

**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



Paul Casey
Acting City Administrator

Ariel Pierre Calonne
City Attorney

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

**OCTOBER 7, 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: If you need auxiliary aids or services or staff assistance to attend or participate in this meeting, please contact the City Administrator's Office at 564-5305. If possible, notification at least 48 hours prior to the meeting will usually enable the City to make reasonable arrangements. Specialized services, such as sign language interpretation or documents in Braille, may require additional lead time to arrange.

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

ORDER OF BUSINESS

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

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

Subject: Financial Status Of The Golf Fund

Recommendation: That the Finance Committee hear a report on the status of the Golf Fund, including a review of both short-term and long-term trends in the number of rounds played, financial projections, and options the City might consider for the continued operation of the municipal golf course.

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

CALL TO ORDER

PLEDGE OF ALLEGIANCE

ROLL CALL

CEREMONIAL ITEMS

1. Subject: Employee Recognition - Service Award Pins (410.01)

Recommendation: That Council authorize the Acting City Administrator to express the City's appreciation to employees who are eligible to receive service award pins for their years of service through October 31, 2014.

2. Subject: Proclamation Declaring October 2014 As Bullying Prevention Month (120.04)

3. Subject: Proclamation Declaring October 2014 As Dyslexia Awareness Month (120.04)

CHANGES TO THE AGENDA

PUBLIC COMMENT

CONSENT CALENDAR

4. Subject: Minutes

Recommendation: That Council waive further reading and approve the minutes of the regular meeting of September 23, 2014.

CONSENT CALENDAR (CONT'D)

5. **Subject: Approval Of Benefit Plans Effective January 1, 2015 (430.06)**

Recommendation: That Council:

- A. Approve renewal of the Aetna and Kaiser Permanente medical plans, Delta Dental Plans, Vision Service Plan, Employee Assistance Program (EAP), Flexible Spending Accounts, and Hartford Life and Disability Insurance Plans; and
- B. Authorize the Acting City Administrator to execute any necessary agreements for renewals with current carriers, and with Wells Fargo Insurance Services for benefits broker/consulting contract services.

6. **Subject: Grant From California Department Of Parks And Recreation, Division Of Boating And Waterways, For Removal Of Vessels Per The State's Vessel Turn-In Program (570.03)**

Recommendation: That Council:

- A. Authorize the Waterfront Director to execute an agreement with the California Department of Parks and Recreation, Division of Boating and Waterways, accepting an \$8,800 grant for the disposal of recreational vessels per the state's Vessel Turn-In Program; and
- B. Increase Fiscal Year 2015 estimated revenue in the amount of \$8,800 and appropriate the funds to the Waterfront Department's Fiscal Year 2015 Capital Budget.

7. **Subject: Donation For Animal Control Program Equipment (520.05)**

Recommendation: That Council:

- A. Accept a donation of \$4,500 from the Deborah K. Oldham Trust of 2001; and
- B. Approve an increase in appropriations and estimated revenues in the amount of \$4,500 in Fiscal Year 2015 to the Police Department Miscellaneous Grants Fund for Animal Control equipment which will enhance safety and service.

8. **Subject: Contract For Santa Barbara Airport Wildlife Hazard Assessment And Wildlife Hazard Management Plan Update (560.01)**

Recommendation: That Council approve and authorize the Airport Director to execute a contract with Dudek, Inc., for preparation of a Wildlife Hazard Assessment and Wildlife Hazard Management Plan update in an amount not to exceed \$133,507.

CONSENT CALENDAR (CONT'D)

9. Subject: Amendment To Agreement With Jarvis, Fay, Doporto & Gibson, LLP, For Legal Services Relating To *Jacks v. City Of Santa Barbara* (160.03)

Recommendation: That Council:

- A. Authorize the City Attorney to execute an amendment to the professional services agreement (Contract No. 24,107) with the law firm of Jarvis, Fay, Doporto & Gibson, LLP, to amend the Compensation and Costs provision, increasing the contract amount by \$25,000, from \$50,000 to \$75,000; and
- B. Allocate \$25,000 from the General Fund appropriated reserves to the City Attorney's Office Fiscal Year 2015 budget.

NOTICES

- 10. The City Clerk has on Thursday, October 2, 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.
- 11. Receipt of communication advising of vacancy created on the Parks and Recreation Commission with the resignation of Olivia Uribe. The vacancy will be part of the current City Advisory Groups Recruitment.

This concludes the Consent Calendar.

REPORT FROM THE FINANCE COMMITTEE

CITY COUNCIL ADMINISTRATIVE AND ATTORNEY REPORTS

FINANCE DEPARTMENT

12. Subject: Consideration Of Potential Amendment To The Municipal Code, Title 5, Affecting Business License Taxes Payable By Artists (210.01)

Recommendation: That the City Council direct the City Attorney to draft an ordinance to amend Title 5 of the Municipal Code pertaining to business license taxes to add an exemption for artists with annual gross receipts of less than \$5,000.

13. Subject: Launch Of Online Financial Transparency System (210.01)

Recommendation: That Council receive a report and demonstration of OpenGov, the City's new Online Financial Transparency System.

PUBLIC HEARINGS

14. Subject: Average Unit-Size Density Incentive Program Review Process (640.02)

Recommendation: That Council introduce and subsequently adopt, by reading of title only, An Ordinance of the Council of the City of Santa Barbara Amending Section 22.22.133 of the Santa Barbara Municipal Code Regarding Historic Landmarks Commission Referral to Planning Commission and Amending Chapter 28.20 of the Santa Barbara Municipal Code Establishing Planning Commission Review of Certain Rental Housing Projects Proposed in Accordance with the Average Unit-Size Density Incentive Program.

COUNCIL AND STAFF COMMUNICATIONS

COUNCILMEMBER COMMITTEE ASSIGNMENT REPORTS

ADJOURNMENT

CITY OF SANTA BARBARA

FINANCE COMMITTEE

MEETING AGENDA

DATE: October 7, 2014

Dale Francisco, Chair

TIME: 12:30 P.M.

Bendy White

PLACE: David Gebhard Public Meeting Room

Gregg Hart

630 Garden Street

James L. Armstrong

Robert Samario

City Administrator

Finance Director

ITEMS TO BE CONSIDERED:

1. Subject: Financial Status Of The Golf Fund

Recommendation: That the Finance Committee hear a report on the status of the Golf Fund, including a review of both short-term and long-term trends in the number of rounds played, financial projections, and options the City might consider for the continued operation of the municipal golf course.



CITY OF SANTA BARBARA

FINANCE COMMITTEE AGENDA REPORT

AGENDA DATE: October 7, 2014

TO: Finance Committee

FROM: Administration Division, Parks and Recreation Department

SUBJECT: Financial Status Of The Golf Fund

RECOMMENDATION:

That the Finance Committee hear a report on the status of the Golf Fund, including a review of both short-term and long-term trends in the number of rounds played, financial projections, and options the City might consider for the continued operation of the municipal golf course.

DISCUSSION:

The Santa Barbara Golf Club (known as SBGC or "Muni") has served as the City's municipal golf course since 1958. Over the last several years, the golf course has experienced increasing fiscal challenges due to a continuing decline in the number of rounds played at the course. Since the late 1980s, rounds have declined an average of 5% per year. The greatest decline (17%) came in Fiscal Year 2010, a result of the national recession and loss of play due to two major construction projects.

The Golf Fund reserves have been below policy level since Fiscal Year 2008. If current trends continue, the Golf Fund could deplete all of its reserves as early as Fiscal Year 2016.

A number of measures have been taken over recent years to decrease expenses, restructure debt, and increase play. The golf course has limited ability to further reduce expenses without negatively affecting course conditions, which would have a reciprocal effect on play. Similarly, fee increases intended to generate additional revenue will have the opposite effect, as the local golf market offers golfers many choices today with competitive pricing.

With the growing concerns for the fiscal sustainability of the golf course, in 2012 staff contracted with Gene Krekorian and Pro Forma Advisors LLC to provide the Parks and Recreation Department with information on trends within the golf industry, the comparative performance of SBGC to comparable regional facilities, various operating models used for municipal golf courses, strengths and weaknesses of the various models, and how the various models compared to the current operating model in place for the City of Santa

Barbara. While much of the information remains relevant today, staff has contracted with Pro Forma to update the information and expects to have an updated report by the end of October.

Options for Consideration

Staff has preliminarily identified a number of options that the City might consider in order to address the downward financial trend and, thus, enable continued operation of the municipal golf course. Options 3 – 5 are discussed in depth in the Pro Forma report, including comparative analysis.

1. Restructure current debt obligations – short-term solution only.
2. Provide General Fund subsidy to cover revenue shortfall – projections show the subsidy will increase over coming years.

The following options involve changing how the golf course is operated:

3. Outsource Golf Course maintenance – potentially reduces golf course operating expenses by \$350,000-\$500,000 per year; existing staff would be placed elsewhere in the City so no employees would lose their jobs.
4. Facility Lease – A less common model found in public agencies, the golf course would be leased to a private golf course operator who provides course maintenance, golf operations, and overall facility management services.
5. Management Agreement – The owner (City) pays the operator a fee for management of the facility, including maintenance, pro shop, and food and beverage operations. Compensation typically consists of a base fee plus performance incentives. Increasingly, public agencies are moving to a management contract approach to operations and maintenance.

Should the City consider Options 3 – 5, it is important to note that the two existing concession agreements will terminate in June 2016. The RFQ/RFP process combined with contract negotiation and transition between operators is estimated at one year. This would require a decision to go to RFP no later than June 2015 for a smooth transition of golf course operations.

Any significant change to how the golf course operates will likely involve a number of public meetings including the City Council, Finance Committee, Parks and Recreation Commission, and Golf Advisory Committee. Staff has drafted a tentative timeline for that process, which would begin with City Council on November 11, 2014, then move through the Golf Advisory Committee and Parks and Recreation Commission, back to the Finance Committee, and then to City Council for a decision in May-June 2015.

BUDGET/FINANCIAL INFORMATION:

The Santa Barbara Golf Course is operated as an Enterprise Fund, with all operating and capital expenses covered by revenue generated by golf course operations.

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

APPROVED BY: City Administrator's Office



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: October 7, 2014

TO: Mayor and Councilmembers

FROM: City Administrator's Office

SUBJECT: Employee Recognition – Service Award Pins

RECOMMENDATION:

That Council authorize the Acting City Administrator to express the City's appreciation to employees who are eligible to receive service award pins for their years of service through October 31, 2014.

DISCUSSION:

Since 1980, the City Employees' Recognition Program has recognized length of City Service. Service award pins are presented to employees for every five years of service. Those employees achieving 25 years of service or more are eligible to receive their pins in front of the City Council.

Attached is a list of those employees who will be awarded pins for their service through October 31, 2014.

