city to investigate a potential code violation, the proposed increase in allowed hedge height will inherently lessen the potential for violations and the administrative approval process will offer a much-needed remedy for abatement. Given that hedges do not require a building permit, unlike walls or fences over 3½' in height, staff is reconsidering the practice of routinely asking property owners to identify their location and height on project plans and will also consider whether or not over-height hedges should be listed on Zoning Information Reports as violations.

Regardless of the outcome of this amendment process, staff has no intention to change our practice and begin proactively enforcing hedge heights, unless deemed a safety hazard. Thus, the large number of hedges currently out of compliance with the existing or future height limits could presumably remain in place until such time that a complaint is filed and enforcement action results in a lower height.

#### Administrative Authority

An administrative approval process is proposed to allow exceptions to these standards if necessary findings can be made. The intent is to provide flexibility in applying the regulations to unique sites, with topographical or other physical challenges, without requiring a Modification (SBMC §28.92.110) and hearing before the Staff Hearing Officer for relatively minor exception requests. Of particular note is the requirement that adjacent property owners agree to allow a fence, screen, wall or hedge to exceed the height limit along an interior property line prior to staff considering the exception request. The authority for the administrative review and approval process is included in the Municipal Code and the proposed guidelines (discussed below) provide some examples for which staff may consider exceptions to the standards.

#### Proposed Guidelines

The proposed *Fences, Screens, Walls and Hedges Guidelines* are intended to assist in the implementation of the Municipal Code. Beyond amending the regulations to better reflect the community's values and the current pattern and style of development, staff and the public could benefit from guidelines to further clarify certain aspects of the regulations best explained in layperson's terms, diagrams and pictures. The guidelines also describe how regulations are applied in unique circumstances, the basic parameters to grant administrative approval, and the triggers for design review and the

extent to which staff may rely on the input of design review boards when considering an exception request.

**BUDGET/FINANCIAL INFORMATION:**

No significant expenditures are required for the staff work required to implement amendments to SBMC §28.87.170.

**ATTACHMENT(S):** 1. Draft Ordinance Amending SBMC §28.87.170  
2. Draft *Fences, Screens, Walls and Hedges Guidelines*

**PREPARED BY:** Renee Brooke, AICP, Senior Planner

**SUBMITTED BY:** Bettie Weiss, City Planner/Acting Community Development Director

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

ORDINANCE COMMITTEE DISCUSSION DRAFT 2/25/14  
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AN ORDINANCE OF THE COUNCIL OF THE  
CITY OF SANTA BARBARA AMENDING  
SECTION 28.87.170 OF THE SANTA BARBARA  
MUNICIPAL CODE RELATING TO FENCES,  
SCREENS, WALLS AND HEDGES.

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

**SECTION 1.** Section 28.87.170 of Chapter 28.87 of the Santa Barbara Municipal Code is deleted in its entirety and readopted to read as follows:

**28.87.170 Fences, Screens, Walls and Hedges.**

A. **DEFINITIONS.** As used in this Section 28.87.170, the following terms and phrases shall have the indicated meanings:

1. **Arbor.** An open structure typically constructed of latticework or metal that often provides partial shade or support for climbing plants, sometimes referred to as a trellis or pergola. An arbor is not considered an accessory building.
2. **Fence.** An upright structure serving as an enclosure, barrier, or boundary or that visually divides or conceals a parcel, usually made of posts, boards, wire, or rails.
3. **Hedge.** A row of closely planted shrubs, bushes, or any other kind of plant material that forms a boundary or substantially continuous visual barrier.
4. **Parkway.** An area between the curb and sidewalk in a fully improved right of way, typically landscaped.
5. **Screen.** Vegetation, including but not limited to trees, shrubs, bushes, and other plantings, that visually divides or conceals a parcel.
6. **Wall.** An upright structure of masonry, wood, plaster, or other building material serving to enclose, divide, or protect an area.

B. **GENERAL RULES.** The following guidelines and standards apply in any zone within the City:

1. **Guidelines.** The Fences, Screens, Walls and Hedges Guidelines, as adopted by resolution of the City Council, shall provide direction and guidance to decision makers and City staff in connection with applications reviewed pursuant to this Section.
2. **Required Reduction for Safety.** If the height of any fence, screen, wall or hedge obstructs the sightlines required for the safe operation of motor vehicles, the Public Works Director (or Director's designee) may declare the fence, screen, wall or hedge to be a public nuisance and require the reduction of the height of the fence, screen, wall or hedge in order to provide for the safe operation of motor vehicles.
3. **Height Measurement.** The height of a fence, screen, wall or hedge shall be measured in a vertical line from the lowest point of contact with the ground directly adjacent to

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either side of the fence, screen, wall or hedge to the highest point of the fence, screen, wall or hedge along said vertical line.

4. **Separation.** Unless there is a horizontal separation of at least five feet (5') between a fence, screen, wall or hedge, the combined height of a fence, screen, wall or hedge and any adjacent fence, screen, wall or hedge shall be measured from the lowest point of the lowest such fence, screen, wall or hedge to the highest point of other fences, screens, walls or hedges.

5. **Schools.** A chain link or open mesh type fence of any height necessary to enclose an elementary or high school site may be located and maintained in any required yard.

6. **Barbed Wire, Concertina Wire, Sharp Wire or Points.** No barbed wire or concertina wire shall be used or maintained in or about the construction of a fence, screen, wall or hedge along the front or interior lot lines of any lot, or within three feet (3') of said lot lines. No sharp wire or points shall project at the top of any fence or wall less than six feet (6') in height.

C. **RULES APPLICABLE TO FENCES AND WALLS ON RESIDENTIALLY ZONED PARCELS.** On parcels zoned A-1, A-2, A-3, E-1, E-2, E-3, R-1, R-2, R-3, or R-4, the following standards apply to fences and walls:

1. **Required Setbacks.** Except as otherwise provided in this Section, no fence or wall located in the required setbacks shall exceed a height of eight feet (8').

2. **Front Lot Lines.** Except as otherwise provided in this Section, no fence or wall located within ten feet (10') of a front lot line shall exceed a height of three and one-half feet (3-1/2').

3. **Driveways.** Except as otherwise provided in this Section, no fence or wall exceeding a height of three and one-half feet (3-1/2') shall be located within a triangular area on either side of a driveway as follows:

a. When a driveway directly abuts a portion of a street improved with a sidewalk and a parkway, the triangle is measured on two sides by a distance of ten feet (10') from the side of a driveway and ten feet (10') back from the front lot line.

b. When a driveway directly abuts a portion of a street without a sidewalk or parkway, the triangle is measured on two sides by a distance of twenty feet (20') from the side of a driveway and ten feet (10') back from the front lot line.

4. **Corner Lots.** Within the required "Intersection Sight Distance", as depicted in the Fences, Screens, Walls and Hedges Guidelines, no fence or wall may obstruct the sightlines required for the safe operation of motor vehicles. This paragraph does not apply to parcels located adjacent to intersections controlled by an all-way stop.

5. **Guardrails.** A guardrail may extend above the maximum height limit for a fence or wall without requiring an exception or modification, only to the minimum extent required for safety by the California Building Code, and only if the guardrail is predominately transparent.

6. **Decorative Elements.** Notwithstanding the above provisions, decorative elements not wider than nine inches (9") by nine inches (9"), such as pilaster caps, finials, posts, lighting fixtures, or similar decorative features as determined by the Community Development Director (or the Director's designee), may exceed the maximum height of any fence or wall by not more than twelve inches (12"), provided such features are spaced not less than six feet (6') apart, measured on-center.

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7. **Entryway Arbors.** Notwithstanding the above provisions, one entryway arbor, substantially open (no solid walls or roof) and not exceeding a maximum of eighteen (18) square feet in area and eight feet (8') in height, is permitted in any front yard. The square footage of the arbor shall be determined by the area located within the rectangle formed around the posts of the arbor or the roof portion of the arbor, whichever dimension is larger. This exception shall only apply to an entryway arbor used in combination with and attached to a fence or wall. No arbor shall be located on a street corner in conflict with the provisions of Section 28.87.170.C.4.

D. **RULES APPLICABLE TO SCREENS AND HEDGES ON RESIDENTIALLY ZONED PARCELS.** On parcels zoned A-1, A-2, A-3, E-1, E-2, E-3, R-1, R-2, R-3, or R-4, the following standards apply to screens and hedges:

1. **Required Setbacks.** Except as otherwise provided in this Section, no screen or hedge located in the required setbacks shall exceed a height of twelve feet (12').

2. **Front Lot Lines.** Except as otherwise provided in this Section, no screen or hedge located within ten feet (10') of a front lot line shall exceed a height of seven and one-half feet (7-1/2').

3. **Driveways.** Except as otherwise provided in this Section, no screen or hedge exceeding a height of three and one-half feet (3-1/2') shall be located within a triangular area on either side of a driveway as follows:

a. When a driveway directly abuts a portion of a street improved with a sidewalk and a parkway, the triangle is measured on two sides by a distance of ten feet (10') from the side of a driveway and ten feet (10') back from the front lot line.

b. When a driveway directly abuts a portion of a street without a sidewalk or parkway, the triangle is measured on two sides by a distance of twenty feet (20') from the side of a driveway and ten feet (10') back from the front lot line.

4. **Corner Lots.** Within the required "Intersection Sight Distance", as depicted in the Fences, Screens, Walls and Hedges Guidelines, no screen or hedge may obstruct the sightlines required for the safe operation of motor vehicles. This paragraph does not apply to parcels located adjacent to intersections controlled by an all-way stop.

E. **ADMINISTRATIVE REVIEW AND APPROVAL OF MINOR EXCEPTIONS.**

1. **Exceptions to the Fence and Wall Standards by the Community Development Director.** The Community Development Director (or the Director's designee) may grant minor exceptions, as specified in the Fences, Screens, Walls and Hedges Guidelines approved by a resolution of the City Council, to Paragraphs C.1, C.2, C.5, C.6, and C.7 above, if the Community Development Director finds that:

a. If the subject fence or wall is located on, or within the required setback of, an interior property line, the adjacent property owner(s) that share a common property line nearest to the fence or wall have agreed to the requested exception;

b. The granting of such exception will not create or exacerbate an encroachment into the necessary sightlines for safe operation of motor vehicles;

c. As applicable, the subject fence or wall will be compatible with other similarly situated and approved structures in the neighborhood; and

d. The granting of such exception will not be detrimental to the use and enjoyment of other properties in the neighborhood.

ORDINANCE COMMITTEE DISCUSSION DRAFT 2/25/14  
SHOWING PROPOSED LANGUAGE

**2. Exceptions to the Screen and Hedge Standards by the Community Development Director.** The Community Development Director (or the Director's designee) may grant minor exceptions, as specified in the Fences, Screens, Walls and Hedges Guidelines approved by a resolution of the City Council, to Paragraphs D.1 and D.2 above, if the Community Development Director finds that:

a. If the subject screen or hedge is located on, or within the required setback of, an interior property line, the adjacent property owner(s) that share a common property line nearest to the screen or hedge have agreed to the requested exception;

b. The granting of such exception will not create or exacerbate an encroachment into the necessary sightlines for safe operation of motor vehicles;

c. The screen or hedge will be compatible with the character of the neighborhood (the Community Development Director may seek advice from the appropriate design review body when considering this finding);

d. The proposed height of the screen or hedge will respect the height limitation applicable to structures for the protection of solar access as specified in Section 28.11.020 of this Code; and

e. The granting of such exception will not be detrimental to the use and enjoyment of other properties in the neighborhood.

**3. Exceptions to Corner Lot and Driveway Sightline Standards by the Public Works Director.** The Public Works Director (or the Director's designee) may grant minor exceptions, as specified in the Fences, Screens, Walls and Hedges Guidelines approved by a resolution of the City Council, to Paragraphs C.3, C. 4, D.3 and D.4 above, if the Public Works Director finds that:

a. The granting of such exception will not create or exacerbate an encroachment into the necessary sightlines for safe operation of motor vehicles; and

b. The granting of such exception will not be detrimental to the use and enjoyment of the other properties in the neighborhood.

F. NONCONFORMING. Any fence, screen, wall or hedge which is nonconforming to the provisions of this section and which existed lawfully on January 10, 1957 (the effective date of the ordinance adopting the provisions of this section) may be continued and maintained, provided there is no physical change other than necessary maintenance and repair in such fence or wall, except as permitted in other sections of this title. A hedge shall be determined to be nonconforming by the Community Development Director upon receipt of sufficient evidence indicating that the hedge existed in its present location on January 10, 1957. Notwithstanding the foregoing, no more than ten percent (10%) of the length of a nonconforming fence or wall may be replaced within any twelve-month period, unless: 1) such fence or wall is a significant structure or feature associated with a designated City Landmark or Structure of Merit and the extent of repair or maintenance occurs pursuant to Santa Barbara Municipal Code Section 22.22.070; or 2) such fence or wall is necessary to retain or support soil in a vertical or near vertical slope of earth. If a nonconforming fence, screen, wall or hedge has been determined to be a safety hazard by the Public Works Director, the Public Works Director (or Director's designee) may declare the fence, screen, wall or hedge to be a public nuisance and require the reduction of the height of the fence, screen, wall or hedge in order to provide for the safe operation of motor vehicles.

# Fences, Screens, Walls and Hedges Guidelines

## INTRODUCTION

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### Purpose of the Fences, Screens, Walls and Hedges Guidelines

The Fences, Screens, Walls and Hedges Guidelines have been developed to assist in the implementation of Santa Barbara Municipal Code Section 28.87.170. These guidelines explain, in user-friendly terms and diagrams, the application of the standards in various situations and provide criteria for circumstances that may qualify for Administrative approval of exceptions to the standards.

### Relationship to Other Documents

- **Relationship to the Zoning Ordinance.** The Zoning Ordinance (Title 28 of the Municipal Code) contains standards to which development must comply. In the event of a conflict between these Guidelines and the Municipal Code, the Code requirements prevail. These Guidelines are intended to augment the Municipal Code by providing additional detail and some examples of methods available to comply with the Code.
- **Relationship to Other Guidelines.** Many other City Guidelines provide direction regarding physical development, architectural style, site design and landscaping. The Fences, Screens, Walls and Hedges Guidelines are compatible with, and are not meant to contradict or take the place of, other applicable Guidelines. For example, the Fences, Screens, Walls and Hedges Guidelines primarily address the allowed location and height of fences, screens, walls and hedges. The exact material, color, width and style of any of those elements may be subject to other guidelines (e.g., Single Family Design Board General Design Guidelines and Meeting Procedures), as applicable.

## GUIDELINES

### Measuring Height

Per SBMC §28.87.170.B.3, the height of a fence, screen, wall or hedge shall be measured in a vertical line from the lowest point of contact with the ground directly adjacent to either side of the fence, screen, wall or hedge to the highest point of the fence, screen, wall or hedge along said vertical line. [Figure 1]

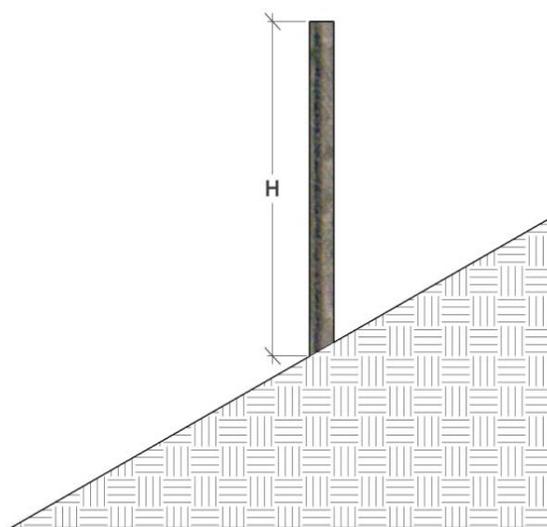


Figure 1

### Horizontal Separation

Per SBMC §28.87.170.B.4, if there is a horizontal separation of **at least** five feet (5') between fences, screens, walls or hedges, the height shall be measured separately for each fence, screen, wall or hedge. The horizontal separation shall be measured from the “back” face of the lower fence, screen, wall or hedge to the “front” face of the higher fence, screen, wall or hedge. [Figure 2]

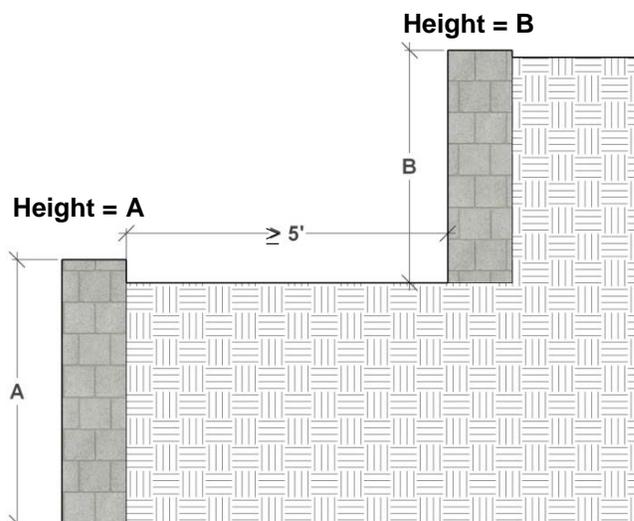


Figure 2

Also per SBMC §28.87.170.B.4, if there is a horizontal separation **less than** five feet (5') between fences, screens, walls or hedges, the height shall be measured as the cumulative vertical distance from the lowest point of the lowest fence, screen, wall or hedge to the highest point of other fences, screens, walls or hedges. The horizontal separation shall be measured from the “back” face of the lower fence, screen, wall or hedge to the “front” face of the higher fence, screen, wall or hedge. [Figures 3 through 5]

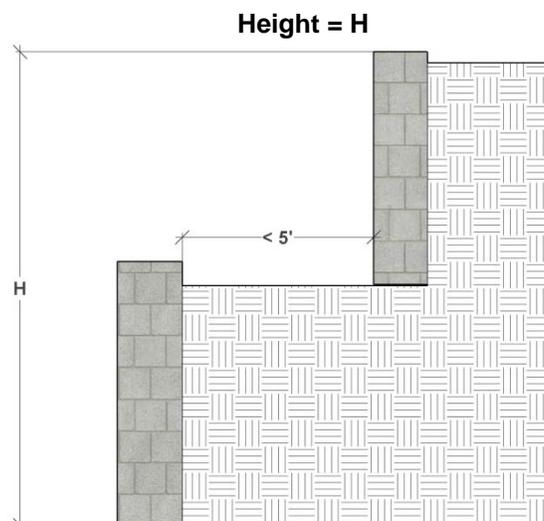


Figure 3

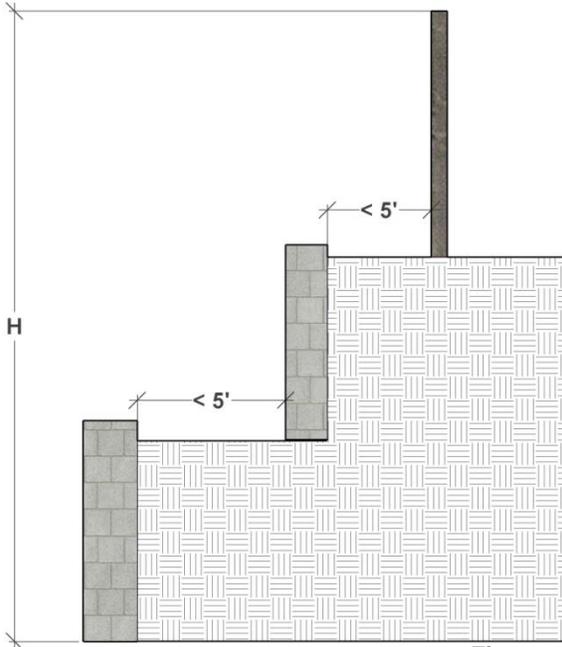


Figure 4

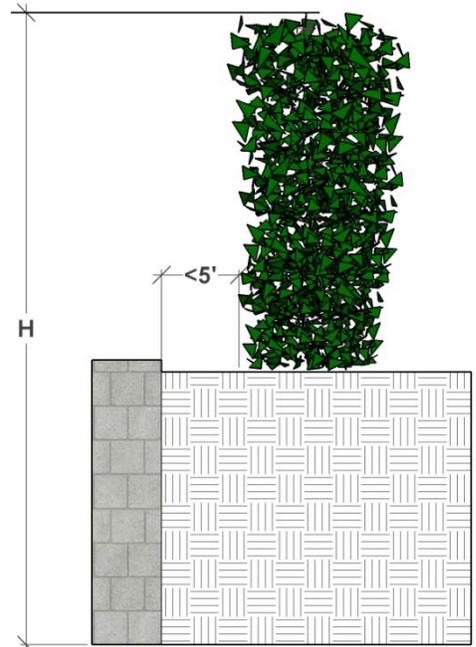


Figure 5

**Retaining Walls**

Where fences, screens, walls or hedges are located on retaining walls, the portion of the retaining wall above finished grade shall be considered as part of the overall height of the fence, screen, wall or hedge.

**Guardrails**

Per SBMC §28.87.170.C.5, a guardrail may extend above the maximum height of a fence or wall, but only to the minimum extent required for safety by the California Building Code (CBC Section 1013.2). To qualify for this exception to the height limit, safety guardrails themselves must be predominantly transparent. Some examples of guardrails that meet the intent of “predominantly transparent” are shown in Figures 6 through 8, below.



Figure 6

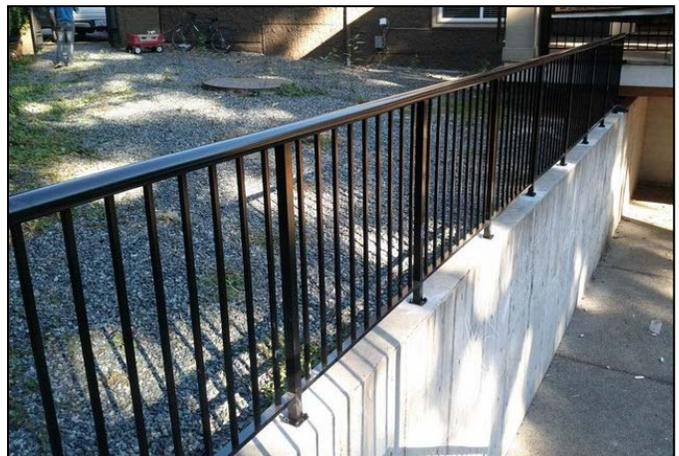


Figure 7

Guardrails or similar features proposed voluntarily to address an abrupt change in grade or perceived safety issue, and not explicitly required by the CBC, may exceed the height limit, subject to Administrative review and approval, and will be evaluated on a case-by-case basis.

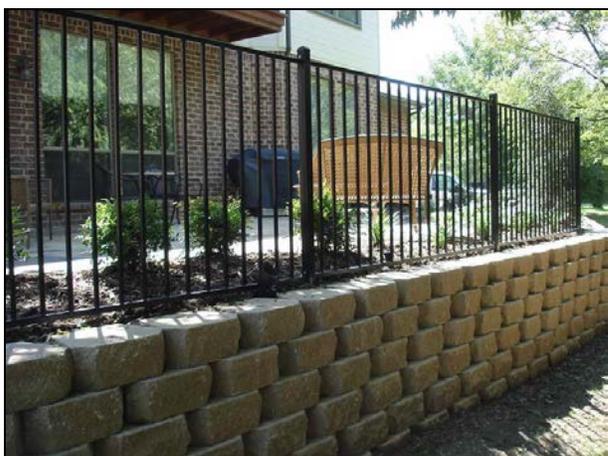


Figure 8



Figure 9

Guardrails that are not predominantly transparent (Figure 9) may exceed the height limit if necessary to achieve consistency with the architectural style of the site, subject to Administrative review and approval, and will be evaluated on a case-by-case basis.

### Driveways

Per SBMC §28.87.170.C.3, no fence, screen, wall or hedge exceeding a height of three and one-half feet (3-1/2') shall be located within a triangular area (often referred to as “visibility triangle” or “sightline”) on either side of a driveway, as described in the following scenarios.

When a driveway directly abuts a portion of a street improved with a sidewalk and parkway, the triangle is measured on two sides by a distance of ten feet (10') from the side of a driveway and ten feet (10') back from the front lot line [Figure 10].

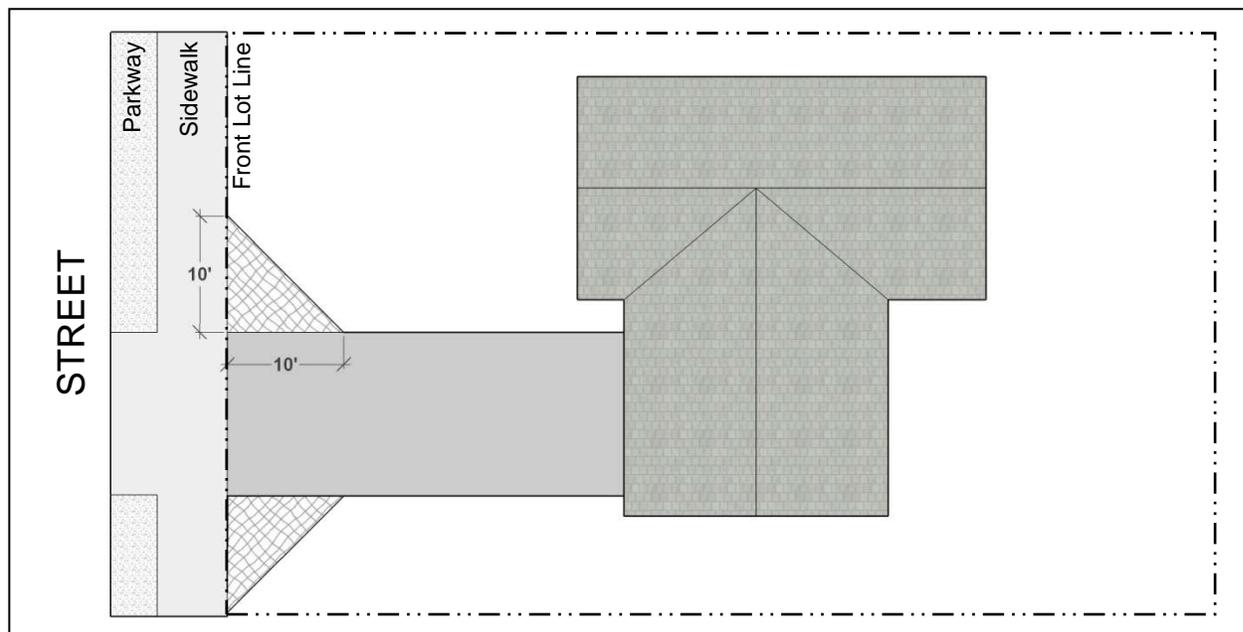


Figure 10

Figure 11 provides an example of how this provision may apply to a driveway not aligned perpendicularly to the street, which occurs in many locations throughout the community.

