

**CITY OF SANTA BARBARA
CITY COUNCIL**

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



Paul Casey
City Administrator

Ariel Pierre Calonne
City Attorney

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

**SEPTEMBER 13, 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

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

SPECIAL FINANCE COMMITTEE MEETING - 12:00 P.M. IN THE DAVID GEBHARD PUBLIC MEETING ROOM, 630 GARDEN STREET (120.03)

1. Subject: Fiscal Year 2016 Fourth Quarter Review (120.03)

Recommendation: That the Finance Committee recommend that Council:

- A. Hear a report from staff on the status of revenues and expenditures in relation to budget for the Fiscal Year ended June 30, 2016;
- B. Accept the Interim Financial Statements for the Fiscal Year Ended June 30, 2016; and
- C. Approve the proposed adjustments to the Fiscal Year 2016 budget as detailed in the attached Schedule of Proposed Fourth Quarter Budget Adjustments.
(See Council Agenda Item No. 14)

2. Subject: Recommendations To Council On Alternatives To Meet Unfunded Infrastructure Needs (120.03)

That the Finance Committee:

- A. Hear a presentation from staff responding to remaining requests for information from the Committee and summarizing past presentations and actions of the Committee;
- B. Recommend to Council that the remainder of Fiscal Year 2017 funding for the Downtown Shuttle (State Street route) (\$301,967) and Waterfront Shuttle (Cabrillo Boulevard route) (\$173,981) be transferred from Measure A to the Downtown Parking Fund and Waterfront Fund respectively;
- C. Recommend to Council that staff pursue borrowing against future Measure A revenues as a means of accelerating street repair;
- D. Recommend that staff return to Council for direction regarding pursuing a 1/2 cent or 3/4 cent sales tax measure; and
- E. Provide any other recommendations to Council.

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

CALL TO ORDER

PLEDGE OF ALLEGIANCE

ROLL CALL

CEREMONIAL ITEMS

- 1. Subject: Proclamation Declaring September 2016 Village Properties 20th Anniversary**
- 2. Subject: Proclamation Honoring Santa Barbara Foresters**

CHANGES TO THE AGENDA

PUBLIC COMMENT

CONSENT CALENDAR

- 3. Subject: Adoption of Ordinance Approving Supervisors Memorandum of Understanding (440.02)**

Recommendation: That Council adopt, by reading of title only, An Ordinance of the Council of the City of Santa Barbara Amending The 2012-2016 Memorandum of Understanding between the City of Santa Barbara and the Santa Barbara City Supervisory Employees' Bargaining Unit, adopted by Ordinance No. 5587 and previously amended by Ordinance Nos. 5623 and 5704, and extending the term through June 30, 2017.

CONSENT CALENDAR (CONT'D)

4. Subject: Adoption Of Ordinance Granting Easements To County Flood Control District As Part Of The Mason Street Bridge Replacement (330.03)

Recommendation: That Council adopt, by reading of title only, An Ordinance of the Council of the City of Santa Barbara Approving the Granting of Easements on City Owned Properties to the County of Santa Barbara Flood Control and Water Conservation District for Flood Control and All Related Purposes, and Authorizing the City Administrator to Execute the Grant Deeds in a Form Approved by the City Attorney.

5. Subject: Adoption Of Ordinance Establishing Speed Limits (530.03)

Recommendation: That Council adopt, by reading of title only, An Ordinance of the Council of the City of Santa Barbara Amending Chapter 10.60 of the Santa Barbara Municipal Code by Revising Section 10.60.015 and Establishing Prima Facie Speed Limits on Certain Portions of Anacapa Street, De La Vina Street, La Colina Road, Loma Alta Drive, Verano Drive, and Yanonali Street.

6. Subject: Adoption of Ordinance Amending Municipal Code Provisions Pertaining to Harbor Slip Assignments (570.03)

Recommendation: That Council adopt, by reading of title only, An Ordinance of the Council of the City of Santa Barbara Amending the Municipal Code by Amending Section 17.20.005 of Chapter 17.20 of Title 17 Pertaining to Harbor Slip Assignments.

7. Subject: Adoption Of Ordinance Adopting Police Officers Association Memorandum Of Understanding (440.02)

Recommendation: That Council adopt, by reading of title only, An Ordinance of the Council of the City of Santa Barbara Adopting A Memorandum of Understanding Between the City of Santa Barbara and the Santa Barbara Police Officers Association for the period of July 1, 2016 through June 30, 2019.

CONSENT CALENDAR (CONT'D)

8. Subject: Reorganization In City Administrator's Office (410.06)

Recommendation: That Council approve, by reading of title only, A Resolution of the Council of the City of Santa Barbara Amending Resolution No. 16-045, the Position and Salary Control Resolution for Fiscal Year 2017, Affecting the City Administrator's Office Effective October 1, 2016, to reclassify two existing management positions in the City Administrator's Office effective October 1, 2016.

9. Subject: Contract For Construction Of Las Positas Road At Cliff Drive Roundabout Project (530.04)

Recommendation: That Council:

- A. Relieve the apparent low bidder, C.S. Legacy Construction, Inc., of its bid due to clerical error in accordance with their written request, dated August 19, 2016, and in accordance with Public Contract Code Sections 5100-5107;
- B. Award a contract with Granite Construction Company in their low bid amount of \$1,275,573 for construction of the Las Positas Road at Cliff Drive Roundabout Project, Bid No. 3599; and authorize the Public Works Director to execute the contract and approve expenditures up to \$127,557 to cover any cost increases that may result from contract change orders for extra work and differences between estimated bid quantities and actual quantities measured for payment;
- C. Authorize the increase in appropriations and estimated revenues related to the State Transportation Improvement Program grant funding by \$750,000 in the Fiscal Year 2017 Streets Grant Fund for construction;
- D. Transfer \$170,000 from the General Fund Capital Outlay Fund to the Streets Capital Fund for a portion of the City's share of construction costs; and
- E. Authorize an in-kind contribution of up to \$160,000 from the General Fund to cover unfunded costs associated with staff time related to construction management and inspection.

CONSENT CALENDAR (CONT'D)

10. Subject: Increase In Construction Change Order Authority For The Cabrillo Bridge Project To Accommodate Stearns Wharf Signal Improvements (530.04)

Recommendation: That Council:

- A. Approve the transfer of \$39,463 from the Waterfront Department's Appropriated Reserve Account to the Cabrillo Boulevard Bridge Replacement Project in the Streets Grant Capital Fund to fund a new traffic signal for a right-turn arrow at State Street and Cabrillo Boulevard for vehicles exiting Stearns Wharf; and
- B. Authorize an increase in the Public Works Director's Change Order Authority to approve expenditures for extra work for the Cabrillo Boulevard Bridge Replacement Project, Contract No. 24,977, in the amount of \$39,463, for a total contract expenditure authority of \$15,858,041.

11. Subject: Agreement For People Assisting The Homeless (580.01)

Recommendation: That Council authorize the Community Development Director to execute a funding agreement for \$202,100 with People Assisting the Homeless (PATH), for the operation of a homeless shelter.

12. Subject: Agreement For Central Coast Collaborative On Homelessness (580.01)

Recommendation: That Council authorize the Community Development Director to execute a funding agreement for \$91,232 with the Northern Santa Barbara County United Way for the Central Coast Collaborative on Homelessness (C3H) effort.

NOTICES

13. The City Clerk has on Thursday, September 8, 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

FINANCE DEPARTMENT

14. Subject: Fiscal Year 2016 Fourth Quarter Review (250.02)

Recommendation: That Council:

- A. Hear a report from staff on the status of revenues and expenditures in relation to budget for the Fiscal Year ended June 30, 2016;
- B. Accept the Interim Financial Statements for the Fiscal Year Ended June 30, 2016; and
- C. Approve the proposed adjustments to the Fiscal Year 2016 budget as detailed in the attached Schedule of Proposed Fourth Quarter Budget Adjustments.

PARKS AND RECREATION DEPARTMENT

15. Subject: Conceptual Design Contract For The Restoration Of The Andrée Clark Bird Refuge (570.05)

Recommendation: That Council:

- A. Authorize the Parks and Recreation Director to execute a Professional Services Agreement with Anchor QEA, LLC in the amount of \$137,000 to perform technical studies and prepare conceptual design plans for restoration of the Andrée Clark Bird Refuge; and
- B. Authorize the Parks and Recreation Director to approve expenditures of up to \$14,000 for extra services from Anchor QEA, LLC that may result from necessary changes in the scope of work.

16. Subject: Cabrillo Pavilion Renovation Status And Restaurant Concession (330.04)

Recommendation: That Council:

- A. Receive a status report on the Cabrillo Pavilion and Bathhouse Renovation Project; and
- B. Recommend that the Parks and Recreation Department initiate a competitive bid process to secure a restaurant concessionaire for the renovated facility.

COUNCIL AND STAFF COMMUNICATIONS

COUNCILMEMBER COMMITTEE ASSIGNMENT REPORTS

PUBLIC COMMENT (IF NECESSARY)

CLOSED SESSIONS

17. Subject: Conference With City Attorney - Anticipated Litigation (160.03)

Recommendation: That Council hold a closed session to consider initiating litigation pursuant to subsection (d)(4) of Section 54956.9 of the Government Code and take appropriate action as needed (one potential case).

Scheduling: Duration, 15 minutes; anytime

Report: None anticipated

ADJOURNMENT

CITY OF SANTA BARBARA

FINANCE COMMITTEE

SPECIAL MEETING AGENDA

DATE: September 13, 2016

Gregg Hart, Chair

TIME: 12:00 P.M.

Bendy White

PLACE: David Gebhard Public Meeting Room
630 Garden Street

Jason Dominguez

Paul Casey
City Administrator

Robert Samario
Finance Director

ITEMS TO BE CONSIDERED:

1. Subject: Fiscal Year 2016 Fourth Quarter Review

Recommendation: That the Finance Committee recommend that Council:

- A. Hear a report from staff on the status of revenues and expenditures in relation to budget for the Fiscal Year ended June 30, 2016;
- B. Accept the Interim Financial Statements for the Fiscal Year Ended June 30, 2016; and
- C. Approve the proposed adjustments to the Fiscal Year 2016 budget as detailed in the attached Schedule of Proposed Fourth Quarter Budget Adjustments.

(See Council Agenda Item No. 14)

2. Subject: Recommendations To Council On Alternatives To Meet Unfunded Infrastructure Needs

Recommendation: That the Finance Committee:

- A. Hear a presentation from staff responding to remaining requests for information from the Committee and summarizing past presentations and actions of the Committee;
- B. Recommend to Council that the remainder of Fiscal Year 2017 funding for the Downtown Shuttle (State Street route) (\$301,967) and Water Front Shuttle (Cabrillo Boulevard route) (\$173,981) be transferred from Measure A to the Downtown Parking Fund and Waterfront Fund respectively;
- C. Recommend to Council that staff pursue borrowing against future Measure A revenues as a means of accelerating street repair;
- D. Recommend that staff return to Council for direction regarding pursuing a ½ cent or ¾ cent sales tax measure; and
- E. Provide any other recommendations to Council.



CITY OF SANTA BARBARA

FINANCE COMMITTEE AGENDA REPORT

AGENDA DATE: September 13, 2016

TO: Finance Committee

FROM: Transportation Division, Public Works Department
Administrative Division, Finance Department

SUBJECT: Recommendations To Council On Alternatives To Meet Unfunded Infrastructure Needs

RECOMMENDATION: That the Finance Committee:

- A. Hear a presentation from staff responding to remaining requests for information from the Committee and summarizing past presentations and actions of the Committee;
- B. Recommend to Council that the remainder of Fiscal Year 2017 funding for the Downtown Shuttle (State Street route) (\$301,967) and Waterfront Shuttle (Cabrillo Boulevard route) (\$173,981) be transferred from Measure A to the Downtown Parking Fund and Waterfront Fund respectively;
- C. Recommend to Council that staff pursue borrowing against future Measure A revenues as a means of accelerating street repair;
- D. Recommend that staff return to Council for direction regarding pursuing a ½ cent or ¾ cent sales tax measure; and
- E. Provide any other recommendations to Council.

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).

The following summarizes the meetings held to date and the topics covered:

1. 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 were 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.
2. 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.
3. 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 well below 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.
4. 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 increases to capital spending, although these savings will not be sufficient to bridge the gap between current funding levels and maintenance needs.
5. 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 the maintenance of City parks, buildings, fire stations, roads, sidewalks, and storm drains.
6. On June 7, 2016, the Finance Committee heard a presentation from staff regarding potential strategies to increase capital funding for streets and related infrastructure. The presentation highlighted the Streets Section's budgetary cost savings and efficiencies completed or anticipated in the near term. It also showed potential cost shifts of activities and services from the Streets Fund to other funding sources.
7. On June 28, 2016, the Finance Committee heard a presentation from staff summarizing unfunded infrastructure needs and the increase to various tax rates that would be needed to achieve funding for these needs. The presentation

highlighted previous City efforts to identify these capital funding needs, and compared those efforts with current capital needs assessment work. The Finance Committee requested that staff return with a comprehensive list of alternatives for new funding sources and an estimate of need for sidewalk infill.

8. At the July 26, 2016, Finance Committee meeting, staff presented additional information on sidewalk infill and maintenance needs, and presented follow up information to questions from the June 28 meeting on sidewalk infill needs and storm drain system needs. Staff also presented options for generating additional revenues. At this meeting, the Finance Committee requested additional information related to sidewalk infill needs and potential new revenue sources for the Streets Fund.

At today's meeting staff will summarize the Citywide Capital Improvement needs that previously have been presented. In addition, staff will provide information based on additional requests from the Committee as listed below:

- Additional information on sidewalk infill needs,
- An analysis of the pros and cons of borrowing against future revenues to prefund street maintenance,
- Additional information regarding how the City of Santa Barbara compares with other comparable agencies with respect to tax revenues generated, and
- Additional information associated with the potential increase of a real property transfer tax as one means to generate additional revenue for funding infrastructure.

Sidewalk Needs

Staff analyzed the remaining missing sidewalk as identified in the Pedestrian Master Plan. Future planned construction costs were estimated based on the length of a missing sidewalk, and the average slope of the segment. Generally, the steeper the slope the higher the segment cost. While the cost to install sidewalks on every street section where they do not currently exist is in excess of \$200 million, many locations may not be desired by some neighborhoods or will be too costly to construct. Staff estimates that \$30 million to \$40 million is needed to construct the remaining missing sidewalk links in the street grid, as well as key connections to providing pedestrian connectivity in other areas. Missing sidewalk gaps that are less than 200 feet in length that do not require additional site improvements (i.e. curb, gutter, or retaining walls), are estimated to cost approximately \$4 million.

Pros and Cons of Borrowing against Measure A Revenues

One of the many options staff presented to the Finance Committee in a previous meeting was borrowing against existing, ongoing, Measure A revenues. The approach involved the City selling bonds, which typically have a repayment term of 20-30 years. The bonds would be secured by a portion of Measure A revenues. Only \$1 million

currently allocated to capital (the balance of funds are allocated to operating costs) could be re-allocated to debt service. Based on a 20-year repayment term, the City could borrow approximately \$15 million.

While a viable option, staff had several concerns with this option. One of the concerns is the high costs associated with issuing bonds – bond counsel, disclosure counsel, financial advisor and bond rating. Since these costs are fixed, regardless of the size of the bond issue, the smaller the issue the higher the costs are proportionally. Another concern is the loss of flexibility created by committing revenues to debt service for many years. These funds would not be available, for example, in an emergency or to address changing priorities or circumstances. And finally, borrowing over a 20-year basis does not match the useful life of the improvement, which means the value of the improvement will have been fully consumed before the related debt is paid off. Best practices dictate that the term of the debt match the useful life the improvement.

Subsequent to the July 26 Finance Committee meeting, staff contacted the Santa Barbara County Association of Governments (SBCAG) to determine if there were any restrictions to borrowing against Measure A revenues if the City decided to pursue that route. SBCAG plans to issue bonds for the final phase of the Highway 101 widening project, secured by Measure A revenues, and indicated that the City could participate in its planned bond issuance. City staff met with SBCAG staff who said the City may be able to borrow with a repayment term as low as ten years, which closely aligns with useful life criteria since the life of most overlays is approximately ten years. In addition, the City's share of issuance costs, which are fixed, will be nominal. Staff believe that \$1 million per year could safely be allocated to paving while still meeting other capital and operational needs. While we would still lose flexibility by having these funds committed for ten years, staff believes more funds could be freed up in the future through planned and anticipated efficiencies, thereby providing a cushion and extra funds for capital if needed. Therefore staff recommends pursuing a borrowing strategy whereby the City participates in SBCAG's upcoming bond issue secured by Measure A money that otherwise would have been designated for Capital Improvement Program projects (approximately \$8 Million).

Comparison to Other Agencies and Information on Real Property Transfer Tax

Staff are still in the process of compiling data in response to this information request regarding a Real Property Transfer Tax Option. The results of the data gathering will be presented at this September 13, 2016 meeting.

There are a few things to note, however. First, the City's "Real Property Transfer Tax" (RPTT) is technically a Documentary Transfer Tax (DTT), authorized by State statute. The DTT is set at \$1.10 per \$1,000 of value and assessed when a property is sold or otherwise changes title. The DTT is split between the City and County.

In contrast a RPTT can be set at any rate. Charter cities, unlike general law cities, have the ability to levy taxes (subject to voter approval) without the need for specific state

authorizing legislation. In addition, because a RPTT is deemed to be imposed on the privilege of exercising one of the incidents of property ownership – its conveyance – it is not considered a “property tax” and thus not subject to Proposition 13. As such, only Charter cities can establish an RPTT.

Lastly, one of the interesting and awkward side effects of implementing a RPTT is that the City forfeits its share of the DTT to the County. Thus, in cities where a RPTT has been approved, the County gets the full \$1.10 per \$1,000 of the DTT.

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 ultimately will accelerate the final construction costs needed for improvement of these assets.

PREPARED BY: Chris Toth, Transportation Division Manager/mj

SUBMITTED BY: Rebecca J. Bjork, Public Works Director
Robert Samario, Finance Director

APPROVED BY: City Administrator’s Office



VILLAGE PROPERTIES
20TH Anniversary

WHEREAS, Village Properties was co-founded by Ed Edick and Renee Grubb in 1996; and

WHEREAS, Village Properties has grown to become the region's largest independent real estate brokerage, with over 150 agents and brokers, and offices throughout Santa Barbara County; and

WHEREAS, Village Properties remains dedicated to providing exceptional comprehensive service to clients, integrating extensive knowledge of all aspects of the Santa Barbara real estate market; and

WHEREAS, Village Properties is committed to giving back to the Santa Barbara community through the establishment of the nonprofit Teacher's Fund in 2002, which to date has raised more than \$1.5 million to assist over 2,600 local teachers with needed supplies, materials, and equipment;

***NOW, THEREFORE I, MAYOR HELENE SCHNEIDER,** by virtue of the authority vested in me as Mayor of the City of Santa Barbara, California, do hereby congratulate founders **Ed Edick and Renee Grubb** on the 20-year anniversary of Village Properties. On behalf of the Santa Barbara City Council, we wish Village Properties continued success for many years to come.*

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Official Seal of the City of Santa Barbara, California, to be affixed this 13th day of September 2016.


HELENE SCHNEIDER
MAYOR



City of Santa Barbara

In Honor of

SANTA BARBARA FORESTERS *for Their Continued Success and Outstanding Achievements*

WHEREAS, the *Santa Barbara Foresters* won the 2016 National Baseball Congress (NBC) World Series with a perfect 6-0 record, played in Dodger Stadium for the first time, and won the California Collegiate League for the 19th time, undefeated; and

WHEREAS, 2016 marked the *Foresters* sixth NBC championship—following championships in 2006, 2008, 2011, 2012, and 2014—tying an all-time record for the 82-year-old event in Wichita, Kansas; and

WHEREAS, Bill Pintard, who will notch his 900th career win as the *Foresters*' manager in 2017, was named the NBC Manager of the Year for the fifth time; and

WHEREAS, third baseman Bret Boswell was the first *Foresters* player to be named the "National Summer Ball Player of the Year" in addition to being named the CCL's Most Valuable Player, the CCL Playoff's MVP, and leading the NBC World Series with 14 RBI's; and

WHEREAS, the *Foresters* are committed to performing community service, visiting Cottage Hospital and Via Christi Hospital with the Hugs for Cubs program for young cancer patients and their families; and

WHEREAS, the *Foresters* have displayed a consistent standard of excellence, enhancing the image of Santa Barbara nationally through their notable accomplishments and good deeds on and off the baseball diamond.

NOW THEREFORE, I, HELENE SCHNEIDER, by virtue of the authority vested in me as Mayor of the City of Santa Barbara, on behalf of the City Council, do hereby congratulate the Santa Barbara Foresters on their multitude of notable achievements, and commend them for representing Santa Barbara with professionalism, positivity, and integrity.


MAYOR HELENE SCHNEIDER
September 13, 2016

ORDINANCE NO. _____

AN ORDINANCE OF THE COUNCIL OF THE CITY OF SANTA BARBARA AMENDING THE 2012-2016 MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF SANTA BARBARA AND THE SANTA BARBARA CITY SUPERVISORY EMPLOYEES' BARGAINING UNIT, ADOPTED BY ORDINANCE NO. 5587 AND PREVIOUSLY AMENDED BY ORDINANCE NOS. 5623 AND 5704, AND EXTENDING THE TERM THROUGH JUNE 30, 2017.

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

SECTION 1. The 2012-2016 Memorandum of Understanding between the City of Santa Barbara and the Santa Barbara City Supervisory Employees' Bargaining Unit, adopted by Ordinance No. 5587 and amended by Ordinance Nos. 5623 and 5704, is hereby amended to include the supplemental agreement attached hereto and incorporated herein by reference as Exhibit A.

SECTION 2. The City Administrator is authorized to apply the changes to salaries and benefits contained in this supplemental agreement to the City's confidential supervisors.

SECTION 3. During the term of the M.O.U., the City Administrator is hereby authorized to implement the terms of the M.O.U. without further action by the City Council, unless such further Council action is required by state or federal law. This authorization shall include, but not be limited to, the authority to implement employee salary increases and changes to the salary schedule(s) that were adopted with the annual budget.

SEP 13 2016 #3 440.02

2016-2017 SUPERVISORS SUPPLEMENTARY AGREEMENT

Pursuant to Section 3.12 of the Municipal Code of the City of Santa Barbara and Section 3500 et seq. of the Government Code, the duly authorized representatives of the City of Santa Barbara ("The City") and the Santa Barbara City Supervisory Employees' Bargaining Unit ("The Association"), having met and conferred in good faith, agree that the existing 2012-2016 Memorandum of Understanding (MOU), as previously amended, shall be amended and supplemented with the following agreement:

1. TERM

The term of the agreement will be extended by 12 months, through June 30, 2017.

2. SALARIES

There will be a base salary increase of 3% for all classifications effective June 25, 2016 (6/25/2016).

3. CAFETERIA PLAN CHANGES

The City may make changes to the cafeteria plan that are cost-neutral to the City based on impacts of the Affordable Care Act (ACA), including but not limited to:

- Affordability Calculations: Should changes or interpretation of law lead to the City's cafeteria plan contribution not being credited as an employer contribution toward minimum essential coverage under affordability provisions of the Affordable Care Act (ACA), the City may make changes to the structure of the benefit that are cost-neutral to the City to ensure treatment of its contribution as an employer contribution.
- Cadillac Tax: City may make changes to the cafeteria plan that are cost-neutral to the City in order to avoid insurance premium increases resulting from the 40 percent excise tax on high-cost employer-sponsored health plans (the "Cadillac Tax") or other penalties or liability as a result of the ACA.

The City will meet and consult over the proposed changes with the Association at least 3 months prior to implementation of the changes, but will not be obligated to delay implementation or to negotiate to impasse.

4. FAMILY SICK LEAVE

Effective January 1, 2016, **Article 49 (e)** is replaced with the following: “A full-time employee may use up to six days (48 hours) of available accrued sick leave per calendar year for the diagnosis, care, or treatment of an existing health condition of, or preventive care for, a family member of the employee. “Family member” means any of the following: a spouse or registered domestic partner; a child (biological, adopted, or foster child, stepchild, legal ward, or a child to whom the employee stands in loco parentis, regardless of age or dependency status); a parent (biological, adoptive, or foster parent, stepparent, or legal guardian) of an employee or the employee’s spouse or registered domestic partner; a person who stood in loco parentis when the employee was a minor child; a grandparent; a grandchild; or a sibling. Part-time employees may use the equivalent of six (6) months of sick leave accrual at their prorated accrual rate for such purposes. All rules for use of sick leave will apply, including those regarding physician statement requirements and use of sick leave for medical appointments.”

5. SICK LEAVE CONVERSION UPON RETIREMENT

Effective for retirement on or after July 1, 2016, the 90% cap calculation for conversion of accrued sick leave upon retirement for PERS safety employees will be removed.

6. VACATION ACCRUAL CAP

Effective July 9, 2016, the language of Article 55(a) is amended as follows “[...] No employee may accrue a vacation balance in excess of three hundred and twenty (320) hours unless approved for excess accrual based upon **extenuating circumstances** ~~City need or personal emergency~~. [...]”

7. SALARY SURVEY

The City and the Association will continue to meet weekly, or as otherwise agreed, to discuss the ongoing total compensation survey, with the goal to have the results finalized for reference during negotiations for a successor labor agreement.

8. HOLIDAY CLOSURE

If the City chooses to close some or all offices to the public during the 2016 and/or 2017 holiday period, employees will either work, use their own paid leave banks, or take unpaid leave in accordance with the 2012 Holiday Closure Plan contained in Appendix F, with the following updates:

- The closure periods are tentatively planned to be, subject to change:
 - 2016 Closure: Monday, December 26th, 2016 through Monday, January 2nd, 2016
- Employees who wish to work during the Holiday Closure must advise their Manager no later than:
 - 2016 Closure: November 15, 2016.

Signed:

For the City	For the Association
<hr/> Kristine Schmidt Employee Relations Manager	<hr/> Victor Garza, President Parking Superintendent

ORDINANCE NO. _____

AN ORDINANCE OF THE COUNCIL OF THE CITY OF SANTA BARBARA APPROVING THE GRANTING OF EASEMENTS ON CITY OWNED PROPERTIES TO THE COUNTY OF SANTA BARBARA FLOOD CONTROL AND WATER CONSERVATION DISTRICT FOR FLOOD CONTROL AND ALL RELATED PURPOSES, AND AUTHORIZING THE CITY ADMINISTRATOR TO EXECUTE THE GRANT DEEDS IN A FORM APPROVED BY THE CITY ATTORNEY

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

WHEREAS, the City of Santa Barbara (City) has acquired in fee the two properties commonly known as 15 and 20 West Mason Streets as necessary for the completion of the Mason Street Bridge replacement projects;

WHEREAS, the City is nearing completion of construction and replacement of the bridge at Mason Street;

WHEREAS, the City and the County of Santa Barbara Flood Control and Water Conservation District (District) are working jointly to improve water conveyance and flood control within a portion of Mission Creek, beginning at Canon Perdido Street and continuing to Cabrillo Boulevard, known as the Lower Mission Creek Flood Control Project (LMCFCP) as originally designed by the US Army Corp of Engineers; and

WHEREAS, the intent between both the City and District has been to permanently grant all easements and or other property rights on properties acquired by the City that may allow for enhanced access and flood control purposes by District within Mission Creek, and that the City and District have agreed to transfer and accept those certain easement interests as particularly described by the respective Grant Deeds to be executed by both parties subsequent to the approval of this Ordinance.

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

SECTION 1. That the City hereby grants to the District, easements for access, flood control and all related purposes on the City fee owned properties as particularly described and shown in the existing Grant Deeds to City, filed as Instruments Nos. 2013-0039995, dated June 14, 2013, and 2013-0040007, dated

SEP 13 2016 #4 330.03

June 14, 2013, of Official Records, in the Office of County of the County Recorder, County of Santa Barbara, State of California.

