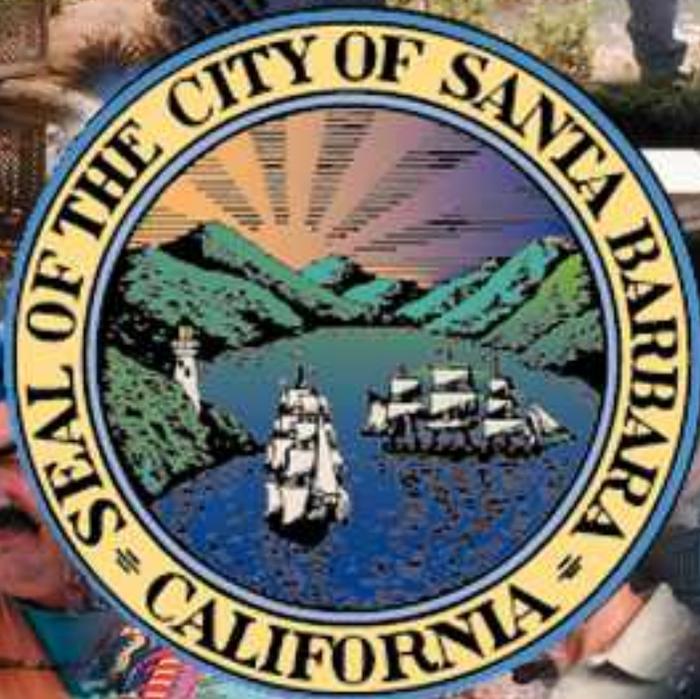


City of Santa Barbara



**Adopted 1999-2001 Financial Plan
and Fiscal Year 2000 Operating & Capital Budget
Volume 1-Department Program Budgets**

CITY OF SANTA BARBARA, CALIFORNIA

**ADOPTED OPERATING AND CAPITAL
BUDGET**

FISCAL YEARS 2000 AND 2001

VOLUME I

CITY OF SANTA BARBARA

CITY ADMINISTRATOR

TELEPHONE:..(805) 564-5305
FAX:.....(805) 897-1993



CITY HALL
DE LA GUERRA PLAZA
POST OFFICE BOX 1990
SANTA BARBARA, CA 93102-1990

CALIFORNIA

September 30, 1999

Mayor and Members of City Council
City of Santa Barbara
Santa Barbara, California

Honorable Mayor and Members of City Council:

We proudly present the Adopted 2000 and 2001 Financial Plan including the Adopted Fiscal Year 2000 Operating & Capital Budget. The Budget for Fiscal Year 2000 was adopted on June 15, 1999 pursuant to Charter Section 1202.

As adopted, the Fiscal Year 2000 budget for all funds, including the capital programs, amounts to \$129,603,904. The Budget reflects a balanced operating budget without the use of reserves, and a continued restoration of programs and services which began with the adoption of the Fiscal Year 1997 Budget.

The budget document follows the same format as previous financial plans and, as such, is presented in two volumes. Volume I includes the City Administrator's Budget Message, followed by summary schedules and department information for both Fiscal Years 2000 and 2001. It also includes Tables of Contents for both volumes so that the reader may reference more specific program information found in Volume II. Volume II details the City's 140 programs and the capital program. We believe this format makes the complex budget and program information accessible, as well as interesting and understandable. The Two-Year Financial Plan document should serve as a useful budget decision-making tool. We hope that Council, the Boards and Commissions, staff and the public will find it so.

The development of the Two-Year Financial Plan is a significant undertaking. It requires a tremendous amount of time and effort from many people in the organization to plan, develop and produce. I would like to thank all departments, particularly departmental budget staff and budget liaisons, for their hard work and dedication. I especially would like to thank the Finance Department budget staff for their tireless efforts, without which this document would not be possible.

Honorable Mayor and Members of City Council
September 30, 1999
Page -2-

Madame Mayor and Members of Council, it is my opinion that the Adopted Budget for Fiscal Year 2000 included within the Adopted Two-Year Financial Plan meets the requirements the budget policies of the City Council and the principles of sound financial planning.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Sandra E. Tripp-Jones". The signature is fluid and cursive, with a long horizontal stroke at the end.

Sandra E. Tripp-Jones
City Administrator

ST-J/rs

**CITY OF SANTA BARBARA
OPERATING AND CAPITAL BUDGET
FISCAL YEARS 2000 and 2001**

TABLE OF CONTENTS

VOLUME I

Table of Contents, Volumes I and II	i
Distinguished Budget Presentation Award	x
INTRODUCTORY SECTION	
City Administrator's Budget Message	1
Council Goals And Implementation Plans	37
Directory of City Officials	39
City of Santa Barbara Organizational Chart	40
SUMMARY SECTION	
About the City of Santa Barbara	43
Summary of Sources and Uses of Funds	
Fiscal Year 2000	44
Fiscal Year 2001	46
Summary of Revenues by Fund	48
Summary of Appropriations by Fund	53
Summary of Authorized Positions.....	58
Schedule of Position Changes	
Fiscal Year 2000	59
Fiscal Year 2001	61
Changes in Service.....	62
Capital Program Summary	
Fiscal Year 2000	79
Fiscal Year 2001	85
INDIVIDUAL FUND PRESENTATIONS	
General Fund.....	98
Special Revenue Funds	
Traffic Safety.....	108
Gas Tax	109

**CITY OF SANTA BARBARA
OPERATING AND CAPITAL BUDGET
FISCAL YEARS 2000 and 2001**

**TABLE OF CONTENTS
VOLUME I (continued)**

INDIVIDUAL FUND PRESENTATIONS (continued)

Special Funds (continued)	
Transportation Development Fund.....	110
Community Development Block Grant	111
Transportation Sales Tax	113
County Library.....	115
Enterprise Funds	
Airport Fund	116
Duplications Fund	118
Golf Fund	120
Intra-City Service Fund.....	122
Downtown Parking Fund.....	124
Self-Insurance Fund.....	126
Wastewater Fund.....	128
Water Fund.....	130
Waterfront Fund.....	133

DEPARTMENT PRESENTATIONS

Administrative Services Department.....	137
Airport Department	141
City Administrator.....	146
City Attorney	149
Community Development Department.....	152
Finance Department	156
Fire Department.....	161
Library Department.....	165
Mayor and Council.....	169
Non-Departmental	172
Parks and Recreation Department.....	175
Police Department	179
Public Works Department.....	183
Waterfront Department.....	191

**CITY OF SANTA BARBARA
OPERATING AND CAPITAL BUDGET
FISCAL YEARS 2000 and 2001**

**TABLE OF CONTENTS
VOLUME I (continued)**

APPENDICES

Appendix A 197	Description of Funds.....	
Appendix B	Management and Budget Policies	203
Appendix C	Legal Requirements and Budgetary Process.....	206
Appendix D	Master Budget Calendar	209
Appendix E	Article XIIB Appropriations Limit Calculations	215
Appendix F	Leading Employers	216
Appendix G	Miscellaneous Statistics	217
Appendix H	Debt Obligations	218
Appendix I	Glossary of Budget and Finance Terminology	222

**CITY OF SANTA BARBARA
OPERATING AND CAPITAL BUDGET
FISCAL YEARS 2000 AND 2001**

**TABLE OF CONTENTS
VOLUME II**

INTRODUCTION	i
TABLE OF CONTENTS	ii
Summary Of Sources And Uses Of Funds	ix
PROGRAM PRESENTATIONS	
Administrative Services Department	2
City Clerk.....	8
Human Resources	11
Desktop Information Systems	14
Centralized Information Systems	17
Government Access Channel	20
Airport Department	24
Administration	30
Business and Property Management	32
Marketing and Community Relations.....	35
Facilities Maintenance	38
Air Operations Area Maintenance	41
Airport Security.....	43
Airport Certification and Operations	46
Facilities Planning and Development Support.....	49
City Administrator	54
Administration	58
Labor Relations.....	61
City Attorney.....	66
City Attorney	70

**CITY OF SANTA BARBARA
OPERATING AND CAPITAL BUDGET
FISCAL YEARS 2000 AND 2001**

**TABLE OF CONTENTS
VOLUME II (continued)**

Community Development Department	76
Administration	82
Economic Development	85
Excellence in Customer Service for Land Development	88
CDBG Administration	92
CDBG Rental Housing Mediation	95
CDBG Housing Rehabilitation	98
Human Services.....	101
Redevelopment Agency	103
Housing Development.....	107
Home Administration	110
Long Range Planning and Special Studies.....	112
Development and Design Review	116
Zoning: Ordinance, Information and Enforcement	121
Building Permits	124
Records Center and Plan Archives	127
 Finance Department.....	 132
Administration	138
Treasury.....	141
Billing and Collection.....	144
Utility Billing.....	147
Business Licenses and Permits	150
Accounting	152
Payroll	155
Accounts Payable	158
Purchasing	161
Central Stores	164
Duplicating	166
Mail Services.....	169
Workers' Compensation/Occupational Health and Safety	171
Property / Liability Insurance	174

**CITY OF SANTA BARBARA
OPERATING AND CAPITAL BUDGET
FISCAL YEARS 2000 AND 2001**

**TABLE OF CONTENTS
VOLUME II (continued)**

Fire Department	178
Administration	184
Prevention.....	186
Public Education	190
Operations	193
Aircraft Rescue and Firefighting.....	196
Library Department.....	200
Administration	206
Public Services.....	209
Support Services.....	213
Adult Literacy	216
County Branches	219
Mayor and City Council.....	224
Non-Departmental	228
Community Promotion	
Arts and Events	232
Fiesta	234
Marketing and Tourism.....	236
Zoological Gardens	239
General Government.....	241
Parks and Recreation Department.....	244
Administration	250
Parks	
Parks Facilities and Project Management	253
Grounds Management.....	256
Forestry	260
Beach Maintenance.....	263
Parks Operations Management.....	265
Parks Contract Management.....	268

**CITY OF SANTA BARBARA
OPERATING AND CAPITAL BUDGET
FISCAL YEARS 2000 AND 2001**

TABLE OF CONTENTS

VOLUME II (continued)

Parks and Recreation Department (continued)

Chase Palm Park Maintenance	270
Recreation	
Recreation Management and Business Services	273
Publicity and Facility Services	276
Cultural Arts.....	279
Youth Activities.....	282
Teen Programs.....	286
Adapted Recreation and Developmental Programs	289
Senior Recreation Services	292
Aquatics	295
Adult Sports.....	298
Tennis Services.....	301
Community Services.....	304
Municipal Golf Course.....	307
Police Department.....	312
Chief's Staff Operations and Administration	318
Information Technology.....	321
Administrative Division Management	324
Community Services	327
Property Room.....	330
Training/Recruitment.....	333
Parking Enforcement	336
DARE/School Resources	338
Investigations	341
Serious Habitual Offender.....	344
Patrol Operations	347
Beat Coordinators	350
Special Events	352
Tactical Patrol Force	354
Westside Neighborhood Bicycle Patrol	357
Host Program.....	359

**CITY OF SANTA BARBARA
OPERATING AND CAPITAL BUDGET
FISCAL YEARS 2000 AND 2001**

TABLE OF CONTENTS

VOLUME II (continued)

Police Department (continued)

Partnership for Youth	361
Combined Communications Center	363
Animal Control.....	366
Office of Emergency Services.....	369

Public Works Department..... 374

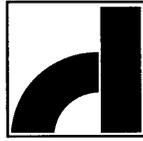
Administration	384
Engineering Services	387
Land Development and Public Right-of-Way	391
Environmental Programs.....	394
Transportation Operations	398
Transportation Planning.....	401
Alternative Transportation	404
Downtown Parking	407
Downtown Parking Management	410
Roadway Maintenance and Sidewalk Repair.....	412
Street Sweeping and Cleaning.....	415
Storm Drain Repair and Maintenance	417
Special Event Support	419
Traffic Markings and Signage	421
Street Capital Program.....	423
Building Maintenance.....	425
Motor Pool.....	429
Communications Systems.....	433
Traffic Signals (Streets).....	436
Custodial Services	439
Water and Wastewater Utilities Management.....	442
Water Supply Purchases	446
Water Reclamation	448
Water Distribution / Wastewater Collection.....	451
Water Treatment.....	455
Cater Water Treatment	458
Water Supply Management	461

**CITY OF SANTA BARBARA
OPERATING AND CAPITAL BUDGET
FISCAL YEARS 2000 AND 2001**

TABLE OF CONTENTS

VOLUME II (continued)

Public Works Department (continued)	
Water Resources Laboratory	464
Water Capital Program	467
Wastewater Treatment.....	470
Wastewater Capital Program	474
Waterfront Department	478
Administrative Support and Community Relations	484
Waterfront Property and Financial Management	487
Waterfront Parking Services	490
Harbor Patrol Program	493
Marina Management	496
Dredge Operations.....	499
Facilities Maintenance.....	501
Facilities Design and Capital Programs.....	503
CAPITAL PROGRAM BUDGET	
Fiscal Year 1999-2000 Capital Budget	509
Fiscal Year 2000-2001 Capital Budget	524
LIST OF AUTHORIZED POSITIONS BY DEPARTMENT	543



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

**PRESENTED TO
City of Santa Barbara,
California**

**For the Fiscal Year Beginning
July 1, 1997**

Linda K. Savitsky
President

Jeffrey L. Esler
Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented an award of Distinguished Presentation to City of Santa Barbara for its annual budget for the fiscal year beginning July 1, 1997.

In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan and as a communication device.

The award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we have submitted it to GFOA to determine its eligibility for another award.

CITY ADMINISTRATOR'S BUDGET MESSAGE

I. INTRODUCTION

The decade of the 1990's has been a period of extremes. It began on the heels of a period of abundance where, during most of the 1980's, the California and local economies were thriving. Then in 1992, the economic downturn that began in the East Coast reached California, impacting the financial condition of both state and local government. With a large source of revenues being tied to economic conditions, the City of Santa Barbara was particularly affected by the recession that would last almost five years. The City responded by implementing cost cutting measures, which included the elimination of approximately 40 positions. In late 1996 and early 1997, with the recession ending in California, the economy would finally rebound and would once again thrive. Today, the local economy appears strong and vibrant, despite a period of uncertainty caused by instability in financial markets abroad.

During these last several years the City has enjoyed tremendous growth in its key revenues. Consumer confidence has translated into increased consumer spending, accounting for significant growth in sales tax revenues. Tourism is strong, adding to increased retail sales, and providing for substantial growth in transient occupancy tax (TOT) revenues. Although lagging behind other tax revenues, property tax revenues are finally showing relatively strong growth rates as a result of increasing real estate prices and sales.

The City's financial strength has led to a greatly expanded number of community projects and programs. As such, it is an exciting time for the City and the community. Much has been accomplished and is planned for the upcoming two years. Yet, economic growth does not come without its own set of challenges.

For example, the expansion in projects and programs places a tremendous amount of pressure on staff, substantially adding to the existing workload. As salaries and benefits represent the single largest cost of the City, simply adding staff in response to all the needs of the community is not the answer as these added costs impose an unrealistic burden on a continued growth in revenues for funding. Therefore, managing the workload during this time of perceived abundance will be a significant challenge of the City.

The City also faces the challenge of financing the rising costs of City operations while undertaking community projects. Increasing salary and benefit costs, a backlog of capital projects, and the general increase in the cost of supplies and services present the City with the challenge of finding sufficient *ongoing* revenues to fund these ongoing costs

This two-year financial plan represents a plan of expenditures for fiscal years 2000 and 2001 in response to the shared and interdependent needs and interests of the community and the City. It has been developed within the context of sound fiscal and budget policies aimed at preserving the City's financial stability. It has also been developed with an eye toward the future when, as we saw in the early 1990's, revenues will inevitably level off or decline, and simply funding its ongoing operations will become the City's greatest challenge.

The adopted operating budgets of \$127 million and \$132.2 million for fiscal years 2000 and 2001, respectively, provide for a full range of municipal services including:

- police and fire protection
- parks and recreation services
- municipal golf course
- library
- community development (planning, building, housing and redevelopment)
- public works and streets
- water supply and distribution
- wastewater collection and treatment
- downtown parking facilities
- regional airport
- harbor and waterfront

In addition to these traditional services, the City provides support the arts, tourism advertising and human service agencies.

The adopted operating budget for fiscal year 2000 includes the addition of 14 full-time positions, nine (9) of which are in the General Fund, and the reduction of one (1) part-time, permanent position. In fiscal year 2001, it includes the deletion of one (1) position in the General fund, and the addition of one (1) position in the Golf Fund. These positions are largely the result of expanding services and the attendant workload. A key General Fund position includes the addition of a Business Manager in the Parks and Recreation Department in order to provide high-level administrative support to the Parks, Recreation and Golf Operations. Another key position, a Webmaster, is added in direct response to a Council Goal, in order to enhance the uses of and expand the information on the City's Web site.

With respect to Enterprise Funds, key positions include those added in the Downtown Parking Fund to staff the extended hours to be implemented in the downtown parking lots. The additional revenue will largely go toward funding a new Parking Management Program. Two positions are added in the Wastewater Fund in fiscal year 2000 to implement an Illegal Sewer Discharge and Smoke Testing Program designed to enforce a recently approved Ordinance, which establishes penalties for illegal storm water discharges to the collection system.

In addition to new positions, a total of \$100,000 was added across several General Fund departments, particularly in the Parks & Recreation and Library Departments, to pay for increases in temporary salaries. This will help elevate these salaries to more competitive levels, thereby reducing the turnover rate and lost productivity. In the Library Department, \$83,500 has been added to the budget for library materials as a result of the restored State Public Library Funding (PLF).

The adopted capital program for all funds is approximately \$20.2 million in fiscal year 2000. It includes an expanded Streets Capital Program, which features a number of projects associated with the City's new General Plan Circulation Element. Many of these projects fall under the description of "alternative transportation" projects as they promote pedestrian, bicycle and transit modes of transportation as an alternative to automobiles. Due to the influx of special grant funding designated for roadway maintenance, this new emphasis has not reduced the required funds necessary to maintain the current pavement management program.

The recommended capital program in fiscal year 2001 for all funds is approximately \$27.7 million. In addition to the expanded streets program, which adds almost \$3 million more than fiscal year 2000, the capital program includes approximately \$3.5 million in capital improvements to the Airport Property on the North side of Hollister Avenue pursuant to the Airport Specific Plan.

In fiscal year 2000, the General Fund's operating budget generates an expected operating surplus of \$403,969. This surplus will be used, in large part, to fund the \$2,186,500 capital program with only \$1,782,531 needed from available reserves. Historically, the General Fund Capital Program, excluding the contribution to the Streets Capital Program (\$1.9 million in each of the upcoming years), has been funded entirely from available reserves. However, significant one-time savings in retirement costs projected for fiscal year 2000 enables a large portion of the capital program to be funded from these savings rather than from available reserves. (See "Funding Ongoing Operations and Capital" later in this Budget Message for further discussion of retirement costs.) In fiscal year 2001, the General Fund operating budget is balanced only through the recommended use of available reserves totaling \$2,222,036. This use of reserves for operating costs is within established budget policies as they support one-time costs totaling \$1,305,827. An additional use of available reserves is planned to fund the \$1,777,700 General Fund capital program. Over the two (2) year period, \$4,004,567 in reserves will be needed in relation to the two-year General Fund capital program costs totaling \$3,964,200.

* * *

The following sections of this Budget Message summarize the policies and goals that make up the foundation of the budget, the budget issues affecting the development of the funding recommendations, and the adopted programs and projects aimed at addressing these budget issues.

II. BUDGET FOUNDATION

The development of the budget incorporates relevant City budget policies, various revenue assumptions and City Council goals. Together, they establish the framework and parameters (the “budget foundation”) for spending levels and the allocation of resources. All of the major elements that collectively make up the budget foundation are discussed below.

COUNCIL BUDGET POLICIES

In November, 1995, the City Council adopted a series of financial and budgetary policies directly affecting the development of the current and future budgets. These policies, contained in Resolutions No. 95-156 and No. 95-157, are summarized below.

- The budget will emphasize quality municipal services and will recognize the importance of public safety and well-maintained infrastructure.
- The budget will reflect a strong customer service orientation.
- The budget will provide for adequate maintenance and orderly replacement of infrastructure, capital plant and equipment.
- Deferring maintenance and repairs of existing facilities in favor of acquisitions of new facilities will be avoided.
- Productivity improvements resulting in cost reduction will remain an important budgetary goal.
- Fees and service charges supporting enterprise funds will be set at a level to achieve full cost recovery of direct and indirect capital costs.
- Ongoing operating expenditures in both fiscal years 2000 and 2001 will be financed with current revenues, to the exclusion of the use of reserves.
- Each fund will establish fund balance reserves under uniform standards as follows:

Reserve Account	Funding Level
Economic Contingency/Emergencies	15% of operating budget
Future Year's Budget	10% of operating budget
Capital	Average of last three years' capital budget or 5% of net assets
Appropriated Reserve	½ of 1% of operating budget

The adopted budget reflects the spirit of each of the budget policy goals and priorities adopted by Council in November of 1995.

PROGRAM BUDGETING

Beginning in fiscal year 1996/97, the City changed its approach to budgeting, focusing on services to customers at the *functional* level (or “program”) level. A “program” is defined as a distinct functional unit within a department, consisting of a significant service provided using City resources. The “customers” of these services can be other programs, departments or members of the public.

The focus on programs provides the following benefits:

- Program budgeting communicates a more detailed and accurate picture to the public and elected officials of services offered by the City. It also identifies to what extent funds are allocated to these services.
- Program budgeting allows management to allocate resources more efficiently as individual programs will not be commingled and combined.
- Program budgeting enables staff to accurately measure the performance and efficiency of specific functions performed within departments and divisions.

Organizationally, departments are divided into one or more operational divisions. For accounting and budgeting purposes, these divisions consist of one or more programs. Although each program is unique to a department and a division, a program may cross over more than one fund. For example, the Streets Capital Program, a program of the Public Works Department, has multiple funding sources, including Measure D (Transportation Sales Tax) revenues, General Fund (Utility Users Tax) revenues and Federal and State grant revenues. Therefore, this program spans three separate funds, but only one department. The vast majority of programs, however, are within a single fund.

Volume I of the Financial Plan contains budget summary information at primarily at the fund and department level. Detailed descriptions, as well as revenue and expenditure information, of programs are provided in Volume II, by department. Note that within each department summary (contained in Volume I, and duplicated in Volume II), pie charts of revenues and expenditures are presented for each affected fund within that department.

REVENUE ASSUMPTIONS

The projection of revenues is a critical step in the development of any budget as it establishes the parameters within which spending decisions and priorities must fall. Revenue projections inherently require the application of certain assumptions about future events affecting these revenues. The initial projections applicable to the adopted Two-Year Financial Plan, developed in the fall of 1998, were updated as necessary during the budget development process. The Overview by Fund section contained in Volume I provide detailed discussions of these revenue projections for each fund. A more summarized version is provided below.

General Fund:

General Fund revenues support the basic municipal services of Police, Fire, Library, Parks and Recreation, Streets and Transportation, and Community Development. These services are primarily funded by the General Fund's largest revenue sources: Sales Tax, Property Tax, Utility User's Tax (UUT) and Transient Occupancy Tax (TOT) revenues. Although to a lesser extent with UUT revenues, these main revenue sources are directly affected by changes in economic conditions. Therefore, assumptions relevant to these revenue sources are based on an analysis of where the economy has been and where it is now, and translating this information into projections for the next several years.

As noted in the introduction, economic conditions have been favorable during these last several years, resulting in growth rates in certain revenues approaching double digits. General economic data and trends Statewide suggest that economic conditions will continue to be favorable for the next few years. Nonetheless, revenue estimates for the next two years are relatively conservative to minimize the risk of exposure if economic conditions take a dramatic shift for the worse. Beyond this, there are natural limits to growth in revenues tied to consumer spending. Accordingly, even without a major downturn in the economy, revenues will inevitably level off to more reasonable and normal growth rates.

Revenue projections for each of the four major revenue sources are discussed below.

- ◆ Sales tax revenues are projected to grow in the current year (fiscal year 1999) by roughly 8% in relation to fiscal year 1998. Future years' growth is very uncertain in light of growing Internet sales and national debate on the application of State and local sales tax to Internet sales. In fiscal years 2000 and 2001, sales tax revenues are conservatively budgeted to grow 5% and 3%, respectively.
- ◆ For the first time in almost five years, property tax revenues in fiscal year 1999 seem to be responding to the significant rise in property values and the active real estate market. We estimate that property tax revenues will have grown by approximately 6% in fiscal year 1999 in relation to fiscal year 1998. A 3% growth rate has been projected for property tax revenues in each of the two upcoming years.
- ◆ Utility Users' Tax (UUT) revenues have been estimated in both fiscal years 2000 and 2001 at the same level as the projected fiscal year 1999 year-end estimate. This is due specifically to the significant drop in UUT associated with the City's main electric utility provider. This drop in revenues is attributable to a billing system problem within the electric utility company, which has recently been resolved. As a result of this problem, no growth is projected. A normal growth rate would be approximately 2%.
- ◆ Transient Occupancy Tax (TOT) revenues are expected to grow over 10% by the end of fiscal year 1999 in relation to fiscal year 1998. This unusual growth rate, however, is in part attributable to the poor weather conditions (i.e., "El Nino") during fiscal year 1998, particularly between January and March when the City experienced significant flooding and damage. With very high overall occupancy rates, future TOT growth is most likely to be a function of increases in room rates rather than increases in occupancy rates. In addition, the impact on revenues of new and potential downtown

hotels in still uncertain. A 4% growth rate is projected in each of the two upcoming years.

Enterprise Funds:

Enterprise funds are those funds that are totally supported by user fees and charges. The Water, Wastewater, Airport, Golf, Downtown Parking and Waterfront Funds make up the Enterprise Funds.

- ◆ Revenues in the **Airport Fund** have been strong as a result of general increases in the number of passengers. This is due to not only to the healthy economy but also to improvements in air service. Estimated revenues in fiscal years 2000 and 2001 are projected approximately \$1 million higher than fiscal year 1999. This includes \$131,000 in each year in connection with a parking rate increase in the short-term parking lots. These additional revenues will help finance the costs of the Airport's capital improvement program, including expansion of the terminal and extension of the runway safety area. Also, the Airport receives a \$3 Passenger Facility Charge (PFC) for Federal Aviation Administration (FAA) approved projects. The total annual income from the PFC is approximately \$960,000 each year.
- ◆ **Water Fund** revenues continue to be stable. In the current year (fiscal year 1999), revenues have increased in relation to fiscal year 1998, primarily as a result of dramatic weather differences. The El Nino conditions during the winter and early spring of fiscal year 1998 substantially reduced water consumption and, therefore, sales. We anticipate fiscal years 2000 and 2001 will more closely approximate the weather conditions of this current year, and therefore revenue estimates associated with consumption have been established at levels consistent with fiscal year 1999 projections. However, a rate increase of 3% in each of the two upcoming years has been added to the estimated revenues. These rate increases will be used to fund the debt service costs associated with the planned sale of bonds. The proceeds from these bonds will be used to finance large capital projects, including the Sheffield Water Quality Project and the Cater Filter Rehabilitation Project. Both of these projects are discussed later in this Budget Message under the heading "Funding Major Capital Projects".
- ◆ **Wastewater Fund** revenues, like those in the Water Fund, have been stable in recent years. No rate increases are recommended in the upcoming two-year cycle, and overall revenues are consistent with fiscal year 1999 projections.
- ◆ In large part due to favorable economic conditions, bringing a large number of visitors into the City, **Downtown Parking Fund** revenues have been increasing steadily since fiscal year 1997. Revenue estimates in both fiscal years 2000 and 2001 are consistent with projected fiscal year 1998 revenues, with one exception. Revenue estimates in each year reflect an additional \$767,500 associated with a proposal to extend the time in the parking lots that fees are collected to include late nights and Sundays, and the reduction of free parking from 90 minutes to 75 minutes. No rate increases are currently proposed. However, the City Council Finance Committee will be considering a 25 cent charge to all vehicle parking to support expansion of parking north of Carrillo Street.

- ◆ **Golf Fund** revenues continue to be strong as the demand for “tee-times” far exceeds the supply of time slots. Fiscal year 1998 revenues were unusually low as a result of poor weather conditions and damage caused by the February 1998 storms, which limited play substantially. In general, revenue estimates in both fiscal years 2000 and 2001 are consistent with fiscal year 1999 projected revenues. Increases to golf fees have been recommended in two phases. The first increase in fiscal year 2000 is estimated to raise \$40,000 in revenues; in fiscal year 2001, the second increase will be implemented, raising an additional \$40,000. Revenues from these fee increases will be specifically designated for capital improvements at the Golf Course.
- ◆ With respect to the **Waterfront Fund**, several factors have changed the dynamics of current year revenues and those proposed in this two-year plan. The recent Stearns Wharf fire has resulted in the loss of revenues generated by both the Wharf parking lot and the two restaurants destroyed by the fire. Approximately \$600,000 in lost revenues, partially offset by expected insurance proceeds, is expected within the next two years. We anticipate these revenues will be restored before the end of fiscal year 2000. On the brighter side, the new Santa Barbara Waterfront Center (formerly the Naval Reserve Center) is now open and is expected to generate roughly \$200,000 in fiscal year 2000 and \$400,000 in fiscal year 2001. The addition of 74 new slips will add \$360,000 in revenues in both years. Lastly, a 3% increase in slip fees is recommended beginning in fiscal year 2001, which is expected to generate \$100,000 per year.

Interest Earnings:

The diversity of the City’s investment portfolio and the “buy and hold” investment strategy helps preserve the City’s principal and has provided a fairly stable yield during the last several years. As a result of recent declines in yields of fixed-income securities, however, the City’s yield has fallen slightly. To the extent lower yields continue in the next two years, interest earnings will be affected as higher-yielding securities mature and are replaced with lower-yielding securities. Thus, interest revenue in this two-year plan has been projected to drop approximately 4% each year.

LONG-TERM PLANNING EFFORTS

Long-Term Capital Improvement Planning:

The City develops and maintains a six-year Capital Improvement Plan, which is updated every other year. The Plan includes all proposed capital improvement and equipment replacement projects for the next six years, including proposed funding sources (i.e., grants, City revenues, or reserves).

In connection with the development of the two-year financial plan, the projects proposed for the two-years covered by the financial plan are subject to a ranking effort performed by an ad-hoc Capital Improvement Committee, consisting of City management staff. The rankings are based upon criteria agreed to by Council and staff, and serve to guide the decisions of both

the City Administrator and Council with respect to those projects proposed within the recommended budget and ultimately approved and funded in the adopted budget.

As discussed in other sections of this budget message, capital improvement projects are subject to funding availability. With respect to the general capital improvement program (General Fund), funding has historically come from accumulated reserves above policy requirements generated from budget surpluses. Although these “excess” reserves can and do vary from year to year, they tend to be very stable and thus predictable. Nonetheless, this funding mechanism establishes a limit on the overall funding available, which generally falls short of even those projects assigned a high ranking/priority.

With respect to Enterprise Funds, funding sources include current revenues and reserves. In general, fees and accumulated reserves above policy requirements are sufficient to fund all the capital improvement needs included within the Capital Improvement Plan document each year.

Workload Management Plan:

As discussed further in Section V – Budget Issues, the City has recently adopted a Workload Management Plan that, among other things, serves to ration workload over time and available resources. As such, it represents a major planning effort for large and highly visible projects, as well as a system by which future projects can be prioritized and scheduled.

Inasmuch as the Workload Management Plan was an effort aimed at addressing the increasing workload of staff, its impact on the development of the two-year financial plan is significant. Those same priorities established by the Workload Management Plan carried into the development of the two-year financial plan and annual budget.

Council Goals:

Each budget cycle, City Council seeks to address specific issues of common concern, such as economic vitality, public safety and affordable housing. In connection with the development of the Two-Year Financial Plan, the Council held a series of work sessions with staff to identify issues having a high priority, and to develop specific goals and action plans for their implementation. In each year, \$250,000 has been set aside to fund these items. Seven (7) goals, summarized below, were identified by City Council as having a high priority.

- I. Restore Arroyo Burro, Sycamore and Mission Creeks and Laguna Channel.
- II. Support the creation/placement of public art.
- III. Develop a plan for the beautification of Milpas and San Andres Streets.
- IV. Expand the relationship with the Santa Barbara School District to improve services to youth and adults.
- V. Advance consideration of regional governance and/or planning.
- VI. Enhance uses of technology.
- VII. Preserve the City’s heritage.

STATUS OF RESERVES

As noted earlier, the City has adopted policies establishing reserve requirements for economic contingency, future year's budgets and capital. As of June 30, 1998, required reserves in accordance with policy totaled \$15,981,537. In addition, the City has \$5,715,836 accumulated reserves above policy requirements.

In general, the City generates surpluses through favorable budget variances at year-end, which are added to reserve balances. These accumulated reserves above policy are used to fund the City's general capital improvement program and other one-time costs. As such, of the \$5.7 million in reserves above policy at June 30, 1998, approximately \$1.9 million has been used to fund the fiscal year 1999 (current year) capital program. Over the last several years, accumulated reserves above policy have remained fairly stable as the favorable year-end budget variances have approximated the capital program funded.

III. BUDGET STRATEGIES

Staff has developed and implemented a comprehensive strategy in the development of its annual budgets and two-year financial plans. This strategy has been extremely effective in evaluating and implementing funding decisions and issues, and includes six (6) elements as discussed below.

1. SPENDING TARGETS

Beginning with the fiscal year 1997 budget, the City adopted a new approach that eliminated much of the time and effort expended in evaluating and reviewing departmental budgets. Instead of analyzing submitted budgets at the line-item level, departments are assigned a spending target within which their budgets must be submitted. In meeting targets, departments are given a significant amount of latitude within their departmental budget to allocate resources between line items and between programs. In addition, departments are encouraged to evaluate staffing patterns and workloads to find opportunities to cut costs through reorganizations and other measures that may improve the efficiency of operations.

Departments are given their respective targets in early December, giving them time to evaluate alternative staffing configurations and decide on the most effective allocation of resources. In general, targets are based on an assumed continuation of existing programs and services, adjusted as appropriate based on the overall availability of revenues and other funding sources. For the adopted fiscal year 2000 & 2001 Financial Plan, these targets were developed based on the current fiscal year 1999 amended budget, adjusted for the following:

- (1) Any and all *approved* salary and benefit increases effective within the two-year period;
- (2) a 3% inflationary increase for on-going supplies and services (year 1 only);
- (3) a 3% increase in overtime costs; and
- (4) other nominal adjustments.

Funding requests outside of budget targets, such as for positions, are evaluated separately based on available resources and other funding priorities. In addition, any significant re-allocation of resources between programs, even those that are within the department's spending target, are reported separately and are subject to separate review and consideration.

In addition to providing departments increased latitude and flexibility in developing their budgets, spending targets serve to streamline the budget process by focusing a large part of the decision-making on those funding issues and requests above target.

With respect to enterprise funds, targets were established based on revenue projections without any rate increases. The operating budgets of enterprise funds are all funded by current revenues. The use of reserves is proposed for funding of capital programs in certain enterprise funds. Rate increases in certain funds are generally to fund direct capital expenditures or otherwise fund estimated debt service costs related to the issuance of debt, the proceeds of which will be used for capital.

2. ONE-TIME FUNDING FOR ONE-TIME COSTS

As discussed previously, the City Council adopted policies that allow “one-time” revenues to be used for “one-time” costs rather than ongoing costs. One-time capital costs represent an appropriate use of these funds. In the General Fund, accumulated reserves in excess of established fund balance reserve requirements are to fund \$1,782,531 of the City’s fiscal year 2000 capital program totaling \$2,186,500 and all of the fiscal year 2001 capital program of \$1,777,700. The capital program includes improvements to City facilities and the upgrade of computer equipment throughout the City. See the Capital Program Summary contained in this Volume, and a more detailed listing in Volume II.

Other funds that draw upon one-time available reserves for capital are:

- The Airport Fund has budgeted the use of approximately \$1.6 million in reserves in fiscal year 2001 (year 2) in connection with the development of the North side of Hollister Avenue pursuant to the Airport Specific Plan.
- The Intra-City Services Fund will use a total of \$156,716 and \$175,227 in fiscal years 2000 and 2001, respectively, from reserves for vehicle replacement in the Motor Pool Division.
- The Harbor Preservation Fund has budgeted the use of reserves totaling \$844,590 in fiscal year 2000 and \$46,174 in fiscal year 2001 to fund a large part of its capital program. The balance of the \$1,153,000 and \$638,000 capital program in fiscal years 2000 and 2001, respectively, will be funded from operating revenues.
- The Wastewater Fund will use \$677,469 in fiscal year 2001 to partially fund its capital program.

3. MINIMAL ADDITION OF STAFF

In order to support ongoing programs with increased service demands and to focus on Council priorities, an increase of 14 full-time positions is adopted in this Two-Year Financial Plan. The total number of positions, therefore, is 1,047 in both fiscal year 2000 and 2001. This total represents an increase of only 25 positions (approximately 2%) since fiscal year 1992, just before the recession impacted the City.

Overall, the growth in staff levels has been in line with increases in the City’s population. Between fiscal year 1992 and fiscal year 1999, the number of employees per capita has ranged from a low of 1.10 to a high of 1.19. Based on the most recent population figures, employees per capita in the recommended two-year plan is 1.15, still below the fiscal year 1992 per capita number of 1.19.

4. MANAGEMENT AUDITS

The City's commitment to excellence is reflected in its ongoing review of City operations for viability and effectiveness. This ongoing review stems from external pressures created by the increased demand for services without a corresponding increase in funding. Recently completed management audits include:

Finance Department

In November of 1997, the Finance Department completed a four-month management audit of its operations. The objective of the audit was to address a number of issues, such as staffing, workload distribution, management and others, that were affecting the department's ability to effectively carry out its role in the City.

A management audit Implementation Plan was developed that called for the implementation of solutions over a three-year period, many of which were implemented in the current year (fiscal year 1999). These included the addition of dedicated staff to both the Treasury and Administration Programs and the enhancement of automated systems.

In this two-year plan, the development and implementation in fiscal year 2001 of a "data warehouse" system (refer to the Capital Program Summary) is directly tied to the management audit. A data warehouse system allows for easy access to, and reporting from, financial data using standard Windows tools. It represents a powerful tool in support of inquiry, research, analysis and decision-making.

Land Development Management Audit

In fiscal year 1998, a new program was created as a result of a year-long effort by staff to address customer service issues pertaining to the land development review process. The new program, Excellence in Customer Service for Land Development, combined the efforts of the Community Development, Public Works and Fire Departments, calling for comprehensive improvements in operations and customer service. The solutions were planned for implementation over a three-year period, with fiscal year 2000 (year 1 of this two-year plan) being the third and final year of implementation.

The final component of the implementation plan, scheduled for fiscal year 2000, involves the improvement to the 30-day review process. When applications are submitted for Planning Commission review and approval, State law requires that this review be completed within 30 days to determine whether the application is complete. These improvements will create better communication with the applicant, establish a standard operating procedure for internal review to improve consistency, minimize the number of "late hits" on second reviews, and provide for better staff training for the review process.

Public Works Department – Transportation

In November of 1998, the Public Works Department completed a review, performed by an outside consultant, of its organizational structure and staffing. This study was performed in response to the increased focus and commitment of the City on alternative transportation and, specifically to implement the policies and goals of the recently update General Plan Circulation Element.

Based in the recommendations of the audit, the existing Transportation Division was divided into two new Divisions: a Transportation and Alternative Transportation Division and a Transportation Operations, Streets, and Parking Operations Division. In addition, other staff changes were made to provide dedicated engineering staff for each of the new divisions.

Golf Courses

In December of 1997, a management audit of the operations and management of both the Twin Lakes Golf Course and the Municipal Golf Course were completed. A number of recommendations have been implemented, or otherwise are in progress. With respect to the Municipal Golf Course, the City implemented a restructured fee schedule that has provided better access of the general public to peak play times. In addition, the City recently re-negotiated the Golf Pro Agreement, helping to raise additional revenues. City staff is currently re-negotiating the food service agreement.

Management audits in progress as of the date of adoption include the following:

Airport Department - Administration

As of the date of this Budget Message, a limited focus management audit of the Airport Department is in progress. As a result of the expanding operations, the increasing level of sophisticated programs and projects, and major capital projects proposed in the next 2-5 years, the objective of the audit is to evaluate and restructure the current management organization and staffing to accommodate these workload issues. The audit is scheduled for completion in early April of 1999.

Fire Department

The recent appointment of the Fire Chief and the pending retirement of the Assistant Fire Chief have provided the opportunity to review the department's management organization and structure, with a focus on staff development and more effective administration and operations. The results of the audit are expected before June 1999.

At least two additional management audits will be undertaken during fiscal years 2000 and 2001.

5. MULTI-YEAR FISCAL PLANNING

A critical element of the budget development process is the City's ongoing tracking of new legislation and emerging trends and issues. As we saw in 1992 with the State's shift of property taxes from local government to schools, new legislation can significantly affect the financial stability of the City. New Federal and State laws can also impose significant costs to the City. For example, new clean water standards will require the City to address the Sheffield Reservoir water quality, involving approximately \$12 million in costs. In 1998, electric deregulation became effective, which will undoubtedly have the effect of lowering future electric costs to consumers, and thus utility user's tax and franchise fee revenues collected by the City.

The City also monitors changes in technology and their potential impacts on City revenues. A clear example is the emergence of sales via the Internet that are currently not subject to State and local sales tax. The growth in the sale of goods and services on the Internet has the potential of negatively impacting City sales tax revenues. As existing City laws and ordinances providing for certain revenues did not contemplate new and emerging ways of doing business (i.e., internet sales and cell phones), tracking changes in technology has become extremely important.

The City is also tracking the ongoing debate between cities and the State of California over the ability of the State to affect local revenues, such as with the shift of property taxes from local government.

Beyond tracking what goes on externally, the City evaluates trends within the city, primarily on the expenditure side, utilizing a multi-year financial planning model. This allows the City to assess the impact of approved or proposed costs into the future, thereby enabling better and more informed short-term decisions.

6. PARTNERSHIPS

One of the most effective strategies used by the City to leverage its resources and expand services provided to the community is partnering with other governmental agencies, businesses and community groups.

Some of the recent and/or on-going partnerships are described below.

- With the Santa Barbara Housing Authority, the City creates affordable housing, provides an apprenticeship program that hires at-risk youth.
- The community raised a total of \$3.6 million (\$2 million in donations and \$1.6 million in grant and other funding) to purchase the Douglas Family Preserve (formerly the Wilcox Property). The Coastal Conservancy granted funds to the City to develop and partially implement a long-term management plan. A community raised endowment fund will partially support future maintenance and improvements.
- The City has funded grants to non-profit agencies that provide services to seniors, children and youth, physically disabled, battered women and the homeless.

- The City of Santa Barbara, the Santa Barbara Foundation and the Irvine Foundation formed a joint partnership that generated \$450,000 for the promotion of the arts in the City. While the Irvine Foundation funds will end, the partnership with the Santa Barbara Foundation will continue. The City also directly supports events and festival organizations, adding to the cultural richness of the community and helping to bring visitor dollars to the local economy.
- The Pro Youth Coalition, a partnership with grass-roots community agencies, private foundations, community-based organizations and public agencies, has implemented various strategies to reduce youth violence. Through an Intra-delivery System of Care, the Pro Youth Coalition provides a multi-service youth violence prevention and early-intervention approach to 80 families. A local and national evaluation team has been hired to gather statistics and provide research data. The City provides office space and in-kind support.
- The Conference and Visitors Bureau supplements City dollars with private funds from the hotel industry for a national advertising campaign to attract visitors to Santa Barbara. The City of Santa Barbara enjoys one of the highest hotel/motel occupancy rates in the State.
- Using funds from the Redevelopment Agency, Federal grant programs and Federal tax credits program, the City partners with a number of non-profit and for-profit developers to increase housing for seniors, low income families and people with special needs, such as the homeless and mentally ill.
- The Downtown/Waterfront Vision Process brought together over 100 community stakeholders to craft a future vision and steps to activate it. The City has an ongoing commitment to strive for the vision and to report regularly to the stakeholders and community at large.
- The City cooperates with area water agencies to solve regional water supply problems. The City is a member of several joint power authorities involving water supplies, including the Central Coast Water Authority (CCWA) which oversees the extension of the State Water Project into the County. City staff plays a leadership role in these joint agencies.
- The City partners with the Metropolitan Transit District to provide Downtown-Waterfront electric shuttles. As described later in this Budget Message, this partnership has led to a number of proposed projects for the upcoming two years designed to expand greatly electric bus shuttle services in the community. The City also partners with Santa Barbara County and the Santa Barbara Council of Area Governments in reducing congestion and air pollution in the South Coast through the Traffic Solutions Program and Clean Air Express commuter buses.
- Our City Parks and Recreation Department programs have led the country with partnerships. The ongoing partnership with Santa Barbara Beautiful provides for the purchase of street trees. The “Friends of Parks” program continues to grow; the Parks and Recreation Community Foundation (PARC) works with the Department raising funds for projects; and cosponsored recreation services are at an all-time high.

Additionally, the joint use agreement with the School District provides facilities and after-school programs for youth and improved soccer fields.

- The Waterfront Department, together with the Maritime Museum, has established a long-term lease agreement for development of the Santa Barbara Waterfront Center, which is now complete. This partnership will allow the Museum to commemorate Santa Barbara's rich maritime history through interactive exhibits, displays and educational programs. This project will attract residents and visitors to the harbor, allowing them an opportunity to learn about the Channel Islands, fishing and the many historic events surrounding the development of Santa Barbara's waterfront.
- Working with the Downtown Organization and Old Town Organization, the City funds banners, events and State Street Maintenance.

New examples of partnerships include:

- The Partnership for Youth Program, funded by the Office of Criminal Justice Planning Grant Program, serves 2,200 students in the Santa Barbara School District through school-based violence prevention education and targeted intervention strategies. This program represents a joint effort between the Santa Barbara YMCA, Santa Barbara School District, the City Parks and Recreation Department and the City Police Department as the lead agency.
- In collaboration with Interfaith Council, Downtown Merchant's Organization, County of Santa Barbara, Chamber of Commerce, St. Vincent de Paul, Catholic Charities, Transition House, Community Kitchen, Housing Authority, Homeless Persons and others, the City of Santa Barbara is supporting efforts to establish a Homeless Day Center and Emergency Shelter.
- Capital funds to improve and establish new recreation fields will facilitate continuing partnerships with the School District and non-profit organizations to provide better outdoor practice and game level field space, particularly for youth.
- The City, County and School District have jointly funded a study to identify potential sites for sports fields. A report is scheduled for Council presentation in early April based on the results of that study. In fiscal year 2000, \$400,000 is included in the General Fund's capital program to provide funding towards sports fields in order to expand youth athletic activities in the community.
- The City of Santa Barbara, the Santa Barbara Redevelopment Agency, local merchants and property owners are currently working together to finance sidewalk replacement and landscaping on five block faces between Carrillo and Victoria Streets. This project will substantially improve the look and feel of that area to complement other sections of the State Street. Financial resources to improve additional blocks is contemplated from Redevelopment funds in future years.
- The City and County of Santa Barbara and interested members of the community are working together in an effort to improve ocean water quality at local beaches, by cleaning up seven (7) creeks in Santa Barbara County. Three of the creeks identified as needing improvement by the County (Sycamore, Mission and Arroyo Burro Creeks)

are located partly within the City. In the short-term, the goal is to have open beaches by Memorial Day 1999. The long-term goal is to develop programs and information that will enable the City to successfully apply for a permit from the National Pollution Discharge Elimination System (NPDES) program, as required by the Clean Water Act. The City is required to apply for a non-point source NPDES permit by June 1, 2002.

Partnerships enable services and build community in ways which City government could not accomplish on its own. In every case described above, the City could not afford to pay for the full costs of these programs, nor would the programs be as successful without the leadership and interest of the organizations involved.

IV. BUDGET ISSUES AND PRIORITIES

Prior to, and during the development of the budget, certain issues become acutely relevant and important and, thus, became priorities that must be addressed. The significant issues/priorities affecting the adopted fiscal years 2000 and 2001 Two-Year Financial Plan are discussed below.

FUNDING ONGOING OPERATIONS AND CAPITAL PROGRAM

Among its many challenges, one of the most pressing and ongoing challenges of the City is financing the rising costs of operations, including the maintenance and replacement of capital equipment and facilities. This is particularly the case with the General Fund, from which many of the City's services are provided, including community development, streets, library, police, fire, and parks & recreation.

Salaries and Benefits

As a category, Salaries and Benefits represents the largest operating cost of almost every operating fund. In the General Fund, salaries and benefits consume almost 70% of total revenues. From 1992 until 1996, salaries were frozen and positions were eliminated as part of a comprehensive cost cutting program to deal with the decline in revenues caused by the recession. However, beginning in 1997, salary and benefit increases have been negotiated and approved. In general, there is a clear relationship between growth in revenues and negotiated increases in salaries and benefits. Therefore, as these favorable economic conditions continue, additional increases beyond those already approved have been considered.

With respect to benefits, two significant components are clouded with uncertainty. The first relates to contribution rates paid by the City into the California Public Employees Retirement System (PERS). Participants (employees) are required to contribute 7% (9% for safety employees) of their annual covered salary. The City pays all of these contributions on behalf of safety employees, and 3.891% of the 7% on behalf of miscellaneous employees. In addition, the City also pays the employer portion of the total contributions, which are based on an actuarially determined rate. During the last several years, the City has earned substantial credits towards the employer's required contributions. These credits stem from higher returns on plan investments and other favorable variances in relation to actuarial assumptions. As a result, the employer's contribution rates for Miscellaneous and Police Safety contribution groups for fiscal years 1999 and 2000 are set at zero. This has generated significant cost savings in the current year for all funds, with the General Fund's savings totaling approximately \$1.8 million. However, the credits earned by the City are scheduled to run out beginning in fiscal year 2001; therefore, contribution rates are expected to increase. The uncertainty stems from the general unreliability of information provided by PERS with respect to expected rates. During these last several years, contribution rates throughout California have been extremely volatile. Given this volatility and unreliability, it is difficult to project to what extent employer rates will increase in fiscal year 2001 and beyond when the credits run out. Nonetheless, we believe the rates assumed and budgeted for the next two years are reasonable.

The second benefit cost clouded with some uncertainty relates to the insurance rates paid for health care services on behalf of City employees. One of the City's two main health care insurers has advised the City that the cost of health care premiums will be going up substantially when the current contract period ends on December 31, 1999. The City will be soliciting proposals from other health care insurers in order to obtain the most favorable rates. Nonetheless, it appears that an overall increase in costs is unavoidable. A provision has been made in the two-year plan for the estimated impact to the General Fund, totaling \$238,000 in fiscal year 2000 and \$398,000 in fiscal year 2001.

Sustaining Revenue Growth

There are two issues affecting the sustainability of the City's key revenues. The first stems from the nature of the City's key revenues. The five largest revenue sources in the General Fund are sales taxes, transient occupancy taxes, utility users' taxes, property taxes and motor vehicle license fees. Together, they account for approximately 66% of total General Fund revenues. Except for utility users' tax, each of these revenue sources is directly tied to economic conditions in varying degrees, with the two largest, sales taxes and transient occupancy taxes, being most directly impacted. This was evident during the recession of the early 1990's when these key City revenues declined, and the City's ability to fund its ongoing costs and capital program was significantly impaired. In response to these lost revenues, a number of positions were eliminated, capital expenditures were deferred, and salaries were frozen. Recognizing the sensitivity of the City's key revenues to the cyclical nature of economic conditions, the challenge is to find a way to minimize the impacts these changes have on the City's operations and the extent to which cuts in programs and positions are necessary. The second issue relates to the growing number of sales occurring on the Internet. As these sales are currently not subject to State or local sales tax, businesses with a storefront, as well as State and local governments, stand to lose revenues. Statewide, it is difficult to project the actual loss of sales tax revenues; however, it is important to note that the City's sales tax revenues largely stem from tourism spending in restaurants and stores.

One of the fiscal strategies employed by the City in dealing with the cyclical nature of economic conditions and its impact on key revenues is its approach to projecting revenues. Revenues are budgeted conservatively, even during periods of significant growth in revenues, for two primary reasons. First and foremost, it prevents a general over-reliance on continued growth of its key revenues at current levels in order to fund increases to ongoing costs. This is critically important as ongoing expenditures, unfortunately, do not respond in the same manner as revenues with respect to downturns in the economy. At best, they remain flat, absent any cuts in programs or positions. Secondly, developing revenues conservatively typically generates favorable year-end budget variances, which in large part help fund the City's general capital improvement program and other one-time costs. Another strategy includes the budgeting of salary and benefit costs based on a full compliment of staff. Due to vacancies caused by normal turnover in staff, this strategy creates favorable budget variances that also support the funding requirements of capital and one-time costs. Together, these strategies ensure that the City can sustain itself through the *normal* cycles of the economy. However, during periods of more extreme economic downturns, these strategies will help reduce the extent to which cost cutting measures are necessary.

Financing Capital Improvements and Equipment Replacement

In total, the Adopted Two-Year Financial Plan provides for capital expenditures totaling almost \$48 million. Approximately \$7.7 million is funded from unrestricted General Fund revenues/reserves; approximately \$10.5 million is funded from restricted revenues; and the balance of \$29.8 million is funded from proprietary fund revenues/reserves.

Except during the recession of the early 1990's, the City's capital improvement spending has been fairly stable and consistent. Periods of significantly higher spending are typically the result of one-time funding sources, such as from grants. With certain exceptions, the funding decisions associated with the City's long-term capital improvement plan do not impose new or increased spending requirements. For example, the City's vehicle replacement program has been very stable since the recession, which ended in fiscal year 1996. Nonetheless, the City has not added any mechanics to the Intra-City Services Fund since that time. The same is true for the City's Streets Capital Program, which includes funding from Utility User's Tax, Transportation Sales Tax, and Federal and State grant revenues. The impact on staffing requirements has not been significant due to the fairly stable and consistent spending over much of the decade. No attempts have been made to quantify the dollar savings of past and current capital spending. It is clear that, in the long-term, an ongoing capital improvement/replacement program results in lower maintenance costs than a program that does not address the current maintenance needs of an agency's capital assets.

It is important to note that, in terms of capital spending, the City has dramatically increased its commitment to technology (See Keeping Up With Changing Technology in the next section). As a result, the City began a computer replacement program that provides for the replacement of desktop computers every four years. With this financial plan, this program has expanded to include the infrastructure associated with these computers (i.e., local area networks, wide-area networks, etc.). This has imposed a tremendous workload on information systems (IS) staff. Certainly, the implementation of new technology has helped to increase productivity, but it has also required the addition of IS staff to maintain these systems. Specifically, staffing in the Desktop Systems Program (Administrative Services Department) has increased from 4.5 full-time equivalents (FTE's) in fiscal year 1997 to 8 FTE's in fiscal year 2000 (year 1 of the Plan).

KEEPING UP WITH CHANGING TECHNOLOGY

Keeping up with technology is no easy task. Internally, City staff is dependent upon technology to accomplish their day-to-day work assignments. The City currently has over 500 workstations all operating in a Windows environment, using the latest version of Microsoft Office applications. This is a result of a four-year computer hardware and software replacement plan, which began in fiscal year 1996, to bring the City to current standards. City staff are all "connected" via the City's recently expanded Wide Area Network ("WAN"), which links all City facilities and users. These systems and tools are vital elements in the City's operation as they support virtually all City services provided to the public. The importance of these systems is demonstrated by the adopted capital program, which includes more than \$500,000 over the next two years for desktop and infrastructure (i.e., WAN) replacement.

The upgrade and development of systems and applications impose a training element to ensure that these tools can be used, and be used effectively. In the prior fiscal year (1998), a part-time Training Coordinator was added to coordinate outside training classes, to provide customized training on City-specific functions, and to upgrade text-based operation guides and documentation. Effective in fiscal year 2000, this position will be increased to a full-time position as a result of increasing demand for training.

Externally, there continues to be a demand for electronic services to the public. In response to this growing demand, Information Systems staff has completed a study designed to explore, and potentially provide, certain services via the Internet. As part of this move toward on-line services, the City recently upgraded and expanded access to the Internet by City staff. Also, the City implemented the hardware and software necessary to begin the process of conducting business on the Internet. The City has identified functions within the City having the potential to expand into greater Internet use, and has created a pilot project to test the capability and effectiveness of this medium. An outgrowth of the study was the recently implemented automatic utility payment ("Direct Pay") program, whereby participating customers' bank accounts are automatically debited for an amount equal to their monthly utility bill. Other electronic services being considered include allowing for customers to complete and submit various applications on-line. In addition, the City is looking into electronic payment options in which customers can pay their bills or pay for City services on-line.

Departments have continued to contribute to the public information on the City's Web Site. In support of this, a new Webmaster position is added beginning in fiscal year 2000. In addition to coordinating and supporting the City's Web site, this position will work towards leading the effort to provide direction for development of interactive and electronic commerce services over the Internet.

Other technology enhancements recommended as part of this two-year plan include the following:

- A Data Warehousing System (year 2) that will provide easy access, via Window tools, to financial data for reporting, research and general inquiry.
- Completing the implementation of an Automated Records Management System in the Fire Department and beginning the implementation of a Records Management System in the City Clerk's Office in year 2 of the plan.
- Implementing a City Intranet to connect City employees to the WAN so that they can browse information quickly and easily.

PRESERVING THE COMMUNITY'S ECONOMIC BASE AND QUALITY OF LIFE

During the last several years, both the City and business community have reaped significant benefits as a result of a strong local economy. As such, both share a common interest in the continuation and further development of these favorable economic conditions. However, economic development can only be contemplated within the context of the needs and interests of other community groups and organizations, including the City, and the general citizenry.

For example, parking has been a long-standing problem in parts of the downtown area. Local merchants recognize the importance of adequate parking so that their customers and clients are not effectively drawn away due to an inability to find parking. As a result, local merchants, particularly those north of Carrillo Street along the State Street corridor, have expressed their need for new parking lots. In contrast, the recently updated General Plan Circulation Element calls for a number of alternative transportation and traffic mitigation programs and projects designed to reduce the number of cars coming into the downtown area. There are yet still other interests in the community that call for affordable housing, a clean and safe community, and self-sustaining neighborhoods. This "triad" of interests, consisting of economic, social and environmental interests, which may seem to oppose one another, actually share one fundamental goal: the preservation of the community's economic base. It is this vibrant and thriving economic base that enables these interests to flourish.

A number of projects and programs are either underway or planned, which collectively seek to balance the needs and interests of the community, with the overriding goal of preserving its richness and vitality. Several of these projects are discussed below.

➤ **Downtown Traffic & Housing Mitigation Program**

The Downtown Housing and Traffic Mitigation Program represents a comprehensive approach to addressing traffic congestion and parking demands. It complements other coordinated activities, including the addition of housing downtown, funding extensive increases in shuttle bus services to neighborhoods, and expanding City parking facilities. The fundamental goal and purpose of the Program is to develop and implement strategies that will allow non-residential (i.e., economic development) projects to mitigate their potential traffic and housing impacts and thereby enabling development within the parameters of City Charter Section 1508 ("Measure E").

Key components of this Program are the MTD South Coast Transit Plan, the Economic Development Project Definition Project and the Parking Management Program. These are discussed separately below.

In December 1998, City Council directed Staff to develop the structure for this Program. Presentation of the Program to City Council is tentatively scheduled for the summer of 1999.

➤ **Economic Development Project Definition**

The City of Santa Barbara created an Economic Development category to be used to allocate square footage for commercial and industrial projects that promote economic development as allowed under Charter Section 1508 (Measure E) and the Zoning Ordinance. Recently, concerns were raised regarding the preliminary designation of Economic Development status and the intent of the Economic Development category. Because of these concerns, the Community Development Department is currently re-evaluating, and may possibly redefine, the type of project that would qualify as an Economic Development project based on direction from the Planning Commission and City Council.

This work project will go before the Planning Commission and City Council after the proposed Downtown Traffic and Housing Mitigation Program is conceptually approved by City Council. With conceptual approval of the Mitigation Program, staff will then hold a work session with City Council and the Planning Commission to discuss the current definition of economic development projects to determine whether any modification to that definition would be appropriate within the context of the Mitigation Program.

➤ **Parking Management Program**

Effective with the adoption of this plan, a new program, Parking Management, is proposed within the Downtown Parking Fund (Public Works Department). The program will identify new activities designed to reduce the demand for commuter parking in the downtown area by encouraging the use of alternative means of transportation. Specifically, the program will fund incentives for commuters choosing alternative means of transportation and disincentives to reduce commuter shuffling of cars to avoid parking charges. As noted earlier, this Program is interrelated with other activities and policy directives, including the Downtown Housing & Traffic Mitigation Program.

The Parking Management Program will be funded from revenues generated from expanded operations. Specifically, operations will extend to include evening hours during the week and will add Sundays to the periods during which fees are currently imposed. This is expected to raise almost \$770,000 per year in revenues.

