

**CITY OF SANTA BARBARA
CITY COUNCIL
FINANCING AUTHORITY**

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>

**NOVEMBER 22, 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 Ordinance Committee Meeting, Council Chamber
- 12:30 p.m. - Finance Committee Meeting, David Gebhard Public Meeting Room,
630 Garden Street
- 2:00 p.m. - City Council Meeting Begins
- 2:00 p.m. - Special Financing Authority Meeting
- 5:00 p.m. - Recess
- 6:00 p.m. - City Council Meeting Reconvenes

SPECIAL ORDINANCE COMMITTEE MEETING - 12:00 P.M. IN THE COUNCIL CHAMBER (120.03)

Subject: Update Of Smoking Ordinance To Expand Smoke-Free Outdoor Public Areas (120.03)

Recommendation: That Ordinance Committee hold a public hearing and provide direction to staff on whether to prohibit smoking in various outdoor public areas and make recommendations to the City Council on smoking ordinance amendments.

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

1. Subject: Fiscal Year 2017 First Quarter Review (250.02)

Recommendation: That the Finance Committee recommend that Council:

- A. Accept the Fiscal Year 2017 Interim Financial Statements for the Three Months Ended September 30, 2016; and
- B. Approve the proposed first quarter adjustments to Fiscal Year 2017 appropriations and estimated revenues as detailed in the attached Schedule of Proposed First Quarter Budget Adjustments.

(See Council Agenda Item No. 1)

FINANCE COMMITTEE MEETING (CONT'D)

2. Subject: 2016 Sewer Revenue Refunding Bonds (240.02)

Recommendation: That the Finance Committee recommend:

- A. That the Board adopt, by reading of title only, A Resolution of the Board of Directors of the Santa Barbara Financing Authority Authorizing the Execution and Delivery by the Authority of an Installment Sale Agreement and a Trust Agreement in Connection With the Execution and Delivery of Santa Barbara Financing Authority Sewer Revenue Refunding Bonds, Series 2016, Authorizing the Execution and Delivery of Such Bonds in the Principal of not to Exceed \$13,500,000 and Authorizing Related Actions; and
- B. That Council adopt, by reading of title only, A Resolution of the City Council of the City of Santa Barbara Authorizing the Distribution of an Official Notice of Sale and Official Statement in Connection with the Delivery and Sale of Santa Barbara Financing Authority Sewer Revenue Refunding Bonds, Series 2016; and Authorizing Related Actions.
(See Council Agenda Item No. 12)

**REGULAR CITY COUNCIL MEETING – 2:00 P.M.
SPECIAL FINANCING AUTHORITY MEETING – 2:00 P.M.**

AFTERNOON SESSION

CALL TO ORDER

PLEDGE OF ALLEGIANCE

ROLL CALL

CHANGES TO THE AGENDA

PUBLIC COMMENT

CONSENT CALENDAR

1. Subject: Fiscal Year 2017 First Quarter Review (250.02)

Recommendation: That Council:

- A. Accept the Fiscal Year 2017 Interim Financial Statements for the Three Months Ended September 30, 2016; and
- B. Approve the proposed first quarter adjustments to Fiscal Year 2017 appropriations and estimated revenues as detailed in the Schedule of Proposed First Quarter Budget Adjustments.

2. Subject: October 2016 Investment Report (260.02)

Recommendation: That Council accept the October 2016 Investment Report.

3. Subject: Increase In Appropriations For Marina Management Software (570.03)

Recommendation: That Council approve an appropriation increase of \$20,000 from the Waterfront Fund Reserves above policy requirements, to supplement existing appropriations of \$17,000 and bringing the total budget authority to \$37,000 for the Marina Management Software Upgrade Project.

4. Subject: Purchase Order For Water Treatment Chemicals At The William B. Cater Water Treatment Plant (540.10)

Recommendation: That Council find it to be in the City's best interest to authorize the General Services Manager to issue a purchase order in the amount of \$350,000 to Norit Americas, Inc. for the purchase of powdered activated carbon for use at the William B. Cater Water Treatment Plant, in accordance with Section 4.52.070(L) of the Municipal Code.

5. Subject: Approval Of Standard Equipment List For The Water Resources Division (540.01)

Recommendation: That Council find it to be in the City's best interest to waive formal purchase bidding requirements and approve the Standard Equipment List for the Water Resources Division for the next three years, in accordance with Section 4.52.070(L) of the Municipal Code.

CONSENT CALENDAR (CONT'D)

6. Subject: Issuance Of Purchase Order To Engel & Gray, Inc., For Biosolids Composting (540.13)

Recommendation: That Council find it in the City's best interest to waive the formal bid process as provided by Municipal Code Section 4.52.070(L) and authorize the General Services Manager to issue a purchase order to Engel & Gray, Inc., to provide the City with an in-county site for biosolids composting services at a cost of \$52.00 per ton, and for the purchase of a limited amount of finished compost at a cost of \$25.80 per yard for Fiscal Year 2017, and the following four fiscal years, in accordance with approved budgets.

7. Subject: Approval Of Final Map And Execution Of Agreements For 3408 - 3412 State Street (640.08)

Recommendation: That Council approve and authorize the City Administrator to execute and record Final Map Number 20,748 and a standard agreement relating to the approved subdivision at 3408 - 3412 State Street.

8. Subject: Upgrade Of Cartegraph Asset Management Software For Maintenance Work Order Tracking For Water And Wastewater Funds (540.13)

Recommendation: That Council:

- A. Authorize the Administrative Services Director to execute a purchase agreement with Cartegraph Systems, Inc., for implementation of the Operations Management System (OMS) for the Water And Wastewater Funds, in the amount of \$242,100, and approve an additional \$24,507 for contingency costs that may be necessary during the implementation, for a total authorization not to exceed \$266,607; and
- B. Authorize the Administrative Services Director to execute an amendment to the master agreement with Cartegraph Systems, Inc., for the acquisition of additional Cartegraph OMS and ArcGIS On Line licenses, in the amount of \$14,969 for Fiscal Year 2017, and \$12,805 per year for Fiscal Years 2018 and 2019, for a revised contract amount of \$182,585; and
- C. Approve an increase in appropriations and estimated revenues by \$269,279 in the Information Technology Capital Fund to cover the Fiscal Year 2017 cost of the implementation and additional licenses, funded from transfers from the Water Fund (\$89,523) and Wastewater Fund (\$180,053).

CONSENT CALENDAR (CONT'D)

9. Subject: Set A Date For Public Hearing Regarding Appeal of Planning Commission Approval for 1925 El Camino De La Luz (640.07)

Recommendation: That Council:

- A. Set the date of December 6, 2016 at 2:00 p.m. for hearing the appeal filed by Emprise Trust of the Planning Commission denial of Emprise Trust's Application for a Coastal Development Permit (CDP2013-00014) for property located at 1925 El Camino De La Luz, APN 045-100-024, MST2013-00240; and
- B. Set the date of December 5, 2016 at 1:30 p.m. for a site visit to the property located at 1925 El Camino De La Luz and neighboring properties at 1909 and 1921 El Camino De La Luz.

NOTICES

- 10. The City Clerk has on Thursday, November 17, 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.
- 11. A City Council site visit is scheduled for Monday, December 5, 2016, at 1:30 p.m. to the properties located at 1909 and 1925 El Camino de la Luz; 1925 El Camino de la Luz is the subject of an appeal hearing set for December 6, 2016 at 2:00 p.m.

This concludes the Consent Calendar.

REPORT FROM THE FINANCE COMMITTEE

REPORT FROM THE ORDINANCE COMMITTEE

CITY COUNCIL ADMINISTRATIVE AND ATTORNEY REPORTS

FINANCE DEPARTMENT

12. Subject: 2016 Sewer Revenue Refunding Bonds (240.04)

Recommendation: That Council:

- A. That the Board adopt, by reading of title only, A Resolution of the Board of Directors of the Santa Barbara Financing Authority Authorizing the Execution and Delivery by the Authority of an Installment Sale Agreement and a Trust Agreement in Connection With the Execution and Delivery of Santa Barbara Financing Authority Sewer Revenue Refunding Bonds, Series 2016, Authorizing the Execution and Delivery of Such Bonds in the Principal of not to Exceed \$13,500,000 and Authorizing Related Actions; and
- B. That Council adopt, by reading of title only, A Resolution of the City Council of the City of Santa Barbara Authorizing the Distribution of an Official Notice of Sale and Official Statement in Connection with the Delivery and Sale of Santa Barbara Financing Authority Sewer Revenue Refunding Bonds, Series 2016; and Authorizing Related Actions.

POLICE DEPARTMENT

13. Subject: Police Department Update (520.04)

Recommendation: That Council receive an oral presentation from the Police Chief regarding the Santa Barbara Police Department.

FINANCE DEPARTMENT

14. Subject: Potential Twenty-Two Year Commitment Of City Solid Waste To The Tajiguas Resource Recovery Project (630.01)

Recommendation: That Council receive a report on the status of the Tajiguas Resource Recovery Project and the potential commitment of solid waste to the Project.

COUNCIL AND STAFF COMMUNICATIONS

COUNCILMEMBER COMMITTEE ASSIGNMENT REPORTS

PUBLIC COMMENT (IF NECESSARY)

CLOSED SESSIONS

15. Subject: Conference With Labor Negotiator (440.05)

Recommendation: That Council hold a closed session pursuant to the authority of Government Code Section 54957.6 to consider instructions to City negotiator Kristine Schmidt, Administrative Services Director, regarding negotiations with the Santa Barbara City Employees' Association, S.E.I.U. Local 620 (General Bargaining Unit).

Scheduling: Duration, 30 minutes, anytime

Report: None anticipated

RECESS

EVENING SESSION

RECONVENE

ROLL CALL

PUBLIC COMMENT

CITY COUNCIL ADMINISTRATIVE AND ATTORNEY REPORTS

PUBLIC WORKS/FINANCE DEPARTMENTS

16. Subject: Financing Options For Capital Infrastructure (230.01)

Recommendation: That Council:

- A. Hear a presentation from staff on the funding gap for repairing and maintaining the City of Santa Barbara's infrastructure and the alternatives to provide additional funding;
- B. Transfer the responsibility for funding the Downtown Shuttle (State Street route) and Waterfront Shuttle (Cabrillo Boulevard route) from Measure A to the Downtown Parking Fund and Waterfront Fund, respectively;
- C. Approve an increase in appropriations of \$333,540.48 in the Downtown Parking Fund, from unappropriated reserves, for the cost of the Downtown Shuttle service;
- D. Approve an increase in appropriations of \$94,075.52 in the Waterfront Fund, from unappropriated reserves, for the cost of the Waterfront Shuttle service;
- E. Direct staff to pursue the feasibility of bonding against future Measure A revenues to allow pre-funding of the Street Capital Improvement Program; and
- F. Direct staff to return to Council in January 2017 for further direction related to potential revenue options.

ADJOURNMENT

CITY OF SANTA BARBARA

SPECIAL ORDINANCE COMMITTEE MEETING

MEETING AGENDA

DATE: November 22, 2016
TIME: 12:00 p.m.
PLACE: Council Chambers

Randy Rowse, Chair
Frank Hotchkiss
Cathy Murillo

Office of the City
Administrator

Office of the City
Attorney

Nicole Grisanti
Supervisor, City Administrator's Office

Ariel Pierre Calonne
City Attorney

ITEMS FOR CONSIDERATION

Subject: Update of Smoking Ordinance to Expand Smoke-Free Outdoor Public Areas (120.03)

Recommendation: That Ordinance Committee hold a public hearing and provide direction to staff on whether to prohibit smoking in various outdoor public areas and make recommendations to the City Council on smoking ordinance amendments.



CITY OF SANTA BARBARA

ORDINANCE COMMITTEE AGENDA REPORT

AGENDA DATE: November 22, 2016

TO: Ordinance Committee

FROM: City Administrator's Office

SUBJECT: Update Of Smoking Ordinance To Expand Smoke-Free Outdoor Public Areas

RECOMMENDATION:

That Ordinance Committee hold a public hearing and provide direction to staff on whether to prohibit smoking in various outdoor public areas and make recommendations to the City Council on smoking ordinance amendments.

DISCUSSION:

The City's smoking ordinance was last updated in 2002 and it is no longer consistent with State laws that now include more areas where smoking is prohibited and that address electronic smoking devices and marijuana. On October 4, 2016, Council directed staff to work with the Ordinance Committee to conduct public outreach and make recommendations on outdoor public areas that should be smoke-free.

State smoking laws currently focus on workplaces and indoor areas with few restrictions on outdoor smoking. As of June 9, 2016, new state laws went into effect to prohibit the use of electronic smoking or "vaping" devices anywhere cigarette smoking is not allowed. Furthermore, smoking was redefined to include smoking marijuana. With the passage of the Adult Use of Marijuana Act (Proposition 64) that legalizes the cultivation, possession, distribution, sale, and use of non-medical marijuana, smoking marijuana is not permitted 1) while driving a vehicle, 2) in any public place other than at a business licensed for on-site consumption, and 3) at locations where smoking tobacco is prohibited.

The City's current ordinance prohibits smoking in outdoor service areas where people stand or wait for services, including bus stops and ticket or boarding areas of public transit depots. Smoking is permitted in 25% of outdoor restaurant seating areas before 10 p.m. and 100% of seating areas after 10 p.m.

Expanding smoke-free outdoor areas would limit public exposure to secondhand smoke, help reduce cigarette butt litter and associated clean-up, and lower the risk of fires.

Since smoking is prohibited in enclosed public areas, designating outdoor areas as smoke-free would reduce the number of allowable smoking areas for residents and visitors and make it more difficult to find acceptable areas to smoke. Based on a review of laws in comparable or nearby cities and of American Lung Association guidelines, the following areas currently allow smoking and could possibly be designated as smoke-free by City ordinance.

Area	Current Local Restrictions	State Law
Stearns Wharf*	By administrative policy, smoking is allowed on designated areas of Wharf.	No restrictions.
Harbor*	No restrictions.	No restrictions.
Beaches*	No restrictions.	No restrictions.
Parks, Sports Fields, Trails*	Through administrative authority, smoking is not allowed in open space parks, including Franceschi, Hale, and Parma. Current ordinance prohibits smoking in wildland urban interface areas. Smoking is not allowed in the Douglas Family Preserve by Council-adopted Management Plan.	Smoking prohibited within 25 feet of playgrounds and tot lots.
Community Centers, Recreation Facilities, and Libraries*	Through administrative authority, smoking is prohibited in outdoor library areas.	No restrictions on outdoor areas.
Public Parking Structures and Lots*	No restrictions.	Smoking is prohibited in enclosed parking structures.
Outdoor Patio Areas for Restaurants	Current ordinance allows smoking on 25% of outdoor seating for restaurants and 100% of these areas after 10 p.m.	No restrictions on outdoor dining areas (indoor smoking is prohibited).
Outdoor Patio Areas for Bars	Current ordinance allows smoking on front and back outdoor patio areas at any time.	No restrictions on outdoor bar areas (indoor smoking is prohibited).
Entryways to Public Buildings	No restrictions within a certain distance of doors, windows, and other openings into enclosed areas where smoking is not allowed.	Smoking is prohibited within 20 feet of entrances or windows of state, county, and city buildings.
Sidewalks in Commercial Areas and Paseos	No restrictions.	No restrictions.
Public Events	No restrictions for festivals, parades,	No restrictions.

	concerts, and other events open to the public. The Downtown Farmer's Market is smoke-free by association policy.	
Worksites	No ordinance restrictions on outdoor places of employment such as construction sites.	No restrictions.

* Indicates City-owned facilities where staff supports a ban on smoking to prevent fires and reduce litter and associated clean-up efforts.

In recent years, several local organizations have approved smoking policies for their properties that are open to the public. The following areas are considered smoke-free by administrative policy: UCSB, SBCC, Schott Center, Paseo Nuevo, Santa Barbara Zoo, and Earl Warren Showgrounds. By Housing Authority policy, all multi-unit low income or senior housing units under the control of the Housing Authority are designated non-smoking, with the exception of El Carrillo that serves individuals recovering from addiction.

City staff from affected departments have reviewed the impacts of smoking at City-owned facilities. After discussing the need to prevent fires and reduce litter and clean-up efforts, staff supports banning smoking on Stearns Wharf, the Harbor, beaches, parks, sports fields, trails, and public parking lots and structures. Staff also recommends officially prohibiting smoking by ordinance in outdoor areas of neighborhood centers, outdoor library areas, and outdoor recreation facilities, such as lawn bowling areas, tennis courts, swimming pools, and the Skate Park.

Options to Expand Smoking Restrictions

Many cities have updated their smoking laws to expand smoke-free areas and address emerging smoking issues. The American Lung Association releases grades each year on leadership in adopting policies to protect and improve community health. Santa Barbara received a "D" grade in this annual review. The Santa Barbara County Public Health Department recently prepared a summary of tobacco control restrictions in Santa Barbara County that shows different approaches by each jurisdiction (see Attachment 1). Another summary was prepared to cover visitor-serving cities in California, including Santa Monica, Ventura, and Pasadena (see Attachment 2).

Most cities that have updated their smoking ordinances have prohibited smoking in parks, beaches, piers, libraries, and recreational facilities. Cities have enacted ordinances with different approaches to ban smoking in other outdoor areas. In Carpinteria, smoking is prohibited in all public places where other persons can be exposed to secondhand smoke, including streets, sidewalks, parking lots, plazas, restaurants, bars, and other locations. However, smoking is allowed in any unenclosed area in which non-smokers are not present and, due to the time of day or other factors, it is not reasonable to expect another person to arrive.

Smoking is also permitted in smokers' outposts, which are marked, designated smoking areas installed and operated by business owners.

In the City of San Luis Obispo, smoking is prohibited in any public or private place open to the general public, including streets, sidewalks, parking lots, bars, restaurants, parks, and other locations. Similar to Carpinteria, smoking is permitted in outdoor areas where non-smokers are not present and, due to the time of day or other factors, it is not reasonable to expect another person to arrive. The San Luis Obispo ordinance also includes an exception allowing smoking in unenclosed bar areas that do not serve food if the entire smoking section is 1) limited to one clearly designated area prominently marked with signs, 2) located at least five feet from a doorway or opening to an enclosed area, and 3) smoke does not enter adjacent areas in which smoking is prohibited on the adjacent property.

Smoking on sidewalks can be addressed through restricting smoking within a certain distance of entryways to public buildings. In Santa Monica, smoking is prohibited on the Third Street Promenade and within 20 feet of entryways of any buildings open to the public. In Pasadena, smoking is not permitted within 20 feet of an entryway into an enclosed area in which smoking is prohibited, except while actively passing on the way to another destination.

The cities of Goleta and Buellton exempted bars from their smoking ordinances. The County of Santa Barbara allows smoking in outdoor bar areas, unless smoke drifts to adjacent businesses and residences. On November 3, 2016, a meeting was held with local bar owners with outdoor patios who expressed their interest in remaining exempt from future smoking restrictions on outdoor patios.

Next Steps

Based on direction from the Ordinance Committee, staff will return with information requested by the Ordinance Committee or prepare appropriate amendments to the smoking ordinance and return to Council to introduce and adopt ordinance amendments.

Staff will return to the Ordinance Committee at a future date to discuss amendments to the Tobacco Retail License Ordinance that requires businesses selling tobacco products to obtain an annual license.

- ATTACHMENT:**
1. Summary of Tobacco Control Ordinances in Santa Barbara County, prepared by the Santa Barbara County Public Health Department, September 2016
 2. Summary of American Lung Association Grades for Visitor-Serving Cities, prepared by the Santa Barbara County Public Health Department, September 2016

PREPARED BY: Nina Johnson, Senior Assistant to the City Administrator

SUBMITTED BY: Paul Casey, City Administrator

APPROVED BY: City Administrator's Office



Table of Tobacco Control Ordinances in Santa Barbara County—September 2016

The table shows local laws restricting smoking/tobacco or electronic smoking device (ESD) use, sales or circumstances.