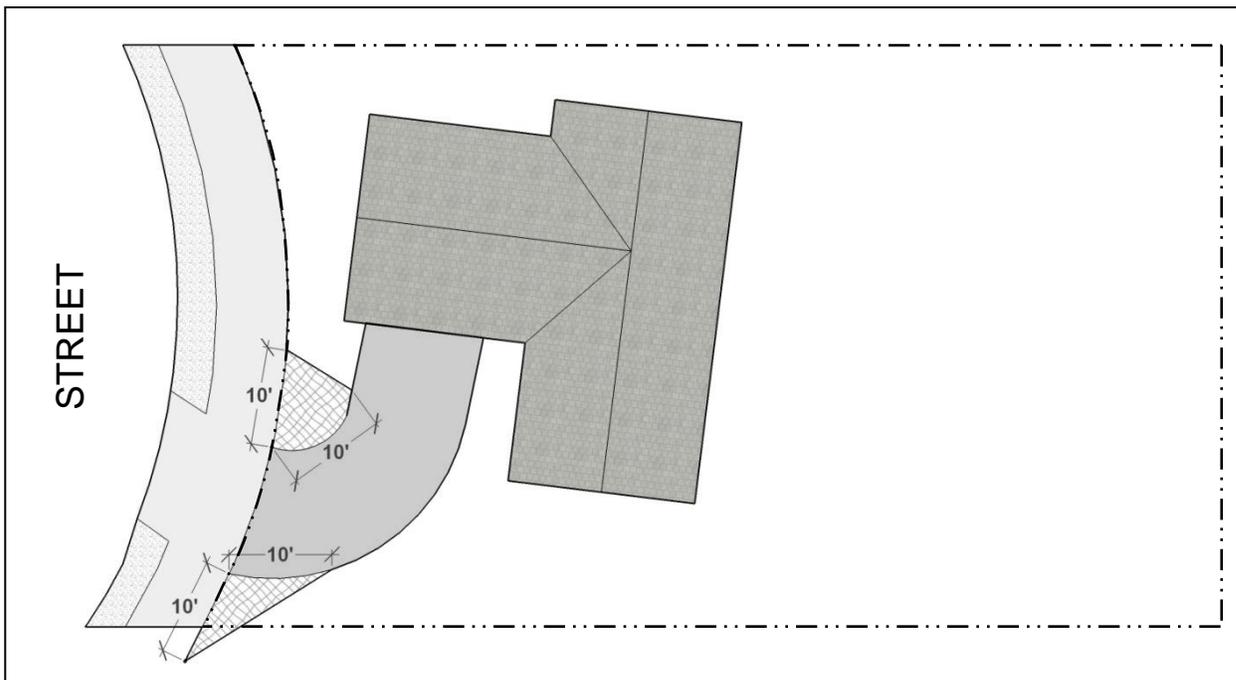


Figure 11

When a driveway directly abuts a portion of a street without a sidewalk or parkway, the triangle is measured on two sides by a distance of twenty feet (20') from the side of a driveway and ten feet (10') back from the front lot line. [Figure 12]

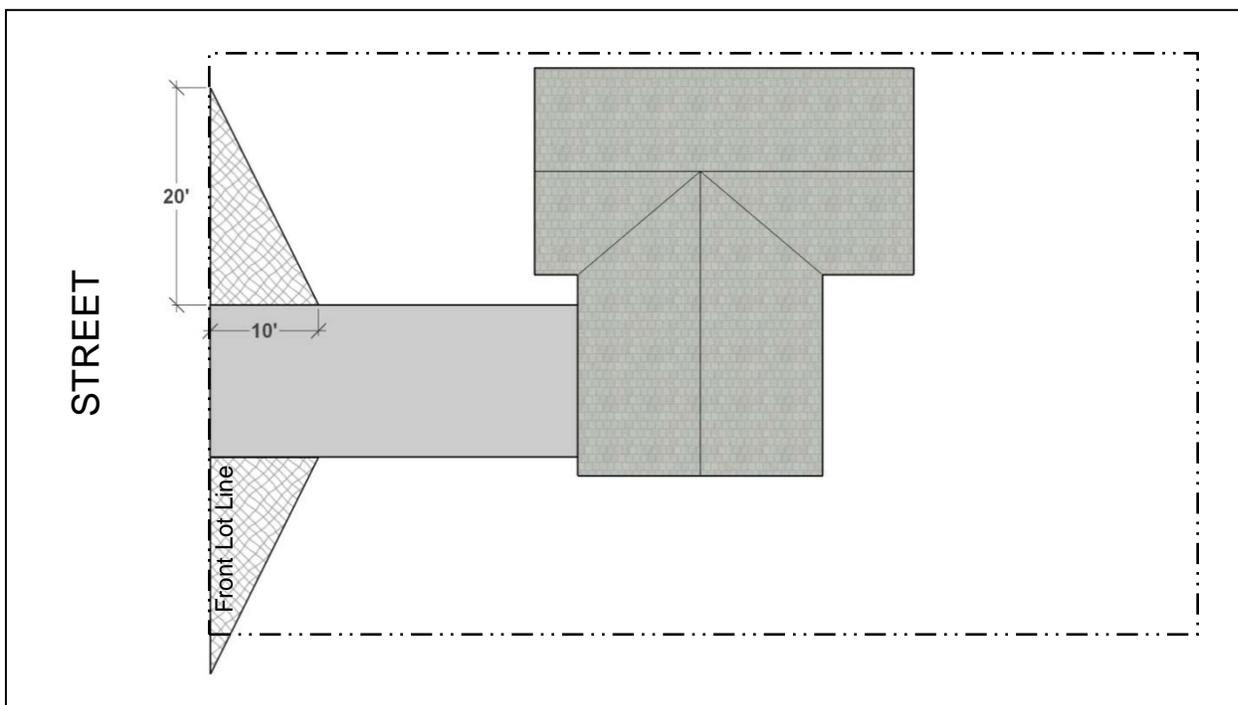


Figure 12

### Corner Lots

Per SBMC §28.87.170.C.4, the height and location of fences, screens, walls, or hedges located within the required “Intersection Sight Distance” (see Figure 13) shall be evaluated by Public Works Staff on a case-by-case basis. The required sight distance is established based on legal vehicle speed and the position of the driver’s eye in relation to the intersection. Fences, screens, walls or hedges located adjacent to intersections controlled by an all-way stop are not subject to additional height restrictions pursuant to this subsection. Use of this template does not preclude the need for additional visibility due to site-specific conditions.

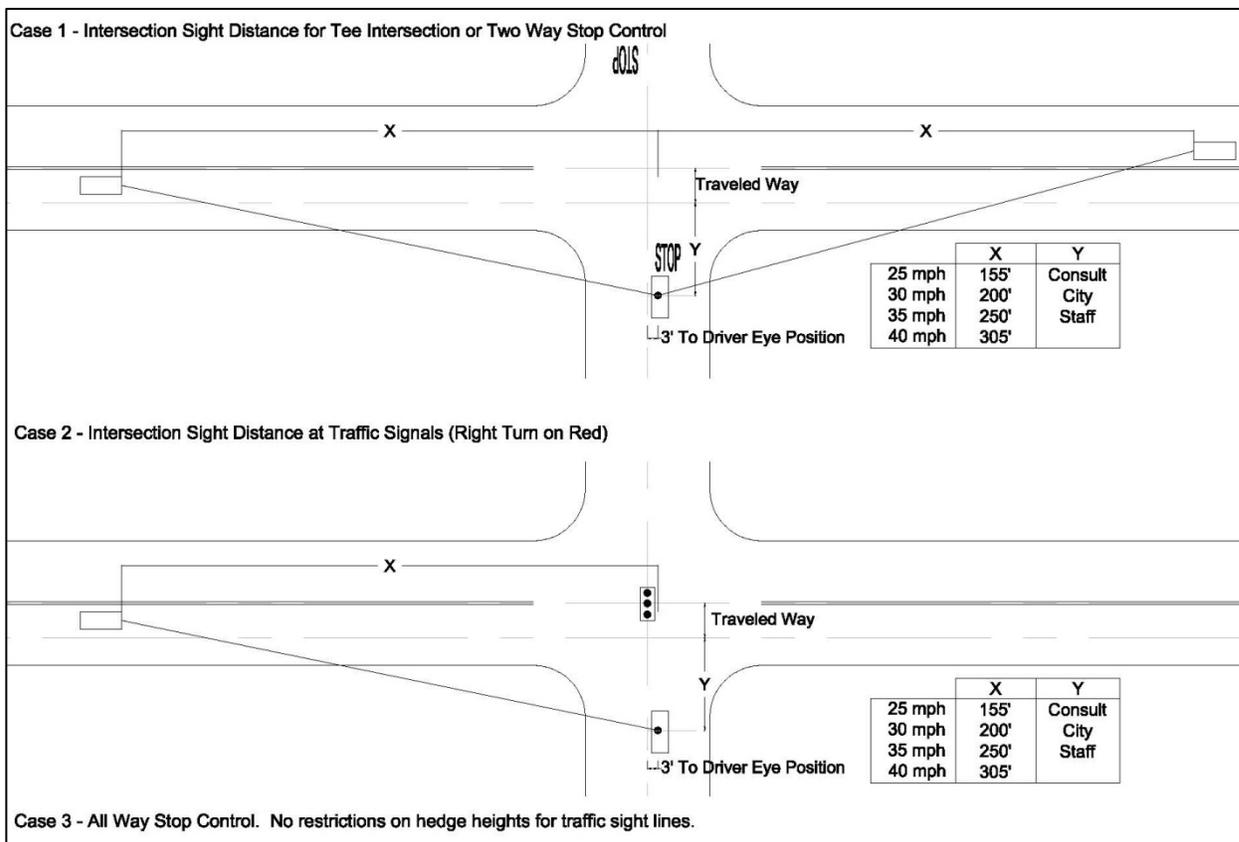


Figure 13

## Entryway Arbor

An entryway arbor is intended to provide a decorative gateway to the property and define the pedestrian entrance from the street. To meet the provisions of SBMC §28.87.170.C.7, an entryway arbor must be used in combination with, and attached to, a fence or wall. A free-standing arbor or similar element is subject to the provisions of SBMC §28.87.062 (Setback, Open Yard, Common Outdoor Living Space, and Distance Between Main Buildings Encroachment).

The square footage of the arbor shall be determined by the area located within the rectangle formed around the posts of the arbor or the roof portion of the arbor, whichever dimension is larger, as shown in Figures 14 and 15. The height is measured from the lowest point of contact with the ground directly adjacent to the arbor to the highest point of the arbor.

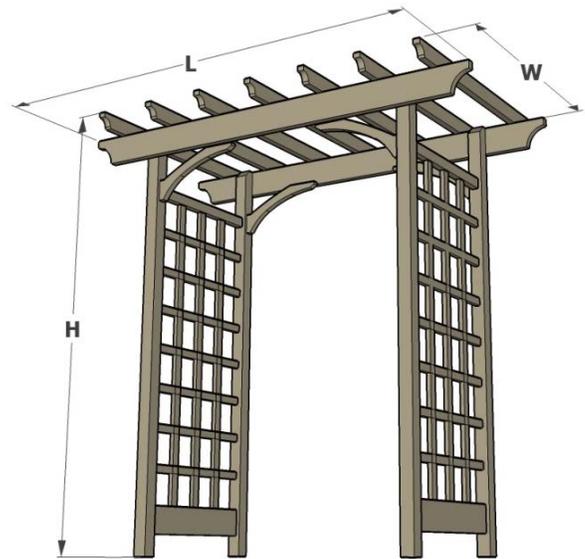


Figure 14

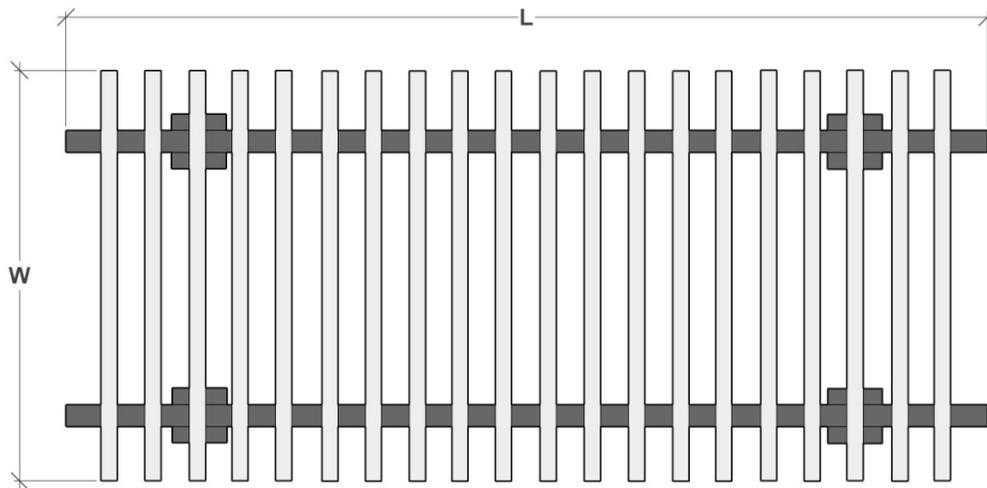


Figure 15

Consistent with SBMC §28.87.170.C.7, an entryway arbor must be substantially open, with no solid walls or roof. Exceptions to this provision may be evaluated on a case-by-case basis, subject to Administrative review and approval.

Gates or doors that meet the location and height limitations of SBMC §28.87.170 may be allowed within the frame of an entryway arbor. A gate or door may exceed the height limit, subject to Administrative review and approval, as long as the height, width, and visual transparency of the gate or door remain consistent with the intent to provide a welcoming entry feature to the property and does not obstruct sight lines for motorists, cyclists, or pedestrians.

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## **ADMINISTRATIVE REVIEW AND APPROVAL OF MINOR EXCEPTIONS**

Pursuant to SBMC §28.87.170.E., the following minor exceptions to the subject standards may be considered for approval administratively by the Community Development Director or Public Works Director (or the Directors' designee), if the necessary findings are made. If any of the required findings cannot be made, the owner/applicant has the option to request a Modification of the Fences, Screens, Walls and Hedges requirements, pursuant to SBMC §28.92.110.

### **Exceptions to Height Limits**

Due to variations in lot size, configuration, and topography (both on- and off-site), flexibility in the height of fences, screens, walls or hedges may be warranted to allow an improvement similar to that enjoyed by other properties in the neighborhood. In all cases, the necessary sightlines for driveways and street corners must be met. Some examples of where exceptions may be considered within interior and front setbacks and along front lot lines, and potential conditions for approval, are described below.

#### **Interior Setbacks**

Within interior setbacks (ranging from 5 to 15 feet in residential zones), fences and walls are limited to eight feet (8') in height, and screens and hedges are limited to twelve feet (12'). A fence, screen, wall or hedge may, upon granting Administrative approval, exceed the height limit within interior setbacks by no more than four feet (4'). An owner/applicant who desires a fence or wall to extend more than 12 feet in height, or a screen or hedge to extend more than 16 feet, within an interior setback has the option to request a Modification of the Fences, Screens, Walls and Hedges requirements, pursuant to SBMC §28.92.110.

Factors that may typically warrant special consideration and a possible exception include, but are not limited to, the following:

- An abrupt difference in elevation on either side of the fence, screen, wall or hedge
- The presence of a retaining wall or series of retaining walls
- The need to install a code-required security fence or wall around a pool
- A desire for additional privacy or security, with the agreement of adjacent property owner(s)

Methods to mitigate the actual or apparent height of the improvement, such as the following, are desirable and may be required as a condition of Administrative approval:

- Provide adequate separation between vertical elements (e.g., retaining wall system) to allow space for plantings between the walls or fences. Refer to the Single Family Residence Design Guidelines for appropriate treatment of retaining walls.
- Use vines or trellises and other climbing plants to screen the additional height
- Incorporate visually transparent elements (e.g., wrought iron, forged steel tubing, wood pickets)
- Use color and/or materials that soften the appearance of the fence or wall
- Undulate or break up the wall or fence into sections, to minimize the overall continuous length

### Front Setbacks

Within front setbacks (ranging from 10 to 35 feet in residential zones), fences and walls are limited to eight feet (8') in height, and screens and hedges are limited to twelve feet (12'). A fence, screen, wall or hedge located at least ten feet back from the front lot line may, upon granting Administrative approval, exceed the height limit within front setbacks by no more than four feet (4'). An owner/applicant who desires a fence or wall extend more than 12 feet in height, or a screen or hedge to extend more than 16 feet, within a front setback has the option to request a Modification of the Fences, Screens, Walls and Hedges requirements, pursuant to SBMC §28.92.110.

Factors that may typically warrant special consideration and a possible exception include, but are not limited to, the following:

- An abrupt difference in elevation on either side of the fence, screen, wall or hedge
- The presence of a retaining wall or series of retaining walls
- The need to install a code-required security fence or wall around a pool
- A desire/need to secure a secondary front yard
- A desire/need to buffer noise from a busy street

Methods to mitigate the actual or apparent height of the improvement, as outlined above, are desirable and may be required as a condition of Administrative approval.

### Front Lot Lines

Within ten feet (10') of a front lot line, fences and walls are limited to three and one-half feet (3 ½') in height, and screens and hedges are limited to seven and one-half feet (7 ½'). A fence, screen, wall or hedge may, upon granting Administrative approval, exceed this height limit by no more than four feet (4'). An owner/applicant who desires a fence or wall extend more than 7 ½ feet in height, or a screen or hedge to extend more than 11 ½ feet, within ten feet of a front lot line has the option to request a Modification of the Fences, Screens, Walls and Hedges requirements, pursuant to SBMC §28.92.110.

Elements along front lot lines are typically much more visible to the public and, therefore, require additional scrutiny and consideration beyond approval by staff. This is reinforced by the fact that the Municipal Code (SBMC §22.69.020.C.8) requires review and approval by the Single Family Design Board for walls, fences or gates greater than 3 ½' in height within front yards. Although the installation of screens or hedges may not in all cases trigger design review, as a matter of policy, Staff will refer to the appropriate design review board most applications for requests to exceed the height limit within ten feet of a front lot line.

Factors that may typically warrant special consideration and a possible exception include, but are not limited to, the following:

- An abrupt difference in elevation on either side of the fence, screen, wall or hedge, particularly if the elevation of the public right of way is above the elevation of the private property (see Figures 16 and 17 for examples).
- The presence of a retaining wall or series of retaining walls
- The need to install a code-required security fence or wall around a pool

- A desire/need to secure a secondary front yard
- A desire/need to buffer noise from a busy street

Methods to mitigate the actual or apparent height of the improvement, as outlined above, are desirable and may be required as a condition of Administrative approval.

When evaluating requests to exceed the height limit within ten feet of a front property line, the methodology for measuring the maximum height may differ from that stated in SBMC §28.87.170.B.3. In situations where no obvious public purpose would be served by measuring the height from the lowest point of contact with the ground directly adjacent to the fence, screen, wall or hedge, such improvement may instead be measured from the elevation of the nearest adjacent sidewalk or curb (Figure 16) or, where no sidewalk or curb exists, the elevation of the right-of-way surface nearest to the fence, screen, wall or hedge (Figure 17). This will typically apply in situations where the elevation of the street is above the elevation of the subject property and the most significant portion of the height is visible primarily to the property owner(s), and not the public.

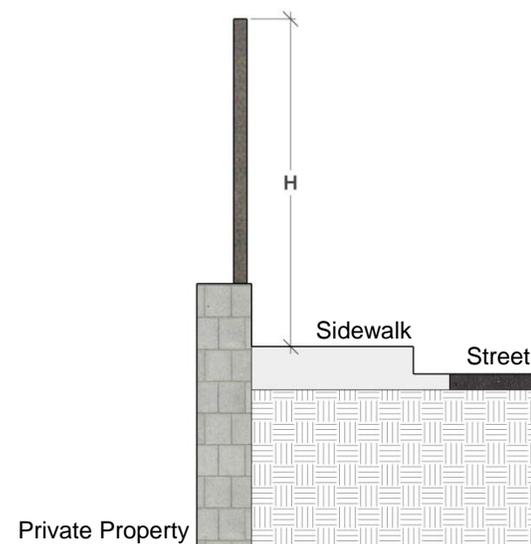


Figure 16

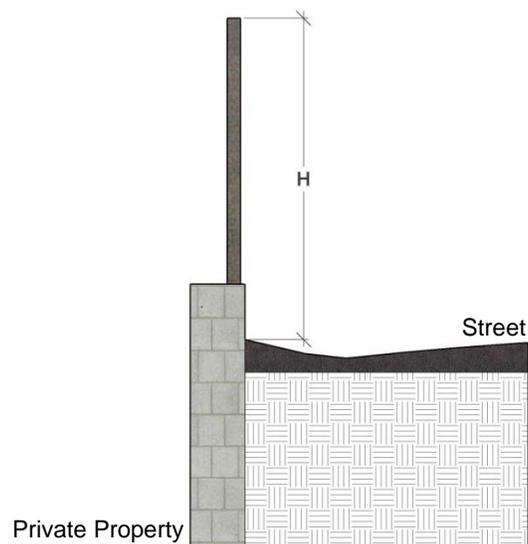


Figure 17

### Exceptions for Decorative Elements

Decorative elements (e.g., pilaster caps, finials, posts, lighting fixtures, or similar decorative features) in excess of the size and spacing allowed by SBMC §28.87.170.C.6 may, upon granting Administrative approval, be allowed if the general amount (in terms of volume) of encroachment into the height, over the length of the fence or wall is, on average, relatively the same as allowed by the Municipal Code.

The Code allows decorative elements not wider than nine inches (9") by nine inches (9") to exceed the maximum height of any fence or wall by not more than twelve inches (12"), provided such features are spaced not less than six feet (6') apart, measured on-center. Two examples of generally equivalent exceptions include, but are not limited, to:

- Pilasters that are twelve inches (12”) by twelve inches (12”) wide and that exceed the height limit by six inches (6”) and are spaced six feet (6’) apart
- Lighting fixtures that are seven inches (7”) by seven inches (7”) wide and that exceed the height limit by fifteen inches (15”) and are spaced five feet (5’) apart

## **DESIGN REVIEW**

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The Municipal Code currently requires design review of certain applications for fences, walls or gates, as outlined below. In cases where an exception request triggers design review, staff will rely to a great extent on the appropriate advisory group to provide input on the aesthetics of an exception request prior to making a final Administrative decision on height.

### **Single Family Design Board**

Pursuant to SBMC §22.69.020.C.7 and 22.69.020.C.8 (excerpts cited below), a building permit to construct, alter, or add to the exterior of a single family residential unit or related accessory structure (including fences and walls) on any lot shall be referred to the Single Family Design Board for design review if the permit involves the following:

7. The construction, alteration or addition of a retaining wall that is six feet (6’) or greater in height, or
8. The construction, alteration or addition of a wall fence or gate in the front yard of the lot that is greater than three and one-half feet (3 ½’) in height.

### **Historic Landmarks Commission**

Pursuant to SBMC §22.22.130.A, no structure or real property in El Pueblo Viejo Landmark District or Brinkerhoff Avenue Landmark Districts shall be constructed, demolished, moved or altered on its exterior without the approval of the Historic Landmarks Commission (HLC). Further, SBMC §22.22.130.D states that no natural feature (including landscaping) affecting the visual qualities of private property located in El Pueblo Viejo Landmark District or Brinkerhoff Avenue Landmark Districts shall be placed, altered or removed without the approval of the HLC.

### **Architectural Board of Review**

Pursuant to SBMC §22.68.020.B, a building permit to construct, alter or add to the exterior of a duplex or multi-family residential buildings and related accessory structures (including fences and walls) shall be referred to the Architectural Board of Review for design review.

CITY OF SANTA BARBARA

**FINANCE COMMITTEE**

MEETING AGENDA

DATE: February 25, 2014

Dale Francisco, Chair

TIME: 12:30 P.M.

Bendy White

PLACE: David Gebhard Public Meeting Room  
630 Garden Street

Gregg Hart

James L. Armstrong  
City Administrator

Robert Samario  
Finance Director

**ITEMS TO BE CONSIDERED:**

**1. Subject: Fiscal Year 2014 Mid-Year Review**

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 six months ended December 31, 2013;
- B. Accept the Fiscal Year 2014 Interim Financial Statements for the Six Months Ended December 31, 2013; and
- C. Approve the proposed mid-year adjustments to Fiscal Year 2014 appropriations and estimated revenues as detailed in the attached Schedule of Proposed Mid-Year Adjustments.

(See Council Agenda Item No. 10)

**2. Subject: Banking Services Agreement**

Recommendation: That the Finance Committee recommend that Council approve, and authorize the Finance Director to execute, a banking services agreement with Union Bank to provide banking services in an amount not to exceed \$78,000 for the period of March 1, 2014, through December 31, 2014.

(See Council Agenda Item No. 4)



# CITY OF SANTA BARBARA CITY COUNCIL MINUTES

## SPECIAL MEETING January 30, 2014 CHASE PALM PARK RECREATION CENTER 236 E. CABRILLO BOULEVARD

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### CALL TO ORDER

Mayor Helene Schneider called the meeting to order at 9:05 a.m.

### ROLL CALL

Councilmembers present: Dale Francisco, Gregg Hart, Frank Hotchkiss, Cathy Murillo, Randy Rowse, Bendy White, Mayor Schneider.

Councilmembers absent: None.

Staff present: City Administrator James L. Armstrong.

### PUBLIC COMMENT

No one wished to speak.

### NOTICES

The City Clerk has on Wednesday, January 29, 2014, 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.

### CLOSED SESSIONS

#### **Subject: Public Employment (440.05)**

Recommendation: That Council hold a closed session, per Government Code Section 54957(b)(1), to interview and discuss the candidates for the position of City Attorney.

Report: None anticipated

Time:

9:05 a.m. – 11:55 a.m.

No report made.

