

**CITY OF SANTA BARBARA  
CITY COUNCIL**

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



**Paul Casey**  
*City Administrator*

**Ariel Pierre Calonne**  
*City Attorney*

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

**MARCH 10, 2015  
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](http://www.citytv18.com) for rebroadcasts of Finance and Ordinance Committee meetings, and for any changes to the replay schedule.

## **ORDER OF BUSINESS**

- 2:00 p.m. - City Council Meeting Begins
- 5:00 p.m. - Recess
- 6:00 p.m. - City Council Meeting Reconvenes

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

### **AFTERNOON SESSION**

#### **CALL TO ORDER**

#### **PLEDGE OF ALLEGIANCE**

#### **ROLL CALL**

#### **CHANGES TO THE AGENDA**

#### **PUBLIC COMMENT**

#### **CONSENT CALENDAR**

**1. Subject: Children's And Main Library Furniture Sole Source Agreements (570.04)**

Recommendation: That Council:

- A. Authorize the Library Director to execute a sole source award of a purchase order in the amount of \$93,085, with \$9,309 available for extra services, to Yamada Enterprises for a custom furniture purchase for the Children's Library and main floor at 40 E. Anapamu Street;
- B. Authorize the Library Director to execute a sole source award of a purchase order in the amount of \$60,666, with \$6,066 available for extra services, to K.I. for a custom furniture purchase for the Children's Library and main floor at 40 E. Anapamu Street; and

(Cont'd)

## CONSENT CALENDAR (CONT'D)

### 1. (Cont'd)

- C. Increase appropriations and estimated revenues in the General Fund Capital Outlay Fund by \$169,126 funded from a \$101,607 transfer from the Santa Barbara Public Library Foundation for Children's Library furniture, and \$67,519 from the Peggy Maximus Trust for main floor furniture and extra services that may result from necessary changes.

### 2. **Subject: Authorize Payment Of Attorney Fees To The Firm Of Cappello & Noël, LLP, Relating To *Banales, et al., v. City of Santa Barbara* (110.03)**

Recommendation: That Council:

- A. Authorize the payment of \$599,500 to the law firm of Cappello & Noël, LLP, for the cost of attorneys' fees relating to *Banales, et al., v. City of Santa Barbara*; and
- B. Increase appropriations from General Fund reserves to the City Attorney's Office in the amount of \$500,000 to partially cover the settlement costs, with the remaining \$100,000 to be funded from the balance of appropriations established in the City Attorney's Office for litigation costs in the *Banales* case.

## NOTICES

- 3. The City Clerk has on Thursday, March 5, 2015, 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.
- 4. Receipt of communication advising of vacancy created on the Police and Fire Commission with the resignation of Diego Torres-Santos; the vacancy will be part of the next City Advisory Groups recruitment.

**This concludes the Consent Calendar.**

## CITY COUNCIL ADMINISTRATIVE AND ATTORNEY REPORTS

### PUBLIC WORKS DEPARTMENT

#### 5. **Subject: Stage Two Drought Update (540.05)**

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

## **PUBLIC HEARINGS**

**6. Subject: Public Hearing Regarding Proposed Water Rate Increases For Fiscal Year 2016 (540.01)**

Recommendation: That Council:

- A. Hold a public hearing, as required by State law, regarding proposed rate increases for water services for Fiscal Year 2016; and
- B. Provide direction to staff regarding any changes to the proposed Fiscal Year 2016 water rates.

**7. Subject: Appeal Of Single Family Design Board Approval Of Additions To Residence At 1912 Mission Ridge Road (640.07)**

Recommendation: That Council deny the appeal of Susan M. Basham of Price, Postel & Parma, LLP, agent for various neighbors, and uphold the Single Family Design Board decision to grant Project Design Approval for additions to an existing single-family residence.

## **COUNCIL AND STAFF COMMUNICATIONS**

### **COUNCILMEMBER COMMITTEE ASSIGNMENT REPORTS**

### **CLOSED SESSIONS**

**8. Subject: Conference With Labor Negotiator (440.05)**

Recommendation: That Council hold a closed session, per Government Code Section 54957.6, to consider instructions to City negotiator Kristine Schmidt, Administrative Services Director, regarding negotiations with the Fire Management Association, Supervisors Association, General Bargaining Unit, and regarding salaries and fringe benefits for certain unrepresented management and confidential employees.

Scheduling: Duration, 30 minutes; anytime

Report: None anticipated

## **RECESS**

## **EVENING SESSION**

**RECONVENE**

**ROLL CALL**

**PUBLIC COMMENT**

**CITY COUNCIL ADMINISTRATIVE AND ATTORNEY REPORTS**

**PARKS AND RECREATION DEPARTMENT**

**9. Subject: Golf Course Financial Sustainability Proposal (570.02)**

Recommendation: That Council:

- A. Approve a proposal for the General Fund to refinance \$1,169,651 of Golf Fund debt at three percent interest over a 20-year term;
- B. Confirm prior Council direction to continue with the same golf course operating model using City employee maintenance; and
- C. Direct staff to enhance golf marketing efforts and proceed with securing pro shop and restaurant concession agreements which would be in effect July 1, 2016.

**ADJOURNMENT**



# CITY OF SANTA BARBARA

## COUNCIL AGENDA REPORT

**AGENDA DATE:** March 10, 2015

**TO:** Mayor and Councilmembers

**FROM:** Administration, Library Department

**SUBJECT:** Children's And Main Library Furniture Sole Source Agreements

**RECOMMENDATION:** That Council:

- A. Authorize the Library Director to execute a sole source award of a purchase order in the amount of \$93,085, with \$9,309 available for extra services, to Yamada Enterprises for a custom furniture purchase for the Children's Library and main floor at 40 E. Anapamu Street.
- B. Authorize the Library Director to execute a sole source award of a purchase order in the amount of \$60,666, with \$6,066 available for extra services, to K.I. for a custom furniture purchase for the Children's Library and main floor at 40 E. Anapamu Street.
- C. Increase appropriations and estimated revenues in the General Fund Capital Outlay Fund by \$169,126 funded from a \$101,607 transfer from the Santa Barbara Public Library Foundation for Children's Library furniture, and \$67,519 from the Peggy Maximus Trust for main floor furniture and extra services that may result from necessary changes.

**DISCUSSION:**

**BACKGROUND:**

The Children's Library Renovation Project (Project) comes with the requirement to furnish the new space on the lower floor of the Central Library with custom purpose-oriented furniture. Additionally, the Library Department will need to furnish the space on the Main Floor once the old Children's Library area has been relocated. This furniture is the key final element in transforming the newly renovated space into a state of the art Children's Library for the community.

Library Department staff has been working with four furniture manufacturers: TMC, Gressco, Humanscale, and KI to identify designs that would best match the décor and requirements of the new Children's Library. The furniture pieces are almost entirely custom pieces, offered only by the manufacturers above. Yamada Enterprises is the vendor that represents TMC, Gressco, and Humanscale, while K.I. represents itself as the vendor. Both Yamada and K.I. assisted Library Department staff with these designs,

based on Library requirements, and provided great custom solutions at a competitive price, fifteen percent below the in-house engineering estimate.

It should be noted that the bulk of the furniture expense will be coming from manufacturers that provided quotes based on the California Multiple Award Schedule (CMAS), which is a service that offers a wide variety of commodities at prices that have been assessed to be fair, reasonable, and competitive.

**FUNDING**

The Santa Barbara Public Library Foundation's Building a Love of Reading campaign will provide \$93,085 towards the purchase of the Children's Library Furniture. Funding for the furniture for the main floor renovation will be provided through a transfer from the Library's Peggy Maximus gift account.

**BUDGET/FINANCIAL INFORMATION:**

**ESTIMATED TOTAL FURNITURE COST**

<b><u>Furniture Costs</u></b>	
<b><u>Children's Library Furniture (Funding - SB Public Library Fdn):</u></b>	
Yamada - TMC (CMAS Quoted Pricing)	\$72,171
Yamada - Gressco	\$1,945
Yamada - Humanscale	\$1,485
KI (CMAS Quoted Pricing)	<u>\$16,769</u>
	\$92,370
Additional 10% for extra services	\$9,237
Sub-Total	\$101,607
<b><u>Library Main Level Furniture (Funding - Peggy Maximus Trust):</u></b>	
Yamada - Community	\$2,146
Yamada - The Warden Company (CMAS Quoted Pricing)	\$15,338
KI (CMAS Quoted Pricing)	<u>\$43,897</u>
	\$61,381
Additional 10% for extra services	\$6,138
Sub-Total	\$67,519

<b>TOTAL COST</b>	<b>\$169,126</b>
<b><i>Total Yamada Enterprises</i></b>	<b>\$102,394</b>
<b><i>Total KI</i></b>	<b>\$66,732</b>

**PREPARED BY:** Scott Love, Library Services Manager  
Jim Dewey, Facilities and Energy Manager/MW/mh

**SUBMITTED BY:** Irene Macias, Library Director  
Rebecca J. Bjork, Public Works Director

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



# CITY OF SANTA BARBARA

## COUNCIL AGENDA REPORT

**AGENDA DATE:** March 10, 2015

**TO:** Mayor and Councilmembers

**FROM:** City Attorney's Office

**SUBJECT:** Authorize Payment Of Attorney Fees To The Firm Of Cappello & Noël, LLP Relating To *Banales, et al., v. City of Santa Barbara*

**RECOMMENDATION:** That Council:

- A. Authorize the payment of \$599,500 to the law firm of Cappello & Noël, LLP for the cost of attorneys fees relating to *Banales, et al., v. City of Santa Barbara*; and
- B. Increase appropriations from General Fund reserves to the City Attorney's Office in the amount of \$500,000 to partially cover the settlement costs, with the remaining \$100,000 to be funded from the balance of appropriations established in the City Attorney's Office for litigation costs in the *Banales* case.

**DISCUSSION:**

In July 2014, the City was sued in the above-referenced matter. The lawsuit alleged that the City's at-large voting system for City Council Members has led to Latino vote dilution in violation of the California Voting Rights Act. By a 6-0 vote (Councilmember Hart was absent), on February 24, 2015, Council authorized settlement including the payment of attorney fees in the amount of \$599,500. These fees represent a small fraction of the City's potential liability if the case had gone to trial. Fee awards in other cities for similar lawsuits have ranged as high as \$3.5 million. The City Attorney's Office estimates that \$100,000 of the previously appropriated funds for special counsel will be unspent and can be used to fund the balance of the attorney fees to Cappello and Noël. It is very possible that there will be more money left on the contract, and if so, it will be returned to reserves at year end.

It should be noted that Cappello and Noël will receive additional attorney fees (as yet unquantified) upon completion of Phase 2 of the case. The City Attorney's Office will return this issue to Council at that time.

**PREPARED BY:** Ariel Calonne, City Attorney

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



# CITY OF SANTA BARBARA

## COUNCIL AGENDA REPORT

**AGENDA DATE:** March 10, 2015

**TO:** Mayor and Councilmembers

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

**SUBJECT:** Stage Two Drought Update

### **RECOMMENDATION:**

That Council receive an update on the status of the current drought and related efforts.

### **DISCUSSION:**

On February 11, 2014, Council declared a Stage One Drought and asked customers to reduce water use by 20 percent. Council requested that staff keep them informed and report back monthly with a status update on the City's water supplies, conservation efforts, and current work efforts. On May 20, 2014, Council declared a Stage Two Drought in response to a continued water shortage forecasted for next year, and the inability of the community to reduce water usage by 20 percent. This report will cover the following items:

- Water Supply Outlook/Weather Forecast
- Drought Response Capital Projects
- Conservation Efforts

### Water Supply Outlook

Despite some promising rainfall in the first part of this water year, our water supply outlook remains unchanged. We need prolonged wet weather to make a significant impact on our current water supplies. The National Oceanic and Atmospheric Agency (NOAA) is projecting equal chances of above and below average rainfall throughout the remainder of the rainy season. We have seen below average rainfall in January and February, and to further compound the matter, we have seen above average temperatures, which has significantly diminished the benefits of the small amount of rain we have received. Due to the uncertainty in projected rainfall, staff is planning for continued drought conditions. Staff continues to work on securing additional supplemental water, accelerating drought related capital projects, and sustaining a

strong message for extraordinary conservation. The most recent water conservation numbers for January 2014 show a 24 percent reduction in water use as compared to average water use in January. This positive news means that the community continues to be responsive to the request for conservation, and that we remain on target with our goal of a 20 percent reduction in water use.

