

**City of Santa Barbara**  
**Interim Financial Statements for the Three Months Ended September 30, 2014**  
**Proposed Budget Adjustments**

	<u>Increase (Decrease) in Appropriations</u>	<u>Increase (Decrease) in Estimated Revenues</u>	<u>Addition to (Use of) Reserves</u>
<b>GENERAL FUND (1000)</b>			
<b>City Attorney</b>			
Allocate funding from Appropriated Reserves for Employee Loan Forgiveness	\$ 12,000	\$ -	\$ (12,000)
Pursuant to the provisions of the Employee Mortgage Loan Assistance Program (EMLAP), the City is forgiving 50% of the "Points Loan" for an employee in the City Attorney's Office that has achieved the 10-year mark.			
<b>Community Development</b>			
Increase Estimated Revenues for Rental Housing Mediation Services - Donations & Grants	-	16,750	16,750
Increase Appropriations for Salary Costs for Rental Housing Mediation Services	16,750	-	(16,750)
Subsequent to budget adoption in June 2014, additional funding commitments were made for the Rental Housing Mediation Services program from the Housing Authority, County of Santa Barbara, City of Goleta, City Human Services, City of Carpinteria and from fundraising donations. These recommended entries will increase estimated revenues for the additional grants and donations and increase appropriations for salary and benefit costs to provide additional rental housing mediation services.			
<b>General Government</b>			
Allocate funding from Appropriated Reserve to the City Attorney's Office	<u>(12,000)</u>	<u>-</u>	<u>12,000</u>
<b>Total General Fund</b>	<u>\$ 16,750</u>	<u>\$ 16,750</u>	<u>\$ -</u>
<b>CAPITAL OUTLAY FUND (3000)</b>			
<b>Parks and Recreation</b>			
Increase Appropriations for New Dwight Murphy Ball Field Irrigation Renovation Project	\$ 80,000	\$ -	\$ (80,000)
In the prior fiscal year, \$150,000 was budgeted in the Capital Outlay Fund for Pool ADA Regulatory Improvements. The project was delayed until Fiscal Year 2015 and staff determined a budget of only \$70,000 is needed to complete the planned improvements at the Oak Park wading pool. The remaining \$80,000 dropped to reserves at June 30, 2014 and staff is recommending the use of these reserves to increase appropriations for a new Dwight Murphy Ball Field Irrigation Renovation project. This project will improve water conservation with more efficient irrigation and provide an improved quality field for recreational users.			
<b>Total Capital Outlay Fund</b>	<u>\$ 80,000</u>	<u>\$ -</u>	<u>\$ (80,000)</u>
<b>SPECIAL REVENUE FUNDS</b>			
<b>Streets Fund (2400)</b>			
Reduce Estimated Revenues for Utility Users Tax in the Streets Fund	\$ -	\$ (118,009)	\$ (118,009)
Pursuant to City ordinance, 50% of the City's Utility Users Tax (UUT) is restricted to streets and roads and is budgeted in the Streets Fund. Prior to Council adoption of the Fiscal Year 2015 budget, staff projected a reduction in total UUT based on updated projections. General Fund UUT revenues were adjusted and adopted by Council in June 2014; however, UUT revenues in the Streets Fund were not adjusted. This recommended entry is a technical correction to reduce estimated revenues for Utility Users Tax in the Streets Fund to represent estimated UUT revenues for Fiscal Year 2015. The Streets Fund has available reserves to cover the reduction in UUT revenues.			

	<u>Increase (Decrease) in Appropriations</u>	<u>Increase (Decrease) in Estimated Revenues</u>	<u>Addition to (Use of) Reserves</u>
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**SPECIAL REVENUE FUNDS (cont.)**

**Streets Fund (2400)**

Increase Estimated Revenues for X2 Telecom Lease	-	6,973	6,973
Increase Appropriations for Electronic Communications Technician Salaries	6,973	-	(6,973)

Public Works is currently receiving \$6,973 annually in unbudgeted lease revenue from X2 Telecom for an underground fiber optic telecommunications transmission system and certain public street rights-of-way owned by the City of Santa Barbara. Additionally, Public Works is estimating approximately \$6,973 in unbudgeted standby pay salary costs for two Electronic Communication Technicians to respond to traffic signal malfunctions on weekends and holidays. These recommended entries will increase estimated revenues for lease revenues and increase appropriations for the additional salaries.

Transfer to Streets Capital for Cacique & Soledad Project - City Match	25,000	-	(25,000)
Transfer to Streets Capital for Lower Milpas Pedestrian Project - Initiation Costs	25,000	-	(25,000)

Since adoption of the Fiscal Year 2015 budget, Public Works applied for and received four Active Transportation Program grants. These recommended entries will transfer from Streets Fund reserves to the Streets Capital Fund the City Match for the Cacique & Soledad Pedestrian/Bicycle Bridges and fund project initiation costs needed prior to Caltrans's authorization to begin reimbursable work for the Lower Milpas Pedestrian Improvement Project.

