CITY OF SANTA BARBARA
CITY COUNCIL

Helene Schneider
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Bendy White
Mayor Pro Tempore
Randy Rowse
Ordinance Committee Chair
Gregg Hart
Finance Committee Chair
Jason Dominguez
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Cathy Murillo

Paul Casey
City Administrator

Ariel Pierre Calonne
City Attorney

City Hall
735 Anacapa Street
http://www.SantaBarbaraCA.gov

JUNE 28, 2016
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.santabarbaraca.gov/citytv 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
2:00 p.m. - City Council Meeting

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

Subject: Citywide Infrastructure Needs (120.03)

That the Finance Committee hear a presentation on alternatives to increase the amount of funding available to support investment in the Capital infrastructure related to City streets, including pavements, sidewalks, and storm drains.

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

CALL TO ORDER

PLEDGE OF ALLEGIANCE

ROLL CALL

CHANGES TO THE AGENDA

PUBLIC COMMENT

CONSENT CALENDAR

1. Subject: Minutes

Recommendation: That Council waive further reading and approve the minutes of the special meeting of May 16, 2016.

2. Subject: Professional Services Agreement With Bartel Associates, LLC For Actuarial Services (430.08)

Recommendation: That Council authorize the Finance Director to approve and execute a professional services agreement with Bartel Associates, LLC, to perform actuarial services in connection with the City's Post-Retirement Health Benefits, Sick Leave Benefits, and Article XV and XVA Safety Retirement Plans covering Fiscal Years 2016 and 2017, in an amount not to exceed $47,900, which includes $5,000 for additional services that may be required.

3. Subject: Fiscal Year 2016 Interim Financial Statements For The Ten Months Ended April 30, 2016 (250.02)

Recommendation: That Council accept the Fiscal Year 2016 Interim Financial Statements for the Ten Months Ended April 30, 2016.

CONSENT CALENDAR (CONT'D)

4. Subject: May 2016 Investment Report (260.02)

Recommendation: That Council accept the May 2016 Investment Report.

5. Subject: Grant Agreement With South Coast Community Media Access Center (510.04)

Recommendation: That Council authorize the Finance Director to execute a grant agreement with the South Coast Community Media Access Center for management of the public and educational access television channels in an amount of $313,100 plus an amount for public, educational and government access (PEG) capital expenditures equal to 50% of the actual PEG fees received by the City in Fiscal Year 2017.

6. Subject: Second Contract Amendment For On-Call Engineering Services For Groundwater Well Development (540.10)

Recommendation: That Council authorize the Public Works Director to amend Contract No. 24,803 with Pueblo Water Resources, for on-call hydrogeological engineering design services for groundwater well development projects, increasing the contract amount by $150,000, for a total amount of $550,000.

7. Subject: Contract For Development Of Wastewater Collection System Strategic Management Program - Phase VI (540.13)

Recommendation: That Council authorize the Public Works Director to execute a City Professional Services contract with Brown and Caldwell in the amount of $209,163 for Wastewater Collection System Strategic Management Program support, and authorize the Public Works Director to approve expenditures of up to $20,916 for extra services of Brown and Caldwell that may result from necessary changes in the scope of work.

CONSENT CALENDAR (CONT'D)

8. Subject: Increase In Design Services And Acceptance Of Grant Revenues For The De La Guerra Street Bridge Replacement Project (530.04)

Recommendation: That Council:

A. Authorize an increase in the extra services amount with Drake Haglan and Associates, for bridge design services for the De La Guerra Street Bridge Replacement Project, Contract No. 24,337, in the amount of $50,331, for a total project expenditure authority of $665,614;

B. Approve a transfer of $77,278 from existing Streets Capital Fund appropriations to the Streets Grant Fund to cover the remaining portion of City funds required for design costs for the De La Guerra Street Bridge Replacement Project;

C. Accept Federal Highway Administration Highway Bridge Program grant funding in the total amount of $885,300 for right of way phase costs for the De La Guerra Street Bridge Replacement Project;

D. Authorize the increase of estimated revenues and appropriations in the Fiscal Year 2016 Streets Grant Fund by $221,325 of the total $885,300 approved grant for the required right of way costs related to the De La Guerra Street Bridge Replacement Project; and

E. Approve a transfer of $28,675 from existing Streets Capital Fund appropriations to the Streets Grant Fund to cover the anticipated City funds required for right of way costs for the De La Guerra Street Bridge Replacement Project, and appropriate these funds in the Streets Grants Fund.

9. Subject: Agreement For Measure A Sustainable Transportation Project Grants (670.05)

Recommendation: That Council:

A. Authorize the Public Works Director to execute the Measure A Cycle 3 Project Cooperative Agreement between the City of Santa Barbara and the Santa Barbara County Association of Governments;

B. Increase estimated revenues and appropriations in the Streets Grant Fund by $352,640 in the Fiscal Year 2017 budget for the North La Cumbre Sidewalk and Pedestrian Enhancement Project and the Old Coast Highway Sidewalk Project; and

C. Approve the transfer of $3,217.20 in available appropriations from the Streets Capital Fund to the Streets Grant Fund and appropriate for the use of the North La Cumbre Sidewalk and Pedestrian Enhancement Project in the Streets Grant Fund.

CONSENT CALENDAR (CONT'D)

10. Subject: Acquisition Of Easement For Public Purposes For The Quarantina Street Permeable Pavers Project (530.04)

Recommendation: That Council adopt, by reading of title only, A Resolution of the Council of the City of Santa Barbara to Acquire and Accept an Easement For Public Purposes at 721 East Cota Street (APN: 031-110-004), for the Low Impact Development Demonstration Streets, Sidewalk, and Alleys Project - Phase II, and Authorizing the Public Works Director to Execute the the Agreement for Acquisition of Public Right of Way for Public Purposes (No Cost Acquisition), and Related Easement Acquisition Documents, Subject to Approval as to Form by the City Attorney, and Consenting to the Recordation of the Easement Deed in the Official Records of the County of Santa Barbara.

11. Subject: Memorandum of Understanding with the Community Action Commission for the South Coast Task Force (520.04)

Recommendation: That Council authorize the City Administrator to execute the Memorandum of Understanding with the Community Action Commission related to the City's participation in the South Coast Task Force.

12. Subject: Records Destruction For Community Development Department (160.06)

Recommendation: That Council adopt, by reading of title only, A Resolution of the Council of the City of Santa Barbara Relating to the Destruction of Records Held by the Community Development Department in the Administration, Housing and Human Services and Building and Safety Divisions.

13. Subject: Purchase Of A New Permit Tracking System (170.04)

Recommendation: That Council:

A. Approve a professional services agreement with Accela, Inc., for the implementation of the Accela Civic Platform System in an amount not to exceed $899,850 and approve an additional $121,660 for contingency costs that may be necessary during the implementation;

B. Approve a License Agreement with Accela, Inc., for the purchase of 150 user licenses for Accela Civic Platform, 50 Mobile user licenses, and unlimited Citizen Access in an amount not to exceed $213,569;

(Cont'd)

CONSENT CALENDAR (CONT'D)

13. (Cont'd)

C. Approve a Maintenance Agreement with Accela, Inc., for the first year maintenance and support of the Accela Civic Platform system, in an amount not to exceed $65,858;

D. Approve a Subscription Agreement for implementation and hosting services with Accela, Inc., for the Right of Way Management application, for a term of five years, in an amount not to exceed $16,500 for implementation and $20,813 for hosting in year one, with annual increases of 3.5%;

E. Transfer $1,200,000 of Fiscal Year 2017 Capital Outlay Fund appropriations established for this project ($600,000 in Fiscal Year 2016 and $600,000 in Fiscal Year 2017) from Community Development Technology Reserves and the Public Works Technology Reserves to the Information Systems Capital Fund for purposes of consolidating all funds for the project in a single location; and

F. Appropriate $1,200,000 in the Fiscal Year 2017 Information Systems Capital Fund for this project.

14. Subject: Upgrade Of Cartegraph Asset Management Software For Maintenance Work Order Tracking (170.04)

Recommendation: That Council:

A. Authorize the Administrative Services Director to execute a professional services agreement with Cartegraph Systems, Inc., for the acquisition and implementation of the Operations Management System (OMS), in an amount not to exceed $191,503, and approve an additional $34,150 for contingency costs that may be necessary during the implementation;

B. Approve the Cartegraph OMS licensing subscription for two additional years in an annual amount not to exceed $71,003, beginning in year two; and

C. Approve the transfer of funds from the Airport Fund ($32,501), Downtown Parking Fund ($24,567), Streets Fund ($63,500), General Fund - Public Works Department ($53,613) and Waterfront Department ($51,472) to the Information Systems Capital Fund to cover the costs of the project.

CONSENT CALENDAR (CONT'D)

15. Subject: Cachuma Conservation Release Board Fiscal Year 2017 Budget Ratification (540.03)

Recommendation: That Council ratify the Cachuma Conservation Release Board Fiscal Year 2017 budget, with the City's proportional share not to exceed $448,535.

16. Subject: Contract For Construction Of Wastewater Main Rehabilitation Fiscal Year 2016 Project (540.13)

Recommendation: That Council find it to be in the City's best interest to waive the formal bid procedure as authorized by Municipal Code Section 4.52.070 (L), award a contract with Southwest Pipeline & Trenchless Corporation in their proposed amount of $270,778 for construction of the Wastewater Main Rehabilitation Fiscal Year 2016 Project, and authorize the Public Works Director to execute the contract and approve expenditures up to $27,078 to cover any cost increases that may result from contract change orders for extra work and differences between estimated quantities and actual quantities measured for payment.

NOTICES

17. The City Clerk has on Thursday, June 23, 2016, 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

CITY COUNCIL ADMINISTRATIVE AND ATTORNEY REPORTS

CITY ATTORNEY

18. Subject: Marijuana Business Tax Ballot Measure: The Santa Barbara Marijuana Control Act (110.03)

Recommendation: That Council adopt, by reading of title only and unanimous vote, A Resolution Of The Council of the City of Santa Barbara Calling and Giving Notice of a Consolidated Special Municipal Election to be Held in the City Of Santa Barbara On Tuesday, November 8, 2016 for the Submission Of A Ballot Measure to the Voters Of The City Pertaining To Enactment Of A General Tax on the Gross Receipts Of Marijuana Businesses.

PUBLIC HEARINGS

19. Subject: Public Hearing And Adoption Of 2015 Urban Water Management Plan (540.08)

Recommendation: That Council:

A. Hold a public hearing regarding the adoption of the update of the City's 2015 Urban Water Management Plan;

B. Adopt a 2020 water use target of 117 gallons per capita per day in accordance with the legislative requirements of the Water Conservation Act of 2009 and as set forth in Section 5 of the Urban Water Management Plan; and

C. Adopt and authorize the Public Works Director to transmit the City's 2015 Urban Water Management Plan to the California Department of Water Resources with such minor revisions as may be approved by the Public Works Director to ensure compliance with State Urban Water Management Plan requirements and that are consistent with the City's Long Term Water Supply Plan.

CITY COUNCIL ADMINISTRATIVE AND ATTORNEY REPORTS (CONT'D)

FINANCE

20. Subject: Status Of The Resource Recovery Project At Tajiguas Landfill (640.01)

Recommendation: That Council:

A. Receive a report on the status of the proposed Resource Recovery Project at Tajiguas Landfill; and

B. Direct staff to work with the Solid Waste Ad Hoc Committee to evaluate the project in greater detail.

MAYOR AND COUNCIL REPORTS

21. Subject: Appointments To City Advisory Groups (140.05)

Recommendation: That Council make appointments to the City's advisory groups.

COUNCIL AND STAFF COMMUNICATIONS

COUNCILMEMBER COMMITTEE ASSIGNMENT REPORTS

PUBLIC COMMENT (IF NECESSARY)

CLOSED SESSIONS

22. Subject: Public Employee Performance Evaluation - Government Code Section 54957(b)(1) (160.01)

Recommendation: That Council hold a closed session for a Public Employee Performance Evaluation under Government Code Section 54957(b)(1).

Title: City Attorney
Scheduling: Duration, 40 minutes; anytime
Report: None anticipated

CLOSED SESSIONS (CONT'D)

23. Subject: Subject: Conference with Labor Negotiators - Government Code Section 54947.6 (170.01)

Recommendation: That Council hold a closed session for a Conference with Labor Negotiators pursuant to Government Code section 54957.6.

City Designated Representatives:
Mayor Helene Schneider
Council Member Randy Rowse
Council Member Bendy White
Kristy Schmidt, Administrative Services Director

Unrepresented Employee: City Administrator

Scheduling: Duration, 40 minutes; anytime

Report: None anticipated

ADJOURNMENT

File Code 120.03

CITY OF SANTA BARBARA

FINANCE COMMITTEE

MEETING AGENDA

DATE: June 28, 2016
TIME: 12:30 P.M.
PLACE: David Gebhard Public Meeting Room
630 Garden Street

Gregg Hart, Chair
Bendy White
Jason Dominguez

Paul Casey
City Administrator

Robert Samario
Finance Director

ITEMS TO BE CONSIDERED:

1. **Subject: Citywide Infrastructure Needs**

   Recommendation: That the Finance Committee hear a presentation on alternatives to increase the amount of funding available to support investment in the Capital infrastructure related to City streets, including pavements, sidewalks, and storm drains.

File Code No. 120.03

CITY OF SANTA BARBARA

FINANCE COMMITTEE AGENDA REPORT

AGENDA DATE: June 28, 2016

TO: Finance Committee

FROM: Transportation Division, Public Works Department

SUBJECT: Citywide Infrastructure Needs

RECOMMENDATION:

That the Finance Committee hear a presentation on alternatives to increase the amount of funding available to support investment in the Capital infrastructure related to City streets, including pavements, sidewalks, and storm drains.

DISCUSSION:

Background

At the Council meeting on February 2, 2016, Council directed staff to work with the Finance Committee to develop options for increasing the amount of funding available for streets, sidewalks, storm drains, streetlights, traffic signals, and other related infrastructure (Streets Infrastructure).

On March 1, 2016, the Finance Committee heard staff presentations related to the Streets Fund revenue projections and related expenditures. In Fiscal Year 2016, Utility Users Tax and Gas Tax revenues are expected to be below budget by approximately $308,159. In Fiscal Year 2017, those same revenues are estimated to be approximately $399,427 less than originally proposed. Measure A revenue has seen modest growth.

On March 15, 2016, the Finance Committee heard a staff presentation related to the LA Consulting report dated August 2015. The report highlighted current Street Section activities and the potential to achieve monetary savings through the implementation of improved field-level maintenance planning activities.

On April 12, 2016, the Finance Committee heard a staff presentation related to the City's Capital Improvement Program Streets Funds related projects. There are currently over 30 Capital projects in various stages of completion. The majority of these projects are funded primarily, and in some cases entirely, through grants. The amount of Capital funds available is far short of the amount of funding necessary to maintain the Streets Infrastructure, and grants are not available for basic maintenance needs, including pavement and sidewalk maintenance. This presents a difficult choice between

leveraging the limited City funds for grants and allocating these funds for maintenance without leveraging grant funds.

On April 26, 2016, the Finance Committee heard a staff presentation related to the Streets Funds Operating Program. The Public Works Department's Transportation Division is currently reducing operating expenses by increasing the efficiencies associated with ongoing maintenance work. These operating expense savings will directly translate to future Capital fund increases, although these savings will not be sufficient to bridge the gap between current funding levels and maintenance needs.

On May 10, 2016, the Finance Committee heard a presentation from staff regarding the unfunded Capital needs for Streets and General Fund assets. The presentation highlighted the funding gap needed for maintenance of City parks, buildings, fire stations, roads, sidewalks, and storm drains.

On June 7, 2016, the Finance Committee heard a presentation from staff regarding potential strategies to increase Capital funding to streets and related infrastructure. The presentation highlighted the Streets Section's budgetary cost savings and efficiencies completed or anticipated in the near term. The presentation also presented potential cost shifts of activities and services from the Streets Fund to other funding sources.

At this meeting, staff will present updated information related to the Streets Funds' unfunded capital needs, and also will present summarized information of General Fund facilities' unfunded capital needs. Staff will also present potential new revenue options to address these unfunded capital needs.

BUDGET/FINANCIAL INFORMATION:

The City's infrastructure relies heavily on funds from special purpose or restricted funds. Funds for this infrastructure are flat or declining, while construction costs continue to rise. Deferral of the construction of these projects will result in continued deterioration of citywide assets and will ultimately accelerate the final construction costs needed for improvement of these assets.

SUSTAINABILITY IMPACT:

Well-maintained infrastructure supports a healthy environment by minimizing damage to vehicles. Well-functioning storm drains effectively convey water to creeks and the ocean, while decreasing the amount of transported debris, sediment, and litter.

PREPARED BY: Chris Toth, Transportation Division Manager/mj

SUBMITTED BY: Rebecca J. Bjork, Public Works Director

APPROVED BY: City Administrator's Office

CITY OF SANTA BARBARA
CITY COUNCIL MINUTES

SPECIAL MEETING
May 16, 2016
COUNCIL CHAMBER, 735 ANACAPA STREET

CALL TO ORDER

Mayor Helene Schneider called the meeting to order at 3:01 p.m.

PLEDGE OF ALLEGIANCE

Mayor Schneider.

ROLL CALL

Councilmembers present: Jason Dominguez, Gregg Hart, Frank Hotchkiss, Cathy Murillo, Randy Rowse, Bendy White, Mayor Schneider.
Councilmembers absent: None.
Staff present: City Administrator Paul Casey, City Attorney Ariel Pierre Calonne, Deputy City Clerk Susan Tschech.

PUBLIC COMMENT

No one wished to speak.

NOTICES

The City Clerk has on Thursday, May 12, 2016, 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.

PUBLIC HEARINGS

Subject: Fiscal Year 2017 Recommended Operating And Capital Budget (230.05)

Recommendation: That Council hear a presentation from the Parks and Recreation Department, including the Creeks and Golf Funds, on their Fiscal Year 2017 Recommended Budgets.

(Cont'd)

JUN 28 2016 #1

Subject: Fiscal Year 2017 Recommended Operating And Capital Budget (Cont'd)

Documents:
- May 16, 2016, report from the Finance Director.
- PowerPoint presentation prepared and made by Staff.

Public Comment Opened (continued from May 11, 2016):
3:02 p.m.

Speakers:
- Staff: Parks and Recreation Director Jill Zachary, Creeks Restoration/Clean Water Manager Cameron Benson, Parks and Recreation Business Manager Mark Sewell, Recreation Programs Manager Judith McCaffrey, City Administrator Paul Casey.
- Parks and Recreation Commission: Chair Lesley Wiscomb.

Discussion:
Parks and Recreation Staff reviewed in detail the recommended budgets for Fiscal Year 2017 for the Creeks and Golf Funds; the presentation of the Golf Fund's budget included information on new management and restaurant concession contracts, rounds and revenue, and a contribution for staff transfers. Staff then discussed the department's proposed General Fund budget, highlighting proposed personnel changes, revenues for both parks and recreation, a facility rental marketing plan, and capital projects. Councilmembers made comments and their questions were answered.

The public hearing was continued to May 23, 2016, at 3:00 p.m.

ADJOURNMENT

Mayor Schneider adjourned the meeting at 4:38 p.m.

SANTA BARBARA CITY COUNCIL

SANTA BARBARA
CITY CLERK'S OFFICE

_____ ATTEST: _____

HELENE SCHNEIDER
MAYOR

SUSAN TSCHECH, CMC
DEPUTY CITY CLERK

Agenda Item No. 2

File Code No. 430.08

CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: June 28, 2016

TO: Mayor and Councilmembers

FROM: Administration Division, Finance Department

SUBJECT: Professional Services Agreement With Bartel Associates, LLC For Actuarial Services

RECOMMENDATION:

That Council authorize the Finance Director to approve and execute a professional services agreement with Bartel Associates, LLC, to perform actuarial services in connection with the City's Post-Retirement Health Benefits, Sick Leave Benefits, and Article XV and XVA Safety Retirement Plans covering Fiscal Years 2016 and 2017, in an amount not to exceed $47,900, which includes $5,000 for additional services that may be required.

DISCUSSION:

Governmental accounting standards require that an actuarial valuation be performed every two years for any post-retirement benefits provided by the City to its employees. The purpose of the valuations is to calculate the actuarially determined contributions and obligations associated with the post-retirement benefits as of the valuation date; and to determine their funded status.

Valuations will be performed for the following items:

1. Post-Retirement Health Benefits

   This includes two components: (1) Monthly distributions paid to City employees from their retirement date until age 65 to cover medical expenses. Employees must meet certain vesting requirements, including being employed with the City for at least ten or fifteen years, depending on the bargaining unit, or retire from the City with an industrial disability retirement; and (2) subsidized health insurance premiums.

2. Sick Leave Retirement Benefits

   The City provides additional retirement benefits based on unused accumulated sick leave to eligible employees who retire from the City immediately upon termination of employment. Accumulated sick leave balances are converted to credited service that is used to provide additional retirement benefits. Employees must have accrued at least 500 hours of unused sick leave, have a minimum of five years of service and retire at a minimum age of 50.

3. Safety Retirement Plans

   The City provides two retirement plans for fire and police personnel hired between 1927 and 1965. The first plan, the Safety Retirement Plan, was established to account for the accumulation of resources for retirement benefits; the second plan, the Service Retirement Plan, was established for those fire and police employees that retired from the City and who were disabled due to work-related injuries. Both plans have been closed to new employees since May 1965.

The results of the valuations will be included both in the financial statements and in required footnote disclosures within the City's Comprehensive Annual Financial Report for Fiscal Years 2016 and 2017.

The fees associated with the proposed agreement with Bartel Associates, LLC are comprised of a fixed annual fixed fee of $39,400 in year one to perform full valuation actuarial services and $3,500 in year two to perform interim disclosure actuarial services. Any additional services beyond the basic scope of the agreement, such as additional consulting services and specialized reports, may not exceed $2,500 per year and must be approved in advance and in writing by the Finance Director. The initial term of the agreement is two years, with one optional two-year extension.

BUDGETARY AND FINANCIAL IMPACT:

The Fiscal Year 2017 adopted budget includes sufficient appropriations to cover the $39,400 fees for these services. Staff anticipates including the base annual cost of $3,500 for year two in the Fiscal Year 2018 budget. Any costs for extra services, up to the maximum annual amount of $2,500, will be covered by existing available Finance Department appropriations on an annual basis.

PREPARED BY: Julie Nemes, Treasury Manager

SUBMITTED BY: Robert Samario, Finance Director

APPROVED BY: City Administrator's Office

Agenda Item No. 3

File Code No. 250.02

CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: June 28, 2016

TO: Mayor and Councilmembers

FROM: Accounting Division, Finance Department

SUBJECT: Fiscal Year 2016 Interim Financial Statements For The Ten Months Ended April 30, 2016

RECOMMENDATION:

That Council accept the Fiscal Year 2016 Interim Financial Statements for the Ten Months Ended April 30, 2016.

DISCUSSION:

The interim financial statements for the ten months ended April 30, 2016 (83.3% of the fiscal year) are attached. The interim financial statements include budgetary activity in comparison to actual activity for the General Fund, Enterprise Funds, Internal Service Funds, and select Special Revenue Funds.

ATTACHMENT: Interim Financial Statements for the Ten Months Ended April 30, 2016

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 Ten Months Ended April 30, 2016 (83.3% of Fiscal Year)

	Annual Budget	YTD Actual	Encum-brances	Remaining Balance	Percent of Budget
GENERAL FUND					
Revenue	125,067,259	96,104,065	-	28,963,194	76.8%
Expenditures	126,734,319	99,602,761	2,163,550	24,968,009	80.3%
Addition to / (use of) reserves	(1,667,060)	(3,498,696)	(2,163,550)		
SOLID WASTE FUND					
Revenue	20,952,792	17,217,986	-	3,734,806	82.2%
Expenditures	20,999,104	16,740,075	280,340	3,978,690	81.1%
Addition to / (use of) reserves	(46,312)	477,911	(280,340)		
WATER OPERATING FUND					
Revenue	48,401,895	39,034,069	-	9,367,826	80.6%
Expenditures	52,606,438	39,500,204	1,594,486	11,511,749	78.1%
Addition to / (use of) reserves	(4,204,543)	(466,135)	(1,594,486)		
WASTEWATER OPERATING FUND					
Revenue	19,077,948	16,031,358	-	3,046,590	84.0%
Expenditures	21,182,457	14,864,076	1,301,413	5,016,968	76.3%
Addition to / (use of) reserves	(2,104,509)	1,167,282	(1,301,413)		
DOWNTOWN PARKING					
Revenue	8,714,958	7,570,544	-	1,144,414	86.9%
Expenditures	8,894,872	7,074,795	259,630	1,560,447	82.5%
Addition to / (use of) reserves	(179,914)	495,749	(259,630)		
AIRPORT OPERATING FUND					
Revenue	16,338,411	13,181,976	-	3,156,435	80.7%
Expenditures	17,726,517	13,481,489	658,993	3,586,036	79.8%
Addition to / (use of) reserves	(1,388,106)	(299,513)	(658,993)		
GOLF COURSE FUND					
Revenue	2,266,957	1,581,569	-	685,388	69.8%
Expenditures	2,329,493	1,818,299	6,451	504,743	78.3%
Addition to / (use of) reserves	(62,536)	(236,730)	(6,451)		
INTRA-CITY SERVICE FUND					
Revenue	7,416,651	6,187,467	-	1,229,184	83.4%
Expenditures	7,297,972	5,928,947	211,618	1,157,408	84.1%
Addition to / (use of) reserves	118,679	258,520	(211,618)		

CITY OF SANTA BARBARA
Interim Statement of Revenues and Expenditures
Summary by Fund
For the Ten Months Ended April 30, 2016 (83.3% of Fiscal Year)

	Annual Budget	YTD Actual	Encum-brances	Remaining Balance	Percent of Budget
FLEET REPLACEMENT FUND					
Revenue	3,245,667	2,854,647	-	391,020	88.0%
Expenditures	6,598,649	2,497,460	1,004,181	3,097,009	53.1%
Addition to / (use of) reserves	(3,352,982)	357,188	(1,004,181)		
FLEET MAINTENANCE FUND					
Revenue	2,722,761	2,285,202	-	437,559	83.9%
Expenditures	2,849,686	2,216,341	152,729	480,616	83.1%
Addition to / (use of) reserves	(126,925)	68,862	(152,729)		
SELF INSURANCE TRUST FUND					
Revenue	7,068,083	5,983,182	-	1,084,901	84.7%
Expenditures	6,920,675	5,421,706	32,247	1,466,722	78.8%
Addition to / (use of) reserves	147,408	561,476	(32,247)		
INFORMATION SYSTEMS ICS FUND					
Revenue	3,204,557	2,670,849	-	533,708	83.3%
Expenditures	3,682,136	2,910,133	41,078	730,925	80.1%
Addition to / (use of) reserves	(477,579)	(239,284)	(41,078)		
WATERFRONT FUND					
Revenue	13,458,598	12,244,851	-	1,213,747	91.0%
Expenditures	14,233,454	11,460,206	496,064	2,277,184	84.0%
Addition to / (use of) reserves	(774,856)	784,645	(496,064)		
TOTAL FOR ALL FUNDS					
Revenue	277,936,537	222,947,764	-	54,988,772	80.2%
Expenditures	292,055,773	223,516,491	8,202,778	60,336,504	79.3%
Addition to / (use of) reserves	(14,119,237)	(568,726)	(8,202,778)		

*** 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 Ten Months Ended April 30, 2016 (83.3% of Fiscal Year)

	Annual Budget	YTD Actual	Remaining Balance	Percent Received	Previous YTD
TAXES					
Sales and Use	23,367,961	15,086,034	8,281,927	64.6%	16,344,470
Property Taxes	28,742,300	22,594,679	6,147,621	78.6%	14,673,340
Utility Users Tax	7,219,700	6,057,372	1,162,328	83.9%	5,808,540
Transient Occupancy Tax	19,707,100	15,614,171	4,092,929	79.2%	15,536,623
Business License	2,624,400	2,262,532	361,868	86.2%	2,255,234
Real Property Transfer Tax	659,100	599,540	59,560	91.0%	522,775
Total	82,320,561	62,214,328	20,106,233	75.6%	55,140,982
LICENSES & PERMITS					
Licenses & Permits	219,700	132,447	87,253	60.3%	162,160
Total	219,700	132,447	87,253	60.3%	162,160
FINES & FORFEITURES					
Parking Violations	2,701,987	1,683,172	1,018,815	62.3%	2,193,706
Library Fines	89,500	49,406	40,094	55.2%	80,664
Municipal Court Fines	100,000	48,010	51,990	48.0%	53,384
Other Fines & Forfeitures	310,000	280,150	29,850	90.4%	290,173
Total	3,201,487	2,060,738	1,140,749	64.4%	2,617,927
USE OF MONEY & PROPERTY					
Investment Income	633,743	440,253	193,490	69.5%	452,941
Rents & Concessions	419,316	317,669	101,647	75.8%	320,576
Total	1,053,059	757,922	295,137	72.0%	773,517
INTERGOVERNMENTAL					
Grants	260,568	203,473	57,095	78.1%	191,723
Vehicle License Fees	35,000	36,752	(1,752)	105.0%	38,585
Reimbursements	437,900	1,359,416	(921,516)	310.4%	350,183
Total	733,468	1,599,641	(866,173)	218.1%	580,491
FEES & SERVICE CHARGES					
Finance	961,454	806,267	155,187	83.9%	806,894
Community Development	4,887,843	4,524,659	363,184	92.6%	3,731,959
Recreation	3,229,480	2,640,580	588,900	81.8%	2,460,660
Public Safety	611,342	401,740	209,602	65.7%	447,403
Public Works	6,357,295	5,003,538	1,353,757	78.7%	4,858,836
Library	873,320	816,258	57,062	93.5%	705,439
Reimbursements	4,760,907	3,808,009	952,899	80.0%	3,878,343
Total	21,681,641	18,001,051	3,680,590	83.0%	16,889,534
OTHER REVENUES					
Miscellaneous	1,944,918	1,439,427	505,491	74.0%	1,428,398
Franchise Fees	3,219,400	2,781,348	438,052	86.4%	2,969,875
Indirect Allocations	7,180,832	5,992,407	1,188,425	83.5%	5,342,629
Operating Transfers-In	1,512,193	1,124,755	387,438	74.4%	897,417
Anticipated Year-End Variance	2,000,000	-	2,000,000	0.0%	-
Total	15,857,343	11,337,937	4,519,406	71.5%	10,638,319
TOTAL REVENUES	125,067,259	96,104,065	28,963,194	76.8%	86,802,930

CITY OF SANTA BARBARA
General Fund
Interim Statement of Appropriations, Expenditures and Encumbrances
For the Ten Months Ended April 30, 2016 (83.3% 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	803,842	678,625	7,282	117,935	85.3%	
ARTS AND COMMUNITY PROMOTIONS	2,638,967	2,487,554	145,394	6,019	99.8%	
Total	3,442,809	3,166,180	152,676	123,954	96.4%	3,212,646
City Attorney						
CITY ATTORNEY-ADMINISTRATION	634,395	526,532.67	39,560	68,303	89.2%	
CITY ATTORNEY-ADVISORY	932,302	734,844	-	197,458	78.8%	
CITY ATTORNEY-CIVIL LITIGATION	738,668	614,512	-	124,156	83.2%	
CITY ATTORNEY-CODE ENFORCEMENT	228,540	120,143	-	108,397	52.6%	
Total	2,533,905	1,996,031	39,560	498,314	80.3%	2,753,941
Administration						
CITY ADMINISTRATOR	1,606,155	1,231,076	25,335	349,744	78.2%	
CITY TV	642,794	518,342	36,510	87,942	86.3%	
Total	2,248,949	1,749,418	61,845	437,686	80.5%	1,635,718
Administrative Services						
ADMINISTRATION	384,471	270,912	28,644	84,915	77.9%	
CITY CLERK	545,235	402,195	10,393	132,647	75.7%	
ELECTIONS	301,479	156,962	89,579	54,938	81.8%	
HUMAN RESOURCES	1,537,040	1,148,259	15,718	373,064	75.7%	
EMPLOYEE DEVELOPMENT	49,447	27,992	3,850	17,605	64.4%	
Total	2,817,672	2,006,320	148,184	663,169	76.5%	1,497,965
Finance						
ADMINISTRATION	253,839	210,809	9,535	33,495	86.8%	
REVENUE & CASH MANAGEMENT	508,976	381,965	35,419	91,592	82.0%	
CASHIERING & COLLECTION	513,575	411,225	-	102,350	80.1%	
LICENSES & PERMITS	528,331	414,721	5,985	107,624	79.6%	
BUDGET MANAGEMENT	480,869	385,998	-	94,871	80.3%	
ACCOUNTING	866,677	630,016	23,677	212,984	75.4%	
PAYROLL	374,443	303,400	-	71,043	81.0%	
ACCOUNTS PAYABLE	280,816	225,644	-	55,172	80.4%	
CITY BILLING & CUSTOMER SERVICE	696,488	524,155	60,375	111,959	83.9%	
PURCHASING	727,260	595,596	1,173	130,490	82.1%	
CENTRAL WAREHOUSE	203,235	174,056	332	28,846	85.8%	
MAIL SERVICES	120,721	96,815	22	23,885	80.2%	
Total	5,555,231	4,354,400	136,518	1,064,312	80.8%	4,000,009
TOTAL GENERAL GOVERNMENT	16,598,565	13,272,349	538,782	2,787,434	83.2%	13,100,279

CITY OF SANTA BARBARA
General Fund
Interim Statement of Appropriations, Expenditures and Encumbrances
For the Ten Months Ended April 30, 2016 (83.3% of Fiscal Year)

