

City of Santa Barbara
Interim Financial Statements for the Nine Months Ended March 31, 2016
Proposed Budget Adjustments

	<u>Increase (Decrease) in Appropriations</u>	<u>Increase (Decrease) in Estimated Revenues</u>	<u>Addition to (Use of) Reserves</u>
GENERAL FUND (1000)			
General Government			
Repayment of Waterfront loan to General Fund	\$ -	\$ 900,319	\$ 900,319
<p>The Waterfront Operating Fund will end Fiscal Year 2016 with surpluses exceeding expectations. These recommended entries will transfer funds to the General Fund to fully repay the outstanding loan.</p>			
Transfer from Parks and Recreation Grant Fund for closed out grants	-	15,020	\$ 15,020
<p>Several Parks and Recreation Grant projects have been closed. These recommended entries move residual amounts back to the General Fund.</p>			
Allocate funding from Appropriated Reserve to the City Attorney's Office	(15,696)	-	15,696
<p>Pursuant to the provisions of the Employee Mortgage Loan Assistance Program (EMLAP), the City is forgiving 50% of the "Points Loan" for an employee in the City Attorney's Office that has achieved the 10-year mark.</p>			
City Attorney			
Allocate funding from Appropriated Reserve for Employee Loan Forgiveness	15,696	-	(15,696)
<p>Pursuant to the provisions of the Employee Mortgage Loan Assistance Program (EMLAP), the City is forgiving 50% of the "Points Loan" for an employee in the City Attorney's Office that has achieved the 10-year mark.</p>			
Public Works			
Increase Estimated Revenues and Appropriations for PW Technology Maintenance	25,000	25,000	-
<p>The City receives a 6% technology fee on building permits. 50% of this fee revenue is transferred to the Capital Outlay Fund to fund the Replacement of the City's Permit Tracking System. For Fiscal Year 2016, the City has received higher revenues than budgeted. The recommended entries will increase the estimated revenues and appropriations to transfer 50% of these fees collected to the Capital Outlay Fund.</p>			
Fire Department			
Increase Estimated Revenues and Appropriations for Mutual Aid Activities	28,003	28,003	-
<p>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 meeting and travel costs incurred responding to these calls, which are fully reimbursable per mutual aid agreements.</p>			
Parks and Recreation Department			
Increase Estimated Revenues and Appropriations for the Tennis Program	20,000	20,000	-
<p>The Tennis program is seeing a resurgence in popularity, in particular the group lessons for youth and adults. These lessons are revenue generating, and provided by Tennis professionals under contract to the Parks and Recreation Department. These recommended entries will increase estimated revenues and appropriations in the Tennis program by \$20,000.</p>			

	<u>Increase (Decrease) in Appropriations</u>	<u>Increase (Decrease) in Estimated Revenues</u>	<u>Addition to (Use of) Reserves</u>
GENERAL FUND cont'd			
Library			
Increase Estimated Revenues and Appropriations for the Santa Barbara Library Public Service Program	8,000	8,000	-
<p>The Library received funding from the Association of Library Service to Children in the amount of \$2,000, and from the Santa Barbara Foundation in the amount of \$2,500, for the Arbutnot lecture that was hosted by the Library. In addition, the Santa Barbara Public Library Foundation has given the Library extra funding of \$3,500 for the 1,000 books before Kindergarten. These recommended entries will increase estimated revenues and appropriations by \$8,000 allowing the department to utilize the additional funding.</p>			
Total General Fund	<u>\$ 81,003</u>	<u>\$ 996,342</u>	<u>\$ 915,339</u>
SPECIAL REVENUE FUNDS			
Streets Sweeping Fund (2405)			
Increase Appropriations for Services and Supplies	\$ 36,000	\$ -	\$ (36,000)
<p>In Fiscal Year 2016 the Streets Sweeping Fund paid for an item relating to the prior year, that took a large portion (\$30,000) of the services and supplies budget. In addition, the program had increased postage costs from a bi-annual newsletter. There are sufficient reserves available to offset the increased costs. The recommended entries will use available reserves in the Street Sweeping Fund to fund operating costs through the remainder of the year.</p>			
Total Streets Sweeping Fund	<u>\$ 36,000</u>	<u>\$ -</u>	<u>\$ (36,000)</u>
Streets Capital Fund (3400)			
Decrease Appropriations - Overlays Resurface Program	\$ (50,000)	\$ -	\$ 50,000
Increase Appropriations - Street Light Installation-Citywide	50,000	-	(50,000)
<p>Staff request moving \$50,000 from the Resurface Program to the Street Lights Installation Program for unplanned emergencies that have occurred this fiscal year. Staff identified available funding from a closed overlay contract with remaining budget. Overlay needs still exist, and will be addressed at a later date, however the recommended entries will provide the funding for the emergencies that occurred in the Street Light Installation Program.</p>			
Total Streets Capital Fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

