

**CITY OF SANTA BARBARA
CITY COUNCIL**

Helene Schneider
Mayor
Grant House
Mayor Pro Tempore
Bendy White
Ordinance Committee Chair
Das Williams
Finance Committee Chair
Dale Francisco
Frank Hotchkiss
Michael Self



James L. Armstrong
City Administrator

Stephen P. Wiley
City Attorney

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

**SEPTEMBER 21, 2010
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: In compliance with the Americans with Disabilities Act, if you need special assistance to gain access to, comment at, or participate in this meeting, please contact the City Administrator's Office at 564-5305 or inquire at the City Clerk's Office on the day of the meeting. If possible, notification at least 48 hours prior to the meeting will enable the City to make reasonable arrangements in most cases.

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.citytv18.com for rebroadcasts of Finance and Ordinance Committee meetings, and for any changes to the replay schedule.

ORDER OF BUSINESS

- 12:30 p.m. - Finance Committee Meeting, David Gebhard Public Meeting Room,
630 Garden Street
2:00 p.m. - City Council Meeting

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

Subject: City Of Santa Barbara Insurance Programs

Recommendation: That the Finance Committee receive a report from staff regarding the City's insurance programs covering City operations and facilities.

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

CALL TO ORDER

PLEDGE OF ALLEGIANCE

ROLL CALL

CHANGES TO THE AGENDA

PUBLIC COMMENT

CONSENT CALENDAR

1. **Subject: Minutes**

Recommendation: That Council waive the reading and approve the minutes of the regular cancelled meetings of August 31, and September 7, 2010.

2. **Subject: Adoption Of Ordinance For A 25-Year Lease With Brophy & Sons, Inc., Doing Business As Brophy Brothers Restaurant And Clam Bar (330.04)**

Recommendation: That Council adopt, by reading of title only, An Ordinance of the Council of the City of Santa Barbara Approving a 25-Year Lease with Brophy & Sons, Inc., Effective October 21, 2010.

3. **Subject: Professional Actuarial Services Agreement, GASB 45 - Accounting For Retiree Medical Benefits (430.06)**

Recommendation: That Council authorize the Finance Director to negotiate and execute a professional services agreement with Aon Consulting for an actuarial valuation of the City's post-retirement benefits, including retiree medical insurance and sick leave conversion programs in an amount not to exceed \$31,000.

CONSENT CALENDAR (CONT'D)

4. **Subject: Approval Of Benefit Plans Effective January 1, 2011 (430.06)**

Recommendation: That Council:

- A. Approve renewal of the Aetna and Kaiser Permanente medical plans, Delta Dental Plans, Vision Service Plan, Employee Assistance Program (EAP), Flexible Spending Accounts, Hartford Life and Disability Insurance Plans, and Allstate Voluntary Disability Plans, for the term of January 1, 2011, to December 31, 2011; and
- B. Authorize the Assistant City Administrator to execute any necessary agreements.

5. **Subject: California Office Of Traffic Safety Grant (520.04)**

Recommendation: That Council:

- A. Accept \$139,000 from the State of California Office of Traffic Safety, and authorize the Chief of Police to execute the Grant Agreement; and
- B. Appropriate the grant allocation of \$139,000 to the Miscellaneous Grants Fund for Fiscal Year 2011 for the Sobriety Checkpoint Program.

6. **Subject: Set A Date For Public Hearing Regarding Appeal Of Architectural Board of Review Preliminary Approval For 903 W. Mission Street**

Recommendation: That Council:

- A. Set the date of October 19, 2010, at 2:00 p.m. for hearing the appeal filed by Pam Brandon of the Architectural Board of Review Preliminary Approval of an application for property owned by Kenneth and Heidi Harbaugh and located at 903 W. Mission Street, Assessor's Parcel No. 043-113-009, R-2 Two-Family Residence Zone, General Plan Designation: Residential, 12 Units per Acre. The project proposes the construction of a new 525 square-foot second story accessory dwelling unit above a new 623 square-foot three-car garage on a 5,000 square-foot lot. The proposal includes the demolition of an existing 317 square-foot nonconforming garage, and a 25 square-foot covered porch to existing main residence, and a 32 square-foot addition to the main residence; and
- B. Set the date of October 18, 2010, at 1:30 p.m. for a site visit to the property located at 903 W. Mission Street.

NOTICES

- 7. The City Clerk has on Thursday, September 16, 2010, 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.

CONSENT CALENDAR (CONT'D)

NOTICES (CONT'D)

8. Cancellation of the regular Redevelopment Agency meeting of September 21, 2010, due to lack of business.

This concludes the Consent Calendar.

REPORT FROM THE FINANCE COMMITTEE

CITY COUNCIL ADMINISTRATIVE AND ATTORNEY REPORTS

PUBLIC WORKS DEPARTMENT

9. **Subject: Introduction Of Ordinance Establishing Prima Facie Speed Limits (530.05)**

Recommendation: That Council introduce and subsequently adopt, by reading of title only, An Ordinance of the City Council of the City of Santa Barbara Amending Chapter 10.60 of the Municipal Code by Revising Section 10.60.015, Establishing Prima Facie Speed Limits on Certain Portions of Alston Road, Carrillo Street, Loma Alta Drive, and Gutierrez Street.

10. **Subject: Sewer Lateral Incentive Program Modifications (540.13)**

Recommendation: That Council approve revising the Sewer Lateral Incentive Program by waiving City permit fees for City-mandated sewer lateral improvements, and direct staff to revise Resolution No. 06-095 and the related Administrative Guidelines.

11. **Subject: Agreement To Remove Cogeneration System At El Estero Wastewater Treatment Plant (540.13)**

Recommendation: That Council:

- A. Authorize the Public Works Director to execute a termination agreement with Alliance Monterey, LLC (Alliance), in a form acceptable to the City Attorney, to remove fuel cell cogeneration equipment from the El Estero Wastewater Treatment Plant (El Estero) and to terminate the existing Power Purchase Agreement (PPA); and
- B. Receive an update on the status of the existing fuel cell cogeneration system at El Estero and plans to replace the system with an engine cogeneration system.

COUNCIL AND STAFF COMMUNICATIONS

COUNCILMEMBER COMMITTEE ASSIGNMENT REPORTS

CLOSED SESSIONS

12. Subject: Conference With Legal Counsel - Pending Litigation (160.03)

Recommendation: That Council hold a closed session to consider pending litigation pursuant to subsection (a) of section 54956.9 of the Government Code and take appropriate action as needed. The pending litigation is Tanis Nelson vs. City of Santa Barbara, SBSC Case No. 1339487.