➤ **Metropolitan Transit District (MTD) South Coast Transit Plan**

The South Coast Transit Plan, prepared by MTD, is intended to define the transit needs of the South Coast for the foreseeable future. It identifies new and expanded routes and service designed to dramatically increase transit use and thereby mitigate traffic congestion in the downtown area. It represents a joint effort between the City of Santa Barbara and the Metropolitan Transit District (MTD) to address community needs and implement numerous policies that for many years have remained mere ideals.

The City Council's Circulation Element Implementation Subcommittee reviewed a number of projects and recommended a series of projects (electric bus routes). These recommendations were approved by City Council on January 29, 1999 and, accordingly, the final Federal Transportation Improvement Program (FTIP) applications and priorities

were submitted to Santa Barbara County Association of Governments (SBCAG) for Federal Transportation Improvement Program funding.

Two projects included within that application, which will become the foundation of the Downtown Housing and Mitigation Program, are the Downtown Electric Avenue Project and the Cottage Hospital and Westside/La Cumbre Shuttle Service Project.

The Downtown Electric Avenue Project includes five components:

- (1) The Electric Avenue Shuttle Service, which consists of the Westside/Eastside Electric Shuttle;
- (2) The Crosstown Electric Shuttle;
- (3) The Mesa Loop Electric Shuttle;
- (4) An enhanced Downtown Transit Corridor with four (40 super stops; and
- (5) Replacement of MTD's mid-size diesel buses with mid-size electric buses.

The Cottage Hospital and Westside/La Cumbre Shuttle Service is designed to compliment the Downtown Electric Avenue Shuttle Service. It will expand shuttle service for the Westside community, the Cottage Hospital neighborhood, and will replace 13 year-old mid-size Villager buses in the current MTD fleet and replace MTD's fareboxes with new Transit Management Fareboxes.

Although no appropriations are included in the two-year plan as they are subject to external funding approval, SBCAG is scheduled to make its funding recommendations on June 17, 1999. These recommendations will then be submitted to Cal Trans and the California Transportation Commission, with final funding expected in September of 1999 for approved projects.

➤ **Parking Expansion Project**

In response to the growing demand for new and expanded parking facilities in the downtown area, particularly north of Carrillo Street, City Parking staff, working with the Parking Committee and Downtown Organization, identified two potential sites for parking facilities. The first site is on Lot 6, located on Anacapa Street, across the street from the County Administration building. Lot No. 6 is currently a surface lot, upon which a multi-level structure can be constructed. The second potential site is Lot No. 3, also a surface lot. Conceptual design is complete for Lot No. 6; Lot No. 3 needs further conceptual design work because of the need for additional work to coordinate with Metropolitan Transit District, Greyhound and others.

Based on preliminary and rough estimates, the cost to construct the parking lots is approximately \$14 million each. The Downtown Parking Committee has developed a proposal for funding the debt service requirements to support half the total costs (\$14 million) of construction, with participation from the Redevelopment Agency to finance the cost of the other half. The Downtown Committee's funding proposal includes extending the hours that parking lot fees are collected, a reduction in the 90-minute free parking to 75 minutes, and a \$.25 exit fee. Given the importance of participation by the Redevelopment Agency, the City Council had decided to wait on the latter two elements of the funding proposal until later this spring when the Agency brings forward its own budget proposal.

This will allow Council to consider the parking expansion project in the context of other Agency proposed projects.

➤ **Streets Capital Program – Circulation Element Implementation**

The Streets Capital Program in fiscal years 2000 and 2001 features a substantial increase in funds set aside for projects associated with the implementation of the City’s Circulation Element, which calls for alternative transportation programs and projects. The Streets Capital Program has traditionally funded these types of projects for many years and funding levels will increase in the next two years. For example, the Sidewalk Links Project to construct new sidewalks has been expanded four-fold, from \$100,000 in the current year to \$400,000 in each of the next two years. Amounts budgeted in total over the next two years on projects supporting the goals and priorities of the Circulation Element include the following:

▪ Citywide Bike/Pedestrian Amenities	\$ 200,000
▪ Transit Activities (Bus Purchases)	90,000
▪ Sidewalk Replacement Program	500,000
▪ Traffic Calming Program	300,000
▪ Pedestrian Signals Upgrades	300,000

The Streets Capital Program is funded from four (4) revenue sources.

1. In accordance with City ordinance, one-half of the Utility Users’ Tax revenues (roughly \$4.1 million) received by the General Fund are restricted to the maintenance and capital improvement of streets. In each of the last several years, and in the upcoming two years, \$1.9 million of the amounts restricted to streets has been allocated to street capital, with the balance to streets maintenance programs.
2. In November of 1989, Santa Barbara County voters approved “Measure D”, which enacted a twenty-year, one-half cent sales tax restricted to streets programs. In fiscal years 2000 and 2001, the City projects \$1.8 million in revenues. The Santa Barbara County Association of Governments (SBCAG) oversees this program Countywide. Revenues are allocated based on submitted projects. As a result of a one-time adjustment of project priorities, revenues allocated to the City will increase to \$3.4 million in fiscal year 2001.
3. Each year, the City receives between \$25,000 and \$35,000 of Transportation Development Act funds from the County. These revenues are restricted to use in support of alternative transportation projects, including sidewalks and bikeways. In both fiscal years 2000 and 2001, these revenues are expected to increase to \$50,000.
4. Finally, the City receives Federal and State grants each year to fund major capital projects. The amounts vary from year to year, depending on the nature and timing of eligible projects.

➤ **Downtown Sidewalks and Landscaping Project**

This project involves the complete reconstruction of sidewalks and re-landscaping of five block faces between Carrillo and Victoria Streets, with the exclusion of the east block face of the 1100 block as this block was previously upgraded by an adjacent property owner. The original project involved, among other things, the installation of colored patterned concrete sidewalk as the main paving material for the sidewalk and red brick pavers to accentuate the mid-block crossings. Various property owners and merchants, however, expressed their desire to upgrade the City project to include brick pavers instead of concrete sidewalks. They also requested the addition of a Holiday Lighting System, installation of some tree grates and other amenities.

In order to fund these additional costs requested by property owners and merchants, the City created a Benefit Assessment District on January 12, 1999. The City will advance the costs of the additional elements, funded by a loan from the Redevelopment Agency, and the property owners will repay the City over a five-year period through annual assessments levied pursuant to the Assessment District process. Property owners can prepay the assessments any time during the assessment period.

➤ **Homeless Day Center/Emergency Shelter**

In collaboration with Interfaith Council, Downtown Merchant's Organization, County of Santa Barbara, Chamber of Commerce, St. Vincent de Paul, Catholic Charities, Transition House, Community Kitchen, Housing Authority, Homeless Persons and others, the City of Santa Barbara is supporting efforts to establish a Homeless Day Center and Emergency Shelter. With the support of the City's Redevelopment Agency, the Homeless Steering Committee has evolved into a non-profit organization, "The Coalition to Provide Shelter and Support to Santa Barbara Homeless." The Coalition has closed escrow on a site for the day center and emergency shelter and is pursuing permits to open the facility by December 1, 1999.

➤ **Airport Specific Plan**

The Airport Specific Plan (a component of the Airport Master Plan) addresses approximately 150 acres of commercial/industrial-zoned property of the Airport and its aviation-zoned property that serves general aviation uses. The Airport Specific Plan has been approved and is now in the implementation phase. Specific projects stemming from implementation include the following:

- The City is currently in negotiations with a developer for the development of a 15-acre parcel to create 180,000 square feet of light industrial and retail space on the north side of Hollister Avenue.
- A project will begin this spring to underground existing utilities in support of the development of the 15 acres.
- A 5-acre grading and drainage project north of Hollister Avenue was recently completed. This site will be leased to various businesses requiring open yard storage.
- Discussions are underway with several aviation businesses that wish to develop facilities on the south side of Hollister Avenue for general aviation users.

➤ **Tajiguas Landfill Environmental Impact Report Support**

The Tajiguas Landfill, located 26 miles west of Santa Barbara, provides landfill disposal for the unincorporated area of the south coast of Santa Barbara County, the City of Santa Barbara and the Cuyuma Valley. The Landfill, owned and operated by the County of Santa Barbara, began accepting waste in the late 1960's. However, this landfill is expected to reach its capacity in the next 2-3 years.

The County Board of Supervisors is currently evaluating a proposed expansion of the landfill that will provide the County with an additional 20-25 years of capacity. The Board more recently approved the consideration of a second alternative, which calls for the construction of a facility on the South Coast to handle recycling, transfer and composting. A sub-committee of the Tajiguas Landfill Expansion Project Community Advisory Committee was formed to further scope this second alternative so that it could be elevated to CEQA project level analysis.

➤ **322 Ladera Affordable Housing Project**

This project is located on the Lower Westside of Santa Barbara, and represents a 51-unit, low-income, rental apartment complex. The property was purchased by the Redevelopment Agency and is being rehabilitated by People for Self-Help Housing, a non-profit developer. The Agency's \$1 million contribution toward the project was supplemented by \$925,000 in Community Development Block Grant funding.

➤ **Mercy Housing Project**

This is a Redevelopment Agency project, which involves the development of a 70-80 unit, low-income, apartment complex. The project site is outside the City limits, on Calle Real Avenue, near Highway 154. The property is owned by the Daughters of Charity, and will be leased to Mercy Charities Housing of California, a non-profit developer. In February of 1999, the Agency approved a \$83,000 predevelopment loan to Mercy Charities to help finance preliminary design and review costs. The City is currently working toward annexing the property into the City, a required first step before development can proceed. The developer has agreed to a financial contribution to the Hope School District for the expected impact.

The project hinges on Federal tax credits to be sought by Mercy Charities, which will make up a portion of the project funding. In addition, funding will be sought by Mercy Charities from both the County of Santa Barbara and the Agency. If the funding and tax credits are obtained, construction is planned to begin in early 2001, with an expected completion date of late 2002.

MANAGING THE CITY'S WORKLOAD

The workload of staff is affected in two ways: First, through the expansion of services and activities, the day-to-day responsibilities and, thus, workload increases. Second, by the addition of special projects, staff's time and efforts are diverted from the day-to-day responsibilities, thereby affecting the quality and level of the City's basic services. In particular, projects that are unanticipated, or stem from external versus internal priorities, have the most significant impact. City staff has been able to maintain a high degree of excellence in their work. However, staff, particularly managers, are finding it increasingly difficult to maintain this level of excellence given the dramatic increase in the number of projects during the last couple of years and the overall increase in the day-to-day workload.

A primary influence in the increased workload is the improved economy, bringing increased development activity and increased concerns about policies and ordinances intended to protect the quality of life. The improved economy has also generated additional revenues that have allowed the funding of previously deferred capital projects and programs and to undertake new ones. Other factors affecting workload include:

- Increased public involvement has imposed additional efforts to address and mediate these varying interests;
- New partnerships with schools, business organizations and community groups, which induce the City to provide financial and staff support; and
- The general complexity of current issues and projects requiring substantial advanced planning and more sophisticated analyses and solutions.

In response to this increased workload, the City has recently adopted a Workload Management Plan that provides the following strategies:

1. Rationing workload with time and additional resources focused on Council Priorities;
2. Strengthening the organization's capacity to support priority projects and to work efficiently and effectively; and
3. Adopting decision-making practices that include workload impacts when considering new projects and programs.

As a result of strategy 1 above, projects have been sorted and prioritized, with those having the highest priority categorized as "Paramount" projects. These projects are those highly visible priority projects scheduled to begin in the current fiscal year (1999). Beyond this, projects were sorted by priority into groups based on their scheduled commencement date. "Now" projects were those scheduled for fiscal year 1999; "Next" projects are those scheduled as part of this Two-Year Financial Plan; and "Later" projects are those scheduled subsequent to the Two-Year Financial Plan.

Not surprisingly, a number of these "Paramount" and "Now" projects have been discussed earlier under "Preserving the Community's Economic Base and Quality of Life" as they stem from the general priority of the City and the community to expand and promote our economic base. Yet they have a significant impact on staff workload. Other high priority projects, requiring the issuance of long-term debt, are discussed below under the "Funding Major Capital Projects".

Overall, the cumulative impact on workload is tremendous. As suggested earlier, the general complexity and scope of the projects require significant advanced research, planning and consideration before the projects even begin. The following paragraphs discuss selected Paramount/Now projects.

❑ Ocean and Creek Water Quality Improvement Project

On October 13, 1998, the City Council approved the City of Santa Barbara's participation in an effort to improve ocean water quality at local beaches, by cleaning up seven (7) creeks in Santa Barbara County, in cooperation with Santa Barbara County and interested members of the community. Three of the creeks identified as needing improvement by the County (Sycamore, Mission and Arroyo Burro Creeks) are located partly within the City. Along with Laguna Channel watershed, these three creeks drain most of the City.

Working with Santa Barbara County and interested citizens, this project has a short-term goal of having open beaches by Memorial Day, 1999. The long-term goal is to develop programs and information that will enable the City to successfully apply for a permit from the National Pollution Discharge Elimination System (NPDES) program, as required by the Clean Water Act. The City is required to apply for a non-point source NPDES permit by June 1, 2002.

The City has implemented and/or completed a number of efforts to date towards its short-term and long-term goals, including:

- Creek walk-throughs and initial water testing;
- Sewer testing to determine if any City sewers are leaking into creeks;
- Three (3) ordinances have been adopted to assist in improving creek water quality, including mandatory trash clean-up, prohibition of storm drain connections to sanitary sewer lines, and revisions to liquid and industrial waste disposal to sewer lines;
- A Creek Contamination Hotline has been created, which will be coordinated with the County's hotline;
- Existing staff and newly hired temporary staff have been assigned to the public outreach and information function;
- Contracts have been negotiated for the investigations of creek water treatment options and the extent of lateral movement of contamination along beaches;
- A public information program, including public service announcements, storm drain stenciling, a school education program, improved beach and creek signs, and an education resource center at Arroyo Burro Beach has been implemented; and
- A Council Goal to plan for the restoration of creeks to improve water quality and add to their environmental, aesthetic and recreation values.

❑ Railroad Depot Renovation

The Santa Barbara Redevelopment Agency continues with the construction of the Railroad Station Improvement Project.

Phase I of the project has been completed, which included construction of two new parking lots. The new parking lots are located at the west end of the site adjacent to the platform and behind the REA building. Phase I also included construction of platforms located between Chapala Street and Montecito Street. Chapala Street was completely rebuilt, including underground sprinklers for enhanced irrigation of the specimen Moreton Bay Fig Tree. A new bus pocket was installed on Montecito Street adjacent to Highway 101 for use by Amtrak buses.

Phase II of the project began in late Fall of 1998 and will be completed in late Summer of 1999. Included in this second phase is the restoration of the depot building, construction of a new parking lot adjacent to the depot building, new railroad platforms between State Street and Chapala Street, landscaping of the entire project site and the restoration of Depot Park. In Phase II, Amtrak operations have been temporarily relocated to trailers set up on the recently completed parking lot at the west end of the site adjacent to the railroad platform.

After restoration, the station may be eligible for placement on the National Registry and will be one of the most beautiful stations on the West Coast.

□ **Waterfront Offices**

As a result of the construction of Chase Palm Park, the Waterfront Department was displaced into temporary trailers located in the Waterfront Parking Lot. Permanent offices are proposed by adding a two-story structure to the existing Chandlery building. The project includes remodeling the existing building to a Monterey architectural style. The existing building currently has 5,210 square feet of retail for the Chandlery and 1,080 square feet for office space. The two-story addition will provide 320 square feet for retail space and 3,148 square feet in office space. As such, a total of 4,228 in office space will be available for Waterfront Department offices.

The project was approved unanimously by the Planning Commission on February 11, 1999, and the City Council granted a final Community Priority Designation on March 16, 1999. It is anticipated that this project will be completed in late 2001.

The proposed site for the offices will not displace any existing uses and minimizes impacts to surrounding areas. The consolidation of the Waterfront Department will enable more efficient operations and better response to the needs in the Harbor and surrounding waterfront area.

FINANCING MAJOR CAPITAL PROJECTS

The City's capital improvement program generally involves the maintenance of facilities and infrastructure, and the replacement of equipment. These capital expenditures are funded from either operating revenues, or from reserves accumulated for the express purpose of capital maintenance or replacement. Periodically, however, the need arises for new or expanded facilities that are beyond current resources, and therefore must be financed from the proceeds of long-term debt (i.e., general obligation bonds, revenues bonds, special tax bonds, or certificates of participation).

Several projects, either proposed or anticipated during the next two years, will likely require the issuance of long-term debt in order to finance the construction costs. These projects include:

◆ New Police Building and Fire Station Upgrades

On November 20, 1998, City Council authorized staff to develop a site and project description for a new Police Headquarters Facility and the remodeling of Fire Department central headquarters, including three (3) outlying fire stations.

The current Police Headquarters was constructed in 1959, when the City had 58,000 residents and the Police Department had 97 officers and staff. Today, the City population is over 90,000, and Police staffing totals about 268 permanent employees. The Fire Department headquarters is 40 years old and is in need of improvements to address earthquake safety, accessibility, and privacy issues.

With respect to the proposed new Police Facility, a number of sites and alternatives were evaluated, with the expansion of the existing Police building recommended as the most feasible and preferred option. On January 5, 1999, City Council authorized City staff to prepare, by contract, a Needs and Benefit Report and for a Public Opinion Poll on the proposed projects. On March 23, 1999, staff presented, and Council approved, the Needs and Benefits Report that clearly established the need of both an expanded Police Facility and repairs and alterations to the central Fire Department Central Headquarters and three outlying stations. The total cost of both proposed projects is estimated at \$36,700,000.

Since the City does not have the available resources to pay cash for the project, it will be necessary to finance the project through the issuance of long-term debt. Several funding options are available to generate the additional revenues necessary to fund the debt service costs associated with issuance of debt. Staff has recommended the selection of a firm to conduct a voter opinion survey.

◆ Sheffield Reservoir Water Quality Project/Cater Filter Rehabilitation

Two Water Fund projects are of the magnitude that will likely require the issuance of debt.

Sheffield Reservoir Water Quality Project - Sheffield Reservoir, located at Mission Ridge and Gibraltar Roads, is the largest reservoir and supplies drinking water to about one-third of the City's customers. It is currently an uncovered finished water reservoir and subject to contamination from wind-blown debris, dust, birds and small animals. In order to meet new water quality standards, effective in November, 2001, the City must address this issue. City

staff is completing seismic studies and is working with the State Division of Safety of Dams to assure the safety of constructing buried reservoirs below the dam while the existing Sheffield Reservoir remains in service. The design and environmental reviews are scheduled for fiscal year 2000, with the construction occurring in fiscal year 2001.

Cater Filter Rehabilitation – In 1998, emergency repairs were performed on filters at the Cater Water Treatment Plant (Cater), which experienced an under-drain failure. A permanent repair/replacement of the under drain system is required. In addition, the United States Environmental Protection Agency is in the process of finalizing several new drinking water regulations. The Cater Filter Rehabilitation Project will insure reliable filters and compliance with drinking water regulations for the foreseeable future. This project is expected to begin in fiscal year 2001, with the largest component and costs scheduled for fiscal year 2002.

Based on a preliminary review, the costs for both projects are estimated at \$20 million. In anticipation of these projects, a 3% water rate increases is proposed in both fiscal years 2000 and 2001 to provide sufficient revenues to fund the debt service costs associated with the issuance of debt to finance the two projects.

◆ **Parking Structures**

As discussed earlier under the heading of “Preserving the Community’s Economic Base and Quality of Life”, the City is evaluating options to expand parking north of Carrillo along the State Street corridor. Up to two parking structures may be constructed during the next five years, both of which will require the issuance of long-term debt to finance. The Redevelopment Agency may participate in the financing of some portion of the costs of either one or two lots.

INCREASING DEMAND FOR SPORTS FACILITIES/FIELDS

As a result of the expanding youth population and the general demand for sports fields and facilities, several projects are underway to try to address this Countywide issue.

❖ **Sports Fields Assessment Study**

A committee composed of representatives of the Soccer Coalition, City, County, Santa Barbara School District and the Los Positas Park Foundation convened to examine the need for sports fields in the Santa Barbara-Goleta area and to look for options on meeting those needs. The City, County and School District have jointly funded a \$30,000 study to identify potential sites for sports fields. A report is scheduled for Council presentation in early April based on the results of that study. In fiscal year 2000, \$400,000 is included in the General Fund’s capital program to provide funding towards sports fields in order to expand youth athletic activities in the community.

❖ **Joint Use Agreements with the School District**

Since 1989, the City and Santa Barbara School District have been collaborating to provide and fund after-school recreation programs at various school sites, maintain and upgrade sports fields and facilities and purchase maintenance equipment. Examples of efforts include the improvement of the soccer fields at La Colina Junior High School and the addition of backstops at Franklin School. This partnership has been extremely successful in maintaining the availability and quality of sports fields and providing after school activities for youth after school.

❖ **Master Plan on Airport Property for Recreational Use**

As part of the goal to increase the number of recreational facilities and sports fields, the City will be assessing the impacts and potential for the development of non-golf recreational uses on the Twin Lakes Golf Course and drive-in theater properties, owned by the Municipal Airport. The study, adopted for fiscal year 2000, is expected to begin in July of 1999.

❖ **Skateboard Park Project – Permanent Facility**

The design for this project was submitted to the City's design and review process in December of 1998. The preliminary design was approved by the Historic Landmarks Commission (HLC) and the Planning Commission for application of a Coastal Development Permit. Once the Coastal Development Permit is approved, working drawings will be initiated and construction is projected for September 1999, with the opening anticipated for January 2000. The Adopted Budget includes \$33,431 to support the temporary Skateboard facility on Quarantina Street through the scheduled opening date of the permanent facility.

The Parks & Recreation Department and the Parks and Recreation Community (PARC) Foundation are continuing with fundraising efforts. The City's Youth Council is also participating in the fundraising efforts and has planned several fundraising events through the spring and summer months.

V. CONCLUSION

These are certainly exciting times for our community. In contrast to the early 1990's, local businesses are currently enjoying the benefits of increased tourism, adding to the strong growth in City sales tax and transient occupancy tax revenues. The strong local economy, coupled with the ongoing needs of the community, has fueled a number of projects and programs.

Several economic development projects are underway. For example, the new Carrillo Hotel is under construction. Several projects are currently being considered and evaluated in the Lower State Street/Waterfront area, and the renovation of the Railroad Depot, which will help tie in the Waterfront area with Upper State Street and encourage train travel as a viable mode of transportation into the City, is nearing completion. New parking structures to provide much needed parking north of Carrillo are under consideration.

To address the impacts of economic development, other new programs and projects aimed at encouraging alternative modes of transportation are also underway or planned. These include the addition of new bike lanes and the expansion of electric bus shuttle services in and around downtown. Other projects support pedestrian traffic, such as more and improved sidewalks and pedestrian amenities. In addition, several housing projects and programs are underway to increase affordable housing in the downtown area so that workers in the downtown area can either walk or use shuttle bus services to get to work. This will help reduce the number of cars on the road and the demand for parking downtown.

And finally, several projects and programs have been implemented to deal with local and regional environmental issues. These projects address the need for clean drinking water and beaches. In particular, the number of beach closures in the South Coast during the last 1-2 years has prompted more funding towards efforts to clean the creeks and identify the sources of contamination to minimize the level of bacteria and other harmful elements washing into the ocean. In addition, the City is working with the County in evaluating alternative solutions to deal with long-term waste disposal and recycling requirements.

The number, scope and complexity of these projects and programs have imposed a tremendous workload on the City. The Workload Management Plan implemented by the City has helped establish work schedules for these programs to complete them in priority order over time. As such, a dramatic increase in staffing to complete all the projects over a short time period is avoided, and the quality of work, for which City staff is known, is not compromised.

Beyond the growth in programs and projects, the City must attend to its day-to-day operations and ongoing services. The City continues to explore ways to improve services provided to the community, such as expanding the use of the Internet to enable customers to conduct business with the City on-line and expanding information currently provided on the City's Web site. With the expansion of the City's basic services and the general increase in the costs, funding ongoing operations is becoming increasingly challenging. Adopted budget policies, conservative revenue estimates, and long-term fiscal planning provide the foundation for long-term financial stability.

Acknowledgements:

A budget is first and foremost a plan of service delivery, provided by dedicated, highly competent employees. The cover and interior graphics in Volume II reflects only a few of the over 1,000 employees who daily serve the Santa Barbara community. This fiscal year 2000 and 2001 Financial Plan is dedicated to all the employees of the City of Santa Barbara in appreciation for their hard work and contribution to our quality of life.

Special thanks to Simon B. Kiefer for his work in taking the photos included in Volume II, and to Jean Feigenbaum for the providing the creative photo layout.

CITY OF SANTA BARBARA
Council Goals and Implementation Plans
Fiscal Years 2000 and 2001

Goal and Implementation Plans		Cost			
		Fiscal Year 2000		Fiscal Year 2001	
		One-Time	Ongoing	One-Time	Ongoing
Goal I: Restore Arroyo Burro, Sycamore and Mission Creeks and Laguna Channel.					
<input type="checkbox"/>	Prepare and initiate Master Plans for the restoration of Mission, Sycamore and Arroyo Burro Creeks and the Laguna Channel	\$ 77,528		\$ 11,172	
Goal II: Support the creation/placement of public art.					
<input type="checkbox"/>	Determine potential funding sources, for example, the allocation of a percentage of total General Fund revenues or of specific General Fund revenues to be dedicated to public art. In addition, find out how other communities and/or local organizations are funding art in public places.				
Goal III: Develop plan for beautification of Milpas Street and Andres Street					
<input type="checkbox"/>	Provide landscaping, lighting and decoration of elements where none exists at San Andres Street.	\$ 50,000			
Goal IV: Expand the relationship with the Santa Barbara School District to improve services to youth and adults.					
<input type="checkbox"/>	Explore ways to facilitate greater use of all school facilities during non-school hours as a community resource for youth and adults.				
<input type="checkbox"/>	If the concept of the increased use of all school facilities during non-school hours as a community resource for youth and adults is accepted and approved by the City Council and the Santa Barbara City School District Board, direct the appropriate City/School District Committee and staffs to draft a written joint policy to guide future uses and efforts and implement policy directives.			\$ 25,000	

**CITY OF SANTA BARBARA
Council Goals and Implementation Plans
Fiscal Years 1998 and 1999**

Goal and Implementation Plans		Cost			
		Fiscal Year 2000		Fiscal Year 2001	
		One-Time	Ongoing	One-Time	Ongoing
Goal V: Advance consideration of regional governance and/or planning.					
<input type="checkbox"/>	Invite South County Supervisors to enter into a dialogue with the City Council about needs and options.				
Goal VI: Enhance uses of technology.					
<input type="checkbox"/>	Enhance the uses of, and expand, the information on our Website.	\$ 20,000	\$ 52,472		\$ 58,729
Goal VII: Preserve Our City's heritage.					
<input type="checkbox"/>	Protect historically important documents, which are at risk of deterioration.	\$ 50,000		\$120,000	
	Total	\$197,528	\$ 52,472	\$156,172	\$ 58,729
	Total (One-Time and Ongoing)	\$ 250,000		\$ 214,901	
	Grand Total	\$ 464,901			

CITY OF SANTA BARBARA
Directory of City Officials

Harriet Miller
Mayor

Dan Secord
Councilmember

Elinor G. A. Langer
Councilmember

Gregg A. Hart
Councilmember

Marty Blum
Councilmember

Tom Roberts
Councilmember

Gilbert Garcia
Councilmember

Sandra Tripp-Jones
City Administrator/Clerk/Treasurer

Daniel J. Wallace
City Attorney

Peter K. Wilson
Deputy City Administrator

Robert D. Peirson
Finance Director

Karen S. Ramsdell
Airport Director

Richard C. Johns
Parks and Recreation Director

Carol L. Keator
Library Director

Richard A. Breza
Police Chief

Warner McGrew
Fire Chief

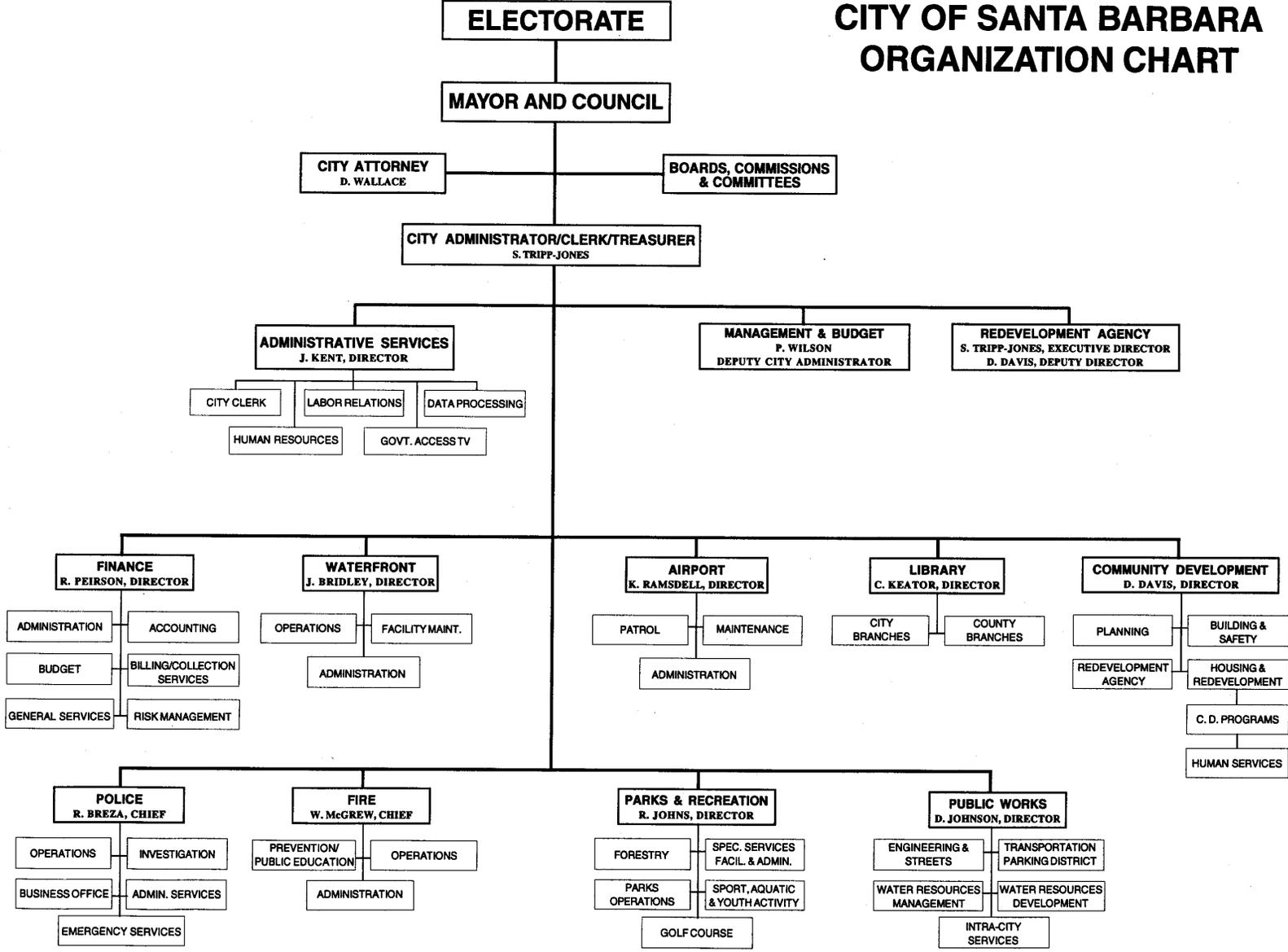
David D. Davis, Jr.
Community Development Director

David H. Johnson
Public Works Director

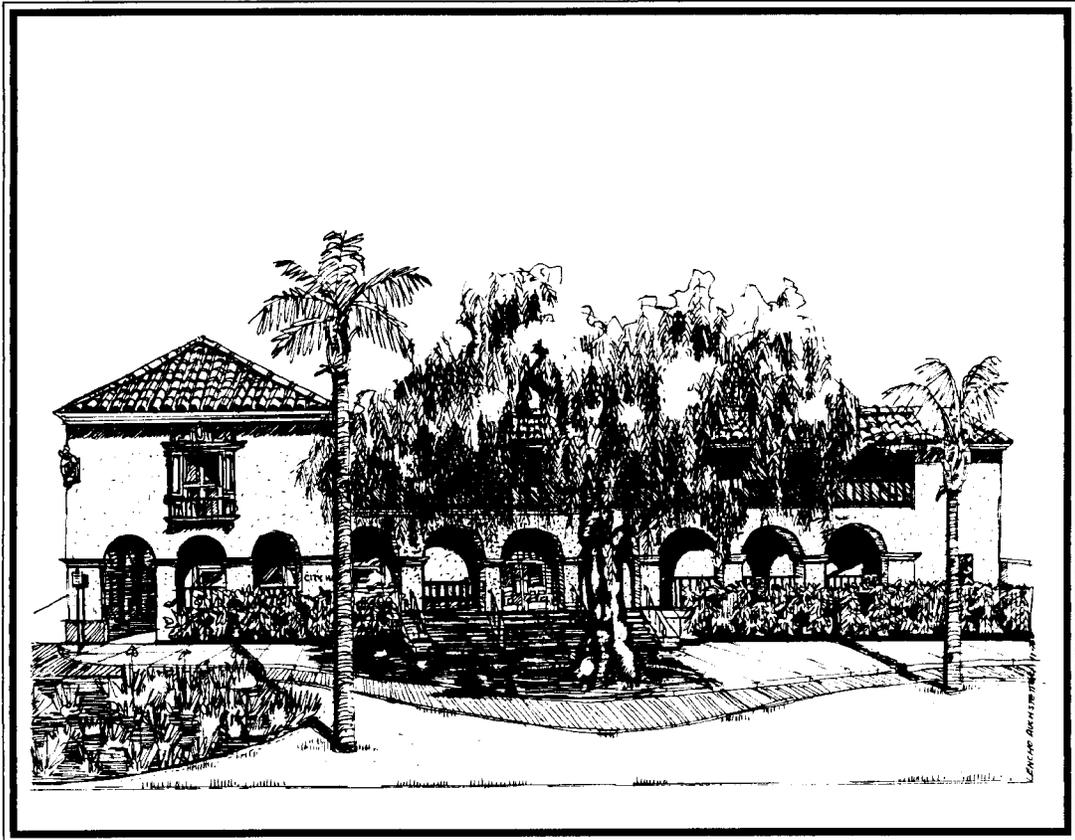
Joan M. Kent
Administrative Services Director

John N. Bridley
Waterfront Director

CITY OF SANTA BARBARA ORGANIZATION CHART



SUMMARY SECTION



CITY OF SANTA BARBARA

About The City Of Santa Barbara

The City of Santa Barbara is located approximately 90 miles north of Los Angeles off of Highway 101, and is geographically sheltered by mountains on the north and the Pacific Ocean on the south. The unincorporated areas of Montecito and Goleta border the City on the east and west, respectively.

Until the late 1700's, the area currently known as "Santa Barbara" was occupied by the Chumash Indians. The Chumash lived in small villages along the coast and on the Channel Islands, living comfortably for thousands of years thanks to the abundance of wildlife and natural resources.

In 1542, Portuguese explorer Juan Cabrillo entered the Channel and claimed the land for Spain. In 1602, three frigates under the command of Sebastian Vizcaino entered the Santa Barbara Channel. One of the Carmelite friars on board named the bay and nearby shore after Saint Barbara.

In 1782, a group led by Father Junipero Serra, Captain Jose Ortigas, and Governor Felipe de Neve established a military presidio and, three years later, a mission. Spain governed the area until 1822, when California became a Mexican territory. Just 24 years later, in 1846, Colonel John Fremont and his soldiers took Santa Barbara for the United States.

The City of Santa Barbara (the primary government) was incorporated on August 26, 1850. The City is a charter city under the laws of the State of California and operates under a Council-Administrator form of government. The Council consists of six council members and a mayor, all of whom are elected at-large. The current City Charter was adopted on May 2, 1967 and provides for the following services: public safety (police and fire), construction and maintenance of highways and streets, sanitation, culture and recreation, public improvements, planning, zoning and general administration. Enterprise funds, operated in a manner similar to a private business, include water, wastewater, airport, parking, golf and waterfront.

The Redevelopment Agency of the City of Santa Barbara (Agency), a blended component unit of the City, was established in 1968 and is a separate governmental entity as prescribed in the State of California's Community Redevelopment law as set forth in the State's Health and Safety Code.

The City Council of the City of Santa Barbara and the Board of Directors of the Agency are legally separate boards; however, they share common membership. The City also provides all support staff and performs all administrative functions for the Agency under the terms of a written agreement between the two entities.

CITY OF SANTA BARBARA
Summary of Sources and Uses of Funds
Fiscal Year 2000

	Sources		
	Reserves	Estimated	Total
	1-Jul-99	Revenues	Sources
General Fund			
Operating Budget	\$ 1,782,531	\$ 67,442,296	\$ 69,224,827
Streets Capital	-	1,900,000	1,900,000
Special Revenue Funds:			
Community Development Block Grant	-	1,881,000	1,881,000
County Library	42,386	1,113,625	1,156,011
Gas Tax	-	1,600,000	1,600,000
Home Administration	-	715,000	715,000
Miscellaneous Grants Fund	-	206,700	206,700
Supplemental Law Enforcement	-	233,869	233,869
Traffic Safety	-	160,000	160,000
Streets Capital Fund	-	1,865,000	1,865,000
Transportation Development	-	50,000	50,000
Transportation Sales Tax	-	3,589,000	3,589,000
Enterprise Funds:			
Airport	-	8,874,800	8,874,800
Airport Capital Grant	-	790,000	790,000
Downtown Parking	-	4,197,500	4,197,500
Duplications	-	293,845	293,845
Golf	-	1,700,000	1,700,000
Intra-City Service	156,716	6,184,362	6,341,078
Self Insurance	1,114,636	2,948,846	4,063,482
Wastewater	-	9,950,000	9,950,000
Water	-	23,000,000	23,000,000
Waterfront	-	7,210,571	7,210,571
Harbor Preservation	844,590	-	844,590
Subtotal	3,940,859	145,906,414	149,847,273
Less: Interfund Transfers	-	(17,627,457)	(17,627,457)
TOTAL	\$ 3,940,859	\$ 128,278,957	\$ 132,219,816

	Uses			Estimated Surplus 30-Jun-00
	Operating	Capital	Total	
	Budget	Program	Uses	
\$	67,038,327	\$ 2,186,500	\$ 69,224,827	\$ -
	-	1,900,000	1,900,000	-
	1,881,000	-	1,881,000	-
	1,156,011	-	1,156,011	-
	1,600,000	-	1,600,000	-
	715,000	-	715,000	-
	206,700	-	206,700	-
	233,869	-	233,869	-
	160,000	-	160,000	-
	-	1,865,000	1,865,000	-
	-	50,000	50,000	-
	1,789,000	1,800,000	3,589,000	-
	6,135,348	500,000	6,635,348	2,239,452
	-	790,000	790,000	-
	3,623,290	227,750	3,851,040	346,460
	293,845	-	293,845	-
	1,550,000	150,000	1,700,000	-
	5,036,001	1,305,077	6,341,078	-
	4,063,482	-	4,063,482	-
	6,955,000	2,995,000	9,950,000	-
	17,655,000	5,315,000	22,970,000	30,000
	6,902,161	308,410	7,210,571	-
	-	844,590	844,590	-
	126,994,034	20,237,327	147,231,361	2,615,912
	(17,627,457)	-	(17,627,457)	-
\$	<u>109,366,577</u>	<u>\$ 20,237,327</u>	<u>\$ 129,603,904</u>	<u>\$ 2,615,912</u>

CITY OF SANTA BARBARA
Summary of Sources and Uses of Funds
Fiscal Year 2001

	Sources		
	Reserves	Estimated	Total
	1-Jul-00	Revenues	Sources
General Fund			
Operating	\$ 2,222,036	\$ 68,857,893	\$ 71,079,929
Streets Capital	-	1,900,000	1,900,000
Special Revenue Funds:			
Community Development Block Grant	-	1,881,000	1,881,000
County Library	79,387	1,113,625	1,193,012
Gas Tax	-	1,600,000	1,600,000
Home Administration	-	715,000	715,000
Miscellaneous Grants Fund	-	206,700	206,700
Supplemental Law Enforcement	-	257,096	257,096
Traffic Safety	-	160,000	160,000
Streets Capital Fund	-	3,361,450	3,361,450
Transportation Development	-	50,000	50,000
Transportation Sales Tax	-	5,236,000	5,236,000
Enterprise Funds:			
Airport	1,564,642	8,989,670	10,554,312
Airport Capital Grant	-	2,920,000	2,920,000
Downtown Parking	-	4,172,500	4,172,500
Duplications	-	303,420	303,420
Golf	-	1,740,000	1,740,000
Intra-City Service	175,227	6,323,278	6,498,505
Self Insurance	1,087,623	3,027,979	4,115,602
Wastewater	677,469	10,025,000	10,702,469
Water	-	23,650,000	23,650,000
Waterfront	-	7,780,652	7,780,652
Harbor Preservation	46,174	-	46,174
Subtotal	5,852,558	154,271,263	160,123,821
Less: Interfund Transfers	-	(17,952,513)	(17,952,513)
TOTAL	\$ 5,852,558	\$ 136,318,750	\$ 142,171,308

		Uses		
Operating	Capital	Total	Estimated	
Budget	Program	Uses	Surplus	
			1-Jul-01	
\$ 69,302,229	\$ 1,777,700	\$ 71,079,929	\$ -	
-	1,900,000	1,900,000	-	
1,881,000	-	1,881,000	-	
1,193,012	-	1,193,012	-	
1,600,000	-	1,600,000	-	
715,000	-	715,000	-	
206,700	-	206,700	-	
257,096	-	257,096	-	
160,000	-	160,000	-	
-	3,361,450	3,361,450	-	
-	50,000	50,000	-	
1,836,000	3,400,000	5,236,000	-	
6,622,312	3,932,000	10,554,312	-	
-	2,920,000	2,920,000	-	
3,735,775	202,500	3,938,275	234,225	
303,420	-	303,420	-	
1,540,000	200,000	1,740,000	-	
5,169,928	1,328,577	6,498,505	-	
4,115,602	-	4,115,602	-	
7,037,469	3,665,000	10,702,469	-	
19,331,000	4,289,000	23,620,000	30,000	
7,188,826	591,826	7,780,652	-	
-	46,174	46,174	-	
132,195,369	27,664,227	159,859,596	264,225	
(17,952,513)	-	(17,952,513)	-	
<u>\$ 114,242,856</u>	<u>\$ 27,664,227</u>	<u>\$ 141,907,083</u>	<u>\$ 264,225</u>	

**CITY OF SANTA BARBARA
SUMMARY OF REVENUES BY FUND**

	Fiscal Year				
	1998 Actual	1999 Adopted	1999 Amended	2000 Adopted	2001 Recommended
GENERAL FUND					
Taxes					
Sales and Use	\$ 15,342,753	\$ 16,198,470	\$ 16,169,542	\$ 17,403,000	\$ 17,919,000
Utility Users	8,600,222	8,677,700	8,600,222	8,170,000	8,170,000
Property	6,910,971	6,798,000	6,910,971	7,558,000	7,785,000
Transient Occupancy	7,845,572	8,273,330	8,273,330	9,016,000	9,376,000
Franchise					
Electric	514,727	533,000	533,000	446,000	446,000
Gas	334,802	330,000	330,000	359,000	366,000
BFI	226,828	231,750	231,750	247,000	252,000
Cable Television	437,158	431,000	431,000	453,000	462,000
Business License	1,520,716	1,400,000	1,520,716	1,538,000	1,569,000
Real Property Transfer	374,965	282,500	374,965	300,000	300,000
Total Taxes	42,108,714	43,155,750	43,375,496	45,490,000	46,645,000
Fines and Forfeitures					
Library	125,264	89,332	89,332	90,000	90,000
Parking Violations	1,345,056	1,300,000	1,300,000	1,300,000	1,300,000
Municipal Court Fines	84,076	56,363	56,363	100,000	102,000
Total Fines and Forfeitures	1,554,396	1,445,695	1,445,695	1,490,000	1,492,000
Use of Money and Property					
Investment Income	2,304,720	1,990,000	1,990,000	1,950,000	1,863,000
Rents and Concessions	259,777	281,079	281,079	296,904	303,371
Total Use of Money and Property	2,564,497	2,271,079	2,271,079	2,246,904	2,166,371
Intergovernmental					
Miscellaneous Grants	143,694	40,292	104,367	87,500	57,500
Library Grants	104,739	103,900	187,424	183,606	183,606
Motor Vehicle License Fee	3,737,812	3,518,000	3,736,409	3,928,000	4,006,000
Total Intergovernmental	3,986,245	3,662,192	4,028,200	4,199,106	4,247,106
Service Charges					
Finance	537,292	540,750	540,750	560,000	560,000
Community Development	2,226,664	2,183,188	2,260,188	2,327,198 #	2,396,881
Parks and Recreation	1,807,575	1,683,131	1,773,056	1,824,454	1,899,454
Fire	813,948	811,080	811,080	859,404	883,836
Police	459,467	435,894	435,894	444,140	445,427
Public Works	2,397,819	2,525,963	2,575,963	2,630,000	2,630,000
Library	459,917	503,145	503,145	546,276	546,276
Miscellaneous	760,359	775,510	775,510	756,897	767,897
Total Service Charges	9,463,041	9,458,661 #	9,675,586	9,948,369 #	10,129,771

**CITY OF SANTA BARBARA
SUMMARY OF REVENUES BY FUND**

	Fiscal Year				
	1998 Actual	1999 Adopted	1999 Amended	2000 Adopted	2001 Recommended
DOWNTOWN PARKING FUND					
Improvement Tax	565,233	515,000	515,000	550,000	550,000
Hourly Parking	1,812,126	1,647,000	1,725,000	2,867,500	2,867,500
Other Parking Fees	490,519	234,000	236,000	395,000	395,000
Lobero Garage	111,710	110,000	110,000	110,000	110,000
Commuter Lots	177,901	125,000	125,000	125,000	125,000
Interest Income	228,958	75,000	75,000	125,000	100,000
Miscellaneous	25,476	24,000	24,000	25,000	25,000
Subtotal	3,411,923	2,730,000	2,810,000	4,197,500	4,172,500
DUPLICATIONS FUND					
Service Charges	235,405	245,727	245,727	221,793	221,793
Allocation Receipts	39,101	48,207	48,207	72,052	81,627
Subtotal	274,506	293,934	293,934	293,845	303,420
GOLF FUND					
Greens Fees	1,355,407	1,388,000	1,388,000	1,490,000	1,530,000
Food Concession	108,769	170,000	170,000	170,000	170,000
Interest Income	66,914	40,000	40,000	40,000	40,000
Miscellaneous	508	-	-	-	-
Subtotal	1,531,598	1,598,000	1,598,000	1,700,000	1,740,000
INTRA-CITY SERVICE FUND					
Rents - equipment	1,148,173	1,022,973	1,022,973	1,103,577	1,103,577
Maintenance					
Equipment	1,955,292	2,073,552	2,073,552	2,384,108	2,453,389
Facilities	2,268,161	2,589,380	2,589,380	2,621,677	2,691,312
Miscellaneous	60,706	75,000	75,000	75,000	75,000
Subtotal	5,432,332	5,760,905	5,760,905	6,184,362	6,323,278
SELF INSURANCE FUND					
Property/Liability Ins. Premiums	988,994	1,014,682	1,014,682	1,082,662	1,136,795
Workers' Compensation Premiums	1,539,786	1,621,906	1,621,906	1,716,184	1,741,184
Interest Income	-	-	-	-	-
ACCEL Premium Rebate	356,632	350,000	350,000	150,000	150,000
Miscellaneous	384,206	16,452	16,452	-	-
Subtotal	3,269,618	3,003,040	3,003,040	2,948,846	3,027,979

* Not budgeted prior to fiscal year 2000

**CITY OF SANTA BARBARA
SUMMARY OF REVENUES BY FUND**

	Fiscal Year				
	1998 Actual	1999 Adopted	1999 Amended	2000 Adopted	2001 Recommended
WASTEWATER FUND					
Service Charges	8,341,551	8,350,000	8,350,000	8,700,000	8,750,000
Connection Fees	84,029	100,000	100,000	200,000	200,000
Mission Canyon Charges	175,466	200,000	200,000	200,000	200,000
Pretreatment Analysis			-		
Interest Income	985,983	600,000	600,000	800,000	800,000
Miscellaneous	29,640	25,000	25,000	50,000	75,000
Subtotal	9,616,669	9,275,000	9,275,000	9,950,000	10,025,000
WATER FUND					
Metered Sales	18,139,981	19,175,896	19,175,896	19,875,000	20,500,000
New Service	115,143	200,000	200,000	225,000	250,000
Utility Users Tax	491,022	550,000	550,000	600,000	600,000
J.P.A. Reimbursement	991,498	650,000	650,000	850,000	850,000
Interest Income	1,166,490	1,100,000	1,100,000	1,200,000	1,200,000
Hydroelectric Sales	80,295	75,000	75,000	-	-
Interfund Revenues		-	-	-	-
SEMP Contributions	37,211	-	-	-	-
Miscellaneous	468,198	100,000	114,200	250,000	250,000
Subtotal	21,489,838	21,850,896	21,865,096	23,000,000	23,650,000
WATERFRONT FUND					
Leases					
Commercial	864,502	840,000	840,000	683,844	789,492
Food Service	1,626,535	1,588,500	1,588,500	1,269,939	1,422,070
Santa Barbara Waterfront Center	35,424	50,000 #	50,000	211,482	404,321
Other	135,666	216,500	216,500	173,082	193,817
Interest Income	336,478	60,000	60,000	160,141	75,000
Parking Fees	764,871	768,500	768,500	640,529	722,122
Parking Permits	185,968	192,500	192,500	195,878	198,816
Slip Rentals	2,505,688	2,618,200	2,618,200	2,897,384	2,975,926
Visitor Fees	349,214	390,000	390,000	431,586	443,286
Slip Transfer Fees	200,365	178,500	178,500	197,534	202,889
Liveaboard Fees	67,234	72,000	72,000	79,678	81,837
Miscellaneous fees	53,949	54,080	54,080	59,602	61,184
Miscellaneous	51,307	138,000	42,019	209,892	209,892
Subtotal	7,177,201	7,166,780	7,070,799	7,210,571	7,780,652
TOTAL ENTERPRISE FUNDS	\$ 60,309,052	\$ 58,508,555	\$ 58,506,774	\$ 65,149,924	\$ 68,932,499

**CITY OF SANTA BARBARA
SUMMARY OF REVENUES BY FUND**

	Fiscal Year				
	1998 Actual	1999 Adopted	1999 Amended	2000 Adopted	2001 Recommended
Total Revenues All Funds	\$ 135,791,772	\$ 133,386,575	\$ 136,549,253	\$ 145,906,414	\$ 154,271,263
Less Inter-Fund Transfers	<u>16,500,296</u>	<u>16,783,183</u>	<u>16,931,409</u>	<u>17,627,457</u>	<u>17,952,513</u>
Net Revenues All Funds	<u>\$ 119,291,476</u>	<u>\$ 116,603,392</u>	<u>\$ 119,617,844</u>	<u>\$ 128,278,957</u>	<u>\$ 136,318,750</u>

CITY OF SANTA BARBARA
SUMMARY OF APPROPRIATIONS BY FUND

	Fiscal Year				
	1998 Actual	1999 Adopted	1999 Amended	2000 Adopted	2001 Recommended
GENERAL FUND					
Administrative Services					
City Clerk	\$ 548,269	\$ 461,852	\$ 449,349	\$ 742,748	\$ 545,201
Human Resources	580,124	675,382	688,441	704,726	750,446
Desktop Systems	465,323	723,418	716,338	799,792	816,119
Central Information Systems	306,510	330,074	372,144	331,351	351,991
Government Access Channel	131,897	75,949	139,186	155,858	199,103
Subtotal	2,032,123	2,266,675	2,365,458	2,734,475	2,662,860
City Administrator					
Administration	788,365	781,337	791,482	842,326	845,287
Labor Relations	181,682	184,168	169,663	184,013	189,977
Subtotal	970,047	965,505	961,145	1,026,339	1,035,264
City Attorney's Office	1,349,354	1,461,222	1,459,191	1,425,851	1,498,670
Community Development					
Administration	325,948	338,239	334,668	296,593	321,350
Economic Development	83,713	66,148	118,619	79,837	73,971
Excellence in Customer Service for Land Use	237,633	536,182	534,293	328,911	327,710
Human Services	465,791	537,051	563,851	551,795	569,831
Redevelopment Agency	359,614	371,727	351,287	409,271	441,976
Housing Development	218,035	218,970	207,298	213,327	228,076
Long Range Plan & Spec. Studies	405,430	426,135	577,517	483,884	528,301
Development and Design Review	1,000,570	1,113,542	1,160,755	1,342,681	1,421,177
Zoning: Ordin. Info. and Enforce.	506,870	524,562	555,659	595,317	586,509
Building Permits	850,937	987,826	1,040,423	1,048,447	1,121,805
Records Center and Plan Archives	575,795	587,431	557,185	609,465	661,682
Subtotal	5,030,336	5,707,813	6,001,555	5,959,528	6,282,388
Finance					
Administration	429,466	468,548	478,742	414,046	437,285
Treasury	148,398	266,127	257,809	254,522	270,168
Billing and Collection	318,430	317,112	316,246	292,790	311,242
Utility Billing	596,842	632,793	606,756	619,990	652,366
Business License and Permits	190,552	208,877	197,127	194,208	206,515
Accounting	188,801	213,826	201,813	185,810	198,779
Payroll	131,682	134,062	130,222	127,611	137,673
Accounts Payable	135,555	104,915	102,505	124,977	134,347
Purchasing	247,869	296,494	287,418	282,398	303,078
Central Stores	150,372	168,321	163,237	165,764	176,459
Subtotal	2,537,967	2,811,075	2,741,875	2,662,116	2,827,912

CITY OF SANTA BARBARA
SUMMARY OF APPROPRIATIONS BY FUND

	Fiscal Year				
	1998 Actual	1999 Adopted	1999 Amended	2000 Adopted	2001 Recommended
Fire					
Administration	\$ 359,372	\$ 370,802	\$ 366,745	\$ 533,658	\$ 560,224
Prevention	604,966	635,884	832,664	705,819	753,952
Public Education	72,119	85,698	83,352	89,883	90,929
Operations	8,286,997	8,163,440	8,749,817	8,649,248	9,103,505
Aircraft Rescue and Firefighting	672,353	678,887	737,327	766,982	760,142
Subtotal	9,995,807	9,934,711	10,769,905	10,745,590	11,268,752
Library					
Administration	203,499	211,368	204,884	205,257	219,609
Public Services	1,634,044	1,600,814	1,790,347	1,782,379	1,856,778
Support Services	960,360	983,027	966,036	913,988	967,503
Adult Literacy	64,707	73,763	71,766	68,596	77,730
Subtotal	2,862,610	2,868,972	3,033,033	2,970,220	3,121,620
Mayor and City Council	359,899	397,514	390,491	404,894	415,972
Nondepartmental					
Community Promotion	1,554,085	1,753,276	1,826,286	1,826,386	1,755,104
General Government	2,400,563	2,254,345	1,934,812	2,698,122	2,596,593
Subtotal	3,954,648	4,007,621	3,761,098	4,524,508	4,351,697
Parks and Recreation					
Parks and Recreation Admin.	350,391	315,152	388,950	332,066	368,541
PARKS					
Parks Facilities and Project Mgmt.	586,349	645,244	637,482	670,278	700,369
Grounds Management	1,510,868	1,403,817	1,502,478	1,518,957	1,584,650
Forestry	741,250	782,093	764,289	766,965	807,396
Beach Maintenance	71,208	72,692	71,307	104,400	107,901
Parks Operations and Mgmt.	286,445	254,452	248,443	458,063	363,405
Contact Management	383,837	437,846	544,100	506,269	526,569
Chase Palm Expansion	262,196	279,994	276,524	269,978	281,650
RECREATION					
Program Mgmt. and Business Svs.	342,059	368,634	375,649	304,528	320,546
Publicity and Facilities Services	371,791	423,344	418,386	445,092	463,514
Cultural Arts	310,132	314,501	315,218	308,467	322,059
Youth Activities	646,284	645,519	748,747	778,931	792,421
Teen Programs	206,596	182,937	180,853	217,006	186,247
Adaptive Rec. and Developmental	234,302	226,284	224,172	200,208	197,496
Senior Recreation Services	369,595	360,685	374,694	393,725	407,563
Aquatics	766,290	745,455	794,773	805,849	822,318
Adult Sports	369,620	363,635	358,731	368,789	380,096
Tennis Services	158,990	173,029	171,582	180,424	184,221
Community Services	358,543	383,170	379,184	409,574	429,797
Subtotal	8,326,746	8,378,483	8,775,562	9,039,569	9,246,759

CITY OF SANTA BARBARA
SUMMARY OF APPROPRIATIONS BY FUND

	Fiscal Year				
	1998 Actual	1999 Adopted	1999 Amended	2000 Adopted	2001 Recommended
Police					
Chief's Staff Operations & Admin.	\$ 1,938,685	\$ 1,936,632	\$ 1,894,902	\$ 1,884,446	\$ 1,999,514
Information Technology	334,261	328,449	315,381	376,966	399,391
Administrative Division Mgt.	635,879	715,475	803,002	722,172	742,984
Community Services	153,546	139,797	138,595	140,538	149,119
Property Room	141,593	150,068	145,588	151,853	157,052
Training/Recruitment	301,557	308,040	298,812	311,830	322,792
Parking Enforcement	461,691	520,905	504,563	509,152	538,502
DARE/SRO	337,665	321,853	317,032	308,765	324,610
Investigations	2,502,166	2,660,332	2,618,482	2,589,724	2,713,372
Gang Violence Suppression	49,564	-	-	-	-
Serious Habitual Offender	45,429	42,783	42,083	41,741	43,845
Patrol Operations	7,654,945	8,078,917	7,961,605	7,986,371	8,407,095
Beat Coordinators	446,999	477,850	470,301	465,449	488,112
Special Events	219,762	99,411	96,366	105,113	108,951
Tactical Patrol Force	326,799	326,907	321,501	311,768	330,188
Westside Bike Patrol	48,279	46,353	46,353	47,743	47,743
Host Program	50,138	51,375	51,375	51,375	51,375
Combined Communications Center	1,032,370	1,152,461	1,122,214	1,106,721	1,242,704
Animal Control	283,723	301,530	296,086	306,732	321,294
Emergency Services	184,600	189,657	191,959	197,463	207,914
Subtotal	17,149,651	17,848,795	17,636,200	17,615,922	18,596,557
Public Works					
Administration	381,287	395,928	400,424	410,577	435,439
Engineering Services	2,046,764	2,151,554	2,322,151	2,483,417	2,279,212
Land Development and Public Right-of-Way	425,199	477,270	462,565	474,464	508,000
Environmental	250,286	241,401	424,088	324,589	337,694
Transportation Operations	243,251	265,031	224,913	282,750	307,596
Transportation Planning	194,369	169,131	311,219	391,390	423,853
Alternative Transportation	216,406	307,630	217,058	302,949	304,298
Road Maint. and Sidewalk Repair	517,708	491,502	305,021	533,905	560,648
Commercial Street Sweeping	110,645	154,083	492,226	105,657	108,545
Storm Drain Repair and Maintenance	350,737	377,325	137,260	372,216	393,241
Special Event Support	42,231	52,873	368,564	53,989	56,948
Traffic Markings and Signage	388,022	432,220	49,004	423,506	444,504
Communications Systems	383,885	409,444	399,855	440,991	453,225
Traffic Signals	591,514	690,378	671,084	705,835	717,441
Custodial Services	550,341	618,780	602,834	623,080	663,134
Subtotal	6,692,645	7,234,550	7,388,266	7,929,315	7,993,778
TOTAL GENERAL FUND	\$ 61,261,833	\$ 63,882,936	\$ 65,283,779	\$ 67,038,327	\$ 69,302,229