Reduce Upper De La Vina Pedestrian Impr. Project for Transfer to Streets Capital - City Match	(51,047)	-	51,047
Transfer Upper De La Vina Pedestrian Improvement Project to Streets Capital - City Match	51,047	-	(51,047)

Beginning in Fiscal Year 2015, the Streets Fund has been split into two funds: Streets and Streets Capital. In the prior fiscal year, staff appropriated \$51,047 in the combined Streets Fund for the City's match for the Measure A grant funded project for crosswalk enhancements at three intersections on upper De La Vina Street. Due to staff workload, the project was postponed until Fiscal Year 2015; therefore, the appropriations were properly carried over from Fiscal Year 2014 to Fiscal Year 2015 in the Streets Fund. Staff has determined that the project and appropriations relate to a capital project and should be accounted for in the new Streets Capital Fund rather than the Streets Fund. These recommended entries will transfer the City's match for the Upper De La Vina Pedestrian Improvement project from the Streets Fund to the Streets Capital Fund.

<b>Total Streets Fund</b>	<u>\$ 6,973</u>	<u>\$ (111,036)</u>	<u>\$ (118,009)</u>
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**Streets Capital Fund (3400)**

Adjust Capital Project Budgets:			
Transfer from Streets Fund and Appropriate for Cacique & Soledad - City Match	25,000	25,000	-
Transfer from Streets Fund and Appropriate for Lower Milpas Project - Initiation Costs	25,000	25,000	-
Reduce Appropriations for State Route 225 Relinquishment Project	\$ (203,000)	\$ -	\$ 203,000
Transfer Available Approp. from State Route 225 Relinq. for Las Positas Multiuse Project for:			
1) City Match	178,000	-	(178,000)
2) Initiation Costs	25,000	-	(25,000)

Since adoption of the Fiscal Year 2015 budget, Public Works applied for and received four Active Transportation Program grants. These recommended entries will transfer from either Streets Fund reserves or available project appropriations in the Streets Capital Fund and increase appropriations for 1) the City Match for the Cacique & Soledad Pedestrian/Bicycle Bridges and Corridor Improvements Project and the Las Positas Road Multiuse Path Project and 2) the initiation costs needed prior to Caltrans's authorization to begin reimbursable work for the Las Positas Road Multiuse Path Project and the Lower Milpas Pedestrian Improvement Project.

Transfer from Streets Fund and Appropriate for Upper De La Vina Ped. Project - City Match	51,047	51,047	-
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Beginning in Fiscal Year 2015, the Streets Fund has been split into two funds: Streets and Streets Capital. In the prior fiscal year, staff appropriated \$51,047 in the combined Streets Fund for the City's match for the Measure A grant funded project for crosswalk enhancements at three intersections on upper De La Vina Street. Due to staff workload, the project was postponed until Fiscal Year 2015; therefore, the appropriations were properly carried over from Fiscal Year 2014 to Fiscal Year 2015 in the Streets Fund. Staff has determined that the project and appropriations relate to a capital project and should be accounted for in the new Streets Capital Fund rather than the Streets Fund. These recommended entries will transfer the City's match for the Upper De La Vina Pedestrian Improvement project from the Streets Fund to the Streets Capital Fund.

