

City of Santa Barbara
Interim Financial Statements for the Year Ended June 30, 2017
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 25% of Estimated Surplus to Capital Outlay Fund	\$ 603,709	\$ -	\$ (603,709)
<p>Per City reserve policies, 50% of each year-end surplus will be transferred to the Capital Outlay Fund to provide additional funding for capital projects. However, in order to close the gap in reserves relative to city policy, Council direction was to reduce this to 25% for Fiscal Years 2015 through 2017. These recommended entries transfer 25% of the Fiscal Year 2016 year-end surplus, amounting to \$603,709, to the Capital Outlay Fund.</p>			
Transfer to Mayor and Council for Arts and Community Promotion Activities	12,603	-	(12,603)
<p>Each year the City incurs costs associated with the clean up of Fiesta confetti (inserts in storm drains) and for City staff time for Fiesta costs (work orders for support at De la Guerra Plaza, etc.). This was missed when the Fiscal Year 2017 budget was being developed. The recommended entry will increase the appropriations associated with these costs, funded from an allocation of appropriated reserves.</p>			
Fire Department			
Transfer to Fleet Replacement reserves for Fire	160,133	-	(160,133)
<p>Due to the increased cost to replace several Fire vehicles, the Fire Department has a deficit in the Fleet Replacement Fund reserves. In order to cover the deficit, the department recommends using a portion of the excess mutual aid revenues received in Fiscal Year 2016.</p>			
Library			
Increase Estimated Revenues and Appropriations for County Per Capita (CPC) Enhancements	41,626	41,626	-
<p>The County of Santa Barbara funds all Libraries in Santa Barbara County based on population to provide library services throughout the County through CPC Enhancement contributions. These contributions were increased after the budget was adopted by \$41,626 for the City Libraries. The recommended entries increase the estimated revenues and appropriations allowing the department to utilize the additional funding.</p>			
Increase Estimated Revenues and Appropriations for Central Library - Digitization Project	12,500	12,500	-
<p>The Digitization Project is a grant from the Santa Barbara Public Library Foundation from a private donor that will allow the Library to digitize the Edson Smith and historic Santa Barbara Library photographs. The recommended entries increase donation revenues and appropriations by \$12,500 allowing the department to utilize the grant funding.</p>			

	<u>Increase (Decrease) in Appropriations</u>	<u>Increase (Decrease) in Estimated Revenues</u>	<u>Addition to (Use of) Reserves</u>
GENERAL FUND (cont'd)			
Transfer from Goleta Library for Fiscal Year 2016 Administrative Fees	-	19,779	19,779
<p>The Goleta Library pays 9% of annual budgeted expenditures to the City Library for Administration fees. For Fiscal Year 2016 the fee was \$128,884. The Goleta Library was under charged in Fiscal Year 2016 by \$19,779. The recommended entries transfer the remaining fees to the City Library Department (General Fund).</p>			
Public Works			
Increase Estimated Revenues and Appropriations for Land Development Program	9,000	9,000	-
<p>Last fiscal year new fees were established pursuant to the adoption of a new ordinance regulating new racks. Staff now has a good estimate of the revenue expected. This revenue is to be used for the maintenance of city owned newsrack cabinets, mostly located on State St. Thus at this time Staff requests to appropriate the revenues and expenditures.</p>			
Mayor and Council			
Transfer from General Fund Appropriated Reserves for Arts and Community Promotion Activities		12,603	12,603
Increase Estimated Appropriations for Arts and Community Promotion Activities	12,603		(12,603)
<p>Each year the City incurs costs associated with the clean up of Fiesta confetti (inserts in storm drains) and for City staff time for Fiesta costs (work orders for support at De la Guerra Plaza, etc.). This was missed when the Fiscal Year 2017 budget was being developed. The recommended entry will increase the appropriations associated with these costs, funded from an allocation of appropriated reserves.</p>			
Total General Fund	<u>\$ 852,174</u>	<u>\$ 95,508</u>	<u>\$ (756,666)</u>
CAPITAL OUTLAY FUND (3000)			
Transfer 25% of Estimated Surplus from the General Fund	\$ -	\$ 603,709	\$ 603,709
<p>Per City reserve policies, 50% of each year-end surplus will be transferred to the Capital Outlay Fund to provide additional funding for capital projects. However, in order to close the gap in reserves relative to city policy, Council direction was to reduce this to 25% for Fiscal Years 2015 through 2017. These recommended entries transfer 25% of the Fiscal Year 2016 year-end surplus, amounting to \$603,709, to the Capital Outlay Fund.</p>			
Total Capital Fund	<u>\$ -</u>	<u>\$ 603,709</u>	<u>\$ 603,709</u>