	Annual Budget	YTD Actual	Encum-brances	Remaining Balance	YTD Expended and Encumbered	Previous YTD
PUBLIC SAFETY						
Police						
CHIEF'S STAFF	1,181,521	995,320	22,976	163,225	86.2%	
SUPPORT SERVICES	723,816	541,228	80,831	101,758	85.9%	
RECORDS BUREAU	1,497,490	1,218,969	8,854	269,667	82.0%	
ADMIN SERVICES	1,154,526	1,148,900	9,422	(3,796)	100.3%	
PROPERTY ROOM	229,172	140,386	52	88,733	61.3%	
TRAINING/RECRUITMENT	617,615	456,977	18,870	141,768	77.0%	
RANGE	1,487,388	1,174,439	49,047	263,902	82.3%	
COMMUNITY & MEDIA RELATIONS	854,936	600,075	-	254,861	70.2%	
INFORMATION TECHNOLOGY	1,337,136	1,157,769	2,012	177,354	86.7%	
INVESTIGATIVE DIVISION	5,119,083	3,650,656	13,622	1,454,806	71.6%	
CRIME LAB	169,633	84,845	-	84,788	50.0%	
PATROL DIVISION	16,015,045	13,154,729	41,841	2,818,475	82.4%	
TRAFFIC	1,399,012	916,564	550	481,898	65.6%	
SPECIAL EVENTS	884,414	856,302	200	27,912	96.8%	
TACTICAL PATROL FORCE	1,683,590	1,553,790	-	129,800	92.3%	
STREET SWEEPING ENFORCEMENT	360,574	298,432	-	62,142	82.8%	
NIGHT LIFE ENFORCEMENT	315,189	267,076	-	48,113	84.7%	
PARKING ENFORCEMENT	1,016,030	713,565	-	302,465	70.2%	
COMBINED COMMAND CENTER	2,741,873	2,014,202	-	727,671	73.5%	
ANIMAL CONTROL	754,588	555,298	6,782	192,508	74.5%	
Total	39,542,631	31,499,524	255,058	7,788,049	80.3%	31,325,546
Fire						
ADMINISTRATION	946,445	807,031	529	138,884	85.3%	
EMERGENCY SERVICES AND PUBLIC ED	317,867	260,169	-	57,698	81.8%	
PREVENTION	1,287,740	1,059,605	-	228,135	82.3%	
WILDLAND FIRE MITIGATION PROGRAM	209,358	160,947	1,915	46,496	77.8%	
OPERATIONS	19,394,663	16,889,800	21,487	2,483,377	87.2%	
TRAINING AND RECRUITMENT	722,633	561,262	-	161,371	77.7%	
ARFF	2,013,700	1,827,992	-	185,708	90.8%	
Total	24,892,406	21,566,805	23,931	3,301,670	86.7%	19,814,114
TOTAL PUBLIC SAFETY	64,435,037	53,066,329	278,990	11,089,719	82.8%	51,139,660
PUBLIC WORKS						
Public Works						
ADMINISTRATION	1,136,473	829,829	6,057	300,586	73.6%	
ENGINEERING SVCS	5,636,770	4,417,756	58,743	1,160,271	79.4%	
PUBLIC RT OF WAY MGMT	1,196,091	931,127	40,176	224,787	81.2%	
ENVIRONMENTAL PROGRAMS	571,383	289,701	191,775	89,908	84.3%	
Total	8,540,717	6,468,414	296,751	1,775,552	79.2%	6,144,365
TOTAL PUBLIC WORKS	8,540,717	6,468,414	296,751	1,775,552	79.2%	6,144,365

CITY OF SANTA BARBARA
General Fund
Interim Statement of Appropriations, Expenditures and Encumbrances
For the Ten Months Ended April 30, 2016 (83.3% of Fiscal Year)

	Annual Budget	YTD Actual	Encum-brances	Remaining Balance	YTD Expended and Encumbered	Previous YTD
COMMUNITY SERVICES						
Parks & Recreation						
REC PROGRAM MGMT	749,707	587,726	10,259	151,722	79.8%	
FACILITIES & SPECIAL EVENTS	798,858	651,043	480	147,335	81.6%	
YOUTH ACTIVITIES	1,143,433	914,228	2,801	226,404	80.2%	
ACTIVE ADULTS	807,102	587,925	8,094	211,083	73.8%	
AQUATICS	1,428,471	1,150,428	36,419	241,624	83.1%	
SPORTS	593,967	465,825	374	127,769	78.5%	
TENNIS	284,884	216,437	4,600	63,847	77.6%	
NEIGHBORHOOD & OUTREACH SERV	1,338,315	1,100,137	-	238,179	82.2%	
ADMINISTRATION	846,741	563,939	6,602	276,200	67.4%	
PROJECT MANAGEMENT TEAM	556,412	390,319	-	166,093	70.1%	
PARK OPERATIONS MANAGEMENT	772,628	531,875	14,208	226,544	70.7%	
GROUNDS & FACILITIES MAINTENANCE	4,826,896	3,658,310	194,737	973,849	79.8%	
FORESTRY	1,327,068	1,056,461	39,428	231,178	82.6%	
BEACH MAINTENANCE	147,124	115,298	13,717	18,109	87.7%	
MEDIANS PARKWAYS & CONTRACTS	1,215,401	862,327	213,813	139,261	88.5%	
Total	16,837,006	12,852,277	545,533	3,439,196	79.6%	11,961,212
Library						
ADMINISTRATION	557,882	376,026	-	181,856	67.4%	
PUBLIC SERVICES	3,143,303	2,218,472	-	924,831	70.6%	
SUPPORT SERVICES	1,762,940	1,447,876	14,905	300,159	83.0%	
Total	5,464,124	4,042,373	14,905	1,406,846	74.3%	4,001,213
TOTAL COMMUNITY SERVICES	22,301,131	16,894,651	560,437	4,846,043	78.3%	15,962,425
COMMUNITY DEVELOPMENT						
Community Development						
ADMINISTRATION	1,450,284	1,237,805	391	212,088	85.4%	
RENTAL HOUSING MEDIATION	220,324	188,836	-	31,488	85.7%	
HUMAN SERVICES	1,098,760	751,213	298,689	48,858	95.6%	
HOUSING PRESERVATION AND DEV	25,152	4,955	17,256	2,941	88.3%	
LONG RANGE PLAN & SPEC STUDY	890,739	690,236	4,706	195,796	78.0%	
DEVEL & ENVIRONMENTAL REVIEW	1,479,691	1,102,902	53,789	322,999	78.2%	
ZONING INFO & ENFORCEMENT	1,521,429	1,144,875	1,698	374,857	75.4%	
DESIGN REV & HIST PRESERVATION	1,176,685	921,837	21,456	233,392	80.2%	
BLDG INSP & CODE ENFORCEMENT	1,218,282	1,008,809	243	209,231	82.8%	
RECORDS ARCHIVES & CLER SVCS	588,810	451,772	2,445	134,593	77.1%	
BLDG COUNTER & PLAN REV SVCS	1,747,579	1,319,308	87,917	340,354	80.5%	
Total	11,417,735	8,822,548	488,590	2,106,598	81.5%	7,845,976
TOTAL COMMUNITY DEVELOPMENT	11,417,735	8,822,548	488,590	2,106,598	81.5%	7,845,976

CITY OF SANTA BARBARA
General Fund
Interim Statement of Appropriations, Expenditures and Encumbrances
For the Ten Months Ended April 30, 2016 (83.3% 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	239,991	52,741	-	187,250	22.0%	
DEBT SERVICE TRANSFERS	344,402	311,481	-	32,921	90.4%	
CAPITAL OUTLAY TRANSFER	855,000	712,500	-	142,500	83.3%	
APPROP.RESERVE	2,001,742	-	-	2,001,742	0.0%	
Total	3,441,135	1,078,471	-	2,362,664	31.3%	1,820,567
TOTAL NON-DEPARTMENTAL	3,441,135	1,078,471	-	2,362,664	31.3%	1,820,567
TOTAL EXPENDITURES	126,734,319	99,602,761	2,163,550	24,968,009	80.3%	96,013,272

*** 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 Ten Months Ended April 30, 2016 (83.3% of Fiscal Year)

	Annual Budget	YTD Actual	Encum-brances	Remaining Balance	Percent of Budget
TRAFFIC SAFETY FUND					
Revenue	525,000	278,668	-	246,332	53.1%
Expenditures	525,000	280,348	-	244,652	53.4%
Revenue Less Expenditures	-	(1,680)	-	1,680	
CREEK RESTORATION/WATER QUALITY IMPRVMT					
Revenue	4,070,672	3,242,012	-	828,660	79.6%
Expenditures	6,974,912	5,857,374	384,528	733,009	89.5%
Revenue Less Expenditures	(2,904,240)	(2,615,363)	(384,528)	95,652	
COMMUNITY DEVELOPMENT BLOCK GRANT					
Revenue	1,833,936	370,286	-	1,463,650	20.2%
Expenditures	2,109,112	627,749	321,043	1,160,320	45.0%
Revenue Less Expenditures	(275,176)	(257,463)	(321,043)	303,330	
COUNTY LIBRARY					
Revenue	2,123,550	1,554,276	-	569,274	73.2%
Expenditures	2,317,824	1,848,950	4,576	464,298	80.0%
Revenue Less Expenditures	(194,273)	(294,674)	(4,576)	104,976	
STREETS FUND					
Revenue	9,989,620	8,461,301	-	1,528,319	84.7%
Expenditures	10,675,916	8,586,700	246,234	1,842,982	82.7%
Revenue Less Expenditures	(686,296)	(125,399)	(246,234)	(314,663)	
MEASURE A					
Revenue	3,669,665	3,001,708	-	667,957	81.8%
Expenditures	4,061,904	3,289,917	209,872	562,115	86.2%
Revenue Less Expenditures	(392,239)	(288,209)	(209,872)	105,842	

CITY OF SANTA BARBARA
Interim Statement of Revenues and Expenditures
For the Ten Months Ended April 30, 2016 (83.3% of Fiscal Year)

SOLID WASTE FUND

	Annual Budget	YTD Actual	Encum-brances	Remaining Balance	Percent of Budget	Previous YTD
REVENUES						
Service charges	20,341,706	16,979,068	-	3,362,638	83.5%	16,827,680
Other Fees & Charges	361,642	191,642	-	170,000	53.0%	183,325
Investment Income	12,200	18,986	-	(6,786)	155.6%	11,798
Grants	-	23,979	-	(23,979)	100.0%	-
Miscellaneous	237,244	4,311	-	232,933	1.8%	233,933
TOTAL REVENUES	20,952,792	17,217,986	-	3,734,806	82.2%	17,256,736
EXPENSES						
Salaries & Benefits	998,573	722,559	-	276,014	72.4%	764,130
Materials, Supplies & Services	19,131,521	15,655,394	201,399	3,274,729	82.9%	15,605,065
Special Projects	597,261	285,864	9,151	302,246	49.4%	273,318
Transfers-Out	50,000	41,667	-	8,333	83.3%	41,667
Equipment	156,749	34,592	69,790	52,367	66.6%	23,626
Other	40,000	-	-	40,000	0.0%	-
Appropriated Reserve	25,000	-	-	25,000	0.0%	-
TOTAL EXPENSES	20,999,104	16,740,075	280,340	3,978,690	81.1%	16,707,806

CITY OF SANTA BARBARA
Interim Statement of Revenues and Expenditures
For the Ten Months Ended April 30, 2016 (83.3% of Fiscal Year)

WATER OPERATING FUND

	Annual Budget	YTD Actual	Encum-brances	Remaining Balance	Percent of Budget	Previous YTD
REVENUES						
Water Sales- Metered	41,800,000	32,961,940	-	8,838,060	78.9%	26,695,617
Service Charges	651,100	892,480	-	(241,380)	137.1%	695,464
Cater JPA Treatment Charges	1,680,000	1,311,114	-	368,886	78.0%	1,061,038
Investment Income	437,950	142,460	-	295,490	32.5%	355,537
Rents & Concessions	22,872	13,342	-	9,530	58.3%	19,060
Reimbursements	745,740	634,343	-	111,397	85.1%	345,021
Miscellaneous	111,000	125,157	-	(14,157)	112.8%	69,436
Operating Transfers-In	2,953,233	2,953,233	-	-	100.0%	1,949,833
TOTAL REVENUES	48,401,895	39,034,069	-	9,367,826	80.6%	31,191,006
EXPENSES						
Salaries & Benefits	9,311,184	7,270,737	-	2,040,447	78.1%	6,974,969
Materials, Supplies & Services	11,568,990	7,259,046	1,444,574	2,865,370	75.2%	6,620,141
Special Projects	1,080,948	364,774	92,282	623,892	42.3%	160,740
Water Purchases	8,644,749	6,555,240	30,046	2,059,463	76.2%	6,650,308
Debt Service	4,692,620	3,848,861	-	843,759	82.0%	3,084,633
Transfer-Out	9,586,101	7,988,418	-	1,597,684	83.3%	1,012,502
Capital Outlay Transfers	7,220,795	6,066,628	-	1,154,167	84.0%	10,224,357
Equipment	167,576	37,851	9,579	120,146	28.3%	89,360
Capitalized Fixed Assets	154,475	81,892	17,005	55,578	64.0%	35,369
Other	29,000	26,756	1,000	1,244	95.7%	24,306
Appropriated Reserve	150,000	-	-	150,000	0.0%	-
TOTAL EXPENSES	52,606,438	39,500,204	1,594,486	11,511,749	78.1%	34,876,685

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 Ten Months Ended April 30, 2016 (83.3% of Fiscal Year)

WASTEWATER OPERATING FUND

	Annual Budget	YTD Actual	Encum-brances	Remaining Balance	Percent of Budget	Previous YTD
REVENUES						
Service Charges	17,844,201	14,589,189	-	3,255,012	81.8%	14,066,238
Fees	533,668	733,883	-	(200,215)	137.5%	787,771
Investment Income	162,700	137,445	-	25,255	84.5%	138,645
Rents & Concessions	34,358	29,169	-	5,189	84.9%	28,632
Miscellaneous	6,000	44,650	-	(38,650)	744.2%	1,850
Operating Transfers-In	497,021	497,021	-	-	100.0%	-
TOTAL REVENUES	19,077,948	16,031,358	-	3,046,590	84.0%	15,023,136
EXPENSES						
Salaries & Benefits	5,917,398	4,687,230	-	1,230,168	79.2%	4,529,411
Materials, Supplies & Services	7,492,288	5,032,733	966,201	1,493,355	80.1%	5,298,021
Special Projects	635,271	105,676	317,950	211,646	66.7%	146,581
Transfer-Out	900,000	900,000	-	-	100.0%	-
Debt Service	1,794,917	620,053	-	1,174,864	34.5%	633,698
Capital Outlay Transfers	4,150,000	3,458,333	-	691,667	83.3%	3,776,691
Equipment	71,610	27,970	7,180	36,460	49.1%	45,727
Capitalized Fixed Assets	67,973	29,361	10,083	28,529	58.0%	1,386
Other	3,000	2,720	-	280	90.7%	2,750
Appropriated Reserve	150,000	-	-	150,000	0.0%	-
TOTAL EXPENSES	21,182,457	14,864,076	1,301,413	5,016,968	76.3%	14,434,265

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 Ten Months Ended April 30, 2016 (83.3% of Fiscal Year)

DOWNTOWN PARKING FUND

	Annual Budget	YTD Actual	Encum-brances	Remaining Balance	Percent of Budget	Previous YTD
REVENUES						
Improvement Tax	1,080,000	977,790	-	102,210	90.5%	1,014,975
Parking Fees	7,034,826	6,008,630	-	1,026,196	85.4%	5,876,073
Other Fees & Charges	6,918	8,827	-	(1,909)	127.6%	4,349
Investment Income	104,200	97,565	-	6,635	93.6%	88,676
Rents & Concessions	107,000	89,167	-	17,833	83.3%	88,011
Miscellaneous	7,500	21,301	-	(13,801)	284.0%	53,036
Operating Transfers-In	374,514	367,264	-	7,250	98.1%	36,250
TOTAL REVENUES	8,714,958	7,570,544	-	1,144,414	86.9%	7,161,370
EXPENSES						
Salaries & Benefits	4,352,940	3,593,769	-	759,171	82.6%	3,507,640
Materials, Supplies & Services	2,371,221	1,791,593	124,087	455,540	80.8%	1,618,543
Special Projects	469,656	329,781	132,727	7,148	98.5%	421,034
Transfer-Out	318,399	265,333	-	53,067	83.3%	257,604
Capital Outlay Transfers	1,305,000	1,087,500	-	217,500	83.3%	808,333
Equipment	24,854	6,819	670	17,365	30.1%	18,044
Capitalized Fixed Assets	26,716	-	2,146	24,570	8.0%	-
Appropriated Reserve	26,087	-	-	26,087	0.0%	-
TOTAL EXPENSES	8,894,872	7,074,795	259,630	1,560,447	82.5%	6,631,198

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 Ten Months Ended April 30, 2016 (83.3% of Fiscal Year)

AIRPORT OPERATING FUND

	Annual Budget	YTD Actual	Encum-brances	Remaining Balance	Percent of Budget	Previous YTD
REVENUES						
Leases-Commercial/Industrial	4,488,390	3,584,502	-	903,888	79.9%	3,494,241
Leases-Terminal	4,884,637	4,003,064	-	881,573	82.0%	3,990,729
Leases-Non-Commercial Aviation	2,093,650	1,718,840	-	374,810	82.1%	1,640,967
Leases-Commercial Aviation	4,544,034	3,679,437	-	864,598	81.0%	3,595,750
Investment Income	106,600	90,926	-	15,675	85.3%	90,644
Miscellaneous	216,300	100,408	-	115,892	46.4%	151,236
Operating Transfers-In	4,800	4,800	-	-	100.0%	-
TOTAL REVENUES	16,338,411	13,181,976	-	3,156,435	80.7%	12,963,567
EXPENSES						
Salaries & Benefits	6,006,251	4,569,695	-	1,436,556	76.1%	4,440,221
Materials, Supplies & Services	8,303,618	6,123,102	655,485	1,525,031	81.6%	6,108,523
Special Projects	48,415	1,628	35	46,752	3.4%	4,902
Transfer-Out	12,662	10,552	-	2,110	83.3%	16,962
Debt Service	1,816,586	1,513,822	-	302,764	83.3%	1,513,098
Capital Outlay Transfers	1,313,733	1,146,743	-	166,990	87.3%	-
Equipment	140,627	115,947	3,474	21,207	84.9%	52,446
Appropriated Reserve	84,626	-	-	84,626	0.0%	-
TOTAL EXPENSES	17,726,517	13,481,489	658,993	3,586,036	79.8%	12,136,152

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 Ten Months Ended April 30, 2016 (83.3% of Fiscal Year)

GOLF COURSE FUND

	Annual Budget	YTD Actual	Encum-brances	Remaining Balance	Percent of Budget	Previous YTD
REVENUES						
Fees & Card Sales	1,753,034	1,321,324	-	431,710	75.4%	1,344,223
Investment Income	7,900	6,609	-	1,291	83.7%	6,748
Rents & Concessions	325,523	251,360	-	74,163	77.2%	234,654
Miscellaneous	500	2,275	-	(1,775)	455.0%	2,037
Operating Transfers-In	180,000	-	-	180,000	0.0%	-
TOTAL REVENUES	2,266,957	1,581,569	-	685,388	69.8%	1,587,662
EXPENSES						
Salaries & Benefits	1,081,239	881,272	-	199,967	81.5%	934,413
Materials, Supplies & Services	720,175	537,834	6,442	175,899	75.6%	451,347
Special Projects	9	-	9	-	100.0%	354
Debt Service	262,122	177,419	-	84,703	67.7%	180,961
Capital Outlay Transfers	265,048	220,873	-	44,175	83.3%	67,273
Other	900	901	-	(1)	100.1%	901
TOTAL EXPENSES	2,329,493	1,818,299	6,451	504,743	78.3%	1,635,249

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 Ten Months Ended April 30, 2016 (83.3% of Fiscal Year)

INTRA-CITY SERVICE FUND

	Annual Budget	YTD Actual	Encum-brances	Remaining Balance	Percent of Budget	Previous YTD
REVENUES						
Service Charges	3,787,803	3,156,502	-	631,301	83.3%	2,198,641
Work Orders - Bldg Maint.	3,401,421	2,830,441	-	570,980	83.2%	2,124,967
Miscellaneous	94,946	68,044	-	26,902	71.7%	42,201
Operating Transfers-In	132,481	132,481	-	-	100.0%	4,167
TOTAL REVENUES	7,416,651	6,187,467	-	1,229,184	83.4%	4,369,976
EXPENSES						
Salaries & Benefits	3,801,207	3,163,023	-	638,184	83.2%	2,988,301
Materials, Supplies & Services	2,460,732	1,918,733	160,117	381,883	84.5%	1,306,913
Special Projects	599,220	495,606	49,296	54,318	90.9%	471,929
Capital Outlay Transfers	410,612	342,177	-	68,435	83.3%	1,267,070
Equipment	12,854	4,253	-	8,601	33.1%	5,642
Capitalized Fixed Assets	13,347	5,156	2,206	5,985	55.2%	4,048
TOTAL EXPENSES	7,297,972	5,928,947	211,618	1,157,408	84.1%	6,043,903

CITY OF SANTA BARBARA
Interim Statement of Revenues and Expenditures
For the Ten Months Ended April 30, 2016 (83.3% of Fiscal Year)

FLEET REPLACEMENT FUND

	Annual Budget	YTD Actual	Encum-brances	Remaining Balance	Percent of Budget	Previous YTD
REVENUES						
Vehicle Rental Charges	2,809,765	2,475,320	-	334,445	88.1%	1,870,114
Investment Income	116,700	105,075	-	11,625	90.0%	98,576
Rents & Concessions	146,084	121,737	-	24,347	83.3%	194,972
Miscellaneous	173,118	152,516	-	20,602	88.1%	164,727
Operating Transfers-In	-	-	-	-	0.0%	26,156
TOTAL REVENUES	3,245,667	2,854,647	-	391,020	88.0%	2,354,545
EXPENSES						
Salaries & Benefits	207,466	161,998	-	45,468	78.1%	157,344
Materials, Supplies & Services	1,243	1,801	-	(558)	144.9%	2,133
Special Projects	698,567	54,340	20,993	623,234	10.8%	1,623
Capitalized Fixed Assets	5,691,373	2,279,321	983,187	2,428,865	57.3%	1,936,437
TOTAL EXPENSES	6,598,649	2,497,460	1,004,181	3,097,009	53.1%	2,097,537

CITY OF SANTA BARBARA
Interim Statement of Revenues and Expenditures
For the Ten Months Ended April 30, 2016 (83.3% of Fiscal Year)

FLEET MAINTENANCE FUND

	Annual Budget	YTD Actual	Encum-brances	Remaining Balance	Percent of Budget	Previous YTD
REVENUES						
Vehicle Maintenance Charges	2,609,691	2,183,426	-	426,265	83.7%	2,106,356
Reimbursements	10,000	8,333	-	1,667	83.3%	8,333
Miscellaneous	103,070	93,443	-	9,627	90.7%	109,038
TOTAL REVENUES	2,722,761	2,285,202	-	437,559	83.9%	2,223,727
EXPENSES						
Salaries & Benefits	1,339,285	1,060,793	-	278,492	79.2%	1,026,329
Materials, Supplies & Services	1,247,377	1,016,514	143,109	87,754	93.0%	933,694
Special Projects	81,308	24,695	9,620	46,993	42.2%	24,366
Debt Service	43,070	35,892	-	7,178	83.3%	35,892
Equipment	89,307	48,990	-	40,317	54.9%	7,951
Capitalized Fixed Assets	35,338	29,457	-	5,881	83.4%	342,033
Appropriated Reserve	14,000	-	-	14,000	0.0%	-
TOTAL EXPENSES	2,849,686	2,216,341	152,729	480,616	83.1%	2,370,265

CITY OF SANTA BARBARA
Interim Statement of Revenues and Expenditures
For the Ten Months Ended April 30, 2016 (83.3% of Fiscal Year)

SELF INSURANCE TRUST FUND

	Annual Budget	YTD Actual	Encum-brances	Remaining Balance	Percent of Budget	Previous YTD
REVENUES						
Insurance Premiums	3,156,625	2,630,521	-	526,104	83.3%	2,320,852
Workers' Compensation Premiums	3,342,571	2,786,760	-	555,811	83.4%	2,823,471
OSH Charges	231,057	192,548	-	38,510	83.3%	169,552
Unemployment Insurance Premium	221,805	184,838	-	36,968	83.3%	-
Investment Income	40,200	37,555	-	2,645	93.4%	35,032
Miscellaneous	-	87,773	-	(87,773)	100.0%	30,305
Operating Transfers-In	75,825	63,188	-	12,638	83.3%	63,188
TOTAL REVENUES	7,068,083	5,983,182	-	1,084,901	84.7%	5,442,400
EXPENSES						
Salaries & Benefits	597,085	475,203	-	121,882	79.6%	401,158
Materials, Supplies & Services	6,323,587	4,946,503	32,244	1,344,840	78.7%	5,666,142
Special Projects	3	-	3	-	100.0%	118
Equipment	-	-	-	-	0.0%	3,354
TOTAL EXPENSES	6,920,675	5,421,706	32,247	1,466,722	78.8%	6,070,772

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 Ten Months Ended April 30, 2016 (83.3% of Fiscal Year)

INFORMATION SYSTEMS ICS FUND

	Annual Budget	YTD Actual	Encum-brances	Remaining Balance	Percent of Budget	Previous YTD
REVENUES						
Service charges	3,204,557	2,670,849	-	533,708	83.3%	2,600,490
TOTAL REVENUES	3,204,557	2,670,849	-	533,708	83.3%	2,600,490
EXPENSES						
Salaries & Benefits	1,953,525	1,555,408	-	398,118	79.6%	1,398,038
Materials, Supplies & Services	1,087,157	842,063	41,067	204,027	81.2%	715,975
Special Projects	18,481	4,503	12	13,967	24.4%	871
Capital Outlay Transfers	604,000	503,333	-	100,667	83.3%	286,667
Equipment	2,750	4,827	-	(2,077)	175.5%	7,964
Capital Fixed Assets	-	-	-	-	0.0%	14
Appropriated Reserve	16,223	-	-	16,223	0.0%	-
TOTAL EXPENSES	3,682,136	2,910,133	41,078	730,925	80.1%	2,409,529

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 Ten Months Ended April 30, 2016 (83.3% of Fiscal Year)

WATERFRONT FUND

	Annual Budget	YTD Actual	Encum-brances	Remaining Balance	Percent of Budget	Previous YTD
REVENUES						
Leases - Commercial	1,428,787	1,335,603	-	93,184	93.5%	1,356,115
Leases - Food Service	2,844,333	2,635,484	-	208,849	92.7%	2,773,973
Slip Rental Fees	4,288,834	3,596,229	-	692,605	83.9%	3,496,129
Visitors Fees	500,000	392,194	-	107,806	78.4%	403,704
Slip Transfer Fees	575,000	636,775	-	(61,775)	110.7%	969,900
Parking Revenue	2,385,820	2,264,525	-	121,295	94.9%	2,185,732
Wharf Parking	262,258	135,920	-	126,338	51.8%	233,729
Grants	10,000	-	-	10,000	0.0%	25,131
Other Fees & Charges	242,304	230,151	-	12,153	95.0%	215,809
Investment Income	95,700	98,595	-	(2,895)	103.0%	112,844
Rents & Concessions	310,770	289,818	-	20,952	93.3%	272,222
Reimbursements	-	1,777	-	(1,777)	100.0%	-
Miscellaneous	514,792	627,780	-	(112,988)	121.9%	479,769
TOTAL REVENUES	13,458,598	12,244,851	-	1,213,747	91.0%	12,525,057
EXPENSES						
Salaries & Benefits	6,272,587	5,013,518	-	1,259,069	79.9%	4,921,958
Materials, Supplies & Services	4,151,107	3,349,497	372,714	428,896	89.7%	3,168,904
Special Projects	265,629	185,611	50,820	29,199	89.0%	172,255
Debt Service	1,841,620	1,668,175	-	173,445	90.6%	1,672,633
Capital Outlay Transfers	1,453,144	1,210,953	72,244	169,947	88.3%	1,154,167
Equipment	112,262	30,076	287	81,899	27.0%	28,028
Capital Fixed Assets	37,104	-	-	37,104	0.0%	-
Other	-	2,375	-	(2,375)	100.0%	1,375
Appropriated Reserve	100,000	-	-	100,000	0.0%	-
TOTAL EXPENSES	14,233,454	11,460,206	496,064	2,277,184	84.0%	11,119,320

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.

Agenda Item No. 4

File Code No. 260.02

CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: June 28, 2016

TO: Mayor and Councilmembers

FROM: Treasury Division, Finance Department

SUBJECT: May 2016 Investment Report

RECOMMENDATION:

That Council accept the May 2016 Investment Report.

DISCUSSION:

The attached investment report includes Investment Activity, Interest Revenue, a Summary of Cash and Investments, and Investment Portfolio detail as of May 31, 2016.

ATTACHMENT: May 2016 Investment Report

PREPARED BY: Julie Nemes, Treasury Manager

SUBMITTED BY: Robert Samario, Finance Director

APPROVED BY: City Administrator's Office

CITY OF SANTA BARBARA
Activity and Interest Report
May 31, 2016

INVESTMENT ACTIVITY

PURCHASES OR DEPOSITS

5/2	LAIF Deposit - City	$	4,000,000
5/18	LAIF Deposit - City		6,000,000
5/26	Federal National Mortgage Association (FNMA)		2,000,000
5/26	Federal National Mortgage Association (FNMA)		2,000,000
	Total	**$**	**14,000,000**

SALES, MATURITIES, CALLS OR WITHDRAWALS

5/15	United States Treasury Note (USTN) - Maturity	$	(2,000,000)
5/25	Federal Home Loan Mortgage Corp (FHLMC) - Call		(2,000,000)
	Total	**$**	**(4,000,000)**

ACTIVITY TOTAL	**$**	**10,000,000**

INVESTMENT INCOME

POOLED INVESTMENTS

Interest Earned on Investments	$	141,032
Amortization		(5,566)
Total	**$**	**135,466**

INCOME TOTAL	**$**	**135,466**

ATTACHMENT

CITY OF SANTA BARBARA

Summary of Cash and Investments

May 31, 2016

ENDING BALANCE AS OF APRIL 30, 2016

Description	Book Value	Yield to Maturity (365 days)	Percent of Portfolio	Average Days to Maturity
MUFG Union Bank NA Checking Account	$ 19,822,917	0.400%	13.24%	1
State of California LAIF	40,000,000	0.525%	26.71%	1
Certificates of Deposit	7,000,000	1.644%	4.67%	764
Treasury Securities	6,011,241	0.517%	4.01%	146
Federal Agency Issues - Coupon	64,001,108	1.430%	42.73%	921
Corporate/Medium Term Notes	8,010,058	1.752%	5.35%	644
	144,845,325	1.029%	96.72%	486
SB Airport Promissory Note	4,919,388	4.195%	3.28%	4,808
Totals and Averages	**$ 149,764,713**	**1.133%**	**100.00%**	**628**
Total Cash and Investments	**$ 149,764,713**			

NET CASH AND INVESTMENT ACTIVITY FOR MAY 2016 **$ 12,326,002**

ENDING BALANCE AS OF MAY 31, 2016

Description	Book Value	Yield to Maturity (365 days)	Percent of Portfolio	Average Days to Maturity	
MUFG Union Bank NA Checking Account	$ 22,154,485	0.400%	13.67%	1	(1)
State of California LAIF	50,000,000	0.552%	30.85%	1	(2)
Certificates of Deposit	7,000,000	1.644%	4.32%	733	
Treasury Securities	4,006,395	0.554%	2.47%	182	
Federal Agency Issues - Coupon	66,001,016	1.436%	40.72%	924	
Corporate/Medium Term Notes	8,009,431	1.752%	4.94%	613	
	157,171,327	1.012%	96.97%	457	
SB Airport Promissory Note	4,919,388	4.195%	3.03%	4,777	
Totals and Averages	**$ 162,090,715**	**1.108%**	**100.00%**	**588**	
Total Cash and Investments	**$ 162,090,715**				

Note: (1) Interest earnings allowance is provided at the rate of 0.400% by MUFG Union Bank, N.A. to help offset banking fees.

(2) The average life of the LAIF portfolio as of May 31, 2016 is 167 days.