CITY OF SANTA BARBARA
SUMMARY OF APPROPRIATIONS BY FUND

	Fiscal Year				
	1998 Actual	1999 Adopted	1999 Amended	2000 Adopted	2001 Recommended
SPECIAL REVENUE FUNDS					
Community Develop. Block Grant	\$ 1,933,635	\$ 1,979,885	\$ 2,319,500	\$ 1,881,000	\$ 1,881,000
County Library	1,001,655	1,015,156	1,156,441	1,156,011	1,193,012
Gas Tax	1,598,226	1,500,000	1,598,226	1,600,000	1,600,000
HOME Grant Fund	951,131	743,973	743,973	715,000	715,000
Local Law Enforcement Block Grant	87,998	-	231,123	-	-
Miscellaneous Grants Fund	-	206,700	206,700	206,700	206,700
Supplemental Law Enforcement	233,072	210,206	212,309	233,869	257,096
Traffic Safety	190,989	160,000	160,000	160,000	160,000
Transportation Sales Tax	1,565,222	1,873,265	1,827,439	1,789,000	1,836,000
TOTAL SPECIAL REVENUE FUNDS	\$ 7,561,928	\$ 7,689,185	\$ 8,455,711	\$ 7,741,580	\$ 7,848,808
ENTERPRISE FUNDS					
AIRPORT FUND					
Administration	891,637	878,388	878,388	928,180	1,176,205
Business and Property Mgt.	228,125	440,366	440,366	572,338	561,071
Marketing and Comm. Relations	215,800	289,254	289,254	322,324	354,284
Facilities Maintenance	2,606,520	1,633,278	1,633,278	1,690,293	1,739,244
Air Operations Area Maintenance	410,366	457,814	457,814	476,110	495,539
Airport Security	637,971	663,857	663,857	692,620	735,958
Airport Certification and Operations	927,566	1,052,571	1,052,571	1,022,218	1,081,893
Facility Planning and Development	325,275	364,469	364,469	431,265	478,118
Subtotal	6,243,260	5,779,997	5,779,997	6,135,348	6,622,312
DOWNTOWN PARKING FUND	2,339,914	2,540,000	2,674,900	3,623,290	3,735,775
DUPLICATIONS FUND					
Duplicating	200,423	252,374	252,374	253,362	260,641
Mail Services	44,690	41,560	41,560	40,483	42,779
Subtotal	245,113	293,934	293,934	293,845	303,420
MUNICIPAL GOLF COURSE FUND	1,449,893	1,338,572	1,338,572	1,550,000	1,540,000
INTRA-CITY SERVICE FUND					
Building Maintenance	2,332,567	2,589,380	2,589,380	2,577,352	2,641,998
Motorpool	1,910,453	2,148,552	2,432,510	2,458,649	2,527,930
Subtotal	4,243,020	4,737,932	5,021,890	5,036,001	5,169,928
SELF INSURANCE FUND					
Workers' Compensation and Occupational Health and Safety	1,633,661	1,861,813	1,966,813	2,076,536	2,098,009
Property/ Liability	1,781,553	2,045,728	2,085,728	1,986,946	2,017,593
Subtotal	3,415,214	3,907,541	4,052,541	4,063,482	4,115,602

CITY OF SANTA BARBARA
SUMMARY OF APPROPRIATIONS BY FUND

	Fiscal Year				
	1998 Actual	1999 Adopted	1999 Amended	2000 Adopted	2001 Recommended
WASTEWATER FUND					
Wastewater Mgmt. and Support	\$ 1,280,678	\$ 1,702,250	\$ 1,502,250	\$ 1,516,898	\$ 1,474,380
Reclamation	78,394	79,586	79,586	83,115	89,018
Distribution and Collection	1,261,440	1,481,205	1,481,205	1,624,815	1,682,030
Wastewater Laboratory	238,094	305,209	305,209	319,728	336,897
Treatment	2,961,719	3,313,750	3,513,750	3,410,444 #	3,455,144
Subtotal	5,820,325	6,882,000	6,882,000	6,955,000	7,037,469
WATER FUND					
Wtr. Resources Mgt. and Support	4,283,999	5,260,741	5,295,741	5,052,577	6,516,999
Water Supply Purchases	4,327,837	5,414,234	5,414,234	5,311,025	5,266,191
Reclamation	425,459	551,686	551,686	545,834	552,365
Distribution and Collection	3,519,809	3,353,473	3,353,473	3,402,265	3,533,038
Treatment	2,262,081	2,262,406	2,227,406	2,489,510	2,570,681
Water Supply Management	411,242	477,939	492,139	446,626	493,902
Water Resources Laboratory	355,143	370,417	370,417	407,163	427,824
Subtotal	15,585,570	17,690,896	17,705,096	17,655,000	19,361,000
WATERFRONT FUND					
Admin Support and Comm. Relations	2,397,862	2,614,660	2,585,979	2,645,916	2,752,336
Waterfront Prop. and Financial Mgt.	202,442	271,669	242,404	232,428	247,753
Waterfront Parking Services	566,350	560,183	631,076	668,998	689,168
Harbor Patrol	838,725	845,688	854,063	868,213	913,933
Marina Management	136,995	139,989	154,199	162,337	172,264
Dredge Operation	25,020	39,761	28,661	4,567	4,828
Facilities Maintenance	1,851,559	2,085,631	2,105,268	2,085,675	2,159,655
Facilities Design and Capital Progs.	244,151	226,845	224,795	234,027	248,889
Subtotal	6,263,104	6,784,426	6,826,445	6,902,161	7,188,826
TOTAL ENTERPRISE FUNDS	\$ 45,605,413	\$ 49,955,298	\$ 50,575,375	\$ 52,214,127	\$ 55,074,332
Total Appropriations All Funds	114,429,174	121,527,419	124,314,865	126,994,034	132,225,369
Less Inter-Fund Transfers	16,500,296	16,783,183	16,931,409	17,627,457	17,952,513
TOTAL OPERATING BUDGET	97,928,878	104,744,236	107,383,456	109,366,577	114,272,856
Plus Capital Program (All Funds)	21,706,678	15,234,694	16,915,641	20,237,327	27,664,227
Net Appropriations All Funds	\$ 119,635,556	\$ 119,978,930	\$ 124,299,097	\$ 129,603,904	\$ 141,937,083

CITY OF SANTA BARBARA
Summary of Authorized Positions
 Full-time/Part-time

<u>Position Title</u>	<u>Adopted FY 1999</u>	<u>Amended FY 1999</u>	<u>Adopted FY 2000</u>	<u>Recommended FY 2001</u>
Administrative Services	26 / 4	27 / 3	29 / 2	29 / 2
Airport	40	40	40	40
City Administrator's Office	8 / 1	9	9	9
City Attorney's Office	12	12	12	12
Community Development	78 / 1	81 / 3	82 / 3	82 / 3
Finance	48	48	48	48
Fire	120	122	122	122
Library	47 / 2	49 / 1	49 / 1	49 / 1
Mayor and City Council	8 / 1	8 / 1	8 / 1	8 / 1
Parks and Recreation	82 / 7	82 / 7	83 / 8	84 / 8
Police	228 / 1	229	230	230
Public Works	259 / 2	262 / 2	270 / 2	269 / 2
Waterfront	43 / 1	43 / 1	44	44
CITY TOTAL	<u>999 / 20</u>	<u>1012 / 18</u>	<u>1026 / 17</u>	<u>1026 / 17</u>

**CITY OF SANTA BARBARA
SCHEDULE OF POSITION CHANGES
FISCAL YEAR 2000**

	<u>2000</u>		
	<u>ADD</u>	<u>DELETE</u>	<u>NET</u>
GENERAL FUND			
<i>Administrative Services</i>			
Computer Specialist II	1/0	0/1	1/(1)
Programmer Analyst	1/0	-	1/0
<i>Community Development</i>			
Redevelopment Specialist	1/0	-	1/0
<i>Parks and Recreation</i>			
Administrative Assistant	-	1/0	(1)/0
Business Manager	1/0	-	1/0
Parks Supervisor	1/0	-	1/0
<i>Police</i>			
Programmer Analyst	1/0	-	1/0
<i>Public Works</i>			
Electronics/Communications Tech	1/0	-	1/0
Maintenance Worker I/II	1/0	-	1/0
Senior Office Specialist	1/0	-	1/0
Wastewater Conservation Specialist	1/0	-	1/0
GENERAL FUND TOTAL	<u><u>10/0</u></u>	<u><u>1/1</u></u>	<u><u>9/(1)</u></u>

**CITY OF SANTA BARBARA
SCHEDULE OF POSITION CHANGES
FISCAL YEAR 2000**

	2000		
	ADD	DELETE	NET
SPECIAL & ENTERPRISE FUNDS			
<i>Golf Course</i>			
Senior Office Specialist	0/1	-	0/1
<i>Downtown Parking</i>			
Maintenance Worker II	1/0	-	1/0
Parking Coordinator	1/0	-	1/0
<i>Intra-City Funds</i>			
Heavy Equipment Technician	-	1/0	(1)/0
Lead Heavy Equipment Technician	1/0	-	1/0
<i>Wastewater</i>			
Custodian	1/0	-	1/0
Utility Crew Leader	1/0	-	1/0
Utility Worker II	1/0	-	1/0
Wastewater Operator in Training	-	1/0	(1)/0
<i>Waterfront</i>			
Parking Coordinator	1/0	0/1	1/(1)
SPECIAL & ENTERPRISE FUND TOTAL	<u>7/1</u>	<u>2/1</u>	<u>5/0</u>

**CITY OF SANTA BARBARA
SCHEDULE OF POSITION CHANGES
FISCAL YEAR 2001**

	<u>2001</u>		
	<u>ADD</u>	<u>DELETE</u>	<u>NET</u>
GENERAL FUND			
<i>Public Works</i>			
Wastewater Conservation Specialist	-	1/0	(1)/0
GENERAL FUND TOTAL	<u>-</u>	<u>1/0</u>	<u>(1)/0</u>

	<u>2001</u>		
	<u>ADD</u>	<u>DELETE</u>	<u>NET</u>
SPECIAL & ENTERPRISE FUNDS			
<i>Golf Course</i>			
Sr. Grounds Maintenance Worker	1/0	-	1/0
SPECIAL & ENTERPRISE FUND TOTAL	<u>1/0</u>	<u>-</u>	<u>1/0</u>

CITY OF SANTA BARBARA
Changes in Service
Fiscal Years 2000 and 2001

The term “changes in service” was first introduced with the development of the Fiscal 1998 and 1999 Two Year Financial Plan. It is used to identify and present any proposed changes in the nature, type or level of service provided by a City program from those included in the amended fiscal year 1999 budget. Changes in service create new or expanded services, and typically result in additional funding requirements.

Changes in service stem from specific needs and priorities of the City and the community. They also stem from federal and state mandates, a commitment to complete ongoing projects, the implementation of completed management audits, and staff priorities. Changes in service are reflected within existing programs and, in certain cases, have resulted in new programs.

Changes in service data is presented in two (2) tables as follows:

1. Detail Schedule of Approved Changes in Service
2. List of Changes in Service *Not Approved* by Fund and Department

CITY OF SANTA BARBARA
Detail Schedule of Approved Changes in Service
Fiscal Years 2000 and 2001

DESCRIPTION		JUSTIFICATION	NET COSTS		ADD'L POSITIONS FT / PPT	
			Y2000	FY2001	FY2000	FY2001
GENERAL FUND						
Dept:	Administrative Services	To initiate a program to protect historically important documents which are at a risk of deterioration. Adopted Council Goal for FY2000 & FY2001.	\$50,000	\$50,000	-	-
Program:	(1521) City Clerk					
Request:	Protect Historical Documents					
Dept:	Administrative Services	"Get Ready to Do Business on the Internet". This years adopted Council Goal will provide a full time Web Master to enhance the City's Web Site and provide assistance to departments for the development and posting of web page content. This project will add the component to begin development of the interactive applications, thus alternative means to conduct City business.	\$72,472	\$58,723	1/0	1/0
Program:	(1541) Desktop Systems					
Request:	Add one full-time Programmer Analyst					
Dept:	Administrative Services	A recent study done by the Gartner Group and the requests made during the development of the latest IT Plan, indicate that single day, vendor supplied classes are falling short of what the user community needs to use the Windows tools. Additional assistance from a qualified trainer will help.	-	-	1/(1)	1/(1)
Program:	(1541) Desktop Systems					
Request:	Convert the part-time Training Coordinator to full-time					
Dept:	Administrative Services	Beginning in January 2001, Government Access will receive an annual capital equipment grant from of \$35,000 Cox Communications. This annual grant is provided for through the City of Santa Barbara and Cox Communications Cable Television Franchise Agreement.	-	-	-	-
Program:	(1551) Government Access Channel					
Request:	Cox Communication Grant					
Dept:	City Administrator's Office	To celebrate the 150 th year for the City of Santa Barbara. The 150 th Birthday Celebration includes a large birthday cake, flags, and payment of a coordinator's salary to develop a celebration over a weekend, few weeks or months (to be determined at a later date).	\$45,000	-	-	-
Program:	(1311) Administration					
Request:	150 th Birthday Celebration					

**CITY OF SANTA BARBARA
Detail Schedule of Approved Changes in Service
Fiscal Years 2000 and 2001**

DESCRIPTION		JUSTIFICATION	NET COSTS		ADD'L POSITIONS FT / PPT	
			Y2000	FY2001	FY2000	FY2001
Dept:	Community Development	To include items into this program that were approved when the program was implemented in 1997. These are specific items connected with the continuation of the ECSLD program and implementation of that program. Includes multi-media presentation materials, handouts and training.	\$40,000	\$40,000	-	-
Program:	(2113) Excellence in Customer Service for Land Use					
Request:	Land Development Management Audit					
Dept:	Community Development	Demand for community services for low income City residents continues to greatly exceed Human Services Grant funds.	\$15,360	\$31,180	-	-
Program:	(2124) Human Services					
Request:	Increase Human Service Grants by 3%					
Dept:	Community Development	Council Goal 7.2 Project was conceptually approved by City Council on November 24, 1998. At that time, \$35,000 was budgeted in FY1999 for a professional services contract to prepare for implementation of the next phase of the City's Historic Architectural Resources Survey.	\$100,000	\$100,000	-	-
Program:	(2132) Develop & Design Review					
Request:	Surveys to Identify the City's Historic Resources					
Dept:	Community Development	The program needs to have the availability to access consultant plan check services in order to keep up to date with plan check deadlines as recommended by the Land Development Management Audit "Green Book" recommendations.	\$40,000	\$40,000	-	-
Program:	(2141) Building Inspection & Plan Check					
Request:	Plan check consultant money					
Dept:	Fire	To enable additional training and development of staff.	\$50,000	\$50,000	-	-
Program:	(3111) Administration					
Request:	Overtime dollars					

**CITY OF SANTA BARBARA
Detail Schedule of Approved Changes in Service
Fiscal Years 2000 and 2001**

DESCRIPTION	JUSTIFICATION	NET COSTS		ADD'L POSITIONS FT / PPT	
		Y2000	FY2001	FY2000	FY2001
Dept: Fire Program: (3111) Administration Request: Temporary Salaries	To provide support for the Department's grant acquisition goals. To provide comprehensive design and production services for a variety of graphics including brochures, posters, advertising, power point presentations, maps, report covers, maintain Department's web page, and other forms of printed graphic communications.	\$30,000	\$30,000	-	-
Dept: Fire Program: (3131) Operations Request: Increase Tuition Reimbursement	The expansion of this benefit through the negotiation process has led to a drastic increase in the cost relative to the amount budgeted.	\$11,000	\$11,000	-	-
Dept: Library Program: (5112) Public Services Request: Add to Library Materials	To increase the collections of books, audiotapes, videotapes and compact discs made available to the public. Continual requests by the public for materials.	\$81,555	\$81,555	-	-
Dept: Non-Departmental Program: (9331) Community Promotion Request: Art in Public Places	To support the implementation of the study on developing a plan for acquisition and placement of public art.	\$40,732	\$40,732	-	-
Dept: Non-Departmental Program: (9331) Community Promotion Request: 3% CPI increase to County Arts administration contract	This adjustment will give the same 3% CPI adjustment to the Arts Administration as allowed for the department's supplies and services accounts.	\$1,911	\$3,879	-	-

CITY OF SANTA BARBARA
Detail Schedule of Approved Changes in Service
Fiscal Years 2000 and 2001

DESCRIPTION		JUSTIFICATION	NET COSTS		ADD'L POSITIONS FT / PPT	
			Y2000	FY2001	FY2000	FY2001
Dept:	Parks and Recreation	Addition of a Business Manager position to coordinate all contracts, agreements, independent contractor agreements, budget development, revenue projections and tracking golf course financial controls, auditing, scheduling and coordination of Department projects. This position will be funded with a split of 80% by the General Fund and 20% by the Golf Fund.	\$56,230	\$61,277	1/0	1/0
Program:	(6811) Administration					
Request:	Add a full-time Business Manager (80%)					
Dept:	Parks and Recreation	The newly created Business Manager can absorb the budgetary and administrative duties performed by the Administrative Assistant. 20% of this position was funded by Golf.	(\$43,081)	(\$46,204)	(1)/0	(1)/0
Program:	(6811) Administration					
Request:	Delete a full-time Administrative Assistant					
Dept:	Parks and Recreation	Council Goal #4 to expand the relationship with the Santa Barbara School District to improve services to youth and adults. Direct the appropriate City/School District Committee and staff to draft a written policy to guide future uses and efforts and implement policy directives.	-	\$25,000	-	-
Program:	(6811) Administration					
Request:	Study of Use of School Facilities					
Dept:	Parks and Recreation	To replace a Park Supervisor position that was eliminated in 1992. Since then the program has taken on the expanded portion of the Chase Palm Park, the Douglas Family Preserve, numerous street medians and new programs and projects.	\$55,044	\$60,818	1/0	1/0
Program:	(6912) Grounds Management					
Request:	Add a full-time Park Supervisor					
Dept:	Parks and Recreation	Provide staff to operate the new bulldozer purchased to grade the creek outlets at the beach.	\$14,796	\$14,796	-	-
Program:	(6914) Beach Maintenance					
Request:	Beach Grading					

CITY OF SANTA BARBARA
Detail Schedule of Approved Changes in Service
Fiscal Years 2000 and 2001

DESCRIPTION		JUSTIFICATION	NET COSTS		ADD'L POSITIONS FT / PPT	
			Y2000	FY2001	FY2000	FY2001
Dept:	Parks and Recreation	Addition of a temporary part-time Assistant Parks Planner to assist the Landscape architect with planning, project design and coordination. The Department is currently involved in over 20 active projects that require landscape architecture, drafting, research, planning, coordinating, securing permits and scheduling.	\$32,300	\$32,300	-	-
Program:	(6915) Parks Operations & Management					
Request:	Add temporary part-time Assistant Parks Planner					
Dept:	Parks and Recreation	The Douglas Family Preserve Management Plan will require a temporary full-time Assistant Parks Planner to oversee the implementation of the plan components. One-half of the \$45,000 cost will be funded by a Coastal Conservancy Grant.	\$22,500	\$22,500	-	-
Program:	(6915) Parks Operations & Management					
Request:	Add temporary full-time Assistant Parks Planner					
Dept:	Parks and Recreation	The Douglas Family Preserve Management Plan will need to have an initial environmental assessment study completed prior to the adoption of the plan by Council. The assessment would require a full Environmental Impact Report (EIR). Funding is proposed from the Coastal Conservancy Grant totaling \$30,000.	-	-	-	-
Program:	(6915) Parks Operations & Management					
Request:	Environmental Assessment Study					
Dept:	Parks and Recreation	Provide for the initial environmental assessment study for dog off leash park and beach locations.	\$30,000	-	-	-
Program:	(6915) Parks Operations & Management					
Request:	Dog off leash Park/Beach Assessment					
Dept:	Parks and Recreation	Council Goal 9.1 to prepare and initiate Master Plans for the restoration of Mission, Sycamore, and Arroyo Burro Creeks and the Laguna Channel.	\$50,000	-	-	-
Program:	(6915) Parks Operations & Management					
Request:	Master Plans: Restoration Creeks/Channels					

CITY OF SANTA BARBARA
Detail Schedule of Approved Changes in Service
Fiscal Years 2000 and 2001

DESCRIPTION		JUSTIFICATION	NET COSTS		ADD'L POSITIONS FT / PPT	
			Y2000	FY2001	FY2000	FY2001
Dept:	Parks and Recreation	Increase the funds allocated to the Downtown Organization contract for maintenance and cleaning of State Street sidewalks.	\$15,000	\$30,000	-	-
Program:	(6916) Contract Management					
Request:	Downtown Organization State Street maintenance					
Dept:	Parks and Recreation	Several new projects have been completed that include new landscaping maintenance. This provides funding for new maintenance responsibilities such as the Garden Street, Calle Real medians, Milpas Roundabout, and Traffic Calming Landscaping.	\$6,248	\$10,560	-	-
Program:	(6916) Contract Management (Shared w/ (4411) Measure D)					
Request:	Street Median Maintenance					
Dept:	Parks and Recreation	Expansion of Afterschool Recreation program that is jointly funded by the School District and the City. Funding is needed for increased number of children, schools and days for the program. Additional trained staff is needed to meet ADA requirements for children with special needs. One-half of the \$53,400 in costs is funded from a matching contribution from the School District.	\$26,700	\$26,700	-	-
Program:	(6141) Youth Activities					
Request:	Expansion of Afterschool Recreation Program					
Dept:	Parks and Recreation	Increase temporary hours for continued operations of the temporary skateboard park, from July 1, 1999 through December 31, 1999, or until permanent skateboard park opens.	\$33,431	-	-	-
Program:	(6142) Teen Programs					
Request:	SK8sipuedes					
Dept:	Parks and Recreation	A new Hoyer lift will provide pool access for the disabled.	\$7,000	-	-	-
Program:	(6152) Adapted Recreation					
Request:	New Hoyer lift for Los Banos Pool					

CITY OF SANTA BARBARA
Detail Schedule of Approved Changes in Service
Fiscal Years 2000 and 2001

DESCRIPTION		JUSTIFICATION	NET COSTS		ADD'L POSITIONS FT / PPT	
			Y2000	FY2001	FY2000	FY2001
Dept:	Police	Information Technology currently has a backlog of programming projects that approximates two years of effort at current staffing and more improvements and new applications are requested each month. The addition of a new programmer analyst would meet this workload demand.	\$52,472	\$58,729	1/0	1/0
Program:	(3412) Information Technology					
Request:	Add one full-time Programmer Analyst					
Dept:	Public Works	Implementation of Council Goal C, Plan C.1. (Beautification of San Andres Street). Provide preliminary concept and design for landscaping, lighting and decoration of elements where none exists at San Andres Street for beautification.	\$50,000	-	-	-
Program:	(4211) Engineering Services					
Request:	San Andres Landscaping					
Dept:	Public Works	Add a temporary part-time Code Enforcement Officer for enforcement and administration of the Mandatory Trash Ordinance.	\$18,228	\$18,228	-	-
Program:	(4213) Environmental Programs					
Request:	Add a temporary part-time Code Enforcement Officer					
Dept:	Public Works	When the City Council approved the reorganization of Transportation Operations and Planning sections it increased the number of employees and workload. The addition of a Senior Office Specialist will provide administrative support to accommodate the recent reorganization.	\$38,438	\$38,415	1/0	1/0
Program:	(4312) Transportation Planning					
Request:	Add one full-time Senior Office Specialist					

**CITY OF SANTA BARBARA
Detail Schedule of Approved Changes in Service
Fiscal Years 2000 and 2001**

DESCRIPTION		JUSTIFICATION	NET COSTS		ADD'L POSITIONS FT / PPT	
			Y2000	FY2001	FY2000	FY2001
Dept:	Public Works	Add one full-time Maintenance Worker I/II for the City Annex Yard. This position will be funded 1/3 each by General, Water, and Wastewater Funds. The Maintenance Worker I/II has assisted in apprehending and turning away several individuals attempting to dump debris without permission, steal scrap iron and sand, and has been able to coordinate the pick-up and delivery of materials by contractors and vendors.	\$16,877	\$13,226	1/0	1/0
Program:	(4411) Roadway Maintenance & Sidewalk Repair					
Request:	Add one full-time Maintenance Worker I/II (33%)					
Dept:	Public Works	Add one full-time Electronics/Communication Technician II. This will provide additional support to the increased volume of radio inventory. This position will be funded 1/2 each by General Fund, with the remaining 1/2 shared by the Water and Wastewater Funds. The FY 2000 amount includes \$13,100 in one-time costs.	\$35,986	\$28,358	1/0	1/0
Program:	(4531) Communications Systems					
Request:	Add one full-time Electronics/Communications Technician II (50%)					
ENTERPRISE FUNDS						
Dept:	Parks and Recreation	Addition of a Business Manager position to coordinate all contracts, agreements, independent contractor agreements, budget development, revenue projections and tracking golf course financial controls, auditing, scheduling and coordination of Department projects. This position will be funded with a split of 80% by the General Fund and 20% by the Golf Fund.	\$14,058	\$15,319	-	-
Program:	(6711) Municipal Golf Course					
Request:	Add a full-time Business Manager 20%					

CITY OF SANTA BARBARA
Detail Schedule of Approved Changes in Service
Fiscal Years 2000 and 2001

DESCRIPTION		JUSTIFICATION	NET COSTS		ADD'L POSITIONS FT / PPT	
			Y2000	FY2001	FY2000	FY2001
Dept:	Parks and Recreation	A part-time Senior Office Specialist would provide for clerical assistance to the Golf Superintendent and course administrative needs. Currently there is no clerical position in the Golf Fund.	\$19,256	\$21,308	0/1	0/1
Program:	(6711) Municipal Golf Course					
Request:	Add one part-time Senior Office Specialist					
Dept:	Parks and Recreation	Addition of one full-time Senior Grounds Maintenance Worker position to at the beginning of the fiscal year 2001. The ERA Management Audit report states that the size of the current maintenance staff is at the low end of the range for comparable courses. This position would provides staff support for the Golf Superintendent.	-	\$41,100	-	1/0
Program:	(6711) Municipal Golf Course					
Request:	Add one full-time Senior Grounds Maintenance Worker					
Dept:	Public Works	Contract out for Fire Hydrant maintenance function, previously performed by Fire Department staff. This will allow the Fire Department to dedicate more engine company level effort to fire inspections and training. Fire hydrants need regular maintenance to insure their reliable performance in time of need.	\$50,000	\$50,000	-	-
Program:	(4631) Water Distribution & Collection					
Request:	Contract for Fire Hydrant Maintenance					
Dept:	Public Works	Add one full-time Maintenance Worker I/II for the City Annex Yard. This position will be funded 1/3 each by General, Water, and Wastewater Funds. The Maintenance Worker I/II has assisted in apprehending and turning away several individuals attempting to dump debris without permission, steal scrap iron and sand, and has been able to coordinate the pick-up and delivery of materials by contractors and vendors saving staff time.	-	-	-	-
Program:	<i>Water Fund</i> - (4631) Water Distribution & Collection					
Request:	Add one full-time Maintenance Worker I/II (33%)					

CITY OF SANTA BARBARA
Detail Schedule of Approved Changes in Service
Fiscal Years 2000 and 2001

DESCRIPTION		JUSTIFICATION	NET COSTS		ADD'L POSITIONS FT / PPT	
			Y2000	FY2001	FY2000	FY2001
Dept:	Public Works	Add one full-time Electronics/Communication Technician II would provide additional support to the increased volume of radio inventory. This position will be funded 1/2 each by General, and 1/4 each by the Water and Wastewater Funds.	\$12,500	\$12,500	-	-
Program:	<i>Water Fund</i> - (4631) Water Distribution & Collection					
Request:	Add one full-time Electronics/Communications Technician II (25%)					
Dept:	Public Works	Recommendation for staff to implement an Illegal Sewer Discharge Inspection and Smoke Testing Program. City Council approved an Ordinance to regulate and levy penalties on individuals who discharge storm water into the Wastewater Collection System.	\$83,709	\$93,350	2/0	2/0
Program:	<i>Wastewater Fund</i> - (4631) Water Distribution & Collection					
Request:	Add one full-time Utility Crew Leader and one full-time Utility Worker II					
Dept:	Public Works	Add one full-time Maintenance Worker I/II for the City Annex Yard. This position will be funded 1/3 each by General, Water, and Wastewater Funds. The Maintenance Worker I/II has assisted in apprehending and turning away several individuals attempting to dump debris without permission, steal scrap iron and sand, and has been able to coordinate the pick-up and delivery of materials by contractors and vendors saving staff time.	-	-	-	-
Program:	<i>Wastewater Fund</i> - (4631) Water Distribution & Collection					
Request:	Add one full-time Maintenance Worker I/II (33%)					

CITY OF SANTA BARBARA
Detail Schedule of Approved Changes in Service
Fiscal Years 2000 and 2001

DESCRIPTION		JUSTIFICATION	NET COSTS		ADD'L POSITIONS FT / PPT	
			Y2000	FY2001	FY2000	FY2001
Dept:	Public Works	Add one full-time Electronics/Communication Technician II would provide additional support to the increased volume of radio inventory. This position will be funded 1/2 each by General, and 1/4 each by the Water and Wastewater Funds.	\$12,500	\$12,500	-	-
Program:	Wastewater Fund - (4631) Water Distribution & Collection					
Request:	Add one full-time Electronics/Communications Technician II (25%)					
Dept:	Public Works	The continued installation of Supervisory Control and Data Acquisition (SCADA) technology at the El Estero Wastewater Treatment Plant has resulted in the need for less staffing.	(\$42,962)	(\$45,709)	(1)/0	(1)/0
Program:	Wastewater Fund - (4711) Wastewater Treatment					
Request:	Delete one full-time Wastewater Treatment Plant Operator in training					
Dept:	Public Works	El Estero currently has one part-time temporary Custodian. As part of El Estero Administration and Laboratory Rehabilitation and Expansion project, floor space was increased, additional restroom facilities and locker rooms were constructed. Facilities Division has recommended an decrease of temporary salaries in exchange for a permanent full-time Custodian.	\$16,748	\$20,368	1/0	1/0
Program:	Wastewater Fund - (4711) Wastewater Treatment					
Request:	Delete temporary salaries & add one full-time Custodian					
Dept:	Public Works	The additional revenue of \$767,500 in each year will be used to fund parking management and expansion of parking North of Carrillo. Downtown parking will be providing over 109 hours of kiosk collection's coverage and over 119 of maintenance coverage. The accounting requirements will exceed current level. The cost of the positions, including approximately \$80,000 in temporary salaries, is \$206,759 and \$216,095 in year one and year two, respectively.	(\$560,741)	(551,405)	2/0	2/0
Program:	(4315) Downtown Parking					
Request:	Add one full-time Parking Coordinator & one full-time Maintenance Worker II					

CITY OF SANTA BARBARA
Detail Schedule of Approved Changes in Service
Fiscal Years 2000 and 2001

DESCRIPTION		JUSTIFICATION	NET COSTS		ADD'L POSITIONS FT / PPT	
			Y2000	FY2001	FY2000	FY2001
Dept:	Public Works	Provide alternative transportation services for downtown employees. The Parking Management Program will be funded from revenues collected in the extended hours as noted above.	\$437,300	\$437,300	-	-
Program:	(4316) Parking Management					
Request:	Alternative Transportation Services					
Dept:	Public Works	The reclassification of a Heavy Equipment Technician to a Lead position will provide the much needed assistance to the Auto Shop Supervisor.	(\$43,609)	(\$48,591)	(1)/0	(1)/0
Program:	(4521) Motorpool					
Request:	Delete one full-time Heavy Equipment					
Dept:	Public Works	Motorpool staff maintains over 500 pieces of equipment that is highly specialized and technical.. The position will continue to perform the duties of a Heavy Equipment Technician, but will get involved in time consuming troubleshooting, and follow through on difficult technical problems.	\$43,609	\$48,591	1/0	1/0
Program:	(4521) Motorpool					
Request:	Add one full-time Shop Lead Heavy Equipment Technician					
Dept:	Public Works	Several new projects have been completed that include new landscaping maintenance. This provides funding for new maintenance responsibilities such as the Garden Street, Calle Real medians, Milpas Roundabout, and Traffic Calming Landscaping. A net zero budgetary impact is a result of reallocation of program expenditures.	-	-	-	-
Program:	Measure D - (4411) Roadway Maintenance & Sidewalk Repair					
Request:	Street Median Maintenance					
Dept:	Waterfront	Increased duties, responsibilities and services including control of the Electronic Parking Equipment Revenue Monitoring systems; function as the personal Computer Coordinator; ensure Y2K compliance; assist with United Way Web Site; perform Honor Fee Collection System test analysis; and maintain electronic parking equipment.	\$7,644	\$8,407	1/(1)	1/(1)
Program:	(8121) Parking					
Request:	Convert part-time Parking Coordinator to full-time					

CITY OF SANTA BARBARA
City Council Adopted Adjustments
Fiscal Years 2000 and 2001

DESCRIPTION	DESCRIPTION	Net Costs		Add'l Positions FT/PPT	
		FY2000	FY2001	FY2000	FY2001

GENERAL FUND

Dept: Administrative Services Program: City Clerk Request: Parker & Soccer Coalition Initiatives	In addition to electing three Councilmembers, it is anticipated that there will be two additional ballot measures for the City's General Municipal Election on November 2, 1999.	\$80,000	-	0/0	0/0
Dept: Administrative Services Program: Government Access Channel Request: Youth Advisory and Trans. & Circ. Comm.	Airs live meeting of the City Youth Council and the Transportation and Circulation Committee.	\$6,684	\$6,684	0/0	0/0
Dept: City Administrator Program: Administration Request: Expanded Labor Line Services	Catholic Charities has a contract with the City to manage the labor line. The City Administrator's Office is overseeing the budget.	\$21,500	\$21,500	0/0	0/0
Dept: Community Development Program: Economic Development Request: Economic Indicators Project	Additional funding for an ongoing program of the Community Environmental Council.	\$6,000	\$6,000	0/0	0/0
Dept: Community Development Program: Economic Development Request: Business Assistance Program	Partially fund the Santa Barbara/San Luis Obispo County Business Center.	\$10,000	-	0/0	0/0

CITY OF SANTA BARBARA
City Council Adopted Adjustments
Fiscal Years 2000 and 2001

DESCRIPTION	DESCRIPTION	Net Costs		Add'l Positions FT/PPT	
		FY2000	FY2001	FY2000	FY2001

GENERAL FUND

Dept: Community Development Program: Redevelopment Agency Request: Redevelopment Specialist	Needed to accomplish the current and anticipated RDA projects, including new capital projects that are anticipated to result from the extension of the life of the project area and the planned issuance of additional bonded debt. Total cost of position funded by RDA.	-	-	1/0	1/0
Dept: Community Development Program: Long Range Planning & Spec. Studies Request: Sanborn Maps	Preserve and copy the original City of Santa Barbara's Sanborn Maps for use and preservation.	\$45,000	-	0/0	0/0
Dept: Community Development Program: Long Range Planning & Spec. Studies Request: Expanded Historical Resource Surveys	Implement the next phase of the City's Historic Architectural Resources Survey. Supplements \$100,000 included as part of proposed budget.	\$25,000	-	0/0	0/0
Dept: Nondepartmental Program: Community Promotion Request: Lawn Bowling Club	Provide additional funding to the Lawn Bowlers Association for improvements to the Mackenzie Park Club House.	\$72,000	-	0/0	0/0
Dept: Nondepartmental Program: Community Promotion Request: Old Spanish Days Contract Augmentation	Old Spanish Days Fiesta provides the vehicle for over 60 local service groups to raise funds for community charities, but this program has had no increases since 1993.	\$9,612	\$9,612	0/0	0/0

CITY OF SANTA BARBARA
City Council Adopted Adjustments
Fiscal Years 2000 and 2001

DESCRIPTION	DESCRIPTION	Net Costs		Add'l Positions FT/PPT	
		FY2000	FY2001	FY2000	FY2001

GENERAL FUND

Dept: Nondepartmental Program: Community Promotion Request: Milpas Street Parade	Partial funding of request from the Greater Eastside Merchants Association.	\$1,250	-	0/0	0/0
Dept: Nondepartmental Program: Community Promotion Request: APCD Operating Budget Assessment	Reserve in anticipation of assessment.	\$33,900	\$33,900	0/0	0/0
Dept: Nondepartmental Program: General Government Request: Reserve for Water Quality Improvement Project	Partial funding for Project Clean Water to test water, identify contributing problems, and implement solutions.	\$264,000	-	0/0	0/0
Dept: Nondepartmental Program: General Government Request: Reserve for Creeks Restoration M/P	Augment creek protection measures similat to Goleta Community Plan when more refined.	\$138,700	-	0/0	0/0
Dept: Parks & Recreation Program: Administration Request: Registration System	Replace existing, outdated, non-Y2K compliant registration system with multiuser registration and reservation software programs.	\$34,681	-	0/0	0/0

CITY OF SANTA BARBARA
City Council Adopted Adjustments
Fiscal Years 2000 and 2001

DESCRIPTION	DESCRIPTION	Net Costs		Add'l Positions FT/PPT	
		FY2000	FY2001	FY2000	FY2001

GENERAL FUND

Dept: Public Works Program: Engineering Services Request: Water Conservation Specialist	Develop a Creek Water Quality Program for public information, response to public complaints, monitor creek water quality and perform limited cleanup to include Mission, Sycamore, Arroyo Burro creeks and Laguna Channel.	\$271,000	-	1/0	1/0
Dept: Public Works Program: Engineering Services Request: Watershed Resource Center	Provide financial support to the Community Environmental Council to develop a Watershed Conservation Center for dissemination of data on Ocean and Creek water quality.	\$30,000	-	0/0	0/0
Dept: Public Works Program: Custodial Services Request: Los Banos Pool Maintenance	Increase services to existing and recently renovated facilities at Los Banos Pool.	\$6,500	\$6,500	0/0	0/0

CITY OF SANTA BARBARA
Capital Budget Summary
Fiscal Year 2000

GENERAL FUND	
Project Title	Adopted FY 2000
Environmental Programs	\$ 189,000
Accessibility Improvements Program	50,000
Asbestos Encapsulation Program	50,000
Mobile/Portable Radio Replacement	109,000
Combined Communication Center Digital Voice Logger	65,000
Network Infrastructure Replacement Program	57,500
Desktop Computer Replacement Program	201,000
Bookmobile Lease/Purchase	60,000
City Parking Lots Maintenance Program	100,000
Shoreline & Mesa Lane Steps Rehabilitation	55,000
Park Walkway Paving Program	30,000
Aquatics Pool Equipment Replacement Program	25,000
Irrigation Upgrades	50,000
Community Development/Public Works Emergency Generator	200,000
Public Safety Voter Replacement	25,000
Oak Park Bridge Replacement	80,000
Youth Sports Field Improvements	400,000
Cardiac Defibrillators Replacement	45,000
2-Way Radios Replacement	25,000
Space Alterations and Office Furnishings	70,000
Upgrade City Hall Telephone Switch	300,000
Total General Fund Capital	\$ 2,186,500

CITY OF SANTA BARBARA
Capital Budget Summary
Fiscal Year 2000
(Continued)

STREET PROGRAM

City Funds Available are:

Utility Users Tax	
Transportation Development	50,000
	<u>1,865,000</u>
Total City Funds:	\$3,815,000

STREET PROGRAM

Project Title	Adopted FY 2000
Pavement Management Program Upgrade	\$ 60,000
Milpas Street Beautification	25,000
Pershing Park Bikeway Link	600,000
Street Trash Receptacles Programs	60,000
Drainage Improvement Program	100,000
Lower Mission Creek Improvements	100,000
Slurry Sealing Program	553,000
Valerio Street Bridge Replacement	200,000
Cabrillo Boulevard Overlay	300,000
Street Overlay Program	1,490,000
Traffic Signal Controllers Replacement Program	25,000
Traffic Signal Radio Communications Link	27,000
6.6 Amp Street Light Conversion Program	69,800
Street Light Installation Program	69,800
Citywide Bike/Pedestrian Amenities	50,000
Cacique Street Extension	85,400
TOTAL STREET PROGRAM CAPITAL	\$ <u>3,815,000</u>

AIRPORT FUND

Project Title	Adopted FY 2000
AOA Pavement Maintenance Program	\$ 50,000
Street Resurfacing Program	50,000
Leased Building Maintenance / Improvements Program	100,000
Hazardous Materials Program	50,000
Airport Infrastructure Maintenance Program	50,000
Airport Landside Signage	200,000
Taxiway A, F, and G Rehabilitation/Shoulder Construction	725,000
General Aviation Ramp Reconstruction	65,000
TOTAL AIRPORT FUND CAPITAL	\$ 1,290,000

DOWNTOWN PARKING FUND

Project Title	Adopted FY 2000
Parking Lot Maintenance Program	\$ 50,000
Landscape Improvements	40,000
Parking Lot No. 2 Repairs	30,000
Railroad Depot Parking Expansion	67,750
Vacuum Truck	40,000
TOTAL DOWNTOWN PARKING FUND CAPITAL	\$ 227,750

INTRA-CITY SERVICES (ICS) FUND

Project Title	Adopted FY 2000
Fleet Replacement Program	\$ 1,140,077
Install Hydraulic Hoists	100,000
Motor Pool Shop Equipment Replacement	25,000
Pool Car Replacement	\$ 40,000

CITY OF SANTA BARBARA
Capital Budget Summary
Fiscal Year 2000
(Continued)

INTRA-CITY SERVICES (ICS) FUND	
Project Title	Adopted FY 2000
TOTAL INTRA-CITY SERVICE FUND CAPITAL	\$ 1,305,077

GOLF PROGRAM	
Project Title	Adopted FY 2000
Driving Range Phase II	\$ 25,000
Power Turf Equipment Replacement Program	50,000
Course Improvement Plan Projects	75,000
TOTAL GOLF FUND CAPITAL	\$ 150,000

TRANSPORTATION SALES TAX	
Project Title	Adopted FY 2000
Drainage Improvement Program	\$ 150,000
Slurry Sealing Program	600,000
Street Name Signage Program	50,000
Sidewalk Replacement Program	200,000
Access Ramp Installation Program	200,000
Pedestrian Sidewalk Links Program	400,000
Traffic Calming Program	100,000
Pedestrian Signal Upgrades	100,000
TOTAL TRANSPORTATION SALES TAX FUND CAPITAL	\$ 1,800,000

WASTEWATER FUND	
Project Title	Adopted FY 2000
El Estero Emergency Power Back-up System	\$ 400,000
El Estero Equipment Rehabilitation Program	285,000
Wastewater Lift Station Rehabilitation	400,000
Wastewater Main Replacement Program	1,100,000
Laboratory Equipment Replacement Program	155,000
Biosolids Management	75,000
El Estero SCADA System	100,000
Collection System Supervisory Control Data Acquisition (SCADA)	75,000
Wastewater Force Main Replacement	100,000
Manhole Replacement Program	130,000
Collection System Inflow and Infiltration Study	75,000
El Estero Drainage Improvements	100,000
TOTAL WASTEWATER FUND CAPITAL	\$ 2,995,000

WATER FUND	
Project Title	Adopted FY 2000
Gibraltar Dam Gates Seismic Retrofit	\$ 500,000
Cater Filter Rehabilitation	100,000
Sheffield Water Quality Project	1,000,000
Cater Water Treatment Plant Rehabilitation Program	165,000
Water Main Replacement Program	1,700,000
Laboratory Equipment Replacement Program	155,000
Reservoir Maintenance & Repair Program	50,000
Cater Chemical Feed System Automation	175,000
Cater SCADA	\$ 200,000

CITY OF SANTA BARBARA
Capital Budget Summary
Fiscal Year 2000
(Continued)

WATER FUND	
Project Title	Adopted FY 2000
Distribution System SCADA	270,000
Groundwater Supply Program	350,000
Desalination Plant Conversion	50,000
Water Reclamation Improvements	25,000
City Facilities Retrofit	25,000
Metron Meter Installation Program	500,000
Cater NPDES Site Modification	50,000
TOTAL WATER FUND CAPITAL	\$ 5,315,000
WATERFRONT PROGRAM	
Project Title	Adopted FY 2000
Breakwater Repair	\$ 100,000
Marina Maintenance Repairs Program	200,000
Stearns Wharf Maintenance and Repair Program	250,000
Parking Lot Maintenance Program	48,000
Marina Gate Key Replacement Program	80,000
Marina Signage	200,000
Shoreline Beach Café Restroom	100,000
117 & 119 Harbor Way Improvements	175,000
TOTAL WATERFRONT FUND CAPITAL	\$ 1,153,000
TOTAL CAPITAL, ALL FUNDS	\$ 20,237,327

CITY OF SANTA BARBARA
Capital Budget Summary
Fiscal Year 2001

GENERAL FUND	
Project Title	Recommended FY 2001
Environmental Programs	\$ 150,000
Accessibility Improvements Program	50,000
Asbestos Encapsulation Program	50,000
Playgrounds Maintenance Program	50,000
Desktop Computer Replacement Program	201,000
Network Infrastructure Replacement Program	53,000
Bookmobile Lease/Purchase	60,000
City Parking Lots Maintenance Program	75,000
Shoreline & Mesa Lane Steps Rehabilitation	60,000
Park Walkway Paving Program	30,000
Aquatics Pool Equipment Replacement Program	25,000
Central Irrigation Control Systems	170,000
Tennis Court Resurfacing Program	30,000
Irrigation Upgrades	190,000
Carrillo Gym Floor Replacement	90,000
Franklin Community Center Improvements	57,000
Municipal Tennis Shower & Locker Room Remodel	55,000
Local Government Control/Base Station Replacement Radio	25,200
City Hall Emergency Generator	200,000
City Clerk's Electronic Records Management System	93,500
Data Warehouse System	63,000
Total General Fund Capital	\$ 1,777,700

CITY OF SANTA BARBARA
Capital Budget Summary
Fiscal Year 2001
(Continued)

STREET PROGRAM

STREET PROGRAM

City Funds Available are:	
Utility Users Tax	\$1,900,000
Transportation Development	50,000
Federal/State Grants	<u>3,361,450</u>
Total City Funds:	\$5,311,450

STREET PROGRAM

Project Title	Recommended FY 2001
Street Trash Receptacles Program	\$ 55,000
Laguna Pump Station Improvements	150,000
Lower Mission Creek Improvements	155,000
Slurry Sealing Program	800,000
Street Overlay Program	2,180,750
Traffic Signal Controller Replacement Program	25,000
6.6 Amp Street Light Conversion Program	100,000
Street Light Installation Program	70,000
Citywide Bike/Pedestrian Amenities	150,000
Highway 225 Relinquishment	68,450
Transit Activities	90,000
San Andres Street Beautification	580,000
Street Reconstruction Program	587,250
Traffic Control Opticom Installation	25,000
Mission Interchange	<u>275,000</u>
TOTAL STREET PROGRAM CAPITAL	<u>\$ 5,311,450</u>

CITY OF SANTA BARBARA
Capital Budget Summary
Fiscal Year 2001
(Continued)

AIRPORT FUND	
Project Title	Recommended FY 2001
AOA Pavement Maintenance Program	\$ 50,000
Street Resurfacing Program	50,000
Leased Building Maintenance / Improvements Program	100,000
Hazardous Materials Program	50,000
Airport Infrastructure Maintenance Program	50,000
Wildlife Hazard Management Plan	80,000
Northside Specific Plan – Roads and Surface Improvements	3,052,000
Drainage Master Plan	100,000
Sewer Master Plan Implementation	500,000
Taxiway A, F, and G Rehabilitation/Shoulder Construction	1,800,000
General Aviation Ramp Reconstruction	560,000
Airline Terminal Expansion	350,000
New Airport Terminal Parking Lot	110,000
TOTAL AIRPORT FUND CAPITAL	\$ 6,852,000

DOWNTOWN PARKING FUND	
Project Title	Recommended FY 2001
Parking Lot Maintenance Program	\$ 70,000
Landscape Improvements	25,000
Railroad Depot Parking Expansion	67,500
Parking No. 2 Painting	40,000
TOTAL DOWNTOWN PARKING FUND CAPITAL	\$ 202,500

CITY OF SANTA BARBARA
Capital Budget Summary
Fiscal Year 2001
(Continued)

INTRA-CITY SERVICES (ICS) FUND	
Project Title	Recommended FY 2001
Fleet Replacement Program	\$ 1,103,577
Install Hydraulic Hoists	60,000
Motor Pool Shop Equipment Replacement	25,000
Motor Pool Service Bay	35,000
Pool Car Replacement	20,000
Lube Rack Installation	35,000
Compressed Natural Gas (CNG) Vehicle Conversion	50,000
TOTAL INTRA-CITY SERVICE FUND CAPITAL	\$ 1,328,577
GOLF FUND	
Project Title	Recommended FY 2001
Safety Improvements	\$ 25,000
Power Turf Equipment Replacement Program	75,000
Course Improvement Plan Projects	100,000
TOTAL GOLF FUND CAPITAL	\$ 200,000
TRANSPORTATION SALES TAX FUND	
Project Title	Recommended FY 2001
Drainage Improvement Program	\$ 250,000
Slurry Sealing Program	400,000
Street Overlay Program	842,400
Transit Activities	160,000
Reconstruction of Streets Program	417,600
Highway 225 Improvements	180,000

CITY OF SANTA BARBARA
Capital Budget Summary
Fiscal Year 2001
(Continued)

TRANSPORTATION SALES TAX FUND (Continued)	
Project Title	Recommended FY 2001
Street Name Signage Replacement Program	50,000
Sidewalk Replacement Program	250,000
Access Ramp Installation Program	100,000
Pedestrian Sidewalk Links Program	400,000
Traffic Calming Program	200,000
Pedestrian Signal Upgrades	150,000
TOTAL TRANSPORTATION SALES TAX FUND CAPITAL	\$ 3,400,000

WASTEWATER FUND	
Project Title	Recommended FY 2001
El Estero Emergency Power Back-up System	\$ 800,000
El Estero Equipment Rehabilitation Program	275,000
Wastewater Lift Station Rehabilitation	400,000
Wastewater Main Replacement Program	1,350,000
Laboratory Equipment Replacement Program	50,000
Biosolids Management	200,000
El Estero SCADA System	100,000
Collection System Supervisory Control Data Acquisition (SCADA)	75,000
Wastewater Force Main Replacement	100,000
Collection System Inflow and Infiltration Study	75,000
Manhole Replacement Program	140,000
Wastewater Lift Station Emergency Generators	100,000

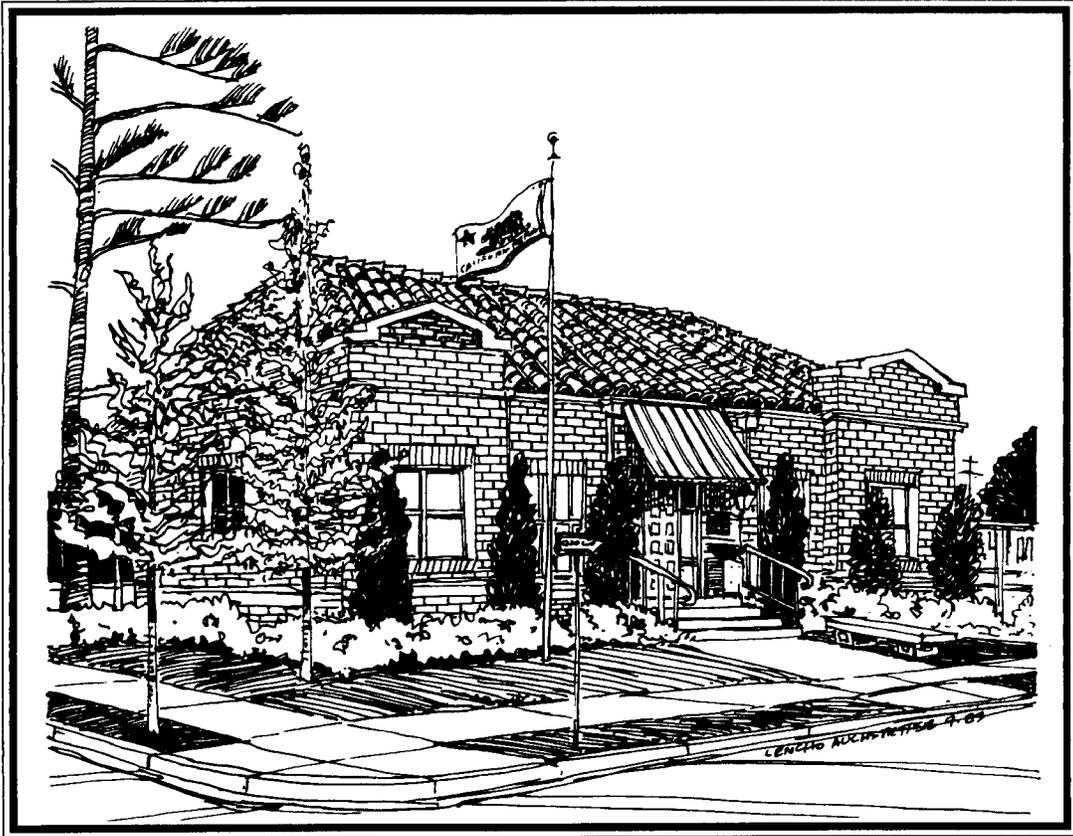
CITY OF SANTA BARBARA
Capital Budget Summary
Fiscal Year 2001
(Continued)

TRANSPORTATION SALES TAX FUND (Continued)	
Project Title	Recommended FY 2001
TOTAL WASTEWATER FUND CAPITAL	\$ 3,665,000

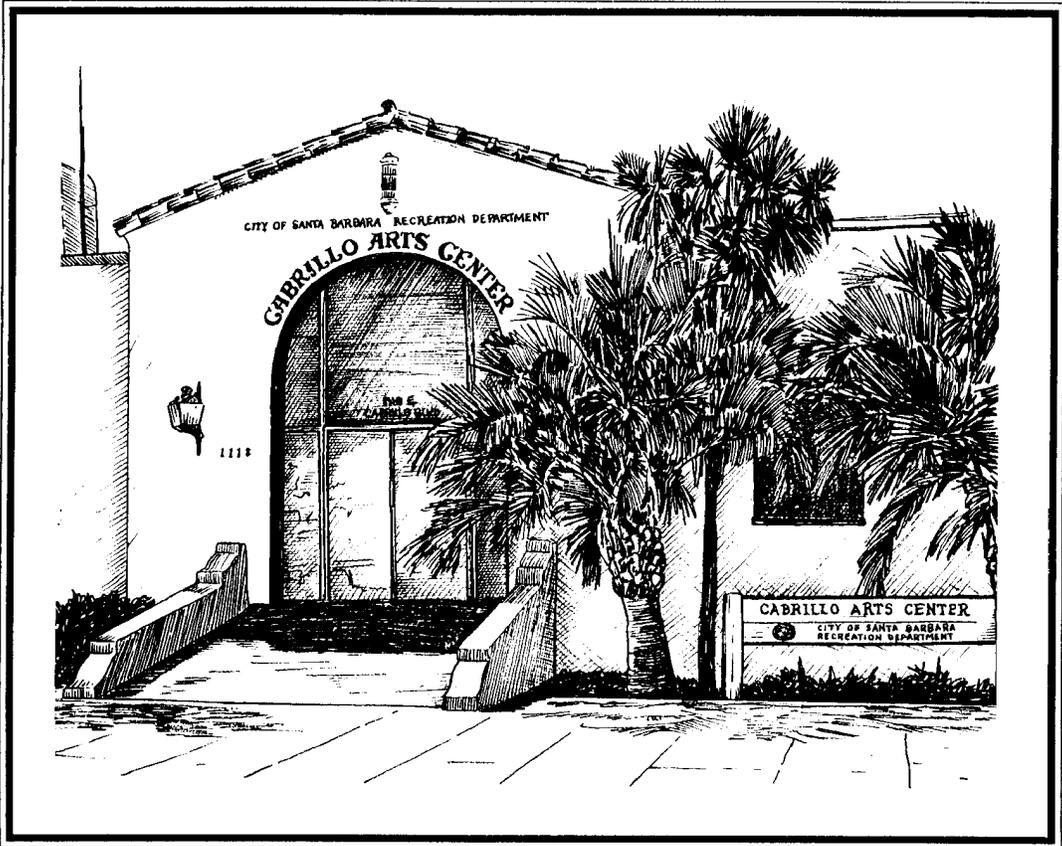
WATER FUND	
Project Title	Recommended FY 2001
Cater Filter Rehabilitation	\$ 500,000
Cater Water Treatment Plant Rehabilitation Program	194,000
Water Main Replacement Program	2,000,000
Laboratory Equipment Replacement Program	50,000
Escondido Reservoir Roof Replacement	150,000
Reservoir Maintenance & Repair Program	50,000
Cater Chemical Feed System Automation	175,000
Cater SCADA	200,000
Distribution System SCADA	270,000
Water Reclamation Improvements	25,000
City Facilities Retrofit	25,000
Metron Meter Installation Program	500,000
Cater NPDES Site Modification	50,000
Cater Southcoast Pump Station Control Replacement	100,000
TOTAL WATER FUND CAPITAL	\$ 4,289,000

CITY OF SANTA BARBARA
Capital Budget Summary
Fiscal Year 2001
(Continued)

WATERFRONT FUND	
Project Title	Recommended FY 2001
Marina Maintenance Repairs Program	\$ 200,000
Stearns Wharf Maintenance and Repair Program	300,000
Parking Lot Maintenance Program	43,000
Re-Roof Stearns Wharf Building	55,000
Seawall Repairs	40,000
TOTAL WATERFRONT FUND CAPITAL	\$ 638,000
TOTAL CAPITAL, ALL FUNDS	\$ 27,664,227



INDIVIDUAL FUND PRESENTATIONS



GENERAL FUND

	Fiscal Year				
	1998 Actual	1999 Adopted Budget	1999 Amended Budget	2000 Adopted	2001 Recommended
Revenue	\$ 66,053,211	\$ 65,747,966	66,824,671	69,342,296	\$ 70,757,893
Operating expenses	61,261,833	63,882,936	65,283,779	67,038,327	69,302,229
Operating surplus	4,791,378	1,865,030	1,540,892	2,303,969	1,455,664
Capital budget:					
Streets capital	1,800,000	1,900,000	1,900,000	1,900,000	1,900,000
Remaining surplus (Deficit)	2,991,378	(34,970)	(359,108)	403,969	(444,336)
Use of reserves	-	1,903,691	1,798,831	1,782,531	2,222,036
General capital	\$ 1,869,270	1,868,721	1,439,723	2,186,500	1,777,700
Net addition to (use of) reserves	1,122,108	\$ -	\$ -	\$ -	\$ -

The Adopted Two-Year Financial Plan for the General Fund continues the achievement of the current fiscal year budget in that both years' operating budgets are balanced without the use of reserves. As the table above indicates, in the first year of the Adopted Financial Plan, operating revenues are sufficient to fund all operating costs, a \$1.9 million streets capital program and a little more than \$400,000 of a \$2.2 million capital program. The balance of the first year capital program is funded with reserves in excess of policy requirements. In the second year of the financial plan, operating revenues are sufficient to fund all ongoing operating expenses and a portion of the streets capital program. The \$1.78 million General Fund capital program costs are to be funded from reserves in excess of policy requirements.

The Adopted Financial Plan includes a General Fund capital program (non-streets) of approximately \$3.96 million over the two-year period. This is over \$400,000 more than was approved in the current two-year financial plan. As mentioned above, the Financial Plan will use General Fund reserves accumulated in excess of policy requirements to fund a portion of the two year capital program. This use of accumulated reserves to fund the capital budget is consistent with the policy statement adopted by Council in November 1995. That policy statement directed that one-time revenue be used only to support non-recurring expenditures such as capital and other one-time costs. The Financial Plan's substantial funding for General Fund capital projects continues the commitment renewed in fiscal year 1997. The General Fund did not fund a capital program from fiscal year 1992 through fiscal year 1996. This five-year hiatus in General Fund capital budget funding, caused by the impacts of the recession and the state's "reallocation" of City revenues, created a substantial backlog of projects. Although the proposed \$3.96 million of capital funding will not eliminate this backlog, it does represent significant and substantial progress.

GENERAL FUND

Overall, General Fund operating expenditures in the first year of the Adopted Financial Plan are \$67,038,327, an increase of 4.93% from the originally adopted fiscal year 1999 budget and an increase of only 2.69% from the fiscal year 1999 budget as amended through mid-year. The primary difference between the fiscal year 1999 budget as originally adopted and as amended through mid-year is an increase for approved salary and benefit increases contained in recently approved memoranda of understanding (MOU) with the City's various employee bargaining units.

Operating expenditures in fiscal year 2001, the second year of the Adopted Financial Plan, are \$69,302,229, an increase of 3.38% above the adopted budget for fiscal year 1999, the first year of the Adopted Financial Plan.

The balance of this General Fund overview will focus on revenues and expenditure issues affecting the General Fund overall. Details on operating expenditures by department and program can be found in the department summaries and program narratives elsewhere in this document and in Volume II.