Scheduling: Duration, 15 minutes; anytime

Report: None anticipated

13. Subject: Conference With Labor Negotiator (440.05)

Recommendation: That Council hold a closed session, per Government Code Section 54957.6, to consider instructions to City negotiator Kristy Schmidt, Employee Relations Manager, regarding negotiations with the Police Officers Association, Police Managers Association, the Treatment and Patrol Bargaining Units, Firefighters Association, and the Hourly Bargaining Unit, and regarding discussions with unrepresented management about salaries and fringe benefits.

Scheduling: Duration, 30 minutes; anytime

Report: None anticipated

14. Subject: Conference With Real Property Negotiators Regarding 319 West Haley Street (330.03)

Recommendation: That Council hold a closed session to consider instructions to its negotiators regarding the possible sale of the City-owned property commonly known as 319 West Haley Street, pursuant to the authority of Government Code Section 54956.8. Instructions to negotiators will direct staff regarding the price and terms of a possible sale of the City-owned parcel. Negotiations are held pursuant to the authority of Section 54956.8 of the Government Code. City Negotiators: Browning Allen, Transportation Manager; Don Ireland, Senior Real Property Agent; and Stephen P. Wiley, City Attorney; on behalf of the City of Santa Barbara. Negotiating Parties: Pathpoint, Inc. Under Negotiation: Price and terms of payment of a possible sale.

Scheduling: Duration, 20 minutes; anytime

Report: None anticipated

ADJOURNMENT

CITY OF SANTA BARBARA

FINANCE COMMITTEE

MEETING AGENDA

DATE: September 21, 2010

TIME: 12:30 p.m.

PLACE: David Gebhard Public Meeting Room
630 Garden Street

Das Williams, Chair

Dale Francisco

Michael Self

James L. Armstrong
City Administrator

Robert Samario
Finance Director

ITEM TO BE CONSIDERED:

Subject: City Of Santa Barbara Insurance Programs

Recommendation: That the Finance Committee receive a report from staff regarding the City's insurance programs covering City operations and facilities.



CITY OF SANTA BARBARA

FINANCE COMMITTEE AGENDA REPORT

AGENDA DATE: September 21, 2010
TO: Mayor and Councilmembers
FROM: Risk Management Division, Finance Department
SUBJECT: City Of Santa Barbara Insurance Programs

RECOMMENDATION:

That the Finance Committee receive a report from staff regarding the City's insurance programs covering City operations and facilities.

DISCUSSION:

City Council established the "Workers' Compensation Self-Insurance Trust Fund" in November 1974. City Council amended and revised this program over the ensuing years into its current format known as the Self-Insurance Trust Fund, which is administered by the Risk Management Division of the Finance Department.

The Self-Insurance Fund provides a funding source that covers a variety of exposures to loss or damage. The types of coverage includes workers' compensation; general liability; automobile liability; property, including earthquake and boiler and machinery; airport liability; marine liability; employee dishonesty (crime); notary bonds; and volunteer medical insurance. This report provides a brief discussion about each type of coverage provided, the dollar value of coverage limits, any associated deductible, otherwise known as the Self-Insured Retention (SIR), and the premium costs for type of coverage for Fiscal Year 2011.

Workers' Compensation

California law requires that all employers provide workers' compensation coverage for its employees. City Council authorized the creation of the self insured workers' compensation program in November 1974. The City obtained approval from the Department of Industrial Relations to implement a self insured workers' compensation program in 1978. The City purchases excess insurance to cover any workers' compensation loss that exceeds the designated SIR. The SIR value has varied from year to year since the inception of the program.

The City purchased excess workers' compensation insurance through CSAC-EIA for Fiscal Year 2011 with a \$750,000 SIR. The premium for this excess insurance equals \$152,086. The premium paid in Fiscal Year 2011 increased 9% from Fiscal Year 2010 (\$139,489).

General and Automobile Liability

City Council authorized the creation of a self insured general and automobile liability program in December 1976. This action by the City Council combined the existing self insured workers' compensation program with the newly created self insured liability program. The resolution establishing the Self Insurance Trust Fund requires staff to review and adjust the limits of insurance and any associated deductible or SIR on an annual basis.

The City is a founding member of a joint powers risk sharing pool. The Authority for California Cities Excess Liability (ACCEL) is a group of medium-size California cities who self insure their catastrophic losses. Member cities first joined together in 1986 when the marketplace was unable to offer cities sufficient insurance coverage. ACCEL pools General Liability, Automobile Liability, and Public Officials Errors and Omissions losses. Member cities share risk in excess of \$1,000,000. ACCEL pools almost every catastrophic loss incurred by its members, thereby eliminating the need for commercial excess insurance protection.

Each ACCEL member city has a representative on the Board of Directors. The Board and its committees are responsible for deciding the risks the Authority will underwrite, monitoring the costs of large claims, and arranging financial programs. Underwriting decisions determine the eligibility of cities for membership and to identify specific risks that will not be pooled.

ACCEL provides pooled coverage for losses ranging from \$1,000,000 to \$5,000,000. For Fiscal Year 2011, eight ACCEL members (including Santa Barbara) participate in a joint purchase of excess liability insurance coverage for losses ranging from \$5,000,000 to \$50,000,000; three smaller members purchase limits up to \$35,000,000. Four ACCEL members purchase additional excess liability insurance coverage ranging from \$50,000,000 to \$150,000,000. The City does not purchase excess liability coverage above the \$50,000,000 limits.

The City's Fiscal Year 2011 premium for the pooled losses (\$1 Million - \$5 Million) is \$515,208. The Fiscal Year 2011 premium for the excess coverage (\$5 Million - \$50 Million) is \$190,712. Each city also pays a pro-rata share of the administrative costs for the JPA pool administrator. The administrative fee paid in Fiscal Year 2011 is \$35,154. The total amount paid for excess liability coverage in Fiscal Year 2011 is \$741,074, which represents a 4% increase from the prior year (\$710,236).

The limits of coverage provided by ACCEL have increased since the inception of the pool in 1986. The chart below lists the coverage limits under the ACCEL program for each fiscal year.

