

Schedule of Recommended Third Quarter Budget Adjustments

As part of the third quarter review we consider requests from City departments for additional appropriations. The recommended adjustments are presented to Council with the third quarter review. These adjustments are generally the result of new information and/or unanticipated events that occurred since the adoption of the budget in June 2007. The following is a summary of the recommended budget adjustments included in the attached schedule.

General Fund – The Police Department has incurred unbudgeted expenditures to provide continuing services in three programs or activities. In prior years, the Police Department might have been able to absorb these costs within their salary & benefit savings. However, the department has been near or at full staffing for most of the year and there is not sufficient salary and benefit savings to absorb these additional costs. In fact, staff may be required to return to Council in June or July for additional salary and benefit appropriation authority for the Police Department due to the near-capacity staffing levels of the current fiscal year.

The current year budget included \$100,000 in salary and benefit costs for neighborhood bike patrols. Due to the importance of this program to the community, the patrols have continued during the year and the Department has incurred \$187,861 in cost through March 31. This is an important program and Council has directed the Department to continue these patrols. Staff estimates that an additional \$137,000 in appropriations will be needed to fund this program through June 30.

The City has been in contract negotiations with the County regarding the City's share of the costs of the County animal control shelter. The contract was recently finalized and the Department will need additional appropriations of \$55,695 to pay this year's costs.

The 2007 Police Department budget included funding for the County Mental Health Assessment Team Contract. The City was not billed for the entire cost of the contract in fiscal year 2007 so the appropriations lapsed at year end. The County has billed the City for the FY 2007 charges this year and the Department will need \$42,914 in additional appropriations for this contract.

The recommended Police Department supplemental appropriation will come from General Fund reserves.

Solid Waste Fund – The Solid Waste Fund is required to pay to monitor the closed landfill at Elings Park. The Fund needs \$80,000 of additional appropriation authority to provide for landfill monitoring activities for the balance of the fiscal year. The additional appropriation will be funded from reserves.

County Library Fund - The City operates several small branch libraries on behalf of Santa Barbara County. The City accounts for the operations of these small branches in a separate Special Revenue Fund. During the year, the City has been required to provide additional janitorial services to the Solvang and Carpinteria branches. Additionally, some County-paid building maintenance costs from prior years were not previously billed to the City are required to be paid this year. The County Library Fund is requesting \$10,521 additional appropriations to cover these costs. The additional appropriation will be funded from reserves.

Water Fund – Runoff in the aftermath of the Zaca fire caused contaminants to be introduced into the City's Gibraltar watershed. As a result, the Water Fund has needed to provide additional treatments to clean the water prior to introduction into the City's water distribution system. On April 8th Water Fund staff received Council authorization for the purchase of additional activated carbon for this purpose. Staff believed that there was sufficient appropriation authority to cover the cost of this purchase. Subsequently, staff realized that the appropriation authority existed in the Water Capital Fund and not the Water Operating Fund where this expense belongs. Accordingly, staff is requesting an additional \$400,000 of appropriation authority in the Water Operating Fund to cover the additional chemical purchases. The recommended appropriation will be funded from reserves.

CITY OF SANTA BARBARA
Fiscal Year 2008 3rd Quarter Review
Schedule of Recommended 3rd Quarter Adjustments

Fund/Department/Description	Appopr.	Source	
		Estimated Revenue	Use of Reserves
GENERAL FUND (001)			
Police Department			
Additional salary & benefit costs for bike patrols	\$ 137,000	\$ -	\$ 137,000
Payments to the County Animal Shelter in excess of budget	55,695		55,695
2007 County Mental Health Assessment Team contract billed to City in FY 08	42,914		42,914
Total Police Department	235,609	-	235,609
Total General Fund	\$ 235,609	\$ -	\$ 235,609
SOLID WASTE FUND (145)			
Additional landfill monitoring at Elings Park	\$ 80,000	\$ -	\$ 80,000
Total Solid Waste Fund	80,000	-	80,000
COUNTY LIBRARY FUND (181)			
Janitorial Services for Solvang Library (Jan-June)	\$ 2,892	\$ -	\$ 2,892
Janitorial Services for Carpinteria Library (Jan-June)	2,610	-	2,610
Montecito Association building maintenance	5,019	-	5,019
	\$ 10,521	\$ -	\$ 10,521
WATER FUND (411)			
Water treatment chemicals required as a result of added treatments due to the Zaca fire	\$ 400,000	\$ -	\$ 400,000
	\$ 400,000	\$ -	\$ 400,000