Legend: X = strong prohibition × = restriction has exceptions ~ = Only at Housing Authorities Exceptions are detailed on next page.

Jurisdiction	Effective Date	Products Restricted	Secondhand Smoke and/or Electronic Smoking Device (ESD) Emissions <i>Outdoor Areas Only</i>								Sales & Distribution of Tobacco/ESD Products			Other		Grades ALA Report Card	
			Dining Areas	Entryways (20 ft. or more)	Public Events	Recreation Areas	Service Areas	Sidewalks	Worksites	Multi-Unit Housing	Self-Service Display	Tobacco/ESD Shops	Tobacco Retail License	Smoke Drift	Nuisance		
										Inside Units	Outside Common Areas	State law 06/16 X if local		X = zoning near schools (1000 ft.)		The American Lung Association grades states and counties on tobacco control policies yearly.	
Carpinteria	2011	Tobacco	X	X	X	X	X	×	X		X	X	X	X	×	X	B
Santa Barbara City	2002	Smoking	×				X			~		X		×			D
Goleta	2014	Tobacco/ESD	×	×		×	X		X			X	X	X			C
Santa Barbara County (Unincorporated Areas)	2015	Tobacco/ESD	×	X	X	×	X			~	X	X	X	X	X		B
Buellton	2012	Tobacco/ESD	×	×		×	×					X					D
Solvang	2014											X					F
Lompoc	2014	Tobacco/ESD				×						X					F
Santa Maria	2014	Smoking/ESD		X		X						X					F
Guadalupe												X					F

Federal & state laws apply in all jurisdictions and as of June 6, 2016, these laws restrict or regulate all tobacco products, including electronic smoking devices (ESD).

Laws can be referenced at <https://www.cdph.ca.gov/programs/tobacco> & <http://sbcphd.org/tobacco> or contact (805)-681-5407 or phdtobacco@sbcphd.org.

Definitions

Dining Areas—defined as outdoor seating at restaurants, restaurant/bar combinations, stand-alone bars, etc.

- × **SB City:** Exempts bars; allows smoking at 25% of outdoor seating at restaurants & after 10 PM
- × **Goleta:** Exempts bars; allows tobacco and ESD use at 25% of outdoor seating at restaurants & after 10 PM
- × **SB County:** Except at bars, unless there is smoke or ESD emission drift to adjacent businesses and residences
- × **Buellton:** Exempts bars; allows smoking at 25% of outdoor seating at restaurants

Entryways—defined as within a certain distance of doors, windows, & openings into enclosed areas.

- × **SB City:** Employees may not smoke within a “reasonable distance” of doors/windows
- × **Goleta & Buellton:** No smoking, tobacco, or ESD use or ashtrays within 20 feet of places of employment and specific public places
- × **Santa Maria:** No smoking, tobacco or ESD use within 20 feet of public places & City parking areas, except by conditional use permit

Recreation Areas—defined as parks, beaches, trails, sports fields, etc.

- × **SB County & Goleta:** Smoking, tobacco, and ESD use is prohibited, except at camping parks (*Lake Cachuma and Jalama Beach*) and within 30 feet of ranger’s residences at these camping parks
- × **Buellton:** Smoking, tobacco, and ESD use prohibited at parks
- × **Lompoc:** Smoking, tobacco, and ESD use is prohibited, but the City Administrator can allow smoking in designated areas for events
- × **Santa Maria:** Smoking, tobacco and ESD use prohibitions at recreations areas and plazas.

Service Areas—defined as bus stops, transit centers, ATM, or retail lines, etc. *SB City law does not apply to free-standing benches.*

Public Events—defined as farmer’s markets, fairs, parades, festivals, etc.

Worksites—defined as outdoor working area, such as construction sites, etc.

Multi-Unit Housing—defined as shared air space in residential settings, like apartments or condos, etc. Smoke drift can be from inside neighboring units or adjoining balconies and/or from outdoor common areas, like pools or playgrounds, etc.

- ~ **SB City Housing Authority:** Smoking prohibited in publicly owned/operated housing, inside and out, except in designated areas & at a few exempted properties. Some of the exempted sites have opted to go smoke-free voluntarily. Vaporizing products are not regulated.
- ~ **SB County Housing Authority:** Smoking prohibited in publicly owned/operated units, but existing smokers are “grandfathered” in.
- Private Housing:** Numerous private properties have instituted smoke-free requirements, local examples are available.

Tobacco Retail License (TRL)—a local permit issued to a business owner that retails tobacco products. Local governments set fees for this permit and the conditions for its annual renewal, along with penalties for violating local or state tobacco-related laws. These can also be used to limit location of sites (i.e., ban near schools, youth centers, etc.), further define tobacco use inside, etc.

- × **SB City:** The TRL ordinance does not meet the criteria for an effective TRL. Its main shortfall is that the \$30 annual fee does not cover the cost of administering and enforcing it, thus it is not enforced. It does not regulate “vape” shops as written. *Note:* Other local TRL fees range from \$379 to \$543 per year, with TRL programming handled for \$379 per retailer by County Public Health Department.

Sources: [Comprehensive Outdoor Secondhand Smoke Ordinances](#), American Lung Association’s Center for Tobacco Policy & Organizing, June 2016
[Matrix of Strong Local Smokefree Multi-Unit Housing Ordinances](#), American Lung Association’s Center for Tobacco Policy & Organizing, June, 2015

American Lung Association-State of Tobacco Control 2016: Comparisons for Santa Barbara City

Below is a summary of grades issued by the American Lung Association to various municipalities across California. The communities below are selected based on semblance to the City of Santa Barbara, in terms of geography, population, and industry. The communities listed are cities, unless noted. The grades shown are based on key tobacco control policies smoke-free air outdoors and in multi-unit housing, and tobacco retail licensing. Grades from all California communities may be viewed here: http://www.lung.org/local-content/california/documents/state-of-tobacco-control/2016/2016-sotc_california-full.pdf

City	SB City	Carpinteria	SB County	Santa Monica	Pasadena	Ventura	Oxnard (09/06/16)	San Luis Obispo	Monterey County
Overall Grade	D	B	B	A	A	C	B	B	C
Smokefree Outdoor Air	D	A	A	A	A	C	B	A	C
➤ Dining	2	4	2	4	4	4	4	2	2
➤ Entryways	0	4	4	4	4	0	4	4	0
➤ Public Events	0	3	4	2	4	2	4	4	0
➤ Recreation Areas	0	4	4	4	4	4	4	4	2
➤ Service Areas	4	4	4	4	4	4	4	4	4
➤ Sidewalks	0	1	0	1	1	0	1	1	1
➤ Worksites	0	1	0	0	0	0	0	1	0
Smokefree Housing	D	C	C	B	A	F	C	C	F
Tobacco Retail Licensing	F	A	A	A	A	A	C	A	A

The laws or brochures are hyperlinked to the cities' name above, if possible. Change Lab Solutions provides free, legal technical assistance under a contract with the California Public Health Department and their [comprehensive model outdoor air ordinance](#) is the basis for most local laws.

Grading Rubric: Overall Grade: A (11-12), B (8-10), C (5-7), D (2-4), F (0-1); based on grades & points from other three categories – A (4), B (3), C (2), D (1), F (0)
 Smokefree Outdoor Air Grade: A (18+), B (13-17), C (8-12), D (3-7), F (0-2)
 Smokefree Housing Grade: A (11+), B (8-10), C (5-7), D (2-4), F (0-1)
 Reducing Sales of Tobacco Products Grade (Tobacco Retail Licensing): A (4+), B (3), C (2), D (1), F (0)

CITY OF SANTA BARBARA

FINANCE COMMITTEE

MEETING AGENDA

DATE: November 22, 2016

Gregg Hart, Chair

TIME: 12:30 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 2017 First Quarter Review (250.02)

Recommendation: That the Finance Committee recommend that Council:

- A. Accept the Fiscal Year 2017 Interim Financial Statements for the Three Months Ended September 30, 2016; and
- B. Approve the proposed first quarter adjustments to Fiscal Year 2017 appropriations and estimated revenues as detailed in the attached Schedule of Proposed First Quarter Budget Adjustments.

(See Council Agenda Item No. 1)

2. Subject: 2016 Sewer Revenue Refunding Bonds (240.02)

Recommendation: That the Finance Committee recommend:

- A. That the Board adopt, by reading of title only, A Resolution of the Board of Directors of the Santa Barbara Financing Authority Authorizing the Execution and Delivery by the Authority of an Installment Sale Agreement and a Trust Agreement in Connection With the Execution and Delivery of Santa Barbara Financing Authority Sewer Revenue Refunding Bonds, Series 2016, Authorizing the Execution and Delivery of Such Bonds in the Principal of not to Exceed \$13,500,000 and Authorizing Related Actions; and
- B. That Council adopt, by reading of title only, A Resolution of the City Council of the City of Santa Barbara Authorizing the Distribution of an Official Notice of Sale and Official Statement in Connection with the Delivery and Sale of Santa Barbara Financing Authority Sewer Revenue Refunding Bonds, Series 2016; and Authorizing Related Actions.

(See Council Agenda Item No. 12)



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: November 22, 2016
TO: Mayor and Councilmembers
FROM: Accounting Division, Finance Department
SUBJECT: Fiscal Year 2017 First Quarter Review

RECOMMENDATION: That Council:

- A. Accept the Fiscal Year 2017 Interim Financial Statements for the Three Months Ended September 30, 2016; and
- B. Approve the proposed first quarter adjustments to Fiscal Year 2017 appropriations and estimated revenues as detailed in the attached Schedule of Proposed First Quarter Budget Adjustments.

DISCUSSION:

Each month, staff presents the Interim Financial Statements (Attachment 1) showing the status of revenues and expenditures in relation to budget for each of the City's Funds. The interim financial statements cover the first three months of the fiscal year. As such, it is premature to make any meaningful projections for the fiscal year. However, it appears that General Fund non-departmental revenues are tracking behind budget primarily due to weak growth in two of the City's three largest revenues categories – transient occupancy taxes and sales taxes. Due to lower than anticipated growth in the last few months of Fiscal Year 2016 and a continuation of this low growth trend into the first three months of Fiscal Year 2017, staff anticipates General Fund non-departmental revenues to be below budget by fiscal year-end by approximately \$1.1 million. Staff will continue to monitor revenues over the next three months and will provide an updated revenue analysis at the mid-year review.

In addition to the interim financial statements, staff brings forward recommended adjustments for City Council approval. These adjustments are the result of new information and/or unanticipated events that occurred since the adoption of the budget in June of 2016. A listing and description of each proposed adjustment to the current year budget is provided in Attachment 2.

ATTACHMENTS:

1. Interim Financial Statements for the Three Months Ended September 30, 2016
2. Schedule of Proposed First 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 Three Months Ended September 30, 2016 (25% 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	127,360,951	27,328,673	-	100,032,278	21.5%
Expenditures	<u>128,625,187</u>	<u>33,061,757</u>	<u>4,940,647</u>	90,622,783	29.5%
<i>Addition to / (use of) reserves</i>	<u>(1,264,236)</u>	<u>(5,733,083)</u>	<u>(4,940,647)</u>		
SOLID WASTE FUND					
Revenue	21,258,649	5,067,947	-	16,190,702	23.8%
Expenditures	<u>21,596,117</u>	<u>5,071,584</u>	<u>568,522</u>	15,956,012	26.1%
<i>Addition to / (use of) reserves</i>	<u>(337,468)</u>	<u>(3,637)</u>	<u>(568,522)</u>		
WATER OPERATING FUND					
Revenue	48,630,588	12,755,541	-	35,875,047	26.2%
Expenditures	<u>55,232,876</u>	<u>12,348,996</u>	<u>2,765,751</u>	40,118,129	27.4%
<i>Addition to / (use of) reserves</i>	<u>(6,602,288)</u>	<u>406,545</u>	<u>(2,765,751)</u>		
WASTEWATER OPERATING FUND					
Revenue	19,348,980	4,960,018	-	14,388,962	25.6%
Expenditures	<u>19,974,155</u>	<u>4,210,803</u>	<u>1,699,886</u>	14,063,466	29.6%
<i>Addition to / (use of) reserves</i>	<u>(625,175)</u>	<u>749,215</u>	<u>(1,699,886)</u>		
DOWNTOWN PARKING FUND					
Revenue	8,625,451	2,012,379	-	6,613,072	23.3%
Expenditures	<u>9,576,692</u>	<u>2,437,054</u>	<u>697,280</u>	6,442,359	32.7%
<i>Addition to / (use of) reserves</i>	<u>(951,241)</u>	<u>(424,675)</u>	<u>(697,280)</u>		
AIRPORT OPERATING FUND					
Revenue	17,327,481	4,941,958	-	12,385,523	28.5%
Expenditures	<u>17,507,316</u>	<u>3,931,435</u>	<u>1,558,866</u>	12,017,015	31.4%
<i>Addition to / (use of) reserves</i>	<u>(179,835)</u>	<u>1,010,523</u>	<u>(1,558,866)</u>		
GOLF COURSE FUND					
Revenue	2,971,917	742,388	-	2,229,529	25.0%
Expenditures	<u>3,146,275</u>	<u>644,336</u>	<u>1,800,713</u>	701,225	77.7%
<i>Addition to / (use of) reserves</i>	<u>(174,358)</u>	<u>98,051</u>	<u>(1,800,713)</u>		
FACILITIES MANAGEMENT FUND					
Revenue	8,029,797	1,935,231	-	6,094,566	24.1%
Expenditures	<u>8,050,342</u>	<u>1,798,095</u>	<u>715,104</u>	5,537,142	31.2%
<i>Addition to / (use of) reserves</i>	<u>(20,545)</u>	<u>137,135</u>	<u>(715,104)</u>		

CITY OF SANTA BARBARA
Interim Statement of Revenues and Expenditures
Summary by Fund
For the Three Months Ended September 30, 2016 (25% 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	3,340,301	830,758	-	2,509,543	24.9%
Expenditures	4,973,810	414,402	1,238,326	3,321,082	33.2%
<i>Addition to / (use of) reserves</i>	<u>(1,633,509)</u>	<u>416,357</u>	<u>(1,238,326)</u>		
FLEET MAINTENANCE FUND					
Revenue	2,829,958	702,276	-	2,127,682	24.8%
Expenditures	2,982,033	671,637	226,084	2,084,312	30.1%
<i>Addition to / (use of) reserves</i>	<u>(152,075)</u>	<u>30,639</u>	<u>(226,084)</u>		
SELF INSURANCE TRUST FUND					
Revenue	7,595,923	1,918,953	-	5,676,970	25.3%
Expenditures	7,202,088	1,743,351	213,162	5,245,574	27.2%
<i>Addition to / (use of) reserves</i>	<u>393,836</u>	<u>175,601</u>	<u>(213,162)</u>		
INFORMATION TECHNOLOGY FUND					
Revenue	3,446,902	861,725	-	2,585,177	25.0%
Expenditures	3,600,180	947,297	59,303	2,593,580	28.0%
<i>Addition to / (use of) reserves</i>	<u>(153,278)</u>	<u>(85,571)</u>	<u>(59,303)</u>		
WATERFRONT OPERATING FUND					
Revenue	14,553,005	4,380,490	-	10,172,515	30.1%
Expenditures	14,786,793	3,681,485	1,104,861	10,000,447	32.4%
<i>Addition to / (use of) reserves</i>	<u>(233,788)</u>	<u>699,005</u>	<u>(1,104,861)</u>		
TOTAL FOR ALL FUNDS					
Revenue	285,319,903	68,438,337	-	216,881,566	24.0%
Expenditures	297,253,864	70,962,231	17,588,505	208,703,128	29.8%
<i>Addition to / (use of) reserves</i>	<u>(11,933,961)</u>	<u>(2,523,895)</u>	<u>(17,588,505)</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 Three Months Ended September 30, 2016 (25% 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	22,810,515	8,375,154	14,435,361	36.7%	4,208,507
Property Taxes	30,839,600	-	30,839,600	0.0%	-
Utility Users Tax	7,072,200	1,742,185	5,330,015	24.6%	1,753,599
Transient Occupancy Tax	19,766,200	6,456,579	13,309,621	32.7%	6,377,876
Business License	2,488,900	499,272	1,989,628	20.1%	494,258
Real Property Transfer Tax	778,600	202,371	576,229	26.0%	245,769
<i>Total</i>	<u>83,756,015</u>	<u>17,275,561</u>	<u>66,480,454</u>	20.6%	<u>13,080,009</u>
LICENSES & PERMITS					
Licenses & Permits	206,100	45,865	160,235	22.3%	36,642
<i>Total</i>	<u>206,100</u>	<u>45,865</u>	<u>160,235</u>	22.3%	<u>36,642</u>
FINES & FORFEITURES					
Parking Violations	2,850,400	871,219	1,979,181	30.6%	731,662
Library Fines	67,000	10,645	56,355	15.9%	17,380
Municipal Court Fines	90,000	45,493	44,507	50.5%	16,709
Other Fines & Forfeitures	310,000	76,491	233,509	24.7%	85,301
<i>Total</i>	<u>3,317,400</u>	<u>1,003,847</u>	<u>2,313,553</u>	30.3%	<u>851,052</u>
USE OF MONEY & PROPERTY					
Investment Income	590,887	107,955	482,932	18.3%	158,541
Rents & Concessions	462,329	98,423	363,906	21.3%	90,831
<i>Total</i>	<u>1,053,216</u>	<u>206,378</u>	<u>846,838</u>	19.6%	<u>249,372</u>
INTERGOVERNMENTAL					
Grants	288,775	14,235	274,540	4.9%	44,948
Vehicle License Fees	35,000	-	35,000	0.0%	-
Reimbursements	614,900	138,179	476,721	22.5%	53,838
<i>Total</i>	<u>938,675</u>	<u>152,414</u>	<u>786,261</u>	16.2%	<u>98,786</u>
FEES & SERVICE CHARGES					
Finance	975,366	245,909	729,457	25.2%	243,874
Community Development	5,352,593	1,322,844	4,029,749	24.7%	1,513,899
Recreation	3,357,608	1,275,512	2,082,096	38.0%	1,309,553
Public Safety	527,533	95,101	432,432	18.0%	123,901
Public Works	6,140,678	1,545,941	4,594,737	25.2%	1,615,741
Library	922,486	2,478	920,008	0.3%	1,433
Reimbursements	4,584,913	1,066,100	3,518,813	23.3%	1,048,069
<i>Total</i>	<u>21,861,177</u>	<u>5,553,886</u>	<u>16,307,291</u>	25.4%	<u>5,856,470</u>
OTHER REVENUES					
Miscellaneous	1,713,799	167,593	1,546,206	9.8%	456,435
Franchise Fees	3,002,500	684,955	2,317,545	22.8%	891,991
Indirect Allocations	7,506,376	1,876,594	5,629,782	25.0%	1,797,722
Operating Transfers-In	1,705,693	361,581	1,344,112	21.2%	351,687
Anticipated Year-End Variance	2,300,000	-	2,300,000	0.0%	-
<i>Total</i>	<u>16,228,368</u>	<u>3,090,723</u>	<u>13,137,645</u>	19.0%	<u>3,497,835</u>
TOTAL REVENUES	<u>127,360,951</u>	<u>27,328,673</u>	<u>100,032,278</u>	21.5%	<u>23,670,166</u>

