

**CITY OF SANTA BARBARA
CITY COUNCIL**

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



James L. Armstrong
City Administrator

Stephen P. Wiley
City Attorney

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

**MAY 10, 2011
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

- 11:00 a.m. - Special Finance Committee Meeting, David Gebhard Public Meeting Room, 630 Garden Street
2:00 p.m. - City Council Meeting

SPECIAL FINANCE COMMITTEE MEETING - 11:00 A.M. IN THE DAVID GEBHARD PUBLIC MEETING ROOM, 630 GARDEN STREET (120.03)

1. Subject: Fiscal Year 2011 Third Quarter Financial Review

Recommendation: That the Finance Committee recommend that Council:

- A. Hear a report from staff on the status of revenues and expenditures in relation to budget as of March 31, 2011;
- B. Accept the Fiscal Year 2011 Interim Financial Statements for the Nine Months Ended March 31, 2011;
- C. Approve an increase in appropriations to the Fire Department in the amount of \$850,000 to cover projected overtime costs in excess of budget;
- D. Approve an increase in appropriations in the City Attorney's Office budget in the amount of \$54,000 to cover several unbudgeted and unexpected costs; and
- E. Approve an increase in estimated transient occupancy tax revenues by \$904,000 to cover the increases to appropriations in the Fire Department and City Attorney's Office budgets.

(See Council Agenda Item No. 13)

2. Subject: Finance Committee Review Of The Proposed Two-Year Financial Plan For Fiscal Years 2012 And 2013

Recommendation: That the Finance Committee hear a report from staff on the Proposed Two-Year Financial Plan for Fiscal Years 2012 and 2013, including the Recommended Budget for Fiscal Year 2012.

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

CALL TO ORDER

PLEDGE OF ALLEGIANCE

ROLL CALL

CEREMONIAL ITEMS

1. **Subject: Proclamation Declaring May 9-13, 2011 As Girls Incorporated - Girls Inc. Week (120.04)**

CHANGES TO THE AGENDA

PUBLIC COMMENT

CONSENT CALENDAR

2. **Subject: Minutes**

Recommendation: That Council waive the reading and approve the minutes of the regular meeting of April 19, 2011.

3. **Subject: Introduction Of An Ordinance To Amend Adopted Plumbing Code (640.04)**

Recommendation: That Council introduce and subsequently adopt, by reading of title only, An Ordinance of the Council of the City of Santa Barbara Amending Section 22.04.030 of Chapter 22.04 of Title 22 of the Santa Barbara Municipal Code Concerning Local Amendments to the California Plumbing Code.

4. **Subject: Parking And Business Improvement Area Annual Assessment Report, Fiscal Year 2012 - Intention To Levy (550.10)**

Recommendation: That Council:

- A. Approve the Parking and Business Improvement Area (PBIA) Annual Assessment Report, Fiscal Year 2012; and
- B. Adopt, by reading of title only, A Resolution of the Council of the City of Santa Barbara Declaring Council's Intention to Levy Parking and Business Improvement Area Assessment Rates for the 2012 Fiscal Year at a Public Hearing to be Held on June 7, 2011, at 2:00 p.m.

CONSENT CALENDAR (CONT'D)

5. Subject: Set A Date For Public Hearing Regarding Renewal Of Levy For Fiscal Year 2012 For The Wildland Fire Suppression Assessment (290.00)

Recommendation: That Council adopt, by reading of title only, A Resolution of the Council of the City of Santa Barbara Declaring its Intention to Renew the Wildland Fire Suppression Assessment Within the Foothill and Extreme Foothill Zones; Declaring the Work to be of More Than General or Ordinary Benefit and Describing the District to be Assessed to Pay the Costs and Expenses Thereof; Preliminarily Approving the Updated Engineer's Report; Stating Intention to Levy Assessments for Fiscal Year 2011-2012; and Establishing a Time of 2:00 P.M. on Tuesday, May 24, 2011, in the City Council Chambers for a Public Hearing on the Wildland Fire Suppression Assessment.

6. Subject: 2915 De La Vina Street - Appeal of Planning Commission Decision (640.07)

Recommendation: That Council adopt, by reading of title only, A Resolution of the Council of the City of Santa Barbara Making a Decision and Expressing Certain Findings Concerning an Appeal From a Decision of the City Planning Commission Regarding an Application for a Medical Marijuana Dispensary Permit for a Storefront Dispensary Located at 2915 De La Vina Street Pursuant to the Requirements of Santa Barbara Municipal Code Chapter 28.80.

7. Subject: Public Hearing For Amendment To 2008 Disaster Recovery Initiative Program Funding Application (610.05)

Recommendation: That Council adopt, by reading of title only, A Resolution of the Council of the City of Santa Barbara Approving an Amendment to Application for Funding and the Execution of a Grant Agreement and Any Amendments Thereto from the 2008 Disaster Recovery Initiative Fund Allocation of the State Community Development Block Grant Program.

8. Subject: Access And Use Permit With ProDIGIQ, Inc. (560.02)

Recommendation: That Council find it is in the City's best interest to waive the formal bid process as authorized in Municipal Code Section 4.52.070 (k) and authorize the Airport Director to execute an Access and Use Permit with ProDIGIQ, Inc., as the single source and most favorable source for providing the City with Flight Information Display and Baggage Information Display systems for the new Airline Terminal in an amount not to exceed \$59,900.

9. Subject: Homeless Prevention And Rapid Re-Housing Agreement Amendments (660.04)

Recommendation: That Council authorize the amendment of the following City of Santa Barbara Homeless Prevention and Rapid Re-Housing Collaborative agreements: Casa Esperanza, No. 23,209; Transition House, No. 23,210; Catholic Charities, No. 23,211; and Legal Aid Foundation, No. 23,213.

CONSENT CALENDAR (CONT'D)

10. Subject: Contract For Water Quality Monitoring Services (540.10)

Recommendation: That Council authorize the Waterfront Director to execute, subject to approval by the City Attorney, a five-year agreement between the City and Science Application International Corporation for Water Quality Monitoring Services for the Waterfront Department, in an amount not to exceed \$92,005 over the term of the contract; and authorize the Waterfront Director to approve expenditures of up to \$9,200 for extra services that may result from necessary changes in the scope of work.

NOTICES

11. The City Clerk has on Thursday, May 5, 2011, posted this agenda in the Office of the City Clerk, on the City Hall Public Notice Board on the outside balcony of City Hall, and on the Internet.

This concludes the Consent Calendar.

REPORT FROM THE FINANCE COMMITTEE

CITY COUNCIL ADMINISTRATIVE AND ATTORNEY REPORTS

COMMUNITY DEVELOPMENT DEPARTMENT

12. Subject: Grants To Housing Authority For Rehabilitation Of Three Affordable Housing Projects (660.04)

Recommendation: That Council approve three grants to the Housing Authority of the City of Santa Barbara in a total amount not to exceed \$850,000 from Housing Rehabilitation Loan Program repayment funds for needed repairs to three Housing Authority projects located at 418 Santa Fe Place, 521 N. La Cumbre Road, and 2941 State Street, and authorize the Assistant City Administrator/Community Development Director to execute grant agreements in a form acceptable to the City Attorney.

FINANCE DEPARTMENT

13. Subject: Fiscal Year 2011 Third Quarter Financial Review (250.02)

Recommendation: That Council:

- A. Hear a report from staff on the status of revenues and expenditures in relation to budget as of March 31, 2011;
- B. Accept the Fiscal Year 2011 Interim Financial Statements for the Nine Months Ended March 31, 2011;

(Cont'd)

CITY COUNCIL ADMINISTRATIVE AND ATTORNEY REPORTS (CONT'D)

FINANCE DEPARTMENT (CONT'D)

13. (Cont'd)

- C. Approve an increase in appropriations to the Fire Department in the amount of \$850,000 to cover projected overtime costs in excess of budget;
- D. Approve an increase in appropriations in the City Attorney's Office budget in the amount of \$54,000 to cover several unbudgeted and unexpected costs; and
- E. Approve an increase in estimated transient occupancy tax revenues by \$904,000 to cover the increases to appropriations in the Fire Department and City Attorney's Office budgets.

COUNCIL AND STAFF COMMUNICATIONS

COUNCILMEMBER COMMITTEE ASSIGNMENT REPORTS

CLOSED SESSIONS

14. 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 Santa Barbara Patients' Collective Health Cooperative v. City of Santa Barbara, et al. USDC Case No. CV 10-6534 DDP (RCx), and The Green Light Dispensary, Inc., A California Non-Profit Mutual Benefit Corporation, v. City of Santa Barbara, USDC Case No. CV 10-7203 DDP (RCx).

Scheduling: Duration, 30 minutes; anytime

Report: None anticipated

15. Subject: Public Employee Performance Evaluation - Government Code Section 54957 (160.01)

Recommendation: That Council hold a closed session for a Public Employee Performance Evaluation per Government Code Section 54957.

Title: City Attorney

Scheduling: Duration, 40 minutes; anytime

Report: None anticipated

(Continued from May 3, 2011, Item No. 13)

ADJOURNMENT

CITY OF SANTA BARBARA
FINANCE COMMITTEE
SPECIAL MEETING AGENDA

DATE: May 10, 2011

Dale Francisco, Chair

TIME: 11:00 a.m.

Michael Self

PLACE: David Gebhard Public Meeting Room
630 Garden Street

Bendy White

James L. Armstrong
City Administrator

Robert Samario
Finance Director

ITEMS TO BE CONSIDERED:

1. Subject: Fiscal Year 2011 Third Quarter Financial Review

Recommendation: That Finance Committee recommend that Council:

- A. Hear a report from staff on the status of revenues and expenditures in relation to budget as of March 31, 2011;
- B. Accept the Fiscal Year 2011 Interim Financial Statements for the Nine Months Ended March 31, 2011;
- C. Approve an increase in appropriations to the Fire Department in the amount of \$850,000 to cover projected overtime costs in excess of budget;
- D. Approve an increase in appropriations in the City Attorney's Office budget in the amount of \$54,000 to cover several unbudgeted and unexpected costs; and
- E. Approve an increase in estimated transient occupancy tax revenues by \$904,000 to cover the increases to appropriations in the Fire Department and City Attorney's Office budgets.

(See Council Agenda Item No. 13)

2. Subject: Finance Committee Review Of The Proposed Two-Year Financial Plan For Fiscal Years 2012 And 2013

Recommendation: That the Finance Committee hear a report from staff on the Proposed Two-Year Financial Plan for Fiscal Years 2012 and 2013, including the Recommended Budget for Fiscal Year 2012.



CITY OF SANTA BARBARA

FINANCE COMMITTEE AGENDA REPORT

AGENDA DATE: May 10, 2011

TO: Finance Committee

FROM: Administration Division, Finance Department

SUBJECT: Finance Committee Review Of The Proposed Two-Year Financial Plan For Fiscal Years 2012 And 2013

RECOMMENDATION:

That the Finance Committee hear a report from staff on the Proposed Two-Year Financial Plan for Fiscal Years 2012 and 2013, including the Recommended Budget for Fiscal Year 2012.

DISCUSSION:

On Tuesday, April 19, 2011, the Proposed Two-Year Financial Plan for Fiscal Years 2012 and 2013 ("Proposed Plan") was submitted to Council. That day, the Finance Committee approved its budget review schedule for the Proposed Plan and the additional topics that it will review.

At its first budget review meeting held on April 26, 2011, the Finance Committee discussed the General Fund balancing strategy, General Fund non-departmental revenues and growth assumptions, and proposed changes to authorized positions citywide.

At last week's Finance Committee budget review meeting, held on May 3, the Committee began its review of proposed changes to fees and services for certain General Fund departments and the Golf Fund.

At today's meeting, scheduled from 11:00 a.m. to 1:45 p.m., the Finance Committee will continue its review fees and service charges for the remaining General Fund departments and also the city's Water, Wastewater, and Solid Waste operations.

The next date for the Committee's budget review is Tuesday, May 17, 2011, from 12:00 p.m. – 1:45 p.m., when the Committee will review citywide reserve levels and discuss the Council reserve policies currently in place. Also, any additional budget information that the Committee has requested throughout its review of the budget will be presented.

The approved Finance Committee budget review schedule is attached to this report.

ATTACHMENT: Approved Finance Committee Budget Review Schedule

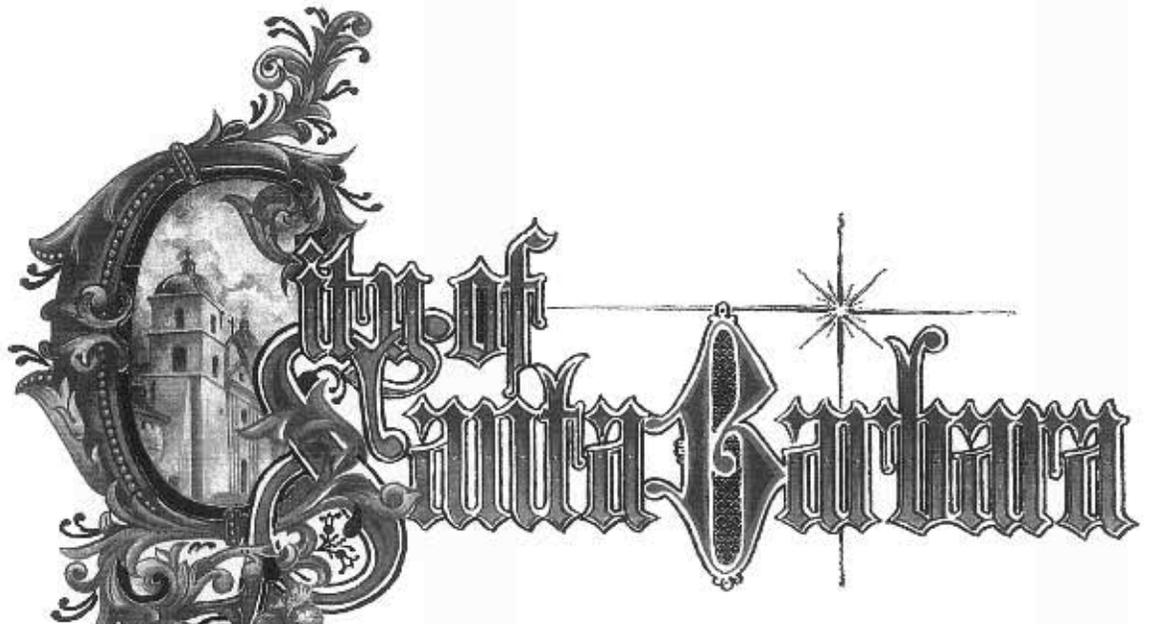
PREPARED BY: Jill Taura, Treasury Manager

SUBMITTED BY: Robert Samario, Finance Director

APPROVED BY: City Administrator's Office

CITY OF SANTA BARBARA
Proposed Finance Committee Review Schedule
Two-Year Financial Plan for Fiscal Years 2012 and 2013

Meeting Date and Time	Department
Tuesday, April 26, 2011 12:00 p.m. – 1:45 p.m.	<ul style="list-style-type: none"> ➤ General Fund balancing strategy (20 min) ➤ General Fund non-departmental revenues and assumptions (20 min)
Tuesday, May 3, 2011 11:30 a.m. – 1:45 p.m.	<ul style="list-style-type: none"> ➤ General Fund departmental proposed fee changes (1 hour) ➤ Golf Enterprise Fund proposed fees (20 min)
Tuesday, May 10, 2011 11:00 a.m. – 1:45 p.m.	<ul style="list-style-type: none"> ➤ General Fund departmental proposed fee changes – Part 2 (30 min) ➤ Enterprise fund proposed fee changes (1 hour 45 min) – Water, Wastewater, Waterfront, Solid Waste, Downtown Parking, and Airport
Tuesday, May 17, 2011 12:00 p.m. – 1:45 p.m.	<ul style="list-style-type: none"> ➤ Review of Citywide reserve balances and policies (30 min) ➤ Follow-up on items requested by Finance Committee
Tuesday, May 24, 2011 12:00 p.m. – 1:45 p.m.	<ul style="list-style-type: none"> ➤ Follow-up on items requested by Finance Committee ➤ Staff recommended adjustments to FY 2012 Budget



PROCLAMATION

**Girls Incorporated – Girls Inc. Week
May 9-13, 2011**

WHEREAS, Girls Incorporated is a research, education and advocacy organization that inspires all girls to be strong, smart and bold; and

WHEREAS, the Girls Inc. Campaign launched by Girls Incorporated is designed to help girls understand, value and assert their rights; and

WHEREAS, Girls Inc. affirms and fosters girls' abilities to overcome stereotypes that limit their rights; and

WHEREAS, professionally trained staff and volunteers at Girls Incorporated encourage girls to build skills and self-confidence through hands-on activities and programs that let them discover their strengths in areas such as math, science, technology, sports, adventure, leadership, career planning and life skills.

*NOW, THEREFORE, I, Helene Schneider, as Mayor of the City of Santa Barbara, California, do hereby proclaim May 9-13, 2011 to be **GIRLS INCORPORATED WEEK** in honor of your commitment to nurturing girls' dreams, supporting girls' rights and creating endless opportunities for girls to recognize their power and potential to succeed in life.*

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Official Seal of the City of Santa Barbara, California, to be affixed to this 10th day of May, 2011.



**Helene Schneider
Mayor**



CITY OF SANTA BARBARA CITY COUNCIL MINUTES

REGULAR MEETING April 19, 2011 COUNCIL CHAMBER, 735 ANACAPA STREET

CALL TO ORDER

Mayor Helene Schneider called the meeting to order at 2:02 p.m. (The Finance Committee and Ordinance Committee met at 12:30 p.m.)

PLEDGE OF ALLEGIANCE

Mayor Schneider.

ROLL CALL

Councilmembers present: Dale Francisco, Frank Hotchkiss, Grant House, Randy Rowse, Michael Self, Bendy White, Mayor Schneider.

Councilmembers absent: None.

Staff present: City Administrator James L. Armstrong, City Attorney Stephen P. Wiley, Deputy City Clerk Brenda Alcazar.

CEREMONIAL ITEMS

1. Subject: Proclamation Declaring April 2011 As Department Of Motor Vehicles/Donate Life California Month (120.04)

Action: Proclamation presented to heart donor recipient Joe Darga.

PUBLIC COMMENT

Speakers: Kenneth Loch.

CONSENT CALENDAR (Item Nos. 2 - 8)

Motion:

Councilmembers Hotchkiss/Francisco to approve the Consent Calendar as recommended.

Vote:

Unanimous voice vote.

2. Subject: Minutes

Recommendation: That Council waive the reading and approve the minutes of the regular meeting of April 5 (cancelled), and the special meeting of April 7, 2011.

Action: Approved the recommendation.

3. Subject: Increase In Construction Change Order Authority And Extra Services For The Escondido And Bothin Pump Stations Rehabilitation Project (540.06)

Recommendation: That Council:

- A. Authorize an increase in the Public Works Director Change Order Authority to approve expenditures for extra work for Escondido and Bothin Pump Stations Rehabilitation Contract No. 23,500 with Taft Electric Company (Taft) in the amount of \$94,243, for a total Project expenditure authority of \$1,608,977; and
- B. Authorize an increase in the Extra Services amount with AECOM Technical Services, Incorporated (AECOM), for construction support services for the Escondido and Bothin Pump Station Rehabilitations Project (Project), Contract No. 23,501, in the amount of \$16,449, for a total Project expenditure authority of \$65,560.

Action: Approved the recommendations (April 19, 2011, report from the Public Works Director).

NOTICES

- 4. The City Clerk has on Thursday, April 14, 2011, 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.
- 5. Cancellation of the Redevelopment Agency meeting of April 19, 2011, due to lack of business.
- 6. The Proposed Two-Year Financial Plan for Fiscal Years 2012 and 2013, including the Recommended Operating and Capital Budget for Fiscal Year 2012, was filed with the City Clerk's Office on April 19, 2011.
- 7. Received a letter of resignation from Rental Housing Mediation Task Force Member Roger Simpson; the vacancy will be part of the current City Advisory Groups recruitment.

8. Recruitment for City Advisory Groups:
 - A. The City Clerk's Office will accept applications through Monday, May 16, 2011, at 5:30 p.m. to fill 30 vacancies on various City Advisory Groups, including four scheduled vacancies on the Living Wage Advisory Committee and Single Family Design Board with term expiration dates of June 30, 2011, one scheduled vacancy on the Housing Authority Commission with a term expiration date of August 6, 2011, and unscheduled vacancies resulting from resignations received in the City Clerk's Office through Wednesday, April 27, 2011;
 - B. The City Council will conduct interviews of applicants for vacancies on various City Advisory Groups on Tuesday, May 24, 2011, at 6:00 p.m., Tuesday, June 7, 2011, at 4:00 p.m. (Estimated Time), and Tuesday, June 14, 2011, at 4:00 p.m. (Estimated Time); and
 - C. The City Council will make appointments to fill the vacancies on various City Advisory Groups on Tuesday, June 28, 2011.

Mayor Schneider announced the opening the City's semiannual recruitment for City advisory groups and encouraged members of the public to apply for appointment.

This concluded the Consent Calendar.

REPORT FROM THE FINANCE COMMITTEE

Finance Committee Chair Dale Francisco reported that the Committee met to review the proposed schedule of special Committee meetings for the proposed Two-Year Financial Plan; the Committee approved the schedule.

REPORT FROM THE ORDINANCE COMMITTEE

Ordinance Committee Chair Grant House reported that the Committee met to hear a report and discuss four options for reducing the distribution of single-use bags within the City: 1) take no further action; 2) recommend an ordinance mandating an expansion of the existing "Where's Your Bag?" Program; 3) recommend a ballot measure to impose a tax on single-use bags; and 4) recommend an ordinance to prohibit the distribution of single-use plastic bags by retailers with a complementary fee for paper bags. The Committee voted to take no further action at this time.

CITY COUNCIL ADMINISTRATIVE AND ATTORNEY REPORTS

FINANCE DEPARTMENT

9. Subject: Recommended Two-Year Financial Plan For Fiscal Years 2012 And 2013 (230.05)

Recommendation: That Council:

- A. Receive the Recommended Two-Year Financial Plan for Fiscal Years 2012 and 2013, including the Recommended Operating and Capital Budget for Fiscal Year 2012;
- B. Hear a report from staff in connection with the filing of the Recommended Two-Year Financial Plan for Fiscal Years 2012 and 2013; and
- C. Approve the proposed Schedule of Council Budget Review Meetings and Public Hearings of the Recommended Two-Year Financial Plan for Fiscal Years 2012 and 2013.

Documents:

- April 19, 2011, report from the Finance Director.
- April 19, 2011, Proposed Two-Year Financial Plan for Fiscal Years 2012 and 2013, and Recommended Operating and Capital Budget for Fiscal Year 2012.
- Proposed Fiscal Year 2012 Schedule of Penalties, Fees and Service Charges.
- April 19, 2011, PowerPoint presentation prepared and made by Staff.

Speakers:

Staff: City Administrator James Armstrong; Finance Director Robert Samario.

By consensus, the Council approved the recommendations. Staff responded to the Councilmembers' questions. Mayor Schneider stated that the first public hearing on the budget is scheduled for Thursday, April 21, at 1:30 p.m.

COMMUNITY DEVELOPMENT DEPARTMENT

10. Subject: Plan Santa Barbara Ad Hoc Subcommittee Recommendations (650.05)

Recommendation: That Council:

- A. Receive Subcommittee recommendations to date;
- B. Hold discussion to determine full Council positions on Subcommittee recommendations; and
- C. Provide direction to Subcommittee and staff on next steps.

(Cont'd)

10. (Cont'd)

Documents:

- April 19, 2011, report from the Assistant City Administrator/Community Development Director.
- April 14, 2011, email communication and attachments submitted by Staff.
- April 19, 2011, PowerPoint presentation prepared and made by Staff.
- April 19, 2011, vote sheet prepared and submitted by Councilmember Self.
- April 18, 2011, letter from Citizens Planning Association of Santa Barbara County, Inc.
- April 19, 2011, letter from Allied Neighborhoods Association.

Speakers:

- Staff: Principal Planner John Ledbetter, City Planner Bettie Weiss.
- Members of the Public: Debra Slaght, League of Women Voters; Sheila Lodge; Kellam de Forest; Mickey Flacks, Community Coalition; Cathie McCammon, Allied Neighborhoods Association; Paul Hernadi, Citizens Planning Association of Santa Barbara County, Inc.

Discussion:

Staff made a presentation on the progress of the Subcommittee to date. Councilmembers provided their feedback on the recommendations. There was not a consensus on the issue of density. The Subcommittee will continue meeting to discuss outstanding issues, including items listed on the vote sheet submitted by Councilmember Self, and prepare recommendations for presentation to the Council at a future date.

COUNCILMEMBER COMMITTEE ASSIGNMENT REPORTS

Information:

- Councilmember Rowse reported on his attendance at a special meeting of the Downtown Parking Committee, where the Committee's future direction and its presentation to the City Council during a future budget hearing were discussed.
- Councilmember House spoke about the Legislative Committee meeting on April 13, where they discussed employee relations, revenue and taxation, the Airport and City administration. The Committee has two additional meetings scheduled and will present a report to the Council after the meeting of April 26.
- Councilmember Hotchkiss mentioned that he attended the first meeting of the Neighborhood Advisory Council, where they elected the Chair and Vice-Chair.
- Councilmember White reported that the Planning Commission unanimously approved the Valle Verde Retirement Community project last week.
- Mayor Schneider spoke about the Earth Day Festival where approximately 38,000 people were in attendance.

RECESS

Mayor Schneider recessed the meeting at 4:50 p.m. in order for the Council to reconvene in closed session for Item No. 11. No reportable action is anticipated.

CLOSED SESSIONS

11. 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 General, Treatment and Patrol, and Supervisory bargaining units and regarding discussions with unrepresented management about salaries and fringe benefits.

Scheduling: Duration, 30 minutes; anytime

Report: None anticipated

Documents:

April 19, 2011, report from the Assistant City Administrator/Administrative Services Director.

Time:

4:55 p.m. - 5:45 p.m.

No report made.

ADJOURNMENT

Mayor Schneider adjourned the meeting at 5:45 p.m.

SANTA BARBARA CITY COUNCIL

SANTA BARBARA
CITY CLERK'S OFFICE

HELENE SCHNEIDER
MAYOR

ATTEST: _____
BRENDA ALCAZAR, CMC
DEPUTY CITY CLERK



Agenda Item No. _____

File Code No. 640.04

CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: May 10, 2011

TO: Mayor and Councilmembers

FROM: Building and Safety Division, Community Development Department

SUBJECT: Introduction Of An Ordinance To Amend Adopted Plumbing Code

RECOMMENDATION:

That Council introduce and subsequently adopt, by reading of title only, An Ordinance of the Council of the City of Santa Barbara Amending Section 22.04.030 of Chapter 22.04 of Title 22 of the Santa Barbara Municipal Code Concerning Local Amendments to the California Plumbing Code.

DISCUSSION:

This amendment would restore two previous requirements that were inadvertently dropped when the new building codes were adopted this last January. These items were originally requested by our Water Resources Division as tools in State and Federal required Water Conservation Best Management Practices several code cycles ago and should have been brought forward as part of our current adopting ordinance.

Proposed Changes:

The proposed changes involve the addition of a new subsection B to Section 22.04.030 of the Municipal Code that will add two subsections to Section 402 of the California Plumbing Code. The first subsection requires fountains to have "recirculation" pumps and to not be connected to the potable water system. The second subsection requires car wash facilities to recycle their rinse water for use as wash water on subsequent washes.

PREPARED BY: Chris Hansen, Inspection/Plan Check Supervisor

SUBMITTED BY: Paul Casey, Assistant City Administrator/Community Development Director

APPROVED BY: City Administrator's Office

COUNCIL INTRODUCTION DRAFT 5/10/2011
SHOWING ADDITIONS TO EXISTING CODE

ORDINANCE NO. _____

AN ORDINANCE OF THE COUNCIL OF THE
CITY OF SANTA BARBARA AMENDING
SECTION 22.04.030 OF CHAPTER 22.04 OF
TITLE 22 OF THE SANTA BARBARA
MUNICIPAL CODE CONCERNING LOCAL
AMENDMENTS TO THE CALIFORNIA
PLUMBING CODE

WHEREAS, model construction codes are developed and published periodically by professional organizations of building official experts; and

WHEREAS, these codes are adopted by the State of California and by local communities with amendments pertinent to local conditions; and

WHEREAS, the City of Santa Barbara relies on local ground and surface water for its local water supplies; and

WHEREAS, drought conditions are common occurrences within Santa Barbara and the surrounding areas; and

WHEREAS, local topography and climate present unique fire hazard and fire abatement conditions; and

WHEREAS, local geological conditions present unique geophysical hazards; and

WHEREAS, the City Council of the City of Santa Barbara finds that such local geological, topographic and climatic conditions warrant certain amendments to the model codes related to construction;

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

SECTION 1. Section 22.04.030 of Chapter 22.04 of Title 22 of the Santa Barbara Municipal Code is amended to read as follows:

22.04.030 Amendments to California Plumbing Code.

The 2010 California Plumbing Code, as adopted by reference pursuant to this Chapter, is amended as set forth in this Section 22.04.030.

A. Section 103.4.1 of the California Plumbing Code is deleted in its entirety and readopted to read as follows:

103.4.1 Permit Fees. The fee for each permit shall be established by resolution of the City Council of the City of Santa Barbara.