**ADJOURNMENT**

Mayor Schneider adjourned the meeting at 11:55 a.m.

SANTA BARBARA CITY COUNCIL

SANTA BARBARA  
CITY CLERK'S OFFICE

\_\_\_\_\_  
HELENE SCHNEIDER  
MAYOR

ATTEST: \_\_\_\_\_  
SUSAN TSCHECH, CMC  
DEPUTY CITY CLERK



# CITY OF SANTA BARBARA CITY COUNCIL MINUTES

## REGULAR MEETING February 4, 2014 COUNCIL CHAMBER, 735 ANACAPA STREET

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### CALL TO ORDER

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

### PLEDGE OF ALLEGIANCE

Mayor Schneider.

### ROLL CALL

Councilmembers present: Gregg Hart, Frank Hotchkiss, Cathy Murillo, Randy Rowse, Bendy White, Mayor Schneider.

Councilmembers absent: Dale Francisco.

Staff present: City Administrator James L. Armstrong, Interim City Attorney Sarah Knecht, City Clerk Services Manager Gwen Peirce.

### CEREMONIAL ITEMS

#### 1. **Subject: Employee Recognition – Service Award Pins (410.01)**

Recommendation: That Council authorize the City Administrator to express the City's appreciation to employees who are eligible to receive service award pins for their years of service through February 28, 2014.

Documents:

February 4, 2014, report from the City Administrator.

Speakers:

Staff: City Administrator James Armstrong.

(Cont'd)

**1. (Cont'd)**

By consensus, the Council approved the recommendation. The following employees were recognized:

15 YEARS

Barbara Shelton, Community Development Department

Victor Ayala, Public Works Department

25 YEARS

Bernard Pigott, Fire Department

Segundo Valdez, Fire Department

**CHANGES TO THE AGENDA**

Item Removed from Agenda

City Administrator Armstrong advised that the following item was being removed from the Agenda:

**12. 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 Kristine Schmidt, Acting Administrative Services Director, regarding negotiations with the Treatment and Patrol Bargaining Units, Hourly Bargaining Unit, Police Management Association, and regarding salaries and fringe benefits for certain unrepresented management and confidential employees.

Scheduling: Duration, 30 minutes; anytime

Report: None anticipated

**PUBLIC COMMENT**

Speakers: Phil Walker; Lumiere; Chryss Yost, Santa Barbara Poet Laureate; Paul Willis.

**ITEMS REMOVED FROM CONSENT CALENDAR**

**5. Subject: Donation From The Santa Barbara Police Foundation For The Purchase Of SWAT Equipment (520.04)**

Recommendation: That Council:

- A. Accept a donation of \$69,400 from the Santa Barbara Police Foundation for the purchase of SWAT equipment; and
- B. Increase appropriations and estimated revenue in the Police Department, Miscellaneous Grants Fund, for Fiscal Year 2014 by \$69,400 for the purchase of specialized SWAT equipment.

(Cont'd)

**5. (Cont'd)**

Documents:

February 4, 2014, report from the Police Chief.

Speakers:

Members of the Public: Craig Case, Santa Barbara Police Foundation.

Motion:

Councilmembers Hart/White to approve the recommendations.

Vote:

Unanimous voice vote (Absent: Councilmember Francisco).

**7. Subject: Healthy Eating Active Living (HEAL) Cities Resolution (650.06)**

Recommendation: That Council adopt, by reading of title only, A Resolution of the Council of the City of Santa Barbara, County of Santa Barbara, State of California, Declaring the City as a Healthy Eating Active Living (HEAL) City.

Documents:

- February 4, 2014, report from the Acting Community Development Director.
- Proposed Resolution.

The title of the resolution was read.

Speakers:

- Staff: Principal Planner John Ledbetter.
- Members of the Public: Susan Klein-Rothchild.

Motion:

Councilmembers Hart/Murillo to approve the recommendation; Resolution No. 14-004.

Vote:

Majority roll call vote (Noes: Councilmember Hotchkiss; Absent: Councilmember Francisco).

**CONSENT CALENDAR (Item Nos. 2 – 4, 6, 8 and 9)**

The titles of the resolution and ordinances related to Consent items were read.

Motion:

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

Vote:

Unanimous roll call vote (Absent: Councilmember Francisco).

**2. Subject: Minutes**

Recommendation: That Council waive further reading and approve the minutes of the adjourned regular meeting of October 28, 2013, the regular meeting of January 14, 2014, the cancelled meeting of January 21, 2014, and the special meeting of January 27, 2014.

Action: Approved the recommendation.

**3. Subject: Adoption Of Ordinance For Amendment To Lease Agreement Between The City Of Santa Barbara And La Patera Investors, LP (330.04)**

Recommendation: That Council adopt, by reading of title only, An Ordinance of the Council of the City of Santa Barbara Approving and Authorizing the Airport Director to Execute a Third Amendment to Lease No. 19,067, Between the City of Santa Barbara and La Patera Investors, LP, a California Limited Partnership, Amending Article XXIII, "Subletting and Assignment," to Allow Encumbrance of the Leasehold by an Approved Mortgagee.

Action: Approved the recommendation; Ordinance No. 5644; Lease Agreement No. 24,708.

**4. Subject: Adoption Of Ordinance For The 2013-2016 General Unit Memorandum Of Understanding (440.02)**

Recommendation: That Council adopt, by reading of title only, An Ordinance of the Council of the City of Santa Barbara Adopting the 2013-2016 Memorandum of Understanding Between the City of Santa Barbara and the Santa Barbara City Employees' Association (General Unit) and Providing for Compensation Changes for Confidential Employees.

Action: Approved the recommendation; Ordinance No. 5645; Agreement No. 24,709.

**6. Subject: Software Maintenance For Regional Law Enforcement Data Sharing System (520.04)**

Recommendation: That Council find it in the City's best interest to waive the bidding process as provided in Municipal Code 4.52.070 (k) and authorize the General Service Manager to issue a purchase order to IBM for the amount of \$178,000 for Coplink software maintenance and services for Fiscal Year 2014.

Action: Approved the recommendation (February 4, 2014, report from the Police Chief).

**8. Subject: Acquisition Of Real Property At 1130 Punta Gorda Street For The Lower Sycamore Creek Channel Improvement Project (330.03)**

Recommendation: That Council adopt, by reading of title only, A Resolution of the Council of the City of Santa Barbara to Acquire and Accept in Fee a Portion of the Real Property Located at 1130 Punta Gorda Street for \$5,000, Relating to the Lower Sycamore Creek Channel Widening and Punta Gorda Bridge Replacement Project, and Authorize the Public Works Director to Execute Such Agreements and Documents as Necessary for the Acquisition and Acceptance of Said Real Property, and Record Said Real Property Acquisition Deed in the Official Records of the County of Santa Barbara.

Speakers:

Members of the Public: Phil Walker.

Action: Approved the recommendation; Resolution No. 14-005; Agreement No. 24,710; Deed No. 61-435 (February 4, 2014, report from the Acting Public Works Director; proposed resolution).

**NOTICES**

9. The City Clerk has on Thursday, January 30, 2014, 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.

Councilmember Francisco arrived at 2:41 p.m.

**CITY COUNCIL AND SUCCESSOR AGENCY REPORTS**

**10. Subject: Contract Services And Land Development Permits In the Amount of \$1,007,213 For The Cabrillo Pavilion And Bathhouse Renovation Project (570.05)**

Recommendation: That Council and the Successor Agency:

- A. Authorize the Executive Director to execute a contract between the Successor Agency and Kruger Bensen Ziemer Architects, Inc. (KBZ), in the amount of \$921,500 for architectural and engineering design services, and construction documents, bidding, and administration; and
- B. Authorize the City Administrator and the Executive Director to execute a contract between the Successor Agency and the City of Santa Barbara Parks and Recreation Department in the amount of \$51,288 for project management services, and approve expenditures of up to \$34,425 for City land development permits.

(Cont'd)

## 10. (Cont'd)

### Documents:

- February 4, 2014, report from the Parks and Recreation Director.
- PowerPoint presentation prepared and made by Staff.

### Speakers:

- Staff: Assistant Parks and Recreation Director Jill Zachary, Facilities Manager Jim Dewey.
- Members of the Public: Phil Walker.

### Motion:

Councilmembers Murillo/Rowse to approve staff's recommendations; Contract Nos. 24,711 and 24,712.

### Vote:

Unanimous voice vote.

## COUNCILMEMBER COMMITTEE ASSIGNMENT REPORTS

### Information:

- Councilmember Murillo reported on her attendance at 1) a Metropolitan Transit District Board of Directors meeting where ridership was discussed; 2) a recent Youth Council meeting where participation in various events was discussed; and 3) a City at Peace event regarding Restorative Justice.
- Councilmember Hotchkiss reported on his attendance at a recent Community Development and Human Services Committee meeting.

## RECESS

The Mayor recessed the meeting at 3:02 p.m. in order for the Council to reconvene in closed session for Agenda Item No. 14, and she stated that reportable action is anticipated.

## CLOSED SESSIONS

### 14. Subject: Public Employment (440.05)

Recommendation: That Council hold a closed session, per Government Code Section 54957(b)(1), to discuss the appointment for the position of City Attorney.

Scheduling: Duration, 30 minutes; anytime

Report: Report anticipated.

### Documents:

February 4, 2014, report from the Assistant City Administrator.

### Time:

3:07 p.m. – 3:11 p.m.

(Cont'd)

**14. (Cont'd)**

Mayor Schneider reconvened the meeting at 3:11 p.m. to report the Council action from closed session.

Announcement:

Mayor Schneider stated that the Council has appointed Ariel Calonne to the position of City Attorney.

**RECESS**

Mayor Schneider recessed the meeting at 3:12 p.m. in order for the Council to reconvene in closed session for Agenda Item Nos. 11 and 13, and she stated that no reportable action is anticipated.

**CLOSED SESSIONS (CONT'D)**

**11. Subject: Conference With Legal Counsel - Threatened Litigation (160.03)**

Recommendation: That Council hold a closed session to consider significant exposure to litigation (two potential cases) pursuant to subsection (d)(2) of section 54956.9 of the Government Code and take appropriate action as needed.

Scheduling: Duration, 30 minutes; anytime

Report: None anticipated

Documents:

February 4, 2014, report from the Interim City Attorney.

Time:

3:12 p.m. – 3:35 p.m.

No report made.

**13. Subject: Conference With Legal Counsel - Pending Litigation (160.03)**

Recommendation: That Council hold a closed session to consider pending litigation pursuant to subsection (d)(1) of section 54956.9 of the Government Code and take appropriate action as needed. The pending litigation is *Edith Martinez vs. City of Santa Barbara, et al.*, SBSC No. 1402992.

Scheduling: Duration, 15 minutes; anytime

Report: None anticipated

Documents:

February 4, 2014, report from the Interim City Attorney.

(Cont'd)

**13. (Cont'd)**

Time:

3:35 p.m. – 3:55 p.m.

No report made.

**ADJOURNMENT**

Mayor Schneider adjourned the meeting at 3:55 p.m. in memory of Barry Spacks, the City's first Poet Laureate.

SANTA BARBARA CITY COUNCIL

SANTA BARBARA  
CITY CLERK'S OFFICE

ATTEST:

\_\_\_\_\_  
HELENE SCHNEIDER  
MAYOR

\_\_\_\_\_  
GWEN PEIRCE, CMC  
CITY CLERK SERVICES MANAGER



# CITY OF SANTA BARBARA CITY COUNCIL MINUTES

**SPECIAL MEETING**  
**February 10, 2014**

**CHASE PALM PARK RECREATION CENTER, 236 E. CABRILLO BLVD.**

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## **CALL TO ORDER**

Mayor Helene Schneider called the meeting to order at 2:03 p.m.

## **ROLL CALL**

Councilmembers present: Dale Francisco (2:10 p.m.), Gregg Hart, Frank Hotchkiss, Cathy Murillo, Randy Rowse, Bendy White, Mayor Schneider.

Councilmembers absent: None.

Staff present: City Administrator James L. Armstrong, Interim City Attorney Sarah Knecht, Deputy City Clerk Susan Tschech.

## **PUBLIC COMMENT**

No one wished to speak.

## **NOTICES**

The City Clerk has on Thursday, February 6, 2014, 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.

## **WORK SESSIONS**

**Subject: Fiscal Year 2015 Special Budget Work Session (230.05)**

Recommendation: That Council hold a special work session on the Fiscal Year 2015 budget.

Documents:

- February 10, 2014, report from the Finance Director.
- PowerPoint presentation prepared and made by Staff.
- Multi-Year Forecast for the General Fund, submitted by Staff.

(Cont'd)

**Subject: Fiscal Year 2015 Special Budget Work Session (Cont'd)**

Speakers:

- Staff: City Administrator James Armstrong, Finance Director Robert Samario, Interim City Attorney Sarah Knecht, Assistant City Administrator Paul Casey, Acting Public Works Director Rebecca Bjork, Acting Airport Director Hazel Johns, Waterfront Director Scott Riedman, Parks and Recreation Director Nancy Rapp, Acting Community Development Director Bettie Weiss, Assistant Parks and Recreation Director Jill Zachary, Police Chief Camerino Sanchez.
- Parks and Recreation Commission: Commissioner Lesley Wiscomb.
- Members of the Public: Sheila Lodge, Robert Burke.

Discussion:

City Administrator Armstrong opened Staff's presentation, noting that the budget for Fiscal Year 2015 will represent changes to the second year of the two-year financial plan adopted in 2013. Finance Director Samario reported on the status of the City's finances, including key highlights for the General Fund, and department staff commented briefly on funding issues anticipated for Enterprise Fund programs. Mr. Samario also presented a long-term forecast for the City's finances, with some focus on salary and retirement costs. Mr. Armstrong then discussed the state of the City organization after the recession, as well as areas identified by Staff for the restoration of basic support services. All Councilmembers made comments as to their priorities for possible inclusion in the Fiscal Year 2015 budget.

**ADJOURNMENT**

Mayor Schneider adjourned the meeting at 3:55 p.m.

SANTA BARBARA CITY COUNCIL

SANTA BARBARA  
CITY CLERK'S OFFICE

ATTEST:

\_\_\_\_\_  
HELENE SCHNEIDER  
MAYOR

\_\_\_\_\_  
SUSAN TSCHECH, CMC  
DEPUTY CITY CLERK



Agenda Item No. 2

File Code No. 540.06

# CITY OF SANTA BARBARA

## COUNCIL AGENDA REPORT

**AGENDA DATE:** February 25, 2014

**TO:** Mayor and Councilmembers

**FROM:** Water Resources Division, Public Works Department

**SUBJECT:** Acceptance Of Meter Easements For 901 Olive Street And 34 West Victoria Street

### **RECOMMENDATION:**

That Council adopt, by reading of title only, A Resolution of the Council of the City of Santa Barbara Accepting an Agreement for Access to Water Meters and Sub-Meters and Grant of Easement, and an Agreement for Access to Water Meter Room and Grant of Easement.

### **DISCUSSION:**

City water meters are often installed in the public right of way. However, recently a few projects have gained approval to install the meters and sub-meters on private property, in separate utility rooms. These meters are City-owned and maintained. In order to ensure future access for City personnel to install, read, repair, maintain, replace, and remove the City water service meters as needed, the easement agreements granting access to the City are needed for such purposes. The proposed Resolution will demonstrate acceptance by the City of the proffered easements and provide for the recordation of the pertinent agreements in the Official Records of Santa Barbara County. Furthermore, these documents outline the limits of City ownership and clearly designate that the only City infrastructure on the private property is the water meters and their shut-off valves.

**PREPARED BY:** Catherine Taylor, Water System Manager/TL/mh

**SUBMITTED BY:** Rebecca Bjork, Acting Public Works Director

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

RESOLUTION OF ACCEPTANCE NO. \_\_\_\_\_

A RESOLUTION OF THE COUNCIL OF THE CITY  
OF SANTA BARBARA ACCEPTING AN  
AGREEMENT FOR ACCESS TO WATER METERS  
AND SUB-METERS AND GRANT OF EASEMENT,  
AND AN AGREEMENT FOR ACCESS TO WATER  
METER ROOM AND GRANT OF EASEMENT

WHEREAS, the City has granted approval for the installation of City water meters on private property; and

WHEREAS, it is necessary to outline the limits of City ownership and clearly designate that the only City infrastructure on the private property is the water meters and their shut-off valves.

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

SECTION 1. In accordance with California Government Code Section 27281, the City of Santa Barbara hereby accepts those certain easements for public water service meters and all related purposes described in the Agreement for Access to Water Meters and Sub-Meters and Grant of Easement, by and between the City of Santa Barbara, a municipal corporation, and 901 Holdings, LLC, a limited liability corporation, and described in the Agreement For Access To Water Meter Room And Grant Of Easement by and between the City of Santa Barbara, a municipal corporation, and Victoria Street Partners, LLC, a limited liability corporation.

SECTION 2. The City of Santa Barbara hereby approves, and the Public Works Director is hereby authorized to execute the Agreement for Access to Water Meters and Sub-Meters and Grant of Easement, by and between the City of Santa Barbara and 901 Holdings, LLC and to execute the Agreement For Access To Water Meter Room And Grant Of Easement by and between the City of Santa Barbara, a municipal corporation, and Victoria Street Partners, LLC.

SECTION 3. The City of Santa Barbara hereby consents to the recordation by the City Clerk, or by designated City staff, of the Agreement for Access to Water Meters and Sub-Meters and Grant of Easement and the Agreement For Access To Water Meter Room And Grant Of Easement in the Official Records of the County of Santa Barbara, State of California.



# CITY OF SANTA BARBARA

## COUNCIL AGENDA REPORT

**AGENDA DATE:** February 25, 2014  
**TO:** Mayor and Councilmembers  
**FROM:** Treasury Division, Finance Department  
**SUBJECT:** January 2014 Investment Report

**RECOMMENDATION:**

That Council accept the January 2014 Investment Report.

**DISCUSSION:**

The attached investment report includes Investment Activity, Interest Revenue, a Summary of Cash and Investments, and Investment Portfolio detail as of January 31, 2014.

**ATTACHMENT:** January 2014 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**  
**January 31, 2014**

**INVESTMENT ACTIVITY**

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**PURCHASES OR DEPOSITS**

1/9 LAIF Deposit - City	\$ 4,000,000
1/10 LAIF Deposit - City	12,000,000
1/14 General Electric Capital Corporation (GECC)	2,000,000
1/17 Federal Home Loan Bank (FHLB)	2,000,000
<b>Total</b>	<b>\$ 20,000,000</b>

**SALES, MATURITIES, CALLS OR WITHDRAWALS**

1/7 General Electric Capital Corporation (GECC) - Maturity	\$ (2,000,000)
1/13 LAIF Withdrawal - City	(1,000,000)
1/23 LAIF Withdrawal - City	(1,000,000)
1/30 Federal National Mortgage Association (FNMA) - Call	(1,000,000)
<b>Total</b>	<b>\$ (5,000,000)</b>

**ACTIVITY TOTAL**

**\$ 15,000,000**

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**INVESTMENT INCOME**

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**POOLED INVESTMENTS**

Interest Earned on Investments	\$ 178,876
Amortization	(15,664)
<b>Total</b>	<b>\$ 163,212</b>

**INCOME TOTAL**

**\$ 163,212**

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**CITY OF SANTA BARBARA**

**Investment Portfolio**

**January 31, 2014**

DESCRIPTION	PURCHASE DATE	MATURITY DATE	QUALITY RATING		STATED RATE	YIELD AT 365	FACE VALUE	BOOK VALUE	MARKET VALUE	BOOK GAIN/(LOSS)	COMMENTS
			MOODY'S	S & P							
<b>LOCAL AGENCY INVESTMENT FUNDS</b>											
LOCAL AGENCY INVESTMENT FUND	-	-	-	-	0.244	0.244	41,000,000.00	41,000,000.00	41,000,000.00	0.00	
<b>Subtotal, LAIF</b>							41,000,000.00	41,000,000.00	41,000,000.00	0.00	
<b>CERTIFICATES OF DEPOSIT</b>											
MONTECITO BANK & TRUST	11/18/13	11/18/15	-	-	0.600	0.600	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	
<b>Subtotal, Certificates of deposit</b>							8,000,000.00	8,000,000.00	8,000,000.00	0.00	
<b>TREASURY SECURITIES - COUPON</b>											
U S TREASURY NOTE	10/25/12	03/15/15	Aaa	AA+	0.375	0.342	2,000,000.00	2,000,730.12	2,004,540.00	3,809.88	
U S TREASURY NOTE	10/25/12	10/31/15	Aaa	AA+	1.250	0.397	2,000,000.00	2,029,561.05	2,033,680.00	4,118.95	
U S TREASURY NOTE	02/22/13	05/15/16	Aaa	AA+	5.125	0.442	2,000,000.00	2,212,172.64	2,213,120.00	947.36	
U S TREASURY NOTE	02/22/13	08/31/16	Aaa	AA+	1.000	0.502	2,000,000.00	2,025,408.73	2,022,660.00	(2,748.73)	
U S TREASURY NOTE	02/22/13	02/28/17	Aaa	AA+	0.875	0.607	2,000,000.00	2,016,267.04	2,006,880.00	(9,387.04)	
<b>Subtotal, Treasury Securities</b>							10,000,000.00	10,284,139.58	10,280,880.00	(3,259.58)	
<b>FEDERAL AGENCY ISSUES - COUPON</b>											
FED AGRICULTURAL MTG CORP	10/03/13	10/03/18	-	-	1.720	1.720	2,000,000.00	2,000,000.00	2,006,340.00	6,340.00	
FED AGRICULTURAL MTG CORP	12/12/13	12/12/18	-	-	1.705	1.705	2,000,000.00	2,000,000.00	2,004,700.00	4,700.00	
FEDERAL FARM CREDIT BANK	02/10/11	02/10/14	Aaa	AA+	1.375	1.375	2,000,000.00	2,000,000.00	2,000,500.00	500.00	
FEDERAL FARM CREDIT BANK	08/15/12	08/15/17	Aaa	AA+	0.980	0.980	2,000,000.00	2,000,000.00	1,995,760.00	(4,240.00)	Callable, Continuous
FEDERAL FARM CREDIT BANK	09/18/13	09/18/17	Aaa	AA+	1.550	1.550	2,000,000.00	2,000,000.00	2,034,100.00	34,100.00	
FEDERAL FARM CREDIT BANK	02/16/11	02/16/16	Aaa	AA+	2.570	2.570	2,000,000.00	2,000,000.00	2,087,380.00	87,380.00	
FEDERAL FARM CREDIT BANK	07/17/13	07/17/17	Aaa	AA+	1.300	1.300	2,000,000.00	2,000,000.00	2,019,080.00	19,080.00	
FEDERAL HOME LOAN BANK	08/05/10	09/12/14	Aaa	AA+	1.375	1.375	2,000,000.00	2,000,000.00	2,015,220.00	15,220.00	
FEDERAL HOME LOAN BANK	09/13/13	09/14/18	Aaa	AA+	2.000	1.910	2,000,000.00	2,007,885.63	2,040,340.00	32,454.37	
FEDERAL HOME LOAN BANK	01/16/13	01/16/18	Aaa	AA+	1.000	1.000	4,000,000.00	4,000,000.00	3,948,400.00	(51,600.00)	Callable 04/16/14, 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	2,003,920.00	3,920.00	Callable 04/17/14, then qtrly
FEDERAL HOME LOAN BANK	01/17/14	04/17/18	Aaa	AA+	1.480	1.480	2,000,000.00	2,000,000.00	2,007,420.00	7,420.00	
FEDERAL HOME LOAN BANK	06/27/13	06/27/18	Aaa	AA+	1.250	1.493	2,000,000.00	2,000,000.00	1,994,200.00	(5,800.00)	SU 1.125%-2.5% Call 03/27/14, then qtrly
FEDERAL HOME LOAN BANK	02/09/11	01/29/15	Aaa	AA+	1.750	1.750	2,000,000.00	2,000,000.00	2,031,420.00	31,420.00	
FEDERAL HOME LOAN BANK	04/15/11	05/27/15	Aaa	AA+	2.000	2.000	2,000,000.00	2,000,000.00	2,046,000.00	46,000.00	
FEDERAL HOME LOAN BANK	12/16/13	12/14/18	Aaa	AA+	1.750	1.650	2,000,000.00	2,009,301.23	2,018,680.00	9,378.77	
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	2,001,580.00	1,580.00	
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	2,003,880.00	3,880.00	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	1,979,880.00	(20,120.00)	Callable 03/26/14, 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	1,997,760.00	(2,240.00)	Callable 07/25/14, once
FEDERAL HOME LOAN MTG CORP	12/18/13	12/18/18	Aaa	AA+	1.500	1.839	1,000,000.00	1,000,000.00	999,690.00	(310.00)	SU 1.5%-2.75% Call 06/18/14, then qtrly
FEDERAL HOME LOAN MTG CORP	12/31/13	12/31/18	Aaa	AA+	1.825	1.825	1,000,000.00	1,000,000.00	1,007,160.00	7,160.00	Callable 12/31/14, 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	2,001,180.00	1,180.00	Callable 02/21/14, once
FEDERAL HOME LOAN MTG CORP	04/23/12	04/17/15	Aaa	AA+	0.500	0.534	2,000,000.00	1,999,179.96	2,007,660.00	8,480.04	