CITY OF SANTA BARBARA
Investment Portfolio
May 31, 2016

DESCRIPTION	PURCHASE DATE	MATURITY DATE	QUALITY RATING MOODY'S	QUALITY RATING S & P	STATED RATE	YIELD AT 365	FACE VALUE	BOOK VALUE	MARKET VALUE	BOOK GAIN/(LOSS)	COMMENTS
LOCAL AGENCY INVESTMENT FUNDS											
LOCAL AGENCY INVESTMENT FUND	-	-	-	-	0.552	0.552	50,000,000.00	50,000,000.00	50,000,000.00	0.00	
Subtotal, LAIF							50,000,000.00	50,000,000.00	50,000,000.00	0.00	
CERTIFICATES OF DEPOSIT											
ALLY BANK	09/24/15	09/25/17	-	-	1.250	1.250	250,000.00	250,000.00	251,152.50	1,152.50	FDIC Certificate 57803
AMERICAN EXPRESS BANK FSB	10/23/14	10/23/19	-	-	2.200	2.200	250,000.00	250,000.00	256,687.50	6,687.50	FDIC Certificate 35328
AMERICAN EXPRESS CENTURION BK	09/30/15	09/30/20	-	-	2.250	2.250	250,000.00	250,000.00	257,997.50	7,997.50	FDIC Certificate 27471
BMO HARRIS BANK NA	09/30/15	09/29/17	-	-	1.100	1.100	250,000.00	250,000.00	251,120.00	1,120.00	FDIC Certificate 16571
BMW BK NORTH AMERICA	09/30/15	09/30/20	-	-	2.200	2.200	250,000.00	250,000.00	258,007.50	8,007.50	FDIC Certificate 35141
CAPITAL ONE BANK USA NA	10/29/14	10/29/19	-	-	1.900	1.900	250,000.00	250,000.00	256,732.50	6,732.50	FDIC Certificate 33954
CAPITAL ONE NA	09/30/15	09/30/20	-	-	2.250	2.250	250,000.00	250,000.00	257,997.50	7,997.50	FDIC Certificate 4297
DISCOVER BANK	09/30/15	09/30/20	-	-	2.300	2.300	250,000.00	250,000.00	259,052.50	9,052.50	FDIC Certificate 5649
EVERBANK	09/30/15	09/29/17	-	-	1.100	1.100	250,000.00	250,000.00	251,120.00	1,120.00	FDIC Certificate 34775
GE CAPITAL BANK	10/17/14	10/17/19	-	-	2.000	2.000	250,000.00	250,000.00	256,625.00	6,625.00	FDIC Certificate 33778
GOLDMAN SACHS BANK USA	10/29/14	10/29/19	-	-	2.150	2.150	250,000.00	250,000.00	256,697.50	6,697.50	FDIC Certificate 33124
KEY BANK NA	09/30/15	10/02/17	-	-	1.150	1.150	250,000.00	250,000.00	251,150.00	1,150.00	FDIC Certificate 17534
UNION BANK	08/31/12	08/31/17	-	-	1.490	1.511	4,000,000.00	4,000,000.00	4,000,000.00	0.00	
Subtotal, Certificates of deposit							7,000,000.00	7,000,000.00	7,064,340.00	64,340.00	
TREASURY SECURITIES - COUPON											
U S TREASURY NOTE	02/22/13	08/31/16	Aaa	AA+	1.000	0.502	2,000,000.00	2,002,454.56	2,003,060.00	605.44	
U S TREASURY NOTE	02/22/13	02/28/17	Aaa	AA+	0.875	0.607	2,000,000.00	2,003,940.01	2,002,820.00	(1,120.01)	
Subtotal, Treasury Securities							4,000,000.00	4,006,394.57	4,005,880.00	(514.57)	
FEDERAL AGENCY ISSUES - COUPON											
FED AGRICULTURAL MTG CORP	10/03/13	10/03/18	-	-	1.720	1.720	2,000,000.00	2,000,000.00	2,027,000.00	27,000.00	
FED AGRICULTURAL MTG CORP	12/12/13	12/12/18	-	-	1.705	1.705	2,000,000.00	2,000,000.00	2,032,880.00	32,880.00	
FEDERAL FARM CREDIT BANK	09/18/13	09/18/17	Aaa	AA+	1.550	1.550	2,000,000.00	2,000,000.00	2,016,880.00	16,880.00	
FEDERAL FARM CREDIT BANK	07/17/13	07/17/17	Aaa	AA+	1.300	1.300	2,000,000.00	2,000,000.00	2,010,840.00	10,840.00	
FEDERAL FARM CREDIT BANK	06/24/15	06/24/19	Aaa	AA+	1.520	1.520	2,000,000.00	2,000,000.00	2,022,500.00	22,500.00	
FEDERAL HOME LOAN BANK	09/13/13	09/14/18	Aaa	AA+	2.000	1.910	2,000,000.00	2,003,902.51	2,046,820.00	42,917.49	
FEDERAL HOME LOAN BANK	01/17/14	04/17/18	Aaa	AA+	1.480	1.480	2,000,000.00	2,000,000.00	2,019,220.00	19,220.00	
FEDERAL HOME LOAN BANK	06/29/15	06/29/18	Aaa	AA+	1.170	1.170	2,000,000.00	2,000,000.00	2,000,660.00	660.00	Callable 06/29/16, once
FEDERAL HOME LOAN BANK	01/26/16	04/26/19	Aaa	AA+	1.500	1.500	2,000,000.00	2,000,000.00	2,003,900.00	3,900.00	Callable 01/26/17, once
FEDERAL HOME LOAN BANK	12/16/13	12/14/18	Aaa	AA+	1.750	1.650	2,000,000.00	2,004,844.28	2,035,080.00	30,235.72	
FEDERAL HOME LOAN BANK	06/18/14	06/09/17	Aaa	AA+	1.000	1.003	2,000,000.00	1,999,931.28	2,003,800.00	3,868.72	
FEDERAL HOME LOAN BANK	10/22/14	11/18/16	Aaa	AA+	0.750	0.500	2,000,000.00	2,002,301.29	2,001,480.00	(821.29)	
FEDERAL HOME LOAN MTG CORP	12/29/15	06/29/18	Aaa	AA+	1.200	1.200	2,000,000.00	2,000,000.00	2,000,100.00	100.00	Callable 06/29/16, once
FEDERAL HOME LOAN MTG CORP	01/29/16	01/29/21	Aaa	AA+	1.500	2.172	2,000,000.00	2,000,000.00	2,000,060.00	60.00	SU 1.5%-5.5% Call 07/29/16, then qtrly
FEDERAL HOME LOAN MTG CORP	08/24/15	08/24/20	Aaa	AA+	2.000	2.000	2,000,000.00	2,000,000.00	2,003,120.00	3,120.00	Callable 08/24/16, then qtrly
FEDERAL HOME LOAN MTG CORP	12/28/15	12/28/20	Aaa	AA+	1.500	2.365	2,000,000.00	2,000,000.00	2,000,160.00	160.00	SU 1.5%-5% Call 06/28/16, then qtrly
FEDERAL HOME LOAN MTG CORP	11/20/13	09/29/17	Aaa	AA+	1.000	1.030	1,000,000.00	999,607.69	1,002,290.00	2,682.31	
FEDERAL HOME LOAN MTG CORP	01/29/16	07/29/19	Aaa	AA+	1.500	1.500	2,000,000.00	2,000,000.00	2,000,460.00	460.00	Callable 07/29/16, then qtrly

CITY OF SANTA BARBARA
Investment Portfolio
May 31, 2016

DESCRIPTION	PURCHASE DATE	MATURITY DATE	QUALITY RATING MOODY'S	QUALITY RATING S & P	STATED RATE	YIELD AT 365	FACE VALUE	BOOK VALUE	MARKET VALUE	BOOK GAIN/(LOSS)	COMMENTS
FEDERAL NATL MORTGAGE ASSN	01/30/13	01/30/18	Aaa	AA+	1.030	1.030	3,000,000.00	3,000,000.00	2,990,580.00	(9,420.00)	Callable 07/30/16, then qtrly
FEDERAL NATL MORTGAGE ASSN	12/12/12	12/12/17	Aaa	AA+	1.000	1.000	2,000,000.00	2,000,000.00	1,998,060.00	(1,940.00)	Callable 06/12/16, then qtrly
FEDERAL NATL MORTGAGE ASSN	11/15/13	10/26/17	Aaa	AA+	0.875	1.062	2,000,000.00	1,994,875.37	2,001,060.00	6,184.63	
FEDERAL NATL MORTGAGE ASSN	12/11/13	11/27/18	Aaa	AA+	1.625	1.606	2,000,000.00	2,000,903.02	2,030,180.00	29,276.98	
FEDERAL NATL MORTGAGE ASSN	05/26/16	05/26/20	Aaa	AA+	1.375	1.375	2,000,000.00	2,000,000.00	1,995,080.00	(4,920.00)	Callable 05/26/17, once
FEDERAL NATL MORTGAGE ASSN	11/30/15	11/25/20	Aaa	AA+	1.000	2.015	2,000,000.00	2,000,000.00	1,999,140.00	(860.00)	SU 1%-2.2% Call 08/25/16, once
FEDERAL NATL MORTGAGE ASSN	12/26/12	12/26/17	Aaa	AA+	1.000	1.000	4,000,000.00	4,000,000.00	4,001,880.00	1,880.00	Callable 06/26/16, then qtrly
FEDERAL NATL MORTGAGE ASSN	10/29/15	10/29/20	Aaa	AA+	1.500	1.766	2,000,000.00	2,000,000.00	2,000,340.00	340.00	SU 1.5%-3% Call 07/29/16, then qtrly
FEDERAL NATL MORTGAGE ASSN	11/27/15	11/27/19	Aaa	AA+	1.125	1.678	2,000,000.00	2,000,000.00	2,007,560.00	7,560.00	SU 1.125%-2.250%, Call 11/27/17, once
FEDERAL NATL MORTGAGE ASSN	02/05/13	02/05/18	Aaa	AA+	1.000	1.000	2,000,000.00	2,000,000.00	1,996,080.00	(3,920.00)	Callable 08/05/16, then qtrly
FEDERAL NATL MORTGAGE ASSN	11/20/13	10/26/17	Aaa	AA+	0.875	1.070	2,000,000.00	1,994,650.42	2,001,060.00	6,409.58	
FEDERAL NATL MORTGAGE ASSN	06/30/15	06/30/20	Aaa	AA+	2.000	2.000	2,000,000.00	2,000,000.00	2,001,940.00	1,940.00	Callable 06/30/16, then qtrly
FEDERAL NATL MORTGAGE ASSN	11/27/15	11/28/18	Aaa	AA+	1.200	1.200	2,000,000.00	2,000,000.00	2,001,880.00	1,880.00	Callable 11/28/16, once
FEDERAL NATL MORTGAGE ASSN	05/26/16	11/26/19	Aaa	AA+	1.300	1.300	2,000,000.00	2,000,000.00	2,000,720.00	720.00	Callable 05/26/17, once
Subtotal, Federal Agencies							66,000,000.00	66,001,015.86	66,252,810.00	251,794.14	
CORPORATE/MEDIUM TERM NOTES											
BERKSHIRE HATHAWAY INC	11/29/13	02/09/18	Aa2	AA	1.550	1.550	2,000,000.00	2,000,000.00	2,015,780.00	15,780.00	
GENERAL ELECTRIC CAPITAL CORP	01/14/14	01/14/19	A1	AA+	2.300	2.250	2,000,000.00	2,002,462.28	2,054,440.00	51,977.72	
TOYOTA MOTOR CREDIT	09/26/11	09/15/16	Aa3	AA-	2.000	1.800	2,000,000.00	2,001,099.88	2,008,080.00	6,980.12	
TOYOTA MOTOR CREDIT	11/20/15	07/13/18	Aa3	AA-	1.550	1.408	2,000,000.00	2,005,868.92	2,013,500.00	7,631.08	
Subtotal, Corporate Securities							8,000,000.00	8,009,431.08	8,091,800.00	82,368.92	
SB AIRPORT PROMISSORY NOTE (LT)											
SANTA BARBARA AIRPORT	07/14/09	06/30/29	-	-	3.500	4.195	4,919,388.34	4,919,388.34	4,919,388.34	0.00	
Subtotal, SBA Note							4,919,388.34	4,919,388.34	4,919,388.34	0.00	
CHECKING ACCOUNT											
MUFG UNION BANK NA CHKNG ACCNT	-	-	-	-	0.400	0.400	22,154,485.48	22,154,485.48	22,154,485.48	0.00	
Subtotal, Checking Account							22,154,485.48	22,154,485.48	22,154,485.48	0.00	
TOTALS							162,073,873.82	162,090,715.33	162,488,703.82	397,988.49	

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

Agenda Item No. 5

File Code No. 510.04

CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: June 28, 2016

TO: Mayor and Councilmembers

FROM: Julie Nemes, Treasury Manager

SUBJECT: Grant Agreement With South Coast Community Media Access Center

RECOMMENDATION:

That Council authorize the Finance Director to execute a grant agreement with the South Coast Community Media Access Center for management of the public and educational access television channels in an amount of $313,100 plus an amount for public, educational and government access (PEG) capital expenditures equal to 50% of the actual PEG fees received by the City in Fiscal Year 2017.

DISCUSSION:

Since January 1, 2003, upon its formation, the South Coast Community Media Access Center, doing business as TV Santa Barbara (TVSB), has been designated by the County of Santa Barbara under its cable franchise with Cox Communications as the nonprofit entity to manage the public and educational access channels in the Santa Barbara South Coast region. The City has maintained annual grant agreements with TVSB since that time.

The Fiscal Year 2017 adopted budget includes $313,100 in base funding for management of the public and educational access television channels in the Community Promotions program. The adopted Community Promotions budget also includes an additional amount not to exceed $146,480 for PEG capital expenditures generated from PEG fees levied on Cox Communications.

The following is a summary of the major provisions of the proposed grant agreement with TVSB for Fiscal Year 2017:

1. Term: July 1, 2016 – June 30, 2017.

2. Base Funding: The City will grant TVSB quarterly advance payments of $74,525 for public and educational access support, totaling $298,100. Additionally, the City will grant $15,000 to be paid in January 2017, dedicated for support of educational access.

3. PEG Capital Funding: Under the current state video franchising law (DIVCA), PEG fees may be levied on video service providers and are limited exclusively for PEG-related capital expenditures. Resolution No. 13-049, adopted on June 18, 2013, includes a PEG fee of 1.0% of which 0.5% percent is designed to provide for capital funding to TVSB. Based on the PEG fees generated in Fiscal Year 2016, the City estimates that it will remit to TVSB approximately $141,000 in Fiscal Year 2017 to be used solely for capital to cover the fourth year of capital expenditures contained in its Five Year Capital Improvement Plan.

   The PEG capital funding will be paid quarterly, based on actual PEG fee collections during the previous quarter. The capital funding will be paid by PEG fees levied on Cox and, while not required to do so, Cox may elect to pass through the PEG fees to its subscribers on their cable bills.

   In addition to the PEG capital funding estimated at $141,000 for Fiscal Year 2017, the City will grant TVSB an amount equal to $5,480, representing 50% of additional actual PEG fees received by the City in Fiscal Year 2016 resulting from the findings of a third party compliance review of the State franchise agreement with Cox, to be used solely for capital expenditures.

4. Indemnification: The City will be indemnified against any and all claims and actions arising from the performance of services under the agreement. Indemnification is a standard provision in all City grant agreements, including human services and community promotions grants. All nonprofit entities receiving City grant funds are required to defend and indemnify the City from any and all claims which may arise as a result of the actions of the Grantee.

5. Insurance: The insurance provisions are standard insurance requirements for City grant recipients with the exception of the liability policy requirements. Because of the specialized nature of services provided under the agreement, this agreement requires a media and broadcaster's liability policy. This is the same type of policy required of Cox Communications under the City's prior franchise agreement.

6. Compliance with Laws and Regulations: The agreement states that TVSB will comply with all applicable state and federal laws and regulations with specific reference to the Ralph M. Brown Act and the Public Records Act. This language is consistent with the County of Santa Barbara's legal compliance provisions in their operating agreement with CMAC and the previous City agreements with TVSB.

The TVSB board reviewed and accepted the agreement at its May 26, 2016 board meeting. Staff recommends Council authorize the Finance Director to execute the agreement.

PREPARED BY: Julie Nemes, Treasury Manager

SUBMITTED BY: Robert Samario, Finance Director

APPROVED BY: City Administrator's Office

Agenda Item No. 6

File Code No. 540.10

CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: June 28, 2016

TO: Mayor and Councilmembers

FROM: Engineering Division, Public Works Department

SUBJECT: Second Contract Amendment For On-Call Engineering Services For Groundwater Well Development

RECOMMENDATION:

That Council authorize the Public Works Director to amend Contract No. 24,803 with Pueblo Water Resources, for on-call hydrogeological engineering design services for groundwater well development projects, increasing the contract amount by $150,000, for a total amount of $550,000.

DISCUSSION:

Background

The City of Santa Barbara (City) relies on groundwater as one of the many potable water sources to meet the demands of its customers. The City's groundwater wells require maintenance, rehabilitation, or replacement in order to continue providing this supplemental water supply. There is an increased need for these projects, given the current prolonged drought conditions.

On April 8, 2014, Council approved a two-year contract with Pueblo Water Resources (PWR) to provide on-call engineering services related to the City's groundwater wells. During that time, PWR assisted with the operations and maintenance of many of the City's wells, including the work to extend the life of the City Hall Well.

On April 28, 2015, Council amended PWR's contract by increasing it by $150,000, which enabled them to perform additional analysis on the wells in the Foothill Basin. PWR oversaw the construction of the Hope Well Rehabilitation Project, which the contractor, Layne Christensen Co., completed in late February 2016. PWR also developed a proposal to request permit authorization from the Regional Water Quality Control Board to exercise the existing infrastructure at the San Roque Park Well to run a pilot Aquifer Storage and Recovery (ASR) operation, which is groundwater banking

technology that injects seasonally available excess surface water into the existing groundwater aquifer.

Current Status

Considering Santa Barbara is still experiencing a persistent drought, staff recommends increasing PWR's contract again by $150,000, and directing priorities towards rehabilitating the Vera Cruz Well, improving Ortega Ground Water Treatment Plant (OGWTP) operations, developing training programs for City well operators and pump crews, obtaining permits for pilot ASR operations, and responding to other groundwater tasks on an as-needed basis.

PWR's expertise, and recent successful work on the City's wells and related work makes them best suited to perform this additional scope of work. Staff is recommending that Council authorize the Public Works Director to amend Contract No. 24,803 with PWR, to provide the above-described services, increasing the overall contract amount by $150,000, from $400,000 to $550,000.

BUDGET/FINANCIAL INFORMATION:

Funding

ON-CALL HYDROGEOLOGIC SERVICES CONTRACT FUNDING SUMMARY

	Base Contract	Change Order	Total
Initial Contract Amount	$250,000	$0	**$250,000**
Past Increase	$150,000	$0	**$150,000**
Current Increase	$150,000	$0	**$150,000**
Total	**$550,000**	**$0**	**$550,000**

There are sufficient appropriated funds in the Drought Water Fund to cover these costs.

PREPARED BY: Linda Sumansky, Principal Engineer/CW/kts

SUBMITTED BY: Rebecca J. Bjork, Public Works Director

APPROVED BY: City Administrator's Office

Agenda Item No. 7

File Code No. 540.13

CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: June 28, 2016

TO: Mayor and Councilmembers

FROM: Water Resources Division, Public Works Department

SUBJECT: Contract For Development Of Wastewater Collection System Strategic Management Program – Phase VI

RECOMMENDATION:

That Council authorize the Public Works Director to execute a City Professional Services contract with Brown and Caldwell in the amount of $209,163 for Wastewater Collection System Strategic Management Program support, and authorize the Public Works Director to approve expenditures of up to $20,916 for extra services of Brown and Caldwell that may result from necessary changes in the scope of work.

DISCUSSION:

The City of Santa Barbara owns and operates a 257-mile municipal wastewater collection system. Sewer mains in this system range in size from 6 to 42 inches in diameter. In order to minimize the occurrence of sanitary sewer overflows, it is imperative that sewer system management activities are conducted efficiently and effectively. Staff has identified opportunities for better use of technology for planning and assessing the wastewater collection system.

In 2010, staff issued Request for Proposals to qualified firms for the development of a Wastewater Collection System Strategic Management Program and related work. As a result, Brown and Caldwell (BC) was selected as the most qualified consultant. Since that time, BC has completed five contract phases of work, totaling approximately $1,011,095.

The City has focused on improving wastewater collection system asset management activities related to: system-wide cleaning maintenance; capital asset prioritization of sewer repair, rehabilitation and replacement; Fats, Oils, and Grease Inspection Program planning and scheduling; pump station condition assessment; Sewer Lateral Inspection Program (SLIP) improvements; and related regulatory agency-required documentation updates.

The proposed Phase VI contract scope of work includes improvements identified by Santa Barbara Channelkeepers in their response to the City's 2015 Sanitary Sewer Overflow Reduction Action Plan and generally consists of the following:

- Evaluate accuracy of cleaning-finding results and recommend improvements as needed;
- Provide Collection System Operator training for sewer main cleaning and sanitary sewer overflow reporting;
- Assist with the Cartegraph upgrade to the web-based Operations Management System;
- Provide Closed Circuit Television (CCTV) scheduling support, and evaluate InfoMaster software for condition assessment and tracking of CCTV and repair data;
- Perform the Sewer System Master Plan audit in fall 2016; and
- SLIP improvements and enhancements

BUDGET/FINANCIAL INFORMATION:

This project was anticipated, and there are adequate appropriated funds in the Wastewater Capital Fund.

PREPARED BY: Lisa Arroyo, Wastewater System Manager/mh

SUBMITTED BY: Rebecca J. Bjork, Public Works Director

APPROVED BY: City Administrator's Office

Agenda Item No. 8

File Code No. 530.04

CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: June 28, 2016

TO: Mayor and Councilmembers

FROM: Engineering Division, Public Works Department

SUBJECT: Increase In Design Services And Acceptance Of Grant Revenues For The De La Guerra Street Bridge Replacement Project

RECOMMENDATION: That Council:

A. Authorize an increase in the extra services amount with Drake Haglan and Associates, for bridge design services for the De La Guerra Street Bridge Replacement Project, Contract No. 24,337, in the amount of $50,331, for a total project expenditure authority of $665,614;
B. Approve a transfer of $77,278 from existing Streets Capital Fund appropriations to the Streets Grant Fund to cover the remaining portion of City funds required for design costs for the De La Guerra Street Bridge Replacement Project;
C. Accept Federal Highway Administration Highway Bridge Program grant funding in the total amount of $885,300 for right of way phase costs for the De La Guerra Street Bridge Replacement Project;
D. Authorize the increase of estimated revenues and appropriations in the Fiscal Year 2016 Streets Grant Fund by $221,325 of the total $885,300 approved grant for the required right of way costs related to the De La Guerra Street Bridge Replacement Project; and
E. Approve a transfer of $28,675 from existing Streets Capital Fund appropriations to the Streets Grant Fund to cover the anticipated City funds required for right of way costs for the De La Guerra Street Bridge Replacement Project, and appropriate these funds in the Streets Grants Fund.

DISCUSSION:

Background

The De La Guerra Street Bridge is eligible for replacement under the Federal Bridge Replacement Program. Federal Highway Administration (FHWA) funds will be used to reimburse the City for 88.53 percent of eligible design, right of way, and construction costs. While funding comes from the FHWA, Caltrans Local Assistance provides project oversight. The City's grant fund match rate is 11.47 percent.

The requested acceptance and appropriations are required to balance grant-funding authorizations with the required City fund appropriations. The FHWA recently authorized the De La Guerra Street Bridge Replacement Project (Project) to proceed with the right of way phase. The Project has a total allocation of up to $1,000,000 for the right of way phase, however the current staff estimate for the right of way costs is approximately $250,000. Therefore, staff recommends appropriating only $221,325 for the right of way phase at this time from the grant, and the balance of $28,675 will be covered from existing appropriations in the Streets Fund which staff is recommending be transferred to the Streets Grants Fund.

Current Status

The Project is in the final design phase. All environmental and design studies have been completed and approved. The Project has received both National Environmental Policy Act and California Environmental Quality Act clearances. The Architectural Board of Review has reviewed and approved conceptual and final design elements. Staff received authorization to pursue right of way easements for the Project and estimates completion of the right of way phase later this calendar year. Construction of this Project is currently scheduled for the spring of 2018, pending availability of the required City match.

Design extra services are required to complete final design for: extended creek walls, soils explorations, additional structural design elements, fish passage and grading per permitting agency requirements, and additional technical memoranda.

BUDGET/FINANCIAL INFORMATION:

Funding

The following tables summarize the expenditures recommended in this report:

DESIGN SERVICES CONTRACT FUNDING SUMMARY

	Base Contract	Change Order	Total
Drake Haglan and Associates Initial Contract Amount	$559,348	$55,935	**$615,283**
Proposed Increase	36,665	13,666	**50,331**
Total	**$596,013**	**$69,601**	**$665,614**

Upon approval of the design extra services, the total design services contract expenditure authority will be increased to $665,614.

The following table summarizes all estimated project design, right of way, and construction costs.

ESTIMATED TOTAL PROJECT COST

De La Guerra Bridge Replacement	FHWA Share	City Share	Total Project
Design (by Contract)	$544,710	$70,573	$615,283
Design Management (by City Staff)	273,899	35,487	309,386
Increased Costs (Extra Services)	44,558	5,773	50,331
Non-Participating Design Costs	0	40,000	40,000
Design	**$863,167**	**$151,833**	**$1,015,000**
Right of Way	**$221,325**	**$28,675**	**$250,000**
Construction	**$3,842,202**	**$497,798**	**$4,340,000**
Project Total	**$4,926,694**	**$678,306**	**$5,605,000**

Appropriation of the FHWA grant and reprograming of existing appropriations in the Streets Capital Fund budget will cover the cost for design and right of way phase tasks. The requested transfer of $105,953 will come from the Pavement Maintenance capital project within the Streets Capital Fund. The Pavement Maintenance capital project will be reimbursed the same amount in Fiscal Year 2017 after sale of City owned property at 20 West Mason. That property was acquired through an FHWA grant in order to facilitate construction of the Mason Street Bridge Replacement. Although funds were previously appropriated in anticipation of this property sale, it can now be reasonably assumed that surplus funds will be available.

The estimated funds for the City's matching share of the construction phase is intended to be programmed in a later fiscal year. Project costs will be refined after final design is completed. At that time, staff may request an adjustment to approved amounts through Caltrans to the FHWA, as necessary to complete the Project. Staff will return to Council for any additional appropriations to proceed with future phases of work.

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

SUBMITTED BY: Rebecca J. Bjork, Public Works Director

APPROVED BY: City Administrator's Office

Agenda Item No. 9

File Code No. 670.06

CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: June 28, 2016

TO: Mayor and Councilmembers

FROM: Engineering Division, Public Works Department

SUBJECT: Agreement For Measure A Sustainable Transportation Project Grants

RECOMMENDATION: That Council:

A. Authorize the Public Works Director to execute the Measure A Cycle 3 Project Cooperative Agreement between the City of Santa Barbara and the Santa Barbara County Association of Governments;
B. Increase estimated revenues and appropriations in the Streets Grant Fund by $352,640 in the Fiscal Year 2017 budget for the North La Cumbre Sidewalk and Pedestrian Enhancement Project and the Old Coast Highway Sidewalk Project; and
C. Approve the transfer of $3,217.20 in available appropriations from the Streets Capital Fund to the Streets Grant Fund and appropriate for the use of the North La Cumbre Sidewalk and Pedestrian Enhancement Project in the Streets Grant Fund.

EXECUTIVE SUMMARY:

The City received approval for $1,223,987 in Measure A grant funding for three projects: 1) North La Cumbre Sidewalk and Pedestrian Enhancement Project, 2) Old Coast Highway Sidewalk Project, and 3) Green Lane Route Intersection Markings. Staff is only requesting $352,640 to be appropriated for design of two projects at this time (North La Cumbre Sidewalk and Pedestrian Enhancements Project and Old Coast Highway Sidewalk Project). Construction funds for those two projects, as well as construction funding for the third project (Green Lane Route Intersection Markings) is planned to be appropriated as part of the Fiscal Year 2018 budget.

DISCUSSION:

Background

Measure A is a sales tax measure approved by Santa Barbara County voters in November 2008. Measure A provides local sales tax revenues for transportation projects

in Santa Barbara County over the 30-year life of the measure. Measure A is administered by the Santa Barbara County Association of Governments (SBCAG).

Measure A provides funding for local street improvements such as pavement maintenance, synchronized traffic signals, increased senior and disabled accessibility to public transit, building safer walking and bike routes to schools, and increased opportunities for carpool and vanpool programs. The City receives an annual population-based apportionment of Measure A revenues from SBCAG.

In addition, the City is eligible to receive competitive grant funding under Measure A, which includes the Safe Routes to School Grant Program and the Bicycle and Pedestrian Grant Program.

Grant Applications and Funding

In October 2015, SBCAG announced a call for projects for Cycle 3 of the South County Measure A Safe Routes to School and the Bicycle and Pedestrian Grant Programs. Eligible local agencies were required to submit final applications to SBCAG in December 2015 for the Pedestrian and Bicycle Program, and in January 2016 for the Safe Routes to School Program. SBCAG's staff reviewed the applications for completeness and forwarded them to the Scoring Committee (Committee). The Committee was comprised of representatives from each South Coast city, the County, and Caltrans. The Committee also included representatives from the Santa Barbara Bicycle Coalition, the Metropolitan Transit District, and the Coalition for Sustainable Transportation. The Committee scored and ranked a total of 32 applications for both grant programs. Local agencies requested $6.2 million in funding, of which a total of $3.5 million was available to be awarded.

The City submitted seven grant applications to the two Measure A Grant programs. Projects selected for submittal to SBCAG were based on the City's Capital Improvement Plan and the available funding within the Streets Capital Fund. Staff also selected projects based on the criteria of the Measure A Grant programs and to improve the safety and operations of City transportation facilities. The Traffic Solutions Division of SBCAG also asked the City to sponsor the CycleMAYnia project. Of the seven projects submitted by the City, one was awarded full funding, and two were awarded partial funding. The full list of projects awarded Measure A Grant funding, and the funding details, are included in Attachment 1 and described below.

The City received approval for three grants totaling $1,223,987 in Measure A grant funding; however, staff is only requesting $352,640 to be appropriated for the design of two projects at this time (North La Cumbre Sidewalk and Pedestrian Enhancements Project and Old Coast Highway Sidewalk Project). Construction funds for those two projects, as well as construction funding for the third project (Green Lane Route Intersection Markings) is planned to be appropriated as part of the Fiscal Year 2018 budget. See Attachment 2 for appropriation details.

Measure A Cycle 3 Grant Projects	Total Measure A Amount	Fiscal Year 2017 Measure A Appropriation
Green Lane Route Intersection Markings	$470,881	$0
North La Cumbre Sidewalk and Pedestrian Enhancements	$302,640	$302,640
Old Coast Highway Sidewalk	$450,466	$50,000
TOTAL	**$1,223,987**	**$352,640**

Description of Projects

The three City projects funded by the Safe Routes to School and the Bicycle and Pedestrian Grant Programs are described below. CycleMAYnia, also described below, is another project that is City-sponsored, but for which the City will not contribute any funds.

Bicycle and Pedestrian Program

- **Green Lane Route Intersection Markings:** Design and install striping and green pavement markings to heighten awareness and visibility between motorists, pedestrians, and bicyclists, and designate the continuation of the bicycle path.

Safe Routes to School Program

- **North La Cumbre Road Sidewalk and Pedestrian Enhancements:** Design and construct sidewalk and access ramps along North La Cumbre Road between Pemm Place and La Cumbre Hills Lane in order to complete a continuous sidewalk link on North La Cumbre Road between State Street and State Highway 192. An enhanced crosswalk is proposed on La Cumbre Road at Calle Cita, which will include curb extensions, pedestrian activated rectangular rapid flashing beacons, and crosswalk illumination. The project is in the vicinity of Hope Elementary School, Bishop Garcia Diego High School and La Colina Junior High School.

- **Old Coast Highway Sidewalk:** Design and construct sidewalk and access ramps along the north side of Old Coast Highway between Salinas Street and Harbor View Drive. The proposed sidewalk is located in the City of Santa Barbara's eastside neighborhood and is in the vicinity of Cleveland Elementary School.

Other City-Sponsored Project

- **CycleMAYnia:** CycleMAYnia is a program offered by the Traffic Solutions Division of SBCAG. The primary goal is to increase enthusiasm for bicycling across a broad spectrum of the community by coordinating a variety of engaging events and workshops throughout the month of May (national bike month) with community members. No City funds are being contributed to this project.

To receive the grant for each project described above, the City must enter into a cooperative agreement with SBCAG. The Cooperative Agreement and Measure A Grant Program Guidelines, include a requirement for the timely use of funds. The Cooperative Agreement includes technical project scope, cost, schedule, and funding plans for each project or program.

BUDGET/FINANCIAL INFORMATION:

As discussed above, three City projects that were submitted to compete for Measure A grant funds were selected. The City has leveraged other grant fund sources with the Measure A grant funds to reduce the amount of City match needed. See Attachment 2 for details. A total of $1,223,987.00 was awarded to the City. The total matching funds of $208,476.20 is planned to come from a combination of in-kind contributions for staff costs associated with delivery of the project ($77,140.00) and existing appropriations in the Streets Fund ($131,336.20). No additional appropriation of City Capital funds are required to complete these projects.

Staff recommends that Council increase estimated revenues and appropriations in Fiscal Year 2017 in the Streets Grant Fund by $352,640.00 for two of these projects: 1) North La Cumbre Sidewalk and Pedestrian Enhancements Project and 2) Old Coast Highway Sidewalk Project.

An additional $3,217.20 for the City's match for the design phase of the North La Cumbre Sidewalk and Pedestrian Enhancements Project is recommended to be transferred from available appropriations in the Streets Capital Fund, School Zone Safety Project (Project No. 47860) to the Streets Grant Fund.

SUSTAINABILITY IMPACT:

Resources invested in supporting non-motorized transportation projects and programs are an economical way to increase mobility by reducing congestion. All of the projects described address many of the goals, objectives, policy statements, and strategies in the Circulation Element in the City's General Plan.

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

ATTACHMENTS:
1. Project Scope, Cost, Schedule, and Funding Sheets
2. Measure A Cycle 3 Project Funding and Appropriations

PREPARED BY: Brian D'Amour, City Engineer/AS/sk

SUBMITTED BY: Rebecca J. Bjork, Public Works Director

APPROVED BY: City Administrator's Office

PROJECT SCOPE, COST, SCHEDULE AND FUNDING PLAN

Project Sponsor: City of Santa Barbara

Measure A Project ID #: MSA-17-3-10

Implemented by: City of Santa Barbara

Project Name: **Green Lane Route Intersection Markings for New Bicycle Master Plan Spine Connections**

Project Scope: Design and install striping and green pavement markings for up to 41 intersections to heighten awareness and visibility between motorists, pedestrians and bicycles, and designates the continuation of the bicycle path.

Project Location: Lower State; Cota and Haley Streets; Micheltorena and/or Sola Streets (and connections to the Alisos and Chino Bike Boulevards).

