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

SEPTEMBER 15, 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)

1. Subject: Statement Of Investment Policy And Delegation Of Investment Authority For Fiscal Year 2016 (120.03)

Recommendation: That the Finance Committee recommend that Council adopt, by reading of title only, A Resolution of the Council of the City of Santa Barbara Adopting the Investment Policy for the City and Rescinding Resolution No. 14-060.

(See Council Agenda Item No. 4)

2. Subject: Fiscal Year 2015 Fourth Quarter Review (120.03)

Recommendation: That Finance Committee recommend that Council:

A. Hear a report from staff on the status of revenues and expenditures in relation to budget for the Fiscal Year ended June 30, 2015;
B. Accept Interim Financial Statements for the Fiscal Year Ended June 30, 2015; and
C. Approve the proposed adjustments to the Fiscal Year 2015 budget as detailed in the attached Schedule of Proposed Fourth Quarter Budget Adjustments.

(See Council Agenda Item No. 14)

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

1. Subject: Amendments To The Peddling And Soliciting Ordinance Instituting Time, Place, And Manner Restrictions on Street Vending From Vehicles (120.03)

Recommendation: That the Ordinance Committee review and comment upon proposed amendments to the City's peddling and soliciting ordinance that provide specific guidelines regarding the time, place, and manner of street vending, and that the Ordinance Committee forward its recommendations to the Council.

2. Subject: Ordinance To Permit Carshare Operations On City-Owned Properties And Within The Right Of Way (120.03)

Recommendation: That the Ordinance Committee forward to Council for introduction An Ordinance of the Council of the City of Santa Barbara Adding Chapter 10.73 to the Santa Barbara Municipal Code to Establish a Carshare Vehicle Permit Program.

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

CALL TO ORDER

PLEDGE OF ALLEGIANCE

ROLL CALL

CEREMONIAL ITEMS

1. Subject: Proclamation Declaring September 2015 As National Alcohol And Drug Addiction Recovery Month (120.04)

CHANGES TO THE AGENDA

PUBLIC COMMENT

CONSENT CALENDAR

2. Subject: Adoption Of Ordinance To Amend Municipal Code Chapter 5.66, News Racks (530.01)

Recommendation: That Council adopt, by reading of title only, 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.

3. Subject: Adoption Of Ordinance For Amendment To Agreement For Elings Park Recycled Water Booster Pump Station (540.13)

Recommendation: That Council adopt, by reading of title only, An Ordinance of the Council of the City of Santa Barbara Approving Amendment No. 1 to Agreement No. 24,316 Between the City of Santa Barbara and The Elings Park Foundation Dated January 10, 2013, for the Use and Delivery of the City's Recycled Water and for the Construction of an Onsite Recycled Water Booster Pump Station at Elings Park.

4. Subject: Statement Of Investment Policy And Delegation Of Investment Authority For Fiscal Year 2016 (260.01)

Recommendation: That Council adopt, by reading of title only, A Resolution of the Council of the City of Santa Barbara Adopting the Investment Policy for the City and Rescinding Resolution No. 14-060.

5. Subject: Recodification Of Ordinance Authorizing Design-Build-Operate Public Works Contracts (540.10)

Recommendation: That Council adopt, by reading of title only, An Ordinance of the Council of the City of Santa Barbara Amending the Municipal Code By Adding Section 4.52.165 Pertaining to Public Works Contracts.

6. Subject: Resolution Adopting The Findings For 1912 Mission Ridge Road Appeal (640.07)

Recommendation: That Council adopt, by reading of title only, A Resolution of the Council of the City of Santa Barbara Denying the Appeal and Upholding the Decision of the Single Family Design Board Granting Final Approval of the Project Design Approval for Additions to the Residence at 1912 Mission Ridge Road.

CONSENT CALENDAR (CONT'D)

7. Subject: Contract For Construction Of Live-Fire Training Facilities Site Work Project (520.03)

Recommendation: That Council:

A. Award a contract with Hanly General Engineering Corporation in their low bid amount of $89,229.50 for construction of the Fire Training Facilities Site Work Project, Bid No. 3795; and authorize the Public Works Director to execute the contract and approve expenditures up to $8,923 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;

B. Accept the donation from Santa Barbara County Fire Department, Montecito Fire Protection District, Joint Apprenticeship Committee, and the McCaw Foundation in the total amount of $117,774 for construction of the Fire Training Facilities Site Work Project; and

C. Increase estimated revenues and appropriations for the Fire Training Facilities Site Work Project in the Capital Outlay Fund by $117,774, bringing the funding for the Project to $357,774.

8. Subject: Introduction Of Ordinances For Lease Amendments With Mercury Air Center - Santa Barbara, Inc. And Signature Flight Support Corporation (330.04)

Recommendation: That Council:

A. Introduce and subsequently adopt, by reading of title only, An Ordinance of the Council of the City of Santa Barbara Approving and Authorizing the Airport Director to Execute a Lease Amendment to Lease Agreement No. 200846, as Previously Amended November 22, 2011, with Mercury Air Center - Santa Barbara, Inc., a California Corporation, dba Atlantic Aviation, Amending the "Term" and "Rent" Provisions to Extend the Expiration Date to May 8, 2018, and Provide for Appropriate Rental Increases During the Extended Term; and

B. Introduce and subsequently adopt, by reading of title only, An Ordinance of the Council of the City of Santa Barbara Approving and Authorizing the Airport Director to Execute a Lease Amendment to Restated Lease No. 12,037.2, with Signature Flight Support Corporation, a California Corporation, Dated October 18, 2012, Amending the "Term" and "Rent" Provisions to Extend the Expiration Date to May 8, 2018, and Provide for Appropriate Rental Increases During the Extended Term.

CONSENT CALENDAR (CONT'D)

9. Subject: Contract For Design Of Cota Parking Lot Improvements And Access Control Project (550.01)

Recommendation: That Council authorize the Public Works Director to execute a City Professional Services contract with Stantec Consulting Services, Inc., in the amount of $34,775 for design services of the Cota Lot Improvements and Access Control Project and approve expenditures of up to $3,478 for extra services that may result from necessary changes in the scope of work, for a total contract amount of $38,253.

10. Subject: Contract For Professional Services For The Listing And Sale Of Excess City Properties Acquired For Bridge Replacement Projects (530.01)

Recommendation: That Council authorize the Public Works Director to execute a contract for professional services with Goodwin & Thyne Properties for the listing and sale of the excess residential City-owned properties known as 221 West Cota Street, 230 West Cota Street, 536 Bath Street, and 20 West Mason Street.

11. Subject: Contract For Construction Of Pedestrian Crosswalk Improvements At Four Intersections (530.04)

Recommendation: That Council:

A. Accept Highway Safety Improvement Program grant funding in the total amount of $493,500 for the Highway Safety Improvements Program Pedestrian Crosswalk Enhancements Project;

B. Award a contract with Lash Construction, Inc., in their low bid amount of $442,466.50 for construction of the Highway Safety Improvement Program Pedestrian Crosswalk Enhancements Project, Bid No. 3681; and authorize the Public Works Director to execute the contract and approve expenditures up to $44,250 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;

C. Approve the transfer of $76,217 in available appropriations from the Streets Capital Fund to the Streets Grant Fund and appropriate for the use of the Highway Safety Improvement Program Pedestrian Crosswalk Enhancements Project in the Streets Grants Fund; and

D. Authorize an increase in appropriations and estimated revenues related to the Highway Safety Improvement Program grant funding by $493,500 in the Fiscal Year 2016 Streets Grant Fund to cover the cost of construction.

CONSENT CALENDAR (CONT'D)

12. Subject: Compliance With Healthy Workplace Healthy Family Act Of 2014 (410.01)

Recommendation: That Council:

A. Review sick leave administration changes for regular employees to comply with the Healthy Workplace Healthy Family Act of 2014;

B. Ratify the agreement with the Hourly Bargaining unit through introduction and subsequent adoption of, by reading of title only, An Ordinance of the Council of the City of Santa Barbara Amending the Existing 2014-2016 Memorandum Of Understanding Between the City Of Santa Barbara and the Hourly Employees' Bargaining Unit to Comply with the Healthy Workplace Healthy Family Act of 2014; and

C. Adopt, by reading of title only, A Resolution of the Council of the City of Santa Barbara Approving an Unrepresented Hourly Employees Paid Sick Leave Law Policy.

NOTICES

13. The City Clerk has on Thursday, September 10, 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 concludes the Consent Calendar.

REPORT FROM THE FINANCE COMMITTEE

REPORT FROM THE ORDINANCE COMMITTEE

CITY COUNCIL ADMINISTRATIVE AND ATTORNEY REPORTS

FINANCE DEPARTMENT

14. Subject: Fiscal Year 2015 Fourth Quarter Review (250.02)

Recommendation: That Council:

A. Hear a report from staff on the status of revenues and expenditures in relation to budget for the Fiscal Year ended June 30, 2015;

B. Accept the Interim Financial Statements for the Fiscal Year Ended June 30, 2015; and

C. Approve the proposed adjustments to the Fiscal Year 2015 budget as detailed in the Schedule of Proposed Fourth Quarter Budget Adjustments.

CITY COUNCIL ADMINISTRATIVE AND ATTORNEY REPORTS (CONT'D)

PUBLIC WORKS DEPARTMENT

15. Subject: Southern California Edison Reliability Project Update (380.01)

Recommendation: That Council receive and comment on a presentation by Southern California Edison on their Downtown Santa Barbara Reliability Project.

16. Subject: Request From Montecito Water District For Regional Use Of The Charles E. Meyer Desalination Plant (540.10)

Recommendation: That Council:

A. Direct Staff to send a letter to Montecito Water District to intitiate formal discussions regarding the use of the City's Charles E. Meyer Desalination Plant as a Regional Water Supply; and

B. Appoint an Ad Hoc Council Committee to consult with staff as issues arise.

MAYOR AND COUNCIL REPORTS

17. Subject: Council Liaison To The Cachuma Operations And Maintenance Board (540.03)

Recommendation: That Council affirm the appointment of Councilmember Bendy White as the Council liaison to the Cachuma Operations And Maintenance Board, and select an alternate.

18. Subject: Request From Mayor Schneider And Councilmember Murillo Regarding Planned Parenthood Health Care and Educational Services (180.02)

Recommendation: That Council:

A. Consider the request from Mayor Schneider and Councilmember Murillo to receive a presentation regarding Planned Parenthood centers; and

B. Adopt, by reading of title only, A Resolution of the Council of the City of Santa Barbara Recognizing Planned Parenthood for Its Important Contributions to Women's Health in the City of Santa Barbara.

COUNCIL AND STAFF COMMUNICATIONS

COUNCILMEMBER COMMITTEE ASSIGNMENT REPORTS

CLOSED SESSIONS

19. Subject: Conference with City Attorney - Existing Litigation (160.03)

Recommendation: That Council hold a closed session to confer with the City Attorney regarding existing litigation pursuant to Government Code section 54956.9(d)(1), and take appropriate action as needed.

The existing litigation is:

Carter, Camille v. City of Santa Barbara, SBSC Case No. 1438672
Reyes, Toni M. v. City of Santa Barbara, SBSC Case No. 1416050
Wikman, Monika v. City of Santa Barbara, SBSC Case No. 1467345
Fox, Karen et al. v. City of Santa Barbara, et al., SBSC Case No. 1469026
Martinson, Trevor J. v. City of Santa Barbara, SBSC Case No. 1486849
Corral, Debra, and Sanchez, Theodore (Deceased), Trustees v. City of Santa Barbara, SBSC Case No. 1466439

Scheduling: Duration, 60 minutes; anytime
Report: None anticipated

ADJOURNMENT

CITY OF SANTA BARBARA

FINANCE COMMITTEE

MEETING AGENDA

DATE: September 15, 2015
TIME: 12:30 P.M.
PLACE: David Gebhard Public Meeting Room
630 Garden Street

Dale Francisco, Chair
Bendy White
Gregg Hart

Paul Casey
City Administrator

Robert Samario
Finance Director

ITEMS TO BE CONSIDERED:

1. Subject: Statement Of Investment Policy And Delegation Of Investment Authority For Fiscal Year 2016

Recommendation: That the Finance Committee recommend that Council adopt, by reading of title only, A Resolution of the Council of the City of Santa Barbara Adopting the Investment Policy for the City and Rescinding Resolution No. 14-060.

(See Council Agenda Item No. 4)

2. Subject: Fiscal Year 2015 Fourth Quarter Review

Recommendation: That Finance Committee recommend that Council:

A. Hear a report from staff on the status of revenues and expenditures in relation to budget for the Fiscal Year ended June 30, 2015;
B. Accept Interim Financial Statements for the Fiscal Year Ended June 30, 2015; And
C. Approve the proposed adjustments to the Fiscal Year 2015 budget as detailed in the attached Schedule of Proposed Fourth Quarter Budget Adjustments.

(See Council Agenda Item No. 14)

CITY OF SANTA BARBARA

ORDINANCE COMMITTEE MEETING

MEETING AGENDA

DATE: September 15, 2015
TIME: 12:30 p.m.
PLACE: Council Chambers

Randy Rowse, Chair
Frank Hotchkiss
Cathy Murillo

Office of the City Administrator

Kate Whan
Administrative Analyst

Office of the City Attorney

Ariel Pierre Calonne
City Attorney

ITEMS FOR CONSIDERATION

1. Subject: Amendments To The Peddling And Soliciting Ordinance Instituting Time, Place, And Manner Restrictions On Street Vending From Vehicles

Recommendation: That the Ordinance Committee review and comment upon proposed amendments to the City's peddling and soliciting ordinance that provide specific guidelines regarding the time, place, and manner of street vending, and that the Ordinance Committee forward its recommendations to the Council.

2. Subject: Ordinance To Permit Carshare Operations On City-Owned Properties And Within The Right Of Way

Recommendation: That the Ordinance Committee forward to Council for introduction An Ordinance of the Council of the City of Santa Barbara Adding Chapter 10.73 to the Santa Barbara Municipal Code to Establish a Carshare Vehicle Permit Program.

File Code No. 120.03

CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: September 15, 2015

TO: Ordinance Committee

FROM: Ariel Pierre Calonne, City Attorney
John S. Doimas, Deputy City Attorney

SUBJECT: Amendments To The Peddling And Soliciting Ordinance Instituting Time, Place, And Manner Restrictions On Street Vending From Vehicles

RECOMMENDATION:

That the Ordinance Committee review and comment upon proposed amendments to the City's peddling and soliciting ordinance that provide specific guidelines regarding the time, place, and manner of street vending, and that the Ordinance Committee forward its recommendations to the Council.

DISCUSSION:

Problem Statement

Mobile Vendors are currently able to sell goods and services from vehicles parked on City streets at anytime and in any location. This vending poses a health, safety, and welfare threat because it can create conflicts with vehicles and pedestrian traffic, as well as using limited parking.

The Proposed Code Amendments

The changes to the City's ordinance regarding mobile street vending is required in order to comply with the California Court of Appeal ruling in *Barajas v. City of Anaheim* (1993) 15 Cal.App.4th 1809. In that case, the court determined that California cities cannot impose a blanket ban that prohibits vending from vehicles on all city streets. However, cities are able to draft ordinances that provide specific time, place, and manner restrictions on street vending due to public safety concerns.

Therefore, in order to prevent traffic congestion, and mitigate any threat to public safety that might result from conducting business through mobile vending in the public right of ways, the City Attorney's Office recommends the following

municipal amendments regulating the location, time, and duration of on street mobile vendors for public safety purposes:

- A prohibition against peddling earlier than 9:00 a.m. or later than 7:00 p.m.
- A prohibition against vending at one location over a sixty minute period of time and that no vendor shall operate within 500 feet of any preexisting location used on the same day.
- A prohibition against vending within 500 feet of any school (through grade 12) between the hours of 7:00 a.m. and 4:00 p.m. on school days.
- A prohibition against street vending on certain streets within the City's business district in order to mitigate impacts to the availability of limited existing on street parking and enhance traffic flow (Attachment 1).

Legal Issues

A City May By Ordinance Adopt Additional Requirements Regulating The Time, Place, and Manner of Vending From Vehicles Upon Any Street For The Public Safety

Santa Barbara Municipal Code (SBMC) Chapter 5.32 governs peddlers and solicitors. A peddler is defined as "any person who goes from place to place, or from house to house, for the purpose of selling or offering for sale, or leasing or offering for lease, any goods, wares, merchandise, fruits, vegetables, foodstuffs or anything whatsoever." The City requires a permit to peddle or solicit in the City, but has a list of prohibited types of peddling and soliciting contained in SBMC Section 5.32.035. Currently, SBMC Section 5.32.035(a)(1) prohibits peddling or soliciting "on or in any street within the City."

The California Vehicle Code (CVC) limits local governments' ability to specifically regulate mobile food or non-food vendors on public streets to their detriment unless there is a public safety concern. In 1992, the Anaheim City Council adopted amendments to its City Code which made it unlawful for any person to sell (including from any vehicle) on any public property within any residential zone. The street vendors who had previously been selling produce from vehicles on streets in residential areas sued alleging that the ordinance was preempted by the CVC. In *Barajas v. City of Anaheim* (1993) 15 Cal.App.4th 1809, the California Court of Appeal held that the City of Anaheim's ordinance prohibiting vending from vehicles parked on residential areas was preempted by the Vehicle Code Section 22455.

In 2008, fifteen years after the *Barajas* decision, Assembly Bill 2588 amended CVC Section 22455 and authorized cities to impose time, place, and manner restrictions on commercial vehicle vendors for public safety purposes. CVC Section 22455(b) allows for the adoption of local ordinances that regulate the type of vending and the time, place, and manner of street vending, but only for the purpose of public safety. Given the current State law, the City is limited in regulating location, times and duration of vending trucks on the street. Courts have consistently struck down mobile vending regulations enacted by other municipalities that either completely bans all vending on City streets or ordinances that rely on justifications other than public safety, such as the need to protect local brick-and mortar businesses from mobile competition.

We are proposing to amend the City's ordinance by eliminating language that that places a blanket ban on peddling and soliciting in City streets, and instead regulate the time, place, and manner in which vending may occur in order to comply with the CVC, as well as meet the safety needs of the community. The amendments are applicable to both food and non-food vendors.

CONCLUSION:

We believe the proposed changes to the existing ordinance place reasonable time, place and manner restrictions on the operation of mobile vending vehicles or any non-motorized wheeled container within the public right of way. These amendments address public safety concerns that may arise by drivers making illegal maneuvers to access vending trucks and pedestrians walking into the streets to avoid food-truck customers who are blocking the adjacent sidewalks. The proposed amendments also limit or eliminate vending in already traffic congested areas and deals with security, trash collection, and general public nuisance concerns such as odors permeating the surrounding area.

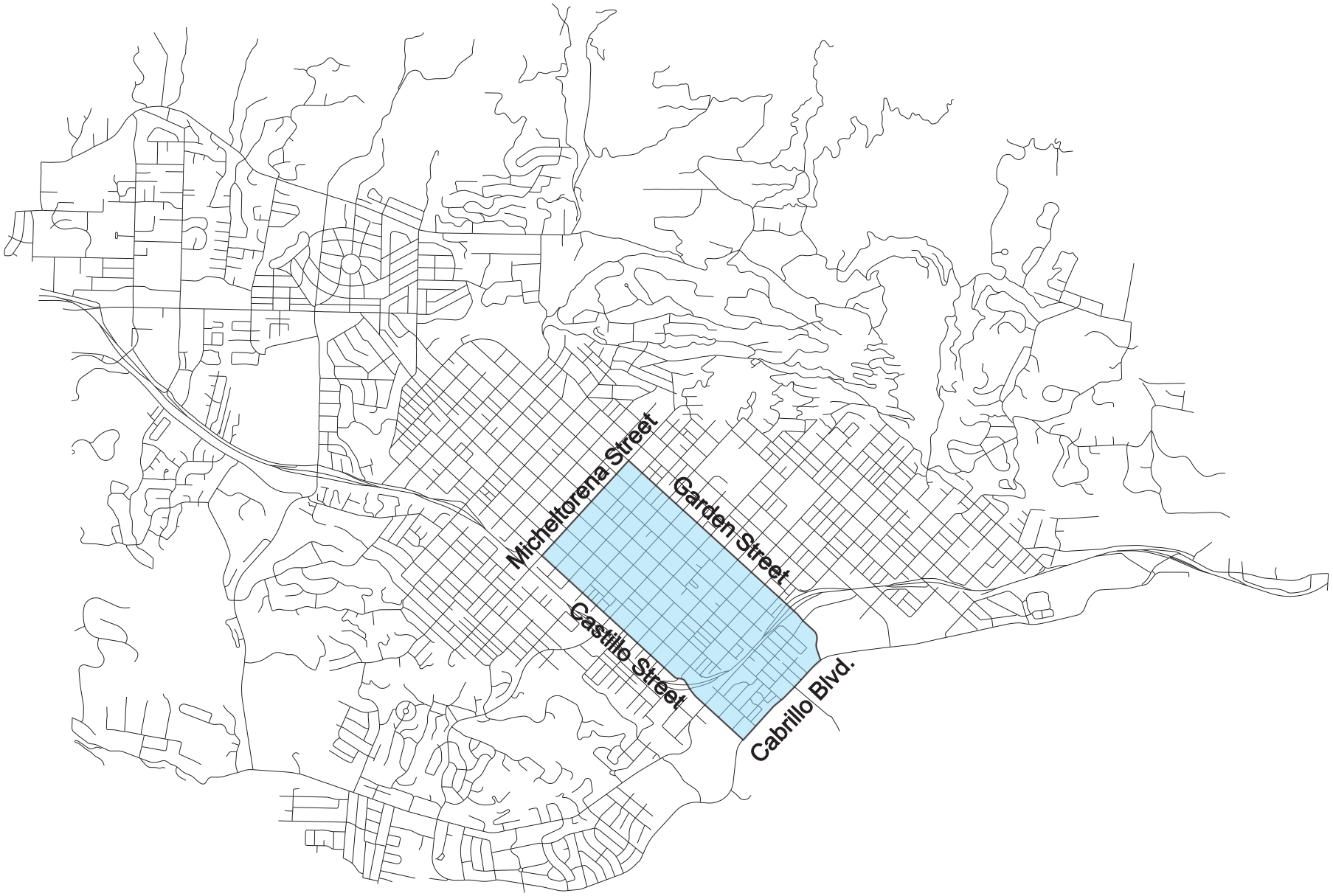
ATTACHMENT(S):
1. Map of Mobile Vending Parking Restricted Area
2. Draft Ordinance

PREPARED BY: John S. Doimas, Deputy City Attorney

SUBMITTED BY: Ariel Pierre Calonne, City Attorney

APPROVED BY: City Administrator's Office

Mobile Vendor Parking Restricted Area, April 28, 2015



ATTACHMENT 2

STAFF DRAFT 9/15/15 SHOWING
CHANGES FROM CURRENT CODE

ORDINANCE NO. ____

AN ORDINANCE OF THE COUNCIL OF THE CITY OF SANTA BARBARA AMENDING SECTION 5.32.035 OF THE SANTA BARBARA MUNICIPAL CODE TO ESTABLISH TIME, PLACE, AND MANNER RESTRICTIONS ON VENDING FROM VEHICLES, WAGONS, AND PUSHCARTS

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

SECTION 1. Findings and purposes (uncodified).

A. The City Council finds that it is in the interest of the public health, safety and the general welfare of the community that time, place, and manner restrictions be established with respect to the operation and location of mobile vending vehicles or any non-motorized wheeled container, such as a wagon or pushcart upon any City street.

B. Time, place, and manner restrictions for vending on City streets are necessary to ensure pedestrian safety , control excessive demand on parking spaces particularly within the City's business district, enhance traffic circulation movement, and prevent aesthetic blight from unsightly accumulation of waste in public right of way areas.

C. The City Council further finds that mobile vending vehicles and non-motorized wheeled containers such as a wagon or pushcart, on City streets poses traffic hazards and special dangers to residents of the community. Such vending vehicles frequently stop in public rights of way in a manner which can endanger pedestrians and vehicle traffic particularly in areas of heavy traffic volume.

D. This ordinance is enacted pursuant to the City's police power under Article

XI section 5 and 7 of the California Constitution and Vehicle Code section 22455(b). Vehicle Code section 22455(b) expressly authorizes time, place, and manner municipal regulation of vending from vehicles upon any street.

SECTION 2. Section 5.32.035 of Chapter 5.32 of Title 5 of the Santa Barbara Municipal Code is amended to read as follows:

5.32.035 Prohibited Types of Peddling and Soliciting.

A. Except as otherwise authorized in this Code, it shall be unlawful for any peddler or solicitor to do any of the following:

~~1. To peddle or solicit on or in any street within the City.~~

1. ~~2.~~ To peddle or solicit at any residence, dwelling, flat or apartment whereon a sign bearing the words “no peddler or solicitor” or words of similar meaning, indicating peddlers or solicitors are not wanted on the premises, is painted or affixed or exposed to the public view, or to attempt to gain admittance to such premises for the purpose of peddling or soliciting, except with the prior consent or at the prior invitation of some member of the household.

2. ~~3.~~ To peddle or solicit within the City ~~at any time from~~ earlier than 9:00 a.m. or later than 7:00 p.m. ~~sunset to nine o’clock (9:00 a.m.),~~ except by prior appointment.

~~4. To peddle or solicit at any place within any commercial or industrial district as established in the Zoning Ordinance of the City.~~

3. Except as provided in this section, no vendor shall stand, stop or park any vehicle or any non-motorized wheeled container, such as a wagon or pushcart,

from which merchandise, food, or other items are sold or displayed or offered for sale, barter or exchange, on any portion of any street, alley, sidewalk or public property within the city for a period of time that exceeds sixty minutes at any one location; provided, however, that such vehicle or any non-motorized wheeled container may not stand or park at all in a place described in subsection (B)(3) of this section.

4. Any vending conducted at a location within five hundred (500) foot radius of any other location used in that same day shall constitute one (1) single location, and the sixty (60) minute time limit shall apply. For the purposes of this Section, distance shall be from location to location along the shortest possible straight-line distance, regardless of any customary or common route or path of travel, i.e. “as the crow flies.”

5. No person shall stand, park or operate any vehicle or any non-motorized wheeled container within or from the public right-of-way at the following locations; those streets bounded by and including: Castillo Street, Micheltorena Street, Garden Street, and Cabrillo Boulevard (as depicted on the map attached to this chapter entitled “Mobile Vendor Parking Restricted Area, September 15, 2015”).

6. No vendor shall stand, stop or park any vehicle or any non-motorized wheeled container within five hundred (500) feet of any public or private school (through grade 12) between the hours of 7:00 a.m. and 4 p.m. during operational school days.

7. Every person operating such vehicles or containers shall have in his or her possession a valid business license to peddle issued by the city as required under Santa Barbara Municipal Code Section 5.32.040.

8. When standing or parking at the request of a bona fide purchaser, as permitted by subsection (A)(1) of this section, the person operating such vehicle or container shall:

a. Stop playing music, ringing bells or making other noise that advertises such person's presence or wares; and

b. Provide a visible trash receptacle for use by bona fide purchasers.

9. No street vendor vehicle or any extension thereof-such as mirrors, shall obstruct the movement of pedestrians or other vehicles using the street or sidewalk in a residential neighborhood. No motor vehicle shall roll up onto the sidewalk of any street bounded by rolled curbs or otherwise block pedestrian sidewalk access.

10. Mobile vending vehicles are required to have wide angle mirrors adjusted to clearly see the areas surrounding the front and rear of the vehicle. A Mobile vending vehicle is required to have the sales window at the sidewalk side of the vehicle at all times.

B. Subsection A of this Section shall not apply to persons delivering articles upon order of or by agreement with a customer from a store or other fixed place of business or distribution.

C. Subsections A2 to A10 of this Section shall not apply to the following;

1. Any person who is a certified producer authorized to participate and participating in a Certified Farmers Market, as defined, authorized and permitted in accordance with the provisions of Title 3, Chapter 3, Subchapter 1, Group 4, Article 6.5

of the California Code of Regulations (herein after, the "Market").

2. A person selling non-certified goods at and during the Market (i) who sells only the type or types of goods currently authorized by the Council to be sold at the Market and (ii) who has been issued and has in her or his possession an original, currently valid certificate signed by the Manager of the Market and showing that she or he has been authorized by the manager of the Market to sell non-certified goods at the Market.

3. Any person who has obtained a Special Event Permit from the City regarding the parades of Summer Solstice Celebration and Old Spanish Days.

D. Subsection A5 of this Section shall not apply to (1) selling or taking orders in commercial or industrial establishments for goods, wares, merchandise or services to be used in connection with the operation or maintenance of the business; or (2) selling or offering for sale newspapers, magazines and periodicals in the present customary and usual manner of selling and offering for sale of newspapers, magazines and periodicals in the City.

SECTION 3. Environmental Quality Act Exemption.

This ordinance is not subject to the California Environmental Quality Act ("CEQA") pursuant to Section 15060(c)(2) of the CEQA Guidelines (Title 14, Chapter 3 of the California Code of Regulations) because the activity will not result in a direct or reasonable foreseeable indirect physical change in the environment, and Section 15060(c)(3) because the activity is not a project as defined in Section 15378 of the CEQA Guidelines because it has no potential for resulting in physical change to the environment, directly or indirectly.

File Code No. 120.03

CITY OF SANTA BARBARA

ORDINANCE COMMITTEE AGENDA REPORT

AGENDA DATE: September 15, 2015

TO: Ordinance Committee

FROM: Transportation Division, Public Works Department

SUBJECT: Ordinance To Permit Carshare Operations On City-Owned Properties And Within The Right Of Way

RECOMMENDATION:

That the Ordinance Committee forward to Council for introduction An Ordinance of the Council of the City of Santa Barbara Adding Chapter 10.73 to the Santa Barbara Municipal Code to Establish a Carshare Vehicle Permit Program.