**CITY OF SANTA BARBARA**

**Investment Portfolio**

**January 31, 2014**

DESCRIPTION	PURCHASE	MATURITY	QUALITY RATING		STATED	YIELD AT	FACE	BOOK	MARKET	BOOK	COMMENTS
	DATE	DATE	MOODY'S	S & P	RATE	365	VALUE	VALUE	VALUE	GAIN/(LOSS)	
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	2,005,560.00	5,560.00	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	1,999,980.00	(20.00)	Callable 04/24/14, 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	1,987,880.00	(12,120.00)	Callable 03/12/14, 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	3,953,600.00	(46,400.00)	Callable 04/16/14, then qtrly
FEDERAL HOME LOAN MTG CORP	11/26/13	11/26/18	Aaa	AA+	1.000	1.793	1,000,000.00	1,000,000.00	1,001,260.00	1,260.00	SU 1%-2% Callable 11/26/14, once
FEDERAL HOME LOAN MTG CORP	02/11/11	04/02/14	Aaa	AA+	4.500	1.615	2,000,000.00	2,009,492.48	2,014,220.00	4,727.52	
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	1,994,200.00	(5,800.00)	Callable 03/26/14, then qtrly
FEDERAL HOME LOAN MTG CORP	11/20/13	09/29/17	Aaa	AA+	1.000	1.030	1,000,000.00	998,918.27	993,100.00	(5,818.27)	
FEDERAL NATL MORTGAGE ASSN	01/30/13	01/30/18	Aaa	AA+	1.030	1.030	3,000,000.00	3,000,000.00	2,959,710.00	(40,290.00)	Callable 04/30/14, 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	2,018,200.00	18,200.00	
FEDERAL NATL MORTGAGE ASSN	08/28/12	08/28/17	Aaa	AA+	1.150	1.150	2,000,000.00	2,000,000.00	1,998,700.00	(1,300.00)	Callable 02/28/14, 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	1,976,300.00	(23,700.00)	Callable 03/12/14, 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	1,999,120.00	(880.00)	Callable 03/19/14, then qtrly
FEDERAL NATL MORTGAGE ASSN	11/15/13	10/26/17	Aaa	AA+	0.875	1.062	2,000,000.00	1,986,351.23	1,978,380.00	(7,971.23)	
FEDERAL NATL MORTGAGE ASSN	12/11/13	11/27/18	Aaa	AA+	1.625	1.606	2,000,000.00	2,001,749.61	1,997,480.00	(4,269.61)	
FEDERAL NATL MORTGAGE ASSN	11/08/12	11/08/17	Aaa	AA+	1.000	1.000	2,000,000.00	2,000,000.00	1,979,600.00	(20,400.00)	Callable 02/08/14, 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	1,979,600.00	(20,400.00)	Callable 02/08/14, 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	3,946,880.00	(53,120.00)	Callable 03/26/14, 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	2,005,960.00	5,960.00	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	2,054,900.00	54,900.00	
FEDERAL NATL MORTGAGE ASSN	12/10/10	10/26/15	Aaa	AA+	1.625	2.067	2,000,000.00	1,985,464.12	2,044,880.00	59,415.88	
FEDERAL NATL MORTGAGE ASSN	02/05/13	02/05/18	Aaa	AA+	1.000	1.000	2,000,000.00	2,000,000.00	1,971,800.00	(28,200.00)	Callable 02/05/15, then qtrly
FEDERAL NATL MORTGAGE ASSN	11/13/13	11/13/18	Aaa	AA+	0.625	1.857	1,000,000.00	1,000,000.00	1,001,020.00	1,020.00	SU 2% Callable 05/13/14, once
FEDERAL NATL MORTGAGE ASSN	11/20/13	10/26/17	Aaa	AA+	0.875	1.070	2,000,000.00	1,985,752.12	1,978,380.00	(7,372.12)	
<b>Subtotal, Federal Agencies</b>							<u>98,000,000.00</u>	<u>97,984,094.65</u>	<u>98,092,960.00</u>	<u>108,865.35</u>	
<b>CORPORATE/MEDIUM TERM NOTES</b>											
BERKSHIRE HATHAWAY FIN	12/15/10	12/15/15	Aa2	AA	2.450	2.530	2,000,000.00	1,997,191.67	2,071,780.00	74,588.33	
BERKSHIRE HATHAWAY INC	11/29/13	02/09/18	Aa2	AA	1.550	1.550	2,000,000.00	2,000,000.00	1,997,940.00	(2,060.00)	
GENERAL ELECTRIC CAPITAL CORP	11/10/10	11/09/15	A1	AA+	2.250	2.250	2,000,000.00	2,000,000.00	2,058,800.00	58,800.00	
GENERAL ELECTRIC CAPITAL CORP	01/14/14	01/14/19	A1	AA+	2.300	2.250	2,000,000.00	2,004,655.61	2,019,920.00	15,264.39	
PROCTOR & GAMBLE	09/20/11	11/15/15	Aa3	AA-	1.800	1.085	2,000,000.00	2,024,941.54	2,048,120.00	23,178.46	
TOYOTA MOTOR CREDIT	09/26/11	09/15/16	Aa3	AA-	2.000	1.800	2,000,000.00	2,009,983.50	2,059,800.00	49,816.50	
<b>Subtotal, Corporate Securities</b>							<u>12,000,000.00</u>	<u>12,036,772.32</u>	<u>12,256,360.00</u>	<u>219,587.68</u>	
<b>SB AIRPORT PROMISSORY NOTE (LT)</b>											
SANTA BARBARA AIRPORT	07/14/09	06/30/29	-	-	3.500	4.195	5,471,399.48	5,471,399.48	5,471,399.48	0.00	
<b>Subtotal, SBA Note</b>							<u>5,471,399.48</u>	<u>5,471,399.48</u>	<u>5,471,399.48</u>	<u>0.00</u>	
<b>TOTALS</b>							<u>174,471,399.48</u>	<u>174,776,406.03</u>	<u>175,101,599.48</u>	<u>325,193.45</u>	

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:** February 25, 2014

**TO:** Mayor and Councilmembers

**FROM:** Treasury Division, Finance Department

**SUBJECT:** Banking Services Agreement

### **RECOMMENDATION:**

That Council authorize the Finance Director to execute, a banking services agreement, in a form acceptable to the City Attorney, with Union Bank to provide banking services in an amount not to exceed \$78,000 for the period of March 1, 2014, through December 31, 2014.

### **DISCUSSION:**

Banking services for the City are currently provided by Union Bank. Previously, the City had a long term banking relationship with Santa Barbara Bank and Trust (SBB&T), which officially became part of Union Bank on December 1, 2012. Union Bank has honored the City's existing contract which is scheduled to expire on February 28, 2014. The City's current contract with Union Bank essentially provides the City with banking services with a waiver of all hard dollar costs and requires that the City maintain a minimum daily bank balance of \$4.3 million, referred to as a "compensating balance". Over the past few years, the monthly banking services are valued at approximately \$12,000. The compensating balances maintained have generated approximately \$2,500 per month based on a 0.63% interest earning rate allowance to offset the monthly costs. So, the net monthly banking costs of approximately \$9,500 represents the hard dollar costs that the bank has waived each month and on an annual basis, this figure is \$114,000.

Union Bank has now provided the City with a proposal of banking services and fees for the 10 month period of March 1, 2014 through December 31, 2014. The bank has proposed that they provide the same level of banking services that the City is currently receiving while continuing to waive fees for the months of March and April of 2014, and also waive all transportation-related costs, such as armored car and courier services. The proposed costs for these services are \$78,000 for the remainder of the 2014 calendar year, which are still below the full value of services as determined by the bank.

During the next few months, City staff will reevaluate overall banking service needs and costs after considering the efficiencies provided by the new financial management software. Once this assessment is completed, staff would be in the position to initiate a Request for Proposal (RFP) for banking services or to renegotiate a contract with Union Bank for continued banking services well before the expiration date of December 31, 2014.

The City's banking requirements are extensive and affect customer service, cash processes, and accounting functions in all City departments. The City maintains twelve bank accounts with over \$500 million deposits processed annually. Each month, over 28,600 items are deposited; 12,500 lockbox utility payments are processed; 3,100 payroll direct deposits are made to employees; 1,500 accounts payable checks are cleared; and 11,500 utility and waterfront accounts are charged through "auto-pay" services. Union Bank is also the depository for credit card transactions for the fifteen merchant accounts used at various City locations and provides electronic data transfer of the daily checks issued and cleared which is loaded both from and to the City's financial management system each morning. In addition, the City uses armored transport services at six City locations.

Banking services may be paid by the City in one of two ways: hard dollar costs or utilizing a compensating balance. A hard dollar cost arrangement is one in which the City is directly charged for actual banking services, either as a debit to the City's bank account or payment by City check. A compensating balance is one in which the City deposits and maintains an agreed upon amount with the bank in the City's checking account and the City earns no interest on this deposit; the bank is then compensated by their ability to invest these funds and retain the interest earnings. The agreement with Union Bank is on a compensating balance basis, and staff recommends continuing this same arrangement, which is generally the least costly option to the City. The current compensating balance requirement is \$4.3 million and staff would propose increasing the compensating balance to a maximum of \$20 million since the interest earnings rate allowance offered by the bank of .40% is higher than the current LAIF rate of .24%, and comparable to the 2 year Treasury rate of .33%.

Aside from the City's demand deposit relationship with Union Bank, the City also has a trustee relationship with the bank. Union Bank serves as the City's custodian for its fixed income securities in the City's investment portfolio. In January 2006, the bank offered to provide these services at no additional cost to the City insofar as the City maintains its depository arrangement with Union Bank. Since the City is also satisfied with the bank's trustee performance, this no-cost arrangement is an added benefit to continuing the banking services agreement.

#### **BUDGET/FINANCIAL INFORMATION:**

Since Union Bank is waiving the banking fees for the month of March and April, the monthly banking service fees will commence at a rate of approximately \$9,750 per month, thereafter, from May 1, 2014 until December 31, 2014. These fees will be offset by the compensating balance interest earnings allowance of approximately \$6,750 per

month for a net hard dollar cost of \$3,000 per month. These costs will be charged to the various City funds based on an allocation method similar to the interest earnings allocation. The allocation cost impact to the General Fund would be approximately \$2,000 in Fiscal Year 2014 and approximately \$6,000 in Fiscal Year 2015.

**PREPARED BY:** Genie Wilson, Treasury Manager

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

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



# CITY OF SANTA BARBARA

## COUNCIL AGENDA REPORT

**AGENDA DATE:** February 25, 2014

**TO:** Mayor and Councilmembers

**FROM:** Administration, Housing and Human Services Division, Community Development Department

**SUBJECT:** Request To Amend Homeowners' Affordability Covenant On Property Located At 3965 Via Lucero

**RECOMMENDATION:** That Council:

- A. Approve amending the homeowners' affordability covenant to allow for a maximum household income of at or below 80% of Area Median Income (AMI) for future homeowners; and
- B. Authorize the Community Development Director to execute, subject to approval as to form by the City Attorney, related documents as necessary.

### **DISCUSSION:**

#### Background:

In 2003, the City provided Habitat For Humanity of Southern Santa Barbara County ("Habitat") a City loan for \$240,000 in federal Home Investment Partnership ("HOME") Program funds. Habitat utilized these funds for land acquisition and pre-development costs to complete construction on the property located at 3965 Via Lucero (Project). The Project consists of 3 three-bedroom condominiums. Upon the sale of the units for \$280,000 each, the City financing was converted into three individual \$80,000 permanent loans with the qualified purchasers secured by their unit.

At the same time, each new owner executed a Grant of Preemptive Right: Resale Restriction Covenant, Option to Purchase, and Equity Sharing Agreement Secured by Performance Deed of Trust ("Covenant"). The 45-year Covenant stipulated that the homeowner and any subsequent purchasers qualify to purchase with a maximum income of at or below 50% of Area Median Income (AMI).

#### Current Request:

Habitat is requesting that the City approve amending the Covenant such that any future purchaser of these units would be required to have a City-verified household income at or below 80% AMI (an increase from the original 50% approved in 2007). This change

conforms to HOME program regulations and City policy. It also conforms to the provisions included in the covenants for the two other Habitat projects located at 618 San Pasqual and 822-824 East Canon Perdido.

Habitat is dedicated to break the cycle of poverty by providing simple, decent, and stable homeownership for low income residents. Staff is recommending approval of this request because it complies with HOME funding regulations, it aligns the AMI requirement with the other Habitat projects, and it will provide successful outcomes for the homeowners.

**ATTACHMENT(S):** January 9, 2014 Habitat Request Letter

**PREPARED BY:** David Rowell, Project Planner/DR/SLG

**SUBMITTED BY:** Bettie Weiss, Acting Community Development Director

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



January 9, 2014

Deirdre Randolph  
City of Santa Barbara  
Community Development Programs Supervisor  
630 Garden Street  
Santa Barbara, CA 93101

RE: Habitat Affordability Covenant updates for 3965 Via Lucero

Dear Deirdre,

Thank you for your email of December 23 recapping the meeting between your staff and Jon Peterson from Habitat. We would like to move forward with a presentation to City Council to update the affordability covenant at Habitat's home at 3965 Via Lucero so that it conforms to our current policies, HUD regulations, and City policy.

As you know, Unit C of 3965 Via Lucero was repossessed through foreclosure in 2011 after many attempts to work with the very-low income homeowner on repayment and forbearance plans dating back to 2009. While we wished for a different outcome for that family, their ability to pay their mortgage at 50% AMI income was difficult, and unemployment made it impossible for them to retain ownership. As part of our selection process for our Canon Perdido homes, we maintained a list of those who qualified for that project, and offered the vacant Via Lucero home to the 13<sup>th</sup> family, the next in line after the 12 Canon Perdido families were confirmed. This family has rented the home from Habitat since the summer of 2013 while completing their sweat equity requirements at our Canon Perdido project.

At this time, we would like to enter into a purchase/sale agreement with this family. There will be a first and third mortgage payable to Habitat, and we intend to re-instate the City's second deed of trust at the time of resale, reflecting the City's investment of \$80,000 in HOME funds in this property. The governing document on this property is the Affordability Covenant, also known as the "Grant Of Preemptive Right: Resale Restriction Covenant, Option To Purchase, And Equity Sharing Agreement Secured By Performance Deed Of Trust," which runs with the land. We are writing to request that the affordability covenant also be updated to reflect our current policies, as follows:

1. Amend the covenant such that any future purchaser of this unit would be required to have a City-verified household income at or below 80% AMI (an increase from the original 50% approved in 2007). This conforms to HUD regulations, and will provide more successful

outcomes for our family partners. It also conforms to the provisions included in the covenants for our other projects on San Pascual and Canon Perdido, and will continue to be Habitat policy in the future.

2. Update the equity-sharing provisions in the Via Lucero covenant to reflect our current third deed of trust structure, used successfully on the San Pascual project and planned for the Canon Perdido project.
3. We would like City Council approval to update the Affordability Covenant at the time of any future re-sale of the other two units at Via Lucero as above, so that the covenants are uniform for all Habitat homes.

We understand that City Council must approve these changes, and we request that this item be placed on an agenda for their consideration. Thanks for your help and support on this issue.

Sincerely,

A handwritten signature in cursive script that reads "Joyce McCullough". The signature is written in black ink and is positioned below the word "Sincerely,".

Joyce McCullough  
Executive Director



# CITY OF SANTA BARBARA

## COUNCIL AGENDA REPORT

**AGENDA DATE:** February 25, 2014

**TO:** Mayor and Councilmembers

**FROM:** Administration, Housing and Human Services Division, Community Development Department

**SUBJECT:** Loan Restatement Request On Property Located At 424-430 Rancheria Street ("Rancheria Village Apartments")

### RECOMMENDATIONS:

That Council approve a Restatement and Subordination of the 1994 Loan Agreement funded with Redevelopment Agency Housing Set-Aside Funds, a Restatement and Subordination of the Deed of Trust to secure the Restated Loan, and a new Affordability Housing Covenant with an extended term of an additional 45 years, and authorize the Community Development Director to execute, subject to approval as to form by the City Attorney, such agreements and related City documents as necessary.

### DISCUSSION:

#### Background:

In 1994, the former Redevelopment Agency of the City of Santa Barbara (RDA) provided Rancheria Village Apartments, a California limited partnership, a residual receipts loan in the amount of \$560,000 ("City Loan"). These funds were combined with Low Income Housing Tax Credits ("LIHTC") to acquire the real property and construct housing units located at 424, 428, and 430 Rancheria Street (Project). In conjunction with this Loan Agreement, a 30 year Covenant was executed that restricted the rents and incomes of all of the tenants. The Project consists of three buildings with a total of fourteen low and very low income family rental units. The Project has 8 two-bedroom units, 5 three-bedroom units and 1 four-bedroom unit.

#### Current Restatement Request:

The Project's general partners Frank Thompson, Bob Pershadsingh, Peter Koelsch and Community Housing Assistance Program, Inc. have approached the City with a proposal to acquire the Property from the Project's limited partner 1995 WNC California Housing Tax Credits IV, L.P. Series 4 ("Seller") for \$1,585,000. The new owner would be Mariana Ranch Associates, LP, comprised of Frank Thompson, Bob Pershadsingh,

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Loan Restatement Request On Property Located at 424-430 Rancheria Street  
("Rancheria Village Apartments")

February 25, 2014

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Peter Koelsch and Riverside Charitable Corporation as non-profit managing general partner who is affiliated with Community Housing Assistance program, Inc. ("Buyer").

This proposal requests that the City allow the City Loan to be assumed by the Buyer and subordinated to new purchase money financing from Montecito Bank and Trust (MB&T). In addition, the Buyer is requesting a 20-year extension of the City Loan term from 2024 to 2044. In exchange, the Buyer has agreed to modify the payment terms of the City Loan to provide for amortized payments over 30 years which results in a monthly payment to the City of \$4,363.58.

Financing Details:

The appraised value of the Property is \$1,585,000, which is also the acquisition price. The total amount borrowed under this proposal slightly exceeds the acquisition due to transaction costs. Initially there will be no equity; however, because both loans require fully amortized payments, the combined loan-to-value will quickly decrease. For example, after five years the total outstanding debt on the Property is reduced by \$184,000 to a combined loan-to-value of 90%.

Before:

Pacific Life First Mortgage:	\$ 315,000 (4.3%, 12yrs remaining) (\$2,594/month)
City Loan:	<u>\$1,014,818</u> (3%, 9 yrs remaining) (\$1,862.42/month)
Total:	\$1,329,818

After:

MB&T First Mortgage:	\$ 623,000 (5.5%/25yr) (\$3,685/month)
City Loan	<u>\$1,014,818</u> (3%/30yr) (\$4,363.58/month)
Total:	\$1,637,818

The restated loan will be fully amortized to include both principal and interest therefore the City will receive a \$4,363.58 monthly payment for the next 30 years. Currently, the City is receiving \$1,862.42 per month due to positive "residual receipts" from 2012. However, this payment is variable each year and not guaranteed. In addition, the existing loan terms utilize simple interest in calculating the rate of return. This means the City is receiving no interest income on the interest portion of the loan, currently \$454,818. The restated loan will provide the City with \$1,540,265 of total payments over 30 years; this includes \$525,447 of interest income.

Under this proposal, both the MB&T First Mortgage and the City Loan will have larger payments. The Project is currently generating approximately \$100,000 of net operating income per year, which provides sufficient positive cash flow to meet these obligations. Title reports covering the property show no defects to title. At the close of this transaction, First American Title Company will issue its lender's policy insuring the City in the amount of the restated City Loan (approximately \$1.014 million).

Long-term Affordability

The City's Affordability Covenant will be extended 45 years to expire in 2069 which is 25 years after the City loan is paid-off in 2044. The Tax Regulatory Agreement due to the issuance of LIHTCs on this Property expires in 2051. Therefore, the City's Affordability Covenant extends the Project's affordability an additional 18 years to 2069. The Rancheria Village project is extremely well maintained and has always been in full compliance with the City's affordability and reporting requirements.

**BUDGET/FINANCIAL INFORMATION:**

If the City declines to approve this request, the Property will be sold to another entity and the City Loan totaling approximately \$1.1 million will be paid-off. The City's Affordability Covenant will expire in 2024 and there could be a change in the current property management team due to new ownership.

Alternatively, if the City approves the loan restatement as requested, the City will receive fixed monthly payments secured by a deed of trust on the property in the approximate amount of \$4,363. The City will earn additional interest income in the amount of \$525,447 and the Affordability Covenant will be extended to expire in 2069.

With the dissolution of the Redevelopment Agency, it is important to have long term, stable, sources that generate funds to pay for on-going monitoring and enforcement of the City's affordable housing program's inventory.

**Finance Committee Recommendation:**

On February 11, 2014, Council's Finance Committee reviewed and approved the recommendations of this report and forwarded them to the full Council with a recommendation for approval.

**PREPARED BY:** David Rowell, Project Planner/SLG/DR

**SUBMITTED BY:** Bettie Weiss, Acting Community Development Director

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



# CITY OF SANTA BARBARA

## COUNCIL AGENDA REPORT

**AGENDA DATE:** February 25, 2014

**TO:** Mayor and Councilmembers

**FROM:** Engineering Division, Public Works Department

**SUBJECT:** Contract For Design Of The Runway 15L-33R Pavement Rehabilitation Project

### **RECOMMENDATION:**

That Council authorize the Public Works Director to execute a City professional services contract with Kimley-Horn and Associates, Inc., in the amount of \$151,250 for design services for the Pavement Rehabilitation Project for Runway 15L-33R, Terminal Ramp, South General Aviation Ramp, and Signature Ramp, and authorize the Public Works Director to approve expenditures up to \$15,250 for extra services that may result from necessary changes in the scope of work.

### **DISCUSSION:**

#### PROJECT DESCRIPTION

The work consists of the design of rehabilitation treatments for the runway, and several aircraft parking areas that are in poor condition at the Santa Barbara Airport. The project areas included are:

- Runway 15L-33R; one of the 4,100 feet long runways used by general aviation
- Northwest Terminal Ramp; an asphalt concrete area that is north and west of the main concrete commercial aircraft parking area
- South General Aviation Ramp; an asphalt concrete area that is used for general aviation aircraft in the Mercury Aviation leasehold.
- Signature Aviation Ramp; a concrete area that is used for parking general aviation aircraft in the Signature Aviation leasehold.

#### DESIGN PHASE CONSULTANT ENGINEERING SERVICES

Staff recommends that Council authorize the Public Works Director to execute a contract with Kimley-Horn and Associates, Inc. in the total amount of \$166,500, which includes \$151,250 for design of the Pavement Rehabilitation Project, and \$15,250 for

potential extra services. Kimley-Horn is experienced in this type of work and was selected as part of a Request for Proposal process that included a review of seven proposals and interviews with three firms.

Kimley-Horn will prepare construction documents for the pavement rehabilitation including:

- Topographic survey
- Geotechnical investigations including borings and soils testing
- Cost estimating
- Plans and specifications
- Assistance with bidding

**FUNDING**

The following summarizes all estimated total Project costs:

**ESTIMATED TOTAL PROJECT COST**

Design (by Contract)	\$166,500
<b>Subtotal</b>	<b>\$166,500</b>
Estimated Construction Contract w/Change Order Allowance	\$2,332,000
Estimated Construction Management/Inspection by Contract	\$280,000
<b>Subtotal</b>	<b>\$2,612,000</b>
<b>TOTAL PROJECT COST</b>	<b>\$2,778,500</b>

There are sufficient appropriated funds in the Airport Fund to cover the cost of this design services contract. The balance of the project will be funded by a Federal Aviation Administration grant which is due to be received by July 2014.

**PREPARED BY:** Pat Kelly, Assistant Public Works Director/OT/sk

**SUBMITTED BY:** Rebecca Bjork, Acting Public Works Director

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



# CITY OF SANTA BARBARA

## COUNCIL AGENDA REPORT

**AGENDA DATE:** February 25, 2014

**TO:** Mayor and Councilmembers

**FROM:** Water Resources Division, Public Works Department

**SUBJECT:** Approval of Purchase Orders For Primary Coagulant Chemicals For The William B. Cater Water Treatment Plant

**RECOMMENDATION:** That Council:

Find it in the City's best interest to waive the formal bidding process, as authorized by Municipal Code Section 4.52.070(L), and authorize the City General Services Manager to:

- A. Issue a Purchase Order to California Aluminum Chemicals in an amount not to exceed \$18,500 for the purchase of approximately 47,000 pounds of CalChem CC 2110 coagulant chemical for a full-scale plant water treatment trial; and
- B. Issue a Purchase Order to California Aluminum Chemicals and issue a Purchase Order to Summit Research Labs for a total combined amount of not to exceed \$450,000 for the purchase of coagulant chemicals on an as-needed basis, with the option to renew both Purchase Orders for an additional four years, subject to Council's adoption of the budget.

### **DISCUSSION:**

The William B. Cater Water Treatment Plant (Cater) provides regional water treatment to the communities of Santa Barbara, Summerland, Montecito, and Carpinteria. A major part of the water treatment process involves removing suspended particles that can harbor bacteria. The addition of a coagulant chemical makes the suspended particles adhere to each other. As the particles become larger and heavier, they settle and are readily removed during the treatment process.

The process for selecting a coagulant chemical for use at a water treatment plant is quite rigorous and is primarily performance based. The chemical is first evaluated on a small "bench-scale" test for its ability to remove Total Organic Carbon (TOC) and lower turbidity levels in the water. The bench-scale test essentially simulates the treatment process on a very small level using jar testing. The constituents of the coagulant chemical are also considered because they will ultimately become byproducts in the treatment solids that will eventually be hauled to an appropriate disposal site.

Council Agenda Report

Approval of Purchase Orders For Primary Coagulant Chemicals For The William B. Cater  
Water Treatment Plant

February 25, 2014

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Once a chemical successfully performs at the bench-scale test, it is tested in a full-scale plant trial, whereby the chemical is run through the plant for approximately a month. During this trial, staff will evaluate the required chemical feed rate necessary to adequately remove TOC and lower turbidity levels, as well as any deleterious impacts the chemical might have on the plant's filters or other processes.

Recent bench testing showed that California Aluminum Chemicals' (CalChem) CC 2110 more effectively removes the Total Organic Carbon and lowers turbidity levels compared to equivalent doses of the Sumaclear 830B from Summit Research Labs, which is currently being used at Cater. Staff recommends issuing a Purchase Order to CalChem in an amount not to exceed \$18,500 for the purchase of approximately 47,000 pounds of CalChem CC 2110 coagulant chemical for a full-scale plant trial.

Cater has an annual budget of \$450,000 for coagulant chemicals. Upon the successful results from the CalChem plant trial, staff recommends authorizing purchase orders with both CalChem and Summit Research Labs for a total allocated amount of \$450,000. The purchase of coagulant chemicals would be on an as-needed basis, with the option to renew both purchase orders for an additional four years, subject to adoption of the budget. Due to the performance-based testing requirement for chemicals used at Cater, staff recommends that Council find it is in the City's best interest to waive the formal bidding process, as authorized by Municipal Code Section 4.52.070(L).

Coagulant chemicals are critical to the water treatment process. Having two suppliers would offer a level of redundancy and protection if there was an issue with either supplier. Purchase of chemicals from either vendor would be performance based, depending on CalChem's performance during the full-scale plant trial, changing water chemistry of Cater's raw water source, suppliers' ability to deliver, and chemical costs based on necessary feed rates, plus fixed charges.