### Drought Response Capital Projects

Staff is moving forward with the design and construction of capital work projects to assist with the water supply during the drought. Highlights include beginning construction of a new Alameda Well, and operation of all three downtown wells, Corporation Yard, Vera Cruz, and City Hall.

On March 5, 2015, proposals were received for the reactivation of the Desalination Plant. Staff is reviewing the proposals now in preparation for interviews in late March. Negotiation with the top firm is anticipated to start during the first part of April. Award of a contract is tentatively scheduled for June 2015, when we are anticipating confirmation of loan funding. The current schedule would have the desalination plant operational in Fall 2016.

Efforts to secure supplemental water for next year are going well. We are anticipating having 4,500 acre-feet of additional water under contract by May 2015.

### Conservation Efforts

Staff has increased the Water Conservation Outreach Program through an enhanced drought media campaign: additional targeted outreach, including increased weekly messaging through social media, online news outlets and industry contacts; presentations to community and industry groups; additional printed materials with drought messaging; targeted utility bill messaging; drought signage at City facilities; and additional trainings and workshops.

**PREPARED BY:** Joshua Haggmark, Water Resources Manager/JH/mh

**SUBMITTED BY:** Rebecca J. Bjork, Public Works Director

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



# CITY OF SANTA BARBARA

## COUNCIL AGENDA REPORT

**AGENDA DATE:** March 10, 2015

**TO:** Mayor and Councilmembers

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

**SUBJECT:** Public Hearing Regarding Proposed Water Rate Increases For Fiscal Year 2016

**RECOMMENDATION:** That Council:

- A. Hold a public hearing, as required by State law, regarding proposed rate increases for water services for Fiscal Year 2016; and
- B. Provide direction to staff regarding any changes to the proposed Fiscal Year 2016 water rates.

### **DISCUSSION:**

Proposition 218, approved by California voters in 1996, requires that customers of a utility be notified of the proposed rate increase through the agency's regular billing statement or by direct mail sent to the billing address, and that a public hearing be held prior to the adoption of the rate increase. A rate increase can be adopted unless a majority of the customers submit written protests. Accordingly, the Notice of a Public Hearing regarding the water rate increases (Attachment 1) was sent directly to customers in January 2015. The notices were also posted on the City's website. As of the writing of this report, thirty written protests on the proposed rate increases have been received. Additionally, it is estimated that about 1,350 of the mailed notices contained an error in the address made by the City's contracted mailing service due to the servicer's determination that the column showing "C/O" or "ATTN" was non-essential addressing information, causing exclusion from the address. Of the 1,350 addresses with this error, 60 notices have been returned undelivered. Staff has determined to count all 60 of the returned notices as written protests. Therefore, the total number of written protests received as of the writing of this report is 90.

On May 20, 2014, Council declared a Stage Two Drought Condition (Stage Two) in response to the ongoing drought, and upon conclusion of the driest three-year period in local records. Stage Two is the second of three stages in the City's Water Shortage Contingency Plan. Among other things, Stage Two response measures include the development and adoption of a drought water rate structure that reflects increased costs associated with responding to the drought and targets a 20 percent reduction in

customer water demand. The drought water rates went into effect on July 1, 2014. At the time, there were significant available reserves; therefore, approximately \$7.2 million of reserves were planned to be used for drought-related expenses including supplemental water purchases, groundwater well projects, and the Cachuma Emergency Pump Project.

Since adoption of Stage Two, staff has continued planning for continued drought conditions. Without sufficient rainfall by spring 2015, the next steps in drought planning include Council's decision to reactivate the City's Charles Meyer Desalination Plant (Desalination Plant) which was originally constructed in 1991-1992 during the previous severe drought.

Proposed water rates have been developed with the assumption that the Desalination Plant will produce 3,125 acre-feet per year (AFY) of water, beginning in fall 2016. Once the drought condition subsides, the Desalination Plant could be placed in standby mode producing a minimal amount of water sufficient to keep it in a ready state. Annual operating costs are estimated at approximately \$5 million per year for production at 3,125 acre-feet per year and approximately \$2.5 million per year for standby mode.

Capital costs for reactivating the Desalination Plant are estimated at approximately \$32 million; however, there are significant unknown potential costs. Final project costs will be unknown until a few weeks prior to the award of the contract to design, build, and operate the Desalination Plant, scheduled for June 2015. Staff recommends that the water rates provide the flexibility to generate sufficient revenues to cover up to \$40 million in capital costs for the Desalination Plant should proposals to design and build the Desalination Plant come in at that range. These substantial added costs require an update to the Water Fund Financial Plan and increased Fiscal Year 2016 water rates that are sufficient to generate the revenues needed to cover these costs.

Fiscal Year 2016 water rates, as well as the water rates for Fiscal Year 2015, were developed by Raftelis Financial Consultants, Inc., in compliance with California's Proposition 218. Any adjustment to water rates must be made in compliance with Proposition 218 requirements, which is known as the *Right to Vote on Taxes Act* and includes the requirement that rates may not exceed the estimated cost of providing service, and must be reasonable, fair, equitable, and proportional.

Fiscal Year 2016 rates have been designed to encourage continued conservation, while also providing sufficient revenues to meet operating and debt service requirements in order to maintain compliance with obligations to holders of City bonds. There are no substantial reserves available above Council policy for use in Fiscal Year 2016 (in contrast to Fiscal Year 2015). Therefore, water rates need to be increased to cover the full cost of service, which includes funding of the water main replacement program (based on Council policy to replace 1 percent of the pipe system annually), as well as the added costs that are attributable to the reactivation of the desalination plant.

Proposed Fiscal Year 2016 water rates are anticipated to be adopted in March 2015, in order to qualify for loan requirements for the Desalination Project. Before taking effect on July 1, 2015, water rates will be re-assessed based on available information on the actual cost of desalination, the projected Fiscal Year 2016 budget, and the Fiscal Year 2015 ending reserve balance. If, at that time, it is determined that water rates can be lowered, the Fiscal Year 2016 water rates will be resubmitted for adoption prior to taking effect on July 1, 2015. Adopted water rates can be adjusted down from the proposed water rates noticed in January 2015, but they cannot be increased without new noticing per requirements of Prop 218.

#### Water Commission Review

On January 12, 2015, the Water Commission received a presentation from staff and provided policy input on the proposed Fiscal Year 2016 water rates. The Water Commission also discussed policy input on the proposed rates at its meetings on August 11, 2014 and October 13, 2014.

#### Public Meetings

Staff hosted public information meetings on drought, desalination, and water rates on February 18, 2015 and February 26, 2015.

#### Council Review

On January 13, 2015, Council received a presentation from staff and provided policy input on the proposed Fiscal Year 2016 water rates. Council also provided policy input on the design of the proposed rates at its meetings on September 23, 2014 and December 9, 2014.

**ATTACHMENT:** Notice of Public Hearing for Proposed Increase in Water Rates

**PREPARED BY:** Joshua Haggmark, Water Resources Manager/KD/mh

**SUBMITTED BY:** Rebecca J. Bjork, Public Works Director

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



## NOTICE OF PUBLIC HEARING PROPOSED INCREASES IN CITY OF SANTA BARBARA WATER RATES FOR FISCAL YEAR 2016

**Date:** Tuesday, March 10, 2015, 2:00 p.m.  
**Place:** City of Santa Barbara Council Chambers, City Hall  
735 Anacapa Street, Santa Barbara

**PARA INFORMACIÓN EN  
ESPAÑOL, LLAME AL  
(805) 564-5343.**

## PROPOSED CITY DROUGHT WATER RATES

You are receiving this Notice because our records indicate that you are a City of Santa Barbara utility customer. This Notice describes the proposed water rate increases and explains how you can participate in the process. (Note: if you are not a City water customer, please disregard this Notice.)

During a drought, the City relies on its customers to conserve remaining water supplies through extraordinary measures. At the same time, the City faces increased costs to maintain essential water service, including more expensive capital and operating costs to increase water supplies from groundwater, water purchases and, potentially, desalination.

The City is proposing increased water rates to provide revenue needed to fund the costs of providing safe and reliable water service, even in times of drought.

### ***How were drought water rates determined?***

In 2013 the City's water rate structure was revised based on a Rate Study that used a rate model to evaluate water rates. To account for financial impacts from the drought, the City has been working with an expert rate consultant to update the rate model. The 2015 updated model:

- Promotes extraordinary water conservation to reach at least a 20% City-wide reduction;
- Ensures revenue stability;
- Is fair and equitable; and
- Reflects the actual cost of service, as required by Proposition 218.

The rate model has been updated to reflect the cost of reactivating and operating the City's Charles Meyer Desalination Facility (Desal). The final costs of reactivating Desal may be lower than the costs the City estimated for this rate notice. Actual water rates may be imposed at a lower rate than described in this notice, pending receipt of final project costs.

### ***How will the proposed changes impact my water bill?***

The water bill is made up of two key components: a volumetric charge (based on tiered water usage) and a fixed meter charge. The table below shows the maximum rate impacts for single-family homes with various levels of usage and a 5/8" meter. The next page shows maximum rates for all tiers of usage and meter sizes. Customers are encouraged to use the online water rate calculator to see how the new rates could impact their bill.

Usage Level	Monthly Usage (HCF)	Existing Bill	Proposed Bill	Difference
Low	4	\$27.34	\$40.29	\$12.95
Moderate	12	\$78.46	\$108.37	\$29.91
High	32	\$319.06	\$439.85	\$120.79

### Drought Update

Due to an extreme drought, with the driest three consecutive years in recorded history, City Council declared a Stage 2 Drought condition on May 20, 2014. This enacted mandatory water use restrictions and required a City-wide 20% reduction in water use.

Without significantly above average rainfall in the winter of 2014/15 water shortages are expected. City Council is therefore considering additional mandatory restrictions and reactivation of the City's Charles Meyer Desalination Facility in order to meet the City's water supply needs (see enclosed Drought FAQs for more information).

The City continues to ask residents and businesses to reduce water use through extraordinary water conservation. Water Conservation Program staff is here to help. For assistance identifying water conservation opportunities, schedule a free water checkup by calling (805) 564-5460.

**CHECK OUT THE WATER RATE CALCULATOR AT:  
[WWW.SANTABARBARA.CA.GOV/WATER](http://WWW.SANTABARBARA.CA.GOV/WATER)**

**TABLE 1 – PROPOSED MAXIMUM WATER RATE CHANGES (1 HCF (Hundred Cubic Feet) = 748 gallons).**

Customer Class	Tiers	Current (\$/HCF)	Proposed (\$/HCF)
<b>Single Family Residential</b>	First 4 HCF	\$3.28	\$4.20
	Next 12 HCF	\$6.39	\$8.51
	All other HCF	\$13.44	\$18.59
<b>Multi-Family Residential</b>	First 4 HCF (per dwelling unit)	\$3.28	\$4.20
	Next 4 HCF (per dwelling unit)	\$6.39	\$8.51
	All other HCF	\$13.44	\$18.59
<b>Commercial / Industrial</b>	100% of base allotment	\$5.32	\$6.53
	All other HCF	\$11.61	\$15.24
<b>Irrigation – Residential &amp; Commercial</b>	100% of monthly water budget*	\$6.39	\$8.51
	All other HCF	\$13.44	\$18.59
<b>Irrigation - Recreation/Parks/ Schools</b>	100% of monthly water budget*	\$2.79	\$3.70
	All other HCF	\$13.44	\$18.59
<b>Irrigation – Agriculture</b>	100% of monthly water budget*	\$1.56	\$2.43
	All other HCF	\$13.44	\$18.59
<b>Recycled Water</b>	All HCF	\$2.24	\$2.96
<b>Outside City Limits</b>	Percentage of corresponding in-City rates	130%	

**\*What is a Monthly Water Budget?**

The monthly water budget for irrigation accounts is a calculation of Tier 1 allotment based on the property’s irrigated landscape area and the monthly watering needs of plants. Please call (805) 564-5460 for further details.