B. Section 402 of the California Plumbing Code is amended by the addition of subsections 402.7 and 402.8 to read as follows:

402.7 Fountains. All fountains and other decorative bodies of water shall be equipped with a recirculation system and shall be designed to operate without a continuous supply of water.

402.8 Vehicle Wash Facilities.

402.8.1. All vehicle wash facilities using conveyORIZED, touchless and/or rollover in-bay technology shall reuse a minimum of fifty percent (50%) of water from previous vehicle rinses in subsequent washes.

402.8.2. Vehicle wash facilities using reverse osmosis to produce water rinse with a lower mineral content, shall incorporate the unused concentrate in subsequent vehicle washes.

402.8.3. All hoses, pipes, and faucets designed for the manual application of water to vehicles at vehicle wash facilities shall be equipped with a positive shut-off valve designed to interrupt the flow of water in the absence of operator applied pressure.

C. Section 412.1 of the California Plumbing Code is amended to read as follows:

412.1 Fixture Count. Plumbing fixtures shall be provided for the type of building occupancy and in the minimum number shown in Table 4-1[OSHPD 1, 2, 3 and 4] and Table 4-2.

Exception: Within existing buildings, the Chief Building Official may make alternate consideration findings for partial compliance on the basis of the following criteria:

1. The cost of compliance is in excess of 15% of all cost of construction as proposed or incurred within one (1) year before or after the work proposed; and
2. The proposed use does not intensify the occupant load by more than 15% of the existing occupant load; and
3. Water closets are not reduced by more than one fixture from that required under CPC Table 4-1 criteria for the use proposed; and
4. Other physical constraints of existing buildings and occupancies relative to disabled access regulations exist.

D. Chapter 4 of the California Plumbing Code is amended to add Section 419 “Water Meters Required,” to read as follows:

419. Water Meters Required.

419.1. Group R Occupancies. Each dwelling unit, including, but not limited to, apartments units, shall be served by a separate City water meter. Except in projects of less than five (5) dwelling units, such meter shall serve only uses within the dwelling unit, and other uses shall be served by an additional separate City water meter.

419.2. Occupancies Other Than Group R. All occupancies other than Group R on a single parcel of land may be served by a single meter, except that no such meter shall also serve any Group R occupancy.

Deleted: B

Deleted: C

E. Section 603.0 of the California Plumbing Code is amended to read as follows:

Deleted: D

603.0 Cross-Connection Control. Cross-connection control shall be provided in accordance with the provisions of this chapter and Sections 7583 through 7630, “Drinking Water Supplies,” of Title 17 of the California Administrative Code, and where there is a conflict between the requirements, the higher level of protection shall apply.

No person shall install any water-operated equipment or mechanism, or use any water-treating chemical or substance, if it is found that such equipment, mechanism, chemical, or substance causes pollution or contamination of the domestic water supply. Such equipment or mechanism shall be permitted only when equipped with an approved backflow prevention device or assembly.

F. Section 608.2 of the California Plumbing Code is amended to read as follows:

Deleted: E

608.2 Excessive Water Pressure. Regardless of the pressure at the main, all occupancies served by the City of Santa Barbara Water Resources Division shall be equipped with an approved pressure regulator preceded by a strainer (unless a strainer is built into the device). Any irrigation system or other secondary piping that bypasses said regulator shall be equipped with its own approved pressure regulator and strainer, installed upstream of any piping, backflow device, valve, solenoid or outlet. Such regulator(s) shall control the pressure to all water outlets in the building unless otherwise approved by the Authority Having Jurisdiction. Each such regulator and strainer shall be accessibly located above ground or in a vault equipped with a properly sized and sloped bore-sighted drain to daylight, shall be protected from freezing, and shall have the strainer readily accessible for cleaning without removing the regulator or strainer body or disconnecting the supply piping. Pipe size determinations shall be based on 80 percent of the reduced pressure when using Table 6-6. An approved expansion tank shall be installed in the cold water distribution piping downstream of each such regulator to prevent excessive pressure from developing due to thermal expansion and to maintain the pressure setting of the regulator. The expansion tank shall be properly sized and installed in accordance with the manufacturer's instructions and listing. Systems designed by registered engineers shall be permitted to use approved pressure relief valves in lieu of expansion tanks, provided such relief valves have a maximum pressure relief setting of one hundred (100) pounds per square inch (689 kPa) or less.

G. Section 710.0 of the California Plumbing Code is amended to add Sections 710.14 and 710.15 to read as follows:

Deleted: F

710.14 Sewage Pump Signaling Device. Specially designed sewage disposal systems which depend upon a sewage lift pump or ejector for their operation shall be provided with an approved audible signaling device to warn building occupants in the event of pump failure.

710.15. Approved Type Backwater Valve. When the valuation of an addition, alteration, or repair to a building exceeds \$1,000.00, or when additions, alterations, or repairs are made to the plumbing system or fixtures and a permit is required, an approved backwater valve shall be installed in accordance with Section 710.0 of this Code.

Exception: Repairs to the exterior surface of a building are exempt from the requirements of this section.

H. Section 713.0 of the California Plumbing Code is amended to read as follows:

Deleted: G

713.2. When no public sewer intended to serve any lot or premises is available in any thoroughfare or right-of-way abutting such lot or premises, drainage piping from any building or works shall be connected to an approved private sewage disposal system.

Approved private systems may be used until a public system is available. Upon written notice by the Chief Building Official to the record owner of title, such private systems shall be abandoned in accordance with the provisions of Section 722.0 of this code, and permits to connect to the public system must be secured.



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: May 10, 2011

TO: Mayor and Councilmembers

FROM: Transportation Division, Public Works

SUBJECT: Parking And Business Improvement Area Annual Assessment Report, Fiscal Year 2012 - Intention To Levy

RECOMMENDATION: That Council:

- A. Approve the Parking and Business Improvement Area (PBIA) Annual Assessment Report, Fiscal Year 2012; and
- B. Adopt, by reading of title only, A Resolution of the Council of the City of Santa Barbara Declaring Council's Intention to Levy Parking and Business Improvement Area Assessment Rates for the 2012 Fiscal Year, at a Public Hearing to be Held on June 7, 2011, at 2:00 p.m.

DISCUSSION:

Pursuant to Santa Barbara Municipal Code section 4.37.145, the governing body of the PBIA requires the preparation and adoption of an annual report describing any proposed changes to the PBIA District's boundaries, benefit zones, business classification, and method and basis of levying assessments. The annual report must be prepared prior to the beginning of each fiscal year. For Fiscal Year 2012, no changes are proposed to the PBIA boundaries, benefit zones, or assessment levels. On April 14, 2011, the Downtown Parking Committee, serving as the PBIA Advisory Board, recommended approval of the PBIA Annual Report for Fiscal Year 2012 (see the attached Resolution,).

The Downtown Parking budget is funded primarily by hourly parking revenues and, to a lesser extent, by the PBIA and permit sales. The PBIA revenues are directed solely towards employee salaries and utility costs in support of the operation of the parking lots. Other revenues derived from hourly parking charges and permits support the balance of expenses.

The PBIA is the assessment mechanism that allows the City to provide affordable parking rates to customers and clients of the Downtown area. These funds partially finance the operation and maintenance of the parking lots and partially offset the cost of offering a free parking period, currently set at 75 minutes. This 40-year partnership between the downtown business community and the Downtown Parking Program has helped to keep Santa Barbara's downtown area viable.

Approximately 4.3 million customer transactions were processed last year. Each one of those patrons benefited from a free parking period. Last year's business-paid PBIA assessments contributed approximately \$.20 per ticket to the maintenance and operation of public parking lots and the free period.

BUDGET/FINANCIAL INFORMATION:

The revenue generated from the PBIA is \$840,000 or 13% of the Parking budget. If the PBIA Annual Report is not approved, options such as charging for all parking, even short-term parking, will need to be considered.

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

SUBMITTED BY: Christine F. Andersen, Public Works Director

APPROVED BY: City Administrator's Office

RESOLUTION NO. _____

A RESOLUTION OF THE COUNCIL OF THE CITY OF SANTA BARBARA DECLARING COUNCIL'S INTENTION TO LEVY PARKING AND BUSINESS IMPROVEMENT AREA ASSESSMENT RATES FOR THE 2012 FISCAL YEAR, AT A PUBLIC HEARING TO BE HELD ON JUNE 7, 2011, AT 2:00 P.M.

WHEREAS, pursuant to Section 36534 California Streets and Highways Code, it is the intention of the Council of the City of Santa Barbara, to conduct a public hearing to determine whether to fix and assess a Fiscal Year 2012 Downtown Parking and Business Improvement Area (hereinafter referred to as PBI), as such benefit assessment area has been established by Chapter 4.37 of the Santa Barbara Municipal Code, adopted on September 10, 1991;

WHEREAS, upon the completion of a public hearing, it shall be the intention of the City Council to levy and collect a benefit assessment within the PBI as that area is described in the Final Engineer's Report, approved by the City Council on October 5, 1999, and in the 1999 PBI Area Map, on file with the City Clerk of the City of Santa Barbara;

WHEREAS, for Fiscal Year 2012, the improvements and activities to be provided shall consist of a subsidy to the City's Transportation Division, which shall be exclusively devoted to the provision of a free parking period and aid in the maintenance of the low hourly parking rates to all persons who park automobiles within the City-owned or operated public parking lots within the PBI area; and

WHEREAS, a more detailed description of the improvements and activities to be provided to the Downtown area of Santa Barbara and the benefit to the assessed businesses may be found in the Final Engineer's Report, the Addendum to the Final Engineer's Report of Formula and Methodology of Assessments dated April 7, 2010, and the 2012 PBI Annual Assessment Report (hereinafter referred to as Report) (attached as Exhibit), which was reviewed and approved by the City's Downtown Parking Committee as required by Section 4.37.145 of the Santa Barbara Municipal Code, and which Report is on file with the City Clerk and available for review or copying by the public.

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

SECTION 1. It is the intention of the City Council to levy and collect assessments with the PBI for the Fiscal Year of 2012, within the boundaries of the PBI, as such boundaries were established upon the enactment of Chapter 4.37 of the Santa Barbara Municipal Code on September 10, 1991, as amended by the City Ordinance No. 5122, adopted May 26, 2010, and by the approval of the related map on file with the City

Clerk. It is also the City Council's intention to confirm the method and basis of assessment as established by the City Council upon the enactment of Santa Barbara Municipal Code Chapter 4.37, and as described in the Report.

SECTION 2. The proposed improvements and activities to be provided within the Downtown PBIA for Fiscal Year 2012 will consist of a subsidy of a free parking period of 75 minutes, the maintenance of the low hourly parking rates for those persons using the City Downtown public off-street parking facilities, as more fully described in the Report.

The actual assessments to be levied and collected are, as described in more detail in the Final Engineer's Report , approved by the City Council on October 5, 1999, and the Addendum to the Final Engineer's Report of Formula and Methodology of Assessments, approved by the City Council on May 25, 2010.

SECTION 3. Time and place for the public hearing to consider the intention of the City Council shall be during the 2:00 p.m. session of the Council's regularly scheduled meeting of June 7, 2011, in the City Council Chambers, located at the Santa Barbara City Hall.

SECTION 4. Written and oral protests to the proposed 2012 Downtown PBIA Annual Assessments, as described in the Report, may be made at the above-described public hearing provided that such protests are in the form and manner required by Sections 36524 and 36525 of the California Streets and Highways Code.

SECTION 5. The City Clerk shall give notice of the above-described public hearing by causing a copy of this resolution of intention to be published in a newspaper or general circulation in the City, no less than seven (7) days prior to June 7, 2011.

Draft

City of Santa Barbara

**Parking and Business
Improvement Area
(PBIA)**

**ANNUAL
ASSESSMENT
REPORT**

Fiscal Year 2012

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INTRODUCTION

This report, filed annually as required by the California Parking and Business Improvement Law of 1989, will provide an explanation of any proposed changes, including, but not limited to the boundaries of the adopted City of Santa Barbara Downtown Parking and Business Improvement Area (PBIA) or any benefit zones within the area, the basis for levying the assessments and any changes in the classifications of businesses.

Santa Barbara's Downtown Parking Management Program operates and maintains seven public parking lots and five structures in the Downtown business core area, providing a total of 3,234 parking spaces. The program is oriented towards clients and shoppers, and is directed by the City's Circulation Element to increase the public parking available and reduce the need for employee parking in the Downtown Core. Employee parking is mitigated by Alternative Transportation initiatives to increase carpooling, bicycling, and mass transit programs. The Downtown Parking budget is funded primarily by Hourly Parking Revenues, and to a much lesser extent, by the PBIA and parking permits. The PBIA revenues are directed solely towards employee salaries and utility costs in support of the operation and maintenance of the parking lots. Revenues derived from Hourly Parking charges and permits support the balance of expenses remaining from the PBIA assessment and Alternative Transportation programs designed to reduce employee parking in the Downtown Core.

Attached hereto and incorporated by reference is the "Addendum To the Parking and Business Improvement Area Final Engineer's Report of Formula and Methodology of Assessment dated October 5, 1999" dated April 7, 2010 (Addendum), which is on file at the City Clerk's Office, and which shall form the basis of the Annual Report.

I. PROPOSED CHANGES

For Fiscal Year 2012, there are no changes to the PBIA benefit zones, the basis for levying the assessments or any changes in the classifications of businesses.

II. IMPROVEMENTS AND ACTIVITIES

A parking rate, designed to promote short-term customer/client parking, including 75 minutes of free parking, is currently in effect in all City-operated Downtown Parking facilities. These facilities are maintained and operated by the City's Downtown Parking Program.

Due to the loss of on-site parking during the planned structural upgrade construction of City Lot #2 (914 Chapala Street), businesses immediately surrounding the lot will have a reduced parking benefit. Consistent with past practices during construction, a 75% credit in assessment payments shall be provided to those businesses operating on the Assessor Parcel Numbers listed below:

039-281-028	039-321-006	039-321-050	039-321-002	039-313-027	037-400-007
039-281-029	039-321-007	039-321-019	039-321-001	039-313-012	
039-281-036	039-321-033	039-321-048	039-321-045	039-313-021	
039-322-029	039-321-035	039-321-056	039-321-047	039-313-025	
039-322-032	039-321-039	039-321-051	039-321-049	039-313-014	
039-322-024	039-321-041	039-321-055	039-321-046	039-313-023	
039-322-023	039-321-037	039-321-005	039-313-011	037-042-002	
039-322-052	039-321-028	039-321-004	039-313-010	037-042-033	
039-322-050	039-321-015	039-321-003	039-313-009	037-400-001	

The assessment credit shall be applied to the third quarter of Fiscal Year 2012, January through March.

III. ESTIMATED OPERATING COSTS OF THE CITY'S DOWNTOWN PARKING PROGRAM FOR 2012

Expenses	PBIA	Parking Program	Total
Salaries and Benefits	1,674,695	2,125,012	3,799,707
Materials, Supplies & Services, Equipment/Minor Capital	180,000	571,850	751,850
Allocated Costs	6,321	243,274	249,595
Insurance/Overhead		858,113	858,113
Downtown Organization Maintenance Transfer		297,121	297,121
FMS Replacement Transfer		43,270	43,270
Bikestation		25,000	25,000
New Beginnings Contract		43,500	43,500
MTD Downtown Shuttle Support, Enhanced Transit		393,978	393,978
Employee Bus Pass Program		36,000	36,000
Total Operating Expenses	\$1,861,016	\$4,637,118	\$6,498,134
Capital Program Expenses		1,000,000	1,000,000
<u>Total Expenses</u>		<u>\$5,637,118</u>	<u>\$7,498,134</u>

IV. PROJECTED DOWNTOWN PARKING PROGRAM REVENUES DERIVED

Revenues:	Hourly Parking	\$4,300,000
	Other Parking Fees	796,500
	Leased Property - MTC	267,166
	Workers Compensation Rebates.....	310,358
	Interest Income.....	137,600
	Commuter Parking Lots.....	290,000
	TMP/Rents	40,925
	New Beginnings Contract.....	43,500
	Special Parking/Misc.	10,000
	Subtotal	\$6,196,049
	*PBIA ASSESSMENT (Anticipated 2011-2012 collections)	<u>\$840,000</u>
	Total Revenues	\$7,036,049

Revenues collected from the PBIA subsidized approximately \$0.20 of the cost of providing parking for each vehicle parked within the Downtown Parking System.

V. REVENUE CARRYOVERS

No excess PBIA revenues will be carried over from the 2011 Operating Budget.

VI. PBIA RATES

A more detailed basis for levying the assessment is explained in the attached Addendum to the 1999 Engineer's Report.

I. Retail and/or Wholesale Businesses (Including Restaurants):

Group A: Average sale of less than \$20, \$.56 per \$100 of gross sales.

Group B: Average sale between \$20 and \$100, \$.29 per \$100 of gross sales.

Group C: Average sale of more than \$100, \$.16 per \$100 of gross sales.

Group D: Movie theaters only, \$.29 per \$100 of gross sales.

Group E: Fitness Facilities/Health Clubs, \$.29 per \$100 of gross sales.

Average sale is computed by dividing the total gross sales for the year by the number of sales transactions.

II. Financial Institutions:

\$.48* per square foot of usable space annually.

III. Stock and Bond Brokerage Offices:

\$81.30* per broker.

IV. Bus Depots:

\$.06* cents per square-foot of usable building space.

V. Professional:

\$32.50* per person practicing the profession, and \$16.30 for each non-professional.

VI. All Categories Not Otherwise Provided For:

Group A: \$.19* cents per square-foot of usable building space.

Group B: Educational Facilities (non-public) \$.19* per square foot of usable building space.

VII. Hotel and Motels

of assessed rooms x \$1.50/day x 30 days x 3 months x .50 occupancy = quarterly charges

Assessed rooms = # of rooms (-) on-site parking spaces provided

No patron parking credit would be offered as it is part of the calculation.

*Rates for these categories are shown for annual assessment. To determine quarterly payments, divide rates by four.



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: May 10, 2011

TO: Mayor and Councilmembers

FROM: Fire Prevention Division, Fire Department

SUBJECT: Set A Date For Public Hearing Regarding Renewal Of Levy For Fiscal Year 2012 For The Wildland Fire Suppression Assessment

RECOMMENDATION:

That Council adopt, by reading of title only, A Resolution of the Council of the City of Santa Barbara Declaring its Intention to Renew the Wildland Fire Suppression Assessment Within the Foothill and Extreme Foothill Zones; Declaring the Work to be of More Than General or Ordinary Benefit and Describing the District to be Assessed to Pay the Costs and Expenses Thereof; Preliminarily Approving the Updated Engineer's Report; Stating Intention to Levy Assessments for Fiscal Year 2011-2012; and Establishing a Time of 2:00 P.M. on Tuesday, May 24, 2011, in the City Council Chambers for a Public Hearing on the Wildland Fire Suppression Assessment.

DISCUSSION:

On July 11, 2006, the City Council adopted Resolution 06-064 which declared the Council's intention to order expansion of vegetation road clearance, implementation of a defensible space inspection and assistance program, and implementation of a vegetation management program within the Foothill and Extreme Foothill Zones. The Resolution described the special benefit to be assessed and approved an Engineer's Report, confirmed the diagram and assessment, and ordered levy of the Wildland Fire Suppression Assessment District for Fiscal Year 2007. As required by the Resolution, the Assessment must be renewed annually by the Council. The City has renewed the Wildland Fire Suppression Assessment for the past four years.

Assessment funds continue to reduce the risk and severity of wildland fires through the reduction of flammable vegetation. The assessment provides three primary services:

Vegetation Road Clearance: Each year the assessment provides approximately 14 miles of road clearance in the Foothill and Extreme Foothill Zones. The frequency is such that most roads in the District are cleared of impeding vegetation every three years. Clearing vegetation from the roadways is required of property owners by law and allows for safer egress of residents and ingress of first responders during an emergency. This year we cleared 17 miles of roadway to benefit the District.

Defensible Space Inspection and Assistance: This element of the assessment provides assistance to property owners in creating defensible space around their homes. Defensible space is a key element in preventing the ignition of homes during a wildfire by reducing the exposure of the home to burning vegetation. Defensible space assistance will again involve scores of site visits to assist homeowners. In addition, the assessment provides chipping services to residents of the District after the vegetation has been cut. Chipping services provides a cost effective way for homeowners to dispose of cut material. The chipped vegetation may be reused as a ground cover in landscaping.

Vegetation Management: Vegetation Management is the selective removal of flammable vegetation in open land outside of property owner's defensible space. The goal is to lessen the severity of a fire, in the event that one occurs, by depriving the fire of a large amount of fuel. This is accomplished by preferentially removing exotic plants, thinning, pruning and limbing vegetation to remove fire ladders, limbing up the canopy and pruning out dead material. Vegetation management retains the overall look of wildland areas and minimizes impacts to natural resources while reducing the amount of flammable vegetation. Staff works with multiple property owners and contract crews to link individual parcels across large areas of adjacent land. The project areas are identified in the Wildland Fire Plan. Vegetation management was successfully completed on 20 acres this past year.

ANNUAL LEVY:

The Wildland Fire Assessment may be annually increased by the Consumer Price Index (CPI) in an amount not to exceed 4% per year. In adjusting for the Consumer Price Index, the allowable increase is calculated using the CPI from the past year plus any deferred increases from previous years. In the past two fiscal years the assessment was renewed with no increase. For fiscal year 2012 we propose an increase of 3.33%. This increase reflects 1.34% CPI for the current year plus 1.99% CPI deferred from previous years. The rate for Fiscal Year 2012 as suggested in the Engineer's Report will therefore be set at \$72.16 per single family home in the Foothill Zone and \$89.46 per single family home in the Extreme Foothill Zone. The total revenues from the assessment will be \$231,771

The Fiscal Year 2011 rates were \$69.83 and \$86.58, respectively, for a total assessment of \$221,484. The increase for Fiscal Year 2012 will allow us to continue to provide the same level of service in all three areas.

As required in Resolution 06-064, an updated Engineer's Report has been prepared and includes the proposed budget and assessment rate. The updated Engineer's Report must be considered by the City Council at a noticed public hearing and serves as the basis for the continuation of the assessments. The updated Engineer's Report is available for review at Fire Department Administration, 925 De La Vina Street and the City Clerk's Office at City Hall at 735 Anacapa Street.

SUSTAINABILITY IMPACT:

Vegetation removed through vegetation road clearance and the defensible space chipping assistance program is chipped and spread back on to the ground or in areas of local parks where feasible. The goal is reuse at least 80% of all chipped material locally avoiding the cost of disposal fees, extra vehicle trips and landfill use. Non-native pest plants are not chipped, but rather hauled off-site to be disposed of properly.

PREPARED BY: Joe Poiré, Fire Marshal

SUBMITTED BY: Andrew DiMizio, Fire Chief

APPROVED BY: City Administrator's Office

RESOLUTION NO. _____

A RESOLUTION OF THE COUNCIL OF THE CITY OF SANTA BARBARA DECLARING ITS INTENTION TO RENEW THE WILDLAND FIRE SUPPRESSION ASSESSMENT WITHIN THE FOOTHILL AND EXTREME FOOTHILL ZONES; DECLARING THE WORK TO BE OF MORE THAN GENERAL OR ORDINARY BENEFIT AND DESCRIBING THE DISTRICT TO BE ASSESSED TO PAY THE COSTS AND EXPENSES THEREOF; PRELIMINARILY APPROVING THE UPDATED ENGINEER'S REPORT; STATING INTENTION TO LEVY ASSESSMENTS FOR FISCAL YEAR 2011-2012 AND ESTABLISHING A TIME OF 2:00 P.M. ON TUESDAY, MAY 24, 2011, IN THE CITY COUNCIL CHAMBERS FOR A PUBLIC HEARING ON THE WILDLAND FIRE SUPPRESSION ASSESSMENT

WHEREAS, the City of Santa Barbara is authorized, pursuant to the authority provided in California Government Code Section 50078 et seq. and Article XIID of the California Constitution, to levy assessments for fire suppression services;

WHEREAS, an assessment for fire suppression has been given the distinctive designation of the "Wildland Fire Suppression Assessment" ("Assessment"), and is primarily described as encompassing the Foothill and Extreme Foothill zones as defined in the Wildland Fire Plan of 2004;

WHEREAS, the Assessment was authorized by an assessment ballot proceeding conducted in 2006 and approved by 51% of the weighted ballots returned by property owners, and such assessments were levied by the City of Santa Barbara City Council by Resolution No. 06-064 passed on July 11, 2006; and

WHEREAS, although the methodology by which the assessments are applied to properties in the District does not change from year to year, a new Engineer's Report is prepared each year in order to establish the CPI adjustment for that year; the new maximum authorized assessment rate for that year; the budget for that year; and the amount to be charged to each parcel in the District that year, subject to that year's assessment rate and any changes in the attributes of the properties in the District, including but not limited to use changes, parcel subdivisions, and/or parcel consolidations.

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

SECTION 1. SCI Consulting Group, the Engineer of Work, has prepared an engineer's report in accordance with Article XIID of the California Constitution. The Report has been made, filed with the City Clerk and duly considered by the Council and is hereby deemed sufficient and preliminarily approved. The Report shall stand as the Engineer's Report for all subsequent proceedings under and pursuant to the foregoing resolution.

SECTION 2. It is the intention of this Council to levy and collect assessments for the Wildland Fire Suppression Assessment for Fiscal Year 2011-2012. Within the Assessment District, the proposed services to be funded by the assessments ("Services") are generally described as including but not limited to, the following: (1) continuation of the vegetation road clearance program to cover all public roads within the Foothill and Extreme Foothill Zones (continuing this program will reduce fuel, enhance evacuation routes, and decrease fire response times); (2) enhancement of the defensible space fire prevention inspection and assistance program for all properties in the Foothill and Extreme Foothill Zones; and (3) implementation of a vegetation management program in the Foothill and Extreme Foothill Zones. As applied herein, "vegetation road clearance" means the treatment, clearing, reducing, or changing of vegetation near roadways in the Foothill and Extreme Foothill Zones where vegetation poses a fire hazard and does not meet Fire Department Vegetation Road Clearance Standards within the high fire hazard area (as provided in Santa Barbara Municipal Code Section 8.04.020.M). "Defensible space" is a perimeter created around a structure where vegetation is treated, cleared or reduced to slow the spread of wildfire towards a structure, reduce the chance of a structure fire burning to the surrounding area, and provides a safe perimeter for firefighters to protect a structure (as provided in Chapter 49, Section 4907 "Requirements For Wildland-Urban Interface Areas, Defensible Space" as adopted by the City of Santa Barbara pursuant to Santa Barbara Municipal Code Section 8.04.010). "Vegetation management" means the reduction of fire hazard through public education, vegetation hazard reduction, and other methods as needed to manage vegetation in areas with unique hazards such as heavy, flammable vegetation, lack of access due to topography and roads, and/or firefighter safety.

SECTION 3. The estimated Fiscal Year 2011-2012 cost of providing the Services is \$231,771. This cost results in a proposed assessment rate of SEVENTY TWO DOLLARS AND SIXTEEN CENTS (\$72.16) per single-family equivalent benefit unit in the Foothill Zone and EIGHTY NINE DOLLARS AND FORTY SIX CENTS (\$89.46) in the Extreme Foothill Zone for Fiscal Year 2011-2012. The Assessments include a provision for an annual increase equal to the change in the Los Angeles-Riverside-Orange County Area Consumer Price Index ("CPI), not to exceed 4% (four percent) per year without a further vote or balloting process. The total CPI adjustment for 2011-2012 is 3.33% which is based upon 1.99% CPI deferred from previous years plus 1.34% CPI increase for 2011-2012.

SECTION 4. The public hearing shall be held, before the City Council in the City of Santa Barbara City Council Chambers, located at 735 Anacapa Street, Santa Barbara, CA 93101 as follows: on Tuesday, May 24, 2011, at the hour of 2:00 p.m. for the purpose of this Council's determination whether the public interest, convenience and necessity require the Services and this Council's final action upon the Report and the assessments therein.

SECTION 5. The clerk of the council shall cause a notice of the hearing to be given by publishing a notice, at least ten (10) days prior to the date of the hearing above-specified, in a newspaper circulated in the City.



CITY OF SANTA BARBARA
WILDLAND FIRE SUPPRESSION ASSESSMENT

PRELIMINARY ENGINEER'S REPORT

MAY 2011

PURSUANT TO CALIFORNIA GOVERNMENT CODE SECTION 50078 *ET SEQ.*, AND
ARTICLE XIID OF THE CALIFORNIA CONSTITUTION

ENGINEER OF WORK:
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CITY OF SANTA BARBARA

CITY COUNCIL

Helene Schneider, Mayor
Bendy White, Councilmember
Dale Francisco, Councilmember
Frank Hotchkiss, Councilmember
Grant House, Councilmember
Randy Rowse, Councilmember
Michael Self, Councilmember

FIRE PREVENTION BUREAU

Andy DiMizio, Fire Chief
Joe Poire, Fire Marshal
Amber Anderson, Fire Services Specialist

CITY ATTORNEY'S OFFICE

Stephen P. Wiley, City Attorney
Sarah Knecht, Assistant City Attorney

ENGINEER OF WORK

SCI Consulting Group

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INTRODUCTION

The City of Santa Barbara is located about 100 miles northwest of Los Angeles, largely on the slopes between the Pacific Ocean and the Santa Ynez Mountains. The City of Santa Barbara provides fire services throughout the City limits. Fire services include fire suppression, protection, prevention, evacuation planning, and education.