**BUDGET/FINANCIAL INFORMATION:**

Coagulant chemical costs are estimated to be \$450,000 for Fiscal Years 2014 and 2015. There are sufficient appropriated funds in the Water Fund to cover these costs.

**PREPARED BY:** Catherine Taylor, P.E., Water System Manager/CT/ng

**SUBMITTED BY:** Rebecca Bjork, Acting Public Works Director

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



# CITY OF SANTA BARBARA

## COUNCIL AGENDA REPORT

**AGENDA DATE:** February 25, 2014  
**TO:** Mayor and Councilmembers  
**FROM:** Accounting Division, Finance Department  
**SUBJECT:** Fiscal Year 2014 Mid-Year Review

**RECOMMENDATION:** That Council:

- A. Hear a report from staff on the status of revenues and expenditures in relation to budget for the six months ended December 31, 2013;
- B. Accept the Fiscal Year 2014 Interim Financial Statements for the Six Months Ended December 31, 2013; and
- C. Approve the proposed mid-year adjustments to Fiscal Year 2014 appropriations and estimated revenues as detailed in the attached schedule of Proposed Mid-Year 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 mid-year 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 2013. A listing and description of each proposed adjustment to the current year budget is provided in Attachment 3.

**ATTACHMENTS:**

1. Summary by Fund Statement of Revenues and Expenditures for the Six Months Ended December 31, 2013
2. Interim Financial Statements for the Six Months Ended December 31, 2013 (Narrative Analysis)
3. Schedule of Proposed Mid-Year 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 Six Months Ended December 31, 2013 (50% of Fiscal Year)**

	<u>Annual Budget</u>	<u>YTD Actual</u>	<u>Encum- brances</u>	<u>Remaining Balance</u>	<u>Percent of Budget</u>
<b>GENERAL FUND</b>					
Revenue	111,429,918	51,058,453	-	60,371,465	45.8%
Expenditures	111,911,976	55,595,032	1,632,664	54,684,279	51.1%
<i>Addition to / (use of) reserves</i>	<u>(482,058)</u>	<u>(4,536,580)</u>	<u>(1,632,664)</u>		
<b>SOLID WASTE FUND</b>					
Revenue	19,927,443	10,355,759	-	9,571,684	52.0%
Expenditures	20,047,668	9,753,683	421,535	9,872,450	50.8%
<i>Addition to / (use of) reserves</i>	<u>(120,225)</u>	<u>602,076</u>	<u>(421,535)</u>		
<b>WATER OPERATING FUND</b>					
Revenue	36,524,435	20,435,019	-	16,089,416	55.9%
Expenditures	45,085,726	19,605,326	2,244,382	23,236,018	48.5%
<i>Addition to / (use of) reserves</i>	<u>(8,561,291)</u>	<u>829,693</u>	<u>(2,244,382)</u>		
<b>WASTEWATER OPERATING FUND</b>					
Revenue	17,907,479	9,252,543	-	8,654,936	51.7%
Expenditures	19,048,005	7,658,834	1,935,642	9,453,530	50.4%
<i>Addition to / (use of) reserves</i>	<u>(1,140,526)</u>	<u>1,593,709</u>	<u>(1,935,642)</u>		
<b>DOWNTOWN PARKING</b>					
Revenue	7,420,709	3,990,307	-	3,430,402	53.8%
Expenditures	8,575,235	4,080,169	398,394	4,096,672	52.2%
<i>Addition to / (use of) reserves</i>	<u>(1,154,526)</u>	<u>(89,862)</u>	<u>(398,394)</u>		
<b>AIRPORT OPERATING FUND</b>					
Revenue	15,751,093	7,840,086	-	7,911,007	49.8%
Expenditures	16,314,199	7,531,792	609,185	8,173,222	49.9%
<i>Addition to / (use of) reserves</i>	<u>(563,106)</u>	<u>308,295</u>	<u>(609,185)</u>		
<b>GOLF COURSE FUND</b>					
Revenue	2,108,459	1,076,098	-	1,032,361	51.0%
Expenditures	2,076,923	1,117,059	1,202	958,662	53.8%
<i>Addition to / (use of) reserves</i>	<u>31,536</u>	<u>(40,961)</u>	<u>(1,202)</u>		
<b>INTRA-CITY SERVICE FUND</b>					
Revenue	5,604,962	2,462,447	-	3,142,515	43.9%
Expenditures	5,911,688	2,800,587	561,994	2,549,107	56.9%
<i>Addition to / (use of) reserves</i>	<u>(306,726)</u>	<u>(338,141)</u>	<u>(561,994)</u>		

**CITY OF SANTA BARBARA**  
**Interim Statement of Revenues and Expenditures**  
**Summary by Fund**  
**For the Six Months Ended December 31, 2013 (50% of Fiscal Year)**

	<u>Annual Budget</u>	<u>YTD Actual</u>	<u>Encum- brances</u>	<u>Remaining Balance</u>	<u>Percent of Budget</u>
<b>FLEET REPLACEMENT FUND</b>					
Revenue	2,758,201	1,349,386	-	1,408,815	48.9%
Expenditures	5,134,991	773,290	681,584	3,680,116	28.3%
<i>Addition to / (use of) reserves</i>	<u>(2,376,790)</u>	<u>576,096</u>	<u>(681,584)</u>		
<b>FLEET MAINTENANCE FUND</b>					
Revenue	2,576,502	1,309,591	-	1,266,911	50.8%
Expenditures	2,650,738	1,127,867	202,765	1,320,106	50.2%
<i>Addition to / (use of) reserves</i>	<u>(74,236)</u>	<u>181,724</u>	<u>(202,765)</u>		
<b>SELF INSURANCE TRUST FUND</b>					
Revenue	5,960,947	2,976,969	-	2,983,978	49.9%
Expenditures	6,022,747	3,150,187	300,571	2,571,989	57.3%
<i>Addition to / (use of) reserves</i>	<u>(61,800)</u>	<u>(173,218)</u>	<u>(300,571)</u>		
<b>INFORMATION SYSTEMS ICS FUND</b>					
Revenue	2,514,997	1,257,498	-	1,257,499	50.0%
Expenditures	2,965,594	1,331,484	109,551	1,524,560	48.6%
<i>Addition to / (use of) reserves</i>	<u>(450,597)</u>	<u>(73,985)</u>	<u>(109,551)</u>		
<b>WATERFRONT FUND</b>					
Revenue	12,445,067	7,181,596	-	5,263,471	57.7%
Expenditures	13,558,989	6,793,581	740,793	6,024,614	55.6%
<i>Addition to / (use of) reserves</i>	<u>(1,113,922)</u>	<u>388,014</u>	<u>(740,793)</u>		
<b>TOTAL FOR ALL FUNDS</b>					
Revenue	242,930,212	120,545,751	-	122,384,460	49.6%
Expenditures	259,304,479	121,318,891	9,840,263	128,145,325	50.6%
<i>Addition to / (use of) reserves</i>	<u>(16,374,268)</u>	<u>(773,140)</u>	<u>(9,840,263)</u>		

*\*\* 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 Six Months Ended December 31, 2013 (50% of Fiscal Year)**

	Annual Budget	YTD Actual	Remaining Balance	Percent Received	Previous YTD
<b>TAXES</b>					
Sales and Use	21,084,894	7,873,848	13,211,046	37.3%	7,795,757
Property Taxes	25,475,500	9,405,586	16,069,914	36.9%	9,513,734
Utility Users Tax	6,975,300	3,548,584	3,426,716	50.9%	3,484,540
Transient Occupancy Tax	16,202,000	9,490,697	6,711,303	58.6%	8,546,071
Business License	2,415,000	1,069,479	1,345,521	44.3%	841,754
Real Property Transfer Tax	537,900	336,468	201,432	62.6%	269,183
<i>Total</i>	<u>72,690,594</u>	<u>31,724,662</u>	<u>40,965,932</u>	43.6%	<u>30,451,038</u>
<b>LICENSES &amp; PERMITS</b>					
Licenses & Permits	219,180	95,729	123,451	43.7%	88,048
<i>Total</i>	<u>219,180</u>	<u>95,729</u>	<u>123,451</u>	43.7%	<u>88,048</u>
<b>FINES &amp; FORFEITURES</b>					
Parking Violations	2,628,967	1,300,743	1,328,224	49.5%	1,308,113
Library Fines	135,000	69,484	65,516	51.5%	62,498
Municipal Court Fines	120,000	47,569	72,431	39.6%	39,949
Other Fines & Forfeitures	250,000	176,700	73,300	70.7%	123,227
<i>Total</i>	<u>3,133,967</u>	<u>1,594,496</u>	<u>1,539,471</u>	50.9%	<u>1,533,786</u>
<b>USE OF MONEY &amp; PROPERTY</b>					
Investment Income	676,267	273,892	402,375	40.5%	420,033
Rents & Concessions	396,322	183,956	212,366	46.4%	173,655
<i>Total</i>	<u>1,072,589</u>	<u>457,848</u>	<u>614,741</u>	42.7%	<u>593,688</u>
<b>INTERGOVERNMENTAL</b>					
Grants	656,816	1,004,199	(347,383)	152.9%	581,729
Vehicle License Fees	-	39,945	(39,945)	100.0%	48,265
Reimbursements	14,320	4,803	9,517	33.5%	12,223
<i>Total</i>	<u>671,136</u>	<u>1,048,947</u>	<u>(377,811)</u>	156.3%	<u>642,217</u>
<b>FEES &amp; SERVICE CHARGES</b>					
Finance	926,598	461,281	465,317	49.8%	434,454
Community Development	4,632,942	2,168,681	2,464,261	46.8%	2,264,089
Recreation	2,890,383	1,305,375	1,585,008	45.2%	1,226,647
Public Safety	617,033	246,664	370,369	40.0%	286,749
Public Works	5,584,761	2,807,211	2,777,550	50.3%	2,787,236
Library	753,839	363,832	390,007	48.3%	317,510
Reimbursements	4,293,383	2,192,463	2,100,920	51.1%	2,225,374
<i>Total</i>	<u>19,698,939</u>	<u>9,545,507</u>	<u>10,153,432</u>	48.5%	<u>9,542,059</u>
<b>OTHER REVENUES</b>					
Miscellaneous	1,624,751	921,192	703,559	56.7%	1,648,873
Franchise Fees	3,660,300	1,855,070	1,805,230	50.7%	1,815,899
Indirect Allocations	6,292,740	3,146,370	3,146,370	50.0%	2,920,926
Operating Transfers-In	2,365,721	668,632	1,697,089	28.3%	864,917
<i>Total</i>	<u>13,943,512</u>	<u>6,591,263</u>	<u>7,352,249</u>	47.3%	<u>7,250,614</u>
<b>TOTAL REVENUES</b>	<u>111,429,918</u>	<u>51,058,453</u>	<u>60,371,465</u>	45.8%	<u>50,101,450</u>

**CITY OF SANTA BARBARA**  
**General Fund**  
**Interim Statement of Appropriations, Expenditures and Encumbrances**  
**For the Six Months Ended December 31, 2013 (50% of Fiscal Year)**

	Annual Budget	YTD Actual	Encum- brances	** Remaining Balance	YTD Expended and Encumbered	Previous YTD
<b>GENERAL GOVERNMENT</b>						
<u>Mayor &amp; City Council</u>						
MAYOR	770,723	354,429	29,609	386,685	49.8%	
<i>Total</i>	770,723	354,429	29,609	386,685	49.8%	362,179
<u>City Attorney</u>						
CITY ATTORNEY	2,129,254	1,053,219	8,325	1,067,710	49.9%	
<i>Total</i>	2,129,254	1,053,219	8,325	1,067,710	49.9%	1,054,311
<u>Administration</u>						
CITY ADMINISTRATOR	1,587,391	834,153	109	753,130	52.6%	
CITY TV	535,137	247,220	38,265	249,652	53.3%	
<i>Total</i>	2,122,528	1,081,373	38,373	1,002,782	52.8%	953,292
<u>Administrative Services</u>						
CITY CLERK	475,090	232,544	16,114	226,432	52.3%	
ADMIN SVCS-ELECTIONS	300,000	200,320	5,925	93,755	68.7%	
HUMAN RESOURCES	1,412,691	588,581	17,376	806,735	42.9%	
ADMIN SVCS-EMPLOYEE DEVELOPMENT	14,447	2,610	-	11,837	18.1%	
<i>Total</i>	2,202,228	1,024,055	39,414	1,138,759	48.3%	792,028
<u>Finance</u>						
ADMINISTRATION	221,336	131,897	2,853	86,586	60.9%	
TREASURY	510,731	206,984	14,600	289,147	43.4%	
CASHIERING & COLLECTION	458,460	225,725	-	232,735	49.2%	
LICENSES & PERMITS	469,695	237,183	18,560	213,952	54.4%	
BUDGET MANAGEMENT	430,198	209,006	-	221,192	48.6%	
ACCOUNTING	621,961	268,369	22,110	331,482	46.7%	
PAYROLL	293,974	143,638	-	150,336	48.9%	
ACCOUNTS PAYABLE	226,149	112,018	-	114,131	49.5%	
CITY BILLING & CUSTOMER SERVICE	684,788	260,577	156,021	268,190	60.8%	
PURCHASING	639,289	280,038	725	358,526	43.9%	
CENTRAL STORES	170,978	83,367	356	87,255	49.0%	
MAIL SERVICES	109,740	53,846	356	55,538	49.4%	
<i>Total</i>	4,837,299	2,212,647	215,582	2,409,070	50.2%	2,231,387
<b>TOTAL GENERAL GOVERNMENT</b>	<b>12,062,032</b>	<b>5,725,723</b>	<b>331,303</b>	<b>6,005,006</b>	<b>50.2%</b>	<b>5,393,197</b>
<b>PUBLIC SAFETY</b>						
<u>Police</u>						
CHIEF'S STAFF	1,035,400	524,085	-	511,315	50.6%	
SUPPORT SERVICES	690,977	325,522	2,512	362,943	47.5%	
RECORDS	1,293,046	607,036	23,638	662,372	48.8%	
COMMUNITY SVCS	1,035,807	502,611	5,841	527,355	49.1%	
PROPERTY ROOM	213,001	96,223	389	116,389	45.4%	
TRNG/RECRUITMENT	483,113	239,362	11,449	232,301	51.9%	

**CITY OF SANTA BARBARA**  
**General Fund**  
**Interim Statement of Appropriations, Expenditures and Encumbrances**  
**For the Six Months Ended December 31, 2013 (50% of Fiscal Year)**

	Annual Budget	YTD Actual	Encum- brances	** Remaining Balance	YTD Expended and Encumbered	Previous YTD
<b>PUBLIC SAFETY</b>						
<u>Police</u>						
RANGE	1,268,968	638,726	48,187	582,055	54.1%	
BEAT COORDINATORS	858,553	456,842	-	401,711	53.2%	
INFORMATION TECHNOLOGY	1,193,300	628,890	16,596	547,815	54.1%	
INVESTIGATIVE DIVISION	4,945,232	2,670,203	-	2,275,029	54.0%	
CRIME LAB	155,092	73,752	-	81,340	47.6%	
PATROL DIVISION	15,795,703	7,897,116	153,456	7,745,131	51.0%	
TRAFFIC	1,415,405	703,030	559	711,816	49.7%	
SPECIAL EVENTS	831,095	731,980	-	99,115	88.1%	
TACTICAL PATROL FORCE	1,497,838	658,050	-	839,788	43.9%	
STREET SWEEPING ENFORCEMENT	340,916	170,193	-	170,723	49.9%	
NIGHT LIFE ENFORCEMENT	301,944	170,694	-	131,250	56.5%	
PARKING ENFORCEMENT	989,866	484,827	27,800	477,239	51.8%	
CCC	2,462,970	1,129,906	-	1,333,064	45.9%	
ANIMAL CONTROL	661,248	245,438	-	415,810	37.1%	
<i>Total</i>	<u>37,469,473</u>	<u>18,954,484</u>	<u>290,428</u>	<u>18,224,561</u>	51.4%	<u>17,871,478</u>
<u>Fire</u>						
ADMINISTRATION	816,274	397,683	17,918	400,672	50.9%	
EMERGENCY SERVICES AND PUBLIC ED	294,891	149,188	-	145,703	50.6%	
PREVENTION	1,118,386	592,694	-	525,692	53.0%	
WILDLAND FIRE MITIGATION PROGRAM	199,013	89,426	3,947	105,640	46.9%	
OPERATIONS	18,064,121	9,314,686	58,455	8,690,980	51.9%	
ARFF	1,860,354	959,396	-	900,958	51.6%	
<i>Total</i>	<u>22,353,039</u>	<u>11,503,073</u>	<u>80,320</u>	<u>10,769,646</u>	51.8%	<u>11,312,034</u>
<b>TOTAL PUBLIC SAFETY</b>	<u>59,822,512</u>	<u>30,457,557</u>	<u>370,748</u>	<u>28,994,207</u>	51.5%	<u>29,183,512</u>
<b>PUBLIC WORKS</b>						
<u>Public Works</u>						
ADMINISTRATION	1,049,511	419,804	8,785	620,923	40.8%	
ENGINEERING SVCS	4,871,823	2,394,174	3,952	2,473,698	49.2%	
PUBLIC RT OF WAY MGMT	1,042,862	518,600	1,556	522,706	49.9%	
ENVIRONMENTAL PROGRAMS	507,253	116,753	215,220	175,280	65.4%	
<i>Total</i>	<u>7,471,449</u>	<u>3,449,330</u>	<u>229,513</u>	<u>3,792,607</u>	49.2%	<u>3,318,112</u>
<b>TOTAL PUBLIC WORKS</b>	<u>7,471,449</u>	<u>3,449,330</u>	<u>229,513</u>	<u>3,792,607</u>	49.2%	<u>3,318,112</u>
<b>COMMUNITY SERVICES</b>						
<u>Parks &amp; Recreation</u>						
PRGM MGMT & BUS SVCS	699,131	335,160	3,889	360,081	48.5%	
FACILITIES	778,579	374,816	12,219	391,544	49.7%	
YOUTH ACTIVITIES	954,403	619,059	8,894	326,449	65.8%	
SR CITIZENS	696,667	348,700	2,703	345,264	50.4%	

**CITY OF SANTA BARBARA**  
**General Fund**  
**Interim Statement of Appropriations, Expenditures and Encumbrances**  
**For the Six Months Ended December 31, 2013 (50% of Fiscal Year)**

	<u>Annual Budget</u>	<u>YTD Actual</u>	<u>Encum- brances</u>	<u>** Remaining Balance</u>	<u>YTD Expended and Encumbered</u>	<u>Previous YTD</u>
<b>COMMUNITY SERVICES</b>						
<u>Parks &amp; Recreation</u>						
AQUATICS	1,251,951	702,755	39,100	510,096	59.3%	
SPORTS	537,090	280,969	17,550	238,571	55.6%	
TENNIS	274,749	146,300	-	128,449	53.2%	
NEIGHBORHOOD & OUTREACH SERV	1,027,181	580,408	-	446,773	56.5%	
ADMINISTRATION	627,767	314,002	1,731	312,033	50.3%	
PROJECT MANAGEMENT TEAM	376,272	149,751	76	226,444	39.8%	
BUSINESS SERVICES	6,082	3,886	-	2,196	63.9%	
FACILITY & PROJECT MGT	968,835	527,363	1,619	439,852	54.6%	
GROUND MANAGEMENT	4,688,543	2,114,497	80,960	2,493,087	46.8%	
FORESTRY	1,284,267	500,516	127,510	656,241	48.9%	
BEACH MAINTENANCE	157,332	64,798	17,214	75,320	52.1%	
<i>Total</i>	<u>14,328,850</u>	<u>7,062,982</u>	<u>313,466</u>	<u>6,952,402</u>	51.5%	<u>6,820,026</u>
<u>Library</u>						
ADMINISTRATION	460,433	223,616	-	236,817	48.6%	
PUBLIC SERVICES	2,607,620	1,210,348	-	1,397,272	46.4%	
SUPPORT SERVICES	1,617,031	810,410	18,246	788,376	51.2%	
<i>Total</i>	<u>4,685,085</u>	<u>2,244,375</u>	<u>18,246</u>	<u>2,422,465</u>	48.3%	<u>2,023,662</u>
<b>TOTAL COMMUNITY SERVICES</b>	<u>19,013,934</u>	<u>9,307,357</u>	<u>331,711</u>	<u>9,374,867</u>	50.7%	<u>8,843,688</u>
<b>COMMUNITY DEVELOPMENT</b>						
<u>Community Development</u>						
ADMINISTRATION	551,107	277,447	729	272,931	50.5%	
ECON DEV	48,420	20,447	-	27,973	42.2%	
CITY ARTS ADVISORY PROGRAM	437,260	335,225	-	102,035	76.7%	
RENTAL HSG MEDIATION	184,566	96,310	-	88,256	52.2%	
HUMAN SVCS	836,025	378,031	315,174	142,820	82.9%	
RDA HSG DEV	44,645	9,662	15,724	19,259	56.9%	
LR PLANNING/STUDIES	905,914	425,790	420	479,704	47.0%	
DEV & DESIGN REVIEW	1,350,777	634,164	11,790	704,823	47.8%	
ZONING	1,264,867	597,113	1,526	666,228	47.3%	
DESIGN REV & HIST PRESERVATN	1,100,803	501,727	4,853	594,223	46.0%	
BLDG PERMITS	1,147,440	540,971	425	606,045	47.2%	
RECORDS & ARCHIVES	563,562	252,176	8,300	303,086	46.2%	
PLAN CK & COUNTER SRV	1,302,478	648,150	10,448	643,880	50.6%	
<i>Total</i>	<u>9,737,864</u>	<u>4,717,213</u>	<u>369,389</u>	<u>4,651,263</u>	52.2%	<u>4,679,558</u>
<b>TOTAL COMMUNITY DEVELOPMENT</b>	<u>9,737,864</u>	<u>4,717,213</u>	<u>369,389</u>	<u>4,651,263</u>	52.2%	<u>4,679,558</u>
<b>NON-DEPARTMENTAL</b>						
<u>Non-Departmental</u>						
DUES, MEMBERSHIPS, & LICENSES	22,272	1,676	-	20,596	7.5%	

**CITY OF SANTA BARBARA**  
**General Fund**  
**Interim Statement of Appropriations, Expenditures and Encumbrances**  
**For the Six Months Ended December 31, 2013 (50% of Fiscal Year)**

	Annual Budget	YTD Actual	Encum- brances	** Remaining Balance	YTD Expended and Encumbered	Previous YTD
<b>NON-DEPARTMENTAL</b>						
<u>Non-Departmental</u>						
TRANSFERS OUT	43,500	21,750	-	21,750	50.0%	
DEBT SERVICE TRANSFERS	350,746	307,680	-	43,066	87.7%	
CAPITAL OUTLAY TRANSFER	1,000,000	500,000	-	500,000	50.0%	
APPROP. RESERVE	359,658	-	-	359,658	0.0%	
NON-DEPT - COMM PROM	2,028,008	1,106,747	-	921,261	54.6%	
<i>Total</i>	3,804,184	1,937,853	-	1,866,331	50.9%	2,003,931
<b>TOTAL NON-DEPARTMENTAL</b>	3,804,184	1,937,853	-	1,866,331	50.9%	2,003,931
<b>TOTAL EXPENDITURES</b>	111,911,976	55,595,032	1,632,664	54,684,279	51.1%	53,421,998

*\*\* 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 Six Months Ended December 31, 2013 (50% of Fiscal Year)

	Annual Budget	YTD Actual	Encum- brances	Remaining Balance	Percent of Budget
<b>TRAFFIC SAFETY FUND</b>					
Revenue	506,204	305,505	-	200,699	60.4%
Expenditures	506,204	305,505	-	200,699	60.4%
<i>Revenue Less Expenditures</i>	-	-	-	-	
<b>CREEK RESTORATION/WATER QUALITY IMPRVMT</b>					
Revenue	3,367,572	1,946,301	-	1,421,271	57.8%
Expenditures	5,433,182	2,840,044	491,480	2,101,659	61.3%
<i>Revenue Less Expenditures</i>	(2,065,610)	(893,742)	(491,480)	(680,388)	
<b>COMM.DEVELOPMENT BLOCK GRANT</b>					
Revenue	1,853,369	335,520	-	1,517,849	18.1%
Expenditures	2,167,813	198,791	190,840	1,778,181	18.0%
<i>Revenue Less Expenditures</i>	(314,444)	136,728	(190,840)	(260,332)	
<b>COUNTY LIBRARY</b>					
Revenue	1,962,864	727,267	-	1,235,597	37.1%
Expenditures	2,159,695	955,129	2,060	1,202,506	44.3%
<i>Revenue Less Expenditures</i>	(196,831)	(227,862)	(2,060)	33,091	
<b>STREETS FUND</b>					
Revenue	11,270,852	5,155,388	-	6,115,464	45.7%
Expenditures	15,897,321	5,322,676	1,143,752	9,430,894	40.7%
<i>Revenue Less Expenditures</i>	(4,626,469)	(167,288)	(1,143,752)	(3,315,430)	
<b>MEASURE A</b>					
Revenue	3,411,416	1,431,712	-	1,979,704	42.0%
Expenditures	4,761,898	1,894,738	815,019	2,052,142	56.9%
<i>Revenue Less Expenditures</i>	(1,350,482)	(463,025)	(815,019)	(72,438)	

**CITY OF SANTA BARBARA**  
**Interim Statement of Revenues and Expenses**  
**For the Six Months Ended December 31, 2013 (50% of Fiscal Year)**

**SOLID WASTE FUND**

	<b>Annual Budget</b>	<b>YTD Actual</b>	<b>Encum- brances</b>	<b>Remaining Balance</b>	<b>Percent of Budget</b>	<b>Previous YTD</b>
<b>REVENUES</b>						
Service charges	19,199,527	9,904,855	-	9,294,672	51.6%	9,058,977
Other Fees & Charges	474,816	224,908	-	249,908	47.4%	-
Grants	20,000	-	-	20,000	0.0%	11,208
Miscellaneous	233,100	225,996	-	7,104	97.0%	86,653
<b>TOTAL REVENUES</b>	<b>19,927,443</b>	<b>10,355,759</b>	<b>-</b>	<b>9,571,684</b>	<b>52.0%</b>	<b>9,156,839</b>
<b>EXPENSES</b>						
Salaries & Benefits	979,288	403,326	-	575,962	41.2%	400,106
Materials, Supplies & Services	18,258,021	9,032,714	419,935	8,805,372	51.8%	8,449,674
Special Projects	585,988	282,824	1,600	301,564	48.5%	8,000
Transfers-Out	50,000	25,000	-	25,000	50.0%	25,000
Capital Outlay Transfers	17,556	8,778	-	8,778	50.0%	5,835
Equipment	13,709	1,042	-	12,667	7.6%	1,163
Capitalized Fixed Assets	10,000	-	-	10,000	0.0%	641
Other	100,000	-	-	100,000	0.0%	-
Appropriated Reserve	33,106	-	-	33,106	0.0%	-
<b>TOTAL EXPENSES</b>	<b>20,047,668</b>	<b>9,753,683</b>	<b>421,535</b>	<b>9,872,450</b>	<b>50.8%</b>	<b>8,890,419</b>

