



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: June 1, 2015

TO: Mayor and Councilmembers

FROM: Administration Division, Finance Department

SUBJECT: Fiscal Year 2016 Recommended Operating And Capital Budget

RECOMMENDATION: That Council:

- A. Hear and consider the recommendations of the City Council Finance Committee based on the Committee's review of certain aspects of the Fiscal Year 2016 Recommended Budget;
- B. Approve certain adjustments to the Fiscal Year 2016 Recommended Budget identified by staff as detailed in the attached Schedule of Staff Recommended Adjustments; and
- C. Provide final direction to staff regarding external funding requests as shown in the attached Schedule of Funding Requests from Outside Organizations.

DISCUSSION:

On April 21, 2015, the City Administrator filed with the City Council the Fiscal Year 2016 Recommended Budget. Since that time, the City Council has held several public hearings during which each City department presented their budget and the public had the opportunity to provide feedback to City Council. In addition, the City Council Finance Committee reviewed certain portions of the recommended budget in more detail over five meetings.

With the completion of staff presentations, two budget work sessions have been scheduled for Council to deliberate and provide direction to staff prior to adoption scheduled for June 23, 2015.

The items discussed below will be included in staff's report for Council to consider in its deliberations.

Finance Committee Recommendations

The City Council Finance Committee held six separate meetings from April 21 through May 27, 2015 to review certain aspects of the Fiscal Year 2016 Recommended Budget in greater detail than as presented to Council during the public hearings. The topics

presented and discussed, excluding items presented for information purposes only, are listed below:

1. Staff recommended adjustments (Attachment 1)
2. General Fund tax revenue assumptions
3. Proposed changes to General Fund and Enterprise Fund fees, charges, and rates
4. General Fund balancing strategy, including funding of policy reserves
5. Proposed Airport Fund budget, including the proposed reduction in Aircraft, Rescue and Fire Fighting (ARFF) services
6. Funding requests from outside organizations (Attachment 2)

The Finance Committee unanimously recommended Council's approval of items 1 through 3, except for proposed increases to Harbor Slips and Wildfire Assessments. Committee members White and Francisco abstained due to potential conflicts of interest.

With regards to items 4 through 6, the Finance Committee held a special meeting on May 27, 2015 to develop its recommendations to Council. As such, at the time of the preparation of this report, the Finance Committee had not met. Staff will bring the Committee's recommendations to the June 1st Special Council meeting.

Other Information Request by Council

In connection with City Council's review of the recommended budget, Councilmember Murillo asked staff to provide the Council the cost to increase the proposed addition of a part-time (0.80) Recreation Specialist to full time. The cost of the position at 0.80 in Fiscal Year 2016 is \$54,688. An additional \$13,672 would be needed to bring the position to full-time.

Requests from Outside Organizations

The City received funding requests from the following organizations:

- Casa Esperanza Homeless Center for continuation of one-time funding provided in fiscal year 2015 in the amount of \$125,000. See Attachment 3.
- Community Environmental Council, requesting \$50,000 for a comprehensive feasibility study regarding Community Choice Aggregation. See Attachment 4.
- Santa Barbara Chamber of Commerce, requesting \$20,000 to fund the Visitor Center located at the Airport. See Attachment 5.
- Summer Solstice Celebration, requesting \$10,000 above the \$66,000 currently included in the recommended budget. See Attachment 6.
- Santa Barbara School District, requesting a \$12,830 increase above its current ongoing funding of \$20,000. See Attachment 7.

- Police Activities League, requesting a decrease in its City lease, from \$9,984 to \$1. See Attachment 8.
- Legal Aid Foundation, requesting \$25,000 on behalf of Common Ground for a Downtown Homeless Outreach Project. See Attachment 9.
- Spirit of '76, requesting additional funding for the 4th of July Parade in the amount of \$2,200; and additional funding of \$5,000 to reimburse Spirit of '76 for amounts paid to make safety improvements to the Lobero Theater Flag Pole. See Attachment 10.
- TV Santa Barbara, requesting additional funding of \$19,100 above the \$323,000 funding proposed for fiscal year 2016. See Attachment 11.

Funding request letters received from these organizations are attached to this report. The requests are summarized in the attached Summary of Funding Requests from Outside Organizations (Attachment 2).

ATTACHMENTS:

1. Schedule of Staff Recommended Adjustments
2. Summary of Funding Requests from Outside Organizations
3. Letter from Casa Esperanza Homeless Center
4. Letter from Community Environmental Council
5. Letter from the Santa Barbara Chamber of Commerce
6. Letter from Summer Solstice
7. Letter from the Santa Barbara School District
8. Letter from the Police Activities League
9. Letter from the Legal Aid Foundation (Common Ground)
10. Letter from the Spirit of '76
11. Letter from TV Santa Barbara

SUBMITTED BY: Robert Samario, Finance Director/Acting Assistant City Administrator

APPROVED BY: City Administrator's Office

CITY OF SANTA BARBARA
Schedule of Staff Recommended Adjustments
Two-Year Financial Plan for Fiscal Years 2016 and 2017

	Estimated Revenue*	Appropriations*	Addition to/ (Use of) Reserves
GENERAL FUND			
Administrative Services Department			
Shift corresponding costs (vehicle allowance and allocated costs) from the City Administrator's Office to Administrative Services for staff costs already moved to the new Administration program in the Administrative Services Department.	\$ -	\$ 23,861	
City Administrator's Office			
Shift corresponding costs (vehicle allowance and allocated costs) from the City Administrator's Office to Administrative Services for staff costs already moved to the new Administration program in the Administrative Services Department.	-	(23,861)	
Increase transfer of City TV PEG (Public Education and Government access) Fee revenue to the Capital Outlay Fund for the City TV capital project reserve so the full amount of PEG revenue estimated to be received is appropriated.	-	3,000	
General Government			
Reduce appropriated reserves to balance the General Fund.	-	(3,000)	
General Fund Fund Total	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
CAPITAL OUTLAY FUND			
City Administrator's Office			
Increase transfer in from the General Fund for the City TV PEG Fee capital project reserve, as described above.	\$ 3,000	\$ -	
Capital Outlay Fund Total	<u><u>\$ 3,000</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 3,000</u></u>
CREEKS FUND			
Parks and Recreation Department			
Reduce transfer of Measure B funds to the Street Sweeping Fund due to reduced costs in the Street Sweeping Fund, as described below.	\$ -	\$ (43,480)	
Creeks Fund Total	<u><u>\$ -</u></u>	<u><u>\$ (43,480)</u></u>	<u><u>\$ 43,480</u></u>
STREETS FUND			
Public Works Department			
Move costs for the City's general National Pollutant Discharge Elimination System (NPDES) permit from the Street Sweeping Fund, as described below.	\$ -	\$ 30,000	
Streets Fund Total	<u><u>\$ -</u></u>	<u><u>\$ 30,000</u></u>	<u><u>\$ (30,000)</u></u>

	Estimated Revenue*	Appropriations*	Addition to/ (Use of) Reserves
STREET SWEEPING FUND			
Public Works Department			
Move costs for the City's general NPDES permit to the Streets Fund. This is requested by Public Works staff, Creeks staff, and the Creeks Advisory Committee to reduce the amount of Measure B revenue funding needed to help support the Street Sweeping Fund. The transfer of Measure B funds from the Creeks Fund is adjusted to reflect the reduced costs for the NPDES permit and other supplies/services, and moving costs between the residential and commercial programs in the Street Sweeping Fund to better align program revenues with program costs.	\$ (43,480)	\$ (55,000)	
Street Sweeping Fund Total	\$ (43,480)	\$ (55,000)	\$ 11,520

* Note: Amounts shown above are for FY 2016, however similar adjustments are also proposed for the second year of the Proposed Two-Year Financial Plan (FY 2017).

CITY OF SANTA BARBARA
Funding Requests from Outside Organizations
Fiscal Year 2016 General Fund Recommended Budget

	<u>FY 2016 Proposed</u>	<u>FY 2016 Request</u>	<u>Net Funding Request</u>
Casa Esperanza			
Converting One-Time Funding to Ongoing	\$ -	\$ 125,000	\$ 125,000
Community Environmental Council			
Community Choice Aggregation (CCA)			
Comprehensive Feasibility Study		50,000	50,000
Santa Barbara Chamber			
Airport Visitor Information Center		20,000	20,000
Summer Solstice			
Additional Funding Request	66,000	76,000	10,000
Santa Barbara School District			
Jr. High School After School Sports Program	20,000	32,830	12,830
Police Activities League			
Reduction in Rent		9,983	9,983
Legal Aid Foundation			
Common Ground - Downtown Project		25,000	25,000
Spirit of '76 Foundation			
1. Lobero Flag Safety Improvement		5,000	5,000
2. 4th of July Parade	5,300	7,500	2,200
TV Santa Barbara			
Increased Operational Support	303,900	323,000	19,100
	<u>\$ 395,200</u>	<u>\$ 674,313</u>	<u>\$ 279,113</u>

Casa Esperanza Homeless Center

Offering hope and help every day



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Joseph Tumbler

March 24, 2015

Honorable Mayor Helene Schneider and City Council
City of Santa Barbara
P.O. Box 1990
Santa Barbara, CA 93102-1990

CC: George Buell, Community Development Director
Paul Casey, City Administrator/Clerk/Treasurer
Sue Gray, Community Development Business Manager

Subject: \$125,000 from City of Santa Barbara General Fund to support Casa Esperanza Homeless Center and subsequently PATH (People Assisting the Homeless) via proposed merger

Dear Honorable Mayor Helene Schneider and the Santa Barbara City Council:

Thank you for your continued support and advocacy of Casa Esperanza Homeless Center over the past years. We have informed you of the proposed merger with PATH (People Assisting the Homeless) in which Casa Esperanza will be merged into PATH, and PATH will assume all of Casa's assets, liabilities, fulfillment of contracts and assumption of operations.