CITY OF SANTA BARBARA
General Fund
Interim Statement of Appropriations, Expenditures and Encumbrances
For the Three Months Ended September 30, 2016 (25% 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	843,688	206,662	1,732	635,294	24.7%	
ARTS AND COMMUNITY PROMOTIONS	2,680,550	753,714	1,421,066	505,770	81.1%	
<i>Total</i>	<u>3,524,238</u>	<u>960,376</u>	<u>1,422,798</u>	<u>1,141,064</u>	67.6%	<u>1,187,452</u>
<u>City Attorney</u>						
CITY ATTORNEY-ADMINISTRATION	598,092	145,644.80	53,347	399,100	33.3%	
CITY ATTORNEY-ADVISORY	994,396	243,649	31,552	719,195	27.7%	
CITY ATTORNEY-CIVIL LITIGATION	768,157	195,038	-	573,119	25.4%	
CITY ATTORNEY-CODE ENFORCEMENT	304,816	57,551	49,930	197,336	35.3%	
<i>Total</i>	<u>2,665,461</u>	<u>641,882</u>	<u>134,828</u>	<u>1,888,750</u>	29.1%	<u>546,976</u>
<u>Administration</u>						
CITY ADMINISTRATOR	1,705,822	411,360	23,327	1,271,134	25.5%	
CITY TV	606,455	150,165	38,638	417,652	31.1%	
<i>Total</i>	<u>2,312,276</u>	<u>561,525</u>	<u>61,964</u>	<u>1,688,786</u>	27.0%	<u>436,049</u>
<u>Administrative Services</u>						
ADMINISTRATION	396,164	105,646	19,773	270,745	31.7%	
CITY CLERK	555,926	122,848	9,790	423,288	23.9%	
ELECTIONS	89,480	194	89,480	(194)	100.2%	
HUMAN RESOURCES	1,530,307	353,943	25,725	1,150,639	24.8%	
EMPLOYEE DEVELOPMENT	49,447	2,530	-	46,917	5.1%	
<i>Total</i>	<u>2,621,324</u>	<u>585,161</u>	<u>144,768</u>	<u>1,891,396</u>	27.8%	<u>508,226</u>
<u>Finance</u>						
ADMINISTRATION	268,677	54,459	33,005	181,213	32.6%	
REVENUE & CASH MANAGEMENT	532,023	121,217	31,261	379,545	28.7%	
CASHIERING & COLLECTION	533,483	111,323	-	422,160	20.9%	
LICENSES & PERMITS	544,538	140,214	18,425	385,899	29.1%	
BUDGET MANAGEMENT	531,175	116,707	28,525	385,943	27.3%	
ACCOUNTING	895,138	209,541	2,552	683,045	23.7%	
PAYROLL	378,552	88,383	-	290,169	23.3%	
ACCOUNTS PAYABLE	295,394	71,235	-	224,159	24.1%	
CITY BILLING & CUSTOMER SERVICE	728,051	142,362	160,447	425,242	41.6%	
PURCHASING	733,264	187,588	3,830	541,845	26.1%	
CENTRAL WAREHOUSE	215,633	55,889	49	159,695	25.9%	
MAIL SERVICES	127,328	28,765	13,395	85,168	33.1%	
<i>Total</i>	<u>5,783,256</u>	<u>1,327,685</u>	<u>291,489</u>	<u>4,164,082</u>	28.0%	<u>1,179,659</u>
TOTAL GENERAL GOVERNMENT	<u>16,906,555</u>	<u>4,076,630</u>	<u>2,055,847</u>	<u>10,774,078</u>	36.3%	<u>3,858,362</u>

CITY OF SANTA BARBARA
General Fund
Interim Statement of Appropriations, Expenditures and Encumbrances
For the Three Months Ended September 30, 2016 (25% 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	1,281,300	212,913	7,886	1,060,501	17.2%	
SUPPORT SERVICES	689,487	169,365	6,074	514,048	25.4%	
RECORDS BUREAU	1,573,988	425,785	12,463	1,135,740	27.8%	
ADMIN SERVICES	1,153,307	272,864	14,323	866,120	24.9%	
PROPERTY ROOM	233,978	51,926	505	181,547	22.4%	
TRAINING/RECRUITMENT	538,474	160,224	70,040	308,210	42.8%	
RANGE	1,496,061	346,439	93,167	1,056,455	29.4%	
COMMUNITY & MEDIA RELATIONS	913,628	164,465	-	749,163	18.0%	
INFORMATION TECHNOLOGY	1,410,118	572,816	4,792	832,509	41.0%	
INVESTIGATIVE DIVISION	5,237,586	1,160,270	12,987	4,064,329	22.4%	
CRIME LAB	174,382	38,752	5,895	129,736	25.6%	
PATROL DIVISION	16,868,770	4,187,520	179,643	12,501,607	25.9%	
TRAFFIC	1,429,391	292,768	-	1,136,623	20.5%	
SPECIAL EVENTS	915,957	498,104	200	417,653	54.4%	
TACTICAL PATROL FORCE	1,773,756	460,136	-	1,313,621	25.9%	
STREET SWEEPING ENFORCEMENT	360,610	93,313	-	267,297	25.9%	
NIGHT LIFE ENFORCEMENT	341,218	88,209	-	253,009	25.9%	
PARKING ENFORCEMENT	1,047,668	208,619	-	839,049	19.9%	
COMBINED COMMAND CENTER	2,888,937	530,853	70	2,358,014	18.4%	
ANIMAL CONTROL	815,388	163,900	6,782	644,706	20.9%	
<i>Total</i>	<u>41,144,005</u>	<u>10,099,241</u>	<u>414,829</u>	<u>30,629,935</u>	25.6%	<u>9,007,680</u>
<u>Fire</u>						
ADMINISTRATION	976,158	269,448	-	706,710	27.6%	
EMERGENCY SERVICES AND PUBLIC ED	335,084	84,239	-	250,845	25.1%	
PREVENTION	1,328,452	403,700	-	924,752	30.4%	
WILDLAND FIRE MITIGATION PROGRAM	218,983	89,771	69	129,143	41.0%	
OPERATIONS	19,706,203	6,006,702	62,135	13,637,366	30.8%	
TRAINING AND RECRUITMENT	661,885	137,457	-	524,428	20.8%	
ARFF	2,117,969	628,498	-	1,489,471	29.7%	
<i>Total</i>	<u>25,344,734</u>	<u>7,619,815</u>	<u>62,204</u>	<u>17,662,715</u>	30.3%	<u>6,667,899</u>
TOTAL PUBLIC SAFETY	<u>66,488,739</u>	<u>17,719,056</u>	<u>477,033</u>	<u>48,292,650</u>	27.4%	<u>15,675,579</u>
PUBLIC WORKS						
<u>Public Works</u>						
ADMINISTRATION	1,200,396	283,455	6,839	910,101	24.2%	
ENGINEERING SVCS	5,472,401	1,215,127	54,197	4,203,078	23.2%	
PUBLIC RT OF WAY MGMT	1,366,456	353,961	53,932	958,563	29.9%	
ENVIRONMENTAL PROGRAMS	588,439	101,631	125,194	361,614	38.5%	
<i>Total</i>	<u>8,627,692</u>	<u>1,954,174</u>	<u>240,162</u>	<u>6,433,357</u>	25.4%	<u>1,827,999</u>
TOTAL PUBLIC WORKS	<u>8,627,692</u>	<u>1,954,174</u>	<u>240,162</u>	<u>6,433,357</u>	25.4%	<u>1,827,999</u>

CITY OF SANTA BARBARA
General Fund
Interim Statement of Appropriations, Expenditures and Encumbrances
For the Three Months Ended September 30, 2016 (25% 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	841,753	136,674	25,180	679,898	19.2%	
FACILITIES & SPECIAL EVENTS	832,506	214,299	37,425	580,782	30.2%	
YOUTH ACTIVITIES	1,182,782	471,178	40,499	671,105	43.3%	
ACTIVE ADULTS	808,441	224,947	1,486	582,008	28.0%	
AQUATICS	1,463,430	639,712	36,537	787,181	46.2%	
SPORTS	598,525	154,518	10,772	433,235	27.6%	
TENNIS	272,051	65,358	-	206,693	24.0%	
NEIGHBORHOOD & OUTREACH SERV	1,369,977	375,913	6,288	987,776	27.9%	
ADMINISTRATION	935,436	219,804	9,790	705,842	24.5%	
PROJECT MANAGEMENT TEAM	564,020	145,180	551	418,289	25.8%	
PARK OPERATIONS MANAGEMENT	753,159	231,855	4,291	517,013	31.4%	
GROUND & FACILITIES MAINTENANCE	5,303,208	1,259,927	114,085	3,929,195	25.9%	
FORESTRY	1,288,076	286,064	66,491	935,522	27.4%	
BEACH MAINTENANCE	142,921	29,944	1,120	111,857	21.7%	
MEDIANS PARKWAYS & CONTRACTS	1,172,180	332,890	556,907	282,383	75.9%	
<i>Total</i>	<u>17,528,465</u>	<u>4,788,263</u>	<u>911,422</u>	<u>11,828,780</u>	32.5%	<u>4,215,269</u>
<u>Library</u>						
ADMINISTRATION	558,531	122,791	-	435,740	22.0%	
CENTRAL LIBRARY	4,629,654	1,056,030	442,194	3,131,430	32.4%	
EASTSIDE LIBRARY	326,627	71,805	43,502	211,321	35.3%	
<i>Total</i>	<u>5,514,812</u>	<u>1,250,625</u>	<u>485,696</u>	<u>3,778,491</u>	31.5%	<u>1,165,663</u>
TOTAL COMMUNITY SERVICES	<u>23,043,277</u>	<u>6,038,888</u>	<u>1,397,118</u>	<u>15,607,271</u>	32.3%	<u>5,380,932</u>
COMMUNITY DEVELOPMENT						
<u>Community Development</u>						
ADMINISTRATION	978,961	249,347	41,188	688,426	29.7%	
RENTAL HOUSING MEDIATION	241,513	63,542	-	177,971	26.3%	
HUMAN SERVICES	1,101,365	179,842	509,800	411,723	62.6%	
HOUSING PRESERVATION AND DEV	16,710	-	16,710	-	100.0%	
LONG RANGE PLAN & SPEC STUDY	924,795	217,004	1,408	706,383	23.6%	
DEVEL & ENVIRONMENTAL REVIEW	1,550,372	357,684	38,531	1,154,156	25.6%	
ZONING INFO & ENFORCEMENT	1,645,634	382,395	23,438	1,239,800	24.7%	
DESIGN REV & HIST PRESERVATION	1,350,451	293,511	25,504	1,031,436	23.6%	
BLDG INSP & CODE ENFORCEMENT	1,448,443	335,854	11,106	1,101,483	24.0%	
RECORDS ARCHIVES & CLER SVCS	643,057	130,590	14,641	497,826	22.6%	
BLDG COUNTER & PLAN REV SVCS	1,865,760	408,954	88,161	1,368,644	26.6%	
<i>Total</i>	<u>11,767,061</u>	<u>2,618,725</u>	<u>770,488</u>	<u>8,377,848</u>	28.8%	<u>2,116,210</u>
TOTAL COMMUNITY DEVELOPMENT	<u>11,767,061</u>	<u>2,618,725</u>	<u>770,488</u>	<u>8,377,848</u>	28.8%	<u>2,116,210</u>

CITY OF SANTA BARBARA
General Fund
Interim Statement of Appropriations, Expenditures and Encumbrances
For the Three Months Ended September 30, 2016 (25% 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	223,500	10,875	-	212,625	4.9%	
DEBT SERVICE TRANSFERS	346,559	368,153	-	(21,594)	106.2%	
CAPITAL OUTLAY TRANSFER	1,094,025	273,506	-	820,519	25.0%	
APPROP.RESERVE	126,030	-	-	126,030	0.0%	
<i>Total</i>	1,791,863	654,283	-	1,137,580	36.5%	581,772
TOTAL NON-DEPARTMENTAL	1,791,863	654,283	-	1,137,580	36.5%	581,772
TOTAL EXPENDITURES	128,625,187	33,061,757	4,940,647	90,622,783	29.5%	29,440,854

*** 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 Three Months Ended September 30, 2016 (25% 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	74,468	-	450,532	14.2%
Expenditures	<u>525,000</u>	<u>74,468</u>	-	<u>450,532</u>	14.2%
<i>Revenue Less Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	
CREEK RESTORATION/WATER QUALITY IMPRVMT					
Revenue	4,100,672	1,322,390	-	2,778,282	32.2%
Expenditures	<u>4,521,323</u>	<u>1,129,927</u>	<u>550,275</u>	<u>2,841,120</u>	37.2%
<i>Revenue Less Expenditures</i>	<u>(420,651)</u>	<u>192,463</u>	<u>(550,275)</u>	<u>(62,839)</u>	
COMMUNITY DEVELOPMENT BLOCK GRANT					
Revenue	2,046,548	28,579	-	2,017,969	1.4%
Expenditures	<u>2,510,834</u>	<u>91,415</u>	<u>812,518</u>	<u>1,606,901</u>	36.0%
<i>Revenue Less Expenditures</i>	<u>(464,287)</u>	<u>(62,836)</u>	<u>(812,518)</u>	<u>411,068</u>	
COUNTY LIBRARY					
Revenue	2,057,798	413,574	-	1,644,224	20.1%
Expenditures	<u>2,463,564</u>	<u>471,083</u>	<u>406,875</u>	<u>1,585,607</u>	35.6%
<i>Revenue Less Expenditures</i>	<u>(405,766)</u>	<u>(57,508)</u>	<u>(406,875)</u>	<u>58,617</u>	
STREETS FUND					
Revenue	9,505,399	2,355,794	-	7,149,605	24.8%
Expenditures	<u>9,283,793</u>	<u>2,139,747</u>	<u>301,835</u>	<u>6,842,211</u>	26.3%
<i>Revenue Less Expenditures</i>	<u>221,606</u>	<u>216,047</u>	<u>(301,835)</u>	<u>307,394</u>	
MEASURE A FUND					
Revenue	3,658,545	663,606	-	2,994,939	18.1%
Expenditures	<u>3,564,119</u>	<u>921,477</u>	<u>723,032</u>	<u>1,919,611</u>	46.1%
<i>Revenue Less Expenditures</i>	<u>94,426</u>	<u>(257,871)</u>	<u>(723,032)</u>	<u>1,075,328</u>	

CITY OF SANTA BARBARA
Interim Statement of Revenues and Expenditures
For the Three Months Ended September 30, 2016 (25% 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	20,794,268	5,059,229	-	15,735,039	24.3%	5,086,966
Other Fees & Charges	178,706	-	-	178,706	0.0%	-
Investment Income	22,300	5,850	-	16,450	26.2%	5,482
Grants	23,979	-	-	23,979	0.0%	-
Miscellaneous	239,396	2,868	-	236,528	1.2%	994
TOTAL REVENUES	<u>21,258,649</u>	<u>5,067,947</u>	<u>-</u>	<u>16,190,702</u>	23.8%	<u>5,093,442</u>
EXPENSES						
Salaries & Benefits	1,025,756	264,056	-	761,700	25.7%	203,051
Materials, Supplies & Services	19,438,660	4,779,280	212,831	14,446,550	25.7%	4,735,805
Special Projects	864,540	-	327,793	536,747	37.9%	8,653
Transfers-Out	50,000	12,500	-	37,500	25.0%	12,500
Capital Outlay Transfers	1,481	370	-	1,111	25.0%	-
Equipment	154,380	15,378	27,898	111,105	28.0%	14,102
Other	40,000	-	-	40,000	0.0%	-
Appropriated Reserve	21,300	-	-	21,300	0.0%	-
TOTAL EXPENSES	<u>21,596,117</u>	<u>5,071,584</u>	<u>568,522</u>	<u>15,956,012</u>	26.1%	<u>4,974,111</u>

CITY OF SANTA BARBARA
Interim Statement of Revenues and Expenditures
For the Three Months Ended September 30, 2016 (25% 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	45,047,359	12,242,723	-	32,804,636	27.2%	10,032,717
Service Charges	875,294	439,254	-	436,041	50.2%	223,541
Cater JPA Treatment Charges	1,680,000	-	-	1,680,000	0.0%	-
Investment Income	212,350	54,492	-	157,858	25.7%	58,515
Rents & Concessions	-	-	-	-	0.0%	5,718
Reimbursements	785,285	-	-	785,285	0.0%	-
Miscellaneous	30,300	19,072	-	11,228	62.9%	(2,343)
TOTAL REVENUES	<u>48,630,588</u>	<u>12,755,541</u>	<u>-</u>	<u>35,875,047</u>	26.2%	<u>10,318,148</u>
EXPENSES						
Salaries & Benefits	9,884,774	2,306,630	-	7,578,144	23.3%	1,946,839
Materials, Supplies & Services	17,258,056	2,085,857	2,542,194	12,630,005	26.8%	2,052,468
Special Projects	1,015,145	87,970	140,298	786,878	22.5%	66,848
Water Purchases	9,065,677	2,068,732	30,046	6,966,899	23.2%	1,650,294
Debt Service	5,781,571	2,625,582	-	3,155,989	45.4%	2,088,963
Transfer-Out	3,592,616	898,154	-	2,694,462	25.0%	2,396,525
Capital Outlay Transfers	8,007,915	2,237,872	-	5,770,043	27.9%	1,946,045
Equipment	200,706	37,396	11,915	151,395	24.6%	3,918
Capitalized Fixed Assets	247,051	222	39,298	207,531	16.0%	9,166
Other	29,365	582	2,000	26,783	8.8%	1,581
Appropriated Reserve	150,000	-	-	150,000	0.0%	-
TOTAL EXPENSES	<u>55,232,876</u>	<u>12,348,996</u>	<u>2,765,751</u>	<u>40,118,129</u>	27.4%	<u>12,162,647</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 Three Months Ended September 30, 2016 (25% 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	18,889,130	4,720,540	-	14,168,590	25.0%	4,439,665
Fees	254,000	197,834	-	56,166	77.9%	331,165
Investment Income	164,600	32,317	-	132,283	19.6%	39,638
Rents & Concessions	35,000	9,246	-	25,754	26.4%	8,751
Miscellaneous	6,250	81	-	6,169	1.3%	153
TOTAL REVENUES	<u>19,348,980</u>	<u>4,960,018</u>	<u>-</u>	<u>14,388,962</u>	<u>25.6%</u>	<u>4,819,372</u>
EXPENSES						
Salaries & Benefits	6,040,867	1,484,484	-	4,556,383	24.6%	1,277,231
Materials, Supplies & Services	7,338,285	1,323,437	1,322,668	4,692,180	36.1%	1,317,565
Special Projects	690,923	107,843	366,528	216,551	68.7%	15,026
Debt Service	1,823,402	342,452	-	1,480,950	18.8%	342,452
Capital Outlay Transfers	3,787,075	946,769	-	2,840,306	25.0%	1,037,500
Equipment	84,047	2,651	6,384	75,013	10.7%	4,326
Capitalized Fixed Assets	56,806	463	4,306	52,037	8.4%	455
Other	2,750	2,705	-	45	98.4%	2,720
Appropriated Reserve	150,000	-	-	150,000	0.0%	-
TOTAL EXPENSES	<u>19,974,155</u>	<u>4,210,803</u>	<u>1,699,886</u>	<u>14,063,466</u>	<u>29.6%</u>	<u>3,997,275</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 Three Months Ended September 30, 2016 (25% 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	1,004,000	245,677	-	758,323	24.5%	251,272
Parking Fees	7,331,575	1,698,182	-	5,633,393	23.2%	1,741,213
Other Fees & Charges	11,416	3,738	-	7,678	32.7%	2,141
Investment Income	118,200	28,828	-	89,372	24.4%	29,827
Rents & Concessions	107,960	26,750	-	81,210	24.8%	30,750
Miscellaneous	8,800	(1,671)	-	10,471	-19.0%	(846)
Operating Transfers-In	43,500	10,875	-	32,625	25.0%	10,875
TOTAL REVENUES	<u>8,625,451</u>	<u>2,012,379</u>	<u>-</u>	<u>6,613,072</u>	<u>23.3%</u>	<u>2,065,232</u>
EXPENSES						
Salaries & Benefits	4,517,916	1,122,586	-	3,395,330	24.8%	979,529
Materials, Supplies & Services	2,505,184	548,145	340,142	1,616,897	35.5%	537,680
Special Projects	491,712	94,992	356,077	40,642	91.7%	7,250
Transfer-Out	361,651	90,413	-	271,238	25.0%	79,600
Capital Outlay Transfers	1,615,967	570,752	-	1,045,215	35.3%	326,250
Equipment	31,683	10,166	-	21,517	32.1%	79
Capitalized Fixed Assets	1,061	-	1,061	-	100.0%	-
Appropriated Reserve	51,519	-	-	51,519	0.0%	-
TOTAL EXPENSES	<u>9,576,692</u>	<u>2,437,054</u>	<u>697,280</u>	<u>6,442,359</u>	<u>32.7%</u>	<u>1,930,388</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 Three Months Ended September 30, 2016 (25% 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	4,472,463	1,111,138	-	3,361,325	24.8%	1,089,030
Leases-Terminal	5,219,696	1,371,184	-	3,848,512	26.3%	1,259,826
Leases-Non-Commercial Aviation	2,170,905	545,699	-	1,625,206	25.1%	512,413
Leases-Commercial Aviation	4,555,412	1,190,257	-	3,365,155	26.1%	1,149,999
Investment Income	112,200	22,438	-	89,762	20.0%	28,302
Miscellaneous	105,300	9,737	-	95,563	9.2%	(6,642)
Operating Transfers-In	691,505	691,505	-	-	100.0%	-
TOTAL REVENUES	<u>17,327,481</u>	<u>4,941,958</u>	<u>-</u>	<u>12,385,523</u>	28.5%	<u>4,032,928</u>
EXPENSES						
Salaries & Benefits	6,309,638	1,507,666	-	4,801,972	23.9%	1,264,587
Materials, Supplies & Services	8,867,422	1,843,559	1,557,418	5,466,446	38.4%	1,657,691
Special Projects	6,451	1,468	1,448	3,536	45.2%	625
Transfer-Out	780	195	-	585	25.0%	3,166
Debt Service	1,819,014	454,754	-	1,364,261	25.0%	454,147
Capital Outlay Transfers	354,686	116,014	-	238,672	32.7%	250,484
Equipment	63,100	7,780	-	55,320	12.3%	9,388
Appropriated Reserve	86,225	-	-	86,225	0.0%	-
TOTAL EXPENSES	<u>17,507,316</u>	<u>3,931,435</u>	<u>1,558,866</u>	<u>12,017,015</u>	31.4%	<u>3,640,088</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 Three Months Ended September 30, 2016 (25% 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	2,623,062	695,422	-	1,927,640	26.5%	447,687
Investment Income	8,800	1,527	-	7,273	17.4%	2,375
Rents & Concessions	158,555	42,336	-	116,219	26.7%	74,580
Miscellaneous	1,500	3,102	-	(1,602)	206.8%	587
Operating Transfers-In	180,000	-	-	180,000	0.0%	45,000
TOTAL REVENUES	<u>2,971,917</u>	<u>742,388</u>	<u>-</u>	<u>2,229,529</u>	<u>25.0%</u>	<u>570,229</u>
EXPENSES						
Salaries & Benefits	102,808	14,969	-	87,839	14.6%	238,741
Materials, Supplies & Services	2,219,035	318,701	1,786,479	113,854	94.9%	111,201
Special Projects	363	-	362	1	99.8%	-
Transfer-Out	343,432	71,323	-	272,109	20.8%	-
Debt Service	263,890	174,481	-	89,409	66.1%	169,538
Capital Outlay Transfers	165,846	63,962	-	101,885	38.6%	66,262
Equipment	13,872	-	13,872	-	100.0%	-
Other	901	901	-	-	100.0%	901
Appropriated Reserve	36,128	-	-	36,128	0.0%	-
TOTAL EXPENSES	<u>3,146,275</u>	<u>644,336</u>	<u>1,800,713</u>	<u>701,225</u>	<u>77.7%</u>	<u>586,643</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 Three Months Ended September 30, 2016 (25% of Fiscal Year)

