CITY OF SANTA BARBARA

ADOPTED OPERATING AND CAPITAL BUDGET

FISCAL YEAR 2004

About the cover:

The building pictured is a rendering of *Casa de Las Fuentes*, a 42-unit affordable housing project for downtown workers, located at West Carrillo and Castillo streets in downtown Santa Barbara. This was a joint project developed by the Housing Authority of the City of Santa Barbara and the City's Redevelopment Agency, completed in December of 2002.

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GOVERNMENT FINANCE OFFICERS ASSOCIATION

Distinguished Budget Presentation Award

PRESENTED TO

City of Santa Barbara

California

For the Biennium Beginning

July 1, 2001

President 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 two-year financial plan for the fiscal year beginning July 1, 1999.

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 communications device.

This award is valid for a period of two years. 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.

INTRODUCTION

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EXECUTIVE SUMMARY

Uncertain Economy, Rising Costs, and State Budget Create Many Challenges

The fiscal environment facing the City of Santa Barbara is one of the most difficult that has been faced over the past thirty years. It has been influenced by three major factors: an uncertain national and state economy, rising costs, and the worst State budget crisis since the Great Depression. As a result of these factors, Council adopted only a one-year financial plan, rather than the customary two-year plan. Current events make it too difficult to predict revenues and expenditures accurately two years into the future.

The events of September 11, 2001 and the national economic slowdown had a significant impact on the City's overall revenues. Local tourism and retail spending dropped dramatically, affecting both transient occupancy and sales tax receipts. As a result of this revenue slowdown, City operating departments were asked to reduce expenditures in both the last half of fiscal year 2002 and in fiscal year 2003. These short terms efforts were very successful and have minimized the use of reserves in order to balance the City's operating budget.

Santa Barbara is now experiencing signs of a slow economic recovery. For next year, the recovery is expected to continue, with sales and transient occupancy tax revenues projected to grow by 2-3% and property tax revenues projected to grow 6% next year due to the strong real estate market. However, due to continuing instability in the Middle East and the continued threat of terrorism, the prolonged period of economic uncertainty is expected.

The biggest challenge to balancing the fiscal year 2004 budget was not the sluggish economy, but rising costs. For example, health insurance benefits provided to City employees will cost almost $8 million in fiscal year 2004, an increase of 9%. Due to the poor performance of the Public Employees Retirement System (PERS) investment portfolio, the City faced a major increase in retirement costs. In fiscal year 2004, premium payments to PERS are estimated at $10.5 million, a $2.9 million (38%) increase. In fiscal year 2005, PERS estimates these costs will escalate even more, with an additional projected annual cost to the City of $4.7 million.

The challenges facing the City are not unique. Virtually all cities across the State are facing increasing costs related to health care, retirement contributions, workers' compensation costs and property and liability insurance premiums.

State Budget Crisis Hits Home

After a long and heated political battle, the State adopted its fiscal year 2004 budget in July 2003. Unfortunately, the State once again used many one-time measures to address its staggering $38 billion projected deficit. And, once again, the State solved part of its deficit on the backs of local government, although the impacts were not as significant as had originally been expected.

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The biggest impact was a one-time shift in property tax revenues from redevelopment agencies statewide totaling $135 million. The impact to the City of Santa Barbara Redevelopment Agency in fiscal year 2004 will be approximately $675,000. Although this one-time hit is manageable, the concern now is that the one-time loss will be made permanent as the State seeks to address continued deficits in subsequent years. An ongoing loss of this magnitude will clearly affect the Santa Barbara Redevelopment agency's ability to meet the demand for affordable housing in the community.

The proposed elimination of the vehicle license fee (VLF) became an academic point as the State "pulled the trigger" contained in the original legislation that enabled the State Department of Finance to administratively restore the VLF to the 1998 level, when it was originally lowered. While this leaves intact the VLF payments to local governments, the State will retain 3 months of fiscal year 2004 VLF backfill payments, totaling approximately $852 million Statewide as a "loan" from local governments to help balance its budget. The City of Santa Barbara share equates to approximately $1.2 million. The State has indicated that this loan will be repaid in 3 years when, presumably, the fiscal issues will have been resolved. Clearly, the City remains skeptical as to the security of this unilaterally executed "loan" agreement.

The most interesting and troublesome scheme implemented by the State is termed the "Triple Flip", which swaps a portion of sales tax revenues collected by local government for an equal portion of property tax revenues. In order to issue $10.7 billion in deficit reduction bonds, Wall Street bankers required the State to identify and secure a dedicated revenue stream to secure the bonds. As a result, the State took half of the 1% portion of the sales tax allocated to local governments as the dedicated funding source to secure the bonds. In order to compensate local governments for their loss, the State agreed to "backfill" the sales tax loss with an equal amount of property taxes. The swap in revenues will continue for five years and, as structured, will result in no loss in revenues to local governments.

However, other components of the State's adopted budget result in lost revenues to cities. For example, booking fee reimbursements, totaling $38 million Statewide, will be permanently eliminated. The impact to the City is approximately $217,000 annually. Reimbursements to local government for mandated programs and activities pursuant to SB 90 have been indefinitely deferred. The impact to City in fiscal year 2004 is difficult to quantify, but historically the reimbursements have been under $100,000 annually. Libraries have also taken another cut in funding of approximately $60,000 in fiscal year 2004, beyond the reduction implemented in fiscal year 2003.

City Well Positioned to Address Challenges

As a result of sound budget policies and fiscal management, the City of Santa Barbara is well positioned to meet the current and upcoming challenges. Although the impacts of the economic downturn continue to affect City revenues, these impacts have been incorporated into revenue estimates, and measures have been implemented to address previous revenue shortfalls. In addition, during the boom years of the late 1990's, the City retained a portion of the revenue growth to increase its reserve levels specifically designated for economic downturns. The adopted budget contains modest use of these reserves over the next few years to ease the organization through the transition to a balanced budget as other measures to address rising costs are implemented.

As a long-term strategy, the size of the City workforce will need to be reduced through attrition to help offset increasing costs and lower the overall cost structure of the organization. This will provide a leaner and more efficient organization that can more effectively respond to future challenges. As a part of this natural downsizing, the fiscal year 2004 budget includes the elimination of 26.9 full-time equivalent positions. Clearly, with a smaller organization, there will be impacts to services; the goal, however, is to minimize these impacts by establishing a more efficiently run organization.

This long-term strategy of creating a smaller and more efficient organization will be helped by the recent implementation of a performance measurement program throughout the City. The program includes measurable objectives and performance measures for every program area in the City. Combined with a greater emphasis on better cost accounting, this program will assist management and staff in identifying opportunities for improvement and efficiency. This is a major effort requiring a significant investment of time and resources. However, measuring the performance of City operations makes good business sense. More importantly, it provides the community, City Council and staff with objective information from which rational decisions regarding City services can be made.

Amid the Challenges, Important Projects Still Move Forward

Even with the current challenges, the City is proceeding with a number of important projects and initiatives. For example, the City's Redevelopment Agency is making significant progress on the Mercy Housing Project, a planned housing development that will include 75 rental units for low-income families and 95 units for low-income seniors. The City's street sweeping program was expanded, beginning July 1, 2003, to include Eastside neighborhoods. As part of the efforts to improve the water quality of our City, the City will continue major improvements to the Cater Water Treatment Plant, Sheffield Reservoir and El Estero Wastewater Treatment Plant. The adopted budget also continues the implementation of the Airport Facilities Master Plan and a variety of infrastructure improvements to the City's transportation network.

CURRENT FISCAL CHALLENGES

Effects of Economic Downturn Continue

Although growth is projected in the major General Fund revenues, the effects of the economic downturn and events of September 11, 2001 still remain. Sales tax revenue, the largest General Fund revenue source, is projected at $18.1 million for fiscal year 2004. This is only $130,000 more than revenues received in fiscal year 2001. Similarly, transient occupancy tax revenue is budgeted at $10.5 million next year, only $317,000 than more than amounts received in fiscal year 2001. In total, this represents an increase of less than 2% over a three-year period. The structural imbalance created by the events of the last eighteen months will take several years to resolve.

The decline in interest rates stemming from the economic downturn continues to affect the interest earnings of all funds. Beginning in January 2001, signs of a slowing economy began to emerge and the Federal Reserve Board lowered short-term interest rates a total of eleven times through November 2002, from 6.5% to 1.25%, the lowest short-term rates have dropped in over 40 years. From January 2001 to June 2003, the yield on the City's portfolio has dropped from 6.28% to 3.52% as higher yielding investments have matured and have been replaced by lower yielding ones. In fiscal year 2001, the General Fund earned over $2.8 million in interest; projections for fiscal year 2004 are down to $1.25 million, a 55% decline.

Although economic downturns do not have as much impact on most Enterprise Funds, these independent operations are not immune from economic forces. For example, the effects of the September 2001 terrorist attacks and the impact on the airline industry have seriously impacted the City's Airport. Although passenger volume has increased in the last year, total passenger volume is still below pre-September 11, 2001 levels. As a result, commercial aviation revenues, including parking, concessions and landing fees are down in relation to fiscal year 2001, and new FAA-mandated security costs have been added.

Costs Are On the Rise

The biggest challenge in balancing the 2004 budget has been the impact of rising costs, especially salary and benefit costs. These costs consume approximately 74% of total General Fund expenditures. The City has multi-year contracts with most of the bargaining units, and the negotiated salary and benefit adjustments are included in the adopted budget for fiscal year 2004.

Over the last several years, health insurance costs nationwide have been increased dramatically. In fiscal year 2002, General Fund health insurance costs totaled $4.5 million. Beginning in January 2004, these costs are expected to rise to $5.5 million, a $1 million increase in just two years. More significantly, health insurance costs are expected to double by fiscal year 2010, representing a 10% increase each year over the next seven years.

By far, the biggest impact over the next two years will be from increased retirement benefit costs. The City participates in the California Public Employees Retirement System (PERS), a defined benefit retirement plan. During the five years prior to fiscal year 2001, PERS realized average investment returns in excess of 10%, well above the actuarially assumed rate of return. Consequently, the City's required contribution rates, which are calculated as a percentage of total payroll costs, were very low. However, with the dramatic stock market declines during 2001 and 2002, PERS' rate of return on investment holdings fell well below the assumed rate, resulting in a sharp increase in contribution rates beginning in fiscal year 2004. Based on rates already provided by PERS, General Fund contributions are expected to increase by almost $1.9 million in fiscal year

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2004, from approximately $6.2 million to $8.1 million. This is a 30% increase in just one year. Moreover, based on estimates provided by PERS, rates for fiscal year 2005 are projected to increase an additional $3.4 million (42%) to $11.5 million, resulting in an 85% increase in just two years.

The cost associated with property and liability insurance and workers' compensation claims and losses have also been on the rise over the last several years. The dramatic increase in property insurance over the last few years is largely attributable to what is termed a "hard market", wherein the cost of insurance is more expensive. This is evidenced by the increase in premiums of almost $1 million from fiscal years 1996 to 2002, a 300% increase in six years. Workers' compensation costs are also increasing as a result of ongoing increases in medical costs and changes to State law that provides more benefits to injured employees.

Cities Vulnerable to Additional State Action

A year ago, the State faced a $23.6 billion deficit for fiscal year 2003. Although leaving cities relatively unharmed, the budget was balanced largely through one-time measures and revenue accelerations based upon the assumption of an improved economy and associated revenue growth. As a result, as fiscal year 2004 approached, the State of California faced a daunting $38 billion deficit through June 30, 2004. Again, in a highly political battle, the State failed to make tough decisions and address the structural imbalance between ongoing revenues and ongoing costs. Instead, a number of one-time measures were employed and, as expected, local government was forced to pick up a portion of a tab created by State mismanagement.

Although the impacts to cities were minor relative to expectations, redevelopment agencies were hit with a major cut in revenues. The bigger concern now, however, is what the State will do next year. Prospects for an economic recovery in the near term are uncertain, instability continues in the Middle East despite U.S. ongoing presence, and the State still faces a projected deficit next year of approximately $8 billion based on current estimates. As a result, local government is not out of the woods in terms of State impacts.

General Economic Uncertainty Looms

The City of Santa Barbara is a tourist destination and much of its General Fund revenues are tied to the condition of the national, state and local economies. Although revenues are growing at moderate rates, the uncertainty that marked the last 18 months still remains. The economy has shown only limited signs of recovery; interest rates continue to be at historic lows; the stock market has shown only modest recovery; the Middle East unrest and the United State's involvement is Iraq continues; and there is still the underlying fear of additional terrorist acts. These circumstances all affect the local economy and City revenues, yet they are all outside of City control. Because of this uncertainty, the adopted budget reflects a conservative fiscal approach. This is not the time period to be initiating new programs or service enhancements. Instead, it is a time to carefully monitor expenditures and use reserves sparingly.

STRATEGIES TO MEET CHALLENGES

Reserves to be Used Sensibly Over Next Few Years

In fiscal year 1996, the City Council adopted policies that provided for the accumulation and maintenance of reserves in each operating fund specifically designated to respond to economic downturns and the impacts of natural disasters. These policy reserves are set at 25% of the operating budgets of the respective operating funds.

As part of budget development efforts, staff maintains a multi-year forecast for its operating funds, including the General Fund. The purpose of the forecast is to identify trends over time, which in turn informs long-term planning and decision-making efforts. It also helps in calculating reserves in excess of policy requirements available to fund capital improvements. Given economic conditions and their impacts on revenue trends, issues associated with increasing costs, and resulting deficits, the forecast has also helped in evaluating the impacts of available reserves into the future. The table below summarizes the current forecast through fiscal year 2007.

As shown in the "Multi-Year Forecast" table on the next page, the fiscal year 2004 budget contains an operating deficit of $1.4 million, which will be funded from reserves. Including capital and an additional allocation towards required reserves pursuant to City policy, the fiscal year 2004 adopted budget reflects an expected use of reserves totaling $1,577,077. Additionally, the use of reserves totaling $1,477,091 and $245,992 is proposed for fiscal years 2005 and 2006, respectively. It is important to note that these projections assume that an additional $3 million of budget adjustments will be implemented during the next two fiscal years. The modest use of reserves, combined with the planned downsizing of the organization, is an orderly way to address the financial challenges the City faces over the next several years. Moreover, it minimizes the use of reserves should the economic recovery falter or the City be impacted further by State budget actions.

City of Santa Barbara
Multi-Year Forecast
General Fund

	FY 2003 Actual	FY 2004 Adopted	FY 2005 Estimated	FY 2006 Estimated	FY 2007 Estimated
Total Revenues	$ 84,065,940	$ 79,468,394	$ 82,226,212	$ 84,692,999	$ 87,233,789
Total Expenditures	82,869,262	80,875,800	86,077,447	88,393,483	90,482,671
Net Operating Surplus (Deficit)	1,196,678	(1,407,406)	(3,851,235)	(3,700,484)	(3,248,882)
Cumulative Budget Measures	-	-	2,000,000	3,000,000	3,000,000
Budgeted Use of Reserves	1,196,678	(1,407,406)	(1,851,235)	(700,484)	(248,882)
Anticipated Year-End Variance	-	1,617,516	1,721,549	1,767,870	1,809,653
Expected Oper. Surplus (Deficit)	1,196,678	210,110	(129,686)	1,067,386	1,560,771
Capital Program	(2,233,730)	(1,015,150)	(1,000,000)	(1,000,000)	(1,000,000)
Adjustment to Policy Reserves	(106,012)	(772,037)	(347,405)	(313,378)	-
Net Addition to (Use of) Reserves	(1,143,064)	(1,577,077)	(1,477,091)	(245,992)	560,771
Beginning Reserves Balance	19,091,123	17,948,059	16,370,982	14,893,891	14,647,899
Ending Reserves Balance	$ 17,948,059	$ 16,370,982	$ 14,893,891	$ 14,647,899	$ 15,208,670

New Budgeting Approach, Revenue Targets, Implemented

Beginning with the development of the fiscal year 2004 budget, the City implemented a new budgeting approach, called "revenue targets". During the previous eight years, the City utilized "expenditure targets" as a means to balance the General Fund budget. Under the earlier approach, each department was assigned an expenditure target, within which departmental budgets were developed and submitted. The targets were based on a "status quo" expenditure budget, adjusted for any known cost increases, in relation to available resources (i.e., ongoing revenues).

Under the new approach, the focus is not on expenditures, but rather on the level of subsidy provided to each department from tax and other non-departmental revenues. The key feature of this approach is that it inspires a more entrepreneurial approach to the development of department budgets by fixing upfront the share of General Fund tax subsidy the department will receive. Departments now have the option and incentive of not only identifying cost cutting measures, but also identifying new or additional departmental revenues to "finance" their expenditures. It also encourages creativity and innovation in finding opportunities for increasing efficiencies and more effectively allocating resources within a department.

The use of revenue targets has already proven successful and the adjustments included within this adopted budget document reflect this success.

Fees and Charges Evaluated Against Related Costs

Over the last number of years, revenues from fees have played a limited and decreasing role in funding General Fund programs and services. For example, based on a 1989 study of the Community Development Department's Planning Division, only 22% of costs were recovered from fees. Since that time, departmental fees and charges have failed to keep pace with the department's cost structure. Consequently, the recovery rate has fallen to below 20%. Other departments have also been impacted by this same set of circumstances. Today, less than 10% of the General Fund's total operating costs is now recovered from fees and charges.

As part of the effort to balance the fiscal year 2004 General Fund budget, departments were asked to evaluate and adjust fees, as necessary, to recover a more appropriate level of costs, thus reducing the burden on tax revenues. This process and the ensuing adjustments have enabled the City to preserve essential services and, where possible, continue with other worthwhile services. Therefore, the adopted budget includes a number of adjustments to fees as one part of an overall strategy, including expenditure cuts and the use of reserves, to address the current financial challenges.

One of the more significant adjustments to fees is in the Community Development Department's Land Development Program. Currently, only $335,000 (19.7%) of salary and benefit costs of $1.7 million is recovered from fees. Therefore, an adjustment to land development fees is included in the adopted budget, which would generate an additional $67,000 in revenue and raise the recovery rate by less than 5% (from 19.7% to 23.6%). Such a fee increase still leaves the City of Santa Barbara's fees substantially lower in relation to other agencies in the tri-county area.

Another significant fee proposal in the Parks and Recreation Department budget is a new Resident Fee Discount Program, which would require non-residents to pay higher fees for certain programs, such as sports leagues, classes, summer camps, and facility rentals. Currently non-resident use of recreation services ranges from 26% to 70% depending on the program. To offset General Fund support for Park and Recreation programs and reduce the level of subsidy provided to non-residents, non-residents would be charged 20% more than residents who receive an annual resident discount card.

To establish a rational basis for fees and charges, the City is currently working on a comprehensive study of all General Fund fees. The objective of the study is to determine the total cost associated with providing City services and the level of cost recovered from fees. The results of this study will enable a more informed discussion of what level of subsidy is appropriate in the context of overall service priorities and available tax revenues. It will also identify areas where the cost to provide the service may be too high.

Performance Measurement Program Implemented

Another initiative that will help identify and implement more efficient processes and systems is performance measurement. During fiscal year 2003, the City implemented a performance measurement program, labeled Paradise Performance Program ("P3"). The goal of the program is to establish measurable objectives and performance measures for each program area in the City. Combined with efforts to improve the City's cost accounting systems, this program will allow staff to identify the full cost of providing various City services and private sector business practices to evaluate program effectiveness and efficiency. It will also provide management and the City Council with effective tools to allocate limited resources. It is also the expectation that this program will provide greater incentives to the organization to implement additional operational efficiencies during difficult financial times.

HIGHLIGHTS OF THE ADOPTED BUDGET

A Broad Range of Services Provided by the City

The City of Santa Barbara, including the City of Santa Barbara Redevelopment Agency, is a full service City providing a broad range of services to the community by 8 operating departments and 4 administrative departments. These services include:

- Police and fire protection
- Parks and recreation
- Library
- Community development (planning, building, housing and redevelopment)
- Public works and streets maintenance
- Creeks restoration and water quality improvement
- Solid waste management
- Parking and transportation
- Water supply and distribution
- Wastewater collection and treatment
- Regional airport
- Harbor and waterfront
- Government access television

In addition to these direct services, the City financially supports a number of non-profit organizations involved in arts development, community promotions, marketing and human services.

The adopted budget includes a total operating budget of $154 million funding a General Fund, fourteen special revenue funds, 7 enterprise funds and 4 internal service funds. The adopted budget also includes a capital program totaling $24.6 million.

A total of 1,053.9 full-time equivalent (FTE) positions are included in the adopted budget. This is a decline of 26.9 FTEs from the fiscal year 2003 amended budget of 1,080.8 FTEs.

Overall General Fund Revenue Picture Favorable

Total General Fund revenues for fiscal year 2004 are estimated at $79,468,394. This is a $1.8 million absolute drop in revenues from the amended fiscal year 2003 budget. However, a number of structural changes were made effective with the adopted budget that shifted costs and revenues to other funds. Therefore, adjusting for these structural changes, total revenues are actually estimated at approximately $4 million above the amended fiscal year 2003 budget.

The table below summarizes the revenues of the General Fund's five largest revenues, showing actual revenues for fiscal years 2001 and 2002, fiscal year 2003 budgeted revenues and updated year-end projections, as well as the fiscal year 2004 estimates included in the adopted budget. Although, in total, fiscal year 2002 actual revenues were greater than in fiscal year 2001, the impacts of the economic downturn and events of "9-11" were evident in the decline in the two largest General Fund revenues: Sales Tax and Transient Occupancy Tax.

City of Santa Barbara
Recap of Five Largest General Fund Revenues

	Fiscal Year				
	2001 Actual	2002 Actual	2003 Budget	2003 Actual	2004 Adopted
Sales and Use Tax	$ 18,237,203	$ 17,511,104	$ 17,853,400	$ 17,903,527	$ 18,042,000
Utility Users Tax	9,736,580	10,212,514	11,364,100	10,886,009	5,607,700
Property Tax	8,699,624	9,513,754	9,541,000	10,373,212	10,992,200
Transient Occupancy Tax	10,170,747	9,837,862	9,974,700	9,864,043	10,273,900
Motor Vehicle License Fee	4,931,316	5,258,291	5,563,200	5,382,659	5,797,300
TOTALS	$ 51,775,470	$ 52,333,525	$ 54,296,400	$ 54,409,450	$ 50,713,100

In general, fiscal year 2004 General Fund revenue estimates are based upon assumptions, made in the spring of 2003, about the remainder fiscal year 2003 and how revenues will perform in next year. As such, it is important to recognize that with the uncertainties surrounding the nation and the economy, conditions could change that would materially affect these estimates. The following provides a detailed discussion of the revenue assumptions used to develop the fiscal year 2004 estimates for the five revenues shown in the previous table.

Sales and Use Tax

Sales and Use Tax is the largest General Fund revenue, representing 23% of total budgeted revenue in the General Fund. In December 2002, the City received the final sales tax payment for the quarter ended September 30, 2002, which reflected a 3.4% increase from the same quarter of the previous year. This was very encouraging news. However, in March 2003, the City received the final payment for the quarter ended December 31, 2002, which reflected a decline of 2.1% from the same quarter of the prior year. At the time, 3% growth was projected for the remainder of fiscal year 2003; however, actual revenues for the final quarter were flat. Accordingly, although a 2% growth projection for fiscal year 2004 was maintained, sales tax revenue is now projected at just slightly over $18 million next year.

Property Tax

Property tax revenue continues to perform extremely well. During the three-year period between 1995 and 1998, property tax revenue grew only $500,000 to $6.9 million in FY 1998, a total of only 8%. However, in the ensuing four years through fiscal year 2002, it grew $2.6 million, a total of 38%, with an average growth rate of 9.5% per year. For the current year, property tax revenue is projected to grow 6%; for fiscal year 2004, an additional 6% growth is projected. This is a $1.14 million increase in budgeted revenues from fiscal year 2003, totaling almost $11 million.

Utility Users' Tax

In fiscal year 2003, Utility Users' Tax (UUT) revenue was the City's second largest revenue source behind Sales and Use Tax. By ordinance, 50% of UUT revenue is restricted to streets maintenance and capital. Beginning in fiscal year 2004, this portion of UUT will be recognized as revenue in the Streets Fund, rather than the General Fund, as part of the structural changes to be implemented next year. This explains the drop in General Fund UUT revenues from the amended fiscal year 2003 budget of $11.4 million to $5.6 million in fiscal year 2004.

In fiscal year 2003, through mid-year, UUT revenues were essentially flat in relation to the prior year. As such, fiscal year 2003 revenues fell short of budget by $478,000. For fiscal year 2004, a 2% growth rate is assumed, bringing total UUT revenues to $11,215,400, of which $5,607,700 (50%) will be recognized in the General Fund and an equal amount in the Streets Fund.

Transient Occupancy Tax

Transient Occupancy Tax (TOT) revenue is the third largest General Fund revenue, estimated in fiscal year 2004 at almost $10.5 million. Through February 2003, TOT revenues were 3.8% ahead of fiscal year 2002. At the time, it was assumed that growth rate would continue through the rest of the fiscal year, resulting in overall growth of 3.5%. However, from February to April, TOT revenues did not perform as expected, and thus fiscal year 2003 projections were adjusted downward as well as the fiscal year 2004 estimates included in the recommended budget. For fiscal year 2004, a growth rate of 3% is assumed, which would generate an additional $409,857 in revenues in relation to the fiscal year 2003 actual amounts.

Note that the TOT revenues recognized in the General Fund do not include the 2% portion of TOT that is restricted to creeks restoration and water quality improvement activities pursuant to voter-approved Measure B; these restricted funds are placed in a separate fund.

Enterprise Fund Revenues Largely Unaffected by Economic Downturn

With the exception of the Airport Fund, the City's enterprise operations (water, wastewater, golf, airport, downtown parking, waterfront) were only nominally affected by the economic downturn and the terrorist acts. The water and wastewater utility enterprise operations provide basic services to the community, which are more affected by weather and seasonal variations, rather than economic conditions. The table below summarizes Enterprise Fund revenues beginning in fiscal year 2001.

CITY OF SANTA BARBARA
Recap of Enterprise Fund Revenues

	Fiscal Year				
	2001 Actual	2002 Actual	2003 Adopted	2003 Actual	2004 Adopted
Airport Fund	$ 9,683,635	$ 9,459,701	$ 8,666,867	$ 10,712,160	$ 9,916,777
Downtown Parking Fund	5,057,342	4,977,364	4,460,000	4,685,611	4,850,000
Golf Fund	1,929,274	1,970,320	1,967,142	2,001,412	2,064,500
Wastewater Fund	10,347,982	9,704,475	10,960,000	9,994,460	10,575,000
Water Fund	25,609,568	25,115,397	25,035,000	24,138,395	24,641,937
Waterfront Fund	11,340,424	9,162,730	8,641,148	9,011,937	9,301,230

Airport Fund

The events of September 11, 2001, resulted in an immediate and dramatic reduction in air travel felt both locally and across the nation. The City's Airport was affected, resulting in a decline in commercial aviation revenue, including landing fees, concessions and parking fees. This is evidenced by a decline of $223,934 in total revenues from fiscal year 2001 to 2002, as shown in the table above.

Although fiscal year 2003 adopted revenues assumed a continued decline in revenues, actual revenues surpassed expectations significantly, generating $10.7 million. This large increase was due to several factors, including a bump in lease revenues generated from the commercial/industrial properties owned by the Airport. Over the last several years, the Airport has invested significant funds towards the improvement of the commercial and industrial properties, which has enabled the Airport to adjust lease rates to market. Fiscal year 2004 revenues have been conservatively estimated because of the lingering uncertainty in air travel. In fact, passenger volume is still not back to pre-September 11, 2001, levels and fiscal year 2004 estimates are based on the assumption that this trend will continue.

Downtown Parking Fund

Downtown Parking Fund revenues are generated primarily from hourly parking charges in the various parking lots throughout the City's downtown area, making up 64% of total budgeted revenues. Local residents and visitors use these parking lots when they come into the downtown area for shopping and dining. Although use of parking lots, and thus revenue, is affected by economic conditions, as consumer spending and parking demands are linked together, the impacts are generally not severe. This was illustrated in fiscal year 2002 when, amid a weakened economy and fears inspired by terrorist acts, total revenues dropped by only $79,978. In fiscal year 2004, revenues are estimated at approximately $4.85 million, representing an increase of $164,389 (3%).

Golf Fund

The Golf Fund has been unaffected by the slowdown in the economy and terrorist attacks. Revenues grew modestly from fiscal year 2001 to 2002, and are expected to grow similarly in fiscal year 2004. Overall, the demand for play times is strong as a result of highly competitive green fees and improvements made to the course.

Wastewater Fund

Approximately 90% of total Wastewater revenue comes from service charges. Due to the rate structure, which caps the charges at a specific level, revenues are fairly stable from year to year. Fiscal year 2003 revenues increased over 2002 due to a rate increase approved to cover the increasing costs of operations, particularly the sharp increase in electricity costs. Still, fiscal year 2003 revenues fell short of budget by almost $1 million. Consequently, estimates for fiscal year 2004 have been lowered to be in line with fiscal year 2003 year-end projections, and also reflect a 4% increase in wastewater service rates, which is expected to generate approximately $370,000 in additional revenues. These revenues will be used to finance the costs of major enhancements to the El Estero Treatment Plant over the next several years, totaling over $10 million. The 30-year old plant requires systematic replacement and overhaul of major components used to treat wastewater, including rehabilitation of the primary and secondary clarifiers, aeration basins, process air blower and influent pumps, air scrubbers, and the replacement of the debris removal system.

Water Fund

Water Fund revenues have generally been stable over the last few years. As shown in the preceding table, revenues spiked in fiscal year 2001 as a result of new accounting standards, as previously discussed, requiring the recognition of over $700,000 in revenue for the change in fair market value of investments. Otherwise, revenues are in line with fiscal years 2002 and 2003 actual revenues.

Fiscal year 2003 actual revenues fell short of budget of budget estimates by over $800,000 due to unexpected rain levels during the year affecting water sales and, perhaps, overly optomistic revenue estimates. Fiscal year 2004, revenue estimates are consistent with fiscal year 2003 actual revenues, and include an additional $900,000 in revenues due to a 4% fee increase to water rates that will cover the increasing costs of operations, including an expanded capital program to address aging facilities and systems. For example, over the next six years, an estimated $17.5 million will be spent on improvements to the 39-year old Cater Treatment Plant. The improvements involve the replacement of aging equipment, changes needed to meet upcoming drinking water regulations and standards mandated by the Federal Safe Drinking Water Act. For fiscal year 2004, the Water Capital Program will total $6.4 million.

Waterfront Fund

The Waterfront Fund accounts for the management and operation of the harbor, wharf, beach and waterfront parking lots and the waterfront area pursuant to a Tidelands Trust Agreement with the State of California. Although heavily reliant on tourism for its revenues, the Waterfront Fund has only been mildly affected by the events of the last 18 months. Although revenues appear to have dropped dramatically between fiscal years 2001 and 2002 (see preceding table), fiscal year 2001 revenues include $2.3 million in insurance proceeds associated with the Stearns Wharf fire. In reality, revenues actually grew during the period. Fiscal year 2004 revenue estimates are based on a continuation of this trend, as well as adopted increases to harbor related fees and parking fees. These fee increases are needed to cover same rising costs affecting all funds, including property and workers' compensation insurance, health insurance, retirement, and salary costs.

New Initiatives/Major Projects

Housing Element Update Under Review

In 2003, the City of Santa Barbara is required to update the Housing Element of the General Plan. In the fall of 2002, two public workshops were held to identify new housing options that Council may want to include in the 2003 Housing Element Update (HEU). The first workshop was held on October 24, 2002 and identified a number of policy ideas for consideration. A follow-up one day forum was held on December 13, 2002.

Subsequently, staff drafted the preliminary HEU chapters for review and discussion. From March to August, a series of discussion meetings were held with the Planning Commission and public to consider information in the draft chapters and discuss housing issues. In August, the Planning Commission completed its review of the Draft Element. On August 19th, the Council reviewed the Draft HEU and directed staff to submit the draft to the State for review. The City expects to complete environmental review, respond to comments from the State and adopt the new Housing Element by December 2003.

Creek Development Standards Being Considered

The City of Santa Barbara is creating new creek development standards as a part of its overall Creeks Restoration and Water Quality Improvement Program. Creek development standards may include required setbacks for buildings, structures, and uses on certain parts of City creeks, creek restoration standards and techniques, water quality improvement measures, and environmental review and permit coordination.

The Draft Creek Development Standards (CDS) Report was released in February 2003 and was followed by a public information meeting, two Planning Commission meetings, and a follow-up public workshop. Based upon public and Planning Commission input, City staff is working on extensive and substantive changes to the recommendation to address comments received as part of the public review process. Once staff has developed proposals that respond to the suggestions raised, another round of public outreach will begin as part of the deliberation of the revised standards. The matter will eventually go to City Council for direction on preparing appropriate ordinances at a date yet to be determined.

Mercy Housing Project Gets Approval

The City and the Redevelopment Agency are proceeding with the most significant affordable housing development to be built on the South Coast. Mercy Housing California and St. Vincent's Institution are developing 75 low-income family apartments and 95 low-income senior apartments on the 19-acre St. Vincent's School campus at Highway 154 and Calle Real. The development will be financially supported by the City and County of Santa Barbara as a regional response to affordable housing needs. The City and the County cooperated in annexing the property into the City to make it possible for the City and the Redevelopment Agency to use subsidy funds restricted to use within the City. The Redevelopment Agency has committed $10.6 million to the project costs, and the County has committed $3 million. Additionally, the senior housing component of the development received an $11 million funding commitment from the Federal government. Construction is expected to begin in 2004.

Major Improvements Underway at Cater Water Treatment Plant

The William B. Cater Water Treatment Plant, which was built in 1964, supplies drinking water to the City of Santa Barbara, Montecito Water District and Carpinteria Valley Water District. The plant has a maximum capacity of 37 million gallons per day and an average production rate of 16 million gallons per day.

Major improvements to the Cater plant are planned over the next several years. The improvements involve the replacement of aging equipment, changes needed to meet upcoming drinking water regulations and standards mandated by the Federal Safe Drinking Water Act, and both process and physical improvements to increase reliability, efficiency and security of the entire water treatment operation.

The total cost of the improvements is estimated at approximately $20 million, which will be funded from a loan from the State Department of Water Resources. The terms of the loan include a 2.5% interest rate and a repayment term of 20 years. Pursuant to a Joint Powers Agreement, the Montecito and Carpinteria Water Districts will pay 39% of the total debt service requirements on the loan.

Sheffield Reservoir to be Buried

The Sheffield Reservoir Water Quality Project involves replacement of the open reservoir with two 6.5 million gallon buried concrete reservoirs and conversion of the site to a passive open space park.

Construction to replace the open Sheffield Reservoir with two permanent buried reservoirs has begun. Before actual construction of the buried reservoirs begins in Spring 2003, two temporary tanks must be installed. Temporary tank construction began in August 2002 and will continue through July 2003, and this portion of the project includes site clearing, constructing the tank foundations, retaining walls, and piping to support the two above ground bolted steel reservoirs. The temporary tanks will be disassembled by December 2004 when the permanent buried reservoirs are complete. Neighborhood issues and needs will be continuously addressed to monitor dust, dirt, and noise and to limit working hours and truck routes. Total project cost is estimated at $22 mllion.

Recycling Program to be Expanded

In September 2002, City Council approved the Solid Waste Program Policies, Principles, Goals and Strategies, outlining Council's intent to become the recycling leader in the State of California. Council's goal includes reaching diversion rates of 60% by the year 2005 and 70% by the year 2010. The Solid Waste Fund is currently funded from a 2% franchise fee and had an annual budget of approximately $250,000 in the prior fiscal year (2003). These revenues covered salaries and benefits costs, the Looking Good Santa Barbara Program, and a limited public outreach effort to the commercial sector. The prior year budget allowed no room for growth in critical solid waste functions necessary to reach the above-stated goals.

In November 2002, Council approved modifications to solid waste rates to provide the City's franchise hauler, Browning Ferris Industries (BFI), an incentive to recycle more in the commercial sector. Rates for commercial bins collecting recyclables were established at 40% - 60% less than trash rates and, in so doing, the City received BFI's commitment to collect commercial recyclables up to six (6) days per week (recyclables were previously collected only once per week).

For fiscal year 2004, a 4% rate increase will be implemented to fund programs critical to the advancement of Council's goals. The 4% rate increase will generate approximately $400,000 and will be applied to both residential and commercial rates - with no fiscal effect on the haulers. The monthly increase to the typical residential and commercial customer with can service is less than $1.

Highlighted activities include: a State-required Solid Waste Assessment Test of Las Positas Landfill; establishment of a food waste recycling program in accordance with the Council's Solid Waste Policy; hiring a Recycling Coordinator to assist in development and implementation of diversion programs; establishment of a school recycling program; and conducting a waste characterization study at the Tajiguas Landfill.

Clean Sweep Coming to the East Side

In July 2003, the City expanded its street sweeping program to include daytime residential street sweeping of twenty four miles of streets on the Eastside, beginning in July 2003. This program is similar to the Westside Residential Sweeping Pilot Program ("Clean Sweep") in fiscal year 2003.

The City currently provides daytime street sweeping in residential areas pursuant to the Westside Residential Street Sweeping Pilot Program ("Clean Sweep") and street sweeping in the downtown area pursuant to the Commercial Night-Time Street Sweeping Program. In December 2002, Council approved a Consolidated Street Sweeping Program (CSSP) to combine the efforts of the commercial and residential street sweeping programs and to allow for continued expansion of street sweeping to other neighborhoods over time. The ultimate goal is to sweep as many streets as possible on a regular basis. CSSP was implemented on July 1, 2003.

Expansion of street sweeping to Eastside neighborhoods will require a community information program similar to what was done on the Westside. It will include community meetings, print ads and distribution of bilingual information flyers. This expanded program will also offer a Street Sweeping Web Page where residents can get information about sweeping schedules and leave any questions or comments for staff on-line. As with the Westside Program, on-street parking demand on the Eastside is high; therefore, alternate-side parking regulations will be needed to provide a clear curb for effective sweeping.

Three Parking Enforcement Officer positions were created in January 2003 to the Parking Enforcement Unit of the Police Department to allow for enforcement of parking-regulated sweeping areas on the Westside and Eastside, as well as some limited enforcement in future areas. The addition of new officers will also restore prior parking enforcement levels in the central business district. All revenue from citations issued for sweeping-related parking violations will be dedicated to support of sweeping activities in the Consolidated Street Sweeping Program. Fines collected for citations issued for non-sweeping related violations will continue to be revenue for the General Fund. In fiscal year 2004, the costs of the CSSP totaling $740,458 will be funded from $150,000 in Measure B funds, an estimated $531,159 in parking citation revenue and the balance from other streets revenue.

City Administrator's Budget Message

Old Mission Creek Restoration Project at Bohnett Park Approved

Last July, Council approved the Old Mission Creek Restoration Project at Bohnett Park. This project is part of the City's effort to restore creeks and improve water quality throughout the City. This project and similar projects are being funded from the increase in the transient occcupancy tax from 10% to 12% pursuant to voter-approved Measure B. The Old Mission Creek Restoration Project will enhance and restore approximately 1½ acres of valuable riparian habitat in a severely deficient urbanized neighborhood and improve water quality by creating a vegetative bio-filter in the expanded habitat area. The Project will also provide environmental and educational opportunities for neighbors and other volunteers. Final design is now complete and Federal, State and local permits have been received. Construction is expected to begin later this year.

Directory of City Officials

Marty Blum
Mayor

Dan B. Secord, M.D.
Councilmember

H.P. “Rusty” Fairly
Councilmember

Gregg A. Hart
Councilmember

Roger L. Horton
Councilmember

Iya G. Falcone
Councilmember

Babatunde Folayemi
Councilmember

James L. Armstrong
City Administrator/City Clerk/Treasurer

Daniel J. Wallace
City Attorney

Joan Kent
Assistant City Administrator

Robert D. Peirson
Finance Director

Karen S. Ramsdell
Airport Director

Richard C. Johns
Parks and Recreation Director

Carol L. Keator
Library Director

Camerino Sanchez
Police Chief

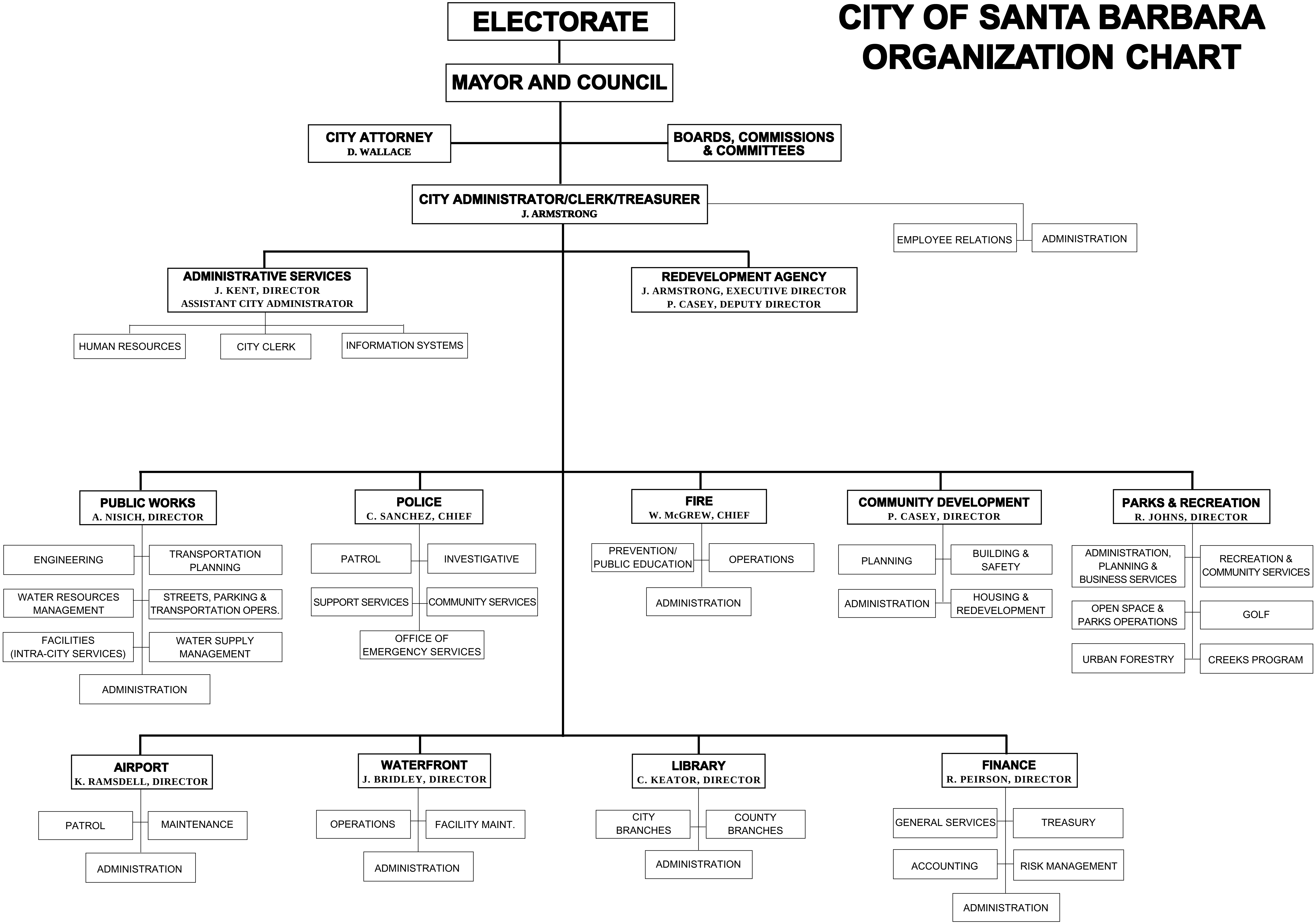
Warner R. McGrew
Fire Chief

Paul A. Casey
Community Development Director

Anthony J. Nisich
Public Works Director

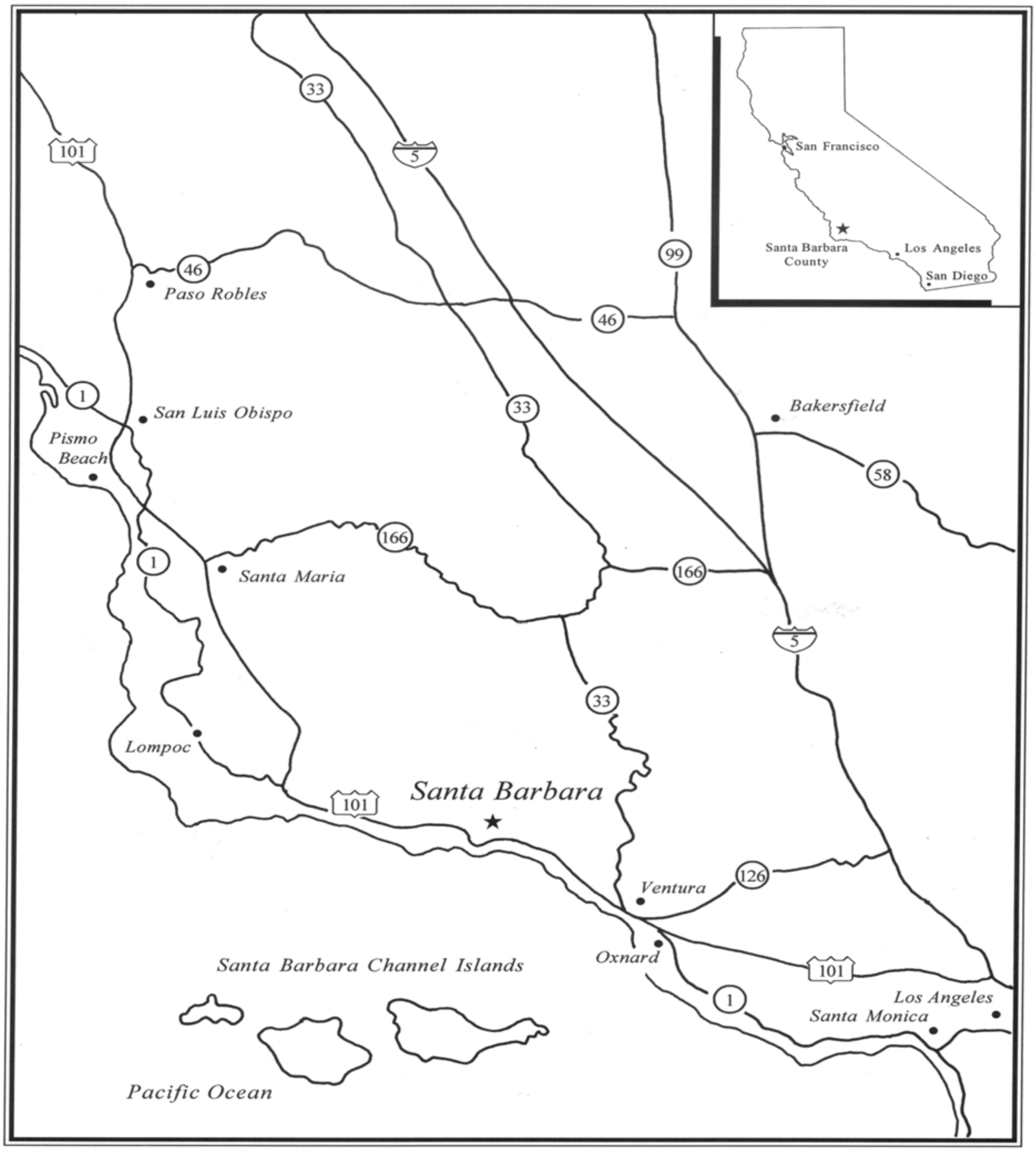
John N. Bridley
Waterfront Director

CITY OF SANTA BARBARA ORGANIZATION CHART



03/03

Santa Barbara Area Map



About the City of Santa Barbara

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

Miscellaneous Statistics

General City Information:

Date of incorporation	August 25, 1850
Form of government	Council-Administrator
Area in square miles	23
Miles of streets	280
Number of traffic intersections	104

Community Forest, Beaches and Gardens:

Number of park and open space trees	12,000
Number of street trees	23,000
Linear miles of city-owned beaches	3.4
Community gardens	4

Airport:

Number of terminals	1
Number of commercial carriers	4
Number of ticketed passengers annually	781,995
Number of runways	3
Total airport acreage	950
Commercial / industrial acreage	95
Number of leased buildings	76
Goleta Slough Ecological Reserve wetlands acreage	400

Hospitals:

Number of hospitals	2
Number of patient beds	128

Libraries:

Number of city libraries	2
Number of bookmobiles	1
Number of county libraries	6
Total volumes	373,850

Municipal Water Department:

Gallons of potable water treated and distributed annually	4.3 billion
Gallons of reclaimed water treated and distributed annually	265 million
Number of reservoirs	13
Number of pump stations	11
Number of treatment plants	4
Number of wells	10
Number of water reclamation facilities	1

Miscellaneous Statistics

Municipal Wastewater Department:

Number of treatment plants	1
Number of lift stations	13
Gallons of water treated annually	3.1 billion

Parks and Recreation:

Park acreage	1,764
Number of developed parks	46
Number of undeveloped parks	11
Number of park playgrounds	22
Number of swimming and wading pools	5
Number of community centers	13
Number of sports facilities	9
Number of municipal golf courses (18 holes)	1

Public Safety:

Number of police stations	1
Number of police officers and other sworn personnel	152
Number of law violations	
Physical arrests	11,087
Traffic violations (citations and warnings)	12,619
Parking violations	52,374
Number of fire stations	8
Number of firefighters and officers	115

Public Schools:

Elementary schools	13
Annual enrollment	6,260
Secondary schools	7
Annual enrollment	9,480
Colleges	1
Enrollment per semester	14,000

Waterfront:

Acreage of city-managed tidelands and submerged lands	252
Wharf length in feet	1,978
Acreage of wharf decking	3.8
Number of marinas	4
Number of commercial and pleasure vessel slips	1,133
Number of waterfront property leases	60

Demographics

Population 90,464

Land Area .... 23 square miles

Population Demographics: (1)

	Number	%
Households	35,605	100.0
Family households	18,954	53.2
Married couples	14,163	39.8
Male householder	1,415	3.9
Female householder	3,376	9.5
Non-family households	16,651	46.8
Households with individuals under 18 years	9,578	26.9
Households with individuals 65 years and over	8,871	24.9
Average household size	2.47	(X)
Average family size	3.17	(X)

Housing Occupancy:

	Number	%
Total housing units	37,076	100.0
Occupied housing units	35,605	96.0
Vacant housing units	1,471	4.0
For seasonal, recreational, or occasional use	525	1.4
Homeowner vacancy rate	(X)	0.7
Rental vacancy rate	(X)	2.3

Housing Tenure:

	Number	%
Occupied housing units	35,605	100.0
Owner-occupied units	14,957	42.0
Renter-occupied units	20,648	58.0
Average household size of owner-occupied units	2.51	(X)
Average household size of renter-occupied units	2.43	(X)

Gender:

	Number	%
Male	45,454	49.2
Female	46,871	50.8

Age:

	Number	%
Under 5 years	5,194	5.6
5 to 9 years	5,499	6.0
10 to 14 years	4,789	5.2
15 to 19 years	6,684	7.2
20 to 24 years	8,790	9.5
25 to 34 years	15,809	17.1
35 to 44 years	13,993	15.2
45 to 54 years	12,124	13.1
55 to 64 years	6,716	7.3
65 to 74 years	5,391	5.8
75 to 84 years	4,862	5.3
85 years and over	2,474	2.7
Median age (in years)	34.6	(X)

Race:

	Number	%
White	68,355	74.0
Black or African American	1,636	1.8
American Indian/Alaska Native	990	1.1
Asian	2,554	2.8
Pacific Islander	126	0.1
Some other race	15,110	16.4
Two or more races	3,554	3.8

Hispanic or Latino and Race:

	Number	%
Total population	92,325	100.0
Hispanic or Latino (of any race)	32,330	35.0
Not Hispanic or Latino	59,995	65.0
White alone	53,849	58.3

Demographics

Economic Demographics: [2]

Service Industry (private & non-profit)	Number of Businesses	Number of Employees
Retail trade	655	7,589
Professional, scientific, and technical services	520	2,950
Healthcare and social assistance	416	3,277
Foodservice and accommodation	386	7,570
Real estate and rental & leasing	256	1,277
Other services (except public administration	205	1,130
Administrative and support, waste management, and remediation services	162	3,331
Wholesale trade	157	1,145
Manufacturing	155	2,204
Arts, entertainment, and recreation	43	395
Educational services	26	165

Leading Area Employers, Public and Private (with industry): [3]

University of California, Santa Barbara (public administration-education)	9,500
County of Santa Barbara (public administration)	4,467
Santa Barbara Cottage Hospital (healthcare)	1,951
Raytheon Electronic Systems (manufacturing)	1,875
Santa Barbara City College (public administration-education)	1,570
Santa Barbara High School District (public administration-education)	1,230
Sansum-Santa Barbara Foundation Clinic (healthcare)	1,170
City of Santa Barbara (public administration)	1,069
U.S. Postal Service (postal service)	1,005
Santa Barbara Bank and Trust (banking)	820

(1) **Source:** U.S. Bureau of the Census, 2000 Census

(2) **Source:** U.S. Bureau of the Census, 1997 Economic Census

(3) **Source:** Santa Barbara Chamber of Commerce, as of June 30, 2002

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S U M M A R Y   O F   S O U R C E S