We respectfully request \$125,000 from the City of Santa Barbara General Fund to support Casa Esperanza and its life-changing operations that assist our homeless neighbors living in Santa Barbara find housing, improve their health, secure employment, and build their skills and self-esteem so they can become contributing members of the community. We are thankful for discretionary/general funding last year, and are hopeful that it can continue again into the 2015/16 Fiscal Year -- as it is imperative to meet our budget needs.

After the merger with PATH is complete, we will continue to provide the same services and programs now offered by Casa Esperanza, but with greater technical depth and expertise. As part of our merger understanding with PATH, Casa Esperanza's operations must remain self-funding. No reductions in staffing or changes in basic programs are contemplated as part of the merger.

PATH is a nonprofit whose primary mission is to end homelessness for individuals, families, and communities. PATH has been working toward this mission since 1984, and now provides housing and supportive services in 22 locations from San Diego to San Luis Obispo (www.epath.org).



Casa Esperanza Homeless Center

Offering hope and help every day

Casa Esperanza's Fiscal Outlook:

As you now, Casa has made significant strides in improving its financial situation. FYTD through January 31, 2015, we reported operating revenues in excess of expenses in the amount of \$1,137,902 -- which was \$64,000 ahead of budget. This includes \$1 million of mortgage debt forgiveness by the City and County – in accordance with original contract terms. Casa has also reduced its long-term debt by \$2,194,000 over the past 7 months; we have refinanced our mortgage at 4.5% from 7%.

Prior to merger discussions with PATH, Casa had a two-pronged strategy to further strengthen its financial position: to approach foundations not currently funding us to obtaining their support; and negotiating more adequate cost reimbursements from organizations for which we provide services. These efforts have been successful; however, continued support from each funding agent is critical for our operations to continue.

Our budget for 2015-16 is essentially “break-even” and includes the maintenance of \$125,000 from the City of Santa Barbara General Fund (and \$120,000 County funding). We expect that our merger with PATH will bring access to more funding sources in the future. Our costs have increased from our 2014-15 budget in important areas:

- We will have a Managing Director for a full year (an essential cost for Casa to remain viable without a pro bono Interim Executive Director)
- Necessary security personnel costs and Winter shelter staffing were aggressively reduced during our budget cutbacks and the current budget returns them to necessary staffing levels
- Certified Nursing staffing now reflects levels contemplated in our new agreement with Cottage Hospital
- An employment navigator (which has been recommended for funding via the County Human Services Commission, is included in the budget
- Workers' compensation costs have increased 1.8%, the result of prior experience, and not the current year's favorable experience

The City's continuing support from the General Fund for Casa Esperanza/PATH in the amount of \$125,000 provides critical needed housing and services for this community. Thank you for your consideration.

Sincerely,

Joe Tumbler
Interim Executive Director
Casa Esperanza Homeless Center

Jessica Wishan
Managing Director
Casa Esperanza Homeless Center



April 8, 2015

Santa Barbara City Council
735 Anacapa Street
Santa Barbara, CA 93101

RE: Budget Allocation Request: Community Choice Aggregation Feasibility Study

Mayor and Council Members:

In the last five years, Community Choice Aggregation (CCA) has emerged as a powerful tool to help California Cities and Counties reduce greenhouse gas (GHG) emissions while providing residents and businesses a choice in their energy providers. Existing CCAs, such as Sonoma Clean Power and Marin Clean Energy, have demonstrated that Community Choice programs can provide an energy mix with higher percentages of renewable generation and lower associated emissions. Not only have these CCAs provided a cleaner energy mix, they have done so at cheaper rates than the existing utility - to the benefit of ratepayers, the environment and the local economy.

A local Santa Barbara Community Choice program would provide many of the same benefits and help the City meet the targets identified in its Climate Action Plan (15% of the CAP target reductions (21,000 MT CO2e) are attributed to CCA). CCA could also effectively mitigate the emissions associated with reactivating the desalination plant. A feasibility study is a key first step in evaluating the potential benefits available to the City and its residents. A feasibility study would help project consumer electricity prices, net economic impact and potential GHG reductions that may be achieved through a local CCA.

The Community Environmental Council (CEC) believes that a comprehensive feasibility study, which could include neighboring jurisdictions, could be completed for \$100,000 or less. CEC thus requests that the City allocate \$50,000 in its recommended 2015/2016 budget towards a feasibility study. Neighboring jurisdictions also interested in CCA could provide the remaining balance.

More than 60 California cities and seven California counties have passed resolutions to evaluate CCA - it is time Santa Barbara follow suit and earnestly explore the benefits of a local Community Choice program.

Sincerely,

Dave Davis
President / CEO

Cc:
Mayor Helene Schneider
Mayor Pro Tempore Gregg Hart
Councilmember Cathy Murillo
Councilmember Randy Rowse
Councilmember Dale Francisco
Councilmember Frank Hotchkiss
Councilmember Bendy White

Paul Casey, City Administrator
Jim Dewey, Energy Manager
George Buell, Community Development Dir.
Nina Johnson, Asst. to the City Administrator
Alelia Parenteau, Energy Analyst
Maggie Campbell, Exec Director, Downtown SB
Ken Oplinger, President/CEO, SB Chamber

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The Chamber

OF THE SANTA BARBARA REGION

Helping Business Succeed Since 1899

09 March 2015

Paul Casey, City Administrator
City of Santa Barbara
735 Anacapa Street
Santa Barbara, CA 93101

RE: SB Airport Visitor Information Desk

Mr. Casey:

On behalf of the Chamber of the Santa Barbara Region and all of the staff and volunteers at the Chamber's Visitor Center, I want to thank you and your team at the Santa Barbara Airport for an outstanding first two years of our Airport Visitor Information Center.

These first two years of the concierge desk at the airport have gone very well. The desk has provided direct assistance to over 5,000 individuals since November 2013, with some 4,300 of those being general questions about the area, and 750 being questions about the airport itself, including where to pick up luggage, where the restrooms are, etc.

Overall, we see this partnership with the airport as a valuable one that provides important information to travelers, helps those visiting the area learn more about the region and hopefully extend their stay, and provides another personal touch and smiling face to those traveling through SBA.

The Airport Visitor Information Center requires a volunteer coordinator and a designated team of volunteers to staff the desk during the key hours of incoming flights. The volunteer coordinator, Marcia Pearson, asks volunteers to commit to a minimum of two 2-hour shifts per month. We concentrate staffing at the mid-day and late afternoon hours, but are available throughout the day.

In addition to the staffing, the Chamber also provides all of the materials for the Airport Visitor Information Center, including maps and information on local attractions and lodging. These materials are coordinated through the main Visitors Center on Garden St. and Cabrillo.

At the start of the 2nd year of the program, staff at the airport informed the Chamber that the funding for the program would be cut due to budget cuts at the airport. Originally, the Chamber was contracted to provide the service for \$14,000 a year, and the proposed cuts for 2014 would have brought the fee down to \$10,000. At the same time, the Chamber reviewed

104 West Anapamu, Ste. A, Santa Barbara, CA 93101
Telephone: 805-965-3023 | Fax: 805-965-966-5954
e-mail: info@sbchamber.org | website: www.sbchamber.org

their costs for providing the service, and proposed that a similar level of service in 2014 would cost the Chamber \$20,000 to provide.

The Chamber and the Airport agreed to fund the Airport Visitors Information Center at an appropriate level for 2014, but that the cost of providing the service in the future would have to come from other means. The Chamber offered its support in looking at future funding from the City of Santa Barbara, with the rationale being that funding for the service should be provided from revenues derived from the Transient Occupancy Tax.

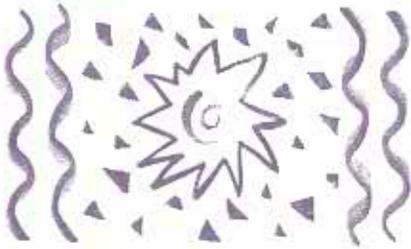
It is for this reason that I am writing you today ... to request funding from the City's General Fund for the Chamber in the amount of \$20,000 so that the Chamber can continue to provide the Airport Visitor Information Center service through the next fiscal year. This request would be in addition to the funding the Chamber currently receives to provide Visitor Information services at the Garden Street facility.

Thanks for your consideration, and please feel free to contact me with any questions.

Sincerely,

A handwritten signature in blue ink, appearing to read "Kenneth Oplinger", with a long horizontal flourish extending to the right.