**TABLE 2 – PROPOSED MAXIMUM MONTHLY METER CHARGES**

	5/8"	3/4"	1"	1 ½"	2"	3"	4"	6"	8"	10"
<b>Current</b>	\$14.22	\$20.23	\$32.23	\$62.24	\$98.25	\$212.28	\$380.32	\$782.43	\$1,442.60	\$2,282.82
<b>Proposed</b>	\$23.49	\$34.19	\$55.61	\$109.14	\$173.38	\$376.82	\$676.61	\$1,393.98	\$2,571.74	\$4,070.71

***How do I protest?***

If you wish to protest any of the above increases, please deliver your protest **signed and in writing**, including your name and service address, to the City Clerk of the City of Santa Barbara at 735 Anacapa Street, Santa Barbara, CA, 93101, prior to or during the City Council’s consideration of this item on March 10, 2015. (If you wish to submit your protest during the public hearing, please deliver it to City Staff in the Council Chambers). Protests are public records.

***When do the drought rates take effect?***

City Council will consider adopting drought rates on March 17, 2015 (one week after the public hearing). The new rates will be effective starting July 1, 2015. See enclosed Drought FAQs for more information.

***How do I stay informed?***

- **Attend** public Meetings on February 18 & 26, 2015 at 6:00 PM, City of Santa Barbara Council Chambers.
- **Watch** City Council meetings live online at [www.CityTV18.com](http://www.CityTV18.com), or tune into City-TV Channel 18.
- **Explore** updated information on drought conditions, conservation, and rates at [www.SantaBarbaraCA.gov/Water](http://www.SantaBarbaraCA.gov/Water)
- **Contact** City staff at (805) 564-5460.

**Go to [WWW.SANTABARBARACA.GOV/WATER](http://WWW.SANTABARBARACA.GOV/WATER) for more information**



# CITY OF SANTA BARBARA

## COUNCIL AGENDA REPORT

**AGENDA DATE:** March 10, 2015

**TO:** Mayor and Councilmembers

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

**SUBJECT:** Appeal Of Single Family Design Board Approval For Additions To Residence At 1912 Mission Ridge Road

### RECOMMENDATION:

That Council deny the appeal of Susan M. Basham of Price, Postel & Parma, LLP, agent for various neighbors, and uphold the Single Family Design Board decision to grant Project Design Approval for additions to an existing single-family residence.

### EXECUTIVE SUMMARY:

On January 26, 2015, the Single Family Design Board (SFDB) granted Project Design Approval of proposed additions and alterations to a one-story single family residence located at 1912 Mission Ridge Road. An appeal was subsequently filed by Susan M. Basham of Price, Postel & Parma, LLP agent on behalf of immediate neighbors Roger and Stefanie Bacon and Rinaldo and Lalla Brutoco. The appellants assert that there will be "unacceptable privacy and view impacts" as a result of the project's second floor addition (Attachment 1). The property is located in the Riviera neighborhood within the Hillside Design District and is owned by Craig Morrison.

The house design involves proposed additions and alterations that would result in a two-story, 3,251 square foot house which includes an existing 658 square foot attached garage. The project would be 69% of the maximum guideline Floor Area Ratio (FAR) which is well below the suggested maximum outlined by the Single Family Residence Design Guidelines (Guidelines) for the 25,601 square foot lot. A new 530 square foot second story master bedroom addition is proposed over the garage. The house was reviewed at two SFDB hearings including a site visit conducted prior to the second SFDB hearing. The SFDB determined the size, bulk and scale of the home is compatible with the neighborhood and indicated the project complies with the good neighbor policies.

Staff's recommendation is to deny the appeal for the following reasons: the proposed home size is reasonable (approximately 3,251 sq. ft.) for the location and is consistent with FAR guidelines for the size of the large lot. In addition, the SFDB successfully worked with

applicant to adequately minimize the possible impacts to privacy from the proposed second floor addition and stated this determination as part of the record. Staff believes that the project does not pose significant impacts to private views or privacy of the neighbors.

## **BACKGROUND:**

The subject property located in the Riviera neighborhood is zoned A-1 single family residential and is located on a 25,091 square foot flag parcel lot in the Hillside Design District. The project proposes a 22 square foot first-floor addition and a 530 square foot second-floor addition to an existing 2,146 square foot one-story, single-family residence with an attached 658 square foot garage. The proposal includes one new uncovered parking space, a 194 square foot covered patio at the entry, a 158 square foot second-story deck, a raised pool and surrounding deck, and interior remodel work (Attachment 2). It also includes permitting an "as-built" air conditioning condenser unit, relocation of the pool equipment enclosure, and a new driveway and pedestrian gate. The proposed total of 3,251 square feet on a 25,091 square foot lot in the hillside Design District is 69% of the guideline maximum floor-to-lot area ratio (FAR).

### SFDB Review

The project design was reviewed at two meetings by the SFDB. At the first concept review hearing on December 15, 2014, the SFDB reviewed the project and heard public comments from several neighbors regarding possible project impacts. Although the SFDB found the design of the second story acceptable, in order to better evaluate possible impacts to privacy and degree of potential private view blockage, the applicant was asked to erect story poles before the item was to be reviewed again.

On January 28, 2015, the SFDB conducted an organized site visit to review the story poles placed at the site and also observed the story poles from adjacent properties. The project was reviewed later that same day and was granted Project Design Approval. The primary design issue the SFDB debated at that second hearing was consideration of a proposed balcony facing one of the neighbors. The SFDB ultimately voted 5/1/0 to grant project design approval making the NPO findings with conditions to remove the balcony on the west elevation and study removing a bathroom window or utilizing frosted materials (Attachment 3).

## **DISCUSSION:**

The primary goals of the Single Family Design Board (SFDB) are to promote neighborhood compatibility and quality design. The Single Family Residence Design Guidelines (Guidelines) provide a framework for the design review process and a foundation for public, City staff, SFDB, HLC, Planning Commission and City Council project evaluation. The Guidelines help homeowners and architects design projects that are compatible in both size and design. The SFDB reviews projects for consistency with these guidelines to ensure changes to established neighborhoods are made with respect for design features and characteristics of surrounding properties.

The Guidelines include two-story design concepts that illustrate design techniques to avoid crowding or overwhelming neighboring residences. Additions should fit into a neighborhood, when they have an appropriate volume, bulk, massing and scale and have a size appropriate for its lot size and not significantly larger than the immediate neighborhood. The Guidelines define these terms and provides examples of successful additions over existing garages.

#### Compatibility and House Size

The proposed second story is relatively small at 535 square feet and therefore the potential impacts are not usually as significant as they would be for larger second stories. The appellants claim “the massing of the second story master bedroom addition is out of proportion with the existing structure and adds significant volume and bulk scale which will result in the project looming over adjacent residences.” Planning staff does not agree with this assertion. There are other examples of two story structures in the neighborhood. The design height proposed is approximately 23 feet which is not considered tall for a two-story mass (Attachment 4)

The Floor Area Ratio standard found in the Zoning Ordinance applies to lots that have a lot area of less than 15,000 square feet. The project under appeal is located on a larger lot and the Floor Area Ratio (FAR) rules only apply as guideline ranges. Applicants are encouraged to design homes under 85% of the maximum square footage for the lot size or within the guideline range. The proposed house of 3,251 square feet would be 69% of the maximum guideline allowable floor area, which is within the range of house sizes generally found acceptable by the Single Family Design Board.

#### Good Neighbor Guidelines and Tips: Privacy

The Guidelines have specific good neighbor design guidelines for minimizing impacts related to noise, lighting, landscaping and loss of privacy involving the location and screening of second story decks or balconies. Additional guidance is provided for the placement of upper story windows that overlook neighbors (Attachment 5). The SFDB looks carefully at sites to determine if some of these design amenities can be adjusted to avoid direct sight lines from upper floors to neighbors’ windows and to private open yards. Staff understands that it is difficult for adjacent neighbors to adjust to the introduction of a new second story addition which may result in some loss of privacy or private views. Design changes to windows, upper floor deck locations and additional landscaping buffers can usually help reduce loss of privacy concerns. The SFDB appears to have addressed some of these privacy concerns with conditions placed on the project approval by requesting design changes to the upper floor.

#### Good Neighbor Tips: Views

The City adopted “Good Neighbor Tips” as part of the last Neighborhood Preservation Ordinance (NPO) update to provide some consideration and direction on how to design

projects to help minimize private view blockage. The reason this were listed as “Tips” and not as guidelines was to provide a proper balance between maintaining private property rights and limiting government’s public interest in protection of private views. The NPO does not prevent views from being blocked but encourages design adjustments to limit these impacts. The SFDB primarily evaluates if design consideration has been given to all these good neighbor policies and tips to design projects with reduced impacts after development is completed. A “good faith effort” to be generally consistent with these good neighbor policies is expected.

### Conclusion

The appellants are concerned about potential impacts of the proposed project to their properties and do not support a second-story addition that may impact their level of privacy or amount of private views. Staff disagrees with the appellant’s claims that the SFDB did not properly evaluate and review the project. The SFDB required story poles to be erected, visited the site, and made observations from other neighboring properties.

Planning Staff, therefore, supports the decision of the SFDB given the following factors: the reasonable size of the project’s second floor; the design changes required for the project to improve privacy levels; and the excellent architectural quality proposed for the residence. Furthermore, based on the SFDB’s careful review and deliberation on the neighborhood compatibility issue, Staff believes that the required NPO findings can be made for the project.

### **RECOMMENDATION:**

Staff recommends that Council deny the appeal and uphold the Single Family Design Board’s decision to grant Project Design Approval of the proposed additions and approve the project pursuant to the Neighborhood Preservation Ordinance (SBMC §22.68.060), making findings as listed below:

### Neighborhood Preservation Findings

To grant Project Design Approval, City Council must make each of the following findings:

1. **Consistency and Appearance.** The proposed development is consistent with the scenic character of the City and will enhance the appearance of the neighborhood with an architectural style consistent with neighborhood.
2. **Compatibility.** The proposed development is compatible with the neighborhood, and its size, bulk, and scale are appropriate to the site and neighborhood. The neighborhood has a variety of building sizes and lot sizes. The proposed house is 69% of the maximum guideline house size, which is well within the City’s adopted floor area guidelines.

3. **Quality Architecture and Materials.** The proposed buildings and structures are designed with quality architectural details. The Spanish style architecture is consistent with the Riviera neighborhood.
4. **Trees.** The proposed project does not include the removal of or significantly impact any designated Specimen Tree, Historic Tree or Landmark Tree. The proposed project and the grading plan, to the maximum extent feasible, preserve and protect healthy, non-invasive trees with a trunk diameter of four inches (4") or more measured four feet (4') above natural grade,
5. **Health, Safety, and Welfare.** The public health, safety, and welfare are appropriately protected and preserved with the high quality design of the additions to the existing house.
6. **Good Neighbor Guidelines.** The project generally complies with the Good Neighbor Guidelines regarding privacy, landscaping, noise and lighting. The choice and placement of windows facing the neighbors, the landscaping provided, elimination of balcony and selection of lighting are consistent with the direction of the Good Neighbor Guidelines.
7. **Public Views.** The development, including proposed structures and grading, does not affect any significant public scenic views of and from the hillside.