FACILITIES MANAGEMENT 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	4,465,366	1,116,342	-	3,349,024	25.0%	946,951
Work Orders - Bldg Maint.	3,546,931	818,889	-	2,728,042	23.1%	887,309
Miscellaneous	17,500	-	-	17,500	0.0%	1,197
TOTAL REVENUES	<u>8,029,797</u>	<u>1,935,231</u>	<u>-</u>	<u>6,094,566</u>	<u>24.1%</u>	<u>1,835,457</u>
EXPENSES						
Salaries & Benefits	3,991,373	964,568	-	3,026,805	24.2%	865,353
Materials, Supplies & Services	3,041,710	651,314	380,586	2,009,811	33.9%	450,917
Special Projects	452,300	66,909	333,458	51,933	88.5%	120,595
Capital Outlay Transfers	437,833	110,208	-	327,625	25.2%	-
Equipment	36,000	4,617	-	31,383	12.8%	145
Capitalized Fixed Assets	6,061	478	1,061	4,522	25.4%	555
Appropriated Reserve	85,065	-	-	85,065	0.0%	-
TOTAL EXPENSES	<u>8,050,342</u>	<u>1,798,095</u>	<u>715,104</u>	<u>5,537,142</u>	<u>31.2%</u>	<u>1,437,565</u>

CITY OF SANTA BARBARA
Interim Statement of Revenues and Expenditures
For the Three Months Ended September 30, 2016 (25% 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	2,934,129	729,454	-	2,204,675	24.9%	737,950
Investment Income	127,200	31,023	-	96,177	24.4%	32,024
Rents & Concessions	145,902	36,476	-	109,426	25.0%	36,521
Miscellaneous	133,070	33,806	-	99,264	25.4%	30,618
TOTAL REVENUES	<u>3,340,301</u>	<u>830,758</u>	<u>-</u>	<u>2,509,543</u>	24.9%	<u>837,113</u>
EXPENSES						
Salaries & Benefits	215,186	53,561	-	161,625	24.9%	44,753
Materials, Supplies & Services	2,378	407	-	1,971	17.1%	311
Special Projects	678,313	9,148	17,271	651,894	3.9%	12,605
Capitalized Fixed Assets	4,077,932	351,285	1,221,055	2,505,592	38.6%	902,578
TOTAL EXPENSES	<u>4,973,810</u>	<u>414,402</u>	<u>1,238,326</u>	<u>3,321,082</u>	33.2%	<u>960,247</u>

CITY OF SANTA BARBARA
Interim Statement of Revenues and Expenditures
For the Three Months Ended September 30, 2016 (25% 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	2,716,888	670,654	-	2,046,234	24.7%	659,223
Reimbursements	10,000	2,500	-	7,500	25.0%	2,500
Miscellaneous	103,070	29,122	-	73,948	28.3%	25,972
TOTAL REVENUES	<u>2,829,958</u>	<u>702,276</u>	<u>-</u>	<u>2,127,682</u>	24.8%	<u>687,695</u>
EXPENSES						
Salaries & Benefits	1,413,903	344,278	-	1,069,625	24.3%	302,619
Materials, Supplies & Services	1,329,928	290,195	218,368	821,364	38.2%	301,366
Special Projects	144,006	23,043	7,716	113,247	21.4%	5,232
Debt Service	43,070	10,768	-	32,302	25.0%	10,768
Capital Outlay Transfers	3,127	782	-	2,345	25.0%	-
Equipment	34,000	2,571	-	31,429	7.6%	40,053
Capitalized Fixed Assets	-	-	-	-	0.0%	29,457
Appropriated Reserve	14,000	-	-	14,000	0.0%	-
TOTAL EXPENSES	<u>2,982,033</u>	<u>671,637</u>	<u>226,084</u>	<u>2,084,312</u>	30.1%	<u>689,495</u>

CITY OF SANTA BARBARA
Interim Statement of Revenues and Expenditures
For the Three Months Ended September 30, 2016 (25% 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	3,497,901	874,475	-	2,623,426	25.0%	789,156
Workers' Compensation Premiums	3,507,209	876,802	-	2,630,407	25.0%	836,028
OSH Charges	251,864	62,966	-	188,898	25.0%	57,764
Unemployment Insurance Premium	221,324	55,331	-	165,993	25.0%	-
Investment Income	41,800	8,874	-	32,926	21.2%	9,696
Miscellaneous	-	21,548	-	(21,548)	100.0%	1,500
Operating Transfers-In	75,825	18,956	-	56,869	25.0%	18,956
TOTAL REVENUES	7,595,923	1,918,953	-	5,676,970	25.3%	1,713,100
EXPENSES						
Salaries & Benefits	627,679	153,042	-	474,637	24.4%	127,682
Materials, Supplies & Services	6,573,793	1,590,185	213,041	4,770,566	27.4%	1,240,087
Special Projects	121	-	121	0	99.8%	-
Capital Outlay Transfers	495	124	-	371	25.0%	-
TOTAL EXPENSES	7,202,088	1,743,351	213,162	5,245,574	27.2%	1,367,769

The Self Insurance Trust Fund is an internal service fund of the City, which accounts for the cost of providing workers' compensation, property and liability insurance as well as unemployment insurance and certain self-insured employee benefits on a city-wide basis. Internal Service Funds charge other funds for the cost of providing their specific services.

CITY OF SANTA BARBARA
Interim Statement of Revenues and Expenditures
For the Three Months Ended September 30, 2016 (25% of Fiscal Year)

INFORMATION TECHNOLOGY 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	3,446,902	861,725	-	2,585,177	25.0%	801,255
TOTAL REVENUES	3,446,902	861,725	-	2,585,177	25.0%	801,255
EXPENSES						
Salaries & Benefits	2,102,968	507,941	-	1,595,027	24.2%	419,950
Materials, Supplies & Services	1,024,130	326,522	58,820	638,788	37.6%	309,431
Special Projects	17,284	3,297	483	13,504	21.9%	2,315
Capital Outlay Transfers	430,500	107,625	-	322,875	25.0%	151,000
Equipment	8,250	1,912	-	6,338	23.2%	3,600
Appropriated Reserve	17,048	-	-	17,048	0.0%	-
TOTAL EXPENSES	3,600,180	947,297	59,303	2,593,580	28.0%	886,296

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 Three Months Ended September 30, 2016 (25% of Fiscal Year)

WATERFRONT OPERATING FUND

	Annual Budget	YTD Actual	Encum- brances	Remaining Balance	Percent of Budget	Previous YTD
REVENUES						
Leases - Commercial	1,567,000	610,252	-	956,748	38.9%	533,913
Leases - Food Service	3,205,000	1,005,778	-	2,199,222	31.4%	1,042,214
Slip Rental Fees	4,374,610	1,112,680	-	3,261,930	25.4%	1,081,452
Visitors Fees	510,000	153,858	-	356,142	30.2%	148,968
Slip Transfer Fees	685,000	302,575	-	382,425	44.2%	128,375
Parking Revenue	2,712,500	909,002	-	1,803,498	33.5%	914,153
Wharf Parking	170,000	59,330	-	110,670	34.9%	51,069
Other Fees & Charges	276,595	74,915	-	201,680	27.1%	72,832
Investment Income	100,800	25,369	-	75,431	25.2%	35,845
Rents & Concessions	331,500	90,755	-	240,745	27.4%	86,172
Reimbursements	-	-	-	-	0.0%	1,777
Miscellaneous	620,000	35,976	-	584,024	5.8%	46,250
TOTAL REVENUES	14,553,005	4,380,490	-	10,172,515	30.1%	4,143,020
EXPENSES						
Salaries & Benefits	6,530,053	1,647,671	-	4,882,382	25.2%	1,338,685
Materials, Supplies & Services	4,344,286	951,497	919,976	2,472,813	43.1%	952,944
Special Projects	280,526	67,492	66,920	146,114	47.9%	50,334
Debt Service	1,741,168	486,622	-	1,254,546	27.9%	512,529
Capital Outlay Transfers	1,498,619	386,191	72,244	1,040,184	30.6%	363,286
Equipment	233,200	142,012	9,814	81,374	65.1%	9,598
Capital Fixed Assets	17,104	-	34,907	(17,803)	204.1%	-
Other	2,375	-	1,000	1,375	42.1%	-
Appropriated Reserve	139,463	-	-	139,463	0.0%	-
TOTAL EXPENSES	14,786,793	3,681,485	1,104,861	10,000,447	32.4%	3,227,376

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 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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Agenda Item No. 2

File Code No. 260.02

CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: November 22, 2016
TO: Mayor and Councilmembers
FROM: Treasury Division, Finance Department
SUBJECT: October 2016 Investment Report

RECOMMENDATION:

That Council accept the October 2016 Investment Report.

DISCUSSION:

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

ATTACHMENT: October 2016 Investment Report
PREPARED BY: Julie Nemes, Treasury Manager
SUBMITTED BY: Robert Samario, Finance Director
APPROVED BY: City Administrator's Office

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

INVESTMENT ACTIVITY

PURCHASES OR DEPOSITS

10/12 Federal Home Loan Bank (FHLB)	\$ 2,000,000
10/26 LAIF Deposit - City	10,000,000
10/27 Federal Home Loan Mortgage Corp (FHLMC)	2,000,000
10/31 LAIF Deposit - City	3,000,000
Total	\$ 17,000,000

SALES, MATURITIES, CALLS OR WITHDRAWALS

10/3 Blackrock FedFund (TDDXX) - Sold	\$ (2,000,000)
10/19 LAIF Deposit - City	(6,000,000)
10/30 Federal National Mortgage Association (FNMA) - Maturity	(3,000,000)
Total	\$ (11,000,000)

ACTIVITY TOTAL

\$ 6,000,000

INVESTMENT INCOME

POOLED INVESTMENTS

Interest Earned on Investments	\$ 126,868
Amortization	(1,610)
Total	\$ 125,258

INCOME TOTAL

\$ 125,258

CITY OF SANTA BARBARA
Summary of Cash and Investments
October 31, 2016

ENDING BALANCE AS OF SEPTEMBER 30, 2016

Description	Book Value	Yield to Maturity (365 days)	Percent of Portfolio	Average Days to Maturity
MUFG Union Bank NA Checking Account	\$ 10,871,176	0.400%	7.73%	1
State of California LAIF	50,000,000	0.634%	35.54%	1
Money Market Funds	2,000,000	0.120%	1.42%	1
Certificates of Deposit	7,000,000	1.644%	4.98%	611
Treasury Securities	2,002,173	0.607%	1.42%	150
Federal Agency Issues - Coupon	54,000,645	1.344%	38.39%	787
Corporate/Medium Term Notes	10,031,189	1.578%	7.13%	782
	<u>135,905,183</u>	<u>1.011%</u>	<u>96.61%</u>	<u>405</u>
SB Airport Promissory Note	4,775,296	4.195%	3.39%	4,655
Totals and Averages	\$ 140,680,479	1.119%	100.00%	549
UB Trust Cash	9,375			
Total Cash and Investments	\$ 140,689,854			

NET CASH AND INVESTMENT ACTIVITY FOR OCTOBER 2016 **\$ 14,698,389**

ENDING BALANCE AS OF OCTOBER 31, 2016

Description	Book Value	Yield to Maturity (365 days)	Percent of Portfolio	Average Days to Maturity
MUFG Union Bank NA Checking Account	\$ 19,580,550	0.400%	12.60%	1 (1)
State of California LAIF	57,000,000	0.654%	36.68%	1 (2)
Certificates of Deposit	7,000,000	1.644%	4.50%	580
Treasury Securities	2,001,724	0.607%	1.29%	119
Federal Agency Issues - Coupon	55,000,553	1.385%	35.40%	849
Corporate/Medium Term Notes	10,030,120	1.578%	6.45%	751
	<u>150,612,947</u>	<u>0.995%</u>	<u>96.93%</u>	<u>389</u>
SB Airport Promissory Note	4,775,296	4.195%	3.07%	4,624
Totals and Averages	\$ 155,388,243	1.093%	100.00%	519
Total Cash and Investments	\$ 155,388,243			

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

(2) The average life of the LAIF portfolio as of October 31, 2016 is 163 days.