	SOURCES		
	Use of Reserves	Estimated Revenues	Total Sources
General Fund			
Operating	$ 1,407,407	$ 79,468,394	$ 80,875,801
General Fund Capital Outlay	1,015,150	-	1,015,150
Special Revenue Funds			
Community Dev. Block Grant	-	1,814,000	1,814,000
County Library	429,235	1,228,193	1,657,428
Creeks Restoration & Water Quality	73,731	2,104,780	2,178,511
Gas Tax	-	1,700,000	1,700,000
HOME Grant	-	840,940	840,940
Miscellaneous Grants	-	470,621	470,621
Redevelopment Agency	-	10,709,000	10,709,000
Redevelopment Agency Housing	-	3,170,000	3,170,000
Solid Waste	-	824,210	824,210
Streets	-	8,367,363	8,367,363
Supplemental Law Enforcement	-	188,398	188,398
Traffic Safety	-	525,000	525,000
Transportation Development	-	55,000	55,000
Transportation Sales Tax	476,650	5,025,000	5,501,650
Enterprise Funds			
Airport	-	9,916,777	9,916,777
Airport Capital Grants (FAA/PFC)	-	3,721,164	3,721,164
Downtown Parking	-	4,850,000	4,850,000
Golf	-	2,064,500	2,064,500
Wastewater	2,447,006	10,575,000	13,022,006
Water	3,694,031	24,641,937	28,335,968
Waterfront	1,470,115	9,301,230	10,771,345
Internal Service Funds			
Duplications	23,213	375,978	399,191
Information Systems	-	1,909,387	1,909,387
Intra-City Service	539,409	8,209,436	8,748,845
Self-Insurance	-	6,349,792	6,349,792
Citywide Subtotal	11,575,947	198,406,100	209,982,047
Less: Interfund Transactions	-	30,497,949	30,497,949
Citywide Total	$ 11,575,947	$ 167,908,151	$ 179,484,098

A N D   U S E S   O F   F U N D S

U S E S			
Operating Budget	Capital Program	Total Uses	Surplus
$ 80,875,801	$ -	$ 80,875,801	$ -
-	1,015,150	1,015,150	-
			-
1,814,000	-	1,814,000	-
1,657,428	-	1,657,428	-
1,653,511	525,000	2,178,511	-
1,700,000	-	1,700,000	-
840,940	-	840,940	-
286,621	184,000	470,621	-
10,709,000	-	10,709,000	-
3,170,000	-	3,170,000	-
824,210	-	824,210	-
6,207,327	2,160,036	8,367,363	-
188,398	-	188,398	-
525,000	-	525,000	-
-	55,000	55,000	-
2,892,630	2,609,020	5,501,650	-
			-
9,331,777	585,000	9,916,777	-
-	2,621,164	2,621,164	1,100,000
4,294,747	530,000	4,824,747	25,253
1,764,500	300,000	2,064,500	-
9,068,006	3,954,000	13,022,006	-
21,923,471	6,412,497	28,335,968	-
8,836,345	1,935,000	10,771,345	-
			-
399,191	-	399,191	-
1,909,387	-	1,909,387	-
7,015,366	1,733,479	8,748,845	-
6,349,792	-	6,349,792	-
184,237,448	24,619,346	208,856,794	1,125,253
30,497,949	-	30,497,949	-
$ 153,739,499	$ 24,619,346	$ 178,358,845	$ 1,125,253

Summary of Revenues

GENERAL FUND	FY 2002 Actual	FY 2003 Adopted	FY 2003 Amended	FY 2004 Adopted
Taxes				
Sales and Use	$ 17,511,105	$ 17,853,400	$ 17,853,400	$ 18,042,000
Utility Users	9,995,605	11,364,100	11,364,100	5,607,700
Property	9,513,753	9,541,000	9,541,000	10,992,200
Transient Occupancy	9,837,862	9,974,700	9,974,700	10,273,900
Business License	1,768,599	1,733,400	1,733,400	1,876,300
Franchise - Electric	707,584	630,000	630,000	750,700
Franchise - Gas	534,809	339,600	339,600	320,600
Franchise - BFI	269,277	-	-	-
Franchise - Cable Television	555,196	525,000	525,000	911,300
Real Property Transfer	307,319	265,500	265,500	408,000
Total Taxes	**51,001,110**	**52,226,700**	**52,226,700**	**49,182,700**
Fines and Forfeitures				
Library	118,774	115,000	115,000	120,000
Municipal Court Fines	177,225	150,000	150,000	175,000
Parking Violations	1,607,210	1,624,921	1,724,921	2,013,245
Total Fines and Forfeitures	**1,903,209**	**1,889,921**	**1,989,921**	**2,308,245**
Use of Money and Property				
Investment Income	2,999,839	2,150,000	2,150,000	1,130,000
Rents and Concessions	389,669	367,295	367,295	430,000
Total Use of Money and Property	**3,389,508**	**2,517,295**	**2,517,295**	**1,560,000**
Intergovernmental				
Library Grants	790,169	814,598	814,598	727,197
Miscellaneous Grants	76,710	-	55,000	-
Motor Vehicle License Fee	5,260,504	5,563,200	5,563,200	5,797,300
SB 90 Reimbursements	165,845	150,000	150,000	-
Other	375,795	217,035	217,035	217,000
Total Intergovernmental	**6,669,023**	**6,744,833**	**6,799,833**	**6,741,497**
Service Charges				
Finance	649,065	625,000	628,000	652,500
Community Development	2,488,475	2,503,200	2,503,200	3,161,746
Fire	47,589	41,800	41,800	130,200
Police	509,290	467,824	467,824	774,951
Public Works	242,677	241,000	241,000	260,000
Library	26,467	28,250	28,250	26,000
Parks and Recreation	2,063,012	2,100,847	2,100,847	2,396,050
Total Service Charges	**6,026,575**	**6,007,921**	**6,010,921**	**7,401,447**
Inter-Fund Charges and Reimbursements	**9,269,363**	**9,114,468**	**9,114,468**	**11,158,356**

Summary of Revenues (continued)

GENERAL FUND (continued)	FY 2002 Actual	FY 2003 Adopted	FY 2003 Amended	FY 2004 Adopted
Inter-Fund Transfers				
Transfer In - Gas Tax	$ 1,667,888	$ 1,650,000	$ 1,650,000	$ -
Transfer In - Traffic Safety	546,673	550,000	550,000	500,000
Transfer In - Miscellaneous	188,360	76,680	164,230	-
	2,402,920	**2,276,680**	**2,364,230**	**500,000**
Other Revenues				
Donations	89,067	98,100	98,100	65,500
Library Gift Funds	20,000	88,667	183,492	205,785
Miscellaneous	236,081	308,585	308,585	344,864
Total Other Revenue	**345,148**	**495,352**	**590,177**	**616,149**
TOTAL GENERAL FUND	**$ 81,006,857**	**$ 81,273,170**	**$ 81,613,545**	**$ 79,468,394**
SPECIAL REVENUE FUNDS				
Community Dev. Block Grant	3,530,080	1,921,000	2,495,818	1,814,000
County Library	1,374,910	1,149,700	1,221,459	1,228,193
Creeks Restoration/Water Quality	2,096,749	2,044,900	2,044,900	2,104,780
Gas Tax	1,667,889	1,650,000	1,650,000	1,700,000
Home Administration	392,565	833,000	2,113,044	840,940
Miscellaneous Grants	1,617,790	789,292	1,287,853	470,621
Redevelopment Agency (RDA)	11,962,997	10,011,200	10,011,200	10,709,000
RDA Housing	3,044,187	3,070,000	3,070,000	3,170,000
Solid Waste	N/A	503,500	503,500	824,210
Streets	4,413,939	3,974,942	8,438,452	8,367,363
Supplemental Law Enforcement	190,043	188,398	188,398	188,398
Traffic Safety	574,953	575,000	575,000	525,000
Transportation Development	70,981	55,000	55,000	55,000
Transportation Sales Tax	5,149,710	4,575,000	4,575,000	5,025,000
TOTAL SPECIAL REVENUE	**$ 36,086,793**	**$ 31,340,932**	**$ 38,229,624**	**$ 37,022,505**
ENTERPRISE FUNDS				
Airport Fund				
Leases - Commercial	3,196,715	3,148,875	3,148,875	3,433,496
Leases - Non-Commercial	1,144,798	1,049,000	1,049,000	1,164,000
Leases - Terminal	3,048,544	2,801,657	2,801,657	3,133,481
Leases - Commerical Aviation	1,244,604	1,150,335	1,150,335	1,586,300
Interest Income	626,135	450,000	450,000	376,000
Miscellaneous	198,905	67,000	67,000	223,500
Subtotal	**9,459,701**	**8,666,867**	**8,666,867**	**9,916,777**
Airport Capital Grants Fund	**8,208,946**	**13,332,278**	**13,332,278**	**3,721,164**

Summary of Revenues (continued)

ENTERPRISE FUNDS (cont.)	FY 2002 Actual	FY 2003 Adopted	FY 2003 Amended	FY 2004 Adopted
Downtown Parking Fund				
PBIA Assessment	$ 669,078	$ 650,000	$ 650,000	$ 675,000
Hourly Parking	3,180,850	2,730,000	2,780,000	3,100,000
Other Parking Fees	432,385	380,000	355,000	475,000
Lobero Garage	97,946	125,000	125,000	100,000
Commuter Lots	176,503	250,000	225,000	175,000
Interest Income	390,829	300,000	300,000	275,000
Miscellaneous	29,773	25,000	25,000	50,000
Subtotal	**4,977,364**	**4,460,000**	**4,460,000**	**4,850,000**
Duplications Fund				
Service Charges	213,279	237,265	237,265	250,000
Allocation Receipts	85,662	91,386	91,386	125,978
Subtotal	**298,941**	**328,651**	**328,651**	**375,978**
Golf Fund				
Greens Fees	1,638,315	1,677,142	1,677,142	1,759,500
Food Concession	249,371	225,000	225,000	250,000
Interest Income	81,495	65,000	65,000	55,000
Miscellaneous	1,139	-	-	-
Subtotal	**1,970,320**	**1,967,142**	**1,967,142**	**2,064,500**
Information Systems ICS Fund				
Desktop Information Systems	N/A	N/A	N/A	1,504,132
Financial Information Systems	N/A	N/A	N/A	405,255
Subtotal	**-**	**-**	**-**	**1,909,387**
Intra-City Services Fund				
Rents - Equipment	1,353,700	1,139,220	1,139,220	1,414,836
Maintenance - Equipment	2,725,238	2,749,262	2,749,262	2,772,626
Maintenance - Facilities	2,703,251	2,958,608	2,958,608	2,637,931
ICS Communications	N/A	N/A	N/A	508,025
Custodial Services	N/A	N/A	N/A	801,018
Miscellaneous	185,836	75,000	75,000	1,384,043
Subtotal	**6,968,025**	**6,922,090**	**6,922,090**	**8,209,436**
Self-Insurance Fund				
Workers' Compensation Premiums	2,220,464	3,204,803	3,204,803	3,236,152
Property/Liability Insurance Premiums	1,571,011	2,322,481	2,322,481	2,776,564
ACCEL Premium Rebate	750,000	200,000	200,000	-
Occupational Safety and Health Charges	-	187,875	187,875	217,076
Interest Income	-	-	-	120,000
Miscellaneous	276,695	-	-	-
Subtotal	**4,818,170**	**5,915,159**	**5,915,159**	**6,349,792**

Summary of Revenues (continued)

ENTERPRISE FUNDS (cont.)	FY 2002 Actual	FY 2003 Adopted	FY 2003 Amended	FY 2004 Adopted
Wastewater Fund				
Service Charges	$ 8,433,443	$ 9,735,000	$ 9,735,000	$ 9,600,000
Connection Fees	125,180	150,000	150,000	150,000
Mission Canyon Charges	223,107	200,000	200,000	200,000
Interest Income	902,504	800,000	800,000	525,000
Miscellaneous	20,241	75,000	75,000	100,000
Subtotal	**9,704,475**	**10,960,000**	**10,960,000**	**10,575,000**
Water Fund				
Metered Sales	21,121,848	22,000,000	22,000,000	22,300,000
New Service	138,093	200,000	200,000	165,000
Water Turn On Fees	74,909	85,000	85,000	85,000
Water Tap Fees	97,062	50,000	50,000	50,000
Utility Users Tax	572,123	-	-	-
J.P.A. Reimbursement	1,217,569	1,100,000	1,100,000	1,200,000
Creeks Reimbursement	-	-	-	41,937
Interest Income	1,709,330	1,400,000	1,400,000	700,000
Miscellaneous	184,463	200,000	338,000	100,000
Subtotal	**25,115,397**	**25,035,000**	**25,173,000**	**24,641,937**
Waterfront Fund				
Leases - Commercial	1,145,846	1,072,285	1,072,285	1,158,285
Leases - Food Service	2,119,268	2,125,181	2,125,181	2,085,000
Leases - Other	242,526	240,000	240,000	240,424
Interest Income	387,557	265,000	265,000	220,000
Parking Fees	1,034,266	962,400	962,400	1,252,100
Parking Permits	220,974	203,000	203,000	245,000
Slip Rentals	3,051,469	3,007,520	3,007,520	3,127,821
Visitor Fees	319,605	338,307	338,307	365,000
Slip Transfer Fees	315,888	260,925	260,925	345,000
Liveaboard Fees	102,457	100,000	100,000	135,600
Miscellaneous fees	48,449	39,030	39,030	44,500
Miscellaneous	174,425	27,500	27,500	82,500
Subtotal	**9,162,730**	**8,641,148**	**8,641,148**	**9,301,230**
TOTAL ENTERPRISE FUNDS	**$ 80,684,069**	**$ 86,228,335**	**$ 86,366,335**	**$ 81,915,201**
TOTAL CITYWIDE REVENUE	**197,777,718**	**198,842,437**	**206,209,504**	**198,406,100**
Less: All Inter-Fund Transactions	21,228,860	23,156,189	23,156,189	30,497,949
CITYWIDE REVENUE (NET)	**$ 176,548,858**	**$ 175,686,248**	**$ 183,053,315**	**$ 167,908,151**

Summary of Appropriations

	FY 2002 Actual	FY 2003 Adopted	FY 2003 Amended	FY 2004 Adopted
GENERAL FUND				
Administrative Services				
City Clerk	$ 698,195	$ 549,347	$ 616,397	$ 766,963
Human Resources	758,270	798,784	798,784	938,324
Desktop Information Systems	919,192	937,703	961,203	-
Financial Information Systems	358,305	385,961	402,461	-
Subtotal	**2,733,962**	**2,671,795**	**2,778,845**	**1,705,287**
City Administrator's Office				
Administration	1,176,264	1,194,876	1,194,876	1,207,305
Employee Relations	128,899	185,623	185,623	197,888
City TV	288,760	308,698	308,698	337,802
Subtotal	**1,593,923**	**1,689,197**	**1,689,197**	**1,742,995**
City Attorney's Office	**1,542,306**	**1,663,096**	**1,663,096**	**1,681,641**
Community Development				
Administration	422,040	500,579	500,579	386,395
Economic Development	89,093	83,427	83,427	63,189
CDBG and Human Services	605,574	647,253	647,253	651,528
Redevelopment Agency	477,075	513,658	513,658	552,610
Housing Development and Preservation	253,463	260,210	260,210	369,000
Long Range Planning & Special Studies	546,394	599,193	651,863	625,813
Development / Environmental Review	1,349,859	1,548,915	1,696,815	1,185,270
Zoning: Ordinance, Info and Enforcement	559,895	677,899	677,899	767,159
Design Review and Historic Preservation	-	-	-	677,764
Building Inspection and Code Enforcement	768,041	784,193	784,193	875,238
Records, Archives and Clerical Services	413,932	431,192	431,192	485,927
Building, Counter and Plan Review	744,451	731,646	731,646	859,523
Subtotal	**6,229,817**	**6,778,165**	**6,978,735**	**7,499,416**
Finance				
Administration	595,278	555,628	914,782	604,194
Revenue and Cash Management	236,222	251,048	251,048	317,538
Cashiering and Collections	270,652	313,307	313,307	356,538
Licenses and Permits	211,108	229,918	232,918	333,408
Budget Management	-	-	-	367,582
Accounting Services	209,704	219,604	218,725	310,050
Payroll	170,809	178,260	178,260	313,193
Accounts Payable	114,394	116,988	116,988	185,555
City Billing and Customer Service	378,150	406,170	406,170	534,819
Purchasing and Warehouse	527,326	549,741	549,741	600,533
Meter Reading	367,619	394,491	394,491	383,090
Subtotal	**3,081,262**	**3,215,155**	**3,576,430**	**4,306,500**

Summary of Appropriations (continued)

	FY 2002 Actual	FY 2003 Adopted	FY 2003 Amended	FY 2004 Adopted
GENERAL FUND (continued)				
Fire				
Administration	721,274	659,120	659,120	557,028
Prevention	900,069	893,069	973,069	1,098,674
Public Education	88,059	90,945	90,945	105,800
Operations	9,936,483	10,190,559	10,540,559	11,310,930
Aircraft Rescue and Firefighting (ARFF)	850,520	838,020	838,020	965,226
Subtotal	**12,496,405**	**12,671,713**	**13,101,713**	**14,037,658**
Library				
Administration	253,838	287,824	287,824	278,447
Public Services	1,929,138	1,942,858	2,037,683	2,031,710
Support Services	1,113,533	1,229,018	1,229,018	1,377,185
Subtotal	**3,296,509**	**3,459,700**	**3,554,525**	**3,687,342**
Mayor and City Council	**419,482**	**460,524**	**460,524**	**556,099**
Nondepartmental				
Community Promotion	2,294,558	2,593,273	2,386,714	2,433,273
General Government	2,056,300	3,148,877	3,043,877	1,448,274
Subtotal	**4,350,858**	**5,742,150**	**5,430,591**	**3,881,547**
Parks and Recreation				
Parks and Recreation Administration	298,768	309,081	309,081	334,829
Business Services	283,891	328,855	328,855	463,657
PARKS				
Park Operation Management	490,530	398,288	458,288	1,006,735
Grounds and Facilities Maintenance	3,251,202	3,407,841	3,437,841	3,378,136
Forestry	890,660	930,724	930,724	965,489
Beach Maintenance	91,766	95,758	95,758	102,290
Chase Palm Park	388,911	460,747	460,747	587,357
RECREATION				
Recreation Program Management	269,337	302,756	302,756	371,727
Registration and Reservation Services	370,644	386,852	386,852	344,531
Cultural Arts	368,745	367,704	367,704	511,609
Youth Activities	710,805	755,215	781,244	695,589
Teen Programs	175,388	198,863	198,863	259,038
Adapted	198,534	219,493	219,493	248,277
Senior Recreation	390,451	367,761	367,761	668,865
Aquatics	1,000,058	965,986	965,986	1,185,952
Sports	343,958	421,730	395,701	358,638
Tennis	208,844	194,828	194,828	287,956
Community Services	396,242	428,047	428,047	818,691
Subtotal	**10,128,734**	**10,540,529**	**10,630,529**	**12,589,366**

Summary of Appropriations (continued)

	FY 2002 Actual	FY 2003 Adopted	FY 2003 Amended	FY 2004 Adopted
GENERAL FUND (continued)				
Police				
Chief's Staff	2,138,221	2,703,843	2,684,562	821,801
Support Services	-	-	-	600,338
Records Bureau	-	-	-	1,263,425
Community Services Division	906,535	790,477	1,496,499	837,741
Crime Analysis	94,699	126,660	125,473	77,431
Property Room	128,491	144,851	143,465	139,867
Training and Recruitment	482,615	404,864	403,747	296,573
Shooting Range	-	-	-	954,284
D.A.R.E.	211,396	219,400	218,609	236,122
Beat Coordinators	752,378	736,037	733,941	685,733
Information Technology	516,291	536,331	583,798	734,838
Investigative Division	3,473,425	3,409,392	3,319,106	3,120,647
Crime Lab	-	-	-	169,391
High Tech Crimes Unit	-	-	-	222,986
Patrol Division	9,721,942	10,223,403	9,711,393	9,162,992
Traffic	-	-	-	912,680
Special Events	387,308	162,510	367,702	216,281
Tactical Patrol Force	402,581	428,441	428,076	425,518
Nightlife Enforcement	323,249	368,858	368,858	398,702
Parking Enforcement	545,578	687,319	711,240	957,302
Combined Communications Center	1,181,111	1,448,735	1,443,889	1,770,615
Animal Control	370,044	397,662	360,286	435,390
Emergency Services	171,619	189,022	154,720	160,981
Subtotal	**21,807,483**	**22,977,805**	**23,255,364**	**24,601,638**
Public Works				
Administration	678,871	512,322	522,322	580,330
Engineering Services	2,461,790	2,583,959	2,583,959	2,901,912
Land Development	706,102	777,437	777,437	880,834
Environmental Programs	429,905	166,770	166,770	223,236
Traffic Operations	301,984	334,173	334,173	-
Transportation Planning	472,492	559,975	559,975	-
Alternative Transportation	285,155	306,999	306,999	-
Transportation and Drainage Systems	1,654,669	1,716,410	1,745,411	-
Communications Systems	435,069	512,200	512,200	-
Traffic Signals	734,367	771,151	761,146	-
Custodial Services	740,939	808,075	808,075	-
Subtotal	**8,901,343**	**9,049,471**	**9,078,467**	**4,586,312**
TOTAL GENERAL FUND	**$ 76,582,084**	**$ 80,919,300**	**$ 82,198,016**	**$ 80,875,801**

Summary of Appropriations (continued)

	FY 2002 Actual	FY 2003 Adopted	FY 2003 Amended	FY 2004 Adopted
SPECIAL REVENUE FUNDS				
Community Development Block Grant	3,530,080	1,921,000	1,865,991	1,814,000
County Library	1,449,631	1,373,065	1,444,824	1,657,428
Creeks Restoration & Water Quality	1,038,550	1,301,900	2,044,900	1,653,511
Gas Tax	1,667,888	1,650,000	1,650,000	1,700,000
HOME Grant Fund	392,565	833,000	833,000	840,940
Miscellaneous Grants Fund	1,661,303	789,292	1,678,214	286,621
Redevelopment Agency	11,128,144	11,787,200	12,287,200	10,709,000
Redevelopment Agency Housing	1,660,458	10,970,000	11,060,998	3,170,000
Solid Waste	-	503,500	784,500	824,210
Streets Fund	-	-	-	6,207,327
Supplemental Law Enforcement	190,952	188,398	188,398	188,398
Traffic Safety	574,953	575,000	575,000	525,000
Transportation Sales Tax	2,040,794	2,475,000	2,475,000	2,892,630
SPECIAL REVENUE FUNDS	**$ 25,335,318**	**$ 34,367,355**	**$ 36,888,025**	**$ 32,469,065**
ENTERPRISE FUNDS				
Airport Fund				
Administration	1,365,295	1,674,775	1,665,910	1,632,969
Business and Property Management	732,953	695,456	695,456	1,008,822
Marketing and Communications	345,925	264,566	264,566	281,319
Facilities Maintenance	1,911,391	1,969,249	1,969,250	2,261,243
Air Operations Area Maintenance	528,117	697,951	822,951	609,998
Airport Security	1,003,378	1,154,438	1,154,438	1,511,115
Airport Certification and Operations	1,274,210	1,262,876	1,262,876	1,480,703
Facility Planning and Development	446,127	482,062	531,376	545,608
Subtotal	**7,607,396**	**8,201,373**	**8,366,823**	**9,331,777**
Downtown Parking Fund	**3,808,471**	**4,061,989**	**4,078,789**	**4,294,747**
Duplications Fund				
Duplicating	240,799	277,821	277,821	339,345
Mail Courier Services	38,374	50,830	50,830	59,846
Subtotal	**279,173**	**328,651**	**328,651**	**399,191**
Municipal Golf Course	**1,727,025**	**1,702,906**	**1,702,906**	**1,764,500**
Information Systems ICS Fund				
Desktop Information Systems	-	-	-	1,481,995
Financial Information Systems	-	-		427,392
Subtotal	**-**	**-**	**-**	**1,909,387**
Intra-City Services				
Building Maintenance	2,729,930	3,132,260	3,342,260	2,568,172
Motorpool	2,085,084	2,957,352	2,963,908	2,946,801
Communications Systems	-	-	-	614,816
Custodial Services	-	-	-	885,577
Subtotal	**4,815,014**	**6,089,612**	**6,306,168**	**7,015,366**

Summary of Appropriations (continued)

	FY 2002 Actual	FY 2003 Adopted	FY 2003 Amended	FY 2004 Adopted
ENTERPRISE FUNDS (continued)				
Self Insurance Fund				
Workers' Compensation	2,933,222	3,204,521	3,204,521	3,236,152
Liability	2,617,023	904,425	904,425	782,032
Occupational Safety and Health	-	188,030	188,030	217,076
Administrative Operations	-	1,618,183	1,618,183	2,114,532
Subtotal	**5,550,245**	**5,915,159**	**5,915,159**	**6,349,792**
Wastewater Fund				
Water Resources Management	1,548,903	1,754,958	1,754,958	1,762,774
Water Reclamation	99,780	101,150	101,150	111,349
Wastewater Collection	1,757,104	2,240,016	2,240,016	2,354,940
Water Resources Laboratories	264,056	379,645	379,645	461,815
Wastewater Treatment	3,968,859	4,227,627	4,227,627	4,377,128
Subtotal	**7,638,702**	**8,703,396**	**8,703,396**	**9,068,006**
Water Fund				
Water Resources Management	4,954,465	5,263,645	5,378,645	5,293,074
Water Reclamation	633,005	684,139	684,139	728,181
Water Distribution	3,897,170	4,253,547	4,253,547	4,682,960
Water Treatment	2,124,831	2,428,328	2,428,328	2,710,460
Water Supply Management	6,414,206	6,429,027	6,452,027	7,991,974
Water Resources Laboratories	392,781	489,988	489,988	516,822
Subtotal	**18,416,458**	**19,548,674**	**19,686,674**	**21,923,471**
Waterfront Fund				
Admin. Support and Comm. Relations	2,727,962	2,894,948	2,885,523	2,999,880
Property Management	152,640	178,405	188,167	214,257
Financial Management	116,963	120,353	120,353	136,578
Parking Services	688,421	776,247	788,813	862,477
Harbor Patrol	1,053,072	1,150,526	1,150,526	1,282,510
Marina Management	204,947	227,036	227,036	250,400
Facilities Maintenance	2,454,750	2,460,906	2,504,432	2,895,909
Facilities Design and Capital Program	181,629	224,026	224,026	194,334
Subtotal	**7,580,384**	**8,032,447**	**8,088,876**	**8,836,345**
TOTAL ENTERPRISE FUNDS	**$ 57,422,868**	**$ 62,584,207**	**$ 63,177,442**	**$ 70,892,582**
CITYWIDE APPROPRIATIONS	**159,340,270**	**177,870,862**	**182,263,483**	**184,237,448**
Less: All Inter-Fund Transactions	*(21,144,717)*	*(23,156,189)*	*(23,156,189)*	*(30,497,949)*
CITY OPERATING BUDGET (NET)	**138,195,553**	**154,714,673**	**159,107,294**	**153,739,499**
Add: Capital Program - All Funds	40,730,398	35,093,527	35,093,527	24,619,346
CITYWIDE TOTAL (NET)	**$ 178,925,951**	**$ 189,808,200**	**$ 194,200,821**	**$ 178,358,845**

Authorized Positions (in FTEs)

Department	Adopted FY 2002	Actual FY 2002	Adopted FY 2003	Amended FY 2003	Adopted FY 2004
Administrative Services	29.6	29.6	30.6	28.9	29.3
Airport	44.0	49.0	49.0	50.0	50.0
City Administrator's Office	9.9	9.9	9.9	11.4	11.4
City Attorney's Office	12.5	12.5	12.5	12.5	11.5
Community Development	86.1	86.1	86.1	86.1	82.1
Finance	49.0	49.0	49.0	47.0	47.0
Fire	124.0	124.0	124.0	124.0	113.0
Library	50.5	50.5	50.5	50.5	49.2
Mayor and City Council	9.0	9.0	9.0	9.0	9.0
Parks and Recreation	97.1	97.1	97.1	97.3	97.8
Police	240.5	238.5	236.5	239.5	230.0
Public Works	275.1	276.1	276.6	278.6	278.6
Waterfront	45.0	45.0	45.0	46.0	45.0
City Total (FTEs)	**1,072.3**	**1,078.3**	**1,075.8**	**1,080.8**	**1,053.9**

Position Changes (in FTEs)

Department	Position Changes	Expired Limited Term Positions	Adopted FY 2004
Administrative Services	0.40	-	0.40
Airport	-	-	-
City Administrator's Office	-	-	-
City Attorney's Office	(1.00)	-	(1.00)
Community Development	(4.00)	-	(4.00)
Finance	-	-	-
Fire	(11.00)	-	(11.00)
Library	(1.30)	-	(1.30)
Mayor and City Council	-	-	-
Parks and Recreation	0.50	-	0.50
Police	(7.00)	(2.50)	(9.50)
Public Works	-	-	-
Waterfront	(1.00)	-	(1.00)
City Total (FTEs)	**(24.40)**	**(2.50)**	**(26.90)**

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General Fund

BACKGROUND

	2002 Actual	2003 Adopted Budget	2003 Actual	2004 Adopted Budget
Revenue	$ 81,006,857	$ 81,273,170	$ 84,065,940	$ 79,468,394
Operating expenses	76,582,084	80,919,300	80,384,320	80,875,801
Operating surplus	4,424,773	353,870	3,681,620	(1,407,407)
Capital budget:				
Use of restricted streets capital reserves	800,000	-	-	-
Streets capital	3,500,000	2,484,942	2,484,942	-
Remaining surplus (deficit)	1,724,773	(2,131,072)	1,196,678	(1,407,407)
General capital	2,490,924	2,017,730	2,233,730	1,015,150
Net addition to (use of) reserves	$ (766,151)	$ (4,148,802)	$ (1,037,052)	$ (2,422,557)

The adopted fiscal year 2004 General Fund budget is the culmination of a process begun in the middle of fiscal year 2002. After several years of historically strong revenue growth, several of the City's key General Fund revenues began to reflect a weakening economy in the spring of 2001. Growth rates in these key revenues began to moderate significantly. The terrorist attacks of September 11th compounded this trend. In the wake of September 11th, revenues such as sales tax and transient occupancy tax (TOT) declined for the first time in more than four years. At the same time, the City's costs began to experience significant growth in a number of areas, most of which were partially or completely beyond the City's control. In particular, insurance costs, including workers' compensation, property insurance and employee health insurance, have increased substantially in the last three years. In addition, due to the poor performance of financial markets over the last three years, the City's retirement contributions to the California Public Employees Retirement System (PERS) are also increasing dramatically. These concurrent trends in both revenues and expenditures combined to present the City with both significant budget challenges and opportunities.

In some ways, the current budget environment is similar to the recession of the early 1990s. However, there are also fundamental and important differences. Like the previous recession, key General Fund revenues have been impacted. For example, in fiscal year 2002, two of the General Fund's most important and economically sensitive revenues declined. Sales tax declined 4.1% and transient occupancy tax declined 3.3% from fiscal year 2001 levels. Unlike the recession of the early 1990s, however, the current budget challenges are due more to increasing costs than declining or stagnant revenues. In fact, even had revenues continued to grow at historical levels, the City would still be facing budget challenges. The cost increases mentioned above (and discussed in further detail later in this overview) are a significant dimension that was not present in the recession of the 1990s.

General Fund

Another similarity between the recession of the early 1990s and the current situation is the State's budget situation. In 1991, the State faced a sizeable budget deficit, which it solved in large part by taking funds from local governments. Through the use of the Educational Revenue Augmentation Fund (ERAF), the State shifted local property tax dollars to schools, thus enabling it to reduce its own obligation to school funding by an equal amount. The ERAF shift, which continues to grow each year, is now costing the Santa Barbara's General Fund over $2 million of property tax revenue annually. In fact, much of the state's budget surplus during the late 1990s was the result of the continuing ERAF shift that was never returned to local governments once the economy recovered.

Once again, the State was facing an unprecedented budget deficit for fiscal year 2004. After a long and heated political battle, the State adopted its fiscal year 2004 budget in July 2003. Unfortunately, the State once again used many one-time measures to address its staggering $38 billion projected deficit and once again solved part of its deficit at the expense of local government, although the impacts to cities were not as significant as had originally been expected.

The biggest impact of the State's adopted budget on the General Fund is the City's share ($1.2 million) of the $852 million of State-retained vehicle license fee (VLF) payments. Earlier this year, the State "pulled the trigger" contained in the original VLF legislation that enabled the State to administratively restore the VLF to the 1998 level, when it was originally lowered. While this leaves intact the ongoing VLF payments to local governments, the State retained 3 months of fiscal year 2004 VLF backfill payments, indicating that this "loan" will be repaid in 3 years when, presumably, the fiscal issues will have been resolved. Clearly, the City remains skeptical as to the security of this unilaterally executed loan agreement. Since this action was taken after the adoption of the City's budget, the VLF revenue included in the adopted budget does not reflect the $1.2 million estimated reduction in VLF payments from the State this fiscal year.

However, the current General Fund budget challenges are in large measure expenditure-driven, and there is no expectation that these cost pressures will abate in the short term. The City is not in a position to simply wait for a better economic climate to grow revenues back to a balanced General Fund budget, given the size of cost increases, which are, in large part, out of the control of the City. For example, employee health insurance, workers' compensation and retirement costs are all expected to grow in excess of the rate of inflation over the next several years. Therefore, to address the budget challenges, adjustments to both expenditures and revenues were required to balance the fiscal year 2004 budget.

The City's goal has been, and continues to be, to combine the judicious use the General Fund's accumulated reserves with expenditure reductions to permit a gradual and orderly transition to a smaller, more efficient organization. Often referred to as a "soft landing," the concept is to manage the return to a balanced budget while avoiding layoffs or other unnecessary disruptions to the organization. This is exactly the scenario for which the General Fund has accumulated

General Fund

reserves. For example, the adopted fiscal year 2003 General Fund budget contained approximately $2 million in expenditure reductions combined with the budgeted use of an equivalent amount of reserves. Although vacant positions were eliminated, the $2 million of reductions were accomplished without layoffs. The adopted fiscal year 2004 budget continues this approach. An example of this approach is the fact that the adopted budget contains 27 fewer positions citywide than were authorized in the amended fiscal year 2003 budget.

Because of conservative budgeting practices, invariably the use of reserves at fiscal year-end is less than originally budgeted. For example, the adopted fiscal year 2003 year budget provided for the use of $2.1 million of reserves to balance the operating budget. However, at the end of fiscal year 2003, the fund generated an operating surplus of just over a $1 million. It is this experience, combined with the continued use of conservative budget assumptions that permits the City to maintain General Fund reserves at levels consistent with adopted policies, despite budgeting their use.

SUMMARY OF ADOPTED FISCAL YEAR 2004 BUDGET

As the table at the top of the page C-1 indicates, the adopted fiscal year 2004 General Fund operating budget projects total revenue of $79.5 million, combined with the use of $1.4 million of reserves, to fund an operating budget of $80.9 million. The use of an additional $1 million of reserves for capital brings the total adopted use of reserves to $2.4 million. The use of reserves for capital is in keeping with both past practice and the City Council policy, established in 1995, of using non-recurring revenue (reserves) to fund non-recurring costs (capital).

The adopted General Fund capital program is 55% lower than the fiscal year 2003 capital program. This is primarily because a number of ongoing maintenance activities as well as some equipment replacement that had previously been included in the capital program have been moved into the operating budget. As recurring maintenance activities, these items are more appropriately budgeted in the operating budget and paid from current-year operating revenue. For example, almost $240,000 was included in the fiscal year 2003 capital program for the annual replacement of General Fund desktop computers and related network infrastructure. In the adopted fiscal year 2004 budget, these costs have been budgeted in the operating budget.

Overall, General Fund operating expenditures in the adopted budget are approximately $80.9 million, an increase of only $491,000 over fiscal year 2003 actual expenditures. Given the significant increases in employee health insurance, workers' compensation and retirement costs, as well as the costs transferred to the operating that were previously funded within the capital program, the net increase over actual prior year expenditures was mitigated due to a structural change implemented in the fiscal year 2004 adopted budget.

The significant structural change, resulting in a smaller General Fund budget for fiscal year 2004, is that all Public Works Streets programs have been moved out of the General Fund and into a

General Fund

separate, Special Revenue Fund. The City's Streets programs are funded almost entirely with restricted revenue. Under standard governmental budgeting and accounting standards, this is the classic definition of a Special Revenue Fund. Moving the Streets programs out of the General Fund allows the City to more easily track use of the restricted revenue. For example, under the City Code of Ordinances, 50% of the City's utility users tax revenue is restricted to streets use. Each year, City Finance Department staff must track and reconcile the use of those funds to ensure compliance with the Code provision. By moving the Streets programs along with the restricted portion of the utility users tax (50%) to a separate Special Revenue Fund, the accounting and reconciliation process becomes much easier. In addition, all City-funded Streets expenditures, including capital, will be accounted for within a single fund. Moving the Streets programs out of the General Fund results in a reduction to the General Fund of approximately $5 million.

In an effort to provide better cost accounting, the adopted fiscal year 2004 budget moves several other entire operations out of the General Fund. Under the old structure, the budgets of all other General Fund programs did not properly reflect the true costs of providing their respective services because they did not include costs for information systems, custodial or communications support. The Information Systems, Custodial and Electronic Communications Systems programs now have been moved out of the General Fund and into Internal Service Funds. Under governmental budgeting and accounting standards, Internal Service Funds, like Enterprise Funds, recover all of their costs from user charges. The only difference is that the customers of Internal Service Funds are other City departments and operations, unlike Enterprise Funds, such as the City's Water, Wastewater, Parking and Golf funds, which provide services to the community. By moving these programs to Internal Service Funds, the costs are appropriately allocated to each individual General Fund program based upon their individual usage, better reflecting true and total program costs. The City already accounts for the Motor Pool, Building Maintenance and Self-Insurance programs as Internal Service Funds. It is very important to understand that this structural change has not affected the General Fund's total costs. The same costs have simply been allocated across each program, rather than being budgeted in consolidated programs. The new allocation methodology does increase individual department and program budgets, but does not affect the General Fund as a whole.

The adopted budget also proposes similar changes to the allocation of property and liability insurance premiums, and the General Fund-wide building maintenance program. In prior years, these costs were budgeted in the General Fund's Non-Departmental program, rather than being allocated to individual programs. Once again, this resulted in an understatement of the true costs of each General Fund program and the services they provide. As with changes described above, as simply a better allocation of existing costs, this change does result in an increase to individual department and program budgets, but not to the General Fund as a whole.

Although there is additional discussion of General Fund expenditures later in this overview, several significant cost increases that affect all City funds – including the General Fund - warrant

General Fund

discussion at this time. As mentioned above, these include retirement costs, costs for employee health insurance, and property and liability insurance.

The City's retirement contributions to the California Public Employees Retirement System (PERS) increased substantially on July 1, 2003. The adopted fiscal year 2004 budget contains $8.1 million for retirement contributions. This is an increase of $1.9 million (31%) from the current fiscal year. Retirement costs comprise 10% of the total adopted General Fund budget. The table below summarizes the City's actual PERS contribution rates for the prior fiscal year (2003), the adopted budget (fiscal year 2004) and a PERS-provided estimate for fiscal year 2005. The rates represent a percent of pay and are a combination of both the employee and employer portions (the City pays both).

PERS Contribution Rates by Contribution Group

Contribution Group	FY 2003	FY 2004	FY 2005
Miscellaneous	7.000%	10.161%	15.800%
Police	27.793%	32.665%	43.200%
Fire	19.899%	30.549%	43.400%

The dramatic increase in rates is a direct result of the losses sustained in the financial markets over the last two years. Over that period, PERS' investments have lost money, falling significantly short of the 8.25% actuarial assumption for investment returns. Until the investment environment recovers, the City can expect the PERS contribution rates to remain historically high. It should be mentioned that during the late 1990s when PERS was earning as much as 20% on its investment portfolio, the City's employer contribution rates were close to zero.

Employee health insurance is another cost that is growing much faster than inflation. The City currently participates in the PERS health insurance system. However, due to expected increases of between 20% and 30% in PERS health insurance premiums, the City will contract with other lower cost insurance providers in fiscal year 2004, beginning January 1st. Clearly, employee health insurance costs will continue to be a concern to both the City and its employees for some time to come.

Finally, property and workers' compensation insurance costs have increased dramatically over the last several years. The City is self-insured for workers' compensation. Over the last three years, the General Fund's workers' compensation costs have increased almost $900,000 (76%). In addition, the City's self-insured retention (deductible) for workers' compensation has increased from $300,000 to $500,000 per incident. The City purchases commercial property insurance, including coverage for earthquake and flood. In fiscal year 2000, the City paid $461,000 for property insurance with a basic deductible of $100,000 per occurrence. In fiscal year 2003, the City paid over $1.5 million for coverage with a $2 million deductible per occurrence. This represents a 225% increase in cost with a 20-fold increase in the deductible. The General Fund

General Fund

has absorbed a proportionate share of this increase. The City's property insurance premium for fiscal year 2004 is roughly the same as fiscal year 2003, just under $1.5 million with the same deductible limits.

In light of the uncertainties surrounding the significant cost items discussed above, as well as the State budget situation, the adopted fiscal year 2004 General Fund budget contains a supplemental budgetary reserve. In addition to the usual Appropriated Reserve of $375,000, the adopted budget contains a $500,000 budgetary reserve. This means that more than a third the $1,407,407 use of reserves to balance the budget is in the supplemental budgetary reserve. Without this supplemental budgetary reserve, the reserves needed to balance the adopted operating budget would be less than $1 million.

LONG-RANGE FINANCIAL PLANNING

For many years now, the City staff has used a multi-year forecasting model to project General Fund budgets several years into the future and assess the long-term impacts of current budget decisions and options. The model allows staff to perform "what-if" projections using different sets of assumptions for both revenues and expenditures. At least annually, a series of these projections are reviewed with the City Council Finance Committee. Particularly in unsettled budgetary times, such as now, the model is an extremely useful tool in making decisions and projecting the impacts of those decisions up to three years into the future. The table on the following page is a summary of the current version of the multi-year model. The table contains data for the prior year's actual year-end balances, the adopted fiscal year 2004 budget and projections for three additional fiscal years.

For the projections of fiscal years 2005, 2006 and 2007, the following assumptions are used for this version of the model:

	FY 2005	FY 2006	FY 2007
Revenue growth	3%	3%	3%
Expenditure growth:			
Salaries	2%	2%	2%
Health insurance	7.50%	7.50%	7.50%
PERS	PERS estimate	5%	5%
Workers' Comp.	5%	5%	5%
Supplies & services	0%	2%	0%

In each case, the percentage represents the annual growth assumed for that particular item. For example, this version of the model assumes 3% annual revenue growth and 2% annual growth in salaries.

General Fund

Multi-Year Forecast
General Fund

	FY 2003 Actual	FY 2004 Adopted	FY 2005 Estimated	FY 2006 Estimated	FY 2007 Estimated
Total Revenues	$84,065,940	$79,468,394	$82,226,212	$84,692,999	$87,233,789
Total Expenditures	82,869,262	80,875,800	86,077,447	88,393,483	90,482,671
Net Operating Surplus (Deficit)	1,196,678	(1,407,406)	(3,851,235)	(3,700,484)	(3,248,882)
Cumulative Budget Measures	-	-	2,000,000	3,000,000	3,000,000
Budgeted Use of Reserves	1,196,678	(1,407,406)	(1,851,235)	(700,484)	(248,882)
Anticipated Year-End Variance	-	1,617,516	1,721,549	1,767,870	1,809,653
Expected Oper. Surplus (Deficit)	1,196,678	210,110	(129,686)	1,067,386	1,560,771
Capital Program	(2,233,730)	(1,015,150)	(1,000,000)	(1,000,000)	(1,000,000)
Adjustment to Policy Reserves	(106,012)	(772,037)	(347,405)	(313,378)	-
Net Addition to (Use of) Reserves	(1,143,064)	(1,577,077)	(1,477,091)	(245,992)	560,771
Beginning Reserves Balance	19,091,123	17,948,059	16,370,982	14,893,891	14,647,899
Ending Reserves Balance	$17,948,059	$16,370,982	$14,893,891	$14,647,899	$15,208,670

Using these assumptions, the model projects that, without further adjustments, the General Fund will continue to run operating deficits ["Net Operating Surplus (Deficit)"] of between $3 million and $4 million through at least fiscal year 2007. This makes it clear that, based on the assumptions noted above, additional adjustments will certainly be required to return the General Fund to a balanced budget.

The next line down in the table ("Cumulative Budget Measures") indicates a preliminary plan of action for continued General Fund adjustments. It reflects another $2 million of adjustments to the General Fund in fiscal year 2005 and an additional $1 million in fiscal year 2006 (for a cumulative $3 million by fiscal 2006). The impact of the additional adjustments is reflected in the next line down ("Budgeted Use of Reserves"). That line indicates that the implementation of the $3 million adjustments would reduce the budgeted use of reserves to zero by fiscal year 2007. The operating budget would essentially be balanced by that time.

The "Anticipated Year-End Variance" assumes that there will be an annual favorable budget variance equal to 2% of the operating budget. This amount would normally come from a combination of revenue over budget and expenditures under budget and is consistent with historical experience. The projection indicates that, with the cumulative $3 million of additional adjustments discussed above, by the end of fiscal year 2006, even a $1 million capital program could be funded from current revenue ["Expected Operating Surplus (Deficit)" of $1,067,386].

General Fund

The balance of the table projects the impact of both the operating results and the capital program on the General Fund's reserve balances. Based upon all of the assumptions listed and described above, the model indicates that as early as fiscal year 2006, the "Net Addition to (Use of) Reserves" would essentially be balanced. The City's General Fund would no longer be using reserves to fund either operating or capital. The bottom line of the projection indicates that under this set of assumptions, the General Fund would end fiscal year 2007 with $15.2 million of budgetary reserves. This would represent a net use of reserves of only (approximately) $2.7 million between the end of fiscal year 2003 (with an ending reserve balance of almost $17.9 million) and the end of fiscal year 2007 (with an ending reserve balance of $15.2 million).

Clearly, the results projected by this version – or any version - of the model are only as good as the assumptions. One significant assumption that has not been mentioned is that this version does not factor in any potential impacts from the State budget crisis. Despite this, staff believes that the basic assumptions used in this version are reasonable based upon the current situation. The model is updated regularly as the situation changes and this allows staff to focus on the longer-term implications of both external impacts and potential policy decisions. It is an extremely useful tool; so much so, that virtually all of the City's Enterprise Funds now prepare and maintain a similar model for their own long-range planning.

The balance of this General Fund overview will focus on specific revenue and expenditure issues. Details on operating expenditures by department and program can be found in the department summaries and program narratives later in this document.

REVENUE

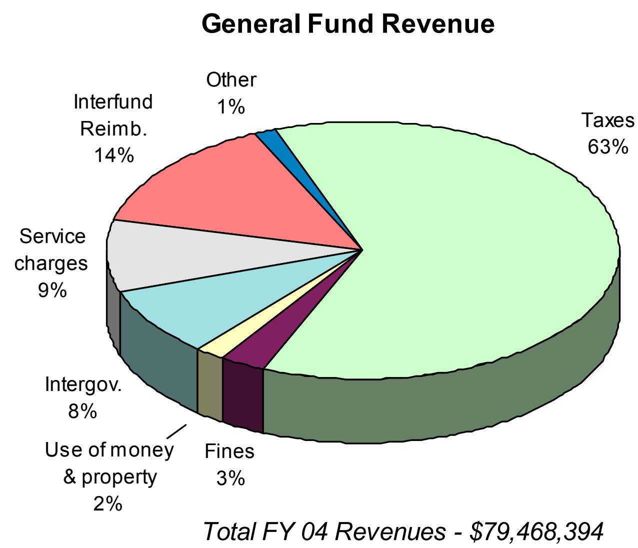
In total, fiscal year 2004 General Fund revenues are projected at $79,468,394. This represents a reduction of almost $4.6 million (5.5%) from the prior fiscal year year-end results. The decline is a bit misleading in that it is attributable to a significant structural change. As discussed above, all Streets programs will be moved out of the General Fund and into a dedicated Streets Special Revenue Fund. As a part of this change, 50% of the City's projected utility users tax, totaling $5.6 million, will also be moved to the new fund in accordance with the provisions of the City's Code of Ordinances. It is this change that accounts for the reduction in projected General Fund revenue.

The chart on the following page displays the General Fund's major revenue sources. As the chart indicates, taxes, at 63%, still constitute the largest source of General Fund revenue. Interfund Reimbursements, which represent payments to the General Fund from other City funds for various services provided to those funds, is the second largest category at 14%. Fees and service charges at 9% is the third largest, followed by intergovernmental (8%), fines (3%) and use of money and property (2%).

General Fund

Overall, staff is projecting moderate growth in the General Fund's major tax revenues. Additional detail is presented below, but growth rates are projected to be between 2% and 5%, depending on the particular revenue.

The other notable factor affecting overall revenue projections are the fee increases implemented by the various General Fund departments. Through a combination of anticipated growth in activity levels and the projected impact of the fee increases contained in the adopted budget, total service charge revenue is expected to increase almost 20% in fiscal year 2004.



In summary, the revenue growth rate projections to develop and contained in the adopted budget are consistent with recent experience and staff believes they are reasonable. However, if the City experiences a renewed economic slowdown with a corresponding impact on revenues, additional adjustments to the budget will be required. Additional detail on specific revenue sources is presented below.

Taxes

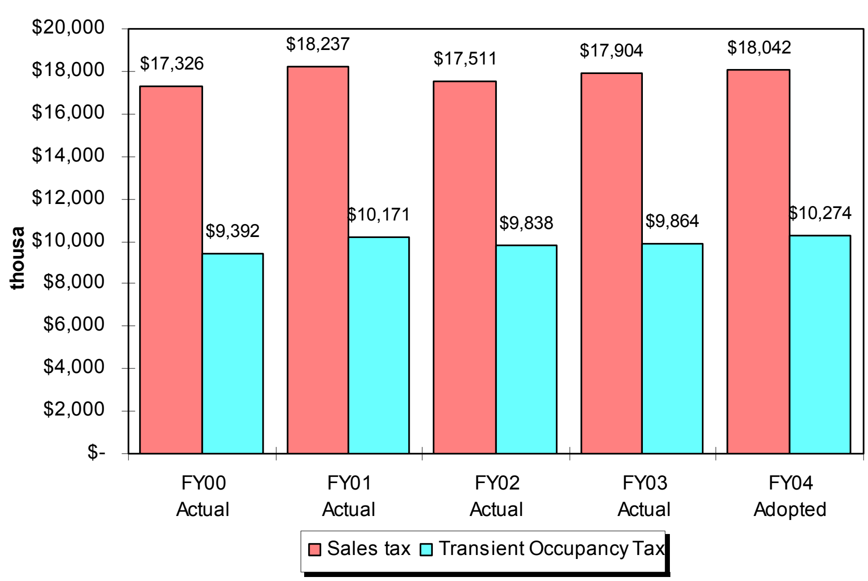
Overall, the adopted fiscal year 2004 tax revenue estimate is 8.1% below fiscal year 2003 year-end actual results. As discussed above, this is an anomaly due to the structural change in accounting for utility users tax revenue and Streets programs. Without the change in utility users tax accounting, projected tax revenue would be 2.4% above fiscal year 2003 year-end actual results. The table on the following page details the City's tax revenues with amounts presented for the adopted budget for the prior fiscal year, and the adopted fiscal year 2004 budget.

Comparing the adopted budget amounts to the prior year year-end actual results, less one-half of the utility users' tax that was transferred to the Streets Fund, presents a clearer picture of the growth rates staff is projecting for next fiscal year. This is similar the methodology staff uses to develop the revenue estimates. Staff begins by evaluating fiscal year 2003 year-to-date amounts and projects estimated year-end balances. Then projections for the budget year are developed based upon the prior year, year-end estimates, less any adjustments for any structural changes.

General Fund

	Fiscal 2003 Adopted	Fiscal 2003 Actual	Fiscal 2004 Adopted	Percent Growth
Sales and use	$ 17,853,400	$ 17,903,527	$ 18,042,000	0.8%
Utility users	11,364,100	10,886,009	5,607,700	-48.5%
Property	9,541,000	10,373,212	10,992,200	6.0%
Transient occupancy	9,974,700	9,864,403	10,273,900	4.2%
Franchise				
Electric	630,000	699,995	750,700	7.2%
Gas	339,600	294,542	320,600	8.8%
Cable television	525,000	775,047	911,300	17.6%
Business license	1,733,400	1,831,973	1,876,300	2.4%
Real property transfer	265,500	874,582	408,000	-53.3%
Total taxes	$ 52,226,700	$ 53,503,290	$ 49,182,700	-8.1%

As the table above indicates, the City needs only 0.8% growth in sales tax revenue to meet the budget estimates adopted for fiscal year 2004. As the City's largest and most economically sensitive revenue source, staff tends to be somewhat conservative with sales tax projections. A negative variance of only 1% in the sales tax projection translates into a revenue loss of over $180,000. In addition, sales tax is more difficult to project because of the significant delay in the state's reporting of actual results.



The chart to the right displays information on both sales tax and transient occupancy tax (TOT), including the actual fiscal 2003 year-end amounts. As the chart indicates, both sales tax and transient occupancy tax declined in fiscal year 2002, but were up modestly in fiscal year 2003. Although transient occupancy tax is expected to return to fiscal year 1991 levels in fiscal year 2004, sales tax revenue is not expected to do so until next fiscal year. Transient occupancy tax is budgeted to grow 4.2% next fiscal year. Unlike sales tax, the City receives TOT on a monthly basis and therefore it is somewhat more predictable.