Due to topography, location, climate and infrastructure, the Santa Barbara community has a relatively high inherent risk of wildland fires. Listed below are some of the major wildland fires that have occurred in Santa Barbara County since 1970:

FIGURE 1 – WILDLAND FIRE HISTORY IN SANTA BARBARA COUNTY

Year	Fire Name	Acres	Homes Lost
1971	Romero Canyon Fire	14,538	4
1977	Sycamore Canyon Fire	805	234
1977	Hondo Canyon Fire	10,000	0
1979	Eagle Canyon Fire	4,530	5
1990	Painted Cave Fire	4,900	524
1993	Marre Fire	43,864	0
2002	Sudden Fire	7,160	0
2004	Gaviota Fire	7,440	1
2008	Tea Fire	>2,000	≈210
2009	Jesusita Fire	8,733	80

In response to the considerable wildland fire risk in the area, the City of Santa Barbara Fire Department prepared a Wildland Fire Plan in January, 2004, in which it identified four High Fire Hazard Zones: The Coastal Zone, the Coastal Interior Zone, the Foothill Zone, and the Extreme Foothill Zone. The two Zones with the highest wildland fire risk are the Foothill and Extreme Foothill Zones (the "Zones"), and these are the Zones that are included in this assessment.

These Zones are at a high risk of wildland fires due to the following factors:

- **Climate.** The climate consists of cool, moist winters and hot, dry summers. The low humidity and high summer temperatures increase the likelihood that a spark will ignite a fire in the area, and that the fire will spread rapidly.
- **Topography.** Periodic wind conditions known as "Sundowner" and "Santa Ana" winds interact with the steep slopes in the Santa Ynez Mountains and the ocean

influence, resulting in an increase in the speed of the wind to severe levels. These two types of wind conditions increase the likelihood that fires will advance downslope towards the Foothill and Extreme Foothill Zones. In addition, these winds can greatly increase the rate at which a fire will spread.

- **Chaparral.** Much of the undeveloped landscape is covered with chaparral. Chaparral sheds woody, dead, and organic materials rich in flammable oils, which accumulate over time. Areas covered with chaparral typically experience wildland fires which burn the accumulated plant materials, and renew the chaparral for its next cycle of growth. Therefore, areas of chaparral which are not thinned, and from which the dead plant materials are not removed or burned off in prescribed fires, provide ample opportunities for wildland fires to occur and to spread.
- **Road Systems.** Many of the roads in the Foothill and Extreme Foothill Zones do not meet current Fire Department access and vegetation road clearance standards, and many are made even more narrow due to the encroachment of vegetation. A number of the bridges have weight requirements that are below Fire Department weight standards. In addition, many driveways are long and steep, posing a safety hazard. All of these factors make it more difficult and more hazardous for the Fire Department to provide fire suppression services in these areas.
- **Water Supply.** In the Extreme Foothill Zone, the City water supply is limited in some areas, and not available in others. These factors increase the risks associated with fires, due to the reduced availability of water to fight any fires that occur.
- **Fire Response Time.** Much of the Extreme Foothill Zone, and some of the Foothill Zone, is outside the City's 4 minute Fire Department response time. As a result, fires in these areas may have more time to spread and to increase in severity before fire suppression equipment can reach them.
- **Proximity to the Los Padres National Forest.** The Los Padres National Forest (LPNF) is a large forest to the north of the Foothill and Extreme Foothill zones. The LPNF provides a great deal of potential fuel for any wildland fire in the area. Wildland fires that start in the LPNF have the potential to move south toward the Foothill and Extreme Foothill zones.

This Engineer's Report (the "Report") was prepared to: 1) contain the information required by Government Code Section 50078.4, including a) a description of each lot or parcel of property to be subject to the assessment, b) the amount of the assessment for each lot or parcel for the initial fiscal year, c) the maximum amount of the assessment which may be levied for each lot or parcel during any fiscal year, d) the duration of the assessment, e) the basis of the assessment, f) the schedule of the assessment, and g) a description

specifying the requirements for protest and hearing procedures for the assessment pursuant to Section 50078.6; 2) establish a budget to provide services to reduce the severity and damage from wildland fires (the "Services") that will be funded by the 2011-12 assessments; 3) determine the benefits received from the Services by property within the City of Santa Barbara Wildland Fire Suppression Assessment District (the "Assessment District") and; 4) assign a method of assessment apportionment to lots and parcels within the Assessment District. This Report and the assessments have been made pursuant to the California Government Code Section 50078 et. seq. (the "Code") and Article XIID of the California Constitution (the "Article").

In Fiscal Year 2006-07, the City of Santa Barbara City Council (the "Council") by Resolution called for an assessment ballot proceeding and public hearing on the then-proposed establishment of a wildland fire suppression assessment.

On May 5, 2006 a notice of assessment and assessment ballot was mailed to property owners within the proposed Assessment District boundaries. Such notice included a description of the Services to be funded by the proposed assessments, a proposed assessment amount for each parcel owned, and an explanation of the method of voting on the assessments. Each notice also included a postage prepaid ballot on which the property owner could mark his or her approval or disapproval of the proposed assessments as well as affix his or her signature.

After the ballots were mailed to property owners in the Assessment District, the required minimum 45 day time period was provided for the return of the assessment ballots. Following this 45 day time period, a public hearing was held on June 20, 2006 for the purpose of allowing public testimony regarding the proposed assessments. At the public hearing, the public had the opportunity to speak on the issue. After the conclusion of the public input portion of the hearing, the hearing was continued to July 11, 2006 to allow time for the tabulation of ballots.

With the passage of Proposition 218 on November 6, 1996, The Right to Vote on Taxes Act, now Article XIIC and XIID of the California Constitution, the proposed assessments could be levied for fiscal year 2006-07, and continued in future years, only if the ballots submitted in favor of the assessments were greater than the ballots submitted in opposition to the assessments. (Each ballot is weighted by the amount of proposed assessment for the property that it represents).

After the conclusion of the public input portion of the Public Hearing held on June 20, 2006, all valid received ballots were tabulated by the City of Santa Barbara Clerk. At the

continued public hearing on July 11, 2006, after the ballots were tabulated, it was determined that the assessment ballots submitted in opposition to the proposed assessments did not exceed the assessment ballots submitted in favor of the assessments (weighted by the proportional financial obligation of the property for which ballots are submitted).

As a result, the Council gained the authority to approve the levy of the assessments for fiscal year 2006-07 and future years. The Council took action, by a Resolution passed on July 31, 2006, to approve the first year levy of the assessments for fiscal year 2006-07.

The authority granted by the ballot proceeding was for a maximum assessment rate of \$65.00 per single family home, increased each subsequent year by the Los Angeles Area Consumer Price Index (CPI) not to exceed 4% per year. In the event that the annual change in the CPI exceeds 4%, any percentage change in excess of 4% can be cumulatively reserved and can be added to the annual change in the CPI for years in which the CPI change is less than 4%.

In each subsequent year for which the assessments will be continued, the Council must preliminarily approve at a public meeting a budget for the upcoming fiscal year's costs and services, an updated annual Engineer's Report, and an updated assessment roll listing all parcels and their proposed assessments for the upcoming fiscal year. A new Engineer's Report is prepared each year in order to establish the CPI adjustment for that year; the new maximum authorized assessment rate for that year; the budget for that year; and the amount to be charged to each parcel in the District that year, subject to that year's assessment rate and any changes in the attributes of the properties in the District, including but not limited to use changes, parcel subdivisions, and/or parcel consolidations. At this meeting, the Council will also call for the publication in a local newspaper of a legal notice of the intent to continue the assessments for the next fiscal year and set the date for the noticed public hearing. At the annual public hearing, members of the public can provide input to the Council prior to the Council's decision on continuing the services and assessments for the next fiscal year.

If the assessments are so confirmed and approved, the levies will be submitted to the Santa Barbara County Auditor/Controller for inclusion on the property tax roll for Fiscal Year 2011-12. The levy and collection of the assessments will continue year-to-year until terminated by the City Council.

If the City Council approves this Engineer's Report for fiscal year 2011-12 and the assessments by Resolution, a notice of assessment levies must be published in a local

paper at least 10 days prior to the date of the public hearing. Following the minimum 10-day time period after publishing the notice, a public hearing will be held for the purpose of allowing public testimony about the proposed continuation of the assessments for fiscal year 2011-12.

The public hearing is currently scheduled for May 24, 2011. At this hearing, the Council will consider approval of a resolution confirming the assessments for fiscal year 2011-12. If so confirmed and approved, the assessments will be submitted to the Santa Barbara County Auditor/Controller for inclusion on the property tax rolls for Fiscal Year 2011-12.

The Assessment District is narrowly drawn to include only properties that benefit from the additional fire protection services that are provided by the assessment funds. The Assessment Diagram included in this report shows the boundaries of the Assessment District.

In 2008 per California Public Resource Code 4201-4204 and Government Code 51175 - 89, the Office of the State Fire Marshal (OSFM) completed an analysis to identify Local Responsibility Area areas of Very High Fire Hazard Severity Zones (VHFHSZ) within the City of Santa Barbara. Discussions between OSFM and the City of Santa Barbara Fire Department were concluded in 2010. As a result additional parcels have been added to the 2004 City of Santa Barbara high fire hazard area, Foothill Zone. These additional parcels are not included in the Wildland Fire Suppression Assessment District at this time, and wildland fire suppression services provided to these parcels are not funded from this assessment.

PROPOSITION 218

This assessment was formed consistent with Proposition 218, The Right to Vote on Taxes Act, which was approved by the voters of California on November 6, 1996, and is now Article XIIC and XIID of the California Constitution. Proposition 218 provides for benefit assessments to be levied to fund the cost of providing services, improvements, as well as maintenance and operation expenses to a public improvement which benefits the assessed property.

Proposition 218 describes a number of important requirements, including a property-owner balloting, for the formation and continuation of assessments, and these requirements were satisfied by the process used to establish this assessment.

SILICON VALLEY TAXPAYERS ASSOCIATION, INC. V SANTA CLARA COUNTY OPEN SPACE AUTHORITY

In July of 2008, the California Supreme Court issued its ruling on the Silicon Valley Taxpayers Association, Inc. v. Santa Clara County Open Space Authority (“SVTA vs. SCCOSA”). This ruling is the most significant legal document in further legally clarifying Proposition 218. Several of the most important elements of the ruling included further emphasis that:

- Benefit assessments are for special, not general benefit
- The services and/or improvements funded by assessments must be clearly defined
- Special benefits are directly received by and provide a direct advantage to property in the Assessment District

This Engineer’s Report is consistent with the SVTA vs. SCCOSA decision and with the requirements of Article XIIC and XIID of the California Constitution because the Services to be funded are clearly defined; the Services are available to all benefiting property in the Assessment District, the benefiting property in the Assessment District will directly and tangibly benefit from improved protection from fire damage, increased safety of property and other special benefits and such special benefits provide a direct advantage to property in the Assessment District that is not enjoyed by the public at large or other property. There have been a number of clarifications made to the analysis, findings and supporting text in this Report to ensure that this consistency is well communicated.

DAHMS V. DOWNTOWN POMONA PROPERTY

On June 8, 2009, the Court of Appeal for the Second District of California amended its original opinion upholding a benefit assessment district for property in the downtown area of the City of Pomona. On July 22, 2009, the California Supreme Court denied review and the court’s decision in Dahms became binding precedent for assessments. In Dahms, the court upheld an assessment that conferred a 100% special benefit to the assessed parcels on the rationale that the services and improvements funded by the assessments were provided directly and only to property in the assessment district over and above those services or improvements provided by the city generally.

BONANDER V. TOWN OF TIBURON

On December 31, 2009, the 1st District Court of Appeal overturned a benefit assessment approved by property owners to pay for placing overhead utility lines underground in an area of the Town of Tiburon. The Court invalidated the assessments on the grounds that

the assessments had been apportioned to assessed property based on in part on relative costs within sub-areas of the assessment district instead of proportional special benefits.

BEUTZ V. COUNTY OF RIVERSIDE

On May 26, 2010 the 4th District Court of Appeals issued a decision on the Steven Beutz v. County of Riverside ("Beutz") appeal. This decision overturned an assessment for park maintenance in Wildomar, California, primarily because the general benefits associated with improvements and services was not explicitly calculated, quantified and separated from the special benefits.

COMPLIANCE WITH CURRENT LAW

This Engineer's Report is consistent with the requirements of Article XIIC and XIID of the California Constitution and with the SVTA decision because the Services to be funded are clearly defined; the Services are available to and will be directly provided to all benefiting property in the Assessment District; and the Services provide a direct advantage to property in the Assessment District that would not be received in absence of the Assessments.

This Engineer's Report is consistent with Dahms because, similar to the Downtown Pomona assessment validated in Dahms, the Services will be directly provided to property in the Assessment District. Moreover, while Dahms could be used as the basis for a finding of 0% general benefits, this Engineer's Report establishes a more conservative measure of general benefits.

The Engineer's Report is consistent with Bonander because the Assessments have been apportioned based on the overall cost of the Services and proportional special benefit to each property. Finally, the Assessments are consistent with Buetz because the general benefits have been explicitly calculated and quantified and excluded from the Assessments.

DESCRIPTION OF SERVICES

The City of Santa Barbara Fire Department provides a range of fire protection, prevention, and educational services to the City and its residents.

The following is a description of the wildland fire suppression Services that are provided for the benefit of property within the Assessment District. Prior to the passage of the assessment in 2006, the baseline level of service was below the standard described in the City's 2004 Wildland Fire Plan. Due to inadequate funding, the level of service continued to diminish and would have diminished further had this assessment not been instituted. With the passage of this assessment, the services were enhanced significantly. The formula below describes the relationship between the final level of improvements, the baseline level of service (pre 2006) had the assessment not been instituted, and the enhanced level of improvements funded by the assessment.

$$\begin{aligned} \text{Final Level of Service} &= \text{Baseline level of Service (pre-2006)} \\ &+ \\ &\text{Enhanced Level of Service} \end{aligned}$$

The services (the "Services") undertaken by the Santa Barbara Fire Department and the cost thereof paid from the levy of the annual assessment provide special benefit to Assessor Parcels within the Assessment District as defined in the Method of Assessment herein. In addition to the definitions provided by the California Government Code Section 50078 et. seq., (the "Code") the Services are generally described as follows:

- Expansion of the vegetation road clearance program to cover all public roads within the Foothill and Extreme Foothill Zones. This program reduces fuel, enhance evacuation routes, and decrease fire response times
- Implementation of a defensible space and fire prevention inspection and chipping assistance program for all properties in the Foothill and Extreme Foothill Zones
- Implementation of a vegetation management program in the Foothill and Extreme Foothill Zones

As applied herein, "vegetation road clearance" means the treatment, clearing, reducing, or changing of vegetation near roadways in the Foothill and Extreme Foothill Zones where vegetation poses a fire hazard and does not meet Fire Department Vegetation Road

Clearance Standards within the high fire hazard area (As provided in Santa Barbara Municipal Code Section 8.04).

"Defensible space" is a perimeter created around a structure where vegetation is treated, cleared or reduced to slow the spread of wildfire towards a structure, reduce the chance of a structure fire burning to the surrounding area, and provides a safe perimeter for firefighters to protect a structure (As provided in Chapter 49 of the California Fire Code, as adopted by the City of Santa Barbara pursuant to Santa Barbara Municipal Code Section 8.04).

"Vegetation management" means the reduction of fire hazard through public education, vegetation hazard reduction, and other methods as needed to manage vegetation in areas with unique hazards such as heavy, flammable vegetation, lack of access due to topography and roads, and/or firefighter safety.

COST AND BUDGET

FIGURE 2 - COST AND BUDGET

CITY OF SANTA BARBARA Wildland Fire Suppression Assessment Estimate of Costs Fiscal Year 2011-12		<i>Total Budget</i>
Services Costs		
Evacuation Planning - Evacuation Roadway Clearing		
Staffing		\$40,000
Materials		\$2,000
Project Costs		\$40,000
Defensible Space		
Staff		\$43,000
Materials		\$4,000
Chipping Program		\$30,821
Vegetation Management		
Staffing		\$40,000
Project		\$43,000
Totals for Installation, Maintenance and Servicing		\$242,821
Less: District Contribution for General Benefits		(\$19,275)
Net Cost of Installation, Maintenance and Servicing to Assessment District		\$223,546
Incidental Costs:		
District Administration and Project Management		\$5,000
Allowance for County Collection		\$3,225
Subtotals - Incidentals		\$8,225
Total Wildland Fire Suppression District Budget		\$231,771
(Net Amount to be Assessed)		
Assessment District Budget Allocation to Parcels		
Total Assessment Budget		\$231,771
Single Family Equivalent Benefit Units in District		3,212
Assessment per Single Family Equivalent Unit (SFE)		\$ 72.16

METHOD OF APPORTIONMENT

METHOD OF APPORTIONMENT

This section includes an explanation of the special benefits derived from the Services, the criteria for the expenditure of assessment funds and the methodology used to apportion the total assessments to properties within the Assessment District.

The Assessment District area consists of all Assessor Parcels within the Foothill and Extreme Foothill zones of the High Fire Hazard Area as defined by the 2004 Wildland Fire Plan. The method used for apportioning the assessment is based upon the proportional special benefits from the Services derived by the properties in the assessment area over and above general benefits conferred on real property or to the public at large. Special benefit is calculated for each parcel in the Assessment District using the following process:

- 1.) Identification of all benefit factors derived from the Improvements
- 2.) Calculation of the proportion of these benefits that are general
- 3.) Determination of the relative special benefit within different areas within the Assessment District
- 4.) Determination of the relative special benefit per property type
- 5.) Calculation of the specific assessment for each individual parcel based upon special vs. general benefit; location, property type, property characteristics, improvements on property and other supporting attributes

DISCUSSION OF BENEFIT

California Government Code Section 50078 et. seq. allows agencies which provide fire suppression services, such as the Santa Barbara Fire Department, to levy assessments for fire suppression services. Section 50078 states the following:

"Any local agency which provides fire suppression services directly or by contract with the state or a local agency may, by ordinance or by resolution adopted after notice and hearing, determine and levy an assessment for fire suppression services pursuant to this article."

In addition, California Government Code Section 50078.1 defines the term "fire suppression" as follows:

"(c) "Fire suppression" includes firefighting and fire prevention, including, but not limited to, vegetation removal or management undertaken, in whole or in part, for the reduction of a fire hazard."

Therefore, the Services provided by the Assessment District fall within the scope of services that may be funded by assessments under the Code.

The assessments can only be levied based on the special benefit to property. This benefit is received by property over and above any general benefits. Moreover, such benefit is not based on any one property owner's specific use of the Services or a property owner's specific demographic status. With reference to the requirements for assessments, Section 50078.5 of the California Government Code states:

"(b) The benefit assessment shall be levied on a parcel, class of improvement to property, or use of property basis, or a combination thereof, within the boundaries of the local agency, zone, or area of benefit."

"The assessment may be levied against any parcel, improvement, or use of property to which such services may be made available whether or not the service is actually used."

Proposition 218, as codified in Article XIID of the California Constitution, has confirmed that assessments must be based on the special benefit to property:

"No assessment shall be imposed on any parcel which exceeds the reasonable cost of the proportional special benefit conferred on that parcel."

Since assessments are levied on the basis of special benefit, they are not a tax and are not governed by Article XIII A of the California Constitution.

The following section describes how and why the Services specially benefit properties. This benefit is particular and distinct from its effect on property in general or the public at large.

BENEFIT FACTORS

In order to allocate the assessments, the Engineer identified the types of special benefit arising from the Services that is provided to property in the Assessment District. These benefit factors confer a direct advantage to the assessed properties; otherwise they would be general benefit.

The following benefit categories have been established that represent the types of special benefit conferred to residential, commercial, industrial, institutional and other lots and parcels resulting from the services to reduce the severity and damage from wildland fires that are provided in the Assessment District. These categories of special benefit are derived from the statutes passed by the California Legislature and other studies, which

describe the types of special benefit received by property from the Services of the Assessment District. These types of special benefit are summarized as follows:

- ***Increased safety and protection of real property assets for all property owners within the Assessment District.***

As summarized previously, properties in the Assessment District are currently at higher risk for wildland fires. Uncontrolled fires would have a devastating impact on all properties within the Assessment District. The assessments fund an increase in services to mitigate the wildland fire threat, and thereby can significantly reduce the risk of property damage associated with fires. Clearly, fire mitigation helps to protect and specifically benefits both improved properties and vacant properties in the Assessment District.

*"Fire is the largest single cause of property loss in the United States. In the last decade, fires have caused direct losses of more than \$120 billion and countless billions more in related cost."*¹

*"Over 140,000 wildfires occurred on average each year, burning a total of almost 14.5 million acres. And since 1990, over 900 homes have been destroyed each year by wildfires."*²

*"A wildfire sees your home as just another fuel source. The survivable space you construct around your home will keep all but the most ferocious wildfires at bay."*³

*"A reasonably disaster-resistant America will not be achieved until there is greater acknowledgment of the importance of the fire service and a willingness at all levels of government to adequately fund the needs and responsibilities of the fire service."*⁴

*"The strategies and techniques to address fire risks in structures are known. When implemented, these means have proven effective in the reduction of losses."*⁵

*"Statistical data on insurance losses bears out the relationship between excellent fire protection...and low fire losses."*⁶

- ***Protection of views, scenery and other resource values, for property in the Assessment District***

The Assessment District provides funding for the mitigation of the wildland fire threat to protect public and private resources in the Assessment District. This

benefits even those properties that are not directly damaged by fire by maintaining and improving the aesthetics and attractiveness of public and private resources in the community, as well as ensuring that such resources remain safe and well maintained.

*"Intensely burned forests are rarely considered scenic."*⁷

*"Smoke affects people...for example; in producing haze that degrades the visual quality of a sunny day...The other visual quality effect is that of the fire on the landscape. To many people, burned landscapes are not attractive and detract from the aesthetic values of an area."*⁸

*"A visually preferred landscape can be the natural outcome of fuels treatments."*⁹

- ***Enhanced utility and desirability of the properties in the Assessment District.***

The assessments funds Services to reduce the severity and damage from wildland fires in the Assessment District. Such Services enhance the overall utility and desirability of the properties in the Assessment District.

"Residential satisfaction surveys have found that having nature near one's home is extremely important in where people choose to live...This is especially true at the wildland-urban interface where some of the most serious fuels management must occur."

¹⁰

*"People are coming to the [Bitterroot] valley in part because of its natural beauty which contributes to the quality of life that so many newcomers are seeking."*¹¹

BENEFIT FINDING

In summary, real property located within the boundaries of the Assessment District distinctly and directly benefits from increased safety and protection of real property, increased protection of scenery and views, and enhanced utility of properties in the Assessment District. These are special benefits to property in much the same way that sewer and water facilities, sidewalks and paved streets enhance the utility and desirability of property and make them more functional to use, safer and easier to access.

GENERAL VERSUS SPECIAL BENEFIT

Article XIII C of the California Constitution requires any local agency proposing to increase or impose a benefit assessment to “separate the general benefits from the special benefits conferred on a parcel.” The rationale for separating special and general benefits is to ensure that property owners subject to the benefit assessment are not paying for general benefits. The assessment can fund special benefits but cannot fund general benefits. Accordingly, a separate estimate of the special and general benefit is given in this section.

In other words:

$$\text{Total Benefit} = \text{Total General Benefit} + \text{Total Special Benefit}$$

There is no widely-accepted or statutory formula for general benefit. General benefits are benefits from improvements or services that are not special in nature, are not “particular and distinct” and are not “over and above” benefits received by other properties. SVTA vs. SCCOSA provides some clarification by indicating that general benefits provide “an indirect, derivative advantage” and are not necessarily proximate to the improvements.

In this report, the general benefit is conservatively estimated and described, and then budgeted so that it is funded by sources other than the assessment.

The starting point for evaluating general and special benefits is the pre 2006 baseline level of service, had the assessment not been approved by the community. The assessment will fund Services “over and above” this general, baseline level and the general benefits estimated in this section are over and above the baseline.

A formula to estimate the general benefit is listed below:

$$\begin{aligned} \text{General Benefit} = & \\ & \text{Benefit to Real Property Outside the Assessment District} + \\ & \text{Benefit to Real Property Inside the Assessment District that is Indirect and} \\ & \text{Derivative} + \\ & \text{Benefit to the Public at Large} \end{aligned}$$

Special benefit, on the other hand, is defined in the state constitution as “a particular and distinct benefit over and above general benefits conferred on real property located in the district or to the public at large.” The SVTA v. SCCOSA decision indicates that a special benefit is conferred to a property if it “receives a direct advantage from the improvement (e.g., proximity to a park).” In this assessment, as noted, the improved Services are available when needed to all properties in the Assessment District, so the overwhelming proportion of the benefits conferred to property is special, and are only minimally received by property outside the Assessment District or the public at large.

Proposition 218 twice uses the phrase “over and above” general benefits in describing special benefit. (Art. XIID, sections 2(i) & 4(f).) Arguably, all of the Services being funded by the assessment would be a special benefit because the Services particularly and distinctly benefit the properties in the Assessment District over and above the baseline benefits.

Nevertheless, arguably some of the Services benefit the public at large and properties outside the Assessment District. In this report, the general benefit is conservatively estimated and described, and then budgeted so that it is funded by sources other than the assessment.

(In the 2009 *Dahms* case, the court upheld an assessment that conferred a 100% special benefit to the assessed parcels on the rationale that the services and improvements funded by the assessments were provided directly and only to property in the assessment district over and above those services or improvements provided by the city generally. Similarly, the Assessments described in this Engineer’s Report fund wildland fire services directly and only to the assessed parcels located within the assessment area. Moreover, every property within the Assessment District will receive the Services. While the *Dahms* decision would permit an assessment based on 100% special benefit and zero or minimal general benefits, in this report, the general benefit is estimated and described and budgeted so that it is funded by sources other than the Assessment.)

CALCULATING GENERAL BENEFIT

This section provides a measure of the general benefits from the assessments

BENEFIT TO PROPERTY OUTSIDE THE ASSESSMENT DISTRICT

Properties within the Assessment District receive almost all of the special benefits from the Services because the Services will be provided solely in the Assessment District boundaries. Properties proximate to, but outside of, the boundaries of the Assessment District receive some benefit from the Services due to some degree of indirectly reduced fire risk to their property. These parcels that are proximate to the boundaries of the Assessment District are estimated to receive less than 50% of the benefits relative to parcels within the Assessment District because they do not directly receive the improved fire protection resulting from the Services funded by the Assessments.

At the time the Assessment District was formed, there were approximately 550 of these “proximate” properties.

CRITERIA:

550 PARCELS OUTSIDE THE DISTRICT BUT PROXIMATE TO THE DISTRICT BOUNDARIES

3550 PARCELS IN THE ASSESSMENT DISTRICT

50% RELATIVE BENEFIT COMPARED TO PROPERTY WITHIN THE ASSESSMENT DISTRICT

CALCULATION

GENERAL BENEFIT TO PROPERTY OUTSIDE THE ASSESSMENT DISTRICT = $(550/(550+3,550)) * .5 = 6.7\%$

Although it can reasonably be argued that properties protected inside, but near the Assessment District boundaries are offset by similar fire protection provided outside, but near the Assessment District's boundaries, we use the more conservative approach of finding that 6.7% of the Services may be of general benefit to property outside the Assessment District.

BENEFIT TO PROPERTY *INSIDE* THE DISTRICT THAT IS *INDIRECT AND DERIVATIVE*

The "indirect and derivative" benefit to property within the Assessment District is particularly difficult to calculate. A solid argument can be presented that all benefit within the Assessment District is special, because the Services are clearly "over and above" and "particular and distinct" when compared with the pre-2006 baseline level of Services, had the assessment district not passed.

In determining the Assessment District boundaries, the District has been careful to limit it to an area of parcels that will directly receive the benefit of the improved Services. All parcels will directly benefit from the use of the improved Services throughout the Assessment District in order to achieve the desired level of wildland fire suppression and protection throughout the Assessment District. Fire protection and suppression will be provided as needed throughout the area.

The SVTA vs. SCCOSA decision indicates that the fact that a benefit is conferred throughout the Assessment District area does not make the benefit general rather than special, so long as the Assessment District is narrowly drawn and limited to the parcels directly receiving shared special benefits from the service. This concept is particularly applicable in situations involving a landowner-approved assessment-funded extension of a local government service to benefit lands previously not receiving that particular service. The Fire Department therefore concludes that, other than the small general benefit to properties outside the Assessment District (discussed above) and to the public at large (discussed below), all of the benefits of the Services to the parcels within the Assessment

District are special benefits and it is not possible or appropriate to separate any general benefits from the benefits conferred on parcels in the Assessment District.

BENEFIT TO THE PUBLIC AT LARGE

With the type and scope of Services provided to the Assessment District, it is very difficult to calculate and quantify the scope of the general benefit conferred on the public at large. Because the Services directly serve and benefit all of the property in the Assessment District, any general benefit conferred on the public at large would be small. Nevertheless, there may be some indirect general benefit to the public at large.

The public at large uses the public highways and other regional facilities when traveling in and through the Assessment District and they may benefit from the services without contributing to the assessment. Although the protection of this critical infrastructure is certainly a benefit to all the property within the Assessment District, it is arguably "indirect and derivative" and possibly benefits people rather than property. A fair and appropriate measure of the general benefit to the public at large therefore is the amount of highway, and regional facilities within the Assessment District relative to the overall land area. An analysis of maps of the Assessment District shows that less than 1.0% of the land area in the Assessment District is covered by highways and regional facilities. This 1.0% therefore is a fair and appropriate measure of the general benefit to the public at large within the Assessment District

SUMMARY OF GENERAL BENEFITS

Using a sum of the measures of general benefit for the public at large and land outside the Assessment Area, we find that approximately 7.7% of the benefits conferred by the Assessment District may be general in nature and should be funded by sources other than the assessment.