	<u>Increase (Decrease) in Appropriations</u>	<u>Increase (Decrease) in Estimated Revenues</u>	<u>Addition to (Use of) Reserves</u>
SPECIAL REVENUE FUNDS			
Streets Fund (2400)			
Increase Appropriations for Street Signs	\$ 75,000	\$ -	\$ (75,000)
<p>A new ordinance was adopted on November 15, 2016 regarding Oversized Vehicles, as discussed at the October 18th City Council meeting. Appropriations are needed for the purchase and installation of signs for posting of "No Oversized Vehicle Parking" in support the new ordinance.</p>			
Total Streets Fund	<u>\$ 75,000</u>	<u>\$ -</u>	<u>\$ (75,000)</u>
Streets Sweeping Fund (2405)			
Increase Appropriations for Street Sweeping for Commercial Program	\$ 38,161	\$ -	\$ (38,161)
Increase Appropriations for Street Sweeping for Residential Program	1,000	-	(1,000)
<p>Staff received only one bid for each contract. The bid came in higher than previous years due to the vendor matching rates for the same work they do in other cities. Even though Staff increased the estimated budget for each contract in the current fiscal year, these increases are not enough to cover the cost of the contracts.</p>			
Total Streets Sweeping Fund	<u>\$ 39,161</u>	<u>\$ -</u>	<u>\$ (39,161)</u>
County Library Fund (2500)			
Transfer to General Fund - City Library for Administrative fees for Goleta Library	\$ 19,779	\$ -	\$ (19,779)
<p>The Goleta Library pays 9% of annual budgeted expenditures to the City Library for Administration fees. For Fiscal Year 2016 the fee was \$128,884. The Goleta Library was under charged in Fiscal Year 2016 by \$19,779. The recommended entries transfer the remaining fees to the City Library Department (General Fund).</p>			
Total County Library Fund	<u>\$ 19,779</u>	<u>\$ -</u>	<u>\$ (19,779)</u>
Streets Grants Capital Fund (3410)			
Increase Estimated Revenues and Appropriations - Safe Routes to School (SRTS) Carpinteria/Voluntario Pedestrian Improvements	\$ 110,000	\$ 110,000	\$ -
<p>The City was awarded an Active Transportation Program grant to design and construct curb extensions at the intersection of Carpinteria and Voluntario Streets and install pedestrian-scale lighting along Voluntario from Cacique to Mason Streets. The total grant amount of \$643,315 includes both design and construction. On May 19, 2016, the California Transportation Commission (CTC) allocated \$50,000 for the initial design phase of the project. An additional \$60,000 of grant funds have been awarded to complete design and are anticipated to be allocated by the CTC later this fiscal year. These entries will provide the appropriation authority for the design costs.</p>			

	<u>Increase (Decrease) in Appropriations</u>	<u>Increase (Decrease) in Estimated Revenues</u>	<u>Addition to (Use of) Reserves</u>
SPECIAL REVENUE FUNDS (cont'd)			
Increase Estimated Revenues and Appropriations - Highway Safety Improvement Program (HSIP) Crosswalk Enhancements Phase II	69,100	69,100	-
<p>Caltrans awarded the City an HSIP grant to design and construct pedestrian crossings with rapid flashing beacons at Alamar Ave and Puesta Del Sol and La Cumbre Road and Calle Cita. The total grant amount of \$386,800 includes design and construction. On August 22, 2016 Federal Highway Administration (FHWA) authorized \$69,000 for the design phase. A nominal amount of \$100 was programmed for the right of way phase to enable the programming of additional funds for this phase in the event of unforeseen right of way expenses. The balance of the grant is for construction and will be appropriated at time of construction contract award.</p>			
Increase Estimated Revenues and Appropriations - HSIP Traffic Signal Upgrades Phase II	28,000	28,000	-
<p>Caltrans awarded the City an HSIP grant to design and upgrade the head size of vehicular indications from 8" to 12" at 23 signalized intersections throughout the City. The total grant amount of \$215,900 includes both design and construction. On July 26, 2016, FHWA authorized \$28,000 for the design phase. The balance of the grant is for construction and will be appropriated at time of construction contract award.</p>			
Total Streets Grants Capital Fund	<u>\$ 207,100</u>	<u>\$ 207,100</u>	<u>\$ -</u>
Parks and Recreation Grants Fund (2860)			
Increase Estimated Revenues and Appropriations for Russ Morrison Jr Golf Program	\$ 13,994	\$ 13,994	\$ -
<p>The Russ Morrison Jr Golf Program is operated at Santa Barbara Golf Club, under the policies determined by the Parks and Recreation Director and the PARC Foundation. The program has been accounted for by a combination of PARC Foundation and City accounting systems. The following entries will formalize the accounting for the program to better track program activity.</p>			
Increase Estimated Revenues and Appropriations for Family Economic Success Program	5,000	5,000	-
<p>The Neighborhood Outreach Services Program administers a grant funded program, called Family Economic Success Program, to provide free tax preparation advice for people in Santa Barbara. It was uncertain as to whether the grant funding would be available during the budget process, therefore the program was not budgeted. The grant funding has now been received. These recommended entries will increase estimated revenues and appropriations in the Program by \$5,000, allowing the Department the ability to utilize the funds.</p>			
Total Parks and Recreation Grants Fund	<u>\$ 18,994</u>	<u>\$ 18,994</u>	<u>\$ -</u>