General Fund

Property tax continues to show strong growth. Staff is projecting 6% growth for fiscal year 2004 over fiscal year 2003 actual amounts.

Revenue from the City's 6% utility users tax is projected to increase 3% next year. The City's utility users tax revenue has been unusually volatile over the last two years as natural gas prices skyrocketed and then returned back to close to previous levels. However, staff feels that the revenue estimate is realistic for fiscal year 2004. As previously mentioned, the General Fund's share of the utility users tax will be reduced by 50% due to the establishment of a separate Streets Special Revenue Fund.

Franchise fees, in total, are projected to grow by 12%. The large increase is due to another structural change in the cable television franchise fee. Beginning January 1, 2003, management of public and educational access television on the South Coast of Santa Barbara County was assumed by the Community Media Access Center (CMAC), an independent non-profit corporation. Prior to that date, Cox Communications operated this community service using 1.5% of the City's franchise fee. With the creation of CMAC, the City now receives the additional 1.5% franchise fee and, in turn, pays it to CMAC. Therefore, even though cable franchise revenue is up considerably, it is offset with a corresponding increase in cost.

Business license tax is projected to grow 2.4% over the current year.

Real property transfer tax appears to be projected for a significant decrease but, once again, this is due to an anomaly. The fiscal year 2003 actual balance of $874,582 includes a $397,000 payment from the County that represents a correction to the amounts they have paid the City over the last two fiscal years. Finance staff did an analysis of the real property transfer tax and concluded that the County had not been paying the correct amounts. Staff requested the County to audit the payments and, as a result, the $397,000 shortage was identified. Adjusting for this one-time payment, real property transfer tax still is projected to decrease 14.6% over fiscal year 2003 actual amounts.

Fines and Forfeitures

This revenue category is projected to provide almost $2.6 million in General Fund revenue (3%). This is approximately $350,000 higher than fiscal year 2003 year-end results. The largest item in this group is parking fines, which is anticipated to generate $2.3 million of the $2.6 million total. The parking fine revenue projection for fiscal year 2004 includes adoption of an increase in fines for various parking violations. The amount of the increase varies by type of violation.

Use of Money and Property

This category, totaling $1.6 million (2% 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 $430,000.

General Fund

The more significant revenue in this category is investment income. The fiscal year 2004 estimate for investment income is $1.1 million. This is down substantially from the fiscal year 2003 budget of $2.1 million. Fiscal year 2003 actual balance at year-end was only $1.9 million, approximately $200,000 below budget. Based upon the continuing low interest rate environment, staff believes that investment income will continue to decline as higher yielding securities mature and are replaced with much lower yielding investments.

Intergovernmental

Intergovernmental revenues are projected to contribute approximately $6.7 million (8%) to the General Fund budget. This is actually a slight decline from the fiscal year 2003 budget. The reason for the anticipated decline is the loss of $150,000 in reimbursements from the State for compliance with State mandates. By far the most significant individual revenue in this category, budgeted at $5.8 million, is the vehicle license fee (VLF). This revenue is paid to the City by the State and, as mentioned earlier, the State retained 3 months of the fiscal year 2004 VLF backfill payments to cities to help balance its own budget. Since this action was taken after the adoption of the City's budget, the VLF revenue included in the adopted budget does not reflect the $1.2 million estimated reduction in VLF payments from the State this fiscal year.

Service Charges

After taxes and Interfund charges, this is the third largest revenue category in the General Fund. In total, service charges are projected to provide just over $7.4 million (9%) of General Fund revenue. As the table at the top of the next page indicates, the adopted fiscal year 2004 amount is approximately $1.4 million (23%) above the adopted fiscal year 2003 amounts. In a number of cases, the total projected growth in revenue is due to a combination of increases in fees and anticipated activity levels.

	Fiscal 2002 Actual	Fiscal 2003 Adopted	Fiscal 2004 Adopted
Community Development	$ 2,488,475	$ 2,503,200	$ 3,161,746
Finance	649,065	625,000	652,500
Fire	47,589	41,800	130,200
Library	26,467	28,250	26,000
Parks and Recreation	2,063,012	2,100,847	2,396,050
Police	509,290	467,824	774,951
Public Works	242,677	241,000	260,000
Total	$ 6,026,575	$ 6,007,921	$ $ 7,401,447

General Fund

While there is always sensitivity to increased fees for government services, staff believes it is important that the City establish fee levels to recover a significant portion of the costs of providing those services. Service costs not recovered through program fees must be subsidized with tax revenue. While this may be appropriate in some cases, as a rule, staff believes that the users of the services ought to bear the costs of providing them. As has been discussed earlier in this document, the City will continue to work towards the goal of becoming a smaller and more efficient organization. Over time, this will lower the costs of providing services to the public. However, in many cases, the City's current fee levels recover only a small fraction of the cost of providing the services. The City has already committed to conducting a fee study in conjunction with the development of the fiscal year 2005 budget. When completed, that study will clearly define not only the fully allocated costs of providing General Fund services, but also the percent of those costs recovered through the associated fees. The fee study will facilitate discussion of both the costs of providing services and the appropriate levels of fees.

Interfund Charges and Reimbursements

This category of revenue represents reimbursements to the General Fund for services provided to the City's Enterprise and Special Revenue funds. The adopted fiscal year 2004 budget projects a total of $11.2 million from this revenue source. This represents 14% of total General Fund revenue. Four items account for over $9.6 million of the total.

The General Fund's overhead allocation represents just over $5 million. These are charges to the City's Enterprise and Special Revenue funds for administrative costs provided by the General Fund. Examples of the services provided include most of the payroll, accounts payable, accounting, human resources, legal, City Clerk and City Administrator support. 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.

The Airport pays just over $1 million to the General Fund for Fire Department staffing of the Airport Rescue and Firefighting (ARFF). This is the fire station at the Airport that provides FAA mandated fire and rescue services. The Airport pays for the direct costs of the firefighters as well as all associated costs of maintaining the station and equipment.

Public Works generates approximately $2.6 million from engineering charges to City projects. Virtually all of these charges are incurred from engineering support of capital projects. When the General Fund-paid engineering staff works on a capital project, the cost of their time is charged to that project.

The final notable item in this revenue category is payment from the City's Redevelopment Agency (RDA) for staffing of the Agency. The RDA has no staff. Under a contract approved each year as a part of the RDA's budget process, the City commits to providing staffing to the Agency. This reimbursement totals approximately $900,000.

General Fund

EXPENDITURES

As mentioned at the beginning of this section, overall General Fund operating expenditures in the adopted fiscal year 2004 budget are $80,875,801. Including capital, the total adopted General Fund budget is $81,890,951.

The adopted General Fund operating budget is within $44,000 of the fiscal year 2003 adopted budget and represents an increase of $491,000 over actual fiscal year 2003 year-end expenditures. The adopted budget also contains the elimination of 26.9 full-time equivalent positions.

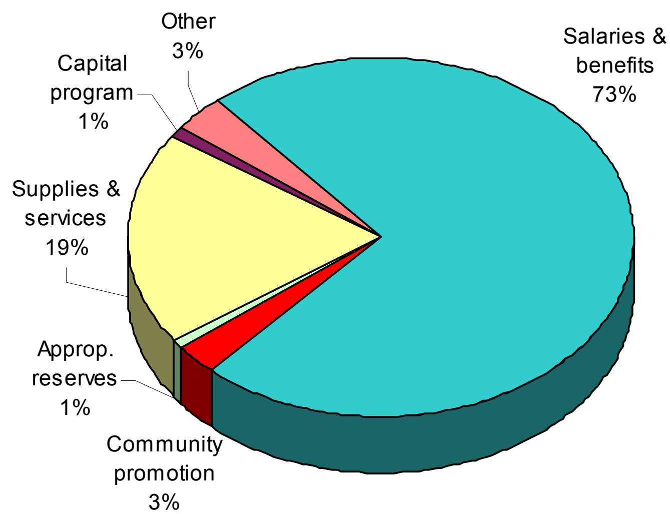
Given all of the structural changes to the General Fund (described earlier in this overview), year-to-year comparisons become problematic. The removal of the Streets programs from the General Fund to a dedicated Special Revenue Fund, the conversion of Information Systems, Custodial and Communications Systems programs to Internal Service Funds, and the subsequent allocation of those costs to the various individual General Fund programs, all make it difficult to make direct comparisons.

In addition, as was described earlier, the General Fund operating budget has absorbed significant increases in retirement and insurance costs. The adopted budget contains no provision for any salary increases for any bargaining unit beyond what is contained in existing labor agreements.

The chart to the right displays the adopted fiscal year 2004 budget, including capital, by object of expenditure. As is always the case, salaries and benefits (73%) represent the largest portion of the General Fund budget.

Capital expenditures represent 1% of the General Fund budget. As indicated in the chart, the Community Promotion budget comprises approximately 3% of the budget. The Community Promotion program accounts for City contributions to various civic events such as the 4th of July celebration, Old Spanish Days and Summer Solstice, as well as to organizations such as the Chamber of Commerce and the

General Fund Expenditures



Total FY04 Budget - $81,890,951

General Fund

Conference and Visitors Bureau.

The table below summarizes General Fund operating expenditures by department for the adopted fiscal year 2003 budget, the fiscal 2003 year-end results, and the adopted fiscal year 2004 budget. The percentage change column is based on the change from fiscal year 2003 year-end expenditures to the adopted fiscal year 2004 budget.

	Fiscal 2003		Fiscal 2004	Percent Change FY03 Actual
	Adopted	Actual	Adopted	to FY2004
Administrative Services	$ 2,671,795	$ 3,038,636	$ 1,705,287	-43.9%
City Administrator	1,689,197	1,309,732	1,742,995	33.1%
City Attorney	1,663,096	1,452,184	1,681,641	15.8%
Community Development	6,778,165	6,746,341	7,499,416	11.2%
Finance	3,215,155	3,430,861	4,306,500	25.5%
Fire	12,671,713	13,126,940	14,037,658	6.9%
Library	3,459,700	3,343,287	3,687,342	10.3%
Mayor and Council	460,524	431,135	556,099	29.0%
Non-Departmental	5,742,150	4,878,964	3,881,547	-20.4%
Parks and Recreation	10,540,529	10,448,121	12,589,365	20.5%
Police	22,977,805	23,325,404	24,601,638	5.5%
Public Works	9,049,471	8,852,715	4,586,312	-48.2%
Total expenditures	$ 80,919,300	$ 80,384,320	$ 80,875,800	0.6%

The following are brief comments on those departments with notable changes.

Administrative Services - The adopted fiscal year 2004 budget for Administrative Services is almost 44% below fiscal year 2003 year-end actual results. The entire decrease is due to the removal of the Information Systems programs from the General Fund to a new Internal Service Fund. The remaining programs in Administrative Services are the City Clerk's Office and Human Resources. The City's Channel 18 television station was also formerly a part of the Administrative Services Department, but is now part of the City Administrator's office.

City Attorney - The adopted City Attorney's budget includes the elimination of one attorney position that has been vacant since the start of the fiscal year 2003.

Community Development - The adopted fiscal year 2004 budget for Community Development totals approximately $7.5 million and includes the elimination of four full-time equivalent positions.

General Fund

Finance - The increase in the adopted Finance Department budget is attributable to the addition of the contract with the Community Media Access Center (CMAC) for the provision of public and educational access television. As described above, this cost is fully offset by an increase in the cable television franchise revenue paid to the City by Cox Communications. The cost of this contract is budgeted in Finance because Finance staff administers the cable television franchise agreement.

Fire Department - The adopted budget for the Fire Department is approximately $14 million, making it the second largest in the General Fund, behind only the Police Department. The adopted budget proposes the elimination of eleven positions. Since the Fire Department is required to maintain constant staffing at each station, the loss of the positions will be backfilled with overtime. The use of overtime represents a savings to the City because no additional benefits accrue on overtime. The majority of the increase in the adopted Fire Department budget is attributable to the impact of the PERS rate increase. The department's retirement costs will go up more than $700,000. In addition, there is an impact of almost $200,000 from the newly allocated costs such as insurance and communications systems (radio) maintenance.

Mayor & Council - The entire increase in the adopted Mayor and Council budget is attributable to the newly allocated costs. But for the allocated costs, this budget would have declined slightly.

Non-Departmental - The Non-Departmental budget is comprised of two distinct programs – Community Promotion and General Government. The Community Promotion program accounts for the City's contributions to marketing and tourism promotion, as well as arts and special community events such as Fiesta, Summer Solstice and the City's Fourth of July celebrations. The adopted Community Promotion budget is status quo.

The General Government program accounts for the General Fund's appropriated reserves, capital budget and debt service. The significant decline in the Non-Departmental budget is due to the allocation in the adopted budget of significant costs budgeted in this program in prior fiscal years. As previously discussed, all property and liability insurance costs for the General Fund as well as the planned maintenance program for all General Fund facilities have been budgeted in this program for many years. Beginning with the adopted fiscal year 2004 budget, all these costs have been removed from the Non-Departmental program and allocated directly to the various General Fund programs. The change has resulted in the significant decline in the level of the Non-Departmental budget.

Parks and Recreation – Virtually the entire increase in the adopted Parks and Recreation Department budget is attributable to the newly allocated costs such as facilities maintenance, insurance and custodial. The impact of the new methodology is significant for Parks and Recreation because of all the facilities that fall within the department's purview. For example, the impact on the three community centers alone from the newly allocated costs is nearly $400,000.

General Fund

Once again, it is important to keep in mind that from a General Fund perspective these are not new costs. They are simply being allocated to the appropriate programs for the first time. In fact, Parks and Recreation is an excellent example of the reason for the change in methodology. Using the community centers as an example, it is now clear that the true cost of operating those centers has been significantly understated for many years because the costs of insurance, maintenance and custodial have never been allocated to the centers' budgets.

Police Department – The adopted Police Department budget is $24.6 million. It is by far the largest departmental budget in the General Fund, representing just over 30% of the General Fund operating budget. The adopted budget proposes the elimination of seven positions as well as the expiration of an additional 2.5 positions that were authorized as limited term, grant funded positions. As with Parks and Recreation, the Police Department's adopted budget is significantly impacted by the newly allocated costs as well as the increased retirement costs.

Public Works – The adopted Public Works operating budget is almost 50% lower than the prior year actual level. The decrease is due entirely to the previously described structural changes. All Streets programs are being transferred out of the General Fund to a dedicated Special Revenue Fund and the Custodial and Communications Systems programs are being transferred to an Internal Service Fund. The only Public Works programs remaining in the General Fund are Administration, Engineering Services, Land Development and Environmental.

SUMMARY

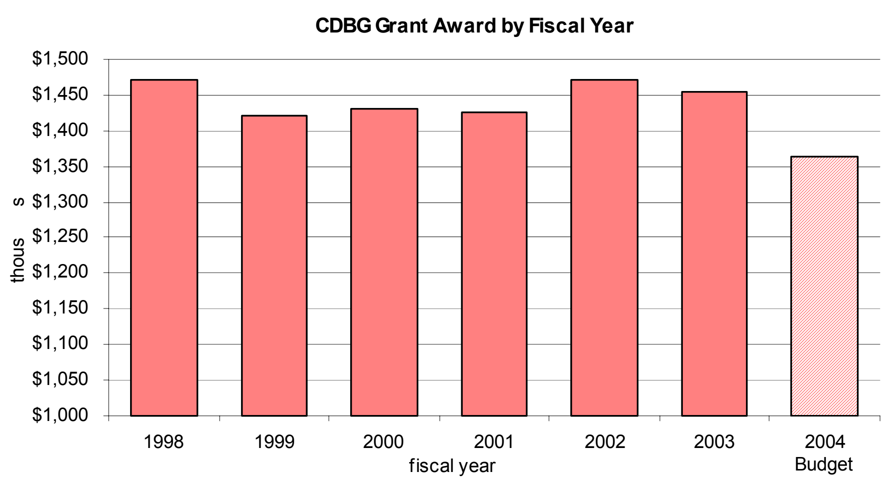
Overall, the City's General Fund remains in a strong financial position. With the support of the City Council and through prudent planning, the General Fund has accumulated considerable reserves. As planned, these reserves are now available to assist the General Fund as it transitions to a smaller and more efficient operation through attrition. Through long-range planning, a financial plan has been established to guide the City back to a balanced budget while maintaining the integrity of the reserves upon which the City relies. The adopted fiscal year 2004 operating budget is another step in a process that was begun during fiscal year 2002. The number of General Fund positions is being reduced while significant cost increases beyond the City's control are being absorbed, and the City's cost accounting is being improved. While the reductions and adjustments begun in fiscal year 2002, and continued in the adopted fiscal year 2003 budget, and into the adopted fiscal year 2004 budget are a start, it is clear that additional adjustments will be necessary over the next two or three fiscal years. However, the process that has begun will result in a smaller, leaner and more responsive organization. City staff looks forward to the challenge.

Special Revenue Funds

COMMUNITY DEVELOPMENT BLOCK GRANT FUND

	Fiscal Year			
	2001 Actual	2002 Actual	2003 Actual	2004 Adopted
Revenue				
CDBG revenue	$ 1,115,026	$ 3,058,649	$ 1,236,186	$ 1,364,000
Program income	833,878	471,431	662,620	450,000
Total revenue	1,948,904	3,530,080	1,898,807	1,814,000
Operating expenditures	1,948,904	3,530,080	1,898,807	1,814,000
Net addition to (use of) reserves	$ -	$ -	$ -	$ -

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 loan 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 over the last several years, the City's grant award has been fairly stable at just over $1.4 million. However, for fiscal year 2004, the City is projecting a slightly lower amount of $1.36 million. Although the City's grant award has declined slightly since the peak in fiscal year 2002, the City is still enjoying substantially greater CDBG funding than in the early 1990s when grant amounts were approximately $800,000. Despite the apparent stability, the City remains concerned that federal budget actions may adversely affect the programs supported by the grant award.

Besides the annual federal grant award, the other major source of revenue in this fund comes

Special Revenue Funds

from repayments of the housing loans issued under the housing rehabilitation program.

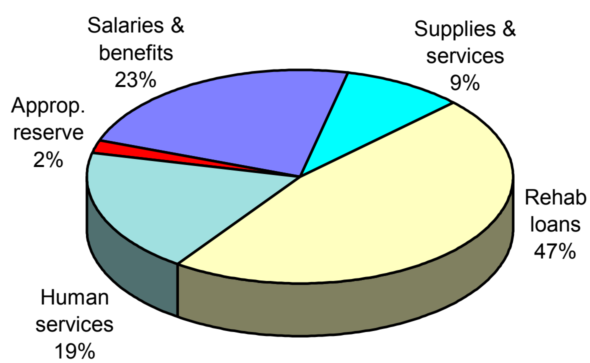
As of June 30, 2003, the City had almost $7.5 million in outstanding CDBG funded housing rehabilitation loans. The City maintains a "revolving" loan fund so that as loan repayments are received the funds are re-appropriated and loaned again. Fiscal year 1997 was the first time that loan repayments (also known as "program income") have been included in the adopted budget. Previously, loan repayments had been brought to the Council as a supplemental budget action later in the fiscal year after much of the year's repayments had been received. However, since the routine repayments are quite predictable, they are now included in the adopted budget. As indicated in the table at the top of the previous page, loan repayments for fiscal year 2004 are projected to be $450,000. In some years, loan repayments significantly exceed expectations. For example, in fiscal year 2003 loan repayments totaled over $662,000 while in fiscal year 2002 the amount was approximately $471,000, just slightly more than budgeted. The additional amounts represent unscheduled pre-payments of loan balances due to property sales or re-financings. Due to the indeterminate nature of these prepayments, no attempt is made to include them in the budget. In the event significant pre-payments are received during the year, a supplemental appropriation will be requested.

The chart below displays the CDBG budget by category of expense. Human service grants and 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 2004, funded from the City's fiscal year 2003 appropriations, were recently 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 Assistant City Administrator, the Community Development Director and the Finance Director. The Loan Committee can approve loans up to $60,000. Loans of more than $60,000 require approval of City Council.

CDBG Budgeted Expenditures



Total FY04 budget - $1,814,000

Special Revenue Funds

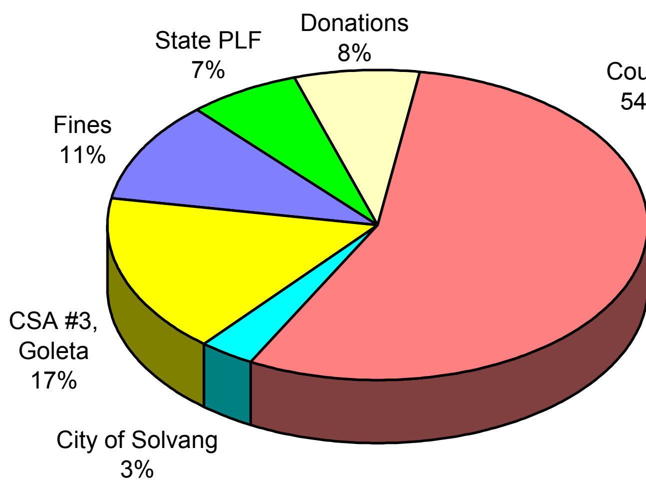
COUNTY LIBRARY FUND

	Fiscal Year 2001 Actual	2002 Actual	2003 Actual	2004 Adopted
Revenue	$ 1,611,368	$ 1,374,911	1,334,045	$ 1,228,193
Operating expenditures	1,244,511	1,449,631	1,401,019	1,657,428
Net addition to (use of) reserves	366,857	(74,720)	(66,974)	(429,235)

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, the City of Solvang, fines and donations. 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 the 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 9% of the annual County appropriation for County (non-City) resident library services.

County Library Fund Revenues



FY04 Budgeted Revenues - $1,228,193

The adopted budget is based upon staff's best estimates of next year's funding levels from both the County and the State. Changes in the level of either of these revenue sources will require corresponding program and expenditure adjustments. Given the grim budget outlook for both the State and counties, it is likely that the budget for these programs may have to be revised later in the fiscal year. Since neither

Special Revenue Funds

the State nor the County generally adopt a budget prior to the July 1 start of the fiscal year, such adjustments are usually brought before the Council in the autumn.

The budget includes $155,000 for the acquisition of collection materials. The use of accumulated reserves, reflected in the table on the preceding page, is to support the acquisition of these collection materials as well as various programs and activities.

Special Revenue Funds

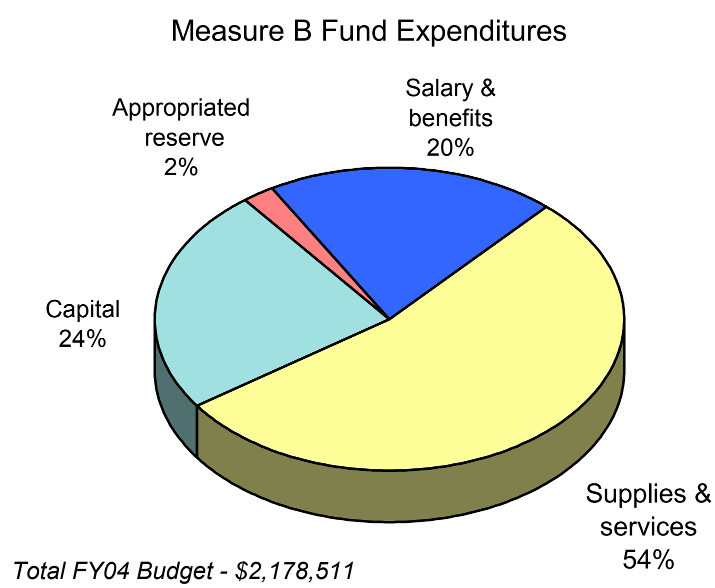
CREEKS RESTORATION & WATER QUALITY IMPROVEMENT (MEASURE B) FUND

	Fiscal Year			
	2001 Actual	2002 Actual	2003 Actual	2004 Adopted
Revenue	$ -	$ 2,096,749	$ 2,137,039	$ 2,104,780
Operating expenses	-	1,038,550	905,031	1,653,511
Operating surplus	-	1,058,199	1,232,008	451,269
Capital budget	-	458,615	596,849	525,000
Net addition to (use of) reserve	$ -	$ 599,584	$ 635,159	$ (73,731)

In November 2000, the City's voters overwhelmingly approved Measure B, a two-percent increase in the City's transient occupancy tax effective January 1, 2001. Under the terms of the measure, all proceeds from the tax increase are restricted for use in the City's Creeks Restoration and Water Quality Improvement Program. In order to meet the intent of the measure, the City opened a Special Revenue Fund to account solely for all revenues and expenditures associated with this program.

The Creeks Restoration and Water Quality Improvement Program is managed by the City's Parks and Recreation Department. Under the direction of the Parks and Recreation Director, the Creeks Restoration and Water Quality Improvement Manager manages the program.

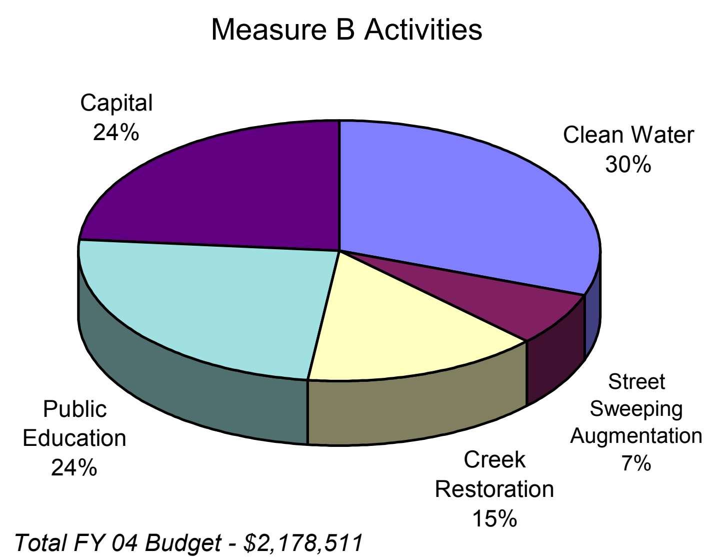
The adopted budget for fiscal year 2004 is approximately $2.2 million, including the use of approximately $74,000 of accumulated reserves for capital. $50,000 of the budgeted revenue is projected to come from investment income. The balance, just over $2 million, is projected to come from the two-percent transient occupancy tax (TOT). The $2 million TOT estimate for fiscal year 2004 is consistent with the assumptions used to budget the General Fund's TOT.



Special Revenue Funds

The chart on the preceding page displays the expenditure budget by object of expenditure. As the chart indicates, 24% of the budget is dedicated to capital ($525,000). Projects include the development of the Arroyo Burro and Mission Creek Watershed Plans ($150,000 each) and the Laguna Channel Urban Runoff Treatment Project ($100,000).

With salary and benefit costs representing only 20% of the budget, the Measure B Fund more closely resembles one of the City's Enterprise Funds rather than the General Fund. Three Public Works positions (1.75 full-time equivalents) that are included in the Measure B budget in fiscal year 2003 have been removed in the adopted fiscal year 2004 budget. Some funding has been included in the supplies and services category (non-contractual services) for services provided to the Measure B Fund by these positions, but costs will only be charged based upon actual hours provided.



The chart on the right displays the adopted budget by activity. Public Education activities comprise approximately $525,000 (24%) of the budget and include a full-time Public Education Coordinator position as well as $100,000 for production and airing of bilingual radio and television educational campaigns. The adopted budget also includes approximately $650,000 for Clean Water activities including water testing ($40,000) and source tracking studies ($40,000). Street Sweeping Augmentation ($150,000) supports expanded residential street sweeping.

In summary, the adopted fiscal year 2004 budget includes a reduction in the number of positions allocated to the Measure B Fund as well as a capital program in excess of $500,000.

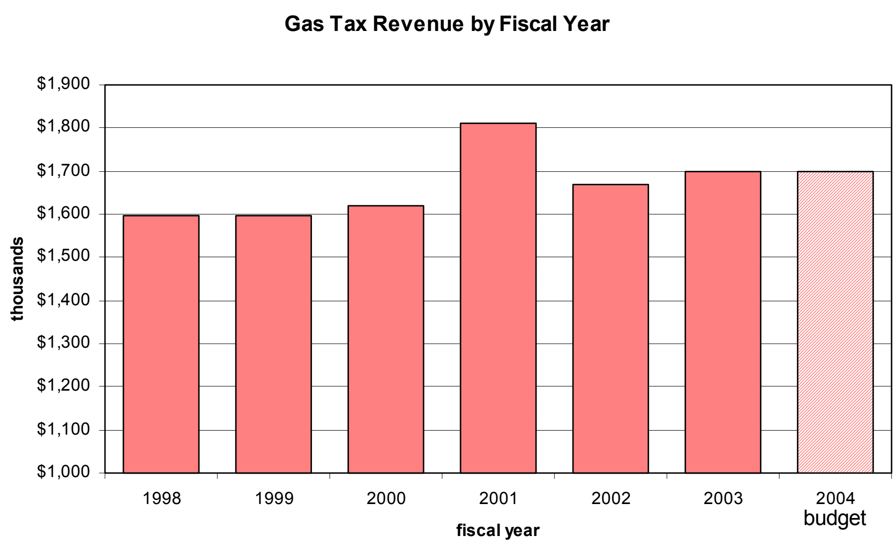
Special Revenue Funds

GAS TAX

	Fiscal Year			
	2001 Actual	2002 Actual	2003 Actual	2004 Adopted
Revenue	$ 1,810,879	$ 1,667,888	$ 1,698,393	$ 1,700,000
Operating expenditures	1,810,879	1,667,888	1,698,393	1,700,000
Net addition to (use of) reserves	$ -	$ -	$ -	$ -

The Gas Tax revenue received by the City is a portion of the state's 18 cents 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.

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 City's Streets 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.



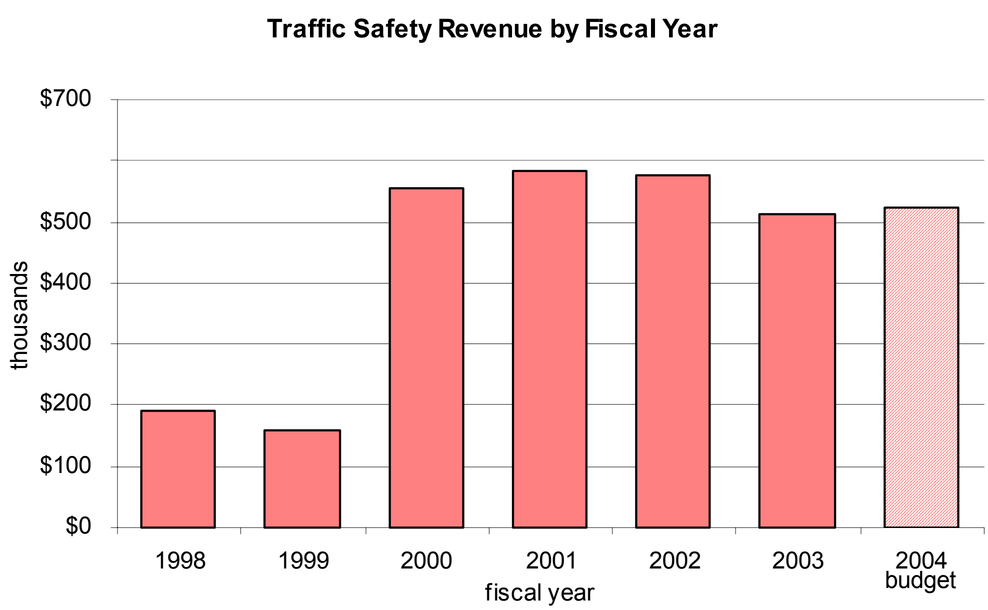
The City anticipates receiving approximately $1.7 million in gas tax revenue in fiscal year 2004, which is approximately the same as the amount received in fiscal year 2003.

Special Revenue Funds

TRAFFIC SAFETY FUND

	Fiscal Year			
	2001 Actual	2002 Actual	2003 Actual	2004 Adopted
Revenue	$ 584,468	$ 574,953	$ 511,685	$ 525,000
Operating expenditures	584,468	574,953	511,685	525,000
Net addition to (use of) reserves	$ -	$ -	$ -	$ -

Pursuant to state law, the City must deposit all fines and forfeitures received as a result of citations issued by City police officers for Vehicle Code violations 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. The County pays these funds to the City. After being recorded in the City's Traffic Safety Fund as required by law, virtually the entire amount received is transferred to the General Fund and is expended by the Police Department for traffic law enforcement and school crossing guards.



As the chart to the right indicates, there was a substantial increase in the City's Traffic Safety revenue in fiscal year 2000. Effective with fiscal year 1999, State legislation changed the Vehicle Code to allocate to cities fees paid for "court supervised programs" (i.e., traffic schools) in lieu of base fines. The City began receiving this additional revenue in fiscal year 2000. Since this change in

Special Revenue Funds

State law, the amounts received by the City have been fairly stable at around $575,000. Based upon the actual amounts received in fiscal year 2003, the estimated revenue for fiscal year 2004 has been reduced to $525,000.

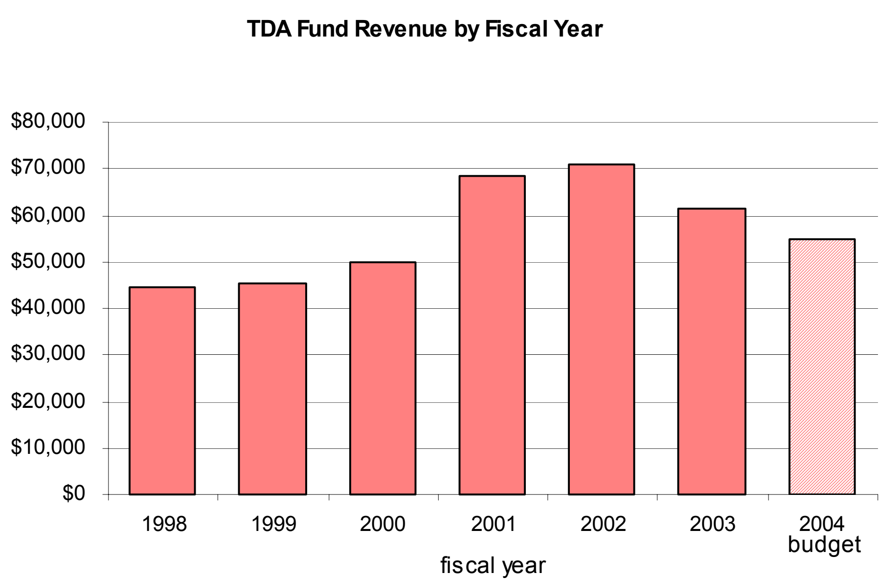
Special Revenue Funds

TRANSPORTATION DEVELOPMENT FUND

	Fiscal Year			
	2001 Actual	2002 Actual	2003 Actual	2004 Adopted
Revenue	$ 68,520	$ 70,981	$ 61,295	$ 55,000
Capital expenditures	21,525	2,065	158,862	55,000
Net addition to (use of) reserves	$ 46,995	$ 68,916	$ (97,567)	$ -

Transportation Development Act (TDA) funds are restricted for 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 approximately $5,000 of 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 2003, TDA fund expenditures included the use of over $97,000 of accumulated prior year balances for the Sidewalk In-Fill Program. Total expenditures of approximately $159,000 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 1998. Based upon this increase, the budget for TDA revenue was increased in fiscal year 1999 from $25,000 to $50,000 annually, with the balance of revenue budgeted each year attributable to interest income.



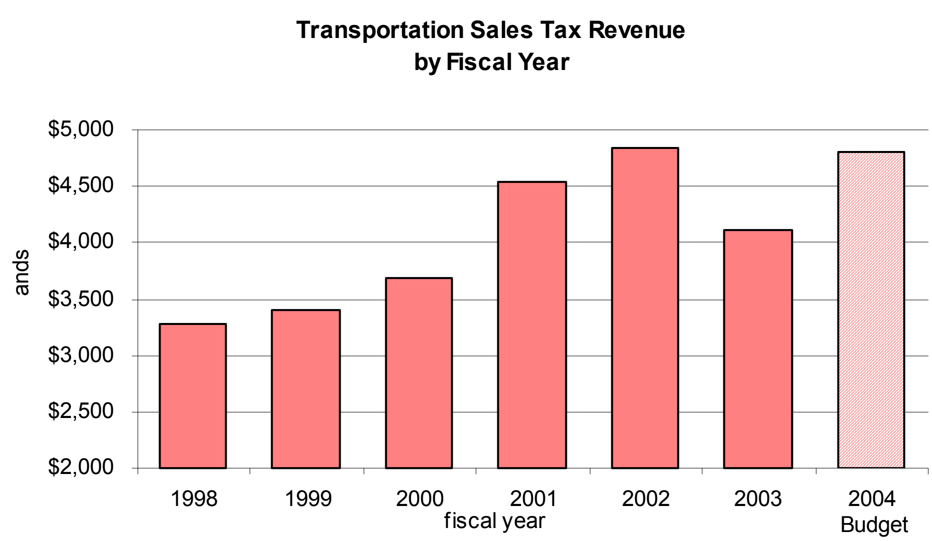
A summary list of the Streets Capital Program, which is funded in small part by TDA revenue, can be found in thesummary section earlier in this document. A detailed listing of the Streets Capital Program can be found later in this document. For fiscal year 2004, the TDA revenue will be used to continue the Sidewalk In-Fill Program.

Special Revenue Funds

TRANSPORTATION SALES TAX (MEASURE D) FUND

	Fiscal Year			
	2001 Actual	2002 Actual	2003 Actual	2004 Adopted
Revenues				
Transportation sales tax	$ 4,535,262	$ 4,840,405	$ 4,120,382	$ 4,800,000
Interest income	378,535	309,305	212,517	225,000
Total revenue	4,913,797	5,149,710	4,332,899	5,025,000
Operating expenditures	1,755,972	2,040,794	2,218,913	2,892,630
Operating surplus	3,157,825	3,108,916	2,113,985	2,132,370
Capital budget	2,036,275	2,464,434	2,373,144	2,609,020
Net addition to (use of) reserves	$ 1,121,550	$ 644,482	$ (259,159)	$ (476,650)

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, proceeds of which are restricted for use in the City's streets and transportation programs. The revenue 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 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 to the right, the City's Measure D sales tax revenue grew steadily through fiscal year 2002, but came in lower in fiscal year 2003 because of lower sales tax receipts and allocations.

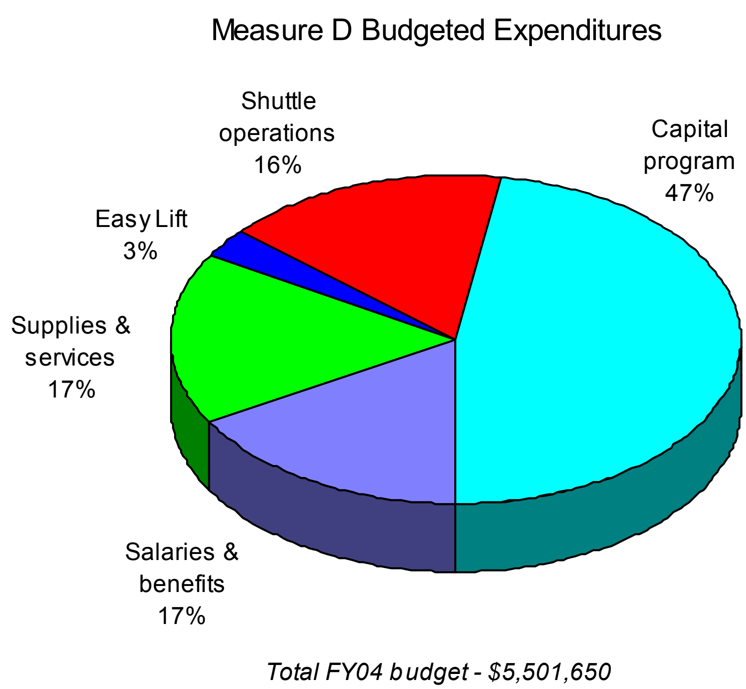
As in the past, the revenue estimate, and therefore the budget, is based upon an estimate provided by the Santa Barbara County Association of Governments (SBCAG).

Special Revenue Funds

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. The actual amount received in fiscal year 2002 exceeded the amount budgeted in fiscal year 2003, and in light of this, the estimated revenue for fiscal year 2004 was been increased substantially ($450,000) over the fiscal year 2003 adopted budget. In spite of this increase in estimated revenue, the adopted fiscal year 2004 budget proposes the use of $476,650 of accumulated reserves to support an expanded capital program. The adopted fiscal year 2004 capital program, totaling $2.6 million, is over $235,000 greater than the fiscal year 2003 capital program.

The Measure D Fund budget is developed based upon an annual and five year program of projects that is prepared by the City and submitted to SBCAG for approval. The adopted fiscal year 2004 budget is consistent with those plans.

As mentioned above, just over $2.6 million or 47% of the adopted fiscal year 2004 Measure D Fund budget is dedicated to the Street Capital Program. $885,000 (16%) of the budget supports the Downtown and Cross-town Shuttle programs and $160,000 (3%) represents a transit grant to Easy Lift. The balance of the budget, approximately $1.8 million (34%) supports street maintenance activities.



The adopted budget for fiscal year 2004, totaling just over $5.5 million, reflects a substantial increase over historical levels. In fact, the total adopted budget is almost $1 million more than the fiscal year 2003 operating and capital expenditures.

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

Enterprise Funds

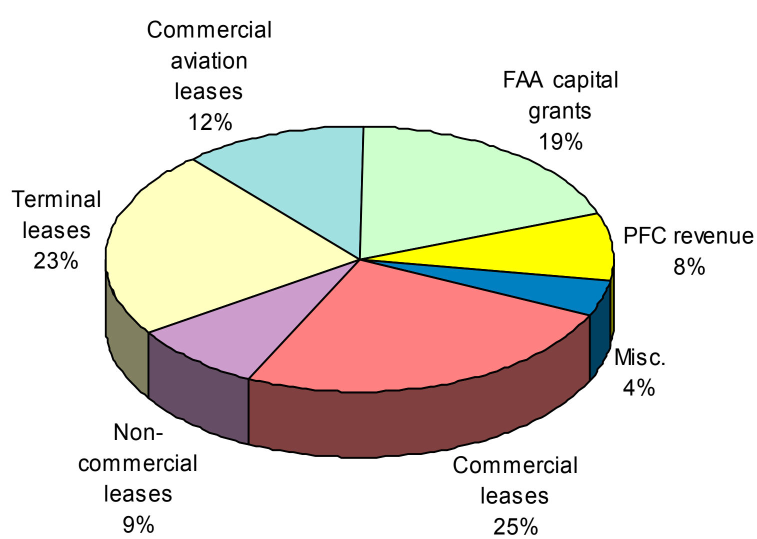
AIRPORT FUND

	Fiscal Year 2001 Actual	Fiscal Year 2002 Actual	Fiscal Year 2003 Actual	Fiscal Year 2004 Adopted
Operating budget				
Revenue	$ 9,849,544	$ 9,459,701	$ 10,712,160	$ 9,916,777
Expenses	6,644,214	7,607,396	8,627,798	9,331,777
Operating surplus	$ 3,205,330	$ 1,852,305	$ 2,084,362	$ 585,000
Capital budget				
FAA & capital grants	$ 1,011,710	$ 7,177,352	$ 1,596,184	$ 2,621,164
PFC revenue	1,101,098	1,031,594	1,013,573	1,100,000
Capital expenses	3,477,990	13,141,611	2,715,371	3,206,164
Net addition to (use of) reserves	$ 1,840,148	$ (3,080,360)	$ 1,978,748	$ 1,100,000

The adopted fiscal year 2004 Airport Fund budget reflects an operating surplus of $585,000 and a capital program of just over $3.2 million. The $1.1 million net addition to reserves is attributable entirely to the Passenger Facility Charge (PFC) capital revenue, none of which is being appropriated in the adopted budget. This is discussed in further detail below.

The chart to the right displays total fiscal 2004 operating and capital revenues as contained in the adopted budget. As the chart indicates, virtually all of the Airport's operating revenue is derived from leases. Overall, fiscal year 2004 operating revenue is projected to be approximately $1.2 million (14%) higher than the revenue contained in the adopted fiscal 2003 budget. Two thirds of the increase in operating revenue is projected to come from airport operations. Commercial aviation leases are projected to grow approximately $436,000 (38%) and leases of terminal facilities are projected to grow approximately $332,000 (12%). Given the

Airport Fund Revenues



Total FY04 Revenue - $13,637,941

Enterprise Funds

operating revenues realized in fiscal year 2003, staff feels that the revenues estimates for fiscal year 2004 are conservative and that actual revenue in fiscal year 2004 will likely exceed budget.

After two fiscal years of substantial capital appropriations and expenses, the adopted fiscal year 2004 capital budget, at $3.2 million, returns to more historical levels. In fiscal year 2002 and to a lesser extent 2003, the capital budget contained large projects from the Airport Facilities Master Plan. The implementation of this plan continues to be a top priority for the City. The largest project is the design and permitting of the terminal expansion project ($7.7 million).

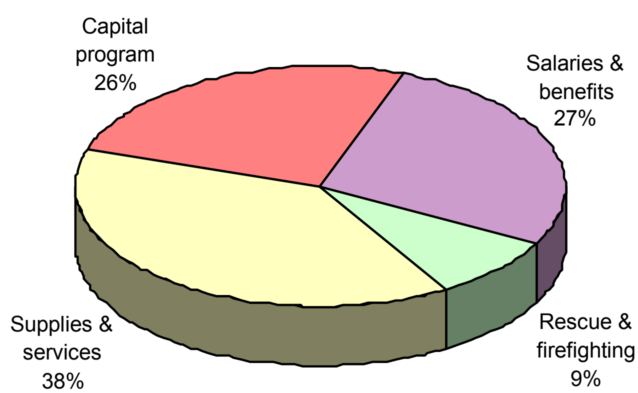
Funding for the Airport's capital program comes from three sources. The largest source is from Federal Aviation Administration (FAA) capital grants. FAA capital grants continue to fund the largest portion of the Airport's capital program, including a significant portion of the work associated with the Airport Facilities Master Plan. As the table on the preceding page indicates, the Airport's FAA grants are estimated at $2.6 million for fiscal year 2004. In most cases, FAA grants fund 90% of approved project costs, with the Airport required to provide a 10% match.

The Airport's second source for capital funding is the Passenger Facility Charge (PFC). With the approval of the FAA, on January 1, 1998, the Airport began to levy and collect a PFC. The PFC is a fee of $3 per airline passenger ticket with the proceeds restricted by federal law to approved capital improvements. It is estimated that the PFC will generate approximately $1.1 million in fiscal year 2004. None of the estimated $1.1 million of PFC revenue will be appropriated in the adopted fiscal year 2004 budget. Rather, the funds are being accumulated for specified, FAA-approved future projects. This is the reason for the $1.1 million surplus in the adopted fiscal year 2004 budget reflected in the table at the top of the previous page.

The third source for capital funding comes from Airport Fund operating revenue in excess of operating expenses. For fiscal year 2004, operating revenue is projected to contribute $585,000 to the capital program.

The chart to the right displays expenses in the adopted fiscal year 2004 Airport Fund budget by category. The capital program, as discussed above, represents 26% of the total budget. The largest projects in the adopted fiscal year 2004 capital budget include the North Taxiway B Relocation ($1.2 million) and the construction of 20 T-hangers ($1.4 million) both funded from FAA grants. Additional details on the Airport's complete capital program may be found later in this document.

Airport Fund Expenses



Total FY04 Budget - $12,537,941

Enterprise Funds

At 38%, supplies and services represent a significant portion of the budget. The cost of Airport Rescue and Firefighting (ARFF) services represents a full 9% of the budget. ARFF services are provided to the Airport by the City's Fire Department with the Airport Fund reimbursing the City's General Fund for personnel costs. For fiscal year 2004, the Airport Fund budget contains almost $1.1 million for this required service. Over the last two years, the Airport Fund's operating costs have increased substantially. The largest portion of these cost increases is related to increased security requirements in the wake of the September 11, 2001 terrorist attacks. Five full-time security positions were added in February 2002 at a cost of almost $275,000. In addition, the adopted budget contains more than $250,000 for additional contract security services now required under federal regulations. Although there is a possibility that the federal government will reimburse the Airport Fund for some or all of these costs, so far virtually the entire cost has been borne by the Airport Fund.

Enterprise Funds

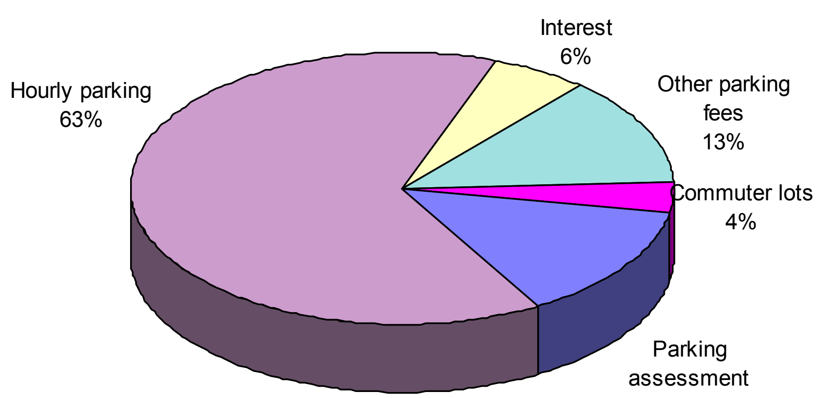
DOWNTOWN PARKING FUND

	Fiscal Year			
	2001 Actual	2002 Actual	2003 Actual	2004 Adopted
Revenue	$ 5,057,342	$ 4,977,364	$ 4,685,611	$ 4,850,000
Operating expenses	3,993,106	3,808,471	4,190,609	4,294,747
Operating surplus	1,064,236	1,168,893	495,001	555,253
Capital budget	643,418	137,326	430,520	530,000
Net addition to (use of) reserves	$ 420,818	$ 1,031,567	$ 64,482	$ 25,253

The fiscal year 2004 Parking Fund budget contains operating revenue sufficient to cover all operating costs and the capital program. As the chart below indicates, the various parking user fees provide the bulk of the Parking Fund revenue. Combined, these fees represent 80% of total revenue. The parking assessment (PBIA) that supports a portion of the seventy-five minute free parking period in the City's downtown lots is budgeted to provide $675,000 (14%) of total revenues. The only other Parking Fund revenue is interest income, budgeted at $275,000 (6%). The revenue estimates for hourly parking contained in the adopted budget were increased over the recommended budget estimates to reflect regular parking capacity due to delays in the construction of the Granada Garage. Construction has been delayed until next year due to lot redesign.

The Granada Garage project is the most significant issue facing the Parking Fund at this time, even with the construction delay until fiscal year 2005. As one of the largest and most expensive capital projects ever undertaken by the City, the Granada Garage project will continue to be the top priority of the Parking Fund and the Public Works Department. Once construction does begin, parking Fund staff will be respons-

Parking Fund Revenues

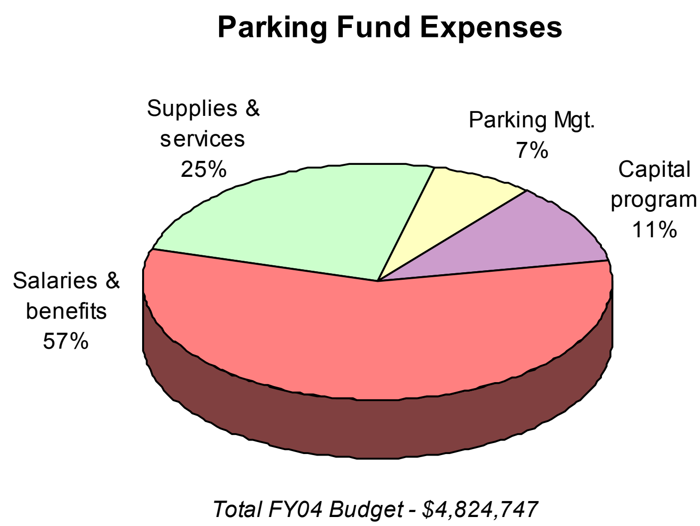


Total FY04 Revenues - $4,850,000

Enterprise Funds

ible for implementing plans to mitigate the associated impacts on both the parking inventory and the neighboring businesses.

As the chart to the right indicates, the largest segment of the Parking Fund's expense budget is salaries and benefits (57%). Almost half ($1.3 million) of the $2.7 million in salaries and benefits is temporary wages for staffing the City's various lots.



Several years ago, a new program was added to the Parking Fund. 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 funds educational efforts and incentives to encourage commuters to choose alternative means of transportation as well as support for downtown transit services. These programs, combined with the reduction in the free parking period from 90 minutes to 75 minutes, provide incentives to downtown workers to make use of alternative transportation. The adopted budget provides for over $350,000 for alternative transportation programs and incentives, including $175,000 for the "My-Ride" free bus pass program.

The adopted $530,000 capital program includes construction of a 492 square foot storage building at the Railroad Depot lot ($300,000) as well as capital maintenance on the City's downtown lots ($55,000). One of the issues facing the Parking Fund over the next several years will be increasing capital maintenance needs on the downtown parking facilities, especially the garages, as they begin to age. Staff expects that the annual capital program may need to double over the next several years in order to maintain the City's investments in these expensive capital assets.