GENERAL BENEFIT =

$$\begin{aligned}
 & 6.7 \% \text{ (OUTSIDE THE ASSESSMENT DISTRICT)} \\
 & + 0.0 \% \text{ (INSIDE THE DISTRICT - INDIRECT AND DERIVATIVE)} \\
 & + 1.0 \% \text{ (PUBLIC AT LARGE)} \\
 \\
 & = 7.7 \% \text{ (TOTAL GENERAL BENEFIT)}
 \end{aligned}$$

The Assessment District's total budget for 2011-12 is \$231,771. The Assessment District must obtain funding from sources other than the assessment in the amount of approximately \$17,846 ($\$231,771 \times 7.7\%$) to pay for the cost of the general benefits. This is

because the assessments levied by the Fire Department may not exceed the special benefits provided by the Services, and the Assessment Engineer concluded that 7.7% of the cost of Services provide a general benefit to properties outside the Assessment District, For Fiscal Year 2011-12, the City will contribute at least \$17,846, or 7.7% of the total Assessment District budget, to the Assessment District from sources other than this assessment. This contribution constitutes more than the 7.7% general benefits estimated by the Assessment Engineer.

ZONES OF BENEFIT

Initially, the Fire Department evaluated the geographic area within and around the City limits (including the City of Santa Barbara, Santa Barbara County, Montecito and National Forest lands) based upon three fire hazard risk variables: vegetation (fuel), topography and weather. This analysis was used to narrowly determine the boundaries of the "high fire hazard area." Further, zones were narrowly drawn within the high fire hazard area and graded "extreme," "high," "moderate" or "low". Next, the Fire Department evaluated the roof type, proximity of structures, road systems, water supply, fire response times and historic fire starts within the high fire hazard area and developed 4 specific zones:

- Extreme Foothill Zone
- Foothill Zone
- Coastal Zone
- Coastal Interior Zone

These zones were used to apply appropriate policies and actions based upon hazard and risk. The results of this analysis were tabulated and presented in Tables 2 through 4 in the 2004 Wildland Fire Plan.

Accordingly, "Zones of Benefit" corresponding to the fire risk zones are used to equitably assign special benefit, and are used for the basis of the "Fire Risk Factors" discussed below. Each zone was narrowly drawn, and has been given a score, based upon the evaluated risk criteria, as shown in Table 4. (The assessment provides Services in the Extreme Foothill Zone and the Foothill Zone only.)

FIGURE 3 - RELATIVE HAZARD/RISK SCORING FOR HIGH FIRE HAZARD AREA ZONES

Hazard/Risk Attribute	Extreme		Coastal	
	Foothill Zone	Foothill Zone	Coastal Zone	Coastal Interior Zone
Combined Hazard Assessment - vegetation (fuel), topography, weather*	40	30	20	10
Roof Type**	1	2	2	3
Proximity	1	3	1	3
Road	3	3	1	1
Water	3	1	1	1
Response	3	2	2	2
Ignitions	1	1	1	1
Total Score	52	42	28	21

* The Hazard Assessment element of this analysis is the most significant. Scores have been "weighted" by a factor of 10.

** In the Extreme Foothill Zone fire retardant roofing materials are more prevalent, resulting in lower risk in this area.

Table 4 shows the numeric scoring system used to develop the relative total scores.

FIGURE 4 - SCORING SYSTEM

Qualitative Score	Numeric Score
Very High	4
High	3
Moderate	2
Low	1

The total relative scores for each zone are tabulated and normalized, based up the Foothill Zone, and shown in Table 5.

FIGURE 5 - WILDLAND FIRE RISK FACTORS

Zone	Raw Score	Wildland Fire Risk Factor
Extreme Foothill Zone	52	1.24
Foothill Zone	42	1.00
Coastal Zone**	28	0.67
Coastal Interior Zone**	21	0.50

**Coastal Zone and Coastal Interior Zone are included in this analysis for clarity; however these zones are not included in the Assessment District.

ASSESSMENT APPORTIONMENT

In the process of determining the appropriate method of assessment, the Assessment Engineer considered various alternatives. For example, an assessment only for all residential improved property was considered but was determined to be inappropriate because vacant, commercial, industrial and other properties also receive special benefits from the assessments.

Moreover, a fixed or flat assessment for all properties of similar type was deemed to be inappropriate because larger commercial/industrial properties and residential properties with multiple dwelling units receive a higher degree of benefit than other similarly used properties that are significantly smaller. For two properties used for commercial purposes, there clearly is a higher benefit provided to the larger property in comparison to a smaller commercial property because the larger property generally supports a larger building and has higher numbers of employees, customers and guests that benefit from reduced wildland fire risk. This benefit ultimately flows to the property. Larger parcels, therefore, receive an increased benefit from the assessments.

The Assessment Engineer determined that the appropriate method of assessment should be based on the type of property, the relative size of the property and the potential use of property by residents and employees. This method is further described below.

METHOD OF ASSESSMENT

The next step in apportioning assessments is to determine the relative special benefit for each property. This process involves determining the relative benefit received by each property in relation to a "benchmark" property, a single family detached dwelling on one parcel of one acre or less in the Foothill Zone (one "Single Family Equivalent Benefit Unit" or "SFE"). This SFE methodology is commonly used to distribute assessments in proportion to estimated special benefits and is generally recognized as providing the basis for a fair and appropriate distribution of assessments. In this Engineer's Report, all properties are assigned an SFE value, which is each property's relative benefit in relation to a single family home on one parcel.

The relative benefit to properties from fire related Services is:

EQUATION 1 – RELATIVE BENEFIT TO PROPERTIES

$$\text{Benefit} \approx \Sigma (\text{Fire Risk Factors}) * \Sigma (\text{Structure Value Factors})$$

That is, the benefit conferred to property is the “sum” the risk factors multiplied by the “sum” of the structure values factors.

FIRE RISK FACTORS

Typical fire assessments (non-wildland) are evaluated based upon the fire risk of a certain property type. These evaluations consider factors such as use of structure (e.g. used for cooking), type of structure (centralized heating), etc.

Wildland fires, on the other hand, are initiated largely from external ignitions and are far less affected by structural, mechanical and electrical systems inherent to the building (except roof type). The principle Wildland fire risk factors are:

- Vegetation (fuel)
- Topography
- Weather
- Roof type
- Proximity of Structure
- Road Systems
- Water Supply
- Response
- Ignitions

These factors were fully evaluated in the 2004 Wildland Fire Plan and are manifested in the relative zone scores as shown in Tables 3, 4 and 5, above. Hence, the Fire Risk Factor for all properties within the Foothill Zone is 1.00 and the Fire Risk Factor for all properties in the Extreme Foothill Zone is 1.24.

STRUCTURE VALUE FACTORS

The relative value of different property types was evaluated within the high fire hazard area to determine the Structure Value Factor according to the following formula:

EQUATION 2 - STRUCTURE VALUE FACTORS

$$\Sigma (\text{Structure Value Factors}) \approx (\text{Structure Weighting Factor} * \text{Average Improved Value}) \\ * (\text{Land Weighting Factor} * \text{Average Total Value}) \\ * (\text{Unity Density Factor})$$

Where:

- "Structure Weight Factor" = 10 to "weight" relative importance of structure over land.
- "Average Improved Value" is average of value of all improvements (e.g. structures), per property type, as provide by County Assessor records.
- Land Weighting Factor = 1
- "Average Total Value" is average of value of all land + improvements (e.g. structures), per property type, as provide by County Assessor records. County assessor land values were not used directly because experience has shown total values to be more comprehensive.
- Unit Density Factor corresponds values with units (i.e. "per residential unit" or "per acre") based upon effective density of structure on parcel.

Table 6 below is a tabulation of the Structure values for each property type as defined by Equation 2, above.

FIGURE 6 – STRUCTURE VALUE FACTORS

Property Type	Structure Value Factor	Unit
Single Family	1.0000	per each*
Multi-Family	0.3683	per res. unit
Commercial/Industrial	0.8187	per acre
Office	0.7058	per acre
Institutional	0.3841	per each
Storage	0.0952	per acre
Agricultural	0.0809	per acre
RangeLand	0.0181	per acre
Vacant	0.0324	per each

*for homes on an acre or less. For homes on more than one acre, the Structure Value Factor is increased by 0.0809 per acre

RESIDENTIAL PROPERTIES

All improved residential properties with a single residential dwelling unit on one acre or less are assigned one Single Family Equivalent or 1.0 SFE in the Foothill Zone. In the Extreme Foothill Zone, all improved residential properties on one acre or less are assessed 1.24 SFEs (See Table 5). Residential properties on parcels that are larger than 1 acre receive additional benefit and are assigned additional SFEs on a "per acre" basis. Detached or attached houses, zero-lot line houses and town homes are included in this category.

Properties with more than one residential unit are designated as multi-family residential properties. These properties benefit from the Services in proportion to the number of

dwelling units that occupy each property. The relative benefit for multi-family properties was determined as per Equation 1 to be 0.3683 SFEs per residential unit in the Foothill Zone and 0.4567 per residential unit in the Extreme Foothill Zone. This rate applies to condominiums as well.

COMMERCIAL/INDUSTRIAL & OFFICE PROPERTIES

Commercial and industrial properties are assigned benefit units per acre, since there is a relationship between parcel size, structure size and relative benefits. The relative benefit for commercial and industrial properties was determined as per Equation 1 to be 0.8187 SFEs per acre in the Foothill Zone and 1.0151 per acre in the Extreme Foothill Zone. The relative benefit for office properties was determined as per Equation 1 to be 0.7058 SFEs per acre in the Foothill Zone and 0.8751 per acre in the Extreme Foothill Zone.

VACANT/UNDEVELOPED, OPEN SPACE AND AGRICULTURAL PROPERTIES

The relative benefit for vacant properties was determined as per Equation 1 to be 0.0324 SFEs per parcel in the Foothill Zone and 0.04012 per parcel in the Extreme Foothill Zone. Open space and agricultural land have minimal improvements and few, if any; structures that require defensible space, and are assigned benefit "per acre." The relative benefit for open space properties was determined as per Equation 1 to be 0.0181 SFEs per acre in the Foothill Zone and 0.0224 per acre in the Extreme Foothill Zone. The relative benefit for agricultural properties was determined as per Equation 1 to be 0.0809 SFEs per acre in the Foothill Zone and 0.1002 per acre in the Extreme Foothill Zone.

OTHER PROPERTIES

Institutional properties such as publicly owned properties (and are used as such), for example, churches, are assessed at 0.3841 per parcel in the Foothill zone and 0.4762 per Parcel in the Extreme Foothill zone. The relative benefit for storage properties was determined as per Equation 1 to be 0.0952 SFEs per acre in the Foothill Zone and 0.1180 per acre in the Extreme Foothill Zone.

Article XIID, Section 4 of the California Constitution states that publicly owned properties shall not be exempt from assessment unless there is clear and convincing evidence that those properties receive no special benefit.

All public properties that are specially benefited are assessed. Publicly owned property that is used for purposes similar to private residential, commercial, industrial or institutional uses is benefited and assessed at the same rate as such privately owned property.

SUMMARY OF BENEFITS FOR EACH PROPERTY TYPE

Table 5 summarizes the relative benefit for each property type.

FIGURE 7 - RELATIVE BENEFIT FACTORS FOR FOOTHILL AND EXTREME FOOTHILL ZONES

Property Type	Foothill Zone		Extreme Foothill Zone	
	Benefit Factors (SFEs)	Unit	Benefit Factors (SFEs)	Unit
Single Family	1.0000	per each	1.2400	per each
Multi-Family	0.3683	per unit	0.4567	per unit
Commercial/Industrial	0.8187	per acre	1.0152	per acre
Office	0.7058	per acre	0.8752	per acre
Institutional	0.3841	per each	0.4763	per each
Storage	0.0952	per acre	0.1181	per acre
Agricultural	0.0809	per acre	0.1003	per acre
RangeLand	0.0181	per acre	0.0225	per acre
Vacant	0.0324	per each	0.0402	per each

APPEALS OF ASSESSMENTS LEVIED TO PROPERTY

Any property owner who feels that the assessment levied on the subject property is in error as a result of incorrect information being used to apply the foregoing method of assessment may file a written appeal with the Fire Chief of the City of Santa Barbara Fire Department or his or her designee. Any such appeal is limited to correction of an assessment during the then current fiscal year. Upon the filing of any such appeal, the Chief or his or her designee will promptly review the appeal and any information provided by the property owner. If the Chief or his or her designee finds that the assessment should be modified, the appropriate changes shall be made to the assessment roll. If any such changes are approved after the assessment roll has been filed with the County for collection, the Chief or his or her designee is authorized to refund to the property owner the amount of any approved reduction. Any dispute over the decision of the Chief or his or her designee shall be referred to the City Council and the decision of the Council shall be final.

ADDITIONAL BACKGROUND ON RELATIVE BENEFIT

In essence, when property owners are deciding how to cast their ballot for a proposed assessment, each property owner must weigh the perceived value of the Services proposed to them and their property with the proposed cost of the assessment to their property. If property owners of a certain type of property are either opposed or in support

of the assessment in much greater percentages than owners of other property types, this is an indication that, as a group, these property owners perceive that the proposed assessment has relatively higher or lower “utility” or value to their property relative to owners of other property types. One can also infer from these hypothetical ballot results, that the apportionment of benefit (and assessments) was too high or too low for that property type. In other words, property owners, by their balloting, ultimately indicate if they perceive the special benefits to their property to exceed the cost of the assessment, and, as a group, whether the determined level of benefit and proposed assessment (the benefit apportionment made by the Assessment Engineer) is consistent with the level of benefits perceived by the owners of their type of property relative to the owners of other types of property.

DURATION OF THE ASSESSMENT

The duration of the assessment is one year, and may be renewed each year by a vote of the City Council. The assessment cannot be increased in future years without approval from property owners in another assessment ballot proceeding, except for an annual adjustment tied to the change in the Los Angeles-Riverside-Orange County Area Consumer Price Index, not to exceed 4% per year.

CRITERIA AND POLICIES

This sub-section describes the criteria that shall govern the expenditure of assessment funds and ensures equal levels of benefit for properties of similar type. The criteria established in this Report, as finally confirmed, cannot be substantially modified; however, the Council may adopt additional criteria to further clarify certain criteria or policies established in this Report or to establish additional criteria or policies that do not conflict with this Report.

ASSESSMENT FUNDS MUST BE EXPENDED WITHIN THE FOOTHILL AND EXTREME FOOTHILL ZONES

The net available assessment funds, after incidental, administrative, financing and other costs, shall be expended exclusively for Services within the boundaries of the Assessment District, namely, the Foothill and Extreme Foothill Zones.

EXISTING GENERAL FUNDS

Prior to formation, Wildland Fire Services were funded with approximately \$200,000 from the City of Santa Barbara general fund. The intent of the program is that this general fund revenue will be maintained by the City to the extent feasible and the assessment will augment the current funding and services. Further, a portion of the general fund revenue

is needed to pay for any and all general benefits from the wildland fire Services, as described above.

ASSESSMENT

WHEREAS, the City Council of the City of Santa Barbara is proceeding with the proposed levy of assessments under California Government Code sections 50078 et seq. (the "Code") and Article XIID of the California Constitution (the "Article");;

WHEREAS, the undersigned Engineer of Work has prepared and filed a report presenting an estimate of costs, a diagram for the Assessment District and an assessment of the estimated costs of the Services upon all assessable parcels within the Assessment District;

NOW, THEREFORE, the undersigned, by virtue of the power vested in me under said Code and Article and the order of the Council of said City, hereby make the following assessment to cover the portion of the estimated cost of said Services, and the costs and expenses incidental thereto to be paid by the Assessment District.

The amount to be paid for said Services and the expense incidental thereto, to be paid by the Assessment District for the fiscal year 2011-12 is generally as follows:

SUMMARY COST ESTIMATE

	FY 2011-12 <u>Budget</u>
Evacuation Planning – Evacuation Roadway Clearing	\$ 82,000
Defensible Space	\$ 77,821
Vegetation Management	<u>\$ 83,000</u>
Total for Installation, Maintenance and Servicing	\$ 242,821
Less: Contribution for General Benefits	<u>(\$ 19,275)</u>
Incidental Costs:	
Administration and Project Management	\$ 5,000
Allowance for County collection	<u>\$ 3,225</u>
Subtotal – Incidentals	\$ 8,225
Total Wildland Fire Suppression Assessment District Budget	\$ 231,771

An Assessment Diagram is hereto attached and made a part hereof showing the exterior boundaries of said Assessment District. The distinctive number of each parcel or lot of land in said Assessment District is its Assessor Parcel Number appearing on the Assessment Roll.

I do hereby assess and apportion said net amount of the cost and expenses of said Services, including the costs and expenses incident thereto, upon the parcels and lots of land within said Assessment District, in accordance with the special benefits to be received by each parcel or lot, from the Services, and more particularly set forth in the Cost Estimate and Method of Assessment hereto attached and by reference made a part hereof.

The assessment is subject to an annual adjustment tied to the annual change in the Consumer Price Index for the Los Angeles-Riverside-Orange County Area as of January of each succeeding year, with the maximum annual adjustment not to exceed 4%.

In the event that the actual assessment rate for any given year is not increased by an amount equal to the maximum of 4% or the yearly CPI change plus any CPI change in previous years that was in excess of 4%, the maximum authorized assessment shall increase by this amount. In such event, the maximum authorized assessment shall be equal to the base year assessment as adjusted by the increase to the CPI, plus any and all CPI adjustments deferred in any and all prior years. The CPI change above 4% can be used in a future year when the CPI adjustment is below 4%. For 2011-12, the allowable CPI increase is 3.33% which includes 1.99% CPI deferred from previous years plus 1.34% CPI for 2011-12.

Hence, the proposed rates for 2011-12 will increase by 3.33% from the 2010-11 rates - from \$69.83 to \$72.16 per single family home in the Foothill Zone and from \$86.58 to \$89.46 per single family home in the Extreme Foothill Zone. The total revenue derived from the assessment is \$231,771 for 2011-12.

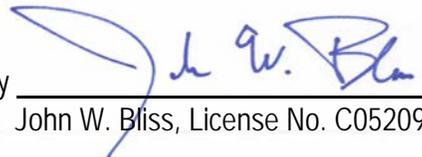
Each parcel or lot of land is described in the Assessment Roll by reference to its parcel number as shown on the Assessor's Maps of the City of Santa Barbara for the fiscal year 2011-12. For a more particular description of said property, reference is hereby made to the deeds and maps on file and of record in the office of the County Recorder of Santa Barbara County.

I hereby place opposite the Assessor Parcel Number for each parcel or lot within the Assessment Roll, the amount of the assessment for the fiscal year 2011-12 for each parcel or lot of land within the said Assessment District.

Dated: May 3, 2011

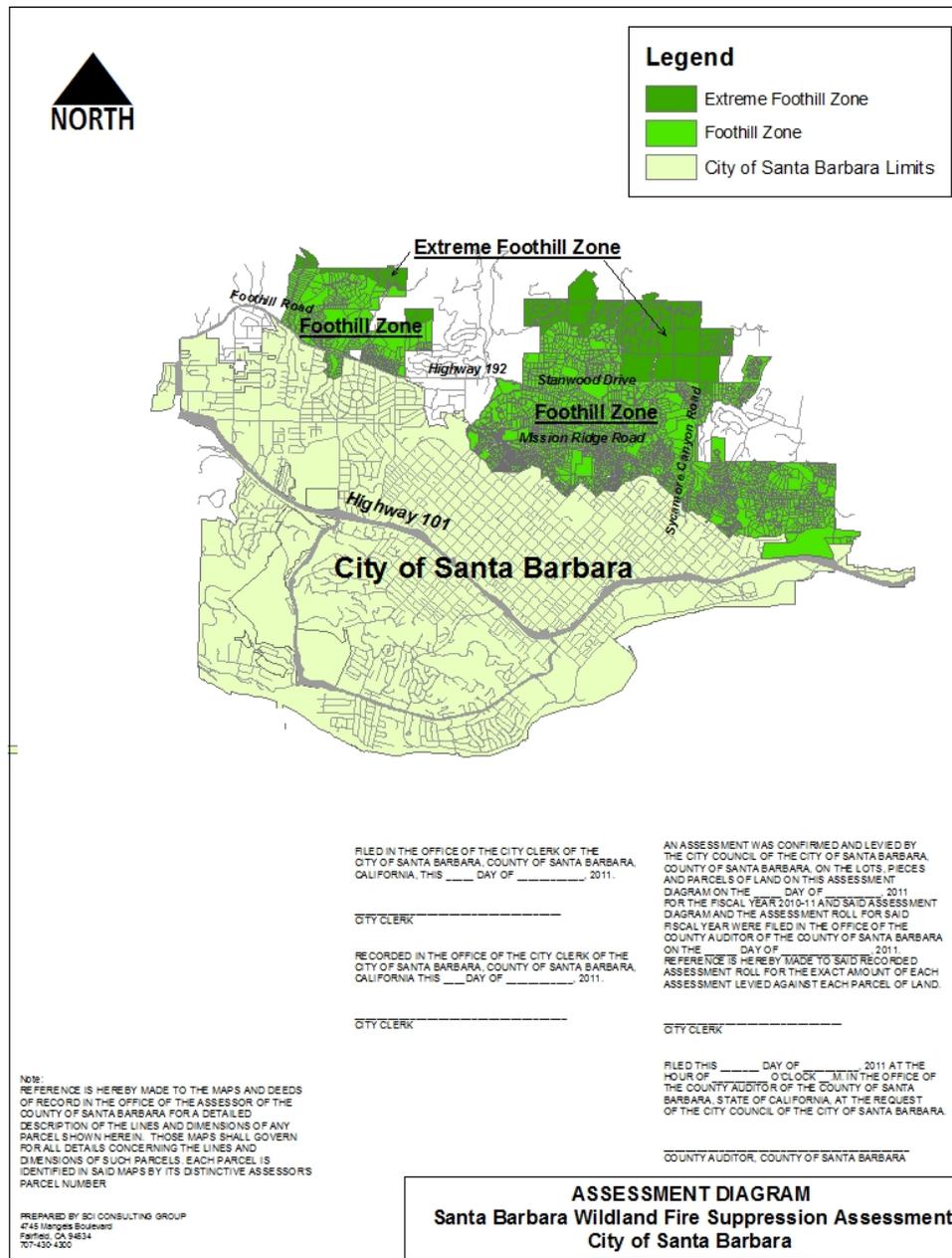
Engineer of Work



By  _____
John W. Bliss, License No. C052091

ASSESSMENT DIAGRAM

The Assessment District includes all properties within the boundaries of the Wildland Fire Services District. The boundaries of the Assessment District are displayed on the following Assessment Diagram. The lines and dimensions of each lot or parcel within the Assessment District are those lines and dimensions as shown on the maps of the Assessor of the County of Santa Barbara, for fiscal year 2011-12, and are incorporated herein by reference, and made a part of this Diagram and this Report.



APPENDICES

APPENDIX A – ASSESSMENT ROLL, FY 2011-12

The Assessment Roll is made part of this report and is available for public inspection during normal office hours. Each lot or parcel listed on the Assessment Roll is shown and illustrated on the latest County Assessor records and these records are, by reference, made part of this report. These records shall govern for all details concerning the description of the lots of parcels.

APPENDIX B – CALIFORNIA GOVERNMENT CODE SECTION 50078 ET. SEQ.

50078. Any local agency which provides fire suppression services directly or by contract with the state or a local agency may, by ordinance or by resolution adopted after notice and hearing, determine and levy an assessment for fire suppression services pursuant to this article. The assessment may be made for the purpose of obtaining, furnishing, operating, and maintaining fire suppression equipment or apparatus or for the purpose of paying the salaries and benefits of firefighting personnel, or both, whether or not fire suppression services are actually used by or upon a parcel, improvement, or property.

50078.1. As used in this article:

(a) "Legislative body" means the board of directors, trustees, governors, or any other governing body of a local agency specified in subdivision (b).

(b) "Local agency" means any city, county, or city and county, whether general law or chartered, or special district, including a county service area created pursuant to the County Service Area Law, Chapter 2.2 (commencing with Section 25210.1) of Part 2 of Division 2 of Title 3.

(c) "Fire suppression" includes firefighting and fire prevention, including, but not limited to, vegetation removal or management undertaken, in whole or in part, for the reduction of a fire hazard.

50078.2. (a) The ordinance or resolution shall establish uniform schedules and rates based upon the type of use of property and the risk classification of the structures or other improvements on, or the use of, the property. The risk classification may include, but need not be limited to, the amount of water required for fire suppression on that property, the structure size, type of construction, structure use, and other factors relating to potential fire and panic hazards and the costs of providing the fire suppression by the district to that property. The assessment shall be related to the benefits to the property assessed.

(b) The benefit assessment levies on land devoted primarily to agricultural, timber, or livestock uses, and being used for the commercial production of agricultural, timber, or livestock products, shall be related to the relative risk to the land and its products. The amount of the assessment shall recognize normal husbandry practices that serve to mitigate risk, onsite or proximate water availability, response time, capability of the fire suppression service, and any other factors which reflect the benefit to the land resulting from the fire suppression service provided. A benefit assessment shall not be levied for wildland or watershed fire suppression on land located in a state responsibility area as

defined in Section 4102 of the Public Resources Code. This subdivision is not applicable to any benefit assessment levied prior to January 1, 1984, on land devoted primarily to agricultural, timber, or livestock uses.

50078.3. Any ordinance or resolution adopted by a local agency pursuant to this article establishing uniform schedules and rates for assessments for fire suppression services which substantially conforms with the model ordinance which the State Fire Marshal is authorized to adopt pursuant to Section 13111 of the Health and Safety Code shall be presumed to be in compliance with the requirements of Section 50078.2.

50078.4. The legislative body of the local agency shall cause to be prepared and filed with the clerk of the local agency a written report which shall contain all of the following:

- (a) A description of each lot or parcel of property proposed to be subject to the assessment.
- (b) The amount of the assessment for each lot or parcel for the initial fiscal year.
- (c) The maximum amount of the assessment which may be levied for each lot or parcel during any fiscal year.
- (d) The duration of the assessment.
- (e) The basis of the assessment.
- (f) The schedule of the assessment.
- (g) A description specifying the requirements for protest and hearing procedures for the proposed assessment pursuant to Section 50078.6.

50078.5. (a) The legislative body may establish zones or areas of benefit within the local agency and may restrict the imposition of assessments to areas lying within one or more of the zones or areas of benefit established within the local agency.

(b) The benefit assessment shall be levied on a parcel, class of improvement to property, or use of property basis, or a combination thereof, within the boundaries of the local agency, zone, or area of benefit. The assessment may be levied against any parcel, improvement, or use of property to which such services may be made available whether or not the service is actually used.

50078.6. The clerk of the local agency shall cause the notice, protest, and hearing procedures to comply with Section 53753. The mailed notice shall also contain the name and telephone number of the person designated by the legislative body to answer inquiries regarding the protest proceedings.

50078.13. The local agency shall pay the county for costs, if any, incurred by the county in conducting the election. An election called by a legislative body pursuant to this article is subject to all provisions of the Elections Code applicable to elections called by the local agency. The local agency may recover the costs of the election and any other costs of preparing and levying the assessment from the proceeds of the assessment.

50078.16. The legislative body may provide for the collection of the assessment in the same manner, and subject to the same penalties as, other fees, charges, and taxes fixed and collected by, or on behalf of the local agency. If the assessments are collected by the county, the county may deduct its reasonable costs incurred for that service before remittal of the balance to the local agency's treasury.

50078.17. Chapter 9 (commencing with Section 860) of Title 10 of Part 2 of the Code of Civil Procedure applies to any judicial action or proceeding to validate, attack, review, set aside, void, or annul an ordinance or resolution levying an assessment or modifying or amending an existing ordinance or resolution. If an ordinance or resolution provides for an automatic adjustment in an assessment, and the automatic adjustment results in an increase in the amount of an assessment, any action or proceeding to attack, review, set aside, void, or annul the increase shall be commenced within 90 days of the effective date of the increase. Any appeal from a final judgment in the action or proceeding brought pursuant to this section shall be filed within 30 days after entry of the judgment.

50078.19. This article does not limit or prohibit the levy or collection of any other fee, charge, assessment, or tax for fire suppression services authorized by any other provisions of law.

50078.20. Any fire protection district may specifically allocate a portion of the revenue generated pursuant to this article to pay the interest and that portion of the principal as will become due on an annual basis on indebtedness incurred pursuant to Section 8589.13 of this code and Section 13906 of the Health and Safety Code.

APPENDIX C – ARTICLE XIID OF THE CALIFORNIA CONSTITUTION

Proposition 218 was approved by voters as a Constitutional Amendment on November 6, 1996. It became Article XIIC and Article XIID of the California State Constitution and has imposed additional requirements for assessment districts. Following is a summary of the Article.

SEC.1. Application. Notwithstanding any other provision of law, the provisions of this article shall apply to all assessments, fees and charges, whether imposed pursuant to state statute or local government charter authority. Nothing in this article or Article XIIC shall be construed to:

- (a) Provide any new authority to any agency to impose a tax, assessment, fee, or charge.
- (b) Affect existing laws relating to the imposition of fees or charges as a condition of property development.
- (c) Affect existing laws relating to the imposition of timber yield taxes.