ATTACHMENT: October 2014 Service Awards

PREPARED BY: Myndi Hegeman, Administrative Specialist

SUBMITTED BY: Kristine Schmidt, Administrative Services Director

APPROVED BY: City Administrator's Office

OCTOBER 2014 SERVICE AWARDS

October 7, 2014, Council Meeting

5 YEARS

Daniel Garcia, Police Officer, Police Department

10 YEARS

Brenda Beltz, Associate Planner, Community Development Department

Jose LaTorre, Police Officer, Police Department

15 YEARS

Traci Barnett, Administrative Assistant, Public Works Department

Calli Marquez, Electronics/Communications Technician II

Barbara Carey McKinnon, Senior Library Technician, Library Department

Nancy Rapp, Parks & Recreation Director, Parks & Recreation Department

20 YEARS

John Williams, Police Officer, Police Department

Tara O'Reilly, Senior Library Technician, Library Department

Matthew Donahue, Senior Airport Maintenance Worker, Airport Department

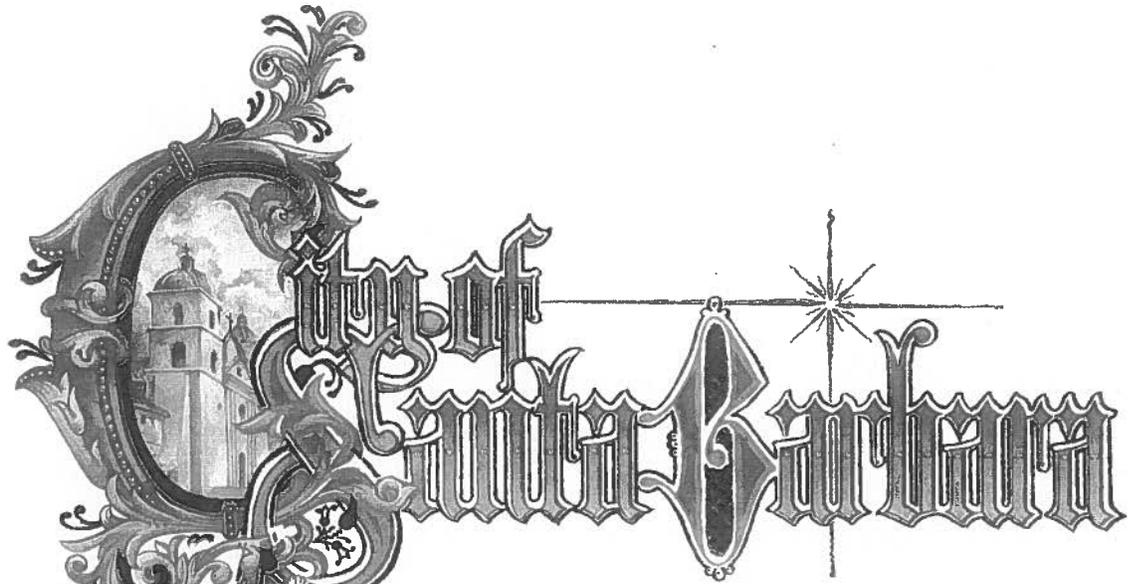
25 YEARS

Freda Markowitz, Administrative Specialist, Parks & Recreation Department

30 YEARS

Ida Gerry Morozowsky, Accounting Assistant, Finance Department

Fernando Rodriguez, Administrative Specialist, Police Department



BULLYING PREVENTION MONTH

October 2014

***WHEREAS**, the future of our community, our state and our nation depends on the young people who will handle the affairs of tomorrow being emotionally healthy with a sense of belonging; and*

***WHEREAS**, it is reported that 30% of U.S. students in grades 6-10 have experienced bullying on a regular basis, either as a victim, bully or both; and*

***WHEREAS**, for **Bullying Prevention Month**, the City of Santa Barbara joined forces with the United States Conference of Mayors and the Bully Project in the Mayors Campaign to end bullying; and*

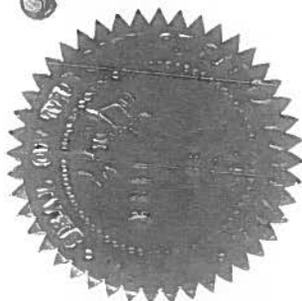
***WHEREAS**, it is reported that bullying causes loneliness, feelings of exclusion; depression, anxiety, decrease in academic achievement, and other negative emotions and behaviors; and*

***WHEREAS**, providing a safe physical and emotional environment is a significant goal and a personal responsibility of each individual; and*

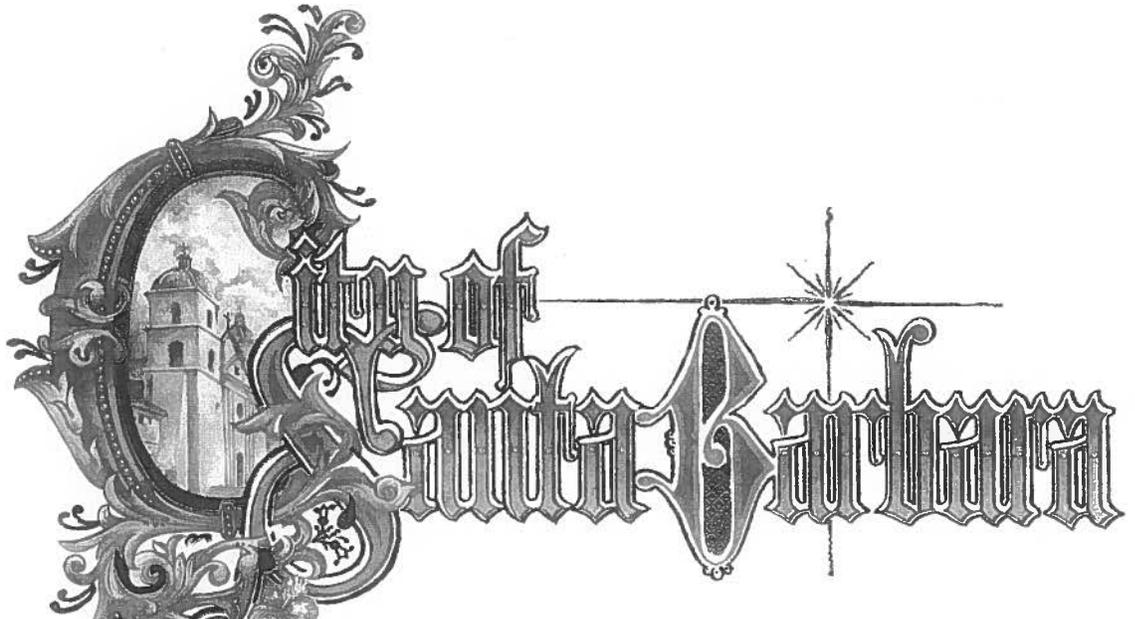
***WHEREAS**, it is important that we acknowledge and heighten awareness about the serious issues and the negative effects of bullying, including the long-term damage it can cause in our youth as well as the risks of teenage suicide.*

***NOW THEREFORE, I, HELENE SCHNEIDER**, by virtue of the authority vested in me as Mayor of the City of Santa Barbara, California, do hereby proclaim the month of October 2014 as **BULLYING PREVENTION MONTH** and commend all the members of our community who are contributing to the fight to end bullying.*

***IN WITNESS THEREOF**, I have hereunto set my hand and caused the Official Seal of the City of Santa Barbara, California, to be affixed this 7th day of October 2014.*



HELENE SCHNEIDER
Mayor



**PROCLAMATION
DYSLEXIA AWARENESS MONTH
October 2014**

WHEREAS, the City of Santa Barbara recognizes that our children are our most valuable resource, we must provide opportunities to learn and grow; and

WHEREAS, the United States Department of Health defines dyslexia as an inheritable and highly prevalent language based disability affecting 1 in 5 individuals; and

WHEREAS, dyslexia, meaning "difficulty with words," constitutes one of the several distinct learning disabilities and is characterized by challenges in processing language when decoding oral and written words; and

WHEREAS, dyslexia deeply affects people's ability to read, write, spell and comprehend and may also affect people emotionally and their overall wellbeing that can last a lifetime; and

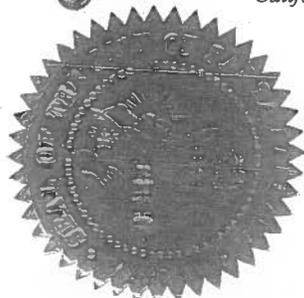
WHEREAS, children with dyslexia, especially those who are not identified and are reading below grade level at the end of third grade, often experience difficulties with depression, anxiety, and poor self-image and rarely catch up to their peers, and as a result, underperform in school and are at a greater risk for failure and dropping out before completing high school; and

WHEREAS, each person who struggles to learn is unique and deserves every chance to fulfill his or her potential for a happy and productive life; and

Whereas, in an effort to assist parents, educators and individuals, the International Dyslexia Association has designated October as Dyslexia Awareness Month.

NOW THEREFORE, I HELENE SCHNEIDER, by virtue of the authority invested in me as Mayor of the City of California, do hereby acknowledge and proclaim October 2014, as Dyslexia Awareness Month in the City of Santa Barbara, California and encourage all citizens.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Official Seal of the City of Santa Barbara, California, to be affixed this 7th day of October.




HELENE SCHNEIDER
Mayor



CITY OF SANTA BARBARA CITY COUNCIL MINUTES

REGULAR MEETING September 23, 2014 COUNCIL CHAMBER, 735 ANACAPA STREET

CALL TO ORDER

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

PLEDGE OF ALLEGIANCE

Mayor Schneider.

ROLL CALL

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

Councilmembers absent: Dale Francisco.

Staff present: City Administrator James L. Armstrong, City Attorney Ariel Pierre Calonne, City Clerk Services Manager Gwen Peirce.

CEREMONIAL ITEMS

1. Subject: Proclamation Declaring September 2014 As Suicide Prevention Month (120.04)

Action: Proclamation presented to Jina Carvalho, representing the Glendon Association and the Santa Barbara Response Network.

PUBLIC COMMENT

Speakers:

- Staff: Community Development Director George Buell.
- Members of the Public: Joshua Canada, United Way; Wayne Scoles; Scott Wenz, Cars Are Basic; Phil Walker; Sal Cisneros, Channel Islands YMCA; Lee Moldaver; Jeffrey Young; Barbara Wishingrad, Sweetwater Collaborative.

Councilmember Francisco arrived at 2:17 p.m.

CONSENT CALENDAR (Item Nos. 2 – 12)

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

Motion:

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

Vote:

Unanimous roll call vote.

2. Subject: Minutes

Recommendation: That Council waive further reading and approve the minutes of the special meeting of September 11, 2014.

Action: Approved the recommendation.

3. Subject: Adoption Of Ordinance Authorizing Approval Of Clean Water State Revolving Fund Financing For Air Process Improvement Project (540.13)

Recommendation: That Council adopt, by reading of title only, An Ordinance of the Council of the City of Santa Barbara Authorizing the Approval and Execution by the Public Works Director of an Installment Sale Agreement in Connection With the Air Process Improvement Project Clean Water State Revolving Fund Project No. 7857-110.

Action: Approved the recommendation; Ordinance No. 5667; Agreement No. 24,985.

4. Subject: Introduction Of Ordinance For Amendment To Mercury Air Center - Santa Barbara, Inc. Fuel Storage Facility Lease (330.04)

Recommendation: That Council introduce and subsequently 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 an Amendment of Agreement No. 19,528, Dated April 15, 1999, Between Mercury Air Center - Santa Barbara, Inc., dba Atlantic Aviation, a California Corporation, and the City of Santa Barbara for Operation of a Fuel Storage Facility, Amending Article V, "Rent" (B)(1) and (2) to Allow for the Collection of Fuel Flowage Fees for Fuel Dispensed to the Commercial Air Carriers at the Santa Barbara Airport.

Action: Approved the recommendation (September 23, 2014, report from the Airport Director; proposed ordinance).

5. Subject: Introduction Of Ordinance For Amendment To Signature Flight Support Corporation Fuel Storage Facility Lease (330.04)

Recommendation: That Council introduce and subsequently 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 an Amendment of Agreement No. 18,538, Dated March 14, 1997, Between Signature Flight Support Corporation, a Delaware Corporation, and the City of Santa Barbara for Operation of a Fuel Storage Facility, Amending Article IV, "Rent" (B)(1) and (D) to Allow for the Collection of Fuel Flowage Fees for Fuel Dispensed to the Commercial Air Carriers at the Santa Barbara Airport.

Action: Approved the recommendation (September 23, 2014, report from the Airport Director; proposed ordinance).

6. Subject: Introduction Of Ordinance For Assignment And Amendment To Power Purchase Agreement For Cogeneration Project (540.13)

Recommendation: That Council introduce and subsequently adopt, by reading of title only, An Ordinance of the Council of the City of Santa Barbara Authorizing the City Administrator to Execute a First Amendment to the Power Purchase Agreement (City Agreement No. 23,630) Between the City of Santa Barbara and California Power Partners, Inc., to Extend the Term of the Agreement to July 1, 2024, and Further Clarify Section 8.4 of the Agreement; and Authorize the City Administrator to Consent to the Assignment of Agreement No. 23,630, as Amended, from California Power Partners, Inc., to California Power Partners Santa Barbara, LLC.

Action: Approved the recommendation (September 23, 2014, report from the Public Works Director; proposed ordinance).

7. Subject: Fiscal Year 2015 Agreement For Countywide Library System (570.04)

Recommendation: That Council approve and authorize the City Administrator to execute an agreement between the County of Santa Barbara and the Cities of Santa Barbara, Santa Maria and Lompoc for the operation of a Countywide Library system for Fiscal Year 2015.

Action: Approved the recommendation; Agreement No. 24,986 (September 23, 2014, report from the Library Director).

