

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 28, 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
- 12:30 p.m. - Ordinance Committee Meeting, Council Chamber
- 2:00 p.m. - City Council Meeting
- 4:00 p.m. - Interviews for City Advisory Groups (Estimated Time)

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

1. Subject: Banking Services Agreement

Recommendation: That the Finance Committee:

- A. Consider and recommend to the City Council the approval of a three-year contract with Union Bank to provide banking services for the period of January 1, 2015, through December 31, 2017; and
- B. Consider and recommend to the City Council the approval of a three-year contract with Brinks Security to provide armored car services for a period of January 1, 2015, through December 31, 2017.

2. Subject: September 30, 2014, Investment Report And September 30, 2014, Fiscal Agent Report

Recommendation: That Finance Committee recommend that Council:

- A. Accept the September 30, 2014, Investment Report; and
- B. Accept the September 30, 2014, Fiscal Agent Report.
(See Council Agenda Item No. 5)

ORDINANCE COMMITTEE MEETING - 12:30 P.M. IN THE COUNCIL CHAMBER (120.03)

Subject: Follow Up On Sidewalk Behavior And Panhandling Ordinances (120.03)

Recommendation: That the Ordinance Committee:

- A. Review draft ordinance amendments to the State Street Sitting and Lying Down Ordinance and the Abusive Panhandling Ordinance and forward recommendations to City Council; and
- B. Review proposed ordinances to prohibit public urination and defecation and to authorize the Library Director to promulgate facility specific regulations and forward recommendations to City Council.
(Continued from October 21, 2014)

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

CALL TO ORDER

PLEDGE OF ALLEGIANCE

ROLL CALL

CEREMONIAL ITEMS

1. **Subject: Proclamation Declaring October 25-31, 2014, As Santa Barbara Fighting Back Red Ribbon Week (120.04)**

CHANGES TO THE AGENDA

PUBLIC COMMENT

CONSENT CALENDAR

2. **Subject: Minutes**

Recommendation: That Council waive further reading and approve the minutes of the regular meeting of October 14, 2014.

3. **Subject: Adoption Of Ordinance For 2014-2017 Treatment And Patrol Memorandum Of Understanding (440.02)**

Recommendation: That Council adopt, by reading of title only, An Ordinance of the Council of the City of Santa Barbara Adopting the 2014-2017 Memorandum of Understanding Between the City of Santa Barbara and the Patrol Officers' and Treatment Plants' Bargaining Units (TAP Units).

CONSENT CALENDAR (CONT'D)

4. Subject: Introduction Of Ordinance Approving Grant Agreements For Storm Water Infiltration Projects And The Clean Water State Revolving Fund Financing Agreements (540.10)

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 Ratifying the Grant Agreements and the Clean Water State Revolving Fund Financing Agreements Between the City of Santa Barbara and the State Water Resources Control Board That Were Authorized by City Council Resolution Nos. 07-033, 07-043, 12-088, 14-056, 14-057, 09-013, and 09-090 (as Amended by Resolution No. 10-089.)

5. Subject: September 30, 2014, Investment Report And September 30, 2014, Fiscal Agent Report (260.02)

Recommendation: That Council:

- A. Accept the September 30, 2014, Investment Report; and
- B. Accept the September 30, 2014, Fiscal Agent Report.

6. Subject: Agreement For Fats, Oils, And Grease Inspection Services For Food Services Establishments (540.13)

Recommendation: That Council authorize the Public Works Director to execute a City Professional Services Agreement with the Wallace Group in the amount of \$111,563 for fats, oils, and grease inspection services for the City's food service establishments, and authorize the Public Works Director to approve expenditures of up to \$11,156 for extra services that may result from necessary changes in the scope of work.

7. Subject: Contract For Asset Management Support Services For The El Estero Wastewater Treatment Plant (540.13)

Recommendation: That Council authorize the Public Works Director to execute a contract with Carollo Engineers, Inc., in the amount of \$238,986 to provide asset management support services for the El Estero Wastewater Treatment Plant, and authorize the Public Works Director to approve expenditures of up to \$23,899 for extra services of Carollo Engineers, Inc., that may result from necessary changes in the scope of work, for a total not-to-exceed amount of \$262,885.

CONSENT CALENDAR (CONT'D)

8. Subject: Capital Improvement Projects: First Quarter Report For Fiscal Year 2015 (230.01)

Recommendation: That Council receive the City's Capital Improvement Projects First Quarter Report for Fiscal Year 2015.

NOTICES

9. The City Clerk has on Thursday, October 23, 2014, posted this agenda in the Office of the City Clerk, on the City Hall Public Notice Board on the outside balcony of City Hall, and on the Internet.

This concludes the Consent Calendar.

REPORT FROM THE FINANCE COMMITTEE

REPORT FROM THE ORDINANCE COMMITTEE

PUBLIC HEARINGS

10. Subject: Renewal Of The Santa Barbara South Coast Tourism Business Improvement District (290.00)

Recommendation: That Council:

- A. Adopt, by reading of title only, A Resolution of the City Council of the City of Santa Barbara Declaring Results of Majority Protest Proceedings and Renewing the Santa Barbara South Coast Tourism Business Improvement District;
- B. Adopt the 2015-2020 Santa Barbara South Coast Tourism Business Improvement District Management District Plan;
- C. Approve a contract with Visit Santa Barbara for the provision of duties, responsibilities and objectives as specified in the 2015-2020 Santa Barbara South Coast Tourism Business Improvement District Management District Plan; and
- D. Adopt, by reading of title only, A Resolution of Intention of the City Council of the City of Santa Barbara Declaring its Intention to Modify the 2011-2015 Management District Plan of the Santa Barbara South Coast Tourism Business Improvement District and Fixing the Time and Place of a Public Meeting and a Public Hearing Thereon and Giving Notice Thereof.

CITY COUNCIL ADMINISTRATIVE AND ATTORNEY REPORTS

POLICE DEPARTMENT

11. Subject: Enhanced Safety Presence Options For The Downtown Corridor (520.04)

Recommendation: That Council provide direction to staff as to what Safety Presence option should be implemented in the downtown corridor.

CITY ATTORNEY

12. Subject: District Elections Ballot Measure (110.03)

Recommendation: That Council adopt, by reading of title only, A Resolution of the Council of the City of Santa Barbara Directing the City Clerk and City Attorney to Prepare All Necessary Actions and Documents to Enable the City Council to Place Before the Voters at the Next Regular Council Election in November 2015 the Question of Whether to Establish District Elections.

MAYOR AND COUNCIL REPORTS

13. Subject: Interviews For City Advisory Groups (140.05)

Recommendation: That Council:

- A. Hold interviews of applicants to various City Advisory Groups; and
- B. Continue interviews of applicants to November 11, 2014.
(Estimated Time: 4:00 p.m.; Continued from October 21, 2104, Item No. 13)

COUNCIL AND STAFF COMMUNICATIONS

COUNCILMEMBER COMMITTEE ASSIGNMENT REPORTS

ADJOURNMENT

CITY OF SANTA BARBARA

FINANCE COMMITTEE

MEETING AGENDA

DATE: October 28, 2014

TIME: 12:30 P.M.

PLACE: David Gebhard Public Meeting Room
630 Garden Street

Dale Francisco, Chair

Bendy White

Gregg Hart

Paul Casey
Acting City Administrator

Robert Samario
Finance Director/
Acting Assistant City Administrator

ITEMS TO BE CONSIDERED:

1. Subject: Banking Services Agreement

Recommendation: That the Finance Committee:

- A. Consider and recommend to the City Council the approval of a three-year contract with Union Bank to provide banking services for the period of January 1, 2015, through December 31, 2017; and
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- A. Accept the September 30, 2014, Investment Report; and
- B. Accept the September 30, 2014, Fiscal Agent Report.
(See Council Agenda Item No. 5)



CITY OF SANTA BARBARA

FINANCE COMMITTEE AGENDA REPORT

AGENDA DATE: October 28, 2014
TO: Finance Committee
FROM: Treasury Division, Finance Department
SUBJECT: Banking Services Agreement

RECOMMENDATION:

That the Finance Committee:

- A. Consider and recommend to the City Council the approval of a three-year contract with Union Bank to provide banking services for the period of January 1, 2015, through December 31, 2017; and
- B. Consider and recommend to the City Council the approval of a three-year contract with Brinks Security to provide armored car services for a period of January 1, 2015, through December 31, 2017.

DISCUSSION:

Banking Services

Banking services for the City are currently provided by Union Bank (UB). Previously, the City had a long term banking relationship with Santa Barbara Bank and Trust (SBB&T) which officially became part of UB on December 1, 2012. UB continued to honor the City's then existing contract which was scheduled to expire on February 28, 2014, which essentially waived all fees for services valued at approximately \$114,000 after an interest earning credit of \$30,000, annually. Thereafter, the City executed a ten-month contract with UB through December 31, 2014 for fees not to exceed \$78,000 and a waiver of all transportation related costs such as armored car and courier service valued at approximately \$58,000 annually. UB agreed to discounted fees in recognition of the City's previous long standing relationship with SBB&T. In contrast, over the past few years, the value of banking services has averaged approximately \$12,000 per month.

UB has now provided the City with a proposal for banking services and fees for the three-year period of January 1, 2015 through December 31, 2017. UB has proposed the same level of banking services that the City is currently receiving. The proposed fees for these services would be approximately \$11,600 per month based on the price

per unit of activity as set forth in the fee schedule (Attachment 1). The actual fees will vary on a month to month basis based on actual volume of banking activity.

During the past few months, City staff has taken the opportunity to reevaluate overall banking services and costs after considering the efficiencies provided by the City's new financial management software. Staff surveyed several other agencies and informally compared banking fees to determine the reasonableness of the fees proposed by UB. Although services vary from one agency to another, the fees proposed by UB appear to be equal to or lower overall in key banking services categories. In addition, staff feels that the Government Services Division of UB has been responsive to the needs of the City's municipal operations. After reevaluating the City's banking service needs, informally comparing fees and reviewing the ability of UB to provide ongoing responsive customer service, staff is recommending a three-year contract. During the proposed contract period, staff anticipates a continued effort in evaluating UB's services to take advantage of automation and to streamline business processes in an effort to reduce banking service costs.

Transportation Services

Armored car services have been provided by Brinks Security for a number of years and, UB is currently paying for and waiving those fees for the armored car services provided to the City's seven pick-up locations. The current transportation fees for Brinks Security are \$3,010 per month, or \$36,120 per year. These fees have remained at this level for the past several years and were lower than another provider when staff compared pricing. Brinks Security has proposed an annual contract at the current rates for continued armored car services. Staff is recommending continuing armored car services with Brinks for a period of three years.

In addition, the City uses courier services to transport utility billing payments to the UB lockbox location in Monterey Park. These payments are remitted to the local post office box in Santa Barbara and sent daily to Monterey Park for processing. The current cost for courier services is \$1,850 per month, or \$22,200 per year. Staff recommends continuing with a courier service, however, staff will evaluate the costs provided by area courier service companies before moving forward with a new contract.

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

BUDGET/FINANCIAL INFORMATION:

Banking services costs will be charged to the various City funds based on a cost allocation method that reflects services received by each fund. The cost impact to the General Fund would be approximately \$17,900 for the six months remaining in Fiscal Year 2015. An increase to appropriations will be brought to City Council in connection with the mid-year report since these costs were not previously budgeted. Similarly, budget appropriations will be requested for other impacted funds for their proportionate share of the costs.

ATTACHMENT: Banking and Transportation Cost Allocation Schedule by Fund

PREPARED BY: Genie Wilson, Treasury Manager

SUBMITTED BY: Robert Samario, Acting Assistant City Administrator

APPROVED BY: City Administrator's Office

Summary Allocation of Banking Fees							
Funds	Bank Srvc	Lockbox Srvc	Courier Srvc	Armored Srvc	Total	6 Mo Budget	12 Mo Budget
Creek Restoration/Water Quality	396.86				396.86	2,381.16	4,762.32
County Library	21.94				21.94	131.64	263.28
Water	1,810.90	1,024.09	615.71		3,450.70	20,704.19	41,408.38
Wastewater	587.96	1,024.09	615.71		2,227.76	13,366.55	26,733.10
Downtown Parking	366.10			451.69	817.79	4,906.74	9,813.48
Solid Waste Fund	52.71	1,024.09	615.71		1,692.51	10,155.05	20,310.10
Golf Course	29.94			451.69	481.63	2,889.78	5,779.56
Airport	562.45			451.69	1,014.14	6,084.84	12,169.68
Waterfront	410.81			451.69	862.50	5,175.00	10,350.00
General Fund	1,776.26			1,202.86	2,979.12	17,874.72	35,749.44
GRAND TOTAL - BANKING SERVICE FEES	6,015.93	3,072.28	1,847.12	3,009.62	13,944.95	83,669.67	167,339.34

CITY OF SANTA BARBARA

ORDINANCE COMMITTEE MEETING

MEETING AGENDA

DATE: October 28, 2014
TIME: 12:30 p.m.
PLACE: Council Chambers

Randy Rowse, Chair
Frank Hotchkiss
Cathy Murillo

Office of the City
Administrator

Office of the City
Attorney

Kate Whan
Administrative Analyst

Ariel Pierre Calonne
City Attorney

ITEM FOR CONSIDERATION

Subject: Follow Up On Sidewalk Behavior And Panhandling Ordinances

Recommendation: That the Ordinance Committee:

- A. Review draft ordinance amendments to the State Street Sitting and Lying Down Ordinance and the Abusive Panhandling Ordinance and forward recommendations to City Council; and
- B. Review proposed ordinances to prohibit public urination and defecation and to authorize the Library Director to promulgate facility specific regulations and forward recommendations to City Council.

(Continued from October 21, 2014)



CITY OF SANTA BARBARA

ORDINANCE COMMITTEE REPORT

AGENDA DATE: October 21, 2014

TO: Ordinance Committee

FROM: Ariel Pierre Calonne, City Attorney

SUBJECT: Follow Up On Sidewalk Behavior And Panhandling Ordinances

RECOMMENDATION:

That the Ordinance Committee:

- A. Review draft ordinance amendments to the State Street Sitting and Lying Down Ordinance and the Abusive Panhandling Ordinance and forward recommendations to City Council; and
- B. Review proposed ordinances to prohibit public urination and defecation and to authorize the Library Director to promulgate facility specific regulations and forward recommendations to City Council.

DISCUSSION:

Background

On April 22, 2014, the City Council voted unanimously (6-0, Francisco absent) to refer to the Ordinance Committee several issues raised in a memorandum from Councilmembers Hotchkiss and Rowse. The memorandum raised the possibility of taking the following specific actions:

- Expanding the 7:00 a.m. to 9:00 p.m. hours of the current Sit/Lie prohibition;
- Adding a prohibition on sitting, standing or lying down upon any planting, railing or statue placed or installed on a public sidewalk;
- Expanding the "active" panhandling prohibition near ATM's from 25 feet to 80 feet, subject to constitutional analysis by the City Attorney;
- Expanding the "active" panhandling prohibition to other areas where there are captive audiences, such as buses and other public transportation vehicles; and
- Prohibiting urinating or defecating in public.

The Council memorandum also suggested directing the City Attorney to undertake research and report back to the Ordinance Committee on the legal feasibility of adding to the municipal code the following considerations:

- A prohibition on groups of people congregating in a manner that blocks the free movement of pedestrian traffic on our downtown sidewalks;
- A prohibition on the use of public benches and street furniture for the storage, sale or display of merchandise or personal items; and
- A prohibition on active panhandling within a prescribed distance of a queue of persons waiting to gain admission to a place of business and outdoor dining areas.

Thereafter, the Ordinance Committee met on June 10, 2014, and considered the Council's direction. The Ordinance Committee requested this office to prepare certain code amendments for review, and to complete a mapping project which would identify whether the proposed regulations would leave open sufficient public areas to pass constitutional muster, i.e., ample alternative channels of communication must be left open for panhandling and solicitation in general.

The Proposed Code Amendments

The Ordinance Committee requested further review of six municipal code amendments to address new and ongoing nuisance behaviors:

- A prohibition against urinating or defecating in public (Exhibit 1 attached);
- A prohibition on using public street furniture for the display of goods for sale or donation (Exhibit 2 attached);
- Adding expanded safety zones around sensitive locations where captive audiences feel threatened by active panhandling. These areas include:
 - Within 25 feet of an outdoor dining area
 - Within 80 feet of ATMs
 - Within 25 feet of admission lines, such as movie queues
 - Within 25 feet of public benches or seating areas
 - On buses or other public transportation (Exhibit 3 attached);
- Extending the existing "sit/lie" prohibition on State Street from 7:00 a.m. to 2:00 a.m. of the following day, rather than 9:00 p.m. (Exhibit 4 attached);
- Revising the prohibition on pedestrians blocking sidewalks to include congregated groups of people (Exhibit 5 attached); and
- Delegating the Library Director the authority to promulgate regulations for the use of the libraries, including the Central Library and its outdoor plaza (Exhibit 5A attached).

Each of these proposed amendments has distinct legal issues that should be considered.

Legal Issues

Prohibition against Urinating or Defecating in Public

This proposed code amendment is a straightforward exercise of the City's police power to protect the public health, safety, and welfare. There are ample public toileting facilities in Santa Barbara.

Prohibition on Using Public Street Furniture for the Display of Wares for Sale or Donation

Restricting the sale of goods in public can have First Amendment implications when goods bearing expressive messages, such as printed T-shirts or literature, are being sold. In *One World One Family Now v. City and County of Honolulu* (9th Cir. 1996) 76 F.3d 1009, Honolulu was faced with objections from visitors and local residents, as well as merchants, who complained that street T-shirt sales on one of the busiest commercial streets in Waikiki created a sidewalk obstruction and visual eyesore, and competed unfairly with "brick and mortar" stores. The city began enforcing a local ordinance that banned the sale of all "goods, wares, merchandise, foodstuffs, refreshments or other kinds of property or services ... upon the public streets, alleys, sidewalks, malls, parks, beaches and other public places in Waikiki." (*Id.* at p.1011.) After being threatened with prosecution, the plaintiffs (who sold printed T-shirts with messages like "TAKE IT EASY MEDITATE HANG LOOSE HAWAII" and "WAIKIKI HAWAII HARINAM") sued under the federal civil rights law.

The Ninth Circuit Court of Appeals began its analysis by acknowledging that "when the sale of merchandise bearing political, religious, philosophical or ideological messages is 'inextricably intertwined' with other forms of protected expression (like distributing literature and proselytizing), the First Amendment applies." (*Id.* at p.1012.) The Court found that the T-shirts in question met that standard; thus the sales activities were entitled to First Amendment protection.

The Court went on to apply the familiar "time, place and manner" rules:

"We use the standard governing time, place and manner restrictions. Such restrictions are valid if they (1) are content-neutral; (2) are narrowly tailored to serve a significant governmental interest; and (3) leave open ample alternative channels of communication." (*Ibid.*)

As to content neutrality, the Court held that:

“A speech restriction is content-neutral if it is “justified without reference to the content of the regulated speech.” “A regulation that serves purposes unrelated to the content of expression is deemed neutral, even if it has an incidental effect on some speakers or messages but not others.” ***The test is whether the government has adopted the restriction “because of disagreement with the message it conveys.”*** (*Ibid*; citations omitted, emphasis added.)

The Ordinance Committee’s proposal to ban the sale of all goods from public street furniture does not reflect disagreement with any particular speech message because it is generally applicable to all goods.

The Court also recognized three significant governmental interests that the sales ban legitimately promoted, each of which applies to a tourism-focused city like Santa Barbara as well as it did to Honolulu’s Waikiki: “(1) ‘maintaining the aesthetic attractiveness of Waikiki,’ (2) ‘promoting public safety and the orderly movement of pedestrians,’ and (3) ‘protecting the local merchant economy.’” (*Ibid.*)

Finally, the Court concluded that:

“Honolulu’s peddling ordinance also leaves open ample alternative channels of communication. The ordinance forecloses one narrow form of expression—sidewalk sales of message-bearing merchandise—and leaves the plaintiffs free to disseminate and seek financial support for their views through “myriad and diverse” alternative channels, such as handing out literature, proselytizing or soliciting donations. In addition, plaintiffs’ volunteers may hand out free T-shirts to passers-by, or mingle with Waikiki’s tourist throngs wearing T-shirts (thereby acting as human billboards). Plaintiffs may also sell T-shirts through local retail outlets or by opening their own stores, so long as they comply with the regulations generally applicable to merchants.” (*Id.* at p.1014.)

Based upon the *One World One Family Now* case, we believe Santa Barbara may legitimately include public street furniture among the locations where street vending is prohibited.

Expanded Safety Zones around Sensitive Locations Where Captive Audiences Feel Threatened By Active Panhandling

On June 10, 2014, the Ordinance Committee expressed serious concerns about safety around ATMs, movie queues, public benches, and outdoor dining areas because these are locations where persons who are being solicited are confined to restricted areas as captive audiences. In those situations, the persons being solicited are most likely to experience a sense of powerlessness, and to be intimidated by an unwanted effort by a panhandler to solicit donations. The Committee requested further analysis of adding or expanding safety buffer zones (within which panhandling would be prohibited) around these sensitive locations.

There is little doubt that valid time, place and manner regulations may prohibit abusive panhandling altogether, while prohibiting and allowing active or passive panhandling in specified locations only. The question for the Ordinance Committee and Council is whether the areas where active and passive panhandling would be prohibited – the expansion of the 25-foot buffer around ATMs to 80 feet, and the addition of a 25-foot buffer around movie queues, public benches, and outdoor dining areas – would leave open ample alternative channels for communication. This analysis is fundamentally data-driven.

We have approached the issues empirically by mapping the downtown core business areas and the areas affected by the proposed expanded safety zones. Over the summer, the City's GIS staff mapped the locations of ATMs, movie queues, public benches, outdoor dining areas and paseos on the State Street and Milpas Street corridors as they are currently regulated by the City. These facilities and locations were chosen because the Ordinance Committee identified them as locations where an additional safety buffer might be needed to address the recent increase in problematic panhandling. An overview map of State Street is attached as Exhibit "6" and more detailed maps of each block of State Street (400 to 1200) are provided as Exhibits "7" through "15."

The maps show that the proposed safety buffers have the effect of prohibiting panhandling in many areas of State Street. The Ordinance Committee should carefully consider these maps and determine whether ample alternative areas are provided for protected speech activities including panhandling.

Extending the Existing "Sit/Lie" Prohibition on State Street from 7:00 A.M. to 2:00 A.M. of the Following Day, Rather than 9:00 P.M.

The major legal issues presented are whether extending the hours of the existing sit/lie prohibition from 9:00 p.m. to 2:00 a.m. on State Street implicates either First Amendment or Eighth Amendment (cruel and unusual punishment) concerns.

The First Amendment concerns are familiar, and for the purposes of this analysis we assume without conceding that expressive conduct may be implicated by the act of sitting or lying down upon a sidewalk. Using the time, place and manner regulatory test, the proposed extension to 2:00 a.m. is clearly content-neutral. The significant governmental interests include the need for free pedestrian passage on crowded State Street, in this case focusing upon the late evening hour when the vibrant State Street nightlife scene causes conflict between revelers walking or milling about and those who might seek to sit or lie down upon the sidewalks. Because the regulations cover only the busiest portion of the busiest street in Santa Barbara, we believe ample alternative locations are available to sit or lie down on the public sidewalk. (See *Roulette v. City of Seattle* (9th Cir. 1996) 97 F.3d 300.)

The Eighth Amendment cruel and unusual punishment concerns are less familiar, and arise out of the potential disparate impact sit/lie regulations may have upon the homeless population. These concerns were noted in a now-vacated Ninth Circuit case called *Jones v. City of Los Angeles* (9th Cir. 2006) 444 F.3d 1118 (the opinion was withdrawn after the City settled the lawsuit). In *Jones*, homeless individuals brought a federal civil rights action seeking limited injunctive relief against enforcement of a Los Angeles ordinance that criminalized sitting, lying, or sleeping on public streets and sidewalks **at all times and in all places** within City. The plaintiffs argued, successfully, that the ordinance constituted cruel and unusual punishment because penalized homeless persons were on the streets due to the lack of available shelter space – effectively criminalizing their status as homeless rather than any distinct criminal conduct.

The Court began its analysis by declaring Los Angeles' ordinance "one of the most restrictive municipal laws regulating public spaces in the United States," noting that unlike Santa Barbara's ordinance, the L.A. regulation applied citywide and at all hours of the day or night. The Court went on to explain that:

"The City could not expressly criminalize the status of homelessness by making it a crime to be homeless without violating the Eighth Amendment, **nor can it criminalize acts that are an integral aspect of that status**. Because there is substantial and undisputed evidence that the number of homeless persons in Los Angeles far exceeds the number of available shelter beds at all times, including on the nights of their arrest or citation, Los Angeles has encroached upon Appellants' Eighth Amendment protections by criminalizing the unavoidable act of sitting, lying, or sleeping at night while being involuntarily homeless. A closer analysis of *Robinson* and *Powell* instructs that **the involuntariness of the act or condition the City criminalizes is the critical factor** delineating a constitutionally cognizable status, and incidental conduct which is integral to and an unavoidable result of that

status, from acts or conditions that can be criminalized consistent with the Eighth Amendment.” (*Jones v. City of Los Angeles* (9th Cir. 2006) 444 F.3d 1118, 1132 *vacated*, (9th Cir. 2007) 505 F.3d 1006; emphasis added.)

Importantly, the Court concluded by stating that:

“By our decision, we in no way dictate to the City that it must provide sufficient shelter for the homeless, or allow anyone who wishes to sit, lie, or sleep on the streets of Los Angeles at any time and at any place within the City. All we hold is that, so long as there is a greater number of homeless individuals in Los Angeles than the number of available beds, ***the City may not enforce section 41.18(d) at all times and places throughout the City*** against homeless individuals for involuntarily sitting, lying, and sleeping in public.” (*Jones v. City of Los Angeles* (9th Cir. 2006) 444 F.3d 1118, 1138 *vacated*, (9th Cir. 2007) 505 F.3d 1006; emphasis added.)

Jones is clearly distinguishable from Santa Barbara’s ordinance in that the City’s ordinance applies only to a limited portion of one street during limited hours. Nonetheless, if the Court is persuaded that Santa Barbara’s ordinance is aimed at homelessness, rather than late night street obstruction of State Street revelers and daytime obstruction of tourists and residents in the City’s core commercial area, the City may face a legal challenge under the theory that extending the sit/lie ban until 2:00 a.m. inappropriately burdens those who have nowhere else to sleep. It is important to note that *Jones* is not the law, but only a potential insight into the Ninth Circuit’s current thinking.

Revising the Prohibition on Pedestrians Blocking Sidewalks to Include Congregated Groups of People

Laws prohibiting congregations of people in public forums, such as sidewalks, squarely implicate First Amendment speech and assembly rights. The initial question presented is whether the City’s existing circa-1966 regulation meets current constitutional scrutiny.

Santa Barbara Municipal Code section 9.98.010 provides as follows:

9.98.010 Unlawful.

No person shall stand or sit in or upon any street, sidewalk or crosswalk in the City in any manner so as to hinder or obstruct the free passage of pedestrians thereon, or to annoy or molest such pedestrians. (Ord. 3162 §1, 1966.)

While simple enough on its face, this ordinance raises serious First Amendment considerations, particularly if it is revised to address congregations of people on sidewalks at any time or place, because it would then broadly prohibit even speech-related activities, such as peaceful protests or picketing, which might “annoy” pedestrians or “hinder” their free passage.

The United States Supreme Court has long held that:

“Access to the ‘streets, sidewalks, parks, and other similar public places . . . for the purpose of exercising (First Amendment rights) cannot constitutionally be denied broadly . . .’ Free expression ‘must not, in the guise of regulation, be abridged or denied.’” (*Grayned v. City of Rockford* (1972) 408 U.S. 104, 117.)

On the other hand, focused restrictions on the time, place and manner of street (or sidewalk) protests can be upheld:

“The control of travel on the streets is a clear example of governmental responsibility to insure this necessary order. A restriction in that relation, designed to promote the public convenience in the interest of all, and not susceptible to abuses of discriminatory application, cannot be disregarded by the attempted exercise of some civil right which, in other circumstances, would be entitled to protection. One would not be justified in ignoring the familiar red light because this was thought to be a means of social protest. Nor could one, contrary to traffic regulations, insist upon a street meeting in the middle of Times Square at the rush hour as a form of freedom of speech or assembly. **Governmental authorities have the duty and responsibility to keep their streets open and available for movement.** A group of demonstrators could not insist upon the right to cordon off a street, or entrance to a public or private building, and allow no one to pass who did not agree to listen to their exhortations.” (*Cox v. State of La.* (1965) 379 U.S. 536, 554-55; emphasis added.)

Santa Barbara’s existing Chapter 9.98 may be too broad to meet constitutional requirements because, on its face, it would prohibit a large array of constitutionally protected speech activities, such as peaceful protest and picketing.

This conclusion raises the next question, namely, can SBMC Chapter 9.98 be amended to narrow its reach to fit within constitutional dimensions. We would advise amending the existing ordinance to read as follows:

9.98.010 Unlawful Street or Sidewalk Obstruction.

No person shall stand, or sit, or congregate in or upon any street, sidewalk or crosswalk in the City ~~in any manner so as~~ with the intent to hinder or obstruct the free passage of pedestrians thereon, or to annoy or molest such pedestrians, or to block the entrance to a building, and refuse to disperse after having been ordered to do so by the police when the police reasonably believe an immediate threat to public safety is present.

~~9.98.020 Parade Viewing Excepted.~~

~~This chapter shall not apply to persons engaged in viewing a parade duly and regularly permitted by the City.~~

The proposed amendment adds an intent requirement and a requirement that the police order dispersal only in those situations where the sidewalk or street obstruction threatens public safety. This will allow the police to stop violent protests, which are not protected by the First Amendment, while still avoiding interference with constitutionally-protected speech activities on the streets and sidewalks. We also advise repealing SBMC section 9.98.020, which creates an exemption for persons viewing a parade. This exemption is unnecessary given the proposed public safety limitation on the ordinance, and may appear to be a difficult-to-defend content-based restriction.

With these amendments, we believe Chapter 9.98 may minimize First Amendment concerns while providing a useful tool to deal with persons who intentionally obstruct the sidewalks or streets, and who refuse to disperse when ordered to do so by the police in order to mitigate immediate threats to public safety.

Delegating the Library Director the Authority to Promulgate Regulations for the Use of the Libraries, Including the Central Library and its Outdoor Plaza

The City Council has the police power to regulate the use of public facilities including the libraries. This power may be delegated to the Library Director. The proposed ordinance (Exhibit 5A) grants the Library Director the authority to promulgate criminally enforceable regulations that would govern behavior at the City's library facilities.

CONCLUSION

We believe the accompanying ordinance revisions are responsive to the Ordinance Committee's requests. In closing, it is important to remember that the Council may generally enact reasonable time, place and manner restrictions upon constitutionally protected speech, provided that the regulations are content-

neutral, narrowly drawn, necessary to further a significant government interest, and allow for ample alternative channels for communication.

Content neutrality is critical:

“The principal inquiry in determining content neutrality, in speech cases generally and in time, place, or manner cases in particular, is whether the government has adopted a regulation of speech because of disagreement with the message it conveys.” (*Ward v. Rock Against Racism*, 491 U.S. 781, 791 (1989).)

And, there must be “no evidence that the city adopted the ordinance because of a disagreement with the message” (*Honolulu Weekly, Inc. v. Harris*, 298 F.3d 1037, 1044 (9th Cir. 2002).)

- ATTACHMENT(S):**
1. Prohibition on Urinating or Defecating in Public
 2. Prohibition on Use of Street Furniture For Display Of Goods For Sale Or Donation
 3. Expanded Active Panhandling Safety Zones
 4. Extended Sit/Lie Prohibition
 5. Sidewalk Obstruction Due To Congregated Groups Of People
 6. State Street 400-1200 Blocks
 7. State Street 400 Block
 8. State Street 500 Block
 9. State Street 600 Block
 10. State Street 700 Block
 11. State Street 800 Block
 12. State Street 900 Block
 13. State Street 1000 Block
 14. State Street 1100 Block
 15. State Street 1200 Block

PREPARED BY: Ariel Pierre Calonne, City Attorney

SUBMITTED BY: Ariel Pierre Calonne, City Attorney

APPROVED BY: City Administrator's Office

EXHIBIT 1 PROHIBITION ON URINATING OR DEFECATING IN PUBLIC

Chapter 9.07 Urinating or Defecating in Public.

Section 9.07.010 Urinating or Defecating in Public Prohibited.

No person shall defecate or urinate in public or upon any street, sidewalk, or other public place.

EXHIBIT 2 PROHIBITION ON USE OF STREET FURNITURE FOR DISPLAY
OF GOODS FOR SALE OR DONATION

UNCODIFIED FINDINGS:

The City Council finds that these regulations are necessary to maintain the aesthetic attractiveness of Santa Barbara which depends heavily on its tourism-based economy for its financial vitality. These regulations are also necessary in order to promote public safety and the orderly movement of pedestrians, particularly in the crowded downtown core, where on-street or on-sidewalk vending will present a substantial obstruction to pedestrian and vehicular traffic. Finally, these regulations are essential to protect the local merchant economy which would be undersold and threatened economically by competition from street vendors who do not pay rent or other overhead expenses.

9.48.010 Commercial Use of City Streets.

A. GENERALLY. It shall be unlawful for any person, whether acting as principal, agent, clerk, employee, or otherwise, to use any public street, public parking lot, public street furniture, or public sidewalk in the City for the purpose of selling, vending, offering for donations, offering for sale or soliciting or receiving orders for the sale of any goods, wares or merchandise.

B. SALE OF NEWSPAPERS. Notwithstanding subsection A hereof, nothing herein shall prohibit any person from selling or offering for sale newspapers, magazines and periodicals upon any of the public sidewalks of the City in the present customary and usual manner of selling and offering for sale of newspapers, magazines, and periodicals in the City.

EXHIBIT 2 PROHIBITION ON USE OF STREET FURNITURE FOR DISPLAY
OF GOODS FOR SALE OR DONATION

C. EXEMPTION FOR SIDEWALK SALES, FARMERS' MARKETS,
AND SIDEWALK CAFE TABLES. Notwithstanding subsection A hereof, an
individual or an organization may, upon the issuance of a permit by the Director
of Public Works in accordance with the requirements of this Chapter and the
administrative regulations adopted pursuant hereto, use a public street or
sidewalk in the City for the following limited purposes:

1. Sidewalk Sales. A retail business licensed to do business
at a location within the City may conduct a sale of merchandise on a City
sidewalk under the following conditions:
 - a. the sale occurs only on a public sidewalk immediately
adjacent to the retail business; and
 - b. the retail business does not conduct such sidewalk
sales for more than a total of ten (10) days for each calendar year provided,
however, that those businesses within a two (2) block radius of a construction
project which impacts pedestrian or vehicular access to the City block within
which the business is located for a period exceeding fourteen (14) consecutive
days may be allowed up to twenty (20) days for sidewalk sales during the year in
which the construction project is undertaken.

2. Farmers' Markets. An individual or an organization may
use a public street or City parking lot for the purpose of conducting a Certified
Farmers' Market [as defined and provided for in Title 3, Chapter 3 of the
California Code of Regulations] under the following conditions:

EXHIBIT 2 PROHIBITION ON USE OF STREET FURNITURE FOR DISPLAY
OF GOODS FOR SALE OR DONATION

EXHIBIT 2 PROHIBITION ON USE OF STREET FURNITURE FOR DISPLAY OF GOODS FOR SALE OR DONATION

- a. the merchandise offered for sale at the Farmers'

Market is allowed to be sold at a Certified Farmers' Market; and

- b. the use of the street or public parking lot is authorized by and pursuant to a written license agreement between the City and the Market sponsor, which license agreement limits the Market to a specified day or days of the week and to certain limited hours; and,

- c. the vendors of merchandise at the Farmers' Market are authorized to conduct such sales by the organization sponsoring the Market and entering into the license agreement with the City.

3. Limited Nonprofit Sidewalk Sales. In connection and concurrent with a Parade or Event (as permitted and defined in Municipal Code Section 9.12.020), which Parade or Event is sponsored by a nonprofit entity (as evidenced by tax-exempt status under state and federal tax laws), a public sidewalk may be used for the limited merchandising of items or services under the following conditions:

- a. the sidewalk sales may occur for a period not to exceed five (5) days in any calendar year, and the sales must be concurrent with the associated Parade or Event; and,

- b. the location of any booth or table used by a sidewalk vendor under this subsection shall be at a specific location approved in advance by the City; and,

EXHIBIT 2 PROHIBITION ON USE OF STREET FURNITURE FOR DISPLAY OF GOODS FOR SALE OR DONATION

EXHIBIT 2 PROHIBITION ON USE OF STREET FURNITURE FOR DISPLAY OF GOODS FOR SALE OR DONATION

c. the net proceeds received by the nonprofit corporation from such sales are to be devoted exclusively for the benefit of the sponsoring nonprofit organization(s); and,

d. the persons conducting such sales are authorized in writing to do so by the nonprofit organization sponsoring the event; and,

e. for the purposes of this subsection, the word “concurrent” shall be defined as occurring within the same calendar week (Sunday through Saturday).

4. Sidewalk Sales in Connection with a Reserved Park Event.

A public street or sidewalk immediately adjacent to a City park facility may be used for the limited merchandising of items under the following conditions:

a. the person or organization sponsoring the merchandising is a nonprofit entity, and it has reserved the adjacent park facility for an event pursuant to the requirements of Santa Barbara Municipal Code Chapter 15.05 and 15.16; and, event; and

b. the sales occur only during the time the park is being used for the reserved event; and,

c. the persons conducting such sales are authorized in writing to do so by the nonprofit sponsoring the event and;

d. the net proceeds received by the nonprofit corporation from such sales are to be devoted exclusively for the benefit of the sponsoring nonprofit organization.

EXHIBIT 2 PROHIBITION ON USE OF STREET FURNITURE FOR DISPLAY OF GOODS FOR SALE OR DONATION

EXHIBIT 2 PROHIBITION ON USE OF STREET FURNITURE FOR DISPLAY
OF GOODS FOR SALE OR DONATION

5. Sidewalk Cafe Tables Under Chapter 9.95. for the placement of sidewalk cafe tables in accordance with Santa Barbara Municipal Code Chapter 9.95.

D. SIDEWALK MERCHANDISING REGULATIONS AND PERMITS.

The City Administrator, acting by and through the Director of Public Works, is hereby directed to prepare an appropriate administrative process (along with related administrative regulations) for the City's acceptance, review, and processing of applications for the issuance of sidewalk merchandising permits, as such permits are allowed by and consistent with the requirements of this Section.

EXHIBIT 3 EXPANDED ACTIVE PANHANDLING SAFETY ZONES

9.50.010 Purpose.

In order to protect and promote the rights of the general public to be free from inappropriate conduct and from the ~~potential~~ intimidating physical confrontations sometimes associated with panhandling, the City Council finds that there is a need to adopt a City ordinance which imposes reasonable and specific time, place, and manner limitations on those forms of inappropriate and unlawful conduct which may be associated with ~~aggressive~~ abusive and active panhandling. At the same time, the Council seeks to properly and duly recognize, as well as ~~fully~~ protect to the ~~full~~ fullest extent possible, the First Amendment free speech rights of all concerned.

The Council ~~also~~ finds that balancing the need for public safety with the need to ~~duly~~ protect constitutional rights is especially critical in certain popular retail and visitor-serving areas of the City, ~~such as~~ Specifically, Cabrillo Boulevard, lower Milpas Street, and certain blocks of State Street (those within the City Central Business District) ~~since these areas~~ are popular public gathering spaces and are often crowded with members of the public and visitors to the Santa Barbara area, ~~and since~~ Moreover, these areas provide only limited public amenities, such as public seating and outdoor dining areas, and members of the public should be free to use those areas without fear of coercive panhandling with its attendant risk of fraud, intimidation and violence. The Council further finds that, because these areas of Santa Barbara often have thousands of visitors each day and because there is limited public seating and gathering areas available within these blocks of these streets, it is necessary and appropriate to provide

EXHIBIT 3 EXPANDED ACTIVE PANHANDLING SAFETY ZONES

panhandling regulations which prevent some persons from monopolizing the use of a public bench or a public seating area, as well as nearby sidewalk areas, for active panhandling. There is therefore a necessity for the City Council to adopt ~~City~~ regulations which provide for the shared and reasonable use of these public facilities by all members of the public, especially the elderly and persons with special access needs.

The City Council further finds that panhandling near automated bank teller machines is particularly problematic because persons who use such machines may have large quantities of cash in their possession and generally feel vulnerable to attack or intimidation. Likewise, active panhandling on busses and other forms of public transportation threatens the person being solicited because they are in a confined space with no means of leaving the area in order to avoid being panhandled.

Finally, ~~the~~ The City Council ~~believes~~ finds that these ~~City~~ panhandling regulations will not prevent those persons who wish to ~~properly~~ solicit alms or charitable donations from appropriately using public benches and public seating facilities within these areas of the City for temporary respite purposes, nor will these panhandling regulations impact the content of any protected forms of expressive statements made by a panhandler or otherwise improperly restrict anyone's First Amendment rights.

The City Council also finds that these panhandling regulations have been demonstrated, by careful mapping of the regulated areas which has been considered by Council, to leave open ample alternative locations within the City

EXHIBIT 3 EXPANDED ACTIVE PANHANDLING SAFETY ZONES

for active and passive panhandling. Active panhandling on or near public benches and seating areas is prohibited only in the most crowded and intensely used areas of the City's commercial districts, and even with those areas many areas are open for active and passive panhandling.

9.50.030 Abusive Panhandling Prohibited; Specific Locations Where Active Panhandling is Restricted.

A. Abusive Panhandling Prohibited. Abusive Panhandling is unlawful and prohibited entirely within the city of Santa Barbara.

B. Active Panhandling Restricted. Active Panhandling is prohibited when the person being panhandled is in any of the following locations:

1. Waiting at a bus stop;
2. In a vehicle on a public street or alleyway;
3. In a City parking lot or parking structure without regard to whether the person is in a vehicle or not;
4. Within twenty-five feet of an outdoor dining area of a restaurant or other dining establishment serving food for immediate consumption;
5. Within ~~twenty-five~~ eighty feet of an automated bank teller machine;
- or
6. Within twenty-five feet of ~~in~~ a queue of persons waiting to gain admission to a place of business or to a vehicle, or waiting to purchase an item or admission ticket.; or
7. On buses or other public transportation vehicles.

EXHIBIT 3 EXPANDED ACTIVE PANHANDLING SAFETY ZONES

9.50.040 Use of Public Benches and Facilities on Certain Streets for Active Panhandling.

Active Panhandling is prohibited while seated on or otherwise using a public bench or seating area (including any landscape planter or other public street furniture which can be sat upon), and within twenty-five feet of such benches and seating areas, within the following areas of the City:

1. State Street. On either side of State Street from the 400 block to the 1200 block; or
2. Milpas Street. Either side of Milpas Street from the 00 block South to the 200 block North; or
3. Cabrillo Boulevard. Cabrillo Boulevard between Castillo Street and Milpas Street.

EXHIBIT 4 EXTENDED SIT/LIE PROHIBITION

9.97.010 Sitting or Lying on Public Sidewalks in Certain Downtown Areas of State Street.

A. Prohibition. No person shall sit or lie down upon a public sidewalk or public paseo, or upon a blanket, chair, stool, or any other object placed upon a public sidewalk or public paseo, during the hours between 7:00 a.m. and ~~9:00 p.m.~~ 2:00 a.m. of the following day along the first thirteen (13) blocks of State Street from Cabrillo Boulevard to and including the 1300 block of State Street.

For the purposes of this subsection (A), the terms "public sidewalk or public paseo" shall also include those public pedestrian sidewalks or public paseos which serve as access to and from State Street and the City parking facilities adjacent to State Street within the designated blocks, which shall also specifically include the area known as "Storke Placita," as well as the railings, statues, sculptures, or planter areas within the designated blocks.

B. Exceptions. The prohibitions of Subsection A shall not apply to any person or persons:

1. who is sitting or lying down on a public sidewalk due to a medical emergency;
2. who, as the result of a disability, utilizes a wheelchair, walker, or similar device to move about the public sidewalk;
3. who is operating or patronizing a commercial establishment conducted on the public sidewalk pursuant to a street use permit issued pursuant to Chapter 9.95 of this Title or who is participating in or attending a parade, festival, performance, rally, demonstration, meeting, or similar event conducted

EXHIBIT 4 EXTENDED SIT/LIE PROHIBITION

on public sidewalk pursuant to a street use or other applicable parade permit issued by the City in accordance with this Code.

Nothing in any of these exceptions shall be construed to permit any conduct which is otherwise prohibited by this Code.

C. Scope. Nothing herein shall be deemed to apply the requirements of subsection (A) to the following:

1. a person who is sitting on a chair, ~~wall~~, or bench located on the public sidewalk which is supplied by a public agency or by the abutting private property owner for such purposes or;

2. a person who is sitting on a public sidewalk within a bus stop zone while waiting for public transportation.

D. Prior Warning. No person shall be prosecuted for a violation of this Chapter unless the person engages in conduct prohibited by this Chapter after having been notified by a law enforcement officer that the conduct violates this Chapter.

EXHIBIT 5 SIDEWALK OBSTRUCTION DUE TO CONGREGATED GROUPS
OF PEOPLE

9.98.010 Unlawful Street or Sidewalk Obstruction.

No person shall stand, or sit, or congregate in or upon any street, sidewalk or crosswalk in the City ~~in any manner so as~~ with the intent to hinder or obstruct the free passage of pedestrians thereon, or to annoy or molest such pedestrians, or to block the entrance to a building, and refuse to disperse after having been ordered to do so by the police when the police reasonably believe an immediate threat to public safety is present.

~~9.98.020 Parade Viewing Excepted.~~

~~This chapter shall not apply to persons engaged in viewing a parade duly and regularly permitted by the City.~~

EXHIBIT 5A LIBRARY REGULATIONS

2.28.030 Duties of Director.

The Library Director shall be responsible for the supervision and control of all personnel, materials, and equipment assigned to the Department and for the performance of the functions of the Department, subject to the supervision of the City Administrator. The Library Director shall have the authority to promulgate and post facility specific regulations. No person shall violate any such regulations. Any person found to be in violation of a facility specific regulation promulgated by the Library Director shall be subject to removal from the facility upon request of the Library Director or his or her designee. Such request, when made to law enforcement after refusal to comply, shall be a basis for forcible removal, citation or arrest.



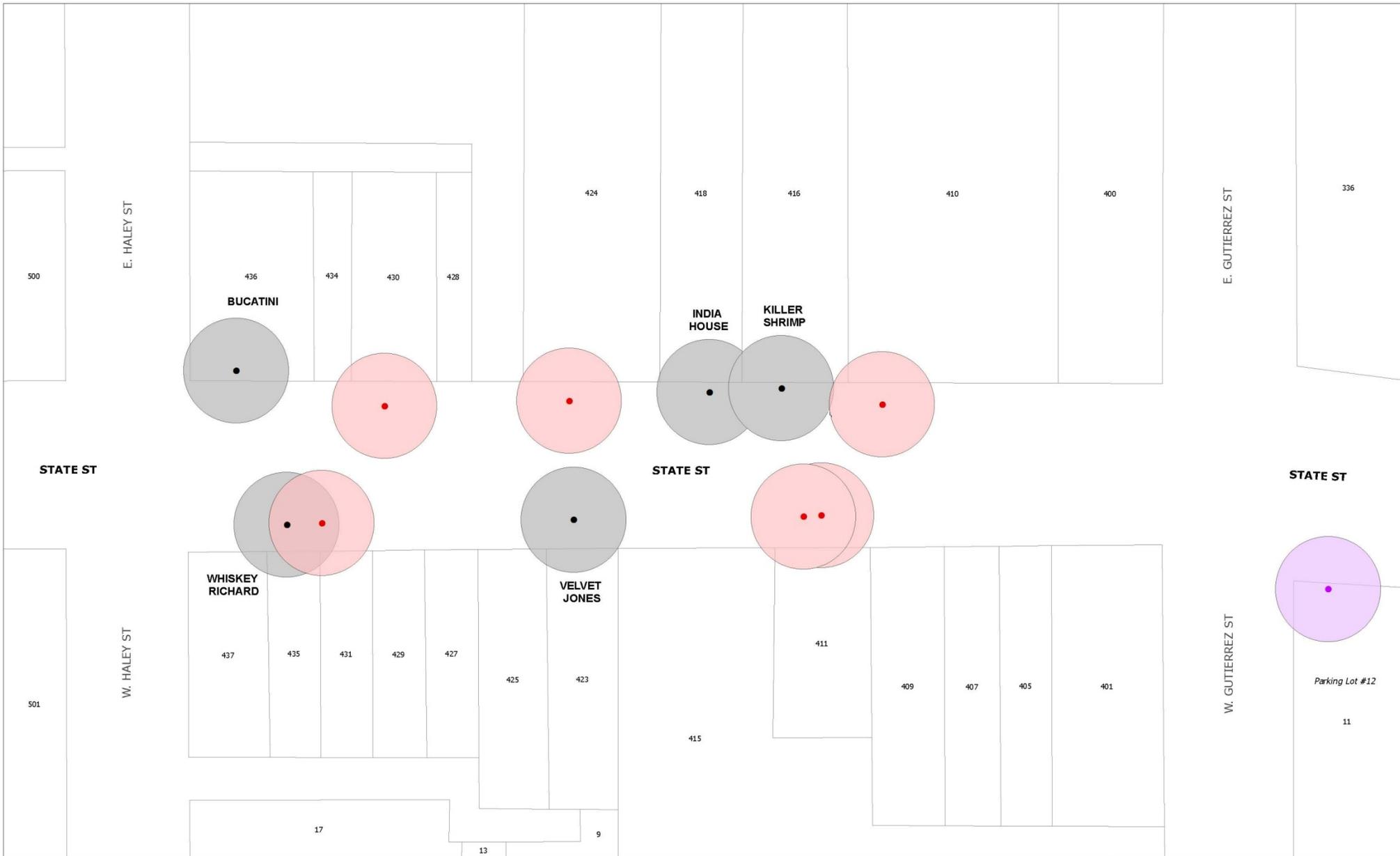
Features shown herein were compiled from the records of various public information purposes only. The City of San Francisco does not accept any responsibility for the accuracy or completeness of this information.

EXHIBIT 6

State Street "400 Block - 1200 Block"

- Legend**
- ATM Locations
 - Benches
 - Movie Theaters
 - Parking Lot Access
 - Restaurants
 - 25ft buffer
 - 50ft buffer
 - 100ft buffer
 - 150ft buffer
 - 200ft buffer
 - 250ft buffer





Future street renovations completed
 hereby notify all of a proposed
 and/or other work that will be
 performed on the street. The City of Berkeley does not
 accept any responsibility for the
 performance or completion of
 the renovation.