CITY OF SANTA BARBARA

Investment Portfolio

October 31, 2016

DESCRIPTION	PURCHASE DATE	MATURITY DATE	QUALITY RATING		STATED RATE	YIELD AT 365	FACE VALUE	BOOK VALUE	MARKET VALUE	BOOK GAIN/(LOSS)	COMMENTS
			MOODY'S	S & P							
LOCAL AGENCY INVESTMENT FUNDS											
LOCAL AGENCY INVESTMENT FUND	-	-	-	-	0.654	0.654	57,000,000.00	57,000,000.00	57,000,000.00	0.00	
Subtotal, LAIF							57,000,000.00	57,000,000.00	57,000,000.00	0.00	
CERTIFICATES OF DEPOSIT											
ALLY BANK	09/24/15	09/25/17	-	-	1.250	1.250	250,000.00	250,000.00	251,127.50	1,127.50	FDIC Certificate 57803
AMERICAN EXPRESS BANK FSB	10/23/14	10/23/19	-	-	2.200	2.200	250,000.00	250,000.00	257,212.50	7,212.50	FDIC Certificate 35328
AMERICAN EXPRESS CENTURION BK	09/30/15	09/30/20	-	-	2.250	2.250	250,000.00	250,000.00	259,172.50	9,172.50	FDIC Certificate 27471
BMO HARRIS BANK NA	09/30/15	09/29/17	-	-	1.100	1.100	250,000.00	250,000.00	251,110.00	1,110.00	FDIC Certificate 16571
BMW BK NORTH AMERICA	09/30/15	09/30/20	-	-	2.200	2.200	250,000.00	250,000.00	259,182.50	9,182.50	FDIC Certificate 35141
CAPITAL ONE BANK USA NA	10/29/14	10/29/19	-	-	1.900	1.900	250,000.00	250,000.00	257,277.50	7,277.50	FDIC Certificate 33954
CAPITAL ONE NA	09/30/15	09/30/20	-	-	2.250	2.250	250,000.00	250,000.00	259,172.50	9,172.50	FDIC Certificate 4297
DISCOVER BANK	09/30/15	09/30/20	-	-	2.300	2.300	250,000.00	250,000.00	259,647.50	9,647.50	FDIC Certificate 5649
EVERBANK	09/30/15	09/29/17	-	-	1.100	1.100	250,000.00	250,000.00	250,905.00	905.00	FDIC Certificate 34775
GE CAPITAL BANK	10/17/14	10/17/19	-	-	2.000	2.000	250,000.00	250,000.00	257,137.50	7,137.50	FDIC Certificate 33778
GOLDMAN SACHS BANK USA	10/29/14	10/29/19	-	-	2.150	2.150	250,000.00	250,000.00	257,245.00	7,245.00	FDIC Certificate 33124
KEY BANK NA	09/30/15	10/02/17	-	-	1.150	1.150	250,000.00	250,000.00	251,125.00	1,125.00	FDIC Certificate 17534
UNION BANK	08/31/12	08/31/17	-	-	1.490	1.511	4,000,000.00	4,000,000.00	4,000,000.00	0.00	
Subtotal, Certificates of deposit							7,000,000.00	7,000,000.00	7,070,315.00	70,315.00	
TREASURY SECURITIES - COUPON											
U S TREASURY NOTE	02/22/13	02/28/17	Aaa	AA+	0.875	0.607	2,000,000.00	2,001,723.76	2,003,580.00	1,856.24	
Subtotal, Treasury Securities							2,000,000.00	2,001,723.76	2,003,580.00	1,856.24	
FEDERAL AGENCY ISSUES - COUPON											
FED AGRICULTURAL MTG CORP	10/03/13	10/03/18	-	-	1.720	1.720	2,000,000.00	2,000,000.00	2,026,880.00	26,880.00	
FED AGRICULTURAL MTG CORP	12/12/13	12/12/18	-	-	1.705	1.705	2,000,000.00	2,000,000.00	2,028,620.00	28,620.00	
FEDERAL FARM CREDIT BANK	09/18/13	09/18/17	Aaa	AA+	1.550	1.550	2,000,000.00	2,000,000.00	2,014,340.00	14,340.00	
FEDERAL FARM CREDIT BANK	07/17/13	07/17/17	Aaa	AA+	1.300	1.300	2,000,000.00	2,000,000.00	2,008,540.00	8,540.00	
FEDERAL FARM CREDIT BANK	06/24/15	06/24/19	Aaa	AA+	1.520	1.520	2,000,000.00	2,000,000.00	2,020,600.00	20,600.00	
FEDERAL HOME LOAN BANK	09/13/13	09/14/18	Aaa	AA+	2.000	1.910	2,000,000.00	2,003,191.24	2,036,660.00	33,468.76	
FEDERAL HOME LOAN BANK	01/17/14	04/17/18	Aaa	AA+	1.480	1.480	2,000,000.00	2,000,000.00	2,016,260.00	16,260.00	
FEDERAL HOME LOAN BANK	10/12/16	10/12/21	Aaa	AA+	1.700	1.700	2,000,000.00	2,000,000.00	1,990,140.00	(9,860.00)	Callable 01/12/17, then qtrly
FEDERAL HOME LOAN BANK	01/26/16	04/26/19	Aaa	AA+	1.500	1.500	2,000,000.00	2,000,000.00	2,001,860.00	1,860.00	Callable 01/26/17, once
FEDERAL HOME LOAN BANK	12/16/13	12/14/18	Aaa	AA+	1.750	1.650	2,000,000.00	2,004,048.40	2,032,260.00	28,211.60	
FEDERAL HOME LOAN BANK	06/18/14	06/09/17	Aaa	AA+	1.000	1.003	2,000,000.00	1,999,959.29	2,004,500.00	4,540.71	
FEDERAL HOME LOAN BANK	10/22/14	11/18/16	Aaa	AA+	0.750	0.500	2,000,000.00	2,000,234.26	2,000,440.00	205.74	
FEDERAL HOME LOAN MTG CORP	10/27/16	10/27/21	Aaa	AA+	1.400	1.657	2,000,000.00	2,000,000.00	1,994,100.00	(5,900.00)	SU 1.4%-3%, Call 04/27/17, then qtrly
FEDERAL HOME LOAN MTG CORP	11/20/13	09/29/17	Aaa	AA+	1.000	1.030	1,000,000.00	999,730.80	1,002,780.00	3,049.20	
FEDERAL HOME LOAN MTG CORP	09/29/16	09/29/21	Aaa	AA+	1.250	1.858	2,000,000.00	2,000,000.00	1,996,020.00	(3,980.00)	SU 1.25%-3.5% Call 03/29/17, then qtrly
FEDERAL NATL MORTGAGE ASSN	11/15/13	10/26/17	Aaa	AA+	0.875	1.062	2,000,000.00	1,996,397.54	2,003,300.00	6,902.46	
FEDERAL NATL MORTGAGE ASSN	12/11/13	11/27/18	Aaa	AA+	1.625	1.606	2,000,000.00	2,000,751.85	2,027,080.00	26,328.15	
FEDERAL NATL MORTGAGE ASSN	05/26/16	05/26/20	Aaa	AA+	1.375	1.375	2,000,000.00	2,000,000.00	2,000,320.00	320.00	Callable 05/26/17, once
FEDERAL NATL MORTGAGE ASSN	08/16/16	08/16/21	Aaa	AA+	1.500	1.500	2,000,000.00	2,000,000.00	1,979,960.00	(20,040.00)	Callable 08/16/17, then qtrly
FEDERAL NATL MORTGAGE ASSN	12/26/12	12/26/17	Aaa	AA+	1.000	1.000	4,000,000.00	4,000,000.00	4,000,720.00	720.00	Callable 12/26/16, then qtrly
FEDERAL NATL MORTGAGE ASSN	11/27/15	11/27/19	Aaa	AA+	1.125	1.678	2,000,000.00	2,000,000.00	2,007,560.00	7,560.00	SU 1.125%-2.250%, Call 11/27/17, once

CITY OF SANTA BARBARA

Investment Portfolio

October 31, 2016

DESCRIPTION	PURCHASE DATE	MATURITY DATE	QUALITY RATING MOODY'S	QUALITY RATING S & P	STATED RATE	YIELD AT 365	FACE VALUE	BOOK VALUE	MARKET VALUE	BOOK GAIN/(LOSS)	COMMENTS
FEDERAL NATL MORTGAGE ASSN	07/26/16	07/26/19	Aaa	AA+	1.125	1.125	2,000,000.00	2,000,000.00	1,990,720.00	(9,280.00)	Callable 07/26/17, once
FEDERAL NATL MORTGAGE ASSN	09/29/16	09/29/21	Aaa	AA+	1.600	1.600	2,000,000.00	2,000,000.00	1,983,060.00	(16,940.00)	Callable 03/29/17, then qtrly
FEDERAL NATL MORTGAGE ASSN	02/05/13	02/05/18	Aaa	AA+	1.000	1.000	2,000,000.00	2,000,000.00	1,999,120.00	(880.00)	Callable 11/05/16, then qtrly
FEDERAL NATL MORTGAGE ASSN	11/20/13	10/26/17	Aaa	AA+	0.875	1.070	2,000,000.00	1,996,239.41	2,003,300.00	7,060.59	
FEDERAL NATL MORTGAGE ASSN	11/27/15	11/28/18	Aaa	AA+	1.200	1.200	2,000,000.00	2,000,000.00	2,000,620.00	620.00	Callable 11/28/16, once
FEDERAL NATL MORTGAGE ASSN	05/26/16	11/26/19	Aaa	AA+	1.300	1.300	2,000,000.00	2,000,000.00	2,004,460.00	4,460.00	Callable 05/26/17, once
Subtotal, Federal Agencies							<u>55,000,000.00</u>	<u>55,000,552.79</u>	<u>55,174,220.00</u>	<u>173,667.21</u>	
CORPORATE/MEDIUM TERM NOTES											
BERKSHIRE HATHAWAY INC	11/29/13	02/09/18	Aa2	AA	1.550	1.550	2,000,000.00	2,000,000.00	2,009,120.00	9,120.00	
GENERAL ELECTRIC CAPITAL CORP	01/14/14	01/14/19	A1	AA-	2.300	2.250	2,000,000.00	2,002,070.61	2,042,400.00	40,329.39	
TOYOTA MOTOR CREDIT	11/20/15	07/13/18	Aa3	AA-	1.550	1.408	2,000,000.00	2,004,713.62	2,008,920.00	4,206.38	
TOYOTA MOTOR CREDIT	09/15/16	05/20/19	Aa3	AA-	1.400	1.307	2,000,000.00	2,004,647.38	1,996,060.00	(8,587.38)	
WELLS FARGO BANK NA	09/15/16	05/24/19	Aa2	AA-	1.750	1.377	2,000,000.00	2,018,688.61	2,007,780.00	(10,908.61)	
Subtotal, Corporate Securities							<u>10,000,000.00</u>	<u>10,030,120.22</u>	<u>10,064,280.00</u>	<u>34,159.78</u>	
SB AIRPORT PROMISSORY NOTE (LT)											
SANTA BARBARA AIRPORT	07/14/09	06/30/29	-	-	3.500	4.195	4,775,295.56	4,775,295.56	4,775,295.56	0.00	
Subtotal, SBA Note							<u>4,775,295.56</u>	<u>4,775,295.56</u>	<u>4,775,295.56</u>	<u>0.00</u>	
CHECKING ACCOUNT											
MUFG UNION BANK NA CHKNG ACCNT	-	-	-	-	0.400	0.400	19,580,550.47	19,580,550.47	19,580,550.47	0.00	
Subtotal, Checking Account							<u>19,580,550.47</u>	<u>19,580,550.47</u>	<u>19,580,550.47</u>	<u>0.00</u>	
TOTALS							<u>155,355,846.03</u>	<u>155,388,242.80</u>	<u>155,668,241.03</u>	<u>279,998.23</u>	

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



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: November 22, 2016

TO: Mayor and Councilmembers

FROM: Business Services Division, Waterfront Department

SUBJECT: Increase in Appropriations For Marina Management Software

RECOMMENDATION:

That Council approve an appropriation increase of \$20,000 from the Waterfront Fund Reserves above policy requirements, to supplement existing appropriations of \$17,000 and bringing the total budget authority to \$37,000 for the Marina Management Software Upgrade Project.

DISCUSSION:

The Waterfront Department provides all the administrative oversight and financial support involved with the operation of the 1,139-slip Harbor. This includes all the billing for every slip and over 65 business tenants. In addition, transactions at the front counter include slip transfers, slip accounting and billing, marina key card purchases, as well as visitor slip availability and other marina-related services.

The marina management software program, Total Marina Package, from Kord Information Systems, was purchased in Fiscal Year 2016 after a competitive Request for Proposal process in cooperation with the Information Services Division and a Professional Services Agreement was executed. Funding for the \$34,907 software program included \$17,000 that remained in the Marine Management Software Program account from Fiscal Year 2016, leaving a \$20,000 shortfall based on the final cost of the software, totaling \$37,000. The requested appropriation from the Department's reserves above policy and will allow the Waterfront Department to complete the installation of the software program and our legal obligation to the software provider.

The new marina management software will be more user-friendly for Waterfront personnel and patrons and offers more payment options to slip permittees, tenants, and visitors. Kord Information Systems works with public and private marinas throughout the United States.

Project Implementation Timeline

The project implementation is currently taking place and should be operational in the spring of 2017.

BUDGET/FINANCIAL INFORMATION:

The Waterfront Department is proposing to use reserves above policy to fund the additional appropriation for the Marina Management Software program. Waterfront's reserves are currently above policy and staff is confident that the requested appropriations will cover the cost of the project.

PREPARED BY: Brian Bosse, Waterfront Business Manager

SUBMITTED BY: Scott Riedman, Waterfront Director

APPROVED BY: City Administrator's Office



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: November 22, 2016

TO: Mayor and Councilmembers

FROM: Water Resources Division, Public Works Department

SUBJECT: Purchase Order For Water Treatment Chemicals At The William B. Cater Water Treatment Plant

RECOMMENDATION:

That Council find it to be in the City's best interest to authorize the General Services Manager to issue a purchase order in the amount of \$350,000 to Norit Americas, Inc. for the purchase of powdered activated carbon for use at the William B. Cater Water Treatment Plant, in accordance with Section 4.52.070(L) of the Municipal Code.

DISCUSSION:

The City's William B. Cater Water Treatment Plant (Cater) provides regional water treatment to the City of Santa Barbara, as well as the Montecito and Carpinteria Valley Water Districts. Chemicals are used in the treatment process, including Powdered Activated Carbon (PAC), which assists with removing the naturally occurring organic material from the raw water. As a result of using PAC, there is less organic material in the water to react with the chlorine and create disinfection bi-products, which are federally regulated contaminants.

In selecting treatment chemicals at Cater, rigorous performance testing with a third party is conducted to identify which chemical performs best in treating Cater's water. The best performing chemical for the overall lowest cost is then selected for use. Staff then brings a request to Council for approval to purchase the chosen chemical. Staff followed this process in 2011 with the selection of Norit Hydrodarco B Powdered Activated Carbon (Norit PAC). On September 20, 2011, Council approved the issuance of Purchase Order No. 31700282 in the amount of \$450,000 to Norit Americas, Inc., for the purchase of up to 600,000 pounds of Norit PAC, with the option to renew the purchase order for an additional four years, subject to Council's adoption of the budget.

Purchase Order No. 31700282 for the Norit PAC was renewed for four years and has recently expired. Staff is currently working to again conduct rigorous performance testing to select a PAC that is best suited for use at Cater. During the performance testing period,

Council Agenda Report

Purchase Order For Water Treatment Chemicals At The William B. Cater Water Treatment Plant

November 22, 2016

Page 2

which is anticipated to take six months, Cater will need to purchase Norit PAC to continue treating water to drinking water standards.

Staff is recommending that Council find it to be in the City's best interest to authorize the General Services Manager to issue a purchase order in the amount of \$350,000 to Norit Americas, Inc. for the purchase of Norit PAC for use at Cater, in accordance with Section 4.52.070(L) of the Municipal Code. Staff is confident that the recommended purchase order will ensure Cater has sufficient PAC supplies for the duration of the performance testing period.

BUDGET/FINANCIAL INFORMATION:

All Norit PAC expenditures will be made with approved budget limits. There are sufficient appropriated funds in the Water Fund to cover the proposed costs.

SUSTAINABILITY IMPACTS:

Using PAC in the water treatment process helps ensure that Cater continues producing safe and consistent drinking water that meets all state and federal regulations.

PREPARED BY: Catherine Taylor P.E., Water System Manager/cmw

SUBMITTED BY: Rebecca J. Bjork, Public Works Director

APPROVED BY: City Administrator's Office



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: November 22, 2016

TO: Mayor and Councilmembers

FROM: Water Resources Division, Public Works Department

SUBJECT: Approval Of Standard Equipment List For The Water Resources Division

RECOMMENDATION:

That Council find it to be in the City's best interest to waive formal purchase bidding requirements and approve the Standard Equipment List for the Water Resources Division for the next three years, in accordance with Section 4.52.070(L) of the Municipal Code.

DISCUSSION:

The Water Resources Division operates a number of complex facilities. These include treatment plants, reservoirs, pump stations, lift stations, laboratory equipment, and related components. It is in the City's best interest to standardize on purchase of equipment commonly used to support and maintain these facilities. Standardizing on commonly used equipment lowers costs by reducing inventories, minimizing both the training of staff on various pieces of equipment and the need to stock specialized tools to work on a wide variety of equipment. Standardizing on equipment also provides better response times for making repairs and responding to emergencies, which results in improved performance and reliability of the City's Water Resources facilities.

All of the items on the Standard Equipment List were either originally approved by Council as a Sole Source item; or were originally selected through a competitive bidding process; or can be procured from multiple vendors. As a result, many of the supporting infrastructure configurations were designed to accommodate the specific equipment on the Standard Equipment List. It is easier and more cost effective for staff to replace equipment in kind, rather than having to redesign mechanical systems to accommodate "non-standard" equipment.

Section 4.52.070 (L) of the Municipal Code authorizes Council to purchase supplies, equipment, and services without complying with the formal bid procedure, when it is found to be in the best interest of the City.

Council last approved an update to the Water Resources Standard Equipment List on June 21, 2016. Unfortunately, the list submitted for approval was incomplete and was missing some critical equipment necessary for the operation of the City's water and wastewater facilities. For this reason, staff is returning to Council to recommend approval of the updated Standard Equipment List for the next three years, to expire on November 22, 2019 (see Attachment).

BUDGET/FINANCIAL INFORMATION:

Water Resources expenditures on the Standard Equipment List shall not exceed the amounts that Council has approved in the budget.

ATTACHMENT: Water Resources Standard Equipment List
PREPARED BY: Catherine Taylor PE, Water System Manager/cmw
SUBMITTED BY: Rebecca J. Bjork, Public Works Director
APPROVED BY: City Administrator's Office

Water Resources Standard Equipment List

Expires 11/22/2019

No.	Equipment
1	^a Allen Bradley Program Logic Controllers, VFDs & Electrical Equipment
2	^a Auma Electric Valve Actuators
3	^a Borger rotary lobe pumps
4	^a Caterpillar generators
5	^a Control Logix control systems - PLC programming software
6	^a EIM electric valve operators
7	^a GSM Filtration - Belt Press Belts
8	^a Grifco calibration and chemical feed components
9	^a Hach Analytical Instrumentation
10	^a Hayward PVC ball valves
11	^a Landa pressure washers (hot water)
12	^a MDS data radios (Microwave Data Systems)
13	^a Micro Motion coriolis mass flowmeters
14	^a Olympian Generator
15	^a Perkin Elmer - Laboratory products and services
16	^a Phoenix Electrical and Industrial Equipment
17	^a Pioneer pumps
18	^a Process Solutions, Inc - On-Site Hypochlorite Generation
19	^a Red Valve Company Valves
20	^a Rosemount Process Monitoring Equipment and Instrumentation
21	^a Rotork electric valve actuators
22	^a Shimadzu Company - Analytical Instruments
23	^a Siemens Process Monitoring Equipment and Instrumentation
24	^a Smith and Loveless Pumps
25	^a Tarby Pumps
26	^a Thermo Dionex - Laboratory Instrumentation
27	^a Vaughan Company, Inc. - Pumps
28	^a Watson Marlow chemical metering pumps (peristaltic)
29	^b Pro Quip Inc, Gear Reducers
30	^b Turblex Inc, Blowers
31	^b Varec Gas System
32	^b Wemco Pumps
33	^b Wonderware SCADA Software
34	^b Teledyne / ISCO Samplers
35	^b Industrial Scientific gas detectors

^a Originally selected by Council Approval as a Sole Source item

^b Originally selected through a competitive bidding process

^c Has multiple distributors

Water Resources Standard Equipment List

No.	Equipment
36	^b Armorcast meter boxes
37	^b Master Meter ultrasonic water meter (3-inch and larger)
38	^b Metron water meters (1" and larger)
39	^b Sensus Water Meters
40	^b Badger Water Meters
41	^b Itron / Charging Stations
42	^b Itron / Encode with Intergral Connector ERW-1300 (100W)
43	^b Itron / Handheld Software (MVRS-C)
44	^b Itron / Handhelds FC-300
45	^b 3T Equipment Co. Distributor for wastewater collection parts and equipment.
46	^b ABS Pumps
47	^b Amiad Self Cleaning Strainers
48	^b Ashbrook Simon-Hartley Belt Filter Presses
49	^b Atlas Copco Compressors
50	^b Cornell Pumps
51	^b Delroyd-Nuttall Gear LLC, Gear Reducers
52	^b DeZurik process valves
53	^b Door-Oliver, Gear Reducers
54	^b Eaton / Westinghouse / Cuttler Hammer Electrical Equipment
55	^b Eimco Gear Reducers
56	^b Envirex Chain and Scraper Sludge and Scum Collector Systems
57	^b Fairbanks and Morse Pumps
58	^b FCI Gas/Air Flow Meters and Switches
59	^b Flowserve Pumps
60	^b Fluid Dynamics dry and liquid polymer systems
61	^b Flygt ITT Industries Inc Pumps/Xylem
62	^b FMC Corporation Grit System
63	^b Fontaine Valves
64	^b Gardner Denver blowers
65	^b Godwin Pumps/Xylem
66	^b Haaker Equipment Co. - distributor for Envirosight Quckview CCTV inspection equipment.
67	^b Headworks Screens
68	^b Henry Pratt process valves
69	^b Huber Washer Compactor
70	^b JDV Equipment Corp - Shaftless Screw Conveyor
71	^b Lancer - Laboratory Washer

^a Originally selected by Council Approval as a Sole Source item

^b Originally selected through a competitive bidding process

^c Has multiple distributors

Water Resources Standard Equipment List

No.	Equipment
72	^b LandAirSea - distributor for ww collection GPS devices and replacement parts
73	^b Landia Mixers
74	^b Lightnin/SPX mixers
75	^b Market Forge - sterilizer/autoclave
76	^b McCrometer Insertion flow meters
77	^b Met-Pro Environmental Air Solution / Duall, Air Scrubbers
78	^b Mettler Toledo - Analytical Instruments and Balances
79	^b Milliken Valves
80	^b Mission Communication - distributor for manhole level sensor devices and replacement parts
81	^b Moyno Pumps
82	^b Netzsch, North American LLC - Nemo Pumps
83	^b Ovivo After Market Group (Eimco rep) Heat Exchangers
84	^b Parkson Corporation Conveyor Systems
85	^b Peabody Flowway Pumps
86	^b Peerless Pumps
87	^b Poly Processing Tanks
88	^b Polychem non-metallic chain and flight sludge collection system
89	^b Polytech Corporation Secondary Scum Collectors And Assemblies
90	^b Pratt isolation valves
91	^b Quincy air compressor
92	^b Reliance (Variable Freq Drive) WAS, RAS
93	^b Roots Dresser, Blowers
94	^b RS Technical - Sewer Main CCTV Camera and Track Motor parts and equipment
95	^b Serpentix Corporation Conveyor Systems
96	^b Siemens-Robicon VFDs
97	^b Singer Valves
98	^b SPS mixers
99	^b Syneco Systems Air Scrubber
100	^b Thompson Pumps
101	^b Tomco CO ₂ system components
102	^b US Filter chemical feed pumps
103	^b US Motors
104	^b Verderflex Peristaltic Pumps
105	^b Wedeco O ₃ system components
106	^b Wigen UF Filters - DOW Ultrafiltration Modules
107	^c APC - American Power Co; UPS - Uniteruptible Power Supply Units