8. Subject: Contract For Construction Of The La Colina Force Main No. 2 Project (540.13)

Recommendation: That Council:

- A. Award a contract with J&H Engineering General Contractors, Inc., waiving minor irregularities, in their low bid amount of \$515,730 for construction of the La Colina Force Main No. 2, Bid No. 3960; and authorize the Public Works Director to execute the contract and approve expenditures up to \$51,573 to cover any cost increases that may result from contract change orders for extra work and differences between estimated bid quantities and actual quantities measured for payment; and
- B. Authorize the Public Works Director to execute a contract with MNS Engineers, Inc., in the amount of \$14,840 for construction support services, and approve expenditures of up to \$1,484 for extra services that may result from necessary changes in the scope of work.

Action: Approved the recommendations; Contract Nos. 24,987 and 24,988 (September 23, 2014, report from the Public Works Director).

9. Subject: Contracts For Construction Management Support Services Of The Mason Street Bridge Replacement Project (530.04)

Recommendation: That Council:

- A. Authorize the Public Works Director to execute a City Professional Services contract with Filippin Engineering in the amount of \$1,215,003 for construction management services for the Mason Street Bridge Replacement Project, and authorize the Public Works Director to approve expenditures of up to \$60,750 for extra services that may result from necessary changes in the scope of work;
- B. Authorize the Public Works Director to execute a City Professional Services contract with Bengal Engineering, Inc., in the amount of \$138,760 for engineering (design) support services for the Mason Street Bridge Replacement Project, and authorize the Public Works Director to approve expenditures of up to \$6,938 for extra services that may result from necessary changes in the scope of work;
- C. Authorize the Public Works Director to execute a City Professional Services contract with Rincon Consultants, Inc., in the amount of \$164,725 for environmental coordination and biological monitor services for the Mason Street Bridge Replacement Project, and authorize the Public Works Director to approve expenditures of up to \$8,236 for extra services that may result from necessary changes in the scope of work;
- D. Increase appropriations and estimated revenues related to the Federal Highway Administration Grant by \$383,365 in the Fiscal Year 2015 Streets Capital Fund for the Mason Street Bridge Replacement Project; and

(Cont'd)

9. (Cont'd)

- E. Authorize an increase in appropriations and estimated revenue of \$298,622 in the Streets Capital Fund from revenues anticipated through the future sale of surplus properties acquired for current bridge replacement projects to cover the City's share of the cost of construction.

Action: Approved the recommendations; Contract Nos. 24,989 – 24,991 (September 23, 2014, report from the Public Works Director).

10. Subject: Amendment To The Position And Salary Control Resolution (410.06)

Recommendation: That Council adopt, by reading of title only, A Resolution of the Council of the City of Santa Barbara Amending Resolution No. 14-046, the Position and Salary Control Resolution for Fiscal Year 2015, Affecting the City Administrator's Office, Effective October 4, 2014.

Action: Approved the recommendation; Resolution No. 14-064 (September 23, 2014, report from the Administrative Services Director; proposed resolution).

NOTICES

11. The City Clerk has on Thursday, September 18, 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.
12. A City Council site visit is scheduled for Monday, September 29, 2014, at 1:30 p.m. to the property located at 215 La Jolla Drive, which is the subject of an appeal hearing set for September 30, 2014, at 2:00 p.m.
13. Receipt of communication advising of vacancies created on the Santa Barbara Youth Council with the resignation of Rachael Diaz, and the Downtown Parking Committee with the resignation of Bill Collyer. The vacancies will be part of the current City Advisory Groups Recruitment.

This concluded the Consent Calendar.

REPORT FROM THE FINANCE COMMITTEE

Finance Committee Chair Dale Francisco reported that the Committee met to discuss a proposed Ordinance to amend Municipal Code Title 5 pertaining to Business License Taxes to add an exemption for Artists with annual gross receipts of less than \$5,000, which the committee will be recommending to the Council. He also stated that the Committee received a review of the Financial Statements for the Fiscal Year Ended June 30, 2014, which will be considered by the Council as Agenda Item No. 15.

CITY COUNCIL ADMINISTRATIVE AND ATTORNEY REPORTS

FINANCE DEPARTMENT

14. Subject: Adoption Of Resolutions Increasing The City Administrator's Contracting Authority And Establishing Policies Related To The City Council Budgetary Level Of Control For Capital Projects (210.01)

Recommendation: That Council:

- A. Adopt, by reading of title only, A Resolution of the City Council of the City of Santa Barbara Authorizing the City Administrator to Bind the City for the Acquisition of Certain Items and Rescinding Resolution No. 96-045; and
- B. Adopt, by reading of title only, A Resolution of the City Council of the City of Santa Barbara Establishing the City Council Budgetary Level of Control for Capital Projects.

Documents:

- September 23, 2014, report from the Finance Director.
- Proposed Resolutions.
- PowerPoint presentation prepared and made by Staff.

The titles of the resolutions were read.

Speakers:

Staff: Finance Director Robert Samario, City Administrator Armstrong.

Motion:

Councilmembers White/Hart to approve recommendations A and B; Resolution Nos. 14-065 and 14-066.

Vote:

Unanimous roll call vote.

15. Subject: Financial Statements For The Fiscal Year Ended June 30, 2014 And Recognition Of A Loss On A Loan Tied To The Employee Mortgage Loan Assistance Program (250.02)

Recommendation: That Council:

- A. Hear a report from staff on the status of revenues and expenditures in relation to budget for the fiscal year ended June 30, 2014;
- B. Accept the Interim Financial Statements for the Fiscal Year Ended June 30, 2014;
- C. Approve the proposed adjustments to Fiscal Year 2014 budget as detailed in the attached schedule of Proposed Budget Adjustments; and (Cont'd)
- D. Approve the recognition of a \$96,230 loss in connection with an outstanding loan executed with a former City employee through the Employee Mortgage Loan Assistance Program.

(Cont'd)

15. (Cont'd)

Documents:

- September 23, 2014, report from the Finance Director.
- PowerPoint presentation prepared and made by Staff.

Speakers:

Staff: Finance Director Robert Samario, Treasury Manager Genie Wilson.

Motion:

Councilmembers Francisco/White to approve recommendations B, C and D.

Vote:

Unanimous voice vote.

PUBLIC WORKS DEPARTMENT

16. Subject: Authorize Actions And Adopt A Resolution For Reactivating The Charles E. Meyer Desalination Facility (540.10)

Recommendation: That Council:

- Adopt, by reading of title only, A Resolution of the Council of the City of Santa Barbara Approving the Design-Build-Operate Procurement Method for the Contract to Reactivate and Operate the Charles E. Meyer Desalination Facility;
- Authorize staff to prepare and present an Enabling Ordinance to the Ordinance Committee for a Design-Build-Operate contract;
- Authorize staff to release a Request for Proposals to prospective contractors to design, build, and operate the Desalination Facility;
- Authorize staff to submit a Repair and Maintenance Coastal Development Permit application as needed to reactivate the Desalination Facility; and
- Authorize the City Attorney to amend Professional Services Agreement Number 24,835 to increase the not to exceed amount from \$25,000 to \$100,000 for legal support services related to contracting for services to design, build, and operate the Desalination Facility, and other contractual requirements as needed.

Documents:

- September 23, 2014, report from the Public Works Director.
- Proposed Resolution.
- PowerPoint presentation prepared and made by Staff.

The title of the resolution was read.

(Cont'd)

16. (Cont'd)

Speakers:

- Staff: Public Works Director Rebecca Bjork, Acting Water Resources Manager Joshua Haggmark.
- Consultants to the City: Tom Secord, Carollo Engineers; Joe Monaco, Dudek.
- Members of the Public: James Hawkins, Heal the Ocean; Brad Smith, Sweetwater Collaborative; Robert Sulnick; Phil Walker; Kira Redmond, Santa Barbara Channelkeeper; Ms. Hamilton.

Motion:

Councilmembers Francisco/Rowse to approve recommendations A – E; Resolution No. 14-067; Agreement No. 24,835.1.

Vote:

Unanimous roll call vote.

Motion:

Councilmembers Hart/Murillo to direct staff to return to the City Council after the contract decision is made in April to begin exploring a range of alternatives, including subsurface intake and potable reuse options.

Vote:

Unanimous voice vote.

17. Subject: Reserve Management Policy Direction For The Stage Three Drought Water Rate Study (540.05)

Recommendation: That Council receive a presentation and provide direction on assumptions for the Stage Three Drought Water Rate Study, specifically for the assumed repayment term of debt needed to finance the Desalination Project and the planned reserves management during drought conditions.

Documents:

- September 23, 2014, report from the Public Works Director.
- PowerPoint presentation prepared and made by Staff.

Speakers:

Staff: Acting Water Resources Manager Joshua Haggmark, Water Resources Supervisor Kelley Dyer.

The Council concurred to direct staff to utilize the 10-year payback period with the operating cost assumption of one year at full production and thereafter, operating in standby mode.

(Cont'd)

17. (Cont'd)

Motion:

Councilmembers Rowse/Hart to approve Scenario 2 for Reserve Management, which would involve some use of Reserves.

Vote:

Unanimous voice vote.

COUNCILMEMBER COMMITTEE ASSIGNMENT REPORTS

Information:

- Councilmember Hotchkiss reported on his attendance at a recent meeting of interested parties and stakeholders in the Funk Zone regarding parking concerns.
- Councilmember Murillo spoke regarding the Library's launch of another phase of fundraising for the Children's Library. She also thanked the United Way "Day of Caring" organizers and participants.
- Councilmember Hart reported on the successful Police Activities League (PAL) car show event he attended in Montecito.
- Mayor Schneider spoke regarding the PAL Car Show and other related events.

RECESS

The Mayor recessed the meeting at 5:38 p.m. in order for the Council to reconvene in closed session for Agenda Item Nos. 18 – 20. She stated that no reportable action is anticipated.

CLOSED SESSIONS

19. 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, Administrative Services Director, regarding negotiations with the Treatment and Patrol Bargaining Unit.

Scheduling: Duration, 30 minutes; anytime

Report: None anticipated

Documents:

September 23, 2014, report from the Administrative Services Director.

Time:

5:40 p.m. – 5:47 p.m.

No report made.

18. Subject: Conference With City Attorney – 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 *Frank Banales, Sebastian Aldana, Jr., Jacqueline Inda, Cruzito Herrera Cruz, and Benjamin Cheverez, v. City of Santa Barbara, et al.*, SBSC Case No. 1468167.

Scheduling: Duration, 60 minutes; anytime

Report: None anticipated

Documents:

September 23, 2014, report from the City Attorney.

Time:

5:48 p.m. – 5:58 p.m.

No report made.

20. Subject: Conference With City Attorney - Anticipated Litigation (160.03)

Recommendation: That Council hold a closed session to consider anticipated litigation pursuant to subsection (d)(4) of Section 54956.9 of the Government Code and take appropriate action as needed (one potential case).

Scheduling: Duration, 30 minutes; anytime

Report: None anticipated

Documents:

September 23, 2014, report from the City Attorney.

Time:

6:00 p.m. – 6:44 p.m.

No report made.

ADJOURNMENT

Mayor Schneider adjourned the meeting at 6:44 p.m., to Monday, September 29, 2014, at 1:30 p.m. at the property located at 215 La Jolla Drive.

SANTA BARBARA CITY COUNCIL

SANTA BARBARA
CITY CLERK'S OFFICE

HELENE SCHNEIDER
MAYOR

ATTEST:

GWEN PEIRCE, CMC
CITY CLERK SERVICES MANAGER



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: October 7, 2014

TO: Mayor and Councilmembers

FROM: Human Resources, Administrative Services Department

SUBJECT: Approval Of Benefit Plans Effective January 1, 2015

RECOMMENDATION: That Council:

- A. Approve renewal of the Aetna and Kaiser Permanente medical plans, Delta Dental Plans, Vision Service Plan, Employee Assistance Program (EAP), Flexible Spending Accounts, and Hartford Life and Disability Insurance Plans; and
- B. Authorize the Acting City Administrator to execute any necessary agreements for renewals with current carriers, and with Wells Fargo Insurance Services for benefits broker/consulting contract services.

DISCUSSION:

Each year the City obtains renewal rates for the benefit plans covering its eligible active and retired employees. These benefit plans include medical, dental, vision, Employee Assistance Program, Health and Dependent Care Flexible Spending Accounts, life insurance, and disability insurance programs. Staff coordinated the renewal process with the City's benefits broker, Wells Fargo Insurance Services. The Employee Benefits Committee, which has a representative from each of the City's employee groups, reviewed the renewals. Staff and the Employee Benefits Committee (comprised of members from the various employee groups) recommend that the City renew its agreements with all current health, life and disability plan providers.