SECTION 3. That the City Administrator is authorized to execute, in a form approved by the City Attorney, the above referenced Easement Grant Deeds, and other related documents as maybe necessary.

SECTION 4. Following the effective date of this ordinance, the City Clerk is hereby authorized to cause the recordation of said Easement Grant Deeds in the Official Records, in the Office of the County Recorder, County of Santa Barbara, State of California.

ORDINANCE NO. _____

AN ORDINANCE OF THE COUNCIL OF THE CITY OF SANTA BARBARA AMENDING CHAPTER 10.60 OF THE SANTA BARBARA MUNICIPAL CODE BY REVISING SECTION 10.60.015 AND ESTABLISHING PRIMA FACIE SPEED LIMITS ON CERTAIN PORTIONS OF ANACAPA STREET, DE LA VINA STREET, LA COLINA ROAD, LOMA ALTA DRIVE, VERANO DRIVE, AND YANONALI STREET

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

SECTION 1. Chapter 10.60 of Title 10 of the Santa Barbara Municipal Code is amended by revising Section 10.60.015 to read as follows:

10.60.015 Streets of Modified Speed Limits.

In accordance with Santa Barbara Municipal Code Section 10.20.015, and when properly sign posted, the prima facie speed limit on the following streets, or portions of streets, shall be as follows:

55 miles per hour:

LAS POSITAS ROAD – Cliff Drive to a point 870 feet north of Las Positas Place

45 miles per hour:

CALLE REAL - Las Positas Road to Hitchcock Way

HOLLISTER AVENUE - Fairview Avenue to the westerly City limits

MODOC ROAD - Las Positas Road to westerly City limits

OLD COAST HIGHWAY - Harbor View Drive to Hot Springs Road

40 miles per hour:

CALLE REAL - Hitchcock Way to La Cumbre Road

CARRILLO STREET - San Andres Street to La Coronilla Drive

CLIFF DRIVE – Loma Alta Drive to Las Positas Road

MEIGS ROAD - Cliff Drive to La Coronilla Road

35 miles per hour:

ALAMAR AVENUE - Foothill Road to State Street

ALSTON ROAD - City limits to Eucalyptus Hill Road

BARKER PASS ROAD - Eucalyptus Hill Road to the northerly City limits

CABRILLO BOULEVARD – Calle Cesar Chavez to US Highway 101

SEP 13 2016 #5 530.03

CLIFF DRIVE - Westerly City limits to Las Positas Road
FAIRVIEW AVENUE - Placencia Street to Calle Real, those portions within the City limits
HOPE AVENUE - State Street to Pueblo Avenue
HOPE AVENUE - Calle Real to State Street
LA CUMBRE ROAD - Via Lucero to northerly City limits
LAS POSITAS ROAD - State Street to a point 870 feet north of Las Positas Place
MEIGS ROAD - Cliff Drive to Salida Del Sol
MODOC ROAD - Mission Street to Las Positas Road
OLD COAST HIGHWAY - Salinas Street to Harbor View Drive
SHORELINE DRIVE - Castillo Street to La Marina
STATE STREET - Mission Street to the westerly City limits
VERONICA SPRINGS ROAD - Those portions within the City limits

30 miles per hour:

ALAMAR AVENUE - De La Vina Street to Junipero Street
ALAMEDA PADRE SERRA - Los Olivos Street to Sycamore Canyon Road
ALAMEDA PADRE SERRA - Sycamore Canyon Road to Eucalyptus Hill Road
ANACAPA STREET - Arrellaga Street to Constance Avenue
ANAPAMU STREET - Santa Barbara Street to Milpas Street
BATH STREET - US Highway 101 northbound offramp to Mission Street
CABRILLO BOULEVARD – Castillo Street to Calle Cesar Chavez
CALLE REAL – Pueblo Street to Las Positas Road
CANON PERDIDO STREET - Santa Barbara Street to Milpas Street
CASTILLO STREET – Cabrillo Boulevard to Mission Street
CHAPALA STREET – Gutierrez Street to Alamar Avenue
CLIFF DRIVE – Montecito Street to Loma Alta Drive
CLINTON TERRACE - Samarkand Drive to Tallant Road
COAST VILLAGE ROAD - Olive Mill Road to Cabrillo Boulevard
CONSTANCE AVENUE - State Street to Garden Street
DE LA GUERRA STREET - Santa Barbara Street to Milpas Street
DE LA VINA STREET - State Street to Mission Street
GARDEN STREET - Micheltorena Street to Junipero Street
HITCHCOCK WAY - Calle Real to State Street

LA COLINA ROAD – La Cumbre Road to Verano Drive
LA CUMBRE ROAD - Southerly City limits (US Highway 101) to Via Lucero
LOMA ALTA DRIVE – Cliff Drive to Shoreline Drive
MILPAS STREET - Anapamu Street to Cabrillo Boulevard
MIRAMONTE DRIVE - Carrillo Street to Via Del Cielo
ONTARE ROAD - Sunset Drive to Foothill Road
SALINAS STREET - US Highway 101 to Sycamore Canyon Road
SAMARKAND DRIVE - De La Vina to Clinton Terrace
SAN PASCUAL STREET - Canon Perdido Street to Coronel Place
SAN ROQUE ROAD - Foothill Road to State Street
SANTA BARBARA STREET - Anapamu Street to Constance Avenue
SHORELINE DRIVE - Salida Del Sol to La Marina
STATE STREET – Victoria Street to Mission Street
TREASURE DRIVE - Tallant Road to Calle Real
YANONALI STREET – Calle Cesar Chavez to Garden Street

25 miles per hour:

ANACAPA STREET – Arrellaga Street to Haley Street
BATH STREET – Mission Street to Quinto Street
CARPINTERIA STREET - Milpas Street to Salinas Street
CARRILLO STREET – Chapala Street to San Andres Street
CASTILLO STREET – Mission Street to Pueblo Street
COTA STREET – Santa Barbara Street to Alameda Padre Serra
DE LA VINA STREET – Mission Street to Haley Street
GUTIERREZ STREET – Santa Barbara Street to Alameda Padre Serra
HALEY STREET – Chapala Street to Milpas Street
MICHELTORENA STREET – San Andres Street to California Street
MISSION STREET – Robbins Street to Anacapa Street
ONTARE ROAD - State Street to Sunset Drive
PUESTA DEL SOL - Alamar Avenue to easterly City limits
SAN ANDRES STREET - Mission Street to Canon Perdido Street
VALERIO STREET – Gillespie Street to westerly cul-de-sac
YANONALI STREET – Garden Street to State Street

ORDINANCE NO. _____

AN ORDINANCE OF THE COUNCIL OF THE CITY OF SANTA BARBARA AMENDING THE MUNICIPAL CODE BY AMENDING SECTION 17.20.005 OF CHAPTER 17.20 OF TITLE 17 PERTAINING TO HARBOR SLIP ASSIGNMENTS.

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

SECTION 1. Section 17.20.005 of Chapter 17.20 of Title 17 of the Santa Barbara Municipal Code is amended to read as follows:

17.20.005 Slip Assignment Policy.

B. SLIP RENTAL AGREEMENT.

3. Replacement Vessel. If the vessel assigned to the Slip Permit is sold, donated, stolen, destroyed or otherwise permanently removed from its Slip, its owner must notify the Waterfront Department within 15 days of such event. The slip permittee must place a replacement vessel in the Slip assigned to the slip permittee within 180 days after the occurrence of the event causing the removal of the vessel assigned to the Slip Permit, unless granted a written exemption from the Waterfront Director. Failure of timely reporting of a sold, donated, stolen, destroyed or otherwise permanently removed vessel, or timely assignment of a replacement vessel, shall be grounds for termination of the Slip Permit.

C. SLIP WAITING LISTS.

3. Lottery List.

b. Procedure for Slip Assignment to Lottery List Applicants. A slip that becomes available for assignment to the Lottery List shall be offered for assignment to applicants on the Lottery List according to their rank on the Lottery List. If a slip assignment offer is declined by all applicants on the Lottery List, the slip shall be held in the Waterfront Department's visitor slip inventory for a period of six (6) months. After six (6) months, the slip assignment shall be re-offered individually to applicants on the Lottery List in the same order as the slip assignment was initially offered. If the slip remains unassigned after the re-offer, the procedure shall be repeated every six (6) months until the slip assignment offer is accepted.

SEP 13 2016 #6
570.03

c. Procedure for Accepting or Declining a Slip Assignment Offer from the Lottery List.

(1) Acceptance of Slip Assignment Offer.

(a) Notification of slip availability shall be mailed by the Waterfront Department to the applicant at the applicant's most recent address on file in the Waterfront Department. Acceptance of the slip assignment offer must be submitted by the applicant in writing to the Waterfront Department within fourteen (14) days of the date of mailing the notice of slip availability. Acceptance must be submitted to the Waterfront Department in writing.

(2) Declined Lottery List Assignment Offer. Failure of an applicant to accept a slip assignment offer in writing within fourteen (14) days of the date of mailing of such offer by the Waterfront Department shall be considered a declined offer. Declining a slip assignment offer will not result in removal of the applicant's name from the Lottery List, loss of the applicant's Lottery List Placement Fee, Lottery List Renewal Fee, or change in the applicant's position on the Lottery List.

4. Slip Waiting Lists Fees.

b. Lottery List Placement Fee and Renewal Fee.

ORDINANCE NO. _____

AN ORDINANCE OF THE COUNCIL OF THE CITY OF SANTA BARBARA ADOPTING A MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF SANTA BARBARA AND THE SANTA BARBARA POLICE OFFICERS ASSOCIATION FOR THE PERIOD OF JULY 1, 2016 THROUGH JUNE 30, 2019

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

SECTION 1. The Memorandum of Understanding between the City of Santa Barbara and the Santa Barbara Police Officers Association entered into as of July 1, 2016 and attached hereto and incorporated herein by reference as Exhibit "A" is hereby adopted.

SECTION 2. During the term of the agreement, the City Administrator is hereby authorized to implement the terms of the Memorandum of Understanding between the City of Santa Barbara and the Santa Barbara Police Officers Association without further action by the City Council, unless such further action is explicitly required by state or federal law. This authorization shall include, but not be limited to, the authority to implement employee salary increases and publish changes to the salary schedule(s) adopted with the annual operating budget.

SEP 13 2016 #7 440.02

**MEMORANDUM OF UNDERSTANDING
BETWEEN
THE CITY OF SANTA BARBARA
AND THE
SANTA BARBARA POLICE OFFICERS ASSOCIATION**

THIS AGREEMENT, SIGNED ON _____, IS ENTERED INTO AS OF JULY 1, 2016, BETWEEN THE CITY OF SANTA BARBARA, HEREINAFTER REFERRED TO AS THE "CITY," AND THE SANTA BARBARA POLICE OFFICERS ASSOCIATION, HEREINAFTER REFERRED TO AS THE "ASSOCIATION."

Pursuant to Section 3.12 of the Municipal Code of the City of Santa Barbara and Section 3500 et. seq. of the Government Code, the duly authorized representatives of the City and the Association, having met and conferred in good faith concerning wages, hours, and terms and conditions of employment of Unit employees, declare their agreement to the provisions of this Memorandum of Understanding.

FOR THE CITY:

FOR THE ASSOCIATION:

Kristine Schmidt
Director of Administrative Services

Eric Beecher
Association President

(no longer employed)

John Crombach
Interim Police Chief

Michael McGrew
Police Sergeant

Jennifer Jennings
Administrative Analyst (Labor Relations)

Crystal Bedolla
Police Officer

Bruce Barsook
Counsel

Andrew Hill
Police Officer

Sadie Lewman
Police Services Coordinator

Stuart Adams
Counsel

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1. Benefits- Domestic Partners

Employees may be entitled to add their registered domestic partners to City health and welfare benefits, to take family medical leave to attend to a domestic partner, and to other domestic partner benefits, as provided under City policy or under state law.

2. Benefits- During Authorized Leave Without Pay

No sick leave, vacation, or holidays shall accrue to any employee during authorized leave without pay for any full biweekly pay period. Employee shall be responsible for full payment of insurance premiums during authorized leave without pay, except as otherwise provided by law.

3. Benefits- Part-time Employees

A. Employees filling positions authorized by City Council in the official Position and Salary Control Resolution at more than 20 hours per week on a less-than-full time basis shall receive benefits as follows:

i. Cafeteria plan contribution, medical contribution, dental contribution, vision contribution, holiday time, and other benefits under this agreement equal to the percent of time regularly scheduled versus a regular work week rounded up to the nearest ten percent (10%).

ii. Vacation and sick leave equal to the percent of time actually worked versus a regular work week rounded up to the nearest ten percent (10%).

B. Grandfathering: Employees filling positions authorized by City Council in the official Position and Salary Control Resolution at more than 20 hours per week on a less-than-full-time basis before March 1, 2005 will continue to receive full-time health benefits (cafeteria plan contribution, medical contribution, dental contribution, vision contribution).

4. Bereavement Leave

In case of the death of an immediate family member, full-time employees shall be eligible for up to forty (40) hours leave with pay.

Immediate family member is defined as: mother, father, brother, sister, spouse, registered domestic partner, child, grandparents by blood or marriage, grandchildren by blood or marriage, mother-in-law, father-in-law, brother-in-law, sister-in-law, daughter-in-law, son-in-law, person standing in loco parentis, and step family members. "In-law" and "step" relationships shall include the immediate family of a registered domestic partner on the same basis as that of a spouse.

Co-worker funeral attendance is acceptable upon the approval of the Chief of Police, consistent with the operational needs of the Department.

5. Biweekly Pay Period

It is understood that all references to "hours or days per month" may be considered on the basis of "hours per biweekly pay period" through conversion factors providing substantially equal employee benefits.

6. Cafeteria Plan

- A. Each full-time employee shall be eligible to allocate a discretionary amount equal to \$6,000 per plan year under the "125 Cafeteria Plan."
- B. If medical, dental, and vision insurance plan selections exceed the cafeteria plan allocation, the City will pay the difference of these insurance premiums up to the amounts in the Medical, Dental and Vision Insurance Article of this MOU; said excess premiums are not discretionary.

7. Call Back

- A. An employee officially called back to duty after being off from scheduled duty for ten (10) hours or more shall be compensated for actual hours worked with a minimum of three (3) hours of pay or compensatory time off at the overtime rate.
- B. An employee officially called back to duty after being off from scheduled duty for less than ten (10) hours shall be compensated at the overtime rate for actual hours worked with a minimum credit of four (4) hours at the overtime rate set forth in the Overtime Article of this agreement. An employee called back to work in this capacity shall continue to be compensated at the overtime rate for as many continuous hours worked from the reporting time of the call back including regularly scheduled work hours.
- C. Multiple call backs within the minimum paid time periods outlined in Sections A and B of this Article will not receive additional compensation.
- D. A "call back" occurs when an employee has left work and is on a regular day off or otherwise off duty and is requested to return to work. Call back does not begin until the employee arrives at duty station and begins work. At no time does a "call back" entitle an employee to "portal" pay or travel time.

An employee shall not be compelled to take vacation or CTO to avoid payment of overtime for a call back.

- E. Management shall make every effort to avoid scheduling consecutive work days (excluding overtime) without a minimum of ten (10) hours of time off with the following exceptions:
 - 1. Shift change;
 - 2. By mutual consent of both management and the employee; or
 - 3. During an emergency or natural disaster.
- F. Telephone Consultations: An employee who receives a phone call authorized in advance by the shift commander on off-duty hours for which he or she is not otherwise receiving compensation (i.e. standby or callback pay) shall be paid for the time actually spent on the phone call, or ½ hour, whichever is greater. This will apply to phone calls for professional consultation purposes, not routine phone calls such as calling an employee back to work. This section will apply independently to multiple phone calls, even regarding the same event, except if those multiple phone calls occur within the same half hour.

8. Canine Pay

It is agreed that employees assigned to serve as canine handlers shall receive the following overtime pay in addition to their regular base salary:

The time spent by a canine handler in the care, grooming and feeding of his/her assigned police dog shall be hours worked payable at a time and one half overtime rate of \$37.4568 per hour (hourly rate of \$ 24.9712 at a time and one-half overtime premium) effective July 1, 2016. In order to maintain equivalency, this hourly rate for dog care shall be increased by the same percentage as the general salary increases for Police Officers.

It is agreed that canine handlers normally spend 6 hours per biweekly pay period performing such work and written authorization from the Police Chief must be obtained to perform such work for more than 6 hours.

9. Child Care

The City will maintain a pre-tax salary reduction plan for employee dependent care needs in accordance with Section 129 of the Internal Revenue Code.

10. Educational Incentive Pay Plan

A. Effective the beginning of the first full pay period after the City is notified officially by POST of an officer's qualification for an Intermediate or Advance POST certificate, said officer shall receive the supplement to his or her base pay as described in Section B of this Article.

B. The monthly amount of Intermediate or Advance POST pay a full-time employee shall receive is as follows:

<u>Effective Date</u>	<u>Police Officer</u>		<u>Sergeant</u>	
	<u>Intermediate</u>	<u>Advance</u>	<u>Intermediate</u>	<u>Advance</u>
July 1, 2016	\$396	\$603	\$420	\$656

Said supplemental pay shall be included in the employee's regular biweekly paycheck.

11. Emergency Medical Dispatch Personnel

Public Safety Dispatch personnel (Dispatchers I, II and III, and Supervisors) who are certified as Emergency Medical Dispatchers and provide pre-arrival medical instructions to callers to the Police/Fire Communications Center shall be eligible to receive a biweekly premium equal to 5% of the employee's biweekly base salary.

12. Equal Employment Opportunity

A. The City and the Association agree that the provisions of this agreement shall be applied equally to all employees covered herein without discrimination because of a person's age (over 40), ancestry, color, mental or physical disability including HIV and AIDS, gender identity and expression, marital status, medical condition (cancer or genetic characteristics), national origin, race, religious belief, sex (including pregnancy/childbirth), sexual orientation, political affiliation, or union membership.

B. The City and the Association agree to commit themselves to the goal of equal employment opportunity in all City services. Further, the Association agrees to encourage their members to assist in the implementation of City equal employment opportunity programs.

C. Employees shall adhere to, and have the ability to file a complaint under, the Citywide "Non-discrimination and Harassment Policy and Employee Complaint Procedure" as that policy may be amended from time to time.

13. Grievance Procedure

- A. Any employee who has a grievance shall first try to get it settled through discussion with that employee's immediate supervisor without undue delay. An employee must discuss the grievance with his/her supervisor within 30 calendar days from the date of occurrence or when the employee knew or should have known of the occurrence of the behavior that is the subject of the grievance. Every effort shall be made to find an acceptable solution at the lowest possible level of supervision.
- B. If after such discussion the employee does not believe the grievance has been satisfactorily resolved, that employee may file a formal appeal in writing to the Police Chief within ten (10) calendar days after receiving the informal decision of the immediate supervisor. The Police Chief shall render a written decision and comment to the employee within ten (10) calendar days after receiving the appeal.
- C. If after receipt of the written decision of the department head the employee is still dissatisfied, that employee may appeal the decision of the Police Chief to the City Administrator. Such appeal shall be made by filing a written appeal to the City Administrator within five (5) days after receipt of the written decision of the Police Chief. The City Administrator shall review the decision of the Police Chief, and the City Administrator's decision, which shall be rendered within twenty-five (25) days after the appeal is made, shall be final. The City Administrator may request the advice of the Board of Civil Service Commissioners (Board) in any grievance proceeding, but the City Administrator shall not be bound to follow any recommendation of the Board.
- D. Grievances general in nature regarding interpretation of City-wide policy or which involve matters beyond the authority of the Chief of Police, shall be filed with the Assistant City Administrator who shall respond in accordance with the rules applicable to the Police Chief outlined herein.

14. Health Insurance for Unit Members' Survivors

The City shall maintain and pay for the existing level of insurance benefits for up to six (6) months for the surviving family of a unit member who dies in the line of duty, or for such greater period of time required by state or federal law.

15. Holidays

- A. Except as indicated below, full-time employees shall accrue four (4.333) hours of holiday leave each biweekly pay period (24 pay periods). Said hours shall be credited to the employee's Holiday bank.
- B. The following days shall be designated as holidays by the City:

- January 1st (New Year's Day)
- 3rd Monday in January (Martin Luther King Jr.'s Birthday)
- 3rd Monday in February (President's Day)
- Last Monday in May (Memorial Day)
- July 4th (Independence Day)
- 1st Monday in September (Labor Day)
- 4th Thursday in November (Thanksgiving)
- The Friday immediately following Thanksgiving Day
- December 25th (Christmas Day)

Four additional days (32 hours) each fiscal year may be designated by the employee as holidays.

- C. When a holiday falls on a Saturday or Sunday the preceding Friday or following Monday respectively, shall be observed as a legal holiday.

- D. If a holiday is requested by the employee and approved by the City or is a day listed in Section B of this Article, and designated by the City and if the employee is called back to work on that holiday, the employee shall receive compensation for the hours worked in accordance with the overtime Article of this Agreement and also shall be entitled to reschedule the holiday for the hours lost. Requests for holiday time off shall not unreasonably be denied.
- E. If an employee's holiday bank exceeds 120 hours, the City shall have the option to either require the employee to take holiday time off or to pay the employee for the hours. The option of time off or pay in-lieu of holiday hours shall be at the sole discretion of the City.
- F. Employees may schedule up to 80 hours of their accrued holiday time during the regular annual the vacation sign up period established by the Department, pursuant to the same rules and procedures.

16. Implementation of MOU

City shall implement provisions of this Memorandum of Understanding by adopting appropriate resolutions, ordinances, and administrative policies.

17. Jury Duty and Court Appearances

The parties agree that members of the bargaining unit performing jury duty or responding to a subpoena arising from line of duty civil court appearances shall be compensated as though they were on duty. Any and all other remuneration received by the employee for such jury duty or court appearances shall be paid to the City.

A sworn employee who is required by subpoena to be at court outside of his/her regularly scheduled work week regarding a matter arising from line of duty, and whose presence in the courtroom is necessary both before and after a scheduled court lunch period, shall be deemed to be on duty during the scheduled lunch period.

Notwithstanding the above, the Chief of Police has the right to adjust an employee's work schedule in keeping with court appearances, jury duty schedules, and/or needs of the City.

18. Layoff Procedure

In cases of abolition of positions, which result in layoff of personnel, or reduction-in-force, the following seniority policy shall apply to sworn members of the bargaining unit:

- A. The individual with the least time in rank shall be first reduced. Where equal time in the rank is the case, total time with the Police Department shall be used to determine seniority.
- B. The individual affected shall have the right to "bump" downward to the next lower sworn classification such that the last hired employee in the lowest sworn rank shall be the first employee laid off. Rehiring shall be accomplished pursuant to Section 3.16.350 of the Municipal Code.

In cases of abolition of positions, which result in layoff of personnel, or reduction-in-force, the seniority and layoff policy found in Municipal Code Section 3.16.350 shall apply to non-sworn members of the bargaining unit.

19. Life Insurance

The City and the Association agree that employees shall be entitled to a term life insurance policy covering the employee only, the premium for which shall be paid by the City. The limits of life insurance coverage shall be seventy-five thousand (\$75,000) of term insurance with one hundred fifty thousand (\$150,000) double indemnity in case of accidental death for sworn employees; and fifty thousand (\$50,000) of term insurance with one hundred thousand (\$100,000) double indemnity in case of accidental death for non-sworn employees. Said life insurance policy will be subject to such reasonable restrictions and requirements as may be imposed by the insurance carrier.

20. Loss Control Support

- A. The Association agrees to support, without qualification, the City's Safety Program and will encourage its members to attend safety courses if required by the City and made available on City time.
- B. Both the City and the Association recognize the need and will strive to reduce the number of industrial injuries among employees.
- C. It is the duty of management to make every reasonable effort to provide and maintain a safe place of employment. The Association will cooperate by encouraging all employees to perform their work in a safe manner. It is the duty of all employees in the course of performing their duties to be alert to unsafe practices, equipment and conditions, and report them to their immediate supervisor. If such conditions cannot be satisfactorily remedied by the immediate supervisor, an employee has the right to submit the matter either personally or through the Association to the Chief of Police or designated representative. On any matter of safety that is not resolved, consultation will take place between management and Association representatives.
- D. It is agreed that the City shall continue maintaining vehicles and equipment in a safe operating condition and that no employee will be penalized for refusing to use vehicles or equipment proven to be unsafe pursuant to State law.

21. Maintenance of Benefits

- A. The City and the Association agree that all benefits other than direct wages as provided by ordinances, resolutions and City Charter in existence at the commencement of this agreement shall not be diminished, lessened, altered or reduced except as may be herein provided for the duration of the agreement.
- B. Wage adjustments as provided for from time to time by ordinance, resolution, or City Charter, as such may be amended in accordance with this agreement, shall also continue for the duration of this agreement.
- C. City and Association shall meet and confer concerning any work schedule changes from current 4/10 work schedule for sworn personnel.

22. Management Rights

The rights of the City include, but are not limited to, the exclusive right to determine the mission of its constituent departments, commissions and boards; set standards of service; determine the procedures and standards of selection for employment and promotion; direct its employees; take disciplinary action; relieve its employees from duty because of economic reasons or for cause as provided in Section 1007 of the City Charter; maintain the efficiency of governmental operations; determine the methods, means and personnel by which government operations are to be conducted; determine the content of job classifications; take all necessary actions to carry out its

mission in emergencies; and exercise complete control and discretion over its organization and the technology of performing its work.

23. Medical, Dental, and Vision Insurance

- A. The parties agree that the City will pay 100% of the premium for medical insurance for the employee only up to a monthly maximum as follows.

PPO that is coordinated with a Health Reimbursement Account (HRA):	\$1,414.64
All other Health Plans:	\$1,374.64

It is agreed that should the amount of subject premium be less than the limits herein described, the difference between the employee only premiums and said dollar amount limits shall be applied to employee dependent medical coverage, if any.

- B. For an employee enrolled in a PPO plan that is coordinated with a Health Savings Account (HSA), the City will match the employee's contribution to the HSA on a dollar-for-dollar basis, not to exceed a maximum City contribution of \$75.00 per month, provided however that the total combined employer and employee amount will not exceed the annual indexed allowable HSA contribution limits.
- C. The City will pay for the premium for dental insurance up to a monthly maximum of \$105.00.
- D. For the length of this agreement the City will pay for the premium for vision insurance up to a monthly maximum of \$7.50.
- E. The City retains full and complete control over the selection, approval and administration of insurance programs to include selection of carrier, insurance contract renewal and changes in program specifications.
- F. Should the City discontinue offering an HMO plan, or discontinue offering an HRA coordinated PPO plan, or discontinue offering an HSA-coordinated PPO plan, the parties will reopen negotiations for the sole purpose of developing an alternative City contribution structure that will maintain the same total City contribution toward bargaining unit medical benefits as was in place immediately before the change.
- G. The parties will reopen negotiations to address cost-neutral changes to the structure of contributions under this Article, Article 6 (Cafeteria Plan), Article 3 (Benefits- Part-time employees) and related articles that may be necessary to avoid impacts of the Affordable Care Act (e.g. Cadillac Tax, affordability provisions, etc.)

24. Meeting and Conferring

Except as provided in the "Municipal Code Changes" Article of this Agreement, or as otherwise provided in this Agreement, the parties agree that there shall be no meeting or conferring over any issues of wages, hours, or other terms and conditions of employment covered by this agreement during the term of this agreement unless both parties consent.

25. Municipal Code Changes

During the term of the Agreement the City and the Association shall meet and confer with regard to any City proposed updates to Santa Barbara Municipal Code Title 3 affecting the terms and conditions of employment of Association Members as required by law.

26. No Unfair Labor Practices

The parties agree that during the term of this agreement the City will not lock out employees and the Association will not engage in labor practices detrimental to providing services to the Citizens of Santa Barbara, or detrimental to the interests of the City; nor will the Association sanction, support, condone, approve, or engage in a strike, sit-in, slow down, work stoppage, or speed-up.