Enterprise Funds

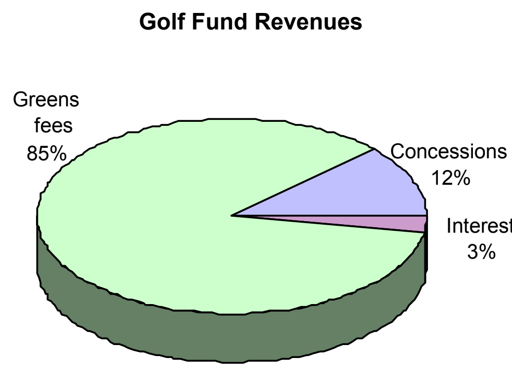
GOLF FUND

	Fiscal Year			
	2001 Actual	2002 Actual	2003 Actual	2004 Adopted
Revenue	$ 1,929,274	$ 1,970,319	$ 2,001,412	$ 2,064,500
Operating expenses	1,664,530	1,727,025	1,927,018	1,764,500
Operating surplus	264,744	243,294	74,394	300,000
Capital budget	-	120,346	365,066	300,000
Net addition to (use of) reserves	$ 264,744	$ 122,948	$ (290,672)	$ -

The Golf Fund's adopted fiscal year 2004 budget provides for operating revenue sufficient to support all operating costs as well as a $300,000 capital program. Operating revenue in the adopted budget reflects a modest 3% growth over the fiscal year 2003 actual year-end revenue. The revenue estimate reflects the impact of modest increases to most of the Golf Fund's fees. Most of the green fees will increase by only $1.

Greens fees of various types comprise 85% ($1.76 million) of the revenue budget. The Golf Fund's fee structure offers discounts to residents of Santa Barbara County. Residents may purchase a resident card for a nominal $15 annual fee. The card entitles the holder to discounts of from $7 per round (weekday play) to $13 per round (weekend play). Additional discount programs are available for both weekday-only and full-week play.

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 clubhouse restaurant. Revenue from these agreements is budgeted at $250,000. Golf Fund staff perform all course maintenance but the golf professional provides management of course operations, golf lessons and operation of the pro shop, under the concession agreement with the City.



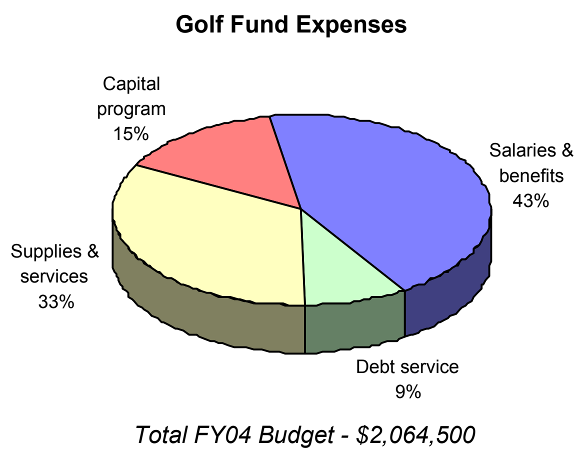
Total FY04 Revenues - $2,064,500

Expenses in the adopted fiscal year 2004 budget, including capital, total approximately $2.1 million. The chart on the following page summarizes the distribution of expenses. Salaries and benefits comprise 43% of the budget. Other than personnel costs, water is the Fund's single largest cost ($159,000). In terms of acre-feet consumed, the golf course is one of the largest water customers in the City's municipal water system. The adopted $300,000 capital program includes the

Enterprise Funds

purchase of replacement power turf equipment ($50,000), construction of a covered storage area for sand and gravel ($50,000) and various improvements to tees, greens and cart paths ($200,000).

The fund's debt service, at just over $182,000, is principal and interest on the Golf Fund's share of the 2002 Municipal Refunding Certificates of Participation (COP). The 2002 certificates were issued to refund certificates originally sold in 1986 and previously refunded in 1993. The original proceeds were used to expand and renovate the clubhouse. The 2002 refunding lowered the Fund's annual debt service by approximately $15,000. The principal balance currently outstanding is approximately $2.1 million. Final maturity of the certificates is in 2018.



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.

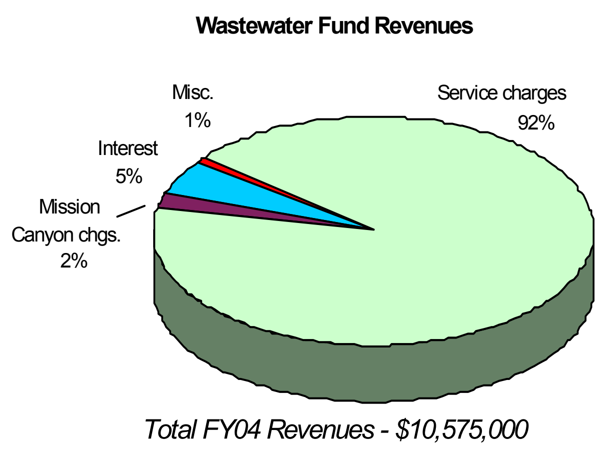
Enterprise Funds

WASTEWATER FUND

	Fiscal Year 2001 Actual		Fiscal Year 2002 Actual		Fiscal Year 2003 Actual		Fiscal Year 2004 Adopted
Revenue	$	10,347,982	$	9,704,473		9,994,460	$ 10,575,000
Operating expenses		7,132,069		7,638,702		7,564,434	9,068,006
Operating surplus		3,215,913		2,065,771		2,430,026	1,506,994
Capital budget		2,431,847		4,172,476		2,858,131	3,954,000
Net addition to (use of) reserves	$	784,066	$	(2,106,705)	$	(428,105)	$ (2,447,006)

The adopted fiscal year 2004 Wastewater Fund budget contains revenue sufficient to fund all operating costs and $1.5 million of a nearly $4 million capital program. Estimated revenue of almost $10.6 million includes the adoption of a 4% rate increase, effective July 1, 2003. The rate increase is the second consecutive annual increase after almost a decade of no rate increases. Despite the financial pressures of increasing capital needs, the Wastewater Fund continues to maintain a solid financial position. However, as discussed below, the increasing capital needs dictate the rate adjustment and will likely require additional rate increases over the next several years.

Wastewater Fund revenue is much more stable than revenue in the Water Fund. Wastewater revenues are comprised almost entirely of the regular, monthly service charges. Because these 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. Service charges are projected to provide $9.6 million (92%) of the $10.6 million revenue total. Investment income, the second largest source of revenue for the fund, is budgeted at $525,000. This is a reduction of $275,000 from the fiscal year 2003 budget due to the continuing low interest rate environment as well as the continued use of reserves to fund a portion of the capital program. The only other revenue of note is the $200,000 representing charges to Mission Canyon (non-city) residents.



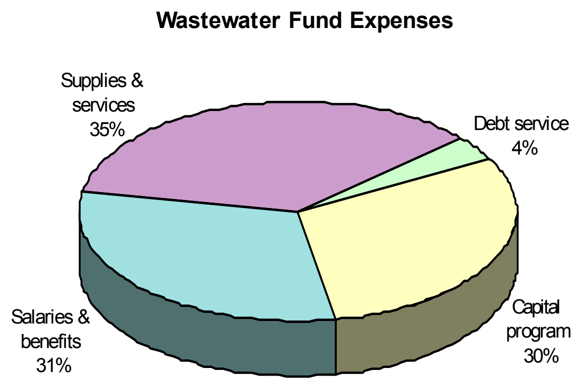
Wastewater Fund operating expenses are

Enterprise Funds

budgeted at just over $9 million and the adopted capital program is just below $4 million. As the chart below indicates, capital represents 30% of the entire budget.

Debt service, at $459,000, represents 4% 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. The final payment of these bonds is due on July 1, 2003, which is the first day of the new fiscal year.

In fiscal year 2003, the year-end actual revenues were lower than originally budgeted. Sewer service charges alone, which represent the largest component of the fund's revenues, were down 7% due to lower flow levels. Since many of the fund's costs are variable in nature, expenditures were under budget by a corresponding amount due to the lower treatment levels. Staff anticipates that flow levels will return to normal levels during fiscal year 2004 and the budgeted revenues and expenditures reflect this. The $9 million adopted budget is essentially status quo over the fiscal year 2003 adopted budget.



Total FY04 Expenses $13,022,006

The most noteworthy aspect of the budget is the capital program. At almost $4 million, it represents an increase of approximately 51% over the fiscal year 2003 adopted capital program. As mentioned above, $1.5 million of the capital program will be funded from current revenue with the balance ($2.4 million) funded from either reserves or from the issuance of some type of debt. The use of reserves (one-time funds) for capital (one-time costs) is consistent with established City financial policies. However, in this case, the use of reserves would almost certainly require the use of "policy reserves," as the Wastewater Fund's reserves in excess of policy requirements are limited. The capital program is considerably larger than historical levels. In addition to the usual Main Replacement program ($1.65 million) and other projects, the capital program includes just over $2 million for major renovation of, and improvements to, the El Estero Treatment Plant. A recent independent evaluation of the El Estero Treatment Facility, commissioned by the City, identified a ten-year capital improvement program in order to protect the City's massive investment in that facility and maintain compliance with the ever increasing and tightening federal and state treatment standards. A total of $22.2 million in recommended capital improvements was identified over the ten-year horizon of the study. Implementing the study's recommendations will require substantial increases to the Wastewater Fund's ongoing capital program. Financing the recommended long-term capital maintenance and improvements to the El Estero Facility will

Enterprise Funds

likely require both the continued use of reserves and the issuance of debt. Whether the debt is in the form of low-interest state loans or bonds, additional rate increases over the next several years will likely be required to support the increased capital program. Although recommended rate increases will be kept to the minimum level necessary, maintenance of the El Estero Treatment Facility is absolutely essential.

In summary, the Wastewater Fund operating budget is balanced and a substantial capital program is planned. In conjunction with fund balance reserves that will continue to exceed the policy levels established by Council in November 1995, this fund is still in a strong financial position.

Enterprise Funds

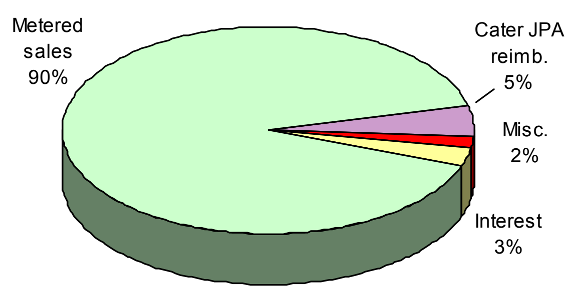
WATER FUND

	Fiscal Year 2001 Actual	2002 Actual	2003 Actual	2004 Adopted
Revenue	$ 25,610,275	$ 25,115,398	$ 24,138,395	$ 24,641,937
Operating expenses	17,838,312	18,416,458	19,903,277	21,923,471
Operating surplus	7,771,963	6,698,940	4,235,118	2,718,466
Capital funding	-	1,752,295	5,110,456	-
Capital budget	4,877,939	7,476,988	16,536,093	6,412,497
Net addition to (use of) reserves	$ 2,894,024	$ 974,247	$ (7,190,519)	$ (3,694,031)

The adopted fiscal year 2004 Water Fund budget contains operating revenues sufficient to cover all operating expenses and contribute $2.7 million towards a $6.4 million capital program. The balance of the capital program ($3.7 million) will be funded from a combination of accumulated reserves in excess of the Council-established policy requirements ($2.2 million) and reprogramming of previously budgeted capital funds ($1.5 million).

The operating revenue contained in the adopted budget reflects the impact of a 4% rate increase for metered water sales, which became effective on July 1, 2003. As the chart to the right indicates, the vast majority of estimated Water Fund revenue is provided by metered water sales ($22.3 million or 90%). Interest income, budgeted at $700,000, is derived from the investment of the Water Fund's capital and operating reserves. The estimate for investment income is approximately $200,000 below fiscal year 2003 year-end interest earned, due to the continued low interest rate environment as well as lower Water Fund reserve balances.

Water Fund Operating Revenue



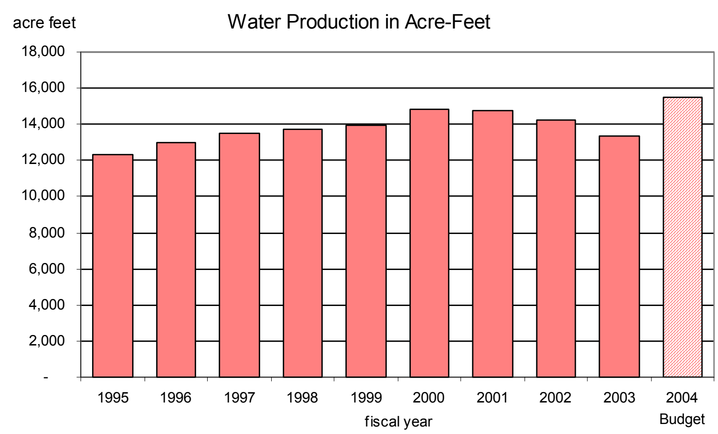
Total FY04 Operating Revenue - $24,641,937

The other notable Water Fund revenue is a reimbursement the City receives from the Carpinteria and Montecito water districts. Under a joint powers authority agreement (JPA), the City treats all water for both districts at the City's Cater water treatment facility. Under the terms of the JPA, the districts pay their pro-rata share of the operating and capital costs of the Cater treatment facility. The districts' approximate 40% share

Enterprise Funds

(combined) is based upon an allocation of the Cater treatment capacity and is projected to result in $1.2 million of revenue in fiscal year 2004.

With 85% of the Water Fund revenue generated by metered water sales, one of the most critical elements of Water Fund revenue projections is the water sales estimate in acre-feet. As the chart to the right indicates, water production has been growing gradually since 1994. Metered sales revenue for the adopted fiscal year 2004 budget is based upon an estimate of 15,500 acre-feet, or five hundred acre-feet more than the budget estimate for fiscal year 2003. Based upon recent experience, it is expected that the target will be met. However, even if actual production and sales fall somewhat below the budgeted target, the Water Fund expenditure budget can be controlled to ensure that a balance is maintained.



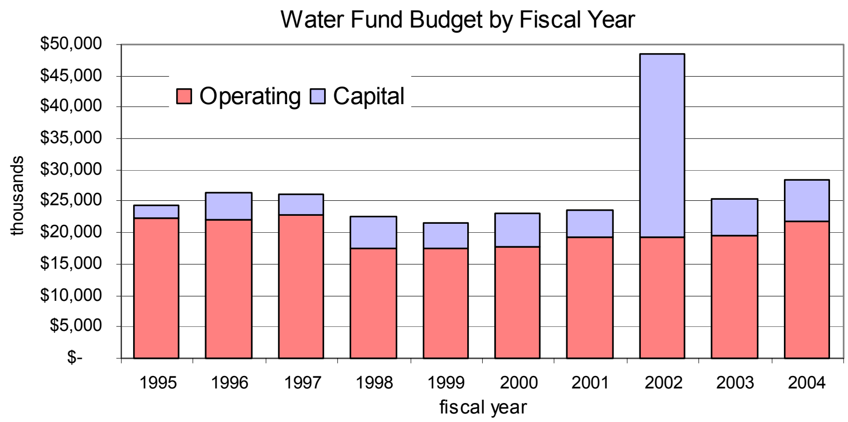
On the expenditure side, the Water Fund operating budget remains lower than it was in the mid-1990's. This is because of the completion of payments on the desalination plant in fiscal year 1997. Beginning in fiscal year 1998, the capital costs of the desalination plant were removed from the budget as were the payments received from Montecito and Goleta water districts for their participation in the project.

The adopted capital program totals $6.4 million. This is an increase of almost $650,000 (11%) over the current fiscal year. Included in the adopted program is the annual water main replacement program ($2.4 million), which will replace 16,000 feet of water mains throughout the distribution system. Also included is a $2 million groundwater supply program that will provide for rehabilitation of the Ortega Groundwater Treatment Plant, installation of a new well at Santa Barbara High School and rehabilitation of the City Hall well.

The chart on the following page presents a ten-year history of the adopted Water Fund operating and capital budgets. The most noteworthy element of the entire ten-year period is the size of the fiscal year 2002 capital budget. At $29.1 million, it exceeded the total of the previous seven years' capital budgets combined. This is still relevant because the two major projects contained in that capital budget will continue to have significant workload impacts during fiscal year 2004. The Sheffield Reservoir Project ($14.1 million) will replace the existing open reservoir with underground reservoir tanks. The Cater Strategic Plan Implementation Project ($19.5 million) will

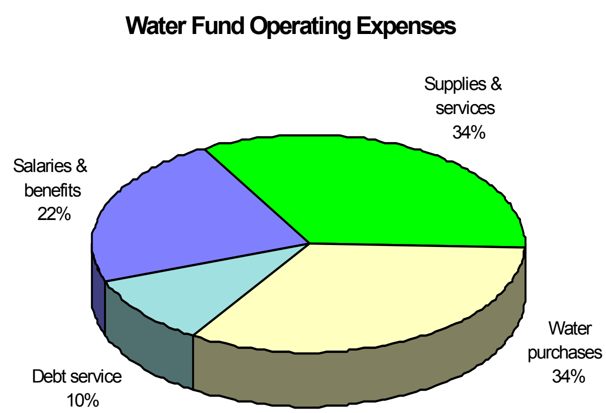
Enterprise Funds

renovate a number of major components at the Cater Treatment Plant, protecting the City's investment in that facility and enabling the plant to continue to meet more stringent water quality standards. Both projects are being fully funded with very low interest loans from the State Department of Water Resources. The cost of the Cater project is being shared with the Montecito and Carpinteria water districts. Under the joint powers agreement discussed above, the two water districts are responsible for their pro-rata share of the project. Each district will pay its share of the debt service on the 20-year low interest state loan.



The adopted fiscal year 2004 operating budget is $21.9 million, an increase of approximately $2.3 million (12%) over the adopted fiscal year 2003 budget. As always, the largest individual cost item in the operating budget is water purchases (34%). Water is purchased from both the federal Cachuma Project ($2.9 million) and the State Water Project ($4.4 million). The total water purchase budget of $7.3 million is an increase of $1.4 million (25%) over the amount contained in the adopted fiscal year 2003 budget. This represents more than half of the total $2.3 million increase in the adopted operating budget. Virtually all of the increased water purchase cost is attributable to Cachuma water purchases.

As the chart on the right indicates, fixed costs, including water purchases and debt service, comprise 44% of Water Fund operating expenses. Because of the magnitude of these fixed costs, unlike most other City funds, salaries and benefits comprise only 22% of the Water Fund budget. Of the $7.3 million of supplies and services, just over $900,000 is for electricity, approximately $1.0 million is for facilities maintenance, $612,000 is for treatment chemicals, and an additional $1.7 million is paid to the General Fund for



Total FY04 Operating Budget - $21,923,471

Enterprise Funds

overhead allocation. Other significant items include over $400,000 for vehicle and equipment rents, and maintenance and fuel (paid to the City's Motorpool program) and $413,000 for insurance. These items combined amount to just over $5 million or 68% of the supplies and services budget.

The Water Fund has five outstanding debt obligations. As of June 30, 2003, the combined principal outstanding on these five debt issues totaled approximately $30.2 million. The debt issues include a 1994 revenue bond ($6.7 million), a 2002 Refunding Certificate of Participation ($15 million) and three loans from the State ($8.5 million). This does not include approximately $28.2 million in new debt for the additional state loans referenced above for the Cater and Sheffield projects. As of the end of fiscal year 2003, only $5.1 million of the total $19.2 million State loan for the Cater project was drawn; and, to date, no amounts have been drawn on the $14.1 million State loan for the Sheffield project.

In summary, the Water Fund continues to maintain a solid financial position. Both revenue and the operating budget are stable and the focus during the next fiscal year will be on completing the significant capital program.

Enterprise Funds

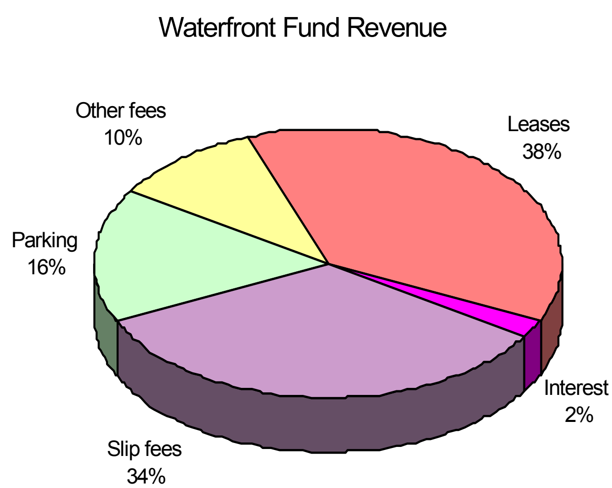
WATERFRONT FUND

	Fiscal Year 2001 Actual	2002 Actual	2003 Actual	2004 Adopted
Revenue	$ 11,340,424	$ 9,272,147	$ 9,584,710	$ 9,301,230
Operating expenses	7,192,846	7,580,384	7,418,397	8,836,345
Operating surplus	4,147,578	1,691,763	2,166,313	464,885
Capital budget	1,168,227	1,641,774	1,629,286	1,935,000
Net addition to (use of) reserves	$ 2,979,351	$ 49,989	$ 537,027	$ (1,470,115)

The adopted Waterfront Fund budget for fiscal year 2004 contains sufficient operating revenue to fund all operating expenses and $464,885 of a $1.9 million capital program. The $1.5 million use of reserves for capital represents use of funds from the Harbor Capital Preservation Reserve Fund. Projected operating revenue of $9.3 million includes a 4% increase in slip fees.

As with the City's other Enterprise Funds, the adopted Waterfront Fund budget reflects a significant capital improvement program. The Waterfront Fund is in reasonably good financial position with fairly substantial accumulated reserves. In addition to the required reserves established by Council policy, there is the Harbor Capital Preservation Fund, a dedicated capital reserve, currently funded at approximately $4 million.

The adopted capital program is almost $900,000 (85%) above the current year level. Significant projects include repairs and maintenance to Stearns Wharf ($550,000), annual marina maintenance ($200,000), electrical metering of harbor slips ($235,000) and funds for the construction of the new Waterfront Administrative Offices ($500,000).



Total FY04 Revenues - $9,301,230

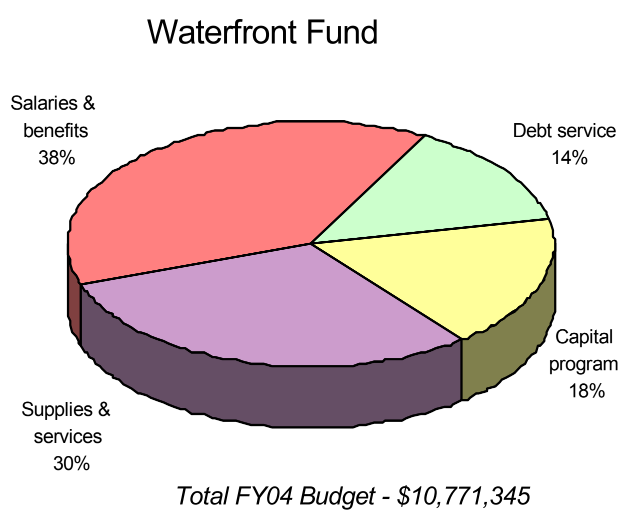
As the chart on the right indicates, Waterfront revenues fall into three main categories. Leases of waterfront property provide approximately $3.5 million or 38% of total revenue. Most of the Waterfront leases are long-term leases on a "percent of gross basis" under which the Waterfront receives a minimum base rent, or up to 11% of the tenant's gross receipts, whichever is greater.

Enterprise Funds

The specific percent of gross receipts paid by the tenant varies from lease to lease. Since virtually all of the significant leases are long-term in nature, the Waterfront has little control over lease revenue in the short run. Therefore, in the short-term, the only revenues over which management can exercise direct control are the parking and harbor-related fees. The Waterfront, in cooperation with the Finance Department, has established a formal lease audit program. Since most 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 this lease audit program.

The second category of Waterfront revenue is from parking. Parking on Stearns Wharf and in the various Waterfront lots generates approximately $1.5 million or 16% of total revenue. The waterfront tracks parking receipts for nine different lots plus Stearns Wharf. In addition, annual parking permits generate approximately $245,000.

The third significant category of Waterfront revenue is harbor fees, including slip fees. Slip fees are estimated to generate just over $3.1 million (34%) of total revenue in fiscal year 2004. As mentioned above, this estimate includes adoption of a 4% increase in slip fees. In addition to slip fees, “other fees” include visitor fees ($365,000), slip transfer fees ($345,000) and live-aboard fees ($135,600).



The chart to the right displays the Waterfront Fund’s expenses by category for fiscal 2004. The capital program (18%) and debt service (14%) combined represent 32% of the total budget.

The Waterfront Fund currently has two outstanding debt obligations. As of June 30, 2003, the total principal due on these two obligations totaled $20.5 million. The 2002 Refunding Waterfront Certificates of Participation ($19.4 million) represent a refinancing of debt originally issued in 1984 to fund repairs and capital improvements to Stearns Wharf and the harbor. The other obligation is a loan from the City General Fund ($1.9 million), the proceeds of which were used in the 1980s to make major repairs to Stearns Wharf. The Waterfront Fund is repaying the General Fund, without interest, at the rate of $100,000 per year. At this rate it will be another eighteen years before the loan is fully repaid. Although not yet executed, an additional $1.5 million General Fund loan has already been authorized to help pay for the construction of new Waterfront administrative offices.

Total operating expenses in the adopted fiscal year 2004 budget are just over $800,000 (10%) more than in the adopted fiscal year 2003 budget. Over $300,000 of this increase is in the

Enterprise Funds

salaries and benefits category. Most of this increase is due to increases in health insurance, retirement costs and temporary wages. Other notable operating expense increases include electricity ($118,000) and facilities maintenance ($145,000).

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

Internal Service Funds

DUPLICATIONS FUND

	Fiscal Year 2001 Actual	2002 Actual	2003 Actual	2004 Adopted
Revenue	$ 286,043	$ 298,941	$ 341,175	$ 375,978
Operating expenses	282,814	279,173	315,433	399,191
Operating surplus (deficit)	3,229	19,768	25,742	(23,213)
Capital budget	-	50,000	-	-
Net addition to (use of) reserves	$ 3,229	$ (30,232)	$ 25,742	$ (23,213)

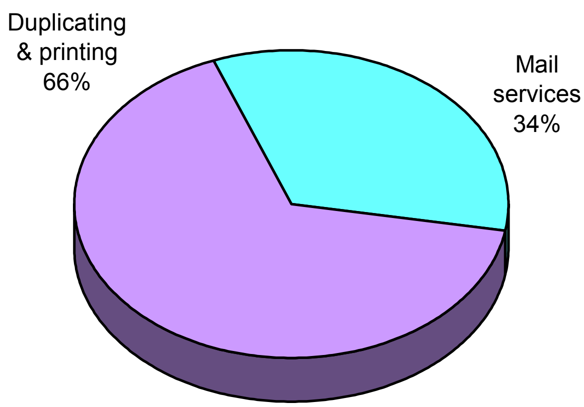
The adopted fiscal year 2004 Duplications Fund operating budget is $399,191, including the use of approximately $23,000 in reserves.

As an internal service fund, the fund's revenue is comprised of charges for services rendered to other City funds and departments. The revenues are derived from printing and copying (66%) as well as interoffice and external mail services (34%). The Duplications staff also processes and mails over 30,000 utility and accounts receivable billings monthly.

The entire budget is comprised of personnel costs (46%) and supplies and services (54%). The operating budget is approximately $84,000 (27%) above the actual fiscal year 2003 expenditures. The majority of the increase ($53,000) is attributable to higher overhead allocation charges from the General Fund. The balance of the increase is attributable to higher costs for medical insurance and retirement contributions.

In fiscal year 2002, the Duplications Fund made two significant purchases, which have helped staff to increase revenues. Two new medium-volume copiers were acquired to handle much of the copying volume. In addition, Duplications acquired a new digital color copier/ printer, which has expanded the quality and type of jobs that can be performed for the City's departments.

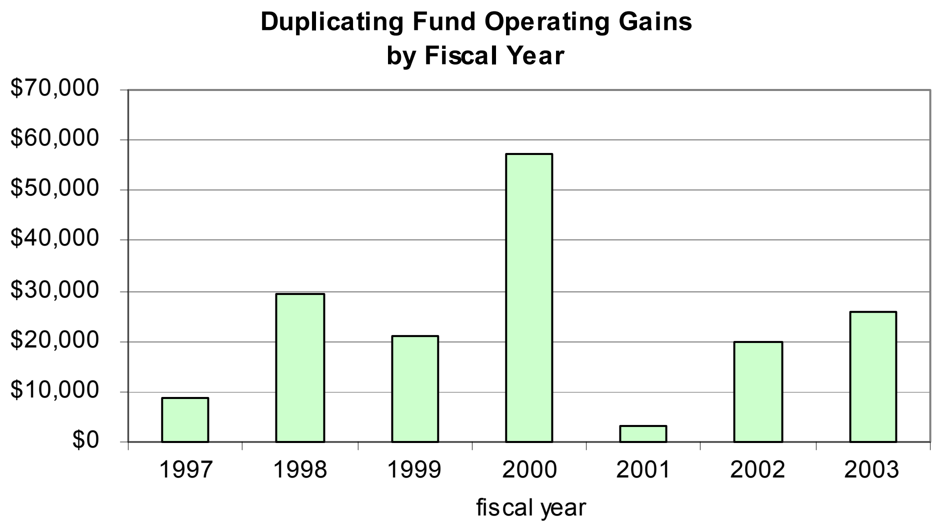
Duplications Fund Revenues



Total FY04 Revenues - $375,978

Internal Service Funds

As the chart below indicates, for each of the last seven fiscal years, the Duplications Fund has enjoyed a small operating surplus. This followed four consecutive years of small operating losses. While the use of reserves during that four-year period was relatively small, staff was committed to making changes to improve the situation. Since that time, Finance Department staff reduced some costs and implemented some nominal revenue enhancements. As a result of these changes and several significant billable projects (including the budget), the fund's situation has improved over the last two years. Moreover, the addition of the color copier has provided the Duplications Fund with another source of revenue. Despite these factors, the adopted fiscal year 2004 budget anticipates the use of a small amount of accumulated reserves.



In addition, the General Fund has provided a small operating subsidy of approximately $35,000 in each of the last several years. In fiscal year 1999, this operating subsidy turned what would have been a small operating loss into an operating gain. In fiscal year 2000, however, the Duplications Fund generated a small operating gain, even before the General Fund subsidy. The adopted fiscal year 2004 budget continues this General Fund operating subsidy. The intent of the subsidy, in part, is to allow the fund to accumulate enough resources to fund the replacement of required capital equipment.

Sustaining the recent success will continue to be a 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; thus, the rationale for the General Fund operating subsidy discussed above.

Internal Service Funds

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.

Internal Service Funds

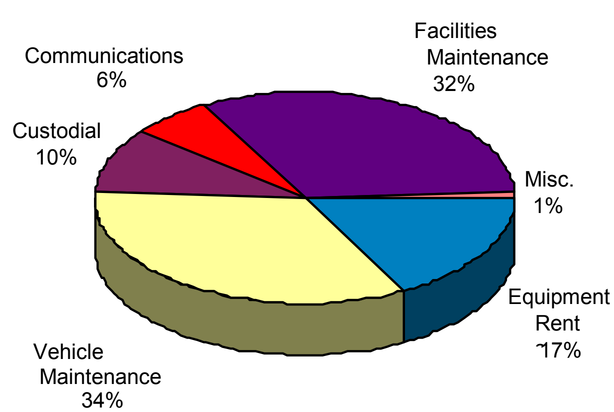
INTRA-CITY SERVICE FUND

	Fiscal Year 2001 Actual	2002 Actual	2003 Actual	2004 Adopted
Revenue	$ 6,657,559	$ 6,968,025	$ 7,482,804	$ 8,209,436
Operating expenses	4,829,109	4,815,014	5,440,260	7,015,366
Operating surplus	1,828,450	2,153,011	2,042,545	1,194,070
Capital budget	2,353,791	1,171,069	1,725,914	1,733,479
Net addition to (use of) reserves	$ (525,341)	$ 981,942	$ 316,631	$ (539,409)

Part of the City's Public Works Department, the Intra-City Service (ICS) Fund is an internal service fund providing services to other City funds and departments. The adopted fiscal year 2004 budget contains significant changes to the ICS Fund. Two operational areas that were previously part of the City's General Fund have been moved into the ICS Fund beginning in fiscal year 2004. These two areas, Custodial Services and Communications Systems, will be added to the Motor Pool and Facilities Maintenance functions that are already budgeted in the ICS Fund. Like the Motor Pool and Building Maintenance functions, both the Custodial Services and Communications Systems operations provide services exclusively to other City departments. Including these two operations in the ICS Fund will ensure that the costs of providing the related services are properly borne by the other City operations benefiting from the services. The significant increase in both revenues ($727,000 or 10%) and operating expenses ($1.6 million or 29%) is attributable to the addition of these two operations.

The Facilities Maintenance function provides on-call response for repairs and maintenance of facilities throughout the City, as well as managing the City's annual planned maintenance program. The facilities maintenance program also provides management of small and medium-sized improvements to various City facilities. The Motor Pool program provides vehicle and equipment maintenance as well as managing the City's vehicle replacement program. The Communications Systems function provides management and maintenance of the City's radio, telephone and related

ICS Fund Revenues



Total FY04 Revenues - $8,209,436

Internal Service Funds

communications systems. Custodial Services function provides custodial services to various City facilities.

The adopted fiscal year 2004 budget anticipates total Intra-City Service Fund revenues of $8.2 million plus a use of reserves of $539,000. The use of reserves is primarily to fund the adopted capital program; however, a small portion of the reserves will be used to support operations.

The majority of the $1.7 million capital program is for the citywide vehicle replacement program ($1.4 million). Also included in the capital program is the replacement of a hydraulic hoist in the Motor Pool's vehicle maintenance operation ($172,000).

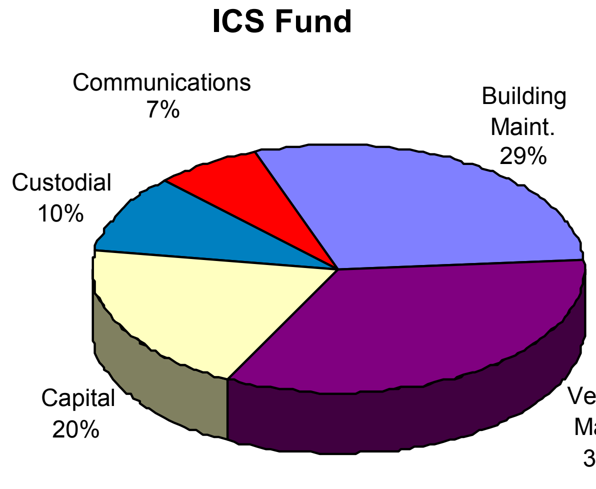
The chart on the previous page displays the various ICS Fund revenues for fiscal year 2004. Even with the addition of the Custodial Services and Communications Systems operations, the majority of the revenue is still generated from the Motor Pool and Facility Maintenance operations.

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.

The Motor Pool charges an annual rental for each City vehicle in service. These rental payments are accumulated and used to replace vehicles in accordance with the City's vehicle replacement schedule. Each vehicle is also charged an annual maintenance fee, which covers all required 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 on the right displays the ICS Fund expenses by category.

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



Total FY04 Budget - $8,748,845

Internal Service Funds

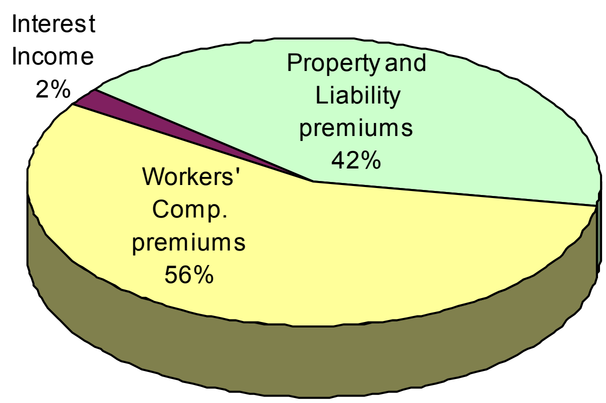
SELF-INSURANCE FUND

	Fiscal Year			
	2001 Actual	2002 Actual	2003 Actual	2004 Adopted
Revenue	$ 3,074,666	$ 4,818,170	$ 6,213,694	$ 6,349,792
Operating expenses	4,695,310	5,550,245	8,801,642	6,349,792
Net addition to (use of) reserves	$ (1,620,644)	$ (732,075)	$ (2,587,948)	$ -

The City is partially self-insured for both workers' compensation and liability. The City's self-insured retention (deductible) for workers' compensation is $500,000 per claim. A commercial workers' compensation policy provides additional coverage above the City's self-insured retention. For liability, the City is a member of the Authority of California Cities Excess Liability (ACCEL), a joint powers authority created to pool common municipal liability exposures such as general, automobile and public officials errors and omissions liability. There are currently a total of 11 California cities in ACCEL. Member entities share the cost of losses over an individual self-insured retention. Shared losses are capped at $22 million. The City's self-insured retention is $1,000,000. Since ACCEL is effectively an insurance company, if the premiums the City pays are not needed to pay claims, they are returned to the City with interest, instead of becoming insurance company profits. Since the City has been in ACCEL, over $6 million in premium rebates have been returned to the City. This is an excellent indication that, to date, ACCEL has been a major success.

Insurable property is covered for all risks by commercial policies with a pooled aggregate limit of $500 million and a deductible of $2 million per occurrence. The City has separate limits of $50 million per occurrence for both flood and earthquake. The City's property insurance is purchased through a consortium of over 4,000 public entities that pool their purchasing power in order to better manage costs. The City currently has

Self-Insurance Fund Revenues



Total FY04 Revenues - $6,349,792

Internal Service Funds

declared, insured property values totaling $225 million.

The Self Insurance Fund acts as the City's own insurance company. The chart on the previous page displays, the $6.4 million of total revenue adopted for fiscal year 2004 is divided between workers' compensation premiums (56%), property and liability premiums (42%), and interest income (2%). As an internal service fund, the fund's revenue comes almost entirely from "premiums" charged to the City's other funds and departments for the coverage provided. The only other revenue the fund receives is interest income, budgeted at $120,000 for fiscal year 2004.

Premiums Charged

	FY 2001 Actual	FY 2004 Adopted	Increase Dollars	Increase Percent
Workers' Compensation	$ 1,724,316	$ 3,453,228	$ 1,728,912	100%
Property / Liability	1,136,795	2,776,564	$ 1,639,769	144%
Total premiums	$ 2,861,111	$ 6,229,792	$ 3,368,681	118%

As the table to the right indicates, as recently as fiscal year 2001, total Self Insurance Fund revenue, paid by the other City funds and departments, totaled just under $3 million, compared to the $6.2 million adopted for fiscal year 2004. Like many entities, both public and private, the City has experienced dramatic increases in the cost for all lines of insurance over the last several years. In particular, both workers' compensation and property insurance costs have grown rapidly.

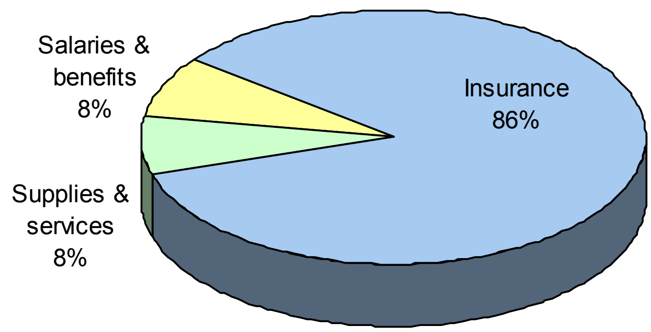
As the table indicates, total charges paid for insurance by the City's various funds and departments have increased almost $3.4 million, or 118%, in just the last three years. This represents over $3 million that has been diverted from the actual programs and services provided by the City's departments. Over the same period, the City has had to accept significantly higher deductibles or the premium increases would have been even larger. In the last three years, the City's deductible for workers' compensation has increased from $300,000 to $500,000 per occurrence and the property insurance deductible has increased from $100,000 to $2 million.

Every two years, in conjunction with the budget development process, the City contracts for an actuarial study on its self-insurance programs. The actuarial study recommends both how much the City should have in its self-insurance reserves and how much the City should budget for claims expense for each of the next two years. The actuarial study is based upon a combination of the City's specific loss history and certain industry standards. It has been the City's experience over the years that the actuarial study, because of its conservative assumptions, generally over-estimates the amount needed by the City for annual claims expense. This is due to the generally conservative nature of the study and the fact that the City's loss experience continues to be better than public agency industry standards. Based upon this experience, the City has traditionally set the premiums charged to the City's various funds significantly lower than the actuarial study recommends. Despite an increase in the cost of workers' compensation claims over the last several years, this is once again true with the most recent actuarial study and the adopted fiscal year 2004 budget.

Internal Service Funds

The chart to the right displays the Self-Insurance Fund's expense budget by category. Insurance costs represent a full 86% 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.

Self-Insurance Fund Expenses



Total FY04 Budget - $6,349,792

In addition to managing the City's insurance portfolio, staff from the Self-Insurance Fund also provides occupational safety 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.

In summary, the costs of insurance have risen dramatically in the last several years and staff does not anticipate any significant change in this trend in the immediate future. At best, a stabilization of the premium increases can be expected.

Capital Budget for Fiscal Year 2004

GENERAL FUND Project Title	
Website Upgrade and Redesign *Upgrade and redesign the City Internet and Intranet websites and provide a customer-oriented architecture.*	$118,000
Second Broadcast Control Station *Expand the City Television control room to include a second broadcast control station for simultaneous taping of public meetings.*	37,650
Financial Management Decision Support System *The new system will provide quick and easy access to important financial data citywide and help extend the life of the City's Financial Management System (FMS).*	135,000
Emergency Communications Systems Upgrade *Replace aging elements of the electronic infrastructure for the Fire Department Primary Radio Channel.*	25,000
Martin Luther King Library Building and Parking Lot Improvements *Construct improvements to the library in the lobby entrance, skylights, and remodel the public restrooms for ADA accessibility and resurface the parking lot.*	250,000
Playground Replacement *Replace playground at the East Beach Pavilion.*	90,000
Irrigation Replacement Program *Replace irrigation system at Shoreline Park.*	100,000
Ball Field Poles Replacement Program *Conduct an assessment and prepare engineered footing for repair, replacement, and painting of the old ball field lights at Dwight Murphy, Cabrillo, and Ortega ball fields.*	45,000
Parks Maintenance Equipment Replacement *Replace worn out park maintenance equipment.*	79,500
Trash Can Replacement *Replace trash cans along the Waterfront and on East Beach and West Beach.*	75,000
Cabrillo Pavilion, Chase Palm Park, Casa Las Palmas Equipment Replacement *Replace aging and heavily used equipment at the Cabrillo Pavilion, Chase Palm Park, and Casa Las Palmas facilities.*	60,000
Total General Fund Capital	**$1,015,150**

Capital Budget for Fiscal Year 2004

MISCELLANEOUS GRANTS FUND Project Title	
Douglas Family Preserve Management Plan *Implement components of the Management Plan including signage, restoration of habitat, and modification to trails.*	$144,000
Parma Park Improvements *Implement components of the Resource Protection Guide including entrance improvements, signage, informal parking area, and trail development.*	40,000
Total Miscellaneous Grants Fund Capital	**$184,000**

STREETS AND TRANSPORTATION DEVELOPMENT CAPITAL PROGRAM Project Title	
Encroachment Permit for Micheltorena Bridge *Obtain an encroachment permit from Cal-trans and install a total of 12 street lights on the Micheltorena Bridge over U.S. Highway 101.*	$105,000
Lower Mission Creek Improvements *Construct flood control improvements on Mission Creek to handle peak design floods.*	90,000
Ortega & Haley/De La Vina Bridge Replacement *Replace and widen the bridge over Mission Creek at the intersection of Haley and De La Vina Streets in coordination with the Lower Mission Creek Flood Control Project.*	231,000
Streets Engineering *Ongoing improvements and implementation of a maintenance hotline to enable the public to more easily alert City staff of needed improvements.*	75,000
Citywide Bicycle Amenities/Facilities *Install and/or construct bicycle amenities and facilities citywide. Bicycle amenities shall include bike lanes and accommodations such as hitching posts, bike lockers, and creating infrastructure improvements that make bicycling more attractive.*	55,000
Slurry Seal Program *Replace isolated sections of failed asphalt concrete and apply waterproof surface treatment on existing pavement with chips or slurry seals. This annual program is jointly funded with Streets Utility Users' Tax revenue and Measure D funds.*	764,036
U.S. Highway 101 Implementation Plan *Work with other agencies to develop a long-term approach to address congestion on the Highway 101 corridor, between Winchester Canyon and the Ventura County line.*	100,000

Capital Budget for Fiscal Year 2004

School Traffic Management Program *Identify and implement projects and programs to reduce and control traffic around public schools.*	75,000
State Route 225 Relinquishment Improvements *Review proposed improvements yet to be determined, and annexation costs of County portion of State Route 225 to the City.*	25,000
Streetlight and Traffic System Planned Programs *Install and maintain streetlights and poles under the annual streetlight Installation program.*	295,000
Streetlight Circuit Replacement Program *Replace all major 6.6 amp circuits in City streetlights as part of a multi-year project.*	400,000
Total Streets & Transportation Development Program Capital	**$2,215,036**
CREEKS RESTORATION AND WATER QUALITY IMPROVEMENT **Project Title**	
Sycamore Creek and Laguna Channel Bacterial Reduction Program *Evaluate the storm drain system of the Sycamore and Laguna Channel watersheds.*	$75,000
Laguna Channel Urban Runoff Treatment Project *Design and install a clarifier for Laguna Pump Station scavenger pump.*	100,000
Arroyo Burro Estuary Restoration Project *Remove non-native species within the estuary and creek corridor and re-vegetate all disturbed areas.*	50,000
Arroyo Burro Watershed Plan *Establish a long-term creek restoration and water quality improvement strategy for Arroyo Burro, including the identification of needed projects.*	150,000
Mission Creek Watershed Plan *Establish a long-term creek restoration and water quality improvement strategy for Mission Creek, including the identification of needed projects.*	150,000
Total Creeks Restoration & Water Quality Improvement	**$525,000**
TRANSPORATION SALES TAX (MEASURE D) **Project Title**	
Sidewalk Maintenance and Access Ramps Program *Replace existing uplifted or depressed sidewalks due to tree root damage.*	350,000

Capital Budget for Fiscal Year 2004

Pavement Management and Sidewalk Inventory Update *Update the annual survey of sidewalk, curb, gutter and pavement conditions in the City.*	25,000
Traffic Safety and Capacity Improvement *Replace traffic equipment at specific locations in the City.*	200,000
Drainage System Maintenance *Maintain, improve and construct drainage facilities as needed in various locations within the City.*	480,000
Street Overlay Program *Perform pavement overlay and resurfacing as part of the annual Pavement Maintenance Program.*	902,528
Slurry Seal Program *Replace isolated sections of failed asphalt concrete and apply waterproof surface treatment on existing pavement with chips or slurry seals. This annual program is jointly funded with Streets Utility Users' Tax revenue and Measure D funds.*	138,492
Neighbors for Livable Streets Program *This project includes several measures to reduce vehicle speeds and number of trips as part of a comprehensive effort to improve neighborhood livability.*	238,000
Sidewalk Replacement Program *Replace existing sidewalks uplifted or depressed due to tree root damage.*	250,000
Bicycle Improvement Program Ongoing improvements include bicycle parking, signage, signage loop replacement and the creating of a maintenance hotline for people.	25,000
Total Transportation Sales Tax Capital	**$2,609,020**
AIRPORT FUND **Project Title**	
North Taxiway B Relocation (FAA) *Relocate northern portion of Taxiway B.*	$1,251,164
Construct 20 T-Hangars (FAA) *Construct 20 T-hangars, including taxi lanes, sewer, water, electrical, storm drainage, lighting and markings.*	1,370,000
AOA Pavement Maintenance *Annual maintenance program for pavement to include crack sealing, slurry seal, overlay, and reconstruction.*	100,000

Capital Budget for Fiscal Year 2004

Leased Building Maintenance for Lease Properties *Perform annual maintenance and improvements of leased facilities.*	125,000
Street Resurfacing Program *Overlay and repair various Airport streets and parking lots.*	100,000
Hazardous Materials Program *Perform follow-up monitoring and reporting on hazardous materials sites as required.*	50,000
Airport Infrastructure *Annual maintenance program for Airport infrastructure to include water, sewer, and wastewater facilities repair and replacement.*	50,000
Door Replacement for Hangars 3 & 4 *Retrofit the structural support systems and replace the main hangar doors for two hangars.*	160,000
Total Airport Fund Capital	**$3,206,164**
DOWNTOWN PARKING FUND **Project Title**	
Downtown Parking Lot Maintenance *Perform ongoing maintenance in the Downtown Parking Lots.*	$55,000
Downtown Parking Staff Office *Purchase fixtures and appurtenances for the Downtown Parking staff offices located in the Granada Garage.*	100,000
Depot Storage Building *Construct a new 492-square foot storage building at the Railroad Depot.*	300,000
Granada Garage Refuse Management Equipment *Purchase a compactor and baler for the Granada Garage central refuse enclosure.*	75,000
Total Downtown Parking Fund Capital	**$530,000**
GOLF FUND **Project Title**	
Power Turf Equipment *Purchase power turf equipment to replace existing equipment.*	$50,000

Capital Budget for Fiscal Year 2004

Materials Bunker Storage Area *Construct a covered storage system for sand and gravel and improve drainage and landscaping around the maintenance building.*	50,000
Golf Course Improvement Projects *Re-build tees and greens, repair and add cart paths, and make other course improvements as part of a multi-year golf course improvement plan.*	200,000
Total Golf Fund Capital	**$300,000**
INTRA-CITY SERVICES (ICS) FUND **Project Title**	
Building Maintenance Office Expansion *Construct an addition to the Building Maintenance Administration building for two staff offices.*	60,000
Motor Pool Office Storage and Space Remodel *Remodel Motor Pool office and storage space.*	50,000
Motor Pool Delivery Truck *Replace the existing delivery truck used for pick up of service parts at locations in Ventura and Los Angeles County.*	28,000
In-Ground Hoist Replacement *Procure and install the last of the 11 hoists as part of the underground hoist replacement project begun in 1996.*	172,000
Fire Truck Replacement Program *Replace a fire truck according to assigned life cycle as part of the biennial replacement program.*	180,000
Enterprise Fund Vehicle Replacement Program *Annual replacement of Fleet Vehicles scheduled for replacement based upon completion of their assigned life cycle. Includes, the addition of one new vehicle for use by the new Building Maintenance Project Engineer.*	623,637
General Fund Replacement Program *Annual replacement of Fleet Vehicles scheduled for replacement based upon completion of their assigned life cycle.*	619,842
Total Intra-City Services (ICS) Fund Capital	**$1,733,479**

Capital Budget for Fiscal Year 2004

WASTEWATER FUND Project Title	
Sanitary Sewer Overflow Compliance Program *Replace approximately 1% of the wastewater system collection lines and manholes as part of the annual replacement program.*	$1,650,000
San Marcos Lift Station Rehabilitation and Replacement Project *Evaluate the feasibility of eliminating the lift station by connecting to the Goleta Sanitary District system.*	150,000
El Estero Treatment Plant Maintenance Program *Rehabilitate or replace major equipment, electrical systems and wiring at the El Estero Treatment facility.*	985,000
Lift Station Maintenance Program *Annual program of capital maintenance projects to keep the City's wastewater lift stations fully operational.*	150,000
El Estero Strategic Plan Implementation *Rehabilitate and replace major process components used to treat wastewater at the El Estero Wastewater Treatment Plant to meet federal and state wastewater discharge and air emissions requirements.*	944,000
El Estero Drain Project *Restore and construct improvements to the El Estero Drain adjacent to the treatment facility.*	75,000
Total Wastewater Fund Capital	**$3,954,000**

WATER FUND Project Title	
Water Main Replacement Program *Annual replacement program to replace 16,000 feet of old water mains.*	$2,400,000
Cater Plant Capital Program *Completion of several planned projects designed to extend the life of the facility.*	210,000
Recycled Water Tertiary Filter Rehabilitation *Rehabilitate the recycled water tertiary filter flow splitter box and provide safe access to the filter control valves.*	347,000
Groundwater Supply Program *Projects include baseline well system component maintenance, pilot testing and design for the rehabilitation of the Ortega Groundwater Treatment Plant, installation of a new well at Santa Barbara High School, and rehabilitation of the City Hall well.*	2,016,497

Capital Budget for Fiscal Year 2004

Distribution Pump Station Program *Annual program to provide maintenance, rehabilitation and replacement of major items at the 11 water distribution pump stations.*	244,000
Distribution Reservoir Program *Annual program developed to fund maintenance, rehabilitation and replacement of major equipments and facilities at the City's fourteen reservoirs and Gibraltar Dam.*	445,000
Conservation and Recycled Water Program *Annual program to fund maintenance, rehabilitation and replacement of facilities or equipment in the City's recycled water system.*	200,000
La Mesa Recycled Water Booster Pump Station *Install a recycled water pump station at La Mesa Park.*	550,000
Total Water Fund Capital	**$6,412,497**
WATERFRONT FUND **Project Title**	
Breakwater Concrete & Cap Repair *Repair failing sections of the breakwater cement sidewalk and parapet.*	$80,000
Marina Maintenance Annual Repair Program *Annual maintenance activities focused on various waterfront equipment.*	200,000
Electrical Utility Metering for Slips *Install electrical utility metering in the Harbor in order to recapture the cost of providing electrical service to each individual slip.*	235,000
Parking Lot Maintenance Program *Perform preventative maintenance on the Waterfront parking lots to preserve wearing surfaces.*	195,000
Stearns Wharf – Annual Repair Program *Annual Stearns Wharf pile driving and timber replacement program.*	300,000
Coast Guard Building – Sidewalk Installation *Install sidewalk adjacent to the Coast Guard building.*	45,000
Harbor Restroom Interior Repairs *Repairs to the restroom interiors in the Harbor.*	60,000
Heavy Timber Replacement Navy Pier & Travel Lift Pier *Replace heavy timber supporting at the Navy and Travel Lift piers.*	40,000

Capital Budget for Fiscal Year 2004

Replace Patrol Boat #4 *Replace Harbor Boat #4 with a rigid hull inflatable 14-foot boat.*	30,000
Waterfront Office Construction *Construction costs for the Waterfront Administration Offices project.*	500,000
Stearns Wharf Fire Repair *Repairs to the structure due to damage caused by the fire beneath the Nature Conservancy building.*	250,000
Total Waterfront Fund Capital	**$1,935,000**
Total Capital	**$24,619,346**

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DEPARTMENT SUMMARY

Administrative Services

Provide effective support services that encompass preparing the official city record, conducting elections, and providing human resources and information system services.