<b>Total Streets Capital Fund</b>	<u>\$ 101,047</u>	<u>\$ 101,047</u>	<u>\$ -</u>
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	<u>Increase (Decrease) in Appropriations</u>	<u>Increase (Decrease) in Estimated Revenues</u>	<u>Addition to (Use of) Reserves</u>
<b>SPECIAL REVENUE FUNDS (cont.)</b>			
<b>Streets Grant Capital Fund (3410)</b>			
Adjust Capital Project Budgets:			
New Cacique & Soledad Pedestrian/Bicycle Bridges Project - Grant	\$ 150,000	\$ 150,000	\$ -
New Las Positas Road Multiuse Path Project - Grant	354,000	354,000	-
New Lower Milpas Pedestrian Improvement Project - Grant	125,000	125,000	-
New Montecito-Yanonali Bridge Replacement and Pedestrian Imp. Project - Grant	597,000	597,000	
Since adoption of the Fiscal Year 2015 budget, Public Works applied for and received four Active Transportation Program grants. These recommended entries will increase estimated revenues and appropriations for the following four Caltrans grants: Cacique & Soledad Pedestrian/Bicycle Bridges and Corridor Improvements Project, Las Positas Road Multiuse Path Project, Lower Milpas Pedestrian Improvement Project, and Montecito-Yanonali Bridge Replacement and Pedestrian Improvements Project.			
<b>Total Streets Grant Capital Fund</b>	<u>\$ 1,226,000</u>	<u>\$ 1,226,000</u>	<u>\$ -</u>
<b>County Library Fund (2500)</b>			
Increase Estimated Revenues for the Carpinteria Branch for:			
1) City of Carpinteria Additional Contribution	\$ -	\$ 20,000	\$ 20,000
2) Friends of Carpinteria Libraries Additional Donation	-	20,000	20,000
Subsequent to budget adoption in June 2014, both the City of Carpinteria and Friends of the Carpinteria Libraries pledged additional revenues to the Carpinteria Branch. The additional funds were pledged in order to lessen the use of gift and trust funds in Fiscal Year 2015. These recommended entries with increase estimated revenues for the additional contribution and donation made by the City of Carpinteria and Friends of Carpinteria Libraries for the Carpinteria Branch for Fiscal Year 2015.			
<b>Total County Library Fund</b>	<u>\$ -</u>	<u>\$ 40,000</u>	<u>\$ 40,000</u>
<b>Miscellaneous Grants - Parks and Recreation Fund (2860)</b>			
Increase Appropriations for Joint Use Projects Agreement with Santa Barbara Unified			
	\$ 5,054	\$ -	\$ (5,054)
Prior to Fiscal Year 2015, the City and the Santa Barbara Unified School District maintained a Joint Use agreement whereby the City would provide administration and certain field maintenance services. The City was responsible for scheduling and collecting fees for school fields and the agreement required a payout of any remaining fees upon completion of the agreement. The agreement entered into for Fiscal Year 2015 does not call for the City to provide scheduling services, thus the remaining fees are now due. This recommended entry will increase appropriations from the Joint Use reserve in the Miscellaneous Grants Fund for distribution to the Santa Barbara Unified School District.			
<b>Total Miscellaneous Grants - Parks and Recreation Fund</b>	<u>\$ 5,054</u>	<u>\$ -</u>	<u>\$ (5,054)</u>
<b>ENTERPRISE FUNDS</b>			
<b>Water Fund (5000)</b>			
Reduce Appropriations in Salaries & Benefits for Staff Performing Drought Work			
	\$ (75,000)	\$ -	\$ 75,000
Transfer Permanent Salaries & Benefits to Drought Fund			
	75,000	-	(75,000)
In Fiscal Year 2015, there are two permanent City employees who are performing drought activities in place of their regular duties. Their time is being charged to the Drought Fund rather than their home program. These recommended entries will transfer salary and benefit appropriations from the Water Fund to the Drought Fund where the costs are being incurred.			
<b>Total Water Fund</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