Project Contact: Derrick Bailey

Project Payment: Payment made from SBCAG to City of Santa Barbara

Funding Program: South Coast Regional Bicycle & Pedestrian Program

Project Phase	Description	Total Project Cost Estimate	Measure A Amount	Measure A %	Sponsor Fund	other fund %	Project Schedule: Start	Project Schedule: Finish	Timely Use of Funds Deadline
PE	Environmental	$0	$0	0%	$0	0%	n/a	n/a	
	Preliminary Design/Eng (PS&E)	$52,140	$0	0%	$52,140	100%	July 2016	June 2017	
Right of Way	Engineering	$0	$0	0%	$0	0%	n/a	n/a	
	Appraisals, Acquisitions,	$0	$0	0%	$0	0%	n/a	n/a	
Construction	Construction Engineering	$60,000	$0	0%	$60,000	100%	July 2017	December 2017	
	Project Construction,	$474,000	$470,881	99%	$3,119	1%	December 2017	July 2018	6/30/2020
~~**Contingency**~~	~~As needed~~	~~$47,400~~	~~$0~~		~~$47,400~~		~~n/a~~	~~n/a~~	
	Totals:	~~**$633,540**~~ $586,140	**$470,881**		~~**$162,659**~~ $115,259				

PROJECT SCOPE, COST, SCHEDULE AND FUNDING PLAN

Project Sponsor: City of Santa Barbara

Measure A Project ID #: MSA-16-3-4

Implemented by: City of Santa Barbara

Project Name: **North La Cumbre Sidewalk and Pedestrian Enhancement Project**

Project Scope: Completes a continuous sidewalk link on La Cumbre Road between State St. and State Highway 192. The remaining sections of missing sidewalk are located at Pemm Place and La Cumbre Hills Lane. Two access ramps are needed with the sidewalk installation. An enhanced crosswalk is proposed on La Cumbre Road at Calle Cita, which will include curb extensions, pedestrian activated rectangular rapid flashing beacons, and crosswalk illumination.

Project Location: North La Cumbre Road between Pemm Place and La Cumbre Hills Lane.

Project Contact: Derrick Bailey

Project Payment: Payment made from SBCAG to City of Santa Barbara

Funding Program: South Coast Safe Routes to School Program

							Project Schedule		
Project Phase	**Description**	**Total Project Cost Estimate**	**Measure A Amount**	**Measure A %**	**Sponsor Fund**	**other fund %**	**Start**	**Finish**	**Timely Use of Funds Deadline**
PE	P&PD	$16,080	$0	0%	$16,080	100%	n/a	n/a	
	Environmental	$15,000	$15,000	100%	$0	0%	July 2016	March 2017	6/30/2018
	Preliminary Design/Eng (PS&E)	$33,780	$33,780	100%	$0	0%	July 2016	March 2017	6/30/2018
Right of Way	Engineering	$5,000	$5,000	100%	$0	0%	July 2016	April 2017	6/30/2018
	Appraisals, Acquisitions,	$5,000	$5,000	100%	$0	0%	July 2016	April 2017	6/30/2018
Construction	Construction Engineering	$44,000	$36,260	82%	$7,740	18%	July 2017	December 2017	6/30/2020
	Project Construction,	$225,049	$173,209	77%	$51,840	23%			
Contingency	As needed	$34,391	$34,391	100%	$0				
	Totals:	**$378,300**	**$302,640**		**$75,660**				

PROJECT SCOPE, COST, SCHEDULE AND FUNDING PLAN

Project Sponsor: City of Santa Barbara

Measure A Project ID #: MSA-16-3-7

Implemented by: City of Santa Barbara

Project Name: **Old Coast Highway Sidewalk**

Project Scope: Design and construct sidewalk along the north side of Old Coast Highway between Salinas St. and Harbor View Drive. The proposed sidewalk is located in the City of Santa Barbara's east side neighborhood.

Project Location: Old Coast Highway between Salinas Street and Harbor View Drive. Sidewalk is located in the City of Santa Barbara's Eastside neighborhood and in the vicinity of Cleveland Elementary School.

Project Contact: Derrick Bailey

Project Payment: Payment made from SBCAG to City of Santa Barbara

Funding Program: South Coast Safe Routes to School Program

							Project Schedule		
Project Phase	**Description**	**Total Project Cost Estimate**	**Measure A Amount**	**Measure A %**	**Sponsor Fund**	**other fund %**	**Start**	**Finish**	**Timely Use of Funds Deadline**
PE	P&PD	$5,000	$5,000	100%	$0	0%	July 2016	August 2017	6/30/2018
	Environmental Clearance	$5,000	$5,000	100%	$0	0%	July 2016	August 2017	6/30/2018
	PS&E	$40,000	$40,000	100%	$0	0%	July 2016	August 2017	6/30/2018
Right of Way	Engineering	$0	$0	0%	$0	0%	n/a	n/a	
	Appraisals, Acquisitions,	$0	$0	0%	$0	0%	n/a	n/a	
Construction	Construction Engineering	$90,000	$0	0%	$90,000	100%	August 2017	May 2018	6/30/2020
	Project Construction and management	$623,750	$400,466	64%	$223,284	36%			
Contingency	As needed	~~$62,375~~	~~$0~~		~~$62,375~~	~~100%~~			
		Totals: ~~**$826,125**~~	**$450,466**		~~**$375,659**~~				

$11,775

$775,525

$325,059

$11,775

PROJECT SCOPE, COST, SCHEDULE AND FUNDING PLAN

Project Sponsor: City of Santa Barbara

Measure A Project ID #: MSA-17-3-4

Implemented by: Traffic Solutions

Project Name: **CycleMAYnia**

Project Scope: Project comprises 31 rides, classes, and events offered to kids, families, adults and employers, highlighting education, safety, competition, team building and commuting. Project covers the cost for events in 2017, 2018 and 2019.

Project Location: CycleMAYnia events are hosted at various locations throughout the South Coast.

Project Contact: Kent Epperson

Project Payment: Payments made from SBCAG to Traffic Solutions upon City approval of invoice and submittal to SBCAG.

Funding Program: South Coast Regional Bicycle & Pedestrian Program

Project Phase	Description	Total Project Cost Estimate	Measure A Amount	Measure A %	SBCAG Sponsor Fund	other fund %	Project Schedule Start	Project Schedule Finish	Timely Use of Funds Deadline
Program	Education/Awareness/ Outreach	$40,000	$13,333	33%	$26,667	67%	January 2017	June 2019	6/30/2019
	Encouragement/Marketing	$40,000	$13,333	33%	$26,667	67%	January 2017	June 2019	6/30/2019
	Safety Programs	$40,000	$13,334	33%	$26,666	67%	January 2017	June 2019	6/30/2019
	Totals:	**$120,000**	**$40,000**		**$80,000**				

Measure A Cycle 3 Project Funding

Project	Total Project Cost	Measure A Funds	Other Grant Funds		City Funds	
			Amount	Source	Capital Funds	In Kind Match
Green Lane Route Intersection Markings	* $586,140.00	$470,881.00	$0.00		$38,119.00	$77,140.00
North La Cumbre Sidewalk and Pedestrian Enhancements	$378,300.00	$302,640.00	$72,442.80	(HSIP)	$3,217.20	$0.00
Old Coast Highway Sidewalk	** $775,525.00	$450,466.00	$235,059.00	(CDBG)	$90,000.00	$0.00
TOTAL	**$1,739,965.00**	**$1,223,987.00**	**$307,501.80**		**$131,336.20**	**$77,140.00**

* Original total project cost in application was $633,540; however, full Measure A funding request was not received, so project will be scaled back to fit within Measure A funding amount.

** Original total project cost in application was $826,125; however, full Measure A funding request was not received, so project will be scaled back to fit within Measure A funding amount.

Measure A Cycle 3 Project Appropriations

Project	Total Measure A Funds	Measure A Appropriations		
		FY 2017	FY 2018	FY 2019
Green Lane Route Intersection Markings	$470,881.00	$0.00	$470,881.00	$0.00
North La Cumbre Sidewalk and Pedestrian Enhancements	$302,640.00	$302,640.00	$0.00	$0.00
Old Coast Highway Sidewalk	$450,466.00	$50,000.00	$400,466.00	$0.00
TOTAL	**$1,223,987.00**	**$352,640.00**	**$871,347.00**	**$0.00**

Agenda Item No. 10

File Code No. 530.04

CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: June 28, 2016

TO: Mayor and Councilmembers

FROM: Engineering Division, Public Works Department

SUBJECT: Acquisition Of Easement For Public Purposes For The Quarantina Street Permeable Pavers Project

RECOMMENDATION:

That Council adopt, by reading of title only, A Resolution of the Council of the City of Santa Barbara to Acquire and Accept an Easement For Public Purposes at 721 East Cota Street (APN: 031-110-004), for the Low Impact Development Demonstration Streets, Sidewalk, and Alleys Project – Phase II, and Authorizing the Public Works Director to Execute the the Agreement for Acquisition of Public Right of Way for Public Purposes (No Cost Acquisition), and Related Easement Acquisition Documents, Subject to Approval as to Form by the City Attorney, and Consenting to the Recordation of the Easement Deed in the Official Records of the County of Santa Barbara.

DISCUSSION:

The Low Impact Development Demonstration Streets, Sidewalk, and Alleys Project – Phase II (Project) consists of installing over 45,000 square feet of permeable concrete pavers in the sidewalk and roadway of Quarantina Street, from Canon Perdido Street to Ortega Street. The Project is designed to capture and treat the volume of storm water generated from a 1-inch, 24-hour storm event. The Project will be used as an example of a Best Management Practice that meets the City's Storm Water Management Program requirements.

A portion of this Project lies parallel to the Santa Barbara Junior High School property within the southerly portion of the south one-half of Block 185 in the City of Santa Barbara bound by Quarantina, De La Guerra, Ortega and Nopal (abandoned) Streets. The Project includes shifting the existing six-foot sidewalk easterly two feet in order to minimize impacts to the Stone Pine trees that line Quarantina Street. To accommodate this relocation of the sidewalk, staff recommends acquiring a Permanent Easement for Public Purposes ("Easement") from the School District (see Attachment).

The School District presented the Acquisition Agreement and Easement Deed to the School District Board at its regularly scheduled Board meeting on June 14, 2016, and received approval to execute the Agreement and Deed. The documents were returned to the City for final processing. The Agreement and Easement Deed require authorization and approval by Council, and the pertinent real property interest must be accepted by the City.

The proposed Resolution will authorize the Public Works Director to execute the *Agreement for Acquisition of Public Right of Way for Public Purposes (No Cost Acquisition),* and related documents that may be required, subject to approval as to form by the City Attorney,on behalf of the City, and will authorize the recordation of the related deed in the Official Records, County of Santa Barbara.

BUDGET/FINANCIAL INFORMATION:

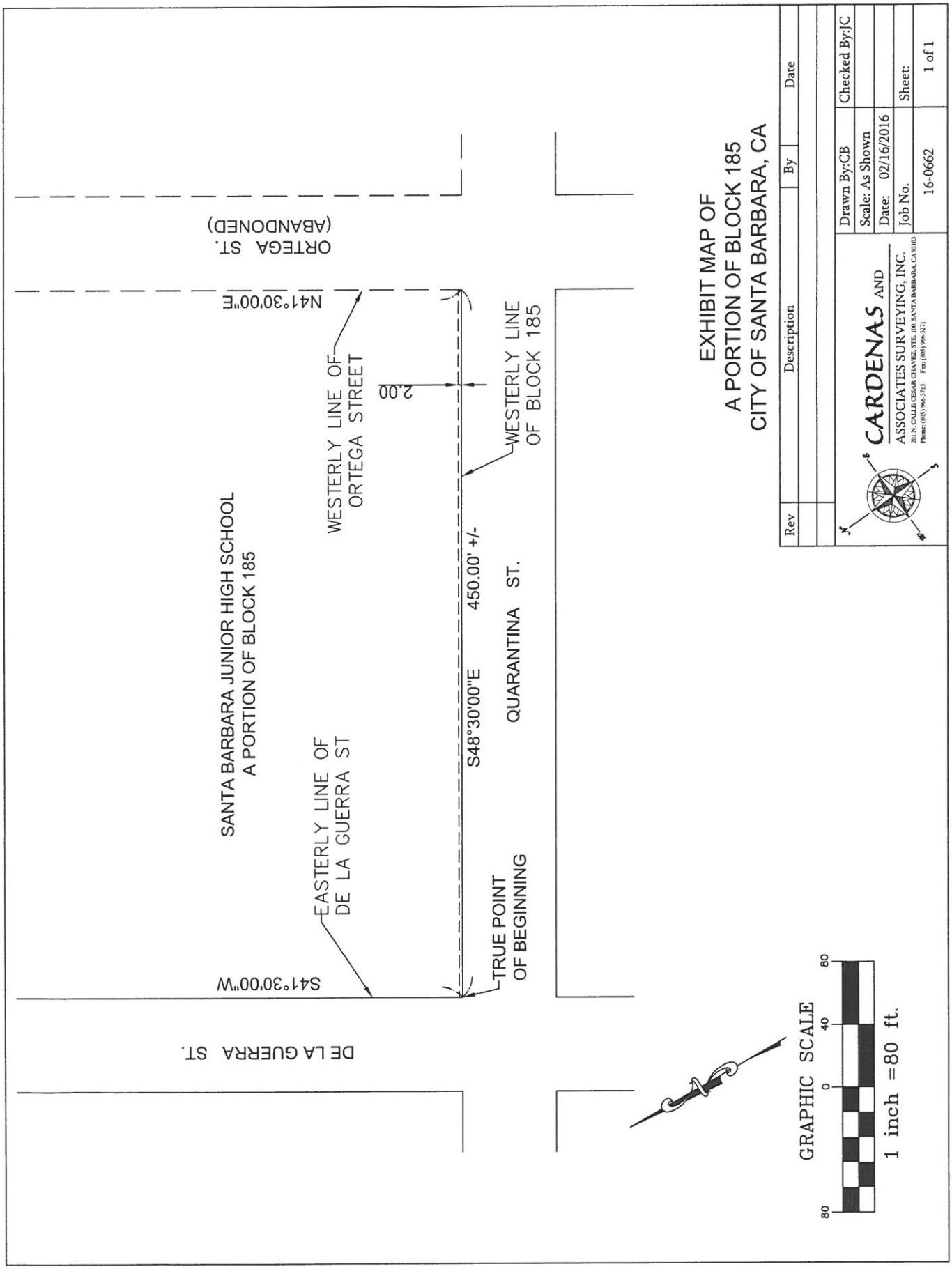
The School District is willing to convey the Easement to the City at no cost, as it recognizes the benefit to the School District property and to the community; therefore there is no cost to the City to acquire this easement.

ATTACHMENT: Map of Easement Area

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

SUBMITTED BY: Rebecca J. Bjork, Public Works Director

APPROVED BY: City Administrator’s Office


ORTEGA ST.
(ABANDONED)
N41°30'00"E
WESTERLY LINE OF
ORTEGA STREET
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OF BLOCK 185
SANTA BARBARA JUNIOR HIGH SCHOOL
A PORTION OF BLOCK 185
450.00' +/-
S48°30'00"E
QUARANTINA ST.
EASTERLY LINE OF
DE LA GUERRA ST
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OF BEGINNING
S41°30'00"W
DE LA GUERRA ST.
GRAPHIC SCALE
80
40
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1 inch =80 ft.
EXHIBIT MAP OF
A PORTION OF BLOCK 185
CITY OF SANTA BARBARA, CA
Rev
Description
By
Date
CARDENAS AND
ASSOCIATES SURVEYING, INC.
201 N. CALLE CESAR CHAVEZ, STE. 100, SANTA BARBARA, CA 93103
Phone: (805) 966-3713 Fax: (805) 966-3271
Drawn By:CB
Checked By:JC
Scale: As Shown
Date: 02/16/2016
Job No.
Sheet:
16-0662
1 of 1

NOPAL STREET (ABANDONED)
DE LA GUERRA STREET
SITE
QUARANTINA STREET
ORTEGA STREET
ORTEGA STREET (ABANDONED)

RESOLUTION NO. _____

A RESOLUTION OF THE COUNCIL OF THE CITY OF SANTA BARBARA TO ACQUIRE AND ACCEPT AN EASEMENT FOR PUBLIC PURPOSES AT 721 EAST COTA STREET (APN: 031-110-004), FOR THE LOW IMPACT DEVELOPMENT DEMONSTRATION STREETS, SIDEWALK, AND ALLEYS PROJECT – PHASE II, AND AUTHORIZING THE PUBLIC WORKS DIRECTOR TO EXECUTE THE AGREEMENT FOR ACQUISITION OF PUBLIC RIGHT OF WAY FOR PUBLIC PURPOSES (NO COST ACQUISITION), AND RELATED EASEMENT ACQUISITION DOCUMENTS, SUBJECT TO APPROVAL AS TO FORM BY THE CITY ATTORNEY, AND CONSENTING TO THE RECORDATION OF THE EASEMENT DEED IN THE OFFICIAL RECORDS OF THE COUNTY OF SANTA BARBARA

WHEREAS, the City has a Low Impact Development Demonstration Streets, Sidewalk, and Alleys Project – Phase II, that consists of installing over 45,000 square feet of permeable concrete pavers in the sidewalk and roadway of Quarantina Street, from Canon Perdido Street to Ortega Street. The Project will be used as an example of a Best Management Practice that meets the City's Storm Water Management Program requirements;

WHEREAS, the Project requires the City's acquisition, of a permanent easement for public purposes, on a portion of the real property owned by the Santa Barbra Unified School District, subcommonly known as 721 East Cota Street (APN: 031-110-004), in order to shift the sidewalk easterly to save the Stone Pine trees that align Quarantina Street, at no cost to the City;

WHEREAS, the *Agreement for Acquisition of Public Right of Way for Public Purposes (No Cost Acquisition)* was accepted by the Santa Barbara Unified School District Board at its regularly scheduled Board meeting on June 14, 2016, and the Agreement has been signed to allow the City to acquire the real property interest, subject to final approval by the Council of the City of Santa Barbara;

WHEREAS, this Resolution will provide authorization by the Council of the City of Santa Barbara for the Public Works Director to execute the Agreement with the School District and any other documents that may become necessary to accomplish acquisition of the easement by the City, subject to approval as to form by the City Attorney; and

WHEREAS, this Resolution will demonstrate intent by the Council of the City of Santa Barbara to accept the permanent easement particularly described in the respective documents delivered for such purpose, without further action or subsequent resolution.

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

SECTION 1. The Public Works Director is hereby authorized by the Council of the City of Santa Barbara to execute the *Agreement for Acquisition of Public Right of Way for Public Purposes (No Cost Acquisition)* with the Santa Barbara Unified School District and related documents on behalf of the City, subject to approval as to form by the City Attorney, to accomplish the acquisition by the City of the permanent easement for public purposes on a portion of the real property commonly known as 721 East Cota Street (APN: 031-110-004).

SECTION 2. The City of Santa Barbara hereby consents to the recordation of the Easement for Public Purposes, in the Official Records, County of Santa Barbara, at the close of escrow.

SECTION 3. This Resolution shall become effective immediately upon its adoption.

Agenda Item No. 11

File Code No. 520.04

CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: June 28, 2016

TO: Mayor and Councilmembers

FROM: Administration Division, Parks and Recreation Department

SUBJECT: Memorandum of Understanding with the Community Action Commission for the South Coast Task Force

RECOMMENDATION:

That Council authorize the City Administrator to execute the Memorandum of Understanding with the Community Action Commission related to the City's participation in the South Coast Task Force.

DISCUSSION:

In July 2010, the Community Action Commission (CAC) agreed to serve as the host agency for a regional effort to prevent youth gang violence in the Santa Barbara South Coast area. The City has been a co-sponsor since that time. The Cities of Goleta and Carpinteria and the County of Santa Barbara continue as sponsors and the Community Action Commission continues to act as the host agency.

The proposed Memorandum of Understanding (MOU) with CAC is for a one-year term and would commit the City's funding of $67,665 for Fiscal Year 2017. The MOU states the guiding principles and vision of the program, defines the role of the Task Force Coordinator employed by the host agency, identifies planned program improvements and proposes a program budget and agency partner for cost sharing in Fiscal Year 2017.

The funding partners proposed contributions are:

	2015	2017
Agency	**Population**	**Proposed Share**
City of Santa Barbara	91,088	$ 67,665
City of Carpinteria	13,547	$ 10,063
City of Goleta	30,765	$ 22,854
Unincorporated County South Coast	67,716	$ 50,303

	2015	2017
TOTALS	203,116	$ 150,886

	2017
Agency	**Proposed Share**
Cost Per Resident	$0.74
Annual Share from Local Government	$150,886
In-kind contribution by CAC	$38,442

The City of Santa Barbara appreciates that the Community Action Commission (CAC) is serving as the Host Agency by supervising the Task Force Coordinator and providing $38,000 of in-kind support each year. With a county-wide presence and a track record of success, the CAC is well-qualified and respected to continue this effort.

BUDGET/FINANCIAL INFORMATION:

Funding for this MOU is included in the adopted Fiscal Year 2017 Annual Budget.

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

PREPARED BY: Teasha Blackman, Executive Assistant

SUBMITTED BY: Jill E. Zachary, Parks and Recreation Director

APPROVED BY: City Administrator's Office

Agenda Item No. 12

File Code No. 160.06

CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: June 28, 2016

TO: Mayor and Councilmembers

FROM: Administration, Housing and Human Services Division, Community Development Department

SUBJECT: Records Destruction For Community Development Department

RECOMMENDATION:

That Council adopt, by reading of title only, A Resolution of the Council of the City of Santa Barbara Relating to the Destruction of Records Held by the Community Development Department in the Administration, Housing and Human Services and Building and Safety Divisions.

DISCUSSION:

The City Council adopted Resolution No. 16-005 on February 9, 2016, approving the City of Santa Barbara Records Management Policies and Procedures Manual. The Manual contains the records retention and disposition schedules for all City departments. The schedules are a comprehensive listing of records created or maintained by the City, the length of time each record should be retained, and the legal retention authority. If no legal retention authority is cited, the retention period is based on standard records management practice.

Pursuant to the Manual, the Community Development Director submitted a request for records destruction to the City Clerk Services Manager to obtain written consent from the City Attorney. The City Clerk Services Manager agreed that the list of records proposed for destruction conformed to the retention and disposition schedules. The City Attorney has consented in writing to the destruction of the proposed records.

The Community Development Director requests that the City Council approve the destruction of the Community Development Department records in the Administration, Housing and Human Services and Building and Safety Divisions listed on Exhibit A of the proposed Resolution, without retaining a copy.

SUSTAINABILITY IMPACT:

Under the City's sustainability program, one of the City's goals is to increase recycling efforts and divert waste from landfills. The Citywide Records Management Program directs that records approved for destruction be recycled, thus reducing paper waste.

PREPARED BY: Salvatore Parrilla, Administrative Specialist

SUBMITTED BY: George Buell, Community Developer Director

APPROVED BY: City Administrator's Office

RESOLUTION NO.

A RESOLUTION OF THE COUNCIL OF THE CITY OF SANTA BARBARA RELATING TO THE DESTRUCTION OF RECORDS HELD BY THE COMMUNITY DEVELOPMENT DEPARTMENT IN THE ADMINISTRATION, HOUSING AND HUMAN SERVICES AND BUILDING AND SAFETY DIVISIONS

WHEREAS, the City Council adopted Resolution No. 16-005 on February 9, 2016, approving the City of Santa Barbara Records Management Policies and Procedures Manual;

WHEREAS, the City of Santa Barbara Records Management Policies and Procedures Manual contains the records retention and disposition schedules for all City departments. The records retention and disposition schedules are a comprehensive listing of records created or maintained by the City, the length of time each record should be retained, and the legal retention authority. If no legal retention authority is cited, the retention period is based on standard records management practice;

WHEREAS, Government Code section 34090 provides that, with the approval of the City Council and the written consent of the City Attorney, the head of a City department may destroy certain city records, documents, instruments, books or papers under the Department Head's charge, without making a copy, if the records are no longer needed;

WHEREAS, the Community Development Director submitted a request for the destruction of records held by the Community Development Department to the City Clerk Services Manager to obtain written consent from the City Attorney. A list of the records, documents, instruments, books or papers proposed for destruction is attached hereto as Exhibit A and shall hereafter be referred to collectively as the "Records";

WHEREAS, the Records do not include any records affecting title to real property or liens upon real property, court records, records required to be kept by statute, records less than two years old, video or audio recordings that are evidence in any claim or pending litigation, or the minutes, ordinances or resolutions of the City Council or any City board or commission;

WHEREAS, the City Clerk Services Manager agrees that the proposed destruction conforms to the City's retention and disposition schedules;

WHEREAS, the City Attorney consents to the destruction of the Records; and

WHEREAS, the City Council of the City of Santa Barbara finds and determines that the Records are no longer required and may be destroyed.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SANTA BARBARA that the Community Development Director, or his designated representative, is authorized and directed to destroy the Records without retaining a copy.

EXHIBIT A

COMMUNITY DEVELOPMENT DEPARTMENT

BUILDING AND SAFETY

Records Series	Date(s)
Administrative Subject/Correspondence Files	2013
Cashier Journal Summary Reports	2013 - 2014
Monthly Report of Building Statistics	2008

ADMINISTRATION, HOUSING AND HUMAN SERVICES

Records Series	Date(s)
Community Development Block Grant Files	2006, 2010
Housing Rehabilitation Loan Program and Project Files	2010 – Jun 2011
Rental Housing Mediation Task Force Records	2010 – Jun 2011

Agenda Item No. 13

File Code No. 170.04

CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: June 28, 2016

TO: Mayor and Councilmembers

FROM: Community Development Department, Public Works Department, Fire Department, and Information Systems Division of Administrative Services Department

SUBJECT: Purchase Of A New Permit Tracking System

RECOMMENDATION: That Council:

A. Approve a professional services agreement with Accela, Inc., for the implementation of the Accela Civic Platform System in an amount not to exceed $899,850 and approve an additional $121,660 for contingency costs that may be necessary during the implementation;
B. Approve a License Agreement with Accela, Inc., for the purchase of 150 user licenses for Accela Civic Platform, 50 Mobile user licenses, and unlimited Citizen Access in an amount not to exceed $213,569;
C. Approve a Maintenance Agreement with Accela, Inc., for the first year maintenance and support of the Accela Civic Platform system, in an amount not to exceed $65,858;
D. Approve a Subscription Agreement for implementation and hosting services with Accela, Inc., for the Right of Way Management application, for a term of five years, in an amount not to exceed $16,500 for implementation and $20,813 for hosting in year one, with annual increases of 3.5%;
E. Transfer $1,200,000 of Fiscal Year 2017 Capital Outlay Fund appropriations established for this project ($600,000 in Fiscal Year 2016 and $600,000 in Fiscal Year 2017) from Community Development Technology Reserves and the Public Works Technology Reserves to the Information Systems Capital Fund for purposes of consolidating all funds for the project in a single location; and
F. Appropriate $1,200,000 in the Fiscal Year 2017 Information Systems Capital Fund for this project.

EXECUTIVE SUMMARY:

The City's existing Tidemark Advantage Permitting System is a critical application for the management of land development and code enforcement cases for the Community Development, Fire, and Public Works departments. The current system was implemented in 1994 and it has not been possible to upgrade it for many years. It is based on old

technology, is difficult to use, has few features compared to modern systems, and has experienced operational and functional problems and issues with new versions of Windows operating systems.

In Fiscal Year 2015, a project to replace Tidemark Advantage was given a high priority and a multi-department effort was undertaken to conduct a comprehensive Request for Proposals (RFP) process to replace this outdated legacy system. The project team consisted of members from the Information Systems Division and the Community Development, Public Works, and Fire Departments. The team unanimously chose the Accela Civic Platform to replace Tidemark Advantage System with Woolpert, Inc. to provide the professional implementation services.

The Accela Civic Platform not only addresses the limitations of the current system, but also provides many new features needed by the City to better conduct its business. The price of the new system's software, implementation, and first year maintenance costs and subscription fees is $1,216,590 and, with a contingency allowance of $121,660, totals $1,338,250.

The Accela Civic Platform first year technical support and maintenance fee is $65,858 and is included in the total purchase cost shown above. By comparison, the current annual maintenance and support fee for the Tidemark system is $61,000. The Right of Way Management (ROWM) application is hosted by Accela. Its annual fee, including technical support and maintenance, is $20,813 for the first year and is included in the total purchase price shown above. During contract negotiations, Accela agreed to limit the annual increase for the maintenance and subscription fees for the next four years to 3.5%, rather than the normal 10% increase limit.

DISCUSSION:

Background

The City of Santa Barbara implemented the Tidemark Advantage system in 1994. This system is used to manage land development and code enforcement cases, to issue building, planning, and Public Works permits, and to create agendas and minutes for board and commission meetings related to Land Development. The City issues approximately 3,000 building permits and approximately 2,000 planning permits each year, and handles approximately 1,500 code enforcement cases. The City collects approximately $5.6 million in fees annually through the system.

Tidemark Corporation was purchased by Accela, Inc. in 2001. Accela has continued to provide the City with basic support for this legacy system, but the software is past "end of life" and is no longer being maintained for bug fixes or the development of new features. Tidemark Advantage provides basic case management features, but does not include modern functionality such as electronic workflow and digital plan review. The application requires the installation of a "thick client" on the user's workstation, with an

interface that is difficult to use and does not include basic text editing, reporting, or search tools.

Around 2010, it was realized that Tidemark Advantage would no longer meet the City's needs, when a software upgrade altered a critical field used for the creation of agendas and minutes. The decision was made to remain on the older version of the software in order to preserve the functionality that would be lost in the upgrade. The City has continued to use this version of Tidemark Advantage until sufficient funding was available to replace it.

In 2011, the City began the process of defining the functional requirements desired in a new permitting system, in preparation for developing an RFP to select a replacement for Tidemark Advantage. The selection process was put on hold while the City implemented a new Financial Management System. The project was prioritized in Fiscal Year 2015, with the formation of a Steering Committee, made up of staff from Community Development, Public Works, Fire Department, and Information Systems. A core team was selected with members from each of these departments and the Information Systems Division to develop the functional requirements for a new system and issue the RFP.

The RFP was issued to fourteen pre-qualified vendors and four proposals were received. The proposals were reviewed, and three vendors were selected to provide two-day presentations and demonstrations of their company's viability and software functionality to the project team. After this initial round of demonstrations, the team selected Accela Civic Platform and SunGard TRAKiT as the semi-finalists. Both semi-finalists provided additional demonstrations and the team met with reference clients for both vendors. Based on this assessment, the project team unanimously concluded that Accela Civic Platform was the product that best meets the City's needs for a Permit Tracking System.

Selection of Accela Civic Platform Permit Tracking System

Accela Civic Platform software not only addresses the limitations of the current Tidemark Advantage System, but provides many new features needed by the City to better conduct its business. Some of these are:

- Electronic Plan Review will allow applicants to submit plans without printing.
- Mobile Inspection Management for field use by City inspectors.
- Right of Way Management module to assist in permitting, coordinating, and communicating both private and City projects/events on our streets via a cloud-based map.
- Familiar and easy to use Internet browser interface that works with all browser platforms.
- "Dashboards" that deliver personalized business functionality and information to specified staff.
- Easy-to-use reporting tools for non-technical staff.

- Information is easily transferred to Microsoft Word and Excel for custom reporting, analysis, and the generation of letters.
- Integration with Microsoft Outlook for contact management and scheduling functions. Permits and reminders can be emailed directly to applicants.
- Electronic workflow that improves productivity by reducing time spent waiting for status and approvals for applications, plan review, and enforcement cases.
- Integration with the City's Centralized GIS for parcel information and mapping features. Staff will be able to view case information and create cases directly from a map view.
- Integration with the City's document and agenda management system, Hyland OnBase, for the storage of case documents, permits, plans, etc. and the creation of agendas and minutes for public meetings.
- ADA compliant web portal for citizen access to apply for permits, schedule inspections, pay fees, check on case status, and report code enforcement violations.

Project Implementation Timeline

The project implementation will require approximately thirteen months to complete. It is scheduled to begin in October 2016 with a planned go-live in December 2017.

BUDGET/FINANCIAL INFORMATION:

The total cost of this project, including software licensing, professional services to implement, first year's maintenance and support, first year ROWM subscription, contingency, and staff backfill is estimated to be $1,735,250. Community Development and Public Works staffing backfill is needed to allow existing staff to devote a sufficient amount of time and effort to the project during the thirteen-month implementation period.

Project Cost Item	**Amount**
Professional Services	$916,350
Software Licensing	213,569
Maintenance & Support – First Year	65,858
ROWM Subscription Fee – First Year	20,813
Contingency	121,660
Subtotal	**$1,338,250**
Staff Backfill	397,000
Grand Total	**$1,735,250**

In addition to the acquisition and implementation costs, the City will be required to pay an annual support and maintenance fee for the Civic Platform System and an annual

subscription fee for the Right of Way Management application. The first year's maintenance and support and subscription fees are included in the project costs above.

It is important to note that, during contract negotiations, Accela agreed to discount the software by 35% and Accela will provide support for the legacy Tidemark Advantage System for the duration of the Civic Platform System implementation at no charge. City staff also negotiated a reduction in the normal increase in maintenance and support and ROWM subscription fees in the second through fifth years to 3.5% maximum instead of the normal 10% limit. The total fees will not exceed the amounts shown below:

Year	Maintenance & Support	ROWM Fee	Increase
2	$68,163	$21,541	3.5%
3	70,549	22,295	3.5%
4	73,018	23,075	3.5%
5	75,574	23,883	3.5%

Maintenance fees for Years 2 to 5 are not included in the project budget and will be paid out of the Technology Reserves beginning in Fiscal Year 2018.

The project cost totaling $1,735,250 will be incurred over a two-year period through Fiscal Year 2018. The project will be funded from a combination of existing reserves accumulated from a Technology Fee added to permit fees, and revenues from the Technology Fee in Fiscal Year 2017 and through Fiscal Year 2019. Beyond that, ongoing costs for maintenance & support, Right of Way Management (ROWM) Fees and other costs, which in total range from approximately $29,000 to $40,000, will be paid from future revenues from the Technology Fee estimated at $287,000 per year.

The City began charging a technology fee on all permits issued starting in 1999 to cover the cost of maintenance and support for current systems, including the Tidemark Advantage System, and for future technology needs. The Technology Reserve balance, plus estimated revenues in Fiscal Years 2017 and 2018 from the Technology Fee, will be sufficient to cover most of the project cost, with the balance covered by Information Systems Capital reserves in Fiscal Year 2018. Information Systems Capital reserves will be reimbursed from future revenues from the technology fee starting in Fiscal Year 2019.