Fiscal Year	Self Insured Retention	Pooled Layer	Coverage Limits
FY87 – FY90	\$ 1,000,000	\$9,000,000	\$ 10,000,000
FY91 – FY95	\$ 1,000,000	\$9,000,000	\$ 20,000,000
FY95	\$ 1,000,000	\$4,000,000	\$ 15,000,000
FY96	\$ 1,000,000	\$4,000,000	\$ 20,000,000
FY97	\$ 1,000,000	\$3,000,000	\$ 20,000,000
FY98 - FY99	\$ 1,000,000	\$ -	\$ 20,000,000
FY00 – FY03	\$ 500,000	\$ -	\$ 20,000,000
FY04	\$ 1,000,000	\$2,000,000	\$ 23,000,000
FY05 - FY06	\$ 1,000,000	\$4,000,000	\$ 25,000,000
FY07	\$ 1,000,000	\$4,000,000	\$ 35,000,000
FY08 - FY10	\$ 1,000,000	\$4,000,000	\$ 50,000,000

Property, Boiler and Machinery, Earthquake Insurance

The City purchases an “all risk” insurance policy for property damage through a joint purchase plan called Public Entity Property Insurance Program (PEPIP). Numerous public agencies throughout the western United States purchase property insurance as part of PEPIP. This joint purchase program allows the participants to negotiate better terms of coverage and price than they could obtain alone.

PEPIP provides coverage for property damage to owned buildings; extends coverage for damage to boilers and machinery; and includes designated limits of \$50,000,000 for earthquake coverage for City owned facilities. The PEPIP policy provides property coverage for City facilities with total insured values (TIV) of \$390,003,358. The policy includes a deductible amount of \$50,000 per occurrence (except Stearns Wharf which is \$250,000) and a maximum loss limit of \$1,000,000,000. The Earthquake portion of the policy includes TIV of \$443,461,488. The earthquake portion of the policy includes a deductible of a minimum of \$100,000 or 5% of the loss and a maximum loss limit of \$50,000,000.

The property insurance policy provides coverage for items beyond the building structures, such as business interruption expense; money and securities; unscheduled fine arts; boilers and machinery; the City’s fleet of vehicles and vessels; and cyber liability (new this year).

The inclusion of Boiler and Machinery coverage in this policy eliminates the need for the City to purchase separate coverage for this peril. The City owns and operates a variety of commercial machines. In Fiscal Year 2011, the City's premium is \$4,881 for Boiler & Machinery, \$402,321 for all-risk property coverage, and \$676,781 for earthquake coverage for a total of \$1,083,984. This is a 3% decrease from last year's premium of \$1,111,932.

Course of Construction

The City purchased an addition to the PEPiP property policy to cover the Airport Terminal renovations and improvements called Course of Construction (COC) coverage. This addition to the property insurance policy provides coverage for any damages to the Airport Terminal structure that may occur during the construction process before the City begins using the building for its intended purpose. The COC policy covers the facility for all risks including earthquake for an annual premium of \$131,016.

The total amount of the premiums paid to PEPiP for property insurance, boiler and machinery insurance, earthquake coverage, and course of construction for the Airport Terminal during Fiscal Year 2011 is \$1,215,000.

Airport & Aviation:

The ACCEL risk sharing pool does not cover any losses arising from the ownership or operations of an airport. The City purchases a separate liability policy that provides Bodily Injury and Property Damage Liability. The policy includes a \$0 deductible, with coverage limits of \$50,000,000 per occurrence. The annual premium for this policy equals \$22,528. The premium paid in Fiscal Year 2011 decreased 15% from the prior year (\$26,504).

Marine Coverage:

The ACCEL risk sharing pool does not cover any losses arising from the ownership or operations of boats or other marine vessels. The City purchases two separate liability policy that provides Bodily Injury and Property Damage Liability to cover the 14 Vessels owned by the Waterfront and Water Resources. The primary insurance policy includes a \$1,000 deductible with coverage limits of \$1,000,000. The annual premium for the primary policy equals \$6,246. The excess policy includes a \$1,000,000 deductible, with coverage limits of \$5,000,000 excess of the \$1,000,000 deductible. The annual premium for the excess marine coverage equals \$12,600. The average cost for this coverage equals \$900 per vessel. The total premium paid (\$18,846) in Fiscal Year 2011 decreased 5% from the prior year (\$19,829).

Employee Dishonesty (Crime):

The Employee Dishonesty or Crime policy provides coverage for employee theft; forgery or alteration; theft of money and securities; robbery; computer fraud; funds transfer fraud; and money orders and counterfeit money. The policy also provides the mandatory coverage for specific officials as required by California law. The premium for this coverage equals \$17,969 for a 3 year term. The City paid the full premium amount in Fiscal Year 2008. The 3 year term ends in Fiscal Year 2011.

PREPARED BY: Mark W. Howard, Interim Risk Manager

SUBMITTED BY: Robert Samario, Finance Director

APPROVED BY: City Administrator's Office



**CITY OF SANTA BARBARA
CITY COUNCIL MINUTES**

**REGULAR MEETING
August 31, 2010
COUNCIL CHAMBER, 735 ANACAPA STREET**

The regular meeting of the City Council, scheduled for 2:00 p.m. on August 31, 2010, was cancelled by the Council on November 24, 2009.

The next regular meeting of the City Council is scheduled for September 14, 2010, at 2:00 p.m. in the Council Chamber.

SANTA BARBARA CITY COUNCIL

SANTA BARBARA
CITY CLERK'S OFFICE

_____ ATTEST: _____
HELENE SCHNEIDER
MAYOR
BRENDA ALCAZAR, CMC
DEPUTY CITY CLERK



**CITY OF SANTA BARBARA
CITY COUNCIL MINUTES**

**REGULAR MEETING
September 7, 2010
COUNCIL CHAMBER, 735 ANACAPA STREET**

The regular meeting of the City Council, scheduled for 2:00 p.m. on September 7, 2010, was cancelled by the Council on November 24, 2009.

The next regular meeting of the City Council is scheduled for September 14, 2010, at 2:00 p.m. in the Council Chamber.

SANTA BARBARA CITY COUNCIL

SANTA BARBARA
CITY CLERK'S OFFICE

HELENE SCHNEIDER
MAYOR

ATTEST: _____
BRENDA ALCAZAR, CMC
DEPUTY CITY CLERK

ORDINANCE NO. _____

AN ORDINANCE OF THE COUNCIL OF THE CITY OF
SANTA BARBARA APPROVING A 25-YEAR LEASE WITH
BROPHY & SONS INC., EFFECTIVE OCTOBER 21, 2010.

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

SECTION 1. In accordance with the provisions of Section 521 of the Charter of the City of Santa Barbara, An Ordinance of the Council of the City of Santa Barbara Approving a 25-Year Lease With Brophy & Sons Inc., Effective October 21, 2010, is hereby approved.



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: September 21, 2010

TO: Mayor and Councilmembers

FROM: Administration Division, Finance Department

SUBJECT: Professional Actuarial Services Agreement, GASB 45 – Accounting For Retiree Medical Benefits

RECOMMENDATION:

That Council authorize the Finance Director to negotiate and execute a professional services agreement with Aon Consulting for an actuarial valuation of the City's post-retirement benefits, including retiree medical insurance and sick leave conversion programs in an amount not-to-exceed \$31,000.