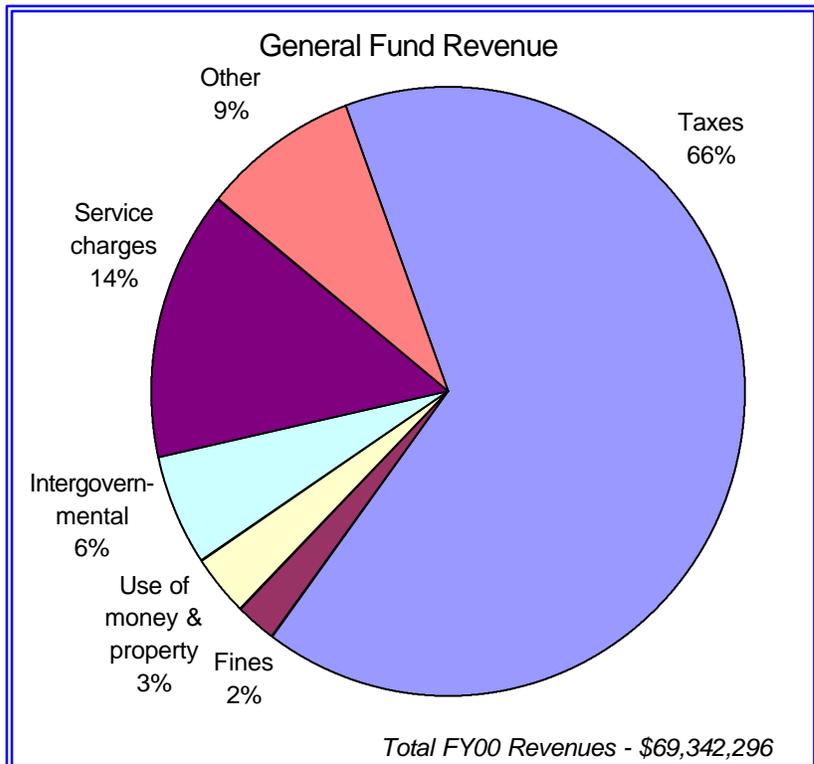
REVENUES

In total, General Fund revenues are projected at \$69,342,296 for fiscal year 2000 and \$70,757,893 for fiscal year 2001. This represents growth rates of 5.47% in year one (from the adopted fiscal year 1999 budget) and an additional 2.04% in year two.

The chart to the right displays the major revenue sources. As the chart indicates, taxes, at 66%, still constitute the largest source of General Fund revenue. Service charges is the second largest category at 14%.

In developing the revenue estimates for the Adopted Financial Plan, staff began by identifying those revenues susceptible to growth based upon economic activity. Certain revenues, such as investment income, fines and forfeitures, and most intergovernmental revenues do not grow based upon economic activity

levels. Estimates for these revenues were developed based upon historical experience and, in the case of state intergovernmental revenues, guidance provided by the state. In most cases, these revenues are anticipated to grow minimally, if at all. For revenues such as taxes and fees, which are susceptible to economic activity, staff has traditionally used a moderate 3% growth rate for budgetary projections. However, since recent growth in the City's different tax revenues has varied widely depending on the particular tax, staff was not able to use an across the board growth factor.



GENERAL FUND

Revenues (continued)

Overall growth in General Fund revenues is being driven primarily by a small number of specific revenue sources. Most of the General Fund revenues subject to growth based upon economic activity levels continue to show little or no growth. However, two of the City's tax revenues, sales tax and transient occupancy tax, continues to grow at historically high rates. Because these are two of the largest revenue sources to the General Fund, the strong growth rates projected for these two sources have a significant impact on overall revenue growth. It is important to keep in mind that the overall revenue growth is highly concentrated in these two areas. While the projected growth in these two key revenue sources is welcome, this concentration of revenue growth presents certain risks. Although staff believes that the projected growth rates for these two key revenues is reasonable based upon recent experience, if either sales tax or transient occupancy tax do not continue to grow at anticipated levels, the impact on the overall General Fund revenue outlook could be significant.

Additional detail on specific revenue sources is presented below.

Taxes

Overall, the Adopted fiscal year 2000 budget for tax revenue is 4.9% above the fiscal year 1999 budget as amended through mid-year. As the table on the right indicates and as was discussed above, there is a wide variation in the projected growth rates of individual taxes.

	Fiscal Year Budget		Percent Growth
	1999	2000	
Sales and use	\$ 16,169,542	\$ 17,403,000	7.6%
Utility users	8,600,222	8,170,000	-5.0%
Property	6,910,971	7,558,000	9.4%
Transient occupancy	8,273,330	9,016,000	9.0%
Franchise			
Electric	533,000	446,000	-16.3%
Gas	330,000	359,000	8.8%
BFI	231,750	247,000	6.6%
Cable television	431,000	453,000	5.1%
Business license	1,520,716	1,538,000	1.1%
Real property transfer	374,965	300,000	-20.0%
Total taxes	<u>\$ 43,375,496</u>	<u>\$ 45,490,000</u>	4.9%

While sales tax and transient occupancy tax are anticipated to continue showing strong growth, other tax revenues are expected to show more moderate growth. Three of the tax revenue sources are even budgeted at levels below the current year amended budget.

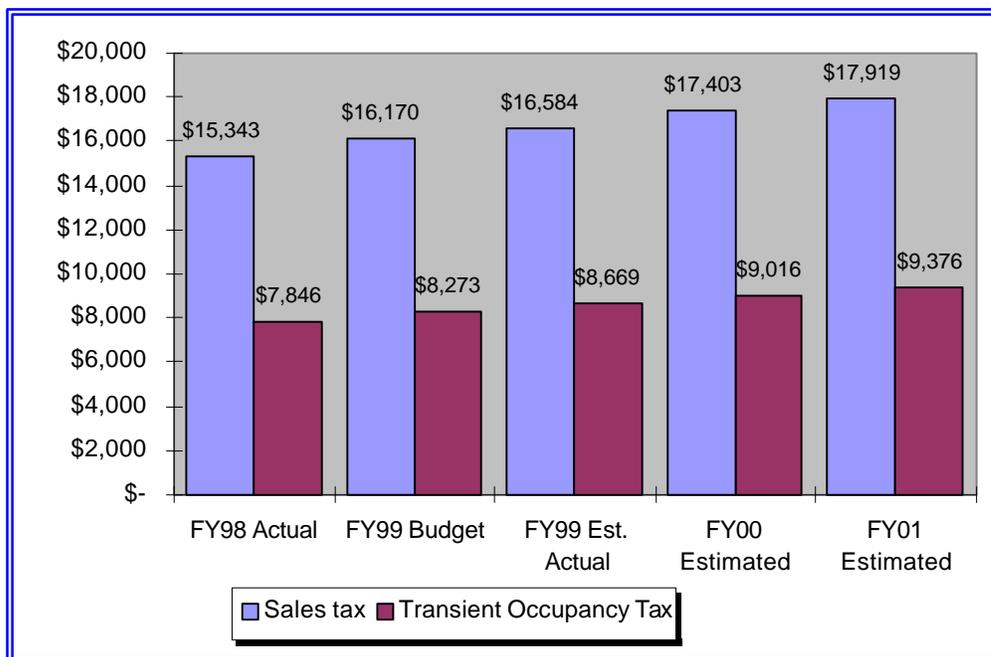
Although the comparison in the table is budget-to-budget, in developing the revenue projections for the Adopted Financial Plan, staff began by evaluating fiscal year 1999 year-to-date amounts, which for both sales tax and transient occupancy tax are ahead of budget projections. Through almost three-quarters of fiscal year 1999, transient occupancy tax is ahead of prior year by 9.8%. Through two quarters of sales tax returns, this largest of General Fund revenues is up 9.3% over the same period in the prior year. These actual growth rates compare favorably to the 5.5% growth rate projected for the current year budget. Therefore, although on a budget-to-budget basis the projections for both sales tax and transient occupancy tax reflect aggressive growth, when compared to the estimated fiscal year 1999 year-end actual amounts, the actual projected rate of growth is significantly less. The chart on the following page displays information on both sales tax and transient occupancy tax, including the estimated fiscal year 1999 year-end balances. Based upon the estimated year-end amounts for the current fiscal year, staff has used a projected growth rate of 5% in year one and an additional 3% in year two for sales tax and 4% in both years for transient occupancy tax.

GENERAL FUND

Taxes (continued)

Revenue from the City's 6\$ utility users' tax is budgeted to decline 5%. The 5% decline represents a loss of over \$400,000 from the fiscal year 1999 budget as amended through mid-year. This projection is based upon current year-to-date experience. In the current year, the City experienced a significant decline in the amount of utility tax received from the City's largest electric utility provider.

The decline is due to a change in the electric provider's billing method. This problem is not unique to this City. Other cities experienced the same decline. Although the change in billing, and the impact on revenue, has been recently corrected, staff has chosen to take a conservative approach and set the budget based upon the current year's lower revenue. In addition, pursuant to action taken in 1994, the General Fund receives 50% of the \$1



million of utility tax generated on water bills. The other 50% accrue to the Water Fund. As with all of the General Fund utility users' tax, pursuant to the City Code, one half of the shifted amount is restricted to use in the City's streets program.

Property tax is finally showing signs of recovering from the impact of the recession. Although other taxes began recovering several years ago, property tax has remained essentially flat until the current year. Fiscal year 1999 property tax revenue is expected to exceed budget by over \$400,000. On a budget-to-budget basis, property tax revenue is expected to grow 9.4% from the fiscal year 1999 budget as amended through mid-year. When calculated from the estimated year-end amount for fiscal year 1999, staff has used a 3% growth rate for property tax in each of the two years of the Adopted Financial Plan.

Franchise fees, in total, are projected to decline by approximately \$25,000 in the first year of the Adopted Financial Plan. This is the result of lower receipts from the electric utilities. As mentioned above in the utility users' tax discussion, deregulation of the electric utility industry is resulting in lower prices and therefore lower gross receipts. Since franchise fees, like utility users' tax, are levied as a percentage of gross receipts, deregulation will result in lower franchise fee revenue to the City. In year two, franchise fees are projected to grow just over 1 %.

GENERAL FUND

Taxes (continued)

The budget for business license tax is has been increased just over 1% from the current year budget as amended through mid-year. Based upon current year experience, the business license tax line item was increased over \$120,000 (8.6%) as a part of the fiscal year 1999 mid-year adjustments. Therefore, when measured from the adopted fiscal year 1999 budget, the projected increase in business license tax revenue is 9.9%. Year two of the financial plan projects an additional 2% growth. Like property tax, business license tax revenue was extremely slow to show a rebound from the recession earlier in this decade.

The final tax revenue is real property transfer tax. Based upon conservative assumptions, Staff is projecting an increase from the adopted fiscal year 1999 budget of \$17,500 (6.2%). The fiscal year 1999 budget for this revenue was increased substantially at mid-year (\$92,000 or 33%) based upon current year experience. However, Staff believed that a more conservative estimate was warranted for fiscal year 2000. Staff is projecting no additional growth in the second year of the financial plan.

Fines and Forfeitures

This revenue category is projected to provide almost \$1.5 million in General Fund revenue (2%). This is just slightly higher than the current year budget. The largest item in this group is parking fines, which is anticipated to generate \$1.3 million of the \$1.5 million total. Although in the current year, parking fine revenue may fall slightly below budget, this is attributable to shortages in the parking enforcement officer staff that, hopefully, will not be repeated in the next fiscal year. Staff is projecting only a very nominal growth in this revenue category for the second year of the Adopted Financial Plan.

Use of Money and Property

This category, totaling \$2.2 million (3% of General Fund revenue) is comprised of two items. The first, and smaller, is the rents and leases earned on General Fund properties, primarily the three Community Centers. This provides approximately \$297,000.

The more significant revenue in this category is investment income. The fiscal year 2000 estimate for investment income is below the amount budgeted in the current year by \$40,000 (2%). This estimate is consistent with current year year-to-date experience and is in recognition of several factors. First, the City's investment portfolio continues to be managed conservatively which results in somewhat lower earnings. More importantly, the interest rate environment has deteriorated. Because of lower interest rates, the new investments purchased by the City are not at the average 6% yield enjoyed by the City in previous years. As more of the City's older investments mature and are replaced with newer investments, the average yield on the City's portfolio is declining. Staff has projected a further decline of \$87,000 (4.5%) in investment income in year two.

Intergovernmental

Intergovernmental revenues are projected to contribute approximately \$4.2 million (6%) to the General Fund budget. This is an increase of approximately \$171,000 (4.2%) from the current year amended budget. By far the most significant individual revenue in this category is Vehicle License Fees (VLF). This revenue is paid to the City by the State and is projected to provide over \$3.9 million, an increase of \$191,000 (5.1%) from the amended current year budget. During the last year, there was a very real possibility that the State would take from cities some or all of this significant, unrestricted revenue source. However, in the end, although the State did approve a 25% reduction in the VLF charged to

GENERAL FUND

Intergovernmental (continued)

motorists, the State also agreed to backfill this loss of revenue to cities with State General Fund dollars. Staff certainly hopes that this issue will not resurface during the current legislative session.

Intergovernmental revenue is projected to grow an additional \$48,000 (1%) in the second year of the financial plan.

Service Charges

After taxes, this is the second largest revenue category in the General Fund. In total, service charges are projected to provide approximately \$9.95 million (14%) of General Fund revenue. The adopted fiscal year 2000 amount is approximately \$273,000 (2.8%) above the current year amended budget amount. This increase is a result of projected modest increases in activity levels as well as, in some cases, a reflection of proposed increases to fee levels. With very few exceptions, the City refrained from raising fees during the recession of the early 1990s. The City made a conscious effort to maintain fees without increases in an

effort to avoid placing an additional burden on local businesses. Since the economy began recovering, the City has adopted some nominal increases to various fees in an effort to at least partially offset its own increases costs. For budgeting purposes, the City is estimating 3% annual growth in fee revenue. In most cases, this growth is a reflection of anticipated fee increases. In some cases, it is a reflection of an increase in anticipated activity levels or a combination of the two.

	Fiscal Year Budget		Percent Change
	1999	2000	
Finance	\$ 540,750	\$ 560,000	3.56%
Community Development	2,260,188	2,327,198	2.96%
Recreation	1,773,056	1,824,454	2.90%
Fire	811,080	859,404	5.96%
Police	435,894	444,140	1.89%
Public Works	2,575,963	2,630,000	2.10%
Library	503,145	546,276	8.57%
Miscellaneous	775,510	756,897	-2.40%
	<u>\$ 9,675,586</u>	<u>\$ 9,948,369</u>	2.82%

The following is a brief discussion of some of the departmental fee issues.

Finance

The only fee attributable to the Finance Department is the reimbursement from Browning Ferris Industries (BFI) for the costs of including the refuse billing on the City's consolidated water/sewer bills.

Community Development

The Community Development Department generates 23% of all General Fund service charges. These include all land use and building related fees. The 3% growth from the fiscal year 1999 amended budget amount is attributable to a proposed 3% increase in building permit fees and planning fees.

GENERAL FUND

Service Charges (continued)

Parks and Recreation

Parks and Recreation proposed a 3% increase in most but not all of the department's fees and service charges to be effective July 1, 1999. Because not all of the fees are recommended for an increase, the overall growth in fee revenue is slightly below 3%. The department also expects some revenue growth from an increase in activity levels. The department is also proposing an additional 3% increase in most fees in year two.

Fire

Virtually all of the Fire Department's service charge revenue is attributable to the contract with the Airport Department for the Airport Rescue and Firefighting (ARFF) program. The amount to be charged to the Airport in fiscal year 2000 for this service is approximately \$814,000. The only other Fire Department fee revenue is generated by fire inspections on commercial property (\$45,000).

Police

The Police Department is not proposing increases to any of its departmental fees. The nominal 1.89% projected growth in fee revenue is attributable to increase in activity levels.

Police fees include vehicle release fees (\$103,000), dismissal fees (\$65,000), booking fee reimbursements (\$25,750), POST reimbursement (\$70,000) and fees to recover costs associated with false alarms from private security alarms (\$50,000).

Public Works

Public Works fees and service charges total just over \$2.6 million. This is the largest fee total of any General Fund department - a full 3.8% of total General Fund revenue. The largest single source, at almost \$2.16 million, is from engineering work orders. These are charges to the City's Special and Enterprise Funds for engineering services, particularly those associated with capital projects.

Library

The Library's departmental revenue is projected to increase over 8.5%. Since there are no proposed changes to any Library fines or fees, the entire growth is based on expectations of increased funding and activity levels.

"Other" Revenues

This category contains two significant revenue sources. The first is the General Fund's overhead allocation that contributes just over \$3.6 million, or 5.2% of General Fund revenue. The overhead allocation is paid to the General Fund by the City's Enterprise Funds as compensation for administrative services budgeted in, and paid for by, the General Fund. These administrative services include, but are not limited to, human resources, payroll, accounts payable, accounting, data processing, purchasing, legal services and overall management provided by the City Administrator's office. The current allocation formula is based upon a study performed for the City in 1994 by Vertex Consulting. Each administrative service is individually allocated based upon usage. For example, payroll costs are allocated based upon the number of paychecks issued for each fund. Traditionally, the City has had the overhead allocation study updated every five or six years.

GENERAL FUND

“Other” Revenues (continued)

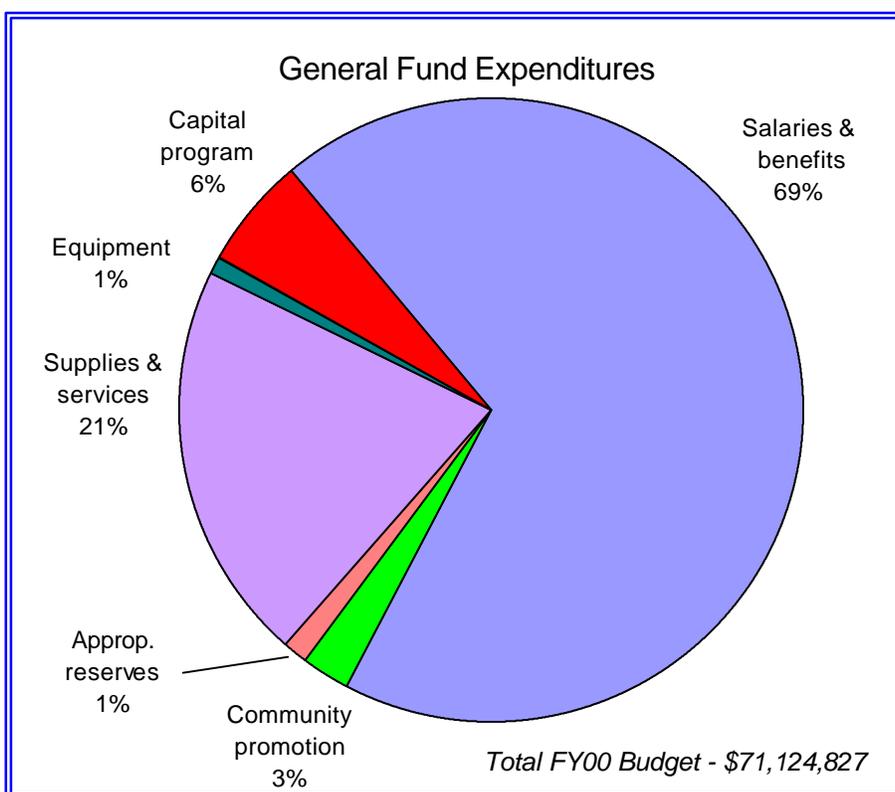
The second significant revenue source in the “other” category is “transfers in” from the Gas Tax and Traffic Safety Special Revenue Funds. The Gas Tax transfer provides \$1.6 million and the Traffic Safety transfer provides an additional \$160,000. Traffic Safety was one of the revenues reallocated by the State during the recession. Prior to the reallocation, the City averaged over \$500,000 of Traffic Safety revenue annually. Combined, these two transfers represent almost 2.5% of total General Fund revenue. Both of these revenue sources are legally restricted to use in the City’s streets program.

Additional information on these two Special Revenue funds can be found later in the “Overview by Fund” section of this document.

EXPENDITURES

As mentioned at the beginning of this section, overall, General Fund operating expenditures are at \$67,038,327 in year one and \$69,302,299 in year two. Including capital, the total adopted budget for year one is \$71,124,827.

The chart to the right displays the adopted fiscal year 2000 General Fund budget, including capital, by object of expenditure. As is always the case, salaries and benefits (69%), represents the largest portion of the General Fund budget. It is noteworthy, however, that, due to the continued increase in the adopted capital program, personnel costs have declined from 71% in the originally adopted fiscal year 1997 budget.



The 6% of budget for capital includes the funding for both the street capital program (\$1,900,000) and the general capital program (\$2,186,500). As indicated in the chart, the Community Promotion budget comprises approximately 3% of the budget. The appropriated reserve represents the General Fund’s appropriated reserve that has been set in the adopted budget at \$970,116. This category includes a \$238,000 budget reserve for increases to employee health insurance costs and a \$402,700 reserve for creeks and water quality improvements. The City has been told to expect a significant increase in health insurance cost beginning in January 2000.

GENERAL FUND

EXPENDITURES (continued)

Overall, the adopted General Fund budget in year one represents an increase of 2.69% over the current year budget as amended through mid-year. The proposed second year budget represents an increase of 3.38% over the adopted first year budget. As is discussed below, the majority of the increase from year one to year two is a result of increased contribution rates for the City's retirement plan (PERS).

There are two expenditure issues that have affected all General Fund departments to varying degrees. Since these issues affect the General Fund as a whole, they will be addressed in the following discussion.

Retirement Costs

The amount budgeted for the City's retirement costs for fiscal year 2000 is substantially lower than the amount budgeted in the current fiscal year. According to the information provided by the California Public Employees' Retirement System (PERS), the City's employer contribution rates will be zero for both the Miscellaneous and Police Safety contribution groups for fiscal year 2000. The employer rate for the Fire Safety contribution group will fall from the current year's 7.322% of payroll to 1.588% - a decline of over 78%. Taken together, these reductions will save the General Fund approximately \$1.9 million in fiscal year 2000. Although the Miscellaneous and Police rates were zero for the current fiscal year as well, the City did not learn of those rates until well after the budget had been developed. Therefore, the adopted fiscal year 1999 budget contained approximately \$1.8 million more for PERS costs than was actually needed. The City Council was reminded of this during the fiscal year 1999 mid-year review when a portion of those PERS savings were reallocated to cover other expenditures.

As the reader may be aware, over the last several years, the City has been intermittently receiving substantial rebates from PERS. This is the result of the City's PERS account being "overfunded." Due to a change in state law, the practice of issuing rebates has now been eliminated. Where previously any overfunded amount was eligible for rebate, now all surplus amounts are factored into the City's ongoing retirement rates. Therefore, the City's surplus amounts, which under previous state law would have been rebated and received as revenue, are now credited directly to the City's rates and represent a reduction of expenditures. Fiscal year 1998 was the first year to be directly impacted by this change in state law.

The City's surplus has been generated primarily as a result of two factors. First, due to the exceptional investment gains enjoyed by PERS during the extended stock market run, PERS has far exceeded its actuarial assumptions regarding investment return. This "excess" investment income represents the largest factor in generating the City's surplus balances.

In addition, PERS makes certain assumptions regarding salary increases. Traditionally, PERS uses 4.5% as the estimated, average annual growth in salaries. Since during the recent recession, the City's salary costs rose less than this 4.5%, the City's PERS liability grew less than was actuarially projected. This, combined with the "excess" investment income generated by PERS has resulted in the City's PERS surplus.

GENERAL FUND

EXPENDITURES (continued)

According to the City's contract with PERS, the City's surplus is being amortized over a period that ends with fiscal year 2000. Therefore, according to PERS staff, the City's rates will remain low for fiscal year 2000 but can be expected to return to more "normal" levels in fiscal year 2001 — the second year of the Adopted Two-Year Financial Plan. However, it is entirely possible that, given PERS' conservative nature and the general unreliability of PERS' past projections, the City will continue to generate additional surplus that will carry the City beyond the year 2000. In anticipation of a return in fiscal year 2001 to more "normal" PERS rates, the second year of the financial plan contains significantly higher PERS rate assumptions than the first year. In fact, of the \$3.2 million (4.85%) increase in the adopted year-two budget over year one, \$2.5 million (3.78%) of that represents increased PERS costs.

Cost of Living Increase

The second notable item affecting all General Fund departments is that, for the first time in almost nine years, all General Fund departments were allocated a general cost of living increase to the supplies and services line items of 3%. Since the start of the recession in 1991, General Fund departments had been required to absorb cost increases in supplies and services within existing budgets. While this was reasonable during the recession and even for a short time after the end of the recession, it had begun to affect the quality and delivery of services. The three-percent adjustment was allocated only to the first year of the financial plan. The second year of the financial plan did not contain an additional adjustment.

The table below summarizes General Fund expenditures by department for the adopted fiscal year 1999 budget, the fiscal year 1999 budget as amended through mid-year and the fiscal years 2000 and 2001 budgets. The percentage change column is based on the change from the amended fiscal year 1999 budget to the adopted fiscal year 2000 budget.

	Fiscal Year Budget				Percent Change FY99 Amended to FY2000
	1999		2000		
	Adopted	Amended	Adopted	Recommended	
Administrative Services	\$ 2,266,675	\$ 2,365,458	\$ 2,734,475	\$ 2,662,860	15.6%
City Administrator	965,505	961,145	1,026,339	1,035,264	6.8%
City Attorney	1,461,222	1,459,191	1,425,851	1,498,670	-2.3%
Community Development	5,707,813	6,001,555	5,959,528	6,282,388	-0.7%
Finance	2,811,075	2,741,875	2,662,116	2,827,912	-2.9%
Fire	9,934,711	10,769,905	10,745,590	11,268,752	-0.2%
Library	2,868,972	3,033,033	2,970,220	3,121,620	-2.1%
Mayor and Council	397,514	390,491	404,894	415,972	3.7%
Non-Departmental	4,007,621	3,761,098	4,524,508	4,351,697	20.3%
Parks and Recreation	8,378,483	8,775,562	9,039,569	9,246,759	3.0%
Police	17,848,795	17,636,200	17,615,922	18,596,557	-0.1%
Public Works	7,234,550	7,388,266	7,929,315	7,993,778	7.3%
Total budgeted expenditures	\$ 63,882,936	\$ 65,283,779	67,038,327	69,302,229	2.7%

GENERAL FUND

EXPENDITURES (continued)

Details on expenditures by department and program can be found in Volume II of the budget. However, the following is a brief summary of some of the most notable changes in the departmental budgets. It is not intended to provide details on all adopted changes.

Administrative Services

The adopted fiscal year 2000 budget for Administrative Services is approximately \$370,000 (15.6%) above the amended fiscal year 1999 budget. Most of the increase (approximately \$290,000) is in the City Clerk program. \$150,000 has been added for the costs of the November 1999 municipal election. These funds are paid to the County for the City's share of election costs, including two ballot measures. Since there was no municipal election in fiscal year 1999, no funds were budgeted. \$130,000 of Council Goals funding is included for the preservation and protection of historically important documents.

The balance of the increase in Administrative Services is found in the "Information Systems – Desktop Systems" program. The adopted budget for this program contains an additional programmer/analyst. The position, funded with Council Goal money, will serve as the City's Webmaster. A portion of the cost of this position will be offset by indirect allocation revenues from the City's enterprise funds for their proportional share of the costs.

City Administrator

The adopted fiscal year 2000 budget for the City Administrator program is approximately \$65,000 (6.7%) higher than the amended fiscal year 1999 budget. The increase is attributable to \$45,000 of funding for the City's 150th birthday celebration and an addition of \$21,500 for increased funding to Catholic Charities to expand Labor Line services.

Community Development

The adopted fiscal year 2000 budget for the Community Development is approximately \$42,000 (.7%) below the amended fiscal year 1999 budget. The addition of new costs and activities is more than offset by the decrease in PERS cost as discussed above.

The increases include \$125,000 in fiscal year 2000 and \$100,000 in fiscal year 2001 of Council Goals funds for expanded Historic Resources Survey. Also included is \$15,360 in fiscal year 2000 and \$31,180 in fiscal year 2001 (3%) increase for Human Services Grants. \$40,000 in each year for continued implementation of the Excellence in Customer Service for Land Use. An increase to both revenues and expenditures is provided for a new Redevelopment Specialist position, funded by the Redevelopment Agency (RDA), \$55,469 in fiscal year 2000 and \$62,107 in fiscal year 2001. The net budgetary impact to the General Fund is zero. Finally, \$45,000 in one-time costs is included in fiscal year 2000 for Sanborn Maps.

Fire Department

The adopted Fire Department budget for fiscal year 2000 is approximately \$24,000 (-0.2%) below the amended fiscal year 1999 budget. The decrease in PERS costs is partially offset by an increase in the overtime budget in allocated for expanded training and development of staff. In addition, \$30,000 of temporary salaries has been added to support the development of public information materials. Finally, the current Fire MOU provides for a 3% across-the-board salary increase for bargaining unit employees on July 3, 1999.

GENERAL FUND

EXPENDITURES (continued)

Library

The adopted Library Department budget is approximately \$63,000 (2.1%) below the current year amended budget. An increase of \$83,500 in the Library's budget for the acquisition of collection materials is more than offset by the reduction in PERS costs.

Non-Departmental

The adopted fiscal year 2000 Non-Departmental budget reflects an increase of \$763,410 (20.2%) above the fiscal year 1999 budget as amended through mid-year. However, when compared to the originally adopted fiscal year 1999 budget, the increase is reduced to \$516,887 (12.9%). The Non-Departmental budget is unusual in that, because it contains the General Fund Appropriated Reserve, the amended budget is actually *less* than the originally adopted budget. This is because, as the Appropriated Reserve is allocated throughout the year, the budget funds are transferred out of the Non-Departmental budget and into whatever departmental budget receives the allocation.

The increase is primarily in four areas. First, the appropriated reserve has been increased substantially. The adopted fiscal year 2000 budget contains an appropriated reserve of \$331,416 compared to \$273,855 in the adopted current year budget, an increase of over \$57,000. Second, the program contains \$40,732 in new funds to support the implementation of a study on the placement of art in public places. Third, reserves have been established for the Water Quality Improvement Project (\$264,000) and Creeks Restoration Master Plan (\$138,700). The fourth item is a \$72,000 increase in the Community Promotions budget to provide additional funding to the Lawn Bowlers Association for improvements to the McKenzie Park Club House. This increase is pursuant to Council direction given to staff on June 1, 1999, and will be funded from unappropriated General Fund reserves.

Parks and Recreation

The adopted fiscal year 2000 Parks and Recreation department budget is approximately \$264,000 (3%) higher than the amended fiscal year 1999 budget. There are several changes that account for this increase.

The increases include a recommendation to add a Business Manager position. The position will be split between the General Fund (80%) and the Golf Fund (20%). The General Fund cost is approximately \$56,000 in year one. The position will be responsible for the extremely large volume of contracts, agreements, as well as revenue tracking and control, budget development and tracking and maintenance of cash controls. Every other department of comparable size has a similar position and the need is real. The cost of adding the Business Manager position will be partially offset by the elimination of a vacant Administrative Assistant position.

The addition of a Park Supervisor position is recommended in year one (\$55,044). This will restore a position that was eliminated in 1992 as a response to the recession. The position will help support some of the department's new maintenance responsibilities including Chase Palm Park and the Douglas Family Preserve.

A temporary, part-time and a temporary full-time Park Planner position is also recommended. The temporary full-time position will support the development and implementation of the Douglas Family Preserve Management Plan. Half of the cost of this position will be paid by a Coastal Conservancy grant. The part-time, temporary position will assist with ongoing department projects, of which there are currently over twenty.

GENERAL FUND

EXPENDITURES (continued)

\$50,000 of Council Goals funding is included in the first year to initiate the Master Plans for the restoration of Mission, Sycamore and Arroyo Burro Creeks as well as the Laguna Channel.

Funding for the operation of the Temporary Skateboard facility through December 31, 1999 is included (\$33,431). There is also an addition of one-time costs of \$34,681 to the Administration Program for a new registration system.

As with other General Fund departments, a portion of the increased costs in Parks and Recreation is offset by lower PERS costs.

Police Department

The adopted fiscal year 2000 Police Department budget is approximately \$20,000 (0.1%) below the amended fiscal year 1999 budget. The decrease is entirely attributable to the reduced PERS rates discussed above. The only increase in the adopted budget is the addition of a Programmer/Analyst position to handle the significant backlog of programming projects in the department.

Public Works

The adopted fiscal year 2000 Public Works budget is approximately \$540,000 (7.3%) above the amended fiscal year 1999 budget. Among the increases is the addition of a full-time Electronic/Communications Technician in the Communications Systems program. The cost of the position will be split between the General Fund, the Water and the Wastewater Funds. The General Fund's portion of the cost will be approximately \$36,000 in the first year. The position will provide additional maintenance support to the increasing number of radios and other electronic equipment, including the Supervising Control and Data Acquisition (SCADA) systems in the Water and Wastewater facilities.

A full-time Senior Office Specialist position is recommended for the Transportation Planning program. The first year cost of the position is \$38,438. When the reorganization of the Transportation Operations and Planning sections was approved, it increased the number of employees and workload, requiring additional clerical support.

\$50,000 of Council Goals funding is included to provide preliminary concept and design for landscaping, lighting and decorative elements along San Andres Street.

Since June 1, 1999, there has been an additional increase of \$301,000 to the Engineering Program. The increase is for Creeks Water Quality Improvement Project (\$271,000) that includes the addition of one full-time Water Conservation Specialist for the fiscal year 2000 only. This increase also includes \$30,000 for the Watershed Resource Center to increase public education on water quality issues.

As stated above, additional details on the changes in service may be found in the summary schedules in this volume or in the department program narratives found in Volume II.

In summary, the adopted fiscal year 2000 General Fund budget continues the accomplishments begun in the current fiscal year. The operating budget is balanced without the use of reserves and provision has been made for an expanded capital program.

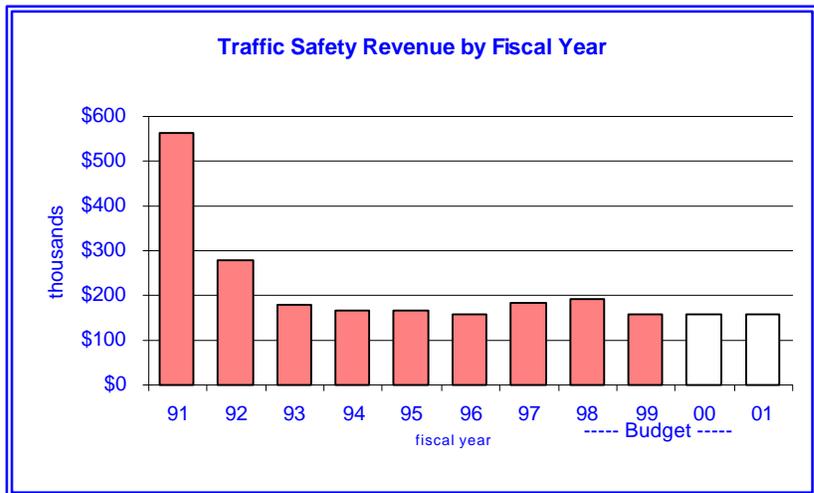
SPECIAL REVENUE FUNDS

Traffic Safety Fund

	Fiscal Year			
	1998 Actual	1999 Adopted	2000 Adopted	2001 Recommended
Revenues	\$ 190,989	\$ 160,000	\$ 160,000	\$ 160,000
Operating expenditures	190,989	160,000	160,000	160,000
Operating surplus	-	-	-	-
Capital budget	-	-	-	-
Net addition to reserves	\$ -	\$ -	\$ -	\$ -

Pursuant to state law, all fines and forfeitures received as a result of citations issued by City officers for Vehicle Code violations must be deposited by the City into a special “Traffic Safety Fund.” These funds may be used solely for traffic control devices, maintenance of equipment and supplies for traffic law enforcement, traffic accident prevention, the maintenance, improvement or construction of public streets, bridges or culverts and the compensation of school crossing guards who are not regular, full-time employees of the City’s Police Department. These funds are paid to the City by the County. After being recorded in the City’s Traffic Safety Fund as required by law, the entire amount received is transferred to the General Fund, and is expended in the Public Works Traffic Signals program.

Traffic Safety revenue, like other City revenue sources including property tax, has been reallocated by the State since 1991. As the chart on the right indicates, as recently as fiscal year 1991, the City was receiving over \$500,000 annually from this revenue source. As part of its fiscal year 1992 budget settlement, the state took over half of all traffic safety funds allocated to cities. The reallocated funds were redistributed to the state and counties.



The City’s share of the traffic safety revenue has stabilized since fiscal year 1994. Based upon the decrease in actual revenue received since that time, the adopted budget for fiscal year 1999 and the recommended budget for fiscal years 2000 and 2001 have been reduced to \$160,000.

SPECIAL REVENUE FUNDS

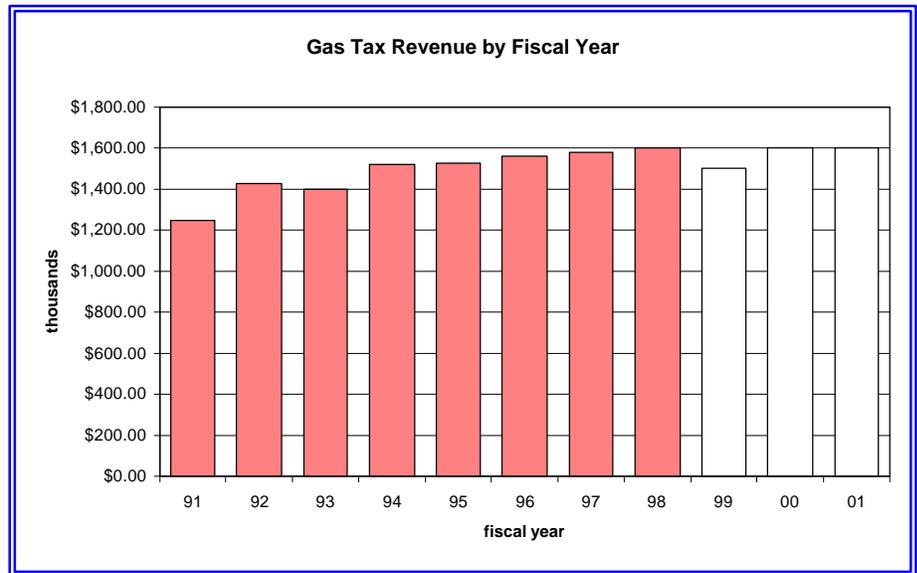
Gas Tax Fund

	Fiscal Year			
	1998	1999	2000	2001
	Actual	Adopted	Adopted	Recommended
Revenues	\$ 1,598,226	\$ 1,500,000	\$ 1,600,000	\$ 1,600,000
Operating expenditures	1,598,226	1,500,000	1,600,000	1,600,000
Operating surplus (deficit)	-	-	-	-
Capital budget	-	-	-	-
Net addition to (use of) reserves	\$ -	\$ -	\$ -	\$ -

The Gas Tax revenue received by the City is a portion of the state's 18 cent per gallon tax on fuel used to propel a motor vehicle or aircraft. Article XIX of the California Constitution restricts the use of gas tax revenue to research, planning, construction, improvement, maintenance and operation of public streets and highways or public mass transit. The funds are distributed by the state on a per capita basis. Since Santa Barbara's population has grown more slowly than other areas of the state, its proportional share of the gas tax has declined. Despite this, for reasons cited below, the City's total gas tax revenue has remained stable.

Paid to the City by the state, gas tax revenue is initially accounted for in the City's Gas Tax Special Revenue Fund. After receipt, all gas tax revenues are transferred to the General Fund for use in the City's street operations and maintenance activities. Each year, the City is audited by the State Controller's Office to ensure that the funds are used in accordance with state law.

The City anticipates receiving approximately \$1.6 million in gas tax revenue in both fiscal years 2000 and 2001, which is consistent with current year experience.



As the chart above indicates, the City's gas tax revenue has grown moderately since 1991. This is due primarily to the passage of Proposition 111 in June 1990. Approved by the state's voters, this proposition doubled the gas tax rate from nine to eighteen cents a gallon over a five-year period. That phased increase was completed in January 1994. Cities receive approximately 11.5% of the additional nine cents tax.

SPECIAL REVENUE FUNDS

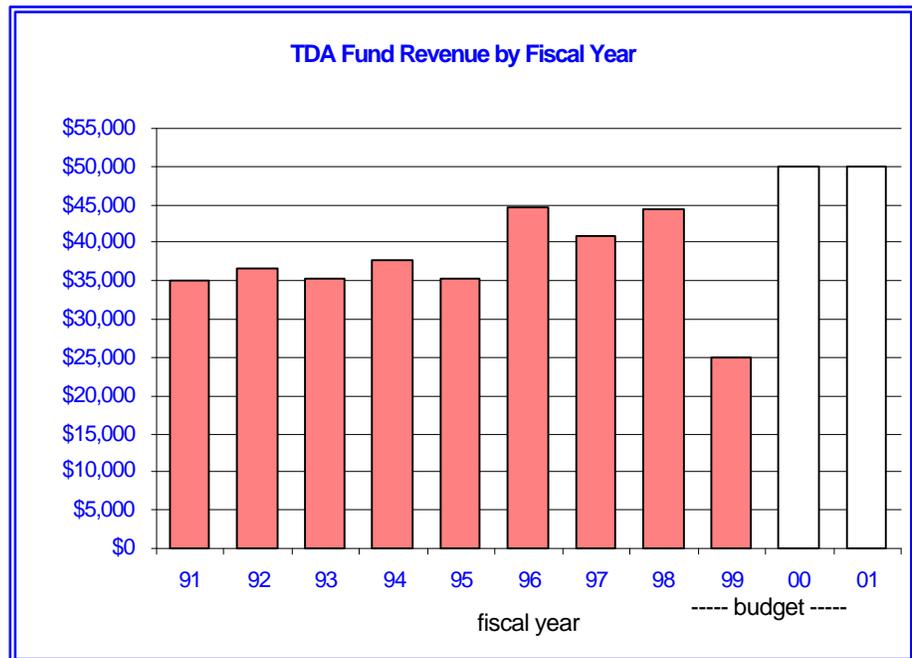
Transportation Development Fund

	Fiscal Year			
	1998	1999	2000	2001
	Actual	Adopted	Adopted	Recommended
Revenues	\$ 53,934	\$ 25,000	\$ 50,000	\$ 50,000
Operating expenditures	-	-	-	-
Operating surplus	53,934	25,000	50,000	50,000
Capital budget	94,910	25,000	50,000	50,000
Net addition to (use of) reserves	\$ (40,976)	\$ -	\$ -	\$ -

Transportation Development Act (“TDA”) funds are restricted to use in support of alternative transportation including sidewalks and bikeways. Each year, the City receives approximately \$50,000 of TDA funds from the County. This revenue, along with an additional \$5,000 to \$10,000 in annual interest income earned on accumulated balances, is appropriated each year to the Street Capital Program. Because of the relatively small amount of TDA revenue received annually, the proceeds are often accumulated over multiple years in order to fund specific projects. For example, in year 1998, TDA fund expenditures included the use of almost \$41,000 of accumulated prior year balances for sidewalk repairs and bikeway and pedestrian projects. The total expenditures of approximately \$95,000 represented almost two years of accumulated TDA revenues. This accumulation of prior year amounts also generates additional revenue in the form of interest income.

As the chart on the right indicates, the City’s annual TDA revenue has increased somewhat since 1995. Based upon this increase, the budget for TDA revenue has been increased from \$25,000 to \$50,000 annually.

A summary list of the Streets Capital Program, which is funded in small part by TDA revenue, can be found in the summary section earlier in this document. A detailed listing of the Streets Capital Program can be found at the back of Volume II.



SPECIAL REVENUE FUNDS

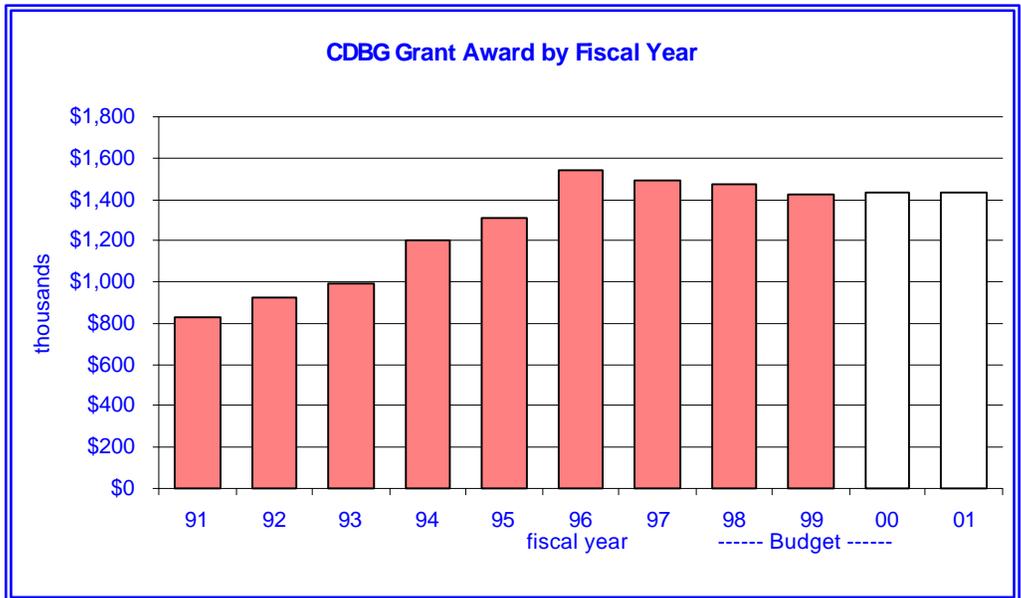
Community Development Block Grant Fund

	Fiscal Year			
	1998 Actual	1999 Adopted	2000 Adopted	2001 Recommended
Revenues:				
CDBG revenue	\$ 1,492,740	\$ 1,529,885	\$ 1,431,000	\$ 1,431,000
Program income	518,026	450,000	450,000	450,000
Total revenue	2,010,766	1,979,885	1,881,000	1,881,000
Operating expenditures	1,933,634	1,979,885	1,881,000	1,881,000
Operating surplus (deficit)	77,132	-	-	-
Capital budget	-	-	-	-
Net addition to (use of) reserves	\$ 77,132	\$ -	\$ -	\$ -

The City's Community Development Block Grant (CDBG) Fund is used to account for the annual federal block grant received by the City from the U.S. Department of Housing and Urban Development. This annual grant supports programs including the City's Rental Housing Mediation Task Force, human service grants and a low and moderate income housing rehabilitation program.

Over the last several years, the City has been concerned that federal budget actions would adversely impact the City's annual CDBG award. Despite this concern, the chart to the right indicates that the City's grant award has increased significantly since fiscal year 1991.

During that time, the City's annual grant has increased from just over \$800,000 to



more than \$1.4 million, an increase of over 75%. Although the City's grant award has declined slightly since the peak in fiscal year 1996, the City is still enjoying substantially greater CDBG funding than earlier in this decade. At approximately \$1.4 million, the estimated amounts for fiscal years 2000 and 2001 are almost identical to the current year grant award. Despite the apparent stability, the City remains concerned that federal budget actions may adversely affect the programs supported by the grant award.

SPECIAL REVENUE FUNDS

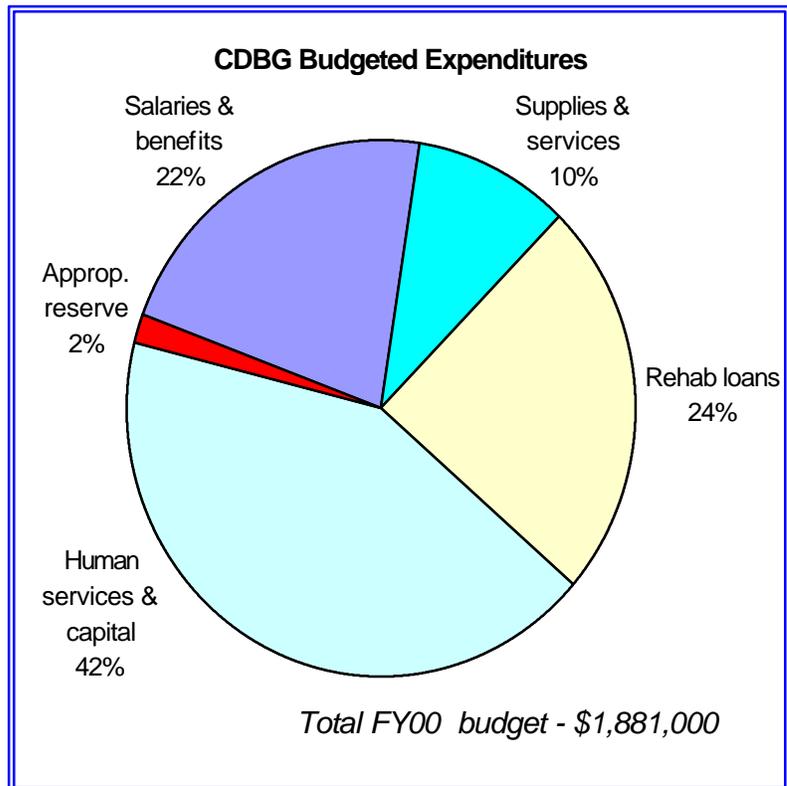
Community Development Block Grant Fund (continued)

Besides the annual federal grant award, the other major source of revenue in this fund comes from repayments generated on the housing loans issued under the housing rehabilitation program. As of June 30, 1998, the City had over \$6.5 million of outstanding CDBG funded housing rehabilitation loans. The City maintains a “revolving” loan fund so that, as loan repayments are received, the funds are reappropriated and loaned again. Fiscal year 1997 was the first time that loan repayments (also known as “program income”) have been included in the adopted budget. Previously, loan repayments had been brought to the Council as supplemental appropriations later in the fiscal year, after much of the year’s repayments had been received. However, since the routine repayments are quite predictable, they have once again been included in the adopted budget. As indicated in the table on the previous page, loan repayments for both fiscal years 2000 and 2001 are projected to be \$450,000. Some years, loan repayments significantly exceed expectations. For example, in fiscal year 1997, loan repayments totaled almost \$550,000. The additional amounts represent unscheduled prepayments of loan balances due to property sales or refinancings. Because of the indeterminate nature of these prepayments, no attempt is made to include them in the budget. If significant prepayments are made during the year, a supplemental appropriation will be requested.

The chart on the right displays the CDBG budget by category of expense. Human service and capital grants plus the housing rehabilitation loans represent 66% of the budget.

The CDBG human services grants are allocated, along with the General Fund human services funding, based upon recommendations submitted to the City Council by the City’s Community Development and Human Services Committee. The Committee’s recommendations for fiscal year 1999 have already been submitted to Council.

All requests for housing rehabilitation loans are evaluated by program staff and are submitted to the City’s Loan Committee for approval. The Loan Committee is comprised of the Deputy City Administrator, the Community Development Director, and the Finance Director. The Loan Committee can approve loans of \$60,000 or less. Loans of more than \$60,000 require City Council approval.



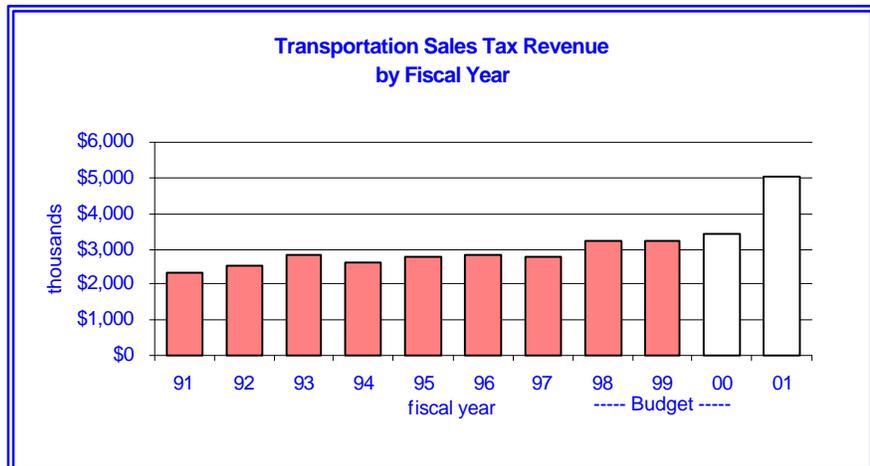
SPECIAL REVENUE FUNDS

Transportation Sales Tax Fund

	Fiscal Year			
	1998	1999	2000	2001
	Actual	Adopted	Adopted	Recommended
Revenues				
Transportation sales tax	\$ 3,283,341	\$ 3,288,915	\$ 3,439,000	\$ 5,036,000
Interest income	146,445	150,000	150,000	200,000
Total revenue	3,429,786	3,438,915	3,589,000	5,236,000
Operating expenditures	1,573,105	1,873,265	1,789,000	1,836,000
Operating surplus	1,856,681	1,565,650	1,800,000	3,400,000
Use of reserves for capital	-	484,350	-	-
Capital budget	1,874,223	2,050,000	1,800,000	3,400,000
Net addition to (use of) reserves	\$ (17,542)	\$ -	\$ -	\$ -

This fund is also known as the “Measure D” Fund, after the designation of the ballot proposition approved by Santa Barbara County voters in November 1989. The ballot measure enacted a twenty-year, one-half cent sales tax, the proceeds of which are restricted to use in the City’s streets program. The revenues generated by this tax is subject to an annual “maintenance of effort” requirement. This ensures that the proceeds of the sales tax will be used to supplement – not supplant – the City’s existing streets programs. For any year in which the City fails to maintain its discretionary General Fund street program (operating and capital) at or above the base year (fiscal year 1987) level of \$2.7 million, the City is not entitled to the Measure D revenues. The City is audited each year to verify that the maintenance of effort has been met.

As indicated in the chart on the right, the City’s Measure D sales tax revenue has been fairly consistent since its inception in fiscal year 1991. As in the past, the revenue estimate, and therefore the budget, is based upon an estimate provided by the Santa Barbara County Association of Governments (SBCAG). SBCAG is the agency that



oversees the Measure D program on a countywide basis. Traditionally, the revenue estimate provided by SBCAG has been conservative. This has resulted in actual revenue exceeding budget, often leaving a fiscal year-end budget surplus. For example, in fiscal year 1997, actual revenue exceeded budget by over \$200,000. As a result of these prior year budgetary gains,

SPECIAL REVENUE FUNDS

Transportation Sales Tax Fund (continued)

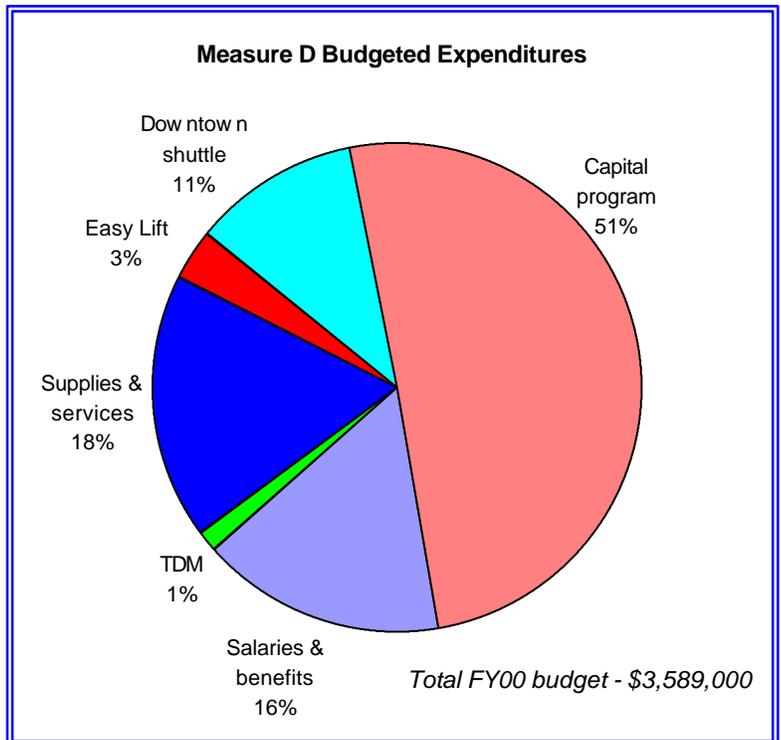
the City had an unappropriated fund balance of almost \$835,000 in the Measure D Fund at the beginning of the current fiscal year (fiscal year 1999). The fiscal year 1999 budget includes the appropriation of approximately \$485,000 of this reserve balance, leaving a reserve balance of approximately \$350,000.

The Measure D Fund budget is developed based upon a annual and five year program of projects which is prepared by the City and submitted to SBCAG for approval. The adopted fiscal year 1999 budget is consistent with those plans.

For the adopted fiscal year 2000 budget, \$1.8 million or 51% of the adopted Measure D Fund budget is dedicated to the Street Capital Program. \$400,000 (11%) of the budget supports the Downtown Shuttle program, \$125,000 (3%) represents a transit grant to Easy Lift and \$50,000 (1%) supports the City's joint Transportation Demand Management program with the County. The balance of the budget, approximately \$1,205,000 (34%) supports street maintenance activities.

The proposed budget for fiscal year 2001, totaling \$5.2 million, reflects a substantial increase over historical levels. The additional revenue of approximately \$1.6 million will result from the reallocation of funds previously allocated to regional projects. The proposed budget allocates the entire one-time increase to the City's streets capital program. Much of this one-time increase in capital will be used to implement projects associated with the City's recently updated Circulation Element.

The significant amount of funds provided by Measure D has been, and continues to be, an important addition to the City's street operations and capital programs.



SPECIAL REVENUE FUNDS

County Library Fund

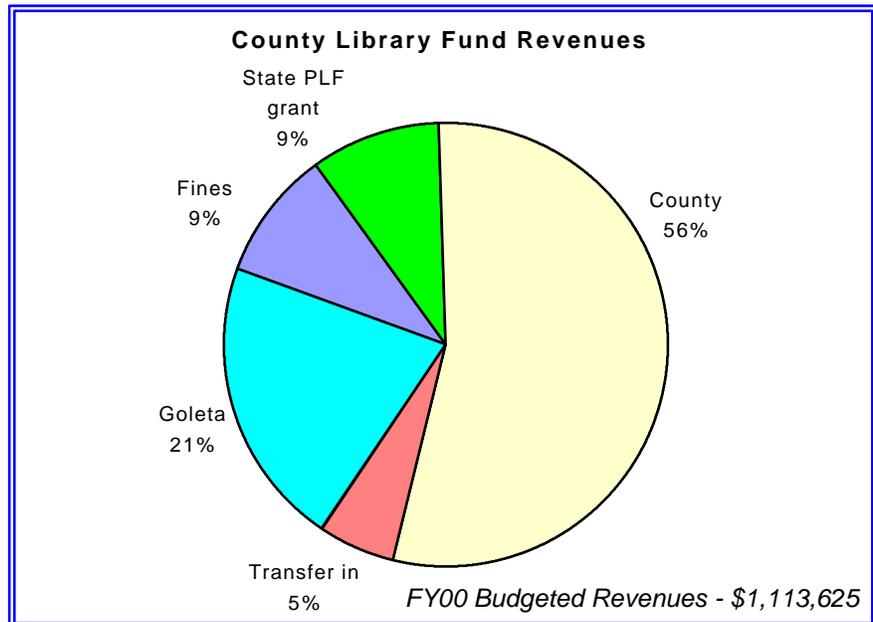
	Fiscal Year			
	1998 <u>Actual</u>	1999 <u>Adopted</u>	2000 <u>Adopted</u>	2001 <u>Recommended</u>
Revenue	\$ 1,087,382	\$ 865,375	1,113,625	\$ 1,113,625
Operating expenditures	1,001,655	1,015,156	1,156,011	1,193,012
Net addition to (use of) reserves	<u>85,727</u>	<u>(149,781)</u>	<u>(42,386)</u>	<u>(79,387)</u>

The County Library Fund accounts for the costs of providing a full range of library services to the residents of Solvang, Santa Ynez, Los Olivos, Carpinteria, Montecito and Goleta under contract with the County of Santa Barbara. The chart below indicates that revenue to support these services comes from a variety of sources including the County, State Public Library Fund (PLF) Grant, fines, donations and contributions from other agencies. Although additional contributions from various "Friends of the Library" community groups are received occasionally, they are not budgeted because of the generally unpredictable nature of donations. No City of Santa Barbara funds are included in the County Library Fund budget.

Under the terms of the agreement between the City and the County, the City is compensated for managing these County library services. The City receives an administration fee amounting to 8% of the annual County appropriation for County (non-City) resident library services. This administration fee is recorded as revenue in the City's General Fund.

The adopted budget is based upon current fiscal year funding levels for both the County per capita

contribution and the state PLF grant. Changes in the level of either of these revenue sources will require corresponding expenditure and program adjustments. Since neither the State nor the County generally adopt a budget prior to the July 1 start of the fiscal year, adjustments are generally brought before the Council in the autumn. The budget includes \$200,000 for the acquisition of collection materials. The use of reserves reflected in the table at the top of this page is to support the acquisition of these collection materials.