SUSTAINABILITY IMPACT:

Accela will integrate with the Hyland OnBase Electronic Content Management System to store electronic copies of the documents it generates, such as permits and letters; thereby reducing the need to print them on paper, distribute multiple copies, or store them in file cabinets.

Accela's digital plan check module will eliminate the need for applicants to print plans for review by City staff. Electronic plans will be uploaded into the Hyland OnBase

system, eliminating the need for staff to scan them into OnBase and store the original paper plans in filing cabinets.

The Citizen Access Portal will allow applicants to conduct business through the internet, reducing the number of visits to the public counter, thereby reducing the vehicular traffic to and from City facilities.

Mobile inspection applications will allow City staff to more efficiently plan routes and respond to new requests for inspection while in the field. Staff will be able to issue permits in the field as needed via email, eliminating the need for return trips and reducing the cost of printing to the city.

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

PREPARED BY: Maryanne Knight, IT Project Manager

SUBMITTED BY: Kristy Schmidt, Administrative Services Director

APPROVED BY: City Administrator's Office

Agenda Item No. 14

File Code No. 170.04

CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: June 28, 2016

TO: Mayor and Councilmembers

FROM: Information Systems Division, Administrative Services Department; Airport Department; Public Works Department; and Waterfront Department

SUBJECT: Upgrade Of Cartegraph Asset Management Software For Maintenance Work Order Tracking

RECOMMENDATION: That Council:

A. Authorize the Administrative Services Director to execute a professional services agreement with Cartegraph Systems, Inc., for the acquisition and implementation of the Operations Management System (OMS), in an amount not to exceed $191,503, and approve an additional $34,150 for contingency costs that may be necessary during the implementation;

B. Approve the Cartegraph OMS licensing subscription for two additional years in an annual amount not to exceed $71,003, beginning in year two; and

C. Approve the transfer of funds from the Airport Fund ($32,501), Downtown Parking Fund ($24,567), Streets Fund ($63,500), General Fund - Public Works Department ($53,613) and Waterfront Department ($51,472) to the Information Systems Capital Fund to cover the costs of the project.

DISCUSSION:

Background

In 2005, the City of Santa Barbara implemented Cartegraph Navigator maintenance management software for four sections of the Public Works Department: Streets, Parking, Water Distribution, and Wastewater Collections. During the following eleven years, its use was expanded to the Airport, Parks and Recreation, and Waterfront Departments. Cartegraph software provides staff the capability to plan, schedule, track, and report on the maintenance work City departments perform on the following assets:

- Airport Airfields and Facilities
- Parking Facilities
- Parks
- Storm Drain System
- Streets
- Street Signs
- Traffic Signals
- Water Distribution System
- Wastewater Collection System
- Waterfront Facilities

Decision to Upgrade Cartegraph Navigator Software

While the Navigator software is functional and meets most of the City's needs, it is no longer being updated and is nearing its support "end of life". Cartegraph indicated support would end in 2017. It also has a number of issues due to its age: (1) its performance is slow and has an awkward interface when compared to current technology; (2) it provides only basic work order and preventative maintenance scheduling functionality and; (3) it does not function on tablet computers. Due to these issues, Information Systems recommended replacing the Navigator software.

The project team consisted of representatives from the Airport, Parks and Recreation, Public Works, and Waterfront Departments; and Information Systems Division. The project team first decided to evaluate upgrading to the new version of Cartegraph: Operations Management System (OMS). If OMS met the City's needs and requirements, then this would be a less complex upgrade, require fewer staff hours, and be less expensive than replacing Navigator with another vendor's software application.

The project team performed an assessment of their required functions and features including the custom reports and software modifications previously provided by Cartegraph. Cartegraph then conducted multiple presentations and demonstrations of the OMS software's functionality to the project team, including discussions on developing needed custom modifications to OMS to meet City requirements.

Other asset maintenance management software vendors were contacted to obtain cost estimates in order to determine if the prices offered by Cartegraph were fair and reasonable. The cost to purchase and implement Cityworks software for all maintenance groups was about $1,000,000. Maintenance Connection was recently purchased for the El Estero Wastewater Treatment Plant to replace the existing MP2 maintenance management system, at a cost of about $210,000. Cartegraph software was not considered for this purpose since it would have required extensive customization to meet the City's requirements. It is typically a simpler process and less costly to upgrade a vendor's software than it is to replace it with a new vendor's product. The City will be upgrading to Cartegraph OMS for four maintenance groups at essentially the same cost ($226,000) as one group (the El Estero Wastewater Treatment Plant) replaced its software ($210,000) with a new vendor's product.

Reference checks were conducted with other municipalities that had upgraded to OMS in order to verify if the new software was meeting their needs and how their implementation process went. The cities contacted stated that overall they were very satisfied with OMS, it was meeting their needs, and their implementation process was successful.

Based on this assessment, the project team unanimously chose to upgrade from Cartegraph Navigator to the new OMS version.

Functions and Features of Cartegraph OMS

The Cartegraph OMS software not only addresses the limitations of the current Navigator asset management system, but provides many new features needed by the City to better conduct its business. Some of the more important features of the proposed version are:

- Is a next generation product that will be supported and regularly updated
- Has a familiar web based user interface with easy-to-use data entry screens
- Provides the ability to quickly export data to Excel spreadsheets and to create custom reports
- Integrates with the City's Geographic Information Systems (GIS) database permitting staff to view information and the location of assets, tasks, and requests on maps
- Ability to view and edit requests for service as well as create, complete, and assign work orders in the field on Apple iPads
- Ability to build asset maintenance schedules and proactively plan for repairs and replacements
- Has task triggers that can schedule preventative tasks based on asset condition, usage limits, or time frames
- Provides a calendar to view tasks for the week or for the month, are color-coded to show their status, and can be easily dragged and dropped from one day to another to reschedule
- Residents and City staff will be able to enter service requests and track their progress via the web or a smartphone

Project Implementation Timeframe

The project implementation is planned to begin by August 2016 and to be completed within a twelve month timeframe. Public Works Water Distribution, Public Works Wastewater Collection, and Parks and Recreation plan to upgrade to OMS later in Fiscal Year 2017. They will prepare a new agreement to purchase more licenses and professional services from Cartegraph and seek Council approval when they are ready to proceed. Regardless of the timing of implementation, all groups will be part of the same maintenance work order system.

BUDGET/FINANCIAL INFORMATION:

The total contract amount is $225,653, which includes $81,003 for software licensing covering the first year, $94,500 for professional services, $16,000 for travel expenses, and $34,150 for any contingency costs that may arise. The funding is included in the Fiscal Year 2016 Adopted Budget.

The initial cost of $225,653 will be paid out of, and in proportion to, the operating funds that use the system, as shown below. Each of these funds have existing appropriations to cover their respective share of the costs.

1. Airport Fund - $32,501
2. Downtown Parking Fund - $24,567
3. Streets Fund - $63,500
4. General Fund (Traffic Engineering Division) - $53,613
5. Waterfront Fund - $51,472

In addition, the City will be required to pay an annual software licensing fee. The first year's fee is included in the contract amount. The next two years of licensing is fixed at $71,003 per year. This new amount will replace the current license fee of $51,000 paid in the current and previous fiscal years. The City will also be purchasing ESRI GIS Online software licenses annually for $10,000 because mapping is built in to the software and additional GIS software licenses will be needed for staff to use this functionality. The first year's ESRI license fee is included in the contract amount.

SUSTAINABILITY IMPACT:

The Cartegraph Operations Management System provides electronic work order forms, asset maps, and information on tablet computers for maintenance staff to use in the field in place of paper documents and maps.

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

PREPARED BY: Rob Badger, Information Systems Manager

SUBMITTED BY: Kristine Schmidt, Administrative Services Director

APPROVED BY: City Administrator's Office

Agenda Item No. 15

File Code No. 540.03

CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: June 28, 2016

TO: Mayor and Councilmembers

FROM: Water Resources Division, Public Works Department

SUBJECT: Cachuma Conservation Release Board Fiscal Year 2017 Budget Ratification

RECOMMENDATION:

That Council ratify the Cachuma Conservation Release Board Fiscal Year 2017 budget, with the City's proportional share not to exceed $448,535.

DISCUSSION:

The Cachuma Conservation Release Board (CCRB) is a joint powers authority agency consisting of three of the four South Coast members of the Cachuma Project: the City of Santa Barbara (City), the Goleta Water District, and the Montecito Water District. CCRB represents the interests of its members in matters relating to Cachuma Project water rights. Councilmember Harwood "Bendy" White represents the City on CCRB issues. The Carpinteria Valley Water District withdrew from CCRB on January 1, 2011.

Major work efforts for the CCRB include representation of its members in the federal re-consultation for the revised Biological Opinion on Cachuma Reservoir (Biological Opinion), the State Water Resources Control Board process for a Cachuma water rights (Water Rights Order), and critical drought support as needed. A brief summary of the background and status of the Biological Opinion and Water Rights Order are provided below.

Federal Biological Opinion:

The Bureau of Reclamation (Reclamation) owns and operates the Cachuma Project, providing water supply to five member units including the City. In 2000, a Biological Opinion was issued by the National Marine Fisheries Service (NMFS) for the Bureau of Reclamation's operation and maintenance of Bradbury Dam (the Cachuma Project). NMFS is the agency that oversees protection of the Southern California Steelhead Trout (Steelhead). The Biological Opinion addresses the effects of the proposed Cachuma Project operations on the Steelhead and its designated critical habitat, in accordance with Section 7 of the Endangered Species Act of 1973. Reclamation and the Cachuma Project Water Agencies have developed the proposed revisions to the project operations since

1993 to improve habitat conditions for the Steelhead, while still maintaining water supplies. In 2014, the NMFS formally initiated a reconsultation of the Biological Opinion. A draft Biological Opinion revision is anticipated to be released in 2016. The revised Biological Opinion is important because it could affect Cachuma Project operations and the amount of water available for water supply purposes.

State Water Rights Order:
Reclamation and the members of the Cachuma Project continue to await a decision on Cachuma Project water rights by the State Water Resources Control Board (SWRCB). The decision will reflect SWRCB's determination on a long-standing review of Cachuma Project operations, in terms of its effects on downstream water users and public trust resources (Steelhead). A December 2002 settlement agreement resolved a number of issues among several of the participants in the hearing and is under consideration by the SWRCB. The Final Environmental Impact Report for the decision has been officially entered into the hearing record. The draft water rights order for the Cachuma Project remains a high priority water rights issue for the SWRCB, although processing water rights orders by the SWRCB has slowed due to drought workload. The SWRCB has not yet rescheduled a tentative date for release of the draft order. Similar to the Biological Opinion, the SWRCB decision is important to the City because it could affect the amount of water available from Lake Cachuma for water supply purposes.

The attached CCRB budget was approved by the CCRB Board on June 2, 2016. To take effect, the budget must be ratified by each member agency. The total CCRB budget is $1,097,200. The City's share is 40.88 percent, which is $448,535. The Fiscal Year 2017 CCRB budget is approximately $291,600 lower than last year, with the City's portion being $120,200 lower than last year.

The tables on the attached budget for CCRB are divided into three major categories: Administrative Budget, Legal Expenses, and Consultant Activities.

The Administrative Budget of $185,200 is approximately $77,800 higher than last year. CCRB is re-evaluating its organizational staffing and administrative needs, given expected work on the Cachuma Biological Opinion and Water Rights Order processes. The budget assumes the revised Biological Opinion will be released by NMFS this summer, and the SWRCB will make its ruling on Cachuma water rights sometime after that. The releases of these documents means that the workload for CCRB staff is likely to be demanding. In previous years, the General Manager was a part-time position held by remote staff in the Los Angeles area. The increased administrative budget reflects a full-time General Manager position, local office space, and more frequent travel to meetings with federal and state agencies in Northern California to address the forthcoming work on the Biological Opinion and SWRCB water rights order.

The Legal Expenses Budget of $225,000 is $150,000 lower than last year. The decrease of $150,000 reflects the removal of budgeted litigation expenses for the *CalTrout v. United State Bureau of Reclamation* lawsuit, which has now been settled. Budgeted legal expenses include anticipated activity on the State Water Board Water Rights decision, re-consultation for the Biological Opinion on the Cachuma Reservoir, and other general counsel activities.

The Consultant Activities Budget includes a public outreach program, legislative and regulatory representation, hydrologic technical support, and a variety of consulting support related to the United States Bureau of Reclamation re-consultation with the NMFS and the eventual water rights process under the State Board. The Consultant Activities Budget of $626,205 is approximately $230,200 lower than last year. The scope of work under Consultant Activities will depend on the release and information included in the draft revised Biological Opinion and draft Water Rights Order. Given that the information within and timing of release for these draft documents is currently unknown, the Consultant Activities budget has been divided into an initial and total budget. The initial assessment for Consultant activities is $182,145 out of the $626,205 total budget. The remaining $444,4060 will only be assessed after it is determined that additional Consultant work is needed to evaluate the impacts of the revised biological opinion and water rights order.

In summary, the CCRB Fiscal Year 2017 budget is $291,600 lower than the previous year; the City's portion of this savings is 40.88 percent or $120,000.

BUDGET/FINANCIAL INFORMATION:

Appropriated funds are included in the recommended Fiscal Year 2017 Water Fund operating budget to cover the City's share of the CCRB Budget.

ATTACHMENT: Cachuma Conservation Release Board Fiscal Year 2016-2017 Adopted Budget

PREPARED BY: Joshua Haggmark, Water Resources Manager/KD/mh

SUBMITTED BY: Rebecca J. Bjork, Public Works Director

APPROVED BY: City Administrator's Office

Cachuma Conservation Release Board

Adopted Budget Fiscal Year 2016-17

Account Number	Account Name			Draft Fiscal Year16-17 Budget
ADMINISTRATIVE				
				100.00%
5050	Office Lease			12,000
5100	Audit			8,000
5200	Liability Insurance			4,200
5301	General Manager Salary			120,000
5304	Administrative Support			5,000
5312	Misc. Admin. Exp.			4,000
5313	Communications/Computer			6,000
5316	Admin Fixed Assets			4,000
5330	Admin. Travel			6,000
5331	Travel Exp. Federal & State Meetings			15,000
5332	Transportation			1,000
TOTAL ADMINISTRATIVE				**185,200**
LEGAL				
				100.00%
7000	Legal			100,000
7001	BO Reconsultation Legal Support			75,000
7002	SWRCB Water Rights			50,000
TOTAL LEGAL				**225,000**
CONSULTANT ACTIVITIES			**TOTAL**	
		100.00%	**11.58%**	**88.42%**
6001	BO Reconsultation Activities	448,750	51,965	396,785
7200	SWRCB Proceedings Support	46,250	5,356	40,894
	Critical Drought Support	30,000	3,474	26,526
Shared		**525,000**	60,795	464,205
			INITIAL	
		100.00%	**11.58%**	**88.42%**
		166,000	19,223	146,777
		10,000	1,158	8,842
		30,000	3,474	26,526
		206,000	23,855	182,145
				100.00%
7300	Public Outreach Program	10,000	0	10,000
7400	Legislative & Regulatory Analyst	72,000	0	72,000
7500	Hydrologic Technical Support	30,000	0	30,000
6500	Contingency	50,000	0	50,000
CCRB only		**162,000**	**0**	**162,000**
TOTAL CONSULTANT ACTIVITIES		**687,000**	**60,795**	**626,205**

Cachuma Conservation Release Board
Adopted Budget FY 2016-17

TOTAL BUDGET	1,097,200

INITIAL BUDGET	778,200

CCRB COST ALLOCATION

MEMBER UNIT	Pro Rata	Annual
Goleta Water District	0.4603	505,041
City of Santa Barbara	0.4088	448,535
Montecito Water District	0.1309	143,623
TOTAL BUDGET	100.00%	1,097,200

MEMBER UNIT	Pro Rata	Annual
Goleta Water District	0.4603	358,205
City of Santa Barbara	0.4088	318,128
Montecito Water District	0.1309	101,866
INITIAL BUDGET	100.00%	778,200

Initial Quarterly Assessments	PERCENT %	Quarterly
Goleta Water District	46.03%	89,551
City of Santa Barbara	40.88%	79,532
Montecito Water District	13.09%	25,467
TOTAL INITIAL QUARTERLY	100.00%	194,550

Agenda Item No. 16

File Code No. 540.13

CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: June 28, 2016

TO: Mayor and Councilmembers

FROM: Engineering Division, Public Works Department

SUBJECT: Contract For Construction Of Wastewater Main Rehabilitation Fiscal Year 2016 Project

RECOMMENDATION

That Council find it to be in the City's best interest to waive the formal bid procedure as authorized by Municipal Code Section 4.52.070 (L), award a contract with Southwest Pipeline & Trenchless Corporation in their proposed amount of $270,778 for construction of the Wastewater Main Rehabilitation Fiscal Year 2016 Project, and authorize the Public Works Director to execute the contract and approve expenditures up to $27,078 to cover any cost increases that may result from contract change orders for extra work and differences between estimated quantities and actual quantities measured for payment.

DISCUSSION:

Background and Waiver

The City of Santa Barbara (City) owns and operates a 257-mile municipal wastewater collection system. To help manage this infrastructure, the City has an asset management program, which includes performing routine inspections on sewer mains and manholes, prioritizing damaged sewer mains and manholes for rehabilitation based on the inspection results, and performing necessary rehabilitation to bring the infrastructure to a good state of repair.

It is in the City's best interest to waive the public bidding requirements, and to extend the pricing from the Wastewater Main Rehabilitation Fiscal Year 2015 Rehabilitation Project (Project), which was awarded by Council on June 15, 2015, to Southwest Pipeline & Trenchless Corporation (Southwest), and to execute a new contract for pipeline rehabilitation work. The City has a legal requirement to ensure a set mileage of sewer main is rehabilitated within the calendar year. In a limited bidding environment, Southwest has been awarded similar work with the City for three of the past four calendar years. The existing contract pricing is competitive with the current market and

will be extended for this contract. Waiving the bidding requirement will reduce the start time for the contract by approximately two months, ensuring that the City can complete its work in a timely manner. The City will also benefit by utilizing a mobilized contractor who has demonstrated a quality work product, as well as meeting its legal requirement for sewer main rehabilitation.

Project Description

The work consists of rehabilitating approximately one mile of sewer mains ranging from 6-inch to 15-inch diameter at various locations throughout the City. The rehabilitation method is trenchless and usually requires no excavation. The contractor will also install one sewer manhole as part of this rehabilitation and maintenance project.

Contract

The proposal received for the subject work from Southwest in the amount of $270,778 extends the bid pricing from the Project and is an acceptable proposal that is responsive to and meets the requirements of the specifications.

The change order funding recommendation of $27,078, or 10 percent, is typical for this type of work and size of project.

Community Outreach

Staff will send out pre-construction notification letters approximately two weeks prior to the start of construction to residents and businesses adjacent to work areas. The contractor is also required to provide door hangers to affected residences and businesses 72 hours prior to construction.

Funding

This Project is funded by the Wastewater Capital fund. There are sufficient funds in the Wastewater Capital 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**
	$270,778	$27,078	$297,856
TOTAL RECOMMENDED AUTHORIZATION			**$297,856**

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.

City Staff Costs (Design)	$25,886
Design Subtotal	**$25,886**
Construction Contract	$270,778
Construction Change Order Allowance	$27,078
Subtotal	**$297,856**
Construction Management/Inspection (by City staff)	$62,326
Subtotal	**$62,326**
Construction Subtotal	**$360,182**
TOTAL PROJECT COST	**$386,068**

PREPARED BY: Linda Sumansky, Principal Civil Engineer/PM/sk

SUBMITTED BY: Rebecca J. Bjork, Public Works Director

APPROVED BY: City Administrator's Office

Agenda Item No. 18

File Code No. 110.03

CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: June 28, 2016

TO: Mayor and Councilmembers

FROM: Paul Casey, City Administrator
Ariel Calonne, City Attorney

SUBJECT: Marijuana Business Tax Ballot Measure: The Santa Barbara Marijuana Control Act

RECOMMENDATION:

That Council adopt, by reading of title only and unanimous vote, A Resolution of the Council of the City of Santa Barbara Calling and Giving Notice of a Consolidated Special Municipal Election to be Held in the City of Santa Barbara on Tuesday, November 8, 2016 for the Submission of a Ballot Measure to the Voters of the City Pertaining to Enactment of a General Tax on the Gross Receipts of Marijuana Businesses.

The accompanying Resolution:

1. Calls a special municipal election and places the Santa Barbara Marijuana Control Act on the November 8, 2016 ballot;
2. Makes an emergency declaration pursuant to Article 13C of the California Constitution to support placing the measure on the 2016 ballot;
3. Proposes to the voters an ordinance enacting the marijuana business tax at the rate of 10% of gross receipts for medical marijuana and 20% of gross receipts for non-medical marijuana;
4. Authorizes the Mayor to file a written ballot argument on behalf of the City Council;
5. Directs the City Attorney to prepare an impartial analysis;
6. Requests consolidation of the City's special municipal election with the County-run Statewide General Election; and
7. Recognizes and agrees to reimburse the County for any additional costs incurred as a result of consolidating the elections.

DISCUSSION:

Background

On May 24, 2016, the City Council unanimously directed preparation of a ballot measure to impose a marijuana business tax upon existing and future marijuana businesses. Owing to the County's accelerated ballot measure schedule, July 7 is the last day to file a proposed measure with the Clerk of the Board of Supervisors. The Board of Supervisors' last available action date is July 19, 2016. Accordingly, June 28th is the last day for Council action on this matter. As we advised in May, the California Constitution requires a unanimous Council emergency declaration before placing a general tax on the ballot in a year when Council Members are not up for election.

The Brown Act limited the Council's ability to provide specific direction on May 24th. As a result, the City Administrator and City Attorney have made several policy and legal decisions which are reflected as our recommendations in the proposed ballot measure ordinance and election resolution. These include the following major considerations:

- A taxing system model that is similar to the City's existing business tax ordinance in Chapter 5.04 of the Santa Barbara Municipal Code;

- The tax is imposed on marijuana businesses, not marijuana patients, caregivers or customers;

- A two tier tax structure under which medical marijuana businesses are taxed at a lower rate than non-medical marijuana businesses;

- A tax rate of 10% of gross receipts for medical marijuana businesses and 20% of gross receipts for non-medical marijuana businesses;

- A broad definition of "marijuana business" to encompass both lawful collective and cooperative medical dispensaries, as well as currently illegal non-medical businesses which would become lawful under state law should the Adult Use of Marijuana Act be approved by the voters in November 2016. The definition also encompasses transportation, delivery and other marijuana-related services;

- Entitling the measure the "Santa Barbara Marijuana Control Act" because the tax proceeds will be used for general city services needed to control marijuana businesses effectively, including crime prevention, police services, zoning enforcement and regular monitoring;

- Extensive emergency findings that explain the City's financial situation along with the burdens placed on the City by virtue of marijuana businesses;

- Authorization for the Mayor to prepare the City's ballot argument, as Council provided in the 2008 Utility User Tax modernization ballot measure; and

- Acceptance of the Howard Jarvis Taxpayers Association-sponsored AB 809, which was effective January 1, 2016, and which requires the ballot label presented to the voters on tax measures to include the amount of money to be raised annually, the tax rate and the tax duration.

Analysis

History of City Regulation

The City's medical marijuana storefront dispensary ordinance allows up to three permitted storefront dispensaries within the City. No more than one dispensary may exist within any of five areas in which dispensaries may be permitted. As of today, there are two City permitted dispensaries, but neither has begun operating. They will be located at 3617 State Street and 118 N. Milpas Street. A third dispensary is in the review process and would be located on De La Vina Street.

The City has the legal authority to impose a business or excise tax upon the gross receipts of marijuana sales, services and transactions, provided the tax is approved by the voters as required by the California Constitution. If the proceeds of such a tax are dedicated to general governmental purposes, a simple majority may pass the tax. However, general taxes may be proposed only on a regularly scheduled City Council election ballot, "except in cases of emergency declared by a unanimous vote of the governing body." (Cal. Const., art. 13C, §2.)

When the storefront dispensary ordinance was adopted in 2010, the City Council did not seek voter approval to create a separate business tax classification specifically for marijuana businesses. At that time, state law and the City's ordinance required medical dispensaries to operate under a collective or cooperative model. The 2015 state law amendments that created the Bureau of Medical Marijuana Regulation recognize a more traditional purchase-sale system for medical marijuana. In any event, under former and current state law, the State Board of Equalization has ruled that medical marijuana transactions are subject to state sales tax, regardless whether money changes hands. Unlike physician-prescribed or -provided medications, medical marijuana is not exempt from sales tax because there is no prescription, just physician "recommendations." Accordingly, medical marijuana transactions in Santa Barbara are now subject to payment of the state transactions and use (sales) tax.

The Proposed Ballot Measure

The proposed ballot measure would create a new business tax with categories that distinguish between "medical" and "non-medical" marijuana businesses. The proposed

measure would establish a business tax rate for medical marijuana businesses of 10% of gross receipts. Non-medical marijuana businesses would pay a business tax rate of 20% of gross receipts.

The proposed tax would be a general tax, requiring a simple majority approval of voters. As such, the monies would be deposited into the City's General Fund and would be used to pay for general services, such as police, fire, recreation, parks, and library services.

The medical marijuana business tax would apply to City permitted dispensaries and any mobile dispensaries. Currently, mobile dispensaries are not allowed within the City; however, the tax would apply to mobile dispensaries located outside the City but doing business within the City limits even if operating unlawfully relative to the City's ordinances.

While not currently permitted in the City of Santa Barbara, the proposed new non-medical marijuana business tax would apply to other commercial activities related to the distribution of the medical marijuana, including planting, cultivating, harvesting, transporting, delivery, manufacturing, compounding, converting, processing, preparing, storing, packaging, wholesale, and retail sales of marijuana and its derivatives.

FISCAL IMPACT:

Fiscal Impacts of Non-Medical Marijuana Legalization

As we have previously reported, the statewide initiative entitled the Adult Use of Marijuana Act (AUMA) has been submitted to the Secretary of State with ample signatures for approval. If approved by the voters in November, the AUMA will impose a 15% state excise tax on medical and non-medical marijuana. The AUMA will also impose a cultivation tax on marijuana flowers and leaves. The AUMA will, however, exempt medical marijuana from the existing state transactions and use (sales) tax. Finally, the AUMA allows cities to use existing their authority to impose taxes on medical or non-medical marijuana.

The AUMA will substantially increase the City's regulatory and enforcement burdens by creating a new governance structure for state and local marijuana businesses. We anticipate that substantial expenditures will be needed to support the state system, for local enforcement, for development of local regulations, and to develop systems to assure public health and safety around a broad spectrum of marijuana businesses

Analysis of Local Revenue Impacts from Medical Marijuana

The proposed medical marijuana business tax of 10% would be applied to gross receipts. However, projecting how much the tax would generate in new revenue is difficult. The following summary provides some information from several cities that have

implemented a tax on medical marijuana. In virtually all cases, the information is based on revenues generated from dispensaries; very little, if any, of the revenues described below stem from other activities, such as delivery, cultivation, or manufacturing edibles and oils.

- Santa Cruz – 7% tax on gross proceeds from dispensaries. There are currently two dispensaries, which are expected to generate a total of $300,000 in revenues to the City in Fiscal Year 2016. This translates to $4.3 million in gross receipts, or $2.15 million per dispensary.

- Palm Springs – 10% tax on proceeds from collectives with a valid City Council-issued permit and a 15% tax on proceeds from collectives that do not have a City Council-issued permit. As of December 2015, six dispensaries have been permitted, with five (5) currently open and no unpermitted dispensaries. In Fiscal Year 2015, the City generated $1.1 million in tax revenues, which translates to approximately $10 million in total gross receipts, or $2 million per dispensary.

- San Jose – 10% tax on gross receipts. There are currently 16 dispensaries in operation. Total tax revenues projected in Fiscal Year 2016 are $7 million, which translates to $70 million in total gross receipts, or $4.4 million in gross receipts per dispensary.

- Sacramento – 4% tax on gross receipts from dispensaries. Media reports indicate that in Fiscal Year 2015 the City collected $3 million from the 4% tax. Currently, thirty (30) dispensaries are operating in the city, which translates to $75 million in total gross receipts, or $2.5 million per dispensary.

- Oakland – 5% tax on gross receipts. There are currently eight (8) active dispensaries in the City, which are generating approximately $60 million in total gross receipts, or $7.5 million in gross proceeds per dispensary.

In projecting the revenues that might be generated by the City of Santa Barbara, we believe the cities of Palm Springs and Santa Cruz provide the best indicators of the revenues a Santa Barbara tax might generate. Both Santa Cruz and Palm Springs report gross receipts of approximately $2 million per dispensary. However, because the approved Milpas dispensary is limited in client volume to 150 patients per day, its gross receipts may not reach the same level as the other two permitted dispensaries. As a result, we have discounted the estimate by 25% for the one dispensary.

Based on the data presented above, the estimated total annual gross receipts for the three permitted dispensaries, when fully operational, would be in the range of $5.5 million [($2 million x 2 dispensaries) + ($2 million x 75% x 1 dispensary)]. Therefore, the medical marijuana business tax would generate estimated revenues of $550,000 annually based on the proposed 10% tax rate.

Analysis of Local Revenue Impacts from Non-Medical Marijuana

There is very little data upon which to extrapolate the level of sales that would occur if non-medical marijuana is legalized, and thereby estimate potential tax revenues. Accordingly, we have prepared a very conservative estimate.

Our estimate is based upon the following assumptions:

1. The number of permitted dispensaries in the first several years would remain at three (3).

2. The existing dispensaries would expand their business to include the sale of marijuana for both medical and non-medical purposes.

3. The gross receipts would double from the medical estimates discussed above, with the incremental growth coming solely from the sale of marijuana for non-medical purposes.

Using these assumptions, the gross receipts would double, increasing $5.5 million to $11 million. The incremental gross receipts would be taxed at the 20% rate (versus the 10% rate for marijuana sold for medical purposes). Therefore, the *incremental* tax revenues generated from the sale of non-medical marijuana is estimated at $1.1 million ($5.5 million x 20%). This would bring the total estimated tax revenues to the City, assuming non-medical marijuana sales were legalized) to $1.65 million annually.

Should the City restrict non-medical sales, or if new non-medical dispensaries open in Santa Barbara, our estimates could change dramatically.

The table below summarizes the estimated tax revenues for both medical and non-medical marijuana.

Tax Rate	**Estimated Gross Receipts**	**Estimated Tax Revenues**
Medical Marijuana Tax – 10%	$5,500,000	$ 550,000
Non-Medical Marijuana Tax – 20%	$5,500,000	$1,100,000
Totals	$10,000,000	$1,650,000

The table below presents the varying revenue estimates based on different tax rates for both the medical and non-medical marijuana taxes.

Tax Rate	Estimated Tax Revenues (Medical Tax)	Estimated Tax Revenues (Non-Med Tax)
5%	$ 275,000	$ 275,000
10%	550,000*	550,000
15%	825,000	825,000
20%	1,100,000	1,100,000*

*Proposed

The estimated revenue would be deposited into the General Fund. The City may use the revenue from the tax for any legal municipal purpose, including but not limited to maintenance of vital services and facilities.

Other Revenue Considerations

While the sale of medical marijuana is not legal under federal law, Congress has defunded Department of Justice enforcement activities against medical marijuana in those states where medical marijuana is lawful, including California.

However, banks have generally not allowed marijuana businesses to establish bank accounts based on current federal law. Consequently, cities that have imposed a tax on medical marijuana have had to establish protocols and security procedures for the delivery of cash to their cashiers' office. A cash counting machine is used in most cases to facilitate and expedite the counting of the cash. Some cities have required appointments monthly for dispensaries to bring in the tax monies. In addition, assistance from the police department has been required in some cases to provide added security during the counts. Overall, the cash handling requirements have not created undue challenges or roadblocks to the imposition or collection of the taxes, but they have resulted in additional city costs.

A secondary consideration is the uncertainty of what impacts, if any, the legalization of the non-medical use and sale of marijuana in California would have on revenues generated by the City from its proposed tax structure, which includes taxing non-medical marijuana. The Adult Use of Marijuana Act, an initiative that would legalize recreational use of marijuana, will likely be before California voters this November. The measure would allow adults ages 21 and older to possess, transport and use up to an ounce of marijuana for recreational purposes and would allow individuals to grow as many as six plants. It would also allow for the sale of marijuana for non-medical purposes subject to state licensing and local ordinances. Under the initiative, existing and legal medical marijuana dispensaries would be given priority in securing a state license for the purposes of selling non-medical marijuana. What is not clear is whether existing dispensaries in the City would seek such licensing, and what the City may do to

restrict or prohibit this type of business within the City. To the extent existing dispensaries expand to include the sale of non-medical marijuana and the City does not restrict the sale by new businesses, the gross proceeds would be subject to the non-medical marijuana business tax. This would result in increased revenues beyond those previously discussed above.