SEC. 2. Definitions. As used in this article:

- (a) "Agency" means any local government as defined in subdivision (b) of Section 1 of Article XIIC.
- (b) "Assessment" means any levy or charge upon real property by an agency for a special benefit conferred upon the real property. "Assessment" includes, but is not limited to, "special assessment," "benefit assessment," "maintenance assessment" and "special assessment tax."
- (c) "Capital cost" means the cost of acquisition, installation, construction, reconstruction, or replacement of a permanent public improvement by an agency.
- (d) "District" means an area determined by an agency to contain all parcels which will receive a special benefit from a proposed public improvement or property-related service.
- (e) "Fee" or "charge" means any levy other than an ad valorem tax, a special tax, or an assessment, imposed by an agency upon a parcel or upon a person as an incident of property ownership, including a user fee or charge for a property related service.
- (f) "Maintenance and operation expenses" means the cost of rent, repair, replacement, rehabilitation, fuel, power, electrical current, care, and supervision necessary to properly operate and maintain a permanent public improvement.

- (g) "Property ownership" shall be deemed to include tenancies of real property where tenants are directly liable to pay the assessment, fee, or charge in question.
- (h) "Property-related service" means a public service having a direct relationship to property ownership.
- (i) "Special benefit" means a particular and distinct benefit over and above general benefits conferred on real property located in the district or to the public at large. General enhancement of property value does not constitute "special benefit."

SEC. 3. Property Taxes, Assessments, Fees and Charges Limited.

- (a) No tax, assessment, fee, or charge shall be assessed by any agency upon any parcel of property or upon any person as an incident of property ownership except: (1) The ad valorem property tax imposed pursuant to Article XIII and Article XIII A. (2) Any special tax receiving a two-thirds vote pursuant to Section 4 of Article XIII A. (3) Assessments as provided by this article. (4) Fees or charges for property related services as provided by this article.
- (b) For purposes of this article, fees for the provision of electrical or gas service shall not be deemed charges or fees imposed as an incident of property ownership.

SEC. 4. Procedures and Requirements for All Assessments.

- (a) An agency which proposes to levy an assessment shall identify all parcels which will have a special benefit conferred upon them and upon which an assessment will be imposed. The proportionate special benefit derived by each identified parcel shall be determined in relationship to the entirety of the capital cost of a public improvement, the maintenance and operation expenses of a public improvement, or the cost of the property related service being provided. No assessment shall be imposed on any parcel which exceeds the reasonable cost of the proportional special benefit conferred on that parcel. Only special benefits are assessable, and an agency shall separate the general benefits from the special benefits conferred on a parcel. Parcels within a district that are owned or used by any agency, the State of California or the United States shall not be exempt from assessment unless the agency can demonstrate by clear and convincing evidence that those publicly owned parcels in fact receive no special benefit.
- (b) All assessments shall be supported by a detailed engineer's report prepared by a registered professional engineer certified by the State of California.

- (c) The amount of the proposed assessment for each identified parcel shall be calculated and the record owner of each parcel shall be given written notice by mail of the proposed assessment, the total amount thereof chargeable to the entire district, the amount chargeable to the owner's particular parcel, the duration of the payments, the reason for the assessment and the basis upon which the amount of the proposed assessment was calculated, together with the date, time, and location of a public hearing on the proposed assessment. Each notice shall also include, in a conspicuous place thereon, a summary of the procedures applicable to the completion, return, and tabulation of the ballots required pursuant to subdivision (d), including a disclosure statement that the existence of a majority protest, as defined in subdivision (e), will result in the assessment not being imposed.
- (d) Each notice mailed to owners of identified parcels within the district pursuant to subdivision (c) shall contain a ballot which includes the agency's address for receipt of the ballot once completed by any owner receiving the notice whereby the owner may indicate his or her name, reasonable identification of the parcel, and his or her support or opposition to the proposed assessment.
- (e) The agency shall conduct a public hearing upon the proposed assessment not less than 45 days after mailing the notice of the proposed assessment to record owners of each identified parcel. At the public hearing, the agency shall consider all protests against the proposed assessment and tabulate the ballots. The agency shall not impose an assessment if there is a majority protest. A majority protest exists if, upon the conclusion of the hearing, ballots submitted in opposition to the assessment exceed the ballots submitted in favor of the assessment. In tabulating the ballots, the ballots shall be weighted according to the proportional financial obligation of the affected property.
- (f) In any legal action contesting the validity of any assessment, the burden shall be on the agency to demonstrate that the property or properties in question receive a special benefit over and above the benefits conferred on the public at large and that the amount of any contested assessment is proportional to, and no greater than, the benefits conferred on the property or properties in question.
- (g) Because only special benefits are assessable, electors residing within the district who do not own property within the district shall not be deemed under this Constitution to have been deprived of the right to vote for any assessment. If a court determines that the Constitution of the United States or other federal law requires otherwise, the assessment shall not be imposed unless approved by a two-thirds vote of the electorate in the district in addition to being approved by the property owners as required by subdivision (e).

SEC. 5. Effective Date.

Pursuant to subdivision (a) of Section 10 of Article II, the provisions of this article shall become effective the day after the election unless otherwise provided. Beginning July 1, 1997, all existing, new, or increased assessments shall comply with this article. Notwithstanding the foregoing, the following assessments existing on the effective date of this article shall be exempt from the procedures and approval process set forth in Section 4:

- (a) Any assessment imposed exclusively to finance the capital costs or maintenance and operation expenses for sidewalks, streets, sewers, water, flood control, drainage systems or vector control. Subsequent increases in such assessments shall be subject to the procedures and approval process set forth in Section 4.
- (b) Any assessment imposed pursuant to a petition signed by the persons owning all of the parcels subject to the assessment at the time the assessment is initially imposed. Subsequent increases in such assessments shall be subject to the procedures and approval process set forth in Section 4.
- (c) Any assessment the proceeds of which are exclusively used to repay bonded indebtedness of which the failure to pay would violate the Contract Impairment Clause of the Constitution of the United States.
- (d) Any assessment which previously received majority voter approval from the voters voting in an election on the issue of the assessment. Subsequent increases in those assessments shall be subject to the procedures and approval process set forth in Section 4.

END NOTES

¹ Insurance Services Offices Inc.

<http://www.rockwall.com/FireDepartment/Insurance%20Services%20Office%20Rating%20Information.pdf>

² Institute for Business & Home Safety, "Protect Your Home Against Wildfire Damage," <http://www.ibhs.org/publications/view.asp?id=125>

³ Institute for Business & Home Safety, "Is Your Home Protected from Wildfire Damage? A Homeowner's Guide to Retrofit," <http://www.ibhs.org/publications/view.asp?id=130>

⁴ U.S. Fire Administration, Department of Homeland Security, "America Burning, Recommissioned: Principal Findings and Recommendations," p.1, <http://www.usfa.fema.gov/downloads/pdf/abr-rep.PDF>

⁵ U.S. Fire Administration, Department of Homeland Security, "America Burning, Recommissioned: Principal Findings and Recommendations," p.2, <http://www.usfa.fema.gov/downloads/pdf/abr-rep.PDF>

⁶ Insurance Services Offices Inc., p. 1,

<http://www.rockwall.com/FireDepartment/Insurance%20Services%20Office%20Rating%20Information.pdf>

⁷ Renewable Natural Resources Foundation, "Workshop on National Parks Fire Policy: Goals, Perceptions, and Reality," Renewable Resources Journal, Volume 11, Number 1, Spring 1993, p. 6

⁸ Weldon, Leslie A. C., "Dealing with Public Concerns in Restoring Fire to the Forest," General Technical Report INT-GTR-341 The Use of Fire in Forest Restoration, U.S. Forest Service, June 1996, p. 3

⁹ U.S. Forest Service, Department of Agriculture, "Social Science to Improve Fuels Management: A Synthesis of Research on Aesthetics and Fuels Management," p. 1, http://ncrs.fs.fed.us/pubs/gtr/gtr_nc261.pdf

¹⁰ U.S. Forest Service, Department of Agriculture, "Social Science to Improve Fuels Management: A Synthesis of Research on Aesthetics and Fuels Management," p. 25, http://ncrs.fs.fed.us/pubs/gtr/gtr_nc261.pdf

¹¹ Weldon, Leslie A. C., "Dealing with Public Concerns in Restoring Fire to the Forest," General Technical Report INT-GTR-341 The Use of Fire in Forest Restoration, U.S. Forest Service, June 1996, p. 2



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: May 10, 2011

TO: Mayor and Councilmembers

FROM: City Attorney's Office

SUBJECT: 2915 De La Vina Street – Appeal Of Planning Commission Decision

RECOMMENDATION:

That Council adopt, by reading of title only, A Resolution of the Council of the City of Santa Barbara Making a Decision and Expressing Certain Findings Concerning an Appeal From a Decision of the City Planning Commission Regarding an Application for a Medical Marijuana Dispensary Permit for a Storefront Dispensary Located at 2915 De La Vina Street Pursuant to the Requirements of Santa Barbara Municipal Code Chapter 28.80.

DISCUSSION:

As requested at the conclusion of the City Council Appeal hearing held for this item on April 12, 2011, the attached draft resolution represents appropriate findings for the Council denying the appeal filed by Patrick Fourmy concerning the City's decision to not grant him a storefront medical marijuana dispensary permit for that location pursuant to SBMC Chapter 28.80.

PREPARED BY: City Attorney's Office

SUBMITTED BY: Stephen P. Wiley, City Attorney

APPROVED BY: City Administrator's Office

RESOLUTON NO. _____

A RESOLUTION OF THE COUNCIL OF THE CITY OF SANTA BARBARA MAKING A DECISION AND EXPRESSING CERTAIN FINDINGS CONCERNING AN APPEAL FROM A DECISION OF THE CITY PLANNING COMMISSION REGARDING AN APPLICATION FOR A MEDICAL MARIJUANA DISPENSARY PERMIT FOR A STOREFRONT DISPENSARY LOCATED AT 2915 DE LA VINA STREET PURSUANT TO THE REQUIREMENTS OF SANTA BARBARA MUNICIPAL CODE CHAPTER 28.80

WHEREAS, the City of Santa Barbara Planning Commission held a duly noticed appeal hearing on February 3, 2011 concerning the application by Patrick Fourmy (hereinafter the "Applicant") for a City issued zoning permit to operate a storefront collective medical marijuana dispensary called the "Compassion Center of Santa Barbara County" located at 2915 De La Vina Street, APN 051-202-007, real property within the City which is zoned in the C-2 and SD-2 zones, with a General Plan designation of general commerce/buffer (City Application MST2009-00497);

WHEREAS, the proposed "Compassion Center" storefront medical marijuana dispensary project involved an application to permit an existing Medical Marijuana Storefront Dispensary within a 1,060 square foot commercial building located at 2915 De la Vina Street under the authority of Santa Barbara Municipal Code Chapter 28.80 which application had originally been heard and denied by the City's Staff Hearing Officer on December 15, 2010 under the initial discretionary review processes of SBMC Chapter 28.80;

WHEREAS, since the City zoning application required for this dispensary permit project is a Medical Marijuana Storefront Collective Dispensary Permit (SBMC §28.80.030), the City Environmental Analyst has determined that the project is exempt from further environmental review pursuant to the California Environmental Quality Guidelines Section 15301 (Existing Facility);

WHEREAS, the Applicant and his attorney were present at the February 3, 2011, Planning Commission appeal hearing and they were allowed the opportunity to make a comprehensive oral and video presentation to the Planning Commission in support of and to explain the Application and why it should not have been denied by the City's Staff Hearing Officer on December 15, 2010;

WHEREAS, upon the conclusion of the Planning Commission's hearing regarding Mr. Fourmy's appeal of the Staff Hearing Officer decision, the Planning Commission voted to deny his appeal and it directed staff to prepare the appropriate written Commission findings for denial;

WHEREAS, the City Planning Commission adopted a resolution containing appropriate and sufficient findings to support the denial of the Applicant's appeal as City Planning Commission Resolution No. 001-11 which Resolution was approved at the Commission meeting of March 3, 2011;

WHEREAS, the Applicant filed a timely appeal of the Planning Commission's decision on his Application to the Santa Barbara City Council in accordance with SBMC Chapter 28.80; and

WHEREAS, after a duly noticed site visit to 2915 De La Vina and after inspecting the proposed dispensary location and its method of operation on April 11, 2011, on April 12, 2010, the City Council conducted a public hearing at a regularly scheduled City Council meeting on the appeal filed by Patrick Fourmy of the City Planning Commission's denial of his application for a dispensary permit pursuant to SBMC Chapter 28.80; at the conclusion of the Council appeal hearing, the City Council voted five votes to two votes to deny the Applicant's appeal.

NOW THEREFORE, the Council of the City of Santa Barbara finds, determines, decides and resolves as follows:

I. Each of the above-stated recitals are true and correct and they fully and accurately reflect the record of the City's proceedings concerning this Appeal and the Fourmy Application and the determinations and considerations which went into the Planning Commission's and, thereafter, the City Council's decision to deny the appeal and to decline to issue a City permit for the storefront dispensary as requested by the Applicant. These recitals also appropriately describe the scope of the City's review of the 2915 De La Vina Street Application and Project, in particular, the detailed review by the Planning Commission and the City Council (both with respect to individual Commission and Council members and the City collectively) which has been conducted with respect to the Fourmy Application since the time the original Application was filed with the City.

II. The City Council denies Mr. Fourmy's appeal and upholds the decision of the City Planning Commission to not issue the requested storefront dispensary permit under SBMC Chapter 28.80 based on the following evidentiary findings and following land use determinations and considerations:

a. The City Council agrees with the findings made by the Planning Commission on this Application with respect to this Applicant as such findings are expressed in Planning Commission Resolution No. 001-11 and the Commission's denial of the Applicant's appeal and, as a result, the Council hereby adopts and endorses those Commission findings.

b. The City Council believes that the Applicant may have engaged in the improper operation of a storefront collective medical marijuana dispensary at 2915 De La Vina Street in violation of Santa Barbara Municipal Chapter 28.80 after the Applicant's dispensary storefront operation was discontinued during 2008 for a period of time in excess of thirty (30) days.

In the Council's opinion, this apparent discontinued operation was established, in part, by the Applicant's own admission, both to the Planning Commission and to the Council, that, during 2008, he actually operated a music store known as the "Harmonic Alliance" at the 2915 De La Vina storefront location.

c. The City Council's belief that the Applicant may have engaged in the improper operation of an unpermitted dispensary at 2915 De La Vina during 2008 is also demonstrated by the Applicant's inconsistent statements to the City concerning whether or not his dispensary at 2915 De La Vina was kept open or, instead, whether he actually moved his dispensary operation to 3532 State Street. This is especially true since the Applicant only admitted for the first time during the February 3, 2011 Planning Commission hearing, that he had opened and operated a storefront medical marijuana dispensary at 3532 State Street from approximately April and August 2008 – and that he apparently did so without obtaining the required City dispensary permit for that location in violation of Santa Barbara City Ordinance No. 5436 and City Ordinance No. 5449.

d. The Council's belief that the Applicant may have engaged in the improper operation of a medical marijuana dispensary in 2008 is further supported by the Applicants 2010 refusal to provide the City with comprehensive and adequate business, payroll, or other records necessary to substantiate his claim that he did not discontinue the 2915 De La Vina Street dispensary operation for an extended period of time in 2008 when such records were requested by the City staff and by the City Attorney's office.

e. In light of the above findings regarding the Applicant's actions since 2008 and in view of his recent responses to the Planning Commission and the City Council, the City Council also concludes that the Applicant's testimony and evidence appears to be not credible or trustworthy, and, consequently, the Council concludes that the Applicant is not and has not been particularly believable, transparent, or apparently truthful in his dealings with the City; as a result, the Council concludes that the Applicant probably cannot be trusted to properly and fully comply with the applicable state medical marijuana laws and with City dispensary ordinances concerning the proper operation of a storefront medical marijuana dispensary if the Applicant were to receive a valid dispensary permit.

f. The City Council also believes that the Applicant, when questioned by Council members Self, Hotchkiss, and Francisco during the April 12, 2001 Council appeal hearing, did not provide believable explanations to show that he was operating his dispensary as a collective or cooperative in accordance with the state statutes applicable to medical marijuana or in

accordance with the August 2008 state Attorney General Guidelines promulgated under the state laws. The Council believes that the Applicant's explanations appeared to be deceptive and that he seemed to be engaging in intentional obfuscation of the fact that he is probably actually operating a retail medical marijuana business and not operating as a true collective or cooperative which merely recoups its out-of-pocket expenses in the operation of the dispensary.

For example, when questioned at the April 12, 2011 Council hearing about whether his dispensary has "employees," the Applicant and his attorney gave different and inconsistent testimony - with the Applicant insisting that the individuals who work at his dispensary are "independent contractors" and, as a result, he had no IRS 1099s or other employment or payroll tax records for these individuals. Further, as Council member Hotchkiss noted during the hearing, a dispensary with more than 1000 "members" (according to the Applicant's presentation) hardly seems to be operating in a manner which appears to be a "collective" or a "cooperative" as is required by state law.

g. The City Council also finds that the Applicant failed to provide any good or reasonable explanation to the City for why he apparently negligently stored fifty (50) pounds of marijuana in a locked container within a public storage facility and, as a result of this apparent negligence, the marijuana was stolen and became available to others for illegal use in a manner contrary to state law. Applicant also had no explanation for why he waited almost a month to report this theft of marijuana to the police.

Consequently, based on the above-stated evidentiary findings, the City Council upholds the decision of the February 3, 2011 decision of the City Planning Commission on this Application, denies the Applicant the requested storefront dispensary permit and concludes that the Applicant and his Application does not merit the issuance of a City dispensary permit under the SBMC Section 28.80.070 subsection (B) criteria as follows:

1. The Applicant's apparently willful efforts to obscure the real nature of his dispensary business operations on 2915 De La Vina Street brings into serious question whether he would fully and appropriately comply with any City dispensary permit conditions which might be imposed by City on a permit to be issued under SBMC Chapter 28.80; this conclusion results in the Council not being able to find that Criteria No. 11 and Criteria No. 9 are properly satisfied by this Application and by the Applicant's proposed dispensary operation.

2. The negligent storage and theft of a substantial amount of marijuana in the possession of the Applicant causes the City Council to question whether the Applicant would properly secure medical marijuana in a permitted dispensary in order to prevent unintended and unlawful diversion of medical marijuana in the future and this causes the Council to be concerned that this Applicant and his proposed dispensary operation will not be able to and cannot not properly satisfy Criteria No. 8, Criteria No. 10 and Criteria No. 12 of the City's Ordinance.

3. The Applicant's admitted opening and operation of a second storefront collective dispensary at 3532 State Street, without the benefit of a valid City permit at a time when such a permit was required, also causes the Council to question whether the Applicant would comply with the City's prohibition against transferring a permit location (as specified in Subsection 28.80.130.A of the Santa Barbara Municipal Code) and whether the Applicant would fully and consistently comply with other permit conditions of approval. For these reasons, the Council finds this Application also does not meet Criteria No. 10 and Criteria No. 12.

4. The information disclosed by the Applicant regarding the operation of his De La Vina Street dispensary during this City appeal process indicates to the City Council that the Applicant is probably not complying with the state Compassionate Use Act of 1996 (California Health and Safety Code section 11362.5) and or with the state Medical Marijuana Program Act of 2003 (Health and Safety Code sections 11362.7 through 11362.9) in his operation of the De La Vina Street storefront dispensary and that any future City permitted dispensary operation conducted by the Applicant would likely not comply as well. Since such compliance is an absolutely fundamental requirement for the issuance of a City dispensary permit under the Municipal Code, the City Council declines to issue such a permit to the Applicant under these circumstances.



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: May 10, 2011

TO: Mayor and Councilmembers

FROM: Engineering Division, Public Works Department
Administration Division, Airport Department
Housing and Redevelopment Division, Community Development
Department

SUBJECT: Public Hearing For Amendment To 2008 Disaster Recovery
Initiative Program Funding Application

RECOMMENDATION:

That Council adopt, by reading of title only, A Resolution of the Council of the City of Santa Barbara Approving an Amendment to Application for Funding and the Execution of a Grant Agreement and Any Amendments Thereto from the 2008 Disaster Recovery Initiative Fund Allocation of the State Community Development Block Grant Program.

EXECUTIVE SUMMARY:

In May 2010, the State of California Department of Housing and Community Development (HCD) announced the Notice Of Funding Availability (NOFA) of approximately \$38.3 million in 2008 Disaster Recovery Initiative Allocation (DRI) funds. The funds have been allocated for delivery through the Community Development Block Grant program in response to wildfire disaster declarations which included the Gap and Tea fires. The purpose of the funding is to help in the restoration and recovery of damaged communities and prevent, or at least mitigate, major damage from potential future disasters.

On June 29, 2010, Council adopted a resolution approving an application for DRI funding. At that time the maximum award limit was \$1 million and the City had three projects that met the eligibility requirements: Sycamore Creek Channel Improvements, San Pedro Creek (at Hollister Avenue) Sewer Line Relocation, and an update to the Safety Element of the City's General Plan. In April 2011, the City was notified of an award of up to \$1 million for the three projects.

On March 29, 2011, HCD released an amendment to the NOFA which increased the maximum total award limit to \$5 million. The proposed amended application will increase the scope and funding request for the Sycamore Creek Channel Improvements and the update to the Safety Element of the City's General Plan. The San Pedro Creek Sewer Line Relocation project was completed as an emergency project following the Gap Fire and therefore remains unchanged from the original application as a reimbursement only project. The amended application includes an increase in the funding request of \$2,392,985 for a total funding request of \$3,392,985. DRI project eligibility requirements and delivery deadlines restrict staff from requesting the maximum \$5 million available.

DISCUSSION:

The City now has the opportunity to submit an amendment to the grant application to obtain additional funding through the HCD for the Sycamore Creek Channel Improvements Project and the update to the Safety Element of the City's General Plan.

The NOFA amendment increased the maximum total award limits, based on the percentage of low and moderate (low-mod) beneficiaries. Low-mod beneficiaries are defined as having no higher than 80 percent of the countywide median income adjusted for family size. The three proposed projects meet the minimum qualification for low-mod beneficiaries and have already been approved for grant funding up to \$1 million. The City may now apply for a maximum total award of up to \$5 million.

A detailed description of the two projects with increased scope is presented below:

Safety Element Update

The notice of funding availability includes a provision for funding land use planning that will guide long-term recovery efforts. Eligible projects include Safety Elements of General Plans, Local Hazard Mitigation Plans, and Community Wildfire Protection Plans.

The City's General Plan Safety Element has not had a comprehensive update since the original Safety Element was adopted in 1979. The need for a comprehensive update was identified during the recent *Plan Santa Barbara* General Plan Update process; however, funding was not available to update this Element. The DRI provides an opportunity to meet this need.

The focus of the Safety Element update will be hazard avoidance through updated hazards information and policies for new development. In addition to supporting project permitting and environmental review processes for public facilities and private development, the hazards information will be useful for other ongoing City service operations, including public safety response and disaster preparedness.

Per State Government Code requirements for Safety Element Updates, the update would need to incorporate mapping and policies for urban and wildland fire, flood hazard, soil and slope stability hazards, bluff and beach erosion, and seismic hazards. Other topics to be covered include hazardous materials, airport related hazards, and emergency preparedness.

The original grant request of \$80,000 under the earlier funding cap was only sufficient to update the Element based on existing sources of information. The increased grant amount would allow for some technical consultant assistance to improve the quality of the update by providing some new analysis to fill gaps in hazard information (e.g., depth-to-groundwater and liquefaction mapping), and provide further information benefitting emergency preparedness and response. The funding request for this project has been increased to \$250,000, the maximum allowable per the amended program guidelines.

Sycamore Creek Channel Improvements

The original application included widening the Sycamore Creek Channel from north of the Caltrans (Highway 101) right of way up to the Punta Gorda Street Bridge. The scope of work has been revised to include replacement of the Punta Gorda Street Bridge and additional channel widening to approximately 75 feet upstream of Punta Gorda Street. The approximate construction phase cost for this work is \$2,807,725.

Each of the projects was presented at a Community Development and Human Services Committee Public Hearing. There were no additional comments from the public, and staff recommends that Council approve an amendment to the application for funding these projects through the 2008 DRI.

BUDGET/FINANCIAL INFORMATION:

The Sycamore Creek Channel Improvements Project is currently in final design. This project is only partially funded for construction. DRI funds would provide nearly all of the construction funding necessary to complete the improvements. City funds are needed to complete the design and for a portion committed with the original application to construction costs. There are sufficient funds in the Streets Fund to cover the City's cost share for this project.

The following table summarizes DRI and City funds required for the three projects.

Name of Project	Phase	Original DRI Share	Amended DRI Share	City Share	Total
General Administration	All Phases	\$0	\$70,760	\$0	\$70,760
Sycamore Creek Channel Improvements	Construction Contract	\$510,300	\$2,381,800	\$59,700	\$2,441,500
	Construction Management/ Inspection	\$0	\$280,725	\$85,500	\$366,225
San Pedro Creek Sewer Line Relocation	Construction Contract	\$409,700	\$409,700	\$0	\$409,700
City of Santa Barbara Safety Element Update	Planning	\$80,000	\$250,000	\$0	\$250,000
Total		\$1,000,000	\$3,392,985	\$145,200	\$3,538,185

Additional budget appropriations are not required at this time.

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

SUBMITTED BY: Christine F. Andersen, Public Works Director
 Paul Casey, Assistant City Administrator
 Karen Ramsdell, Airport Director

APPROVED BY: City Administrator's Office

RESOLUTION NO. _____

A RESOLUTION OF THE COUNCIL OF THE CITY OF SANTA BARBARA APPROVING AN AMENDMENT TO APPLICATION FOR FUNDING AND THE EXECUTION OF A GRANT AGREEMENT AND ANY AMENDMENTS THERETO FROM THE 2008 DISASTER RECOVERY INITIATIVE FUND ALLOCATION OF THE STATE COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SANTA BARBARA AS FOLLOWS:

SECTION 1: The City Council has reviewed and hereby approves an amended application for up to \$3,392,985 for the following activities:

General Program Administration	\$70,760
Public Improvements – Sycamore Drainage	\$2,662,525
Public Improvements – San Pedro Creek Sewer	\$409,700
Planning – Safety Element	<u>\$250,000</u>
Total DRI Share	\$3,392,985

SECTION 2: The City has determined that federal Citizen Participation requirements were met during the development of this amended application.

SECTION 3: The City hereby approves the use of Local Leverage Funding Sources (listed below) in the amount of \$145,200 to be used as the City's leverage for this amended application.

Sycamore Creek Channel Improvements:

Construction Contract	\$59,700
Construction Management/Inspection	<u>\$85,500</u>
Total	\$145,200

SECTION 4: The Community Development Director or his designee is hereby authorized and directed to sign this amended application and act on the City's behalf in all matters pertaining to this amended application.

SECTION 6: If the application is approved, the Community Development Director or his designee is authorized to enter into and sign the grant agreement and any subsequent amendments with the State of California for the purposes of this grant.

SECTION 7: If the application is approved, the Redevelopment Agency Manager or his designee is authorized to sign Funds Requests and other required reporting forms.



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: May 10, 2011
TO: Mayor and Councilmembers
FROM: Airport Administration, Airport Department
SUBJECT: Access And Use Permit With ProDIGIQ, Inc.

RECOMMENDATION:

That Council find it is in the City's best interest to waive the formal bid process as authorized in Municipal Code Section 4.52.070 (k) and authorize the Airport Director to execute an Access and Use Permit with ProDIGIQ, Inc., as the single source and most favorable source for providing the City with Flight Information Display and Baggage Information Display systems for the new Airline Terminal in an amount not to exceed \$59,900.

DISCUSSION:

Background

A Flight Information Display System (FIDS) is a computer system used in airports to display flight information to passengers, in which a computer system controls mechanical or electronic display boards or TV screens in order to display arrivals and departures flight information in real-time. The displays are located inside or around an airport terminal. A virtual version of a FIDS can also be found on most airport websites and teletext systems. FID systems are used to assist passengers during air travel and people who want to pick-up passengers after the flight.

Each line on a FIDS indicates a different flight number accompanied by:

- The airline name/logo and/or its airline designator;
- The city of origin or destination, and any intermediate points;
- The expected arrival or departure time and/or the updated time (reflecting any delays);
- The gate number;
- The check-in counter numbers or the name of the airline landing the check-in; and
- The status of the flight, such as "landed", "delayed", "boarding", etc.

A similar system, a Baggage Information Display System (BIDS), is used in the bag claim area identifying the arrival flight number so passengers on that flight can locate the bag claim unit to collect checked bags.

Traditional FID and BID systems are manually updated by airline staff using local servers or workstations to maintain monthly schedules and to enter every time/gate change. To reduce staff time devoted to manually updating the system, Airport staff pursued a web-based technology to increase the accuracy and timeliness of flight information. Researching FIDS companies, staff found four companies that provide manual systems, and two web-based companies, one web-based company is located in Europe, and the other company is ProDIGIQ, Inc. a local company.

ProDIGIQ Proposal

ProDIGIQ is one of the many innovative technology companies that have been started by UCSB alumni serving the airport and airline industry. ProDIGIQ has developed web-based FIDS technology that gets direct feeds from various data sources including airlines at Santa Barbara, the Federal Aviation Administration, and major hub airports. This ensures data accuracy and redundancy while removing the dependence on airline staff to maintain the system. A customized web portal for Santa Barbara with secure access will allow real-time messaging and any required manual override.

