



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: June 16, 2015

TO: Mayor and Councilmembers

FROM: Administration Division, Finance Department

SUBJECT: Fiscal Year 2016 Recommended Operating And Capital Budget

RECOMMENDATION: That Council:

- A. Hear and consider the proposed balancing plan based on City Council direction provided to staff at the June 1, 2015 special budget hearing regarding the Fiscal Year 2016 Recommended Budget; and
- B. Provide final direction in preparation of Council's approval of adopting budget resolutions scheduled for approval on June 23, 2015 for Fiscal Year 2016 that begins on July 1, 2015.

DISCUSSION:

On June 1, the City Council held a special budget hearing for the purpose of hearing the recommendations of the City Council Finance Committee based on their review of the Fiscal Year 2016 Recommended Budget, and providing direction to staff on funding requests from outside organizations as well as the proposed balancing strategy in the context of policy reserves.

The City Council made decisions regarding funding requests. The items approved are contained in the attached List of Approved Funding Requests from Outside Organizations (Attachment 1).

In addition, City Council considered alternative time frames by which the existing gap in General Fund reserves relative to policy requirements should be closed. After some deliberation, Council directed staff to plan to bring back a detailed plan for closing the reserve gap in two years using a combination of one-time savings (primarily capital) and a reduction in the proposed service enhancements included in the recommended budget. Attachment 2 details the two-year plan. Council also asked staff to present a three-year plan to see what incremental benefits there might be to extending the time frame by one year (Attachment 3).

ATTACHMENTS: 1. List of Approved Funding Requests from Outside Organizations
 2. Two-Year Plan to Close Gap in General Fund Reserves
 3. Three-Year Plan to Close Gap in General Fund Reserves

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

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

APPROVED BY: City Administrator's Office

CITY OF SANTA BARBARA
List of Approved Funding Requests from Outside Organizations
Fiscal Year 2016 General Fund Recommended Budget

	<u>FY 2016 Proposed</u>	<u>FY 2016 Request</u>	Net Funding Request
Casa Esperanza			
Converting One-Time Funding to Ongoing	\$ -	\$ 125,000	\$ 125,000
Community Environmental Council			
Community Choice Aggregation (CCA)			
Comprehensive Feasibility Study	-	50,000	50,000
Santa Barbara School District			
Jr. High School After School Sports Program	20,000	32,830	12,830
Police Activities League			
Reduction in Rent	-	9,983	9,983
Legal Aid Foundation			
Common Ground - Downtown Project	-	25,000	25,000
	<u>\$ 20,000</u>	<u>\$ 242,813</u>	<u>\$ 222,813</u>

CITY OF SANTA BARBARA
Closing Gap in 2 Years

	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>
Deficit	\$ 1,865,954	\$ 460,758	\$ 142,549
Add Request from O/S Org.	172,813	22,813	22,813
Measures			
Eliminate Proposed Positions			
Transportation Planner	(122,018)	(122,018)	(122,018)
Public Education Officer	(92,050)	(92,050)	(92,050)
Allocation of 50% Capital Reserves			
25% of FY 2015 Surplus	(337,261)	-	-
50% of FY 2016 Surplus	(665,450)	-	-
25% of FY 2017 Surplus	-	(274,953)	-
FY 2018 Surplus			
Reduce Capital			
Thousand Steps	(100,000)	-	-
Artificial Turf Projects	(225,000)	-	-
Urban Forest Mgmt Plan	(150,000)	-	-
Dog Off-Leash Park Areas	(100,000)	-	-
	<u>(1,791,779)</u>	<u>(489,021)</u>	<u>(214,068)</u>
Balance of Deficit	<u>\$ 246,988</u>	<u>\$ (5,450)</u>	<u>\$ (48,706)</u>

CITY OF SANTA BARBARA
Closing Gap in 3 Years

	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>
Deficit	\$ 1,865,954	\$ 798,019	\$ 479,810
Add Request from O/S Org.	172,813	22,813	22,813
Measures			
Eliminate Proposed Positions			
Transportation Planner	(122,018)	(122,018)	(122,018)
Public Education Officer	(92,050)	(92,050)	(92,050)
Allocation of 50% Capital Reserves			
FY 2015 Surplus	-	-	-
FY 2016 Surplus	(665,450)	-	-
25% of FY 2017 Surplus	-	(274,953)	-
25% of FY 2018 Surplus			(278,771)
Reduce Recommended Capital			
Thousand Steps	(100,000)	-	-
Artificial Turf Projects	(225,000)	-	-
Urban Forest Mgmt Plan	(150,000)	-	-
Dog Off-Leash Park Areas	(100,000)	-	-
	<u>(1,454,518)</u>	<u>(489,021)</u>	<u>(492,839)</u>
Balance of Deficit	<u>\$ 584,249</u>	<u>\$ 331,811</u>	<u>\$ 9,784</u>