PREPARED BY: Robert Samario, Finance Director
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 CALLING AND GIVING NOTICE OF A CONSOLIDATED SPECIAL MUNICIPAL ELECTION TO BE HELD IN THE CITY OF SANTA BARBARA ON TUESDAY, NOVEMBER 8, 2016 FOR THE SUBMISSION OF A BALLOT MEASURE TO THE VOTERS OF THE CITY PERTAINING TO ENACTMENT OF A GENERAL TAX ON THE GROSS RECEIPTS OF MARIJUANA BUSINESSES

WHEREAS, pursuant to the authority of the Santa Barbara City Charter, Elections Code section 9222, and Article 11, section 5 of the California Constitution, the City Council of the City of Santa Barbara, hereby elects to submit to the voters a ballot measure for the enactment of an ordinance establishing a general tax on the gross receipts of marijuana businesses; and

WHEREAS, Article 13C, section 2(b) of the California Constitution requires general taxes imposed by the City to be submitted to the electorate and approved by a majority vote; and

WHEREAS, Article 13C, section 2(b) of the California Constitution further requires that elections on general taxes be consolidated with a regularly scheduled general election for members of the governing body of the local government, except in cases of emergency declared by a unanimous vote of the governing body; and

WHEREAS, the next regularly scheduled general election for members of the Santa Barbara City Council will not be held until November 2017; and

WHEREAS, the City Council hereby finds and declares that an emergency exists within the City of Santa Barbara which requires submission to the voters, before November 2017, of a ballot measure to impose a general tax on marijuana businesses, for the following facts and reasons:

1. The City of Santa Barbara does not currently have sufficient funding to meet all of its reasonably known existing and projected future operating, capital, and reserve needs;

2. Two medical marijuana dispensaries have been approved and permitted to open pursuant to Chapter 28.80 of the City's Zoning Ordinance (Santa Barbara

Municipal Code Title 28), and a third application has been submitted for public review;

3. The Adult Use of Marijuana Act (AUMA) is a statewide initiative measure that has been submitted to the Secretary of State with over 600,000 signatures, far more than the 365,880 signatures necessary to qualify the measure for the November 2016 General Election ballot;

4. If approved by the voters, the AUMA will legalize the non-medical use of marijuana by adults who are at least 21 years old;

5. If approved by the voters, the AUMA will permit non-medical marijuana dispensaries to operate in Santa Barbara unless the City, acting by a supermajority vote of the City Council or a majority vote of the local electorate, takes action to prohibit such land uses;

6. The Public Policy Institute of California (PPIC) conducted a study in April 2015 which concluded that 55% of California voters favor the legalization of non-medical marijuana, and a May 2016 PPIC report shows that 60% of California voters now favor the legalization of non-medical marijuana;

7. The AUMA is likely to be approved by California voters in November 2016;

8. The AUMA is likely to lead to the development and operation of non-medical marijuana businesses in Santa Barbara;

9. Even if the AUMA is not approved, lawful medical marijuana businesses and illegal non-medical marijuana businesses will exist and operate within the City of Santa Barbara;

10. Santa Barbara's existing approved medical dispensaries will require the City to generate and expend substantial sums of money, currently unavailable, in order to fund Police, Finance and Community Development staffing necessary to inspect, audit, and monitor marijuana dispensary premises, financial records, and membership records, so as to ensure compliance with state law and the City's local ordinances;

11. The development and operation of lawful and illegal non-medical marijuana businesses in Santa Barbara will require the City to generate and expend substantial sums of money in order to integrate and protect the City's health and

safety needs under existing law or under a new and untested state regulatory structure governing non-medical marijuana sales;

12. Funding to ensure compliance with, and enforcement of, state and local laws and regulations, and protection of public health and safety, will be needed before the November 2017 regularly scheduled general election for the City Council;

13. In the absence of adequate compliance and enforcement resources, medical and non-medical marijuana dispensaries will pose a direct and immediate threat to the health and safety of dispensary members and customers, as well as the general public, because there will be no systems in place to assure compliance with local and state laws and regulations which are designed and intended to protect public health and safety;

14. The specific threats to health and safety include, but are not limited to:

    A. Illegal marijuana sales and distribution;
    B. Distribution and use of marijuana by children and adults younger than 21;
    C. According to studies presented to the American Psychological Association, frequent marijuana use can have a significant negative effect on the brains of teenagers and young adults, including cognitive decline, poor attention and memory, and decreased IQ, and marijuana use by children and adults younger than 21 has been associated with negative life outcomes including poor school performance, higher dropout rates, increased welfare dependence, greater unemployment and lower life satisfaction;
    D. Financial fraud by dispensaries and marijuana businesses;
    E. Membership fraud by collective and cooperative storefront dispensaries;
    F. The unlawful association of felons with storefront dispensaries and marijuana businesses;
    G. Illegal mobile marijuana distribution; and,
    H. Illegal marijuana cultivation.

15. A marijuana business tax will help fund law enforcement, code compliance and general city services necessary to address and prevent the specific threats to health and safety found and determined by the City Council in this Resolution.

WHEREAS, the City Council is authorized by Elections Code sections 10400 and 10401 to consolidate this special municipal election with the Statewide General Election to be

conducted on November 8, 2016, by the County of Santa Barbara and the City Council will request consolidation with the adoption of this Resolution.

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

SECTION 1. The foregoing recitals of fact are incorporated into this Resolution and deemed to be true.

SECTION 2. Pursuant to the requirements of the City Charter and the laws of the state of California, there is called and ordered to be held in the City of Santa Barbara, on Tuesday, November 8, 2016, a special municipal election for the purpose of submitting a ballot measure ordinance to the voters of the City for their approval or rejection with a ballot label (as authorized and specified by Elections Code sections 9051 and 13119) as follows:

CITY OF SANTA BARBARA MEASURE ___ -2016	
Shall the ordinance entitled the "Santa Barbara Marijuana Control Act" which taxes marijuana businesses to help fund general city services, including crime prevention, police services, and zoning enforcement under state and local marijuana laws, at a rate of 10% of gross receipts for medical marijuana and 20% for non-medical marijuana and generating estimated revenues of between $550,000 and $1,650,000 annually, with no termination date, be adopted?	YES NO

SECTION 2. The text of the ordinance to be submitted to the voters as a ballot measure is attached as Exhibit A.

SECTION 3. Pursuant to Elections Code section 9280, the City Clerk is directed to transmit a copy of the ballot measure to the City Attorney who is authorized and directed to prepare an impartial analysis of the measure showing the effect of the measure on existing law and the operation of the measure.

SECTION 4. Pursuant to Elections Code section 9282, the City Council authorizes the Mayor to file a written argument on its behalf regarding the measure, accompanied by

up to four additional printed names and signatures of the persons joining the Mayor in submitting it.

SECTION 5. Pursuant to Elections Code section 9285, the City Council authorizes the City Clerk to select the arguments for and against the measure which will be printed and distributed to the voters in accordance with this Resolution and state law. The City Clerk shall send a copy of the argument in favor of the measure to the authors of any argument against the measure and copy of an argument against the measure to the authors of any argument in favor of the measure immediately upon receiving the arguments. The author or a majority of the authors of an argument relating to the measure may prepare and submit a rebuttal argument or may authorize in writing any other person or persons to prepare, submit, or sign the rebuttal argument. The rebuttal argument shall not exceed 250 words. A rebuttal argument may not be signed by more than five persons. Rebuttal arguments shall be printed in the same manner as the direct arguments. Each rebuttal argument shall immediately follow the direct argument which it seeks to rebut.

SECTION 6. In all particulars not recited in this Resolution, the election shall be held and conducted as provided by law for holding municipal elections and the City Clerk is authorized and directed to take all necessary and appropriate actions related to the election.

SECTION 7. Notice of the time and place of holding the election is hereby given and the City Clerk is authorized, instructed, and directed to give further or additional notice of the election in time, form and manner as required by law.

SECTION 8. Pursuant to Elections Code sections 10401 and 10403, the Board of Supervisors of the County of Santa Barbara is hereby requested to consent and agree to the consolidation of the Special Municipal Election with the Statewide General Election to be held on Tuesday, November 8, 2016, for the submission of the measure.

SECTION 9. The County Elections Division is hereby authorized to canvass the returns of the Special Municipal Election. The election shall be held in all respects as if there were only one election, and only one form of ballot shall be used.

SECTION 10. The Board of Supervisors of the County of Santa Barbara is hereby requested to issue instructions to the County Elections Division to take any and all steps necessary for the holding of the consolidated election.

SECTION 11. The City Council of the City of Santa Barbara recognizes that additional costs will be incurred by the County of Santa Barbara by reason of this consolidation and hereby agrees to reimburse the County for these costs.

SECTION 12. The City Clerk is hereby directed to file a certified copy of this resolution with the Board of Supervisors and the County Elections Division of the County of Santa Barbara.

ORDINANCE NO. _____

A CITY COUNCIL PROPOSED BALLOT MEASURE ADOPTING THE SANTA BARBARA MARIJUANA CONTROL ACT AS A MARIJUANA BUSINESS TAX TO HELP FUND GENERAL CITY SERVICES, INCLUDING CRIME PREVENTION, POLICE SERVICES AND ZONING ENFORCEMENT UNDER STATE AND LOCAL MARIJUANA LAWS, BY IMPOSING A BUSINESS TAX AT THE RATE OF 10% OF GROSS RECEIPTS FOR MEDICAL MARIJUANA BUSINESSES AND 20% OF GROSS RECEIPTS FOR NON-MEDICAL MARIJUANA BUSINESSES WITH NO TERMINATION DATE

THE PEOPLE OF THE CITY OF SANTA BARBARA DO ORDAIN AS FOLLOWS:

SECTION 1. Title 5 of the Santa Barbara Municipal Code is amended by adding Chapter 5.42 to read as follows:

Chapter 5.42 – SANTA BARBARA MARIJUANA CONTROL ACT

5.42.010 – Name and Purpose.

This Chapter shall be known as the Santa Barbara Marijuana Control Act. It is enacted solely to raise revenue for general municipal purposes, including but not limited to crime prevention, police services and zoning enforcement, and is not intended for regulation.

5.42.020 - Definitions.

The definitions of certain terms, as set forth below in Sections 5.42.030 through 5.42.140, shall govern the application and interpretation of this Chapter.

5.42.030 - Business.

"Business" means all activities engaged in or caused to be engaged in within the City, including any commercial or industrial enterprise, trade, profession, occupation, vocation, calling, or livelihood, whether or not carried on for gain or profit, but shall not include the services rendered by an employee to his or her employer.

5.42.040 - Business Tax Certificate.

"Business tax certificate" means the certificate issued by the City to the taxpayer upon completion of the business tax application and payment of the tax prescribed by this Chapter.

5.42.050 - Director.

"Director" means the Director of the Finance Department of the City of Santa Barbara or such other director designated by the City Administrator to administer this Chapter.

5.42.060 - Employee.

"Employee" means each and every person engaged in the operation or conduct of any business, whether as owner, member of the owner's family, partner, associate, agent, manager or solicitor, and each and every other person employed or working in such business for a wage, salary, commission or room and board.

5.42.070 - Engaged in Business.

A. "Engaged in business" means the commencing, conducting, operating, managing or carrying on of a marijuana business and the exercise of corporate or franchise powers, whether done as owner, or by means of an officer, agent, manager, employee, or otherwise, whether operating from a fixed location in the City or coming into the City from an outside location to engage in such activities.

B. A person shall be deemed engaged in business within the City if:

1. The person or person's employee maintains a fixed place of business within the City for the benefit or partial benefit of such person;

2. The person or person's employee owns or leases real property within the City for business purposes;

3. The person or person's employee regularly maintains a stock of tangible personal property in the City for sale in the ordinary course of business;

4. The person or person's employee regularly conducts solicitation of business within the City;

5. The person or person's employee performs work or renders services in the City on a regular and continuous basis involving more than five working days per year;

6. The person or person's employee utilizes the streets within the City in connection with the operation of motor vehicles for business purposes.

C. The foregoing specified activities shall not be a limitation on the meaning of "engaged in business."

D. Whenever any person shall, by use of signs, circulars, cards or any other advertising media, including the use of internet or telephone solicitation, represent that such person is engaged in marijuana business in the City, then these facts may be used as evidence that such person is engaged in business in the City.

5.42.080 – Reserved.

5.42.090 - Gross Receipts.

"Gross receipts," except as otherwise specifically provided, means the total amount actually received or receivable from all sales; the total amount or compensation actually received or receivable for the performance of any act or service, of whatever nature it may be, for which a charge is made or credit allowed, whether or not such act or service is done as a part of or in connection with the sale of materials, goods, wares or merchandise; discounts, rents, royalties, fees, commissions, dividends, and gains realized from trading in stocks or bonds, however designated. Included in "gross receipts" shall be all receipts, cash, credits and property of any kind or nature, without any deduction therefrom on account of the cost of the property sold, the cost of materials used, labor or service costs, interest paid or payable, or losses or other expenses whatsoever, except that the following shall be excluded from gross receipts:

A. Cash discounts allowed and taken on sales;

B. Credit allowed on property accepted as part of the purchase price and which property may later be sold, at which time the sales price shall be included as gross receipts;

C. Any tax required by law to be included in or added to the purchase price and collected from the consumer or purchaser;

D. Any part of the sale price of any property returned by purchasers to the seller as refunded by the seller by way of cash or credit allowances or return of refundable deposits previously included in gross receipts;

E. Receipts from investments where the holder of the investment receives only interest and/or dividends, royalties, annuities and gains from the sale or exchange of stock or securities solely for a person's own account, not derived in the ordinary course of a business;

F. Receipts derived from the occasional sale of used, obsolete or surplus trade fixtures, machinery or other equipment used by the taxpayer in the regular course of the taxpayer's business;

G. Cash value of sales, trades or transactions between departments or units of the same business;

H. Whenever there are included within the gross receipts amounts which reflect sales for which credit is extended and such amount proved uncollectible in a subsequent year, those amounts may be excluded from the gross receipts in the year they prove to be uncollectible; provided, however, if the whole or portion of such amounts excluded as uncollectible are subsequently collected, they shall be included in the amount of gross receipts for the period when they are recovered;

I. Transactions between a partnership and its partners;

J. Receipts from services or sales in transactions between affiliated corporations. An affiliated corporation is a corporation:

1. The voting and non-voting stock of which is owned at least eighty percent by such other corporation with which such transaction is had; or
2. Which owns at least eighty percent of the voting and non-voting stock of such other corporation; or
3. At least eighty percent of the voting and non-voting stock of which is owned by a common parent corporation which also has such ownership of the corporation with which such transaction is had;

K. Transactions between a limited liability company and its member(s), provided the limited liability company has elected to file as a Subchapter K entity under the Internal Revenue Code and that such transaction(s) shall be treated the same as between a partnership and its partner(s) as specified in Subsection I. above;

L. Receipts of refundable deposits, except that such deposits when forfeited and taken into income of the business shall not be excluded when in excess of one dollar;

M. Amounts collected for others where the business is acting as an agent or trustee and to the extent that such amounts are paid to those for whom collected. These agents or trustees must provide the finance department with the names and the addresses of the others and the amounts paid to them. This exclusion shall not apply to any fees, percentages, or other payments retained by the agent or trustees.

"Gross receipts" subject to the business tax shall be that portion of gross receipts relating to business conducted within the City.

5.42.100 - Marijuana.

"Marijuana" means all parts of the plant Cannabis sativa Linnaeus, Cannabis indica, Cannabis ruderalis, Cannabis as defined by the California Business and Professions Code, or Marijuana as defined by the California Health and Safety Code, whether growing or not; the seeds thereof; the resin extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, oils, or resin.

5.42.110 - Marijuana Business.

"Marijuana business" means business activity including but not limited to, planting, cultivation, harvesting, transporting, manufacturing, compounding, converting, processing, preparing, storing, packaging, wholesale, collective or cooperative distribution, provision, and/or retail sales of marijuana and any ancillary products in the City, whether or not carried on for gain or profit.

5.42.115 – Medical Marijuana.

“Medical marijuana” means marijuana when provided to a qualified patient (or primary caregiver for a qualified patient) who provides his or her card issued under Health and Safety Code section 11362.71.

5.42.120 - Marijuana Business Tax.

"Business tax" or "marijuana business tax" or "marijuana tax" shall mean the tax due for engaging in marijuana business in Santa Barbara.

5.42.130 - Person.

"Person" means, without limitation, any natural individual, organization, firm, trust, common law trust, estate, partnership of any kind, association, syndicate, club, joint stock company, joint venture, limited liability company, corporation (including foreign, domestic, and nonprofit), municipal corporation (other than the City), cooperative, receiver, trustee, guardian, or other representative appointed by order of any court.

5.42.140 - Sale.

"Sale" means and includes any sale, exchange, collective or cooperative exchange, provision, or barter.

5.42.200 - Other Licenses, Permits, Taxes, Fees or Charges Remain in Effect.

Nothing contained in this Chapter 5.42 shall be deemed to repeal, amend, be in lieu of, replace or in any way affect any requirements for any license or permit required by, under or by virtue of any provision of any other title or chapter of this code or any other City ordinance or resolution, nor be deemed to repeal, amend, be in lieu of, replace or in any way affect any tax, fee or other charge imposed, assessed or required by, under or by virtue of any other title or chapter of this code, including, but not limited to, the business taxes imposed by and the requirements set forth in Chapter 5.04 of this code, or any other City ordinance or resolution. Any references made or contained in any other title or chapter of this code to any licenses, license taxes, fees or charges, or to any schedule of license fees, shall be deemed to refer to the licenses, license taxes, fees or charges, or schedule of license fees, provided for in other titles or chapters of this code.

5.42.210 - Business Tax Certificate Required.

A. There is imposed upon all persons engaged in marijuana business in the City a tax in the amounts prescribed in this Chapter. It shall be unlawful for any person, either for him or herself or for any other person, to commence, transact or carry on any marijuana business in the City without first having procured a business tax certificate from the City under this Chapter and having paid the tax set forth herein, and without complying with any and all provisions contained in this Chapter. The carrying on of any marijuana business without complying with any and all provisions of this Chapter shall constitute a separate violation of this Chapter for each and every day that such marijuana business is so carried on.

B. The business tax certificate required to be obtained and the taxes required to be paid under this Chapter are declared to be required pursuant to the taxing power of the City of Santa Barbara solely for the purpose of obtaining revenue and are not regulatory permit fees.

5.42.220 - Payment of Tax Does Not Authorize Unlawful Business.

A. The payment of a business tax required by this Chapter, and its acceptance by the City, shall not entitle any person to carry on any marijuana business unless the person has complied with all of the requirements of this code and all other applicable laws, nor to carry on any marijuana business in any building or on any premises in the event that such building or premises are situated in a zone or locality in which the conduct of such marijuana business is in violation of any law.

B. No tax paid under the provisions of this Chapter shall be construed as authorizing the conduct or continuance of any illegal or unlawful business, including without limitation any business operating in violation of any City ordinance or state or federal law.

5.42.230 - Application Form and Contents.

Every person required to have a business tax certificate under the provisions of this Chapter shall make application for the same, or for renewal of the same, to the Director. The application shall be a written statement upon a form or forms provided by the Director and shall be signed by the applicant under penalty of perjury. The application shall set forth such information as may be required and as may be reasonably necessary to properly determine the amount of the tax to be paid by the applicant under this Chapter, together with such other information as is required by the Director to enable the Director to administer the provisions of this Chapter. The application shall include an affirmation under penalty of perjury which sets forth whether medical marijuana is to be provided at the business.

5.42.240 - Payment Location.

The tax imposed under this Chapter shall be paid to the Director in lawful money of the United States, at City Hall, Santa Barbara, California, or as may be otherwise provided by the Director.

5.42.250 – Marijuana Business Tax Imposed for Medical and Non-medical Marijuana Businesses.

A. In addition to the business tax imposed under Chapter 5.04 of this code, and any other applicable City taxes, every person engaged in a medical marijuana business in the City shall pay a business tax at a rate of up to ten (10) percent of gross receipts.

B. Notwithstanding the maximum tax rate of ten (10) percent of gross receipts imposed under Subsection A., the City Council may, at any time by ordinance, reduce the tax rate for medical marijuana businesses or establish differing tax rates for different categories of medical marijuana businesses, as defined by ordinance, subject to the maximum rate of ten (10) percent of gross receipts.

C. In addition to the business tax imposed under Chapter 5.04 of this code, and any other applicable City taxes, every person engaged in a non-medical marijuana business in the City, and every person who has not provided the affirmation required under Section 5.42.230, shall pay a business tax at a rate of up to twenty (20) percent of gross receipts.

D. Notwithstanding the maximum tax rate of twenty (20) percent of gross receipts imposed under Subsection C., the City Council may, at any time by ordinance, reduce the tax rate for non-medical marijuana businesses or establish differing tax rates for different categories of non-medical marijuana businesses, as defined by ordinance, subject to the maximum rate of twenty (20) percent of gross receipts.

5.42.260 – Tax Payment Due Date.

The business tax imposed by this Chapter shall be due and payable as follows:

A. Each person owing a tax under this Chapter shall, on or before the last day of each calendar month, prepare a tax return to the Director of the total gross receipts and the amount of tax owed for the preceding calendar month. At the time the tax return is filed, the full amount of the tax owed for the preceding calendar month shall be remitted to the Director.

B. All tax returns shall be completed on forms provided by the Director.

C. Tax returns and payments for all outstanding taxes owed the City are immediately due to the Director upon cessation of business for any reason.

5.42.270 - Payments and Communications Made by Mail.

Whenever any payment, statement, report, request or other communication received by the Director is received after the time prescribed by this Chapter for the receipt thereof, but is in an envelope bearing a postmark showing that it was mailed on or before the date prescribed in this Chapter for the receipt thereof, or whenever the Director is furnished substantial proof that the payment, statement, report, request or other communication was in fact deposited in the United States mail on or before the date prescribed for receipt thereof, the Director may regard such payment, statement, report, request or other communication as having been timely received. If the due day falls on Saturday, Sunday or a holiday, the due day shall be the next regular business day on which the City Hall is open to the public.

5.42.280 – Delinquent Tax Payments.

Unless otherwise specifically provided under other provisions of this Chapter, the taxes required to be paid pursuant to this Chapter shall be deemed delinquent if not paid on or before the due date specified in Section 5.42.260.

5.42.290 – Delinquency or Payment Notice Not Required.

The Director is not required to send a delinquency or other notice or bill to any person subject to the provisions of this Chapter and failure to send such notice or bill shall not affect the validity of any tax or penalty due under the provisions of this Chapter.

5.42.300 – Delinquency Payments.

A. Any person who fails or refuses to pay any business tax required to be paid pursuant to this Chapter on or before the due date shall pay penalties and interest as follows:

1. A penalty equal to twenty-five percent of the amount of the tax in addition to the amount of the tax, plus interest on the unpaid tax calculated from the due date of the tax at a rate established by resolution of the City Council; and

2. An additional penalty equal to twenty-five percent of the amount of the tax if the tax remains unpaid for a period exceeding one calendar month beyond the due date, plus interest on the unpaid tax and interest on the unpaid penalties calculated at the rate established by resolution of the City Council.

B. Whenever a check is submitted in payment of a business tax and the check is subsequently returned unpaid by the bank upon which the check is drawn, and the check is not redeemed before the due date, the taxpayer will be liable for the tax amount due plus penalties and interest as provided for in this section plus any amount allowed under state law.

C. The business tax due shall be that amount due and payable from the first date on which the person was engaged in marijuana business in the City, together with applicable penalties and interest calculated in accordance with Subsection A. above.

5.42.310 – Limitation on Penalty Waiver.

The Director may waive the first and second penalties of twenty-five percent each imposed upon any person if:

A. The person provides evidence satisfactory to the Director that failure to pay timely was due to circumstances beyond the control of the person and occurred notwithstanding the exercise of ordinary care and the absence of willful neglect, and the person paid the delinquent business tax and accrued interest owed the City before applying to the Director for a waiver.

B. The waiver provisions specified in this subsection shall not apply to interest accrued on the delinquent tax and a waiver shall be granted only once during any twenty-four month period.

5.42.320 - Refunds and Credits.

A. No refund shall be made of any tax collected pursuant to this Chapter, except as provided in Section 5.42.330.

B. No refund of any tax collected pursuant to this Chapter shall be made because of the discontinuation, dissolution or other termination of a business.

C. Any person entitled to a refund of taxes paid pursuant to this Chapter may elect in writing to have such refund applied as a credit against such person's business taxes for the next calendar month.

5.42.330 - Refund Procedures.

A. Whenever the amount of any business tax, penalty or interest has been overpaid, paid more than once, or has been erroneously or illegally collected or received by the City under this Chapter, it may be refunded to the claimant who paid the tax provided that a written claim for refund is filed with the Director, and the provisions of Chapter 1.35 are satisfied.

B. The Director or the Director's authorized agent shall have the right to examine and audit all the books and business records of the claimant in order to determine the eligibility of the claimant to the claimed refund. No claim for refund shall be allowed if the claimant therefor refuses to allow such examination of claimant's books and business records after request by the Director to do so.

C. In the event that the business tax was erroneously paid and the error is attributable to the City, the entire amount of the tax erroneously paid shall be refunded to the claimant. If the error is attributable to the claimant, the City shall retain the amount set forth in the schedule of fees and charges established by resolution of the City Council from the amount to be refunded to cover expenses.

D. The Director shall initiate a refund of any business tax which has been overpaid or erroneously collected whenever the overpayment or erroneous collection is uncovered by a City audit of business tax receipts. In the event that the business tax was erroneously paid and the error is attributable to the City, the entire amount of the tax erroneously paid shall be refunded to the claimant. If the error is attributable to the claimant, the City shall retain the amount set forth in the schedule of fees and charges established by resolution of the City Council from the amount to be refunded to cover expenses.

E. The claimant shall bear the burden of demonstrating that the tax was overpaid, paid more than once, or erroneously or illegally collected or received by the City. With respect to medical marijuana, the claimant shall bear the additional burden of demonstrating that the marijuana was provided to a qualified patient (or primary caregiver for a qualified patient) who provided his or her card issued under Health and Safety Code section 11362.71.

5.42.400 - Exemption Application.

Any person desiring to claim exemption from the payment of the tax set forth in this Chapter shall make application therefor upon forms prescribed by the Director and shall furnish such information and make such affidavits as may be required by the Director.

5.42.410 - Exemptions in General.

Except as may be otherwise specifically provided in this Chapter, the terms hereof shall not be deemed or construed to apply to any person when imposition of the tax upon that person would violate the Constitution of the United States or that of the State of California or preemptive federal or state law.

5.42.420 – Exemption for Occasional Transactions.

A. The provisions of this Chapter shall not apply to persons having no fixed place of business within the City of Santa Barbara who come into the City for the purpose of transacting a specific item of business at the request of a specific patient, client or customer, provided that such person does not come into the City for the purpose of transacting business on more than five days during any calendar year.

B. For any person not having a fixed place of business within the City of Santa Barbara who comes into the City for the purpose of transacting business and who is not exempt as provided in Subsection A. of this section, the business tax payable by such person may be apportioned by the Director in accordance with Section 5.42.520.

5.42.500 - Enforcement Duties of Director and Chief of Police.

It shall be the duty of the Director to enforce each and all of the provisions of this Chapter, and the Chief of Police shall render such assistance in the enforcement of this Chapter as may from time to time be required by the Director.

5.42.510 - Rules and Regulations.

For purposes of apportionment as may be required by law and for purposes of administration and enforcement of this Chapter generally, the Director, with the concurrence of the City Attorney, may from time to time promulgate administrative rules and regulations. These rules and regulations shall be binding upon all persons and shall be the City's official interpretation of this Chapter.

5.42.520 - Apportionment.

A. None of the tax provided for by this Chapter shall be applied so as to occasion an undue burden upon interstate commerce or be violative of the equal protection and due process clauses of the Constitutions of the United States or the State of California.

B. If any case where a business tax is believed by a taxpayer to place an undue burden upon interstate commerce or be violative of such constitutional clauses, the taxpayer may apply to the Director for an adjustment of the tax. It shall be the taxpayer's obligation to request in writing for an adjustment within one year after the date of payment of the tax. If the taxpayer does not request in writing within one year from the date of payment, then taxpayer shall be conclusively deemed to have waived any adjustment for that year.

C. The taxpayer shall, by sworn statement, supporting testimony, and documentary evidence, bear the burden if showing the method of business and the gross volume of business and such other information as the Director may deem necessary in order to determine the extent, if any, of such undue burden or violation. The Director shall then conduct an investigation, and shall fix as the tax for the taxpayer an amount that is reasonable and nondiscriminatory, or if the tax has already been paid, shall order a refund of the amount over and above the tax so fixed. In fixing the tax to be charged, the Director shall have the power to base the tax upon a percentage of gross receipts or any other measure which will assure that the tax assessed shall be uniform with that assessed on businesses of like nature, so long as the amount assessed does not exceed the tax as prescribed by this Chapter.

D. Should the Director determine that the gross receipt measure of tax to be the proper bases, the Director may require the taxpayer to submit a sworn statement of the gross receipts and pay the amount of tax as determined by the Director.

5.42.530 - Audit and Examination of Books, Records and Equipment.

The director shall have the power to audit and examine all books and records of persons engaged in marijuana business including both state and federal income tax returns, California sales tax returns, or other evidence documenting the gross receipts of persons engaged in marijuana business, and, where necessary, all equipment, of any person engaged in marijuana business in the City, for the purpose of ascertaining the amount of business tax, if any, required to be paid by the provisions hereof, and for the

purpose of verifying any statements or any item thereof when filed by any person pursuant to the provisions of this Chapter. If such person, after written demand by the Director, refuses to make available for audit, examination or verification such books, records or equipment as the Director requests, the Director may, after full consideration of all information within his or her knowledge concerning the marijuana business and activities of the person so refusing, make an assessment in the manner provided in Sections 5.42.560 through 5.42.580 of any taxes estimated to be due.

5.42.540 - Tax Deemed Debt to City.

The amount of any tax, penalties and interest imposed by this Chapter shall be deemed a debt to the City and any person carrying on any marijuana business without first having procured a business tax certificate shall be liable in an action in the name of the City in any court of competent jurisdiction for the amount of the tax, and penalties and interest imposed on such business.

5.42.550 - Deficiency Determinations.

If the Director determines that any statement filed as required under the provisions of this Chapter is incorrect, or that the amount of tax is not correctly computed, the Director may compute and determine the amount to be paid and make a deficiency determination upon the basis of the facts contained in the statement or upon the basis of any information in his or her possession or that may come into his or her possession. One or more deficiency determinations of the amount of tax due for a period or periods may be made. When a person discontinues engaging in a business, a deficiency determination may be made at any time within three years thereafter as to any liability arising from engaging in such business whether or not a deficiency determination is issued before the date the tax would otherwise be due. Whenever a deficiency determination is made, a notice shall be given to the person concerned in the same manner as notices of assessment are given under Sections 5.42.560 through 5.42.580.

5.42.560 – Tax Assessment Determinations.

A. Under any of the following circumstances, the Director may make and give notice of an assessment of the amount of tax owed by a person under this Chapter:

1. If the person has not filed any statement or return required under the provisions of this Chapter;
2. If the person has not paid any tax due under the provisions of this Chapter;

3. If the person has not, after demand by the Director, filed a corrected statement or return, or furnished to the Director adequate substantiation of the information contained in a statement or return already filed, or paid any additional amount of tax due under the provisions of this Chapter;

4. If the Director determines that the nonpayment of any business tax due under this Chapter is due to fraud, a penalty of twenty-five percent of the amount of the tax shall be added thereto in addition to penalties and interest otherwise stated in this Chapter.

B. The notice of assessment shall separately set forth the amount of any tax known by the Director to be due or estimated by the Director, after consideration of all information within the Director's knowledge concerning the business and activities of the person assessed, to be due under each applicable section of this Chapter, and shall include the amount of any penalties or interest accrued on each amount to the date of the notice of assessment.

5.42.570 – Notice of Tax Assessment.

The notice of assessment shall be served upon the person either by personal hand delivery, or by sending the notice in the United States mail, postage prepaid, addressed to the person at the address of the location of the business appearing on the face of the business tax certificate or to such other address as the person registers with the Director for the purpose of receiving notices provided under this Chapter; or, if the person has no business tax certificate and no address registered with the Director for such purpose, then to the person's last known address. For the purposes of this section, service by mail is complete at the time of deposit in the United States mail.

5.42.580 - Tax Assessment Hearing.

Within ten days after the date of service, the person may apply in writing to the Director for a hearing on the assessment. If a hearing application is not made within ten days after the date of service, the tax assessed by the Director shall become final and conclusive. Within thirty days of the receipt of any hearing application, the Director shall cause the matter to be set for hearing before him or her not later than thirty days after the date of application, unless a later date is agreed to by the Director and the person requesting the hearing. Notice of the hearing shall be given by the Director to the person requesting the hearing not later than five days before the hearing. At the hearing the applicant may appear and offer evidence why the assessment as made by the Director should not be confirmed and fixed as the tax due. The applicant shall bear the

burden of proving that the tax assessment is not correct. After the hearing the Director shall determine and reassess the proper tax to be charged and shall give written notice to the person in the manner prescribed in Section 5.42.570 for giving notice of assessment.

5.42.590 – Criminal Conviction Does Not Exonerate Civil Liability.

A criminal conviction and any resulting penalty for failure to pay the business tax required by this Chapter shall not be deemed to excuse, exempt or exonerate the person convicted from a civil action for the tax debt unpaid at the time of such conviction. A civil action shall not prevent a criminal prosecution for any violation of the provisions of this Chapter or of any state law requiring the payment of all taxes.

5.42.600 - Misdemeanor Penalty.

A person who violates any provision of this Chapter, or who violates any regulation or rule promulgated in accordance with this Chapter, or who knowingly or intentionally misrepresents to any officer or employee of the City any material fact in procuring a business tax certificate, shall be guilty of a misdemeanor, and upon conviction shall be punishable as provided by Section 1.28.020 of this code.

5.42.610 - Operative Date.

The operative date of this Chapter shall be March 1, 2017.

5.42.620 - Severability.

If any provision of this Chapter, or its application to any person or circumstance, be determined by a court to be unlawful, unenforceable or otherwise void, that determination shall have no effect on any other provision of this Chapter or the application of this Chapter to any other person or circumstance and, to that end, the provisions hereof are severable.

5.42.630 - Amendment of State or Federal Law.

Unless specifically provided otherwise, any reference to a state or federal statute in this Chapter shall mean such statute as it may be amended from time to time, provided that such reference to a statute herein shall not include any amendment thereto, or to any change of interpretation thereto by a state or federal agency or court of law with the duty

to interpret such law, to the extent that such amendment or change of interpretation would, under California law, require voter approval of such amendment or interpretation, or to the extent that such change would result in a tax decrease. To the extent voter approval would otherwise be required or a tax decrease would result, the prior version of the statute (or interpretation) shall remain applicable; for any application or situation that would not require voter approval or result in a decrease of a tax, provisions of the amended statute (or new interpretation) shall be applicable to the maximum possible extent. To the extent that the City's authorization to collect or impose any tax imposed under this Chapter is expanded as a result of changes in state or federal law, no amendment or modification of this Chapter shall be required to conform the tax to those changes, and the tax shall be imposed and collected to the full extent of the authorization up to the full amount of the tax imposed under this Chapter.