^a Originally selected by Council Approval as a Sole Source item

^b Originally selected through a competitive bidding process

^c Has multiple distributors

Water Resources Standard Equipment List

No.	Equipment
108	° ASCO transfer switch
109	° Busmann low voltage fuses
110	° Cisco Networking Equipment
111	° Cla-Val pressure reducing valves
112	° Cole Palmer peristaltic pumps
113	° Crane valves
114	° DELL Servers, Computers and Screens
115	° ENZ USA- Bulldog nozzles
116	° FLUKE Instruments, Multimeters, Milliampmeters
117	° George Fisher plastic body diaphragm valves
118	° Guardian Equipment emergency eyewash and shower equipment
119	° Hoffman enclosures
120	° Hydromatic Pumps
121	° Ingersoll Rand Plant Air Compressors
122	° In-Situ Level Transducers and Controllers
123	° James Jones Fire Hydrants
124	° Kato Generator
125	° Keller / KPSI level transducers
126	° Koyo PLC's
127	° Limitorque electric valve actuator
128	° Link-Belt Gear Speed Reducer
129	° LMI chemical feed pumps
130	° Matticks Industries Supply Exhaust Fans
131	° MSA Gas Monitoring Systems
132	° Murphy pressure switches
133	° Power Prime Pump
134	° Stoneage Warthog nozzles
135	° Schneider Electric/Square D Electrical Equipment
136	° Sonic Wall VPN/LS Routers
137	° Taylor Dunn Electric Carts
138	° Ubiquity Networking Radios
139	° US Gearmotors Series 3000 - Emerson Gear Reducers

^a Originally selected by Council Approval as a Sole Source item

^b Originally selected through a competitive bidding process

^c Has multiple distributors



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: November 22, 2016

TO: Mayor and Councilmembers

FROM: Water Resources Division, Public Works Department

SUBJECT: Issuance Of Purchase Order To Engel & Gray, Inc., For Biosolids Composting

RECOMMENDATION:

That Council find it in the City's best interest to waive the formal bid process as provided by Municipal Code Section 4.52.070(L) and authorize the General Services Manager to issue a purchase order to Engel & Gray, Inc., to provide the City with an in-county site for biosolids composting services at a cost of \$52.00 per ton, and for the purchase of a limited amount of finished compost at a cost of \$25.80 per yard for Fiscal Year 2017, and the following four fiscal years, in accordance with approved budgets.

DISCUSSION:

The processes used for treatment of wastewater at the El Estero Wastewater Treatment Plant (El Estero) result in the generation of three products: treated water, recycled water, and biosolids. Biosolids are comprised of organic material removed during the treatment process, which is subsequently broken down and stabilized through a digestion process. The stabilized biosolids are black in color, have a musky, earthy odor, and make excellent feedstock for compost production. Returning the nitrogen and organic materials (humus) contained in biosolids to the soil helps to recycle these nutrients in a safe and sustainable manner.

On June 14, 2011, Council found it in the City's best interest to waive the formal bid process and authorize a purchase order to Engle & Gray, Inc. (E&G), to provide an in-county site for biosolids composting services for Fiscal Years 2012 through 2016. In years prior, the City utilized two composting companies to manage its biosolids: E&G in Santa Maria, and Liberty Composting, Inc., which has operations in Kern County. E&G was approved because it was, and still is, the only composting facility in Santa Barbara County that has the necessary permits to perform the work. Staff believes it is in the City's best interest to keep an in-county option for biosolids management.

Finished compost from E&G is purchased for use by the City's Parks and Recreation Department as a top dressing on fields, parks, and the City golf course.

Local use of compost provides the public with an opportunity to see the value of recycling this material, while also helping to replenish nutrients in the soil at the City's recreational facilities.

On June 29, 2014, the City issued a contract to Liberty Composting, Inc., (Liberty) the successful low bid contractor, to manage the majority of the City's biosolids. Liberty's contract is for a one year term starting in Fiscal Year 2015, with the option to renew for up to four (4) additional one-year terms. E&G is matching Liberty's low bid cost to transport and compost City biosolids at its facility and will provide a limited amount of finished compost to the City at \$25.80 per yard. The compost produced by E&G is high quality and has no noticeable odor. Therefore, staff recommends that a purchase order be issued to E&G to manage a portion of the City's biosolids.

BUDGET/FINANCIAL INFORMATION:

Biosolids management is an integral part of El Estero's operating budget, with approximately \$600,000 budgeted annually. Approximately \$125,000 of this will be paid to E&G, and the remainder is expected to be paid to Liberty. Funds to pay for biosolids management are included in the approved Wastewater Fund budget, and there are sufficient funds for both purchase order contracts.

SUSTAINABILITY IMPACT:

Returning nutrients to the soil is essential to sustainable farming. Compost offsets or replaces the need for chemical fertilizers, while also adding humus to the soil. Recycling biosolids through composting keeps this material out of landfills and preserves landfill space.

PREPARED BY: Lisa Arroyo, Wastewater System Manager/JH/LA/cmw

SUBMITTED BY: Rebecca J. Bjork, Public Works Director

APPROVED BY: City Administrator's Office



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: November 22, 2016

TO: Mayor and Councilmembers

FROM: Engineering Division, Public Works Department

SUBJECT: Approval Of Final Map And Execution Of Agreements For 3408 – 3412 State Street

RECOMMENDATION:

That Council approve and authorize the City Administrator to execute and record Final Map Number 20,748 and a standard agreement relating to the approved subdivision at 3408 – 3412 State Street.

DISCUSSION

A Tentative Map for the subdivision located at 3408-3412 State Street (Attachment 1), was conditionally approved on July 19, 2006, by adoption of the Staff Hearing Officer (SHO) Conditions of Approval, Resolution Number 042-06 (Attachment 2). The project involves the conversion of one commercial and four residential condominiums. Staff has reviewed the Final Map and has found it to be in substantial compliance with the previously approved Tentative Map, the Conditions of Approval, the State Subdivision Map Act, and the City's Subdivision Ordinance. The County Surveyor has reviewed the Final Map for technical correctness.

In accordance with SHO approval, the Owners, Robert and Deborah Hart, have signed and submitted the Final Map and the required Agreement to the City. Council approval is required if Council agrees with the staff determination that the Final Map conforms to all the requirements of the Subdivision Map Act and the Municipal Code applicable at the time of the approval of the Tentative Map.

Staff recommends that Council authorize the City Administrator to execute the required *Agreement Relating to Subdivision Map Conditions Imposed on Real Property* (Agreement). The *Agreement Assigning Water Extraction Rights* was recorded in November 2004 as part of a previous application.

The Final Map and Agreement are available for review in the City Clerk's Office.

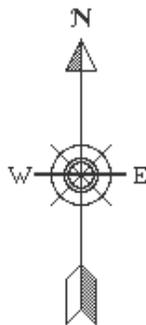
- ATTACHMENT(S):**
1. Vicinity Map
 2. Conditions required to be recorded concurrent with Final Map Number 20,748 by the Staff Hearing Officer Conditions of Approval Resolution Number 042-06

PREPARED BY: Adam Hendel, Principal Civil Engineer/TS/kts

SUBMITTED BY: Rebecca J. Bjork, Public Works Director

APPROVED BY: City Administrator's Office

Vicinity Map
3408-3412 State Street



Not to Scale

CONDITIONS THAT ARE REQUIRED TO BE RECORDED CONCURRENT WITH FINAL MAP NUMBER 20,748 BY HEARING OFFICER CONDITIONS OF APPROVAL, RESOLUTION NUMBER 042-06

3408-3412 State Street

Said approval is subject to the following conditions:

1. **Uninterrupted Water Flow.** The Owner shall provide for the uninterrupted flow of water through the Real Property including, but not limited to: swales, natural watercourses, conduits and any access road, as appropriate. The Owner is responsible for the adequacy of any project related drainage facilities and for the continued maintenance thereof in a manner which will preclude any hazard of life, health or damage to the Real Property or any adjoining property.
2. **Recreational Vehicle Storage Prohibition.** No recreational vehicles, boats or trailers shall be stored on the Real Property.
3. **Landscape Plan Compliance.** The Owner shall comply with the Landscape Plan as approved by the Architectural Board of Review (ABR) on April 12, 2004. Such plan shall not be modified unless prior written approval is obtained from the ABR. The landscaping on the Real Property shall be provided and maintained in accordance with said landscape plan.
4. **Approved Development.** The development of the Real Property approved by the Staff Hearing Officer on July 19, 2006 is limited to the conversion of one commercial space and four apartments to five condominium units, and the improvements shown on the plans signed by the Staff Hearing Officer on said date and on file at the City of Santa Barbara.
5. **Storm Water Pollution Control Systems Maintenance.** The Owner(s) shall maintain drainage system, storm drain water interceptor and other storm water pollution control devices in accordance with the approved Operations and Maintenance Procedure Plan.
6. **Required Private Covenants.** Prior to the issuance of a Certificate of Occupancy for any residential condominium unit or the sale of any residential condominium unit within the subdivision, whichever comes first, the Owners shall record in the official records of Santa Barbara County either private covenants, a reciprocal easement agreement, or a similar agreement which, among other things, shall provide for all of the following:
 - a. **Common Area Maintenance.** An express method for the appropriate and regular maintenance of the common areas, common access ways, common utilities and other similar shared or common facilities or improvements of the development, including the private storm drain system and shared sewer laterals, which methodology shall also provide for an appropriate cost-sharing of such regular maintenance among the various owners of the condominium parcels.
 - b. **Designated Spaces Available for Parking.** A covenant that includes a requirement that all designated parking spaces be kept open and available for the parking of vehicles owned by the residents of the property in the manner for which the parking spaces were designed and permitted.

- c. **Landscape Maintenance.** A covenant that provides that the landscaping shown on the approved Landscaping Plan shall be maintained and preserved at all times in accordance with the Plan.
- d. **Trash and Recycling.** A covenant that includes a requirement that adequate space shall be provided and maintained for trash and recycling purposes.
- e. **Covenant Enforcement.** A covenant that permits each owner to contractually enforce the terms of the private covenants, reciprocal easement agreement, or similar agreement required by this condition.



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: November 22, 2016

TO: Mayor and Councilmembers

FROM: Information Technology Division, Administrative Services Department and Public Works Department

SUBJECT: Upgrade Of Cartegraph Asset Management Software For Maintenance Work Order Tracking For Water And Wastewater Funds

RECOMMENDATION: That Council:

- A. Authorize the Administrative Services Director to execute a purchase agreement with Cartegraph Systems, Inc., for implementation of the Operations Management System (OMS) for the Water And Wastewater Funds, in the amount of \$242,100, and approve an additional \$24,507 for contingency costs that may be necessary during the implementation, for a total authorization not to exceed \$266,607; and
- B. Authorize the Administrative Services Director to execute an amendment to the master agreement with Cartegraph Systems, Inc., for the acquisition of additional Cartegraph OMS and ArcGIS On Line licenses, in the amount of \$14,969 for Fiscal Year 2017, and \$12,805 per year for Fiscal Years 2018 and 2019, for a revised contract amount of \$182,585; and
- C. Approve an increase in appropriations and estimated revenues by \$269,279 in the Information Technology Capital Fund to cover the Fiscal Year 2017 cost of the implementation and additional licenses, funded from transfers from the Water Fund (\$89,523) and Wastewater Fund (\$180,053).

DISCUSSION:

Background

On June 28, 2016, following an extensive needs analysis, Council authorized an upgrade from Cartegraph Navigator Asset Management software to Cartegraph Operations Management System (OMS) for the following City operations: Airport, Public Works Traffic Engineering, Public Works Transportation, and the Waterfront because the Navigator software was nearing its support "end of life" and had a number of issues due to its age.

Public Works Water Distribution, Public Works Wastewater Collection, and Parks and Recreation were not ready to proceed with the upgrade at that time. Staff notified Council that we would return to add more licenses and software customization with Cartegraph and seek Council approval when they were ready to proceed. Since that time, Water Distribution and Wastewater Collection have concluded needs assessment and negotiations with Cartegraph and are ready to proceed with the upgrade.

BUDGET/FINANCIAL INFORMATION:

The total contract amount for the Water and Wastewater implementation is \$242,100 with increased licensing costs of \$40,579 over a three-year period. The Fiscal Year 2017 cost will be \$245,069, which includes \$14,969 for OMS and ESRI software licensing covering the first year, \$209,300 for professional implementation services, and \$20,800 for expenses. Staff is also requesting \$24,507 for any contingency costs that may arise during implementation, for a total Fiscal Year 2017 cost of \$269,576.

The Fiscal Year 2017 cost of \$269,576 will be paid out of, and in proportion to, the operating funds that use the system, as shown below. Each of these funds have existing appropriations to cover their respective share of the costs.

1. Water Fund - \$89,523
2. Wastewater Fund - \$180,053

Beginning in Fiscal Year 2018, the City will pay annual costs for OMS modification and support, which is fixed at \$12,000 for Fiscal Year 2018, and annual fees for the additional Cartegraph OMS licenses, fixed at \$12,805 per year in Fiscal Years 2018 and 2019. These costs will be almost entirely offset by the \$24,805 reduction in previous Navigator support and maintenance fees.

Also beginning in Fiscal Year 2018, the City will need to purchase the additional ESRI licenses directly from ESRI for \$10,000 per year in order to take advantage of the mapping functionality built in to the OMS software. That cost is not included in these agreements with Cartegraph. Separate authorization will be sought for the additional ESRI costs with the next Two Year Financial Plan.

SUSTAINABILITY IMPACT:

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

Council Agenda Report
Upgrade Of Cartegraph Asset Management Software For Maintenance Work Order
Tracking For Water And Wastewater Funds
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A copy of the agreement is available for public review in the City Clerk's Office.

PREPARED BY: Maryanne Knight, Information Technology Manager

SUBMITTED BY: Kristine Schmidt, Administrative Services Director

APPROVED BY: City Administrator's Office



CITY OF SANTA BARBARA SANTA BARBARA FINANCING AUTHORITY AGENDA REPORT

AGENDA DATE: November 22, 2016

TO: Mayor and Councilmembers
Board of Directors, Santa Barbara Financing Authority

FROM: Administration Division, Finance Department
City Attorney's Office

SUBJECT: 2016 Sewer Revenue Refunding Bonds

RECOMMENDATION:

- A. That the Board adopt, by reading of title only, A Resolution of the Board of Directors of the Santa Barbara Financing Authority Authorizing the Execution and Delivery by the Authority of an Installment Sale Agreement and a Trust Agreement in Connection With the Execution and Delivery of Santa Barbara Financing Authority Sewer Revenue Refunding Bonds, Series 2016; Authorizing the Execution and Delivery of Such Bonds in the Principal of not to Exceed \$13,500,000 and Authorizing Related Actions; and
- B. That Council adopt, by reading of title only, A Resolution of the City Council of the City of Santa Barbara Authorizing the Distribution of an Official Notice of Sale and Official Statement in Connection with the Delivery and Sale of Santa Barbara Financing Authority Sewer Revenue Refunding Bonds, Series 2016; and Authorizing Related Actions.

DISCUSSION:

Over the last several months, staff from the Finance Department, Public Works Department and the City Attorney's Office have been evaluating the feasibility and merits of refinancing certain long-term debt of the Wastewater Fund to capitalize on the historically low interest rate environment, thereby lowering its overall debt service costs.

Staff is now prepared to move forward with the sale of Sewer Revenue Refunding Bonds (Bonds), scheduled for early December 2016. On October 18, 2016, the City Council took its first action towards the sale of Bonds with the adoption of an ordinance approving an Installment Sale Agreement, Trust Agreement and Continuing Disclosure Agreement. The next step is today's adoption of resolutions by the City Council and the Board of Santa Barbara Financing Authority authorizing the sale of Sewer Bonds.

The Santa Barbara Financing Authority (“Authority”) is a joint powers authority created under state law between the City and the former Redevelopment Agency of the City of Santa Barbara (RDA). The Authority was originally formed in 2002 in connection with the 2002 Water Certificates of Participation (COPs) and was used most recently in the sale of the 2013 Water Refunding COPs. With the dissolution of the RDA, the Successor Agency will assume the role of the former RDA, which is permissible and specifically provided for in the legislation that eliminated RDAs statewide. The Authority will be entity issuing the Sewer Bonds.

With today’s adoption of the two companion resolutions, the City will be able to solicit offers from prospective investment bankers for the sale of bonds in amount not exceed \$13.5 million, the proceeds of which will be used to retire the existing 2004 Sewer Revenue Bonds.

Financing Structure

To facilitate the prepayment of the 2004 Sewer Revenue Bonds, the new bonds will be secured by installment payments to be made by the City through the Wastewater Fund to the Santa Barbara Financing Authority pursuant to an Installment Sale Agreement.

The detailed financing structure is as follows:

- a. The City will sell the “improvement project” to the Authority for an amount not to exceed \$13.5 million. The proceeds of this sale will be used by the City to prepay the 2004 Sewer Bonds.
- b. The Authority will concurrently sell back to the City the “improvement project” under an Installment Sale Agreement. Pursuant to that Agreement, the Wastewater Fund will make annual installment payments to the Authority in amounts corresponding to the debt service requirements on the new 2016 Sewer Revenue Refunding Bonds.
- c. The Authority will make the annual debt service payments funded from the installment payments received from the City.

This type of financing structure is very common, particularly for enterprise-type operations. A similar financing structure was used in connection with the sale of the 2013 Water Refunding Certificates of Participation.

Adoption of Authorizing Resolutions

The resolutions subject to adoption by Council and the Authority contained in this agenda report are required documents to authorize the sale of bonds.

Since both the City and the Authority are part of the transaction, a separate resolution is needed for each and each will approve its respective resolution. Because of the financing structure, the resolutions contain items unique and necessary to the City as well as the Authority. A summary of the resolutions proposed for adoption is provided below.

Santa Barbara Financing Authority Resolution

1. Approve the Installment Sale Agreement in aggregate principal amount not to exceed \$13.5 million (the Installment Sale Agreement was approved by the City Council by adoption of Ordinance No. 5772 on October 18, 2016).
2. Approve the *form* of the Trust Agreement.
3. Authorize the Executive Director and Treasurer to execute all documents, and to make necessary changes for the sale of the bonds.

City of Santa Barbara Resolution

1. Approve the Notice of Sale, which will be used to advertise the City's intent to sell bonds to prospective bidders and authorize its distribution.
2. Approve the Official Statement and in connection with the delivery and sale of the revenue bonds.
3. Authorize the City Administrator and Finance Director to execute all documents, and make necessary changes for the sale of the bonds.

Next Steps

With adoption of the resolutions by the City and Santa Barbara Financing Authority, City staff, led by its financial advisor, will proceed with the planned sale of 2016 Sewer Revenue Refunding Bonds, scheduled for early December 2016.

The sale of the bonds will be done through a competitive bid process, which means the bidder offering the lowest total interest costs, and who otherwise meets all other requirements specified in the offering documents, will be awarded the contract. The bidders are typically large investment bankers who purchase the entire lot of certificates for subsequent marketing and sale to individual and institutional investors.

