



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: June 17, 2014

TO: Mayor and Councilmembers

FROM: Administration Division, Finance Department

SUBJECT: Adoption Of The Operating And Capital Budget For Fiscal Year 2015

RECOMMENDATION: That Council adopt, by reading of title only:

- A. A Resolution of the Council of the City of Santa Barbara Adopting the Budget for Fiscal Year 2015 by Appropriating Moneys for the Use and Support of Said City From the Funds and to the Purposes Herein Specified;
- B. A Resolution of the Council of the City of Santa Barbara Establishing the City's Appropriation Limitation for Fiscal Year 2015;
- C. A Resolution of the Council of the City of Santa Barbara Establishing Certain City Fees and Rescinding Resolution No. 13-048;
- D. A Resolution of the Council of the City of Santa Barbara Authorizing Classified and Unclassified Positions in the City's Service Effective July 1, 2014, and Providing a Schedule of Classifications and Salaries for the Same in Accordance With the Operating Budget for the 2015 Fiscal Year; and
- E. A Resolution of the Council of the City of Santa Barbara Authorizing the Continuation of Capital and Special Project Appropriations to Fiscal Year 2015.

EXECUTIVE SUMMARY:

Staff is recommending the adoption of five resolutions that, among other things, will officially adopt the Fiscal Year 2015 budget, which begins on July 1, 2014. This action is the culmination of seven public hearings during which Council reviewed in detail the City Administrator's recommended budget filed on April 22, 2014.

DISCUSSION:

Since the April 22, 2014 filing of the Recommended Operating and Capital Budget for Fiscal Year 2015, the City Council held seven special budget review meetings and public hearings to hear presentations from departments on their respective proposed budgets. In addition, the Finance Committee held five separate meetings to review various aspects of the recommended budget in greater detail, including the General Fund multi-year forecast and revenue assumptions, departmental fees and service charges, compensation to City

employees (including retirement benefits), potential legislation that may provide revenues to local governments, and the Santa Barbara County Association of Governments (SBCAG) funding sources. At the May 20, 2014 Finance Committee meeting, the Committee approved staff recommended adjustments to the recommended budget and forwarded these budget recommendations to Council for consideration at the June 2, 2014 Special Council Meeting and Public Hearing.

At the June 2, 2014 Special Council Meeting and public hearing, City Council gave final direction to staff, which included approval of the staff recommended adjustments, previously approved by the Finance Committee, along with Council's own adjustments to the budget. The budget that is scheduled for adoption incorporates all of these adjustments approved by Council, which are included in the attached Summary of Adjustments.

Final Budget Adjustments

In addition to the adjustments recommended by staff and the Finance Committee, Council approved adjustments to the recommended budget at the budget work session held on June 2, 2014. These additional items are funded from the General Fund budgeted surplus included in the recommended budget filed on April 22, 2014, and the General Fund appropriated reserve (\$28,523). This leaves \$406,301 in the Fiscal Year 2013 General Fund appropriated reserve to cover unanticipated expenses during the year. Each of these items is contained in the attached Summary of Adjustments.

Budget Resolutions for Adoption

Adoption of the five budget related resolutions, as contained in the staff recommendation to this agenda report, will accomplish the following:

1. Adopt the annual operating and capital budget for Fiscal Year 2015;
2. Adopt the City's appropriation limit for Fiscal Year 2015 pursuant to Article XIII B of the California Constitution;
3. Adopt the master fee resolution for Fiscal Year 2015 establishing citywide fees in the various departments and funds. Included in the fee resolution for adoption are increases to the City's water, wastewater, and solid waste rates. Pursuant to Proposition 218, notice of the proposed increases was sent to utility customers in March and April 2014 and posted on the City's website. As of June 4, 2014, less than a week before the Proposition 218 hearing, eleven written protests were received. Staff's recommendation on water and sewer buy-in fees for Fiscal Year 2015 has been postponed and is expected to be presented to Council during August 2014.
4. Approve the authorized positions for Fiscal Year 2015, including the position changes presented in the budget and the corresponding salary ranges;

5. Authorize the City Administrator to carryover Fiscal Year 2014 appropriations into Fiscal Year 2015 for capital and special projects that will not be completed before the end of the current fiscal year; and,

Copies of all budget resolutions are available for public review in the Finance Department and available on the City's website as part of the Council Agenda Packet.