Medical Plans

The City currently has contracts with Aetna and Kaiser Permanente (available to Ventura County residents only) to provide medical coverage to eligible active and retired employees. A Health Maintenance Organization (HMO) plan is offered by both carriers. In addition, Aetna offers three Preferred Provider Organization (PPO) plans: Aetna Open Access Managed Care (OAMC) Plan, Aetna Health Reimbursement Fund and Aetna Health Savings Account (an IRS qualifying high deductible PPO plan with a portable savings account funded through federal pre-tax employee payroll contributions).

In continuing efforts to ensure the most cost effective plan management and premium rates, the City's benefits broker conducted a comprehensive medical marketing project on behalf of the City. Several medical carriers were provided the City-specific Aetna HMO and PPO plan designs, demographic information, claims experience, and instructions relating to submission of 2015 premium rate quotes based on the same current plan designs. Several medical carriers submitted bid quotes with Blue Shield proposing the most competitive rates, as compared with Aetna's final proposed 2015 renewal rates.

The Employee Benefits Committee met twice in August 2014 to review and discuss the medical claims experience and high cost trends; 2015 renewal offers of all plan vendors; results of submitted proposals of medical carriers in comparison with Aetna's renewal offer, and various medical benefit plan design changes. The Employee Benefits Committee recommends approval of the renewal of the Aetna benefit plans and proposed rates for 2015, for the reason that the final rate comparison between Aetna and the closest competitive quote are very similar, and in consideration that Aetna has proven to be a strong performer and partner for the City and its enrolled plan members.

Aetna's final 2015 renewal includes an increase of 14.1% to the HMO and PPO medical plan rates. As is the case with the current 2014 medical rates, the 2015 renewal rates contain Affordable Care Act (ACA) fees and assessments adding 3% to 4% to the renewal rates. Aetna's renewal contains reductions in all areas of PPO out-of-network benefits resulting in proposed rates below the submitted bid quotes of all carriers. Under Aetna's proposed offer, members in the PPO plans choosing out-of-network, rather than in-network providers, will pay a great share of out of pocket expenses in 2015. Currently, PPO out-of-network benefits are paid at 60% of Aetna's usual, customary and reasonable base. For 2015, PPO out-of network benefits for professional services are proposed at a level of 60% of 110% of Medicare reimbursement rates; services at out-of-network facilities are proposed at a level of 60% of 140% of Medicare reimbursement rates. As currently provided, emergency care that is provided at an out-of-network facility will continue to be paid at in-network benefit levels, and the PPO plans' out-of-pocket annual maximum limits will continue at the same levels or caps on members' total annual medical costs.

The Committee also recommends continuing with the Kaiser HMO in 2015 as a separate medical plan option available to employees residing in Ventura County. Kaiser's 2015 renewal includes a rate decrease of 2.6%.

Over-age-65 retirees currently have four medical plan options: Kaiser HMO Senior Advantage Plan, Aetna OAMC PPO Plan, and Aetna Medicare Supplemental Plans F and N.

The Kaiser Senior HMO Advantage Plan and Aetna OAMC PPO Plan enrollees have a supplemental level of coverage after Medicare benefits are paid. Final 2015 proposed rates for the Kaiser Senior HMO Advantage Plan are proposed at a slight decrease of less than 0.5%. Aetna OAMC PPO is proposed at an 11% rate increase for 2015.

The Aetna Medicare Supplemental Plans F and N are available to Medicare-eligible retirees. The plans provide coverage availability nationwide through providers that participate in Medicare. The plans provide a level of coverage for all Medicare Parts A and B covered benefits. The Plan F high option plan covers all excess Part B charges in full with a higher premium; Plan N has a lower level of coverage and lower premium cost. The plan premium rates are age-band rates and set by county area of residency.

Dental Plans

The current dental plan offerings include the Delta Dental DPO plan (similar to a medical PPO model plan with a large provider network) and the Delta Dental DMO plans (similar to a medical HMO model plan with a small provider network). No rate increases are proposed for the two plans. Delta Dental provided a two year rate guarantee on the current rates; the current 2014 rates will be effective through December 31, 2015.

Vision Plan

Vision Service Plan (VSP) has maintained premium rates for the last four consecutive years. No increase is proposed for the 2015 VSP rates.

Employee Assistance Program (EAP) – Employer Paid Fees

OptumHealth Behavioral Solutions provides outpatient psychological services for the City's EAP. No increase is proposed for the 2015 EAP rate.

Flexible Spending Accounts (FSA) – Employer Paid Fees

The Health and Dependent Care Flexible Spending Accounts are administered by Conexis. No increase is proposed for the 2015 FSA rates.

Basic Life/AD&D and Long Term Disability Insurance – Employer Paid Premiums

Hartford Insurance Company administers the Basic Life/AD&D and Long Term Disability Insurance plans. No increases are proposed for the 2015 rates.

Employee and Spouse Supplemental Life Insurance Plans – Employee Paid Premiums

Hartford Insurance Company has offered an increase from \$300,000 to \$500,000 to the maximum coverage limit to the Employee and Spouse Supplemental Life Insurance plans. Increase in coverage may be elected by employees through completed applications filed during the Open Enrollment period. Coverage will be effective upon Hartford's coverage approval with employee-paid premiums charged at the same 2014 age-band rates.

Short Term Disability Insurance Plan – Employee Paid Premiums

Hartford Insurance Company administers the voluntary employee-paid Short Term Disability Insurance plans offered to Management, Police and Supervisors. No increases are proposed for the 2015 rates.

Benefits Broker/Consultant/Administration Services Outsourcing

The City's current broker of record is Wells Fargo Insurance Services, Inc. During 2014, the City conducted a review of brokerage firms. Several brokerage firms, including the City's current broker, were requested to submit proposals with their proposed fees for providing the current level of extensive services to the City in the areas of brokerage, consulting and direct administration functions. Proposals were reviewed and compared.

Wells Fargo Insurance Services, Inc. submitted a very competitive proposal with a fee reduction for 2015, and incorporated within the health plan premiums. Results of the vendor review were shared with the Employee Benefits Committee. Staff recommends approval of a contract for continuing services with Wells Fargo Insurance Services, Inc., due to the established depth of services they provide, the proposed competitive fee, and in consideration that Wells Fargo Insurance Services, Inc. has proven be a strong performer and partner for the City.

Summary

Staff and the Employee Benefits Committee recommend that the Aetna and Kaiser medical plans, Delta Dental, VSP, EAP, FSA, Hartford Life/AD&D and Disability Insurance Plans be renewed for 2015 at the proposed premium rates and fees.

Proposed 2015 monthly rates for Aetna HMO, Aetna OAMC PPO Plan, Aetna Health Reimbursement PPO Plan, Aetna Health Savings Account PPO Plan and Kaiser HMO Plan for employees and retirees are listed in Attachment 1.

Proposed 2015 monthly rates for the Aetna Medicare Plan F and N for retirees over-age-65 are listed in Attachment 2 and are based on the age and county where retirees currently reside.

Proposed 2015 monthly rates for Delta Dental, VSP, EAP, FSA, Hartford Life/AD&D and Disability Insurance Plans are listed in Attachment 3.

Approval is proposed for the selection of Wells Fargo Insurance Services, Inc. for continuing contract services of brokerage, consulting, and benefits administration functions.

BUDGET/FINANCIAL INFORMATION:

No additional appropriations are needed. Established City contribution amounts and employee pre-tax payroll deductions will fund the Plan Year (calendar year) 2015 estimated overall benefit premium increase of \$1,654,893, or \$827,447 for January through June 2015 of Fiscal Year 2015.

- ATTACHMENTS:**
1. 2015 Medical Plans Monthly Premium Rates
 2. 2015 Aetna Medicare PPO Plan Monthly Premium Rates
 3. 2015 Dental, Vision, Employee Assistance Program, Flexible Spending Accounts, Life and Disability Insurance Plan Monthly Premium Rates

PREPARED BY: Clare Turner, Sr. Human Resources Analyst

SUBMITTED BY: Kristine Schmidt, Administrative Services Director

APPROVED BY: City Administrator's Office

2015 Medical Plans Monthly Premium Rates

MEDICAL PLAN	CURRENT 2014	PROPOSED 2015
HMO – Aetna		
<u>Active Employees and Retirees Under Age 65</u>		
Employee Only	\$ 738.30	\$ 841.88
Employee and One Dependent	\$ 1,467.61	\$ 1,675.47
Employee and Family	\$ 1,905.20	\$ 2,175.63
HMO – Kaiser Permanente		
<u>Active Employees and Retirees Under Age 65</u>		
Employee Only	\$ 529.57	\$ 515.68
Employee and One Dependent	\$ 1,050.11	\$ 1,022.98
Employee and Family	\$ 1,362.42	\$ 1,327.38
<u>Medicare Eligible Retirees</u>		
Retiree Only	\$ 193.87	\$ 193.02
Retiree and One Dependent	\$ 378.70	\$ 377.68
PPO – Aetna Open Access Managed Care		
<u>Active Employees and Retirees Under Age 65</u>		
Employee Only	\$ 791.89	\$ 903.14
Employee and One Dependent	\$ 1,604.03	\$ 1,831.40
Employee and Family	\$ 2,091.28	\$ 2,388.32
<u>Medicare Eligible Retirees</u>		
Retiree Only	\$ 627.71	\$ 697.02
Retiree and One Dependent	\$ 1,241.68	\$ 1,380.32
PPO – Aetna Health Reimbursement Arrangement		
<u>Active Employees and Retirees Under Age 65</u>		
Employee Only	\$ 559.11	\$ 637.07
Employee and One Dependent	\$ 1,109.17	\$ 1,265.78
Employee and Family	\$ 1,439.22	\$ 1,643.02
PPO – Aetna Health Savings Account		
<u>Active Employees and Retirees Under Age 65</u>		
Employee Only	\$ 440.53	\$ 501.54
Employee and One Dependent	\$ 872.06	\$ 994.77
Employee and Family	\$ 1,130.95	\$ 1,290.67

**2015 Aetna Medicare Plan F and Plan N
Retiree Only Monthly Premium Rates**

State	County	Age Band	PROPOSED 2015 Aetna Plan F High Option	PROPOSED 2015 Aetna Plan N Low Option
California	Santa Barbara	<65	\$707.17	\$615.03
		65-69	\$382.31	\$356.71
		70-74	\$410.12	\$379.35
		75-79	\$442.57	\$406.64
		80-84	\$467.03	\$429.28
		85+	\$498.29	\$460.17
	Riverside	65-69	\$413.16	\$381.08
		70-74	\$456.07	\$415.04
		75-79	\$511.43	\$460.94
	Sacramento	65-69	\$385.84	\$359.20
		70-74	\$417.39	\$385.21
		75-79	\$438.17	\$403.40
	Ventura	<65	\$788.99	\$679.59
65-69		\$408.55	\$377.08	
70-74		\$454.13	\$413.89	
Colorado	Weld	<65	\$707.17	\$615.03
		65-69	\$382.31	\$356.71
		70-74	\$410.12	\$379.35
		75-79	\$442.57	\$406.64
		80-84	\$467.03	\$429.28
		85+	\$498.29	\$460.17
Oregon	Deschutes	65-69	\$385.84	\$359.20
		70-74	\$417.39	\$385.21
		75-79	\$438.17	\$403.40
Texas	Harris	<65	\$788.99	\$679.59
		65-69	\$408.55	\$377.08
		70-74	\$454.13	\$413.89
	Denton	65-69	\$413.16	\$381.08
		70-74	\$456.07	\$415.04
		75-79	\$511.43	\$460.94
Nevada	Clark	65-69	\$436.12	\$398.97
Washington	Pierce	65-69	\$384.30	\$354.83

All Counties are included where City Retirees currently reside.