About Administrative Services

The Administrative Services Department consists of four programs: City Clerk, Human Resources, Desktop Information Systems and Financial Information Systems. The Department provides important services to over 1,000 city employees and the community.

The City Clerk provides answers to questions from the public regarding city services and maintains the official city council meeting minutes and records.

Human Resources recruits employees, develops policies and administers benefit programs.

Information Systems programs provide technical, maintenance and user support for over 600 desktop computers and a financial management system.

Fiscal Year 2004 Budget Highlights

Information Systems was converted to an internal service fund, as part of the effort to allocate costs to all programs in the City.

Information Systems staff will continue improvements to the appearance and information available on the City's website to communicate with the community in an effective and timely manner.

The City Council Agenda is now available on the Internet.

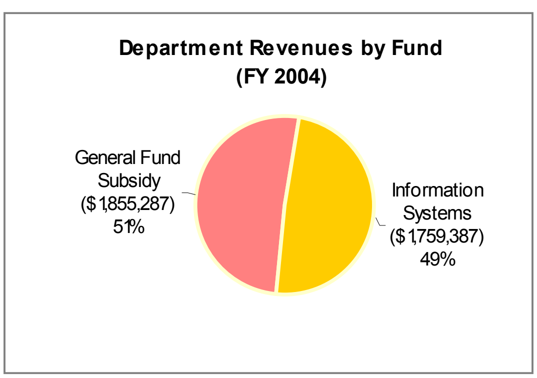
Human Resources is working with a consortium of other local agencies to investigate the cost effectiveness of self-contracting for medical insurance.

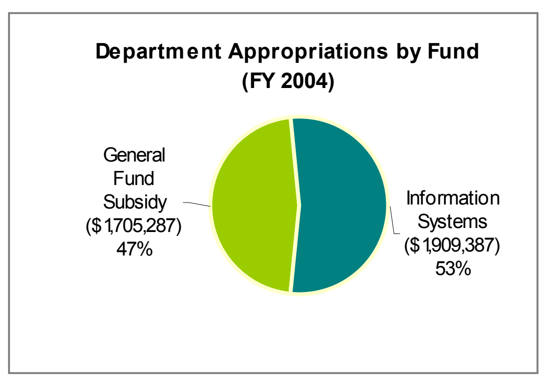
Administrative Services

Department Financial and Staffing Summary

	Actual FY 2002	Adopted FY 2003	Adopted FY 2004
Authorized Positions (FTEs)	**29.60**	**28.60**	**29.30**
Revenues			
Desktop Systems Maintenance Charges	-	-	1,354,132
Financial Systems Maintenance Charges	-	-	405,255
Other	2,245	-	-
General Fund Subsidy	2,731,718	2,671,795	1,855,287
Total Department Revenue	**$ 2,733,963**	**$ 2,671,795**	**$ 3,614,674**
Expenditures			
Salaries and Benefits	1,930,932	2,088,293	2,235,122
Supplies and Services	615,166	582,002	884,115
Special Projects	179,399	-	214,000
Non-Capital Equipment	8,466	1,500	269,642
Appropriated Reserve	-	-	11,795
Total Department Expenditures	**$ 2,733,963**	**$ 2,671,795**	**$ 3,614,674**

Department Fund Composition





Administrative Services

Organizational Program Chart

- City Clerk
- Human Resources
- Information Systems
  - Desktop Information Systems
  - Financial Information Systems

City Clerk's Office

(Program No. 1521)

Mission Statement

Ensure the integrity and preservation of the City Council's record, coordinate citywide records management policies and procedures, and connect residents with their government by providing information in a courteous and timely manner.

Program Activities

- Prepare agendas and minutes for all regular weekly City Council and Redevelopment Agency meetings and periodic adjourned and special meetings.
- Process City Council approved ordinances, resolutions, agreements, contracts, and deeds and certify the administrative record of Council actions.
- Publish Municipal Code updates.
- Coordinate the Records Management Program.
- Administer Municipal Elections.
- Oversee compliance with the Political Reform Act as it relates to filing of Campaign Statements and Statements of Economic Interests.
- Coordinate the recruitment and appointment process for City advisory groups.
- Provide public information services.

Objectives for Fiscal Year 2004

- Publish agendas and minutes for all Council and Redevelopment Agency regular, special, and adjourned meetings, as legally required.
- Process Council agenda items and related documents consisting of Council Agenda Reports, agreements, contracts, deeds, resolutions, and ordinances; and coordinate the Records Management Program.
- Complete 100% of customer service requests within two working days or by the requested deadline.
- Maintain 90% timely filing rate for Statements of Economic Interests.
- Coordinate the recruitment and appointment process for City advisory groups, including an orientation and training session.
- Administer the November 4, 2003 General Municipal Election for the purpose of electing three Council members in accordance with the state Elections Code.

RECENT PROGRAM ACHIEVEMENTS

City Clerk's Office implemented an electronic records management system accessible by all City Departments.

Financial and Staffing Information

	Actual FY 2002	Adopted FY 2003	Adopted FY 2004
Authorized FTEs	**8.00**	**8.00**	**7.00**
Revenues			
General Fund Subsidy	696,085	549,347	766,963
Other	2,110	-	-
Total Revenue	**$ 698,195**	**$ 549,347**	**$ 766,963**
Expenditures			
Salaries and Benefits	431,878	473,878	452,824
Supplies and Services	86,918	75,469	100,139
Special Projects	179,399	-	214,000
Total Expenditures	**$ 698,195**	**$ 549,347**	**$ 766,963**

Program Performance Measures

	Adopted FY 2003	Projected FY 2003	Adopted FY 2004
Council Agenda items and related documents processed	n/a	1050	1050
Pages of Council/RDA minutes accurately prepared within five working days and presented for Council/RDA approval	n/a	800	800
Customer service requests completed within two working days or by the requested deadline	n/a	800	800
Staff hours spent in support of 29 City Advisory Groups composed of 202 members	n/a	300	300
Filings of Statements of Economic Interests	n/a	400	400
Staff hours devoted to processing Statements of Economic Interests	n/a	150	150

Human Resources

(Program No. 1531)

Mission Statement

Develop effective policies and assist departments in the recruitment, development, and retention of quality employees in order for the City to provide a high standard of service to the community.

Program Activities

- Provide a centralized program of personnel administration for over 1,000 permanent employees.
- Provide guidance and personnel related information to employees and departments.
- Establish job descriptions and compensation levels for 350 classifications.
- Recruit, test, and certify applicants for City positions.
- Coordinate and assist departments on disciplinary actions, performance issues, and complaints.
- Administer employee benefit programs including health insurance, life insurance, long and short-term disability, deferred compensation and retirement.
- Administer leave programs and track employees who are on a leave of absence.
- Conduct monthly new employee orientation program.
- Coordinate City-sponsored training programs.
- Provide staff support to the Civil Service Commission.

Objectives for Fiscal Year 2004

- Ensure that City supervisors and managers complete 90% of employee performance evaluations on time.
- Provide 95% of classification recommendations to the requesting department within 45 working days of receiving the completed position description form from the department.
- Complete feasibility report on self-contracting for medical insurance with a consortium of other local public agencies by December 31, 2003.
- Complete an organizational survey of Human Resources services by December 31, 2003.
- Complete agreement with an unemployment claims administrator, cafeteria plan administrator, and employee assistance program provider by December 31, 2003.

RECENT PROGRAM ACHIEVEMENTS

Human Resources processed over 2,000 health insurance changes during the Open Enrollment for 2003.

Staff reviewed 1,914 applications for permanent positions in 2002.

Objectives for Fiscal Year 2004 (continued)

- Complete processing of the Open Enrollment changes for 2004 by January 9, 2004.
- Complete processing of benefit enrollment for new employees within 30 calendar days of hire dates.
- Complete internal (promotional) recruitments within an average of 44 working days.
- Complete external (open) recruitments within an average of 59 working days.

Program Performance Measures

	Adopted FY 2003	Projected FY 2003	Adopted FY 2004
Applications processed	n/a	1,600	1,500
Recruitments conducted	n/a	80	60
Average number of working days to conduct an external recruitment	n/a	59	59
Average number of working days to conduct an internal recruitment	n/a	44	44
Total employees (regular & temporary) hired	n/a	400	300
City turnover of regular employees	n/a	8%	6%
Personnel actions, such as new hires, promotions, resignations, merit increases, etc., processed	n/a	3,500	3,000
Classification studies completed	n/a	8	15
Percent of classification recommendations completed within 45 days	n/a	95%	95%
Open Enrollment benefit changes processed	n/a	2,000	2,000
Percent of performance evaluations completed on time	n/a	90%	90%

ADMINISTRATIVE SERVICES

City Clerk
➢ Human Resources
Desktop Information Systems
Financial Information Systems

Financial and Staffing Information

	Actual FY 2002	Adopted FY 2003	Adopted FY 2004
Authorized FTEs	**8.60**	**8.60**	**9.50**
Revenues			
General Fund Subsidy	758,134	798,784	938,324
Other	135	-	-
Total Revenue	**$ 758,269**	**$ 798,784**	**$ 938,324**
Expenditures			
Salaries and Benefits	595,587	634,246	694,906
Supplies and Services	162,682	164,538	243,418
Total Expenditures	**$ 758,269**	**$ 798,784**	**$ 938,324**

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ADMINISTRATIVE SERVICES

City Clerk

Human Resources

➢ **Desktop Information Systems**

Financial Information Systems

Desktop Information Systems

(Program No. 1541)

Mission Statement

Provide technical leadership, maintenance, and user support for computing and networking services to City staff to enhance the quality and effectiveness of City operations.

Program Activities

- Operate and maintain the City's 11 Local Area Networks.
- Provide maintenance and support to over 630 desktop computers.
- Establish and maintain standards for hardware and software.
- Coordinate the City's computer training program.
- Establish standards and provide oversight of the City's Web page.
- Operate, maintain and insure the reliable operation of the citywide Intranet.
- Maintain a plan of future goals and projects.
- Perform systems analysis, system integration, and system implementation.

Objectives for Fiscal Year 2004

- Resolve 85% of Help Desk phone call requests at time of call and 90% within one business day.
- Resolve 95% of Out of Service requests, rated as "critical", within one business day.
- Maintain an uptime of 99.8% on the City's Wide Area Network (WAN) servers.
- Ensure 85% of employees report improvements in their ability to use desktop applications after receiving training.
- Review and update the processes for allocating costs related to the Information Systems ICS Fund by October 1, 2003.
- Implement Microsoft's Active Directory services to improve work station management by December 31, 2003.
- Upgrade desktop computer and network server equipment in accordance with the annual equipment replacement schedule.
- Upgrade and redesign the Internet and Intranet websites to be customer-oriented, and provide the tools to facilitate content publishing to all staffing levels.

RECENT PROGRAM ACHIEVEMENTS

A new firewall was installed to protect the City's Wide Area Network.

All network servers were upgraded to Windows 2000.

Spam and Junk Mail filtering were implemented.

Financial and Staffing Information

	Actual FY 2002	Adopted FY 2003	Adopted FY 2004
Authorized FTEs	**9.50**	**8.50**	**9.30**
Revenues			
Desktop Systems Maintenance Charges	-	-	1,354,132
General Fund Subsidy	919,192	937,703	127,863
Total Revenue	**$ 919,192**	**$ 937,703**	**$ 1,481,995**
Expenditures			
Salaries and Benefits	619,216	679,949	768,283
Supplies and Services	291,510	257,004	432,275
Non-Capital Equipment	8,466	750	269,642
Appropriated Reserve	-	-	11,795
Total Expenditures	**$ 919,192**	**$ 937,703**	**$ 1,481,995**

Program Performance Measures

	Adopted FY 2003	Projected FY 2003	Adopted FY 2004
Percent of Help Desk requests resolved:			
At time of call	n/a	85%	85%
Within one business day	n/a	90%	90%
Percent of Out of Service requests rated as critical, resolved within one business day	n/a	95%	95%
Percent uptime of the City's WAN servers	n/a	99.8%	99.8%
Help Desk calls handled	n/a	8,208	8,208
Out of Service requests received	n/a	336	336
Non-Help Desk requests for assistance received	n/a	294	294
Workstations supported per Information Systems FTE	n/a	68.3	68.3
Training enrollments (City workshops and Vendor Provided)	n/a	880	880
Percent of employees trained reporting an improvement in their ability to use desktop applications	n/a	n/a	85%

Financial Information Systems

(Program No. 1542)

Mission Statement

Provide financial management systems and related services to City staff and their customers, to maintain data integrity and enable financial accountability and compliance with financial standards.

Program Activities

- Support 17 applications on the Financial Management System (FMS).
- Provide a secure environment for information and computer systems.
- Provide maintenance and support to the FMS and its customers.
- Provide systems analysis, software development, and training services.
- Perform reporting services and data exportation to support the analysis and inquiry needs of City staff.
- Provide consulting services to all departments from researching business problems to implementing solutions.
- Maintain a plan of future goals and projects.

Objectives for Fiscal Year 2004

- Maintain an uptime of 99.8% on the central computer system supporting the FMS.
- Maintain an 85% customer satisfaction rating on service requests.
- Complete 95% of urgent requests to export data or generate special reports within one business day.
- Create an Information Technology Plan in support of citywide technology projects proposed for the FY 2004/2005 budget year.
- Complete the FMS Improvement requests in accordance with an approved work plan.
- Acquire, design, and begin testing the FMS Decision Support System modules.

RECENT PROGRAM ACHIEVEMENTS

Web-based tools were developed for staff to view FMS data and exchange FMS data with agencies via the Internet.

Financial and Staffing Information

	Actual FY 2002	Adopted FY 2003	Adopted FY 2004
Authorized FTEs	**3.50**	**3.50**	**3.50**
Revenues			
Financial Systems Maintenance Charges	-	-	405,255
General Fund Subsidy	358,307	385,961	22,137
Total Revenue	**$ 358,307**	**$ 385,961**	**$ 427,392**
Expenditures			
Salaries and Benefits	284,251	300,220	319,109
Supplies and Services	74,056	84,991	108,283
Non-Capital Equipment	-	750	-
Total Expenditures	**$ 358,307**	**$ 385,961**	**$ 427,392**

Program Performance Measures

	Adopted FY 2003	Projected FY 2003	Adopted FY 2004
Percent uptime on the central computer system supporting the FMS	n/a	99.8%	99.8%
Percent of customers surveyed reporting a satisfactory rating on services received	n/a	n/a	85%
Percent of urgent requests to export data or generate special reports completed within one business day.	n/a	95%	95%
Total application improvement requests completed	n/a	72	72
Major application improvement requests completed	n/a	15	15
Application program errors fixed, number of requests for general assistance, and data changes completed	n/a	153	153
Requests for reports and data exports completed	n/a	159	159
Applications supported	n/a	17	17

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Airport

Provide the region with a safe, modern, convenient gateway to the national air transportation system, offering a full complement of airside and landside services. Use our diverse pool of resources wisely, ensuring the airport's financial viability, and showcasing the airport as a good neighbor, a vital, integral, responsive part of the community and a steward for the environment.

About Airport

Santa Barbara Municipal Airport is the busiest commercial service airport on the California coast between San Jose and Los Angeles and has been owned and operated by the City since 1941. 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 Ecological 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 neighbors the City of Goleta and the University of California. The primary market area for the Airport encompasses Santa Barbara County.

The Airport is self-supporting and receives no local tax dollars for its operations. The revenues generated by 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.

Fiscal Year 2004 Budget Highlights

The Airport Department will:

- Begin Aviation Facilities Plan (AFP) implementation.
- Update AFP Financial Plan.
- Begin implementation of the General Aviation Development Plan.
- Maintain Airport economic self-sufficiency.

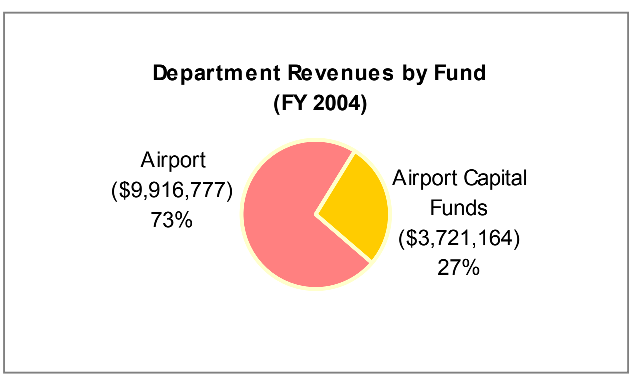
DEPARTMENT SUMMARY

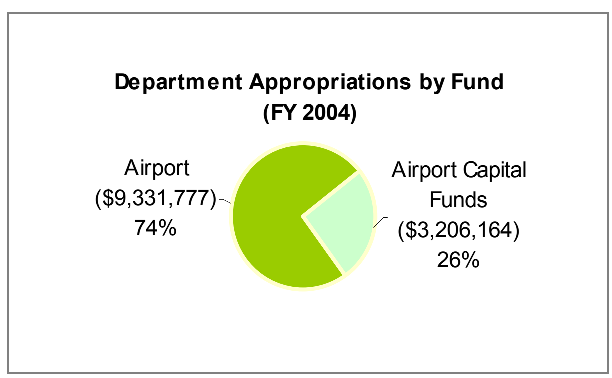
Airport

Department Financial and Staffing Summary

	Actual FY 2002	Adopted FY 2003	Adopted FY 2004
Authorized Positions (FTEs)	**49.00**	**49.00**	**50.00**
Revenues			
Lease Income	8,634,661	8,149,867	9,317,277
Interest Income	707,118	500,000	451,000
Intergovernmental (Grants)	7,301,859	12,332,278	2,790,664
Passenger Facility Charges	950,611	950,000	1,025,000
Other	74,398	67,000	54,000
Total Department Revenue	**$ 17,668,647**	**$ 21,999,145**	**$ 13,637,941**
Expenditures			
Salaries and Benefits	2,998,417	3,278,641	3,439,366
Supplies and Services	4,458,262	4,439,954	5,519,200
Special Projects	52,564	54,300	15,000
Non-Capital Equipment	79,382	46,483	54,650
Capital Equipment	18,771	57,500	-
Appropriated Reserve	-	324,495	303,561
Total Operating Expenditures	**$ 7,607,396**	**$ 8,201,373**	**$ 9,331,777**
Capital Program	**13,141,611**	**14,533,635**	**3,206,164**
Total Department Expenditures	**$ 20,749,007**	**$ 22,735,008**	**$ 12,537,941**
Addition to (Use of) Reserves	**$ (3,080,360)**	**$ (735,863)**	**$ 1,100,000**

Department Fund Composition





Airport

Program Organizational Chart

- Administration
  - Business & Property Management
    - Airport Parking
  - Marketing and Communications
  - Facilities Maintenance
    - Grounds/Landscape Maintenance
    - Airport Custodial Maintenance
  - Air Operations Area Maintenance
  - Airport Security
  - Airport Certification and Operations
  - Facilities Planning & Development

AIRPORT

- ➢ **Administration**
- Business and Property Management
- Marketing and Communications
- Facilities Maintenance
- Air Operations Area Maintenance
- Airport Security
- Airport Certification and Operations
- Facility Planning and Development

Administration

(Program No. 7411)

Mission Statement

Provide vision and leadership to Airport Department programs to provide the region with a safe, modern, and convenient gateway to the national air transportation system.

Program Activities

- Oversee management of all operating divisions within the Department.
- Implement City policies established by City Administrator and City Council.
- Develop procedures, rules, and regulations for Airport operations.
- Provide primary staff support to Airport Commission.

Objectives for Fiscal Year 2004

- Accomplish 90% of the Department's program objectives.
- Ensure that at least 80% of general aviation users have a positive experience when using Airport services and facilities.
- Ensure that Airport facilities and services achieve a rating of "good" or "excellent" from 85% of passengers surveyed.
- Provide oversight and resources to select and engage a design team for the Terminal Project.
- Provide oversight and resources to complete 30% design of the Airfield Safety Projects.
- Provide oversight and resources to complete design for the T-hangar project and Tidal Circulation Experiment.
- Provide oversight and resources to complete the FAR Part 150 Noise Compatibility Study.
- Review and revise Airport Integrated Pest Management (IPM) strategies for consistency with citywide IPM policy.
- Initiate native species nursery plan by beginning seed collection and propagation efforts to produce needed plant material for Airport wetland mitigation projects.
- Complete a feasibility study and develop strategies for the ground transportation, commercial development and technology elements identified during the strategic planning process.

RECENT PROGRAM ACHIEVEMENTS

The Aviation Facilities Plan was approved, including airfield safety improvement projects and an airline terminal expansion project.

Financial and Staffing Information

	Actual FY 2002	Adopted FY 2003	Adopted FY 2004
Authorized FTEs	**3.25**	**3.25**	**3.25**
Revenues			
Interest Income	707,118	500,000	451,000
Passenger Facility Charges	950,611	950,000	1,025,000
Intergovernmental (Grants)	7,301,859	12,332,278	2,621,164
Other	6,565	-	-
Total Revenue	**$ 8,966,153**	**$ 13,782,278**	**$ 4,097,164**
Expenditures			
Salaries and Benefits	411,344	320,849	335,990
Supplies and Services	927,469	1,014,231	988,418
Special Projects	12,571	-	-
Non-Capital Equipment	13,911	15,200	5,000
Appropriated Reserve	-	324,495	303,561
Total Operating Expenditures	**1,365,295**	**1,674,775**	**1,632,969**
Capital Program	8,243,324	13,702,531	2,621,164
Total Expenditures	**$ 9,608,619**	**$ 15,377,306**	**$ 4,254,133**

Program Performance Measures

	Adopted FY 2003	Projected FY 2003	Adopted FY 2004
Percent of department objectives achieved	n/a	90%	90%
Percent of General Aviation users rating Airport experience as "positive"	n/a	80%	80%
Percent of passengers rating Airport facilities as "good" or "excellent"	n/a	85%	85%
Total passengers	n/a	728,307	735,500
Aircraft operations	n/a	159,835	160,000
Tons of airfreight	n/a	2,827	2,825
OSHA lost work hours	n/a	102	90

AIRPORT

- Administration
- ➢ **Business and Property Management**
- Marketing and Communications
- Facilities Maintenance
- Air Operations Area Maintenance
- Airport Security
- Airport Certification and Operations
- Facility Planning and Development

Business and Property Management

(Program Nos. 7412, 7414)

Mission Statement

Manage fixed assets to insure the Airport's economic self-sufficiency, and maintain a strong financial position through prudent fiscal management practices.

Program Activities

- Manage the Airport's commercial and industrial properties and aviation uses and activities.
- Insure the Airport's economic self-sufficiency through full use and occupancy of Airport facilities.
- Monitor Airport property leases for compliance.
- Supervise the accounting and financial management functions of the Department.
- Administer the management contract for the public parking facilities at the Airline Terminal.

Objectives for Fiscal Year 2004

- Maintain airline cost per enplaned passenger with the maximum not to exceed the median rate of the six benchmark airports ($4.26 - 2001).
- Deposit 5% of operating expenses into the capital account.
- Increase lease revenue by 3% annually by managing commercial and industrial lease assets.
- Insure fair market rental rates by reviewing 100% of rates annually.
- Collect 97% of base rents by due date in lease.
- Audit 50% of percentage rent leases annually to ensure percentage rentals received are in compliance with leases.
- Renew 80% of long-term leases by lease expiration date.
- Develop a Cost Allocation Plan for a tenant Utility User Fee.
- Update the long-term financial plan for implementation of Aviation Facilities Plan projects by October 15, 2003.

RECENT PROGRAM ACHIEVEMENTS

Staff designed and implemented a Lease Inventory Program.

The FAA approved Passenger Facility Charge Application #3 for the Airfield Safety Projects.

Financial and Staffing Information

	Actual FY 2002	Adopted FY 2003	Adopted FY 2004
Authorized FTEs	**3.75**	**3.75**	**3.75**
Revenues			
Lease Income	7,390,057	6,999,532	7,730,977
Other	67,833	67,000	54,000
Total Revenue	**$ 7,457,890**	**$ 7,066,532**	**$ 7,784,977**
Expenditures			
Salaries and Benefits	210,328	252,671	267,051
Supplies and Services	502,279	441,785	738,771
Non-Capital Equipment	1,575	1,000	3,000
Equipment Capital	18,771	-	-
Total Expenditures	**$ 732,953**	**$ 695,456**	**$ 1,008,822**

Program Performance Measures

	Adopted FY 2003	Projected FY 2003	Adopted FY 2004
Airline airport facility lease and landing fees per enplaned passenger	n/a	<$4.26	<$4.26
Commercial/industrial property lease revenue	n/a	$435,399	$448,461
Percent of base rents collected by due date	n/a	95%	97%
Percent of long term leases renewed by lease expiration	n/a	n/a	80%
Percent of "percentage" leases audited	n/a	50%	50%
Leasable land area (square feet)	n/a	3,850,606	3,897,390
Land leased (square feet)	n./a	3,652,783	3,741,494
Land space occupancy rate	n/a	94.9%	96%
Leasable building space (square feet)	n/a	358,625	358,625
Building space leased (square feet)	n/a	338,144	340,694
Building space occupancy rate	n/a	94.3%	95%
Agreements managed	n/a	127	130

AIRPORT

- Administration
- Business and Property Management
- ➢ **Marketing and Communications**
- Facilities Maintenance
- Air Operations Area Maintenance
- Airport Security
- Airport Certification and Operations
- Facility Planning and Development

Marketing and Communications

(Program No. 7413)

Mission Statement

Plan and implement comprehensive marketing and communications projects to increase regional traveler awareness of local air transportation services. Work with national airline corporations to preserve existing service and attract new service. Communicate the role and benefits of the Airport to the community.

Program Activities

- Develop and implement air service strategic plans to sustain and improve air service levels.
- Enhance awareness of Airport projects and services while encouraging and maintaining community goodwill through public information, aviation education and economic development activities.
- Develop information for media communications regarding Airport programs and operations.

Objectives for Fiscal Year 2004

- Accomplish one-year strategic air service plan goals.
- Redesign the Airport website www.flysba.com.
- Host activities to celebrate the 100 year anniversary of flight.
- Educate 7,500 K-12 students through the Airport's Aviation Education Program.
- Maintain an 80% rate of news releases that elicit coverage by one media format.
- Capture at least 50% of the regional (San Luis Obispo, Santa Maria, Santa Barbara and Oxnard Airports) air service market share based on number of daily departures.
- Achieve a 70% rate for passengers surveyed regarding air service in terms of non-stop destinations and frequency of departures as "good" or "excellent."
- Complete a survey of owners of private aircraft based at SBA.
- Maintain a dialog with the local business and tourism industries about local air service.

RECENT PROGRAM ACHIEVEMENTS

Air service levels preserved despite a weak economy.

1500 youth attend Young Aviators Day.

Airport annual economic impact over $500 million.

Financial and Staffing Information

	Actual FY 2002	Adopted FY 2003	Adopted FY 2004
Authorized FTEs	**1.50**	**1.50**	**1.50**
Expenditures			
Salaries and Benefits	104,041	108,551	114,074
Supplies and Services	218,727	138,715	149,045
Special Projects	20,122	14,300	15,000
Non-Capital Equipment	3,035	3,000	3,200
Total Expenditures	**$ 345,925**	**$ 264,566**	**$ 281,319**

There are no revenues associated with this program

Program Performance Measures

	Adopted FY 2003	Projected FY 2003	Adopted FY 2004
Number of Airport website (www.flysba.com) visitors	n/a	180,000	180,000
Number of K-12 students receiving a presentation from the Airport's Aviation Education Program	n/a	7,500	7,500
Percentage of Airport news releases that elicit coverage by at least one media format	n/a	75%	80%
Regional air service market share	n/a	50%	50%
Percentage of passengers rating the Airport's selection of non-stop destinations as "good" or "excellent"	n/a	70%	70%
Percentage of passengers rating the Airport's frequency of service as "good" or "excellent"	n/a	70%	70%

Facilities Maintenance

(Program Nos. 7421, 7422, 7424)

Mission Statement

Provide airport tenants and the public with well-maintained facilities and infrastructure through an efficient and effective facilities maintenance program.

Program Activities

- Provide 24-hour maintenance service for 59 Airport buildings, as well as Airport water mains, fire hydrants, sewer mains, manholes, and road and parking areas.
- Inspect and maintain one tidal gate to prevent flooding.
- Perform custodial services for the Airline Terminal Complex and rental car offices.
- Maintain landscaped areas at leased properties, roadway medians and Love Park on Airport property, including planting, mowing, weed abatement, and rodent control.
- Maintain Airport buildings, infrastructure and grounds to minimize unit costs.

Objectives for Fiscal Year 2004

- Complete 95% of work orders correctly on the first request.
- Complete 80% of all work orders by the established target date.
- Establish baseline user satisfaction rating for Airline Terminal cleanliness and restroom facilities using passenger survey results.
- Establish baseline tenant satisfaction for maintenance activities using results of the comment card effort.
- Complete an evaluation of the maintenance cost tracking system to compare relative maintenance costs for individual Airport facilities and infrastructure components.

RECENT PROGRAM ACHIEVEMENTS

Staff completed 1,661 work orders in 2002.

The Airport partnered with the Transportation Security Administration to success-fully meet the December 31, 2002 deadline for screening checked baggage.

Financial and Staffing Information

	Actual FY 2002	Adopted FY 2003	Adopted FY 2004
Authorized FTEs	**17.26**	**17.26**	**16.03**
Expenditures			
Salaries and Benefits	866,224	940,827	973,294
Supplies and Services	1,017,140	1,028,422	1,282,449
Non-Capital Equipment	28,027	-	5,500
Total Operating Expenditures	**$ 1,911,391**	**$ 1,969,249**	**$ 2,261,243**
Capital Program	4,898,287	831,104	585,000
Total Expenditures	**$ 6,809,678**	**$ 2,800,353**	**$ 2,846,243**

There are no revenues associated with this program

Program Performance Measures

	Adopted FY 2003	Projected FY 2003	Adopted FY 2004
Total cost per square foot for building maintenance	n/a	$1.80	$1.80
Cost per passenger for Terminal custodial services	n/a	$0.55	$0.55
Cost per acre of landscape maintenance services	n/a	$4,110	$4,110
Water and sewer system maintenance cost per lineal foot	n/a	$0.66	$0.66
Percent of work orders completed correctly on the first request	n/a	90%	95%
Percent of work orders completed by established target date.	n/a	n/a	80%
Work orders completed	n/a	1,660	1,650
Buildings maintained	n/a	59	59
Work related injuries	n/a	n/a	3

AIRPORT

Administration
Business and Property Management
Marketing and Communications
Facilities Maintenance
➢ **Air Operations Area Maintenance**
Airport Security
Airport Certification and Operations
Facility Planning and Development

Air Operations Area Maintenance

(Program No. 7423)

Mission Statement

Maintain Air Operations Area in compliance with applicable regulations, through an efficient and effective maintenance program.

Program Activities

- Inspect, maintain and repair 5.6 million square feet of Airfield Operations Area (AOA) pavement (runways/taxiways/ramp), pavement markings, lighting and signage.
- Comply with Airport certification requirements relating to airfield grading, mowing of safety areas and rodent control.

Objectives for Fiscal Year 2004

- Achieve 100% compliance with Federal Air Regulations (FAR) Part 139 airfield maintenance requirements.
- Complete 95% of AOA maintenance work orders generated as a result of daily airfield safety inspections within 24 hours of receipt.
- Complete 80% of all work orders by the established target date.
- Complete 95% of AOA work orders correctly on the first request.
- Evaluate cost of maintaining AOA.

RECENT PROGRAM ACHIEVEMENTS

AOA Maintenance staff upgraded airfield lighting with high efficiency bulbs.

Staff completed 519 work orders in 2002.

Financial and Staffing Information

	Actual FY 2002	Adopted FY 2003	Adopted FY 2004
Authorized FTEs	**4.40**	**4.40**	**5.90**
Expenditures			
Salaries and Benefits	325,649	393,751	392,932
Supplies and Services	196,012	246,700	217,066
Non-Capital Equipment	6,456	-	-
Capital Equipment	-	57,500	-
Total Expenditures	**$ 528,117**	**$ 697,951**	**$ 609,998**

There are no revenues associated with this program

Program Performance Measures

	Adopted FY 2003	Projected FY 2003	Adopted FY 2004
Compliance with federal airfield maintenance regulations	n/a	100%	100%
Percent of AOA work orders resulting from airfield safety inspections completed within 24 hour of receipt	n/a	90%	95%
Percent of work orders completed by established target date	n/a	n/a	80%
Percent of AOA work orders completed correctly on the first request	n/a	90%	95%
Total AOA maintenance cost per acre	n/a	$385	$385
Total number of AOA work orders completed	n/a	500	525
Total acres of unpaved airfield surface maintained	n/a	311	311
Work related injuries	n/a	n/a	2

AIRPORT

RECENT PROGRAM ACHIEVEMENTS

The Airport implemented heightened airport security measures.

Staff coordinated baggage screening station design and layout.

Airport Security

(Program No. 7431)

Mission Statement

Provide a secure environment for the traveling public, airlines, Airport tenants, and citizens by providing essential security services in a timely manner and in compliance with Transportation Security Administration regulations.

Program Activities

- Provide Airport Patrol Officers to comply with TSA airport security regulations regarding security inspections, security access control and FAA required Airfield Inspection Program.
- Provide 24-hour roving security patrol of Airport industrial properties and provide peak hour vehicular traffic control at the Airline Terminal.

Objectives for Fiscal Year 2004

- Ensure that no airline delays are caused by a lack of a law enforcement officer (LEO) in the screening checkpoint.
- Respond to 100% of reports of unauthorized persons in most sensitive security areas within five minutes of the unauthorized person being reported.
- Conduct 100% of the Airport Perimeter inspections required by Transportation Security Administration (TSA) regulations.
- Respond to 100% of reports of unauthorized persons in the airfield (AOA).
- Respond to 85% of non-emergency calls from airlines, other airport tenants, airport patrons, or any other person on the airport within fifteen minutes.
- Implement new security procedures as required by the Transportation Security Administration (TSA).
- Complete design and construction for the Security Access Control System upgrade.

Financial and Staffing Information

	Actual FY 2002	Adopted FY 2003	Adopted FY 2004
Authorized FTEs	**15.67**	**15.67**	**15.33**
Expenditures			
Salaries and Benefits	843,167	1,027,005	1,003,458
Supplies and Services	155,399	125,633	501,357
Non-Capital Equipment	4,812	1,800	6,300
Total Expenditures	**$ 1,003,378**	**$ 1,154,438**	**$ 1,511,115**

There are no revenues associated with this program

Program Performance Measures

	Adopted FY 2003	Projected FY 2003	Adopted FY 2004
Percent of airline departures that were delayed for lack of a LEO in the screening checkpoint	n/a	0%	0%
Percent response to reports of unauthorized persons in the Security Identification Display Area (SIDA) within five minutes	n/a	100%	100%
Percent compliance with TSA perimeter security inspection requirements	n/a	100%	100%
Percent of Law Enforcement response to reports of unauthorized persons in the AOA	n/a	100%	100%
Percent of responses to non-emergency calls where the officer arrives at the location of the call within 15 minutes of the call being received	n/a	75%	85%
Computerized access control system alarms	n/a	57,000	55,000
Airfield safety inspections	n/a	1,140	1,140
Emergency calls received	n/a	n/a	n/a
Non-emergency calls received	n/a	n/a	n/a

Airport Certification and Operations

(Program No. 7441)

Mission Statement

Operate Airport pursuant to safety guidelines as outlined in Federal Aviation Regulation (FAR) Part 139 and minimize noise impacts of Airport operations on the communities surrounding the Airport, by promoting noise abatement procedures.

Program Activities

- Assure compliance with FAA airport certification mandates which govern airports served by commercial air carriers.
- Provide emergency planning and response which includes Aircraft Rescue and Firefighting (ARFF) services and other safety requirements.
- Minimize adverse impacts of aircraft noise on communities around the Airport through pilot education and other noise abatement programs.
- Administer the Storm Water Pollution Prevention Plan as part of the Airport's National Pollution Discharge Elimination System (NPDES) Storm Water Discharge Permit.

Objectives for Fiscal Year 2004

- Promote a safe Airport by achieving 100% compliance with FAR Part 139 Airport Certification Requirements.
- Ensure the safe condition of the airfield by achieving 100% compliance with FAR Part 139 daily airfield inspection requirements.
- Respond to 90% of periodic emergency response drills within Federal Aviation Administration (FAA) required time parameters.
- Implement a new Air Operations Area (AOA) driving program.
- Host at least nine Noise Abatement Committee meetings.
- Complete the FAR Part 150 Noise Compatibility Study.
- Respond to 90% of noise complaints within one working day of receipt of complaint.
- Correspond with 100% of aircraft owners who failed to comply with noise abatement procedures, in instances where it was possible for them to do so.

RECENT PROGRAM ACHIEVEMENTS

The Airport achieved 100% compliance on the FAA Certification Inspection.

The Airport responds to 97% of noise complaints within one working day of receipt.

Financial and Staffing Information

	Actual FY 2002	Adopted FY 2003	Adopted FY 2004
Authorized FTEs	**1.67**	**1.67**	**1.74**
Revenues			
Lease Income	1,244,604	1,150,335	1,586,300
Intergovernmental	-	-	169,500
Total Revenue	**$ 1,244,604**	**$ 1,150,335**	**$ 1,755,800**
Expenditures			
Salaries and Benefits	125,284	113,416	147,072
Supplies and Services	1,129,724	1,130,647	1,309,931
Non-Capital Equipment	19,202	18,813	23,700
Total Expenditures	**$ 1,274,210**	**$ 1,262,876**	**$ 1,480,703**

Program Performance Measures

	Adopted FY 2003	Projected FY 2003	Adopted FY 2004
Percent compliance on annual Federal Airport Certification Inspections	n/a	100%	100%
Percent compliance with Certification Manual daily airfield inspection requirements	n/a	100%	100%
Percent of Aircraft Rescue and Firefighting drill responses completed within three minutes	n/a	90%	90%
Noise Abatement Committee meetings hosted	n/a	9	9
Percent noise complaints responded to within one working day	n/a	90%	90%
Percent of aircraft owners notified regarding failure to use noise abatement procedures when possible	n/a	100%	100%
Noise complaints received	n/a	610	610

Facility Planning and Development

(Program No. 7451)

Mission

Plan, design, permit and construct buildings and infrastructure in a timely and cost-effective manner to provide the region with a safe, modern, and convenient airport.

Program Activities

- Develop and implement the Aviation Facilities Plan.
- Provide engineering and other technical services for project design and construction, including cost estimating, to support the preparation of FAA grant applications.
- Prepare project permit applications, including procurement of all reports and studies necessary for project approvals.
- Coordinate with regulatory agencies including negotiating project conditions.
- Monitor compliance with environmental regulations and project conditions.
- Manage the Airport's Capital Improvement Program.

Objectives for Fiscal Year 2004

- Achieve 75% on-time completion of Capital Improvement Program (CIP) and Aviation Facilities Plan (AFP) project annual milestones.
- Achieve 95% compliance with permit conditions of approval pertaining to project development, environmental monitoring, and maintenance activities.
- Provide a Geographic Information System training class for all Airport Department ArcView users.
- Achieve total annual construction contract awards within ten percent of the total engineer's estimates for the thirty percent complete design packages.
- Limit the total cost of construction change orders on CIP and AFP projects to less than seven percent of the total value of construction contracts awarded.

RECENT PROGRAM ACHIEVEMENTS

The Coastal Commission certified a Local Coastal Program Amendment allowing the Airport to move forward with critically-needed Airfield Safety Projects, including extension of the safety areas for Runway 7-25.

Financial and Staffing Information

	Actual FY 2002	Adopted FY 2003	Adopted FY 2004
Authorized FTEs	**1.50**	**1.50**	**2.50**
Expenditures			
Salaries and Benefits	112,380	121,571	205,495
Supplies and Services	311,512	313,821	332,163
Special Projects	19,871	40,000	-
Non-Capital Equipment	2,364	6,670	7,950
Total Expenditures	**$ 446,127**	**$ 482,062**	**$ 545,608**

There are no revenues associated with this program

Program Performance Measures

	Adopted FY 2003	Projected FY 2003	Adopted FY 2004
Percent on-time completion of Capital Improvement Program and Aviation Facilities Plan project milestones	n/a	75%	75%
Percent compliance with permit conditions of approval pertaining to project development, environmental monitoring, and maintenance	n/a	n/a	95%
Total value of CIP, AFP and non-CIP construction contract awarded as a percentage of the total value of the engineer's estimate for the thirty percent design packages	n/a	10%	10%
Total change order cost as a percentage of total awarded contract value	n/a	7%	7%
Total estimated value of projects in active design and construction	n/a	$85M	$94M
Total number of projects under active planning, design, construction, and monitoring	n/a	19	14

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DEPARTMENT SUMMARY

City Administrator's Office

Responsible for the overall management and administration of the City of Santa Barbara, based upon the City Charter and the policy direction provided by the City Council.

About City Administrator's Office

The City Administrator's Office is responsible for administration and employee 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 departments.

The City Employee Relations Program works with the City's approximately 1,056 full and part-time employees and their respective labor associations, regarding employee relations, employee contract negotiations, and current employee policies.

Fiscal Year 2004 Budget Highlights

Through various staff initiatives, the City Administrator's Office will help departments improve internal and external communication, develop a positive work environment, promote organizational learning, and establish a culture of continuous improvement.

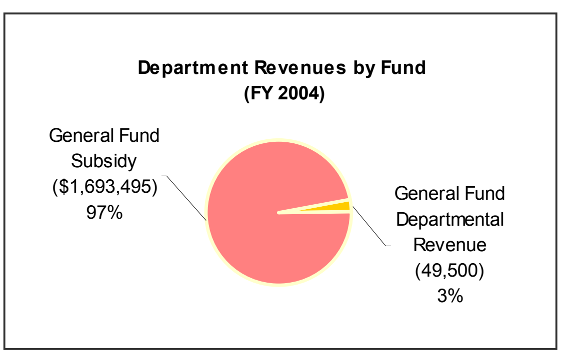
These efforts will enable the City to maintain high quality, cost-effective services to the public.

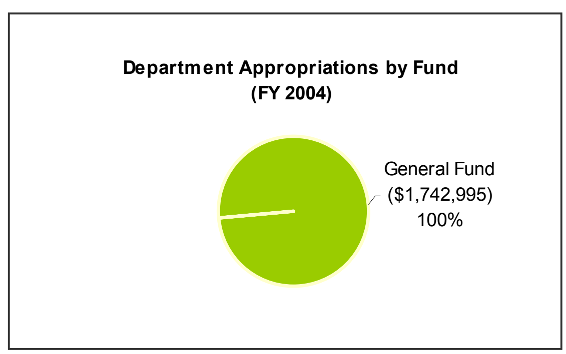
City Administrator's Office

Department Financial and Staffing Summary

	Actual FY 2002	Adopted FY 2003	Adopted FY 2004
Authorized Positions (FTEs)	**11.90**	**11.90**	**11.40**
Revenues			
Capital Equipment Grant (Cox Comm.)	35,000	35,000	35,000
Inter-Fund Reimbursements	-	-	11,260
Other	12,100	-	3,240
General Fund Subsidy	1,546,824	1,654,197	1,693,495
Total Department Revenue	**$ 1,593,924**	**$ 1,689,197**	**$ 1,742,995**
Expenditures			
Salaries and Benefits	1,280,279	1,300,148	1,287,528
Supplies and Services	269,355	350,049	373,467
Special Projects	19,677	-	44,000
Non-Capital Equipment	24,613	39,000	38,000
Total Department Expenditures	**$ 1,593,924**	**$ 1,689,197**	**$ 1,742,995**

Department Fund Composition





City Administrator's Office

Program Organizational Chart

- Administration
  - City TV - Channel 18
- Employee Relations

CITY ADMINISTRATOR

- ➢ **Administration**
- Employee Relations
- City TV – Channel 18

RECENT PROGRAM ACHIEVEMENTS

A new performance management program was implemented in all departments to develop a culture of constant improvement and deliver high quality, cost-effective services to the public.

Administration

(Program No. 1311)

Mission Statement

Provide leadership, direction, and oversight to City departments to accomplish goals and objectives approved by the City Council, in accordance with the City Charter.

Program Activities

- Manage operations in ten City departments with approximately 1,000 full- and part-time employees.
- Assist the Mayor and Council in strategic planning efforts, policy development, and implementation.
- Strengthen internal and external communication efforts.
- Coordinate a performance management program in all City programs.
- Implement an employee training and development program to promote organizational learning and increase effectiveness.
- Coordinate legislative advocacy and intergovernmental relations.

Objectives for Fiscal Year 2004

- Ensure that City departments achieve 80% of program objectives.
- Present a balanced budget for Fiscal Year 2005 for Council consideration by April 1, 2004, in accordance with Council policy.
- Review program status reports on a quarterly basis and submit program status reports to Council on a biannual basis through the performance management program.
- Develop and implement an employee training and development program for managers and supervisors.
- Hold two Council work sessions to help Council Members prioritize goals and receive updates on high priority projects.
- Prepare a legislative platform for Council adoption that provides the foundation for legislative advocacy efforts.
- Prepare and deliver the 2004 State of the City Report by March 2004.
- Issue City Administrator Reports to communicate with Council, Boards, and Commissions and maintain frequent communication with City employees.
- Ensure that 95% of citizen service requests are referred to departments within eight work hours.

Financial and Staffing Information

	Actual FY 2002	Adopted FY 2003	Adopted FY 2004
Authorized FTEs	**8.90**	**8.90**	**8.15**
Revenues			
General Fund Subsidy	1,176,263	1,194,876	1,207,305
Total Revenue	**$ 1,176,263**	**$ 1,194,876**	**$ 1,207,305**
Expenditures			
Salaries and Benefits	1,000,086	1,012,255	952,837
Supplies and Services	155,844	181,621	210,468
Special Projects	19,677	-	44,000
Non-Capital Equipment	656	1,000	-
Total Expenditures	**$ 1,176,263**	**$ 1,194,876**	**$ 1,207,305**

Program Performance Measures

	Adopted FY 2003	Projected FY 2003	Adopted FY 2004
Staff recommendations forwarded to Council	n/a	744	750
Percent of citizen service requests referred to departments within eight work hours	n/a	92%	95%
Citizen service requests received	n/a	159	160

CITY ADMINISTRATOR

Administration
➢ **Employee Relations**
City TV – Channel 18

Employee Relations

(Program No. 1312)

Mission Statement

Negotiate labor agreements, implement workplace policies, and resolve issues in ways that create positive employer-employee relations.

Program Activities

- Negotiate and administer labor contracts with five employee bargaining groups: Police, Fire, General, Treatment and Patrol, and Supervisors.
- Work with employees, employee representatives, and unions to resolve employee issues, including discrimination and harassment complaints and grievances.
- Review, update, and ensure compliance with workplace policies.
- Promote positive employee and employer relations.

Objectives for Fiscal Year 2004

- Negotiate a new labor agreement with the Santa Barbara Firefighter's Association in accordance with Council parameters by July 31, 2004.
- Review and update, as necessary, existing City workplace policies.
- Develop an employee handbook for City employees.

RECENT PROGRAM ACHIEVEMENTS

Staff implemented a new Non-Discrimination and Harassment Policy and Employee Complaint Procedure and provided discrimination and harassment training to all City employees.

Financial and Staffing Information

	Actual FY 2002	Adopted FY 2003	Adopted FY 2004
Authorized FTEs	**1.00**	**1.00**	**1.25**
Revenues			
General Fund Subsidy	128,900	185,623	197,888
Total Revenue	**$ 128,900**	**$ 185,623**	**$ 197,888**
Expenditures			
Salaries and Benefits	108,618	114,644	141,713
Supplies and Services	20,282	70,979	56,175
Total Expenditures	**$ 128,900**	**$ 185,623**	**$ 197,888**

Program Performance Measures

	Adopted FY 2003	Projected FY 2003	Adopted FY 2004
Discrimination and harassment complaints	n/a	28	20
Formal grievances filed under labor agreements	n/a	4	4
Supervisor Employee Relations training sessions conducted	n/a	4	4
Labor contracts negotiated	n/a	0	1

CITY ADMINISTRATOR

- Administration
- Employee Relations
- ➢ City TV – Channel 18

City TV – Channel 18

(Program No. 1313)

Mission Statement

Produce informational videos and audio-visual presentations to inform and educate the public about City programs and services.

Program Activities

- Televise public meetings, including City Council, Planning Commission, Historic Landmarks Commission, Architectural Board of Review, Transportation and Circulation Committee, Harbor Commission, Parks and Recreation Commission, Creeks Advisory Committee, and Airport Commission.
- Produce monthly news magazine show, Inside Santa Barbara.
- Produce monthly Spanish language show, Nuestra Ciudad.
- Provide videotape duplication services of City meetings to members of the public and staff.
- Maintain an electronic City Calendar to inform the public of City program information, City job opportunities, and non-profit organization events.

Objectives for Fiscal Year 2004

- Implement a new electronic City Calendar format using short subject videos and public service announcements.
- Implement a new graphic look for Channel 18 and enhance on-screen information displayed during televised meetings.
- Complete 95% of tape duplication requests within three business days.
- Tape and broadcast public meetings in accordance with the published monthly, televised meeting schedule.
- Produce 90% of department requests for video production services.
- Complete the design and installation of a second broadcast control station to videotape meetings from the City Council Chambers and the David Gebhard Room simultaneously.

RECENT PROGRAM ACHIEVEMENTS

In 2002, City TV was awarded a Western Access Video Excellence Award for its production of Sarah's Way.

Financial and Staffing Information

	Actual FY 2002	Adopted FY 2003	Adopted FY 2004
Authorized FTEs	**2.00**	**2.00**	**2.00**
Revenues			
Capital Equipment Grant (Cox Comm.)	35,000	35,000	35,000
General Fund Subsidy	241,661	273,698	288,302
Inter-Fund Reimbursements	-	-	11,260
Other	12,100	-	3,240
Total Revenue	**$ 288,761**	**$ 308,698**	**$ 337,802**
Expenditures			
Salaries and Benefits	171,575	173,249	192,978
Supplies and Services	93,229	97,449	106,824
Non-Capital Equipment	23,957	38,000	38,000
Total Expenditures	**$ 288,761**	**$ 308,698**	**$ 337,802**

Program Performance Measures

	Adopted FY 2003	Projected FY 2003	Adopted FY 2004
Percent of City Cable subscribers who watch City TV programming at least once per month	n/a	30%	30%
Cost per hour of televising public meetings	n/a	$210	$155
Meetings televised	n/a	180	180
Total number of first run televised meeting hours	n/a	600	600
Percent of total available airtime devoted to video programming	n/a	67%	67%
City TV original productions completed	n/a	24	24
Videotape duplications completed	n/a	300	300
Percent of videotape duplication requests completed for public and staff within three business days	n/a	95%	95%

City Attorney

Provide accurate, timely and cost-effective legal representation and advice to the City Council and City departments in matters of law pertaining to their offices.

About City Attorney

The City Attorney Department is responsible for representation and advice to the City Council, the Redevelopment Agency, Boards, Commissions and all City officers in all matters of law pertaining to their offices.

These responsibilities include, but are not limited to: attending City Council, Planning Commission and other board and commission meetings as needed; annually handling over one thousand opinion requests and other assignments involving necessary legal work; and weekly agenda preparation and review of items that come before City Council and Planning Commission. In addition, the office is responsible for code enforcement and litigation services.

The office is staffed by six attorneys (the City Attorney and five assistants) and four clerical staff, which function as a close team. Many assignments cross over into several departments (e.g., Public Works, Community Development, Risk Management, Parks and Recreation, Police and Fire departments). Attorneys work cooperatively on complex matters such as the negotiations for Airport property development, major land use and water law issues, and complex litigation.

Fiscal Year 2004 Budget Highlights

The City Attorney's Office will provide legal support to the City Council, City Administrator and departments in pursuit of their objectives, among other things:

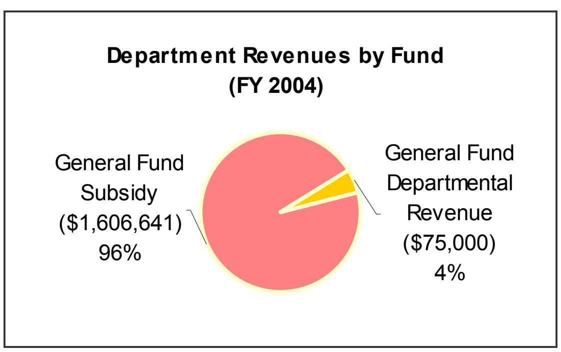
- Housing Element Update.
- Airport Aviation Facilities Plan.
- Granada Garage Construction.
- Code Enforcement.
- Zoning Law Revisions.
- Defenses of Litigation Claims and Prosecution of City Claims.
- Planning Issues.
- Employment Law Issues.