The City and the Association further agree that all matters of controversy concerning issues covered by this agreement, will be settled by established grievance procedures.

The Association acknowledges that violations of the above shall be just cause for disciplinary action including termination.

27. "Non-Sworn Personnel" Shift Assignments

Non-sworn personnel in the bargaining unit shall normally be allowed a minimum of ten (10) hours off between shifts unless the employee consents otherwise. The above ten hour provision shall not apply during the regular periods of shift rotation, in cases where the employee has worked overtime prior to reporting for his/her next regular shift assignment, or in cases of emergency.

28. Overtime

- A. Except as provided in the Call Back Article overtime shall be defined as any hours worked beyond eighty (80) hours in a fourteen-day work period. For the purpose of computing overtime, all regular, scheduled work hours, including paid leave time, shall be considered time worked.
- B. Overtime shall continue to be compensated at a time and one-half overtime cash or time and one-half CTO rate.
- C. Effective September 21, 2013, if an employee's scheduled overtime is cancelled within 8 hours of the scheduled overtime start time, the employee will receive 3 hours of pay at straight time. ,
- D. If an employee is called back to work or held over from his/her previous regularly scheduled shift and works five (5) or more hours outside his/her normal shift, and any portion of the hours worked on a call-back or hold-over basis falls within five (5) hours of the beginning of his/her next scheduled shift, that employee will be receive at least five (5) hours of continuous rest before resuming work without a loss in pay. If any portion of the rest period falls during the next regularly scheduled shift, then that portion of the rest period will be paid by the City at the employee's normal straight time pay rate. The employee shall have no restrictions on the location of the rest area.

If such call-back or hold over is concluded less than 3 hours before the start of the employee's next scheduled shift, then the employee may request to take the equivalent paid rest period at the back-end of the shift instead. If the request is approved, the employee will be paid at the employee's normal straight time rate during the regularly scheduled shift and the rest period.

- E. An employee who has accrued CTO shall be permitted to use such time within a reasonable period after making the request to do so if the use of compensatory time does not unduly disrupt the operations of the City. For purposes of this provision, "unduly disrupt the operation of the City" shall include, but not be limited to, requested use of compensatory time during Fiesta (Old Spanish Days), July 4th, and Christmas.
- F. The City shall have the option to pay off all overtime subject to an employee retaining a CTO bank that shall not exceed a maximum of 50 hours.

- G. Overtime for declared disasters shall be paid at time and one-half only if federal or State disaster or emergency relief funds are made available to defray costs. Section F of this Article shall apply to the duration of emergency incidents, not the duration of the formal declared emergency.
- H. Employees may use up to 40 emergency leave hours per calendar year from their overtime bank for time off due to illness or injury of their spouse, registered domestic partner, or children. Such emergency leave shall not be withheld by the City, and shall be in addition to paid sick leave use for this purpose under State law. Emergency leave shall be deducted from the employee's accumulated overtime. No emergency leave payment shall be made except after satisfactory evidence of dependent illness or injury has been accepted and approved by the Chief of Police.

29. Payroll Deductions

- A. Any changes in Association dues deduction only shall be subject to indemnification of City by the Association.
- B. City shall maintain a payroll program with equal bi-weekly deductions (24 checks plus 2 checks without voluntary deductions).

30. Premium Pay for Use of Bilingual Skills

For all full-time Patrol Officers and employees in other positions designated by the Chief of Police, who establish to the satisfaction of the Chief and the Human Resources Manager proficiency in conversing and reading skills in Spanish, as demonstrated by appropriate testing every other year, the City will pay premium pay of \$51.20 each biweekly pay period.

For all full-time employees in positions designated by the Chief of Police who meet the following qualifications, the City paid premium will be \$102.50 each biweekly pay period:

- A. Establish to the satisfaction of the Chief and the Human Resources Manager a complex level of verbal and/or written proficiency in Spanish as demonstrated by appropriate testing every other year.
- B. Provide written translation from Spanish-to-English and English-to-Spanish and/or act as a translator for complicated interviews with Spanish speaking witnesses or suspects.

31. Recruitment Incentives

The City may, at its option, implement any of the following recruitment incentive programs at any time during the term of this Agreement:

- A. **Vacation Credit for Prior City Service:** An employee who (1) received a performance evaluation of "meets standards" or better on his or her last two performance evaluations, and (2) separates from City service and then is rehired within 3 years of his or her termination date, may recoup his or her past service credit toward the vacation accrual rate. Such employee may also be eligible for credit for other government service under section B of this article.
- B. **Vacation and Sick Leave Credit for Prior Government Service:** An employee appointed from outside City of Santa Barbara government service within 6 months of leaving employment with either a city, county, state agency, federal agency or special district and who, in the opinion of the Police Chief, possesses government experience directly related to the position to which he or she has been appointed, may receive credit for years of prior service with his or her immediate previous government employer in the following ways:

i. Vacation Accrual: Upon appointment, employee will receive credit for the full prior years of service at his or her immediate previous government employer toward the initial vacation accrual rate. Employee will not be eligible to progress to a higher accrual rate until employee has the normal required minimum amount of City of Santa Barbara service (including prior service under Section A of this Article) for that accrual rate.

ii. Sick Leave: Employee will be credited with 96 hours of sick leave. Thereafter, employee will accrue sick leave at the normal rate.

- C. Uniform: New employees may be provided an initial uniform set at City cost.
- D. Signing Bonus: New employees who have already completed a full basic academy at the time of hire (e.g., a lateral hire or a post-academy hire) may be provided a signing bonus in an amount determined by the City.
- E. Employee Referral Bonus: Existing employees who refer an applicant from outside City employment who is hired and successfully completes the probationary period may be provided a referral Bonus. The City may establish the amount of such bonus and procedures for documenting the referral at the time of application.

32. Retiree Medical Insurance Contribution

- A. This provision is applicable to employees who retire from City service, and
 - 1. Have 15 or more years of regular City service; or
 - 2. Retire from the City with an industrial disability.
- B. The City shall contribute \$9.10 per month, per year of service up to a maximum of 35 years (i.e., \$318.50/month). Employees will receive a prorated contribution for portions of a year of service. Service will be calculated based on the nearest full one hundredth (.01) of a year. (For example, an employee retiring on November 30th with 15.233 years of service will receive $15.23 \times \$8.70 = \132.50 per month).

Accrued liability for past retiree medical increases was factored into past labor agreements and will not be charged again toward costing in future negotiations.

- C. The retiree is not limited to the purchase of a City sponsored plan, provided however, that if the retiree purchases another insurance plan, the retiree must supply the City with adequate proof of insurance coverage prior to any contribution from the City. Proof of such coverage shall be provided to the City on a periodic basis, as determined by the City.

The City will contribute only up to the maximum monthly premium of the City's sponsored plan.

- D. Except as specifically provided in Section F of this article, below, the City shall continue to make its contribution until the retiree reaches age 65 or dies, whichever occurs first. If there is a surviving spouse or registered domestic partner, he/she will be permitted to remain on the medical insurance plan at his/her own cost, subject to the conditions set forth by the insurance company.
- E. The City will continue the normal retiree medical allowance past the age of 65 for the six (6) employees named below who retire after December 23, 2006 and thereafter certify, on an annual basis, that they are not eligible to apply for Medicare Part A (hospitalization) coverage on the basis of their City service, other covered employment, through a spouse's covered employment, or through any other means.

	<u>Name</u>	<u>Title</u>	<u>Hire Date</u>
1.	Robert E. Casey	Police Officer	1/6/75
2.	Leonard J. Gomez	Police Officer	9/25/78
3.	David M. Gonzales	Police Sergeant	3/7/77
4.	George B. Hansen	Police Officer	7/13/79
5.	Jessie M. Ramey	Parking Enforcement Officer	2/11/75
6.	Kathryn H. Denlinger	Parking Enforcement Officer	10/19/77

The City shall continue to make its contribution until the retiree dies. However, if at the time the retiree dies there is a surviving spouse or registered domestic partner over 65 years of age who is not eligible for Medicare Part A, one half of the allowance will continue until the death of the spouse or registered domestic partner.

- F. In the event Health Care legislation is passed which affects the nature of the benefit described above, the parties will reopen negotiations and modify this benefit, if necessary, so as to maintain their original intent (e.g., eligibility, scope, cost).

33. Retirement

- A. The City contract with the Public Employees' Retirement System (PERS) shall provide the 3% at age 50 benefit formula for all Classic Police Safety members.
- B. Safety Employees will pay the full 9% member contribution.
- C. The City contract with the Public Employees' Retirement System (PERS) shall provide the 2.7% at age 55 benefit formula for all Classic Miscellaneous members.
- D. Under the negotiated 2.7% at 55 cost/benefit sharing formula for Classic Miscellaneous employees:
1. If the PERS miscellaneous plan employer rate is exactly equal to 20.164%, the employee shall pay 7.162% of the 8% required employee contribution. The City will pay 0.838% of the 8% required employee contribution.
 2. If the employer rate is less than 20.164%, the employee shall receive credit for 30.559% of the amount by which the employer rate is less than 20.164%. The credit shall be applied until the City again pays a full 7% of the 8% required employee contribution.
[For example: If the employer rate is only 18.164% of PERS-able compensation, the City will pay an additional 0.61% (2% times 30.559%) of the 8% employee contribution, for a total of 1.448%];
 3. If the employer rate exceeds 20.164%, the employee shall pay 30.559% of the amount by which the employer rate exceeds 20.164%. The employee shall pay for this cost in the following manner:

i. First, through an increase in the employee-paid portion of the 8% required employee contribution up to a maximum increase of 0.838%

[For example: If the employer rate is 22.164% of PERS-able compensation, the employee will pay an additional 0.61% (2% times 30.559%) of the 8% employee contribution, for a total of 7.772%];

ii. Second, through payroll deduction.

[For example: If the employer rate is 25.164% of PERS-able compensation, the employee will pay an additional 1.528% (5% times 30.559%) of PERS-able compensation as follows: an additional 0.838% (8%-7.162%) to cover the full 8% employee contribution, and a payroll deduction equal to 0.69% (1.528%-0.838%) of PERS-able compensation.]

- E. The City shall report the value of Employer Paid Member Contributions (EPMC) to PERS as compensation earnable for Classic Miscellaneous employees pursuant to Government Code Section 20636(c)(4).
- F. The City will provide the PERS One-Year Highest Compensation benefit to Classic Safety and Miscellaneous employees.
- G. The City will provide an amendment to the Public Employees' Retirement System (PERS) contract to allow widows/widowers to continue receiving benefits upon remarriage.
- H. The City will provide the PERS Increased Level of 1959 Survivor Benefits (Level Two) for Safety employees, and the PERS Increased Level of 1959 Survivor Benefits (Level Four) for Miscellaneous employees.
- I. The PERS contract shall provide for Public Service Credit for Peace Corps or Americorps: Volunteers in Service to America (VISTA) for Miscellaneous employees only.
- J. Notwithstanding the provisions above, effective January 1, 2013, new members as defined by California Public Employees' Pension Reform Act of 2013 (hereinafter "AB 340") will be covered under the 2.7% at 57 Safety retirement formula or the 2% at 62 Miscellaneous retirement formula, with a final compensation measurement period of the average of the highest three (3) consecutive years, as well as all other statutory requirements of AB 340. Effective July 1, 2013, new employees and/or members as defined by AB 340 shall contribute half the normal cost for benefits, as defined by AB 340; the City will not pay any portion of these employees' required contributions.

34. Retroactivity

An employee will be eligible for retroactive increases to salaries and benefits provided under this Agreement on the dates specified for each increase if the employee is an active City employee and bargaining unit member on the date that the City Council ratifies this Agreement.

35. Salary Adjustments

- A. All sworn positions represented by the Association (police officers and police sergeants) shall receive the following regular increases to base salary:

<u>Date</u>	<u>Increase</u>
<u>July 9, 2016</u>	<u>3.0%</u>
<u>July 8, 2017</u>	<u>3.0%</u>
<u>July 7, 2018</u>	<u>3.0%</u>

- B. All non-sworn positions represented by the Association shall receive the following regular base salary increases:

<u>Date</u>	<u>Increase</u>
<u>July 9, 2016</u>	<u>3.0%</u>
<u>July 8, 2017</u>	<u>3.0%</u>
<u>July 7, 2018</u>	<u>3.0%</u>

36. Salary Increases Upon Promotion

Employees shall receive at least a five percent (5%) salary increase upon promotion provided however that the City shall not be required to pay a salary in excess of the authorized salary range in the City Position and Salary Control Resolution.

For purposes of this article, the base for the (5%) salary increase shall be the employee's current step on the appropriate salary range plus Specialty Assignment pay if appropriate. All officers promoted to the classification of Sergeant shall be appointed to "C" Step.

37. Salary Ranges For Police Officer

- A. Effective July 9, 2016, there shall be four base salary ranges for the classification of Police Officer (Ranges A, B, C, and D) at 2% apart. Each salary range shall include five (5) salary steps (Steps 1 through 5) and be reflected on the City's publicly available pay schedule.
- B. Salary Range Assignment
1. Range A will be set at the prior single base salary range for Police Officer, inclusive of any salary increase provided in this Agreement. All new assignments to the Police Officer classification shall be in range A, and any officer not meeting the requirements for placement in ranges B, C, or D shall be assigned to range A.
 2. An officer will be assigned on the Range "B":
 - o During the active performance of a Senior Officer assignment, OR
 - o If he/she has successfully completed one Senior Officer assignment for the minimum period of time determined for the assignment by the Chief of Police AND
 - o He/she meets or exceeds performance standards, remains available to work any assignment, and continues to apply for and compete in good faith for upcoming Senior Officer Assignments.
 3. An officer will be assigned on the Range "C":
 - o During the active performance of a Senior Officer assignment if he/she has successfully completed one previous and different Senior Officer assignment for

the minimum period of time determined for the assignment by the Chief of Police
OR

- If he/she has completed two full Senior Officer assignments for the minimum period of time determined for the assignments by the Chief of Police, AND
- He/she meets or exceeds performance standards, remains available to work any assignment, and continues to apply for and compete in good faith for upcoming Senior Officer Assignments.

4. An officer will be assigned on the Range "D":

- During the active performance of a Senior Officer assignment if he/she has successfully completed two previous and different Senior Officer assignments for the minimum period of time determined for the assignments by the Chief of Police
OR
- If he/she has completed three or more full Senior Officer assignments for the minimum period of time determined for the assignment by the Chief of Police, AND
- He/she meets or exceeds performance standards, remains available to work any assignment, and continues to apply for and compete in good faith for other upcoming Senior Officer Assignments.

5. At the discretion of the Police Chief, based on the needs of the department, credit for a reassignment to a Senior Officer assignment previously completed may be granted as if it were a different assignment.

- C. Movement between salary ranges shall be from the employee's current salary step in one range to the same salary step in the other range. Movement from one salary step to another salary step within the Police Officer classification, regardless of the assigned salary range, will be governed by Article 38 (Salary Step Movement) of this Agreement.
- D. Effective the first day of the first full pay period following ratification of this Agreement, the former specialty assignment pay program will be discontinued. All employees that were receiving 2% specialty assignment pay will be placed at their current salary step in salary range B. All employees that were receiving 4% specialty assignment pay will be placed at their current salary step in salary range C. All employees that were receiving 6% specialty assignment pay will be placed at their current salary step in salary range D. Time spent in the prior specialty assignments will be credited toward the corresponding Senior Officer assignments.
- E. Credit for successful completion of a Senior Officer assignment, shall require that the position be held for a minimum of 75% of the maximum duration of that assignment unless approved by the Police Chief. If the employee is on a leave of absence of more than 30 consecutive calendar days during the assignment, the maximum duration of the assignment will be extended by the period of the leave. Duration of Senior Officer assignments will be determined and publicized in advance by the Police Chief.
- F. The Police Chief shall have sole discretion over the number and nature of Senior Officer assignments based on the needs of the Department. The Police Chief may create, abolish, or change the duration of a Senior Officer assignment at any time. Officers currently performing the assignment will receive full credit for any abolished assignment. For a lengthened assignment, officers currently performing the assignment shall receive credit based on assignment duration publicized at the time they applied.
- G. At the sole discretion of the Police Chief, certain Senior Officer assignments may be designated as "long-term assignments" not having a maximum duration, and allowing credit for more than one Senior Officer assignment, for purposes of salary range placement. For these assignments,

the first 4 years in the assignment will be counted as the first Senior Officer assignment, years 4 to 6 will be counted as a second Senior Officer assignment, and years 6 to 8 as the third Senior Officer assignment.

- H. If an employee has been moved back to Salary Range A-as a result of failing to meet the requirements to maintain a salary range for which he or she previously qualified, the employee may be moved back to the higher salary range by again complying with the above requirements for retention of that salary range.

38. Salary Step Movement

The parties agree that achieving the second salary step, or "Step 2," and subsequent salary steps thereafter, shall require, in addition to satisfactory performance, a period of one year of actual service.

It is further agreed that any salary adjustments in cases of employee reclassification shall not necessarily move "step to step."

39. Scope of Representation

- A. The Association represents all employees (except hourly and confidential employees) in a police bargaining unit composed of the following job classifications:

- Police Sergeant
- Police Officer
- Police Officer - Entry Level
- Identification Technician
- Assistant Identification Technician
- Public Safety Dispatcher (I,II,III)
- Public Safety Dispatcher Supervisor
- Police Property/Evidence Specialist
- Police Property/Evidence Assistant
- Police Range/Equipment Specialist
- Police Crime Analyst
- Parking Enforcement Officer
- Police Records Specialist
- Police Records Supervisor
- Police Technician

Reclassification of these positions that does not entail changes in job duties or responsibilities will not affect their inclusion in the bargaining unit except as is provided by applicable State law.

- B. If the City creates a Community Services Officer classification to perform some or all functions currently being performed by sworn officers, but not requiring the service of a sworn employee, the classification will be included as a non-sworn classification in the bargaining unit. City agrees that the creation of new Community Services Officer positions will not result in layoff of any sworn officer.

40. Service Credit for Sick Leave Upon Retirement

At the time of retirement, the City shall purchase an annuity for a retiring employee that pays a monthly benefit similar to the PERS amendment that provides service credit for sick leave under Government Code Section 20965.

The following conditions apply to this benefit:

- A. In order to qualify for service credit for sick leave upon retirement, the retiring employee must have been hired by the City on or before September 17, 2013 and have at least 500 sick leave hours;
- B. The conversion rate of 0.004 years of service credit for each day of sick leave is utilized. (For purposes of this section, a "day" is the equivalent of eight (8) hours.);
- C. The retiring employee may take the cash purchase value of the annuity in lieu of the monthly annuity;
- D. Prior to September 17, 2013, safety group members who obtain 90% of final compensation upon retirement are not eligible for this benefit; however, employees who retire on or after September 17, 2013 and who obtain 90% of final compensation upon retirement will be eligible for this benefit; and
- E. If the City amends its PERS Miscellaneous or Police contract to include service credit for sick leave upon retirement, non-safety or Police members, respectively will be included in that PERS contract amendment and the annuity program will be discontinued for that group.

41. Shift Differential for Non-Sworn Personnel

- A. Full-time, non-sworn personnel regularly assigned to a shift of eight (8) or more hours shall receive:
 - 1. Swing shift differential pay when 50% or more of the hours of their regularly assigned shift , excluding overtime, falls between 5:00 p.m. and midnight; or
 - 2. Graveyard shift differential pay when 50% or more of the hours of their regularly assigned shift, excluding overtime, falls between midnight and 7:00 a.m.
- B. Employees who are regularly assigned to a shift that does not meet the definition of a swing shift or graveyard shift shall not receive shift differential. This includes, but is not limited to, circumstances wherein an employee may be called back to work or scheduled to work an overtime shift that qualifies for shift differential pay when regularly assigned to the shift.
- C. The biweekly amount of shift differential for a full-time employee shall be as follows:

<u>Effective Date</u>	<u>Swing Shift Biweekly</u>	<u>Graveyard Shift Biweekly</u>
July 1, 2016	\$64	\$128

42. Sick Leave

- A. Employees shall accrue sick leave at the rate of eight (8) hours per month of service rendered up to a maximum of 2,080 hours of accumulated sick leave.
- B. The City's "non-replenishable" sick leave program (M.C. 3.08.150b) shall be retained for the term of this agreement.
- C. A full-time employee may use up to 48 hours of available accrued sick leave (the equivalent of 6 months of accrual) per calendar year for the diagnosis, care, or treatment of an existing health condition of, or preventive care for, a family member of the employee. "Family member" means any of the following: a spouse or registered domestic partner; a child (biological, adopted, or foster child, stepchild, legal ward, or a child to whom the employee stands in loco parentis, regardless of age or dependency status); a parent (biological, adoptive, or foster parent, stepparent, or legal guardian) of an employee or the employee's spouse or registered domestic partner; a person who stood in loco parentis when the employee was a minor child; a grandparent; a grandchild; or a sibling. Part-time employees may use the equivalent of six (6)

months of sick leave accrual at their prorated accrual rate for such purposes. All rules for use of sick leave will apply, including those regarding physician statement requirements and use of sick leave for medical appointments

43. Specialty Assignment Program

The Specialty Assignment Program included in the labor agreement immediately preceding this Agreement will be eliminated effective July 9, 2016 and the related 2%-6% special assignment pay discontinued.

44. Standby Pay

The City and the Association agree that when an employee is officially designated by management to remain available to return to work, at any time during specific hours outside of normal working hours, the employee shall receive three (3) hours of straight time pay or compensatory time off for each eight (8) hours on standby or fraction thereof. To the extent feasible, the parties agree that standby shall be assigned on an equitable basis to all eligible employees.

The City and Association agree that all employees will be on automatic standby duty during a state of emergency or civil defense disaster as declared by the President of the United States, the Governor of the State, the Mayor of the City, the City Council, or the City Administrator. Such automatic emergency standby shall be without compensation unless the City is reimbursed by the State or federal government for such an expenditure.

45. Term of Agreement

- A. This Memorandum of Understanding shall become effective July 1, 2016 and shall remain effective through June 30, 2019.
- B. The agreement may be extended beyond its expiration date, if both parties concur.

46. Time Off for Association Officers

- A. Reasonable time off with pay at straight time will be granted to Association officers and negotiators for the purpose of meeting and conferring or consulting with the City subject to approval by the Chief of Police as to specific times.
- B. The Association will maintain a complete and current list of its officers and negotiators on file with the Assistant City Administrator.
- C. Upon reasonable advance notice, Association officers will be granted up to an aggregate of one hundred sixty (160) hours pay annually for attendance at Association meetings and conventions and for conducting normal and regular Association business during the term of this agreement.

47. Training

The City and the Association agree that all direct costs for all training or instruction required by the City shall be paid for by the City. However, the City shall retain the right to determine what training is required for the employee to improve his performance on the job and to make such training a condition of employment.

For the purposes of this agreement, this section shall include requests by Department Heads for additional training of current employees, subject to the approval of the City Administrator.

Both parties recognize that training programs and the advancement of employees to positions of higher skill are matters of great importance and interest to the City, the Association, and the employees covered by this agreement.

48. Transportation Demand Management

- A. Effective December 23, 2006, will provide up to 8 additional carpool parking spaces, based on need, with reasonable distance from the Police Department.
- B. Bargaining unit members shall be eligible to participate in any established Citywide Alternative Transportation Program.

49. Tuition Reimbursement

Employees shall be eligible for tuition reimbursement through the City of Santa Barbara's Educational Reimbursement Program.

50. Unauthorized Leave/Suspension

No sick leave, vacation, or holiday time shall accrue or be paid during any period of unauthorized leave or suspension. Suspension is defined as provided in Municipal Code Section 3.16.310 and City Charter Section 1007. Retroactive accrual of sick leave, vacation, or holiday time shall be provided for suspensions later found to be in error. This section shall not apply to any non-disciplinary suspension.

51. Uniform Allowance

- A. Except as indicated below, the City shall provide an annualized uniform allowance to full-time employees in the bargaining unit who are required to maintain a uniform as follows:

Sworn police personnel not assigned motorcycle, SWAT or canine duty	\$1,038
Sworn police personnel assigned canine duty	1,088
Sworn police personnel assigned motorcycle or SWAT duty	1,238
Non-sworn personnel	863

- B. Payment of the uniform allowance will be paid to employees who are on the payroll during the pay period ending two (2) weeks prior to the payday on which the uniform allowance is paid in June or December of each year. Payment will be made in a separate check, in an amount equal to half of the annualized allowance, per the following schedule:

December 9, 2016 and June 9, 2017
December 8, 2017 and June 8, 2018
December 7, 2018 and June 7, 2019

52. Use of Computer Resources

Employees' rights and obligations regarding use of the City's computers and computing resources are governed generally by the City's computer use policies. The Association and the City agree that occasional and incidental employee use of City computing resources for Association business is allowable within the same parameters applied to other acceptable non-commercial personal use under those policies.

The parties agree that such use shall not interfere with the performance of work duties or the effective delivery of services, and shall not result in any significant cost to the City or compromise the security of City systems. The parties further agree that City computer resources, including the e-mail system, will not be used by the Association or City employees to support or oppose a political campaign or ballot measure.

The Association acknowledges that employees have no expectation of privacy in the use of City computer resources, including but not limited to e-mail and text messaging, even if they are

locked or password-protected.

53. Vacation

- A. It is agreed that vacation time may be taken as accrued subject to City approval.
- B. It is agreed that vacation accrual for sworn personnel shall be in accordance with the following schedule:

<u>Length of Service</u>	<u>Vacation Entitlement</u>
0 through 5 years	80 hours per year
6 through 10 years	120 hours per year
11 through 24 years	160 hours per year
After 24 years	200 hours per year

- C. It is agreed that vacation accrual for non-sworn police personnel shall be in accordance with the following schedule:

<u>Length of Continuous Service</u>	<u>Vacation Entitlement</u>
0 through 2 years	80 hours per year
3 through 5 years	104 hours per year
6 through 10 years	144 hours per year
11 through 17 years	184 hours per year
18 through 23 years	200 hours per year
24 and over years	224 hours per year

- D. Maximum vacation accrual will be 320 hours. Said maximum vacation accrual shall not apply if scheduled vacations are canceled by the City for emergencies or personal emergencies of employees. Where requested in advance by the employee, management will make reasonable efforts to work with the employee to try to avoid the loss of vacation time accruals under the accrual maximum.

54. Work Schedule

- A. When regular days off (RDO) are changed, reasonable notice shall be given to the affected employee(s). "Reasonable notice" is at least 48 hours unless by mutual consent.
- B. Except as provided in Appendix B (Memorandum of Understanding Regarding 3/12.5 Schedule), all sworn employees shall be placed on a 4/10 work schedule. Management retains the right to change an employee's day off at any time with less than 48 hours' notice without incurring overtime liability in order to meet departmental needs related to court subpoenas and other planned events. Other planned events shall include incidents such as drug sweeps in Investigations and employee training. Overtime liability for an employee on a 4/10 schedule will continue to occur when an employee works in excess of eighty (80) hours in a 14-day work period as required by the Fair Labor Standards Act (FLSA).

Uniformed sworn officers on a 4/10 schedule who are subject to call for service during the lunch period will work ten (10) hours and take a one half (1/2) hour paid lunch break. Other sworn and non-sworn employees on a 4/10 schedule will work ten (10) hours and take a one-half (1/2) hour or one-hour unpaid lunch break. A change made by management to this practice will be a normal meet and confer issue.

- C. Upon mutual agreement between management and an employee represented by the Association, s/he may work a schedule different than that delineated in Section B of this Article.

