



# CITY OF SANTA BARBARA

## COUNCIL AGENDA REPORT

**AGENDA DATE:** October 21, 2008  
**TO:** Mayor and Councilmembers  
**FROM:** City Administrator's Office  
**SUBJECT:** Infrastructure Financing Taskforce Report And Recommendations

**RECOMMENDATION:** That Council:

- A. Receive the Infrastructure Financing Taskforce Report and recommendations; and
- B. Forward the report and recommendations to the City Finance Committee for review and recommendation.

**DISCUSSION:**

During the FY 08 budget review process two workshops were held to discuss the City's six year Capital Improvement Program. At the workshops, staff expressed concern regarding the large number of identified unfunded projects, totaling nearly \$150 million.

On August 7, 2007, the Council approved the formation of an Infrastructure Financing Taskforce. Among the duties of the Taskforce were the following:

- Review the current capital planning process and recommend steps for improvement;
- Review the identified capital needs to ensure that they accurately reflect the needs of the community;
- Review the City's overall financial situation and make recommendations for improvements;
- Review the City's budgetary practices, reserve policies, and capital financing strategies and make recommendations for improvements; and
- Recommend specific steps to the Council on how to best meet the current and future capital financing needs of the City.

The Council also approved a selection methodology for the Taskforce that involved the Chair of the Finance Committee and the City Administrator interviewing and selecting key community members with a background in financing and infrastructure.

The Council established the Infrastructure Financing Taskforce on January 15, 2008, and the Taskforce members are:

- Richard W. Jensen, Chair – Retired executive from the University of California
- Dr. Stephen Kurtzer, Vice Chair – founder and CEO of several technology companies
- Dudley Morris – Management consultant, former Vice President and Managing Director of Computer Sciences Corporation
- W. Scott Burns – Private mortgage investment banker
- Bob Geis – Santa Barbara County Auditor/Controller
- Renee Grub – Co-founder and owner, Village Properties Realty
- Frank Schipper – President/CEO, Frank Schipper Construction Company

The Taskforce held their first meeting on January 23, 2008, and set a nine month work plan. They met bi-weekly until October 2008. During this time, they reviewed the City's reserve policies and the 2008-2013 Capital Program, talked with consultants regarding City funding financial status, received presentations from the Department Heads, and toured key city facilities. They also reviewed information presented by staff and consultants regarding the City's reserve policies, Capital Improvement Process, and additional relevant material.

The Taskforce also conducted their own research, interviewed management of other comparable California cities, and reviewed reports by the League of California Cities and the University of Southern California Keston Institute regarding infrastructure.

Following research, data collection, and interviews to fulfill the duties of the Taskforce, as defined by Council, the Taskforce prepared the attached Final Report and Recommendations on how to best meet the future capital financing needs of the City.

Staff recommends that this item be forwarded to the Finance Committee for review and recommendation. Staff anticipates that review by the Finance Committee would take a couple of months and their recommendations would return to Council for approval. Upon Council's approval of the Finance Committee's recommendations Staff will be able to return in 90 days with an Implementation Plan.

**ATTACHMENT(S):** Infrastructure Financing Taskforce Final Report and recommendations

**PREPARED BY:** Lori Pedersen, Administrative Analyst

**SUBMITTED BY:** James L. Armstrong, City Administrator

**APPROVED BY:** City Administrator's Office