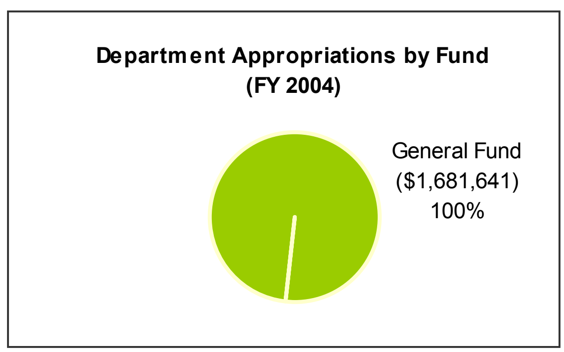
City Attorney

Department Financial and Staffing Summary

	Actual FY 2002	Adopted FY 2003	Adopted FY 2004
Authorized Positions (FTEs)	**12.50**	**12.50**	**11.50**
Revenues			
Inter-Fund Reimbursement	54,915	53,045	75,000
General Fund Subsidy	1,433,105	1,610,051	1,606,641
Other	54,287	-	-
Total Department Revenue	**$ 1,542,307**	**$ 1,663,096**	**$ 1,681,641**
Expenditures			
Salaries and Benefits	1,200,904	1,298,673	1,266,514
Supplies and Services	334,057	364,423	415,127
Non-Capital Equipment	7,346	-	-
Total Department Expenditures	**$ 1,542,307**	**$ 1,663,096**	**$ 1,681,641**

Department Fund Composition





CITY ATTORNEY

➢ City Attorney

City Attorney

(Program No. 1211)

Mission Statement

Provide accurate, timely and cost effective legal representation and advice to the City Council and all City officers in all matters of law pertaining to their offices.

Program Activities

- Represent and advise the City Council, the Redevelopment Agency, Boards, Commissions and all City officers in all matters of law pertaining to their offices.
- Attend all meetings of the City Council, and give advice or opinions orally or in writing whenever requested to do so by the City Council or by any of the commissions, boards or officers of the City.
- Represent and appear for the City in all actions or proceedings in which the City is concerned or is a party, and represent and appear for any City officer or employee, or former City officer or employee, in all civil actions for any act arising out of his/her employment or by reasons of his/her official capacity.
- Prosecute on behalf of the people all criminal cases arising from violation of the provisions of the City Charter or of City ordinances.
- Approve the form of all City contracts and bonds issued by the City.
- Prepare proposed ordinances and City Council resolutions and related amendments.
- Perform such legal functions and duties pertaining to the execution of responsibilities mandated by the City Charter.

Objectives for Fiscal Year 2004

- Provide accurate, timely and cost effective legal advice to the City Council and City departments.
- Respond to all legal challenges and emergencies as they occur.
- Provide litigation services related to all city activities.
- Continue code enforcement activities of the City.
- Continue water rights and development support.
- Advise Community Development staff, Planning Commission and City Council concerning the implementation of the City Housing Task Recommendation and the update of the City's Housing Element.

RECENT PROGRAM ACHIEVEMENTS

The City Attorney's Office continued cost effective, legal services concerning all redevelopment and city issues (i.e., water law, personnel issues, code enforcement, election matters, taxation and assessment issues, police litigation, etc.).

Financial and Staffing Information

	Actual FY 2002	Adopted FY 2003	Adopted FY 2004
Authorized FTEs	**12.50**	**12.50**	**11.50**
Revenues			
Inter-Fund Reimbursement	54,915	53,045	75,000
General Fund Subsidy	1,433,105	1,610,051	1,606,641
Other	54,287	-	-
Total Revenue	**$ 1,542,307**	**$ 1,663,096**	**$ 1,681,641**
Expenditures			
Salaries and Benefits	1,200,904	1,298,673	1,266,514
Supplies and Services	334,057	364,423	415,127
Non-Capital Equipment	7,346	-	-
Total Expenditures	**$ 1,542,307**	**$ 1,663,096**	**$ 1,681,641**

Program Performance Measures

	Adopted FY 2003	Projected FY 2003	Adopted FY 2004
City Council and Planning Commission meetings attended	n/a	80	80
Percent of litigation involving the City receiving a response	n/a	100%	100%
Percent of City claims reviewed as appropriate	n/a	100%	100%
Percent of City departments supported in pursuit of their goals	n/a	100%	100%
Percent of Council Agenda and Planning Commission Reports reviewed	n/a	100%	100%
Requests for opinions and legal assistance reviewed and receiving a response	n/a	920	950

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DEPARTMENT SUMMARY

Community Development

Assist the public in managing the development of the community in order to protect and preserve the quality of life, promote a sound economic base and appropriate design, and ensure safe construction, all in balance with the constraints of the City's environment and resources.

About Community Development

The Community Development Department is responsible for managing the development of the community. To accomplish this mission, the Department is divided into four functional divisions: Administration, Building and Safety, Housing and Redevelopment, and Planning.

Each division manages several programs consisting of policy formulation, economic vitality, inspections and enforcement, maintaining public health, safety and welfare, records management services, housing programs, home rehabilitation loans, allocation of Community Development Block Grant dollars, review of development plans, support to the Planning Commission, Architectural Board of Review, Historic Landmarks Commission, and Sign Committee, and long range planning with the community.

Fiscal Year 2004 Budget Highlights

The Planning Division will continue to work on priority housing policies and implementation of the Housing Element this fiscal year, as well as embark on a Land Use Survey and other essential data collection and analysis for the foundation of updating the City's General Plan over the next seven years. Staff continues to conduct historic structures and neighborhood surveys and consider ways to streamline the development review process with other Land Development Team divisions and review boards.

Housing Programs Staff will continue to encourage and assist the development of affordable rental and ownership housing, with an expanded scope to include middle income workers.

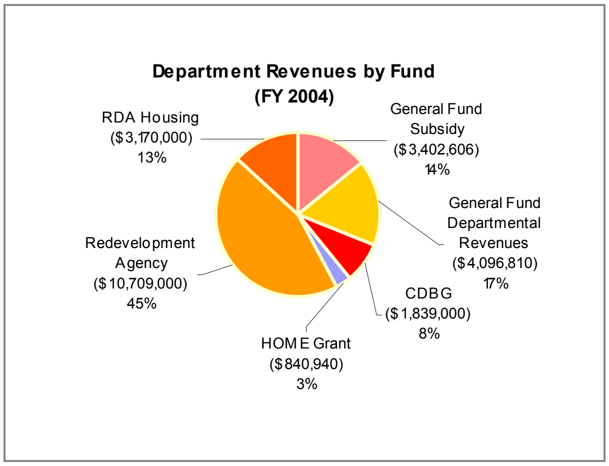
Community Development

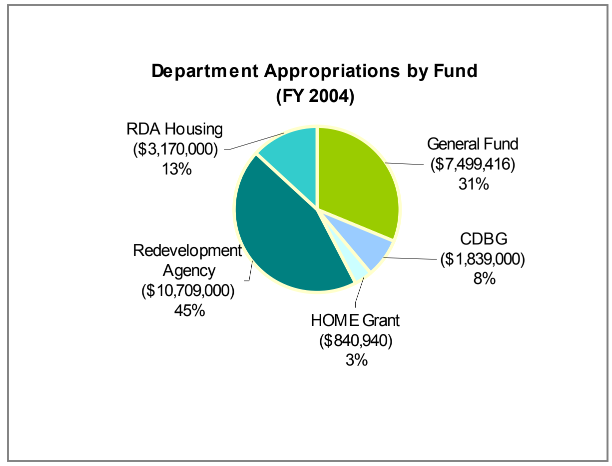
Department Financial and Staffing Summary

	Actual FY 2002	Adopted FY 2003	Adopted FY 2004
Authorized Positions (FTEs)	**86.10**	**86.10**	**82.10**
Revenues			
Inter-Fund Reimbursements	772,745	771,134	917,115
Fees and Service Charges	2,463,429	2,489,357	3,161,746
Intergovernmental	3,923,361	2,671,600	2,596,746
Property Taxes	11,852,589	12,100,000	13,100,000
Interest Income	1,210,115	981,200	779,000
Reimbursements	4,853,800	-	-
Other	100,207	88,828	101,143
General Fund Subsidy	2,963,607	3,508,512	3,402,606
Total Department Revenue	**$ 28,139,853**	**$ 22,610,631**	**$ 24,058,356**
Expenditures			
Salaries and Benefits	5,566,280	6,330,006	6,486,781
Supplies and Services	2,119,366	2,200,424	2,810,977
Special Projects	747,213	1,125,563	2,945,412
Debt Service	6,869,524	7,088,500	7,230,000
Housing Loans and Grants	3,773,836	12,338,592	3,434,427
Human Services Grants	1,069,234	1,400,215	962,670
Non-Capital Equipment	39,078	42,706	26,339
Capital Equipment	14,235	-	16,000
Miscellaneous	104,900	571,359	145,750
Capital Program	918,098	1,400,000	-
Total Department Expenditures	**$ 21,221,764**	**$ 32,497,365**	**$ 24,058,356**
Addition to (Use of) Reserves	**$ 6,918,089**	**$ (9,886,734)**	**$ -**

Community Development

Department Fund Composition





Program Organizational Chart

- **Administration**
  - **Planning**
    - Long Range Planning and Special Studies
    - Development and Environmental Review
    - Zoning: Ordinance, Information and Enforcement
    - Design Review and Historic Preservation
  - **Economic Development**
    - Economic Development
  - **Housing and Redevelopment**
    - CDBG and Human Services Administration
      - CDBG - Rental Housing Mediation
      - CDBG - Housing Rehabilitation Loan Program
    - Redevelopment Agency
    - Housing Development and Preservation Program
  - **Building and Safety**
    - Building Inspection and Code Enforcement
    - Records, Archives and Clerical Services
    - Building Counter and Plan Review

COMMUNITY DEVELOPMENT

➢ **Administration**
Economic Development
CDBG and Human Services Administration
CDBG - Rental Housing Mediation Task Force
CDBG - Housing Rehabilitation Loan Program
Redevelopment Agency
Housing Development and Preservation Program
Long Range Planning and Special Studies
Development / Environmental Review
Zoning: Ordinance, Information and Enforcement
Design Review and Historic Preservation
Building Inspection and Code Enforcement
Records, Archives and Clerical Services
Building Counter and Plan Review

RECENT PROGRAM ACHIEVEMENTS

The Department successfully completed the transition to a new Management Team.

Department expenditures for the fiscal year were maintained within budgetary guidelines.

Administration

(Program No. 2111)

Mission Statement

Provide leadership, policy direction, and support to the Community Development divisions in order to assist them in achieving their goals and objectives.

Program Activities

- Manage, administer, and support the Building and Safety, Housing & Redevelopment, and Planning divisions of the Community Development Department.
- Coordinate and implement programs to enhance community economic vitality.
- Assist City Administration with policy formulation and implementation of City Council direction.
- Provide illustration, computerized graphic support, and training to the divisions of the Community Development Department and other City departments upon request.
- Implement technological advancement for the Department (i.e., mapping, interactive web applications, project tracking, etc.).

Objectives for Fiscal Year 2004

- Ensure divisions are meeting 85% their program objectives.
- Ensure all division budgets are within budget and that proper accounting procedures are followed.

Financial and Staffing Information

	Actual FY 2002	Adopted FY 2003	Adopted FY 2004
Authorized FTEs	**4.54**	**4.54**	**3.40**
Revenues			
General Fund Subsidy	422,040	500,579	386,395
Total Revenue	**$ 422,040**	**$ 500,579**	**$ 386,395**
Expenditures			
Salaries and Benefits	369,308	449,614	281,000
Supplies and Services	34,146	48,465	104,395
Special Projects	16,972	-	-
Non-Capital Equipment	1,614	2,500	1,000
Total Expenditures	**$ 422,040**	**$ 500,579**	**$ 386,395**

Program Performance Measures

	Adopted FY 2003	Projected FY 2003	Adopted FY 2004
Percent of division program objectives achieved	n/a	80%	85%
Divisions within budget	n/a	4	4

COMMUNITY DEVELOPMENT

Economic Development

(Program No. 2112)

Mission Statement

Coordinate implementation of the City's Economic Development Plan and the City's response to economic development efforts in the community.

Program Activities

- Coordinate economic development planning and analysis with other City departments.
- Work with the Santa Barbara Region Economic Community Project, Chamber of Commerce, Downtown Organization, merchant groups, Metropolitan Transit District, and the County of Santa Barbara Economic Development Advisory Committee to implement projects and programs.
- Communicate and participate with stakeholders (Mayor, Councilmembers, staff, businesses, and individuals) to build consensus in the City's role in external economic development activities.
- Continue to evaluate the permitting and development process for efficiencies and effectiveness.

Objectives for Fiscal Year 2004

- Provide annual evaluation to City Council of the City's Economic Development Plan as a formal report. Include assessment of economic changes and recommendations for revision to the Economic Development Plan.
- Identify significant business sectors of the City's economy and conduct focused meetings with Mayor/Council representatives and key members of those business sectors that can insure retention and foster expansion.
- Hold one such meeting per quarter; and
- Report results to City Council in the annual evaluation of the City's Economic Development Plan.
- Pursue beneficial changes to address identified needs as appropriate through ministerial or discretionary processes.

RECENT PROGRAM ACHIEVEMENTS

Served on the Leadership Committee of the Santa Barbara Region Economic Community Project and the County Economic Development Advisory Committee.

Participated in regional discussions regarding land use, transportation, preservation of open space, and governance issues for the South Coast.

Financial and Staffing Information

	Actual FY 2002	Adopted FY 2003	Adopted FY 2004
Authorized FTEs	**0.69**	**0.69**	**0.50**
Revenues			
General Fund Subsidy	89,092	83,427	63,189
Total Revenue	**$ 89,092**	**$ 83,427**	**$ 63,189**
Expenditures			
Salaries and Benefits	72,472	76,777	56,076
Supplies and Services	620	650	1,113
Special Projects	16,000	6,000	6,000
Total Expenditures	**$ 89,092**	**$ 83,427**	**$ 63,189**

Program Performance Measures

	Adopted FY 2003	Projected FY 2003	Adopted FY 2004
Number of economic development meetings held per year	n/a	n/a	4

COMMUNITY DEVELOPMENT

RECENT PROGRAM ACHIEVEMENTS

Approximately $2M of CDBG and City Human Services funds was utilized to serve approximately 35,000 clients through 50 different agencies monitored by CDBG and Human Services Administration.

CDBG and Human Services Administration

(Program Nos. 2121, 2124)

Mission Statement

Ensure that the Federal Community Development Block Grant (CDBG) and City General Fund Human Services programs meets the basic human needs of low-income individuals through non-profit human service agencies and the departments.

Program Activities

- Coordinate City Human Services funding process and contracts.
- Administer the Federal Community Development Block Grant (CDBG) Program and various State, County, and local grant programs.
- Work with citizens, community groups, and City Council to establish sound policies for allocating Human Service funds among various social services agencies serving the community, as well as allocating CDBG funds, meeting Federal requirements that benefit programs/projects for low and moderate-income persons.
- Provide Fair Housing Enforcement that includes investigation of reported cases of housing discrimination.

Objectives for Fiscal Year 2004

- Expend 95% of committed Human Services funds within the program year funds were committed.
- Provide staff support to the Community Development/Human Services Committee and applicants in the annual process of recommending funding commitments, resulting in less than 2% of all applicants appealing Committee recommendations to City Council.
- Provide technical support and project monitoring to agencies on an ongoing basis, so that 90% of agencies successfully complete funded goals annually.
- Comply with all federal CDBG regulations and deadlines, including submittal, documentation, and record keeping regarding administration of CDBG funds.
- Develop with public input the CDBG Annual Consolidated Plan and Consolidated Annual Performance Evaluation and submit to HUD by a deadline of May 15, 2004 and September 30, 2004, respectively.

Financial and Staffing Information

	Actual FY 2002	Adopted FY 2003	Adopted FY 2004
Authorized FTEs	**2.03**	**2.03**	**1.62**
Revenues			
Intergovernmental	695,072	1,007,431	532,677
General Fund Subsidy	605,573	647,253	651,528
Total Revenue	**$ 1,300,645**	**$ 1,654,684**	**$ 1,184,205**
Expenditures			
Salaries and Benefits	165,347	176,177	151,358
Supplies and Services	65,585	75,292	59,177
Human Services Grants	1,069,234	1,400,215	962,670
Non-Capital Equipment	479	-	1,000
Miscellaneous	-	3,000	10,000
Total Expenditures	**$ 1,300,645**	**$ 1,654,684**	**$ 1,184,205**

Program Performance Measures

	Adopted FY 2003	Projected FY 2003	Adopted FY 2004
Percent of the number of applicants appealing the funding decisions to be less than 2%	n/a	<2%	<2%
Percent of agencies successfully completing funded goals	n/a	90%	90%
Percent of Human Services funds expended within the program year	n/a	95%	95%
CDBG/Human Services grant applicants	n/a	56	56
CDBG/Human Services grant recipients	n/a	54	45

COMMUNITY DEVELOPMENT

- Administration
- Economic Development
- CDBG and Human Services Administration
- ➢ **CDBG - Rental Housing Mediation Task Force**
- CDBG - Housing Rehabilitation Loan Program
- Redevelopment Agency
- Housing Development and Preservation Program
- Long Range Planning and Special Studies
- Development / Environmental Review
- Zoning: Ordinance, Information and Enforcement
- Design Review and Historic Preservation
- Building Inspection and Code Enforcement
- Records, Archives and Clerical Services
- Building Counter and Plan Review

CDBG - Rental Housing Mediation Task Force

(Program No. 2122)

Mission Statement

Provide mediation services and information on landlord and tenant rights and responsibilities to help resolve rental-housing disputes.

Program Activities

- Resolve rental-housing disputes through the provision of basic housing law information and mediation services.
- Educate tenants and landlords about their rights and responsibilities.

Objectives for Fiscal Year 2004

- Develop a measurement system to determine how and whether tenant and landlord disputes are resolved.
- Successfully mediate 75% of all disputes brought to mediation.
- Provide outreach and education on rental housing rights and responsibilities through 10 presentations to tenant, landlord, and community groups.
- Provide 3,500 residents with information and mediation services.

RECENT PROGRAM ACHIEVEMENTS

An outreach presentation was provided for 64 UCSB Law and Society students on Mediation Process and Technique.

Staff provided information and mediation services to over 3,500 residents.

Financial and Staffing Information

	Actual FY 2002	Adopted FY 2003	Adopted FY 2004
Authorized FTEs	**2.00**	**2.00**	**2.00**
Revenues			
Intergovermental	182,900	170,823	191,935
Total Revenue	**$ 182,900**	**$ 170,823**	**$ 191,935**
Expenditures			
Salaries and Benefits	159,572	152,940	161,860
Supplies and Services	15,652	15,183	26,375
Non-Capital Equipment	7,676	700	700
Miscellaneous	-	2,000	3,000
Total Expenditures	**$ 182,900**	**$ 170,823**	**$ 191,935**

Program Performance Measures

	Adopted FY 2003	Projected FY 2003	Adopted FY 2004
Percent of disputes resolved	n/a	75%	75%
Percent of mediations successfully mediated	n/a	75%	75%
Outreach and education presentations	n/a	10	10
Residents receiving information and mediation services	n/a	3,500	3,500
Rental housing disputes receiving assistance	n/a	175	175

COMMUNITY DEVELOPMENT

RECENT PROGRAM ACHIEVEMENTS

Housing rehabilitation loan funds were used to complete renovations and repairs to 146 low-income rental units.

CDBG – Housing Rehabilitation Loan Program

(Program No. 2123)

Mission Statement

Finance and facilitate the improvement of housing for low-income homeowners and renters in order to provide safe, desirable and stable living conditions, and enhance neighborhoods.

Program Activities

- Provide loans to improve neighborhoods and assist low-income residents.
- Administer rehabilitation loan funds and portfolio.
- Establish and maintain prudent lending and contracting practices to encourage rehabilitation projects.
- Assist clients in the rehabilitation process.

Objectives for Fiscal Year 2004

- Loan and grant at least 95% of available funds, including new Community Development Block Grant [CDBG] loan funds received and loan repayments received.
- Correct deficiencies and eliminate lead-based paint hazards in seven single-family homes owned by low-income households.
- Correct deficiencies and eliminate lead-based paint hazards in 20 apartment units occupied by low-income households.
- Complete construction on the single-family rehabilitations within an average of 52 weeks of application approval.

Financial and Staffing Information

	Actual FY 2002	Adopted FY 2003	Adopted FY 2004
Authorized FTEs	**2.55**	**2.55**	**1.95**
Revenues			
Intergovernmental (Federal Grant)	2,677,090	742,746	1,114,388
Total Revenue	**$ 2,677,090**	**$ 742,746**	**$ 1,114,388**
Expenditures			
Salaries and Benefits	186,763	195,525	158,671
Supplies and Services	83,696	114,270	81,072
Housing Loans and Grants	2,404,273	426,592	849,395
Non-Capital Equipment	2,358	4,000	4,000
Miscellaneous	-	2,359	21,250
Total Expenditures	**$ 2,677,090**	**$ 742,746**	**$ 1,114,388**

Program Performance Measures

	Adopted FY 2003	Projected FY 2003	Adopted FY 2004
Percent of available CDBG loan funds and repayment funds loaned and granted	n/a	102%	100%
Single-family residences rehabilitated	n/a	8	7
Apartment units rehabilitated	n/a	25	20
Average number of weeks from application to completion of construction on single-family rehabiltations (excluding plans preparation).	n/a	60	52

COMMUNITY DEVELOPMENT

RECENT PROGRAM ACHIEVEMENTS

The State Street Sidewalk Improvement Project, a three-year, $6.8 million dollar effort, was completed to revitalize the downtown by creating a pedestrian-friendly, aesthetically pleasing downtown center.

Redevelopment Agency

(Program Nos. 2125, 2126, 2611, 2711)

Mission Statement

Revitalize the Project Area by eliminating the physical and economic conditions of blight through public and private partnerships in an effort to create an economically vibrant and environmentally balanced Project Area for all residents.

Program Activities

- The Redevelopment Agency is governed by City Councilmembers sitting as the Redevelopment Agency Board, a separate distinct legal entity.
- The Redevelopment Agency receives incremental property tax revenues generated by the Agency's revitalization projects and finances redevelopment activity by issuing bonds that are repaid solely by these tax increment revenues.
- By implementing the Central City Redevelopment Plan, the Redevelopment Agency strives to maintain the Downtown as the principal center of commerce for Santa Barbara's South Coast region and to enhance the Downtown as the cultural and entertainment center for the County's South Coast Region.
- By implementing these goals, the Redevelopment Agency stimulates new job opportunities, as well as new cultural, retail, recreational, and housing activities in our city.

Objectives for Fiscal Year 2004

- Complete 95% of Agency-budgeted Capital Improvement Projects without exceeding the original budget by more than 15%.
- Complete 70% of Agency budgeted non-profit grants within original project schedule.
- Set aside at least 20% of Agency funds for Affordable Housing through the Housing Development and Preservation Program in compliance with State-mandated set-aside requirements.
- Comply with all applicable State rules, regulations, and reporting requirements.
- Extend Redevelopment Agency's Debt Issuance deadline beyond December 31, 2003.

Financial and Staffing Information

	Actual FY 2002	Adopted FY 2003	Adopted FY 2004
Authorized FTEs	**8.99**	**8.99**	**9.97**
Revenues			
Interfund Reimbursements	772,745	771,134	917,115
Property Taxes	11,852,589	12,100,000	13,100,000
Interest Income	1,210,115	981,200	779,000
Other	3,700	-	-
Reimbursements	4,853,800	-	-
General Fund Subsidy	-	-	4495
Total Revenue	**$ 18,692,949**	**$ 13,852,334**	**$ 14,800,610**
Expenditures			
Salaries and Benefits	729,592	773,868	921,610
Supplies and Services	1,366,513	1,593,700	1,741,302
Special Projects	393,793	379,000	2,181,666
Debt Service	6,869,524	7,088,500	7,230,000
Housing Loans and Grants	1,369,563	11,912,000	2,585,032
Non-Capital Equipment	8,642	28,000	13,500
Equipment Capital	14,235	-	16,000
Capital Program	918,098	1,400,000	-
Miscellaneous	104,900	564,000	111,500
Total Expenditures	**$ 11,774,860**	**$ 23,739,068**	**$ 14,800,610**

COMMUNITY DEVELOPMENT

- Administration
- Economic Development
- CDBG and Human Services Administration
- CDBG - Rental Housing Mediation Task Force
- CDBG - Housing Rehabilitation Loan Program
- Redevelopment Agency
- ➢ **Housing Development and Preservation Program**
- Long Range Planning and Special Studies
- Development / Environmental Review
- Zoning: Ordinance, Information and Enforcement
- Design Review and Historic Preservation
- Building Inspection and Code Enforcement
- Records, Archives and Clerical Services
- Building Counter and Plan Review

Housing Development and Preservation Program

(Program No. 2127)

Mission Statement

Promote and facilitate the development and preservation of housing primarily for low- and moderate-income households to foster an inclusive and balanced community.

Program Activities

- Administer Redevelopment Agency funds and other housing funds to facilitate development of affordable housing.
- Establish and maintain prudent lending and management practices for development and operation of affordable housing stock.
- Maintain inventory of affordable projects and manage loan portfolio.
- Coordinate with local housing providers to develop affordable housing projects.
- Administer federal HOME Program funds to facilitate development of affordable housing and assure compliance with federal occupancy and rent requirements.
- Coordinate with local Community Housing Development Organizations (CHDOs) to develop affordable housing.

Objectives for Fiscal Year 2004

- Provide approximately $3 million in Redevelopment Agency, state, and federal funds for affordable housing projects, including new developments on the St. Vincent's property, the Lot 6 parking site, and at 210 W. Victoria in accordance with state and federal regulations.
- Assist in the development and preservation of 40 affordable units using density bonus, below-market rate financing, and other development incentives.
- Commit 100% of federal HOME funding to eligible affordable housing projects within two years of receipt.
- Certify compliance of at least 95% of 1,165 rental units and 296 owner-occupied units to assure that 100% of those units are in compliance with the City's affordability and occupancy requirements.
- Qualify buyers and assure compliance with City requirements for approximately 30 resales and refinancings of affordable units.
- Finance the acquisition, by the Agency, City, Housing Authority, or non-profit developer, of one or more sites for future development of affordable housing (land banking).

RECENT PROGRAM ACHIEVEMENTS

$10.6 million of Redevelopment Agency housing funds were committed to develop two low-income rental projects on the St. Vincent's property: a 95-unit senior project and a 75-unit family project.

Financial and Staffing Information

	Actual FY 2002	Adopted FY 2003	Adopted FY 2004
Authorized FTEs	**1.35**	**1.35**	**1.10**
Revenues			
Intergovernmental (Federal Grants)	318,299	750,600	757,746
Other	74,266	82,400	83,194
Total Revenue	**$ 392,565**	**$ 833,000**	**$ 840,940**
Expenditures			
Salaries and Benefits	82,600	92,437	83,194
Special Projects	309,965	740,563	757,746
Total Expenditures	**$ 392,565**	**$ 833,000**	**$ 840,940**

Program Performance Measures

	Adopted FY 2003	Projected FY 2003	Adopted FY 2004
Amount of City and Agency funding committed	n/a	$6,480,000	$3,250,000
Affordable housing units for which financing is committed or density bonus approved	n/a	190	40
Percent of HOME funds committed within two-years of award	n/a	100%	100%
Percent of affordable units monitored for compliance	n/a	95%	95%
Resales and refinancings monitored and assisted	n/a	30	30
Sites land-banked for future development of affordable housing	n/a	1	1
Affordable rental housing units assisted by the City	n/a	2,530	2,530
Affordable owner-occupied housing units assisted by the City	n/a	366	366

COMMUNITY DEVELOPMENT

RECENT PROGRAM ACHIEVEMENTS

High priority housing programs and policies were initiated, including the Housing Element Update, Inclusionary and Housing Mitigation Ordinances, and R-2 zoning amendments.

Long Range Planning and Special Studies

(Program No. 2131)

Mission Statement

Develop public policies that reflect the community's vision, in order to manage the City's physical growth within existing resources and to protect Santa Barbara's unique quality of life for the entire community.

Program Activities

- Develop and implement goals, policies, and action plans related to community issues such as affordable housing, land use, growth management, resource conservation (including creeks and watershed planning), open space, transportation, and circulation.
- Prepare studies to update City policies, particularly the General Plan, in response to State law, resource availability, and community goals.
- Monitor the amount and type of development to ensure compliance with City Charter goals and growth restrictions, as specified under Section 1508, and to inform the public and decision-makers about development patterns and trends.
- Facilitate public participation and community involvement in planning issues.
- Participate in the development and review of regional studies prepared by the Santa Barbara County Association of Governments such as the Regional Growth Forecast, the Regional Housing Needs Assessment, and the Highway 101 Implementation Plan.
- Support City Council and City Administration in addressing regional governance and planning issues.

Objectives for Fiscal Year 2004

- Adopt a state-certified Housing Element by December 2003.
- Adopt an Inclusionary Ordinance and Housing Mitigation Ordinance.
- Adopt Single Room Occupancy (SRO) standards with next project.
- Amend R-4 zoning to delete hotel and motel uses in the zone.
- Complete an analysis of the 2000 Census information.
- Complete Phase I of a citywide Land Use Study.
- Produce bi-annual Measure E updates on commercial and industrial development.
- Complete proposed Creek Development Standards and initiate amendments to the Creek and Watershed policies in the General Plan and Local Coastal Program.
- Participate in the Highway 101 Implementation Plan process.

Financial and Staffing Information

	Actual FY 2002	Adopted FY 2003	Adopted FY 2004
Authorized FTEs	**7.70**	**7.70**	**6.24**
Revenues			
Other	7,164	-	-
General Fund Subsidy	539,229	599,193	625,813
Total Revenue	**$ 546,393**	**$ 599,193**	**$ 625,813**
Expenditures			
Salaries and Benefits	512,266	567,384	509,295
Supplies and Services	32,107	29,808	115,518
Non-Capital Equipment	2,020	2,001	1,000
Total Expenditures	**$ 546,393**	**$ 599,193**	**$ 625,813**

COMMUNITY DEVELOPMENT

RECENT PROGRAM ACHIEVEMENTS

Sixty projects were approved, including Santa Barbara Christian School, Greenwell Acres subdivision, and the Sheffield Reservoir Replacement project.

All Planning Commission agendas and staff reports are available on the City website.

Development/Environmental Review

(Program No. 2132)

Mission Statement

Manage the development and environmental review process, including stakeholder involvement, in order to protect and preserve the City's resources and quality of life.

Program Activities

- Provide support to City Council, Planning Commission, Architectural Board of Review, Historic Landmarks Commission, and Modification Hearings.
- Review, analyze, and make recommendations on project proposals by private property owners and government agencies. Review takes place through all stages of development including pre-application, staff analysis, public hearings, plan check, construction, and future monitoring.
- Administer environmental review process in compliance with the California Environmental Quality Act (CEQA).
- Provide public information and permit services at the public counter and in phone calls and meetings with members of the public, interested in projects.

Objectives for Fiscal Year 2004

- Work with applicants to submit complete applications within the second 30-day review at least 60% of the time in order to improve customer service and reduce workload.
- Increase the number of projects that receive a Pre-Application Review Team (PRT) review by 10% in order to provide early advice to project proponents and minimize applications that cannot be supported.
- Present all applications to decision-makers for action within three months of exemption, six months of negative declaration, and one year of EIR determinations.
- Complete planning review process for major City projects, meeting our schedule commitments, by providing no less than 1.5 FTE to assist other City departments.
- Complete planning review process for affordable housing projects, meeting our schedule commitments, by providing no less than 0.5 FTE to review and process such projects.
- Provide staff reports on all discretionary applications to Planning Commissioners five days prior to the meeting.
- Analyze Modification requests to identify requirements for consideration of possible zoning ordinance amendments.

Financial and Staffing Information

	Actual FY 2002	Adopted FY 2003	Adopted FY 2004
Authorized FTEs	**20.85**	**20.85**	**13.04**
Revenues			
Fees and Service Charges	370,802	388,036	486,623
General Fund Subsidy	979,059	1,160,879	698,647
Total Revenue	**$ 1,349,861**	**$ 1,548,915**	**$ 1,185,270**
Expenditures			
Salaries and Benefits	1,187,759	1,419,654	1,012,944
Supplies and Services	156,122	125,981	169,326
Special Projects	2,069	-	-
Non-Capital Equipment	3,911	3,280	3,000
Total Expenditures	**$ 1,349,861**	**$ 1,548,915**	**$ 1,185,270**

Program Performance Measures

	Adopted FY 2003	Projected FY 2003	Adopted FY 2004
Development Application submitted, including resubmittals	n/a	120	120
Percent of Development Application Review Team (DART) applications that receive PRT	n/a	50%	60%
Pre-Application Reviews received	n/a	80	90
Percent of applications deemed complete within second DART process	n/a	50%	60%
Planning Commission items	n/a	140	150
Percent of environmental determinations on PC agendas completed within required timelines	n/a	95%	95%
Staff hours devoted to public project review	n/a	2,500	3,080
Percent of packets to Planning Commission five days prior to meeting	n/a	95%	90%
Staff hours spent reviewing affordable housing projects	n/a	na	1,020
Percent of minutes and resolutions approved by PC within three meetings of PC hearings	n/a	na	70%
Work sessions, trainings, and discussion items scheduled for Planning Commission	n/a	6	6

COMMUNITY DEVELOPMENT

- Administration
- Economic Development
- CDBG and Human Services Administration
- CDBG - Rental Housing Mediation Task Force
- CDBG - Housing Rehabilitation Loan Program
- Redevelopment Agency
- Housing Development and Preservation Program
- Long Range Planning and Special Studies
- Development / Environmental Review
- ➢ **Zoning: Ordinance, Information and Enforcement**
- Design Review and Historic Preservation
- Building Inspection and Code Enforcement
- Records, Archives and Clerical Services
- Building Counter and Plan Review

RECENT PROGRAM ACHIEVEMENTS

Zoning staff performed over 2,250 plan checks for the Design Review boards and building permit applications.

Zoning: Ordinance, Information and Enforcement

(Program No. 2133)

Mission Statement

Protect and improve Santa Barbara's quality of life by providing information regarding the City's Planning and Zoning regulations to the community and ensuring that existing and new developments comply with those regulations.

Program Activities

- Answer questions from community members about land use and zoning requirements, the review process, and other land development issues.
- Review plans for proposed development for compliance with zoning requirements.
- Prepare Zoning Information Reports for residential real estate transactions.
- Investigate zoning and sign complaints and enforce zoning and sign violations.
- Prepare amendments to the Zoning Ordinance and Zone Map as necessary.
- Administer Geographic Information System (GIS) software and data.
- Maintain and update the City's permit tracking database.
- Add functionality to the project tracking database and the GIS system as requested.

Objectives for Fiscal Year 2004

- Perform 65% of initial site inspections within 40 days of the receipt of the complaint.
- Perform 75% of initial actions (send warning letters or close case) within five days of the initial site inspection.
- Complete 95% of initial zoning plan checks within the target timelines.
- Complete 90% of re-submittal zoning plan checks within the target timelines.
- Complete 95% of preliminary plan checks for ABR, HLC and PC within three days of receipt by Zoning staff.
- Issue 95% of Zoning Information Reports within one working day of the inspection.
- Complete 85% of Expedited Zoning Information Reports within one week of application submittal.
- Prepare a package of Zoning Ordinance amendments that will clarify an assortment of existing regulations for Council approval.

Financial and Staffing Information

	Actual FY 2002	Adopted FY 2003	Adopted FY 2004
Authorized FTEs	**9.40**	**9.40**	**8.99**
Revenues			
Fees and Service Charges	223,282	203,870	276,726
Other	13,403	3,214	13,140
General Fund Subsidy	323,210	470,815	477,293
Total Revenue	**$ 559,895**	**$ 677,899**	**$ 767,159**
Expenditures			
Salaries and Benefits	508,338	628,855	668,548
Supplies and Services	51,217	49,044	98,111
Non-Capital Equipment	340	-	500
Total Expenditures	**$ 559,895**	**$ 677,899**	**$ 767,159**

Program Performance Measures

	Adopted FY 2003	Projected FY 2003	Adopted FY 2004
Percent of enforcement cases where initial inspections are performed within 40 days of the receipt of the complaint	n/a	55%	65%
Percent of enforcement cases where the warning letter is sent or the case is closed within five days of initial inspection	n/a	75%	75%
Percent of initial zoning plan checks for building permits completed by the target date	n/a	90%	95%
Percent of resubmittal zoning plan checks for building permits completed by the target date	n/a	85%	90%
Percent of preliminary plan checks for ABR, HLC, and PC completed within three days	n/a	90%	95%
Percent of ZIR reports issued within one working day of the inspection	n/a	85%	95%
Percent of expedited ZIRs completed within one week	n/a	85%	85%
Zoning enforcement cases initiated	n/a	525	525
Zoning enforcement cases closed	n/a	450	450
Zoning plan checks completed - Initial Review	n/a	1,250	1,250
Zoning plan checks completed - Resubmittal	n/a	900	900
Preliminary Plan Checks completed	n/a	600	600
Zoning Information Reports prepared	n/a	1,100	1,100

COMMUNITY DEVELOPMENT

RECENT PROGRAM ACHIEVEMENTS

Outdoor Vending Machine Regulations and Design Guidelines were developed by staff and adopted by Council.

The Waterfront Historic Resources Survey was completed.

Design Review & Historic Preservation

(Program No. 2134)

Mission Statement

Ensure that the design and development of buildings and structures comply with adopted design guidelines and ordinances to assist the community in preserving and protecting the City's natural beauty, character, heritage, and established architectural traditions.

Program Activities

- Provide staffing support to Council, Planning Commission, Architectural Board of Review (ABR), Historic Landmarks Commission (HLC) and Sign Committee.
- Review, analyze, and make recommendations on design review proposals by private and public property owners.
- Prepare and review Architectural Board of Review, Historic Landmarks Commission and Sign Committee agendas, minutes, and noticing.
- Prepare guidelines, ordinance amendments, and similar studies for quality design standards.
- Administer the City's Historic Preservation Work Program involving review, analysis, completion of surveys, and designation of historic resources.
- Provide public information and permit services at the public counter.

Objectives for Fiscal Year 2004

- Increase the number of items reviewed at the Administrative Staff level by 15% to assist in reducing agenda items and meeting lengths.
- Complete and implement a comprehensive update of the Neighborhood Preservation Ordinance (NPO) and Single Family Residential Design Guidelines.
- Complete the Lower Mission Creek Historic Resources Survey by March 2004 to ensure that the survey is completed before scheduled construction of Lower Mission Creek Improvement Project begins.
- Complete final recommendations on potential historic resources based on results from the Lower Riviera Historic Resources Survey by June 2004.
- Provide at least one orientation training session to Boards and Commissions in Fiscal Year 2004.
- Complete and implement the Demolition Protection ordinance and the Interim Historical Overlay ordinance.

Financial and Staffing Information

	Actual FY 2002	Adopted FY 2003	Adopted FY 2004
Authorized FTEs	**n/a**	**n/a**	**8.19**
Revenues			
General Fund Subsidy	-	-	677,764
Total Revenue	**$ -**	**$ -**	**$ 677,764**
Expenditures			
Salaries and Benefits	-	-	588,919
Supplies and Services	-	-	88,145
Non-Capital Equipment	-	-	700
Total Expenditures	**$ -**	**$ -**	**$ 677,764**

Program Performance Measures

	Adopted FY 2003	Projected FY 2003	Adopted FY 2004
Design Review applications reviewed	n/a	1,000	1,000
ABR agenda items scheduled	n/a	960	900
HLC agenda items scheduled	n/a	375	400
Sign Committee agenda items scheduled	n/a	150	150
Conforming Sign review items	n/a	175	200
Administrative Staff review items	n/a	300	350
Mailed Notices Prepared for Design Review Public Hearings	n/a	175	150
Staff hours assisting the Development Review Section	n/a	420	420
Staff hours staffing the Zoning/Planning Counter	n/a	1,664	1,664
Staff hours preparing Historic Resource evalutions	n/a	520	520

Building Inspection and Code Enforcement

(Program No. 2141)

Mission Statement

Review and inspect construction projects and abate substandard housing conditions and illegal dwelling units to ensure safe housing through compliance with all applicable building codes and City ordinances.

Program Activities

- Provide inspection and code enforcement resources to the public.
- Perform over 10,100 building inspections each year for compliance with approved plans, design review details, and conditions.
- Perform more than 1,300 investigations and follow-up investigations in response to citizen and other-agency complaints regarding sub-standard and/or dangerous structures.
- Respond to natural and man-made disasters by providing technical assistance in estimating the safety of damaged structures and real property.

Objectives for Fiscal Year 2004

- Respond to 100% of inspection requests on the day scheduled for permitted work.
- Respond to 95% of code enforcement complaints within five working days from receipt of complaint.
- Perform 100% Specialty / Commercial plan checks (electrical, plumbing, mechanical) within four working days.
- Perform inspections to address the number of current permits that have not had a recorded inspection within the last 180 days.
- Resolve 85% enforcement cases within 12 months from issuance of Notice and Order.
- Provide a minimum of 40 hours professional training for each inspector each year.

RECENT PROGRAM ACHIEVEMENTS

Staff developed a comprehensive Inspection / Plan Check Training Program.

Staff conducted over 11,400 building inspections, processed over 425 code enforcement cases, and abated 448 code enforcement cases.

Financial and Staffing Information

	Actual FY 2002	Adopted FY 2003	Adopted FY 2004
Authorized FTEs	**9.50**	**9.50**	**8.95**
Revenues			
General Fund Subsidy	768,041	784,193	875,238
Total Revenue	**$ 768,041**	**$ 784,193**	**$ 875,238**
Expenditures			
Salaries and Benefits	682,620	713,299	747,072
Supplies and Services	76,816	70,894	128,166
Non-Capital Equipment	8,605	-	-
Total Expenditures	**$ 768,041**	**$ 784,193**	**$ 875,238**

Program Performance Measures

	Adopted FY 2003	Projected FY 2003	Adopted FY 2004
Permits without reported scheduled construction activity within 180 days of issuance	n/a	1,200	1,000
Percent of inspection requests completed on the day scheduled for permitted work	n/a	100%	100%
Percent of code complaints responded to within five working days	n/a	90%	95%
Percent of commercial specialty plan reviews completed within four working days	n/a	90%	100%
Number of expired permit inspections or site investigation visits performed per month	n/a	40	40
% of code enforcement cases closed within 12 months of issuance of Notice and Order	n/a	80%	85%
Number of hours of professional training for each inspector annually (40 hrs. x 8)	n/a	128	128
Number of building inspections completed	n/a	1,140	1,200
Number of code enforcement cases processed annually	n/a	350	400
Number of commercial/specialty plan reviews completed	n/a	672	700

COMMUNITY DEVELOPMENT

- Administration
- Economic Development
- CDBG and Human Services Administration
- CDBG - Rental Housing Mediation Task Force
- CDBG - Housing Rehabilitation Loan Program
- Redevelopment Agency
- Housing Development and Preservation Program
- Long Range Planning and Special Studies
- Development / Environmental Review
- Zoning: Ordinance, Information and Enforcement
- Design Review and Historic Preservation
- Building Inspection and Code Enforcement
- ➢ **Records, Archives and Clerical Services**
- Building Counter and Plan Review

RECENT PROGRAM ACHIEVEMENTS

The public and staff can now access Records Center file documentation via the Internet and Intranet.

Staff finished the imaging of over 7,500 planning files.

Records, Archives and Clerical Services

(Program No. 2142)

Mission Statement

Provide organized solutions for the preservation and accessibility of recorded property development history for the community and staff in adherence with State law and City Council policies.

Program Activities

- Provide reception services to the Community Development and Public Works departments, as well as the Pro-Youth Coalition, Redevelopment Agencies and Fire Plan Check.
- Provide cashiering services to the public for all Land Development transactions.
- Coordinate and provide for the imaging, storage, archival, and review of all Land Development documents, while providing access via the Internet.
- Provide clerical support for Building and Safety administration.

Objectives for Fiscal Year 2004

- Respond to 100% of building and planning file document demands within one hour of receipt.
- Respond to 100% commercial plan viewings within 48 hours of receipt.
- Ensure all building and planning file documents are processed within three weeks of receipt by Records Center.
- Ensure 100% of all Land Development Team cash receipts are balanced to 100% accuracy daily.

Financial and Staffing Information

	Actual FY 2002	Adopted FY 2003	Adopted FY 2004
Authorized FTEs	**7.25**	**7.25**	**6.80**
Revenues			
Fees and Service Charges	285,914	236,665	322,998
Other	-	-	3,518
General Fund Subsidy	128,018	194,527	159,411
Total Revenue	**$ 413,932**	**$ 431,192**	**$ 485,927**
Expenditures			
Salaries and Benefits	358,890	384,987	392,577
Supplies and Services	44,853	44,980	92,411
Special Projects	8,414	-	-
Non-Capital Equipment	1,775	1,225	939
Total Expenditures	**$ 413,932**	**$ 431,192**	**$ 485,927**

Program Performance Measures

	Adopted FY 2003	Projected FY 2003	Adopted FY 2004
Percent of requests filled for Street and Planning file documents, delivered via hard copy or electronic file format within one hour of receipt	n/a	100%	100%
Percent of viewing appointments for Commercial Plans filled within 48 hours of receipt	n/a	100%	100%
Percent of documents prepared, scanned, and stored within three weeks of receipt	n/a	100%	100%
Percent of cash receipts received and in balance with Tidemark cashiering reports	n/a	100%	100%
Document requests processed	n/a	10,000	10,000
Land Development Team register transactions	n/a	11,000	11,000
Commercial and Residential plan viewings	n/a	900	900
Documents scanned and archived	n/a	120,000	80,000

RECENT PROGRAM ACHIEVEMENTS

The Building Counter implemented a program to train counter staff to do minor plan reviews, which results in faster turn-around times for the customer.

Building Counter and Plan Review

(Program No. 2143)

Mission Statement

Provide project review, permit issuance, and customer service for the community and internal customers to ensure a safely built environment in accordance with State and local laws.

Program Activities

- Review over 1,500 engineering and architectural plans for compliance with State laws and ordinances including the California Building Code, State Title 24 Energy and Disabled Access Regulations, and health and safety codes.
- Issue over 1,500 “over-the-counter” building permits each year for various minor projects.
- Review and prepare more than 3,500 building permits each year.
- Prepare and maintain educational materials for public and staff use in both hard copy and electronic formats.
- Manage and maintain the permitting process and permit tracking software.
- Provide guidance for the public-at-large as well as staff for all types of building related issues.

Objectives for Fiscal Year 2004

- Process 75% of permit applications within promised periods.
- Process 97% of enforcement letters within one working day of receipt from inspection staff.

Financial and Staffing Information

	Actual FY 2002	Adopted FY 2003	Adopted FY 2004
Authorized FTEs	**9.25**	**9.25**	**9.35**
Revenues			
Intergovernmental	50,000	-	-
Fees and Service Charges	1,583,431	1,660,786	2,075,399
Other	1,674	3,214	1,291
General Fund Subsidy	(890,655)	(932,354)	(1,217,167)
Total Revenue	**$ 744,450**	**$ 731,646**	**$ 859,523**
Expenditures			
Salaries and Benefits	550,753	698,489	753,657
Supplies and Services	192,039	32,157	105,866
Non-Capital Equipment	1,658	1,000	-
Total Expenditures	**$ 744,450**	**$ 731,646**	**$ 859,523**

Program Performance Measures

	Adopted FY 2003	Projected FY 2003	Adopted FY 2004
Staff hours devoted to the Pre-Application Review Team (PRT) and the Development Application Review Team (DART) process	n/a	765	800
"Over the counter" permits issued at the Building and Safety Counter	n/a	1,500	1,550
Plan reviews completed including re-submittals	n/a	2,850	3,000
Percent of permit applications processed within the promised timeframe	n/a	70%	75%
Pecentage of enforcement letters processed within one working day	n/a	95%	97%
Total number of permits issued	n/a	3,430	3,450

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Finance

Provide financial guidance to City Council and departments and manage the City's financial operations.

About Finance

The Finance Department is responsible for providing financial expertise and guidance to the City Council and departments, managing the City's daily financial operations, and maintaining the financial integrity of the City. The department's major functional areas include accounting, revenue management, budget, payroll, purchasing, and investment management. The department also administers two internal service funds: The Risk Management Fund manages the City's insurance portfolio and workers' compensation program, and the Duplications and Mail Services Fund operates a full-service print shop and provides mail service to all City departments and facilities. Finance also provides financial services to the California Law Enforcement Telecommunications System (CLETS).

Fiscal Year 2004 Budget Highlights

The Finance Department scaled back its General Fund budgeted expenditures for fiscal year 2004 by almost $70,000 to help balance the overall General Fund budget, without significantly impacting the department's level of services. In its continuing efforts to cut costs and do "more with less", the Department is working on plans for a re-organization of the department that will shift resources where they are most needed and improve overall efficiency.

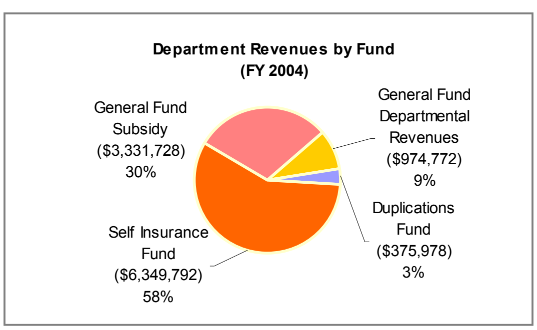
The Risk Management Fund continues to face uncertainty with its property and liability insurance and workers' compensation costs that will continue to escalate again in fiscal year 2004.

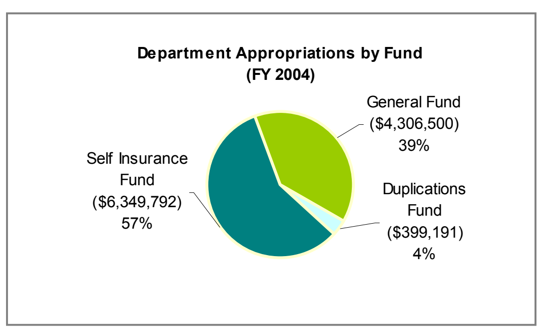
Finance

Department Financial and Staffing Summary

	Actual FY 2002	Adopted FY 2003	Adopted FY 2004
Authorized Positions (FTEs)	**49.00**	**49.00**	**47.00**
Revenues			
Fees and Services Charges	862,362	862,265	902,500
Franchise Fees - Cable Television	-	-	322,272
Interest Income	-	-	120,000
Workers Compensation Premiums	2,220,464	3,204,521	3,453,228
Insurance Premiums	1,571,011	2,510,638	2,554,214
ACCEL- Return of Premium	750,000	200,000	222,350
Other	362,357	91,386	125,978
General Fund Subsidy	2,433,961	2,590,155	3,331,728
Total Department Revenue	**$ 8,200,155**	**$ 9,458,965**	**$ 11,032,270**
Expenditures			
Salaries and Benefits	3,093,510	3,334,029	3,479,172
Supplies and Services	5,801,093	6,105,436	7,223,632
Public and Education Access Support	-	-	322,272
Special Projects	6,104	-	-
Tax Expense	8,297	11,500	11,500
Non-Capital Equipment	17,277	8,000	18,907
Equipment Capital	50,352	-	-
Total Department Expenditures	**$ 8,976,633**	**$ 9,458,965**	**$ 11,055,483**
Addition to (Use of) Reserves	**$ (776,478)**	**$ -**	**$ (23,213)**

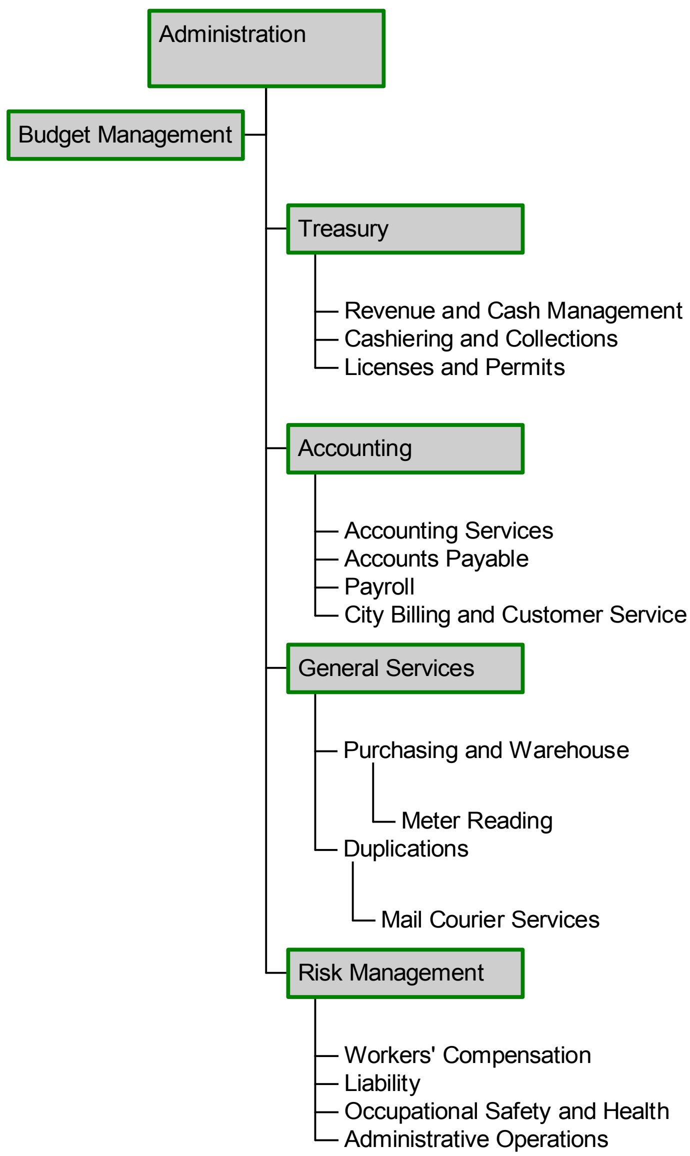
Department Fund Composition





Finance

Program Organizational Chart



FINANCE

RECENT PROGRAM ACHIEVEMENTS

The City refinanced three of the City's Certificate of Participation Issues, resulting in savings of over $800,000 per year in debt service costs.

