



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: June 21, 2011

TO: Mayor and Councilmembers

FROM: Administration Division, Finance Department

SUBJECT: Adoption Of The Two-Year Financial Plan For Fiscal Years 2012 And 2013 And The Operating And Capital Budget For Fiscal Year 2012

RECOMMENDATION: That Council adopt, by reading of title only:

- A. A Resolution of the Council of the City of Santa Barbara Adopting the Two-Year Financial Plan for Fiscal Years 2012 and 2013;
- B. A Resolution of the Council of the City of Santa Barbara Adopting the Budget for Fiscal Year 2012 by Appropriating Moneys for the Use and Support of Said City from the Funds and to the Purposes Herein Specified;
- C. A Resolution of the Council of the City of Santa Barbara Establishing the City's Appropriation Limitation for Fiscal Year 2012;
- D. A Resolution of the Council of the City of Santa Barbara Establishing Certain City Fees, and Rescinding Resolution Nos. 10-044, 10-093, 10-097, and 10-100;
- E. A Resolution of the Council of the City of Santa Barbara Authorizing Classified and Unclassified Positions in the City's Service Effective July 1, 2011, and Providing a Schedule of Classifications and Salaries for the Same in Accordance with the Operating Budget for the 2012 Fiscal Year;
- F. A Resolution of the Council of the City of Santa Barbara Authorizing the Continuation of Capital and Special Project Appropriations to Fiscal Year 2012;
- G. A Resolution of the Council of the City of Santa Barbara for Paying and Reporting the Value of Employer-Paid Member Contributions (EPMC) for Regular Miscellaneous Employees Effective June 18, 2011;
- H. A Resolution of the Council of the City of Santa Barbara for Employer-Paid Member Contributions for Hourly Employees Effective June 18, 2011; and
- I. A Resolution of the Council of the City of Santa Barbara Declaring a Mandatory Unpaid Furlough for City Employees During Fiscal Year 2012.

EXECUTIVE SUMMARY

Staff is recommending the adoption of nine resolutions that, among other things, will officially adopt the Fiscal Year 2012 budget, which begins on July 1, 2011. This action is the culmination of ten public hearings during which Council reviewed in detail the City Administrator's recommended budget filed on April 19, 2011.

DISCUSSION:

Since the April 19, 2011 filing of the Recommended Two-Year Financial Plan for Fiscal Years 2012 and 2013 and the Recommended Operating and Capital Budget for Fiscal Year 2012, the City Council held ten special budget review meetings and public hearings to hear presentations from departments on their respective proposed budgets. In addition, Finance Committee held five separate meetings to review various aspects of the recommended budget in greater detail, including the General Fund balancing strategy, General Fund revenues and growth assumptions, changes to authorized positions, and departmental fees and service charges. At the May 24, 2011 Finance Committee meeting, the Committee approved staff recommended adjustments to the recommended budget and forwarded these budget recommendations to Council for consideration at the June 2, 2011 Special Council Meeting and Public Hearing.

At the June 2, 2011 Special Council Meeting and Public Hearing, Council gave final direction to staff, which included a vote to approve the staff recommended adjustments, previously approved by the Finance Committee, along with Council's own adjustments to the budget. The budget that is scheduled for adoption incorporates all of these adjustments approved by Council.

FINAL BUDGET ADJUSTMENTS

As mentioned above, Council approved adjustments recommended by staff and made its own additional adjustments to the two-year financial plan at the budget work session held on June 2, 2011. These budget adjustments are summarized in the attachment and discussed briefly below.

Staff-Recommended Changes Approved by Council

Since filing the Two-Year Financial Plan for Fiscal Years 2012 and 2013 in April 2011, there were several budget related developments that necessitated changes to the estimated revenues and appropriations contained in the recommended budget. This occurs nearly every year because of the length of time between the development of the recommended budget and the final date of budget adoption. As such, staff proposed changes to the recommended budget to reflect this new information which has an impact on revenues and appropriations for next fiscal year.