DISCUSSION:

The 2011 General Plan Program Environmental Impact Report (EIR) identified up to 27 intersections where significant traffic congestion either exists or is expected to occur by the year 2030 during peak travel times due to limited intersection capacity. Carshare was identified as one of the mitigation measures that can offset this traffic impact. Accordingly, Council created Policy C1.2 of the General Plan to implement a Carshare Program. The purpose of the Carshare Ordinance is to enable the City to designate parking spaces for the sole use of Carshare Program Vehicles, consistent with Section 22507.1 of the California Vehicle Code.

In addition to traffic mitigation, Carshare is anticipated to have other benefits to the transportation infrastructure and for Santa Barbara residents, including reduced parking demand, lower automobile ownership, and reduction of personal transportation costs associated with vehicle ownership. Additionally, private companies are more likely now than in the past to implement a Carshare Program at no cost to the City. Staff is therefore recommending moving forward with a Carshare Ordinance that is necessary to implement the program.

Carshare is a form of car rental whereby people rent cars for short periods of time, often by the hour, and typically via membership to the Carshare provider. They are attractive to customers who make only occasional use of a vehicle, as well as others who need a car or additional household vehicle for occasional trips, but may prefer a Carshare membership rather than owning a second or third vehicle.

Over the last year, staff has researched Carshare practices in other California cities (Santa Monica, Los Angeles, Pasadena, West Hollywood, Berkeley, San Francisco, and Sacramento) and has found that successful statewide Carsharing Programs are broadly accepted. Members of Carshare organizations are finding greater convenience, lower driving costs, and increased ease of parking. In many cases, these factors decrease the need for automobile ownership while maintaining public access to cars when needed.

Other cities and their residents are benefiting from more transportation options, lower automobile ownership rates, and fewer vehicle miles traveled. Furthermore, because most Carshare members often sell an unneeded vehicle shortly after joining, the program has proven successful in decreasing parking demand in neighborhoods and downtowns. Zipcar, one of the leading Carshare companies has collected data showing that each Carshare vehicle eliminates about 10-15 vehicles from city streets. Zipcar currently leases cars to members at the Santa Barbara Airport, in Isla Vista and at both SBCC and UCSB.

Carsharing is a viable option for Santa Barbara's residents and is a critical component of the City's Traffic Congestion Mitigation program. Instituting carsharing in downtown Santa Barbara and nearby neighborhoods would augment existing Carshare services at the Santa Barbara Airport and promote the General Plan's Circulation Element goals and policies:

Goal – Integrated Multimodal Transportation System. Create a more integrated multimodal transportation system to connect people, places, goods and services. Provide a choice of transportation modes and decrease vehicle traffic congestion.

Policy C1.2 – Personal Transportation. In partnership with private interests, promote and provide incentives, including the provision of funding for shared-cost personal transportation options such as carsharing and bikesharing to increase personal mobility, reduce air pollution and greenhouse gas emissions, reduce parking demand, and decrease the cost of transportation to individuals.

COMMITTEE REVIEW

Staff has reviewed Carshare and the concept of the Carshare Ordinance with the Transportation Circulation Committee (TCC), the Downtown Parking Committee (DPC), and the Sustainability Committee. The Sustainability Committee discussed the issue on two occasions as an information item and did not take any action. The TCC unanimously found that a potential Carshare partnership between a private company and the City of Santa Barbara is consistent with the Circulation Element. The DPC unanimously supported the concept of a Carshare program in Santa Barbara.

BUDGET/FINANCIAL INFORMATION:

Carsharing companies pay for the right to use City (or public) spaces to make vehicles available to members. Any member of the public with a valid drivers license is eligible to enroll. Staff plans to release a Request for Proposals for a qualified Carshare company to meet all of the provisions of the Ordinance. As a starting point, staff will likely designate up to 10 spaces citywide in the initial phase of the Carshare Program, with approximately 6 in the downtown core (possibly in City parking lots) and 4 in surrounding residential neighborhoods to allow for easy access to members.

In return for the leasing of these spaces, the City would receive a modest net gain in annual parking revenue.

SUSTAINABILITY IMPACT:

Both nationally and internationally, Carsharing has been shown to have sustainability benefits. Examples include academic and independent studies documenting reductions in automobile ownership rates and increases in transit ridership among Carshare members; decreased vehicle miles traveled within cities where Carsharing is prevalent; reductions in parking demand; and lower energy consumption.

ATTACHMENT(S): Draft Ordinance

PREPARED BY: Browning Allen, Transportation Manager/PB/mj

SUBMITTED BY: Rebecca J. Bjork, Public Works Director

APPROVED BY: City Administrator’s Office

ATTACHMENT

ORDINANCE NO. _____

AN ORDINANCE OF THE COUNCIL OF THE CITY OF SANTA BARBARA ADDING CHAPTER 10.73 TO THE SANTA BARBARA MUNICIPAL CODE TO ESTABLISH A CARSHARE VEHICLE PERMIT PROGRAM

The City Council of the City of Santa Barbara does ordain as follows:

Section 1. Findings

California Vehicle Code section 22507.1 authorizes cities and counties, by ordinance or resolution, to designate certain streets or portions of streets for the exclusive parking privilege of motor vehicles participating in a carshare program. The City Council finds and determines that it is in the public interest to make street space available to promote sustainable transportation practices, alleviate traffic congestion, decrease automobile ownership and decrease vehicle miles of travel. Moreover, the carshare requirements established in this chapter are intended to achieve the goals of the Circulation Element of Plan Santa Barbara, the City's General Plan.

Section 2. The Santa Barbara Municipal Code is amended to add Chapter 10.73 to read as follows:

Chapter 10.73 Carshare Vehicle Permit Program

10.73.010 Definitions.

The following words or phrases as used in this chapter shall have the following meanings.

(a) Carshare Vehicle. "Carshare vehicle" shall mean a motor vehicle that is operated as part of a regional fleet by a public or private car sharing company or organization which provides hourly or daily car sharing service to its members.

(b) City Carshare Program. "City Carshare Program" shall mean a program under which the City designates on-street parking spaces or portions of streets, or publicly owned off-street parking facility spaces or portions of such facilities, for the exclusive use of vehicles displaying a Public Works Department issued Carshare Permit.

(c) Carshare Permit. "Carshare Permit" shall mean a permit issued by the City for a carshare vehicle operated by a Carshare Organization.

(d) Carshare Organization. "Carshare Organization" shall mean a public or private carsharing company or organization that is operating within the City pursuant to

the authority granted by a duly authorized written agreement with the City of Santa Barbara.

10.73.020 Designation of Carshare Parking Spaces.

The City Traffic Engineer is authorized to designate, via posting of signs and/or curb markings, streets or portions of streets, or publicly owned off-street parking facilities or portions of the facilities, to be reserved for the exclusive parking of carshare vehicles.

10.73.030 Issuance of Permits.

The Public Works Director shall issue carshare permits to qualifying vehicles of a carshare organization. The number of permits issued to a carshare organization shall be made at the sole discretion of the Public Works Director.

10.73.040 Carshare Permit Required.

No person shall stop, park or leave standing any vehicle in a place designated for the exclusive parking of carshare vehicles participating in the City carshare program, unless the vehicle has a valid carshare permit displayed as directed by the City.

10.73.050 Posting of Carshare Vehicle Parking Spaces**.**

The City Traffic Engineer shall cause appropriate signs to be erected and/or markings in such street or publicly owned off-street parking facilities, indicating prominently thereon the parking restrictions and stating that motor vehicles with valid permit or designation shall be exempt from the restrictions. The City Traffic Engineer is further authorized to include notice on any sign installed pursuant to this section that vehicles left standing in violation of such sign may be removed and towed pursuant to California Vehicle Code section 22651. The provisions of this section shall not apply until signs or markings giving adequate notice thereof are in place.

Section 3. CEQA

This ordinance is not subject to the California Environmental Quality Act ("CEQA") pursuant to Section 15060(c)(2) of the CEQA Guidelines (Title 14, Chapter 3 of the California Code of Regulations) because the activity will not result in a direct or reasonable foreseeable indirect physical change in the environment, and Section 15060(c)(3) because the activity is not a project as defined in Section 15378 of the CEQA Guidelines because it has no potential for resulting in physical change to the environment, directly or indirectly.

City of Santa Barbara

PROCLAMATION

National Alcohol and Drug Addiction Recovery Month

September 2015

***WHEREAS**, in 2013, 21.6 million people in the United States, including 1.3 million youth aged 12-17, have faced a substance use disorder, and all deserve to experience the many benefits of recovery; and*

***WHEREAS**, nine out of ten Americans suffering substance addiction began using alcohol and other drugs before age 18, and teen substance abuse underlies the largest preventable and most costly public health problem in America today; and*

***WHEREAS**, 78% of Santa Barbara High School students who participated in prevention activities reported that these activities helped them avoid alcohol and drug use; and*

***WHEREAS**, treatment is cost effective, with some measurements showing a benefit-to-cost ratio of approximately 12:1, and every $1 invested in addiction treatment programs yielding a return of between $4 and $7 in reduced drug-related crime, criminal justice costs, and theft alone; and*

***NOW, THEREFORE, I, HELENE SCHNEIDER**, by virtue of the authority vested in me as Mayor of the City of Santa Barbara, do hereby proclaim **September 2015** as **NATIONAL ALCOHOLISM AND DRUG ADDICTION RECOVERY MONTH** and call upon the people of Santa Barbara to celebrate people who recover.*

***IN WITNESS WHEREOF**, I have hereunto set my hand and caused the Official Seal of the City of Santa Barbara, California to be affixed this 15th day of September 2015.*

Helene Schneider
Mayor

SEP 15 2015 #1
120.04

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

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

SECTION 1. Chapter 5.66 of Title 5 of the Santa Barbara Municipal Code is amended in its entirety to read as follows:

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 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 (CPI) for Urban Consumer 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. The City will notify registered news rack Owners in writing a minimum sixty (60) days in advance of a proposed adoption by City Council of any Fee Resolution that will result in any fee increase above the annual CPI percentage adjustment.

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 racks 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 amount of one million dollars ($1,000,000) per occurrence and in the general aggregate, 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 reminder 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 (51) 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, they 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:

(1) Within ten (10) feet of any marked or unmarked crosswalk;

(2) Within five (5) feet of any fire hydrant, fire call box, police call box, traffic signal controller, or traffic signal;

(3) Within three (3) feet of any utility meter, manhole, service box, parking meter, street light pole, or other public works facility;

(4) Within ten (10) feet of any driveway or alley approach;

(5) Within five (5) feet of a bike rack;

(6) 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;

(7) Within three (3) feet of any bus bench or public bench;

(8) At any location whereby the clear space for the passage of pedestrians is reduced to less than four (4) feet;

(9) Within four (4) feet of any permitted sidewalk dining area;

(10) 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 (2) 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 (2) 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.

SECTION 2. CEQA.

This ordinance is not subject to the California Environmental Quality Act ("CEQA") pursuant to Section 15060(c)(2) of the CEQA Guidelines (Title 14, Chapter 3 of the California Code of Regulations) because the activity will not result in a direct or reasonable foreseeable indirect physical change in the environment, and Section 15060(c)(3) because the activity is not a project as defined in Section 15378 of the CEQA Guidelines because it has no potential for resulting in physical change to the environment, directly or indirectly.

ORDINANCE NO. _____

AN ORDINANCE OF THE COUNCIL OF THE CITY OF SANTA BARBARA APPROVING AMENDMENT NO. 1 TO AGREEMENT NO. 24,316 BETWEEN THE CITY OF SANTA BARBARA AND THE ELINGS PARK FOUNDATION DATED JANUARY 10, 2013, FOR THE USE AND DELIVERY OF THE CITY'S RECYCLED WATER AND FOR THE CONSTRUCTION OF AN ONSITE RECYCLED WATER BOOSTER PUMP STATION AT ELINGS PARK

WHEREAS, the potable water supply of the City of Santa Barbara (City) is limited, and therefore, water conservation is important to ensure adequate water supplies;

WHEREAS, the City operates a recycled water treatment plant which produces recycled water of satisfactory quality for safe use in irrigating landscape areas within the City;

WHEREAS, the Elings Park Foundation operates and maintains landscaped areas to be irrigated, using recycled water, at its leased site known as Elings Park, located at 1298 Las Positas Road, Santa Barbara, California;

WHEREAS, the Elings Park Foundation has agreed, as set forth in Agreement No. 24,316, dated January 10, 2013, as approved by Ordinance No. 5605, to accept recycled water for irrigation of its landscaped areas, and the City has agreed to deliver recycled water to Elings Park under the terms and conditions set forth in said Agreement No. 24,316; and

WHEREAS, the Elings Park Foundation has also agreed to permit the construction by the City of an onsite recycled water booster pump station at Elings Park to further improve the system to deliver recycled water to Elings Park, and to allow periodic access by City personnel, contractors, permittees, and franchisees necessary for the construction, operation and ongoing maintenance of certain related portions of such improvements.

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

SECTION 1. The Amendment No. 1 to Agreement No. 24,316 between the City and the Elings Park Foundation for the City to deliver recycled water to Elings Park, located at 1298 Las Positas Road, Santa Barbara, California, for their purchase and use of recycled water, and for the City to construct, operate and maintain an onsite recycled water booster station, is approved in accordance with the City Charter.

SECTION 2. The Public Works Director is authorized to execute said Amendment No. 1 to Agreement No. 24,316.

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SECTION 3. Following the effective date of this Ordinance, the City Clerk is hereby authorized to cause the recordation of said Amendment No. 1 to Agreement No. 24,316 in the Official Records, in the Office of the County Recorder, County of Santa Barbara, California.

Agenda Item No. 4

File Code No. 260.01

CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: September 15, 2015

TO: Mayor and Councilmembers

FROM: Administration Division, Finance Department

SUBJECT: Statement Of Investment Policy And Delegation Of Investment Authority For Fiscal Year 2016

RECOMMENDATION:

That Council adopt, by reading of title only, A Resolution of the Council of the City of Santa Barbara Adopting the Investment Policy for the City and Rescinding Resolution No. 14-060.

DISCUSSION:

California Government Code (State Code) Section 53600 establishes legally permitted investments for local governments statewide. While not required by the State Code, each year the City Council adopts a Statement of Investment Policy, which further defines the suitable and authorized investments specifically for the City. In some cases, the City's policy is more restrictive than the State Code. Moreover, the policy serves as a guide for setting and achieving the City's own investment objectives and defines guidelines for the management of the portfolio.

Except for County governments, the State Code does not contain any provisions specifying what must be included in the investment policy of a local agency. The City has developed a comprehensive investment policy that includes all critical components recommended by various professional agencies and organizations, and the policy has been awarded several certifications. Therefore, staff recommends that the policy be updated annually to incorporate any statutory and/or internal policy changes, thereby maintaining this standard of excellence.

If a local agency's policy is submitted to the legislative body, it must be an agenda item at a public meeting and should be approved by a vote of the legislative body no later than the end of the first quarter of the year to which it applies.

Revisions to the annual investment policy are made each year, as needed, to incorporate policy or statutory changes affecting the City's investment program and daily investing activities. Policy revisions are generally technical in nature, such as process changes or language clarifications. Statutory changes are changes in state law affecting allowable investments or procedures related to investing activities.

Statutory Change Not Recommended

The passing of Assembly Bill 1933 amended and added to Government Code Section 53601 authorizing the legislative body of a local agency to invest in securities issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank. Each of these three entities is termed a "Supranational Organization", which is comprised of a group of countries formed through an international treaty for specific objectives, such as promoting economic development. Supranational Organizations partially fund their operations through issuing debt in the United States. Per Assembly Bill 1933, the maximum maturity for these obligations is 5 years, they must be eligible for purchase and sale within the United States, and they must be rated "AA" or better by a Nationally Recognized Statistical-Rating Organization.

At this time, staff recommends that this "permitted investment" not be added to the City's Investment Policy. Staff plans to evaluate Supranational obligations over the next fiscal year and may return to Finance Committee with a recommendation to include it in the policy in the future. Although these obligations are required to maintain an "AA" rating, staff believes that this foreign issuer debt should be fully evaluated before recommending a change.

Staff Recommended Changes

The policy, as submitted, contains one policy change since adoption by Council in July 2014. Section VII (A) 8. Negotiable Certificates of Deposit was revised to allow purchases of negotiable certificates of deposits, deposit notes and bank notes up to $250,000 in any institution that insures its deposits with the Federal Deposit Insurance Corporation, regardless of Moody's Investors Service or Standard and Poor's Corporation ratings. As these funds are federally insured up to $250,000, a category "A" rating is unnecessary or relevant.

There is sufficiently broad language in the policy to allow for any changes that may occur during the year to be accommodated on an administrative basis rather than a formal revision to the policy.

By separate action, Council formally delegates authority to the City Treasurer to invest and reinvest funds and to sell or exchange securities for a one-year period, as specified on page 3 of the proposed Investment Policy. Management and oversight of the investment program is delegated to the Finance Director. The Treasury Manager is authorized to conduct daily investment activities under supervision of the Finance Director per the terms of the Investment Policy and the written investment procedures manual established by the Finance Director. All investment purchases and sales require signature approval from the City Administrator (who also serves as the City Treasurer) and Finance Director, or their designee, by the close of business on the next business day following the purchase or sale.

ATTACHMENT: Annual Statement of Investment Policy – Fiscal Year 2016

PREPARED BY: Julie Nemes, Treasury Manager

SUBMITTED BY: Robert Samario, Finance Director

APPROVED BY: City Administrator's Office

City of Santa Barbara
Finance Department

Statement of Investment Policy

Fiscal Year 2016

City of Santa Barbara
ANNUAL STATEMENT OF INVESTMENT POLICY
Fiscal Year 2016

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City of Santa Barbara
ANNUAL STATEMENT OF INVESTMENT POLICY
Fiscal Year 2016

I. MISSION STATEMENT

It is the policy of the City to invest public funds in a manner that will provide maximum security, adequate liquidity and sufficient yield, while meeting the daily cash flow demands of the City and conforming to all statutes and regulations governing the investment of public funds.

II. SCOPE

This investment policy applies to all the financial assets of City of Santa Barbara. These funds are accounted for in the City's audited Comprehensive Annual Financial Report. If the City invests funds on behalf of another agency and, if that agency does not have its own policy, the City's investment policy shall govern the agency's investments.

A. Pooling of Funds

Except for cash in certain restricted and special funds, the City shall consolidate cash balances from all funds to maximize investment earnings. Investment income shall be allocated to various funds as identified in the investment procedures manual in accordance with generally accepted accounting principles.

B. Funds Included by this Policy

General Fund

Special Revenue Funds

Capital Project Funds

Enterprise Funds

Internal Service Funds

Trust and Agency Funds

Any new fund created by City Council unless specifically exempted

C. Funds Excluded from this Policy

1. City's Service Retirement System Fund. This fund is managed separately under Article XVA of the 1926 Charter.

2. Bond Proceeds. Investment of bond proceeds shall be subject to the conditions and restrictions of bond documents and are not governed by this policy. Bond investment conditions and restrictions shall be reviewed by the Finance Committee and forwarded to City Council for approval.

III. GENERAL OBJECTIVES

The primary objectives, in priority order, of the City's investment activities are safety, liquidity and yield.

A. Safety

Preservation of principal is the foremost objective of the investment program. Investments of the City shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The objective shall be to mitigate credit risk and interest rate risk. To attain this objective, the City shall diversify its investments by investing funds among several financial institutions and a variety of securities offering independent returns.

1. Credit Risk

   The City shall minimize credit risk, the risk of loss due to the failure of the security issuer or backer, by:

   - Limiting investments to the safest types of securities
   - Pre-qualifying the financial institutions, broker/dealers, intermediaries, and advisers with which the City will do business
   - Diversifying the investment portfolio so as to minimize the impact any single industry/investment class can have on the portfolio

2. Interest Rate Risk

To minimize the negative impact of material changes in the market value of securities in the portfolio, the City shall:

- Structure the investment portfolio so that securities mature concurrent with cash needs to meet anticipated demands, thereby avoiding the need to sell securities on the open market prior to maturity
- Invest operating funds primarily in shorter-term securities, money market mutual funds, and the State of California's Local Agency Investment Fund (LAIF)

B. Liquidity

The City's investment portfolio shall remain sufficiently liquid to enable the City to meet all operating requirements which might be reasonably anticipated without requiring a sale of securities. Since all possible cash demands cannot be anticipated, the portfolio should consist largely of securities with active secondary or resale markets. A portion of the portfolio also may be placed in money market mutual funds or LAIF which offer same-day liquidity for short-term funds.

C. Yield (Return on Investment)

The City's investment portfolio shall be designed with the objective of attaining a benchmark rate of return throughout budgetary and economic cycles, commensurate with the City's investment risk constraints and the liquidity characteristics of the portfolio. Return on investment is of secondary importance compared to the safety and liquidity objectives described above. The core of investments is limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed.

IV. STANDARDS OF CARE

A. Prudence

The standard of prudence to be used by City investment officials shall be the **"**Prudent Investor Standard**"** in that a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the City, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of an enterprise of a like character and with like aims. This standard shall be applied in the context of managing the overall portfolio. City investment officers acting in accordance with written procedures and the investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

B. Ethics and Conflicts of Interest

Officers and employees involved in the City investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or that could impair their ability to make impartial investment decisions. City employees and investment officials shall disclose any material financial interests in financial institutions that conduct business within their jurisdiction, and they shall further disclose any personal financial/investment positions that could be related to the performance of the City immediately to the City of Santa Barbara Treasurer and annually to the Fair Political Practices Commission. City employees and officers shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the City.

C. Delegation of Authority

Authority to manage the City's investment program is derived from the Charter of the City of Santa Barbara. City Council shall delegate to the Treasurer, for a 1-year period, the authority to invest or to reinvest funds, or to sell or exchange securities. The Treasurer shall thereafter assume full responsibility for those transactions until the delegation of authority is revoked or expires.

Management responsibility for the investment program is delegated to the Finance Director who shall establish a separate written investment procedures manual. The operation of the investment program shall be consistent with this policy and the investment procedures manual. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Finance Director. The Treasury Manager is authorized to conduct investment related activities, under the supervision of the Director of Finance, on behalf of the City. All investment purchases and sales require signature approval from the Treasurer and Finance Director or their designee, by the close of business on the next business day following the purchase or sale.

The following documents are by reference incorporated in the investment procedures manual:

1. Listing of authorized personnel
2. Relevant investment statutes and ordinances
3. Repurchase agreements and tri-party agreements
4. Listing of authorized broker/dealers and financial institutions
5. Credit ratings and/or reports for securities purchased and financial institutions used
6. Safekeeping agreements
7. Sample investment reports
8. Investment accounting documents
9. Methodology for calculating rate of return
10. Banking services contracts
11. Cash flow forecasting
12. Collateral/depository agreements

D. Internal Controls

The Finance Director is responsible for establishing and maintaining a system of written internal controls. These controls shall be reviewed annually with an independent external auditor who will notify the City Council if there is a material non-compliance with its policies and procedures. The internal controls shall be designed to prevent losses of public funds arising from fraud, employee error, and misrepresentation by third parties, unanticipated changes in financial markets, or imprudent action by City employees and officers. The internal structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived, and (2) the valuation of costs and benefits requires estimates and judgments by management.

The internal controls shall address the following points:

1. Control of collusion
2. Separation of transaction authority from accounting and record-keeping
3. Custodial safekeeping
4. Delivery versus payment (DVP)
5. Clear delegation of authority to subordinate staff members
6. Written confirmation of transactions for investments and wire transfers
7. Wire transfer agreements

V. AUTHORIZED FINANCIAL DEALERS AND INSTITUTIONS

The Finance Director shall establish selection criteria for pre-approval of financial institutions and security broker/dealers to do business with the City of Santa Barbara. The Finance Director shall maintain a list of City approved financial institutions and security broker/dealers who are authorized to provide investment services to the City. These may include primary dealers, or regional dealers that qualify under Securities & Exchange Commission Rule 15C3-1 (uniform net capital rule). To qualify for consideration, a financial institution or a security broker/dealer must also have an office in California and that office must perform the transactions with the City.

All financial institutions and broker/dealers who desire to become qualified for investment transactions must supply the following to the Finance Director as appropriate:

- Current audited financial statements
- Proof of Financial Industry Regulatory Authority (FINRA), formerly National Association of Security Dealers (NASD), certification
- Trading resolution
- Complete broker/dealer questionnaire
- Proof of State of California registration
- For banking institutions, a statement of compliance with the Federal Reserve Bank of New York's capital guideline
- Statement of having read, understood and agreeing to comply with the City's investment policy and depository contracts

The Finance Director shall annually review each of the approved financial institutions and security broker/dealers selected for current State of California registrations and financial condition.

VI. SAFEKEEPING AND CUSTODY

All security transactions, including collateral for repurchase agreements, entered into by the City shall be conducted on a delivery-versus-payment (DVP) basis which will ensure that securities are deposited in an eligible financial institution prior to the release of funds**.** Securities shall be held by a third-party custodian designated by the Finance Director and evidenced by safekeeping receipts with a written custodial agreement. The only exception to the foregoing shall be depository accounts and securities purchases made with: LAIF, time certificates of deposit, and money market mutual funds, since the purchased securities are not deliverable. Settlement instructions sent to the safekeeping agent shall require dual authorization. The Treasurer and the Finance Director shall be bonded to protect the public against possible embezzlement and malfeasance. Safekeeping procedures shall be reviewed annually by an independent external auditor and any irregularities noted should be reported promptly to the Treasurer and City Council.

VII. SUITABLE AND AUTHORIZED INVESTMENTS

The City shall be governed by the California Government Code, Sections 53600 et seq. If the Code is amended to allow additional investments or is changed regarding the limits on certain categories of investments, the City is authorized to conform to the changes in the revised Code, provided that the changes are not specifically prohibited by the City's policy. The City shall be required to present those changes in the annual review of the policy and to incorporate the new legislation within the policy. Surplus funds are defined as funds not required for the immediate necessities of the City and include investments in individually managed portfolio(s), money market fund(s) and/or State LAIF, and all portfolio limitations and restrictions shall apply to this aggregate amount. For purposes of compliance with the California Government Code and the City's Investment Policy, the credit rating requirement for medium-term notes, deposit notes, bank notes and commercial paper shall be based on the quality ratings at the time of purchase. If the quality rating of the issuer is downgraded, subsequent to purchase, by any of the Nationally Recognized Statistical-Rating Organizations below "A", or its equivalent, it shall be reported to the Finance Committee and City Council with a recommendation, and ongoing information shall be provided if the bond is not sold. Percentage limitations of surplus funds invested are noted for the various investment instruments. Where there is a specified percentage limitation for a particular category of investments, that percentage is applicable only at the date of purchase. A later increase or decrease in a percentage resulting from a change in values or assets shall not constitute a violation of that restriction.

The City is empowered by statute to invest in the following types of securities and are those that the investment managers are trained and competent to handle.

A. Investment Types

1. Bonds, notes, or other forms of indebtedness issued by the City, including bonds payable solely out of the revenues from a revenue producing property owned, controlled, or operated by the City or by a department, board, agency, or authority of the local agency.

2. United States Treasury notes, bonds, bills, or certificates of indebtedness, or those for which the full faith and credit of the United States are pledged for the payment of principal and interest.

3. Federal Agency or United States government-sponsored enterprise obligations (GSE), participations, or other instruments.

4. State of California and Local Agency Obligations. Registered state warrants or treasury notes or bonds of this state, including bonds payable solely out of the revenues from revenue-producing property owned, controlled, or operated by the state or by a department, board, agency, or authority of the state; and bonds, notes, warrants, or other evidence of indebtedness of any local agency within this state including bonds payable solely out of the revenues from revenue-producing property owned, controlled, or operated by the local agency, or by a department, board, agency, or authority of the local agency. Notes eligible for investment, other than those issued by the City or operated by a department, board, agency, or authority of the local agency, shall be rated in a

category of "A" or its equivalent or better by two Nationally Recognized Statistical-Rating Organizations.

5. Medium-Term Notes, defined as all corporate and depository institution debt securities with a maximum remaining maturity of 5 years or less, issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States. Purchases of medium-term notes may not exceed 30 percent of the City's surplus funds. Notes eligible for investment shall be rated in a category of "A" or its equivalent or better by two Nationally Recognized Statistical-Rating Organizations. Investments in medium-term notes for any single non-government issuer shall be limited to no more than 5 percent of surplus funds for issuers rated “AA” or its equivalent or better by two Nationally Recognized Statistical-Rating Organizations, and to no more than 3 percent for issuers rated “A” or its equivalent or better by two Nationally Recognized Statistical-Rating Organizations.

6. Bankers Acceptances otherwise known as bills of exchange or time drafts, drawn on and accepted by a commercial bank, which are eligible for purchase by the Federal Reserve System. Purchased bankers acceptances may not exceed 180 days maturity or 40 percent of the City's surplus funds, and no more than 10 percent of the City's surplus funds may be invested in the bankers’ acceptances of any single commercial bank.

7. Commercial Paper of “prime” quality of the highest ranking or the highest letter and number rating as provided for by a Nationally Recognized Statistical-Rating Organization. The entity that issues the commercial paper shall meet all of the following conditions in either paragraph (a) or paragraph (b):

    a. The entity is organized and operating in the United States as a general corporation and has total assets in excess of $500,000,000. In addition, its debt other than commercial paper, if any, must be rated “A” or higher by a Nationally Recognized Statistical-Rating Organization.

    b. The entity is organized within the United States as a special purpose corporation, trust, or limited liability company and has a program wide credit enhancement including, but not limited to, over collateralization, letters of credit, or surety bond. In addition, the entity has commercial paper that is rated “A-1” or higher, or the equivalent, by a Nationally Recognized Statistical-Rating Organization.