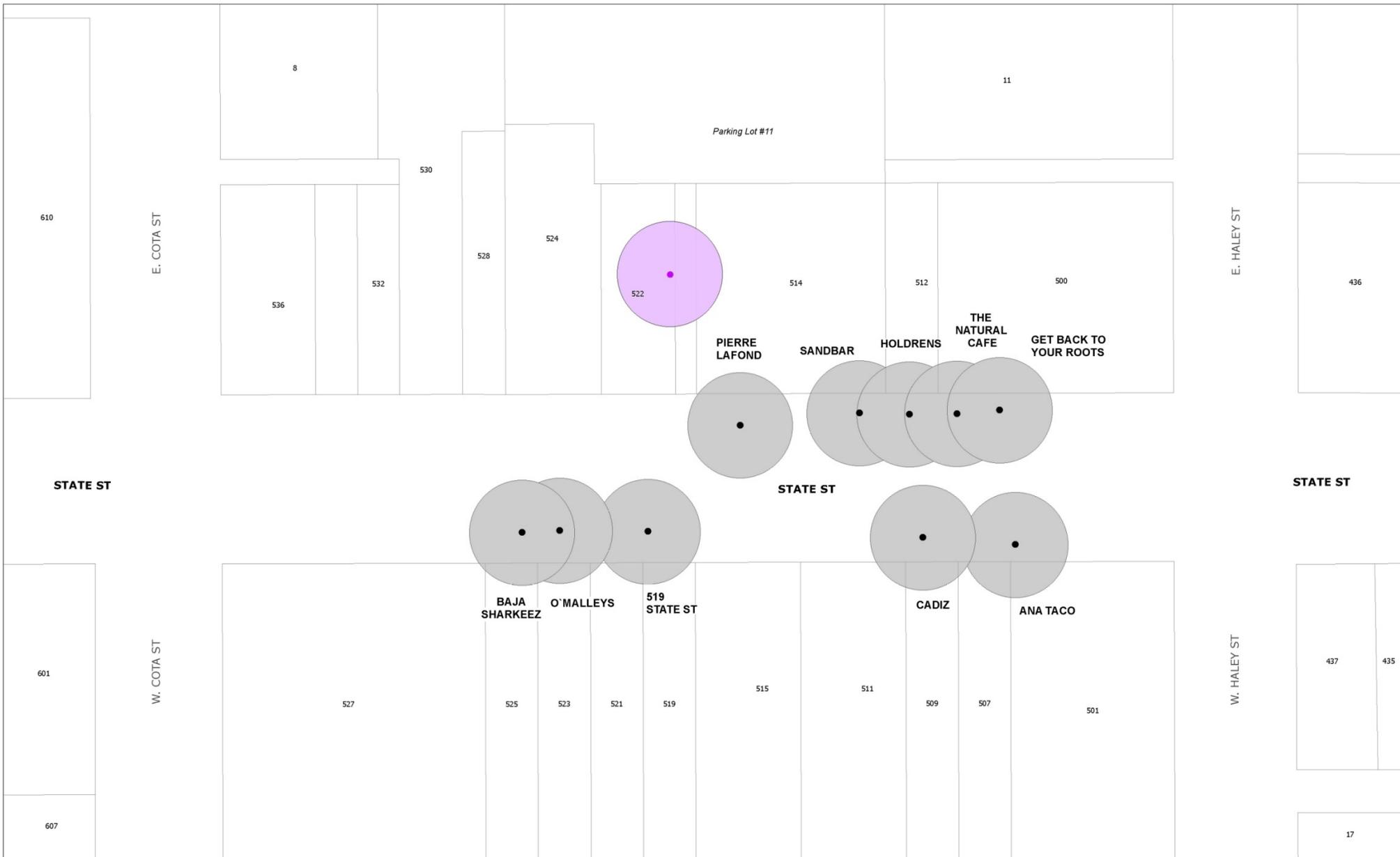
EXHIBIT 7

STATE STREET: 400 BLOCK

September 16, 2014

Legend	
• Restaurants	25ft buffer
• Benches	25ft buffer
• Parking Lot Access	25ft buffer





Products shown herein were compiled from the records of various public and governmental agencies for informational purposes only. The City of San Diego does not assume any responsibility for the accuracy or completeness of the information.

EXHIBIT 8

STATE STREET: 500 BLOCK

September 16, 2014

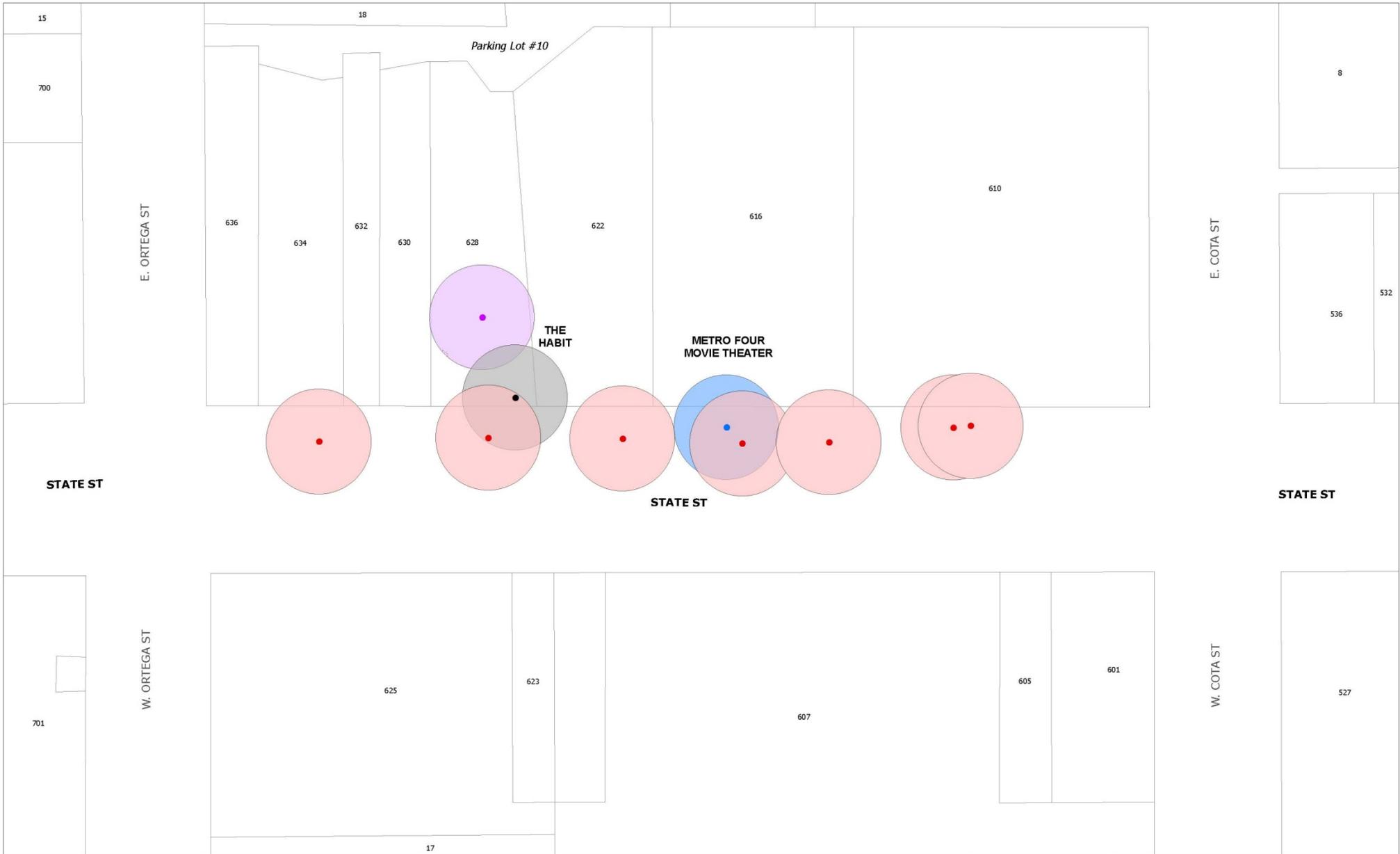
Legend

- Restaurants
- Parking Lot Access

250' buffer

250' buffer





Planners should be aware that this map is a general representation of the data provided. The City of San Jose is not responsible for any errors or omissions in this map. The City of San Jose is not responsible for any errors or omissions in this map.

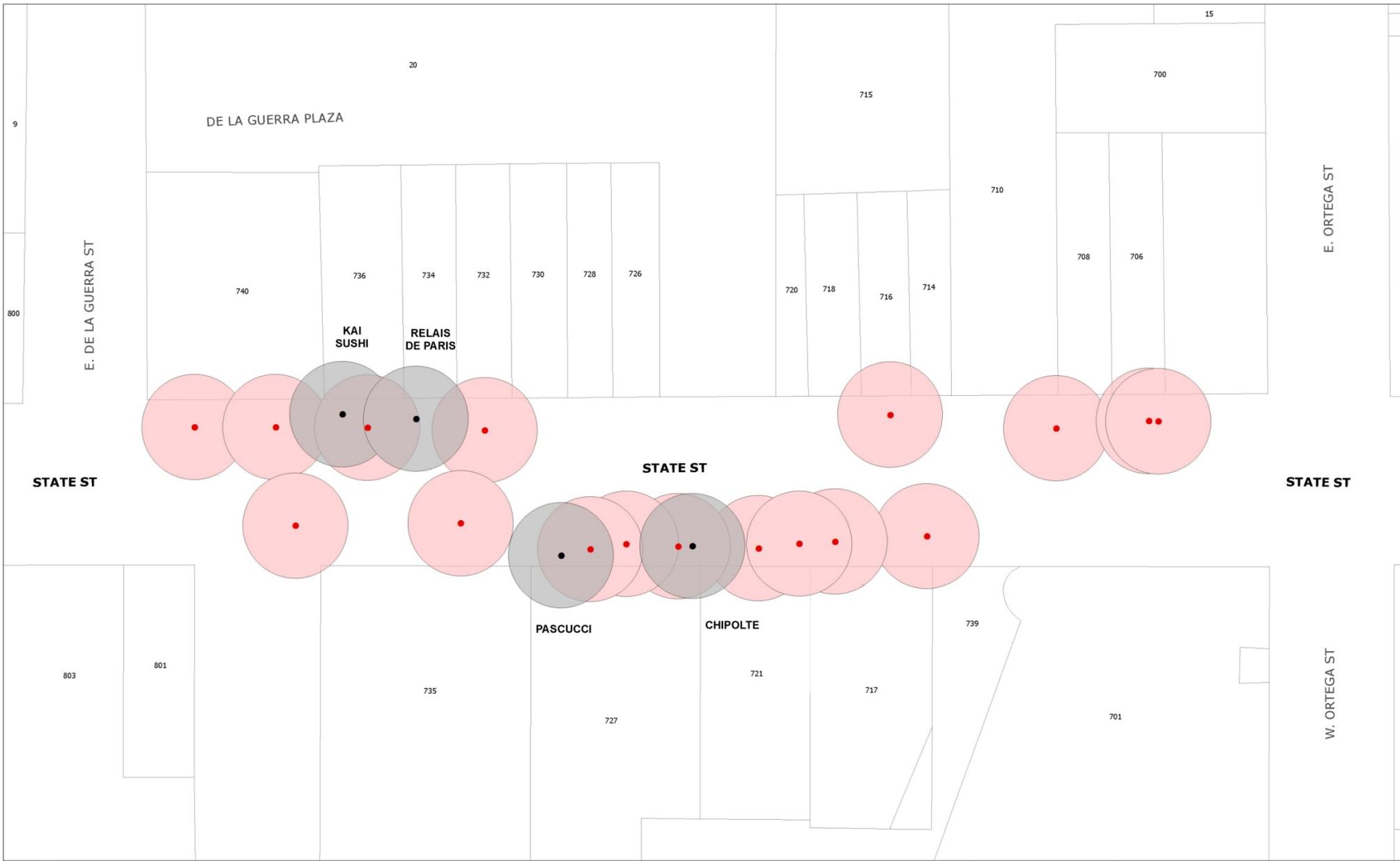
EXHIBIT 9

STATE STREET: 600 BLOCK

September 17, 2014

Legend	
• Benches	25ft buffer
• Movie Theater	25ft buffer
• Parking Lot Access	25ft buffer
• Restaurants	25ft buffer





Property street names were compiled from the records of various public and private entities and are for informational purposes only. The City of San Francisco does not accept any responsibility for the accuracy or completeness of this information.

EXHIBIT 10

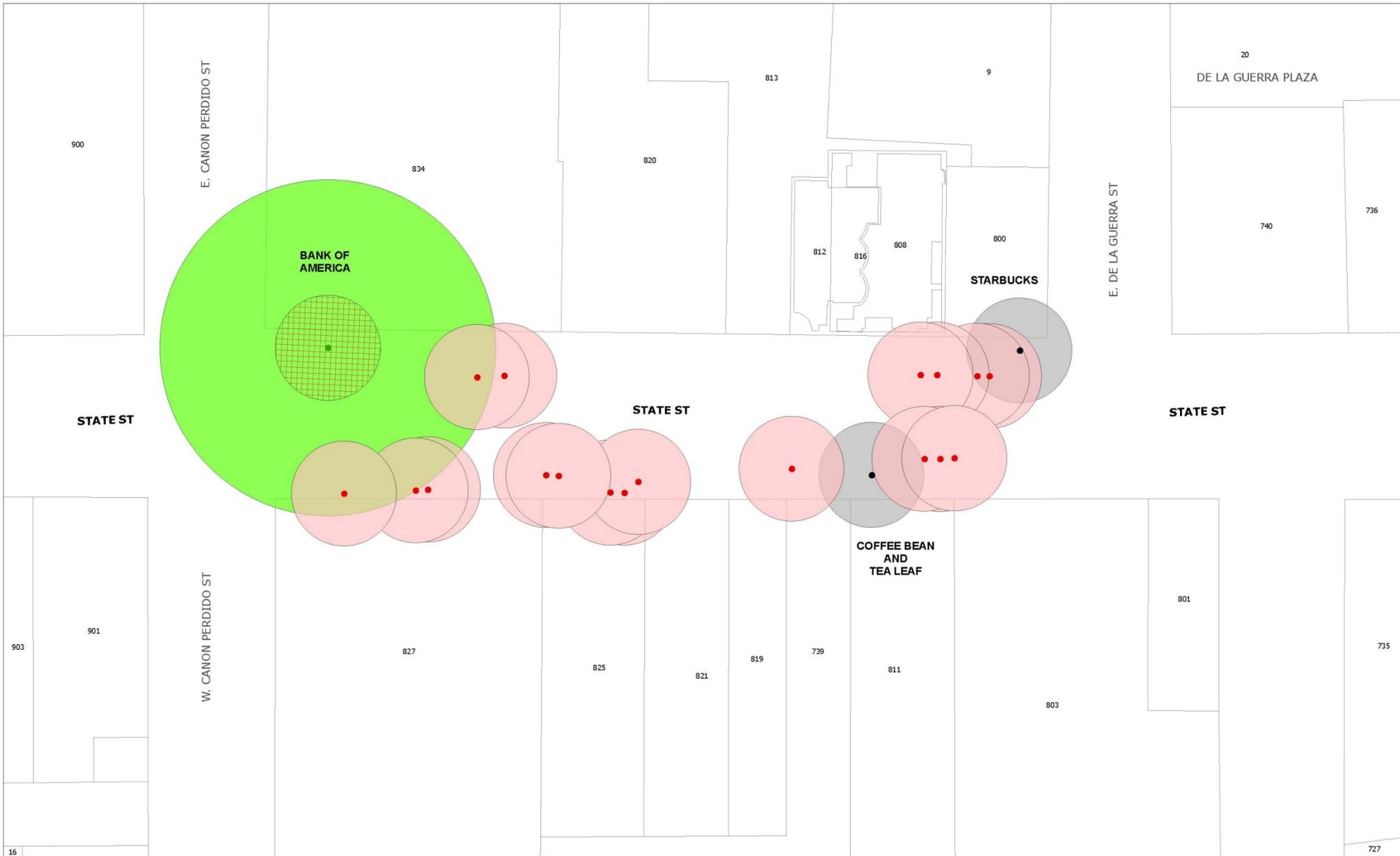
STATE STREET: 700 BLOCK

September 17, 2014

Legend

- Benches
- Restaurants
- 25ft buffer
- 25ft buffer





Future street renovations completed here may result in a more public and open street and may affect the location of benches or other street furniture. The City of Seattle does not accept any responsibility for the performance or completion of this information.

EXHIBIT 11

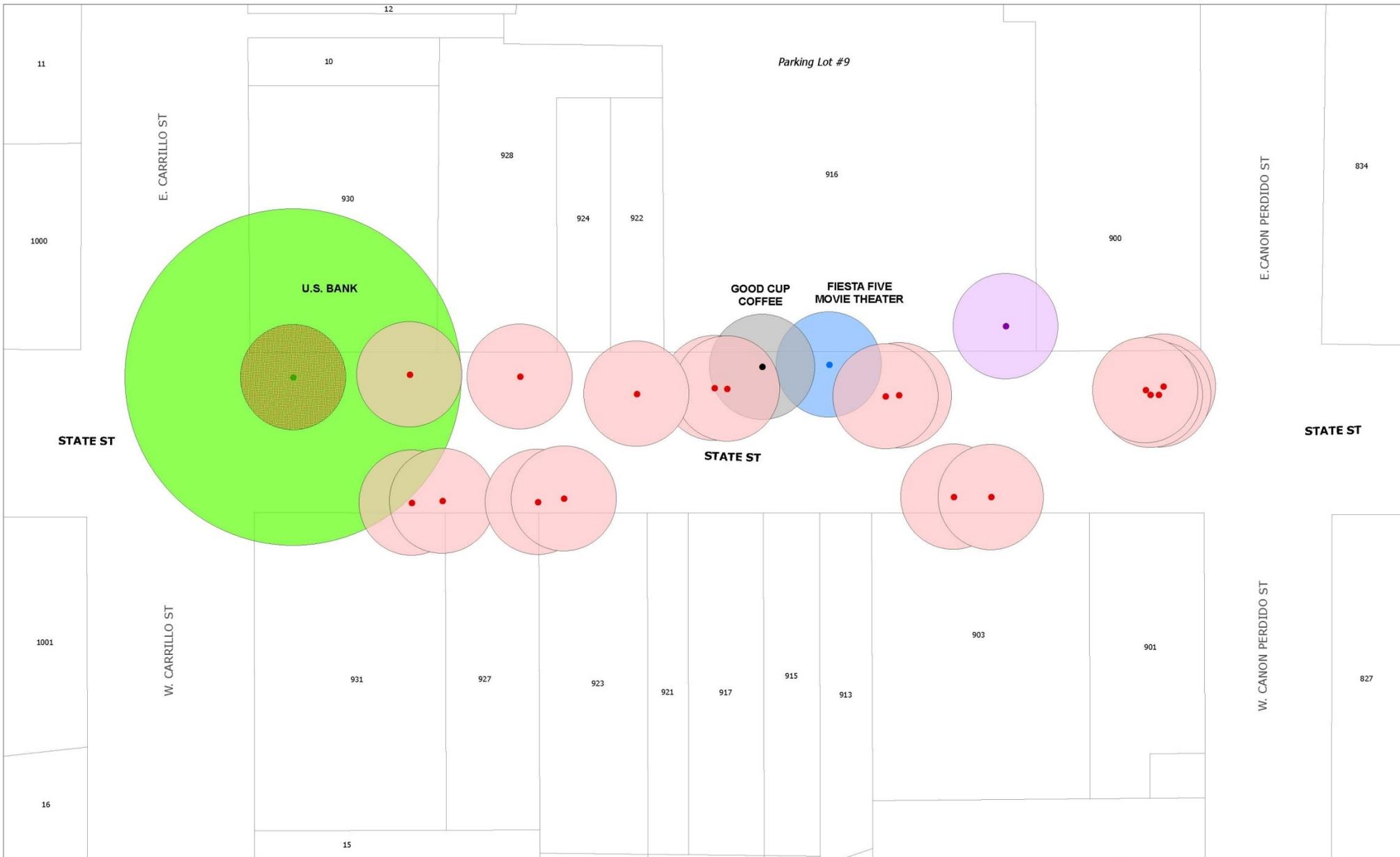
STATE STREET: 800 BLOCK

September 17, 2014

Legend

- ATM Location
- Benches
- Restaurants
- 25ft buffer (Green)
- 25ft buffer (Pink)
- 25ft buffer (Grey)





Planners should be aware that this map is for informational purposes only. The City of Santa Barbara does not warrant the accuracy of the information presented on this map. All information is subject to change without notice.

EXHIBIT 12

STATE STREET: 900 BLOCK

September 17, 2014

Legend	
• ATM Location	25ft buffer
• Benches	50ft buffer
• Movie Theater	25ft buffer
• Parking Lot Access	25ft buffer
• Restaurants	25ft buffer





Features shown herein were compiled from the records of various public and private agencies and are for informational purposes only. The City of San Jose does not warrant the accuracy or completeness of this information.

EXHIBIT 13

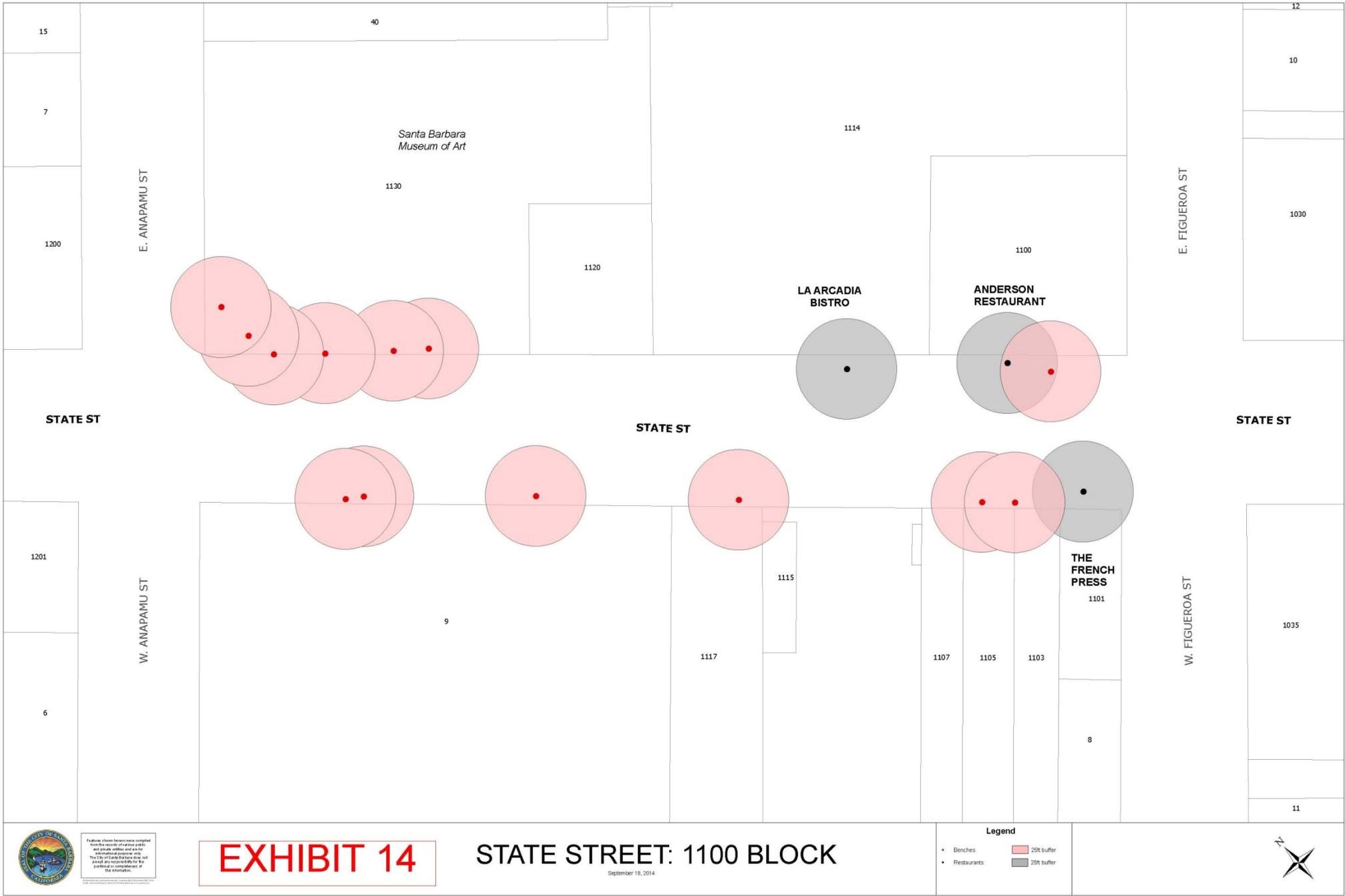
STATE STREET: 1000 BLOCK

September 17, 2014

Legend

- ATM Location
- Benches
- Restaurants
- 25ft buffer
- 50ft buffer
- 25ft buffer
- 25ft buffer





Planners should become more cognizant of the needs of various public and private entities and the distribution of resources. The City of Santa Barbara does not intend to discriminate on the basis of race, gender, or age in the provision of its services.

EXHIBIT 14

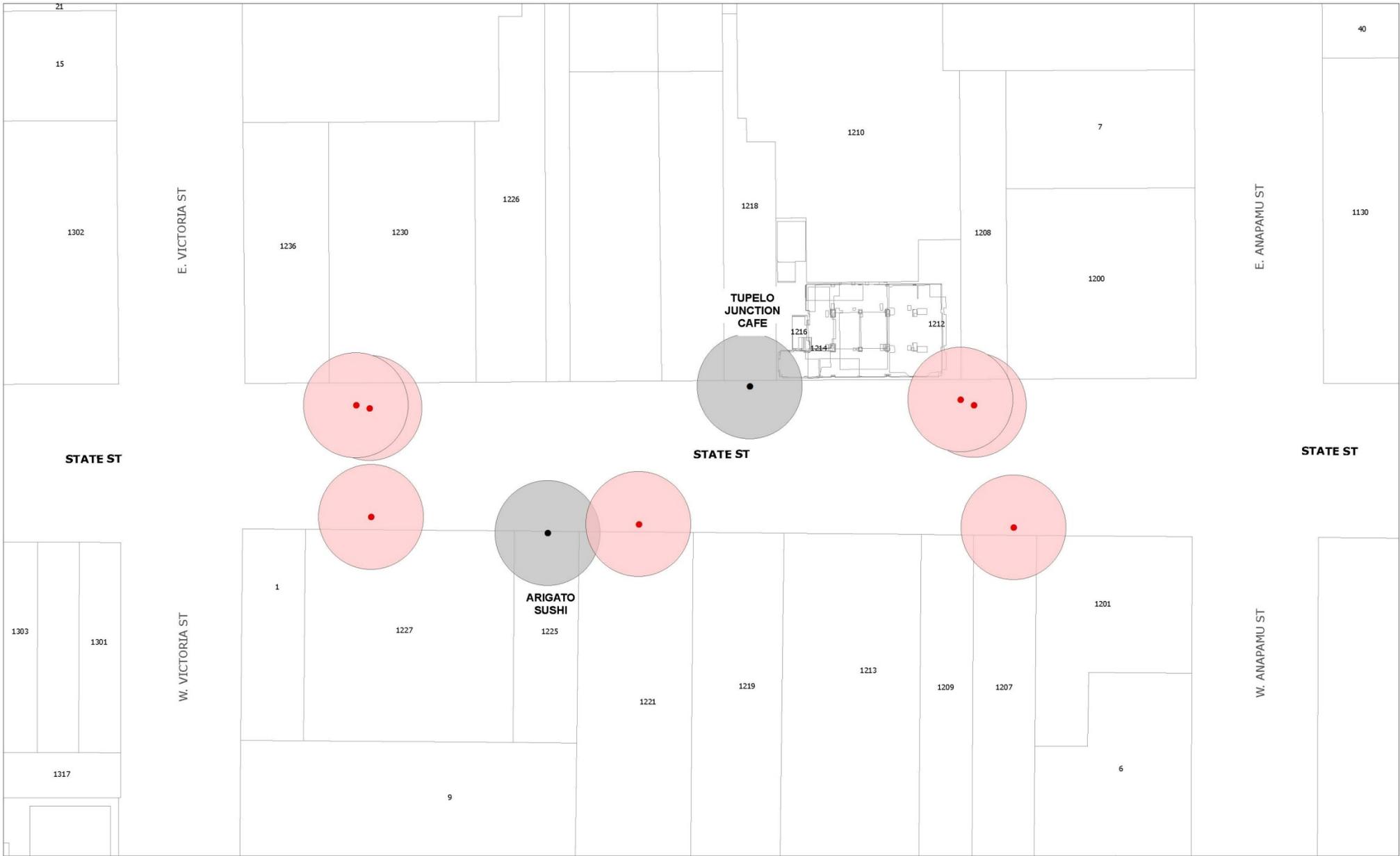
STATE STREET: 1100 BLOCK

September 18, 2014

Legend

- Benches
- Restaurants
- 25ft buffer
- 25ft buffer





Features shown here were compiled from the records of a local public and private entities and are for informational purposes only. The City of Annapamu does not accept any responsibility for the professional completeness of this information.

EXHIBIT 15 STATE STREET: 1200 BLOCK

September 10, 2014

Legend

- Benches
- Restaurants
- 25ft buffer
- 25ft buffer





**PROCLAMATION
SANTA BARBARA FIGHTING BACK
RED RIBBON WEEK
October 25-31, 2014**

WHEREAS, substance abuse is particularly damaging to one of our most valuable resources, our youth, and a contributing factor in the three leading causes of death for teenagers – accidents, homicides, and suicides; and

WHEREAS, it is the goal of Santa Barbara Fighting Back, Council on Alcoholism and Drug Abuse, the Santa Barbara Youth Council, and the Santa Barbara Teen Coalition to involve families, schools, businesses, media, government, medical institutions, faith organizations, law enforcement agencies, and youth service organizations in all aspects of this campaign and to establish an atmosphere that supports awareness, education, and ongoing initiatives to prevent illegal drug use; and

WHEREAS, the Red Ribbon Campaign was established by Congress in 1988 to encourage a drug-free lifestyle and involvement in drug prevention efforts in honor of Enrique "Kiki" Camarena, a Drug Enforcement Administration agent who was murdered in the line of duty; and

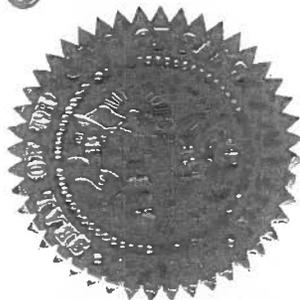
WHEREAS, the last week in the month of October is designated each year as National Red Ribbon Week, calling on all Americans to show their support for a drug-free lifestyle by wearing a red ribbon or wristband and participating in drug-free activities during that week; and

WHEREAS, the City of Santa Barbara values the health and safety of all our residents.

*NOW I THEREFORE HELENE SCHNEIDER, by virtue of the authority vested in me as Mayor of the City of Santa Barbara do hereby proclaim **October 25 to 31, 2014 as Red Ribbon Week in Santa Barbara, California**, and encourage all residents to support and participate in alcohol and other drug prevention activities.*

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 28th day of October, 2014.

HELENE SCHNEIDER
Mayor





CITY OF SANTA BARBARA CITY COUNCIL MINUTES

REGULAR MEETING October 14, 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 and Ordinance Committee, which ordinarily meet at 12:30 p.m. did not meet on this date.)

PLEDGE OF ALLEGIANCE

Mayor Schneider.

ROLL CALL

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

Councilmembers absent: None.

Staff present: Acting City Administrator Paul Casey, City Attorney Ariel Pierre Calonne, City Clerk Services Manager Gwen Peirce.

CEREMONIAL ITEMS

1. Subject: Proclamation Declaring October 16, 2014 As The Forge 100 Year Anniversary (120.04)

Action: Proclamation presented to Tyler Greenwald, Emma Cisek, Nicola Freeland and Beau Lettieri, representing *The Forge* Newspaper.

2. Subject: Proclamation Declaring October 2014 As National Community Planning Month (120.04)

Action: Proclamation presented to Kurt Christensen, American Planning Association (APA) National Board Member; Brooke Peterson, California Chapter President; Dave Ward, APA Central Coast Section; and Bettie Weiss, City Planner. Kurt Christensen presented Mayor Schneider with a certificate designating State Street with the "Great Street, Great Public Places Award" from the American Planning Association.

PUBLIC COMMENT

Speakers: Pat Love, Phil Walker, Bryan Rosen, Tom Becker, Robin Elander, Hans Van der Weijden.

CONSENT CALENDAR (Item Nos. 3 – 10)

Motion:

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

Vote:

Unanimous voice vote.

3. Subject: Minutes

Recommendation: That Council waive further reading and approve the minutes of the special meeting of September 29, 2014, and the regular meeting of September 30, 2014.

Action: Approved the recommendation.

4. Subject: Central Coast Collaborative On Homelessness (C3H) Memorandum Of Understanding (660.04)

Recommendation: That Council authorize the Acting City Administrator to execute a Memorandum of Understanding with the Northern Santa Barbara County United Way for the Central Coast Collaborative on Homelessness (C3H) effort.

Action: Approved the recommendation; Agreement No. 25,003 (October 14, 2014, report from the Community Development Director).

5. Subject: Contract For Construction Of The Fleet Operations Building Renovation Project (320.01)

Recommendation: That Council award a contract for construction of the Fleet Operations Building Renovation Project, Bid No. 5348, with EJS Construction, Inc., in their low bid amount of \$525,000, and authorize the Public Works Director to execute the contract and approve expenditures up to \$52,500 to cover any cost increases that may result from contract change orders for extra work.

Action: Approved the recommendation; Contract No. 25,004 (October 14, 2014, report from the Public Works Director).

6. Subject: Contract For Construction Of Santa Barbara Police Department Vehicle Access Security Gate Project (700.08)

Recommendation: That Council award a contract with GLR Construction, Inc., in their low bid amount of \$315,789 for construction of the Santa Barbara Police Department Vehicle Access Security Gate Project, Bid No. 5346; and authorize the Public Works Director to execute the contract and approve expenditures of up to \$11,000 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.

Action: Approved the recommendation; Contract No. 25,005 (October 14, 2014, report from the Public Works Director).

7. Subject: Contract For Preparation Of The New Zoning Ordinance (NZO) (640.09)

Recommendation: That Council authorize the Community Development Director to execute a City Professional Services Agreement with Dyett & Bhatia, Urban and Regional Planners, in an amount not to exceed \$199,910, for planning consultant services to prepare the City's new Zoning Ordinance.

Action: Approved the recommendation; Professional Services Agreement No. 25,006 (October 14, 2014, report from the Community Development Director).

8. Subject: Acquisition Of Police Forensic Software Upgrade (520.04)

Recommendation: That Council:

- A. Appropriate \$5,085 in the Fiscal Year 2014 Police Department Police Asset Forfeiture and Miscellaneous Grants Fund from available reserves for the purchase of an upgrade for the Cellebrite UFED Mobile Examination Workstation; and
- B. Find it in the City's best interest to waive the formal bid process as authorized in Municipal Code Section 4.52.080(k) and authorize the City's General Services Manager to issue a sole source purchase order to Cellebrite for an upgrade to the Cellebrite workstation.

Action: Approved the recommendations (October 14, 2014, report from the Chief of Police).

9. Subject: Set A Date For Public Hearing Regarding Appeal Of Planning Commission Approval For 3435 Marina Drive (640.07)

Recommendation: That Council:

- A. Set the date of November 18, 2014, at 2:00 p.m. for hearing the appeal filed by Mike Moore, et al., of the Planning Commission approval for property owned by Charles Rudd and located at 3435 Marina Drive, Assessor's Parcel No. 047-022-005, A-1/SD-3 (One-Family Residence/Coastal Overlay) Zones, General Plan/Local Coastal Plan Designation: Residential, 1 Unit per Acre. The project consists of the construction of a new two-story single-family residence of approximately 5,990 square feet, a 440 square-foot attached garage, and associated improvements on a vacant lot of 48,787 net square feet. The discretionary application required for the project is a Coastal Development Permit to allow the proposed development in the Appealable Jurisdiction of the City's Coastal Zone; and
- B. Set the date of November 17, 2014, at 1:30 p.m. for a site visit to the property located at 3435 Marina Drive.

Action: Approved the recommendations.

NOTICES

- 10. The City Clerk has on Thursday, October 9, 2014, posted this agenda in the Office of the City Clerk, on the City Hall Public Notice Board on the outside balcony of City Hall, and on the Internet.

This concluded the Consent Calendar.

CITY COUNCIL ADMINISTRATIVE AND ATTORNEY REPORTS

PUBLIC WORKS DEPARTMENT

11. Subject: Stage Two Drought Update (540.05)

Recommendation: That Council receive an update on the status of the current drought.

Documents:

- October 14, 2014, report from the Public Works Director.
- PowerPoint presentation prepared and made by Staff.

(Cont'd)

11. (Cont'd)

Speakers:

- Staff: Acting Water Resources Manager Joshua Haggmark, City Attorney Ariel Calonne, City Planner Bettie Weiss, Acting Water Conservation Coordinator Madeline Ward.
- Members of the Public: Phil Walker; Brad Smith, Sweetwater Collaborative; Ethan Shenkman.

Discussion:

Staff's presentation included: 1) charts showing water use trends during the current water year; 2) water supply outlook; 3) Lake Cachuma status update; 4) information on the Sustainable Groundwater Management Act; 5) an update on drought response capital projects; 6) an overview of potential drought development restrictions; 7) a brief history of water conservation in Santa Barbara; 8) an overview of best practices; and 9) an explanation of the current conservation program. Councilmembers' questions were answered.

Councilmember Francisco left the meeting at 2:55 p.m. and returned at 3:15 p.m.

PUBLIC HEARINGS

12. **Subject: Appeal Of Historic Landmarks Commission Conditional Approvals Of An As-Built Mural Located At 901 Chapala Street (640.07)**

Recommendation: That Council deny the appeal of Juan Jimenez, co-owner of Cajun Kitchen restaurant, and uphold the decision of the Historic Landmarks Commission to approve an as-built art mural for a temporary period of one year.

Documents:

- October 14, 2014, report from the Community Development Director.
- PowerPoint presentation prepared and made by Staff.

Public Comment Opened:

4:15 p.m.

Speakers:

- Staff: Senior Planner II Jaime Limon.
- Appellant/Applicant: Juan Jimenez, Co-owner of Cajun Kitchen Café.
- Members of the Public: Gerardo Ayala.

Public Comment Closed:

5:05 p.m.

(Cont'd)

12. (Cont'd)

Motion:

Councilmembers Francisco/Hotchkiss to approve staff's recommendation to deny the appeal of Juan Jimenez, co-owner of Cajun Kitchen restaurant and uphold the decision of the Historic Landmarks Commission.

Vote:

Unanimous voice vote.

COUNCILMEMBER COMMITTEE ASSIGNMENT REPORTS

Information:

- Councilmember Hotchkiss spoke regarding his attendance at the Police Foundation's fundraising event.
- Councilmember White reported on his attendance at: 1) the Santa Barbara Middle School celebration of the completion of the school's infrastructure project; 2) a recent Water Commission Meeting; 3) a Neighborhood Advisory Council meeting where they received the City infrastructure presentation; and 4) a recent Planning Commission meeting regarding the Housing Authority project on South Hope Avenue.
- Councilmember Rowse reported on his attendance at: 1) a recent City infrastructure presentation at the Faulkner Gallery; and 2) a recent Downtown Parking Committee meeting.
- Councilmember Murillo spoke regarding her attendance at the following events: 1) Police Foundation event; 2) Santa Barbara Middle School celebration; 3) Vista Del Monte 50th Anniversary celebration; and 4) the Coalition for Sustainable Transportation (COAST) Westside Walk event.
- Mayor Schneider reported on her attendance at a recent Infrastructure Task Force meeting.

RECESS

The Mayor recessed the meeting at 5:29 p.m. in order for the Council to reconvene in closed session for Agenda Item No. 13, and she stated that no reportable action is anticipated.

CLOSED SESSIONS

13. 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 *Lawrence Grassini, Sharon Grassini, and Mark Schwartz, v. California Department of Transportation; City of Santa Barbara, et al. Real Parties in Interest*, SBSC Case No.1468955. (Cont'd)

13. (Cont'd)

Scheduling: Duration, 15 minutes; anytime
Report: None anticipated

Documents:

October 14, 2014, report from the City Attorney.

Time:

5:32 p.m. – 5:55 p.m. Councilmember Hart was absent.

No report made.

ADJOURNMENT

Mayor Schneider adjourned the meeting at 5:55 p.m.

SANTA BARBARA CITY COUNCIL

SANTA BARBARA
CITY CLERK'S OFFICE

HELENE SCHNEIDER
MAYOR

ATTEST: _____
GWEN PEIRCE, CMC
CITY CLERK SERVICES MANAGER

ORDINANCE NO. _____

AN ORDINANCE OF THE COUNCIL OF THE CITY OF SANTA BARBARA ADOPTING THE 2014-2017 MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF SANTA BARBARA AND THE PATROL OFFICERS' AND TREATMENT PLANTS' BARGAINING UNITS (TAP UNITS).

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

SECTION 1. The Memorandum of Understanding between the City of Santa Barbara and the Service Employees' International Union, Local 620, Airport and Harbor Patrol Officers' and Treatment Plants' Bargaining Units, effective as of January 1, 2014 and covering the term of January 1, 2014 through September 30, 2017, and attached hereto and incorporated herein by reference as Exhibit "A" (hereinafter the "M.O.U.") is hereby adopted.

SECTION 2. During the term of the M.O.U., the City Administrator is hereby authorized to implement the terms of the M.O.U. without further action by the City Council, unless such further Council action is required by state or federal law. This authorization shall include, but not be limited to, the authority to implement employee salary increases and changes to the salary schedule(s) that were adopted with the annual budget.

**MEMORANDUM OF UNDERSTANDING
BETWEEN
THE CITY OF SANTA BARBARA
AND
SERVICE EMPLOYEES' INTERNATIONAL UNION, LOCAL 620, CTW, CLC,
AIRPORT AND HARBOR PATROL OFFICERS' AND
TREATMENT PLANTS' BARGAINING UNITS**

THIS AGREEMENT IS ENTERED INTO AS OF _____ BETWEEN THE CITY OF SANTA BARBARA, HEREINAFTER REFERRED TO AS THE "CITY", AND THE SERVICE EMPLOYEES' INTERNATIONAL UNION, LOCAL 620, CTW, CLC, HEREINAFTER REFERRED TO AS "UNION."

Pursuant to Section 3.12 of the Municipal Code of the City of Santa Barbara and Section 3500 et seq. of the Government Code, the duly authorized representatives of the City and the Union, having met and conferred in good faith concerning the issue of wages, hours, and terms and conditions of employment, as herein set forth, declare their agreement to the provisions of this Memorandum of Understanding.

FOR THE CITY:

Kristine Schmidt
Employee Relations Manager

Chris Toth
Wastewater Systems Manager

Mick Kronman
Harbor Operations Manager

Tracy Lincoln,
Airport Operations Manager

Graciela Reynoso
Human Resources Analyst

FOR THE UNION:

Mike Woods, Lead Negotiator
SEIU Local 620 Field Representative

Thomas Welche, President
Wastewater Treatment Plant Chief Operator

Jason Guy
Control Systems Operator Specialist

Rick Hubbard
Harbor Patrol Officer

John Krohta
Airport Patrol Officer II

Rick Marshall
Water Distribution Operator Technician

Ray Urrutia
Wastewater Collections Operator Technician II

Cynthia Goena
SEIU Local 620 Field Representative

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1. BENEFITS DURING LEAVE WITHOUT PAY

No sick leave, vacation, or holidays shall accrue to any employee during any full biweekly pay period in which the employee is on unauthorized or authorized leave without pay. Employees on leave without pay shall also be responsible for full payment (employer and employee portion) of insurance premiums except as otherwise provided in this MOU.

2. BENEFITS- PART-TIME EMPLOYEES

a. Employees filling positions authorized by City Council in the City's official list of authorized positions at 20 hours or more per week on a less than full-time basis shall receive benefits (holiday, vacation, and sick leave) as follows:

- i. Cafeteria plan contribution, medical contribution, dental contribution, vision contribution, holiday time, bilingual pay, and other benefits, equal to the percent of time regularly scheduled versus a regular work week rounded up to the nearest ten percent (10%), unless otherwise stipulated in this Agreement..
- ii. Vacation, and sick leave equal to the percent of time worked versus a regular work week rounded up to the nearest ten percent (10%).

b. Employees who were already filling positions authorized by City Council in the official 2004-2005 Position and Salary Control Resolution at more than 20 hours per week on a less-than-full-time basis on September 24, 2004 will continue to receive full-time health benefits (cafeteria plan contribution, medical contribution, dental contribution, vision contribution).

3. BEREAVEMENT LEAVE

The City's bereavement leave policy shall provide up to five (5) days leave with pay for immediate family members. Immediate family is defined as mother, father, brother, sister, spouse, child, grandparents by blood or marriage, grandchildren by blood or marriage, mother-in-law, father-in-law, brother-in-law, sister-in-law, daughter-in-law, son-in-law, person standing in loco parentis (in place of the parent), and step family members. In addition to the immediate family members listed herein, an employee shall be eligible for up to five (5) days bereavement leave with pay for his/her domestic partner and the domestic partner's immediate family, as defined above. In order to receive this benefit, domestic partners must be registered with the City Clerk's office or the Secretary of State.

The parties agree that co-worker funeral attendance will be acceptable to the City upon Department Head approval consistent with maintenance of operations.

The intent of bereavement leave is to provide employees with adequate time to be with their immediate family during a period of anguish, whether it be at the time of death, preparation of funeral arrangements and/or to attend a funeral.

Though bereavement leave pay is not applicable, the City shall encourage departments to make reasonable efforts to allow employees to use accrued vacation, compensatory, time or personal leave to attend the funeral of an aunt, uncle or cousin.

4. BILINGUAL SKILLS

The City and the Union agree to encourage employees to voluntarily develop bilingual skills in instances where the public contact nature of their jobs would make such skills valuable.

Any employee who is requested by the City and whose duty assignments require frequent and regular use of bilingual language skills in Spanish and in English with members of the public shall be designated by the

Department Head in writing and said designation shall be approved by the Human Resources Manager, who shall test and certify the employees for language proficiency.

Departments will be limited to two (2) employees as being designated for use of bilingual skills in each major division or department. "Major Division" shall be determined by the Department Head.

As used in this section, the phrase "regular and frequent" means at least several times in each working day. Designation of the bilingual language skill is restricted to the actual needs of the position. An employee's ability to read, write or speak Spanish occasionally or, incidental use of language skills in Spanish, or the use of bilingual skills other than for the purpose of meeting the requirements of the job shall not warrant a bilingual designation.

The City shall provide an updated list of designated employees at the Union's written request no more than once every six (6) months. In addition, the City shall provide a list of designated employees to the Union within 30 days of ratification of this MOU.

All employees designated for use of bilingual skills by their Department Head shall receive \$64.00 per pay period.

5. BULLETIN BOARDS

The City agrees to furnish space for Union-purchased bulletin boards of a reasonable size for posting of Union material. The specific locations of the bulletin boards shall be approved by the City and shall include but not be limited to the following work stations:

Harbor Patrol Office	Water Treatment Plant
Airport Administration Building	Wastewater Treatment Plant
Parks Division	

Other work stations may be added upon approval of the City.

6. CAFETERIA PLAN

a. A flexible benefits plan known as a "125 Cafeteria Plan" and the "pre-tax advantage" provisions related to an employee's medical, dental, vision, psychological and supplemental life insurance premium contributions and flexible spending accounts within the meaning of Section 125 (d) of the Internal Revenue Code shall be provided to employees. Each employee shall be eligible to allocate a discretionary amount of \$313.74 per month for the term of this Agreement.

b. If medical, dental, and vision insurance plan selections exceed the cafeteria plan allocation, the City will pay the difference of these respective insurance premiums up to the amounts in the Medical Insurance, Dental Insurance and Vision Insurance sections of the Health Insurances article of this MOU; said excess premium payments cannot be applied to any other element of the cafeteria plan.

7. CHILD CARE

The City will provide a pre-tax salary reduction plan for dependent care needs in accordance with Section 129 of the Internal Revenue Code.

8. COMMERCIAL DRIVER'S LICENSE

When an employee is promoted to a position where a commercial driver's license is required, the City will allow the employee up to 6 months following initial appointment to obtain the commercial driver's license, unless the employee had a commercial driver's license prior to promotion.

9. DISABILITY RETIREMENT

a. An employee found physically or mentally incompetent to perform his/her regular duties shall be provided with the opportunity for transfer, promotion or demotion to a position for which he/she possesses the physical or mental competence, if possible, or other action pursuant to State law and/or City Charter.

b. An employee later found not to be disabled shall be reinstated with back pay and benefits to the date such pay and benefits ceased.

c. In no case shall an industrially injured employee be entitled to use sick leave benefits to postpone the effective date of retirement.

d. An employee eligible to retire for non-industrial disability shall be entitled to use sick leave benefits to extend the date the employee is first eligible to receive retirement benefits for up to a maximum of ninety (90) days.

10. DISCIPLINARY ACTION

The City, at its option, may require an employee to forfeit vacation or holiday time in lieu of taking other disciplinary action pursuant to Charter Section 1007 and enabling ordinances.

11. DOMESTIC PARTNERSHIP BENEFITS

The City shall allow same sex and opposite sex domestic partners dependent coverage under medical, dental, and vision plans. In order to receive this benefit, domestic partners must be registered with the City Clerk's office or the Secretary of State. The affected employees shall be responsible for all tax consequences of this benefit.

12. DRESS CODES

It is agreed that employees recognize and will comply with standards of dress consistent with the positive representation of the City government through its employees and consistent with uniform requirements and safety policies established by the City. The Department head may issue guidelines for dress that are consistent with the above standard for a work unit. Said guidelines will be given to employees at the time of hire. The City will provide the Union with Department Dress Guidelines and upon request, will meet and consult with Union over potential impacts to terms and conditions of employment.

13. DRUG AND ALCOHOL TESTING POLICIES

Only employees with commercial driver's licenses in "safety sensitive" positions are subject to the City of Santa Barbara Drug and Alcohol Testing Policy Pursuant to Department of Transportation Regulations (which includes random and reasonable suspicion drug and alcohol testing).

Employees not subject to the City Of Santa Barbara Drug And Alcohol Testing Policy Pursuant To Department Of Transportation Regulations are subject to pre-employment drug testing and post-accident drug and alcohol testing pursuant to the City of Santa Barbara Drug and Alcohol Testing Policy, attached hereto as Appendix D.

14. EQUAL EMPLOYMENT OPPORTUNITY

a. The City and the Union agree that the provisions of this Agreement shall be applied equally to all employees covered herein without favor or discrimination because of race, creed, color, sex/gender, age, national origin, military and veteran status, political or religious affiliations, Union membership, sexual orientation, marital status, disability or pregnancy.

b. The City and the Union agree to commit themselves to the goal of equal employment opportunity in all City services. Further, the Union agrees to encourage their members to assist in the implementation of the equal employment opportunity program.

15. FLEXIBLE STAFFING

The City may choose to flexibly staff classifications within any class series containing an entry and journey level position. Flexible staffing gives the City the ability to hire employees at the entry level or the journey level depending upon applicant qualifications and City staffing needs.

An official list of the flexibly staffed classifications shall be maintained by Human Resources. Classifications designated as flexibly staffed would not require an examination nor the establishment of an eligible list for an incumbent to promote from the entry level to the journey level classification. The City retains the exclusive right to determine if and when an employee may advance from the entry to the journey level.

Flexible staffing does not preclude the City from identifying certain positions that would be permanently assigned to the entry level for as long as their duties and responsibilities remain within the entry level classification.

16. GRIEVANCES/DISPUTES

a. Grievances shall be defined as an alleged violation of this Agreement or dispute regarding interpretations, application, or enforcement of this Agreement or the City Charter, City ordinances, resolutions, and written policies related to personnel policies and working conditions. Grievances shall not include disagreements, disputes, or activities regarding or pertaining to examinations for employment or promotion, disciplinary action, performance evaluations, probationary terminations and items subject to meet and confer.

