

**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>

**JULY 28, 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 for rebroadcasts of Finance and Ordinance Committee meetings, and for any changes to the replay schedule.

ORDER OF BUSINESS

- 12:30 p.m. - Finance Committee Meeting, David Gebhard Public Meeting Room, 630 Garden Street
- 12:30 p.m. - Ordinance Committee Meeting, Council Chamber
- 2:00 p.m. - City Council Meeting

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

Subject: June 30, 2015, Investment Report And June 30, 2015, Fiscal Agent Report

Recommendation: That the Finance Committee recommend that Council:

- A. Accept the June 30, 2015, Investment Report; and
 - B. Accept the June 30, 2015, Fiscal Agent Report.
- (See Council Agenda Item No. 5)

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

1. **Subject: Proposed Amendments To Municipal Code Chapter 5.66 On News Racks (530.01)**

Recommendation: That the Ordinance Committee review proposed improvements to the management and permitting of news racks and recommend City Council approval of the amendments to Municipal Code Chapter 5.66.

2. **Subject: Proposed Amendments To Purchasing Code**

Recommendation: That the Ordinance Committee review proposed amendments to Chapter 4.52 of the Municipal Code regarding bidding thresholds and recommend City Council approval of the proposed changes.

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

CALL TO ORDER

PLEDGE OF ALLEGIANCE

ROLL CALL

CHANGES TO THE AGENDA

PUBLIC COMMENT

CONSENT CALENDAR

1. Subject: Minutes

Recommendation: That Council waive further reading and approve the minutes of the regular meeting of July 14, 2015.

2. Subject: Resolution Approving A Grant Application For The Las Positas Creek Restoration Project (540.14)

Recommendation: That Council adopt, by reading of title only, A Resolution of the Council of the City of Santa Barbara Approving the Application for Grant Funds for the California River Parkways Grant Program.

3. Subject: Acceptance Of A Public Street Easement At 406 East Haley Street (330.03)

Recommendation: That Council adopt, by reading of title only, A Resolution of the Council of the City of Santa Barbara Accepting a New Public Street Easement on the Private Property Known as 406 East Haley Street, Located at the Corner of East Haley Street and Laguna Street, For All Street Purposes.

CONSENT CALENDAR (CONT'D)

4. Subject: Introduction Of Ordinance To Designate Fishing Areas On Stearns Wharf (570.03)

Recommendation: That Council introduce and subsequently adopt, by reading of title only, An Ordinance of the Council of the City of Santa Barbara Amending the Santa Barbara Municipal Code by Adding Section 17.13.060 to Designate Fishing Areas on Stearns Wharf.

5. Subject: June 30, 2015, Investment Report And June 30, 2015, Fiscal Agent Report (260.02)

Recommendation: That Council:

- A. Accept the June 30, 2015, Investment Report; and
- B. Accept the June 30, 2015, Fiscal Agent Report.

6. Subject: Fiscal Year 2015 Interim Financial Statements For The Eleven Months Ended May 31, 2015 (250.02)

Recommendation: That Council accept the Fiscal Year 2015 Interim Financial Statements for the Eleven Months Ended May 31, 2015.

7. Subject: Professional Services Contract With Hunt Design, Inc., For The Parks And Recreation Facility Sign Replacement Project (570.08)

Recommendation: That Council:

- A. Authorize the Parks and Recreation Director to execute a professional services agreement with Hunt Design, Inc., in the amount of \$45,000 to develop a comprehensive sign program for City parks and recreation facilities; and
- B. Authorize the Parks and Recreation Director to approve additional expenditures of up to \$5,000 to cover cost increases that may result from necessary changes in the scope of work.

8. Subject: Contract For Final Design Of The Arroyo Burro Restoration Project At Barger Canyon (540.14)

Recommendation: That Council:

- A. Authorize the Parks and Recreation Director to execute a Professional Services Agreement with Questa Engineering Corporation in the amount of \$78,080 to prepare final design plans and construction specifications for the Arroyo Burro Restoration Project at Barger Canyon; and
- B. Authorize the Parks and Recreation Director to approve expenditures of up to \$7,800 for extra services from Questa Engineering Corporation that may result from necessary changes in the scope of work.

CONSENT CALENDAR (CONT'D)

9. Subject: Mesa Business Association Flag Agreement (530.04)

Recommendation: That Council authorize the Public Works Director to enter into a five-year agreement with the Mesa Business Association to allow them to install flags on City-owned streetlight poles.

10. Subject: Community Promotion Contract With Old Spanish Days (230.02)

Recommendation: That Council authorize the City Administrator to execute a community promotion contract with Old Spanish Days in an amount of \$101,000, covering the period from July 1, 2015, to June 30, 2016.

11. Subject: Adoption Of Ordinances For Reactivation Of The Charles E. Meyer Desalination Facility (540.10)

Recommendation: That Council:

- A. Adopt, by reading of title only, An Ordinance of the Council of the City of Santa Barbara Authorizing the Approval and Execution by the City of an Installment Sale Agreement in Connection with the Desalination Plant Reactivation Project Drinking Water State Revolving Fund Project No. 4210010-005C;
- B. Adopt, by reading of title only, An Ordinance of the Council of the City of Santa Barbara Authorizing the Approval, Subject to Receipt of SRF Loan For Project No. 4210010-005C, and Execution by the Public Works Director of a Contract to Design, Build, and Operate the Charles E. Meyer Desalination Facility With IDE Americas, Inc., in the Amount of \$43,437,234 and Approve Expenditures up to \$1,864,420 to Cover Any Cost Increases That May Result from Contract Change Orders for Extra Work and Differences Between Estimated Bid Quantities and Actual Quantities Measured for Payment; and
- C. Adopt, by reading of title only, An Ordinance of the Council of the City of Santa Barbara Authorizing the Acceptance and Execution by the Public Works Director of a Lease for a Term of 25 Years With the State Of California State Lands Commission for the Continued Use and Maintenance of One 48-Inch Diameter Sewer Outfall Pipeline and Maintenance of One 42-Inch Diameter Non-Operational Outfall Pipeline and Associated Facilities, as Further Described on Exhibit "A" Attached Thereto.

CONSENT CALENDAR (CONT'D)

NOTICES

12. The City Clerk has on Thursday, July 23, 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.
13. A City Council site visit is scheduled for Monday, August 3, 2015, at 1:30 p.m. to the property located at 3425 Sea Ledge Lane, which is the subject of an appeal hearing set for August 4, 2015, at 2:00 p.m.

This concludes the Consent Calendar.

REPORT FROM THE FINANCE COMMITTEE

REPORT FROM THE ORDINANCE COMMITTEE

PUBLIC HEARINGS

14. Subject: Solar Energy System Permits Ordinance (630.06)

Recommendation: That Council conduct a public hearing, and introduce and subsequently adopt, by reading of title only, An Ordinance of the Council of the City of Santa Barbara Adding Chapter 22.91 to the Municipal Code and Amending Sections 28.04.050 and 28.93.030 Relating to Permitting Procedures and Construction Requirements for Solar Energy Systems.

CITY COUNCIL ADMINISTRATIVE AND ATTORNEY REPORTS

FINANCE DEPARTMENT

15. Subject: Status Of The Resource Recovery Project At Tajiguas Landfill (630.01)

Recommendation: That Council:

- A. Receive a report on the status of the proposed Resource Recovery Project at Tajiguas Landfill; and
- B. Direct staff to work with County of Santa Barbara staff to study and evaluate a public financing model for the Resource Recovery Project.

CITY COUNCIL ADMINISTRATIVE AND ATTORNEY REPORTS (CONT'D)

PARKS AND RECREATION DEPARTMENT

16. Subject: Council Direction On Operating Options For Santa Barbara Golf Club (570.02)

Recommendation: That Council:

- A. Receive a report on three operating models evaluated for Santa Barbara Golf Club; and
- B. Direct staff to proceed with Option B, to include a Request for Proposals for professional golf management services for golf course management, Pro Shop, and course maintenance operations; and negotiate contractual terms with the existing operators of Mulligan's Café and Bar to provide food and beverage services at the golf course.

MAYOR AND COUNCIL REPORTS

17. Subject: Request From Mayor Schneider And Mayor Pro Tempore Hart Regarding Phillips 66 Rail Extension Project Proposal (630.12)

Recommendation: That Council consider the request from Mayor Schneider and Mayor Pro Tempore Hart to send correspondence to the San Luis Obispo County Planning Commission and Board of Supervisors to express concerns about the Phillips 66 Rail Spur Extension Project regarding the safety impacts of the increased frequency of oil trains along freight corridors and request denying the Project.

COUNCIL AND STAFF COMMUNICATIONS

COUNCILMEMBER COMMITTEE ASSIGNMENT REPORTS

CLOSED SESSIONS

18. Subject: City Attorney Compensation Negotiations (160.01)

Recommendation: That Council hold a closed session with Kristine Schmidt, Administrative Services Director, pursuant to CA Government Code Section 54957(b)(1) and Section 54957.6 regarding the negotiation of the salary and fringe benefits applicable to the City Attorney.

Negotiators: Kristine Schmidt, Administrative Services Director

Scheduling: Duration, 30 minutes; anytime

Report: None anticipated

ADJOURNMENT

To Monday, August 3, 2015, at 1:30 p.m. at 3425 Sea Ledge Lane. (See Agenda Item No. 13)

CITY OF SANTA BARBARA

FINANCE COMMITTEE

MEETING AGENDA

DATE: July 28, 2015

Dale Francisco, Chair

TIME: 12:30 P.M.

Bendy White

PLACE: David Gebhard Public Meeting Room
630 Garden Street

Gregg Hart

Paul Casey
City Administrator

Robert Samario
Finance Director/Acting
Assistant City Administrator

ITEMS TO BE CONSIDERED:

1. **Subject: June 30, 2015, Investment Report And June 30, 2015, Fiscal Agent Report**

Recommendation: That the Finance Committee recommend that Council:

- A. Accept the June 30, 2015, Investment Report; and
- B. Accept the June 30, 2015, Fiscal Agent Report.

(See Council Agenda Item No. 5)

CITY OF SANTA BARBARA

ORDINANCE COMMITTEE MEETING

MEETING AGENDA

DATE: July 28, 2015
TIME: 12:30 p.m.
PLACE: Council Chambers

Randy Rowse, Chair
Frank Hotchkiss
Cathy Murillo

Office of the City
Administrator

Office of the City
Attorney

Kate Whan
Administrative Analyst

Ariel Pierre Calonne
City Attorney

ITEMS FOR CONSIDERATION

1. Subject: Proposed Amendments To Municipal Code Chapter 5.66 On News Racks

Recommendation: That the Ordinance Committee review proposed improvements to the management and permitting of news racks and recommend City Council approval of the amendments to Municipal Code Chapter 5.66.

2. Subject: Proposed Amendments To Purchasing Code

Recommendation: That the Ordinance Committee review proposed amendments to Chapter 4.52 of the Municipal Code regarding bidding thresholds and recommend City Council approval of the proposed changes.



CITY OF SANTA BARBARA

ORDINANCE COMMITTEE AGENDA REPORT

AGENDA DATE: July 28, 2015

TO: Ordinance Committee

FROM: Engineering Division, Public Works Department

SUBJECT: Proposed Amendments To Municipal Code Chapter 5.66 On News Racks

RECOMMENDATION:

That the Ordinance Committee review proposed improvements to the management and permitting of news racks and recommend City Council approval of the amendments to Municipal Code Chapter 5.66.

DISCUSSION:

On April 27, 2015, staff met with the Architectural Board of Review (ABR), and on May 6, 2015, staff met with the Historic Landmarks Commission (HLC) regarding citywide news racks (see Attachment 1). At both meetings, ABR and HLC approved the proposed news rack styles and colors (Attachment 2). These approvals were incorporated into the proposed draft ordinance amending Chapter 5.66, of the Municipal Code. On June 30, 2015, staff made a presentation to the Ordinance Committee recommending approval of an amendment updating Municipal Code Chapter 5.66, pertaining to the permitting and maintenance of news racks existing within the City on public property. At the meeting during public comment, representatives of the Santa Barbara News-Press (News-Press) and Santa Barbara Independent (Independent) expressed concern over the proposed ordinance language pertaining to permitting fees and the need for cost protection to the news rack owners; the lack of clarity as to whether or not the prohibition against advertising on news racks included advertising to promote the publications contained within the news rack; the impact to existing news racks affixed to shared pedestals that may be removed during the initial permit implementation; the lack of a person other than the Public Works Director to hear appeals regarding the removal of a news rack; and the possible lack of consistency within the ordinance with regards to the definition of "obscene" material. The Ordinance Committee recommended that staff, in conjunction with the City Attorney, meet with stakeholders from the News-Press and the Independent to discuss possible revisions to the ordinance to address the concerns articulated at the meeting. The Ordinance Committee directed staff to put the matter back on the agenda within two weeks, or as soon thereafter as possible for subsequent discussion and further review of the Ordinance by the Committee.

On July 6, 2015, City staff, with the City Attorney, met with the stakeholders from the News-Press and the Independent. The parties discussed all of the concerns raised at the June 30, 2015, committee meeting, including the scope of the language requiring news rack owners to maintain insurance and naming the City as additional insured during the term of the permit. The City Attorney agreed to make certain revisions to the existing ordinance language to address the concerns. On July 10, 2015, a redline version containing the City Attorney's revisions to the originally proposed ordinance was emailed to the news rack stakeholders.

Attached for the Committee's reference is a copy of the proposed ordinance that contains the revisions specifically included to address the concerns expressed by the News-Press and the Independent. (See Attachment 4).

Pending Ordinance Committee approval, the next steps include Council review and approval, free registration of all news racks within the City, payment of fees by news rack owners and implementation of the updated ordinance. News rack owners with less than 30 news racks must be in compliance with the amended ordinance within 90 days after registration of the existing news rack. News rack owners who own more than 30 news racks may request City approval of an implementation plan that may take longer than 90 days; however, compliance is expected before July 1, 2016.

BUDGET/FINANCIAL INFORMATION:

Currently, no City funds are budgeted for news rack inspection and management. Staff has proposed new news rack fees to replace current fees. These proposed fees would be limited to cost recovery of anticipated staff time to manage, inspect, and enforce the proposed news rack ordinance update. Further, the proposed fee pertaining to City-owned cabinets in the Downtown corridor is to cover the cost of maintaining the cabinets.

The current news rack fees were presented to the Finance Committee on May 5, 2015, for their review and comments. The Finance Committee agreed with the fees. The current fees, which were approved by Council by Resolution 15-053 on June 24, 2015, are shown on Attachment 3.

- ATTACHMENTS:**
1. Excerpts from ABR and HLC Meeting Minutes
 2. ABR/HLC Approved News Rack Styles
 3. News Rack Fees
 4. Draft Ordinance Amending Chapter 5.66 of the Municipal Code

PREPARED BY: John Ewasiuk, Principal Civil Engineer/TS/sk

SUBMITTED BY: Rebecca J. Bjork, Public Works Director

APPROVED BY: City Administrator's Office

**ARCHITECTURAL BOARD OF REVIEW
MINUTES**

Monday, April 27, 2015 **David Gebhard Public Meeting Room: 630 Garden Street** **3:00 P.M.**

BOARD MEMBERS: KIRK GRADIN – CHAIR (Consent Agenda Representative)
 SCOTT HOPKINS – VICE-CHAIR
 THIEP CUNG
 COURTNEY JANE MILLER (Consent Agenda Landscape Representative)
 STEPHANIE POOLE (Consent Agenda Representative)
 AMY FITZGERALD TRIPP
 WM. HOWARD WITTAUSCH

CITY COUNCIL LIAISON: DALE FRANCISCO
PLANNING COMMISSION LIAISON: JOHN CAMPANELLA
PLANNING COMMISSION LIAISON (Alternate): SHEILA LODGE

STAFF: JAIME LIMÓN, Design Review Supervisor
 SUSAN GANTZ, Planning Technician
 KATHLEEN GOO, Commission Secretary

Website: www.SantaBarbaraCA.gov

An archived video copy of this regular meeting of the Architectural Board of Review is viewable on computers with high speed internet access on the City website at www.SantaBarbaraCA.gov/ABRVideos.

CALL TO ORDER:

The Full Board meeting was called to order at 3:00 p.m. by Chair Gradin.

ATTENDANCE:

Members present: Gradin, Cung (until 7:16 p.m.), Hopkins, Miller, Poole (until 5:45 p.m.), Tripp and Wittausch.
Members absent: None.
Staff present: Gantz and Goo.

GENERAL BUSINESS:

- A. Public Comment:
 No public comment.
- B. Approval of Minutes:
 Motion: Approval of the minutes of the Architectural Board of Review meeting of **April 13, 2015**, as amended.
 Action: Wittausch/Miller, 5/0/2. Motion carried. (Gradin/Cung abstained, and Miller abstained from Item 1).
- C. Consent Calendars:
 Motion: Ratify the Consent Calendar of **April 20, 2015**. The Consent Calendar was reviewed by **Amy Fitzgerald Tripp**.
 Action: Hopkins/Tripp, 6/0/1. Motion carried. (Gradin abstained).
 Motion: Ratify the Consent Calendar of **April 27, 2015**. The Consent Calendar was reviewed by **Kirk Gradin** and **Courtney Jane Miller**.
 Action: Hopkins/Miller, 7/0/0. Motion carried.

- D. Announcements, requests by applicants for continuances and withdrawals, future agenda items, and appeals.
- 1) Ms. Gantz made the following announcements:
 - a) Board Member Tripp will be stepping down on Items 6 and 7 at 401 E. Haley Street and 412 E. Haley Street, respectively;
 - b) Board Member Miller will be stepping down on Item 2 at 110 S. Hope Avenue; and
 - c) Board Member Poole will attend the meeting from 3:00 p.m. – 5:45 p.m.
- E. Subcommittee Reports.
- No reports were made.

CONCEPT REVIEW - CONTINUED ITEM

1. CITYWIDE NEWS RACKS ROW Zone

(3:15) Assessor’s Parcel Number: 000-000-0RW
 Application Number: MST2014-00599
 Owner: City of Santa Barbara

(Proposal to update the City's News Rack Ordinance in order to provide more effective news rack management and maintenance.)

(Second Concept Review. Action may be taken if sufficient information is provided. Project was last reviewed on February 2, 2015.)

Actual time: 3:09 p.m.

Present: John Ewasiuk, Principal Civil Engineer.

Public comment opened at 3:27 p.m.

- 1) Elizabeth Wright, expressed support with submitted personal suggestions as a self-appointed “community liaison”.
- 2) Joe Cole, Agent for the SB Independent, expressed support as an independent distributor representative.

Public comment closed at 3:30 p.m.

Board comments:

- 1) No advertizing would be allowed on the new rack boxes or pedestals.
- 2) A majority of the Board is in support of clean, simple, and uniform smaller size new racks with a minimalistic design (#KJ-50E).
- 3) If multiple rack boxes are used, a majority of the Board was in favor of smaller size boxes on a common rack, and positioned as close together as possible.
- 4) Standardize and minimize the size of the newspaper and magazine logos and contact information as much as possible, to be placed only on the front centered bottom portion of the boxes so as not to be seen from the street.
- 5) A majority of the Board found supportable an overall Malaga green color, including support post.



City of Santa Barbara Planning Division

HISTORIC LANDMARKS COMMISSION MINUTES

Wednesday, May 6, 2015

David Gebhard Public Meeting Room: 630 Garden Street

1:30 P.M.

COMMISSION MEMBERS:

- PHILIP SUDING, *Chair*
- BARRY WINICK, *Vice-Chair*
- MICHAEL DRURY
- WILLIAM LA VOIE
- BILL MAHAN
- FERMINA MURRAY
- JUDY ORÍAS
- CRAIG SHALLANBERGER
- JULIO JUAN VEYNA

ADVISORY MEMBER:

DR. MICHAEL GLASSOW

CITY COUNCIL LIAISON:

DALE FRANCISCO

PLANNING COMMISSION LIAISON:

SHEILA LODGE

STAFF:

- JAIME LIMÓN, Design Review Supervisor / Historic Preservation Supervisor
- NICOLE HERNÁNDEZ, Urban Historian
- JOANNA KAUFMAN, Planning Technician
- GABRIELA FELICIANO, Commission Secretary

Website: www.SantaBarbaraCA.gov

An archived video copy of this regular meeting of the Historic Landmarks Commission is viewable on computers with high speed internet access on the City website at www.santabarbaraca.gov/hlc and then clicking on the Videos under Explore.

CALL TO ORDER.

The Full Commission meeting was called to order at 1:30 p.m. by Chair Suding.

ATTENDANCE:

- Members present: Drury, La Voie, Mahan, Orías, Shallanberger, Suding, and Winick.
- Members absent: Murray and Veyna.
- Staff present: Limón (until 2:25p.m. and again at 3:08 p.m. until 3:25 p.m.), Hernández (until 6:25 p.m.), Kaufman, and Feliciano.

GENERAL BUSINESS:

A. Public Comment:

No public comment.

Motion: Continued to the Planning Commission with comments:

Proposal:

1. The project as proposed is not acceptable.
2. The thoroughness of the AUD and solar presentation is appreciated.

Setbacks:

3. The proposed setbacks from the street are appropriate and extremely important, but they are too narrow.
4. The side and rear setbacks from the historic resource are not appropriate for this site.

Size, bulk and scale:

5. The size, bulk and scale are not appropriate for this site.
6. The proposed height is not compatible with the surrounding neighborhood with its one and two story buildings. The Commission finds the fourth story is unsupportable.
7. The massing needs to be reduced.
8. The density of the proposed number of units should be appropriate to the site, neighborhood, and adjacent historic resources not withstanding what the AUD would allow. The AUD should be appropriately applied to this site and the neighborhood.

Architecture/Design:

9. The design is too contemporary and should be restudied.
10. The architecture should be compatible with the historic context. The project should respect the adjacent historic resources and should be compatible with the neighborhood.
11. Restudy the courtyard concept. Look to the historic El Paseo’s courtyard for inspiration.
12. The north elevation should be treated as a primary elevation and not as a back-of-house. It is viewed from a significant historic resource and is adjacent to Anacapa School which is diminutive in scale.

Landscaping:

13. The loss of landscaping is of concern. Significant trees on the site should be retained. Landscaping should be used to tie the project into the neighborhood.

Mixed-Use:

14. The multi-use aspect, especially the commercial component, should take into consideration the amenities of the neighborhood and the project, and the needs of future residents.

Action: Winick/Drury, 7/0/0. (Murray/Veyna absent.) Motion carried.

**** THE COMMISSION RECESSED FROM 5:40 PM TO 5:47 PM ****

CONCEPT REVIEW - CONTINUED

7. **CITYWIDE NEWS RACKS** ROW Zone
 (5:00) Assessor’s Parcel Number: 000-000-0RW
 Application Number: MST2014-00599
 Owner: City of Santa Barbara
 (Proposal to update the city's news rack ordinance in order to provide more effective news rack management and maintenance.)

(Second Concept Review; action can be taken if sufficient information is provided. Project last reviewed on February 11, 2015.)

Actual time: 5:47 p.m.

Present: John Ewasiuk, Principal Engineer

Public comment opened at 5:57 p.m.

Elizabeth Wright, local community liaison, spoke in support of the project and requested consistency. She also asked that there be less news racks in front of the main post office downtown. She urged the public to report graffiti on news racks to the graffiti hotline.

Mike Park, Santa Barbara News-Press representative, spoke in support of the project and expressed appreciation for the collaboration between staff and news rack owners.

Scott Kaufman, Santa Barbara Independent representative, spoke in support of the project and expressed appreciation for staff's efforts to offer newspapers in an attractive way.

Public comment closed at 6:01 p.m.

Motion: Project Design Approval with recommendations to the Ordinance Committee in the process of updating the city's news rack ordinance:

1. Malaga green shall be used for the news rack boxes and pedestals in El Pueblo Viejo Landmark District.
2. Double periodical racks shall be consolidated as well as the single racks.
3. New installations shall be placed inside the sidewalk and/or near a wall rather than on the curb.
4. The smaller bases shall be less obtrusive.

Action: Mahan/Drury, 7/0/0. (Murray/Veyna absent.) Motion carried.

CONCEPT REVIEW – CONTINUED / HISTORIC STRUCTURES REPORT

8. **713 SANTA BARBARA ST** C-2 Zone

(5:20) Assessor's Parcel Number: 031-081-007
 Application Number: MST2014-00390
 Owner: Santa Barbara Historical Society
 Architect: Richard Redmond

(This is a revised project description. Proposal to install a new air-conditioning compressor unit on a concrete base adjacent to the northeastern corner of the Historic Adobe at the Santa Barbara Historical Museum. No changes are proposed to the existing Covarrubias Adobe or the Santa Barbara Historical Museum buildings. Both the Historic Adobe (1825) and the Covarrubias Adobe (1830) are City and State Designated Historic Landmarks. The Santa Barbara Historical Museum is on the City's List of Potential Historic Resources.)

- a) **(Historic Structures/Sites Report prepared by Alex Cole. Report concludes the project would have a less than significant impact on the significant historic resource.)**

Actual time: 6:17 p.m. and again at 6:23 p.m.

Present: Alex Cole, Historical Consultant
 Richard Redmond, Architect
 Warren Miller, Santa Barbara Historical Society

ABR/HLC Approved News Rack Styles



K-JACK Model KJ-125T



INSERTED INTO CITY NEWS RACK CABINETS & ON PEDESTALS

E. News Racks (SBMC 5.66)

Registration (1 to 10 racks)	\$18.54/box
Registration (over 10 racks)	\$8.76/box
Annual fee	\$13/box
Annual fee for news racks in City cabinets (in addition to the annual fee)	\$18/box
Application fee for a new news rack	\$236

ORDINANCE COMMITTEE DISCUSSION DRAFT
SHOWING CHANGES FROM 06/30/15 DRAFT

ORDINANCE NO. _____

AN ORDINANCE OF THE COUNCIL OF THE CITY OF SANTA
BARBARA AMENDING CHAPTER 5.66 OF THE SANTA
BARBARA MUNICIPAL CODE TO ESTABLISH NEWS RACK
REGULATIONS

5.66.010 Purpose and Legislative Findings

- A. Purpose.** The purpose of this chapter is to promote the public health, safety, and welfare by establishing objective standards for locating news racks through the regulation of location, appearance, size, and maintenance of news racks on City rights-of-way in order to:
1. Protect the right to distribute information, protected by the United States and California Constitutions, through the use of news racks.
 2. Provide for pedestrian and vehicular safety and convenience.
 3. Minimize interference with the flow of pedestrian or vehicular traffic, including but not limited to ingress into or egress from any place of business or residence, from the street to the sidewalk or from parked vehicles to the sidewalk, by establishing objective standards for locating news racks.
 4. Provide reasonable access for the use and maintenance of sidewalks, poles, posts, traffic signs and signals, hydrants, mailboxes, and similar appurtenances, and access to locations used for public transportation purposes.
 5. Reduce visual blight on City streets, promote tourism, encourage well-designed and aesthetically compatible news racks, and protect the aesthetics and value of surrounding properties.
- B. Legislative Findings.** The City Council finds that, with the exception of those regulations governing the display of harmful matter, the time, place and manner restrictions established by this chapter are content-neutral, narrowly tailored to serve significant government interests, and leave open ample alternative channels of communication in that:
1. The news rack location, appearance, size, and maintenance regulations established in this chapter apply regardless of the content of the publication.
 2. The news rack location, appearance, size, and maintenance regulations established in this chapter serve a substantial government interest by protecting the aesthetic appearance of the City, avoiding visual clutter, assuring safe and convenient

- pedestrian circulation, helping to promote tourism and economic vitality, and preventing dangerous installations of news racks.
3. The number, size, construction, placement and appearance of news racks can have a significantly adverse visual impact in designated Landmarks District like El Pueblo Viejo and other aesthetically sensitive areas.
 4. The Downtown Plaza has become very congested, with street furniture and other sidewalk encroachments, automobiles, and other means of travel competing with pedestrians for the public space; and that special standards for the design and location of news racks, in conjunction with a program for the furnishing and installation of uniform street furniture, and the enforcement of existing regulations for other encroachments in the downtown commercial area, will help to create a sense of order and provide a friendly environment for those who come to the area. The Downtown Plaza is both crucial and unique for the City because it is the congregating point for most tourism and establishes the basic character of the City.
 5. The news rack location, appearance, size, and maintenance regulations established in this chapter for the Downtown Plaza leaves open ample alternative channels of communication in that only a small fraction of the City is subject to the required use of City owned and maintained modular news rack cabinets, and hundreds, if not thousands, of locations remain available in the City for the installation of privately owned and maintained news racks.
 6. With respect to the display of harmful matter, there is a compelling government interest in protecting the welfare of minors by preventing access to materials deemed obscene as to minors, [as defined in Section 313 of the Penal Code](#), and that the use of blinder racks is a narrowly tailored solution to serve this interest.
 7. Annual permit renewal fees for news racks located in City owned modular cabinets within the Downtown Plaza will be higher than registration fees for independently owned and maintained news racks due to depreciation of the condominiums and maintenance during the useful life of the modular cabinets.

5.66.020 Organization of this Chapter.

This chapter establishes the sole regulations governing the placement and maintenance of news racks within the City [on public property](#). This chapter establishes application and permit requirements including location, appearance, size, and maintenance standards for all news racks in the City. In addition, this chapter establishes special time, place and manner regulations for the Downtown Plaza where City owned and maintained modular news rack cabinets have been installed. In the Downtown Plaza, freestanding private news racks are not permitted. This chapter also establishes regulations governing the display of harmful matter in news racks. Finally, this chapter establishes definitions of the significant terms it uses.

5.66.030 Definitions

For the purposes of this chapter, the following words and phrases are defined and shall be given the meaning set out in this section unless it is apparent from the context that a different meaning is intended:

- A. ABANDONED NEWS RACK.** Any news rack which remains empty for fourteen (14) consecutive days. A news rack or news rack unit within a City owned modular cabinet without a permit or expired permit. Notwithstanding the forgoing, a news rack remaining empty due to labor strike or any temporary and extraordinary interruption of distribution or publication by the newspaper or other publication sold or distributed from that news rack shall not be deemed abandoned.
- B. BEACHFRONT AREA.** Cabrillo Boulevard/Shoreline Drive between the easterly end of Shoreline Park and the intersection of Cabrillo Boulevard and Channel Drive.
- C. CITY INVENTORY.** The record of approved applications, permits and field inventory data that may be established and updated from time to time by the City, and which shall be available on the City's website.
- D. DOWNTOWN PLAZA.** State Street and within 200 feet of State Street between its intersection with Cabrillo Boulevard and Victoria Street, and all publicly owned or controlled paseos or walkways which connect with State Street between Cabrillo Boulevard and Victoria Street.
- E. FEES.** Annual permit fee for each news rack and the additional fee for news racks in the City modular news rack cabinets shall be established by Council resolution in an amount not to exceed the actual costs of the news rack program including permitting, inspection, and administration. This fee may be adjusted annually for inflation by the percentage change in the Consumer Price Index for Urban Consumer (CPI-U) of the Los Angeles – Riverside – Orange County, CA as published by the Bureau of Labor Statistics, commencing on July 1, 2016. Indexing shall be considered as part of the annual fee resolution update. A copy of the current fee resolution will be available on the City's website.
- F. EXISTING NEWS RACK.** Any news rack located within the City, including news racks located within City modular cabinets in the Downtown Plaza, prior to of the effective date of this Ordinance, which has been verified by the City Inventory as of the effective date of this Ordinance.
- G. LANDMARKS DISTRICT.** A district established pursuant to Chapter 22.22 of the Code.
- H. NEWS RACK.** Any self-service or coin-operated box, container, storage unit or other dispenser, installed, used or maintained for the display, distribution or sale of any written or printed material, including but not limited to, newspapers, news periodicals, magazines, books, pictures, photographs, advertising circulars, and records (hereinafter collectively referred to as "news rack material").
- I. OWNER.** The person or representative of a business with current City Business License duly responsible for news rack ownership, application submittal, application requirements, placement, maintenance, removal, payment of fees and signatory of the permit for a news rack in a right of way. Owner may also be referred to as person, applicant, distributor, publisher or vendor.
- J. PARKWAY.** The area between the sidewalk and the curb of a street and, where there is no sidewalk, the area between the edge of the roadway and the nearest right of way boundary line and any area within a roadway not used for vehicular traffic.
- K. PERSON.** An individual, corporation, business entity, or association, and their principals, officers, agents or employees.
- L. PUBLIC PROPERTY.** Public property refers to all improved or unimproved real property owned, maintained, or leased by a public agency or governmental entity.

- M. PUBLIC WORKS DIRECTOR.** The Director of the City Public Works Department or his or her designee.
- N. RIGHT OF WAY.** Any public property under the ownership and control of the City and used for public street and related purposes.
- O. ROADWAY.** The portion of a right of way designed and used for vehicular traffic.
- P. SHARED PEDESTAL.** The foundation, columns, and rack assembly used for attachment of multiple news rack units and maintained by designated owner according to the annual permit.
- Q. SIDEWALK.** Any public surface provided for the use of pedestrians.
- R. STREET.** That area dedicated to public use for public street purposes and shall include, but not be limited to, roadways, parkways, alleys, and sidewalks.

5.66.040 Permit Required

It is unlawful for any person to install, place or maintain a news rack on or projecting onto public property, roadways, streets, sidewalks, or right of way unless and until a news rack has been registered and an annual permit has been obtained from the Public Works Director. No other City permit shall be required.

5.66.050 Application, Registration and Standards for Permit Issuance.

A. Submittal of Applications. Applications for news rack permits shall be made to the Public Works Director on forms established by the City with payment of an annual permit application fee. Applications that are on file with the City that have current information may be used for permit of subsequent annual permits.

1. Proposed New Installation or Relocation of News Rack. An application shall be approved and permit granted if the application proposes a new installation or relocation of a news rack in conformance with all requirements of this chapter. An application that proposes new installation of a news rack not in conformance with all requirements of this chapter shall be denied and no permit issued.

2. Existing News Rack with Current Permit. Existing news racks with evidence of an existing permit are subject to submittal of application and annual permit fee.

3. Existing News Rack without Current Permit. News racks located within the City prior to enactment of this Ordinance, which have been verified by the current City Inventory, without evidence of a current permit will be required to submit an application and obtain an annual permit pursuant to subparagraph B, below. Existing news racks that are affixed to a shared pedestal as of the effective date of this ordinance but are relocated to an adjacent area on a standalone mount during the initial application process set forth in subparagraph B below, shall be considered existing news racks for the purpose of this section.

4. Existing New Racks in City Modular Cabinets in the Downtown Plaza. News Racks in the City Modular Cabinets in the Downtown Plaza prior to enactment of this Ordinance, which have been verified by the City Inventory upon the effective date of this Ordinance may continue to remain in use in the same location by the same owner and publication if an application is submitted, and approved.

5. Existing City Modular Cabinets that Become Available in the Downtown Plaza After the Effective Date of the Ordinance. With respect to permits for news racks located in City owned modular cabinets that become available due to abandonment, applications submitted shall be approved for that specific location on a first-come first-served basis.

6. New City Modular Cabinet Spaces for News Racks Located within the City Downtown Plaza. With respect to permits for news racks that are newly installed by the City in the Downtown Plaza an initial implementation period shall take place, at which time the City shall accept permit applications for the new spaces for a period of sixty (60) calendar days from the rack becoming installed. Permits shall be issued within twenty (20) days of the last day of the initial implementation period in accordance with subparagraphs a) and b) of this section.

- a) **Initial Implementation Period for Permit Applications Fewer than the Number of Available Cabinets.** Where fewer permit applications are received during the initial implementation period than the number of available cabinets, applications will be approved on a first come first-served basis. If there is more than one application for a specific geographic location pending, then the priority for granting the applications shall be set forth in subparagraph b) of this section.
- b) **Initial Implementation Period for Permit Applications Greater than the Number of Available Cabinets.** If permit applications exceed the number of potential locations that are then available, priority shall be given based on frequency of publication, with the higher priority given to publications for which new editions or issues were published on a daily or weekly basis in the full calendar month preceding the date of application. If no applications are submitted by publications issued on a daily or weekly basis, then priority shall next be given based on frequency of publication based on the number of new editions or issues published most frequently in the full calendar month preceding the date of application. Within groups of applicants with the same priority, permits shall be granted to the maximum allowable in a block by the drawing of lots in a process established by the Public Works Director. It shall be a condition of any permit granted according to a priority set forth in this section to maintain editions in the news rack according to the frequency for which the priority was given.

B. Registration and Application for Existing News Rack. Any Owner of existing news racks, including existing new racks located within City modular cabinets in the Downtown Plaza, shall within thirty (30) days of the effective date of this Chapter, provide the City with Owner's news rack registration numbers and location consistent with the City Inventory. The registration of the existing news rack shall be the basis for accepting applications for the initial annual permit of existing news racks. Any Owner of an existing news rack shall then within ninety (90) days of registration, submit an application for an annual permit and pay fees to obtain a City annual permit pursuant to Section 5.66.050C., and shall from the date and permitting be subject to the provisions of this Chapter. The Public Works Director may approve alternative compliance and permitting schedules, which shall not extend beyond the fiscal year of the

effective date of this Ordinance for owners of thirty (30) or more registered existing news racks. Failure to obtain an approved annual permit within ninety (90) days or the date specified by the Public Works Director in the approved alternate schedule shall subject the existing news rack to enforcement and removal pursuant to Section 5.66.100. The initial permit is valid for the remainder of the fiscal year and shall be renewed pursuant to section 5.66.060. Permit fees shall not be reduced or prorated based off the remaining months in the fiscal year for which the permit issues.

C. Contents of Application. Applications forms will be provided by the Public Works Director and shall include all of the following information :

1. The applicant's name, street and mailing address, email address, and telephone number for the purposes of receiving copies of notices of violations and other official communications. The name, street and mailing address, email address and telephone number of the owner of each publication subject to the permit(s); For news rack not in the City Inventory, the application will include a description of the exact proposed location, including a map or site plan, drawn to scale, with adequate location information to verify conformance with this chapter.
2. For news racks not in the City Inventory, the application will include a description of each proposed news rack, including its dimensions, brand and model type, the number of publication spaces it will contain, and whether it contains a coin-operated mechanism;
3. The name and frequency of publication of each publication to be contained in each news rack.
4. A statement signed by the news rack owner that the owner agrees to indemnify, defend and hold harmless, the City and its representatives from all claims, demands, loss, fines or liability to the extent arising out of or in connection with the installation, location, use or maintenance of any news rack on public property by or on behalf of any such person, except such injury or harm as may be caused solely and exclusively by the negligence of the City or its authorized representatives.
5. A statement signed by the applicant that the applicant agrees, upon removal of a news rack, to repair at applicant's cost, any damage to the public property caused by the news rack or its removal.
6. An acknowledgement that prior to the issuance of the Permit, the owner shall deposit with the Public Works Director a certificate of insurance evidencing that a liability insurance policy in a minimum amounts of one million dollars (\$1,000,000) per occurrence and in the general aggregate set by the City Risk Manager has been issued, naming the City as an additional insured under the same terms and conditions as the primary insured, and containing a provision that the policy cannot be cancelled except upon ten (10) days' advance written notice to the City of the fact of such cancellation; and that if such insurance is cancelled at any time during the terms of such permit, same shall be grounds for revocation of the said permit.

D. Review of Application. A permit shall be granted or denied within twenty (20) business days after a completed application is filed in conformance with this ordinance. The Public Works Director shall issue a permit under an application complies with the provisions of this chapter. If a permit is denied, the City shall, within ten (10) business days, mail to the owner a notice of denial that identifies the reasons for denial. Applicant may resubmit an updated application that has been denied, one time, within ten (10) business days from the date of denial

without payment of a new application fee. Failure to complete the application review and obtain permit within ninety (90) business days shall void the application.

E. Issuance of Permit. Upon approval of a news rack application the City shall issue a Public Works Permit that applies to the news rack at the approved location for the remainder of the fiscal year. If an annual permit is obtained after the beginning of a fiscal year, the permit shall expire at the end of the fiscal year without a reduction in fees. The Public Works Permit shall be signed by the applicant as the agreement to conform to the requirements of this ordinance. Permits shall be renewed per Section 5.66.060. Upon issuance of permit for new or replaced news rack the City will provide a registration sticker and update the City Inventory. Each registration sticker provided shall be affixed to the top front metal door frame of each corresponding permitted news rack.

5.66.060 Renewal Term.

A news rack permit shall be valid for a period of one fiscal year or the remainder of the fiscal year during which the permit is obtained and shall be renewed each successive fiscal year period by timely payment of a renewal fee established by resolution of the City Council.

5.66.070 General Standards.

A. Each new, replaced, or relocated news rack shall conform to the following general standards. No news rack permit application for a new, replaced, or relocated news rack shall be approved unless it is demonstrated that the proposed news rack or news racks will conform to each of the following general standards. It is unlawful for any person to install, place or maintain a news rack in violation of any of the provisions of this section.

1. No news rack shall project onto, or rest upon, along or over, any part of the roadway of any public street.
2. No news rack shall, in whole or in part, rest upon, in or over any sidewalk or Parkway when such site or location is used for public utility purposes, public transportation purposes, or other government use, or the ingress into or egress from any residence, place of business, or any legally parked or stopped vehicle, or the use of poles, posts, traffic signs or signals, hydrants, mailboxes, or other objects permitted at or near said location, or when such news rack interferes with the cleaning of any sidewalk or street by the use of mechanical sidewalk cleaning machinery.
3. Any news rack which in whole or in part rests upon, in or over any sidewalk or parkway shall comply with the following conditions:
 - a) No news rack shall exceed fifty one inches in height, thirty (30) inches in width, or two (2) feet in depth, except that news racks located in the Beachfront Area shall not exceed forty-eight (48) inches in height measured from the sidewalk to the top of the news rack, unless approved and permitted by the Public Works Director.
 - b) Name, address and telephone number, and email address of the owner of the news rack shall be displayed on the front of the news rack in such a manner as to be readily visible to and readable by a prospective customer. A sticker shall be affixed to each news rack stating, "For graffiti and maintenance reporting please email or call the Owner at (insert email

address) or (insert phone number) with registration number.” The owner shall keep this contact information up to and shall maintain a written record of reporting for a period of one year to be provided to the City upon request.