55. Workers' Compensation: Non-Sworn Personnel

- A. Non-sworn employees who sustain illness or injury arising out of and in the course of their City employment shall receive benefits equal to those mandated by the State of California plus the difference between State mandated benefits and the equivalent of eighty-five percent (85%) of the individual's gross (excluding O.T.) salary, if any, paid by the City for a maximum of ninety (90) working days.
- B. This Article shall not be construed to grant employees the use of sick leave benefits in lieu of or to supplement workers' compensation benefits herein or by State law, except as follows:

An employee who returns from an accepted work-related injury or illness to regular duty or modified duty may attend follow-up medical appointments during work hours when it is not possible to arrange such appointments on non-work time. Reasonable advance notice must be given to the supervisor, which in no event shall be less than 24 hours. Release time is subject to supervisory approval based on operational needs. Under these conditions, to account for the lost work time to attend physician, physical therapy, chiropractic, counseling and other physical and mental care appointments, the employee may:

1. Use accrued paid leave time (sick leave, vacation time, compensatory time, or personal leave); or
2. Use "industrial leave without pay" if employee has no accrued paid leave time, or
3. If the employee has not reached a permanent and stationary status, the employee may elect to use "industrial leave without pay" if employee does not choose to use accrued paid leave (sick leave, vacation time, compensatory time, or personal leave). However, employees who have reached permanent and stationary status must exhaust available leave balances before being placed on leave without pay.

An employee who has not reached a permanent and stationary status and uses industrial leave without pay may be entitled to "wage loss" under workers' compensation system depending on eligibility.

The City may make changes to its Personnel Policies including, but not limited to, the Santa Barbara Municipal Code to reflect the substance of this Agreement.

APPENDIX A- TRAINING AND RELATED TRAVEL TIME FOR REQUIRED CLASSES

The purpose of this Appendix is to provide a guide to utilize when determining when an employee is entitled to payment for attending training.

Non-Exempt Employees

The Fair Labor Standards Act (FLSA) indicates that time spent by non-exempt employees in training is compensable unless all of the following conditions are met:

1. Attendance is outside of the employee's regular working hours.
2. Attendance is in fact voluntary. FLSA indicates that attendance is not considered voluntary if the employee believes that present working conditions or the continuance of employment will be adversely affected by non-attendance.
3. The course, lecture, or meeting is not directly related to the employee's job. The regulations state that training is directly related to the employee's job if it is designed to make the employee handle his or her job more effectively, as distinguished from training for another job.
4. The employee does not perform any productive work during such attendance.

If all four of the above conditions are not met, then all hours spent in training (including those outside of normal working hours) are considered to be compensable under FLSA.

If the training is considered compensable and travel time is associated with the employee's attendance, then the next question is whether the time spent traveling should be paid for. , The following must be considered.

1. **Travel During Regular Working Hours.** If the travel time related to attending required training occurs during normal working hours, then the time is considered to be compensable.
2. **Special One-Day, Out-of-Town Travel.** Travel time associated with special one-day, out-of-town training is required to be paid for irrespective of the mode of transportation utilized or whether the employee drives or is a passenger. Time that can be excluded from payment is normal home-to-work travel time and time spent eating while traveling.
3. **Overnight Travel.** If an employee travels overnight on business (for more than one day), the employee must be paid for time spent in traveling (except for meal periods) during their normal working hours on their non-working days, such as Saturday, as well as, on their regular working days. Travel time as a passenger on an airplane, train, boat, bus, or automobile outside of regular working hours is not considered worktime unless the employee performs any actual work or the employee drives a car without being offered public conveyance. Therefore, nighttime travel policies when associated with training for more than one day may prove to be more advantageous. The cost for hotel accommodations and meals for the employee versus the overtime payment should be considered when trying to determine which is more advantageous.

Special Requirements for 207K Exempt Employees

The only special requirement related to 207(k) exempt employees under FLSA relates to time spent in required training when an employee is confined to a campus or to barracks 24 hours a day. Only the time spent in actual training is considered compensable hours of work as long as the other hours are spent in studying or other personal pursuits. Other than this, the same requirements that apply to non-exempt employees apply to 207(k) exempt employees.

TRAINING AND RELATED TRAVEL TIME FOR REQUIRED CLASSES- CONTINUED

Exempt Employees

In the case of an exempt employee, the MOU is the guiding document in whether training or related travel time is compensable. Generally, exempt employees will only be paid for time spent in required training and travel during normal work hours. Travel outside of regular work hours is excluded.

Employees who have questions regarding the compensability of training and related travel time, may contact either the Chief of Police or one of the Personnel Analysts at Ext. 5316.

APPENDIX B- MEMORANDUM OF UNDERSTANDING REGARDING 3/12.5 SCHEDULE

This memorandum of understanding was entered into as of September 25, 1999, and amended on July 3, 2001 and December 10, 2015, between the City of Santa Barbara, hereinafter referred to as "City," and the Santa Barbara Police Officers Association, hereinafter referred to as "Association."

This agreement is intended to allow the City to implement a "3/12.5" work schedule for some of those Officers and Sergeants assigned to patrol functions.

The work period shall be defined as a 28-day work period as permitted by the Fair Labor Standards Act (FLSA) for law enforcement personnel for all sworn personnel irrespective of their shift assignment in order to accommodate the new "3/12.5" schedule. FLSA mandated overtime for all sworn personnel shall be defined as any hours worked beyond one hundred seventy one (171) hours in a designated twenty-eight (28) day cycle. Overtime under a "4/10" or "3/12.5" work schedule is defined as hours worked beyond the regularly scheduled shift, whether it be a 12.5-, 10-, 9- or 8-hour day. Overtime liability shall also occur if a member works in excess of his/her regularly scheduled 75, 80 or 85 hours in a pay period. The City shall continue for purposes of computing overtime to count all regular, scheduled work hours, including paid leave time, as time worked. Overtime shall continue to be compensated at a time and one-half overtime cash or time and one-half CTO rate but not to exceed the 50 hours CTO maximum bank. Once overtime is earned in connection with any approved method of accrual (daily, biweekly, FLSA) said amounts shall be deducted from overtime owed under any other approved method of accrual. There shall be no double or triple payment of overtime for the same hours involved.

The basic work schedule for those assigned to a "3/12.5" shall be to work 12 shifts of 12.5 hours and one shift of 10 hours during each 28-day work period. This is the equivalent of working 160 hours in a four-week period; the same as employees assigned to a "4/10", work schedule. The current meal break policy shall apply to all sworn patrol personnel assigned to a "3/12.5" work schedule.

For those assigned to a "3/12.5" schedule, the 10-hour shift must be worked within the designated 28-day work period and is considered an integral part of the City's staffing needs. Therefore, the 10-hour shift is not intended to be "routinely" utilized for leave time. In situations where an employee who, for whatever reason, does not either actually work or report leave time approved by the Department for the required 10-hour shift within the 28-day work period shall have paid leave utilized for any hours necessary to account for the required 160 hours in the following order: CTO, Holiday, Vacation unless an agreement between management and the employee to utilize in a different order. If no leave balances are available, then the hours shall be reported as leave without pay.

The one 10-hour shift shall not be limited to any particular purpose; however, it is generally intended to be utilized to facilitate training, patrol responsibilities or special assignments. Complete flexibility for scheduling this day shall be maintained by management to allow for changing priorities, training availability, and the special needs of the organization.

MEMORANDUM OF UNDERSTANDING REGARDING 3/12.5 SCHEDULE- CONTINUED

Under the "3/12.5" work schedule employees shall regularly work 75 hours during one biweekly pay period and 85 hours during the other biweekly pay period within the 28-day work cycle. As a matter of convenience for employees assigned to the "3/12.5" work schedule, the City shall ensure that the payments received by the employees at the end of each biweekly pay period are equal, or 80 hours per biweekly pay period, exclusive of any overtime. An exception will be in the case of an employee who does not work the required hours and does not have sufficient leave balances to cover the hours.

Management shall make every reasonable effort to have changes in patrol shift assignments coincide with the end of a 28-day work period. However, if the needs of the department (as determined in the sole discretion of the Police Chief) warrant a change from the "3/12.5" within the 28-day work period, the Association acknowledges that an adjustment will be required to balance the actual hours worked with the actual hours paid. This adjustment may necessitate a deduction from an employee's CTO, holiday, vacation time and/or gross pay. A similar adjustment may be necessary in situations such as, but not limited to, the resignation of an Officer.

The Association agrees that management retains the absolute right to discontinue the use of the "3/12.5" work schedule at any time without having to engage in the meet and confer process. Management also retains the right to assign an officer to either the "3/12.5" or the "4/10" work schedule without having to engage in the meet and confer process. If the "3/12.5" work schedule is discontinued by management, employees assigned to a "3/12.5" work schedule shall return to a "4/10" work schedule.



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: September 13, 2016

TO: Mayor and Councilmembers

FROM: City Administrator's Office

SUBJECT: Reorganization In City Administrator's Office

RECOMMENDATION:

That Council approve, by reading of title only, A Resolution of the Council of the City of Santa Barbara Amending Resolution No. 16-045, the Position and Salary Control Resolution for Fiscal Year 2017, Affecting the City Administrator's Office Effective October 1, 2016, to reclassify two existing management positions in the City Administrator's Office effective October 1, 2016.

DISCUSSION:

The City Administrator's Office wishes to reclassify two existing management positions to better reflect and support department functions. This will involve the creation of a new "Senior Assistant to the City Administrator" classification, and the reclassification of the Employee Relations Manager (vacant) and Assistant to the City Manager positions to the new classification.

The two Senior Assistant to the City Administrator positions will share some administrative, analytical, and technical functions typical of an Assistant to the City Manager, which is a common middle-management position in the profession. This includes weekly review and approval of agenda reports from all departments for the Council meetings, and serving as a management representative of the City Administrator's office within the City organization and the community. They will also more independently manage certain significant and/or sensitive standing programs, including directly supervising the work of program staff, and lead highly complex multi-department special projects, initiatives, and interdepartmental teams.

The two positions will bring increased focus to public engagement, sustainability, neighborhood relations, and business community issues. We will also take a fresh look at the P3 performance measurement program for the next two year budget cycle, and there are a host of other issues and responsibilities these managers will address. Specific assignments will be allocated between the two positions, as needed, to meet the changing needs of the office and best employ the strengths of the incumbents.

BUDGET/FINANCIAL INFORMATION:

The amount budgeted in the current fiscal year (2017) for the Employee Relations Manager and Assistant to the City Administrator (\$164,379 and \$181,865 total compensation, including benefits, respectively) totals \$346,244. The expected costs in fiscal year 2017 for the two new Senior Assistant to the City Administrator positions is estimated at \$298,635 based on an October 1, 2016 start date. Therefore, there is no need for additional appropriations this year. The ongoing budgetary impact starting in Fiscal Year 2018 is \$11,241, representing the annualized cost differential, based on total compensation, between the existing positions and the new positions.

PREPARED BY: Kristine Schmidt, Director of Administrative Services

SUBMITTED BY: Pamela Antil, Assistant City Administrator

APPROVED BY: City Administrator's Office

RESOLUTION NO. _____

A RESOLUTION OF THE COUNCIL OF THE CITY OF SANTA BARBARA AMENDING RESOLUTION NO. 16-045, THE POSITION AND SALARY CONTROL RESOLUTION FOR FISCAL YEAR 2017, AFFECTING THE CITY ADMINISTRATOR'S OFFICE EFFECTIVE OCTOBER 1, 2016.

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SANTA BARBARA THAT Resolution No. 16-045, the Position and Salary Control Resolution for Fiscal Year 2017, is hereby amended as follows:

	<u>Full-Time Positions</u>		<u>Part-Time Positions</u>
	<u>Authorized</u>		<u>Authorized</u>
<u>CITY ADMINISTRATOR:</u>			
Assistant to the City Administrator	1		
Employee Relations Manager	1		
Senior Assistant to the City Administrator		2	
Department Total	9	9	.5
City Wide Total	1012	1012	18.30

<u>Classification Title</u>	<u>FLSA</u>	<u>Status</u>	<u>Unit</u>	<u>Biweekly Salary</u>	
Assistant to the City Administrator	E	U	02	\$3,980.39	\$4,838.19
Employee Relations Manager	E	U	02	\$4,268.25	\$5,188.10
Senior Assistant to the City Administrator	E	U	02	\$4,162.59	\$5,059.65



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: September 13, 2016

TO: Mayor and Councilmembers

FROM: Engineering Division, Public Works Department

SUBJECT: Contract For Construction Of Las Positas Road At Cliff Drive Roundabout Project

RECOMMENDATION: That Council:

- A. Relieve the apparent low bidder, C.S. Legacy Construction, Inc., of its bid due to clerical error in accordance with their written request, dated August 19, 2016, and in accordance with Public Contract Code Sections 5100-5107;
- B. Award a contract with Granite Construction Company in their low bid amount of \$1,275,573 for construction of the Las Positas Road at Cliff Drive Roundabout Project, Bid No. 3599; and authorize the Public Works Director to execute the contract and approve expenditures up to \$127,557 to cover any cost increases that may result from contract change orders for extra work and differences between estimated bid quantities and actual quantities measured for payment;
- C. Authorize the increase in appropriations and estimated revenues related to the State Transportation Improvement Program grant funding by \$750,000 in the Fiscal Year 2017 Streets Grant Fund for construction;
- D. Transfer \$170,000 from the General Fund Capital Outlay Fund to the Streets Capital Fund for a portion of the City's share of construction costs; and
- E. Authorize an in-kind contribution of up to \$160,000 from the General Fund to cover unfunded costs associated with staff time related to construction management and inspection.

DISCUSSION:

Project Description

The Las Positas Road at Cliff Drive Roundabout Project (Project) will construct a single-lane roundabout at the intersection of Las Positas Road and Cliff Drive (Intersection). In

addition to the roundabout, the Project will include new street lights, storm water treatment improvements, and improved pedestrian, bicycle, and transit facilities at the Intersection. The purpose of the Project is to improve traffic operations and reduce congestion at the Intersection. The existing three-way stop-controlled intersection experiences deficient traffic operations during both the morning and evening peak hours, including recurring congestion and queuing, particularly during the evening peak hour.

An environmental review has been conducted, and the Project was determined to be Categorically Exempt under the California Environmental Quality Act and Categorically Excluded under the National Environmental Policy Act.

Contract Bids

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

	BIDDER	BID AMOUNT
1.	C.S. Legacy Construction, Inc. Pomona, CA	\$1,062,750.80
2.	Granite Construction Company Santa Barbara, CA	\$1,275,573.00
3.	Lash Construction, Inc. Santa Barbara, CA	\$1,298,098.00
4.	John Madonna Construction Co., Inc. San Luis Obispo, CA	\$1,390,673.50*

*corrected bid total

The apparent low bidder, C.S. Legacy Construction, Inc. (C.S. Legacy), found a clerical error in its bid that caused the bid to be materially different than what was intended. C.S. Legacy subsequently submitted a timely written request on August 19, 2016 (see Attachment), to withdraw its bid. Public Contract Code Sections 5100-5107 allow the City, as the awarding authority, to relieve a bidder of its bid due to a material mistake in a bid that is due to a typographical or clerical error and to award the contract to the second lowest responsible and responsive bidder. C.S. Legacy's withdrawal request met the requirements of the Public Contract Code, and staff recommends relieving C.S. Legacy of its bid.

The second low bid of \$1,275,573.00, submitted by Granite Construction Company, is an acceptable bid that is responsive to and meets the requirements of the bid specifications.

The change order funding recommendation of \$127,557, or ten percent, is typical for this type of work and size of project.

Community Outreach

Throughout the Project's development, several Council meetings were held to discuss this Project, including two meetings to discuss various alternatives and funding options. After reviewing different options at two separate meetings, Council selected a roundabout design and directed staff to move forward with the final design at the November 19, 2013, Council meeting. In addition, the design was presented to the Architectural Board of Review at three separate meetings throughout the design process.

Prior to the start of construction, notifications will be mailed to residents within the vicinity of the Project. Additional means for notifying the travelling public in advance of construction will include a press release, posting on Nextdoor.com, and advanced warning signs at the Project site. Project updates will be provided using these methods throughout construction as needed.

Funding

Construction for this Project is funded by \$750,000 of State Transportation Improvement Program (STIP) grant funds, for which staff requests an increase to estimated revenues and expenditures in the Streets Grant Fund. The Project is also funded by City funds. This Project has received two General Fund allocations totaling \$870,000 to complete design and fund a portion of the construction costs of the selected roundabout alternative. These allocations were originally appropriated to the General Fund Capital Outlay Fund, of which \$700,000 was transferred to the Streets Capital Fund in prior fiscal years. At this time, staff requests that the remaining \$170,000 be transferred from the General Fund Capital Outlay Fund to the Streets Capital Fund for better accounting management. With the STIP allocation and the General Fund appropriations, there are sufficient funds in the Streets Capital Fund to cover the construction and consultant contracts. However, there are insufficient funds within the Streets Capital Fund to cover all of the staff time required to provide construction management and inspection of the Project. Staff proposes, therefore, to not bill against the Streets Capital Fund for these services, resulting in costs to the General Fund which will not be recovered. The recommended authorization of up to a \$160,000 in-kind contribution from the General Fund will cover this shortfall needed for construction management and inspection. The actual amount of the contribution will depend on the final amount of the construction contract, including change orders.

The following summarizes the expenditures recommended in this report:

CONSTRUCTION CONTRACT FUNDING SUMMARY

	Basic Contract	Change Funds	Total
Construction Contract	\$1,275,573.00	\$127,557.00	\$1,403,130.00
TOTAL RECOMMENDED AUTHORIZATION			\$1,403,130.00

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.*

	GRANT SHARE	CITY SHARE	TOTAL
Design (by Contract)	\$0	\$248,403	\$248,403
Other Design Costs – City staff	0	130,000	130,000
Other Design Costs – Environmental Assessments	0	16,830	16,830
Other Design Costs – Constructability Review	0	8,768	8,768
<i>Design Subtotal</i>	\$0	\$404,001	\$404,001
Construction Contract	\$750,000	\$525,573	\$1,275,573
Construction Change Order Allowance	0	127,557	127,557
<i>Subtotal</i>	\$750,000	\$653,130	\$1,403,130
Construction Management/Inspection (by City Staff)	\$0	\$180,995	\$180,995
Construction Support Services (by Consultant)	0	35,000	35,000
Material Testing	0	10,000	10,000
<i>Subtotal</i>	\$0	\$225,995	\$225,995
<i>Construction Subtotal</i>	\$750,000	\$879,125	\$1,629,125
TOTAL PROJECT COST	\$750,000	\$1,283,126	\$2,033,126

ATTACHMENT: Bid Withdrawal Letter from C.S. Legacy

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

SUBMITTED BY: Rebecca J. Bjork, Public Works Director

APPROVED BY: City Administrator's Office



ATTACHMENT
CITY OF SANTA BARBARA
AUG 22 2016
ENGINEERING

8/19/16

Re: Bid No. 3599 - Las Positas Road at Cliff Drive Roundabout Project – Bid Withdrawal

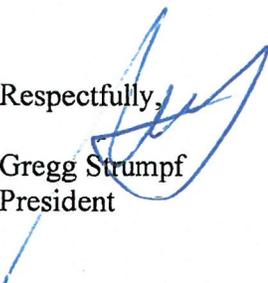
To whom it may concern:

Please accept this letter as our official withdrawal of the bid submitted for the above referenced project on 8/18/16.

A clerical error was made that caused us to submit an incorrect bid. Our bid item #15 should have been entered as \$205.00 Ton vs. the \$105.00 Ton. Our bid clerk incorrectly entered this number.

Thank you in advance for your understanding in this matter.

Respectfully,


Gregg Strumpf
President



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: September 13, 2016

TO: Mayor and Councilmembers

FROM: Engineering Division, Public Works Department
Business Services Division, Waterfront Department

SUBJECT: Increase In Construction Change Order Authority For The Cabrillo Bridge Project To Accommodate Stearns Wharf Signal Improvements

RECOMMENDATION: That Council:

- A. Approve the transfer of \$39,463 from the Waterfront Department's Appropriated Reserve Account to the Cabrillo Boulevard Bridge Replacement Project in the Streets Grant Capital Fund to fund a new traffic signal for a right-turn arrow at State Street and Cabrillo Boulevard for vehicles exiting Stearns Wharf; and
- B. Authorize an increase in the Public Works Director's Change Order Authority to approve expenditures for extra work for the Cabrillo Boulevard Bridge Replacement Project, Contract No. 24,977, in the amount of \$39,463, for a total contract expenditure authority of \$15,858,041.

DISCUSSION:

Background

Exiting Stearns Wharf (northbound) currently requires that vehicles turning right (east) on Cabrillo Boulevard wait for pedestrians to complete their crossing. As a result, only a few vehicles are able to complete the right hand turn per signal cycle on busy days. In calendar year 2015, the Waterfront Department saw over 1,100,000 pedestrians and over 250,000 vehicles on Stearns Wharf. With only one lane of vehicles exiting Stearns Wharf and no dedicated right-turn arrow currently in place, a moderately congested day can quickly turn into a traffic jam. This traffic jam not only impedes those exiting Stearns Wharf, but also requires shutting down entry of vehicles onto Stearns Wharf for safety reasons.

The addition of a right-turn arrow for vehicles exiting Stearns Wharf would reduce delay slightly, especially during peak weekends and summer months. The northbound right-turn arrow would be green at the same time as the westbound left-turn arrow from Cabrillo Boulevard to Stearns Wharf and is not anticipated to change the overall intersection level of service.

Council Agenda Report

Increase In Construction Change Order Authority For the Cabrillo Bridge Project To Accommodate Stearns Wharf Signal Improvements

September 13, 2016

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For many years, the Stearns Wharf Merchant Association has requested that a right-turn arrow signal be installed to help facilitate automobile traffic exiting and entering Stearns Wharf, thus reducing traffic congestion and improving the experience of visitors. The Cabrillo Boulevard Bridge Replacement Project has presented the opportunity to effectively address the request of the Stearns Wharf Merchant Association in a timely and efficient manner.

Current Status

Based on the congestion described above at the exit of Stearns Wharf, the Engineering Division designed necessary changes to the traffic signals at the intersection of State Street and Cabrillo Boulevard. The changes include a new decorative street light/traffic signal pole with a mast arm at the northeast corner of the intersection to accommodate the additional signal head (see Attachment). In addition, some minor changes will be made to the configuration of the access ramp at this location. The modified street light/traffic signal pole was approved by the Historic Landmarks Commission on February 24, 2016.

On August 11, 2016, a change order proposal in the amount of \$39,463 was received from Lash Construction, Inc., (Lash) for the subject work. The proposal amount was deemed reasonable based on the engineer's estimate. Therefore, staff recommends authorizing the execution of a change order for the extra work.

BUDGET/FINANCIAL INFORMATION:

Funding

The Waterfront Department currently has approximately \$70,000 of available funds in its Appropriated Reserve account, which is more than adequate to accommodate the proposed expenditure. Staff recommends the use and transfer of these funds to the Streets Grant Capital Fund since the traffic signal change will benefit the operation of Stearns Wharf.

The following summarizes the additional expenditures recommended in this report:

CONSTRUCTION CONTRACT FUNDING SUMMARY

	Base Contract	Change Order	Total
Current Contract Amount	\$14,380,525.50	\$1,438,052.50	\$15,818,578.00
Proposed Increase	\$0.00	\$39,463.00	\$39,463.00
Totals	\$14,380,525.50	\$1,477,515.50	\$15,858,041.00

Council Agenda Report
Increase In Construction Change Order Authority For the Cabrillo Bridge Project To
Accommodate Stearns Wharf Signal Improvements
September 13, 2016
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After the recommended transfer of funds, there are sufficient appropriated funds to cover the extra work item.

ATTACHMENT: Project Map

PREPARED BY: Adam Hendel, Acting Principal Civil Engineer/sk
Brian J. Bosse, Waterfront Business Manager

SUBMITTED BY: Rebecca J. Bjork, Public Works Director

APPROVED BY: City Administrator's Office

State Street and Cabrillo Boulevard Traffic Signal Modifications - New Mast Arm Pole Northeast Corner





CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: September 13, 2016

TO: Mayor and Councilmembers

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

SUBJECT: Agreement For People Assisting The Homeless

RECOMMENDATION:

That Council authorize the Community Development Director to execute a funding agreement for \$202,100 with People Assisting the Homeless (PATH), for the operation of a homeless shelter.

DISCUSSION:

During the City's Fiscal Year 2017 budget approval process, PATH requested, and Council approved, an additional \$125,000 in support of the operation of its homeless shelter and related supportive services. This is the third year the City has granted the additional funding.

Annually, PATH generally receives two grants through the Community Development and Human Services Committee (CDHSC) grant process, and a General Fund contribution to help support the emergency winter shelter.

This agreement, totaling \$202,100, combines the \$77,100 ongoing winter shelter funding and the additional \$125,000 approved by Council for Fiscal Year 2017.

PATH Fiscal Year 2017 Funding

General Fund Winter Shelter	\$77,100
General Fund Additional Support	<u>\$125,000</u>
Sub-Total Other City Funding	\$202,100
Community Development Block Grant	\$44,656
Human Services Grant	<u>\$41,344</u>
Sub-Total CDHSC Grants	\$86,000
Grand Total City Funding	<u>\$288,100</u>

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

BUDGET/FINANCIAL INFORMATION:

City funds for this agreement were authorized as part of the City's Fiscal Year 2017 budget. Staff recommends that Council formally commit the funds and approve the agreement with PATH.

PREPARED BY: Sue Gray, Community Development Business Manager

SUBMITTED BY: George R. Buell, Community Development Director

APPROVED BY: City Administrator's Office



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: September 13, 2016

TO: Mayor and Councilmembers

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

SUBJECT: Agreement For Central Coast Collaborative On Homelessness

RECOMMENDATION:

That Council authorize the Community Development Director to execute a funding agreement for \$91,232 with the Northern Santa Barbara County United Way for the Central Coast Collaborative on Homelessness (C3H) effort.

DISCUSSION:

The Central Coast Collaborative on Homelessness (C3H) has been in operation since October 2012, and this is the fifth year that the City has contributed General Fund support. Eleven sponsors are now contributing funding to support the structure of C3H, whose purpose is to foster collaboration and sharing of resources in order to: prevent homelessness; support the expansion of housing for the homeless; build a results- and data-driven culture; elevate community dialogue, support, and collaboration regarding homelessness; and encourage individual commitment to self-sufficiency. Council authorized a contribution of \$91,232 during the budget approval process for Fiscal Year 2017.

C3H goals for Fiscal Year 2017 include:

- Staff the Santa Barbara Coordinated Outreach Team with full-time staff;
- Work with a UCSB Professor to develop a plan for a cost/benefit study to show how coordinated outreach has decreased the costs of services;
- Develop a plan for the expansion and improvement of Vertical Change as a coordinated system of client tracking;
- Conduct a Point in Time (PIT) count; and
- Conduct a minimum of two trainings countywide on ways to improve homeless services.

Fiscal Year 2017 Sponsors:

City of Santa Barbara	\$91,232
County of Santa Barbara	\$90,000
County of Santa Barbara Point in Time Count	\$15,000
Housing Authority of the City of Santa Barbara	\$25,000
Housing Authority of the County of Santa Barbara	\$25,000
Cottage Hospital	\$25,000
Dignity Health (Santa Maria)	\$25,000
City of Santa Maria	\$24,000
City of Lompoc	\$16,000
City of Goleta	\$5,000
City of Carpinteria	\$2,500
City of Buellton	\$550
	<hr/>
	\$344,282

Copies of this agreement is available in the City Clerk's office for public review.

BUDGET/FINANCIAL INFORMATION:

City General Funds for this agreement were authorized as part of the City's Fiscal Year 2017 budget. Staff recommends that Council formally commit the funds and approve the agreement with the Northern Santa Barbara County United Way.

PREPARED BY: Sue Gray, Community Development Business Manager

SUBMITTED BY: George R. Buell, Community Development Director

APPROVED BY: City Administrator's Office



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: September 13, 2016
TO: Mayor and Councilmembers
FROM: Accounting Division, Finance Department
SUBJECT: Fiscal Year 2016 Fourth Quarter Review

RECOMMENDATION: That Council:

- A. Hear a report from staff on the status of revenues and expenditures in relation to budget for the Fiscal Year ended June 30, 2016;
- B. Accept the Interim Financial Statements for the Fiscal Year Ended June 30, 2016; and
- C. Approve the proposed adjustments to the Fiscal Year 2016 budget as detailed in the attached Schedule of Proposed Fourth Quarter Budget Adjustments.