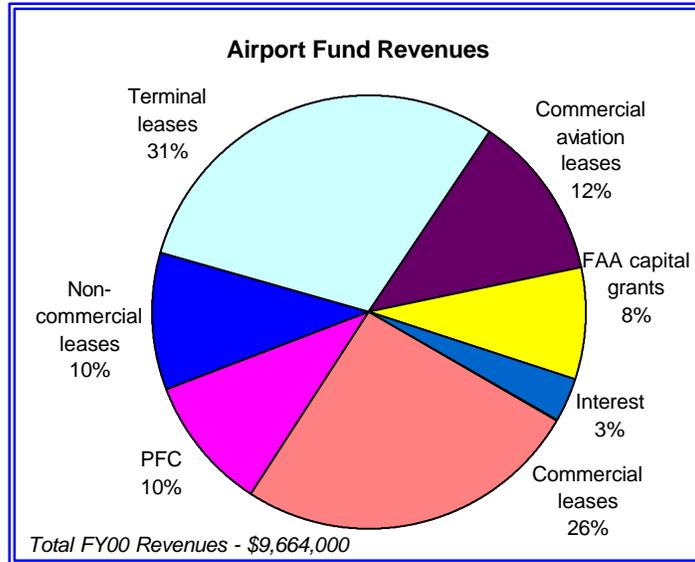
ENTERPRISE FUNDS

Airport Fund

	Fiscal Year			
	1998 Actual	1999 Adopted	2000 Adopted	2001 Recommended
Operating budget				
Revenue	\$ 8,105,367	\$ 6,830,000	\$ 7,914,800	\$ 8,029,670
Expenses	6,243,261	5,779,997	6,135,348	6,622,312
Operating surplus	\$ 1,862,106	\$ 1,050,003	\$ 1,779,452	\$ 1,407,358
Capital budget				
FAA grant revenue	\$ -	\$ -	\$ 790,000	\$ 2,920,000
Passenger Facility Charges	-	-	960,000	960,000
Capital expenses	650,000	685,000	1,290,000	6,852,000
Net addition to (use of) reserves	\$ 1,212,106	\$ 365,003	\$ 2,239,452	\$ (1,564,642)

The adopted fiscal year 2000 Airport Fund budget reflects a surplus of over \$2.2 million after funding all operating expenses and a capital program of approximately \$1.3 million. For fiscal year 2001, the financial plan includes the use of the surplus generated in the first year plus an additional \$1.6 million of reserves to fund a portion of a significantly increased capital program.

For the first time, the two-year financial plan also includes estimated amounts for the Federal Aviation Administration (FAA) capital grants. Previously, FAA capital grants were handled as supplemental appropriations at the time an individual grant was accepted. Estimated amounts for the FAA capital grants have been included in the adopted budget in an effort to more accurately reflect the total scope of the Airport Fund's capital program. As the table above indicates, the Airport's FAA grants were estimated at \$790,000 and \$2.9 million for the first and second years, respectively.



The chart just above displays the fiscal year 2000 revenues as contained in the adopted budget. As the chart indicates, virtually all of the Airport's operating revenue is derived from leases. Overall, the fiscal year 2000 revenue budget is approximately \$1.1 million (16%) higher than the revenue contained in the adopted fiscal year 1999 budget. The majority of the increase is in the terminal and commercial aviation leases. Although most of the revenue increase is due to increased passenger counts, \$131,300 of the revenue increase is attributable to an increase to short-term parking rates and approximately \$450,000 is from increased parking activity.

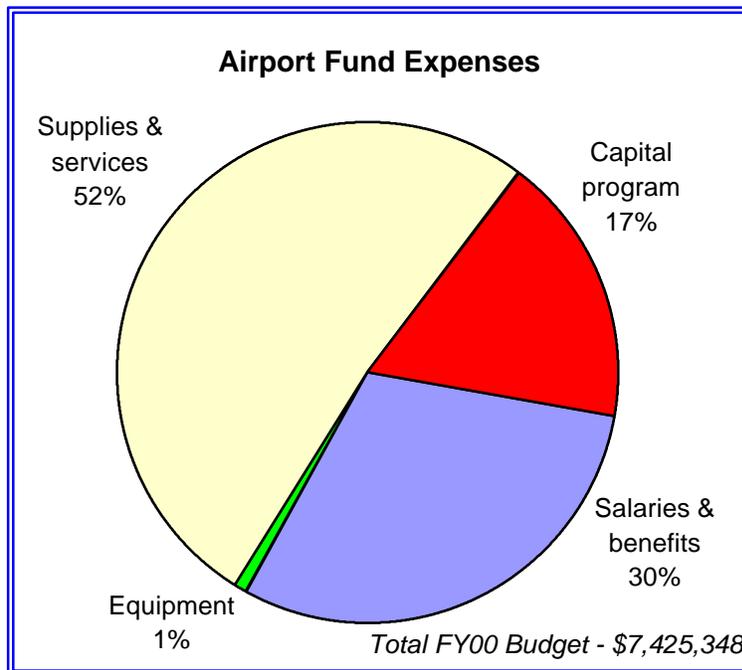
SPECIAL REVENUE FUNDS

Airport Fund (continued)

Despite the 16% increase in budgeted revenue, budgeted operating revenue for fiscal year 2000 is still somewhat below the operating revenue actually received in fiscal year 1998. This is consistent with the City's practice in all funds of budgeting revenue on a conservative basis.

On January 1, 1998, with the approval of the FAA, the Airport began to levy and collect a Passenger Facility Charge (PFC). The PFC is a fee of \$3 per airline passenger ticket with the proceeds restricted by federal law to approved capital improvements. The PFC is estimated to generate approximately \$960,000 per year.

The chart on the right displays expenses in the adopted fiscal year 2000 Airport budget by category. The capital program of almost \$1.3 million represents 17% of the total budget. It includes \$500,000 of projects supported with Airport funds and \$790,000 of FAA grant-funded projects. In most cases, FAA grants fund 90% of approved project costs with the Airport required to provide a 10% match. In the second year of the financial plan, the capital program increases substantially to over \$6.8 million. Of the \$6.8 million, \$3.9 million will be Airport-funded and \$2.9 million will be FAA funded. The largest projects in the fiscal year 2001 capital budget



include major infrastructure improvements to the commercial/industrial properties on the north side of Hollister (\$3 million of Airport funds) and improvements to Taxiways A, F and G (\$1.8 million of FAA grant funds). Additional details on the Airport's capital program for the two-year financial plan may be found in Volume II of the City's budget document.

At 52%, supplies and services represent over half of the budget. The largest single item in this category is the cost of Airport Rescue and Fire Fighting (ARFF). ARFF services are provided to the Airport by the City's Fire Department with the Airport Fund reimbursing the City's General Fund for the personnel costs. For fiscal year 2000, the Airport Fund budget contains \$814,000 for this required service.

The most significant financial issue facing the Airport Fund over the next several years is funding the substantial capital program contained in the approved Airport Master and Specific Plans, culminating in the construction of an expanded passenger terminal. With historically high revenues generating sizeable operating surpluses, the Airport Fund is well positioned to fund the planned improvements.

ENTERPRISE FUNDS

Duplications Fund

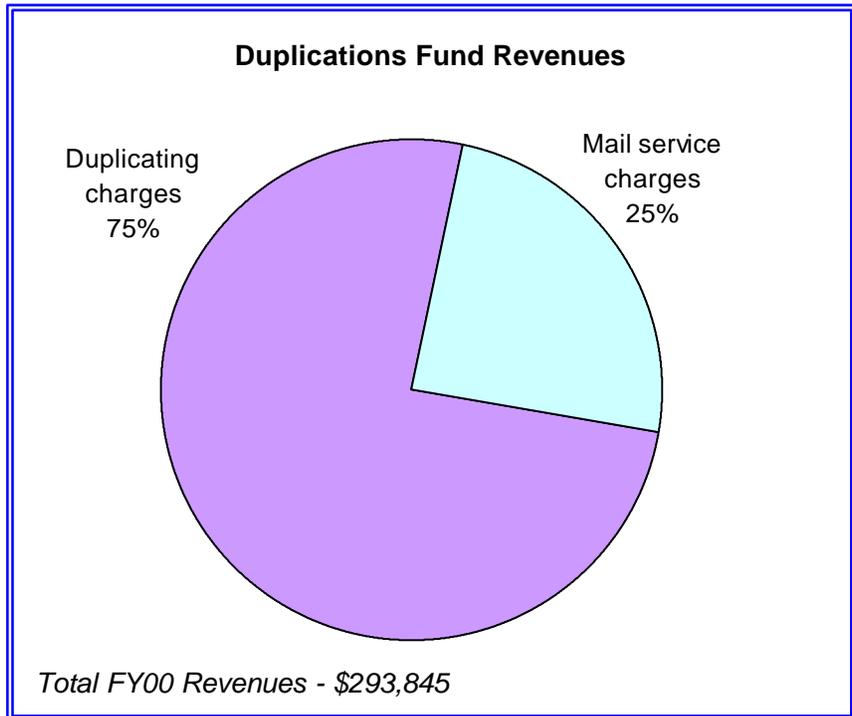
	Fiscal Year			
	1998	1999	2000	2001
	Actual	Adopted	Adopted	Recommended
Revenue	\$ 274,506	\$ 293,934	\$ 293,845	\$ 303,420
Operating expenses	245,112	293,934	293,845	303,420
Operating surplus (deficit)	29,394	-	-	-
Capital budget	-	-	-	-
Net addition to (use of) reserves	\$ 29,394	\$ -	\$ -	\$ -

The adopted fiscal year 2000 Duplications Fund budget is balanced at \$293,845. There is no capital budget for this fund. Due mostly to lower PERS costs, the adopted budget is actually \$89 below the adopted fiscal year 1999 budget.

As an internal service fund, the revenue budget is comprised entirely of charges for services rendered to other City funds and departments. The services provided include printing and copying as well as interoffice and external mail. The Duplications staff also processes and mails over 30,000 utility and accounts receivable billings monthly.

With no capital, the entire budget is comprised of personnel costs and supplies and services. Budgeted expenses are about evenly split between the two categories with salaries and benefits at 47% and supplies and services at 53%.

For each of the last two years, the Duplications Fund has enjoyed an operating surplus. This followed four consecutive years of operating losses. While the use of reserves during that four-year period was relatively small, staff has been committed to making changes to improve the situation. During the last two years, Finance Department staff reduced some costs and implemented some nominal revenue enhancements. As a result of these changes and several significant billable projects, the fund's situation



has improved over the last two years.

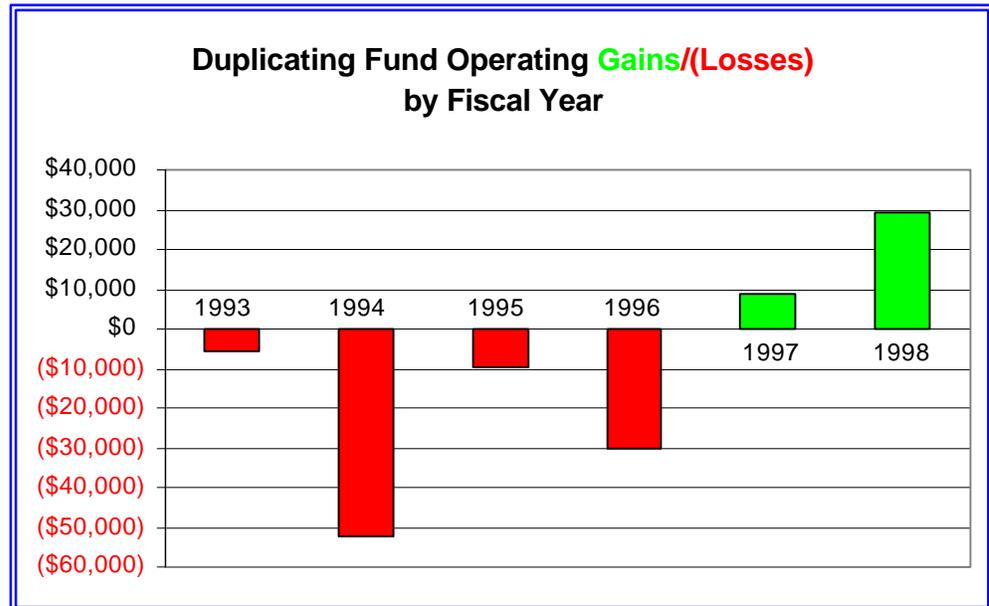
SPECIAL REVENUE FUNDS

Duplications Fund

(continued)

Sustaining the recent success will be the challenge. Essentially, the Duplications Fund is at best a break-even operation. In the long run, the fund is unlikely to generate sufficient surplus to provide for capital replacement. When replacement of existing equipment is required, it is likely that the General Fund will have to provide capital.

While virtually all of the services provided by the Duplications Fund can be obtained from the private sector, staff believes there is a significant value to having this capability in house. In addition to cost considerations, issues such as timeliness, responsiveness and confidentiality are important factors.



In summary, the adopted fiscal year 2000 Duplications Fund budget is balanced and the fund still has a sufficient reserve balance to maintain the status quo.

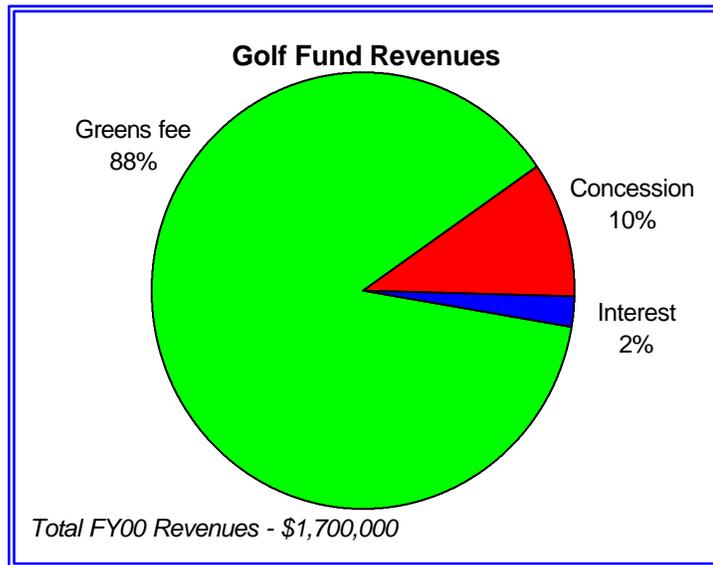
ENTERPRISE FUNDS

Golf Fund

	Fiscal Year			
	1998 Actual	1999 Adopted	2000 Adopted	2001 Recommended
Revenue	\$ 1,531,598	\$ 1,598,000	\$ 1,700,000	\$ 1,740,000
Operating expenses	1,412,647	1,338,572	1,550,000	1,540,000
Operating surplus	118,951	259,428	150,000	200,000
Use of reserves for capital	-	130,572	-	-
Capital budget	196,966	390,000	150,000	200,000
Net addition to (use of) reserves	\$ (78,015)	\$ -	\$ -	\$ -

In both years of the financial plan, Golf Fund operating revenue is sufficient to support both operations and a moderate capital budget. The adopted fiscal year 2000 revenue budget reflects a 6.4% growth over the adopted fiscal year 1999 budget. Fiscal year 2001 reflects an additional 2.4% revenue growth.

Greens fees of various types comprise 88% (\$1.5 million) of the revenue budget. Included in this total is approximately \$80,000 in revenue generated from the non-resident fee category established in fiscal year 1996. Santa Barbara County residents can purchase a "resident card" for a nominal annual fee. With this card, area residents pay a rate below that charged non-residents.



The structure of the green fees was adjusted in the current fiscal year pursuant to recommendations from a consultant, the City's Golf Advisory Committee and Parks and Recreation Commission. The changes were designed to encourage non-peak play as well as to raise revenue for capital projects.

With the exception of a small amount of investment income, the balance of the Golf Fund revenue is from concession agreements with the golf professional and the club house restaurant.

Expenses in the proposed fiscal year 2000 Golf Fund budget, including capital, total \$1.7 million. The chart on the following page indicates the distribution of total expenses.

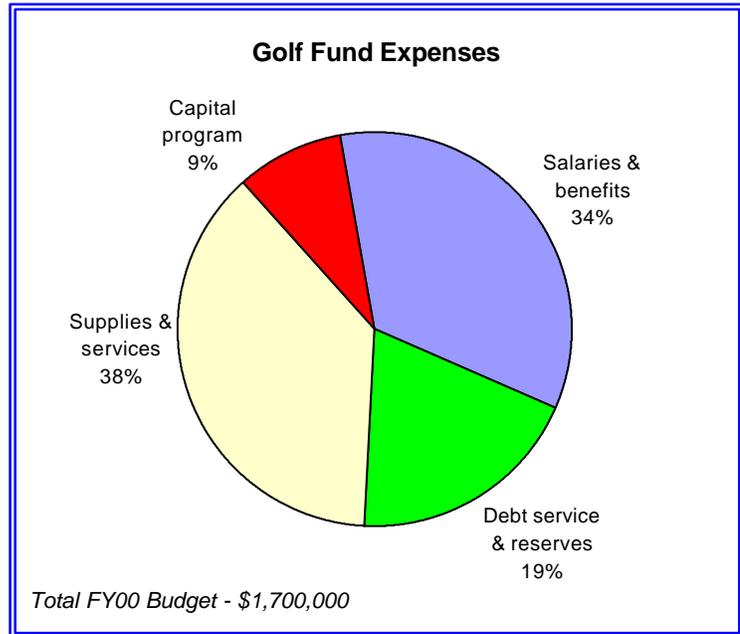
Of the \$637,000 in the supplies and services category, \$140,000 (22%) is budgeted for water costs. In terms of acre-feet, the golf course is the largest water customer in the City's municipal water system.

SPECIAL REVENUE FUNDS

Gold Fund (continued)

The debt service, at just over \$195,000, is principal and interest on the Golf Fund's share of the 1993 Municipal Refunding Certificates of Participation (COP). The 1993 certificates were issued to refund certificates originally sold in 1986, the proceeds of which were used to expand and renovate the clubhouse. The principal balance currently outstanding is approximately \$2.2 million. Final maturity of the certificates is in 2018.

Three projects comprise the \$150,000 fiscal year 2000 capital program. The projects include improvements to the driving range (\$25,000), replacement of equipment (\$50,000) and other improvements to the course (\$75,000).



Overall, the Golf Fund is in excellent financial condition. Operating revenues more than meet operating expenses and the fund maintains reserve balances in accordance with the City's policy requirements.

ENTERPRISE FUNDS

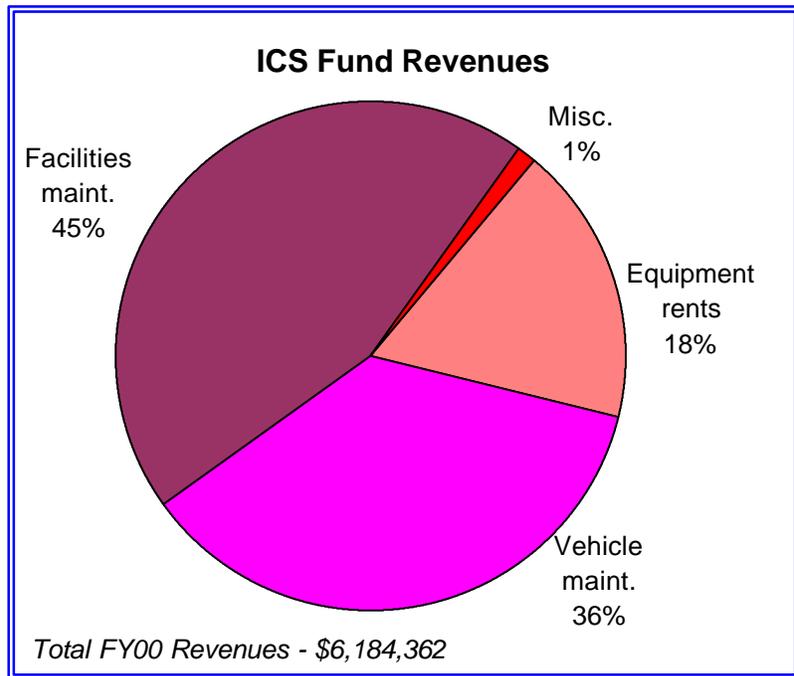
Intra-City Service Fund

	Fiscal Year			
	1998 Actual	1999 Adopted	2000 Adopted	2001 Recommended
Revenue	\$ 5,432,332	\$ 5,760,905	\$ 6,184,362	\$ 6,323,278
Operating expenses	4,196,557	4,737,932	5,036,001	5,169,928
Operating surplus	1,235,775	1,022,973	1,148,361	1,153,350
Use of reserves for capital	-	50,000	156,716	175,227
Capital budget	538,909	1,072,973	1,305,077	1,328,577
Net addition to reserves	\$ 696,866	\$ -	\$ -	\$ -

The Intra-City Service (ICS) Fund is comprised of two distinct operations. The facilities maintenance function provides on-call response support to other City departments as well as managing the City's planned maintenance program. The other operation is the Motor Pool, which provides vehicle and equipment maintenance as well as managing the City's vehicle replacement program. As an internal service fund, all revenues are generated by charges to other City funds and departments.

The adopted fiscal year 2000 budget anticipates revenues sufficient to fund all operating expenses as well as \$1.14 million vehicle replacement program. The use of reserves reflected in the table above is to replace portions of the fund's capital equipment including the vehicle hoists in the motorpool operation.

The chart at the right displays the various ICS Fund revenues for fiscal year 2000. As the chart indicates, the budget is somewhat evenly divided between the building maintenance and motorpool operations. The building maintenance function operates on a work order system. Each



job is tracked and billed to the "customer" department. Facilities maintenance staff handles repairs and call-out response. The planned maintenance program is handled almost exclusively by contract.

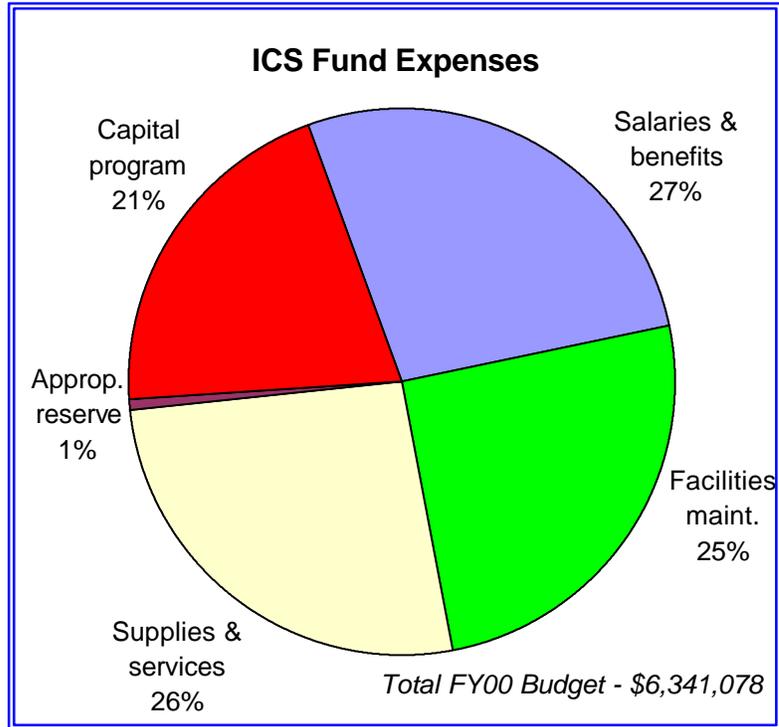
ENTERPRISE FUNDS

Intra-City Service Fund (continued)

The motorpool charges annual rental for each City vehicle in service. These rental payments are accumulated and used to replace vehicles in accordance with the City's replacement schedule. Each vehicle is also charged an annual maintenance fee, which covers all routine maintenance and all repairs as needed. Since the maintenance charge is a flat annual fee, the ICS Fund can end up spending more on maintenance and repairs for individual vehicles than is recovered through the maintenance charge. On the whole however, sufficient funds are raised to keep the City's vehicles and equipment operating.

The chart at the right displays the various ICS Fund expenses by category. The Fund's expenses are almost evenly divided between the major categories.

Overall, the ICS Fund continues to generate sufficient revenue to fund all operating expenses and a substantial vehicle replacement program.



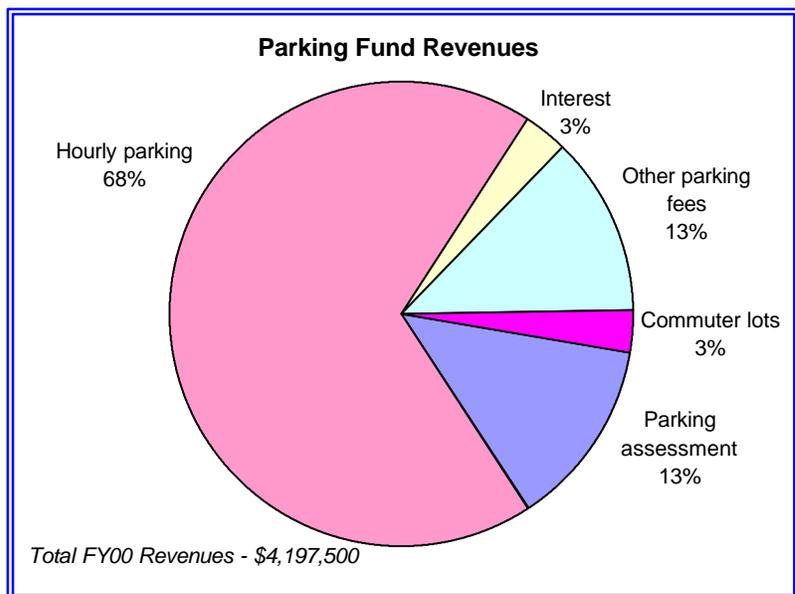
ENTERPRISE FUNDS

Downtown Parking Fund

	Fiscal Year			
	1998 Actual	1999 Adopted	2000 Adopted	2001 Recommended
Revenue	\$ 3,411,922	\$ 2,730,000	\$ 4,197,500	\$ 4,172,500
Operating expenses	2,315,683	2,540,000	3,623,290	3,735,775
Operating surplus	1,096,239	190,000	574,210	436,725
Capital budget	667,734	190,000	227,750	202,500
Net addition to reserves	\$ 428,505	\$ -	\$ 346,460	\$ 234,225

In both years of the financial plan, the Downtown Parking Fund is expected to generate a surplus after providing for all operations and capital. The ability to generate a surplus is critical to the Parking Fund because the City is moving rapidly forward with plans to construct a new parking structure on Lot Six. In addition, the City is also evaluating the feasibility of constructing a parking structure on Lot Three. Both lots are surface lots located north of Carrillo Street. Studies conducted by the City have identified a substantial deficit of available parking in the downtown area north of Carrillo Street. Construction of one or both of these new parking structures will require the issuance of debt. The budget surplus reflected above will be needed to meet the annual debt service on that capital financing. The Parking Fund currently has no debt. Because the cost and revenue estimates for the new lots, including capital and operating costs, debt service and parking fee revenue from the new lots being studied are still preliminary, the proposed budget does not contain any provision for these items.

Parking Fund revenues are provided primarily by the various parking user fees. Combined, these fees represent 84% of total revenue. The downtown parking assessment (PBIA) that supports the ninety-minute free parking policy in the City's downtown lots is budgeted to provide \$550,000 (13%) of total revenues. As discussed below, the budget includes a reduction in the free period from 90 minutes to 75 minutes. The only other Parking Fund revenue is interest income, budgeted at \$125,000 (3%). As the table indicates, Parking Fund revenue is projected at a



significantly higher level than in the adopted budget for fiscal year 1999. This increase is attributable to two factors. First, due in large part to the strong local economy, there has been a

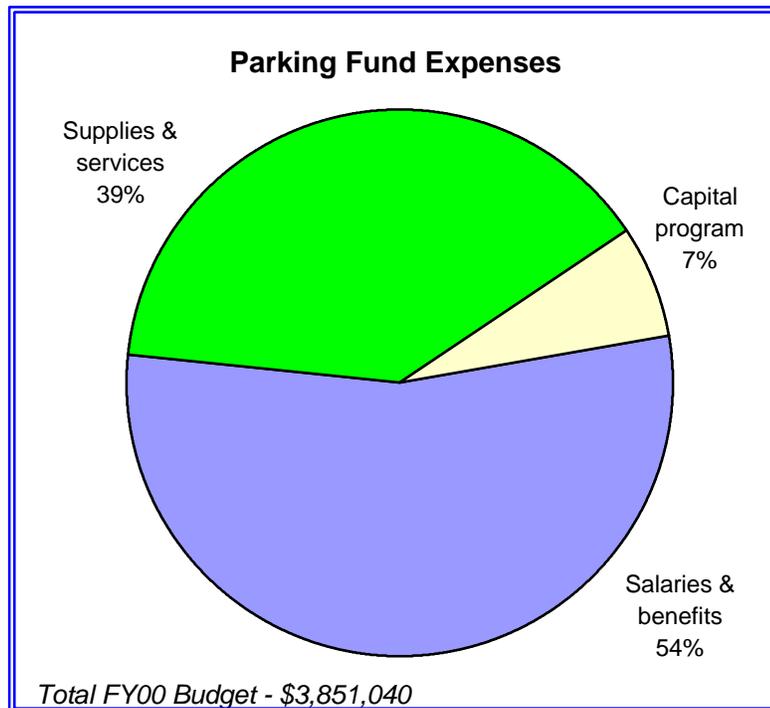
ENTERPRISE FUNDS

Downtown Parking Fund (continued)

significant increase in parking activity, generating a corresponding increase in revenue. In addition, although the proposed budget includes no rate increases, there is an expansion of the hours of operation on weekends as well as a reduction to the free parking period from 90 minutes to 75 minutes. These operational changes will generate an estimated \$767,500 in additional revenue.

As the chart on the right indicates, the largest segment of the Parking Fund's adopted expense budget is salaries and benefits. Over half of the \$2 million in salaries and benefits is temporary wages for staffing the City's various lots. The adopted budget also includes an appropriated reserve of approximately \$150,000.

A new program has been added to the adopted budget. The Parking Management program, at approximately \$475,000 per year, is being funded from the increase in



revenue resulting from the expansion of operating hours previously mentioned. The Parking Management program is intended to reduce the demand for commuter parking in the downtown area by encouraging the use of alternative transportation. The program will fund educational efforts and fund incentives to encourage commuters to choose alternative means of transportation. The reduction in the free parking period from 90 minutes to 75 minutes will also provide a disincentive to the constant shuffling of vehicles by downtown workers by requiring more frequent movement in order to avoid parking fees. The combination of these activities, along with plans to provide additional capacity will relieve some of the pressure on the City's downtown lots, which are currently at or near capacity.

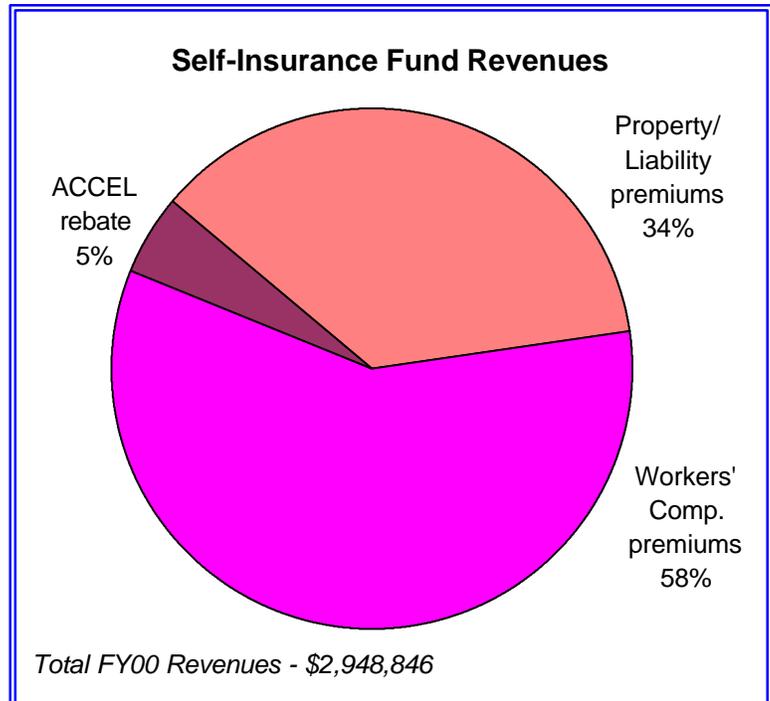
In summary, the next two years will be a time of expansion and transition for the City's Parking Fund with the addition of one or two parking structures, changes to the operating hours and a reduction in the 90 minute free parking period.

ENTERPRISE FUNDS

Self-Insurance Fund

	Fiscal Year			
	1998 Actual	1999 Adopted	2000 Adopted	2001 Recommended
Revenue	\$ 3,269,616	\$ 3,003,040	\$ 2,948,846	\$ 3,027,979
Operating expenses	3,415,509	3,907,541	4,063,482	4,115,602
Operating surplus (deficit)	(145,893)	(904,501)	(1,114,636)	(1,087,623)
Capital budget	-	-	-	-
Net addition to (use of) reserves	\$ (145,893)	\$ (904,501)	\$ (1,114,636)	\$ (1,087,623)

The adopted fiscal year 2000 Self-Insurance Fund budget reflects expenses in excess of revenues by approximately \$1.1 million. However, this is misleading in that what appears as “use of reserves” is really a claims reserve for the City’s self-insured worker’s compensation and liability programs. According to the recent actuarial study, the City should include that amount in the claims expense line item. However, it is staff’s experience that the City will not realize claims expense of that magnitude. Therefore, rather than set the premiums charged to the City’s various funds based on what is likely a very conservative estimate, staff has chosen to budget a claims reserve from the Self-Insurance reserve balances. If staff is correct, then there will be no impact at all. If the claims experience does track the actuarial study, then the claims will be funded from accumulated reserves. Since the Fund currently has accumulated reserves somewhat in excess of the level recommended by the actuary, staff believes this to be an appropriate and prudent plan. This approach has been used for the last several years. As the table above indicates, this funding strategy was used successfully in fiscal year 1998. Although the adopted budget for that year provided for the use of over \$800,000 in reserves, by the end of the year, only \$145,000 of reserves was required.



In addition to the premiums paid by the City’s various funds, the Self-insurance Fund also is anticipating a \$150,000 premium rebate from the Authority of California Cities Excess Liability (ACCEL), the risk-sharing joint powers authority to which the City belongs. Since ACCEL is in effect the insurance company, if the premiums the City pays are not needed to pay claims, they are returned to the City with interest,

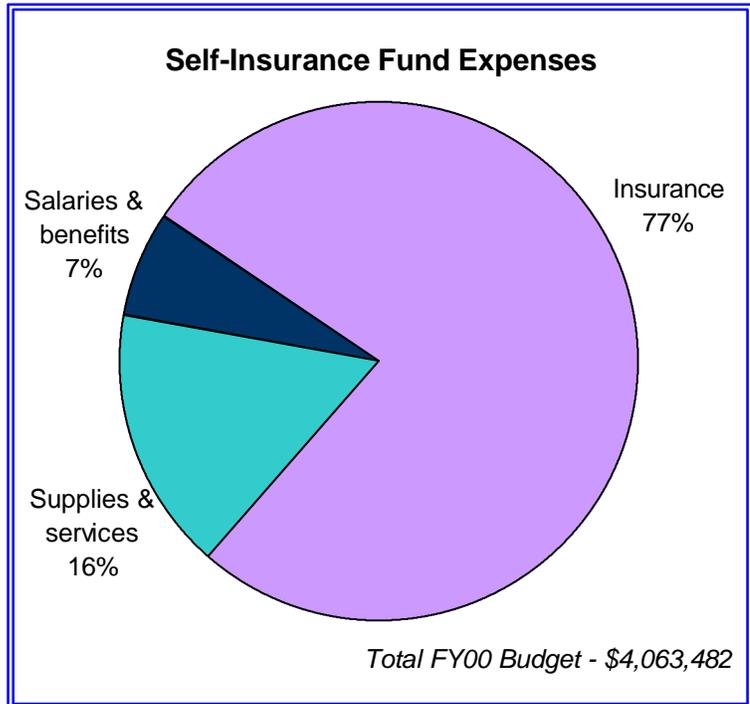
ENTERPRISE FUNDS

Self-Insurance Fund (continued)

instead of becoming insurance company profits. Since the City has been in ACCEL, over \$2 million in premium rebates have been returned to the City. This is an excellent indication that, to date, ACCEL has been a major success.

The chart to the right displays the Self-Insurance Fund's expense budget by category. Insurance costs represent over three-quarters of the budget. Insurance costs include premiums paid for commercial insurance (property insurance for example) as well as the claims budget for the City's self-insured exposures such as liability and workers' compensation.

In addition to managing the City's insurance portfolio, staff from the Self-Insurance Fund also provides risk management services to the City's various departments. This includes a significant training program as well as accident investigation and working with departments to minimize the City's exposure to liability. The fact that the City's claims experience consistently runs below the actuarial projections is a testament to the effectiveness of the City's risk management program.



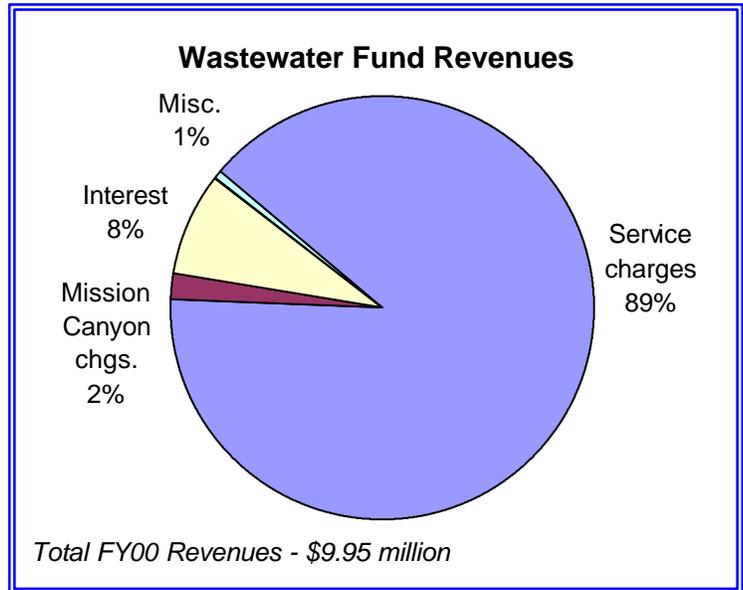
ENTERPRISE FUNDS

Wastewater Fund

	Fiscal Year			
	1998 Actual	1999 Adopted	2000 Adopted	2001 Recommended
Revenue	\$ 9,616,669	\$ 9,275,000	9,950,000	\$ 10,025,000
Operating expenses	5,820,324	6,882,000	6,955,000	7,037,469
Operating surplus	3,796,345	2,393,000	2,995,000	2,987,531
Use of reserves for capital	-	-	-	677,469
Capital budget	2,740,000	2,393,000	2,995,000	3,665,000
Net addition to reserves	\$ 1,056,345	\$ -	\$ -	\$ -

The proposed fiscal year 2000 Wastewater Fund budget is balanced at \$9.95 million, including a capital program of almost \$3 million. The budget includes no changes to Wastewater Fund rates or charges. As the table above indicates, budgeted revenues continue to be stable. Despite financial pressures resulting primarily from the drought in the early 1990s, the Wastewater Fund has been able to maintain a substantial capital program.

The Wastewater Fund revenues do not have the diversity found in the Water Fund. Wastewater revenues are comprised almost entirely of the regular, monthly service charges. This revenue provides \$8.9 million of the \$9.95 million total (89%). Interest income, budgeted at \$800,000 (8%), is the second largest source of revenue. The significant amount of interest income is a reflection of the substantial reserve balances maintained by the Wastewater Fund. The only other revenue of note is the \$200,000 representing charges to Mission Canyon (non-city) residents.



Wastewater Fund revenue budgets have been quite accurate in recent years. For the most recently completed fiscal year (fiscal year 1998), Wastewater Fund service charges were within \$12,000 of budget or within 0.1%. Because the Wastewater Fund service charges are based upon the customer's water usage in the lower rate blocks, they are more stable and less susceptible to variations than metered water sales.

ENTERPRISE FUNDS

Wastewater Fund (continued)

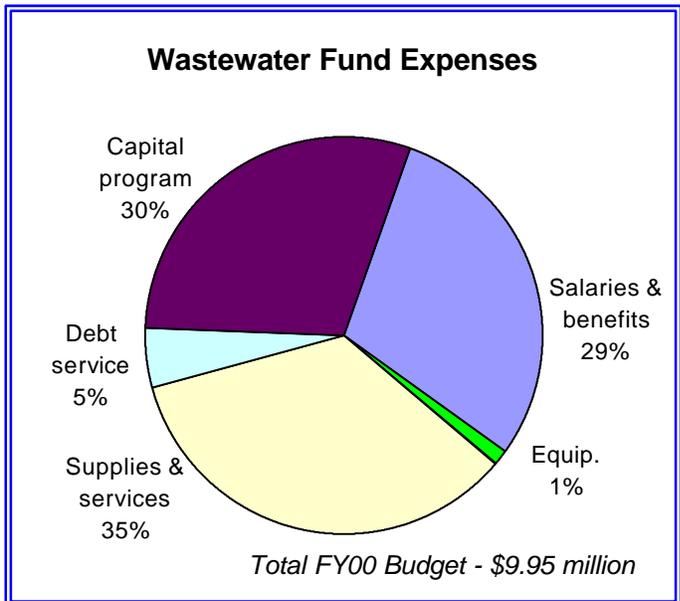
Wastewater Fund operating expenses are budgeted at just over \$6.9 million. This is \$73,000, or only 1 %, greater than the adopted fiscal year 1999 budget. A capital program of almost \$3 million is budgeted. As the chart below indicates, this is a full 30% of the entire budget.

Debt service, at \$476,000, represents 5% of the budget. The Wastewater Fund has only one outstanding debt issue. The 1994 Wastewater Revenue Refunding Bonds were issued to refinance revenue bonds originally issued in 1974. As of June 30, 1998, the outstanding balance on the 1994 bonds was \$2.5 million. The final payment on the bonds will be on July 1, 2003.

The budget contains an appropriated reserve of \$88,000. While this exceeds the City's policy guidelines of one-half of one percent of the budget, it is substantially less than in previous budgets. For example, the appropriated reserve in the adopted fiscal year 1999 budget was over \$264,000. However, the vast majority of that amount represented an appropriated reserve for capital as required under the terms of the federal Environmental Protection Agency grant agreement under which the City received funding for the construction of the El Estero Treatment Plant. Generally, these funds would be spent only if the treatment plant required significant, unanticipated repairs during the fiscal year.

To the extent the funds were not spent, at the end of the fiscal year, they were returned to the unappropriated reserves. Given the very substantial level of capital reserves in the Wastewater Fund, staff believes that there is no longer a need to artificially inflate the appropriated reserve for this purpose. If the need should arise during the fiscal year, funds from the unappropriated capital reserve can and will be appropriated.

In summary, the Wastewater Fund budget is balanced including a significant capital program. In conjunction with fund balance reserves that exceed the levels established by Council in November 1995, this fund is in an extremely strong financial position.



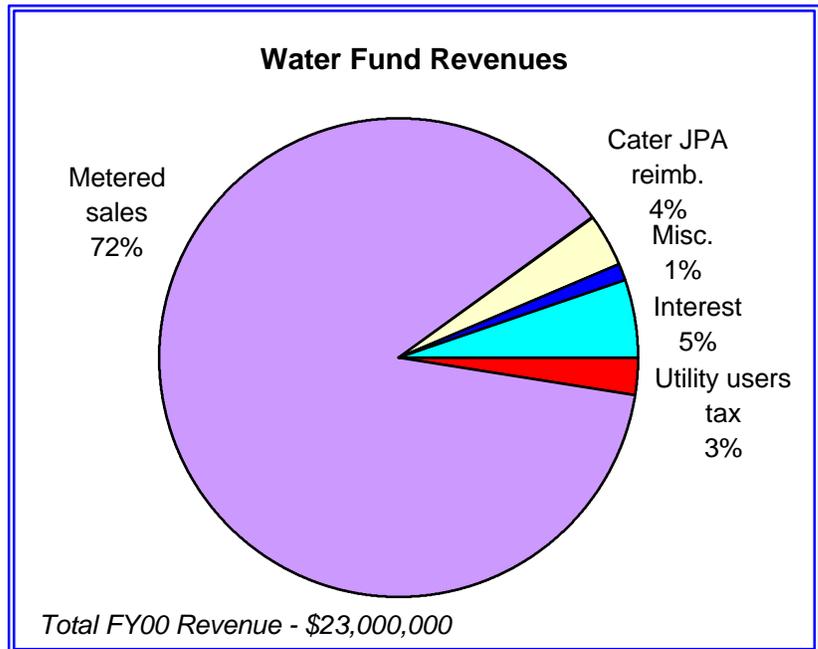
ENTERPRISE FUNDS

Water Fund

	Fiscal Year			
	1998 <u>Actual</u>	1999 <u>Adopted</u>	2000 <u>Adopted</u>	2001 <u>Recommended</u>
Revenue	\$ 21,553,588	\$ 21,850,896	\$ 23,000,000	\$ 23,650,000
Operating expenses	<u>15,630,293</u>	<u>17,690,896</u>	<u>17,655,000</u>	<u>19,331,000</u>
Operating surplus	5,923,295	4,160,000	5,345,000	4,319,000
Use of reserves for capital	-	-	-	-
Capital budget	<u>5,208,988</u>	<u>4,160,000</u>	<u>5,315,000</u>	<u>4,289,000</u>
Net addition to (use of) reserves	<u>\$ 714,307</u>	<u>\$ -</u>	<u>\$ 30,000</u>	<u>\$ 30,000</u>

The adopted fiscal year 2000 Water Fund budget projects operating revenues sufficient to cover all operating expenses as well as a \$5.3 million capital program. The proposed fiscal year 2001 budget includes revenues of \$23.65 million, and a capital program of \$4.3 million.

The two-year financial plan contains recommended 3% rate increases in each of the two years. The additional revenue generated by the rate increases will be used primarily to fund debt service costs associated with a new anticipated debt issue. If approved, the debt will be issued to fund major capital projects including the Sheffield Reservoir Water Quality project and the Cater Water Treatment Plant filter rehabilitation project. Taken together, these projects are estimated to cost approximately \$20 million.



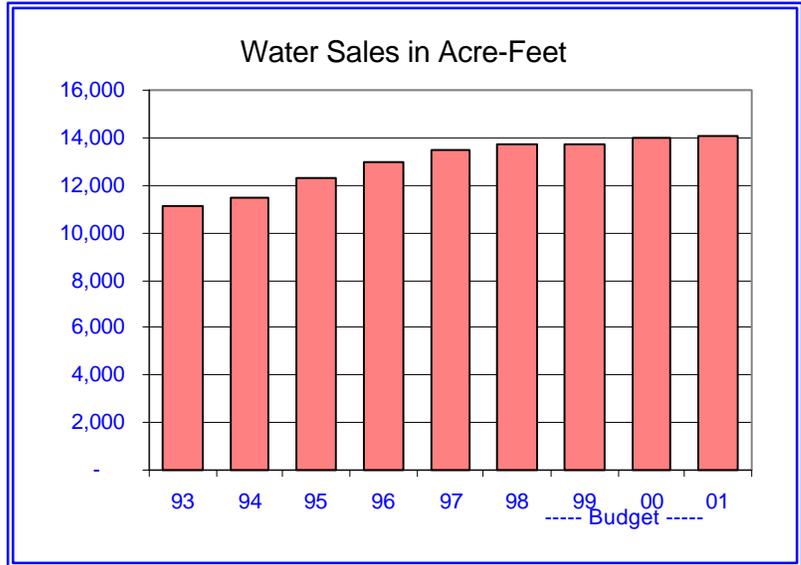
As the chart to the right indicates, 72% (\$20.1 million) of the estimated Water Fund revenue is provided by metered water sales. Interest income, budgeted at \$1.2 million, is derived from the investment of the Water Fund's substantial capital and operating reserves.

In fiscal year 2000, the budget contains an estimated \$600,000 from the City's 6% utility users' tax levied on all metered water bills. This amount represents 50% of the total estimated utility users' tax on metered water bills. Prior to fiscal year 1995, the Water Fund received all of the tax levied on metered water bills. As part of the City's fiscal year 1995 budget, a portion of the utility users' tax on metered water bills was reallocated to the City's General Fund.

ENTERPRISE FUNDS

Water Fund (continued)

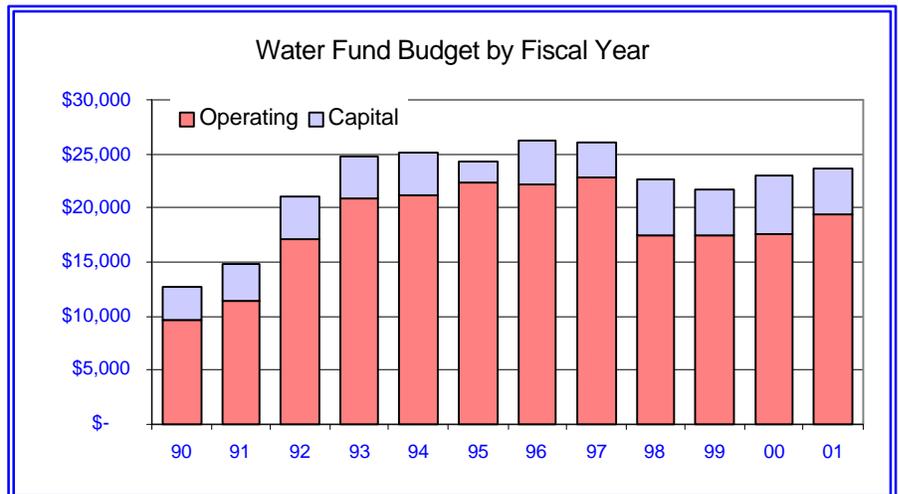
In fiscal year 1995, 12.5% of the tax was transferred to the General Fund. Over the next three fiscal years, that percentage was raised by 12.5% per year until, in fiscal year 1998, 50% of the tax accrued to the Water Fund with the other 50% credited to the General Fund. As required by the Section 4.24.190 of the Municipal Code, half of all General Fund utility users' tax revenue is dedicated to the City's streets programs.



With 72% of the Water Fund revenue generated by metered

water sales, one of the most critical elements of Water Fund revenue projections is the sales estimate in acre-feet. As the chart on the right indicates, water sales have been growing gradually since 1993. The adopted fiscal year 2000 budget is based upon estimated sales of 13,750 acre-feet. This is less than a 2% increase over the fiscal year 1999 estimate of 13,500 acre-feet. Based upon recent experience, it is expected that the fiscal year 1999 target will be met. However, even if actual sales fall somewhat below the budgeted target, the Water Fund expenditure budget can be controlled to ensure that a balanced budget is maintained.

On the expenditure side, the Water Fund operating budget remains significantly lower than several years ago. This is because of the completion of payments on the dealination plant in fiscal year 1997. Beginning in fiscal year 1998, the capital costs of the desalination plant were removed from the budget, as were the payments received from Montecito and Goleta water districts for their participation in the project.



ENTERPRISE FUNDS

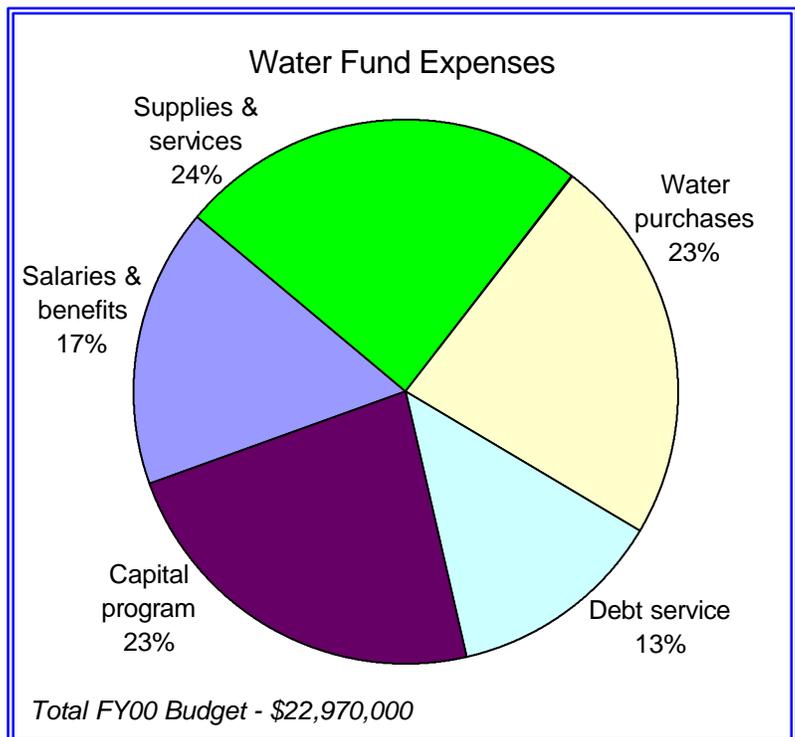
Water Fund (continued)

Two of the largest cost items in the adopted fiscal year 2000 budget are debt service (13%) and capital (23%). Since debt service is essentially a measure of past capital investment, capital related items comprise 36% of the total budget.

Water purchases represent \$5.3 million (23%) of the budget. This is comprised of costs for Cachuma water (\$1.6 million) and costs for the State Water Project (\$3.7 million).

As the chart below indicates, fixed costs, including water purchases, debt service and the capital program comprise over 59% of the Water Fund budget. Because of the magnitude of these fixed costs, unlike most other City funds, salaries and benefits comprise only 17% of the Water Fund budget. Of the \$5.6 million of supplies and services, almost \$484,000 is for electricity, approximately \$975,000 is for facilities maintenance, \$600,000 is for treatment chemicals and an additional \$1.3 million is paid to the General Fund for overhead allocation. Other significant items include over \$560,000 for vehicle and equipment rents, maintenance and fuel (paid to the City's Motorpool program). These items combined amount to \$3.7 million, or 70% of the supplies and services budget.

The second year of the financial plan includes a debt service reserve of approximately \$1.5 million in anticipation of a new debt issue for the Sheffield Reservoir Water Quality and Cater Filter Rehabilitation projects as mentioned above.



In summary, the Water Fund budget is balance, including a substantial capital program and provision for a new debt issue to fund additional capital projects.

ENTERPRISE FUNDS

Waterfront Fund

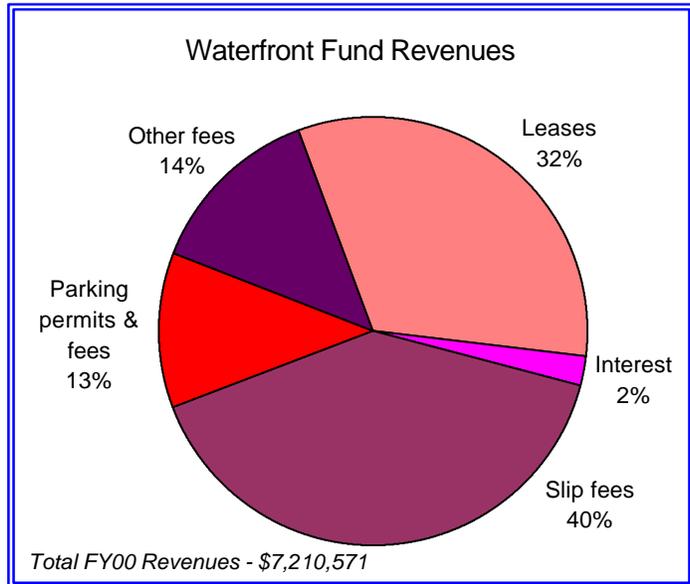
	Fiscal Year			
	1998 Actual	1999 Adopted	2000 Adopted	2001 Recommended
Revenue	\$ 7,177,201	\$ 7,166,780	\$ 7,210,571	\$ 7,780,652
Operating expenses	6,263,094	6,784,426	6,902,161	7,188,826
Operating surplus	914,107	382,354	308,410	591,826
Use of reserves for capital	-	117,646	844,590	46,174
Capital budget	1,049,000	500,000	1,153,000	638,000
Net addition to (use of) reserves	\$ (134,893)	\$ -	\$ -	\$ -

The adopted Waterfront Fund budget for fiscal year 2000 anticipates sufficient operating revenue to fund all operating expenses and \$308,410 of a \$1.153 million capital program. The second year of the financial plan projects an operating surplus of \$591,826, funding all but \$46,174 of the \$638,000 capital program. The use of reserves in both years represents use of funds from the Harbor Preservation Fund.

As with the Airport Fund, the Waterfront Fund continues to face significant capital improvements associated with the Harbor Master Plan. In one respect, the Waterfront Fund is in a better position than the Airport Fund because it has substantial accumulated reserves. The Harbor Preservation Capital Fund is a dedicated capital reserve of approximately \$3 million.

The second year of the financial plan includes a proposed 3% increase in slip fees. The increase is projected to raise an additional \$100,000 in revenue.

The chart to the right displays the projected fiscal year 2000 Waterfront Fund revenues. Interest income, at \$160,000, is below prior year as the Waterfront has spent a portion of the operating fund reserves upon which interest is earned.



There are several other factors that will affect operating revenue. The revenue estimates reflect adjustments necessitated by the Stearns Wharf fire. It is anticipated that during fiscal year 1999, approximately \$600,000 of lease and parking revenue will be lost due to the fire, although much of this loss will be made up by the City's insurance. In addition, the Waterfront Center (formerly the Naval Reserve Center) will be open for its first full year of operation during the two-year financial plan, generating \$200,000 and \$400,000 in years one and two, respectively.

ENTERPRISE FUNDS

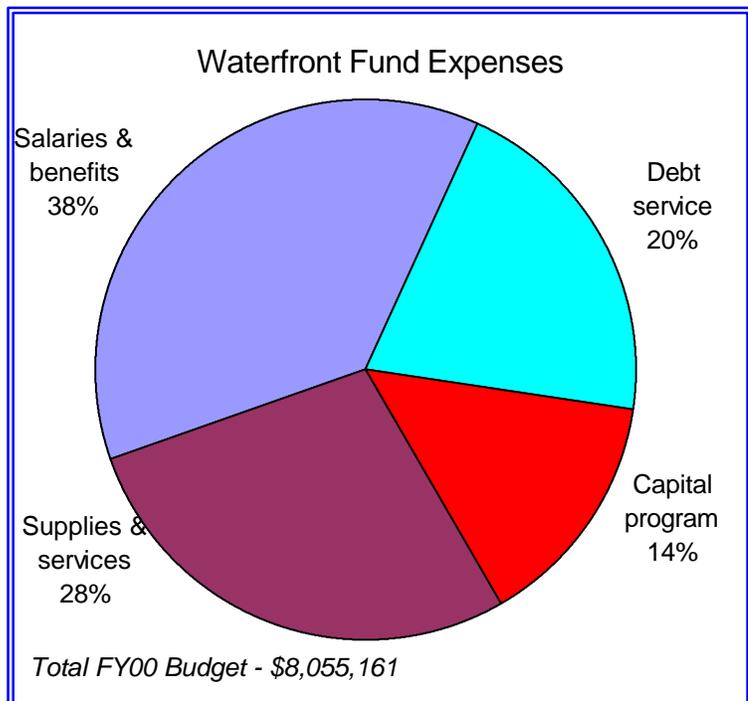
Waterfront Fund (continued)

Finally, the addition of 74 new slips will add \$360,000 to both years.

The Waterfront Fund, in cooperation with the Finance Department, has established a formal lease audit program. Since many of the Waterfront leases are on a “percent of gross” basis, a regular audit program ensures that the City is receiving the revenue to which it is entitled. The Waterfront has already realized substantial additional revenues as a result of the lease audit program.

The chart to the right displays the Waterfront Fund’s expenses by category for fiscal year 2000. The capital program (14%) and debt service (20%) combined represent over one-third of the total budget.

Another item of that is still on the horizon is the issue of a dredge. Although it was assumed that, within the next several years, the U.S. Army Corps of Engineers (“Corps”) would transfer responsibility for the annual dredging of the channel to the City, there is as yet no clear indication of when that will happen. The Corps has recently committed to funding dredging costs for another year. Therefore, the budget once again does not



provide for matching capital funds for the construction of a dredge. At such time, if ever, as the City becomes responsible for the dredging operation, the Waterfront Fund will assume a responsibility with an estimated annual cost of at least \$500,000.

In summary, the Waterfront Fund remains very strong operationally with revenues exceeding operating expenses. Although it has been necessary to spend a significant portion of the fund’s accumulated reserves for capital, including a large portion of the Harbor Preservation Fund, the Waterfront Fund remains in solid financial condition.