- c) News racks located in the Landmarks District will not have an adverse impact on access to, or views of designated landmarks, structures of merit, or structures of interest. News racks in the Landmarks District shall carry no advertising except the name of the newspaper or periodical being dispensed on the bottom one third (1/3) of the plastic hood or, if there is no plastic hood on the news rack, the name shown at not more than two locations on the news rack.
- d) News racks shall be painted Malaga Green (also identified as RAL 6005). Any shared pedestals supporting news racks shall be painted black, except in the Landmarks District, the pedestals shall be painted Malaga Green.
- e) News racks shall only be placed near a curb or adjacent to the wall of a building. The City shall determine the final locations. News racks placed near the curb shall be placed such that the back of the news rack shall be no fewer than eighteen (18) inches nor greater than twenty-four (24) inches from the face of the curb. News racks placed adjacent to the wall of a building shall be placed parallel to such wall and not more than six (6) inches from the wall. No news rack shall be placed or maintained on a sidewalk or parkway opposite a news stand or another news rack.
- f) If eight (8) or more news racks are placed at a single location, whether placed on a single pedestal or shared pedestal mounts, shall be placed next to each other and a space of no fewer than three (3) feet shall separate each such group, except as permitted at the direction of the Public Works Director.
- g) News racks shall not be affixed or bolted to a sidewalk improved with decorative tile or other distinctive surface, except as permitted at the direction of the Public Works Director.
- h) Each news rack installed on the public sidewalk shall be bolted to the City sidewalk in accordance with City standards and specifications.
- i) News racks may not be chained or otherwise attached to one another; nor to any street sign, street light pole, traffic signal equipment, power pole, bike rack, public bench, bus shelter, or other public street furniture.
- j) No news rack shall weigh in excess of 250 pounds when empty.
- k) New news racks shall be “K-Jack” model KJ-50E, KJ-100, or KJ-125T, or equivalent, unless otherwise approved by the Public Works Director.
- l) No news rack shall be placed, installed, used or maintained:
 - i. Within ten (10) feet of any marked or unmarked crosswalk;
 - ii. Within five (5) feet of any fire hydrant, fire call box, police call box, traffic signal controller, or traffic signal;
 - iii. Within three (3) feet of any utility meter, manhole, service box, parking meter, street light pole or other public works facility;
 - iv. Within ten (10) feet of any driveway or alley approach;
 - v. Within five (5) feet of a bike rack;

- vi. Within four (4) feet of any bus boarding and a lighting area consisting of the bench and/or shelter, sign and clear zones for boarding and alighting of busses as required by the Americans with Disabilities Act;
- vii. Within three (3) feet of any bus bench or public bench;
- viii. At any location whereby the clear space for the passage of pedestrians is reduced to less than four (4) feet;
- ix. Within four (4) feet of any permitted sidewalk dining area;
- x. Within the boundary of a marked valet parking area or loading zone, or as otherwise restricted by the Americans with Disabilities Act.

B. Condition and Maintenance of News Racks. Each news rack shall be maintained in a clean and neat condition and in good repair at all times. Without limiting this general obligation, the following maintenance criteria shall apply to all new and existing news racks:

1. Each news rack shall be routinely maintained and serviced so that it is reasonably free of:
 - a) Dirt and grease;
 - b) Chipped, faded, peeling, and cracked paint or graffiti on any visible painted areas;
 - c) Rust and corrosion on any visible unpainted metal areas;
 - d) Cracks, dents, blemishes, and discoloration in the clear plastic and glass parts, if any, through which publications are viewed;
 - e) Tears, peeling, or fading in the paper or cardboard parts and inserts;
 - f) Broken and misshapen structural parts; and
 - g) Unauthorized stickers on any surface of the rack.
2. Each news rack, including any coin-return mechanism, shall be mechanically operable at all times.
3. News racks shall contain current editions of the publication for which the permit was issued and new editions placed in the news rack at no less than the frequency for which any priority was given for a permit in that location. Owner shall inform the Public Works Director of all changes to frequency of publication within five (5) business working days of said changes.
4. No news rack or news rack card shall be used for off-premises advertising signs other than that directly related to the display, sale or purchase of the publication sold therein.
5. No news rack shall remain empty for a period of fourteen (14) consecutive days or longer.
6. No news rack may contain a publication other than the ones for which the permit was issued.
7. Each news rack shall have the name, address, and telephone number of the Owner, as described in subsection A.3.b) above, as well as the City registration number, affixed to the front of the news rack in a place where it may be easily seen by anyone viewing the news rack.
8. Shared pedestals shall be registered to a single owner of a permitted news rack which is affixed to the shared pedestal. Any shared pedestal that has not been

permitted to a single news rack owner within one hundred twenty (120) days of the effective date of this Ordinance will be deemed abandoned and will result in the City posting and removing the shared pedestal and news racks in accordance with Section 5.66.100.

9. Shared pedestals shall be fully occupied by the maximum number of news racks designed to be affixed to the shared pedestal. The owner shall notify the City in writing prior removing units from shared pedestal. Failure to maintain the shared pedestal with the maximum number of new racks for fourteen (14) consecutive days will result in its removal pursuant to section 5.66.100. Shared pedestals may be modified to fit remaining news racks with City approval and revisions to the annual permit. Where a shared pedestal is not maintained in a fully occupied condition it shall be removed and the location restored to its previous condition by the owner of the shared pedestal, including, but not limited to, repair of any portion of the sidewalk or parkway damaged by the pedestal or its removal, and according to specifications provided by the Public Works Director. An acceptable repair is typically filling in the holes required for securing the news rack to the concrete. Failure to remove the shared pedestal will result in the City posting and removing the shared pedestal and affixed news racks in accordance with Section 5.66.100.
10. When use of a news rack is discontinued for a period of fourteen (14) consecutive days or longer, it shall be removed, along with its shared pedestal if applicable, and the location restored to its previous condition by the news rack owner, including, but not limited to, repair of any portion of the sidewalk or parkway damaged by the news rack or its removal, and according to specifications provided by the director. Failure to remove the news rack will result in the City posting and removing the news rack in accordance with Section 5.66.100
11. Existing news racks that require painting, shall be painted Malaga Green unless otherwise approved by the Public Works Director. When painting is required, the pedestal and base shall be painted black, except that pedestals and base in the Landmarks District shall be painted Malaga Green.
12. News Racks with a current annual permit that are removed for maintenance and substituted in kind, and in compliance with this section, will not be required to obtain a new permit due to the substitution. The owner shall notify City Public Works of the in kind substitution in writing prior to the substitution.

C. Costs. The costs of installation, maintenance, replacement, removal and relocation of news racks or shared pedestals shall be at the sole expense of the news rack owner. Upon removal of a news rack, the owner shall, at his or her sole expense, cause the public right of way and any improvements thereon to be promptly restored to the satisfaction of the Public Works Director in a condition which would have existed had the news rack not been placed at that location. If those repairs are not made within seven (7) days of removal of the news rack, the City may undertake that repair work and collect from the owner the costs thereof, including reasonable attorneys' fees and related costs of collection.

5.66.080 Downtown Plaza Requirements.

A. Finding of Special Circumstances. The City Council hereby finds that special circumstances require special design, placement and other standards for news racks located in the Downtown Plaza, and any other area which may be designated by City Council upon findings that the special circumstances of the area require special design, placement and other standards for news racks.

B. Special Standards and Placement. Notwithstanding any contrary provisions in this chapter, no news rack shall be located in the Downtown Plaza except within a City modular news rack cabinet (hereinafter referred to as a “City news rack cabinet”) owned and provided by the City. All news racks to be inserted into a City news rack cabinet shall be provided by the applicant at its sole expense.

5.66.090 Prohibition on the Display of Harmful Matter.

No material which is harmful to minors, as defined in Section 313 of the Penal Code of the State, shall be displayed in a public place, other than a public place from which minors are excluded, unless blinder racks are placed in front of the material so that the lower two-thirds (2/3) of the material is not exposed to view.

5.66.100 Removal of News Racks; Required Hearing.

A. Removal by the City. Any news rack or shared pedestal, installed or maintained in violation of this chapter may be removed by the City for violation of the ordinance, subject to the notice and hearing procedures set forth in this section.

B. Notice of Violation. Before removal of any news rack, the City shall notify the Owner or distributor of the violation by written notification via first class mail to the address or addresses shown on the offending news rack and the permit, which shall constitute adequate notice. If available the City will also send the written notice of violation by email. Before removal of any shared pedestal, written notification will be sent via first class mail to all owners of the news racks affixed to the offending pedestal. The City may, but need not, affix an additional notice tag onto the offending news rack or shared pedestal. If no identification is shown on the news rack, posting of the notice on the news rack alone shall be sufficient. The written notice shall state the nature of the violation and the location, shall specify actions necessary to correct the violation, and shall give the owner or distributor ten (10) business days from the date appearing on the notice to either remedy the violation or to request a meeting before the Public Works Director. The date on the notice shall be no earlier than the date on which the notice is mailed or affixed to the news rack, as the case may be.

C. Meeting and Decision. Any owner or distributor notified under Subsection B may request a meeting with the Public Works Director by making a written request within ten (10) business days from the date appearing on the notice. The meeting shall be informal, but oral and written evidence may be given by both sides. The Public Works Director shall give his or her written decision within ten (10) business days after the date of the meeting. Any action by the City to remove the news rack shall be stayed pending the written decision of the Public Works Director following the meeting. If the Public Work Director is unable to conduct the hearing due to bias or legal disability the City Administrator or mutually agreed upon third party shall conduct the hearing.

D. Removal and Impoundment. The City may remove and impound a news rack or shared pedestal in accordance with this section following the written decision of the Public Works Director upholding the determination of a violation, or if the owner or distributor has neither requested a meeting nor remedied the violation within ten (10) business days from the date on the notice. An impounded news rack shall be retained by the City for a period of at least thirty (30) calendar days following the removal, and may be recovered by the owner upon payment of a fee as may be established by resolution. An impounded news rack and its contents may be disposed of by the City after thirty (30) calendar days.

E. Summary Abatement. Notwithstanding the provisions of Subsections B and C, prior notice and an opportunity to be heard shall not be required before removal of any news rack or shared pedestal that is installed or maintained in such a place or manner as to pose an immediate or clear and present danger to persons, vehicles or property or any news rack that is placed in any location without a permit. In such case, the City shall proceed in the following manner:

1. Within one (1) working day following removal, the City shall notify the Owner by telephone of the removal. In the case of an unpermitted news rack or shared pedestal, where possible, the City shall notify the Owner of the news rack or a person whose name is shown on the news rack, by telephone of the removal. Within three (3) business days, the Public Works Director or designee shall send written confirmation of the telephoned notice. The written confirmation shall contain the reasons for the removal and information supporting the removal, and shall inform the recipient of the right to request, in writing or in person, a post-removal meeting within four (4) business days of the date of such written notice.
2. Upon timely request, the Public Works Director shall provide a meeting within two working days of the request, unless the requesting party agrees to a later date. The proceeding shall be informal, but oral and written evidence may be given by both sides. The Public Works Director shall give his or her decision in writing to the requesting party within two working days after such meeting. If the Public Works Director finds that the removal was in accordance with this chapter and City regulations, he or she shall notify the requesting party to pay any applicable penalties and costs and recover the news rack. If the Public Works Director finds that the removal was improper and that placement of the news rack was in accordance with City regulations and lawful, the Public Works Director shall order that the news rack be released and reinstalled without charge.
3. If the owner of an unpermitted news rack cannot be determined and the news rack does not contain the required identification, no notice of the removal shall be required.

5.66.110 Abandoned News Racks.

An abandoned news rack or shared pedestal may be removed by the City and impounded, pursuant to the notice and hearing procedures set forth in Section 5.66.100. The City may dispose of the news rack or shared pedestal if the owner does not claim the news rack and pay any required fees within thirty (30) days of its removal.

5.66.120 Public Nuisance.

The operation or maintenance of any news rack or shared pedestal contrary to the provisions of this chapter shall constitute a public nuisance, which in addition to or in lieu of criminal proceedings, may be abated, removed or enjoined by appropriate legal action brought by the City Attorney.

5.66.130 Severability.

If any section, sentence, clause, phrase or provision of this chapter, or the application thereof to any person or circumstances, is for any reason held to be invalid, such invalidity shall not affect the validity of the remaining portions or provisions of this chapter or their applicability to distinguishable situations or circumstances. In enacting this chapter, it is the desire of the City Council to regulate validly to the full measure of its legal authority in the public interest. To that end, the City Council would have adopted this chapter and each section, sentence, clause, phrase, and portion thereof, irrespective of the fact that any one or more sections, sentences, clauses, phrases, or portions thereof might be invalid, in whole or in part, as applied to any particular situation or circumstance, and, to this end, the provisions of this chapter are intended to be severable.

DRAFT



CITY OF SANTA BARBARA

ORDINANCE COMMITTEE AGENDA REPORT

AGENDA DATE: July 28, 2015

TO: Ordinance Committee

FROM: General Services Division, Finance Department

SUBJECT: Proposed Amendments To Purchasing Code

RECOMMENDATION:

That the Ordinance Committee review proposed amendments to Chapter 4.52 of the Municipal Code regarding bidding thresholds and recommend City Council approval of the proposed changes.

EXECUTIVE SUMMARY:

The City's bidding thresholds in Chapter 4.52 of the Municipal Code were last updated in 2009. Since then, the cost of goods and services has increased, a buyer position was eliminated, and the Purchasing Division has taken on new responsibilities. With the goal of improving operational efficiencies and customer service, Purchasing Division staff reviewed the Municipal Code to look for areas that need to be updated with a focus on the monetary bidding thresholds. Increasing the thresholds would streamline the procurement process, and improve service by allowing Purchasing staff to focus on higher value purchases where there are greater opportunities for savings.

DISCUSSION:

The City's purchasing operations are governed by Chapter 4.52 of the Municipal Code. The purpose of the code is "to establish efficient procedures for the purchase of supplies, non-professional services and equipment at the lowest possible cost commensurate with the quality needed, to exercise positive financial control over purchases, to clearly define authority for the purchasing function..."

The Purchasing Code ("Code") was last updated in 2009. Since then the cost of acquiring goods and services has increased, a buyer position was eliminated, and the Purchasing Division has taken on new responsibilities for supporting the requisitioning, purchasing, and contracting modules of the new financial system.

Existing Purchasing Thresholds

The Code imposes more stringent requirements for purchases exceeding \$25,000 versus those purchases of \$25,000 or less. Although maintenance and repair activities are a general service, the City Council established a higher threshold of \$75,000 for maintenance and repair services (Resolution 97-052) as opposed to the \$25,000 threshold for other ordinary services.

Section 4.52.060 of the Purchasing Code governs purchases up to \$25,000. These requirements are less stringent than the requirements for purchases over \$25,000 discussed below.

- Purchases of \$2,500 or less can be made without competitive bids (a single quote);
- Purchases over \$2,500 and up to \$25,000 require three (3) quotes whenever possible in writing or by telephone (informal competition);
- Section 4.52.070 of the Purchasing Code governs the purchases exceeding \$25,000 and requires a “formal” purchasing procedure be followed (advertising). These requirements include:
 1. Advertising of the bids
 2. Received bids must be sealed
 3. Public bid opening
Award of purchase order to the lowest, responsive, and responsible bidder

Comparison to Other Agencies

Purchasing staff compared the City’s monetary bidding thresholds to other public agencies in the area. The comparison showed the City had much lower thresholds and was the only agency to have a separate threshold for maintenance and repair services. Many agencies did not require any competition until the purchases exceeded \$10,000. In addition, staff analyzed the number and dollar value of purchase orders issued at various thresholds to determine if there were opportunities to better focus staff’s attention on purchases where the most savings could be achieved.

Proposed Changes

Besides having low thresholds compared to other similar public agencies, the City was the only agency that had a different threshold for maintenance and repair activities versus other ordinary services. Having a higher monetary threshold for maintenance and repairs than ordinary services is confusing to the departments and creates an artificial incentive for departments to classify work as maintenance and repair because of the higher threshold.

While many of the public agencies had thresholds higher than those being proposed, we believe the proposed thresholds are appropriate for the City based on its past spending patterns. The table below summarizes the procurement process, and current and proposed changes to the monetary thresholds.

Procurement Process	Current Threshold	Proposed Threshold
Single Quote	\$2,500	\$7,500
Informal Quotes	\$2,501 to \$25,000	\$7,501 to \$75,000
Formal Bids (goods & services)	\$25,001 or more	\$75,001 or more
Formal Bids (maintenance)	\$75,001 or more	\$75,001 or more

Increasing the monetary thresholds will streamline procurement operations by reducing the amount of time and effort spent on low dollar purchases of ordinary goods and services where there are little opportunities for savings, align the workload with Purchasing staffing levels, and allow Purchasing staff to focus their efforts on the purchases that have the highest potential for savings.

To analyze the potential impacts of increasing the monetary bidding thresholds, purchase orders were segregated by various dollar levels, which are summarized in the table below.

Under the current thresholds, 26% of the purchase orders issued are \$2,500 or less. The percent would increase to 53.5% if the threshold is increased to \$7,500. At the \$7,500 threshold, the cumulative value of the purchase orders issued only represents 7.5% of the aggregate value of all purchase orders issued. This is not an effective use of staff time and resources. The below table highlights the potential impacts of changing the thresholds with the proposed thresholds in bold.

Threshold	% of Purchase Orders	% of Total Purchase Order Spending	Process
\$2,500 ≤	26.1%	1.8%	Single Quote
\$7,500 ≤	53.5%	7.5%	Single Quote
>\$2,500 & \$25,000≤	56.2%	22.9%	Informal
>\$7,500 & \$75,000≤	39.4%	37.7%	Informal
>\$25,000	17.7%	75.2%	Formal
>\$75,000	7.1%	54.8%	Formal

Other Proposed Changes to the Code

In addition to the proposed changes to bidding thresholds, staff proposes minor revisions to the Code as follows:

1. Often, the cheapest software solution is not the best value because it does not best meet our needs and requirements. To recognize the unique aspects of information technology acquisitions, authorize the acquisitions of information technology on a best value basis using evaluation criteria other than cost alone.
2. Exclude the following from the competitive award requirements because the purpose of open and competitive awards cannot be met because of their unique characteristics. For example, Parks may not want to advertise their recreational activities on the cheapest radio station because it may not have the target audience they seek.
 - a. print, radio, television, and on-line advertising
 - b. renewals of software license and maintenance/support
 - c. memberships
 - d. training
 - e. housing and furniture rentals for Police cadets
3. Authorize the use of State of California Multiple Award Schedules (CMAS) contracts and Leveraged Purchase Agreements under Section 4.52.140, Cooperative Purchasing. CMAS contracts are based in contracts previously bid and awarded on a Federal General Services Administration (GSA) schedule with the State of California adding terms and conditions to comply with California procurement codes. Public Contracting Code Sections 10298 and 10299 authorize local government agencies to use CMAS and other Department of General Services agreements.
4. Increase the Council reporting requirements from \$25,000 to \$35,000 under Section 4.52.080, Emergency Purchases, to match the increased authority delegated to the City Administrator in Resolution 14-065.

BUDGET/FINANCIAL INFORMATION:

There are potential savings because significant staff time spent on low dollar purchases with little or no opportunity for savings will be freed up to focus on higher value and more critical purchases.

PREPARED BY: Bill Hornung, C.P.M., General Services Manager

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

APPROVED BY: City Administrator's Office



CITY OF SANTA BARBARA CITY COUNCIL MINUTES

REGULAR MEETING July 14, 2015 COUNCIL CHAMBER, 735 ANACAPA STREET

CALL TO ORDER

Mayor Helene Schneider called the meeting to order at 2:00 p.m. (The Finance Committee, which ordinarily meets at 12:30 p.m., did not meet on this date. The Ordinance Committee met at 12:30 p.m.)

PLEDGE OF ALLEGIANCE

Mayor Schneider.

ROLL CALL

Councilmembers present: Dale Francisco (2:01 p.m.), Gregg Hart, Frank Hotchkiss, Cathy Murillo, Randy Rowse, Bendy White, Mayor Schneider.

Councilmembers absent: None.

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

CEREMONIAL ITEMS

1. **Subject: Employee Recognition - Service Award Pins (410.01)**

Recommendation: That Council authorize the City Administrator to express the City's appreciation to employees who are eligible to receive service award pins for their years of service through July 31, 2015.

Documents:

July 14, 2015, report from the Administrative Services Director.

Speakers:

Staff: City Administrator Paul Casey, Award Recipient Barbara Reed.

(Cont'd)

1. (Cont'd)

By consensus, the Council approved the recommendation and the following employees were recognized:

5 Years

Jared Layman, Waterfront Maintenance Worker II, Waterfront Department

10 Years

Raymond Lopez, Water Distribution Lead Operator, Public Works Department

15 Years

Rashun Drayton, Police Officer, Police Department

Lisa Hammerly, Parking Enforcement Officer, Police Department

John Rousseau, Traffic Technician II, Public Works Department

Stephen Sisler, Traffic Technician II, Public Works Department

Alicia Quinonez-Fisher, Accounting Assistant, Public Works Department

20 Years

Marck Aguilar, Project Planner, Community Development Department

Dan Tagles, Police Officer, Police Department

Mark Hunt, Police Officer, Police Department

Aaron Baker, Police Sergeant, Police Department

25 Years

Mark Johnson, Meter Reader / Water Distribution Operator-in-Training,
Public Works Department

Barbara Reed, Library Technician, Library Department

PUBLIC COMMENT

Speakers: Michael Baker, United Boys and Girls Clubs; David Daniel Diaz; Kenneth Loch; Phil Walker; Richard Robinson; Bonnie Raisin; Dick Flacks; Mary Anne Schmidt.

CONSENT CALENDAR (Items 2 – 15)

The titles of the resolutions and ordinance related to Consent Calendar items were read.

Motion:

Councilmembers Murillo/Hotchkiss to approve the Consent Calendar as recommended.

Vote:

Unanimous roll call vote.

2. Subject: Minutes

Recommendation: That Council waive further reading and approve the minutes of the adjourned regular meeting of June 22, 2015, the regular meeting of June 23, 2015, and the regular meeting (cancelled) of July 7, 2015.

Action: Approved the recommendation.

3. Subject: Designation Of Voting Delegate For The League Of California Cities Annual Conference (180.01)

Recommendation: That Council designate Mayor Helene Schneider as the voting delegate for the League of California Cities Annual Conference.

Action: Approved the recommendation.

4. Subject: Adoption Of Ordinance Establishing Speed Limits On Certain Portions Of Loma Alta Drive (530.05)

Recommendation: That Council adopt, by reading of title only, An Ordinance of the Council of the City of Santa Barbara Amending Chapter 10.60 of the Municipal Code by Amending Section 10.60.015, Establishing Prima Facie Speed Limits on Certain Portions of Loma Alta Drive.

Action: Approved the recommendation; Ordinance No. 5708.

5. Subject: Community Promotion Contract For The Santa Barbara Region Chamber Of Commerce To Support A Visitor Information Center (230.02)

Recommendation: That Council authorize the City Administrator to execute an annual community promotion contract with the Santa Barbara Region Chamber of Commerce in an amount of \$57,700 to support year-round expenses of the Visitor Information Center covering the period from July 1, 2015 to June 30, 2016.

Action: Approved the recommendation; Contract No. 25,247 (July 14, 2015, report from the City Administrator).

6. Subject: Community Promotion Contract With Santa Barbara International Film Festival (230.02)

Recommendation: That Council authorize the City Administrator to execute an annual community promotion contract with Santa Barbara International Film Festival in the amount of \$78,300 to support film festival programming and year-round administrative expenses.

Action: Approved the recommendation; Contract No. 25,248 (July 14, 2015, report from the City Administrator).

7. Subject: Increase The Settlement Authority Delegated To The City Administrator To Resolve A Claim For Damages (350.05)

Recommendation: That Council adopt, by reading of title only, A Resolution of the Council of the City of Santa Barbara Establishing the Procedure for Handling Money or Damage Claims and Lawsuits Filed Against the City of Santa Barbara and Repealing Resolution Nos. 7966, 8336, 8337, 83-172, and 96-070. (Cont'd)

7. (Cont'd)

Action: Approved the recommendation; Resolution No. 15-059 (July 14, 2015, report from the Acting Assistant City Administrator/Finance Director; proposed resolution).

8. Subject: Fiscal Year 2016 Agreement For Operation Of A County-Wide Library System (570.04)

Recommendation: That Council:

- A. Approve and authorize the City Administrator to execute an Agreement For Operation of a County-wide Library System for Fiscal Year 2016 between the County of Santa Barbara and the Cities of Santa Barbara, Santa Maria and Lompoc;
- B. Approve an increase in estimated revenues and appropriations in the amount of \$97,874 for Fiscal Year 2016 in the General Fund Library Department budget to adjust the recently adopted Fiscal Year 2016 budget for the recently approved increase in Santa Barbara County per capita funding and increase to the Library Administration fee; and
- C. Approve an increase in estimated revenues in the amount of \$175,224 and appropriations in the amount of \$88,034 for the County Library Fund budget for Fiscal Year 2016, with the balance of \$87,190 intended to go to reserves.

Action: Approved the recommendations; Agreement No. 25,249 (July 14, 2015, report from the Library Director).

9. Subject: Sole Source Vendor For Airport Mosquito Control Services (560.01)

Recommendation: That Council:

- A. Authorize the City's General Services Manager to issue a Purchase Order to the Mosquito and Vector Management District of Santa Barbara County (District) for Fiscal Year 2016 in the amount of \$80,817 pursuant to the Sole Source provisions of the Santa Barbara Municipal Code Section 4.52.070(K) for mosquito monitoring and control services at the Airport; and
- B. Authorize the City's General Services Manager to issue Purchase Orders and Change Orders to the District for four subsequent fiscal years for mosquito monitoring and control services, in amounts not to exceed the annual appropriated budget for the program in each year, as approved by City Council.

Action: Approved the recommendations (July 14, 2015, report from the Airport Director).

10. Subject: Appropriation Of Federal Aviation Administration Airport Improvement Grant For Santa Barbara Airport (560.04)

Recommendation: That Council increase appropriations and estimated revenue by \$3,338,276 in the Airport's Grant Fund for the Airport Lighting and Safety Upgrade Project and north General Aviation Ramp Replacement Project, to be funded from Federal Aviation Administration Airport Improvement Program (AIP) Grant No. 03-06-0235-49, in the amount of \$3,026,481 coupled with the City's 9.34% match of \$311,795, to be funded from the Airport Operating Fund.

Action: Approved the recommendation (July 14, 2015, report from the Airport Director).

11. Subject: Records Destruction For Public Works Department (160.06)

Recommendation: That Council adopt, by reading of title only, A Resolution of the Council of the City of Santa Barbara Relating to the Destruction of Records Held by the Public Works Department in the Engineering, Fleet Management, Facilities and Energy Management, Transportation, and Water Resources Divisions.

Action: Approved the recommendation; Resolution No. 15-060 (July 14, 2015, report from the Public Works Director; proposed resolution).

12. Subject: Declaration Of Real Property Acquired For Cota And Mason Bridge Projects As Excess And Subject To Disposal By Public Auction (330.01)

Recommendation: That Council declare the real property located at 221 and 230 West Cota Street, 536 Bath Street, and 20 West Mason Street, as excess to the City's needs and authorize disposition of said property according to State and local guidelines by public auction, in accordance with Santa Barbara Municipal Code (SBMC) Chapter 4.28 and Section 520 of the Santa Barbara City Charter subject to the review and approval by the City Attorney.

Action: Approved the recommendation (July 14, 2015, report from the Public Works Director).

13. Subject: Contract For Wastewater Rate Study (540.13)

Recommendation: That Council authorize the Public Works Director to execute a Professional Services contract with Raftelis Financial Consultants, Inc., in the amount of \$38,451, to provide a wastewater rate study for the City of Santa Barbara, and approve expenditures of \$3,845 for extra services that may result from necessary changes in the scope of work, for a total of \$42,296.

Action: Approved the recommendation; Contract No. 25,250 (July 14, 2015, report from the Public Works Director).

14. Subject: Cachuma Conservation Release Board Fiscal Year 2016 Budget Ratification (540.03)

Recommendation: That Council ratify the Cachuma Conservation Release Board Fiscal Year 2016 budget, with the City's proportional share not to exceed \$567,744.

Action: Approved the recommendation (July 14, 2015, report from the Public Works Director).

NOTICES

15. The City Clerk has on Thursday, July 9, 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.

This concluded the Consent Calendar.

REPORT FROM THE ORDINANCE COMMITTEE

Ordinance Committee Chair Rowse reported that the Ordinance Committee met to hear a presentation on a proposed ordinance that is required by State Assembly Bill 2188 regarding solar installations. The Ordinance Committee recommended forwarding the ordinance to the City Council for introduction and subsequent adoption. The Committee also reviewed and forwarded to Council a proposed ordinance to designate fishing areas on Stearns Wharf.

CITY COUNCIL ADMINISTRATIVE AND ATTORNEY REPORTS

CITY ADMINISTRATOR

16. Subject: Proposed Milpas Business Improvement District (290.00)

Recommendation: That Council receive a status report from the Greater Eastside Merchants Association on proposed plans to create a Milpas Business Improvement District.

Documents:

- July 14, 2015, report from the City Administrator.
- PowerPoint presentation prepared and presented by Staff.
- PowerPoint presentation prepared and presented by the Greater Eastside Merchants Association representatives.

Speakers:

- Staff: Assistant to the City Administrator Nina Johnson.
- Greater Eastside Merchants Association: Member Miguel Avilar, Member Tere Jurado. (Cont'd)

16. (Cont'd)

Speakers (Cont'd):

- Members of the Public: Jason Colbert, Jacqueline Inda, Milpas Community Association Executive Director Sharon Byrne.

Motion:

Councilmembers Hart/Hotchkiss to direct staff to return to Council with a report confirming that the signatures that have been gathered for both proposed Business Improvement Districts would be retained, but that the City Council would not review either proposal until January 2016.

Vote:

Unanimous voice vote.

POLICE DEPARTMENT

17. Subject: Police Department Update (520.04)

Recommendation: That Council receive an oral presentation from the Police Chief regarding the Santa Barbara Police Department.

Documents:

- July 14, 2015, report from the Police Chief.
- PowerPoint presentation prepared and made by Staff.

Speakers:

- Staff: Deputy Police Chief Frank Mannix, Lieutenant Lorenzo Duarte, Captain Gil Torres, Captain Alex Altavilla, Community Development Director George Buell, Sergeant Riley Harwood.
- Members of the Public: Jason Colbert.

Discussion:

Staff's presentation included: 1) Trends in violent and property crime statistics; 2) update on Patrol Division staffing and the Community Service Officer Program; 3) update on recruitment and hiring and facilities projects; 4) the status of training and recruitment; 5) information on the Investigative Division staffing; 6) criminal street gang update; and 7) update on the noise ordinance and efforts to form a program for enforcement of the noise ordinance in the neighborhoods adjacent to Santa Barbara City College. Councilmembers' questions were answered.

PUBLIC WORKS DEPARTMENT

18. Subject: Stage Three Drought Update (540.05)

Recommendation: That Council receive an update on the status of the current drought, drought-response capital projects, and continuing conservation efforts.

Documents:

- July 14, 2015, report from the Public Works Director.
- PowerPoint presentation prepared and made by Staff.

Speakers:

Staff: Water Resources Manager Joshua Haggmark, Acting Water Conservation Coordinator Madeline Ward.

Discussion:

Staff's presentation included current rainfall totals and the water supply, the community's response to the need for conservation, revenue impacts, and profiles of customers who have exhibited outstanding water conservation efforts. Councilmembers' questions were answered.

19. Subject: Policy Direction Regarding Acquisition Of Additional State Water Project Water Rights (540.10)

Recommendation: That Council receive a presentation regarding the potential to reacquire Santa Barbara County Suspended Table A Water and direct staff on whether to pursue the opportunity any further.

Documents:

- July 14, 2015, report from the Public Works Director.
- PowerPoint presentation prepared and made by Staff.

Speakers:

Staff: Water Resources Supervisor Kelley Dyer, Water Resources Manager Joshua Haggmark, Public Works Director Rebecca Bjork.

Motion:

Councilmembers Francisco/Rowse to approve staff's recommendation to discontinue the pursuit of additional Table A allocation.

Vote:

Unanimous voice vote.

COUNCILMEMBER COMMITTEE ASSIGNMENT REPORTS

Information:

- Councilmember Rowse reported on his attendance at a recent Downtown Parking Committee meeting and a meeting of the Fighting Back Steering Committee regarding marijuana dispensaries.
- Councilmember Murillo reported on her attendance at the following meetings and events: 1) Pacific Pride Festival; 2) Milpas Action Task Force meeting; 3) Sister Cities – Puerto Vallarta BBQ; 4) Community Action Commission meeting with Policy Council for Head Start; and 5) Lower Westside Community Cleanup.
- Councilmember Hotchkiss commented on his attendance at the Argentine Festival.
- Mayor Schneider reported on her attendance at a recent meeting of the Policy Council of the Central Coast Collaborative on Homelessness (C3H).

Mayor Schneider recessed the meeting at 4:37 p.m. in order for the Council to reconvene in closed session for Agenda Item No. 20. She stated a report is anticipated.

CLOSED SESSIONS

20. Subject: Assistant City Administrator Appointment (170.01)

Recommendation: That Council hold a closed session, per Government Code Section 54957(b)(1), to discuss the appointment for the position of Assistant City Administrator.

Documents:

July 14, 2015, report from the City Administrator.

Time:

4:40 p.m. – 4:50 p.m.

Announcement:

City Administrator Casey reported that after a motion by Councilmembers Murillo and Rowse, the City Council unanimously approved the appointment of Pamela Antil in the position of Assistant City Administrator.

ADJOURNMENT

Mayor Schneider adjourned the meeting at 4:50 p.m. in memory of Debby Davison.

SANTA BARBARA CITY COUNCIL

SANTA BARBARA
CITY CLERK'S OFFICE

HELENE SCHNEIDER
MAYOR

ATTEST:

GWEN PEIRCE, CMC
CITY CLERK SERVICES MANAGER



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: July 28, 2015

TO: Mayor and Councilmembers

FROM: Creeks Division, Parks and Recreation Department

SUBJECT: Resolution Approving A Grant Application For The Las Positas Creek Restoration Project

RECOMMENDATION:

That Council adopt, by reading of title only, A Resolution of the Council of the City of Santa Barbara Approving the Application for Grant Funds for the California River Parkways Grant Program.

DISCUSSION:

Las Positas Creek is one of the major tributary creeks to Arroyo Burro. It is 1.3 miles long and flows from the municipal golf course, under Earl Warren Showgrounds and Highway 101, then on the west side of Las Positas Road, where it eventually flows into Arroyo Burro near the intersection of Las Positas Road and Veronica Springs Road. Las Positas Creek is heavily modified by urban development. In the 1960s, approximately 20 percent of the creek was converted to a concrete drainage channel.

The Las Positas Creek Restoration Project ("Project") is focused on improving water quality and habitat throughout the lower half of the creek, including the reach that is currently a concrete drainage channel. Removing the concrete, restoring a more natural stream bed, and establishing willows, oaks, and other riparian vegetation are primary Project goals. Reducing flooding in the area is also a major Project objective. Currently, 42 homes along Las Positas Place and Veronica Place are in the FEMA 100-year floodplain, with 18 of those homes sited in the regulatory floodway. Preliminary engineering analysis indicates the Project would decrease flood potential by widening the creek to accommodate larger creek flows.

The Project is included in the City's Fiscal Year 2016-2021 Capital Improvement Plan. It is also identified as a priority area for restoration in the City's General Plan. To begin Project implementation, the Creeks Division developed conceptual designs, conducted public outreach, and is actively pursuing grant funding opportunities. The California River Parkways Grant Program seeks applications for projects that restore creek habitat, decrease flood risk, and provide educational opportunities along creeks.

Applications are due on September 1, 2015, and staff requests authorization to submit a grant application for \$500,000, the maximum amount allowed under the grant guidelines, for use in Project construction.

BUDGET/FINANCIAL INFORMATION:

The total Project cost, including design and construction, is estimated to be \$2.8 million. The Creeks Division's Capital Program for Fiscal Years 2015, 2016, and 2017 proposes a total of \$1,505,747 to partially fund Project design and construction. The Creeks Division also has a \$1 million grant pending through the California Department of Water Resources' Urban Streams Restoration Program. Additional grant applications will be submitted as they become available.

SUSTAINABILITY IMPACT:

This project will restore native plants, improve water quality, and reduce flooding in Las Positas Creek, thereby improving water quality downstream in the Arroyo Burro Estuary, and the coastal ocean at Arroyo Burro Beach.

PREPARED BY: George Thomson, Creeks Planner

SUBMITTED BY: Nancy Rapp, Parks and Recreation Director

APPROVED BY: City Administrator's Office

RESOLUTION NO:

A RESOLUTION OF THE COUNCIL OF THE CITY OF
SANTA BARBARA APPROVING THE APPLICATION FOR
GRANT FUNDS FOR THE CALIFORNIA RIVER
PARKWAYS GRANT PROGRAM

WHEREAS, the Legislature and Governor of the State of California have provided funds for the program shown above;

WHEREAS, the California Natural Resources Agency has been delegated the responsibility for the administration of this grant program, establishing necessary procedures;

WHEREAS, said procedures established by the California Natural Resources Agency require a resolution certifying the approval of application(s) by the Applicant's governing board before submission of said application(s) to the State; and

WHEREAS, the Applicant, if selected, will enter into an agreement with the State of California to carry out the project.

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

1. Approves the filing of an application for the Las Positas Creek Restoration Project;
2. Certifies that Applicant understands the assurances and certification in the application;
3. Certifies that Applicant or title holder will have sufficient funds to operate and maintain the project(s) consistent with the land tenure requirements; or will secure the resources to do so;
4. Certifies that it will comply with all provisions of Section 1771.5 of the California Labor Code;
5. If applicable, certifies that the project will comply with any laws and regulations including, but not limited to, the *California Environmental Quality Act* (CEQA), legal requirements for building codes, health and safety codes, disabled access laws, and, that prior to commencement of construction, all applicable permits will have been obtained;
6. Certifies that applicant will work towards the State Planning Priorities intended to promote equity, strengthen the economy, protect the environment, and promote public health and safety as included in Government Code Section 65041.1, and

7. Appoints the Parks & Recreation Director, or his or her designee, as agent to conduct all negotiations, execute and submit all documents including, but not limited to applications, agreements, payment requests and so on, which may be necessary for the completion of the aforementioned project(s).



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: July 28, 2015

TO: Mayor and Councilmembers

FROM: Engineering Division, Public Works Department

SUBJECT: Acceptance Of A Public Street Easement At 406 East Haley Street

RECOMMENDATION:

That Council adopt, by reading of title only, A Resolution of the Council of the City of Santa Barbara Accepting a New Public Street Easement on the Private Property Known as 406 East Haley Street, Located at the Corner of East Haley Street and Laguna Street, For All Street Purposes.

DISCUSSION:

The new public street easement provides a 48-inch wide landing for a new access ramp per City Standards and is located on private property at 406 East Haley Street at the corner of Laguna and East Haley Street (see attachment).

In order to accept the offered public street easement, Council must adopt a resolution and authorize the City Clerk to record the Street Easement Deed in the Santa Barbara County Office of the Recorder.

ATTACHMENT: Vicinity Map

PREPARED BY: John Ewasiuk, Principal Civil Engineer/MLW/SR/kts

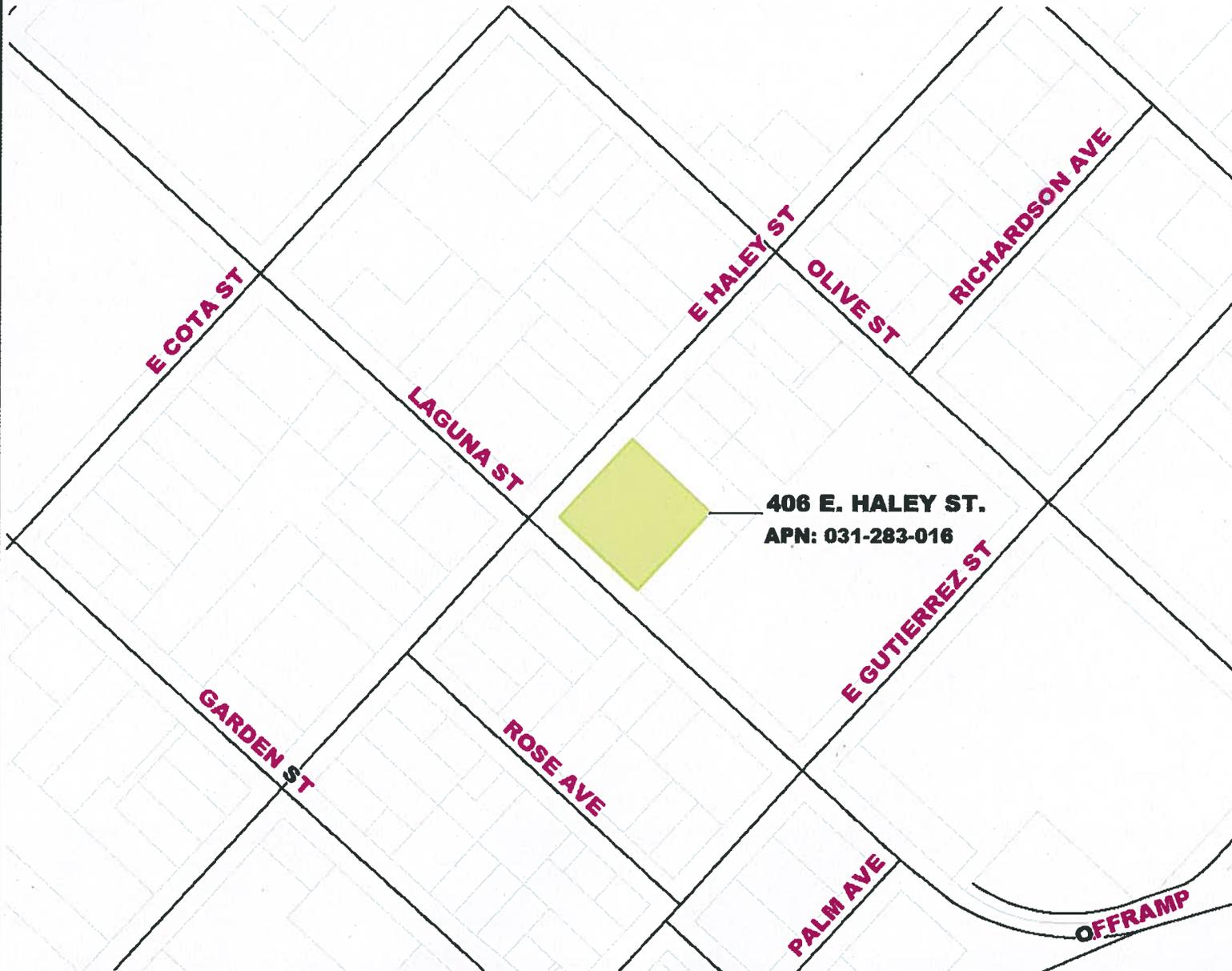
SUBMITTED BY: Rebecca J. Bjork, Public Works Director

APPROVED BY: City Administrator's Office



City of Santa Barbara - MAPS

ATTACHMENT 1



Legend

- City Limits
- Parks
- Assessor's Parcels - City
- Pacific Ocean
- Street Centerlines

1: 2,489



0.079 0 0.039 0.079 Miles

MAP DISCLAIMER

NAD_1983_StatePlane_California_V_FIPS_0405_Feet
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Notes

Enter Map Description

RESOLUTION NO. _____

A RESOLUTION OF THE COUNCIL OF THE CITY OF SANTA BARBARA ACCEPTING A NEW PUBLIC STREET EASEMENT ON THE PRIVATE PROPERTY KNOWN AS 406 EAST HALEY STREET, LOCATED AT THE CORNER OF EAST HALEY STREET AND LAGUNA STREET, FOR ALL STREET PURPOSES

WHEREAS, The Laguna Haley Studio, LLC, the Owner of the real property located at 406 East Haley Street has offered to the City of Santa Barbara a portion of the land to be accepted as public right-of-way;

WHEREAS, The Council of the City of Santa Barbara hereby declares its intention to accept the offer of an easement on the property known as 406 East Haley Street; and

WHEREAS, the City of Santa Barbara claims no interest in the underlying fee ownership of the subject property.