	<u>Increase (Decrease) in Appropriations</u>	<u>Increase (Decrease) in Estimated Revenues</u>	<u>Addition to (Use of) Reserves</u>
SPECIAL REVENUE FUNDS cont'd			
Police Asset Forfeiture Fund (2310)			
Increase Estimated Revenues and Appropriations to Auto Anti-Theft Program	\$ 8,000	\$ 8,000	\$ -
Anti-Theft program revenue comes from a \$1 fee which is included in vehicle registrations. This revenue will fluctuate based on the number of vehicles registered. Fiscal Year 2016 revenue is higher than budgeted which indicates that there are more registered vehicles in the City of Santa Barbara. These recommended entries increase the estimated revenue and appropriations allowing the department the ability to utilize the additional funding.			
Total Police Asset Forfeiture Fund	<u>\$ 8,000</u>	<u>\$ 8,000</u>	<u>\$ -</u>
Police SLESF Fund (2320)			
Increase Estimated Revenues and Appropriations to Supplemental Law Enforcement Fund COPS Program	\$ 55,812	\$ 55,812	\$ -
The Police Department receives federal revenue to pay for expenses related to an officer position. Fiscal Year 2016 revenues are higher than budget due to carryover credits from Fiscal Year 2015 and an adjustment made by the federal government. The revenues will be used to pay for the expenses relating to a police officer position. The recommended entries increase estimated revenues and expenditures allowing the department the ability to utilize the additional funding.			
Total Police SLESF Fund	<u>\$ 55,812</u>	<u>\$ 55,812</u>	<u>\$ -</u>
Police Grants Fund (2830)			
Increase Estimated Revenues and Appropriations to Domestic Violence Program	\$ 5,800	\$ 5,800	\$ -
The Police Department received \$5,800 from Domestic Violence Solutions to be used to offset the cost of officer time spent working with Domestic Violence Solutions in the creation of domestic violence protocols, trainings and outreach materials. The recommended entries increase estimated revenues and expenditures allowing the department the ability to utilize the additional funding.			
Total Police Grants Fund	<u>\$ 5,800</u>	<u>\$ 5,800</u>	<u>\$ -</u>
Parks and Recreation Grants Fund (2860)			
Decrease Estimated Revenues for Sports Field Project	\$ -	\$ (3,961)	\$ (3,961)
Decrease Appropriations for Joint Use Project	(5,881)	-	5,881
Decrease Appropriations for Family Economic Success Program	(63)	-	63
Decrease Appropriations for Cal Fire UFMP Grant	(13,037)	-	13,037
Transfer to General Fund Reserves from Misc Parks Grants	15,020	-	(15,020)
Several Parks and Recreation Grant projects have been closed. These recommended entries move residual amounts back to the General Fund.			
Total Parks and Recreation Grants Fund	<u>\$ (3,961)</u>	<u>\$ (3,961)</u>	<u>\$ -</u>