ATTACHMENT: Summary of Adjustments, Operating and Capital Budget Recommended Budget for Fiscal Year 2015

PREPARED BY: Michael Pease, Budget Manager

SUBMITTED BY: Robert Samario, Finance Director

APPROVED BY: City Administrator's Office

CITY OF SANTA BARBARA
Summary of Adjustments
 Operating and Capital Budget for Fiscal Year 2015

Attachment

GENERAL FUND

	Estimated Revenue	Appropriations	Add to/ (Use of) Reserves
GF RECOMMENDED SUMMARY OF SOURCES AND USES	\$ 116,573,796	\$115,549,835	\$ 1,023,961

ADJUSTMENTS APPROVED BY COUNCIL

Finance Committee Adjustments

- Decrease Utility Users Tax (UUT) revenue estimates	\$ (118,000)	\$ -	
- Decrease Franchise Fees revenue estimates	(40,000)	-	
- Increase Property Taxes revenue estimates	139,000	-	
- Increase Business License Tax revenue estimates	15,000	-	
- Increase Transient Occupancy Tax (TOT) revenue estimates	94,000	-	
- Increase Property Transfer Tax revenue estimates	35,000	-	
- Increase appropriations for Santa Barbara LAFCO budget	-	10,716	
- Increase library gift revenue from Peggy Maximus Trust for books and promotion/education equipment costs	16,957	16,957	
- Increase appropriations for pension costs for new full-time employees hired under pension reform.	-	146,821	
Sub-Total	\$ 141,957	\$ 174,494	\$ (32,537)

Other Adjustments By City Council

- Expand City Youth Jobs Program (25 youth)	\$ -	\$ 53,584	
- Expand Summer Fun Drop-in Program to include free breakfast	-	15,824	
- Restore Summer Camp Scholarships	-	10,000	
- Westside Center Culinary Program	-	15,000	
- Increase Contract Maintenance of landscaped areas in high priority parks	-	65,000	
- Additional Sworn Police Officer (Downtown)	-	145,807	
- Community Outreach & Education for Urban Forest Management Plan Implementation	-	15,000	
- Park Playground Replacements (East Beach Park)	-	100,000	
- 3rd Annual Santa Barbara Family Day & Health Fair	-	5,000	
- Bohnett Park Field Turf Plan	-	75,000	
- Community Service Officers on State Street	-	150,000	
- Design for Playground at Municipal Tennis Facility	-	25,000	
- Design Review Board Stipends (ABR, HLC, SFD)	-	35,000	
- Improve Plan Check Turnaround Time with Hourly Staffing	-	50,000	
- Living Wage Audits	-	3,500	

CITY OF SANTA BARBARA
Summary of Adjustments
Operating and Capital Budget for Fiscal Year 2015

Attachment

	<u>Estimated Revenue</u>	<u>Appropriations</u>	<u>Add to/ (Use of) Reserves</u>
<u>Additional Funding to Outside Organizations</u>			
- Bici Centro, Community Cycling Center facility	\$ -	\$ 10,000	
- Casa Esperanza	-	125,000	
- Central Coast Collaborative on Homelessness (C3H)	-	16,232	
- Community Choice Aggregation Study (Comm Environ Council)	-	5,000	
- Film Festival	-	25,000	
- Neighborhood Advisory Council - Additional Street Lights	-	25,000	
- SB211 Helpline Program	-	20,000	
- Spirit of '76: Safety Imprvmts for Memorial Day Flag Installation	-	5,000	
- Summer Solstice Celebration	-	25,000	
- Reduce Appropriated Reserves to Balance	-	(28,523)	
Sub-Total	<u>\$ -</u>	<u>\$ 991,424</u>	<u>\$ (991,424)</u>
GENERAL FUND - FINAL BUDGET FOR ADOPTION	<u>\$ 116,715,753</u>	<u>\$ 116,715,753</u>	<u>\$ -</u>