Kenneth Oplinger, ACE, President/CEO
The Chamber of Commerce of the Santa Barbara Region



Summer Solstice Celebration

February 17, 2015

Mayor Helene Schneider, Councilmembers
Dale Francisco, Gregg Hart, Frank Hotchkiss, Cathy Murillo, Richard Rouse,
and Bendy White,

Dear Madame Mayor and Esteemed Councilmembers:

Now in our 41st^h year, Solstice has continued to grow in spite of dwindling funds for free community events. We have grown, primarily through new corporate sponsorships and private funding, from a one-day event to a three-day event. As you might expect, these extra days have substantially increased our costs. We have over 75 people now who receive some kind of compensation for our event. These include artists, teachers, performers, and festival workers—all of whom are extremely important to our highly visible local cultural life and the Santa Barbara brand.

We have struggled to keep providing this free public arts event with our public funding below the historic 20% level. Our event has become so much a part of Santa Barbara's cultural identity. Last year we were very pleased to receive an increase in our City funding to \$64,000 for the 2015 Celebration. We are actively seeking new sponsorships this year and hoping to balance our 2016 budget with an increase to \$76,000, which is 20% of next years budget.

We are a fiscally responsible community-based organization very closely tied to Santa Barbara's image and marketing strategy. Our goal in increasing our presence (i.e. from a one to three day festival) was in direct response to the Visit Santa Barbara's "one more day" program to increase the City's TOT, as well as revitalizing the downtown arts and entertainment district especially during the summer months when tourism is at it's greatest numbers. We need more support from the City.

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Ex Officio Board

Claudia Bratton
Executive Director

RECEIVED

FEB 28 2015

MAYOR & COUNCIL OFFICE

www.SolsticeParade.com • i.Solstice
P.O. Box 21141 Santa Barbara, California 93121
p. 805.965-3396 f. 805.965-3927
email: soladmin@solsticeparade.com

We would like to have our City line item increased to \$76,000, which will bring it closer to the funding provided other major civic events such as Old Spanish Days and the Santa Barbara Film Festival. This funding is vital to our ability to sustain this organization and event in the years to come.

I would be most happy to discuss this with you. Please call me to answer any questions you might have.

Best regards,

A handwritten signature in cursive script that reads "Claudia Bratton". The signature is written in black ink and is positioned above the printed name and title.

Claudia Bratton
Executive Director

PS: Save the dates: June 19, 20 and 21 for the festival and noon on June 20th for the parade. The theme for this year's parade is "Sci Fi"



Santa Barbara Unified
Every child, every chance, every day.

ATTACHMENT 7

720 Santa Barbara Street
Santa Barbara, CA 93101
Phone: 805.963.4338
TDD: 805.966.7734
SBUnified.org

City of Santa Barbara
Attn: Nancy Rapp

The Santa Barbara Unified School District (SBUSD) recently made presentations to the City of Santa Barbara Parks and Recreation Commission and City Council on the resurgence of participation in the Junior High After School Sports Program (JHASSP). This program is funded by the SBUSD and the cities of Santa Barbara and Goleta. With the return to the successful program model that was in place for many years, student participation numbers are reaching levels achieved in the early 2000s - which has been the goal for all three partners. The JHASSP has been so successful that more children want to participate in the program therefore SBUSD needs additional funding to expand its sports programs.

SBUSD is asking that the City of Santa Barbara increase their funding for the FY 2016 program by \$12,830, from \$20,000 to \$32,830. It is important to note that the current funding level for the program, \$85,000, is unchanged since the program started over 25 years ago.

Currently, all four junior highs participate in the program, three of which are in the City of Santa Barbara. There are four seasons; two sports each season at all four sites. In 2014-15, the sports were so popular that teams were too large and therefore more coaches are needed to reduce the size of each team and to expand the program. Below is the breakdown of current and proposed revenue and expenditures.

Revenue	2014-15		2015-16 Proposed	
SBUSD	\$ 52,000	61%	\$ 54,040	52%
City SB	20,000	24%	32,830	32%
City Goleta	13,000	15%	17,000	16%
Total	\$ 85,000	100%	\$ 103,870	
Expenses	2014-15		2015-16 Proposed	
Coach	80,240		93,750	
Bus	2,200		4,400	
Referees	1,960		3,920	
Equipment	600		1,800	
Total	85,000		103,870	

We would like to thank the City of Santa Barbara for its continual support of the Junior High After School Sports Program. If you have any questions regarding this request please call Meg Jetté, 805-963-4338 ext 6230. For questions regarding the JHASSP contact Dr. Drati, 805-963-4338 ext.6212.

The Santa Barbara Unified School District does not discriminate in employment against properly qualified and eligible individuals by reason of their actual or perceived race, religion, color, national origin, ancestry, age, marital status, pregnancy, physical or mental disability, medical condition, genetic information, veteran status, gender, gender identity, gender expression, sex, or sexual orientation.



5/11/15

Dear Mr. Casey,

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In 2010, the City of Santa Barbara Parks and Recreation Department was faced with the difficult task of making significant budget reductions in response to the national recession and declining City revenues. Long a partner with Parks and Recreation in providing quality recreation programming for our community youth, the Santa Barbara Police Activities League (PAL) stepped forward to help bridge two important youth and teen programs which were proposed to be reduced or eliminated, saving the Department and the City over \$156,000 a year.

PAL agreed to assume the responsibility for administration and operation of the Junior High Afterschool Sports Program, for an annual savings of \$45,485 to the Department. Additionally, PAL, which had been looking for the right facility to house their teen programming since they had outgrown the annex at the Police Station, agreed to take on the operation and maintenance of the Twelve35 Teen Center. This mutually beneficial partnership saved the Parks and Recreation Department \$110,580 on an annual basis. As part of the agreement, PAL also agreed to pay an annual lease amount to the City for the Twelve35 facility. Currently, that annual lease payment is \$9,984.

Since 2010, PAL has steadily built the Teen Center programming to include over 1,000 unduplicated youth served in 2014. Today PAL serves approximately 25-30 youth at the Teen Center everyday afterschool Monday through Friday. PAL has a variety of programming that includes Fitness Bootcamp, Beginning Guitar, Flamenco Dance, Golf, Jujitsu, Art, Police Explorers and the Youth Leadership Council. PAL also has a daily drop-in tutoring lab consisting of four tutors from CAL Soap and two tutors from Westmont.

At the time of the Teen Center transfer from the City to PAL, the concept of a lease payment of \$1 per year was discussed. Although City Administrator Jim Armstrong was receptive, he recommended that the request be revisited after PAL had demonstrated success in operating the facility.

We believe that PAL has demonstrated continued success in operating the Twelve35 Teen Center facility over the past four years. We respectfully request that the City modify the Teen Center lease from \$9,984 per year to \$1 per year. In return, PAL will dedicate these funds to improving and expanding PAL programs and services for the youth of the Santa Barbara community.

On behalf of PAL and the youth that we serve, your consideration of this request is greatly appreciated.

Bryan Kerr
Police Activities League Officer



**LEGAL AID
FOUNDATION**
of
SANTA BARBARA COUNTY

301 E. Canon Perdido St.
Santa Barbara, CA 93101
Phone: 805.963.6754
Fax: 805.963.6756

301 S. Miller St., Ste. 121
Santa Maria, CA 93454
Phone: 805.922.9909
Fax: 805.347.4494

604 E. Ocean Ave., Ste. B
Lompoc, CA 93436
Phone: 805.736.6582
Fax: 805.740.2773

EQUAL ACCESS TO JUSTICE FOR ALL

May 8, 2015

The Honorable Mayor Helene Schneider
Members of the City Council
Santa Barbara City Hall
735 Anacapa St,
Santa Barbara, CA 93101

Dear Mayor Schneider and Members of the Santa Barbara City Council,

This letter is a request for the Santa Barbara City Council to consider supplemental funding for Common Ground Santa Barbara County, a special project of the Legal Aid Foundation of Santa Barbara County.

Attached is a budget for Common Ground Santa Barbara County. We are requesting \$25,000 in Santa Barbara City funding. We are also requesting \$40,000 in County funding and have \$8,000 in Federal funding for this project. This year we have received significant private donations and foundation support, and for the first time, commitments of support from the business community. However, we depend on our local government also supporting these efforts.

Common Ground Santa Barbara County works to obtain housing, benefits and referrals to supportive services for individuals living on the streets and in shelters. This project relies on four, part time employees and more than 600 volunteers. Common Ground Santa Barbara County coordinates six teams, including the successful Milpas Street outreach/case management team. The teams go out into the community to directly work with individuals experiencing homelessness.

Since 2014 there has been an emphasis on working with the business community around the issue of homelessness. In 2014 the Central Coast Collaborative on Homelessness, the Milpas Community Association, several local non-profit partners, and Common Ground Santa Barbara County joined together to create the Milpas Pilot Project. Within the first year this project achieved an 80% success rate. Individuals were connected with housing, employment, supportive services (including mental and medical healthcare) and, when appropriate, they were reunified with family. At the end of the first year, based on the positive impact noticed in the neighborhood, the team decided to continue the Milpas Project. In 2015 we began hosting weekly meetings to create a similar project, the Downtown Homeless Outreach Project to help the vulnerable people living on the street downtown and address negative impacts of homelessness on State Street. Our 2015-2016 request will allow us to further develop and expand these important efforts.

We appreciate your consideration of our requests. We believe that the funding will provide important benefits to Santa Barbara City residents.