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

SECTION 1: The Council of the City of Santa Barbara adopts this Resolution accepting the offer of a public street easement on the Real Property described in the Street Easement Deed dated July 1, 2015, from The Laguna Haley Studio, LLC, to the City of Santa Barbara;

SECTION 2: The Council of the City of Santa Barbara authorizes the City Clerk to record the offered Street Easement Deed.



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: July 28, 2015

TO: Mayor and Councilmembers

FROM: Operations Division, Waterfront Department

SUBJECT: Introduction Of Ordinance To Designate Fishing Areas On Stearns Wharf

RECOMMENDATION:

That Council introduce and subsequently adopt, by reading of title only, An Ordinance of the Council of the City of Santa Barbara Amending the Santa Barbara Municipal Code by Adding Section 17.13.060 to Designate Fishing Areas on Stearns Wharf.

BACKGROUND:

In 1973, Stearns Wharf sustained one of the many fires that have marked its history, forcing closure of the Wharf until 1981. When it reopened, informally designated fishing areas were established on the Wharf's seaward finger ("Plank Park") and its shoreward finger, with fish-cleaning stations installed at each. By the mid-1980s, however, Waterfront staff noticed that fishing was taking place well outside those areas, including behind buildings, at the Passenger Loading Ramp, at the Harbor Restaurant's valet parking lot, at the Wye between the main roadway and the shoreward finger and along the pedestrian right-of-way adjacent to the main roadway.

As fishing proliferated beyond the informally designated areas, staff initiated a signage program, painting "no fishing" notices in areas throughout the Wharf (mostly on railings and on old piles used for sitting benches), to help ensure the safety of fishermen, pedestrians and vehicles.

DISCUSSION:

While the "no fishing" signs have been generally effective in educating the public about where and where not to fish from Stearns Wharf, Waterfront staff occasionally has difficulty redirecting fishermen who choose to disregard the signs because the Santa Barbara Municipal Code is silent on this issue. This matter has come into sharp focus in recent months, as a few fishermen have refused to vacate (informally designated) "no fishing" areas, stating there is no law designating such no-fishing areas. Harbor Patrol, in turn, has no authority to issue citations in these areas.

Staff has created a map that designates proposed “Designated Fishing Areas” on Stearns Wharf. The map reflects traditional fishing areas on the seaward and shoreward fingers, and would serve as a reference exhibit for a proposed Ordinance that codifies currently informal designations.

The proposed Ordinance includes discretionary language allowing the Waterfront Director to alter the fishing areas as needed. This would likely only be used during special events, but staff believes this authority is essential to providing flexibility, should it be needed. In case of such special events, staff will post notices of such events at visible locations on Stearns Wharf.

Staff has contacted Frank Drew, operator of Stearns Wharf Bait and Tackle, who supports the recommended Ordinance. Harbor Commission voted unanimously on April 16, 2015 to forward this matter to Council for consideration and approval.

CONCLUSION

With one million pedestrians and 250,000 vehicles visiting Stearns Wharf every year, staff believes it important to help enhance the safety of fishermen and the public by designating permitted “Designated Fishing Areas” on Stearns Wharf, areas traditionally used for this purpose. The proposed Ordinance will also help Harbor Patrol enforce these designations.

At its July 14, 2015, meeting, the Ordinance Committee recommended that the City Council approve the Ordinance amending Municipal Code Section 17.13.060.

ATTACHMENT: Drawing – Proposed Designated Fishing Areas, Stearns Wharf

PREPARED BY: Mick Kronman, Harbor Operations Manager

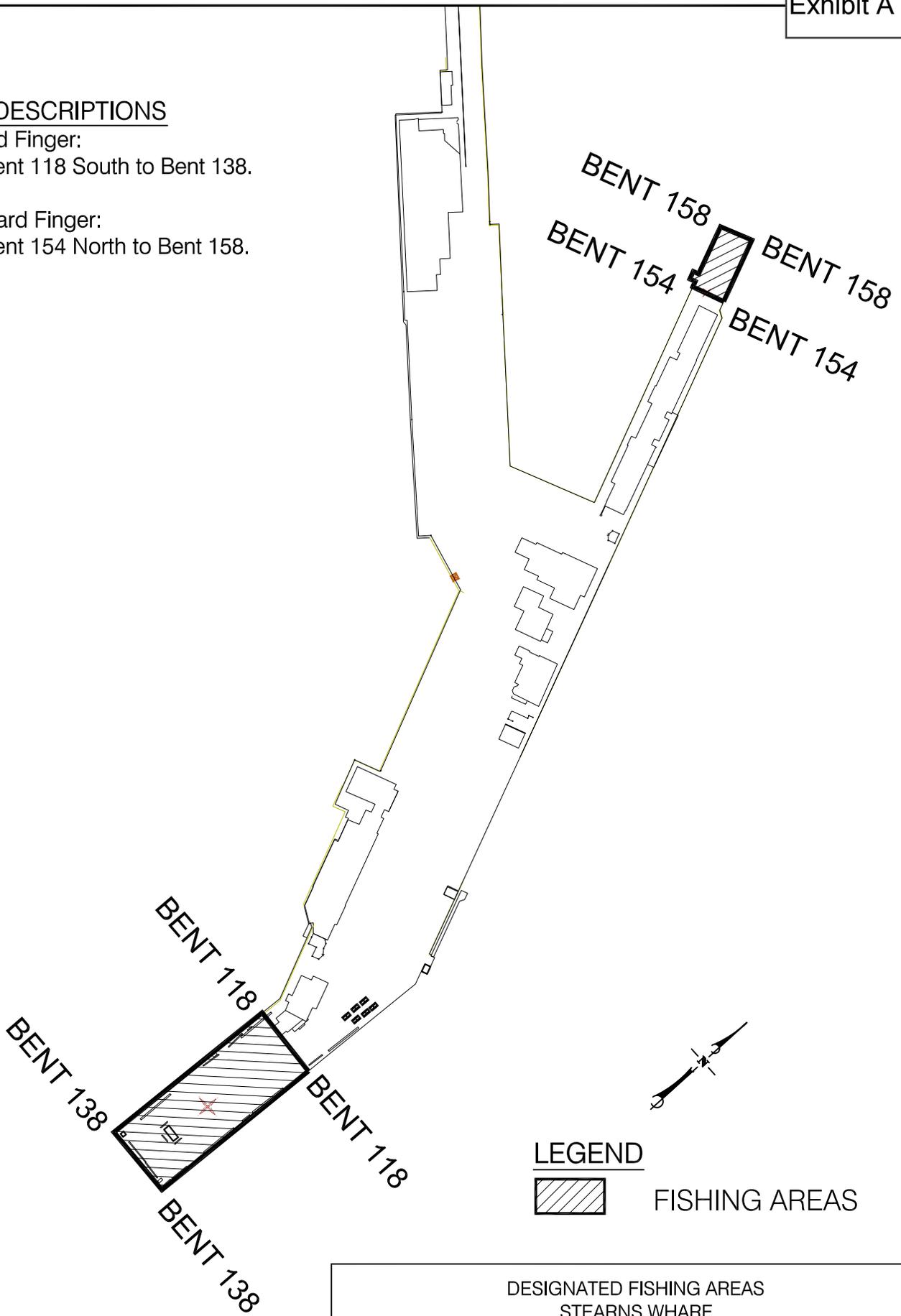
SUBMITTED BY: Scott Riedman, Waterfront Director

APPROVED BY: City Administrator's Office

AREA DESCRIPTIONS

Seaward Finger:
From Bent 118 South to Bent 138.

Shoreward Finger:
From Bent 154 North to Bent 158.



LEGEND

 FISHING AREAS

DESIGNATED FISHING AREAS			
STEARNS WHARF			
REVISIONS	DATE: 3/11/2015	SCALE: NONE	APPROVED BY: M. KRONMAN
	ADDRESS:		DRAWN BY: T. LAWLER
			SHEET NO. 1 OF 1
			DRAWING NAME:
		City of Santa Barbara	
		Waterfront Department	2000-107

ORDINANCE NO. _____

AN ORDINANCE OF THE COUNCIL OF THE CITY OF
SANTA BARBARA AMENDING THE SANTA BARBARA
MUNICIPAL CODE BY ADDING SECTION 17.13.060 TO
DESIGNATE FISHING AREAS ON STEARNS WHARF

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

SECTION 1. Chapter 17.13 of Title 17 of the Santa Barbara Municipal Code is
amended by adding Section 17.13.060 which reads as follows:

17.13.060. Stearns Wharf Designated Fishing Areas.

It shall be unlawful to fish from Stearns Wharf except in the areas depicted as
“Designated Fishing Areas” on the map attached as Exhibit “A” to Chapter 17.13. The
Waterfront Director, or his or her designee, may make temporary changes to the
boundaries of the “Designated Fishing Areas” as shown on Exhibit “A” to accommodate
special events. Exhibit “A” attached to Chapter 17.13 shall not be revised to reflect
such temporary changes but notice of such temporary changes will be posted at visible
locations on Stearns Wharf.



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: July 28, 2015

TO: Mayor and Councilmembers

FROM: Treasury Division, Finance Department

SUBJECT: June 30, 2015, Investment Report And June 30, 2015, Fiscal Agent Report

RECOMMENDATION: That Council:

- A. Accept the June 30, 2015, Investment Report; and
- B. Accept the June 30, 2015, Fiscal Agent Report.

DISCUSSION:

On a quarterly basis, staff submits a comprehensive report on the City's portfolio and related activity pursuant to the City's Annual Statement of Investment Policy. The current report covers the investment activity for the three-month period of April through June 2015.

Treasury yields were mostly higher by the end of the quarter. As shown in the table to the right, the change in Treasury yields ranged from a decrease of 3 basis points on the 6-month Treasury note to an increase of 57

basis points on the 30-year Treasury note. The 5 year note increased by 26 basis points, and the longer term 10 and 30-year maturities saw the largest increases in Treasury yield by the end of the quarter.

U.S. Treasury Market					
	3/31/2015	4/30/2015	5/31/2015	6/30/2015	Cumulative Change
3 Month	0.03%	0.01%	0.01%	0.01%	-0.02%
6 Month	0.14%	0.06%	0.06%	0.11%	-0.03%
1 Year	0.26%	0.24%	0.26%	0.28%	0.02%
2 Year	0.56%	0.58%	0.61%	0.64%	0.08%
3 Year	0.89%	0.91%	0.94%	1.01%	0.12%
4 Year	1.12%	1.17%	1.21%	1.33%	0.21%
5 Year	1.37%	1.43%	1.49%	1.63%	0.26%
10 Year	1.94%	2.05%	2.12%	2.35%	0.41%
30 Year	2.54%	2.75%	2.88%	3.11%	0.57%
LAIF	0.26%	0.28%	0.28%	0.28%	0.02%

The City generally invests in securities of one to five years in duration. Within this duration, interests range from 0.28% to 1.63% for Treasury securities. With the economy relatively strong, there is an expectation that interest rates may increase within the year, but certainly it will take several years before we realize a material

increase in interest earnings as existing securities mature and are replaced with higher-yielding securities.

Investment Activity

As shown in the Investment Activity table below, the City invested \$10 million during the quarter. The purchases consisted of \$6 million in “AAA” rated Federal Agency callable securities, \$2 million in “AAA” rated Federal Agency non-callable (“bullet”) securities, and \$2 million in “AAA” rated Institutional U.S. Treasury Money Market Funds. The purchases replaced \$15 million in Federal Agency securities that were called, and \$4 million in Federal Agency securities that matured over the quarter. In addition, the portfolio also received \$139,179 in a semi-annual principal payment on the Airport promissory note at the end of June. The outstanding balance on the Airport promissory note is \$5.061 million.

Issuer	Face Amount	Purchase Date	Final Maturity	Call Date	Yield To Call	Yield To Maturity
<i>Purchases:</i>						
Federal Farm Credit Bank (FFCB)	\$ 2,000,000	06/24/15	06/24/19	-	-	1.520%
Federal Home Loan Bank (FHLB)	2,000,000	06/29/15	06/29/18	06/29/16	1.170%	1.170%
Federal National Mortgage Association (FNMA)	2,000,000	06/30/15	06/30/20	06/30/16	2.000%	2.000%
Federal Home Loan Mortgage Corp (FHLMC)	2,000,000	06/30/15	06/25/20	09/25/15	1.800%	2.070%
Blackrock Treasury Trust Inst. Funds (TTXX)	2,000,000	06/30/15	-	-	-	0.000%
	\$ 10,000,000					
<i>Calls:</i>						
Federal Home Loan Bank (FHLB)	\$ 2,000,000	05/22/14	05/22/17	04/15/15	1.000%	1.000%
Federal Home Loan Bank (FHLB)	2,000,000	04/17/14	04/17/17	04/17/15	1.000%	1.000%
Federal Home Loan Mortgage Corp (FHLMC)	2,000,000	11/26/14	11/26/19	05/26/15	2.000%	2.000%
Federal Home Loan Mortgage Corp (FHLMC)	1,000,000	12/18/13	12/18/18	06/18/15	1.500%	1.839%
Federal National Mortgage Association (FNMA)	2,000,000	06/19/13	12/19/16	06/19/15	0.750%	0.750%
Federal Home Loan Mortgage Corp (FHLMC)	2,000,000	06/26/13	06/26/18	06/26/15	1.400%	1.400%
Federal Home Loan Mortgage Corp (FHLMC)	2,000,000	06/26/13	06/26/18	06/26/15	1.500%	1.500%
Federal Home Loan Mortgage Corp (FHLMC)	2,000,000	06/30/14	06/30/17	06/30/15	1.000%	1.000%
	\$ 15,000,000					
<i>Maturities:</i>						
Federal Home Loan Mortgage Corp (FHLMC)	\$ 2,000,000	04/23/12	04/17/15	-	-	0.534%
Federal Home Loan Bank (FHLB)	2,000,000	04/15/11	05/27/15	-	-	2.000%
Airport Promissory Note - Partial Redemption	139,179	07/14/09	06/30/29	-	-	4.195%
	\$ 4,139,179					

Summary of Cash and Investments

The book rate of return, or portfolio yield, measures the rate of return of actual earnings generated from the portfolio. As shown in the table to the right, during the quarter the City’s book rate of return decreased by 4.9 basis points from 1.207 percent at March 31, 2015 to 1.158 percent at June 30, 2015.

Mo. Ended	Yield	Days to Maturity
3/31/2015	1.207%	833
4/30/2015	1.195%	796
5/31/2015	1.126%	725
6/30/2015	1.158%	747

The portfolio’s average days to maturity, including the long-term Airport promissory note, decreased by 86 days from 833 to 747 days. Excluding the Airport note, the portfolio’s average days to maturity is 607 days, reflecting reinvestment of

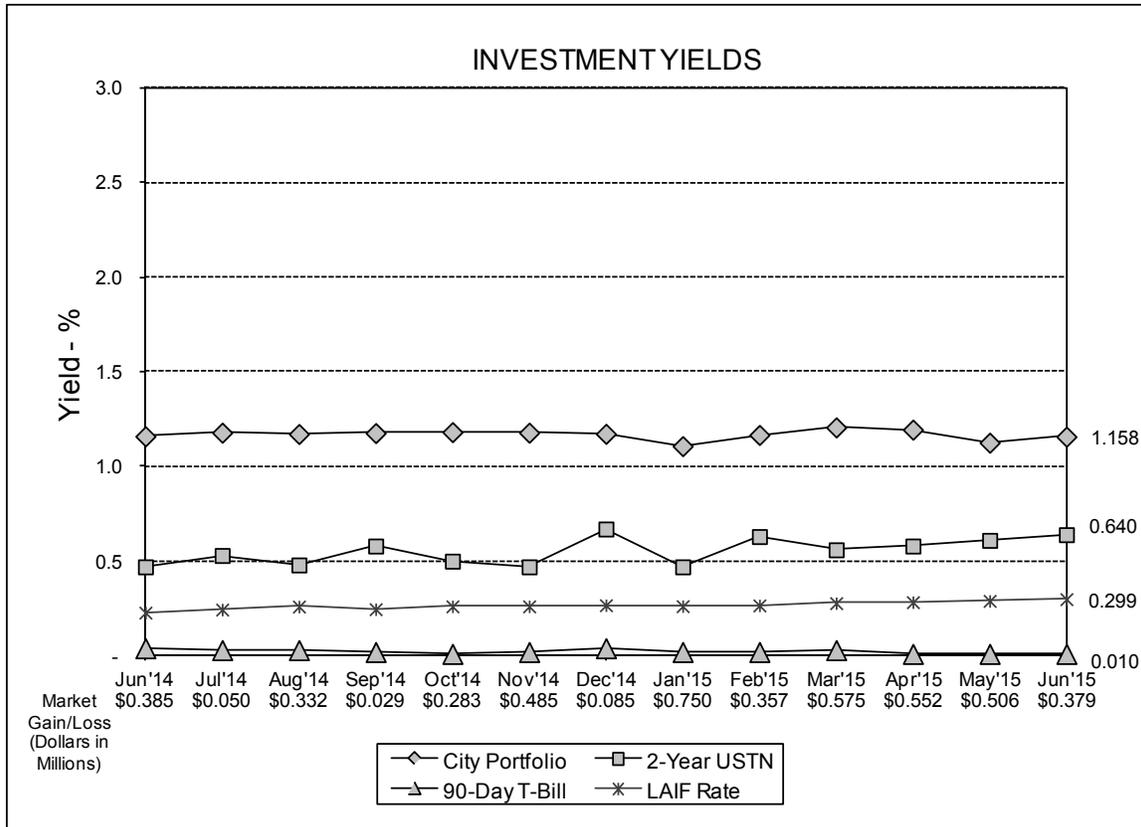
maturities and calls during the quarter in the one-to-five year range in accordance with the City's Annual Statement of Investment Policy. The Annual Statement of Investment Policy requires that the average days to maturity on the portfolio not exceed 2.5 years, excluding any investments with a final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

The average LAIF rate at which the City earned interest for funds invested was at 0.28 percent for the quarter ended June 30, 2015, which was up from last quarter by 2 basis points. The City's LAIF holdings at the end of the quarter were \$30 million. Staff expects to reinvest a portion of the LAIF balances in fixed-term or callable securities during the next quarter.

Credit Quality on Corporate Notes

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

Portfolio Market Gains/Losses



As shown in the Investment Yields chart on the preceding page, the City's portfolio continues to be in line and above the three benchmark measures (the 90-day T-Bill, 2-year T-Note and LAIF). The benchmarks serve as indicators of the City's performance; and trends over time that substantially deviate from these benchmarks would warrant further analysis and review. At June 30, 2015, the portfolio had an overall unrealized market gain of approximately \$379,000.

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

Issuer	Face Amount	Maturity	\$ Mkt Change	% Mkt Change
FEDERAL NATL MORTGAGE ASSN	\$2,000,000	02/05/18	-\$11,460	-0.57%
FEDERAL FARM CREDIT BANK	\$2,000,000	07/22/19	-\$11,220	-0.56%
FEDERAL NATL MORTGAGE ASSN	\$2,000,000	12/12/17	-\$9,580	-0.48%
FEDERAL HOME LOAN BANK	\$4,000,000	01/16/18	-\$13,720	-0.34%
FEDERAL NATL MORTGAGE ASSN	\$4,000,000	12/26/17	-\$6,440	-0.16%

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

Additional Reporting Requirements

The following confirmations are made pursuant to California Code Sections 53600 et seq.: (1) the City's portfolio as of June 30, 2015, is in compliance with the City's Statement of Investment Policy; and (2) there are sufficient funds available to meet the City's expenditure requirements for the next six months.

Fiscal Agent Investments

In addition to reporting requirements for public agency portfolios, a description of any of the agency's investments under the management of contracted parties is also required on a quarterly basis. Attachment 2 includes bond funds and the police and fire service retirement fund as of June 30, 2015.

ATTACHMENTS: 1. June 30, 2015, Investment Report
 2. June 30, 2015, Fiscal Agent Report

PREPARED BY: Julie Nemes, Treasury Manager

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

APPROVED BY: City Administrator's Office

CITY OF SANTA BARBARA
Activity and Interest Report
June 30, 2015

INVESTMENT ACTIVITY

PURCHASES OR DEPOSITS

6/18 LAIF Deposit - City	\$ 4,000,000
6/24 Federal Farm Credit Bank (FFCB)	2,000,000
6/29 Federal Home Loan Bank (FHLB)	2,000,000
6/30 Federal National Mortgage Association (FNMA)	2,000,000
6/30 Federal Home Loan Mortgage Corp (FHLMC)	2,000,000
6/30 Blackrock Treasury Trust Inst. Funds (TTTXX)	2,000,000
Total	\$ 14,000,000

SALES, MATURITIES, CALLS OR WITHDRAWALS

6/18 Federal Home Loan Mortgage Corp (FHLMC) - Call	\$ (1,000,000)
6/19 Federal National Mortgage Association (FNMA) - Call	(2,000,000)
6/26 Federal Home Loan Mortgage Corp (FHLMC) - Call	(2,000,000)
6/26 Federal Home Loan Mortgage Corp (FHLMC) - Call	(2,000,000)
6/30 Federal Home Loan Mortgage Corp (FHLMC) - Call	(2,000,000)
6/30 LAIF Withdrawal - City	(2,000,000)
6/30 Airport Promissory Note - Partial Redemption	(139,179)
Total	\$ (11,139,179)

ACTIVITY TOTAL

\$ 2,860,821

INVESTMENT INCOME

POOLED INVESTMENTS

Interest Earned on Investments	\$ 159,957
Amortization	(11,095)
Total	\$ 148,862

INCOME TOTAL

\$ 148,862

CITY OF SANTA BARBARA

Investment Portfolio

June 30, 2015

DESCRIPTION	PURCHASE DATE	MATURITY DATE	QUALITY RATING		STATED RATE	YIELD AT 365	FACE VALUE	BOOK VALUE	MARKET VALUE	BOOK GAIN/(LOSS)	COMMENTS
			MOODY'S	S & P							
LOCAL AGENCY INVESTMENT FUNDS											
LOCAL AGENCY INVESTMENT FUND	-	-	-	-	0.299	0.299	30,000,000.00	30,000,000.00	30,000,000.00	0.00	
Subtotal, LAIF							30,000,000.00	30,000,000.00	30,000,000.00	0.00	
CERTIFICATES OF DEPOSIT											
AMERICAN EXPRESS BANK FSB	10/23/14	10/23/19	-	-	2.200	2.200	250,000.00	250,000.00	250,812.50	812.50	FDIC Certificate 35328
CAPITAL ONE BANK USA NA	10/29/14	10/29/19	-	-	1.900	1.900	250,000.00	250,000.00	250,762.50	762.50	FDIC Certificate 33954
GE CAPITAL BANK	10/17/14	10/17/19	-	-	2.000	2.000	250,000.00	250,000.00	250,770.00	770.00	FDIC Certificate 33778
GOLDMAN SACHS BANK USA	10/29/14	10/29/19	-	-	2.150	2.150	250,000.00	250,000.00	250,757.50	757.50	FDIC Certificate 33124
MONTECITO BANK & TRUST	11/18/13	11/18/15	-	-	0.600	0.600	2,000,000.00	2,000,000.00	2,000,000.00	0.00	
UNION BANK	08/31/12	08/31/15	-	-	1.230	1.247	2,000,000.00	2,000,000.00	2,000,000.00	0.00	
UNION BANK	08/31/12	08/31/17	-	-	1.490	1.511	4,000,000.00	4,000,000.00	4,000,000.00	0.00	
Subtotal, Certificates of deposit							9,000,000.00	9,000,000.00	9,003,102.50	3,102.50	
TREASURY SECURITIES - COUPON											
U S TREASURY NOTE	10/25/12	10/31/15	Aaa	AA+	1.250	0.397	2,000,000.00	2,005,661.61	2,007,820.00	2,158.39	
U S TREASURY NOTE	02/22/13	05/15/16	Aaa	AA+	5.125	0.442	2,000,000.00	2,081,154.76	2,083,900.00	2,745.24	
U S TREASURY NOTE	02/22/13	08/31/16	Aaa	AA+	1.000	0.502	2,000,000.00	2,011,517.54	2,014,380.00	2,862.46	
U S TREASURY NOTE	02/22/13	02/28/17	Aaa	AA+	0.875	0.607	2,000,000.00	2,008,807.09	2,010,780.00	1,972.91	
Subtotal, Treasury Securities							8,000,000.00	8,107,141.00	8,116,880.00	9,739.00	
FEDERAL AGENCY ISSUES - COUPON											
FED AGRICULTURAL MTG CORP	10/03/13	10/03/18	-	-	1.720	1.720	2,000,000.00	2,000,000.00	2,022,900.00	22,900.00	
FED AGRICULTURAL MTG CORP	12/12/13	12/12/18	-	-	1.705	1.705	2,000,000.00	2,000,000.00	2,036,940.00	36,940.00	
FEDERAL FARM CREDIT BANK	01/22/15	07/22/19	Aaa	AA+	1.720	1.720	2,000,000.00	2,000,000.00	1,988,780.00	(11,220.00)	Callable, continuous
FEDERAL FARM CREDIT BANK	07/09/14	07/09/18	Aaa	AA+	1.470	1.470	2,000,000.00	2,000,000.00	2,000,500.00	500.00	Callable 07/09/15, then continuous
FEDERAL FARM CREDIT BANK	01/22/15	01/22/19	Aaa	AA+	1.480	1.480	2,000,000.00	2,000,000.00	1,998,020.00	(1,980.00)	Callable 01/22/16, then continuous
FEDERAL FARM CREDIT BANK	08/15/12	08/15/17	Aaa	AA+	0.980	0.980	2,000,000.00	2,000,000.00	1,998,500.00	(1,500.00)	Callable, continuous
FEDERAL FARM CREDIT BANK	09/18/13	09/18/17	Aaa	AA+	1.550	1.550	2,000,000.00	2,000,000.00	2,029,780.00	29,780.00	
FEDERAL FARM CREDIT BANK	12/16/14	12/16/19	Aaa	AA+	2.000	2.000	2,000,000.00	2,000,000.00	2,003,180.00	3,180.00	Callable 12/16/15, then continuous
FEDERAL FARM CREDIT BANK	02/11/15	02/11/19	Aaa	AA+	1.520	1.520	2,000,000.00	2,000,000.00	1,997,020.00	(2,980.00)	Callable 02/11/16, then continuous
FEDERAL FARM CREDIT BANK	02/16/11	02/16/16	Aaa	AA+	2.570	2.570	2,000,000.00	2,000,000.00	2,029,140.00	29,140.00	
FEDERAL FARM CREDIT BANK	07/17/13	07/17/17	Aaa	AA+	1.300	1.300	2,000,000.00	2,000,000.00	2,021,680.00	21,680.00	
FEDERAL FARM CREDIT BANK	06/24/15	06/24/19	Aaa	AA+	1.520	1.520	2,000,000.00	2,000,000.00	2,006,920.00	6,920.00	
FEDERAL HOME LOAN BANK	09/13/13	09/14/18	Aaa	AA+	2.000	1.910	2,000,000.00	2,005,467.31	2,045,460.00	39,992.69	
FEDERAL HOME LOAN BANK	01/16/13	01/16/18	Aaa	AA+	1.000	1.000	4,000,000.00	4,000,000.00	3,986,280.00	(13,720.00)	Callable 07/16/15, then qtrly
FEDERAL HOME LOAN BANK	01/17/14	04/17/18	Aaa	AA+	1.480	1.480	2,000,000.00	2,000,000.00	2,024,040.00	24,040.00	
FEDERAL HOME LOAN BANK	06/29/15	06/29/18	Aaa	AA+	1.170	1.170	2,000,000.00	2,000,000.00	1,997,640.00	(2,360.00)	Callable 06/29/16, once
FEDERAL HOME LOAN BANK	06/26/14	06/26/19	Aaa	AA+	1.250	2.062	2,000,000.00	2,000,000.00	2,002,500.00	2,500.00	SU 1.25%-6% Call 09/26/15, then qtrly
FEDERAL HOME LOAN BANK	11/26/14	11/26/19	Aaa	AA+	1.500	2.102	2,000,000.00	2,000,000.00	2,004,300.00	4,300.00	SU 1.5%-5% Call 08/26/15, then qtrly
FEDERAL HOME LOAN BANK	12/16/13	12/14/18	Aaa	AA+	1.750	1.650	2,000,000.00	2,006,595.23	2,034,380.00	27,784.77	
FEDERAL HOME LOAN BANK	06/18/14	06/09/17	Aaa	AA+	1.000	1.003	2,000,000.00	1,999,869.65	2,008,940.00	9,070.35	
FEDERAL HOME LOAN BANK	10/22/14	11/18/16	Aaa	AA+	0.750	0.500	2,000,000.00	2,006,848.74	2,007,980.00	1,131.26	

CITY OF SANTA BARBARA

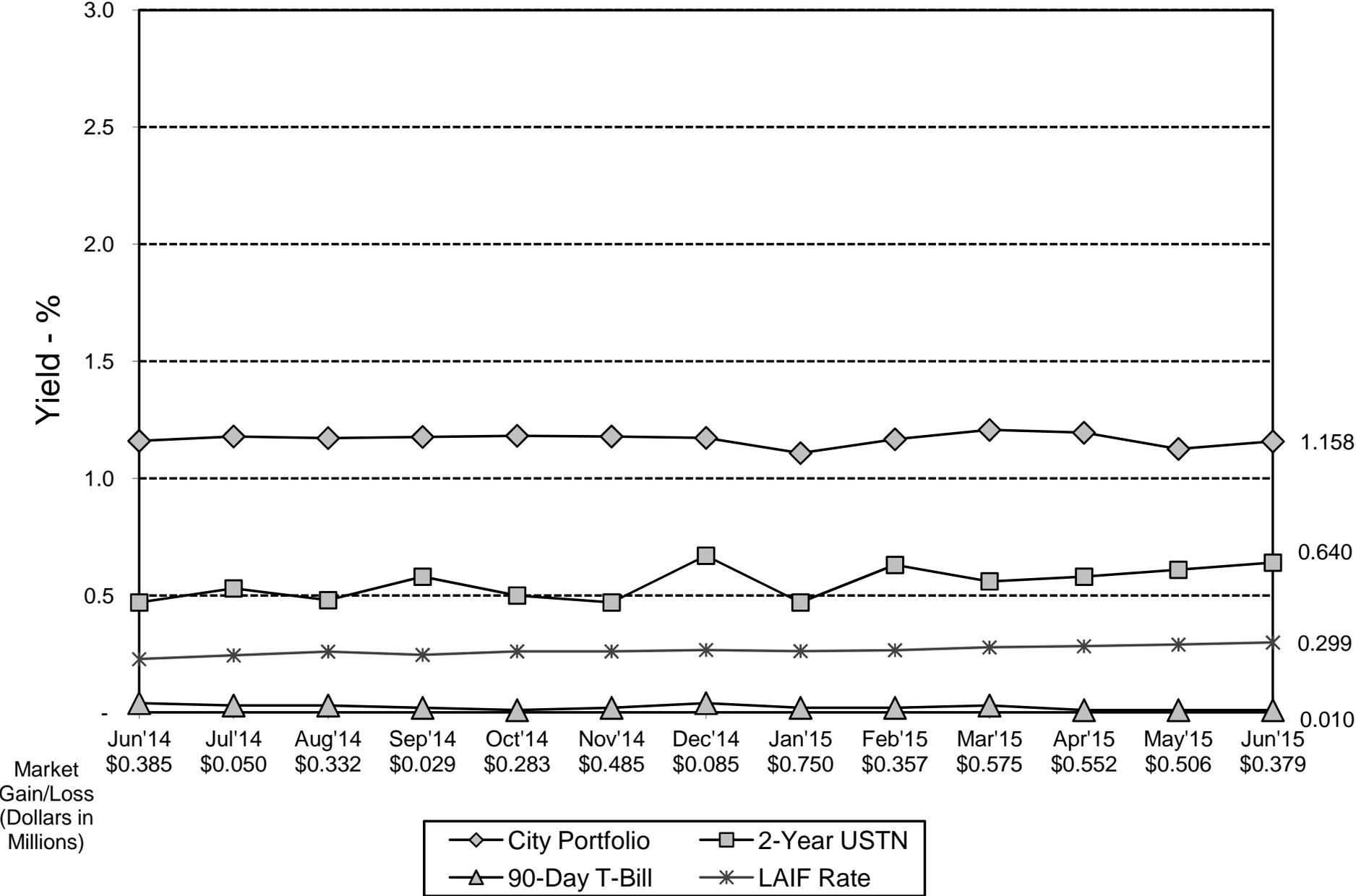
Investment Portfolio

June 30, 2015

DESCRIPTION	PURCHASE DATE	MATURITY DATE	QUALITY RATING MOODY'S	QUALITY RATING S & P	STATED RATE	YIELD AT 365	FACE VALUE	BOOK VALUE	MARKET VALUE	BOOK GAIN/(LOSS)	COMMENTS
FEDERAL HOME LOAN MTG CORP	06/30/15	06/25/20	Aaa	AA+	1.800	2.070	2,000,000.00	2,000,000.00	2,004,700.00	4,700.00	SU 1.8%-3.5% Call 09/25/15, then qtrly
FEDERAL HOME LOAN MTG CORP	09/12/12	09/12/17	Aaa	AA+	1.000	1.000	2,000,000.00	2,000,000.00	1,999,180.00	(820.00)	Callable 09/12/15, then qtrly
FEDERAL HOME LOAN MTG CORP	01/16/13	01/16/18	Aaa	AA+	1.050	1.050	4,000,000.00	4,000,000.00	4,001,640.00	1,640.00	Callable 07/16/15, then qtrly
FEDERAL HOME LOAN MTG CORP	11/20/13	09/29/17	Aaa	AA+	1.000	1.030	1,000,000.00	999,336.85	1,002,360.00	3,023.15	
FEDERAL NATL MORTGAGE ASSN	01/30/13	01/30/18	Aaa	AA+	1.030	1.030	3,000,000.00	3,000,000.00	3,002,370.00	2,370.00	Callable 07/30/15, then qtrly
FEDERAL NATL MORTGAGE ASSN	12/12/12	12/12/17	Aaa	AA+	1.000	1.000	2,000,000.00	2,000,000.00	1,990,420.00	(9,580.00)	Callable 09/12/15, then qtrly
FEDERAL NATL MORTGAGE ASSN	11/15/13	10/26/17	Aaa	AA+	0.875	1.062	2,000,000.00	1,991,526.60	2,000,920.00	9,393.40	
FEDERAL NATL MORTGAGE ASSN	12/11/13	11/27/18	Aaa	AA+	1.625	1.606	2,000,000.00	2,001,235.61	2,024,200.00	22,964.39	
FEDERAL NATL MORTGAGE ASSN	11/08/12	11/08/17	Aaa	AA+	1.000	1.000	2,000,000.00	2,000,000.00	1,998,460.00	(1,540.00)	Callable 08/08/15, then qtrly
FEDERAL NATL MORTGAGE ASSN	11/08/12	11/08/17	Aaa	AA+	1.000	1.000	2,000,000.00	2,000,000.00	1,998,460.00	(1,540.00)	Callable 08/08/15, then qtrly
FEDERAL NATL MORTGAGE ASSN	12/26/12	12/26/17	Aaa	AA+	1.000	1.000	4,000,000.00	4,000,000.00	3,993,560.00	(6,440.00)	Callable 09/26/15, then qtrly
FEDERAL NATL MORTGAGE ASSN	09/21/10	09/21/15	Aaa	AA+	2.000	2.000	2,000,000.00	2,000,000.00	2,008,380.00	8,380.00	
FEDERAL NATL MORTGAGE ASSN	12/10/10	10/26/15	Aaa	AA+	1.625	2.067	2,000,000.00	1,997,325.40	2,009,460.00	12,134.60	
FEDERAL NATL MORTGAGE ASSN	02/05/13	02/05/18	Aaa	AA+	1.000	1.000	2,000,000.00	2,000,000.00	1,988,540.00	(11,460.00)	Callable 08/05/15, then qtrly
FEDERAL NATL MORTGAGE ASSN	11/20/13	10/26/17	Aaa	AA+	0.875	1.070	2,000,000.00	1,991,154.66	2,000,920.00	9,765.34	
FEDERAL NATL MORTGAGE ASSN	06/30/15	06/30/20	Aaa	AA+	2.000	2.000	2,000,000.00	2,000,000.00	2,003,020.00	3,020.00	Callable 06/30/16, then qtrly
Subtotal, Federal Agencies							<u>80,000,000.00</u>	<u>79,999,360.05</u>	<u>80,271,470.00</u>	<u>272,109.95</u>	
CORPORATE/MEDIUM TERM NOTES											
BERKSHIRE HATHAWAY FIN	12/15/10	12/15/15	Aa2	AA	2.450	2.530	2,000,000.00	1,999,316.67	2,017,240.00	17,923.33	
BERKSHIRE HATHAWAY INC	11/29/13	02/09/18	Aa2	AA	1.550	1.550	2,000,000.00	2,000,000.00	2,009,600.00	9,600.00	
GENERAL ELECTRIC CAPITAL CORP	11/10/10	11/09/15	A1	AA+	2.250	2.250	2,000,000.00	2,000,000.00	2,012,060.00	12,060.00	
GENERAL ELECTRIC CAPITAL CORP	01/14/14	01/14/19	A1	AA+	2.300	2.250	2,000,000.00	2,003,323.94	2,027,720.00	24,396.06	
PROCTOR & GAMBLE	09/20/11	11/15/15	Aa3	AA-	1.800	1.085	2,000,000.00	2,005,189.70	2,010,140.00	4,950.30	
TOYOTA MOTOR CREDIT	09/26/11	09/15/16	Aa3	AA-	2.000	1.800	2,000,000.00	2,004,589.87	2,029,480.00	24,890.13	
Subtotal, Corporate Securities							<u>12,000,000.00</u>	<u>12,012,420.18</u>	<u>12,106,240.00</u>	<u>93,819.82</u>	
SB AIRPORT PROMISSORY NOTE (LT)											
SANTA BARBARA AIRPORT	07/14/09	06/30/29	-	-	3.500	4.195	5,061,002.86	5,061,002.86	5,061,002.86	0.00	
Subtotal, SBA Note							<u>5,061,002.86</u>	<u>5,061,002.86</u>	<u>5,061,002.86</u>	<u>0.00</u>	
MONEY MARKET FUNDS											
BLACKROCK TT INSTITUTIONAL FUNDS	06/30/15	-	Aaa-mf	AAAm	0.000	0.000	2,000,000.00	2,000,000.00	2,000,000.00	0.00	
Subtotal, Money Market							<u>2,000,000.00</u>	<u>2,000,000.00</u>	<u>2,000,000.00</u>	<u>0.00</u>	
CHECKING ACCOUNT											
MUFG UNION BANK NA CHKNG ACCNT	-	-	-	-	0.400	0.400	16,580,855.33	16,580,855.33	16,580,855.33	0.00	
Subtotal, Checking Account							<u>16,580,855.33</u>	<u>16,580,855.33</u>	<u>16,580,855.33</u>	<u>0.00</u>	
TOTALS							<u>162,641,858.19</u>	<u>162,760,779.42</u>	<u>163,139,550.69</u>	<u>378,771.27</u>	

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

INVESTMENT YIELDS



**CITY OF SANTA BARBARA
Fiscal Agent Investments
June 30, 2015**

	CASH & CASH EQUIVALENTS Book & Market	Guaranteed Investment Contracts (GIC) Book & Market	STOCKS		BONDS		US GOVT & AGENCIES		TOTALS	
			Book	Market	Book	Market	Book	Market	Book	Market
BOND FUNDS										
<i>RESERVE FUNDS</i>										
2004 RDA - Housing Bonds	602,503.80	-	-	-	-	-	-	-	602,503.80	602,503.80
2002 Municipal Improvement - Refunding COPS	32,251.43	547,530.00	-	-	-	-	-	-	579,781.43	579,781.43
2011 Water - Safe Drinking Water State Loan	971,038.25	-	-	-	-	-	-	-	971,038.25	971,038.25
2013 Water - Refunding COPS	10,714.60	428,069.44	-	-	-	-	636,099.18	645,568.00	1,074,883.22	1,084,352.04
2004 Sewer - Revenue Bonds	46,545.49	1,357,140.00	-	-	-	-	-	-	1,403,685.49	1,403,685.49
2009 Airport - Revenue Bonds	2,080,845.46	-	-	-	-	-	3,139,457.55	3,166,287.80	5,220,303.01	5,247,133.26
2014 Waterfront - Refunding Bonds	0.24	581,455.74	-	-	-	-	-	-	581,455.98	581,455.98
Subtotal, Reserve Funds	<u>3,743,899.27</u>	<u>2,914,195.18</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,775,556.73</u>	<u>3,811,855.80</u>	<u>10,433,651.18</u>	<u>10,469,950.25</u>
<i>PROJECT FUNDS</i>										
2001 RDA Bonds	2,366,994.23	-	-	-	-	-	-	-	2,366,994.23	2,366,994.23
2003 RDA Bonds	8,509,360.50	-	-	-	-	-	-	-	8,509,360.50	8,509,360.50
Subtotal, Project Funds	<u>10,876,354.73</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,876,354.73</u>	<u>10,876,354.73</u>
SUBTOTAL BOND FUNDS	14,620,254.00	2,914,195.18	-	-	-	-	3,775,556.73	3,811,855.80	21,310,005.91	21,346,304.98
POLICE/FIRE - SVC RETIREMENT FUND										
Police/Fire Funds	45,401.69	-	130,772.94	219,265.57	219,414.25	227,303.30	-	-	395,588.88	491,970.56
	<u>45,401.69</u>	<u>-</u>	<u>130,772.94</u>	<u>219,265.57</u>	<u>219,414.25</u>	<u>227,303.30</u>	<u>-</u>	<u>-</u>	<u>395,588.88</u>	<u>491,970.56</u>
TOTAL FISCAL AGENT INVESTMENTS	<u>14,665,655.69</u>	<u>2,914,195.18</u>	<u>130,772.94</u>	<u>219,265.57</u>	<u>219,414.25</u>	<u>227,303.30</u>	<u>3,775,556.73</u>	<u>3,811,855.80</u>	<u>21,705,594.79</u>	<u>21,838,275.54</u>

Notes:

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



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: July 28, 2015

TO: Mayor and Councilmembers

FROM: Accounting Division, Finance Department

SUBJECT: Fiscal Year 2015 Interim Financial Statements For The Eleven Months Ended May 31, 2015

RECOMMENDATION:

That Council accept the Fiscal Year 2015 Interim Financial Statements for the Eleven Months Ended May 31, 2015.

DISCUSSION:

The interim financial statements for the eleven months ended May 31, 2015 (91.7% of the fiscal year) are attached. The interim financial statements include budgetary activity in comparison to actual activity for the General Fund, Enterprise Funds, Internal Service Funds, and select Special Revenue Funds.