Other Adjustments Approved By Council

At the June 2, 2011 budget work session, Council directed staff to make other adjustments to the Proposed Two-Year Financial Plan for Fiscal Years 2012 and 2013. The items are listed in the attached summary.

DECLARATION OF FURLOUGH

Many of the City's labor agreements and salary plans call for unpaid furlough in varying amounts in Fiscal Year 2012. Under most of these agreements, Council may trigger a furlough through the adoption of a resolution declaring that a reduction in workforce is necessary for economic reasons and that a mandatory unpaid work furlough should be implemented. This Resolution will implement those furloughs, and also sets forth the furlough plan applicable to managers and confidential employees in Fiscal Year 2012. Similar resolutions were adopted in Fiscal Year 2010 and Fiscal Year 2011.

Staff is recommending that the furlough apply to confidential employees in 2012 in the same amount as in Fiscal Year 2011 (116.5 hours). If General Unit employees ultimately take a lesser concession for Fiscal Year 2012, staff will return to recommend an equitable adjustment for confidential employees. The furlough for the City Administrator and City Attorney will be 83.5 hours, the same as other non-sworn managers. The furlough plans for other employee groups are contained in their labor agreements.

Once negotiations are finalized with the General Unit, staff will prepare a recommendation for furlough closure dates designed to minimize the impact of the furlough on the public.

BUDGET RESOLUTIONS FOR COUNCIL ADOPTION

Adoption of the nine budget related resolutions, as contained in the staff recommendation to this agenda report, will accomplish the following:

1. Adopt the Two-Year Financial Plan for Fiscal Years 2012 and 2013;
2. Adopt the annual operating and capital budget for Fiscal Year 2012;
3. Adopt the City's appropriation limit for Fiscal Year 2012 pursuant to Article XIII B of the California Constitution;
4. Adopt the master fee resolution for Fiscal Year 2012 establishing citywide fees in the various departments and funds. Included in the fee resolution for adoption are increases to the City's water, wastewater, and solid waste rates. Pursuant to Proposition 218, notice of the proposed increases was sent to utility customers in March and April 2011 and posted on the City's website. As of June 14, 2011, hearing, the date of the Proposition 218 hearing, only 12 written protests were received;
5. Approve the authorized positions for Fiscal Year 2012, including the position changes presented in the budget and the corresponding salary ranges;

6. Authorize the City Administrator to carryover Fiscal Year 2011 appropriations into Fiscal Year 2012 for capital and special projects that will not be completed before the end of the current fiscal year; and,
7. Establish the portion of the Employee PERS contribution rate to be paid by the City ("Employer-Paid Member Contribution") for the City's authorized and hourly Miscellaneous (non-safety) PERS employees. This cost-sharing agreement was established by labor agreement and is adjusted annually based on changes to the City's employer contribution rate.
8. Declare the need for a furlough for Fiscal Year 2012.

Copies of all budget resolutions are available for public review in the Finance Department and available on the City's website as part of the Council Agenda Packet.

ATTACHMENT: Summary of Adjustments, Proposed Two-Year Financial Plan for Fiscal Years 2012 and 2013

PREPARED BY: Michael Pease, Budget Manager

REVIEWED BY: Jill Taura, Treasury Manager

SUBMITTED BY: Robert Samario, Finance Director

APPROVED BY: City Administrator's Office

CITY OF SANTA BARBARA
Summary of Adjustments
Two-Year Financial Plan for Fiscal Years 2012 and 2013