2015 Dental, Vision, Employee Assistance Program, Flexible Spending Accounts, Disability and Life Insurance Plans Monthly Premium Rates

PLAN	CURRENT 2014	PROPOSED 2015
Delta Dental		
Delta Dental DPO Plan		
Employee Only	\$ 56.70	\$ 56.70
Employee and One Dependent	\$ 100.36	\$ 100.36
Employee and Family	\$ 160.86	\$ 160.86
Delta Dental HMO Plan		
Employee Only	\$ 16.39	\$ 16.39
Employee and One Dependent	\$ 29.32	\$ 29.32
Employee and Family	\$ 43.38	\$ 43.38
Vision Service Plan		
Employee Only	\$ 6.93	\$ 6.93
Employee and One Dependent	\$ 13.76	\$ 13.76
Employee and Family	\$ 21.10	\$ 21.10
Employee Assistance Program (City Paid)		
Employee and Family	\$ 1.78	\$ 1.78
Flexible Spending Accounts Administration Costs (City Paid)		
Health Care Account/Participant/Month	\$ 4.67	\$ 4.67
Dependent Care Account/Participant/Month	\$ 4.67	\$ 4.67
Electronic Payment Card/Participant/Month	\$ 1.50	\$ 1.50
Grace Period Processing/Participant/Month	\$ 3.00	\$ 3.00
Long Term Disability Insurance – Hartford (City Paid)		
All Employees except Police and Fire	\$0.50/\$100	\$0.50/\$100
Short Term Disability Insurance – Hartford (Voluntary Employee Paid)		
Managers	\$ 22.02	\$ 22.02
Supervisors	\$ 19.82	\$ 19.82
Police	\$ 15.14	\$ 15.14
Basic Life AD&D Insurance – Hartford (City Paid)		
All Employees	\$0.125/\$1,000	\$0.125/\$1,000
Supplemental Employee, Spouse & Child Life Insurance–Hartford (Voluntary Employee Paid)		
Voluntary Employee and Spouse Life Insurance	Rates/\$10,000	Rates/\$10,000
Up to and including age 29	\$ 0.68	\$ 0.68
Age 30-34	\$ 0.86	\$ 0.86
Age 35-39	\$ 1.24	\$ 1.24
Age 40-44	\$ 1.90	\$ 1.90
Age 45-49	\$ 3.14	\$ 3.14
Age 50-54	\$ 5.24	\$ 5.24
Age 55-59	\$ 8.46	\$ 8.46
Age 60-64	\$ 11.12	\$ 11.12
Age 65-69	\$ 17.48	\$ 17.48
Age 70-74	\$ 30.88	\$ 30.88
Age 75 and older	\$ 51.50	\$ 51.50
\$2,000 Voluntary Child Life Insurance	\$ 0.33	\$ 0.33
\$5,000 Voluntary Child Life Insurance	\$ 0.55	\$ 0.55
\$10,000 Voluntary Child Life Insurance	\$ 0.89	\$ 0.89



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: October 7, 2014

TO: Mayor and Councilmembers

FROM: Harbor Operations Division, Waterfront Department

SUBJECT: Grant From California Department Of Parks And Recreation, Division Of Boating And Waterways, For Removal Of Vessels Per The State's Vessel Turn-In Program

RECOMMENDATION: That Council:

- A. Authorize the Waterfront Director to execute an agreement with the California Department of Parks and Recreation, Division of Boating and Waterways, accepting an \$8,800 grant for the disposal of recreational vessels per the state's Vessel Turn-In Program; and
- B. Increase Fiscal Year 2015 estimated revenue in the amount of \$8,800 and appropriate the funds to the Waterfront Department's Fiscal Year 2015 Capital Budget.

DISCUSSION:

The California Department of Parks and Recreation, Division of Boating and Waterways (DBW), has reviewed and approved the Waterfront Department's application for a grant in the amount of \$8,800 for the disposal of vessels that qualify under DBW's Vessel Turn-In Program (VTIP). The VTIP allows local public agencies to accept and dispose of derelict vessels or vessels likely to become abandoned that are voluntarily surrendered by their owners. The funds are used to reimburse the City 90% of the cost of disposing vessels acquired under this program. The City, in turn, retains discretionary authority over which vessels it accepts under the VTIP program. By authorizing the Waterfront Director to execute the VTIP agreement, the City will receive this grant funding before the main winter season when abandoned or derelict vessels often sink or run aground on City beaches.

PREPARED BY: Mick Kronman, Harbor Operations Manager

SUBMITTED BY: Scott Riedman, Waterfront Director

APPROVED BY: City Administrator's Office



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: October 7, 2014

TO: Mayor and Councilmembers

FROM: Administrative Services Division, Police Department

SUBJECT: Donation For Animal Control Program Equipment

RECOMMENDATION: That Council:

- A. Accept a donation of \$4,500 from the Deborah K. Oldham Trust of 2001; and
- B. Approve an increase in appropriations and estimated revenues in the amount of \$4,500 in Fiscal Year 2015 to the Police Department Miscellaneous Grants Fund for Animal Control equipment which will enhance safety and service.

DISCUSSION:

The Deborah K. Oldham Trust annually donates money to the Animal Control Program. Mr. Stephen Frank, attorney for the trust, has specified that the donation be applied to the purchase of specific Animal Control equipment. The generous gift of \$4,500 will be used to purchase such items as:

- Laser Temperature Readers
- Micro Chip Readers
- Dart Gun and accessories
- Duty Gear Bags
- EZ-Nabber Animal Nets
- Ketch All Poles
- GoPro Video Camera

This equipment will enhance safety for both the animals and Animal Control Officers and enhance the quality service provided to the community.

PREPARED BY: Kenneth Kushner, Sergeant/LSP

SUBMITTED BY: Camerino Sanchez, Chief of Police

APPROVED BY: City Administrator's Office



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: October 7, 2014

TO: Mayor and Councilmembers

FROM: Facilities Planning and Development Division, Airport Department

SUBJECT: Contract For Santa Barbara Airport Wildlife Hazard Assessment And Wildlife Hazard Management Plan Update

RECOMMENDATION:

That Council approve and authorize the Airport Director to execute a contract with Dudek, Inc., for preparation of a Wildlife Hazard Assessment and Wildlife Hazard Management Plan update in an amount not to exceed \$133,507.

DISCUSSION:

On September 9, 2014 the Airport Department signed a grant agreement with the Federal Aviation Administration (FAA) for \$125,389, to fund 90.66% of the cost of completing a Wildlife Hazard Assessment (WHA) and an update to the Airport's Wildlife Hazard Management Plan (WHMP).

A WHA is a year-long review of wildlife behavior and attractants both on the Airport and within a 5-mile radius. Wildlife biologists will visit 20 locations on and off the Airport roughly every two weeks for 26 weeks (at randomized times) to count and identify wildlife (with particular attention to birds). The result of the WHA will inform the update of the WHMP which may include revisions to existing procedures or propose new projects or programs to minimize wildlife strike risk.

Background

In 2013 Airport staff noticed a significant increase in migratory waterfowl (ducks, geese, coots, etc.) using the Goleta Slough. This raised concerns about a potential increase in bird-strike hazard. In response to this, the Airport obtained emergency permits to install a temporary siphon to lower the Slough water level. While this did lower water level, it was slow, prone to failure, and was ultimately destroyed by wave action. In response to this change in condition the Airport sought federal funding to assess the potential hazard and identify hazard mitigation strategies.

The previous WHA was conducted in 2004. In the past decade the Airport has restored 40 acres of wetland habitat and relocated two creeks and the main instrument runway, creating a very different on-Airport wildlife environment. Habitat restoration and development projects off the Airport may have changed wildlife behavior.

Goleta Slough

The most significant wildlife attractant is the Goleta Slough State Ecological Reserve on Airport property. This 480-acre estuarine wetland is home to over 300 wildlife species including the federally-listed endangered tidewater goby, and the state-listed loggerhead shrike and Belding's savannah sparrow. Because of its location on the coast, Goleta Slough constitutes the northernmost extent of dozens of southern California species.

Since 2012, there has been no management program for keeping the Goleta Slough mouth open to the ocean. This means that the mouth is closed seasonally by a sand berm and is only opened by a significant increase in creek flows (i.e. rainstorms). A combination of low rainfall and ocean currents has closed the Slough mouth in November 2012, March 2013, and July 2014. This results in extended periods where the Goleta Slough functions as a closed fresh-water wetland instead of an open tidal wetland. While this appears to be a significant change, it needs to be assessed in the WHA.

Consultant Selection

In May 2014, the Airport solicited a Request for Qualifications to biological consulting with FAA-certified wildlife biologists on staff. Eight firms provided statements of qualifications and the top three firms were interviewed by Airport Staff. The three firms were ranked based on qualifications, experience, and ability to perform the work required. Dudek, Inc. was selected and a contract scope and cost was negotiated.

Funding

This contract is partially funded by a 90.66% grant from the FAA Airport Improvement Program. There are sufficient funds in Airport reserves above policy requirements to cover the Airport's 9.34% share of the cost.

SUSTAINABILITY IMPACT:

The purpose of this contract is to ensure the safety of the flying public with minimal impact to the environment. The update to the Wildlife Hazard Management Plan will identify maintenance, operational, and capital projects that will reduce wildlife-aircraft strikes.

PREPARED BY: Andrew Bermond, AICP, Project Planner
SUBMITTED BY: Hazel Johns, Airport Director
APPROVED BY: City Administrator's Office



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: October 7, 2014

TO: Mayor and Councilmembers

FROM: City Attorney's Office

SUBJECT: Amendment To Agreement With Jarvis, Fay, Doporto & Gibson, LLP,
For Legal Services Relating To *Jacks v. City Of Santa Barbara*

RECOMMENDATION: That Council:

- A. Authorize the City Attorney to execute an amendment to the professional services agreement (Contract No. 24,107) with the law firm of Jarvis, Fay, Doporto & Gibson, LLP, to amend the Compensation and Costs provision, increasing the contract amount by \$25,000, from \$50,000 to \$75,000; and
- B. Allocate \$25,000 from the General Fund appropriated reserves to the City Attorney's Office Fiscal Year 2015 budget.

DISCUSSION:

Council will recall that the *Jacks* case involves a challenge to the City's 2% franchise fee collected via Southern California Edison. The City prevailed in the trial court against arguments that the fee was an unlawful tax. Plaintiffs appealed.

Council will also recall that we were successful in garnering the support of the League of California Cities by their agreement to prepare an *amicus curiae* brief in support of the City's position.

In March of 2012, the City retained the Jarvis, Fay firm to assist with the trial court proceedings. We have found it advantageous to have them handle the appellate process as well, and accordingly need to increase their contract authorization to cover the costs of the appeal.

We request that Council allocate funding from appropriated reserves. We originally funded this litigation out of self-insurance reserves, but do not think this is appropriate at the present time given the increases in reserve requirements pursuant to recent actuarial evaluation.

PREPARED BY: Ariel Calonne, City Attorney
APPROVED BY: City Administrator's Office



CITY OF SANTA BARBARA

CITY COUNCIL AGENDA REPORT

AGENDA DATE: October 7, 2014

TO: Mayor and Councilmembers

FROM: Administration Division, Finance Department

SUBJECT: Consideration Of Potential Amendment To The Municipal Code, Title 5, Affecting Business License Taxes Payable By Artists

RECOMMENDATION:

That the City Council direct the City Attorney to draft an ordinance to amend Title 5 of the Municipal Code pertaining to business license taxes to add an exemption for artists with annual gross receipts of less than \$5,000.

DISCUSSION:

The Business License Tax Ordinance (Ordinance) was adopted in 1963 and was enacted solely to raise revenue, similar to other local taxes, for municipal purposes; it was not intended for regulatory purposes. The business license tax rate is structured either on a gross receipt basis or a flat fee basis, depending on the type of business (see Attachment 1). Per the Ordinance, the tax rate is applied based on business category or business type as defined in the code. The Ordinance also provides for certain exemptions to the tax, such as charitable, educational and religious organizations; minors; and disabled individuals. In addition, there is a reduced tax rate of \$5 for businesses with annual gross receipts of \$1,200 or less.

Starting in Fiscal Year 2013, the Finance Department hired a consultant to assist in identifying businesses in the City that may not be in compliance with the City's business license tax ordinance. This effort augmented existing audit efforts related to the City's Transient Occupancy Tax and Utility Users' Tax ordinances, and the collection of sales taxes per State law.

As a result of this audit effort, many artists were identified and, where appropriate, requested to come into compliance with the business license tax requirements.

Representatives from various arts organizations and associations raised a number of concerns and questions with City Council and staff over the applicability of the Ordinance to artists given that many of the artists do not generate a significant amount of money from the sale of their art work.

Over the past few months, Finance Department staff has responded to questions and concerns regarding the business license tax requirements for artists. Finance staff provided a fact sheet to the artist community (see Attachment 2) and attended the Santa Barbara Arts Advisory Committee in May 2014 during which City staff presented additional information and clarification of the business license tax requirements per the City's Ordinance. Staff also provided an amnesty program that allowed artists additional time to comply with the Ordinance without the penalties.