DISCUSSION:

In June, 2004, the Governmental Accounting Standards Board (GASB) issued Statement 45, which establishes standards for the accounting and financial reporting of "Other Post-Employment Benefits" (OPEB). "Other Post-Employment Benefits" refers to retiree benefits other than pensions and includes retiree medical and any other benefits provided to employees upon or in retirement. Essentially, GASB Statement 45 requires governments to account for and report OPEB just like they currently account for and report their pension liabilities. It is important to understand that GASB 45 only establishes accounting and financial reporting standards for OPEB and does not establish any funding standards or requirements. The purpose of GASB 45 is to establish a standard, more accurate way to measure the true cost of OPEB and provide more transparency in reporting those costs. The City has been reporting our OPEB liabilities in our audited financial statements since the fiscal year ended June 30, 2008.

The City currently has two OPEB programs that will require actuarial valuation. The first is retiree medical. Pursuant to the City's various labor agreements, the City makes fixed monthly contributions to certain retirees' medical insurance premiums. The monthly payments are a fixed dollar amount for each year of service from the time of retirement until the retiree reaches age 65. The amount of the payment varies by bargaining unit. For example, under the labor agreement with the SEIU, the City's "general employees" (non-safety) are eligible for a City retiree medical contribution if they retire from City service with 15 years or more of City service. If an employee meets that criterion they are entitled to receive a City contribution towards their medical insurance coverage of \$9.65 per month, per year of service, up to a maximum of 35 years of service (\$337.75).

That benefit is payable from the date of retirement until the retiree reaches age 65 at which time they become Medicare-eligible.

The other OPEB is a sick leave conversion benefit. Again using the SEIU labor agreement for the City's "general employees" as an example, eligible employees retiring from the City with at least 500 hours of accumulated sick leave are entitled to receive a lifetime annuity equivalent to the additional amount they would receive in their CalPERS retirement if their accumulated sick leave hours were converted to service credit for the purposes of calculating their CalPERS retirement benefit.

In order to determine our OPEB liability the City must retain the services of a certified actuarial firm. The actuarial firm will use standard actuarial practices to determine the City's OPEB liabilities and future cost projections in accordance with GASB 45 requirements. The City solicited a proposal from Aon Consulting (Aon) to conduct the City's GASB 45 actuarial valuation. Aon is an actuarial, benefits and insurance consulting firm with extensive experience in public agency actuarial valuations. Aon has performed the GASB 45 valuations for many cities and has performed the valuation for the City since 2008. Aon has proposed to do the actuarial valuation for the City's OPEB for a cost not to exceed \$31,000. Although Staff did not perform a formal request for proposal process, we are comfortable with the competitiveness of the Aon proposal on both a cost and quality basis. Aon has performed previous actuarial valuations for the City and the quality of their work has always been outstanding and after reviewing the prices paid by other public agencies for GASB 45 valuations, we believe the cost proposed by Aon is competitive.

The City is required to obtain the actuarial valuation at least every two years in order to comply with the requirements of GASB Statement 45. Staff recommends that we accept Aon's proposal and proceed with the required valuation.

BUDGET/FINANCIAL INFORMATION:

The cost of the actuarial valuation was not included in the fiscal year 2011 budget. Because the actuarial valuation is a city-wide study and includes all of the City's Enterprise Funds, Special Revenue Funds, Internal Service Funds, as well as the General Fund, Staff recommends that the cost be spread across all funds based on the salary and benefit budget of the various funds. This will result in a General Fund cost of \$20,400 (65%) because the General Fund represents approximately 65% of the citywide salary and benefit budget. The General Fund's share of the cost will be funded from existing General Fund appropriations . The portion of the cost allocated to the other funds will be so nominal that the funds will be able to absorb the cost within existing appropriations.

PREPARED BY: Rudolf J. Livingston, Accounting Manager

SUBMITTED BY: Robert Samario, Finance Director

APPROVED BY: City Administrator's Office

2011 Medical Plans Monthly Premium Rates

MEDICAL PLAN	CURRENT 2010	PROPOSED 2011
HMO – Aetna		
<u>Active Employees and Retirees Under Age 65</u>		
Employee Only	\$ 509.59	\$ 556.86
Employee and One Dependent	\$ 1,007.20	\$ 1,101.74
Employee and Family	\$ 1,305.77	\$ 1,428.68
HMO – Kaiser Permanente		
<u>Active Employees and Retirees Under Age 65</u>		
Employee Only	\$ 401.31	\$ 452.48
Employee and One Dependent	\$ 790.62	\$ 892.97
Employee and Family	\$ 1,024.21	\$ 1,157.25
<u>Medicare Eligible Retirees</u>		
Retiree Only	\$ 219.79	\$ 234.01
Retiree and One Dependent	\$ 427.58	\$ 456.02
PPO – Aetna Open Access Managed Care Plan		
<u>Active Employees and Retirees Under Age 65</u>		
Employee Only	\$ 590.29	\$ 690.39
Employee and One Dependent	\$ 1,190.20	\$ 1,394.15
Employee and Family	\$ 1,550.13	\$ 1,816.38
<u>Medicare Eligible Retirees</u>		
Retiree Only	\$ 535.98	\$ 606.86
Retiree and One Dependent	\$ 1,055.94	\$ 1,197.01
Health Reimbursement Arrangement – Aetna HRA		
<u>Active Employees and Retirees Under Age 65</u>		
Employee Only	\$ 415.28	\$ 450.37
Employee and One Dependent	\$ 818.56	\$ 888.73
Employee and Family	\$ 1,060.53	\$ 1,151.75
Health Savings Account – Aetna HSA		
<u>Active Employees and Retirees Under Age 65</u>		
Employee Only	\$ 355.99	\$ 385.92
Employee and One Dependent	\$ 700.00	\$ 759.86
Employee and Family	\$ 906.39	\$ 984.20