As part of the Airline Terminal project, FIDS and BIDS screens were purchased and will be installed by the Airport. Airport staff recommends that the City waive the formal bid process and authorize an Access and Use Permit with ProDIGIQ's for a web-based Flight Information Display and Baggage Information Display system to be installed in the new Airline Terminal as it is in the best interests of the City.

ProDIGIQ proposes to provide seven (7) Flight Information Display Systems, two (2) Baggage Information Display Systems, one (1) on-site backup server and one(1) Baggage Information Display System input station for a total cost of \$59,900. In researching other FIDS systems, staff determined that the software license cost was consistent with other programs.

BUDGET/FINANCIAL INFORMATION:

Funding for the FIDS/BIDS systems are included in the Airline Terminal project budget.

PREPARED BY: Hazel Johns, Assistant Airport Director

SUBMITTED BY: Karen Ramsdell, Airport Director

APPROVED BY: City Administrator's Office



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: May 10, 2011

TO: Mayor and Councilmembers

FROM: Administration Division, Community Development Department

SUBJECT: Homeless Prevention And Rapid Re-Housing Agreement Amendments

RECOMMENDATION:

That Council authorize the amendment of the following City of Santa Barbara Homeless Prevention and Rapid Re-Housing Collaborative agreements: Casa Esperanza, No. 23,209; Transition House, No. 23,210; Catholic Charities, No. 23,211; and Legal Aid Foundation, No. 23,213.

DISCUSSION:

On October 27, 2009, Council authorized an increase in appropriations and revenues by \$1,200,000 in the Miscellaneous Grants Fund for the Homeless Prevention and Rapid Re-Housing ARRA grant from the State Department of Housing and Community Development to fund the City of Santa Barbara Homeless Prevention and Rapid Re-Housing Collaborative (HPRP).

The purpose of the HPRP is to provide homeless prevention assistance to households who would otherwise become homeless and to provide assistance to rapidly re-house persons who are already homeless. Assistance can be in the form of financial assistance (rent, security and utility deposits, utility payments) and housing relocation and stabilization services to assist participants with housing stability and/or placement (case management, outreach and engagement, housing search and placement, legal services).

Five agreements were executed under this three-year collaborative grant, as follows:

Casa Esperanza (No. 23,209)	\$300,000
Transition House (No. 23,210)	\$300,000
Catholic Charities (No. 23,211)	\$300,000
Bringing Our Community Home (No. 23,212)	\$104,300
Legal Aid Foundation (No. 23,213)	\$91,238
City Rental Housing and Mediation Task Force (RHMTF)	\$53,762
City Administration and Data Collection	<u>\$50,700</u>
	<u>\$1,200,000</u>

The HPRP regulations state that at least 60% of the total grant must be drawn down by September 30, 2011. Due to the time required to launch this collaborative program, the collaborative was falling short of its expenditure requirements. Three agencies, Casa Esperanza, Transition House and Legal Aid Foundation, have performed consistently; however it took two programs, Catholic Charities and Rental Housing Mediation Task Force (RHMTF), longer to develop their HPRP programs and subsequently spend their funds. In order to meet the drawdown deadline, a budget revision, based upon the spending history of each organization, was submitted to the State Department of Housing and Community Development. The revised budget will move \$125,000 from Catholic Charities to Transition House (\$75,000) and Casa Esperanza (\$50,000) for the provision of financial rental assistance and case management. It will also move \$25,000 from RHMTF to Legal Aid Foundation for homelessness prevention. All affected organizations were consulted prior to submittal of the budget revision request to the State and all agreed on the new amounts. The revised budget was approved by the State on February 11, 2011. As a result, the City agreements need to be revised as follows:

Casa Esperanza (#23,209)	\$375,000
Transition House (#23,210)	\$350,000
Catholic Charities (#23,211)	\$175,000
Bringing Our Community Home (#23,212)	\$104,300
Legal Aid Foundation (#23,213)	\$116,238
City Rental Housing and Mediation Task Force (RHMTF)	\$28,762
City Administration and Data Collection	<u>\$50,700</u>
	<u>\$1,200,000</u>

BUDGET/FINANCIAL INFORMATION:

The City's Rental Housing Mediation Task Force (RHMTF) Program will receive \$25,000 less than originally anticipated over the three years of the grant. However, this revision does not change or alter the budget issues currently affecting the RHMTF program. The HPRP funds are billed only for eligible services provided and are a very minor part of the RHMTF program due to the very strict client eligibility determination requirements. After discussions with program staff, it was determined that the RHMTF program had adequate funds remaining to cover the need for HPRP mediations.

ATTACHMENT: HPRP Approved Budget Revision (2-11-11)
PREPARED BY: Sue Gray, Administrative Services Manager
SUBMITTED BY: Paul Casey, Assistant City Administrator
APPROVED BY: City Administrator's Office

HPRP BUDGET ACTIVITIES-LEAD SHEET			
	Homelessness Prevention	Rapid Re-Housing	Total Amount Budgeted
Financial Assistance	\$340,850	\$341,375	\$682,225
Housing Relocation and Stabilization Services	\$278,150	\$90,375	\$368,525
Subtotal (Add previous two rows)	\$619,000 * <small>(Maximum of 56% of Total Amount Requested)</small>	\$431,750 * <small>(Maximum of 32% of Total Amount Requested)</small>	\$1,050,750

Data Collection and Evaluation	<small>(Maximum of 11% of Total Grant Amount Requested)</small>	\$137,250 *
Grant Administration	<small>(Maximum of 1% of Total Grant Amount Requested)</small>	\$12,000
Total Grant Amount Requested		\$1,200,000

The following budget percentages will assist applicants in determining their budget requests:

<u>Major Budget Activity</u>	<u>Should Not Exceed</u>
Homelessness Prevention*	56% of your total request
Rapid Re-housing*	32% of your total request
Data Collection and Evaluation	11% of your total request
Grant Administration	1% of your total request
	100%

*Any budget activities marked with an asterisk and exceeding the above guide must include an attachment to the budget sheet(s) with a written justification for exceeding the guide. Justifications submitted must reflect the need for increased dollar amounts based upon need and service delivery. Attach any justification(s) behind the Budget in the application.

Budget activities exceeding the guide that are not accompanied with a justification shall be lowered to the guide limit. After review of the pertinent justification(s), HCD may make adjustments to the proposed budget(s).

Budget Limits Exceeded? Yes No
 Justification Submitted? Yes No See Budget Revision Request Form

Applicant/Organization: 09-HPRP- 6135 City of Santa Barbara Collaborative

HOMELESSNESS PREVENTION PROGRAM - SERVICE COST

HPRP PROPOSED BUDGET

Eligible Activities		Amount Requested	Description of requested Amount
Financial Assistance	Short Term Rent (0-3 months)	\$140,000	175 households at \$800 per
(Vendors, Not partner agency)	Medium Term Rent (4-18 months)	\$81,250	54 households at \$1,500 per
	Security Deposit	\$15,000	50 households at \$300 per
	Utility Deposits and Payments	\$10,000	100 households at \$100 per
	Moving Costs		
	Motel/Hotel Vouchers		
	Sub-Total	\$ 246,250	
Housing Relocation and Stabilization Services	Credit Repair	\$ -	
	Outreach and Engagement	\$20,000	Marketing to property owners, including affordable housing providers.
	Legal Services	\$116,238	Representation of those at-risk of homelessness facing evictions for non-payment of rent, including negotiation to reach a payment plan and referral to partner agencies for financial assistance.
	Case Management		
	Housing Search & Placement	\$28,762	Rental Housing Mediation services for those at-risk of homelessness, including information on tenant/landlord rights and responsibilities, staff consultation and mediations between landlords and tenants.
	Sub-Total	\$ 165,000	
Data Collection		\$27,025	Collect, analyze and maintain data and HMIS database, including purchase of computers.
	Sub-Total	\$ 27,025	
Grant Administration		\$1,000	Administer the HPRP grant. Travel for HPRP Training ok.
	Sub-Total	\$ 1,000	

HOMELESSNESS PREVENTION PROGRAM - PERSONNEL COST**HPRP PROPOSED BUDGET**

Staff Title	FTE*	Agency	Describe Major Duties	Financial Assistance	Stabilization	Data Collection	Grant Admin.	Total
Case Manager	0.58	Catholic Charities	Establish financial assistance need; provide payment to 3rd party; monnitor clients;manage HMIS client data	\$49,600	\$25,400			\$75,000
Case Manager	0.94	Transition House	Establish financial assistance need; provide payment to 3rd party; monnitor clients;manage HMIS client data	\$45,000	\$87,750			\$132,750
Staff Accountant	0.21	Transition House	Manage HMIS client data			\$19,500		\$19,500
Admin Services Manager	0.20	City of Santa Barbara	Manage HMIS client data and reports			\$19,350		\$19,350
Admin Services Manager	0.05	City of Santa Barbara	Administer the HPRP Grant				\$5,000	\$5,000
								\$0
								\$0
								\$0
								\$0
Subtotal Staff Costs				\$ 94,600	\$ 113,150	\$ 38,850	\$ 5,000	\$ 251,600

* Full Time Equivalent (FTE) = 160 hours per month

% Example: 80 Hours Worked /160 hours =.5 FTE this should include only time spent working in this Program.

RAPID RE-HOUSING PROGRAM - SERVICE COST**HPRP PROPOSED BUDGET**

Eligible Activities		Amount Requested	Description of requested Amount
Financial Assistance	Short Term Rent (0-3 months)	\$191,600	240 households at \$800 per
	Medium Term Rent (4-18 months)	\$41,000	50 households at \$800 per
	Security Deposit	\$73,750	288 households at \$250 per
	Utility Deposits and Payments		
	Moving Costs		
	Motel/Hotel Vouchers		
	Sub-Total	\$ 306,350	
Housing Relocation and Stabilization Services	Credit Repair		
(Vendors, Not partner agency)	Outreach and Engagement	\$32,775	Outreach to homeless outreach workers, shelters and property owners, including affordable housing providers.
	Legal Services		
	Case Management		
	Housing Search & Placement		
	Sub-Total	\$ 32,775	
Data Collection		\$ 25,000	Collect, analyze and maintain data and HMIS database.
	Sub-Total	\$ 25,000	
Grant Administration		\$ 1,000	Administer the HPRP grant. Travel for HPRP Training ok.
	Sub-Total	\$1,000	

RAPID RE-HOUSING PROGRAM - PERSONNEL COST**HPRP PROPOSED BUDGET**

Staff Title	FTE*	Agency	Describe Major Duties	Financial Assistance	Stabilization	Data Collection	Grant Admin.	Total
Case Manager	0.57	Casa Esperanza	Establish financial assistance need; provide payment to 3rd party; monnitor clients;manage HMIS client data	\$20,025	\$37,350	\$20,025		\$ 77,400
Case Manager	0.25	Transition House	Establish financial assistance need; provide payment to 3rd party; monnitor clients	\$15,000	\$20,250			\$ 35,250
Staff Accountant	0.07	Transition House	Manage HMIS client data			\$7,000		\$ 7,000
Admin Services Manager	0.20	City of Santa Barbara	Manage HMIS client data and reports			\$19,350		\$ 19,350
Admin Services Manager	0.05	City of Santa Barbara	Administer the HPRP Grant				\$5,000	\$ 5,000
								\$ -
								\$ -
								\$ -
								\$ -
Subtotal Staff Costs				\$ 35,025	\$ 57,600	\$ 46,375	\$ 5,000	\$ 144,000

* Full Time Equivalent (FTE) = 160 hours per month

% Example: 80 Hours Worked /160 hours =.5 FTE this should include only time spent working in this Program.



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: May 10, 2011

TO: Mayor and Councilmembers

FROM: Facilities Division, Waterfront Department

SUBJECT: Contract For Water Quality Monitoring Services

RECOMMENDATION:

That Council authorize the Waterfront Director to execute, subject to approval by the City Attorney, a five-year agreement between the City and Science Application International Corporation for Water Quality Monitoring Services for the Waterfront Department, in an amount not to exceed \$92,005 over the term of the contract; and authorize the Waterfront Director to approve expenditures of up to \$9,200 for extra services that may result from necessary changes in the scope of work.

DISCUSSION:

In 2000, the Waterfront prepared a Stormwater Pollution Prevention Plan (SWPPP) in compliance with the Pollution Discharge Elimination System requirements. The SWPPP requires visual monitoring of all Waterfront facilities on a regular basis for potential pollutants that may enter the harbor or ocean as stormwater. The SWPPP also requires sampling and analysis of stormwater at various locations throughout the harbor with annual reports submitted to the Regional Water Quality Control Board. The SWPPP is updated periodically to reflect changed conditions, updated facilities, and other water quality issues that arise.

In 2006, the Waterfront received a Coastal Development Permit (Coastal Permit) from the Coastal Commission for the East Beach Mooring Project. Permit conditions require sampling and analysis of waters in and around the mooring area to determine if moored vessels impact water quality.

Waterfront staff has contracted with separate labs and consulting firms specializing in water quality issues on a year by year basis to comply with the SWPPP and Coastal Permit water quality monitoring requirements. Staff recently prepared a Request for Proposals (RFP) that was sent to several qualified firms to provide water quality monitoring services for the SWPPP and Coastal Permit requirements in an effort to consolidate the efforts and provide consistent monitoring and reporting. Three proposals were received and staff selected Science Applications International

Corporation (SAIC) as the most qualified and experienced firm to provide the required water quality monitoring services.

The RFP required the consultant to provide a cost estimate for a single year of water quality monitoring services with the option of extending the contract to five years. SAIC's cost for a single year of water quality monitoring is \$18,401. Funds for these services are available in the Waterfront's Facilities Division operating budget.

PREPARED BY: Karl Treiberg, Waterfront Facilities Manager

SUBMITTED BY: John N. Bridley, Waterfront Director

APPROVED BY: City Administrator's Office



Agenda Item No. _____

File Code No. 660.04

CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: May 10, 2011

TO: Mayor and Councilmembers

FROM: Housing and Redevelopment Division, Community Development Department

SUBJECT: Grants To Housing Authority For Rehabilitation Of Three Affordable Housing Projects

RECOMMENDATION:

That Council approve three grants to the Housing Authority of the City of Santa Barbara in a total amount not to exceed \$850,000 from Housing Rehabilitation Loan Program repayment funds for needed repairs to three Housing Authority projects located at 418 Santa Fe Place, 521 N. La Cumbre Road, and 2941 State Street, and authorize the Assistant City Administrator/Community Development Director to execute grant agreements in a form acceptable to the City Attorney.

DISCUSSION:

The Housing Authority of the City of Santa Barbara has requested grants for needed repairs to three of its affordable rental housing projects. The rehabilitation grants would be funded through the City's Housing Rehabilitation Loan Program (HRLP) from funds received through repayment of prior rehabilitation loans.

Background Regarding the HRLP:

The City's housing goals include both creating new affordable housing and preserving existing affordable housing. The City's housing preservation accomplishments have been achieved through the City's Housing Rehabilitation Loan Program. The HRLP has been funded annually since 1976 from federal Community Development Block Grant (CDBG) funds. Since its inception, the HRLP has provided over \$16 million in loans for needed repairs to over 750 single family homes owned by low income owner-occupants. The HRLP has also provided loans and grants totaling over \$14 million for repairs to 44 low income housing projects owned by non-profit sponsors. These projects contain a total of 600 units. Usually the HRLP is the only source of funds for needed repairs to these projects, because the affordable rents are so low that the projects cannot maintain adequate reserves. The City's HRLP subsidies to non-profit sponsors are often structured as grants because such projects are not likely to have the surplus funds necessary for loan payments.

The HRLP assistance for repairs to single family homes has predominately been in the form of deferred loans rather than grants. Typically no payments are due until the house is sold or is transferred through the estate of the borrower. However, some borrowers are making scheduled payments on their loans. The repayments average about \$20,000 per month, but there are occasional large repayments upon the sale of the house. We are not able to predict when a large repayment will come in. In the current fiscal year the HRLP has received nearly \$500,000 from such loan pay-offs.

Loan repayments are deposited into the City's CDBG revolving rehabilitation loan fund ("Revolving Loan Fund"), which has a current balance of about \$675,000. Under federal regulations, these loan repayments are considered to be "program income," and must be used for additional rehabilitation loans and grants for low-income housing units.

Future Focus of the HRLP:

In recent years, the HRLP has seen a decline in loan applications from low income owner-occupants. As prices of single family homes have risen beyond the reach of even middle income households, the number of low income homeowners has declined. The clientele of the HRLP has largely been elderly persons who bought their homes decades ago. When these elderly owners (or their estates) sell their homes, the homes are bought by higher income households who do not qualify for HRLP loans.

Because of declining demand for such loans and the increasing cost of administering single family rehabilitations, staffing for the HRLP has been reduced through attrition over recent years. When the last remaining HRLP staffer retired in November, 2010, City management decided to not fill the position. Consequently, for the first time in 35 years, the HRLP did not apply for new CDBG funds for the upcoming fiscal year. The HRLP will no longer provide loans to low-income owner-occupants.

Since the HRLP does not have the staffing to administer single-family rehabilitations, the HRLP will focus on affordable multifamily housing projects owned by non-profit sponsors. Staff recommends that the City HRLP initially focus on the deferred rehabilitation needs of the Housing Authority's projects. The Housing Authority has several rehabilitation jobs that are ready to proceed, and has experienced staff to assure that the work will be high quality and will proceed quickly to completion.

Proposed Grants to the Housing Authority:

The three Housing Authority projects for the proposed HRLP grants are listed below:

- The largest rehabilitation grant is proposed for the SHIFCO low income senior housing project, located at 418 Santa Fe Place. The project contains 107 one-bedroom units (plus one manager's unit). The entire project is in need of new roofs, at an estimated cost of about \$550,000. This is an average of about \$5,000 per unit. Like all CDBG rehabilitation projects of more than four units, this project must comply with federal prevailing wage requirements.

- Substantial rehabilitation of the six units at 2941 State Street. In October, 2010, the City's Redevelopment Agency approved a loan of \$360,000 for the Housing Authority's purchase of the property and the City approved a grant of \$90,000 in CDBG rehabilitation funds for initial rehabilitation. At that time, staff advised Council that the Housing Authority would identify additional rehabilitation needs for the property and return to Council to request more funding. They have completed their assessment, and are requesting an additional \$210,000 in CDBG funds for electrical upgrades, window replacement, interior work and repairs to balconies and stairs.
- Completion of the re-roofing at 521 N. La Cumbre Road (about \$90,000). The Housing Authority began to replace the roofs on this 60 unit senior housing project, but did not have sufficient funds in the project's reserves to complete the work. This additional grant will enable them to complete the re-roofing work.

The total estimated cost of these jobs is \$850,000, and the staff recommendation is that Council approve grants up to \$850,000. However, as noted earlier in this report, the current balance of the Revolving Loan Fund is about \$675,000 (although repayment funds continue to accrue each month). At some point during the rehabilitation work, the Revolving Loan Fund will likely be exhausted. At that point, the Housing Authority will need to either cut back on the scope of the rehabilitation work (perhaps at 2941 State) or will use another source of funds to complete the work. This means that the actual total of these CDBG grants may be less than \$850,000.

The City does not usually approve grants in excess of available funds. Staff is proposing this unusual grant structure in order to facilitate the City's compliance with CDBG deadlines for the expenditure of new CDBG funds. A portion of the City's Revolving Loan Fund came from a prior CDBG grant for new HRLP loan funds. Under CDBG regulations, the City may not draw down this portion until all loan repayment funds are first exhausted. Because we have never reached a zero balance in the Revolving Loan Fund, these unspent CDBG funds are carried over from year to year, and these carryovers make it more difficult for the City to meet the CDBG spending deadlines. We can eliminate these carryovers if we spend the Revolving Loan Fund down to a zero balance sometime during the work on these three properties. With new funds coming in every month, the only way to spend all available funds is to commit more than we estimate we will have. The Housing Authority understands this dilemma, and looks forward to working with City staff in order to spend the available funds in the most effective way possible. The grant agreements to be entered into with the Housing Authority will expressly provide that, should the balance of the Revolving Loan Fund reach zero during the course of the rehabilitation work, the City will not extend any additional funds and the City's obligation under the agreement will terminate.

Conclusion

Staff supports the Housing Authority's request and recommends approval of the requested grants of CDBG funds in order to continue preserving well-maintained and affordable housing for low income residents. Council's Finance Committee was scheduled to review this item at their meeting of May 3, 2011, and will have reported their recommendation to the full Council by the time this item is heard by Council.

PREPARED BY: Brian Bosse, Housing and Redevelopment Manager / SBF

SUBMITTED BY: Paul Casey, Community Development Director

APPROVED BY: City Administrator's Office



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: May 10, 2011
TO: Mayor and Councilmembers
FROM: Administration Division, Finance Department
SUBJECT: Fiscal Year 2011 Third Quarter Financial Review

RECOMMENDATION: That Council:

- A. Hear a report from staff on the status of revenues and expenditures in relation to budget as of March 31, 2011;
- B. Accept the Fiscal Year 2011 Interim Financial Statements for the Nine Months Ended March 31, 2011;
- C. Approve an increase in appropriations to the Fire Department in the amount of \$850,000 to cover projected overtime costs in excess of budget;
- D. Approve an increase in appropriations in the City Attorney's Office budget in the amount of \$54,000 to cover several unbudgeted and unexpected costs; and
- E. Approve an increase in estimated transient occupancy tax revenues by \$904,000 to cover the increases to appropriations in the Fire Department and City Attorney's Office budgets.

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. Each quarter, the interim financial statements are expanded to include a detailed narrative analysis of the General Fund and Enterprise Funds. This narrative analysis is included in Attachment 2.

In addition to the analysis of revenues and expenditures, staff brings forward any 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 2010. A discussion of each is presented below, all of which relate to the General Fund.

Fire Department

During the first half of the fiscal year, the Fire Department had an extraordinary number of personnel out of work due to injury or sickness. Because of minimum staffing requirements, the Department has incurred significant overtime costs to backfill these injured personnel. In addition, with the retirement of ten fire personnel, more overtime costs were incurred to maintain minimum staffing in the last few months while new recruits were sent to the fire academy. In April, these ten new recruits graduated from the fire academy, which is expected to reduce the overtime costs in the last two months of fiscal year.

In total, the Fire Department estimates approximately \$850,000 in costs exceeding budget. Staff is recommending that Council authorize an increase in appropriations funded from an increase in estimated transient occupancy tax (TOT) revenues, which are expected to exceed budget by approximately \$1 million by fiscal year end.

City Attorney's Office

Due to several unbudgeted and unexpected costs, the City Attorney's Office is projected to exceed their budgeted appropriations by an estimated \$54,000. The primary cause of this projected overrun is a \$91,000 payout for accrued vacation and sick leave for an Assistant City Attorney that left the City at the beginning of the fiscal year. Staff recommends that these costs also be funded from an increase in TOT revenues.

ATTACHMENTS:

1. Summary by Fund Statement of Revenues and Expenditures for the Nine Months Ended March 31, 2011
2. Interim Financial Statements for the Nine Months Ended March 31, 2011 (Narrative Analysis)

PREPARED 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 Nine Months Ended March 31, 2011 (75% of Fiscal Year)

	Annual Budget	YTD Actual	Encum- brances	Remaining Balance	Percent of Budget
GENERAL FUND					
Revenue	99,604,807	69,728,798	-	29,876,009	70.0%
Expenditures	100,619,818	75,021,208	938,389	24,660,222	75.5%
<i>Addition to / (use of) reserves</i>	<u>(1,015,011)</u>	<u>(5,292,409)</u>	<u>(938,389)</u>		
WATER OPERATING FUND					
Revenue	34,632,686	25,088,648	-	9,544,038	72.4%
Expenditures	35,669,711	22,108,075	2,534,354	11,027,282	69.1%
<i>Addition to / (use of) reserves</i>	<u>(1,037,025)</u>	<u>2,980,573</u>	<u>(2,534,354)</u>		
WASTEWATER OPERATING FUND					
Revenue	14,985,411	11,447,550	-	3,537,861	76.4%
Expenditures	19,066,345	12,891,828	1,151,951	5,022,566	73.7%
<i>Addition to / (use of) reserves</i>	<u>(4,080,934)</u>	<u>(1,444,277)</u>	<u>(1,151,951)</u>		
DOWNTOWN PARKING					
Revenue	6,689,440	5,036,053	-	1,653,387	75.3%
Expenditures	7,391,283	4,680,728	773,478	1,937,077	73.8%
<i>Addition to / (use of) reserves</i>	<u>(701,843)</u>	<u>355,325</u>	<u>(773,478)</u>		
AIRPORT OPERATING FUND					
Revenue	13,065,477	10,097,243	-	2,968,234	77.3%
Expenditures	13,134,132	8,812,777	461,916	3,859,439	70.6%
<i>Addition to / (use of) reserves</i>	<u>(68,655)</u>	<u>1,284,466</u>	<u>(461,916)</u>		
GOLF COURSE FUND					
Revenue	2,049,194	1,326,119	-	723,075	64.7%
Expenditures	2,060,811	1,451,386	91,102	518,322	74.8%
<i>Addition to / (use of) reserves</i>	<u>(11,617)</u>	<u>(125,267)</u>	<u>(91,102)</u>		
INTRA-CITY SERVICE FUND					
Revenue	6,083,553	3,776,743	-	2,306,810	62.1%
Expenditures	6,781,899	3,543,091	993,788	2,245,021	66.9%
<i>Addition to / (use of) reserves</i>	<u>(698,346)</u>	<u>233,652</u>	<u>(993,788)</u>		

CITY OF SANTA BARBARA
Interim Statement of Revenues and Expenditures
Summary by Fund
For the Nine Months Ended March 31, 2011 (75% 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	2,227,068	1,687,485	-	539,583	75.8%
Expenditures	4,631,542	1,863,765	315,958	2,451,819	47.1%
<i>Addition to / (use of) reserves</i>	<u>(2,404,474)</u>	<u>(176,280)</u>	<u>(315,958)</u>		
FLEET MAINTENANCE FUND					
Revenue	2,429,418	1,784,583	-	644,835	73.5%
Expenditures	2,485,972	1,692,358	155,082	638,532	74.3%
<i>Addition to / (use of) reserves</i>	<u>(56,554)</u>	<u>92,226</u>	<u>(155,082)</u>		
SELF INSURANCE TRUST FUND					
Revenue	5,694,553	4,102,938	-	1,591,615	72.1%
Expenditures	6,194,109	4,675,649	346,826	1,171,634	81.1%
<i>Addition to / (use of) reserves</i>	<u>(499,556)</u>	<u>(572,711)</u>	<u>(346,826)</u>		
INFORMATION SYSTEMS ICS FUND					
Revenue	2,339,593	1,755,888	-	583,705	75.1%
Expenditures	2,344,701	1,702,255	65,288	577,157	75.4%
<i>Addition to / (use of) reserves</i>	<u>(5,108)</u>	<u>53,632</u>	<u>(65,288)</u>		
WATERFRONT FUND					
Revenue	11,762,974	8,642,049	-	3,120,925	73.5%
Expenditures	11,850,433	8,308,763	548,087	2,993,584	74.7%
<i>Addition to / (use of) reserves</i>	<u>(87,459)</u>	<u>333,286</u>	<u>(548,087)</u>		
TOTAL FOR ALL FUNDS					
Revenue	201,564,174	144,474,097	-	57,090,078	71.7%
Expenditures	212,230,757	146,751,881	8,376,221	57,102,655	73.1%
<i>Addition to / (use of) reserves</i>	<u>(10,666,583)</u>	<u>(2,277,785)</u>	<u>(8,376,221)</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 Nine Months Ended March 31, 2011 (75% of Fiscal Year)