Tax Rates for Artists

For artists preferring to be categorized as a "professional artist," the amount of tax is \$100 per year, pursuant to the Ordinance, Section 5.04.420. For all other artists, the amount of tax is based on annual gross receipts with a minimum tax of \$30 for the Arts/Crafts – Home Occupation category (5.04.450). However, if an artist has annual gross receipts of \$1,200 or less then the tax rate is \$5 (Section 5.04.730).

Potential Change to the Business License Tax Ordinance

In response to a request from Council and the concerns raised by the artist community, staff has developed a potential change to the Ordinance, exempting any artist from the business license tax requirements that generates less than \$5,000 in gross earnings in any year. If approved by Council, this change would effectively exempt many artists that are not actively engaged in the sale of art, which is consistent with the intent of the ordinance and addresses many of the concerns of the artist community.

Staff presented this item to the Finance Committee on September 23, 2014 and the Committee unanimously voted to recommend approval of a proposed change for Artists which would exempt them from the business license tax for gross receipts of less than \$5,000.

BUDGET/FINANCIAL INFORMATION:

Business license taxes generate approximately \$2.55 million in tax revenue each year, and the Artist category currently represents approximately \$10,000 of that amount. Staff estimates that the exemption for annual gross receipts of less than \$5,000 for Artists will result in a reduction of revenue by approximately \$3,000 to \$5,000 annually.

ATTACHMENTS: 1. Business License Tax Rates
 2. Business License Frequently Asked Questions (FAQs)

PREPARED BY: Genie Wilson, Treasury Manager

SUBMITTED BY: Robert Samario, Finance Director

APPROVED BY: City Administrator's Office

BUSINESS TAX RATES CITY OF SANTA BARBARA

ATTACHMENT 1

SECTION	A	GROSS RECEIPTS				
<p>This table is to be used for business description A1 through A5. Your first payment should be based on your estimated first year's gross sales. Your estimate should agree with the estimate provided to the State Board of Equalization to obtain a resale number/Seller's Permit. If an overpayment is made, a credit can be applied at renewal time. An underpayment must be added at renewal time.</p> <p>Select the gross receipts range in the left column within which your estimate falls. The number to the right in the column designated for your business description is the amount to pay. Example: Your estimated first year gross is \$185,000. Your business is a café description A2. Use column 2. The tax amount due is \$90.00.</p>						
If Annual Gross Receipts in dollars are:	1	2	3	4	5	
	Your tax is:					
0 - 20,000	25	25	25	30	30	
20,001 - 25,000	31	25	25	30	30	
25,001 - 30,000	35	25	25	35	30	
30,001 - 35,000	37	28	25	37	30	
35,001 - 40,000	39	30	25	39	30	
40,001 - 45,000	41	31	25	41	30	
45,001 - 50,000	43	32	25	43	30	
50,001 - 60,000	45	34	27	45	30	
60,001 - 70,000	49	37	29	49	30	
70,001 - 80,000	53	40	32	53	32	
80,001 - 90,000	58	44	35	58	35	
90,001 - 100,000	64	48	38	64	38	
100,001 - 125,000	75	57	45	75	45	
125,001 - 150,000	91	68	55	91	55	
150,001 - 175,000	106	80	64	106	64	
175,001 - 200,000	120	90	72	120	72	
200,001 - 250,000	142	107	85	142	85	
250,001 - 300,000	168	126	101	168	101	
300,001 - 350,000	195	146	117	195	117	
350,001 - 400,000	221	166	133	221	133	
400,001 - 450,000	242	182	145	242	145	
450,001 - 500,000	266	200	160	266	160	
500,001 - 600,000	292	219	175	292	175	
600,001 - 700,000	325	244	195	325	195	
700,001 - 800,000	360	270	216	360	216	
800,001 - 900,000	374	281	224	374	224	
900,000 - 1,000,000	400	300	240	400	240	
Over 1,000,000 +\$20 per 100,000 over one million (in \$20 increments-round up)	400+	300+	240+	400+	240+	
Over 3,000,000 +\$15 per 100,000 over three million (in \$15 increments-round up)	800+	700+	640+	800+	640+	
Over 6,000,000 +\$10 per 100,000 over six million (in \$10 increments-round up)	1,250+	1,150+	1,090+	1,250+	1,090+	
DO NOT REPORT THE SALE OF ALCOHOLIC BEVERAGES						

SECTION	B	CONTRACTORS
<p>These rates apply to all building trades contractors working in the city:</p> <p>State Classes: A and B, C-12, C-21, C-32, C-34 and C-42 pay \$100.00. (Engineering, General, Earthwork and Paving, Building Moving/Wrecking, Parking and Highway Improvement, Pipeline/Sewer and Sanitation Systems)</p> <p>All other classes: pay \$80.00</p>		

SECTION	C	PROFESSIONALS
<p>These rates apply to all professional businesses with a business location in the city. Professional businesses are listed in the Santa Barbara Municipal Code or classified as professional in the Directory of the Occupational Titles. The minimum is \$100.00 in this classification. Professionals from outside the city pay the minimum rate.</p> <ol style="list-style-type: none"> For the first person, and each additional professional (partner or paid commission basis) pay \$100.00. For each salaried professional or semi-professional, pay \$40.00. For each non-professional or clerical, pay \$20.00. 		

SECTION	D	RENTAL PROPERTIES
<p>The tax amount is \$15.00 for the first \$10,000 annual gross rent estimate, and \$1.00 for each additional \$1,000 or fraction thereof.</p>		

SECTION	E	REAL ESTATE
<ol style="list-style-type: none"> Each broker must pay \$100.00, plus \$40.00 for each salaried agent and \$20.00 for each clerical or non-licensed employee. Each sales agent must pay \$40.00. Brokers or sales agents whose business office is located outside the city must pay \$10.00 for each transaction involving property in the city (maximum \$100.00 for brokers, \$40.00 for sales agents). <p>REAL ESTATE DEVELOPERS - Fee is based on value of building permits on land located within the city. If permit value is \$0 to \$250,000, fee is \$100.00. If permit value is \$250,001 to \$500,000, fee is \$150.00. If permit value is \$500,001 or more, fee is \$200.00.</p>		

SECTION	F	SPECIAL CATEGORIES
<p>These businesses require special permits or registration:</p> <p>Approval is required prior to beginning business operations -</p> <ul style="list-style-type: none"> Dances, Dance Halls, Café Entertainment Dating and Escort Services Firearms Sales Fortunetellers Massage Establishments or Practitioners Paratransit Service (Taxi, Limousine, etc.) Peddlers Private Handbill Distributor Video Arcade and Electronic Game Machines <p>Limited operation may be permitted pending approval -</p> <ul style="list-style-type: none"> Coin-operated machines (vending or amusement) Pawnbrokers Pool and Billiard Rooms Secondhand or Junk Dealers Towing Service Uniformed Security/Private Patrol Operators 		

City of Santa Barbara Business License Information Sheet for the Art Community

The City of Santa Barbara is currently in the process of addressing questions and concerns regarding the Business License requirements for Artists. The most recent mass mailing from the City's audit firm, Muni Services, has created some confusion with the Artist Community. City staff would like the opportunity to address these concerns and clarify any misunderstanding of the City's business license program.

The City has contracted for business license audit services with Muni Services for the past two years. The Business License Audit Program is a comprehensive revenue audit program and general mailings are sent out to all the businesses identified by Muni Services as potentially non-compliant with the City's Municipal Code related to the assessment and collection of business license taxes. Muni Services does not target specific groups or segments of the business community.

City staff anticipates working with the various Artist organizations over the next several weeks to help continue to clarify the business license requirements and to provide an opportunity for feedback. We recognize that many local artists are likely not aware that they may have been subject to a City business license tax, so we will be flexible with respect to the penalties that would normally be assessed.

In the meantime, the following questions and answers may help to better inform the artist community of the City's business license regulations.

When is a business license required?

If an artist is conducting business within the City of Santa Barbara and meets one or more of the following criteria, they are subject to a business license tax. If none of these criteria are met, they are exempt.

1. The artist holds a Seller's Permit with the State Board of Equalization.
2. The artist has filed a Fictitious Name Statement (DBA-Doing Business As) with the County Clerk Recorder's Office.
3. The artist conducts business in the City of Santa Barbara. This would include the following scenarios:
 - a. They have a storefront in SB.
 - b. Their place of business is their home and they live in SB.
 - c. They live outside SB and have no storefront in SB, but sell their art in SB.
 - d. They have created a website for the purpose of selling their art and deliver their art to customers in SB.
4. The artist files a 'Schedule C -Business Profit/Loss Statement' with their State/Federal Tax returns.

These criteria are designed to distinguish between those who are **actively engaged in the sale of art as a business enterprise** vs. those for whom it is just a hobby. We believe the criteria are a good indication of whether someone is "in the business" of selling art or not. Obviously, there can be some gray areas, so we also apply some judgment when necessary.

For example, there are many artists who sell their art at consignment shops or galleries but otherwise are not actively engaged in the business (as determined by the criteria above). These artists will not need to obtain a business license.

How much is the business license tax?

For those artists who consider themselves a “professional artist”, the amount of tax is \$100.00 per year, pursuant to the Municipal Code section 5.04.420.

For all other artists, the amount of tax is based on gross receipts with a minimum tax of \$30 for the Arts/Crafts – Home Occupation category (5.04.450). However, for businesses with annual gross receipts of \$1,200 or less, the amount of tax is \$5.00 (Section 5.04.730)

Are there any exemptions?

The Municipal Code does exempt certain businesses from the tax entirely.

1. Charitable, Educational, or Religious Organizations (Section 5.04.690)
2. Minors – Sixteen (16) years and younger (Section 5.04.740)
3. Disabled Veterans (Section 5.04.750)
4. Disabled Persons (Section 5.04.760).

An exemption is also provided for all Veterans per the State Business and Professions Code Section 16001.7

How much are the penalties for late payment or a failure to pay?

Pursuant to the Municipal code section 5.04.370, the penalties for failure to pay the tax on or before the delinquency date shall be 10% for each month the tax is delinquent and an additional 10% for each month thereafter; provided, that the amount of the such penalty added shall in no event exceed 100% of the tax to which penalty rates herein provided for have been applied.

Do I have to pay penalties if I was unaware of the BL requirement?

City staff has some discretion on assessing penalties for those businesses not in compliance with the Business License ordinance. Staff will continue to evaluate to what extent penalties can be waived in these cases.

What if I am donating art that is later sold?

Donating art to a non-profit does not constitute a sale by the artist. So, the mere act of donating art does not subject an artist to the tax even if the non-profit sells it and makes money on it. Again, it’s whether the artist meets any of the criteria above that determine whether an artist is subject to the tax. Additionally, while non-profits are required to register with the City as a “business”, they are NOT subject to a business license tax.

What if I live outside of the City limits and sell my art in the City?

The rules governing the application of business license taxes mirror the rules and laws established by the State governing the collection and allocation of sales taxes.

The general rule is that the place of business is determined not by where the artist lives but where the business is conducted. So, if an artist lives in Goleta but sells their art within the City of Santa Barbara, they would be subject to the City business license tax.

If an artist has a website through which he/she sells artwork, the place of business is determined by the point of delivery. Again, this is consistent with State laws governing the collection and allocation of sales taxes arising from internet transactions.

Note that if an artist is conducting business in multiple jurisdictions, the artist may want to contact the other jurisdictions to determine the applicable business license requirements.

What if I am participating in a special event?

If you do not have a City Business License, a One Day Vendor's License can be issued for special events in the amount of \$10 per day by the City. The One Day Vendor's License application and \$10 per day fee can also be collected by the event promoter for remittance to the City. If you have a City Business License, a special event "One Day Vendor's License" is still required for display at the event; however, the \$10 per day fee is waived.

What if I only sell my art or craft at the Santa Barbara Arts and Crafts Show?

Artists and craftsmen who sell their goods solely at that Santa Barbara Arts and Crafts show are specifically exempt from paying a business license tax pursuant to Municipal Code section 15.08.160. However, they are required to pay the applicable fees to the Santa Barbara Parks and Recreation Department pursuant to the same code section.

Why did I receive a letter from the audit firm, Muni Services?

Our audit firm, Muni Services, has access to various public records identifying businesses that meet the criteria above – that is, businesses that have filed a DBA with the County, have a seller's permit, have filed a Schedule C with the IRS and FTB, or have a website for the purpose of selling. If an artist does not meet any of these criteria, they would not be identified by our auditors.

Does the audit firm share the Business License information with the IRS or the Franchise Tax Board?