DEPARTMENT PRESENTATIONS



DEPARTMENT SUMMARY

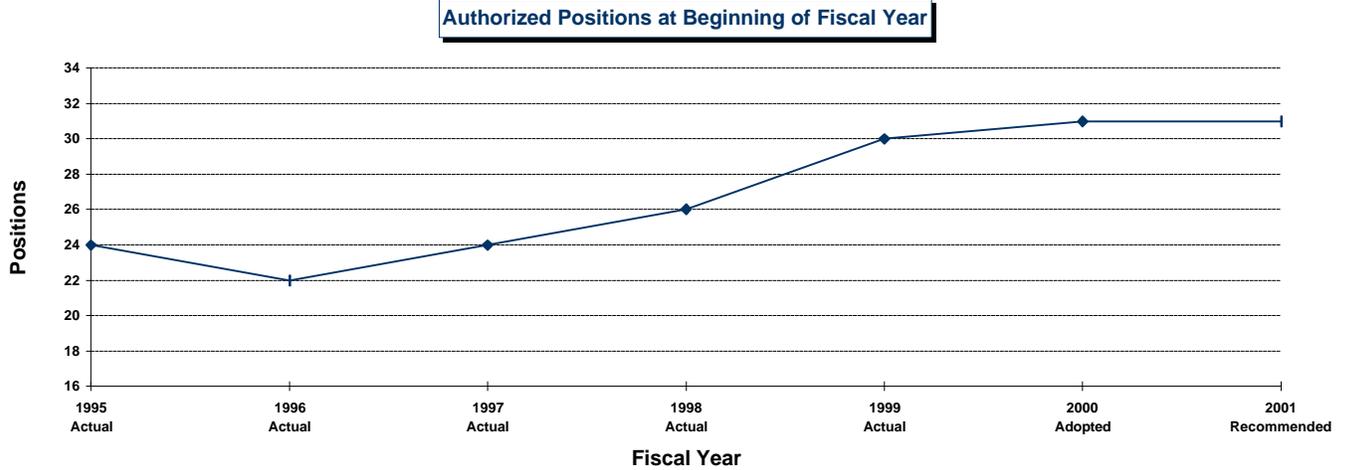
Department Description

The Administrative Services Department consists of five major programs: City Clerk, Human Resources, Government Access Channel, Centralized Information Systems and Desktop Information Systems. The department provides a broad range of services to all City departments and the public. The mission of the department is to provide effective support services which encompass preparation of the official record, conduct of elections, human resources, information systems and management of Government Access Channel 18.

Department Programs

The Administrative Services Department consists of five programs as noted above. The program description section in Volume II includes a description of each program. The following is a summary by program of the revenues and expenditures for the Administrative Services Department.

Program Title	Fiscal Year 2000		Fiscal Year 2001	
	Revenues	Expenditures	Revenues	Expenditures
City Clerk	\$ -	\$ 742,748	\$ -	\$ 545,201
Human Resources	-	704,726	-	750,446
Desktop Information Systems	-	799,792	-	816,119
Centralized Information Systems	-	331,351	-	351,991
Government Access Channel	-	155,858	35,000	199,103
Totals	\$ -	\$ 2,734,475	\$ 35,000	\$ 2,662,860

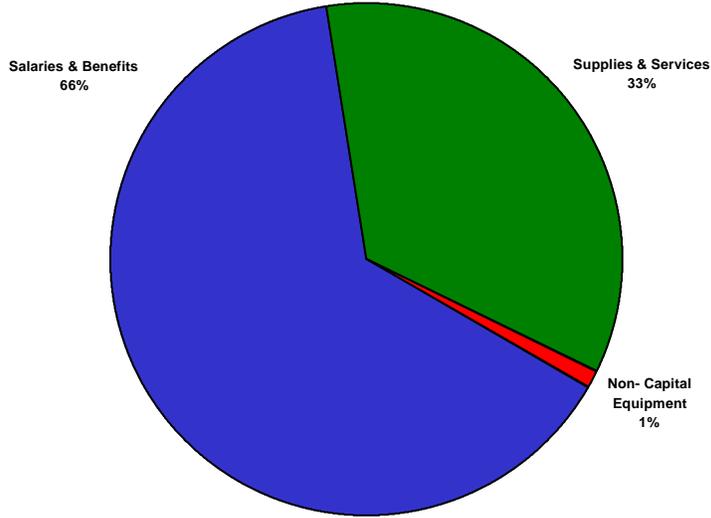


Revenues and Expenditures

	Adopted FY 1999	Adopted FY 2000	Recommended FY 2001
<u>Revenues</u>			
Grant (Cox Communications)	\$ -	\$ -	\$ 35,000
Total Revenues	\$ -	\$ -	\$ 35,000
<u>Expenditures</u>			
Salaries and Benefits	\$ 1,632,442	\$ 1,755,136	\$ 1,899,257
Supplies and Services	621,333	952,175	721,190
Non-Capital Equipment	12,900	27,164	7,413
Capital	-	-	35,000
Total Expenditures	\$ 2,266,675	\$ 2,734,475	\$ 2,662,860
General Fund Support	\$ (2,266,675)	\$ (2,734,475)	\$ (2,627,860)

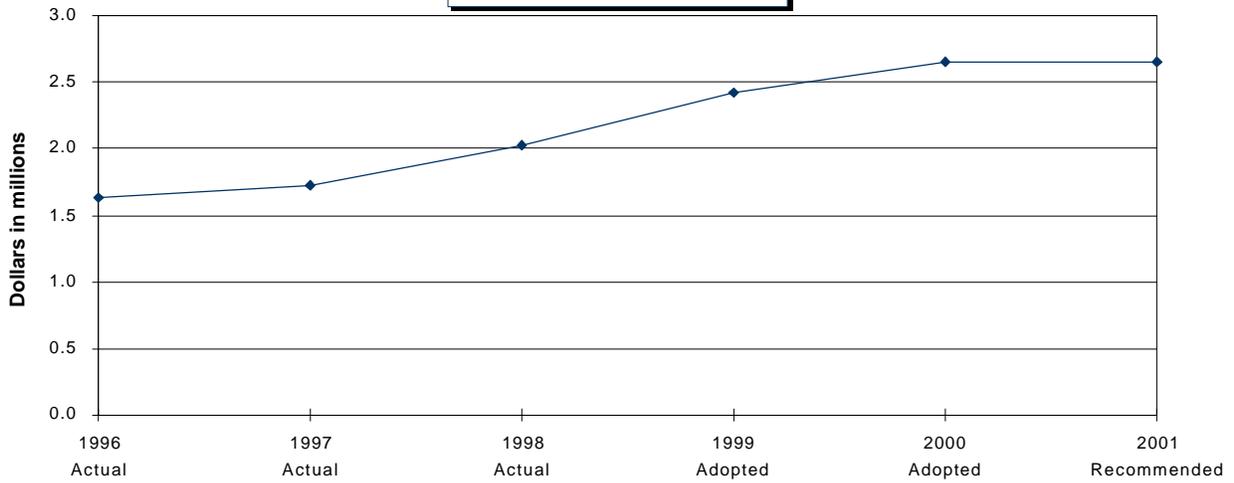
The \$35,000 of revenue is a grant from Cox Communications for equipment purchases in the City's Government Access Channel program.

Fiscal Year 2000 Expenditures

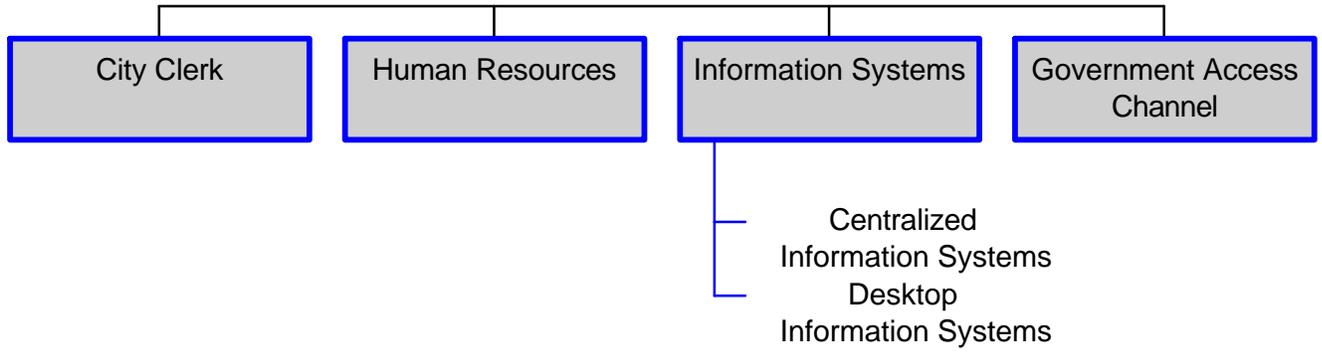


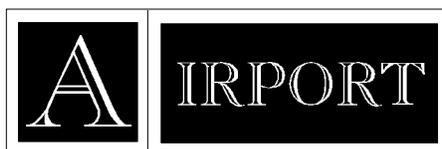
A portion of the General Fund support is recovered through allocated overhead.

Expenditures by Fiscal Year



Program Organizational Chart





DEPARTMENT SUMMARY

Department Description

Santa Barbara Municipal Airport is the largest commercial service airport on the California coast between San Jose and Los Angeles and has been owned and operated by the City for 57 years. The mission of the Airport Department is to provide the community with facilities necessary for access to the National Air Transportation System, to provide property management and maintenance services for the leased business/industrial facilities on the Airport, and to provide fiscal management of airport funding sources to sustain the Airport as a self-sufficient entity and a vital economic contributor to the community.

The Airport is composed of 950 acres: 400 acres are wetlands (Goleta Slough Reserve) and 95 acres have been established as the Airport's commercial/industrial area. The Airport is located approximately 10 miles from downtown Santa Barbara and is surrounded by the State's largest unincorporated community, Goleta.

The Airport is self-supporting and receives no local tax dollars for its operations. The revenues generated on the Airport are from tenant rents and user fees. These revenues are spent on Airport operations, maintenance, and capital/major construction projects as required by federal law. The Federal Aviation Administration (FAA) provides grant funding for capital improvements.

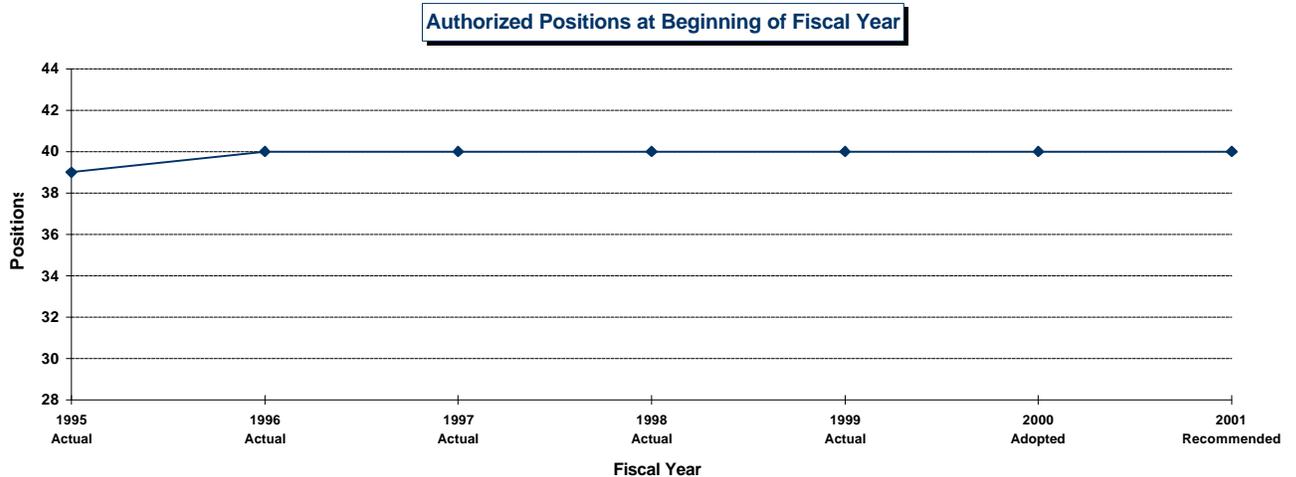


Department Programs

The Airport Department incorporates eight programs as listed below. The program description section in Volume II includes a description of each program. The following is a summary by program of the revenues and expenditures for the Airport.

Program Title	Fiscal Year 2000		Fiscal Year 2001	
	Revenues	Expenditures	Revenues	Expenditures
Administration	\$ 2,075,000	\$ 2,218,180	\$ 4,180,000	\$ 8,028,205
Business Property Management *	6,400,800	572,338	6,505,000	561,071
Marketing & Community Relations	-	322,324	-	354,284
Facilities Maintenance	-	1,690,293	-	1,739,244
Air Operations Area Maintenance	-	476,110	-	495,539
Airport Security	-	692,620	-	735,958
Airport Certification & Operations	1,189,000	1,022,218	1,224,670	1,081,893
Facilities Planning & Dev. Support	-	431,265	-	478,118
Totals	<u>\$ 9,664,800</u>	<u>\$ 7,425,348</u>	<u>\$ 11,909,670</u>	<u>\$ 13,474,312</u>

* Includes parking management contract expenses.





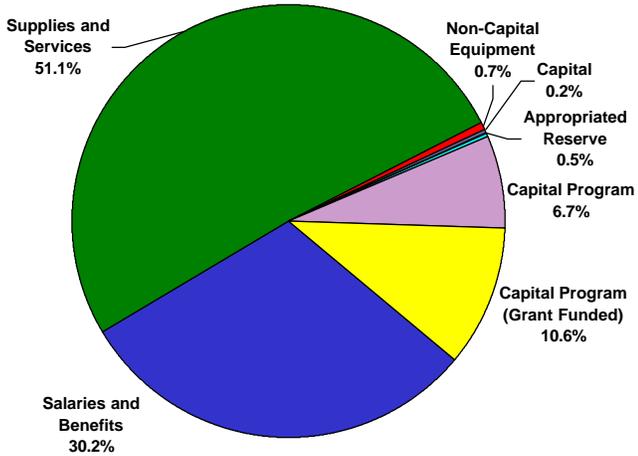
Part of the staffing within the Airport Certification and Operations (Aircraft Rescue and Firefighting) and Facilities Planning and Development Support (Engineering) are provided via inter-department agreements with the Fire Department and the Public Works Department, respectively.

Revenues and Expenditures

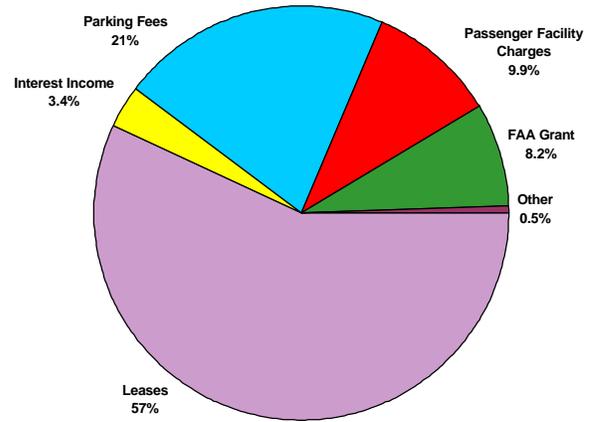
<u>Revenues</u>	Adopted FY 1999	Adopted FY 2000	Recommended FY 2001
Lease Income	\$ 5,068,000	\$ 5,511,500	\$ 5,650,370
Interest Income	275,000	325,000	300,000
Parking Fees	1,450,000	2,031,300	2,031,300
Passenger Facility Charges	-	960,000	960,000
FAA Grant	-	790,000	2,920,000
Other	37,000	47,000	48,000
Total Revenues	\$ 6,830,000	\$ 9,664,800	\$ 11,909,670
<u>Expenditures</u>			
Salaries and Benefits	\$ 2,426,022	\$ 2,241,669	\$ 2,385,902
Supplies and Services	3,260,767	3,795,520	4,038,339
Non-Capital Equipment	41,395	51,763	121,120
Capital	28,000	12,000	41,350
Appropriated Reserve	23,813	34,396	35,601
Operating Expenditures	\$ 5,779,997	\$ 6,135,348	\$ 6,622,312
Capital Program	685,000	500,000	3,932,000
Capital Program (Grant Funded)	-	790,000	2,920,000
Total Expenditures	\$ 6,464,997	\$ 7,425,348	\$ 13,474,312
Revenue Over Expenditures	\$ 365,003	\$ 2,239,452	\$ (1,564,642)



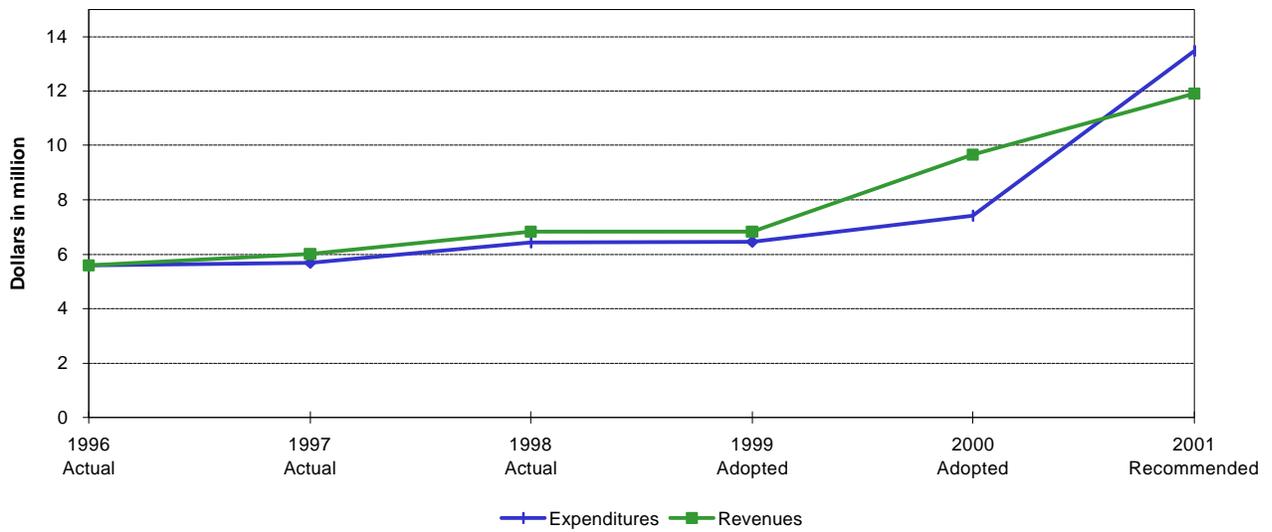
Fiscal Year 2000 Expenditures



Fiscal Year 2000 Revenues



Revenues and Expenditures by Fiscal Year





Program Organizational Chart





DEPARTMENT SUMMARY

Department Description

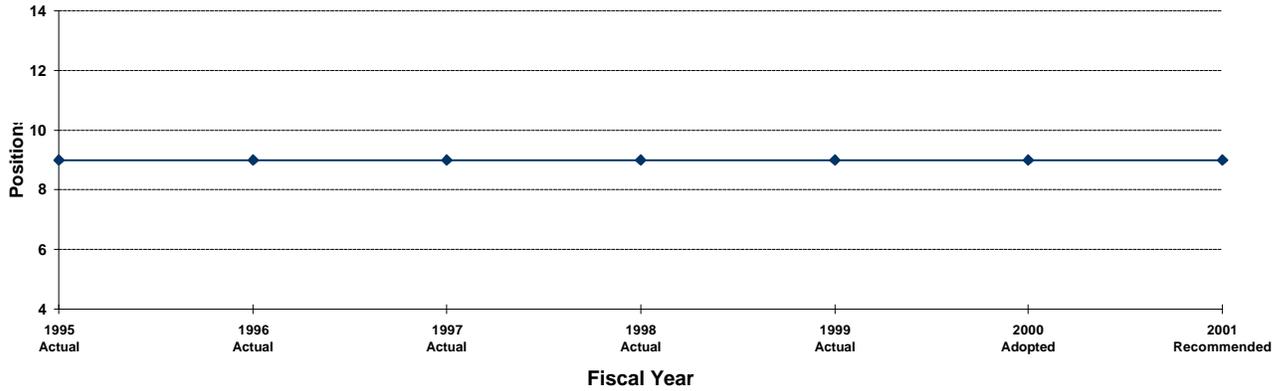
Based upon the City Charter and the policy direction provided by the City Council, the City Administrator's Office is responsible for the overall management and administration of the City of Santa Barbara. It does so through two program areas: Administration and Labor Relations. Administration provides for the management of all affairs of City government and services, direct control of the administrative branch of City government, and oversight of and direction to ten departments of the City. Labor relations provides for direct contact, through the City Administrator's Office, with the City's approximately 1,000 full and part-time permanent employees and their respective labor associations regarding labor relations, and employee contract negotiations.

Department Programs

The City Administrator's Office consists of two programs. See Volume II for more detailed program descriptions.

Program Title	Fiscal Year 2000		Fiscal Year 2001	
	Revenues	Expenditures	Revenues	Expenditures
Administration	\$ -	\$ 842,326	\$ -	\$ 845,287
Labor Relations	-	184,013	-	189,977
Totals	\$ -	\$ 1,026,339	\$ -	\$ 1,035,264

Authorized Positions at Beginning of Fiscal Year

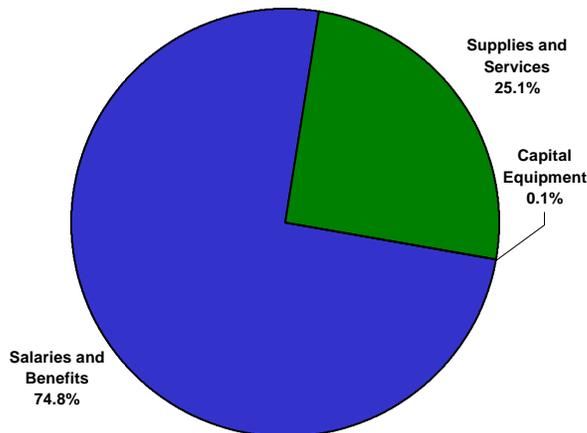


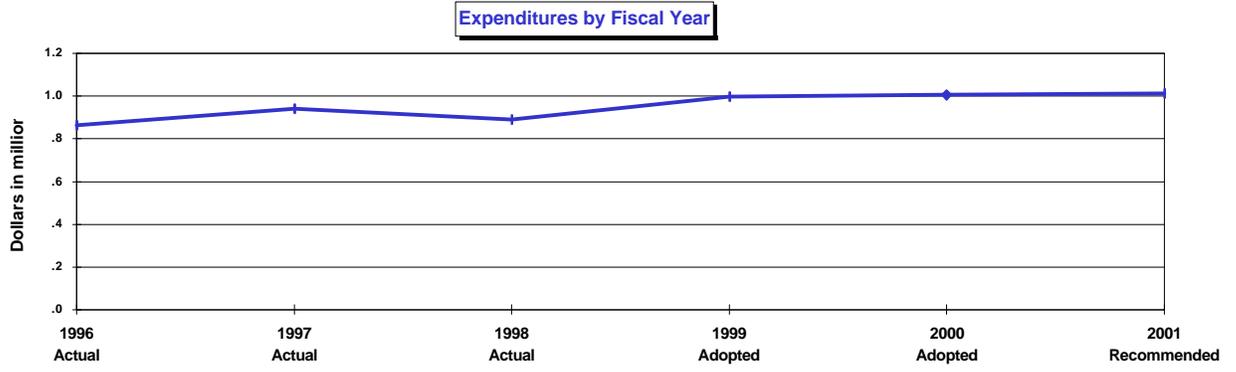
Revenues and Expenditures

Expenditures	Adopted FY 1999	Adopted FY 2000	Recommended FY 2001
Salaries and Benefits	\$ 798,339	\$ 767,317	\$ 821,132
Supplies and Services	166,166	258,022	213,132
Capital Equipment	1,000	1,000	1,000
Total Expenditures	\$ 965,505	\$ 1,026,339	\$ 1,035,264
General Fund Support	\$ 965,505	\$ 1,026,339	\$ 1,035,264

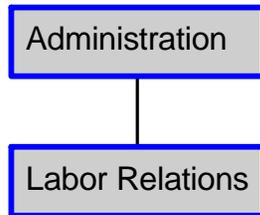
A portion of the General Fund support is recovered through allocated overhead.

Fiscal Year 2000 Expenditures





Program Organizational Chart





DEPARTMENT SUMMARY

Department Description

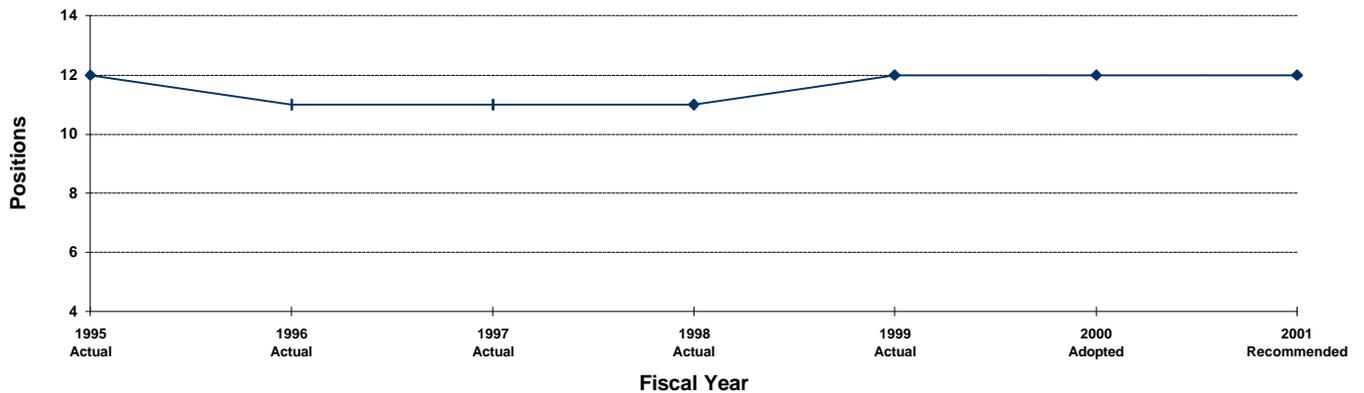
The City Attorney's Office provides legal advice to City officials and employees; drafts legal documents in order to protect the City's interests and advance its goals; represents the City and its officers and employees; enforces City laws; and encourages compliance with and respect for the law.

Department Programs

The office of the City Attorney is comprised of a single program, described in more detail in Volume II.

Program Title	Fiscal Year 2000		Fiscal Year 2001	
	Revenues	Expenditures	Revenues	Expenditures
City Attorney's Office	\$ -	\$ 1,425,851	\$ -	\$ 1,498,670
Totals	\$ -	\$ 1,425,851	\$ -	\$ 1,498,670

Authorized Positions at Beginning of Fiscal Year

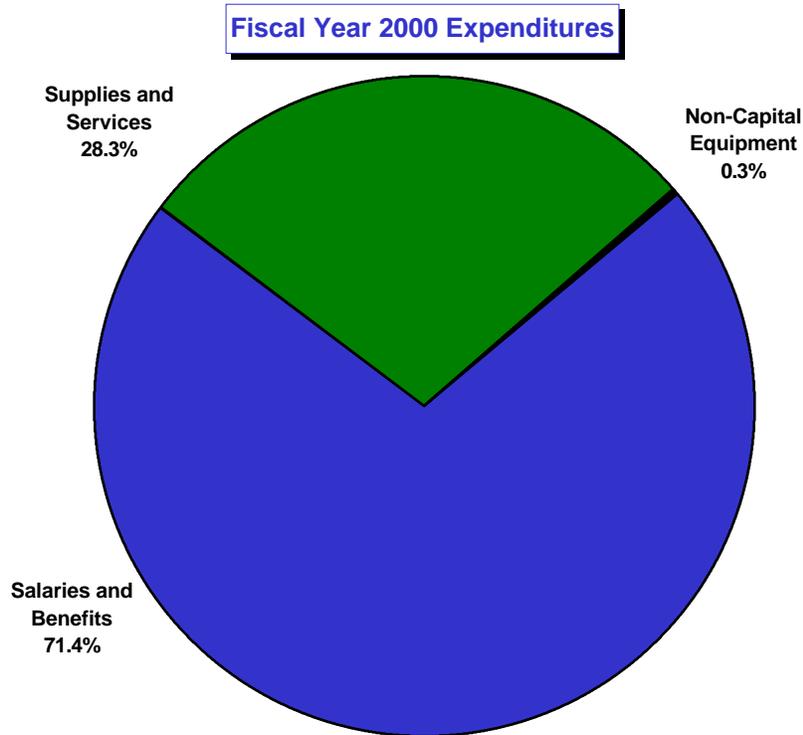




Revenues and Expenditures

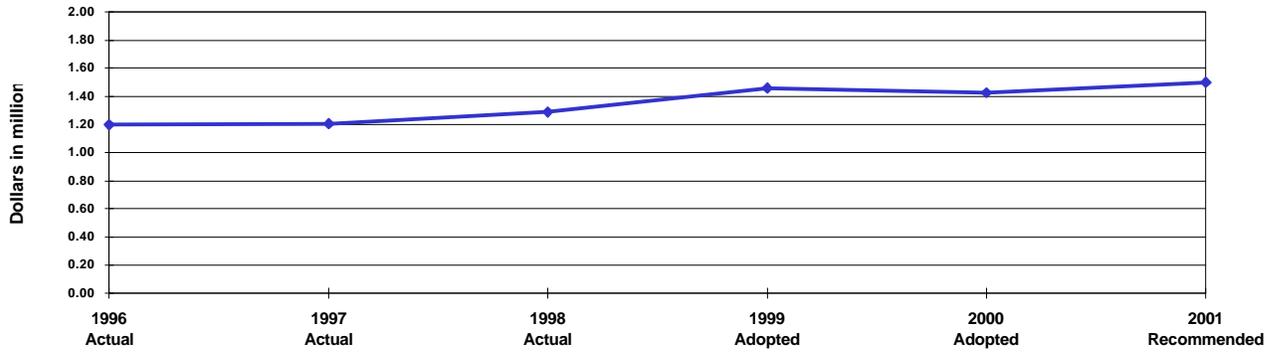
<u>Expenditures</u>	Adopted FY 1999	Adopted FY 2000	Recommended FY 2001
Salaries and Benefits	\$ 1,106,544	\$ 1,018,141	\$ 1,098,735
Supplies and Services	354,678	403,246	395,471
Non-Capital Equipment	-	4,464	4,464
Total Expenditures	\$ 1,461,222	\$ 1,425,851	\$ 1,498,670
General Fund Support	\$ 1,461,222	\$ 1,425,851	\$ 1,498,670

A portion of the General Fund support is recovered through allocated overhead.





Expenditures by Fiscal Year





DEPARTMENT SUMMARY

Department Description

The mission of the Community Development Department is to assist the public in managing the development of the community so that there is a strong protection and preservation of the community's unique quality of life, a sound economic base, safe construction, and appropriate design, all of which must be kept in balance with the constraints of the City's environment and resources.

In order to accomplish this mission, the Department has been divided into six functional divisions: Administration, Economic Development, Excellence in Customer Service, Planning, Building and Safety, and Housing and Redevelopment. Several of these divisions consist of a number of programs as described in the program narratives contained in Volume II.

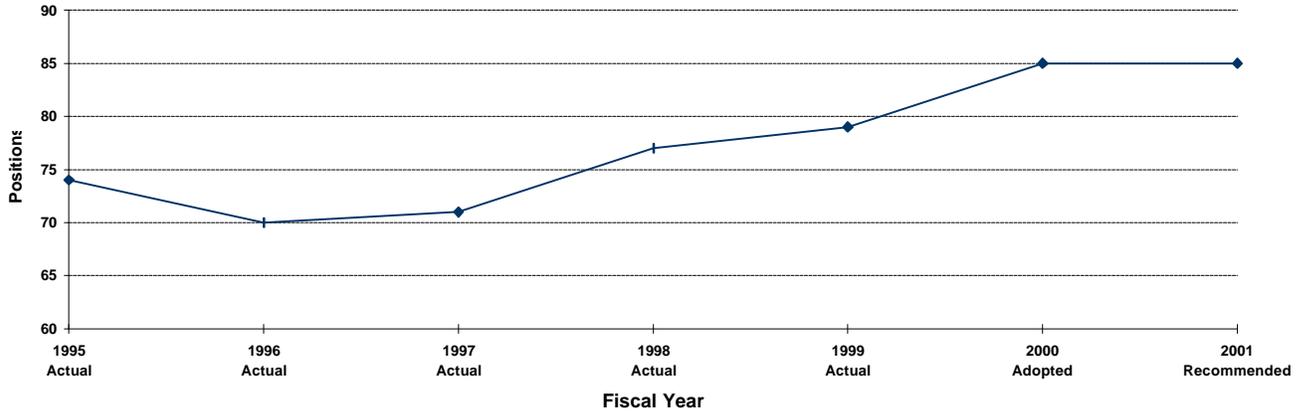
Department Programs

The Community Development Department consists of 15 programs. The following is a summary by program of the revenues and expenditures for the Community Development Department.

Program Title	Fiscal Year 2000		Fiscal Year 2001	
	Revenues	Expenditures	Revenues	Expenditures
Administration	\$ -	\$ 296,593	\$ -	\$ 321,350
Economic Development	-	79,837	-	73,971
Excellence in Cust. Svc. for Land Dev.	-	328,911	-	327,710
CDBG				
Administration	-	1,013,752	-	994,182
Rental Housing Mediation	-	150,622	-	158,664
Housing Rehab. Loan	1,881,000	716,626	1,881,000	728,154
Human Services	-	551,795	-	569,831
Redevelopment Agency	-	409,271	-	441,976
Housing Development	-	213,327	-	228,076
Home Administration	715,000	715,000	715,000	715,000
Long Range Planning & Special Studies	-	483,884	-	528,301
Development & Design Review	288,778	1,342,681	294,778	1,421,177
Zoning	182,320	595,317	190,320	586,509
Building Permits	1,653,600	1,048,447	1,703,208	1,121,805
Records Center & Plan Archives	205,500	609,465	211,665	661,682
Totals	\$ 4,926,198	\$ 8,555,528	\$ 4,995,971	\$ 8,878,388



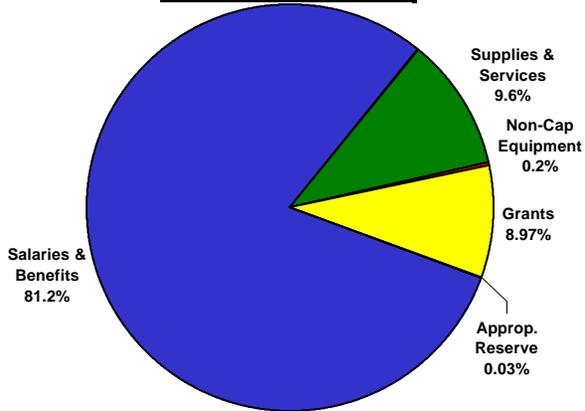
Authorized Positions at Beginning of Fiscal Year



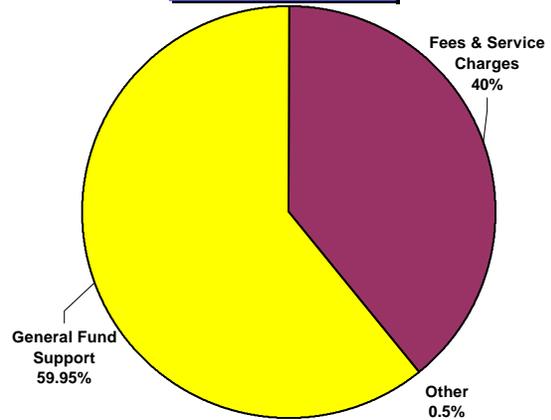
Revenues and Expenditures

	Adopted FY 1999	Adopted FY 2000	Recommended FY 2001
Revenues			
Fees	\$ 2,183,188	\$ 2,392,198	\$ 2,461,881
Intergovernmental	2,723,858	2,531,000	2,531,000
Other	-	3,000	3,090
Total Revenues	\$ 4,907,046	\$ 4,926,198	\$ 4,995,971
Expenditures			
Salaries and Benefits	\$ 5,204,867	\$ 5,262,604	\$ 5,664,357
Supplies and Services	1,313,168	1,465,807	1,395,743
Non-Capital Equipment	27,169	17,972	23,560
Grants and Rehabilitation Loans	1,862,529	1,775,455	1,761,067
Appropriated Reserve	23,938	33,690	33,661
Total Expenditures	\$ 8,431,671	\$ 8,555,528	\$ 8,878,388
Revenue Under Expenditures	\$ (3,524,625)	\$ (3,629,330)	\$ (3,882,417)

Fiscal Year 2000 Expenditures (General Fund)

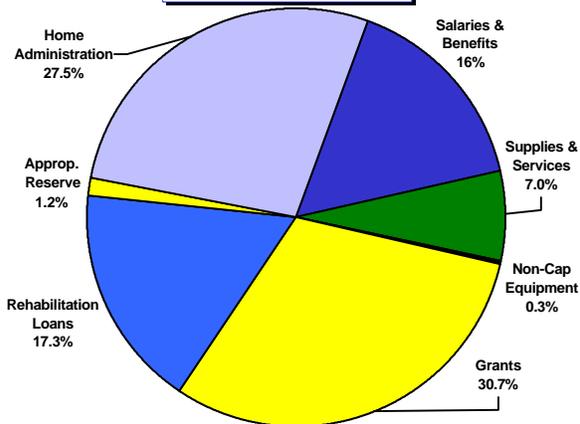


Fiscal Year 2000 Revenues (General Fund)

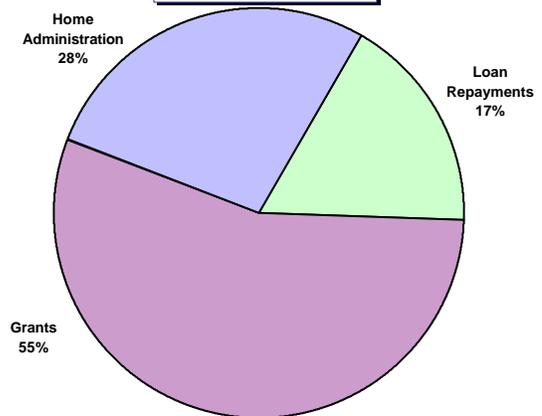


A portion of the General Fund support is recovered through allocated overhead.

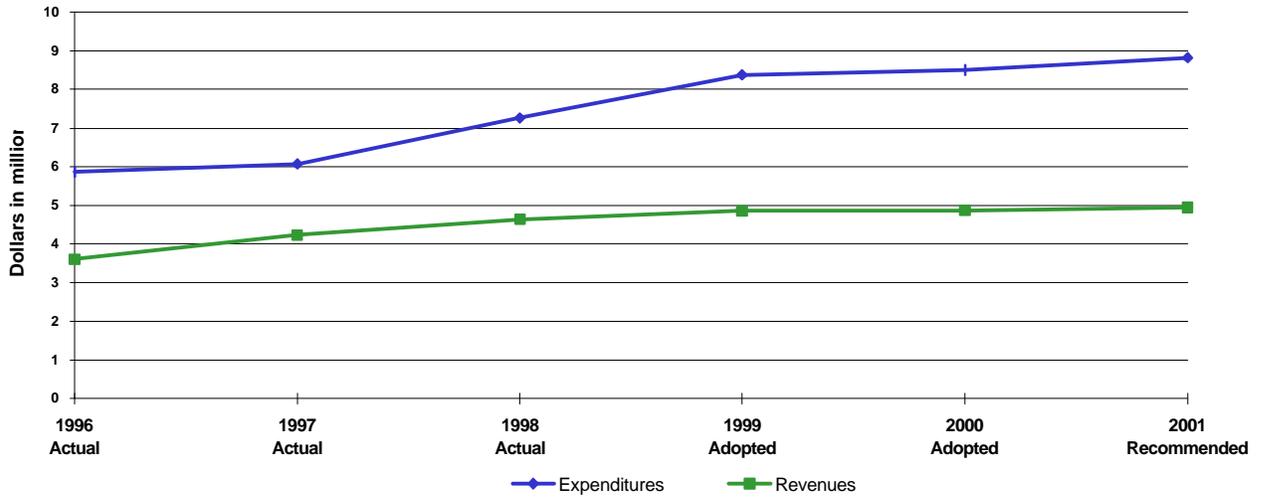
Fiscal Year 2000 Expenditures (CDBG & Home Funds)



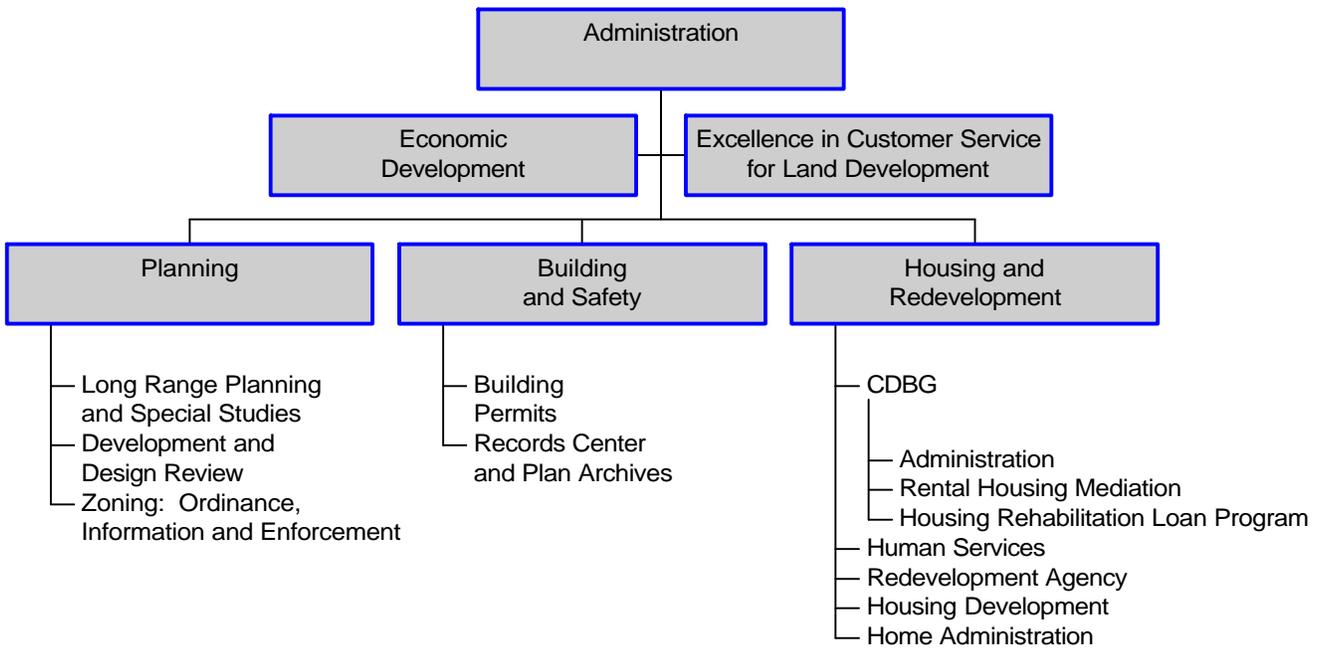
Fiscal Year 2000 Revenues (CDBG & Home Funds)



Revenues and Expenditures by Fiscal Year



Program Organizational Chart





DEPARTMENT SUMMARY

Department Description

The Finance Department is responsible for maintaining the financial integrity and managing the day to day financial operations of the City. The major functional areas within the department include budget, accounting, purchasing, revenue/investment management and billing & collections. The department also administers two internal service funds, the Risk Management Fund and the Duplications/Mail Services Fund, and provides financial services to the California Law Enforcement Telecommunications System (CLETS).

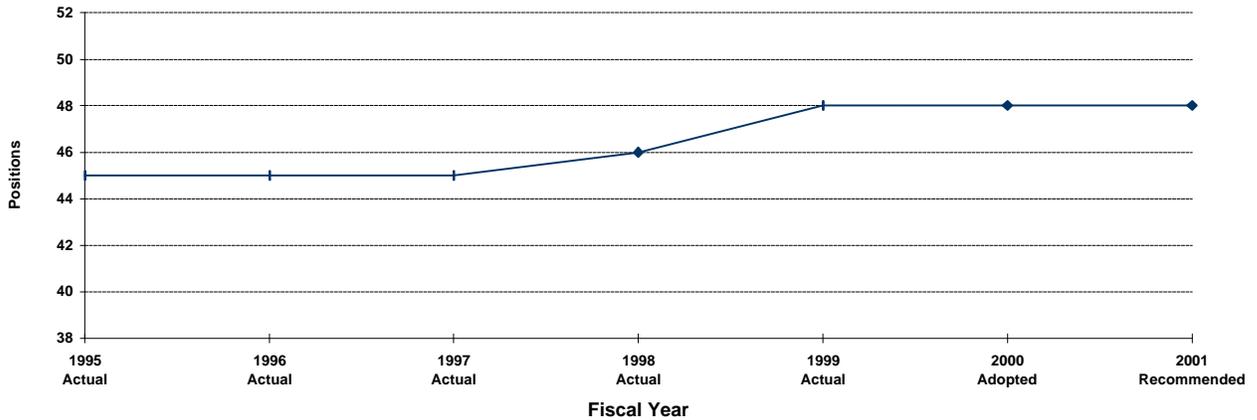
Department Programs

The Finance Department consists of 14 programs which encompass all of the services offered by the department. See the corresponding program sections in Volume II for a more detailed description.

Program Title	Fiscal Year 2000		Fiscal Year 2001	
	Revenues	Expenditures	Revenues	Expenditures
Administration	\$ -	\$ 414,046	\$ -	\$ 437,285
Treasury	-	254,522	-	270,168
Billing and Collection	-	292,790	-	311,242
Utility Billing	560,000	619,990	560,000	652,366
Business License & Permits	-	194,208	-	206,515
Accounting	-	185,810	-	198,779
Payroll	-	127,611	-	137,673
Accounts Payable	-	124,977	-	134,347
Purchasing	-	282,398	-	303,078
Central Stores	-	165,764	-	176,459
Duplicating	245,638	253,362	255,213	260,641
Mail Services	48,207	40,483	48,207	42,779
Workers' Comp./Health & Safety	1,716,184	2,076,536	1,741,184	2,098,009
Property/Liability	1,232,662	1,986,946	1,286,795	2,017,593
Totals	\$ 3,802,691	\$ 7,019,443	\$ 3,891,399	\$ 7,246,934



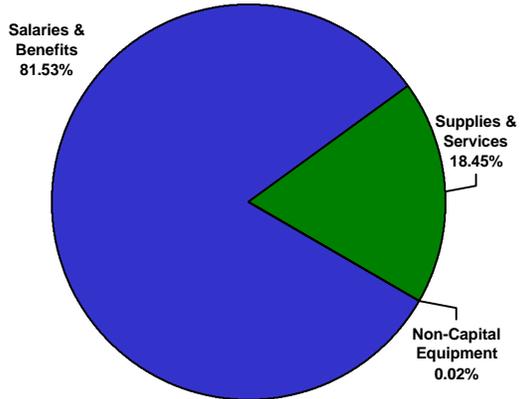
Authorized Positions at Beginning of Fiscal Year



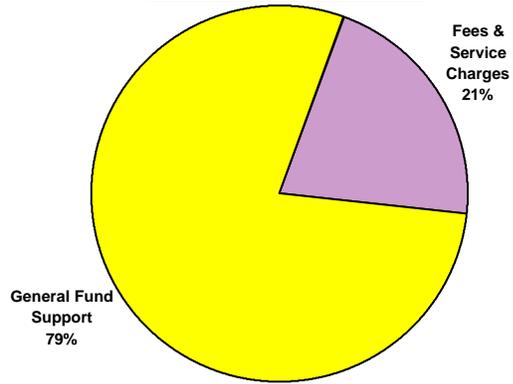
Revenues and Expenditures

	Adopted FY 1999	Adopted FY 2000	Recommended FY 2001
<u>Revenues</u>			
Insurance Premiums	2,636,588	2,798,846	2,877,979
Fees and Service Charges	851,136	853,845	863,420
ACCEL - Return of Premium	350,000	150,000	150,000
Total Revenues	\$ 3,837,724	\$ 3,802,691	\$ 3,891,399
<u>Expenditures</u>			
Salaries and Benefits	\$ 2,689,535	\$ 2,583,816	\$ 2,776,185
Supplies and Services	1,300,165	1,294,137	1,344,679
Non-Capital Equipment	25,750	6,450	6,450
Capital	-	15,420	-
Insurance Premiums	2,997,100	3,119,620	3,119,620
Total Expenditures	\$ 7,012,550	\$ 7,019,443	\$ 7,246,934
Revenue Under Expenditures	\$ (3,174,826)	\$ (3,216,752)	\$ (3,355,535)

**Fiscal Year 2000 Expenditures
(General Fund)**

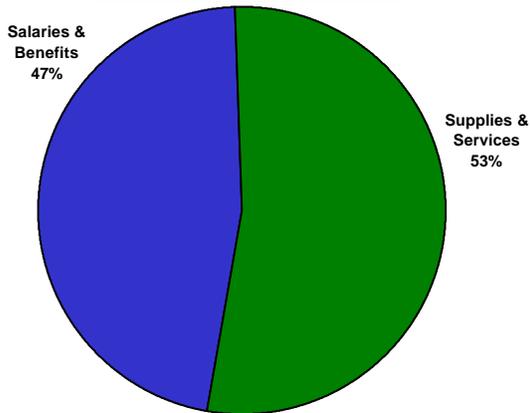


**Fiscal Year 2000 Revenues
(General Fund)**

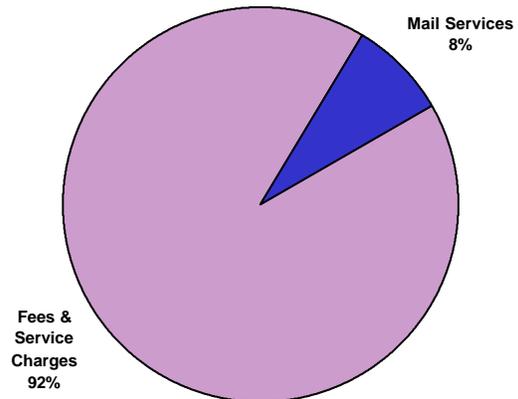


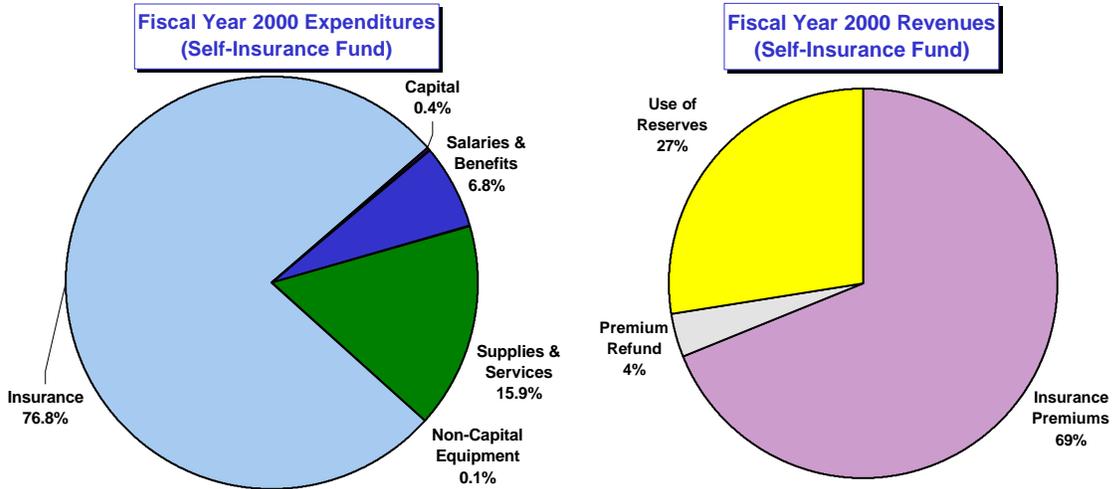
A portion of the General Fund support is recovered through allocated overhead.

**Fiscal Year 2000 Expenditures
(Duplications Fund)**

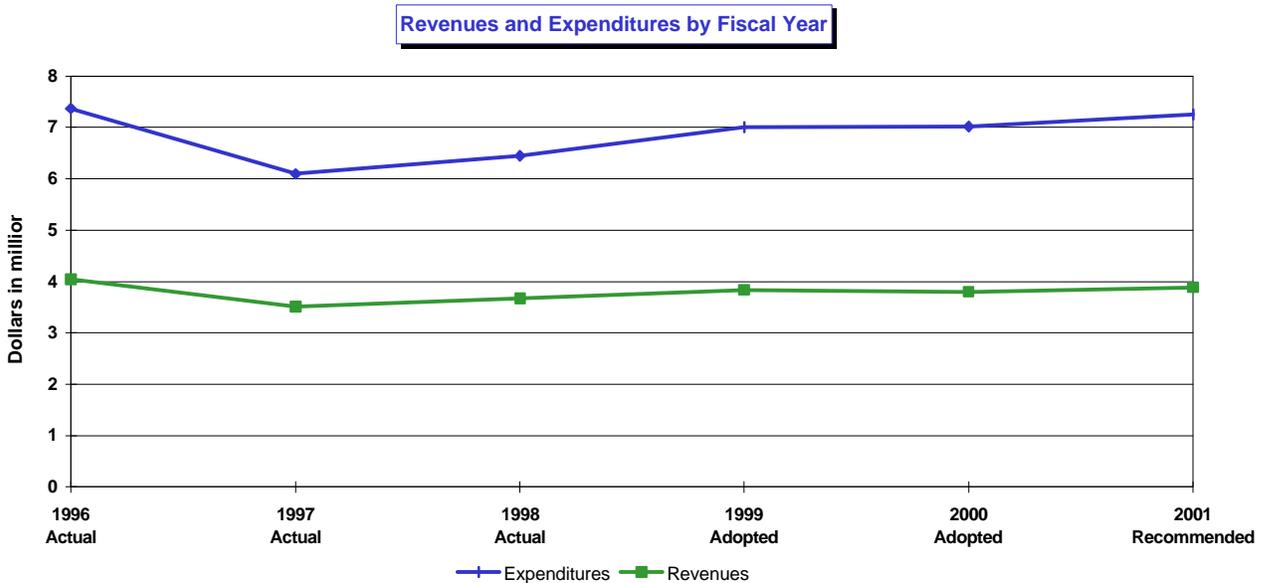


**Fiscal Year 2000 Revenues
(Duplications Fund)**



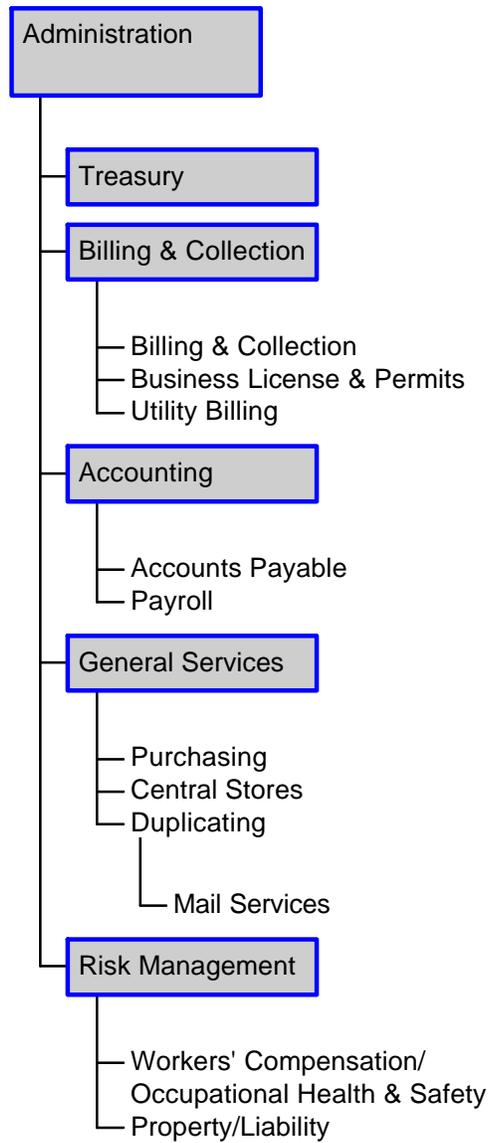


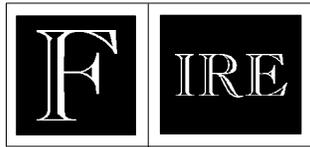
The Premium Refund is a rebate from ACCEL, the public-entity self-insurance pool to which the City belongs. The Use of Reserves represents a budgeted claims reserve in case payment of self-insured workers' compensation and property/liability claims exceed estimated amounts.





Program Organizational Chart





DEPARTMENT SUMMARY

Department Description

The mission of the Fire Department is to protect life and property, control and extinguish fires, effect rescue, contain and control hazardous materials incidents, provide emergency medical assistance, and respond to other community threatening emergencies as required. This mission is accomplished utilizing a comprehensive approach that maintains response capability and mitigates identified hazards.

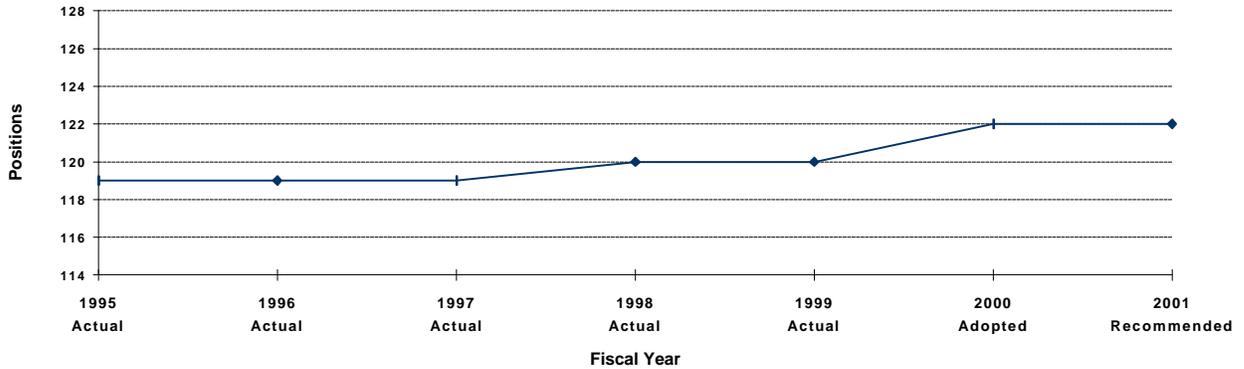
The Fire Department has provided continuous, uninterrupted service for 117 years. Service is currently provided from 8 stations located throughout the City. The Department protects a resident population of approximately 90,000 people. On high tourism weekends, that number swells considerably. The Department responds to an average of 7,000 emergency incidents each year.