ATTACHMENT: Interim Financial Statements for the Eleven Months Ended May 31, 2015

PREPARED BY: Julie Nemes, Treasury Manager

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

APPROVED BY: City Administrator's Office

CITY OF SANTA BARBARA
Interim Statement of Revenues and Expenditures
Summary by Fund
For the Eleven Months Ended May 31, 2015 (91.7% of Fiscal Year)

	<u>Annual Budget</u>	<u>YTD Actual</u>	<u>Encum- brances</u>	<u>Remaining Balance</u>	<u>Percent of Budget</u>
GENERAL FUND					
Revenue	117,200,468	107,587,286	-	9,613,183	91.8%
Expenditures	<u>118,829,558</u>	<u>104,333,332</u>	<u>1,774,014</u>	12,722,213	89.3%
<i>Addition to / (use of) reserves</i>	<u>(1,629,089)</u>	<u>3,253,954</u>	<u>(1,774,014)</u>		
SOLID WASTE FUND					
Revenue	20,645,776	18,944,128	-	1,701,648	91.8%
Expenditures	<u>20,613,368</u>	<u>18,270,813</u>	<u>207,435</u>	2,135,120	89.6%
<i>Addition to / (use of) reserves</i>	<u>32,408</u>	<u>673,315</u>	<u>(207,435)</u>		
WATER OPERATING FUND					
Revenue	41,693,876	34,492,801	-	7,201,076	82.7%
Expenditures	<u>48,197,795</u>	<u>38,090,366</u>	<u>1,671,919</u>	8,435,510	82.5%
<i>Addition to / (use of) reserves</i>	<u>(6,503,918)</u>	<u>(3,597,565)</u>	<u>(1,671,919)</u>		
WASTEWATER OPERATING FUND					
Revenue	18,883,613	16,429,354	-	2,454,259	87.0%
Expenditures	<u>20,781,613</u>	<u>16,937,706</u>	<u>1,090,045</u>	2,753,862	86.7%
<i>Addition to / (use of) reserves</i>	<u>(1,898,000)</u>	<u>(508,352)</u>	<u>(1,090,045)</u>		
DOWNTOWN PARKING					
Revenue	7,786,933	7,766,903	-	20,030	99.7%
Expenditures	<u>8,315,044</u>	<u>7,209,483</u>	<u>189,218</u>	916,343	89.0%
<i>Addition to / (use of) reserves</i>	<u>(528,110)</u>	<u>557,420</u>	<u>(189,218)</u>		
AIRPORT OPERATING FUND					
Revenue	15,469,349	14,359,121	-	1,110,228	92.8%
Expenditures	<u>15,786,050</u>	<u>13,171,427</u>	<u>605,017</u>	2,009,605	87.3%
<i>Addition to / (use of) reserves</i>	<u>(316,701)</u>	<u>1,187,694</u>	<u>(605,017)</u>		
GOLF COURSE FUND					
Revenue	2,091,048	1,785,999	-	305,049	85.4%
Expenditures	<u>2,080,245</u>	<u>1,765,162</u>	<u>30,576</u>	284,507	86.3%
<i>Addition to / (use of) reserves</i>	<u>10,803</u>	<u>20,837</u>	<u>(30,576)</u>		
INTRA-CITY SERVICE FUND					
Revenue	5,605,406	4,973,589	-	631,818	88.7%
Expenditures	<u>7,245,392</u>	<u>6,437,233</u>	<u>137,418</u>	670,741	90.7%
<i>Addition to / (use of) reserves</i>	<u>(1,639,986)</u>	<u>(1,463,644)</u>	<u>(137,418)</u>		

CITY OF SANTA BARBARA
Interim Statement of Revenues and Expenditures
Summary by Fund
For the Eleven Months Ended May 31, 2015 (91.7% of Fiscal Year)

	<u>Annual Budget</u>	<u>YTD Actual</u>	<u>Encum- brances</u>	<u>Remaining Balance</u>	<u>Percent of Budget</u>
FLEET REPLACEMENT FUND					
Revenue	2,731,151	2,589,594	-	141,557	94.8%
Expenditures	<u>5,882,656</u>	<u>2,113,105</u>	<u>2,124,046</u>	1,645,505	72.0%
<i>Addition to / (use of) reserves</i>	<u>(3,151,505)</u>	<u>476,489</u>	<u>(2,124,046)</u>		
FLEET MAINTENANCE FUND					
Revenue	2,640,697	2,447,259	-	193,438	92.7%
Expenditures	<u>3,328,709</u>	<u>2,730,326</u>	<u>235,049</u>	363,335	89.1%
<i>Addition to / (use of) reserves</i>	<u>(688,012)</u>	<u>(283,067)</u>	<u>(235,049)</u>		
SELF INSURANCE TRUST FUND					
Revenue	6,507,674	5,984,875	-	522,799	92.0%
Expenditures	<u>7,512,755</u>	<u>6,547,453</u>	<u>110,036</u>	855,266	88.6%
<i>Addition to / (use of) reserves</i>	<u>(1,005,081)</u>	<u>(562,578)</u>	<u>(110,036)</u>		
INFORMATION SYSTEMS ICS FUND					
Revenue	3,120,588	2,860,539	-	260,049	91.7%
Expenditures	<u>3,352,141</u>	<u>2,582,791</u>	<u>32,702</u>	736,647	78.0%
<i>Addition to / (use of) reserves</i>	<u>(231,553)</u>	<u>277,748</u>	<u>(32,702)</u>		
WATERFRONT FUND					
Revenue	12,661,137	13,883,609	-	(1,222,472)	109.7%
Expenditures	<u>15,813,215</u>	<u>14,043,887</u>	<u>403,167</u>	1,366,161	91.4%
<i>Addition to / (use of) reserves</i>	<u>(3,152,078)</u>	<u>(160,278)</u>	<u>(403,167)</u>		
TOTAL FOR ALL FUNDS					
Revenue	257,037,718	234,105,057	-	22,932,661	91.1%
Expenditures	<u>277,738,540</u>	<u>234,233,084</u>	<u>8,610,641</u>	34,894,814	87.4%
<i>Addition to / (use of) reserves</i>	<u>(20,700,822)</u>	<u>(128,027)</u>	<u>(8,610,641)</u>		

*** It is City policy to adopt a balanced budget. In most cases, encumbrance balances exist at year-end. These encumbrance balances are obligations of each fund and must be reported at the beginning of each fiscal year. In addition, a corresponding appropriations entry must be made in order to accommodate the 'carried-over' encumbrance amount. Most differences between budgeted annual revenues and expenses are due to these encumbrance carryovers.*

CITY OF SANTA BARBARA
General Fund
Interim Statement of Budgeted and Actual Revenues
For the Eleven Months Ended May 31, 2015 (91.7% of Fiscal Year)

	<u>Annual Budget</u>	<u>YTD Actual</u>	<u>Remaining Balance</u>	<u>Percent Received</u>	<u>Previous YTD</u>
TAXES					
Sales and Use	21,726,115	20,300,484	1,425,631	93.4%	19,583,025
Property Taxes	27,164,000	25,343,288	1,820,712	93.3%	25,148,892
Utility Users Tax	7,257,800	6,405,474	852,326	88.3%	6,444,206
Transient Occupancy Tax	17,641,400	17,043,605	597,795	96.6%	15,200,638
Business License	2,571,200	2,435,770	135,430	94.7%	2,357,277
Real Property Transfer Tax	678,000	610,585	67,415	90.1%	598,563
<i>Total</i>	<u>77,038,515</u>	<u>72,139,206</u>	<u>4,899,309</u>	93.6%	<u>69,332,601</u>
LICENSES & PERMITS					
Licenses & Permits	233,500	177,798	55,702	76.1%	170,374
<i>Total</i>	<u>233,500</u>	<u>177,798</u>	<u>55,702</u>	76.1%	<u>170,374</u>
FINES & FORFEITURES					
Parking Violations	2,681,987	2,385,935	296,052	89.0%	2,441,051
Library Fines	105,500	89,472	16,028	84.8%	124,818
Municipal Court Fines	120,000	59,225	60,775	49.4%	75,619
Other Fines & Forfeitures	300,000	313,577	(13,577)	104.5%	323,862
<i>Total</i>	<u>3,207,487</u>	<u>2,848,208</u>	<u>359,279</u>	88.8%	<u>2,965,350</u>
USE OF MONEY & PROPERTY					
Investment Income	627,224	495,204	132,020	79.0%	538,772
Rents & Concessions	398,797	348,437	50,360	87.4%	338,528
<i>Total</i>	<u>1,026,021</u>	<u>843,641</u>	<u>182,380</u>	82.2%	<u>877,300</u>
INTERGOVERNMENTAL					
Grants	304,863	212,331	92,532	69.6%	206,722
Vehicle License Fees	-	38,585	(38,585)	100.0%	39,945
Reimbursements	437,654	584,560	(146,906)	133.6%	1,090,141
<i>Total</i>	<u>742,517</u>	<u>835,477</u>	<u>(92,959)</u>	112.5%	<u>1,336,808</u>
FEES & SERVICE CHARGES					
Finance	949,905	883,410	66,495	93.0%	859,192
Community Development	4,654,515	4,101,649	552,866	88.1%	3,783,269
Recreation	3,111,474	2,807,970	303,504	90.2%	2,660,265
Public Safety	653,827	478,883	174,944	73.2%	520,516
Public Works	5,951,301	5,402,680	548,621	90.8%	5,176,953
Library	762,398	705,823	56,575	92.6%	717,381
Reimbursements	4,492,712	4,225,891	266,821	94.1%	3,864,441
<i>Total</i>	<u>20,576,132</u>	<u>18,606,308</u>	<u>1,969,824</u>	90.4%	<u>17,582,017</u>
OTHER REVENUES					
Miscellaneous	1,764,952	1,569,205	195,747	88.9%	1,591,720
Franchise Fees	3,771,000	3,686,675	84,325	97.8%	3,659,279
Indirect Allocations	6,411,155	5,876,892	534,263	91.7%	5,768,345
Operating Transfers-In	1,229,189	1,003,875	225,314	81.7%	1,457,262
Anticipated Year-End Variance	1,200,000	-	1,200,000	0.0%	-
<i>Total</i>	<u>14,376,296</u>	<u>12,136,648</u>	<u>2,239,649</u>	84.4%	<u>12,476,606</u>
TOTAL REVENUES	<u>117,200,468</u>	<u>107,587,286</u>	<u>9,613,183</u>	91.8%	<u>104,741,056</u>

CITY OF SANTA BARBARA
General Fund
Interim Statement of Appropriations, Expenditures and Encumbrances
For the Eleven Months Ended May 31, 2015 (91.7% of Fiscal Year)

	Annual Budget	YTD Actual	Encum- brances	Remaining Balance	YTD Expended and Encumbered	Previous YTD
GENERAL GOVERNMENT						
<u>Mayor & City Council</u>						
MAYOR & CITY COUNCIL	792,975	727,009	8,197	57,768	92.7%	
ARTS AND COMMUNITY PROMOTIONS	2,627,740	2,547,206	72,578	7,955	99.7%	
<i>Total</i>	<u>3,420,715</u>	<u>3,274,215</u>	<u>80,775</u>	<u>65,724</u>	98.1%	<u>2,650,163</u>
<u>City Attorney</u>						
CITY ATTORNEY	3,375,777	3,025,371	60,515	289,891	91.4%	
<i>Total</i>	<u>3,375,777</u>	<u>3,025,371</u>	<u>60,515</u>	<u>289,891</u>	91.4%	<u>1,891,719</u>
<u>Administration</u>						
CITY ADMINISTRATOR	1,709,162	1,308,846	39,600	360,716	78.9%	
CITY TV	575,011	507,684	12,850	54,478	90.5%	
<i>Total</i>	<u>2,284,173</u>	<u>1,816,530</u>	<u>52,449</u>	<u>415,194</u>	81.8%	<u>1,881,700</u>
<u>Administrative Services</u>						
CITY CLERK	509,912	454,506	12,385	43,020	91.6%	
ELECTIONS	75,000	16,144	50,044	8,813	88.3%	
HUMAN RESOURCES	1,478,070	1,117,017	14,671	346,382	76.6%	
EMPLOYEE DEVELOPMENT	49,468	36,746	3,450	9,272	81.3%	
<i>Total</i>	<u>2,112,450</u>	<u>1,624,414</u>	<u>80,550</u>	<u>407,487</u>	80.7%	<u>1,745,475</u>
<u>Finance</u>						
ADMINISTRATION	263,909	210,996	8,863	44,050	83.3%	
REVENUE & CASH MANAGEMENT	515,955	421,572	20,942	73,441	85.8%	
CASHIERING & COLLECTION	488,983	436,367	-	52,616	89.2%	
LICENSES & PERMITS	499,751	440,779	11,940	47,032	90.6%	
BUDGET MANAGEMENT	475,712	420,065	10,575	45,072	90.5%	
ACCOUNTING	644,696	540,117	31,618	72,961	88.7%	
PAYROLL	317,773	281,734	-	36,039	88.7%	
ACCOUNTS PAYABLE	239,384	215,424	-	23,960	90.0%	
CITY BILLING & CUSTOMER SERVICE	729,485	515,615	69,383	144,488	80.2%	
PURCHASING	643,166	581,529	1,532	60,104	90.7%	
CENTRAL WAREHOUSE	194,491	179,633	552	14,305	92.6%	
MAIL SERVICES	116,186	103,871	2,180	10,135	91.3%	
<i>Total</i>	<u>5,129,491</u>	<u>4,347,703</u>	<u>157,585</u>	<u>624,203</u>	87.8%	<u>4,236,546</u>
TOTAL GENERAL GOVERNMENT	<u>16,322,606</u>	<u>14,088,233</u>	<u>431,875</u>	<u>1,802,499</u>	89.0%	<u>12,405,603</u>
PUBLIC SAFETY						
<u>Police</u>						
CHIEF'S STAFF	1,114,970	998,144	827	115,999	89.6%	
SUPPORT SERVICES	687,279	618,367	1,294	67,618	90.2%	
RECORDS BUREAU	1,424,883	1,243,381	8,188	173,314	87.8%	

CITY OF SANTA BARBARA
General Fund
Interim Statement of Appropriations, Expenditures and Encumbrances
For the Eleven Months Ended May 31, 2015 (91.7% of Fiscal Year)

	<u>Annual Budget</u>	<u>YTD Actual</u>	<u>Encum- brances</u>	<u>Remaining Balance</u>	<u>YTD Expended and Encumbered</u>	<u>Previous YTD</u>
PUBLIC SAFETY						
<u>Police</u>						
ADMIN SERVICES	1,103,716	1,029,896	8,960	64,860	94.1%	
PROPERTY ROOM	213,855	178,011	42	35,802	83.3%	
TRAINING/RECRUITMENT	541,866	406,144	7,772	127,950	76.4%	
RANGE	1,372,724	1,204,629	20,034	148,061	89.2%	
COMMUNITY & MEDIA RELATIONS	862,784	754,395	-	108,389	87.4%	
INFORMATION TECHNOLOGY	1,261,880	1,128,582	57,410	75,889	94.0%	
INVESTIGATIVE DIVISION	4,956,320	4,580,020	4,158	372,142	92.5%	
CRIME LAB	159,784	139,789	-	19,995	87.5%	
PATROL DIVISION	15,748,702	14,257,717	20,726	1,470,258	90.7%	
TRAFFIC	1,413,132	1,164,822	1,100	247,210	82.5%	
SPECIAL EVENTS	858,861	889,663	-	(30,802)	103.6%	
TACTICAL PATROL FORCE	1,790,617	1,488,066	-	302,551	83.1%	
STREET SWEEPING ENFORCEMENT	349,699	312,078	-	37,621	89.2%	
NIGHT LIFE ENFORCEMENT	323,946	261,605	-	62,341	80.8%	
PARKING ENFORCEMENT	996,316	740,089	9,086	247,142	75.2%	
COMBINED COMMAND CENTER	2,495,608	2,094,714	766	400,128	84.0%	
ANIMAL CONTROL	695,107	528,901	7,330	158,876	77.1%	
<i>Total</i>	<u>38,372,049</u>	<u>34,019,011</u>	<u>147,693</u>	<u>4,205,345</u>	89.0%	<u>34,319,497</u>
<u>Fire</u>						
ADMINISTRATION	885,869	801,079	2,546	82,244	90.7%	
EMERGENCY SERVICES AND PUBLIC ED	323,743	288,704	-	35,040	89.2%	
PREVENTION	1,149,258	1,040,691	-	108,567	90.6%	
WILDLAND FIRE MITIGATION PROGRAM	196,752	174,015	10,352	12,385	93.7%	
OPERATIONS	18,035,119	17,105,472	45,659	883,988	95.1%	
TRAINING AND RECRUITMENT	452,757	383,080	-	69,677	84.6%	
ARFF	1,965,145	1,768,459	-	196,686	90.0%	
<i>Total</i>	<u>23,008,643</u>	<u>21,561,499</u>	<u>58,557</u>	<u>1,388,586</u>	94.0%	<u>20,883,610</u>
TOTAL PUBLIC SAFETY	<u>61,380,692</u>	<u>55,580,511</u>	<u>206,250</u>	<u>5,593,931</u>	90.9%	<u>55,203,107</u>
PUBLIC WORKS						
<u>Public Works</u>						
ADMINISTRATION	1,132,859	929,522	7,968	195,370	82.8%	
ENGINEERING SVCS	5,190,401	4,549,302	7,602	633,496	87.8%	
PUBLIC RT OF WAY MGMT	1,097,734	975,835	1,111	120,788	89.0%	
ENVIRONMENTAL PROGRAMS	477,377	279,896	160,349	37,132	92.2%	
<i>Total</i>	<u>7,898,371</u>	<u>6,734,555</u>	<u>177,030</u>	<u>986,786</u>	87.5%	<u>6,359,625</u>
TOTAL PUBLIC WORKS	<u>7,898,371</u>	<u>6,734,555</u>	<u>177,030</u>	<u>986,786</u>	87.5%	<u>6,359,625</u>

CITY OF SANTA BARBARA
General Fund
Interim Statement of Appropriations, Expenditures and Encumbrances
For the Eleven Months Ended May 31, 2015 (91.7% of Fiscal Year)

	<u>Annual Budget</u>	<u>YTD Actual</u>	<u>Encum- brances</u>	<u>Remaining Balance</u>	<u>YTD Expended and Encumbered</u>	<u>Previous YTD</u>
COMMUNITY SERVICES						
<u>Parks & Recreation</u>						
REC PROGRAM MGMT	731,608	628,727	11,760	91,121	87.5%	
FACILITIES & SPECIAL EVENTS	776,403	710,720	-	65,683	91.5%	
YOUTH ACTIVITIES	1,120,730	933,586	4,252	182,893	83.7%	
ACTIVE ADULTS	733,330	621,394	4,348	107,588	85.3%	
AQUATICS	1,360,961	1,069,319	23,171	268,471	80.3%	
SPORTS	570,670	500,034	7,659	62,978	89.0%	
TENNIS	281,547	218,968	-	62,579	77.8%	
NEIGHBORHOOD & OUTREACH SERV	1,256,847	1,071,686	62,390	122,771	90.2%	
ADMINISTRATION	742,130	668,513	3,816	69,800	90.6%	
PROJECT MANAGEMENT TEAM	425,848	386,614	1,201	38,033	91.1%	
PARK OPERATIONS MANAGEMENT	413,316	308,914	86,026	18,377	95.6%	
GROUNDS & FACILITIES MAINTENANCE	4,908,634	4,039,226	144,808	724,599	85.2%	
FORESTRY	1,316,541	1,056,570	33,240	226,731	82.8%	
BEACH MAINTENANCE	160,875	129,860	26,095	4,920	96.9%	
MEDIANS PARKWAYS & CONTRACTS	1,059,351	748,681	159,214	151,456	85.7%	
<i>Total</i>	<u>15,858,792</u>	<u>13,092,812</u>	<u>567,980</u>	<u>2,198,000</u>	86.1%	<u>12,437,229</u>
 <u>Library</u>						
ADMINISTRATION	478,261	451,802	-	26,459	94.5%	
PUBLIC SERVICES	2,832,343	2,388,805	-	443,538	84.3%	
SUPPORT SERVICES	1,727,136	1,511,291	31,265	184,579	89.3%	
<i>Total</i>	<u>5,037,740</u>	<u>4,351,899</u>	<u>31,265</u>	<u>654,576</u>	87.0%	<u>4,183,164</u>
TOTAL COMMUNITY SERVICES	<u>20,896,532</u>	<u>17,444,711</u>	<u>599,245</u>	<u>2,852,576</u>	86.3%	<u>16,620,393</u>
 COMMUNITY DEVELOPMENT						
<u>Community Development</u>						
ADMINISTRATION	695,290	634,266	3,281	57,742	91.7%	
RENTAL HOUSING MEDIATION	207,165	187,552	459	19,154	90.8%	
HUMAN SERVICES	1,001,899	788,486	192,267	21,147	97.9%	
HOUSING PRESERVATION AND DEV	37,784	12,589	25,196	(1)	100.0%	
LONG RANGE PLAN & SPEC STUDY	888,268	744,184	6,315	137,769	84.5%	
DEVEL & ENVIRONMENTAL REVIEW	1,397,024	1,193,102	7,638	196,284	85.9%	
ZONING INFO & ENFORCEMENT	1,411,287	1,236,215	3,726	171,346	87.9%	
DESIGN REV & HIST PRESERVATION	1,203,654	1,007,254	23,044	173,356	85.6%	
BLDG INSP & CODE ENFORCEMENT	1,144,595	1,002,826	9,042	132,728	88.4%	
RECORDS ARCHIVES & CLER SVCS	585,566	473,649	8,890	103,027	82.4%	
BLDG COUNTER & PLAN REV SVCS	1,535,031	1,236,841	79,097	219,093	85.7%	
<i>Total</i>	<u>10,107,563</u>	<u>8,516,963</u>	<u>358,954</u>	<u>1,231,646</u>	87.8%	<u>8,496,617</u>
TOTAL COMMUNITY DEVELOPMENT	<u>10,107,563</u>	<u>8,516,963</u>	<u>358,954</u>	<u>1,231,646</u>	87.8%	<u>8,496,617</u>

CITY OF SANTA BARBARA
General Fund
Interim Statement of Appropriations, Expenditures and Encumbrances
For the Eleven Months Ended May 31, 2015 (91.7% of Fiscal Year)

	<u>Annual Budget</u>	<u>YTD Actual</u>	<u>Encum- brances</u>	<u>Remaining Balance</u>	<u>YTD Expended and Encumbered</u>	<u>Previous YTD</u>
NON-DEPARTMENTAL						
<u>Non-Departmental</u>						
OTHER	-	1,749	660	(2,409)	100.0%	
TRANSFERS OUT	48,500	44,458	-	4,042	91.7%	
DEBT SERVICE TRANSFERS	351,276	340,901	-	10,375	97.0%	
CAPITAL OUTLAY TRANSFER	1,725,000	1,581,250	-	143,750	91.7%	
APPROP.RESERVE	99,018	-	-	99,018	0.0%	
<i>Total</i>	<u>2,223,794</u>	<u>1,968,359</u>	<u>660</u>	<u>254,776</u>	88.5%	<u>1,302,559</u>
TOTAL NON-DEPARTMENTAL	<u>2,223,794</u>	<u>1,968,359</u>	<u>660</u>	<u>254,776</u>	88.5%	<u>1,302,559</u>
 TOTAL EXPENDITURES	 <u>118,829,558</u>	 <u>104,333,332</u>	 <u>1,774,014</u>	 <u>12,722,213</u>	 89.3%	 <u>100,387,904</u>

*** The legal level of budgetary control is at the department level for the General Fund. Therefore, as long as the department as a whole is within budget, budgetary compliance has been achieved. The City actively monitors the budget status of each department and takes measures to address potential over budget situations before they occur.*

For Enterprise and Internal Service Funds, the level of budgetary control is at the fund level. The City also monitors and addresses these fund types for potential over budget situations.

CITY OF SANTA BARBARA
Interim Statement of Revenues and Expenditures
Special Revenue Funds
For the Eleven Months Ended May 31, 2015 (91.7% of Fiscal Year)

	<u>Annual Budget</u>	<u>YTD Actual</u>	<u>Encum- brances</u>	<u>Remaining Balance</u>	<u>Percent of Budget</u>
TRAFFIC SAFETY FUND					
Revenue	525,000	345,437	-	179,563	65.8%
Expenditures	<u>525,000</u>	<u>345,437</u>	<u>-</u>	<u>179,563</u>	65.8%
<i>Revenue Less Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	
CREEK RESTORATION/WATER QUALITY IMPRVMT					
Revenue	3,625,652	3,537,492	-	88,160	97.6%
Expenditures	<u>4,072,687</u>	<u>3,036,364</u>	<u>224,957</u>	<u>811,366</u>	80.1%
<i>Revenue Less Expenditures</i>	<u>(447,035)</u>	<u>501,128</u>	<u>(224,957)</u>	<u>(723,206)</u>	
COMMUNITY DEVELOPMENT BLOCK GRANT					
Revenue	1,838,117	697,985	-	1,140,132	38.0%
Expenditures	<u>2,280,237</u>	<u>1,059,859</u>	<u>317,594</u>	<u>902,783</u>	60.4%
<i>Revenue Less Expenditures</i>	<u>(442,120)</u>	<u>(361,875)</u>	<u>(317,594)</u>	<u>237,349</u>	
COUNTY LIBRARY					
Revenue	1,918,015	1,402,884	-	515,131	73.1%
Expenditures	<u>2,079,199</u>	<u>1,794,011</u>	<u>4,549</u>	<u>280,639</u>	86.5%
<i>Revenue Less Expenditures</i>	<u>(161,184)</u>	<u>(391,127)</u>	<u>(4,549)</u>	<u>234,492</u>	
STREETS FUND					
Revenue	10,105,799	8,926,734	-	1,179,065	88.3%
Expenditures	<u>10,858,553</u>	<u>9,302,035</u>	<u>171,451</u>	<u>1,385,066</u>	87.2%
<i>Revenue Less Expenditures</i>	<u>(752,754)</u>	<u>(375,302)</u>	<u>(171,451)</u>	<u>(206,001)</u>	
MEASURE A					
Revenue	3,376,976	3,262,864	-	114,112	96.6%
Expenditures	<u>3,900,696</u>	<u>3,286,975</u>	<u>156,082</u>	<u>457,639</u>	88.3%
<i>Revenue Less Expenditures</i>	<u>(523,720)</u>	<u>(24,111)</u>	<u>(156,082)</u>	<u>(343,527)</u>	

CITY OF SANTA BARBARA
Interim Statement of Revenues and Expenditures
For the Eleven Months Ended May 31, 2015 (91.7% of Fiscal Year)

SOLID WASTE FUND

	<u>Annual Budget</u>	<u>YTD Actual</u>	<u>Encum- brances</u>	<u>Remaining Balance</u>	<u>Percent of Budget</u>	<u>Previous YTD</u>
REVENUES						
Service charges	20,092,765	18,512,928	-	1,579,837	92.1%	18,166,332
Other Fees & Charges	297,342	183,325	-	114,017	61.7%	224,908
Investment Income	-	13,563	-	(13,563)	100.0%	-
Grants	20,000	-	-	20,000	0.0%	-
Miscellaneous	235,669	234,312	-	1,357	99.4%	226,296
TOTAL REVENUES	<u>20,645,776</u>	<u>18,944,128</u>	<u>-</u>	<u>1,701,648</u>	91.8%	<u>18,617,536</u>
EXPENSES						
Salaries & Benefits	918,244	827,600	-	90,644	90.1%	745,243
Materials, Supplies & Services	18,859,809	17,096,167	196,752	1,566,890	91.7%	16,838,423
Special Projects	555,532	273,318	4,365	277,850	50.0%	557,697
Transfers-Out	50,000	45,833	-	4,167	91.7%	45,833
Capital Outlay Transfers	-	-	-	-	0.0%	16,093
Equipment	149,783	27,895	6,318	115,570	22.8%	10,561
Other	80,000	-	-	80,000	0.0%	-
TOTAL EXPENSES	<u>20,613,368</u>	<u>18,270,813</u>	<u>207,435</u>	<u>2,135,120</u>	89.6%	<u>18,213,850</u>

CITY OF SANTA BARBARA
Interim Statement of Revenues and Expenditures
For the Eleven Months Ended May 31, 2015 (91.7% of Fiscal Year)

WATER OPERATING FUND

	<u>Annual Budget</u>	<u>YTD Actual</u>	<u>Encum- brances</u>	<u>Remaining Balance</u>	<u>Percent of Budget</u>	<u>Previous YTD</u>
REVENUES						
Water Sales- Metered	34,869,458	29,206,546	-	5,662,912	83.8%	30,473,428
Service Charges	606,500	746,774	-	(140,274)	123.1%	605,097
Cater JPA Treatment Charges	2,516,860	1,111,619	-	1,405,241	44.2%	2,071,799
Investment Income	529,200	385,563	-	143,637	72.9%	502,150
Rents & Concessions	22,872	20,966	-	1,906	91.7%	20,966
Reimbursements	782,779	578,432	-	204,347	73.9%	421,965
Miscellaneous	20,000	96,692	-	(76,692)	483.5%	99,172
Operating Transfers-In	2,346,207	2,346,207	-	-	100.0%	185,000
TOTAL REVENUES	<u>41,693,876</u>	<u>34,492,801</u>	<u>-</u>	<u>7,201,076</u>	<u>82.7%</u>	<u>34,379,577</u>
EXPENSES						
Salaries & Benefits	8,649,787	7,566,757	-	1,083,030	87.5%	7,182,326
Materials, Supplies & Services	10,766,686	7,290,437	1,402,441	2,073,808	80.7%	6,837,844
Special Projects	949,366	250,260	171,406	527,701	44.4%	304,227
Water Purchases	8,716,165	7,279,738	10,046	1,426,380	83.6%	8,660,712
Debt Service	5,087,163	3,084,868	-	2,002,295	60.6%	2,993,090
Transfer-Out	1,167,502	1,012,502	-	155,000	86.7%	-
Capital Outlay Transfers	12,313,153	11,440,717	-	872,436	92.9%	10,256,795
Equipment	210,797	102,692	32,429	75,676	64.1%	47,612
Capitalized Fixed Assets	152,175	38,089	54,597	59,490	60.9%	61,721
Other	35,000	24,306	1,000	9,694	72.3%	24,957
Appropriated Reserve	150,000	-	-	150,000	0.0%	-
TOTAL EXPENSES	<u>48,197,795</u>	<u>38,090,366</u>	<u>1,671,919</u>	<u>8,435,510</u>	<u>82.5%</u>	<u>36,369,284</u>

NOTE-These figures reflect the operating fund only. Though the capital fund is excluded, the current year contribution from the operating fund is shown in the Capital Transfers.

CITY OF SANTA BARBARA
Interim Statement of Revenues and Expenditures
For the Eleven Months Ended May 31, 2015 (91.7% of Fiscal Year)

WASTEWATER OPERATING FUND

	<u>Annual Budget</u>	<u>YTD Actual</u>	<u>Encum- brances</u>	<u>Remaining Balance</u>	<u>Percent of Budget</u>	<u>Previous YTD</u>
REVENUES						
Service Charges	17,928,555	15,443,373	-	2,485,182	86.1%	15,828,201
Fees	775,071	799,953	-	(24,882)	103.2%	759,850
Investment Income	158,100	152,683	-	5,417	96.6%	148,152
Rents & Concessions	20,887	31,495	-	(10,608)	150.8%	15,650
Miscellaneous	1,000	1,850	-	(850)	185.0%	8,306
TOTAL REVENUES	<u>18,883,613</u>	<u>16,429,354</u>	<u>-</u>	<u>2,454,259</u>	<u>87.0%</u>	<u>16,760,159</u>
EXPENSES						
Salaries & Benefits	5,893,242	4,950,639	-	942,603	84.0%	4,744,926
Materials, Supplies & Services	7,401,610	5,774,570	1,019,054	607,987	91.8%	5,503,871
Special Projects	745,482	157,431	69,173	518,878	30.4%	66,054
Debt Service	1,791,664	1,624,406	-	167,258	90.7%	1,282,394
Capital Outlay Transfers	4,674,047	4,346,672	-	327,375	93.0%	3,808,500
Equipment	96,568	79,852	-	16,716	82.7%	44,893
Capitalized Fixed Assets	26,000	1,386	818	23,796	8.5%	23,960
Other	3,000	2,750	1,000	(750)	125.0%	1,000
Appropriated Reserve	150,000	-	-	150,000	0.0%	-
TOTAL EXPENSES	<u>20,781,613</u>	<u>16,937,706</u>	<u>1,090,045</u>	<u>2,753,862</u>	<u>86.7%</u>	<u>15,475,598</u>

NOTE-These figures reflect the operating fund only. Though the capital fund is excluded, the current year contribution from the operating fund is shown in the Capital Transfers.

CITY OF SANTA BARBARA
Interim Statement of Revenues and Expenditures
For the Eleven Months Ended May 31, 2015 (91.7% of Fiscal Year)

DOWNTOWN PARKING FUND

	<u>Annual Budget</u>	<u>YTD Actual</u>	<u>Encum- brances</u>	<u>Remaining Balance</u>	<u>Percent of Budget</u>	<u>Previous YTD</u>
REVENUES						
Improvement Tax	980,000	1,077,881	-	(97,881)	110.0%	999,608
Parking Fees	6,535,946	6,391,435	-	144,511	97.8%	6,234,077
Other Fees & Charges	3,000	5,759	-	(2,759)	192.0%	3,348
Investment Income	102,100	98,321	-	3,779	96.3%	93,898
Rents & Concessions	104,000	100,677	-	3,323	96.8%	71,873
Miscellaneous	18,387	52,955	-	(34,568)	288.0%	42,100
Operating Transfers-In	43,500	39,875	-	3,625	91.7%	39,875
TOTAL REVENUES	<u>7,786,933</u>	<u>7,766,903</u>	<u>-</u>	<u>20,030</u>	<u>99.7%</u>	<u>7,484,779</u>
EXPENSES						
Salaries & Benefits	4,183,765	3,814,321	-	369,444	91.2%	3,665,752
Materials, Supplies & Services	2,188,253	1,778,310	86,872	323,071	85.2%	1,689,580
Special Projects	586,431	426,276	102,346	57,808	90.1%	429,122
Transfer-Out	309,125	283,365	-	25,760	91.7%	303,653
Capital Outlay Transfers	970,000	889,167	-	80,833	91.7%	1,382,107
Equipment	27,470	18,044	-	9,426	65.7%	2,298
Appropriated Reserve	50,000	-	-	50,000	0.0%	-
TOTAL EXPENSES	<u>8,315,044</u>	<u>7,209,483</u>	<u>189,218</u>	<u>916,343</u>	<u>89.0%</u>	<u>7,472,512</u>

NOTE-These figures reflect the operating fund only. Though the capital fund is excluded, the current year contribution from the operating fund is shown in the Capital Transfers.

CITY OF SANTA BARBARA
Interim Statement of Revenues and Expenditures
For the Eleven Months Ended May 31, 2015 (91.7% of Fiscal Year)

AIRPORT OPERATING FUND

	<u>Annual Budget</u>	<u>YTD Actual</u>	<u>Encum- brances</u>	<u>Remaining Balance</u>	<u>Percent of Budget</u>	<u>Previous YTD</u>
REVENUES						
Leases-Commercial/Industrial	4,545,175	3,848,700	-	696,475	84.7%	3,860,309
Leases-Terminal	4,607,134	4,400,645	-	206,489	95.5%	4,557,594
Leases-Non-Commercial Aviation	1,819,730	1,751,099	-	68,631	96.2%	1,569,687
Leases-Commercial Aviation	4,218,655	4,084,217	-	134,438	96.8%	3,923,749
Investment Income	121,300	100,651	-	20,649	83.0%	109,972
Miscellaneous	157,355	173,808	-	(16,453)	110.5%	121,378
TOTAL REVENUES	<u>15,469,349</u>	<u>14,359,121</u>	<u>-</u>	<u>1,110,228</u>	<u>92.8%</u>	<u>14,142,689</u>
EXPENSES						
Salaries & Benefits	5,688,701	4,830,781	-	857,920	84.9%	4,621,350
Materials, Supplies & Services	8,046,669	6,563,258	586,364	897,047	88.9%	6,331,730
Special Projects	94,926	39,006	35	55,885	41.1%	464,050
Transfer-Out	20,354	18,658	-	1,696	91.7%	18,084
Debt Service	1,815,718	1,664,408	-	151,310	91.7%	1,672,480
Capital Outlay Transfers	-	-	-	-	0.0%	734,271
Equipment	96,765	55,316	18,619	22,830	76.4%	39,716
Appropriated Reserve	22,917	-	-	22,917	0.0%	-
TOTAL EXPENSES	<u>15,786,050</u>	<u>13,171,427</u>	<u>605,017</u>	<u>2,009,605</u>	<u>87.3%</u>	<u>13,881,681</u>

NOTE-These figures reflect the operating fund only. Though the capital fund is excluded, the current year contribution from the operating fund is shown in the Capital Transfers.

CITY OF SANTA BARBARA
Interim Statement of Revenues and Expenditures
For the Eleven Months Ended May 31, 2015 (91.7% of Fiscal Year)

GOLF COURSE FUND

	<u>Annual Budget</u>	<u>YTD Actual</u>	<u>Encum- brances</u>	<u>Remaining Balance</u>	<u>Percent of Budget</u>	<u>Previous YTD</u>
REVENUES						
Fees & Card Sales	1,766,876	1,497,528	-	269,348	84.8%	1,517,735
Investment Income	10,100	7,533	-	2,567	74.6%	8,836
Rents & Concessions	313,572	278,901	-	34,671	88.9%	300,964
Miscellaneous	500	2,037	-	(1,537)	407.5%	37,968
TOTAL REVENUES	<u>2,091,048</u>	<u>1,785,999</u>	<u>-</u>	<u>305,049</u>	<u>85.4%</u>	<u>1,865,503</u>
EXPENSES						
Salaries & Benefits	1,108,919	1,013,360	-	95,559	91.4%	961,750
Materials, Supplies & Services	621,441	495,587	30,227	95,628	84.6%	511,045
Special Projects	363	354	9	0	99.9%	-
Debt Service	264,895	180,961	-	83,935	68.3%	180,687
Capital Outlay Transfers	80,727	74,000	-	6,727	91.7%	201,395
Equipment	3,000	-	-	3,000	0.0%	-
Other	900	901	340	(341)	137.9%	864
TOTAL EXPENSES	<u>2,080,245</u>	<u>1,765,162</u>	<u>30,576</u>	<u>284,507</u>	<u>86.3%</u>	<u>1,855,741</u>

NOTE-These figures reflect the operating fund only. Though the capital fund is excluded, the current year contribution from the operating fund is shown in the Capital Transfers.

CITY OF SANTA BARBARA
Interim Statement of Revenues and Expenditures
For the Eleven Months Ended May 31, 2015 (91.7% of Fiscal Year)

INTRA-CITY SERVICE FUND

	<u>Annual Budget</u>	<u>YTD Actual</u>	<u>Encum- brances</u>	<u>Remaining Balance</u>	<u>Percent of Budget</u>	<u>Previous YTD</u>
REVENUES						
Service Charges	2,638,369	2,418,505	-	219,864	91.7%	2,319,875
Work Orders - Bldg Maint.	2,604,016	2,330,622	-	273,394	89.5%	2,155,926
Grants	27,527	0	-	27,527	0.0%	92,922
Miscellaneous	203,031	92,414	-	110,617	45.5%	42,151
Operating Transfers-In	132,464	132,047	-	417	99.7%	-
TOTAL REVENUES	<u>5,605,406</u>	<u>4,973,589</u>	<u>-</u>	<u>631,818</u>	88.7%	<u>4,610,874</u>
EXPENSES						
Salaries & Benefits	3,618,855	3,251,233	-	367,622	89.8%	3,045,898
Materials, Supplies & Services	1,566,678	1,395,692	42,690	128,296	91.8%	1,291,250
Special Projects	737,955	513,393	93,493	131,069	82.2%	780,266
Capital Outlay Transfers	1,267,070	1,267,070	-	-	100.0%	-
Equipment	15,000	5,698	-	9,302	38.0%	3,000
Capitalized Fixed Assets	13,349	4,147	1,236	7,966	40.3%	4,912
Appropriated Reserve	26,485	-	-	26,485	0.0%	-
TOTAL EXPENSES	<u>7,245,392</u>	<u>6,437,233</u>	<u>137,418</u>	<u>670,741</u>	90.7%	<u>5,125,326</u>

CITY OF SANTA BARBARA
Interim Statement of Revenues and Expenditures
For the Eleven Months Ended May 31, 2015 (91.7% of Fiscal Year)

FLEET REPLACEMENT FUND

	<u>Annual Budget</u>	<u>YTD Actual</u>	<u>Encum- brances</u>	<u>Remaining Balance</u>	<u>Percent of Budget</u>	<u>Previous YTD</u>
REVENUES						
Vehicle Rental Charges	2,244,137	2,057,126	-	187,011	91.7%	2,043,071
Investment Income	123,000	109,087	-	13,913	88.7%	112,723
Rents & Concessions	233,966	214,469	-	19,497	91.7%	214,480
Miscellaneous	130,048	182,756	-	(52,708)	140.5%	90,999
Operating Transfers-In	-	26,156	-	(26,156)	100.0%	-
TOTAL REVENUES	<u>2,731,151</u>	<u>2,589,594</u>	<u>-</u>	<u>141,557</u>	94.8%	<u>2,461,273</u>
EXPENSES						
Salaries & Benefits	200,432	171,118	-	29,314	85.4%	170,859
Materials, Supplies & Services	2,725	2,285	-	440	83.9%	2,824
Special Projects	75,000	1,683	-	73,317	2.2%	29,543
Capitalized Fixed Assets	5,604,499	1,938,019	2,124,046	1,542,434	72.5%	1,150,262
TOTAL EXPENSES	<u>5,882,656</u>	<u>2,113,105</u>	<u>2,124,046</u>	<u>1,645,505</u>	72.0%	<u>1,353,488</u>

CITY OF SANTA BARBARA
Interim Statement of Revenues and Expenditures
For the Eleven Months Ended May 31, 2015 (91.7% of Fiscal Year)

FLEET MAINTENANCE FUND

	<u>Annual Budget</u>	<u>YTD Actual</u>	<u>Encum- brances</u>	<u>Remaining Balance</u>	<u>Percent of Budget</u>	<u>Previous YTD</u>
REVENUES						
Vehicle Maintenance Charges	2,527,627	2,316,991	-	210,636	91.7%	2,258,146
Reimbursements	10,000	9,167	-	833	91.7%	9,167
Miscellaneous	103,070	121,101	-	(18,031)	117.5%	134,519
TOTAL REVENUES	<u>2,640,697</u>	<u>2,447,259</u>	<u>-</u>	<u>193,438</u>	<u>92.7%</u>	<u>2,401,832</u>
EXPENSES						
Salaries & Benefits	1,331,631	1,120,384	-	211,247	84.1%	1,114,993
Materials, Supplies & Services	1,221,460	1,032,487	84,778	104,195	91.5%	908,343
Special Projects	61,300	25,996	2,111	33,194	45.9%	23,588
Debt Service	43,070	39,481	-	3,589	91.7%	39,479
Equipment	9,000	7,951	-	1,049	88.3%	9,990
Capitalized Fixed Assets	646,181	504,027	148,160	(6,006)	100.9%	28,367
Appropriated Reserve	16,067	-	-	16,067	0.0%	-
TOTAL EXPENSES	<u>3,328,709</u>	<u>2,730,326</u>	<u>235,049</u>	<u>363,335</u>	<u>89.1%</u>	<u>2,124,760</u>

CITY OF SANTA BARBARA
Interim Statement of Revenues and Expenditures
For the Eleven Months Ended May 31, 2015 (91.7% of Fiscal Year)

SELF INSURANCE TRUST FUND

	<u>Annual Budget</u>	<u>YTD Actual</u>	<u>Encum- brances</u>	<u>Remaining Balance</u>	<u>Percent of Budget</u>	<u>Previous YTD</u>
REVENUES						
Insurance Premiums	2,785,022	2,552,938	-	232,084	91.7%	2,526,436
Workers' Compensation Premiums	3,388,165	3,105,818	-	282,347	91.7%	2,704,810
OSH Charges	203,462	186,507	-	16,955	91.7%	177,680
Investment Income	55,200	39,301	-	15,899	71.2%	44,177
Miscellaneous	-	30,805	-	(30,805)	100.0%	39,728
Operating Transfers-In	75,825	69,506	-	6,319	91.7%	-
TOTAL REVENUES	<u>6,507,674</u>	<u>5,984,875</u>	<u>-</u>	<u>522,799</u>	<u>92.0%</u>	<u>5,492,831</u>
EXPENSES						
Salaries & Benefits	571,460	445,683	-	125,777	78.0%	425,678
Materials, Supplies & Services	6,936,820	6,098,299	110,034	728,488	89.5%	5,245,915
Special Projects	121	118	3	0	99.9%	-
Equipment	4,354	3,354	-	1,000	77.0%	66
TOTAL EXPENSES	<u>7,512,755</u>	<u>6,547,453</u>	<u>110,036</u>	<u>855,266</u>	<u>88.6%</u>	<u>5,671,659</u>

The Self Insurance Trust Fund is an internal service fund of the City, which accounts for the cost of providing workers' compensation, property and liability insurance as well as unemployment insurance and certain self-insured employee benefits on a city-wide basis. Internal Service Funds charge other funds for the cost of providing their specific services.