Sincerely,

Molra Vadnais
Managing Director, Legal Aid Foundation of Santa Barbara County

Cc: Paul Casey, City Administrator



2015-2016 Common Ground Santa Barbara City Outside Budget Request: Housing Focused Outreach and Housing Support Emphasis on Developing Partnerships with the Business Community

Common Ground Santa Barbara County

Recruits, trains and educates volunteers so they can effectively house the most vulnerable individuals and families experiencing homelessness in Santa Barbara County. We are a collaborative effort of community members from the non-profit, governmental, business and faith communities of Santa Barbara County striving to end homelessness in our communities.

Common Ground recruits volunteers to conduct the bi-annual Point in Time Count and Vulnerability Survey, offers Medi-Cal Enrollment, supervises volunteer outreach teams (both street outreach and housing support), outreaches to Veterans in advance of the annual Stand Down event, and assists Restorative Court defendants in obtaining housing and supportive services.

MILPAS

In 2014 with the Central Coast Collaborative on Homelessness, the Milpas Community Association, Social Venture Partners, Restorative Police, County partners and others we launched the “Milpas Pilot Project.” The project focused outreach efforts on ten individuals who the business community identified as causing negative impacts on the community¹. The Milpas Project was a resounding success. Of the original ten, eight are housed or were reunified with family. All of the individuals were connected to supportive services. The participants in the Milpas project decided the first year was such a success that they wanted to continue the project. Other people who have significant impacts on the community and who are very vulnerable have now been added to the project.

STATE STREET

Based on the success of the Milpas Project we have begun working with the Central Coast Collaborative on Homelessness and the Downtown Organization on a “Downtown Homeless Outreach Project.” Once again people were selected who were vulnerable and had a negative impact on the community. On State Street many of these vulnerable individuals suffer from significant mental health conditions. We are working closely with project partners including Alcohol, Drug and Mental Health Services to connect these individuals with housing, employment, and supportive services.

TRAINING AND EDUCATION OF STAFF, VOLUNTEERS AND PEER NAVIGATORS

Our outreach is based on best practices, with training on safety, healthy boundaries, and self-care. During each countywide Point In Time Count and Vulnerability Survey (2011, 2013 and 2015) more than 500 volunteers participated. We provide ongoing ways for those volunteers to stay engaged. We provide monthly trainings for all volunteers that are free and open to the public. We also collaborate with the Mental Wellness Center to train staff and volunteers in Mental Health First Aid.

¹ Negative impacts on the community include calls for law enforcement response and emergency medical services.

**Common Ground Santa Barbara County
Legal Aid Foundation of Santa Barbara County
FY 15-16 Budget**

Income Requested

McCune Foundation (pending)	25,000	
Fund For Santa Barbara	10,000 (3 rd year of a multi-year grant)	
Private Donations and Fdns. (raised or pledged)	64,000	
Government (pending)	73,000	
Business Organizations	8,000	
Total Income:	<u>\$180,000</u>	

Expenses

Supervisor	51,840	.8 FTE
Volunteer Coordinator	34,560	.8 FTE
Team Leader	34,560	.8 FTE
Peer Navigator	18,432	.5 FTE
Paid Interns	2,000	
Operating Expenses	33,650	
Occupancy Expenses	4,800	
Total Expenses:	<u>\$179,842</u>	

Santa Barbara Spirit of '76 Foundation
<http://spiritof76sb.org/>

May 2015

One-Time Emergency Expense

To members of the Santa Barbara City Council,

In 2014 the Santa Barbara City Council approved a one-time emergency expense for purposes of placing the American Flag on the back wall of the Lobero Theater. A special apparatus was constructed to make this possible. The approval in 2014 was for \$10,000, to be made in 2 separate payments. The City of Santa Barbara sent \$5,000 to The Lobero Foundation. *The Spirit of '76 Foundation* paid the other \$5,000 to the Lobero. We are now asking that the \$5,000 we advanced to the Lobero Foundation be reimbursed to *The Spirit of '76 Foundation*.

Thank you,



Paul Lamberton
President, *Santa Barbara Spirit of '76 Foundation*

Santa Barbara Spirit of '76 Foundation
<http://spiritof76sb.org/>

May 2015

A Cultural Necessity

To members of the Santa Barbara City Council,

We are thankful for the financial support the City of Santa Barbara has provided to *The Spirit of '76 Foundation* in recent years. Those funds, along with contributions from individuals in the community, help us present the 4th of July Parade and Concert at the Courthouse.

Roughly eight ago the city established a satisfactory new annual level of financial contribution. Soon thereafter, when the city had a financial crisis, all financial contributions to *The Spirit of '76 Foundation* were eliminated. Through renegotiations, a partial base level of funding was eventually restored, much lower than that which we were originally assured. The city informed us that once the crisis was past, the level of financial contribution would return to its original amount.

In 2007 we were assured \$15,000 annually. We only received that amount for one year. Since then we received \$5,000 annually. (Often our insurance costs alone are nearly that amount.) **Today we are asking that the base amount of city contribution be increased to \$7,500 annually.**

Our financial circumstances are dire. And we don't want the future of this beloved cultural event to be in question. We are not asking that the city return to the contribution levels of the original amount. At this time we are only requesting that our base level of annual contribution from the city be **increased by \$2,500.**

Feedback from residents and visiting tourists has made it clear that there is a high level of appreciation and expectation for this annual cultural event that recognizes the heritage of this country and honors the individuals who have personally made sacrifices to protect freedom, liberty, equality, justice, and everything that makes America the great nation for which it is known.

Your consideration on this matter is much appreciated.

Thank you,



Paul Lamberton

President, *Santa Barbara Spirit of '76 Foundation*

Attached is TV Santa Barbara's FY 15 – 16 Budget Request for our grant agreement with the City of Santa Barbara to continue providing Public and Educational Access Services to South Santa Barbara County.

TV Santa Barbara is not requesting any change to the 50% allocation of DIVCA PEG Fees for Facilities & Equipment. We are requesting for an increase of \$28,000 in Operational Support for a total Operating Request of \$323,000. This increased funding will allow TV Santa Barbara to have a greater impact on the community. One of two primary areas of our strategic plan would be assisted with an increase in funding: 1) Increase in our Training and Youth Media Programs, or 2) Resource Development. The funding would be allocated towards the addition of either a Training and Youth Media Coordinator or a Development Coordinator to our staff. We welcome the City Council's input to determine a priority use for the increased funding.

The Training and Youth Media Coordinator position would expand and increase our media production training and support for youth in our community. Today's youth are surrounded by media messages which shape their perspectives, beliefs, and self-image. An expanded youth media program will provide youth with the knowledge and tools to express themselves in media, shape their own images, and share their voices for a positive community impact.

A Development Coordinator position would focus on resource development and expansion of our earned income and fundraising efforts. One of our organization's strategic goals is to increase and expand our resources to ensure the long-term health and viability of the organization. An expansion of our development efforts will allow the organization to further leverage the funding support provided by the City of Santa Barbara to have a greater community impact.

Since 2010, TV Santa Barbara has faced significant reductions in our levels of operational funding from local government sources of more than \$200,000. While the organization has been successful in increasing other revenue sources, we are still short of replacing the loss of operational revenue from local governments.

The increased facilities and equipment funding provided by the DIVCA PEG Fee has been instrumental in helping TV Santa Barbara to move forward with updating the equipment available for use by the community. However, TV Santa Barbara has not requested an increase in operational funding for several years. An increase in operational support will allow TV Santa Barbara to continue to restore and expand our levels of service to the community.

In an environment of increased media consolidation, TV Santa Barbara provided more than \$745,000 worth of media production services to the community in 2014. More than 1,450 original episodes were aired on the public and educational access channels, and our MediaU training programs reached more than 125 people to provide more than 420 hours of media training to the community. In the last two years, more than 100 area organizations have been highlighted through programming on TVSB.

We appreciate the City of Santa Barbara's continued support and consideration of our request for increased funding to empower people to make media that matters. Please contact me if you have any questions or would like more information.