	Annual Budget	YTD Actual	Remaining Balance	Percent Received	Previous YTD
TAXES					
Sales and Use	16,714,359	12,277,729	4,436,630	73.5%	11,389,142
Property Taxes	22,790,000	12,726,570	10,063,430	55.8%	12,817,377
Utility Users Tax	7,040,000	5,243,082	1,796,918	74.5%	5,202,549
Transient Occupancy Tax	11,157,000	9,348,110	1,808,890	83.8%	8,560,351
Franchise Fees	3,266,000	2,570,057	695,943	78.7%	2,666,473
Business License	2,168,000	1,747,967	420,033	80.6%	1,742,246
Real Property Transfer Tax	358,100	286,103	71,997	79.9%	270,612
<i>Total</i>	<u>63,493,459</u>	<u>44,199,618</u>	<u>19,293,841</u>	69.6%	<u>42,648,749</u>
LICENSES & PERMITS					
Licenses & Permits	194,000	145,420	48,580	75.0%	135,840
<i>Total</i>	<u>194,000</u>	<u>145,420</u>	<u>48,580</u>	75.0%	<u>135,840</u>
FINES & FORFEITURES					
Parking Violations	2,469,069	1,849,887	619,182	74.9%	1,800,527
Library Fines	115,000	84,389	30,611	73.4%	92,275
Municipal Court Fines	150,000	114,130	35,870	76.1%	96,344
Other Fines & Forfeitures	175,000	179,291	(4,291)	102.5%	137,731
<i>Total</i>	<u>2,909,069</u>	<u>2,227,696</u>	<u>681,373</u>	76.6%	<u>2,126,877</u>
USE OF MONEY & PROPERTY					
Investment Income	848,615	567,977	280,638	66.9%	783,782
Rents & Concessions	421,535	333,820	87,715	79.2%	302,810
<i>Total</i>	<u>1,270,150</u>	<u>901,797</u>	<u>368,353</u>	71.0%	<u>1,086,591</u>
INTERGOVERNMENTAL					
Grants	511,559	455,334	56,225	89.0%	344,872
Vehicle License Fees	150,000	216,096	(66,096)	144.1%	175,012
Reimbursements	14,040	8,135	5,905	57.9%	8,684
<i>Total</i>	<u>675,599</u>	<u>679,565</u>	<u>(3,966)</u>	100.6%	<u>528,568</u>
FEES & SERVICE CHARGES					
Finance	858,930	637,547	221,383	74.2%	621,878
Community Development	4,452,856	3,559,603	893,253	79.9%	3,374,558
Recreation	2,358,031	1,421,732	936,299	60.3%	1,368,678
Public Safety	476,348	335,656	140,692	70.5%	328,665
Public Works	5,219,373	3,697,659	1,521,714	70.8%	3,779,052
Library	779,643	732,883	46,760	94.0%	739,092
Reimbursements	5,856,688	4,128,347	1,728,341	70.5%	4,113,639
<i>Total</i>	<u>20,001,869</u>	<u>14,513,427</u>	<u>5,488,442</u>	72.6%	<u>14,325,563</u>
OTHER MISCELLANEOUS REVENUES					
Miscellaneous	1,475,938	1,381,595	94,343	93.6%	1,334,955
Indirect Allocations	6,520,510	4,890,383	1,630,127	75.0%	5,455,329
Operating Transfers-In	3,064,213	789,298	2,274,915	25.8%	1,152,570
<i>Total</i>	<u>11,060,661</u>	<u>7,061,276</u>	<u>3,999,385</u>	63.8%	<u>7,942,854</u>
TOTAL REVENUES	<u>99,604,807</u>	<u>69,728,798</u>	<u>29,876,009</u>	70.0%	<u>68,795,042</u>

CITY OF SANTA BARBARA
General Fund
Interim Statement of Appropriations, Expenditures and Encumbrances
For the Nine Months Ended March 31, 2011 (75% 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	686,819	521,907	1,262	163,650	76.2%	
<i>Total</i>	686,819	521,907	1,262	163,650	76.2%	514,571
<u>City Attorney</u>						
CITY ATTORNEY	1,867,900	1,491,629	-	376,271	79.9%	
<i>Total</i>	1,867,900	1,491,629	-	376,271	79.9%	1,499,087
<u>Administration</u>						
CITY ADMINISTRATOR	1,289,339	973,235	1,262	314,842	75.6%	
LABOR RELATIONS	110,649	75,146	-	35,503	67.9%	
CITY TV	449,365	276,968	40,487	131,909	70.6%	
<i>Total</i>	1,849,353	1,325,350	41,749	482,254	73.9%	1,309,188
<u>Administrative Services</u>						
CITY CLERK	453,472	320,126	12,994	120,352	73.5%	
HUMAN RESOURCES	1,072,931	760,759	9,763	302,409	71.8%	
ADMIN SVCS-EMPLOYEE DEVELOPMENT	135,367	89,264	-	46,103	65.9%	
<i>Total</i>	1,661,770	1,170,150	22,756	468,864	71.8%	1,479,895
<u>Finance</u>						
ADMINISTRATION	225,246	180,014	7,495	37,736	83.2%	
TREASURY	442,107	306,511	1,700	133,896	69.7%	
CASHIERING & COLLECTION	419,606	320,534	-	99,072	76.4%	
LICENSES & PERMITS	383,444	280,886	-	102,558	73.3%	
BUDGET MANAGEMENT	376,809	294,641	-	82,168	78.2%	
ACCOUNTING	389,626	293,365	26,554	69,706	82.1%	
PAYROLL	266,456	197,279	-	69,177	74.0%	
ACCOUNTS PAYABLE	207,691	154,814	-	52,877	74.5%	
CITY BILLING & CUSTOMER SERVICE	575,806	407,677	-	168,129	70.8%	
PURCHASING	657,198	479,466	1,225	176,507	73.1%	
CENTRAL STORES	158,284	115,982	376	41,926	73.5%	
MAIL SERVICES	86,794	66,177	181	20,436	76.5%	
<i>Total</i>	4,189,067	3,097,346	37,532	1,054,189	74.8%	3,293,142
TOTAL GENERAL GOVERNMENT	10,254,909	7,606,382	103,300	2,545,227	75.2%	8,095,884
PUBLIC SAFETY						
<u>Police</u>						
CHIEF'S STAFF	1,157,059	890,512	-	266,547	77.0%	
SUPPORT SERVICES	568,188	428,058	444	139,686	75.4%	
RECORDS	1,272,453	949,064	10,194	313,195	75.4%	
COMMUNITY SVCS	904,269	701,065	911	202,292	77.6%	
CRIME ANALYSIS	7,067	5,300	-	1,767	75.0%	
PROPERTY ROOM	125,865	97,768	820	27,277	78.3%	

CITY OF SANTA BARBARA
General Fund
Interim Statement of Appropriations, Expenditures and Encumbrances
For the Nine Months Ended March 31, 2011 (75% of Fiscal Year)

	Annual Budget	YTD Actual	Encum- brances	** Remaining Balance	YTD Expended and Encumbered	Previous YTD
PUBLIC SAFETY						
<u>Police</u>						
TRNG/RECRUITMENT	452,567	425,654	10,424	16,489	96.4%	
RANGE	1,023,098	828,697	12,109	182,292	82.2%	
BEAT COORDINATORS	479,676	436,135	-	43,541	90.9%	
INFORMATION TECHNOLOGY	1,112,749	823,200	78,629	210,920	81.0%	
INVESTIGATIVE DIVISION	4,334,087	3,277,029	2,205	1,054,853	75.7%	
CRIME LAB	213,712	100,970	1,388	111,354	47.9%	
PATROL DIVISION	13,162,085	10,153,039	91,019	2,918,027	77.8%	
TRAFFIC	1,288,565	886,525	1,304	400,736	68.9%	
SPECIAL EVENTS	972,017	998,252	-	(26,235)	102.7%	
TACTICAL PATROL FORCE	1,114,467	880,410	-	234,057	79.0%	
STREET SWEEPING ENFORCEMENT	278,644	220,412	-	58,232	79.1%	
NIGHT LIFE ENFORCEMENT	325,787	202,845	-	122,942	62.3%	
PARKING ENFORCEMENT	1,000,147	672,561	22,035	305,550	69.4%	
CCC	2,292,999	1,563,840	1,971	727,188	68.3%	
ANIMAL CONTROL	542,378	451,548	1,127	89,703	83.5%	
<i>Total</i>	<u>32,627,878</u>	<u>24,992,886</u>	<u>234,580</u>	<u>7,400,412</u>	77.3%	<u>23,512,151</u>
<u>Fire</u>						
ADMINISTRATION	816,405	606,866	2,832	206,707	74.7%	
EMERGENCY SERVICES AND PUBLIC ED	210,178	136,069	-	74,109	64.7%	
PREVENTION	1,166,561	807,594	475	358,493	69.3%	
WILDLAND FIRE MITIGATION PROGRAM	173,996	122,314	22,072	29,610	83.0%	
OPERATIONS	16,292,037	13,127,170	39,052	3,125,815	80.8%	
ARFF	1,637,120	1,436,152	-	200,968	87.7%	
<i>Total</i>	<u>20,296,297</u>	<u>16,236,164</u>	<u>64,431</u>	<u>3,995,702</u>	80.3%	<u>14,956,907</u>
TOTAL PUBLIC SAFETY	<u>52,924,175</u>	<u>41,229,050</u>	<u>299,011</u>	<u>11,396,114</u>	78.5%	<u>38,469,058</u>
PUBLIC WORKS						
<u>Public Works</u>						
ADMINISTRATION	872,992	584,472	23,237	265,283	69.6%	
ENGINEERING SVCS	4,353,334	3,276,875	3,602	1,072,858	75.4%	
PUBLIC RT OF WAY MGMT	983,568	738,567	4,628	240,373	75.6%	
ENVIRONMENTAL PROGRAMS	361,153	183,495	57,639	120,019	66.8%	
<i>Total</i>	<u>6,571,047</u>	<u>4,783,440</u>	<u>89,106</u>	<u>1,698,501</u>	74.2%	<u>4,475,255</u>
TOTAL PUBLIC WORKS	<u>6,571,047</u>	<u>4,783,440</u>	<u>89,106</u>	<u>1,698,501</u>	74.2%	<u>4,475,255</u>
COMMUNITY SERVICES						
<u>Parks & Recreation</u>						
PRGM MGMT & BUS SVCS	476,287	352,493	-	123,794	74.0%	
FACILITIES	354,519	268,908	14,576	71,035	80.0%	
CULTURAL ARTS	420,422	298,508	5,739	116,175	72.4%	

CITY OF SANTA BARBARA
General Fund
Interim Statement of Appropriations, Expenditures and Encumbrances
For the Nine Months Ended March 31, 2011 (75% of Fiscal Year)

	Annual Budget	YTD Actual	Encum- brances	** Remaining Balance	YTD Expended and Encumbered	Previous YTD
COMMUNITY SERVICES						
<u>Parks & Recreation</u>						
YOUTH ACTIVITIES	733,831	511,120	6,188	216,523	70.5%	
SR CITIZENS	653,938	448,439	444	205,055	68.6%	
AQUATICS	1,042,852	799,442	31,218	212,192	79.7%	
SPORTS	495,345	321,816	10,486	163,043	67.1%	
TENNIS	258,175	152,845	-	105,330	59.2%	
NEIGHBORHOOD & OUTREACH SERV	989,941	747,006	3,202	239,734	75.8%	
ADMINISTRATION	520,544	393,945	-	126,599	75.7%	
PROJECT MANAGEMENT TEAM	223,659	167,297	11,436	44,926	79.9%	
BUSINESS SERVICES	302,136	185,669	12,636	103,831	65.6%	
FACILITY & PROJECT MGT	951,580	722,136	620	228,824	76.0%	
GROUNDS MANAGEMENT	4,134,610	2,911,767	111,861	1,110,982	73.1%	
FORESTRY	1,163,333	735,273	148,740	279,320	76.0%	
BEACH MAINTENANCE	164,643	105,821	8,910	49,912	69.7%	
<i>Total</i>	<u>12,885,815</u>	<u>9,122,484</u>	<u>366,055</u>	<u>3,397,276</u>	73.6%	<u>9,413,663</u>
<u>Library</u>						
ADMINISTRATION	399,732	272,762	-	126,970	68.2%	
PUBLIC SERVICES	1,997,383	1,446,065	3,950	547,368	72.6%	
SUPPORT SERVICES	1,861,824	1,063,324	7,297	791,204	57.5%	
<i>Total</i>	<u>4,258,939</u>	<u>2,782,150</u>	<u>11,247</u>	<u>1,465,542</u>	65.6%	<u>2,912,760</u>
TOTAL COMMUNITY SERVICES	<u>17,144,754</u>	<u>11,904,634</u>	<u>377,302</u>	<u>4,862,818</u>	71.6%	<u>12,326,423</u>
COMMUNITY DEVELOPMENT						
<u>Community Development</u>						
ADMINISTRATION	427,609	308,347	1,866	117,396	72.5%	
ECON DEV	52,296	33,589	-	18,707	64.2%	
CITY ARTS ADVISORY PROGRAM	427,260	427,260	-	-	100.0%	
HUMAN SVCS	819,851	590,748	-	229,103	72.1%	
RDA	685,691	490,107	-	195,584	71.5%	
RDA HSG DEV	642,855	450,915	-	191,940	70.1%	
LR PLANNING/STUDIES	716,236	546,790	1,151	168,295	76.5%	
DEV & DESIGN REVIEW	952,017	666,224	13,635	272,158	71.4%	
ZONING	809,341	595,491	2,335	211,515	73.9%	
DESIGN REV & HIST PRESERVATN	886,555	580,560	21,101	284,894	67.9%	
SHO/ENVIRON REVIEW/TRAINING	737,535	557,216	2,826	177,493	75.9%	
BLDG PERMITS	1,027,134	772,778	7,725	246,630	76.0%	
RECORDS & ARCHIVES	523,630	363,778	10,371	149,480	71.5%	
PLAN CK & COUNTER SRV	1,252,403	884,589	8,660	359,155	71.3%	
<i>Total</i>	<u>9,960,413</u>	<u>7,268,394</u>	<u>69,670</u>	<u>2,622,349</u>	73.7%	<u>7,184,963</u>
TOTAL COMMUNITY DEVELOPMENT	<u>9,960,413</u>	<u>7,268,394</u>	<u>69,670</u>	<u>2,622,349</u>	73.7%	<u>7,184,963</u>

CITY OF SANTA BARBARA
General Fund
Interim Statement of Appropriations, Expenditures and Encumbrances
For the Nine Months Ended March 31, 2011 (75% of Fiscal Year)

	<u>Annual Budget</u>	<u>YTD Actual</u>	<u>Encum- brances</u>	<u>** Remaining Balance</u>	<u>YTD Expended and Encumbered</u>	<u>Previous YTD</u>
NON-DEPARTMENTAL						
<u>Non-Departmental</u>						
DUES, MEMBERSHIPS, & LICENSES	22,272	23,865	-	(1,593)	107.2%	
COMMUNITY PROMOTIONS	1,537,890	1,245,800	-	292,090	81.0%	
SPECIAL PROJECTS	359,264	224,550	-	134,714	62.5%	
TRANSFERS OUT	43,500	32,625	-	10,875	75.0%	
DEBT SERVICE TRANSFERS	350,445	321,340	-	29,105	91.7%	
CAPITAL OUTLAY TRANSFER	508,170	381,128	-	127,043	75.0%	
APPROP. RESERVE	942,979	-	-	942,979	0.0%	
<i>Total</i>	<u>3,764,520</u>	<u>2,229,308</u>	<u>-</u>	<u>1,535,212</u>	59.2%	<u>1,816,141</u>
TOTAL NON-DEPARTMENTAL	<u>3,764,520</u>	<u>2,229,308</u>	<u>-</u>	<u>1,535,212</u>	59.2%	<u>1,816,141</u>
TOTAL EXPENDITURES	<u>100,619,818</u>	<u>75,021,208</u>	<u>938,389</u>	<u>24,660,222</u>	75.5%	<u>72,367,724</u>

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

For Enterprise and Internal Service Funds, the legal 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
Special Revenue Funds
Interim Statement of Revenues and Expenditures
For the Nine Months Ended March 31, 2011 (75% of Fiscal Year)

	Annual Budget	YTD Actual	Encum- brances	Remaining Balance	Percent of Budget
TRAFFIC SAFETY FUND					
Revenue	470,000	326,205	-	143,795	69.4%
Expenditures	470,000	326,205	-	143,795	69.4%
<i>Revenue Less Expenditures</i>	-	-	-	-	
CREEK RESTORATION/WATER QUALITY IMPRVMT					
Revenue	2,407,300	2,014,928	-	392,372	83.7%
Expenditures	4,163,728	2,617,121	281,269	1,265,338	69.6%
<i>Revenue Less Expenditures</i>	(1,756,428)	(602,194)	(281,269)	(872,966)	
SOLID WASTE PROGRAM					
Revenue	17,512,032	12,629,554	-	4,882,478	72.1%
Expenditures	19,316,716	13,395,842	971,703	4,949,172	74.4%
<i>Revenue Less Expenditures</i>	(1,804,684)	(766,288)	(971,703)	(66,694)	
COMM.DEVELOPMENT BLOCK GRANT					
Revenue	2,003,480	1,412,880	-	590,599	70.5%
Expenditures	2,003,480	645,226	281,633	1,076,621	46.3%
<i>Revenue Less Expenditures</i>	-	767,654	(281,633)	(486,022)	
COUNTY LIBRARY					
Revenue	1,752,519	1,125,932	-	626,587	64.2%
Expenditures	1,863,394	1,288,140	43,516	531,738	71.5%
<i>Revenue Less Expenditures</i>	(110,875)	(162,208)	(43,516)	94,849	
STREETS FUND					
Revenue	9,926,670	6,930,489	-	2,996,181	69.8%
Expenditures	13,933,618	6,919,633	1,343,002	5,670,983	59.3%
<i>Revenue Less Expenditures</i>	(4,006,948)	10,856	(1,343,002)	(2,674,803)	
MEASURE A					
Revenue	2,882,759	2,051,439	-	831,320	71.2%
Expenditures	2,882,759	1,627,994	541,531	713,233	75.3%
<i>Revenue Less Expenditures</i>	-	423,444	(541,531)	118,087	

CITY OF SANTA BARBARA
Interim Statement of Revenues and Expenses
For the Nine Months Ended March 31, 2011 (75% of Fiscal Year)

WATER OPERATING FUND

	Annual Budget	YTD Actual	Encum- brances	Remaining Balance	Percent of Budget	Previous YTD
REVENUES						
	-	15,006	-	(15,006)	100.0%	-
Water Sales - Metered	30,350,000	20,858,216	-	9,491,784	68.7%	21,141,445
Service Charges	395,000	642,113	-	(247,113)	162.6%	374,937
Cater JPA Treatment Charges	2,272,520	2,326,679	-	(54,159)	102.4%	2,632,737
Licenses & Permits	-	-	-	-	100.0%	-
Investment Income	860,900	740,775	-	120,125	86.0%	887,001
Grants	-	-	-	-	100.0%	24,243
Reimbursements	-	-	-	-	100.0%	-
Miscellaneous	754,266	505,859	-	248,407	67.1%	971,392
TOTAL REVENUES	34,632,686	25,088,648	-	9,544,038	72.4%	26,031,756
EXPENSES						
Salaries & Benefits	7,617,220	5,413,321	-	2,203,899	71.1%	5,147,240
Materials, Supplies & Services	10,173,513	5,341,935	1,975,258	2,856,320	71.9%	5,676,944
Special Projects	737,378	167,276	76,844	493,258	33.1%	81,632
Water Purchases	8,177,644	5,036,484	409,238	2,731,922	66.6%	5,442,512
Debt Service	5,088,853	3,548,408	-	1,540,445	69.7%	3,211,818
Capital Outlay Transfers	3,349,702	2,512,276	-	837,426	75.0%	3,976,869
Equipment	177,227	61,338	4,380	111,509	37.1%	78,114
Capitalized Fixed Assets	191,932	6,285	68,634	117,013	39.0%	967
Other	43,000	20,750	-	22,250	48.3%	21,299
Appropriated Reserve	113,242	-	-	113,242	0.0%	-
TOTAL EXPENSES	35,669,711	22,108,075	2,534,354	11,027,282	69.1%	23,637,395

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 Expenses
For the Nine Months Ended March 31, 2011 (75% 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						
	-	15,006	-	(15,006)	100.0%	-
Service Charges	14,200,000	10,394,696	-	3,805,304	73.2%	10,192,979
Fees	452,911	710,806	-	(257,895)	156.9%	518,210
Investment Income	296,100	221,586	-	74,514	74.8%	304,289
Public Works	11,400	30,377	-	(18,977)	266.5%	4,548
Miscellaneous	25,000	75,078	-	(50,078)	300.3%	21,700
TOTAL REVENUES	<u>14,985,411</u>	<u>11,447,550</u>	<u>-</u>	<u>3,537,861</u>	<u>76.4%</u>	<u>11,041,726</u>
EXPENSES						
Salaries & Benefits	5,178,153	3,714,492	-	1,463,661	71.7%	3,449,843
Materials, Supplies & Services	5,812,865	3,879,643	1,142,366	790,857	86.4%	3,579,824
Special Projects	180,000	158,158	-	21,842	87.9%	568,024
Transfers-Out	-	-	-	-	100.0%	48,750
Debt Service	1,352,038	334,388	-	1,017,650	24.7%	343,983
Capital Outlay Transfers	6,295,500	4,721,625	-	1,573,875	75.0%	2,120,391
Equipment	54,428	25,472	6,836	22,121	59.4%	18,678
Capitalized Fixed Assets	97,261	58,050	2,750	36,461	62.5%	967
Appropriated Reserve	96,100	-	-	96,100	0.0%	-
TOTAL EXPENSES	<u>19,066,345</u>	<u>12,891,828</u>	<u>1,151,951</u>	<u>5,022,566</u>	<u>73.7%</u>	<u>10,130,460</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 Expenses
For the Nine Months Ended March 31, 2011 (75% of Fiscal Year)
DOWNTOWN PARKING

	<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	840,000	661,577	-	178,423	78.8%	617,656
Parking Fees	5,606,000	4,187,278	-	1,418,722	74.7%	4,220,429
Investment Income	154,700	114,037	-	40,663	73.7%	158,933
Rents & Concessions	23,740	23,740	-	-	100.0%	23,740
Reimbursements	20,000	4,598	-	15,402	23.0%	13,004
Miscellaneous	1,500	12,198	-	(10,698)	813.2%	1,937
Operating Transfers-In	43,500	32,625	-	10,875	75.0%	43,500
TOTAL REVENUES	<u>6,689,440</u>	<u>5,036,053</u>	<u>-</u>	<u>1,653,387</u>	<u>75.3%</u>	<u>5,079,199</u>
EXPENSES						
Salaries & Benefits	3,847,242	2,765,557	-	1,081,685	71.9%	2,617,678
Materials, Supplies & Services	1,807,229	1,078,923	134,612	593,695	67.1%	1,162,567
Special Projects	730,482	99,640	631,842	(1,000)	100.1%	458,943
Transfers-Out	312,621	234,466	-	78,155	75.0%	234,466
Capital Outlay Transfers	660,000	495,000	-	165,000	75.0%	944,070
Equipment	25,000	7,142	7,025	10,833	56.7%	169
Capitalized Fixed Assets	-	-	-	-	100.0%	1,890
Appropriated Reserve	8,709	-	-	8,709	0.0%	-
TOTAL EXPENSES	<u>7,391,283</u>	<u>4,680,728</u>	<u>773,478</u>	<u>1,937,077</u>	<u>73.8%</u>	<u>5,419,782</u>

CITY OF SANTA BARBARA
Interim Statement of Revenues and Expenses
For the Nine Months Ended March 31, 2011 (75% 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	3,977,000	3,239,068	-	737,932	81.4%	3,120,723
Leases - Terminal	4,927,950	3,725,524	-	1,202,426	75.6%	3,521,348
Leases - Non-Commerical Aviation	1,095,875	1,126,949	-	(31,074)	102.8%	850,395
Leases - Commerical Aviation	2,637,000	1,733,919	-	903,081	65.8%	1,622,031
Investment Income	231,100	177,421	-	53,679	76.8%	235,973
Miscellaneous	196,552	94,362	-	102,190	48.0%	141,486
TOTAL REVENUES	<u>13,065,477</u>	<u>10,097,243</u>	<u>-</u>	<u>2,968,234</u>	<u>77.3%</u>	<u>9,491,955</u>
EXPENSES						
Salaries & Benefits	4,913,183	3,568,852	-	1,344,331	72.6%	3,374,742
Materials, Supplies & Services	6,432,710	4,375,900	456,880	1,599,930	75.1%	4,331,906
Special Projects	912,307	416,501	-	495,806	45.7%	355,166
Transfers-Out	31,049	23,287	-	7,762	75.0%	-
Capital Outlay Transfers	550,000	412,500	-	137,500	75.0%	488,302
Equipment	24,610	15,737	5,036	3,836	84.4%	21,287
Capitalized Fixed Assets	-	-	-	-	100.0%	(5,055)
Appropriated Reserve	270,273	-	-	270,273	0.0%	-
TOTAL EXPENSES	<u>13,134,132</u>	<u>8,812,777</u>	<u>461,916</u>	<u>3,859,439</u>	<u>70.6%</u>	<u>8,566,347</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 Expenses
For the Nine Months Ended March 31, 2011 (75% of Fiscal Year)

GOLF COURSE FUND

	<u>Annual Budget</u>	<u>YTD Actual</u>	<u>Encum- brances</u>	<u>Remaining Balance</u>	<u>Percent of Budget</u>	<u>Previous YTD</u>
REVENUES						
Fees & Card Sales	1,725,172	1,093,851	-	631,321	63.4%	987,336
Investment Income	20,200	9,797	-	10,403	48.5%	25,199
Rents & Concessions	300,322	218,036	-	82,286	72.6%	200,832
Miscellaneous	3,500	4,435	-	(935)	126.7%	254,731
TOTAL REVENUES	<u>2,049,194</u>	<u>1,326,119</u>	<u>-</u>	<u>723,075</u>	<u>64.7%</u>	<u>1,468,098</u>
EXPENSES						
Salaries & Benefits	1,095,646	837,636	-	258,010	76.5%	820,793
Materials, Supplies & Services	611,462	377,821	81,578	152,062	75.1%	378,168
Special Projects	14,524	300	9,524	4,700	67.6%	976
Transfers-Out	-	-	-	-	100.0%	507,767
Debt Service	213,407	180,532	-	32,875	84.6%	182,141
Capital Outlay Transfers	70,000	52,500	-	17,500	75.0%	415
Equipment	3,500	2,597	-	903	74.2%	2,501
Appropriated Reserve	52,272	-	-	52,272	0.0%	-
TOTAL EXPENSES	<u>2,060,811</u>	<u>1,451,386</u>	<u>91,102</u>	<u>518,322</u>	<u>74.8%</u>	<u>1,892,761</u>

CITY OF SANTA BARBARA
Interim Statement of Revenues and Expenses
For the Nine Months Ended March 31, 2011 (75% of Fiscal Year)

INTRA-CITY SERVICE FUND

	<u>Annual Budget</u>	<u>YTD Actual</u>	<u>Encum- brances</u>	<u>Remaining Balance</u>	<u>Percent of Budget</u>	<u>Previous YTD</u>
REVENUES						
Work Orders - Bldg Maint.	3,598,018	2,351,538	-	1,246,480	65.4%	2,478,570
Grants	742,970	125,499	-	617,472	16.9%	818,200
Service Charges	1,742,565	1,299,424	-	443,141	74.6%	1,231,111
Miscellaneous	-	283	-	(283)	100.0%	2,034
Operating Transfers-In	-	-	-	-	100.0%	48,750
TOTAL REVENUES	<u>6,083,553</u>	<u>3,776,743</u>	<u>-</u>	<u>2,306,810</u>	<u>62.1%</u>	<u>4,578,665</u>
EXPENSES						
Salaries & Benefits	2,858,723	2,110,471	-	748,252	73.8%	2,138,680
Materials, Supplies & Services	1,109,096	714,118	94,940	300,038	72.9%	664,019
Special Projects	2,010,520	569,482	408,568	1,032,471	48.6%	764,449
Capital Outlay Transfers	-	-	-	-	100.0%	65,622
Equipment	23,000	10,290	-	12,710	44.7%	522
Capitalized Fixed Assets	780,560	138,729	490,280	151,550	80.6%	781,676
TOTAL EXPENSES	<u>6,781,899</u>	<u>3,543,091</u>	<u>993,788</u>	<u>2,245,021</u>	<u>66.9%</u>	<u>4,414,968</u>

CITY OF SANTA BARBARA
Interim Statement of Revenues and Expenses
For the Nine Months Ended March 31, 2011 (75% 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	1,791,427	1,343,570	-	447,857	75.0%	1,007,265
Investment Income	153,300	123,370	-	29,930	80.5%	158,013
Rents & Concessions	232,341	174,256	-	58,085	75.0%	182,136
Miscellaneous	50,000	46,289	-	3,711	92.6%	90,568
TOTAL REVENUES	<u>2,227,068</u>	<u>1,687,485</u>	<u>-</u>	<u>539,583</u>	<u>75.8%</u>	<u>1,437,981</u>
EXPENSES						
Salaries & Benefits	150,983	115,428	-	35,555	76.5%	109,247
Materials, Supplies & Services	993	1,420	-	(427)	143.0%	1,590
Capitalized Fixed Assets	4,479,566	1,746,918	315,958	2,416,690	46.1%	726,782
TOTAL EXPENSES	<u>4,631,542</u>	<u>1,863,765</u>	<u>315,958</u>	<u>2,451,819</u>	<u>47.1%</u>	<u>837,619</u>

CITY OF SANTA BARBARA
Interim Statement of Revenues and Expenses
For the Nine Months Ended March 31, 2011 (75% 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	2,369,418	1,777,063	-	592,355	75.0%	1,860,178
Miscellaneous	60,000	7,520	-	52,480	12.5%	-
TOTAL REVENUES	<u>2,429,418</u>	<u>1,784,583</u>	<u>-</u>	<u>644,835</u>	<u>73.5%</u>	<u>1,860,178</u>
EXPENSES						
Salaries & Benefits	1,141,256	865,041	-	276,215	75.8%	824,592
Materials, Supplies & Services	1,255,238	797,502	152,197	305,539	75.7%	688,763
Special Projects	87,279	28,162	2,339	56,778	34.9%	19,777
Equipment	2,200	1,653	547	-	100.0%	-
TOTAL EXPENSES	<u>2,485,972</u>	<u>1,692,358</u>	<u>155,082</u>	<u>638,532</u>	<u>74.3%</u>	<u>1,533,132</u>

CITY OF SANTA BARBARA
Interim Statement of Revenues and Expenses
For the Nine Months Ended March 31, 2011 (75% of Fiscal Year)