	<u>Increase (Decrease) in Appropriations</u>	<u>Increase (Decrease) in Estimated Revenues</u>	<u>Addition to (Use of) Reserves</u>
<b>ENTERPRISE FUNDS (cont.)</b>			
<b>Water Drought Fund (5011)</b>			
Transfer from Water Fund and Appropriate for Salaries & Benefits - Drought Work	\$ 75,000	\$ 75,000	\$ -
In Fiscal Year 2015, there are two permanent City employees who are performing drought activities in place of their regular duties. Their time is being charged to the Drought Fund rather than their home program. These recommended entries will transfer salary and benefit appropriations from the Water Fund to the Drought Fund where the costs are being incurred.			
<b>Total Water Drought Fund</b>	<u>\$ 75,000</u>	<u>\$ 75,000</u>	<u>\$ -</u>
<b>Wastewater Fund (5100)</b>			
Reduce Appropriations for Debt Service - State Revolving Fund Loan Principal	\$ (43,824)	\$ -	\$ 43,824
Prior to Fiscal Year 2015, the City entered into a State Revolving Fund Loan agreement for the Fats, Oils, and Grease (FOG) project. At the time of budget adoption, staff expected project completion by fiscal year-end which would trigger initiation of principal payments. However, due to changes in the project, staff no longer anticipates completion of the project by year-end. Therefore, no principal payments will be due in Fiscal Year 2015. This recommended entry will eliminate the budget for principal payments on the FOG State Revolving Fund Loan.			
Reduce Appropriations for Debt Service - State Revolving Fund Loan Interest	(12,834)	-	12,834
At the time of budget adoption, staff anticipated entering into a State Revolving Fund Loan agreement for the Bio Solids Improvement Project during Fiscal Year 2015. However, due to changes in timelines, staff does not anticipate receiving the loan prior to year-end. This recommended entry will eliminate the budget for interest only payments on the Bio Solids Improvement Project State Revolving Fund Loan as no principal payments were budgeted.			
<b>Total Wastewater Fund</b>	<u>\$ (56,658)</u>	<u>\$ -</u>	<u>\$ 56,658</u>
<b>Golf Operating Fund (5600)</b>			
Increase Appropriations for Debt Service - Safety Improvement Loan	\$ 19,197	\$ -	\$ (19,197)
At the time of budget adoption in June 2014, the loan amortization schedule used to estimate total principal and interest payments for the Golf Safety Improvement Loan did not include the non-cash accrued interest amount. This recommended entry is a technical correction that will increase appropriations from reserves for accrued interest on the Safety Improvement Loan.			
<b>Total Golf Operating Fund</b>	<u>\$ 19,197</u>	<u>\$ -</u>	<u>\$ (19,197)</u>
<b>Airport Capital Fund (5710)</b>			
Transfer from Airport Capital Grants for Reimbursement of City's Share - Rehab of Taxiways	\$ -	\$ 88,550	\$ 88,550
Increase Appropriations for Federal Aviation Administration Design Development	11,283	-	(11,283)
Upon completion of the Rehab of Taxiways C, H and J project in the Airport Capital Grants Fund, \$88,550 of available appropriations remained representing the City's share of costs budgeted in both the Airport Capital and Airport Capital Grants Fund. At grant initiation, the Airport contributed the entire grant from the Airport Capital Fund to the Airport Capital Grants Fund and the \$88,550 for the City's share was spent out of the Airport Capital Fund. These recommended entries will transfer remaining available appropriations in the Rehab of Taxiways project in the Airport Capital Grants Fund to the Airport Capital Fund for reimbursement of the City's share of costs and will re-appropriate \$11,283 to Federal Aviation Administration Design Development.			
<b>Total Airport Capital Fund</b>	<u>\$ 11,283</u>	<u>\$ 88,550</u>	<u>\$ 77,267</u>

	<u>Increase (Decrease) in Appropriations</u>	<u>Increase (Decrease) in Estimated Revenues</u>	<u>Addition to (Use of) Reserves</u>
<b>ENTERPRISE FUNDS (cont.)</b>			
<b>Airport Capital Grants Fund (5720)</b>			
Reduce Appropriations for Completed Rehab of Taxiways C, H and J Project	\$ (88,550)	\$ -	\$ 88,550
Transfer to Airport Capital Fund for Reimbursement of City's Share - Rehab of Taxiways	88,550	-	(88,550)
Upon completion of the Rehab of Taxiways C, H and J project in the Airport Capital Grants Fund, \$88,550 of available appropriations remained representing the City's share of costs budgeted in both the Airport Capital and Airport Capital Grants Fund. At grant initiation, the Airport contributed the entire grant from the Airport Capital Fund to the Airport Capital Grants Fund and the \$88,550 for the City's share was spent out of the Airport Capital Fund. These recommended entries will transfer remaining available appropriations in the Rehab of Taxiways project in the Airport Capital Grants Fund to the Airport Capital Fund for reimbursement of the City's share of costs and will re-appropriate \$11,283 to Federal Aviation Administration Design Development.			
<b>Total Airport Capital Grants Fund</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Waterfront Fund (5800)</b>			
Increase Appropriations for Debt Service - Marina One State Loan	\$ 51,311	\$ -	\$ (51,311)
At budget adoption in June 2014, total principal and interest payments due on the Marina One State Loan for Fiscal Year 2015 were estimated to be \$337,715. Since budget adoption, the State has provided updated loan amortization schedules with total debt service for Fiscal Year 2015 amounting to \$389,026. This recommended entry will increase appropriations from reserves for principal and interest payments on the Marina One State Loan for Fiscal Year 2015.			
<b>Total Waterfront Fund</b>	<u>\$ 51,311</u>	<u>\$ -</u>	<u>\$ (51,311)</u>
<b>INTERNAL SERVICE FUNDS</b>			
<b>Fleet Replacement Fund (6410)</b>			
Increase Appropriations for Mobile Device Computers Equipment Replacement	\$ 220,000	\$ -	\$ (220,000)
Since Fiscal Year 2008, Fire Department contributions have been made from the General Fund to the Fleet Replacement Fund for Mobile Device Computers (MDC) equipment replacement. The current reserve balance for MDC replacement in the Fleet Replacement Fund amounts to \$242,482. This recommended entry will increase appropriations from the MDC reserve in order to replace MDC equipment on fire apparatuses that have become technologically obsolete and reached the end of their useful life.			
<b>Total Fleet Replacement Fund</b>	<u>\$ 220,000</u>	<u>\$ -</u>	<u>\$ (220,000)</u>