	<u>Increase (Decrease) in Appropriations</u>	<u>Increase (Decrease) in Estimated Revenues</u>	<u>Addition to (Use of) Reserves</u>
ENTERPRISE FUNDS			
Water Capital Fund (5010)			
Transfer from Water Drought Fund to Water Capital Fund for Cabrillo Ballfield Monitoring Well Destruction Project	\$ -	\$ 30,000	\$ 30,000
Increase Appropriation for Cabrillo Ballfield Monitoring Well Destruction	30,000	-	(30,000)
<p>Parks and Recreation is doing a project in the Cabrillo Ballfield and requested Water Resources staff to remove the monitoring well and it's equipment as these are no longer beneficial to the City. This project was on the list of projects to be completed, but not a high priority item. It makes sense to remove the Water Fund owned well at the same time as the P&R project, thus Staff agreed to fund the removal of the well. This is not a drought project, but funds are available in that Fund in the Groundwater Development project line item, thus we are requesting a transfer from the Water Drought Fund to the Water Capital Fund.</p>			
Total Water Capital Fund	<u>\$ 30,000</u>	<u>\$ 30,000</u>	<u>\$ -</u>
Water Drought Fund (5011)			
Decrease Appropriations for the Groundwater Development Project	\$ (30,000)	\$ -	\$ 30,000
Transfer to Water Capital Fund for the Cabrillo Ballfield Monitoring Well Destruction Project	30,000	-	(30,000)
<p>Parks and Recreation is doing a project in the Cabrillo Ballfield and requested Water Resources staff to remove the monitoring well and it's equipment as these are no longer beneficial to the City. This project was on the list of projects to be completed, but not a high priority item. It makes sense to remove the Water Fund owned well at the same time as the P&R project, thus Staff agreed to fund the removal of the well. This is not a drought project, but funds are available in that Fund in the Groundwater Development project line item, thus we are requesting a transfer from the Water Drought Fund to the Water Capital Fund.</p>			
Decrease Appropriations for the Groundwater Development Project	(89,900)	-	89,900
Increase Appropriations for Professional Services	89,900	-	(89,900)
<p>On Oct 11, 2016 Staff requested approval for a professional services contract for a Distribution Water Quality Assessment due to the drought. Water Resources staff believe it is prudent to perform a water quality assessment of the various water supply sources to determine any effects each water supply might have on the water distribution system; and if necessary, create an action plan for managing the changing water quality in the water distribution system. This budget adjustment should have been, but was not requested at that time. Thus the recommendation is to use available funds from the Groundwater Development project line item.</p>			
Total Water Drought Fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

INTERNAL SERVICE FUNDS

Fleet Replacement Fund (6410)

Transfer from Fire Department for Fire Department Reserve

<u>Increase (Decrease) in Appropriations</u>	<u>Increase (Decrease) in Estimated Revenues</u>	<u>Addition to (Use of) Reserves</u>
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\$ -	\$ 160,133	\$ 160,133
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Due to the increased cost to replace several Fire vehicles, the Fire Department has a deficit in the Fleet Replacement Fund reserves. In order to cover the deficit, the department recommends using a portion of the excess mutual aid revenues received in Fiscal Year 2016.

Total Fleet Replacement Fund

<u>\$ -</u>	<u>\$ 160,133</u>	<u>\$ 160,133</u>
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