    Eligible commercial paper shall have a maximum maturity of 270 days or less. The City may not invest more than 25 percent of its surplus funds in commercial paper, and the City may purchase no more than 10 percent of the outstanding eligible commercial paper of any single issuer.

8. Negotiable Certificates of Deposit issued by a nationally or state-chartered bank or savings association or federal association or a state or federal credit union or by a state-licensed branch of a foreign bank. Purchases of negotiable certificates of deposit shall not exceed 15 percent of the City's surplus money invested and shall be limited to no more than 3 percent of any single issuer.

Deposit notes and bank notes purchased through a broker or dealer shall be included with negotiable certificates of deposit in calculating allowable maximum percentages. Purchases of negotiable certificates of deposit, deposit notes and bank notes of up to $250,000 are allowable in any institution that insures its deposits with the Federal Deposit Insurance Corporation, while purchases greater than $250,000 shall be rated in a category of "A" or its equivalent or better by two Nationally Recognized Statistical-Rating Organizations.

9. Time Deposits. The City may invest in non-negotiable Certificates of Deposit at commercial banks and savings and loan associations that are collateralized in accordance with the California Government Code. To be eligible to receive City funds, the depository institution shall have received an overall rating of not less than “satisfactory” in its most recent evaluation of its record of meeting the credit needs of California’s communities, including low and moderate-income neighborhoods. In selecting depositories, the credit worthiness of institutions shall be considered. Banks and Savings and Loan Associations seeking to establish an investment relationship with the City shall submit an audited financial report that shall be reviewed for compliance with the City's investment standards. Any institution not providing an audited annual financial report shall be removed from the approved list and all funds maturing will be withdrawn. A list of eligible institutions shall be maintained in the investment procedures manual. Qualification shall be determined by the following criteria:

    a. Tangible capital must equal or exceed 1.5 percent; core capital must equal or exceed 4 percent; and, risk-based capital must equal 8 percent of assets adjusted for assigned risk-weightings.

    b. Return on Assets of a minimum of 0.5 percent; a Return on Equity of a minimum of 8 percent; an Equity to Assets Ratio of a minimum of 5 percent; and, City investments shall be no greater than 0.5 percent of the total assets of the depository.

    c. Independent auditor's statement must have a clean opinion.

10. Savings accounts. Savings accounts when used in conjunction with the City's checking accounts at a qualified bank where funds are collateralized in accordance with the California Government Code.

11. U. S. Government money market funds registered with the Securities and Exchange Commission and which comply with rule 2a7 of the Investment Company Act of 1940. The fund must be comprised of only U.S. Treasury bills, notes and bonds, repurchase agreements and obligations issued or guaranteed as to principal and interest by the U.S. Government or its agencies or instrumentalities. The percentage of repurchase agreements in the fund shall be reviewed and approved based on the fund's policy limits. The dollar weighted average maturity of the portfolio shall be less than 90 days and the portfolio is managed to maintain a $1.00 share price. Also, the fund shall meet either of the following criteria: (a) attained the highest ranking or the highest letter and numerical rating provided by not less than two Nationally Recognized Statistical-Rating Organizations; (b) retained an

investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than 5 years' experience managing money market mutual funds with assets under management in excess of $500,000,000. Purchase of securities authorized by this section shall not exceed 20 percent of the City's surplus money invested and no more than 10 percent may be invested in any single money market fund.

12. Repurchase Agreements. Investments in repurchase agreements or reverse repurchase agreements or securities lending agreements of any securities authorized by the Code, so long as the proceeds of the repurchase agreement are invested solely to supplement the income normally received from these securities. The City shall adopt as a standard the Bond Market Association Master Repurchase Agreement and shall maintain a list of approved counterparts and limit counter parties to primary dealers rated "A" or better by two Nationally Recognized Statistical-Rating Organizations. Reverse repurchase agreements and securities lending agreements shall require City Council authorization separate from City Council approval of this policy. Securities lending agreements shall include the following safeguard measures: terms of lending agreements, indemnification provisions, reinvestment guidelines, liquidity provisions, credit risks and monitoring requirements. Additionally, any securities lending agreement shall be reviewed by the City Attorney to ensure the City's interests are properly protected.

    a. Investments in repurchase agreements may be made, on any authorized investment, when the term of the agreement does not exceed 1 year.

    b. Reverse repurchase agreements or securities lending agreements may be utilized when the security to be sold on the reverse repurchase agreement or securities lending agreement has been owned and fully paid for by the City for a minimum of 30 days prior to sale; the total of all reverse repurchase agreements on investments owned by the City does not exceed 20 percent of the base value of the portfolio; and the agreement does not exceed a term of 92 days, unless the agreement includes a written codicil guaranteeing a minimum earning or spread for the entire period between sale of a security using a reverse repurchase agreement and the final maturity date of the same security.

13. Local Agency Investment Fund (LAIF). The City may invest in LAIF, established by the California State Treasurer, up to the $50,000,000 maximum permitted by State law, effective November 16, 2009; therefore, there is a $50,000,000 limit for the City of Santa Barbara. The City's investment in LAIF is based on, among other criteria, the following information provided by LAIF: a written statement of portfolio management goals, objectives and policies, including a description of eligible investment securities; a disclosure of LAIF's safekeeping practices; eligible LAIF participants, the monthly transaction limit, and minimum and maximum deposit and withdrawal amounts permitted; calculation of quarterly earnings

and apportionment, including gains and losses; disclosure of administrative costs and the assessment process; monthly statements of the City's transaction activity and balances; monthly summaries of LAIF investment data, including market valuation and accrued interest; and a description of the audit process. At least quarterly, the Finance Director shall report to the Finance Committee on the composition of the LAIF portfolio.

The California Government Code states that moneys placed for deposit in LAIF are in trust in the custody of the State Treasurer and cannot be borrowed or be withheld from the City. Further, the right of the City to withdraw its deposited money from the LAIF upon demand may not be altered, impaired, or denied in any way by any state official or agency based upon the State's failure to adopt a budget by July 1 of each new fiscal year.

B. Collateralization

Collateralization shall be required on two types of investments: certificates of deposit and repurchase (and reverse) agreements. A collateral agreement must be current and on file before any funds can be transferred for collateralized certificates of deposit. Collateral shall be held by an independent third party with whom the City has a current written custodial agreement. A clearly marked evidence of ownership (*safekeeping receipt*) must be supplied to the City and retained. The right of collateral substitution is granted.

1. Certificates of Deposit

    a. Government Securities used as collateral require 102 percent of market value to the face amount of the deposit

    b. Promissory Notes secured by first trust deeds used as collateral require 150 percent of market value to the face amount of the deposit

    c. Irrevocable Letters of Credit issued by the Federal Home Loan Bank of San Francisco require 105 percent of market value to the face amount of the deposit

2. Repurchase and Reverse Repurchase Agreements

    a. Only U.S. Treasury securities or Federal Agency securities are acceptable collateral. All securities underlying repurchase agreements must be delivered to the City's custodian bank versus payment or be handled under a properly executed tri-party repurchase agreement. The total market value of all collateral for each repurchase agreement must equal or exceed 102 percent of the total dollar value of the money invested by the City for the term of the investment. For any repurchase agreement with a term of more than 1 day, the value of the underlying securities must be reviewed on an ongoing basis according to market conditions. Market value must be calculated each time there is a substitution of collateral.

b. The City or its trustee shall have a perfected first security interest under the Uniform Commercial Code in all securities subject to the repurchase agreement.

C. Investments Not Approved

Any security type or structure not specifically approved by this policy is hereby prohibited. Security types, which are thereby prohibited include, but are not limited to: investment pools (except State LAIF), shares of beneficial interest issued by diversified management companies (except U. S. Government money market funds), collateralized mortgage obligations (CMO's), mortgage pass-through securities, reverse repurchase agreements used as a leveraging vehicle, "exotic" derivatives structures such as range notes, dual index notes, inverse floating-rate notes, leveraged or de-leveraged floating-rate notes, interest-only strips that are derived from a pool of mortgages and any security that could result in zero interest accrual if held to maturity, or any other complex variable or structured note with an unusually high degree of volatility or risk.

D. Exceptions to Prohibited and Restricted Investments

The City shall not be required to sell securities prohibited or restricted in this policy, or any future policies, or prohibited or restricted by new State regulations, if purchased prior to their prohibition and/or restriction. Insofar as these securities provide no notable credit risk to the City, holding of these securities until maturity is approved. At maturity or liquidation, such monies shall be reinvested only as provided by this policy.

VIII. INVESTING PARAMETERS

A. Diversification

The City shall diversify its investments by security type, issuer, maturity, and financial institutions. No percentage limitations are established for United States government, United States government agencies and United States government sponsored enterprises; however percentage limitations are established for other permitted investments, as noted in Section VII of this policy. The investments shall be diversified by limiting investments to avoid over concentration in securities from a specific issuer or business sector (excluding U.S. Treasury securities), limiting investment in securities that have higher credit risks, and investing in securities with varying maturities.

The City recognizes that investment risks can result from issuer defaults, market price changes or various technical complications leading to temporary illiquidity. Portfolio diversification is employed as a way to control risk. Investment managers are expected to display prudence in the selection of securities as a way to minimize default risk. No individual investment transaction shall be undertaken which jeopardizes the total capital position of the overall portfolio. To control market price risks, volatile investment instruments shall be avoided. To control risks of illiquidity, a minimum of 10 percent of the total portfolio shall be held in

highly marketable U.S. Treasury Bills and Notes and/or the State of California Local Agency Investment Fund and/or Money Market Funds and/or securities maturing within 90 days.

B. Maximum Maturities

To the extent possible, the City will attempt to match its investments with anticipated cash flow requirements. Where there is no specified maturity limitation on an investment, no investment shall be made in any security, which, at the time of the investment, has a term remaining to maturity in excess of 5 years, unless the City Council has granted express authority to make that investment no less than 3 months prior to the investment.

In addition to the 5 year limitation on investments specified in this policy, the average maturity of the City's combined portfolio shall not exceed 2.5 years without prior approval of the City Council.

IX. REPORTING

The Treasurer shall submit investment reports to the City Council that provide a clear picture of the status of the current investment portfolio and shall contain sufficient information to permit an independent organization to evaluate the performance of the investment program. Based on the discretion of Finance Committee, an independent advisor may be contracted, from time to time to perform one or more of the following functions: confirm that the portfolio is in compliance with the Government Code of the State of California and with the Statement of Investment Policy of the City of Santa Barbara; present an evaluation of the portfolio and investment strategy recommendations; and, provide any other information that may be helpful to Finance Committee in their review of the portfolio.

A. Monthly Reporting to City Council

The Treasurer shall submit to City Council, within 30 days following the end of the month, an investment report that summarizes all securities in the portfolio and a separate listing of investment transactions occurring during the month. The report shall be prepared by the Treasury Manager and approved by the Finance Director. The report shall include:

1. Investment type
2. Purchase date
3. Maturity date
4. Credit quality
5. Coupon and yield
6. Book value
7. Market value
8. Book gain/loss

9. Market gain/loss
10. Source of valuation
11. Average days to maturity
12. Variable rate(s) or call features

B. Quarterly Reporting to City Council

In addition to the components required in the monthly investment report, a narrative shall accompany the portfolio report addressing noteworthy items, deviations from the investment policy, comments on the fixed income markets and economic conditions, possible changes in the portfolio going forward, and thoughts on investment strategies. The quarterly report shall also include a statement of compliance with the investment policy and a statement of the ability to meet expenditures for the next 6 months (or an explanation as to why sufficient money shall, or may, not be available).

C. Performance Standards

The investment portfolio shall be managed in accordance with the parameters specified within this policy and always with consistently safe and prudent treasury management. Securities shall not be sold prior to maturity with the following exceptions:

- A security with declining credit sold early to minimize loss of principal
- A security swap that would improve the quality, yield, or target duration in the portfolio
- Unforeseen liquidity needs of the portfolio require that the security be sold

1. Market Yield (Benchmark)

   The City's overall investment strategy is passive: investments are generally held to maturity. The quarter-to-date LAIF apportionment rate, the 3-month U.S. Treasury Bill and the 2-year U.S. Treasury Note shall also be considered useful benchmarks of the City's portfolio performance.

2. Marking to Market

   The market value of the portfolio shall be calculated at least monthly and a statement of the market value of the portfolio shall be issued at least quarterly. This will ensure that review of the investment portfolio, in terms of value and price volatility, has been performed. In defining market value, consideration shall been given to pronouncements from the Government Accounting Standards Board (GASB) that address the reporting of investment assets and investment income for all investment portfolios held by governmental entities. The fair value of all securities reported in the City's portfolio is based on currently quoted market prices.

X. INVESTMENT POLICY COMPLIANCE AND ADOPTION

A. Policy Compliance and Changes

Any deviation from the policy shall be reported to Finance Committee at the next scheduled meeting and to City Council as part of the monthly review of the portfolio The Treasurer shall promptly notify Finance Committee and City Council of any material change in the policy and any modifications to the policy must be approved by Finance Committee and City Council.

B. Annual Statement of Investment Policy

The Treasurer shall render a written Statement of Investment Policy that shall be reviewed at least annually by Finance Committee and City Council to ensure its consistency with the overall objectives of preservation of principal, liquidity and return, and its relevance to current law and financial and economic trends. City Council shall consider the annual Statement of Investment Policy and any changes therein at a public meeting. The Statement of Investment Policy shall be adopted by resolution of City Council.

GLOSSARY OF INVESTMENT TERMS

AGENCY: A debt security issued by a federal or federally sponsored agency. Federal agencies are backed by the full faith and credit of the U.S. Government (i.e. Government National Mortgage Association). Federally sponsored agencies (FSA's) are backed by each particular agency with a market perception that there is an implicit government guarantee (i.e. Federal National Mortgage Association).

ASK: The price at which securities are offered for sale; also known as offering price.

BENCHMARK: A comparative base for measuring the performance or risk tolerance of the investment portfolio. A benchmark should represent a close correlation to the level of risk and the average duration of the portfolio's investments.

BID: The price offered by a buyer of securities. (When you are selling securities, you *ask* for a bid.)

BOND PROCEEDS: The money paid to the issuer by the purchaser or underwriter of a new issue of municipal securities. These moneys are used to finance the project or purpose for which the securities were issued and to pay certain costs of issuance as may be provided in the bond contract.

BOOK VALUE: The value at which a debt security is shown on the holder's balance sheet. Book value is often acquisition cost plus/minus amortization and accretion, which may differ significantly from the security's current value in the market.

BROKER: Someone who brings buyers and sellers together and is compensated for his/her service.

CERTIFICATE OF DEPOSIT (CD): A time deposit with a specific maturity evidenced by a certificate. Large denomination CDs are typically negotiable.

COLLATERAL: Securities, evidence of deposit or other property which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR): The official annual financial report for a public agency. It includes combined statements for each individual fund combined statements for each individual fund and account group prepared in conformity with GAAP. It also includes supporting schedules necessary to demonstrate compliance with finance-related legal and contractual provisions, extensive introductory material, and detailed statistical section.

CREDIT QUALITY: The measurement of the financial strength of a bond issuer. This measurement helps an investor to understand an issuer's ability to make timely interest payments and repay the loan principal upon maturity. Generally, the higher the credit quality of a bond issuer, the lower the interest rate paid by the issuer because the risk of default is lower. Credit quality ratings are provided by a Nationally Recognized Statistical-Rating Organization.

CREDIT RISK: The risk to an investor that an issuer will default in the payment of interest and/or principal on a security.

CUSTODIAN: A bank or other financial institution that keeps custody of stock certificates and other assets.

CURRENT YIELD (CURRENT RETURN): A yield calculation determined by dividing the annual interest received on a security by the current market price of that security.

DEALER: A dealer, as opposed to a broker, acts as a principal in all transactions, by buying and selling for his/her own account.

DELIVERY VERSUS PAYMENT: There are 2 methods of delivery of securities: delivery versus payment and delivery versus receipt. Delivery versus payment, also referred to as "cash on delivery", is

GLOSSARY OF INVESTMENT TERMS

delivery of securities with an exchange of money for the securities. Delivery versus receipt is delivery of securities with an exchange of a signed receipt for the securities.

DERIVATIVES: (1) financial instruments whose return profile is linked to, or derived from, the movement of one or more underlying index or security, and may include a leveraging factor, or (2) financial contracts based upon notional amounts whose value is derived from an underlying index or security (interest rates, foreign exchange rates, equities or commodities).

DIVERSIFICATION: Dividing investment funds among a variety of security types by sector, maturity and quality ratings offering independent returns.

DURATION: A measure of the timing of the cash flows, such as the interest payments and the principal repayment, to be received from a given fixed-income security. This calculation is based on three variables: term to maturity, coupon rate, and yield to maturity. The duration of a security is a useful indicator of its price volatility for given changes in interest rates.

FAIR VALUE: The amount at which an investment could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

FEDERAL CREDIT AGENCIES: Agencies of the Federal Government set up to supply credit to various classes of institutions and individuals, e.g., savings and loan associations, small-business firms, students, farmers, farm co-operatives, and exporters.

FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC): The federal agency that insures bank deposits up to $250,000 per deposit at participating banking institutions. In an effort to increase consumer confidence in the banking system, the previous $100,000 insurance limit was temporarily increased to $250,000 in 2008, extended to 2013, and then permanently increased on July 21, 2010 with the passage of the Wall Street Reform and Consumer Protection Act.

FEDERAL HOME LOAN BANKS (FHLB): Government sponsored wholesale banks (currently 12 regional banks) that lend funds and provide correspondent banks services to member commercial banks, thrift institutions, credit unions and insurance companies.

FEDERAL NATIONAL MORTGAGE ASSOCIATION (FNMA): FNMA is a federal corporation working under the auspices of the Department of Housing and Urban Development (HUD). It is the largest single provider of residential mortgage funds in the United States. Fannie Mae, as the corporation is called, is a private stockholder-owned corporation. The corporation's purchases include a variety of adjustable mortgages and second loans, in addition to fixed-rate mortgages.

FEDERAL OPEN MARKET COMMITTEE (FOMC): Consists of 7 members of the Federal Reserve Board and 5 of the 12 Federal Reserve Bank Presidents. The President of the New York Federal Reserve Bank is a permanent member, while the other Presidents serve on a rotating basis. The Committee periodically meets to set Federal Reserve guidelines regarding purchases and sales of Government Securities in the open market as a means of influencing the volume of bank credit and money.

FEDERAL RESERVE SYSTEM: The central bank of the United States created by Congress and consisting of a 7 member Board of Governors in Washington, D.C., 12 Regional Banks and approximately 5,700 commercial banks that are members of the system.

GOVERNMENT ACCOUNTING STANDARDS BOARD (GASB): A standard-setting body, associated with the Financial Accounting Foundation, which prescribes standard accounting practices for governmental units.

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION (GNMA or Ginnie Mae): Securities influencing the volume of bank credit guaranteed by GNMA and issued by mortgage bankers,

commercial banks, savings and loan associations, and other institutions. Security holder is protected by full faith and credit of the U.S. Government. Ginnie Mae securities are backed by the FHA, VA, or FMHA mortgages. The term “pass-throughs” is often used to describe Ginnie Maes.

GOVERNMENT SECURITIES: An obligation of the U.S. government, backed by the full faith and credit of the government. These securities are regarded as the highest quality of investment securities available in the U.S. securities market. See "Treasury Bills, Notes, and Bonds."

INTEREST RATE RISK: The risk associated with declines or rises in interest rates which cause an investment in a fixed-income security to increase or decrease in value.

INTERNAL CONTROLS: An internal control structure designed to ensure that the assets of the entity are protected from loss, theft, or misuse. The internal control structure is designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that 1) the cost of a control should not exceed the benefits likely to be derived and 2) the valuation of costs and benefits requires estimates and judgments by management. Internal controls should address the following points:

- **Control of collusion** - Collusion is a situation where 2 or more employees are working in conjunction to defraud their employer.
- **Separation of transaction authority from accounting and record keeping** - By separating the person who authorizes or performs the transaction from the people who record or otherwise account for the transaction, a separation of duties is achieved.
- **Custodial safekeeping** - Securities purchased from any bank or dealer including appropriate collateral (as defined by state law) shall be placed with an independent third party for custodial safekeeping.
- **Avoidance of physical delivery securities** - Book-entry securities are much easier to transfer and account for since actual delivery of a document never takes place. Delivered securities must be properly safeguarded against loss or destruction. The potential for fraud and loss increases with physically delivered securities.
- **Clear delegation of authority to subordinate staff members** - Subordinate staff members must have a clear understanding of their authority and responsibilities to avoid improper actions. Clear delegation of authority also preserves the internal control structure that is contingent on the various staff positions and their respective responsibilities.
- **Written confirmation of transactions for investments and wire transfers** - Due to the potential for error and improprieties arising from telephone and electronic transactions, all transactions should be supported by written communications and approved by the appropriate person. Written communications may be via fax if on letterhead and if the safekeeping institution has a list of authorized signatures.
- **Development of a wire transfer agreement with the lead bank and third-party custodian** - The designated official should ensure that an agreement will be entered into and will address the following points: controls, security provisions, and responsibilities of each party making and receiving wire transfers.

LIQUIDITY: A liquid asset is one that can be converted easily and rapidly into cash without a substantial loss of value. In the money market, a security is said to be liquid if the spread between bid and asked prices is narrow and reasonable size can be done at those quotes.

LOCAL AGENCY INVESTMENT FUND (LAIF): Chapter 730, Statutes of 1976 of the State of California, established the Local Agency Investment Fund. This fund enables local governmental

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agencies to remit money not required for immediate needs to the State Treasurer for the purpose of investment. In order to derive the maximum rate of return possible, the State Treasurer has elected to invest these monies with State monies as a part of the Pooled Money Investment Account. Each local governmental unit has the exclusive determination of the length of time its money will be on deposit with the State Treasurer. At the end of each calendar quarter, all earnings derived from investments are distributed by the State Controller to the participating government agencies in proportion to each agency's respective amounts deposited in the Fund and the length of time such amounts remained therein. Prior to the distribution, the State's costs of administering the program are deducted from the earnings.

MARK-TO-MARKET: The process whereby the book value or collateral value of a security is adjusted to reflect its current market value.

MARKET RISK: The risk that the value of a security will increase or decrease as a result of changes in market conditions.

MARKET VALUE: The current price at which a security is trading and could presumably be purchased or sold at that particular point in time.

MASTER REPURCHASE AGREEMENT: A written contract covering all future transactions between the parties to repurchase-reverse repurchase agreements that establish each party's rights in the transactions. A master agreement will often specify, among other things, the right of the buyer-lender to liquidate the underlying securities in the event of default by the seller-borrower.

MATURITY: The date upon which the principal or stated value of a financial obligation is due and payable.

MONEY MARKET MUTUAL FUND: Mutual funds that invest solely in money market instruments (short-term debt instruments, such as Treasury bills, commercial paper, bankers' acceptances, repos and federal funds).

MUTUAL FUND: An investment company that pools money and can invest in a variety of securities, including fixed-income securities and money market instruments. Mutual funds are regulated by the Investment Company Act of 1940 and must abide by Securities and Exchange Commission (SEC) disclosure guidelines.

NATIONAL ASSOCIATION OF SECURITIES DEALERS (NASD): A self-regulatory organization (SRO) of brokers and dealers in the over-the-counter securities business. Its regulatory mandate includes authority over firms that distribute mutual fund shares as well as other securities.

NATIONALLY RECOGNIZED STATISTICAL-RATING ORGANIZATION (NRSRO): Standard and Poor's, Moody's, and Fitch Financial Services are examples of such organizations.

OFFER: An indicated price at which market participants are willing to sell a security or commodity. Also referred to as the "Ask" or "Ask Price".

PAR VALUE: The amount of principal that must be paid at maturity. Also referred to as the face amount of a bond, normally quoted in $1,000 increments per bond.

PORTFOLIO: Combined holding of more than one stock, bond, commodity, real estate investment, cash equivalent, or other asset. The purpose of a portfolio is to reduce risk by diversification.

PRINCIPAL: The face value or par value of a debt instrument, or the amount of capital invested in a given security.

GLOSSARY OF INVESTMENT TERMS

PRIMARY DEALER: A group of government securities dealers who submit daily reports of market activity and monthly financial statements to the Federal Reserve Bank of New York and are subject to its informal oversight. Primary dealers include Securities and Exchange Commission (SEC) registered securities broker/dealers, banks and a few unregulated firms.

PRINCIPAL: (1) The face amount or par value of a debt instrument. (2) One who acts as a dealer buying and selling for his own account.

RATE OF RETURN: The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond or the current income return.

REINVESTMENT RISK: The risk that a fixed-income investor will be unable to reinvest income proceeds from a security holding at the same rate of return currently generated by that holding.

REPURCHASE AGREEMENT (RP OR REPO): A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date. The security "buyer" in effect lends the "seller" money for the period of the agreement, and the terms of the agreement are structured to compensate the buyer for this. Dealers use RP extensively to finance their positions. Exception: When the Fed is said to be doing RP, it is lending money that is increasing bank reserves.

REVERSE REPURCHASE AGREEMENT: An agreement of one party (for example, a financial institution) to purchase securities at a specified price from a second party (such as a public agency) and a simultaneous agreement by the first party to resell the securities at a specified price to the second party on demand or at a specific date.

RISK: Degree of uncertainty of return on an asset.

RULE 2A-7 OF THE INVESTMENT COMPANY ACT: Applies to all money market mutual funds and mandates such funds to maintain certain standards, including a 13-month maturity limit and a 90-day average maturity on investments, to help maintain a constant net asset value of $1.00.

SAFEKEEPING SERVICE: A service to customers rendered by banks for a fee whereby securities and valuables of all types and descriptions are held in the bank's vault for protection and security.

SECONDARY MARKET: A market is made for the purchase and sale of outstanding issues following the initial distribution.

SECURITIES LENDING: An agreement under which a local agency agrees to transfer securities to a borrower who, in turn, agrees to provide collateral to the local agency. During the term of the agreement, both the securities and the collateral are held by a third party. At the conclusion of the agreement, the securities are transferred back to the local agency in return for the collateral.

STRUCTURED NOTES: Notes issued by Government Sponsored Enterprises, (FLAB, FNMA, SLMA, etc.), and Corporations that have imbedded options, (e.g., call features, step-up coupons, floating rate coupons, derivative-based returns), into their debt structure. Their market performance is impacted by the fluctuation of interest rates, the volatility of the imbedded options and shifts in the shape of the yield curve.

SWAP: Trading one asset for another.

TOTAL RETURN: The sum of all investment income plus changes in the capital value of the portfolio.

TREASURY BILLS: Short-term U.S. government non-interest bearing discounted debt securities with maturities of no longer than 1 year and issued in minimum denominations of $10,000. Auctions of 3- and 6-month bills are weekly, while auctions of 1-year bills are monthly. The yields on these bills are monitored closely in the money markets for signs of interest rate trends.

GLOSSARY OF INVESTMENT TERMS

TREASURY BOND: A long-term coupon-bearing U.S. Treasury security issued as a direct obligation of the U.S. Government and having an initial maturity of more than 10 years and issued in minimum denominations of $1,000.

TREASURY NOTE: A medium-term coupon-bearing U.S. Treasury security issued as a direct obligation of the U.S. Government and having an initial maturity of from 1 to 10 years and issued in denominations ranging from $1,000 to $1 million or more.

UNIFORM NET CAPITAL RULE: Securities and Exchange Commission (SEC) Rule 15C3-1 outlining requirements that member firms as well as nonmember broker-dealers in securities maintain a maximum ratio of indebtedness to liquid capital of 15 to 1; also called net capital rule and net capital ratio. Indebtedness covers all money owed to a firm, including margin and commitments to purchase securities, one reason new public issues are spread among members of underwriting syndicates. Liquid capital includes cash and assets easily converted into cash.

VOLATILITY: A degree of fluctuation in the price and valuation of securities.

YIELD: The current rate of return on an investment security generally expressed as a percentage of the security's current price. (a) INCOME YIELD is obtained by dividing the current dollar income by the current market price for the security. (b) NET YIELD or YIELD TO MATURITY is the current income yield minus any premium above par or plus any discount from par in purchase price, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond.

RESOLUTION NO. _____

A RESOLUTION OF THE COUNCIL OF THE CITY OF SANTA BARBARA ADOPTING THE INVESTMENT POLICY FOR THE CITY AND RESCINDING RESOLUTION NO. 14-060

WHEREAS, the City Council adopted Resolution Nos. 85-065 and 85-121, establishing a policy regarding the investment of City funds;

WHEREAS, the Council last reaffirmed the policy by adopting Resolution No. 14-060; and

WHEREAS, the City of Santa Barbara has consistently maintained a policy of due diligence and the minimizing of risk in the investment of City funds.

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

SECTION 1. The attached Exhibit, City of Santa Barbara Statement of Investment Policy, is hereby adopted and made a part of this resolution.

SECTION 2. Resolution No. 14-060 is hereby rescinded.

Adopted: September 15, 2015

Agenda Item No. 5

File Code No. 540.10

CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: September 15, 2015

TO: Mayor and Councilmembers

FROM: City Attorney's Office

SUBJECT: Recodification Of Ordinance Authorizing Design-Build-Operate Public Works Contracts

RECOMMENDATION:

That Council adopt, by reading of title only, An Ordinance of the Council of the City of Santa Barbara Amending the Municipal Code By Adding Section 4.52.165 Pertaining to Public Works Contracts.