No act or activity which may be grievable may be considered for resolution unless a grievance is filed in accordance with the procedure contained herein within twenty (20) working days of the date the grievable activity occurred or the date the employee could reasonably have known such activity occurred.

b. The Union agrees that whenever investigation or processing of a grievance is to be transacted during working hours, only the amount of time necessary to bring about a prompt disposition of the matter will be utilized. At the City's discretion, time spent by City employees on the investigation and processing of grievances will be recorded on a form provided by management.

Union Stewards will be permitted reasonable time off with pay for the investigation and processing of grievances after first obtaining permission from his/her Department Head. Such permission will be granted promptly unless such absence would cause an undue interruption of work.

Upon entering a work location, the Union Steward shall inform the appropriate Department Head and supervisor of the nature of his/her business. An employee pursuing a grievance shall be granted permission to leave the job unless such absence would cause an undue interruption of work. If the employee can not be made available, the Union Steward will be immediately informed when the employee will be made available.

c. The parties agree that all grievances will be processed in accordance with the following procedure.

Step One

Any employee who has a grievance shall first try to get it settled through discussion with his/her immediate supervisor without undue delay. Every effort shall be made to find an acceptable solution at the lowest possible level of supervision.

Step Two

If after such discussion the employee does not believe the grievance has been satisfactorily resolved, he or she may file a formal appeal in writing to his/her Department Head within ten (10) working days after the informal decision of his/her immediate supervisor.

The Department Head receiving the formal appeal shall render his/her written decision and comment to the employee within ten (10) working days after receiving the appeal.

Step Three

If, within ten (10) working days after receipt of the written decision of the Department Head the employee is still dissatisfied, he or she may request the services of a mediator from the State Mediation and Conciliation Service.

Step Four

If, within ten (10) working days after the mediation process has been completed, the employee is still dissatisfied he or she may file a written appeal of the decision of the Department Head to the City Administrator. The City Administrator shall review information provided by the employee, the decision of the Department Head, and suggestions or information provided by the Mediator. The City Administrator shall render his/her decision within twenty-five (25) working days after the appeal is filed. Except as provided under Step Five below, the City Administrator's decision shall be considered final.

Step Five

Request for Arbitration

If the grievant is not satisfied with the decision at Step Four, he/she may, within fifteen (15) working days after the decision is mailed by the City Administrator, and with the concurrence of the Union, submit a request in writing to the City to proceed to arbitration. The Union shall have the right to invoke the arbitration procedure on behalf of a class of employees. Arbitration shall be conducted in accordance with the rules and procedures delineated in this Article.

Selection of Arbitrator

The parties shall make a good faith effort to select a mutually acceptable arbitrator from a designated list of available arbitrators. If they are unable to agree on an arbitrator within ten (10) days of the submission of the grievance to arbitration, the parties shall request a panel of experienced arbitrators from the California State Mediation and Conciliation Service. Each party shall alternately strike a name until only one name remains. The party who strikes first shall be determined by lot. By mutual agreement, the arbitration may be held under the Expedited Rules of the American Arbitration Association.

Unless the parties agree otherwise, a hearing shall be commenced within sixty (60) days from selection of the arbitrator.

Arbitrator's Authority

Only those issues which directly relate to alleged violations of this Memorandum of Understanding or the City Charter, City ordinances, resolutions and written policies related to personnel policies and working conditions shall be subject to arbitration. In addition, matters for which a separate and comprehensive administrative process is available that provides a remedy no less complete than that provided in arbitration are not within the scope of this procedure. Examples of such comprehensive processes are: discrimination complaints covered by EEOC or DFEH, safety complaints under Cal OSHA and OSHA, workers' compensation matters, and Civil Service appeals. The arbitrator will have no power to add to, subtract from, or modify the terms of this Agreement, the City Charter or Ordinances, or the written policies, rules, regulations or procedures of the City. The arbitrator however, may, in the course of determining the questions properly submitted to him/her, consider arguments and evidence based on external law.

Submission Agreement/Questions Regarding Arbitrability

If the parties cannot agree upon a submission agreement, the arbitrator shall determine the issues by referring to the written grievance and the answers thereto at each step. If any question arises as to the arbitrability of the grievance, such question shall be ruled upon by the arbitrator prior to hearing the merits of the grievance.

Hearing Procedure

Except as indicated in this Article, the arbitration hearing shall be conducted in accordance with the Labor Arbitration Rules of the American Arbitration Association.

Decision

After a hearing and an opportunity to present such closing arguments as may be appropriate, the arbitrator will make a reasonable effort to issue his/her decision within thirty (30) days after the conclusion of the hearing. The arbitrator's decision shall be in writing and set forth his/her findings of fact, reasoning and conclusions on the issues submitted. The decision shall be final and binding on the parties.

Costs

All costs for the services of the arbitrator, including, but not limited to, per diem expenses, travel and subsistence shall be shared equally by the parties. Any cost incurred to obtain the use of a hearing room shall be shared by the parties. All other costs shall be borne by the party incurring them.

d. The time limitations for filing and responding to grievances may be waived or extended by mutual agreement of the parties. If either party to the grievance so requests, an informal hearing shall be conducted at the Department Head or City Administrator appeal levels. Employees may be represented by counsel or other person at any stage in the grievance process.

e. Grievances which are general in character and which involve interpretation or application of this MOU or City policies or which involve matters requiring resolution outside the authority of the employee's Department Head shall be filed directly with the Assistant City Administrator who shall provide a written response within ten (10) working days.

An employee may appeal the response of the Assistant City Administrator. The employee's appeal shall be handled in accordance with the procedures beginning in step three above.

f. Disputes or complaints regarding open competitive or promotional examinations for employment shall be processed in accordance with the policy adopted by the City Administrator. The City shall consult with the Union prior to adopting or amending such policy.

g. Disputes or complaints regarding performance appraisals shall first be discussed with the individual who made the appraisal. An employee dissatisfied with the appraiser's response may discuss his/her complaint with the individual at the next higher level of supervision whose decision shall be final. An employee may be represented by counsel or other individual during these discussions.

17.

HARBOR AND AIRPORT PATROL SPECIAL DUTY ASSIGNMENT

a. It is agreed that special pay associated with Harbor or Airport Patrol Special Duty Assignments shall be provided at the rate of two percent (2%) of base salary.

b. Harbor or Airport Patrol Special Duty Assignments shall be significant in nature and designated by the Waterfront Director or Airport Director. If such special duty assignments are created, City shall submit a request the Union to voluntarily modify this agreement to include any details for eligibility for such pay that may be required by the California Public Employees Retirement System (CALPERS) for pension reporting purposes.

18.

HEALTH AND SAFETY

a. The City and the Union agree to abide by all provisions of the California Plan approved in accordance with the provisions of the Federal Occupational Safety & Health Act of 1970, and any applicable legislation as may be passed by the State of California to implement that plan. The City recognizes that it is the duty of management to make every reasonable effort to provide and maintain a safe place of employment. The Union will cooperate by encouraging all employees to perform their work in a safe manner. It is the duty of all employees in the course of performing their duties to be alert to unsafe practices, equipment, and conditions and to report any such unsafe practices or conditions to their immediate supervisors. If such conditions cannot be satisfactorily remedied by the immediate supervisor, an employee has the right to submit the matter either personally or through the Union Steward to his/her Department Head or his/her designated representative. On any matter of safety that is not resolved, consultation will take place between management and Union representatives. Compliance with basic safety requirements will be part of each employee's performance evaluation criteria.

b. The City agrees to conduct a Safety Program on City time for the purpose of educating employees concerning the provisions of the Occupational Safety and Health Act as well as the City's safety policies. The Union agrees to support without qualification the City's Safety Program and will encourage its members to attend safety courses if required by the City and made available on City time. The City agrees that any safety courses the employees are required to take will be provided on City time with pay and that first aid training shall be provided to all employees in an on-duty status.

c. Both the City and the Union recognize the need and will strive to reduce the number of industrial injuries among the employees.

d. The parties agree that the City shall perform on-site safety inspections in major work sites at least once a year, and to hold regular safety meetings with departmental safety coordinators. It is further agreed that the City shall continue to maintain vehicles and equipment in a safe operating condition and that no employee will be penalized for refusing to use vehicles or equipment proven to be unsafe pursuant to State law.

19.

HEALTH INSURANCES (MEDICAL, DENTAL, VISION)

a. **Medical Insurance-**

i. The parties agree that the City will pay 100% of the premium for medical insurance for the employee only, up to a maximum per month per employee of \$1009.43

It is agreed that should the amount of subject premium be less than the limits described above, the difference between the employee-only premium and said dollar amount shall be applied to employee dependent medical coverage, if any. The City will provide an HMO option.

The Union will appoint a standing Union Insurance Advisory Committee. The City agrees to consult with the Committee prior to implementing any insurance contract change. The City shall provide the Union with a copy of the medical insurance policy.

The City retains full and complete control over the selection, approval, and administration of the City's employee medical insurance program to include selection of the carrier, insurance contract renewal, and changes in program specifications. However, medical insurance benefits at the commencement of this Agreement shall be maintained to the extent it is within the control of the City.

ii. Effective January 1, 2015, for an employee who is enrolled in a PPO plan that is coordinated with a Health Savings Account (HSA), the City will match the employee's contribution to the HSA on a dollar-for-dollar basis, not to exceed \$50.00 per month. Effective January 1, 2016, the dollar-for-dollar match will be increased to an amount not to exceed \$75.00 per month

b. **Dental Insurance-** The parties agree that the City shall pay up to a maximum of \$76 per month per employee towards the dental insurance premium.

The City retains complete and full control over the administration of this dental program subject to maintenance of benefits equivalent to those provided above for the term of this Agreement, to the extent it is within the control of the City.

The City will continue to provide a Dental HMO option.

c. **Vision Insurance-** The City shall pay up to a maximum of \$9.26 per month per employee towards the vision insurance premium for the term of this Agreement. Employees who drop vision insurance shall not be able to re-enroll within two years of dropping coverage.

20. HOLIDAYS

a. The City and the Union agree that the following days shall be observed as legal holidays by all employees in the Unit who are in a classification which would normally take a holiday when it occurs.

January 1st	(New Year's Day)
3rd Monday in January	(Martin Luther King Jr.'s Birthday)
3rd Monday in February	(Washington's Birthday)
Last Monday in May	(Memorial Day)
July 4th	(Independence Day)
1st Monday in September	(Labor Day)
4th Thursday in November	(Thanksgiving)
The Friday Immediately following Thanksgiving Day	
December 25th	(Christmas Day)

When a holiday falls on a Saturday or Sunday the preceding Friday or following Monday respectively shall be observed as a legal holiday.

b. For shift employees, 2.77 hours per biweekly pay period (9 days per year) will be allocated to their vacation balance and shall be used like vacation. Employees eligible to receive this accrual shall begin accruing effective the first day of employment. Shift employees are those employees that have been designated by the Department Head as shift employees because the nature of operations in their area of responsibility is such that work on holidays is a regular job requirement. Shift employees receive straight time pay for work on a day being observed as a holiday if it is part of the employee's regular shift. However, if a shift employee is called back to work on a day which is not the employee's regular shift day, and that day is being observed as a holiday, as listed above, the employee shall be compensated at the rate of time and one-half. For purposes of this provision, Park Rangers are considered shift employees.

c. Nothing in this Agreement shall preclude the City from declaring a holiday when a legal holiday has been declared by the President of the United States or the Governor of the State of California.

d. If an employee who is not a shift employee under section "b" of this article is required to work on a day that is being observed as a holiday, as listed above, the employee shall be compensated at the rate of time and one-half for hours worked on that day. The employee will also be entitled to an additional day off. Such day off shall be taken within thirty (30) calendar days or shall be compensated at straight pay after the 30th day.

e. The City will solicit volunteers within a work unit to work on Thanksgiving and Christmas. If an insufficient number of volunteers are available, then the supervisor shall make every reasonable effort to rotate assignments on Thanksgiving and Christmas.

f. The Union reserves the right to raise the issue of adding the Cesar Chavez holiday as a new paid holiday during negotiations for a successor to this Agreement.

21. IMPLEMENTATION OF MOU

City shall implement the provisions of this Memorandum of Understanding by adopting appropriate resolutions, ordinances, and administrative policies.

22. JURY/WITNESS DUTY

In the event that an employee of the City is required by a court of competent jurisdiction to perform jury duty and that requirement causes the employee to be away from his/her regularly assigned work schedule, said jury duty shall be considered leave with pay without interruption of service on the condition that the employee pay to the City Treasurer all compensation he/she receives for the jury duty. For those employees on shift work, the City will, whenever possible, reschedule an employee to a day shift.

Pursuant to Government Code §1230.1, whenever an employee is served with a subpoena which compels his/her presence as a witness, unless he/she is a party or an expert witness, such employee shall be granted a leave of absence with pay in the amount of the difference between the employee's regular earnings and any amount he/she receives for such appearance.

23. LAYOFF POLICY

a. Basis of Layoff: Whenever a position is abolished pursuant to section 1008 of the City Charter an employee will be laid off as set forth below.

b. Notification to the Union: Whenever the City Administrator submits a budget to the City Council requiring layoff of employees in this bargaining unit, the City Administrator shall provide the Union with a list of the classifications(s), department(s), and division(s) from which the layoff will be made, and a seniority list of those affected.

c. Notification to Employee: Employees to be laid off shall be given at least thirty (30) calendar days prior notice.

d. Order of Layoff: Employees will be laid off by classification, department and division in the following order:

1. Probationary employees;
2. Regular employees who within the twenty-six pay periods immediately prior to the layoff received a cumulative performance evaluation score of less than 3.0 under the former evaluation form, or an overall score of "needs improvement" under the new 2009 evaluation form.
3. Regular employees by inverse order of seniority. Seniority is determined by continuous service in the classification.
4. If employees have the same seniority within the classification, selection shall be made at random.

e. Bumping (Displacement) Rights: regular employees who are laid off have the right to return to the last position they previously held under the following conditions:

1. They meet the positions' minimum qualifications
2. They are physically able to perform the duties of the position
3. The position has continued to exist

If an employee bumps down into the last position held, the employee will bump the employee with the least seniority in the classification.

f. Transfer or Voluntary Demotion: If an employee to be laid off meets the minimum qualifications for a vacant position, before an open competitive recruitment can be commenced, the employee will be given an opportunity to fill the vacant position through transfer or voluntary demotion.

If an employee does not meet the minimum qualifications for the vacant position the City will consider appointment to the vacant position as a trainee level appointment. Trainee-level employees appointed under this section will be paid at 100% of Step 1, rather than 80%.

Final appointment through transfer or demotion is at the sole discretion of the Department head.

g. Separation Enhancement Plan: The City may offer a separation enhancement to avoid layoffs.

24. LEAD PAY

a. During the term of this Agreement, Harbor Patrol Officers who are scheduled and work an assigned shift in Lead capacity shall receive an additional five (5%) percent over their base salary. The five (5%) percent shall not be applied to vacation, sick leave, compensatory time or other paid leaves. The City agrees to designate a "Lead" officer whenever the Harbor Patrol Supervisor and the Harbormaster are not working.

Nothing in this provision is intended to preclude the Harbor Patrol Supervisor or the Harbormaster from assigning a "Lead" officer whenever they deem it to be necessary for the safe and efficient operation of the department. Which officer is assigned as the lead officer is within the sole discretion of Waterfront management.

25. LEAVE OF ABSENCE

a. It is agreed that represented employees as defined in this Agreement shall have the right to request an extended leave of absence without pay for a period of up to one year for personal reasons or for additional schooling. If the leave is approved, the employee will have the right of return but such leave shall

be considered a break in service with no accrual of benefits. Leave approval will be at the discretion of the City Administrator.

b. Employees may be entitled to up to 12 weeks of leave, with benefit continuation and reinstatement rights, under the City's FMLA/CFRA Family Care and Medical Leave Policy for the birth of a child or to care for a newborn, for the placement of a child with an employee in connection with adoption or foster care, to care for a child, parent, spouse, domestic partner or child of a domestic partner who has a serious health condition, or for the employee's own serious health condition. For combined pregnancy and child bonding leave, the amount of leave available under this policy may be longer. Employees may also be entitled to up to 26 weeks of leave to care for a covered service member under the City's FMLA/CFRA Family Care and Medical Leave Policy. Employees may also be entitled to "qualifying exigency leave", "military caregiver leave", or other leave under the military family leave provisions of the FMLA/CFRA Family Care and Medical Leave Policy.

c. Extended medical leaves of absence may be granted by the City Administrator for a period of up to a total of one year (including any period of FMLA/CFRA Family Care and Medical Leave) on request of the employee due to the employee's illness. The City shall continue to pay its contribution to insurance for the longer of the first ninety (90) days of such leave, or any period of leave continuation provided under the FMLA/CFRA Family Care and Medical Leave Policy.

d. The following criteria will be used in determining the granting of personal or extended medical leaves of absence:

1. the employee's seniority in City service.
2. the employee's job performance record.
3. the employee's disciplinary record.
4. the needs of the City service.

e. "Continuous service" means employment with the City without break or interruption; in computing continuous service for the purposes of this article, neither military leaves nor medical leaves of absence, including maternity leaves, whether with or without pay, shall be construed as a break in employment or service. Other absences aggregating in excess of ninety (90) working days in any period of twelve (12) months, including layoffs on account of lack of work, lack of funds, or abolishment of positions shall be construed as breaking "continuous service".

26. LIFE INSURANCE

The City will provide a term life insurance policy covering the employee in the amount of \$50,000 with equal accidental death and dismemberment provision.

27. LONG-TERM DISABILITY

The City will provide a long-term disability insurance plan by enrolling Unit members in the City's current long-term disability plan.

28. MAINTENANCE OF BENEFITS

The City and the Union agree that all compensation, other than direct wages, as provided by ordinance, resolution, and City Charter, which are in existence at the commencement of this Agreement, shall not be diminished, lessened, or reduced for the duration of this Agreement, except as may be herein provided.

Wage adjustments as provided for from time to time by ordinance or resolution, or by City Charter, as may be amended in accordance with this Agreement, shall also continue for the duration of this Agreement.

The City and the Union agree that the City has the right and prerogative to assign duties to and direct employees in accordance with applicable job specifications and Section 3.12 of the Santa Barbara Municipal Code.

29. MANAGEMENT RIGHTS

The parties agree that the City has an exclusive right to manage and direct the performance of services and the work force performing such services unless the City has specifically delegated, abridged, or modified any such rights in this Agreement. Such rights shall include but not be limited to the sole right to determine the organizational structure of the City, establish levels and types of services to be provided, determine the methods, means, and number of personnel by which operations are to be conducted, including sole authority to contract or subcontract for municipal services, and to exercise complete control and discretion over the technology of performing the City's work. The City retains complete authority over the policies and direction and administration of all City departments including but not limited to standards and methods of selection for employment; promotion and performance evaluation; disciplinary action; relief of employees from duty because of lack of work or other legitimate reasons; maintenance of the efficiency of government operations; establishment of the work week and work schedules; and determination of the content of job classifications consistent with applicable laws and with due regard for provisions of this Agreement.

If a management decision to contract out work being performed by existing employees will foreseeably lead to imminent deletion of an existing authorized full time position, the City will provide at least 30 days notice of decision to Union and opportunity to negotiate effects of decision on employees. Negotiation over effects shall not delay moving forward with contracting out work.

It is further agreed that nothing in this Agreement shall in any way diminish the rights of employees, the City, or the Union as established by the Meyers-Milias-Brown Act of the State of California and all amendments thereto, or Santa Barbara Municipal Code, Chapter 3.12, except as herein provided.

30. MUNICIPAL CODE CHANGES & TASK FORCE MEETINGS

a. During the term of the Agreement the City and the Association shall meet and confer with regard to any City proposed changes to Santa Barbara Municipal Code Title 3 which are within the scope of representation. The negotiations will be held jointly with the General bargaining unit. The representatives for the Union shall be limited to SEIU staff and one bargaining unit member from the General bargaining unit and one member for the Treatment and Patrol bargaining units. The negotiations will be interest based.

b. A joint labor/management task force will be established to meet monthly beginning in October 2014 to focus on joint collection of factual information related to:

- The pros and cons of establishing a combined Paid Time Off benefit to replace current existing vacation, holiday and/or sick leave benefits;
- The pros and cons of a "Vacation Purchase" or "Voluntary Furlough" program to allow employees who do not accrue a significant amount of paid vacation to purchase additional time off from work, funded through a salary reduction over the course of the year; and
- The implications of the Affordable Care Act and the pros and cons of making related changes to the existing health insurance premium contribution structure.

This work will be for information purposes, and no changes will be made to existing paid leave or premium contribution structures during the term of the agreement unless mutually agreed. The City will provide paid release time for up to two bargaining unit members for these meetings.

31.

NO STRIKE OR LOCKOUT

The City and the Union agree that during the term of this Agreement the City will not lock-out employees; nor will the Union sanction, support, condone, approve, or engage in any strike, sick-in, slow-down, or work stoppage which is detrimental to providing services to the citizens of Santa Barbara.

32.

OFFICER STATUS

City recognizes that Airport Patrol Officers are peace officers pursuant to Section 830.33(d) of the California Penal Code and that Harbor Patrol Officers are peace officers pursuant to Section 830.33(b) of the California Penal Code. Park Rangers are peace officers not authorized to carry firearms pursuant to Section 830.31.

City agrees that during the term of this contract departmental policies and procedures pertaining to the function, duties and responsibilities of said Airport Patrol Officers shall be made available to those officers.

33.

OVERTIME

a. The City and the Union agree that overtime work will be assigned to the employees on a rotation basis whenever possible.

b. No employee shall be compelled or permitted to perform work for the City without logging the hours on his or her timecard. Overtime compensation shall accrue for work performed beyond a regularly scheduled work day of at least eight (8) hours at the rate of one and one-half hours of overtime, payable in increments of 15 minutes. This includes overtime work from home or on a mobile device. Work performed for the purpose of computing overtime shall include all paid leave time actually taken as time off. It will not include holiday or other paid leave time "cashed out" but not taken.

c. If an employee is physically called back to the workplace on an overtime basis, such employee shall be compensated for no less than two (2) hours overtime. When an employee is called out on an emergency 3 hours or more before the beginning of his/her regularly scheduled shift, he/she will be provided paid leave time (without deductions from leave banks) to allow five (5) hours off-duty without loss of pay before reporting for the next regularly scheduled shift. With the permission of the Supervisor, the employee may choose to work the beginning of his/her next regularly scheduled shift, and take the equivalent paid rest period at the end of the regularly scheduled shift instead. The City agrees that such permission shall not be unreasonable withheld. At the supervisor's discretion, the employee may be permitted to voluntarily begin his/or her regular shift immediately following the overtime period, and take the equivalent paid rest period at the end of the revised regular shift instead.

Example: Employee's regular shift is from 8:00 a.m. to 5:30 p.m., but employee is called in to work overtime at 4:30 a.m. (3 hours or more before scheduled shift) until 6:30 a.m. Employee may choose to:

- i) Take 5 hours rest and come in at 11:30 a.m., with the period of 8:00 a.m. to 11:30 a.m. (3.5 hours) as a paid rest period; or
- ii) With the supervisors' permission, come in as regularly scheduled at 8:00 a.m. and go home at 2:00 p.m., with the period of 2:00 p.m. to 5:30 p.m. (3.5 hours) as the paid rest period instead; or
- iii) At the supervisor's discretion, the employee may be permitted to revise his or her regular shift to 6:30 a.m. -2:00 p.m., with the period of 10:30 a.m. to 2:00 p.m. (3.5 hours) as the paid rest period instead.

d. If an employee is required to stay beyond the regularly scheduled work day of at least 8 hours and if such overtime extends two (2) hours or more beyond the workday, the City shall provide the employee with nourishment and a rest period.

e. The parties agree that employees have the right to request cash payment or compensatory time off but that approval of one or the other benefit remains the right of the City consistent with the needs of the City. Denial of an employee's request to take compensatory time off from his/her bank of CTO hours shall require a statement by the Department Head or his designee that approval of the request would unduly disrupt the operation of the department.

It is agreed that the City has the right to require employees to take compensatory time off but shall provide a minimum of seven (7) calendar days advance notice in such cases. The City also retains the right at its option to provide cash payment for overtime at the rate of one and one-half hours of pay for one hour of overtime.

The parties agree that overtime not paid for as described above, shall be accrued in a bank of hours, which if the employee requests, may not exceed more than one hundred (100) hours. Overtime in the "bank" may be taken as compensatory time off (CTO) at the rate of one and one-half hours of CTO for one hour of overtime worked or cashed out at time and one-half.

For a limited trial period, employees may choose to accrue and maintain up to 30 hours of comp time in lieu of taking overtime as cash. Approval of comp time in excess of 30 hours, up to the 100 hour maximum, will remain management's prerogative. The trial period may be discontinued for operational reasons, at management's sole discretion **and without need for further consultation**, upon the expiration date of this agreement.

f. The City and the Union agree that overtime work accrued during a declared disaster, as determined by the President of the United States, the Governor of the State, the Mayor, City Council, or the City Administrator, shall be compensated at the rate of time and one-half providing that the City is reimbursed at the rate of time and one-half wages in Federal or State Disaster Relief Funds.

34. PAYROLL

a. Employees who receive payroll overpayments shall reimburse City for such overpayments. City shall establish a reasonable schedule of payments based upon amount of such overpayment and date overpayment was made.

b. City agrees to explain all payroll stub information to employee upon request of said employee.

c. City agrees to provide the Union with up to three (3) deduction codes.

d. The parties agree that the City will continue deducting monies from payroll and remit same to Union as authorized by employee payroll deduction authorizations in accordance with present policy. However, when an employee switches from the Treatment and Patrol bargaining units to a unit not represented by S.E.I.U. Local 620, S.E.I.U. dues will no longer be deducted, unless and until the union submits another signed authorization form. Any changes in dues deductions shall be subject to indemnification of the City by the Union.

e. The City shall provide to the Union, on a bi-weekly basis, a new hire and termination list of bargaining unit employees with their name, job classification title and department. The cost of programming said report shall be paid for by the Union.

g. All employees shall participate in the City's payroll direct deposit program.

1. Each employee shall execute a payroll authorization form and submit a voided check or savings deposit slip to the Payroll Office. It shall be the employee's choice as to which bank he or she designates as the institution receiving payroll funds.

2. When the authorization form is properly executed and filed with the Payroll Office, the City will begin automatically depositing the net amount of pay on or before each designated biweekly payday in the employee's designated bank account.
3. Exceptions: An exception to this policy may be granted by the Finance Director to an employee upon a showing of good cause for such exception (e.g., that he/she is unable to establish and/or maintain a personal banking/financial account for direct deposit, or that other personal circumstances necessitate a temporary or permanent exception). The Finance Director may require the employee to renew this exception periodically. Exceptions will not be unreasonably denied.
4. Employees participating in direct deposit will be provided with a payroll detail report each pay period. Alternatively, employees may voluntarily opt out of a paper detail and access this information electronically via the City's computer system. The City may discontinue providing paper pay stubs for employees with direct deposit, effective July 1, 2014 or later, provided that:
 - All employees are signed up for and provided pay stub information via City email on or before pay day; and
 - Employees without regular access to computer or email may request to receive a print out of stub information to be provided on or before pay day

35. PERSONAL LEAVE

a. Employees shall be entitled to four (4) days personal leave each fiscal year per the following schedule:

Employees on the payroll July 1:	4 days (32 hours)
Employees hired between July 2 and October 1 (inclusive):	3 days (24 hours)
Employees hired between October 2 and January 1 (inclusive):	2 days (16 hours)
Employees hired between January 2 and April 1 (inclusive):	1 day (8 hours)

b. Personal leave days must be taken by the end of each fiscal year or lost. Personal leave shall be scheduled on the same basis as vacation. In no case shall employees be entitled to cash payment for personal leave days not taken.

c. City shall maintain minimal staffing on workday afternoon prior to New Years and Christmas holidays so that as many employees as possible may enjoy personal leave, vacation, or C.T.O. at those times.

36. PERSONAL PROPERTY DAMAGE REIMBURSEMENT

Any employee entitled to a uniform allowance who experiences a loss or damage to personal property may submit a claim to his/her immediate supervisor for consideration of reimbursement. The claim shall be submitted within fifteen (15) days after the loss or damage is sustained. The claim shall contain the following information: type of item, date of purchase, replacement cost, condition, description of damage, circumstances, etc. If the personal property is stolen, a report shall be filed with the Police Department.

The following conditions must apply for the claim to be considered:

- a. The loss must be in the line of duty.
- b. There must not be contributory negligence or carelessness on the part of the employee.
- c. There must not be other means of recovery such as, but not limited to, court action or

- insurance.
- d. The personal property for which the claim is made must be owned by the employee involved. Exceptions to the above may be referred to the Department Director for approval.
- e. \$200 limit per item claimed unless personal property item has written pre-approval by the Department Head.

The supervisor shall conduct an inquiry into the validity of the claim and forward it to the Division Manager with his/her recommendation. The Division Manager shall review the claim and forward his/her recommendation to the Department Director. The Department Director will approve or deny the claim. Claims meeting the above criteria shall not be unreasonably denied.

Reimbursement will be calculated from the following schedule:

<u>Age of Item</u>	<u>% Reimbursed</u>
0 to 6 months	100%
6 to 12 months	80%
12 to 18 months	50%
18 to 24 months	25%
24 months and over	0%

If the claim is approved, payment will be forwarded to the initiating employee.

37. PROBATIONARY PERIOD

The probationary period required by Charter Section 1004 may be extended beyond one (1) year by signed mutual agreement of City and employee. If the employee's supervisor intends to request an extension of the probationary period, notification of that intent shall be given to the employee at least two (2) weeks prior to the expiration of the probationary period if feasible.

38. PURPOSE

It is the purpose of this Memorandum of Understanding to promote and provide for harmonious relations, cooperation, and understanding between management and the employees covered by this memorandum; to provide an orderly and equitable means of resolving any misunderstanding or differences which may arise under this Memorandum of Understanding; and to set forth the full and entire understanding of the parties reached as a result of good faith meeting and conferring regarding the wages, hours, and other terms and conditions of employment covered by the memorandum.

39. RECOGNITION

a. Pursuant to the provisions of Section 3.12 of the Municipal Code of the City and applicable State law, the Union is recognized as the majority representative of the City employees in the Airport and Harbor Patrol Officers' Bargaining Unit and the Treatment Plants' Bargaining Unit and as the exclusive bargaining agent for the employees in said Unit.

b. The term "employee(s)" as used herein shall refer only to full-time or permanent part-time employees serving in classifications who occupy positions authorized and designated as in the Airport and Harbor Patrol Officers' Unit and the Treatment Plants' Unit by the City Council on the official City "Position and Salary Control Resolution."

Classifications may be added to or deleted from the bargaining unit in accordance with the provisions of this Agreement and the City's Employer/Employee Relations Ordinance.

40.

RECRUITMENT

a. The City agrees to supply job announcements for posting on employee bulletin boards in all departments but City assumes no responsibility for notices once delivered. The City will post available positions on a website accessible to the public and maintain a system for employees, by mail, email or other messaging system, to receive notification of current job announcements at the employee's request.

b. Employees may contact the Human Resources Office to request inter-departmental or inter-divisional transfers, and are to contact Department or Division Heads for intra-departmental or intra-divisional transfers.

c. The City shall provide a minimum application filing period of five (5) days for all open vacant positions and ten (10) days for all vacant promotional positions in the classified service within the bargaining unit for which an eligibility list must be established.

d. The names of nine (9) more eligible candidates (including tie scores) than the number of vacancies shall be certified to the appointing authority in alphabetical order.

e. Positions in the bargaining unit shall not be filled from eligibles placed on the certification list by virtue of being on another eligible list which is at a higher salary range and for which the qualifications are substantially similar.

41.

RENEWAL AND WAIVER

The City and the Union agree that meeting and conferring over the renewal or continuation of this Agreement shall be initiated at the request of either party after July 1, 2017 but not later than August 15, 2017 and every effort will be made to reach an agreement prior to the expiration of this Agreement. A request to meet and confer shall be filed in writing and meeting and conferring shall commence within ten (10) days of receipt of said request.

It is further agreed that nothing in this Agreement shall in any way diminish the rights of employees, the City, or the Union as established by the Meyers-Milias-Brown Act of the State of California and all amendments thereto, or Santa Barbara Municipal Code, Chapter 3.12, except as herein provided.

Except as otherwise expressly provided in this Agreement or when the parties mutually agree to meet and confer on a matter, the City and the Union agree that, for the term of this Agreement, each party waives the right and each agrees that the other party shall not be obligated to meet and confer with respect to any subject or matter pertaining to or covered by this Agreement, except as to meeting and conferring over the renewal, or continuation of this Agreement.

42.

REPRESENTATION - UNION OFFICERS AND STEWARDS

a. The City and the Union agree that Union officers and stewards will be allowed to meet with City management on City time for the purpose of meeting and conferring in good faith and without loss of pay or any benefits.

b. The Union agrees to provide the City with a list of Union officers and stewards, with their job classifications, who are authorized to meet and confer in good faith. The Union shall keep the list up to date.

c. The City agrees that authorized Union staff representatives shall be given access to work locations during working hours to conduct Union grievance investigations and/or observe working conditions. Such visits are to be made with the prior knowledge and approval of the Department Head and a management representative may accompany the Union staff member on the visit. A staff representative is defined as a

paid full-time or part-time employee of the Union.

d. The Union shall provide the City with a list of staff representatives and shall update said list as appropriate.

43. RETIREE MEDICAL INSURANCE CONTRIBUTION

a. This provision is applicable to employees who retire from City service on or after October 1, 1994, and

1. Have 15 or more years of classified or unclassified service; or
2. Retire from City with an industrial disability.

For employees who retire on or after January 1, 2011, the City shall contribute \$8.95 per month, per year of service up to a maximum of 35 years (i.e., \$313.25/month) towards the purchase of medical insurance for the retiree and his/her spouse or domestic partner registered with the City Clerk's Office or the Secretary of State, if applicable.

c. The retiree is not limited to purchase of a City sponsored plan, provided however, that if the retiree purchases another insurance plan, the retiree must supply the City with adequate proof of insurance coverage prior to any contribution from the City. Proof of such coverage shall be provided to the City on a periodic basis, as reasonably determined by the City.

d. The City shall continue to make its contribution until the retiree reaches age 65 or dies, whichever occurs first, provided however, that if the retiree dies before reaching the age of 65 and there is a surviving spouse or registered domestic partner, the City's contribution shall cease when the retiree would have reached age 65. Thereafter, the spouse may remain on the insurance plan, at his/her own cost, subject to the conditions set forth by the insurance company.

e. In the event Health Care legislation is passed which affects the nature of the benefit described above, the parties will reopen negotiations and modify this benefit, if necessary, so as to maintain their original intent (e.g., eligibility, scope, cost).

f. If any Court decision with binding effect on the City of Santa Barbara rules that a retiree medical provision like the provision contained herein violates the State or Federal law against age discrimination, the parties agree that within 30 days they will reopen negotiations on said provision to convert to a retiree medical policy with equivalent cost that does not violate age discrimination law. The parties agree that whatever policy is agreed upon will not reduce or increase the City's contribution toward retiree medical insurance.

44. RETIREMENT

a. CLASSIC MISCELLANEOUS EMPLOYEES:

1. The City will provide miscellaneous employees the two point seven percent (2.7%) at age fifty-five (55) benefit formula under the Public Employees' Retirement System (PERS), pursuant to Government Code Section 21354.5.
2. The City will contribute toward the PERS normal employee's contribution as detailed in section "3", below, and these contributions, if any, shall be credited to the member's account. The City shall report the value of any Employer Paid Member Contributions (EPMC) to PERS as compensation earnable through enabling City resolution, pursuant to Government Code Section 20636(c)(4).

3. Employees will continue to pay the full cost of the benefit enhancement to 2.7% at 55, including the effects of market volatility, according to the following formula:

i. While the PERS miscellaneous plan employer rate is exactly equal to 20.164%, the employee shall pay 7.162% of the 8% required employee contribution. This will be deducted on a pre-tax basis and credited to the employee's PERS member account. The City will pay the difference of .838%, which shall be reported to PERS as compensation earnable, and credited to the employee's member account.

ii. If PERS sets the employer rate at less than 20.164%, the employee shall receive credit for 30.559% of the amount by which the employer rate is less than 20.164%. The City will apply the credit by paying an additional portion of the required 8% employee contribution, up until the point where the City again pays a full 7% of the 8% required employee contribution. This additional City-paid employee contribution (EPMC) shall be reported to PERS as compensation earnable, and credited to the employee's member account.

[For example: If the employer rate is only 18.164% of PERS-able compensation, the City will pay an additional 0.61% (2.0% times 30.559%) of the 8% employee contribution, for a total of 1.448%];

iii. If PERS sets the employer rate at more than 20.164%, the employee shall pay 30.559% of the amount by which the employer rate exceeds 20.164%. The employee shall pay for this cost in the following manner:

A. First, through an increase in the employee-paid portion of the 8% required employee contribution up to a maximum increase of 0.838%. This additional employee paid amount will be deducted on a pre-tax basis and credited to the employee's member account.

[For example: If the employer rate is 22.164% of PERS-able compensation, the employee will pay an additional 0.61% (2.0% times 30.559%) of the 8% employee contribution, for a total of 7.772%];

B. Second, through payroll deduction. To the extent allowable by PERS, and in compliance with any restrictions imposed by PERS, the City will amend its contract to allow the employee to assume this additional cost in such a way that it will be credited to the employee's PERS member account and payable on a pre-tax basis. [Unless the parties through meeting and consulting (not meeting and conferring) agree that affected employees can pay through another mechanism, including, but not limited to paid vacation or paid holiday. If the parties enter into the meet and consult process, a State mediator will act as the facilitator.]

[For example: If the employer rate is 25.164% of PERS-able compensation, the employee will pay an additional 1.528% (5.0% times 30.559%) of PERS-able compensation as follows: an additional 0.838% (8%-7.162%) to cover the full 8% employee contribution, and a payroll deduction equal to 0.69% (1.528%-0.838%) of PERS-able compensation.]

4. The following contract provisions shall apply to the PERS miscellaneous plan

i. The City will provide One-Year Final Compensation for Classic Miscellaneous employees under PERS, pursuant to Government Code section 20042.

ii. The PERS Miscellaneous contract shall provide for Military Service Credit as Public Service under Government Code Section 21024 and for Public Service Credit for

Excluded or Limited Prior Service under Government Code Section 21031.

iii. The PERS Miscellaneous contract shall provide for Public Service Credit for Peace Corps or Americorps: Volunteers in Service to America (VISTA) pursuant to Government Code Section 21023.5,

iv. The City will provide the Fourth (4th) Level of 1959 Survivor Benefits for Miscellaneous employees, pursuant to Government Code Section 21574.

b. CLASSIC HARBOR PATROL SAFETY EMPLOYEES:

1. The PERS contract shall provide local safety member status under the 3% at 50 benefit formula to employees regularly assigned as Harbor Patrol Officers pursuant to Government Code section 20423.
2. The City will provide to Harbor Patrol Officers the additional PERS benefits of One-Year Highest Compensation, Increased Level of 1959 Survivor Benefits (Level Two), Post Retirement Survivor Benefits and Post Retirement Survivor Allowance to Continue After Remarriage, Military Service Credit as Public Service under Government Code Section 21024 and Public Service Credit for Excluded or Limited Prior Service under Government Code Section 21031.
3. Employees will pay contributions toward pension benefits as follows:
 - A. Before January 10, 2015, the City will continue to pay the entire 9% PERS normal employee's contribution for Harbor Patrol Officers, which shall be credited to the member's account, and employees will continue to cost-share by paying 3% of earnings through post-tax payroll deductions directly to the City in the manner contemplated by Govt. Code § 20516.
 - B. Effective January 10, 2015, post-tax employee contributions will stop and employees will instead begin paying 6% toward the 9% member contribution, reducing the City's Employer Paid Member Contribution (EPMC) from 9% to 3%.
 - C. Effective July 11, 2015, employees will begin paying the full 9% member contribution, and the City's Employer Paid Member Contribution (EPMC) will be eliminated.
4. City shall report the value of Employer Paid Member Contributions (EPMC) to PERS as compensation earnable through enabling City resolution, pursuant to Government Code Section 20636(c)(4) only until July 10, 2015, and the resolution will be rescinded effective July 11, 2015.

c. CONTRACT CHANGES: The City is authorized to amend its contract with PERS immediately, in order to be able to implement the incentives listed below:

Upon declaration of the Council of the City of Santa Barbara that the State of California's budgetary or fiscal impacts on the City's budget have caused grave fiscal conditions to exist that require prompt and immediate attention, the City may offer the following early retirement incentives to applicable employees:

1. Two years additional service credit in accordance with Government Code Section 20903; and/or
2. City payment of Military Service Credit as Public Service in accordance with Government Code Section 21024.

d. PENSION REFORM: Notwithstanding the provisions above, effective January 1, 2013, new members as defined by California Public Employees' Pension Reform Act of 2013 (hereinafter "AB 340") will be covered under the 2% at 62 Miscellaneous retirement formula or the 2.7% at 57 Safety retirement formula, with a final compensation measurement period of the average of the highest three (3) consecutive years, as well as all other statutory requirements of AB 340. Effective January 1, 2014, new employees and/or members as defined by AB 340 shall contribute half the normal cost for benefits, as defined by AB 340; the City will not pay any portion of these employees' required contributions. As

provided under the law, some new City employees may qualify as “classic” employees by virtue of their prior government service.

45. RETROACTIVITY

An employee will be eligible for the increases to salaries and benefits provided under the Agreement on the dates specified for each increase if the employee is an active City employee and bargaining unit member on the date that the City Council ratifies this Agreement.

46. SAFETY RETIREMENT FOR AIRPORT PATROL- REOPENER

During the term of this Agreement, either party may notify the other in writing to request that the parties meet and confer to consider (1) whether PERS safety retirement status can and should be granted to Airport Patrol Officers and (2) any cost offsets related to such a change. Cost offsets will require mutual agreement by the parties. All other provisions of this Agreement will remain in full force and effect.

47. SAFETY EQUIPMENT

a. The City and the Union agree that the City will either provide all safety equipment required by the City or will reimburse the employee for purchasing the equipment whenever such equipment has been required by the City as necessary for the job. Such equipment shall include, but not be limited to, safety shoes, safety glasses, helmets, gloves, boots, life jackets, and all related safety items. Both parties agree that the City shall retain the right to determine the minimum specifications of the safety equipment, procurement procedures, and limitations and exclusions.

b. Notwithstanding the above, the parties agree that employees designated by the City as required to wear steel-toed safety shoes with the exception of Harbor Patrol Officers, Airport Patrol Officers and Park Rangers, in the performance of their duties, shall be eligible to receive an annual allowance for the provision of said shoes upon the presentation of valid claims in keeping with City established procedures in amounts not to exceed \$230.

If the employee desires, he/she may combine two years' allowance for the purchase of shoes. The allowance is for the purchase of shoes only.

c. City shall provide prescription safety glasses to those employees who wear prescription glasses and perform duties that require the use of safety glasses. Such employees shall provide the City with the lens specifications prescribed by the employee's doctor. The City will provide the initial pair of safety glasses based upon this prescription and shall replace same only upon a subsequent substantial change of prescription or evidence acceptable to the City that said prescription safety glasses are rendered unusable by accidental damage suffered while performing assigned duties.

48. SALARIES

a. Employees will receive an across-the-board base salary increases as follows:

- i. All employees except Meter Readers and sworn Harbor Patrol employees:
 - 1) October 4, 2014- 2.0% increase
 - 2) December 27, 2014- 0.5% increase
 - 3) October 3, 2015- 2.0% increase
 - 4) October 1, 2016- 3.0% increase

- ii. Meter Readers (Classifications of "Meter Reader/Water Distribution Operator in Training" and "Lead Meter Reader/Water Distribution Operator in Training"):
 - 1) October 4, 2014- 1.0% increase
 - 2) December 27, 2014- 0.5% increase
 - 3) October 3, 2015- 1.5% increase
 - 4) October 1, 2016- 3.0% increase
- iii. Sworn Harbor Patrol Employees
 - 1) December 27, 2014- 0.5% increase
 - 2) January 10, 2015- 3.0% increase
 - 3) July 11, 2015- 3.0% increase
 - 4) October 3, 2015- 2.5% increase
 - 5) October 1, 2016- 3.0% increase

b. Achieving the second salary step, or "B" step, and subsequent steps shall require, in addition to satisfactory performance, a period of one year of actual service.

c. Employees shall receive at least a five percent (5%) salary increase upon promotion provided however that the City shall not be required to pay a salary in excess of the salary range authorized for the appropriate classification by the City Council in the official Position and Salary Control Resolution. The City shall make every effort to provide a minimum five percent (5%) separation in salary between classifications within a series and classifications within recognized career ladders as determined by the City. The City shall provide the Union with a chart of career ladders, and the City shall update said list.

d. Anniversary dates for newly hired employees shall be the first of the month if the employee was hired on or before the fifteenth of that month and the first day of the following month for those hired after the fifteenth. The end of the probationary period shall coincide with the anniversary date.

e. Upon the completion of the compensation survey begun under Appendix F of the predecessor to this Agreement, the parties will reopen negotiations with regard to determining whether and how to address any market inequities identified. Any salary increases to address such market inequities would be effective October 3, 2014 and would not exceed a total of \$53,564 in annualized cost.

If market inequities are agreed to exceed \$53,564 in annualized cost, the parties will meet and consult with regard to the possibility of up to an additional \$53,564 in annualized cost, effective October 1, 2016, to address such inequities. Such discussions shall not be subject to any duty to meet and confer, or to any impasse resolution obligations.

49. SERVICE CREDIT FOR SICK LEAVE UPON RETIREMENT

At the time of retirement, the City shall purchase an annuity for the retiring employee that pays a monthly benefit similar to the PERS amendment that provides service credit for sick leave under Government Code section 20862.8.

The following conditions apply to this benefit:

- 1. In order to qualify for service credit for sick leave upon retirement, the retiring employee must have at least 500 sick leave hours;
- 2. The conversion rate of 0.004 years of service credit for each 8-hour day of sick leave is utilized;
- 3. The retiring employee may take the cash purchase value of the annuity in lieu of the monthly annuity;

4. Safety group members who obtain 90% of final compensation upon retirement are not eligible for this benefit. (All safety group PERS contracts limit a safety member's maximum annual pension to no more than 90% of final compensation regardless of the length of service and this benefit carries the same restriction); and

5. If the City amends its PERS Miscellaneous or Police contract to include service credit for sick leave upon retirement, non-safety or Police employees, respectively, will be included in that PERS contract amendment and the annuity program will be discontinued for that group.

50. SEVERABILITY

Should any provision in this Agreement be held inoperative, void or invalid by a court of competent jurisdiction, the remaining provisions of this Agreement shall not be affected thereby, and the parties agree to meet and consult over the invalidated provision.

51. SHIFT DIFFERENTIAL

a. The City and the Union agree that regular, full-time employees on a shift of eight (8) or more hours shall receive:

1. Swing shift differential pay when 50% or more of the hours of the assigned shift hours, excluding overtime, fall between 5:00 p.m. and midnight; or
2. Graveyard shift differential pay when 50% or more of the hours of the assigned shift hours, excluding overtime, fall between midnight and 7:00 a.m.

b. Overtime as Continuation of Assigned Shift. Shift differential for overtime which is a continuation (without break) of the assigned shift is paid based upon the eligibility of the assigned shift. See Examples 1, 2, 3 and 4 in Appendix A entitled Shift Differential Examples.

c. Back-to-Back Shifts. Shift differential for overtime which are two (2) entirely distinct assigned shifts are paid based upon the separate eligibility of each shift. See Examples 5 and 6 in Appendix A entitled Shift Differential Examples.

d. Call Backs.

1. Shift differential is not paid for call back overtime of less than eight (8) hours. See Example 7 in Appendix A entitled Shift Differential Examples.
2. Shift differential is paid for call back overtime of eight (8) hours or more when 50% or more of the hours fall between 5:00 p.m. and midnight or midnight and 7:00 a.m. See Example 8 in Appendix A entitled Shift Differential Examples.

e. Shift differential amounts shall be as follows:

<u>Effective Date</u>	<u>Swing Shift</u>	<u>Graveyard Shift</u>
January 1, 2014	\$1.15	\$2.60
November 1, 2014	\$1.30	\$2.85

52. SICK LEAVE

a. The City and the Union agree that the City's sick leave policy shall be that employees shall accrue sick leave at the rate of 3.7 hours for each full pay period of service with a maximum accumulation of two thousand and eighty (2,080) hours. Said sick leave accrual shall begin effective the first day of employment.

b. The programs referred to as "Non-Replenishable" and "City Administrators" sick leave authorized by Municipal Code Sections 3.08.150 (b) and 3.08.210 are eliminated.

c. An employee may use sick leave for a medical appointment when it is not possible to arrange such appointment on non-worktime subject to the following two conditions: 1) Reasonable advance notice which in no event shall be less than 24 hours; 2) Subject to supervisory approval based on operational needs.

d. An employee may use up to six days (48 hours) of available accrued sick leave per calendar year to attend to an illness of a child, parent, registered domestic partner or spouse of the employee as provided under State law. Part-time employees may use the equivalent of six (6) months of sick leave accrual at their prorated accrual rate for such purposes. All rules for use of sick leave will apply, including those regarding physician statement requirements and use of sick leave for medical appointments.

53. STANDBY PAY

The City and the Union agree that effective during this Agreement, when an employee is officially designated by management to remain available to physically return to the workplace, at any time during specific hours outside of normal working hours, the employee shall receive two hours of straight-time pay or compensatory time off for each eight hours on standby or fraction thereof. To the extent feasible, the parties agree that standby, including standby during holidays, shall be assigned on an equitable basis to all eligible employees.

The City and the Union agree that all employees will be on automatic standby duty during a state of emergency or civil defense disaster as declared by the President of the United States, the Governor of the State, the Mayor of the City, the City Council, or the City Administrator. Such automatic emergency standby shall be without compensation unless the City is reimbursed by the State or federal government for such an expenditure. The City will make a reasonable effort to obtain such reimbursement.

54. STATE DISABILITY INSURANCE (SDI) AND STATE PAID FAMILY LEAVE INSURANCE (PFL)

a. All employees must participate in the State Disability Insurance (SDI) and State Paid Family Leave (PFL) programs. The employee shall pay all costs associated with these programs.

b. Employees may apply for SDI or PFL benefits with the State of California Economic Development Department (EDD). To be eligible for benefits, the employee must meet all applicable State requirements. Depending on eligibility, an employee may receive:

1. Up to 52 weeks of wage replacement benefits for the employee's own disability, and/or
2. Up to 6 weeks of wage replacement benefits for providing required care for the serious health condition of a child, parent, spouse or domestic partner or for bonding with a new child. Effective July 1, 2014, employees may also qualify for benefits to care for a seriously ill grandparent, grandchild, sibling, or parent-in-law, as defined; however, eligibility for this benefit does not necessarily create a right to protected leave.

c. Employees who receive SDI or PFL benefits must integrate available SDI and PFL benefits with available paid sick leave, personal leave and compensatory time. Documentation of the SDI/PFL benefits received must be provided to the Payroll Office for this purpose.

d. Employees on a medical or family medical leave of absence who are eligible to use their leave accruals during the leave of absence must exhaust available leave balances before using unpaid leave. Employees must use available sick/family sick leave balances, and then compensatory time off and personal leave balances, before using vacation balances.

e. Employees who coordinate SDI/PFL paid leave benefits with City payroll benefits will receive City

retirement contributions, time off accruals, and other non-insurance benefits based on the City-paid portion of wage replacement only. For non-insurance benefits purposes, the SDI/PFL portion of wage replacement will be treated as unpaid leave.

f. Employees coordinating SDI/PFL benefits with City payroll benefits shall be eligible for continuation of City-paid insurance contributions under Article 25 (c) (Leave of Absence) of this Agreement only up to the date they would have received such benefits had they not coordinated SDI/PFL benefits.