No, Muni Services does not provide business tax information to the IRS or the Franchise Tax Board.

Who do I contact if I have any questions regarding the business license tax?

City of Santa Barbara, Business License Office
735 Anacapa St, Santa Barbara, CA 93102
Ph: 805-564-5346

http://www.santabarbaraca.gov/business/license/tax_application/default.asp



CITY OF SANTA BARBARA

CITY COUNCIL AGENDA REPORT

AGENDA DATE: October 7, 2014

TO: Mayor and Councilmembers

FROM: Administration Division, Finance Department

SUBJECT: Launch Of Online Financial Transparency System

RECOMMENDATION:

That Council receive a report and demonstration of OpenGov, the City's new Online Financial Transparency System.

DISCUSSION:

In recent years, there has been a growing movement toward increased government transparency. In order to help provide greater transparency, new web-based systems were developed to help make government finances more understandable by the general public. These new systems provide greater financial transparency for governmental entities by displaying their financial data in a user-friendly platform, with interactive charts and graphics, accessible to the public via their website.

Staff from the City Administrator's Office and the Finance Department conducted a thorough review of various vendors offering online financial transparency systems. Staff received demonstrations from three major financial transparency vendors (OpenGov, Socrata, and Mo'Mix) and contacted a few others (Neubrain and Budget Infographics) to review their services.

After evaluating the various products and receiving feedback from the City's management regarding the systems, OpenGov was determined to be the most simple, user-friendly, and economical solution. OpenGov has implemented their financial transparency platform with numerous governmental agencies throughout the United States and California, including the City of Los Angeles, Anaheim, Beverly Hills, and Riverside.

Overview of the Online Financial Transparency System

The system offers two major views:

- Annual – shows the City’s financial activity by year from Fiscal Year 2010 to Fiscal Year 2015 (amended budget)
- Current Year – shows it by month and year through the most current month of closed financial activity. This includes monthly data from Fiscal Year 2010 to Fiscal Year 2015 (amended budget and actual).

Both views allow the public to dynamically graph the City’s financial activity by fund, department, project, and expense type.

Launch of the Online Financial Transparency System will coincide with staff’s presentation to Council on October 7.

BUDGET/FINANCIAL INFORMATION

The online financial transparency system is provided by an annual subscription service at a cost of \$11,000 per year. This pricing includes all installation and implementation costs and is competitive and comparable to the cost of this service for other agencies.

Sufficient appropriations for the system are included in the adopted Finance Department 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

COUNCIL AGENDA REPORT

AGENDA DATE: October 7, 2014

TO: Mayor and Councilmembers

FROM: Planning Division, Community Development Department

SUBJECT: Average Unit-Size Density Incentive Program Review Process

RECOMMENDATION:

That Council introduce and subsequently adopt, by reading of title only, An Ordinance of the Council of the City of Santa Barbara Amending Section 22.22.133 of the Santa Barbara Municipal Code Regarding Historic Landmarks Commission Referral to Planning Commission and Amending Chapter 28.20 of the Santa Barbara Municipal Code Establishing Planning Commission Review of Certain Rental Housing Projects Proposed in Accordance with the Average Unit-Size Density Incentive Program.

EXECUTIVE SUMMARY:

The proposed Average Unit-Size Density (AUD) Ordinance Amendment establishes a requirement for Planning Commission conceptual review of High Density or Priority Housing Overlay rental housing projects on sites of 15,000 square feet or more.

The proposed Historic Landmarks Commission (HLC) Ordinance Amendment would allow the HLC to refer any project (not just residential projects) to the Planning Commission for comments, and would clean up some out-of-date text.

DISCUSSION:

Background

The Average Unit-Size Density (AUD) Incentive Program was adopted by City Council in July 2013. The AUD is a General Plan initiative intended to support needed residential development, particularly rental units, in the community. The AUD program encourages housing by allowing increased densities based on unit size: the smaller the average unit size for the project, the greater the density allowed. Additionally, development standard incentives related to parking, setbacks, building height, distance between buildings, and open space are provided to help make the construction of additional residential units possible. The approach taken to develop the AUD Program involved policy tradeoffs that make AUD projects potentially more controversial.

One key objective of the AUD Program is to promote non-subsidized rental housing development. Generally, rental units do not require review or specific approvals from the Planning Commission and instead are reviewed and approved by either the Architectural Board of Review (ABR) or Historic Landmarks Commission (HLC). Currently, Planning Commission action is only required for housing projects that involve condominiums, or mixed use projects (with rental housing) if the new commercial space is more than 3,000 square feet. Development projects may be referred to the Planning Commission for comments by either the ABR or HLC at their discretion, pursuant to Santa Barbara Municipal Code Sections 22.68.050 and 22.22.133, respectively. Applicants may also voluntarily seek comments from the Planning Commission on any project.

Beginning in September 2013, the Council expressed a desire to have the Planning Commission be more involved in reviewing significant rental housing projects that are using the AUD Program. Since that time, Planning staff has met with the HLC, ABR and Planning Commission to discuss the review process for AUD projects.

On March 4, 2014, the City Council reviewed various options for involving the Planning Commission in AUD project review. The Council voted 5 to 2 to refer the issue to the Ordinance Committee to identify parameters for requiring Planning Commission review of AUD projects, with direction that the Planning Commission review would be conceptual only and would not be appealable. The Council also directed that only projects in the High Density Residential or Priority Housing Overlay areas would be subject to mandatory Planning Commission review.

Staff developed thresholds that would trigger Planning Commission review of certain AUD rental projects, and on May 6, 2014, the Ordinance Committee recommended (on a 2 to 1 vote) that City Council consider implementing those thresholds.

On June 24, 2014, the City Council reviewed the recommended thresholds and directed staff to draft an Ordinance to implement the identified review process.

On August 14, 2014 the Planning Commission reviewed the draft Ordinance and recommended that the City Council adopt the Ordinance Amendments as proposed by staff (see Attachment 1 – Planning Commission Resolution).

AUD Ordinance Amendment

In summary, the AUD Ordinance Amendment makes Planning Commission concept review of AUD rental projects a requirement when the following two conditions are met:

1. The project is being developed under the High Density or Priority Housing Overlay designation; and
2. The project site (defined as the lot area of all parcels included in the proposed development) is 15,000 square feet or greater.

Planning Commission review would be conceptual in nature, with majority comments forwarded to the appropriate design review board, and would not be appealable.

The proposed Ordinance Amendment would also require that a Pre-Application Review Team (PRT) application be submitted prior to Planning Commission review so that Land Development Team staff (i.e. Planning, Building & Safety, Transportation, Engineering, Fire) can review the project in a coordinated manner and provide a written report to the Planning Commission. Refer to Attachment 2 for a flowchart of the proposed review process.

HLC Ordinance Amendment

Staff is also recommending changes to Municipal Code Section 22.22.133, which are not in any way related to AUD projects, but are clean-up amendments that were recently identified.

As Municipal Code Section 22.22.133 is currently written, the HLC can only refer **residential** projects proposed on highly visible sites to the Planning Commission for review and comment. Staff recommends amending Section 22.22.133 to delete the adjective “residential” from the section. This minor amendment would give the HLC authority to refer any project proposed on a highly visible site to the Planning Commission and would mirror the authority currently held by the ABR pursuant to Section 22.68.050 of the Municipal Code. Additional minor amendments are proposed to update the text to use our current terminology for design review approvals.

Environmental Review

The Final Program Environmental Impact Report (FEIR) for the Plan Santa Barbara General Plan Update was certified by the Planning Commission September 2010 and by the City Council December 2011. The FEIR evaluated citywide effects on the environment from growth to the year 2030 under the proposed General Plan policies (up to 1.35 million feet of net additional non-residential and up to 2,800 additional housing units).

A Statement of Overriding Considerations was adopted by the City Council for the 2011 General Plan, finding that the significant environmental effects of citywide development under the 2011 General Plan were outweighed by the benefits of the Plan and therefore deemed acceptable. The Statement of Overriding Considerations remains applicable for the proposed ordinance amendments.

California Environmental Quality Act (CEQA) Statutes Section 21083.3 and CEQA Guidelines Section 15183 provide that projects that are consistent with the development density established by General Plan policies and zoning for which an EIR was certified shall not require additional environmental review except as needed for project-specific effects peculiar to the project and not covered by the General Plan EIR.

The proposed AUD and HLC ordinance amendments are within the scope of review for the General Plan Update and FEIR. City Staff has determined that the proposed implementing ordinance amendments do not trigger additional environmental review requirements for the following reasons: There are no additional project-specific significant effects which are peculiar to the proposed amendments; there are no new significant effects not addressed in the prior FEIR; and there is no new information since the FEIR that would involve more significant impacts than identified in the FEIR.

Based on this analysis, no further environmental document is required for this project pursuant to the California Environmental Quality Act (Public Resources Code §21083.3 and Code of Regulations §15183- Projects Consistent with the General Plan) and the CEQA Certificate of Determination (Attachment 3). The City Council environmental findings adopted for the 2011 General Plan apply to this project. A City Council finding that the project qualifies for the §15183 CEQA determination is required.

BUDGET/FINANCIAL INFORMATION:

Implementation of the Ordinance Amendment regarding Planning Commission review of certain AUD Projects will result in additional workload for the Planning Division, as well as other Land Development Team staff. It is anticipated that the additional workload can be handled by existing staff. However, applicants will be required to pay fees to partially offset the cost of the review process.

The AUD Program is intended to be an incentive program, and therefore required fees are lower than those typically required for a similar-sized condominium project. The proposed fee for the new required review process would be \$2,820, which is the cost for a Planning Commission concept review hearing and would include the PRT review.

- ATTACHMENT(S):**
1. Planning Commission Resolution No. 021-14 – August 14, 2014
 2. AUD Review Process Flowchart
 3. CEQA Certificate of Determination

PREPARED BY: Allison De Busk, Project Planner

SUBMITTED BY: George Buell, Community Development Director

APPROVED BY: City Administrator's Office



City of Santa Barbara California

CITY OF SANTA BARBARA PLANNING COMMISSION

RESOLUTION NO. 021-14

CITYWIDE

RECOMMENDATION TO CITY COUNCIL ON MUNICIPAL CODE AMENDMENTS RELATED TO THE AVERAGE UNIT-SIZE DENSITY INCENTIVE PROGRAM AND HISTORIC LANDMARKS COMMISSIONER REFERRAL TO PLANNING COMMISSION AUGUST 14, 2014

MUNICIPAL CODE AMENDMENTS RELATED TO THE AVERAGE UNIT-SIZE DENSITY INCENTIVE PROGRAM AND HISTORIC LANDMARKS COMMISSION REFERRAL TO PLANNING COMMISSION.

In 2011, the City Council adopted the General Plan Update, including policies to locate new residential development near services and encourage the construction of affordable units through the Average Unit-Size Density (AUD) Incentive Program. This program allows increased density and development standard incentives to facilitate the construction of smaller residential units in selected multi-family and commercial zones. Chapter 28.20 was added to the Santa Barbara Municipal Code on August 9, 2013 to implement the AUD Incentive Program.

The purpose of this hearing was to present proposed amendments to Title 28 of the Municipal Code to establish parameters for requiring Planning Commission concept review of AUD rental projects in the High Density and Priority Housing Overlay areas on project sites of 15,000 square feet or greater.

The Planning Commission also considered an amendment to Title 22 of the Municipal Code to give the Historic Landmarks Commission authority to refer any project proposed on a highly visible site to the Planning Commission.

The Planning Commission recommendations will be forwarded to the City Council for their consideration and adoption later this year.

WHEREAS, the Planning Commission held the required public hearing on the above application; and

WHEREAS, no one appeared to speak in favor of the recommendation, and no one appeared to speak in opposition thereto, and the following exhibits were presented for the record:

1. Staff Report with Attachments, August 7 2014.
2. Correspondence received in opposition to or with concerns:
 - a. Jamie Bishop, via email
 - b. Shella Comin-DuMong, Chance Housing, via email

NOW, THEREFORE BE IT RESOLVED that the City Planning Commission:

Recommended that City Council consider adoption of the Municipal Code Amendments Related to the Average Unit-Size Density Incentive Program and Historic Landmarks Commission Referral to Planning Commission with two minor textual changes to Section 22.22.133.A

PLANNING COMMISSION RESOLUTION No. 021-14

RECOMMENDATION TO CITY COUNCIL ON MUNICIPAL CODE AMENDMENTS TO THE AVERAGE UNIT-SIZE DENSITY INCENTIVE PROGRAM AND HISTORIC LANDMARKS COMMISSION REFERRAL TO PLANNING COMMISSION

AUGUST 14, 2014

PAGE 2

This motion was passed and adopted on the 14th day of August, 2014 by the Planning Commission of the City of Santa Barbara, by the following vote:

AYES: 6 NOES: 0 ABSTAIN: 0: 1 (Campanella)

I hereby certify that this Resolution correctly reflects the action taken by the city of Santa Barbara Planning Commission at its meeting of the above date.