DISCUSSION:

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

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

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

ATTACHMENTS:

1. Summary by Fund Statement of Revenues and Expenditures for the Twelve Months Ended June 30, 2016
2. Interim Financial Statements for the Twelve Months Ended June 30, 2016 (Narrative Analysis)
3. Schedule of Proposed Fourth Quarter Budget Adjustments

PREPARED BY: Jennifer Tomaszewski, Accounting Manager

SUBMITTED BY: Robert Samario, Finance Director

APPROVED BY: City Administrator's Office

CITY OF SANTA BARBARA
Interim Statement of Revenues and Expenditures
Summary by Fund
For the Twelve Months Ended June 30, 2016 (100% of Fiscal Year)

	<u>Annual Budget</u>	<u>YTD Actual</u>	<u>Encum- brances</u>	<u>Remaining Balance</u>	<u>Percent of Budget</u>
GENERAL FUND					
Revenue	126,061,681	119,787,017	-	6,274,664	95.0%
Expenditures	<u>126,812,627</u>	<u>118,979,007</u>	<u>1,272,335</u>	6,561,285	94.8%
<i>Addition to / (use of) reserves</i>	<u>(750,946)</u>	<u>808,010</u>	<u>(1,272,335)</u>		
SOLID WASTE FUND					
Revenue	20,952,792	20,622,567	-	330,225	98.4%
Expenditures	<u>20,999,104</u>	<u>20,445,243</u>	<u>96,650</u>	457,212	97.8%
<i>Addition to / (use of) reserves</i>	<u>(46,312)</u>	<u>177,325</u>	<u>(96,650)</u>		
WATER OPERATING FUND					
Revenue	48,401,895	46,924,451	-	1,477,445	96.9%
Expenditures	<u>52,575,224</u>	<u>47,516,651</u>	<u>995,563</u>	4,063,011	92.3%
<i>Addition to / (use of) reserves</i>	<u>(4,173,329)</u>	<u>(592,200)</u>	<u>(995,563)</u>		
WASTEWATER OPERATING FUND					
Revenue	19,077,948	19,102,092	-	(24,144)	100.1%
Expenditures	<u>21,034,127</u>	<u>18,762,004</u>	<u>883,371</u>	1,388,751	93.4%
<i>Addition to / (use of) reserves</i>	<u>(1,956,179)</u>	<u>340,087</u>	<u>(883,371)</u>		
DOWNTOWN PARKING					
Revenue	8,714,958	8,959,248	-	(244,290)	102.8%
Expenditures	<u>8,894,872</u>	<u>8,562,430</u>	<u>86,083</u>	246,359	97.2%
<i>Addition to / (use of) reserves</i>	<u>(179,914)</u>	<u>396,818</u>	<u>(86,083)</u>		
AIRPORT OPERATING FUND					
Revenue	16,446,398	16,033,451	-	412,947	97.5%
Expenditures	<u>17,726,510</u>	<u>16,487,432</u>	<u>470,369</u>	768,708	95.7%
<i>Addition to / (use of) reserves</i>	<u>(1,280,112)</u>	<u>(453,981)</u>	<u>(470,369)</u>		
GOLF COURSE FUND					
Revenue	2,266,957	1,956,825	-	310,132	86.3%
Expenditures	<u>2,329,493</u>	<u>2,068,017</u>	-	261,475	88.8%
<i>Addition to / (use of) reserves</i>	<u>(62,536)</u>	<u>(111,192)</u>	-		
INTRA-CITY SERVICE FUND					
Revenue	7,416,651	7,358,132	-	58,518	99.2%
Expenditures	<u>7,297,972</u>	<u>7,177,310</u>	<u>59,169</u>	61,493	99.2%
<i>Addition to / (use of) reserves</i>	<u>118,679</u>	<u>180,822</u>	<u>(59,169)</u>		

CITY OF SANTA BARBARA
Interim Statement of Revenues and Expenditures
Summary by Fund
For the Twelve Months Ended June 30, 2016 (100% of Fiscal Year)

	<u>Annual Budget</u>	<u>YTD Actual</u>	<u>Encum- brances</u>	<u>Remaining Balance</u>	<u>Percent of Budget</u>
FLEET REPLACEMENT FUND					
Revenue	3,245,667	3,472,854	-	(227,187)	107.0%
Expenditures	<u>6,999,160</u>	<u>3,473,766</u>	<u>1,082,843</u>	2,442,552	65.1%
<i>Addition to / (use of) reserves</i>	<u>(3,753,493)</u>	<u>(912)</u>	<u>(1,082,843)</u>		
FLEET MAINTENANCE FUND					
Revenue	2,722,761	2,743,884	-	(21,123)	100.8%
Expenditures	<u>2,849,686</u>	<u>2,783,387</u>	<u>20,425</u>	45,875	98.4%
<i>Addition to / (use of) reserves</i>	<u>(126,925)</u>	<u>(39,502)</u>	<u>(20,425)</u>		
SELF INSURANCE TRUST FUND					
Revenue	7,068,083	7,163,233	-	(95,150)	101.3%
Expenditures	<u>7,620,675</u>	<u>7,168,763</u>	<u>5,895</u>	446,017	94.1%
<i>Addition to / (use of) reserves</i>	<u>(552,592)</u>	<u>(5,530)</u>	<u>(5,895)</u>		
INFORMATION SYSTEMS ICS FUND					
Revenue	3,204,557	3,205,019	-	(462)	100.0%
Expenditures	<u>3,682,136</u>	<u>3,400,952</u>	<u>30,063</u>	251,121	93.2%
<i>Addition to / (use of) reserves</i>	<u>(477,579)</u>	<u>(195,933)</u>	<u>(30,063)</u>		
WATERFRONT FUND					
Revenue	13,458,598	14,736,359	-	(1,277,761)	109.5%
Expenditures	<u>15,133,084</u>	<u>14,492,716</u>	<u>198,919</u>	441,450	97.1%
<i>Addition to / (use of) reserves</i>	<u>(1,674,486)</u>	<u>243,643</u>	<u>(198,919)</u>		
TOTAL FOR ALL FUNDS					
Revenue	279,038,946	272,065,132	-	6,973,814	97.5%
Expenditures	<u>293,954,671</u>	<u>271,317,677</u>	<u>5,201,685</u>	17,435,309	94.1%
<i>Addition to / (use of) reserves</i>	<u>(14,915,725)</u>	<u>747,454</u>	<u>(5,201,685)</u>		

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

CITY OF SANTA BARBARA
General Fund
Interim Statement of Budgeted and Actual Revenues
For the Twelve Months Ended June 30, 2016 (100% of Fiscal Year)

	<u>Annual Budget</u>	<u>YTD Actual</u>	<u>Remaining Balance</u>	<u>Percent Received</u>	<u>Previous YTD</u>
TAXES					
Sales and Use	23,367,961	19,667,472	3,700,489	84.2%	21,781,725
Property Taxes	28,742,300	29,381,977	(639,677)	102.2%	27,639,323
Utility Users Tax	7,219,700	7,157,777	61,923	99.1%	6,905,153
Transient Occupancy Tax	19,707,100	18,646,596	1,060,504	94.6%	18,768,114
Business License	2,624,400	2,619,734	4,666	99.8%	2,574,075
Real Property Transfer Tax	659,100	739,796	(80,696)	112.2%	692,204
<i>Total</i>	<u>82,320,561</u>	<u>78,213,351</u>	<u>4,107,210</u>	95.0%	<u>78,360,594</u>
LICENSES & PERMITS					
Licenses & Permits	219,700	161,924	57,776	73.7%	196,216
<i>Total</i>	<u>219,700</u>	<u>161,924</u>	<u>57,776</u>	73.7%	<u>196,216</u>
FINES & FORFEITURES					
Parking Violations	2,701,987	2,080,714	621,273	77.0%	2,517,777
Library Fines	89,500	60,351	29,149	67.4%	97,928
Municipal Court Fines	100,000	60,542	39,458	60.5%	64,624
Other Fines & Forfeitures	310,000	341,539	(31,539)	110.2%	345,518
<i>Total</i>	<u>3,201,487</u>	<u>2,543,145</u>	<u>658,342</u>	79.4%	<u>3,025,847</u>
USE OF MONEY & PROPERTY					
Investment Income	633,743	393,559	240,184	62.1%	612,187
Rents & Concessions	419,316	384,863	34,453	91.8%	383,031
<i>Total</i>	<u>1,053,059</u>	<u>778,423</u>	<u>274,636</u>	73.9%	<u>995,218</u>
INTERGOVERNMENTAL					
Grants	260,568	264,561	(3,993)	101.5%	240,612
Vehicle License Fees	35,000	36,752	(1,752)	105.0%	38,585
Reimbursements	465,903	1,364,997	(899,094)	293.0%	797,998
<i>Total</i>	<u>761,471</u>	<u>1,666,310</u>	<u>(904,839)</u>	218.8%	<u>1,077,195</u>
FEES & SERVICE CHARGES					
Finance	961,454	964,639	(3,185)	100.3%	966,498
Community Development	4,887,843	5,636,251	(748,408)	115.3%	4,524,759
Recreation	3,249,480	3,327,956	(78,476)	102.4%	3,209,250
Public Safety	611,342	512,549	98,793	83.8%	557,776
Public Works	6,382,295	5,870,064	512,232	92.0%	5,871,048
Library	873,320	818,868	54,452	93.8%	757,260
Reimbursements	4,760,907	4,622,881	138,026	97.1%	5,978,120
<i>Total</i>	<u>21,726,641</u>	<u>21,753,207</u>	<u>(26,566)</u>	100.1%	<u>21,864,711</u>
OTHER REVENUES					
Miscellaneous	2,853,237	2,933,881	(80,645)	102.8%	1,674,785
Franchise Fees	3,219,400	3,157,803	61,597	98.1%	3,777,510
Indirect Allocations	7,180,832	7,190,889	(10,057)	100.1%	6,411,155
Operating Transfers-In	1,525,293	1,388,083	137,210	91.0%	1,084,702
Anticipated Year-End Variance	2,000,000	-	2,000,000	0.0%	-
<i>Total</i>	<u>16,778,762</u>	<u>14,670,656</u>	<u>2,108,106</u>	87.4%	<u>12,948,152</u>
TOTAL REVENUES	<u>126,061,681</u>	<u>119,787,017</u>	<u>6,274,664</u>	95.0%	<u>118,467,933</u>

CITY OF SANTA BARBARA
General Fund
Interim Statement of Appropriations, Expenditures and Encumbrances
For the Twelve Months Ended June 30, 2016 (100% of Fiscal Year)

	Annual Budget	YTD Actual	Encum- brances	Remaining Balance	YTD Expended and Encumbered	Previous YTD
GENERAL GOVERNMENT						
<u>Mayor & City Council</u>						
MAYOR & CITY COUNCIL	803,842	809,618	7,073	(12,849)	101.6%	
ARTS AND COMMUNITY PROMOTIONS	2,638,967	2,600,039	38,910	19	100.0%	
<i>Total</i>	<u>3,442,809</u>	<u>3,409,657</u>	<u>45,983</u>	<u>(12,831)</u>	100.4%	<u>3,418,957</u>
<u>City Attorney</u>						
CITY ATTORNEY-ADMINISTRATION	650,091	616,123.21	54,735	(20,767)	103.2%	
CITY ATTORNEY-ADVISORY	932,302	877,695	35,000	19,607	97.9%	
CITY ATTORNEY-CIVIL LITIGATION	738,668	739,756	-	(1,088)	100.1%	
CITY ATTORNEY-CODE ENFORCEMENT	228,540	159,265	61,964	7,311	96.8%	
<i>Total</i>	<u>2,549,601</u>	<u>2,392,839</u>	<u>151,699</u>	<u>5,064</u>	99.8%	<u>4,053,378</u>
<u>Administration</u>						
CITY ADMINISTRATOR	1,606,155	1,445,959	21,648	138,548	91.4%	
CITY TV	642,794	636,326	4,873	1,596	99.8%	
<i>Total</i>	<u>2,248,949</u>	<u>2,082,285</u>	<u>26,520</u>	<u>140,144</u>	93.8%	<u>1,992,915</u>
<u>Administrative Services</u>						
ADMINISTRATION	384,471	353,381	11,419	19,671	94.9%	
CITY CLERK	545,235	492,991	6,796	45,449	91.7%	
ELECTIONS	301,479	156,962	89,480	55,036	81.7%	
HUMAN RESOURCES	1,537,040	1,390,332	5,947	140,762	90.8%	
EMPLOYEE DEVELOPMENT	49,447	42,588	1,050	5,809	88.3%	
<i>Total</i>	<u>2,817,672</u>	<u>2,436,254</u>	<u>114,692</u>	<u>266,726</u>	90.5%	<u>1,842,874</u>
<u>Finance</u>						
ADMINISTRATION	252,004	249,695	3,962	(1,652)	100.7%	
REVENUE & CASH MANAGEMENT	508,976	469,823	18,833	20,320	96.0%	
CASHIERING & COLLECTION	513,575	487,172	-	26,403	94.9%	
LICENSES & PERMITS	528,331	493,587	3,363	31,381	94.1%	
BUDGET MANAGEMENT	480,869	457,860	-	23,009	95.2%	
ACCOUNTING	866,677	792,444	2,552	71,682	91.7%	
PAYROLL	374,443	349,381	-	25,062	93.3%	
ACCOUNTS PAYABLE	280,816	267,137	-	13,679	95.1%	
CITY BILLING & CUSTOMER SERVICE	696,488	633,877	15,597	47,014	93.2%	
PURCHASING	727,260	713,936	575	12,749	98.2%	
CENTRAL WAREHOUSE	202,935	207,957	-	(5,022)	102.5%	
MAIL SERVICES	120,721	122,635	5,428	(7,342)	106.1%	
<i>Total</i>	<u>5,553,095</u>	<u>5,245,503</u>	<u>50,311</u>	<u>257,282</u>	95.4%	<u>4,773,045</u>
TOTAL GENERAL GOVERNMENT	<u>16,612,126</u>	<u>15,566,537</u>	<u>389,205</u>	<u>656,384</u>	96.0%	<u>16,081,169</u>

CITY OF SANTA BARBARA
General Fund
Interim Statement of Appropriations, Expenditures and Encumbrances
For the Twelve Months Ended June 30, 2016 (100% of Fiscal Year)

	Annual Budget	YTD Actual	Encum- brances	Remaining Balance	YTD Expended and Encumbered	Previous YTD
PUBLIC SAFETY						
<u>Police</u>						
CHIEF'S STAFF	1,186,521	1,210,468	6,805	(30,751)	102.6%	
SUPPORT SERVICES	726,742	648,598	1,725	76,419	89.5%	
RECORDS BUREAU	1,497,490	1,467,565	21,736	8,189	99.5%	
ADMIN SERVICES	1,152,140	1,346,221	4,662	(198,742)	117.2%	
PROPERTY ROOM	229,172	185,045	7	44,120	80.7%	
TRAINING/RECRUITMENT	656,745	558,915	16,905	80,925	87.7%	
RANGE	1,499,030	1,416,025	42,920	40,084	97.3%	
COMMUNITY & MEDIA RELATIONS	854,936	697,411	-	157,525	81.6%	
INFORMATION TECHNOLOGY	1,375,744	1,331,075	47,077	(2,407)	100.2%	
INVESTIGATIVE DIVISION	5,031,663	4,381,992	3,777	645,894	87.2%	
CRIME LAB	169,633	107,085	5,895	56,653	66.6%	
PATROL DIVISION	16,015,045	15,631,331	16,089	367,625	97.7%	
TRAFFIC	1,399,012	1,095,416	550	303,046	78.3%	
SPECIAL EVENTS	876,914	901,765	200	(25,051)	102.9%	
TACTICAL PATROL FORCE	1,683,590	1,828,017	-	(144,427)	108.6%	
STREET SWEEPING ENFORCEMENT	360,574	350,850	-	9,724	97.3%	
NIGHT LIFE ENFORCEMENT	315,189	320,066	-	(4,877)	101.5%	
PARKING ENFORCEMENT	1,016,030	846,608	-	169,422	83.3%	
COMBINED COMMAND CENTER	2,741,873	2,396,567	950	344,356	87.4%	
ANIMAL CONTROL	754,588	690,971	6,782	56,835	92.5%	
<i>Total</i>	<u>39,542,631</u>	<u>37,411,990</u>	<u>176,080</u>	<u>1,954,561</u>	95.1%	<u>37,079,928</u>
<u>Fire</u>						
ADMINISTRATION	938,345	960,563	529	(22,747)	102.4%	
EMERGENCY SERVICES AND PUBLIC ED	311,333	314,053	-	(2,720)	100.9%	
PREVENTION	1,259,240	1,288,446	-	(29,206)	102.3%	
WILDLAND FIRE MITIGATION PROGRAM	209,358	221,789	73	(12,505)	106.0%	
OPERATIONS	19,475,280	20,105,159	40,963	(670,842)	103.4%	
TRAINING AND RECRUITMENT	713,153	661,400	-	51,753	92.7%	
ARFF	2,013,700	2,084,487	-	(70,787)	103.5%	
<i>Total</i>	<u>24,920,409</u>	<u>25,635,897</u>	<u>41,566</u>	<u>(757,054)</u>	103.0%	<u>23,535,172</u>
TOTAL PUBLIC SAFETY	<u>64,463,040</u>	<u>63,047,888</u>	<u>217,645</u>	<u>1,197,507</u>	98.1%	<u>60,615,100</u>
PUBLIC WORKS						
<u>Public Works</u>						
ADMINISTRATION	1,136,473	1,055,498	538	80,437	92.9%	
ENGINEERING SVCS	5,636,770	5,156,651	51,885	428,234	92.4%	
PUBLIC RT OF WAY MGMT	1,220,531	1,144,477	15,686	60,367	95.1%	
ENVIRONMENTAL PROGRAMS	571,383	407,130	127,483	36,770	93.6%	
<i>Total</i>	<u>8,565,157</u>	<u>7,763,756</u>	<u>195,592</u>	<u>605,809</u>	92.9%	<u>7,360,432</u>
TOTAL PUBLIC WORKS	<u>8,565,157</u>	<u>7,763,756</u>	<u>195,592</u>	<u>605,809</u>	92.9%	<u>7,360,432</u>

CITY OF SANTA BARBARA
General Fund
Interim Statement of Appropriations, Expenditures and Encumbrances
For the Twelve Months Ended June 30, 2016 (100% of Fiscal Year)

	Annual Budget	YTD Actual	Encum- brances	Remaining Balance	YTD Expended and Encumbered	Previous YTD
COMMUNITY SERVICES						
<u>Parks & Recreation</u>						
REC PROGRAM MGMT	764,707	729,311	15,000	20,396	97.3%	
FACILITIES & SPECIAL EVENTS	800,487	802,718	240	(2,471)	100.3%	
YOUTH ACTIVITIES	1,143,433	1,136,534	51	6,848	99.4%	
ACTIVE ADULTS	813,073	731,482	-	81,591	90.0%	
AQUATICS	1,428,471	1,445,514	23,619	(40,662)	102.8%	
SPORTS	607,967	571,311	374	36,283	94.0%	
TENNIS	290,884	274,050	-	16,834	94.2%	
NEIGHBORHOOD & OUTREACH SERV	1,359,015	1,305,804	6,776	46,436	96.6%	
ADMINISTRATION	840,741	669,600	6,542	164,599	80.4%	
PROJECT MANAGEMENT TEAM	556,412	481,111	-	75,301	86.5%	
PARK OPERATIONS MANAGEMENT	789,628	655,801	60,914	72,913	90.8%	
GROUND & FACILITIES MAINTENANCE	4,802,896	4,545,955	57,677	199,264	95.9%	
FORESTRY	1,327,068	1,249,526	567	76,974	94.2%	
BEACH MAINTENANCE	142,124	134,145	1,120	6,859	95.2%	
MEDIANS PARKWAYS & CONTRACTS	1,190,101	1,079,070	-	111,032	90.7%	
<i>Total</i>	<u>16,857,006</u>	<u>15,811,931</u>	<u>172,879</u>	<u>872,196</u>	94.8%	<u>14,855,854</u>
<u>Library</u>						
ADMINISTRATION	557,882	442,723	-	115,159	79.4%	
PUBLIC SERVICES	3,143,303	2,636,542	131,000	375,761	88.0%	
SUPPORT SERVICES	1,770,940	1,680,730	7,795	82,415	95.3%	
<i>Total</i>	<u>5,472,124</u>	<u>4,759,994</u>	<u>138,795</u>	<u>573,335</u>	89.5%	<u>4,746,149</u>
TOTAL COMMUNITY SERVICES	<u>22,329,131</u>	<u>20,571,926</u>	<u>311,674</u>	<u>1,445,531</u>	93.5%	<u>19,602,003</u>
COMMUNITY DEVELOPMENT						
<u>Community Development</u>						
ADMINISTRATION	1,450,284	1,390,095	-	60,189	95.8%	
RENTAL HOUSING MEDIATION	220,324	226,522	-	(6,198)	102.8%	
HUMAN SERVICES	1,098,760	1,074,317	-	24,443	97.8%	
HOUSING PRESERVATION AND DEV	25,152	5,501	16,710	2,941	88.3%	
LONG RANGE PLAN & SPEC STUDY	890,739	839,359	2,078	49,302	94.5%	
DEVEL & ENVIRONMENTAL REVIEW	1,479,691	1,345,194	27,702	106,795	92.8%	
ZONING INFO & ENFORCEMENT	1,521,429	1,399,273	-	122,156	92.0%	
DESIGN REV & HIST PRESERVATION	1,176,685	1,105,591	18,600	52,494	95.5%	
BLDG INSP & CODE ENFORCEMENT	1,208,282	1,219,637	-	(11,355)	100.9%	
RECORDS ARCHIVES & CLER SVCS	578,810	532,876	-	45,934	92.1%	
BLDG COUNTER & PLAN REV SVCS	1,767,579	1,625,315	93,130	49,135	97.2%	
<i>Total</i>	<u>11,417,735</u>	<u>10,763,679</u>	<u>158,219</u>	<u>495,836</u>	95.7%	<u>9,504,129</u>
TOTAL COMMUNITY DEVELOPMENT	<u>11,417,735</u>	<u>10,763,679</u>	<u>158,219</u>	<u>495,836</u>	95.7%	<u>9,504,129</u>

CITY OF SANTA BARBARA
General Fund
Interim Statement of Appropriations, Expenditures and Encumbrances
For the Twelve Months Ended June 30, 2016 (100% of Fiscal Year)

	Annual Budget	YTD Actual	Encum- brances	Remaining Balance	YTD Expended and Encumbered	Previous YTD
NON-DEPARTMENTAL						
<u>Non-Departmental</u>						
OTHER	-	1,749	-	(1,749)	100.0%	
TRANSFERS OUT	276,991	96,991	-	180,000	35.0%	
DEBT SERVICE TRANSFERS	344,402	311,481	-	32,921	90.4%	
CAPITAL OUTLAY TRANSFER	855,000	855,000	-	-	100.0%	
APPROP.RESERVE	1,949,046	-	-	1,949,046	0.0%	
<i>Total</i>	<u>3,425,439</u>	<u>1,265,221</u>	<u>-</u>	<u>2,160,218</u>	36.9%	<u>2,116,150</u>
TOTAL NON-DEPARTMENTAL	<u>3,425,439</u>	<u>1,265,221</u>	<u>-</u>	<u>2,160,218</u>	36.9%	<u>2,116,150</u>
 TOTAL EXPENDITURES	 <u>126,812,627</u>	 <u>118,979,007</u>	 <u>1,272,335</u>	 <u>6,561,285</u>	 94.8%	 <u>115,278,983</u>

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

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

CITY OF SANTA BARBARA
Interim Statement of Revenues and Expenditures
Special Revenue Funds
For the Twelve Months Ended June 30, 2016 (100% of Fiscal Year)

	<u>Annual Budget</u>	<u>YTD Actual</u>	<u>Encum- brances</u>	<u>Remaining Balance</u>	<u>Percent of Budget</u>
TRAFFIC SAFETY FUND					
Revenue	525,000	361,820	-	163,180	68.9%
Expenditures	<u>525,000</u>	<u>361,820</u>	<u>-</u>	<u>163,180</u>	68.9%
<i>Revenue Less Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	
CREEK RESTORATION/WATER QUALITY IMPRVMT					
Revenue	4,070,672	3,870,194	-	200,478	95.1%
Expenditures	<u>6,972,717</u>	<u>6,497,115</u>	<u>294,708</u>	<u>180,894</u>	97.4%
<i>Revenue Less Expenditures</i>	<u>(2,902,045)</u>	<u>(2,626,921)</u>	<u>(294,708)</u>	<u>19,584</u>	
COMMUNITY DEVELOPMENT BLOCK GRANT					
Revenue	1,833,936	821,552	-	1,012,384	44.8%
Expenditures	<u>2,109,112</u>	<u>835,396</u>	<u>145,530</u>	<u>1,128,186</u>	46.5%
<i>Revenue Less Expenditures</i>	<u>(275,176)</u>	<u>(13,844)</u>	<u>(145,530)</u>	<u>(115,802)</u>	
COUNTY LIBRARY					
Revenue	2,123,550	2,138,552	-	(15,002)	100.7%
Expenditures	<u>2,317,824</u>	<u>2,150,606</u>	<u>2,115</u>	<u>165,103</u>	92.9%
<i>Revenue Less Expenditures</i>	<u>(194,273)</u>	<u>(12,054)</u>	<u>(2,115)</u>	<u>(180,105)</u>	
STREETS FUND					
Revenue	9,989,620	10,146,613	-	(156,993)	101.6%
Expenditures	<u>10,675,916</u>	<u>10,353,678</u>	<u>189,743</u>	<u>132,495</u>	98.8%
<i>Revenue Less Expenditures</i>	<u>(686,296)</u>	<u>(207,066)</u>	<u>(189,743)</u>	<u>(289,488)</u>	
MEASURE A					
Revenue	3,669,665	3,652,068	-	17,597	99.5%
Expenditures	<u>4,061,904</u>	<u>3,968,556</u>	<u>10,108</u>	<u>83,240</u>	98.0%
<i>Revenue Less Expenditures</i>	<u>(392,239)</u>	<u>(316,488)</u>	<u>(10,108)</u>	<u>(65,643)</u>	

CITY OF SANTA BARBARA
Interim Statement of Revenues and Expenditures
For the Twelve Months Ended June 30, 2016 (100% of Fiscal Year)

SOLID WASTE FUND

	<u>Annual Budget</u>	<u>YTD Actual</u>	<u>Encum- brances</u>	<u>Remaining Balance</u>	<u>Percent of Budget</u>	<u>Previous YTD</u>
REVENUES						
Service charges	20,341,706	20,377,047	-	(35,341)	100.2%	20,228,410
Other Fees & Charges	361,642	191,642	-	170,000	53.0%	358,733
Investment Income	12,200	22,693	-	(10,493)	186.0%	15,223
Grants	-	23,979	-	(23,979)	100.0%	-
Miscellaneous	237,244	7,206	-	230,038	3.0%	240,314
TOTAL REVENUES	<u>20,952,792</u>	<u>20,622,567</u>	<u>-</u>	<u>330,225</u>	<u>98.4%</u>	<u>20,842,680</u>
EXPENSES						
Salaries & Benefits	998,573	878,456	-	120,117	88.0%	900,312
Materials, Supplies & Services	19,131,521	18,830,287	90,681	210,554	98.9%	18,741,138
Special Projects	597,261	570,484	2,431	24,346	95.9%	532,995
Transfers-Out	50,000	50,000	-	(0)	100.0%	50,000
Equipment	156,749	116,016	3,538	37,195	76.3%	35,189
Other	40,000	-	-	40,000	0.0%	12,917
Appropriated Reserve	25,000	-	-	25,000	0.0%	-
TOTAL EXPENSES	<u>20,999,104</u>	<u>20,445,243</u>	<u>96,650</u>	<u>457,212</u>	<u>97.8%</u>	<u>20,272,551</u>