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 Six Months Ended December 31, 2013 (50% 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>
<b>REVENUES</b>						
Water Sales - Metered	32,300,000	18,517,528	-	13,782,472	57.3%	17,457,830
Service Charges	506,500	328,263	-	178,237	64.8%	370,337
Cater JPA Treatment Charges	2,467,510	1,123,203	-	1,344,307	45.5%	1,209,563
Investment Income	534,400	270,414	-	263,986	50.6%	309,697
Rents & Concessions	22,872	11,436	-	11,436	50.0%	-
Reimbursements	673,153	142,084	-	531,069	21.1%	707,837
Miscellaneous	20,000	42,089	-	(22,089)	210.4%	41,759
<b>TOTAL REVENUES</b>	<u>36,524,435</u>	<u>20,435,019</u>	<u>-</u>	<u>16,089,416</u>	<u>55.9%</u>	<u>20,097,023</u>
<b>EXPENSES</b>						
Salaries & Benefits	8,333,163	3,847,653	-	4,485,510	46.2%	3,775,786
Materials, Supplies & Services	10,412,848	3,594,817	1,903,792	4,914,239	52.8%	3,599,037
Special Projects	1,105,856	215,520	134,126	756,210	31.6%	305,365
Water Purchases	8,016,230	3,702,052	165,436	4,148,742	48.2%	3,623,344
Debt Service	5,566,589	2,604,148	-	2,962,441	46.8%	2,805,959
Capital Outlay Transfers	11,189,231	5,594,616	-	5,594,615	50.0%	1,713,324
Equipment	146,195	14,415	7,209	124,571	14.8%	16,202
Capitalized Fixed Assets	132,839	7,697	33,820	91,323	31.3%	11,503
Other	32,775	24,407	-	8,368	74.5%	28,674
Appropriated Reserve	150,000	-	-	150,000	0.0%	-
<b>TOTAL EXPENSES</b>	<u>45,085,726</u>	<u>19,605,326</u>	<u>2,244,382</u>	<u>23,236,018</u>	<u>48.5%</u>	<u>15,879,193</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 Six Months Ended December 31, 2013 (50% 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>
<b>REVENUES</b>						
Service Charges	16,997,000	8,794,375	-	8,202,625	51.7%	8,342,737
Fees	692,579	365,619	-	326,960	52.8%	338,419
Investment Income	150,900	80,782	-	70,118	53.5%	87,687
Rents & Concessions	32,000	10,433	-	21,567	32.6%	-
Miscellaneous	35,000	1,334	-	33,666	3.8%	9,334
<b>TOTAL REVENUES</b>	<u>17,907,479</u>	<u>9,252,543</u>	<u>-</u>	<u>8,654,936</u>	<u>51.7%</u>	<u>8,778,177</u>
<b>EXPENSES</b>						
Salaries & Benefits	5,722,999	2,571,201	-	3,151,798	44.9%	2,645,779
Materials, Supplies & Services	6,760,640	2,661,601	1,908,203	2,190,836	67.6%	2,782,160
Special Projects	465,500	34,670	26,064	404,766	13.0%	4,020
Debt Service	1,668,096	303,572	-	1,364,524	18.2%	314,422
Capital Outlay Transfers	4,154,727	2,077,364	-	2,077,364	50.0%	1,500,061
Equipment	97,044	6,105	-	90,939	6.3%	32,288
Capitalized Fixed Assets	26,000	3,321	1,375	21,304	18.1%	3,961
Other	3,000	1,000	-	2,000	33.3%	1,000
Appropriated Reserve	150,000	-	-	150,000	0.0%	-
<b>TOTAL EXPENSES</b>	<u>19,048,005</u>	<u>7,658,834</u>	<u>1,935,642</u>	<u>9,453,530</u>	<u>50.4%</u>	<u>7,283,690</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 Six Months Ended December 31, 2013 (50% of Fiscal Year)**  
**DOWNTOWN PARKING**

	<b>Annual Budget</b>	<b>YTD Actual</b>	<b>Encum- brances</b>	<b>Remaining Balance</b>	<b>Percent of Budget</b>	<b>Previous YTD</b>
<b>REVENUES</b>						
Improvement Tax	875,000	511,233	-	363,767	58.4%	496,182
Parking Fees	6,313,084	3,351,708	-	2,961,376	53.1%	3,336,669
Other Fees & Charges	1,000	1,700	-	(700)	170.0%	358
Investment Income	98,200	52,132	-	46,068	53.1%	56,628
Rents & Concessions	88,925	44,463	-	44,462	50.0%	20,463
Miscellaneous	1,000	7,321	-	(6,321)	732.1%	(1,544)
Operating Transfers-In	43,500	21,750	-	21,750	50.0%	21,750
<b>TOTAL REVENUES</b>	<b>7,420,709</b>	<b>3,990,307</b>	<b>-</b>	<b>3,430,402</b>	<b>53.8%</b>	<b>3,930,506</b>
<b>EXPENSES</b>						
Salaries & Benefits	4,049,433	1,976,345	-	2,073,088	48.8%	1,904,944
Materials, Supplies & Services	2,108,134	952,878	133,599	1,021,657	51.5%	829,938
Special Projects	531,852	244,431	260,795	26,626	95.0%	259,960
Transfers-Out	303,064	151,532	-	151,532	50.0%	148,560
Capital Outlay Transfers	1,507,753	753,876	-	753,877	50.0%	555,972
Equipment	25,000	1,107	4,000	19,893	20.4%	1,921
Appropriated Reserve	50,000	-	-	50,000	0.0%	-
<b>TOTAL EXPENSES</b>	<b>8,575,235</b>	<b>4,080,169</b>	<b>398,394</b>	<b>4,096,672</b>	<b>52.2%</b>	<b>3,701,296</b>

**CITY OF SANTA BARBARA**  
**Interim Statement of Revenues and Expenses**  
**For the Six Months Ended December 31, 2013 (50% of Fiscal Year)**  
**AIRPORT OPERATING FUND**

	<b>Annual Budget</b>	<b>YTD Actual</b>	<b>Encum- brances</b>	<b>Remaining Balance</b>	<b>Percent of Budget</b>	<b>Previous YTD</b>
<b>REVENUES</b>						
Leases - Commercial / Industrial	4,472,500	2,145,053	-	2,327,447	48.0%	2,241,688
Leases - Terminal	5,189,964	2,603,104	-	2,586,860	50.2%	2,521,945
Leases - Non-Commerical Aviation	1,895,929	849,647	-	1,046,282	44.8%	770,417
Leases - Commerical Aviation	3,939,000	2,122,009	-	1,816,991	53.9%	1,956,677
Investment Income	111,100	61,825	-	49,275	55.6%	63,510
Miscellaneous	142,600	58,448	-	84,152	41.0%	75,620
<b>TOTAL REVENUES</b>	<b>15,751,093</b>	<b>7,840,086</b>	<b>-</b>	<b>7,911,007</b>	<b>49.8%</b>	<b>7,629,856</b>
<b>EXPENSES</b>						
Salaries & Benefits	5,522,998	2,474,042	-	3,048,956	44.8%	2,442,478
Materials, Supplies & Services	7,441,870	3,416,849	608,350	3,416,671	54.1%	3,069,709
Special Projects	863,000	260,135	-	602,865	30.1%	217,293
Transfers-Out	19,728	9,864	-	9,864	50.0%	9,147
Debt Service	1,817,106	915,352	-	901,754	50.4%	-
Capital Outlay Transfers	487,300	425,132	-	62,168	87.2%	1,102,842
Equipment	66,358	30,418	835	35,105	47.1%	16,116
Other	-	-	-	-	100.0%	1,161
Appropriated Reserve	95,839	-	-	95,839	0.0%	-
<b>TOTAL EXPENSES</b>	<b>16,314,199</b>	<b>7,531,792</b>	<b>609,185</b>	<b>8,173,222</b>	<b>49.9%</b>	<b>6,858,748</b>

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 Six Months Ended December 31, 2013 (50% 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>
<b>REVENUES</b>						
Fees & Card Sales	1,739,239	862,751	-	876,488	49.6%	753,446
Investment Income	8,800	5,070	-	3,730	57.6%	5,116
Rents & Concessions	332,520	176,250	-	156,270	53.0%	147,186
Miscellaneous	27,900	32,027	-	(4,127)	114.8%	299
<b>TOTAL REVENUES</b>	<u>2,108,459</u>	<u>1,076,098</u>	<u>-</u>	<u>1,032,361</u>	<u>51.0%</u>	<u>906,047</u>
<b>EXPENSES</b>						
Salaries & Benefits	1,022,332	510,398	-	511,934	49.9%	515,393
Materials, Supplies & Services	562,907	305,189	1,202	256,516	54.4%	262,391
Debt Service	245,698	165,865	-	79,833	67.5%	161,887
Capital Outlay Transfers	242,086	134,743	-	107,343	55.7%	79,187
Equipment	3,000	-	-	3,000	0.0%	24,422
Other	900	864	-	36	96.0%	847
<b>TOTAL EXPENSES</b>	<u>2,076,923</u>	<u>1,117,059</u>	<u>1,202</u>	<u>958,662</u>	<u>53.8%</u>	<u>1,044,126</u>

**CITY OF SANTA BARBARA**  
**Interim Statement of Revenues and Expenses**  
**For the Six Months Ended December 31, 2013 (50% 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>
<b>REVENUES</b>						
Service charges	242,253	121,127	-	121,127	50.0%	49,792
Work Orders - Bldg Maint.	2,592,140	1,118,302	-	1,473,838	43.1%	1,584,658
Grants	120,449	36,054	-	84,395	29.9%	128,095
Service Charges	2,288,520	1,144,260	-	1,144,260	50.0%	1,028,566
Miscellaneous	361,600	42,704	-	318,896	11.8%	57,262
<b>TOTAL REVENUES</b>	<u>5,604,962</u>	<u>2,462,447</u>	<u>-</u>	<u>3,142,515</u>	<u>43.9%</u>	<u>2,848,373</u>
<b>EXPENSES</b>						
Salaries & Benefits	3,462,955	1,643,997	-	1,818,958	47.5%	1,627,636
Materials, Supplies & Services	1,414,823	706,665	123,923	584,236	58.7%	554,090
Special Projects	940,978	445,738	420,740	74,501	92.1%	391,229
Equipment	15,000	-	-	15,000	0.0%	3,000
Capitalized Fixed Assets	51,882	4,188	17,331	30,363	41.5%	186,083
Appropriated Reserve	26,050	-	-	26,050	0.0%	-
<b>TOTAL EXPENSES</b>	<u>5,911,688</u>	<u>2,800,587</u>	<u>561,994</u>	<u>2,549,107</u>	<u>56.9%</u>	<u>2,762,039</u>

**CITY OF SANTA BARBARA**  
**Interim Statement of Revenues and Expenses**  
**For the Six Months Ended December 31, 2013 (50% of Fiscal Year)**

**FLEET REPLACEMENT FUND**

	<b>Annual Budget</b>	<b>YTD Actual</b>	<b>Encum- brances</b>	<b>Remaining Balance</b>	<b>Percent of Budget</b>	<b>Previous YTD</b>
<b>REVENUES</b>						
Vehicle Rental Charges	2,228,805	1,114,403	-	1,114,403	50.0%	1,073,108
Investment Income	122,300	62,800	-	59,500	51.3%	70,321
Rents & Concessions	233,978	116,989	-	116,989	50.0%	112,200
Miscellaneous	173,118	55,194	-	117,924	31.9%	20,783
<b>TOTAL REVENUES</b>	<b>2,758,201</b>	<b>1,349,386</b>	<b>-</b>	<b>1,408,815</b>	<b>48.9%</b>	<b>1,276,413</b>
<b>EXPENSES</b>						
Salaries & Benefits	193,629	93,489	-	100,140	48.3%	93,353
Materials, Supplies & Services	3,061	1,241	-	1,821	40.5%	855
Special Projects	1,161,400	13,659	11,900	1,135,841	2.2%	-
Capitalized Fixed Assets	3,776,901	664,901	669,684	2,442,315	35.3%	121,350
<b>TOTAL EXPENSES</b>	<b>5,134,991</b>	<b>773,290</b>	<b>681,584</b>	<b>3,680,116</b>	<b>28.3%</b>	<b>215,557</b>

**CITY OF SANTA BARBARA**  
**Interim Statement of Revenues and Expenses**  
**For the Six Months Ended December 31, 2013 (50% of Fiscal Year)**

**FLEET MAINTENANCE FUND**

	<b>Annual Budget</b>	<b>YTD Actual</b>	<b>Encum- brances</b>	<b>Remaining Balance</b>	<b>Percent of Budget</b>	<b>Previous YTD</b>
<b>REVENUES</b>						
Vehicle Maintenance Charges	2,463,432	1,231,716	-	1,231,716	50.0%	1,185,959
Reimbursements	10,000	5,000	-	5,000	50.0%	5,000
Miscellaneous	103,070	72,875	-	30,195	70.7%	37,081
<b>TOTAL REVENUES</b>	<b>2,576,502</b>	<b>1,309,591</b>	<b>-</b>	<b>1,266,911</b>	<b>50.8%</b>	<b>1,228,040</b>
<b>EXPENSES</b>						
Salaries & Benefits	1,280,067	613,757	-	666,310	47.9%	616,721
Materials, Supplies & Services	1,181,623	475,086	160,034	546,504	53.7%	525,760
Special Projects	64,663	7,500	42,732	14,430	77.7%	12,831
Debt Service	43,070	21,534	-	21,536	50.0%	-
Equipment	15,800	9,990	-	5,810	63.2%	190
Capitalized Fixed Assets	48,623	-	-	48,623	0.0%	-
Appropriated Reserve	16,893	-	-	16,893	0.0%	-
<b>TOTAL EXPENSES</b>	<b>2,650,738</b>	<b>1,127,867</b>	<b>202,765</b>	<b>1,320,106</b>	<b>50.2%</b>	<b>1,155,502</b>

**CITY OF SANTA BARBARA**  
**Interim Statement of Revenues and Expenses**  
**For the Six Months Ended December 31, 2013 (50% of Fiscal Year)**

**SELF INSURANCE TRUST FUND**

	<b>** Annual Budget</b>	<b>YTD Actual</b>	<b>Encum- brances</b>	<b>Remaining Balance</b>	<b>Percent of Budget</b>	<b>Previous YTD</b>
<b>REVENUES</b>						
Insurance Premiums	2,756,112	1,378,056	-	1,378,056	50.0%	1,299,012
Workers' Compensation Premiums	2,950,702	1,475,351	-	1,475,351	50.0%	1,300,000
OSH Charges	193,833	96,917	-	96,917	50.0%	-
Investment Income	60,300	23,069	-	37,231	38.3%	34,499
Miscellaneous	-	3,577	-	(3,577)	100.0%	1,181
Accel - Return of Premium	-	-	-	-	100.0%	600,000
<b>TOTAL REVENUES</b>	<b>5,960,947</b>	<b>2,976,969</b>	<b>-</b>	<b>2,983,978</b>	<b>49.9%</b>	<b>3,234,693</b>
<b>EXPENSES</b>						
Salaries & Benefits	538,662	249,789	-	288,873	46.4%	247,209
Materials, Supplies & Services	5,483,919	2,900,332	300,571	2,283,016	58.4%	2,454,560
Special Projects	100	-	-	100	0.0%	-
Transfers-Out	-	-	-	-	100.0%	178,004
Equipment	66	66	-	-	100.0%	-
<b>TOTAL EXPENSES</b>	<b>6,022,747</b>	<b>3,150,187</b>	<b>300,571</b>	<b>2,571,989</b>	<b>57.3%</b>	<b>2,879,773</b>

*\*\* 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 Six Months Ended December 31, 2013 (50% of Fiscal Year)**

**INFORMATION SYSTEMS ICS 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>
<b>REVENUES</b>						
Service charges	2,514,997	1,257,498	-	1,257,499	50.0%	1,179,039
Miscellaneous	-	-	-	-	100.0%	1,138
<b>TOTAL REVENUES</b>	<u>2,514,997</u>	<u>1,257,498</u>	<u>-</u>	<u>1,257,499</u>	<u>50.0%</u>	<u>1,180,176</u>
<b>EXPENSES</b>						
Salaries & Benefits	1,701,218	786,964	-	914,254	46.3%	799,437
Materials, Supplies & Services	874,806	297,363	99,529	477,914	45.4%	535,769
Special Projects	18,500	-	2,500	16,000	13.5%	1,778
Capital Outlay Transfers	212,000	106,000	-	106,000	50.0%	-
Equipment	23,484	19,811	7,521	(3,848)	116.4%	31,058
Capitalized Fixed Assets	123,000	121,345	-	1,655	98.7%	-
Appropriated Reserve	12,586	-	-	12,586	0.0%	-
<b>TOTAL EXPENSES</b>	<u>2,965,594</u>	<u>1,331,484</u>	<u>109,551</u>	<u>1,524,560</u>	<u>48.6%</u>	<u>1,368,041</u>

**CITY OF SANTA BARBARA**  
**Interim Statement of Revenues and Expenses**  
**For the Six Months Ended December 31, 2013 (50% of Fiscal Year)**

**WATERFRONT FUND**

	<b>Annual Budget</b>	<b>YTD Actual</b>	<b>Encum- brances</b>	<b>Remaining Balance</b>	<b>Percent of Budget</b>	<b>Previous YTD</b>
<b>REVENUES</b>						
Leases - Commercial	1,373,772	823,384	-	550,388	59.9%	861,957
Leases - Food Service	2,641,800	1,615,205	-	1,026,595	61.1%	1,559,619
Slip Rental Fees	4,122,293	2,071,943	-	2,050,350	50.3%	2,037,361
Visitors Fees	450,000	236,652	-	213,348	52.6%	245,117
Slip Transfer Fees	525,000	342,400	-	182,600	65.2%	313,500
Parking Revenue	2,009,800	1,300,614	-	709,186	64.7%	1,077,796
Wharf Parking	250,000	138,597	-	111,403	55.4%	134,263
Other Fees & Charges	236,435	131,708	-	104,727	55.7%	124,380
Investment Income	137,700	70,227	-	67,473	51.0%	78,676
Rents & Concessions	306,267	169,656	-	136,611	55.4%	167,324
Miscellaneous	392,000	281,209	-	110,791	71.7%	150,847
<b>TOTAL REVENUES</b>	<b>12,445,067</b>	<b>7,181,596</b>	<b>-</b>	<b>5,263,471</b>	<b>57.7%</b>	<b>6,750,839</b>
<b>EXPENSES</b>						
Salaries & Benefits	5,866,308	2,864,573	-	3,001,735	48.8%	2,853,640
Materials, Supplies & Services	3,906,598	1,756,250	723,689	1,426,659	63.5%	1,700,638
Special Projects	150,438	63,463	-	86,975	42.2%	79,542
Debt Service	1,843,880	1,300,999	-	542,881	70.6%	1,226,865
Capital Outlay Transfers	1,544,155	772,078	-	772,077	50.0%	770,489
Equipment	107,610	11,937	-	95,673	11.1%	60,771
Capitalized Fixed Assets	40,000	22,896	17,104	-	100.0%	-
Other	-	1,385	-	(1,385)	100.0%	1,000
Appropriated Reserve	100,000	-	-	100,000	0.0%	-
<b>TOTAL EXPENSES</b>	<b>13,558,989</b>	<b>6,793,581</b>	<b>740,793</b>	<b>6,024,614</b>	<b>55.6%</b>	<b>6,692,946</b>

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 2014 Interim Financial Statements  
For the Six Months Ended December 31, 2013 (50% of Year Elapsed)*

### General Fund Revenues

The table below summarizes General Fund revenues for the six months ended December 31, 2013. For interim financial statement purposes, revenues are reported on a cash basis (i.e. when the funds are received). The table below includes the budgeted totals as well as the year-to-date (YTD) budget, which for tax revenues and franchise fees have been seasonally adjusted based on a 3-year average of collections through the same period. Because tax revenues are not collected evenly throughout the year, adjusting the year-to-date budget to reflect the unique collection pattern for each type of tax allows for a more meaningful comparison to year-to-date results. For all other revenues, the Year-to-Date Budget column represents 50% (6 months out of the 12 elapsed) of the annual budget column. Unlike tax revenues, these revenues tend to be collected more evenly throughout the year.

Summary of Revenues For the Six Months Ended December 31, 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	\$ 21,084,894	\$ 8,142,663	\$ 7,873,848	\$ (268,815)	37.34%	38.62%	\$ 7,795,757	1.0%
Property Tax	25,475,500	9,257,645	9,405,586	147,941	36.92%	36.34%	9,513,734	-1.1%
UUT	6,975,300	3,524,344	3,548,584	24,240	50.87%	50.53%	3,484,540	1.8%
TOT	16,202,000	9,500,383	9,490,697	(9,686)	58.58%	58.64%	8,546,071	11.1%
Bus License	2,415,000	938,569	1,069,479	130,910	44.28%	38.86%	841,754	27.1%
Prop Trans Tax	537,900	251,563	336,468	84,905	62.55%	46.77%	269,183	25.0%
Total Taxes	72,690,594	31,615,166	31,724,662	109,496	43.64%	43.13%	30,451,039	4.2%
License & Permits	219,180	109,590	95,729	(13,861)	43.68%	50.00%	88,048	8.7%
Fines & Forfeitures	3,133,967	1,566,984	1,594,496	27,512	50.88%	50.00%	1,533,786	4.0%
Franchise Fee	3,660,300	1,808,774	1,855,070	46,296	50.68%	49.42%	1,815,899	2.2%
Use of Money & Property	1,072,589	536,295	457,848	(78,447)	42.69%	50.00%	593,688	-22.9%
Intergovernmental	671,136	335,568	1,048,947	713,379	156.29%	50.00%	642,217	63.3%
Fee & Charges	19,698,939	9,849,470	9,545,507	(303,963)	48.46%	50.00%	9,542,059	0.0%
Miscellaneous	9,083,212	4,541,606	4,736,193	194,587	52.14%	50.00%	5,434,715	-12.9%
Total Other	37,539,323	18,748,286	19,333,790	585,504	51.50%	49.92%	19,650,412	-1.6%
Total Before Budgeted Variances	110,229,917	50,363,452	51,058,452	695,000			50,101,451	
Anticipated Year-End Var	1,200,000	600,000	-	(600,000)	0.00%	50.00%	-	0.0%
<b>Total Revenues</b>	<b>\$ 111,429,917</b>	<b>\$ 50,963,452</b>	<b>\$ 51,058,452</b>	<b>\$ 95,000</b>	<b>45.82%</b>	<b>45.19%</b>	<b>\$ 50,101,451</b>	<b>1.9%</b>

\* YTD Budget for Taxes is calculated based on a 3-year average of collections for each revenue source; for all other revenues, YTD Budget is calculated on a straight-line basis based on the number of months elapsed.

The table above summarizes General Fund revenues for the six months ended December 31, 2013. For interim financial statement purposes, revenues are reported on a cash basis (i.e. when the funds are received). Total revenues are approximately \$505,000 above the budget through December 31, 2013; however, total revenues collected before budgeted variances were \$95,000 over YTD budget. Major revenues and significant variances are discussed below.

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**Sales Taxes**

Sales tax revenue for the first six months of the fiscal year was \$268,815 below the YTD budget on a cash basis. However, while representing two quarterly sales tax payments year-to-date, the revenues received through December 31, 2013 provide information for the growth in sales tax revenues earned for the quarter ended September 30, 2013. These revenues were 1.0% over those from the prior December and sales tax revenues continue to show recovery from growth lost during the recession. Staff projects sales tax revenues to be slightly below the original budget of \$20.6 million by approximately \$277,600; however, staff expects that the 2014 sales tax revenue will be slightly higher than the peak fiscal year of 2007.

**Property Tax**

Property tax revenue was approximately \$147,941 below the YTD budget at December 31, 2013. However, revenue growth for Fiscal Year 2014 is trending higher than expected based on information provided by the County of Santa Barbara relative to increases in assessed values which were just over 4% per county records. Property tax revenues are projected to exceed the adopted budget by approximately \$785,000 at year-end.

**Transient Occupancy Tax**

Although TOT revenue was \$9,686 below the YTD budget at December 31 as shown on the table on the previous page, it is 11.1% higher than the same six-month period in the prior year. Based on current projections, revenues are expected to be \$41,000.

**Business License Tax**

Business License revenue is \$130,910 above the year-to-date budget, which also represents a 27.1% increase over the prior year. The increase is primarily due to a higher volume of business license renewals processed in the month of December instead of the month of January. The prior year renewal for business licenses was delayed by several weeks to allow for the implementation of new State fee collected with each business license which must be remitted to the State on a quarterly basis. The delay in sending out the renewal letters resulted in higher renewal activity in January of last year.

**Property Transfer Tax**

Property Transfer Tax revenues are \$84,905 above the year-to-date budget, a likely result of increased volume in local home sales during the past year.

**Intergovernmental**

Intergovernmental revenue was approximately \$713,400 above the YTD 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 assistance plus an overhead factor. The Fire Department budgeted \$400,000 in reimbursements and has received \$886,500 in reimbursements as of December 31. Fire Department staff are projecting \$1,009,000 of mutual aid reimbursements for fiscal year 2014,

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amounting to \$609,000 above the adopted budget at year-end. In addition, the Library has brought in over \$65,000 in new grant revenue.

**Miscellaneous**

Total Miscellaneous revenue is \$194,588 above the year-to-date budget. This is largely attributed to both an increase in paid administrative citation payments, and one-time revenues that occurred at the start of the year. The table below describes the largest components of miscellaneous revenue, which includes overhead cost recovery, transfers in, donations, administrative citations, auction revenue, City TV revenue, sale of property, insurance rebates, refunds, and other miscellaneous revenue.