SPECIAL AND ENTERPRISE FUNDS

	<u>Estimated Revenue</u>	<u>Appropriations</u>	<u>Add to/ (Use of) Reserves</u>
ADJUSTMENTS APPROVED BY COUNCIL			
Finance Committee Adjustments			
Airport Fund			
- Eliminate transfer in from CFC Fund (see CFC Fund below)	\$ (43,655)	\$ -	
- Add reimbursement revenue from rental car companies	43,655	-	
Airport Fund Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Airport Customer Facility Charge (CFC) Fund			
- Reduce reimbursement revenue (to be received directly in Airport Operating Fund above)	\$ (43,655)	\$ -	
- Eliminate transfer out to the Airport Operating Fund	-	(43,655)	
Airport CFC Fund Total	<u>\$ (43,655)</u>	<u>\$ (43,655)</u>	<u>\$ -</u>
County Library Fund			
- Increase appropriations for pension costs for new full-time employees hired under pension reform.	\$ -	\$ 9,810	
County Library Fund Total	<u>\$ -</u>	<u>\$ 9,810</u>	<u>\$ (9,810)</u>

CITY OF SANTA BARBARA
Summary of Adjustments
Operating and Capital Budget for Fiscal Year 2015

Attachment

	<u>Estimated Revenue</u>	<u>Appropriations</u>	<u>Add to/ (Use of) Reserves</u>
Downtown Parking Fund			
- Eliminate Lot 7 ADA Improvements capital project budget	\$ -	\$ (70,000)	
- Add Lot 3 ADA Improvements capital project budget	-	70,000	
- Increase appropriations for pension costs for new full-time employees hired under pension reform.	-	9,216	
Downtown Parking Fund Total	\$ -	\$ 9,216	\$ (9,216)
Facilities Management Fund			
- Increase appropriations for pension costs for new full-time employees hired under pension reform.	\$ -	\$ 17,973	
Facilities Management Fund Total	\$ -	\$ 17,973	\$ (17,973)
Fleet Management Fund			
- Increase appropriations for pension costs for new full-time employees hired under pension reform.	\$ -	\$ 15,598	
Fleet Management Fund Total	\$ -	\$ 15,598	\$ (15,598)
Golf Fund			
- Reduce Golf Club Infrastructure Renewal capital budget (& corresponding transfers) to replenish reserves used in Fiscal Year 2014 for irrigation infrastructure improvements.	\$ -	\$ (30,000)	
Golf Fund Total	\$ -	\$ (30,000)	\$ 30,000
Solid Waste Fund			
- Appropriate Public Container Maintenance Fee Revenue for Public Containers Maintenance and Replacement	\$ 145,000	\$ 135,000	
- Increase appropriations for pension costs for new full-time employees hired under pension reform.	-	3,805	
Solid Waste Fund Total	\$ 145,000	\$ 138,805	\$ 6,195
Water Fund			
- Eliminate Recycled Water Plant capital project (& corresponding transfers) already appropriated in FY 2014.	\$ -	\$ (3,000,000)	
- Increase appropriation for final budget from Cachuma Conservation Release Board (CCRB) Joint Powers Authority	-	52,271	
Water Fund Total	\$ -	\$ (2,947,729)	\$ 2,947,729
Waterfront Fund			
- Increase appropriations for pension costs for new full-time employees hired under pension reform.	\$ -	\$ 14,660	
Waterfront Fund Total	\$ -	\$ 14,660	\$ (14,660)

CITY OF SANTA BARBARA
Summary of Adjustments
 Operating and Capital Budget for Fiscal Year 2015