5.42.640 –Annual City Revenue Audit.

Pursuant to City Charter section 1219, the revenues from the tax imposed by this Chapter shall be subject to the annual audit performed by the City's independent auditor of the City's municipal books, records, accounts and fiscal procedures and which is reported in the City's Comprehensive Annual Financial Report.

5.42.650 – Cumulative Remedies.

All remedies and penalties prescribed by this Chapter or which are available under any other provision of law or equity, including but not limited to the California False Claims Act (Government Code sections 12650, *et seq*.) and the California Unfair Practices Act (Business and Professions Code sections 17070 *et seq*.), are cumulative. The use of one or more remedies by the City shall not bar the use of any other remedy for the purpose of enforcing the provisions of this Chapter.

5.42.660 – City Council Authorized to Amend or Repeal.

Chapter 5.42 of Title 5 of the Santa Barbara Municipal Code may be repealed or amended by the City Council without a vote of the people. However, as required by Article 13C of the California Constitution, voter approval is required for any amendment that would increase the rate of any tax levied pursuant to this Chapter. The people of the City of Santa Barbara affirm that the following actions by the City Council, or by the Finance Director when so authorized, shall not constitute an increase of the rate of a tax:

A. The restoration of the rate of the tax to a rate that is no higher than that set by this Chapter, if the City Council has acted to reduce the rate of the tax;

B. An action that interprets or clarifies the methodology of the tax, or any definition applicable to the tax, so long as interpretation or clarification (even if contrary to some prior interpretation or clarification) is not inconsistent with the language of this Chapter;

C. The establishment of a class of person that is exempt or excepted from the tax or the discontinuation of any such exemption or exception (other than the discontinuation of an exemption or exception specifically set forth in this Chapter);

D. The establishment by ordinance of different categories of businesses; or

E. The collection of the tax imposed by this Chapter, even if the City has previously failed to collect the tax.

F. The promulgation of rules and regulations by the Finance Director.

Agenda Item No. 19

File Code No. 540.08

CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: June 28, 2016

TO: Mayor and Councilmembers

FROM: Water Resources Division, Public Works Department

SUBJECT: Public Hearing And Adoption Of 2015 Urban Water Management Plan

RECOMMENDATION: That Council:

A. Hold a public hearing regarding the adoption of the City's 2015 Urban Water Management Plan;
B. Adopt a 2020 water use target of 117 gallons per capita per day in accordance with the legislative requirements of the Water Conservation Act of 2009 and as set forth in Section 5 of the Urban Water Management Plan; and
C. Adopt and authorize the Public Works Director to transmit the City's 2015 Urban Water Management Plan to the California Department of Water Resources with such minor revisions as may be approved by the Public Works Director to ensure compliance with State Urban Water Management Plan requirements and that are consistent with the City's Long Term Water Supply Plan.

EXECUTIVE SUMMARY:

The City's 2015 Urban Water Management Plan (UWMP) has been prepared as required by California Water Code (CWC), Section 10631. In accordance with CWC Section 10608, prior to adoption of the UWMP, the City Council must hold at least one public hearing regarding the UWMP.

An UWMP is a state-mandated report that generally summarizes the actions of water management agencies, with a planning horizon of 20 years. The 2015 UWMP must be reviewed, approved and submitted by the City to the Department of Water Resources no later than July 1, 2016. The City's primary water supply management tool is the 2011 Long Term Water Supply Plan (LTWSP) which was used as a basis for preparation of both the 2015 UWMP and the 2010 UWMP.

The updated 2015 UWMP fulfills CWC requirements mandating certain reporting obligations, including specific water conservation targets. The 2015 UWMP adopts a 2020 target for water use of 117 gallons per capita per day (GPCD), which the City is on track to meet, and an interim 2015 target of 123.4 GPCD, which the City has met. The 2015

UWMP demonstrates the City's long-term water supply and demand balance through 2035 under normal, single-year, and multi-year drought conditions, and it establishes a plan for responding to a catastrophic water supply emergency.

It is important to understand that the UWMP reflects a snapshot in time of the City's water supply planning. At the time of developing the 2015 UWMP, staff was responding to the current drought emergency. It is anticipated that the City will update its LTWSP after the current drought emergency has ended and new information regarding operational yield of existing supply becomes available, with a goal to update the City's LTWSP before the next required 2020 UWMP Update.

DISCUSSION:

An Urban Water Management Plan (UWMP) is a state-mandated report that generally summarizes the actions of water management agencies. It provides managers and the public with a broad perspective on a number of water supply issues. The California Urban Water Management Planning Act (UWMP Act), requires preparation of a plan that:

- Accomplishes water supply planning over a 20-year period in 5-year increments.
- Identifies and quantifies water supplies, including recycled water, for existing and future demands, in normal, single-dry-, and multiple-dry-years.
- Describes conservation program implementation and efficient use of urban water supplies.
- Requires updating and re-adoption every five years, but can be updated or amended any time, as necessary.

The City's primary water supply management tool is the LTWSP. On June 14, 2011, the City adopted an update to its LTWSP in order to analyze water supplies for the City's 2011 General Plan Update (City of Santa Barbara, 2011). The goal of the LTWSP was to evaluate the adequacy and reliability of the City's water supply and provide a long-term view of how the City's water supplies would be managed. Information in the 2015 UWMP, as well as the 2010 UWMP, reflects the analyses completed for the 2011 LTWSP. An update of the LTWSP is anticipated upon the conclusion of the current severe drought and will be used in the preparation of the City's 2020 UWMP update. Future updates will include any new information regarding operational yield of existing supply and any long-term strategy changes resulting from the current drought or other factors.

The updated 2015 UWMP fulfills the CWC requirements mandating certain reporting obligations, including specific water conservation targets. The 2015 UWMP updates the 2010 UWMP and uses the 2011 LTWSP as the basis for water supply projections. Some of the changes and key findings contained in the 2015 UWMP are summarized below:

Water Supply and Demand Projections to 2035:
The UWMP must provide water supply planning for a 20-year planning horizon. The 2015 UWMP projects water demands and supplies out to the year 2035.

Updated Population Numbers:
The Water Conservation Act of 2009 (CWC 10608.16 et seq) requires urban water suppliers to prepare water use targets to drive conservation efforts, measured in gallons per capita per day (GPCD). A significant input to these targets is population. For 2015, Department of Water Resources (DWR) required that all population projections be based on 2010 U.S. Census data. The basis for the 2015 UWMP population projections is California Department of Finance data (which is based on 2010 Census data) for the City, and the Mission Canyon areas. City staff has confirmed with DWR that the new population projections are appropriate and meet the requirements of the CWC. In general, the new population projections are higher than those in the 2010 plan by approximately 500 people per year throughout the planning horizon.

Water Use Targets and Water Conservation:
As described in the Water Conservation Act of 2009, the intent of California legislature is to increase water use efficiency. The legislature has set a goal of a 20 percent per capita reduction in urban water use statewide by 2020. Consistent with those goals, the 2015 UWMP provides an estimate of Base Daily Per Capita Water Use (BDPCWU) and establishes water use targets for the years 2015 and 2020 using state-mandated methodologies. The BDPCWU is updated in the 2015 UWMP to reflect the updated population numbers described above. Council adoption of the 2015 UWMP confirms the City's calculations of its state-mandated water use targets of 123 GPCD for 2015 and 117 GPCD for 2020. The updated population numbers described above did not result in a change in the targets; therefore, they are the same as the 2010 UWMP.

Compliance GPCD:
According to the Water Conservation Act of 2009, water suppliers are required to calculate and report actual 2015 water use and determine whether or not they have met the per capita 2015 target water use. The City's 2015 target water use is 123 GPCD. The City's actual water use in 2015 was 102 GPCD, which is lower than its 2015 target water use of 123 GPCD based on "normal" conditions. The City's water use significantly decreased in 2015 due to the multi-year statewide drought. For the 2015 UWMP, the City demonstrates that its "normal" 2015 water use would have been 120 GPCD and thus the City would have met its target regardless of the extraordinary conservation seen in response to the drought.

Suppliers are also required to assess progress toward meeting the 2020 target water use. The City demonstrates that it is on track to meet the 2020 target of 117 GPCD, regardless of drought or non-drought conditions in the future. In support of the City's 2011 LTWSP, the City hired Maddaus Water Management, Inc. to develop a water demand and conservation model to evaluate the City's Water Conservation Program. Based on this modeling work, the City's 2020 per capita water use is projected to be 116 GPCD assuming normal conditions. Any long-term changes in water use resulting

from extraordinary conservation in the current drought response would further reduce demands; in which case, the City would further exceed its target.

Economic Impacts:
The UWMP Act requires that the City include discussion of economic impacts resulting from the required water use targets. As discussed above, the City's actual 2015 water use meets the interim target, and projected water use is expected to meet or exceed the 2020 target. The Maddaus model used to analyze the City's Water Conservation Program quantifies both the demand reduction effects of different conservation measures as well as their cost. Therefore, the City's conservation program is selected based on its cost-effectiveness compared with the cost of additional, more expensive water supply. Because the City's long-term conservation plan is based on its cost-effectiveness, and the plan meets or exceeds the conservation requirements of the Water Conservation Act of 2009, the requirements are not expected to produce an economic impact.

Water Supply during Normal and Drought Conditions:
The UWMP requires that water supply availability is analyzed under normal hydrology, single-dry-year, and multi-dry-year periods. Based on the historical data used in the 2011 LTWSP, the critical drought period had a duration of five years, with the worst local drought occurring during 1947-1952. At the time of developing the 2015 UWMP, the City was experiencing extreme drought conditions. City staff resources are focused on responding to the current drought emergency, with planning policies adopted in the 2011 LTWSP. After the current drought emergency is over, the City will incorporate the current drought information into its modeling analyses and revisit its long-term planning policies for future droughts. Other factors, such as new environmental requirements or operational factors that could further reduce water supply availability, will also be incorporated. It is anticipated that the City will update its LTWSP prior to the next round of UWMP updates, and the potential new drought of record will be incorporated into the City's 2020 UWMP.

Water Shortage Contingency Planning:
The Water Shortage Contingency Planning section continues a three-stage drought response approach that maintains flexibility for Council to approve measures that best respond to current conditions at any particular point in a drought or other water shortage condition. It reflects the importance of the public's role in providing extraordinary conservation during droughts, in addition to ongoing efficiency efforts. Potential response measures include a comprehensive public information campaign, rate adjustments to reflect revenue requirements and available water supply, water use regulations, development restrictions, and rationing for severe conditions or catastrophic interruption.

The Draft Plan was posted on the City's Internet site at www.SantaBarbaraCA.gov/water on April 29, 2016 for the State-required 60-day public review period. Key agencies were notified to give an opportunity to provide comments for consideration prior to preparation of the final drafts.

Staff provided an update to the Water Commission on the Draft 2015 UWMP at the regular Water Commission meeting on April 21, 2016, and May 19, 2016. Comments received from the Water Commission have been incorporated into the Final Draft 2015 UWMP. Written comments to the Draft UWMP were received from Santa Barbara Channelkeeper.

The Final Draft 2015 Urban Water Management Plan has been provided to Mayor and Council under separate cover and is available for review at the City Clerk's Office.

The City Environmental Analyst has determined that the adoption of the 2015 UWMP qualifies for a Statutory Exemption from environmental review under the California Environmental Quality Act (CEQA), as established by the State Legislature and specified in the California Water Code (Urban Water Management Planning Act, Section 10652), and the CEQA Guidelines (Section 15282(v)).

PREPARED BY: Joshua Haggmark, Water Resources Manager/KD/DC/mh

SUBMITTED BY: Rebecca J. Bjork, Public Works Director

APPROVED BY: City Administrator's Office

Agenda Item No. 20

File Code No. 630.01

CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: June 28, 2016

TO: Mayor and Councilmembers

FROM: Environmental Services Division, Finance Department

SUBJECT: Status Of The Resource Recovery Project At Tajiguas Landfill

RECOMMENDATION: That Council:

A. Receive a report on the status of the proposed Resource Recovery Project at Tajiguas Landfill; and

B. Direct staff to work with the Solid Waste Ad Hoc Committee to evaluate the project in greater detail.

EXECUTIVE SUMMARY:

In January of 2013, the County of Santa Barbara, the City of Goleta and the City of Santa Barbara executed a Term Sheet with Mustang Renewable Power Ventures, now MSB Investors, LLC (MSB), to design, build, own and operate a materials recovery facility and an anaerobic digestion facility at Tajiguas Landfill. After determining that private financing of the project would result in unacceptably high tipping fees, the City Council on July 28, 2015 directed staff to work with County staff on a new model, whereby the County would finance and own the facility and MSB would design, build, and operate it. The County and MSB reached tentative agreement on terms for a Waste Services Contract that incorporates Deal Points that were approved by the Board of Supervisors. The draft Waste Services Contract yields a tipping fee that is approximately 27 percent lower than those proposed by the vendor under the previous, privately-financed model. The Board of Supervisors will consider approval of the contract at its July 12, 2016 meeting.

The draft Waste Services Contract also establishes strict performance standards and guarantees and revenue sharing provisions that are beneficial to the County and the participating agencies, including the Cities of Santa Barbara and Goleta, and potentially the Cities of Solvang and Buellton (collectively referred to as the “Public Participants”). Based upon an analysis of the various risks (technological, performance, commodity volatility and market risk, etc.) that would be assumed by the Public Participants under the County-owned model and the mitigating factors associated with these risks, staff believes that assumption of these risks is prudent, given the lower tipping fees,

enhanced diversion services and reduction in greenhouse gas emissions yielded by the project.

In addition to the Waste Services Contract between the County and MSB, the County would also need to execute a separate Materials Delivery and Processing Services Agreement (MDPSA) with each participating jurisdiction, including the City of Santa Barbara. The MDPSA would be used to secure the County's debt financing obligation through a guarantee of revenue and materials delivery from each jurisdiction for its proportional share of the facility costs based upon a pre-determined range of waste to be delivered.

Under the MDPSA, each jurisdiction's revenue guarantee is expressed through a tipping fee that is applied to a minimum tonnage commitment from each jurisdiction. The tipping fee would be incorporated into trash and recycling fees charged to City customers, similar to the current Tajiguas tipping fee. To protect City ratepayers, the County will obtain a variety of insurance coverage to mitigate against casualties or performance failures. Should the City and County reach agreement on this waste commitment, staff anticipates bringing the MDPSA to the Council in September of 2016.

Should the City agree to commit its waste to the project and execute a formal agreement with the County, the Council would be required to make findings on the Final Subsequent Environmental Impact Report for the project, which the Board of Supervisors will consider certifying at its July 12, 2016 meeting.

DISCUSSION:

Background

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

1. Materials Recovery Facility (MRF) – this facility would sort trash that is currently received at Tajiguas Landfill into three streams:

    - Recyclables – that would be separated, baled, and sold for reuse[1],
    - Organics – that would be recovered for processing in the Anaerobic Digestion Facility; and,

[1] The RRP would provide the Public Participants a local option for processing source-separated recyclables and source-separated organics, which are currently processed in Ventura and Santa Maria, respectively.

- Residual – non-recoverable materials left over from the MRF and Anaerobic Digestion Facility that would ultimately be landfilled.

2. Anaerobic Digestion Facility (ADF) – this facility would convert organics recovered from the MSW into compostable material and biogas.
   The compost would be marketed as a soil amendment or used for reclamation projects. The biogas would be combusted to generate electricity.

In January of 2013, the Public Participants jointly executed a Term Sheet, including an Exclusive Right to Negotiate with MSB to design, build, own, and operate the facility.

A detailed description of the history of the project, the procurement process, proposed technologies, and business terms to be negotiated were presented to the City Council on January 10, 2012. The Council Agenda Report is available at http://services.santabarbaraca.gov/CAP/MG101721/AS101725/AS101739/AS101745/AI105625/DO105746/DO_105746.pdf.

Business Negotiations with MSB Investors, LLC

In November 2014, MSB submitted a proposal to the Public Participants that included tipping fees well in excess of the $100 per ton threshold set forth in the Request for Proposal (RFP) and Term Sheet. The cost of private equity (internal rate of return on equity, etc.) and other terms associated with the proposed private financing played a significant role in the higher tipping fees. For these reasons, at its July 28, 2015 meeting, Council directed staff to work with County of Santa Barbara staff to study and evaluate a public financing model for the RRP. The Council Agenda Report is available at http://services.santabarbaraca.gov/CAP/MG124884/AS124888/AS124902/AS124908/AI129145/DO129146/DO_129146.pdf.

On August 31, 2015, the Public Participants sent a proposal to MSB to design, build, and operate the facility, which the County would both finance and own. In a letter dated November 30, 2015, MSB stated that it found the terms of the proposal acceptable in concept. Based upon this acceptance, the Public Participants and MSB conducted additional negotiations, which resulted in the creation of the attached set of Deal Points, which the County Board of Supervisors approved at its April 5, 2016 meeting. The Deal Points created a framework for the County-owned model and served as a guide for further negotiations with the vendor.

Since the adoption of the Deal Points, the Public Participants and MSB have nearly completed negotiations on the draft Waste Services Contract (WSC) between the County and MSB, which will be considered by the Board of Supervisors on July 12, 2016. The WSC contains the following key terms:

- **Project**: Construction of a MRF and ADF at Tajiguas Landfill and disposal of remaining waste.

- **Contract Term**: Twelve years (Two-year construction period and ten-year operation period) with County option to extend the contract by five one-year extensions.

- **MSB Responsibilities:** Design, build, and operate the MRF and ADF, including management of all contractors and subcontractors and obtaining and maintaining compliance with all land use entitlements and regulatory permits; and market recyclable materials, compostable material, and electricity produced from biogas.

- **County Responsibilities:** Finance the RRP, administer the WSC with MSB, operate the scale house, and dispose of residual waste.

- **Performance Guarantees**: the WSC requires MSB to guarantee the following performance standards:

    - Material Throughput: the RRP will be capable of processing material to its rated capacity at all times.
    - Diversion: The RRP will divert a minimum of 64.8 percent of waste by weight (based upon current waste composition assumptions and waste commitments by jurisdictions).
    - Electrical Output Guarantee: power output per ton of digested organic material.
    - Recyclable Sales Guarantee: sales of recyclable commodities will generate revenue consistent with market values throughout the industry.

- **Compensation**: MSB would be compensated in two distinct phases, during construction of the facility and during the ten-year operational period, as follows:

    A. Construction Phase:

        - Facility Design and Land Use Entitlements: $7.8 million ($4 million related to land use entitlements and $3.8 million related to facility design).
        - Development Fee: $3.09 million for construction and equipment vendor management.
        - Equipment and Construction Costs: $99.6 million.

    B. Operational Phase:

        - Per-Ton Tipping Fee: $5.60 per ton of material processed. The per-ton tipping fee will be adjusted each year by the Consumer Price Index (CPI) to reflect certain increases in the vendor's cost to operate the facility.
        - Recyclable Commodity Revenues: Approximately 75 percent of the annual revenues needed to operate the RRP (approximately $12.5 million) is expected to be derived from the sale of recyclable commodities. While the

WSC requires the vendor to achieve commodity pricing that are consistent with the industry, the WSC stipulates that the County will keep the vendor whole for any shortfall below the conservative baseline revenue assumption of $9.4 million that was used in the pro-forma. In exchange for this revenue floor, the County would receive the majority of any revenues above the baseline, as discussed in the Revenue Sharing section below.

- **Revenue Sharing:** In the case that revenues generated by the sale of recyclable commodities, compost, and electricity production exceed pro-forma revenues, then the vendor would receive share of the revenues. The amount the vendor would receive will depend on the level of revenues above pro-forma, but in no case would it exceed 25%.

Risk Analysis

The risk profile under the publicly financed option differs from that contemplated by the 2009 RFP.

The RFP was open to a wide array of cutting-edge and potentially risky technologies (e.g. pyrolysis, plasma arc gasification, etc.) that were unproven on a heterogeneous waste stream and that had not been permitted widely in California or even the United States for this application. For these reasons, the RFP shifted all risk to the potential vendor throughout the contract term.

By 2015, the risk profile of the project had changed dramatically. For example, MRF and ADF technologies are more common and the science is better understood than other alternative waste-processing technologies. Moreover, years of negotiations with MSB made it clear that the tipping fee proposed by the vendor of $146 per ton was too high relative to the risk protection afforded by the vendor. In contrast, by publicly financing the project, assuming some additional risks, and identifying risk mitigation measures, the tipping fee fell by approximately 27 percent to approximately $106 per ton.

An analysis of the following risks and associated mitigating factors that result from the County-financed model led staff to conclude, along with HF&H, the County's consultant, that the Public Participants should pursue the publicly-financed option:

- <u>Technological Risk</u>: risk that the facilities completely fail to perform. Two types of technology are employed by the RRP:

    - Mixed waste MRF: mixed waste sorting technology has been in existence for many years and has improved substantially in the past decade. The number of

mixed-waste processing facilities increased from 33 to 60 between 2006 and 2012, 66 percent of which are located in California.[2]

- Anaerobic Digester: Anaerobic digestion technology has long been used to digest sludge at wastewater treatment plants and to produce electric power (as is the case with the City's El Estero Wastewater Treatment Plant). Moreover, source-separated foodwaste and greenwaste has been anaerobically digested in Europe since the 1990s. In California alone, there are eleven anaerobic digesters that are currently processing waste, two more are under construction, and an additional seven are in various stages of permitting.[3]

- New Diversion Mandates: since the RFP was issued in 2009, several new State statutes, including Assembly Bill 341 and Assembly Bill 1826, were signed into law. Assembly Bill 341 mandates commercial recycling and sets a statewide diversion goal of 75 percent. AB 1826 requires diversion of organic material from the commercial sector. While the RRP represented a sound and progressive approach to waste management in 2009, it is now essential infrastructure if the Public Participants are to comply with these new State mandates. In addition, the diversion of materials from the landfill will extend the permitted capacity of Tajiguas Landfill and will reduce greenhouse gas emissions in accordance with Assembly Bill 32, the Global Warming Solutions Act of 2006.

- Commodity Value Risk: as stated above, approximately 75 percent ($9.4 million) of the $12.5 million annual revenue requirement to operate the facility is derived from the sale of recyclable materials, both source-separated and those recovered from the trash stream. Under the terms of the draft WSC, the County (and by extension, the ratepayers of the participating agencies) would maintain a floor of $9.4 million for recyclable materials. Should market prices fall, the Public Participants would be required to keep MSB whole for the losses below the revenue floor through either accumulated reserves or a rate adjustment.

  However, it is important to note that the Public Participants already assume the risk of market volatility with its source-separated recyclables that are processed by Gold Coast Recycling in Ventura. The City itself has experienced substantial swings in revenue in response to global economic conditions and tightening quality standards (e.g. China's Green Fence, etc.). In the context of the RRP, revenues from source-separated recyclables will constitute up to 40% of the total revenues derived from recyclables. The remaining 60% of the total revenues from recyclables are expected to be generated from the recyclables extracted from the trash container by the MRF. Therefore, the existing commodity value risk will be expanded since a larger portion

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[2] "Cleaning Up Dirty MRFs" – Resource-Recycling Magazine. Retrieved from http://www.resource-recycling.com/images/Staff_MixMRFs0714rr.pdf.

[3] CalRecycle. Retrieved from http://www.calrecycle.ca.gov/Organics/Conversion/ADProjects.pdf.

of the project revenues will be relying on what has been a volatile revenue source, recyclables recovered from the trash container as opposed to source-separated recyclables.

While the ratepayers would assume the risk on baseline recyclable commodity revenues, staff has attenuated the remaining risk by using very conservative revenue assumptions and by establishing revenue sharing that substantially favors the Public Participants over the vendor, should revenues exceed baseline assumptions. To protect against extraordinary erosions in commodity values, or otherwise significant swings in those values, the Public Participants will establish, as part of the initial tipping fee, a rate stabilization fund to help weather periodic downturns and MSB will establish a line of credit to attenuate market volatility.

- Digestate Marketing Risk: to achieve a diversion rate of nearly 65 percent, the vendor must be able to successfully market the digested organic material (digestate) from the ADF. Staff was initially concerned about the quality of the digestate and what level of inert contaminants (i.e., small pieces of glass, plastic, and rock) might be entrained in the material that might inhibit its marketability.

  Several mitigating factors alleviate staff concerns. First, site visits to other composting operations in California have demonstrated that screening of the digestate (using the same equipment as that proposed for the RRP) effectively removes rocks, glass, and plastic from trash-derived organics. Based upon the resulting quality, these reference facilities have been able to develop markets for the resulting compost and have achieved similar diversion goals as those set forth in the WSC. Nursery Products, the subcontractor that would operate the ADF, has a decade of experience in successfully processing and marketing biosolid-derived compost from the City of Los Angeles.

  Even if market development proves difficult, the material represents less than ten percent of the total material delivered to the facility on an annual basis. Staff is confident that sufficient open space is available for land application to avoid landfilling. Finally, because the vendor would be required to pay an additional $50 per ton to dispose of residual waste beyond 35 percent, MSB would be highly motivated to optimize the MRF and to screen the resulting digestate from the ADF to avoid additional disposal costs.

- Performance Risk: the vendor/facility might be unable to meet the specifications set forth in the WSC, such as 65 percent diversion. If the facility were unable to perform, the County and vendor would have several avenues of recourse through construction and performance bonds, equipment warranties, and insurance coverage. Moreover, should the facility fail to perform, the WSC includes a protocol for the development of a compliance plan by the vendor and allocation of costs necessary to correct any deficiencies. Lastly, while the facility is out of compliance with the WSC, the contract provides for the assessment of substantial liquidated

damages, as well as the additional disposal costs, which the vendor would likely also incur; all of these factors would motivate the vendor to cure any performance deficiencies.

Material Delivery and Processing Service Agreement

As stated above, should the project move forward, the County would execute a Waste Services Contract with MSB to design, build, and operate the RRP. Each participating city would in turn execute a separate Materials Delivery and Processing Services Agreement (MDPSA) with the County. The MDPSAs would underpin the County's debt financing obligation, compelling each participating City to guarantee a fixed revenue amount to the County each year. For this reason, the term of the MDPSA would be 20 years, equal to the term of the bond financing.

For ease of administration, this fixed annual payment is translated to a tipping fee that would apply to a "minimum tonnage commitment" to be specified by the City in the MDPSA.

For example, assume that the City's proportional share of the financing and operational costs (e.g. landfilling of residual, WSC administration, closure/post-closure maintenance obligations for Tajiguas Landfill, etc.) is $7.738 million annually (adjusted in future years by CPI). Further, assume that the City committed to a deliver a minimum of 73,000 tons of trash and commingled recyclables to the RRP during each year of the MDPSA term. The per-ton tipping fee charged to the City's waste would equal $106 per ton. Should the City fail to actually deliver the tonnage, it would be required to remit the unpaid shortfall to equal $7.738 million.

It is important to note that the City's financial obligation to the RRP would be satisfied exclusively through solid waste rates charged to City customers for waste collected by its franchised waste hauler (currently MarBorg). No General Fund monies would be used or placed at risk by executing the MDPSA with the County. Moreover, the County would obtain property and business interruption insurance coverage to cover losses should the facility be rendered unusable (e.g. due to a natural disaster) or if it fails to perform as intended through a design flaw, etc.

Negotiations between the City and County on the MDSA are scheduled to take place between June and August of 2016. Assuming these negotiations are successful, staff would bring the MDPSA to the City Council for consideration in September of 2016. Should the Council choose to execute an MDPSA with the County, the Council would also be required to make findings on the Final Subsequent Environmental Impact Report prepared by the County, which the Board of Supervisors will consider certifying at its July 12, 2016 meeting.

BUDGET/FINANCIAL INFORMATION:

Effective July 1, 2016, the tipping fee charged at Tajiguas Landfill is $87 per ton. The publicly-financed RRP would result in tipping fees of approximately $106, which is consistent with the $100 per ton ceiling established by the 2009 RFP, when adjusted for inflation. Alternative disposal options, including transportation of waste to other landfills, would result in similar tipping fees without the diversion benefits of the RRP.

SUSTAINABILITY IMPACT:

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

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

ATTACHMENT: Deal Points

PREPARED BY: Matthew R. Fore, Environmental Services Manager

SUBMITTED BY: Robert Samario, Finance Director

APPROVED BY: City Administrator's Office

Memorandum of Deal Points
Version 4.3

These deal points reflect the basic terms of a proposed arrangement between the County of Santa Barbara and MSB Investors, LLC. These basic terms are intended to provide the framework for the subsequent negotiation of a definitive agreement between the County of Santa Barbara and MSB Investors, LLC. These deal points do not create a binding contractual obligation on either party.

Many essential terms and conditions have not yet been agreed upon, including, but not limited to agreements with other parties related to the construction, financing and operation of the Tajiguas Resource Recovery Project (TRRP). These other agreements may require changes to the proposed deal points and such changes may be significant and may result in the project not being viable.

Section 6 Compensation is based on current projections of the financial results of operations of: the Resource Recovery & Waste Management Division; capital and related financing costs of the TRRP, and the operations of the TRRP. These projections are based on assumptions regarding the future values of certain factors. The parties agree that the assumptions regarding capital costs of the TRRP and the financial results of operations of the TRRP have been made in good faith with an attempt to be reasonably conservative. However, these assumptions may change between the tentative agreement of the deal points and approval and execution of a definitive binding agreement by the County Board of Supervisors that may result from these deal points. Such changes may be significant and may result in the project not being viable.

1. The design, build, operate contract (Contract) will be between the County of Santa Barbara (County) and MSB Investors, LLC (Contractor) and shall comply with the terms of Government Code Section 5956 et seq. Mustang Renewable Power Ventures, LLC is the manager of Contractor.

2. This Contract is for the Tajiguas Resource Recovery Project (TRRP) which:
    a. Shall be owned by the County (and shall not be leased to the Contractor);
    b. Shall be located at the Tajiguas Landfill (Landfill);
    c. Shall include a material recovery facility (MRF), anaerobic digestion facility and composting facility (including the improvements, building and all fixed equipment);
    d. Shall receive and process mixed refuse and organic materials, source separated recyclables and source separated organic materials (Acceptable Materials) generated in the County;
    e. Shall divert from Landfill disposal a minimum of 60% of materials received by:
        i. Recovering recyclables;
        ii. Extracting methane through anaerobic digestion to generate electricity to power the TRRP and sell to the public utility; and,
        iii. Creating soil amendments and other products for land application; and,
    f. Shall dispose of the residue from processing at the Tajiguas Landfill.

3. The Contract term:
    a. Is effective upon execution of the Contract;
    b. Has approximately a twelve year initial term (as shall be determined based on development of a comprehensive project schedule to be agreed upon by the Parties and to be described in the Contract):
        i. Includes approximately a two (2) year construction period (culminating with TRRP acceptance) from the commencement date; and,
        ii. Has a ten (10) year operating period, commencing with acceptance of the TRRP by the County;
    c. Grants an exclusive option for the County to extend the Contract (in one year increments up to five years) on the same terms and conditions; additionally, the parties may agree on the extension of the Contract on mutually agreeable terms; and,
    d. Includes the County as Additional Insured on all insurance policies, beneficiaries on all performance bonds and pre-approved assignee in agreements (with construction contractor, equipment provider, primary subcontractors, permit agencies, licensing organizations and California Public Utilities Commission) and the right of County to approve in advance any changes to the Construction Contractors (Diani), Equipment Suppliers (Bekon and Van Dyk) and Primary Subcontractors (MarBorg and Nursery Products).

4. The contractor is responsible for:
    a. Obtaining (in cooperation with the County) and maintaining conformance with all permits and terms of approvals (including licenses or agreements for use of equipment and/or software) necessary for the development and operation of the TRRP.
    b. Designing the TRRP to meet agreed upon plans and specifications attached to the Contract and conditions related to all permits and approvals (including the mitigation measures required by the environmental impact report) in accordance with:
        i. Applicable law;
        ii. Good industry practice;
        iii. Good and accepted construction practice; and,
        iv. Applicable design and construction codes and standards.
    c. Obtaining County approval of notices to proceed with development, construction and operations, in accordance with procedures to be described in the Contract.
    d. Constructing and Equipping the TRRP at an agreed upon amount of $110,530,000 (as described in Attachment 1) or such lesser amount as the parties may agree, using the agreed upon Construction Company and Equipment Suppliers in accordance with an approved construction schedule and the agreed upon performance requirements to be described in the Contract (all such performance requirements shall include the ability to

manage increases in the volume of materials delivered to the TRRP), and assuming industry-standard risks of construction and the payment of liquidated damages for failure to perform, in accordance with:

i. The agreed upon performance requirements to be described in the Contract;
ii. Design and construction requirements (as described in 4b. above); and,
iii. Construction codes and good and accepted construction practices, and
iv. The bond financing documents.

e. Providing and maintaining all rolling stock, maintenance equipment, furnishings and office equipment (ownership of which shall be transferred to the County, at no cost, upon the end of their depreciable lives, except for such equipment which shall have remaining depreciable lives which the County has unilateral option (but is not obligated) to acquire at net book value or outstanding debt balance whichever is greater upon termination or expiration of the Contract) to meet agreed upon performance requirements to be described in the Contract.
f. Performing acceptance tests and obtaining acceptance of the TRRP by the County in accordance with agreed upon testing procedures (including schedule) agreed to by the Parties and to be described in the Contract and Contractor will assume industry standard risks of performance (including, but not limited to, the Contractor expending any sums required to achieve the acceptance of the TRRP without compensation from the County, and the payment by the Contractor to the County of liquidated damages for delay and failure to perform).
g. Receiving, processing and marketing Acceptable Materials, in accordance with agreed upon performance requirements to be described in the Contract (including but not limited to days and hours of operations, minimum throughput and recovery guarantees, marketing standards, maximum disposal guarantees, vehicle turnaround times, safety and security standards, environmental standards as well as maintenance of a humane work environment), using agreed upon primary subcontractors, and assuming industry standard risks of performance including the payment of liquidated damages for failure to perform.
h. Marketing available capacity at the TRRP to companies and agencies who are not already delivering Acceptable Material under a Material Delivery and Service Agreement with the County, subject to County approval.
i. Guaranteeing residue from processing does not exceed 40% of materials delivered to the TRRP (subject to periodic waste composition verification in accordance with procedures to be mutually agreed upon and to be described in the Contract)
j. Complying with additional guarantees (including but not limited to development, construction, equipment, throughput, electric output, environmental and vehicle turnaround, etc.) to be described in the Contract.

k. Delivering residue from the processing of materials to the County for transport to the Landfill in accordance with a disposal agreement with the County to be agreed to by the Parties.
l. Maintaining and repairing the TRRP in accordance with the agreed upon maintenance manual and practices to be described in the Contract and Contractor will assume industry standard risks of performance including the payment of liquidated damages for failure to perform.
m. Providing qualified, experienced and trained management, supervisorial, technical and line staff.
n. Providing the County timely access to observe and inspect operations and review records.
o. Making payments to be described in the Contract to the County (including a share of revenues from the sale of recyclable materials and products developed at the TRRP as described in 6.b.vi).
p. Keeping records (including those related to tonnages received and processed, billing, development, operations, marketing (including broker inspection reports), and financial transactions), providing County access to such records and providing monthly and annual reports (including adverse reports) as well as timely notices (e.g., 24 hour notice of non-compliance with performance guarantees), to be described in the Contract.
q. Paying all fines and penalties (including liquidated damages) related to non-compliance with permits, approvals and contract terms.
r. Indemnifying the County and providing insurance, indemnities, bonds and further assurances in accordance with County standards to be described in the Contract.