A detailed report of today's recommended Council action will first be presented to the Finance Committee at 12:30 p.m. on November 22, 2016 in the David Gebhard Room, located at 630 Garden Street.

A copy of the Preliminary Official Statement and Notice of Sale will be available for review in the City Clerk's Office.

BUDGET AND FINANCIAL IMPACTS:

The overall transaction will ultimately impact amounts budgeted for debt service on the new debt as well as remaining debt. Once these final numbers have been determined, staff will return to Council when and if appropriate to adjust the Wastewater Fund budget for any adjustments needed to budgeted debt service costs.

PREPARED BY: Robert Samario, Finance Director

SUBMITTED BY: Robert Samario, Finance Director
Sarah J. Knecht, Assistant City Attorney

APPROVED BY: City Administrator's Office

Resolution No. _____

RESOLUTION OF THE BOARD OF DIRECTORS OF THE SANTA BARBARA FINANCING AUTHORITY AUTHORIZING THE EXECUTION AND DELIVERY BY THE AUTHORITY OF AN INSTALLMENT SALE AGREEMENT AND A TRUST AGREEMENT IN CONNECTION WITH THE EXECUTION AND DELIVERY OF SANTA BARBARA FINANCING AUTHORITY SEWER REVENUE REFUNDING BONDS, SERIES 2016; AUTHORIZING THE EXECUTION AND DELIVERY OF SUCH BONDS IN THE PRINCIPAL OF NOT TO EXCEED \$13,500,000 AND AUTHORIZING RELATED ACTIONS

WHEREAS, in order to finance the acquisition, construction and installation of certain improvements to its Sewer system (the "2004 Project"), the City of Santa Barbara (the "City") caused to be executed and delivered the Santa Barbara Financing Authority Sewer Revenue Bonds, Series 2004 (the "Series 2004 Bonds");

WHEREAS, the Series 2004 Bonds were secured by installment payments (the "Prior Installment Payments") to be made by the City pursuant to the Master Installment Purchase Agreement, dated as of July 1, 2004, as supplemented by the 2004 Supplement, dated July 1, 2004, each by and between the City and the Santa Barbara Financing Authority (the "Authority");

WHEREAS, in order to achieve certain savings, the City desires to refinance the 2004 Project by exercising its option to prepay the Prior Installment Payments, which prepayment will be applied to the redemption of the Series 2004 Bonds;

WHEREAS, the refinancing of the 2004 Project is referred to herein as the "2016 Sewer Refunding Project";

WHEREAS, in order to accomplish the 2016 Sewer Refunding Project, the City will sell the 2016 Sewer Refunding Project to the Authority and then purchase back the 2016 Sewer Refunding Project from the Authority pursuant to a 2016 Sewer Installment Sale Agreement, dated as of December 1, 2016 (the "2016 Installment Sale Agreement"), between the Authority and the City;

WHEREAS, the City and the Authority have determined that it would be in the best interests of the City and the Authority to provide the funds necessary to accomplish the 2016 Sewer Refunding Project through the sale and delivery, pursuant to a Trust Agreement, dated as of December 1, 2016, by and between U.S. Bank National Association, as trustee (the "Trustee") and the Authority, of Santa Barbara Financing Authority Sewer Revenue Refunding Bonds, Series 2016 (the "Bonds"), secured by the Installment Payments (the "Installment Payments") payable hereunder the 2016 Installment Sale Agreement;

WHEREAS, all rights to receive the Installment Payments, and the interest thereon, will be assigned without recourse by the Authority to the Trustee pursuant to the Trust Agreement; and

WHEREAS, the Board of Directors of the Authority (the "Board") has been presented with the form of each document referred to herein relating to the refinancing contemplated hereby, and the Board has examined and approved each document and desires to authorize and direct the execution of such documents and the consummation of such refinancing;

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors of the Santa Barbara Financing Authority, as follows:

Section 1. All of the recitals herein contained are true and correct and the Board so finds.

Section 2. The form of 2016 Installment Sale Agreement, on file with the Secretary of the Authority, is hereby approved, and the Executive Director of the Authority, the Treasurer of the Authority and the Secretary of the Authority (the "Authorized Officers") are each hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the 2016 Installment Sale Agreement in substantially said form, with such changes therein as the Authorized Officer executing the same may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof; provided, however, that the aggregate amount of the Installment Payments shall not exceed \$13,500,000, the final Installment Payment shall be payable no later than May 15, 2029, and there shall be net present value savings with respect to the refinancing of the Series 2004 Bonds of at least 3% of the principal amount of the Series 2004 Bonds refunded using the yield on the Bonds as the discount rate.

Section 3. The form of Trust Agreement, on file with the Secretary of the Authority, is hereby approved, and the Authorized Officers are each hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Trust Agreement in substantially said form, with such changes therein as the Authorized Officer executing the same may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 4. The execution and delivery of Bonds evidencing principal in an aggregate amount not to exceed \$13,500,000, payable in the years and in the amounts, and bearing interest as specified in the Trust Agreement as finally executed, are hereby authorized and approved.

Section 5. The officers of the Authority are hereby authorized and directed, jointly and severally, to do any and all things which they may deem necessary or advisable in order to consummate the transactions herein authorized and otherwise to carry out, give effect to and comply with the terms and intent of this Resolution.

Section 6. All actions heretofore taken by the officers and agents of the Authority with respect to the transactions set forth above are hereby approved, confirmed and ratified.

Section 7. This Resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED by the Board of Directors of the Santa Barbara Financing Authority at a regular meeting of said Board on November 22, 2016, by the following vote of said Board:

Ayes:

Noes:

Absent:

Abstain:

Chairperson of the Board of Directors

ATTEST:

Secretary

CERTIFICATE OF SECRETARY

I, the undersigned Secretary of the Santa Barbara Financing Authority, do hereby certify as follows:

That the foregoing is a full, true and correct copy of a resolution duly adopted at a regular meeting of the Board of Directors of the Santa Barbara Financing Authority duly held on November 22, 2016 of which meeting all of the members of the Board of Directors of said Authority had due notice and at which a quorum was present.

That an agenda of said meeting was posted at least 72 hours before said meeting at 740 Anacapa Street, Santa Barbara, California, a location freely accessible to members of the public, and a brief description of said resolution appeared on said agenda.

That I have carefully compared the foregoing copy with the original minutes of said meeting on file and of record in my office; that said copy is a full, true and correct copy of the original Resolution adopted at said meeting and entered in said minutes; and that said Resolution has not been amended, modified, rescinded or revoked in any manner since the date of its adoption, and the same is now in full force and effect.

Dated: _____, 2016

Secretary

Resolution No. _____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA BARBARA AUTHORIZING THE DISTRIBUTION OF AN OFFICIAL NOTICE OF SALE AND AN OFFICIAL STATEMENT IN CONNECTION WITH THE DELIVERY AND SALE OF SANTA BARBARA FINANCING AUTHORITY SEWER REVENUE REFUNDING BONDS, SERIES 2016; AND AUTHORIZING RELATED ACTIONS

WHEREAS, in order to finance the acquisition, construction and installation of certain improvements to its Sewer system (the "2004 Project"), the City of Santa Barbara (the "City") caused to be executed and delivered the Santa Barbara Financing Authority Sewer Revenue Bonds, Series 2004 (the "Series 2004 Bonds");

WHEREAS, the Series 2004 Bonds were secured by installment payments (the "Prior Installment Payments") to be made by the City pursuant to the Master Installment Purchase Agreement, dated as of July 1, 2004, as supplemented by the 2004 Supplement, dated July 1, 2004, each by and between the City and the Santa Barbara Financing Authority (the "Authority");

WHEREAS, in order to achieve certain savings, the City desires to refinance the 2004 Project by exercising its option to prepay the Prior Installment Payments, which prepayment will be applied to the redemption of the Series 2004 Bonds;

WHEREAS, the City and the Authority have determined that it would be in the best interests of the City and the Authority to provide the funds necessary to accomplish the refunding of the Series 2004 Bonds through the sale and delivery of Santa Barbara Financing Authority Sewer Revenue Refunding Bonds, Series 2016 (the "Bonds");

WHEREAS, the refinancing of the 2004 Project and the issuance of the Bonds has been previously approved by the City pursuant to Ordinance No. 5772, introduced by the City on October 11, 2016 and adopted by the City on October 18, 2016; and

WHEREAS, in connection with the sale and delivery of the Bonds there has been presented to this meeting proposed forms of an Official Statement and an Official Notice of Sale, and the City Council has examined and approved such documents and desires to proceed with such refinancing;

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Santa Barbara, as follows:

Section 1. All of the recitals herein contained are true and correct and the City Council so finds.

Section 2. The form of Preliminary Official Statement, on file with the City Clerk, with such changes therein as may be approved by the City Administrator of the City, the Finance Director of the City, the Public Works Director of the City, the City Attorney or his or her designee (each, an "Authorized Officer"), is hereby approved, and the use of the Preliminary Official Statement by any prospective underwriter in connection with the proposed offering and sale of the Bonds is hereby authorized and approved. Each Authorized Officer is each hereby severally authorized to certify in writing on behalf of the City that the Preliminary Official Statement is deemed final as of its date, within the meaning of Rule 15c2-12 (the "Rule") promulgated under the Securities Exchange Act of 1934 (except for the omission of certain final pricing, rating and related information as permitted by the Rule).

Section 3. The preparation and delivery of an Official Statement, and its use by the underwriter in connection with the offering and sale of the Bonds, is hereby authorized and approved. The Official Statement shall be in substantially the form of the Preliminary Official Statement with such changes, insertions and omissions as may be approved by an Authorized Officer, such approval to be conclusively evidenced by such Authorized Officer's execution and delivery thereof. Each Authorized Officer is each hereby severally authorized, for and in the name of and on behalf of the City, to execute the final Official Statement and any amendment or supplement thereto and thereupon to cause the final Official Statement and any such amendment or supplement to be delivered to the Underwriter.

Section 4. The form and content of the Official Notice of Sale, a copy of which is on file with the Clerk, are hereby approved, and each of the Authorized Officers is hereby severally authorized, for and in the name of and on behalf of the Authority, to cause to be distributed, copies of said Notice Inviting Bids in connection with the offering and sale of the Bonds on behalf of the Authority. Sealed proposals for the Bonds shall be received by the Finance Director/Authority Treasurer on behalf of the Authority, at such other time and date as is contemplated by the Notice Inviting Bids. The terms and condition of the offering and sale of the Bonds shall be as set forth in the Official Notice of Sale. Any Authorized Officer is hereby severally authorized, for and in the names of and on behalf of the City and Authority, to accept the best bid for the Bonds received pursuant to and subject to the terms and conditions set forth in the Official Notice of Sale and to award the Bonds to said best bidder (or reject all bids) and to take such other actions such Authorized Officer deems appropriate, consistent with the provisions hereof.

Section 5. The officers of the City are hereby authorized and directed, jointly and severally, to do any and all things which they may deem necessary or advisable in order to consummate the transactions herein authorized and otherwise to carry out, give effect to and comply with the terms and intent of this Resolution.

Section 6. All actions heretofore taken by the officers and agents of the City with respect to the transactions set forth above are hereby approved, confirmed and ratified.

Section 7. This Resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED by the City Council of the City of Santa Barbara at a regular meeting of said City Council on November 22, 2016, by the following vote of said City Council:

Ayes:

Noes:

Absent:

Abstain:

Mayor

ATTEST:

City Clerk

[ATTACH CERTIFICATE OF CITY CLERK]



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: November 22, 2016
TO: Mayor and Councilmembers
FROM: Chief's Staff, Police Department
SUBJECT: Police Department Update

RECOMMENDATION:

That Council receive an oral presentation from the Police Chief regarding the Santa Barbara Police Department.

DISCUSSION:

As requested by the Mayor and City Council, Police Chief Lori Luhnnow will provide an oral presentation to Council regarding the status of the Police Department and its operations. This presentation is part of a series of updates and will occur on a periodic basis. The following are some of the topics that will be covered:

- Recruitment Update
- SNAP Update
- Auto Theft Prevention (including a public service commercial on auto-theft)

SUBMITTED BY: Lori Luhnnow, Police Chief

APPROVED BY: City Administrator's Office



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: November 22, 2016

TO: Mayor and Councilmembers

FROM: Environmental Services Division, Finance Department

SUBJECT: Potential Twenty-Two Year Commitment Of City Solid Waste To The Tajiguas Resource Recovery Project

RECOMMENDATION:

That Council receive a report on the status of the Tajiguas Resource Recovery Project and the potential commitment of solid waste to the Project.

EXECUTIVE SUMMARY:

For several years, staff from the City of Santa Barbara (City) have worked in concert with staff from the County of Santa Barbara (County), and the Cities of Goleta, Buellton and Solvang to solicit proposals and negotiate terms for a Resource Recovery Project (RRP or Project) that would substantially increase diversion of trash from landfill disposal and would provide a long-term waste management solution for the South Coast.

On July 12, 2016, the County Board of Supervisors approved a Waste Services Contract (WSC) with MSB Investors, LLC (MSB) to design, build, and operate the RRP, to be located at Tajiguas Landfill. The Project would consist of a material recovery facility to sort recyclables and organic materials from the trash, and an anaerobic digester to convert the organics to biogas that would be used to generate electricity.

The RRP would be financed by the County. To ensure repayment of the debt and to ensure that the County fulfills its financial obligations to MSB, each jurisdiction, including the City, would satisfy its proportional share of the project costs through the guarantee of a minimum delivery of waste and revenue to the Project. This formal commitment of waste and revenue would be formalized through the execution of a Materials Delivery Commitment and Processing Services Agreement (MDCPSA) with the County.

For the past several months, City staff have negotiated terms of such an agreement with the County. Throughout the negotiations, staff met routinely with an ad hoc subcommittee of the Council that was established on June 28, 2016.

During these meetings, staff presented a variety of information on the Project including: its risks and associated mitigations to those risks; the extent to which the RRP achieves the goals that were previously adopted for the Project and the extent to which alternative means and methods would achieve the same goals; the breadth and scope of technical, financial and contractual due diligence performed by staff; the financing and contractual arrangements between all parties; and, the impact to City ratepayers resulting from the tipping fees to be charged by the project.

The RRP would result in a gross tipping fee of approximately \$120 for each ton of waste and recyclables delivered to the facility. However, staff anticipates that a tipping fee of only \$110 would be built into trash and recycling rates. This reduction is the result of an annual refund of accumulated debt coverage surplus funds to be distributed to the City at the end of each fiscal year. For comparison, the tipping fee to simply dispose of trash without any additional sorting or recovery of recyclables is currently \$87 per ton. The original 2009 Request for Proposals established a ceiling of \$100 per ton.

The new tipping fee would be implemented in two phases spanning Fiscal Year (FY) 2018 and FY 2019. In FY 2018, the tipping fee for all waste streams would increase to \$99 to build a rate stabilization fund that would be used in subsequent years to minimize impacts to ratepayers from revenue volatility in the recyclable commodity markets. In FY 2019, the tipping fee would again increase from \$99 to \$120 per ton. City ratepayers' solid waste utility bills would increase by approximately 10.6 percent in FY 2018 and by an estimated additional four percent in FY 2019.

The RRP would provide a long-term waste management solution by: 1) significantly increasing the region's waste diversion rate, thus substantially extending the life of Tajiguas Landfill; 2) supporting City efforts to comply with present and future waste diversion and greenhouse gas reduction mandates; 3) providing a stable tipping with known annual adjustments; and, 4) generating renewable energy (equivalent to the demand of approximately 1,000 homes).

In November of 2016, the Ad Hoc Committee referred the MDCPSA to the full Council for consideration at its December 6, 2016 meeting, at which time an ordinance will be introduced to approve the MDCPSA between the City and the County. The Council will also make findings on the Final Subsequent Environmental Impact Report (Final SEIR) for the Project, which the Santa Barbara County Board of Supervisors certified on July 12, 2016.

DISCUSSION:

Background

For several years, staff from the County and the Cities of Santa Barbara, Goleta, Buellton, and Solvang (Public Participants), have worked together to explore the development of a Resource Recovery Project at the Tajiguas Landfill.

In 2008, the City and other Public Participants adopted a set of goals to guide the selection of technologies and strategies that would ultimately be considered including:

- Increasing diversion of solid waste from landfill disposal to increase the life of Tajiguas Landfill
- Providing a long-term disposal plan with stable tipping fees
- Producing renewable energy and,
- Reducing the long-term impacts of landfilling

Following a formal procurement process which began in 2009, the Public Participants selected a project proposal, submitted by Mustang Renewable Power Ventures, now known as MSB Investors, LLC (MSB), comprised of the following components:

1. Materials Recovery Facility (MRF) – this facility would sort trash that is currently received at Tajiguas Landfill into three streams:
 - Recyclables – that would be separated, baled, and sold for reuse,
 - Organics – that would be recovered for processing in the Anaerobic Digestion Facility; and,
 - Residual – non-recoverable materials left over from the MRF and Anaerobic Digestion Facility that would ultimately be landfilled
2. Anaerobic Digestion Facility (ADF) – this facility would convert organics recovered from the MSW into compostable material and biogas. The compost would be marketed as a soil amendment or used for reclamation projects. The biogas would be combusted to generate electricity.

A detailed description of the history of the Project, the procurement process, proposed technologies, and business terms that would be negotiated with the preferred vendor were presented to the City Council on January 10, 2012. The Council Agenda Report is available at <https://goo.gl/3GQBE7>.

On July 12, 2016, the County Board of Supervisors approved a WSC with MSB to design, build, and operate the RRP. The RRP design, along with the performance guarantees placed on the vendor, would achieve the following results and would therefore achieve the goals of the RRP as outlined above:

- Diversion: The RRP would divert a minimum of 64.8 percent of waste by weight (based upon current waste composition assumptions and waste commitments by jurisdictions). As a result, the City's diversion rate of franchised solid waste that is collected by MarBorg would increase from 39 percent to approximately 75 percent.

- Reduce the Environmental Impacts of Landfilling: Diversion of organics from landfill disposal prevents the release of methane to the environment. Moreover, recovery of recyclables for re-manufacture into new products results in fewer environmental impacts, including fewer greenhouse gas emissions, when compared to products made from virgin materials.
- Generation of Renewable Power: The anaerobic digester, after providing for the power needs of the RRP, is expected to generate one net megawatt of electricity.
- Stable Tipping Fees: The tipping fees that City ratepayers would pay throughout the twenty-two year term would be firmly established at the outset of the contract and adjusted in response to known and well understood variables such as the consumer price index, etc.

While not one of the originally adopted goals, it should be noted that that the RRP would ensure the City's compliance with present and future environmental mandates related to the diversion of recyclables and organics from landfill disposal and the reduction of greenhouse gas emissions.

Documents related to the Board of Supervisors action are available at: <http://bit.ly/2fQKo2X>. Information on the key terms of the WSC that staff presented to Council in June of 2016 is available at: <http://bit.ly/2fYp8aN>.