Other Miscellaneous revenue is \$108,817 above budget year-to-date primarily due the accounting for administrative citation revenues in the beginning of each fiscal year. The prior year variance of \$727,681 is primarily due to the sales of City owned property (on Milpas Street) in the amount of \$534,000 in the prior year.

Miscellaneous Revenue General Fund For the Six Months Ended December 31, 2013								
Type of Misc. Revenue	Annual Budget	YTD Budget	YTD Actual	Budget Variance	Percent Received YTD	Prior Year YTD	Prior Year Variance	Percent Variance
Miscellaneous	1,624,751	\$ 812,376	921,192	\$ 108,817	56.7%	1,648,873	\$ (727,681)	-44.1%
Indirect Allocations	6,292,740	3,146,370	3,146,370	-	50.0%	2,920,926	225,444	7.7%
Operating-Transfers In	1,165,721	582,861	668,632	85,772	57.4%	864,917	(196,285)	-22.7%
<b>Total</b>	<b>\$ 9,083,212</b>	<b>\$ 4,541,606</b>	<b>\$ 4,736,194</b>	<b>\$ 194,588</b>	<b>52.1%</b>	<b>\$ 5,434,716</b>	<b>\$ (698,522)</b>	<b>-12.9%</b>

**Fees & Service Charges**

Overall, fees and service charges are about \$303,963 under the YTD budget. The table below provides more details on fees and service charges by department. The more significant mid-year variances are also discussed.

Community Development fees are approximately \$147,700 below the year-to-date budget. This variance is largely due to slow growth in building-related activity charges, such as planning work orders fees, building permit fees, and development/site plan review fees.

Parks & Recreation fees are approximately \$139,800 below the year-to-date budget. Although charges tend to be seasonal, as parks & recreation programs tend to get higher participation in the summer, revenues are performing well—over \$78,000 better off when compared to the same quarter last year.

Public Safety fees and charges are approximately \$62,000 under the year-to-date budget and down approximately \$40,000 over the prior year. Several revenues are down slightly relative to

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the budget, including parking citation revenues and dismissal fees in the Police Department, largely as a result of temporary decreased staffing in the parking citation section.

Fees and Service Charges General Fund For the Six Months Ended December 31, 2013								
Department	Annual Budget	YTD Budget	YTD Actual	Budget Variance	Percent Received YTD	Prior Year YTD	Prior Year Variance	Percent Variance
Finance	\$ 926,598	\$ 463,299	\$ 461,281	\$ (2,018)	49.8%	\$ 434,454	\$ 26,827	6.2%
Community Development	4,632,942	2,316,471	2,168,681	(147,790)	46.8%	2,264,089	(95,408)	-4.2%
Parks & Recreation	2,890,383	1,445,192	1,305,375	(139,817)	45.2%	1,226,647	78,728	6.4%
Public Safety	617,033	308,517	246,664	(61,853)	40.0%	286,749	(40,085)	-14.0%
Public Works	5,584,761	2,792,381	2,807,211	14,831	50.3%	2,787,236	19,975	0.7%
Library	753,839	376,920	363,832	(13,088)	48.3%	317,510	46,322	14.6%
Reimbursements	4,293,383	2,146,692	2,192,463	45,772	51.1%	2,225,374	(32,911)	-1.5%
<b>Total</b>	<b>\$ 19,698,939</b>	<b>\$ 9,849,470</b>	<b>\$ 9,545,507</b>	<b>\$ (303,963)</b>	48.5%	<b>\$ 9,542,059</b>	<b>\$ 3,448</b>	0.0%

**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, 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 December 31, 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.

As shown above, a year-to-date budget (labeled “YTD Budget”) column is included. This

SUMMARY OF EXPENDITURES GENERAL FUND For the Six Months Ended December 31, 2013							YTD Variance With Encumb Favorable (Unfavorable)	
Department	Adjusted Annual Budget	YTD Budget	YTD Actual	YTD Variance Without Encumbrance	Encum- brance	\$	%	
Mayor & Council	\$ 770,723	\$ 382,587	\$ 354,429	\$ 28,158	\$ 29,609	\$ (1,451)	-0.2%	
City Attorney	2,129,254	1,081,022	1,053,219	27,803	8,325	19,478	0.9%	
City Administrator	2,122,528	1,050,864	1,081,373	(30,509)	38,373	(68,882)	-3.2%	
Administrative Svcs.	2,202,228	1,045,398	1,024,055	21,343	39,414	(18,071)	-0.8%	
Finance	4,837,299	2,375,114	2,212,647	162,467	215,582	(53,115)	-1.1%	
Police	37,469,473	18,760,965	18,954,484	(193,519)	290,428	(483,947)	-1.3%	
Fire	22,353,039	11,216,755	11,503,073	(286,318)	80,320	(366,638)	-1.6%	
Public Works	7,471,449	3,605,721	3,449,330	156,391	229,513	(73,122)	-1.0%	
Parks & Recreation	14,328,850	7,233,203	7,062,982	170,221	313,466	(143,245)	-1.0%	
Library	4,685,085	2,210,423	2,244,375	(33,952)	18,246	(52,198)	-1.1%	
Community Development	9,737,864	5,138,671	4,717,213	421,458	369,389	52,069	0.5%	
Community Promotion	3,804,184	2,307,998	1,937,853	370,145	-	370,145	9.7%	
<b>Total</b>	<b>\$ 111,911,976</b>	<b>\$ 56,408,721</b>	<b>\$ 55,595,033</b>	<b>\$ 813,688</b>	<b>\$ 1,632,665</b>	<b>\$ (818,977)</b>	<b>-0.7%</b>	
% of annual budget		50.4%	49.7%	0.7%	1.5%	-0.7%		

column has been developed based on a 3-year average of expenditures in order to adjust for the seasonal nature of certain expenditures, such as debt service and summer recreation programs. The table includes actual expenditures without encumbrances, and separate column for the variance after considering encumbrances. Inclusion of encumbrances can significantly distort the analysis of budgeted and actual expenditures during the year. Outstanding encumbrances include certain appropriations that were carried forward from prior year and contracts or blanket purchase orders that have been executed in the current year but are expected to be used throughout the year. The following discussion and analysis does not include the impact of encumbrances.

The year-to-date budget of \$56.4 million at December 31, compared to actual expenditures of \$55.6 million, resulted in a variance of approximately \$814,000. Significant variances in departments are discussed below.

**City Administrator** expenditures are slightly over the YTD budget by approximately \$31,000. This variance is due to 98% of the non-contractual services budget being expended by December 31 to fund the South Coast Task Force on Youth Gangs for Fiscal Year 2014. Staff anticipates expenditures to be within budget at year-end.

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**Finance** expenditures are below the YTD budget by approximately \$162,000. This variance is largely due to salary savings from several vacant positions occurring throughout the first six months of Fiscal Year 2014.

**Police** expenditures are above the YTD budget by approximately \$194,000 due to higher than anticipated overtime costs. Staff will be closely monitoring expenditures during the next several months to determine the need for cost reductions or increased appropriations.

**Fire Department** expenditures are above the YTD budget by approximately \$286,000. This variance is due to higher than anticipated mutual aid expenditures during the first six months of Fiscal Year 2014. Mutual aid expenditures relate to the cost of providing assistance to other locations throughout the state. As of December 31, mutual aid expenditures amounted to \$575,000 in comparison to budgeted mutual aid expenditures of \$350,000. However, the Fire Department has received \$892,000 in mutual aid reimbursement revenues as of December 31, which were originally budgeted at \$400,000. Mutual aid revenues are projected to exceed expenditures by \$317,000 for all mutual aid activities through December 31, 2013. As there is the possibility of additional mutual aid activities by year-end, staff will be closely monitoring mutual aid revenues and expenditures and will request an adjustment at year-end to record the total revenues and appropriations for all fiscal year 2014 mutual aid activities. At this time, staff anticipates expenditures, excluding mutual aid, will be within budget by year-end.

**Library** expenditures are slightly over the YTD budget by approximately \$34,000. This variance is due to slightly higher supplies and services costs, such as water and electric utility costs, as compared to prior years. Total Library expenditures as of December 31 amount to less than 50% of the adjusted annual budget and it is anticipated that expenditures will be within budget by year-end.

**Community Development** expenditures are below YTD budget by approximately \$421,000. This variance is largely attributed to a timing difference in approximately \$65,000 in payments to the Santa Barbara County Arts Commission for the City Arts Advisory Program, salary savings resulting from an employee's leave of absence and hourly vacancies in Records, and approximately \$50,000 in across-the-board savings in Supplies and Services.

**Community Promotion** expenditures are below YTD budget by approximately \$370,000. This variance is largely attributed to a timing difference in payments of approximately \$337,000 for the annual contract with the Santa Barbara Conference and Visitors Bureau and Film Commission (CVB) to promote tourism for the City of Santa Barbara. In the prior year, the third quarter payment was made in December; however, for Fiscal Year 2014, this payment was made in January 2014.

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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 December 31, 2013, with a comparison to the current year budget and prior year expenses through the first three months. Note that the "YTD Budget" column has been calculated based on a 3-year average collection rate through December 31<sup>st</sup>. This rate, which is shown as a percentage in the "3 Year Average" column, has been applied to the annual budget amount to arrive at the Year-to-Date Budget. This approach is used in recognition that enterprise fund revenues and certain expenses are seasonally affected and are not necessarily received or incurred evenly throughout the year.

<b>SUMMARY OF REVENUES &amp; EXPENSES For The Six Months Ended December 31, 2013 ENTERPRISE FUNDS</b>								
	<b>Current Year Analysis</b>						<b>Prior Year Analysis</b>	
	<b>Annual Budget</b>	<b>YTD Budget *</b>	<b>YTD Actual</b>	<b>YTD Variance</b>	<b>YTD Percent</b>	<b>3 Year Average</b>	<b>YTD Actual</b>	<b>% Variance</b>
<b>Solid Waste Fund</b>								
Revenues	\$ 19,927,443	\$ 9,642,890	\$ 10,355,759	\$ 712,869	52.0%	48.4%	\$ 9,156,839	13.1%
Expenses	20,047,668	9,484,552	9,753,683	(269,131)	48.7%	47.3%	8,890,419	9.7%
<b>Water Fund</b>								
Revenues	36,524,435	19,222,810	20,435,019	1,212,209	55.9%	52.6%	20,097,023	1.7%
Expenses	45,085,726	22,768,292	19,605,326	3,162,966	43.5%	50.5%	15,879,193	23.5%
<b>Wastewater Fund</b>								
Revenues	17,907,479	9,134,605	9,252,543	117,938	51.7%	51.0%	8,778,177	5.4%
Expenses	19,048,005	8,868,751	7,658,834	1,209,917	40.2%	46.6%	7,283,690	5.2%
<b>Downtown Parking Fund</b>								
Revenues	7,420,709	3,540,420	3,990,307	449,887	53.8%	47.7%	3,930,506	1.5%
Expenses	8,575,235	4,164,992	4,080,169	84,823	47.6%	48.6%	3,701,296	10.2%
<b>Airport Fund</b>								
Revenues	15,751,093	7,952,727	7,840,086	(112,641)	49.8%	50.5%	7,629,856	2.8%
Expenses	16,314,199	6,788,338	7,531,792	(743,454)	46.2%	41.6%	6,858,748	9.8%
<b>Golf Fund</b>								
Revenues	2,108,459	1,016,277	1,076,098	59,821	51.0%	48.2%	906,047	18.8%
Expenses	2,076,923	1,097,861	1,117,059	(19,198)	53.8%	52.9%	1,044,126	7.0%
<b>Waterfront Fund</b>								
Revenues	12,445,067	6,482,635	7,181,596	698,961	57.7%	52.1%	6,750,839	6.4%
Expenses	13,558,989	7,179,485	6,793,581	385,904	50.1%	53.0%	6,692,946	1.5%
* The YTD Budget column has been calculated based on a 3-year average of collections for revenues, and of payments made for expenses through December 31, which has been applied to the annual budget.								

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The expenses shown in the preceding table do not include outstanding encumbrances at December 31, 2013. Inclusion of encumbrances can significantly distort the analysis of budgeted and actual expenditures after six months. Outstanding encumbrances include appropriations that were carried forward from prior year as part of the appropriation carryovers and contracts or blanket purchase orders that have been added in the current year but are expected to be spent over the coming months.

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

**Solid Waste Fund**

Solid Waste Fund revenues are above the year-to-date budget as of December 31 by approximately \$713,000. This variance is largely due to a timing difference in payments from the County for processed recyclables. In prior years, all payments occurred subsequent to December 31; whereas, in the current fiscal year 47% of the \$475,000 budgeted from the County was received as of December 31, 2013. In addition, beginning with the current fiscal year, the Hauler's Public Education contribution of \$142,000 is a flat fee paid to the City in the first half of the fiscal year as opposed to reimbursements throughout the year for actual City costs.

Expenses for the Solid Waste Fund are above the YTD budget by approximately \$269,000. This variance is largely attributed to a timing difference in the semi-annual payment of over \$273,000 for regional fees to the County of Santa Barbara for waste management services. In prior years, the payment was made in January; however, for Fiscal Year 2014, this payment was made in December 2013. Staff anticipates expenditures will be within budget by year-end.

**Water Fund**

Water Fund revenues are above the year-to-date budget as of December 31 by approximately \$1,212,000. The variance is primarily due to water sales revenue being higher than projected as a result of increased demand during the dry season in the first half of the year. However, staff anticipates a reduction in water sales for the second half of the year due to the declaration of a Stage One Drought and requests to consumers to voluntarily reduce water consumption. Staff anticipates that total water sales for Fiscal Year 2014 may fall short of budget by approximately \$600,000 by year-end due to these conservation efforts.

Expenses for the Water Fund are below the YTD budget by approximately \$3,163,000. The variance is partly due to only 22% of total debt service costs of over \$3.5 million occurring in the first half of Fiscal Year 2014 as compared to approximately 40% in prior years. In addition, approximately \$1 million in expenditures were budgeted in Fiscal Year 2014 for the costs to start up and run the Ortega Groundwater Well Plant; however, due to a delayed start date, only \$126,000 were expended as of December 31. Staff is anticipating an increase in costs in the second half of the fiscal year for advertising, marketing and staffing related to the Stage One Drought. Staff will be closely monitoring Water Fund expenditures over the next few months to determine the need for cost reductions or increased appropriations related to the drought response.

*Fiscal Year 2014 Interim Financial Statements  
For the Six Months Ended December 31, 2013 (50% of Year Elapsed)*

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**Wastewater Fund**

Wastewater Fund revenues are slightly above the YTD budget at December 31. Wastewater Fund expenses are approximately \$1,210,000 below the YTD budget. This variance is largely due to the budgeted principal and interest payments of \$314,000 for the State Revolving Fund Loan not being realized in the current fiscal year due to the longer than anticipated loan approval process, as well as reduced utility, facilities maintenance, and equipment repair costs.

**Downtown Parking Fund**

Downtown Parking Fund revenues are above the YTD budget by approximately \$450,000. This variance is due to increased hourly parking and monthly parking revenues largely resulting from fewer retail vacancies in the downtown corridor. Downtown Parking Fund expenses are slightly below the YTD budget at December 31.

**Airport Fund**

Airport Fund revenues are slightly below the YTD budget at December 31 by approximately \$113,000 primarily due to two commercial property vacancies. Expenses for the Airport Fund are above the YTD budget by approximately \$743,000 at December 31. This variance is primarily due to a larger percentage of capital outlay transfers occurring in the first half of Fiscal Year 2014 as compared to the prior 3 fiscal years. In addition, 50% of the debt service transfers, amounting to approximately \$1.6 million, occurred prior to December 31, 2013, as compared to zero debt service transfers occurring in the first six months of Fiscal Year 2013.

**Golf Fund**

Golf Fund revenues are slightly above the YTD budget at December 31 primarily due to greens fees revenues for Fiscal Year 2014 exceeding the prior fiscal year by 14.8%. Overall, staff is anticipating that Golf Fund revenues will fall slightly short of budget at year-end by approximately \$10,000.

Golf Fund expenses are slightly below the YTD budget by approximately \$19,000 resulting from higher than anticipated water costs due to a very dry year. Staff expects the increased water costs to continue in the second half of Fiscal Year 2014 and will be re-programming appropriations from Turf Equipment Replacement to cover these additional costs. In addition, staff will be closely monitoring revenues and expenses over the next several months to determine the need to make any additional cost reductions to meet budget at year-end.

**Waterfront Fund**

Waterfront Fund revenues are above the YTD budget at December 31 by approximately \$699,000. This variance is largely due to higher than anticipated cruise ship revenues and increased parking fee revenues. Due to the completed installation of the self-pay parking systems and the warm weather in fall and winter, parking fee revenues have exceeded expectations at December 31.

***Fiscal Year 2014 Interim Financial Statements  
For the Six Months Ended December 31, 2013 (50% of Year Elapsed)***

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Expenses for the Waterfront Fund are below the YTD budget by approximately \$386,000 at December 31. This variance is primarily due to higher vacation cash out costs in prior years and the programming of \$100,000 of appropriated reserves in the Fiscal Year 2014 operating budget to cover contingencies that rise during the course of the fiscal year. As of December 31, no appropriated reserves have been used.

**City of Santa Barbara**  
**Interim Financial Statements for the Six Months Ended December 31, 2013**  
**Proposed Budget Adjustments**

	<u>Increase (Decrease) in Appropriations</u>	<u>Increase (Decrease) in Estimated Revenues</u>	<u>Addition to (Use of) Reserves</u>
<b>GENERAL FUND (1000)</b>			
<b>City Administrator</b>			
Television System Design Firm Contract	\$ 23,500	\$ -	\$ (23,500)
<p>City TV collects PEG fees from Cox Communications to be used for capital equipment purposes. As of December 31, 2013, City TV has \$42,032 of available PEG reserve funds in the General Fund. This recommended entry will appropriate \$23,500 from available PEG reserve funds to enter into a contract with a television system design firm for the planned broadcast control room/meeting room camera equipment replacement and upgrade project.</p>			
<b>Community Development</b>			
Transfer Rental Housing Mediation Program from Misc. Grants Fund	-	64,494	64,494
Hourly Salaries - Rental Housing Mediation Program	64,494	-	(64,494)
<p>In the Fiscal Year 2014 budget, the Rental Housing Mediation Program was programmed in the General Fund rather than the Miscellaneous Grants Fund. This recommended entry will transfer the existing fund balance at December 31, 2013 for the Rental Housing Mediation Program in the Miscellaneous Grants Fund to the General Fund and appropriate the funds for hourly salaries related to the program.</p>			
<b>Police</b>			
Animal Licensing, Vaccinations and Spaying/Neutering Community Clinics	4,262	-	(4,262)
<p>During Fiscal Year 2013, the Police Department received \$4,262 in unbudgeted animal license fees and donation revenues that were intended to be used for community outreach programs. This recommended entry will appropriate the \$4,262 of revenues received in the prior year, which fell to fund balance at year-end, to fund community clinics on animal licensing, vaccinations and spaying/neutering.</p>			
Transfer from Misc. Grants Fund for Reimbursement of SBRNET Grant Costs	-	176,356	176,356
<p>The Police Department receives grant funding in the Miscellaneous Grants Fund for one full-time officer to participate on the Santa Barbara Regional Narcotic Enforcement Team (SBRNET). Prior to Fiscal Year 2014, the General Fund incurred \$176,356 of the costs for the SBRNET officer. This recommended entry reimburses the General Fund for SBRNET costs incurred.</p>			
Transfer from Misc. Grants Fund for Reimbursement of Traffic Safety DUI Grants	-	52,681	52,681
<p>The Police Department received annual grant funding in the Miscellaneous Grants Fund in Fiscal Years 2009, 2010 and 2011 from the Office of Traffic Safety to fund overtime costs related to DUI checkpoints and operations. During those three fiscal years, the General Fund incurred \$52,680 of costs related to the Office of Traffic Safety DUI Grants. This recommended entry reimburses the General Fund for Traffic Safety DUI Grant costs incurred.</p>			
Transfer from Misc. Grants Fund for Reimbursement of ABC Grant Costs	-	8,287	8,287
<p>In Fiscal Year 2013, the Police Department received a grant from the Department of Alcoholic Beverage Control (ABC) to conduct undercover operations at ABC licensed premises. During Fiscal Year 2013, the General Fund incurred \$8,287 of costs related to the ABC grant. This recommended entry reimburses the General Fund for ABC Grant costs incurred.</p>			
<b>Total General Fund</b>	<u>\$ 92,256</u>	<u>\$ 301,818</u>	<u>\$ 209,562</u>

	<u>Increase (Decrease) in Appropriations</u>	<u>Increase (Decrease) in Estimated Revenues</u>	<u>Addition to (Use of) Reserves</u>
<b>CAPITAL OUTLAY FUND (3000)</b>			
Adjust Capital Project Budgets:			
Increase Appropriations for the Children's Library Project	\$ 144,023	\$ -	\$ (144,023)
Transfer Available Appropriations from the Central Library Building Reorganization	(144,023)	-	144,023

In Fiscal Year 2011, \$250,000 was programmed for the Central Library Building Reorganization to include moving the children's area. This recommended entry will transfer available remaining appropriations in the Central Library Building Reorganization project to the Children's Library Project to consolidate the expenditures for the children's area improvements into one project for improved administration.

Fire - Upgrade Digital Microwave Links	47,000	-	(47,000)
Laguna Flood Control Facility Repairs	500,000	-	(500,000)
Street Lighting Improvements	280,000	-	(280,000)
Montecito / Yanonali Bridge Sidewalk	433,000	-	(433,000)
Matching Grant Children's Library Remodel	500,000	-	(500,000)
Contribution to Cliff / Las Positas Roundabout	700,000	-	(700,000)
Additional Citywide Street Pavement Enhancements	300,000	-	(300,000)
Citywide Signage Design	250,000	-	(250,000)
Library Plaza Final Design	100,000	-	(100,000)
Cabrillo Ball Field Renovation	300,000	-	(300,000)
Supplement PD HVAC and Building Renewal Project	400,000	-	(400,000)
Contribution to Kid's World Renovation	250,000	-	(250,000)
Community Arts Workshop	300,000	-	(300,000)

Per City Council work session on January 27, 2014, Council approved \$4,360,000 in funding for one-time capital projects in the Capital Outlay Fund. These recommended entries will appropriate the Council approved projects in the Capital Outlay Fund.

<b>Total Capital Outlay Fund</b>	<u>\$ 4,360,000</u>	<u>\$ -</u>	<u>\$ (4,360,000)</u>
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## SPECIAL REVENUE FUNDS

### Miscellaneous Grants Fund (2800)

Transfer Rental Housing Mediation Program to General Fund	\$ 64,494	\$ -	\$ (64,494)
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In the Fiscal Year 2014 budget, the Rental Housing Mediation Program was programmed in the General Fund rather than the Miscellaneous Grants Fund. This recommended entry will transfer the existing fund balance at December 31, 2013 for the Rental Housing Mediation Program in the Miscellaneous Grants Fund to the General Fund.

Transfer to General Fund for Reimbursement of SBRNET Grant Costs	176,356	-	(176,356)
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The Police Department receives grant funding in the Miscellaneous Grants Fund for one full-time officer to participate on the Santa Barbara Regional Narcotic Enforcement Team (SBRNET). Prior to Fiscal Year 2014, the General Fund incurred \$176,356 of the costs for the SBRNET officer. This recommended entry reimburses the General Fund for SBRNET costs incurred.

Transfer to General Fund for Reimbursement of Traffic Safety DUI Grant Costs	52,681	-	(52,681)
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The Police Department received annual grant funding in the Miscellaneous Grants Fund in Fiscal Years 2009, 2010 and 2011 from the Office of Traffic Safety to fund overtime costs related to DUI checkpoints and operations. During those three fiscal years, the General Fund incurred \$52,680 of costs related to the Office of Traffic Safety DUI Grants. This recommended entry reimburses the General Fund for Traffic Safety DUI Grant costs incurred.