Department Programs

Program Title	Fiscal Year 2000		Fiscal Year 2001	
	Revenues	Expenditures	Revenues	Expenditures
Administration	\$ -	\$ 533,658	\$ -	\$ 560,224
Prevention	45,000	705,819	45,000	753,952
Public Education	-	89,883	-	90,929
Operations	-	8,649,248	-	9,103,505
ARFF	814,404	766,982	838,836	760,142
Totals	\$ 859,404	\$ 10,745,590	\$ 883,836	\$ 11,268,752



Authorized Positions at Beginning of Fiscal Year

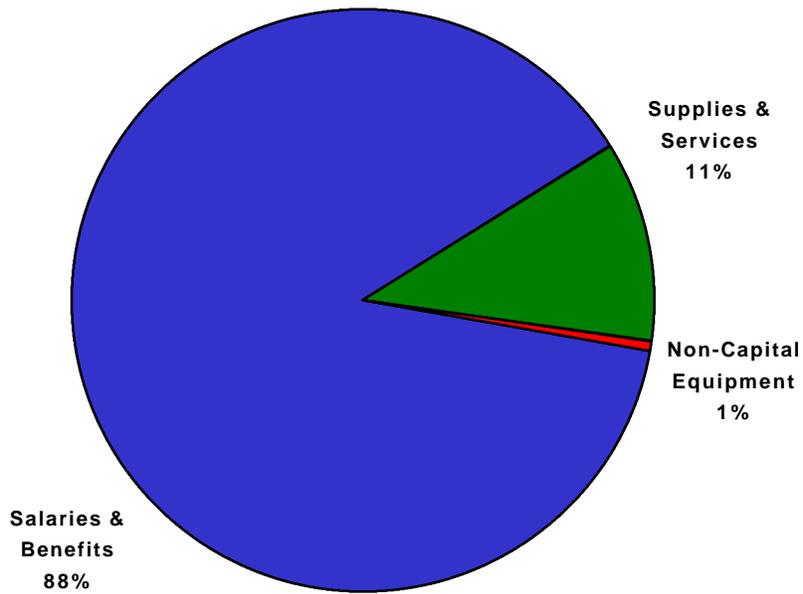


Revenues and Expenditures

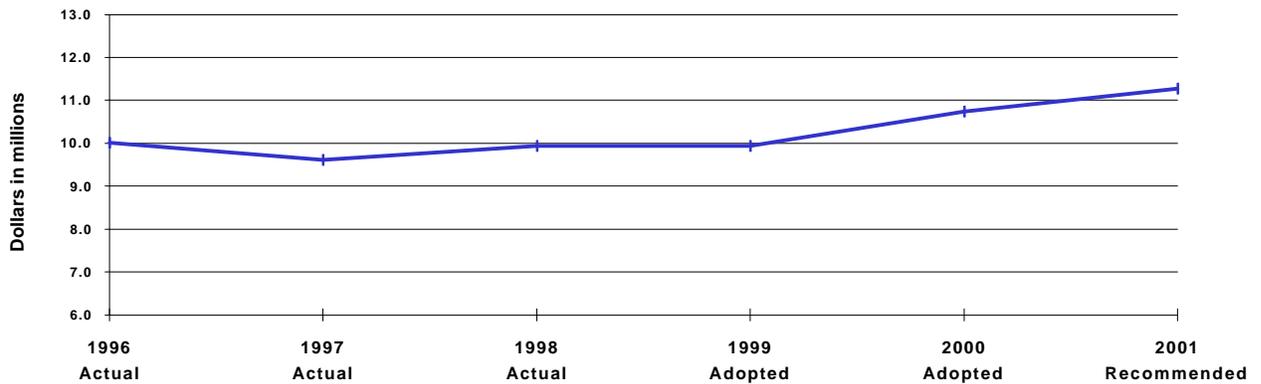
	Adopted FY 1999	Adopted FY 2000	Recommended FY 2001
Revenues			
Fees & Service Charges	\$ 811,080	\$ 859,404	\$ 883,836
Total Revenues	\$ 811,080	\$ 859,404	\$ 883,836
Expenditures			
Salaries and Benefits	\$ 8,751,534	\$ 9,483,283	\$ 9,953,948
Supplies and Services	1,087,902	1,187,857	1,215,054
Non-Capital Equipment	95,275	74,450	99,750
Total Expenditures	\$ 9,934,711	\$ 10,745,590	\$ 11,268,752
General Fund Support	\$ (9,123,631)	\$ (9,886,186)	\$ (10,384,916)



Fiscal Year 2000 Expenditures

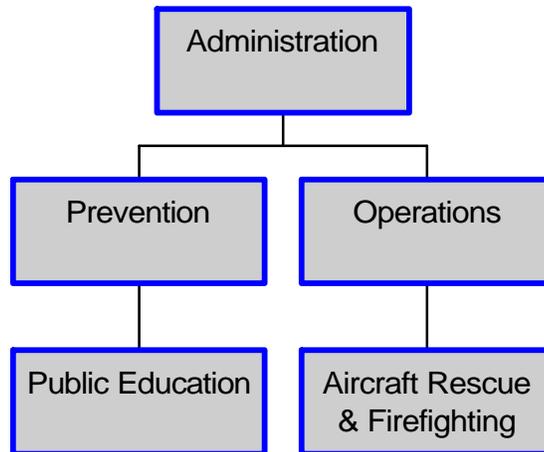


Expenditures by Fiscal Year





Program Organizational Chart





DEPARTMENT SUMMARY

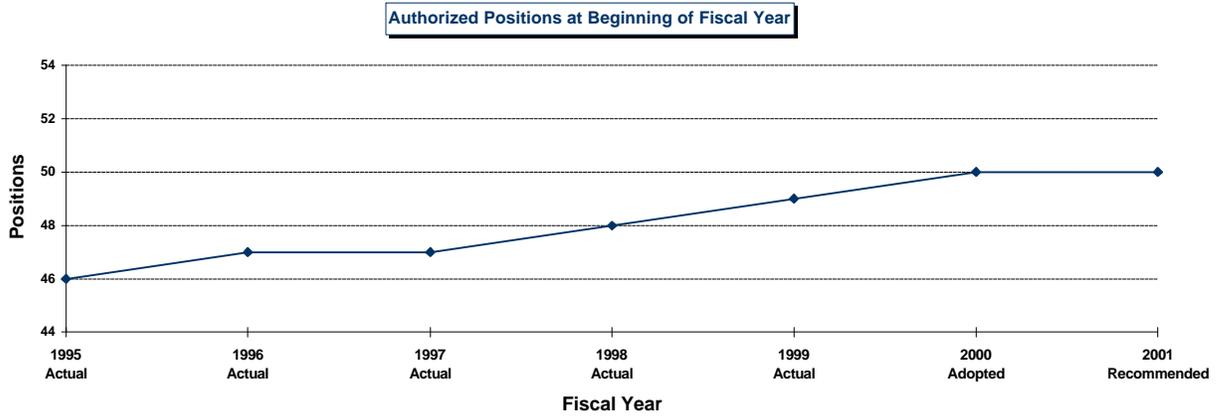
Department Description

The Library Department provides information services, reading materials, and educational resources to residents of all ages from the Santa Ynez Valley through Carpinteria. The largest components of the department are areas of public service in the Central Library including circulation, reference, youth services and periodicals, and the branches of the Library system which are owned and funded by the County of Santa Barbara and administered under an agreement with the City. Additional activities include interlibrary loan and borrowing, acquisition, cataloging, and processing of collection materials, delivery of materials and supplies throughout the system, and maintenance of the Library's automated computer system.

Department Programs

The Library Department is comprised of five programs which together offer a full range of services. The program sections in Volume II provide additional details on each Library program.

Program Title	Fiscal Year 2000		Fiscal Year 2001	
	Revenues	Expenditures	Revenues	Expenditures
Administration	\$ 67,382	\$ 205,257	\$ 67,382	\$ 219,609
Public Services	716,417	1,782,379	716,417	1,856,778
Support Services	-	913,988	-	967,503
Adult Literacy Program	46,583	68,596	46,583	77,730
County Branches	1,113,625	1,156,011	1,113,625	1,193,012
Totals	\$ 1,944,007	\$ 4,126,231	\$ 1,944,007	\$ 4,314,632

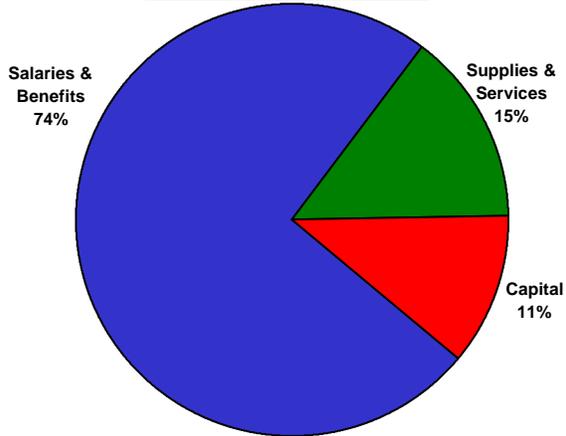


Revenues and Expenditures

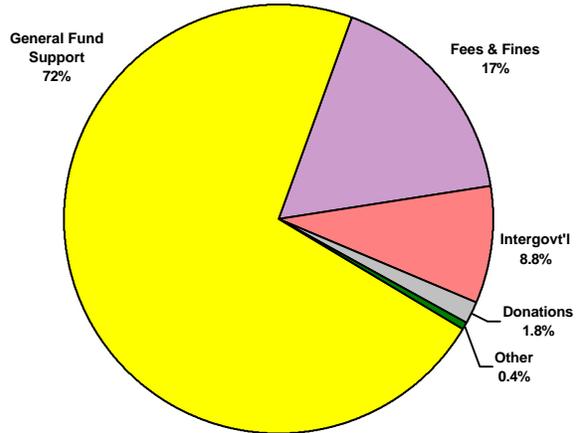
	Adopted FY 1999	Adopted FY 2000	Recommended FY 2001
<u>Revenues</u>			
Fines and Fees	\$ 1,282,742	\$ 1,454,170	\$ 1,454,170
Intergovernmental	227,954	364,337	364,337
Donations	44,056	54,500	54,500
Other	8,000	71,000	71,000
Total Revenues	\$ 1,562,752	\$ 1,944,007	\$ 1,944,007
<u>Expenditures</u>			
Salaries and Benefits	\$ 2,880,832	\$ 2,941,590	\$ 3,136,050
Supplies and Services	673,988	645,044	659,627
Capital	329,308	539,597	518,955
Total Expenditures	\$ 3,884,128	\$ 4,126,231	\$ 4,314,632
Revenue Under Expenditures	\$ (2,321,376)	\$ (2,182,224)	\$ (2,370,625)



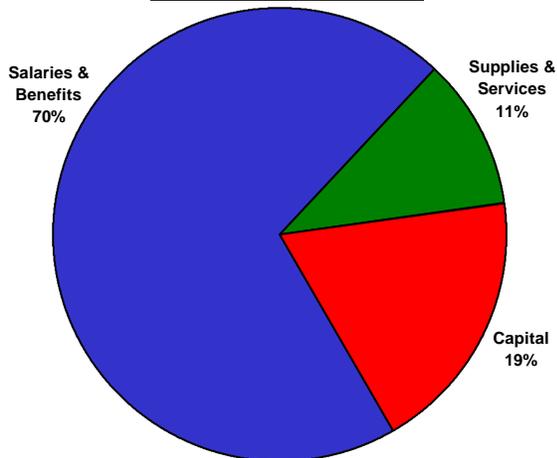
Fiscal Year 2000 Expenditures
(General Fund)



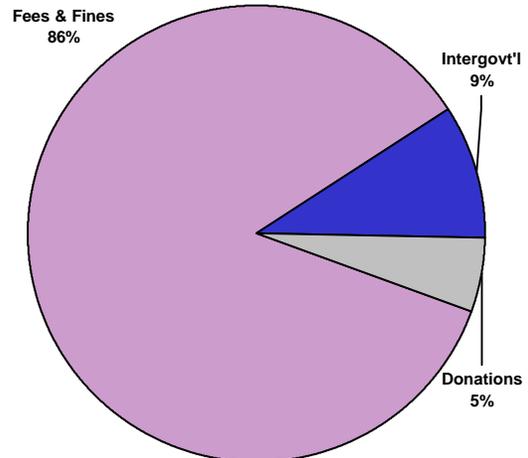
Fiscal Year 2000 Revenues
(General Fund)



Fiscal Year 2000 Expenditures
(County Library)

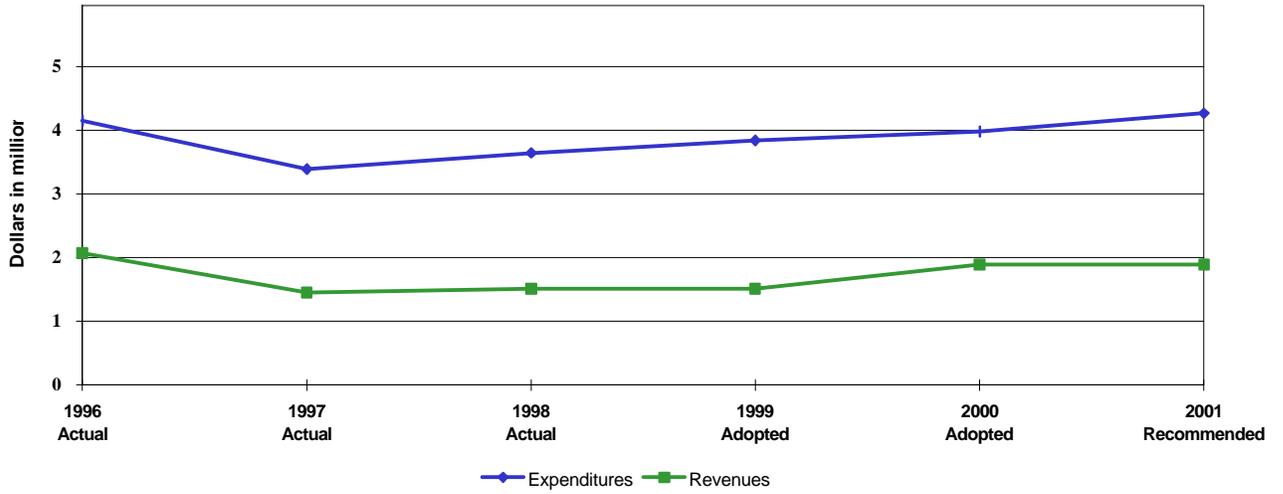


Fiscal Year 2000 Revenues
(County Library)

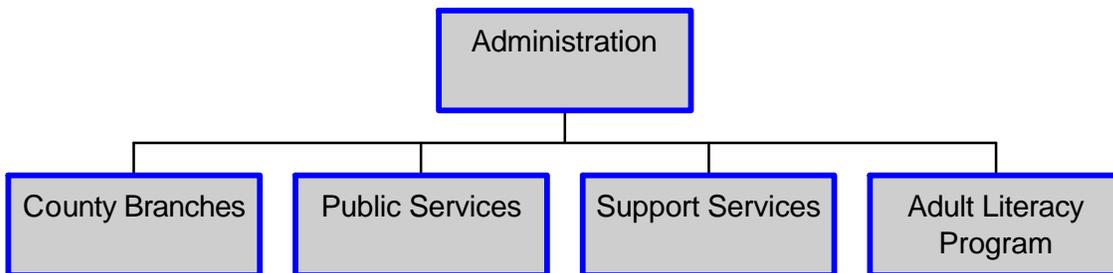




Revenues and Expenditures by Fiscal Year



Program Organizational Chart





DEPARTMENT SUMMARY

Department Description

The Mayor and six City Councilmembers comprise the City Council. The Mayor presides over the City Council meetings held weekly in open public session in the Council Chamber.

The seven-member governmental body serves the City at large. Its duties under the City Charter include approval of the Annual Budget and oversight of the financial affairs of the City. The Mayor and City Councilmembers appoint the City Administrator and the City Attorney. The City Council has the power to adopt ordinances and resolutions; make appointments to advisory boards and commissions; establish policy and approve programs; act on program and administrative recommendations of City staff; appropriate funds and approve contracts; and respond to concerns and needs of residents.

The Mayor and Councilmembers serve as the Board Members of the Redevelopment Agency. Individually, Councilmembers may represent the City by serving on state and regional boards and local civic organizations.

Staff to the Mayor and City Councilmembers assist in responding to numerous calls and letters from citizens each week, including conducting research and drafting responses.

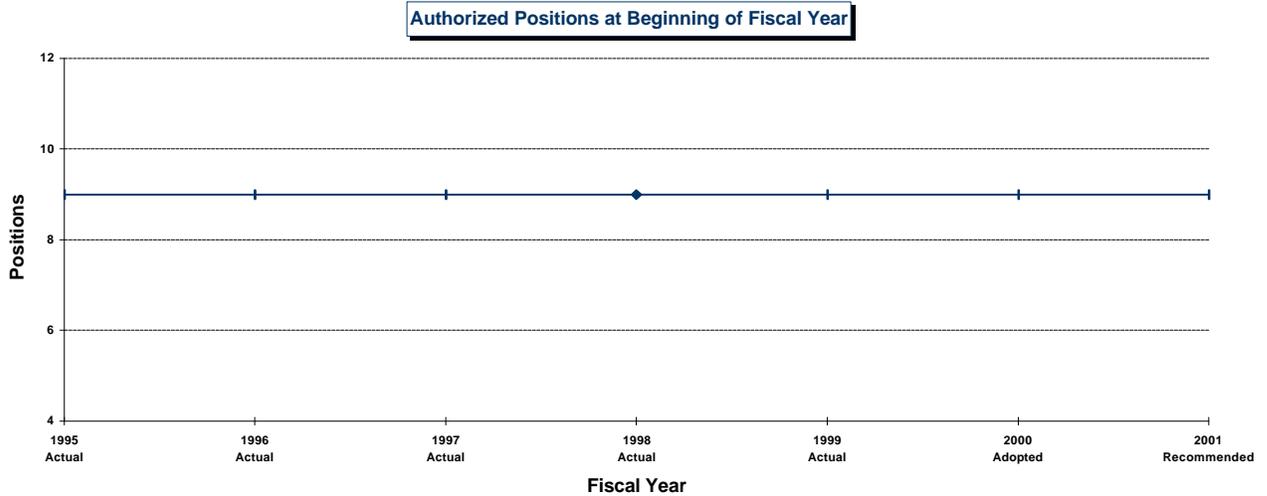
The Mayor and City Council oversee and evaluate the programs and accomplishments of departments.

Department Programs

The office of the Mayor and City Council is comprised of a single program.

Program Title	Fiscal Year 2000		Fiscal Year 2001	
	Revenues	Expenditures	Revenues	Expenditures
Mayor and City Council	\$ -	\$ 404,894	\$ -	\$ 415,972
Totals	\$ -	\$ 404,894	\$ -	\$ 415,972

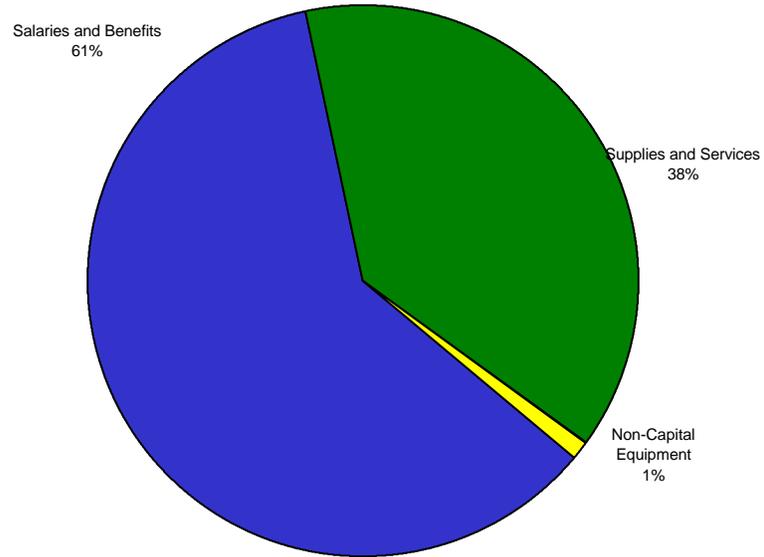
As a temporary position, the Assistant to the Mayor, is not included in the chart of authorized permanent positions.



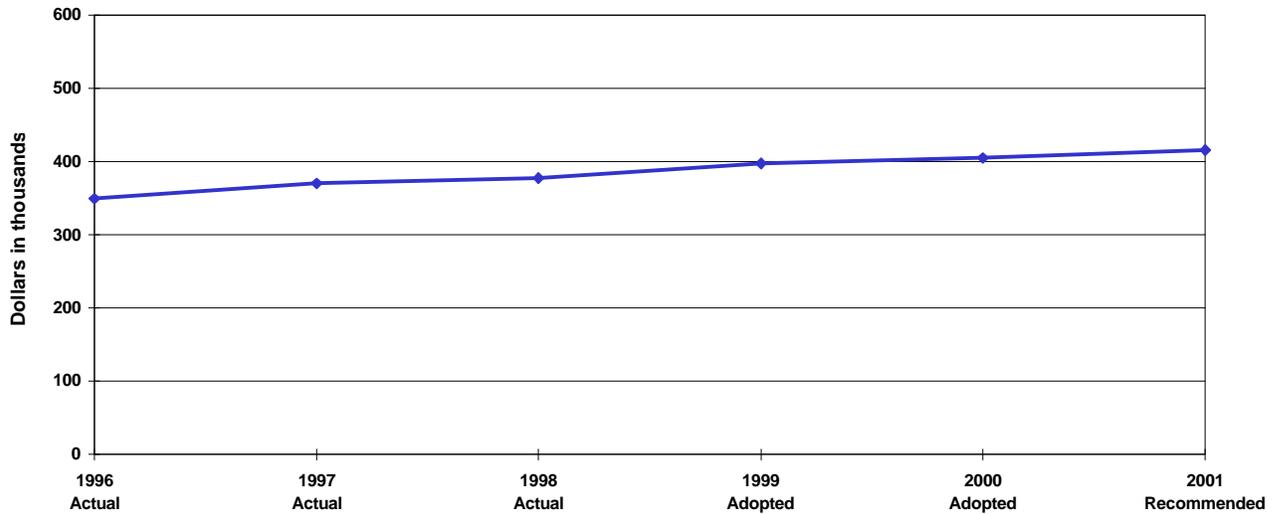
Revenues and Expenditures

<u>Expenditures</u>	Adopted FY 1999	Adopted FY 2000	Recommended FY 2001
Salaries and Benefits	\$ 242,846	\$ 245,655	\$ 257,004
Supplies and Services	152,168	154,239	156,968
Non-Capital Equipment	2,500	5,000	2,000
Total Expenditures	\$ 397,514	\$ 404,894	\$ 415,972
General Fund Support	\$ (397,514)	\$ (404,894)	\$ (415,972)

Fiscal Year 2000 Expenditures



Expenditures by Fiscal Year





DEPARTMENT SUMMARY

Department Description

Those costs not directly associated with, or allocated to, a particular General Fund department are accounted for in "Non-Departmental." These costs are in two specific areas - Community Promotion and General Government.

The Community Promotion Programs provide grants and funding for various events and activities which take place throughout the year to promote Santa Barbara, enhance tourism, and provide support to the Zoological Gardens.

The General Government program includes various miscellaneous General Fund costs including property and liability insurance costs, appropriated reserves, the reserve for Council goals and debt service.

Department Programs

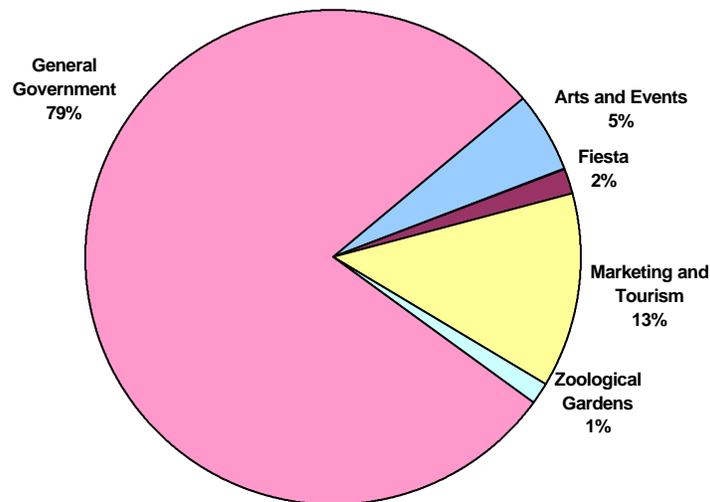
Program Title	Fiscal Year 2000		Fiscal Year 2001	
	Revenues	Expenditures	Revenues	Expenditures
Arts and Events	\$ -	\$ 450,402	\$ -	\$ 452,370
Fiesta	-	138,324	-	138,324
Marketing and Tourism	-	1,111,035	-	1,037,785
Zoological Gardens	-	126,625	-	126,625
General Government	145,000	6,784,622	145,000	6,274,293
Totals	\$ 145,000	\$ 8,611,008	\$ 145,000	\$ 8,029,397

NON-DEPARTMENTAL

Revenues and Expenditures

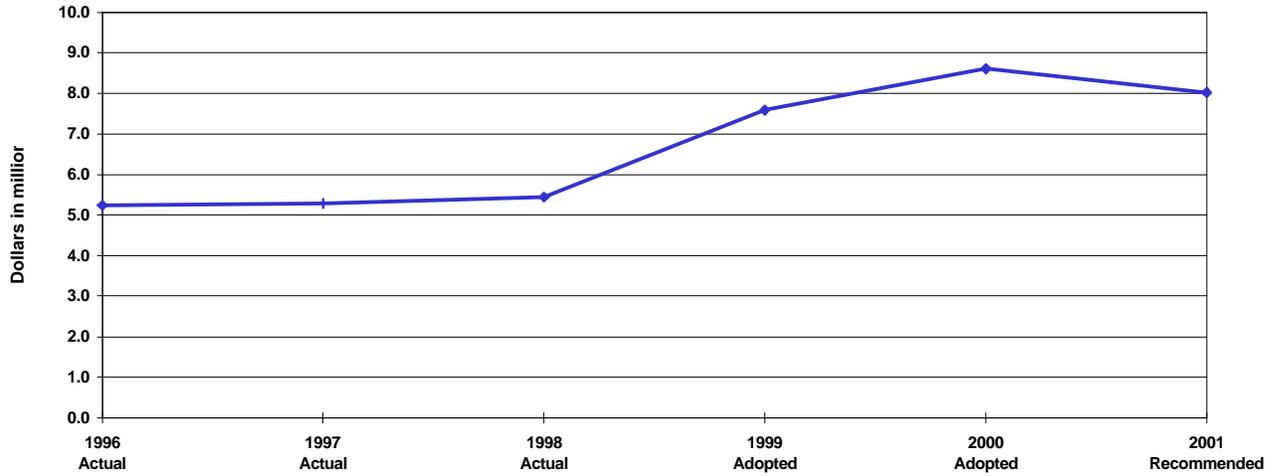
<u>Revenues</u>	Adopted FY 1999	Adopted FY 2000	Recommended FY 2001
Utility Users Tax	145,000	\$ 145,000	\$ 145,000
Total Revenues	145,000	\$ 145,000	\$ 145,000
<u>Expenditures</u>			
Supplies and Services	\$ 3,042,291	\$ 3,174,392	\$ 3,128,010
Debt Service Transfers	379,975	380,000	380,000
Appropriated Reserve	335,355	970,116	843,687
Reserve for Council Goals	250,000	-	-
Total Operating Expenditures	\$ 4,007,621	\$ 4,524,508	\$ 4,351,697
<u>Capital Outlay Transfers</u>			
Streets	1,900,000	\$ 1,900,000	\$ 1,900,000
General Fund	1,678,521	2,186,500	1,777,700
Total Capital	3,578,521	\$ 4,086,500	\$ 3,677,700
Total Operating and Capital	\$ 7,586,142	\$ 8,611,008	\$ 8,029,397

Fiscal Year 2000 Expenditures

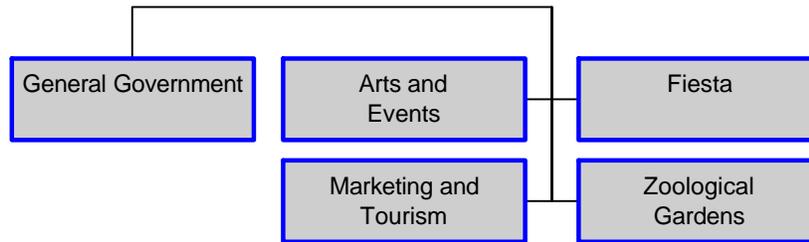


N ON-DEPARTMENTAL

Expenditures by Fiscal Year



Program Organizational Chart





DEPARTMENT SUMMARY

Department Description

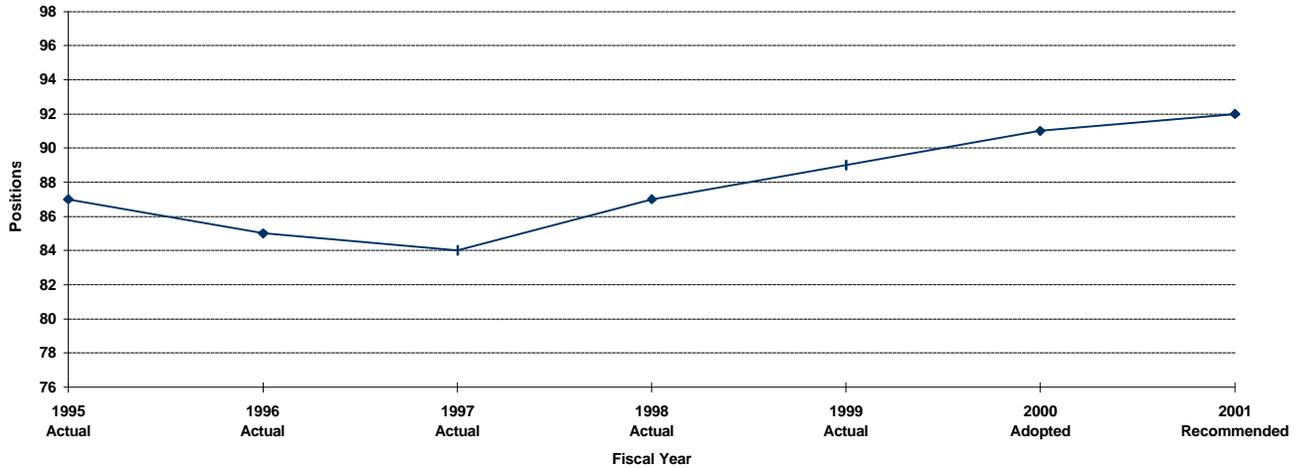
The Parks and Recreation Department is responsible for providing citizens and tourists with safe, clean, usable parks, beaches and recreation facilities. The department develops, manages and maintains open space lands, parks, recreation facilities, street trees, beaches, civic grounds, and street medians; and provides recreation and community services to meet the recreational, cultural and human service needs of people of all ages and abilities.

Department Programs

Program Title	Fiscal Year 2000		Fiscal Year 2001	
	Revenues	Expenditures	Revenues	Expenditures
Administration	\$ -	\$ 332,066	\$ 25,000	\$ 368,541
Parks				
Facilities & Project Management	-	670,278	-	700,369
Grounds Management	32,000	1,518,957	32,000	1,584,650
Forestry	613,572	766,965	645,917	807,396
Beach Maintenance	-	104,400	-	107,901
Operations Management	87,500	458,063	57,500	363,405
Contract Management	-	506,269	-	526,569
Chase Palm Park Maintenance	114,500	269,978	114,500	281,650
Recreation				
Management & Business Services	-	304,528	-	320,546
Publicity & Facility Services	228,417	445,092	243,417	463,514
Cultural Arts	220,060	308,467	223,060	322,059
Youth Activities	280,302	778,931	283,302	792,421
Teen Programs	23,168	217,006	24,168	186,247
Adapted & Recreation	24,410	200,208	24,410	197,496
Senior Recreation Services	240,743	393,725	252,743	407,563
Aquatics	503,443	805,849	513,443	822,318
Adult Sports	257,689	368,789	257,689	380,096
Tennis Services	143,170	180,424	144,170	184,221
Community Services	183,704	409,574	189,371	429,797
Municipal Golf Course	1,700,000	1,700,000	1,740,000	1,740,000
Totals	\$ 4,652,678	\$ 10,739,569	\$ 4,770,690	\$ 10,986,759



Authorized Positions at Beginning of Fiscal Year

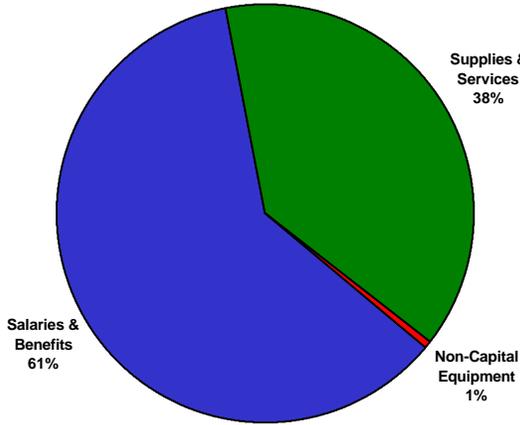


Revenues and Expenditures

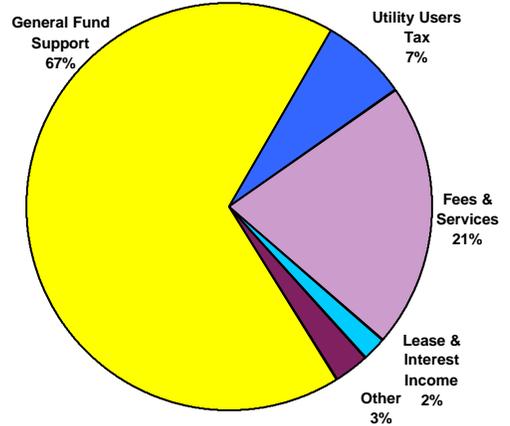
	Adopted FY 1999	Adopted FY 2000	Recommended FY 2001
Revenues			
Lease and Interest Income	\$ 431,079	\$ 445,704	\$ 451,371
Utility Users Tax	604,382	613,572	645,917
Golf Fees	1,388,000	1,490,000	1,530,000
Fees and Service Charges	1,731,131	1,854,454	1,899,454
Other	164,040	248,948	243,948
Total Revenues	\$ 4,318,632	\$ 4,652,678	\$ 4,770,690
Expenditures			
Salaries and Benefits	\$ 5,820,313	\$ 6,076,042	\$ 6,433,678
Supplies and Services	3,617,522	4,234,423	4,168,950
Non-Capital Equipment	58,543	80,096	78,488
Capital	15,000	70,000	70,000
Debt Service and Reserves	205,677	129,008	35,643
Operating Expenditures	\$ 9,717,055	\$ 10,589,569	\$ 10,786,759
Capital Program	390,000	150,000	200,000
Total Expenditures	\$ 10,107,055	\$ 10,739,569	\$ 10,986,759
Revenue Under Expenditures	\$ (5,788,423)	\$ (6,086,891)	\$ (6,216,069)

The Capital Program relates to the Golf Fund.

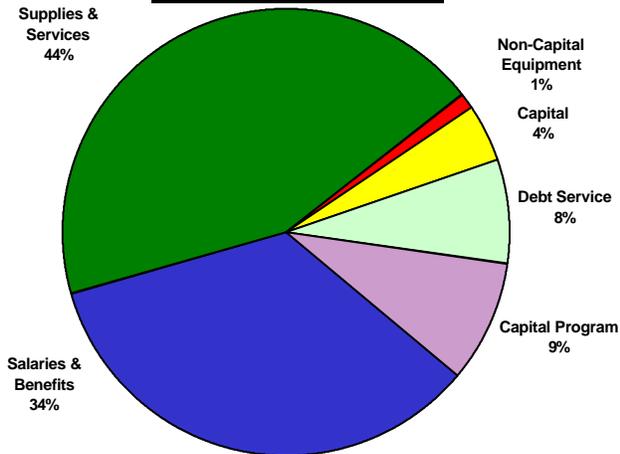
**Fiscal Year 2000 Expenditures
(General Fund)**



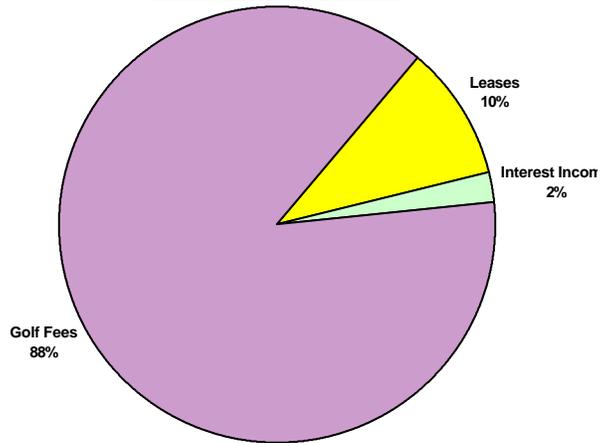
**Fiscal Year 2000 Revenues
(General Fund)**



**Fiscal Year 2000 Expenditures
(Golf Fund)**

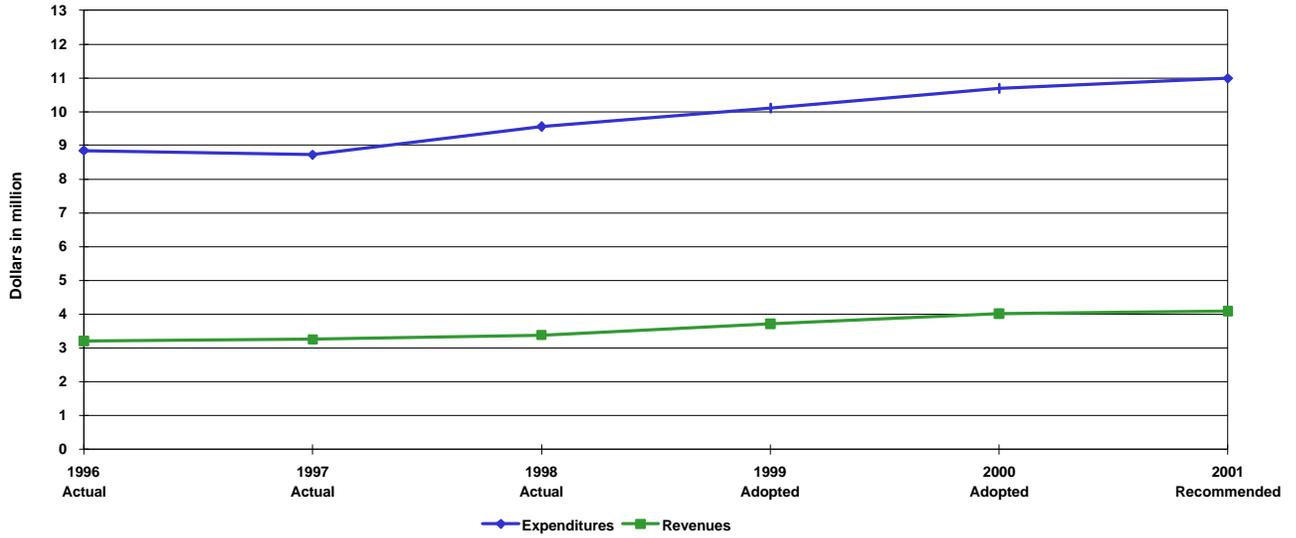


**Fiscal Year 2000 Revenues
(Golf Fund)**

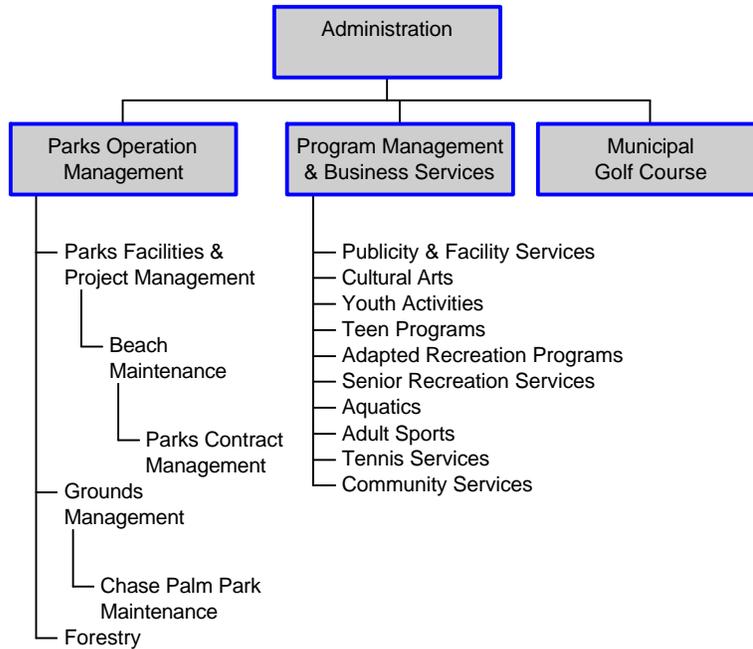




Revenues and Expenditures by Fiscal Year



Program Organizational Chart





DEPARTMENT SUMMARY

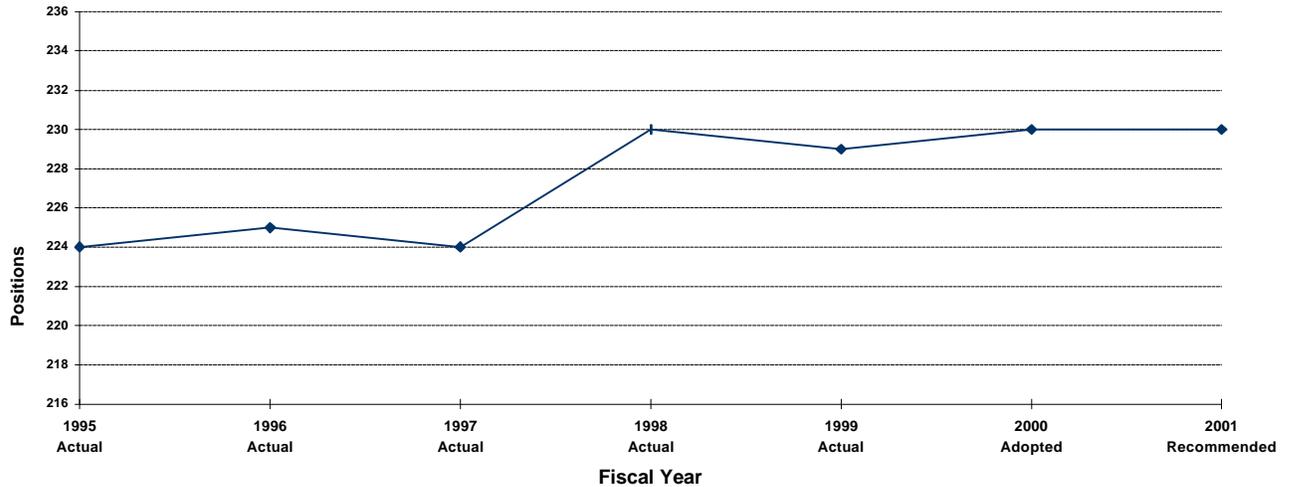
Department Description

The Santa Barbara Police Department is a full-service law enforcement agency operating under a Community Oriented Policing philosophy. The members of the Police Department work to protect the right of all persons within its jurisdiction to be free from criminal attack, to be secure in their possessions and to live in peace. Working in partnership with the community, quality and professional law enforcement services are provided in a fair and effective manner. The department is recognized as a leader in developing new programs and approaches to law enforcement issues and, as a result, the City of Santa Barbara is a safe place to live, work and visit.

Department Programs

Program Title	Fiscal Year 2000		Fiscal Year 2001	
	Revenues	Expenditures	Revenues	Expenditures
Chief's Staff Operations & Adm.	\$ 1,592,000	\$ 1,884,446	\$ 1,592,000	\$ 1,999,514
Information Technology	42,890	376,966	44,177	399,391
Administrative Division Mgmt.	50,000	722,172	50,000	742,984
Community Services	-	140,538	-	149,119
Property Room	-	151,853	-	157,052
Training/Recruitment	-	311,830	-	322,792
Parking Enforcement	-	509,152	-	538,502
DARE/SRO	-	308,765	-	324,610
Investigations	35,000	2,589,724	35,000	2,713,372
Serious Habitual Offender	-	41,741	-	43,845
Patrol Operations	259,619	8,220,240	282,846	8,664,191
Beat Coordinators	-	465,449	-	488,112
Special Events	60,000	105,113	60,000	108,951
Tactical Patrol Force	-	311,768	-	330,188
Westside Bicycle Patrol	-	47,743	-	47,743
Host Program	-	51,375	-	51,375
Partnership For Youth	206,700	206,700	206,700	206,700
Combined Communications Ctr	-	1,106,721	-	1,242,704
Animal Control	37,500	306,732	37,500	321,294
Office of Emergency Services	-	197,463	-	207,914
Totals	\$ 2,283,709	\$ 18,056,491	\$ 2,308,223	\$ 19,060,353

Authorized Positions at Beginning of Fiscal Year

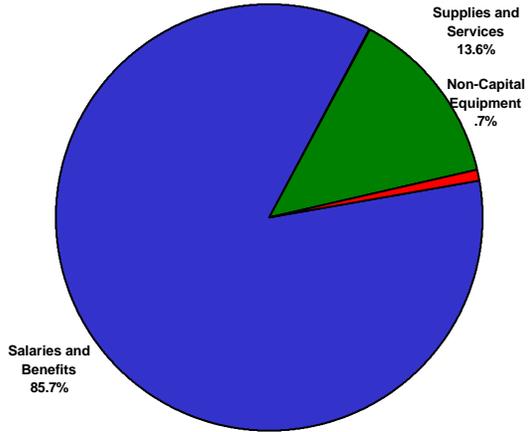


Revenues and Expenditures

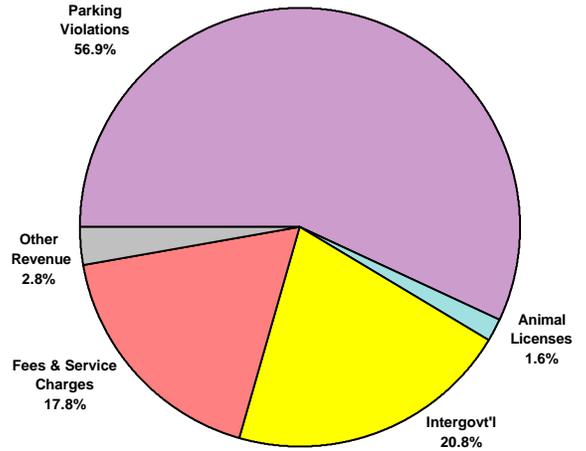
	Adopted FY 1999	Adopted FY 2000	Recommended FY 2001
Revenues			
Parking Violations	\$ 1,300,000	\$ 1,300,000	\$ 1,300,000
Animal Licenses	37,500	37,500	37,500
Intergovernmental	455,500	475,569	498,796
Fees and Service Charges	394,800	406,640	407,927
Other Revenue	44,000	64,000	64,000
Total Revenues	\$ 2,231,800	\$ 2,283,709	\$ 2,308,223
Expenditures			
Salaries and Benefits	\$ 15,797,693	\$ 15,469,132	\$ 16,406,517
Supplies and Services	2,361,391	2,461,103	2,515,635
Non-Capital Equipment	106,617	126,256	138,201
Total Expenditures	\$ 18,265,701	\$ 18,056,491	\$ 19,060,353
General Fund Support	\$ (16,033,901)	\$ (15,772,782)	\$ (16,752,130)



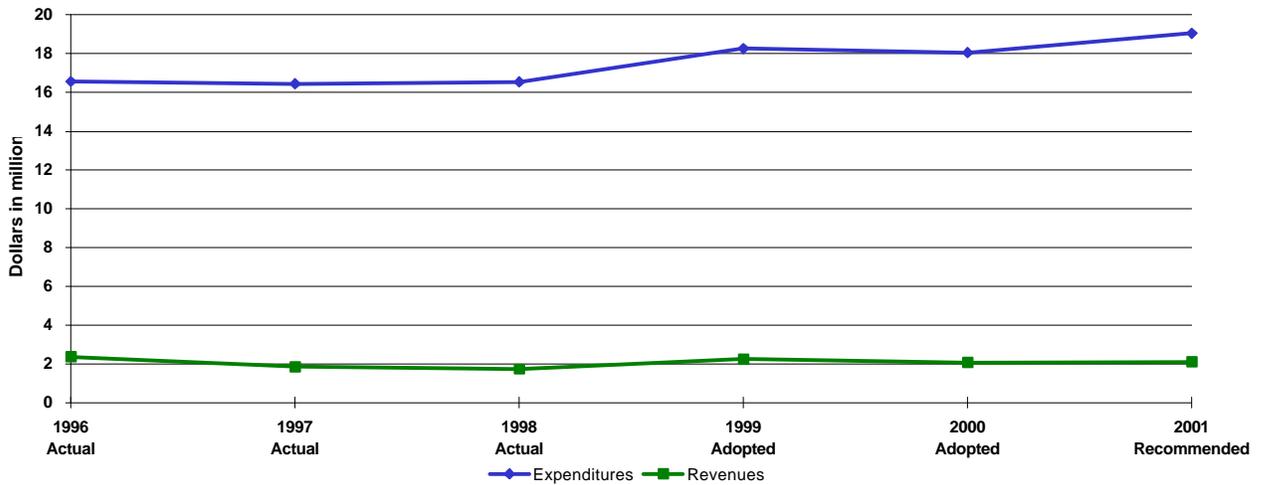
Fiscal Year 2000 Expenditures



Fiscal Year 2000 Revenues

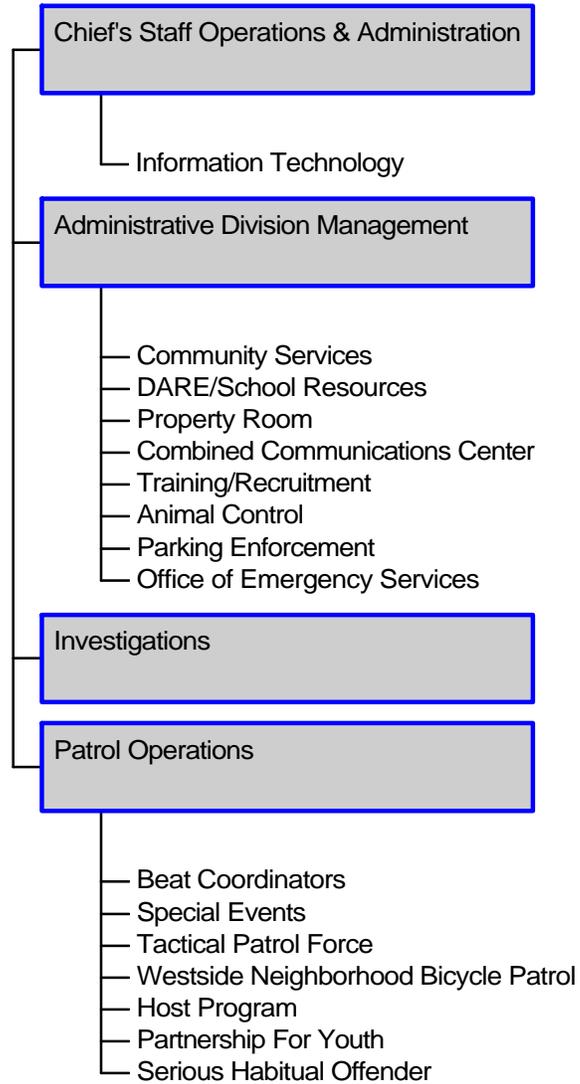


Revenues and Expenditures by Fiscal Year





Program Organizational Chart





DEPARTMENT SUMMARY

Department Description

The City's largest department is Public Works. The department's total annual budget of over \$58 million represents approximately 46% of the City's total budget and the 272 full time employees approximates 26% of the City's permanent work force. Public Works Department programs generates approximately \$57 million in revenue for the City to offset the expenditures. The main office for Public Works is located at 630 Garden Street. The department is responsible for operating the City's El Estero Wastewater Treatment Facility on Yanonali Street and the Cater Water Treatment Facility on San Roque Road. The Department's mission is to provide for the public's needs relative to the City's transportation system, water and wastewater services, refuse collection, construction and maintenance of all City facilities, automotive equipment communications equipment and repair and maintenance of all streets, sidewalks, and street lights throughout the City. The department consists of 27 operating programs and 3 capital programs.

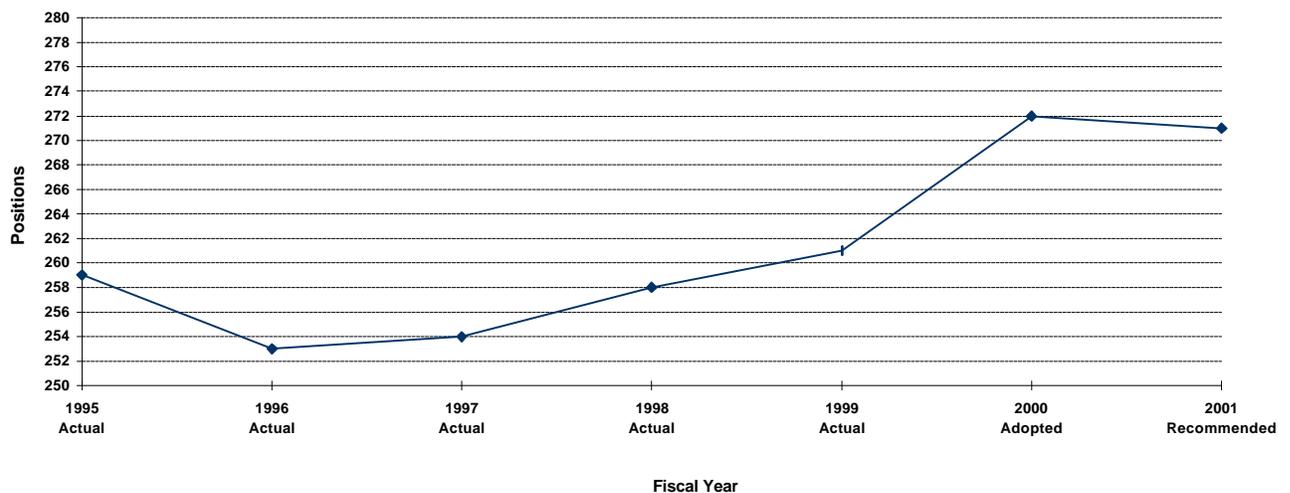
Department Programs

Program Title	Fiscal Year 2000		Fiscal Year 2001	
	Revenues	Expenditures	Revenues	Expenditures
Administration	\$ 142,115	\$ 410,577	\$ 147,088	\$ 435,439
Engineering Division				
Engineering Services	2,543,564	2,866,981	2,559,618	2,678,830
Land Dev. & Public Right-of-Way	205,000	474,464	205,000	508,000
Environmental	131,106	324,589	135,693	337,694
Transportation/Parking Division				
Transportation Operations	282,750	282,750	307,596	307,596
Transportation Planning	391,390	391,390	423,853	423,853
Alternative Transportation	1,286,949	1,286,949	2,379,298	2,388,298
Streets Division				
Roadway Maintenance/Sidewalk Repair	1,034,401	1,034,401	1,071,094	1,071,094
Street Sweeping & Cleaning	233,822	233,822	238,696	238,696
Storm Drain Repair & Maintenance	564,991	564,991	595,026	595,026
Special Event Support	53,989	53,989	56,948	56,948
Traffic Markings and Signage	423,506	423,506	444,504	444,504
Facilities Division				
Communications Systems	-	440,991	-	453,225
Traffic Signals	705,835	705,835	717,441	717,441
Custodial Services	-	623,080	-	656,634



Program Title (continued)	Fiscal Year 2000		Fiscal Year 2001	
	Revenues	Expenditures	Revenues	Expenditures
Water/Wastewater				
Water/Wastewater Utilities Mgmt.	31,900,000	6,569,475	32,625,000	7,991,379
Water Supply Purchases	-	5,311,025	-	5,266,191
Water Reclamation	-	628,949	-	641,383
Distribution & Collection	-	5,027,080	-	5,215,068
Water Treatment	850,000	2,489,510	850,000	2,570,681
Water Supply Management	-	446,626	-	493,902
Water Resources Laboratory	-	726,891	-	764,721
Wastewater Treatment	200,000	3,410,444	200,000	3,455,144
Downtown Parking				
Downtown Parking	4,197,500	3,376,520	4,172,500	3,461,094
Parking Management	-	474,520	-	477,181
Intra-City Services (ICS)				
Building Maintenance	2,621,677	2,577,352	2,691,312	2,641,998
Motorpool	3,587,685	3,763,726	3,656,966	3,856,507
Capital Programs				
Street Capital	5,215,000	5,215,000	7,221,450	7,221,450
Water Capital	-	5,315,000	-	4,289,000
Wastewater Capital	-	2,995,000	-	3,665,000
Totals	\$ 56,571,280	\$ 58,445,433	\$ 60,699,083	\$ 63,323,977

Authorized Positions at Beginning of Fiscal Year

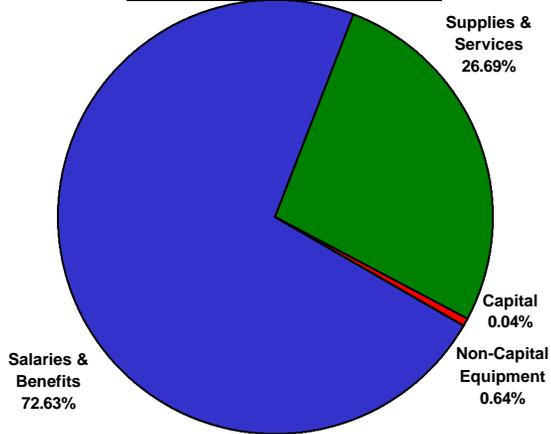




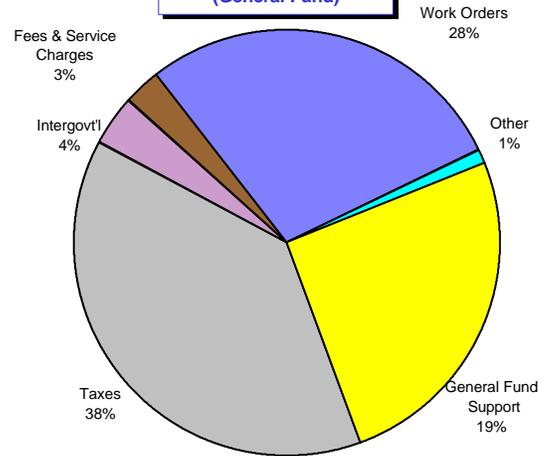
Revenues and Expenditures

<u>Revenues</u>	Adopted FY 1999	Adopted FY 2000	Recommended FY 2001
Taxes	\$ 9,542,512	\$ 9,566,918	\$ 11,359,355
Use of Money and Property	1,775,000	2,125,000	2,100,000
Intergovernmental	1,050,000	2,375,000	3,871,450
Fees and Service Charges	33,395,921	37,262,685	38,031,966
Work Orders	4,750,343	4,781,677	4,851,312
Other	199,000	460,000	485,000
Total Revenues	\$ 50,712,776	\$ 56,571,280	\$ 60,699,083
 <u>Expenditures</u>			
Salaries and Benefits	\$ 16,118,036	\$ 16,756,551	\$ 17,813,042
Supplies and Services	14,737,745	16,808,093	16,616,796
Non-Capital Equipment	128,326	168,835	155,743
Capital	55,322	143,354	113,686
Debt Service and App. Reserves	2,577,380	3,799,748	5,161,992
Water Purchases	5,414,234	5,311,025	5,266,191
Operating Expenditures	\$ 39,031,043	\$ 42,987,606	\$ 45,127,450
Capital Program	8,765,973	15,457,827	18,196,527
Total Expenditures	\$ 47,797,016	\$ 58,445,433	\$ 63,323,977
Revenue Under Expenditures	\$ 2,915,760	\$ (1,874,153)	\$ (2,624,894)

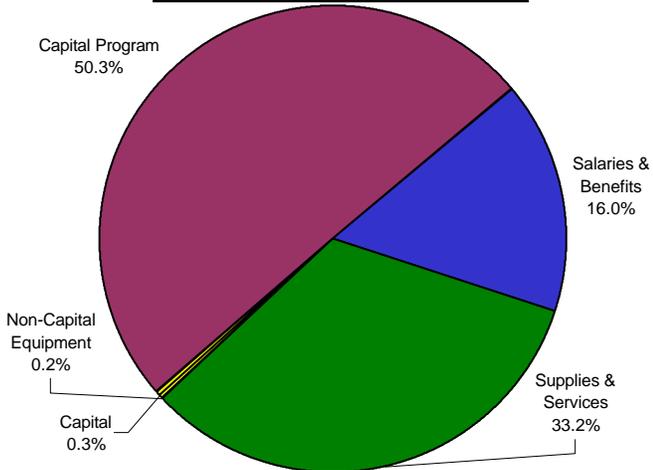
**Fiscal Year 2000 Expenditures
(General Fund)**



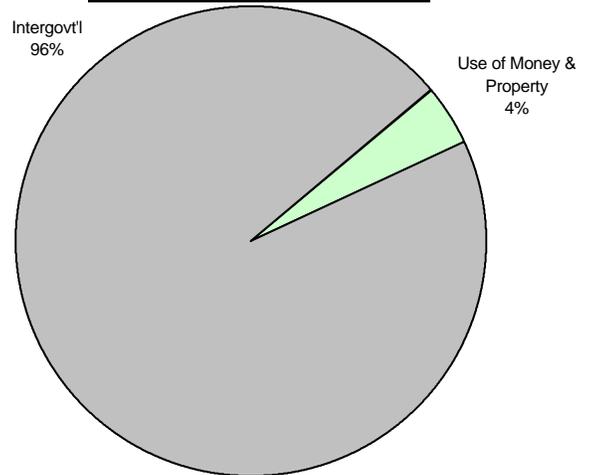
**Fiscal Year 2000 Revenues
(General Fund)**



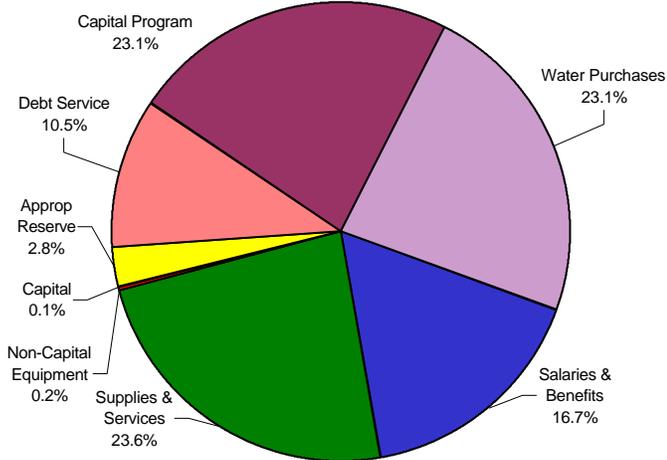
**Fiscal Year 2000 Expenditures
(Measure "D" Fund)**