	<u>Increase (Decrease) in Appropriations</u>	<u>Increase (Decrease) in Estimated Revenues</u>	<u>Addition to (Use of) Reserves</u>
CAPITAL OUTLAY FUND (3000)			
Decrease Appropriations - Dwight Murphy Field Irrigation Renovation Project	\$ (80,000)	-	80,000
Increase Appropriations - Dwight Murphy Field Renovation Project	80,000	-	(80,000)
<p>The Dwight Murphy Field Irrigation Renovation Project scope has been broadened, and it is no longer specific to irrigation. As such, the name of the project has been changed to Dwight Murphy Field Renovation Project.</p>			
Increase Estimated Revenues and Appropriations for Children's Library Project	38,014	38,014	-
<p>The Children's Library Project scope has been increased to include signage. Additional donations have been identified to fund the increase for the signage costs. The recommended entries will increase the estimated revenues and appropriations to fund the additional scope of the project.</p>			
Transfer from General Fund - PW Technology Maintenance	-	25,000	25,000
<p>The City receives a 6% technology fee on building permits. 50% of this fee revenue is transferred to the Capital Outlay Fund to fund the Replacement of the City's Permit Tracking System. For Fiscal Year 2016, the City has received higher revenues than budgeted. The recommended entries will increase the estimated revenues and appropriations to transfer 50% of these fees collected to the Capital Outlay Fund.</p>			
Total Capital Outlay Fund	<u>\$ 38,014</u>	<u>\$ 63,014</u>	<u>\$ 25,000</u>
ENTERPRISE FUNDS			
Airport Operating Fund (5700)			
Transfer from Airport Grants Fund	\$ -	\$ 107,987	\$ 107,987
<p>The Runway 15L-33R Rehabilitation grant project was completed under budget; therefore, the Airport was able to bill the FAA AIP Grant 47 for engineering and staff time associated with the grant project, that occurred in the Operating Fund. These recommended entries will reimburse the Operating Fund for engineering charges and staff time associated with the project.</p>			
Total Airport Operating Fund	<u>\$ -</u>	<u>\$ 107,987</u>	<u>\$ 107,987</u>
Airport Capital Fund (5710)			
Increase Appropriations for Improvements	\$ 196,989	\$ -	\$ (196,989)
<p>At the second quarter, staff presented a budget adjustment to reimburse the Airport Capital Fund from the Airport Grants Fund, for costs paid before the grant was awarded for the Airfield Electrical and Safety Project. This is a clean up item to also add the appropriation that should have been included in that budget adjustment request.</p>			
Transfer from Airport Grants Fund	-	8,177	8,177
<p>The Runway 15L-33R Rehabilitation project was completed under budget. These recommended entries will reimburse Airport's unused FAA AIP grant match to the Capital Fund.</p>			
Total Airport Capital Fund	<u>\$ 196,989</u>	<u>\$ 8,177</u>	<u>\$ (188,812)</u>