55. TERM OF AGREEMENT

The City and the Union agree that the term of this Agreement shall be forty five (45) months commencing January 1, 2014 and ending at midnight on September 30, 2017. It is further agreed that the term of this Agreement may be extended by mutual agreement.

56. TRAINING

a. The parties recognize that training programs and the advancement of employees to positions of higher skill are matters of great importance and interest to the City, the Union, and the employees covered by this Agreement. However, the City shall retain the right to determine what training is required for the employee to improve his/her performance on the job and to make such training a condition of employment. Such training may include requests by Department Heads for additional training of current employees, subject to the approval of the City Administrator. The parties agree that employees will be trained in the use of fire prevention equipment under the supervision of the City's Fire Department and that a fire evacuation plan will be developed by each department for each major City facility and posted.

b. Direct costs for all training or instruction required by the City shall be paid for by the City. Determination of eligible employees will be based upon the needs of the City with seniority being a factor considered. Wage compensation for employees shall be determined as follows:

Non-Exempt Employees

The Fair Labor Standards Act (FLSA) provides that time spent by non-exempt employees in training is compensable unless all of the following conditions are met:

1. Attendance is outside of the employee's regular working hours;
2. Attendance is in fact voluntary;
3. The course, lecture, or meeting is not directly related to the employee's job; and
4. The employee does not perform any productive work during such attendance.

Attendance is not voluntary if it is required by the City. It is not voluntary in fact if the employee is given to understand or led to believe that his/her present working conditions or the continuance of his/her employment would be adversely affected by nonattendance.

The training is directly related to the employee's job if it is designed to make the employee handle his/her job more effectively as distinguished from training him/her for another job, or to a new or additional skill.

If the training is considered compensable and travel time is associated with the employee's attendance, the following must be considered:

➤ **Travel During Regular Working Hours.** If the travel time related to attending required training occurs during normal working hours, then the time is considered to be compensable.

➤ **Special One-Day, Out-of-Town Travel.** Travel time associated with special one-day, out-of-town training is required to be paid for irrespective of the mode of transportation utilized or whether the employee drives or is a passenger. Time that can be excluded from payment is normal home-to-work travel time and time spent eating while traveling.

➤ **Overnight Travel.** If an employee travels overnight on business (for more than one day), the employee must be paid for time spent in traveling (except for meal periods) during his/her normal working hours on non-working days, such as Saturday, as well as on his/her regular working days. Travel time as a passenger on an airplane, train, boat, bus, or automobile outside of regular working hours is not considered worktime, provided however, that any work which an employee is required to perform while traveling shall be considered as hours worked.

If an employee is offered public transportation but requests permission to drive his/her car instead, the City shall count as hours worked, the time spent driving the car or the time the employee would have had to count as hours worked during working hours if the employee had used the public transportation, whichever is less.

Exempt Employees

In the case of an exempt employee, the MOU language (other than the FLSA requirements applicable to non-exempt employees) determines whether training or related travel time is compensable. Exempt employees will only be paid for time spent in required training and travel during normal work hours. Travel outside of regular work hours is excluded.

c. For Harbor and Airport Patrol Officers, the City agrees to encourage employees to voluntarily develop their job skills through the coordinated use of City Police Department audio visual training materials in instances where the nature of their jobs would make such training valuable to employee job performance. The City agrees that Peace Officers Standard Training (P.O.S.T.) is desirable for Airport and Harbor patrol officers. The City may provide such training to permanent patrol officers through and including P.O.S.T. Level I.

d. Employees will be eligible to participate in the Citywide Educational Reimbursement Program. The union waives any requirement for the City to meet and confer on enhancements to this policy to increase the maximum reimbursement (currently \$1000) or expand reimbursement eligibility. However, the City will notify the union of any such change.

e. In the event an Airport Patrol Officer chooses to take the FAA Ground School on his or her own time, and successfully completes the school and passes the written examination, then, upon verification thereof, the City shall reimburse such employee for his or her expenses for required books and the course fee up to \$200.

57. UNAUTHORIZED LEAVE/SUSPENSION

No sick leave, vacation, or holiday shall be paid to an employee during any period of unauthorized leave or suspension. An employee's absence shall be unauthorized if such employee does not report absence to supervisor designated by Department Head within one-half (1/2) hour before or after his/her regular starting time, except in cases of emergency in which case the employee shall provide notification as soon as possible.

58. UNIFORM MAINTENANCE ALLOWANCE

a. The parties agree that the following classifications, shall receive a cash uniform purchase and replacement allowance paid in the first pay period of employment and as follows:

<u>Time Period</u>	<u>Airport Patrol</u>	<u>Harbor Patrol</u>	<u>Park Ranger</u>
January 1, 2014-September 30, 2017	\$1064	\$1004	\$969

Payment of the Uniform Maintenance Allowance will be paid to employees who are on the payroll during the pay period ending two (2) weeks prior to the payday on which the Uniform Maintenance Allowance is paid in June or December of each year. Payment will be made in a separate check, one-half on the first paycheck received in December and one-half in on the first paycheck received in June.

It is agreed that the above uniform allowance shall be applied towards the purchase of appropriate shoes.

b. The City and the Union agree that employees required by the City to wear uniforms and not receiving a Uniform Maintenance Allowance from the City for participation in a uniform laundry service shall have the full cost of the uniform maintenance paid for by the City. The City retains full and complete control over the administration of the uniform maintenance program. City shall provide all personnel at all treatment plants and in distribution and collection, except Laboratory Technicians, with a minimum of ten (10) uniform changes and a maximum of twelve (12) uniform changes based on the employee's request.

The City shall provide five (5) coverall changes for all Treatment Plant Mechanics and for Operators at El Estero Wastewater Treatment Plant. Operators at the Water Treatment Plant(s) shall receive three (3) coverall changes. The City shall provide Laboratory Technicians with two (2) coverall changes and three (3) laboratory coat changes.

59. UNION BUSINESS ATTENDANCE

It is agreed that not more than five (5) Union officers or chief stewards will be permitted up to twenty-four (24) hours of leave each per year with pay for union activities including training, conference attendance and other off-site union related business. Release time will be subject to approval of scheduling with the Department Head and prior notification to the Human Resources Manager.

60. UNION NOTICE- EMPLOYEE ORIENTATION & INTERDEPARTMENTAL TEAMS

a. The City will provide the union a list of attendees in the bargaining unit at a group New Employee Orientation meeting not less than two weeks prior to the orientation along with the date, location, and time for the Union's presentation. The City will provide a Union representative an opportunity during the orientation to provide information to bargaining unit members regarding the benefits and obligations of union membership. Such presentation shall not exceed 15 minutes in duration. Management may witness the Union's presentation.

b. The City will provide the Union with advanced written notice of Interdepartmental Team Opportunities offered through its Succession Program that are offered to bargaining unit members, along with the anticipated scope of work. The Union will notify the City if the Union believes that the anticipated scope of work may involve issues within the scope of collective bargaining and lodge a written demand to bargain on such issues. Bargaining unit member participation on an Interdepartmental Team will not constitute collective bargaining nor satisfy any duty for the City to collectively bargain with the Union.

61. UNION STEWARDS

The City agrees that the Union may designate Union stewards to represent employees in the processing of grievances. The Union shall furnish the City with a list identifying by name and work location all Union stewards. Said list shall be kept current by the Union at all times. Union stewards may begin representing a grievant only after the employee has tried to resolve the problem with his/her immediate supervisor and the

two parties failed to reach a resolution to the problem.

62. UNION SECURITY (AGENCY SHOP & MAINTENANCE OF MEMBERSHIP)

a. Election - This Agency Shop provision went into effect following certification of the election results by the State Mediation and Conciliation Service on November 1, 1994.

b. Definition - Agency Shop as used in this Article means an organizational security agreement as defined in Government Code Section 3502.5 and applicable law.

c. Agency Fee - Each employee in the Unit shall be required to choose to: a) become a member in good standing of the Union; or b) satisfy the agency fee financial obligations set forth below, unless he/she qualifies for the religious exemption set forth below. New employees must make the required choice within 30 days of employment in the Unit.

Unless the employee has a) voluntarily submitted to the City an effective dues deduction request; b) notified the Union of his/her intent to pay an agency fee (full fee or reduced because objections filed), as evidenced by written notice of same from the Union to the City; or, c) qualified for exemption upon religious grounds as provided below, the City, upon notice from the Union of the employee's failure to make a timely choice, shall process a mandatory agency fee payroll deduction in the appropriate amount and forward that amount to the Union.

The amount of the fee to be charged shall be determined by the Union subject to applicable law; and shall therefore be an amount not to exceed the normal periodic membership dues and general assessments applicable to Union members.

As to non-members objecting to the Union spending their agency fee on matters unrelated to collective bargaining and contract administration, the amount of the agency shop fee shall not reflect expenditures which the courts have determined to be non-chargeable, including political contributions to candidates and parties, members-only benefits, charitable contributions and ideological expenditures and, to the extent prohibited by law, shall not reflect expenditures for certain aspects of lobbying, ballot measures, publications, organizing and litigation.

d. Conformance With Law - The Union represents that the collection, administration and use of agency fee funds shall be in conformance with the law. In addition, the Union shall comply with applicable law regarding disclosure of its expenses, notice to employees of their right to object, provision for agency shop fee payers to challenge the Union's determinations of amounts chargeable to objecting non-members, and appropriate escrow provisions to hold contested amounts while the challenges are underway.

The Union shall make available, at its expense, an expeditious administrative appeals procedure to Unit employees who object to the payment of any portion of the representation service fee. Such procedure shall provide for a prompt decision to be made by an impartial decision-maker jointly selected by the Union and the objecting employee(s). A copy of such procedure shall be made available upon request by the Union to non-Union employees and the City.

The foregoing description of permissible agency shop fee charges and related procedures is included here for informational purposes and is not intended to change applicable law. The City will promptly remit to the Union all monies deducted, accompanied by a list of employees for whom such deductions have been made.

e. Employee Notification - Each non-member who is required to pay an agency fee shall annually receive written notification from the Union of the amount of the deduction and the procedure which he/she must follow to receive a rebate for non-representation activities during the year and the procedure for appealing all or any part of the agency fee. The City shall be sent a copy of this yearly notice.

The City will make a reasonable effort to distribute to each new employee in the Unit, a letter supplied by the Union which describes the Agency fee obligation.

f. Religious Exemption

1. Any employee who is a member of a religious body whose traditional tenets or teachings include objections to joining or supporting employee organizations shall not be required to meet the above agency fee obligations, but shall pay by means of mandatory payroll deduction an amount equal to the agency shop fee (proportionate share of the Union's cost of legally authorized representational services), to a non-religious, non-labor charitable organization exempt from taxation under Section 501 (C) (3) of the Internal Revenue Code, as designated by the employee from a list provided by the City Finance Department.

2. To qualify for the religious exemption the employee must provide to the Union, with a copy to the City, a written statement of objection, along with verifiable evidence of membership as described above. The City will implement the change in status within thirty (30) days unless notified by the Union that the religious exemption is not valid.

g. Provision of Information - The Union shall furnish any information needed by the City to fulfill the provisions of this Article.

h. Dues/Fee Deductions - Any of the above described payment obligations shall be processed by the City in the usual and customary manner and time frames.

i. Leave Without Pay - Employees on an unpaid leave of absence for an entire pay period or more shall have agency shop fees suspended. Fee deductions shall have the same priority as dues deductions in the current hierarchy for partially compensated pay periods.

j. Rescission of Agency Shop - The Agency Shop provision may be rescinded pursuant to the procedures contained in Government Code Section 3502.5(d).

k. Union's Right to Implementation Election – The Union shall have the right pursuant to state law to implementation elections during the term of this Agreement if the agency shop provision is rescinded under the terms of Section J above. If the Union requests an implementation election, the election will be conducted by the California State Mediation and Conciliation Service.

l. Indemnification/Hold Harmless Clause - The Union agrees to fully indemnify, defend and hold harmless the City and its officers, employees and agents against any and all claims, proceedings, settlements and/or liability regarding the legality of this Article or any action taken or not taken by or on behalf of the City under this Section.

m. Maintenance of Membership – All regular unit employees who are members of the Union in good standing shall maintain their membership in the Union in good standing, subject however, to the right to resign from membership by submitting a written request to the Union during the month of August annually.

Resignation requests submitted to the City shall be referred to the Union. When resignation requests are received outside the window period the Union will promptly provide such members a letter explaining the maintenance of membership provision, along with a copy of this section of the MOU.

Union members who drop their union membership but are subject to Agency Shop fee provisions shall still be required to comply with their financial obligations under the Agency Shop provisions. Fee payers may also change their status from full fee payer to "core" fee payer by submitting a written request to the Union during the month of August annually.

63.

USE OF COMPUTER RESOURCES

Employees' rights and obligations regarding use of the City's computers and computing resources are governed generally by the City's computer use policies. The Union and the City agree that occasional and incidental employee use of City computing resources for union business is allowable within the same parameters applied to other acceptable non-commercial personal use under those policies.

The parties agree that such use shall not interfere with the performance of work duties or the effective delivery of services, and shall not result in any significant cost to the City or compromise the security of City systems. The parties further agree that City computer resources, including the e-mail system, will not be used by the Union or City employees to support or oppose a political campaign or ballot measure.

The Union acknowledges that employees have no expectation of privacy in the use of City computer resources, including but not limited to e-mail and text messaging, even if they are locked or password-protected.

64.

VACATION POLICY

a. All employees shall begin accruing vacation effective the first day of employment. It is agreed that vacation time earned may be taken as accrued subject to approval by the City and in accordance with the following schedule:

<u>Length of Continuous Service</u>	<u>Vacation Entitlement</u>
0 - 2 years	10 days per year (80 hours)
3 - 5 years	13 days per year (104 hours)
6 - 10 years	18 days per year (144 hours)
11 - 17 years	23 days per year (184 hours)
18 - 23 years	25 days per year (200 hours)
24 & over years	28 days per year (224 hours)

Vacation periods shall be scheduled by management to provide adequate staffing. Such scheduling shall be subject to the needs of the City but shall take into account employee seniority and choice.

Non-shift employees may not accrue a vacation balance in excess of thirty-two days (256 hours) unless approved by the City Administrator based upon extenuating circumstances. For shift employees, whose holiday pay is added to their vacation banks (including Park Rangers), the maximum vacation accrual will be thirty-five days (280 hours). Effective upon ratification of this Agreement, the vacation accrual maximums will be increased to two hundred and ninety six (296) hours for non-shift employees and three hundred and forty (340) hours for shift employees.

b. There will be one final vacation cash-out opportunity, in the amounts and on the dates provided below, and otherwise subject to the same terms and conditions as were offered in December 2008. After this cash out, the annual vacation cash out will be eliminated:

	Maximum Cash Out	Request for Pay Period Ending	Paycheck Received Date
Meter Readers*	140 hours	November 28, 2014	December 12, 2014
All Other Employees	100 hours	November 28, 2014	December 12, 2014

* *Meter Readers limited to the classifications of "Meter Reader/Water Distribution Operator in Training" and "Lead Meter Reader/Water Distribution Operator in Training"*

65.

VACATION & SICK LEAVE ADVANCED CREDIT UPON HIRE

a. An employee who is appointed from outside City of Santa Barbara government service within one (1) year of leaving employment with either the City of Santa Barbara or another city, county, state agency, federal agency or special district and who, in the opinion of the Human Resources Manager, possesses government experience directly related to the position to which he or she has been appointed, may be offered credit for years of prior service with the City of Santa Barbara and/or his or her immediate previous government employer in the following ways:

i. Vacation Accrual: At the discretion of the Human Resources Manager, the employee may be offered credit for up to the total number of prior full years of service at the City of Santa Barbara and/or his or her immediate previous government employer toward the initial vacation accrual rate. The employee will not be eligible to progress to a higher accrual rate until employee has the normal required minimum amount of City of Santa Barbara service for that accrual rate.

ii. Sick bank: At the discretion of the Human Resources Manager, the employee may be credited with up to 96 hours of sick leave. Thereafter, employee will accrue sick leave at the normal rate.

b. A former City of Santa Barbara employee reemployed within one year under Santa Barbara Municipal Code Section 3.16.320 will automatically qualify for the full vacation accrual credit under (i), above, for his or her prior City of Santa Barbara service. However, under no circumstance will prior accrued vacation balances cashed out to the employee upon termination be reinstated.

66.

WORK SCHEDULE

a. The normal work week shall average forty (40) hours. There shall be at least two consecutive days of rest observed after each work week subject to City needs for standby, call back, overtime and regularly scheduled shift changes. The Department Head shall establish a "regular" schedule for each employee with a start and quit time. Such schedule shall not be changed without forty-eight hours (two days) advance notice except in emergencies. City shall provide employees with reasonable "clean-up" time and employees shall be ready to begin work at start time. City agrees that work outside the regularly scheduled workday shall be compensated in accordance with the overtime policy contained herein.

b. In no case shall an employee's work schedule be altered to avoid the payment of overtime earned as a result of call back after the employee's regular shift, work day, or work weekends.

c. It is the intent of the City, when staffing permits, to assign a minimum of two (2) Harbor Patrol Officers to each shift at the Harbor and a minimum of two operators to the El Estero Treatment Plant.

d. Airport Patrol Officers shall be scheduled on either a four-ten work week (4/10), a three-twelve (3/12) work week, or a three-twelve-and-a-half (3/12.5) work week schedule. Assignment to one of these work schedules shall have no effect on accrual rates or employment terms.

e. A one-year trial period may be conducted to allow Harbor Patrol Officers to work a four-ten work schedule.

At the end of the trial period, the four-ten work schedule will be reviewed by both parties. The criteria for the review will be based on costs, staffing, overlap and mission. The review shall include both parties' right to offer options. Both parties will be obligated to consider those options in good faith. The continuation of this schedule shall be subject to Department Head approval with input from affected employees and based on the criteria listed above.

This change to a four-ten work schedule shall have no effect on accrual rates or employment terms.

f. Employees on a 9/80 Work Schedule will be covered under the "9/80 WORK SCHEDULE POLICY" contained in Appendix E.

67.

WORKERS' COMPENSATION

a. The parties agree that Municipal Code Section 3.08.220 shall be amended to provide that employees who sustain illness or injury arising out of and in the course of their City employment shall receive benefits equal to those mandated by the State of California plus the difference between State mandated benefits and the equivalent of eighty-five percent (85%) of the individual's gross (excluding O.T.) salary, if any, paid by the City for a maximum of ninety (90) working days.

b. Once an individual is no longer eligible for continuation of 85% of his/her gross pay as described in (a) above and are still unable to return to work, the City shall continue to pay its contribution to insurance for the first ninety (90) calendar days.

c. This section shall not be construed to grant employees the use of sick leave benefits in lieu of or to supplement workers' compensation benefits provided herein or by State law, except as follows.

An employee who returns from an accepted work-related injury or illness to regular duty or modified duty may attend follow-up medical appointments during work hours when it is not possible to arrange such appointments on non-work time. Reasonable advance notice must be given to the supervisor, which in no event shall be less than 24 hours. Release time is subject to supervisory approval based on operational needs.

Under these conditions, to account for the lost work time to attend physician, physical therapy, chiropractic, counseling and other physical and mental care appointments, the employee may:

1. Use accrued paid leave time (sick leave, vacation time, compensatory time, or personal leave); or
2. Use "industrial leave without pay" if employee has no accrued paid leave time, or
3. If the employee has not reached a permanent and stationary status, the employee may elect to use "industrial leave without pay" if employee does not choose to use accrued paid leave (sick leave, vacation time, compensatory time, or personal leave). However, employees who have reached permanent and stationary status must exhaust available leave balances before being placed on leave without pay.

An employee who has not reached a permanent and stationary status and uses industrial leave without pay may be entitled to "wage loss" under workers' compensation system depending on eligibility.

The City may make changes to its Personnel Policies including, but not limited to, the Santa Barbara Municipal Code to reflect the substance of this Agreement.

68.

WORKING OUT OF CLASSIFICATION

The City and the Union agree that it is the intent of departmental management to avoid working an employee out of classification.

It is further agreed that working an employee out of classification will occur only to meet the work requirements within the City and that such out of classification work will terminate after fifteen (15) consecutive work days or thirty (30) work days in any one calendar year, or if extended beyond fifteen (15) consecutive or thirty (30) work days, the employee shall be compensated at the rate of the higher

classification while the out of classification work continues subject to right of employee to waive this provision based upon personal career development.

For purposes of this article, an out of classification assignment is defined as assignment by the Department Head or designee of the full-time performance of the significant duties of an authorized, funded, permanent, full-time position in one or more higher classification(s) by an employee in a position in another classification. "Significant duties" shall be as defined on the appropriate class specification.

When an employee works out of classification continuously for fifteen (15) working days or more, the City shall place a letter in the employee's personnel file acknowledging the out of classification work.

It is the intent of this article to compensate employees for assigned out of class work extended beyond fifteen (15) consecutive or thirty (30) work days in any one calendar year.

Effective February 1, 2014, Water Resources Division Operators in Training (OIT's) who meet the minimum qualifications of (entry/journey level) an operator position, (certification/experience) and who are assigned to perform full (entry/journey) level duties of that position, will be eligible for acting pay (working out of class pay) under this provision.

Reclassification Requests

If an employee believes he/she is working out of classification on a regular on-going basis, the employee may:

- a. Request a reclassification from his/her manager in writing. The manager shall respond in writing within ten (10) working days of receipt of the request. The manager may recommend that a classification review be conducted by submitting a written request, approved by the Department Head, to Human Resources.
- b. If the employee is not satisfied with the manager's response, he/she may submit a written reclassification request to his/her Department Head or designee within ten (10) working days of receiving his/her manager's written response. Within twenty (20) working days of receipt of the employee's written request, the Department Head or designee shall meet with the employee and issue a written response to the employee and the Human Resources Office.
- c. If the Department Head's response so requests that a classification review be conducted, Human Resources shall conduct said classification review and shall issue its decision to the employee and the Department Head within forty-five (45) working days of receipt of the request.

APPENDIX 'A'

SHIFT DIFFERENTIAL EXAMPLES

Example 1. An employee is assigned to work a ten (10) hour shift from 3:30 p.m. to 1:30 a.m. Because 50% or more of the assigned shift hours fall between 5:00 p.m. and midnight, the employee is entitled to Swing Shift Differential pay. If that employee is asked to work overtime from 1:30 a.m. to 3:30 a.m., the employee will be entitled to Swing Shift Differential pay at the overtime rate for the additional two hours (1:30 a.m. to 3:30 a.m.) worked.

Example 2. An employee is assigned to work an eight (8) hour shift from 7:30 a.m. to 4:00 p.m. and is then directed to work an additional five (5) hours to cover for a sick employee from 4:00 p.m. to 9:00 p.m. The employee is not entitled to shift differential pay because the assigned shift hours (7:30 a.m. to 4:00 p.m.) do not qualify for shift differential and the overtime worked is less than eight hours.

Example 3. An employee is assigned to work 8:00 a.m. to 4:30 p.m. However, on this particular day, the employee is assigned to work from 3:00 a.m. to 8:00 a.m. in addition to the assigned regular shift hours in order to cover for an absent employee. The employee is not entitled to shift differential pay because the assigned shift hours do not qualify for shift differential.

Example 4. An employee is assigned to work 7:30 a.m. to 4:00 p.m. and then is directed to work additional time for an emergency situation. The employee then works until 1:00 a.m. The employee is entitled to Swing Shift Differential pay at the overtime rate for the period of 4:00 p.m. to 1:00 a.m. The employee has in effect worked two shifts.

Example 5. An employee is assigned to work the swing shift between 4:00 p.m. and midnight and then is assigned to work the graveyard shift from midnight to 8:00 a.m. In this case the employee is assigned to work two distinct shifts. Therefore, the employee is entitled to Swing Shift Differential pay for the time between 4:00 p.m. to midnight and Graveyard Shift Differential pay at the overtime rate for the hours from midnight to 8:00 a.m.

Example 6. An employee is assigned to work the graveyard shift between midnight and 8:00 a.m. and then is assigned the day shift from 8:00 a.m. to 4:30 p.m. As in Example 5, the employee is assigned two distinct shifts; therefore, the employee is entitled to Graveyard Shift Differential for the time period of midnight to 8:00 a.m., but no shift differential for the time period of 8:00 a.m. to 4:30 p.m.

Example 7. An employee is assigned to work from 4:00 p.m. to midnight. That employee leaves work at midnight, goes home, and then is called back to work between 2:00 a.m. and 7:00 a.m. That employee is entitled to Swing Shift Differential pay for the regular assigned shift from 4:00 p.m. to midnight. The employee is not entitled to shift differential pay for the overtime hours (2:00 a.m. to 7:00 a.m.) because it is considered a call back of less than eight hours.

Example 8. An employee is assigned to work 7:30 a.m. to 4:00 p.m. and then is called back to work at 7:00 p.m. and works until 3:00 a.m. due to an emergency situation. The employee is entitled to Swing Shift Differential at the overtime rate for the call back of eight hours or more (7:00 p.m. to 3:00 a.m.).

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APPENDIX B

CITY OF SANTA BARBARA

CHILD CARE PERSONNEL POLICIES

February 20, 1990

Note: A leave or reduced schedule approved under one of these policies runs concurrently with any applicable leave entitlements under the FMLA/CFRA Family and Medical Leave Policy.

Contents

- 1. Maternity Leave Policy**
- 2. Parental Leave Policy**
- 3. Flexible Leave Policy**
- 4. Alternative Work Schedules**
- 5. Job Sharing**
- 6. Part-time Work**
- 7. At-home Work**

1. **MATERNITY LEAVE** (medical leave)

The City of Santa Barbara is committed to providing time off from work, so far as possible, to employees during pregnancy and following childbirth.

Maternity leave requests, including both medical and non-medical components (see section on Parental leave for information regarding non-medical leave), must be submitted to the City Administrator via the Department Head at least 30 days in advance. The requirement for 30 days advance notice may be waived when warranted by unexpected medical circumstances. Pursuant to state law, maternity leaves for medical reasons will be granted for up to four (4) months and may be extended up to a maximum of one (1) year subject to the operational needs of the department as determined by the Department Head. All medical leaves must be verified by a doctor's certificate of disability.

When an employee is physically disabled from work due to pregnancy or following childbirth, the employee will obtain a doctor's certificate of disability indicating the dates when the employee will be physically unable to work. When physically disabled, the employee may use sick leave or other paid leave. An employee disabled due to pregnancy or childbirth may request an unpaid leave of absence for medical reasons once her sick leave and other paid leave balances total less than forty (40) hours. A doctor's note listing the dates of the disability must be submitted with the medical leave request. Any leave of absence greater than 7 days must be approved in advance by the City Administrator.

The City will coordinate an employee's use of State Disability Insurance (SDI) with City paid leave which allows employees on maternity leave and covered by SDI to extend the use of their paid leave time.

When an employee is on medical leave of absence due to pregnancy, the City will continue to pay the employer portion of the insurance for the first ninety (90) days of the medical leave of absence. Thereafter, an employee will have to pay both the employer and the employee portions of her insurance.

2. **PARENTAL LEAVE** (all employees, non-medical leave)

The City recognizes that after the birth or adoption of a child, it is important for a parent to be with his or her child. As a result, the City encourages Department Heads to accommodate requests for parental leaves to care for a newborn or newly adopted child.

Parental leaves shall be with pay if the employee has leave balances of vacation, personal leave, or compensatory time. An employee may request a parental leave of absence without pay when the employee's paid leave balances total less than forty (40) hours (see section on Maternity Leave for information regarding medical leave related to pregnancy and childbirth).

Parental leave requests must be submitted to the City Administrator via the Department Head at least 30 days in advance. When requested, parental leaves will be approved for a length of time sufficient to provide the employee a minimum of one (1) month absence from work. Any medical leave related to pregnancy and child birth (maternity leave) will not be counted in the minimum one (1) month. The scheduling of parental leave is subject to the approval of both the City Administrator and Department Head based on the operational needs of the department. Extension of the parental leave of absence may be granted, subject to the approval of the City Administrator, via the Department Head. The total duration of the combined medical and parental leaves of absence cannot exceed one year.

Employees are encouraged to discuss their time off needs with their supervisors as early as possible. Employees are also encouraged to save their vacation, personal leave, and compensatory time for use during a parental leave. Temporary waivers of the minimum annual vacation use and maximum vacation accrual will be considered to assist prospective parents in building their leave banks.

While on parental leave of absence without pay, an employee will have to pay both the employer and employee portions of his or her insurance.

3. FLEXIBLE LEAVE POLICY (All employees)

Employees may use accrued personal leave, vacation, comp time, to respond to emergency needs for spouse or dependent*, such as illness, child care or elder care. The employee shall notify his/her supervisor immediately of the nature of the emergency. Approval for leaves under this policy shall not be unreasonably withheld. Advance approval for spouse or dependent illness is not required.

* For purposes of this policy, a dependent is one who is a dependent pursuant to IRS regulations.

4. ALTERNATIVE WORK SCHEDULES (All employees)

The City believes that alternative work schedules are viable options to meet personal needs in areas such as child care and transportation where such schedules continue to meet the operational needs of the department.

Individual employees may request alternative work schedules which meet their personal needs and the operational requirements of the department. Alternative schedules may be different daily work hours or a different work week. Approval for reasonable alternative work schedules is subject to the operational needs of the department as determined by the Department Head. The continuation of such schedules shall be subject to Department Head review with reasonable input from affected employees.

5. JOB SHARING (All employees)

The City recognizes that job-sharing may facilitate the balancing of employees' personal needs with their job responsibilities. As a result, the City encourages Department Heads to attempt to accommodate requests for job-sharing subject to the operational needs of the department as determined by the Department Head.

An employee may request that his/her full-time position be redefined as a job-sharing position to be filled by two part-time employees. Requests for job sharing positions shall be submitted to the Department Head and require final approval by the City Administrator and City Council.

Job sharing positions may be discontinued at the discretion of the Department Head, with 30 days notice to affected employees.

6. **PART-TIME WORK** (All employees)

An employee may request to work on a part-time basis. A request to work part-time for a limited duration is subject to the operational needs of the department as determined by the Department Head. The Department Head may grant part-time assignments of limited duration. Extensions of part-time assignments will be considered upon employee request.

All part-time assignments may be periodically reconsidered by the Department Head. If the Department Head determines additional hours are required in the position, the employee will be given thirty days notice of the requirement to work increased hours.

Part-time assignments must be a minimum of 20 hours per week. Part-time regular employees receive insurance benefits and paid leave benefits prorated based on the number of hours worked.

To change an employee from full-time to part-time status requires a Personnel Action Form (PAF) and notification to the Personnel Office.

7. **AT-HOME WORK** (All employees)

With prior approval of the Department Head and review by Risk Management, an employee may request to work at home on a limited-term basis. All requests will be subject to the operational needs of the department as determined by the Department Head. Increased City liability including safety and workers' compensation issues will be closely reviewed prior to granting at-home work requests.

Requests for work schedules which include working at home for part of the regular work week may be submitted to the Department Head. Authorization for such schedules for either a predetermined or indefinite length of time will be made based on the following criteria:

- a) the operational needs of the department work site must be met adequately;
- b) the job duties must be such that work can be accomplished at home;
- c) proper equipment and supplies necessary to the job assignment can be provided at reasonable cost;
- d) sufficient measures of productivity can be determined;
- e) efficient and effective methods can be established for supervisory review of work assignments;
- f) the employee can be contacted at home during predetermined work hours.

Plans for meeting each of these criteria should be submitted in writing to the Department Head for evaluation. Once approved, at-home work schedules are subject to periodic review and may be discontinued at the discretion of the Department Head, with fourteen (14) days notice to the employee.

APPENDIX C

CITY OF SANTA BARBARA

CATASTROPHIC LEAVE POLICY

- I. **PURPOSE:** To establish a program whereby City employees can donate vacation and/or compensatory time to:
 - A. The sick leave banks of permanent full-time and permanent part-time employees who are incapacitated due to a catastrophic off-duty illness or injury; or
 - B. The vacation leave banks of permanent full-time and permanent part-time employees who are caring for a spouse or child who has a catastrophic illness or injury.

- II. **DEFINITION:** A catastrophic illness or injury is a severe illness or injury which is unusual, unexpected, or immediate in nature; and which is expected to preclude an employee from returning to work for an extended period of time, during which the employee will exhaust all of his/her applicable accumulated leave balances.

- III. **POLICY:** City employees may donate vacation and/or compensatory time to a permanent full-time or permanent part-time employee if:
 - A. An employee experiences a catastrophic illness or injury or must care for a spouse or child who has a catastrophic illness or injury which requires the employee to be absent from work for an extended period of time;
 - B. The employee has nearly exhausted all applicable leave balances (sick, vacation, personal leave, and compensatory time in the case of the employee's off duty catastrophic illness or injury; vacation, personal leave and compensatory time due to caring for a spouse or child who has experienced a catastrophic illness or injury); and
 - C. The employee or if incapacitated, the legally recognized representative, has agreed to accept the donation if approved by the Department Head and the City Administrator.
 - D. The Department Head will take action to help ensure that each employee's decision to donate or not donate to a Personal Catastrophic Leave Account is kept confidential and that the donor and recipient employees are not pressured to participate.
 - E. State and Federal income tax on the value of vacation and/or compensatory time donated shall be deducted from the recipient employee's pay at the time the hours are used.

- IV. **PROCEDURES:**
 - A. A request is made by the recipient employee or if incapacitated, the legally recognized representative, to the Department Head for the establishment of a Personal Catastrophic Leave Account. This request may be made prior to the employee exhausting all of his/her applicable paid leave balances so that time donated may be utilized immediately upon exhaustion of the employee's leave balances, but not before.

- B. Upon approval of the Department Head and the City Administrator, and upon agreement of the recipient employee, a Personal Catastrophic Leave Account will be established. The employee or if incapacitated, the legally recognized representative, will sign the "Request to Receive Donation(s)" form allowing publication and distribution of information regarding his/her situation.
- C. The employee or if incapacitated, the legally recognized representative, will be required to provide verification of the catastrophic illness or injury from an attending physician before and while using time donated under this program. All information provided by the attending physician will remain confidential.
- D. The request for donations shall occur in three month intervals and may be extended up to a maximum of twelve (12) continuous months for any one catastrophic illness/injury, based upon approval of the Department Head and City Administrator.
- E. Donated vacation and/or compensatory time shall be converted and credited to the recipient's applicable leave bank in equivalent hours based upon the recipient's base hourly rate. (e.g., employee A makes \$20/hour and donates 1 hour of vacation time to employee B who earns \$10/hour. B's applicable leave bank is increased by 2 hours for each hour donated by A.)
- F. Employees will use the "Donation of Vacation and/or Compensatory Time" form to submit donations of vacation and/or compensatory time directly to Human Resources. All donations will be reviewed for compliance with this policy. After review, the form will be forwarded to Payroll for action and adjustment to the donor's and recipient's paid leave balances.
- G. All donations of vacation and/or compensatory time shall be in increments of 4 hours or more (e.g. 4, 8, 12 hours) and shall be made in three month increments. An employee may not donate vacation or compensatory time which would reduce his or her total accrued combined balance of vacation, compensatory time, personal leave and sick leave to less than 120 hours after the donation.
- H. The donation of vacation and/or compensatory time is irreversible. Should the recipient employee not use all the donated time for the catastrophic illness or injury, any balance will revert to a City-wide "Catastrophic Leave Bank" for future use by employees with need for that donated time pursuant to the provisions of this Catastrophic Leave Policy.
- I. The donation of vacation and/or compensatory time must be made to a specific approved catastrophic leave recipient with the following exception: an employee who is within 50 hours of the maximum vacation accrual may request to donate up to a maximum of 50 hours directly to the City-wide "Catastrophic Leave Bank" to avoid cessation of accruals. Such donation directly to the City-wide "Catastrophic Leave Bank" may not be made more than one time in any 12 month period.
- J. A report on the usage of Personal Catastrophic Leave Accounts and status of the City-wide "Catastrophic Leave Bank" will be available to recognized labor organizations and others with a need to know. The report will include the identity of the recipient(s), hours donated, hours used and the remaining balance(s).

**CITY OF SANTA BARBARA
DRUG AND ALCOHOL TESTING POLICY**

CITY OF SANTA BARBARA DRUG AND ALCOHOL TESTING POLICY

This policy sets forth the rights and obligations of the covered employees. You should familiarize yourself with the provisions of this policy **BECAUSE COMPLIANCE WITH THIS POLICY IS A CONDITION OF YOUR EMPLOYMENT.**

If you are an employee covered by this policy, you should be aware that you are still required to comply with the provisions of the City's Drug and Alcohol Free Workplace Policy (ATTACHMENT A) that was adopted by the City Council on August 21, 1990. The obligations and requirements set forth below are in addition to existing obligations and requirements set forth in the Drug and Alcohol Free Workplace Policy.

A. EMPLOYEE QUESTIONS

Employees shall refer any questions regarding rights and obligations under this policy to Human Resources or to the Union.

B. COVERED EMPLOYEES

Employees in the job classifications represented by SEIU, Local 620 in the Treatment and Patrol Bargaining Units that are not covered under the CITY OF SANTA BARBARA DRUG AND ALCOHOL TESTING POLICY PURSUANT TO DEPARTMENT OF TRANSPORTATION REGULATIONS

C. PROHIBITIONS

The following conduct is prohibited and may result in discipline, up to and including termination:

1. The use, possession, manufacture, dispensation or distribution of drugs and alcohol is prohibited:
 - a. in the workplace;
 - b. while on City time;
 - c. in City vehicles or facilities except as defined in City's facilities use policies;
 - d. prior to coming to work, so that the employee's performance is impaired.
2. Reporting for duty or remaining on duty while having an alcohol blood concentration level of 0.08 or greater.
3. Being on duty or operating a vehicle on duty while possessing alcohol.
4. Using alcohol while on duty.
5. Reporting for duty or remaining on duty when the employee used any controlled substances, except if the use is pursuant to the instructions of a physician who has advised the employee that the substance does not adversely affect the employee's ability to perform their job.
6. Reporting for duty or remaining on duty if the employee tests positive for controlled substances.

7. Refusing to submit to any alcohol or controlled substances test required by this Policy. A covered employee who refuses to submit to a required drug/alcohol test will be treated in the same manner as an employee who tested 0.08 or greater on an alcohol test or tested positively on a controlled substances test.

A refusal to submit to an alcohol or controlled substances test required by this Policy includes, but is not limited to:

- a. A refusal to provide a urine sample for a drug test;
- b. An inability to provide a urine sample without a valid medical explanation;
- c. A refusal to complete and sign the breath alcohol testing form, or otherwise to cooperate with the testing process in a way that prevents the completion of the test;
- d. An inability to provide breath or to provide an adequate amount of breath without a valid medical explanation;
- e. Tampering with or attempting to adulterate the urine specimen or collection procedure;
- f. Not reporting to the collection site in the time allotted by the supervisor or manager who directs the employee to be tested (the time allotted shall be reasonable. In most cases the City will provide transportation to and from the collection site.);
- g. Leaving the scene of an accident without a valid reason as to why authorization from a supervisor or manager who shall determine whether to send the employee for a post-accident controlled substances and/or alcohol test was not obtained.

D. CIRCUMSTANCES UNDER WHICH DRUG AND ALCOHOL TESTING WILL BE IMPOSED ON COVERED EMPLOYEES.

1. Pre-Employment Testing

All applicants for City employment may be required to submit to pre-employment/pre-duty drug testing. This applies to testing prior to initial appointment as a classified employee only, and not to promotion within the service.

Note: there is no pre-employment alcohol test.

2. Post-Accident Testing

Post-accident drug and alcohol testing will be conducted on employees following an accident.

Alcohol: Post-accident alcohol tests shall be administered within two hours following an accident and no test may be administered after eight hours.

Drug: A post-accident drug test shall be conducted within eight (8) hours following the accident

An accident occurs when as a result of an incident involving a vehicle operated by a covered employee:

(1) any individual(s) receives an injury(s) requiring immediate hospital treatment ,or

(2) there is a recommendation by an on scene paramedic or medical professional that individual(s) involved in the accident should see a physician for injury(s) arising out of the accident.

3. Return To Duty / Follow-up Testing:

A covered employee who has violated any of the prohibitions of this policy (See Section C) may be required to submit to a return to duty test before he/she may be returned to his/her position. The test result must indicate an alcohol concentration of less than 0.08 or a verified negative result on a controlled substances test.

E. EMPLOYEE RESPONSIBILITIES

An employee must notify his/her department head of all alcohol or criminal drug statute convictions no later than 5 days after such conviction.

An employee must notify his/her supervisor, before beginning work, when drugs (prescription or non-prescription) may interfere with the safe and effective performance of duties or operation of City equipment (See Attachment A, Article III, Section 3).

Any employee who thinks he/she may have an alcohol or drug use problem is urged to voluntarily seek free confidential assistance from the City's Employee Assistance Program (EAP) counselor. It is the responsibility of each employee to seek assistance before alcohol or drug problems lead to job related performance problems.

F. MANAGERS' AND SUPERVISORS' RESPONSIBILITIES

1. Managers and supervisors are responsible for enforcement of this policy and will inform the Department Head and the Human Resources Manager of any violations.
2. Employees who may have a suspected alcohol or drug use problem should be encouraged to voluntarily seek confidential assistance from the City's Employee Assistance Program (EAP).
3. When an employee is involved in an accident, managers and supervisors shall prevent the employee from engaging in further work, remove the employee from the workplace, and then send the employee for a drug and/or alcohol tests within the timelines outlined in Section D. 2 above.
4. When it is suspected that an employee may have illegal drugs or is under the influence of illegal drugs, managers and supervisors may notify the appropriate law enforcement agency.

G. PROCEDURES TO BE USED FOR DETECTION OF DRUGS AND ALCOHOL

1. Alcohol Testing:

Alcohol testing will be conducted by using an evidential breath device (EBT) approved by the National Highway Traffic Safety Administration. (Non-EBT devices may be used for initial screening tests.)

A screening test will be conducted first. If the result is an alcohol concentration level of less than 0.02, the test is considered a negative test. If the alcohol concentration level is 0.02 or more, a second confirmation test will be conducted. A positive test for alcohol means a confirmed alcohol concentration of 0.08 or more.

The procedures that will be utilized by the collection and testing of the specimen shall be the same as those required under the City Of Santa Barbara Drug And Alcohol Testing Policy Pursuant To Department Of Transportation Regulations (49 CFR 40).

2. Drug Testing:

Drug testing will be conducted pursuant to the same requirements as those required by the City Of Santa Barbara Drug And Alcohol Testing Policy Pursuant To Department Of Transportation Regulations (49 CFR Part 40).

- a. The urine specimen will be split into two (2) bottles labeled as: primary" and "split" specimen. Both bottles will be sent to the lab;
- b. A positive test means a test that is positive for controlled substances under the Federal D.O.T. Urine Specimen Testing Levels (Current levels ATTACHMENT B). If the urinalysis of the primary specimen tests positive for the presence of controlled substances, the employee has seventy-two (72) hours to request that the split specimen be analyzed by a different certified lab at the employee's cost.
- c. The urine sample will be tested for the following: marijuana, cocaine, opiates, amphetamines, and phencyclidine;
- d. If the test is positive for one or more of the drugs, a confirmation test will be performed using gas chromatography/mass spectrometry analysis;
- e. All drug results will be reviewed and interpreted by a physician before they are reported to the employee and then to the City;
- f. With all positive drug tests, the physician (a.k.a. Medical Review Officer) will first contact the employee to determine if there is an alternative medical explanation for the positive test result. If documentation is provided and the MRO determines that there was a legitimate medical use for the prohibited drug, the test result may be reported to the City as "negative."

3. Confidentiality:

The confidentiality of records shall be maintained in the same manner as set forth in the City Of Santa Barbara Drug And Alcohol Testing Policy Pursuant To Department Of Transportation Regulations.

H. CONSEQUENCES OF FAILING/REFUSING AN ALCOHOL AND/OR DRUG TEST:

FAILING A PRE-EMPLOYMENT DRUG TEST WILL BE GROUNDS FOR REJECTION FROM EMPLOYMENT.

UPON FAILING A POST-ACCIDENT ALCOHOL AND/OR DRUG TEST THE EMPLOYEE:

1. Will be removed from driving or operating any heavy or dangerous equipment;
2. May be disciplined up to termination. Failing/refusal to take a controlled substances/alcohol test may result in disciplinary action, up to and including termination.

3. May be allowed to sign a last chance agreement as an alternative to discipline which could require the employee to undergo treatment to cure his/her alcohol or drug abuse and be tested periodically. Generally, an employee who tests positive and has not been found to be using alcohol or drugs on-duty will be offered a last chance agreement. The City does not pay for this examination or any treatment. However, if the exam and/or treatment is covered by the employee's insurance policy, the employee may use the insurance policy to (help) pay for the covered expenses.
4. The employee may use accumulated vacation, personal leave, overtime or leave without pay while undergoing treatment/rehabilitation
5. The employee may use sick leave only when participating in a medically supervised/approved residential rehabilitation program or during the first ninety (90) days of a medically supervised/approved outpatient rehabilitation program.
6. May not be returned to his/her position until the employee submits to a return-to-duty controlled substances and/or alcohol test (depending on which test the employee failed) which indicates an alcohol concentration level of less than 0.08 or a negative result on a controlled substances test;
7. May be required to submit to unannounced follow-up testing after he/she has been returned to his/her safety-sensitive position.

J. EMPLOYEE ASSISTANCE PROGRAM (EAP)

The City has established an Employee Assistance Program to help employees who need assistance with alcohol and controlled substance abuse. Employees are encouraged to contact the City's Benefits Office for the number of the current EAP provider.

RESOLUTION NO. 90-141

A RESOLUTION OF THE COUNCIL OF THE CITY OF SANTA BARBARA, ADOPTING A DRUG AND ALCOHOL FREE WORKPLACE POLICY.

WHEREAS, The Federal Drug Free Workplace Act of 1988 requires the adoption of a drug free workplace policy, and

WHEREAS, the presence of drugs and alcohol on the job, and the influence of these substances on employees during working hours jeopardizes the safety of employees, the public, and the efficiency of City operations; and

WHEREAS, the City wants to establish a drug and alcohol free workplace;

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

That the attached Drug and Alcohol Free Workplace Policy be adopted.

Adopted August 21, 1990

CITY OF SANTA BARBARA
DRUG AND ALCOHOL FREE WORKPLACE POLICY

I. PURPOSE

The City of Santa Barbara, in its efforts to provide a drug and alcohol free environment, has adopted this Drug and Alcohol Free Workplace Policy. It is the purpose of this policy to eliminate alcohol and drug abuse by City Employees and its effects in the workplace. The presence of drugs and alcohol on the job and the influence of these substances on employees during working hours jeopardizes the safety of employees, the public, and the efficiency of City operations. It is the intent of the City, in adopting this policy, to meet the requirements of the Drug Free Workplace Act of 1988 (41 U.S.C. Section 701-707).

II. POLICY

In recognition of the duties entrusted to the employees of the City of Santa Barbara and with knowledge that drugs and alcohol hinder a person's ability to perform job related duties safely and effectively, the City of Santa Barbara adopts the following policy:

1. The use, possession, manufacture, dispensation or distribution of drugs and alcohol is prohibited:
 - a. in the workplace;
 - b. while on City time;
 - c. in City vehicles or facilities except as defined in City's facilities use policies;
 - d. prior to coming to work, so that the employee's performance is impaired.
2. The City is committed to providing reasonable accommodation to those employees whose drug or alcohol problem classifies them as handicapped, under federal law.
3. The City has established a voluntary Employee Assistance Program (EAP) to assist those employees who voluntarily seek help for alcohol or drug problems (as well as for a variety of other personal problems). Employees may seek confidential assistance from the EAP counselor.

III. APPLICATION

1. This policy applies to all full time, part time and temporary employees, and to all applicants for positions with the City. This policy applies to alcohol and all substances, drugs or medications, legal or illegal, which impairs an employee's ability to effectively and safely perform his/her job duties.
2. A copy of this policy will be provided to all City employees.
3. A drug-free awareness program will be established to inform employees of the dangers and penalties of drug use in the workplace and of available counseling, rehabilitation and employee assistance programs.

4. Violations of the policy may result in disciplinary action being taken, up to and including termination, in addition to possible criminal penalties or refusal to hire an applicant.

IV.EMPLOYEES RESPONSIBILITIES

An employee:

1. Must not report to work, or be subject to scheduled duty while his/her ability to perform job duties is impaired due to on or off duty alcohol or drug use.
2. Must not use, possess, manufacture, dispense or distribute drugs or alcohol
 - a. in the workplace;
 - b. on City time;
 - c. in City vehicles or facilities except as defined in City's facilities use policies;
 - d. prior to coming to work, so that the employee's performance is impaired.
3. Must notify his/her supervisor, before beginning work, when drugs (prescription or non-prescription) may interfere with the safe and effective performance of duties or operation of City equipment. In the event there is a question regarding an employee's ability to safely and effectively perform assigned duties while using prescribed drug, authorization from a qualified physician may be required.
4. Must notify his/her department head of any criminal drug or alcohol statute conviction, for a violation occurring in the workplace, no later than five (5) days after such conviction.
5. A safety employee must notify his/her department head of all alcohol or criminal drug statute convictions, no later than five (5) days after such conviction.
6. Who thinks he/she may have an alcohol or drug use problem is urged to voluntarily seek free confidential assistance from the City's Employee Assistance Program (EAP) counselor. It is the responsibility of each employee to seek assistance before alcohol or drug problems lead to job related performance problems.

V. MANAGERS AND SUPERVISORS RESPONSIBILITIES AND GUIDELINES

1. Managers and supervisors are responsible for enforcement of this policy and will inform the Department Head and the Human Resources Manager of any violations.
2. Employees who may have a suspected alcohol or drug use problem should be encouraged to voluntarily seek confidential assistance from the City's Employee Assistance Program (EAP).
3. When it is suspected that an employee is under the influence of drugs or alcohol at the workplace, managers and supervisors shall prevent the employee from engaging in further work, remove the employee from the work place, consult with another manager or supervisor to confirm their suspicions, and then, take appropriate action. The employee shall be informed that a union representative or shop steward could be notified, at the employee's request. Managers and supervisors may notify the appropriate law enforcement agency.
4. When it is suspected that an employee may have illegal drugs or is under the influence of illegal drugs, managers and supervisors shall notify the appropriate law enforcement agency.

5. For employees working on programs receiving federal grant money, the City shall:
 - a. notify the Federal contracting agency within ten (10) days after receiving notice of an employee's criminal drug statute conviction occurring in the workplace. (41 U.S.C. Section 701-717)
 - b. impose a sanction, or require the satisfactory participation in a drug abuse assistance or rehabilitation program for any employee who is convicted of a criminal drug statute violation occurring in the workplace. (41 U.S.C. Section 701-707)

Federal D.O.T. Urine Specimen Testing Levels
From 49 CFR Part 40 Subpart F

All cutoff concentrations are expressed in nanograms per milliliter (ng/mL). The table follows:

Type of Drug or Metabolite	Initial Test	Confirmation Test
(1) Marijuana metabolites (i) Delta-9-tetrahydrocannabinol-9-carboxylic acid (THC)	50	15
(2) Cocaine metabolites (Benzoylecgonine)	300	150
(3) Phencyclidine (PCP)	25	25
(4) Amphetamines (i) Amphetamine (ii) Methamphetamine	1000	500 500 (Specimen must also contain amphetamine at a concentration of greater than or equal to 200 ng/mL.)
(5) Opiate metabolites (i) Codeine (ii) Morphine (iii) 6acetylmorphine	2000	2000 2000 10 Test for 6-AM in the specimen. Conduct this test only when specimen contains morphine at a concentration greater than or equal to 2000 ng/mL.