Julie Rodriguez, Planning Commission Secretary

Date

PLEASE BE ADVISED:

Proposed AUD Review Process Flow Chart
For High Density or Priority Housing Overlay Projects
on Project Sites \geq 15,000 Square Feet





City of Santa Barbara

CEQA CERTIFICATE OF DETERMINATION

To: File: Average Unit-Size Density Incentive Program

From: Allison De Busk, Project Planner, (805) 564-5470, ext. 4552

Subject: Certificate of Determination for Exemption from Environmental Review under CEQA Guidelines Section 15183

Project Location: City of Santa Barbara, County of Santa Barbara **General Plan Designation(s):** Various

Assessor's Parcel Number(s): Various **Zone(s):** Various

Project Applicant: City of Santa Barbara

Project Description: Ordinance Amendments to Titles 22 and 28 of the Santa Barbara Municipal Code. Proposed amendments to Title 22, Section 22.22.133 would allow the Historic Landmarks Commission to refer any project (not just residential projects) to the Planning Commission for comments and would clean up some out of date text. Proposed amendments to Title 28, Chapter 28.20 would establish a requirement for Planning Commission concept review of High Density or Priority Housing Overlay rental projects proposed in accordance with the Average Unit-Size Density (AUD) Incentive Program.

Project Environmental Findings: The City of Santa Barbara evaluated the proposed project and made the following determinations:

1. The project is consistent with the density established for the site in the City of Santa Barbara General Plan.
2. A Program Environmental Impact Report was certified for the 2011 General Plan, which identified environmental effects of future citywide development under the General Plan, including significant effects, mitigated effects, and insignificant effects.
3. Pursuant to CEQA and CEQA Guidelines (Public Resources Code Section 21083.3 and California Code of Regulations, Title 14, Division 6, Chapter 3, Section 15183), environmental review for this project shall be limited to examination of any significant project-specific environmental effects not analyzed in the prior Environmental Impact Report for the 2011 General Plan.
4. Project-specific impacts:
 - The project will not result in significant project-specific environmental effects.
 - Potentially significant project-specific environmental effects will be substantially mitigated by uniformly applied development standards or policies and/or measures proposed as part of the project description, as identified in the *Preliminary Review* documentation. The project will not result in significant project-specific effects.
5. Mitigation measures:
 - Relevant mitigation measures from the General Plan Program EIR have been made part of the project.
 - No mitigation measures from the General Plan Program EIR are relevant or have been made part of the project.
6. A mitigation monitoring and reporting plan [was was not] adopted for this project.
7. A Statement of Overriding Considerations was adopted by City Council for the 2011 General Plan (Resolution 11-079), finding that the significant cumulative environmental effects of citywide development under the 2011 General Plan were outweighed by the benefits of the Plan and therefore deemed acceptable. The Statement of Overriding Considerations remains applicable for the current project.
8. Findings were made pursuant to the provisions of CEQA.

Exempt Status: Exempt per Section 15183 of the California Environmental Quality Act (CEQA) Guidelines (Projects Consistent with Community Plan or Zoning) and CEQA Statute (Section 21083.3 of California Public Resources Code)

The Program Environmental Impact Report for the 2011 General Plan and the record of current project permit review process may be viewed by the public at the City Planning Division office at 630 Garden Street, Santa Barbara.

	Project Planner	10-1-14
Signature (City of Santa Barbara)	Title	Date

ORDINANCE NO. _____

AN ORDINANCE OF THE COUNCIL OF THE CITY OF SANTA BARBARA AMENDING SECTION 22.22.133 OF THE SANTA BARBARA MUNICIPAL CODE REGARDING HISTORIC LANDMARKS COMMISSION REFERRAL TO PLANNING COMMISSION AND AMENDING CHAPTER 28.20 OF THE SANTA BARBARA MUNICIPAL CODE ESTABLISHING PLANNING COMMISSION REVIEW OF CERTAIN RENTAL HOUSING PROJECTS PROPOSED IN ACCORDANCE WITH THE AVERAGE UNIT-SIZE DENSITY INCENTIVE PROGRAM

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

SECTION 1. Section 22.22.133 of the Santa Barbara Municipal Code is amended to read as follows:

22.22.133. Historic Landmarks Commission Referral of Residential Projects to Planning Commission.

A. **PLANNING COMMISSION COMMENTS.** When the Historic Landmarks Commission determines that a ~~residential~~ development is proposed for a site which is highly visible to the general public, the Historic Landmarks Commission may, prior to granting ~~preliminary~~ project design approval of the application, require presentation of the application to the Planning Commission solely for the purpose of obtaining comments from the Planning Commission regarding the application for use by the Historic Landmarks Commission in its deliberations.

B. **PLANNING COMMISSION NOTICE AND HEARING.** Prior to making any comments regarding an application pursuant to this Section, the Planning Commission shall hold a noticed public hearing. Notice of the hearing shall be provided in accordance with the requirements of Section 22.22.132.

SECTION 2. Section 28.20.020 of the Santa Barbara Municipal Code is amended to read as follows:

Section 28.20.020 Definitions.

For purposes of this Chapter 28.20, the following words or phrases shall have the respective meanings assigned to them in the following definitions unless, in a given instance, the context in which they are used indicates a different meaning:

A. Affordable Housing. Residential units that are sold or rented at values defined as being affordable by the City of Santa Barbara's Affordable Housing Policies and Procedures, as such policies and procedures may be approved by the City Council from time to time.

B. Average Unit Size. The total of the net floor area of each of the residential units in a project and divided by the number of residential units in that project.

C. Community Benefit Housing. Residential development that has a public benefit including the following housing types:

1. Priority Housing;
2. Housing affordable to low, moderate, or middle income households as defined in SBMC Chapter 28.43; and
3. Transitional Housing, affordable efficiency dwelling units (as described in Section 28.87.150 of this Code), and Supportive Housing which supports special needs populations such as housing for seniors, the physically or mentally disabled, the homeless, or children aging out of foster care.

D. Employer Sponsored Housing. Residential units which are developed, owned, maintained, and initially sold or rented to employees of a local Employer (or group of employers) where each residential unit is occupied as a primary residence (as defined by federal income tax law) by a household that includes at least one person who works on the south coast region of Santa Barbara County.

E. Net Floor Area. For purposes of this Average Unit-Size Density Program, net floor area is the area in square feet of all floors confined within the exterior walls of a residential unit, but not including the area of the following: exterior walls, vent shafts, courtyards, garages, carports, common areas not controlled by the occupant of an individual residential unit, and any areas with a ceiling height of less than five (5) feet above the finished floor. In addition, the area occupied by stairs or an elevator shaft within the exterior walls of a residential unit shall be counted only on one floor of the residential unit.

F. Limited-Equity Housing Cooperative. A corporation organized on a cooperative basis that meets the requirements of state Civil Code § 817 and which restricts the resale price of the cooperative's shares in order to maintain a specified level of affordability to any new shareholder.

G. Local Employer. A person, business, company, corporation or other duly formed legal entity which employs persons whose primary place of employment is located within the South Coast region of Santa Barbara County.

H. Priority Housing. Priority Housing includes the following three categories of housing: 1. Employer-Sponsored Housing; 2. Limited-Equity Housing Cooperatives; and 3. Rental Housing.

I. Project Site. All lots included within a project proposed in accordance with the Average Unit-Size Density Incentive Program.

IJ. Rental Housing. Housing developed and maintained as multiple dwelling units on the same lot for occupancy by separate households pursuant to a lease on other rental agreements where all dwelling units are owned exclusively by the same legal entity.

JK. Supportive Housing. As defined in state Health and Safety Code Section 50675.14(b)(2).

KL. Transitional Housing. That type of Supportive Housing that is re-circulated to other eligible program participants as specified and defined in state Health and Safety Code Section 50675.2(h).

SECTION 3. Chapter 28.20 of Title 28 of the Santa Barbara Municipal Code is amended by adding Section 28.20.080 to read as follows:

28.20.080 Planning Commission Review of Rental Housing Projects

A. Planning Commission Review. The Planning Commission shall review all rental housing projects proposed in accordance with the provisions of the Average Unit-Size Density Incentive Program when both of the following criteria are satisfied:

1. Any lot within the project site has a High Density Residential land use designation or the project is being proposed under the Average Unit-Size Density Incentive Program Priority Housing Overlay, and

2. The project site has a combined net lot area of 15,000 square feet or greater.

B. Review by Pre-Application Review Team. All Average Unit-Size Density Incentive Program projects subject to Planning Commission review pursuant to this Section 28.20.080 shall be reviewed by the Pre-Application Review Team as provided in Section 27.07.070 of this Code.

C. Timing of Review. The Planning Commission review pursuant to this Section 28.20.080 shall occur after review of the project by the Pre-Application Review Team and after the initial concept review by the Architectural Board of Review or Historic Landmarks Commission, as applicable. The project applicant may elect to have additional concept reviews by the applicable design review body, prior to the review by

the Planning Commission. If an Average Unit-Size Density Incentive Program project requires a discretionary approval by the Planning Commission pursuant to any other provision of this Code, then the review required pursuant to this Section 28.20.080 may be combined with the hearing for the other discretionary approval required for the project.

D. Hearing Procedures. The Planning Commission shall conduct its review at a public hearing noticed in accordance with Section 28.87.380 of this Code. The Planning Commission shall receive a written report from the Pre-Application Review Team concerning the proposed design and improvement of the project and the project's consistency with the City's General Plan. The Planning Commission shall provide comment and recommendation by majority vote regarding the proposed design and improvement of the project and the project's consistency with the City's General Plan. The Planning Commission comments and recommendations are intended for use by the applicable design review body in their deliberations.

E. Communication to Design Review Body. Following the Planning Commission review hearing, the Community Development Department staff shall communicate the Planning Commission's comments and recommendations to the applicable design review body.

F. Additional Planning Commission Review. If a project is subject to Planning Commission review pursuant to this Section 28.20.080, the Historic Landmarks Commission cannot elect to refer the project to the Planning Commission pursuant to Section 22.22.130 and the Architectural Board of Review cannot elect to refer the project to the Planning Commission pursuant to Section 22.68.050. However, the project applicant may request an additional concept review of the project by the Planning Commission.

SECTION 4. The provisions of Section 28.20.080, as expressed in this ordinance, shall only apply to a project if the project's first concept review before the Architectural Board of Review or Historic Landmarks Commission occurs after the effective date of this ordinance.

SECTION 5. The City Council of the City of Santa Barbara makes the following findings in accordance with the California Environmental Quality Act regarding the adoption of the proposed Zoning Ordinance Amendments:

1. A Program Final Environmental Impact Report (FEIR) was certified for the 2011 General Plan, and includes EIR Addenda prepared and considered by City Council as part of adoption of the final 2011 General Plan (12-1-11), Climate Action Plan (9-18-12), and Historic Resources Element (10-2-12).

2. Public Resources Code Section 21083.3 and CEQA Guidelines Section 15183 provide that projects which are consistent with the development density established by General Plan policies for which a FEIR was certified shall not require additional environmental review except under specified instances.

3. The City Environmental Analyst determined that the proposed zoning ordinance amendments do not trigger additional environmental review requirements for the following reasons:

a. There are no additional site-specific or project-specific significant effects which are peculiar to the proposed zoning amendments;

b. There are no new significant effects not addressed in the prior FEIR; and

c. There is no new information since the FEIR that would involve more significant impacts than identified in the FEIR.

Environmental review for the proposed zoning ordinance amendments is addressed by the General Plan FEIR and Addenda, and no further environmental review is required.

4. The City Planner is the custodian of the record of proceedings for the General Plan Update FEIR, the Addenda, and the documents and other materials which constitute the record of proceedings for these City actions are located at the City of Santa Barbara Community Development Department, Planning Division, 630 Garden Street, Santa Barbara, California. Copies of these documents are available for public review during normal business hours upon request at the office of the City of Santa Barbara Community Development Department, Planning Division.