#### Hillside Design District Findings

1. **Natural Topography Protection.** The proposed development is appropriate to the site. The building site is already developed with a residence. The proposed addition does not involve much grading. The grading that is proposed is designed to avoid visible scarring, and does not significantly modify the natural topography of the site or the natural appearance of any ridgeline or hillside
2. **Building Scale.** The development maintains a scale and form that blends with the hillside by minimizing the visual appearance of structures and the overall height of structures. The size of the proposed second story addition is of an appropriate scale with relation to the existing house.

**NOTE:** The project file and plans were delivered separately to City Council for review and are available for public review at the City Clerk's office.

- ATTACHMENTS:**
1. Appellant letter, dated February 4, 2015
  2. Reduced site plan, floor plan and photographs
  3. Single Family Design Board Minutes
  4. Reduced building elevations
  5. Single Family Residential Design Guidelines Excerpts

Council Agenda Report  
Appeal Of Single Family Design Board Approval For Additions To 1912 Mission Ridge  
Road  
March 10, 2015  
Page 6

**PREPARED BY:** Jaime Limón, Senior Planner II

**SUBMITTED BY:** George Buell, Community Development Director

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

RECEIVED

2015 FEB -4 PM 3:43

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CRAIG A. PARTON  
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CHRISTOPHER E. HASKELL  
TIMOTHY E. METZINGER  
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IAN M. FISHER  
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OUR FILE NUMBER:

23025

February 4, 2015

VIA HAND DELIVERY

Mayor Helene Schneider and Members of the Santa Barbara City Council  
City Hall  
735 Anacapa Street  
Santa Barbara, CA 93101

Re: Appeal of Single Family Design Review Board Approval  
1912 Mission Ridge Road (MST2014-00585)

Dear Mayor Schneider and Council Members:

We represent Roger and Stefanie Bacon and Rinaldo and Lalla Brutoco who are owners of real property located at 1901 East Las Tunas Road and 1920 Mission Ridge Road respectively (the "Appellants"). Pursuant to Section 1.30.050 of the Santa Barbara Municipal Code, the Appellants hereby appeal the final action by the Single Family Design Review Board ("SFDRB") on January 26, 2015 to conditionally approve a residential remodel at 1912 Mission Ridge Road proposed by Craig Morrison and identified by the City as MST2014-00585 (the "Project").

Appellants' properties are immediately adjacent to the site of the existing Morrison residence at 1912 Mission Ridge Road. Appellants appeared either in person or through counsel at the hearings of the SFDRB on December 15, 2014 and January 26, 2015 and expressed their opposition to various aspects of the Project.

The Project consists of a 552 square foot addition to an existing 2,146 square foot existing residence with a 658 square foot attached garage. The addition includes a 530 square foot second story addition with a 158 square foot deck above the existing garage.

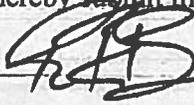
Appellants assert that the SFDRB's decision concerning the Project was an abuse of discretion and not in accord with the provisions and purposes of the City's Zoning Ordinance (Title 28 of the Municipal Code) and the Single Family Residence Design Guidelines, including Compatibility Guidelines and Good Neighbor Guidelines and Tips. At the SFDRB meetings of December 15, 2014 and January 26, 2015, the Appellants identified the Project's specific incompatibilities with the neighborhood and the proponent's failure to adequately address privacy and view impacts on the neighboring residences. Their oral comments are incorporated herein by reference.

The issues to be raised on appeal are summarized as follow:

1. **Compatibility.** The SFDRB is required to make a specific finding that the proposed development will be compatible with the immediate neighborhood, and its size, bulk and scale will be appropriate to the site and neighborhood (Finding 2). The SFDRB abused its discretion in approving the Project given the size and bulk of the second story addition. The massing of the second story master bedroom addition and deck is out of proportion with the existing structure and adds significant volume and bulk which will loom over adjacent residences and be visually intrusive as viewed from surrounding public roads. In addition, the roof pitch and plate height of the second story add unnecessary volume to the structure and further detract from the character of the immediate neighborhood. Therefore the findings to approve the Project cannot be made and the project must either be denied or the SFDRB must be directed to study an alternative design with reduced massing.
2. **Good Neighbor Guidelines: Privacy.** The SFDRB must also make the finding that "the project generally complies with applicable privacy, landscaping, noise, and lighting Good Neighbor Guidelines." The SFDRB abused its discretion in approving the Project given that the second story addition and deck will result in direct window to window views of the Appellants' residences and sight lines into their private yard and pool areas. The SFDRB acknowledged these significant privacy concerns in conditioning the Project to remove the master suite deck on the west elevation and "study" window on the north elevation. However, the 158 square foot second story deck on the south elevation and second story west facing windows will continue to intrude on the privacy of the occupants of 1920 Mission Ridge Road. Similarly, the windows on the north elevation of the second story master suite will continue to have direct sight lines into the private pool and yard areas, as well as window to window views to the entire south elevation of 1901 East Las Tunas Road. Given the lot sizes and close proximity of the Project to the

Mayor Helene Schneider and Members of the Santa Barbara City Council  
February 4, 2015  
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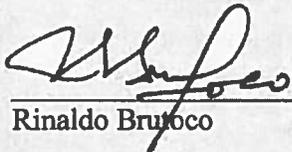
Appellants hereby submit this appeal through their legal representatives.



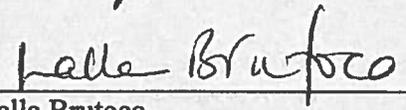
Roger Bacon



Stefanie Bacon



Rinaldo Brutoco



Lalla Brutoco

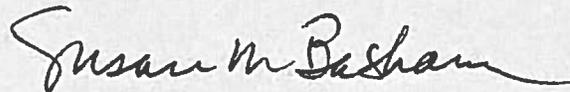
neighbors' homes, these privacy impacts will be significant and will severely impinge on the peace and enjoyment of the Appellants' properties. Therefore the findings to approve the Project cannot be made and the project must be either denied or redesigned to ensure privacy is maintained between the Project and all adjacent residences.

3. Views. The Single Family Residence Design Guidelines include Good Neighbor Tips for considering neighbors' views. The Project as designed will directly intrude into the viewshed of 1901 East Las Tunas Road. Given the height and scale of the second story addition above the garage, a substantial portion of the existing city and ocean views from the entire first floor and yard area will be lost. The proponent's effort to capture second story views of the city will not be compromised by making adjustments in height. Reducing the pitch of the roof of the proposed addition, with a resultant lowering of the roof peak height, would provide an additional benefit by reducing the massing of the structure, thereby improving neighborhood compatibility and preserving a fair portion of the viewshed of the Appellants' property.

In summary, while the Project is relatively modest in terms of overall square footage, the height, orientation, and proximity to adjacent properties is incompatible with the neighborhood and will result in unacceptable privacy and view impacts for the Appellants. We believe the opportunity exists for the Council to reach an outcome that upholds the integrity of the City's Single Family Residence Design Guidelines and provides a fair result for the neighbors who would otherwise bear the burden of the Project. We urge you to reverse the decision of the SFDRB, thereby sustaining the appeal, and either denying the project outright or requiring a substantive redesign as discussed above.

The Appellants reserve their right to present additional information and evidence prior to the Council's hearing on this appeal. We look forward to your consideration of these important issues.

Very truly yours,



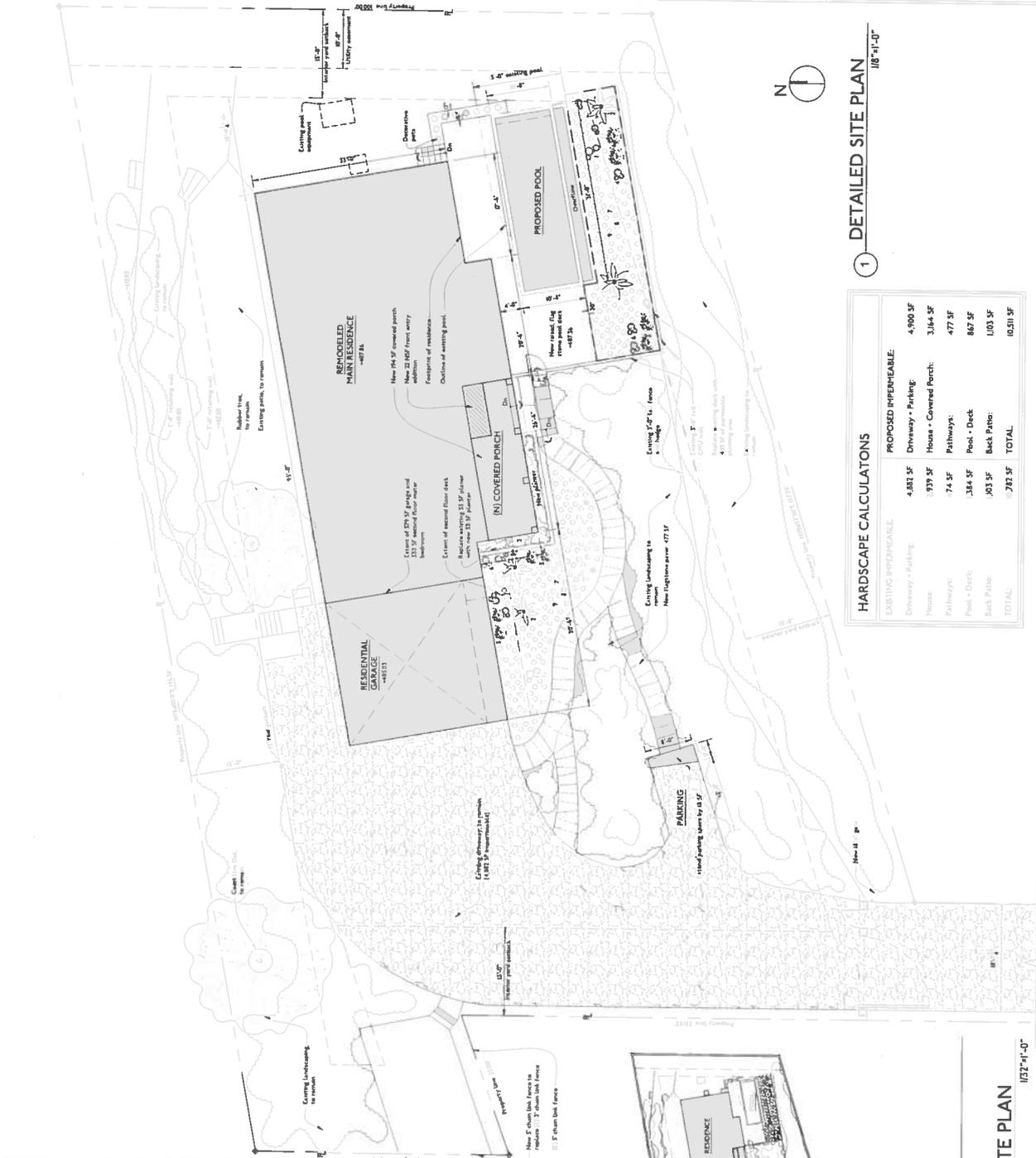
Susan M. Basham  
for PRICE, POSTEL & PARMA LLP



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# ATTACHMENT 2

SUBMITTAL SET	
ISSUED	DATE
3F	
PR	
Jc	



1 DETAILED SITE PLAN 1/8"=1'-0"

HARDSCAPE CALCULATIONS	
<b>EXISTING IMPERMEABLE</b>	
Driveway - Parking	4,900 SF
House	3,164 SF
Pathways	477 SF
Pool - Deck	867 SF
Back Patio	1,003 SF
<b>TOTAL</b>	<b>10,211 SF</b>
<b>PROPOSED IMPERMEABLE</b>	
Driveway - Parking	4,881 SF
House - Covered Porch	3,164 SF
Pathways	74 SF
Pool - Deck	384 SF
Back Patio	1,003 SF
<b>TOTAL</b>	<b>10,506 SF</b>