DISCUSSION:

This ordinance is being readopted due to a codification error in numbering the section. On November 4, 2014, Council adopted Ordinance No. 5673 which amended the Municipal Code to authorize design-build-operate public works contracts, as well as other alternate project delivery methods. Thereafter, this office inadvertently proposed codification of an ordinance relating to prevailing wages in the very same Municipal Code section (4.52.160). As a result, Ordinance No. 5673 was never codified, although it remained effective. In order to correct this error, we recommend readopting the substance of Ordinance No. 5673 so that it can be recodified as Santa Barbara Municipal Code Section 4.52.165. There are no substantive changes.

SUBMITTED BY: Ariel Pierre Calonne, City Attorney

APPROVED BY: Ariel Pierre Calonne, City Attorney

APPROVED BY: City Administrator's Office

ORDINANCE NO._____

AN ORDINANCE OF THE COUNCIL OF THE CITY OF SANTA BARBARA AMENDING THE MUNICIPAL CODE BY ADDING SECTION 4.52.165 PERTAINING TO PUBLIC WORKS CONTRACTS.

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

SECTION 1. Chapter 4.52 of Title 4 of the Santa Barbara Municipal Code is amended by adding Section 4.52.165 which read as follows:

4.52.165 Public Works Contracts.

A. Bidding and advertising and award of contracts for public works, excluding maintenance and repair, shall be as required by Section 519 of the City Charter.

B. Section 519 of the City Charter provides that certain water-related projects may be excepted from the requirements of Section 519 by the affirmative vote of a majority of the total members of the City Council.

1. The City Council may determine by resolution that such a project may be solicited and contracted for using alternate project delivery methods, including but not limited to design-build, and design-build-operate, or competitive negotiation. Any such resolution shall set forth the reasons supporting the use of the alternate project delivery method for the project and describe the solicitation method to be used and the criteria for determining the party to whom the contract should be awarded. The Council may also authorize the reimbursement of the costs of proposers in participating in solicitations for such projects.
2. The selection process shall, to the extent feasible, be fair and open, encourage creative and innovative solutions, and ensure that the City receives the best value possible. During the selection process, the City may meet individually with potential proposers prior to submission of proposals in order encourage creative solutions. Such meetings shall be tape recorded and the recording shall be made available upon request after final contract award.

Agenda Item No. 6

File Code No. 670.07

CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: September 15, 2015

TO: Mayor and Councilmembers

FROM: Ariel Pierre Calonne, City Attorney

SUBJECT: Resolution Adopting The Findings For 1912 Mission Ridge Road Appeal

RECOMMENDATION:

That Council adopt, by reading of title only, A Resolution of the Council of the City of Santa Barbara Denying the Appeal and Upholding the Decision of the Single Family Design Board Granting Final Approval of the Project Design Approval for Additions to the Residence at 1912 Mission Ridge Road.

DISCUSSION:

The attached resolution reflects Council's direction following the August 11, 2015 appeal hearing. Please review it carefully. Council may make any changes it feels are appropriate, if necessary.

PREPARED BY: Ariel Pierre Calonne, City Attorney

SUBMITTED BY: Ariel Pierre Calonne, City Attorney

APPROVED BY: City Administrator's Office

RESOLUTION NO.

A RESOLUTION OF THE COUNCIL OF THE CITY OF SANTA BARBARA DENYING THE APPEAL AND UPHOLDING THE DECISION OF THE SINGLE FAMILY DESIGN BOARD GRANTING FINAL APPROVAL OF THE PROJECT DESIGN APPROVAL FOR ADDITIONS TO THE RESIDENCE AT 1912 MISSION RIDGE ROAD

WHEREAS, Craig and Jane Morrison, owners of 1912 Mission Ridge Road, applied for design review approval of a proposal for a 22 square foot first-floor addition and a 530 square foot second floor addition to an existing 2,146 square foot one-story single-family residence with an attached 658 square foot garage within the City of Santa Barbara. (MST 2014-00585) The proposal includes one new uncovered parking space, a 194 square foot covered patio at the entry, a 158 square foot second-story deck, a raised pool and surrounding deck, and interior remodel work. Also included in the project are an "as-built" approval of an installed air conditioner condenser unit, relocation of the pool equipment enclosure, and a new driveway and pedestrian gate. The proposed project would result in a total of 3,251 square feet of development on a 25,091 square foot lot in the Hillside Design District. The project is 69% of the City's maximum floor to lot area (FAR) guideline;

WHEREAS, the Single Family Design Board (SFDB) conducted its initial concept review of the project on December 15, 2014 at which time the SFDB voted unanimously to continue the project indefinitely, making the following comments:

1. The SFDB supports the style and quality of architecture.

2. The SFDB finds the second story acceptable.

3. Erect standard level story poles;

WHEREAS, on January 26, 2015, the SFDB conducted a site visit to 1912 Mission Ridge Road to observe the site with the story poles depicting the proposed ridgelines of the remodeled residence and the proposed addition over the garage;

WHEREAS, on January 26, 2015, following the site visit, the project was presented to the SFDB for consideration of Project Design Approval. The SFDB voted 5-1 (Pierce Opposed) to grant Project Design Approval, finding that the Neighborhood Preservation Ordinance criteria were met with the following comments:

1. Study removing the bathroom window or utilizing frosted materials (on the northern elevation).

2. Remove the balcony on the west elevation above the garage.

3. The size, bulk, and scale are consistent and compatible to the neighborhood, the quality of architecture and materials are superior, and the project complies with the Good Neighbor Guidelines.

Board member Pierce's opposition to the motion granting Project Design Approval was due to the second condition of the motion that requires removal of the balcony on the west elevation above the garage. Board member Pierce felt that the balcony was an acceptable element of the proposal and disagreed with the condition of approval that required the removal of the balcony;

WHEREAS, on February 4, 2015, Susan Basham from the law firm of Price, Postel and Parma, attorney for Roger and Stefanie Bacon and Rinaldo and Lalla Brutoco, timely filed an appeal regarding the SFDB decision to grant Project Design Approval. Ms. Basham's appeal enumerated three grounds for the appeal:

1. The SFDB abused its discretion when it voted to affirm the Neighborhood Preservation Ordinance Compatibility Finding given the size and bulk of the second story addition.

2. The SFDB abused its discretion when it voted to affirm the Neighborhood Preservation Ordinance Good Neighbor Guidelines Finding given the allegation that the second story addition and deck will result in direct window to window views of the Appellants' residences and sight lines into their private yard and pool areas.

3. The project fails to comply with Single Family Residence Design Guidelines Good Neighbor Tips for private views. The appeal argues that the height and scale of the proposed second story addition causes the loss of "a substantial portion of the existing city and ocean views from the entire first floor and yard area" [of the Bacons' residence at 1901 East Las Tunas Road];

WHEREAS, on March 9, 2015, the City Council conducted a duly noticed site visit during which it inquired into the physical aspects of the issues presented on appeal, including the site planning; the height of the proposed roof forms of the remodeled residence; the location, size and materials of the proposed windows and their potential impacts on the privacy of neighboring properties; and the location and use of proposed balconies on the southern and western elevations;

WHEREAS, on March 10, 2015, the City Council conducted a duly noticed public hearing on the appeal. The project design presented to the City Council on appeal was the project design approved by the SFDB on January 26, 2015; however, the applicants asked the City Council to consider allowing the balcony on the western elevation to remain. The applicants expressed a willingness to design the balcony so it would merely serve as an architectural element and would not allow persons to stand outside the second story addition on the western elevation. The appeal hearing included the following evidence relied upon by the Council:

1. A detailed written report and staff presentation, including a City staff report discussing the appeal issues, and a PowerPoint presentation on the appeal issues – both of which are incorporated by reference into this Resolution (along with the entire record of proceedings).

2. A presentation by Susan Basham, including PowerPoint presentations by her clients Rinaldo Brutoco and Roger Bacon detailing the grounds of the appeal, which are part of the record in this case and were fully considered by the City Council in making its decision on this appeal.

3. A PowerPoint presentation by the Morrisons' architect, Jeff Shelton, which is part of the record in this case and was fully considered by the City Council in making its decision on this appeal. In addition, Mr. Shelton prepared a scale model of the proposed project which was present for viewing at the City Council site visit and appeal hearing.

4. Public comments from the chair of the SFDB detailing the Board's perspective on the Project design and the appeal issues.

5. Public comment from members of public all of whom spoke in opposition to the project;

WHEREAS, after consideration of all of the evidence presented (both written and oral), as well as the public testimony received, and after deliberation by the Council members, the City Council voted 6-1 (Mayor Schneider dissenting) to direct the preparation of written findings which, consistent with the oral findings made by Council, would deny the appeal of the Project and to uphold the decision of the SFDB to grant Project Design Approval;

WHEREAS, on March 25, 2015, the City Council adopted Resolution No. 15-018 denying the appeal and upholding the decision of the SFDB granting project design approval for the specified additions to the residence at 1912 Mission Ridge Road. Resolution No. 15-018 is incorporated in this Resolution by reference;

WHEREAS, no timely litigation or other challenging action followed that decision;

WHEREAS, on June 15, 2015, the project was subsequently reviewed for and granted Final Approval by the SFDB, including conditions involving minor design changes to increase privacy levels between certain properties;

WHEREAS, the standard of review for the SFDB on Final Approval is whether the revised project is consistent with the City Council's conditional approval of the Project Design;

WHEREAS, the duly adopted Single Family Design Board General Design Guidelines & Meeting Procedures, in Section 3.2.9 C provide that:

> **C. Appeal of SFDB Decision.** Any action of the SFDB on an application for project design or final approval may be appealed to the City Council in accordance with SBMC §22.69.080 and Chapter §1.30 of the Municipal Code. The standards of review at each level of review are explained in Part III: Meeting Procedures, Section 3.2.6. If a project is approved by the SFDB, the project design approval decision is the critical decision on the design elements of the project that should be appealed. Otherwise, ***the final approval decision may be appealed only on the basis that it is inconsistent with the project design approval***. (Emphasis added.);

WHEREAS, the duly adopted Single Family Design Board General Design Guidelines & Meeting Procedures, in Section 3.2.6 E provide that:

> **Final Approval.** Final approval of completed working construction drawings occurs prior to submittal for a building permit.
>
> 1. Final plans will be approved if they are in substantial conformance with the plans given project design approval;

WHEREAS, the SFDB reviewed the redesign of the project and agreed that the new design of the windows on the north elevation, at the master bedroom, met the Board's guidelines for privacy. The Board acknowledged the architect's efforts to raise the sill of the windows to five feet to ensure the privacy of the neighbors. The Board also re-evaluated the design of the balcony on the west elevation, and confirmed that the final design with fixed planters will prevent occupants from stepping onto the balcony and that the design will ensure privacy for the neighborhood. The Board ultimately concluded that the final plans were in substantial conformance with the plans given project design approval by the City Council on March 25, 2105;

WHEREAS, on June 25, 2015, an appeal of the SFDB's Final Approval action was filed by Trevor Martinson, agent for the adjacent neighbors (Brutoco);

WHEREAS, that appeal raised substantial new matters that were not relevant to whether the final plans were in substantial conformance with the plans previously given project design approval, including the alleged inadequacy of grading plans, allegedly incomplete drainage design details and alleged building code compliance issues; and

WHEREAS, notwithstanding the City Council's lack of jurisdiction to hear the new issues that were not relevant to substantial conformance of the final design, the City Council heard the appellant's arguments and evidence.

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

SECTION 1. The foregoing recitals are true and correct and are incorporated into these findings.

SECTION 2. All written, graphic and oral materials and information submitted to the SFDB and the City Council by City staff, the public and the parties are hereby accepted as part of the record of proceedings. The facts and findings in the August 11, 2015 Council Agenda Report are incorporated into this Resolution and determined to be true.

SECTION 3. With respect to alleged incompatibility of the project with its neighborhood, using the criteria set forth in Evidence Code section 780, and in particular subsection (f), the Council finds that the appellant's and their attorney's public comments were not credible, nor were the reports of their alleged experts prepared or offered with any foundational evidence.

SECTION 4. The Council carefully reviewed the evidence it obtained during the site visit and public hearing and finds and determines as follows:

The final design is in substantial conformance with the project design approval granted by the City Council as implemented by the SFDB.

The Council reiterates the previous project approval findings, although it has no duty to do so, as follows:

A. Neighborhood Preservation Findings. The Council makes the following findings pursuant to the Neighborhood Preservation Ordinance, Santa Barbara Municipal Code section 22.69.050 A. 1-7:

Consistency and Appearance. The proposed development is consistent with the scenic character of the City and will enhance the appearance of the neighborhood by proposing an upgraded architectural style when compared to the design of the existing residence.

Compatibility. The proposed single family residence is compatible with the neighborhood, and its size, bulk, and scale are appropriate to the site and neighborhood. At approximately 69% of the maximum guideline FAR, the size of the proposed residence is within the city's adopted FAR guidelines. The proposed high-quality materials are appropriate for the neighborhood. The fact that finished height the proposed residence is less than the allowed building height within the zone and the fact that the applicants have proposed the second story addition over the garage, which has a lower existing height than the rest of the existing residence, factored significantly in the Council's decision.

Quality Architecture and Materials. The proposed building is designed with quality architectural details and quality materials. The City Council found the proposed restyling of the architecture from the present 1960's tract house style to a Mediterranean design to be a positive benefit to the aesthetics of the property individually and the neighborhood as a whole.

Trees. The proposed project does not include the removal of or significantly impact any designated Specimen Tree, Historic Tree or Landmark Tree.

Health, Safety, and Welfare. The public health, safety, and welfare are appropriately protected and preserved in that the neighborhood will be enhanced in value and design by the proposed additions.

Good Neighbor Guidelines. The project generally complies with the Good Neighbor Guidelines regarding privacy, landscaping, noise and lighting.

The City Council found the arguments of appellants Rinaldo and Lalla Brutoco regarding privacy impacts of the second story addition and deck to be unpersuasive. The City Council found that the existing guesthouse adjacent to the pool on the Brutoco property will shield most of the pool area from the view of the second story additions proposed on 1912 Mission Ridge Road. The City Council further discounted the impact of the proposed addition on the privacy of the Brutocos' master bedroom and bathroom due to the distance (estimated variously by Councilmembers to be 50 to 100 feet) between the proposed addition and the bedroom and bathroom windows.

Regarding the Bacons' residence at 1901 East Las Tunas Road, the Council finds that the project generally complies with the Good Neighbor Guidelines regarding

privacy, subject to the implementation of the recommended use of translucent glass and possible reduction of the size in the windows of the windows on the northern elevation of the addition. While the City Council acknowledged that the proposed project will block a portion of the Bacons' existing views of the city and ocean, the Council found that the proposed project did generally comply with the Good Neighbor Guidelines based on the proposed location of addition over the garage (which will be less impactful to the Bacons than would an addition over other portions of the residence) and the relatively minor scale of the roof alteration on the rest of the residence.

Public Views. The development, including proposed structures and grading, will preserve any significant public scenic views of and from the hillside. The proposed addition and roof alteration will not meaningfully impact public views.

B. Hillside Design District Findings. The Council makes the following findings pursuant to Santa Barbara Municipal Code section 22.69.050 B. 1-2:

Natural Topography Protection. The proposed development does not significantly modify the natural topography of the site or the natural appearance of any ridgeline or hillside because the majority of the project consists of a remodel of an existing residence and an addition over the existing garage.

Building Scale. The scale of the proposed building maintains a scale and form that blends with the hillside by minimizing the visual appearance of structures and the overall height of structures through the placement of the proposed addition over the existing garage which has a lower ridge height than the rest of the residence. In addition, while the project proposes an increase of the ridge height of the residence, the final building height of the residence as a whole is well below the maximum building height of 30 feet allowed under the zoning ordinance.

C. Issues Raised for the First Time on Appeal. For the first time on appeal, legal counsel for the appellants raised a variety of challenges that had nothing to do with project design. The City Council rejects each of these challenges as being unsupported by any substantial evidence, even if relevant or material to the project design issues properly presented on appeal.

1. Topographic Details. Appellants complained about the lack of topographic details. The Council finds that the topographic detail provided on the applicant's project site model was accurate and sufficient to enable full review by the SFDB. The appellant failed to offer any objections whatsoever to the accuracy or completeness of the model presented to the SFDB and Council. Moreover, the story poles outlining the size and shape of the proposed second story addition accurately

depicted the ultimate topography of the site so that the appellants and SFDB could evaluate any possible private view impacts.

2. Engineering for the Project Footings. Appellants alleged that the existing footings for the structure are inadequate to support a second story. The applicant amply demonstrated that engineering calculations have been completed showing the adequacy of the footings. In any event, this is a site engineering issue that is analyzed by the City during building plan check. If any structural issues are revealed, appropriate project changes will be required.

D. California Environmental Quality Act Determination. The City Environmental Analyst evaluated the proposed project and determined the project to be categorically exempt from CEQA pursuant to CEQA Guideline section 15301, the small additions exemption.

SECTION 5. The City Council grants Final Approval to the proposed addition and remodel of 1912 Mission Ridge Road as depicted on the set of architectural plans received by the Community Development Department on January 23, 2015, as presented to and conditioned by the City Council on March 10, 2015, and as finally approved by the SFDB on June 15, 2015.

Agenda Item No. 7

File Code No. 520.03

CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: September 15, 2015

TO: Mayor and Councilmembers

FROM: Facilities Division, Public Works Department
Fire Training and Recruitment Division, Fire Department

SUBJECT: Contract For Construction Of Live-Fire Training Facilities Site Work Project

RECOMMENDATION: That Council:

A. Award a contract with Hanly General Engineering Corporation in their low bid amount of $89,229.50 for construction of the Fire Training Facilities Site Work Project, Bid No. 3795; and authorize the Public Works Director to execute the contract and approve expenditures up to $8,923 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;

B. Accept the donation from Santa Barbara County Fire Department, Montecito Fire Protection District, Joint Apprenticeship Committee, and the McCaw Foundation in the total amount of $117,774 for construction of the Fire Training Facilities Site Work Project; and

C. Increase estimated revenues and appropriations for the Fire Training Facilities Site Work Project in the Capital Outlay Fund by $117,774, bringing the funding for the Project to $357,774.

DISCUSSION:

PROJECT DESCRIPTION

The Fire Training Facilities Site Work Project (Project) consists of storm water improvements, installation of Americans with Disabilities Act compliant parking, and additional landscaping to improve screening. The ultimate goal of the Project is to prepare the Fire Training Facility site, located at 4 South Calle Cesar Chavez, for the installation of two new, pre-fabricated, live-fire Fire Department training props. This Project will replace 1,244 square feet of concrete with permeable pavers and install 745 square feet of infiltration basins and trenches. The Project has been designed in compliance with the City's Tier 3 Storm Water Management Plan.

CONTRACT BIDS

A total of five bids were received for the subject work, ranging as follows:

	BIDDER	BID AMOUNT
1.	Hanly General Engineering Corporation Santa Ynez, CA	$89,229.50
2.	Sansone Company, Incorporated San Luis Obispo, CA	$114,762.88
3.	Red Hawk Services Perris, CA	$129,936.92
4.	Quincon, Inc. Grover Beach, CA	$147,644
5.	Whitaker Construction Group, Inc. Paso Robles, CA	$153,168

The low bid of $89,229.50, submitted by Hanley General Engineering Corporation, is an acceptable bid that is responsive to and meets the requirements of the bid specifications.

The change order funding recommendation of $8,923, or 10 percent, is typical for this type of work and size of project.

FUNDING

City Council originally allocated $240,000 in the Capital Outlay Fund for the procurement and installation of two pre-fabricated, live-fire training props. During the planning and design phase, the Project scope increased to address Planning and City Tier 3 Storm Water requirements that had not been identified previously. Therefore, additional funds are required to sufficiently fund this Project. The additional funds will be provided by donations from the Santa Barbara County Fire Department, the Montecito Fire Protection District, the Joint Apprenticeship Committee, and the McCaw Foundation. With the acceptance of this item, there are sufficient funds in the Capital Outlay Fund to cover the cost of this Project.

The following summarizes the expenditures recommended in this report:

CONSTRUCTION CONTRACT FUNDING SUMMARY

	Basic Contract	Change Funds	Total
Hanly General Engineering Corporation	$89,229.50	$8,923	$98,152.50
TOTAL RECOMMENDED AUTHORIZATION			**$98,152.50**

The following summarizes all Project design costs, construction contract funding, and other Project costs:

ESTIMATED TOTAL PROJECT COST

Cents have been rounded to the nearest dollar in this table.

Design (by Contract)	$31,900
City Staff Costs	$12,500
Subtotal	**$44,400**
Construction Contract	$89,230
Construction Change Order Allowance	$8,923
Subtotal	**$98,153**
Live-Fire Training Facilities Procurement	$205,771
Other Consultant Costs (Material testing, etc.)	$3,500
Construction Management/Inspection (by City Staff)	$5,950
Subtotal	**$215,221**
TOTAL PROJECT COST	**$357,774**

BUDGET/FINANCIAL INFORMATION:

Project costs for the Project are tracked in the Capital Outlay Fund. The originally budgeted amount for the project was $240,000. With Council approval, the amount will be increased by $117,774, for a total cost of $357,774.

SUSTAINABILITY IMPACT:

Storm water and urban runoff from impervious surfaces is a major source of surface water quality degradation. Permeable surfaces filter the runoff to provide treatment which enhances watersheds and beaches, reduces damaging peak storm water flows, recharges groundwater, and requires no power consumption for operation.

PREPARED BY:	Jim Dewey, Facilities & Energy Manager/BK/mh Ron Liechti, Fire Department Business Manager
SUBMITTED BY:	Rebecca J. Bjork, Public Works Director
APPROVED BY:	City Administrator's Office

Agenda Item No. 8

File Code No. 330.04

CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: September 15, 2015

TO: Mayor and Councilmembers

FROM: Business & Property Division, Airport Department

SUBJECT: Introduction Of Ordinances For Lease Amendments With Mercury Air Center – Santa Barbara, Inc. And Signature Flight Support Corporation

RECOMMENDATION: That Council:

A. Introduce and subsequently adopt, by reading of title only, An Ordinance of the Council of the City of Santa Barbara Approving and Authorizing the Airport Director to Execute a Lease Amendment to Lease Agreement No. 200846, as previously amended November 22, 2011, with Mercury Air Center – Santa Barbara, Inc., a California Corporation, dba Atlantic Aviation, amending the "Term" and "Rent" provisions to extend the expiration date to May 8, 2018, and provide for appropriate rental increases during the extended term; and

B. Introduce and subsequently adopt, by reading of title only, An Ordinance of the Council of the City of Santa Barbara Approving and Authorizing the Airport Director to Execute a Lease Amendment to Restated Lease No. 12,037.2, with Signature Flight Support Corporation, a California Corporation, dated October 18, 2012, amending the "Term" and "Rent" provisions to extend the expiration date to May 8, 2018, and provide for appropriate rental increases during the extended term.

DISCUSSION:

Background

Mercury Air Center – Santa Barbara Inc., dba Atlantic Aviation (Atlantic), and Signature Flight Support Corporation (Signature) are engaged in the operation of two Fixed Base Operations (FBOs) at the Santa Barbara Airport.

The City and Atlantic Aviation are parties to Lease Agreement No. 200846, as amended November 22, 2011, under which 453,457 square feet of land and 21,089 square feet of buildings are leased by Atlantic. The lease expires July 31, 2016. Atlantic also leases 21,780 square feet of land for a fuel farm (Agreement No. 19528), which expires August 27, 2031.

The City and Signature Flight Support are parties to Restated Lease Agreement No. 12,037.2, dated October 18, 2012, under which 894,613 square feet of land, together with the existing hangar buildings and improvements, is leased to Signature. The lease expires July 31, 2016. Signature also leases 41,178 square feet of land for a fuel farm (Agreement No. 18,538), which expires March 12, 2027.

Master Plan

The Master Plan includes consolidation of general aviation operations to facilitate two Fixed Base Operator (FBO) lease areas on the northeast portion of the airfield to provide tenant and visitor private aircraft services and facilities, and support facility changes.

The Draft Environmental Impact Report for the Master Plan is currently under review.

Fixed Base Operator Request For Proposals

The Master Plan envisioned two FBO leaseholds, approximately equal in size. During the development of the Master Plan alternatives for the proposed FBO areas, it became apparent that all aviation facilities zoned property should be available for lease prior to the public solicitation of proposals.

The two current FBO agreements expire in July 2016. Ampersand Aviation, Inc. leases approximately 19 acres of land at the Airport, including five hangars and an office building, under five leases, all of which expire on May 8, 2018. At the conclusion of those leases, these facilities could be eligible to be used either as part of a new FBO, or as temporary accommodation for the successful proposers during development of new facilities.

Proposal

With this in mind, staff recommends that the terms of Atlantic's and Signature's leases be extended to make them co-terminus with that of the Ampersand leases. Accordingly, Staff proposes to amend Article 5, "TERM" of Lease No. 200846 with Atlantic and Article 7, "TERM" of Restated Lease No. 12,037.2 with Signature to extend the expiration date of the leases from July 31, 2016 to May 8, 2018.

In addition, Article 7, "Rent" of Atlantic's lease will be amended to include 5% increases in each of the two additional years, in accordance with the previous scheduled rental increases. The proposed rent will be:

August 1, 2016 to July 31, 2017	$22,899
August 1, 2016 to May 8, 2018	$24,044

Article 9, “”Rent” of Signature’s lease will also be amended to include 5% annual increases as follows:

August 1, 2016 to July 31, 2017	$38,968
August 1, 2016 to May 8, 2018	$40,916

All other provisions of Atlantic Lease No. 200846, as amended, and Signature Restated Lease No. 12037.2, will remain unchanged.

PREPARED BY: Rebecca Fribley, Sr. Property Management Specialist

SUBMITTED BY: Hazel Johns, Airport Director

APPROVED BY: City Administrator's Office

ORDINANCE NO. _____

AN ORDINANCE OF THE COUNCIL OF THE CITY OF SANTA BARBARA APPROVING AND AUTHORIZING THE AIRPORT DIRECTOR TO EXECUTE A LEASE AMENDMENT TO LEASE AGREEMENT NO. 200846, AS PREVIOUSLY AMENDED NOVEMBER 22, 2011, WITH MERCURY AIR CENTER – SANTA BARBARA, INC., A CALIFORNIA CORPORATION, DBA ATLANTIC AVIATION, AMENDING THE "TERM" AND "RENT PROVISONS TO EXTEND THE EXPIRATION DATE TO MAY 8, 2018, AND PROVIDE FOR APPROPRIATE RENTAL INCREASES DURING THE EXTENDED TERM.

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

SECTION 1. In accordance with the provisions of Section 521 of the Charter of the City of Santa Barbara, that certain second amendment to Agreement 200846, as first amended November 22, 2011, between Mercury Air Center – Santa Barbara, Inc., dba Atlantic Aviation, and the City of Santa Barbara, extending the expiration date to May 8, 2018, and providing for 5% annual rental adjustments during the extended term, is hereby approved.

ORDINANCE NO. _____

AN ORDINANCE OF THE COUNCIL OF THE CITY OF SANTA BARBARA APPROVING AND AUTHORIZING THE AIRPORT DIRECTOR TO EXECUTE A LEASE AMENDMENT TO RESTATED LEASE AGREEMENT NO. 12,037.2, WITH SIGNATURE FLIGHT SUPPORT CORPORATION, A CALIFORNIA CORPORATION, DATED OCTOBER 18, 2012, AMENDING THE "TERM" AND "RENT PROVISONS TO EXTEND THE EXPIRATION DATE TO MAY 8, 2018, AND PROVIDE FOR APPROPRIATE RENTAL INCREASES DURING THE EXTENDED TERM.

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

SECTION 1. In accordance with the provisions of Section 521 of the Charter of the City of Santa Barbara, that certain first amendment to Restated Lease Agreement 12,037.2, between Signature Flight Support Corporation and the City of Santa Barbara, extending the expiration date to May 8, 2018, and providing for 5% annual rental adjustments during the extended term, is hereby approved.

Agenda Item No. 9

File Code No. 550.01

CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: September 15, 2015

TO: Mayor and Councilmembers

FROM: Transportation Division, Public Works Department

SUBJECT: Contract For Design Of Cota Parking Lot Improvements And Access Control Project

RECOMMENDATION:

That Council authorize the Public Works Director to execute a City Professional Services contract with Stantec Consulting Services, Inc., in the amount of $34,775 for design services of the Cota Lot Improvements and Access Control Project and approve expenditures of up to $3,478 for extra services that may result from necessary changes in the scope of work, for a total contract amount of $38,253.

DISCUSSION:

BACKGROUND

In addition to providing customer parking, the City's Downtown Parking Program provides reliable and affordable off-street parking for downtown employees. The goals of the Commuter Parking Program are to: 1) free up parking for customers in hourly lots and on the streets; 2) discourage employee parking in residential neighborhoods; and 3) decrease neighborhood traffic and air pollution.

The City operates two commuter lots: the Cota Commuter Lot and the Carrillo Commuter Lot. Parking in these lots is by permit only, between the hours of 7:00 A.M. and 6:00 P.M., Monday through Friday. The Cota Commuter Lot, which is located at the corner of Cota and Santa Barbara Streets, at 119 East Cota Street, contains 221 parking spaces and has 390 active parking permits, which are sold at the discounted rate of $65/month. Downtown Parking is able to over-subscribe the lot by 160 percent because many permit holders work atypical hours in retail and service jobs. Downtown employees purchase a monthly permit that is displayed as a hang tag inside the vehicle's windshield. Initially, this method was effective; but with increasing demand, and the Cota Commuter Lot reaching 100 percent occupancy on most days, management of the lot has become significantly more difficult.

In order to manage the Cota Lot effectively, Downtown Parking staff must be able to monitor lot occupancy in real time. Presently, parking surveys are done manually and are time consuming. It takes about 7.5 hours of staff time for a one week survey. Without real time data, it is difficult to understand lot usage and determine how many permits should be available for sale.

