



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: April 21, 2015

TO: Mayor and Councilmembers

FROM: Administration Division, Finance Department

SUBJECT: Recommended Two-Year Financial Plan For Fiscal Years 2016 And 2017

RECOMMENDATION: That Council:

- A. Receive the Recommended Two-Year Financial Plan for Fiscal Years 2016 and 2017, including the Recommended Operating and Capital Budget for Fiscal Year 2016;
- B. Hear a report from staff in connection with the filing of the Recommended Two-Year Financial Plan for Fiscal Years 2016 and 2017; and
- C. Approve the proposed Schedule of Council Budget Review Meetings and Public Hearings of the Recommended Two-Year Financial Plan for Fiscal Years 2016 and 2017.

DISCUSSION:

In accordance with City Charter, the Recommended Two-Year Financial Plan for Fiscal Years 2016 and 2017 ("Recommended Plan") has been filed with the City Clerk's Office and is being submitted to Council today. The Recommended Plan covers a two-year planning horizon and includes the recommended operating and capital budget for the first year of the plan. In June, Council will adopt a Two-Year Financial Plan for Fiscal Years 2016 and 2017 as well as an operating and capital budget for fiscal year 2016.

The current Recommended Plan was prepared in the context of a much improved local economy. General Fund sales tax and transient occupancy tax revenues have been very strong in the last two years and are expected to continue growing in the next two years, although at a more moderate rate. While the fiscal condition of the General Fund has greatly improved, some challenges still lay ahead, including continued increase in retirement costs and significantly underfunded capital needs.

City staff has scheduled special budget work sessions over the next two months during which the details of the Recommended Plan will be presented and discussed as part of the budget public hearing process. Over the course of the public hearings, each City department will present their respective recommended budget, including their operating budget and capital program, if applicable, as well as proposed performance measures and objectives for their programs.

The first of these special budget work sessions will be held on Thursday, April 30, from 3:00 p.m. to 6:00 p.m. in Council Chambers. The budget work sessions are scheduled at different times of the day and evening to encourage public participation. The proposed schedule for the special budget work sessions, at which the public hearings on the budget would be held, is included as an attachment to this report for Council's approval.

In addition to the public review by Council, staff recommends that the Finance Committee review certain elements of the Recommended Plan in more detail. The proposed Finance Committee Review Schedule will be presented to the Finance Committee for approval on April 21, 2015, just prior to the City Council meeting.

A copy of the Recommended Plan will be available for review in the City Clerk's Office and the Public Library's main and eastside branches. It will also be available on the City's website at www.SantaBarbaraCa.gov.

ATTACHMENT: Schedule of Proposed Council Budget Review Meetings and Public Hearings

SUBMITTED BY: Robert Samario, Finance Director/Acting Assistant City Administrator

APPROVED BY: City Administrator's Office

DRAFT

**CITY OF SANTA BARBARA
Two-Year Financial Plan for Fiscal Years 2016 and 2017**

**Schedule of Council Budget Review Meetings
and Public Hearings**

MEETING	DATE	BUDGET AGENDA ITEM(S)
SPECIAL BUDGET WORK SESSION AND PUBLIC HEARING #1	Thurs., April 30, 2015 3:00 – 6:00 pm Council Chambers	<ul style="list-style-type: none">➤ Open Budget Public Hearing➤ <u>Department Budget Presentations for:</u><ul style="list-style-type: none">- Community Development / Successor Agency- Library
SPECIAL BUDGET WORK SESSION AND PUBLIC HEARING #2	Mon., May 4, 2015 3:00 – 6:00 pm Council Chambers	<ul style="list-style-type: none">➤ <u>Department Budget Presentations for:</u><ul style="list-style-type: none">- Finance- General Government- Administrative Services- City Attorney's Office- City Administrator's Office- Mayor & Council
SPECIAL BUDGET WORK SESSION AND PUBLIC HEARING #3	Mon., May 11, 2015 6:00 – 9:00 pm Council Chambers	<ul style="list-style-type: none">➤ <u>Department Budget Presentation for:</u><ul style="list-style-type: none">- Parks & Recreation (including Creeks and Golf Funds)
SPECIAL BUDGET WORK SESSION AND PUBLIC HEARING #4	Wed., May 13, 2015 3:00 – 6:00 pm Council Chambers	<ul style="list-style-type: none">➤ <u>Department Budget Presentations for:</u><ul style="list-style-type: none">- Airport- Waterfront- Solid Waste Fund (Finance)
SPECIAL BUDGET WORK SESSION AND PUBLIC HEARING #5	Mon., May 18, 2015 2:00 – 5:00 pm Council Chambers	<ul style="list-style-type: none">➤ <u>Department Budget Presentation for:</u><ul style="list-style-type: none">- Public Works

SPECIAL BUDGET WORK SESSION AND PUBLIC HEARING #6	Wed., May 20, 2015 2:00 – 5:00 pm Council Chambers	➤ <u>Department Budget Presentation for:</u> - Fire - Police
SPECIAL BUDGET WORK SESSION AND PUBLIC HEARING #7	Mon., June 1, 2015 2:00 – 5:00 pm Council Chambers	➤ Finance Committee Budget Recommendations to Council ➤ Council Budget Deliberations ➤ Final Council Budget Direction to Staff ➤ Close Budget Public Hearing
SPECIAL BUDGET WORK SESSION AND PUBLIC HEARING #8	Wed., June 3, 2015 9:00 am – 12:00 pm Council Chambers	➤ Continue Council Budget Deliberations (if needed)
SPECIAL BUDGET WORK SESSION AND PUBLIC HEARING #9	Mon., June 8, 2015 3:00 – 6:00 pm Council Chambers	➤ Continue Council Budget Deliberations (if needed)
REGULAR CITY COUNCIL MEETING	Tues, June 16, 2015 Afternoon session Council Chambers	➤ Prop. 218 Hearing on Proposed Increases to Water, Wastewater and Solid Waste Rates
REGULAR CITY COUNCIL MEETING	Tues, June 23, 2015 Afternoon session Council Chambers	➤ Budget Adoption