2011 Aetna Medicare Open Plan Monthly Premium Rates

All rates are on a per member per month basis

State	County	CURRENT 2010	PROPOSED 2011
Arizona	Cochise, Greenlee, Pima, Yavapai,	\$ 335.40	\$ 359.70
California	Santa Barbara	\$ 224.80	\$ 257.70
	Kern, Riverside, San Luis Obispo, Ventura	\$ 335.40	\$ 390.90
	Fresno, Sacramento	\$ 276.70	\$ 257.70
	Butte, Colusa, Kings, Lake, Mariposa, Merced, Nevada, Siskiyou, Yuba	\$ 335.40	\$ 392.30
	Madera, Tulare	\$ 276.70	\$ 359.70
Hawaii	Kauai	\$ 224.80	\$ 276.50
Illinois	Cook, Du Page, Lake, Will	\$ 411.30	\$ 390.90
Montana	Flathead, Gallatin, Golden Valley, Ravalli, Rosebud, Sanders, Sweet Grass, Treasure, Wheatland, Yellowstone	\$ 316.40	\$ 392.30
Nevada	Clark, Nye	\$ 447.80	\$ 390.90
New Mexico	Bernalillo, Cibola, Hidalgo, Sandoval, Taos, Valencia	\$ 192.10	\$ 257.70
Oregon	Crook, Deschutes, Lake, Lincoln, Wasco	\$ 316.40	\$ 392.30
	Jackson, Lane, Linn	\$ 411.30	\$ 472.30
	Baker, Benton, Columbia, Hood River	\$ 276.70	\$ 359.70
Texas	Austin, Harris, Jasper, Jefferson, Liberty, Orange, San Jacinto	\$ 316.40	\$ 257.70
	Cooke, Grayson, Henderson, Palo Pinto	\$ 411.30	\$ 472.30
	Denton, Erath, Hood, Navarro, Tarrant, Van Zandt, Wise	\$ 316.40	\$ 305.00
Washington	Clallam, Island, King, Kittitas, Pierce, Snohomish, Walla Walla	\$ 276.70	\$ 276.50

All Counties are included where Aetna Medicare Open Plan is available

2011 Monthly Premium Rates
Dental, Vision, Employee Assistance Program,
Flexible Spending Accounts, Disability and Life Insurance Plans

PLAN	CURRENT 2010	PROPOSED 2011
Delta Dental		
<u>Delta Dental DPO Plan</u>		
Employee Only	\$ 52.99	\$ 52.99
Employee and One Dependent	\$ 93.79	\$ 93.79
Employee and Family	\$ 150.34	\$ 150.34
<u>Delta Dental HMO Plan</u>		
Employee Only	\$ 16.39	\$ 16.39
Employee and One Dependent	\$ 29.32	\$ 29.32
Employee and Family	\$ 43.38	\$ 43.38
Vision Service Plan		
Employee Only	\$ 6.73	\$ 6.73
Employee and One Dependent	\$ 13.36	\$ 13.36
Employee and Family	\$ 20.49	\$ 20.49
Employee Assistance Program (City Paid)		
Employee and Family	\$ 1.73	\$ 1.73
Flexible Spending Accounts Administration Costs (City Paid)		
Health Care Account/Participant/Month	\$ 4.25	\$ 4.46
Dependent Care Account/Participant/Month	\$ 4.25	\$ 4.46
Electronic Payment Card/Participant/Month	\$ 1.50	\$ 1.50
Grace Period Processing/Participant/Month	\$ 3.00	\$ 3.00
Long Term Disability Insurance – Hartford (City Paid)		
All Employees except Police and Fire	\$0.500/\$100	\$0.500/\$100
Short Term Disability Insurance – Hartford (Voluntary Employee Paid)		
Managers	\$ 22.02	\$ 22.02
Supervisors	\$ 19.82	\$ 19.82
Police	\$ 15.14	\$ 15.14
Basic Life AD&D Insurance – Hartford (City Paid)		
All Employees	\$ 0.125/\$1,000	\$ 0.125/\$1,000
Supplemental Employee, Spouse & Child Life Insurance – Hartford (Voluntary Employee Paid)		
<u>Voluntary Employee and Spouse Life Insurance</u>	Rates/\$10,000	Rates/\$10,000
Up to and including age 29	\$ 0.68	\$ 0.68
Age 30-34	\$ 0.86	\$ 0.86
Age 35-39	\$ 1.24	\$ 1.24
Age 40-44	\$ 1.90	\$ 1.90
Age 45-49	\$ 3.14	\$ 3.14
Age 50-54	\$ 5.24	\$ 5.24
Age 55-59	\$ 8.46	\$ 8.46
Age 60-64	\$ 11.12	\$ 11.12
Age 65-69	\$ 17.48	\$ 17.48
Age 70-74	\$ 30.88	\$ 30.88
Age 75 and older	\$ 51.50	\$ 51.50
<u>Voluntary Child Life Insurance</u>		
\$2,000	\$ 0.33	\$ 0.33
\$5,000	\$ 0.55	\$ 0.55
\$10,000	\$ 0.89	\$ 0.89



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: September 21, 2010

TO: Mayor and Councilmembers

FROM: Patrol Division/Traffic Section, Police Department

SUBJECT: California Office Of Traffic Safety Grant

RECOMMENDATION:

- A. Accept \$139,000 from the State of California, Office of Traffic Safety, and authorize the Chief of Police to execute the Grant Agreement; and
- B. Appropriate the grant allocation of \$139,000 to the Miscellaneous Grants Fund for Fiscal Year 2011 for the Sobriety Checkpoint Program.

DISCUSSION:

In January 2010, the Santa Barbara Police Department applied for a DUI Enforcement and Awareness Program Grant for Fiscal Year 2011 from the State of California, Office of Traffic Safety. The goals of this program are to reduce the number of victims killed and injured in alcohol-impaired collisions. The grant funds will be for overtime compensation for first line supervisors, and officers to conduct DUI checkpoints, DUI saturation patrols, and providing education to the general public about the dangers of drinking and driving. This funding will cover DUI checkpoints through September 30, 2011.

PREPARED BY: Noel Rivas, Traffic Sergeant

SUBMITTED BY: Camerino Sanchez, Chief of Police

APPROVED BY: City Administrator's Office



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: September 21, 2010

TO: Mayor and Councilmembers

FROM: Transportation Division, Public Works Department

SUBJECT: Introduction Of Ordinance Establishing Prima Facie Speed Limits

RECOMMENDATION:

That Council introduce and subsequently adopt, by reading of title only, An Ordinance of the City Council of the City of Santa Barbara Amending Chapter 10.60 of the Municipal Code, by Revising Section 10.60.015 Establishing Prima Facie Speed Limits on Certain Portions of Alston Road, Carrillo Street, Loma Alta Drive, and Gutierrez Street.

DISCUSSION:

The California Vehicle Code (CVC) Section 22352 establishes the prima facie speed limit in "business" and "residence" districts as 25 miles-per-hour. However, CVC Section 40802, defining "Speed Traps", prohibits radar enforcement of excessive speed on non-local streets in business or residence districts unless the speed limit is justified by a current Engineering and Traffic Survey (Survey). Therefore, with the exception of park and school zones, roads that are in business or residence districts but are not defined as local streets in the California Road System Map, cannot be enforced using radar technology, unless the speed limit is established through a Survey.