SELF INSURANCE TRUST FUND

	** Annual Budget	YTD Actual	Encum- brances	Remaining Balance	Percent of Budget	Previous YTD
REVENUES						
Insurance Premiums	2,583,750	1,938,671	-	645,079	75.0%	2,212,960
Workers' Compensation Premiums	2,643,581	1,982,686	-	660,895	75.0%	1,862,196
OSH Charges	277,322	-	-	277,322	0.0%	226,888
Investment Income	189,900	134,856	-	55,044	71.0%	207,534
Community Development	-	316	-	(316)	100.0%	-
Miscellaneous	-	46,409	-	(46,409)	100.0%	12,636
TOTAL REVENUES	5,694,553	4,102,938	-	1,591,615	72.1%	4,522,214
EXPENSES						
Salaries & Benefits	523,458	297,899	-	225,559	56.9%	368,825
Materials, Supplies & Services	4,928,992	3,659,662	346,826	922,505	81.3%	3,258,441
Special Projects	-	100	-	(100)	100.0%	-
Transfers-Out	717,988	717,988	-	-	100.0%	300,000
Capital Outlay Transfers	-	-	-	-	100.0%	829
Appropriated Reserve	23,671	-	-	23,671	0.0%	-
TOTAL EXPENSES	6,194,109	4,675,649	346,826	1,171,634	81.1%	3,928,094

*** 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 Expenses
For the Nine Months Ended March 31, 2011 (75% of Fiscal Year)

INFORMATION SYSTEMS ICS FUND

	Annual Budget	YTD Actual	Encum- brances	Remaining Balance	Percent of Budget	Previous YTD
REVENUES						
Service charges	2,302,393	1,718,688	-	583,705	74.6%	1,834,388
Miscellaneous	-	-	-	-	100.0%	226
Operating Transfers-In	37,200	37,200	-	-	100.0%	-
TOTAL REVENUES	2,339,593	1,755,888	-	583,705	75.1%	1,834,614
EXPENSES						
Salaries & Benefits	1,487,770	1,136,857	-	350,913	76.4%	1,062,959
Materials, Supplies & Services	549,179	401,675	43,171	104,333	81.0%	431,315
Special Projects	1,700	4,049	10,082	(12,431)	831.2%	2,725
Equipment	249,213	159,673	12,036	77,504	68.9%	227,253
Appropriated Reserve	56,839	-	-	56,839	0.0%	-
TOTAL EXPENSES	2,344,701	1,702,255	65,288	577,157	75.4%	1,724,252

CITY OF SANTA BARBARA
Interim Statement of Revenues and Expenses
For the Nine Months Ended March 31, 2011 (75% of Fiscal Year)

WATERFRONT FUND

	<u>Annual Budget</u>	<u>YTD Actual</u>	<u>Encum- brances</u>	<u>Remaining Balance</u>	<u>Percent of Budget</u>	<u>Previous YTD</u>
REVENUES						
Leases - Commercial	1,372,773	1,016,501	-	356,272	74.0%	1,053,900
Leases - Food Service	2,173,351	1,768,181	-	405,170	81.4%	1,733,261
Slip Rental Fees	3,864,398	2,889,338	-	975,060	74.8%	2,750,930
Visitors Fees	555,894	336,147	-	219,747	60.5%	410,386
Slip Transfer Fees	621,957	336,975	-	284,982	54.2%	362,275
Parking Revenue	1,912,769	1,330,974	-	581,795	69.6%	1,414,579
Wharf Parking	244,477	162,694	-	81,783	66.5%	176,095
Other Fees & Charges	361,252	280,267	-	80,985	77.6%	275,200
Investment Income	215,759	167,136	-	48,623	77.5%	218,356
Rents & Concessions	299,504	250,913	-	48,591	83.8%	209,880
Grants	12,190	4,256	-	7,934	34.9%	-
Miscellaneous	128,650	98,666	-	29,984	76.7%	120,466
TOTAL REVENUES	<u>11,762,974</u>	<u>8,642,049</u>	<u>-</u>	<u>3,120,925</u>	<u>73.5%</u>	<u>8,725,329</u>
EXPENSES						
Salaries & Benefits	5,480,825	4,146,133	-	1,334,692	75.6%	3,889,242
Materials, Supplies & Services	3,405,267	2,289,294	492,955	623,018	81.7%	2,355,065
Special Projects	147,074	80,122	22,500	44,452	69.8%	82,037
Debt Service	1,665,997	1,042,388	-	623,609	62.6%	1,109,556
Capital Outlay Transfers	969,361	727,021	-	242,340	75.0%	848,536
Equipment	81,909	23,805	32,632	25,472	68.9%	14,642
Appropriated Reserve	100,000	-	-	100,000	0.0%	-
TOTAL EXPENSES	<u>11,850,433</u>	<u>8,308,763</u>	<u>548,087</u>	<u>2,993,584</u>	<u>74.7%</u>	<u>8,299,078</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.

Fiscal Year 2011 Interim Financial Statements
For the Nine Months Ended March 31, 2011 (75% of Year Elapsed)

General Fund Revenues

The table below summarizes General Fund revenues for the nine months ended March 31, 2011. For interim financial statement purposes, revenues are reported on the cash basis (i.e. when the funds are received). The table below includes the budgeted totals as well as the year-to-date (YTD) budget, which for tax revenues and franchise fees has been seasonally adjusted based on a 3-year average of collections through the same period. Because tax revenues are not collected evenly throughout the year, adjusting the year-to-date budget to reflect the unique collection pattern of each type of tax revenue enables a more meaningful comparison to year-to-date results as shown in the Year-to-Date Actual column. For all other revenues, the Year-to-Date Budget column represents 75% (9 months out of the 12 elapsed) of the annual budget column. Unlike tax revenues, these revenues tend to be collected more evenly during the year.

Summary of Revenues								
For the Nine Months Ended March 31, 2011								
GENERAL FUND								
	Current Year Analysis						Prior Year Analysis	
	Annual Budget	YTD Budget *	YTD Actual	YTD Variance	YTD Percent Rec'd	3-Year Average Bench- mark	Prior Year YTD Actual	Variance Prior Yr To Current Yr
Sales & Use Tax	\$ 16,714,359	\$ 11,984,195	\$ 12,277,728	\$ 293,533	73.46%	71.70%	\$ 11,389,142	7.8%
Property Tax	22,790,000	12,648,450	12,726,570	78,120	55.84%	55.50%	12,817,377	-0.7%
UUT	7,040,000	5,251,840	5,243,082	(8,758)	74.48%	74.60%	5,202,549	0.8%
TOT	11,157,000	8,613,204	9,348,110	734,906	83.79%	77.20%	8,560,351	9.2%
Bus License	2,168,000	1,725,728	1,747,967	22,239	80.63%	79.60%	1,742,246	0.3%
Prop Trans Tax	358,100	282,899	286,103	3,204	79.89%	79.00%	270,612	5.7%
Total Taxes	60,227,459	40,506,316	41,629,560	1,123,244	69.12%	67.26%	39,982,277	4.1%
License & Permits	194,000	145,500	145,420	(80)	74.96%	75.00%	135,840	7.1%
Fines & Forfeitures	2,909,069	2,181,802	2,227,696	45,894	76.58%	75.00%	2,126,877	4.7%
Franchise Fee	3,266,000	2,465,830	2,570,057	104,227	78.69%	75.50%	2,666,473	-3.6%
Use of Money & Property	1,270,150	952,613	901,797	(50,816)	71.00%	75.00%	1,086,591	-17.0%
Intergovernmental	675,599	506,699	679,565	172,866	100.59%	75.00%	528,568	28.6%
Fee & Charges	20,001,869	15,001,402	14,513,427	(487,975)	72.56%	75.00%	14,325,563	1.3%
Miscellaneous	9,812,232	7,359,174	7,061,276	(297,898)	71.96%	75.00%	7,942,854	-11.1%
Total Other	38,128,919	28,613,019	28,099,238	(513,781)	73.70%		28,812,766	-2.5%
Total Before Budgeted Variances	98,356,378	69,119,336	69,728,798	609,462			68,795,043	
Anticipated Year-End Var	1,248,429	936,322	-	(936,322)	0.00%	75.00%	-	0.0%
Total Revenues	\$ 99,604,807	\$ 70,055,657	\$ 69,728,798	\$ (326,859)	70.01%	70.33%	\$ 68,795,043	1.4%

* YTD Budget for Taxes is calculated based on a 3-year average of collections for each revenue source; for all other revenues, YTD Budget is calculated on a straight-line basis based on the number of months elapsed.

As seen in the table above, total revenues were approximately \$327,000 under the YTD budget through March 31; however, the variance in total revenue collection before budgeted variances was a \$609,000 positive variance. Tax revenues were \$1.1 million above the YTD budget but

*Fiscal Year 2011 Interim Financial Statements
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other revenues were approximately \$514,000 under budget.

The local economy has shown signs of slow recovery and General Fund revenue collection was 1.4% above that for the first nine months of the prior year. Cash receipts of all tax revenues exceeded the prior year amounts by \$1.6 million (4.1%) and were almost 1.9% ahead of the YTD budget for the first 9 months of this fiscal year. All tax revenues, except Utility Users Tax (UUT), are ahead of the 3-year average collection rate at March 31. However, it is important to note that, although revenues have been increasing, they are still well below the “pre-recession” levels and will require several years of continued growth to get back to the revenue totals for fiscal year 2008. Key revenues and significant variances are discussed below.

Sales and Use Taxes

Sales tax revenue collections were almost \$294,000 above the YTD budget. However, while year-to-date collections include three quarters, the revenues received through March 31, 2011 provide information for the growth in sales tax revenues earned for the quarter ended December 31, 2010. These revenues were 7.8% over those from the prior year. Sales tax payments for the quarter ended March 31st will not be received until mid-June but these revenues are slowly improving after two years of declines. At this point, staff is projecting that sales tax revenues will exceed budget by approximately \$666,000 at year-end.

Transient Occupancy Tax

TOT revenue was approximately \$735,000 (6.6%) over the YTD budget at March 31. TOT revenues have continued their strong performance with growth in each of the past 15 months. TOT revenues at March 31, 2011 were 9.2% ahead of revenues for the same period in the prior year. While revenues are expected to continue their growth in the coming months, the rate of growth has slowed and will likely be moderated since they will be building off the second half of the prior year where revenues actually grew. Overall, revenues are expected to exceed the annual budget by approximately \$1.13 million by year-end.

Intergovernmental

The largest component of Intergovernmental revenue is mutual aid received by the Fire Department. These revenues are generated when the Fire Department provides mutual aid assistance to other locations throughout the state. The City is reimbursed for the actual costs of providing assistance, plus an overhead factor to provide the service. The positive variance at March 31 is primarily due to a \$909,000 reduction to budgeted mutual aid revenues that Council approved as part of the mid-year adjustments to reflect the reduced anticipated mutual aid revenues for the remainder of the year.

Fees & Service Charges

Overall, fees and service charges are almost \$488,000 (2.4%) under the YTD budget. The largest negative variances were in Parks & Recreation (\$347,000) Public Works (\$217,000), and Inter-Fund charges (\$264,000), with another \$116,000 negative YTD variance spread across the other departments. The more significant mid-year variances are discussed below.

***Fiscal Year 2011 Interim Financial Statements
For the Nine Months Ended March 31, 2011 (75% of Year Elapsed)***

Parks & Recreation revenues are \$347,000 (14.7%) below the YTD budget due to declining facility rentals and registrations for classes and programs. Revenues have been impacted by the rainy first half of the year, which impacted field rentals and tennis permit sales. Revenues are projected to end the year approximately \$107,000 under budget. The Department has identified expenditure reductions to offset the majority, if not all, of the shortfall.

Public Works fee revenue was \$219,000 (4.1%) under the YTD budget primarily due to engineering work orders that have not met budget expectations through March 31. Engineering Work orders are primarily charges for services to other funds throughout the City related to capital projects. Lost time due to the furlough, leave of absence, and leave time has limited the available billable hours to use on projects. Staff is projecting that revenues will end the year slightly under budget.

Fees and Service Charges General Fund For the Nine Months Ended March 31, 2011								
Department	Annual Budget	YTD Budget	YTD Actual	Budget Variance	Percent Received YTD	Prior Year YTD	Prior Year Variance	Percent Variance
Finance	\$ 858,930	\$ 644,198	\$ 637,547	\$ (6,651)	74.2%	\$ 621,878	\$ 15,669	2.5%
Community Development	4,452,856	3,339,642	3,559,603	219,961	79.9%	3,374,558	185,045	5.5%
Parks & Recreation	2,358,031	1,768,523	1,421,732	(346,791)	60.3%	1,368,678	53,054	3.9%
Public Safety	476,348	357,261	335,656	(21,605)	70.5%	328,665	6,991	2.1%
Public Works	5,219,373	3,914,530	3,697,659	(216,871)	70.8%	3,779,052	(81,393)	-2.2%
Library	779,643	584,732	732,883	148,151	94.0%	739,092	(6,209)	-0.8%
Inter-Fund Charges	5,856,688	4,392,516	4,128,347	(264,169)	70.5%	4,113,639	14,708	0.4%
Total	\$ 20,001,869	\$ 15,001,402	\$ 14,513,427	\$ (487,975)	72.6%	\$ 14,325,563	\$ 187,864	1.3%

Inter-Fund charges are \$264,000 (4.5%) below the YTD budget through nine months. These are reimbursements from other City funds and departments, and other governments for various services. Approximately \$110,000 of the variance is related to cost reimbursements from the City Redevelopment Agency (RDA). Salary & benefits costs in the RDA are lower than budgeted due primarily to vacancies of key positions. With lower costs incurred to manage RDA operations, reimbursement revenues from the RDA are proportionately lower.

Approximately \$133,000 of the YTD budget variance is due to reimbursement for law enforcement activities. The City administers a police communications network for a Joint Powers Authority (JPA) with various police agencies throughout the state. Operating expenditures for the JPA are billed twice during the year so variances are normal throughout the year. All costs of the JPA will be reimbursed. The police have provided services that are reimbursable through federal and state grants. The reimbursements are received after actual expenditures have been made so they often lag throughout the year. Staff will continue to evaluate and monitor revenues in the next quarter and will report on significant projected year-end shortfalls in the third quarter report.

Anticipated Year-End Variances

It is important to note that the table on page 1 includes a negative \$936,000 in budgeted revenue variances through March 31, 2011 associated with anticipated year-end savings. The Anticipated Year-End Variance is roughly equal to 1.3% of budgeted operating expenditures in

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the General Fund and represents what staff projected in favorable expenditure variances (i.e. expenditures *under* budget) for the year. As is the case each year, the Anticipated Year-End Variance budgeted at \$1,248,429 will not reflect any actual revenues; instead, the favorable variances are expected to be realized as expenditures savings by year-end.

General Fund Expenditures

The table below summarizes the General Fund budget and year-to-date expenditures through March 31, 2011. The “Adjusted Annual Budget” column represents the adopted budget, appropriation carryovers from the prior year, and any supplemental appropriations approved by Council in the current year.

As shown below, a year-to-date budget (labeled “YTD Budget”) column is included. This represents 75% of the annual budget to coincide with 9 out of 12 months in the fiscal year having elapsed. Unlike revenues, where the collection rate during the year is often seasonally affected, salaries and benefits and several other types of expenditures tend to be incurred fairly evenly throughout the year. The table includes actual expenditures without encumbrances and another column for the variance after considering encumbrances. Inclusion of encumbrances can significantly distort the analysis of budgeted and actual expenditures after nine months.

Outstanding encumbrances include appropriations that were carried forward from prior year as part of the appropriation carryovers and contracts or blanket purchase orders that have been added in the current year but are expected to be spent over the coming months. The following discussion and analysis does not include the impact of encumbrances.

SUMMARY OF EXPENDITURES GENERAL FUND For the Nine Months Ended March 31, 2011							
Department	Adjusted Annual Budget	YTD Budget	YTD Actual	YTD Variance Without Encumbrance	Encum- brance	YTD Variance With Encumb Favorable (Unfavorable)	
						\$	%
Mayor & Council	\$ 686,819	\$ 515,114	\$ 521,907	\$ (6,793)	\$ 1,262	\$ (8,055)	-1.2%
City Attorney	1,867,900	1,400,925	1,491,629	(90,704)	-	(90,704)	-4.9%
City Administrator	1,849,353	1,387,015	1,325,350	61,665	41,749	19,916	1.1%
Administrative Svs.	1,661,770	1,246,328	1,170,150	76,178	22,756	53,422	3.2%
Finance	4,189,067	3,141,800	3,097,346	44,454	37,532	6,922	0.2%
Police	32,627,878	24,470,909	24,992,886	(521,978)	234,580	(756,558)	-2.3%
Fire	20,296,297	15,222,223	16,236,164	(1,013,941)	64,431	(1,078,372)	-5.3%
Public Works	6,571,047	4,928,285	4,783,440	144,845	89,106	55,739	0.8%
Parks & Recreation	12,885,815	9,664,361	9,122,484	541,877	366,055	175,822	1.4%
Library	4,258,939	3,194,204	2,782,150	412,054	11,247	400,807	9.4%
Community Dev.	9,960,413	7,470,310	7,268,394	201,916	69,670	132,246	1.3%
Non-Departmental	3,764,520	2,823,390	2,229,308	594,082	-	594,082	15.8%
Total	<u>\$ 100,619,818</u>	<u>\$ 75,464,864</u>	<u>\$ 75,021,208</u>	<u>\$ 443,656</u>	<u>\$ 938,388</u>	<u>\$ (494,733)</u>	-0.5%
% of annual budget		75.0%	74.6%	0.4%	0.9%	-0.5%	

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The adjusted annual budget of almost \$100.6 million includes a \$1.3 million expenditure reduction for budgeted labor concessions in the Police and Fire departments and a reduction of \$550,000 for mutual aid overtime costs. These adjustments were approved by Council at in February as part of the mid-year (2nd quarter) report. The \$100.6 million adjusted budget is a \$2.8 million reduction from the budget in the prior year. The year-to-date budget of \$75.5 million (75%) at March 31, compared to actual expenditures of \$75 million, resulted in a favorable variance of approximately \$444,000 (0.4%) at March 31 in the General Fund.

As of March 31st, the Mayor and Council, City Attorney, Fire, and Police departments exceeded their YTD budgets. Variances in these departments are discussed below.

Mayor and Council departmental expenditures were almost \$7,000 over YTD budget at March 31. This is due to the cost of interns in the first half of the year and benefit costs that are in excess of the budgeted amount. Health insurance costs are budgeted based upon an estimate of the cost of providing coverage for employees and are impacted by the actual insurance options elected by the employees. Expenditures for materials, supplies, and services are being reduced as much as possible to offset negative variances. At this time it is considered likely that expenditures will slightly exceed budget at year-end. Departmental expenditures will be monitored and a request for appropriations will be brought to Council at the end of the fourth quarter if it is necessary.

City Attorney departmental expenditures were approximately 4.9% (\$91,000) over the YTD budget. Salaries and benefits expenditures were over the YTD budget, primarily due to a vacation cash out from the retirement of an assistant City Attorney at the beginning of the year and promotion of a law clerk to a Deputy City Attorney position. Materials, supplies, and services were almost \$28,000 over budget due to the purchase of office furniture and equipment, paper and copy costs, and legal subscriptions. Expenditures are projected to exceed appropriations by approximately \$54,000 and, accordingly, staff is requesting additional appropriations.

Police Department expenditures were approximately \$522,000 (1.6%) above the YTD budget at March 31. Most of this negative YTD budget variance is due to the timing of payrolls thus far in the fiscal year, with 20 of the 26 (76.92%) bi-weekly payrolls occurring in the first 9 months. Additionally, Police Department expenditures are above the straight line percentage during the year because there are a disproportionate number of community activities, including July 4th and Fiesta, in the first quarter of the year. Annual expenditures are expected to be within budget without requesting additional appropriations. In connection with the adoption of the fiscal year 2011 budget, Council added \$200,000 to the appropriated reserves account to fund, as needed, cost overruns in the Police Department due to over-hiring. Staff will continue to monitor the Police budget over the final three months of the fiscal year and will request that Council allocate funds from the appropriated reserves account to the Police Department if the appropriations limit will be exceeded.

Fire Department expenditures are in excess of \$1 million over the YTD budget at March 31. As previously noted, 76.92% of payrolls have occurred, resulting in \$343,000 of the negative YTD variance. Additionally, staff reported to Council in the mid-year report that there have been an extraordinary number of firefighters out due to injury and that has required a higher than normal degree of overtime to maintain minimum staffing requirements. Many of the injured employees

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have retired and, thus, the level of overtime costs is expected to decrease throughout the remainder of the year. However, the department has experienced additional overtime costs while new firefighters have been trained in the fire academy. Total expenditures in the Fire Department are expected to exceed budget by approximately \$872,000 at year-end. Staff is requesting additional appropriations at this time that will be funded from an increase in budgeted transient occupancy tax revenues.

All other departmental expenditures are within the YTD budget and are expected to finish the year within their adjusted budgets.

Non-Departmental expenditures were approximately \$594,000 (15.8%) under the YTD budget mostly because none of the \$943,000 Appropriated Reserve has been used. This reserve is intended to be used for unanticipated needs that may arise during the year and accounts for approximately 25% of the overall budget in this department. Of this total, \$200,000 was established to provide funding to the Police Department as necessary for over-hiring of police officers.

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Enterprise Fund Revenues and Expenses

Unlike the General Fund, which relies primarily on taxes to subsidize programs and services, Enterprise Fund operations are financed primarily from user fees and other non-tax revenues. The table below summarizes Enterprise Fund revenues through March 31, 2011, with a comparison to budget and prior year. Note that the "YTD Budget" column has been calculated based on a 3-year average collection rate through March 31st. This rate, which is shown as a percentage in the "3 Year Average Rec'd" column, has been applied to the annual budget amount to arrive at the Year-to-Date Budget. This approach is used in recognition that enterprise fund revenues, like General Fund tax revenues, are seasonally affected and are not necessarily received evenly throughout the year.

As shown below, half of the enterprise fund revenues are in line with the YTD budget. All revenue variances were within 2.4% of the YTD budget, except for the Airport and Golf Funds. A more detailed discussion is provided later in this section of the report.

SUMMARY OF REVENUES & EXPENSES								
Nine Months Ended March 31, 2010								
ENTERPRISE FUNDS								
	Current Year Analysis						Prior Year Analysis	
	Annual Budget	YTD Budget *	YTD Actual	YTD Variance	YTD Percent	3 Year Average	YTD Actual	% Variance
Water Fund								
Revenues	\$ 34,632,686	\$ 25,912,176	\$ 25,088,648	\$ (823,528)	72.4%	74.8%	\$ 26,031,756	-3.6%
Expenses **	35,669,711	26,752,283	24,642,429	2,109,854	69.1%	75.0%	26,425,717	-6.7%
Wastewater Fund								
Revenues	14,985,411	11,297,501	11,447,550	150,049	76.4%	75.4%	11,041,726	3.7%
Expenses **	19,066,345	14,299,759	14,043,779	255,980	73.7%	75.0%	11,201,251	25.4%
Downtown Parking Fund								
Revenues	6,689,440	4,945,503	5,036,053	90,550	75.3%	73.9%	5,079,199	-0.8%
Expenses **	7,391,283	5,543,462	5,454,206	89,256	73.8%	75.0%	5,841,394	-6.6%
Airport Fund								
Revenues	13,065,477	9,203,322	10,097,243	893,921	77.3%	70.4%	9,491,955	6.4%
Expenses **	13,134,132	9,850,599	9,274,693	575,906	70.6%	75.0%	9,028,700	2.7%
Golf Fund								
Revenues	2,049,194	1,626,240	1,326,119	(300,121)	64.7%	79.4%	1,468,098	-9.7%
Expenses **	2,060,811	1,545,608	1,542,488	3,120	74.8%	75.0%	1,995,306	-22.7%
Waterfront Fund								
Revenues	11,762,974	8,857,519	8,642,049	(215,470)	73.5%	75.3%	8,725,329	-1.0%
Expenses **	11,850,433	8,887,825	8,856,850	30,975	74.7%	75.0%	8,665,504	2.2%
* The YTD Budget column has been calculated based on a 3-year average collection rate through March 31 which has been applied to the annual budget								
** Expenses include encumbrances at March 31								

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Enterprise fund expenses through March 31, 2011, with a comparison to budget and prior year, are also summarized in the table on the previous page. The column labeled "YTD Budget" represents 75% of the annual budget column. Although many expenses tend to be incurred somewhat evenly throughout the year, there are some notable expenses that do not. These expenses, such as debt service and capital projects, can create significant temporary variances from the YTD budget at certain times during the year.

The expenses shown in the table include outstanding encumbrances at March 31, 2011. Outstanding encumbrances include appropriations that were carried forward from prior year as part of the appropriation carryovers and contracts or blanket purchase orders that have been added in the current year but are expected to be spent over the coming months.

Expenses in all enterprise funds are under the year-to-date budget at March 31, 2011. Both Salaries & Benefits and Materials, Supplies, & Services expenses were under the YTD budget at March 31 in all of the enterprise funds. As previously noted, there is a temporary variance in salaries and benefits at March 31 due to 76.92% of annual pay dates occurring in the first 75% of the fiscal year. The following discussion highlights some of the more significant revenue and expense variances of the enterprise funds, in relation to budget or prior year.

Water Fund

Water Fund revenues were approximately \$824,000 (2.4%) below the year-to-date budget as of March 31st. Of the \$34.6 million in budgeted Water Fund revenue this year, approximately \$30.4 million (87.6%) is derived from charges for metered water service. Metered water sales were approximately 6% below the 3-year average at March 31 and accounted for most of the overall negative revenue variance in the fund. Consumption is the primary factor impacting metered water revenue variances and can be largely affected by weather conditions. We experienced approximately 300% of normal rainfall in the first half of the year and, consequently, water sales were below the YTD budget. The amount of rainfall in the next three months will impact annual sales. At this time staff is projecting that Water Fund revenues will be approximately \$1.2 million (3.4%) under budget at year end. Staff will continue to monitor the status of revenues and will reduce expenses to the extent possible to minimize the revenue shortfalls.

Expenses for the Water Fund were approximately 5.9% under the YTD budget and \$1.8 million below expenses for the first nine months of the prior year. The YTD budget variance is primarily the result of salary savings of 4.9% (\$373,000), approximately \$417,000 (4.1%) for materials, supplies, and services, and almost \$769,000 for water purchases. These expenses include water treatment chemicals & supplies, repairs & maintenance, and non-contractual services. Additionally, there is a \$270,000 variance in debt service due to the timing of scheduled payments and \$113,000 in appropriated reserves that have not been spent.

Airport Fund

Airport Fund revenues are approximately 6.9% (\$894,000) ahead of the YTD budget at March 31 and approximately 6.4% (\$605,000) ahead of revenues for the first nine months of the prior year. All sectors, except commercial aviation, exceeded the YTD budget at March 31. Passenger traffic has increased steadily in the past year and fuel sales have exceeded budget.

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Commercial/Industrial revenue is 6.6% above target, Non-Commercial Aviation revenues have surpassed the annual budget, and Airline Terminal revenue was 5.2% above the YTD budget.

Airport expenses were \$576,000 below the YTD budget at March 31. Salary and benefits were 2.4% below the YTD budget due to vacancies in Patrol and Maintenance. Special projects expenses were \$268,000 below budget and the \$270,000 appropriated reserve is unspent. Expenses are projected to end the year under budget.

Golf Fund

Golf Fund revenues were approximately 14.7% below the YTD budget for the first nine months of the year and 9.7% below those for the same period in the prior year. The number of rounds played, and associated revenue, have been impacted by the extremely wet winter months, the slow economy, and capital improvements to the golf course. Staff projects that revenues will end the year approximately 11% below budgeted revenues.

Golf Fund expenses in line with the YTD budget at March 31st. The Fund will reduce expenses as much as possible to offset the anticipated negative revenue variance.

Waterfront Fund

Waterfront Fund revenues were 1.8% (\$215,000) below the YTD budget at March 31 and approximately 1% below prior year revenues for the same period. Slip transfer fees were approximately \$131,000 below the YTD budget and parking revenues were approximately \$109,000 below the YTD budget but lease revenues slightly exceeded YTD budget at March 31. It is difficult to project where slip transfer fees will end the year but staff is anticipating a negative variance at June 30. Parking revenues were down in all lots and this has been attributed to the cold and foggy weather at the Santa Barbara beaches during the first half of the year. Overall, Waterfront revenues are anticipated to end the year approximately 2.4% (\$284,000) below budget.

Waterfront expenses were in line with the YTD budget at March 31. Expense savings are anticipated to offset a portion of the projected revenue variance.



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: May 10, 2011
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 *Santa Barbara Patients' Collective Health Cooperative v. City of Santa Barbara, et al. USDC Case No. CV 10-6534 DDP (RCx); and*

The Green Light Dispensary, Inc., A California Non-Profit Mutual Benefit Corporation, v. City of Santa Barbara, USDC Case No. CV 10-7203 DDP (RCx).

SCHEDULING:

Duration: 30 minutes; anytime

REPORT:

None anticipated

SUBMITTED BY: Stephen P. Wiley, City Attorney

APPROVED BY: City Administrator's Office



Agenda Item No. _____

File Code No. 160.01

CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: May 3, 2011

TO: Mayor and Councilmembers

FROM: City Administrator's Office

SUBJECT: Public Employee Performance Evaluation – Government Code Section 54957

RECOMMENDATION:

That Council hold a closed session for a Public Employee Performance Evaluation per Government Code Section 54957.

Title: City Attorney

Scheduling: Duration, 40 minutes; anytime

Report: None anticipated

PREPARED BY: Linda Gunther, Administrator's Office Supervisor

SUBMITTED BY: Helene Schneider, Mayor

APPROVED BY: City Administrator's Office