CITY OF SANTA BARBARA
Interim Statement of Revenues and Expenditures
For the Eleven Months Ended May 31, 2015 (91.7% of Fiscal Year)

INFORMATION SYSTEMS ICS FUND

	<u>Annual Budget</u>	<u>YTD Actual</u>	<u>Encum- brances</u>	<u>Remaining Balance</u>	<u>Percent of Budget</u>	<u>Previous YTD</u>
REVENUES						
Service charges	3,120,588	2,860,539	-	260,049	91.7%	2,305,414
TOTAL REVENUES	<u>3,120,588</u>	<u>2,860,539</u>	<u>-</u>	<u>260,049</u>	91.7%	<u>2,305,414</u>
EXPENSES						
Salaries & Benefits	1,940,182	1,520,375	-	419,807	78.4%	1,457,530
Materials, Supplies & Services	1,017,256	734,316	32,121	250,819	75.3%	736,675
Special Projects	18,400	880	581	16,938	7.9%	305
Capital Outlay Transfers	344,000	315,333	-	28,667	91.7%	194,333
Equipment	18,250	11,873	-	6,377	65.1%	21,833
Capital Fixed Assets	1,000	14	-	986	1.4%	121,345
Appropriated Reserve	13,053	-	-	13,053	0.0%	-
TOTAL EXPENSES	<u>3,352,141</u>	<u>2,582,791</u>	<u>32,702</u>	<u>736,647</u>	78.0%	<u>2,532,021</u>

NOTE-These figures reflect the operating fund only. Though the capital fund is excluded, the current year contribution from the operating fund is shown in the Capital Transfers.

CITY OF SANTA BARBARA
Interim Statement of Revenues and Expenditures
For the Eleven Months Ended May 31, 2015 (91.7% of Fiscal Year)

WATERFRONT FUND

	<u>Annual Budget</u>	<u>YTD Actual</u>	<u>Encum- brances</u>	<u>Remaining Balance</u>	<u>Percent of Budget</u>	<u>Previous YTD</u>
REVENUES						
Leases - Commercial	1,401,007	1,477,488	-	(76,481)	105.5%	1,341,379
Leases - Food Service	2,694,636	3,064,891	-	(370,255)	113.7%	2,694,673
Slip Rental Fees	4,204,739	3,848,438	-	356,301	91.5%	3,804,988
Visitors Fees	455,000	437,153	-	17,847	96.1%	399,808
Slip Transfer Fees	575,000	1,127,050	-	(552,050)	196.0%	618,200
Parking Revenue	2,069,466	2,366,125	-	(296,659)	114.3%	2,221,501
Wharf Parking	255,000	255,103	-	(103)	100.0%	248,782
Grants	25,600	25,131	-	469	98.2%	-
Other Fees & Charges	236,723	235,795	-	928	99.6%	233,121
Investment Income	117,000	119,377	-	(2,377)	102.0%	135,713
Rents & Concessions	304,966	300,923	-	4,043	98.7%	291,773
Miscellaneous	322,000	626,135	-	(304,135)	194.5%	522,939
TOTAL REVENUES	<u>12,661,137</u>	<u>13,883,609</u>	<u>-</u>	<u>(1,222,472)</u>	109.7%	<u>12,512,877</u>
EXPENSES						
Salaries & Benefits	6,050,691	5,340,608	-	710,083	88.3%	5,207,732
Materials, Supplies & Services	4,018,126	3,429,851	348,673	239,602	94.0%	3,337,518
Special Projects	261,506	180,360	33,196	47,950	81.7%	153,130
Debt Service	1,780,351	1,672,633	-	107,718	93.9%	1,591,446
Transfers-Out	2,117,678	2,117,678	-	-	100.0%	-
Capital Outlay Transfers	1,385,000	1,269,583	-	115,417	91.7%	1,415,475
Equipment	82,759	31,798	3,194	47,767	42.3%	21,319
Capital Fixed Assets	17,104	-	17,104	-	100.0%	22,896
Other	-	1,375	1,000	(2,375)	100.0%	1,798
Appropriated Reserve	100,000	-	-	100,000	0.0%	-
TOTAL EXPENSES	<u>15,813,215</u>	<u>14,043,887</u>	<u>403,167</u>	<u>1,366,161</u>	91.4%	<u>11,751,314</u>

NOTE - These figures reflect the operating fund only. Though the capital fund is excluded, the current year contribution from the operating fund is shown in the Capital Transfers.



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: July 28, 2015

TO: Mayor and Councilmembers

FROM: Administration Division, Parks and Recreation Department

SUBJECT: Professional Services Contract With Hunt Design, Inc., For The Parks And Recreation Facility Sign Replacement Project

RECOMMENDATION: That Council:

- A. Authorize the Parks and Recreation Director to execute a professional services agreement with Hunt Design, Inc., in the amount of \$45,000 to develop a comprehensive sign program for City parks and recreation facilities; and
- B. Authorize the Parks and Recreation Director to approve additional expenditures of up to \$5,000 to cover cost increases that may result from necessary changes in the scope of work.

DISCUSSION:

The purpose of the Parks and Recreation Facility Sign Replacement Project is to: 1) Develop a comprehensive sign program that establishes design and fabrication standards of signs located in City parks and recreation facilities; and 2) Systematically remove and replace all park and facility signage. Signs are the primary tool used to communicate the name of the park, intended use and prohibitions and hours of operation, as well as provide educational opportunities. Over time, park signs have been replaced and/or updated for a number of reasons. Park signs become degraded from sun and salt air exposure, are subject to vandalism, and become outdated in their appearance or message over time. As new signs have been installed, outdated signs have not always been removed and/or replaced. Some parks are now cluttered with signs of varying styles and colors. The Parks and Recreation Department (Department) has long needed a sign program that sets design standards and establishes a system for sign removal and replacement.

To develop baseline information for the project, the Department completed a comprehensive inventory of all outdoor signs in City parks and recreation facilities. The signs perform a variety of functions including regulatory, informational, park/facility name, and interpretive or educational. The inventory details the location and condition of over 700 signs in 62 parks and recreation facilities.

Sign Program Scope of Work

The primary design objectives include unifying regulatory and informational signage with consistent design aesthetics using distinct sign types, color schemes, fonts and symbols. The sign program will remain flexible enough to include the unique qualities (fonts and colors) found within interpretive and educational signage. New signage will be designed to provide effective information, communicate park rules/regulations, encourage learning experiences, and enhance park aesthetics. Designs will be compatible with the City's Sign Ordinance and Sign Guidelines and approved by the City's Sign Committee. Fabrication details will be developed as part of the sign program to standardize the size, material used, hardware and mounting method for sign installation.

Consultant Selection

The Department recommends City Council approve the execution of a contract with Hunt Design, Inc. The firm was selected through a competitive request for proposal (RFP) process. The RFP was distributed to six firms located throughout California. The Department received three proposals and conducted interviews with two selected firms. Hunt Design, Inc. was selected as the most qualified company due to the firm's experience in developing successful sign programs for cities within California and around the nation. Their portfolio includes developing signage guidelines for Santa Monica Parks and Beaches, a sign master plan and guidelines for all parks, beaches, trails and historic sites in Orange County, and sign design guidelines for parks located within the Golden Gate National Recreation Area. The firm is also currently under contract with the Public Works Department to develop Santa Barbara's Way-find Signage Program.

BUDGET/FINANCIAL INFORMATION:

The Fiscal Year 2016 Capital Outlay Fund includes \$150,000 for the design and installation of new park and recreation facility signage.

A copy of the contract/agreement is available for public review in the City Clerk's Office.

PREPARED BY: Mandy Burgess, Administrative Analyst

SUBMITTED BY: Nancy Rapp, Parks and Recreation Director

APPROVED BY: City Administrator's Office



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: July 28, 2015

TO: Mayor and Councilmembers

FROM: Creeks Division, Parks and Recreation Department

SUBJECT: Contract For Final Design Of The Arroyo Burro Restoration Project At Barger Canyon

RECOMMENDATION: That Council:

- A. Authorize the Parks and Recreation Director to execute a Professional Services Agreement with Questa Engineering Corporation in the amount of \$78,080 to prepare final design plans and construction specifications for the Arroyo Burro Restoration Project at Barger Canyon; and
- B. Authorize the Parks and Recreation Director to approve expenditures of up to \$7,800 for extra services from Questa Engineering Corporation that may result from necessary changes in the scope of work.

DISCUSSION:

PROJECT DESCRIPTION

The Arroyo Burro Restoration Project at Barger Canyon (Project) is planned for a 14.19-acre City-owned property, located at the intersection of Foothill Road and Barger Canyon Road. The site is currently degraded but includes environmentally sensitive habitat with approximately 1,800 linear feet of creek frontage and is an important scenic view corridor from Foothill Road up to the Los Padres National Forest. The Project will improve wildlife habitat, water quality, aesthetics, and flood control.

Questa Engineering Corporation completed a feasibility analysis and conceptual restoration plan for the Project in June 2015. The concept plan includes removing various concrete, wood, and metal structures located within the creek including a bridge culvert. A key aspect of the plan includes widening the creek at the downstream end of the Project site. The Project also includes installing rock weirs to prevent future erosion and constructing a new seasonal wetland outside of the creek channel. Native plantings such as willows, sycamores, and oaks will provide shade and enhanced habitat. Native wetland plants will also improve water quality.

CONSULTANT SELECTION

In October 2013, a request for proposals was distributed to 11 engineering and design firms experienced with creek restoration in California. Four consulting firms submitted proposals and the most qualified and experienced firm, Questa Engineering Corporation, was selected to complete the feasibility analysis and conceptual restoration plan. Questa Engineering has designed over a dozen creek restoration projects throughout California. Projects completed in Santa Barbara include Mission Creek at Tallant Road and concept designs for mid-Arroyo Burro, Barger Canyon, and Las Positas Creek. Since they successfully completed the feasibility analysis and conceptual restoration plan for the Project, it is recommended that they complete the final restoration plans and construction specifications. Negotiations with Questa produced a fair and reasonable price to complete the scope of work.

TIMELINE

With Council approval of the contract, the final design phase will begin in August 2015. Final design products will be delivered in December 2015. The timeline includes a public meeting with the Creeks Advisory Committee and focused outreach to the adjacent neighborhood. Construction is anticipated to begin during summer 2016, pending permitting, City Council approval of construction funds, and other project milestones.

BUDGET/FINANCIAL INFORMATION:

The cost to prepare the final design and construction specifications is \$78,080. This amount includes geotechnical investigations, hydrological modeling, engineering, landscape plans, final design plans and specifications, and assistance with FEMA flood zone mapping. A ten percent change order of \$7,800 is also included to cover any cost increases that may result from necessary changes to the scope of work. With contingency funds, the total cost for the Questa Engineering contract is \$85,880. Appropriated funds for the Project are included in the Creeks Division's Fiscal Year 2016 Capital Improvement Program Fund.

Currently, there is \$573,000 in available appropriations for the Project in the Creeks Division's Fiscal Year 2016 Capital Improvement Program. To date, approximately \$41,000 has been spent to develop conceptual design plans and feasibility studies. The estimated construction cost for the Project is \$960,000. This estimate is preliminary since it is based on conceptual plans. The Six-Year Capital Program includes \$250,000 of additional funds for the Project in Fiscal Year 2017. Creeks Division staff will also pursue grant funding for construction of this project.

A copy of the contract is available for public review in the City Clerk's Office.

SUSTAINABILITY IMPACT:

The purpose of the Project is to improve water quality and wildlife habitat in Arroyo Burro. These efforts will contribute to local, regional, and federal objectives of improving water quality and riparian habitat.

PREPARED BY: George Johnson, Creeks Supervisor

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

APPROVED BY: City Administrator's Office



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: July 28, 2015

TO: Mayor and Councilmembers

FROM: Facilities Division, Public Works Department

SUBJECT: Mesa Business Association Flag Agreement

RECOMMENDATION:

That Council authorize the Public Works Director to enter into a five-year agreement with the Mesa Business Association to allow them to install flags on City-owned streetlight poles.

DISCUSSION:

In May of 2014, City staff received a proposal from two neighborhood volunteer groups, the Mesa Business Association and Mesa Architects, to add new pole-mounted flags on City-owned streetlight poles along Cliff Drive, near the intersection with Meigs Road. The proposed project is intended to enliven the streetscape and celebrate the Mesa Neighborhood identity in the central commercial area.

The groups requested and received a number of flag design concepts from the community. After review, they decided to develop flag designs based on artwork by Mesa artist Ron Freese which portrays Ledbetter Point, a local landmark. The final digital graphic designs were developed by another Mesa resident, Carole Goodman of Do Good Design.

The double-sided vinyl flags are designed to identify the locale: the Mesa Neighborhood in the City of Santa Barbara. As shown on the location map, the flags will be mounted in fourteen locations on existing streetlight poles. Four color combinations of the same design will be distributed among the various locations. The flags will be supported by "Banner-saver" brackets and attached to the light poles with stainless-steel straps, as recommended by City's Facilities Division.

The Mesa Business Association has agreed to be the managing partner of the flag project and will be responsible for replacing the flags as necessary, due to fading or other damage. It is estimated that the flags will need to be replaced every 12 to 24 months.

In addition to the Agreement, the project also requires approval by the Architectural Board of Review Sign Committee.

BUDGET/FINANCIAL INFORMATION:

There is no cost to the City to enter into this agreement.

PREPARED BY: Jim Dewey, Facilities and Energy Manager/AG/mh

SUBMITTED BY: Rebecca J. Bjork, Public Works Director

APPROVED BY: City Administrator's Office



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: July 28, 2015

TO: Mayor and Councilmembers

FROM: Administration Division, Finance Department

SUBJECT: Community Promotion Contract With Old Spanish Days

RECOMMENDATION:

That Council authorize the City Administrator to execute a community promotion contract with Old Spanish Days in an amount of \$101,000, covering the period from July 1, 2015, to June 30, 2016.

DISCUSSION:

The Mayor and Council's Office Arts and Community Promotion budget includes \$101,000 for the Old Spanish Days organization for Fiscal Year 2016. This reflects a 3% increase in funding from the prior year. The funding will be used for organizing, promoting, and sponsoring the community celebration of Fiesta, as well as supporting year-round administrative expenses. The funds will cover janitorial service for cleaning, trash pick-up, and portable toilets at the two "Mercados" and power-washing of the De la Guerra Mercado area. These funds will also partially cover promotional costs for posters and brochures.

The Old Spanish Days community celebration known as Fiesta helps educate the community about the history and traditions of Santa Barbara's heritage. The event includes a historic parade, evening variety shows, and marketplaces for entertainment, food and crafts. The community festival is a vehicle for numerous non-profit and service groups to raise funds for local causes. The events are scheduled from August 5 through August 9, 2015.

The economic impact from arts and cultural events in Santa Barbara is significant. Cultural arts programs and events provide a major boost to the local economy through ticket sales, sponsorships, services, supplies, and employee salaries. Recognizing cultural arts as a vital component of the community's economic vitality and the importance of providing free entertainment to the community, the City provides over \$2.6 million for events, festivals, and arts and community promotion organizations.

The contract is available for review in the City Clerk's Office at City Hall at 735 Anacapa Street.

Council Agenda Report
Community Promotion Contract With Old Spanish Days
July 28, 2015
Page 2

PREPARED BY: Nina Johnson, Assistant to the City Administrator

SUBMITTED BY: Paul Casey, City Administrator

ORDINANCE NO. ____

AN ORDINANCE OF THE COUNCIL OF THE CITY OF SANTA BARBARA AUTHORIZING THE APPROVAL AND EXECUTION BY THE CITY OF AN INSTALLMENT SALE AGREEMENT IN CONNECTION WITH THE DESALINATION PLANT REACTIVATION PROJECT DRINKING WATER STATE REVOLVING FUND PROJECT NO. 4210010-005C

WHEREAS, in order to finance the Desalination Reactivation Project, the City will sell the Project to the State Water Board and then purchase the Project from the State Water Board pursuant to an Installment Sale Agreement (the "Installment Sale Agreement");

WHEREAS, the State Water Board will provide the funds necessary to construct the Desalination Reactivation Project through the financing provided in the Installment Sale Agreement which funds, together with interest accruing thereon, will be repaid by the City in equal annual installments from the Water Fund Net System Revenues for 20 years beginning one year after completion of construction; and

WHEREAS, the City Council of the City (the "City Council") has been presented with the form of the Installment Sale Agreement, and the City Council has examined and approved such document and desires to authorize and direct the execution of such document.

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

SECTION 1. All of the recitals herein contained are true and correct and the City Council so finds.

SECTION 2. The form of Installment Sale Agreement, on file with the City Clerk, is hereby approved, and the City Administrator of the City and the Finance Director of the City, and any such other officer of the City as such City Administrator or Finance Director may designate (the "Authorized Officers"), are each hereby authorized and directed, for and in the name and on behalf of the City, to execute and deliver the Installment Sale Agreement in substantially said form with such changes therein as the Authorized Officer executing the same may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof; provided, however, that the aggregate amount of the Installment Payments shall not exceed \$55,000,000, the final Installment Payment shall be payable no later than July 1, 2038, and the true interest cost of the interest on the Installment Payments shall not exceed 1.663% per annum.

SECTION 3. The Authorized Officers are hereby authorized and directed, jointly and severally, to do any and all things which they may deem necessary or advisable in order to consummate the transactions herein authorized and otherwise to carry out, give effect to and comply with the terms and intent of this Ordinance. All actions heretofore taken by the officers, employees and agents of the City with respect to the transactions set forth above are hereby approved, confirmed and ratified.

SECTION 4. The Mayor shall sign and the City Clerk shall attest to the passage of this Ordinance. The City Council hereby orders that, in lieu of the publication of this Ordinance once in the official newspaper of the City within 15 days after its adoption, this Ordinance shall be published by title only once in the official newspaper of the City within 15 days after its adoption, provided that the full text shall be available to the public at the City Clerk's Office, and such publication by title only shall so state. This Ordinance shall become effective 30 days from and after the date of its adoption.

ORDINANCE NO. _____

AN ORDINANCE OF THE COUNCIL OF THE CITY OF SANTA BARBARA AUTHORIZING THE APPROVAL, SUBJECT TO RECEIPT OF SRF LOAN FOR PROJECT NO. 4210010-005C, AND EXECUTION BY THE PUBLIC WORKS DIRECTOR OF A CONTRACT TO DESIGN, BUILD, AND OPERATE THE CHARLES E. MEYER DESALINATION FACILITY WITH IDE AMERICAS, INC., IN THE AMOUNT OF \$43,437,234 AND APPROVE EXPENDITURES UP TO \$1,864,420 TO COVER ANY COST INCREASES THAT MAY RESULT FROM CONTRACT CHANGE ORDERS FOR EXTRA WORK AND DIFFERENCES BETWEEN ESTIMATED BID QUANTITIES AND ACTUAL QUANTITIES MEASURED FOR PAYMENT

WHEREAS, Santa Barbara Ordinance No. 5676 authorizes procurement through a design, build, operate method in appropriate circumstances;

WHEREAS, on September 23, 2014, the City Council of the City of Santa Barbara adopted Resolution No. 14-067 finding that the design, build, operate procurement method should be utilized to reactivate and operate the Charles Meyer Desalination Facility (“Desalination Facility”);

WHEREAS, in September 2014, the City entered into a pre-qualification process for selection of potential contractors to prepare proposals for a design, build, operate contract for the reactivation of the Desalination Facility;

WHEREAS, in November 2014, the City issued an RFP to all pre-qualified proposers for the Desalination Facility and two proposals were submitted;

WHEREAS, on April 3, 2105, after evaluation of both proposals, the City determinate that the proposal submitted by IDE Americas, Inc. a Delaware corporation (“IDE”), was the highest ranked proposal, and entered into contract negotiations with IDE;

WHEREAS, in order to initiate design phase work during contract negotiations for a design, build, operate contract, the City and IDE entered into Agreement No. 25, 221 on June 16, 2015, which agreement will terminate on the effective date of the Design, Build, Operate Contract (“DBO Contract”) and this Ordinance; and

WHEREAS, Section 521 of the Charter of the City of Santa Barbara requires that all contracts that bind the City for a term longer than five (5) years must be approved by ordinance adopted by the City Council of the City of Santa Barbara.

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

SECTION 1. All of the recitals herein contained are true and correct and the City Council so finds.

SECTION 2. In accordance with the provisions of Section 521 of the Charter of the City of Santa Barbara, that certain DBO Contract by and between IDE Americas, Inc. and the City of Santa Barbara, is hereby approved.

SECTION 3. The form of the DBO Contract, on file with the City Clerk, is hereby approved, and the Public Works Director of the City is hereby authorized and directed, for and in the name and on behalf of the City, to execute the DBO Contract with IDE Americas, Inc. in substantially said form with such changes therein as the Public Works Director may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof; provided, however, that the amount of the DBO Contract shall not exceed \$44,757,234, with a total extra services amount of \$1,864,420.

SECTION 4. On the effective date hereof, Agreement No. 25,221 shall terminate and be of no further force or effect.

ORDINANCE NO. ____

AN ORDINANCE OF THE COUNCIL OF THE CITY OF SANTA BARBARA AUTHORIZING THE ACCEPTANCE AND EXECUTION BY THE PUBLIC WORKS DIRECTOR OF A LEASE FOR A TERM OF 25 YEARS WITH THE STATE OF CALIFORNIA STATE LANDS COMMISSION FOR THE CONTINUED USE AND MAINTENANCE OF ONE 48-INCH DIAMETER SEWER OUTFALL PIPELINE AND MAINTENANCE OF ONE 42-INCH DIAMETER NON-OPERATIONAL OUTFALL PIPELINE AND ASSOCIATED FACILITIES, AS FURTHER DESCRIBED ON EXHIBIT "A" ATTACHED THERETO

WHEREAS, on June 29, 2015, the State of California State Lands Commission approved a lease with a term of 25 years with the City of Santa Barbara for the continued use and maintenance of one 48-inch diameter sewer outfall pipeline and maintenance of one 42-inch diameter non-operational wastewater outfall pipeline and associated facilities as further described in Exhibit A attached thereto finding such action to be in the State's best interest; and

WHEREAS, the Commission concurrently terminated Permit 4942.9 a Public Agency Permit to the City of Santa Barbara effective June 28, 2015.

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

SECTION 1. All of the recitals herein contained are true and correct and the City Council so finds.

SECTION 2. In accordance with the provisions of Section 521 of the Charter of the City of Santa Barbara, that certain lease agreement between the City of Santa Barbara and the State of California State Lands Commission with a term of 25 years is hereby approved.

SECTION 3. In accordance with California Government Code Section 27281, the City of Santa Barbara hereby accepts that certain lease for public purposes and all related purposes described in the Lease to the City of Santa Barbara, a municipal corporation, by the State of California, a public entity, to the real property as more particularly described in Exhibit A attached hereto.

SECTION 4. The Mayor shall sign and the City Clerk shall attest to the passage of this Ordinance. The City Council hereby orders that, in lieu of the publication of this Ordinance once in the official newspaper of the City within 15 days after its adoption, this Ordinance shall be published by title only once in the official newspaper of the City within 15 days after its adoption, provided that the full text shall be available to the

public at the City Clerk's Office, and such publication by title only shall so state. This Ordinance shall become effective 30 days from and after the date of its adoption.

SECTION 5. The City of Santa Barbara hereby consents to the recordation of said lease by the City Clerk in the Official Records.

EXHIBIT A

PRC 4942.9

LAND DESCRIPTION

Two parcels of tide and submerged land, each 20 feet in width, situated within the City of Santa Barbara, County of Santa Barbara, State of California, described as follows:

PARCEL 1

A strip of land 20 feet in width, lying 10 feet on each side of the following described centerline:

Beginning at a point that bears S 44° 42' 35" E, 406.50 feet from a 2 inch California Department of Transportation Brass Cap, having California Coordinate System (NAD27) coordinates of N = 337183.340 feet and E = 1492509.486 feet and designated R.P. #54 on those certain Monumentation Maps filed in Book 2 of State Highway Monumentation Map Book at page 170; thence S 20° 08' 23" E, 3978.78 feet.

EXCEPTING THEREFROM that portion granted to the City of Santa Barbara as described in Section 3, Chapter 13, Statutes of 1937.

ALSO EXCEPTING THEREFROM any portion lying landward of the ordinary high water of the Pacific Ocean.

PARCEL 2

A strip of land 20 feet in width, lying 10 feet on each side of the following described centerline:

Beginning at a point that bears S 53° 40' 01" W, 577.49 feet from a 2 inch California Department of Transportation Brass Cap, having California Coordinate System (NAD27) coordinates of N = 337183.340 feet and E = 1492509.486 feet and designated R.P. #54 on those certain Monumentation Maps filed in Book 2 of State Highway Monumentation Map Book at page 170; thence S 41° 57' 36" E, 8720.00 feet.

EXCEPTING THEREFROM that portion granted to the City of Santa Barbara as described in Section 3, Chapter 13, Statutes of 1937.

ALSO EXCEPTING THEREFROM any portion lying landward of the ordinary high water of the Pacific Ocean.

Coordinates, bearing and distances used in the above description are based on the California Coordinate System, Zone 5, (NAD27).

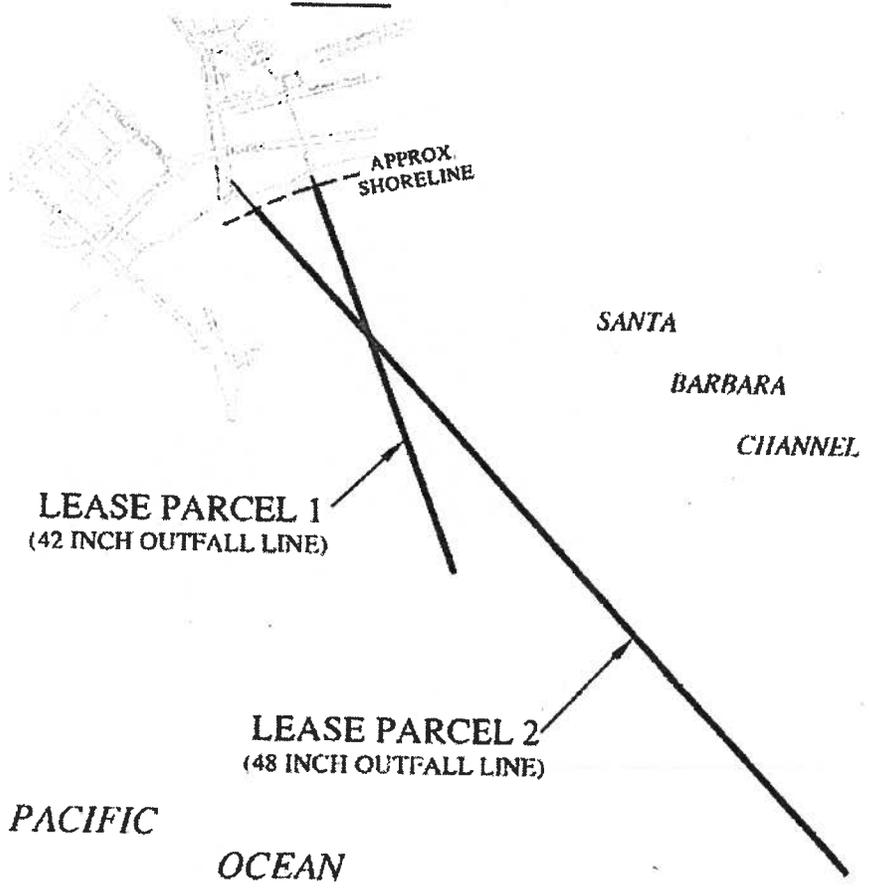
END OF DESCRIPTION



Exhibit A

NO SCALE

SITE



SANTA BARBARA CHANNEL, CITY OF SANTA BARBARA

NO SCALE

LOCATION



MAP SOURCE: USGS QUAD

Exhibit B

PRC 4942.9
 CITY OF SANTA BARBARA
 GENERAL LEASE -
 PUBLIC AGENCY USE
 SANTA BARBARA COUNTY



TS 06/15/15

This Exhibit is solely for purposes of generally defining the lease premises, is based on unverified information provided by the Lessee or other parties and is not intended to be, nor shall it be construed as, a waiver or limitation of any State interest in the subject or any other property.



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: July 28, 2015
TO: Mayor and Councilmembers
FROM: Building & Safety Division, Community Development Department
SUBJECT: Solar Energy System Permits Ordinance

RECOMMENDATION:

That Council conduct a public hearing, and introduce and subsequently adopt, by reading of title only, An Ordinance of the Council of the City of Santa Barbara Adding Chapter 22.91 to the Municipal Code and Amending Sections 28.04.050 and 28.93.030 Relating to Permitting Procedures and Construction Requirements for Solar Energy Systems.

BACKGROUND:

Since the 1978 Solar Rights Act, the State has set aggressive goals to expand renewable energy. In 2011, California adopted a Renewable Portfolio Standard (RPS) requiring that at least one-third of the state's electricity come from clean energy sources by 2020. Since then, the Governor has set a specific goal of developing 12,000 megawatts of small-scale, localized renewable electrical power in California by 2020.

The State Legislature has also taken steps to help remove barriers that discourage solar energy system installation. One such barrier is the patchwork of local permitting requirements for small solar photovoltaic energy system installations throughout the state. State Assembly Bill 2188 of 2014 was approved and signed into law. This legislation amended State law and mandated ministerial permitting processes for solar energy system projects. Since being signed into law on September 21, 2014, State Assembly Bill 2188 amended Government Code section 65850.5 to mandate cities and counties to prepare and adopt, by ordinance, an expedited and minimal cost, solar energy system permit process that encourages the installation of solar energy systems. State Government Code section 65850.5 now prescribes the following objectives for the ordinance:

- Expedite the permit issuance of smaller solar energy systems equal to, or less than, 10 KW electrical power or 30 KW thermal (water heating);

- Limit the review of solar energy systems to only the review of health (including zoning setback and building height) and life-safety requirements by the City. Discretionary design board reviews and approvals are specifically prohibited;
- Require local Fire Department consultation during ordinance development;
- Establish a solar energy system submittal checklist to expedite City review;
- Place the permit application and regulatory checklist on the City's web site;
- Make solar energy system permits available electronically;
- Require all solar energy system components to be properly certified and listed;
- Allow appeal of a solar energy system permit denial to the Planning Commission;
- Place the ordinance into effect no later than September 30, 2015.

DISCUSSION:

As proposed, the attached ordinance has been drafted to meet the enumerated objectives and provide a simplified permit process. The simplified process will require less City staff time to approve and inspect. Consequently, an hourly-rate based building permit fee equal to 0.75 hours of staff time will be used as the building permit fee for these permits. Currently the City charges a building permit fee of \$395 for small solar energy system permits. The expedited small roof-top residential solar energy system building permit fee will be \$237. This will result in a typical reduction of \$158 per permit for each of the 200 anticipated permits for fiscal year 2016. Staff estimates that this fee adjustment will be offset by a 30% increase in solar energy system permit activity. (It is important to note that the City building permit fee is one of up to 8 different fees charged for typical solar energy system permits. Other fees include, but are not limited to records management, State mandated fees, Fire and Planning review fees when necessary.)

Stakeholder outreach has been an integral part of the development of this ordinance. Prior to developing the attached ordinance, staff met with solar energy system stakeholders and took note of their solar energy system permit process recommendations. Most of the stakeholder comments focused on the desire for local permit offices to minimize plan check time, increase the predictability of initial plan check approvals and decrease solar energy system permit and installation costs.

Assembly Bill 2188 enacted changes to the State Government Code that prohibits the City's ability to regulate the aesthetics of solar energy systems on all buildings, including those of historical significance. City staff questioned and confirmed concerns with these discretionary review limitations with State Office of Historic Preservation staff. With this in mind, City staff will focus on educating and encouraging solar energy system contractors to minimize the impacts of solar energy systems on historic buildings and neighborhoods through written materials and open dialogue. Additionally, City staff will continue to annually identify and honor solar energy system contractors that follow these best practices."

A draft of this ordinance was presented to the Ordinance Committee on July 14, 2015. At that time, staff was asked to consider a means to confirm that property owners will not cover their property with tall, oversized solar energy systems at the expense of neighborhood character. Section 22.91.020, section C, item 1 of the proposed ordinance has been revised to address this concern by including the enforcement of the City's minimum open yard regulations. The Committee also inquired of the additional cost of pre-installation of conduit and a junction box so that all new homes are "solar ready". Industry estimates of "solar ready" costs incurred during new dwelling construction are less than \$1,400. However, industry estimates also show that these costs will be more than completely offset through future solar energy system installation cost reductions. Lastly, subsequent to the Ordinance Committee meeting, staff revised the proposed ordinance to clarify that staff will initiate a code enforcement case and require lawful resolution of other City Building Standards Code violations on the subject property only in the following instances:

- The proposed solar energy system installation will rely upon prior construction that was identified as a violation in an unresolved City notice or document, or
- Consistent with current City Building & Safety practice, in the course of conducting the building inspection for a solar energy system, a health or life-safety hazard is observed. Examples of such include, but are not limited to, conditions that could lead to structural failure, electrical shock, sanitary sewer failures.

SUSTAINABILITY IMPACT:

The State anticipates that implementing the proposed ordinance will make small, residential solar energy system permits more affordable and easier to obtain. Additionally, the State believes that implementation of the proposed ordinance will increase the number of solar energy system permits issued each year, thus reducing the overall electrical grid and fossil fuel demand for energy. If successful in reducing these demands, this strategy will provide a more sustainable source of building energy.

ATTACHMENT(S): State Assembly Bill 2188 Text

PREPARED BY: Andrew Stuffer, Chief Building Official

SUBMITTED BY: George Buell, Community Development Director

APPROVED BY: City Administrator's Office

Assembly Bill No. 2188

CHAPTER 521

An act to amend Section 714 of the Civil Code, and to amend Section 65850.5 of the Government Code, relating to solar energy.

[Approved by Governor September 21, 2014. Filed with Secretary of State September 21, 2014.]

LEGISLATIVE COUNSEL'S DIGEST

AB 2188, Muratsuchi. Solar energy: permits.

(1) Existing law provides that it is the policy of the state to promote and encourage the use of solar energy systems, as defined, and to limit obstacles to their use. Existing law states that the implementation of consistent statewide standards to achieve timely and cost-effective installation of solar energy systems is not a municipal affair, but is instead a matter of statewide concern. Existing law requires a city or county to administratively approve applications to install solar energy systems through the issuance of a building permit or similar nondiscretionary permit. Existing law requires a solar energy system for heating water to be certified by the Solar Rating Certification Corporation or another nationally recognized certification agency.

This bill would specify that these provisions address a statewide concern. The bill would additionally require a city, county, or city and county to adopt, on or before September 30, 2015, in consultation with specified public entities an ordinance that creates an expedited, streamlined permitting process for small residential rooftop solar energy systems, as specified. The bill would additionally require a city, county, or city and county to inspect a small residential rooftop solar energy system eligible for expedited review in a timely manner, as specified. The bill would prohibit a city, county, or city and county from conditioning the approval of any solar energy system permit on approval of that system by an association that manages a common interest development. The bill would require a solar energy system for heating water in single family residences and solar collectors for heating water in commercial or swimming pool applications to be certified by an accredited listing agency, as defined.

Because the bill would impose new duties upon local governments and local agencies, it would impose a state-mandated local program.

(2) Existing law prohibits any covenant, restriction, or condition contained in any deed, contract, security instrument, or other instrument affecting the transfer or sale of, or any interest in, real property, and any provision of a governing document from effectively prohibiting or restricting the installation or use of a solar energy system. Existing law exempts from that prohibition provisions that impose reasonable restrictions on a solar energy system that do not significantly increase the cost of the system or significantly decrease its efficiency or specified performance. Existing law defines the term "significantly," for these purposes, with regard to solar domestic water heating systems or solar swimming pool heating systems that comply with state and federal law, to mean an amount exceeding 20% of the cost of the system or decreasing the efficiency of the solar energy system by an amount exceeding 20%, and with regard to photovoltaic systems that comply with state and federal law, an amount not to exceed \$2,000 over the system cost or a decrease in system efficiency of

an amount exceeding 20%, as specified. Existing law requires a solar energy system for heating water subject to the provisions described above to be certified by the Solar Rating Certification Corporation or another nationally recognized certification agency.

This bill would instead define the term “significantly,” for these purposes, with regard to solar domestic water heating systems or solar swimming pool heating systems that comply with state and federal law, to mean an amount exceeding 10% of the cost of the system, not to exceed \$1,000, or decreasing the efficiency of the solar energy system by an amount exceeding 10%, and with regard to photovoltaic systems that comply with state and federal law, an amount not to exceed \$1,000 over the system cost or a decrease in system efficiency of an amount exceeding 10%, as specified. The bill would require a solar energy system for heating water in single family residences and solar collectors for heating water in commercial or swimming pool applications subject to the provisions described above to be certified by an accredited listing agency, as defined.

(3) Existing law requires an application for approval for the installation or use of a solar energy system to be processed and approved by the appropriate approving entity in the same manner as an application for approval of an architectural modification to the property and prohibits the approver from willfully avoiding or delaying approval. Existing law requires the approving entity to notify the applicant in writing within 60 days of receipt of the application if the application is denied, as specified.

The bill would instead require the approving entity to notify the applicant in writing within 45 days of receipt of the application if the application is denied, as specified.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

DIGEST KEY

Vote: MAJORITY Appropriation: NO Fiscal Committee: YES Local Program: YES

BILL TEXT

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1.

The Legislature finds and declares all of the following:

- (a) In recent years, the state has both encouraged the development of innovative distributed generation technology and prioritized the widespread adoption of solar power as a renewable energy resource through programs such as the California Solar Initiative.
- (b) Rooftop solar energy is a leading renewable energy technology that will help this state reach its energy and environmental goals.
- (c) To reach the state’s Million Solar Roofs goal, hundreds of thousands of additional rooftop solar energy systems will need to be deployed in the coming years.
- (d) Various studies, including one by the Lawrence Berkeley National Laboratory, show that, despite the 1978 California Solar Rights Act, declaring that the “implementation of consistent statewide standards to achieve the

timely and cost-effective installation of solar energy systems is not a municipal affair ... but is instead a matter of statewide concern,” the permitting process governing the installation of rooftop solar energy systems varies widely across jurisdictions and, contrary to the intent of the law, is both an “obstacle” to the state’s clean energy and greenhouse reduction goals and a “burdensome cost” to homeowners, businesses, schools, and public agencies.

(e) The United States Department of Energy, through its SunShot Initiative, has distributed millions of dollars in grants to local and state governments, including California jurisdictions, and nonprofit organizations to reduce the costs of distributed solar through streamlined and standardized permitting.

(f) A modernized and standardized permitting process for installations of small-scale solar distributed generation technology on residential rooftops will increase the deployment of solar distributed generation, help to expand access to lower income households, provide solar customers greater installation ease, improve the state’s ability to reach its clean energy goals, and generate much needed jobs in the state, all while maintaining safety standards.

SEC. 2.

Section 714 of the Civil Code is amended to read:

714.

(a) Any covenant, restriction, or condition contained in any deed, contract, security instrument, or other instrument affecting the transfer or sale of, or any interest in, real property, and any provision of a governing document, as defined in Section 4150 or 6552, that effectively prohibits or restricts the installation or use of a solar energy system is void and unenforceable.

(b) This section does not apply to provisions that impose reasonable restrictions on solar energy systems. However, it is the policy of the state to promote and encourage the use of solar energy systems and to remove obstacles thereto. Accordingly, reasonable restrictions on a solar energy system are those restrictions that do not significantly increase the cost of the system or significantly decrease its efficiency or specified performance, or that allow for an alternative system of comparable cost, efficiency, and energy conservation benefits.

(c) (1) A solar energy system shall meet applicable health and safety standards and requirements imposed by state and local permitting authorities, consistent with Section 65850.5 of the Government Code.

(2) Solar energy systems used for heating water in single family residences and solar collectors used for heating water in commercial or swimming pool applications shall be certified by an accredited listing agency as defined in the Plumbing and Mechanical Codes.

(3) A solar energy system for producing electricity shall also meet all applicable safety and performance standards established by the California Electrical Code, the Institute of Electrical and Electronics Engineers, and accredited testing laboratories such as Underwriters Laboratories and, where applicable, rules of the Public Utilities Commission regarding safety and reliability.

(d) For the purposes of this section:

(1) (A) For solar domestic water heating systems or solar swimming pool heating systems that comply with state and federal law, “significantly” means an amount exceeding 10 percent of the cost of the system, but in no case more than one thousand dollars (\$1,000), or decreasing the efficiency of the solar energy system by an amount exceeding 10 percent, as originally specified and proposed.

(B) For photovoltaic systems that comply with state and federal law, “significantly” means an amount not to exceed one thousand dollars (\$1,000) over the system cost as originally specified and proposed, or a decrease in system efficiency of an amount exceeding 10 percent as originally specified and proposed.

(2) “Solar energy system” has the same meaning as defined in paragraphs (1) and (2) of subdivision (a) of Section 801.5.

(e) (1) Whenever approval is required for the installation or use of a solar energy system, the application for approval shall be processed and approved by the appropriate approving entity in the same manner as an application for approval of an architectural modification to the property, and shall not be willfully avoided or delayed.

(2) For an approving entity that is an association, as defined in Section 4080 or 6528, and that is not a public entity, both of the following shall apply:

(A) The approval or denial of an application shall be in writing.

(B) If an application is not denied in writing within 45 days from the date of receipt of the application, the application shall be deemed approved, unless that delay is the result of a reasonable request for additional information.