In the absence of access control, the Police Department's Parking Enforcement Division enforces permit requirements in the lot by issuing parking citations to illegally parked vehicles. This effort is time consuming, inefficient, and frequently results in citations being issued to paying customers who fail to properly display their permit. Parking Enforcement staff issues up to 20 citations per day to vehicles that fail to properly display the hang tag permit. Citations are frequently disputed, and about ten percent of the Cota Lot citations are later dismissed. Staff spends a great deal of time researching and resolving these disputed citations. Further, because Parking Enforcement staff is not always present in the lot, many unpaid users occupy spaces reserved for paying customers.

The hang tag system also lends itself to abuse. Some patrons misuse hang tags and do not return cancelled permits. Permit holders with unpaid bills continue to use the lot. Currently, there is $9,034 past due, which represents 38 accounts and 77 permits.

To improve parking lot management and address enforcement and abuse issues, City staff proposes installing gate arms and ticket columns with proximity card readers to the Cota Commuter Lot entrance and exit. Only permit holders will be able to access the lot during business hours (7:00 A.M. to 6:00 P.M.). Cota Lot permits would be issued in the form of proximity cards that can be remotely activated and/or deactivated. While staff does not plan to change the current hours of operation at this time, new gate arms and ticket columns would give the City the flexibility to charge parking fees to other prospective customers wanting to park in the Cota Commuter Lot outside of business hours, including evenings, weekends, and holidays. The lot will continue to be closed on Saturday mornings for the Farmer's Market.

As a part of the design review process for the Access Control Project, Downtown Parking staff is also required to ensure the Cota Commuter Lot is in compliance with the Americans with Disabilities Act (ADA) and bring the parking spaces designated for disabled access up to code.

PROJECT DESCRIPTION

The Cota Lot Improvements and Access Control Project (Project), involves:

1. Installing gate arms, ticket columns, and a fiber-optic connection to the Downtown Parking Access Control System located in the Granada Garage;
2. Reconfiguring driveways to have one entrance from Santa Barbara Street and one exit onto Cota Street;
3. Reconstructing the driveways and sidewalks to be in compliance with the ADA;

4. Providing the correct number of disabled parking spaces and paths of travel from the parking spaces to the City right of way, in compliance with the ADA;
5. Installing two electric charging station spaces;
6. Installing bicycle parking; and
7. Repairing any failing asphalt paving and raised/broken curbs; and
8. Installing any required landscaping to complement the new construction, which will be completed after the drought.

The Project will provide improved parking availability, reliability, and affordability for permit holders. There will no longer be unpermitted vehicles in the lot, which means more permits will be available for sale. The Cota Commuter Lot will allow for easy and remote resolution of permit issues. Downtown Parking staff will be able to monitor the lot from the Parking Offices in real time, gathering data on lot occupancy, peak usage, permit movements, and duration of stay. Parking Enforcement will no longer be required to enforce unpermitted vehicles from parking in the lot.

The Project will also bring the lot into compliance with current Americans with Disabilities Act code requirements, providing permit holders with disabilities a safe route from the parking space to the City's right of way. Permit holders and public demand for electric vehicle charging stations and bicycle parking at this lot will also be accommodated.

The Project has been before the Downtown Parking Committee (DPC) on several occasions over the years and the DPC supports the installation of access control equipment at the Cota Commuter Lot.

DESIGN PHASE CONSULTANT ENGINEERING SERVICES

Staff recommends that Council authorize the Public Works Director to execute a contract with Stantec Consulting Services, Inc., (Stantec) in the amount of $34,775 for design services, and $3,478 for potential extra services, for a total amount of $38,253.

Penfield and Smith, now Stantec, worked on the conceptual design for this project. Stantec, has worked on many Downtown Parking facility projects and is a capable firm to continue with the Project’s final design, as well as provide design assistance during construction.

FUNDING

There are appropriated sufficient funds in the Downtown Parking Capital Fund to cover these costs. A total of $475,000 is budgeted to complete the improvements to the Cota Commuter Lot. Stantec will provide the City with a cost estimate as part of their scope of work.

Current Cota Lot annual revenues are $248,300. It is anticipated that with this Project, there will be a Project revenue increase of $52,000 annually due to improved collections, additional permit sales, conversion of illegal parkers, and unreturned hang tags. The estimated Project payback period is eight years.

PREPARED BY: Browning Allen, Transportation Manager/JWG/mj

SUBMITTED BY: Rebecca J. Bjork, Public Works Director

APPROVED BY: City Administrator's Office

Agenda Item No. 10

File Code No. 530.01

CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: September 15, 2015

TO: Mayor and Councilmembers

FROM: Engineering Division, Public Works Department

SUBJECT: Contract For Professional Services For The Listing And Sale Of Excess City Properties Acquired For Bridge Replacement Projects

RECOMMENDATION:

That Council authorize the Public Works Director to execute a contract for professional services with Goodwin & Thyne Properties for the listing and sale of the excess residential City-owned properties known as 221 West Cota Street, 230 West Cota Street, 536 Bath Street, and 20 West Mason Street.

DISCUSSION:

The residential properties known as 221 West Cota Street, 230 West Cota Street, 536 Bath Street, and 20 West Mason Street were acquired for the Cota Street and Mason Street Bridge Replacement Projects, respectively. The properties were declared excess by the City on July 14, 2015, and are subject to disposal under Government Code Section 54220 and City guidelines by public auction, in accordance with Santa Barbara Municipal Code (SBMC) Chapter 4.28, and Section 520 of the Santa Barbara City Charter.

The properties were acquired with project federal grant funding due to their proximity to the bridge replacement projects and the potential of being damaged during the demolition and new bridge construction.

The Cota Bridge Replacement Project (Cota Project) is scheduled for substantial completion in late November 2015. The award of contract for sale of the excess properties is recommended at this time, so that their close of escrow will coincide with the completion of the Cota Project. This will allow for the use of the sales proceeds for additional City Bridge funding needs as soon as they are available.

The Mason Street Bridge Replacement Project is scheduled for completion in the summer of 2016. Even though the actual listing and marketing of 20 West Mason Street will not begin until the spring of 2016, staff has included the real estate brokerage fees in the contract for reasons of efficiency and cost effectiveness.

Staff solicited requests for proposals for the sale of excess properties from a pool of professional real estate companies using a similar process that was used in 2012 for the Haley-De La Vina and Ortega Bridge Replacement Projects, which required the sale of three excess properties. The top five firms were selected from the top 20 real estate companies in the County of Santa Barbara, as reported by the Santa Barbara Association of Realtors. The criteria for selection were based on the total number of completed sales transactions and the total dollar volume of sales transactions for the period between January 1 and July 10, 2015. A sixth company that was ranked outside the top five, Goodwin & Thyne Properties (Goodwin and Thyne), was selected based on their successful past performance with excess property sales for the City.

The intent of hiring a full-service professional real estate company is to maximize the exposure of the properties to the marketplace via the Multiple Listing Service (MLS) and all other marketing resources provided by a professional real estate company. In the past, this additional marketing, in conjunction with the City's required bid/auction sale process, has improved the exposure and awareness of the public to the auction process. This has helped to maximize the net property sales proceeds and establish the best use of the properties.

Staff is recommending that the City enter into a contract with Goodwin & Thyne for the sale of the excess residential City-owned properties. They have the necessary resources for wide exposure of the properties, and a proven track record as a top performing company based on the total number of completed sales transactions and the total dollar volume of property sales. Goodwin & Thyne has also proposed the lowest cost to sell the properties offering a 1.5 percent commission fee for their services and a 2.0 percent fee for the buyer's agent, for a total fee of 3.5 percent. The standard commission fee proposed by the other real estate companies was between 4.5 and 5 percent.

The company's familiarity with the City's public bid/auction process and its understanding of the scope of work should allow for efficiency and timeliness in maximizing the net sales proceeds to the City.

BUDGET/FINANCIAL INFORMATION:

The actual cost of sales and the net proceeds will be determined by the final sales prices obtained through public auction. It is noted that all shared realtor costs and other sale/escrow expenses will be paid from the sales transactions when completed at the close of escrow. The net proceeds can only be used for eligible federally funded projects. Of the estimated $4,076,738 revenue, $3,370,345 has already been appropriated and encumbered, in anticipation of these property sales, to fund a portion of the City match for various bridge replacement projects. It is currently estimated that an additional $700,000 of revenue may be received and appropriated for future City match on upcoming federally funded bridge replacement projects.

The table below summarizes the approximate anticipated sales prices, to be realized based on current market comparables and the associated realtor sales costs.

Goodwin & Thyne Properties - Residential Excess City Properties

	221 West Cota	**230 West Cota**	**536 Bath**	**20 West Mason**	**Commission**	**Totals**
Estimated Sale Price	$693,200	$673,900	$502,500	$2,355,000		$4,224,600
Realtor Seller Commission at 1.5%	$10,398	$10,109	$7,538	$35,325	$63,370	
Realtor Buyer Commission at 2.0%	$13,864	$13,478	$10,050	$47,100	$84,492	
Total Commission	$24,262	$23,587	$17,588	$82,425		($147,862)
Estimated Net Sale Proceeds	**$668,938**	**$650,313**	**$484,912**	**$2,272,575**		**$4,076,738**

The associated sales cost for the property listings is estimated at $147,862, based on the anticipated sales price estimates for the properties.

Given the benefits of using a professional real estate company for maximizing the highest net sales proceeds and anticipated best use for these properties, staff recommends approval of this contract as proposed.

PREPARED BY: John Ewasiuk, Principal Civil Engineer/DT/kts

SUBMITTED BY: Rebecca J. Bjork, Public Works Director

APPROVED BY: City Administrator’s Office

Agenda Item No. 11

File Code No. 530.04

CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: September 15, 2015

TO: Mayor and Councilmembers

FROM: Engineering Division, Public Works Department

SUBJECT: Contract For Construction Of Pedestrian Crosswalk Improvements At Four Intersections

RECOMMENDATION: That Council:

A. Accept Highway Safety Improvement Program grant funding in the total amount of $493,500 for the Highway Safety Improvements Program Pedestrian Crosswalk Enhancements Project;

B. Award a contract with Lash Construction, Inc., in their low bid amount of $442,466.50 for construction of the Highway Safety Improvement Program Pedestrian Crosswalk Enhancements Project, Bid No. 3681; and authorize the Public Works Director to execute the contract and approve expenditures up to $44,250 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;

C. Approve the transfer of $76,217 in available appropriations from the Streets Capital Fund to the Streets Grant Fund and appropriate for the use of the Highway Safety Improvement Program Pedestrian Crosswalk Enhancements Project in the Streets Grants Fund; and

D. Authorize an increase in appropriations and estimated revenues related to the Highway Safety Improvement Program grant funding by $493,500 in the Fiscal Year 2016 Streets Grant Fund to cover the cost of construction.

DISCUSSION:

PROJECT BACKGROUND AND DESCRIPTION

The City of Santa Barbara has been awarded a $493,500 grant from the Highway Safety Improvement Program (HSIP) for pedestrian crosswalk enhancements at five intersections in Santa Barbara for this HSIP Pedestrian Crosswalk Enhancements Project (Project). The intersections include Cabrillo Boulevard at Anacapa Street, Cabrillo Boulevard at Corona Del Mar, State Street at Calle Palo Colorado, State Street at Islay Street, and State Street at Pedregosa Street, which are illustrated in the

attached map. The need for the improvements was identified through routine traffic safety analyses.

This contract award is only for the following four locations: Cabrillo Boulevard at Corona Del Mar, State Street at Calle Palo Colorado, State Street at Islay Street, and State Street at Pedregosa Street. The Cabrillo Boulevard at Anacapa Street work has been separated from the other four locations due to the proximity to the Cabrillo Bridge Replacement Project that is currently in construction. It will be included as a change order to the bridge project. This will allow the two projects to be constructed simultaneously while minimizing disruption to the public. This approach has been verified with Caltrans Local Assistance staff for compliance with federal grant regulations. Staff will return to Council with a recommendation to approve the change order to the Cabrillo Bridge Project to include the related improvements at the Cabrillo Boulevard at Anacapa Street intersection.

The scope of work varies by intersection, but the safety improvements generally include a combination of new rectangular rapid flashing beacons, streetlights, underground conduit, pedestrian access ramps, curb and gutter, a curb extension, painted poles, and decorative bases. The specific scope at each location includes:

- Cabrillo Boulevard at Corona del Mar: Rectangular rapid flashing beacons;
- State Street at Calle Palo Colorado: Curb extension (south side only), median refuge island, pedestrian access ramps, rectangular rapid flashing beacons;
- State Street at Islay Street: Rectangular rapid flashing beacons, improved intersection lighting; and
- State Street at Pedregosa Street: Rectangular rapid flashing beacons, improved intersection lighting.

Of the four intersections improved by this contract, one will include a new curb extension. At the south side of State Street at Calle Palo Colorado, the planned curb extension improves sight lines between pedestrians and approaching vehicles around buses that stop immediately west of the intersection. The curb extension will also shorten the crossing distance for pedestrians and will be buffered from the traffic lane by a bicycle lane.

CONTRACT BIDS

A total of three (3) bids were received for the subject work, ranging as follows:

	BIDDER	BID AMOUNT
1.	Lash Construction, Inc. Santa Barbara, CA	$442,466.50
2.	Brough Construction, Inc. Arroyo Grande, CA	$483,162.00

3. Toro Enterprises, Inc. $532,911.50*
   Oxnard, CA

*corrected bid total

The low bid of $442,466.50, submitted by Lash Construction, Inc., is an acceptable bid that is responsive to and meets the requirements of the bid specifications.

The change order funding recommendation of $44,250, or ten percent, is typical for this type of work and size of project.

COMMUNITY OUTREACH

During the design process, staff met individually with property owners and residents of each of the businesses located adjacent to the corners where the access ramps and sidewalks are being reconstructed. Staff will notify the property owners and residents located near the Project locations of the construction via mailers. Prior to construction, the contractor will be responsible for the final notice via door hangers 72 hours prior to construction. Staff will coordinate with each business to maintain access during business hours throughout construction.

FUNDING

This Project is primarily funded by a HSIP grant, with the balance from the Streets Capital Fund. The HSIP grant share for construction costs is $493,500 and is recommended to be appropriated with this Council Agenda Report (Report). An additional $76,217 for construction costs will come from a transfer of available appropriations in the Streets Capital Fund, Traffic Safety/Capacity Improvement Project (Project No. 47797). Preliminary engineering, survey, design, and City-supplied equipment costs of $160,880 for this Project were spent out of the Streets Operating and Capital Funds in prior years. This Report does not include the Cabrillo Boulevard at Anacapa Street intersection, which will be appropriated at a later date as described earlier. The following summarizes the expenditures recommended in this Report:

CONSTRUCTION CONTRACT FUNDING SUMMARY

	Basic Contract	**Change Funds**	**Total**
Lash Construction, Inc.	$442,466.50	$44,250.00	$486,716.50
TOTAL RECOMMENDED AUTHORIZATION			**$486,716.50**

The following summarizes contract costs, including: design, construction contract funding, and other costs.

ESTIMATED TOTAL PROJECT COST

Cents have been rounded to the nearest dollar in this table.

	City Share	HSIP Share	Total
Design (by City Staff)	$125,970	$0	$125,970
City-Supplied Equipment	34,910	0	34,910
Design Subtotal	**$160,880**	**$0**	**$160,880**
Construction Contract	$44,247	$398,220	$442,467
Construction Change Order Allowance	4,425	39,825	44,250
Subtotal	$48,672	$438,045	$486,717
Construction Management/Inspection (by City Staff)	$17,545	$55,455	$73,000
Other City Staff Costs (Survey, Record Drawings, etc.)	10,000	0	10,000
Subtotal	$27,545	$55,455	$83,000
Construction Subtotal	**$76,217**	**$493,500**	**$569,717**
TOTAL PROJECT COST	**$237,097**	**$493,500**	**$730,597**

SUSTAINABILITY IMPACT:

The Project will improve safety and accessibility for pedestrians within the Project's vicinity, and it will contribute to the City's sustainability goals by encouraging more people to walk, reducing energy consumption and air pollution.

ATTACHMENT: Project Location Map

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

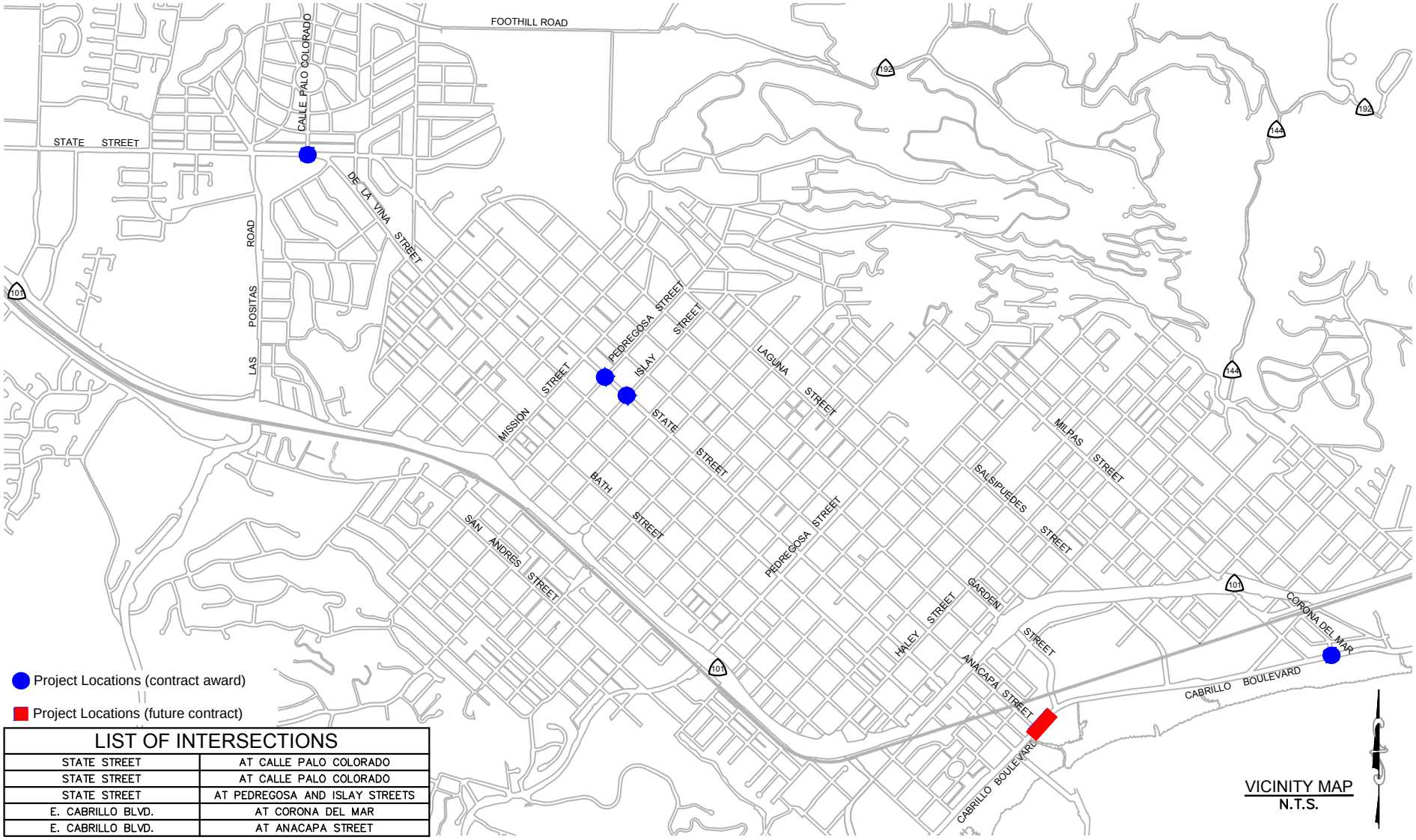
SUBMITTED BY: Rebecca J. Bjork, Public Works Director

APPROVED BY: City Administrator's Office

CITY OF SANTA BARBARA

HIGHWAY SAFETY IMPROVEMENT PROGRAM (HSIP)
PEDESTRIAN CROSSWALK ENHANCEMENTS PROJECT

FEDERAL AID PROJECT # HSIPL-5007(057) PROJECT NO. 47765, BID NO. 3681



LIST OF INTERSECTIONS	
STATE STREET	AT CALLE PALO COLORADO
STATE STREET	AT CALLE PALO COLORADO
STATE STREET	AT PEDREGOSA AND ISLAY STREETS
E. CABRILLO BLVD.	AT CORONA DEL MAR
E. CABRILLO BLVD.	AT ANACAPA STREET

VICINITY MAP
N.T.S.

PUBLIC WORKS DEPARTMENT ENGINEERING DIVISION

APPROVED: CITY ENGINEER ORIGINAL SIGNED DATE ____ DATE ____

DESIGN DB
DRAWN AG
CHECKED DB

NO.	DATE	APPROVED	REVISIONS

HSIP PEDESTRIAN CROSSWALK ENHANCEMENTS PROJECT

TITLE SHEET

2014-00115 PBW. NO.

3681 BID NO. | G1 SHT. DES.

C-1-4713 DWG. NO.

SHT. 1 OF 1

Agenda Item No. 12

File Code No. 410.01

CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: September 15, 2015

TO: Mayor and Councilmembers

FROM: City Administrator's Office

SUBJECT: Compliance With Healthy Workplace Healthy Family Act Of 2014

RECOMMENDATION: That Council:

A. Review sick leave administration changes for regular employees to comply with the Healthy Workplace Healthy Family Act of 2014;
B. Ratify the agreement with the Hourly Bargaining unit through introduction and subsequent adoption of, by reading of title only, An Ordinance of the Council of the City of Santa Barbara Amending the Existing 2014-2016 Memorandum Of Understanding Between the City Of Santa Barbara and the Hourly Employees' Bargaining Unit to Comply with the Healthy Workplace Healthy Family Act of 2014; and
C. Adopt, by reading of title only, A Resolution of the Council of the City of Santa Barbara Approving an Unrepresented Hourly Employees Paid Sick Leave Law Policy.

EXECUTIVE SUMMARY:

On July 1, 2015, the Healthy Workplace Healthy Family Act of 2014 (AB 1522) took effect, providing minimum amounts of paid sick leave for the vast majority of employees in California, and setting parameters for the use of such leave. Regular City employees already earned more sick leave than the amounts required under the Act, but small changes to administration were made to comply with the law. The City negotiated necessary related changes for represented Hourly employees with SEIU, Local 620. For unrepresented Hourly employees, a new policy was drafted to reflect the requirements of the law. The purpose of this action is to formally adopt the M.O.U. amendment and to memorialize the other policy changes made in response to the law.

DISCUSSION:

Effective July 1, 2015, the Healthy Workplace Healthy Family Act of 2014 (AB 1522) took effect, entering an already crowded field of federal and state laws providing employees with paid benefits and statutory protections for medical and family leaves of absence. Among the requirements of the new law, California employers must now:

- Provide for accrual of one hour of paid sick leave for every 30 hours worked (or another specified equivalent option);
- Allow carry-over of accrued sick leave from year to year (the employer may cap the maximum available paid sick leave at 48 hours, so that no further leave is accrued until the employee drops below the cap);
- After 90 days of employment, allow the use of at least 24 hours of accrued paid sick leave each year for specified reasons, upon the employee's reasonable request;
- Show how many days of sick leave an employee has available on a pay stub or a document issued the same day as a paycheck, and keep records showing how many hours have been earned and used for three years; and
- Reinstate accrued but unused paid sick leave if a terminated employee is rehired within one year.

Employees may take paid sick leave for themselves or a family member, for preventive care (e.g., annual physicals or flu shots) or for an existing health condition, or for specified purposes if the employee is a victim of domestic violence, sexual assault or stalking. The definition of "family members" include the employee's parent (including stepparents and in-laws), child, spouse, registered domestic partner, grandparent, grandchild, and sibling.

Retaliation or discrimination against an employee who requests or uses up to 24 hours per year of paid sick days is prohibited. An employee may file a complaint with the Labor Commissioner against an employer who retaliates or discriminates against the employee for exercising these rights.

<u>Effect on City Employees</u>

The Act will affect City employees in the following ways.

1. *Regular Employees*

Regular employees already earn significantly more sick leave than required by law. Nevertheless, certain changes to related policies will apply:

- "Family Sick" leave (Which is also called "kin care" and equals 48 hours per year for most regular full-time employees to care for a sick child, spouse or parent under a separate legal requirement) may now be used for the extended list of family members provided above;
- "Family Sick" leave may be used for diagnosis and preventative care of a family member (e.g. doctor's appointments), not just for treatment of a medical condition (However, as with the use of sick leave for an employee's own preventative care, advance notification must be given if the need for paid sick leave is foreseeable);

- "Family Sick" may be used for an employee who is a victim of domestic violence, sexual assault or stalking to obtain relief, including medical attention; and
- If an employee leaves City employment and is rehired within one year from the date of separation, any previously accrued and unused paid sick leave will be reinstated.

It should be noted that in some cases these changes are slightly more generous than what is required by the new law. For example, the City could limit use for grandparent, grandchild, parent in-law, and sibling sickness and for domestic violence to 24 hours, instead of the 48 hours available for other family members, but staff felt such restrictions were unnecessary. Staff will make these policy changes administratively.

2. *Hourly Employees With Paid Time Off*

Hourly employees who have worked more than 520 hours in the current or prior fiscal year already accrued a bank of Paid Time Off (PTO), which can be used as sick leave or vacation leave. Under the new law, PTO may be counted as sick leave by an employer if the employee may use it for sick leave purposes. To comply with the new law:

- The PTO accrual will be increased from 0.023 hours of PTO for each hour worked to 0.034 hours of PTO for each hour worked, in order to equal one hour for each 30 hours worked;
- PTO may now be used for sick or Family Sick reasons (see above), or for vacation;
- The maximum PTO accrual will increase from 40 hours to 48 hours.
- Since PTO is paid out upon termination of employment, it is not reinstated if an employee is hired back within a year.

The City and SEIU, Local 620, have agreed to amend the Memorandum of Understanding to include these changes.

3. *Hourly Employees Not Eligible for Paid Time Off*

Hourly employees who have not yet worked 520 hours in the current or prior fiscal year do not accrue PTO.

- These employees will begin accruing 0.034 hours of sick leave for each hour worked, beginning the first day of employment, up to a maximum sick leave bank of 48 hours. An employee may not use sick leave until the employee has been employed for at least 90 days. An employee may use up to a maximum of 24 hours of sick leave in a 12 month period. Sick leave may only be used for the diagnosis, treatment or preventative care of the employee's own medical condition, for Family Sick, or for relief for domestic violence, sexual assault, or stalking.
- Once an employee has been with the City long enough to qualify for PTO accrual (see above) the employee will cease accruing sick leave. However, the

employee may continue to use the sick leave they have already accrued, subject to the applicable rules in the attached policy.

The “Unrepresented Hourly Employees Paid Sick Leave Law Policy” is proposed to be adopted here by Resolution.

BUDGET/FINANCIAL INFORMATION:

While the changes to sick leave may carry a cost, it is difficult to quantify since sick leave will only be used when medically necessary. The cost increase is not expected to be significant. The increase to PTO for represented hourly employees is easier to measure, and is estimated at $31,863 per year, spread across the various funds supporting hourly employment.

SUBMITTED BY: Kristine Schmidt, Director of Administrative Services

APPROVED BY: City Administrator's Office

ORDINANCE NO. ____

AN ORDINANCE OF THE COUNCIL OF THE CITY OF SANTA BARBARA AMENDING THE EXISTING 2014-2016 MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF SANTA BARBARA AND THE HOURLY EMPLOYEES' BARGAINING UNIT TO COMPLY WITH THE HEALTHY WORKPLACE HEALTHY FAMILY ACT OF 2014

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

SECTION 1. The Memorandum of Understanding between the City of Santa Barbara and the Service Employees' International Union, Local 620, Hourly Employees' Bargaining Unit, entered into as of January 1, 2014 and adopted under Ordinance No. 5655 is hereby amended.

SECTION 2. Effective July 1, 2015, the agreement terms are amended as follows

"Article 14. PAID TIME OFF (PTO) ALLOWANCE

a. The purpose of the Paid Time Off (PTO) allowance is to provide an employee with time away from a scheduled work shift without a loss in pay. Bargaining Unit members will accrue paid time off at a rate of .034 ~~.023~~ hours per full completed hour of work.

b. PTO shall be scheduled by management to provide adequate staffing. Such scheduling may be available throughout the calendar year subject to departmental operational necessity and the needs of the City. Such scheduling shall take into account employee choice.

c. An employee may not have more than 48 ~~24~~ hours of PTO in the employee's PTO bank. ~~Effective March 28, 2009, this maximum accrual will be increased to 40 hours.~~ If an employee has more than this maximum amount of PTO in his/her bank, the employee will cease accruing PTO until the PTO balance is below this amount. However, requests to take PTO to avoid disruption of PTO accrual will not be unreasonably denied.

d. Employees will be eligible to be paid for any accrued but unused PTO upon termination of employment. The City will reflect PTO accrual on pay stubs.

e. PTO may be used as sick leave for any reason enumerated under California's Paid Sick Leave law, provided that the employee complies with the sick leave notice and medical certification requirements established by law and City policies. These notice and medical certification requirements are the same as those applicable to sick leave use for regular City employees.

d. Bargaining unit members will remain eligible to use any sick leave banks accrued prior to membership in the bargaining unit, subject to the rules and limitations applicable to those sick leave banks."

RESOLUTION NO.