	Increase (Decrease) in Appropriations	Increase (Decrease) in Estimated Revenues	Addition to (Use of) Reserves
ENTERPRISE FUNDS cont'd			
Airport Grants Fund (5720)			
Decrease Appropriations for Non-Building Improvements	\$ (107,987)	\$ -	\$ 107,987
Transfer to Airport Operating Fund	107,987	-	(107,987)
<p>The Runway 15L-33R Rehabilitation grant project was completed under budget; therefore, the Airport was able to bill the FAA AIP Grant 47 for engineering and staff time associated with the grant project, that occurred in the Operating Fund. These recommended entries will reimburse the Operating Fund for engineering charges and staff time associated with the project.</p>			
Decrease Appropriations for Non-Building Improvements	8,177	-	(8,177)
Transfer to Airport Capital Fund	(8,177)	-	8,177
<p>The Runway 15L-33R Rehabilitation project was completed under budget. These recommended entries will reimburse Airport's unused FAA AIP grant match to the Capital Fund.</p>			
Total Airport Grants Fund	\$ -	\$ -	\$ -
Water Capital Fund (5010)			
Increase Appropriations for Recycled Water Plant	\$ 225,000	\$ -	\$ (225,000)
Transfer from Water Drought Fund for Recycled Water Plant	-	225,000	225,000
<p>Additional funding is necessary for the support and technical studies required to operate the El Estero Recycled Water Plant at its fully designed capacity. Ground Water Development Project has savings due to reduction in the project scope. The recommended entries will transfer the funding from the Ground Water Development Project to the Recycled Water Plant.</p>			
Total Water Capital Fund	\$ 225,000	\$ 225,000	\$ -
Water Drought Fund (5011)			
Decrease Appropriations for Ground Water Development Project	\$ (225,000)	\$ -	\$ 225,000
Transfer to Water Capital Fund for Recycled Water Plant	225,000	-	(225,000)
<p>Additional funding is necessary for the support and technical studies required to operate the El Estero Recycled Water Plant at its fully designed capacity. Ground Water Development Project has savings due to reduction in the project scope. The recommended entries will transfer the funding from the Ground Water Development Project to the Recycled Water Plant.</p>			
Decrease Appropriations - Ground Water Development Project	(193,000)	-	193,000
Increase Appropriations - Desalination Facility	193,000	-	(193,000)
<p>The Desalination Facility Project has received several change orders on the Engineering contract that were not budgeted. Ground Water Development Project has savings due to reduction in the project scope. The recommended entries will transfer the funding from the Ground Water Development Project to the Desalination Facility Project.</p>			
Total Water Drought Fund	\$ -	\$ -	\$ -

	Increase (Decrease) in Appropriations	Increase (Decrease) in Estimated Revenues	Addition to (Use of) Reserves
ENTERPRISE FUNDS cont'd			
Wastewater Capital Fund (5110)			
Adjust Capital Project Budgets:			
Decrease Appropriations - EEWTP Drain Restoration Project	\$ (300,000)	\$ -	\$ 300,000
Decrease Appropriations - Storm Water Facilities Improvement	(200,000)	-	200,000
Decrease Appropriations - Biosolids Improvement Project	(225,000)	-	225,000
Increase Appropriations - WW Lift Station Rehabilitation	725,000	-	(725,000)

The WW Lift Station Project (Braemer Force Main No 2 Lift Station) has portions of construction located within the Las Positas Roundabout project area and construction on the Las Positas Roundabout project will start this fall. Therefore, as a coordination effort, The WW Lift Station project will need to occur sooner than planned. To accommodate this earlier construction schedule, staff recommends transferring funding from three projects: 1) The EEWTP Drain Restoration Project is fully funded with an estimated surplus of \$300,000, 2) The Storm Water Facilities Improvement Project was completed with a savings of \$200,000, and 3) Staff is in the process of applying for an SRF loan for the Biosolids Improvement Project, therefore the \$225,000 currently budgeted, along with the savings from the other two other projects are recommended to be transferred to the WW Lift Station Rehabilitation Project. The recommended entries will transfer available appropriations, as requested.

Total Wastewater Capital Fund	\$ -	\$ -	\$ -
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Waterfront Operating Fund (5800)			
Repayment to General Fund for Waterfront loan	\$ 900,319	\$ -	\$ (900,319)

The Waterfront Operating Fund will end Fiscal Year 2016 with surpluses exceeding expectations. These recommended entries will transfer funds to the General Fund to fully repay the outstanding loan.

Total Waterfront Operating Fund	\$ 900,319	\$ -	\$ (900,319)
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Waterfront Capital Fund (5810)			
Transfer from Harbor Preservation Fund for the Seawall ADA Handrail and Sidewalk Project	\$ -	\$ 40,000	\$ 40,000
Increase Appropriations for the Seawall ADA Handrail and Sidewalk Project	40,000	-	(40,000)

The Seawall ADA Handrail and Sidewalk Project replaces the existing handrail along the Marina 2 – 4 seawall with a code compliant handrail. The project was originally budgeted for \$50,000. However, bids received were \$85,000 due to the increased length of the sections to be replaced in Fiscal Year 2016 and again in Fiscal Year 2017. The recommended entries transfer reserves from the Harbor Preservation Fund to fund the increased costs for the project.