**LEGEND**

1	Establish ground vegetation	5'	width
2	Medium turf	12"	thick
3	Groundcover	1"	thick
4	Establish lawn	1"	thick
5	Grass seed	1"	thick
6	Grass seed	1"	thick
7	Grass seed	1"	thick
8	Grass seed	1"	thick
9	Grass seed	1"	thick

**NOTES**

- LANDSCAPE IS DESIGNED WITHOUT THE USE OF TURF AND WITH 100% TURF ALTERNATIVES.
- THE LANDSCAPE SHALL BE DESIGNED TO BE COMPATIBLE WITH THE TURF, GROUNDCOVER, SUCCULENTS, OR OTHER LOW LYING SHRUBS. SHALL BE COVERED WITH MULCH MATERIAL TO AN AVERAGE THICKNESS OF AT LEAST 3" THROUGHOUT, EXCEPT IN THE IMMEDIATE VICINITY OF PLANTINGS.
- GRADING ENCOURAGES WATER RETENTION AND INFILTRATION BY PRESERVING OPEN SPACE AND CREATING DEPRESSIONED AREAS/WALES. GRADING SHOULD BE DESIGNED TO DEVELOP HYDROLOGIC FLOW PATTERNS THAT PRESERVE THE WIDTH OF FLOW PATHS IN ORDER TO DECREASE FLOW RATES.
- 
- 



2 FULL SITE PLAN 1/32"=1'-0"  
MISSION RIDGE ROAD



**View from South looking at existing residence main entrance**



**View from South looking at existing garage**



**V4** View looking South toward two story addition



**V5** View looking South toward single story



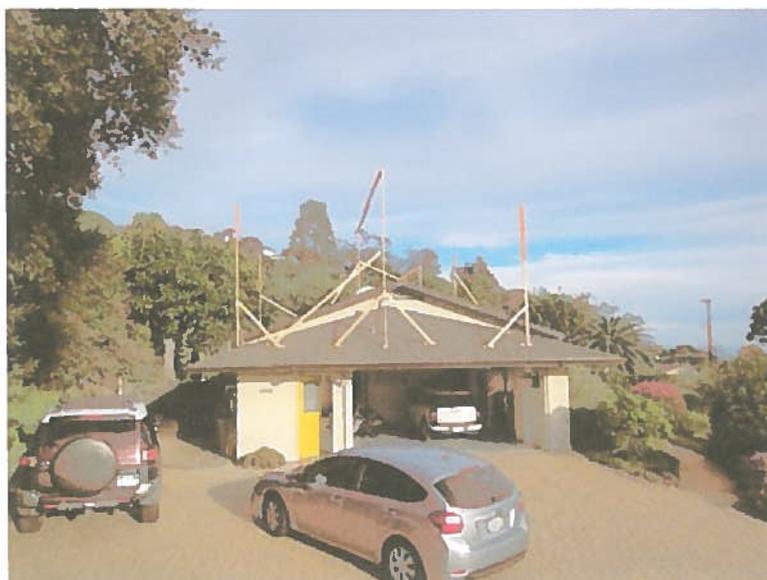
**V6** View looking North toward house



**V1** View from street looking North at house



**V2** View from driveway looking Northeast at house



**V3** View looking East to house

SFDB MINUTES  
December 15, 2014

CONCEPT REVIEW - NEW ITEM: PUBLIC HEARING

7. 1912 MISSION RIDGE RD A-1 Zone

(6:40) Assessor's Parcel Number: 019-083-021 Application Number: MST2014-00585

Owner: Craig and Jane Morrison

Applicant: Jeff Shelton

(Proposal for a 22 square foot first-floor addition and a 530 square foot second-floor addition to an existing 2,146 square foot one-story, single-family residence with an attached 658 square foot garage. The proposal includes the conversion of 125 square feet of the garage into habitable space, a new uncovered parking space, a 194 square foot covered patio at the entry, a 158 square foot second-story deck, a raised pool and surrounding deck, and interior remodel work. The proposed total of 3,251 square feet on a 25,091 square foot lot in the Hillside Design District is 69% of the guideline maximum floor-to-lot area ratio.)

**(Project Design Approval is requested.)**

Actual time: 6:54 p.m.

Present: Jeff Shelton, Architect; and Craig Morrison, Owner.

Public comment opened at 7:07 p.m.

- 1) Patrick McKenna, a neighbor at 1929 East Las Tunas Road, expressed concerns regarding privacy and the height of the hedges.
- 2) Jo Saxon expressed concerns regarding view corridors.
- 3) Roger Bacon expressed concerns regarding the scale of the second story and the issue around the tree trimming.
- 4) Ken Sterling expressed concern for the location of solar panels and suggested that story poles be erected.
- 5) Randy Mudge expressed concerns regarding a lack of information regarding topography, the solar panels, impacts on privacy, light trespass, site plans and sections showing adjacent impacted properties, the board's ability to make NPO findings given the lack of information, and the historic nature of the adjacent home.
- 6) Cathy O'Neill expressed concerns regarding privacy and view corridors.
- 7) Tiffany Dore expressed concerns regarding view corridors.
- 8) Aaron Foreman suggested story poles be erected and that view corridors be taken into consideration.

Letters from John and Nan Bedford, Bob and Pat Former, Roger and Stephanie Bacon, and Aaron Foreman were acknowledged.

Public comment closed at 7:27 p.m.

**Motion: Continued indefinitely to Full Board with comments:**

- 1) The Board supports the style and quality of architecture.
- 2) The Board finds the second story acceptable.
- 3) Erect Standard Level story poles.

Action: Miller/Woolery, 6/0/0. Motion carried.

**SFDB MINUTES  
January 26, 2015**

**PROJECT DESIGN REVIEW**

**1. 1912 MISSION RIDGE RD A-1 Zone**

**(3:20)** Assessor's Parcel Number: 019-083-021  
Application Number: MST2014-00585  
Owner: Craig and Morrison  
Applicant: Jeff Shelton

(Proposal for a 22 square foot first-floor addition and a 530 square foot second-floor addition to an existing 2,146 square foot one-story, single-family residence with an attached 658 square foot garage. The proposal includes one new uncovered parking space, a 194 square foot covered patio at the entry, a 158 square foot second-story deck, a raised pool and surrounding deck, and interior remodel work. It also includes permitting an "as-built" air conditioning condenser unit, relocation of the pool equipment enclosure, and a new driveway and pedestrian gate. The proposed total of 3,251 square feet on a 25,091 square foot lot in the Hillside Design District is 69% of the guideline maximum floor-to-lot area ratio. This project will address violations identified in Zoning Information Report No. ZIR2014-00157.)

**(Project Design Approval is requested. Project was last reviewed on December 15, 2014.)**

Actual time: 3:20 p.m.

Present: Anna Lehr, Applicant; Jeff Shelton, Architect; and Craig Morrison, Owner.

Public comment opened at 3:26 p.m.

- 1) Christopher Price, a representative for Roger and Stephanie Bacon, expressed concerns regarding the design and orientation of the second-floor addition and its impact on views and privacy. He requested the applicant consider an alternate design that would be more consistent with the guidelines. To mitigate privacy issues from the second-floor addition, he suggested that awnings or frosted materials be used. He also noted that the neighbor to the south of the project has a deed restriction prohibiting a second story and is researching the matter to see if the subject parcel has a similar condition.
- 2) Lalle Brutoco, a neighbor at 1920 Mission Ridge Road, expressed concerns regarding loss of privacy in her rear yard and visual impacts due to the second story. She would like to see the home better integrated with the neighborhood in a way that does not adversely affect her property value.

Public comment closed at 3:30 p.m.

Failed Motion: Project Design Approval with the finding that the Neighborhood Preservation Ordinance criteria have been met as stated in Subsection 22.69.050 of the City of Santa Barbara Municipal Code and continued indefinitely to the Full Board with comments:

- 1) Study removing the bathroom window or utilizing frosted materials.
- 2) Consider removing the balcony on the west elevation above the garage.
- 3) The Board finds that the size, bulk, and scale is consistent and compatible to the neighborhood, the quality of architecture and materials is superior, and the project complies with the good neighbor guidelines.

Action: James/Pierce, 3/3/0. Motion failed. (Miller/Woolery/Bernstein opposed).

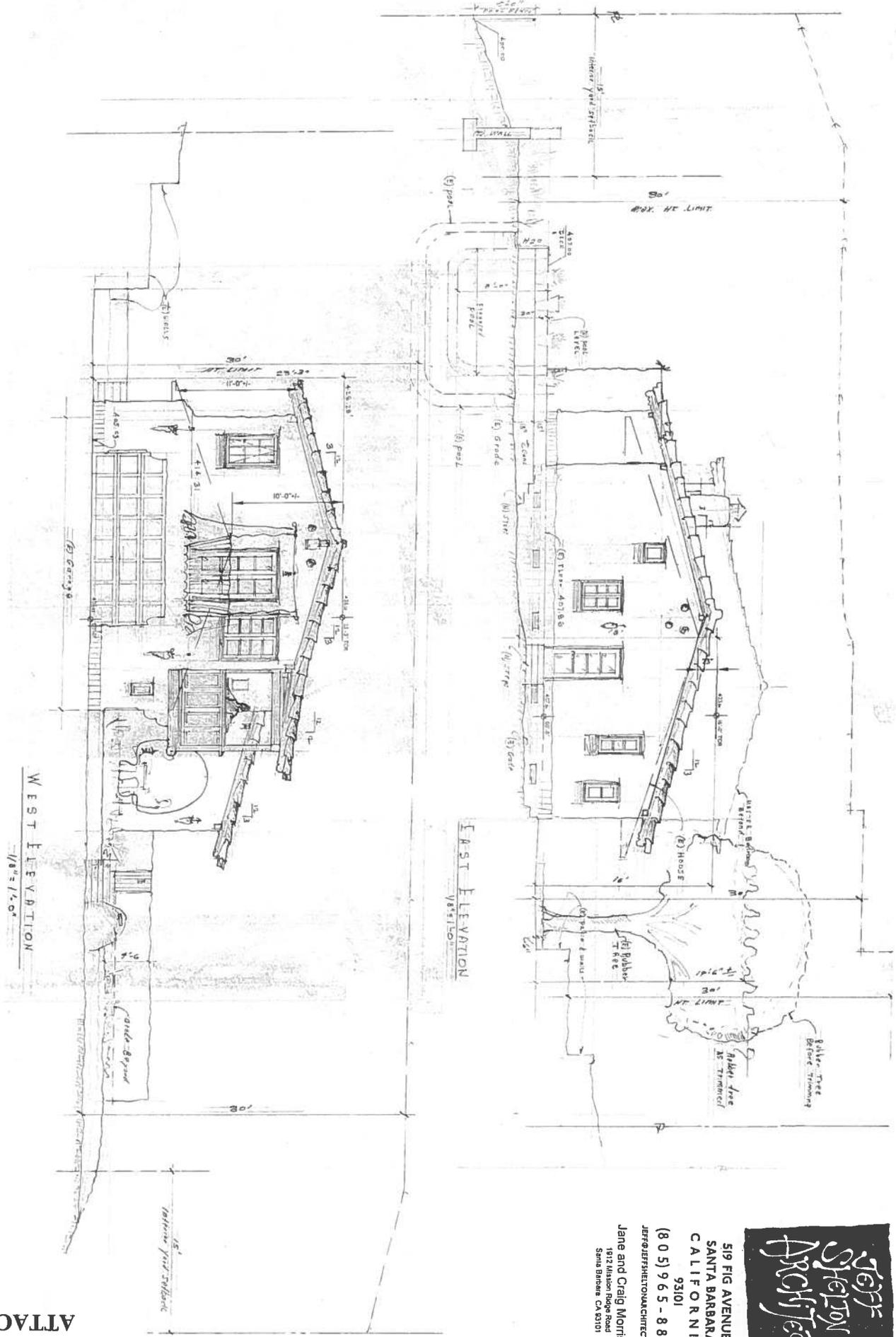
**Substitute Motion: Project Design Approval with the finding that the Neighborhood Preservation Ordinance criteria have been met as stated in Subsection 22.69.050 of the City of Santa Barbara Municipal Code and continued indefinitely to the Full Board with comments:**

- 1) Study removing the bathroom window or utilizing frosted materials.
- 2) Remove the balcony on the west elevation above the garage.
- 3) The size, bulk, and scale are consistent and compatible to the neighborhood, the quality of architecture and materials is superior, and the project complies with the Good Neighbor Guidelines.