	<u>Increase (Decrease) in Appropriations</u>	<u>Increase (Decrease) in Estimated Revenues</u>	<u>Addition to (Use of) Reserves</u>
<b>SPECIAL REVENUE FUNDS (cont.)</b>			
<b>Miscellaneous Grants Fund (2800)</b>			
Transfer to General Fund for Reimbursement of ABC Grant Costs	\$ 8,287	\$ -	\$ (8,287)
<p>In Fiscal Year 2013, the Police Department received a grant from the Department of Alcoholic Beverage Control (ABC) to conduct undercover operations at ABC licensed premises. During Fiscal Year 2013, the General Fund incurred \$8,287 of costs related to the ABC grant. This recommended entry reimburses the General Fund for ABC Grant costs incurred.</p>			
<b>Total Miscellaneous Grants Fund</b>	<u>\$ 301,818</u>	<u>\$ -</u>	<u>\$ (301,818)</u>
<b>County Library Fund (2500)</b>			
City of Goleta - Developer Fee Revenue	\$ -	\$ 45,519	\$ 45,519
Book Acquisitions and Materials - Goleta Branch	45,519	-	(45,519)
<p>Subsequent to the development of the Library Department's Fiscal Year 2014 budget, the City of Goleta approved its budget and indicated a contribution to the City from developer fees in the amount of \$45,519. These funds will be used to purchase books and materials for the Goleta Branch. This recommended entry will increase estimated revenues and appropriations for the City of Goleta developer fees and book acquisitions and materials for the Goleta Branch.</p>			
<b>Total County Library Fund</b>	<u>\$ 45,519</u>	<u>\$ 45,519</u>	<u>\$ -</u>
<b>Streets Fund (2400)</b>			
Adjust Capital Project Budgets:			
Increase Appropriations for Bicycle Master Plan Update Project - City Match	\$ 70,000	\$ -	\$ (70,000)
Transfer Available Appropriations from School Zone Safety Improvements Project	(70,000)	-	70,000
<p>All Measure A grants awarded in Fiscal Year 2013 were designated to the School Zone Safety Improvements project. This recommended entry will transfer available appropriations in the School Zone Safety Improvements project to the Bicycle Master Plan Update project for the City's match for a grant received to prepare the Update.</p>			
Increase Appropriations for Lower Mission Creek Flood Control Project	100,000	-	(100,000)
<p>Since adoption of the Fiscal Year 2014 budget, the Public Works Department has identified additional funding needs for the Lower Mission Creek Flood Control project as it enters the construction phase. The additional costs include managing the coordination and funding of certain requirements by the City's design review boards placed on the County Flood Control projects. This recommended entry will increase appropriations from available reserves for these additional costs.</p>			
<b>Total Streets Fund</b>	<u>\$ 100,000</u>	<u>\$ -</u>	<u>\$ (100,000)</u>
<b>ENTERPRISE FUNDS</b>			
<b>Water Operating Fund (5000)</b>			
Transfer from Water Capital Fund for Water Distribution Program	\$ -	\$ 185,000	\$ 185,000
On-call Paving Services & Paving Work - Water Distribution Program	185,000	-	(185,000)
<p>As of December 31, 2013, Public Works staff have identified \$185,000 of additional needs in the Water Distribution Program in the Water Operating Fund to support on-call paving services and to address needed paving work due to water main breaks. Available appropriations exist in the Water Main Replacement project in the Capital Fund as the water meter replacement bid came in \$600,000 below budget. These recommended entries will transfer available appropriations from the Water Capital Fund to the Water Operating Fund to be appropriated in the Water Distribution Program for paving services.</p>			
<b>Total Water Operating Fund</b>	<u>\$ 185,000</u>	<u>\$ 185,000</u>	<u>\$ -</u>

	<u>Increase (Decrease) in Appropriations</u>	<u>Increase (Decrease) in Estimated Revenues</u>	<u>Addition to (Use of) Reserves</u>
<b>ENTERPRISE FUNDS (cont.)</b>			
<b>Water Capital Fund (5010)</b>			
Transfer Available Appropriations from the Water Main Replacement Project	\$ 185,000	\$ -	\$ (185,000)
As of December 31, 2013, Public Works staff have identified \$185,000 of additional needs in the Water Distribution Program in the Water Operating Fund to support on-call paving services and to address needed paving work due to water main breaks. Available appropriations exist in the Water Main Replacement project in the Capital Fund as the water meter replacement bid came in \$600,000 below budget. These recommended entries will transfer available appropriations from the Water Capital Fund to the Water Operating Fund to be appropriated in the Water Distribution Program for paving services.			
<b>Total Water Capital Fund</b>	<u>\$ 185,000</u>	<u>\$ -</u>	<u>\$ (185,000)</u>
<b>Wastewater Capital Fund (5110)</b>			
Increase Appropriations for WW Lift Station Rehabilitation Project	\$ 149,116	\$ -	\$ (149,116)
At the end of Fiscal Year 2013, \$149,116 of available reserves in the Wastewater Capital Fund resulted from the completion of several projects under budget. This recommended entry will appropriate these available reserves to the WW Lift Station Rehabilitation project for the planning and design for a new force main construction project associated with the sewer lift stations.			
<b>Total Wastewater Capital Fund</b>	<u>\$ 149,116</u>	<u>\$ -</u>	<u>\$ (149,116)</u>
<b>Airport Capital Fund (5710)</b>			
Adjust Capital Project Budgets:			
Increase Appropriations for Lessee Building Maintenance Project	\$ 189,283	\$ -	\$ (189,283)
Transfer Available Appropriations from Asbestos ID and Removal	(40,044)	-	40,044
Transfer Available Appropriations from Parking Lot Kiosk Equipment	(81,523)	-	81,523
Transfer Available Appropriations from Airport - Airline Terminal Expansion	(62,555)	-	62,555
Transfer Available Appropriations from Parking Lot Kiosk	(5,162)	-	5,162
Since the adoption of the Fiscal Year 2014 budget, the Airport Department has identified additional funding needs for lessee building maintenance projects, including painting, roofing, pest control, HVAC replacements, and landscaping of lessee buildings. These recommended entries will transfer available appropriations from projects either completed under budget or expected to be completed under budget to the Lessee Building Maintenance Project.			
Adjust Capital Project Budgets:			
Increase Appropriations for AOA Pavement Maintenance Project	111,862	-	(111,862)
Transfer Available Appropriations from Parking Lot Kiosk	(4,580)	-	4,580
Transfer Available Appropriations from DMP - Firestone Ditch	(107,282)	-	107,282
Since the adoption of the Fiscal Year 2014 budget, the Airport Department has identified additional funding needs for AOA pavement maintenance and marker removal and replacement. These recommended entries will transfer available appropriations from the completed Parking Lot Kiosk project and from the cancelled DMP - Firestone Ditch project to the AOA Pavement Maintenance project.			
Adjust Capital Project Budgets:			
Increase Appropriations for Building Demolition Project	5,146	-	(5,146)
Transfer Available Appropriations from Parking Lot Kiosk	(5,146)	-	5,146
During Fiscal Year 2014, the Building Demolition project incurred additional project costs at completion of \$5,146. These recommended entries will transfer available appropriations from the completed Parking Lot Kiosk project to the Building Demolition project to cover these additional costs.			

	<u>Increase (Decrease) in Appropriations</u>	<u>Increase (Decrease) in Estimated Revenues</u>	<u>Addition to (Use of) Reserves</u>
<b>ENTERPRISE FUNDS (cont.)</b>			
<b>Airport Capital Fund (5710)</b>			
Transfer from Airport Grants Fund for Reimb. of Design Services - Runway Project	-	207,281	207,281
Increase Appropriations for Runway 15R/33L Project	207,281	-	(207,281)
<p>During Fiscal Year 2014, the Airport Department received Federal reimbursement of \$207,281 for design costs related to the Runway 15R / 33L project. These recommended entries will transfer the funds from the Airport Grants Fund to the Airport Capital Fund to reimburse the Capital Fund for the costs expended on design services for the Runway 15R / 33L project and appropriate the funds to the Runway project.</p>			
<b>Total Airport Capital Fund</b>	<u>\$ 207,281</u>	<u>\$ 207,281</u>	<u>\$ -</u>
<b>Airport Grants Fund (5720)</b>			
Transfer to Airport Capital Fund for Reimb. of Design Services - Runway Project	\$ 207,281	\$ -	\$ (207,281)
<p>During Fiscal Year 2014, the Airport Department received Federal reimbursement of \$207,281 for design costs related to the Runway 15R / 33L project. These recommended entries will transfer the funds from the Airport Grants Fund to the Airport Capital Fund to reimburse the Capital Fund for the costs expended on design services for the Runway 15R / 33L project.</p>			
<b>Total Airport Grants Fund</b>	<u>\$ 207,281</u>	<u>\$ -</u>	<u>\$ (207,281)</u>



# CITY OF SANTA BARBARA

## COUNCIL AGENDA REPORT

**AGENDA DATE:** February 25, 2014

**TO:** Mayor and Councilmembers

**FROM:** Engineering Division, Public Works Department

**SUBJECT:** Capital Improvement Projects: Second Quarter Report For Fiscal Year 2014

### **RECOMMENDATION:**

That Council receive the City's Capital Improvement Projects Second Quarter Report for Fiscal Year 2014.

### **EXECUTIVE SUMMARY:**

A presentation will be made to Council summarizing the progress made on capital improvement projects, which includes \$8.7 million in completed construction projects in the second quarter of the Fiscal Year and a total of \$32 million in the first and second quarters. The value of projects with construction in progress totals \$19,769,845, and the value of projects in the design phase totals \$110,792,708.

### **DISCUSSION:**

The following discussion highlights construction activity during the second quarter of Fiscal Year 2014.

### **CONSTRUCTION HIGHLIGHTS**

Five projects were completed in the second quarter of Fiscal Year 2014, from October 2013 through December 2013. Attachment 1 reflects the completed Capital Projects for the second quarter of Fiscal Year 2014 (\$8.7 million). Attachment 2 reflects a table, and Attachment 3 displays a graph of the completed Capital Projects funding for the first and second quarters of Fiscal Year 2014 (\$32 million). The following describes some of the highlights of completed construction:

- El Estero Wastewater Treatment Plant Manhole Rehabilitation (\$160,465) – The completed project consisted of the rehabilitation of four sanitary sewer manholes which are located within the City of Santa Barbara's El Estero Wastewater Treatment Plant compound.

- American Recovery and Reinvestment Act (ARRA) Road Maintenance (\$1,367,576) – The completed project consisted of pavement crack sealing, slurry sealing, rejuvenating cape sealing, and traffic striping on various roads throughout the City.
- Taxiway H, J, and C Pavement Rehabilitation (\$3,384,561) – The completed project consisted of pavement rehabilitation of Taxiways, H, J, and C, which serve primarily general aviation aircraft. The taxiways had not had any major maintenance in 10-15 years and were in poor condition. The pavement rehabilitation included a combination of complete reconstruction and a variable depth grind and overlay.
- Conejo Road Sewer Main Extension (\$206,941) – The completed project consisted of directionally drilling a new six-inch sewer main within a new public utility easement, extending from an existing sewer easement to a City right of way at 450 Conejo Road. One new manhole and two 24-inch sewer cleanouts were installed as part of this work. Additionally, minor adjustments and reconfiguration were required to reconnect 11 Ealand Place and 352 Conejo Road to the new sewer main.
- Mission Creek Fish Passage Phase 2 (\$3,605,798) – The project included modifying the concrete channel extending between Arrellaga and Canon Perdido Streets, to provide suitable conditions for the migration of Steelhead Trout. The majority of funding for this project was provided by grants from the California Department of Fish and Game.

In addition, 15 Capital Improvement Projects are currently under construction, with an approximate construction contract value of \$19,769,845 (Attachment 4). The following are highlights of the construction projects in progress:

#### Public Works Bridges:

- Chapala/Yanonali Bridge at Mission Creek – The construction (\$1,428,002) of this bridge replacement project was completed one month ahead of schedule in January 2014 (at the beginning of the third Quarter) having started in June 2013. Additional work is planned at the Yananoli Street easterly abutment for the future construction of the Lower Mission Creek Flood Control Project Reach 2A Bypass Box Culvert. Once this work is completed, it will be followed by utility undergrounding and other improvements.
- Punta Gorda Bridge and Channel Improvements – The construction (\$2,052,565) needed to be suspended last November in order to “winterize” the site due to a late start caused by the delay of key Southern California Edison utility relocation. Work to finish the replacement of the bridge is scheduled to resume this summer.

Public Works Pavement Maintenance:

Zone 6 Pavement Preparation and Slurry Seal – The Zone 6 (Fiscal Year 2013) construction (\$2,330,371) consisted of repairing localized distresses and re-sealing roadways on various roads throughout the City. The work encompassed mainly downtown streets such as State Street, Garden Street, and De La Vina Street. This project also covered part of Alameda Padre Serra and Alston Road. Construction started in early July 2013 and is scheduled for completion in February 2014.

Public Works Wastewater:

- On-Call Sewer Main Point Repairs Fiscal Year 2014 – The construction (\$200,825) began in July 2013 and is progressing smoothly at various locations throughout the City. This project entails open-trench excavation of six-inch and eight-inch sewer pipes for rehabilitation, and has also recently included the installation of sewer lateral taps throughout the City, as needed. Completion is scheduled for July 2014.
- Wastewater Main Rehabilitation Fiscal Year 2013 – The construction (\$461,227) is part of the City's annual program to maintain the City's approximately 257 miles of sanitary sewer infrastructure, and consists of rehabilitating approximately 3.25 miles of existing 6, 8, 10, and 12-inch sanitary sewer mains utilizing cured-in-place, and spiral-wound trenchless lining technologies, in addition to pre-rehabilitation cleaning, and post-rehabilitation Closed Circuit Television Inspections, per the Pipeline Assessment Certification Program standards. Completion is scheduled for February 2014.

Public Works Water:

- Water Main Replacement Fiscal Year 2013 – Construction (\$2,408,852) is underway to replace 2.4 miles of potable watermain at various locations throughout the City. Included in the work already completed was a pilot project to rehabilitate four blocks of existing potable water main using a 3M-brand spray-on liner. Completion is scheduled for May 2014.

Creeks:

- Low Impact Development Storm Water Infiltration Project – The ribbon cutting for this grant funded project to place approximately 85,000 square feet of permeable concrete pavers in four parking lots throughout the City, was held on January 29, 2014. The construction (\$1,888,630) is designed to capture and treat storm water, demonstrates one of the Best Management Practices that meet City Storm Water Management Plan/Program requirements.

## PROJECTS IN DEVELOPMENT

In addition to the work in construction, there is a significant amount of work in the design phase. There are currently 36 projects under design, with an estimated total project cost of \$110,792,708 (see Attachment 4).

Work is scheduled to be funded over several years, as generally shown in the City's Six-Year Capital Improvement Program Report. The projects rely on guaranteed or anticipated funding and grants.

The following are design project highlights.

### Public Works Bridges:

We currently have five bridges in design, worth an estimated \$62 million as part of the federal grant funded Highway Bridge Program. Three of these (Cabrillo, Mason and Cota on Mission Creek) were affected by funding criteria changes by Caltrans last fall, however, we are still planning to begin construction of the Cabrillo and Mason Street Bridges this this fall. Cota Street Bridge is now being scheduled to begin in spring 2015. We will be awarding the design of two additional grant funded bridges (Anapamu at old Mission Creek and Quinientos Street at Sycamore Creek) in the next few months, which are worth another estimated \$11 million. Two other bridges (De La Vina and Mission Canyon Road on Mission Creek) are also planned; however, City grant matches are unfunded at this time.

### Design completed/scheduled to bid:

- Cabrillo Boulevard Bridge at Mission Creek (\$24,886,696) – The final design has been completed. Construction is scheduled for September 2014.
- Cota Street Bridge at Mission Creek (\$8,774,209) – The final design has been completed. Construction is scheduled for spring of 2015.
- Mason Street Bridge at Mission Creek (\$11,152,000) – The final design has been completed. Construction is scheduled for September 2014.

### Design in progress:

- De La Guerra Bridge at Mission Creek (\$5,835,000) –Public outreach and comment sessions have been held and are proposed to continue into winter 2014. Future meetings will include stakeholders, the public, and the Architectural Board of Review. Based on input received, conceptual design plans are being prepared. Construction is targeted for spring of 2015.
- Gutierrez Bridge at Mission Creek (\$6,265,750) –Public outreach and stakeholder working sessions were held in fall 2013 and are proposed to continue into winter 2014. Future meetings will include stakeholders, the public, and the Historic Landmarks Commission. Based on the input received,

conceptual design plans are being prepared. Construction is targeted for spring of 2016.

Downtown Parking:

- City Parking Lot 3 Americans with Disabilities Act (ADA) Improvements (\$68,650) – The project received Historic Landmarks Commission approval on January 15, 2014, and is anticipated to go out to bid at the end of February.

Redevelopment Agency Successor:

- Police 911 Call Center Relocation Project (\$2,554,507) – Construction is anticipated to begin in the spring of 2014. The work includes the renovation of the second floor office space of the Granada Garage, followed by the migration and installation of 9-1-1 data and communication equipment. Construction is anticipated to be complete in the summer of 2014. Funding for construction of this project will come from Redevelopment Agency Bond Funds distributed by the Successor Agency to the former Redevelopment Agency of the City of Santa Barbara.
- Lower West Downtown Lighting Phase 2 (\$1,301,222) – The project was approved by the Architectural Board of Review on January 6, 2014. Final design and ordering of the poles and fixtures is in progress. Construction is scheduled for summer 2014.

Public Works Streets:

- Safe Routes to School (\$271,000) – The project includes street improvements on Salinas Street to aid pedestrian access to Cleveland Elementary School on the City's Eastside. The project is scheduled to be awarded at Council in March 2014.
- Cabrillo Boulevard at Union Pacific Railroad (\$100,000) – City Public Works staff met with staff from the Union Pacific Railroad on January 21, 2014 to discuss conceptual design plans for a new railroad bridge on Cabrillo Boulevard. A new bridge will be required to match the lane configuration on Cabrillo Boulevard proposed by Caltrans for the 101 High Occupancy Vehicle project, as well as to accommodate pedestrians and bicyclists through this important corridor. The City will be requesting formal comments from the Union Pacific Railroad before presenting the conceptual plan to the Planning Commission in the upcoming months.

Public Works Streets Pavement:

- Zone 1 Pavement Preparation and Slurry Seal (\$2,460,000) – The project is currently in the design phase. As part of the City's ongoing pavement maintenance efforts, this project will maintain selected City streets throughout the City, with a focus on Zone 1, which generally encompasses the greater eastside. The design process will identify the street segments with the highest need for pavement maintenance and prioritize them based on available funding. Funding

was recently increased by \$300,000 from the General Fund by Council. Construction of this project is anticipated in summer 2014.

Public Works Traffic Engineering:

- 2012 Highway Safety Improvement Program (HSIP) Crosswalk Enhancements (\$588,730) – Staff has identified the 14 most challenging crosswalks for pedestrians in the City. Four crosswalks were upgraded in early 2013, including two on Milpas Street and two on Cabrillo Boulevard. Santa Barbara has been awarded a safety grant to upgrade five additional crossings, including State Street and Calle Palo Colorado, State Street and Islay Street, State Street and Pedregosa Street, Cabrillo Boulevard and Anacapa Street, and Cabrillo Boulevard and Corona Del Mar. Pedestrian activated flashers will be installed at all locations. Median refuge islands, pedestrian access ramps, lighting, and curb extensions are planned for State Street and Calle Palo Colorado, and Cabrillo Boulevard and Anacapa Street. Construction is expected in late 2014.
- 2012 Highway Safety Improvement Program (HSIP) Traffic Signals (\$588,730) – Santa Barbara has been awarded a \$900,000 safety grant to improve its traffic signal indications at approximately 50 intersections. Treatments include new, larger light emitting diode traffic signal indications, pedestrian countdown timers at some downtown intersections that have no pedestrian indications, and new poles to improve the position of the traffic signal indications. The goal is to provide traffic signal indications that are more noticeable to the traveling public, and in turn reduce the number of crashes that are happening.
- Las Positas/Cliff Drive Intersection Improvements (\$750,000) – On January 27, 2014, City Council allocated \$700,000 of one-time funding from the General Fund to the Las Positas/Cliff Drive Intersection Improvements Project, effectively closing the estimated funding shortfall for the \$1.45 million roundabout alternative. Staff is currently negotiating the final roundabout design contract with a consulting firm and anticipates that the contract will be awarded in March 2014. Final design and environmental review are expected to take approximately 1.5 years, with construction targeted for spring 2016.

Public Works Wastewater:

- Tertiary Filtration Replacement Project (\$6,779,452) – Construction is tentatively scheduled to start in April 2014, and is expected to last approximately one year.

**SUMMARY:**

The first two quarters of Fiscal Year 2014 ended with approximately \$32 million in completed construction, with approximately \$7.8 million coming from grant funding.

- ATTACHMENT(S):**
1. Completed Capital Improvement Projects for Second Quarter Fiscal Year 2014
  2. Completed Capital Improvement Projects Funding First and Second Quarter Fiscal Year 2014 - Table
  3. Completed Capital Improvement Projects Funding First and Second Quarter Fiscal Year 2014 - Chart
  4. Capital Projects with Construction and Design in Progress

**PREPARED BY:** Pat Kelly, Assistant Public Works Director/City Engineer/TB

**SUBMITTED BY:** Rebecca Bjork, Acting Public Works Director

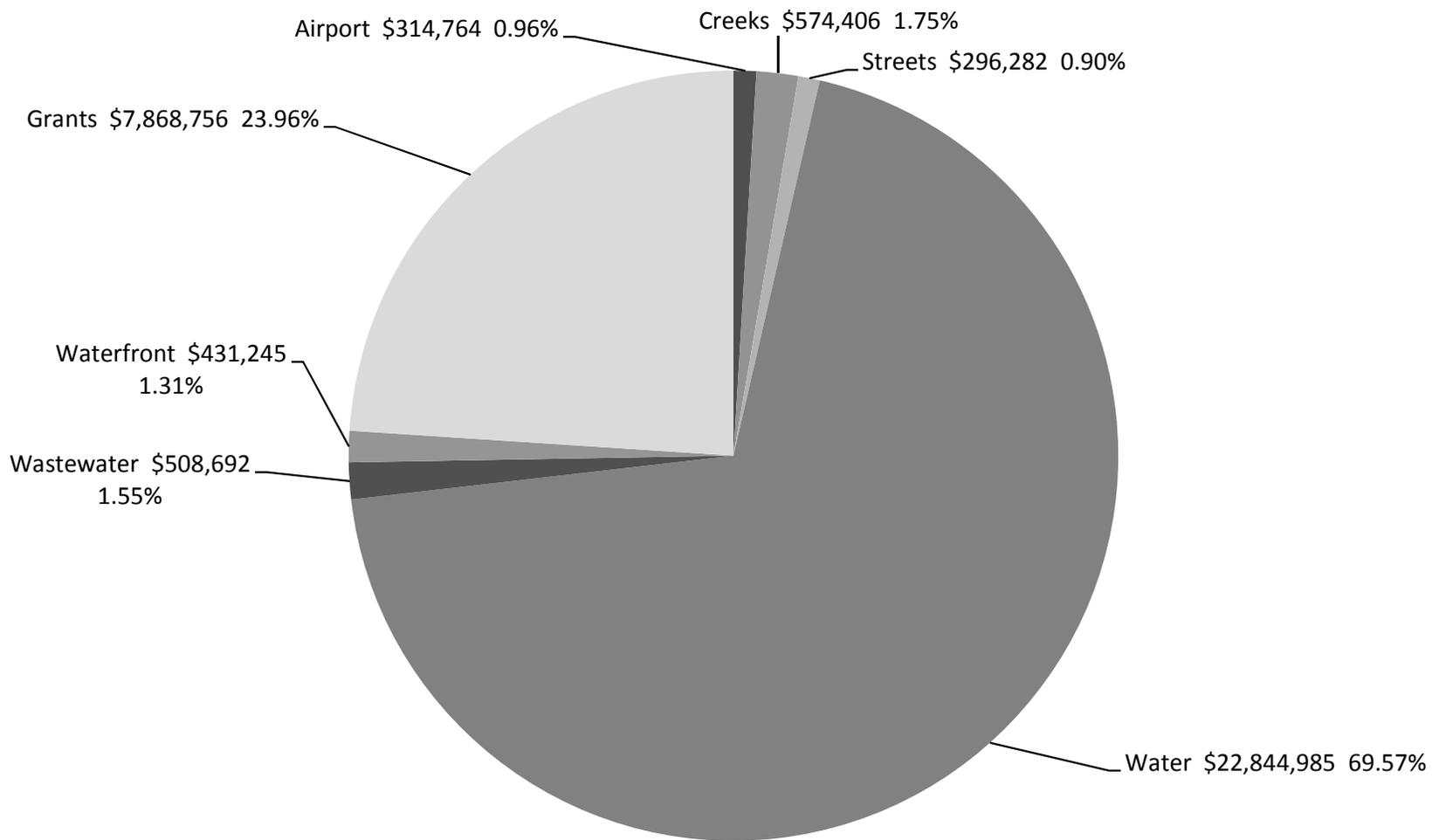
**APPROVED BY:** City Administrator's Office

**COMPLETED CAPITAL PROJECTS - SECOND QUARTER FISCAL YEAR 2014**

<b>Project Name</b>	<b>Design Costs</b>	<b>Construction Contract</b>	<b>Construction Change Order Costs</b>	<b>Construction Management Costs</b>	<b>Total Project Costs</b>
El Estero Wastewater Treatment Plant Manhole Rehabilitation	\$43,622	\$98,439	\$3,750	\$14,654	<b>\$160,465</b>
ARRA Road Maintenance	\$102,242	\$1,150,148	-\$155,630	\$270,807	<b>\$1,367,567</b>
Taxiway H, J, C Pavement Rehabilitation	\$164,903	\$2,738,768	-\$67,440	\$548,330	<b>\$3,384,561</b>
Conejo Road Sewer Main Extension	\$102,347	\$84,797	\$0	\$19,797	<b>\$206,941</b>
Mission Creek Fish Passage Phase 2	\$281,890	\$2,824,000	\$261,021	\$238,887	<b>\$3,605,798</b>
<b>TOTALS</b>	<b>\$695,004</b>	<b>\$6,896,152</b>	<b>\$41,701</b>	<b>\$1,092,475</b>	<b>\$8,725,332</b>



### Completed Capital Projects Funding First and Second Quarter Fiscal Year 2014



**Grand Total \$32,839,130**

## CAPITAL PROJECTS WITH CONSTRUCTION AND DESIGN IN PROGRESS

PROJECT CATEGORY	CONSTRUCTION IN PROGRESS	
	No. of Projects	Construction Contract Costs
Creeks	1	\$1,888,630
Public Works: Streets/Bridges	3	\$3,679,175
Public Works: Streets Pavement Maintenance	5	\$2,685,958
Public Works: Water/Wastewater	6	\$11,516,082
<b>TOTAL</b>	<b>15</b>	<b>\$19,769,845</b>

PROJECT CATEGORY	DESIGN IN PROGRESS	
	No. of Projects	Total Value of Projects
Airport	2	\$3,801,000
Parking	2	\$268,045
Redevelopment Agency Successor	2	\$3,855,729
Public Works: Streets/Bridges	7	\$63,366,060
Public Works: Streets	11	\$6,083,873
Public Works: Water/Wastewater	12	\$33,418,001
<b>TOTAL</b>	<b>36</b>	<b>\$110,792,708</b>



# CITY OF SANTA BARBARA

## COUNCIL AGENDA REPORT

**AGENDA DATE:** February 25, 2014  
**TO:** Mayor and Councilmembers  
**FROM:** City Administrator's Office  
**SUBJECT:** Conference with Real Property Negotiators

### RECOMMENDATION:

That Council hold a closed session pursuant to Government Code Section 54956.8 to consider the possible lease of real property.

**Real Property:** A portion of the City-owned property located at 631 Garden Street in the City of Santa Barbara (Assessor's Parcel No. 031-152-033).

**City Negotiators:** Paul Casey, Assistant City Administrator; Nina Johnson, Assistant to the City Administrator; Sarah Knecht, Acting City Attorney; Scott Vincent, Assistant City Attorney.

**Negotiating Parties:** Santa Barbara Arts Collaborative.

**Under Negotiation:** Instructions to negotiators regarding the price and terms of payment of a possible ground lease.

**SCHEDULING:** Duration, 30 minutes; anytime

**REPORT:** None anticipated

**PREPARED BY:** Scott Vincent , Assistant City Attorney

**SUBMITTED BY:** Sarah Knecht, Acting City Attorney

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