Best,



Matt Schuster
Executive Director, TV Santa Barbara

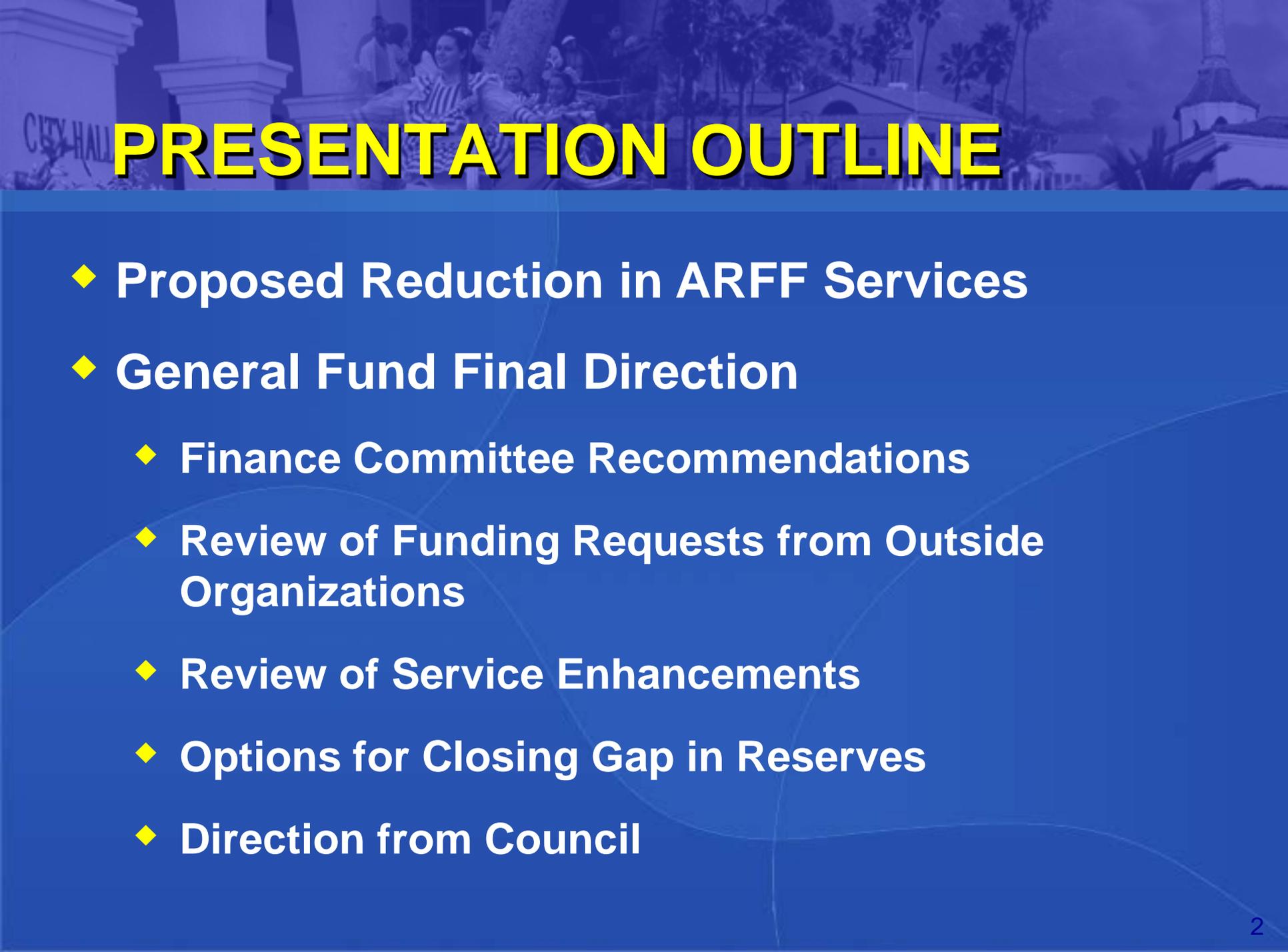
	FY 14 Actual	FY 15 Budget	FY 16 Budget
Income			
1000 Local Government Grant Agreements			
1010 City of Carpinteria	\$ 15,000	\$ 15,000	\$ 15,000
1020 City of Santa Barbara	\$ 273,800	\$ 280,000	\$ 308,000
1025 City of Santa Barbara Educational Access	\$ 15,000	\$ 15,000	\$ 15,000
Total 1020 City of Santa Barbara	\$ 288,800	\$ 295,000	\$ 323,000
1040 County of Santa Barbara	\$ 52,000	\$ 13,720	\$ 13,720
Total 1000 Contracts	\$ 355,800	\$ 323,720	\$ 351,720
Total 2000 Fundraising	\$ 15,918	\$ 6,000	\$ 41,000
Total 3000 Program Services	\$ 75,873	\$ 69,900	\$ 100,410
4000 Facility/Equipment Income			
4001 Co. of SB Capital Endowment Interest	\$ 5,000	\$ -	
4010 City of Santa Barbara DIVCA PEG Fee	\$ 126,000	\$ 138,000	\$ 141,000
4011 PEG Fee Carryover prev year		\$ 12,207	\$ 3,044.97
4050 Capital Campaign Donation	\$ -		
Total 4000 Facility/Equipment Income	\$ 131,000	\$ 150,207	\$ 144,045
Total 4500 Grants	\$ 1,000	\$ -	\$ 10,000
Total Income	\$ 579,591	\$ 549,827	\$ 653,337
Discounts Given/Pro Bono Production Grants	\$ (1,212)		\$ (7,580)
Gross Profit	\$ 578,379	\$ 549,827	\$ 645,757
Expenses			
Total 5000 Personnel Expenses	\$ 330,405	\$ 314,400	\$ 380,070
Total 6000 Administrative	\$ 21,319	\$ 19,350	\$ 14,585
Total 7000 Professional Development	\$ 4,082	\$ 4,300	\$ 10,650
Total 8000 Operations	\$ 13,032	\$ 12,700	\$ 10,750
Total 8100 Production	\$ 4,345	\$ 7,400	\$ 6,900
Total 8200 Professional Services	\$ 19,134	\$ 24,100	\$ 17,850
Total 8300 Promotion/Marketing	\$ 5,977	\$ 10,150	\$ 11,650
Total 8400 Fund Development	\$ 11,013	\$ 3,000	\$ 22,800
8500 Grant Related Expenses		\$ -	\$ -
Total 9000 Facilities/Equipment	\$ 147,620	\$ 174,132	\$ 171,815
Total Expenses	\$ 556,926	\$ 569,532	\$ 647,070
Net Operating Income	\$ 22,665	\$ (19,705)	\$ 105



Fiscal Year 2016-2017 Two-Year Financial Plan Review



**City Council – Special Budget Hearing
June 1, 2015**



PRESENTATION OUTLINE

- ◆ **Proposed Reduction in ARFF Services**
- ◆ **General Fund Final Direction**
 - ◆ **Finance Committee Recommendations**
 - ◆ **Review of Funding Requests from Outside Organizations**
 - ◆ **Review of Service Enhancements**
 - ◆ **Options for Closing Gap in Reserves**
 - ◆ **Direction from Council**



Proposed Reduction in ARFF Services



Defining the Scope of the Problem

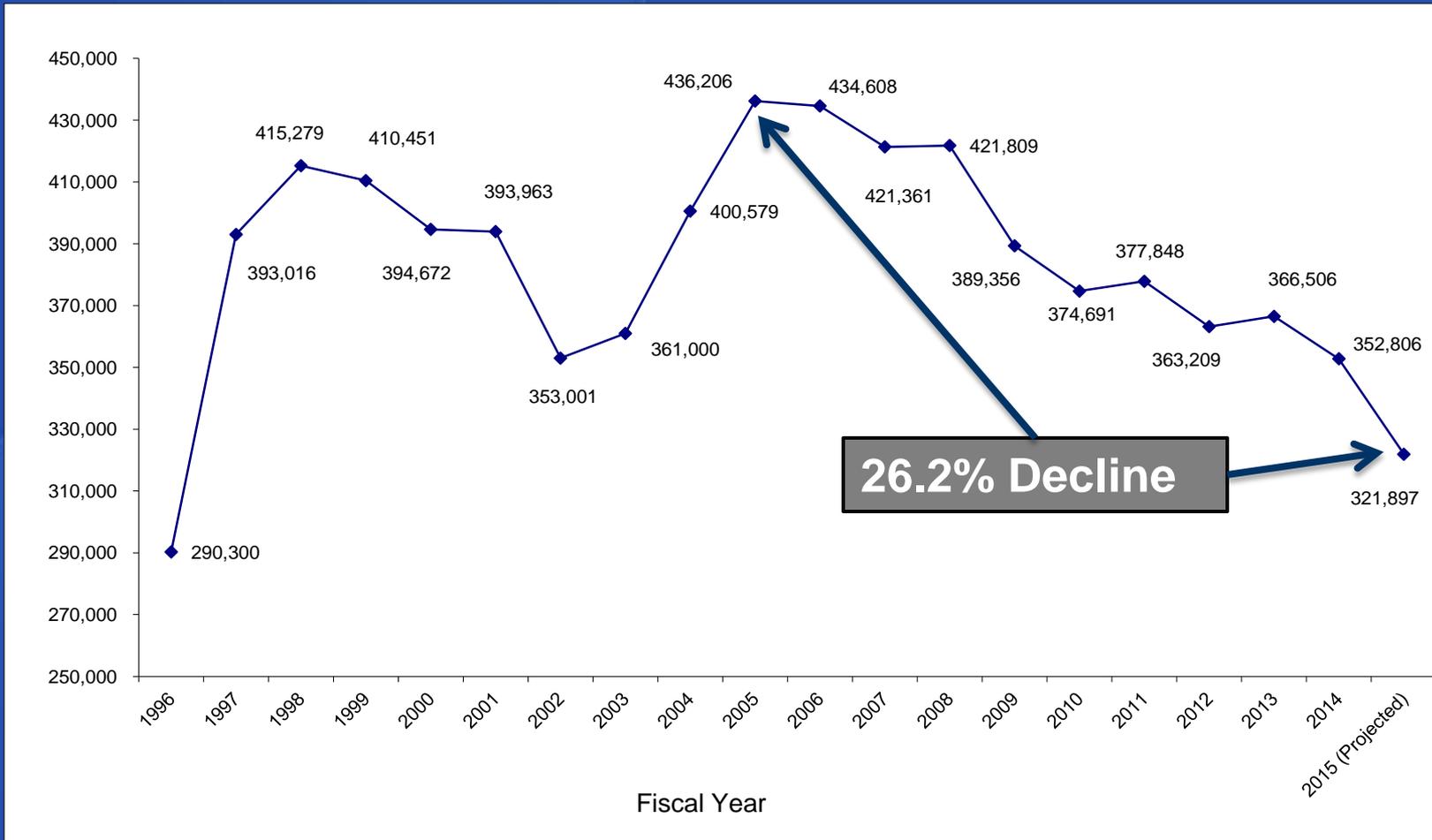
SCOPE OF THE PROBLEM

Recent Reductions in Air Service

- ◆ American Eagle left in April 2014
 - Financial impact ~ \$1 million
- ◆ Frontier Airlines left in January 2015
 - Financial impact ~ \$350,000 (FY15)
- ◆ Number of overall flights are down from 45 to 21 since 2005