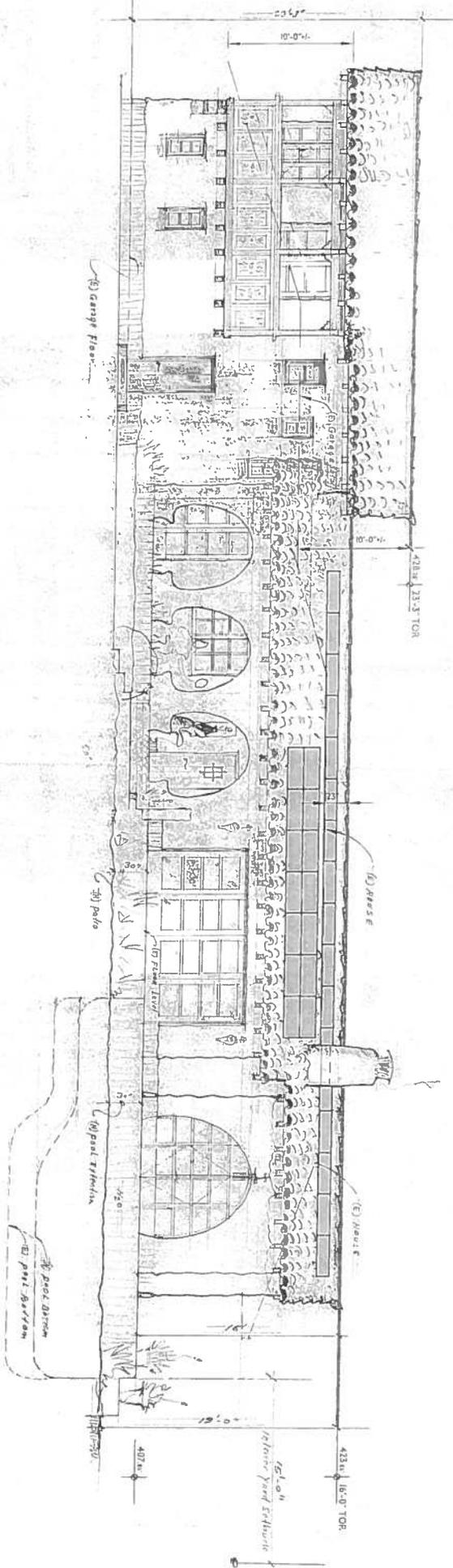
Action: James/Miller, 5/1/0. Motion carried. (Pierce opposed).

The ten-day appeal period was announced.

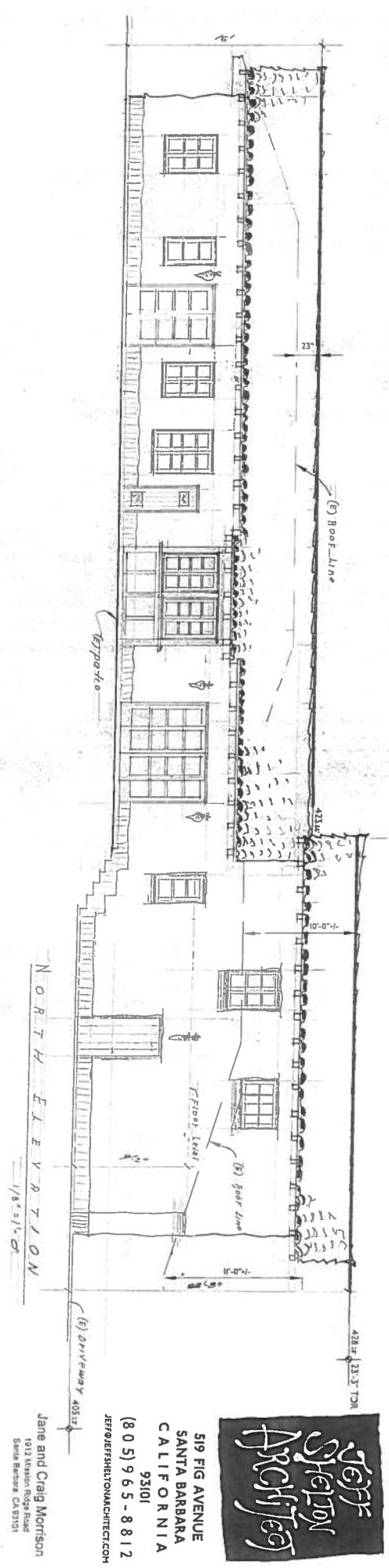




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 Jane and Craig Morrison  
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SOUTH ELEVATION  
1/8" = 1'-0"

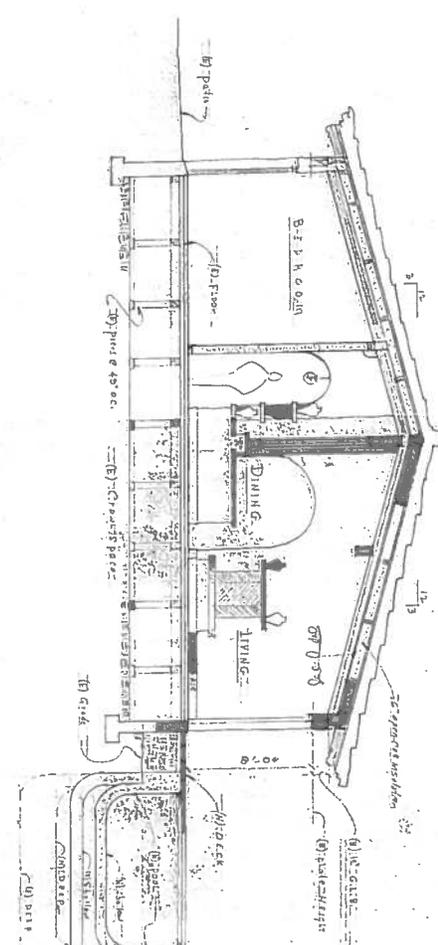
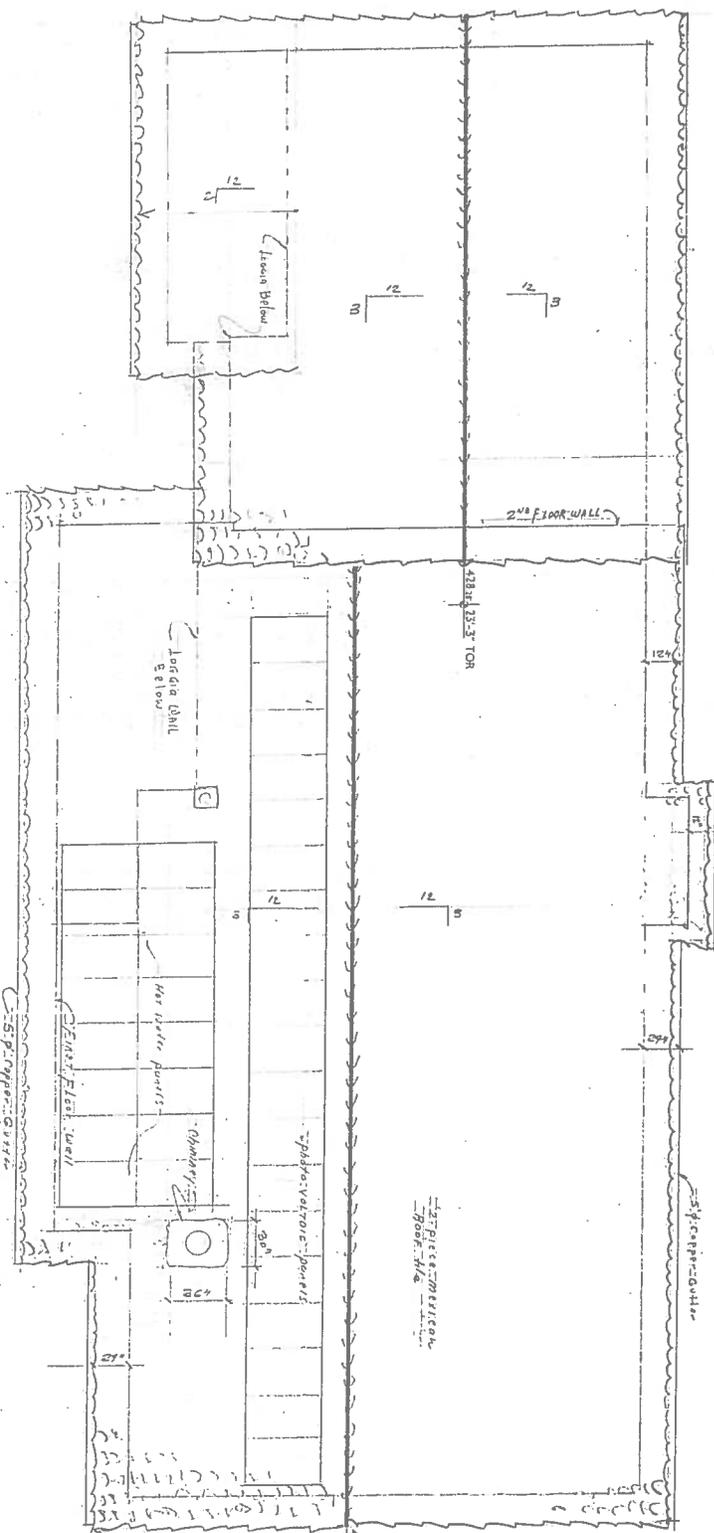


NORTH ELEVATION  
1/8" = 1'-0"