CITY OF SANTA BARBARA
Interim Statement of Revenues and Expenditures
For the Twelve Months Ended June 30, 2016 (100% of Fiscal Year)

WATER OPERATING FUND

	<u>Annual Budget</u>	<u>YTD Actual</u>	<u>Encum- brances</u>	<u>Remaining Balance</u>	<u>Percent of Budget</u>	<u>Previous YTD</u>
REVENUES						
Water Sales- Metered	41,800,000	39,827,223	-	1,972,777	95.3%	31,512,114
Service Charges	651,100	1,082,499	-	(431,399)	166.3%	820,292
Cater JPA Treatment Charges	1,680,000	1,813,648	-	(133,648)	108.0%	1,590,552
Investment Income	437,950	324,952	-	112,998	74.2%	409,297
Rents & Concessions	22,872	13,342	-	9,530	58.3%	22,872
Reimbursements	745,740	778,457	-	(32,717)	104.4%	638,420
Miscellaneous	111,000	131,097	-	(20,097)	118.1%	290,545
Operating Transfers-In	2,953,233	2,953,233	-	-	100.0%	2,346,207
TOTAL REVENUES	48,401,895	46,924,451	-	1,477,445	96.9%	37,630,299
EXPENSES						
Salaries & Benefits	9,311,184	8,677,998	-	633,186	93.2%	8,283,122
Materials, Supplies & Services	11,565,675	9,158,650	763,271	1,643,754	85.8%	8,259,328
Special Projects	1,053,535	471,564	165,486	416,485	60.5%	383,283
Water Purchases	8,644,749	7,679,602	30,046	935,101	89.2%	8,269,101
Debt Service	4,692,620	4,476,664	-	215,956	95.4%	3,657,226
Transfer-Out	9,586,101	9,586,101	-	-	100.0%	1,167,502
Capital Outlay Transfers	7,220,795	7,220,795	-	0	100.0%	17,411,309
Equipment	167,576	99,787	28,365	39,424	76.5%	165,890
Capitalized Fixed Assets	153,988	118,733	7,394	27,861	81.9%	69,589
Other	29,000	26,756	1,000	1,244	95.7%	48,610
Appropriated Reserve	150,000	-	-	150,000	0.0%	-
TOTAL EXPENSES	52,575,224	47,516,651	995,563	4,063,011	92.3%	47,714,960

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

CITY OF SANTA BARBARA
Interim Statement of Revenues and Expenditures
For the Twelve Months Ended June 30, 2016 (100% of Fiscal Year)

WASTEWATER OPERATING FUND

	<u>Annual Budget</u>	<u>YTD Actual</u>	<u>Encum- brances</u>	<u>Remaining Balance</u>	<u>Percent of Budget</u>	<u>Previous YTD</u>
REVENUES						
Service Charges	17,844,201	17,545,513	-	298,688	98.3%	16,925,677
Fees	533,668	817,266	-	(283,598)	153.1%	816,230
Investment Income	162,700	162,784	-	(84)	100.1%	165,139
Rents & Concessions	34,358	35,168	-	(810)	102.4%	34,412
Miscellaneous	6,000	44,340	-	(38,340)	739.0%	1,850
Operating Transfers-In	497,021	497,021	-	-	100.0%	-
TOTAL REVENUES	<u>19,077,948</u>	<u>19,102,092</u>	<u>-</u>	<u>(24,144)</u>	<u>100.1%</u>	<u>17,943,308</u>
EXPENSES						
Salaries & Benefits	5,917,398	5,579,105	-	338,293	94.3%	5,376,431
Materials, Supplies & Services	7,343,958	6,307,781	402,437	633,740	91.4%	6,535,641
Special Projects	635,271	129,116	470,050	36,105	94.3%	171,813
Transfer-Out	900,000	900,000	-	-	100.0%	-
Debt Service	1,794,917	1,627,463	-	167,454	90.7%	1,624,563
Capital Outlay Transfers	4,150,000	4,150,000	-	0	100.0%	4,674,047
Equipment	71,610	30,780	5,079	35,752	50.1%	82,444
Capitalized Fixed Assets	67,973	35,040	5,806	27,127	60.1%	5,698
Other	3,000	2,720	-	280	90.7%	8,211
Appropriated Reserve	150,000	-	-	150,000	0.0%	-
TOTAL EXPENSES	<u>21,034,127</u>	<u>18,762,004</u>	<u>883,371</u>	<u>1,388,751</u>	<u>93.4%</u>	<u>18,478,848</u>

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

CITY OF SANTA BARBARA
Interim Statement of Revenues and Expenditures
For the Twelve Months Ended June 30, 2016 (100% of Fiscal Year)

DOWNTOWN PARKING FUND

	<u>Annual Budget</u>	<u>YTD Actual</u>	<u>Encum- brances</u>	<u>Remaining Balance</u>	<u>Percent of Budget</u>	<u>Previous YTD</u>
REVENUES						
Improvement Tax	1,080,000	1,051,597	-	28,403	97.4%	1,092,833
Parking Fees	7,034,826	7,265,415	-	(230,589)	103.3%	7,176,125
Other Fees & Charges	6,918	11,128	-	(4,210)	160.9%	6,523
Investment Income	104,200	116,510	-	(12,310)	111.8%	107,549
Rents & Concessions	107,000	107,000	-	0	100.0%	103,993
Miscellaneous	7,500	33,084	-	(25,584)	441.1%	52,506
Operating Transfers-In	374,514	374,514	-	-	100.0%	43,500
TOTAL REVENUES	<u>8,714,958</u>	<u>8,959,248</u>	<u>-</u>	<u>(244,290)</u>	<u>102.8%</u>	<u>8,583,029</u>
EXPENSES						
Salaries & Benefits	4,352,940	4,273,215	-	79,725	98.2%	4,144,940
Materials, Supplies & Services	2,371,221	2,196,057	52,450	122,714	94.8%	1,969,376
Special Projects	469,656	436,618	25,890	7,148	98.5%	509,916
Transfer-Out	318,399	318,399	-	-	100.0%	309,125
Capital Outlay Transfers	1,329,567	1,329,567	-	-	100.0%	970,000
Equipment	24,854	7,489	6,683	10,682	57.0%	18,336
Capitalized Fixed Assets	2,149	1,085	1,061	3	99.9%	-
Appropriated Reserve	26,087	-	-	26,087	0.0%	-
TOTAL EXPENSES	<u>8,894,872</u>	<u>8,562,430</u>	<u>86,083</u>	<u>246,359</u>	<u>97.2%</u>	<u>7,921,693</u>

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

CITY OF SANTA BARBARA
Interim Statement of Revenues and Expenditures
For the Twelve Months Ended June 30, 2016 (100% of Fiscal Year)

AIRPORT OPERATING FUND

	<u>Annual Budget</u>	<u>YTD Actual</u>	<u>Encum- brances</u>	<u>Remaining Balance</u>	<u>Percent of Budget</u>	<u>Previous YTD</u>
REVENUES						
Leases-Commercial/Industrial	4,488,390	4,342,377	-	146,013	96.7%	4,213,977
Leases-Terminal	4,884,637	4,855,625	-	29,012	99.4%	4,803,796
Leases-Non-Commercial Aviation	2,093,650	2,078,232	-	15,418	99.3%	1,925,526
Leases-Commercial Aviation	4,544,034	4,431,206	-	112,828	97.5%	4,435,626
Investment Income	106,600	107,439	-	(839)	100.8%	109,773
Miscellaneous	216,300	105,786	-	110,514	48.9%	247,316
Operating Transfers-In	112,787	112,787	-	-	100.0%	-
TOTAL REVENUES	<u>16,446,398</u>	<u>16,033,451</u>	<u>-</u>	<u>412,947</u>	<u>97.5%</u>	<u>15,736,014</u>
EXPENSES						
Salaries & Benefits	6,006,251	5,475,484	-	530,767	91.2%	5,267,632
Materials, Supplies & Services	8,303,610	7,709,842	470,369	123,399	98.5%	7,422,350
Special Projects	48,415	3,044	-	45,371	6.3%	40,447
Transfer-Out	12,662	12,662	-	(0)	100.0%	20,354
Debt Service	1,816,586	1,816,586	-	(0)	100.0%	1,786,222
Capital Outlay Transfers	1,346,234	1,346,234	-	0	100.0%	-
Equipment	130,525	123,581	-	6,944	94.7%	70,575
Appropriated Reserve	62,227	-	-	62,227	0.0%	-
TOTAL EXPENSES	<u>17,726,510</u>	<u>16,487,432</u>	<u>470,369</u>	<u>768,708</u>	<u>95.7%</u>	<u>14,607,580</u>

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

CITY OF SANTA BARBARA
Interim Statement of Revenues and Expenditures
For the Twelve Months Ended June 30, 2016 (100% of Fiscal Year)

GOLF COURSE FUND

	<u>Annual Budget</u>	<u>YTD Actual</u>	<u>Encum- brances</u>	<u>Remaining Balance</u>	<u>Percent of Budget</u>	<u>Previous YTD</u>
REVENUES						
Fees & Card Sales	1,753,034	1,635,775	-	117,259	93.3%	1,640,923
Investment Income	7,900	7,635	-	265	96.6%	8,295
Rents & Concessions	325,523	310,397	-	15,126	95.4%	307,234
Miscellaneous	500	3,018	-	(2,518)	603.6%	2,037
Operating Transfers-In	180,000	-	-	180,000	0.0%	-
TOTAL REVENUES	<u>2,266,957</u>	<u>1,956,825</u>	<u>-</u>	<u>310,132</u>	<u>86.3%</u>	<u>1,958,489</u>
EXPENSES						
Salaries & Benefits	1,081,239	963,701	-	117,537	89.1%	1,089,009
Materials, Supplies & Services	720,175	695,106	-	25,069	96.5%	585,992
Special Projects	9	9	-	-	100.0%	354
Debt Service	262,122	177,419	-	84,703	67.7%	245,698
Capital Outlay Transfers	265,048	230,881	-	34,167	87.1%	80,727
Other	900	901	-	(1)	100.1%	901
TOTAL EXPENSES	<u>2,329,493</u>	<u>2,068,017</u>	<u>-</u>	<u>261,475</u>	<u>88.8%</u>	<u>2,002,681</u>

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

CITY OF SANTA BARBARA
Interim Statement of Revenues and Expenditures
For the Twelve Months Ended June 30, 2016 (100% of Fiscal Year)

INTRA-CITY SERVICE FUND

	<u>Annual Budget</u>	<u>YTD Actual</u>	<u>Encum- brances</u>	<u>Remaining Balance</u>	<u>Percent of Budget</u>	<u>Previous YTD</u>
REVENUES						
Service Charges	3,787,803	3,787,802	-	1	100.0%	2,638,369
Work Orders - Bldg Maint.	3,401,421	3,350,520	-	50,901	98.5%	2,550,333
Miscellaneous	94,946	87,329	-	7,617	92.0%	92,810
Operating Transfers-In	132,481	132,481	-	-	100.0%	132,464
TOTAL REVENUES	<u>7,416,651</u>	<u>7,358,132</u>	<u>-</u>	<u>58,518</u>	99.2%	<u>5,413,976</u>
EXPENSES						
Salaries & Benefits	3,801,207	3,772,533	-	28,674	99.2%	3,523,228
Materials, Supplies & Services	2,460,732	2,397,359	44,372	19,002	99.2%	1,587,226
Special Projects	599,220	585,613	13,722	(115)	100.0%	604,884
Capital Outlay Transfers	410,612	410,612	-	(0)	100.0%	1,267,070
Equipment	12,854	4,350	-	8,504	33.8%	6,372
Capitalized Fixed Assets	13,347	6,843	1,075	5,429	59.3%	4,252
TOTAL EXPENSES	<u>7,297,972</u>	<u>7,177,310</u>	<u>59,169</u>	<u>61,493</u>	99.2%	<u>6,993,032</u>

CITY OF SANTA BARBARA
Interim Statement of Revenues and Expenditures
For the Twelve Months Ended June 30, 2016 (100% of Fiscal Year)

FLEET REPLACEMENT FUND

	<u>Annual Budget</u>	<u>YTD Actual</u>	<u>Encum- brances</u>	<u>Remaining Balance</u>	<u>Percent of Budget</u>	<u>Previous YTD</u>
REVENUES						
Vehicle Rental Charges	2,809,765	2,953,304	-	(143,539)	105.1%	2,244,137
Investment Income	116,700	125,344	-	(8,644)	107.4%	119,259
Rents & Concessions	146,084	146,084	-	(0)	100.0%	233,966
Miscellaneous	173,118	248,122	-	(75,004)	143.3%	253,923
Operating Transfers-In	-	-	-	-	0.0%	26,156
TOTAL REVENUES	<u>3,245,667</u>	<u>3,472,854</u>	<u>-</u>	<u>(227,187)</u>	<u>107.0%</u>	<u>2,877,441</u>
EXPENSES						
Salaries & Benefits	207,466	193,485	-	13,981	93.3%	187,261
Materials, Supplies & Services	1,243	2,008	-	(765)	161.6%	2,437
Special Projects	698,567	57,627	18,313	622,627	10.9%	1,742
Capital Outlay Transfers	400,511	400,511	-	-	100.0%	-
Capitalized Fixed Assets	5,691,373	2,820,135	1,064,529	1,806,709	68.3%	2,174,812
TOTAL EXPENSES	<u>6,999,160</u>	<u>3,473,766</u>	<u>1,082,843</u>	<u>2,442,552</u>	<u>65.1%</u>	<u>2,366,252</u>

CITY OF SANTA BARBARA
Interim Statement of Revenues and Expenditures
For the Twelve Months Ended June 30, 2016 (100% of Fiscal Year)

FLEET MAINTENANCE FUND

	<u>Annual Budget</u>	<u>YTD Actual</u>	<u>Encum- brances</u>	<u>Remaining Balance</u>	<u>Percent of Budget</u>	<u>Previous YTD</u>
REVENUES						
Vehicle Maintenance Charges	2,609,691	2,620,488	-	(10,797)	100.4%	2,527,627
Reimbursements	10,000	10,000	-	0	100.0%	10,000
Miscellaneous	103,070	113,397	-	(10,327)	110.0%	130,487
TOTAL REVENUES	<u>2,722,761</u>	<u>2,743,884</u>	<u>-</u>	<u>(21,123)</u>	100.8%	<u>2,668,114</u>
EXPENSES						
Salaries & Benefits	1,252,350	1,259,916	-	(7,566)	100.6%	1,274,054
Materials, Supplies & Services	1,359,432	1,359,160	4,323	(4,050)	100.3%	1,178,126
Special Projects	81,308	38,045	16,102	27,161	66.6%	31,056
Debt Service	43,070	43,070	-	(0)	100.0%	43,070
Equipment	78,187	49,812	-	28,375	63.7%	8,201
Capitalized Fixed Assets	35,338	33,384	-	1,955	94.5%	623,402
TOTAL EXPENSES	<u>2,849,686</u>	<u>2,783,387</u>	<u>20,425</u>	<u>45,875</u>	98.4%	<u>3,157,909</u>

CITY OF SANTA BARBARA
Interim Statement of Revenues and Expenditures
For the Twelve Months Ended June 30, 2016 (100% of Fiscal Year)

SELF INSURANCE TRUST FUND

	<u>Annual Budget</u>	<u>YTD Actual</u>	<u>Encum- brances</u>	<u>Remaining Balance</u>	<u>Percent of Budget</u>	<u>Previous YTD</u>
REVENUES						
Insurance Premiums	3,156,625	3,156,625	-	0	100.0%	2,785,022
Workers' Compensation Premiums	3,342,571	3,344,112	-	(1,541)	100.0%	3,388,165
OSH Charges	231,057	231,057	-	-	100.0%	203,462
Unemployment Insurance Premium	221,805	221,805	-	-	100.0%	-
Investment Income	40,200	46,036	-	(5,836)	114.5%	43,576
Miscellaneous	-	87,773	-	(87,773)	100.0%	31,305
Operating Transfers-In	75,825	75,825	-	-	100.0%	75,825
TOTAL REVENUES	7,068,083	7,163,233	-	(95,150)	101.3%	6,527,355
EXPENSES						
Salaries & Benefits	597,085	563,544	-	33,541	94.4%	495,639
Materials, Supplies & Services	7,023,587	6,605,216	5,895	412,476	94.1%	6,596,271
Special Projects	3	3	-	-	100.0%	118
Equipment	-	-	-	-	0.0%	3,986
TOTAL EXPENSES	7,620,675	7,168,763	5,895	446,017	94.1%	7,096,014

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.

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Interim Statement of Revenues and Expenditures
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INFORMATION SYSTEMS ICS FUND

	<u>Annual Budget</u>	<u>YTD Actual</u>	<u>Encum- brances</u>	<u>Remaining Balance</u>	<u>Percent of Budget</u>	<u>Previous YTD</u>
REVENUES						
Service charges	3,204,557	3,205,019	-	(462)	100.0%	3,120,588
TOTAL REVENUES	<u>3,204,557</u>	<u>3,205,019</u>	<u>-</u>	<u>(462)</u>	100.0%	<u>3,120,588</u>
EXPENSES						
Salaries & Benefits	1,953,525	1,851,113	-	102,412	94.8%	1,679,168
Materials, Supplies & Services	1,087,157	935,241	30,063	121,852	88.8%	842,928
Special Projects	18,481	4,570	-	13,911	24.7%	1,258
Capital Outlay Transfers	604,000	604,000	-	0	100.0%	344,000
Equipment	2,750	6,028	-	(3,278)	219.2%	12,188
Capital Fixed Assets	-	-	-	-	0.0%	14
Appropriated Reserve	16,223	-	-	16,223	0.0%	-
TOTAL EXPENSES	<u>3,682,136</u>	<u>3,400,952</u>	<u>30,063</u>	<u>251,121</u>	93.2%	<u>2,879,556</u>

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

CITY OF SANTA BARBARA
Interim Statement of Revenues and Expenditures
For the Twelve Months Ended June 30, 2016 (100% of Fiscal Year)

WATERFRONT FUND

	<u>Annual Budget</u>	<u>YTD Actual</u>	<u>Encum- brances</u>	<u>Remaining Balance</u>	<u>Percent of Budget</u>	<u>Previous YTD</u>
REVENUES						
Leases - Commercial	1,428,787	1,620,023	-	(191,236)	113.4%	1,606,960
Leases - Food Service	2,844,333	3,175,806	-	(331,473)	111.7%	3,326,657
Slip Rental Fees	4,288,834	4,288,151	-	683	100.0%	4,199,917
Visitors Fees	500,000	475,569	-	24,431	95.1%	486,835
Slip Transfer Fees	575,000	855,975	-	(280,975)	148.9%	1,215,900
Parking Revenue	2,385,820	2,711,889	-	(326,069)	113.7%	2,632,676
Wharf Parking	262,258	167,401	-	94,858	63.8%	280,539
Grants	10,000	-	-	10,000	0.0%	25,131
Other Fees & Charges	242,304	272,173	-	(29,869)	112.3%	259,730
Investment Income	95,700	115,477	-	(19,777)	120.7%	124,897
Rents & Concessions	310,770	349,948	-	(39,178)	112.6%	329,623
Reimbursements	-	1,777	-	(1,777)	100.0%	-
Miscellaneous	514,792	702,171	-	(187,379)	136.4%	642,904
TOTAL REVENUES	13,458,598	14,736,359	-	(1,277,761)	109.5%	15,131,769
EXPENSES						
Salaries & Benefits	6,232,587	6,036,012	-	196,575	96.8%	5,756,671
Materials, Supplies & Services	4,251,419	4,158,035	93,848	(464)	100.0%	3,875,760
Special Projects	265,629	220,493	32,827	12,309	95.4%	197,995
Debt Service	2,741,939	2,577,737	-	164,202	94.0%	1,780,351
Transfers-Out	-	-	-	-	0.0%	2,117,678
Capital Outlay Transfers	1,453,144	1,453,144	72,244	(72,244)	105.0%	1,385,000
Equipment	81,262	44,920	-	36,342	55.3%	37,238
Capital Fixed Assets	37,104	-	-	37,104	0.0%	-
Other	-	2,375	-	(2,375)	100.0%	2,455
Appropriated Reserve	70,000	-	-	70,000	0.0%	-
TOTAL EXPENSES	15,133,084	14,492,716	198,919	441,450	97.1%	15,153,148

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.

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General Fund Revenues

The table below summarizes General Fund revenues for the year ended June 30, 2016. For interim financial statement purposes, revenues are reported on a cash basis (i.e. when the funds are received). The table below does not include all year-end adjusting entries to close the books, which will occur during the next several weeks in preparation for the annual audit and compilation of the annual financial statements. Final results will be presented in connection with the Council's review and approval of the City's Comprehensive Annual Financial Report later in the year.

Summary of Revenues For the Year Ended June 30, 2016 GENERAL FUND						
	Current Year Analysis				Prior Year Analysis	
	Annual Budget	Actual	Variance	Percent Rec'd	Prior Year Actual	Percent Variance
Sales & Use Tax	\$ 23,367,961	\$ 19,667,472	\$ (3,700,489)	84.16%	\$ 21,781,725	-9.7%
Property Tax	28,742,300	29,381,977	\$ 639,677	102.23%	27,639,323	6.3%
UUT	7,219,700	7,157,777	\$ (61,923)	99.14%	6,905,153	3.7%
TOT	19,707,100	18,646,596	\$ (1,060,504)	94.62%	18,768,114	-0.6%
Business License	2,624,400	2,619,734	\$ (4,666)	99.82%	2,574,075	1.8%
Real Prop Trans Tax	659,100	739,796	\$ 80,696	112.24%	692,204	6.9%
Total Taxes	82,320,561	78,213,352	(4,107,209)	95.01%	78,360,594	-0.2%
License & Permits	219,700	161,924	(57,776)	73.70%	196,216	-17.5%
Fines & Forfeitures	3,201,487	2,543,145	(658,342)	79.44%	3,025,847	-16.0%
Franchise Fee	3,219,400	3,157,803	(61,597)	98.09%	3,777,510	-16.4%
Use of Money & Property	1,053,059	778,423	(274,636)	73.92%	995,218	-21.8%
Intergovernmental	761,471	1,666,310	904,839	218.83%	1,077,195	54.7%
Fee & Charges	21,726,641	21,753,207	26,566	100.12%	21,864,711	-0.5%
Miscellaneous	11,559,362	11,512,853	(46,509)	99.60%	9,170,642	25.5%
Total Other	41,741,120	41,573,665	(167,455)	99.60%	40,107,339	3.7%
Total Before Budgeted Variances	124,061,681	119,787,017	(4,274,664)		118,467,933	
Anticipated Year-End Variance	2,000,000	-	(2,000,000)	0.00%	-	0.0%
Total Revenues	\$ 126,061,681	\$ 119,787,017	\$ (6,274,664)	95.02%	\$ 118,467,933	

As seen in the table above, total revenues are approximately \$6,274,664 below budget through June 30, 2016. However, as discussed further below, key revenues accruals are pending that will lower the year-end variance to approximately \$4.2 million. Note that this variance also includes the \$2 million Anticipated Year-End Variance which represents the expected *expenditure* salary and benefit cost savings caused by normal turnover and vacancies. Major revenues and significant variances are discussed below.

Sales Taxes

Sales tax revenue through June 30 is \$3,700,489 below on a cash basis. While representing four quarterly sales tax payments year-to-date, the revenues received through June 30 provide

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information for the growth in sales tax revenues earned for the quarter ended March 31, which were 0.7% below those from the prior year. Sales tax revenue is generally impacted by various factors, including major changes in gasoline prices, inflation levels, the strength of the dollar relative to other currencies that affect tourism, and the general state of the economy. Due to the negative impacts of these, and other, factors, sales tax revenues have not met expectations.

In addition, the State has changed the method of sales tax distribution—ending the “triple-flip” method in place since 2004, and returning to the previous method of distribution. On a cash basis, this effectively means that the City received less in the 3rd and 4th quarters than in prior years (which is reflected in the large budget variance), but will receive the same amount of money for fiscal year 2016. This “true-up” will be paid in September when staff expects to receive an additional \$2,200,000 in sales tax revenue for fiscal year 2016, which will be reflected in the year-end adjusting entries.

Overall, staff projects sales tax revenues to be below the original budget of \$23 million by approximately \$1,500,000 by fiscal year-end after the true-up is received.

Property Tax

Property tax revenue is \$639,677 above budget. Revenue growth for fiscal year 2016 trended higher than expected based on information provided by the County of Santa Barbara relative to increases in assessed values, which were over 6% per county records.

Utility Users' Tax

Utility users' tax revenues ended the year \$61,923 below budget. Despite large increase in the water sector and one-time proceeds from UUT audits, declines in the telephone and gas sectors impacted overall growth. The two primary reasons for the reduction in utility users' taxes is the increasing segmentation in the telephony market, which impacts traditional landline telephone and cellular telephone service, and a decline in natural gas prices.

Transient Occupancy Tax

Transient occupancy tax revenue is \$1,060,504 below budget. Compared to the prior fiscal year, total TOT revenue has remained flat. TOT revenues are generally impacted by the same factors as those affecting sales tax revenues, as described above.

License and Permits

License and permits revenue is \$57,776 below the budget. This variance is largely the result of a decline in taxicab permit revenue and animal licensing revenue. There is no data available to explain the causes of these declines, however.

Fines and Forfeitures

Fines and forfeiture revenues are \$658,342 below budget. This variance is primarily due to police parking citation revenues. While actual parking citations issued experienced only a small decrease as new parking enforcement staff were hired and trained, the significant variance is

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due to a new parking citation system implemented last year. The new system provides more notifications to customers, which has resulted in more timely payments by customers and a reduction in fines and penalties revenue resulting from late payments.

Franchise Fee

Franchise fee revenues are down over 16% compared to last year. The City has been setting aside moneys from the 1% electricity franchise fee surcharge in a special holding account pending the result of litigation challenging the legality of a portion of the fee attributable to electricity. The City has collected \$636,190 for this fee during fiscal year 2016. In addition, similar to the UUT trends highlighted above, a decline in local natural gas prices is affecting City franchise fee revenues.

Intergovernmental

Intergovernmental revenue is approximately \$904,839 above the year-end budget. The largest component of intergovernmental revenue is mutual aid reimbursements received by the Fire Department for providing assistance to other agencies. The City is reimbursed for the actual costs of providing assistance plus an overhead factor to cover the wear and tear on fire apparatus brought to the incidents. The Fire Department budgeted \$451,003 in mutual aid reimbursements and has received \$1,349,851 in reimbursements as of June 30, 2016. Staff expects to receive an additional \$350,000 within 120 days of year-end attributable to fiscal year 2016, which will be included in the year-end adjusting entries.

Fees & Service Charges

Overall, fees and service charges are \$26,566 over budget at June 30. The table below provides more details on fees and service charges by department. The more significant variances are also discussed.

Fees and Service Charges General Fund For the Year Ended June 30, 2016						
Department	Annual Budget	Actual	Budget Variance	Percent Received	Prior Year Actual	Percent Variance
Finance	\$ 961,454	\$ 964,639	\$ 3,185	100.33%	\$ 966,498	-0.2%
Community Development	4,887,843	5,636,251	748,408	115.31%	4,524,759	24.6%
Parks & Recreation	3,249,480	3,327,956	78,476	102.42%	3,209,250	3.7%
Public Safety	611,342	512,549	(98,793)	83.84%	557,776	-8.1%
Public Works	6,382,295	5,870,064	(512,231)	91.97%	5,871,048	0.0%
Library	873,320	818,868	(54,452)	93.76%	757,260	8.1%
Reimbursements	4,760,907	4,622,881	(138,026)	97.10%	5,978,120	-22.7%
Total	\$ 21,726,641	\$ 21,753,207	\$ 26,566	100.12%	\$ 21,864,711	-0.5%

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Community Development fees are approximately \$748,000 above the year-end budget. This variance is mostly due to large increases in building permits, development permits and other planning and zoning-type fee revenue, which are all driven by increased development activity.