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PURPOSE:

To set forth the City of Santa Barbara's policy and procedures governing the establishment and administration of an alternate work schedule commonly referred to as "9/80's".

This policy is intended to complement the provisions of the City of Santa Barbara's "FlexWork Policy" and "Child Care Personnel Policies". However, in the event of a conflict between those provisions and this policy, this policy shall control for all purposes.

POLICY:

The 9/80 alternate work schedule may be the standard assigned schedule for a position or work unit, or may be granted, at the employee's request, as an alternative work schedule under the City's FlexWork Program or Childcare Personnel Policies (also called "Family Friendly Policies"). The guidelines set forth in this policy will apply to any employee working a 9/80 schedule.

DEFINITIONS:

1. 9/80 Alternate Work Schedule

The 9/80 alternate work schedule shall consist of eight (8) work days of nine (9) hours and one work day of eight (8) hours for a total of eighty (80) hours during two (2) consecutive work weeks. For non-management employees, the eight (8) hour work day must be on the same day of the week as the employee's regular Flex Day Off (FDO). Under the 9/80 schedule, one calendar (e.g, Saturday-Friday) week shall consist of 44 work hours (four 9-hour days and one 8-hour day) and the alternating calendar week will consist of 36 work hours (four 9-hour days and one day off).

2. Flex Day Off

The Flex Day Off (FDO) shall be an eight (8) hour day and may occur on any day of the week. For non-management employees, the FDO must be the same day of the week as the employee's 8-hour work day that occurs in the preceding and subsequent work weeks (e.g., if the employee's regularly scheduled Flex Day Off is each alternate Friday, then the employee shall be scheduled to work eight hours the preceding and subsequent Fridays).

3. 9/80 FLSA Workweek

Under the Fair Labor Standards Act, the workweek is defined as "a fixed and regularly recurring period of seven consecutive 24-hour periods (168 hours)." When an employee is assigned to a 9/80 schedule, the 9/80 work week begins on the employee's 8 hour day, at exactly four (4) hours after the scheduled start time and ends 168 hours later, at

the same time on the same day during the following week. This results in 40 straight time hours per FLSA workweek, and 80 straight time hours per pay period.

4. City Pay Period

The City's pay period begins at 12:00 a.m. (midnight) on Saturday, and ends immediately before the same time on Friday two weeks later. This is different than the FLSA work period for an employee on a 9/80 schedule, whose FLSA workweek may span 2 pay periods.

5. Fair Labor Standards Act (FLSA)

The Fair Labor Standards Act is a Federal law that sets minimum wage, overtime pay, equal pay, recordkeeping, and child labor standards for employees that it covers.

6. Non-Exempt Employee

A non-exempt employee is an employee who, because of the type of duties performed, the usual level of decision making authority, and the method of compensation, is subject to the provisions of the Fair Labor Standards Act. Nonexempt employees are generally required to account for all hours worked and must be compensated at not less than time-and-one half at the regular rate for all hours worked over 40 in one FLSA workweek.

APPROVAL:

Scheduling of a 9/80 Work Schedule including the selection of the work days, work times, and the FDO, shall be done by management based on business needs, subject to the requirements of the applicable M.O.U. and/or sideletter governing the 9/80 Work Schedule.

The City and the Union agree that under certain circumstances, alternative work schedules (9/80, 4/10, and/or modified starting or ending times) may be beneficial to both employees and the City. Employees may request , upon their own initiative, consideration of an alternate schedule and/or FDO based on childcare, alternative commute, school, or other personal issues through the FlexWork Policy or Childcare Personnel Policies.

[For General, Treatment and Patrol, and Hourly bargaining unit members: When a change to or from a standard 9/80 work schedule is made at the City's initiative, the City will make every reasonable effort to give the affected employee 30 calendar days notice and the opportunity to apply for accommodation under these policies. All such requests will be considered in good faith, and will not be denied for arbitrary or capricious reasons.]

CHANGES TO SCHEDULE LIMITED:

1. Changing the Flex Day Off

Once the FDO is designated, working on the FDO may incur overtime in one or more FLSA workweeks, therefore working on the FDO or making changes to the FDO requires management approval.

Temporary changes to the FLSA workweek and/or the FDO to avoid overtime are not permitted.

2. Working on the 8 Hour Day

Once the 9/80 schedule begins, working an alternate schedule on the 8 hour work day may incur overtime liability* in one or more FLSA workweeks. Therefore, altering an employee's schedule on the 8 hour day requires management approval. (*e.g., if an employee scheduled to work from 8-5 comes in 7-4 instead, one work week will incur 1 hour of overtime, and the employee will be short an hour in the next work week and need to use leave balances.)

HOLIDAYS, PERSONAL TIME OFF AND JURY DUTY:

1. Holidays

Employees on a 9/80 work schedule who are eligible for holiday pay will be entitled to the same Holiday pay as employees on a 10/80 (40 hour) work schedule. Holiday pay shall remain at eight (8) hours. When a holiday falls on a regular nine (9) hour workday, the employee shall use one (1) hour of personal accrued leave time (vacation, personal leave, or comp time) to make up the ninth hour.

When the holiday is observed on the employee's FDO, the employee will accrue an additional 8-hour holiday day off. If required under the applicable M.O.U., such day off shall be taken within thirty (30) calendar days or shall be compensated at straight pay after the 30th day.

2. Personal Leave and Bereavement Leave

Employees on a 9/80 work schedule who are eligible for personal and/or bereavement leave will be entitled to the same Personal Leave and/or Bereavement pay as employees on a 10/80 (40 hour) work schedule. Personal Leave and Bereavement pay are granted to full-time employees in amounts equivalent to 8 hour days (e.g., the employee will be eligible for a total of up to 32 hours of personal leave and up to 40 total hours of bereavement leave). Personal Leave and Bereavement pay are charged at nine (9) hours for time taken on a scheduled nine hour day and (8) hours for time taken on a scheduled eight hour day.

3. Vacation, Sick, Compensatory Time, PTO, etc.

Time off from work using accrued vacation, sick, PTO, or other paid leave banks will be charged at nine (9) hours for time taken on a scheduled nine hour day. Time off from work on the eight (8) hour work day will be charged at eight (8) hours.

4. Jury Duty

An employee shall not be entitled to jury duty pay, or to overtime pay or compensatory time off for jury duty on the FDO. However, an employee on an absence exceeding one week for jury duty, military duty, etc. may request to temporarily switch back to a regular 10/80 schedule. The transition guidelines below will apply to approval of such request to transition to the 40-hour schedule (Section F2, below) or back from the 40-hour schedule (Section F1, below).

OVERTIME:

1. Overtime Earned

When an overtime-eligible employee is on a 9/80 work schedule, overtime for hours exceeding 40 in a workweek, both under the FLSA and as provided under any applicable M.O.U., will be based on the FLSA workweek. In other words, employees who are eligible for overtime shall receive overtime pay or compensatory time off for hours worked in excess of 36 or 44 hours in their respective scheduled (e.g., Saturday-Friday) calendar workweek.

Employees may also be eligible for overtime or compensatory time for other hours in excess of the regular 9/80 work schedule, as provided under the applicable M.O.U.

2. Overtime Paid

The 9/80 FLSA workweeks will not generally correspond with the City's pay periods. Therefore, where adjustments to overtime compensation cannot be calculated until the completion of the employee's workweek (e.g., when they occur in the last half of the 8 hour day), a one pay period's delay in the employee receiving the additional compensation may occur.

TRANSITIONING TO OR FROM A 9/80 WORK SCHEDULE

When an employee transitions from a 10/80, 4/10, or other 40-hour per week work schedule to a 9/80 work schedule, there will be a change to the beginning of the FLSA workweek. This results in a situation in which 4 hours fall in both the old workweek and the new workweek. The following procedures are designed to avoid an overtime obligation during this change. Any deviation from these procedures must be approved in advance by management.

1. Transitioning to a 9/80 Work Schedule

For a non-management employee, the transition to a 9/80 work schedule will be set to begin during a 36-hour calendar workweek, when an FDO occurs. Four hours in the new FLSA workweek will overlap with the prior 40 hour calendar work week, but because the following calendar week will contain 36 hours, this will result in 40 hours of straight time in the first new FLSA work week.

2. Transitioning to a normal 40 hour Work Schedule

For a non-management employee, the transition back to a normal 40-hour work week (e.g. "10/80" or "4/10") from a 9/80 work schedule will be set to begin the week following a 36-hour calendar work week. This will result in 40 hours of straight time in both the prior FLSA 9/80 work week and the new regular FLSA calendar work week.

While this change will not lead to overtime, this will result in the employee working only 72 hours in the pay period in which the change occurs. Employees must use 4 hours from their available leave banks to make up this time not worked. [To avoid this result, management would need to approve the employee to work an additional 4 hours during that pay period, recognizing that those hours will be paid at the overtime rate.]



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: October 28, 2014

TO: Mayor and Councilmembers

FROM: Creeks Division, Parks and Recreation Department
Facilities Division, Public Works Department

SUBJECT: Introduction Of Ordinance Approving Grant Agreements For Storm Water Infiltration Projects And The Clean Water State Revolving Fund Financing Agreements

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 Ratifying the Grant Agreements and the Clean Water State Revolving Fund Financing Agreements Between the City of Santa Barbara and the State Water Resources Control Board That Were Authorized by City Council Resolution Nos. 07-033, 07-043, 12-088, 14-056, 14-057, 09-013, and 09-090 (as Amended by Resolution No. 10-089.)

DISCUSSION:

Pursuant to City Charter provision 521, staff is requesting that City Council approve by ordinance grant and funding agreements that exceed five years with the State Water Resources Control Board that were previously approved through resolutions. This corrective action is required for the agreements to be enforceable. There are no substantive changes in the agreements.

Grant Funding Background

Proposition 84, the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006, was approved by California voters in a general election on November 7, 2006. Proposition 84 provides the State Water Board with \$90 million for matching grants to local public agencies for the reduction and prevention of storm water contamination of rivers, lakes, and streams (PRC § 75050[m]). After bond and program administration costs, approximately \$82 million was made available for projects. Projects must either implement Low Impact Development (LID) strategies or assist in compliance of established storm water Total Maximum Daily Loads. The State Water Resources Control Board (SWRCB) has distributed Storm Water Grant Program (SWGPP) funding through two rounds of funding. The program requires recipients to provide 20 percent matching funds for the grant awards.

Although competition is extremely high for these grant funds, the Creeks Division was awarded a \$2,307,010 grant for the Streets, Sidewalks, and Alleys Project ("Creeks Project"), and the Facilities Division was awarded \$1,151,630 for the Laguna Lot Infiltration Paver Project ("Facilities Project"). These projects were selected because they implement LID strategies and improve water quality in Santa Barbara creeks.

The total estimated cost for the Creeks Project is \$2,920,992. The grant will provide \$2,307,010 toward the design and construction costs. Staff estimates the project will require Measure B matching funds in the amount of \$613,982. Final project costs will be determined once construction bids are received. Measure B matching funds for the Creeks Project are available in the Creeks Division Capital Improvement Program and Creeks Fund reserves.

The total estimated cost of the Facilities Project is \$1,463,744. The grant will provide \$1,151,630 toward the design and construction costs, and the Facilities Capital Fund will fund the remaining estimated balance of \$312,114. On July 15, 2014, the City Council adopted two resolutions authorizing the City Administrator to negotiate and execute the grant agreements necessary to accept funding for the Creeks Project and the Facilities Project.

The Creeks Division has also successfully completed three other projects and studies using grant funding from the State Water Resource Control Board which include the LID Stormwater Infiltration Project authorized by Council Resolution No. 12-088 on December 11, 2012; the Laguna Watershed Study authorized by Council Resolution No. 07-033 on May 15, 2007; and the Source Tracking Protocol Development authorized by Council Resolution No. 07-043 on June 12, 2007.

As the term of the SWRCB grant agreements for the Laguna Watershed Study Project, Source Tracking Protocol Development Study, LID Stormwater Infiltration Project, Creeks Project, and Facilities Project all exceed five (5) years, pursuant to City Charter provision 521, staff is now requesting that the City Council approve by ordinance the grant agreements that were authorized by Resolution Nos. 07-033, 07-043, 12-088, 14-056, and 14-057.

Revolving Loan Fund Background

Cater Advanced Water Treatment Plant and Ortega Ground Water Treatment Plant Projects

The Cater Advanced Water Treatment Plant and Ortega Ground Water Treatment Plant Projects were funded through a state revolving fund loan issued by the SWRCB that was approved by City Council on November 17, 2009. The Council adopted Resolution No. 09-090 which, subject to approval and execution of a funding agreement, approved the loan in the amount of \$29,920,000 at an interest rate of 2.5% to be repaid over 20 years after completion of construction.

The Resolution authorized the Finance Director to take all action necessary to carry-out the fiscal requirements of the Funding Agreement, authorized the Public Works Director to sign and return the Acceptance of the Loan, to negotiate and execute the loan, and to undertake all actions necessary to construct the Cater and Ortega Plant upgrades. Resolution No. 09-090 further authorized and directed the City Administrator to, on behalf of the City, negotiate, prepare and execute the loan and the related security agreement. The Resolution was amended by Resolution 10-089 on November 16, 2010 in order to clarify that Net Revenue from the Water Fund was the dedicated, pledged, source of funding for repayment of the loan.

The loan was subsequently approved and construction has been underway on both projects since that time. Project completion is expected in the very near future. At the time of completion, and when all loan proceeds that will be drawn, have been drawn, the City's 20 year loan repayment obligation will begin. Because this obligation binds the City for a term exceeding 5 years, it is appropriate that in accordance with City Charter section 521, an ordinance be adopted by the City Council to ratify the action taken by the City Council in Resolution 09-090.

FOG and Headworks

The FOG (Fats, Oils and Grease) and Food Waste Biofuel Conversion and the Headworks Screening projects at El Estero Wastewater Treatment plant were funded through two state revolving fund loans that were approved by City Council on March 17, 2009. The City Council adopted Resolution No. 09-013, which authorized and directed the City Administrator to sign and file a Financial Assistance Application and to negotiate and execute a Financial Assistance Agreement with the SWRCB.

The FOG loan, as amended, was authorized in the amount of \$1,600,000. Project completion is expected Construction by the end of 2014 at which point all loan proceeds will be fully disbursed and the City's 20-year repayment obligation will begin.

The Headworks loan, as amended, was authorized in the amount on \$5,200,000. Construction on this project is complete and all loan proceeds are drawn. In July 2014, the City began making payments on the loan according to the 20-year repayment obligation.

Because the FOG and Headworks projects are complete, or nearly complete, and loan proceeds are drawn or nearly drawn, and because the 20-year repayment obligations that bind the City for terms exceeding five years will soon commence (or have commenced), it is appropriate that, in accordance with City Charter section 521, an ordinance be adopted by the City Council to ratify the action taken by the City Council in Resolution 09-013.

Council Agenda Report
Introduction Of Ordinance Approving Grant Agreements For Storm Water Infiltration
Projects And The Clean Water State Revolving Fund Financing Agreements
October 28, 2014
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PREPARED BY: Cameron Benson, Creeks Restoration/Clean Water Manager
Jim Dewey, Facilities Manager/CB/JD/mh

SUBMITTED BY: Nancy L. Rapp, Parks and Recreation Director
Rebecca Bjork, Public Works Director

APPROVED BY: City Administrator's Office

ORDINANCE NO. _____

AN ORDINANCE OF THE COUNCIL OF THE CITY OF SANTA BARBARA APPROVING AND RATIFYING THE GRANT AGREEMENTS AND THE CLEAN WATER STATE REVOLVING FUND FINANCING AGREEMENTS BETWEEN THE CITY OF SANTA BARBARA AND THE STATE WATER RESOURCES CONTROL BOARD THAT WERE AUTHORIZED BY CITY COUNCIL RESOLUTION NOS. 07-033, 07-0 43, 12-088, 14-056, 14-057, 09-013, AND 09-090 (AS AMENDED BY RESOLUTION NO. 10-089.)

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

SECTION 1. The following Resolutions authorizing the City Administrator to execute and accept grant funds from the State Water Resources Control Board are hereby ratified:

City Council Resolution No. 14-056, LID - Streets, Sidewalks, and Alleys Project;

City Council Resolution No. 14-057, Laguna Lot Infiltration Paver Project;

City Council Resolution No. 12-088, LID Stormwater Infiltration Project (Oak Park, Stevens Park, and the Westside Neighborhood Center);

City Council Resolution No. 07-033, Laguna Watershed Study; and

City Council Resolution No. 07-43, Source Tracking Protocol Development.

SECTION 2. The following Resolutions authorizing the City Administrator to execute Clean Water State Revolving Fund Financing Agreements with the State Water Resources Control Board are hereby ratified:

City Council Resolution No. 09-013, FOG and Headworks Improvement; and

City Council Resolution No. 09-090, as amended by Resolution No. 10-089, Cater and Ortega Improvement.



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: October 28, 2014

TO: Mayor and Councilmembers

FROM: Treasury Division, Finance Department

SUBJECT: September 30, 2014, Investment Report And September 30, 2014, Fiscal Agent Report

RECOMMENDATION: That Council:

- A. Accept the September 30, 2014, Investment Report; and
- B. Accept the September 30, 2014, Fiscal Agent Report.

DISCUSSION:

On a quarterly basis, staff submits a comprehensive report on the City’s portfolio and related activity pursuant to the City’s Annual Statement of Investment Policy. The current report covers the investment activity for the period of July through September 2014.

Treasury yields were mostly higher by the end of the quarter. As shown in the table to the right, the change in Treasury yields ranged from a decrease of 13 basis points on the 30-year Treasury note to an increase of 19 basis points on the 3-year Treasury note. The 1 to 5-year maturities saw the largest increases in Treasury yield, and the 5-year note increased by 16 basis points by the end of the quarter.

U.S. Treasury Market					
	6/30/2014	7/31/2014	8/31/2014	9/30/2014	Cumulative Change
3 Month	0.04%	0.03%	0.03%	0.02%	-0.02%
6 Month	0.07%	0.05%	0.05%	0.03%	-0.04%
1 Year	0.11%	0.12%	0.09%	0.13%	0.02%
2 Year	0.47%	0.53%	0.48%	0.58%	0.11%
3 Year	0.88%	1.02%	0.94%	1.07%	0.19%
4 Year	1.25%	1.37%	1.28%	1.40%	0.15%
5 Year	1.62%	1.76%	1.63%	1.78%	0.16%
10 Year	2.53%	2.85%	2.35%	2.52%	-0.01%
30 Year	3.34%	3.32%	3.09%	3.21%	-0.13%
LAIF	0.22%	0.24%	0.24%	0.24%	0.02%

The 1 to 5-year maturities saw the largest increases in Treasury yield, and the 5-year note increased by 16 basis points by the end of the quarter.

Investment Activity

As shown in the Investment Activity table on the next page, the City invested \$6 million during the quarter. The purchases consisted of \$6 million in “AAA” rated Federal Agency callable securities. The purchases replaced \$4 million in Federal Agency securities that were called, and \$2 million in Federal Agency securities that matured over the quarter.

Issuer	Face Amount	Purchase Date	Final Maturity	Call Date	Yield To Call	Yield To Maturity
<i>Purchases:</i>						
Federal Farm Credit Bank (FFCB)	\$ 2,000,000	07/09/14	07/09/18	07/09/15	1.470%	1.470%
Federal Home Loan Mortgage Corp (FHLMC)	2,000,000	07/28/14	04/28/17	10/28/14	1.000%	1.000%
Federal Home Loan Bank (FHLB)	2,000,000	09/10/14	09/30/19	12/30/14	2.100%	2.100%
	\$ 6,000,000					
<i>Calls:</i>						
Federal National Mortgage Association (FNMA)	\$ 2,000,000	07/10/13	07/10/18	07/10/14	1.700%	1.700%
Federal Home Loan Mortgage Corp (FHLMC)	2,000,000	07/25/13	07/25/18	07/25/14	1.800%	1.800%
	\$ 4,000,000					
<i>Maturities:</i>						
Federal Home Loan Bank (FHLB)	\$ 2,000,000	08/03/10	09/12/14	-	-	1.375%
	\$ 2,000,000					

Summary of Cash and Investments

The book rate of return, or portfolio yield, measures the rate of return of actual earnings generated from the portfolio. As shown in the table to the right, during the quarter, the City's book rate of return increased by 1.7 basis points from 1.160 percent at June 30, 2014 to 1.177 percent at September 30, 2014.

Mo. Ended	Yield	Days to Maturity
6/30/2014	1.160%	931
7/31/2014	1.179%	931
8/31/2014	1.172%	896
9/30/2014	1.177%	893

The portfolio's average days to maturity, including the long-term Airport promissory note, decreased by 38 days from 931 to 893 days. Excluding the Airport note, the portfolio's average days to maturity is 752 days, reflecting reinvestment of maturities and calls during the quarter in the one-to-five year range in accordance with the City's Annual Statement of Investment Policy. The Annual Statement of Investment Policy requires that the average days to maturity on the portfolio not exceed 2.5 years, excluding any investments with a final maturity longer than 5 years that were separately authorized by Council, such as the Airport promissory note.

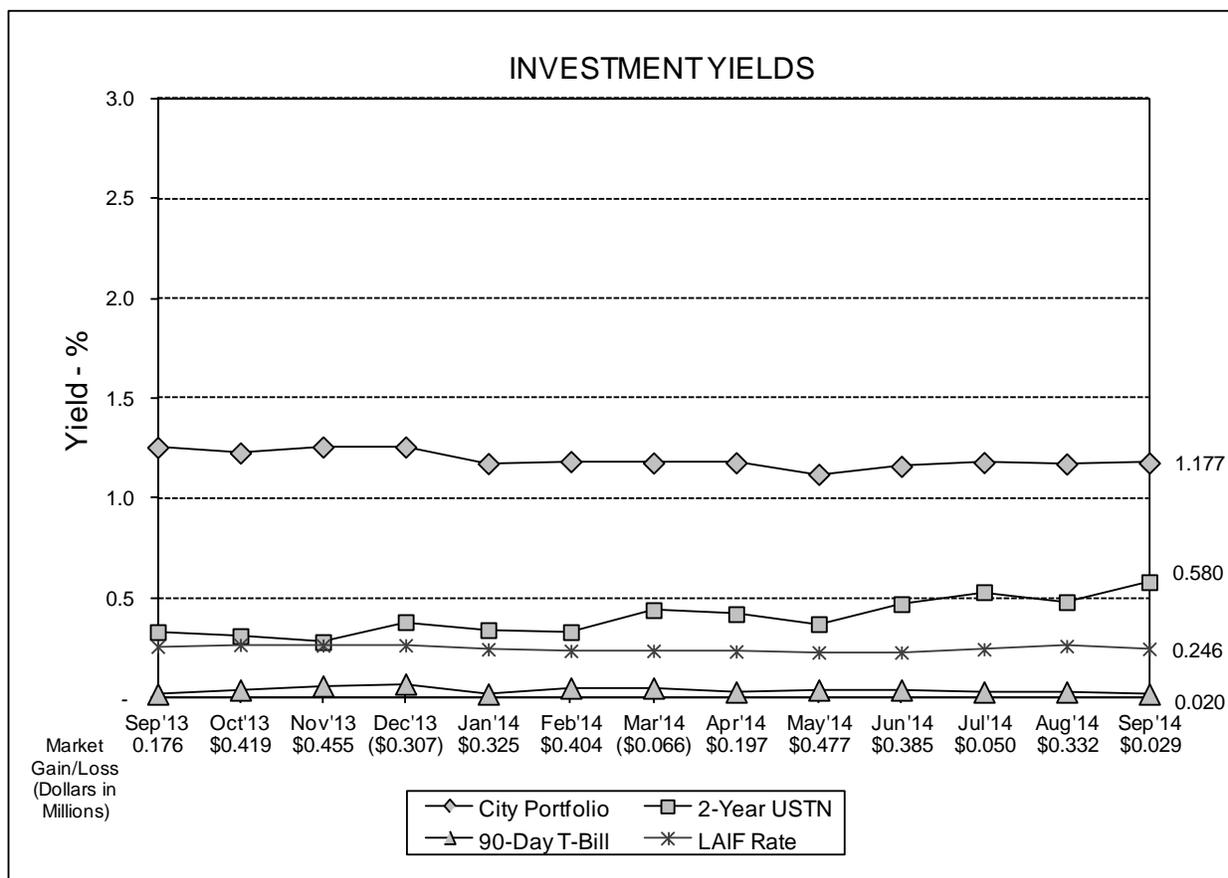
The average LAIF rate at which the City earned interest for funds invested was at 0.24 percent for the quarter ended September 30, 2014, which was down from last quarter by 2 basis points. The City's LAIF holdings at the end of the quarter were \$24 million. Staff expects to reinvest a portion of the LAIF balances in fixed-term or callable securities during the next quarter.

Credit Quality on Corporate Notes

There were no credit quality changes to the four corporate issuers of the medium-term notes held in the portfolio (i.e., Berkshire Hathaway Financial, Inc., General Electric Capital Corp, Proctor & Gamble, and Toyota Motor Credit), and the ratings of all corporate notes remain within the City's Investment Policy guidelines of "A" or better.

Portfolio Market Gains/Losses

As shown in the Investment Yields chart below, the City's portfolio continues to significantly outperform the three benchmark measures (the 90-day T-Bill, 2-year T-Note and LAIF). At September 30, 2014, the portfolio had an overall unrealized market gain of \$0.029 million.



On a quarterly basis, staff reports the five securities with the largest percentage of unrealized losses as shown in the table below. However, because securities in the City's portfolio are held to maturity, no market losses would be realized.

Issuer	Face Amount	Maturity	\$ Mkt Change	% Mkt Change
FEDERAL NATL MORTGAGE ASSN	\$2,000,000	02/05/18	-\$28,260	-1.41%
FEDERAL NATL MORTGAGE ASSN	\$4,000,000	12/26/17	-\$55,840	-1.40%
FEDERAL NATL MORTGAGE ASSN	\$3,000,000	01/30/18	-\$40,440	-1.35%
FEDERAL NATL MORTGAGE ASSN	\$2,000,000	12/12/17	-\$25,040	-1.25%
FEDERAL HOME LOAN BANK	\$4,000,000	01/16/18	-\$46,920	-1.17%

On a quarterly basis, staff also reports all securities with monthly market declines of greater than 1 percent compared to the prior month. There were no securities in the portfolio with a market decline of greater than 1 percent compared to the prior month.

Additional Reporting Requirements

The following confirmations are made pursuant to California Code Sections 53600 et seq.: (1) the City's portfolio as of September 30, 2014, is in compliance with the City's Statement of Investment Policy; and (2) there are sufficient funds available to meet the City's expenditure requirements for the next six months.

Fiscal Agent Investments

In addition to reporting requirements for public agency portfolios, a description of any of the agency's investments under the management of contracted parties is also required on a quarterly basis. Attachment 2 includes bond funds and the police and fire service retirement fund as of September 30, 2014.

ATTACHMENTS: 1. September 30, 2014, Investment Report
2. September 30, 2014, Fiscal Agent Report

PREPARED BY: Genie Wilson, Treasury Manager

SUBMITTED BY: Robert Samario, Finance Director

APPROVED BY: City Administrator's Office

CITY OF SANTA BARBARA
Activity and Interest Report
September 30, 2014

INVESTMENT ACTIVITY**PURCHASES OR DEPOSITS**

9/4 LAIF Deposit - City	\$ 2,000,000
9/30 Federal Home Loan Bank (FHLB)	<u>2,000,000</u>
Total	\$ 4,000,000

SALES, MATURITIES, CALLS OR WITHDRAWALS

9/12 Federal Home Loan Bank (FHLB) - Maturity	\$ (2,000,000)
9/29 LAIF Withdrawal - City	<u>(2,000,000)</u>
Total	\$ (4,000,000)

ACTIVITY TOTAL

\$ -

INVESTMENT INCOME**POOLED INVESTMENTS**

Interest Earned on Investments	\$ 161,773
Amortization	<u>(10,013)</u>
Total	\$ 151,760

INCOME TOTAL

\$ 151,760

CITY OF SANTA BARBARA
Summary of Cash and Investments
September 30, 2014

ENDING BALANCE AS OF AUGUST 31, 2014

Description	Book Value	Yield to Maturity (365 days)	Percent of Portfolio	Average Days to Maturity
Union Bank Checking Account	\$ 19,582,629	0.400%	11.18%	1
State of California LAIF	24,000,000	0.260%	13.70%	1
Certificates of Deposit	8,000,000	1.217%	4.57%	749
Treasury Securities	10,211,198	0.458%	5.83%	578
Federal Agency Issues - Coupon	95,979,346	1.370%	54.80%	1,106
Corporate/Medium Term Notes	12,026,745	1.910%	6.87%	823
	<u>169,799,917</u>	<u>1.077%</u>	<u>96.95%</u>	<u>754</u>
SB Airport Promissory Note	5,336,967	4.195%	3.05%	5,416
Totals and Averages	<u>\$ 175,136,884</u>	<u>1.172%</u>	<u>100.00%</u>	<u>896</u>
Total Cash and Investments	<u>\$ 175,136,884</u>			

NET CASH AND INVESTMENT ACTIVITY FOR SEPTEMBER 2014 **\$ 361,978**

ENDING BALANCE AS OF SEPTEMBER 30, 2014

Description	Book Value	Yield to Maturity (365 days)	Percent of Portfolio	Average Days to Maturity
Union Bank Checking Account	\$ 19,954,619	0.400%	11.37%	1 (1)
State of California LAIF	24,000,000	0.246%	13.68%	1 (2)
Certificates of Deposit	8,000,000	1.217%	4.56%	719
Treasury Securities	10,200,876	0.458%	5.81%	548
Federal Agency Issues - Coupon	95,981,087	1.385%	54.69%	1,115
Corporate/Medium Term Notes	12,025,312	1.910%	6.85%	793
	<u>170,161,895</u>	<u>1.082%</u>	<u>96.96%</u>	<u>752</u>
SB Airport Promissory Note	5,336,967	4.195%	3.04%	5,386
Totals and Averages	<u>\$ 175,498,862</u>	<u>1.177%</u>	<u>100.00%</u>	<u>893</u>
Total Cash and Investments	<u>\$ 175,498,862</u>			

Note:

- (1) Interest earnings allowance is provided at the rate of 0.400% by MUFG Union Bank, N.A. to help offset banking fees.
(2) The average life of the LAIF portfolio as of September 30, 2014 is 232 days.

CITY OF SANTA BARBARA

ATTACHMENT 1

Investment Portfolio
September 30, 2014

DESCRIPTION	PURCHASE DATE	MATURITY DATE	QUALITY RATING		STATED RATE	YIELD AT 365	FACE VALUE	BOOK VALUE	MARKET VALUE	BOOK GAIN/(LOSS)	COMMENTS
			MOODY'S	S & P							
LOCAL AGENCY INVESTMENT FUNDS											
LOCAL AGENCY INVESTMENT FUND	-	-	-	-	0.246	0.246	24,000,000.00	24,000,000.00	24,000,000.00	0.00	
Subtotal, LAIF							24,000,000.00	24,000,000.00	24,000,000.00	0.00	
CERTIFICATES OF DEPOSIT											
MONTECITO BANK & TRUST	11/18/13	11/18/15	-	-	0.600	0.600	2,000,000.00	2,000,000.00	2,000,000.00	0.00	
UNION BANK	08/31/12	08/31/15	-	-	1.230	1.247	2,000,000.00	2,000,000.00	2,000,000.00	0.00	
UNION BANK	08/31/12	08/31/17	-	-	1.490	1.511	4,000,000.00	4,000,000.00	4,000,000.00	0.00	
Subtotal, Certificates of deposit							8,000,000.00	8,000,000.00	8,000,000.00	0.00	
TREASURY SECURITIES - COUPON											
U S TREASURY NOTE	10/25/12	03/15/15	Aaa	AA+	0.375	0.342	2,000,000.00	2,000,296.00	2,002,960.00	2,664.00	
U S TREASURY NOTE	10/25/12	10/31/15	Aaa	AA+	1.250	0.397	2,000,000.00	2,018,330.64	2,023,280.00	4,949.36	
U S TREASURY NOTE	02/22/13	05/15/16	Aaa	AA+	5.125	0.442	2,000,000.00	2,150,606.96	2,151,800.00	1,193.04	
U S TREASURY NOTE	02/22/13	08/31/16	Aaa	AA+	1.000	0.502	2,000,000.00	2,018,881.22	2,016,260.00	(2,621.22)	
U S TREASURY NOTE	02/22/13	02/28/17	Aaa	AA+	0.875	0.607	2,000,000.00	2,012,761.59	2,002,040.00	(10,721.59)	
Subtotal, Treasury Securities							10,000,000.00	10,200,876.41	10,196,340.00	(4,536.41)	
FEDERAL AGENCY ISSUES - COUPON											
FED AGRICULTURAL MTG CORP	10/03/13	10/03/18	-	-	1.720	1.720	2,000,000.00	2,000,000.00	2,005,800.00	5,800.00	
FED AGRICULTURAL MTG CORP	12/12/13	12/12/18	-	-	1.705	1.705	2,000,000.00	2,000,000.00	2,016,420.00	16,420.00	
FEDERAL FARM CREDIT BANK	07/09/14	07/09/18	Aaa	AA+	1.470	1.470	2,000,000.00	2,000,000.00	1,989,560.00	(10,440.00)	Callable 07/09/15, then continuous
FEDERAL FARM CREDIT BANK	08/15/12	08/15/17	Aaa	AA+	0.980	0.980	2,000,000.00	2,000,000.00	1,992,960.00	(7,040.00)	Callable, continuous
FEDERAL FARM CREDIT BANK	09/18/13	09/18/17	Aaa	AA+	1.550	1.550	2,000,000.00	2,000,000.00	2,026,140.00	26,140.00	
FEDERAL FARM CREDIT BANK	02/16/11	02/16/16	Aaa	AA+	2.570	2.570	2,000,000.00	2,000,000.00	2,054,860.00	54,860.00	
FEDERAL FARM CREDIT BANK	07/17/13	07/17/17	Aaa	AA+	1.300	1.300	2,000,000.00	2,000,000.00	2,012,740.00	12,740.00	
FEDERAL HOME LOAN BANK	09/13/13	09/14/18	Aaa	AA+	2.000	1.910	2,000,000.00	2,006,747.60	2,029,240.00	22,492.40	
FEDERAL HOME LOAN BANK	04/17/14	04/17/17	Aaa	AA+	1.000	1.000	2,000,000.00	2,000,000.00	1,999,240.00	(760.00)	Callable, 04/17/15 once
FEDERAL HOME LOAN BANK	01/16/13	01/16/18	Aaa	AA+	1.000	1.000	4,000,000.00	4,000,000.00	3,953,080.00	(46,920.00)	Callable 10/16/14, then qtrly
FEDERAL HOME LOAN BANK	01/17/14	04/17/18	Aaa	AA+	1.480	1.480	2,000,000.00	2,000,000.00	2,003,200.00	3,200.00	
FEDERAL HOME LOAN BANK	09/30/14	09/30/19	Aaa	AA+	2.100	2.100	2,000,000.00	2,000,000.00	1,996,560.00	(3,440.00)	Callable 12/30/14, then qtrly
FEDERAL HOME LOAN BANK	05/28/14	05/28/19	Aaa	AA+	1.375	2.288	2,000,000.00	2,000,000.00	1,994,640.00	(5,360.00)	SU 1.375%-6% Call 11/28/14, then qtrly
FEDERAL HOME LOAN BANK	06/26/14	06/26/19	Aaa	AA+	1.250	2.062	2,000,000.00	1,998,111.11	1,998,300.00	188.89	SU 1.25%-6% Call 12/26/14, then qtrly
FEDERAL HOME LOAN BANK	06/27/13	06/27/18	Aaa	AA+	1.250	1.493	2,000,000.00	2,000,000.00	1,989,460.00	(10,540.00)	SU 1.125%-2.5% Call 12/27/14, then qtrly
FEDERAL HOME LOAN BANK	04/15/14	04/15/19	Aaa	AA+	2.070	2.070	1,000,000.00	1,000,000.00	998,060.00	(1,940.00)	Callable, continuous
FEDERAL HOME LOAN BANK	05/22/14	05/22/17	Aaa	AA+	1.000	1.000	2,000,000.00	2,000,000.00	1,992,740.00	(7,260.00)	Callable, continuous
FEDERAL HOME LOAN BANK	02/09/11	01/29/15	Aaa	AA+	1.750	1.750	2,000,000.00	2,000,000.00	2,010,520.00	10,520.00	
FEDERAL HOME LOAN BANK	04/15/11	05/27/15	Aaa	AA+	2.000	2.000	2,000,000.00	2,000,000.00	2,024,200.00	24,200.00	
FEDERAL HOME LOAN BANK	12/16/13	12/14/18	Aaa	AA+	1.750	1.650	2,000,000.00	2,008,027.82	2,003,060.00	(4,967.82)	
FEDERAL HOME LOAN BANK	06/18/14	06/09/17	Aaa	AA+	1.000	1.003	2,000,000.00	1,999,819.23	2,002,140.00	2,320.77	
FEDERAL HOME LOAN MTG CORP	06/26/13	06/26/18	Aaa	AA+	1.400	1.400	2,000,000.00	2,000,000.00	1,983,480.00	(16,520.00)	Callable 12/26/14, then qtrly
FEDERAL HOME LOAN MTG CORP	12/18/13	12/18/18	Aaa	AA+	1.500	1.839	1,000,000.00	1,000,000.00	1,001,910.00	1,910.00	SU 1.5%-2.75% Call 12/18/14, then qtrly
FEDERAL HOME LOAN MTG CORP	12/31/13	12/31/18	Aaa	AA+	1.825	1.825	1,000,000.00	1,000,000.00	1,003,420.00	3,420.00	Callable 12/31/14, once
FEDERAL HOME LOAN MTG CORP	04/23/12	04/17/15	Aaa	AA+	0.500	0.534	2,000,000.00	1,999,631.36	2,004,340.00	4,708.64	
FEDERAL HOME LOAN MTG CORP	07/24/12	07/24/17	Aaa	AA+	1.125	1.125	2,000,000.00	2,000,000.00	1,997,000.00	(3,000.00)	Callable 10/24/14, then qtrly
FEDERAL HOME LOAN MTG CORP	04/24/14	04/24/19	Aaa	AA+	2.100	2.100	2,000,000.00	2,000,000.00	2,002,440.00	2,440.00	Callable 10/24/14, then qtrly

CITY OF SANTA BARBARA

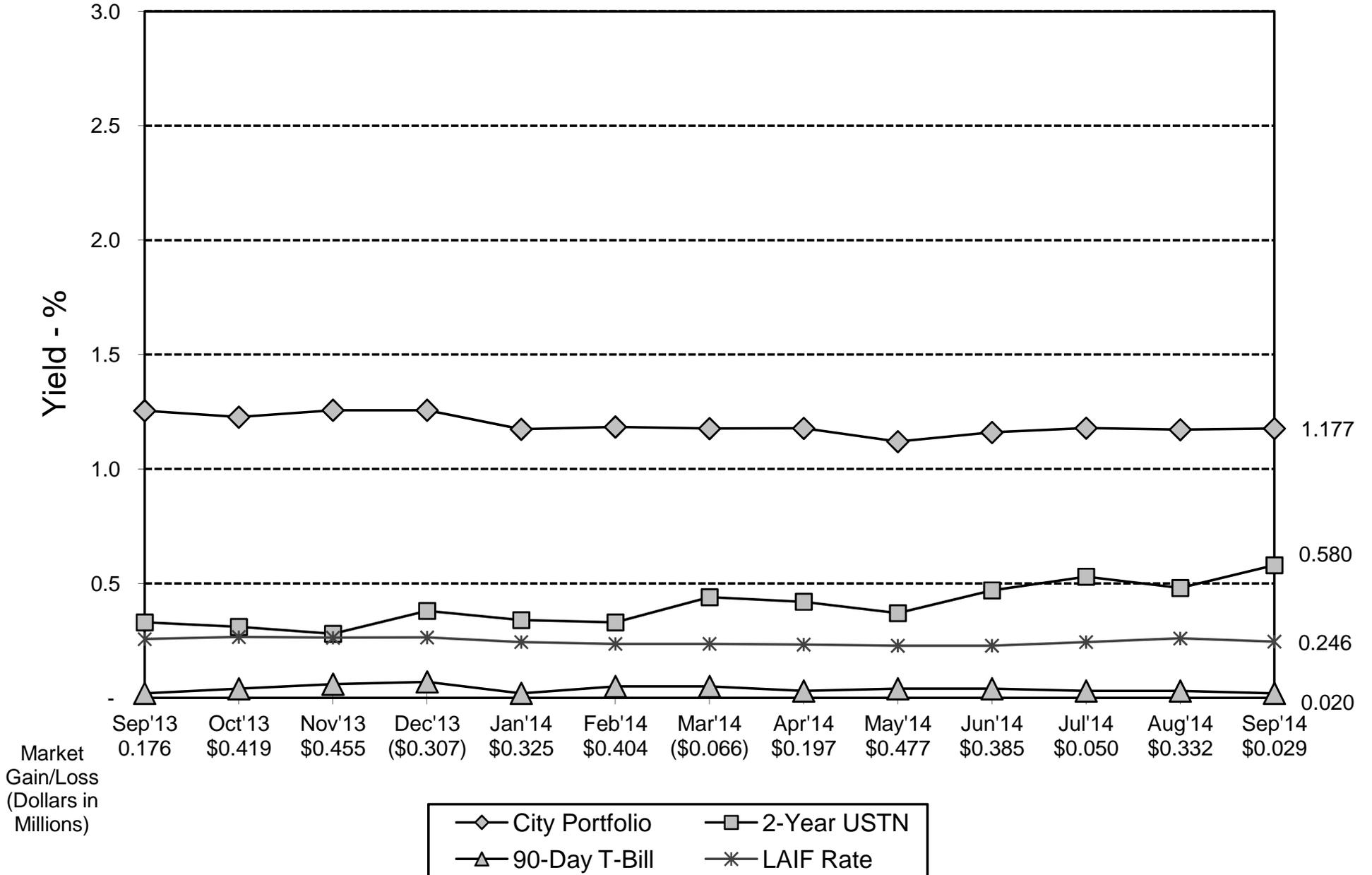
Investment Portfolio

September 30, 2014

DESCRIPTION	PURCHASE DATE	MATURITY DATE	QUALITY RATING		STATED RATE	YIELD AT 365	FACE VALUE	BOOK VALUE	MARKET VALUE	BOOK GAIN/(LOSS)	COMMENTS
			MOODY'S	S & P							
FEDERAL HOME LOAN MTG CORP	06/30/14	06/30/17	Aaa	AA+	1.000	1.000	2,000,000.00	2,000,000.00	1,995,420.00	(4,580.00)	Callable 06/30/15, once
FEDERAL HOME LOAN MTG CORP	09/12/12	09/12/17	Aaa	AA+	1.000	1.000	2,000,000.00	2,000,000.00	1,993,540.00	(6,460.00)	Callable 12/12/14, then qtrly
FEDERAL HOME LOAN MTG CORP	01/16/13	01/16/18	Aaa	AA+	1.050	1.050	4,000,000.00	4,000,000.00	3,979,000.00	(21,000.00)	Callable 10/16/14, then qtrly
FEDERAL HOME LOAN MTG CORP	11/26/13	11/26/18	Aaa	AA+	1.000	1.793	1,000,000.00	1,000,000.00	1,001,380.00	1,380.00	SU 1%-2% Callable 11/26/14, once
FEDERAL HOME LOAN MTG CORP	07/28/14	04/28/17	Aaa	AA+	1.000	1.000	2,000,000.00	2,000,000.00	1,998,640.00	(1,360.00)	Callable 10/28/14, then qtrly
FEDERAL HOME LOAN MTG CORP	06/26/13	06/26/18	Aaa	AA+	1.500	1.500	2,000,000.00	2,000,000.00	1,995,560.00	(4,440.00)	Callable 12/26/14, then qtrly
FEDERAL HOME LOAN MTG CORP	11/20/13	09/29/17	Aaa	AA+	1.000	1.030	1,000,000.00	999,115.25	995,490.00	(3,625.25)	
FEDERAL NATL MORTGAGE ASSN	01/30/13	01/30/18	Aaa	AA+	1.030	1.030	3,000,000.00	3,000,000.00	2,959,560.00	(40,440.00)	Callable 10/30/14, then qtrly
FEDERAL NATL MORTGAGE ASSN	11/17/10	11/17/14	Aaa	AA+	1.300	1.300	2,000,000.00	2,000,000.00	2,003,160.00	3,160.00	
FEDERAL NATL MORTGAGE ASSN	12/12/12	12/12/17	Aaa	AA+	1.000	1.000	2,000,000.00	2,000,000.00	1,974,960.00	(25,040.00)	Callable 12/12/14, then qtrly
FEDERAL NATL MORTGAGE ASSN	06/19/13	12/19/16	Aaa	AA+	0.750	0.750	2,000,000.00	2,000,000.00	1,993,880.00	(6,120.00)	Callable 12/19/14, then qtrly
FEDERAL NATL MORTGAGE ASSN	11/15/13	10/26/17	Aaa	AA+	0.875	1.062	2,000,000.00	1,988,786.70	1,981,020.00	(7,766.70)	
FEDERAL NATL MORTGAGE ASSN	12/11/13	11/27/18	Aaa	AA+	1.625	1.606	2,000,000.00	2,001,507.73	1,995,860.00	(5,647.73)	
FEDERAL NATL MORTGAGE ASSN	11/08/12	11/08/17	Aaa	AA+	1.000	1.000	2,000,000.00	2,000,000.00	1,977,500.00	(22,500.00)	Callable 11/08/14, then qtrly
FEDERAL NATL MORTGAGE ASSN	11/08/12	11/08/17	Aaa	AA+	1.000	1.000	2,000,000.00	2,000,000.00	1,977,500.00	(22,500.00)	Callable 11/08/14, then qtrly
FEDERAL NATL MORTGAGE ASSN	12/26/12	12/26/17	Aaa	AA+	1.000	1.000	4,000,000.00	4,000,000.00	3,944,160.00	(55,840.00)	Callable 12/26/14, then qtrly
FEDERAL NATL MORTGAGE ASSN	09/21/10	09/21/15	Aaa	AA+	2.000	2.000	2,000,000.00	2,000,000.00	2,035,120.00	35,120.00	
FEDERAL NATL MORTGAGE ASSN	12/10/10	10/26/15	Aaa	AA+	1.625	2.067	2,000,000.00	1,991,045.90	2,030,100.00	39,054.10	
FEDERAL NATL MORTGAGE ASSN	02/05/13	02/05/18	Aaa	AA+	1.000	1.000	2,000,000.00	2,000,000.00	1,971,740.00	(28,260.00)	Callable 02/05/15, then qtrly
FEDERAL NATL MORTGAGE ASSN	11/20/13	10/26/17	Aaa	AA+	0.875	1.070	2,000,000.00	1,988,294.49	1,981,020.00	(7,274.49)	
Subtotal, Federal Agencies							96,000,000.00	95,981,087.19	95,870,120.00	(110,967.19)	
CORPORATE/MEDIUM TERM NOTES											
BERKSHIRE HATHAWAY FIN	12/15/10	12/15/15	Aa2	AA	2.450	2.530	2,000,000.00	1,998,191.67	2,046,520.00	48,328.33	
BERKSHIRE HATHAWAY INC	11/29/13	02/09/18	Aa2	AA	1.550	1.550	2,000,000.00	2,000,000.00	1,995,960.00	(4,040.00)	
GENERAL ELECTRIC CAPITAL CORP	11/10/10	11/09/15	A1	AA+	2.250	2.250	2,000,000.00	2,000,000.00	2,035,200.00	35,200.00	
GENERAL ELECTRIC CAPITAL CORP	01/14/14	01/14/19	A1	AA+	2.300	2.250	2,000,000.00	2,004,028.94	2,019,720.00	15,691.06	
PROCTOR & GAMBLE	09/20/11	11/15/15	Aa3	AA-	1.800	1.085	2,000,000.00	2,015,646.56	2,030,100.00	14,453.44	
TOYOTA MOTOR CREDIT	09/26/11	09/15/16	Aa3	AA-	2.000	1.800	2,000,000.00	2,007,445.32	2,041,880.00	34,434.68	
Subtotal, Corporate Securities							12,000,000.00	12,025,312.49	12,169,380.00	144,067.51	
SB AIRPORT PROMISSORY NOTE (LT)											
SANTA BARBARA AIRPORT	07/14/09	06/30/29	-	-	3.500	4.195	5,336,966.90	5,336,966.90	5,336,966.90	0.00	
Subtotal, SBA Note							5,336,966.90	5,336,966.90	5,336,966.90	0.00	
CHECKING ACCOUNT											
Union Bank Checking Account	-	-	-	-	0.400	0.400	19,954,618.95	19,954,618.95	19,954,618.95	0.00	
Subtotal, Checking Account							19,954,618.95	19,954,618.95	19,954,618.95	0.00	
TOTALS							175,291,585.85	175,498,861.94	175,527,425.85	28,563.91	

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

INVESTMENT YIELDS



**CITY OF SANTA BARBARA
Fiscal Agent Investments
September 30, 2014**

	CASH & CASH EQUIVALENTS Book & Market	Guaranteed Investment Contracts (GIC) Book & Market	STOCKS		BONDS		US GOVT & AGENCIES		TOTALS	
			Book	Market	Book	Market	Book	Market	Book	Market
BOND FUNDS										
<i>RESERVE FUNDS</i>										
2004 RDA - Housing Bonds	0.65	-	-	-	-	-	-	-	0.65	0.65
2002 Municipal Improvement - Refunding COPS	18,824.80	547,530.00	-	-	-	-	-	-	566,354.80	566,354.80
2011 Water - Safe Drinking Water State Loan	458,956.80	-	-	-	-	-	-	-	458,956.80	458,956.80
2013 Water - Refunding COPS	1,776,416.76	428,069.44	-	-	-	-	636,099.18	639,660.80	2,840,585.38	2,844,147.00
2004 Sewer - Revenue Bonds	64,580.27	1,357,140.00	-	-	-	-	-	-	1,421,720.27	1,421,720.27
2009 Airport - Revenue Bonds	123,418.08	-	-	-	-	-	3,046,249.96	3,035,464.35	3,169,668.04	3,158,882.43
2014 Waterfront - Refunding Bonds	4,439.68	581,455.74	-	-	-	-	-	-	585,895.42	585,895.42
Subtotal, Reserve Funds	<u>2,446,637.04</u>	<u>2,914,195.18</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,682,349.14</u>	<u>3,675,125.15</u>	<u>9,043,181.36</u>	<u>9,035,957.37</u>
<i>PROJECT FUNDS</i>										
2001 RDA Bonds	2,366,565.19	-	-	-	-	-	-	-	2,366,565.19	2,366,565.19
2003 RDA Bonds	8,507,865.14	-	-	-	-	-	-	-	8,507,865.14	8,507,865.14
Subtotal, Project Funds	<u>10,874,430.33</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,874,430.33</u>	<u>10,874,430.33</u>
SUBTOTAL BOND FUNDS	<u>13,321,067.37</u>	<u>2,914,195.18</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,682,349.14</u>	<u>3,675,125.15</u>	<u>19,917,611.69</u>	<u>19,910,387.70</u>
POLICE/FIRE - SVC RETIREMENT FUND										
Police/Fire Funds	64,700.90	-	137,534.15	242,142.31	219,676.71	229,709.60	-	-	421,911.76	536,552.81
	<u>64,700.90</u>	<u>-</u>	<u>137,534.15</u>	<u>242,142.31</u>	<u>219,676.71</u>	<u>229,709.60</u>	<u>-</u>	<u>-</u>	<u>421,911.76</u>	<u>536,552.81</u>
TOTAL FISCAL AGENT INVESTMENTS	<u>13,385,768.27</u>	<u>2,914,195.18</u>	<u>137,534.15</u>	<u>242,142.31</u>	<u>219,676.71</u>	<u>229,709.60</u>	<u>3,682,349.14</u>	<u>3,675,125.15</u>	<u>20,339,523.45</u>	<u>20,446,940.51</u>

Notes:

- (1) Cash & cash equivalents include money market funds.
(2) Market values have been obtained from the following trustees: US Bank and MUFG Union Bank, N.A. - The Private Bank



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: October 28, 2014

TO: Mayor and Councilmembers

FROM: Wastewater Division, Public Works Department

SUBJECT: Agreement For Fats, Oils, And Grease Inspection Services For Food Services Establishments

RECOMMENDATION:

That Council authorize the Public Works Director to execute a City Professional Services Agreement with the Wallace Group in the amount of \$111,563 for fats, oils, and grease inspection services for the City's food service establishments, and authorize the Public Works Director to approve expenditures of up to \$11,156 for extra services that may result from necessary changes in the scope of work.