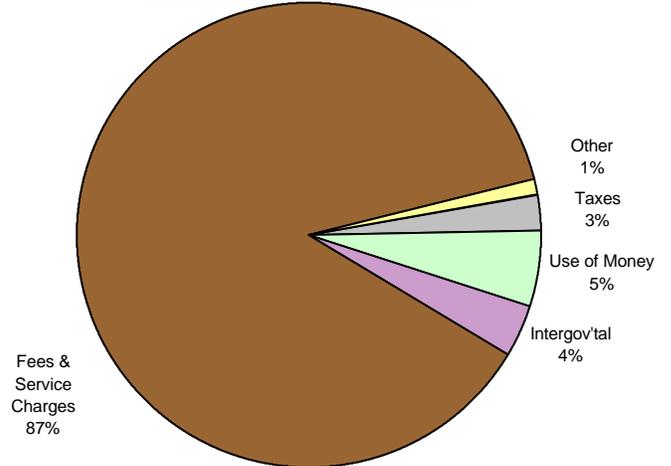
**Fiscal Year 2000 Revenues
(Measure "D" Fund)**



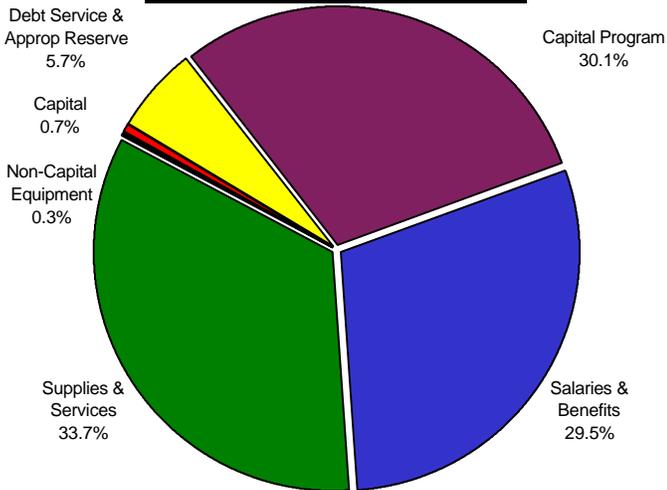
**Fiscal Year 2000 Expenditures
(Water Fund)**



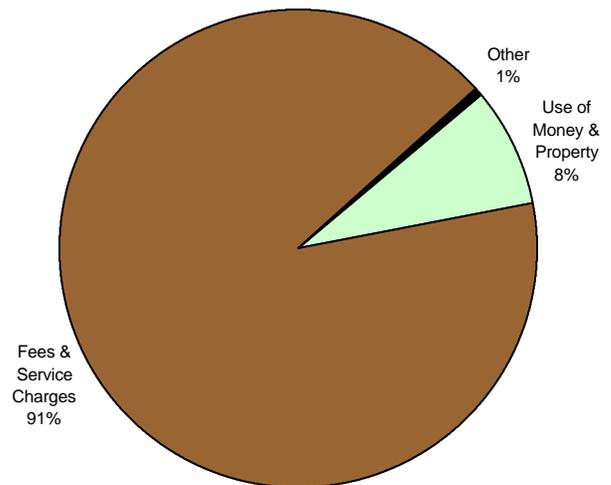
**Fiscal Year 2000 Revenues
(Water Fund)**



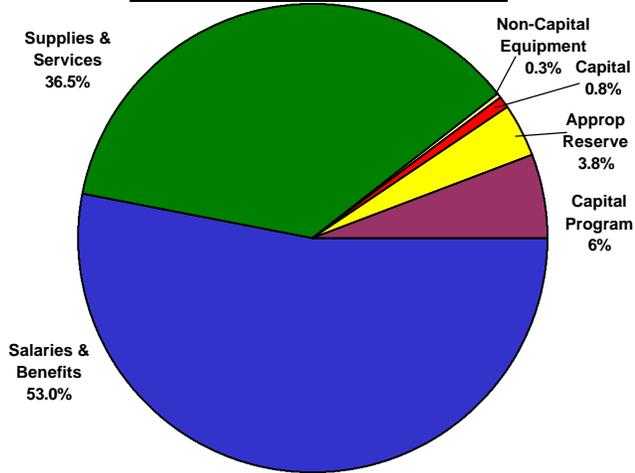
**Fiscal Year 2000 Expenditures
(Wastewater Fund)**



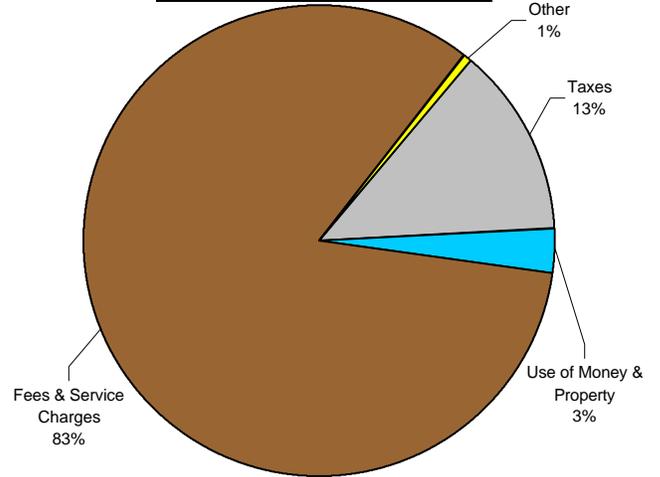
**Fiscal Year 2000 Revenues
(Wastewater Fund)**



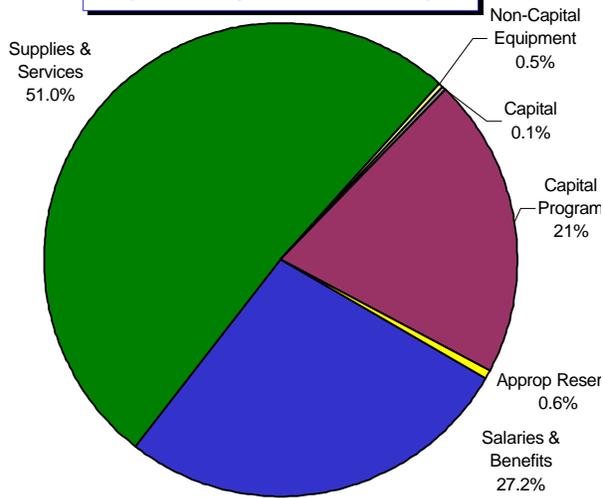
**Fiscal Year 2000 Expenditures
(Downtown Parking Fund)**



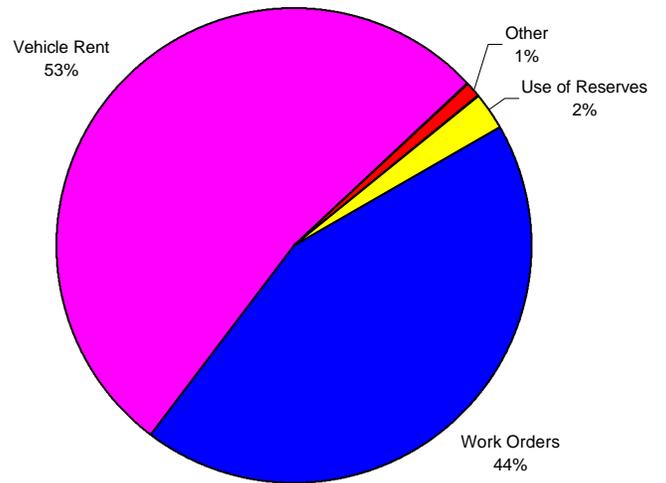
**Fiscal Year 2000 Revenues
(Downtown Parking Fund)**

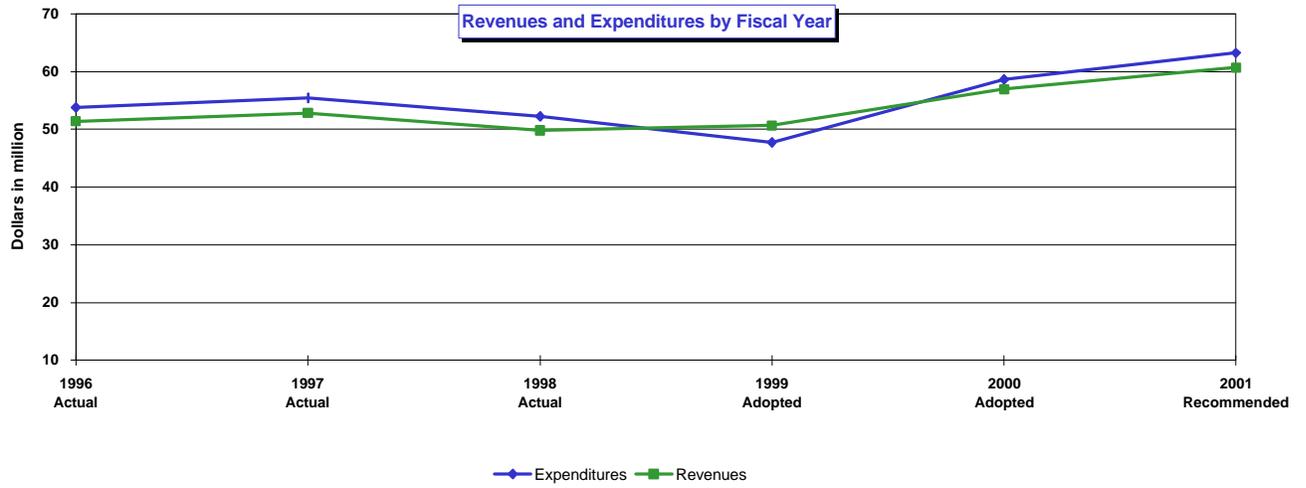


**Fiscal Year 2000 Expenditures
(Intra-City Service Fund)**



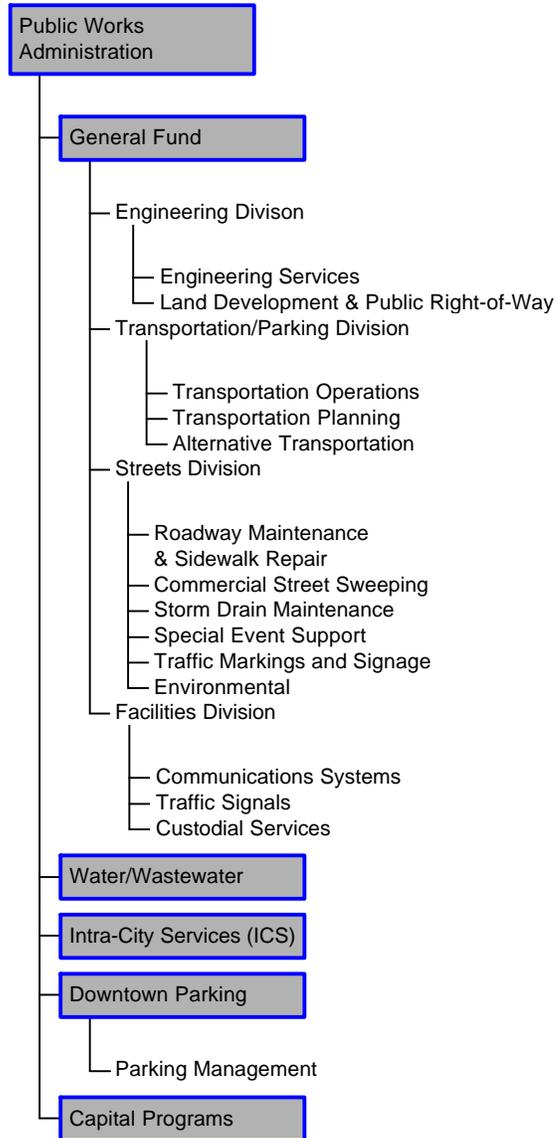
**Fiscal Year 2000 Revenues
(Intra-City Service Fund)**







Program Organizational Chart





DEPARTMENT SUMMARY

Department Description

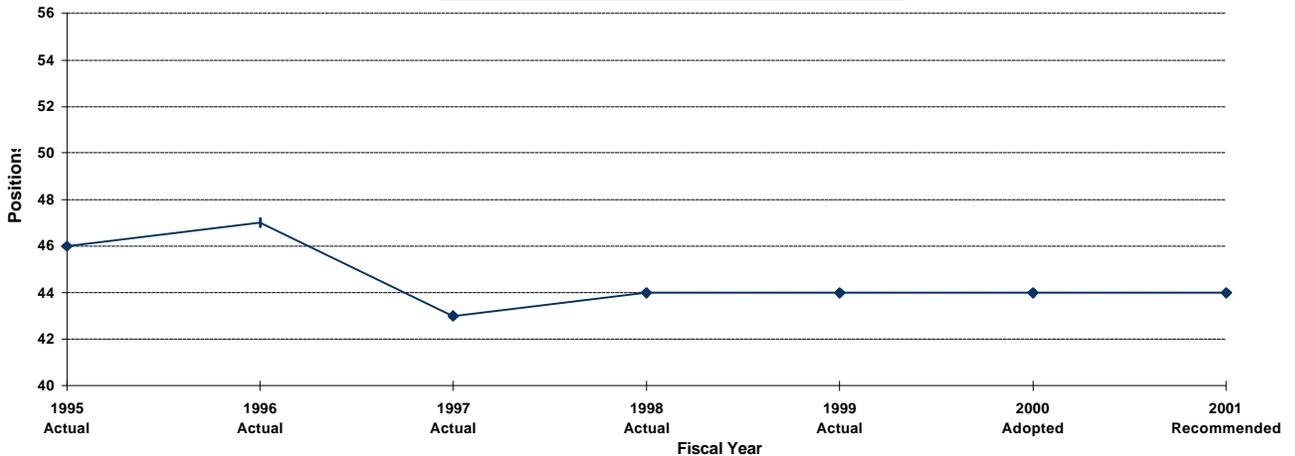
The Waterfront Department is established under Title 17 of the Santa Barbara Municipal Code. It grants broad powers and authority to the Waterfront Director, acting under orders and jurisdiction of the City Administrator. The Department manages approximately 252 acres of tidelands and submerged lands for the City encompassing the Harbor and Stearns Wharf. These lands belong to the State and are held in trust by the City. The Department consists of three major operational areas, Harbor Operations, Facilities Management, and Business Services. The mission is to provide the community with a high quality waterfront for recreation and commerce. As an enterprise fund, the Department operates from revenues generated from the lands it manages.

Department Programs

Program Title	Fiscal Year 2000		Fiscal Year 2001	
	Revenues	Expenditures	Revenues	Expenditures
Admin. Support & Comm. Rels.	\$ -	\$ 3,798,916	\$ -	\$ 3,390,336
Property & Financial Management	2,703,380	232,428	3,089,592	247,753
Parking Services	839,205	668,998	923,778	689,168
Harbor Patrol Program	-	868,213	-	913,933
Marina Management	3,667,986	162,337	3,767,282	172,264
Dredge Operations	-	4,567	-	4,828
Facilities Maintenance	-	2,085,675	-	2,159,655
Facilities Design & Capital Programs	-	234,027	-	248,889
Totals	\$ 7,210,571	\$ 8,055,161	\$ 7,780,652	\$ 7,826,826



Authorized Positions at Beginning of Fiscal Year

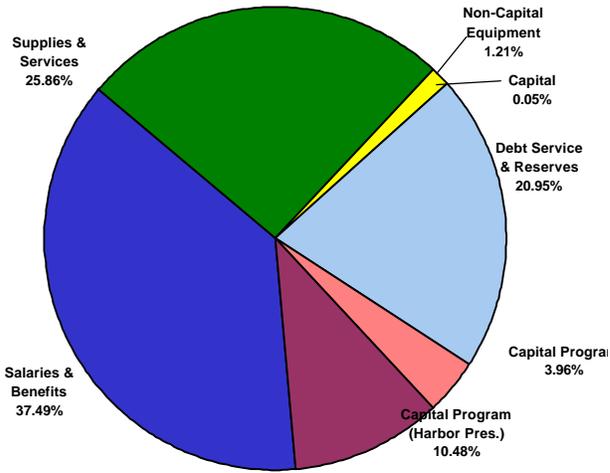


Revenues and Expenditures

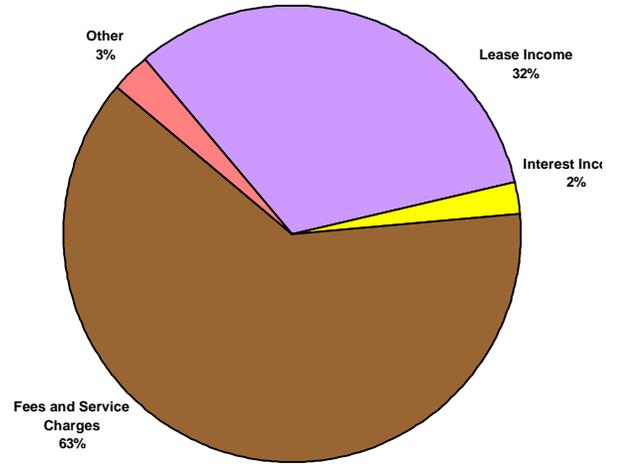
	Adopted FY 1999	Adopted FY 2000	Recommended FY 2001
Revenues			
Lease Income	\$ 2,695,000	\$ 2,338,347	\$ 2,809,700
Interest Income	60,000	160,141	75,000
Fees and Service Charges	4,273,780	4,502,191	4,686,060
Other	138,000	209,892	209,892
Total Revenues	\$ 7,166,780	\$ 7,210,571	\$ 7,780,652
Expenditures			
Salaries and Benefits	\$ 2,870,327	\$ 3,024,316	\$ 3,211,116
Supplies and Services	2,142,407	2,085,900	2,111,095
Non-Capital Equipment	86,440	97,750	97,750
Capital	-	4,000	4,080
Debt Service and Reserves	1,685,252	1,690,195	1,764,785
Operating Expenditures	\$ 6,784,426	\$ 6,902,161	\$ 7,188,826
Capital Program	500,000	308,410	591,826
Capital Program (Harbor Pres.)	-	844,590	46,174
Total Expenditures	\$ 7,284,426	\$ 8,055,161	\$ 7,826,826
Revenue Under Expenditures	\$ (117,646)	\$ (844,590)	\$ (46,174)



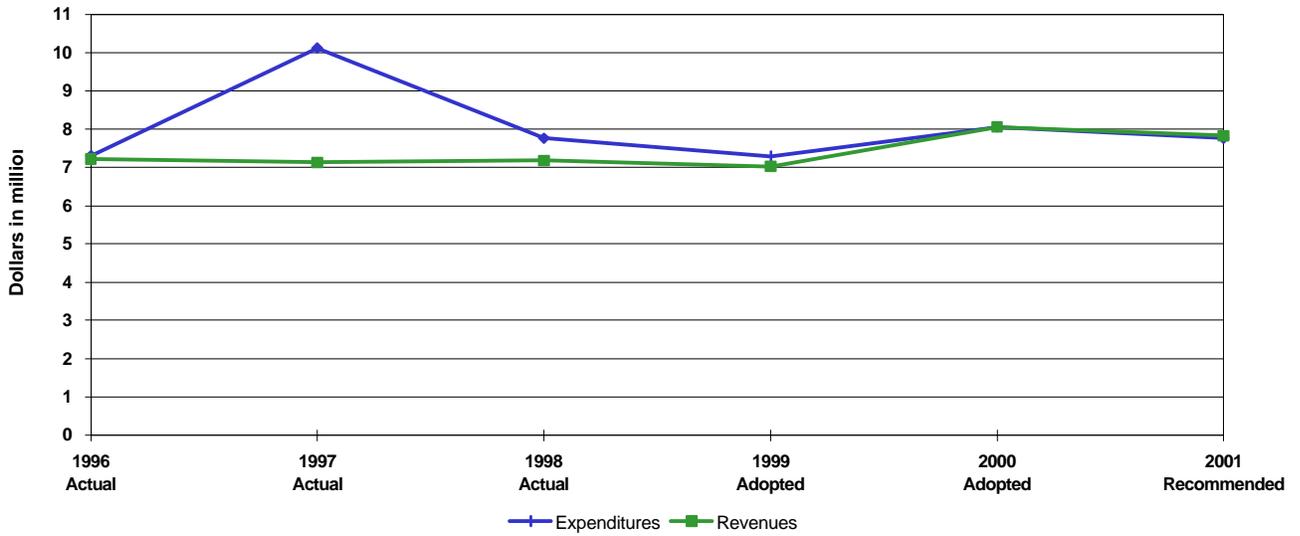
Fiscal Year 2000 Expenditures



Fiscal Year 2000 Revenues

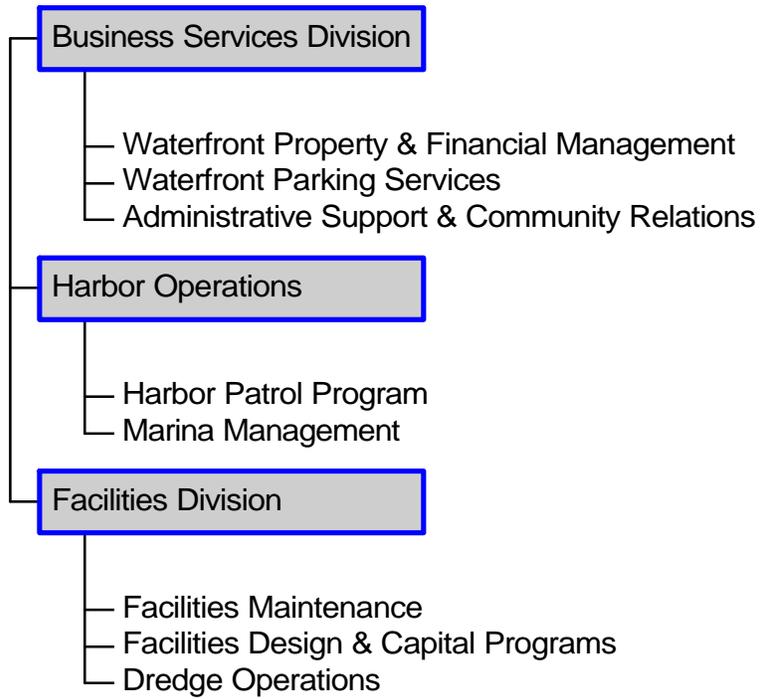


Revenues and Expenditures by Fiscal Year





Program Organizational Chart



APPENDICES



CITY OF SANTA BARBARA
DESCRIPTION OF FUNDS
Appendix A

The following provides a description of all City Funds, including those for which a budget is not adopted.

GOVERNMENTAL FUNDS

General Fund – To account for resources traditionally associated with governments which are not required to be accounted for in another fund.

Special Revenue Funds

Special revenue funds are used to account for revenues restricted, by law or contract, for specified purposes.

Traffic Safety Fund - To account for the receipt of fines collected pursuant to the California Vehicle Code. The State of California Government Code restricts use of these funds to traffic control devices, equipment and supplies related to traffic control or traffic safety and maintenance of public streets. The funds may not be used to pay compensation of traffic or police officers.

Gas Tax Fund - To account for the receipt and disbursement of the City's share of state gasoline taxes. State law requires that these funds be used to maintain streets.

Redevelopment Agency Fund - To account for the operations of the Agency. This fund is supported primarily by tax increment revenues.

Transportation Development Fund - To account for the receipt and disbursement of the City's share of gasoline sales tax and Transportation Development Act of 1971. These funds may be used only for capital projects pertaining to streets, roads and bikeways.

Community Development Block Grant Fund - To account for the receipt and disbursement of the City's federal block grant funds.

Asset Forfeiture Fund - To account for assets confiscated by police special operations. These funds are restricted to use in support of police operations.

Supplemental Law Enforcement Fund – To account for State voter-approved funds (AB 3229) restricted to public safety and law enforcement.

Local Law Enforcement Block Grant Fund – To account for Federal grants funds received for local law enforcement activities.

CITY OF SANTA BARBARA
DESCRIPTION OF FUNDS
Appendix A
(Continued)

Transportation Sales Tax (Measure D) Fund - To account for funds received from a one-half cent sales tax levied by the Santa Barbara County Association of Governments. The proceeds are restricted to transportation uses. Measure D was approved by the voters of Santa Barbara County in an election held on November 7, 1989. The tax became effective on April 1, 1990.

Miscellaneous Grants - To account for resources received from various granting agencies.

County Library - To account for funds received and expended for library services on behalf of the County (non-City) residents.

1995 Floods Fund - To account for costs incurred as a result of the two federally declared disasters in January and March, 1995.

Debt Service Funds

Debt service funds are used to account for debt service expenditures on general long-term debt.

1993 Municipal Refunding Certificates of Participation - To accumulate funds for the payment of the General Fund's portion of the 1993 municipal improvement certificates of participation. These certificates mature in annual installments of \$65,000 to \$360,000, with final maturity in 2018.

1995 Redevelopment Agency Refunding Tax Allocation Bonds - To accumulate funds for the payment of the 1995 Refunding Tax Allocation Bonds. These bonds mature in annual principal installments of \$2,300,000 to \$4,705,000 through 2008.

1993 Redevelopment Agency Tax Allocation Bonds - To accumulate funds for the payment of the 1993 Tax Allocation Bonds. These bonds mature in annual principal installments of \$480,000 to \$2,200,000 through 2007.

Capital Projects Funds

Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds).

Capital Improvements Fund - To account for all capital projects financed by the General Fund.

CITY OF SANTA BARBARA
DESCRIPTION OF FUNDS
Appendix A
(Continued)

Street Capital Fund - To account for downtown street improvements funded by development fees and restricted revenues.

Redevelopment Agency Funds - To account for expenditures funded from the proceeds of the Agency's 1993 Tax Allocation Bonds.

PROPRIETARY FUNDS

Enterprise Funds

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private enterprises where the intent is that the costs of providing goods or services on a continuing basis be financed or recovered primarily through user charges.

Water Fund - To account for the provision of water services to the residents of the City and some residents of the County. All activities necessary to provide such services are accounted for in this fund including, but not limited to, administration, operations, maintenance, capital acquisition and construction, financing and related debt service, and billing and collection of fees.

Wastewater Fund - To account for the provision of sewer services to the residents of the City and some residents of the County. All activities necessary to provide such services are accounted for in this fund including, but not limited to, administration, operations, maintenance, capital acquisition and construction, financing and related debt service, and billing and collection of fees.

Parking Facilities Fund - To account for the provision of parking services in the downtown area of the City. All activities necessary to provide such services are accounted for in this fund including, but not limited to, administration, operations, maintenance, capital acquisition and construction, financing and related debt service, and billing and collection of fees.

Airport Fund - To account for operations of the municipal airport and the administration of leases of airport property. All activities necessary to provide such services are accounted for in this fund including, but not limited to, administration, operations, maintenance, capital acquisition and construction, financing and related debt service, and billing and collection of fees.

CITY OF SANTA BARBARA
DESCRIPTION OF FUNDS
Appendix A
(Continued)

Golf Course Fund - To account for the operation of a municipal golf course. All activities necessary to provide such services are accounted for in this fund including, but not limited to, administration, operations, maintenance, capital acquisition and construction, financing and related debt service, and billing and collection of fees.

Internal Service Funds

Internal service funds are used to account for the financing of goods or services provided by one department to other City departments on a cost reimbursement basis.

Intra-City Service Fund - To account for the costs of operating a City maintenance facility for automotive equipment used by all City departments. This fund also accounts for a City-wide building maintenance operation.

Duplicating Services Fund - To account for the operations of the City print shop.

Self Insurance Fund - To account for the cost of providing workers' compensation, unemployment, liability and employee health insurance coverage on a City-wide basis.

FIDUCIARY FUNDS

Trust Funds

Pension Trust Funds:

Pension trust funds are used to account for the accumulation of resources for the locally administered public employer retirement system.

Safety Retirement Fund - To account for the accumulation of resources to be used for retirement benefits for those police and fire employees hired between May 17, 1937 and May 28, 1965.

Service Retirement Fund - To account for the accumulation of resources to be used for retirement benefits for those police and fire employees hired between May 17, 1937 and May 28, 1965, and who were disabled due to job related injuries.

Non-Expendable Trust Funds:

Non-expendable trust funds are used to account for the assets of the State of California Tidelands Trust, wherein the principal must remain intact, but any income derived from the trust may be used to operate and develop the tidelands area of the City.

CITY OF SANTA BARBARA
DESCRIPTION OF FUNDS
Appendix A
(Continued)

Tidelands Trust/Waterfront - To account for the operation of the City managed waterfront. The operations include: (1) a public wharf providing facilities for, and services to, lease holders, restaurants, shops and other recreational activities; (2) a small craft harbor for commercial fishing and pleasure boating; and (3) the operation of all parking facilities in the waterfront area.

Expendable Trust Funds:

Expendable trust funds are used to account for trust moneys, wherein the principal and interest of the trust can be expended by the City in accordance with the terms of the trust agreement.

Library Gifts Fund - To account for gifts and bequests made to the City library. Funds are used for book replacement.

Russ Morrison Fund - To account for contributions from the Santa Barbara Athletic Roundtable for the sole purpose of promoting junior golf.

H. Bayer Sculpture Fund - To account for funds dedicated to the repair and maintenance of the Herbert Bayer sculpture, located on City park property.

Agency Funds:

Agency funds are used to account for funds when the City is acting as an agent for other governmental units, private organization or individuals.

State Deferred Loan Fund - To account for moneys received from the State of California to provide low-interest loans to individuals for the rehabilitation of housing.

California Law Enforcement Telecommunications System Fund - To account for moneys received from various participating public agencies for the purchase of computer equipment for communication with the California Law Enforcement Tracking System (CLETS).

Browning Ferris Industries Fund - To account for the collection and disbursement of utility billings for refuse collection service provided under a franchise agreement.

Cachuma Conservation Fund - To account for moneys received from various participating agencies for the operation of the Cachuma Conservation Resources Board.

Revolving Rehabilitation Loan Fund - To account for rehabilitation loans made by the City through the use of various funding sources.

CITY OF SANTA BARBARA
DESCRIPTION OF FUNDS
Appendix A
(Continued)

Fiscal Agent Payment Fund - To account for the payment of bond interest and matured bonds for those debt issues which the City acts as the paying agent.

Deferred Compensation Fund - To account for the tax deferred deductions from the paychecks of employees choosing to participate in the City's Section 457 deferred compensation plan.

Cachuma Project Authority Fund - To account for funds contributed by various South Coast water purveyors, including the City, to represent the group's interests in the federal Cachuma water project.

Seismic Safety Assessment Fund - To account for the financial activities of the Seismic Assessment District #1.

**CITY OF SANTA BARBARA
MANAGEMENT AND BUDGET POLICIES
Appendix B**

General Policies

- All current operating expenditures will be paid for with current revenues.
- Budgetary emphasis will focus on providing high quality municipal services, recognizing the fundamental importance to the public of public safety and properly maintained infrastructure.
- The budget will provide sufficient funding for adequate maintenance and orderly replacement of capital plant and equipment.
- The budget will reflect a higher priority for maintenance of existing facilities than for acquisition of new facilities.
- Future maintenance needs for all new capital facilities will be fully costed out, and added costs will be recognized and included in future year budget projections.
- Strong customer service and productivity improvements with a focus on cost savings remain important budgetary goals.

Revenue Policies

- A diversified and stable revenue system will be maintained to shelter the City from short-run fluctuations in any single revenue source.
- Revenues will be conservatively estimated, will be projected for the next four years and will be updated at least annually.
- Intergovernmental assistance in the form of grants and loans will be used to finance only:
 - those capital improvements consistent with the Six-Year Capital Program priorities and which can be maintained and operated over time; and
 - operating programs which either can be sustained over time or have a limited horizon.
- One-time revenues will be used for operating programs only after an examination determines whether they are subsidizing an imbalance between operating revenues and expenditures, and then only if a long-term forecast shows that the operating deficit will not continue. In general, one-time revenues will be used only to support capital or other non-recurring expenditures.

**CITY OF SANTA BARBARA
MANAGEMENT AND BUDGET POLICIES
Appendix B
(continued)**

- All fees and charges for each enterprise fund will be set at a level that fully supports the direct and indirect cost of the enterprise.

Reserve Policies

- An Appropriated Reserve will be included in each operating fund's adopted budget to provide for unanticipated expenditures or to meet unexpected small increases in service delivery costs within the fiscal year. This reserve will be budgeted up to ½ of 1% of the operating budget and any unused portion will be returned to fund balance at the end of the fiscal year.
- Each operating fund will establish a Capital Reserve funded to at least 5% of the value of its capital assets. In the alternative, the amount may be established at an amount equal to the average of the adopted capital program budgets for the previous three years. The goal for the General Fund Capital Reserve shall be set to at least \$1 million. Appropriations from these reserves will be to fund major capital costs.
- For each operating fund there will be a reserve equal to 15% of its annual operating budget for the purpose of coping with emergencies. It may take more than one year to meet the 15% goal if these emergency reserves do not presently meet the 15% goal.
- Each operating fund will establish and maintain a reserve equal to 10% of its annual operating budget for the purpose of providing for unique one-time costs and maintenance of City services and permit orderly budget adjustments during periods of reductions. Appropriation of these reserves to operating budgets should, when feasible, be accompanied by a plan for the replenishment within a reasonable period of time.
- Funding of reserves will come generally from one-time revenues, excess fund balance and projected revenues in excess of projected expenditures. They will generally be reserved in the following priority order:
 - Reserve for Economic Contingency/Emergencies
 - Reserve for Capital
 - Reserve for Future Years' Budgets

However, flexibility will be retained to allocate available funds among the reserves based on the current circumstances and needs of the City's various operating funds.

- Appropriation or use of funds from any of these reserves will require Council action.

**CITY OF SANTA BARBARA
MANAGEMENT AND BUDGET POLICIES
Appendix B
(continued)**

Debt Policy

It is the intent of the City of Santa Barbara to issue debt in a manner which adheres to state and federal laws, existing bond covenants and prudent financial management. Appendix I provides a summary of existing debt obligations, by fund, and a summary of total annual debt service requirements.

The General Fund currently does not have any general obligation bonds and does not anticipate issuing such debt. Existing debt includes certificates of participation for capital improvements to City facilities. The outstanding balance as of June 30, 1999 is \$4,280,000 and annual debt service requirements are approximately \$400,000.

With respect to financing of future capital improvements, General Fund annual budgeted expenditures provide for funding of general capital improvements. In addition, current City policy provides for the use of accumulated reserves in excess of policy requirements for one-time costs, including major capital projects.

Restrictions affecting the issuance of debt relate include existing bond covenants associated with outstanding Water and Wastewater Fund Revenue Bonds. Specifically, existing bond covenants require that net system revenues (operating revenues less operating expenses, excluding depreciation) must be at least 125% of the annual debt service requirements (maximum).

Based on these restrictions and existing annual debt service requirements, total annual debt service capacity for the Water Fund and Wastewater Fund is approximately \$5.9 million and \$2.7 million, respectively, based on operating results for the year ended June 30, 1999. Current total debt service requirements for *all* existing debt is approximately \$3.5 million and \$500,000 for the Water Fund and Wastewater Fund, respectively.

Based on a net assessed value of property of approximately \$7.1 billion, the legal debt limit is \$751.8 million. Currently, there is no outstanding debt subject to limitation.

No other restrictions exist.

**CITY OF SANTA BARBARA
LEGAL REQUIREMENTS AND BUDGETARY PROCESS
Appendix C**

Authoritative Basis

The authoritative basis for the development of the annual budget is provided in Article XII, Fiscal Administration, Section 1200 et. al. of the City of Santa Barbara Charter. Section 1200 specifically requires that "... At least sixty (60) days prior to the beginning of each fiscal year, the City Administrator shall submit to the City Council the proposed budget as prepared by him (her)."

Budgetary Basis/Budgetary Level of Control

Budgets for governmental funds are adopted on a basis consistent with Generally Accepted Accounting Principles (GAAP). Budgets for proprietary funds are adopted on a basis consistent with GAAP, except that capital is budgeted on a budgetary (cash) basis and depreciation is not budgeted.

Budgets are monitored at varying levels of classification detail. However, expenditures cannot exceed total appropriations at the department level for the General Fund and at the fund level for all legally budgeted funds. The City Administrator is authorized to transfer amounts within individual departmental budgets. Budgetary revisions that alter the total appropriations of a department must be approved by the City Council.

Two-Year Budget Cycle

On November 27, 1984, the City Council adopted Resolution No. 84-182, approving the concept of a two-year budget cycle for the City of Santa Barbara. This action provided that:

1. City Council would *approve* a two-year program and financial plan at the beginning of each two-year cycle; and
2. Consistent with City Charter requirements, the City Council would *adopt* a budget for the program on an annual basis.

Significant characteristics of a two-year budget process, in addition to the items noted above, are:

- Budget preparation and analysis will be for two years occurring in the fiscal year immediately preceding the two-year cycle.
- Mid-cycle adjustments will be managed as mid-year adjustments are managed; that is, outside of the budget development process, but subject to City Council approval.

CITY OF SANTA BARBARA
LEGAL REQUIREMENTS AND BUDGETARY PROCESS
Appendix C
(Continued)

- The two-year budget cycle will be developed in conjunction with the establishment of the City Council Two-Year Goals and Action Plans.

The implementation of a two-year budget cycle does not preclude adjustments at mid-cycle or modifications to second year recommendations due to special circumstances or significant changes in revenue projections. It does, however, eliminate much of the repetitive and time-consuming aspects associated with the development of budget estimates, particularly for those programs which tend to remain constant. In addition, because the City Council is already focusing on a two-year commitment, the two-year budget process facilitates a long-term program and financial planning approach.

The following section summarizes the two-year budget process.

Year One:

Pre-Development Activities

- ◆ Council goals and program priorities are developed.
- ◆ Finance Department develops preliminary revenue projection.
- ◆ Spending targets are developed by City Administrator and distributed to departments.
- ◆ Allocated costs are developed by the Finance and Public Works Departments.
- ◆ Departments submit capital project requests to Capital Improvement Program Coordinator.
- ◆ Anticipated program adjustments are communicated to the Finance Department.

Budget Preparation

- ◆ Cycle-specific information is distributed to each department.
- ◆ Departments develop line-item budget estimates and text information.

Edit and Review of Departmental Submittals

- ◆ Finance Department performs preliminary review of departmental line-item submittals.
- ◆ Budget Liaisons review department line-item and text submittals.
- ◆ City Administrator holds meeting with each department.

Production and Publication of Budget Document

- ◆ Table, charts and graphs are developed by the Finance Department.
- ◆ Summary schedules and fund overviews are prepared by the Finance Director.
- ◆ City Administrator's Budget Message is prepared by City Administrator.
- ◆ Recommended Budget is filed with the City Clerk's Office.

CITY OF SANTA BARBARA
LEGAL REQUIREMENTS AND BUDGETARY PROCESS
Appendix C
(Continued)

Public Review

- ◆ Recommended Budget is reviewed by Boards and Commissions.
- ◆ City Council Finance Committee reviews Capital Improvement Program and Fee Resolutions.
- ◆ Public hearings are held.
- ◆ Department presentations are held.
- ◆ Budget information made available in accordance with Public Information Plan.

Budget Adoption

- ◆ The Two Year Financial Plan is adopted by City Council Resolution.
- ◆ Operating and Capital Program Budget (Year 1) of the Two Year Financial Plan is adopted by City Council Resolution.

Year Two:

Mid-Cycle Review

- ◆ Finance Department updates year two revenue projections.
- ◆ Year two recommendations are revised, if necessary.
- ◆ If necessary, an Addendum to the Two Year Financial Plan is prepared by the City Administrator.

Presentation and Adoption

- ◆ City Administrator presents Addendum and a summary of the proposed Year 2 budget to the City Council. This document will identify the following:
 - a Changes to the Two-Year Financial Plan approved at mid-cycle.
 - b Any changes to the City Administrator's second year recommendations.
 - c The progress of the City Council's two year goals/action plans.
 - d A summary of the second year's budget by program.
- ◆ City Council reviews the Addendum information and approves and/or adjusts the changes made by the City Administrator, as appropriate.
- ◆ A public hearings is held.
- ◆ Council adopts, by resolution, a budget implementing the program for the second year.

**CITY OF SANTA BARBARA
MASTER BUDGET CALENDAR
Appendix D**

The following is a list of budget activities in the general order by which they will occur; however, it is assumed that this order may change to some extent during the budget process. Therefore, calendar scheduling specific data for various budget activities, as well as, due dates will be distributed at the beginning of each budget cycle.

YEAR ONE

October

- ◆ Budget Steering Committee develops concept and schedule of tentative dates for various budget activities.
- ◆ Capital Improvement Program (CIP) instructions distributed.
- ◆ Departments submit completed draft CIP forms.
- ◆ CIP Committee(s) begin preliminary review of CIP forms.

November

- ◆ Finance Department develops preliminary revenue projections.
- ◆ Departments resolve outstanding CIP issues.
- ◆ Allocated costs are developed by the Finance and Public Works Departments.
- ◆ Boards and Commissions review CIP.
- ◆ Revised Final CIP forms due to City Administrator from departments.
- ◆ CIP General Fund Priority Ranking Committee recommends General Fund priority rankings.
- ◆ Initial City Council goals session held.
- ◆ Finance Department distributes budget calendar with specific dates.
- ◆ Department spending targets are developed and distributed to departments.

**CITY OF SANTA BARBARA
MASTER BUDGET CALENDAR
APPENDIX D
(continued)**

YEAR ONE (Cont.)

- November/December* ♦ City Administrator confirms CIP priorities.
- December* ♦ Cycle specific information and current specific instructions beyond those addressed in the Budget Manual are distributed to departments.
- ♦ Departments are notified of CIP priorities.
- ♦ City Administrator finalizes the CIP program.
- ♦ Budget training sessions for departmental budget staff are held on preparation of various budget-related items, as necessary.
- ♦ Budget Liaisons orientation/training session held.
- ♦ Council goals work session with department heads.
- ♦ Finance Department requests information from departments in preparation for the mid-year review.
- December/January* ♦ Departments develop budget line-item and text submittals.
- ♦ Capital Program document compiled.
- January* ♦ Finance Department begins analysis of appropriations and expenditures to identify problem areas and in preparation of the mid-year review.
- ♦ Budget line-item and text submittals due from departments.
- ♦ Budget liaisons, in consultation with departmental staff, begin review and edit of budget submittals.

CITY OF SANTA BARBARA
MASTER BUDGET CALENDAR
Appendix D
(Continued)

<i>YEAR ONE - Cont.</i>

January (Cont.)

- ◆ CIP program document is produced.
- ◆ CAO develops and distributes to departments the calendar of budget reviews with the City Administrator.
- ◆ City Council reviews preliminary goals for modification.
- ◆ CIP is filed with the City Clerk by January 31.

February

- ◆ Presentation of Capital Program to Finance Committee and City Council.
- ◆ City Administrator's department budget review meetings are held.
- ◆ Final department budget revisions are due.

March

- ◆ Complete Public Information Plan and begin preparation of public information materials.
- ◆ "Budget Saturday" session held by Budget Steering Committee.
- ◆ Notification to departments of "Budget Saturday" decisions
- ◆ Departments respond to City Administrator regarding budget recommendations.
- ◆ City Administrator makes final decisions on budget recommendations.
- ◆ Liaisons/Departments begin necessary final revisions resulting from City Administrator final decisions.
- ◆ First draft of budget message due.

**CITY OF SANTA BARBARA
MASTER BUDGET CALENDAR
APPENDIX D
(continued)**

YEAR ONE - Cont.

March (Cont.)

- ◆ All revisions to text due.
- ◆ Departments receive entire budget section in final form and review for accuracy. Two-day turnaround.
- ◆ Budget document sent to printers.
- ◆ City Administrator submits to the City Council for its approval, the budget presentations and hearing schedule.
- ◆ Production of budget document completed.

April

- ◆ City Administrator's Recommended Budget is filed with City Clerk Office.
- ◆ City Administrator and Finance Director's Presentations (Overview).
- ◆ Post public information to Internet.
- ◆ Presentations by department groups and public hearing opened on any portion of the budget.
- ◆ Information to community leaders and groups is mailed.

May

- ◆ Continue department presentations and public hearing on any portion of the budget (include in public hearings input from Boards and Commissions).
- ◆ Presentations to community groups upon request.

June

- ◆ Staff recommended adjustments to the City Council, if any; continue public hearing on any portion of the budget; close the public hearings and receive preliminary instructions from the City Council to staff.

**CITY OF SANTA BARBARA
MASTER BUDGET CALENDAR
Appendix D
(Continued)**

YEAR ONE - Cont.

- June (Cont.)*
- ◆ Staff receives final budget instructions from the City Council.
 - ◆ Budget is adopted (by June 30).

YEAR TWO

- January*
- ◆ Goals update requested and prepared.
 - ◆ Midyear Review is compiled.
 - ◆ Finance Department evaluates Year Two revenue projections.
- February*
- ◆ Midyear review to Finance Committee and the City Council.
 - ◆ Goals Report to Finance Committee and the City Council.
 - ◆ Finance reviews recommended Year-Two Budget.
- March*
- ◆ Finance reviews revenues as compared to Year-Two Budget recommendations.
 - ◆ Year Two recommendations are revised in consultation with departments, if necessary.
 - ◆ Budget workday, as necessary.
 - ◆ Document revisions and final City Administrator decisions.

**CITY OF SANTA BARBARA
MASTER BUDGET CALENDAR
APPENDIX D
(continued)**

YEAR TWO (Cont.)

- March (Cont.)*
- ◆ Finance Committee meeting to review budget changes, as necessary.
 - ◆ Documents produced as necessary.
- April*
- ◆ Revised budget document is filed with the City Clerk.
- May*
- ◆ Present revised budget to the City Council.
 - ◆ Hold Public Hearings.
- June*
- ◆ Continue Public Hearings, adjust, and adopt second year budget.

CITY OF SANTA BARBARA
ARTICLE XIII B APPROPRIATIONS LIMIT CALCULATION
Appendix E

Article XIII B of the California State Constitution, more commonly referred to as the “Gann Appropriation Limit”, was adopted by the California voters in 1980. The Gann Limit places a limit on the amount of tax proceeds that government agencies can receive and appropriate each year.

The Gann Appropriation Limit is based on actual appropriations during the 1978-79 fiscal year, and is adjusted each year using the growth in population and inflation. The City’s limit is adopted by resolution each year by the City Council.

In 1990, Proposition 111 made changes to the manner in which the Appropriations Limit is calculated by allowing government agencies a choice of annual growth factors. Proposition 111 also provides for the exclusion from the calculation capital expenditures for fixed assets of \$100,000 or more in value that have an expected life of ten years or more.

The fiscal year 1999-2000 Appropriations Limit is calculated as follows:

1998-99 Limit		\$ 60,295,379
Annual Adjustment Factors:		
Change in CA Personal Income	4.53%	
City Population Growth	1.22%	
Increase in Appropriation Limit		<u>3,500,307</u>
1999-2000 Limit		<u>\$63,795,686</u>
Remaining Appropriation Capacity		<u>\$18,709,862</u>
Available Capacity as a % of Limit		<u>29.33%</u>

**CITY OF SANTA BARBARA
LEADING EMPLOYERS
As of June 30, 1999
Appendix F**

Entity Name	Activity	Number Employed
University of California, Santa Barbara	Education	8,912
County of Santa Barbara	Government	4,484
Santa Barbara Cottage Hospital	Hospital	1,818
Santa Barbara School District	Education	1,645
Santa Barbara Community College	Education	1,500
Santa Barbara Bank & Trust	Bank	1,100
City of Santa Barbara	Government	1,030
Sansum Medical Clinic	Hospital	943
Infrared Center of Technology	Instrument Mfg.	900
Raytheon/E-Systems	Instrument Mfg.	800

Source: Santa Barbara Chamber of Commerce

**CITY OF SANTA BARBARA
MISCELLANEOUS STATISTICS
Appendix G**

Date of Incorporation	August 26, 1850
Form of Government	Council-Administrator
Area	23 square miles
Miles of Streets	280
Police Protection:	
Number of Police Stations	1
Number of Police Officers and Other Sworn Personnel	145
Fire Protection:	
Number of Stations	8
Number of Firefighters and Officers	107
Municipal Water Department:	
Number of Active Service Accounts	25,492
Gallons of Potable Water Treated and Distributed Annually	4,317,557,428
Gallons of Reclaimed Water Treated & Distributed Annually	265,876,301
Number of Reservoirs	13
Number of Pump Stations	11
Number of Treatment Plants	4
Number of Wells	10
Number of Reclamation Facilities	1
Municipal Wastewater Department:	
Number of Active Service Accounts	23,417
Number of Treatment Plants	1
Number of Lift Stations	13
Gallons of Water Treated Anually	3,126,928,993
Parks and Recreation:	
Number of Developed Parks	45
Number of Undeveloped Parks	11
Number of Recreation Facilities	25
Libraries:	
Number of City Libraries	2
Number of Volumes	338,565
Number of County Libraries	5
Number of Volumes	188,050
Employees:	
Permanent	1,030
Part-Time, Temporary and Seasonal	499

CITY OF SANTA BARBARA
DEBT OBLIGATIONS
As of June 30, 1999
Appendix H

Revenue Bonds

Water Fund:

\$9,780,000 – 1994A water revenue refunding serial bonds, remaining annual installments ranging from \$345,000 to \$535,000 through September 1, 2008, term bonds of \$3,835,000 due on September 1, 2014, interest at 4.4% to 5.1% due semi-annually. Bonds maturing on or after September 1, 2004, shall be subject to redemption, at the option of the City, upon at least 45 days prior written notice to the Trustee specifying the date and amount of such redemption, on or after September 1, 2003 in whole or part on any date (by lot within any maturity and among maturities as specified by the City). Bonds maturing on September 1, 2014 shall be subject to mandatory redemption, on each date which a sinking installment payment for such Term Bonds is payable from sinking installment, by lot, in an amount equal to such sinking installment payments, plus accrued interest to the redemption date and without premium.

\$8,150,000

Wastewater Fund:

\$3,890,000 – 1994A wastewater revenue refunding serial bonds, remaining annual installments of \$400,000 to \$450,000 through July 1, 2003, interest at 3.75% to 4.0%, due semi-annually.

2,120,000

Total Revenue Bonds

\$ 10,270,000

Tax Allocation Bonds

Redevelopment Agency:

\$28,170,000 - 1995 Redevelopment Agency Tax Allocation Refunding Bonds, Series A. Remaining annual principal installments on serial bonds ranging from \$2,105,000 to \$3,265,000 through March 1, 2005. Term bonds of \$7,235,000 are due March 1, 2008. Interest rates range from 3.65% to 6.0% payable semi-annually.

\$20,655,000

\$6,845,000 – 1995 Redevelopment Agency Tax Allocation Refunding Bonds, Series B. \$1,495,000 term bonds are due March 1, 2001; \$1,130,000 term bonds are due March 1, 2003; and \$2,545,000 term bonds are due March 1, 2007. Interest rates range from 4.375% to 6.35% payable semi-annually.

4,705,000

CITY OF SANTA BARBARA
DEBT OBLIGATIONS
As of June 30, 1999
Appendix H
(Continued)

\$14,605,000 – 1993 Redevelopment Agency tax allocation bonds, remaining annual installments ranging from \$805,000 to \$2,200,000 through March 1, 2007. Interest rates range from 5.1% to 8.5%, payable semi-annually. Bonds maturing on or after March 1, 2004, are subject to redemption, at the option of the Agency, as a whole, or in part in inverse order of maturity, and by lot within a maturity, from any source of available moneys at a specified redemption price at any interest payment date on or after March 1, 2003.

	10,800,000
Total tax allocation bonds	\$ 36,160,000

Certificates of Participation

Tideland Trust - Waterfront:

\$19,745,000 - 1992 Waterfront Refunding Certificates of Participation, remaining annual Installments ranging from \$225,000 to \$340,000 beginning October 1, 1992 through 2006. Term certificates of \$16,090,000 are due on October, 2027. Interest rates range from 3.75% to 6.75% payable semi-annually. Certificates maturing on or after October 1, 2003, are subject to optional prepayment prior to maturity on or after October 1, 2002. The Certificates are subject to mandatory prepayment prior to maturity on any date, in inverse order of maturity and by lot within a maturity, from the net proceeds of insurance or condemnation awards.

18,320,000

General Fund:

\$4,920,000 - 1993 Municipal Improvement Refunding Certificates of Participation, remaining annual installments ranging from \$130,000 to \$360,000 beginning August 1, 1994 through 2018. Interest rates range from 2.70% to 6.15% payable semi-annually.

4,280,000

Golf Fund:

\$2,525,000 - 1993 Municipal Improvement Refunding Certificates of Participation, remaining annual installments ranging from \$70,000 to \$185,000 beginning August 1, 1994 through 2018. Interest rates range from 2.70% to 6.15% payable semi-annually.

2,195,000

**CITY OF SANTA BARBARA
DEBT OBLIGATIONS
As of June 30, 1999
Appendix H
(Continued)**

Water Fund:

\$22,545,000 - 1992 Water System Improvement Project and Refunding Certificates of Participation, remaining annual installments ranging from \$285,000 to \$405,000 beginning April 1, 1993 through 2006. Term certificates of \$18,635,000 are due on April 1, 2027. Interest rates range from 3.5% to 6.7%, payable semi-annually. The Certificates maturing on and after April 1, 2003 are subject to redemption prior to maturity on or after April 1, 2002. The Certificates are subject to mandatory redemption as a whole on any date or in part, in inverse order of maturity and by lot within each maturity at the principal amount from prepaid installments payments made by the City from the net proceeds of insurance or condemnation received by the City.

	21,020,000
Total certificates of participation	\$ 45,815,000

Loans Payable

Water Fund:

<i>\$187,856</i> - U.S. Bureau of Reclamation loan. Remaining semiannual payments of \$9,887 on December 26 and June 26. Interest is 0.3% per annum. This loan was assumed in an agreement with the Goleta Water District. The final payment is due June 26, 2002.	\$ 29,661
--	-----------

<i>\$2,000,000</i> - State Department of Water Resources Loan. Due in 20 annual payments of \$150,894 each on April 30. Interest is 4.0128% per annum. The final payment is due April 30, 2009.	1,233,568
---	-----------

<i>\$5,000,000</i> - State Department of Water Resources Loan. Due in 20 annual payments of \$342,477 on April 30. Interest is 3.1% per annum. The final payment is due November 30, 2011.	3,527,207
--	-----------

Tideland Trust - Waterfront:

\$1,400,000 - CEIP Construction loan. Due in semiannual interest payments, ranging from \$2,250 to \$21,600, on March 16 and September 16 through March 16, 2010. Interest is at 6% per annum. Principal, ranging from \$55,000 to \$75,000, is payable annually on March 16.

	720,000
Total loans	\$ 5,510,436

Long-term portion of accumulated vacation and overtime benefits	\$ 3,407,279
---	--------------

**CITY OF SANTA BARBARA
DEBT OBLIGATIONS
As of June 30, 1999
Appendix H
(Continued)**

The annual requirements to amortize all debts outstanding, with the exception of the long-term portion of accumulated vacation and overtime benefits, as of June 30, 1999, including interest payments of \$69,560,684 are as follows:

Fiscal Year Ending	Revenue Bonds	Tax Allocation Bonds	Certificates of Participation	Loans	Total
2000	\$ 1,204,520	\$ 5,467,685	\$ 3,702,886	\$ 601,541	\$ 10,976,632
2001	1,196,600	5,467,900	3,697,503	603,213	10,965,216
2002	1,192,260	5,461,672	3,698,824	599,586	10,952,342
2003	1,186,580	5,459,610	3,701,225	586,071	10,933,486
2004	1,189,320	5,464,510	3,700,045	587,471	10,941,346
Thereafter	<u>8,057,280</u>	<u>19,697,718</u>	<u>80,910,776</u>	<u>3,881,323</u>	<u>112,547,097</u>
Total	<u>\$ 14,026,560</u>	<u>\$ 47,019,095</u>	<u>\$ 99,411,259</u>	<u>\$ 6,859,205</u>	<u>\$ 167,316,119</u>

CITY OF SANTA BARBARA
GLOSSARY OF BUDGET AND FINANCE TERMINOLOGY
Appendix I

Adopted Budget + The City Council approved annual budget establishing the legal authority for the expenditure of funds as set forth in the adopting Council budget resolution.

Appropriation + The authorization granted by the City Council to incur expenditures.

Budget + A plan of financial operations embodying an estimate of proposed expenditures for a given period and the proposed means for financing them.

Budgetary Basis + The method of accounting applied to the budgetary accounts and process.

Budgetary Control + The control or management of a government or enterprise in accordance with an approved budget for the purpose of keeping expenditures within the limitations of appropriations and available revenues.

Capital Expenditures + Amounts expended for fixed asset acquisitions and improvements thereto.

Capital Improvement Program + A formal long-term (multi-year) plan for the acquisition and improvement of major assets, such as land, buildings, machinery and equipment, and infrastructure (i.e., streets, highways, bridges, and other immovable assets).

Capital Lease + An agreement that conveys the rights to use property, plant or equipment, usually for a stated period of time.

Capital Program Budget + The planned capital expenditures for the current fiscal year derived from the Capital Improvement Program.

Changes in Service + A change in the nature, type or level of service provided by a City program from those provided in the prior fiscal year's adopted budget, as amended.

Department + An operational and budgetary unit designated by the City Council to define and organize City operations and functions.

Estimated Revenues + The budgeted projected revenues expected to be realized during the budget (fiscal) year to finance all or part of the planned expenditures.

Expenditure + The outflow of funds paid, or to be paid, for goods and services received during the current period.

Expenses + The incurrence of liabilities or the consumption of assets arising from the delivery or production of goods, rendering services or carrying out other activities that constitute the entity's ongoing major or central operation. This term applies to the City's Enterprise and Internal Service Funds.

CITY OF SANTA BARBARA
GLOSSARY OF BUDGET AND FINANCE TERMINOLOGY
Appendix I
(Continued)

Fiscal Year + The 12-month period to which the annual operating budget applies at the end of which a government determines its financial position and the results of its operations.

Fixed Asset + A long-lived tangible asset obtained or controlled as a result of past transactions, events or circumstances. Fixed assets include land buildings, equipment, improvements other buildings, and infrastructure (i.e., streets, highways, bridges and other immovable assets).

Full-Time Equivalent (FTE) + The standardized unit of measurement of staffing equal to 2,080 hours of work per year.

Fund + A separate accounting entity with a self-balancing set of accounts in which cash and other financial resources, all related liabilities and residual equities, or balances and changes therein are recorded and segregated to carry on specific activities or attain certain objectives in accordance with special regulations, restrictions or limitations.

Fund Balance + From a strict accounting perspective, fund balance represents the excess of assets over liabilities. It also represents the accumulated net resources of a fund available for reservation, designation, or for appropriation.

Generally Accepted Accounting Principles (GAAP) + Uniform minimum standards and guidelines for accounting and reporting. These standards govern the form and content of the annual financial statements of an entity. The primary authoritative body on the application of GAAP to state and local governments is the Governmental Accounting Standards Board (GASB).

Grant + Contributions or gifts of cash, or other assets from another governmental agency, to be used or expended for a specified purpose.

Interfund Transfers + Payments from one fund to another primarily for work or services provided.

Operating Budget + Plans of current expenditures and the proposed means of financing them. The annual operating budget, as distinguished from the capital program budget, is the primary means by which most of the financing, acquisition, spending and service delivery activities of a government are controlled.

Operating Deficit + The deficiency of operating revenues under expenditures.

Operating Surplus + The excess of operating revenues over operating expenditures.

Program + A group of activities, operations or organizational unit directed to attaining

CITY OF SANTA BARBARA
GLOSSARY OF BUDGET AND FINANCE TERMINOLOGY
Appendix I
(Continued)

specified purposes or objectives.

Proposed Budget + This refers to the status of an annual budget, which has been submitted by the City Administrator and is pending public review and City Council adoption.

Reserves + Accumulated funds legally restricted or otherwise designated by management and/or City Council for specific purposes. Also see “Fund Balance”.

Revenues + Total amount of income received, earned, or otherwise available for appropriation.

Transient Occupancy Tax (TOT) + Tax imposed and collected by hotel operators on transients for transient lodging (30 days or less) within the City.

Self-Insurance + A term often used to describe the retention by an entity of a risk of loss arising out of the ownership of property or the activity of the agency. It is distinguished from the transfer of

Service Effort + A measure of expected output by a budgetary program.