Public Safety fees are approximately \$99,000 below the budget at June 30. Most of the variance is due to lower dismissal fees and the elimination of credit card convenience fee revenue when the Police Department transitioned to the new parking citation processing vendor.

Public Works fees are approximately \$512,000 below the year-end budget. The variance is due to lower than anticipated engineering work order revenue resulting from several vacancies in the engineering program during fiscal year 2016. This revenue shortfall is offset by salary and benefit savings.

Library fees are approximately \$54,000 below the budget at June 30. The City administration fee for the Goleta library branch—which is calculated as part of the year-end adjustments—has not yet been processed. After these year-end adjustments are processed, staff expects Library service fees to meet budget.

Reimbursement revenues are approximately \$138,000 below the year-end budget primarily due to a reduction in vehicle release fees in the Police Department of nearly \$99,000. State laws regarding the towing of vehicles have changed, thereby reducing the number of towed vehicles and impacting vehicle release fee revenues.

Miscellaneous

Total miscellaneous revenue is \$46,508 below the year-end budget. The table below describes the largest components of miscellaneous revenue, which includes overhead cost recovery, transfers in, donations, administrative citations, auction revenue, City TV revenue, sale of property, insurance rebates, refunds, and other miscellaneous revenue.

Miscellaneous Revenue General Fund For the Year Ended June 30, 2016						
Type of Misc. Revenue	Annual Budget	Actual	Budget Variance	Percent Received	Prior Year Actual	Percent Variance
Miscellaneous	\$ 2,853,237	\$ 2,933,881	\$ 80,644	102.8%	\$ 1,674,785	75.2%
Indirect Allocations	7,180,832	7,190,889	10,057	100.1%	6,411,155	12.2%
Operating-Transfers In	1,525,293	1,388,083	(137,210)	91.0%	1,084,702	28.0%
Total	\$ 11,559,362	\$ 11,512,854	\$ (46,508)	99.6%	\$ 9,170,642	25.5%

Operating-transfers in is \$137,210 below the year-end budget. Transfers in from the Traffic Safety Fund make up the majority of this shortage. Traffic Safety Fund moneys come from moving traffic citations written by the City's uniformed officers and subsequently levied by the courts. Fines can vary year to year based on the types and frequency of citations written and the results of adjudication. During fiscal year 2016, vacancies in traffic positions in the Police Department impacted the number of moving traffic citations issued, thus impacting total revenues received from the County.

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Anticipated Year-End Variances and Budgeted Savings from Concessions

The table on page 1 includes \$2,000,000 for anticipated year-end budget variances. The \$2 million is roughly equal to 2.0% of budgeted operating expenditures in the General Fund and, although budgeted as revenue, represents staff's estimate of the favorable expenditure variances (i.e. expenditures *under* budget) for the year. As is the case each year, the Anticipated Year-End Variance budgeted will not reflect any actual revenues, but rather favorable variances in expenditures by year-end.

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General Fund Expenditures

The table below summarizes the General Fund budget and year-to-date expenditures through June 30, 2016. The "Adjusted Annual Budget" column represents the adopted budget, appropriation carryovers from the prior year, and any supplemental appropriations approved by Council during the current year.

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

SUMMARY OF EXPENDITURES GENERAL FUND For the Year Ended June 30, 2016						
Department	Adjusted Annual Budget	YTD Actual	YTD Variance Without Encumbrance	Encum- brance	YTD Variance With Encumb Favorable (Unfavorable)	
					\$	%
Mayor & Council	\$ 3,442,809	\$ 3,409,657	\$ 33,152	\$ 45,983	\$ (12,831)	-0.4%
City Attorney	2,549,601	2,392,839	\$ 156,762	151,699	\$ 5,063	0.2%
City Administrator	2,248,949	2,082,285	\$ 166,664	26,520	\$ 140,144	6.2%
Administrative Svcs.	2,817,672	2,436,254	\$ 381,418	114,692	\$ 266,726	9.5%
Finance	5,553,095	5,245,503	\$ 307,592	50,311	\$ 257,281	4.6%
Police	39,542,631	37,411,990	\$ 2,130,641	176,080	\$ 1,954,561	4.9%
Fire	24,920,409	25,635,897	\$ (715,488)	41,566	\$ (757,054)	-3.0%
Public Works	8,565,157	7,763,756	\$ 801,401	195,592	\$ 605,809	7.1%
Parks & Recreation	16,857,006	15,811,931	\$ 1,045,075	172,879	\$ 872,196	5.2%
Library	5,472,124	4,759,994	\$ 712,130	138,795	\$ 573,335	10.5%
Community Development	11,417,735	10,763,679	\$ 654,056	158,219	\$ 495,837	4.3%
Non-Departmental	3,425,439	1,265,221	\$ 2,160,218	-	\$ 2,160,218	63.1%
Total	<u>\$ 126,812,627</u>	<u>\$ 118,979,005</u>	<u>\$ 7,833,621</u>	<u>\$ 1,272,337</u>	<u>\$ 6,561,285</u>	<u>5.2%</u>
% of annual budget		93.8%	6.2%	1.0%	5.2%	

The Adjusted Annual Budget of \$126.8 million at June 30, compared to actual expenditures of \$119 million, resulted in a favorable variance of approximately \$7.8 million (before encumbrances). Overall, this is a very unusual variance caused by salary and benefit savings in several departments. Significant variances in departments are discussed below.

City Attorney

City Attorney expenditures ended the year under budget by \$156,699. However, if you include encumbrances relating to contracts for zoning ordinances, vacation rental enforcement and litigation, the department is on target with budget.

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Administrative Services

Administrative Services expenditures ended the year under budget by \$381,418. This savings is due to four vacancies in Human Resources, the City Clerk, and Information Technology. Three of these four positions have been filled.

Police Department

Expenditures are below year end budget by \$2,130,641. This is due to the ongoing effect of the department's challenges in filling vacancies. Overtime is higher at yearend; however, this is more than offset by salary and benefit savings.

Fire Department

The Fire Department is over budget by \$715,488 at year end, attributable to two factors. First, the Department exceeded overtime related to mutual aid calls. Mutual aid expenditures relate to the cost of providing assistance to other locations throughout the state. The level of response is difficult to predict, and staff budgets an amount approximating historical averages. This past year, due to continued dry conditions, was a very high fire year. As such, the Fire Department incurred a total of \$984,854 in mutual aid costs against a budget of \$395,459, for an overage of \$589,395. These costs are more than offset by mutual aid reimbursements which, for fiscal year 2016, totaled \$1,349,851, exceeding budget by almost \$898,000.

The second is related to benefits costs, which were over budget at year end by approximately \$269,000. This is mostly due to increased retirement costs and vacation cash outs.

Public Works

Expenditures are below year end budget by \$801,401, primarily attributable to the following:

1. Vacancies – Savings from vacancies was approximately \$503,000. The Engineering Program had several vacancies throughout the year, including three positions in the survey section that have been removed in fiscal year 2017. There were also two supervising engineers, a senior engineering technician and an engineering technician II position vacant.
2. Services and Supplies ended the year with a savings of approximately \$298,000. Of this savings, \$195,592 was due to encumbrances which will be spent in fiscal year 2017. The remaining savings were spread across several services and supplies accounts.

Parks and Recreation Department

Department expenditures ended the year below budget by approximately \$1,045,000. Approximately \$774,000 of the variance is due to reduced salary and benefit costs as a result of over fourteen vacant positions for varying lengths of time throughout the year. These savings were across Administration, Parks and Recreation Divisions, and included a savings in both full time and hourly employees. As of year-end the full time positions have been filled.

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Services and supplies ended the year approximately \$101,000 below budget mostly as a result of reduced water costs due to irrigation restrictions from the drought.

Library

Expenditures are below year end budget by \$712,130. Most of the variance is due to reduced salary and benefit costs as a result of several vacant positions for most of the year. As of year-end most of the positions have been filled.

General Government (Non-Departmental)

Expenditures are below YTD budget by approximately \$2.2 million. This variance is due to the anticipated year-end surplus of \$1,887,742 established as an appropriated reserve to ensure some level of funds are available at year end to increase reserve balances and provide supplemental funding for capital. The intention was that the appropriated reserve would not be spent during the year, which they were not.

This variance is also due to the programming of \$400,000 of appropriated reserves to cover contingencies that arise during the course of the fiscal year. At year end \$338,696 appropriated reserves were used.

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Enterprise Fund Revenues and Expenses

Unlike the General Fund, which relies primarily on taxes to subsidize programs and services, Enterprise Fund operations are financed primarily from direct user fees and other non-tax revenues. The table below summarizes Enterprise Fund revenues and expenses through June 30, 2016, with a comparison to the current year budget and prior year expenses.

SUMMARY OF REVENUES & EXPENSES For The Year Ended June 30, 2016 ENTERPRISE FUNDS						
	Current Year Analysis				Prior Year Analysis	
	Amended Budget	YTD Actual	YTD Variance	YTD Percent	YTD Actual	% Variance
Solid Waste Fund						
Revenues	\$ 20,952,792	\$ 20,622,567	\$ (330,225)	98.4%	\$ 20,842,680	-1.1%
Expenses	20,999,104	20,445,243	\$ (553,861)	97.4%	20,272,551	0.9%
Water Fund						
Revenues	48,401,895	48,530,760	\$ 128,865	100.3%	37,630,299	29.0%
Expenses	52,575,224	47,516,651	\$ (5,058,573)	90.4%	47,714,960	-0.4%
Wastewater Fund						
Revenues	19,077,948	19,102,092	\$ 24,144	100.1%	17,943,308	6.5%
Expenses	21,034,127	18,762,004	\$ (2,272,123)	89.2%	18,478,848	1.5%
Downtown Parking Fund						
Revenues	8,714,958	8,959,248	\$ 244,290	102.8%	8,583,029	4.4%
Expenses	8,894,872	8,562,430	\$ (332,442)	96.3%	7,921,693	8.1%
Airport Fund						
Revenues	16,446,398	16,033,451	\$ (412,947)	97.5%	15,736,014	1.9%
Expenses	17,726,510	16,487,432	\$ (1,239,078)	93.0%	14,607,580	12.9%
Golf Fund						
Revenues	2,266,957	2,136,825	\$ (130,132)	94.3%	1,958,489	9.1%
Expenses	2,329,493	2,170,396	\$ (159,097)	93.2%	2,002,681	8.4%
Waterfront Fund						
Revenues	13,458,598	14,736,359	\$ 1,277,761	109.5%	15,131,769	-2.6%
Expenses	15,133,084	14,492,716	\$ (640,368)	95.8%	15,153,148	-4.4%

The expenses shown in the table do not include outstanding encumbrances at June 30, 2016.

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

Water Fund

Water Fund revenues are slightly over the year end budget by approximately \$129,000. Metered water sales revenue ended the year with a shortfall of approximately \$370,000, which is consistent with projections included in the Third Quarter Review. Water service buy-in fees were over budget by \$312,571 due to large development projects, such as the Entrada Project and the project at the old Sandman Inn location on upper State St. Other Miscellaneous Revenues and Reimbursements you slightly over budget, as well.

Expenses for the Water Fund are below budget by approximately \$5 million. The main causes of this variance are as follows:

1. Approximately \$633,000 is due to savings from salaries and benefits, due to turnover and retirements.
2. \$935,000 is due to savings in water purchases, as a result of prior year credits received from COMB and CCWA. COMB and CCWA credits consist of reconciliation of actual expenditures compared to budget. Budgets are submitted to the City using conservative estimates, and then once actuals are realized, there is a true-up of costs.
3. \$1.6 million consists of materials, services and supplies:
 - a. \$991,000 savings in Chemicals and Waste Disposal costs for the Ortega Groundwater Treatment Plant, as they have not had to change out the water filter media as often as planned, thus saving on costs.
 - b. \$823,000 savings in Facilities Maintenance and Professional Services. With staff vacancies and increased workloads, resources have been diverted towards drought needs.

Wastewater Fund

Wastewater Fund revenues ended the year approximately \$24,000 over budget. This is due to a combination of a reduction in sewer service charges as a result of the drought, combined with an increase in Miscellaneous Revenues and Sewer Buy-In Fees due to large projects, in particular the Rethink Project on State Street.

Wastewater Fund expenses are approximately \$2.2 million below the year end budget, of which \$883,371 was encumbered but not yet spent at year end. The remaining savings of approximately \$1.4 million is comprised of the following items:

1. Salaries and Benefits - \$338,293 savings due to several vacancies throughout the year.
2. Materials, Supplies and Services - \$633,740 savings is a combination of (a) \$213,000 in fiscal year 2015 budget encumbrance that were carried forward to fiscal year 2016, which funded 2016 expenditures; (b) savings from better pricing of chemicals; (c) due to the hot weather, less rain and the use of a lighter polymer, there was less waste which reduced hauling costs; and routine facilities maintenance costs were reduced as staff time was redirected towards large capital projects throughout the year.
3. Debt Service - \$167,454 savings from the Fats, Oil, and Grease (FOG) loan; the principle payment was not required for fiscal year 2016 as the project completion date

*Fiscal Year 2016 Interim Financial Statements
For the Year Ended June 30, 2016 (100% of Year Elapsed)*

was extended into fiscal year 2017. In addition, the 2004 Sewer Bond transfer was approximately \$71,000 less than budget due to dividends earned on the Bond Reserve, which covered a portion of the annual debt service payment.

Downtown Parking Fund

Downtown Parking Fund revenues are above the budget by \$244,290, mostly due to an increase in the number of monthly parking permits over projections that were used to develop the budgeted estimate.

Downtown Parking Expenses are below the year-end budget by \$332,442. Approximately \$80,000 of salary savings was due to turnover of long term employees in maintenance. The majority of the remaining savings is tied to professional services, equipment repair, and non-contractual items. Downtown Parking's major contracts include parking equipment and elevators. Over the years they have upgraded equipment and improved preventative maintenance, therefore reducing the costs for new parts.

Airport Fund

Airport Fund revenues are below the year-end budget by approximately \$413,000, as a result of the following:

1. Lease revenues generated from commercial/industrial properties owned by the Airport were below budget by \$146,013. This shortfall is primarily due to vacancies, the sale of property at 6100 Hollister Avenue and aggressive revenue assumptions for High Sierra Grill.
2. Commercial aviation revenue was below budget by \$112,828 mainly due to a mid-year reduction in the parking rate paid by terminal airline employees, which was reduced to reflect the discontinuation of the Long Term Parking Lot 2 shuttle.
3. The cancellation of an MOU between the Cities of Santa Barbara and Goleta for the Runway Protection Zone (RPZ) analysis. The project was cancelled by the City of Goleta due to grant funding issues.

Expenses for the Airport Fund ended the year \$1,239,078 under budget. Of this, \$470,369 was due to encumbrances which will be spent in fiscal year 2017. The remaining variance is mostly due to salary and benefit savings. There have been substantial vacancies throughout the year across several programs, including the Airport Business Development Manager (ABDM) position and Airport Patrol Officers. The ABDM position was filled in May and recruitment efforts are underway for the other positions.

Golf Fund

Fiscal year 2016 was a year of transition. The City conducted a lengthy request for proposals process for a golf management contractor to operate the entire golf course, with the exception of the restaurant. The City selected CourseCo whose contract began July 1, 2016. Concurrently, the City negotiated a new concession agreement with owners of Mulligan's restaurant, which also became effective July 1, 2016.

*Fiscal Year 2016 Interim Financial Statements
For the Year Ended June 30, 2016 (100% of Year Elapsed)*

Competition with other local privately run golf courses and a general decline in golf play over the last 15-20 years continue to challenge the City to attract new players and increase overall play. However, staff is optimistic about having a new management company on board who will significantly increase the level of marketing and community engagement, which is expected to increase play and generate sufficient revenues to create a financially sustainable golf course.

During the transition year (fiscal year 2016), total Golf Fund revenues ended the year below budget by approximately \$130,000. However, the adopted budget was increased in conjunction with an increase in the marketing budget with the hopes that an increase in the level of marketing could generate additional revenues. Due to staff's focus on finding a new management company and negotiating a new concession agreement, marketing efforts were not increased. However, greens fee revenues were only down from last year by \$5,148 and golf rounds were less than 1% below last year.

Golf Fund expenses are below the year end budget by approximately \$159,000. The majority of these savings are from salaries and benefits due to the retirements of several staff as Golf prepares to transfer management of the Golf Fund to the management company.

Waterfront Fund

Waterfront Department revenues exceeded budget by \$1,277,761, or 15%. Overall, Waterfront revenues are driven by weather and economic conditions. Continued good summer weather and warm fall and winter seasons contributed to significant increases in revenues. The most significant increases are as follow:

1. Property Management revenues were approximately \$730,000 of this variance; in particular, the harbor food service, wharf food service, and commercial harbor revenue.
2. \$235,000 of this surplus is due to increases in parking revenue across all waterfront lots, with the exception of Stearns Wharf, likely due to construction.
3. Slip transfer fees are approximately \$281,000 above budget.
4. Cruise ships are over budgeted revenue by approximately \$143,000 as a result of several additional ships visiting Santa Barbara.

Expenses for the Waterfront Fund are below the year end budget by approximately \$640,000, attributable to the following items.

1. \$196,575 of the variance is due to lower salary and benefit costs. There were savings in both Harbor Patrol and Facilities Divisions, due to staff retirements which left vacancies for varying lengths of time. Some positions are still vacant.
2. Debt service accounted for approximately \$164,000 of this savings. With the increased revenues, the department was able to repay the balance due on a general fund loan early.
3. The variance is also due to \$70,000 of appropriated reserves that were not utilized.

City of Santa Barbara
Interim Financial Statements for the Year Ended June 30, 2016
Proposed Budget Adjustments

	<u>Increase (Decrease) in Appropriations</u>	<u>Increase (Decrease) in Estimated Revenues</u>	<u>Addition to (Use of) Reserves</u>
GENERAL FUND (1000)			
General Government			
Transfer from City Administrator Cal Grip Grants Fund for Overpayment of Cal Grip Grant	\$ -	\$ 17,991	\$ 17,991
<p>The Cal Grip Grant received an overpayment from the granting agency in FY 10, of \$17,991. In the years since, the department has made several attempts to contact the State and return the funds, unsuccessfully. As the Grant has been closed for 5 years and no other resolution is available, the recommended entries will transfer the balance to the General Fund.</p>			
Transfer from Police Grants Fund for Selective Traffic Enforcement Grant	-	2,291	2,291
Transfer from Police Grants Fund for AVOID Grant	-	2,517	2,517
<p>The City received reimbursements in prior years for Selective Traffic Enforcement and AVOID Grants from the granting agencies for expenses that were incurred in the General Fund. The recommended entries will transfer the funds to the General Fund where the costs were incurred.</p>			
Mayor & Council			
Increase Appropriations for Mayor & Council Activities	10,000		(10,000)
<p>Benefits for group insurance were budgeted based on FY 15 elections. Due to changes to the elections for insurance benefits in FY 16, the budget was understated. The recommended entry will increase appropriations to cover the group insurance costs for FY 16.</p>			
Fire Department			
Increase Estimated Revenues and Appropriations for Mutual Aid Activities	898,848	898,848	-
<p>Due to a high fire season, the Fire Department experienced higher than anticipated mutual aid expenditures related to the cost of providing assistance to other locations in the state. These recommended entries increase the appropriations and estimated revenues for the additional overtime costs incurred responding to these calls, which are partially reimbursable per mutual aid agreements.</p>			
Total General Fund	<u>\$ 908,848</u>	<u>\$ 921,648</u>	<u>\$ 12,800</u>
SPECIAL REVENUE FUNDS			
Streets Capital Fund (3400)			
Transfer from Streets Grants Capital Fund for Bridge Preventative Maintenance Project Phase 2	\$ -	\$ 10,000	\$ 10,000
Increase Appropriations for Bridge Preventative Maintenance Phase 2 Project	10,000	-	(10,000)
<p>The Bridge Preventative Maintenance Phase 2 Project is a federally funded grant project in the final design stage and will be constructed in FY 2017. The Bridge Preventative Maintenance Grant Program provides funding for routine bridge maintenance and repairs and also provides city match to federally funded projects. These recommended entries will transfer the \$10,000 city match to the Bridge Preventative Maintenance Phase 2 Project.</p>			
Adjust Capital Project Budgets:			
Decrease Appropriations - Overlays - Pavement Maintenance	(50,000)	-	50,000
Increase Appropriations - Gutierrez St Bridge Replacement Project	50,000	-	(50,000)
<p>The Gutierrez St Bridge Replacement Project is over budget due to increased consultant costs. Scoping for the project took longer than originally estimated due to creeks requirements, also increasing the cost for staff time. Staff recommend temporarily funding the increases from Overlays-Pavement Maintenance until the property located at 20 West Mason is sold. At that time, it is anticipated there will be surplus on this sale, which will be used to reimburse Overlays-Pavement Maintenance.</p>			
Total Streets Capital Fund	<u>\$ 10,000</u>	<u>\$ 10,000</u>	<u>\$ -</u>

	Increase (Decrease) in Appropriations	Increase (Decrease) in Estimated Revenues	Addition to (Use of) Reserves
SPECIAL REVENUE FUNDS (cont'd)			
Affordable Housing Fund (2120)			
Increase Appropriations for Forgiveness of Loan Receivable	\$ 300,000	\$ -	\$ (300,000)
<p>The Affordable Housing Fund lent \$300,000 to the Coalition for the Homeless Shelter with terms providing that they operate a shelter for 15 years at which time the loan would be forgiven. The terms of the loan were met. This recommended entry increases the appropriation to book the forgiveness of the loan.</p>			
Total Affordable Housing Fund	\$ 300,000	\$ -	\$ (300,000)
Streets Grants Capital Fund (3410)			
Increase Estimated Revenues and Appropriations - Local Surface Transportation Program	\$ 2,368	\$ 2,368	\$ -
<p>Local Surface Transportation Program provides funding for local street and road maintenance projects. Staff prepared the annual budget based on estimates. The actual amount received over the years for the program is \$2,368 more than was budgeted. This adjustment increases the estimated revenues and appropriations, allowing the department the ability to receive and utilize the additional funding.</p>			
Adjust Capital Project Budgets:			
Decrease Appropriations - Mason St Bridge Replacement Project	(50,000)	-	50,000
Decrease Appropriations - Cota St Bridge Replacement Project	(50,000)	-	50,000
Increase Appropriations - HSIP Crosswalk Enhancements	100,000	-	(100,000)
<p>The HSIP Crosswalk Enhancements Project bids came in higher than budgeted. In addition, Cal Trans funding was less than original estimates. Two bridge projects, Mason St and Cota St Bridge Replacement Projects have completed the construction phases under budget. These recommended entries will transfer the available appropriations from the two bridge projects to the HSIP Crosswalk Enhancements Project.</p>			
Transfer to Streets Capital Fund for Bridge Preventative Maintenance Project Phase 2	10,000	-	(10,000)
Decrease Appropriations for Bridge Preventative Maintenance Program	(10,000)	-	10,000
<p>The Bridge Preventative Maintenance Phase 2 Project is a federally funded grant project in the final design stage and will be constructed in FY 2017. Costs were higher than estimated due to some environmental issues, which took more time for both the consultant and staff. The Bridge Preventative Maintenance Program provides funding for routine bridge maintenance and repairs and also provides city match to federally funded projects. These recommended entries will provide the \$10,000 needed city match to the Bridge Preventative Maintenance Phase 2 Project.</p>			
Total Streets Grants Capital Fund	\$ 2,368	\$ 2,368	\$ -
Police SLESF Fund (2320)			
Increase Estimated Revenues and Appropriations to Supplemental Law Enforcement Fund COPS Program	\$ 16,500	\$ 16,500	\$ -
<p>The Police Department receives federal revenue to pay for expenses related to an officer position. In FY 16 additional revenue was received. The revenues will be used to pay for the expenses relating to a police officer position. The recommended entries increase estimated revenues and expenditures allowing the department the ability to utilize the additional funding.</p>			
Total Police SLESF Fund	\$ 16,500	\$ 16,500	\$ -
City Administrator Cal Grip Grants Fund (2805)			
Transfer to General Fund for Overpayment of Cal Grip Grant	\$ 17,991	\$ -	\$ (17,991)
<p>The Cal Grip Grant received an overpayment from the granting agency in FY 10, of \$17,991. In the years since, the department has made several attempts to contact the State and return the funds, unsuccessfully. As the Grant has been closed for 5 years and no other resolution is available, the recommended entries will transfer the balance to the General Fund.</p>			
Total City Administrator Cal Grip Grants Fund	\$ 17,991	\$ -	\$ (17,991)

	Increase (Decrease) in Appropriations	Increase (Decrease) in Estimated Revenues	Addition to (Use of) Reserves
SPECIAL REVENUE FUNDS cont'd			
Police Grants Fund (2830)			
Transfer to General Fund for Overpayment of Selective Traffic Enforcement Grant	\$ 2,291	\$ -	\$ (2,291)
Transfer to General Fund for Overpayment of AVOID Grant	2,517	-	(2,517)
<p>The City received reimbursements in prior years for Selective Traffic Enforcement and AVOID Grants from the granting agencies for expenses that were incurred in the General Fund. The recommended entries will transfer the funds to the General Fund where the costs were incurred.</p>			
Total Police Grants Fund	\$ 4,809	\$ -	\$ (4,809)
Parks and Recreation Grants Fund (2860)			
Increase Estimated Revenues and Appropriations for Family Health & Nutrition Program	\$ 1,546	\$ 1,546	\$ -
<p>Family Health & Nutrition Project provides culinary education to participants. The program incurred additional costs of \$1,546 which will be offset by reimbursement from the PARC Foundation. These recommended entries will increase estimated revenues and appropriations in the Family Health & Nutrition Program by \$1,546.</p>			
Increase Estimated Revenues and Appropriations for Rose Garden Improvements Project	5,000	5,000	-
<p>Rose Garden Improvements Project received additional donations of \$5,000 from a private trust to provide funding for costs such as specific fertilizers and quality composts that benefit the growth of roses. These recommended entries will increase estimated revenues and appropriations in the Project by \$5,000, allowing the department the ability to utilize the funds towards this project.</p>			
Total Parks and Recreation Grants Fund	\$ 6,546	\$ 6,546	\$ -
ENTERPRISE FUNDS			
Water Drought Fund (5011)			
Transfer from Water SRF Loan Fund for Desalination Project		\$ 1,899,152	\$ 1,899,152
<p>In FY 14 & 15, before the Water SRF Loan Fund was established, the Drought Fund incurred \$1,899,152 in reimburseable costs related to the Desalination Project. The reimbursement for these costs were subsequently received into the Water SRF Loan Fund. This transfer will align all the reimburseable costs for the Desalination Project with the SRF funding, within the same Fund.</p>			
Total Water Drought Fund	\$ -	\$ 1,899,152	\$ 1,899,152
Water SRF Loan Fund (5030)			
Transfer to Water Drought Fund for Desalination Project	\$ 1,899,152		\$ (1,899,152)
Decrease Appropriation for Desalination Project	\$ (1,899,152)		\$ 1,899,152
<p>In FY 14 & 15, before the Water SRF Loan Fund was established, the Drought Fund incurred \$1,899,152 in reimburseable costs related to the Desalination Project. The reimbursement for these costs were subsequently received into the Water SRF Loan Fund. This transfer will align all the reimburseable costs for the Desalination Project with the SRF funding, within the same Fund.</p>			
Total Water SRF Loan Fund	\$ -	\$ -	\$ -



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: September 13, 2016

TO: Mayor and Councilmembers

FROM: Creeks Division, Parks and Recreation Department

SUBJECT: Conceptual Design Contract For The Restoration Of The Andrée Clark Bird Refuge

RECOMMENDATION: That Council:

- A. Authorize the Parks and Recreation Director to execute a Professional Services Agreement with Anchor QEA, LLC in the amount of \$137,000 to perform technical studies and prepare conceptual design plans for restoration of the Andrée Clark Bird Refuge; and
- B. Authorize the Parks and Recreation Director to approve expenditures of up to \$14,000 for extra services from Anchor QEA, LLC that may result from necessary changes in the scope of work.