DISCUSSION:

BACKGROUND

There are roughly 400 food service establishments in the City of Santa Barbara. These establishments produce fats, oils, and grease (FOG), which can obstruct flow in pipes and eventually lead to sanitary sewer overflows. Sewer overflows due to FOG buildup from restaurants have occurred multiple times per year in past years.

In order to reduce sewer overflows, the City has established the FOG Management Program. Within this program, the City Compliance Inspector, whose position was established in Fiscal Year 2015, conducts routine FOG inspections that involve educating food service employees about Best Management Practices in the kitchen and inspecting grease removal devices.

In an effort to develop a more effective FOG management program, staff recommends one additional year of professional consultant support to perform routine FOG inspections, train the City Compliance Inspector, and further develop the existing FOG Management Program.

PROJECT DESCRIPTION

The work consists of inspecting restaurants and developing and maintaining the City's current FOG Management Program. Wallace Group will continue to provide these services for a one-year contract period, beginning in January 2015. It is anticipated that City staff will assume full duties for the FOG Management Program by January 2016.

A Request for Proposals was originally issued to five firms in 2013, and the City received three proposals. From the received proposals, staff selected Wallace Group because they best met the requirements of the Request for Proposals and provided competitive pricing.

BUDGET/FINANCIAL INFORMATION:

This project was anticipated, and there are adequate funds in the Wastewater Fund for this work.

The Board of Water Commissioners was informed of this proposed contract at its October 2014 meeting.

PREPARED BY: Chris Toth, Wastewater System Manager/mh

SUBMITTED BY: Rebecca J. Bjork, Public Works Director

APPROVED BY: City Administrator's Office



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: October 28, 2014

TO: Mayor and Councilmembers

FROM: Water Resources Division, Public Works Department

SUBJECT: Contract For Asset Management Support Services For The El Estero Wastewater Treatment Plant

RECOMMENDATION:

That Council authorize the Public Works Director to execute a contract with Carollo Engineers, Inc., in the amount of \$238,986 to provide asset management support services for the El Estero Wastewater Treatment Plant, and authorize the Public Works Director to approve expenditures of up to \$23,899 for extra services of Carollo Engineers, Inc., that may result from necessary changes in the scope of work, for a total not-to-exceed amount of \$262,885.

DISCUSSION:

The City owns and operates an activated sludge wastewater treatment plant (El Estero), which requires continual maintenance and refurbishment due to the nature of its operations. El Estero staff have developed an asset management system to ensure that these important maintenance and refurbishment activities are performed in an effective manner.

On October 25, 2011, the City awarded to Carollo Engineers, Inc. (Carollo) a contract for asset management system services through a competitive Request for Proposals process. Since that time, this contract has been renewed twice to provide for continuation of professional support services for further development and implementation of the El Estero Asset Management System (EEAMS).

At this time, City staff is requesting that Council authorize the Public Works Director to execute a new professional services contract with Carollo to conduct the following EEAMS related work tasks:

- Analyze all maintenance tasks in the current El Estero Computer Maintenance Management System (CMMS) software and streamline the tasks so as to prepare updated versions of the resulting top 200 maintenance tasks, with

appropriate information related to task description, staff number/staff time, and tools/equipment/parts/materials required for these tasks.

- Provide technical support to City staff for the evaluation and selection of a new CMMS software product to replace the outdated CMMS software currently utilized at El Estero. The City plans to conduct a Request for Proposals process to review a wide range of available CMMS software products and make a software product selection in Fiscal Year 2015. The current software vendor has notified the City that it will no longer support the existing software product in use.
- Provide technical support to City staff for the implementation of the newly selected CMMS software product. This technical support consists of data extraction, business process configuration, integration, report development, and user training efforts needed to support the successful implementation of the new software product.

Carollo has provided similar services for other public wastewater agencies with similar asset management support needs. While many EEAMS responsibilities are undertaken by City staff, some critical information technology-related database management and business process implementation activities are highly specialized and are more cost-effectively performed by outside consultants.

At its meeting on October 13, 2014, the Board of Water Commissioners voted 4-0-0 to approve staff's recommendation.

BUDGET/FINANCIAL INFORMATION:

This project was anticipated, and there are adequate appropriated funds in the Wastewater Fund for this work.

PREPARED BY: Chris Toth, Wastewater System Manager/CJT/mh

SUBMITTED BY: Rebecca J. Bjork, Public Works Director

APPROVED BY: City Administrator's Office



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: October 28, 2014

TO: Mayor and Councilmembers

FROM: Engineering Division, Public Works Department

SUBJECT: Capital Improvement Projects: First Quarter Report For Fiscal Year 2015

RECOMMENDATION:

That Council receive the City's Capital Improvement Projects First Quarter Report for Fiscal Year 2015.

EXECUTIVE SUMMARY:

This report summarizes progress on Capital Improvement Projects in the first quarter of Fiscal Year 2015. The value of projects with construction in progress totals \$54,367,037, and the value of projects in the design phase totals \$112,848,743.

DISCUSSION:

The following discussion highlights construction activity during the first quarter of Fiscal Year 2015.

CONSTRUCTION HIGHLIGHTS – COMPLETED

Two projects were completed in the first quarter of Fiscal Year 2015, from July through September 2014. Attachment 1 is a chart that shows the completed capital projects for the first quarter. Attachments 2 and 3 display the completed capital projects by fund for Fiscal Year 2015. The following describes the highlights of these completed construction projects:

- Zone 6 Fiscal Year 2013 Pavement Preparation (\$1,656,386) – This project was part of the City's annual Pavement Management Program and encompassed streets mainly in the Downtown area. The Waterfront Cabrillo Parking Lots and the MacKenzie Parking Lots were also maintained.

- State Route 192 Utility Adjustments (\$118,852) – The City was required to move the City owned utilities for a Caltrans asphalt overlay project between State Route 154 and Tye Road.

CONSTRUCTION HIGHLIGHTS – IN PROGRESS

In addition, 20 projects are currently under construction, with an approximate construction contract value of \$54,367,037 (Attachment 4). The following are highlights of construction projects in progress:

Public Works Bridges:

- Punta Gorda Bridge at Sycamore Creek (\$2,212,565) – The construction was suspended during the 2013 winter season and resumed in summer 2014. The project is scheduled to be complete in December 2014.
- Mason Street Bridge at Mission Creek (\$7,280,709) – The demolition of the two buildings at 15 and 16 West Mason Street, and soil contamination removal will be completed during the next three months. The project is scheduled to be complete in the summer of 2016.
- Cabrillo Boulevard Bridge at Mission Creek (\$13,989,151) – Construction is scheduled to begin in November 2014. A significant goal of the construction phase is to minimize the impact on local businesses and the travelling public in the Waterfront area. The project is scheduled to be complete in October 2016.

Public Works Pavement Maintenance:

- Zone 1 Pavement Preparation and Slurry Seal (\$3,268,137) – The Zone 1 Pavement Preparation/Overlay/Slurry Seal Project consists of repairing and/or grinding off deteriorated pavement and overlaying with new asphalt or re-sealing on various roads throughout the City. Zone 1 encompasses the Eastside and Lower Riviera neighborhoods. Additionally, Parking Lots 3 and 11, the Harbor Way Entrance and Commercial Area, and the Stearns Wharf Entrance are included in the work. The work will be completed in November 2014.

Public Works Pedestrian Access Improvements:

- School Zone Pedestrian Refuge (\$113,950) – The project constructed 15 new low-profile, mountable pedestrian refuge islands at nine intersections near Franklin Elementary School and La Cumbre Junior High School. Construction was completed in September 2014.
- Safe Routes to School - Cleveland (\$223,393) – New sidewalk access ramps will be constructed at the intersections of Clifton Street at Oak Street, and Santa Ynez Street at Eucalyptus Hill Road. Pedestrian safety lighting will be installed at the intersection of Clifton Street at Salinas Street. The project is scheduled to be complete in November 2014.

- Fiscal Year 2014 Sidewalk Access Ramp Project (\$135,930) – Four intersections were identified on the City’s Access Ramp Prioritization List and are supported by the Access Advisory Committee to be scheduled for construction this year. The project will improve safety and accessibility for pedestrians. The construction is scheduled to start in November 2014.

Public Works Wastewater Maintenance:

- Closed Circuit Television Project Fiscal Year 2014 (\$205,597) – Approximately ten miles of sanitary sewer mains have been cleaned, and were inspected by trained and certified wastewater technicians using closed circuit televising equipment. The resulting data will be reviewed and evaluated for potential future maintenance and repair work.
- On Call Sewer Main Point Repairs Fiscal Year 2014 (\$200,825) – Work on this project began in July 2013 and is progressing smoothly at various locations throughout the City. This project entails open-trench excavation of six and eight inch sewer pipes for rehabilitation. The project is scheduled to be complete in November 2014.
- Tertiary Filtration Replacement Project (\$9,369,000) – The Tertiary Filtration Plant has been in operation for over 20 years, and is now in need of significant rehabilitation, to allow for the effective production of recycled water. Construction of the new facility began on July 16, 2014. Construction completion is scheduled for summer 2015.
- Wastewater Main Rehabilitation Fiscal Year 2014 (\$1,199,430) – The cleaning, rehabilitation and video recording of sewer pipes is ongoing. Construction completion is scheduled for fall 2014.

PROJECTS IN DEVELOPMENT

In addition to the projects in construction, there are currently 50 projects in design, with an estimated total project cost of \$112,848,743 (see Attachment 4). At this time, the Desalination Project is not included.

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

The following are design project highlights.

Public Works Bridges:

There are currently five bridge replacement projects and one bridge preventative maintenance project, worth an estimated \$32 million in design as part of a City Federal Grant funded Highway Bridge Program.

Design completed/scheduled to bid:

- Cota Bridge at Mission Creek (\$8,598,815) – The grant funding for this project is 88.53 percent, with a City match of 11.47 percent. Construction is scheduled to start in spring 2015.

Design in Progress:

- De La Guerra Bridge at Mission Creek (\$6,235,000) – The grant funding for this project is 88.53, percent with a City match of 11.47 percent. Construction is scheduled to start in spring 2016.
- Gutierrez Bridge at Mission Creek (\$6,665,750) – The grant funding for this project is 88.53, percent with a City match of 11.47 percent. Construction is scheduled to start in spring 2016.
- Anapamu Bridge at Mission Creek (\$5,414,000) – This bridge project is 100 percent grant funded. Construction is scheduled to start in spring 2017.
- Quinientos Bridge at Sycamore Creek (\$5,622,500) – This bridge project is 100 percent grant funded. Construction is scheduled to start in spring 2017.

Low Impact Demonstration (LID) Program:

Currently, there are several Proposition 84 Stormwater Grant Program projects underway that are worth an estimated \$3.4 million.

- LID Stormwater Infiltration – This Creeks Division project has been divided into two phases: Phase 1 (\$1,000,000) is in engineering design and includes sidewalks around Alice Keck Park, and Vera Cruz Alley, with construction scheduled to start in May 2015. Phase 2 (\$2,000,000), includes Quarantina Street which is planned for construction in summer 2016. The City's match is \$613,982.
- Laguna Lot Permeable Paver Project (\$1,463,744) – This Public Works Facilities project is in final engineering design, with construction scheduled to start in April 2015. The City's match is \$312,114.

Public Works Pavement Maintenance:

- Zone 2 Pavement Preparation and Slurry Seal (\$2,800,000) – The design of this project is progressing, and construction is scheduled for summer 2015.

Public Works Traffic Engineering:

Currently, there are three Highway Safety Improvement Program (HSIP) projects, worth an estimated \$1.5 million in design, as part of the HSIP Federal Grant program.

- 2012 HSIP Crosswalk Enhancements (\$588,730) – The project aims to improve pedestrian safety at five intersections within the City that have been identified as being challenging for pedestrians to cross. The City's match is \$95,100. Construction is scheduled for spring 2015.
- 2013 HSIP De La Vina and Arrellaga Streets Traffic Signal (\$167,000) – The construction contract was awarded on September 30, 2014, with construction scheduled for winter 2014. The City's match is \$25,495.
- 2012 HSIP Traffic Signal Upgrades (\$1,090,744) – The project consists of various types of traffic signal upgrades at approximately 50 intersections throughout the City, and construction is scheduled for spring 2015. The City's match is \$200,700.

Public Works Pedestrian Access Improvements:

The California Transportation Commission awarded the City of Santa Barbara \$8.614 million in Active Transportation Program funds to implement four capital projects. The City received nearly 4 percent of the \$220 million available in the state. These projects are currently in the design phase.

Successor Agency to the Redevelopment Agency of the City of Santa Barbara:

- Lower West Downtown Lighting Improvement Project, Phase 2 (\$1,301,222) – This project is in final design and construction is scheduled to begin in mid-November 2014.

Public Works Wastewater Maintenance:

- La Colina Force Main Number 2 Project (\$1,012,074) – The construction contract was awarded on September 23, 2014. The project is on track to begin construction in early November 2014.

Public Works Water Maintenance:

- Alameda Park Well Replacement (\$2,313,592) – The project is in final design and construction is scheduled to begin in January 2015.

SUMMARY:

The first quarter of Fiscal Year 2015 ended with approximately \$1.8 million in completed construction. Approximately \$512,196 was provided through grant funding.

- ATTACHMENT(S):**
1. Completed Capital Improvement Projects for Fiscal Year 2015
 2. Completed Capital Improvement Projects Funding Fiscal Year 2015 - Table
 3. Completed Capital Improvement Projects Funding by Category Fiscal Year 2015 - Chart
 4. Capital Projects with Design and Construction in Progress

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

SUBMITTED BY: Rebecca J. Bjork, Public Works Director

APPROVED BY: City Administrator's Office

COMPLETED CAPITAL PROJECTS - FIRST QUARTER FISCAL YEAR 2015

Project Name	Design Costs	Construction Contract	Construction Change Order Costs	Construction Management Costs	Total Project Costs
Zone 6 (Fiscal Year 2013) Pavement Preparation	\$60,492	\$1,374,015	\$24,143	\$197,736	\$1,656,386
State Route 192 Utility Adjustments	\$16,001	\$54,362	\$21,508	\$26,981	\$118,852
TOTALS	\$76,493	\$1,428,377	\$45,651	\$224,717	\$1,775,238

**COMPLETED CAPITAL IMPROVEMENT PROJECTS FUNDING
FISCAL YEAR 2015**

FIRST QUARTER

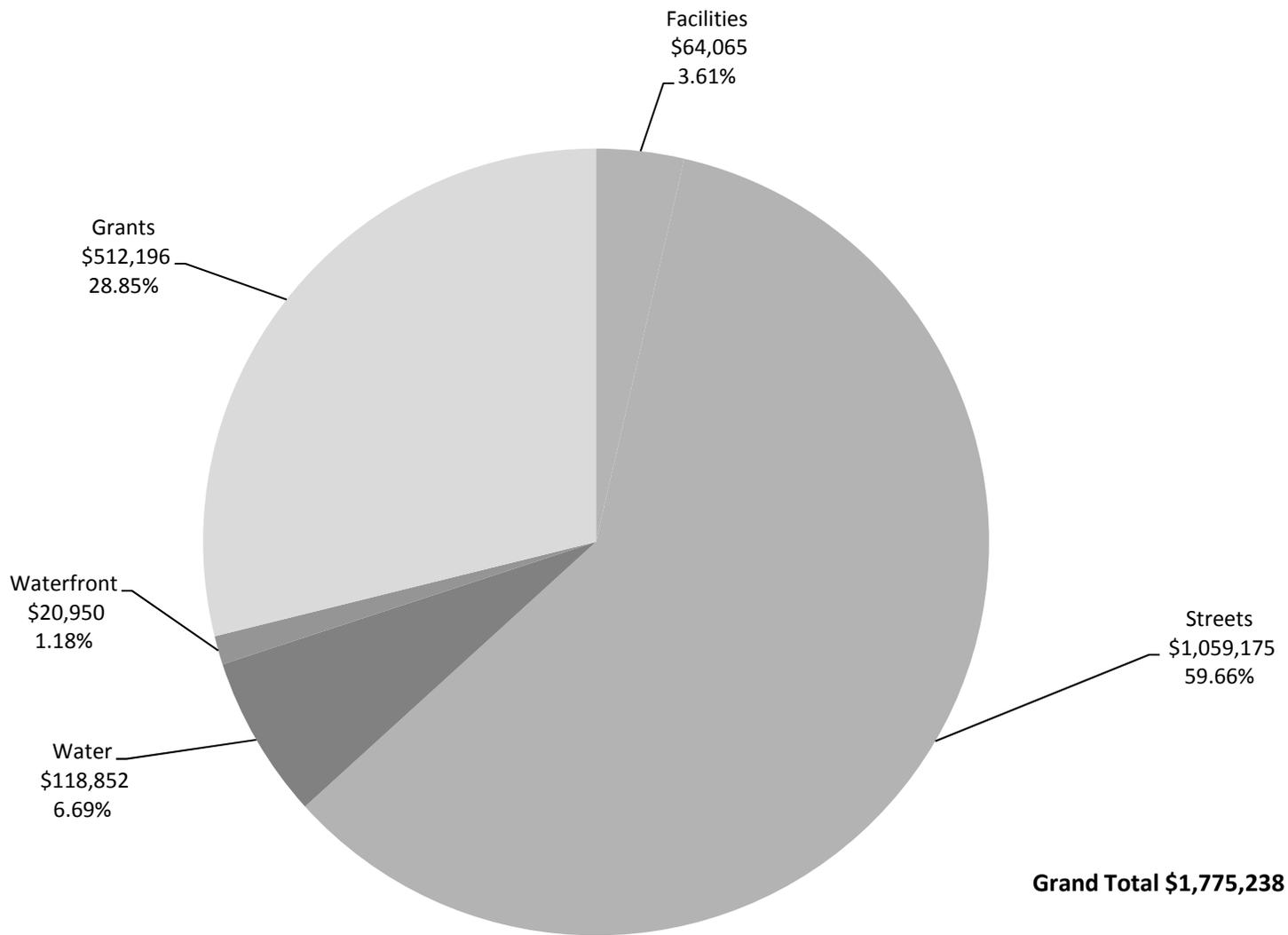
PROJECT TITLE	FUNDING													
	First Quarter	Airport	Creeks	Downtown Parking	Parks	General Fund	Facilities	Other	Streets	Water	Wastewater	Waterfront	Grants	TOTAL PROJECT COSTS
Zone 6 (Fiscal Year 13) Pavement Preparation (1)						\$ 64,065			\$ 1,059,175			\$ 20,950	\$ 512,196	\$ 1,656,386
State Route 192 Utility Adjustments										\$ 118,852				\$ 118,852

(1) Local Surface Transportation Program & State Local Partnership Program

Total First Quarter \$ 1,775,238

	Airport	Creeks	Downtown Parking	Parks	General Fund	Facilities	Other	Streets	Water	Wastewater	Waterfront	Grants	
GRAND TOTAL						\$ 64,065		\$ 1,059,175	\$ 118,852		\$ 20,950	\$ 512,196	\$ 1,775,238
%						3.61%		59.66%	6.69%		1.18%	28.85%	100.00%

Completed Capital Projects Funding For Fiscal Year 2015



CAPITAL PROJECTS WITH DESIGN AND CONSTRUCTION IN PROGRESS

PROJECT CATEGORY	DESIGN IN PROGRESS	
	No. of Projects	Total Value of Projects
Airport	3	\$4,271,035
Parking	2	\$399,395
Creeks	2	\$3,000,000
Facilities	1	\$1,463,744
Successor Agency to the Redevelopment Agency of the City of Santa Barbara	1	\$1,301,222
Public Works: Streets/Bridges	6	\$32,834,470
Public Works:Streets/Transportation	17	\$17,804,244
Public Works: Water/Wastewater	19	\$51,774,633
TOTAL	51	\$112,848,743

PROJECT CATEGORY	CONSTRUCTION IN PROGRESS	
	No. of Projects	Construction Contract Costs
Successor Agency to the Redevelopment Agency of the City of Santa Barbara	1	\$1,163,355
Public Works: Streets/Bridges	3	\$23,482,425
Public Works: Streets/Transportation	5	\$3,741,410
Public Works: Water/Wastewater	10	\$19,128,597
Waterfront	1	\$6,851,250
TOTAL	20	\$54,367,037



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: October 28, 2014

TO: Mayor and Councilmembers

FROM: Administration Division, Finance Department

SUBJECT: Renewal Of The Santa Barbara South Coast Tourism Business Improvement District

RECOMMENDATION: That Council:

- A. Adopt, by reading of title only, A Resolution of the City Council of the City of Santa Barbara Declaring Results of Majority Protest Proceedings and Renewing the Santa Barbara South Coast Tourism Business Improvement District;
- B. Adopt the 2015-2020 Santa Barbara South Coast Tourism Business Improvement District Management District Plan;
- C. Approve a contract with Visit Santa Barbara for the provision of duties, responsibilities and objectives as specified in the 2015-2020 Santa Barbara South Coast Tourism Business Improvement District Management District Plan; and
- D. Adopt, by reading of title only, A Resolution of Intention of the City Council of the City of Santa Barbara Declaring its Intention to Modify the 2011-2015 Management District Plan of the Santa Barbara South Coast Tourism Business Improvement District and Fixing the Time and Place of a Public Meeting and a Public Hearing Thereon and Giving Notice Thereof.

DISCUSSION:

Overview

On September 28, 2010 the Santa Barbara City Council approved resolution No.10-080 establishing the Santa Barbara South Coast Tourism Business Improvement District (TBID) and approved the TBID Management District Plan. The TBID is a benefit assessment district designed to increase tourism by creating a supplemental funding source for marketing the south coast region of Santa Barbara County. The TBID region currently includes the Cities of Santa Barbara, Goleta, and Carpinteria, and the nearby unincorporated areas of the County of Santa Barbara. The City of Santa Barbara is designated as the lead jurisdiction. The TBID currently generates approximately \$1.75 million for marketing outreach. The funds of the District are administered by Visit Santa Barbara (VSB) with oversight from a special committee created for this purpose.

The five year term of the TBID is set to expire on January 1, 2016. In late 2013, VSB began the TBID renewal process by meeting with lodging industry focus groups and stakeholders to provide an overview of the TBID accomplishments, answer questions, and get input regarding changes to the TBID assessment. In addition, VSB sent out multiple emails to the lodging establishments (hotels, motels, inns and vacation rentals) with information regarding the planned meetings and the proposed modifications to the assessment model. The proposed renewal of the TBID will generate an additional \$1.19 million for marketing efforts.

Renewal Process

On July 29, 2014 the Council adopted the Resolution Requesting Consent to formally request the participating jurisdictions' consent to renew the TBID. The County Board of Supervisors of the County of Santa Barbara and the Goleta City Council granted their consent on September 2, 2014. The Carpinteria City Council considered the item on September 22, 2014 and did not grant consent to renew the district and, therefore, the City of Carpinteria will not be included in the new TBID.

On September 9, 2014, Council took the second step required to renew the TBID by adopting the Resolution of Intention, declaring its intent to renew the TBID. The City received signed petitions from 65.88% of affected lodging establishments in support of renewing the TBID. That percentage increased to 68.12% with the exclusion of Carpinteria. This exceeds the greater than 50% support required to begin the formal process under the Property and Business Improvement District Law of 1994.

On September 30, 2014, Council held a public meeting to hear comments from the public and affected business owners on the renewal of the TBID, marking the third step legally required for its formation. At the meeting, the Council held the public meeting and a number of affected businesses spoke in favor of the TBID and several comments in opposition of its formation were also heard. Council did not take any formal action at that meeting, other than to hold the public meeting.

This public hearing is the final step in the renewal process when the final public hearing will be held and the written protests tabulated. If no majority written protest is received from business owners that would pay more than 50% of assessment by the conclusion of the public hearing, Council would determine whether to adopt both the Resolution of Renewal, which would formally renew the TBID, and the final Management District Plan. The TBID Management District Plan has been revised to exclude the City of Carpinteria and the TBID budget was modified to exclude the assessment revenue related to Carpinteria lodging establishments. As of the writing of this report, the City Clerk has received written protest from 5 lodging establishments in the proposed district region, representing 1.46% of businesses that would pay the assessment.

The Property and Business Improvement District Law of 1994 provides for the administration of the TBID by a separate non-profit entity. Visit Santa Barbara will be managing the TBID on behalf of the City and the consenting jurisdictions. The specific responsibilities of the City and Visit Santa Barbara are set forth in a contract negotiated between the two entities. Staff recommends that the City Council approve the contract.

Modification Process

The renewed TBID will take effect January 1, 2015. This is one full year before the existing TBID expires on December 31, 2015. In order to effectuate the early renewal, it is necessary to dissolve the current TBID. If the current TBID is not dissolved, both would exist simultaneously. The accompanying Resolution of Intention is the first step in the dissolution process, which will also include a public meeting and public hearing. These items are proposed to be held on November 25 and December 16, respectively.

BUDGET/FINANCIAL INFORMATION:

The proposed TBID will have an overall positive impact on the City, increasing tourism and potentially raising both transient occupancy and sales taxes. Because the City will collect the TBID assessment from lodging businesses, it will be paid a fee equal to 3% of the assessment collected. The TBID will generate approximately \$2.94 million for marketing outreach.

ATTACHMENT: 2015-2020 Santa Barbara South Coast Tourism Business Improvement District Management District Plan

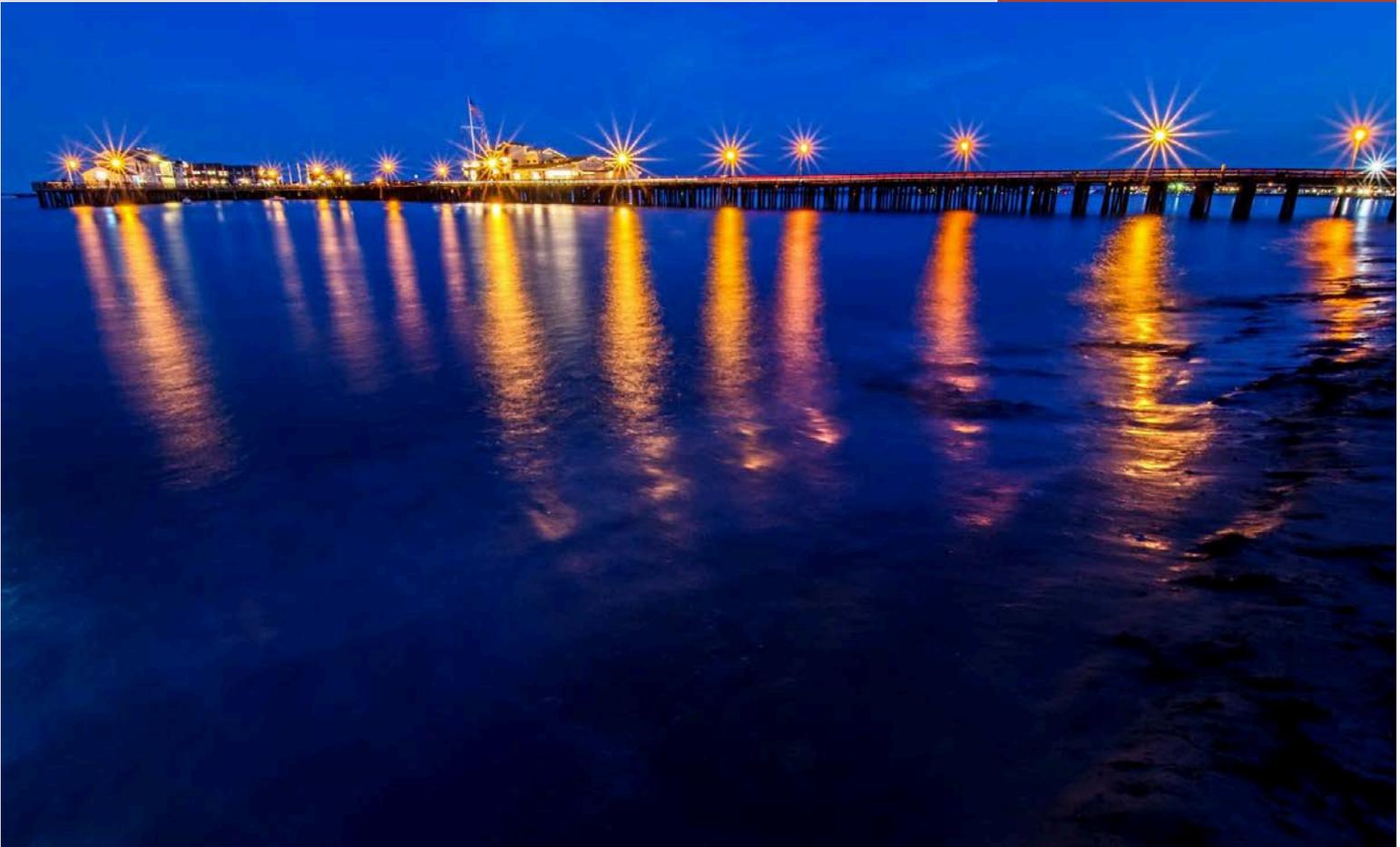
PREPARED BY: Genie Wilson, Treasury Manager

SUBMITTED BY: Robert Samario, Acting Assistant City Administrator

APPROVED BY: City Administrator's Office

2015-
2020

Management District Plan



October 14, 2014

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Prepared by
Civitas



(800)999-7781
www.civitasadvisors.com

I. OVERVIEW

Developed by Visit Santa Barbara (VSB), the Santa Barbara South Coast Tourism Business Improvement District (SBSCTBID) is an assessment district proposed to provide specific benefits to payors, by funding programs that specifically benefit assessed businesses. The SBSCTBID was created in 2011 for a five-year term; lodging businesses now wish to renew it for an additional six years.

Location: The proposed SBSCTBID includes all lodging businesses located within the boundaries of the cities of Santa Barbara and Goleta, and portions of unincorporated southern Santa Barbara County (as shown on the map in section IV).

Services: The SBSCTBID is designed to provide specific benefits directly to payors by increasing room night sales. Advertising and Communication, Sales and Marketing, and Local Destination Marketing will increase overnight tourism and market payors as tourist, meeting and event destinations, thereby increasing room night sales.

Budget: The total SBSCTBID annual budget for the initial year of its six (6) year operation is anticipated to be approximately \$2,945,840. Assessment rate increases in years three and five (2017 and 2019) of the District may result in budget increases as detailed in Section V.

Cost: The annual assessment rate for the first year of operation is as follows: hotels, inns, motels, studio hotels, bachelor hotels, lodging houses, rooming houses, dormitories, public or private clubs or similar structures shall be assessed a fixed amount per paid occupied room per night as shown in the table below. Tourist homes or houses, apartment houses, mobile homes, and house trailers, (hereinafter “vacation rentals”) shall be assessed a fixed amount on a per paid unit per night basis, and hostels shall be assessed on a per paid occupied bed or room basis, consistent with rental to the guest. Based on the benefit received, assessments will not be collected on stays of more than thirty (30) consecutive days. The ADR figures shall be updated annually. The assessment rates may be increased in 2017 and 2019 as described in Section V.

Average Daily Rate	Assessment Per Night
<\$100	\$0.75
\$100-\$149	\$1.50
\$150-\$199	\$2.25
\$200-\$249	\$3.00
\$250-\$299	\$3.50
≥\$300	\$4.00
Vacation rentals	\$2.00

Collection: The assessment will be collected on a monthly basis by the County and cities as described in Section V(E).

Duration: The proposed SBSCTBID will have a six (6)-year life, beginning January 1, 2015 through December 31, 2020. Once per year beginning on the anniversary of district renewal there is a 30-day period in which owners paying more than fifty percent (50%) of the assessment may protest and initiate a City Council hearing on district termination.

Management: Visit Santa Barbara (VSB) will continue to serve as the SBSCTBID's Owners' Association. The Owners' Association is charged with managing funds and implementing programs in accordance with this Plan, and must provide annual reports to the City Council.

II. ACCOMPLISHMENTS

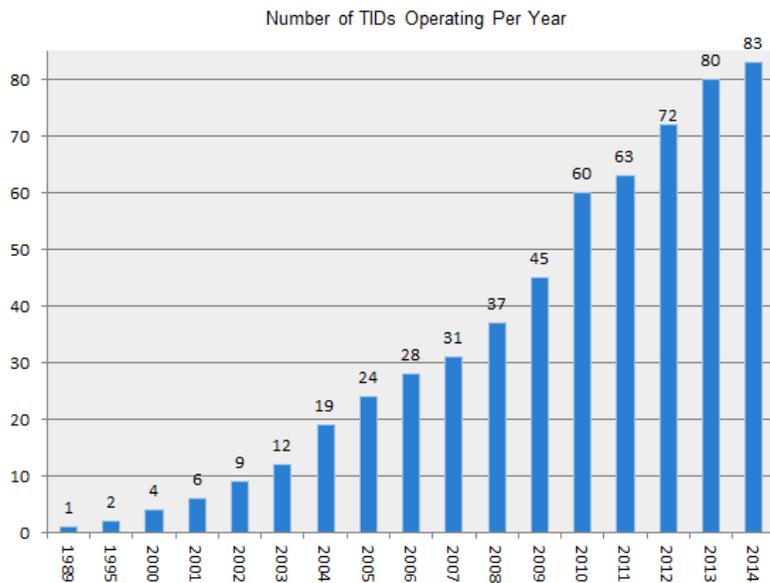
VSB is initiating the TBID renewal process based upon the recommendations of the TBID advisory consultant and supported by the TBID Renewal Committee. Although there is still time remaining on the initial five year TBID term, VSB wants to ensure that the TBID funding stream is uninterrupted to seamlessly maintain marketing efforts.

The TBID has had tangible success in its initial years. It has decisively contributed to the Santa Barbara South Coast's rising visitation numbers, resulting in substantial economic impact. Specifically, average daily rate (ADR) increased from \$166.45 in 2010 to \$195.00 in 2013 and occupancy rose by 5.5%. With the use of TBID funding, VSB-generated lodging revenue has increased from \$28 million in 2010/11 to a projected \$59 million in 2013/14.

III. BACKGROUND

TBIDs are an evolution of the traditional Business Improvement District. The first TBID was formed in West Hollywood, California in 1989. Since then, over eighty California destinations have followed suit. In recent years, other states have begun adopting the California model – Washington, Montana, and Texas have adopted TBID laws. Several other states are in the process of adopting their own legislation. And, some cities, like Portland, Oregon, have utilized their charter powers to

create TBIDs without a state law.



California’s TBIDs collectively raise over \$150 million for local destination marketing. With competitors raising their budgets, and increasing rivalry for visitor dollars, it is important that Santa Barbara South Coast lodging businesses invest in stable, lodging-specific marketing programs.

TBIDs utilize the efficiencies of private sector operation in the market-based promotion of tourism districts. TBIDs allow

lodging business owners to organize their efforts to increase room night sales. Lodging business owners within the TBID pay an assessment and those funds are used to provide services that increase room night sales.

In California, TBIDs are formed pursuant to the Property and Business Improvement District Law of 1994. This law allows for the creation of a benefit assessment district to raise funds within a specific geographic area. *The key difference between TBIDs and other benefit assessment districts is that funds raised are returned to the private non-profit corporation governing the district.*

There are many benefits to TBID:

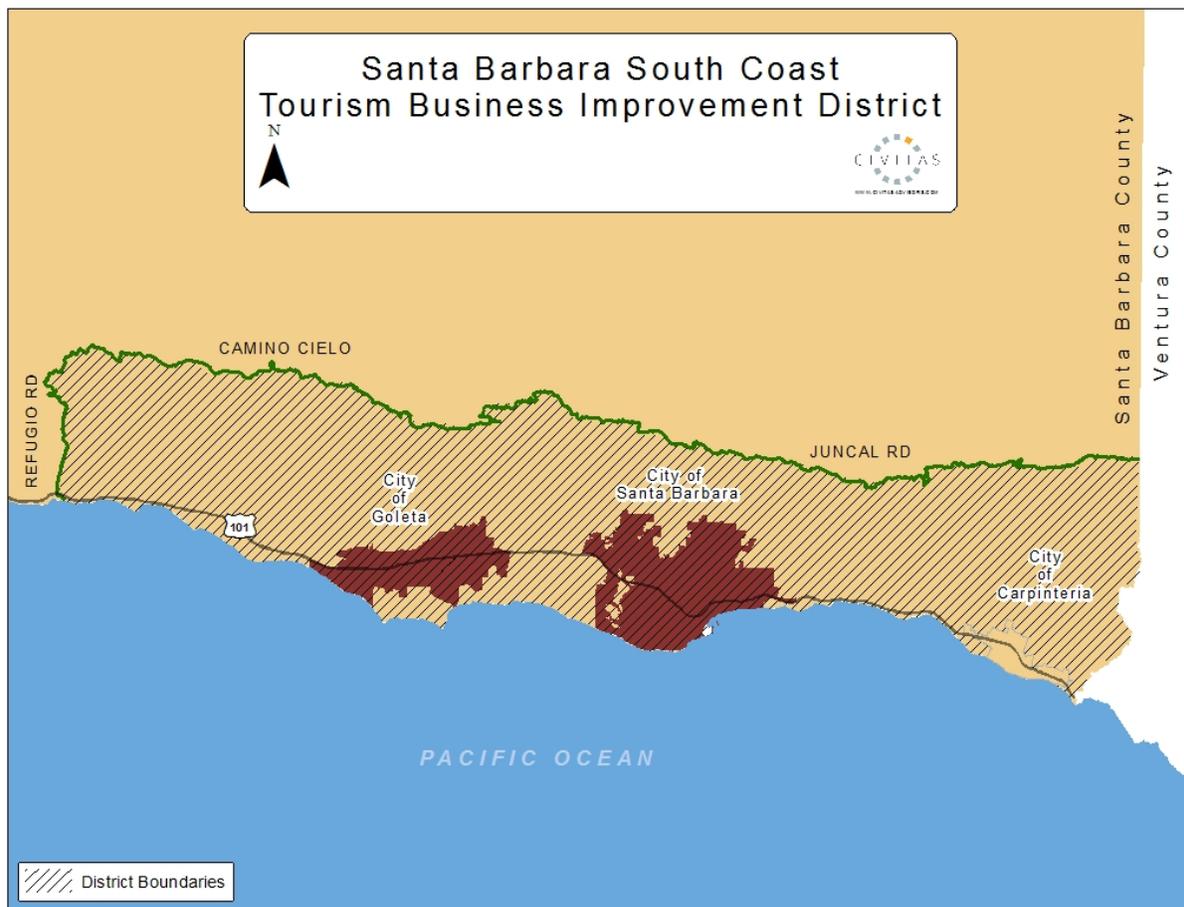
- Funds must be spent on services and improvements that provide a specific benefit only to those who pay;
- Funds cannot be diverted to general government programs;
- They are customized to fit the needs of payors in each destination;
- They allow for a wide range of services;
- They are *designed, created and governed by those who will pay* the assessment; and
- They provide a stable, long-term funding source for tourism promotion.

IV. BOUNDARY

The SBSCTBID will include all lodging businesses, existing and in the future, available for public occupancy within the boundaries of the cities of Santa Barbara and Goleta, and portions of unincorporated southern Santa Barbara County.

As used herein the term “lodging business” means any structure, or any portion of any structure, which is occupied or intended for occupancy by transients for dwelling, lodging or sleeping purposes, and includes any hotel, inn, tourist home or house, motel, studio hotel, bachelor hotel, lodging house, rooming house, apartment house, dormitory, public or private club, mobile home or house trailer at a fixed location, or other similar structure or portion thereof.

The boundary, as shown in the map below, currently includes three hundred and sixty-two (362) lodging businesses. A complete listing of lodging businesses within the proposed SBSCTBID can be found in Appendix 2. The boundaries of the district can be more particularly described as: Refugio Road being the western boundary, the Santa Barbara/Ventura County line being the eastern boundary, the Pacific Ocean being the southern boundary, and Camino Cielo/Juncal Road being the northern boundary; excluding that territory within the boundaries that lies within the City of Carpinteria.

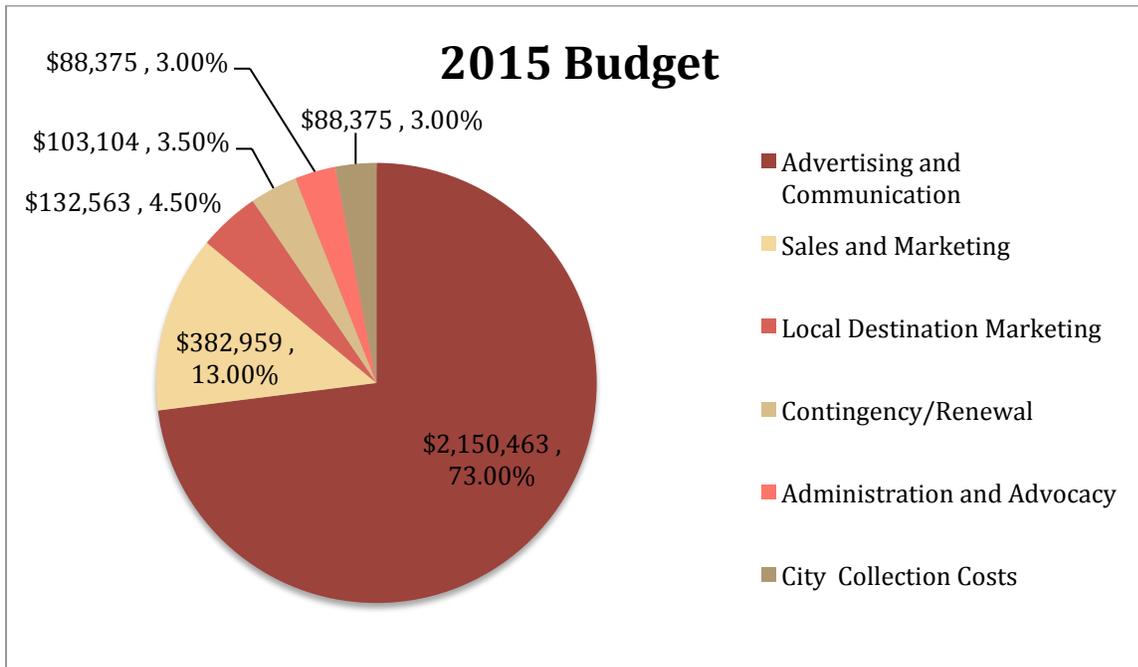


V. BUDGET AND SERVICES

A. Annual Service Plan

Assessment funds will be spent to provide specific benefits conferred or privileges granted directly to the payors that are not provided to those not charged, and which do not exceed the reasonable cost to the County and cities of conferring the benefits or granting the privileges. The privileges and services provided with the SBSCTBID funds are Advertising and Communication, Sales and Marketing, Local Destination Marketing, and promotional programs available only to assessed businesses.

A service plan budget has been developed to deliver services that benefit businesses throughout the District. A detailed annual budget will be developed and approved by the Owners' Association. The table below illustrates the initial annual budget allocations.



Although actual revenues will fluctuate due to market conditions, the proportional allocations of the budget shall remain the same. However, the VSB board shall have discretionary authority to adjust budget allocations between the categories, at any time, by no more than fifteen percent (15%) of the total budget per year. Any adjustments will be reported on in the Annual Report.

A description of the proposed improvements and activities for the initial year of operation is below. The same activities are proposed for subsequent years. In the event of a legal challenge against the SBSCTBID, any and all assessment funds may be used for the costs of defending the SBSCTBID.

Advertising and Communication

An advertising and communications program will build greater awareness of the participating lodging businesses in an effort to drive room night sales. Advertising and communications programs may include the following activities:

- Implement programs that attract destination visitors and increase visitation during non-peak seasons or “opportunity season”. This includes expanded promotional messaging and partner programming that offers travelers good reason to visit during winter and shoulder seasons.
- Increase the number of journalist familiarization trips, bringing key editorial influencers in-market to experience the Santa Barbara South Coast first-hand.
- Expand international outreach to emerging markets such as Korea, China, Brazil and more.
- Create ground breaking partnerships with iconic Santa Barbara companies.
- Develop a television and radio advertising strategy.
- Produce “pop up” events in key markets to generate consumer and media awareness for Santa Barbara.
- Redesign official tourism website, SantaBarbaraCA.com, to showcase the breadth of attractions, lodging and reasons to visit the destination.
- Conduct a brand study.
- Expand spot market media programs, providing targeted reach of growth markets such as Chicago and New York City.

Sales and Marketing

A sales and marketing program will promote the southern coast Santa Barbara area as a tourist destination and attract overnight groups. The sales and marketing program will have a central theme of promoting the southern coast Santa Barbara area as a desirable place to visit, and may include the following activities:

- Expand the Sales Department to target the meeting and conference market.
- Incentivize commercial and film producers to shoot their projects in Santa Barbara County.
- Nurture key industry alliances with organizations such as Central Coast Tourism, Visit California, and Brand U.S.A. to infuse regional and national marketing messages with Santa Barbara-specific content, helping to collectively raise the tourism tide.
- Develop a music marketing program that industry partners can use to promote the brand.
- Create turn-key “Snow” marketing initiatives to promote Santa Barbara during time when the remainder of the country is experiencing bad weather.
- Develop campaign to promote the smaller, limited service hotels.
- Create innovative ways to deliver Santa Barbara content to potential visitors.
- Collaborate with Santa Barbara Airport staff to attract new air service.
- Incentivize conferences and meetings to book at South Coast hotels from November—February.

Local Destination Marketing

Local destination marketing funds shall be used for programs which drive room night sales to assessed lodging businesses in Goleta. The annual sum of four and one-half percent (4.5%), approximately \$132,563 in the initial year shall be provided for marketing Goleta. The amount

dedicated to local destination marketing may be adjusted if the bi-annual assessment rate increases are implemented in accordance with the formula herein.

A destination marketing organization (DMO) in the city of Goleta shall receive funds to be spent on local destination marketing activities. The initial DMO will be the Goleta Valley Chamber of Commerce,. The DMO shall have responsibility and decision making authority for the funds provided, within the requirements of this Plan. The DMO shall manage and spend funds in accordance with the requirements of this Plan. Funds shall be retained and managed by VSB if the DMO chooses, or at the request of lodging businesses within the jurisdiction.

A new committee, the Goleta TBID committee, shall be formed under the auspices of the Goleta Valley Chamber of Commerce. The committee shall meet at least quarterly and be comprised entirely of hotel representatives; all nine Goleta hotels are guaranteed a voting position on this committee. A majority of the committee members shall constitute a quorum, and decisions must be approved by a majority of the quorum. The committee shall be charged with developing budgets and priorities for the TBID and managing the Local Destination Marketing funds. The budget shall be created by the committee and approved by the Chamber's Board of Directors. Representatives from VSB shall be invited and allowed to attend all committee meetings. VSB will provide advice and direction on marketing programs to the committee, and staff support in reporting and following-up on committee meetings. An annual audit will be conducted by a third-party hired by VSB, and the Chamber will provide to VSB current financial records every six months.

The DMO must spend the funds on programs that drive room night sales at assessed lodging businesses. Funds provided to the DMOs are subject to the budgetary guidelines in this Plan; they must be spent only on advertising, communication, sales and marketing programs as described above. No more than 5% of the funds provided to DMOs can be used for administrative costs.

The DMO shall submit to VSB, no less than thirty (30) days prior to VSB's submission of the annual report, a report which includes all information required for the District's annual report as provided in Streets and Highways Code section 36650 and Section VI(C) of this Plan. The DMO report will be submitted to the County by VSB as part of the District's annual report.

Contingency/Renewal

A prudent portion of the budget will be set aside in a contingency fund, to be used for unforeseeable costs in carrying out the sales and marketing programs. If near the expiration of the district there are contingency funds remaining, and business owners wish to renew the district, the remaining contingency funds may be used for renewal costs.

Administration and Advocacy

The administrative and operations portion of the budget shall be utilized for administrative staffing costs, office costs, and other general administrative costs such as insurance, legal, and accounting fees.

City Administration Fee

The County of Santa Barbara and the city of Goleta, if they collect Assessments, shall each be paid a fee equal to one percent (1.00%) of the amount collected in their respective jurisdictions to cover the costs of collection and administration. The City of Santa Barbara shall be paid a fee equal to three percent (3.00%) of the amount collected to cover the costs of collection and administration.

The City of Santa Barbara may collect assessments from businesses in Goleta at the request of the city.

B. Determination of Specific Benefit

State law requires that assessment funds be expended on specific benefits conferred directly to the payors that are not provided to those not charged, and which do not exceed the reasonable cost to the City of conferring the benefits. The services in this Management District Plan are designed to provide targeted benefits directly to assessed lodging businesses. These services are tailored not to serve the general public, but rather to serve the specific lodging businesses within the District, e.g., the proposed activities are specifically targeted to increase room night sales for assessed lodging businesses within the boundaries of the District, and are narrowly tailored. SBSCTBID funds will be used exclusively to provide the specific benefit of increased room night sales directly to the assesseees. For example, non-assessed businesses will not be featured in SBSCTBID programs and will not receive sales leads from them. The activities paid for from assessment revenues are business services constituting and providing specific benefits to the assessed businesses.

Further, the assessment may be utilized to provide specific government services directly to the payors that are not provided to those not charged, and which do not exceed the reasonable costs to the City of providing the services. The legislature has recognized that marketing and promotions services like those to be provided by the SBSCTBID are, in the context of assessment districts, government services. Further, the amount of the assessment is no more than necessary to cover the reasonable costs of the proposed activities, and the manner in which the costs are allocated to a business owner bear a fair share or reasonable relationship to the businesses' benefits received from the proposed activities.

District services will be implemented carefully to ensure they do not exceed the reasonable cost of such services. Funds will be managed by the Owners' Association, and reports submitted on an annual basis to the City. Only assessed businesses will be featured in marketing materials, receive sales leads generated from district-funded activities, be featured in advertising campaigns, and benefit from other district-funded services. Non-assessed businesses will not receive these, nor any other, district-funded services and benefits.

The assessment rate categories reflect the proportionate benefit derived by each business type. The rate has been varied according to the estimated benefit to be received by each business type. Businesses with a lower ADR pay a lower rate because, although they will benefit from all of the District's programs, their lower ADR will translate to less revenue received than businesses with a higher ADR. Tourist homes or houses, apartment houses, mobile homes, and house trailers (hereinafter "vacation rentals") are assessed on a per unit basis and at a rate of \$2.00 per night because, although they will benefit from destination marketing designed to increase overnight visitation and the resulting hotel compression, they will not be listed on the website or in promotional materials, be featured in co-op or film advertising, or receive direct sales leads as a result of the TBID efforts. Vacation rentals also differ from other lodging businesses in that they can typically accommodate fewer people and do not charge for rentals on a per-room basis. Because they will benefit less than multi-room lodging businesses, vacation rental businesses will ultimately pay less into the District than multi-room lodging businesses.