5. The County is responsible for:
    a. Financing the TRRP secured largely through Material Delivery and Service Agreements with the participating public agencies and the issuance of public financing ; however, the County shall have no obligation to use general obligation bonds or other non-enterprise funding.
    b. Performing as lead agency for the Environmental Impact Report.
    c. Completing, prior to the Contractor beginning construction, any necessary site remediation related to past County activities.
    d. Providing Contractor notices to proceed with construction, acceptance testing, and operations in accordance with the conditions to be described in the Contract.
    e. Receiving, inspecting, accepting, weighing, directing and charging customers for materials delivered to the Landfill in accordance with Material Delivery and Service Agreements between the participating agencies (including the County as franchisor of solid waste services in the unincorporated area of the County) and the County.

f. Making payments to Contractor calculated in accordance with this Contract, County-approved rates, and tonnage delivered to the TRRP.
g. Entering into an agreement with the Contractor for disposal of residue at the Landfill (such agreement may be incorporated into the Contract).
h. Assuming industry-standard risk related to the site (e.g., access and site remediation due to County operations).
i. Indemnifying the Contractor with regard to the TRRP site and providing insurance and bonds in accordance with terms to be described in the Contract.
j. Participating with Contractor in marketing available capacity at the TRRP to companies and agencies who are not already delivering Acceptable Material under a Material Delivery and Service Agreement with the County.

In addition the County may:

a. Observe and independently inspect the construction and equipping of the TRRP, without assuming any obligation to notify the Contractor of errors or assuming any liability with regard to the construction and equipping of the TRRP; and,
b. Observe and independently inspect the operation of the TRRP, without assuming any obligation to notify the Contractor of errors or assuming any liability with regard to the construction and equipping of the TRRP.

6. Compensation
   a. TRRP Pre-Construction, Development, and Construction and Equipping Compensation
      i. Compensation for TRRP Pre-Construction (Permits and Entitlements of $4,000,000 and Design and Engineering of $3,840,000) totaling $7,840,000 or such lesser amount as the parties may agree as of the Financial Close (the closing date of the public financing, which includes the TRRP) based on Contractor's actual expenses necessarily incurred as of the end of the month preceding Financial Close: but specifically excluding costs related to attorney fees related to the investment tax credit, but which specifically includes the payment of a return on its TRRP development costs. County shall pay Contractor (following receipt of the proceeds from the public financing , which includes the TRRP) in accordance with the bond financing documents. Contractor hereby acknowledges that such payment is the full and complete payment from the County for such TRRP Pre-Construction costs and relinquishes any and all claims against the County for such costs.
      ii. Development Fee totaling $3,090,000: County shall pay Contractor a Development Fee for construction and equipping management. Fifty percent (50%) shall be paid during the anticipated 16 month construction schedule and 50% (retention) shall be payable following acceptance test performance

compliance and receipt of any and all required permit issuance and approvals. Contractor hereby acknowledges that such payment is the full and complete payment from the County for such services and relinquishes any and all claims against the County for such services.

iii. Construction and Equipment Costs – $99,600,000 or such lesser amount as the parties may agree based on Contractor's actual expenses necessarily incurred: Contractor shall be compensated for constructing and equipping the TRRP (but not for purchase of rolling stock, costs related to attorney fees related to the investment tax credit, interest on the purchase of turbine engines, two years depreciation on the turbine engines, and storage of the turbine engines) in accordance with the bond financing documents (Total Cost less Pre-Construction and Development Fee). Contractor hereby acknowledges that such payment is the full and complete payment from the County for such costs and relinquishes any and all claims against the County for such costs.

iv. 50% of any per ton savings in annual debt service payment from reduced TRRP Pre-Construction, Development and Construction and Equipment Costs may be used to increase the per ton operating cost rate a corresponding amount.

b. TRRP Operation Compensation

i. Contractor's compensation for all costs of and profits for providing service shall be exclusively from: 1) A per ton rate described in ii below, which is calculated based on the Contractor receiving the revenues from the sale of recyclable materials up to a baseline described in v. below; 2) A share of revenues received from the sale of recyclable materials and products produced at the TRRP as well as energy sales above a baseline described in vi. below); and, 3) Per ton rates applied to tons received at the Landfill as spot market materials (in accordance with 4.h and 5.j and based on mutually agreeable terms including the sharing of any net benefits) and directed by the County to the TRRP;

ii. The Initial per ton rate to be paid Contractor by County shall be $5.60 per ton as identified in the Contractor's pro-forma financial results of operations;

iii. The initial per ton rate shall be adjusted annually in accordance with certain cost indices , as agreed to by the Parties and to be described in the Contract;

iv. County shall make payment to the Contractor monthly for materials delivered to TRRP;

v. County shall make payment (unless such lesser revenues results from Contractor's failure to perform in accordance with 4. Above) to the Contractor annually for Annual revenues received, less than projected, from: Recyclable material sales ($9,464,000 projected); and Energy sales to the public utility less than $1,281,750. County shall not make payment to the Contractor for the first

$427,250 in annual energy sales revenue less than the $1,709,000 projected or for compost sales revenues less than projected (a projected cost of $163,960).

vi. Contractor shall make payment to the County annually, as follows:
   a. Additional revenue received greater than projected from the sale of recyclables ($9,464,000) will be shared with 75% being received by the County and 25% by Mustang and MarBorg up to the point that Mustang and MarBorg receive an additional $500,000 in income (i.e., total additional revenue of $2 million) and thereafter the County will receive 90% and Mustang and MarBorg will receive 10% of incremental additional revenues above $11,464,000.
   b. Additional revenue received greater than projected from the sale of compost (a cost of $163,960) will be shared with 75% being received by the County and 25% by Mustang and Nursery Products up to the point that Mustang and Nursery Products receive an additional $250,000 in income (i.e., total additional revenue of $1 million) and thereafter the County will receive 90% and Mustang and Nursery Products will receive 10% of incremental additional revenues above revenue of $836,040.
   c. Additional revenue received greater than projected from the sale of electricity ($1,709,000 as described in v. above) will be shared with 75% being received by the County and 25% by Mustang up to the point that Mustang receives an additional $500,000 in income (i.e., total additional revenue of $2 million) and thereafter the County will receive 90% and Mustang will receive 10% of incremental additional revenues above the $3,709,000.

vii. Contractor shall ensure that throughout the term of the Contract, the County receives “most-favored” rates, unless specifically waived by the County;

viii. Rates shall be adjusted for material changes directed by the County and for force majeure events and changes in law (including labor law), in accordance with procedures agreed to by the Parties and to be described in the Contract; and,

ix. Rates shall not be adjusted for increased costs of TRRP development, construction or operation; Contractor’s failure to perform; or changes in tonnage or composition of material delivered. Notwithstanding the foregoing, the $5.60/ton tip fee paid to the TRRP for not less than 143,038 tons per year (based on 75% of the 190,717 franchised tons assumed to be delivered) is to be paid irrespective of whether the delivered tonnage is less than 143,038. The parties agree that, in the condition where the Contractor is failing to achieve its diversion guarantee due to a change in waste composition, as determined in accordance with 4.i. above, County and Contractor shall meet and confer and

consider a rate adjustment in order to insure that the TRRP does not operate at a deficit as a result of its conforming to its diversion requirement in light of the change in waste composition.

7. Breaches, Defaults and Remedies
    a. Contractor Events of Default and County Remedies:
        i. Contractor shall be in default for the breach of any obligation and failure to cure such breach without delay (if health, welfare of safety of the public) or for other matters within 30 days (unless the cure cannot be completed in 30 days and Contractor commences cure within 30 days and diligently proceeds to complete such cure). However, no opportunity for cure will exist for events of fraud, deceit or misrepresentation, false or misleading statements, insolvency or bankruptcy, failure to maintain security instruments, violations of regulation, failure to maintain and secure permits, abandonment of project, or repeated or chronic failure to meet performance guarantees; and,
        ii. County shall have remedies including termination, suspension, and all other remedies it has under the Contract, under the Security instruments, or at law (including specific performance, consequential and punitive damages, in accordance with a schedule to be agreed upon by the Parties).
    b. County Events of Default and Contractor Remedies:
        i. County shall be in default for the breach of any material obligation (including payment of Contractor) and failure to cure such breach within 30 days (unless the cure cannot be completed in 30 days and County commences cure within 30 days and diligently proceeds to complete such cure); and,
        ii. Contractor shall have such remedies as it has under the Contract and at law, including specific performance.
    c. County's right to perform and Contractor's obligation to take direction from County and make available employees and equipment if Contractor repeatedly fails to perform and does not cure events of default (including failure to provide uninterrupted operation of the TRRP); and,
    d. County may impose liquidated damages for Contractor's failure to meet specific performance standards to be described in the Contract.

8. Bonds and Insurance
    a. Contractor shall provide Contractor Security and Bond, Construction Performance Bond, and an Operations Bond in a form and amount acceptable to the County.
    b. Contractor shall provide Commercial General Liability, Automobile Liability, Workers Compensation, Professional Liability, Contractors Pollution Legal Liability and/or

Asbestos Legal Liability, and Property insurance in a form and amount acceptable to the County.

9. Other Key Agreements
    a. The County shall have the right, upon failure to reach agreement with Contractor on additional services, to contract with a third party to perform such services;
    b. No assignment of Contract by Contractor without prior consent of County, such consent being under the complete discretion of the County (and such request for assignment shall trigger County's right but not obligation to replace the Contractor for an amount specified in the Contract);
    c. Contractor to take direction from County upon termination or expiration of the Contract and transition of the TRRP operations to the next contractor to assure a smooth transition of operations and management, including specific actions to be described in the Contract; and,
    d. Contractor shall provide a system of financial guarantees related to its obligations under the Contract in a form acceptable to the legal counsel of the County.
    e. County shall provide 250 SCFM of landfill gas, with a methane content of approximately 50%, to operate the TRRP for which the Contractor shall pay the County $300,000/year. The County may (but is not obligated to) provide up to an additional 200 SCFM of landfill gas based on terms mutually agreeable to the Parties.

Agenda Item No. 21

File Code No. 140.05

CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: June 28, 2016

TO: Mayor and Councilmembers

FROM: City Clerk's Office, Administrative Services Department

SUBJECT: Appointments To City Advisory Groups

RECOMMENDATION: That Council make appointments to the City's advisory groups.

DISCUSSION:

Currently, there are 38 positions available for appointment to various City advisory groups. On May 17, May 24, and June 14, 2016, the Council interviewed applicants for these positions.

The Guidelines for the City of Santa Barbara Advisory Groups, Resolution No. 13-006, states that applicants are required to appear for an interview before the City Council. The names of applicants failing to appear for an interview are removed from the list of persons eligible for appointment. The attachment is a list of applicants eligible for appointment. Appointments to the advisory groups will be effective July 1, 2016.

ATTACHMENTS: List of Eligible Applicants
Memorandum from Community Development Department
Memorandum from Parks and Recreation Department

PREPARED BY: Deborah L. Applegate, Deputy City Clerk

SUBMITTED BY: Kristy Schmidt, Administrative Services Director

APPROVED BY: City Administrator's Office

BUILDING AND FIRE CODE BOARD OF APPEALS

- Vacancy: Open (The Municipal Code does not specify a maximum number of members on the appeals board).
- Term Expiration:
  - One term: Open
- Qualifications/Category: Resident of the City or adjoining unincorporated areas of Santa Barbara County. Appointee shall demonstrate knowledge and expertise in specialty areas governed by the construction and fire codes of the City.
- Appointees may not hold any full-time paid office or employment in City government.

CATEGORY (Number of Vacancies)	APPLICANT	Incumbent Appt. Dates (Years Served)	Applicant's Preference (1st, 2nd, 3rd)	Notes
Resident of the City (Open)	John Maloney			
	Eric Norton Pedersen			
	Kevin Steenberge			

CENTRAL COAST COMMISSION FOR SENIOR CITIZENS

- One vacancy.
- Term Expiration:
  - One term: June 30, 2020
- Qualifications/Category:
  - Resident of the City.
- Appointees may not hold any full-time paid office or employment in City government.

CATEGORY (Number of Vacancies)	APPLICANT	Incumbent Appt. Dates (Years Served)	Applicant's Preference (1st, 2nd, 3rd)	Notes
Resident of the City (1)	None			

COMMUNITY DEVELOPMENT AND HUMAN SERVICES COMMITTEE

- Three vacancies.
- Term Expirations:
  - One term expires December 31, 2016 (Lower Westside Neighborhood)
  - One term expires December 31, 2018 (Latino Community)
  - One term expires December 31, 2019 (Youth Oriented Services)
- Must be residents or employees of the designated organizations, but need not be qualified electors of the City, and must represent one of the specified categories or organizations. One representative from each:
  - Lower Westside Neighborhood
  - Latino Community
  - Youth Oriented Services
- Appointees may not hold any full-time paid office or employment in City government.

CATEGORY (Number of Vacancies)	APPLICANT	Incumbent Appt. Dates (Years Served)	Applicant's Preference (1st, 2nd, 3rd)	Notes
Lower Westside Neighborhood (1)	None			
Latino Community (1)	Andria Martinez Cohen		1) Parks and Recreation Commission 2) Neighborhood Advisory Council 3) Community Development and Human Services Committee	
Youth Oriented Services (1)	None			

***Applicant Lang Sligh did not qualify under existing criteria.**

CREEKS ADVISORY COMMITTEE

- Two vacancies.
- Term Expirations:
  - Two terms: December 31, 2019
- Qualifications/Category:
- Member must be a resident of the City or County of Santa Barbara and shall have some experience in ocean use, business, environmental issues and provide community-at-large representation.
  - One member must represent the Hotel/Lodging Industry.
  - One member must be a resident of the City or County of Santa Barbara.
- Appointees may not hold any full-time paid office or employment in City government.

CATEGORY (Number of Vacancies)	**APPLICANT**	**Incumbent Appt. Dates (Years Served)**	**Applicant's Preference (1st, 2nd, 3rd)**	**Notes**
Representative of the Hotel/Lodging Industry (1)	None			
Resident of the City or County of Santa Barbara (1)	None			

DOWNTOWN PARKING COMMITTEE

- One vacancy.
- Term Expiration:
  - One term: December 31, 2019
- Qualifications/Category:
  - Appointee shall demonstrate an interest and knowledge of downtown parking issues and must be a resident of the City or County*.

    *(Five members must be residents of the City and two members may be residents of the City or County.)
- Appointees may not hold any full-time paid office or employment in City government.

CATEGORY (Number of Vacancies)	APPLICANT	Incumbent Appt. Dates (Years Served)	Applicant's Preference (1st, 2nd, 3rd)	Notes
Resident of the City or County (1)	Trish Allen			County
	Robert Janeway			City
	Tracy Pfautch			County
	James F. Scafide	(Prior Commissioner of Central Coast Commission For Senior Citizens)		City
	John (Jack) Ucciferri			City

FIRE AND POLICE PENSION COMMISSION

- Two vacancies.
- Term Expirations:
  - One term expires December 31, 2018 (Qualified Elector)
  - One term expires December 31, 2017 (Active/Retired Police Officer)
- Qualifications/Categories:
  - One qualified elector of the City who are not an active firefighter or police officer.
  - One active or retired police officer who is a member of the Fire and Police Pension System who need not be a resident or elector of the City.
- Appointees may not hold any full-time paid office or employment in City government.

CATEGORY (Number of Vacancies)	APPLICANT	Incumbent Appt. Dates (Years Served)	Applicant's Preference (1st, 2nd, 3rd)	Notes
Qualified Elector (1)	None			
Active or Retired Police Officer Who is a Member of the Fire and Police Pension System (1)	None			.

HARBOR COMMISSION

- Two vacancies.
- Term Expirations:
  - One term: December 31, 2017
  - One term: December 31, 2019
- Qualifications/Categories:
  - Qualified elector of the City.
- Appointees may not hold any full-time paid office or employment in City government.

CATEGORY (Number of Vacancies)	APPLICANT	Incumbent Appt. Dates (Years Served)	Applicant's Preference (1st, 2nd, 3rd)	Notes
Qualified Elector of the City (2)	Laurie Dalton			
	Jeff Escola			
	Merit McCrea			
	Lang Sligh		1) Harbor Commission 2) Housing Authority Commission 3) Community Development & Human Services Commission	

*****Currently one Harbor Commissioner is a slip-holder. No current applicants are slip-holders.

HOUSING AUTHORITY COMMISSION

- Three vacancies.
- Term Expirations:
  - One term: June 30, 2020 (Tenant)
  - One term: September 14, 2020 (Public at Large)
  - One term: February 15, 2020 (Senior Tenant)
- Qualifications/Categories:

  Members must be qualified electors* of the City and should have some interest and background in housing development, management or other comparable experience.
  - One member must be a tenant who is receiving housing assistance from the City Housing Authority.
  - One member must be a tenant who is receiving housing assistance from the City Housing Authority and be 62 years of age or older.
  - One member shall represent the Public at Large.
- Appointees may not hold any full-time paid office or employment in City government.

(Please see next page.)

CATEGORY (Number of Vacancies)	APPLICANT	Incumbent Appt. Dates (Years Served)	Applicant's Preference (1st, 2nd, 3rd)	Notes
Tenant Who Is Receiving Housing Assistance From The City Housing Authority (1)	Dianna J. Cibrian			
	Lawrence G. Larsson			
	Victor Suhr	12/13/2011 – 2/15/2016 5 years, 2 months		
Tenant Who Is Receiving Housing Assistance From The City Housing Authority and Is 62 Years of Age or Older (1)	Victor Suhr	12/13/2011 – 2/15/2016 5 years, 2 months		
	Lawrence G. Larsson			
Public at Large (1)	Dianna J. Cibrian			
	Geoff Green	7/1/2008 – 9/14/2016 8 years, 2 months		
	Lawrence G. Larsson			
	Lang Sligh		1) Harbor Commission 2) Housing Authority Commission 3) Community Development & Human Services Commission	
	Victor Suhr	12/13/2011 – 2/15/2016 5 years, 2 months		

COUNTY OF SANTA BARBARA LIBRARY ADVISORY COMMITTEE

CITY OF SANTA BARBARA REPRESENTATIVE

- One vacancy.

  One member from each County District (5), 8 City Nominees (Carpinteria, Santa Barbara, Lompoc, Santa Maria, Solvang, Guadalupe, Goleta, and Buellton), and 1 County Service Area 3 representative.
- Term Expiration:
  - June 30, 2017
- Qualifications/Categories:
  - Member must be a qualified elector of the City.
- Appointees may not hold any full-time paid office or employment in City government.

CATEGORY (Number of Vacancies)	APPLICANT	Incumbent Appt. Dates (Years Served)	Applicant's Preference (1st, 2nd, 3rd)	Notes
Qualified Elector (1)	Patricia Saley	12/8/2015 – 6/30/2016 6 months		
	Joan Young		1) County Library Advisory Committee 2) Library Board	

LIBRARY BOARD

- Two vacancies.
- Term Expirations:
  - Two terms: December 31, 2019
- Qualifications/Categories:
  - Qualified elector of the City.
- Appointees may not hold any full-time paid office or employment in City government.

CATEGORY (Number of Vacancies)	APPLICANT	Incumbent Appt. Dates (Years Served)	Applicant's Preference (1st, 2nd, 3rd)	Notes
Qualified Elector (2)	Pete Dal Bello		1) Library Board 2) Neighborhood Advisory Council	
	Susan Ryan			
	Joan Young		1) County Library Advisory Committee 2) Library Board	

LIVING WAGE ADVISORY COMMITTEE

- Two vacancies.
- Term Expirations:
  - Two terms: June 30, 2016 (Employee of Local Santa Barbara Area Non-Profit Entity and Nominee of the Santa Barbara Chamber of Commerce or Santa Barbara Downtown Organization)
- Qualifications/Categories: Members must represent one of the specified categories:
  - One member of the Committee shall be employed by a local Santa Barbara area non-profit entity.
  - One member shall be a nominee of the Santa Barbara Chamber of Commerce or Santa Barbara Downtown Organization.
- Appointees may not hold any full-time paid office or employment in City government.

CATEGORY (Number of Vacancies)	**APPLICANT**	**Incumbent Appt. Dates (Years Served)**	**Applicant's Preference (1st, 2nd, 3rd)**	**Notes**
Employed by a Local Santa Barbara Area Non-Profit Entity (1)	None			
Nominee of the Santa Barbara Chamber of Commerce or Santa Barbara Downtown Organization (1)	None			

MEASURE P COMMITTEE

- Four vacancies.
- Term Expirations:
  - One term expires December 31, 2016 (Criminal Defense Attorney)
  - One term expires December 31, 2016 (Civil Liberties Advocate)
  - One term expires December 31, 2018 (Resident of the City)
  - One term expires December 31, 2018 (Drug Abuse, Treatment & Prevention Counselor)
- Qualifications/Categories:
  - Criminal Defense Attorney
  - Civil Liberties Advocate
  - Resident of the City
  - Drug Abuse, Treatment & Prevention Counselor
- Appointees may not hold any full-time paid office or employment in City government.

CATEGORY (Number of Vacancies)	APPLICANT	Incumbent Appt. Dates (Years Served)	Applicant's Preference (1st, 2nd, 3rd)	Notes
Criminal Defense Attorney (1)	None			
Civil Liberties Advocate (1)	None			
Resident of the City (1)	None			
Drug Abuse, Treatment & Prevention Counselor (1)	None			

NEIGHBORHOOD ADVISORY COUNCIL

- Four vacancies.
- Term Expirations:
  - One term: December 31, 2018 (Lower Westside Neighborhood)
  - One term: December 31, 2019 (Eastside Neighborhood)
  - Two terms: December 31, 2019 (Public at Large)
- Qualifications/Categories: Members must be residents of the City and represent one of the specified categories:
  - Two members shall represent the Public at Large.
  - One representative must be from the Eastside Neighborhood.
  - One representative must be from the Lower Westside Neighborhood.
- Appointees may not hold any full-time paid office or employment in City government.

CATEGORY (Number of Vacancies)	APPLICANT	Incumbent Appt. Dates (Years Served)	Applicant's Preference (1st, 2nd, 3rd)	Notes
Public at Large (2)	Andria Martinez Cohen		1) Parks and Recreation Commission 2) Neighborhood Advisory Council 3) Community Development and Human Services Committee	
	Pete Dal Bello		1) Library Board 2) Neighborhood Advisory Council	
	Brad Hardison		1) Neighborhood Advisory Council 2) Parks and Recreation Commission	
	Stacey Lydon			

(See next page)

Eastside Neighborhood Representative (1)	Brad Hardison		1) Neighborhood Advisory Council 2) Parks and Recreation Commission	
	Andria Martinez Cohen		1) Parks and Recreation Commission 2) Neighborhood Advisory Council 3) Community Development & Human Services Committee	
Lower Westside Neighborhood Representative (1)	Stacey Lydon			

PARKS AND RECREATION COMMISSION

- Two vacancies.
- Term Expirations:
  - One term: December 31, 2016
  - One term: December 31, 2019
- Qualifications/Categories:
  - Qualified elector of the City.
- Appointees may not hold any full-time paid office or employment in City government.

CATEGORY (Number of Vacancies)	APPLICANT	Incumbent Appt. Dates (Years Served)	Applicant's Preference (1st, 2nd, 3rd)	Notes
Qualified Elector of the City (2)	Jacob Lesner-Buxton			
	Andria Martinez Cohen		1) Parks and Recreation Commission 2) Neighborhood Advisory Council 3) Community Development & Human Services Committee	
	Brad Hardison		1) Neighborhood Advisory Council 2) Parks and Recreation Commission	

RENTAL HOUSING MEDIATION BOARD

- Four vacancies.
- Term Expirations:
  - One term: 12/31/2018 (Landlord)
  - One term: 12/31/2019 (Tenant)
  - One term: 12/31/2019 (Landlord)
  - One term: 12/31/2019 (Homeowner)
- Qualifications/Categories: The majority of members must be residents of the City of Santa Barbara. Non-City resident members must reside in a jurisdiction which contracts with the Rental Housing Mediation Program for services. (City of Goleta, City of Carpinteria, and Unincorporated Areas of Santa Barbara County) Members must represent one of the specific categories:
  - One Tenant (City or County)

    Tenant: A Tenant Mediator must rent or lease his or her residence. A Tenant Mediator may not own residential property.
  - Two Landlords (City or County)

    Landlord: A Landlord Mediator must own or manage residential properties for consideration or compensation, whether single or multiple units.
  - One Homeowner (City or County)

    Homeowner: A Homeowner Mediator must own his or her residence. A Homeowner Mediator may not own any other residential property.
- Appointees may not hold any full-time paid office or employment in City government.

CATEGORY (Number of Vacancies)	APPLICANT	Incumbent Appt. Dates (Years Served)	Applicant's Preference (1st, 2nd, 3rd)	Notes
Tenant - City or County (1)	None			
Landlord – City or County (2)	None			
Homeowner – City or County (1)	None			

SANTA BARBARA YOUTH COUNCIL

- Seven vacancies.
- Term Expirations:
  - One term: June 30, 2017 (Santa Barbara High School)
  - One term: June 30, 2018 (At Large)
  - One term: June 30, 2018 (Local Private High School)
  - One term: June 30, 2018 (Dos Pueblos High School)
  - Two terms: June 30, 2018 (Local Alternative, Community, or Continuation High School)
  - One term: June 30, 2018 (San Marcos High School)
- Qualifications/Categories: Members must be between the ages of 13-19 years.
  - Two members from Local Alternative, Community, or Continuation High School (City or County).
  - One member must be from a Local Private High School (City or County).
  - One member must be from Dos Pueblos High School (City or County).
  - One member must be from San Marcos High School (City or County).
  - One member must be from Santa Barbara High School (City or County).
  - One member may represent the Public at Large (City or County).

    *Applicants must appear for an interview before the Santa Barbara Youth Council and City Council.

(See next page)

CATEGORY (Number of Vacancies)	APPLICANT	Incumbent Appt. Dates (Years Served)	Applicant's Preference (1st, 2nd, 3rd)	Notes
Members From Local Alternative, Community, or Continuation High School (2)	None			
Member From A Local Private High School (1)	None			
Member From Dos Pueblos High School (1)	None			
Member From San Marcos High School (1)	Camille Cosio	6/24/2014 – 6/30/2016 2 years		
	Alexandria Marx			
	Logan Oas			
Member From Santa Barbara High School (1)	None			
Member Representing Public At Large (1)	Camille Cosio	6/24/2014 – 6/30/2016 2 years		
	Alexandria Marx			
	Logan Oas			

SINGLE FAMILY DESIGN BOARD

- One vacancy.
  Term Expiration:
  One term: June 30, 2020
- Members shall reside within Santa Barbara County.
- Member shall be a licensed landscape architect and posses professional qualifications in the fields related to architecture, including, but not limited to, building design, structural engineering, industrial design, or landscape contracting.
- Members may serve on the Architectural Board of Review or the Historic Landmarks Commission and the Single Family Design Board.

CATEGORY (Number of Vacancies)	APPLICANT	Incumbent Appt. Dates (Years Served)	Applicant's Preference (1st, 2nd, 3rd)	Notes
Licensed Landscape Architect (1)	None			

ATTACHMENT 2

City of Santa Barbara
Community Development

Memorandum

DATE: May 4, 2016

TO: Santa Barbara City Council

VIA: Paul Casey, City Administrator
Ariel Calonne, City Attorney
Sarah Gorman, City Clerk
George Buell, Community Development Director
Pat McElroy, Fire Chief

FROM: Andrew Stuffler, Chief Building Official
Joe Poire, Fire Marshal

SUBJECT: Building & Fire Code Board of Appeals – Additional Board Members

As you are aware, the City has been accepting applications for vacancies within the City's Boards and Commissions.

The Fire Marshal and I are offering this reminder that the City's Building & Fire Code Board of Appeals is a unique Board, in that our City Municipal Code does not limit the number of members appointed to the eligibility list for this Board. Instead, City Council can appoint as many local construction professionals as is necessary to give the City Fire Chief and City Community Development Director access to Board members with technical expertise needed for the hearing item(s) brought forward. Board hearing items can involve the following regulations:

- Building & Site Accessibility (Disabled Access)
- Fire Alarm/Sprinkler Systems
- Structural Building Design
- Electrical, Mechanical, and Plumbing Systems
- Substandard Housing & Dangerous Buildings
- Stormwater Pollution Prevention Systems

We understand that there are 3 applications filed with the City Clerk for prospective appointment to this Board and that those 3 applicants meet the above needs. We recommend that City Council appoint all 3 applicants to the eligibility list for this Board.

B101.2 Membership of the Board. The City Council shall appoint individuals to an eligibility list. Appeals shall be scheduled before five members selected from the eligibility list by the Community Development Director or the Fire Chief as may be appropriate based on the subject matter.

City of Santa Barbara
Parks and Recreation Department

Attachment 3

Memorandum

DATE: June 28, 2016

TO: Mayor and Councilmembers

FROM: Santa Barbara Youth Council

SUBJECT: Recommendations for Appointment to the Santa Barbara Youth Council 2016 - 2017

On March 27, 2013, the City Council approved a resolution formally establishing the Santa Barbara Youth Council as a City Council advisory committee. The resolution stipulated that applicants for vacant positions on the Youth Council would be interviewed by both the Mayor and City Council and the sitting Youth Council board. After which, the Youth Council would submit its recommendations for Council consideration for filling the vacant Youth Council positions as part of the regular semi-annual recruitment and appointment process for City Council boards and commissions.

On May 19, 2016, at a special meeting of the Santa Barbara Youth Council, the members voted to send the following recommendations to the City Council for June 28, 2016 appointments for vacant Youth Council positions.

Our decision was based on: Continuing efforts to have a diverse board; past participation and involvement with the Youth Council; and balancing applicants who have proven leadership skills but full schedules versus those who could grow from the experience of being on the Youth Council and have the time to be committed to all our activities. The Youth Council supports all the below recommendations but with strong consideration for the appointment of Camille Cosio, San Marcos student, who has served on the Youth Council two years, is the current 2nd Vice Chair, liaison to the Neighborhood Advisory Council, an asset to the current board and strong leader for the new members.

There are no recommendations for the other represented positions due to either no applicants applied or no shows for the interviews with Youth Council. The Santa Barbara Youth Council will strongly support and advocate during the next recruitment period to fill the vacant positions and would work diligently with the City Clerk's Office and City Council to recruit for those positions.

<u>San Marcos High School</u>
Logan Oas

<u>Member at Large</u>
Camille Cosio (Incumbent)

cc: Susan Young, Neighborhood and Outreach Services Supervisor
Mark Alvarado, Neighborhood and Outreach Services Sr. Supervisor
Sarah P. Gorman, CMC, City Clerk Services Manager

Agenda Item No. 22

File Code No. 160.01

CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: June 28, 2016

TO: Mayor and Councilmembers

FROM: City Administrator's Office

SUBJECT: Public Employee Performance Evaluation – Government Code Section 54957(b)(1)

RECOMMENDATION:

That Council hold a closed session for a Public Employee Performance Evaluation under Government Code section 54957(b)(1).

Title: City Attorney

Scheduling: Duration, 40 minutes; anytime

Report: None anticipated

.

PREPARED BY: Nicole Grisanti, Administrator's Office Supervisor

SUBMITTED BY: Helene Schneider, Mayor

APPROVED BY: City Administrator's Office

Agenda Item No. 23

File Code No. 170.01

CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: June 28, 2016

TO: Mayor and Councilmembers

FROM: City Administrator's Office

SUBJECT: Conference With Labor Negotiators – Government Code Section 54957.6

RECOMMENDATION:

That Council hold a closed session for a Conference with Labor Negotiators pursuant to Government Code section 54957.6.

City Designated Representatives: Mayor Helene Schneider
Council Member Randy Rowse
Council Member Bendy White
Kristy Schmidt, Administrative Services Director

Unrepresented Employee: City Administrator
Scheduling: Duration, 40 minutes; anytime
Report: None anticipated

.

PREPARED BY: Nicole Grisanti, Administrator's Office Supervisor

SUBMITTED BY: Helene Schneider, Mayor

APPROVED BY: City Administrator's Office