Administration

(Program No. 1411)

Mission Statement

Provide management and administrative support to Finance programs and provide the City Council and departments with responsive financial expertise and analysis to ensure that the City's financial interests are protected and enhanced.

Program Activities

- Manage the operations of the department.
- Ensure management and the City Council are informed of all matters materially affecting the financial health of the City.
- Assist with City Administration policy formulation and implementation of Council direction.
- Provide staff support to the City Council Finance Committee.
- Provide financial and budgetary support and guidance to all City departments.
- Provide oversight of the City's $140 million investment portfolio.
- Manage the City's long-term debt, including new-money and refunding debt.
- Manage the City's Employee Mortgage Loan Assistance Program (EMLAP).
- Administer the City's cable television franchise.

Objectives for Fiscal Year 2004

- Ensure that Finance programs meet 80% of program objectives.
- Respond to 98% of cable service customer inquiries within one business day of receipt.
- Process 100% of travel claims within two business days of receipt.
- Coordinate implementation of service changes as recommended in the Finance divisions' customer service surveys.

Financial and Staffing Information

	Actual FY 2002	Adopted FY 2003	Adopted FY 2004
Authorized FTEs	**5.00**	**5.00**	**2.20**
Revenues			
Franchise Fees - Cable Television	-	-	322,272
General Fund Subsidy	595,280	555,628	281,922
Total Revenue	**$ 595,280**	**$ 555,628**	**$ 604,194**
Expenditures			
Salaries and Benefits	477,111	453,851	231,735
Supplies and Services	105,983	90,277	28,380
Public and Educational Access Support	-	-	322,272
Non-Capital Equipment	3,889	-	10,307
Tax Expense	8,297	11,500	11,500
Total Expenditures	**$ 595,280**	**$ 555,628**	**$ 604,194**

Program Performance Measures

	Adopted FY 2003	Projected FY 2003	Adopted FY 2004
Percent of Finance program objectives completed	n/a	80%	80%
Percent of cable service inquiries receiving initial response within one business day	n/a	98%	98%
Cable service inquiries	n/a	25	25
Percent of travel claims processed within two business days of receipt	n/a	99%	100%
Council Agenda Reports reviewed	n/a	400	400
New EMLAP loans closed	n/a	6	7

FINANCE

RECENT PROGRAM ACHIEVEMENTS

Automated banking functions were expanded and enhanced.

The use of automated Treasury Receipts increased accuracy in revenue reporting.

Revenue & Cash Management

(Program No. 1412)

Mission Statement

Invest public funds in a manner that will provide maximum security, adequate liquidity and sufficient yield, while conforming to relevant statutes and regulations, and ensure all revenues are received timely and recorded properly.

Program Activities

- Manage investment portfolio of approximately $140 million.
- Prepare and present monthly investment reports to Finance Committee and City Council.
- Manage the City's banking relationships.
- Ensure timely reconciliation of all cash transactions.
- Assist departments in establishing appropriate controls and procedures for the receipt of cash and for petty cash disbursements.
- Provide ongoing analysis of City revenues.
- Forecast and manage cash to ensure adequate liquidity for expenditure requirements.

Objectives for Fiscal Year 2004

- Purchase investments for the City and Redevelopment Agency that are consistent with investment objectives.
- Maintain a minimum average "AA" credit quality for securities in the portfolio.
- Meet or exceed the Local Agency Investment Fund (LAIF) book rate of return on an annual basis.
- Present 100% of monthly investment reports to the Finance Committee and City Council within 30 days of month-end.
- Reduce Treasury Receipt errors by 10%.

Financial and Staffing Information

	Actual FY 2002	Adopted FY 2003	Adopted FY 2004
Authorized FTEs	**2.75**	**2.75**	**2.05**
Revenues			
General Fund Subsidy	236,223	251,048	317,538
Total Revenue	**$ 236,223**	**$ 251,048**	**$ 317,538**
Expenditures			
Salaries and Benefits	211,561	224,628	175,779
Supplies and Services	24,662	26,420	141,759
Total Expenditures	**$ 236,223**	**$ 251,048**	**$ 317,538**

Program Performance Measures

	Adopted FY 2003	Projected FY 2003	Adopted FY 2004
Average portfolio balance	n/a	$140,000,000	$140,000,000
Average days to maturity of the portfolio	n/a	480 days	550 days
Average credit rating of portfolio holdings	n/a	AA	AA
Portfolio book rate of return compared to LAIF	n/a	+1.50%	+1.00%
Average daily dollar amount of bank credits	n/a	$700,000	$750,000
Average daily dollar amount of bank debits	n/a	$700,000	$750,000
Correcting journal entries prepared	n/a	122	110
Days after month-end in which investment reports are presented	n/a	< 30 days	< 30 days

Cashiering & Collections

(Program No. 1413)

Mission Statement

Centrally process monies, ensuring funds are received when due, properly accounted for, and safeguarded and provide prompt, courteous customer service.

Program Activities

- Operate a City Hall cashiering function.
- Process payments received from the public and City departments and process bank wires and transfers.
- Prepare daily deposits and related accounting documents.
- Verify payment data from the utility billing lock-box operation.
- Record and reconcile major sources of revenue.
- Audit petty cash claims and assist departments in petty cash procedures.

Objectives for Fiscal Year 2004

- Accurately process 100% of treasury receipts on the day received.
- Complete an analysis of options for electronic payments and credit cards and report implementation recommendations.
- Perform a cost analysis of the cash receipting process using baseline data gathered in FY 2003.
- Maintain a maximum 24-hour notification from the bank for deposit variances.
- Increase petty cash audits by 10%.
- Administer a customer service survey to assess public satisfaction with customer service at the cashiering counter and use survey results to initiate improvements.

RECENT PROGRAM ACHIEVEMENTS

Staff updated the Petty Cash policy and increased the petty cash limit to reduce claims processing costs.

Treasury Receipt processing was improved.

Financial and Staffing Information

	Actual FY 2002	Adopted FY 2003	Adopted FY 2004
Authorized FTEs	**4.65**	**4.65**	**4.50**
Revenues			
Fees and Service Charges	270,651	313,307	356,538
Total Revenue	**$ 270,651**	**$ 313,307**	**$ 356,538**
Expenditures			
Salaries and Benefits	266,120	307,593	318,291
Supplies and Services	3,309	5,114	37,647
Non-Capital Equipment	1,222	600	600
Total Expenditures	**$ 270,651**	**$ 313,307**	**$ 356,538**

Program Performance Measures

	Adopted FY 2003	Projected FY 2003	Adopted FY 2004
Percentage of treasury receipts processed each day	n/a	99%	100%
Payments processed at public counter	n/a	55,000	55,000
Bank notifications received within 24 hours	n/a	100%	100%
Utility billing lockbox payments processed	n/a	233,000	233,000
Transient Occupancy Tax (TOT) payments recorded and reconciled monthly	n/a	67	67
Utility Users Tax (UUT) payments recorded and reconciled monthly	n/a	111	111
Petty cash audits performed	n/a	30	33
Satisfaction rating by Cashiering and Collections customers	n/a	n/a	75%

FINANCE

- Administration
- Revenue & Cash Management
- Cashiering & Collections
- ➢ **Licenses & Permits**
- Budget Management
- Accounting Services
- Payroll
- Accounts Payable
- City Billing & Customer Service
- Purchasing & Warehouse
- Meter Reading
- Duplications
- Mail Courier Services
- Risk Management – Workers' Compensation
- Risk Management – Liability
- Risk Management – Occupational Safety & Health
- Risk Management – Administrative Operations

RECENT PROGRAM ACHIEVEMENTS

Staff standardized and streamlined over 80 licenses and permit forms.

Customer service was enhanced through Internet access of the business license application form.

Licenses & Permits

(Program No. 1414)

Mission Statement

Administer the collection and audit of business taxes, permits, and assessments to ensure compliance with the Santa Barbara Municipal Code (SBMC).

Program Activities

- Manage the Business Tax and Permit Program.
- Administer the billing and collection of Transient Occupancy Tax, Parking and Business Improvement Area (PBIA) assessments, Old Town and Downtown Business Improvement District assessments and Fire Inspection Fees.
- Process delinquency notices and initiate collection efforts for past due accounts.
- Process and issue over 13,000 City licenses and permits.
- Issue taxicab permits and monitor drivers and companies to ensure timely vehicle inspections and current insurance coverage.
- Process applications for exemption from Utility Users Tax on water billings and coordinate with other utilities for this exemption.
- Review outside sources and publications to identify unlicensed businesses.

Objectives for Fiscal Year 2004

- Commence the audit program for the Transient Occupancy Tax (TOT) and Business License Tax.
- Conduct a cost analysis of issuing miscellaneous licenses and permits, and review associated fees.
- Identify text in SBMC Title 5 that will require revision in future years.
- Locate 100 unlicensed businesses as a result of the field inspection program.
- Implement simplified procedures, developed by Finance and Land Development Team, to improve business license application processing.
- Administer a customer service survey to assess applicant satisfaction with information, forms, and processes for obtaining various licenses and permits and use survey results to initiate improvements.

Financial and Staffing Information

	Actual FY 2002	Adopted FY 2003	Adopted FY 2004
Authorized FTEs	**2.60**	**2.60**	**4.20**
Revenues			
General Fund Subsidy	198,254	229,918	330,908
Service Charges	12,854	-	2,500
Total Revenue	**$ 211,108**	**$ 229,918**	**$ 333,408**
Expenditures			
Salaries and Benefits	189,753	206,351	249,321
Supplies and Services	21,355	23,567	84,087
Total Expenditures	**$ 211,108**	**$ 229,918**	**$ 333,408**

Program Performance Measures

	Adopted FY 2003	Projected FY 2003	Adopted FY 2004
Unlicensed businesses located as a result of business license field inspection program	n/a	0	100
New business licenses issued	n/a	1,650	1,750
Business license renewals	n/a	10,000	10,100
Business license delinquency notices	n/a	2,500	2,525
Percent of business licenses paid by due date	n/a	75%	75%
Taxicab permits issued	n/a	167	167
Assessment district billings	n/a	4,000	4,000
Assessment district delinquency notices	n/a	1,000	1,000
Percent of PBIA assessments paid by due date	n/a	75%	75%
Percent of accounts sent to collections	n/a	3%	2%
Satisfaction rating by License and Permit customers	n/a	n/a	80%

FINANCE

RECENT PROGRAM ACHIEVEMENTS

Budget Management staff received GFOA's Distinguished Budget Award for the Biennial Financial Plan for fiscal years 2002-03.

Budget Management

(Program No. 1415)

Mission Statement

Manage the development and implementation of the City's Two-Year Financial Plan and Annual Budget to support effective decision-making and public communication.

Program Activities

- Manage the City's annual budget process, including training and support to departments, analysis of department budget requests, and public presentation of the recommended budget.
- Project non-departmental revenue estimates and provide guidance to departments on departmental revenue estimates.
- Provide expertise to City Council and departments on economic and financial conditions and policy issues affecting the budget.
- Provide ongoing budgetary guidance and support to all City departments in implementing the annual budget.
- Publish the City's Two-Year Financial Plan and Annual Budget and the popular Budget-at-a-Glance, including CD-ROM and posting on the City's web site.

Objectives for Fiscal Year 2004

- Complete 100% of all budget journal entries to record Council-approved budget amendments within seven working days of approval date.
- Conduct and analyze a customer service survey for Budget Management, and implement service changes as recommended.
- Project General Fund non-departmental revenues within a 2% variance margin.
- Post Fiscal Year 2004 Recommended Budget on the Internet within 15 days of the filing date.
- Produce the Fiscal Year 2005 Adopted Annual Budget within 30 days from the date of adoption.
- Ensure that all policy reserves are calculated and met each year.
- Receive a Government Finance Officers Association (GFOA) Distinguished Budget Award.

Financial and Staffing Information

	Actual FY 2002	Adopted FY 2003	Adopted FY 2004
Authorized FTEs	**0.00**	**0.00**	**2.85**
Revenues			
General Fund Subsidy	-	-	367,582
Total Revenue	**$ -**	**$ -**	**$ 367,582**
Expenditures			
Salaries and Benefits	-	-	286,752
Supplies and Services	-	-	80,830
Total Expenditures	**$ -**	**$ -**	**$ 367,582**

Program Performance Measures

	Adopted FY 2003	Projected FY 2003	Adopted FY 2004
Days to enter budget journal entries in system after date of adoption	n/a	8	7
Budget amendment journal entries prepared	n/a	150	150
Budgets distributed (hard copy and CD-ROM)	n/a	100	100
Consecutive biennial GFOA Distinguished Budget Awards received	n/a	3	4
Variance between General Fund non-departmental revenue projections and actual	n/a	2%	2%
Days to produce adopted budget document from adoption date	n/a	30	30
Days to post recommended budget to the internet from filing date	n/a	15	15
Departments rating program service as good to excellent	n/a	-	95%

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Accounting Services

(Program No. 1431)

Mission Statement

Maintain and ensure integrity of the City's financial records and audits and report financial information to Council, the public and to State and Federal regulatory agencies in an accurate and timely manner.

Program Activities

- Establish and maintain an accounting system of funds, accounts and internal controls in accordance with the Governmental Accounting Standards Board and Generally Accepted Accounting Principles.
- Prepare year-end closing transactions, balance and reconcile all funds and accounts, coordinate and communicate with City's independent auditors, and prepare the Comprehensive Annual Financial Reports for the City and the Redevelopment Agency.
- Prepare and submit fiscal reports, including compliance audits of grant funds to State and Federal agencies, in an accurate and timely manner.
- Provide financial analysis and fiscal information to departmental users, management, and the City Council as needed.

Objectives for Fiscal Year 2004

- Receive unqualified audit opinions for the Fiscal Year 2003 annual financial audits of the City and the Redevelopment Agency.
- Compile, produce and issue the Fiscal Year 2003 Comprehensive Annual Financial Report (CAFR) for the City and the Redevelopment Agency within 150 days of fiscal year end.
- Receive awards for achievement in financial reporting for the City's CAFR from the Government Finance Officers Association (GFOA) and the California Society of Municipal Finance Officers (CSMFO).
- Maintain the new Capital Asset Management software and develop FMS reports for added reconciliation purposes.
- Complete and file 100% of all State and Federal financial reports by stated deadlines.
- Complete 92% of general ledger monthly closings within five working days after month-end.
- Complete all bank reconciliations within 30 days of receiving the bank statements.
- Conduct a customer satisfaction survey.

RECENT PROGRAM ACHIEVEMENTS

During fiscal year 2003, Accounting Services worked with Information Systems to provide departmental financial information and reports on-line, reducing staff time distributing reports by 88% every month.

Financial and Staffing Information

	Actual FY 2002	Adopted FY 2003	Adopted FY 2004
Authorized FTEs	**2.40**	**2.40**	**2.20**
Revenues			
General Fund Subsidy	209,703	219,604	310,050
Total Revenue	**$ 209,703**	**$ 219,604**	**$ 310,050**
Expenditures			
Salaries and Benefits	183,783	205,128	185,800
Supplies and Services	25,920	14,476	124,250
Total Expenditures	**$ 209,703**	**$ 219,604**	**$ 310,050**

Program Performance Measures

	Adopted FY 2003	Projected FY 2003	Adopted FY 2004
Number and dollar value of Federal and State grants received and accounted for	n/a	21 / $1.7M	21/$1.7M
Number and dollar value of housing and rehab loans accounted for	n/a	404 / $34.6M	407 / $35.2
Days after fiscal year-end to produce and issue CAFR	n/a	210	150
Consecutive GFOA and CSMFO Achievement Awards for CAFR	n/a	5	6
Percent of monthly closing completed within 5 days after month-end	n/a	92%	92%
Percent of bank statements reconciled within 30 days of month end	n/a	100%	100%
Audit adjustments required by independent auditor	n/a	5	3
Hours spent distributing monthly financial reports to departments	n/a	96	12
Percent of customer satisfaction surveys rated good or excellent	n/a	n/a	85%

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- Risk Management – Occupational Safety & Health
- Risk Management – Administrative Operations

Payroll

(Program No. 1432)

Mission Statement

Pay City employees and benefit providers accurately and timely and ensure compliance with Federal and State laws and regulations.

Program Activities

- Perform audit and data entry of timesheets.
- Initiate tax payments and issue quarterly tax reports.
- Reconcile payroll deductions and benefits payable to the general ledger.
- Reconcile billing statements with receivables and payroll withholdings by person for employees, retirees, and cobra members.
- Initiate claims for payment to benefit providers.
- Initiate Public Employees Retirement System (PERS) payments and perform a reconciliation to reports and payroll withholdings.
- Update the payroll system tables to reflect annual changes in tax tables, employee contracts, dues, or other items for paycheck accuracy.
- Perform electronic fund transfers for direct deposits, PERS, deferred compensation, and taxes.
- Provide customer service to all City employees, departments and benefit providers.
- Implement technological enhancements to improve payroll processing efficiency.

Objectives for Fiscal Year 2004

- Conduct a customer satisfaction survey to determine department satisfaction with payroll processing.
- Complete an analysis of performance measurement information to improve efficiency.
- Prepare W-2 forms for distribution by January 14, 2004.
- Process payroll accurately and timely 99.9% of the time.
- Develop an electronic system to archive daily work records.

RECENT PROGRAM ACHIEVEMENTS

Employee work records are archived with CD storage.

Staff updates the Intranet regularly with employee payroll instructions and forms.

Financial and Staffing Information

	Actual FY 2002	Adopted FY 2003	Adopted FY 2004
Authorized FTEs	**2.40**	**2.40**	**2.45**
Revenues			
General Fund Subsidy	170,810	178,260	313,193
Total Revenue	**$ 170,810**	**$ 178,260**	**$ 313,193**
Expenditures			
Salaries and Benefits	151,417	162,748	176,201
Supplies and Services	19,393	15,512	136,992
Total Expenditures	**$ 170,810**	**$ 178,260**	**$ 313,193**

Program Performance Measures

	Adopted FY 2003	Projected FY 2003	Adopted FY 2004
Accuracy Rate of program timesheet data entry	n/a	99.9%	99.9%
Accuracy rate of submitted timesheets by departments	n/a	80%	85%
Dollar value of benefits and withholding accounts reconciled per payroll staff member	n/a	$2,500,000	$3,000,000
Garnishments and liens processed	n/a	160	150
City employees per payroll staff	n/a	535	535
Direct cost per paycheck issued	n/a	$0.32	$0.35
Date W-2's are ready for disbursement	n/a	January 15	January 14
W-2's issued	n/a	2,111	2,000
Percent of customer satisfaction responses rated good to excellent	n/a	n/a	90%

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Accounts Payable

(Program No. 1433)

Mission Statement

Process and issue payments to City vendors to ensure the timely and accurate payment for materials, supplies and services received.

Program Activities

- Perform audit and data entry of claims submitted for payment.
- Implement State sales tax payments and quarterly reports.
- Initiate monthly independent contractor reporting by diskette.
- Review claims for accounts payable and purchasing policy compliance.
- Maintain files for all City payments to vendors.
- Review and adjust claims for vendor discounts when available.
- Provide customer service to departments and vendors.
- Perform daily 'Positive Pay' check disbursement reports to the bank.

Objectives for Fiscal Year 2004

- Conduct a customer satisfaction survey.
- Complete an analysis of performance measurement information to improve efficiency.
- Complete annual reconciliation of City's vendor accounts, including vendor consolidation, and correcting of errors and missing data.
- Prepare 1099-Misc forms for distribution by January 14, 2004.
- Issue 99% of checks within five working days of department approval.
- Conduct departmental claims training to increase percentage of available discounts taken by departments to 25%.

RECENT PROGRAM ACHIEVEMENTS

Staff updated check printing processes and equipment to enable daily check printing.

Financial and Staffing Information

	Actual FY 2002	Adopted FY 2003	Adopted FY 2004
Authorized FTEs	**1.80**	**1.80**	**1.75**
Revenues			
General Fund Subsidy	114,393	116,988	185,555
Total Revenue	**$ 114,393**	**$ 116,988**	**$ 185,555**
Expenditures			
Salaries and Benefits	100,114	103,730	112,811
Supplies and Services	14,279	13,258	72,744
Total Expenditures	**$ 114,393**	**$ 116,988**	**$ 185,555**

Program Performance Measures

	Adopted FY 2003	Projected FY 2003	Adopted FY 2004
Dollar value of accounts payable checks issued annually	n/a	$65,567,803	$65,567,803
Claims processed	n/a	28,000	28,000
Percent of accounts payable checks issued error free per month	n/a	99%	99%
Percent of available discounts taken by departments	n/a	2%	25%
Percent of available discounts taken by Accounts Payable staff	n/a	62%	62%
Direct cost per check issued	n/a	$0.37	$0.40
Percent of customer service survey responses rated good to excellent	n/a	n/a	85%
Percent of checks issued less than five working days after department approval	n/a	94%	96%

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City Billing & Customer Service

(Program No. 1434)

Mission Statement

To accurately bill customers on behalf of City departments to ensure the timely collection of related revenues and respond to customer inquiries in a courteous and professional manner.

Program Activities

- Prepare and mail approximately 360,000 utility bills annually, including bills for water, wastewater and refuse collection services.
- Prepare and mail approximately 27,000 additional bills for a variety of City fees, services and reimbursements annually, working closely with other City departments.
- Provide customer service by handling approximately 25,000 customer inquiries annually via telephone and walk-in counter support.
- Maintain and manage an automatic payment option for customers to have their bills paid automatically from their checking account.
- Process approximately 10,000 service orders to utility customers accounts, including customer updates, water meter reading verification, bill collection efforts, and water service changes.

Objectives for Fiscal Year 2004

- Reduce errors in the billing auto-payment system by 50%.
- Decrease time spent on customer telephone inquiries by 5%.
- Cross-train an Accounting Technician in accounting and reporting of the City's various housing loan programs.
- Administer a customer service survey to assess customer satisfaction.
- Develop a method to determine the accuracy and timeliness of billing.

RECENT PROGRAM ACHIEVEMENTS

The City utility billing system was updated to divide trash-hauling services into two separate areas of the City, as provided in new contracts with Marborg Industries and BFI Industries.

Financial and Staffing Information

	Actual FY 2002	Adopted FY 2003	Adopted FY 2004
Authorized FTEs	**5.20**	**5.20**	**3.60**
Revenues			
Fees and Service Charges	365,578	311,693	293,462
General Fund Subsidy	12,573	94,477	241,357
Total Revenue	**$ 378,151**	**$ 406,170**	**$ 534,819**
Expenditures			
Salaries and Benefits	171,511	177,420	235,367
Supplies and Services	206,640	228,750	299,452
Total Expenditures	**$ 378,151**	**$ 406,170**	**$ 534,819**

Program Performance Measures

	Adopted FY 2003	Projected FY 2003	Adopted FY 2004
Utility bills issued monthly	n/a	29,860	29,880
Miscellaneous bills issued monthly	n/a	2,210	2,220
Service orders prepared monthly	n/a	926	930
Phone calls received from customers	n/a	1,960	2,000
Customers on automatic pay including utility bills and harbor slips	n/a	4,006	4,200
Customers assisted at the counter	n/a	152	150
Cost per bill issued	n/a	$0.86	$0.84
Total time spent on telephone customer inquiries	n/a	980 hours	931 hours

Purchasing & Warehouse

(Program Nos. 1441, 1442)

Mission Statement

Competitively purchase quality goods and services that meet department specifications; inventory and issue approved warehouse items to support city operations, including emergencies and dispose of City surplus in accordance with the Municipal Code.

Program Activities

- Prepare Quick Quote, Bid and Proposal packages, advertise and solicit for competitive bids to supply goods, materials and services to meet the City's needs.
- Utilize State contracts for cooperative purchases when State goods and materials meet department specifications and needs.
- Routinely review warehouse stock for quantity re-order levels and adjust as appropriate.
- Dispose of surplus City property.

Objectives for Fiscal Year 2004

- Re-bid 100% of the Blanket Purchase Orders over $50,000 to insure that the City is receiving competitively priced services and materials.
- Develop a computerized "Bidder's List".
- Ensure that 100% of Buyers are cross-trained in all program operations to serve all City departments.
- Maintain the accuracy of the monthly inventory count within two percent (2%).
- Implement a policy and procedures to automate ordering, reordering and backordering of supplies.
- Analyze customer satisfaction survey results for Purchasing and Warehouse operations and implement changes or improvements as appropriate and necessary.
- Develop a measurement for warehouse inventory turnover rate.

RECENT PROGRAM ACHIEVEMENTS

Warehouse inventory levels were reduced to better serve the City's needs and create space for the Purchasing office relocation.

Financial and Staffing Information

	Actual FY 2002	Adopted FY 2003	Adopted FY 2004
Authorized FTEs	**7.95**	**7.95**	**7.30**
Revenues			
General Fund Subsidy	529,107	549,741	600,533
Total Revenue	**$ 529,107**	**$ 549,741**	**$ 600,533**
Expenditures			
Salaries and Benefits	480,586	507,386	493,991
Supplies and Services	48,169	42,355	106,542
Equipment Capital	352	-	-
Total Expenditures	**$ 529,107**	**$ 549,741**	**$ 600,533**

Program Performance Measures

	Adopted FY 2003	Projected FY 2003	Adopted FY 2004
Purchase orders issued for all categories	n/a	9,400	940
Cash purchase orders issued for routine services and supplies under $500	n/a	4,900	4,900
Purchase orders issued for routine services and supplies over $500	n/a	4,000	4,000
Purchase orders issued for professional services	n/a	500	500
Purchase orders processed per Buyer	n/a	3,133	3,133
RFPs/RFQs advertised	n/a	100	100
Different categories of items in warehouse inventory	n/a	1,760	1,760
Labor cost as a percentage of surplus revenue	n/a	7%	7%

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RECENT PROGRAM ACHIEVEMENTS

During fiscal year 2003, City meter readers identified all obsolete turn-off valves needing replacement within the City's water system.

Meter Reading

(Program No. 1443)

Mission Statement

Read water meters in the City for accurate and timely utility billings, and respond to field service requests in a timely, courteous, efficient and safe manner.

Program Activities

- Read approximately 26,000 water meters every 27-33 days.
- Process approximately 10,000 service orders to begin and terminate service.
- Maintain water meters and make recommendations for replacement.
- Download daily route meter reading data to the centralized utility billing system.
- Field check new water meter installations.
- Maintain and manage an active water meter inventory.
- Provide information to public service providers regarding unusual circumstances affecting the elderly through the Gatekeeper Program.

Objectives for Fiscal Year 2004

- Respond to 100% of service orders within one working day.
- Maintain a 99% or better meter reading accuracy rate.
- Read 100% of water meters according to an approved schedule.
- Complete an analysis of customer service survey results to determine satisfaction with service calls.
- Identify and report all 1” non-Metron water meters for replacement.
- Create a Payment Arrangement Policy to standardize how customers can extend payments.
- Revise and improve all forms for bilingual speaking customers.

Financial and Staffing Information

	Actual FY 2002	Adopted FY 2003	Adopted FY 2004
Authorized FTEs	**6.20**	**6.20**	**5.60**
Revenues			
General Fund Subsidy	367,618	394,491	383,090
Total Revenue	**$ 367,618**	**$ 394,491**	**$ 383,090**
Expenditures			
Salaries and Benefits	325,292	362,633	338,120
Supplies and Services	42,326	31,858	44,970
Total Expenditures	**$ 367,618**	**$ 394,491**	**$ 383,090**

Program Performance Measures

	Adopted FY 2003	Projected FY 2003	Adopted FY 2004
Percent of late reads "rush" within two working days	n/a	100%	100%
Percent of service orders within one working day	n/a	100%	100%
Percent of meters read according to schedule	n/a	100%	100%
Accuracy rate of meters read	n/a	98%	99%
Percent of responses to customer service survey rated good to excellent	n/a	n/a	80%
Meters turned off for non-payment	n/a	2,000	2,000
Average monthly cost per meter read	n/a	$0.978	$0.978
Total meter reads	n/a	25,721	25,721

FINANCE

RECENT PROGRAM ACHIEVEMENTS

In fiscal year 2003, Duplications purchased and installed a new high-speed color copier, increasing the level of program service and revenue.

Duplications

(Program No. 1451)

Mission Statement

Provide quality, full-service printing, copying and post-press services through a combination of both in-house and contract resources in a timely, confidential and cost-effective manner.

Program Activities

- Provide typesetting, design and layout services.
- Produce brochures, flyers, forms, manuals and stationery for all city departments.
- Perform finishing operations such as folding, collating, stapling, drilling and binding.
- Write specifications for printing orders sent to outside vendors.
- Prepare cost estimates and bill departments for services provided.
- Print utility billings and prepare them for mailing.
- Review informational brochure outlining services provided by Duplications and update as necessary.

Objectives for Fiscal Year 2004

- Process at least 95% of service requests in-house.
- Complete 96% of printing and copying orders within the promised timeframe.
- Update the Fee Schedule for duplicating services.
- Conduct a customer service survey and analyze results to evaluate customer satisfaction and implement changes or improvements as appropriate.

Financial and Staffing Information

	Actual FY 2002	Adopted FY 2003	Adopted FY 2004
Authorized FTEs	**2.05**	**2.05**	**2.10**
Revenues			
Fees and Services Charges	213,279	237,265	250,000
Other	47,288	40,556	66,132
Total Revenue	**$ 260,567**	**$ 277,821**	**$ 316,132**
Expenditures			
Salaries and Benefits	122,417	137,206	142,332
Supplies and Services	132,550	140,615	197,013
Equipment Capital	50,000	-	-
Total Expenditures	**$ 304,967**	**$ 277,821**	**$ 339,345**
Addition to (Use of) Reserves	**$ (44,400)**	**$ -**	**$ (23,213)**

Program Performance Measures

	Adopted FY 2003	Projected FY 2003	Adopted FY 2004
Duplications service requests and total number of copies	n/a	2,000 / 3,000,000	2,000 / 3,000,000
Utility billing printing cycles and total number of pieces processed	n/a	900 / 420,000	900 / 420,000
Average cost per black and white copy	n/a	$0.06	$0.06
Average cost per color copy	n/a	$0.30	$0.30
Percent of service requests completed on-time	n/a	96%	96%
Percent of service requests processed in-house	n/a	95%	95%
Average days to complete service orders	n/a	2.5 days	2.5 days
Percent of total jobs completed using overtime hours	n/a	n/a	8%

Mail Courier Services

(Program No. 1452)

Mission Statement

Collect and distribute U.S. Postal Service and interdepartmental mail to all City departments for efficiency, convenience and savings realized through bulk and presort mail rates.

Program Activities

- Collect the City's United States Postal Service (U.S.P.S.) mail from the U.S. Post Office twice daily.
- Provide interoffice mail courier service to City offices and selected outside agencies.
- Process outgoing U.S.P.S. mail daily, utilizing presort standards on mail qualifying for discount rates.
- Review informational brochure outlining mail courier services and update as necessary.

Objectives for Fiscal Year 2004

- Send 80% of outgoing U.S.P.S. mail at the discounted presort rate.
- Provide mail courier services according to an approved mail service schedule 96% of the time.
- Analyze customer service survey results to evaluate customer satisfaction, and implement changes or improvements as appropriate.

RECENT PROGRAM ACHIEVEMENTS

The City's mail courier makes 5,460 pick-up and delivery stops to City departments, and collects the City's mail from the U.S. Post Office 520 times, every year.

Financial and Staffing Information

	Actual FY 2002	Adopted FY 2003	Adopted FY 2004
Authorized FTEs	**1.00**	**1.00**	**1.00**
Revenues			
Other	38,374	50,830	59,846
Total Revenue	**$ 38,374**	**$ 50,830**	**$ 59,846**
Expenditures			
Salaries and Benefits	32,044	39,746	41,826
Supplies and Services	6,330	11,084	18,020
Total Expenditures	**$ 38,374**	**$ 50,830**	**$ 59,846**

Program Performance Measures

	Adopted FY 2003	Projected FY 2003	Adopted FY 2004
Pieces of outgoing U.S.P.S. mail	n/a	370,000	370,000
Percent of total U.S.P.S. mail sent at presort rate	n/a	80%	80%
Pieces of interoffice mail and correspondence	n/a	25,000	25,000
Percent of established mail-courier stops completed in accordance with approved schedule	n/a	96%	96%
Dollar savings to City using presort mailings	n/a	$5,600	$5,600
Labor cost per piece of outgoing U.S.P.S. mail	n/a	$0.024	$0.024
Program cost per piece of outgoing/incoming U.S.P.S. mail and interoffice mail	n/a	$0.066	$0.066

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Workers' Compensation

(Program No. 1461)

Mission Statement

Provide workers' compensation benefits to eligible employees, ensure compliance with Federal and State regulations, and minimize associated costs.

Program Activities

- Collect, maintain, and analyze loss data.
- Ensure compliance with Federal and California laws and monitor legislation, legal opinions, and case law for changes in the law.
- Investigate, evaluate, and authorize all new lost time claims.
- Approve the use of salary continuation.
- Approve expenditures, evaluate and recommend settlement proposals, and obtain approval for settlement payments.
- Ensure that the third party administrator completes all required elements of contracts.
- Assist outside legal counsel to defend claims and coordinate subrogation recovery.
- Notify management of any permanent work restriction for injured employees and evaluate industrial disability retirement applications.
- Assist managers and supervisors to return an injured employee to regular or modified duty and develop a modified duty contract.
- Respond to employee, supervisor, and management inquiries and provide training on workers' compensation.

Objectives for Fiscal Year 2004

- Reduce medical costs paid by 15% from the gross amount billed.
- Investigate 50% of the industrial injuries with lost time within 45 days of the date of knowledge.
- Implement improvements recommended by a management audit of the program.

RECENT PROGRAM ACHIEVEMENTS

Cost containment efforts continue to provide significant reduction in the cost of medical services, including reducing the amount paid for medical services during FY 02 by $1,079,085.

Financial and Staffing Information

	Actual FY 2002	Adopted FY 2003	Adopted FY 2004
Authorized FTEs	**2.75**	**1.70**	**1.75**
Revenues			
Workers Compensation Premiums	2,220,464	3,204,521	3,236,152
Other	256,909	-	-
Total Revenue	**2,477,373**	**3,204,521**	**3,236,152**
Expenditures			
Salaries and Benefits	195,547	144,472	151,513
Supplies and Services	2,727,440	3,056,349	3,084,639
Special Projects	3,052	-	-
Non-Equipment Capital	7,183	3,700	-
Total Expenditures	**2,933,222**	**3,204,521**	**3,236,152**
Addition to (Use of) Reserves	**$ (455,849)**	**$ -**	**$ -**

Program Performance Measures

	Adopted FY 2003	Projected FY 2003	Adopted FY 2004
Claims filed	n/a	226	226
Total claim costs paid + reserves for future payments	n/a	$1,853,882	$2,400,000
Ratio of closed to open claims	n/a	50%	50%
Employees who receive temporary total disability	n/a	111	111
Percent of claims filed without lost time	n/a	40%	40%
Gross medical costs paid	n/a	$2,200,000	$2,500,000
Cost of professional medical bill review services	n/a	$100,465	$101,000
Modified Duty placements	n/a	40	40
Percent of eligible employees with an industrial injury placed in a Modified Duty assignment	n/a	40%	50%
Percent of lost time injuries investigated within 45 days of knowledge	50%	50%	50%
Medical cost savings using fee schedules, PPO contracts, and other services	15%	15%	15%

FINANCE

Risk Management - Liability

(Program No. 1462)

Mission Statement

Identify and correct potential workplace hazards, provide loss prevention training, and prudently adjust damage claims.

Program Activities

- Administer incident and claims procedures.
- Investigate departmental activities relative to claimed damages.
- Pay or deny claims and communicate findings to claimants.
- Represent the City in Small Claims court.
- Request and track hazard mitigation throughout City activities.
- Provide tailored loss prevention classes to City personnel.
- Consult with departments to assess workplace security needs.
- Prepare preventability reports of vehicle and equipment damage.
- Organize defensive driving classes and materials.
- Notarize City and employee documents.
- Report loss amounts monthly and annually.
- Assess and provide needed Loss Prevention Training.

Objectives for Fiscal Year 2004

- Reduce preventable fleet collisions by 5%.
- Complete 85% of claim investigations within 45 days.
- Verify that departmental Workplace Security Programs are updated in accordance with the recommendations of the Workplace Security Assessment project completed in fiscal year 2003.

RECENT PROGRAM ACHIEVEMENTS

Risk Management staff customized loss-prevention training and reduced vehicle and equipment damage.

Financial and Staffing Information

	Actual FY 2002	Adopted FY 2003	Adopted FY 2004
Authorized FTEs	**2.25**	**1.25**	**1.30**
Revenues			
Liability Insurance Premiums	1,571,011	704,425	765,892
ACCEL- Return of Premium	750,000	200,000	16,140
Other	19,786	-	-
Total Revenue	**2,340,797**	**904,425**	**782,032**
Expenditures			
Salaries and Benefits	186,254	114,653	128,453
Supplies and Services	2,422,737	786,072	649,579
Special Projects	3,052	-	-
Non-Capital Equipment	4,983	3,700	4,000
Total Expenditures	**2,617,026**	**904,425**	**782,032**
Addition to (Use of) Reserves	**$ (276,229)**	**$ -**	**$ -**

Program Performance Measures

	Adopted FY 2003	Projected FY 2003	Adopted FY 2004
Liability claims filed	n/a	175	175
Percent of claims closed with no litigation	n/a	95%	95%
Percent of claims closed with no payment	n/a	75%	75%
Percent of open claims litigated	n/a	5%	5%
Percent of claims closed within nine months of filing	n/a	85%	85%
Loss prevention class attendees	n/a	250	250
Driving class attendees	n/a	100	100
Reported vehicle collisions	n/a	115	109
Preventable vehicle collisions and percent of total	n/a	19 / 14%	18 / 13%
Percent of vehicle collisions resulting in claims	n/a	5%	4%

Occupational Safety & Health

(Program No. 1463)

Mission Statement

Ensure a safe work environment for the City's employees and preserve the City's financial resources through training, medical screening, and job safety analysis.

Program Activities

- Review and update the Injury Illness Prevention Program (IIPP) to conform with Occupational Safety and Health Act (OSHA) regulatory changes.
- Maintain and schedule master IIPP compliance activities and other safety training regulations according to State law.
- Provide training guidance and resources to supervisors.
- Conduct Job Safety Analysis for job classifications with most frequent work injuries.
- Respond to hazards and safety concerns identified by employees.
- Provide loss data for monthly and annual reports.
- Conduct departmental safety audits for program compliance.
- Identify job task hazards that cause the most frequent work injuries and recommend corrective actions.
- Maintain City network of internal occupational safety trainers.

Objectives for Fiscal Year 2004

- Reduce occupational injuries by 5%.
- Maintain compliance with State and Federal OSHA mandates.
- Conduct Job Safety Analysis on 15% of the most frequent work injuries.
- Conduct two departmental safety audits.
- Ensure that staff receives Level III and Level IV asbestos training as appropriate.
- Implement a new Fall Protection Program.

RECENT PROGRAM ACHIEVEMENTS

Occupational Injuries were reduced by 5% in fiscal year 2003.

The City network of Safety Trainers increased by 25% in fiscal year 2003.

Financial and Staffing Information

	Actual FY 2002	Adopted FY 2003	Adopted FY 2004
Authorized FTEs	**0.00**	**1.25**	**1.30**
Revenues			
Occupational Health and Safety Fees	-	188,030	217,076
Total Revenue	**$ -**	**$ 188,030**	**$ 217,076**
Expenditures			
Salaries and Benefits	-	102,880	119,625
Supplies and Services	-	85,150	97,451
Total Expenditures	**$ -**	**$ 188,030**	**$ 217,076**

Program Performance Measures

	Adopted FY 2003	Projected FY 2003	Adopted FY 2004
Employees attending Injury Illness Prevention Program training sessions	n/a	1,000	1,000
Ergonomic evaluations conducted	n/a	20	40
Job safety analyses completed	n/a	15	20
Safety audits conducted for all operating divisions	n/a	2	2
Lost work days due to occupational injuries	n/a	3,785	3,596
Occupational Safety Trainers	n/a	130	130

FINANCE

- Administration
- Revenue & Cash Management
- Cashiering & Collections
- Licenses & Permits
- Budget Management
- Accounting Services
- Payroll
- Accounts Payable
- City Billing & Customer Service
- Purchasing & Warehouse
- Meter Reading
- Duplications
- Mail Courier Services
- Risk Management – Workers' Compensation
- Risk Management – Liability
- Risk Management – Occupational Safety & Health
- ➢ **Risk Management – Administrative Operations**

Administrative Operations

(Program No. 1464)

Mission Statement

Manage Risk division programs and assist operating departments to assess exposures to loss.

Program Activities

- Create and maintain risk management information system.
- Review and execute contracts, agreements, leases, and grants.
- Identify, evaluate, and rate all risks of accidental loss.
- Respond to citizen and public requests for assistance.
- Respond to employee, supervisor and management requests for assistance.
- Market and negotiate placement of commercial insurance policies.
- Initiate investigation and recovery of costs for loss or damage to City property caused by insurable perils or a negligent third party.

Objectives for Fiscal Year 2004

- Ensure completion of 80% of Risk Management Division program objectives.
- Route 100% of public hazard concerns to the appropriate department within two working days.
- Add interactive features to the Risk Management Intranet site.
- Compile and distribute monthly and annual comprehensive loss data reports to operating departments.
- Conduct a customer service survey for each Risk Management program.
- Develop a cost allocation system to distribute liability and workers' compensation loss expenses by operating department.

RECENT PROGRAM ACHIEVEMENTS

Staff distributed comprehensive monthly and annual Loss Data Reports, and created an Intranet site to improve service to department staff.

Financial and Staffing Information

	Actual FY 2002	Adopted FY 2003	Adopted FY 2004
Authorized FTEs	**0.00**	**0.80**	**0.85**
Revenues			
Interest Income	-	-	120,000
Property Insurance Allocation	-	1,618,183	1,788,322
ACCEL- Return of Premium	-	-	206,210
Total Revenue	**-**	**1,618,183**	**2,114,532**
Expenditures			
Salaries and Benefits	-	83,604	91,255
Supplies and Services	-	1,534,579	2,019,277
Non-Capital Equipment	-	-	4,000
Total Expenditures	**-**	**1,618,183**	**2,114,532**
Addition to (Use of) Reserves	**$ -**	**$ -**	**$ -**

Program Performance Measures

	Adopted FY 2003	Projected FY 2003	Adopted FY 2004
Percent of divisional objectives accomplished	n/a	80%	80%
Public hazard concerns received	n/a	72	72
Percent of public hazard concerns routed to appropriate department within two working days of receipt	n/a	100%	100%
Comprehensive loss data reports prepared and distributed to each department	n/a	12	12
Dollar value of property damage and workers' compensation expenses recovered from negligent third parties	n/a	$100,000	$100,000
Total cost of risk as percentage of total city operating and capital expenditures	n/a	3%	3%

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Fire

Provide fire protection, emergency medical rescue and related life safety service to Santa Barbara's citizens and visitors.

About Fire

The Fire Department is responsible for the protection of Santa Barbara from fire and a long list of natural and man-made catastrophes. The Fire Department has provided continuous, uninterrupted service for over 121 years.

Santa Barbara is served by eight fire stations and the City's firefighters respond to more than 7,000 emergency incidents each year.

Employees conduct over 3,000 fire inspections each year as part of the department's commitment to a fire safe community. Plan reviews and inspections of all new construction help ensure the future fire safety of Santa Barbara.

The department's specially-trained Airport firefighters operate specifically designed equipment and protect the flying public at the Santa Barbara Airport.

Fiscal Year 2004 Budget Highlights

The Fire Department begins Fiscal Year 2004 with three vacant staff positions and 11 vacant shift positions.

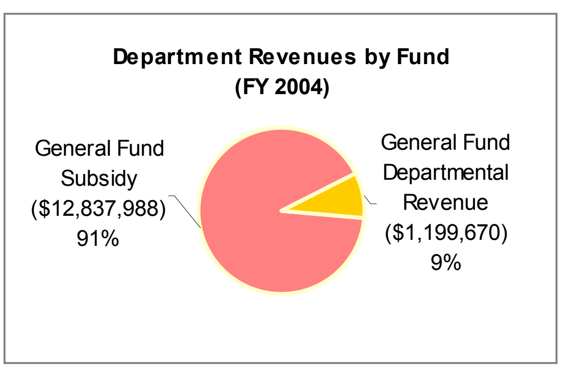
The shift position vacancies are being covered by overtime hiring as needed, and therefore, result in General Fund savings without a reduction in initial emergency response.

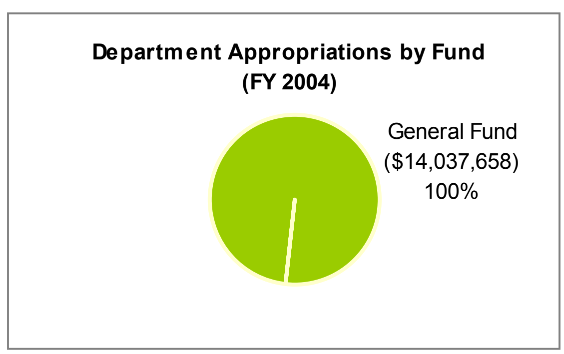
Fire

Department Financial and Staffing Summary

	Actual FY 2002	Adopted FY 2003	Adopted FY 2004
Authorized Positions (FTEs)	**124.00**	**124.00**	**113.00**
Revenues			
Federal Grants	219,520	-	-
Fees and Service Charges	47,589	41,800	130,200
General Fund Subsidy	11,377,082	11,735,050	12,837,988
Inter-Fund Reimbursements	911,758	894,863	1,069,470
Miscellaneous	2,060	-	-
Mututal Aid Reimbursements	158,760	-	-
Total Department Revenue	**$ 12,716,769**	**$ 12,671,713**	**$ 14,037,658**
Expenditures			
Salaries and Benefits	11,093,204	11,231,876	12,152,776
Supplies and Services	1,334,643	1,333,133	1,796,423
Special Projects	-	2,500	2,500
Non-Capital Equipment	288,922	104,204	85,959
Capital Equipment	-	-	-
Total Department Expenditures	**$ 12,716,769**	**$ 12,671,713**	**$ 14,037,658**

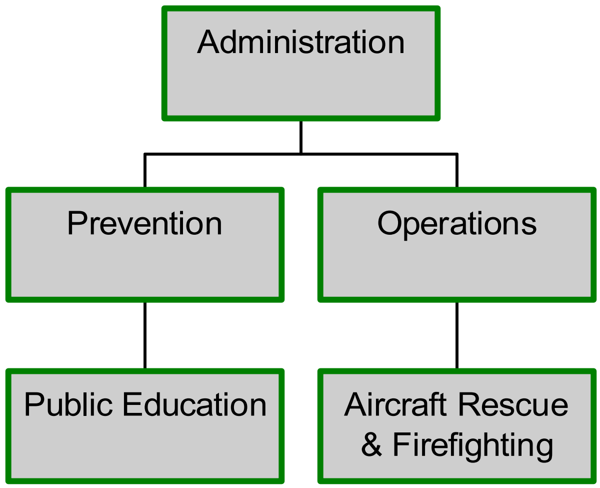
Department Fund Composition





Fire

Program Organizational Chart



FIRE

➢ **Administration**

Fire Prevention

Public Education

Operations

Aircraft Rescue and Firefighting (ARFF)

Administration

(Program No. 3111)

Mission Statement

Provide leadership, policy direction and administrative support to the entire department.

Program Activities

- Provide administrative direction and support for the entire department.
- Prepare department payroll, personnel actions, purchasing requisitions, and correspondence.
- Manage department computer and telecommunications networks.
- Manage department budget preparation and monitor department expenditures and revenues.

Objectives for Fiscal Year 2004

- Accomplish at least 85% of the entire department's objectives.
- Stabilize time lost due to injury at 8,500 or fewer hours.
- Submit 90% of mutual aid invoices to the Forest Service within 15 working days of completion of personnel assignment.
- Maintain annual fire loss at or below the previous three-year average.
- Complete the Emergency Communication System Upgrade Project.

RECENT PROGRAM ACHIEVEMENTS

The Fire Department negotiated an overhead rate increase with the Airport for firefighting and rescue services to more accurately recover costs associated with administering the ARFF program.

Financial and Staffing Information

	Actual FY 2002	Adopted FY 2003	Adopted FY 2004
Authorized FTEs	**7.00**	**7.00**	**5.00**
Revenues			
Inter-Fund Reimbursement	61,238	56,843	104,244
General Fund Subsidy	660,036	602,277	452,784
Total Revenue	**$ 721,274**	**$ 659,120**	**$ 557,028**
Expenditures			
Salaries and Benefits	680,880	620,484	480,798
Supplies and Services	40,394	38,636	76,230
Total Expenditures	**$ 721,274**	**$ 659,120**	**$ 557,028**

Program Performance Measures

	Adopted FY 2003	Projected FY 2003	Adopted FY 2004
Percent of department-wide objectives met	n/a	85%	85%
Hours lost due to injury	n/a	<8,500	<8,500
Percent of invoices submitted to Forest Service within 15 working days of assignment completion	n/a	90%	90%
Fire loss	n/a	<$1,215,074	<$1,215,074
Mutual aid reimbursements	n/a	$350,000	n/a

FIRE

- Administration
- ➢ **Fire Prevention**
- Public Education
- Operations
- Aircraft Rescue and Firefighting (ARFF)

Fire Prevention

(Program No. 3121)

Mission Statement

Protect life, property and the environment from fire, hazardous materials, and disasters through proactive code enforcement, modern fire prevention methods, fire and arson investigation and progressive public safety education.

Program Activities

- Participate in the Community Development Land Development Team.
- Conduct life safety inspections of hazardous materials facilities.
- Conduct fire and arson investigations.
- Conduct State mandated licensed facility inspections.
- Reduce the impact of wildland fire in the community through hazard reduction, public education, and code enforcement.
- Conduct fire code enforcement compliance inspections.
- Oversee fire prevention at the Airport in compliance with the Federal Aviation Administration regulations.

Objectives for Fiscal Year 2004

- Complete 95% of 138 hazardous materials facility inspections within the prescribed three-year schedule (46 per year).
- Complete 95% of 133 State mandated licensed facility inspections annually.
- Conduct 95% of new construction inspections within two working days of initial request.
- Complete 80% of all plan reviews submitted to the Community Development Department within the time allotted.
- Respond to 95% of code enforcement complaints within five working days from receipt of complaint.
- Resolve 85% of enforcement cases within four months of case initiation.
- Determine cause of 80% of fires investigated.
- Complete CEQA review of Wildland Fire Plan by January 2004.
- Increase the number of acres of vegetation management projects by 10%.
- Implement Business Self Inspection Program by January 2004.
- Complete Fire Prevention Bureau Incident Command System (ICS) training in support of the department's commitment to the Fire Mutual Aid system.

RECENT PROGRAM ACHIEVEMENTS

Staff completed tactical training, a conversion to digital imaging for investigations and code enforcement, and vegetation clearance along evacuation routes in high fire areas.

Financial and Staffing Information

	Actual FY 2002	Adopted FY 2003	Adopted FY 2004
Authorized FTEs	**11.00**	**11.00**	**10.00**
Revenues			
Fees and Service Charges	47,589	41,800	130,200
Miscellaneous	150	-	-
General Fund Subsidy	852,330	851,269	968,474
Total Revenue	**$ 900,069**	**$ 893,069**	**$ 1,098,674**
Expenditures			
Salaries and Benefits	781,614	768,203	912,616
Supplies and Services	112,014	119,641	180,833
Non-Capital Equipment	6,441	5,225	5,225
Total Expenditures	**$ 900,069**	**$ 893,069**	**$ 1,098,674**

Program Performance Measures

	Adopted FY 2003	Projected FY 2003	Adopted FY 2004
Percent of hazardous materials facility inspections completed within the prescribed schedule	n/a	95%	95%
Hazardous materials inspections	n/a	46	46
Percent of licensed facility inspections completed	n/a	95%	95%
Licensed faciltiy inspections	n/a	133	133
Percent of new constructions inspections by date requested	n/a	95%	95%
New constructions inspections	n/a	400	400
Percent of plan reviews completed within time allotted	n/a	80%	80%
Plan reviews completed	n/a	1,700	1,700
Percent of code enforcement complaints cleared within 90 days of receipt	n/a	50%	50%
Code enforcement complaints	n/a	200	200
Percent of all fires investigated where cause was determined	n/a	80%	80%
Public education contacts in high fire ares	n/a	4,900	5,000
Acres of vegetation cleared	n/a	22	24

Public Education

(Program No. 3122)

Mission Statement

Reduce injuries, loss of life and property by offering a comprehensive progressive fire and life safety education program to the community.