C. Assessment

The annual assessment rate for the first year of operation is as follows: hotels, inns, motels, studio hotels, bachelor hotels, lodging houses, rooming houses, dormitories, public or private clubs or

similar structures shall be assessed a fixed amount per paid occupied room per night as shown in the table below. Tourist homes or houses, apartment houses, mobile homes, and house trailers, (hereinafter “vacation rentals”) shall be assessed a fixed amount on a per paid unit per night basis and hostels shall be assessed on a per paid occupied bed or room basis, consistent with rental to the guest.. Based on the benefit received, assessments will not be collected on stays of more than thirty (30) consecutive days.

Average Daily Rate	Assessment Per Night
<\$100	\$0.75
\$100-\$149	\$1.50
\$150-\$199	\$2.25
\$200-\$249	\$3.00
\$250-\$299	\$3.50
≥\$300	\$4.00
Vacation rentals	\$2.00

The assessment rate may be subject to increases in the third and fifth years (2017 and 2019) of the District. These increases will be automatic unless the VSB Board votes not to implement them based upon circumstances that they deem significant. Any increase will be reflected in the annual report. The maximum annual assessment rates are:

Category	Year 1	Year 3	Year 5
<\$100	\$0.75	\$0.85	\$0.95
\$100-\$149	\$1.50	\$1.65	\$1.85
\$150-\$199	\$2.25	\$2.50	\$2.75
\$200-\$249	\$3.00	\$3.30	\$3.65
\$250-\$299	\$3.50	\$3.85	\$4.25
≥\$300	\$4.00	\$4.40	\$4.85
Vacation Rentals	\$2.00	\$2.20	\$2.40

The amount of assessment, if passed on to each transient, shall be disclosed in advance and separately stated from the amount of rent charged and any other applicable taxes, and each transient shall receive a receipt for payment from the business. The assessment shall be disclosed as the “SBSCTBID Assessment.” The assessment shall not be considered revenue for any purposes, including calculation of transient occupancy taxes.

Bonds will not be issued.

D. Penalties and Interest

1. Any business which fails to remit any assessment imposed within the time required shall pay a penalty of ten percent (10%) of the assessment in addition to the amount of the assessment.
2. Any business which fails to remit any delinquent remittance on or before a period of thirty (30) days following the date on which the remittance first became delinquent shall pay a second delinquency penalty of ten percent (10%) of the amount of the assessment in addition to the amount of the assessment and the ten percent (10%) penalty first imposed.

3. If the collections agency determines that the non-payment of any remittance due is due to fraud, a penalty of twenty-five percent (25%) of the amount of the assessment shall be added thereto in addition to the penalties stated in subsections 1 and 2 of this section.
4. In addition to the penalties imposed, any business which fails to remit any assessment imposed shall pay interest at the rate of one-half of one percent (0.50%) per month, or fraction thereof, on the amount of the assessment, exclusive of penalties, from the date on which the remittance first became delinquent until paid.
5. Every penalty imposed and such interest as accrues under the provisions of this section shall become part of the assessment herein required to be paid.

E. Time and Manner for Collecting Assessments

The SBSCTBID assessment will be implemented beginning January 1, 2015 and will continue for six (6) years through December 31, 2020. Each lodging business shall, after the close of each calendar month, or at the close of any shorter reporting period which may be established by the city/county, of the total rents charged and received and the amount of the assessment collected. The City of Santa Barbara shall be responsible for collecting the assessment (including any delinquencies, penalties and interest) from each lodging business located within its jurisdictional boundary. Each other jurisdiction shall be responsible for collecting the assessment (including any delinquencies, penalties and interest) from each of the lodging businesses located in the boundaries of the SBSCTBID. Except as provided herein, each commercial lodging operator shall report and remit the SBSCTBID assessments to its jurisdiction. Each jurisdiction shall take all reasonable efforts to collect the assessments from each lodging business.

Each jurisdiction shall forward the assessments to the Owners’ Association which will have the responsibility of managing SBSCTBID programs as provided in this Management District Plan. Jurisdictions may charge a fee of no more than one percent (1%) of the amount collected to cover their administrative expenses, except the City of Santa Barbara may charge a fee of up to three percent (3%) to cover its administrative costs from the assessments it collects. If a jurisdiction so desires, penalties and interest collected on delinquent assessments may be retained by the local jurisdiction for costs associated with collection.

F. Annual Budget

The total six year improvement and service plan budget is below. The assessment rate increases in years three and five (2017 and 2019) of the District are taken into account to calculate the increases in 2017 and 2019. These amounts may fluctuate as sales and revenue increase at assessed businesses.

Year	Total Budget
2015	\$2,945,840
2016	\$2,945,840
2017	\$3,240,424
2018	\$3,240,424
2019	\$3,564,466
2020	\$3,564,466

VI. GOVERNANCE

A. Owners' Association

The City Council, through adoption of this Management District Plan, has the right, pursuant to Streets and Highways Code §36651, to identify the body that shall implement the proposed program, which shall be the Owners' Association of the SBSCTBID as defined in Streets and Highways Code §36614.5. The City Council has determined that Visit Santa Barbara will serve as the Owner's Association for the SBSCTBID. The President and CEO of VSB shall be charged with the day-to-day operations of the TBID. There shall be a TBID sub-committee charged with developing budgets and priorities for the TBID. The TBID committee shall be comprised of a diverse group taking into consideration the size of lodging properties and geographic area.

B. Brown Act and California Public Records Act Compliance

An Owners' Association is a private entity and may not be considered a public entity for any purpose, nor may its board members or staff be considered to be public officials for any purpose. The Owners' Association is, however, subject to government regulations relating to transparency, namely the Ralph M. Brown Act and the California Public Records Act. These regulations are designed to promote public accountability. The Owners' Association is considered a legislative body under the Ralph M. Brown Act (Government Code §54950 et seq.). Thus, meetings of the VSB board and certain committees must be held in compliance with the public notice and other requirements of the Brown Act. The Owners' Association is also subject to the record keeping and disclosure requirements of the California Public Records Act. Accordingly, the Owners' Association shall publicly report any action taken and the vote or abstention on that action of each member present for the action.

C. Annual Report

The VSB shall present an annual report at the end of each year of operation to the City Council pursuant to Streets and Highways Code §36650 (see Appendix 1). A copy of the annual report shall also be provided to the City of Goleta and the County of Santa Barbara.

The annual report shall contain:

- Any proposed changes in the district boundaries;
- The improvements and activities to be provided for that fiscal year;
- An estimate of the cost of providing the improvements and activities in that fiscal year;
- The method and basis of levying the assessment in sufficient detail for each business owner to estimate the amount of the assessment to be levied against his or her business for that fiscal year;
- The amount of any surplus or deficit revenues to be carried over from a previous fiscal year; and
- The amount of any contributions to be made from sources other than assessments.

APPENDIX 1 – LAW

Property And Business Improvement District Law of 1994

Cal Sts & Hy Code § 36600 (2013)

*** This document is current through the 2014 Supplement ***
(All 2013 legislation)

§ 36600. Citation of part

This part shall be known and may be cited as the "Property and Business Improvement District Law of 1994."

§ 36601. Legislative findings and declarations

The Legislature finds and declares all of the following:

(a) Businesses located and operating within the business districts of this state's communities are economically disadvantaged, are underutilized, and are unable to attract customers due to inadequate facilities, services, and activities in the business districts.

(b) It is in the public interest to promote the economic revitalization and physical maintenance of the business districts of its cities in order to create jobs, attract new businesses, and prevent the erosion of the business districts.

(c) It is of particular local benefit to allow cities to fund business related improvements, maintenance, and activities through the levy of assessments upon the businesses or real property that benefits from those improvements.

(d) Assessments levied for the purpose of providing improvements and promoting activities that benefit real property or businesses are not taxes for the general benefit of a city, but are assessments for the improvements and activities which confer special benefits upon the real property or businesses for which the improvements and activities are provided.

§ 36602. Purpose of part

The purpose of this part is to supplement previously enacted provisions of law that authorize cities to levy assessments within a business improvement area. This part does not affect or limit any other provisions of law authorizing or providing for the furnishing of improvements or activities or the raising of revenue for these purposes.

§ 36603. Preemption of authority or charter city to adopt ordinances levying assessments

Nothing in this part is intended to preempt the authority of a charter city to adopt ordinances providing for a different method of levying assessments for similar or additional purposes from those set forth in this part. A property and business improvement district created pursuant to this

part is expressly exempt from the provisions of the Special Assessment Investigation, Limitation and Majority Protest Act of 1931 (Division 4 (commencing with Section 2800)).

§ 36603.5. Part prevails over conflicting provisions

Any provision in this part that conflicts with any other provision of law shall prevail over the other provision of law.

§ 36604. Severability

This part is intended to be construed liberally and, if any provision is held invalid, the remaining provisions shall remain in full force and effect. Assessments levied under this part are not special taxes.

§ 36605. [Section repealed 2001.]

§ 36606. "Assessment"

"Assessment" means a levy for the purpose of acquiring, constructing, installing, or maintaining improvements and promoting activities which will benefit the properties or businesses located within a property and business improvement district.

§ 36607. "Business"

"Business" means all types of businesses and includes financial institutions and professions.

§ 36608. "City"

"City" means a city, county, city and county, or an agency or entity created pursuant to Article 1 (commencing with *Section 6500*) of *Chapter 5 of Division 7 of Title 1 of the Government Code*, the public member agencies of which includes only cities, counties, or a city and county, or the State of California.

§ 36609. "City council"

"City council" means the city council of a city or the board of supervisors of a county, or the agency, commission, or board created pursuant to a joint powers agreement and which is a city within the meaning of this part.

§ 36610. "Improvement"

"Improvement" means the acquisition, construction, installation, or maintenance of any tangible property with an estimated useful life of five years or more including, but not limited to, the following:

- (a) Parking facilities.
- (b) Benches, booths, kiosks, display cases, pedestrian shelters and signs.
- (c) Trash receptacles and public restrooms.
- (d) Lighting and heating facilities.
- (e) Decorations.
- (f) Parks.
- (g) Fountains.
- (h) Planting areas.
- (i) Closing, opening, widening, or narrowing of existing streets.
- (j) Facilities or equipment, or both, to enhance security of persons and property within the area.
- (k) Ramps, sidewalks, plazas, and pedestrian malls.
- (l) Rehabilitation or removal of existing structures.

§ 36611. "Property and business improvement district"; "District"

"Property and business improvement district," or "district," means a property and business improvement district established pursuant to this part.

§ 36612. "Property"

"Property" means real property situated within a district.

§ 36613. "Activities"

"Activities" means, but is not limited to, all of the following:

- (a) Promotion of public events which benefit businesses or real property in the district.
- (b) Furnishing of music in any public place within the district.
- (c) Promotion of tourism within the district.
- (d) Marketing and economic development, including retail retention and recruitment.
- (e) Providing security, sanitation, graffiti removal, street and sidewalk cleaning, and other municipal services supplemental to those normally provided by the municipality.
- (f) Activities which benefit businesses and real property located in the district.

§ 36614. "Management district plan"; "Plan"

"Management district plan" or "plan" means a proposal as defined in Section 36622.

§ 36614.5. "Owners' association"

"Owners' association" means a private nonprofit entity that is under contract with a city to administer or implement activities and improvements specified in the management district plan. An owners' association may be an existing nonprofit entity or a newly formed nonprofit entity. An owners' association is a private entity and may not be considered a public entity for any purpose, nor may its board members or staff be considered to be public officials for any purpose. Notwithstanding this section, an owners' association shall comply with the Ralph M. Brown Act (Chapter 9 (commencing with *Section 54950*) of *Part 1 of Division 2 of Title 5 of the Government Code*), at all times when matters within the subject matter of the district are heard, discussed, or deliberated, and with the California Public Records Act (Chapter 3.5 (commencing with *Section 6250*) of *Division 7 of Title 1 of the Government Code*), for all documents relating to activities of the district.

§ 36615. "Property owner"; "Business owner"; "Owner"

"Property owner" means any person shown as the owner of land on the last equalized assessment roll or otherwise known to be the owner of land by the city council. "Business owner" means any person recognized by the city as the owner of the business. "Owner" means either a business owner or a property owner. The city council has no obligation to obtain other information as to the ownership of land or businesses, and its determination of ownership shall be final and conclusive for the purposes of this part. Wherever this part requires the signature of the property owner, the signature of the authorized agent of the property owner shall be sufficient. Wherever this part requires the signature of the business owner, the signature of the authorized agent of the business owner shall be sufficient.

§ 36616. "Tenant"

"Tenant" means an occupant pursuant to a lease of commercial space or a dwelling unit, other than an owner.

§ 36617. Alternate method of financing certain improvements and activities; Effect on other provisions

This part provides an alternative method of financing certain improvements and activities. The provisions of this part shall not affect or limit any other provisions of law authorizing or providing for the furnishing of improvements or activities or the raising of revenue for these purposes. Every improvement area established pursuant to the Parking and Business Improvement Area Law of 1989 (Part 6 (commencing with *Section 36500*) of this division) is valid and effective and is unaffected by this part.

§ 36620. Establishment of property and business improvement district

A property and business improvement district may be established as provided in this chapter.

§ 36620.5. Requirement of consent of city council

A county may not form a district within the territorial jurisdiction of a city without the consent of the city council of that city. A city may not form a district within the unincorporated territory of a county without the consent of the board of supervisors of that county. A city may not form a district within the territorial jurisdiction of another city without the consent of the city council of the other city.

§ 36621. Initiation of proceedings; Petition of property or business owners in proposed district

(a) Upon the submission of a written petition, signed by the property or business owners in the proposed district who will pay more than 50 percent of the assessments proposed to be levied, the city council may initiate proceedings to form a district by the adoption of a resolution expressing its intention to form a district. The amount of assessment attributable to property or a business owned by the same property or business owner that is in excess of 40 percent of the amount of all assessments proposed to be levied, shall not be included in determining whether the petition is signed by property or business owners who will pay more than 50 percent of the total amount of assessments proposed to be levied.

(b) The petition of property or business owners required under subdivision (a) shall include a summary of the management district plan. That summary shall include all of the following:

- (1) A map showing the boundaries of the district.
- (2) Information specifying where the complete management district plan can be obtained.
- (3) Information specifying that the complete management district plan shall be furnished upon request.

(c) The resolution of intention described in subdivision (a) shall contain all of the following:

(1) A brief description of the proposed activities and improvements, the amount of the proposed assessment, a statement as to whether the assessment will be levied on property or businesses within the district, a statement as to whether bonds will be issued, and a description of the exterior boundaries of the proposed district. The descriptions and statements do not need to be detailed and shall be sufficient if they enable an owner to generally identify the nature and extent of the improvements and activities and the location and extent of the proposed district.

(2) A time and place for a public hearing on the establishment of the property and business improvement district and the levy of assessments, which shall be consistent with the requirements of Section 36623.

§ 36622. Contents of management district plan

The management district plan shall contain all of the following:

(a) If the assessment will be levied on property, a map of the district in sufficient detail to locate each parcel of property and, if businesses are to be assessed, each business within the district. If the assessment will be levied on businesses, a map that identifies the district boundaries in sufficient detail to allow a business owner to reasonably determine whether a business is located within the district boundaries. If the assessment will be levied on property and businesses, a map of the district in sufficient detail to locate each parcel of property and to allow a business owner to reasonably

determine whether a business is located within the district boundaries.

(b) The name of the proposed district.

(c) A description of the boundaries of the district, including the boundaries of benefit zones, proposed for establishment or extension in a manner sufficient to identify the affected lands and businesses included. The boundaries of a proposed property assessment district shall not overlap with the boundaries of another existing property assessment district created pursuant to this part. This part does not prohibit the boundaries of a district created pursuant to this part to overlap with other assessment districts established pursuant to other provisions of law, including, but not limited to, the Parking and Business Improvement Area Law of 1989 (Part 6 (commencing with Section 36500)). This part does not prohibit the boundaries of a business assessment district created pursuant to this part to overlap with another business assessment district created pursuant to this part. This part does not prohibit the boundaries of a business assessment district created pursuant to this part to overlap with a property assessment district created pursuant to this part.

(d) The improvements and activities proposed for each year of operation of the district and the maximum cost thereof. If the improvements and activities proposed for each year of operation are the same, a description of the first year's proposed improvements and activities and a statement that the same improvements and activities are proposed for subsequent years shall satisfy the requirements of this subdivision.

(e) The total annual amount proposed to be expended for improvements, maintenance and operations, and debt service in each year of operation of the district. If the assessment is levied on businesses, this amount may be estimated based upon the assessment rate. If the total annual amount proposed to be expended in each year of operation of the district is not significantly different, the amount proposed to be expended in the initial year and a statement that a similar amount applies to subsequent years shall satisfy the requirements of this subdivision.

(f) The proposed source or sources of financing, including the proposed method and basis of levying the assessment in sufficient detail to allow each property or business owner to calculate the amount of the assessment to be levied against his or her property or business. The plan also shall state whether bonds will be issued to finance improvements.

(g) The time and manner of collecting the assessments.

(h) The specific number of years in which assessments will be levied. In a new district, the maximum number of years shall be five. Upon renewal, a district shall have a term not to exceed 10 years. Notwithstanding these limitations, a district created pursuant to this part to finance capital improvements with bonds may levy assessments until the maximum maturity of the bonds. The management district plan may set forth specific increases in assessments for each year of operation of the district.

(i) The proposed time for implementation and completion of the management district plan.

(j) Any proposed rules and regulations to be applicable to the district.

(k) A list of the properties or businesses to be assessed, including the assessor's parcel numbers for properties to be assessed, and a statement of the method or methods by which the expenses of a district will be imposed upon benefited real property or businesses, in proportion to the benefit received by the property or business, to defray the cost thereof, including operation and maintenance.

(l) Any other item or matter required to be incorporated therein by the city council.

§ 36623. Procedure to levy assessment

(a) If a city council proposes to levy a new or increased property assessment, the notice and protest and hearing procedure shall comply with *Section 53753 of the Government Code*.

(b) If a city council proposes to levy a new or increased business assessment, the notice and protest and hearing procedure shall comply with *Section 54954.6 of the Government Code*, except that notice shall be mailed to the owners of the businesses proposed to be assessed. A protest may be made orally or in writing by any interested person. Every written protest shall be filed with the clerk at or before the time fixed for the public hearing. The city council may waive any irregularity in the form or content of any written protest. A written protest may be withdrawn in writing at any time before the conclusion of the public hearing. Each written protest shall contain a description of the business in which the person subscribing the protest is interested sufficient to identify the business and, if a person subscribing is not shown on the official records of the city as the owner of the business, the protest shall contain or be accompanied by written evidence that the person subscribing is the owner of the business or the authorized representative. A written protest that does not comply with this section shall not be counted in determining a majority protest. If written protests are received from the owners or authorized representatives of businesses in the proposed district that will pay 50 percent or more of the assessments proposed to be levied and protests are not withdrawn so as to reduce the protests to less than 50 percent, no further proceedings to levy the proposed assessment against such businesses, as contained in the resolution of intention, shall be taken for a period of one year from the date of the finding of a majority protest by the city council.

(c) If a city council proposes to conduct a single proceeding to levy both a new or increased property assessment and a new or increased business assessment, the notice and protest and hearing procedure for the property assessment shall comply with subdivision (a), and the notice and protest and hearing procedure for the business assessment shall comply with subdivision (b). If a majority protest is received from either the property or business owners, that respective portion of the assessment shall not be levied. The remaining portion of the assessment may be levied unless the improvement or other special benefit was proposed to be funded by assessing both property and business owners.

§ 36624. Changes to proposed assessments

At the conclusion of the public hearing to establish the district, the city council may adopt, revise, change, reduce, or modify the proposed assessment or the type or types of improvements and activities to be funded with the revenues from the assessments. Proposed assessments may only be revised by reducing any or all of them. At the public hearing, the city council may only make changes in, to, or from the boundaries of the proposed property and business improvement district that will exclude territory that will not benefit from the proposed improvements or activities. Any modifications, revisions, reductions, or changes to the proposed assessment district shall be reflected in the notice and map recorded pursuant to Section 36627.

§ 36625. Resolution of formation

(a) If the city council, following the public hearing, decides to establish the proposed property and business improvement district, the city council shall adopt a resolution of formation that shall contain all of the following:

(1) A brief description of the proposed activities and improvements, the amount of the proposed assessment, a statement as to whether the assessment will be levied on property, businesses, or both within the district, a statement about whether bonds will be issued, and a description of the exterior boundaries of the proposed district. The descriptions and statements do not need to be detailed and shall be sufficient if they enable an owner to generally identify the nature and extent of the improvements and activities and the location and extent of the proposed district.

(2) The number, date of adoption, and title of the resolution of intention.

(3) The time and place where the public hearing was held concerning the establishment of the district.

(4) A determination regarding any protests received. The city shall not establish the district or levy assessments if a majority protest was received.

(5) A statement that the properties, businesses, or properties and businesses in the district established by the resolution shall be subject to any amendments to this part.

(6) A statement that the improvements and activities to be provided in the district will be funded by the levy of the assessments. The revenue from the levy of assessments within a district shall not be used to provide improvements or activities outside the district or for any purpose other than the purposes specified in the resolution of intention, as modified by the city council at the hearing concerning establishment of the district.

(7) A finding that the property or businesses within the area of the property and business improvement district will be benefited by the improvements and activities funded by the assessments proposed to be levied.

(b) The adoption of the resolution of formation and, if required, recordation of the notice and map pursuant to Section 36627 shall constitute the levy of an assessment in each of the fiscal years referred to in the management district plan.

§ 36626. Resolution establishing district

If the city council, following the public hearing, desires to establish the proposed property and business improvement district, and the city council has not made changes pursuant to Section 36624, or has made changes that do not substantially change the proposed assessment, the city council shall adopt a resolution establishing the district. The resolution shall contain all of the information specified in paragraphs (1) to (8), inclusive, of subdivision (b) of Section 36625, but need not contain information about the preliminary resolution if none has been adopted.

§ 36626.5. [Section repealed 1999.]

§ 36626.6. [Section repealed 1999.]

§ 36626.7. [Section repealed 1999.]

§ 36627. Notice and assessment diagram

Following adoption of the resolution establishing district assessments on properties pursuant to

Section 36625 or Section 36626, the clerk of the city shall record a notice and an assessment diagram pursuant to Section 3114. No other provision of Division 4.5 (commencing with Section 3100) applies to an assessment district created pursuant to this part.

§ 36628. Establishment of separate benefit zones within district; Categories of businesses

The city council may establish one or more separate benefit zones within the district based upon the degree of benefit derived from the improvements or activities to be provided within the benefit zone and may impose a different assessment within each benefit zone. If the assessment is to be levied on businesses, the city council may also define categories of businesses based upon the degree of benefit that each will derive from the improvements or activities to be provided within the district and may impose a different assessment or rate of assessment on each category of business, or on each category of business within each zone.

§ 36628.5. Assessments on businesses or property owners

The city council may levy assessments on businesses or on property owners, or a combination of the two, pursuant to this part. The city council shall structure the assessments in whatever manner it determines corresponds with the distribution of benefits from the proposed improvements and activities.

§ 36629. Provisions and procedures applicable to benefit zones and business categories

All provisions of this part applicable to the establishment, modification, or disestablishment of a property and business improvement district apply to the establishment, modification, or disestablishment of benefit zones or categories of business. The city council shall, to establish, modify, or disestablish a benefit zone or category of business, follow the procedure to establish, modify, or disestablish a property and business improvement district.

§ 36630. Expiration of district; Creation of new district

If a property and business improvement district expires due to the time limit set pursuant to subdivision (h) of Section 36622, a new management district plan may be created and a new district established pursuant to this part.

§ 36631. Time and manner of collection of assessments; Delinquent payments

The collection of the assessments levied pursuant to this part shall be made at the time and in the manner set forth by the city council in the resolution levying the assessment. Assessments levied on real property may be collected at the same time and in the same manner as for the ad valorem property tax, and may provide for the same lien priority and penalties for delinquent payment. All delinquent payments for assessments levied pursuant to this part shall be charged interest and penalties.

§ 36632. Assessments to be based on estimated benefit; Classification of real property and businesses; Exclusion of residential and agricultural property

(a) The assessments levied on real property pursuant to this part shall be levied on the basis of the estimated benefit to the real property within the property and business improvement district. The city council may classify properties for purposes of determining the benefit to property of the improvements and activities provided pursuant to this part.

(b) Assessments levied on businesses pursuant to this part shall be levied on the basis of the estimated benefit to the businesses within the property and business improvement district. The city council may classify businesses for purposes of determining the benefit to the businesses of the improvements and activities provided pursuant to this part.

(c) Properties zoned solely for residential use, or that are zoned for agricultural use, are conclusively presumed not to benefit from the improvements and service funded through these assessments, and shall not be subject to any assessment pursuant to this part.

§ 36633. Time for contesting validity of assessment

The validity of an assessment levied under this part shall not be contested in any action or proceeding unless the action or proceeding is commenced within 30 days after the resolution levying the assessment is adopted pursuant to Section 36626. Any appeal from a final judgment in an action or proceeding shall be perfected within 30 days after the entry of judgment.

§ 36634. Service contracts authorized to establish levels of city services

The city council may execute baseline service contracts that would establish levels of city services that would continue after a property and business improvement district has been formed.

§ 36635. Request to modify management district plan

The owners' association may, at any time, request that the city council modify the management district plan. Any modification of the management district plan shall be made pursuant to this chapter.

§ 36636. Modification of plan by resolution after public hearing; Adoption of resolution of intention; Modification of improvements and activities by adoption of resolution after public hearing

(a) Upon the written request of the owners' association, the city council may modify the management district plan after conducting one public hearing on the proposed modifications. The city council may modify the improvements and activities to be funded with the revenue derived from the levy of the assessments by adopting a resolution determining to make the modifications after holding a public hearing on the proposed modifications. If the modification includes the levy of a new or increased assessment, the city council shall comply with Section 36623. Notice of all other public meetings and public hearings pursuant to this section shall comply with both of the following:

(1) The resolution of intention shall be published in a newspaper of general circulation in the city once at least seven days before the public meeting.

(2) A complete copy of the resolution of intention shall be mailed by first class mail, at least 10

days before the public meeting, to each business owner or property owner affected by the proposed modification.

(b) The city council shall adopt a resolution of intention which states the proposed modification prior to the public hearing required by this section. The public hearing shall be held not more than 90 days after the adoption of the resolution of intention.

§ 36637. Reflection of modification in notices recorded and maps

Any subsequent modification of the resolution shall be reflected in subsequent notices and maps recorded pursuant to Division 4.5 (commencing with Section 3100), in a manner consistent with the provisions of Section 36627.

§ 36640. Bonds authorized; Procedure; Restriction on reduction or termination of assessments

(a) The city council may, by resolution, determine and declare that bonds shall be issued to finance the estimated cost of some or all of the proposed improvements described in the resolution of formation adopted pursuant to Section 36625, if the resolution of formation adopted pursuant to that section provides for the issuance of bonds, under the Improvement Bond Act of 1915 (Division 10 (commencing with Section 8500)) or in conjunction with Marks-Roos Local Bond Pooling Act of 1985 (Article 4 (commencing with *Section 6584*) of *Chapter 5 of Division 7 of Title 1 of the Government Code*). Either act, as the case may be, shall govern the proceedings relating to the issuance of bonds, although proceedings under the Bond Act of 1915 may be modified by the city council as necessary to accommodate assessments levied upon business pursuant to this part.

(b) The resolution adopted pursuant to subdivision (a) shall generally describe the proposed improvements specified in the resolution of formation adopted pursuant to Section 36625, set forth the estimated cost of those improvements, specify the number of annual installments and the fiscal years during which they are to be collected. The amount of debt service to retire the bonds shall not exceed the amount of revenue estimated to be raised from assessments over 30 years.

(c) Notwithstanding any other provision of this part, assessments levied to pay the principal and interest on any bond issued pursuant to this section shall not be reduced or terminated if doing so would interfere with the timely retirement of the debt.

§ 36641. [Section repealed 2001.]

§ 36642. [Section repealed 2001.]

§ 36643. [Section repealed 2001.]

§ 36650. Report by owners' association; Approval or modification by city council

(a) The owners' association shall cause to be prepared a report for each fiscal year, except the first year, for which assessments are to be levied and collected to pay the costs of the improvements and activities described in the report. The owners' association's first report shall be due after the first year of operation of the district. The report may propose changes, including, but not limited to, the boundaries of the property and business improvement district or any benefit zones within the

district, the basis and method of levying the assessments, and any changes in the classification of property, including any categories of business, if a classification is used.

(b) The report shall be filed with the clerk and shall refer to the property and business improvement district by name, specify the fiscal year to which the report applies, and, with respect to that fiscal year, shall contain all of the following information:

(1) Any proposed changes in the boundaries of the property and business improvement district or in any benefit zones or classification of property or businesses within the district.

(2) The improvements and activities to be provided for that fiscal year.

(3) An estimate of the cost of providing the improvements and the activities for that fiscal year.

(4) The method and basis of levying the assessment in sufficient detail to allow each real property or business owner, as appropriate, to estimate the amount of the assessment to be levied against his or her property or business for that fiscal year.

(5) The amount of any surplus or deficit revenues to be carried over from a previous fiscal year.

(6) The amount of any contributions to be made from sources other than assessments levied pursuant to this part.

(c) The city council may approve the report as filed by the owners' association or may modify any particular contained in the report and approve it as modified. Any modification shall be made pursuant to Sections 36635 and 36636.

The city council shall not approve a change in the basis and method of levying assessments that would impair an authorized or executed contract to be paid from the revenues derived from the levy of assessments, including any commitment to pay principal and interest on any bonds issued on behalf of the district.

§ 36651. Designation of owners' association to provide improvements and activities

The management district plan may, but is not required to, state that an owners' association will provide the improvements or activities described in the management district plan. If the management district plan designates an owners' association, the city shall contract with the designated nonprofit corporation to provide services.

§ 36660. Renewal of district; Transfer or refund of remaining revenues; District term limit

(a) Any district previously established whose term has expired, may be renewed by following the procedures for establishment as provided in this chapter.

(b) Upon renewal, any remaining revenues derived from the levy of assessments, or any revenues derived from the sale of assets acquired with the revenues, shall be transferred to the renewed district. If the renewed district includes additional parcels or businesses not included in the prior district, the remaining revenues shall be spent to benefit only the parcels or businesses in the prior district. If the renewed district does not include parcels or businesses included in the prior district, the remaining revenues attributable to these parcels shall be refunded to the owners of these parcels or businesses.

(c) Upon renewal, a district shall have a term not to exceed 10 years, or, if the district is authorized to issue bonds, until the maximum maturity of those bonds. There is no requirement that

the boundaries, assessments, improvements, or activities of a renewed district be the same as the original or prior district.

§ 36670. Circumstances permitting disestablishment of district; Procedure

(a) Any district established or extended pursuant to the provisions of this part, where there is no indebtedness, outstanding and unpaid, incurred to accomplish any of the purposes of the district, may be disestablished by resolution by the city council in either of the following circumstances:

(1) If the city council finds there has been misappropriation of funds, malfeasance, or a violation of law in connection with the management of the district, it shall notice a hearing on disestablishment.

(2) During the operation of the district, there shall be a 30-day period each year in which assesses may request disestablishment of the district. The first such period shall begin one year after the date of establishment of the district and shall continue for 30 days. The next such 30-day period shall begin two years after the date of the establishment of the district. Each successive year of operation of the district shall have such a 30-day period. Upon the written petition of the owners or authorized representatives of real property or the owners or authorized representatives of businesses in the area who pay 50 percent or more of the assessments levied, the city council shall pass a resolution of intention to disestablish the district. The city council shall notice a hearing on disestablishment.

(b) The city council shall adopt a resolution of intention to disestablish the district prior to the public hearing required by this section. The resolution shall state the reason for the disestablishment, shall state the time and place of the public hearing, and shall contain a proposal to dispose of any assets acquired with the revenues of the assessments levied within the property and business improvement district. The notice of the hearing on disestablishment required by this section shall be given by mail to the property owner of each parcel or to the owner of each business subject to assessment in the district, as appropriate. The city shall conduct the public hearing not less than 30 days after mailing the notice to the property or business owners. The public hearing shall be held not more than 60 days after the adoption of the resolution of intention.

§ 36671. Refund of remaining revenues upon disestablishment or expiration without renewal of district; Calculation of refund; Use of outstanding revenue collected after disestablishment of district

(a) Upon the disestablishment or expiration without renewal of a district, any remaining revenues, after all outstanding debts are paid, derived from the levy of assessments, or derived from the sale of assets acquired with the revenues, or from bond reserve or construction funds, shall be refunded to the owners of the property or businesses then located and operating within the district in which assessments were levied by applying the same method and basis that was used to calculate the assessments levied in the fiscal year in which the district is disestablished or expires. All outstanding assessment revenue collected after disestablishment shall be spent on improvements and activities specified in the management district plan.

(b) If the disestablishment occurs before an assessment is levied for the fiscal year, the method and basis that was used to calculate the assessments levied in the immediate prior fiscal year shall be used to calculate the amount of any refund.

APPENDIX 2 – ASSESSED BUSINESSES

BUSINESS NAME	SITE ADDRESS	SITE CITY	SITE ST	SITE ZIP
1220 SHORELINE DRIVE	790 E COLORADO BLVD STE 600	PASADENA	CA	91101-2186
126 W DE LA GUERRA	421 CALLE PALO COLORADO	SANTA BARBARA	CA	93105-2748
1403 ALAMEDA PADRE SERRA	3006 BEE CAVES RD STE D310	AUSTIN	TX	78746-5753
1735 OLIVE STREET	3006 BEE CAVES RD STE D310	AUSTIN	TX	78746-5753
212 NATOMA AVE UPSTAIRS	536 PINTURA DR	SANTA BARBARA	CA	93111-1829
416 EAST ANAPAMU STREET LLC	1415 FULTON RD STE 205 PMB 195	SANTA ROSA	CA	95403-7661
815 GARDEN STREET	3006 BEE CAVES RD STE D310	AUSTIN	TX	78746-5753
826 HOMESTEAD	826 DOLORES DR	SANTA BARBARA	CA	93109-1612
A WHITE JASMINE INN	1327 BATH STREET	SANTA BARBARA	CA	93101
AAE VACATION RENTALS	111 N MILPAS ST	SANTA BARBARA	CA	93103-3303
AARONS, RACHEL	2735 LAS ENCINAS RD	SANTA BARBARA	CA	93105
ABERCROMBIE, STEWART	2125 REFUGIO RD	GOLETA	CA	93117
ABLITT HOUSE	16 E ARRELLAGA ST	SANTA BARBARA	CA	93101-2502
ABUNDANT PARADISE	1645 SHORELINE DR	SANTA BARBARA	CA	93109-2023
ACORN	1166 CANYON TRL	TOPANGA	CA	90290-3604
ADAM WILSON	205 CALLE GRANADA	SANTA BARBARA	CA	93105-2701
AGAVE INN	3222 STATE STREET	SANTA BARBARA	CA	93105
ALAMAR MOTEL	102 W. CABRILLO BLVD	SANTA BARBARA	CA	93101
ALDWINCKLE VACATION RENTAL	2309 WHITE AVE	SANTA BARBARA	CA	93109-1250
ALEXIS NORLING	612 CALLE DEL ORO	SANTA BARBARA	CA	93109-1603
ANACAPA VILLAS	622 ANACAPA STREET	SANTA BARBARA	CA	93101
ANDERSON, MICHAEL & HILARY	2255 LAS CANOAS ROAD	SANTA BARBARA	CA	93105
ARMSTRONG VACATION RENTAL	1211 DEL ORO AVE	SANTA BARBARA	CA	93109-2105
ARNESON, PAMELA & ERIC	1345 VIRGINIA RD	SANTA BARBARA	CA	93108
ARTHUR MCNARY	3762 LINCOLNWOOD DR	SANTA BARBARA	CA	93110-2505
AUBREY, JAMEE	PO BOX 3768	SANTA BARBARA	CA	93130
AUSTIN, BETTY	1221 CHAPALA ST 2ND FLOOR	SANTA BARBARA	CA	93101
AVANIA INN OF SANTA BARBARA	128 CASTILLO STREET	SANTA BARBARA	CA	93101
BABCOCK, BRYAN & LISA	PO BOX 637	LOMPOC	CA	93438
BACARA RESORT & SPA	8301 HOLLISTER AVE	GOLETA	CA	93117
BARBARA RUH	2076 VERMONT RD	VAIL	CO	81657-3996
BATH STREET INN BED & BREAKFAST	1720 BATH STREET	SANTA BARBARA	CA	93101
BEACH HOUSE INN & APARTMENTS	320 W. YANONALI	SANTA BARBARA	CA	93101
BEACH LIGHT HOME	340 POR LA MAR CIR	SANTA BARBARA	CA	93103-3790
BEACH WALK COTTAGE	3150 SE BELMONT ST	PORTLAND	OR	97214-4029

BUSINESS NAME	SITE ADDRESS	SITE CITY	SITE ST	SITE ZIP
BEAUTIFUL SB GETAWAY	929 W MICHELTORENA ST	SANTA BARBARA	CA	93101-4711
BELL, KAREN	1500 PALMA DRIVE	VENTURA	CA	93003
BELMOND EL ENCANTO	800 ALVARADO PLACE	SANTA BARBARA	CA	93103
BEST WESTERN BEACHSIDE INN	336 W. CABRILLO BLVD.	SANTA BARBARA	CA	93101
BEST WESTERN PLUS ENCINA LODGE & SUITES	2220 BATH ST.	SANTA BARBARA	CA	93105
BEST WESTERN PLUS PEPPER TREE INN	3850 STATE STREET	SANTA BARBARA	CA	93105
BEST WESTERN PLUS SOUTH COAST INN	5620 CALLE REAL	GOLETA	CA	93117
BIANCHI VACATION RENTAL	1311 SUFFIELD LN	BAKERSFIELD	CA	93312-4681
BLUE SANDS MOTEL	421 S. MILPAS STREET	SANTA BARBARA	CA	93103
BOLT, LAURI	2380 SYCAMORE CANYON RD	SANTA BARBARA	CA	93108
BRADLEY BENNETT VACATION RENTAL	621 CHIQUITA RD	SANTA BARBARA	CA	93103-2541
BRISAS DEL MAR INN AT THE BEACH	223 CASTILLO STREET	SANTA BARBARA	CA	93101
CABRILLO INN AT THE BEACH	931 E. CABRILLO BLVD	SANTA BARBARA	CA	93103
CANARY HOTEL	31 WEST CARRILLO STREET	SANTA BARBARA	CA	93101
CAROL COPE	421 VISTA DE LA PLAYA LN	SANTA BARBARA	CA	93109-1701
CAROL PINTO	3677 EILEEN WAY	SANTA BARBARA	CA	93105-2509
CAROLINA PIERPONT	PO BOX 332	SUMMERLAND	CA	93067-0332
CARON MILLER	112 1/2 W MICHELTORENA ST	SANTA BARBARA	CA	93101-8557
CASA & CASITA ORILLA DEL MAR	5073 ELLA LN	SANTA BARBARA	CA	93111-2604
CASA ALISOS	919 N ALISOS ST	SANTA BARBARA	CA	93103-2405
CASA DAS PALMAS	3359 BRAEMAR DR	SANTA BARBARA	CA	93109-1012
CASA DE FIORI	29 WASHINGTON SQUARE WEST #10A	NEW YORK	NY	10011-0000
CASA DEL MAR INN	18 BATH STREET	SANTA BARBARA	CA	93101
CASA DEL MAR VACATION RENTAL	3264 MURRAY WAY	PALO ALTO	CA	94303-4149
CASA MERIDIAN	24 LLANDILLO RD	HAVERTOWN	PA	19083-4708
CASA PUERTA ROJA	PO BOX 524	SANTA BARBARA	CA	93102-0524
CASA SAN MIGUEL	1414 SAN MIGUEL AVE	SANTA BARBARA	CA	93109-2045
CASA TAMARINDO	16 E ARRELLAGA ST	SANTA BARBARA	CA	93101-2502
CASITAS OCEANO	319 OCEANO AVE	SANTA BARBARA	CA	93109-2220
CASTILLO INN	22 CASTILLO STREET	SANTA BARBARA	CA	93101
CAVA, FRANCESCA	854 JIMENO RD	SANTA BARBARA	CA	93103
CAVA, MELANIE & TODD DREVO	779 AYALA LANE	SANTA BARBARA	CA	93108
CERVANTES VACATION RENTAL	924 LAGUNA ST STE B	SANTA BARBARA	CA	93101-1405
CHAN, CHRISTINE	897 SAN ANTONIO CREEK RD	SANTA BARBARA	CA	93111
CHAPALA GARDENS	118 CHAPALA ST APT 1	SANTA BARBARA	CA	93101-5224

BUSINESS NAME	SITE ADDRESS	SITE CITY	SITE ST	SITE ZIP
CHARBONNET, MIKE	760 LADERA LANE	SANTA BARBARA	CA	93108
CHARMING SPANISH BUNGALOW	1005 EAST ST	SANTA BARBARA	CA	93103-2420
CHESHIRE CAT INN AND COTTAGES	36 W. VALERIO STREET	SANTA BARBARA	CA	93101
CHRISTOPHER HASKELL	105 LA VISTA GRANDE	SANTA BARBARA	CA	93103-2817
CIRCLE BAR B GUEST RANCH & STABLES	1800 REFUGIO RD	GOLETA	CA	93117
CITY LIGHTS	16 E ARRELLAGA ST	SANTA BARBARA	CA	93101-2502
CITY VIEW	16 E ARRELLAGA ST	SANTA BARBARA	CA	93101-2502
CITYSCAPE	16 E ARRELLAGA ST	SANTA BARBARA	CA	93101-2502
CLASSIC CRAFTSMAN COTTAGE	2461 CALLE ALMONTE	SANTA BARBARA	CA	93109-1121
CLAYTON STANFORD	PO BOX 658	SANTA BARBARA	CA	93102-0658
CLIFF O'SULLIVAN	616 PEARRE SPRINGS WAY	FRANKLIN	TN	37064-4889
COAST VILLAGE INN	1188 COAST VILLAGE ROAD	MONTECITO	CA	93108
COASTAL HIDEAWAYS	1211 COAST VILLAGE RD STE 4	SANTA BARBARA	CA	93108-2745
COASTAL HIDEAWAYS, INC	1211 COAST VILLAGE RD STE 4	SANTA BARBARA	CA	93108
COASTAL PROPERTIES	1086 COAST VILLAGE RD	SANTA BARBARA	CA	93108
COTA STREET STUDIOS LLC	531 CHAPALA ST UNIT E	SANTA BARBARA	CA	93101-3421
COTTAGES AT WEST BEACH	16 E ARRELLAGA ST	SANTA BARBARA	CA	93101-2502
COURTYARD BY MARRIOTT SANTA BARBARA/GOLETA	401 STORKE RD	GOLETA	CA	93117
CRAFTSMAN COTTAGE	3463 STATE ST # 531	SANTA BARBARA	CA	93105-2662
CRESTLINE HOUSE	2760 WILLIAMS WAY	SANTA BARBARA	CA	93105-2149
CURLEY VACATION RENTAL	1615 EL VERANO WAY	BELMONT	CA	94002-3626
D & D LEASING LP	3040 WINLOCK WAY	GRANITE BAY	CA	95746-7218
D B RICHARDS	4095 CERRITO LN	SANTA BARBARA	CA	93110-1201
DAVID BOLTON	PO BOX 24132	SANTA BARBARA	CA	93121-4132
DAYS INN SANTA BARBARA	116 CASTILLO STREET	SANTA BARBARA	CA	93101
DEALY, CATHERINE & PETER	1482 EAST VALLEY RD #245	SANTA BARBARA	CA	93108
DINKLAGE-PHILLIPS VACA RENTAL	1273 VERONICA SPRINGS RD	SANTA BARBARA	CA	93105-4535
DOLPHIN VISTA	16 E ARRELLAGA ST	SANTA BARBARA	CA	93101-2502
DOMINIC, ANDREA	1187 COAST VILLAGE RD #413	SANTA BARBARA	CA	93108
DUNAWAY, ANNE-MARIE & SCOTT	658 LILAC DRIVE	SANTA BARBARA	CA	93108
E A KELLER	1991 LAS CANOAS RD	SANTA BARBARA	CA	93105-2350
EAGLE INN	232 NATOMA AVE.	SANTA BARBARA	CA	93101
EAST BEACH COTTAGES	1415 CANTERA AVE	SANTA BARBARA	CA	93110-2402
EAST BEACH VILLA	PO BOX 11356	SPOKANE VALLEY	WA	99211-1356
EATON, DARRYL & ISA	960 ANDANTE ROAD	SANTA BARBARA	CA	93105
EL CAPITAN CANYON	11560 CALLE REAL	GOLETA	CA	93117
ELLIS FEINSTEIN	340 WHITE OAK CIR	MEDFORD	OR	97504-7737
EXTENDED STAY AMERICA	4870 CALLE REAL	GOLETA	CA	93117

BUSINESS NAME	SITE ADDRESS	SITE CITY	SITE ST	SITE ZIP
EYEARS, COLETTE	647 TABOR LANE	SANTA BARBARA	CA	93108
FERRARA RENTAL	33 GLEN HAVEN RDG	SOQUEL	CA	95073-9430
FIESTA INN & SUITES	1816 STATE STREET	SANTA BARBARA	CA	93101
FLYNN, DAVID & CARLA	2126 EAST VALLEY RD	SANTA BARBARA	CA	93108
FOUR SEASONS RESORT THE BILTMORE SANTA BARBARA	1260 CHANNEL DR	SANTA BARBARA	CA	93108
FOX VACATION RENTAL	301 EL CAMINO REAL	VALLEJO	CA	94590-3417
FRANCIS, NORI BURK	755 CHIPETA DR	RIDGWAY	CO	81432
FRANCISCAN INN	109 BATH STREET	SANTA BARBARA	CA	93101
FRITZEN	2514 ORELLA ST	SANTA BARBARA	CA	93105-3811
GADDIS VACATION RENTAL	2000 ALASKAN WAY APT 156	SEATTLE	WA	98121-2199
GARDEN RETREAT	16 E ARRELLAGA ST	SANTA BARBARA	CA	93101-2502
GARY & JEANNE O'BRIEN	934 W MICHELTORENA ST	SANTA BARBARA	CA	93101-4712
GATTO RESIDENCE	1448 CRESTLINE DR	SANTA BARBARA	CA	93105-4609
GERLACH, KARI ANN	5277 AUSTIN RD	SANTA BARBARA	CA	93111
GILBERT HOUSE	16 E ARRELLAGA ST	SANTA BARBARA	CA	93101-2502
GILKESON, ANNETTE	5292 AUSTIN ROAD	SANTA BARBARA	CA	93111
GIN'S COTTAGE	16 E ARRELLAGA ST	SANTA BARBARA	CA	93101-2502
GLDHILL, DAVID	1040 MISSION CANYON ROAD	SANTA BARBARA	CA	93105
GOETZ	3147 ISLAND VIEW DR	VENTURA	CA	93003-1027
GREEN, DAVID	1377 SCHOOL HOUSE RD	SANTA BARBARA	CA	93108
GRIMM INVESTMENTS, LLC	1379 EAST VALLEY RD	SANTA BARBARA	CA	93108
GRUA, MICHAEL	5589 W CAMINO CIELO	SANTA BARBARA	CA	93105
H & J SAN MIGUEL LLC	3870 BIRCHWOOD DR	BOULDER	CO	80304-1419
HAMPTON INN, GOLETA	5665 HOLLISTER AVE	GOLETA	CA	93117
HARBOR HOUSE INN	104 BATH STREET	SANTA BARBARA	CA	93101
HARBOR RETREAT	16 E ARRELLAGA ST	SANTA BARBARA	CA	93101-2502
HARBOR VIEW INN	28 W. CABRILLO BLVD	SANTA BARBARA	CA	93101
HARBOR WALK COTTAGE INC	27887 SKYCREST CIRCLE DR	VALENCIA	CA	91354-1409
HAYNES, TERRY	1684 MEDICINE BOW RD	ASPEN	CO	81611
HEIDI STILWELL & SUSIE BIGELOW	10805 SAPPHIRE VISTA AVE	LAS VEGAS	NV	89144-4153
HILLTOP ADOBE	1420 LA CIMA RD	SANTA BARBARA	CA	93101-4934
HILLTOP VILLA	1557 LA CRESTA CIR	SANTA BARBARA	CA	93109-1741
HOLIDAY INN EXPRESS – HOTEL VIRGINIA	17 W HALEY ST	SANTA BARBARA	CA	93101
HOLIDAY LODGE	2825 STATE STREET	SANTA BARBARA	CA	93105
HOTEL 864	864 HIGHLAND DR APT 2	SANTA BARBARA	CA	93109-1338
HOTEL INDIGO SANTA BARBARA	121 STATE STREET	SANTA BARBARA	CA	93101
HOTEL MILO	202 WEST CABRILLO BLVD.	SANTA BARBARA	CA	93101
HOTEL SANTA BARBARA	533 STATE STREET	SANTA BARBARA	CA	93101
HUMPHREYS, CRYSTAL	2835 IVORY AVE	SIMI VALLEY	CA	93063
HYATT SANTA BARBARA	1111 E. CABRILLO BLVD	SANTA BARBARA	CA	93103