(f) Any entity, other than a public entity, that willfully violates this section shall be liable to the applicant or other party for actual damages occasioned thereby, and shall pay a civil penalty to the applicant or other party in an amount not to exceed one thousand dollars (\$1,000).

(g) In any action to enforce compliance with this section, the prevailing party shall be awarded reasonable attorney’s fees.

(h) (1) A public entity that fails to comply with this section may not receive funds from a state-sponsored grant or loan program for solar energy. A public entity shall certify its compliance with the requirements of this section when applying for funds from a state-sponsored grant or loan program.

(2) A local public entity may not exempt residents in its jurisdiction from the requirements of this section.

SEC. 3.

Section 65850.5 of the Government Code is amended to read:

65850.5.

(a) The implementation of consistent statewide standards to achieve the timely and cost-effective installation of solar energy systems is not a municipal affair, as that term is used in Section 5 of Article XI of the California Constitution, but is instead a matter of statewide concern. It is the intent of the Legislature that local agencies not adopt ordinances that create unreasonable barriers to the installation of solar energy systems, including, but not limited to, design review for aesthetic purposes, and not unreasonably restrict the ability of homeowners and agricultural and business concerns to install solar energy systems. It is the policy of the state to promote and encourage the use of solar energy systems and to limit obstacles to their use. It is the intent of the Legislature that local agencies comply not only with the language of this section, but also the legislative intent to encourage the installation of solar energy systems by removing obstacles to, and minimizing costs of, permitting for such systems.

(b) A city or county shall administratively approve applications to install solar energy systems through the issuance of a building permit or similar nondiscretionary permit. Review of the application to install a solar energy system shall be limited to the building official's review of whether it meets all health and safety requirements of local, state, and federal law. The requirements of local law shall be limited to those standards and regulations necessary to ensure that the solar energy system will not have a specific, adverse impact upon the public health or safety. However, if the building official of the city or county makes a finding, based on substantial evidence, that the solar energy system could have a specific, adverse impact upon the public health and safety, the city or county may require the applicant to apply for a use permit.

(c) A city, county, or city and county may not deny an application for a use permit to install a solar energy system unless it makes written findings based upon substantial evidence in the record that the proposed installation would have a specific, adverse impact upon the public health or safety, and there is no feasible method to satisfactorily mitigate or avoid the specific, adverse impact. The findings shall include the basis for the rejection of potential feasible alternatives of preventing the adverse impact.

(d) The decision of the building official pursuant to subdivisions (b) and (c) may be appealed to the planning commission of the city, county, or city and county.

(e) Any conditions imposed on an application to install a solar energy system shall be designed to mitigate the specific, adverse impact upon the public health and safety at the lowest cost possible.

(f) (1) A solar energy system shall meet applicable health and safety standards and requirements imposed by state and local permitting authorities.

(2) Solar energy systems for heating water in single family residences and solar collectors used for heating water in commercial or swimming pool applications shall be certified by an accredited listing agency as defined in the California Plumbing and Mechanical Codes.

(3) A solar energy system for producing electricity shall meet all applicable safety and performance standards established by the California Electrical Code, the Institute of Electrical and Electronics Engineers, and accredited testing laboratories such as Underwriters Laboratories and, where applicable, rules of the Public Utilities Commission regarding safety and reliability.

(g) (1) On or before September 30, 2015, every city, county, or city and county, in consultation with the local fire department or district and the utility director, if the city, county, or city and county operates a utility, shall adopt an ordinance, consistent with the goals and intent of subdivision (a), that creates an expedited, streamlined permitting process for small residential rooftop solar energy systems. In developing an expedited permitting process, the city, county, or city and county shall adopt a checklist of all requirements with which small rooftop solar energy systems shall comply to be eligible for expedited review. An application that satisfies the information requirements in the checklist, as determined by the city, county, and city and county, shall be deemed complete. Upon confirmation by the city, county, or city and county of the application and supporting documents being complete and meeting the requirements of the checklist, and consistent with the ordinance, a city, county, or city and county shall, consistent with subdivision (b), approve the application and issue all required permits or authorizations. Upon receipt of an incomplete application, a city, county, or city and county shall issue a written correction notice detailing all deficiencies in the application and any additional information required to be eligible for expedited permit issuance.

(2) The checklist and required permitting documentation shall be published on a publically accessible Internet Web site, if the city, county, or city and county has an Internet Web site, and the city, county, or city and county

shall allow for electronic submittal of a permit application and associated documentation, and shall authorize the electronic signature on all forms, applications, and other documentation in lieu of a wet signature by an applicant. In developing the ordinance, the city, county, or city and county shall substantially conform its expedited, streamlined permitting process with the recommendations for expedited permitting, including the checklists and standard plans contained in the most current version of the California Solar Permitting Guidebook and adopted by the Governor's Office of Planning and Research. A city, county, or city and county may adopt an ordinance that modifies the checklists and standards found in the guidebook due to unique climactic, geological, seismological, or topographical conditions. If a city, county, or city and county determines that it is unable to authorize the acceptance of an electronic signature on all forms, applications, and other documents in lieu of a wet signature by an applicant, the city, county, or city and county shall state, in the ordinance required under this subdivision, the reasons for its inability to accept electronic signatures and acceptance of an electronic signature shall not be required.

(h) For a small residential rooftop solar energy system eligible for expedited review, only one inspection shall be required, which shall be done in a timely manner and may include a consolidated inspection, except that a separate fire safety inspection may be performed in a city, county, or city and county that does not have an agreement with a local fire authority to conduct a fire safety inspection on behalf of the fire authority. If a small residential rooftop solar energy system fails inspection, a subsequent inspection is authorized, however the subsequent inspection need not conform to the requirements of this subdivision.

(i) A city, county, or city and county shall not condition approval for any solar energy system permit on the approval of a solar energy system by an association, as that term is defined in Section 4080 of the Civil Code.

(j) The following definitions apply to this section:

(1) "A feasible method to satisfactorily mitigate or avoid the specific, adverse impact" includes, but is not limited to, any cost-effective method, condition, or mitigation imposed by a city, county, or city and county on another similarly situated application in a prior successful application for a permit. A city, county, or city and county shall use its best efforts to ensure that the selected method, condition, or mitigation meets the conditions of subparagraphs (A) and (B) of paragraph (1) of subdivision (d) of Section 714 of the Civil Code.

(2) "Electronic submittal" means the utilization of one or more of the following:

(A) Email.

(B) The Internet.

(C) Facsimile.

(3) "Small residential rooftop solar energy system" means all of the following:

(A) A solar energy system that is no larger than 10 kilowatts alternating current nameplate rating or 30 kilowatts thermal.

(B) A solar energy system that conforms to all applicable state fire, structural, electrical, and other building codes as adopted or amended by the city, county, or city and county and paragraph (3) of subdivision (c) of Section 714 of the Civil Code.

(C) A solar energy system that is installed on a single or duplex family dwelling.

(D) A solar panel or module array that does not exceed the maximum legal building height as defined by the authority having jurisdiction.

(4) “Solar energy system” has the same meaning set forth in paragraphs (1) and (2) of subdivision (a) of Section 801.5 of the Civil Code.

(5) “Specific, adverse impact” means a significant, quantifiable, direct, and unavoidable impact, based on objective, identified, and written public health or safety standards, policies, or conditions as they existed on the date the application was deemed complete.

SEC. 4.

No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because a local agency or school district has the authority to levy service charges, fees, or assessments sufficient to pay for the program or level of service mandated by this act, within the meaning of Section 17556 of the Government Code.

COUNCIL INTRODUCTION DRAFT 7/28/15
SHOWING CHANGES FROM EXISTING CODE

ORDINANCE NO. _____

AN ORDINANCE OF THE COUNCIL OF THE CITY OF SANTA BARBARA ADDING CHAPTER 22.91 TO THE MUNICIPAL CODE AND AMENDING SECTIONS 28.04.050 AND 28.93.030 RELATING TO PERMITTING PROCEDURES AND CONSTRUCTION REQUIREMENTS FOR SOLAR ENERGY SYSTEMS.

WHEREAS, Subdivision (a) of Section 65850.5 of the California Government Code provides that it is the policy of the State to promote and encourage the installation and use of solar energy systems by limiting obstacles to their use and by minimizing the permitting costs of such systems, including design review for aesthetic purposes;

WHEREAS, Subdivision (b) of Section 65850.5 of the California Government Code provides that the requirements of local law shall be limited to those standards and regulations necessary to ensure that a solar energy system will not have a specific, adverse impact on the public health or safety;

WHEREAS, Subdivision (g)(1) of Section 65850.5 of the California Government Code provides that, on or before September 30, 2015, every city, county, or city and county shall adopt an ordinance, consistent with the goals and intent of subdivision (a) of Section 65850.5, that creates an expedited, streamlined permitting process for small residential rooftop solar energy systems;

WHEREAS, The City's General Plan calls for a reduction in green-house gas emissions and promotes the use of local renewable energy sources, and solar photovoltaic electrical energy systems are a common means of reducing greenhouse gas emissions by reducing the demand for fossil fuel generated electricity;

WHEREAS, The cost of pre-installing future solar photovoltaic electrical conduit in new a home during construction is a small fraction of the cost to retrofit the same conduit into an existing home; and

WHEREAS, The California Health and Safety Code, Section 17958.7(a) allows the California Building Standards to be amended by local authorities based on local climatic, geologic, or topographical conditions, and, because of the local topography and geology, the City of Santa Barbara's access to electrical utility infrastructure is limited to a single, remote system of electrical transmission infrastructure, and because the City of Santa Barbara experiences periods of high heat that maximize the demand for electrical current over this transmission system.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SANTA BARBARA DOES ORDAIN AS FOLLOWS

SECTION 1. Chapter 22.91 is added to Title 22 of the Santa Barbara Municipal Code to read as follows:

Chapter 22.91

Solar Energy System Review Process.

22.91.010 Definitions.

The following words and phrases as used in this Chapter 22.91 are defined as follows:

A. "Electronic submittal" means the utilization of one or more of the following:

1. e-mail, or
2. the internet, or
3. facsimile.

B. "Feasible method to satisfactorily mitigate or avoid the specific, adverse impact" includes, but is not limited to, any cost-effective method, condition, or mitigation imposed by the City on another similarly situated application in a prior successful application for a permit. The City shall use its best efforts to ensure that the selected method, condition, or mitigation meets the conditions of subparagraphs (A) and (B) of paragraph (1) of subdivision (b) of Section 714 of the Civil Code, as such section or subdivision may be amended, renumbered, or redesignated from time to time.

C. "Small residential rooftop solar energy system" is a solar energy system that satisfies all of the following elements:

1. A solar energy system that is no larger than 10 kilowatts alternating current nameplate rating or 30 kilowatts thermal;
2. A solar energy system that conforms to all applicable state fire, structural, electrical, and other building codes as adopted or amended by the City and paragraph (iii) of subdivision (c) of Section 714 of the Civil Code, as such section or subdivision may be amended, renumbered, or redesignated from time to time;
3. A solar energy system that is installed on a single residential unit or two-residential unit (as defined in Chapter 28.04 of this Code); and
4. A solar panel or module array that does not exceed the maximum legal building height as defined by the authority having jurisdiction.

D. “Solar energy system” has the same meaning set forth in paragraphs (1) and (2) of subdivision (a) of Section 801.5 of the Civil Code, as such section or subdivision may be amended, renumbered, or redesignated from time to time.

E. “Specific, adverse impact” means a significant, quantifiable, direct, and unavoidable impact, based on objective, identified, and written public health and safety standards, policies, or conditions as they existed on the date the application was deemed complete.

22.91.020 Administrative Approval Process.

The City shall administratively approve applications to install solar energy systems pursuant to the provisions of this Chapter 22.91. If an application for a solar energy system satisfies all of the requirements of the Small Residential Rooftop Solar Energy System checklist, the application shall receive expedited review pursuant to Section 22.91.030. Otherwise, all applications to install solar energy systems shall be processed pursuant to this Section 22.91.020.

A. Application. Prior to submitting a solar energy system permit application and checklist to the City, the applicant shall:

1. Verify to the applicant’s reasonable satisfaction through the use of standard engineering evaluation techniques that the support structure for the solar energy system is stable and adequate to transfer all wind, seismic, and dead and live loads associated with the system to the building foundation; and

2. Verify that the existing electrical system’s current or proposed configuration will accommodate all new photovoltaic electrical loads in accordance with the edition of the California Electrical Code in effect at the time the solar energy system permit application is submitted; and

3. Verify that the proposal is exempt from, or otherwise complies with, the coastal development permit requirements pursuant to Public Resources Code 30610, Sections 13250 to 13253 of Title 14 of the California Administrative Code, and Chapter 28.44 of the Santa Barbara Municipal Code.

B. Extent of Review. The review of all applications to install a solar energy system shall be limited to the Building Official’s review of whether the proposed solar energy system meets all health and safety requirements of local, state, and federal law and the City Planner’s review of applicable building height, open yard requirements, and zoning setbacks pursuant to Title 28 of the Santa Barbara Municipal Code. If the Building Official makes a finding, based on substantial evidence, that the solar energy system could have a specific, adverse impact upon the public health and safety, the City shall require the applicant to obtain a Performance Standard Permit.

C. Standards for Solar Energy Systems. All solar energy systems proposed for installation within the City of Santa Barbara shall meet the following standards, as applicable:

1. All solar energy systems shall meet applicable health and safety standards and requirements imposed by state and local permitting authorities, including building height, zoning setback, minimum open yard, and permitted construction standards.

2. Solar energy systems for heating water in single family residences and solar collectors used for heating water in commercial or swimming pool applications shall be certified by an accredited listing agency as defined in the California Plumbing and Mechanical Codes.

3. A solar energy systems for producing electricity shall meet all applicable safety and performance standards established by the California Electrical Code, the Institute of Electrical and Electronics Engineers, and accredited testing laboratories such as Underwriters Laboratories and, where applicable, rules of the Public Utilities Commission regarding safety and reliability.

4. Solar energy systems may be installed on a property with outstanding violations of the City's Municipal Code so long as both of the following requirements are satisfied:

a. The proposed solar energy system installation will not rely upon prior construction that was identified as a violation in an unresolved City notice or document, and

b. In the course of conducting the building inspection for a solar energy system, a health or life-safety hazard is not observed. Examples of such hazards include, but are not limited to conditions that could lead to structural failure, electrical shock, and sanitary sewer failures.

D. Performance Standard Permit. In the case where the Building Official makes a finding, based on substantial evidence, that the solar energy system could have a specific, adverse impact upon the public health and safety, the solar energy system shall not be installed until a Performance Standard Permit has been issued for the solar energy system pursuant to Chapter 28.93 of this Code. The Performance Standard Permit shall require the installation or incorporation of methods or conditions necessary to minimize or avoid the specific, adverse impact.

E. Appeal. The Building Official's decision that a proposed solar energy system could have a specific, adverse impact upon the public health and safety is appealable in accordance with the following procedures:

1. Who May Appeal. The decision of the Building Official may be appealed to the Planning Commission by the applicant. No other persons can appeal.

2. Timing for Appeal. The applicant must file a written appeal with the Community Development Director no more than 10 calendar days following the Building Official's decision. The appeal shall include the grounds for appeal.

3. Grounds for Appeal. The decision of the Building Official may be appealed on the grounds that the Building Official's decision that a proposed solar energy system could have a specific, adverse impact upon the public health and safety is not supported by substantial evidence.

4. Scheduling an Appeal Hearing. The Community Development Department shall assign a date for an appeal hearing before the Planning Commission no earlier than 10 calendar days after the date on which the appeal is filed with the Community Development Director. The appeal hearing shall generally be held within 60 calendar days following the filing of the application for the hearing.

5. Power to Act on the Decision at Appeal Hearing. The Planning Commission may affirm, reverse, or modify the Building Official's decision that a proposed solar energy system could have a specific, adverse impact upon the public health and safety in accordance with the following:

a. A decision to affirm the decision of the Building Official shall require a finding based on substantial evidence in the record that the proposed solar energy system could have a specific, adverse impact upon the public health and safety.

b. If the Planning Commission determines that there is not substantial evidence that the solar energy system could have a specific adverse impact upon the public health and safety, then the decision of the Building Official shall be reversed and the project shall be approved.

c. If the Planning Commission determines that conditions of approval would mitigate the specific adverse impact upon the public health and safety, then the decision of the Building Official shall be reversed and the project shall be conditionally approved. Any conditions imposed shall mitigate at the lowest cost possible, which generally means the permit condition shall not cause the project to exceed 10 percent of the cost of the small rooftop solar energy system or decrease the efficiency of the small rooftop solar energy system by an amount exceeding 10 percent.

6. The decision of the City Planning Commission is final.

22.91.030 Expedited, Streamlined Permitting Process for Small Residential Rooftop Solar Energy Systems.

In compliance with Government Code Section 65850.5, the City has developed an expedited and streamlined permitting process for qualifying Small Residential Rooftop Solar Energy Systems. The submittal requirements and review procedures for applications of Small Residential Rooftop Solar Energy Systems are as follows:

A. Application Checklist. In order to be eligible for expedited review, prior to submitting a solar energy system permit application and checklist to the City, the applicant shall:

1. Verify to the applicant's reasonable satisfaction through the use of standard engineering evaluation techniques that the support structure for the solar energy system is stable and adequate to transfer all wind, seismic, and dead and live loads associated with the system to the building foundation; and

2. Verify that the existing electrical system's current or proposed configuration will accommodate all new photovoltaic electrical loads in accordance with the edition of the California Electrical Code in effect at the time the solar energy system permit application is submitted; and

3. Verify that the proposal is exempt from, or otherwise complies with, the coastal development permit requirements pursuant to Public Resources Code 30610, Sections 13250 to 13253 of Title 14 of the California Administrative Code, and Chapter 28.44 of the Santa Barbara Municipal Code.

B. Application Submission. City accepts the submission of applications for Small Residential Rooftop Solar Energy Systems and the associated checklist and documentation in person at the Building Permit counter or by electronic submittal. The City shall accept signatures electronically for electronic submittals.

C. Standards for Solar Energy Systems. All solar energy systems proposed for installation within the City of Santa Barbara shall meet the following standards, as applicable:

1. All solar energy systems shall meet applicable health and safety standards and requirements imposed by state and local permitting authorities, including building height, zoning setback, minimum open yard, and permitted construction standards.

2. Solar energy systems for heating water in single family residences and solar collectors used for heating water in commercial or swimming pool applications shall be certified by an accredited listing agency as defined in the California Plumbing and Mechanical Codes.

3. A solar energy systems for producing electricity shall meet all applicable safety and performance standards established by the California Electrical Code, the Institute of Electrical and Electronics Engineers, and accredited testing laboratories such as Underwriters Laboratories and, where applicable, rules of the Public Utilities Commission regarding safety and reliability.

4. Solar energy systems may be installed on a property with outstanding violations of the City's Municipal Code so long as both of the following requirements are satisfied:

a. The proposed solar energy system installation will not rely upon prior construction that was identified as a violation in an unresolved City notice or document, and

b. In the course of conducting the building inspection for a solar energy system, a health or life-safety hazard is not observed. Examples of such hazards include, but are not limited to conditions that could lead to structural failure, electrical shock, and sanitary sewer failures.

D. Application Review. The Building and Safety Division shall confirm whether the application and supporting documents are complete and meet the requirements of the City's Small Residential Rooftop Solar Energy System checklist. The Building and Safety Division shall review applications for Small Residential Rooftop Solar Energy Systems within 24 working hours (3 working days) of submission. Mounting the solar panels on the plane of the roof with the California Solar Permitting Guide "Flush Mount" standards, will eliminate the need for confirmation of maximum building height.

E. Complete Application. An application that satisfies the information requirements specified in the City's Small Residential Rooftop Solar Energy System checklist shall be deemed complete.

F. Incomplete Application. If the Building and Safety Division determines that an application for a Small Residential Rooftop Solar Energy System is incomplete, the Building and Safety Division shall issue a written correction notice detailing all deficiencies in the application and any additional information required to be eligible for expedited permit issuance. Alternatively, if the Building and Safety Division determines that the proposed solar energy system, as proposed, will not qualify as a Small Residential Rooftop Solar Energy System, the Building and Safety Division may recommend that the applicant re-submit his or her application pursuant to Section 22.91.020.

G. Permit Approval. Upon confirmation by the Building and Safety Division that the application and supporting documents are complete and meet the requirements of the Small Residential Rooftop Solar Energy System checklist, the Building Official shall approve the application and issue all required permits or authorizations electronically.

H. Inspections. The installation of a Small Residential Rooftop Solar Energy System shall only require one building inspection which, if a fire inspection is required, shall be consolidated with the fire inspection. If the installation of the Small Residential Rooftop Solar Energy System fails the inspection, a subsequent inspection or inspections shall be required, at the applicant's expense, until the installation passes inspection or is cancelled and the solar energy system is removed to the satisfaction of the Building Official.

SECTION 2. Section 22.04.050 of Chapter 22.04 of Title 22 of the Santa Barbara Municipal Code is amended to read as follows:

22.04.050. Amendments to the California Electrical Code.

The 2013 California Electrical Code, as adopted by reference pursuant to this Chapter, is amended as set forth in this Section 22.04.050:

A. Article 89.108.8 California Electrical Code is deleted and readopted to read as follows:

89.108.8 Appeals Board. Appeals of orders, decisions, or determinations made by the Authority Having Jurisdiction shall be addressed in accordance with the provisions of Section 113 and Appendix B of the California Building Code as amended by the City of Santa Barbara in Section 22.04.020.

B. A new Article 690.4 (I) is added to the California Electrical Code to read as follows:

690.4 (I) Single Family Residences. New single family residences shall comply with the requirements of this Article.

(1) Conduit for Future Solar Photovoltaic System. Newly constructed single-family dwelling units shall include minimum 1-inch diameter, metallic electrical conduit installed per this Section to accommodate future installation of roof-mounted solar photovoltaic systems. The electrical junction box and the segment of conduit run in the attic, or where there is no attic, to the roof deck, shall be permanently and visibly marked as "For Future Solar Photovoltaic".

(2) Conduit and Junction Box Locations. One conduit run shall originate at a readily accessible attic or roof deck location with proximity to California Energy Code's "Solar Zone Area" and terminate at a minimum 4-inch-square approved electrical junction box located within 72 inches horizontally and 12 inches vertically of a main electrical panel. A second conduit run shall originate at the electrical junction box and terminate at the main electrical panel.

SECTION 3. Section 28.93.030 of Title 28 of the Santa Barbara Municipal Code is amended to read as follows:

28.93.030 Uses Permitted Upon Issuance of a Performance Standard Permit.

The following use(s) may be permitted subject to the approval of a Performance Standard Permit:

A. State-licensed Large Family Day Care Homes in the A, E, R-1, R-2, R-3, R-4 and PUD zones and in the HRC-2 zone where residential uses are permitted provided that the following performance standards are met:

1. There are no other State-licensed Large Family Day Care Homes within a 300 foot radius of the proposed Large Family Day Care Home measured from the nearest property lines of the affected Large Family Day Care Homes. A waiver from the 300-foot spacing requirement may be granted if it can be found that certain physical conditions exist and if the waiver would not result in significant effects on the public peace, health, safety and comfort of the affected neighborhood. Examples of physical conditions that may warrant granting of a waiver include intervening topography that creates a barrier or separation between the facilities such as hillsides or ravines, the presence of major nonresidential uses or structures between facilities or the presence of a major roadway between the facilities.

2. The City finds that adequate off-street area or on-street area in front of the residence is available for passenger loading and unloading. The passenger loading and unloading area shall be of adequate size and configuration and shall allow unrestricted access to neighboring properties.

3. Outdoor play shall be limited to the hours between 8:00 a.m. and 6:00 p.m.

4. One additional parking space for employee parking shall be provided unless a finding is made that adequate on-street or off-street parking is available to support the proposed use.

B. Community care facilities, residential care facilities for the elderly, and hospices serving 7 to 12 individuals in the A, E, R-1, R-2, R-3, R-4, and PUD zones and in the HRC-2 zone where residential uses are permitted, provided that the following performance standards are met:

1. Adequate off-street parking is provided pursuant to Section 28.90.100 or as modified pursuant to Section 28.92.110.

2. The facility conforms to the extent feasible to the type, character and appearance of other residential units in the neighborhood in which it is located. This provision shall in no way restrict the installation of any special feature(s) necessary to serve disabled residents (e.g., ramps, lifts, handrails).

3. The intensity of use in terms of number of people, hours of major activities and other operational aspects of the proposed facility is compatible with any neighboring residential use.

C. Public works treatment and distribution facilities that are greater than 500 square feet and no more than 1,000 square feet in the R-3, R-4, and P-R zones subject to the requirements of Section 28.37.010.B., and less restrictive zones, provided that the following performance standards are met:

1. The setbacks of the proposed facilities from property and street lines are of sufficient magnitude in view of the character of the land and of the proposed development that significant detrimental impact on surrounding residential properties is avoided.

2. The operation of the proposed facility is such that the character of the area is not significantly altered or disturbed.

3. The design and operation of non-emergency outdoor security lighting and equipment will not be a nuisance to the use of property in the area.

4. Construction (including preparation for construction work) is prohibited Monday through Friday before 8:00 a.m. and after 5:00 p.m., and all day on Saturdays, Sundays, and holidays observed by the City of Santa Barbara.

5. If construction work is necessary before 8:00 a.m. or after 5:00 p.m., Monday through Friday, it must be approved by the Chief Building Official. If approved by the Chief Building Official, the applicant shall provide written notice to all property owners and residents within 300 feet of the project and the City Planning and Building Divisions at least 48 hours prior to commencement of any noise-generating construction activity.

6. The project will incorporate standard dust control measures to minimize air quality nuisances to surrounding properties.

D. Rehabilitation of existing water storage reservoirs or sludge basins in any zone, that are owned and operated by the City, provided that the following performance standards are met:

1. That the design and operation of non-emergency outdoor lighting and equipment will not be a nuisance to the use of property in the area.

2. Construction (including preparation for construction work) is prohibited Monday through Friday before 8:00 a.m. and after 5:00 p.m., and all day on Saturdays, Sundays and holidays observed by the City of Santa Barbara.

3. If construction work is necessary before 8:00 a.m. or after 5:00 p.m., Monday through Friday, it must be approved by the Chief Building Official. If approved by the Chief Building Official, the applicant shall provide written notice to all property owners and residents within 300 feet of the project and the City Planning and Building Divisions at least 48 hours prior to commencement of any noise-generating construction activity.

4. The project will incorporate standard dust control measures to minimize air quality nuisances to surrounding properties.

E. Additional dwelling units. Notwithstanding any other provisions of this title, where a lot in an A-1, A-2, E-1, E-2, E-3, or R-1 Zone has an area of more than the required lot area for that zone and adequate provisions for ingress and egress, a Performance Standard Permit may be granted by the Staff Hearing Officer for the construction of additional one-family dwellings and allowable accessory buildings in these zones. However, the minimum site area per dwelling unit in these zones shall be the minimum lot area required for that zone, and the location of such additional dwellings shall comply with the provisions of all other applicable ordinances.

F. Solar Energy Systems. In the case where the Building Official makes a finding, based on substantial evidence, that a solar energy system could have a specific, adverse impact upon the public health and safety (as defined in Chapter 22.91 of this Code), the solar energy system shall not be issued a building permit until a Performance Standard Permit has been issued for the solar energy system.

1. Conditions of Approval . The Performance Standard Permit shall require the installation or incorporation of measures or conditions necessary to minimize or avoid the specific, adverse impact.

2. Grounds for Denial. The City shall not deny an application for a Performance Standard Permit to install a solar energy system unless it makes written findings based upon substantial evidence in the record that the proposed installation would have a specific, adverse impact upon the public health or safety, and there is no feasible method to satisfactorily minimize or avoid the specific, adverse impact. If the

applicant proposes any potentially feasible alternatives for preventing the specific adverse impact, the findings accompanying the denial of the Performance Standard Permit shall include the basis for the rejection for potential feasible alternatives of preventing the specific, adverse impact.

3. Appeal. The decision of the Staff Hearing Officer to deny an application for a Performance Standard Permit is appealable according to the following procedures:

a. Who May Appeal. The decision of the Staff Hearing Officer may be appealed to the Planning Commission by the applicant. No other persons can appeal.

b. Timing for Appeal. The applicant may appeal a decision of the Staff Hearing Officer by filing an appeal with the Community Development Director no more than 10 calendar days following the decision. The application shall include the grounds for appeal.

c. Grounds for Appeal. The decision of the Staff Hearing Officer may be appealed on the grounds that the stated findings to deny the permit are not supported by substantial evidence.

d. Scheduling an Appeal Hearing. The Community Development Department shall assign a date for an appeal hearing before the Planning Commission no earlier than 10 calendar days after the date on which the appeal is filed with the Community Development Director. The appeal hearing shall generally be held within 60 calendar days following the filing of the application for the hearing.

e. Power to Act on the Decision at Appeal Hearing. The Planning Commission may affirm, reverse, or modify the Staff Hearing Officer's decision to deny a solar energy system in accordance with the following:

i. A decision to affirm the decision of the Staff Hearing Officer shall require a finding based on substantial evidence in the record that the proposed solar energy system would have a specific, adverse impact upon the public health and safety.

ii. If the Planning Commission determines that there is not substantial evidence that the solar energy system would have a specific adverse impact upon the public health and safety, then the decision of the Staff Hearing Officer shall be reversed and the project shall be approved.

iii. If the Planning Commission determines that conditions of approval would mitigate the specific adverse impact upon the public health and safety, then the decision of the Staff Hearing Officer shall be reversed and the project shall be conditionally approved. Any conditions imposed shall mitigate at the lowest cost possible, which generally means the permit condition shall not cause the project to exceed 10 percent of the cost of the small rooftop solar energy system or decrease the efficiency of the small rooftop solar energy system by an amount exceeding 10 percent.

f. The decision of the City Planning Commission is final.

SECTION 4. Severability. If any section, subsection, phrase, or clause of this ordinance is for any reason held to be unconstitutional, such decision shall not affect the validity of the remaining portions of this ordinance.

The City Council hereby declares that it would have passed this ordinance and each section, subsection, phrase or clause thereof irrespective of the fact that any one or more sections, subsections, phrases, or clauses be declared unconstitutional.

SECTION 5. Effective Date. This ordinance shall take effect thirty (30) days after passage thereof.



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: July 28, 2015

TO: Mayor and Councilmembers

FROM: Environmental Services Division, Finance Department

SUBJECT: Status Of The Resource Recovery Project At Tajiguas Landfill

RECOMMENDATION: That Council:

- A. Receive a report on the status of the proposed Resource Recovery Project at Tajiguas Landfill; and
- B. Direct staff to work with County of Santa Barbara staff to study and evaluate a public financing model for the Resource Recovery Project.

EXECUTIVE SUMMARY:

For the past several years, the County, in concert with the City of Santa Barbara and neighboring jurisdictions, has investigated various conversion technologies as alternatives to disposal at Tajiguas Landfill. Following a competitive procurement initiated in 2009, the Public Participants executed a Term Sheet with Mustang Renewable Power Ventures in January of 2013 to design, build, own and operate a materials recovery facility and an anaerobic digester at Tajiguas Landfill.

The County, as Lead Agency under the California Environmental Quality Act, released a draft Subsequent EIR for the project in August of 2014. City staff discussed the draft EIR with the City Planning Commission in September of 2014 and submitted a letter incorporating Planning Commission comments to the County. The Final Subsequent EIR will be brought to the Board of Supervisors for consideration of certification after the forthcoming County Planning Commission hearing, tentatively scheduled for fall of 2015. The City Council would only be required to make findings on the Final Subsequent EIR in the event that the City formally committed its waste to the project.

The Mustang proposal includes financing a portion of the construction of the project from private financing. In part due to the high cost of the private financing, the vendor has been unable to achieve the \$100 per ton threshold and risk allocation set forth in the request for proposals and the Term Sheet executed between the Public Participants and Mustang in January of 2013. For this reason, the Public Participants and the County's consultant have evaluated alternative financing approaches, including one in

which the County would finance the project through the issuance of its own debt, such as revenue bonds. The bonds would be secured by material delivery agreements between the County and the participating agencies, including the City of Santa Barbara. A publicly financed approach yields tipping fees considerably lower than those proposed by Mustang and with little additional risk to ratepayers.

On July 7, 2015, the Board of Supervisors directed County staff to complete the modeling of publicly financed alternatives, share the results with the County's Debt Advisory Committee, and bring the final results to the Board of Supervisors in fall of 2015.

DISCUSSION:

For several years, staff from multiple jurisdictions, including the County of Santa Barbara and the cities of Santa Barbara, Goleta, Buellton and Solvang (Public Participants), have worked together to explore the development of a Resource Recovery Project (RRP) at the Tajiguas Landfill. Following a formal procurement process which began in 2009, the Public Participants selected a project proposal, submitted by Mustang Renewable Power Ventures (Mustang), comprised of the following components:

1. Materials Recovery Facility (MRF) – this facility would sort the municipal solid waste (MSW) that is currently received at Tajiguas Landfill into three streams:
 - Recyclables – that would be separated, baled and sold for reuse;
 - Organics – that would be recovered for processing in the Anaerobic Digestion Facility; and,
 - Residual – non-recoverable materials left over from the MRF and Anaerobic Digestion Facility, which would ultimately be landfilled.
2. Anaerobic Digestion Facility (ADF) – this facility would convert organics recovered from the MSW into compostable material and biogas. The compost would be marketed as a soil amendment or used for reclamation projects. The biogas would be combusted to generate electricity.

It should be noted that the RRP would provide the Public Participants a local option for processing source-separated recyclables and source-separated organics, which are currently processed in Ventura and Santa Maria, respectively.

In January of 2013, the Public Participants jointly executed a Term Sheet, including an Exclusive Right to Negotiate with Mustang, who has assembled the following team of subcontractors to design, build and operate the RRP:

- Diani Construction: primary construction contractor
- Van Dyk Recycling Solutions: Material Recovery Facility equipment provider

- MarBorg Industries, Inc: Material Recovery Facility operator
- BEKON: Anaerobic Digester technology provider
- Nursery Products: Anaerobic Digester Operator

The project was proposed to be a public/private partnership in which Mustang would design, build, own, and operate the facility.

The Public Participants would have the option to purchase the facility for one dollar at the end of the 20-year contract. The Public Participants would commit to deliver a fixed range of waste tonnage to the facility in exchange for a set tipping fee. The jurisdictions would then be obligated under a “put or pay” arrangement to compensate the vendor for its minimum tonnage commitment regardless the amount of material actually delivered.

Other key parameters from the request for proposals (RFP) and the Term Sheet include the following:

- a. The vendor would assume risks associated with the design, construction and operation of the RRP; and,
- b. Tipping Fees to process material would not exceed \$100 per ton.

A detailed description of the history of the project, the procurement process, proposed technologies, and business terms to be negotiated were presented to the City Council on January 10, 2012. The Council Agenda Report is available at: <http://tinyurl.com/o28jo4g>

Update on Business Negotiations with Mustang

In October of 2014, the Public Participants received an updated proposal from Mustang which incorporated changes that have occurred since the release of the RFP. Between November 2014 and February 2015, the Public Participants engaged in extensive negotiations with the vendor. However, those sessions failed to produce business terms consistent with the terms of the RFP and the Term Sheet. The proposal that most closely aligned with the RFP and Term Sheet resulted in a vendor service fee of \$126 per ton or a final tipping fee of \$146 per ton with the addition of the \$20 per ton site lease fee¹. This proposal also shifted more of the risk burden to the Public Participants' ratepayers than originally contemplated.

Public Financing Alternative

In reviewing Mustang's proposal, it became apparent that a primary factor leading to the higher tipping fees was the cost of private funds (internal rate of return on equity,

¹ The purpose of the site lease fee is to cover existing debt service and future costs related to the closure and postclosure maintenance of Tajiguas Landfill.

interest rate on debt service, etc.), as well as other terms and conditions associated with the proposed financing model.

To better understand the specific costs associated with the private funding, staff and its contract consultant, prepared a cursory review of a publicly financed project. The model assumed that the County of Santa Barbara would finance the project using revenue bonds guaranteed by waste delivery agreements. Such a financing structure would pose no risk to the General Funds of the Public Participants.

The draft model was shared with staff of the County Treasurer, Auditor- Controller and the County Executive Office to confirm assumptions. The public financing model results in considerable cost savings to the rate payer (approximately 25-30% less) when compared to the Mustang proposal, with little additional risk imposed by the Mustang proposals.

In May 2015, staff from the Public Participants met with the City Managers of Buellton, Goleta, Santa Barbara, and Solvang and the County's CEO and recommended that staff continue to evaluate alternative means of financing the project to decrease costs to ratepayers including a detailed evaluation of:

- a. A publicly financed model supplemented by private equity investments; and
- b. A hybrid approach using public financing for the MRF component of the project and private financing for the AD (to take advantage of an investment tax credit that Mustang has already secured).

In the case of a publicly financed project, the City would execute an agreement with the County (instead of Mustang) to process City waste and recyclables. The Agreement would contain similar provisions as those envisioned for a public/private arrangement including: a set tipping and defined adjustments (e.g. CPI); a put or pay commitment by the City; and, a process for evaluating and negotiating non-standard tipping fee adjustments.

On July 7, 2015, the Board of Supervisors directed County staff to complete the evaluation, present the findings to the County's Debt Advisory Committee for review and return to the Board in late fall of 2015 with a final analysis.

Update on Environmental Review

The County, as Lead Agency, prepared and released a draft Subsequent EIR (SEIR) for the project to responsible and trustee agencies and members of the public on August 11, 2014 for a 45-day public review period. At the public's request, the review period was subsequently extended to October 9, 2014. One of the alternatives studied in depth contemplated siting the MRF at 620 Quinientos Street in the City of Santa Barbara on property owned by MarBorg. For this reason, City staff discussed the SEIR with the City Planning Commission on September 4, 2014. Following the

meeting, staff prepared and submitted a letter incorporating Planning Commission comments to the County.

County staff have reviewed and prepared responses to comments submitted on the SEIR. The comment letters and responses will be included in the Final SEIR, which will be made available prior to the County Planning Commission's Government Code Section 65402 General Plan conformity hearing on the project. County staff will bring the Final SEIR to the Board for consideration of certification after the County Planning Commission hearing.

In the event that the City formally commits waste to the RRP, the City Council would be required to make findings on the Final SEIR.

BUDGET/FINANCIAL INFORMATION:

A publicly financed project would result in tipping fees consistent with the \$100 per ton ceiling established by the RFP and Term Sheet and substantially lower than those proposed by Mustang.

SUSTAINABILITY IMPACT:

Construction of the Resource Recovery Project would significantly increase the City's waste diversion rate, which would support City efforts to comply with State diversion mandates set forth in Assembly Bill 939, Assembly Bill 341 and most recently, Assembly Bill 1826. This increase in South Coast diversion would approximately double the number of years before Tajiguas Landfill reaches its permitted capacity depending upon disposal rates and when the facility becomes operational. As such, the State's mandate to maintain at least 15 years of disposal capacity (Title 27, California Code of Regulations) would be satisfied.

In addition, the project would generate renewable energy (equivalent to approximately 1,000 homes) and would reduce greenhouse gas emissions (equivalent to removing 22,000 vehicles) when compared to current landfill disposal in direct support of the City's efforts to comply with Assembly Bill 32.

PREPARED BY: Matthew R. Fore, Environmental Services Manager

SUBMITTED BY: Robert Samario, Finance Director

APPROVED BY: City Administrator's Office



**CITY OF SANTA BARBARA
COUNCIL AGENDA REPORT**

AGENDA DATE: July 28, 2015
TO: Mayor and Councilmembers
FROM: Golf Division, Parks and Recreation Department
SUBJECT: Council Direction On Operating Options For Santa Barbara Golf Club

RECOMMENDATION: That Council:

- A. Receive a report on three operating models evaluated for Santa Barbara Golf Club; and
- B. Direct staff to proceed with Option B, to include a Request for Proposals for professional golf management services for golf course management, Pro Shop, and course maintenance operations; and negotiate contractual terms with the existing operators of Mulligan's Café and Bar to provide food and beverage services at the golf course.

EXECUTIVE SUMMARY

The Santa Barbara Golf Club (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. Over the last year, staff made a number of presentations to the Golf Advisory Committee, Parks and Recreation Commission, Finance Committee, and City Council on options to improve the financial sustainability of the golf course, including changing the operating model for the course. On March 10, 2015, Council prioritized the need for the golf course to remain a self-supporting enterprise not dependent upon the General Fund, and directed staff to move forward with contracting out course maintenance, effective June 2016, to reduce on-going golf expenses. With the contracts for the two existing concession agreements (Pro Shop and Restaurant) coming to an end in June 2016, the City has the opportunity to consider an alternate operating model for the golf course that would better position the City to make the golf course financially sustainable and self-sufficient over the long term.

Staff identified three alternate operating models that met City Council priorities for long-term financial sustainability of the golf course, and City control over policy, fees and course maintenance standards. Under Option A, the City would contract through a Management Agreement with one company to provide Course Management, Maintenance, Pro Shop, and Food and Beverage services. In Option B, the City would contract with two companies - one Management Agreement for Course Management, Maintenance, and Pro Shop and a separate Food and Beverage Concession. In Option C, the Parks and Recreation

Department would continue to manage the course, with three separate contracts for Maintenance, Pro Shop, and Food and Beverage services.

The Parks and Recreation Commission formed the Golf Operating Options Committee (Committee) comprised of two Parks and Recreation Commissioners and three Golf Advisory Committee members. The Committee reviewed alternate operating models and recommended that Option A was in the best interests of the City and Golf Club. In a June 15, 2015, joint meeting between the Commission and Golf Advisory Committee, the options and the Committee recommendation were presented. Voting separately, the Parks and Recreation Commission concurred with the Committee's recommendation, and recommended that City Council pursue Option A as being in the best interests of the City and Golf Club. The Golf Advisory Committee was unable to come to agreement on a recommendation, with two split votes (2/2) for both Options A and C.

DISCUSSION:

Background

The Santa Barbara Golf Club (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 Club has never received General Fund support, but has been below policy reserves since Fiscal Year 2008. Over the last year, staff made a number of presentations to the Golf Advisory Committee, Parks and Recreation Commission, Finance Committee, and City Council on options to improve the financial sustainability of the golf course, including changing the operating model for the course.

On March 10, 2015, Council prioritized the need for the golf course to remain a self-supporting enterprise not dependent upon the General Fund, and directed staff to proceed with proposals to increase marketing and refinance golf course debt with the Fiscal Year 2016 budget. To reduce on-going golf expenses, Council also directed staff to move forward with contracting out course maintenance with the application of the Living Wage Ordinance effective June 2016. In considering possible changes to the golf course operation, Council prioritized the need for long-term financial sustainability of the golf course, and for the City to retain control over policy, fees, and course maintenance standards.

Alternative Golf Operating Options Considered

Under the current operating structure, the Parks and Recreation Department manages the full golf course operation, provides course maintenance, and manages the two private concession agreements for the operation of the Pro Shop and Food and Beverage services. With the terms for the two existing concession agreements coming to an end in June 2016, the City has the opportunity to consider an alternate operating model, including contracting out for the course maintenance, which might improve the fiscal sustainability of the golf course over the long term. Working with the Pro Forma

Advisors Golf consultant, staff evaluated various golf course operating models and reviewed existing golf operations contracts of other California communities, such as Ventura, Mountain View, Los Robles, Anaheim, Long Beach, and Walnut Creek. Given the priorities set by City Council, staff identified three options for consideration.