A Survey must include consideration of prevailing speeds as determined by traffic engineering measurements, accident records, and highway, traffic, and roadside conditions not readily apparent to the driver. According to the California Manual of Uniform Traffic Control Devices, the recommended speed limit should be established at the five miles-per-hour increment closest to the 85th percentile speed (the speed that 85% of the drivers are traveling at or below). However, in matching the existing traffic safety needs of the community, engineering judgment may indicate the need for a reduction of five miles per hour due to conditions not foreseen by the driver. Residential density and pedestrian and bicyclist safety, may be considered to establish this reduction. Other considerations include conditions such as high collision rates and inadequate cross street visibility. This state-required methodology is based on the premise that a reasonable speed limit is one that conforms to the actual behavior of the majority of motorists, and that by measuring motorists' speeds, one will be able to select a speed limit that is both reasonable and effective.

In response to public complaints, the Police Department has requested that Public Works staff renew expired surveys on non-local City streets for the purpose of making those streets eligible for traffic enforcement using radar technology.

Staff recently conducted Surveys on Alameda Padre Serra, Alston Road, Carpinteria Street, De La Vina Street, Gutierrez Street, Loma Alta Drive, San Andres Street, and Carrillo Street, which have been identified as high priority routes for safety and speed enforcement. By amending Municipal Code Ordinance 10.60.015, Council will establish the speed limits as described in the "Recommended Posted Speed Limit" column in the attached table.

The recommended speed limits on Alameda Padre Serra and Alston Road are based on the 85th percentile speeds on those roadway segments. As shown on the attachment, engineering judgment indicated a need for reducing the recommended posted speed limit on the remaining streets due to special characteristics such as a high collision rate and other conditions not foreseen by the driver, including pedestrian and bicyclist safety, poor site visibility from cross streets, and residential density.

Future survey locations will be determined through consultation with the Police Department and by review of resident complaints citywide.

ATTACHMENT: Speed Survey Table

PREPARED BY: Browning Allen, Transportation Manager/DvH/kts

SUBMITTED BY: Christine F. Andersen, Public Works Director

APPROVED BY: City Administrator's Office

ATTACHMENT

SPEED SURVEY TABLE

Street Name	Segment	Existing Speed Limit	Surveyed Speed Limit	Reduction based on Special Characteristics (- 5 mph) ¹	Recommended Posted Speed Limit
Alameda Padre Serra	Los Olivos Street to Sycamore Canyon Road	30	30	<input type="checkbox"/>	30
Alston Road	Eucalyptus Hill Road to City Limits	35	35 – Eucalyptus Hill Road to Woodland Road; 40 - Woodland Drive to Rametto Road; 35 - Rametto Road to City Limits	<input type="checkbox"/>	35 – Eucalyptus Hill Road to Woodland Road; 40 - Woodland Drive to Rametto Road; 35 - Rametto Road to City Limits
Carpinteria Street	Milpas Street to Salinas Street	25	30	<input checked="" type="checkbox"/> A, C, D	25
Carrillo Street	Chapala Street to San Andres Street	30	30	<input checked="" type="checkbox"/> B	25
De La Vina Street	State Street to Constance Avenue	30	35	<input checked="" type="checkbox"/> A, D	30
De La Vina Street	Constance Avenue to Micheltorena Street	30	35	<input checked="" type="checkbox"/> B, C, D	30
Gutierrez Street	Alameda Padre Serra to Milpas Street	30	30	<input checked="" type="checkbox"/> A, C	25
Gutierrez Street	Santa Barbara Street to Milpas Street	30	30	<input checked="" type="checkbox"/> B, D	25
Loma Alta Drive	Coronel Street to Canon Perdido Street	25	35	<input checked="" type="checkbox"/> D	30
San Andres Street	Canon Perdido Street to Mission Street	25	25	<input checked="" type="checkbox"/> B, C, D	25

¹ A = Speed related collisions greater than 25%
 B = Collision rate higher than Caltrans comparison
 C = Residential density
 D = Pedestrian and bicyclist safety

COUNCIL INTRODUCTION DRAFT
SEPTEMBER 21, 2010
SHOWING CHANGES FROM CURRENT CODE
NEW PROVISIONS SHOWN IN UNDERLINE
DELETIONS SHOWN IN ~~STRIKEOUT TEXT~~

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF THE
CITY OF SANTA BARBARA AMENDING CHAPTER
10.60 OF THE MUNICIPAL CODE BY REVISING
SECTION 10.60.015 ESTABLISHING PRIMA
FACIE SPEED LIMITS ON CERTAIN PORTIONS
OF ALSTON ROAD, CARRILLO STREET, LOMA
ALTA DRIVE, AND GUTIERREZ STREET

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

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

10.60.015 Streets of Modified Speed Limits.

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

45 miles per hour:

CALLE REAL - Las Positas Road to Hitchcock Way
HOLLISTER AVENUE - Fairview Avenue to the westerly City
limits
MODOC ROAD - Las Positas Road to westerly City limits
OLD COAST HIGHWAY - Harbor View Drive to Hot Springs Road

40 miles per hour:

ALSTON ROAD - Woodland Road to Rametto Road
CALLE REAL - Pueblo Street to Las Positas Road
CALLE REAL - Hitchcock Way to La Cumbre Road
CARRILLO STREET - San Andres Street to La Coronilla Drive
MEIGS ROAD - Cliff Drive to La Coronilla Road

35 miles per hour:

ALAMAR AVENUE - Foothill Road to State Street
ALSTON ROAD - Eucalyptus Hill Road to Woodland Road
ALSTON ROAD - Rametto Road to City Limits
~~ALSTON ROAD - City limits to Eucalyptus Hill Road~~
BARKER PASS ROAD - Eucalyptus Hill Road to the northerly
City limits.
CABRILLO BOULEVARD - Niños Drive to US Highway 101
CLIFF DRIVE (SR 225) - Westerly City limits to Las
Positas Road
FAIRVIEW AVENUE - Placencia Street to Calle Real, those
portions within the City limits
HOPE AVENUE - State Street to Pueblo Avenue
HOPE AVENUE - Calle Real to State Street
LA CUMBRE ROAD - Via Lucero to northerly City limits
LA COLINA ROAD - La Cumbre Road to Verano Drive
LAS POSITAS ROAD - US Highway 101 to State Street
LOMA ALTA DRIVE - Cliff Drive (SR 225) to Shoreline Drive
MEIGS ROAD - Cliff Drive to Salida Del Sol
MODOC ROAD - Mission Street to Las Positas Road
OLD COAST HIGHWAY - Salinas Street to Harbor View Drive
SHORELINE DRIVE - Castillo Street to La Marina
STATE STREET - Mission Street to the westerly City limits
VERONICA SPRINGS ROAD - Those portions within the City
limits
YANONALI STREET - Salsipuedes Street to Garden Street