DISCUSSION:

Background

The Andrée Clark Bird Refuge (Bird Refuge) is a 29-acre lake located on the east end of Santa Barbara. The lake is an historic salt marsh that was dredged in the late 1920's to provide a year-round water feature and improve habitat for open water bird species. The Bird Refuge is an important aesthetic feature of the City and provides wildlife habitat as well as recreational open space for the community.

Poor water quality conditions and strong odors at the lake have been problematic since the 1930's. In the past ten years, the poor water quality (low dissolved oxygen levels, cyanobacteria blooms, poor water clarity, and strong odor) has continued to deteriorate due to the accumulation of nutrients, lack of flushing storm events, and drought conditions.

The Bird Refuge is unique when compared to other small lakes for two primary reasons: 1) it is very shallow, and 2) it does not flush on a regular basis, so nutrients are continually deposited, but not removed from the system. Because of these unique characteristics, most of the water quality improvement techniques that often work for small lakes would be, or have proven to be, ineffective in the Bird Refuge.

Various strategies to improve water quality and reduce odor events have been proposed and/or implemented during the last 80 years (dredging, copper sulfate, supplemental water, etc.). None of these techniques have proved to be cost effective or successful in the long-run.

In an effort to develop a long-term solution to the deteriorating water quality, wildlife habitat, and periodic odor events, the Creeks Division started intensive water quality monitoring of the Bird Refuge in 2012. The same year, the Creeks Division also implemented a pilot project to improve water quality by increasing circulation and dissolved oxygen within a section of the lake. Although continued water quality monitoring has provided valuable data for assessing potential solutions, the pilot project has not significantly increased dissolved oxygen.

Restoration Alternatives

Over the last two years, the Creeks Division evaluated a number of potential techniques for improving water quality conditions in the Bird Refuge. Staff reviewed all existing City documentation related to improving water quality and reducing odor in the Bird Refuge and met with several technical experts.

The goals of the current project are to improve water quality, wildlife habitat (aquatic and avian), and aesthetics, and reduce odors while maintaining current flood protection. The final conceptual design will strive to meet the identified goals using a cost effective approach for which necessary permits are likely to be granted. Eight alternatives were identified for preliminary consideration. Generally speaking, the alternatives employed different strategic combinations of dredging, filling, flushing, probiotics, and hydrologic restoration.

The alternatives were presented to the City's Sustainability Council Committee on June 20, 2016. Based on estimated cost, feasibility, and potential for success in meeting the project goals, the Sustainability Council Committee recommended that the Creeks Division focus on three of the alternatives for further assessment. These alternatives are: 1) Make no physical changes to the Bird Refuge and allow continued deposition of nutrients and sediment; 2) Improve flushing of the lake through modifications to the weir and weir gate at Cabrillo Boulevard and the ocean outfall on East Beach; 3) Improve flushing of the lake by modifications to the weir and weir gate at Cabrillo Boulevard and ocean outfall on East Beach, periodic mechanical opening of the ocean outfall on East Beach, and partial dredging and filling of the lake to increase water depth, improve habitat, reduce lake surface area, and provide additional recreation features (i.e., trail around the lake).

Because the Bird Refuge is a sensitive wetland in the Coastal Zone, any proposed project at the site will likely require permits from the City Planning Commission, as well as

numerous state and federal regulatory agencies including the California Coastal Commission, Regional Water Quality Control Board, California Department of Fish and Wildlife, U.S. Army Corps of Engineers, National Atmospheric and Oceanic Administration, and U.S. Fish and Wildlife Service.

Technical Services Scope of Work/Consultant Selection

Following the Sustainability Council Committee meeting, staff developed a scope of work for Anchor QEA, LLC to perform engineering and scientific analysis on the three project options, and to develop a final conceptual design for restoration of the Bird Refuge. Specifically, the conceptual design contract will include topographic and bathymetric surveying, hydraulic modeling, flood zone mapping, biological surveys, structural engineering, coastal process modeling, and construction cost estimates.

As part of a competitive bid process in December 2014, Anchor QEA, LLC was selected to develop a dredging feasibility report for the Bird Refuge. Anchor QEA, LLC successfully completed the feasibility report on time and within budget. Anchor QEA, LLC is familiar with the Bird Refuge and has developed considerable baseline knowledge of the issues and potential solutions at the site. In addition, Anchor QEA, LLC has extensive experience in coastal engineering and coastal wetland restoration, having designed over ten major coastal engineering projects within California. Anchor QEA, LLC billing rates for this project will remain the same as those provided in the competitive 2014 RFP process, which represents a fair and reasonable price to complete the scope of work.

Timeline

With Council approval of the contract, the technical studies and conceptual design phase will begin in October 2016. During the design process there will be two public meetings, as well as focused outreach to stakeholders including permitting agencies and the adjacent neighborhood. Input from the public and various stakeholders will be incorporated into the design, and a preferred alternative will be identified. Final concept design plans will be delivered in May 2017. During 2017 and 2018, grant applications will be submitted to obtain additional project funding, and permitting, environmental review, and land-use approvals will be completed. Final design plans and construction bidding will be completed in early 2019 with project construction anticipated during the summer of 2019.

BUDGET/FINANCIAL INFORMATION:

The cost to perform technical studies and prepare the concept design plans is \$137,000. A ten percent change order of \$14,000 is also included to cover any cost increases that may result from necessary changes to the scope of work. With contingency funds, the total cost for the Anchor QEA, LLC contract is \$151,000. Funds for this project are included in the Creeks Division's Fiscal Year 2017 Capital Improvement Fund.

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

SUSTAINABILITY IMPACT:

The purpose of the restoration project is to improve water quality and wildlife habitat in the Andrée Clark Bird Refuge. These efforts will contribute to local, regional, and federal objectives of improving water quality and wetland habitat.

PREPARED BY: George Johnson, Creeks Supervisor

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

APPROVED BY: City Administrator's Office



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: September 13, 2016

TO: Mayor and Councilmembers

FROM: Administration Division, Parks and Recreation Department

SUBJECT: Cabrillo Pavilion Renovation Status And Restaurant Concession

RECOMMENDATION: That Council:

- A. Receive a status report on the Cabrillo Pavilion and Bathhouse Renovation Project; and
- B. Recommend that the Parks and Recreation Department initiate a competitive bid process to secure a restaurant concessionaire for the renovated facility.

EXECUTIVE SUMMARY:

The primary objective of the Cabrillo Pavilion and Bathhouse Renovation Project (Project) is to achieve a viable community recreation center that supports a broad range of public recreation, coastal access, and social event activities. The Project includes complete renovation of the facility's mechanical, electrical, plumbing, and communication systems, and associated structural and seismic, fire protection, and accessibility upgrades. Over the last two years, the Parks and Recreation Department (Department) completed extensive technical studies, secured the Coastal Development Permit from the Planning Commission in August 2015, and received Historic Landmarks Commission Final Design approval in March 2016. Construction is tentatively scheduled to begin in January 2018 and the entire building will be closed for at least 18 months.

Since it opened to the public in 1927, the Cabrillo Pavilion has had a variety of concessionaires providing food and beverage to facility users and beachgoers. The City's current lease with East Beach Grill will naturally expire on December 31, 2017, at which time the restaurant space will be vacated for approximately 18 months to two years to accommodate the Project and redesign of the restaurant concession space. On August 24, 2016 the Parks and Recreation Commission held a public hearing to consider the approach to leasing the newly designed restaurant space after completion of the Project. The Commission recommended (4/1) that the City first provide Francisco Aguilera, owner and operator of East Beach Grill, the opportunity to negotiate a new lease agreement for a

reasonable period of time at the discretion of the Parks and Recreation Director. If negotiations proved unsuccessful, the City could then pursue a competitive bid process. With final plans nearing completion, however, timing is critical and if negotiations with Mr. Aguilara were unsuccessful, it may be difficult to engage in a competitive request for proposal process and still have a future tenant open and ready to operate when the rest of the renovated Cabrillo Pavilion is opened to the public.

City staff believes that it is in the best interest of the City, and is recommending, that Council direct staff to pursue a competitive request for proposal process to secure a restaurant concessionaire for the space. The renovated restaurant space will be enlarged, significantly upgraded, and exist in a condition that will be new to the market. The redesigned shell will require a new service style and a significant financial investment by the future tenant in order to complete tenant improvements and install the restaurant fixtures, equipment, and furnishing. A competitive request for proposal process, which Mr. Aguilara may participate in, provides an incentive to interested restaurant concessionaires to negotiate price and terms most favorable to the City. It also provides the City with an objective way to balance the financial benefits with the amenities and services that would be provided by the new concessionaire to facility users and the general public.

DISCUSSION:

Renovation Project Background

The primary objectives of the Cabrillo Pavilion and Bathhouse Renovation Project (Project) are to achieve a viable community recreation center and return the building to its original status as the “crown jewel of East Cabrillo Boulevard.” Constructed and gifted to the City by David Gray, the Cabrillo Pavilion and Bathhouse has provided community cultural and recreational opportunities since 1927. Today, the building’s outdated interiors, structural deficiencies, failing mechanical, electrical, and plumbing systems, as well as poor site accessibility, significantly limit its potential to serve Santa Barbara residents and visitors. A City designated Structure of Merit and one of the City’s most significant public assets, renovation of the building will ensure its role as a prime recreational facility well into the future.

The Project includes complete renovation of the facility’s mechanical, electrical, plumbing, and communication systems, and associated structural and seismic, fire protection, and accessibility upgrades. Proposed exterior building improvements include restoration of the original beach level promenade, renovation of exterior building modifications, repairs of the building façade, site grading to achieve accessibility standards and improve facility access, design modifications to the parking lots to address accessibility, and renovation of the site landscaping, outdoor showers, and covered walkway (stoa) adjacent to the playground. The Project also includes installation of a boardwalk to connect the promenade to the beach.

Proposed interior improvements for the Bathhouse floor (lower level) include restoration of the lobby, renovation of men's and women's shower and locker facilities, new multi-purpose rooms for gym/fitness, recreation programs, meetings and special events, a new small tenant space, and renovation of the area for a private restaurant concession. An exterior service entrance will be installed on the north side of the building to provide access to the Bathhouse floor, interior elevator, and restaurant concession kitchen area. Improvements for the Pavilion floor (upper level) include redesign of the lobby to create one large room, renovation of the main special event room and restrooms, installation of a modern prep kitchen for special events and functions, and renovation of the enclosed terrace with new windows and doors. The interior elevator will connect the two floors.

Renovation Project Status

Significant progress has been made since the Successor Agency and Oversight Board approved project funding in December 2013. Working with project architects, Kruger Bensen Ziemer Architects, Inc. (KBZ), and other technical consultants, the Department completed extensive technical studies, secured the Coastal Development Permit from the Planning Commission in August 2015, and received Historic Landmarks Commission Final Design approval in March 2016. Final plans are nearing completion, and the LEED certification process is underway. It is anticipated that the building permits could be issued in early 2017. It will take at least six months to complete the construction bid process. Project construction is tentatively scheduled to begin in January 2018. Due to the extensive site excavation for accessibility and building structural work, as well as the complete overhaul of all building systems and interior spaces, the entire building will be closed for at least 18 months.

Restaurant Concession

Since it opened to the public in 1927, the Cabrillo Pavilion has had a variety of concessionaires providing food and beverage to facility users and beachgoers. In consideration of the location at the beach and within a public recreation facility, the format for the food and beverage service has generally been a casual snack bar style. In 1983, the City entered into an eight-year lease agreement with John Williams, dba Char West, to operate a snack bar on the Bathhouse floor of the facility. Mr. Williams opened for business in 1984. The lease agreement was subsequently renewed in 1991. The City entered into a new ten-year lease agreement with John Williams, dba East Beach Grill, in 1998. The 1998 agreement included two five-year renewal options. The business was transferred from John Williams to Francisco Aguilera in 2008. Since both of the two five-year renewal options have been exercised, the current lease agreement expires on December 31, 2017.

Along with other public stakeholders, the Department first engaged Mr. Aguilera about the potential facility remodel during the preliminary facility needs assessment in 2011. Since the project restarted in January 2014, the Department has kept Mr. Aguilera up-to-date on the development of the design plans and permit applications through meetings and written

communications. Since very early on, in order to minimize the impact to Mr. Aguilera, the City committed to honor the terms of the current lease agreement and allow the lease to terminate upon its natural expiration date.

Department Relationship with East Beach Grill

Over last 33 years, the Department has had a good relationship with the owners of the East Beach Grill. The East Beach Grill is a tenant in good standing with a history of timely payments. Revenue from the restaurant represents about 30% of revenue generated by programs and services at the facility. The East Beach Grill has done well over the years. Breakfast is the most popular meal, particularly during summer months. Mr. Aguilera provides services to and supports athletic events held at the facility and on East Beach and, since 2010, has provided an annual donation of \$5,000 to the PARC Foundation to support the City's Junior Lifeguard program. Mr. Aguilera has a very supportive customer base and has taken some steps to evaluate how he might operate in a new facility. The Department is sensitive to the impacts of the facility closing, for both Mr. Aguilera and his staff, as well as facility patrons, beach users and event organizers. The closed facility will also impact Department programs and services as well as its short-term operating revenue.

Request for Lease Renewal and City Council Resolution 93-127

In June 2015, Mr. Aguilera and his attorney, Joe Howell, approached the Department to suggest that under City Council Resolution 93-127 (the "Resolution"), the City was obligated to pursue negotiation with Mr. Aguilera of a new lease agreement for operation of a restaurant/snack bar in the renovated and redesigned facility. The Resolution (Attachment 1) was adopted by the City Council in October 1993, to clarify the options available to the City to negotiate a lease with an existing tenant, consider unsolicited proposals, or pursue a competitive bid process. The City Council adopted the resolution after it received a request from the public to pursue a competitive bid process for the operation of the ice cream shop on Stearns Wharf. The City Council denied the request since the concession had been competitively bid five years prior and the concessionaire was meeting the terms of the agreement, made investments in the facility, and participated in the Stearns Wharf Merchants Association, among other reasons. The City Council used the opportunity to clarify through the Resolution its options when seeking concessionaires for City buildings and operations.

As outlined in Attachment 1, the Resolution provides guidance to Council and Staff regarding the different preferred approaches to leasing City facilities. For existing leased City facilities, the Resolution expresses a preference to provide tenants in good standing the opportunity to discuss and negotiate the renewal of their lease prior to expiration. For facilities that are new to the market or do not have an existing tenant, however, the Resolution provides that the City should actively solicit competitive proposals. The Resolution also allows the City Administrator to determine whether the policy applies to

existing or potential tenants which provide, or will provide, services necessary for the operation of a City government building or facility.

At the time that Mr. Aguilera first suggested that the Department consider negotiation of a new agreement pursuant to the Resolution, the Department was still in the project design phase and preparing the coastal development permit application. The Department was also evaluating programming options and developing a preliminary business plan for the renovated facility. Due to the many unknowns, including project timing, viability, cost, and permitting, the Department was not in a position at that time to consider Mr. Aguilera's request for the right to exclusively negotiate a lease renewal with the City.

Rationale for a Competitive Bid (RFP) Process

The Department reviewed Mr. Aguilera's request to exclusively negotiate a lease renewal with the City Attorney's Office, City Administrator's Office and the Finance Department. It was determined that, although Mr. Aguilera has an existing lease for the restaurant concession space at this time, the particular situation surrounding expiration of Mr. Aguilera's lease does not fall into the category of a lease "renewal", as contemplated in the Resolution, that would encourage the City to exclusively negotiate a lease with an existing tenant. Instead, the renovated and redesigned restaurant shell that will be offered upon completion of the Project will be "new to the market" and, consistent with the Resolution, Staff recommends that the City actively solicit lease proposals. Although there is risk to the City with a potential change in restaurant operators, a number of factors will make the space new to the market upon completion of the renovation, making it in the best interest of the City and the public to conduct a competitive Request for Proposal (RFP) process for the future restaurant concessionaire. These factors include:

- The building will be closed for 18 months and the space will be unoccupied.
- The leased space will be dramatically different and significantly upgraded.
- The renovation design will change the layout and increase the size of the restaurant.
- Once complete, the space will be an empty shell with a new concrete floor, new utilities, wiring for portico/patio heating, and a new exterior service entrance.
- The new concessionaire will likely need to invest a minimum of \$500,000 to build out the kitchen and furnish the indoor and outdoor dining areas. (See Attachments 2 and 3 for key features of the space and a schematic layout.) A competitive bid process would require bidders to demonstrate the financial capacity to invest in the restaurant.
- Once renovated, restaurant service style, hours of operation, and menu requirements will be different than those today. The Bathhouse floor of the building will be open seven days a week for recreation programs, and the hours of operation could range from 6 am to 9 pm.

Given that the facility will be completely overhauled and considered new to the market, a competitive bid process would provide an objective method for securing a competitive

concessionaire, provide the City with assurances of the financial capacity of prospective concessionaires, and balance the financial benefits with the amenities and services that would be provided to facility users and the general public. Although revenue is an important factor in the success of the facility, the Department is also committed to ensuring that the purpose and focus of the restaurant is to provide a reasonably priced and appropriate menu to facility patrons, the general public, and casual beach visitors. The Cabrillo Pavilion and Bathhouse is a community recreation facility that will be accessible to a broad range of Santa Barbara residents and visitors. A competitive bid process would allow the City to evaluate the experience and approach to providing restaurant services to meet the City's needs. This is a very unique opportunity for the City, given the scope, scale, and circumstances of the renovation project.

A recommendation to pursue a competitive RFP process should not signal that the Department does not highly value its relationship with the East Beach Grill today. City staff expects that Mr. Aguilera would submit a proposal for operation of a restaurant in the newly renovated and redesigned space. Based on his longevity at the site, and supportive customer base, it is anticipated that Mr. Aguilera would be in a strong position to respond to an RFP.

Parks and Recreation Commission Recommendation

The Parks and Recreation Commission (Commission) held a public hearing on August 24, 2016, to receive a status report on the Project and consider the Department recommendation to pursue a competitive bid process for the restaurant concession. In addition to the staff report and comments from the East Beach Grill, there were 24 speakers during public comment in support of a new lease agreement with Mr. Aguilera. The Commission also received electronic and paper copies of the written communications from the public. The Commission discussed the options and recommended (4/1) that the City first provide Mr. Aguilera the opportunity to negotiate a new lease agreement for a reasonable period of time at the discretion of the Parks and Recreation Department. If negotiations proved unsuccessful, the City could then pursue a competitive bid process.

Next Steps

With final plans nearing completion, timing is critical and it will be important to secure a restaurant concessionaire. The future tenant will need time to design interior improvements, submit plans for building permits, and develop a schedule for construction within the renovation time frame. If the City first negotiates exclusively with Mr. Aguilera, and the negotiations prove unsuccessful, proceeding with an RFP process could result in the restaurant space not being ready for operation when the renovated Cabrillo Pavilion opens. For this reason, and the others expressed above, City staff requests Council direction to proceed with a request for proposal process in order to solicit competitive proposals for use of the new restaurant space.

BUDGET/FINANCIAL INFORMATION:

The total estimated cost to completed renovation of the Cabrillo Pavilion is estimated to be \$13 million. Project funding to date includes approximately \$9 million from the City's former Redevelopment Agency and \$1 million from the City's General Fund. Additional sources of project funds will need to be secured prior to project construction.

ATTACHMENTS:

1. City Council Resolution 93-127
2. Restaurant Concession Fact Sheet
3. Restaurant Concept Schematic

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

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

APPROVED BY: City Administrator's Office

RESOLUTION NO. 93-127

A RESOLUTION OF THE COUNCIL OF THE
CITY OF SANTA BARBARA ESTABLISHING
CERTAIN ADMINISTRATIVE POLICIES WITH
RESPECT TO THE RENEGOTIATION AND
RENEWAL OF CITY LEASES.

WHEREAS, the City of Santa Barbara has a responsibility and an obligation to maintain, manage and improve the real property to which the City is entrusted for the maximum possible public benefit and financial return; and

WHEREAS, in fulfilling this responsibility, the City may enter into leases and other related agreements with private citizens and businesses with respect to those portions of City real property that are not currently necessary for the operation of direct governmental services or are not required for other municipal purposes; and

WHEREAS, the City and tenants of the City under such leases have certain contractual rights and obligations as such rights and obligations are specifically and exclusively set forth in each lease and other related agreements; and

WHEREAS, this Resolution is not intended to modify any contractual obligations of the City nor is it intended to grant any rights or create any additional obligations beyond those stated in existing leases and other agreements with the City as approved by the City Council; and

WHEREAS, this Resolution is intended to state the intent of the City Council with respect to an administrative policy regarding the renegotiation and renewal of existing City leases and similar agreements with existing tenants in good standing under appropriate circumstances;

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

1. It is the policy of the City of Santa Barbara to be an exemplary landlord in dealings with its tenants by doing the following: a. giving those City tenants who are in good standing a reasonable opportunity to discuss and negotiate the renewal of existing leases prior to their normal expiration; b. reviewing and considering unsolicited lease proposals; and, c. actively soliciting lease proposals from a wide spectrum of the local community for those City facilities and properties new to the market or without acceptable existing tenants.

2. In evaluating existing City tenants with respect to a possible lease renewal, the City shall consider the following:

a. The needs of the City and the goals of the particular City Department charged with managing the specific property under consideration;

b. The tenant's record with respect to the prompt and accurate payment of rent due the City;

c. The tenant's record of compliance with existing lease conditions;

d. The appropriateness of the proposed tenant business with respect to the total mix of uses and services available to the public and with respect to the goals of the City Department charged with managing the property in question;

e. The tenant's financial and personal investment in tenant business and the leasehold improvements;

f. The contribution to the surrounding business community made by the tenant's business.

g. The quality of direct services to the public provided by the tenant and its business.

h. The value received by the public for costs of goods or services.

i. The total financial return to City from the leasehold.

j. Other pertinent considerations as may be appropriate.

3. This policy does not necessarily apply to those tenants or potential tenants which provide, or will provide, those services, which in the determination of the City Administrator, are necessary for the proper and efficient operation of a City governmental building or facility, such as the City's Airport Terminal or Community Centers.

Adopted October 26, 1993

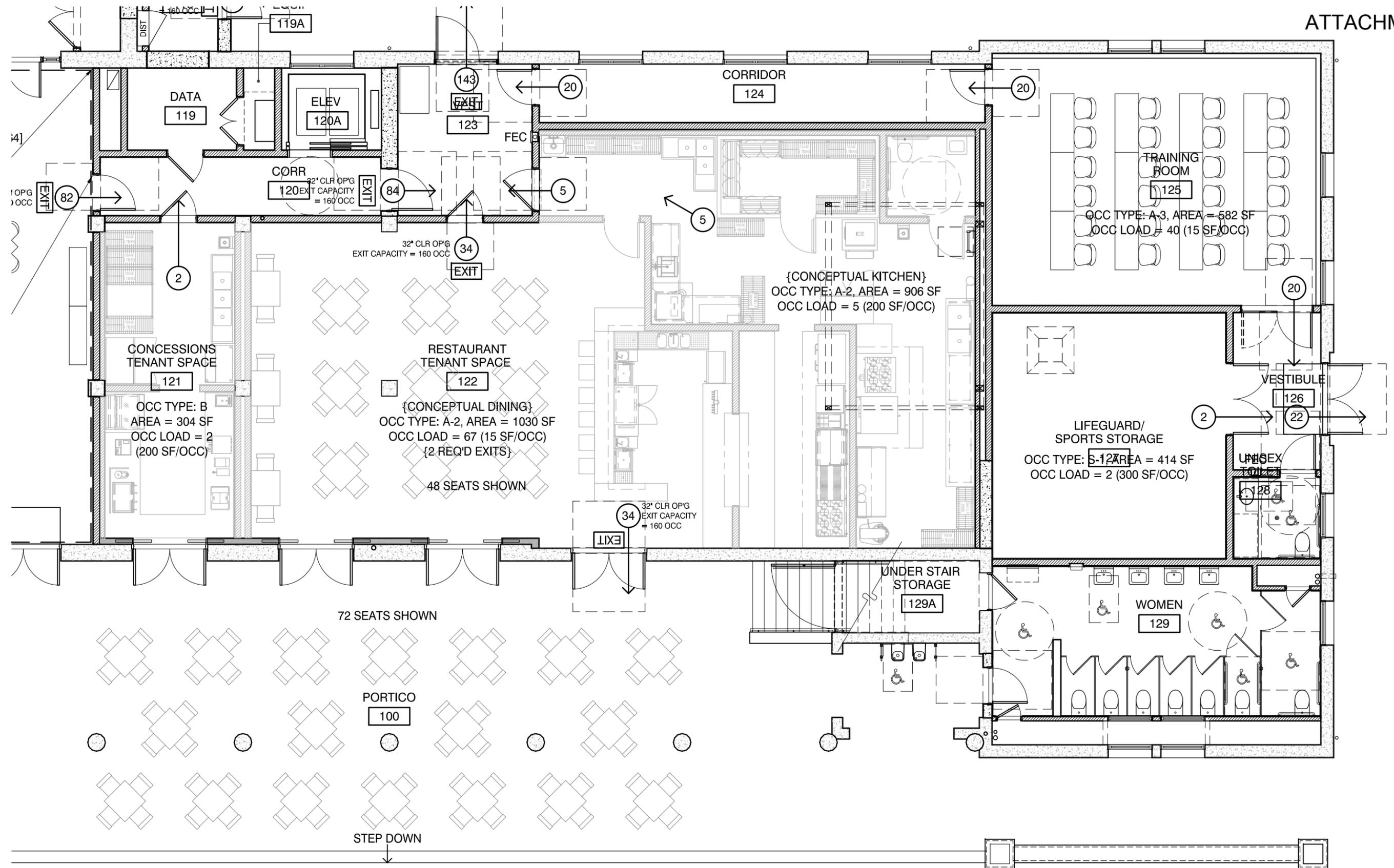
Cabrillo Pavilion and Bathhouse – Restaurant Concession Space

1. Square footage
 - Kitchen – 906 sf
 - Restaurant area – 1030 sf
 - Total habitable space - 1936 sf
 - Portico area for concession outdoor seating – 1234 sf

2. Seating – 120 – per Conditional Use Permit
 - 48 seats inside
 - 72 seats outside

3. Renovation improvements
 - Separate tenant meters sized for concept restaurant design (water, gas, and electric)
 - Wiring for ceiling patio heating
 - Waste floor slab and stubbed out utilities to tenant space
 - Restaurant grease trap installed

4. Amenities included
 - Trash Enclosure with space for separate trash bin (4 cy), food bin (2cy), and grease barrel (55 gal). The recycle bin (4cy) is shared with building.
 - Separate shared service entrance and commercial vehicle loading space for deliveries
 - Public restrooms on east and west end of building



{CONCEPTUAL DINING}
 OCC TYPE: A-2, AREA = 1234 SF
 OCC LOAD = 82 (15 SF/OCC)

Cabrillo Bathhouse - Proposed Restaurant Furniture Layout

SCALE: 1/8" = 1'-0"



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: September 13, 2016
TO: Mayor and Councilmembers
FROM: City Attorney's Office
SUBJECT: Conference With City Attorney – Anticipated Litigation

RECOMMENDATION:

That Council hold a closed session to consider initiating litigation pursuant to subsection (d)(4) of Section 54956.9 of the Government Code and take appropriate action as needed. (one potential case).

SCHEDULING: Duration, 15 minutes; anytime
REPORT: None anticipated
SUBMITTED BY: Ariel Calonne, City Attorney
APPROVED BY: City Administrator's Office