A RESOLUTION OF THE COUNCIL OF THE CITY OF SANTA BARBARA APPROVING AN UNREPRESENTED HOURLY EMPLOYEES PAID SICK LEAVE LAW POLICY

WHEREAS, under Municipal Code Section 3.04.160, hourly employees shall only be entitled to the compensation or benefits provided for in that Section, or as provided in a collective bargaining agreement, or as mandated by State or Federal laws; and

WHEREAS, effective July 1, 2015, California's Paid Sick Leave law requires the City of Santa Barbara to provide paid sick leave to virtually all employees;

WHEREAS, certain unrepresented hourly employees who were not previously eligible for paid time off are now eligible for paid sick leave; and

WHERAS a policy has been developed to assist employees and their supervisors to understand the requirements of the new law;

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

1. The Unrepresented Hourly Employees Paid Sick Leave Law Policy, attached hereto as Exhibit A, is hereby adopted;
2. The City Administrator is authorized to make changes to this policy, without further Council action, in order to respond to changes in the law and related administrative requirements.

EXHIBIT A

CITY OF SANTA BARBARA
UNREPRESENTED HOURLY EMPLOYEES
PAID SICK LEAVE LAW POLICY

The following policy applies only to part-time, temporary, and seasonal employees who are not covered under a collective bargaining agreement with a recognized employee organization and who are not otherwise eligible to accrue a Sick Leave or Paid Time Off (PTO) bank approved by the City Council.

Effective July 1, 2015, California's Paid Sick Leave law requires the City of Santa Barbara to provide paid sick leave to employees under the following conditions:

- An employee begins to accrue paid sick leave at the rate of 0.034 hours of paid sick leave for every hour worked beginning on the first day of employment. An employee is not eligible to begin using any accrued paid sick leave until after 90 days of employment with the City.

- An employee is only allowed to use up to a maximum of 3 days or 24 hours of paid sick leave in a 12-month period.

- An employee can only accrue paid sick leave up to a cap of 6 days or 48 hours ongoing. Any unused accrued paid sick leave does carryover year to year while continuously employed.

- In accordance with California's Paid Sick Leave law, an employee may use 3 days or 24 hours of accrued paid sick leave in a 12-month period for one of the following reasons:

    - For the employee's own diagnosis, care, or treatment of an existing health condition or preventative care.

    - For the diagnosis, care, or treatment of an existing health condition or preventative care for an employee's family member, including:

        - *Child (including a biological, adopted, or foster child, stepchild, legal ward, or a child to whom the employee stands in loco parentis.)*
        - *Spouse or Registered Domestic Partner*
        - *Parent (including biological, adoptive, or foster parent, stepparent, or legal guardian of an employee or the employee's spouse or registered domestic partner, or a person who stood in loco parentis when the employee was a minor child.)*
        - *Grandparent*
        - *Grandchild.*
        - *Sibling.*

    - To obtain any relief or services related to being a victim of domestic violence, sexual assault, or stalking including the following with appropriate certification of the need for such services:

- *A temporary restraining order or restraining order.*
- *Other injunctive relief to help ensure the health, safety or welfare of themselves or their children.*
- *To seek medical attention for injuries caused by domestic violence, sexual assault, or stalking.*
- *To obtain services from a domestic violence shelter, program, or rape crisis center as a result of domestic violence, sexual assault, or stalking.*
- *To obtain psychological counseling related to an experience of domestic violence, sexual assault, or stalking.*
- *To participate in safety planning and take other actions to increase safety from future domestic violence, sexual assault, or stalking, including temporary or permanent relocation.*

- Sick leave may only be used for reasons enumerated above, and not for vacation or personal time off. Falsification of the need for sick leave is a serious violation of City policy.

- An employee shall provide reasonable advance notification of their need to use accrued paid sick leave to their supervisor if the need for paid sick leave use is foreseeable (*e.g.*, doctor's appointment scheduled in advance). If the need for paid sick leave use is unforeseeable, the employee shall provide notice of the need for the leave to their supervisor as soon as is practicable.

- An employee who uses paid sick leave must do so with a minimum increment of two hours of sick leave.

- Paid sick leave will not be considered hours worked for purposes of overtime calculation. An employee will not receive compensation for unused accrued paid sick leave upon termination, resignation, retirement or other separation from employment from the City.

- If an employee separates from City employment and is re-hired by the City within one year of the date of separation, previously accrued and unused paid sick leave hours shall be reinstated to the extent required by law. However, if a rehired employee had not yet worked the requisite 90 days of employment to use paid sick leave at the time of separation, the employee must still satisfy the 90 days of employment requirement collectively over the periods of employment with the City before any paid sick leave can be used.

Agenda Item No. 14

File Code No. 250.02

CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: September 15, 2015

TO: Mayor and Councilmembers

FROM: Accounting Division, Finance Department

SUBJECT: Fiscal Year 2015 Fourth Quarter Review

RECOMMENDATION: That Council:

A. Hear a report from staff on the status of revenues and expenditures in relation to budget for the Fiscal Year ended June 30, 2015;
B. Accept the Interim Financial Statements for the Fiscal Year Ended June 30, 2015; and
C. Approve the proposed adjustments to the Fiscal Year 2015 budget as detailed in the Schedule of Proposed Fourth Quarter Budget Adjustments.

DISCUSSION:

Each month, staff submits the interim financial statements (Attachment 1) showing the status of revenues and expenditures in relation to budget for each of the City's funds. Each quarter, the interim financial statements are expanded to include a detailed narrative analysis of the General Fund and Enterprise Funds. This narrative analysis is included in Attachment 2.

In addition to the fourth quarter budget analysis, staff brings forward recommended adjustments for City Council approval. In general, the adjustments address budget shortfalls and/or additional costs and make technical corrections to departmental budgets. A listing and description of each proposed adjustment to the current year budget is provided in Attachment 3.

Interim financial statements presented to City Council throughout the year focus on the progress of revenues and expenditures against the budget, including a discussion of where the actual revenues and expenditures might finish at year end. Since this is the final quarterly report, the revenues and expenditures are close to final year-end totals. They are still subject to change as final adjustments in connection with the annual audit and preparation of the City's annual financial report will be brought to Council later in the fiscal year.

ATTACHMENTS:

1. Summary by Fund Statement of Revenues and Expenditures for the Twelve Months Ended June 30, 2015
2. Interim Financial Statements for the Twelve Months Ended June 30, 2015 (Narrative Analysis)
3. Schedule of Proposed Fourth Quarter Budget Adjustments

PREPARED BY: Jennifer Tomaszewski, Accounting Manager

SUBMITTED BY: Robert Samario, Finance Director

APPROVED BY: City Administrator's Office

CITY OF SANTA BARBARA
Interim Statement of Revenues and Expenditures
Summary by Fund
For the Twelve Months Ended June 30, 2015 (100% of Fiscal Year)

	Annual Budget	YTD Actual	Encum-brances	Remaining Balance	Percent of Budget
GENERAL FUND					
Revenue	117,729,265	118,691,069	-	(961,804)	100.8%
Expenditures	119,627,148	115,245,330	920,737	3,461,081	97.1%
Addition to / (use of) reserves	(1,897,882)	3,445,739	(920,737)		
SOLID WASTE FUND					
Revenue	20,645,776	20,764,942	-	(119,166)	100.6%
Expenditures	20,613,368	20,256,048	127,113	230,206	98.9%
Addition to / (use of) reserves	32,408	508,894	(127,113)		
WATER OPERATING FUND					
Revenue	41,693,876	37,630,299	-	4,063,578	90.3%
Expenditures	53,295,951	47,661,836	806,006	4,828,109	90.9%
Addition to / (use of) reserves	(11,602,074)	(10,031,537)	(806,006)		
WASTEWATER OPERATING FUND					
Revenue	18,883,613	17,943,308	-	940,305	95.0%
Expenditures	20,781,613	18,499,164	778,918	1,503,530	92.8%
Addition to / (use of) reserves	(1,898,000)	(555,856)	(778,918)		
DOWNTOWN PARKING					
Revenue	7,786,933	8,583,030	-	(796,096)	110.2%
Expenditures	8,315,044	7,914,726	21,996	378,322	95.5%
Addition to / (use of) reserves	(528,110)	668,304	(21,996)		
AIRPORT OPERATING FUND					
Revenue	15,469,349	15,774,682	-	(305,333)	102.0%
Expenditures	15,786,050	14,611,540	231,937	942,572	94.0%
Addition to / (use of) reserves	(316,701)	1,163,141	(231,937)		
GOLF COURSE FUND					
Revenue	2,091,048	1,958,490	-	132,558	93.7%
Expenditures	2,080,245	2,011,089	13,985	55,172	97.3%
Addition to / (use of) reserves	10,803	(52,599)	(13,985)		
INTRA-CITY SERVICE FUND					
Revenue	5,605,406	5,375,780	-	229,626	95.9%
Expenditures	7,245,392	7,014,314	59,371	171,707	97.6%
Addition to / (use of) reserves	(1,639,986)	(1,638,533)	(59,371)		

CITY OF SANTA BARBARA
Interim Statement of Revenues and Expenditures
Summary by Fund
For the Twelve Months Ended June 30, 2015 (100% of Fiscal Year)

	Annual Budget	YTD Actual	Encum-brances	Remaining Balance	Percent of Budget
FLEET REPLACEMENT FUND					
Revenue	2,731,151	2,877,441	-	(146,290)	105.4%
Expenditures	5,882,656	2,366,251	1,985,230	1,531,174	74.0%
Addition to / (use of) reserves	(3,151,505)	511,190	(1,985,230)		
FLEET MAINTENANCE FUND					
Revenue	2,640,697	2,668,114	-	(27,417)	101.0%
Expenditures	3,328,709	3,119,445	72,086	137,179	95.9%
Addition to / (use of) reserves	(688,012)	(451,331)	(72,086)		
SELF INSURANCE TRUST FUND					
Revenue	6,507,674	6,527,355	-	(19,681)	100.3%
Expenditures	7,512,755	7,093,060	78,648	341,047	95.5%
Addition to / (use of) reserves	(1,005,081)	(565,705)	(78,648)		
INFORMATION SYSTEMS ICS FUND					
Revenue	3,120,588	3,120,588	-	-	100.0%
Expenditures	3,352,141	2,864,977	14,607	472,556	85.9%
Addition to / (use of) reserves	(231,553)	255,611	(14,607)		
WATERFRONT FUND					
Revenue	12,661,137	15,131,768	-	(2,470,631)	119.5%
Expenditures	15,813,215	15,198,154	194,350	420,711	97.3%
Addition to / (use of) reserves	(3,152,078)	(66,386)	(194,350)		
TOTAL FOR ALL FUNDS					
Revenue	257,566,515	257,046,866	-	519,648	99.8%
Expenditures	283,634,286	263,855,935	5,304,983	14,473,367	94.9%
Addition to / (use of) reserves	(26,067,771)	(6,809,069)	(5,304,983)		

*** 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 Twelve Months Ended June 30, 2015 (100% of Fiscal Year)

	Annual Budget	YTD Actual	Remaining Balance	Percent Received	Previous YTD
TAXES					
Sales and Use	21,726,115	21,781,725	(55,610)	100.3%	21,323,308
Property Taxes	27,164,000	27,639,323	(475,323)	101.7%	26,555,242
Utility Users Tax	7,257,800	6,905,153	352,647	95.1%	7,008,202
Transient Occupancy Tax	17,641,400	18,768,114	(1,126,714)	106.4%	16,821,995
Business License	2,571,200	2,627,457	(56,257)	102.2%	2,555,399
Real Property Transfer Tax	678,000	692,204	(14,204)	102.1%	668,641
Total	77,038,515	78,413,976	(1,375,461)	101.8%	74,932,787
LICENSES & PERMITS					
Licenses & Permits	233,500	196,216	37,284	84.0%	197,663
Total	233,500	196,216	37,284	84.0%	197,663
FINES & FORFEITURES					
Parking Violations	2,681,987	2,517,777	164,210	93.9%	2,565,829
Library Fines	105,500	97,928	7,572	92.8%	136,396
Municipal Court Fines	120,000	64,624	55,376	53.9%	86,224
Other Fines & Forfeitures	300,000	344,191	(44,191)	114.7%	339,593
Total	3,207,487	3,024,519	182,968	94.3%	3,128,042
USE OF MONEY & PROPERTY					
Investment Income	627,224	612,187	15,037	97.6%	651,862
Rents & Concessions	398,797	383,031	15,766	96.0%	371,333
Total	1,026,021	995,219	30,802	97.0%	1,023,195
INTERGOVERNMENTAL					
Grants	304,863	240,612	64,251	78.9%	269,557
Vehicle License Fees	-	38,585	(38,585)	100.0%	39,945
Reimbursements	437,654	788,152	(350,498)	180.1%	1,094,149
Total	742,517	1,067,349	(324,832)	143.7%	1,403,651
FEES & SERVICE CHARGES					
Finance	949,905	966,498	(16,593)	101.7%	937,703
Community Development	4,654,515	4,524,759	129,756	97.2%	4,296,934
Recreation	3,111,474	3,208,500	(97,026)	103.1%	3,025,198
Public Safety	653,827	557,776	96,051	85.3%	567,506
Public Works	5,951,301	5,871,048	80,253	98.7%	5,599,902
Library	762,398	757,260	5,138	99.3%	757,187
Reimbursements	5,021,509	5,978,120	(956,611)	119.1%	4,221,678
Total	21,104,929	21,863,961	(759,032)	103.6%	19,406,108
OTHER REVENUES					
Miscellaneous	1,764,952	1,855,097	(90,144)	105.1%	1,510,781
Franchise Fees	3,771,000	3,777,510	(6,510)	100.2%	3,822,441
Indirect Allocations	6,411,155	6,411,155	-	100.0%	6,292,740
Operating Transfers-In	1,229,189	1,086,067	143,122	88.4%	1,591,438
Anticipated Year-End Variance	1,200,000	-	1,200,000	0.0%	-
Total	14,376,296	13,129,829	1,246,467	91.3%	13,217,400
TOTAL REVENUES	117,729,265	118,691,069	(961,804)	100.8%	113,308,846

CITY OF SANTA BARBARA
General Fund
Interim Statement of Appropriations, Expenditures and Encumbrances
For the Twelve Months Ended June 30, 2015 (100% of Fiscal Year)

	Annual Budget	YTD Actual	Encum-brances	Remaining Balance	YTD Expended and Encumbered	Previous YTD
GENERAL GOVERNMENT						
Mayor & City Council						
MAYOR & CITY COUNCIL	792,975	799,083	5,891	(11,999)	101.5%	
ARTS AND COMMUNITY PROMOTIONS	2,627,740	2,619,784	0	7,955	99.7%	
Total	3,420,715	3,418,867	5,891	(4,044)	100.1%	2,751,301
City Attorney						
CITY ATTORNEY	4,173,367	4,053,086	27,922	92,360	97.8%	
Total	4,173,367	4,053,086	27,922	92,360	97.8%	2,083,451
Administration						
CITY ADMINISTRATOR	1,709,162	1,431,989	20,196	256,978	85.0%	
CITY TV	575,011	560,748	3,213	11,051	98.1%	
Total	2,284,173	1,992,736	23,408	268,029	88.3%	2,037,785
Administrative Services						
CITY CLERK	509,912	500,392	4,585	4,935	99.0%	
ELECTIONS	75,000	74,709	1,479	(1,188)	101.6%	
HUMAN RESOURCES	1,478,070	1,223,283	37,433	217,354	85.3%	
EMPLOYEE DEVELOPMENT	49,468	44,300	3,450	1,718	96.5%	
Total	2,112,450	1,842,684	46,946	222,820	89.5%	1,889,094
Finance						
ADMINISTRATION	288,909	229,639	18,893	40,377	86.0%	
REVENUE & CASH MANAGEMENT	490,955	454,684	20,526	15,745	96.8%	
CASHIERING & COLLECTION	488,983	476,408	-	12,575	97.4%	
LICENSES & PERMITS	499,751	480,843	9,240	9,667	98.1%	
BUDGET MANAGEMENT	475,712	456,370	-	19,342	95.9%	
ACCOUNTING	650,546	606,880	21,027	22,639	96.5%	
PAYROLL	317,773	303,936	-	13,837	95.6%	
ACCOUNTS PAYABLE	239,384	233,659	-	5,725	97.6%	
CITY BILLING & CUSTOMER SERVICE	723,635	589,032	24,393	110,210	84.8%	
PURCHASING	643,166	633,563	889	8,713	98.6%	
CENTRAL WAREHOUSE	194,491	195,211	300	(1,020)	100.5%	
MAIL SERVICES	116,186	112,336	2,084	1,766	98.5%	
Total	5,129,491	4,772,562	97,352	259,576	94.9%	4,700,012
TOTAL GENERAL GOVERNMENT	17,120,196	16,079,935	201,520	838,741	95.1%	13,461,643
PUBLIC SAFETY						
Police						
CHIEF'S STAFF	1,114,970	1,093,631	-	21,339	98.1%	
SUPPORT SERVICES	687,279	677,299	-	9,980	98.5%	
RECORDS BUREAU	1,424,883	1,369,959	16,126	38,798	97.3%	

CITY OF SANTA BARBARA
General Fund
Interim Statement of Appropriations, Expenditures and Encumbrances
For the Twelve Months Ended June 30, 2015 (100% of Fiscal Year)

	Annual Budget	YTD Actual	Encum-brances	Remaining Balance	YTD Expended and Encumbered	Previous YTD
PUBLIC SAFETY						
Police						
ADMIN SERVICES	1,103,716	1,109,618	10,676	(16,578)	101.5%	
PROPERTY ROOM	213,855	196,955	-	16,900	92.1%	
TRAINING/RECRUITMENT	541,866	450,614	4,290	86,962	84.0%	
RANGE	1,372,724	1,314,947	10,780	46,997	96.6%	
COMMUNITY & MEDIA RELATIONS	862,784	809,899	-	52,885	93.9%	
INFORMATION TECHNOLOGY	1,261,880	1,267,414	620	(6,153)	100.5%	
INVESTIGATIVE DIVISION	4,956,320	4,926,633	7,000	22,687	99.5%	
CRIME LAB	159,784	152,768	5,634	1,382	99.1%	
PATROL DIVISION	15,748,702	15,521,242	838	226,622	98.6%	
TRAFFIC	1,413,132	1,242,357	-	170,775	87.9%	
SPECIAL EVENTS	858,861	940,456	-	(81,595)	109.5%	
TACTICAL PATROL FORCE	1,790,617	1,665,625	-	124,992	93.0%	
STREET SWEEPING ENFORCEMENT	349,699	341,229	-	8,470	97.6%	
NIGHT LIFE ENFORCEMENT	323,946	292,751	-	31,195	90.4%	
PARKING ENFORCEMENT	996,316	808,147	-	188,169	81.1%	
COMBINED COMMAND CENTER	2,495,608	2,294,749	-	200,859	92.0%	
ANIMAL CONTROL	695,107	642,996	6,782	45,329	93.5%	
Total	38,372,049	37,119,288	62,746	1,190,016	96.9%	37,297,324
Fire						
ADMINISTRATION	885,869	874,287	-	11,582	98.7%	
EMERGENCY SERVICES AND PUBLIC ED	323,743	318,203	-	5,540	98.3%	
PREVENTION	1,149,258	1,133,911	-	15,347	98.7%	
WILDLAND FIRE MITIGATION PROGRAM	196,752	196,039	2,136	(1,423)	100.7%	
OPERATIONS	18,035,119	18,667,695	4,225	(636,802)	103.5%	
TRAINING AND RECRUITMENT	452,757	435,212	-	17,545	96.1%	
ARFF	1,965,145	1,909,522	-	55,623	97.2%	
Total	23,008,643	23,534,869	6,361	(532,587)	102.3%	22,790,747
TOTAL PUBLIC SAFETY	61,380,692	60,654,157	69,107	657,428	98.9%	60,088,071
PUBLIC WORKS						
Public Works						
ADMINISTRATION	1,132,859	1,026,775	1,150	104,934	90.7%	
ENGINEERING SVCS	5,190,401	4,977,919	10,496	201,985	96.1%	
PUBLIC RT OF WAY MGMT	1,097,734	1,057,518	11,678	28,538	97.4%	
ENVIRONMENTAL PROGRAMS	477,377	297,766	134,412	45,199	90.5%	
Total	7,898,371	7,359,979	157,736	380,656	95.2%	6,947,769
TOTAL PUBLIC WORKS	7,898,371	7,359,979	157,736	380,656	95.2%	6,947,769

CITY OF SANTA BARBARA
General Fund
Interim Statement of Appropriations, Expenditures and Encumbrances
For the Twelve Months Ended June 30, 2015 (100% of Fiscal Year)

	Annual Budget	YTD Actual	Encum-brances	Remaining Balance	YTD Expended and Encumbered	Previous YTD
COMMUNITY SERVICES						
Parks & Recreation						
REC PROGRAM MGMT	731,608	713,996	2,735	14,877	98.0%	
FACILITIES & SPECIAL EVENTS	776,403	782,213	-	(5,810)	100.7%	
YOUTH ACTIVITIES	1,124,730	1,064,276	3,599	56,855	94.9%	
ACTIVE ADULTS	713,330	704,062	1,355	7,913	98.9%	
AQUATICS	1,360,961	1,257,579	13,944	89,438	93.4%	
SPORTS	586,670	552,631	5,555	28,484	95.1%	
TENNIS	281,547	240,325	-	41,222	85.4%	
NEIGHBORHOOD & OUTREACH SERV	1,256,847	1,159,908	56,417	40,522	96.8%	
ADMINISTRATION	742,130	734,127	-	8,003	98.9%	
PROJECT MANAGEMENT TEAM	425,848	423,647	-	2,202	99.5%	
PARK OPERATIONS MANAGEMENT	413,316	414,467	21,952	(23,102)	105.6%	
GROUNDS & FACILITIES MAINTENANCE	4,908,634	4,550,855	61,329	296,450	94.0%	
FORESTRY	1,316,541	1,188,528	74,207	53,806	95.9%	
BEACH MAINTENANCE	160,875	143,561	22,201	(4,887)	103.0%	
MEDIANS PARKWAYS & CONTRACTS	1,059,351	931,411	105,259	22,681	97.9%	
Total	15,858,792	14,861,588	368,551	628,653	96.0%	14,007,404
Library						
ADMINISTRATION	478,261	494,864	-	(16,603)	103.5%	
PUBLIC SERVICES	2,832,343	2,616,718	-	215,626	92.4%	
SUPPORT SERVICES	1,727,136	1,634,172	22,017	70,947	95.9%	
Total	5,037,740	4,745,754	22,017	269,969	94.6%	4,627,768
TOTAL COMMUNITY SERVICES	20,896,532	19,607,342	390,568	898,622	95.7%	18,635,172
COMMUNITY DEVELOPMENT						
Community Development						
ADMINISTRATION	696,654	680,486	3,311	12,856	98.2%	
RENTAL HOUSING MEDIATION	207,165	204,449	-	2,716	98.7%	
HUMAN SERVICES	1,001,899	983,742	-	18,157	98.2%	
HOUSING PRESERVATION AND DEV	37,784	15,574	22,211	(1)	100.0%	
LONG RANGE PLAN & SPEC STUDY	887,586	808,785	4,754	74,047	91.7%	
DEVEL & ENVIRONMENTAL REVIEW	1,396,683	1,299,166	3,945	93,571	93.3%	
ZONING INFO & ENFORCEMENT	1,410,946	1,348,883	1,557	60,506	95.7%	
DESIGN REV & HIST PRESERVATION	1,203,654	1,089,984	20,485	93,185	92.3%	
BLDG INSP & CODE ENFORCEMENT	1,144,595	1,102,163	5,675	36,757	96.8%	
RECORDS ARCHIVES & CLER SVCS	585,566	524,970	2,811	57,785	90.1%	
BLDG COUNTER & PLAN REV SVCS	1,535,031	1,369,565	37,057	128,409	91.6%	
Total	10,107,563	9,427,768	101,806	577,989	94.3%	9,169,960
TOTAL COMMUNITY DEVELOPMENT	10,107,563	9,427,768	101,806	577,989	94.3%	9,169,960

CITY OF SANTA BARBARA
General Fund
Interim Statement of Appropriations, Expenditures and Encumbrances
For the Twelve Months Ended June 30, 2015 (100% of Fiscal Year)

	Annual Budget	YTD Actual	Encum-brances	Remaining Balance	YTD Expended and Encumbered	Previous YTD
NON-DEPARTMENTAL						
Non-Departmental						
OTHER	-	1,749	-	(1,749)	100.0%	
TRANSFERS OUT	48,500	48,500	-	-	100.0%	
DEBT SERVICE TRANSFERS	351,276	340,901	-	10,375	97.0%	
CAPITAL OUTLAY TRANSFER	1,725,000	1,725,000	-	-	100.0%	
APPROP.RESERVE	99,018	-	-	99,018	0.0%	
Total	2,223,794	2,116,150	-	107,644	95.2%	1,389,518
TOTAL NON-DEPARTMENTAL	2,223,794	2,116,150	-	107,644	95.2%	1,389,518
TOTAL EXPENDITURES	119,627,148	115,245,330	920,737	3,461,081	97.1%	109,692,133

*** 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 Twelve Months Ended June 30, 2015 (100% of Fiscal Year)

	Annual Budget	YTD Actual	Encum-brances	Remaining Balance	Percent of Budget
TRAFFIC SAFETY FUND					
Revenue	525,000	372,883	-	152,117	71.0%
Expenditures	525,000	374,248	-	150,752	71.3%
Revenue Less Expenditures	-	(1,365)	-	1,365	
CREEK RESTORATION/WATER QUALITY IMPRVMT					
Revenue	3,625,652	3,897,148	-	(271,496)	107.5%
Expenditures	4,072,687	3,377,333	138,747	556,607	86.3%
Revenue Less Expenditures	(447,035)	519,816	(138,747)	(828,104)	
COMMUNITY DEVELOPMENT BLOCK GRANT					
Revenue	1,838,117	959,629	-	878,488	52.2%
Expenditures	2,280,237	1,371,891	13,228	895,118	60.7%
Revenue Less Expenditures	(442,120)	(412,262)	(13,228)	(16,630)	
COUNTY LIBRARY					
Revenue	1,953,015	1,598,575	-	354,440	81.9%
Expenditures	2,099,199	2,010,207	4,549	84,444	96.0%
Revenue Less Expenditures	(146,184)	(411,632)	(4,549)	269,996	
STREETS FUND					
Revenue	10,105,799	9,693,273	-	412,526	95.9%
Expenditures	10,904,553	10,296,956	92,632	514,965	95.3%
Revenue Less Expenditures	(798,754)	(603,683)	(92,632)	(102,440)	
MEASURE A					
Revenue	3,376,976	3,594,044	-	(217,068)	106.4%
Expenditures	3,900,696	3,687,473	2,704	210,519	94.6%
Revenue Less Expenditures	(523,720)	(93,429)	(2,704)	(427,587)	

CITY OF SANTA BARBARA
Interim Statement of Revenues and Expenditures
For the Twelve Months Ended June 30, 2015 (100% of Fiscal Year)

SOLID WASTE FUND

	Annual Budget	YTD Actual	Encum-brances	Remaining Balance	Percent of Budget	Previous YTD
REVENUES						
Service charges	20,092,765	20,227,410	-	(134,645)	100.7%	19,889,577
Other Fees & Charges	297,342	281,996	-	15,346	94.8%	539,553
Investment Income	-	15,223	-	(15,223)	100.0%	-
Grants	20,000	-	-	20,000	0.0%	23,654
Miscellaneous	235,669	240,314	-	(4,645)	102.0%	236,616
TOTAL REVENUES	20,645,776	20,764,942	-	(119,166)	100.6%	20,689,400
EXPENSES						
Salaries & Benefits	900,244	896,656	-	3,588	99.6%	803,217
Materials, Supplies & Services	18,922,809	18,741,208	123,842	57,758	99.7%	18,412,836
Special Projects	550,532	532,995	3,271	14,266	97.4%	557,697
Transfers-Out	50,000	50,000	-	-	100.0%	50,000
Capital Outlay Transfers	-	-	-	-	0.0%	17,556
Equipment	149,783	35,189	-	114,594	23.5%	11,556
Other	40,000	-	-	40,000	0.0%	-
TOTAL EXPENSES	20,613,368	20,256,048	127,113	230,206	98.9%	19,852,862

CITY OF SANTA BARBARA
Interim Statement of Revenues and Expenditures
For the Twelve Months Ended June 30, 2015 (100% of Fiscal Year)

WATER OPERATING FUND

	Annual Budget	YTD Actual	Encum-brances	Remaining Balance	Percent of Budget	Previous YTD
REVENUES						
Water Sales- Metered	34,869,458	31,512,114	-	3,357,344	90.4%	33,296,287
Service Charges	606,500	820,292	-	(213,792)	135.3%	624,169
Cater JPA Treatment Charges	2,516,860	1,590,552	-	926,308	63.2%	1,907,084
Investment Income	529,200	409,297	-	119,903	77.3%	544,344
Rents & Concessions	22,872	22,872	-	-	100.0%	22,872
Reimbursements	782,779	638,420	-	144,359	81.6%	490,269
Miscellaneous	20,000	290,545	-	(270,545)	1452.7%	86,059
Operating Transfers-In	2,346,207	2,346,207	-	-	100.0%	185,000
TOTAL REVENUES	41,693,876	37,630,299	-	4,063,578	90.3%	37,156,084
EXPENSES						
Salaries & Benefits	8,649,787	8,248,473	-	401,314	95.4%	7,819,151
Materials, Supplies & Services	10,766,686	8,265,156	622,480	1,879,051	82.5%	7,855,725
Special Projects	1,036,366	383,283	118,648	534,435	48.4%	443,012
Water Purchases	8,716,165	8,269,101	40,046	407,017	95.3%	7,568,604
Debt Service	5,087,163	3,657,226	-	1,429,937	71.9%	3,912,189
Transfer-Out	1,167,502	1,167,502	-	0	100.0%	-
Capital Outlay Transfers	17,411,309	17,411,309	-	-	100.0%	11,189,231
Equipment	210,797	165,890	3,840	41,067	80.5%	77,629
Capitalized Fixed Assets	152,175	69,589	19,992	62,594	58.9%	84,343
Other	35,000	24,306	1,000	9,694	72.3%	24,957
Appropriated Reserve	63,000	-	-	63,000	0.0%	-
TOTAL EXPENSES	53,295,951	47,661,836	806,006	4,828,109	90.9%	38,974,841