30 miles per hour:

ALAMAR AVENUE - De La Vina Street to Junipero Street
ALAMEDA PADRE SERRA - Los Olivos Street to Sycamore Canyon
Road
ALAMEDA PADRE SERRA - Sycamore Canyon Road to Eucalyptus
Hill Road
ANACAPA STREET - Arrellaga Street to Constance Avenue
ANAPAMU STREET - Santa Barbara Street to Milpas Street
BATH STREET - US Highway 101 northbound offramp to Quinto
Street
CANON PERDIDO STREET - Santa Barbara Street to Milpas
Street
~~CARRILLO STREET - Chapala Street to San Andres Street~~
CASTILLO STREET - Montecito Street to Junipero Street
CHAPALA STREET - US Highway 101 to Alamar Avenue
CLINTON TERRACE - Samarkand Drive to Tallant Road
COAST VILLAGE ROAD - Olive Mill Road to Cabrillo
Boulevard

CONSTANCE AVENUE - State Street to Garden Street
 COTA STREET - Santa Barbara Street to Alameda Padre Serra
 DE LA GUERRA STREET - Santa Barbara Street to Milpas St.
 DE LA VINA STREET - State Street to Micheltorena Street
 DE LA VINA STREET - Micheltorena Street to Haley Street
 GARDEN STREET - Micheltorena Street to Junipero Street
~~GUTIERREZ STREET - Santa Barbara Street to Alameda Padre Serra~~
 HITCHCOCK WAY - Calle Real to State Street
 LA CUMBRE ROAD - Southerly City limits (US Highway 101) to Via Lucero
LOMA ALTA DRIVE - Coronel Street to Canon Perdido Street
 MILPAS STREET - Anapamu Street to Mason Street
 MIRAMONTE DRIVE - Carrillo Street to Via Del Cielo
 ONTARE ROAD - Sunset Drive to Foothill Road
 SALINAS STREET - US Highway 101 to Mason Street
 SAMARKAND DRIVE - De La Vina to Clinton Terrace
 SAN PASCUAL STREET - Canon Perdido Street to Coronel Place
 SAN ROQUE ROAD - Foothill Road to State Street
 SANTA BARBARA STREET - Anapamu Street to Constance Avenue
 SHORELINE DRIVE - Salida Del Sol to La Marina
 STATE STREET - Micheltorena Street to Mission Street
 TREASURE DRIVE - Tallant Road to Calle Real
 VERANO DRIVE - Primavera Road to southerly City limits
 YANONALI STREET - Garden Street to State Street

25 miles per hour:

ANACAPA STREET - Arrellaga Street to US Highway 101
 CARPINTERIA STREET - Milpas Street to Salinas Street
CARRILLO STREET - Chapala Street to San Andres Street
GUTIERREZ STREET - Santa Barbara Street to Alameda Padre Serra
 HALEY STREET - Chapala Street to Milpas Street
~~LOMA ALTA DRIVE - Cliff Drive (SR 225) to Canon Perdido Street~~
 MICHELTORENA STREET - San Andres Street to California Street
 MISSION STREET - Robbins Street to Anacapa Street
 ONTARE ROAD - State Street to Sunset Drive
 PUESTA DEL SOL - Alamar Avenue to easterly City limits
 SAN ANDRES STREET - Mission Street to Canon Perdido Street
 VALERIO STREET - Robbins Street to westerly cul-de-sac



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: September 21, 2010

TO: Mayor and Councilmembers

FROM: Water Resources Division, Public Works Department

SUBJECT: Sewer Lateral Incentive Program Modifications

RECOMMENDATION:

That Council approve revising the Sewer Lateral Incentive Program by waiving City permit fees for City-mandated sewer lateral improvements and direct staff to revise Resolution No. 06-095 and the related Administrative Guidelines.

DISCUSSION:

Background

The City of Santa Barbara owns and operates a 263-mile municipal wastewater collection system. Sewer mains in this system range in size from 6 to 42 inches in diameter. Privately owned and maintained sewer laterals connect private property plumbing fixtures to the City's wastewater collection system. Staff estimates that there are more than 300 miles of these private sewer lateral pipes in use today.

In the fall of 2006, City Council approved changes to Chapter 14.46 of the Municipal Code to establish a sewer lateral inspection program and authorize implementation of an incentive program for private sewer lateral inspection and repair. The purpose of the incentive program was to encourage property owners to better maintain private sewer laterals by offering up to \$2,000 reimbursement for repair or replace defective sewer laterals plus permit fees. An incentive of \$150 was offered for inspecting sewer laterals if the inspection video demonstrated that the sewer lateral was in good repair.

To offset anticipated costs of this incentive program, City Council approved a 2% rate increase in Fiscal Year 2008 with an estimated increased revenue of \$235,000 and another 2% rate increase in Fiscal Year 2009 with cumulative estimated increased revenue of \$484,100. Since Fiscal Year 2007, the increased revenue generated for this program totaled \$1.2 million. The program expenditures to date total \$3.9 million. A \$1.5 million annual program would require a 7% rate increase to generate revenue necessary to support the program.

During presentation of the Fiscal Year 2011 recommended budget, staff proposed a curtailment of the incentive program for fiscal year 2011 to address the imbalance of costs and associated revenue for this new program. Council directed staff to meet with stakeholders, evaluate alternatives for the incentive program, and return within ninety days to provide an updated recommendation regarding incentive program continuance.

Alternatives

From various alternatives explored by staff over several months, two alternatives, incorporating key feedback from stakeholders, have been proposed for further consideration by Council. Both alternatives provide property owners with a waiver from payment of a variety of City permit fees. Upon approval by the Council of either of the alternatives to the incentive program suggested below, staff will revise Resolution 06-095 along with the Administrative Guidelines and return to Council for final approval.

Alternative 1. Waive City Permit Fees for City-mandated sewer lateral structural improvements.

This alternative waives current City permit fees for property owners who are required by City staff to inspect or repair private sewer laterals. Based on past experience, staff estimates that 75 property owners per year would be directed by City staff to inspect or repair their laterals.

The estimated annual cost for this alternative is \$150,000. Remaining funds raised to support the incentive program will be applied back to the City's existing Capital Improvement Program until such time as the excess expenditures on the incentive program are fully reapplied to the City's Capital Improvement Program.

Alternative 2. Waive City Permit Fees for requested sewer lateral structural improvements up to an annual program cap of \$250,000 per fiscal year.