Jane and Craig Morrison  
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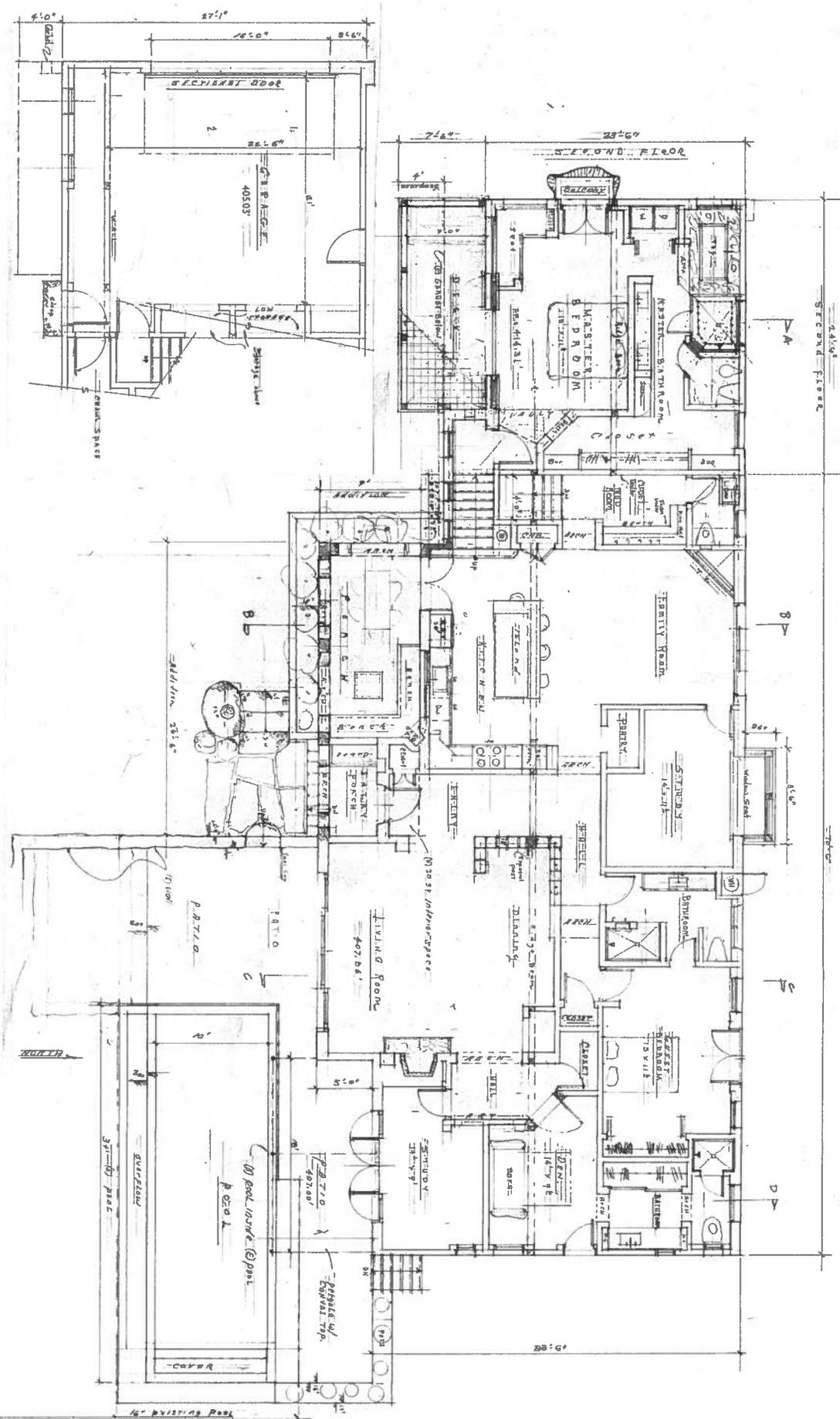


SECTION A-B  
1/8\"/>

R-O-O-F-P-L-A-N  
1/8\"/>



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PROPOSED GARAGE PLAN

1/4"=1'-0"

PROPOSED FIRST FLOOR PLAN

1/4"=1'-0"

<p>Proposed Removal For Jane and Craig Morrison 1912 Mission Ridge Road Santa Barbara, CA 93101</p>	
<p>FIRST FLOOR PLAN</p>	
<p><b>A2.1</b></p>	

SUBMITTAL SET	
ISSUED	DATE
<p>FOR CONCEPT DESIGN PROJECT REVIEW STAGES</p>	

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## GOOD NEIGHBOR GUIDELINES & TIPS

The following guidelines and tips can help you remain friends with your neighbors after the completion of your new or remodeled house. They are based on the Golden Rule: "Do unto others as you would have them do unto you."

Think about what your concerns would be if your next door neighbor were proposing to either build a new house or add on to an existing house. Incorporate those concerns into your thinking as you design your own new or remodeled house.

It is the intent of these guidelines and tips to advance sound planning in building homes and additions with scrutiny of neighborhood compatibility, views and privacy. While it is not the intent to create a right to privacy or views, a compromise that advances these goals is highly desirable.

### BEFORE COMPLETING YOUR DESIGN

- Design your addition or your new house as if you were going to live next door to it.
- Talk with your neighbors and show them your proposed design.
- Consider organizing a meeting with your neighbors to encourage neighbor discussions.
- Read the article regarding "Tips for Managing Conflict with Comfort" provided in this section which can help provide guidance for successful discussions.

### In General

When your project is reviewed by the Single Family Design Board (SFDB), the SFDB will be looking for general compliance with these Good Neighbor Guidelines (See Finding 6 on page 5-D) along with other Neighborhood Compatibility Findings. The SFDB understands that, in some cases, strong compliance with privacy landscaping, noise and lighting guidelines may not be possible or necessary. However, in cases where there appear to be significant potential issues raised by a project design that would not be posed with a suitable alternative design more sensitive to neighboring properties, the SFDB may deny the project. It is necessary that you communicate to the SFDB how your project is generally consistent with the Good Neighbor Guidelines. The techniques below will help when you appear before the SFDB:

- Discuss how you have designed your project with your neighbors in mind
- Summarize for the SFDB the results of any discussions you have had with neighbors about your project.

Using these techniques can help the SFDB to see how you have made a "good faith effort" to be generally consistent with the Good Neighbor Guidelines.

This chapter covers the following guideline and tip topics.

#### Guidelines

1. Privacy
2. Landscaping
3. Noise
4. Lighting

#### Tips

- Private Views
- Construction Impacts
- Managing Conflict with Comfort

**GOOD NEIGHBOR GUIDELINES**

**36. PRIVACY GUIDELINES**

**36.1 Visual Distance**

Locate structures and additions to increase visual distance between buildings. Avoiding large two-story building masses at the sides and rear of adjacent single family rear yards can help preserve privacy and sunlight access for your home and for neighboring properties.

Rather than simply following Municipal Code minimum setback standards, consider what a comfortable distance between a proposed addition and an existing neighbor's structure would be. Also consider the pattern of building separation in the immediate neighborhood and design a project compatible with this pattern. Locate areas that require more privacy away from your neighbors. Orient active outdoor areas away from neighbors.

**36.2 Upper-Story Decks and Balconies**

Avoid or minimize the number of decks that overlook neighboring properties. Locate upper-story balconies and decks to minimize the loss of privacy for neighboring properties. Upper-story balconies or decks facing the street are usually preferable to upper-story balconies or decks facing a yard area adjacent to a neighbor. Techniques to lessen impacts to neighboring property privacy include the following:

- 36.2.1 Meeting with neighbors adjacent to proposed upper-story balconies and decks prior to beginning the City application process is strongly encouraged.

36.2.2 Screen second-story balconies and decks from neighboring property by incorporating architectural screening elements such as enclosing walls, trellises, or awnings. For example, effective enclosures might include walls over 4' and perimeter planters facing neighbor's side or rear yards.

36.2.3 Locate second-story balconies and decks to avoid direct sight lines from the deck or balcony to neighbors' windows, open yard, patio, deck, and/or loggia areas.

36.2.4 Set back upper-story decks or balconies over 20 square feet at least 15' from interior lot lines when possible.

36.2.5 Avoid siting any "free-standing" chimneys on upper-story decks or balconies. Such chimneys look "out of place" architecturally and are better sited adjacent to a structure. Also, such chimney might block neighbors' views.

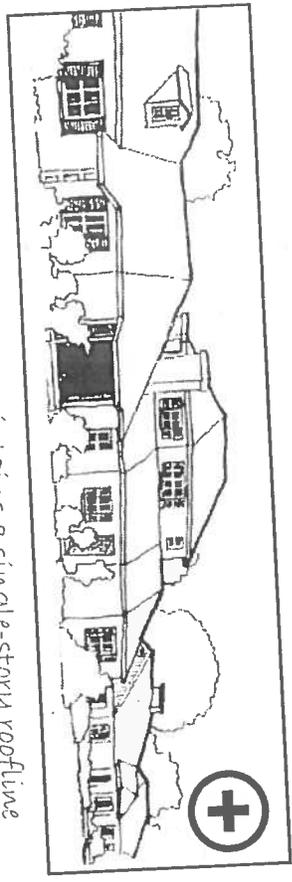
If Building and Safety minimum clearance standards can be met, chimneys are generally recommended to be less than 8' in height.

36.2.6 In Hillside areas, special consideration is needed for decks and outdoor courtyard placement. Depending on topography, these features have the potential to greatly affect downhill neighbors' privacy and noise levels. Often, keeping decks and outdoor courtyards within the Municipal Code setbacks listed for a zone district, even when not required, can help to maintain good neighbor relations.

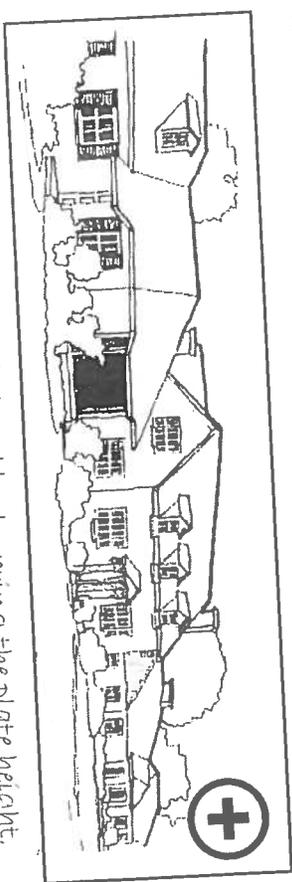
## TWO-STORY DESIGN CONCEPTS

Two or more story homes require special care in design to ensure they are compatible in a neighborhood. The Compatibility Guidelines in the previous chapter are more important for two-story homes than for one-story homes because two-story homes can appear more prominent in a neighborhood. Following are special design techniques and illustrations for two or more story homes.

- 19. Avoid crowding or overwhelming neighboring residences.
- 20. Avoid a "vertical canyon effect" between homes. The space between a proposed two-story home adjacent to one-story homes is important. Space between homes should increase as wall height increases. Consider setbacks greater than those required by the Municipal Code to avoid bulky structures.
- 21. Minimize areas of maximum height.
- 22. Vary height of building elements.
- 23. Vary roof lines.
- 24. Set back taller portions of structures from the lot lines to reduce the appearance of height.
- 25. Use architectural features to break up unacceptably bulk.
- 26. Three-story homes are generally incompatible in most of Santa Barbara's flat "infill" neighborhoods.



A two-story residence that maintains a single-story roofline common to the immediate neighborhood.



The mass of this house is reduced by lowering the plate height, using dormers and including an entry element.



Second-story addition oriented to home's rear and designed to reduce structure's volume visible from the street. (19, 21, 24)



Agenda Item No. 8

File Code No. 440.05

# CITY OF SANTA BARBARA

## COUNCIL AGENDA REPORT

**AGENDA DATE:** March 10, 2015

**TO:** Mayor and Councilmembers

**FROM:** City Administrator's Office

**SUBJECT:** Conference With Labor Negotiator

**RECOMMENDATION:**

That Council hold a closed session, per Government Code Section 54957.6, to consider instructions to City negotiator Kristine Schmidt, Administrative Services Director, regarding negotiations with the Fire Management Association, Supervisors Association, General Bargaining Unit, and regarding salaries and fringe benefits for certain unrepresented management and confidential employees.

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

**REPORT:** None anticipated

**PREPARED BY:** Kristine Schmidt, Administrative Services Director

**SUBMITTED BY:** Kristine Schmidt, Administrative Services Director

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



# CITY OF SANTA BARBARA

## COUNCIL AGENDA REPORT

**AGENDA DATE:** March 10, 2015

**TO:** Mayor and Councilmembers

**FROM:** Golf Division, Parks and Recreation Department

**SUBJECT:** Golf Course Financial Sustainability Proposal

**RECOMMENDATION:** That Council:

- A. Approve a proposal for the General Fund to refinance \$1,169,651 of Golf Fund debt at three percent interest over a 20-year term;
- B. Confirm prior Council direction to continue with the same golf course operating model using City employee maintenance; and
- C. Direct staff to enhance golf marketing efforts and proceed with securing pro shop and restaurant concession agreements which would be in effect July 1, 2016.

**EXECUTIVE SUMMARY:**

Santa Barbara Golf Club, the City's only municipal golf course, has seen play decline since 1990 and has been further challenged by competitive pricing trends in the local golf market. Operating as an enterprise fund, the Golf Course has been below policy reserves since Fiscal Year 2008, and could deplete all of its reserves within the next 12 to 18 months. On December 9, 2014, City Council received a report on the status of the Golf Course and options the City might consider to address the Fund's structural imbalance. Council expressed a desire to retain the current operating model, and directed staff to return to the Finance Committee with additional information on options to refinance the Golf Fund debt, improve golf course marketing, and identify opportunities to further reduce maintenance costs, which could improve the longer term financial outlook for the golf course.