OPTION A: The City contracts with one company through a Management Agreement to provide Course Management, Maintenance, Pro Shop, and Food and Beverage operations.

OPTION B: The City contracts with two companies – one Management Agreement for Course Management, Maintenance, and Pro Shop operations, and a separate Food and Beverage Concession.

OPTION C: The Parks and Recreation Department continues to manage the course, with three separate contracts for Maintenance, Pro Shop, and Food and Beverage operations.

In all three options, the Parks and Recreation Department would continue to have primary oversight for the operation of the golf course. In weighing the three options, there are three primary considerations: operational changes, the potential to reduce annual Golf Club expense, and the potential to increase Golf Club revenue above Status Quo over the long-term. Please refer to Attachments 1 – 4 for additional background on the three options.

Golf Course Management Services – What is the Benefit to the City?

Options A and B entail the City contracting for professional golf course management services, often referred to as a management agreement. For a predetermined fee, and acting as the City's agent, the service provider manages the Golf Club daily operation and oversees the specific services included in the contract, i.e., Maintenance, Pro Shop, and Food and Beverage. The City Council retains budget and fee authority, no different from the status quo. The contract typically includes performance incentives, which augment the pre-determined management fee. All revenues and expenses associated with the Golf Club operation (management, maintenance, pro shop, food and beverage) are retained by the City. (Currently, the City does not see revenue and expense for the Pro Shop or Food and Beverage operations. Instead, the City receives a negotiated rent from those two concessions.)

It is increasingly common for municipal golf courses to employ the management agreement/contract management model in order to decrease operational costs and enhance revenue potential over the long term. There are four primary benefits to contracting for comprehensive golf course management:

1. The contractor's professional experience in golf course management is assumed to exceed that of City staff. Given the continuing changes in the golf industry and increased competitive market, this professional experience should enhance both golf course operations and financial performance.

2. The contractor would have direct oversight for Maintenance, Pro Shop and Food and Beverage (Option A) or Maintenance and Pro Shop (Option B). In today's competitive golf market, this consolidated approach for managing and marketing the golf course better positions the course to provide the highest level of golfer services at the most competitive price, and ensures a more dynamic and timely response to changing golf market needs.
3. The service provider assumes services currently provided by the City, such as Personnel, Payroll, Marketing, Accounting, etc. Typically, those services are provided at a reduced cost compared to the City's. The City's administrative and overhead burden associated with operation of the golf course is reduced, resulting in decreased annual operational expense compared to Option C without contract management.
4. Under Options A or B, staff anticipates a strong response from qualified vendors to Requests for Proposals, thus providing the best opportunity for the City to negotiate a favorable contract for the Golf Club. In contrast, Option C will have a very limited qualified vendor pool for Pro Shop and Maintenance operations, which will limit the City's opportunities.

Comments from the public have raised concerns about lack of City involvement or control if the Golf Club were to operate under a Management Agreement, citing references to the Las Positas Tennis Courts lease agreement with Elings Park. It is important to understand that there are significant differences between the two types of contracts. In a Management Agreement, the contractor is working as the City's agent, and Parks and Recreation staff would continue to be involved in oversight and direction of the work conducted by the contractor. The Golf Advisory Committee would continue to function as it currently does, providing input to the Department, Parks and Recreation Commission, and City Council. A survey of other municipalities who successfully operate golf courses in this model shows that agencies have staff dedicated to managing the contract and overseeing the golf operations; however, that time is significantly reduced from the agency self-operating the course.

In contrast, the Parks and Recreation Department oversees a number of lease agreements, including the Zoo, Elings Park, Elings Park/Las Positas Tennis Courts, Police Activities League/Twelve35 Teen Center, and the YMCA/Haley Youth Sports Center, etc. Those lease agreements define the use and purpose of the facility, scope of services or activities that will be provided, hours of operation, etc. The City does not get involved in the daily operation of the programs and services unless a significant issue is raised related to the lease.

Long Term Financial Benefits of Options A, B and C

Each of the three options will reduce the Golf Club annual operating expenses, primarily as a result of contracting out City maintenance of the golf course. Options A and B will result in an estimated annual savings of \$368,000, and Option C an estimated savings

of \$318,000. Options A and B have higher savings due to reduced City administration and overhead expense as discussed above. Looking at long-term financial sustainability, Options A and B also have increased potential for stronger financial performance, with Option A having the highest potential. It is assumed that the professional management and consolidated management of operations will result in increased financial performance over time. Option C performance would be the same as the status quo.

Option B – Separate Food and Beverage Concession

In Option B, the City has the opportunity to achieve most of the benefits of Option A; however, it allows for a separate Food and Beverage Concession. The annual savings for Options A and B are the same (\$368,000) compared to the status quo. In terms of revenue potential, Option A offers the greatest revenue potential for the golf course over the long term. However, the revenue potential with Option B, while less than Option A, is still an improvement over Option C (Status Quo).

If desired, Council can direct staff to negotiate a new concession agreement with the current operators of Mulligan's Café, Mario and Lani Medina. There has been substantial public comment in support of the Medina's and Mulligan's Café, citing their history of operating a successful family business in that location for 23 years. Noting the challenging restaurant business environment in Santa Barbara, the Medina's have talked about how they have grown their business year over year, and have increased revenues paid to the Golf Club and City every year.

Staff recognizes that there is risk to the City with a change in restaurant operators. Mulligan's Café is a tenant in good standing with a history of timely payments. A look at gross receipts performance shows Mulligan's has done well over the years. Over the period 2009 to 2014, a difficult financial period for the golf course, Mulligan's gross receipts and rent payments to the City increased by 28%. In contrast, over the same period, the City's Greens Fees revenues declined by 13%. Pro Shop concession gross receipts declined by 2%, while Pro Shop rent paid to the City declined even further, by 19%, due to renegotiated contract terms. Throughout this process, people, particularly golfers, have talked about the need for the restaurant to improve how it serves and benefits the golfers and golf course. In recent meetings with staff, the Medina's have offered ways the restaurant can promote and improve services to golfers and contributions to the overall financial performance of the golf course. Such opportunities could be discussed further in contact negotiations.

Limitations of Option C

Under Option C, the Parks and Recreation Department would continue to manage the Golf Club, and operations would be provided through a Maintenance Contract, a Pro Shop concession agreement, and a restaurant concession agreement. Option C does show annual cost savings of \$318,000 compared to Status Quo, from the outsourcing of golf course maintenance. Administrative costs are increased for Parks and Recreation

due to the addition of a third contract, and Option C does not have the City administration and overhead savings of Options A or B as the City retains those on-going costs, including marketing. In terms of increased revenue potential over the long term, Option C does not offer the golf course what Option A or B provides. Challenges that the Department has experienced in working and negotiating with two operators (Pro Shop and Restaurant) will increase since there will now be three operators providing services at the course. Staff is concerned that this will further limit the City's ability to act in a timely manner to promote play in this increasingly competitive local golf market.

In discussing Option C with the Golf consultant and City staff, the greatest limitation of Option C is that there will be a very limited qualified vendor pool for Pro Shop and Maintenance operations, which will limit the City's opportunities. With Options A or B it is anticipated that the qualified vendor response to Requests for Proposals will be very strong, providing the best opportunity for the City to negotiate a favorable contract for the Golf Club over the long term.

Golf Operating Options Committee Review and Recommendations

The Parks and Recreation Commission established a Golf Operating Options Committee to work with staff to evaluate operating options and develop recommendations for the Golf Advisory Committee and the Parks and Recreation Commission. The Committee included two Parks and Recreation Commissioners and three Golf Advisory Committee members. The Committee met on May 26, 2015, and June 3, 2015. On June 3, 2015, the Committee recommended (5/0) that the City pursue one contract with a professional golf management company to operate all services at Santa Barbara Golf Club. Attachment 5 lists key considerations the Golf Operating Options Committee identified for the Request For Proposals process for golf operations.

Golf Advisory Committee and Parks and Recreation Commission Recommendations

The Parks and Recreation Commission and Golf Advisory Committee held a joint meeting on June 15, 2015, to review the alternate operating options, consider the Golf Operating Options Committee's recommendation and make their own recommendations to City Council. Thirteen people spoke at public comment with most speaking in favor of retaining the services provided by the operators of Mulligan's Café and Bar.

The Golf Advisory Committee was unsuccessful in delivering a recommendation. A motion for Option A failed (2/2) and a motion for Option C also failed (2/2). A motion for Option B with a strong recommendation that Mulligan's be considered for the Food and Beverage concessionaire also failed (2/2). While some Committee members felt strongly that Option A was the best financial outcome for the long-term sustainability of the golf course, other Committee members expressed concerns for people employed at the Pro Shop and Mulligan's.

The Parks and Recreation Commission voted 4/1 to recommend Option A to City Council. The focus of most commissioner comments was a decision that provides the

best long-term financial outlook for the municipal golf course given the Council direction for the golf course to remain self-sustaining.

For more information on comments by Golf Advisory Committee and Parks and Recreation Commission members, a copy of the draft June 15, 2015, Joint Meeting minutes are included with this report as Attachments 6.

Staff Recommendation

Staff concurs with the Golf Operating Options Committee and the Parks and Recreation Commission that Option A would provide the strongest opportunity for the City's municipal golf course to achieve long-term financial sustainability. Option A reduces on-going expenses by \$368,000 and provides the strongest potential for increased financial performance over Status Quo.

However, staff recognizes the community value and successful financial track record of Mulligan's over the last 23 years. Option B, which would allow Mulligan's to continue to operate under a separate concession, has the same annual cost savings as Option A. Although Option B provides a slightly reduced potential for increased financial performance compared to Option A, that potential is still greater than Option C or Status Quo. If directed to enter into contract negotiations with Mulligan's, staff believes that contract terms to improve outcomes for the golfers and the golf course can be achieved. The downside of Option B is that the City will likely continue to have conflicts between operators when it comes to decisions on golf course marketing, promotions, and tournament services.

Staff recommends that City Council determine that Option B is in the best long-term interests for the municipal golf course. With that, direct staff to proceed with a Request for Proposals for professional golf management services, including golf course management, golf operations/Pro Shop and course maintenance with the goal of having a new contract in place by July 1, 2016. Additionally, staff recommends that Council direct staff to enter into negotiations with the existing operators of Mulligan's Café and Bar to provide food and beverage services at the golf course.

BUDGET/FINANCIAL INFORMATION:

Current Pro Shop and Restaurant concession contracts expire on June 30, 2016. Staff expects no impact to the Fiscal Year 2016 Adopted Budget. Any changes in budgeted operating costs and revenue from the adopted Fiscal Year 2017 due to new contracts at the Golf Club will be addressed as part of the mid-cycle budget process.

- ATTACHMENTS:**
1. Golf Operating Options
 2. Financial Summary of Operating Options
 3. List of Responsibilities by Operating Option
 4. List of Golf Course Operating Options Employed at Local Golf Courses
 5. Key Considerations for RFP contract(s) as Identified by Golf Options Committee
 6. Minutes from the Special Joint Meeting of Golf Advisory Committee and Parks and Recreation Commission June 15, 2015

PREPARED BY: Mark Sewell, Parks and Recreation Business Manager

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

APPROVED BY: City Administrator's Office

GOLF OPERATING OPTIONS

Option A	Option B	Option C
<p>One Contract <u>(1) Management Agreement</u> Includes Course Management, Maintenance, Pro Shop and Food and Beverage</p>	<p>Two Contracts <u>(1) Management Agreement:</u> Course Management, Maintenance and Proshop <u>(2) Food and Beverage Concession</u></p>	<p>Three Contracts City manages course, plus <u>(1) Maintenance Contract,</u> <u>(2) Food and Beverage Concession</u> <u>(3) Pro shop Concession</u></p>
<p>Lowest City oversight costs</p>	<p>Moderate City oversight costs</p>	<p>Increased City oversight costs</p>
<p>Highest synergy for decision making all 4 operations</p>	<p>Increased synergy between management, maintenance and golf operations, continued potential for conflicts for golf events and banqueting, marketing</p>	<p>Increased potential for conflict over Status Quo with three contracts.</p>
<p>Financial incentives congruent with performance</p>	<p>Financial incentives congruent with performance</p>	<p>Maintenance decisions taken in isolation to revenue performance</p>
<p>Anticipate strong qualified vendor response</p>	<p>Anticipate strong qualified vendor response</p>	<p>Limited number of qualified vendors</p>
<p>Contractor to operate or subcontract for Food and Beverage, potentially retaining existing operator</p>	<p>City to contract for Food and Beverage, potentially retaining existing operator</p>	<p>City to contract for Food and Beverage, potentially retaining existing operator</p>
<p>OVERALL FINANCIAL BENEFIT TO CITY</p>		
<p>Projected fiscal benefit versus FY 2017 Status Quo: \$368,000</p>	<p>Projected fiscal benefit versus FY 2017 Status Quo: \$368,000</p>	<p>Projected fiscal benefit versus FY 2017 Status Quo: \$318,000</p>
<p>Strongest potential for increased financial performance compared to Status Quo</p>	<p>Stronger potential for increased financial performance compared to Status Quo</p>	<p>No change from Status Quo</p>

Attachment 2. Financial Summary of Operating Options

	<u>Status Quo</u> <u>(FY2017)</u>	<u>Option A</u>	<u>Option B</u>	<u>Option C</u>
Greens Fees Revenue	\$ 1,783	\$ 1,783	\$ 1,783	\$ 1,783
Golf Operations Revenue	-	\$ 620	\$ 620	-
Facility/Golf Ops Concession Rent	\$ 166	\$ 30	\$ 30	\$ 144
Food & Beverage Rent	\$ 159	\$ 159	\$ 159	\$ 159
Other Revenue	\$ 8	\$ 8	\$ 8	\$ 8
Total Gross Revenue	\$ 2,116	\$ 2,600	\$ 2,600	\$ 2,094
Operating Expenses				
Course Maintenance	\$ 1,549	\$ 1,060	\$ 1,060	\$ 1,060
Golf Operations	-	\$ 373	\$ 373	-
Maintenance Fee	-	-		\$ 106
Management Fee	-	\$ 130	\$ 120	-
G & A	-	\$ 240	\$ 240	\$ 110
Total	\$ 1,549	\$ 1,803	\$ 1,793	\$ 1,276
City Contract Administration	\$ 114	\$ 100	\$ 110	\$ 154
Citywide Overhead Allocation	\$ 178	\$ 54	\$ 54	\$ 72
City Costs	\$ 293	\$ 154	\$ 164	\$ 226
Total Costs	\$ 1,841	\$ 1,957	\$ 1,957	\$ 1,501
Net Operating Income (EBITDA)	\$ 275	\$ 643	\$ 643	\$ 593
Less: Debt Service	\$ 85	\$ 85	\$ 85	\$ 85
Capital	\$ 256	\$ 256	\$ 256	\$ 256
Net Cash flow	(\$ 66)	\$ 302	\$ 302	\$ 253
Comparison to Status Quo	-	+ \$ 368	+ \$ 368	+ \$ 318
RANK	3	1		2
Revenue upside potential	Same	Highest	Higher	Same

Attachment 3. List of Responsibilities by Operating Option

RESPONSIBILITIES AND CITY STAFFING	STATUS QUO	OPTION A	OPTION B	OPTION C
City Maintenance Staff - perm	9.80			
City Maintenance Staff - hourly	4.36			
City Mgt / Supervisory Staff	0.60	0.70	0.75	1.00
Total FTE	14.76	0.70	0.75	1.00
<u>Item</u>	<u>Responsibility</u>	<u>Responsibility</u>	<u>Responsibility</u>	<u>Responsibility</u>
Fees, Policy, Maintenance standards	City	City	City	City
Capital	City	City	City	City
General Management	City	Mgt Company	Mgt Company	City
Marketing	City	Mgt Company	Mgt Company	City
Vehicles	City	City	City	Maintenance Contract
Computers - Pro Shop	City	Mgt Company	Mgt Company	Concession/City
Computers - Maintenance	City	Mgt Company	Mgt Company	Maintenance Contract
Computers - F&B	Concession	Mgt Company	Concession	Concession
Telephones - Pro Shop	Concession	Mgt Company	Mgt Company	Concession
Telephones - Maintenance	City	Mgt Company	Mgt Company	Maintenance Contract
Telephones - F&B	Concession	Mgt Company	Concession	Concession

Attachment 4- List of Golf Course Operating Options Employed at Local Golf Courses

<u>OPTION A</u>	<u>OPTION B</u>	<u>OPTION C</u>
Glen Annie, Goleta	Green River, Corona	Anaheim Hills, Anaheim
Olivas Links, Ventura	Buenaventura, Ventura	Dad Miller, Anaheim
River Ridge, Oxnard	De Bell , Burbank	Palo Alto
Walnut Creek, Bay Area		
Los Robles, Thousand Oaks		
River Course, Solvang		
Soule Park, Ojai		

June 15 2015

Attachment 5, Key Considerations for the RFP and Contract(s) as identified by the Golf Operating Options Committee

FOOD AND BEVERAGE

Full restaurant with
Breakfast, Lunch and Dinner
and Banqueting Facilities

Liquor License

Investment to expand
banquet facilities in support
of Tournaments

Improved Tournament
services and marketing

Beverage Cart Service – on
demand availability especially
in warm conditions

Excellent Customer Service: -
evaluations – secret shopper
– reporting to advisory group

Healthy options on menu to
promote well-being

Allow proposers to identify
capital improvements

PRO SHOP

High Quality Products – with
a variety of brands

Experienced Professionals for
Lessons and Programs

Customer Service a priority –
Consideration, recognize
people, build loyalty,
evaluations and surveys to
feedback.

Motivated Counter Staff -
Easy Check in

Tournament innovations and
program ideas to be
requested.

Program ideas for SGBC.

COURSE MAINTENANCE

Establish and maintain
standards – auditing and
correction protocol to be
explicit and have teeth.

Demonstrable experience
with multiple golf courses

Clear communication with
golfers and pro shop
regarding conditions

Leverage Economy of scale

Industry leading agronomy

Class A Superintendent
dedicated to the course

IPM Program remains a
requirement

MANAGEMENT

City retain Control over –
Pricing, Policy and Capital

Increased cohesion between
maintenance, proshop and
F&B

Continuation of GAC and
PIFSC

Joined up marketing and
pricing strategy to the
primary benefit of the golfers

Allow Proposers to propose
incentive plans that may
benefit City



**CITY OF SANTA BARBARA
PARKS AND RECREATION DEPARTMENT**

**PARKS AND RECREATION COMMISSION
GOLF ADVISORY COMMITTEE
SPECIAL JOINT MEETING**

Monday, June 15, 2015

MINUTES

CALL TO ORDER: The meeting was called to order at 5:32 p.m. at City Council Chambers.

PLEDGE OF ALLEGIANCE: Parks and Recreation Commission Chair Wiscomb

ROLL CALL:

Commissioners Present

Lesley Wiscomb (Chair)
Beebe Longstreet (Vice-Chair)
Nichol Clark (Arrived at 6:13 pm)
Jim Heaton
Mark Rincon-Ibarra

Golf Advisory Committee Members Present

Dominic Namnath
John Craig
Bryant Henson – Recused himself
Maureen Masson
Gretchen Ostergren

Commissioners Absent

LeeAnne French
Intern Andrew Rodriguez

Golf Advisory Committee Members Absent

Bob Garcia

Staff Present

Assistant City Administrator Bob Samario
Parks and Recreation Director Nancy Rapp
Assistant Parks and Recreation Director Jill Zachary
Parks & Recreation Business Analyst Mark Sewell
Golf Superintendent Simon Herrera
Executive Assistant Karla Megill

PUBLIC COMMENT:

None

1. Golf Operating Options Recommendation to City Council – For Action

Recommendation: That the Commission and Committee recommend to City Council one of the following operating options that will best meet the needs of the municipal golf course and the City:

- A. One contract, a Management Agreement, whereby the City would contract for management of the course, and Maintenance, Pro Shop and Food and Beverage operations;
- B. Two contracts, one being a Management Agreement, whereby the City would contract for management of the course, plus Maintenance and Pro Shop operations, and the second being a separate Food and Beverage concession agreement; or,
- C. Three contracts, whereby the City continues management of the course, and has three separate contracts or concession agreements for Pro Shop, Food and Beverage, and Maintenance operations.

Documents:

- Staff Report dated June 15, 2015

Speakers:

- Staff:
 - Nancy Rapp, Parks and Recreation Director
 - Mark Sewell, Business Analyst
- Members of the public:
 - Bryant Henson
 - Mario Medina
 - Lani Medina
 - Jessica Karsan
 - Melissa Osuna
 - Daneille Munoz
 - Meghan Dewey
 - Valerie Ekern
 - Elaine Hewes
 - Mike Thompson
 - Cody Free
 - Kathy Leer
 - Cynthia Goena, SEIU Local 620

Commissioner/Committee Comments:

Commissioner Rincon-Ibarra, who served on the Golf Options Committee, said the Committee had no preconceived notions, no agenda, except to make the golf course an exceptional golfing experience. He said that regardless of the Option, a Management Contractor will need to engage the services of a food provider; he said he see no imminent threat. Mr. Rincon-Ibarra stated that the only goal is to look for the best value for the golf course; it is an Enterprise Fund, and has to be self-sufficient, and going forward the objective is to make it sustainable. He said suggested that any Management Company who does not already have a food and beverage company under their control, would consider engaging the services of a vendor such as Mulligans; however, there are no guarantees. Mr. Rincon-Ibarra reiterated that the primary objective is to make the golf course an

exceptional golfing experience, and sometimes that means engaging the services of a food and beverage vendor for larger production rather than your day-to-day operation, to attract larger, outside events.

Committee Member Ostergren, who also served on the Golf Options Committee, said they spent countless hours trying to make the best decision for the golf course. She said she has known Mario and Lani Medina and Chris Talerico for years. Ms. Ostergren said it is not about trying to replace or displace them, but to make the golf course profitable and make it run well so there is good cooperation between the three entities. She said that is why she felt Option A was the best, because you have one person providing oversight. Ms. Ostergren commented that when the matter moves forward to City Council they can decide whether they want to include a provision, if the Commission recommends Option A, requesting that Mulligan's remain, and the same for the Pro Shop. She said that if there is an entity overseeing things, it seems that everyone is in it for the same reason, to become profitable and give the most rounds possible.

Commissioner Longstreet commented that it's important the City maintain control over golf course policies and fees. She stated that the City is trying to maintain this as Santa Barbara's Community Golf Course that is affordable, and that means that things will have to change. She said she believes with what has been said about the current contractors. She concurred with the comments about the them, but also expressed her belief that when dealing with a public entity, contract negotiations for public property need to be open and available to all contractors—it needs to be a fair playing field. She said it is a public resources, not anyone's private fiefdom. Ms. Longstreet stated that she is pleased to see living wage and Integrated Pest Management is included. Ms. Longstreet said the City is operating a hybrid right now, and Option A has the most benefits and she believes it will shake out in the RFP process, but it has to be open and fair to all. She said she hopes they will keep the known entities. She said the City has to protect the resources it has. Ms. Longstreet stated that Option A is most beneficial to the Golf Course Enterprise Fund and to keeping golf affordable in our community.

Commissioner Clark commented that it seems as though people think that this is profit versus community, but it's not really about that; it is not profit for profit's sake, but profit for the community's sake. She stated that if the golf course is not fiscally responsible, there will be no golf course left, and the whole community will lose. Ms. Clark said that as much as she would like to see Mulligan's stay, she believes they need to go with the most fiscally responsible solution for the golf course, which she believes is Option A.

Committee Member Craig read this statement: "On May 10th, the City Council directed staff to, I quote, 'pursue contracting for golf course maintenance services following living wage requirements.' Three months later, we are here. With the only financial disability coming from course maintenance, I

find it hard to throw out the whole system when it appears we only need a minor fix. Over the last three calendar years, Mulligans has paid an average annual rent of \$135K, and the Pro Shop has paid \$184K. The recommendation from the Options Committee, of which I was a part, was Option A, guaranteeing the City \$368K, but offers no guarantees to the workers of the two establishments. Option C guarantees \$318K. Option C guarantees the supporters of Muni will not be affected. As reflected in the minutes of the Options Committee on June 3rd, the four other members voted to, and I quote, 'refine the focus of the discussion to the Management Contract to Options A and B, by rejecting Option C. I desecrated.' Wasn't Option C what we were directed to pursue?"

Commissioner Heaton commented that looking at it from a business perspective of the overall golf course and what is the best overall option profit-wise, he said he kept focusing on the question is the goal a municipal golf course overhaul or is it to improve the economical situation and make it a more sustainable golf course. Mr. Heaton stated that he went back and watched the City Council meeting and deliberations on the issue, and what were looking for is to ensure the golf course remains self-sustaining, the City controls policy, maintenance quality, and fees. He further said that their direction was to pursue a golf course maintenance service agreement with living wage requirements, and Option C meets the goals of City Council and the Community in making it more sustainable and solving the problems. He said there were other actions that were taking, refinancing the debt, increased marketing, that altogether should make it a more viable business. Mr. Heaton stated it may not be the most profitable one, but it will solve the problem and create financial sustainability. Mr. Heaton commented that he believes that Option C is the best solution and Option B would be the alternative. He said that projections and trends provide good information, but not enough for him to recommend an overhaul of the structure that is working. Mr. Heaton said the City has already committed to outsourcing the maintenance, and that is projected to ensure the golf course continues without the support of the General Fund; a long-term maintenance commitment is not needed. He suggested it is something that could be pursued and, if for some reason the course is not doing as well as it projected with the maintenance agreement, or not following other national trends, it could be revisited. Mr. Heaton stated that he believes that Option C is the best solution.

Committee Member (Chair) Namnath commented that the Golf Course has been fighting this fiscal problem for a number of years and at 60K rounds, the golf course is not sustaining, and at that pace, the golf course only has about 18 months to go before it is out of business. Mr. Namnath said the maintenance contract will decrease costs. He said he is unsure whether raising revenue is the right idea; at 60K rounds you can pretty much get a tee time whenever you want. Mr. Namnath stated that when rounds were at 90K, he got turned away, and selfishly, he is annoyed with the concept of trying to raise rounds. Mr. Namnath said he does not believe the City wants 90K rounds being played at the golf course for maintenance and similar reasons. Mr. Namnath stated that when the

Options Committee got into the discussion, the fiscal factor was the primary driver of the discussion. He said looking at Option C, he sees the City leaving \$300k on the table over the course of five years. He said he has been leaning towards Option A, because it gives the City that control and the extra \$50K to address financial concerns, but additionally, \$300k reinvested into the golf course will surely make it one of, if not the best golf course in California over the next decade. He did say that because of what he has heard tonight, and read in the emails, he is wavering between Options A and B because of Mulligan's and the service they provide to the community.

Chair Wiscomb said that Commissioner Clark had a really good point regarding community and fiscal policy. She said the direction from City Council is the sustainability of the municipal golf course; there are no General Funds for the Golf Course. Ms. Wiscomb stated that the choice has become much more limited. She said that being a member of the Golf Operating Options Committee, they had three goals: sustainability—the ability to operate independently; City control over policies and fees and keeping it a public golf course; and keeping it an excellent full-service experience for both golfers and visitors. Ms. Wiscomb acknowledged that Mulligan's has done a fantastic job in becoming a destination restaurant, but whoever goes there, from dining, to check-in, to golf, the desire is that it be a really great experience. Ms. Wiscomb said she liked Ms. Longstreet's comment that it is public property and there is a need for a fair playing field. She stated the everyone here knows that on June 30, 2016, the contracts are going to expire, there are no more options. She said it is not new news, and it is not about rejecting the current vendors, but about the fact that it is a contract, and it should be a fair process and competitive playing field to get the best product the City can get at the municipal golf course, and make sure it is sustainable for the long-term. She expressed the hope that if City Council goes with Option A, that there will be opportunities for the people who have worked so hard at the golf course to build their businesses to have an opportunity to be part of that. Ms. Wiscomb said she is in favor of Option A; it has the strongest potential to increase financial performance, revenue projections are significantly higher than Option C; and it offers the most benefits to the community and the fairest way to move forward.

GOLF COURSE ADVISORY COMMITTEE ACTION:

Golf Advisory Committee Member Ostergren moved, seconded by Golf Advisory Committee Member Namnath, to recommend City Council adopt Option A. The motion failed 2 / 2.

Absent: Garcia Recused: Bryant Opposed: Craig/Masson

Golf Advisory Committee Member Craig moved, seconded by Golf Advisory Committee Member Masson, to recommend City Council adopt Option C. The motion failed 2 / 2.

Absent: Garcia Recused: Bryant Opposed: Namnath/Ostergren

Golf Advisory Committee Member Namnath moved to recommend City Council adopt Option B and to retain Mulligans as the food and beverage concessionaire and extend their contract.

This motion died due to the lack of a second.

Golf Advisory Committee Member Craig moved, seconded by Golf Advisory Committee Member Ostergren, and passed 4/0 to table the Golf Advisory Committee decision until after the Parks and Recreation Commission takes a vote on the matter.

Absent: Garcia Recused: Bryant

PARKS AND RECREATION COMMISSION ACTION:

Commissioner Rincon moved, seconded by Commissioner Clark, and passed 4/1 to recommend Option A to City Council.

Absent: French Opposed: Heaton

GOLF COURSE ADVISORY COMMITTEE ACTION:

Golf Advisory Committee Member Ostergren moved, seconded by Golf Advisory Committee Member Namnath, to recommend City Council adopt Option A.

The motion failed 2 / 2.

Absent: Garcia Recused: Bryant Opposed: Craig/Masson

Golf Advisory Committee Member Namnath moved, seconded by Golf Advisory Committee Member Masson, to recommend City Council adopt Option B.

Committee Member Masson commented...if there were some way to maintain Mulligan's, and asked if the term of the agreement is five years. Ms. Rapp said that the term of the contract would be decided by City Council. She said a management contract is typically for three to five years, but it has not been determined. She said if it is a separate restaurant concession and it is the current restaurant with a good history of working with the City, the term could be longer.

Committee member Masson said that it is difficult for her since it was City Council who negotiated the unsustainable contract with SEIU to begin with.

Committee Member Craig said that since two of the Golf Advisory Committee members have been excluded due to a conflict of interest because they are marshalls, and knowing they would support Option C, he would urge the other members of the Golf Advisory Committee to maybe lean that way.

Ms. Rapp expressed that Committee Member Craig's comment was inappropriate and asked that the Committee members disregard what was said. She stated that the two members recused themselves because of their conflict, and she does not believe it is appropriate for someone else to speak on their behalf, and she is not comfortable having someone speak for them when they are not a part of the discussion. Ms. Rapp stated that she would not want their action to be overturned later by the City Attorney.

Golf Course Advisory Committee Chair Namnath amended his motion as follows, to which Member Masson agreed.

Golf Advisory Committee Member Namnath moved, seconded by Golf Advisory Committee Member Masson, to recommend City Council adopt Option B with a strong recommendation that Mullignas be considered as the Food and Beverage concessionaire.

The motion failed 2 / 2.

Absent: Garcia Recused: Bryant Opposed: Craig/Ostergren

Ms. Rapp stated that the Committee appears to be at an impasse and staff will move forward with what has been provided.

ADJOURNMENT

At 7:52 p.m., with no further business to be addressed by the Commission, the meeting was adjourned.

Respectfully submitted,

Nancy L. Rapp
Parks & Recreation Director



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: July 28, 2015

TO: Mayor and Councilmembers

FROM: City Administrator's Office

SUBJECT: Request From Mayor Schneider And Mayor Pro Tempore Hart
Regarding Phillips 66 Rail Extension Project Proposal

RECOMMENDATION:

That Council consider the request from Mayor Schneider and Mayor Pro Tempore Hart to send correspondence to the San Luis Obispo County Planning Commission and Board of Supervisors to express concerns about the Phillips 66 Rail Spur Extension Project regarding the safety impacts of the increased frequency of oil trains along freight corridors and request denying the Project.

DISCUSSION:

Attached is a memorandum from Mayor Schneider and Mayor Pro Tempore Hart requesting that Council discuss the Phillips 66 Rail Spur Extension Project proposal, which includes the frequency of oil trains on freight lines and the potential safety impacts should a derailment occur along the corridor.

ATTACHMENT: Memorandum from Mayor Schneider and Mayor Pro Tempore Hart

PREPARED BY: Jennifer Jennings, Administrator's Office Supervisor

SUBMITTED BY: Paul Casey, City Administrator

APPROVED BY: City Administrator's Office



City of Santa Barbara
Mayor and Council Office

Memorandum

DATE: July 8, 2015

TO: Paul Casey, City Administrator

FROM: Mayor Helene Schneider
Mayor Pro-Tem Gregg Hart

SUBJECT: Request from Mayor Schneider and
Mayor Pro-Tem Hart Regarding Phillips 66 Rail Spur Extension
Project proposal to the San Luis Obispo County Planning
Commission and Board of Supervisors

Pursuant to Council Resolution 05-073 regarding the Conduct of City Council Meetings, we request that an item be placed on the Santa Barbara City Council Agenda regarding a presentation and public hearing about the Phillips 66 Rail Spur Extension Project proposal to the San Luis Obispo County Planning Commission and Board of Supervisors.

- Summary of information to be presented:

A description of the Phillips 66 Rail Spur Extension Project that includes the frequency of oil trains on freight lines and the potential safety impacts should a derailment occur along the corridor. Detailed information of the Project's Environmental Impact Report can be found online at:

http://www.slocounty.ca.gov/planning/environmental/EnvironmentalNotices/Phillips_66_Company_Rail_Spur_Extension_Project.htm

- Statement of Specific Action:

That the Santa Barbara City Council send written correspondence to the San Luis Obispo County Planning Commission and Board of Supervisors expressing concerns about the safety impacts of the increased frequency of oil trains along freight corridors and a request to deny the project.

- Statement of the Reasons Why it is Appropriate and Within the Jurisdiction of the Council to Consider this Subject Matter and to Take the Requested Action:

The coastal freight rail corridor exists along a significant area within the City of Santa Barbara, in both commercial and residential areas. Local jurisdictions throughout California where freight rail lines exist are reviewing this proposal as it pertains to the public safety of their residents (see attachments). The City of Santa Barbara should also review this project as it pertains to local public safety.

Attachments:

- March 23, 2015 letter from Mayor Schneider to U.S. Transportation Secretary Foxx on federal Rail Safety Standards
- Moorpark City Council Agenda Report: 12/07/2014
- Letter from Ventura County Board of Supervisors Chair Kathy Long: 01/13/2015
- Ventura Unified School District Board of Education Resolution: 02/10/2015
- San Leandro Unified School District letter
- Letter from San Luis Obispo Mayor Jan Marx: 02/19/2015
- Letter from Simi Valley Mayor Robert O. Huber: 03/02/2015
- Letter from Santa Cruz County Bd of Supervisors Chair Greg Caput: 03/10/2015
- Council Agenda Report from City of Carpinteria: 04/13/2015
- Letter from Goleta Water District President Lauren Hanson: 05/12/2015
- Council Agenda Report from City of Goleta: 05/19/2015

cc: Mayor and Council
City Attorney



City of Santa Barbara

Office of Mayor

H.Schneider@SantaBarbaraCA.gov

www.SantaBarbaraCA.gov

March 23, 2015

Helene Schneider
Mayor

The Honorable Anthony R. Foxx, Secretary of Transportation
Office of the Assistant Secretary for Administration
United States Department of Transportation
1200 New Jersey Avenue, SE
Washington, D. C. 20590

City Hall
735 Anacapa Street
Santa Barbara, CA
93101-1990

RE: Rail Safety – Expedited Action Requested

Dear Secretary Foxx:

Mailing Address:
P.O. Box 1990
Santa Barbara, CA
93102-1990

Tel: 805.564.5323
Fax: 805.564.5475

On behalf of the City of Santa Barbara, I urge priority action to address rail safety improvements as identified recently by the League of California Cities. In the March 6, 2015 letter sent to you from the League, I support the recently adopted policy goals for safety improvements related to the transport of crude oil and other hazardous materials by rail. I agree that implementation of these rail safety improvements should be expedited at the federal level to accomplish improved rail safety as soon as possible.

The continued increase in the transport of crude oil by rail, combined with recent rail accidents involving oil spills and resulting fires, has served to heighten concerns about rail safety among many of our citizens. The twenty-mile stretch of rail from Carpinteria to Goleta, passes directly through the City of Santa Barbara passing through both residential neighborhoods and transecting one of the most economically viable tourism destinations in California. For the span of this stretch of rail, the distance from the Pacific Ocean ranges approximately from a quarter of a mile to two miles. This coastal area is the gateway to the Channel Islands National Marine Sanctuary and contains the harbor for a commercial fishing fleet worth roughly thirty million a year to the local economy. The economic and environmental consequences of a derailment or other accident have the potential to be catastrophic to the City of Santa Barbara.

The Board of Directors of the League of California Cities at its February 20, 2015 meeting adopted ten specific recommendations as official policy on this issue. The City of Santa Barbara strongly recommends that the Department of Transportation include these recommendations for improved rail safety in the final rule for the Safe Transportation of Crude Oil and Flammable Materials. The League recommends that the federal agencies with appropriate jurisdiction (primarily the National Transportation Safety Board, the Federal Railroad Administration, and the Pipeline and Hazardous Materials Safety Administration) take the following actions to improve rail safety with respect to the transport of Bakken crude oil and other hazardous materials by rail:

1. **Mandate Electronically Controlled Braking Systems:** Require installation of electronically controlled, pneumatic braking systems (ECP) on trains carrying Bakken crude and ethanol by a date certain. This technology allows for faster and more efficient braking to a full stop.



Please consider the environment before printing this letter.

2. Expedite retrofit or phase-out of tank cars failing to meet current safety standards: Require phase-out or retrofit of older, DOT-111 tank cars manufactured prior to October 2011, to be completed by a date certain. The Association of American Railroads adopted higher manufacturing standards requiring greater structural integrity for these tank cars which took effect at that time to facilitate safer transport of flammable liquids, including ethanol and all crude oil.
3. Mandate Provision of Real-Time Information to first responders in event of accidents: Require via federal regulations that railroads and producers of petroleum and other hazardous materials shipped by rail make available to first responders, via a secure access portal on their websites, the cargo manifest information, or "consist," on trains containing these substances. This information ideally should also be accessible via mobile applications, allowing rapid access by first responders to cargo manifest information in real time, particularly in accidents where the manifest is not available on the train.
4. Federal funding for first responders: Increase federal funding for training and equipment purchases for first responders, to improve their ability to respond to hazardous materials accidents.
5. Mandatory Speed Limits: Impose mandatory maximum speed limits in all areas.
6. Mandate Stricter Reporting Requirements: Lower the threshold for the number of tank cars that trigger a reporting requirement to the California Energy Commission and the State Emergency Response Commission, from 33 to 20. Currently petroleum producers and railroads only have to submit reports of trains carrying Bakken crude oil if the train includes 33 or more tank cars. Each tank car holds 34,500 gallons. This will lower the trigger for the reporting requirement from shipments of 1.1 million gallons or more, to shipment of 690,000 gallons or more.
7. Identity priority routes for positive train control (PTC): PTC is an advanced technology incorporating GPS tracking to automatically stop or slow trains before an accident can occur. It is specifically designed to prevent train-on-train collisions, derailments due to excessive speed, and unauthorized movement of trains. Require PTC to be employed on all rail lines used for the transport of hazardous materials, with a date certain by which the technology will be online.
8. Mandate railroad industry compliance with Individual Voluntary Agreement negotiated with the U.S. Department of Transportation by codifying the following actions as requirements: (Note: The requirements below have been voluntarily agreed to by railroads, but there is currently no legal or regulatory requirement for their compliance. Such requirements should be codified, given their significant impact on rail safety)
 - Reduced speed for crude oil trains with older tank cars going through urban areas
 - Analyses to determine the safest routes for crude oil trains

- Increased track inspections
 - Enhanced braking systems (electronically controlled pneumatic brakes) ECP
 - Installation of wayside defective bearing detectors along tracks
 - Better emergency response plans
 - Improved emergency response training
 - Working with communities through which oil trains must move to address community concerns
9. Clear methodology for funding: Devise a clear methodology on how funds are to be distributed, to ensure that sufficient funds pass through that state and county agencies to the local agencies involved in first response.
10. Regulate the parking and storage of tank cars: Mandate improved safety regulations addressing the storage or parking of tank cars in populated areas.

Enacting stricter safety standards at the federal level now can serve to protect lives, the economy, and the environmental resources of our city and the nation. Please act on our behalf.

Sincerely,



Helene Schneider,
Mayor

cc: Dianne Feinstein, United States Senator
Barbara Boxer, United States Senator
Lois Capps, United States Congresswoman
Hannah-Beth Jackson, California State Senator
Das Williams, California State Assembly Member
Dave Mullinax, League of California Cities
Federal Railroad Administration, Chief Counsel FRA.Legal@dot.gov
National Transportation Safety Board, Western Pacific Regional Office

**MOORPARK CITY COUNCIL
AGENDA REPORT**

TO: Honorable City Council

FROM: David A. Bobardt, Community Development Director 

DATE: December 7, 2014 (CC Meeting of 12/17/2014)

SUBJECT: Consider Submitting Letter to San Luis Obispo County Planning Commission Opposing Proposed Phillips 66 Company Santa Maria Refinery Rail Spur Extension Project (Continued from December 3, 2014 Meeting)

BACKGROUND/DISCUSSION

The City Council continued this agenda item to this meeting from its December 3, 2014 meeting at the request of Councilmember Millhouse, who could not be at the previous meeting, but expressed a desire to participate in the discussion. Staff did not make a presentation at the December 3rd meeting and no speakers were present for this item. A copy of the original staff report is attached.

STAFF RECOMMENDATION

Authorize Mayor to submit letter on behalf of City to the San Luis Obispo County Planning Commission opposing the Phillips 66 Santa Maria Refinery Rail Spur Extension project based on its significant hazard impact related to the risk for release of crude oil that results in a fire or explosion in the vicinity of a populated area along the Union Pacific mainline tracks.

Attachment: December 3, 2014 Staff Report with Attachments

**MOORPARK CITY COUNCIL
AGENDA REPORT**

TO: Honorable City Council

FROM: David A. Bobardt, Community Development Director 

DATE: November 17, 2014 (CC Meeting of 12/3/2014)

SUBJECT: Consider Submitting Letter to San Luis Obispo County Planning Commission Opposing Proposed Phillips 66 Company Santa Maria Refinery Rail Spur Extension Project

BACKGROUND/DISCUSSION

The San Luis Obispo County Department of Planning and Building recently completed a recirculated Draft Environmental Impact Report (EIR) for a project that would extend an existing rail spur of the Union Pacific rail mainline by an additional 6,915 feet to serve the Phillips 66 Company Santa Maria Refinery, which is located approximately 3.5 miles west of the community of Nipomo in San Luis Obispo County. Staff reviewed the recirculated Draft EIR for this project (excerpts attached), which was circulated from October 9 to November 24, 2014. Staff did not have a concern with the analysis or methodology of the recirculated Draft EIR. However, the EIR does identify a significant hazard impact related to the risk for release of crude oil that results in a fire or explosion in the vicinity of a populated area along the Union Pacific mainline tracks. Because this significant hazard impact could affect Moorpark residents and businesses, staff recommends a letter of opposition to the project be sent to the San Luis Obispo County Planning Commission, the decision makers on this request. A hearing before the San Luis Obispo County Planning Commission is tentatively scheduled in late January or early February, 2015.