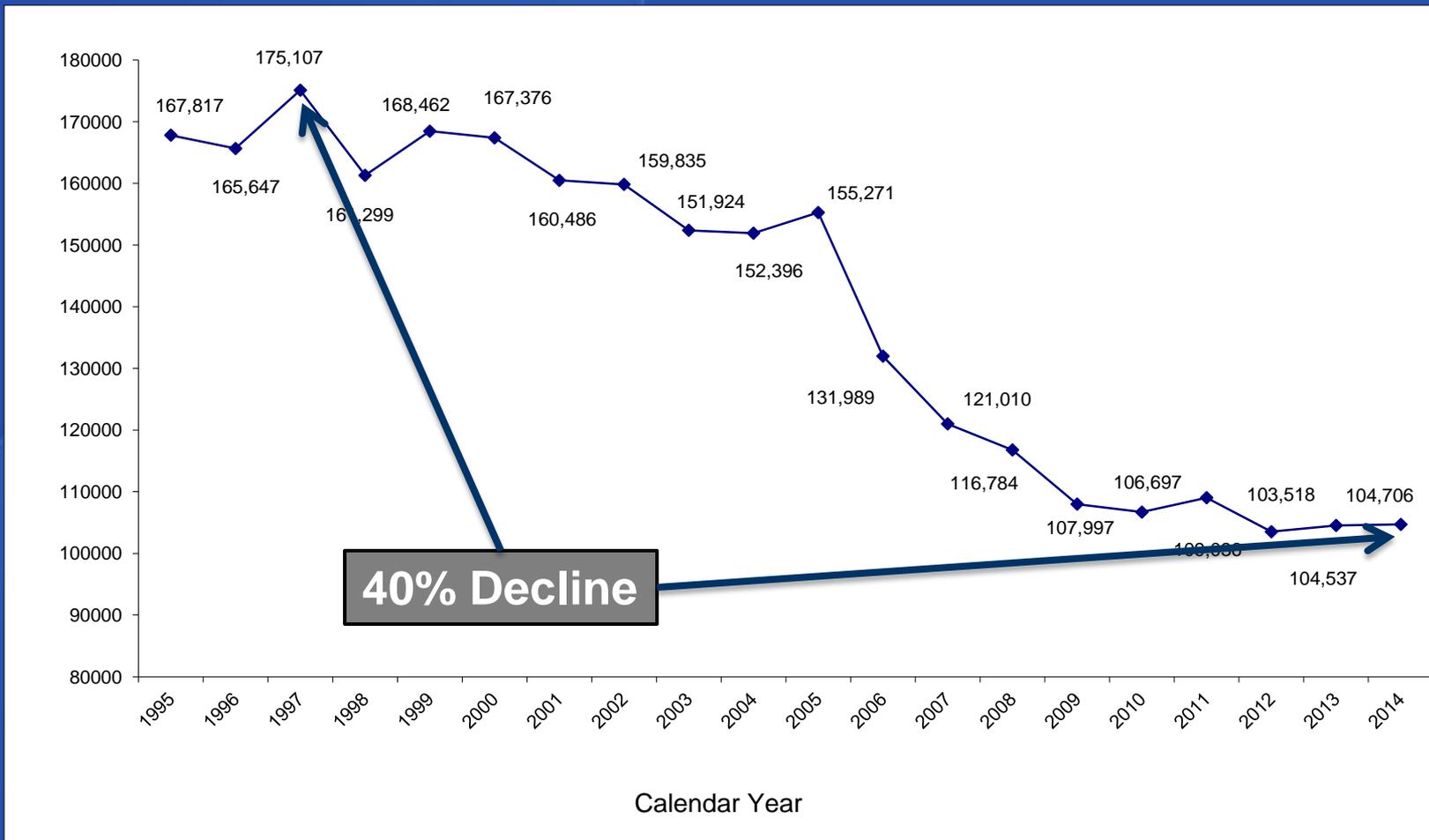
SCOPE OF THE PROBLEM

20-Yr Commercial Passenger Counts



SCOPE OF THE PROBLEM

No. of Flights (Inc. General Aviation)



SCOPE OF THE PROBLEM

How the Airport is Funded

- ◆ Airport Property is Divided Into Two Major Areas
 - Aviation (South of Hollister)
 - Non-Aviation, Commercial/Industrial (North of Hollister)
- ◆ Aviation Property includes:
 - Commercial aviation facilities (terminal)
 - Non-commercial aviation (e.g., FBOs)

SCOPE OF THE PROBLEM

How the Airport is Funded

- ◆ How are Costs to Operate Commercial Aviation Facilities Recovered?
 - Charges to Airlines
 - Landing fees (for airfield)
 - Rent (for terminal space, including concessions)
 - Bridge boarding fees
 - Airline employee parking

SCOPE OF THE PROBLEM

What is Causing the Deficits?

- ◆ Decline in passengers
 - Many terminal revenues are tied to passenger counts
 - Concessions (rental cars, food & beverage)
 - Parking
- ◆ Decline in number of airlines at the airport
 - Direct loss of rents and landing fees
 - As terminal revenues declined, airlines have been asked to pay higher fees

SCOPE OF THE PROBLEM

What is Causing the Deficits

- ◆ Costs to maintain all aviation facilities are not being fully recovered
 - They historically never were; costs were subsidized from commercial/industrial revenues
 - Old terminal - rents and landing fees were discounted by roughly 25%
 - New terminal – intent was to recover closer to the full cost, but still required subsidy from Commercial/Industrial revenues