On January 27, 2015, staff presented a report to the Finance Committee on the Golf Course Fund's Fiscal Year 2015 performance at mid-year, plans to increase spending to improve golf course marketing, and limited opportunities for additional reductions in maintenance expenses in the current operating model without negatively impacting course conditions and play. Staff also presented a proposal for the General Fund to refinance \$1,169,651 of Golf Fund debt at three percent interest over a 20-year term. In a 2/1 vote, the Finance Committee recommended that City Council approve the proposed debt refinancing plan, support the increased funding for marketing, continue

to monitor how the Golf Fund is doing and, as needed in the future, reconsider the issue of contract maintenance.

## **DISCUSSION:**

### Updated Financial Projections

By the end of February 2015, eight months into Fiscal Year 2015, Greens Fee revenue was 4.4% down from Fiscal Year 2014. Staff projects total revenues will end the year 2.4% lower than Fiscal Year 2014 and \$96,005 below budget. Staff does not anticipate expenditure savings will be able to offset the full amount of the revenue shortfall, thus reserves are projected to decrease by \$63,855.

### Golf Fund Reserves Improvement of \$98,387 due to Prior Year Re-statement

As part of closing the Fiscal Year 2014 books, Finance staff created a new fund to account for outstanding liabilities for "other post employment benefits (OPEBs), such as retiree medical payments and sick leave. Previously, the liabilities were accounted for in the individual funds, including the Golf Fund. With the shift of the liability from individual funds to a new OPEB internal service fund, the Golf Fund's reserves were increased by a corresponding amount. The Golf Fund's share of the OPEB liability transferred as of June 30, 2014 is \$98,387, meaning a closing reserve balance at June 30, 2014 of \$376,001.

The projected use of reserves of \$63,855 by year-end will leave a balance of \$312,146, approximately 50% of required reserves.

### Golf Course Debt

As of June 2014, outstanding Golf Course debt totaled \$1,377,702 and included the following:

1. Municipal Improvement Certificates of Participation (COP) used to finance the Clubhouse renovation, with an outstanding balance of \$654,500 and an annual payment of \$180,000 through Fiscal Year 2018.
2. General Fund loan for Golf Course capital improvements, with an outstanding balance of \$500,000, borrowed at a 6% interest rate. Interest payments only (\$22,000) through Fiscal Year 2018, to coincide with retirement of COPs. Repayment of principal and interest (\$185,000) starts in Fiscal Year 2019 and runs through Fiscal Year 2022.
3. Fleet Fund vehicle loan for turf equipment replacement, with an outstanding balance of \$223,202 and annual principal and interest payments of \$60,000 through Fiscal Year 2018.

In Fiscal Year 2015, debt service payments totaling \$266,135 (\$208,051 principal) on this debt will occur according to the current repayment schedule. This will leave a balance of \$1,169,651.49 to refinance with the Fiscal Year 2016 budget. The Golf Fund annual debt service obligation is \$262,000 through Fiscal Year 2018, and \$185,000 from Fiscal Year 2019 through Fiscal Year 2022.

### Refinancing Proposal

Staff worked with Finance Department staff on a proposal to consolidate the three existing loans into one General Fund loan of \$1,169,651.49 with an interest rate of 3% over a 20-year term. This proposal would reduce the Golf Fund's annual debt service payment to \$78,619 from \$183,381 through Fiscal Year 2018, and from \$106,381 through Fiscal Year 2022. The 20-year obligation of \$78,619 extends until Fiscal Year 2036.

The following table reflects how the refinanced debt changes the projected reserve balance based on a range of round volume scenarios. Three potential outcomes have been modeled through Fiscal Year 2021: (1) play decreases 3%, (2) play stays flat, and (3) play grows by 1%. Assumptions include a \$1 fee increase per year, no changes to the current operating model, no further drought impacts, and a fully funded capital program.

Note that the projections in this table have been updated from earlier versions to include: updated financial projections, proposed Fiscal Year 2016 budget, and restatement of reserves. Note that the proposed Fiscal Year 2016 budget reflects a 3% increase in rounds resulting from increased marketing spending – See Golf Course Marketing discussion below.

#### *Projected Reserve Balance with Refinancing of Debt*

	<b>-3% decline</b>	<b>Flat</b>	<b>1% growth</b>
FY15 (projected)	\$ 312,146	\$ 312,146	\$ 312,146
FY16 (proposed)	225,245	277,831	295,367
FY17	69,690	237,420	294,051
FY18	(156,203)	189,097	307,210
FY19	(529,213)	55,932	258,747
FY20	(974,183)	(87,087)	224,493
FY21	(1,474,944)	(223,981)	221,287

While refinancing provides some budgetary relief by reducing the debt payments in the first seven years, it does not provide sufficient relief to restore Golf Fund reserves to policy levels unless growth in play exceeds 1% a year from Fiscal Year 2016. If rounds

were to decline 3% or more per year, the General Fund subsidy would likely exceed \$150,000 in Fiscal Year 2018, and could increase upwards of \$1.5 million by Fiscal Year 2021.

It is important to note that with refinancing, the General Fund will be obligated to make the remaining COP debt service payments of \$180,000 per year from Fiscal Year 2016 through Fiscal Year 2018.

### Golf Course Marketing

Over the last ten years, golf course marketing has averaged approximately 1% of annual revenue from greens fees, which is lower than the industry average of 3%. For Santa Barbara Golf Club, 3% of projected revenue would be approximately \$50,000. The Fiscal Year 2015 marketing budget is \$21,606 and projected expense is \$26,780. Staff proposes to increase that by another \$23,220 in Fiscal Year 2016, for a total of \$50,000.

Highlights of current golf marketing include a social media presence on Facebook and Twitter, local print media, monthly email blasts to registered golfers, and targeted promotions. A Rewards Card provides frequent golfers with discounts on play and services. To draw more non-resident play, relationships with local hotels provide opportunities for guests to play at discounted rates. Efforts to expand junior, student, and women's golf continue to yield strong growth albeit from a low base.

There are two substantial marketing efforts underway which are expected to benefit the golf course as early as this spring. A Strategic Marketing Plan has been developed by a national golf marketing firm and will drive marketing investment and provide direction going forward.

A new Point of Sale and booking software system should be fully implemented by the end of March. The current system is outdated, lacks customer appeal, and does not provide adequate data to support effective marketing. The new system will provide a user friendly, modern, and effective website with booking and marketing applications to attract new golfers and increase play from existing golfers. Improvements to the customer database will allow better segmented analysis of customer behavior and targeted promotions.

The Fiscal Year 2016 budget has been prepared on the expectation that the increase in marketing spending will be recovered by a 3.1% increase in rounds played at the course. This equates to 1,784 more rounds at average revenue setting the target of 60,048 paid rounds. This is by no means guaranteed, but staff anticipates that many of the marketing tactics will yield results in the first year.

### Golf Course Maintenance

The majority of the Golf Fund budgeted expenditures is directed to maintenance. Major cost areas include staffing, supplies and services, debt service, water, equipment, allocated costs (insurance, City overhead, fleet services, etc.) and capital. The largest single expense area is staffing, followed by water and capital.

Over the last several years, staff has reduced expenses where possible to help offset unrealized revenue. Reductions have included water use, supplies, equipment replacement, capital and eliminating permanent positions. Staff believes that the maintenance budget has been trimmed to a level where further reductions would have a corresponding impact on course conditions which would negatively affect play and revenue. Additionally, the course must address long-delayed maintenance of the course and related infrastructure.

Currently the golf course maintenance staffing includes 11 full-time or permanent part-time employees (10.3 FTE), four hourly employees (1.7 FTE) and occasional youth apprentices who are paid through the City's youth employment program.

One planned maintenance staff reduction is being proposed with the Fiscal Year 2016 budget, which would reduce the number of permanent staff from 11 to ten people and reduce FTE from 10.3 to 9.8. Several years ago in response to declining revenues, the Golf Division proposed the layoff of a Grounds Maintenance Worker (GMW) I. The layoff was avoided by splitting the position 50 percent time between the Parks and Golf divisions. To improve supervision and management, the position is proposed to move to the Parks Division full-time with additional expense covered by a reduction in Parks hourly salaries. The Golf Division will have increased hourly staffing to compensate for the loss of the position with net salary and benefit expense savings.

Beyond this change, staff sees limited opportunities to convert additional full-time positions to hourly. Hourly staff is limited to 1,000 hours per year, meaning employees can work 20 hours a week over 12 months or full-time for six months. This typically leads to high staff turnover and increased workload associated with recruiting, hiring, and training staff. With a small workforce, the skilled nature of the work, and a seven day a week operation, these challenges are exacerbated at the golf course. However, replacing staff vacancies with hourly staffing will continue to be evaluated on a case by case basis.

Currently, a number of maintenance services are contracted at the course, including tree maintenance, plumbing, electrical and general construction. There are minimal opportunities to transition general turf and greens maintenance from staff to contract.

### **SUMMARY**

After eight months of Fiscal Year 2015, Greens Fee revenue is tracking 4.4% below the previous year, and the Golf Fund is expected to draw \$63,855 from reserves by the end of Fiscal Year 2015, leaving Golf reserves at approximately \$312,146. This would reduce

reserves to just 50% of policy. By year-end, rounds are projected to be 1.7% lower than last year.

Refinancing the debt improves short-term cash flow by \$183,381- \$106,381 through Fiscal Year 2022, but extends the debt payment of \$78,619 for another 14 years. Even with 1% growth year over year, refinancing leaves the Golf Fund below policy reserves by approximately 65%. Alternatively, if rounds were to decline 3% or more per year, the General Fund subsidy would likely exceed \$150,000 in Fiscal Year 2018, and could increase upwards of \$1.5 million dollars by Fiscal Year 2021.

Increased funding for marketing is expected to have at least a correlating increase in golf revenues in the short-term and provide the platform for stronger rounds and revenue in Fiscal Year 2016 and 2017. Increased rounds and revenue of 3% will brighten the financial outlook, but the growth required to reach policy reserves is not to be underestimated. In Fiscal Year 2014, the Golf Fund increased revenues from greens fees over 10% but still needed to use almost \$70,000 in reserves given cost pressures.

Given the lean Golf maintenance budget at this time, it is unlikely that any significant additional savings are achievable. Staff will continue to review expenses and conserve where appropriate, while still protecting the quality of the golf course and supporting assets.

#### Golf Maintenance Opportunities Related to Concession Agreements

The existing pro shop and restaurant concession agreements will terminate in June 2016. A decision on any changes to the golf course operating model is needed by June 2015 to allow sufficient time for the Request for Proposal (RFP) process, contract negotiations, and any operator transitions. Council has expressed a preference for retaining the current operating model with in-house maintenance. Keeping the current City employee maintenance operation comes with the following implications:

- By June 2016, eight of the 11 permanent staff will have either retired or be eligible for retirement. This provides a unique window of opportunity to reduce the impact of absorbing golf employees into other City operations if needed. That opportunity diminishes as critical vacancies are replaced with new permanent staff.
- The opportunity to consolidate maintenance, pro shop, and restaurant functions under one operator with a management agreement is most likely delayed for at least five years. New concession agreements will commit the City to a minimum of five years (Fiscal Year 2021) without incurring costly compensation for early termination.

#### Finance Committee Recommendation

At their January 27, 2015 meeting, the Finance Committee recommended by a 2/1 vote that City Council support the new marketing efforts and the proposal to refinance the debt; and, further recommended that, depending on golf course performance over the

next year, Council revisit the issue of contracting out maintenance as needed. Committee member Hart voted against the motion saying he could not support reconsideration of contract maintenance.

**PREPARED BY:** Mark D. Sewell, Parks and Recreation Business Analyst

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

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