Although the Santa Maria Refinery is approximately 125 miles from the City of Moorpark, ~~the construction of a rail spur would allow for up to 5 deliveries of oil per week on unit trains (freight trains carrying a single type of freight, in this case crude oil) with 80 tanker cars that are 90 feet long each. Combined with 3 engines and 2 buffer cars, these trains would be approximately 1.4 miles long. These unit trains would come to the refinery spur line either from the north through Roseville, or from the south,~~

through Colton, depending on where the oil is coming from and which line is available. The route from the south passes through Moorpark on the Union Pacific mainline tracks. Empty trains would return the same route after being unloaded.

The risk analysis in the EIR indicates a small probability of an incident that would result in a release of 100 gallons or more of oil, once every 22.8 years over the entire route from Colton to the refinery, with the risk in any single city being substantially less. Nonetheless, the result of an incident that would result in a fire or explosion could be devastating to any locality. Mitigation that has been identified includes upgraded tank cars and positive train control, however, such mitigation may be pre-empted by federal law at the present time. Even if this mitigation were implemented, the impacts would still be considered potentially significant, according to the EIR.

Moorpark has 5 at-grade public street crossings and 3 private crossings on the Union Pacific mainline tracks. Residential, commercial, and industrial uses are all located adjacent to the tracks. A local incident with a 1.4 mile long unit train could affect up to 3 street crossings at the same time, and could impact nearby residents, businesses, and emergency vehicle access.

STAFF RECOMMENDATION

Authorize Mayor to submit letter on behalf of City to the San Luis Obispo County Planning Commission opposing the Phillips 66 Santa Maria Refinery Rail Spur Extension project based on its significant hazard impact related to the risk for release of crude oil that results in a fire or explosion in the vicinity of a populated area along the Union Pacific mainline tracks.

Attachment: Recirculated Draft EIR Excerpts



MEMBERS OF THE BOARD
STEVE BENNETT
LINDA PARKS
KATHY I. LONG
PETER C. FOY
JOHN C. ZARAGOZA

BOARD OF SUPERVISORS
COUNTY OF VENTURA

GOVERNMENT CENTER, HALL OF ADMINISTRATION
800 SOUTH VICTORIA AVENUE, VENTURA, CALIFORNIA 93009

January 13th, 2015

San Luis Obispo County Planning Commission
c/o Murry Wilson of the San Luis Obispo County Department of Planning and Building
976 Osos St., Rm. 200, San Luis Obispo VIA E-MAIL

RE: Phillips 66 Company Rail Spur Extension Project – Request for Denial

Dear Planning Commissioners:

The subject project EIR concludes that the project would cause a significant and unavoidable rail accident hazard risk. The Commission action that would avoid this significant public safety risk is denial of the project.

The EIR identifies that trains accessing the project from the Colton rail yard would traverse Ventura County, traveling through the heart of many heavily populated areas, crossing many creeks and rivers, and crossing or running along many critical roads and highways. A rail accident involving oil spills, fire, or explosion could have disastrous life safety, health, environmental, and economic consequences in Ventura County.

On January 13th, the Ventura County Board of Supervisors voted to respectfully request that, in order to protect public safety and the environment, your commission vote to deny the project.

Cordially,

A handwritten signature in cursive script that reads "Kathy I. Long".

Kathy I. Long

Chair, Board of Supervisors

**VENTURA UNIFIED SCHOOL DISTRICT
BOARD OF EDUCATION
RESOLUTION #15-05
Regarding Santa Maria Phillips 66 Rail Refinery Project**

WHEREAS, school district governing boards have the obligation to provide a safe and healthy learning environment for all students and to urge the San Luis Obispo County Planning Commission and Board of Supervisors to reject the Santa Maria Phillips 66 Rail Refinery Project. As representatives of schools located along the proposed rail route, we would be directly impacted by these oil trains, and do not support the project for reasons outlined below.

WHEREAS, The Phillips 66 oil train project would bring mile-long oil trains right through many California communities and next to dozens of schools. School employees are state-mandated disaster workers while on the job, and we are not at all equipped to deal with the dangers posed by this project or to adequately protect the lives and the wellbeing of our students. This project creates unacceptable risks for our students, teachers, and staff.

WHEREAS, The draft Environmental Impact Report (EIR) does not adequately assess the risks of an oil train disaster; the draft only evaluates rail-accident rates from 2003 to 2012 and spill rates between 2005 and 2009, omitting crucial data about accident frequency and magnitude in 2013 and 2014. This is troubling because we know that more crude spilled from trains in 2013 than during the past four decades combined. The EIR must look at recent data, which reflects the increased quantities of crude being transported in old and unsafe tank cars. The draft EIR uses outdated data that drastically underestimates the danger of a derailment or spill, which could put our school communities and children at severe risk. While school employees are state-mandated disaster workers while on the job, we are not at all prepared for the accidents that could happen from these heavy, dangerous trains containing hazardous oil.

WHEREAS, The EIR's worst-case scenario estimates a spill of 180,000 gallons, or roughly six tank cars of crude. This is most definitely a miscalculation because crude trains have 100 or more tank cars, carrying millions of gallons. Such a spill would certainly be more than 180,000 gallons. In fact, the oil trains in this project would be carrying almost 3 million gallons each. A spill would devastate our schools, scarce water resources, sensitive ecosystems, homes and local economies.

WHEREAS, The toxic air emissions that will accompany this project pose an unacceptable risk to public health. In its latest environmental review Phillips 66 admits that its proposed oil train facility will create "significant and unavoidable" levels of air pollution along the rail route, with sulfur dioxide and other toxic chemicals leaked that increase risk of cancer, heart disease, respiratory disease and premature death. This is unacceptable risk to the health of school children and educators close to the tracks.

NOW THEREFORE, BE IT RESOLVED, that the Board of Education of the Ventura Unified School District strongly opposes this project for all the above stated reasons. We urge the San Luis Obispo County Planning Commission and Board of Supervisors to soundly reject the Phillips 66 proposed oil train project. We strongly encourage you to act and advocate for the people expressing grave concerns about the impacts this project would have on our communities.

APPROVED, PASSED AND ADOPTED by the Board of Education of the Ventura Unified School District of Ventura, California this 10th day of February, 2015 by the following vote:

AYES:	<u>5</u>	ABSENT:	<u>0</u>
NOES:	<u>0</u>	ABSTAIN:	<u>0</u>



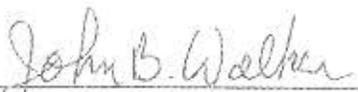
President, Board of Education



Vice President, Board of Education



Member, Board of Education



Member, Board of Education



Member, Board of Education

ATTEST:



Secretary to the Governing Board
VUSD Superintendent



San Leandro Unified School District
Office of the Superintendent

Board of Education

Liana Proia
President

Don Carey
Vice President

Lincoln J. Rosato
Member

Reynold Gonzalez
Member

Lincoln James
Member

Debra Leancy
Member

Bob Sheridan
Member

Mike McLaughlin, Ed.D.
Superintendent of Schools

Christina Mucetti, Ed.D.
Deputy Superintendent
Educational Services

John Thompson, Ed.D.
Assistant Superintendent
Human Resources

Mike Martinelli
Assistant Superintendent
Business & Operations

Mr. Murray Wilson
Department of Planning and Building
San Luis Obispo County
976 Osos Street, Room 300
San Luis Obispo, CA 93408

RE: Phillips 66 Rail Spur Project

Dear Planning Commissioners,

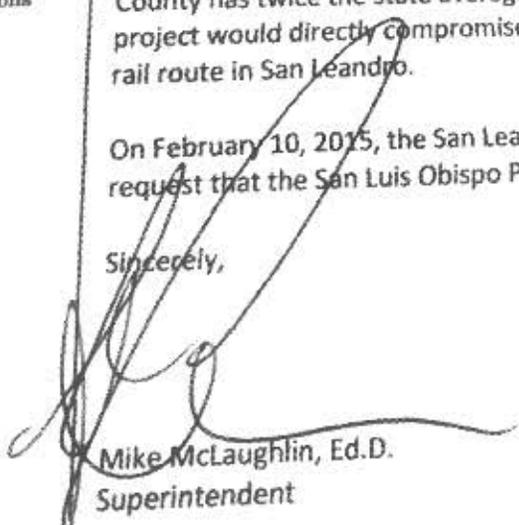
The San Leandro Unified School District Board would like to state our concerns regarding the Phillips 66 oil train offloading facility expansion in San Luis Obispo County. The Board is particularly concerned with the increase in oil-train traffic generated by this project through many densely populated areas, including San Leandro, and the risk it poses to our schools along the rail route.

The most significant impact identified in the Revised Draft Environmental Impact Report (RDEIR) is accidents on the main rail line that could result in oil spills, fires, and explosions near populated areas. Our current rail system is designed to connect residents to their destinations throughout the entire Bay Area, not to move large quantities of hazardous materials like crude oil. Additionally, more than ten schools in the City of San Leandro, and the San Leandro Unified School District Board building, are within the one-mile US Department of Transportation Potential Impact Zone in the case of an oil train derailment or fire.

The RDEIR also did not evaluate the relative air quality or greenhouse gas emissions for the entire project area, which includes oil transport through San Leandro from Canada to the San Luis Obispo County facility. The diesel emissions from operational activities of trains along the route would generate toxic pollutant emissions that exceed thresholds, increasing the risk of cancer, heart disease, and respiratory disease, especially in the very young. There is already a high incidence of childhood asthma in San Leandro - asthma hospitalization rate in Alameda County has twice the state average and is the third-highest in California. Therefore, this project would directly compromise the health and safety of our school communities along the rail route in San Leandro.

On February 10, 2015, the San Leandro Unified School District Board voted to respectfully request that the San Luis Obispo Planning Commission vote to deny the project.

Sincerely,


Mike McLaughlin, Ed.D.
Superintendent



Office of the City Council

990 Palm Street, San Luis Obispo, CA 93401-3249
805.781.7114
skcity.org

February 19, 2015

San Luis Obispo County Planning Commission
976 Osos Street, Room 200
San Luis Obispo, CA 93408

Dear Planning Commissioners:

I am writing at the unanimous direction of the San Luis Obispo City Council to urge you to deny the application of the Phillips 66 Santa Maria Refinery in Nipomo, which wishes to upgrade its facility to allow for crude oil deliveries by rail for processing. This project would significantly increase the exposure of our residents, neighbors, business people and natural resources to the threat of explosions, fire, contamination and other dangerous conditions which would result from this project. Please consider this letter part of the public record of the hearing at which you consider this matter.

As you know, trains delivering crude for this project would use Union Pacific rail tracks, which go right through the heart of our City and which are used by both passenger trains and freight trains. Given the increasing record of crude-oil rail accidents in recent years, such an event would have catastrophic effects if it occurred in any populated or habitat area. The primary source of the petroleum anticipated to be transported by rail through our county is from the Canadian tar sands and Bakken (North Dakota) formations, which the U.S. Department of Transportation Pipeline and Hazardous Materials Safety Administration has determined is more flammable than traditional heavy crude oil. When oil trains carrying this more hazardous oil derail, not only does the oil spill, but it also often explodes and bursts into flame. Frequent newscasts show us that as oil-by-train transport has increased, so has damage, hazardous contamination and loss of life from explosions.

The City of San Luis Obispo is situated in an especially vulnerable area, due to the curvature of the rail line and rail cross over as the line passes through our densely populated residential and commercial areas. Furthermore, the line going over the Cuesta Grade to the immediate north of the City transverses thousands of acres of sensitive wildlife habitat in the City's greenbelt, as well as the campus and agricultural land of Cal Poly University. This rough mountainous terrain is classified by Cal Fire as having a very high danger of wildfire due to the fact that it is virtually inaccessible and has dense forest with century old native trees. Furthermore, the more than century old wooden bridges over which such trains would have to pass are uninspected and not designed to safely support such hazardous freight.

The City has previously conveyed its deep concerns regarding this expansion project in EIR comments dated January 27, 2014, attached for your convenience. The project would result in a significant increase in rail traffic, increase in the length of locomotives, and volatility of freight being carried through our City, which would present long term threats to the public



Office of the City Council

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safety of our residents. Our fire fighters and emergency response or hazmat teams are not funded nor equipped to deal with the magnitude of a rail disaster, which would become more likely if this project were approved. The longer, slower trains which would go through our city would also affect multiple intersections and impact vehicle traffic and pedestrian safety in these areas.

The City's 2015 legislative platform also states these concerns, as do the following policies, adopted in December 2014 as part of the Land Use and Circulation Element update (Resolution 10586):

12.2.4 Railroad Hazards Reduction.

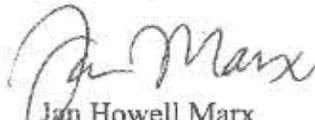
The City shall monitor and respond to changes, or proposed changes in passenger and freight rail traffic that may impact the safety and well-being of residents of the community including the transport of combustible materials.

12.2.5 Transport of Combustible Materials

The City shall discourage the transportation of oil and other combustible hydrocarbons through the City.

For all of reasons stated above, the City of San Luis Obispo requests the Planning Commission to reject this project and thereby protect the health, safety and welfare of San Luis Obispo County residents, including over 46,000 City residents.

Sincerely


Jan Howell Marx
Mayor

Cc: San Luis Obispo City Council
San Luis Obispo County Board of Supervisors
State Senator Bill Monning
Assemblyman Katcho Achadjian
US Congresswoman Lois Capps

March 2, 2015

San Luis Obispo County Planning Commission
c/o James Bergman, Director of Planning and Building
976 Los Osos Street, Room 200
San Luis Obispo, CA 93408

RE: Proposed Phillips 66 Company Santa Maria Refinery Rail Spur Extension Project

Dear Honorable Chair and Commissioners:

On behalf of the City of Simi Valley, the City Council has reconsidered the proposed Phillips 66 Company Santa Maria Refinery Rail Spur Extension Project, and I would like to express our serious concern and bring to your attention our opposition to the Project.

According to the Recirculated Draft Environmental Impact Report (RDEIR), there exist unmitigated significant hazards and hazardous materials impacts associated with the transport of crude oil by rail that would result in risk of derailment and spillage of crude oil, including impacts to fire protection and emergency response services along the mainline due to spill or derailment. Simi Valley has nine at grade rail crossings in our community. Adjacent to the railroad tracks are homes, parks, businesses, and an elementary school. A derailment, accident, explosion, oil spill, or fire could have disastrous life safety, health, environmental, and economic consequences for the residents and businesses in Simi Valley.

Even without the risk posed by the extreme proximity of rail lines to our residents and businesses, local emergency responders are not prepared for the scale or disaster represented by a major oil train derailment, and current oil-by-rail safety standards, like electronically controlled braking systems and phase out of older cars, have not kept pace with increased oil-train traffic. The RDEIR also did not evaluate the relative air quality or greenhouse gas emissions for the entire project area.

Further, the February 16, 2015, derailment and explosion of an oil train in Rockland, West Virginia, a train comprised solely of CPC-1232 tanker cars, and travelling under the speed limit for the section of the track on which it was traveling, is a clear indication that the use of these cars as mitigation is inadequate to protect the public from rail oil spills.

The City of Simi Valley requests that additional environmental and risk analysis be completed, particularly for the communities like Simi Valley that the oil trains will travel through to serve the Phillips facility.

For these reasons, the City of Simi Valley respectfully opposes the Phillips 66 Company Santa Maria Refinery Rail Spur Extension Project. Thank you for your consideration of this project's potential impacts to the residents of Simi Valley. Should you have any questions, please feel free to contact the Assistant to the City Manager, Samantha Argabrite, at (805) 583-6707.

Sincerely,

Robert O. Huber
Mayor

cc: City Council
City Manager

Clerk - file - #26 - 3/10/15



County of Santa Cruz

BOARD OF SUPERVISORS

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SECOND DISTRICT

RYAN COONERTY
THIRD DISTRICT

GREG CAPUT
FOURTH DISTRICT

BRUCE MCPHERSON
FIFTH DISTRICT

March 10, 2015

Chairperson and Members
San Luis Obispo County Planning Commission
County Government Center
1055 Monterey Street
San Luis Obispo, CA 93408

**RE: OPPOSITION TO THE PROPOSED PHILLIPS 66
COMPANY RAIL SPUR EXTENSION PROJECT**

Dear Members of the Commission:

I am writing at the direction of the Santa Cruz County Board of Supervisors to express our opposition to the proposed Phillips 66 Company Rail Spur Extension Project.

Our community recognizes the environmental hazards and community risks associated with oil transportation and oil exploration techniques such as hydraulic fracturing. In our county, local voters expressed strongly that they did not want oil derricks off our coast, and the County supported legislation to regulate the type of container ships carrying oil along our coastline. Last year, the Santa Cruz County Board of Supervisors also unanimously banned hydraulic fracturing, or "fracking," in our county.

Members of our Board have been contacted by local residents and residents of other communities who are extremely concerned about the proposal by Phillips 66 to haul oil to a location in San Luis Obispo County by train. Phillips 66 wants to expand a train terminal in San Luis Obispo County to bring nearly three million gallons of toxic tar sands oil, each day, in mile-and-a-half long trains to their refinery in Nipomo. Phillips 66 admits that the plan will include transport of "significant and unavoidable" levels of toxic sulfur dioxide and cancer-causing chemicals. These are the heaviest trains on the tracks, running over our water supplies and through our towns across the state. While the trains won't run directly through our county, they will run over the Pajaro River, which is one of the most valuable water resources in our county.

March 10, 2015

Page 2

Transporting the crude oil proposed in this project by rail will involve as many as five trains per week with up to 80 tank cars, each carrying 26,000 - 28,000 gallons of crude oil (2.2 million gallons total) on their way to the San Luis Obispo County facility.

With the growing number of reports of hazards associated with oil tanker transfer by rail, communities along the proposed railway route are beginning to understand that we all have a stake in the Phillips 66 proposal. Just last month, a train carrying crude in West Virginia exploded, dumping over 70,000 barrels of oil onto the ground and into the nearby Kanawha River. This happened in spite of using new tanker cars built to withstand accidents better than older models. At least 12 derailments have occurred since early 2013, the most devastating in Lac-Megantic, Quebec, in July 2013, when a runaway train carrying Bakken crude derailed and set off an inferno that killed 47 people.

In Santa Cruz County, the Pajaro River flows through mountains, redwood forests, urban areas, and agricultural lands on its way to the Monterey Bay — the centerpiece of the nation's largest federally protected National Marine Sanctuary. The lower Pajaro River region includes working farms, businesses, and residential areas encompassing the City of Watsonville and parts of Santa Cruz and Monterey counties. Our county depends on the river for sustenance, recreation, and economic development. The hazards of a rail spill or explosion place the Pajaro River in danger, and the impacts of such a catastrophe could be widespread.

Accordingly, I am writing to express our Board's opposition to the proposed Phillips 66 Company Rail Spur Extension Project.

Sincerely,



GREG CAPUT, Chairman
Board of Supervisors

GC:ted

cc: San Benito Rising
Executive Director, Coastal Watershed Council

2261A6

50th Year



Golden Jubilee

City of Carpinteria

COUNCIL AGENDA STAFF REPORT April 13, 2015

ITEM FOR COUNCIL CONSIDERATION

Sending a letter requesting that the San Luis Obispo County Planning Commission deny the proposed Phillips 66 Santa Maria Refinery Rail Spur Extension Project.

STAFF RECOMMENDATION

Action Item X ; Non-Action Item

Approve and authorize the Mayor to sign on behalf of the City Council the proposed letter to the San Luis Obispo County Planning Commission.

Motion: I move to approve and authorize the Mayor to sign on behalf of the City Council the proposed letter to the San Luis Obispo County Planning Commission.

BACKGROUND

San Luis Obispo County is processing a development permit application for the Santa Maria Refinery Rail Spur Project (Project). The application was submitted by the Phillips 66 Company for various improvements necessary to accommodate expanded railroad service to and from the Santa Maria Refinery, which the company operates near Nipomo in southwestern San Luis Obispo County. The Project environmental impact report (EIR) process was initiated by the County in 2013, and the public comment period on the recirculated draft EIR closed in November 2014. The County expects public hearings to be scheduled for consideration of the proposed final EIR and the Project permit this summer. Project information, including the Draft Recirculated EIR and comment letters can be found on the County website at:

http://www.slocounty.ca.gov/planning/environmental/EnvironmentalNotices/Phillips_66_Company_Rail_Spur_Extension_Project.htm. Attached to this report are several excerpts from the Draft Recirculated EIR including the Executive Summary, Project Description and Project Impact Summary Tables.

The primary environmental effect of the Project in Carpinteria will be an increase in the number of trains carrying hazardous material, i.e., crude oil, on the UPRR mainline that

bisects the City. The Draft EIR estimates that the Project would result in up to five unit trains per week (a unit train has 80 tank cars) and up to 250 trains per year. Each rail car has an estimated capacity of 27,300 gallons and each unit train 2.18 million gallons.

At its meeting of February 23, 2015, the City Council received public comment and a letter from Jim Taylor, representing the Carpinteria Valley Association, requesting that the City Council oppose the Project. A series of significant accidents, related news reports, and reports issued by various federal and state agencies studying the safety of oil-by rail transportation, have made oil-by-rail an issue of national concern. The February 2015 issue of Western Cities Magazine, the magazine of the League of California Cities, included a cover story on the issue of oil train safety and the League has recommended a list of 10 advocacy points for use by California cities in seeking improved rail safety.

In response to the Carpinteria Valley Association request, the City Council requested an agenda matter be scheduled to discuss oil transport by rail and associated risks to Carpinteria. On March 23, staff presented a report on oil-by-rail and the City Council approved a letter (attached) for transmittal to the U.S. Department of Transportation and federal representatives that advocates for a number of measures aimed at improving the safety of rail transportation of hazardous materials and, in particular, oil-by-rail transit. During the public comment period concerning the matter, the City Council received many requests for the City to also take a position against the Project. The Council directed staff to schedule the matter for consideration on its next agenda.

To date, many public agencies have commented on the Project and/or requested that it be denied. All comment letters, including those of public agencies requesting denial, can be found on the San Luis Obispo County website. Public agencies in the region that have filed letters in opposition to the project include Ventura City and County, Ventura School District, Moorpark, Simi Valley, Camarillo, Oxnard, and San Luis Obispo City. Also, First District Supervisor, Salud Carbajal submitted a letter of concern regarding the project. Finally, the City of Guadalupe City Council received a report on the subject and declined to take a position on the Project.

Staff has prepared a draft letter requesting that the San Luis Obispo County Planning Commission deny the Project and this agenda matter is intended to provide the City Council with an opportunity to approve the letter for transmittal to the County under the Mayor's signature.

DISCUSSION

As was reported and discussed during the oil-by-rail report to the City Council on March 23, oil-by-rail transportation has increased substantially in recent years as have related catastrophic accidents.¹ Local governments, such as the County of San Luis Obispo,

¹ The Project Draft EIR reports a 423% increase in crude oil carried by rail between 2011 and 2012

are preempted by federal law from regulating the mainline UPRR railroad operations affected by the Project. Also as reported at the March 23 meeting, federal and state regulations as well as railroad industry measures implemented to date have been ineffective and are in need of substantial reform.²

The Draft Recirculated EIR identifies 11 Significant and Unavoidable (Class I) environmental impacts that are expected to result from the Project. Under the California Environmental Quality Act (CEQA), where Class I impacts have been identified through the EIR process a development permit cannot be approved by the lead agency (in this case, the County of San Luis Obispo) unless certain findings are made.

California Public Resources Code §21081. Necessary findings where environmental impact report identifies effects.

Pursuant to the policy stated in Sections 21002 and 21002.1, no public agency shall approve or carry out a project for which an environmental impact report has been certified which identifies one or more significant effects on the environment that would occur if the project is approved or carried out unless both of the following occur:

(a) The public agency makes one or more of the following findings with respect to each significant effect:

(1) Changes or alterations have been required in, or incorporated into, the project which mitigate or avoid the significant effects on the environment.

(2) Those changes or alterations are within the responsibility and jurisdiction of another public agency and have been, or can and should be, adopted by that other agency.

(3) Specific economic, legal, social, technological, or other considerations, including considerations for the provision of employment opportunities for highly trained workers, make infeasible the mitigation measures or alternatives identified in the environmental impact report.

(b) With respect to significant effects which were subject to a finding under paragraph (3) of subdivision (a), the public agency finds that specific overriding economic, legal, social, technological, or other benefits of the project outweigh the significant effects on the environment.

Several of the Class I impacts identified in the Draft EIR, including the increased risk of a hazardous materials spill along the UPRR mainline, affect Carpinteria. The project Draft EIR states in part "...the County as CEQA Lead Agency, and other state and local responsible agencies may be preempted from imposing mitigation measures, conditions or regulations by federal law..." It is apparent from the Draft EIR that such mitigation and conditions will be necessary in order to address the identified Project impacts.

² "Oil by Rail Safety in California: Preliminary Findings and Recommendations", State of California Interagency Rail Safety Working Group, June 2014

The need to establish and carry out mitigation measures and/or project conditions through the Project permit approval and operations monitoring will be frustrated, if not entirely stymied, by the federal preemption, which is expected to preclude the implementation of any mitigation measures or project conditions that affect railroad operations on the UPRR mainline. UPRR confirms this issue in its letter of November 24, 2014, to San Luis Obispo County (attached), citing, among other things, actions being taken by the railroad industry and federal regulators to improve rail transportation safety and making clear that it believes San Luis Obispo County is preempted from regulating railroad operations and that the "UP will not agree to any limitation on the volume of product it ships or the frequency, route or configuration of such shipments."

As such, staff has determined that the project poses an unacceptable risk to Carpinteria as the City is located along the route that would be used to transport oil to the Project site.

POLICY CONSISTENCY

The Phillips 66 Santa Maria Refinery Rail Spur Extension Project will result in a greater amount of rail traffic carrying oil and will increase risks of a hazardous materials spill, among other impacts. The City's request that San Luis Obispo County deny a project determined to have the potential to increase risk of hazards in the City of Carpinteria can be found consistent with City policies aimed at improving public safety and mitigating rail hazards.

The City of Carpinteria City Council has responded in the past to railroad development and operations that it found would be a detriment to public health and safety. In 2000 the City Council upheld on appeal the City Planning Commission's denial of a railroad siding in the City finding, in part, that the project would impact sensitive environmental resources such as the Harbor Seal haulout and exacerbate existing constraints on public access to the coast. Also, in 1999, the City Council wrote letters in opposition to a proposal by UPRR to raise the passenger and freight train speed limits through Carpinteria.

The following General Plan and Local Coastal Plan Safety Element policies are applicable:

Objective S-6: Minimize the potential risks and reduce the loss of life, property and the economic and social dislocations resulting from hazardous materials accidents at large industrial facilities, at facilities handling acutely hazardous materials, and along transportation corridors.

Policies:

S-6a. The City should maintain lists of facilities in the planning area that involve the use, storage, and/or transportation of hazardous materials.

S-6b. City policies concerning the use, storage, transportation and disposal of hazardous materials, and regarding underground or above-ground storage tanks shall reflect the County of Santa Barbara and the State Regional Water Quality Control Board policies and requirements and shall ensure that the use, storage, transportation and disposal of hazardous materials does not result in hazardous discharge or runoff.

S-6c. The City should consider the presence of large industrial facilities, facilities that handle acutely hazardous materials or pesticides, and railroad and utilities right-of-ways in land use planning.

S-6d. The City shall support protective measures against the spillage of hazardous materials, including crude oil, gas and petroleum products, and shall support effective containment and cleanup facilities and procedures for accidental spills that occur.

S-6e. Where feasible, new hazardous industrial development shall be located away from existing developed areas.

Implementation Policies:

22. Development of parcels that include the Rincon crude oil pipeline, the Gas Company's natural gas pipeline, a railroad right-of-way, or any other corridor or easement that contain similar uses that have the potential for hazardous materials leaks and/or catastrophic events, shall avoid the placement of habitable structures in such close proximity to the lines that public health and safety is put at risk.

26. Train speeds through Carpinteria should be maintained at levels that serve to minimize the potential for derailed train cars to leave the railroad right of way as a result of an accident.

FINANCIAL CONSIDERATIONS

A hazardous materials release that results in long-term damage to infrastructure, the environment, and/or local businesses can have long-term negative impacts on the local economy and related revenues, e.g., sales tax. Further, local response to any major disaster can be financially crippling to a city, even if federal disaster recovery funds are available and obtained. Advocating for denial of a project application that would be expected to lead to an increase in the risk of a catastrophic hazardous materials incident in the City is a way the City can take action to address such financial risk.

LEGAL

The City of Carpinteria does not have permit authority over the subject project, including the operation of the portion of Union Pacific Railroad track that bisects the City and which will be affected by the project. The City may submit comments and requests to

the County of San Luis Obispo and the California Coastal Commission, which have permit authority.

OPTIONS

1. Approve and send the letter requesting San Luis Obispo County Planning Commission deny the proposed Phillips 66 Santa Maria Refinery Rail Spur Extension project
2. Amend the proposed letter
3. Decline to send a letter.

PRINCIPAL PARTIES EXPECTED AT MEETING

Carpinteria Valley Association Representatives

ATTACHMENTS

- A. Draft Letter Regarding Phillips 66 Santa Maria Refinery Rail Spur Extension Project
- B. Letter request from Carpinteria Valley Association, dated, February 23, 2015
- C. San Luis Obispo County Draft Environmental Impact Report Excerpts including:
 1. Executive Summary
 2. Project Description
 3. Impacts Summary Table
- D. Union Pacific Railroad comment letter on Draft EIR, dated November 24, 2014

Staff contact: Dave Durlinger
(805 684-5405, daved@ci.carpinteria.ca.us)



Signature

CITY of CARPINTERIA, CALIFORNIA



April 7, 2015

San Luis Obispo County Planning Commission
c/o James A. Bergmann, Director of Planning and Building
976 Los Osos Street, Room 200
San Luis Obispo, CA 93408

Re: Request for denial of the proposed Phillips 66 Santa Maria Refinery Rail Spur Extension Project

Dear Chair and Commissioners:

As Mayor of the City of Carpinteria, I write to you on behalf of the Carpinteria City Council to request that the Planning Commission deny the proposed Phillips 66 Santa Maria Refinery Rail Spur Extension Project due to the 11 Significant and Unavoidable (Class I) environmental impacts, identified in the project draft environmental impact report (DEIR). In particular, we object to the project due to the increased risk of a crude oil train derailment in our community.

Carpinteria is located on the coast in southeast Santa Barbara County and is bisected by the Union Pacific Railroad mainline studied in the DEIR and subject to project impacts. Thousands of Carpinterians live, work and go to school adjacent to this rail line. An oil train derailment in Carpinteria poses a significant risk of loss of life in our community.

Carpinteria is home to a variety of coastal resources that are of regional and statewide significance include an estuary, near shore ocean reefs, a harbor seal haulout/sanctuary, popular tourist destinations such as the Carpinteria downtown shopping district and the Carpinteria State Beach campground. All of these important resources are located adjacent to the UPRR railroad tracks and, in the event of an oil train derailment in Carpinteria, would put these resources at a significant risk of being damaged or destroyed.

As you know, in its letter of November 24, 2014, UPRR takes the position that federal regulations preempt local government agencies such as the San Luis Obispo County from regulating railroad operations. Yet, the regulation of rail transportation, as promulgated and carried out by the rail industry and federal regulatory agencies has proven to be inadequate to effectively address the risks represented by oil-by-rail transportation. Nationwide, the lack of effective federal or state regulations and the inability to establish local regulations has resulted in a dangerous void in oversight with, as we have seen over and over again, disastrous results. This inadequate system of regulatory oversight, the threat of federal preemption, and the posture of UPRR concerning the establishment of project mitigation or conditions that may be deemed to affect railroad operations make clear that the significant environmental impacts identified cannot be adequately addressed.

For these reasons, we respectfully request the Commission deny the proposed Phillips 66 Santa Maria Refinery project.

Sincerely,

Gregg A. Carty
Mayor

c: San Luis Obispo County Board of Supervisors
California Coastal Commission



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DIRECTORS
LAUREN HANSON, *PRESIDENT*
RICHARD M. MERRIFIELD, *VICE-PRESIDENT*
JOHN F. CUNNINGHAM, *DIRECTOR*
BILL ROSEN, *DIRECTOR*
MEG WEST, *DIRECTOR*

GENERAL MANAGER
JOHN D. MCINNES

May 12, 2015

Honorable Debbie Arnold, Chair
San Luis Obispo County Board of Supervisors
County Government Center, Room D-430
San Luis Obispo, CA 93408

Honorable Ken Topping, Chair
San Luis Obispo County Planning Commission
976 Los Osos Street, #200
San Luis Obispo, CA 93401

Re: Phillips 66 Rail Spur Extension Project

Dear Chairs and Members,

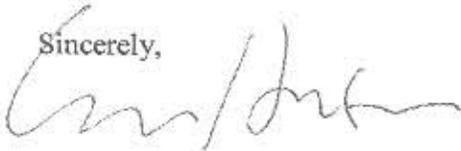
As President of the Goleta Water District (District) I am writing to express the serious concern of the District Board of Directors regarding the potential environmental impacts that the proposed Phillips 66 Rail Spur Extension Project could have on the Goleta Groundwater Basin. The District service area spans approximately 29,000 acres along the South Coast of Santa Barbara County between the ocean and the foothills west from Santa Barbara to El Capitan. The rail route through Santa Barbara County crosses a significant portion of the Goleta Groundwater Basin. The District provides safe and reliable water service to over 87,000 residents in the Goleta Valley and during this time of extraordinary drought is increasingly reliant on groundwater to provide adequate supplies for drinking, health and safety.

As you are aware, the project facilitates a large increase in the number of oil trains along the coastal corridor. The Draft Environmental Impact Report (DEIR) evaluates a range of potential impacts of the rail project, including the possibility of a major accident and spill. Spills along the mainline tracks were found to be significant and unavoidable (Class I) in the event that a spill occurred where it could affect water resources. The District recognizes that such an accident has the potential to cause catastrophic damage to our community's groundwater basin and watershed. The DEIR should cite and analyze the potential significant adverse impact that a derailment, spill, or explosion event would have on basins, creek systems and watersheds along the proposed transit route to protect the irreplaceable public resources.

The District has relied on the groundwater basin and its ability to provide for the health and well-being of the community for over 40 years. Likewise, District customers have invested millions of dollars to sustainably manage the basin. Currently the District has stored over 50,000 acre-feet of water in the basin to be used as a drought resource now and into the future. Financially, the District will spend over \$13 million on new infrastructure over the next 5 years to expand extraction, injection and monitoring capacity.

Recognizing the serious nature of the matter, the District Board of Directors asks that the San Luis Obispo County Planning Commission and Board of Supervisors take a hard look at the impacts of a potential spill on the groundwater basins of communities like the Goleta Valley that depend on local aquifers to provide water to residents, and whose water supply is put at grave and unacceptable risk by this project.

Sincerely,

A handwritten signature in black ink, appearing to read "Lauren Hanson", written over a light blue horizontal line.

Lauren Hanson
President
Goleta Water District



TO: Mayor and Councilmembers
FROM: Jennifer Carman, Planning & Environmental Review Director
CONTACT: Anne Wells, Advance Planning Manager
SUBJECT: Phillips 66 Santa Maria Refinery Rail Project

RECOMMENDATION:

Provide staff with direction on submitting a comment letter to the San Luis Obispo County Planning Commission stating health, safety, and environmental concerns regarding the Phillips 66 Santa Maria Refinery Rail Project (Attachment 1).

BACKGROUND:

Phillips 66 Company (Phillips 66) has applied to San Luis Obispo County (County) for the Santa Maria Refinery Rail Spur Project (Project). The Project proposes to expand the capacity at the existing Santa Maria Refinery, located in Nipomo, San Luis Obispo County, to accept crude oil from outside of the region, by rail transport. Rail transport to the refinery includes two routes, one of which runs through Goleta.

DISCUSSION:

A Draft Environmental Impact Report (EIR) for the Project was released in November 2013 followed by a Revised Draft EIR in October 2014. Over 11,000 comment letters were reportedly received by the County on the Revised Draft EIR. According to the Revised Draft EIR, the Project increases the capacity of the Santa Maria Refinery to receive crude oil by train through various proposed modifications. Each train is approximately one mile in length and could carry more than two million gallons of unrefined crude oil. The Revised Draft EIR indicates that an average of five trains per week and up to 250 trains per year will deliver crude oil to the refinery.

The oil transport trains would be operated by Union Pacific Railroad (UPRR) and would arrive at the Santa Maria Refinery from the north or the south, through the City, depending on the route taken. The movement of those trains to and from the site is largely regulated by federal law under the Interstate Commerce Commission Termination Act of 1995 and the Commerce Clause of the United States Constitution, as stated in the Revised Draft EIR.

The Revised Draft EIR identifies a number of potential impacts resulting from the Project. Most relevant to the City are the hazards and hazardous materials impacts as rail transport of crude has the potential for oil spills, fires, or explosions along the railroad, including the segment of the track passing through the City of Goleta on the south side of Highway 101. Refer to Attachment 2 for the Revised Draft EIR Executive Summary, Project Description, and Impacts Summary Table for more information.

Impacts associated with a mile long train, holding more than two million gallons of unrefined crude oil potentially passing through Goleta, are numerous. The risk of spill, fire, or explosion and related public safety and environmental damage was the most serious potential impact identified by staff during the review of the EIR. A number of other cities have similar concerns and have passed resolutions and/or sent letters opposing the Project. The cities of Carpinteria, Oxnard, Ventura, and Camarillo for example, have recently done this. Additionally, State Senator Hannah-Beth Jackson requested denial of the Project. Although the City found the risk of upset to be minimal in approving the Cortona Apartments Project, this quantity and frequency of crude oil was not part of that analysis.

To assist the San Luis Obispo County decision-makers better understand the concerns of impacted communities, the City could submit a comment letter stating the details of our concerns. Staff prepared a draft comment letter for your consideration, focusing on the public safety and environmental risks associated with the rail transport component of the Project (Attachment 1).

San Luis Obispo County has jurisdiction over approval of the Project and pursuant to the California Environmental Quality Act (CEQA) is the Lead Agency for the environmental review of the Project. The County Planning Commission has the review and approval authority to grant or deny the Project and EIR. The Project and EIR is anticipated to be on the Planning Commission's agenda in the near future.

FISCAL IMPACTS:

There are no direct fiscal impacts associated with this item.

ALTERNATIVES:

The City Council may elect not to send a letter or to make amendments to the letter.

Legal Review By:



Tim W. Giles
City Attorney

Approved By:



Michelle Greene
City Manager

ATTACHMENTS:

1. Draft Letter from the City to the San Luis Obispo County Planning Commission Regarding the Phillips 66 Santa Maria Refinery Rail Project
2. Phillips 66 Santa Maria Refinery Rail Project Revised Draft EIR Executive Summary, Project Description, and Impacts Summary Table



May 19, 2015

CITY COUNCIL

Paula Perotte
Mayor

Jim Farr
Mayor Pro Tempore

Roger S. Aceves
Councilmember

Michael T. Bennett
Councilmember

Tony Vallejo
Councilmember

CITY MANAGER
Michelle Greene

Honorable Planning Commissioners
San Luis Obispo County
c/o James A. Bergman, Director of Planning and Building
976 Los Osos Street, Room 200
San Luis Obispo, CA 93408

RE: Phillips 66 Santa Maria Refinery Rail Project

Dear Honorable Chair and Commissioners:

The purpose of this letter is to relay the City of Goleta's concern for public safety and the environmental risks and public safety arising from the proposed Phillips 66 Santa Maria Refinery Rail Project ("Project"). We respectfully request that the City's concerns be included as part of your evaluation of the merits of the Project.

The Project, however, proposes to expand the capacity of the Santa Maria Refinery located in Nipomo, California, to accept crude oil from outside of the region, transported into the refinery via rail, as opposed to pipeline transport. The Project directly affects the City of Goleta and our residents.

The proposed transport to market includes two routes, one of which runs through the center of Goleta. The hazards associated with crude oil rail transport are well documented within the environmental impact report for the Project and puts our public, sensitive creek habitats, and environment at unnecessary risk.

Each crude oil train could carry more than two million gallons of crude oil, exposing our community to almost 11,000,000 gallons of hazardous and potentially explosive oil product each week. The trains traveling through Goleta and the region would stretch over a mile long, paralleling major transportation corridors such as Highway 101 and Hollister Avenue, through the densely populated Old Town area of Goleta, and adjacent to our high-tech business center and research

park area. Hundreds of homes exist or are currently under construction adjacent to the rail corridor with hundreds more soon to be constructed in the same vicinity. The rail line parallels Ellwood Elementary School, a fire station under pre-construction design, a proposed California Highway Patrol facility, an electrical peaker plant, an oil and gas processing plant, and underground oil and gas pipelines.

Equally significant, the rail intersects each of the City's twelve sensitive creeks just upstream from the Pacific Ocean. The creeks connect to the ocean via biologically rich estuaries, hosting numerous special status plants, fish, birds, and other wildlife species. The creeks are important to both ecosystem health and community values.

In summary, our concern regarding rail transport of volatile crude oil threatens the safety of our children, residents, businesses, critical infrastructure, and our creeks and the estuaries. Note that the existing pipeline transport of crude oil has numerous monitoring and control points that enable our well-trained emergency responders to minimize and manage incident response. These same emergency responders do not have the resources to adequately respond to the scale of emergency that would occur in the event of a crude oil train derailment not to mention the direct threat to public safety infrastructure. The potential for a large-scale disaster resulting from this Project is a reality that must be addressed.

The transport of large quantities of volatile crude oil on a mile-long train through our City is simply too risky and unnecessary, particularly in light of California's existing well-controlled maze of underground transport pipelines. The risk of derailment and related public safety and environmental damage makes this Project unsupportable by the City and we respectfully request that you deny the Project, as it is currently defined.

Thank you for your consideration of our concerns and request regarding this Project. Please ensure that we are aware of future public meetings related to the Project and do not hesitate to contact me at (805)961-7500 or the City's staff contact, Anne Wells, at (805)961-7557 or awells@cityofgoleta.org if you have questions or comments regarding this letter.

Sincerely,

Paula Perotte
Mayor

cc: Hannah-Beth Jackson, California State Senator
Das Williams, California Assembly Member
Goleta City Councilmembers
Michelle Greene, Goleta City Manager
Tim Giles, Goleta City Attorney



Agenda Item No. 18

File Code No. 160.01

CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: July 28, 2015
TO: Mayor and Councilmembers
FROM: City Administrator's Office
SUBJECT: City Attorney Compensation Negotiations

RECOMMENDATION:

That Council hold a closed session with Kristine Schmidt, Administrative Services Director, pursuant to CA Government Code Section 54957(b)(1) and Section 54957.6 regarding the negotiation of the salary and fringe benefits applicable to the City Attorney.

NEGOTIATORS: Kristine Schmidt, Administrative Services Director
SCHEDULING: Duration, 30 minutes; anytime
REPORT: None anticipated
PREPARED BY: Jennifer Jennings, City Administrator Office Supervisor
APPROVED BY: City Administrator's Office