Attachment

GENERAL FUND

	Estimated Revenue	Appropriations	Surplus/ (Deficit)
GF RECOMMENDED SUMMARY OF SOURCES AND USES	\$ 102,983,984	\$ 103,115,549	\$ (131,565)
 ADJUSTMENTS APPROVED BY COUNCIL			
Staff Recommended Adjustments			
- Videotaping of Santa Barbara City College Meetings	\$ 6,500	\$ 6,500	\$ -
- Increase RDA Funding for Restorative Policing Efforts	217,070	217,070	-
- Move \$53,032 in allocated costs for Police Mobile Data Computers (MDCs) to Police Department from Fire Budget	-	-	-
- Shift 20% of Senior Library Technician to Central Library	-	16,416	(16,416)
- Reduce Hourly Salaries at Central Library	-	(16,416)	16,416
- Shift 20% of City Engineer to Streets Fund to oversee Transportation Operations	-	(43,232)	43,232
- Increase Appropriated Reserves to Balance	-	43,232	(43,232)
Sub-Total	\$ 223,570	\$ 223,570	\$ -
 Other Adjustments By City Council			
- Fund Rental Housing Mediation Task Force (RHMTF) City Services for 6 months in Miscellaneous Grants Fund	\$ -	\$ 34,509	\$ (34,509)
- Reduce Downtown Visitor Restrooms budget	-	(10,850)	10,850
- Eliminate July 4th Symphony grant	-	(12,091)	12,091
- Increase Spirit of '76 Parade grant	-	5,000	(5,000)
- Move Chase Palm Park Playground Equipment Replacement project to RDA	-	(200,000)	200,000
- Add 2 Civilian Police Technicians for Special Events & Training. Reallocate Sworn positions to Restorative Policing Efforts.	-	143,750	(143,750)
- Add 3 Police Officer Positions (Unfunded)	-	-	-
- Increase Appropriated Reserves to Balance	-	39,682	(39,682)
Sub-Total	\$ -	\$ -	\$ -
 GENERAL FUND - FINAL BUDGET FOR ADOPTION	 \$ 103,207,554	 \$ 103,339,119	 \$ (131,565)

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Summary of Adjustments
Two-Year Financial Plan for Fiscal Years 2012 and 2013

Attachment

SPECIAL AND ENTERPRISE FUNDS

ADJUSTMENTS APPROVED BY COUNCIL	Estimated Revenue	Appropriations	Surplus/ (Deficit)
Staff Recommended Adjustments			
County Library Fund			
- Reduced Funding from Carpinteria Friends of the Library	\$ (15,000)	\$ -	\$ (15,000)
- Shift 20% of Senior Library Tech. to the General Fund	-	(16,416)	16,416
- Increase Book Acquisitions Budget at Carpinteria Library	-	1,416	(1,416)
- Reduced Funding from Goleta Friends of the Library	(11,700)	-	(11,700)
- Updated Estimate for Goleta Library Parcel Tax	7,847	-	7,847
County Library Fund Total	\$ (18,853)	\$ (15,000)	\$ (3,853)
Redevelopment Agency (RDA) Fund			
- Increase Funding for General Fund Restorative Policing Efforts	\$ -	\$ 217,070	\$ (217,070)
- Reduce Project Contingency to Balance Fund Budget	-	(217,070)	217,070
Redevelopment Agency Fund Total	\$ -	\$ -	\$ -
Streets Fund			
- Shift 20% of City Engineer from General Fund to oversee Transportation Operations	\$ -	\$ 43,232	\$ (43,232)
- Reduce Resurfacing Program to Balance Fund Budget	-	(43,232)	43,232
Streets Fund Total	\$ -	\$ -	\$ -
Other Adjustments By City Council			
Community Devel. Block Grant (CDBG) Fund			
- Shift staff to Miscellaneous Grants Fund to restore Rental Housing Mediation Task Force (RHMTF) services	\$ (18,967)	\$ (18,967)	\$ -
Miscellaneous Grants Fund			
- Restore Rental Housing Mediation Task Force (RHMTF) services for 6 months from General Fund	\$ 34,509	\$ 34,509	\$ -
- Restore RHMTF services for additional 6 months from unidentified revenue source	36,577	36,577	-
Miscellaneous Grants Fund Total	\$ 71,086	\$ 71,086	\$ -
Redevelopment Agency (RDA) Fund			
- RDA Funding for the Chase Palm Park Playground Replacement Project	\$ -	\$ 200,000	\$ (200,000)
- Reduce Project Contingency to Balance Fund Budget	-	(200,000)	200,000
Redevelopment Agency Fund Total	\$ -	\$ -	\$ -
Fleet Maintenance Fund			
- Vehicle Maintenance for 1 new Restorative Policing vehicle	\$ 2,500	\$ 2,500	\$ -