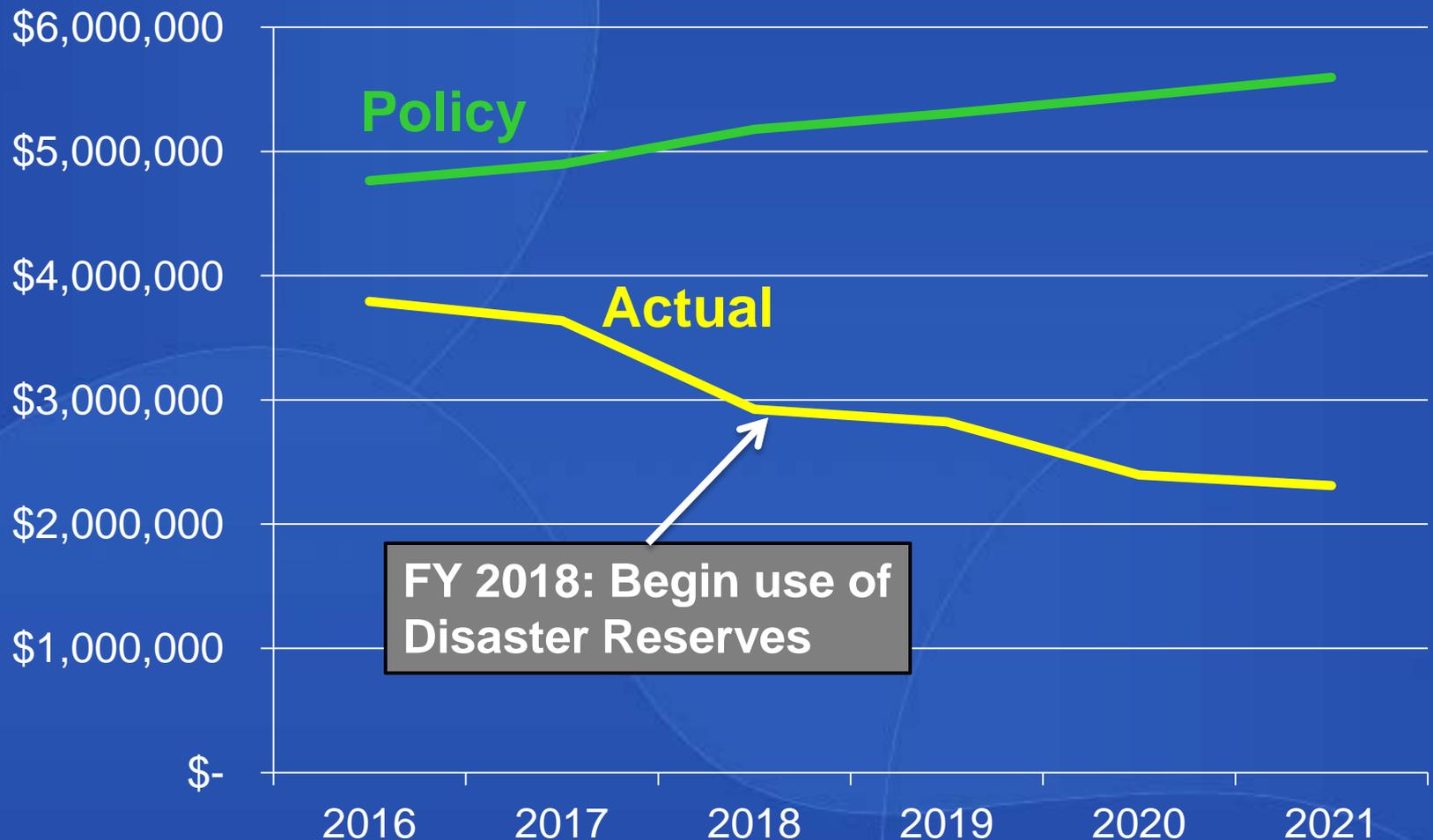
SCOPE OF THE PROBLEM

Multi-Year Forecast - Status Quo

	<u>FY 2016 Prop</u>	<u>FY 2017 Prop</u>	<u>FY 2018 Forecast</u>	<u>FY 2019 Forecast</u>	<u>FY 2020 Forecast</u>
REVENUES					
Comm Aviation	\$ 4,544,037	\$ 4,742,211	\$ 4,854,892	\$ 4,970,545	\$ 5,089,250
Comm/Industrial	\$ 4,426,627	\$ 4,409,309	\$ 4,700,645	\$ 4,898,564	\$ 5,044,646
Non-Comm Aviation	\$ 2,093,650	\$ 2,149,400	\$ 2,398,291	\$ 3,714,503	\$ 3,801,659
Terminal	\$ 4,884,637	\$ 4,911,328	\$ 4,994,292	\$ 5,077,658	\$ 5,162,482
Other	\$ 208,950	\$ 944,402	\$ 189,823	\$ 189,247	\$ 197,651
Subtotal	\$ 16,157,901	\$ 17,156,650	\$ 17,137,943	\$ 18,850,517	\$ 19,295,688
EXPENDITURES					
Salaries & Benefits	\$ 6,006,250	\$ 6,322,942	\$ 6,575,860	\$ 6,838,894	\$ 7,112,450
Supplies & Services	4,199,719	4,243,922	4,336,144	4,430,504	4,527,057
ARFF	2,137,339	2,223,533	2,312,474	2,404,973	2,501,172
Allocated Costs	1,671,949	1,748,722	1,801,184	1,855,219	1,910,876
Special Projects	48,380	49,831	51,326	52,866	54,452
Equipment	134,000	59,475	58,000	58,000	58,000
Capital Transfers	1,550,044	752,180	811,520	1,397,840	1,646,774
Bond Debt	1,829,249	1,825,757	1,818,718	1,818,719	1,816,719
Approp Reserves	84,626	85,783	85,690	94,253	96,478
Subtotal	\$ 17,661,556	\$ 17,312,145	\$ 17,850,916	\$ 18,951,268	\$ 19,723,978
Net Gain/(Loss)	\$ (1,503,655)	\$ (155,495)	\$ (712,973)	\$ (100,751)	\$ (428,290)

SCOPE OF THE PROBLEM

Projected Reserves – Status Quo



SCOPE OF THE PROBLEM

Projected Reserves – Status Quo

- ◆ Projected Use of Reserves
 - \$3.3 million FY 2016 – FY 2021
- ◆ To maintain reserves through FY 2021:
 - Budget reductions or increased revenues on average of \$550,000 per year



Alternatives to Addressing the Projected Deficits

ALTERNATIVES

Reduction in ARFF Services

◆ Option 1:

- Temporarily reduce ARFF staffing from 3 to 2 (from 9 to 6 in total)
- Implement mid-year FY 2016
 - Saves \$290,000 in 2016; approximately \$600,000 thereafter
- Reinstate 3rd position based upon increases in air service and/or funding availability

ALTERNATIVES

Reduction in Other Costs

- ◆ Option 2:
 - Reduce Capital Program (\$150,000)
 - Eliminate/freeze 5-6 Airport positions (\$350,000) – 10% of staffing
 - Look for other opportunities to increase revenue from land rentals (long-term)

Capital Program FY2016-2021

	FY 2016 Prop	FY 2017 Prop	FY 2018 Forecast	FY 2019 Forecast	FY 2020 Forecast	FY 2021 Forecast
AIP Grant Match	\$ 314,370	\$ 252,180	\$ 261,520	\$ 242,840	\$ 509,774	\$ 509,774
AIP Change Order Authority	\$ 270,000					
Lessee Building Maint	\$ 200,000	\$ 250,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000
Streets Maint	\$ 100,000	\$ 100,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000
AOA Paving	\$ 50,000	\$ 50,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000
Goleta Slough Tidal Restoration	\$ 50,000	\$ 50,000				
1440 & 1520 Cecil Cook PI Remodel	\$ 150,000					
Commercial/Industrial Development	\$ 375,000					
Airline Terminal Projects		\$ 50,000	\$ 50,000	\$ 275,000	\$ 50,000	\$ 50,000
Utility Infrastructure Maint			\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
495 Fairview Projects				\$ 250,000	\$ 100,000	\$ 100,000
6150 Botello Rd Remodel				\$ 130,000	\$ 462,000	
Terminal Hearing Loop					\$ 25,000	\$ 60,000
Total	\$ 1,509,370	\$ 752,180	\$ 811,520	\$ 1,397,840	\$ 1,646,774	\$ 1,219,774

Previous Airport Adjustments

- ◆ Reorganized Patrol and Operations
 - Assigned non-law enforcement duties to Operations
 - Operations Staff in EOC rather than Patrol Officers
- ◆ Reduced staffing in Planning
 - Deleted an Associate Planner Position
- ◆ Reduced staffing in Marketing
 - Eliminated Airport Marketing Assistant
- ◆ Reduced Parking Operation
 - Closed Lot 2, reduced staffing
 - Canceled shuttle vehicle lease

Current Vacancies - Total \$341,650

- ◆ Airport Business Development Manager (\$159,000)
 - In charge of capital project management, including light industrial development north of Hollister
 - Will handle the transition of Ampersand building to Airport
 - Key finance/budget management position

Current Vacancies (cont'd)

- ◆ Two Airport Patrol Officers (\$180,650)
 - Must meet TSA mandates for coverage
 - Cannot reduce number of hours
 - Need to cover vacancies with OT (\$100,000)
 - Patrol Officer OT supplemented by Airport Patrol Supervisor
 - Net savings of ~\$80k
 - Not sustainable

Current Vacancies (cont'd)

- ◆ Administrative Assistant (\$102,000)
 - Airport accounts receivable transactions (airlines, lease income, concessions)
 - 125 + accounts managed
 - FAA grant reimbursement/audits
 - TSA reimbursement for Check point response
 - Responsible for collecting all department revenues



Opportunities for Increased Revenues

AMPERSAND HANGAR LEASE

- ◆ 50-year lease expires May 9, 2018
- ◆ Facilities and existing tenants revert to the Airport
 - Net increase of \$1.5 million in FY 2019
- ◆ Currently has a 34% vacancy rate
 - Office Building and Hangar Mezzanine



Lynn Houson © 2015 SBA

AMPERSAND HANGAR LEASE

- ◆ Ampersand Office Building (30,000 sf)
 - Adjacent to Ampersand hangar building
 - Deckers annual rent \$510,000
 - Vacant since 2013



AMPERSAND HANGAR LEASE

- ◆ Ampersand Office Building – Cont'd
 - May 2018 - Lease reverts to City
 - Will require improvements to facilities (electrical, HVAC, lighting and plumbing with a watertight roof) - estimated cost \$1 million
 - Tenant improvements cost or allowance @ \$10-\$40/s.f. (\$300,000 - \$1,120,000)
 - Expect lease income late 2020
 - Estimated annual rental \$630,000

AMPERSAND HANGAR LEASE

- ◆ Mezzanine - Hangar Building (38,000 sf)
 - Vacant 1999-2008
 - Deckers leased 22,000 sq. ft. 2008-2013
 - Annual rent \$306,000
- ◆ Master Plan – Airport offices
- ◆ Aviation use restriction



AMPERSAND HANGAR LEASE

- ◆ Mezzanine Hangar Building – Cont'd
 - May 2018- master lease to City
 - Negligible cost to ensure good working order
 - Tenant improvements allowance \$10-\$40/sf
 - \$380,000 - \$1,520,000 rent abatement in lieu of tenant improvement allowance
 - Lease income fall 2020
 - Estimated annual rental \$750,000

OTHER OPPORTUNITIES

- ◆ New development of light industrial buildings on the north side of Hollister
 - Will require considerable investment/capital/use of reserves
 - Pending sale of property to DRI will provide one-time funding for development
 - First phase, once built, expected to generate \$600,000 per year starting in FY 2019 or 2020
 - 50% will offset loss of rents from property sold to DRI; other 50% will go into development fund
 - Factored into forecast

SUMMARY OF ISSUE

- ◆ Reduction in air service over the last several years has had increasing impact on Airport's finances
- ◆ Ampersand hangar lease reversion and other development potential provides long-term opportunities to get back into the black
 - Requires significant capital investments
- ◆ Expect to be financially stronger by FY 2021 (5 years)
- ◆ Staff cuts needed to balance will have significant impact on ability to run the Airport and development projects

STAFF RECOMMENDATION

- ◆ Temporarily Reduce ARFF services
 - Supported 2-1 by Finance Committee
 - Will preserve needed reserves
 - Provides more funds to capitalize on opportunities to increase revenues and to advance development on the north side
 - Annual cost of ARFF services is \$2.1 million + CPI
 - Reduced level of service is still reasonable in the context of the costs