Attachment

	Estimated Revenue	Appropriations	Add to/ (Use of) Reserves
Other Adjustments By City Council			
Downtown Parking Fund			
_ Transfer from General Fund to fund community service officers on State Street per Councilmember Rowse's proposal	150,000	150,000	
Downtown Parking Fund Total	\$ 150,000	\$ 150,000	\$ -
Facilities Management Fund			
_ Transfer from General Fund to fund Community Choice - Aggregation Study per Community Environmental Council's request	\$ 5,000	\$ 5,000	
Facilities Management Fund Total	\$ 5,000	\$ 5,000	\$ -
Streets Fund			
_ Transfer from General Fund to fund additional street lights per Neighborhood Advisory Council request	\$ 25,000	\$ 25,000	
Streets Fund Total	\$ 25,000	\$ 25,000	\$ -



CITY OF SANTA BARBARA



ADOPTION OF FISCAL YEAR 2015 OPERATING AND CAPITAL BUDGET



BACKGROUND

- ◆ FY 2015 Recommended Budget filed on April 22, 2014
- ◆ Eight public hearings/budget work sessions
 - Each City department presented their respective budgets
 - City Council received public comment
- ◆ Finance Committee concurrently reviewed certain elements of budget in more detail



June 2nd Work Session

- ◆ Council took the following actions
 - Approved the contents of the recommended budget filed on April 22nd
 - Approved staff recommended adjustments
 - Directed staff to increase funding totaling \$1,019,947 in the General Fund
 - \$28,523 from use of Appropriated Reserves
 - Net of \$991,424

FY 2015 BUDGET ADOPTION

Changes Based on Council Direction

Enhancements to Services/Programs

At Risk Youth	\$ 94,408
Parks Maintenance	65,000
1 Police Officer	145,807
Urban Forest Mgmt Plan Implementation	15,000
East Beach Playground Replacement	100,000
3rd Annual SB Family Day & Health Fair	5,000
Bohnett Park Field Turf Study	75,000
Community Services Officers	150,000
Design - Playground at Muni Tennis Facility	25,000
Design Review Board Stipends	35,000
Hourly Staff - Plan Check	50,000
Living Wage Audit	35,000

FY 2015 BUDGET ADOPTION

Changes Based on Council Direction

Increased Funding to Outside Organizations

Bici Centro	\$ 10,000
Casa Esperanza	125,000
Central Coast Collaborative on Homeless	16,232
Community Choice Aggregation Study	5,000
Film Festival	25,000
East Side Lighting	25,000
SB 211 Helpline Program	20,000
Spirit of '76 - Memorial Day Flag Safety Improvements	5,000
Summer Solstice	25,000

GENERAL FUND

Sources and Uses of Funds

<u>Recommended Budget</u>	<u>Staff Adjustments</u>	<u>Final Adjustments</u>	<u>Adopted Budget</u>
\$ 1,628,716	\$ -	\$ -	\$ 1,628,716
<u>116,693,796</u>	<u>141,957</u>	<u>-</u>	<u>116,835,753</u>
<u>118,322,512</u>	<u>141,957</u>	<u>-</u>	<u>118,464,469</u>
114,314,835	174,494	791,524	115,280,753
<u>2,983,716</u>	<u>-</u>	<u>200,000</u>	<u>3,183,716</u>
<u>117,298,551</u>	<u>174,494</u>	<u>991,524</u>	<u>118,464,469</u>
<u>\$ 1,023,961</u>	<u>\$ (32,537)</u>	<u>\$ (991,524)</u>	<u>\$ -</u>

FY 2015 BUDGET ADOPTION

Summary of Adopting Resolutions

- A. Adopt Operating & Capital Budget for FY 2015
- B. Adopt Article XIIIB Appropriation (Gann) Limit
- C. Approve Master Fee Resolution (Citywide fees)
- D. Approve Authorized Positions and Salary Ranges
- E. Authorize City Administrator to approve the carryovers of certain appropriations from FY 2014 to FY 2015

FY 2015 BUDGET ADOPTION

Recommended Actions

- ◆ Adopt all budget resolutions related to Fiscal Year 2015 Operating and Capital Budget
- ◆ Item C (fee resolutions) requires separate approval due to potential conflicts of interest
 - Councilmember White and Rowse – Slip Fees
 - Waterfront Harbor Slip, Mooring & Use Fees
 - Pages 124 – 138 of Fee Resolution