BUSINESS NAME	SITE ADDRESS	SITE CITY	SITE ST	SITE ZIP
IN TOWN CONTEMPORARY	16 E ARRELLAGA ST	SANTA BARBARA	CA	93101-2502
INGA FRICK	827 ORANGE AVE	SANTA BARBARA	CA	93101-4418
INN AT EAST BEACH	1029 ORILLA DEL MAR	SANTA BARBARA	CA	93103
INN BY THE HARBOR	433 WEST MONTECITO STREET	SANTA BARBARA	CA	93101
INN IN SANTA BARBARA	26 E. HALEY STREET	SANTA BARBARA	CA	93101
INN ON SUMMER HILL & SPA	2520 LILLIE AVE	SUMMERLAND	CA	93067
INVITED HOME SANTA BARBARA LLC	403 E GUTIERREZ ST	SANTA BARBARA	CA	93101-1708
INVITED HOME, SANTA BARBARA	1401 WALNUT ST SUITE 100	BOULDER	CO	80302
ISLAND VIEW COTTAGE	16 E ARRELLAGA ST	SANTA BARBARA	CA	93101-2502
ISLAND VIEW NEST	233 COOPER RD	SANTA BARBARA	CA	93109-1809
JAN GRIFFIN	1542 SANTA ROSA AVE	SANTA BARBARA	CA	93109-2067
JANET GANDER GUY	328 W VALERIO ST	SANTA BARBARA	CA	93101-2932
JANIE RAE WEBB RENTAL	2515 BANK ST	BAKERSFIELD	CA	93304-2624
JASON STREATFEILD LUXURY ESTATES	1187 COAST VILLAGE RD #1-209	SANTA BARBARA	CA	93108
JEFFREY CROSBY	2700 156TH AVE NE STE 100	BELLEVUE	WA	98007-6554
JODY HOGENTOGLER	302 ARGONNE CIR	SANTA BARBARA	CA	93105-2700
JOHN MCEVOY	1625 SHORELINE DR	SANTA BARBARA	CA	93109-2023
JOHN MCGEE	1695 MONARCH DR	SANTA YNEZ	CA	93460-9738
JULIE & DON RENTAL	2506 STATE ST	SANTA BARBARA	CA	93105-3564
KELLAMS, DAVID & VICTORIA	1030 VERONICA SPRINGS RD	SANTA BARBARA	CA	93105
KEVIN & SONIA CONNORS	231 OLIVER RD	SANTA BARBARA	CA	93109-1972
KIRKHART, MARY & MARK	1426 GREENWORTH PL	SANTA BARBARA	CA	93108
KLEIN, ROBERT	2910 HOLLY ROAD	SANTA BARBARA	CA	93105
KNUST, LISA	170 HERMOSILLO DR	SANTA BARBARA	CA	93108
KOOP, CHASE & CASSIE	197 NOGAL DRIVE	SANTA BARBARA	CA	93110
KRAYNYK, RICKY	501 VIA TRANQUILA	SANTA BARBARA	CA	93110
KRISTEN WALKER	718 MISSION CANYON RD # A	SANTA BARBARA	CA	93105-2913
KURT CONDIE VACATION RENTAL	226 CALLE GRANADA	SANTA BARBARA	CA	93105-2702
LA QUINTA INN & SUITES	1601 STATE STREET	SANTA BARBARA	CA	93101
LA VILLA JARDIN	26 W MISSION ST STE 3	SANTA BARBARA	CA	93101-2432
LAGUNA COTTAGE	1624 LAGUNA ST	SANTA BARBARA	CA	93101-1130
LARSEN, DANA & LIZ	3846 CRESCENT DR	SANTA BARBARA	CA	93110
LARSON, DAVID & TRACY	111 E VICTORIA ST, 2ND FL	SANTA BARBARA	CA	93101
LAS TUNAS PROPERTIES	16352 34TH AVE NE	LAKE FOREST PARK	WA	98155-6510
LAVENDER INN BY THE SEA	206 CASTILLO STREET	SANTA BARBARA	CA	93101
LE CASE LLC	2267 AUGUSTA ST	SAN LUIS OBISPO	CA	93401-4501
LEMON TREE INN	2819 STATE STREET	SANTA BARBARA	CA	93105
LEVINSON-SOKOLOVE	6 SPRINGBRIAR LN	BALTIMORE	MD	21208-3410
LILY HAVEN	3463 STATE ST # 531	SANTA BARBARA	CA	93105-2662
LINKER, GARY & VICTORIA	320 MALAGA DRIVE	SANTA BARBARA	CA	93108

BUSINESS NAME	SITE ADDRESS	SITE CITY	SITE ST	SITE ZIP
LITTLE PALM COTTAGE LLC	315 MEIGS RD STE A253	SANTA BARBARA	CA	93109-1900
LOUISE VAN PATTEN	11325 DILLING ST	STUDIO CITY	CA	91602-3307
LYNDA UNTERTHINER	PO BOX 4517	SANTA BARBARA	CA	93140-4517
LYNN ROBINSON	946 CALLE CORTITA	SANTA BARBARA	CA	93109-1205
MACCORKLE, CAROL	36 MANSION COURT	MENLO PARK	CA	94025
MAGNOLIA COTTAGE	161 HERMOSILLO RD	SANTA BARBARA	CA	93108-2414
MARIA RICHARDSON	871 ROBB RD	PALO ALTO	CA	94306-3730
MARILYN'S BEACH HOUSE	620 FLORA VISTA DR	SANTA BARBARA	CA	93109-1106
MARINA BEACH MOTEL	21 BATH STREET	SANTA BARBARA	CA	93101
MARY BELLE HOLLEY	14550 TORREY CHASE BLVD STE 100	HOUSTON	TX	77014-1031
MASON BEACH INN	324 W. MASON	SANTA BARBARA	CA	93101
MASON VACATIONAL RENTAL	924 LAGUNA ST # B	SANTA BARBARA	CA	93101-1405
MCBRIDE, EMILY	1250 COAST VILLAGE RD	SANTA BARBARA	CA	93108
MEARES HOUSE	301 OLIVER RD	SANTA BARBARA	CA	93109-1939
MEMY OCCUPIED	PO BOX 2711	SANTA BARBARA	CA	93120-2711
MESA DELIGHT	309 LOYOLA DR	SANTA BARBARA	CA	93109-2013
MESA JEWEL	1358 SAN RAFAEL AVE	SANTA BARBARA	CA	93109-2052
MESA PARADISE	1314 PARKINSON AVE	PALO ALTO	CA	94301-3452
MICHAEL J. HOFFMAN	1016 OLIVE ST	SANTA BARBARA	CA	93101-1409
MICHAEL MELUSKY	4003 VIA DIEGO APT A	SANTA BARBARA	CA	93110-1472
MIKE & ROSE VACATION RENTAL	1333 CLIFF DR	SANTA BARBARA	CA	93109-1729
MOGUL HOLDINGS CORP	510 CASTILLO ST STE 102	SANTA BARBARA	CA	93101
MOLLY KELLOGG	3061 CALLE NOGUERA	SANTA BARBARA	CA	93105-2822
MONICA MICHALAK	20922 MISSION LN	HUNTINGTON BEACH	CA	92646-6136
MONTECITO INN	1295 COAST VILLAGE ROAD	SANTA BARBARA	CA	93108
MONTESANO, ARLENE	937 CIMA LINDA LANE	SANTA BARBARA	CA	93108
MOORE-STURGEON HOUSE	1588 LA CORONILLA DR	SANTA BARBARA	CA	93109-1716
MOSBY, STEVE	294 BITTERROOT DR	LEWISTOWN	MT	59457
MOTEL 6	5897 CALLE REAL	GOLETA	CA	93117
MOTEL 6 #2	3505 STATE STREET	SANTA BARBARA	CA	93105
MOTEL 6 SANTA BARBARA BEACH	443 CORONA DEL MAR	SANTA BARBARA	CA	93103
MOYER, TOM	3905 STATE ST #179	SANTA BARBARA	CA	93105
NELSON, DOROTHY	4656 VINTAGE RANCH LANE	SANTA BARBARA	CA	93110
NEWENDORP VACATION RENTAL	136 OLIVER RD	SANTA BARBARA	CA	93109-1973
NEWMAN FAMILY HOME	2220 CARLTON WAY	SANTA BARBARA	CA	93109-1881
NIMMER, LARRY & DAVID	5296 EL CARRO LANE	CARPINTERIA	CA	93013
NURAY, FATIMA	PO BOX 5512	SANTA BARBARA	CA	93150
OASIS INN & SUITES	3344 STATE STREET	SANTA BARBARA	CA	93105
O'BRIEN, GREG	2937 GLEN ALBYN DR	SANTA BARBARA	CA	93105
OCEAN BREEZE	16 E ARRELLAGA ST	SANTA BARBARA	CA	93101-2502

BUSINESS NAME	SITE ADDRESS	SITE CITY	SITE ST	SITE ZIP
OCEAN BREEZE STUDIO	127 COOPER RD	SANTA BARBARA	CA	93109-1807
OHANIAN, DINO & FLORIDA	PO BOX 50132	SANTA BARBARA	CA	93150
OLD YACHT CLUB INN	431 CORONA DEL MAR DR.	SANTA BARBARA	CA	93103
OLD YACHT CLUB INN LLC	430 CORONA DEL MAR	SANTA BARBARA	CA	93103-3602
ORANGE TREE INN	1920 STATE STREET	SANTA BARBARA	CA	93101
ORSUA, JOYCE	1900 REFUGIO ROAD	GOLETA	CA	93117
PACIFIC CREST INN BY THE SEA	433 CORONA DEL MAR DR.	SANTA BARBARA	CA	93103
PACIFIC PEACE	275 EL CIELITO RD	SANTA BARBARA	CA	93105-2306
PACIFICA SUITES SANTA BARBARA	5490 HOLLISTER AVE	SANTA BARBARA	CA	93111
PAINTED PONY BUNGALOW	1627 CALLE CANON	SANTA BARBARA	CA	93101-4900
PAPE, NANCY	1335 40TH STREET	SACRAMENTO	CA	93067
PARADISE RETREATS	16 E. ARRELLAGA ST	SANTA BARBARA	CA	93101
PARADISE RETREATS	16 E ARRELLAGA ST	SANTA BARBARA	CA	93101
PARKSIDE INN	424 POR LA MAR	SANTA BARBARA	CA	93103
PARRIS, WILLIAM	510 CASTILLO ST #320	SANTA BARBARA	CA	93101
PAUL & JULIE CRAIG	100 PALM TREE LANE	SANTA BARBARA	CA	93108
PAULOS, NIKOLE	2720 PAINTED CAVE RD	SANTA BARBARA	CA	93105
PIERCE, MONIQUE	4156 VISTA CLARA RD	SANTA BARBARA	CA	93110
POINT OF VIEW	16 E ARRELLAGA ST	SANTA BARBARA	CA	93101-2502
POLLERO, CLAUDIO	424 PIMIENTO LANE	SANTA BARBARA	CA	93108
POLLEY PROPERTIES	153 TERRACE DR	SAN FRANCISCO	CA	94127-1529
POPP, NORMAN	122 S PATTERSON #133	SANTA BARBARA	CA	93111
PRESTIGIACOMO, FARO	475 BARKER PASS RD	SANTA BARBARA	CA	93108
QUALITY INN	3055 DE LA VINA STREET	SANTA BARBARA	CA	93105
RAMADA LIMITED	PO BOX 485	LOS OLIVOS	CA	93441
REARICK, JILL	310 DOGWOOD DR	BUELLTON	CA	93427
RICHARDSON, VERLINDA	PO BOX 284	SUMMERLAND	CA	93067
RILEY, KEVIN	1530 HOLIDAY HILL ROAD	GOLETA	CA	93117
RIVER ROCK COTTAGE	16 E ARRELLAGA ST	SANTA BARBARA	CA	93101-2502
RIVIERA CANYON	16 E ARRELLAGA ST	SANTA BARBARA	CA	93101-2502
RIVIERA RETREAT	16 E ARRELLAGA ST	SANTA BARBARA	CA	93101-2502
RIVIERA VIEW COTTAGE	1072 GARCIA RD	SANTA BARBARA	CA	93103-2126
ROBBIN BEHRENS	PO BOX 50422	SANTA BARBARA	CA	93150
ROBERT & GAIL BOGLE	7027 E PEAKVIEW PL	CENTENNIAL	CO	80111-4621
ROCKWOOD, WENDY	3463 STATE ST #531	SANTA BARBARA	CA	93105
ROEBUCK, ATHENA & ROBERT	258 BUTTERFLY LANE	SANTA BARBARA	CA	93108
ROGERS, KAREN	1601 MOORE RD	SANTA BARBARA	CA	93108
ROKACZ, JOHN	30 N LASALLE ST	CHICAGO	IL	60606
ROOS, EMILY K	3463 STATE ST #594	SANTA BARBARA	CA	93105
ROSE GARDEN INN	3643 STATE STREET	SANTA BARBARA	CA	93105
RUPPERT GUEST RENTAL	554 ALAN RD	SANTA BARBARA	CA	93109-1005

BUSINESS NAME	SITE ADDRESS	SITE CITY	SITE ST	SITE ZIP
RUTHERFORD, JOHN & LYNN	1374 DANIELSON RD #B	SANTA BARBARA	CA	93108
RYAN, LESLIE	PO BOX 644	SUMMERLAND	CA	93067
S B MESA BEACHSIDE RENTAL	202 COOPER RD	SANTA BARBARA	CA	93109-1810
SALESS, BIJAN & SALLIE	931 KNAPP DRIVE	SANTA BARBARA	CA	93108
SAN YSIDRO RANCH	900 SAN YSIDRO LN	MONTECITO	CA	93108
SANDMAN INN	3714 STATE STREET	SANTA BARBARA	CA	93105
SANDPIPER LODGE	3525 STATE STREET	SANTA BARBARA	CA	93105
SANDRA CASTELLINO	1105 N ONTARE RD	SANTA BARBARA	CA	93105-1937
SANTA BARBARA AUTO CAMP	PO BOX 92251	SANTA BARBARA	CA	93190-2251
SANTA BARBARA COTTAGES	854 JIMENO RD	SANTA BARBARA	CA	93103-2018
SANTA BARBARA EXCLUSIVE RENTALS	PO BOX 5396	SANTA BARBARA	CA	93150
SANTA BARBARA INN	901 E. CABRILLO BLVD.	SANTA BARBARA	CA	93103
SANTA BARBARA LUXURY RENTALS	3905 STATE STREET, STE. 7-167	SANTA BARBARA	CA	93105
SANTA BARBARA RENTAL BIZ	P.O. BOX 1419	SANTA BARBARA	CA	93102
SANTA BARBARA RIVIERA VACATIONS	1611 ORAMAS RD	SANTA BARBARA	CA	93103-2025
SANTA BARBARA TOURIST HOSTEL	134 CHAPALA STREET	SANTA BARBARA	CA	93101
SANTA BARBARA VACATION RENTAL	4985 SHASTA WAY	ORCUTT	CA	93455-5772
SANTA BARBARA VACATION RENTALS	27 W ANAPAMU ST # 228	SANTA BARBARA	CA	93101-3107
SANTA BARBARA VACATION RENTALS, LLC	27 WEST ANAPAMU ST #228	SANTA BARBARA	CA	93101
SANTA BARBARA VIEWS CONDO	1050 VISTA DEL PUEBLO APT 2	SANTA BARBARA	CA	93101-4838
SB HOME AWAY FROM HOME	416 E VALERIO ST	SANTA BARBARA	CA	93101-1119
SEA GLASS COTTAGE	16 E ARRELLAGA ST	SANTA BARBARA	CA	93101-2502
SEASCAPE REALTY	4915 CARPINTERIA AVE #C	CARPINTERIA	CA	93013
SEASCAPE RETREAT	16 E ARRELLAGA ST	SANTA BARBARA	CA	93101-2502
SECRET GARDEN INN & COTTAGES	1908 BATH STREET	SANTA BARBARA	CA	93101
SECRET SPOT/HIDDEN COVE	3006 BEE CAVES RD STE D310	AUSTIN	TX	78746-5753
SEVILLANO MANAGEMENT CO, LLC	3215 FOOTHILL RD	CARPINTERIA	CA	93013
SHARON LANDECKER	2101 MOUNTAIN AVE	SANTA BARBARA	CA	93101-4615
SHORELINE COTTAGE	2461 CALLE ALMONTE	SANTA BARBARA	CA	93109-1121
SHORELINE RENTALS	136 LAS ONDAS	SANTA BARBARA	CA	93109-2146
SHORELINE RETREAT	16 E ARRELLAGA ST	SANTA BARBARA	CA	93101-2502

BUSINESS NAME	SITE ADDRESS	SITE CITY	SITE ST	SITE ZIP
SHORELINE VACATIONS LLC	515 E MICHELTORENA ST STE D	SANTA BARBARA	CA	93103-4224
SIMPSON HOUSE INN	121 E. ARRELLAGA STREET	SANTA BARBARA	CA	93101
SNOW, KEVIN & SHEILA	980 TORNOE ROAD	SANTA BARBARA	CA	93105
SOOFER, RAMIN	11845 W OLYMPIC BLVD #901	LOS ANGELES	CA	90064
SOUL AND SEA GUESTHOUSE	PO BOX 50725	SANTA BARBARA	CA	93150-0725
SPANISH GARDEN INN	915 GARDEN STREET	SANTA BARBARA	CA	93101
STAYSB.COM	27 W ANAPAMU ST STE 267	SANTA BARBARA	CA	93101-3107
STEPHEN HARBY	718 CEDAR ST	SANTA MONICA	CA	90405-3810
STEPHENSON, JIM & CATHY BEARDSMORE	2752 PAINTED CAVE RD	SANTA BARBARA	CA	93105
STEVER, VIRGINIA	760 S ORANGE GROVE BLVD	PASADENA	CA	91105
STOLNITZ, SCOTT	PO BOX 5396	SANTA BARBARA	CA	93150
SUMMERLAND BEACH, LLC	PO BOX 5582	SANTA BARBARA	CA	93150
SUMMERLAND INN	2161 ORTEGA HILL RD	SUMMERLAND	CA	93067
SUNSET MOTEL	3504 STATE STREET	SANTA BARBARA	CA	93105
SUPER 8 SANTA BARBARA/GOLETA	6021 HOLLISTER AVE	GOLETA	CA	93117
SWIFT, THEODORE & REBECCA	287 MIDDLE ROAD	SANTA BARBARA	CA	93108
SWITZER, KEN	308 W YANONALI ST	SANTA BARBARA	CA	93101
TARMAN VACATION RENTAL	3 SAINT FRANCIS WAY	SANTA BARBARA	CA	93105-2551
TERESA H LEMUS	135 NATOMA AVE APT B	SANTA BARBARA	CA	93101-3564
THE FESS PARKER: A DOUBLETREE BY HILTON RESORT	633 EAST CABRILLO BLVD.	SANTA BARBARA	CA	93103
THE GOODLAND, A KIMPTON HOTEL (FORMERLY HOTEL GOLETA)	5650 CALLE REAL	GOLETA	CA	93117
THE PRESIDIO	1620 STATE STREET	SANTA BARBARA	CA	93101
THE RETREAT	16 E ARRELLAGA ST	SANTA BARBARA	CA	93101-2502
THE SB COTTAGES	609 BATH ST	SANTA BARBARA	CA	93101-3303
THEILMANN, THEODORE & MARY ANNE	3198 VIA REAL	CARPINTERIA	CA	93013
THOMPSON, GEORGE & DEETT	3635 LA ENTRADA	SANTA BARBARA	CA	93105
THORNE-THOMSEN LIVING TRUST	2425 PIKES FALLS RD	JAMAICA	VT	05343-4436
TILLISCH, SANDRA	231 MIDDLE ROAD	SANTA BARBARA	CA	93108
TODD DREVO	1402 GRAND AVE	SANTA BARBARA	CA	93103-2014
TOWN & COUNTRY INN	2800 STATE STREET	SANTA BARBARA	CA	93105
TRANQUILA	16 E ARRELLAGA ST	SANTA BARBARA	CA	93101-2502
TURNKEY VACATION RENTALS	3006 BEE CAVES RD #D-310	AUSTIN	TX	78746
UHLER, CAREY	5245 JAMES ROAD	SANTA BARBARA	CA	93111

BUSINESS NAME	SITE ADDRESS	SITE CITY	SITE ST	SITE ZIP
UPHAM HOTEL AND COUNTRY HOUSE, THE	1404 DE LA VINA	SANTA BARBARA	CA	93101
VACATION RENTALS OF SANTA BARBARA	924 LAGUNA ST #B	SANTA BARBARA	CA	93101
VENABLE, SHANNON	74 VIRGINIA LANE	SANTA BARBARA	CA	93108
VERNON, THOMAS	845 11TH ST	BOULDER	CO	80302
VERONICA SPRINGS VACATION RENTALS	PO BOX 3402	SANTA BARBARA	CA	93130
VICTORIAN TOWNHOUSES OF SANTA BARBARA	1515 DE LA VINA ST	SANTA BARBARA	CA	93101-3028
VILLA DI GIULIETTA	PO BOX 1988	SIMI VALLEY	CA	93062-1988
VILLA ELEGANTE	402 ORILLA DEL MAR	SANTA BARBARA	CA	93103
VILLA ELEGANTE	PO BOX 4836	SANTA BARBARA	CA	93140-4836
VILLA MALAGA	1557 LA CRESTA CIR	SANTA BARBARA	CA	93109-1741
VILLA ROSA INN	15 CHAPALA STREET	SANTA BARBARA	CA	93101
VILLA ROSA VACATION RENTAL	PO BOX 4853	SANTA BARBARA	CA	93140-4853
VILLA SHORELINE	1187 COAST VILLAGE RD # 490	SANTA BARBARA	CA	93108-2737
WADE, ERIC & DIANNE	2217 WESTVIEW DR	NASHVILLE	TN	37212
WARD, KARL	437 SEAVIEW RD	SANTA BARBARA	CA	93108
WATERS EDGE	16 E ARRELLAGA ST	SANTA BARBARA	CA	93101-2502
WEST BEACH INN	306 W. CABRILLO BLVD	SANTA BARBARA	CA	93101
WHEELER, NIK & PAMELA	1696 SAN LEANDRO LANE	SANTA BARBARA	CA	93108
WHITE, HARWOOD & KATHRYN SNOW	1553 KNOLL CIRCLE DR	SANTA BARBARA	CA	93103
WHITE, KRISTINE MAINLAND	555 EL SUENO ROAD	SANTA BARBARA	CA	93110
WIEGER, DAVID	646 N HOPE AVE	SANTA BARBARA	CA	93110
WIGLE, KATHLEEN	4188 FOOTHILL ROAD #A	CARPINTERIA	CA	93013
WILK, ERIK	796 CHARLOTTE LANE	SANTA BARBARA	CA	93105
WILLIAMSON, VICTORIA	2675 GIBRALTAR ROAD	SANTA BARBARA	CA	93105
WIMBERLY, ED & JOAN	211 OCEAN VIEW RD	CARPINTERIA	CA	93013
Winter Vacation Rental	924 LAGUNA ST STE B	SANTA BARBARA	CA	93101-1405
WINTHROP, STUART & ELIZABETH	1959 LAS TUNAS RD	SANTA BARBARA	CA	93103
Wm Livingstone Vacation Rental	836 CREST DR	ENCINITAS	CA	92024-4039
WYATT, SU	884 CHELTENHAM RD	SANTA BARBARA	CA	93105

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
SANTA BARBARA DECLARING RESULTS OF MAJORITY
PROTEST PROCEEDINGS AND RENEWING THE SANTA
BARBARA SOUTH COAST TOURISM BUSINESS
IMPROVEMENT DISTRICT

WHEREAS, the Property and Business Improvement District Law of 1994 (Streets and Highways Code §§ 36600 et seq.) authorizes the City to renew business improvement districts upon petition by a weighted majority of the lodging business owners located within the boundaries of the district;

WHEREAS, lodging business owners who will pay more than fifty percent (50%) of the proposed assessment, as weighted according to the amount of the assessment to be paid by the petitioner, within the boundaries of the Santa Barbara South Coast Tourism Business Improvement District ("SBSCTBID") have petitioned the City Council to renew the SBSCTBID;

WHEREAS, included with the petitions was a Management District Plan summary that describes the proposed assessment to be levied on lodging businesses within the SBSCTBID to pay for sales promotion and marketing activities, and other improvements and activities set forth in the Management District Plan;

WHEREAS, the assessed lodging businesses within the SBSCTBID will be specifically benefited by the activities and improvements set forth in the Management District Plan;

WHEREAS, the City requested consent from the County of Santa Barbara and the cities of Carpinteria and Goleta to include lodging businesses in their jurisdictions in the SBSCTBID;

WHEREAS, the City received consent from the County of Santa Barbara and the City of Goleta to include lodging businesses in their jurisdictions in the SBSCTBID; and

WHEREAS, the City of Carpinteria did not grant consent for lodging businesses in its jurisdiction to be included in the SBSCTBID;

WHEREAS, on September 9, 2014, at 2:00 p.m. at 735 Anacapa Street, Santa Barbara, California, the City Council adopted a Resolution of Intention, Resolution No. 14-063;

WHEREAS, the public meeting and public hearing to consider the renewal of the SBSCTBID have been properly noticed in accordance with Streets and Highways Code section 36623;

WHEREAS, on September 30, 2014 at 2:00 p.m. at 735 Anacapa Street, Santa Barbara, California, the City Council held a public meeting regarding the renewal of the

SBSCTBID, and the City Council heard and received objections and protests, if any, to the renewal of the SBSCTBID and the levy of the proposed assessment;

WHEREAS, on October 28, 2014 at 2:00 p.m. at 735 Anacapa Street, Santa Barbara, California, the City Council held a public hearing regarding the renewal of the SBSCTBID, and the City Council heard and received all objections and protests, if any, to the renewal of the SBSCTBID and the levy of the proposed assessment; and

WHEREAS, the City Clerk has determined that there was no majority protest. A majority protest is defined as written protests received from owners of businesses in the proposed district which would pay fifty percent (50%) or more of the assessments proposed to be levied. Protests are weighted based on the assessment proposed to be levied on each lodging business.

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

1. The recitals set forth herein are adopted by the City Council as findings and they are true and correct.

2. The Santa Barbara South Coast Tourism Business Improvement District is hereby renewed for a six (6) year term, beginning January 1, 2015 through December 31, 2020.

3. Pursuant to Streets and Highways Code sections 36620.5 and 36624, the renewed district will not include lodging businesses within the City of Carpinteria. The Management District Plan dated October 14, 2014, reflecting the reduced boundaries, is on file with the City Clerk and is hereby adopted.

4. The activities to be provided to benefit businesses in the district will be funded by the levy of the assessment. The revenue from the assessment levy shall not be used to provide activities that directly benefit businesses outside the district; to provide activities or improvements outside the SBSCTBID; or for any purpose other than the purposes specified in this Resolution, the Resolution of Intention, and the Management District Plan.

5. The City Council finds as follows, based upon the Management District Plan and such other information as has been presented:

a) The activities funded by the assessment will provide a specific benefit to assessed businesses within the SBSCTBID that is not provided to those not paying the assessment.

b) The assessment is a charge imposed for a specific benefit conferred or privilege granted directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of conferring the benefit or granting the privilege.

c) The assessment is a charge imposed for a specific government service or product provided directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of providing the service or product.

d) Assessments imposed pursuant to the SBSCTBID are levied solely upon the assessed business, and the business owner is solely responsible for payment of the assessment when due. If the owner chooses to collect any portion of the assessment from a transient occupant, that portion shall be specifically called out and identified for the transient occupant in any and all communications from the business owner as the "SBSCTBID Assessment."

6. The assessments levied for the SBSCTBID shall be applied towards sales, promotions and marketing programs to market Santa Barbara South Coast lodging businesses as tourist, meeting and event destinations, and other improvements and activities as set forth in the Management District Plan.

7. Assessments levied on lodging businesses pursuant to this Resolution shall be levied on the basis of benefit. Because the services provided are intended to increase room rentals, an assessment based on room rentals is the best measure of benefit.

8. The assessments for the entire District will total approximately \$2,945,840 in year one.

9. Bonds shall not be issued to fund the SBSCTBID.

10. The SBSCTBID shall include all lodging business located within the boundaries of the cities of Santa Barbara and Goleta, and portions of unincorporated southern Santa Barbara County. A boundary map is attached hereto and incorporated herein by reference.

11. The assessments shall be used for the purposes set forth above and any funds remaining at the end of any year may be used in subsequent years in which the SBSCTBID assessment is levied as long as they are used consistent with the requirements set forth herein.

12. The assessments to fund the activities and improvements for the SBSCTBID will be collected on a monthly basis by the jurisdictions and in accordance with Streets and Highways Code section 36631.

13. Santa Barbara Conference and Visitors Bureau (DBA "Visit Santa Barbara") shall be the Owners' Association pursuant to Streets and Highways Code section 36614.5 and shall enter into an appropriate agreement with the City of Santa Barbara for administrative services.

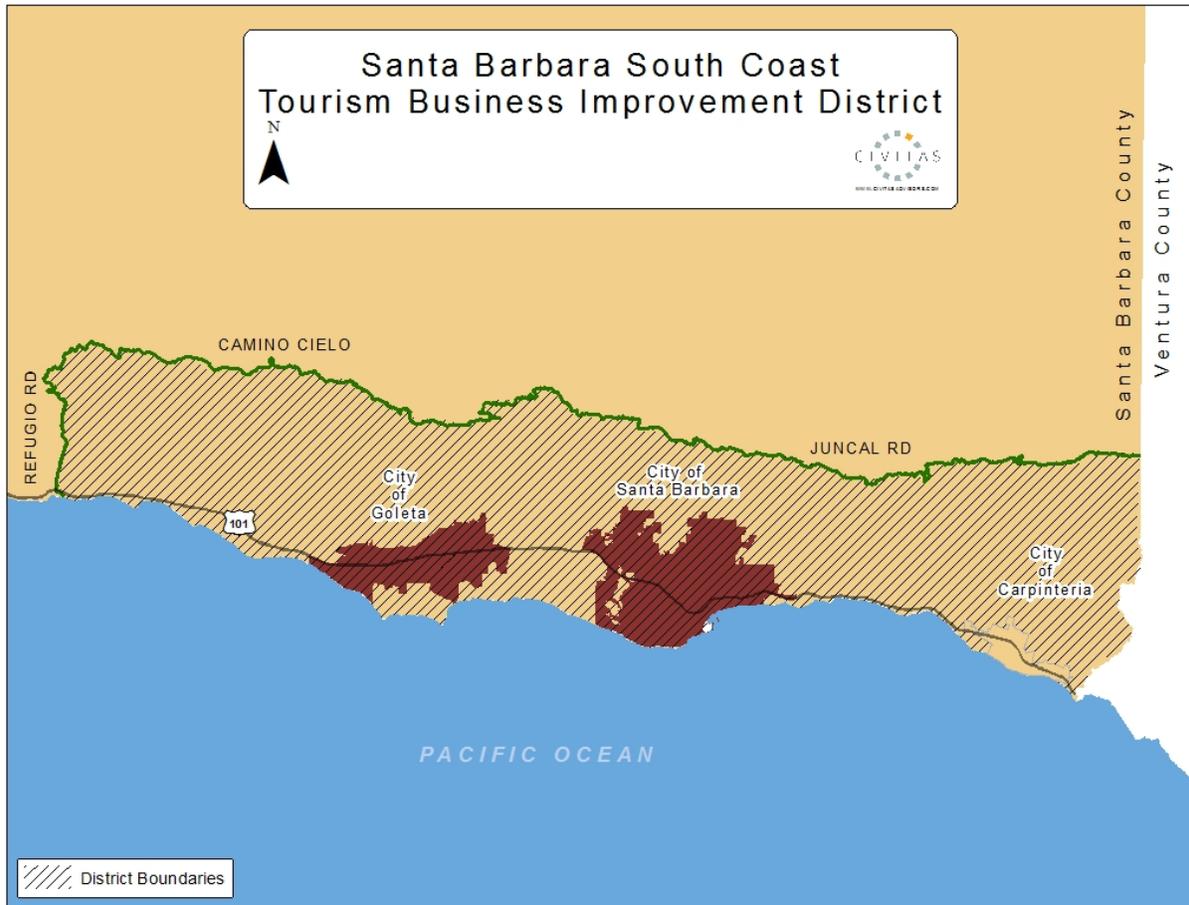
14. Visit Santa Barbara, pursuant to Streets and Highways Code section 36650, shall cause to be prepared a report for each fiscal year, except the first year, for which assessments are to be levied and collected to pay the costs of the improvement and activities described in the report. The first report shall be due after the first year of operation of the district.

15. The SBSCTBID renewed pursuant to this resolution will be subject to any amendments to the Property and Business Improvement District Law of 1994 (California Streets and Highways Code §§ 36600 et seq.).

16. The City Clerk, or his or her designee, is directed to take all necessary actions to complete the establishment of the SBSCTBID and to levy the assessments.

17. This Resolution shall take effect immediately upon its adoption by the City Council.

Boundary Map



RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA BARBARA DECLARING ITS INTENTION TO MODIFY THE 2011-2015 MANAGEMENT DISTRICT PLAN OF THE SANTA BARBARA SOUTH COAST TOURISM BUSINESS IMPROVEMENT DISTRICT AND FIXING THE TIME AND PLACE OF A PUBLIC MEETING AND A PUBLIC HEARING THEREON AND GIVING NOTICE THEREOF

WHEREAS, the City of Santa Barbara created the Santa Barbara South Coast Tourism Business Improvement District ("SBSCTBID") on September 28, 2010 by Resolution No. 10-080;

WHEREAS, the Property and Business Improvement Law of 1994, Streets and Highways Code sections 36600 et seq., authorizes the City to modify the Management District Plan ("MDP") upon the written request of the Owners' Association; and

WHEREAS, the SBSC Owners' Association, the Santa Barbara Conference and Visitors Bureau (dba "Visit Santa Barbara"), requested in writing that the City Council modify the SBSCTBID Management District Plan.

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

1. The recitals set forth above are true and correct.
2. The City Council declares its intention to modify the SBSCTBID MDP.
3. The proposed modification of the SBSCTBID MDP will shorten the duration of the TBID, from five years to four years. The modification will cause the SBSCTBID to expire on December 31, 2014.
4. The time and place for the public meeting to hear testimony on modification of the SBSCTBID MDP are set for November 25, 2014, at 2:00 p.m., or as soon thereafter as the matter may be heard, at the Council Chamber located at 735 Anacapa Street, Santa Barbara, California.
5. The time and place for the public hearing on modification of the SBSCTBID MDP are set for December 16, 2014, at 2:00 PM, or as soon thereafter as the matter may be heard, at the Council Chamber located at 735 Anacapa Street, Santa Barbara, California. The City Clerk is directed to provide written notice to the lodging businesses subject to the assessment of the date and time of the meeting and hearing, and to provide that notice as required by Streets and Highways Code section 36636.
6. This Resolution shall take effect immediately upon its adoption by the City Council.



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: October 28, 2014

TO: Mayor and Councilmembers

FROM: Frank Mannix, Santa Barbara Police Department

SUBJECT: Enhanced Safety Presence Options For The Downtown Corridor

RECOMMENDATION:

That Council provide direction to staff as to what Safety Presence option should be implemented in the downtown corridor.

EXECUTIVE SUMMARY:

The downtown corridor is impacted by the effects of homeless activity and the Police Department has implemented several strategies to address this issue: Tactical Patrol Force (TPF), Restorative Policing, Nightlife Enforcement Team, and Community Service Liaisons (Yellow Shirts). City Council has appropriated \$150,000 in the Fiscal Year 2015 Budget to enhance the security presence in the downtown corridor.

Staff previously presented a "Safety Guides" model of contracted security guards to the City Council and Council requested staff to return with additional options to consider to determine the most efficient use of these funds. In addition to the Safety Guides, this report provides more options for creating a security presence, including additional Community Service Liaisons, hiring an additional police officer, paying for police officer overtime, or creating a new Community Services Officer (CSO) position.

DISCUSSION:

City Council authorized \$150,000 in the Fiscal Year 2015 budget for an enhanced security presence in the lower downtown corridor. On September 9, 2014, City Staff gave a presentation to Council regarding a "Safety Guides" program based upon models in Long Beach, Santa Monica, and other business districts in Southern California. The City Council requested more information about this approach and ultimately directed the Police Department to present a list of options utilizing these funds to provide an enhanced safety presence in the downtown corridor.

Scope of Problem

City Council, downtown merchants and property owners, and members of the public have expressed concerns about unlawful behavior from homeless transients, young “urban travelers”, and other Municipal Code violators, especially in the downtown corridor. There is also a concern that generalized homeless behavior detracts from the business environment, even if the behavior is not technically violating the law.

Current Police Presence

The Santa Barbara Police Department has a long history of deploying specialized police services to address the unique problems associated with the downtown corridor. These services include:

- **Tactical Patrol Force (TPF) (Bicycle Officers and Foot Beat Officers)**
The TPF Unit consists of one sergeant and six officers who enforce street crime violations commonly associated with homeless activity in the downtown, Milpas Street, and beachfront corridors. Two of these officers are dedicated to full-time foot beat patrol in the downtown corridor, providing seven-day-a-week coverage. The remaining four TPF officers ride bicycles in their targeted areas and also enforce street crime violations. The City Council added an officer to this work unit in August 2014 as part of the Fiscal Year 2015 Budget focused on the downtown corridor. There are also six, authorized part-time Community Services Liaisons who assist the TPF unit by serving as the eyes and ears of the Police Department while interacting with the business community and the homeless population.
- **Restorative Police Officers**
There are two Restorative Police Officers who are assigned to work with the mentally ill homeless, who usually suffer from a dual diagnosis of drug/alcohol addiction and mental illness. The primary mission of the Restorative Policing Unit is to move the dual diagnosed mentally ill homeless out of the criminal justice venue and into a mental health venue, where treatment and long-term recovery is a realistic option. The Police Department also has two part-time Outreach Specialists (Blue Shirts) who assist the Restorative Policing Officers in their contacts with their service population.
- **Nightlife Enforcement Team (NET)**
This unit works closely with the local bars and nightclubs to ensure compliance with Alcohol Beverage Control laws and regulations. Through partnership and teamwork with local businesses, two Nightlife Enforcement Team officers are able to promote responsible practices of alcohol beverage serving.

Safety Presence Enhancement Options

While staff [r1] feels the current resources are effective for public safety in the downtown corridor, there is an interest in a more visible security presence and the Police Department has developed a range of options for Council to consider.

Additional Community Service Liaisons (Yellow Shirts)

The Community Services Liaisons (CSL) are a relatively new concept designed to give a highly visible presence in the downtown, beachfront, and Milpas Street corridors. The mission of the current team of six Liaisons is to serve as the “eyes and ears” of the Police Department and report misconduct requiring a police officer response. While they may contact low level violators, they have no citation authority. As a result, their contacts become impractical when confronting most Municipal Code violators. While distinctly dressed in bright yellow shirts, they have not achieved the “highly visible” presence that had been hoped. An additional \$150,000 towards this option would support an additional **9,375 hours** of CSL Yellow Shirt presence in the downtown corridor.

Contract Security Guard (Safety Guide)

This option was presented at the September 9, 2014 City Council meeting. This option would require the Downtown Parking staff to contract with a security firm to deploy two shifts (8 hr. each) of security guards (Safety Guides), 365 days a year, to serve as a visible deterrence to low level criminal behavior in the downtown corridor. The mission of the Safety Guides would be largely identical to the **CSL Yellow Shirts** [r2], although they would be deployed in a more conspicuous and visible manner. This would include a slightly more official and authoritative uniform. They would not be able to take official enforcement actions of issuing citations for low level criminal behavior. They would largely perform a role of “observe and report” to the Police Department. Staff has gathered information on how the cities of Long Beach and Santa Monica use contract security staffing (see Attachment). It is projected that this option would produce approximately **5,840 hours** of deployment.

Community Service Officer (CSO)

Community Service Officers (CSO) have been used for many years by police departments across the country. While their missions vary from department to department, they all provide a non-sworn level of police service to the community at a rate of pay substantially below that of a police officer. This option would use officially uniformed personnel to work foot beats in the downtown corridor to enforce low level criminal behavior through the issuance of Municipal Code citations. The vast majority of citations issued in the downtown corridor are for Municipal Code violations, and the Community Service Officer would be equipped to handle all of these violations. Should any situation exceed their training or capability, the Community Services Officers would

use a police issued portable radio to call for police officer assistance. A variant of this position is our current Animal Control Officer, who is conspicuously uniformed and has the authority to issue citations for Municipal Code violations involving animals. In addition, the CSO would be expected to interact with the business community in a manner similar to the Community Services Liaison (Yellow Shirts). In essence, the CSO would carry out all of the same functions of the CSL (Yellow Shirts), with the additional responsibility and authority to stop, confront, and cite Municipal Code violators. The CSO would also wear an official uniform to project the authority necessary to issue citations (i.e. similar to our Animal Control Officers). This proposal would require the police department to hire, train, and supervise part-time personnel to carry out this mission. It is estimated that this option would support **7,500 hours** of CSO deployment in the downtown corridor.

Additional Police Officer

A uniformed police officer is by far the most visible symbol of authority that can be deployed in the downtown corridor. It has the highest projection of safety but also the highest deployment cost. This officer would be assigned to the TPF unit, either on foot beat or bicycle patrol in the downtown corridor. It is projected that one additional officer would consume virtually the entire \$150,000 and would yield approximately **1,800 hours** of deployment.

Police Officer Overtime

The Police Department has successfully used overtime banks to fund specialty deployment strategies in the past. Officers would be deployed at an overtime rate (approximately \$72 hour) to work foot patrol or bicycle patrol in the downtown corridor and would yield approximately **2,080 hours** of deployment. A challenge with this proposal is to continually find staff willing to work overtime **assignments.**^[r3]

The following chart depicts the five options, hourly rate of deployment, and the total in-field deployment time associated with each position.

Funding Target		
\$150,000		
Option (Position)	Hourly Rate	Total Hours
Community Service Liaison (Yellow Shirts)	\$16	9,375
Community Services Officer	\$20	7,500
Contract Security Guard/Safety Host	\$25	5,840
Police Officer Overtime	\$72	2,083
*Police Officer New Hire (\$150,000)	\$72	1,800

*Includes benefits

“Total Deployment Hours” are the maximum number of hours that all personnel hired under each option category that may be achieved through the \$150,000 funding target. The actual deployment shift (i.e. 8 hr. shift, 6 hr. shift, etc.) may vary depending upon seasonal variances or other operational needs.

While implementing any of the options described will enhance the current police staff presence in the downtown corridor, staff recommends pursuing the Community Service Officer option based on the Council discussion to date.

New Community Service Officers will build upon the role of the Community Service Liaisons (Yellow Shirts) but have the added benefit of addressing municipal code violations. The cost structure of part-time personnel compared to an additional police officer or police officer overtime would allow for more hours of visible presence on State Street.

BUDGET/FINANCIAL INFORMATION:

No budgetary impact is anticipated, as the funding for these options is already in the approved Fiscal Year 2015 budget.

ATTACHMENT: Overview of Downtown Security Programs

PREPARED BY: Frank Mannix, Deputy Police Chief

SUBMITTED BY: Camerino Sanchez, Chief of Police

APPROVED BY: City Administrator's Office

Overview of Downtown Security Programs

The following summarizes the essential elements of the Security/Ambassador programs managed by the Business Improvement Districts in the Cities of Long Beach and Santa Monica.

Funding for the two programs is generated through assessments of property owners in the business districts. At this time, both cities contract with a security firm, Block by Block.

Block by Block was awarded contracts with the Downtown Long Beach Associates (DLBA), and, Downtown Santa Monica (DSM) after a competitive Request for Proposals process.

In both districts, Block by Block provides: qualified personnel, extensive training and equipment. They work closely with the Police Departments, meeting weekly and monthly to review any issues. Block by Block personnel and supervisors report directly to DLBA and DSM management, providing them with regular reports.

As specified in Block by Block's contracts, their services include providing highly trained personnel, well-versed in applicable laws that are a highly visible presence in the downtown. Although not a typical security operation, whenever possible, they prevent unlawful or undesirable activities by their mere presence and highly visible patrols. They are trained to provide remedial intervention when safe and to defer to the Police when intervention may be unsafe to the Guide or a third party. In addition, Block by Block is required to become involved in community activities, including meeting with community leaders, attending community meetings, job fairs, etc.

Long Beach's Safety Guides program focuses more on security, while Santa Monica's Ambassador program focuses more on the concierge aspects.

On July 22, 2014, representatives from the City of Santa Barbara's Police Department and Downtown Parking Program, along with the Executive Director of the Downtown Organization met with Block by Block's management teams in Long Beach and Santa Monica and members of their respective Police Departments. Representatives from both Police Departments expressed strong support for the programs. Block by Block's Lead and/or Supervisory personnel are the only ones that communicate with the Police. According to the respective police representatives contacted, because of the training and supervision provided by Block by Block, the Guide and Ambassador programs have not created additional or unnecessary calls for service.

Recently, the cities of Ventura and Oxnard have hired Block by Block to provide similar services in their downtown areas.

Long Beach – "Safety Guides Program"

Funded by: the Downtown Long Beach Associates, Inc

Annual Budget - \$550,000

Provide "Safety Guide" services over an 85 block area

Hours of Service:

Monday – Thursday 9:30am – Midnight

Friday – Saturday 9:30am – 2:30am

Sunday 11:00am - Midnight

Santa Monica - "Ambassador Program"

Funded by Downtown Santa Monica, Inc

Annual budget - \$1.2 million

Provides "Ambassador" services over a 30 block area

Hours of Service:

Sunday – Thursday 10:00am – 12:30am

Friday – Saturday 10:00am – 2:30am



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: October 28, 2014

TO: Mayor and Councilmembers

FROM: Ariel Calonne, City Attorney

SUBJECT: District Elections Ballot Measure

RECOMMENDATION:

That Council adopt, by reading of title only, A Resolution of the Council of the City of Santa Barbara Directing the City Clerk and City Attorney to Prepare All Necessary Actions and Documents to Enable the City Council to Place Before the Voters at the Next Regular Council Election in November 2015 the Question of Whether to Establish District Elections.

DISCUSSION:

Background

Since April 29, 2014, the City Council has been actively considering the merits of proposing by-district elections to Santa Barbara's electorate. Council will recall that on April 29th, Mayor Schneider and Councilmember White proposed a ballot measure to create hybrid at-large/district elections, a system under which four council members would be elected by-district and three members, including the Mayor, would be elected at large. At that meeting, the Council voted unanimously to direct Staff to schedule a public workshop for May 2014 to discuss various options related to a district election system.

On May 29, 2014, the City Council conducted a public work session at the Faulkner Gallery in order to receive a report from the City Attorney on the California Voting Rights Act and different election system options, including by-district elections, and to receive public comment on the question of whether to switch to by-district elections or some other form of election option. The Council made three motions as follows:

Motion: Councilmembers Hotchkiss/Rowse to direct Staff to engage a demographic expert to present to Council information regarding the determination as to whether racially polarized voting exists in Santa Barbara.

Vote: Unanimous voice vote (Absent: Councilmember Francisco).

Motion: Councilmembers Murillo/Hart to place an item on a future Council agenda for the formation of an ad hoc Council subcommittee which will discuss the issue of district elections with the committee from the community supporting this change to the City's election system.

Vote: Majority voice vote (Noes: Councilmember Hotchkiss; Absent: Councilmember Francisco).

Motion: Councilmember Murillo/Mayor Schneider to place a measure on the November 2014 election ballot to ask the voters whether the City should change its election system to a configuration in which 6 Councilmembers are elected by district and the Mayor is elected at large.

Vote: Failed to carry by voice vote (Ayes: Councilmembers Murillo, White, Mayor Schneider; Noes: Councilmembers Hart, Hotchkiss, Rowse; Absent: Councilmember Francisco)

Thereafter, on June 24, 2014, the City Council appointed three Council Members to an ad hoc committee to discuss the issue of district elections with community groups supporting such a change to the City's election system. Discussions were conducted.

The City Attorney retained a demographic consultant in anticipation of possible litigation, and on July 22, 2014, the City Council considered a presentation from Douglas Johnson of the National Demographics Corporation concerning District Elections and the California Voting Rights Act. The City Council decided to request the City Attorney to consider developing additional data regarding the existence of racially polarized voting patterns in Santa Barbara.

On July 29, 2014, the City was sued pursuant to the California Voting Rights Act in *Banales, et al. v. City of Santa Barbara*, SBSC Case No.1468167, including allegations that racially polarized voting patterns exist in the City and seeking the establishment of by-district elections. On October 1, 2014, the City answered the *Banales* lawsuit.

Analysis

The City Council has few options with respect to district elections and the *Banales* litigation. The lawsuit cannot be settled without agreement of the plaintiffs. The Council can defend the litigation, but if the plaintiffs prevail the City will be exposed to attorney and expert witness fees, which are allowed to successful plaintiffs under the California Voting Rights Act. Awards in similar cases have ranged from about \$400,000 to over \$4,000,000. Council can expect that any settlement will also involve paying attorneys' fees.

Another option is to place the matter on the ballot for the Santa Barbara voters to decide. Under Elections Code section 1415, the earliest that can happen is November 2015. The lawsuit will proceed and litigation expenses will be incurred unless the plaintiffs agree to respect the election process, but the Council will have done all that it can do to resolve the matter in an inclusive, fair and efficient manner.

The attached resolution contains the following directions for Council's consideration:

“SECTION 1. Pursuant to Elections Code section 1415, at the next regularly scheduled general municipal election the City Council intends to place before the voters the question of whether to establish by-district elections in Santa Barbara.

SECTION 2. The City Clerk and City Attorney are hereby directed to prepare in a timely manner such actions, resolutions, charter amendments, and ordinances as are necessary to place the following matters on the above-described ballot:

A. Establishment of six council districts elected by-district, and a directly elected mayor elected by the voters at large.

B. Establishment of an appointed independent districting commission which shall be charged, if district elections are approved by the voters in November 2015, with establishing the geographical boundaries of the initial six council districts. The geographical boundaries of future districts shall be established by the Council following the receipt of subsequent decennial census results.

C. District elections will commence at the regularly scheduled general municipal election occurring in November 2017.

D. Such other related matters as the City Clerk and City Attorney may deem necessary and advisable.

SECTION 3. Before the November 2015 election, the Acting City Administrator is directed to develop a civic engagement process to involve Santa Barbara residents in the process of drafting the ballot measures for establishing by-district elections, and to return to Council with that proposal for review and approval.”

PREPARED BY: Ariel Calonne, City Attorney

SUBMITTED BY: Ariel Calonne, City Attorney

APPROVED BY: City Administrator's Office

RESOLUTION NO. _____

A RESOLUTION OF THE COUNCIL OF THE CITY OF SANTA BARBARA DIRECTING THE CITY CLERK AND CITY ATTORNEY TO PREPARE ALL NECESSARY ACTIONS AND DOCUMENTS TO ENABLE THE CITY COUNCIL TO PLACE BEFORE THE VOTERS AT THE NEXT REGULAR COUNCIL ELECTION IN NOVEMBER 2015 THE QUESTION OF WHETHER TO ESTABLISH DISTRICT ELECTIONS

WHEREAS, since April 29, 2014, the City Council of the City of Santa Barbara has been actively considering the question of whether to propose to the voters a change from the current at-large voting system to by-district elections;

WHEREAS, on May 29, 2104, the City Council conducted a public work session at the Faulkner Gallery in order to receive a report from the City Attorney on the California Voting Rights Act and different election system options, including by-district elections, and to receive public comment on the question of whether to switch to by-district elections or some other form of election option;

WHEREAS, on June 24, 2014, the City Council appointed three Council Members to an ad hoc committee to discuss the issue of district elections with community groups supporting such a change to the City's election system;

WHEREAS, the Council ad hoc committee met with those community groups;

WHEREAS, on July 22, 2014, the City Council considered a presentation from the National Demographics Corporation concerning District Elections and the California Voting Rights Act, and received public comment. The City Council decided to request the City Attorney to consider developing additional data regarding the existence of racially polarized voting patterns in Santa Barbara;

WHEREAS, on July 29, 2014, the City was sued pursuant to the California Voting Rights Act in *Banales, et al. v. City of Santa Barbara*, SBSC Case No.1468167, including allegations that racially polarized voting patterns exist in the City and seeking the establishment of by-district elections; and

WHEREAS, the City Council wishes to place the question of whether to establish by-district elections before the City's voters at the earliest lawful time.

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

SECTION 1. Pursuant to Elections Code section 1415, at the next regularly scheduled general municipal election the City Council intends to place before the voters the question of whether to establish by-district elections in Santa Barbara.

SECTION 2. The City Clerk and City Attorney are hereby directed to prepare in a timely manner such actions, resolutions, charter amendments, and ordinances as are necessary to place the following matters on the above-described ballot:

- A. Establishment of six council districts elected by-district, and a directly elected mayor elected by the voters at large.
- B. Establishment of an appointed independent districting commission which shall be charged, if district elections are approved by the voters in November 2015, with establishing the geographical boundaries of the initial six council districts. The geographical boundaries of future districts shall be established by the Council following the receipt of subsequent decennial census results.
- C. District elections will commence at the regularly scheduled general municipal election occurring in November 2017.
- D. Such other related matters as the City Clerk and City Attorney may deem necessary and advisable.

SECTION 3. Before the November 2015 election, the Acting City Administrator is directed to develop a civic engagement process to involve Santa Barbara residents in the process of drafting the ballot measures for establishing by-district elections, and to return to Council with that proposal for review and approval.