QUESTIONS/DIRECTION TO STAFF



GENERAL FUND



Finance Committee Recommendations

FINANCE COMMITTEE

Recommendations

- ◆ **Items Reviewed by Finance Committee Subject to a Recommendation**
 - ◆ **General Fund budget strategy, including funding of policy reserves**
 - ◆ **General Fund tax revenue assumptions**
 - ◆ **General Fund and enterprise fund proposed fees**
 - ◆ **Airport proposed temporary reduction in ARFF services**
 - ◆ **Staff recommended adjustments**
 - ◆ **Requests from outside organizations**

FINANCE COMMITTEE

Recommendations

- ◆ Items Unanimously Approved by Finance Committee
 - ◆ General Fund tax revenue assumptions
 - ◆ General Fund and enterprise fund proposed fees
 - ◆ Staff recommended adjustments

FINANCE COMMITTEE

Recommendations

- ◆ **ARFF**
 - ◆ 2-1 in support of staff's recommendation to reduce ARFF services by 1/3
- ◆ **Funding Requests from Outside Organizations**
 - ◆ No recommendations
 - ◆ Tentative support for certain items
- ◆ **General Fund Balancing Strategy**
 - ◆ Close gap in reserves in 18 months



Funding Requests From Outside Organizations

	FY 2016 <u>Proposed</u>	FY 2016 <u>Request</u>	Net Funding <u>Request</u>	<u>Preliminary Support</u>		
				<u>Francisco</u>	<u>White</u>	<u>Hart</u>
Casa Esperanza						
Converting One-Time Funding to Ongoing	\$ -	\$ 125,000	\$ 125,000	One-Time	Yes	One-Time
Community Environmental Council						
Community Choice Aggregation (CCA) Comprehensive Feasibility Study	-	50,000	50,000	No	Yes	Yes
Santa Barbara Chamber						
Airport Visitor Information Center	-	20,000	20,000	No	No	No
Summer Solstice						
Additional Funding Request	66,000	76,000	10,000	No	No	Yes
Santa Barbara School District						
Jr. High School After School Sports Program	20,000	32,830	12,830	Yes	No	Yes
Police Activities League						
Reduction in Rent	-	9,983	9,983	No	Yes	Yes
Legal Aid Foundation						
Common Ground - Downtown Project	-	25,000	25,000	No	No	Yes
Spirit of '76 Foundation						
1. Lobero Flag Safety Improvement	-	5,000	5,000	No	No	Yes
2. 4th of July Parade	5,300	7,500	2,200	No	No	Yes
TV Santa Barbara						
Increased Operational Support	<u>303,900</u>	<u>323,000</u>	<u>19,100</u>	No	No	Yes
	<u>\$ 395,200</u>	<u>\$ 674,313</u>	<u>\$ 279,113</u>			



Service Enhancements

SERVICE ENHANCEMENTS

Requiring Additional Funding

	<u>FTE's</u>	<u>Cost/ (Savings)</u>	<u>Add'l Revenue or Existing App</u>	<u>Net Cost</u>	<u>Ongoing</u>
Administrative Services					
Admin Analyst II (Labor) - includes savings from reclass of HR Analyst to HR Assistant	1.0	\$ 117,743	(25,290)	92,453	X
City Attorney's Office					
Misc. Office Costs (Publications, Memberships, & New Case Mgmt Software Licensing)	-	10,800	-	10,800	X
Community Development					
ZIR Improvements Outreach Assistance	-	7,000	-	7,000	
Fire					
Restoration of Public Education Coordinator Position	1.0	92,050	-	92,050	X
Library					
Restoration of Librarian II for Youth Services	1.0	87,100	-	87,100	X

SERVICE ENHANCEMENTS

Requiring Additional Funding

	FTE's	Cost/ (Savings)	Revenue or Existing App	Net Cost	Ongoing
Parks and Recreation					
Restoring Project Management Supervisor (Senior Planner I)	1.0	123,772	(44,272)	79,500	X
Restoring Recreation Specialist to expand revenue-based classes/progs at Carrillo Rec. Ctr	0.8	54,688	(5,552)	49,136	X
Downtown Organization (3% increase)	-	18,548	(9,274)	9,274	X
Police					
Combined Communications Ctr Manager (Civilian) - Converted Unfunded Police Officer	-	165,000	-	165,000	X
Public Works					
Move 1 FTE from Streets Fund Transportation Planning to the General Fund	1.0	122,018	-	122,018	X
Community Promotions					
3% increase for all Community Promotions, except Visit Santa Barbara	-	32,390	-	32,390	X
TOTALS	5.8	\$ 831,109	\$ (84,388)	\$ 746,721	

SERVICE ENHANCEMENTS NOT Requiring Additional Funding

	<u>FTE's</u>	<u>Cost/ (Savings)</u>	<u>Revenue or Existing App</u>	<u>Net Cost</u>	<u>Ongoing</u>
City Attorney					
Delete Legal Secretary II position - savings used for outside counsel	(0.6)	(52,290)	52,290	-	X
Finance					
Accounting Supervisor	1.0	119,959	(119,959)	-	X
Parks and Recreation					
Restore Head Pool Lifeguard (0.8 FTE)	0.8	43,809	(43,809)	-	X
Restore Office Specialist II (Recreation)	1.0	63,138	(63,138)	-	X
	2.2	\$ 174,616	\$(174,616)	\$ -	



OPTIONS FOR CLOSING RESERVE GAP

ADJUSTED RESERVES

	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>
Beginning Balance	\$ 27,442,171	\$ 29,567,546	\$ 30,296,781
Budgeted Surplus (50%)	669,825	454,279	461,915
Adjust for Reduced Settlement Costs	200,000	-	
Ending Reserves - As Adjusted	<u>28,311,996</u>	<u>30,021,825</u>	<u>30,758,696</u>
Reserves Expected to Become Available:			
Conversion of Waterfront Loan to Available	1,046,184	-	-
GPU Loan Repayments	100,000	100,000	100,000
EMLAP Loan Repayments	109,366	174,956	261,381
	<u>1,255,550</u>	<u>274,956</u>	<u>361,381</u>
Total Reserves - Projected at June 30	29,567,546	30,296,781	31,120,077
Policy Reserve Amounts	<u>31,433,500</u>	<u>32,376,505</u>	<u>33,347,800</u>
Reserves Above (Below) Policy	<u>\$ (1,865,954)</u>	<u>\$ (2,079,724)</u>	<u>\$ (2,227,723)</u>

CLOSING THE GAP IN 1 YEAR

	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>
Additional Measures Needed:	\$ 1,865,954	\$ 213,770	\$ 147,999
Allocate 100% of FY 2015 Surplus to Oper. Reserves	(674,523)	-	-
Allocate 100% of FY 2016 Surplus to Oper. Reserves	(669,825)	-	-
Other Options:	(521,606)	(213,770)	(147,999)
Reduce Service Enhancements (\$750,000)			
Reduce Capital (\$3.6M/\$1.3M/\$1.4M)			
Increase Year-End Variance			
Requests from Outside Organizations			
Net	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CLOSING THE GAP IN 2 YEARS

	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>
Additional Measures Needed:	\$1,865,954	\$ 735,376	\$ 147,999
Allocate 100% of FY 2015 Surplus to Oper. Reserves	(674,523)	-	-
Allocate 100% of FY 2016 Surplus to Oper. Reserves	(669,825)	-	-
Other Options:	-	(735,376)	(147,999)
Allocate 100% of FY 2017 Surplus to Operating Surplus (\$454,279)			
Reduce Service Enhancements (\$750,000)			
Reduce Capital (\$3.6M/\$1.3M/\$1.4M)			
Increase Year-End Variance			
Requests from Outside Organizations			
	<u>\$ 521,606</u>	<u>\$ -</u>	<u>\$ -</u>

CLOSING THE GAP IN 3 YEARS

	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>
Additional Measures Needed:	\$ 1,865,954	\$ 735,376	\$ 433,375
Allocate 100% of FY 2015 Surplus to Oper. Reserves	(674,523)	-	-
Allocate 100% of FY 2016 Surplus to Oper. Reserves	(669,825)	-	-
Options:	-	(450,000)	(433,375)
Allocate 100% of FY 2017 Surplus to Operating Surplus (\$454,279)			
Reduce Service Enhancements (\$750,000)			
Reduce Capital (\$3.6M/\$1.3M/\$1.4M)			
Increase Year-End Variance			
Requests from Outside Organizations			
	<u>\$ 521,606</u>	<u>\$ 285,376</u>	<u>\$ -</u>



DIRECTION FROM COUNCIL

DIRECTION FROM COUNCIL

Suggested Process

- ◆ Provide direction, if any, on reserves
 - ◆ When and how to close reserve gap
 - ◆ Indicate priority among alternative approaches
 - ◆ Use of projected surpluses towards oper. reserves
 - ◆ Service enhancements
 - ◆ Reduction in ongoing capital program
 - ◆ Budgeted anticipated year-end variance
 - ◆ Unbudgeted YE Surplus
- ◆ Provide direction on funding requests from outside organizations
- ◆ Provide direction on any other part of the budget

DIRECTION FROM COUNCIL

Suggested Process – Cont'd

- ◆ **Depending on the direction...**
 - ◆ **Return to Council on June 16th to review suggested approach**
 - ◆ **If needed, push back adoption date from June 23rd to June 30th**