Material Delivery and Processing Service Agreement

As stated above, the County executed a contract with MSB to design, build, and operate the RRP. Each Public Participant, including the City, has negotiated a separate MDCPSA with the County. To assist staff during negotiations, Council appointed an RRP Ad Hoc Committee (Committee) at its June 28, 2016 meeting. Staff met seven times with the Committee between July and November 2016 to discuss the following topics:

- The risks and associated mitigations to those risks related to:
 - Performance and casualty events (e.g. earthquakes, fire, etc.)
 - The technology to be used with the RRP
 - Loss of recyclable commodity revenue in response to global market forces as well as the upside revenue potential available to the City through revenue sharing with the vendor
 - Changes in law, and,
 - Marketing of compost derived from digestate produced by the anaerobic digester

- Alternatives to the RRP, including technology, facilities, and other diversion initiatives, and the extent to which these alternatives would achieve the goals for the RRP
- Project financing, vendor compensation, and the creation of various reserves to ensure the ability of the City (and the other Public Participants) to meet their obligations to the bonds while minimizing the impact to ratepayers from revenue volatility
- The impact to City ratepayers from the negotiated RRP tipping fees, and,
- Due diligence on the accuracy of the bond financing model and other County costs (e.g. regulatory compliance, closure of Tajiguas, and post closure maintenance) that would be embedded in the RRP tipping fee

Staff from the City and County recently finalized language to the MDCPSA that would govern the City's commitment of waste to the RRP. The following is a summary of the key terms of the agreement:

- **Contract Term:** Twenty-two years (Two-year construction period and twenty-year operation period)
- **County Responsibilities:** Finance the RRP, operate the scale house, dispose of residual waste and administer the WSC with MSB, ensure that MSB meets various performance standards including:
 - Material throughput: the RRP would be capable of processing material to its rated capacity at all times
 - Diversion: The RRP would divert a minimum of 64.8 percent of waste by weight as outlined above
 - Electrical Output Guarantee: power output per ton of digested organic material
 - Recyclable Sales Guarantee: the vendor would fetch commodity prices at market that are consistent with industry standards
- **City Minimum Annual Revenue (Tonnage) Commitment:** The purpose of the MDCPSA is to underpin the County's debt financing obligation and to provide a portion of the vendor's compensation for processing the City's waste. As such, the MDCPSA requires each Public Participant to guarantee a fixed revenue amount to the County each year for the twenty-year debt financing term.

The City represents approximately 40 percent (75, 297 tons) of the anticipated flow of materials to the RRP. The City's proportional share of the financing and operational costs totals \$9.03 million annually (adjusted in future years by CPI). For ease of administration, this fixed annual payment is divided by the City's tonnage commitment of 75,297 tons of trash and commingled recyclables for a tipping fee of \$120 per ton. Under this "put or pay" arrangement, should the City fail to actually deliver this minimum volume, it would be required to make a residual payment to the County to satisfy its annual revenue obligation.

It is important to note that the City's financial obligation to the RRP would be satisfied exclusively through solid waste rates charged to City customers for waste collected by its franchised waste hauler (MarBorg) as further described in the Budget/Financial Information section below. No General Fund monies would be used or placed at risk by executing the MDCPSA with the County.

- **Revenue Sharing:** In the case that revenues generated by the sale of recyclable commodities, compost, and electricity production exceed pro-forma revenues, then the City, along with the other Public Participants, would receive up to 75 percent of the excess revenues.

Council Consideration of the MDCPSA

Based upon the terms outlined above; staff's level of due diligence on all aspects of the project; the residual risk profile of the project in relation to various risk mitigations; and, the fulfillment of the adopted goals by the RRP, the Committee directed staff to bring the MDCPSA to the full Council for consideration.

Staff will introduce an ordinance to adopt the MDCPSA at the Council's December 6, 2016 meeting. Staff will also request that Council make findings on the Final SEIR for the Project that the County Board of Supervisors certified on July 12, 2016. The ordinance would then be brought to the Council for formal adoption at its December 13, 2016 meeting and would take effect thirty days after adoption.

BUDGET/FINANCIAL INFORMATION:

The RRP would result in a tipping fee of approximately \$120 per ton for each ton delivered to the facility. At the end of each fiscal year, the City will receive a refund from the County of surplus funds generated for the purpose of demonstrating debt coverage related to the bonds. Staff estimates this surplus to represent approximately \$10 per ton. Therefore, an "effective" tipping fee of approximately \$110 per ton would be used to set rates for City trash and recycling customers. For comparison, the tipping fee to simply dispose of trash at Tajiguas Landfill without any additional sorting or recovery of recyclables is currently \$87 per ton. The original 2009 Request for Proposals set a tipping fee of \$100 per ton.

Based upon guidance from the County's bond counsel to demonstrate the financial capacity of the County to repay the bonds, the MDCPSA contemplates a "ramp up" of the RRP tipping fee in Fiscal Years 2018 and 2019. In FY 2018, the tipping fee on trash, commingled recycling, and foodscraps would increase to \$99 per ton. This artificial "ramp up" rate would be used to create a rate stabilization fund to minimize impacts to ratepayers from revenue volatility associated with the recyclable material commodity markets. Monthly trash and recycling bills paid by City ratepayers would increase by approximately 10.6 percent as a result. In FY 2019, when the RRP would be

operational, the tipping fee would again increase from \$99 to approximately \$120. Monthly trash and recycling bills would increase an estimated additional four percent.

SUSTAINABILITY IMPACT:

The RRP would significantly increase the City's waste diversion rate and would strongly position the City to comply with all current and future State waste diversion mandates. This increase in South Coast diversion would approximately double the number of years before Tajiguas Landfill reaches its permitted capacity, thus meeting the State mandate to maintain at least 15 years of disposal capacity.

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

PREPARED BY: Matthew R. Fore, Senior Assistant to the City Administrator

SUBMITTED BY: Robert Samario, Finance Director

APPROVED BY: City Administrator's Office



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: November 22, 2016
TO: Mayor and Councilmembers
FROM: City Administrator's Office
SUBJECT: Conference With Labor Negotiator

RECOMMENDATION:

That Council hold a closed session pursuant to the authority of Government Code Section 54957.6 to consider instructions to City negotiator Kristine Schmidt, Administrative Services Director, regarding negotiations with the Santa Barbara City Employees' Association, S.E.I.U. Local 620 (General Bargaining Unit).

SCHEDULING: Duration, 30 minutes; anytime
REPORT: None anticipated
SUBMITTED BY: Kristine Schmidt, Administrative Services Director
APPROVED BY: City Administrator's Office



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: November 22, 2016

TO: Mayor and Councilmembers

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

SUBJECT: Financing Options For Capital Infrastructure

RECOMMENDATION: That Council:

- A. Hear a presentation from staff on the funding gap for repairing and maintaining the City of Santa Barbara's infrastructure and the alternatives to provide additional funding;
- B. Transfer the responsibility for funding the Downtown Shuttle (State Street route) and Waterfront Shuttle (Cabrillo Boulevard route) from Measure A to the Downtown Parking Fund and Waterfront Fund, respectively;
- C. Approve an increase in appropriations of \$333,540.48 in the Downtown Parking Fund, from unappropriated reserves, for the cost of the Downtown Shuttle service;
- D. Approve an increase in appropriations of \$94,075.52 in the Waterfront Fund, from unappropriated reserves, for the cost of the Waterfront Shuttle service;
- E. Direct staff to pursue the feasibility of bonding against future Measure A revenues to allow pre-funding of the Street Capital Improvement Program; and
- F. Direct staff to return to Council in January 2017 for further direction related to potential revenue options.

EXECUTIVE SUMMARY:

This report provides Council with an assessment to show the extent of the funding gap for maintenance of City buildings, roads, parks, sidewalks, and other infrastructure and alternatives for new revenue that could provide the City with the funding needed to repair and maintain General Fund and Streets Funds infrastructure needs. The annual deferred maintenance for all City General Fund and Streets Funds capital infrastructure is estimated to be \$27 million, including existing street pavement maintenance costs estimated at \$10 million per year. At today's meeting, staff also seeks approval to

transfer Downtown and Waterfront Shuttle costs from Measure A funding to the Downtown Parking Fund and Waterfront Fund, respectively.

DISCUSSION:

Background

In 2008, a private group of community members known as the Infrastructure Task Force studied the City's infrastructure needs and concluded that the City was facing a significant funding shortfall for maintaining essential infrastructure. In 2014, the City Council appointed a Council Infrastructure Committee (Mayor Schneider, Councilmember White, and Councilmember Rowse) to conduct public outreach and obtain input on facility needs and ideas to close the gap in infrastructure funding. Based on extensive outreach efforts, the Committee learned that the highest ranked priorities for upgrades, modernization, or replacement were: 1) street and pavement maintenance; 2) the Police Station; and 3) sidewalks.

While the City of Santa Barbara has historically done a good job of providing revenues for infrastructure from multiple sources, including both restricted and unrestricted revenues, there still remains a significant funding gap between available ongoing funding resources and capital infrastructure needs. Over time, this gap has created a large unfunded liability relative to current and future infrastructure needs. In particular, without additional funding, the City's streets and sidewalks will continue to degrade, and maintenance to City buildings will continue to be deferred. The Pavement Condition Index (PCI) for the City of Santa Barbara is currently at 61, which is regarded as "At Risk". Pavements in this "At Risk" category are no longer candidates for less expensive preventive surface treatments and require more expensive rehabilitation to address structural issues. The Council goal is to maintain the PCI at a level of 70 or better, when the less expensive preventive maintenance treatments are most effective. Without additional funding, pavement condition will continue to decline.

As roadways crack and develop potholes allowing water into the subgrade, the rate of deterioration accelerates, requiring significantly more money to be expended by cities and counties for repairs. The cost borne by vehicle owners also deserves consideration. As roads fall into the "Poor" category, the national average annual cost in extra maintenance approaches \$333 per vehicle due to damage, tire wear, and other incidents. In San Francisco for example, an estimated \$1,044 per year in extra maintenance costs is borne by vehicle owners due to a lack of pavement maintenance.

Much of the funding for street related infrastructure maintenance is provided by a combination of state funding that is generated from fuel taxes, utility user's taxes, and Local Measure A funding. Across the nation, the lack of funding for infrastructure, particularly infrastructure maintenance, has reached a critical point. In particular, bridges, streets, highways, sidewalks, and other essential transportation systems are in a marked state of disrepair and will continue to get worse without new funding sources to address this issue. The state and federal fuel taxes haven't changed since 1993,

while fuel efficiency, vehicle miles of travel, population and lane miles have all increased significantly.

Staff brought the issue of insufficient funding for street-related infrastructure (including bridges, sidewalks, storm drains, streetlights, traffic signals, and other related streets-based infrastructure) to the City 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 and related infrastructure. Accordingly, from March 2016 through September 2016, staff made ten presentations to the Finance Committee on this issue. While the scope of the discussions with the Finance Committee included streets-related infrastructure, it also encompassed all City infrastructure needs. Additionally, the Finance Committee heard recommendations to redirect certain revenues, as well as efforts being made by staff to improve efficiencies and redirect operating resources within the Streets Program to provide more funding for repair and maintenance of street infrastructure. A summary of the meetings held to date and the topics covered is included as Attachment 1.

The annual deferred maintenance for all City General Fund capital infrastructure is estimated to be \$27 million. Among other things, this includes: (a) amounts needed each year to maintain existing street pavement, estimated at \$10 million; (b) the annualized cost to fund major rehabilitations to City facilities, such as City Hall, fire stations, and recreation facilities, estimated at \$5.5 million; and (c) the estimated debt service cost of \$6.5 million to finance a new Police Station (based on an estimated cost of \$80 million) through some form of bonded indebtedness. Attachment 2 is a general categorization of deferred maintenance by operational area.

In particular, the Police Station built in 1959 is not seismically safe. As a result of the building not being prepared for an earthquake, all of the 9-1-1 dispatchers were recently moved out of the building to the Granada Garage at a cost of \$2.3 million. This was considered a temporary solution to ensure the continuation of emergency communications. A permanent solution has not been identified and the remaining police operations in the building could be compromised in the event of earthquake. The building also lacks ADA accessibility, operates with outdated building systems, and does not comply with Building and Fire Code requirements. A history of the Police Station building with various improvements completed over the years is included in Attachment 3.

While there are unfunded infrastructure needs in the City's enterprise funds, specifically the Water and Wastewater Funds, these funds are almost exclusively financed from direct rates and charges to customers. As such, enterprise funds do not have the same practical limitations on raising revenues as, for example, the General Fund, to finance general governmental operations, including related infrastructure, which are largely funded from taxes. Although proposed rate increases require noticing and public hearings and are limited by a majority protest, any new or expanded tax must be approved by at least a majority vote at the ballot box.

At today's meeting, staff will summarize the Citywide Capital Improvement Program needs and the key funding options presented to the Finance Committee. Staff also will seek Council direction on Finance Committee recommendations related to funding infrastructure.

Borrowing Against Measure A Revenues

One of the many options staff presented to the Finance Committee in a previous meeting was borrowing against future Measure A revenues. As streets continue to degrade, the cost of their repair increases exponentially. Pre-funding a portion of the street Capital Improvement Program would allow many streets to be repaired and their life expectancy extended more cost effectively. Important to the decision to secure debt for these capital improvements is that the length of the financing term of the debt not exceed the anticipated lifespan of the asset acquired or improved.

Staff contacted the Santa Barbara County Association of Governments (SBCAG) to determine if there were any restrictions to borrowing against Measure A revenues should the City decide to pursue bonding. Coincidentally, SBCAG plans to issue bonds within a year for the final phase of the Highway 101 High Occupancy Vehicle 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 that the City may be able to borrow with a repayment term as low as ten years. This term closely aligns with the useful life criteria since most street overlays will require some additional maintenance at approximately ten years. In addition, the City's share of issuance costs, which are fixed, would be nominal. Staff believes that \$1 million per year could safely be allocated to the repayment of the debt while still meeting other capital and operational needs. While the City would 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 thus extra funds for capital if needed. Therefore, staff recommends pursuing a borrowing strategy whereby the City participates in SBCAG's upcoming bond issuance secured by Measure A money that otherwise would have been designated annually for streets-related Capital Improvement Program projects (approximately \$10 million). While SBCAG's staff information is important, it is not conclusive or binding on the City. Staff will also confirm the legality and feasibility of any borrowing should Council wish to proceed.

Assigning MTD Shuttle Expenses to Downtown Parking and Waterfront

The Downtown Waterfront Shuttle (Shuttle) is operated by Santa Barbara Metropolitan Transit District (MTD) on behalf of the City. This service is currently being funded primarily from Measure A revenues with a portion being contributed by the Waterfront Fund. The Shuttle provides service in support of the Downtown Parking Program's "Park Once" policy to encourage walking and decrease congestion, as well as to provide connectivity to Waterfront locations and activities.

Because of the financial linkage of the shuttles to the Downtown Parking and Waterfront Enterprise Funds, staff recommends that the cost for the Shuttle services currently budgeted in the Measure A Fund of \$427,616 be assigned to these enterprise funds (Downtown Parking Fund and Waterfront Fund).

Additional Sales Tax

The Finance Committee explored a number of alternatives for generating new revenue. In virtually all cases, the funding source would involve some type of tax and voter approval. Some examples include:

1. Parcel Taxes (new)
2. Real Property Transfer Taxes (new)
3. Special Assessments Tied to Special Benefit Assessment Districts (new)
4. General Obligation Bond combined with an increase in property tax (new and one-time funding source)
5. An increase to existing taxes – i.e., sales tax, utility users' tax, transient occupancy tax, or business license tax

The Finance Committee and City staff discussed each option and the unique nature and applicability of each; and, which group of taxpayers would be the most impacted. Except for item 4 above, all of the options for creating new taxes or increasing existing taxes could be established in a way to generate varying degrees of revenues based on the desire of Council (and the community). However, both staff and the Committee believed that the best option for now would be an increase in the existing sales taxes. Many agencies across the state have proposed a sales tax measure over the last several years with a very high rate of voter support. In most cases, the additional revenues are being used for enhancing public safety and funding infrastructure needs.

Currently, the County-wide sales tax rate is 8 percent. In January 2017, the temporary state sales tax enacted pursuant to Proposition 30 will expire, lowering the overall rate to 7.75 percent. In both cases, the City receives the local "Bradley-Burns" portion equal to 1 percent, which is estimated to generate approximately \$22.4 million in Fiscal Year 2017. As such, each quarter percent increase to the local portion would generate approximately \$5.6 million in today's dollars. The Finance Committee recommended that Council evaluate and consider raising the local rate by a quarter, half, three-quarters, or a full one percent. The first step to seeking a tax increase would be to evaluate the likelihood of voter approval for the various increments of increase.

In the November 2016 election, 50 out of 59 general purpose sales tax increases or extensions passed, ranging from ¼ cent to one cent. As shown in the table below, 19 of these measures represented a ½ cent increase and 21 of the measures represented a one cent increase. In the June 2016 election cycle, six of eight general purpose sales tax increases passed, including three proposals for one cent increases.

Approved General Purpose Sales Tax Increases or Extensions

	¼ cent	½ cent	¾ cent	1 cent
November 2016	4	19	6	21
June 2016	1	2	0	3

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.

- ATTACHMENTS:**
1. Summary of Finance Committee Presentations
 2. Table showing Total Unfunded Infrastructure Needs
 3. Overview of Police Building History

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

SUMMARY OF FINANCE COMMITTEE PRESENTATIONS

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. On July 19, 2016, the Finance Committee heard a presentation from staff summarizing Facilities infrastructure needs. The Facilities Division is funded through inter-fund charges and is responsible for the physical operation and maintenance of City buildings, and operation and maintenance of critical communication infrastructure. It also provides many other facilities-related services to City departments. This discussion focused on the derivation and design of the Facilities Division budget for the operation and maintenance of buildings, and on the software tool used to estimate capital infrastructure costs.
9. 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, 2016 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.
10. At the September 13, 2016, Finance Committee meeting, staff summarized the Citywide Capital Improvement needs that previously have been presented. In addition, staff provided information based on additional requests from the Committee related to sidewalk infill needs, issues surrounding borrowing against future revenues to prefund street maintenance, comparisons of Santa Barbara's tax revenues with other comparable agencies, and information related to a potential increase of real property transfer tax as one means to generate additional revenue for funding infrastructure.

Total Unfunded Infrastructure Needs

	Need	20-Year Cost	Annual Cost
1.	Debt service on \$80M PD Building	\$130M	\$6.5M
2.	Traffic Signals	\$8M	\$0.4M
3.	Streets	\$200M	\$10.0M
4.	Sidewalks	\$30M	\$1.5M
5.	Stormdrains	\$10M	\$0.5M
6.	Streetlights	\$8M	\$0.4M
7.	Fire	\$8M	\$0.4M
8.	Major Facility Renewals	\$110M	\$5.5M
9.	P&R	\$34M	\$1.7M
10.	Library	\$8M	\$0.4M
	Total	\$546M	\$27.3M

OVERVIEW OF POLICE BUILDING HISTORY

Key Actions

- 1999: Bond Measure to replace building was unsuccessful – 45%/55%
- 2008: Infrastructure Task Force comprised of business leaders recommended replacement as most urgent facility need
- 2011: Council Subcommittee evaluates building options (major renovation, relocation, police sub-stations, or replacement) and recommends full building replacement
- 2012: Council earmarks \$30 Million in Redevelopment Agency funding for replacement project
- 2014: Identified as top priority in Community Survey on Infrastructure Needs
- 2015: Council Committee on Infrastructure completes public outreach, identifies top infrastructure needs, and discusses placement of general sales tax increase on ballot

Background

- Built in 1959 for total police staff of 85 and 212 police staff
- Facility Size: 27,570 sf
- Recent Improvements: Lobby remodeled for improved security in 2005; HVAC system replacement in 2015 for \$2 Million; Adjacent building leased in 2000 for additional office space for \$190,000 annually; 9-1-1 Dispatch Center moved out of basement to the Granada Garage for \$2.3 Million; Locker Remodel completed for \$2 Million
- Facility Must Remain Operational 24/7 and serve as Main Administrative Facility with Specialized Areas for:
 - Secure holding areas for detainees
 - 9-1-1 Dispatch
 - Crime evidence handling
 - Shooting range
 - SWAT equipment
 - Locker and training rooms



Facility Deficiencies

- Seismically Unsafe
- Outdated Building Systems: plumbing, electrical
- Insufficient Parking for Police Vehicles and Staff Vehicles
- Non-Compliant with Building and Fire Code Requirements
- Overcrowded work areas that no longer meet current standards
- Lacks ADA Accessibility
- Roof replacement needed
- Lead and Absbestos removal required