Transfer from Harbor Preservation Fund for the Repower Harbor Patrol Vessels Project	-	45,000	45,000
Increase Appropriations for the Repower Harbor Patrol Vessels Project	45,000	-	(45,000)

The Repower Harbor Patrol Vessels Project replaces Harbor Patrol Boat 1 (PB1). The project was originally budgeted for \$110,000 to repower PB1. Staff recommended adding the annual Vessel Reserve Fund allocation of \$75,000 to the budget for a total of \$185,000, to replace PB1 instead of repowering the vessel, with the approval of the Harbor Commission; however, bids received were \$214,055. The recommended entries transfer reserves from the Harbor Preservation Fund to fund the increased costs for the project.

Total Waterfront Capital Fund	\$ 85,000	\$ 85,000	\$ -
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	Increase (Decrease) in Appropriations	Increase (Decrease) in Estimated Revenues	Addition to (Use of) Reserves
Harbor Preservation Fund (5820)			
Transfer to Waterfront Capital Fund for the Seawall ADA Handrail and Sidewalk Project	\$ 40,000	\$ -	\$ (40,000)
<p>The Seawall ADA Handrail and Sidewalk Project replaces the existing handrail along the Marina 2 – 4 seawall with a code compliant handrail. The project was originally budgeted for \$50,000. However, bids received were \$85,000 due to the increased length of the sections to be replaced in Fiscal Year 2016 and again in Fiscal Year 2017. The recommended entries transfer reserves from the Harbor Preservation Fund to fund the increased costs for the project.</p>			
Transfer to Waterfront Capital Fund for the Repower Harbor Patrol Vessels Project	45,000	-	(45,000)
<p>The Repower Harbor Patrol Vessels Project replaces Harbor Patrol Boat 1 (PB1). The project was originally budgeted for \$110,000 to repower PB1. Staff recommended adding the annual Vessel Reserve Fund allocation of \$75,000 to the budget for a total of \$185,000, to replace PB1 instead of repowering the vessel, with the approval of the Harbor Commission; however, bids received were \$214,055. The recommended entries transfer reserves from the Harbor Preservation Fund to fund the increased costs for the project.</p>			
Total Harbor Preservation Fund	<u>\$ 85,000</u>	<u>\$ -</u>	<u>\$ (85,000)</u>
INTERNAL SERVICE FUNDS			
Facilities Capital Fund (6310)			
Adjust Capital Project Budgets:			
Decrease Appropriations - PD HVAC	\$ (99,396)	\$ -	\$ 99,396
Decrease Appropriations - Central Library Gutter/Eave Repair	(65,770)	-	65,770
Increase Appropriations - Library Exterior Paint	165,166	-	(165,166)
<p>The Library Exterior Paint (LEP) Project bids came in much higher than budgeted. The PD HVAC Project is complete and resulted in a savings from budget, and the LEP project was prioritized higher than the Central Library Gutter/Eave Repair. These recommended entries will transfer available appropriations from the completed and lower priority projects to the LEP project, as recommended by staff.</p>			
Total Facilities Capital Fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Fleet Replacement Fund (6410)			
Transfer to Fire Equipment Fund and PD Equipment Fund	\$ 400,511	\$ -	\$ (400,511)
<p>In past years, the Fleet Replacement Fund maintained the reserves for Mobile Data Computer (MDC) equipment purchases for the Fire Department and the Police Department. It has been difficult for Fire and PD staff to track reserve balances, as Fire and PD staff make the purchases, and Fleet has no involvement. Therefore, staff recommend that Fire and PD maintain individual reserves for their own individual tracking. The recommended entries move reserves from the Fleet Replacement Fund to the Fire Equipment Fund and the PD Equipment Fund.</p>			
Total Fleet Replacement Fund	<u>\$ 400,511</u>	<u>\$ -</u>	<u>\$ (400,511)</u>