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 Twelve Months Ended June 30, 2015 (100% of Fiscal Year)

WASTEWATER OPERATING FUND

	Annual Budget	YTD Actual	Encum-brances	Remaining Balance	Percent of Budget	Previous YTD
REVENUES						
Service Charges	17,928,555	16,925,677	-	1,002,878	94.4%	17,235,843
Fees	775,071	816,230	-	(41,159)	105.3%	754,734
Investment Income	158,100	165,139	-	(7,039)	104.5%	161,116
Rents & Concessions	20,887	34,412	-	(13,525)	164.8%	15,650
Miscellaneous	1,000	1,850	-	(850)	185.0%	23,928
TOTAL REVENUES	18,883,613	17,943,308	-	940,305	95.0%	18,191,271
EXPENSES						
Salaries & Benefits	5,893,242	5,398,399	-	494,843	91.6%	5,153,522
Materials, Supplies & Services	7,401,610	6,539,451	581,305	280,855	96.2%	6,218,838
Special Projects	745,482	171,813	197,613	376,056	49.6%	113,708
Debt Service	1,791,664	1,624,563	-	167,101	90.7%	1,431,361
Capital Outlay Transfers	4,674,047	4,674,047	-	-	100.0%	4,154,727
Equipment	96,568	82,444	-	14,125	85.4%	58,296
Capitalized Fixed Assets	26,000	5,698	-	20,302	21.9%	24,200
Other	3,000	2,750	-	250	91.7%	1,000
Appropriated Reserve	150,000	-	-	150,000	0.0%	-
TOTAL EXPENSES	20,781,613	18,499,164	778,918	1,503,530	92.8%	17,155,652

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 Twelve Months Ended June 30, 2015 (100% of Fiscal Year)

DOWNTOWN PARKING FUND

	Annual Budget	YTD Actual	Encum-brances	Remaining Balance	Percent of Budget	Previous YTD
REVENUES						
Improvement Tax	980,000	1,092,833	-	(112,833)	111.5%	1,009,607
Parking Fees	6,535,946	7,176,125	-	(640,179)	109.8%	6,824,016
Other Fees & Charges	3,000	6,523	-	(3,523)	217.4%	2,853
Investment Income	102,100	107,549	-	(5,449)	105.3%	101,968
Rents & Concessions	104,000	103,993	-	7	100.0%	71,873
Miscellaneous	18,387	52,506	-	(34,119)	285.6%	41,996
Operating Transfers-In	43,500	43,500	-	-	100.0%	43,500
TOTAL REVENUES	7,786,933	8,583,030	-	(796,096)	110.2%	8,095,813
EXPENSES						
Salaries & Benefits	4,183,765	4,136,591	-	47,174	98.9%	3,992,438
Materials, Supplies & Services	2,188,253	1,970,757	15,567	201,930	90.8%	1,872,344
Special Projects	586,431	509,916	6,430	70,085	88.0%	504,431
Transfer-Out	309,125	309,125	-	-	100.0%	328,908
Capital Outlay Transfers	970,000	970,000	-	-	100.0%	1,507,753
Equipment	27,470	18,336	-	9,134	66.8%	9,569
Appropriated Reserve	50,000	-	-	50,000	0.0%	-
TOTAL EXPENSES	8,315,044	7,914,726	21,996	378,322	95.5%	8,215,443

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 Twelve Months Ended June 30, 2015 (100% of Fiscal Year)

AIRPORT OPERATING FUND

	Annual Budget	YTD Actual	Encum-brances	Remaining Balance	Percent of Budget	Previous YTD
REVENUES						
Leases-Commercial/Industrial	4,545,175	4,213,977	-	331,198	92.7%	4,190,885
Leases-Terminal	4,607,134	4,842,464	-	(235,330)	105.1%	4,980,946
Leases-Non-Commercial Aviation	1,819,730	1,925,526	-	(105,796)	105.8%	1,714,470
Leases-Commercial Aviation	4,218,655	4,435,626	-	(216,971)	105.1%	4,278,204
Investment Income	121,300	109,773	-	11,527	90.5%	119,140
Miscellaneous	157,355	247,316	-	(89,961)	157.2%	214,133
TOTAL REVENUES	15,469,349	15,774,682	-	(305,333)	102.0%	15,497,778
EXPENSES						
Salaries & Benefits	5,688,701	5,268,157	-	420,544	92.6%	5,053,075
Materials, Supplies & Services	8,124,086	7,425,785	229,153	469,148	94.2%	7,393,916
Special Projects	40,426	40,447	35	(56)	100.1%	464,952
Transfer-Out	20,354	20,354	-	-	100.0%	19,728
Debt Service	1,815,718	1,786,222	-	29,496	98.4%	1,823,905
Capital Outlay Transfers	-	-	-	-	0.0%	744,632
Equipment	96,765	70,575	2,750	23,439	75.8%	50,406
Appropriated Reserve	0	-	-	0	0.0%	-
TOTAL EXPENSES	15,786,050	14,611,540	231,937	942,572	94.0%	15,550,614

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 Twelve Months Ended June 30, 2015 (100% of Fiscal Year)

GOLF COURSE FUND

	Annual Budget	YTD Actual	Encum-brances	Remaining Balance	Percent of Budget	Previous YTD
REVENUES						
Fees & Card Sales	1,766,876	1,640,923	-	125,953	92.9%	1,664,726
Investment Income	10,100	8,295	-	1,805	82.1%	9,519
Rents & Concessions	313,572	307,234	-	6,338	98.0%	328,701
Miscellaneous	500	2,037	-	(1,537)	407.5%	37,948
TOTAL REVENUES	2,091,048	1,958,490	-	132,558	93.7%	2,040,894
EXPENSES						
Salaries & Benefits	1,108,919	1,096,219	-	12,700	98.9%	1,062,931
Materials, Supplies & Services	621,441	587,190	13,976	20,276	96.7%	569,154
Special Projects	363	354	9	0	99.9%	-
Debt Service	264,895	245,698	-	19,197	92.8%	274,559
Capital Outlay Transfers	80,727	80,727	-	-	100.0%	214,486
Equipment	3,000	-	-	3,000	0.0%	-
Other	900	901	-	(1)	100.1%	864
TOTAL EXPENSES	2,080,245	2,011,089	13,985	55,172	97.3%	2,121,994

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 Twelve Months Ended June 30, 2015 (100% of Fiscal Year)

INTRA-CITY SERVICE FUND

	Annual Budget	YTD Actual	Encum-brances	Remaining Balance	Percent of Budget	Previous YTD
REVENUES						
Service Charges	2,638,369	2,638,369	-	-	100.0%	2,530,773
Work Orders - Bldg Maint.	2,604,016	2,512,138	-	91,878	96.5%	2,354,361
Grants	27,527	0	-	27,527	0.0%	92,922
Miscellaneous	203,031	92,810	-	110,221	45.7%	43,899
Operating Transfers-In	132,464	132,464	-	-	100.0%	-
TOTAL REVENUES	5,605,406	5,375,780	-	229,626	95.9%	5,021,955
EXPENSES						
Salaries & Benefits	3,618,855	3,542,900	-	75,955	97.9%	3,309,174
Materials, Supplies & Services	1,607,278	1,588,837	18,102	340	100.0%	1,483,149
Special Projects	737,955	604,884	40,069	93,003	87.4%	864,774
Capital Outlay Transfers	1,267,070	1,267,070	-	-	100.0%	-
Equipment	8,781	6,372	-	2,409	72.6%	3,000
Capitalized Fixed Assets	5,453	4,252	1,201	0	100.0%	19,649
TOTAL EXPENSES	7,245,392	7,014,314	59,371	171,707	97.6%	5,679,746

CITY OF SANTA BARBARA
Interim Statement of Revenues and Expenditures
For the Twelve Months Ended June 30, 2015 (100% of Fiscal Year)

FLEET REPLACEMENT FUND

	Annual Budget	YTD Actual	Encum-brances	Remaining Balance	Percent of Budget	Previous YTD
REVENUES						
Vehicle Rental Charges	2,244,137	2,244,137	-	-	100.0%	2,228,805
Investment Income	123,000	119,259	-	3,741	97.0%	122,004
Rents & Concessions	233,966	233,966	-	-	100.0%	233,978
Miscellaneous	130,048	253,923	-	(123,875)	195.3%	59,770
Operating Transfers-In	-	26,156	-	(26,156)	100.0%	-
TOTAL REVENUES	2,731,151	2,877,441	-	(146,290)	105.4%	2,644,557
EXPENSES						
Salaries & Benefits	200,432	187,260	-	13,172	93.4%	182,455
Materials, Supplies & Services	2,725	2,437	-	288	89.4%	3,006
Special Projects	75,000	1,742	73,317	(60)	100.1%	29,543
Capitalized Fixed Assets	5,604,499	2,174,812	1,911,913	1,517,774	72.9%	1,323,169
TOTAL EXPENSES	5,882,656	2,366,251	1,985,230	1,531,174	74.0%	1,538,173

CITY OF SANTA BARBARA
Interim Statement of Revenues and Expenditures
For the Twelve Months Ended June 30, 2015 (100% of Fiscal Year)

FLEET MAINTENANCE FUND

	Annual Budget	YTD Actual	Encum-brances	Remaining Balance	Percent of Budget	Previous YTD
REVENUES						
Vehicle Maintenance Charges	2,527,627	2,527,627	-	-	100.0%	2,463,432
Reimbursements	10,000	10,000	-	-	100.0%	10,000
Miscellaneous	103,070	130,487	-	(27,417)	126.6%	145,734
TOTAL REVENUES	2,640,697	2,668,114	-	(27,417)	101.0%	2,619,166
EXPENSES						
Salaries & Benefits	1,331,631	1,235,411	-	96,220	92.8%	1,197,627
Materials, Supplies & Services	1,236,527	1,178,306	36,747	21,474	98.3%	1,063,582
Special Projects	49,300	31,056	-	18,244	63.0%	27,688
Debt Service	43,070	43,070	-	-	100.0%	43,070
Equipment	9,000	8,201	-	799	91.1%	12,990
Capitalized Fixed Assets	659,181	623,402	35,338	441	99.9%	42,566
TOTAL EXPENSES	3,328,709	3,119,445	72,086	137,179	95.9%	2,387,523

CITY OF SANTA BARBARA
Interim Statement of Revenues and Expenditures
For the Twelve Months Ended June 30, 2015 (100% of Fiscal Year)

SELF INSURANCE TRUST FUND

	Annual Budget	YTD Actual	Encum-brances	Remaining Balance	Percent of Budget	Previous YTD
REVENUES						
Insurance Premiums	2,785,022	2,785,022	-	-	100.0%	2,756,112
Workers' Compensation Premiums	3,388,165	3,388,165	-	-	100.0%	2,950,702
OSH Charges	203,462	203,462	-	-	100.0%	193,833
Investment Income	55,200	43,576	-	11,624	78.9%	48,759
Miscellaneous	-	31,305	-	(31,305)	100.0%	40,728
Operating Transfers-In	75,825	75,825	-	-	100.0%	-
TOTAL REVENUES	6,507,674	6,527,355	-	(19,681)	100.3%	5,990,134
EXPENSES						
Salaries & Benefits	571,460	492,603	-	78,857	86.2%	453,494
Materials, Supplies & Services	6,936,820	6,596,353	78,645	261,822	96.2%	5,705,166
Special Projects	121	118	3	0	99.9%	-
Equipment	4,354	3,986	-	368	91.5%	66
TOTAL EXPENSES	7,512,755	7,093,060	78,648	341,047	95.5%	6,158,726

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 Twelve Months Ended June 30, 2015 (100% of Fiscal Year)

INFORMATION SYSTEMS ICS FUND

	Annual Budget	YTD Actual	Encum-brances	Remaining Balance	Percent of Budget	Previous YTD
REVENUES						
Service charges	3,120,588	3,120,588	-	-	100.0%	2,514,997
TOTAL REVENUES	3,120,588	3,120,588	-	-	100.0%	2,514,997
EXPENSES						
Salaries & Benefits	1,940,182	1,664,537	-	275,645	85.8%	1,591,188
Materials, Supplies & Services	1,017,256	842,980	14,026	160,249	84.2%	846,725
Special Projects	18,400	1,258	581	16,561	10.0%	305
Capital Outlay Transfers	344,000	344,000	-	-	100.0%	212,000
Equipment	18,250	12,188	-	6,062	66.8%	22,190
Capital Fixed Assets	1,000	14	-	986	1.4%	121,781
Appropriated Reserve	13,053	-	-	13,053	0.0%	-
TOTAL EXPENSES	3,352,141	2,864,977	14,607	472,556	85.9%	2,794,189

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 Twelve Months Ended June 30, 2015 (100% of Fiscal Year)

WATERFRONT FUND

	Annual Budget	YTD Actual	Encum-brances	Remaining Balance	Percent of Budget	Previous YTD
REVENUES						
Leases - Commercial	1,401,007	1,606,960	-	(205,953)	114.7%	1,467,157
Leases - Food Service	2,694,636	3,326,657	-	(632,021)	123.5%	2,977,798
Slip Rental Fees	4,204,739	4,199,917	-	4,822	99.9%	4,138,316
Visitors Fees	455,000	486,835	-	(31,835)	107.0%	454,520
Slip Transfer Fees	575,000	1,215,900	-	(640,900)	211.5%	672,450
Parking Revenue	2,069,466	2,632,676	-	(563,210)	127.2%	2,492,160
Wharf Parking	255,000	280,539	-	(25,539)	110.0%	277,482
Grants	25,600	25,131	-	469	98.2%	-
Other Fees & Charges	236,723	259,730	-	(23,007)	109.7%	252,421
Investment Income	117,000	124,897	-	(7,897)	106.7%	142,375
Rents & Concessions	304,966	329,623	-	(24,657)	108.1%	317,498
Miscellaneous	322,000	642,904	-	(320,904)	199.7%	719,572
TOTAL REVENUES	12,661,137	15,131,768	-	(2,470,631)	119.5%	13,911,749
EXPENSES						
Salaries & Benefits	6,030,686	5,799,881	-	230,805	96.2%	5,661,758
Materials, Supplies & Services	4,057,464	3,877,557	150,443	29,463	99.3%	3,785,880
Special Projects	261,506	197,995	25,040	38,471	85.3%	163,750
Debt Service	1,780,351	1,780,351	-	0	100.0%	2,316,955
Transfers-Out	2,117,678	2,117,678	-	-	100.0%	-
Capital Outlay Transfers	1,385,000	1,385,000	-	-	100.0%	1,544,155
Equipment	63,346	37,238	1,762	24,346	61.6%	21,673
Capital Fixed Assets	17,104	-	17,104	-	100.0%	22,896
Other	80	2,455	-	(2,375)	3068.8%	2,798
Appropriated Reserve	100,000	-	-	100,000	0.0%	-
TOTAL EXPENSES	15,813,215	15,198,154	194,350	420,711	97.3%	13,519,865

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.

General Fund Revenues

The table below summarizes General Fund revenues for the year ended June 30, 2015. For interim financial statement purposes, revenues are reported essentially on a cash basis (i.e. when the funds are received). The table below does not include year-end adjusting entries to close the books, which will occur during the next several weeks, in preparation for the annual audit and compilation of the annual financial statements. Final results will be presented in connection with the Council's review and approval of the City's Comprehensive Annual Financial Report later in the fiscal year. Major revenues and significant variances are discussed below.

Summary of Revenues
For the Year Ended June 30, 2015
GENERAL FUND

	Current Year Analysis				Prior Year Analysis	
	Annual Budget	Actual	Variance	Percent Rec'd	Prior Year Actual	Percent Variance
Sales & Use Tax	$ 21,726,115	$ 21,781,725	$ 55,610	100.26%	$ 21,323,309	2.1%
Property Tax	27,164,000	27,639,323	$ 475,323	101.75%	26,555,242	4.1%
UUT	7,257,800	6,905,153	$ (352,647)	95.14%	7,008,202	-1.5%
TOT	17,641,400	18,768,114	$ 1,126,714	106.39%	16,821,995	11.6%
Business License	2,571,200	2,627,457	$ 56,257	102.19%	2,555,399	2.8%
Real Prop Trans Tax	678,000	692,204	$ 14,204	102.09%	668,641	3.5%
Total Taxes	77,038,515	78,413,976	1,375,461	101.79%	74,932,787	4.6%
License & Permits	233,500	196,216	(37,284)	84.03%	197,663	-0.7%
Fines & Forfeitures	3,207,487	3,024,519	(182,968)	94.30%	3,128,042	-3.3%
Franchise Fee	3,771,000	3,777,510	6,510	100.17%	3,822,441	-1.2%
Use of Money & Property	1,026,021	995,219	(30,802)	97.00%	1,023,195	-2.7%
Intergovernmental	742,517	1,067,349	324,832	143.75%	1,403,651	-24.0%
Fee & Charges	21,104,929	21,863,961	759,032	103.60%	19,406,108	12.7%
Miscellaneous	9,405,296	9,352,319	(52,977)	99.44%	9,394,959	-0.5%
Total Other	39,490,750	40,277,093	786,343	101.99%	38,376,060	5.0%
Total Before Budgeted Variances	116,529,265	118,691,069	2,161,804		113,308,847	
Anticipated Year-End Variance	1,200,000	-	(1,200,000)	0.00%	-	0.0%
Total Revenues	$ 117,729,265	$ 118,691,069	$ 961,804	100.82%	$ 113,308,847	

As seen in the table above, total revenues are approximately $962,000 above the budget through June 30, 2015.

Sales Taxes

Sales tax revenue through June 30, 2015 was $55,609 above budget. While representing four quarterly sales tax payments on a cash basis, the revenues received through June 30, 2015 provide information for the growth in sales tax revenues earned only through the quarter ended March 31, 2015. Revenues for the first three quarters of the year are 3.3% above those from

the same period last year. Staff projects sales tax revenues to be above the original budget of $21.7 million by approximately $390,682.

Property Tax

Property tax revenue ended the year $475,323 over budget. Revenue growth for Fiscal Year 2015 trended higher than expected based on information provided by the County of Santa Barbara relative to increases in assessed values, which were just over 5% per county records. These increases primarily came in the areas of Secured and Unsecured taxes, and in Property Tax In-Lieu of the Vehicle License Tax.

Utility Users Tax

Utility Users Tax revenues ended the year $352,647 below budget, a 1.5% decrease from the prior year. The primary reasons for this shortfall are the increasing segmentation in the telephone market, which reduces traditional landline telephone and cellular telephone service, and the drop in water usage. Staff anticipates that going forward this revenue loss will be partially offset with the passage of Assembly Bill 1717, whereby the City will begin receiving UUT imposed on consumers of prepaid wireless services starting in January 2016.

Transient Occupancy Tax

TOT revenue was $1,126,714 above the budget at June 30, as shown on the table on the previous page. This is 11.6% higher than the prior year. This is mostly attributable to the favorable weather conditions, the increase in available rooms and room rates, and growth in vacation rentals.

License & Permits

Licenses and permits revenue is $37,284 below the year-end budget. This variance is largely the result of a decline in taxicab permit revenue and dance permits.

Fines and Forfeitures

Revenues from Fines and Forfeitures were approximately $182,968 below budget. The largest component of fines and forfeitures revenue is police parking citations and municipal citations. The California Department of Motor Vehicles (DMV) component of parking citations may have suffered due to a period of staff vacancies in the parking enforcement division. If there is a period of vacancies in the City's traffic enforcement, fewer parking citations may be written and referred to the DMV, which leads to reduced revenue sometime in the future. The revenue is $103,000 below budgeted projections.

In addition, municipal court fines are contingent on fines levied by the courts based on criminal citations written by City's uniformed officers. Fines may vary widely year to year based on the types and frequency of citations written and how these citations are adjudicated. Thus, the revenue from these types of fines is difficult to predict. This revenue is $55,000 below expected budget.

Intergovernmental

Intergovernmental revenue was approximately $325,000 above budget. The largest component of intergovernmental revenue is mutual aid reimbursements received by the Fire Department for providing assistance to other agencies. The City is reimbursed for the actual costs of providing assistance plus an overhead factor. The Fire Department budgeted $423,000 in mutual aid reimbursements and has received $774,000 in reimbursements as of June 30, 2015. This is below the $1,079,000 in mutual aid reimbursements that the Department received in fiscal year 2014, which is the primary factor in the year-over-year decline in this category.

Miscellaneous

Total Miscellaneous revenue is $52,977 below the year-end budget. The table below describes the largest components of miscellaneous revenue, which includes overhead cost recovery, transfers in from the Traffic Safety Fund and Police Grants Fund, donations, administrative citations, auction revenue, City TV revenue, sale of property, insurance rebates, refunds, and other miscellaneous revenue.

Miscellaneous Revenue
General Fund
For the Year Ended June 30, 2015

Type of Misc. Revenue	Annual Budget	Actual	Budget Variance	Percent Received	Prior Year Actual	Percent Variance
Miscellaneous	$ 1,764,952	1,855,097	$ 90,145	105.1%	1,510,781	22.8%
Indirect Allocations	6,411,155	6,411,155	-	100.0%	6,292,740	1.9%
Operating-Transfers In	1,229,189	1,086,067	(143,122)	88.4%	1,591,438	-31.8%
Total	$ 9,405,296	$ 9,352,319	$ (52,977)	99.4%	$ 9,394,959	-0.5%

Operating-Transfers In is $143,122 below the budget at year-end, and $505,371 below last year's budget. Transfers in from the Traffic Safety Fund make up the majority of this shortage. Traffic Safety Fund moneys come from moving traffic citations. Similar to municipal court fines previously mentioned, traffic citations may vary widely year to year based on the number of citations written, and the results of adjudication. In addition, there was a one-time police grant of $176,355 in fiscal year 2014 used to cover police general fund expenditures that was no longer available in that year.

Fees & Service Charges

Overall, fees and service charges are $759,032 above the budget. The table on the next page provides more details on fees and service charges by department. The more significant variances are also discussed.

Fees and Service Charges
General Fund
For the Year Ended June 30, 2015

Department	Annual Budget	Actual	Budget Variance	Percent Received	Prior Year Actual	Percent Variance
Finance	$ 949,905	$ 966,498	$ 16,593	101.7%	$ 937,703	3.1%
Community Development	4,654,515	4,524,759	(129,756)	97.2%	4,296,934	5.3%
Parks & Recreation	3,111,474	3,208,500	97,026	103.1%	3,025,198	6.1%
Public Safety	653,827	557,776	(96,051)	85.3%	567,506	-1.7%
Public Works	5,951,301	5,871,048	(80,253)	98.7%	5,599,902	4.8%
Library	762,398	757,260	(5,138)	99.3%	757,187	0.0%
Reimbursements	5,021,509	5,978,120	956,611	119.1%	4,221,680	41.6%
Total	$ 21,104,929	$ 21,863,961	$ 759,032	103.6%	$ 19,406,110	12.7%

Community Development fees are approximately $130,000 below the year-end budget. This variance is mostly due to slow activity in building-related charges, such as planning work orders and building permit fees.

Parks & Recreation fees are approximately $97,000 above the year-end budget, due to an increase in registration fees for summer recreation programs.

Public Safety fees are approximately $96,000 below the budget at June 30. Most of the variance is due to lower dismissal fees in the Police Department, largely as a result of temporary decreased staffing in the parking citation section, as discussed above. False alarm billing revenues also ended the year lower than projected.

Public Works fees are approximately $80,000 below the year-end budget. The variance is due to a decline in engineering work order revenue.

Reimbursement revenues are approximately $957,000 above the budget. The variance is mostly due to revenues of approximately $1,089,019 remitted by the State in the current year. As a result of a sharp increase in its revenues, the Governor approved the prepayment of certain debt, including unreimbursed SB90 mandated costs from fiscal years 1995 through 1998 owed to cities and counties statewide. The budgeted revenue reflected the expected reimbursement of only one year.

Anticipated Year-End Variances

It is important to note that the table on page 1 includes $1,200,000 for anticipated year-end budget variances. The $1.2 million is roughly equal to 1.0% of budgeted operating expenditures in the General Fund and, although budgeted as revenue, represents staff's estimate of the favorable expenditure variances (i.e. expenditures *under* budget) for the year. As is the case each year, the Anticipated Year-End Variance budgeted will not reflect any actual revenues, but rather favorable variances in expenditures by year-end.

General Fund Expenditures

The table below summarizes the General Fund budget and year-to-date expenditures through June 30, 2015. The "Adjusted Annual Budget" column represents the adopted budget, appropriation carryovers from the prior year, and any supplemental appropriations approved by Council during the current year.

The table includes actual expenditures without encumbrances, and a separate column for the variance after considering encumbrances. Encumbrances include contracts and purchase orders that have been executed in the current year and are still outstanding at year-end. The following discussion and analysis does not include the impact of encumbrances.

SUMMARY OF EXPENDITURES
GENERAL FUND
For the Year Ended June 30, 2015

Department	Adjusted Annual Budget	YTD Actual	YTD Variance Without Encumbrance	Encum-brance	YTD Variance With Encumb Favorable (Unfavorable) $	%
Mayor & Council	$ 3,420,715	$ 3,418,867	$ 1,848	$ 5,891	$ (4,043)	-0.1%
City Attorney	4,173,367	4,053,086	$ 120,281	27,922	$ 92,359	2.2%
City Administrator	2,284,173	1,992,736	$ 291,437	23,408	$ 268,029	11.7%
Administrative Svs.	2,112,450	1,842,684	$ 269,766	46,946	$ 222,820	10.5%
Finance	5,129,491	4,772,562	$ 356,929	97,352	$ 259,577	5.1%
Police	38,372,049	37,119,288	$ 1,252,761	62,746	$ 1,190,015	3.1%
Fire	23,008,643	23,534,869	$ (526,226)	6,361	$ (532,587)	-2.3%
Public Works	7,898,371	7,359,979	$ 538,392	157,736	$ 380,656	4.8%
Parks & Recreation	15,858,792	14,861,588	$ 997,204	368,551	$ 628,653	4.0%
Library	5,037,740	4,745,754	$ 291,986	22,017	$ 269,969	5.4%
Community Development	10,107,563	9,427,768	$ 679,795	101,806	$ 577,989	5.7%
Non-Departmental	2,223,794	2,116,150	$ 107,644	-	$ 107,644	4.8%
Total	$ 119,627,148	$ 115,245,330	$ 4,381,817	$ 920,737	$ 3,461,081	2.9%
% of annual budget		**96.3%**	**3.7%**	**0.8%**	**2.9%**	

The Adjusted Annual Budget of $119.6 million at June 30, compared to actual expenditures of $115.2 million, resulted in a favorable variance of approximately $4.4 million. Overall, this is a very unusual variance caused by salary and benefit savings in several departments. Significant variances in departments are discussed below.

City Administrator

City Administrator expenditures ended the year under budget by $291,437. This savings is due to vacancies in two positions, the Assistant City Administrator and the Employee Relations Manager, which were both vacant for a majority of the fiscal year.

Police Department

Expenditures are below year end budget by $1,252,761. The majority, or approximately $980,000, was in salaries savings due to positions that were unfilled during the year as well as retirements. This Police Department has had difficulty filling vacant positions, particularly in the last fiscal year.

Fire Department

The Fire Department is over budget by $526,226 at year end, attributable to two factors. First, the Department exceeded its overtime budget by approximately $930,000 due to a higher than expected number of injuries and family medical leave. With minimum staffing requirements, an increase in time off for injuries, sickness or other unplanned absences result in an increase in overtime costs.

The second is overtime related to mutual aid calls. Mutual aid expenditures relate to the cost of providing assistance to other locations throughout the state. The level of response is difficult to predict, and staff budgets an amount approximating historical averages. This past year, due to continued dry conditions, was a high fire year. As such, the Fire Department incurred a total of $502,236 in mutual aid costs against a budget of $351,306, for an overage of $150,930. These costs are more than offset by mutual aid reimbursements which, for fiscal year 2015, totaled almost $783,249, exceeding budget by over $360,000.

Excess overtime costs were partially offset by nearly $374,000 in regular salary savings from vacancies. In addition, with the high overtime costs, the department instituted across the board restrictions on discretionary costs, resulting in approximately $130,000 of equipment and supplies savings.

Parks and Recreation Department

Department expenditures ended the year below budget by approximately $997,000. Approximately $488,000 of the variance is due to reduced salary and benefit costs as a result of vacant positions and retirements. The Department struggled to fill both hourly and permanent staff positions. Permanent positions were not filled following unsuccessful attempts to recruit.

The remaining savings, roughly $508,000, includes Services and Supplies of which $368,551 are encumbered professional services to be spent in Fiscal Year 2016. The remainder is comprised of smaller savings spread over several line times, but includes equipment and non-contractual services.

Community Development Department

The department ended the year well under budget. The $679,795 savings were primarily attributable to the following:

1. Vacancies – Approximately $437,000 was saved in salary and benefits due to position vacancies throughout the year. The department had twelve vacancies throughout the year for various lengths of time, as well as savings in hourly staff.

2. General Savings in Supplies & Services – The department achieved approximately $157,000 in savings across a number of line-item accounts, most notably in professional services contracts and archive plan copies. Of this savings, approximately $86,000 of these contract services will be carried forward into fiscal year 2016.