This alternative waives current City permit fees for all property owners who apply for City permits associated with private sewer lateral inspection and/or replacement work whether required by City staff or not. Procedural details need to be developed to determine how to implement the permit fee waiver process in an equitable manner.

The estimated annual cost for this alternative is \$250,000. Remaining funds raised to support the incentive program will be applied back to the City's existing Capital Improvement Program until such time as the excess expenditures on the incentive program are fully reapplied to the City's Capital Improvement Program.

At their meeting of September 13, 2010, the Board of Water Commissioners voted 3/0 to support alternative 1 as recommended by staff.

BUDGET/FINANCIAL INFORMATION:

The Fiscal Year 2011 budget does not include allocated funding for the sewer incentive program. Increases to rates to support the incentive program enacted in Fiscal Years 2008 and 2009 currently generate an estimated \$524,000 per year of increased revenue. Adopting an alternative that has annual costs of less than \$524,000 would allow remaining revenue to be applied to address municipal wastewater capital needs.

PREPARED BY: Chris Toth, Wastewater System Manager/es

SUBMITTED BY: Christine F. Andersen, Public Works Director

APPROVED BY: City Administrator's Office



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: September 21, 2010

TO: Mayor and Councilmembers

FROM: Facilities Division, Public Works Department

SUBJECT: Agreement To Remove Cogeneration System At El Estero Wastewater Treatment Plant

RECOMMENDATION: That Council:

- A. Authorize the Public Works Director to execute a termination agreement with Alliance Monterey, LLC (Alliance), in a form acceptable to the City Attorney, to remove fuel cell co-generation equipment from the El Estero Wastewater Treatment Plant (El Estero) and to terminate the existing Power Purchase Agreement (PPA); and,
- B. Receive an update on the status of the existing fuel cell co-generation system at El Estero and plans to replace the system with an engine co-generation system.

DISCUSSION:

El Estero has been generating electricity and hot water from bio gas produced by plant operations since 2005. Co-generation is the process of generating combined heat and electricity. The current co-generation system consists of two fuel cells and is operated by Alliance, under a ten-year PPA with the City.

A PPA allows the City to purchase power at a negotiated rate from a generating facility that is owned and operated by a third party, sited on City property. A PPA requires no capital investment by the City, and allows the third party developer to take advantage of tax credits and accelerated depreciation, passing savings on to the City in the form of lower rates. Under the Alliance PPA, the City purchases electricity at 8.5 cents per kilowatt-hour, which is less than electricity purchased from the utility.

The current PPA is a ten year contract ending in 2015. The system has been running at a small percentage of its rated capacity for the last few years due to problems with contaminants in the bio gas supply. After multiple failed attempts on the part of Alliance to resolve problems with the system, both Alliance and City staff agree that the existing system technology is not performing adequately, and all parties agree that removal of the existing system and termination of the PPA is in the best interest of all concerned.

In order to continue to use the bio gas supply at the El Estero facility, Public Works staff have evaluated several co-generation technologies, and have determined that the most cost effective and reliable system is internal combustion reciprocating engines. Internal combustion engine co-generation works well with the existing bio gas impurities, and has a long record of reliability for this application.

Public Works staff has requested proposals from four qualified firms to construct, operate, and sell electricity and provide heating for the facility with an engine co-generation system. Staff will evaluate each proposal for cost effectiveness, reliability, and viability. If a proposal meets staff's requirements, staff intends to return to Council for authorization to negotiate and execute a PPA with the successful firm.

BUDGET/FINANCIAL INFORMATION:

The project will not require funding from City sources. Alliance will assume all cost for the removal of the equipment and restoration of the site.

SUSTAINABILITY IMPACT:

The engine co-generation system will use the majority of the bio gas produced by El Estero, providing electricity and hot water for plant operations from a renewable resource. Much of the existing bio gas produced by the plant is currently being wasted through a flaring process.

PREPARED BY: Jim Dewey, Facilities and Energy Manager/AP/mw

SUBMITTED BY: Christine F. Andersen, Public Works Director

APPROVED BY: City Administrator's Office



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: September 21, 2010
TO: Mayor and Councilmembers
FROM: City Attorney's Office
SUBJECT: Conference With Legal Counsel – Pending Litigation

RECOMMENDATION:

That Council hold a closed session to consider pending litigation pursuant to subsection (a) of section 54956.9 of the Government Code and take appropriate action as needed.

The pending litigation is *Tanis Nelson vs. City of Santa Barbara, SBSC Case No. 1339487*.

SCHEDULING:

Duration: 15 minutes; anytime

REPORT:

None anticipated

SUBMITTED BY: Stephen P. Wiley, City Attorney

APPROVED BY: City Administrator's Office



Agenda Item No. _____

File Code No. 440.05

CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: September 21, 2010

TO: Mayor and Councilmembers

FROM: City Administrator's Office

SUBJECT: Conference With Labor Negotiator

RECOMMENDATION:

That Council hold a closed session, per Government Code Section 54957.6, to consider instructions to City negotiator Kristy Schmidt, Employee Relations Manager, regarding negotiations with the Police Officers Association, Police Managers Association, the Treatment and Patrol Bargaining Units, Firefighters Association, and the Hourly Bargaining Unit, and regarding discussions with unrepresented management about salaries and fringe benefits.

SCHEDULING: Duration, 30 minutes; anytime

REPORT: None anticipated

PREPARED BY: Kristy Schmidt, Employee Relations Manager

SUBMITTED BY: Marcelo López, Assistant City Administrator

APPROVED BY: City Administrator's Office



Agenda Item No. _____

File Code No. 330.03

CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: September 21, 2010
TO: Mayor and Councilmembers
FROM: Transportation Division, Public Works Department
SUBJECT: Conference With Real Property Negotiators Regarding 319 West Haley Street

RECOMMENDATION:

That Council hold a closed session to consider instructions to its negotiators regarding the possible sale of the City-owned property, commonly known as 319 West Haley Street, pursuant to the authority of Government Code Section 54956.8.

Instructions to negotiators will direct staff regarding the price and terms of a possible sale of the City-owned parcel. Negotiations are held pursuant to the authority of Section 54956.8 of the Government Code.

City Negotiators: Browning Allen, Transportation Manager; Don Ireland, Senior Real Property Agent; and Stephen P. Wiley, City Attorney, on behalf of the City of Santa Barbara.

Negotiating Parties: Pathpoint, Inc.

Under Negotiation: Price and terms of payment of a possible sale.

SCHEDULING:

Duration: 20 minutes; anytime

REPORT:

None anticipated

PREPARED BY: Browning Allen, Transportation Manager/BA/kts

SUBMITTED BY: Christine F. Andersen, Public Works Director

APPROVED BY: City Administrator's Office