Enterprise Fund Revenues and Expenses

Unlike the General Fund, which relies primarily on taxes to subsidize programs and services, Enterprise Fund operations are financed primarily from direct user fees and other non-tax revenues. The table below summarizes Enterprise Fund revenues and expenses through June 30, 2015, with a comparison to the current year budget and prior year expenses.

The expenses shown in the table do not include outstanding encumbrances at June 30, 2015.

SUMMARY OF REVENUES & EXPENSES
For The Year Ended June 30, 2015
ENTERPRISE FUNDS

	Current Year Analysis				Prior Year Analysis	
	Amended Budget	YTD Actual	YTD Variance	YTD Percent	YTD Actual	% Variance
Solid Waste Fund						
Revenues	$ 20,645,776	$ 20,764,942	$ 119,166	100.6%	$ 20,689,400	0.4%
Expenses	20,613,368	20,256,048	$ (357,320)	98.3%	19,852,862	2.0%
Water Fund						
Revenues	41,693,876	37,630,299	$ (4,063,577)	90.3%	37,156,084	1.3%
Expenses	53,295,951	47,661,836	$ (5,634,115)	89.4%	38,974,841	22.3%
Wastewater Fund						
Revenues	18,883,613	17,943,308	$ (940,305)	95.0%	18,191,271	-1.4%
Expenses	20,781,613	18,499,164	$ (2,282,449)	89.0%	17,155,652	7.8%
Downtown Parking Fund						
Revenues	7,786,933	8,583,030	$ 796,097	110.2%	8,095,813	6.0%
Expenses	8,315,044	7,914,726	$ (400,318)	95.2%	8,215,443	-3.7%
Airport Fund						
Revenues	15,469,349	15,774,682	$ 305,333	102.0%	15,497,778	1.8%
Expenses	15,786,050	14,611,540	$ (1,174,510)	92.6%	15,550,614	-6.0%
Golf Fund						
Revenues	2,091,048	1,958,490	$ (132,558)	93.7%	2,040,894	-4.0%
Expenses	2,080,245	2,011,089	$ (69,156)	96.7%	2,121,994	-5.2%
Waterfront Fund						
Revenues	12,661,137	15,131,768	$ 2,470,631	119.5%	13,911,749	8.8%
Expenses	15,813,215	15,198,154	$ (615,061)	96.1%	13,519,865	12.4%

The following discussion highlights some of the more significant revenue and expense variances of the enterprise funds, in relation to budget or prior year.

Water Fund

Water Fund revenues are below the year end budget by approximately $4 million, primarily due to a water sales revenue shortfall exceeding $3.4 million. Conservation efforts have increased beyond expectations, particularly in the latter part of the year, which is favorable news for water supply but has significantly impacted revenues.

Expenses for the Water Fund are below the budget by approximately $4.8 million. Of this variance, $1.6 million pertains to budgeted loan repayments for the Cater Advanced Water Treatment Plant and Ortega Ground Water Treatment Plant projects. These projects must be completed before loan repayments to the State begin; as such, although debt service payments were budgeted in anticipation of the completion of the projects, these will likely begin in the next fiscal year. $1.8 million is due to various other factors including equipment purchases that were budgeted but not yet expended, and lower water production costs that have realized savings in water treatment chemicals and supplies.

Wastewater Fund

Wastewater Fund revenues ended the year approximately $940,305 below budget. The shortfall is related to the reduction in water usage, as a portion of sewer service charges are based on discharges to the sewer system as measured through water usage.

Wastewater Fund expenses are approximately $2.2 million below year-end budget mostly as a result of three items:

1. Services and Supplies resulted in savings of approximately $862,000, however approximately $779,000 of these contracts are encumbered to be spent in fiscal year 2016.
2. Approximately $495,000 is due to a large number of vacant positions this fiscal year. The department was down 2-4 employees throughout the year.
3. Special Projects were under budget by $417,000 for the Computer Maintenance Management System (CMMS) upgrade that has not yet been completed. The first Request for Proposal (RFP) resulted in only two incomplete submittals requiring the department rebid the project, and delaying it to Fiscal Year 2016.

Downtown Parking Fund

Downtown Parking Fund revenues are above the budget by $796,096. Most of the variance is due to increased hourly parking, and monthly parking revenues from a combination of a strong local economy and longer stays in the lots, presumably due to the accepting of credit cards in the lots starting two years ago.

Downtown Parking Expenses are below the YTD budget by approximately $400,318. This variance is primarily due to lower facilities and equipment repair costs. There was also a slight savings in hourly salaries at year end.

Airport Fund

Overall, Airport Fund revenues are $305,333 (2%) above budget at year end. However, individual revenue categories realized more significant variances, both favorable and unfavorable.

Lease revenues generated from commercial/industrial properties owned by the Airport and located on the north side of Hollister Avenue fell short of budget by $331,198. This shortfall is primarily due to vacancies at a few major properties. These properties have been rented and revenue is expected in increase in fiscal year 2016.

Airline terminal revenues ended the year above budget by $235,330 (5.1%) due to an increase in revenues from rental car companies. Rental car companies have implemented a change in pricing to attract more customers; in addition, rentals by non-airport users have increased.

Commercial aviation revenue, airline terminal building rental and landing fees for the commercial airlines in total were $216,971 (5.1%) above budget at year end. This was due to higher rates negotiated with the airlines. Changes to the United aircraft fleet mix towards bigger planes have significantly increased boarding bridge usage and landing weights above budget projections. Revenues were also impacted by the timing of landing fee receipts, as well as increased freight and charter landing fees.

Expenses for the Airport Fund ended the year $1,174,510 under budget. A large portion of the savings came from a number of staff vacancies that were backfilled with hourly staff and overtime, generating $420,544 in savings.

The remaining savings of $753,965 includes Services and Supplies savings attributable to several reasons.

1. $150,000 for a professional service contract is encumbered to be spent in Fiscal Year 2015.
2. The Airport contracts with City Fire, however Fire Department vacancies resulted in savings in aircraft rescue and firefighting (ARFF).
3. Water charges ended the year $73,000 below budget due to reduced water usage.
4. Facilities Maintenance charges for repairs, budgeted in operations, were charged to the Capital Fund for renovations associated with the High Sierra Grill, resulting in savings to the operating fund.

Golf Fund

Golf Fund operation has continued to face significant challenges over the last several years. Competition with other local privately run golf courses and a general decline in golf play over the last 15-20 years all contributed to the to the decline in revenues.

Staff increased marketing activity and implemented a new website, point of sale and call center to improve customer service; however, drought measures and the general condition of the range continue to negatively impact revenues. The Golf Fund ended the year $132,558 (6.7%)

below budget. Although the shortfall is not particularly material, the current trend is troubling given the weakening condition of the Golf Fund.

Golf Fund expenses are below the year end budget by approximately $69,156. There was a slight savings in Services and Supplies, however many of these costs are fixed. In addition, there was a small salaries savings of $12,700.

As a way to mitigate revenue declines, Council approved contracting out the maintenance of the golf course to reduce overall costs. In addition, a request for proposal (RFP) will be issued in the later summer to solicit proposals from golf management companies that have expertise in running golf courses and marketing, which will hopefully help attract more players to the course.

Waterfront Fund

The Waterfront Department, as a whole, saw revenues exceed budget by $2,470,631 (19.5%). This continues a four-year trend in Waterfront revenues that can be broadly attributed to unseasonably good weather, a harbor that provides locals and visitors with great amenities and a clean and safe environment, and a strong economy. Overall, Waterfront revenues are driven by weather and economic conditions.

Expenses for the Waterfront Fund are below the year end budget by approximately $615,000, attributable to the following items.

1. $230,805 of the variance is due to lower salary and benefit costs. Long-tenured employees that were compensated at the top of their pay scale recently retired, and have been replaced with new employees that typically are hired at the bottom of the pay scale, thereby realizing savings in personnel costs.
2. Supplies and Services accounted for approximately $161,000 of this savings. Water conservation efforts, reduced equipment maintenance due to better weather, and conservative budgeting resulted in savings across several budgeted line items.
3. The variance is also due to $100,000 of appropriated reserves that were not utilized.

Attachment 3

City of Santa Barbara
Interim Financial Statements for the Year Ended June 30, 2015
Proposed Budget Adjustments

	Increase (Decrease) in Appropriations	Increase (Decrease) in Estimated Revenues	Addition to (Use of) Reserves
GENERAL FUND (1000)			
General Government			
Transfer 25% of Estimated Surplus to Capital Outlay Fund	861,435		(861,435)
Per City reserve policies, 50% of each year-end surplus will be transferred to the Capital Outaly Fund to provide additional funding for capital projects. However, in order to close the gap in reserves relative to city policy by 2017, Council direction was to reduce this to 25% for Fiscal Years 2015 through 2017. These recommended entries transfer 25% of the Fiscal Year 2015 year-end surplus, amounting to $861,435, to the Capital Outlay Fund.			
General Government			
Repayment of Waterfront loan to General Fund		1,001,237	1,001,237
The Waterfront Operating Fund ended Fiscal Year 2015 with surpluses exceeding expectations. These recommended entries will transfer funds to the General Fund to fully repay one of the two outstanding loans.			
Community Development			
Decrease Appropriations for Community Development - Questy's Data Conversion	(4,899)		4,899
Transfer to Capital Outlay Fund - CD Technology Upgrade Reserve	4,899		(4,899)
In Fiscal Year 2015, funds were appropriated in the Community Development Fund for Questy's Data Management System. Final costs were less than appropriated. Remaining funds are being transferred to the Capital Outlay Fund and will be reserved for Community Development Technology Upgrade.			
Fire			
Increase Appropriations for Fire Operations - Mutual Aid Salaries & Benefits	550,000		(550,000)
Increase Estimated Revenues - Mutual Aid		322,000	322,000
Due to a high fire season, the Fire Department experienced higher than anticipated mutual aid expenditures related to the cost of providing assistance to other locations in the state. These recommended entries increase the appropriations and estimated revenues for the additional overtime costs incurred responding to these calls, which are partially reimbursable per mutual aid agreements.			
Total General Fund	$ 550,000	$ 1,323,237	$ (88,198)
CAPITAL OUTLAY FUND (3000)			
Transfer 25% of Estimated Surplus to Capital Outlay Fund		861,435	861,435
Per City reserve policies, 50% of each year-end surplus will be transferred to the Capital Outaly Fund to provide additional funding for capital projects. However, in order to close the gap in reserves relative to city policy by 2017, Council direction was to reduce this to 25% for Fiscal Years 2015 through 2017. These recommended entries transfer 25% of the Fiscal Year 2015 year-end surplus, amounting to $861,435, to the Capital Outlay Fund.			
Community Development			
Increase Appropriations for CD Technology Upgrade Reserve	4,898		(4,898)
Transfer from General Fund - Community Development - Questy's Data Conversion		4,898	4,898
In Fiscal Year 2015, funds were appropriated in the Community Development Fund for Questy's Data Management System. Final costs were less than appropriated. Remaining funds are being transferred to the Capital Outlay Fund and will be reserved for Community Development Technology Upgrade.			
Total Capital Outlay Fund	$ 4,898	$ 866,333	$ 861,435

	Increase (Decrease) in Appropriations	Increase (Decrease) in Estimated Revenues	Addition to (Use of) Reserves
SPECIAL REVENUE FUNDS			
Police - Supplemental Law Enforcement Services Fund (SLESF) Fund (2320)			
Increase Appropriations for the SLESF Program	5,000	-	(5,000)
Increase Estimated Revenues for the SLESF Program	-	5,000	5,000
In Fiscal Year 2015, the Police Department SLESF Fund received additional funding of $5,000. These recommended entries increase the funding and appropriations allowing the department the ability to spent it.			
Total Police SLESF Fund	$ 5,000	$ 5,000	$ 5,000
Streets Operating Fund (2400)			
Transfer to Streets Capital Fund for creation of new fund	7,209,659		(7,209,659)
Transfer to Measure A Capital Fund for creation of new fund	1,334,854		(1,334,854)
In Fiscal Year 2015, Public Works created two new Capital Funds, the Streets Capital Fund and the Measure A Capital Fund, to account for capital projects that were previously combined in the Streets Operating Fund. The two new funds were created, and the budgets were moved into the new funds. These recommended entries will provide the administrative corrections the move cash and reserves to the new funds, to properly match the appropriations.			
Transfer to Streets Grant Capital Fund	6,773		(6,773)
Subsequent to the adoption of the Fiscal Year 2015 budget, the Public Works Department determined additional appropriations were needed to complete two of the Streets Grant Capital Projects, De La Guerra St Bridge Replacement Project and Bridge Preventative Maintenance Project Phase 2. These recommended entries will transfer funding from Streets Operating Fund reserves to appropriate the additional funds needed to complete the projects.			
Total Streets Operating Fund	$ 8,551,285	$ -	$ (8,551,285)
Miscellaneous Grants Fund (2830)			
Increase Appropriations for the Explorers Program	2,500	-	(2,500)
Increase Estimated Revenues for the Explorers Program - Donations	-	2,500	2,500
In Fiscal Year 2015, the Police Department Explorers Program received additional funding of $2,500 in donations. These recommended entries increase the appropriations and estimated revenues.			
Total Miscellaneous Grants Fund	$ 2,500	$ 2,500	$ -
Streets Capital Fund (3400)			
Transfer from Streets Operating Fund for creation of new fund		7,209,659	7,209,659
In Fiscal Year 2015, Public Works created two new Capital Funds, the Streets Capital Fund and the Measure A Capital Fund, to account for capital projects that were previously combined in the Streets Operating Fund. The two new funds were created, and the budgets were moved into the new funds. These recommended entries will provide the administrative corrections the move cash and reserves to the new funds, to properly match the appropriations.			
Transfer to Streets Grant Capital Fund	10,945		(10,945)
Decrease Appropriations - Streets Engineering Project	(2,858)		2,858
Decrease Appropriations - Carrillo/Anacapa Int Improvement Project	(8,087)		8,087
In Fiscal Year 2015, CalTrans grants in the Streets Grants Capital Projects Fund were audited and determined to require adjustments to the overhead charges calculated by an outside consultant, slightly reducing the grant reimbursement rates and requiring additional local match in six projects. These recommended entries will transfer funding identified from savings in two projects in the Streets Capital Fund, into the Streets Grant Capital Fund Projects.			
Total Streets Capital Fund	$ -	$ 7,209,659	$ 7,209,659

	Increase (Decrease) in Appropriations	Increase (Decrease) in Estimated Revenues	Addition to (Use of) Reserves
SPECIAL REVENUE FUNDS (cont)			
Streets Grants Capital Fund (3410)			
Transfer from Streets Capital Fund		10,945	10,945
Increase Appropriations - Cota Street Bridge/Mission Ck	1,969		(1,969)
Increase Appropriations - De La Guerra St Bridge Replacement	331		(331)
Increase Appropriations - Gutierrez St Bridge Replacement	361		(361)
Increase Appropriations - Chapala Bridge Replacement	197		(197)
Increase Appropriations - Mason Street Bridge Replacement	3,177		(3,177)
Increase Appropriations - Cabrillo @ Mission Creek Bridge	4,909		(4,909)
In Fiscal Year 2015, CalTrans grants in the Streets Grants Capital Projects Fund were audited and determined to require adjustments to the overhead charges calculated by an outside consultant, slightly reducing the grant reimbursement rates and requiring additional local match in six projects. These recommended entries will transfer funding identified from savings in two projects in the Streets Capital Fund, into the Streets Grant Capital Fund Projects.			
Transfer from Streets Operating Fund		6,773	6,773
Increase Appropriations - De La Guerra St Bridge Replacement	5,026		(5,026)
Increase Appropriations - Bridge Preventative Maint Phase 2	1,747		(1,747)
Subsequent to the adoption of the Fiscal Year 2015 budget, the Public Works Department determined additional appropriations were needed to complete two of the Streets Grant Capital Projects, De La Guerra St Bridge Replacement Project and Bridge Preventative Maintenance Project Phase 2. These recommended entries will transfer funding from Streets Operating Fund reserves to appropriate the additional funds needed to complete the projects.			
Total Streets Grants Capital Fund	$ 17,718	$ 17,718	$ -
Measure A Capital Fund (3440)			
Transfer to Measure A Capital Fund for creation of new fund		1,334,854	1,334,854
In Fiscal Year 2015, Public Works created two new Capital Funds, the Streets Capital Fund and the Measure A Capital Fund, to account for capital projects that were previously combined in the Streets Operating Fund. The two new funds were created, and the budgets were moved into the new funds. These recommended entries will provide the administrative corrections the move cash and reserves to the new funds, to properly match the appropriations.			
Total Measure A Capital Fund	$ -	$ 1,334,854	$ 1,334,854
ENTERPRISE FUNDS			
Airport Operating Fund (5700)			
Transfer to Airport T Hangar Fund to Restore Reserves	$ 32,618		$ (32,618)
The T Hangar Fund had a beginning negative reserves balance due to tenant vacancies and low interest earnings that have occurred in the fund since 2007. At the end of the year, the fund had a slight surplus, reducing this negative balance to $32,618. These recommended entries will transfer funds to the T Hangar Fund and eliminate any remaining negative reserve balances.			
Total Airport Operating Fund	$ 32,618	$ -	$ (32,618)
Airport T Hangar Fund (5750)			
Transfer from Airport Operating Fund to restore T Hangar Fund Reserves		$ 32,618	$ 32,618
The T Hangar Fund had a beginning negative reserves balance due to tenant vacancies and low interest earnings that have occurred in the fund since 2007. At the end of the year, the fund had a slight surplus, reducing this negative balance to $32,618. These recommended entries will transfer funds to the T Hangar Fund and eliminate any remaining negative reserve balances.			
Total Airport T Hangar Fund	$ -	$ 32,618	$ 32,618

	Increase (Decrease) in Appropriations	Increase (Decrease) in Estimated Revenues	Addition to (Use of) Reserves
ENTERPRISE FUNDS (cont)			
Waterfront Operating Fund (5800)			
Repayment to General Fund for Waterfront loan	$ 1,001,237	$ -	$ (1,001,237)
The Waterfront Operating Fund ended Fiscal Year 2015 with surpluses exceeding expectations. These recommended entries will transfer funds to the General Fund to fully repay one of the two outstanding loans.			
Due to the			
Total Waterfront Operating Fund	$ 1,001,237	$ -	$ (1,001,237)
Waterfront Capital Fund (5810)			
Adjust Capital Project Budgets:			
Increase Appropriations - Stearns Wharf Annual Repair Program	23,350	-	(23,350)
Increase Appropriations - Harbor ADA Restroom Remodel	15,845	-	(15,845)
Increase Appropriations - Stearns Wharf Waterline Replacement	7,756	-	(7,756)
Increase Appropriations - Seawall ADA Handrail And Sidwalk	25,007	-	(25,007)
Increase Appropriations - Replace Hoists	11,737	-	(11,737)
Increase Appropriations - Ice Machine	25,010	-	(25,010)
Decrease Appropriations - 117 Harbor Way Improvements	(108,705)	-	108,705
Since the adoption of the Fiscal Year 2015 budget, the Waterfront Department has identified addition funding needs for 6 of their Harbor Maintenance Projects and they have identified funding to these projects. These recommended entries will transfer available appropriations to the projects from the deferral of the 117 Harbor Way Improvements Project.			
Total Waterfront Capital Fund	$ -	$ -	$ -

Agenda Item No. 15

File Code No. 380.01

CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: September 15, 2015

TO: Mayor and Councilmembers

FROM: Engineering Division, Public Works Department

SUBJECT: Southern California Edison Reliability Project Update

RECOMMENDATION:

That Council receive and comment on a presentation by Southern California Edison on their Downtown Santa Barbara Reliability Project.

DISCUSSION:

The Southern California Edison (SCE) Regional Manager of Local Public Affairs will make a presentation to Council on their Downtown Santa Barbara Reliability Project (Project). SCE has a long-term plan to upgrade and enhance the electrical grid in the City of Santa Barbara. Upgrading to newer equipment will modernize the power grid, make it more reliable, and minimize the duration of outages. During the Project, some customers may experience maintenance outages and traffic impacts. SCE will communicate with affected customers in advance so they can make appropriate arrangements.

The work involves several separate projects on different circuits in the City's downtown area to provide safe and reliable service to City customers. These improvements include underground re-cabling, installing new vaults and switches, and upgrades at multiple substations in the City.

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

SUBMITTED BY: Rebecca J. Bjork, Public Works Director

APPROVED BY: City Administrator's Office

Agenda Item No. 16

File Code No. 540.10

CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: September 15, 2015

TO: Mayor and Councilmembers

FROM: Water Resources Division, Public Works Department

SUBJECT: Request From Montecito Water District For Regional Use Of The Charles E. Meyer Desalination Plant

RECOMMENDATION: That Council:

A. Direct Staff to send a letter to Montecito Water District to intitiate formal discussions regarding the use of the City's Charles E. Meyer Desalination Plant as a Regional Water Supply; and
B. Appoint an Ad Hoc Council Committee to consult with staff as issues arise.

BACKGROUND:

The Charles E. Meyer Desalination Plant (Desal Plant) was constructed by the City of Santa Barbara (City) as an emergency facility to supply water to the City, Goleta Water District (GWD) and Montecito Water District (MWD) during the last serious drought (1987-1991). The Desal Plant was constructed with maximum capacity of 10,000 AFY; however, only 7,500 AFY of reverse osmosis filtration capacity was constructed. The Desal Plant operated from March through June 1992, and delivered approximately 419 AF of desalinated water. Abundant rainfall in March of 1992 ended the drought, and the Desal Plant was placed into standby mode. At that time, GWD and MWD indicated that they did not wish to continue to participate in the Desal Plant.

The current drought is the worst in recorded history, which has made it necessary for the City to reactivate the Desal Plant. The severity of the drought is such that the need for the Desal water supply has been accelerated from that planned in the Long Term Water Supply Plan. Consequently, staff have been working to ensure all permits are secured and valid to supply City water customers with desal water by Fall 2016. At this time, the construction effort to return the Desal Plant to operating status is underway.

On June 16, 2015, MWD sent a letter to the City Administrator asking to have the Desal Plant operated to supply water regionally. The City was amenable to the idea and requested MWD to approach the Central Coast Regional Water Quality Control Board (RWQCB) and the California Coastal Commission for confirmation that the City's permits would allow for the regional use of water from the Desal Plant. Both permitting

agencies have given verbal confirmation that the Desal Plant can be operated as a regional water supply. RWQCB has indicated discomfort replying to a letter from MWD pertaining to the City's permit and requested that the City submit a letter requesting to use the Desal Plant as a regional water supply, to which they will respond affirmatively in writing to the City. Staff has sent the letter request to RWQCB and is waiting for the response letter.

With confirmation from the regulatory agencies that the Desal Plant can be used as a regional water supply, staff is recommending that the City initiate formal discussions with MWD regarding using the Desal Plant as a regional water facility, and that an Ad-Hoc subcommittee is appointed to consult with staff as issues arise.

PREPARED BY: Rebecca J. Bjork, Public Works Director

SUBMITTED BY: Rebecca J. Bjork, Public Works Director

APPROVED BY: City Administrator's Office

Agenda Item No. 17

File Code No. 540.03

CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: September 15, 2015

TO: Mayor and Councilmembers

FROM: City Administrator's Office

SUBJECT: Council Liaison To The Cachuma Operations And Maintenance Board

RECOMMENDATION:

That Council affirm the appointment of Councilmember Bendy White as the Council liaison to the Cachuma Operations And Maintenance Board, and select an alternate.

DISCUSSION:

On January 13, 2015, Council appointed Councilmember Dale Francisco as the Liaison to the Cachuma Operations And Maintenance Board (COMB), and Councilmember Bendy White as the alternate. Councilmember Francisco has since resigned his position as Council Liaison to COMB. It is recommended that Council affirm the appointment of Councilmember White to replace Councilmember Francisco as the liaison, and also select an alternate.

PREPARED BY: Jennifer Jennings, Administrator's Office Supervisor

SUBMITTED BY: Paul Casey, City Administrator

APPROVED BY: City Administrator's Office

Agenda Item No. 18

File Code No. 180.02

CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: September 15, 2015

TO: Mayor and Councilmembers

FROM: City Administrator's Office

SUBJECT: Request From Mayor Schneider And Councilmember Murillo Regarding Planned Parenthood Health Care and Educational Services

RECOMMENDATION: That Council:

A. Consider the request from Mayor Schneider and Councilmember Murillo to receive a presentation regarding Planned Parenthood centers; and
B. Adopt, by reading of title only, A Resolution of the Council of the City of Santa Barbara Recognizing Planned Parenthood for Its Important Contributions to Women's Health in the City of Santa Barbara.

DISCUSSION:

Attached is a memorandum from Mayor Schneider and Councilmember Murillo requesting that Council receive a presentation on how government funds are used for health care and educational services at Planned Parenthood centers, particularly at the local Santa Barbara center, and that Council vote to approve a resolution that recognizes the significant contributions of Planned Parenthood to women's health in the City of Santa Barbara.

ATTACHMENT: Memorandum from Mayor Schneider and Councilmember Murillo

PREPARED BY: Jennifer Jennings, Administrator's Office Supervisor

SUBMITTED BY: Paul Casey, City Administrator

APPROVED BY: City Administrator's Office

ATTACHMENT

City of Santa Barbara
Mayor and Council Office

Memorandum

DATE: September 8, 2015

TO: Paul Casey, City Administrator

FROM: Mayor Helene Schneider
Councilmember Cathy Murillo

SUBJECT: Request from Mayor Schneider and Councilmember Cathy Murillo Regarding Planned Parenthood Health Care and Educational Services

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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 requesting that the City Council pass a resolution acknowledging local health care services provided by Planned Parenthood of Santa Barbara, Ventura and San Luis Obispo Counties.

- Summary of information to be presented:
  A brief presentation on how government funds are used, and not used, for health care and educational services at Planned Parenthood centers, particularly at the local Santa Barbara center.

- Statement of Specific Action:
  That the City Council votes to approve a resolution that recognizes the significant contributions of Planned Parenthood of Santa Barbara, Ventura and San Luis Obispo Counties to the health and well-being of women and families throughout the City of Santa Barbara (see draft resolution).

- 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 City of Santa Barbara has supported Planned Parenthood of Santa Barbara, Ventura and San Luis Obispo Counties health care and educational services for decades through City Human Services grants, thus we recognize the value of public funding for these basic services. The Santa Barbara Planned Parenthood center provides health services to more than 9,000 patients annually; 96% of whom come for family planning services and more than 65% are at or below the federal poverty level. A reduction in federal funding as is currently being proposed by Congress would have a negative impact on ensuring access to services to City residents in need of them.

cc: Mayor and Council
City Attorney
Community Development Director

RESOLUTION NO. __

A RESOLUTION OF THE COUNCIL OF THE CITY OF SANTA BARBARA RECOGNIZING PLANNED PARENTHOOD FOR ITS IMPORTANT CONTRIBUTIONS TO WOMEN'S HEALTH IN THE CITY OF SANTA BARBARA

WHEREAS, Planned Parenthood is one of California's largest providers of women's and reproductive health care services, operating 115 community-based health centers that provide 1.6 million patient visits a year; and

WHEREAS, Planned Parenthood provides comprehensive health care services, including well-women exams, birth control, testing and treatment of sexually transmitted infections and HIV, pregnancy tests, life-saving cancer screenings, primary care services in some locations and abortion services; and

WHEREAS, Planned Parenthood of Santa Barbara, Ventura and San Luis Obispo Counties, has a health center in the City of Santa Barbara, providing health services to more than 9,000 patients annually, 96% of whom come to Planned Parenthood for family planning services, and more than 65% are at or below the poverty level; and

WHEREAS, City of Santa Barbara has supported Planned Parenthood of Santa Barbara, Ventura and San Luis Obispo Counties services through City Human Services grants totaling $355,448 since 1990; and

WHEREAS, Congressional or other efforts to defund Planned Parenthood and the Title X Family Planning program would cut off health care services to millions of men, women and teens and significantly harm public health and the health of millions of Americans; and

WHEREAS, every year Title X funded health centers provide care to more than one million people in California and on a national scale prevent 1.5 million unintended pregnancies, 500,000 unplanned births and nearly 400,000 abortions and without Title X Family Planning funds in California, our state's unintended pregnancy rate would be 64% higher.

NOW, THEREFORE, the City Council of the City of Santa Barbara does hereby recognize Planned Parenthood of Santa Barbara, Ventura and San Luis Obispo Counties for its significant contributions to the health and well-being of women and families throughout the City of Santa Barbara.

Agenda Item No. 19

File Code No. 160.03

CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: September 15, 2015

TO: Mayor and Councilmembers

FROM: City Attorney's Office

SUBJECT: Conference with City Attorney – Existing Litigation

RECOMMENDATION:

That Council hold a closed session to confer with the City Attorney regarding existing litigation pursuant to Government Code section 54956.9(d)(1), and take appropriate action as needed.

The existing litigation is:

Carter, Camille v. City of Santa Barbara, SBSC Case No. 1438672
Reyes, Toni M. v. City of Santa Barbara SBSC Case No. 1416050
Wikman, Monika v. City of Santa Barbara, SBSC Case No. 1467345
Fox, Karen et al. v. City of Santa Barbara, et al., SBSC Case No. 1469026
Martinson, Trevor J. v. City of Santa Barbara, SBSC Case No. 1486849
Corral, Debra, and Sanchez, Theodore (Deceased), Trustees v. City of Santa Barbara, SBSC Case No. 1466439

SCHEDULING: Duration, 60 minutes; anytime

REPORT: None anticipated

SUBMITTED BY: Ariel Calonne, City Attorney

APPROVED BY: City Administrator's Office