Program Activities

- Provide a variety of safety programs with age appropriate curriculums to school age children.
- Conduct Community Emergency Response Team (CERT) training.
- Target safety education to identified high-risk populations, including seniors, children, Spanish-speakers, and persons with disabilities.
- Collaborate with other emergency service providers to give comprehensive life safety information to the community.
- Provide business owners with the latest fire prevention and disaster mitigation information.
- Offer public education programs to the community in a variety of mediums in both English and Spanish.

Objectives for Fiscal Year 2004

- Increase public education presentations by 10%.
- Target 50% of public education programs at high-risk groups, including seniors, children, Spanish-speakers and persons with disabilities.
- Provide a minimum of three Community Emergency Response Team (CERT) trainings.
- Reach 80% of third grade students with the Fire Safety House Education program.

RECENT PROGRAM ACHIEVEMENTS

The Fire and Police Departments collaborated to offer the first combined bilingual Citizens Academy.

Staff participated in the Multi-agency Public Safety Fair at La Cumbre Plaza.

Financial and Staffing Information

	Actual FY 2002	Adopted FY 2003	Adopted FY 2004
Authorized FTEs	**1.00**	**1.00**	**1.00**
Revenues			
General Fund Subsidy	88,059	90,945	105,800
Total Revenue	**$ 88,059**	**$ 90,945**	**$ 105,800**
Expenditures			
Salaries and Benefits	63,463	63,344	72,932
Supplies and Services	24,596	27,601	32,868
Total Expenditures	**$ 88,059**	**$ 90,945**	**$ 105,800**

Program Performance Measures

	Adopted FY 2003	Projected FY 2003	Adopted FY 2004
Public education presentations	n/a	250	275
Percent of presentations targeted to high risk groups	n/a	50%	50%
Emergency response training programs offered	n/a	3	3
Percent of third grade students participating in the Fire Safety House program	n/a	80%	80%
Students participating in the Fire Safety House program	n/a	847	847

FIRE

Operations

(Program No. 3131)

Mission Statement

Save and protect lives, property, and the environment of the Santa Barbara community by preventing the impact of future events through proactive planning, public education, and occupancy fire code inspections.

Program Activities

- Prepare for and respond to a multitude of emergency situations.
- Provide ongoing training to department members that are required by local, state, and federal regulations.
- Conduct Fire Safety Inspections in order to reduce/prevent fire loss and injuries.
- Provide Public Education programs to help inform the residents of fire and other life-safety hazards within our community.

Objectives for Fiscal Year 2004

- Respond to 90% of all emergencies within jurisdiction in less than five minutes from receipt of alarm.
- Contain 80% of all structure fires to area or room of origin.
- Conduct an Engine Company Level Fire Safety Inspection on 98% of business and residential occupancies as required once during designated two-year periods.
- Conduct 80% of Fire Prevention re-inspections within three weeks of initial inspection.
- Stabilize time lost due to injury at 8,500 or fewer hours.
- Provide 100% of all required/mandated training classes to department personnel each calendar year.

RECENT PROGRAM ACHIEVEMENTS

Fire Operations was heavily involved in responding to wildfires throughout the West during the summer of 2002.

Financial and Staffing Information

	Actual FY 2002	Adopted FY 2003	Adopted FY 2004
Authorized FTEs	**96.00**	**96.00**	**88.00**
Revenues			
General Fund Subsidy	9,776,657	10,190,559	11,310,930
Intergovernmental	219,520	-	-
Mutual Aid Reimbursements	158,760	-	-
Other	1,910	-	-
Total Revenue	**$ 10,156,847**	**$ 10,190,559**	**$ 11,310,930**
Expenditures			
Salaries and Benefits	8,722,109	8,947,180	9,731,303
Supplies and Services	1,152,257	1,141,900	1,496,393
Non-Capital Equipment	282,481	98,979	80,734
Special Projects	-	2,500	2,500
Total Expenditures	**$ 10,156,847**	**$ 10,190,559**	**$ 11,310,930**

Program Performance Measures

	Adopted FY 2003	Projected FY 2003	Adopted FY 2004
Total calls for service	n/a	7,000	7,300
Emergency responses	n/a	3,840	3,840
Emergency responses for fire calls	n/a	960	960
Emergency responses for traffic accidents	n/a	1,280	1,280
Emergency responses for medical emergencies	n/a	2,280	2,280
Emergency responses on aircraft operational area	n/a	52	52
Percent of emergency responses under five minutes	n/a	90%	90%
Percent of fires limited to area of origin	n/a	80%	80%
Percent of occupancies to be inspected once every two years	n/a	98%	98%
Re-inspections to be completed within three weeks of initial inspection	n/a	80%	80%
Hours lost due to injury	n/a	<8,500	<8,500
Percent of training classes provided	n/a	100%	100%
Public Education staff hours completed	n/a	1,000	1,000

Aircraft Rescue and Firefighting (ARFF)

(Program No. 3141)

Mission Statement

Save and protect lives, property and the environment at the City of Santa Barbara Airport by preventing the impact of future events through proactive planning, public education and occupancy fire code inspections.

Program Activities

- Respond to all aircraft related emergencies at the Airport.
- Comply with all Federal Aviation Administration (FAA) standards for training and proficiency.
- Inspect all aircraft fueling vehicles for compliance with FAA standards.
- Receive reimbursements from the Airport Fund for all costs of the Aircraft Rescue and Firefighting (ARFF) Program.

Objectives for Fiscal Year 2004

- Respond to 97% of all emergencies on the aircraft operational area within three minutes.
- Ensure that 100% of all ARFF-certified personnel receive mandatory training during each quarter/calendar year per FAA standards.
- Complete 95% of assigned building and fuel handling inspections annually.

RECENT PROGRAM ACHIEVEMENTS

Staff developed an interactive PowerPoint training module for airport familiarization and communication with the FAA Tower and aircraft.

Financial and Staffing Information

	Actual FY 2002	Adopted FY 2003	Adopted FY 2004
Authorized FTEs	**9.00**	**9.00**	**9.00**
Revenues			
Inter-Fund Reimbursement	850,520	838,020	965,226
Total Revenue	**$ 850,520**	**$ 838,020**	**$ 965,226**
Expenditures			
Salaries and Benefits	845,138	832,665	955,127
Supplies and Services	5,382	5,355	10,099
Total Expenditures	**$ 850,520**	**$ 838,020**	**$ 965,226**

Program Performance Measures

	Adopted FY 2003	Projected FY 2003	Adopted FY 2004
Percent of emergency responses in the aircraft operational area within three minutes	n/a	95%	97%
Emergency responses on the Airport Operational Area	n/a	52	52
Percent of certified personnel trained to FAA standards	n/a	100%	100%
Percent of assigned building and fuel handling inspections completed	n/a	95%	95%
Building and fuel handling inspections	n/a	185	185

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Library

Provide information services, reading materials, and educational resources to residents of all ages from the Santa Ynez Valley to Carpinteria.

About the Library

The Library Department is responsible for providing a full range of contemporary library services to over 224,000 residents of southern Santa Barbara County. The largest components of the department are areas of public service at the Central and branch libraries, including circulation, reference, youth services, periodicals and reserve materials.

Additional activities in support of direct service include an adult literacy program, interlibrary loan and borrowing, acquisition of materials in a variety of formats, cataloging and processing of collection materials, delivery of supplies and materials throughout the library system, oversight of the automated computer system, Internet stations and website, and maintenance and repair of library facilities.

Branches of the Santa Barbara Public Library System outside the City of Santa Barbara are owned and funded by the County of Santa Barbara and administered under an agreement with the City.

Fiscal Year 2004 Budget Highlights

Library expenditures have been lowered by 10.7% in fiscal year 2004 due to cuts in the Public Library Foundation of the State of California, economics affecting the amount of City General Fund monies available to support Libraries, and diminished donation totals. The Library Department eliminated 1.3 FTE positions, resulting in a reduction in the Adult Literacy Program, and spreading work assignments among fewer staff at public service desks.

By using technology and aggressively seeking outside revenues, Library staff will continue to offer programming, multi-format collections and extensive research resources to all our residents.

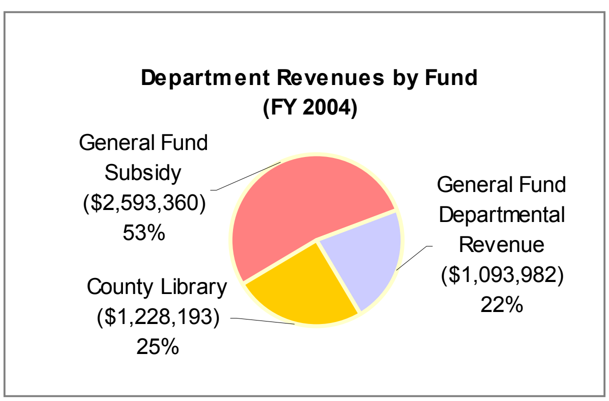
DEPARTMENT SUMMARY

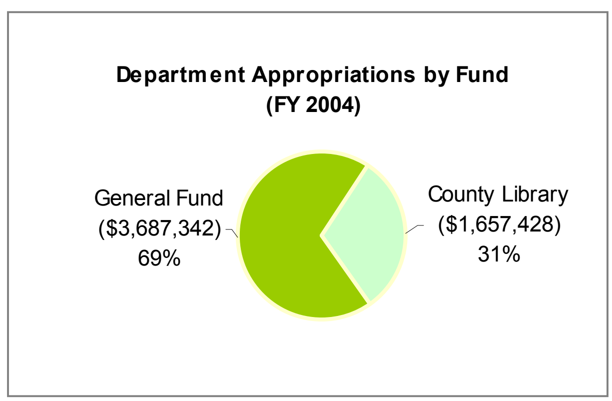
Library

Department Financial and Staffing Summary

	Actual FY 2002	Adopted FY 2003	Adopted FY 2004
Authorized Positions (FTEs)	**50.50**	**50.50**	**49.20**
Revenues			
Service Charges	26,467	28,250	26,000
Library Fines	245,879	234,000	250,000
Rents	10,940	14,000	12,000
Intergovernmental	1,916,480	1,785,298	1,760,390
Library Gift Funds	72,676	88,667	205,785
Donations	77,864	95,600	68,000
Other	300	-	-
General Fund Subsidy	2,320,974	2,363,585	2,593,360
Total Department Revenue	**$ 4,671,580**	**$ 4,609,400**	**$ 4,915,535**
Expenditures			
Salaries and Benefits	3,389,590	3,620,403	3,687,295
Supplies and Services	766,667	758,802	1,246,475
Special Projects	192	-	-
Equipment Capital	589,854	453,560	411,000
Total Department Expenditures	**$ 4,746,303**	**$ 4,832,765**	**$ 5,344,770**
Addition to (Use of) Reserves	**$ (74,723)**	**$ (223,365)**	**$ (429,235)**

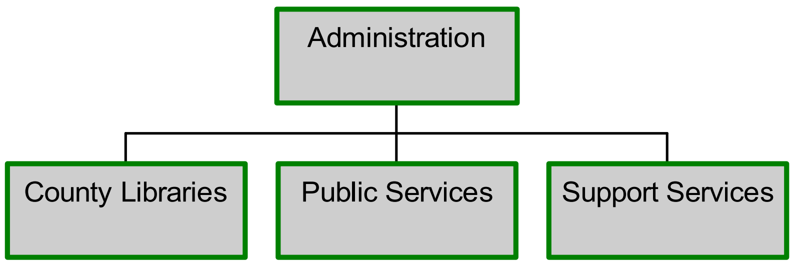
Department Fund Composition





Library

Program Organizational Chart



Administration

(Program No. 5111)

Mission Statement

Provide system-wide leadership, planning and direction, anticipating and addressing the library services needs of residents.

Program Activities

- Direct program and staff providing library services to 224,350 residents of southern Santa Barbara County.
- Prepare budget, payroll, correspondence, public relations materials, reports, documents, accounts and purchase orders.
- Coordinate the volunteer program.
- Participate in activities of library organizations, citizen groups, state and local government boards, committees and councils.
- Coordinate use of City Libraries public meeting rooms by over 93 local organizations and over 25,000 residents annually.

Objectives for Fiscal Year 2004

- Ensure accomplishment of at least 80% of Department program objectives.
- Manage budget preparation and oversee revenues and expenditures to ensure expenditures are within budget targets.
- Survey library users to determine overall satisfaction with library services, programs and collections.
- Maintain the number of residents using Central and Eastside meeting rooms and exhibit areas at 23,000 (non library-sponsored).

RECENT PROGRAM ACHIEVEMENTS

Library Administration secured local and state grants in excess of $124,000 for Library System needs, and worked with Friends of the Library to establish an Endowment Fund for Library enhancements.

Financial and Staffing Information

	Actual FY 2002	Adopted FY 2003	Adopted FY 2004
Authorized FTEs	**3.00**	**3.00**	**3.00**
Revenues			
Intergovernmental	75,000	78,000	87,168
Other	142	-	-
General Fund Subsidy	178,696	209,824	191,279
Total Revenue	**$ 253,838**	**$ 287,824**	**$ 278,447**
Expenditures			
Salaries and Benefits	245,448	281,010	269,981
Supplies and Services	8,390	6,814	8,466
Total Expenditures	**$ 253,838**	**$ 287,824**	**$ 278,447**

Program Performance Measures

	Adopted FY 2003	Projected FY 2003	Adopted FY 2004
Percent of Library Department program objectives accomplished	n/a	80%	80%
State and local government expenditure per capita for library services for City residents	n/a	$40.33	$37.31
State and local government expenditure per capita for library services for County service area residents	n/a	$6.98	$7.45
Percent of service area residents rating overall library service as favorable	n/a	n/a	85%
Residents using meeting rooms and exhibit spaces	n/a	23,000	23,000

Public Services

(Program No. 5112)

Mission Statement

Provide information services programming and equal access to materials for all residents of Santa Barbara in order to promote reading and lifelong learning.

Program Activities

- Provide in-depth reference service for patrons in the library, by telephone and online via the library's website.
- Provide a variety of programs, including story times, puppet shows, crafts, movies and coordination of the system-wide Summer Reading Program to encourage the City's youth to read.
- Provide access to the Library's collections using an automated circulation system, including checkout and return of materials, payment of fines and fees, and pickup of reserve materials.
- Maintain the library's website, providing remote access to information about library services, and to the library's online catalog and information databases.
- Provide Bookmobile service to locations on Santa Barbara's Westside and Lower Westside.

Objectives for Fiscal Year 2004

- Attain a level of 145,000 reference contacts with the City's residents.
- Develop a database of registered City borrowers using Library services within the last three years.
- Attain a circulation total of 660,000 items checked out from City libraries.
- Increase the number of visits to the library's website by 5%.
- Increase the number of contacts with City youth (under 18) by 2.5%.

RECENT PROGRAM ACHIEVEMENTS

The Library co-sponsored a one book—one community reading program called "Santa Barbara Reads" with discussion groups and programs on subjects from the first selected book, *The Tortilla Curtain*.

Financial and Staffing Information

	Actual FY 2002	Adopted FY 2003	Adopted FY 2004
Authorized FTEs	**22.70**	**22.70**	**22.65**
Revenues			
Service Charges	26,467	28,250	26,000
Library Fines	118,774	115,000	120,000
Rents	10,940	14,000	12,000
Intergovernmental	680,059	704,000	611,188
Donations (Black Gold)	8,356	31,600	-
Library Gift Funds	20,000	88,667	205,785
Other	158	-	-
General Fund Subsidy	1,064,385	961,341	1,056,737
Total Revenue	**$ 1,929,139**	**$ 1,942,858**	**$ 2,031,710**
Expenditures			
Salaries and Benefits	1,551,736	1,604,448	1,703,772
Supplies and Services	51,599	44,600	77,938
Equipment Capital	325,804	293,810	250,000
Total Expenditures	**$ 1,929,139**	**$ 1,942,858**	**$ 2,031,710**

Program Performance Measures

	Adopted FY 2003	Projected FY 2003	Adopted FY 2004
Items checked out	n/a	663,000	660,000
Circulation per capita for City residents	n/a	7.1	7.1
Reference questions answered at City libraries	n/a	134,000	130,000
Users receiving information technology training	n/a	17,750	15,000
Visits to Central and Eastside Branch libraries	n/a	572,000	572,000
Visits to Library website	n/a	420,000	441,000
Contacts with City youth (under 18)	n/a	20,500	21,000

Administration
Public Services
➢ Support Services
County Libraries

Support Services

(Program No. 5113)

Mission Statement

Provide operational support to acquire, process and catalog collections, support technology hardware and software, maintain facilities and coordinate literacy efforts within the service area.

Program Activities

- Process books and other collection materials.
- Coordinate tutoring services for the Adult Literacy program.
- Maintain public and staff computer hardware and software.
- Maintain online database of holdings of the Santa Barbara Public Library (SBPL) System.
- Borrow materials from other libraries to fill user requests.
- Maintain safe and clean environment for public and staff.

Objectives for Fiscal Year 2004

- Reduce the number of days from receipt of new book materials to public availability to an average of 15 working days.
- Ensure that 45% of collection materials in science and technology are less than seven years old.
- Maintain 2.97 collection materials per capita per City resident.
- Maintain at least 55 learners in the Adult and Family Literacy Program.
- Resolve 70% of computer service calls within eight work hours.

RECENT PROGRAM ACHIEVEMENTS

The Library added over 13,600 books, videos, audiotapes and CDs to Santa Barbara Public Library System Libraries.

Financial and Staffing Information

	Actual FY 2002	Adopted FY 2003	Adopted FY 2004
Authorized FTEs	**13.00**	**13.00**	**10.75**
Revenues			
Intergovernmental	35,110	32,598	28,841
Donations	690	4,000	3,000
General Fund Subsidy	1,077,893	1,192,420	1,345,344
Total Revenue	**$ 1,113,693**	**$ 1,229,018**	**$ 1,377,185**
Expenditures			
Salaries and Benefits	712,682	795,098	690,094
Supplies and Services	399,340	430,170	687,091
Equipment Capital	1,671	3,750	-
Total Expenditures	**$ 1,113,693**	**$ 1,229,018**	**$ 1,377,185**

Program Performance Measures

	Adopted FY 2003	Projected FY 2003	Adopted FY 2004
Percent of technology service calls resolved within eight work hours	n/a	60%	70%
Average number of working days to process new book materials	n/a	20	15
Books and AV materials processed by technical services	n/a	28,000	26,000
Expenditure per capita for library materials for SBPL System	n/a	$2.18	$2.00
Materials owned per capita per City resident	n/a	2.97	2.97
Requests filled	n/a	50,000	50,000
New items purchased for science and technology collections	n/a	2,016	600
Percent of collection materials in science and technology that are less than seven years old	n/a	35%	45%
Learners in the Adult Literacy Program	n/a	65	55
Average cost per learner in the Adult Literacy Program	n/a	$600	$600

LIBRARY

RECENT PROGRAM ACHIEVEMENTS

Over 2,150 books were distributed to second grade students through the Reading is Fundamental program.

County Libraries

(Program Nos. 5122, 5123, 5125)

Mission Statement

Provide a full range of library services to residents outside the City of Santa Barbara, in the area extending from the Santa Ynez Valley to Carpinteria.

Program Activities

- Circulate collection materials, collect fines and fees, fill reserve requests, and provide information on use of the library.
- Offer a variety of programs, including story times, puppet shows, crafts, movies and a Summer Reading Program to encourage the youth in the County service area to maintain their reading skills.
- Answer reference questions for patrons in the library and by telephone.
- Provide meeting room and exhibit space for community use.
- Deliver supplies, materials and collection items to all branches of SBPL system.

Objectives for Fiscal Year 2004

- Attain a circulation total of 710,000 items checked out from County branches.
- Develop a database of registered county borrowers using library services within the last three years.
- Increase the number of audiovisual items owned to 96 audiobooks per 1,000 county service area residents.
- Ensure that 45% of collection materials in science and technology are less than seven years old.
- Increase the number of residents using meeting rooms, exhibit areas and homework center facilities to 13,000.
- Increase the number of contacts with county youth (under 18) by 2.5%.

Financial and Staffing Information

	Actual FY 2002	Adopted FY 2003	Adopted FY 2004
Authorized FTEs	**11.80**	**11.80**	**12.80**
Revenues			
Donations	68,818	60,000	65,000
Intergovernmental	1,126,311	970,700	1,033,193
Library Fines	127,105	119,000	130,000
Library Gift Funds	52,676	-	-
Total Revenue	**$ 1,374,910**	**$ 1,149,700**	**$ 1,228,193**
Expenditures			
Salaries and Benefits	879,724	939,847	1,023,448
Supplies and Services	307,338	277,218	472,980
Special Projects	192	-	-
Capital Equipment	262,379	156,000	161,000
Total Expenditures	**$ 1,449,633**	**$ 1,373,065**	**$ 1,657,428**
Addition to (Use of) Reserves	**$ (74,723)**	**$ (223,365)**	**$ (429,235)**

Program Performance Measures

	Adopted FY 2003	Projected FY 2003	Adopted FY 2004
Items checked out from County branches	n/a	707,000	710,000
Residents using meeting rooms, exhibit areas or homework center in County branches	n/a	12,500	13,000
Circulation per capita for County service area residents	n/a	5.25	5.25
Audiovisual items per 1,000 County service area resudents	n/a	90	96
Percent of collection materials in science and technology that are less than seven years old	n/a	35%	45%
Contacts with County youth (under 18)	n/a	25,000	25,625

Mayor and City Council

Establish policy, approve programs, and oversee the financial affairs of the City to govern the City of Santa Barbara.

About Mayor and City Council

The Office of 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.

Fiscal Year 2004 Budget Highlights

Mayor and City Council established nine Council Goals and developed key strategies, plans and projects to achieve these Goals, including the following highlights:

- Housing Element will be updated, in accordance with State law.
- Old Mission Creek restoration at Bohnett Park will be completed.
- Granada Garage will be constructed with 575 parking spaces.
- Airport will begin implementation of the Aviation Facilities Plan.
- City's fiscal condition will be monitored closely.
- A performance management program will provide Council, staff and the public with information to make operational and budget decisions.

DEPARTMENT SUMMARY

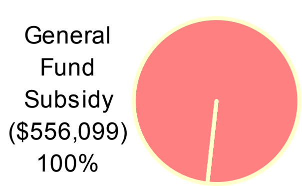
Mayor and City Council

Department Financial and Staffing Summary

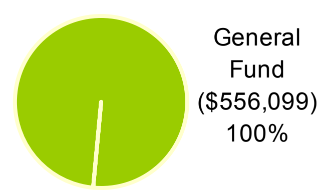
	Actual FY 2002	Adopted FY 2003	Adopted FY 2004
Authorized Positions (FTEs)	**9.00**	**9.00**	**9.00**
Revenues			
General Fund Subsidy	419,481	460,524	556,099
Total Department Revenue	**$ 419,481**	**$ 460,524**	**$ 556,099**
Expenditures			
Salaries and Benefits	255,976	286,744	317,218
Supplies and Services	156,965	169,387	236,881
Special Projects	4,540	2,393	2,000
Non-Capital Equipment	2,000	2,000	-
Total Department Expenditures	**$ 419,481**	**$ 460,524**	**$ 556,099**

Department Fund Composition

Department Revenues by Fund (FY 2004)



Department Appropriations by Fund (FY 2004)



PROGRAMS & SERVICES

MAYOR AND CITY COUNCIL

➢ Mayor and City Council

Mayor & City Council

(Program No. 1111)

Mission Statement

Establish policy, approve programs, and oversee the financial affairs of the City to govern the City of Santa Barbara.

Program Activities

- Respond to the needs and concerns of citizens.
- Establish policy and approve programs.
- Oversee the City's finances.
- Oversee and evaluate the programs and accomplishments of departments.
- Serve as liaisons on all City boards, commissions, and advisory groups and appointees on regional, state, and national committees.
- Advise staff on pending litigation and personnel issues.
- Create City Council Goals to guide department budget and program decisions.

Objectives for Fiscal Year 2004

- Adopt the Fiscal Year 2005 budget and approve the Fiscal Year 2004-2005 Financial Plan by June 30, 2004.
- Act on staff and advisory boards and commissions' recommendations at weekly Council meetings.
- Appoint members to the City advisory boards and commissions twice annually.

RECENT PROGRAM ACHIEVEMENTS

The City Council adopted the Fiscal Year 2003 Budget.

Financial and Staffing Information

	Actual FY 2002	Adopted FY 2003	Adopted FY 2004
Authorized FTEs	**9.00**	**9.00**	**9.00**
Revenues			
General Fund Subsidy	419,481	460,524	556,099
Total Revenue	**$ 419,481**	**$ 460,524**	**$ 556,099**
Expenditures			
Salaries and Benefits	255,976	286,744	317,218
Supplies and Services	156,965	169,387	236,881
Special Projects	4,540	2,393	2,000
Non-Capital Equipment	2,000	2,000	
Total Expenditures	**$ 419,481**	**$ 460,524**	**$ 556,099**

Program Performance Measures

	Adopted FY 2003	Projected FY 2003	Adopted FY 2004
Council meetings	n/a	52	52
Public service calls	n/a	16,800	16,800

Non-Departmental

About Non-Departmental

The Non-Departmental "department" is used to account for costs not directly related to any specific department. It consists of two programs: the General Government program and the Community Promotions program.

The General Government program includes funding for debt service on General Fund long-term debt, the General Fund capital program and the appropriated reserves established each year pursuant to City reserves policies.

The Community Promotions program includes funding for a number of non-profit organizations within the City that coordinate festivals and events throughout the year, including Fiesta, the fourth of July fireworks show, the Spirit of '76 Parade, Semana Nautica, Summer Solstice, and many others.

The City also provides funding to the Conference and Visitor's Bureau to support their marketing efforts, designed to attract visitors to the South Coast, and funding to the Chamber of Commerce Visitor's Center.

Fiscal Year 2004 Budget Highlights

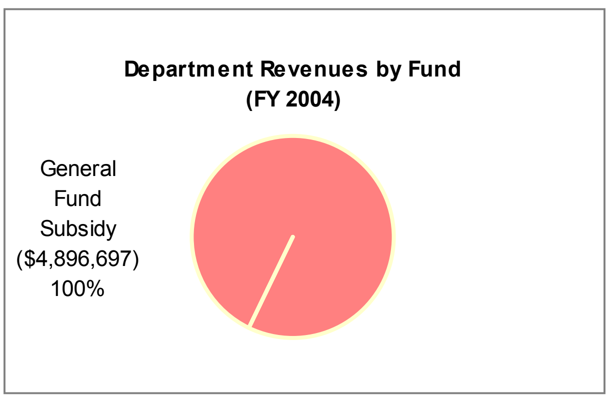
Effective with the development of the fiscal year 2004 budget, several costs were distributed to individual departments and programs that were previously accounted for in the General Government Program. Costs allocated specifically included those associated with the maintenance program of City facilities, the General Fund's portion of property and liability insurance and revenue audits. This change was one of several measures implemented in connection with this budget to more accurately reflect all costs in programs associated with providing services.

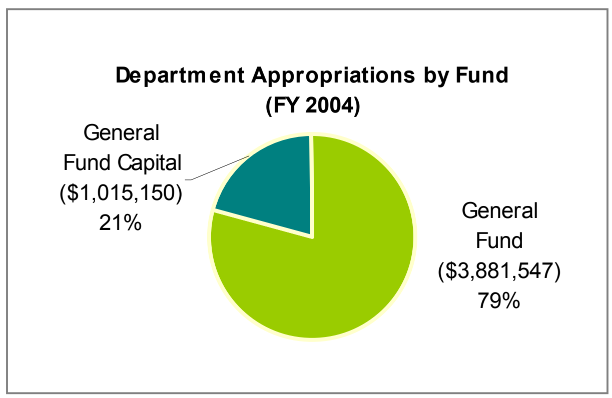
Non-Departmental

Department Financial and Staffing Summary

	Actual FY 2002	Adopted FY 2003	Adopted FY 2004
Authorized Positions (FTEs)	-	-	-
Revenues			
General Fund Subsidy	10,571,284	10,244,822	4,896,697
Total Department Revenue	**$ 10,571,284**	**$ 10,244,822**	**$ 4,896,697**
Expenditures			
Supplies and Services	1,861,496	2,343,138	111,688
Special Projects	2,125,854	2,397,729	2,390,485
Debt Service Transfer	360,736	380,340	354,374
Other Transfers	229,500	-	150,000
Miscellaneous	2,774	-	-
Appropriated Reserve	-	620,943	875,000
Total Department Expenditures	**$ 4,580,360**	**$ 5,742,150**	**$ 3,881,547**
General Fund Capital	5,990,924	4,502,672	1,015,150
Total Operating and Capital	**$ 10,571,284**	**$ 10,244,822**	**$ 4,896,697**

Department Fund Composition





Community Promotions

(Program No. 9331)

Mission Statement

Provide grants to various organizations to promote art, events and festivals and to enhance tourism in the City of Santa Barbara.

Program Activities

- Administer contracts between the City and various grantees that enhance tourism and promote art, events, and festivals.
- Provide funding to the County Arts Commission for administration of the Arts and Events Programs.
- Provide grant funding to art and community organizations for arts and events.
- Provide funding for the Downtown Cultural District Programs Development administered by the Arts Advisory Committee.
- Provide funding to community organizations to support marketing of Santa Barbara and to enhance tourism.
- Provide funding towards the maintenance of the Santa Barbara Zoo gardens.

Objectives for Fiscal Year 2004

- Ensure that grantees are in compliance with contract provisions.

RECENT PROGRAM ACHIEVEMENTS

The City maintained the level of funding for arts, events, and marketing for fiscal year 2003 in relation to fiscal year 2002.

Financial and Staffing Information

	Actual FY 2002	Adopted FY 2003	Adopted FY 2004
Authorized FTEs			
Revenues			
General Fund Subsidy	2,294,558	2,593,273	2,433,273
Total Revenue	**$ 2,294,558**	**$ 2,593,273**	**$ 2,433,273**
Expenditures			
Supplies and Services	203,382	261,688	111,688
Special Projects	2,091,176	2,331,585	2,321,585
Total Expenditures	**$ 2,294,558**	**$ 2,593,273**	**$ 2,433,273**

Program Performance Measures

	Adopted FY 2003	Projected FY 2003	Adopted FY 2004
Total Community Promotions funding as a percent of General Fund operating budget	n/a	1.2%	1.2%
Total Marketing and Tourism funding as a percent of General Fund operating budget	n/a	1.6%	1.6%

General Government

(Program No. 9911)

Mission Statement

Fund debt service and capital, and account for required appropriated reserve balances.

Program Activities

- Establish, track and adjust as necessary the required appropriated reserve balances.
- Establish the funding level, pursuant to Council action, for the General Fund capital program.
- Establish the required funding level for debt service based on debt service schedules associated with outstanding General Fund indebtedness.

Objectives for Fiscal Year 2004

- Ensure that appropriated reserves are established in accordance with Council policy.
- Ensure that the use of appropriated reserves is consistent with Council policy.
- Ensure that the use of funds established for capital is consistent with the approved funding.

BUDGET HIGHLIGHT

Costs for the City's Planned Maintenance Program and insurance were transferred from Non-Departmental and allocated to General Fund departmental programs to reflect the true costs of providing services at the program level.

Financial and Staffing Information

	Actual FY 2002	Adopted FY 2003	Adopted FY 2004
Authorized FTEs	-	-	-
Revenues			
General Fund Subsidy	8,276,726	7,651,549	2,463,424
Total Revenue	**$ 8,276,726**	**$ 7,651,549**	**$ 2,463,424**
Expenditures			
Supplies and Services	1,658,114	2,081,450	-
Special Projects	34,678	66,144	68,900
Debt Service Transfer	360,736	380,340	354,374
Other Transfers	229,500	-	150,000
Miscellaneous	2,774	-	-
Appropriated Reserve	-	620,943	875,000
Total Operating Expenditures	**2,285,802**	**3,148,877**	**1,448,274**
General Fund Capital Outlay	5,990,924	4,502,672	1,015,150
Total Operating and Capital	**$ 8,276,726**	**$ 7,651,549**	**$ 2,463,424**

Program Performance Measures

	Adopted FY 2003	Projected FY 2003	Adopted FY 2004
Capital funding as a percentage of the General Fund operating budget	2.5%	2.5%	2%
Total General Fund long-term debt as a % of General Fund operating budget	10%	10%	9%

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DEPARTMENT SUMMARY

Parks and Recreation

Provide residents and visitors with diverse open space, parks, beaches and community forest resources, creek restoration and water quality enhancements, and to enrich people's lives with varied recreation and community services.

About Parks and Recreation

The Parks and Recreation Department manages a diverse and unique park and recreation system, providing citizens and visitors with clean and safe open spaces, parks, beaches, recreation programs and facilities, and community services.

Open space and parkland total 1,764 acres. The community forest consists of 23,000 street trees and 12,000 park and open space trees.

Sports areas encompass 28 tennis courts, two swimming pools, beach volleyball courts, sports fields, lawn bowling greens, a golf course, and a skateboard facility. Other resources include 13 community buildings, four community gardens, 22 accessible playgrounds, beach access areas, and numerous trail systems.

Recreation programs and Community Services provide a wide variety of opportunities for people of all ages and abilities in sports, various classes, tennis, aquatics, and cultural arts, among other interests.

Specialized programs provide services for youth, teens, seniors, low-income families, and people living with disabilities. A strong commitment to collaborations, partnerships and volunteers enhances recreation opportunities for the community.

The department is also responsible for managing the recently created Creeks Restoration and Water Quality Improvement Program in collaboration with Public Works and Community Development.

Fiscal Year 2004 Budget Highlights

- City Council adoption and implementation of Douglas Family Preserve Management Plan.
- City Council adoption of Franceschi Park Master Plan.
- Complete Bohnett Park Expansion and Ortega Park Improvements.
- Replace Oak Park Bridge and Stevens Park Restroom.
- Prune 5,170 street trees and plant 300 new trees.
- Recover 39% of Recreation Division expenditures from user fee revenues.
- Provide after-school recreation for 4,800 youth at 10 elementary and 4 junior high schools.
- Provide information and referral on City services and community social services through 6,500 contacts.
- Complete construction of Old Mission Creek Restoration at Bohnett Park.
- Develop preliminary watershed plans for Arroyo Burro and Mission Creek.

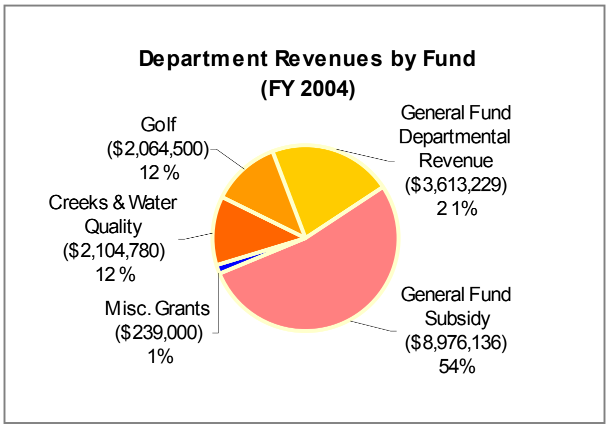
Parks and Recreation

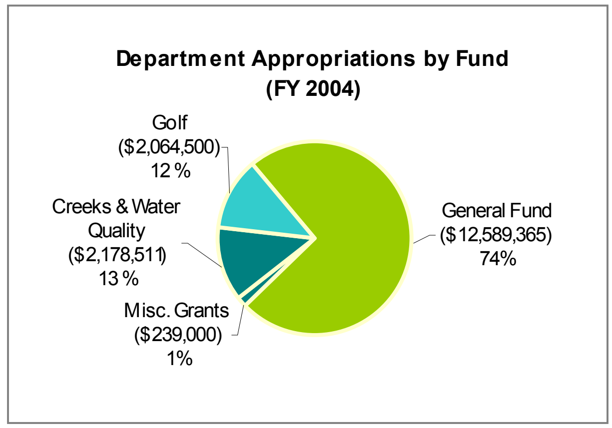
Department Financial and Staffing Summary

	Actual FY 2002	Adopted FY 2003	Adopted FY 2004
Authorized Positions (FTEs)	**99.85**	**99.85**	**97.80**
Revenues			
Donations	381,492	113,835	127,500
Fees and Service Charges	2,079,887	2,135,847	2,388,250
General Fund Subsidy	7,331,883	7,379,883	8,976,136
Golf Fees	1,638,315	1,677,142	1,759,500
Grants	253,350	226,341	174,000
Inter-Fund Reimbursements (Streets)	316,788	744,579	844,579
Interest Income	190,426	115,000	105,000
Intergovernmental	45,685	38,975	-
Leases and Rents	482,619	438,295	561,900
Other	1,139	6,000	6,000
Transient Occupancy Tax (Measure B)	1,967,363	1,994,900	2,054,780
Total Department Revenue	**$ 14,688,947**	**$ 14,870,797**	**$ 16,997,645**
Expenditures			
Salaries and Benefits	7,615,637	8,285,583	8,319,285
Supplies and Services	4,970,085	4,837,143	6,973,586
Special Projects	365,340	96,475	318,300
Inter-Fund Reimbursements	-	-	150,000
Appropriated Reserve	-	176,685	50,449
Non-Capital Equipment	97,024	72,888	68,200
Capital Equipment	87,586	198,484	-
Debt Service	76,054	196,303	182,556
Miscellaneous	38,639	-	-
Total Operating Expenditures	**$ 13,250,365**	**$ 13,863,561**	**$ 16,062,376**
Capital Program	**755,301**	**1,013,000**	**1,009,000**
Total Department Expenditures	**$ 14,005,666**	**$ 14,876,561**	**$ 17,071,376**
Addition to (Use of) Reserves	**$ 683,281**	**$ (5,764)**	**$ (73,731)**

Parks and Recreation

Department Fund Composition





Program Organizational Chart

- Administration
  - Business Services
  - Recreation Program Management
    - Facilities and Registration Services
    - Cultural Arts
    - Youth Activities
    - Teen Programs
    - Adapted Recreation
    - Senior Recreation Services
    - Aquatics
    - Sports
    - Tennis
    - Community Services
  - Parks Operation Management
    - Grounds and Facilities Maintenance
    - Forestry
    - Beach Maintenance
    - Chase Palm Park
  - Golf Course
  - Creeks Restoration and Water Quality Improvement

PARKS & RECREATION

RECENT PROGRAM ACHIEVEMENTS

The Department completed Phase I of the Aquatic Complex Feasibility Study and a phased joint project with the Santa Barbara School District to renovate four sports fields.

Administration

(Program No. 6811)

Mission Statement

Provide policy direction, strategic planning, administrative support and oversight for five divisions and project planning, design and construction projects.

Program Activities

- Provide administrative direction and support for Parks Division, Creeks Restoration and Water Quality Improvement, Recreation Division (including Community Services, Golf Division, Business Services Division and Planning Section.
- Coordinate and provide staff support for Park and Recreation Commission and fourteen Advisory Committees.
- Oversee open space, park and recreation master planning.
- Oversee park design, rehabilitation, and refurbishment.
- Build community partnerships and agreements with other agencies and community organizations to enhance and expand resources.
- Collaborate with the Parks and Recreation Community (PARC) Foundation.

Objectives for Fiscal Year 2004

- Achieve 80% of Department objectives.
- Achieve 80% of targeted milestone dates for annual capital project objectives.
- Coordinate staff support and communications for Park and Recreation Commission and 14 Advisory Committees.
- Maintain $200,000 in volunteer support to enhance Department resources.
- Maintain $325,000 in cash and non-cash donations and grants from public and private resources.
- Complete the Study for the Rehabilitation of Carrillo Recreation Center by January 2004.

Financial and Staffing Information

	Actual FY 2002	Adopted FY 2003	Adopted FY 2004
Authorized FTEs	**2.80**	**2.80**	**2.80**
Revenues			
General Fund Subsidy	298,769	309,081	334,829
Total Revenue	**$ 298,769**	**$ 309,081**	**$ 334,829**
Expenditures			
Salaries and Benefits	258,533	276,079	286,877
Supplies and Services	15,236	33,002	47,952
Special Projects	25,000	-	-
Total Expenditures	**$ 298,769**	**$ 309,081**	**$ 334,829**

PARKS & RECREATION

Administration
➢ **Business Services**
Recreation Program Management
Facilities and Reservation Services
Cultural Arts
Youth Activities
Teen Programs
Adapted Recreation
Senior Recreation Services
Aquatics
Sports
Tennis
Community Services
Creeks Restoration and Water Quality Improvement
Golf Course
Park Operations Management
Grounds and Facilities Maintenance
Forestry
Beach Maintenance
Chase Palm Park

RECENT PROGRAM ACHIEVEMENTS

The Department web site was updated to include all Divisions and to add a Facilities component that allows users to check facilities and availability on-line.

Business Services

(Program No. 6815)

Mission Statement

Manage the Department's financial process for budget, revenue, capital improvement projects, contracts, leases, grants, marketing and communications, and customer service to assist staff in effectively and efficiently serving the public.

Program Activities

- Oversee the Department's financial business for budget, revenue, contracts, leases, grants, and capital improvement projects.
- Provide marketing and design services that allow the public to easily access Department information through print, broadcast, and electronic medium.
- Manage the Santa Barbara Golf Club professional and food concession contracts.
- Provide financial analysis and produce a variety of reports for the Department staff which depict the financial status of the Department, both monthly and annually.
- Manage the technology system in the Department, through liaison with the Information Systems Division, and coordinate implementation and training as technological applications broaden in the Department.

Objectives for Fiscal Year 2004

- Complete all annual expenditure, revenue and capital improvement project development, budget development, and other financial reports within established deadlines.
- Provide accurate expenditure and revenue budget forecasts for the entire fiscal year on a monthly basis to Department Managers.
- Increase website summer camp registrations from 50% to 60% of all registrations.
- Increase website non-camp registrations from 15% to 20%.
- Ensure compliance on Department contracts by maintaining a contract and agreement tracking system for insurance certificate, term of contract and renewals, and distributing reports to staff quarterly
- Perform ten Recreation program audits of financial procedures and processing.
- Update parks and recreation project status reports quarterly.

Financial and Staffing Information

	Actual FY 2002	Adopted FY 2003	Adopted FY 2004
Authorized FTEs	**2.50**	**2.50**	**3.30**
Revenues			
Fees and Service Charges	-	-	50,000
General Fund Subsidy	283,890	328,855	413,657
Total Revenue	**$ 283,890**	**$ 328,855**	**$ 463,657**
Expenditures			
Salaries and Benefits	218,573	236,338	297,239
Supplies and Services	63,208	90,465	141,218
Special Projects	-	-	23,000
Non-Capital Equipment	2,109	2,052	2,200
Total Expenditures	**$ 283,890**	**$ 328,855**	**$ 463,657**

Program Performance Measures

	Adopted FY 2003	Projected FY 2003	Adopted FY 2004
Expenditure and revenue budget projection forecasts provided to Department Managers	n/a	12	12
Percent of camp registrations completed on the Internet	n/a	50%	60%
Percent of non-camp registrations completed on the Internet	n/a	15%	20%
Recreation program audits of financial procedures	n/a	10	10
User hits to Parks and Recreation web site	n/a	n/a	25,000
User hits to eRecreation web site	n/a	n/a	12,000

PARKS & RECREATION

RECENT PROGRAM ACHIEVEMENTS

An Adapted Program Management Audit Report was completed, providing a useful tool for current and future program planning.

Recreation Program Management

(Program No. 6111)

Mission Statement

Manage Recreation Division resources and foster collaborations to provide high quality and diverse recreation activities that enrich people's lives and promote healthy lifestyles.

Program Activities

- Provide administrative oversight to the Recreation Division, including personnel and budget management, planning, day-to-day operations, program development and evaluation, and facility management.
- Develop and administer a wide variety of structured recreation programs to encourage active lifestyles, enrich people's lives, and promote the benefits of recreation for the community.
- Manage community buildings and sports facilities, and oversee public and private use of park and recreation facilities for special events and community recreation. Coordinate customer service for parks and recreation programs, facilities and services including reception, information, activity registration, and facility reservation.
- Facilitate sponsorship and partnership agreements with community organizations to enhance public recreation opportunities.
- Manage revenues produced from activity fees, facility rentals, grants and partnerships.

Objectives for Fiscal Year 2004

- Manage division programs to achieve 85% of performance objectives.
- Recover a minimum of 39% of Recreation Division expenditures through user fee revenues.
- Complete 80% of capital projects by targeted completion dates.
- Negotiate and complete 20 annual co-sponsorship agreements to enhance community recreation opportunities.
- Achieve a minimum of 23,000 volunteer hours to supplement city resources.
- Improve division safety compliance by reducing employee injuries by 25%.
- Improve division safety compliance by reducing avoidable vehicle accidents to none in 2004.

Financial and Staffing Information

	Actual FY 2002	Adopted FY 2003	Adopted FY 2004
Authorized FTEs	**3.00**	**3.00**	**3.00**
Revenues			
General Fund Subsidy	267,981	302,756	371,727
Grants	1,356	-	-
Total Revenue	**$ 269,337**	**$ 302,756**	**$ 371,727**
Expenditures			
Salaries and Benefits	245,951	276,350	292,573
Supplies and Services	21,220	26,406	78,154
Non-Capital Equipment	2,166	-	1,000
Total Expenditures	**$ 269,337**	**$ 302,756**	**$ 371,727**

Program Performance Measures

	Adopted FY 2003	Projected FY 2003	Adopted FY 2004
Percent of division performance objectives achieved	n/a	80%	85%
Percent of expenditure budget recovered by user fee revenue for the Recreation Division general fund	n/a	52%	39%
Co-sponsorship agreements completed	n/a	22	20
Volunteer hours	n/a	23,000	23,000
Employee injuries	n/a	12	9
Avoidable vehicle accidents	n/a	0	0
User fee revenues	n/a	$2,260,000	$2,568,750

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RECENT PROGRAM ACHIEVEMENTS

Facilities Services improved customer service by implementing a plan to process facility rental applications in three working days or less.

Facilities and Reservation Services

(Program No. 6121)

Mission Statement

Provide good customer service with complete registration services and clean, safe indoor and outdoor rental facilities to the public.

Program Activities

- Provide customer reception and services at department administrative offices, and serves as primary source of information on department programs and services to the public.
- Coordinate activity registration and facility reservation services for the Department and on the Internet.
- Promote public use of City parks, beaches, open space, and other venues through scheduling, facility use monitoring, and event coordination.
- Protect the integrity of public space by informing the public of rules and guidelines for use and by monitoring activities.
- Provide the public with opportunities to gain cultural awareness by co-sponsoring the Oak Park festivals and similar community events.

Objectives for Fiscal Year 2004

- Plan and coordinate facilities for City-sponsored major special events (Fiesta, Summer Solstice, Oak Park Ethnic Festivals, and Sparkle 4th of July).
- Process 80% of facility rental applications received via mail, facsimile or e-mail, in three working days or less.
- Increase the percent of facility rental applications processed, while the customer is present, from 80% to 85%.

Financial and Staffing Information

	Actual FY 2002	Adopted FY 2003	Adopted FY 2004
Authorized FTEs	**2.00**	**2.00**	**2.00**
Revenues			
Fees and Service Charges	327,212	349,015	202,400
General Fund Subsidy	43,664	37,837	142,131
Total Revenue	**$ 370,876**	**$ 386,852**	**$ 344,531**
Expenditures			
Salaries and Benefits	134,083	149,460	159,208
Supplies and Services	216,878	214,392	162,323
Non-Capital Equipment	19,915	23,000	23,000
Total Expenditures	**$ 370,876**	**$ 386,852**	**$ 344,531**

Program Performance Measures

	Adopted FY 2003	Projected FY 2003	Adopted FY 2004
Special event applications processed	n/a	115	115
Percent of facility rental applications received via mail, facsimile or e-mail, in three working days or less	n/a	80%	80%
Percent of facility rental applications processed while the customer is present	n/a	80%	85%
Facility permits processed while the customer is present	n/a	475	500
Facility permits received via mail, facsimile or e-mail and processed	n/a	108	140

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RECENT PROGRAM ACHIEVEMENTS

The 'Concerts in the Parks' program served over 30,000 people in Summer 2002.

$118,000 in grants, financial sponsorship and in-kind donations was received in Fiscal Year 2002.

Cultural Arts

(Program No. 6131)

Mission Statement

Promote involvement in cultural arts through a wide variety of events, programs and classes, and provide quality public rental facilities with responsive customer service.

Program Activities

- Coordinate use, marketing and rental operations of three premier beach area facilities, including the Cabrillo Pavilion Arts Center, Chase Palm Park Recreation Center and Casa Las Palmas and a number of outdoor sites at Chase Palm Park for community, recreational, educational and cultural activities.
- Provide a wide variety of cultural arts events and classes through collaboration with community groups and use of independent contractors.
- Coordinate the 37th Annual Santa Barbara Arts and Crafts Show, held every Sunday along Cabrillo Boulevard, and its 253 arts and crafts vendors.
- Coordinate large special events such as the Concerts in the Parks program and the 73rd Annual Children's Fiesta Parade.

Objectives for Fiscal Year 2004

- Achieve 85% "good" to "excellent" survey response ratings for overall customer satisfaction with rental facilities.
- Achieve 85% "good" to "excellent" survey response ratings for overall customer satisfaction with Cultural Arts classes.
- Achieve a 3% increase in grants, financial sponsorship, and in-kind donations for the Concerts in the Parks program.
- Maintain current level of vendors at the Santa Barbara Arts and Crafts Show.
- Increase Cultural Arts class registrations by 7%.

Financial and Staffing Information

	Actual FY 2002		Adopted FY 2003		Adopted FY 2004
Authorized FTEs		**3.00**		**3.00**	**3.00**
Revenues					
Fees and Service Charges		224,789		226,280	403,200
Donations		10,500		-	-
General Fund Subsidy		145,168		141,424	108,409
Total Revenue	**$**	**380,457**	**$**	**367,704**	**$ 511,609**
Expenditures					
Salaries and Benefits		218,279		227,871	243,846
Supplies and Services		161,060		136,133	265,763
Non-Capital Equipment		1,118		3,700	2,000
Total Expenditures	**$**	**380,457**	**$**	**367,704**	**$ 511,609**

Program Performance Measures

	Adopted FY 2003	Projected FY 2003	Adopted FY 2004
Percent of customers that rate customer satisfaction with rental facilities as "good" to "excellent"	n/a	75%	85%
Percent of participants that rate customer satisfaction with Cultural Arts classes as "good" to "excellent"	n/a	75%	85%
Annual value of all grants and in-kind donations for Concerts in the Parks program	n/a	$118,553	$122,109
Vendors registered with the Santa Barbara Arts and Crafts Show	n/a	253	253
Cultural Arts class registrations	n/a	2,054	2,197

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RECENT PROGRAM ACHIEVEMENTS

Youth Activities staff initiated the Youth Soccer Coalition and successfully implemented the Skateboard Camp in Summer 2002.

Youth Activities

(Program No. 6141)

Mission Statement

Provide safe youth recreation and sports activities in a positive and nurturing environment for children ages 4-17 to promote enriching and healthy lifestyles.

Program Activities

- Provide after-school recreation sports leagues.
- Provide recreational opportunities at ten elementary schools and four junior high schools.
- Provide six youth summer camps.
- Provide summer drop-in recreation at three elementary schools.
- Coordinate training for sports officials, coaches, volunteers and staff to promote sportsmanship, safety, and adhere to policies and procedures.
- Coordinate Youth Beach Litter Clean-Up program with local youth groups.

Objectives for Fiscal Year 2004

- Maintain 1,280 registrations in nine youth sports leagues.
- Provide after-school recreation for 4,800 youth at ten elementary and four junior high schools.
- Provide summer camp experiences for 860 children at six youth camps.
- Implement summer drop-in recreation for 280 children at three elementary school sites (Franklin, Harding, and McKinley).
- Ensure that 100% of sports officials, coaches and volunteers attend trainings to promote sportsmanship and safety in sports leagues.

Financial and Staffing Information

	Actual FY 2002	Adopted FY 2003	Adopted FY 2004
Authorized FTEs	**3.80**	**3.80**	**3.80**
Revenues			
Donations	31,000	-	-
Fees and Service Charges	144,729	171,052	182,400
General Fund Subsidy	539,614	573,538	513,189
Grants	185,500	186,522	-
Total Revenue	**$ 900,843**	**$ 931,112**	**$ 695,589**
Expenditures			
Salaries and Benefits	720,032	756,041	515,230
Supplies and Services	177,677	163,571	171,359
Special Projects	2,650	10,000	8,000
Non-Capital Equipment	484	1,500	1,000
Total Expenditures	**$ 900,843**	**$ 931,112**	**$ 695,589**

Program Performance Measures

	Adopted FY 2003	Projected FY 2003	Adopted FY 2004
Sports league registrations	n/a	1,400	1,280
After-school program registrations	n/a	6,000	4,800
Summer camp registrations	n/a	860	860
Summer drop-in recreation program registrations	n/a	280	280
Percent of sports officials, coaches and volunteers that attend sports league trainings	n/a	75%	100%
Youth group beach clean-up contracts	n/a	16	16

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RECENT PROGRAM ACHIEVEMENTS

Youth Council and Teen Programs opened Teen Alley, a study and lounge for teens. The Program received a $50,000 grant from the County to coordinate an anti-alcohol abuse program for teens.

Teen Programs

(Program No. 6142)

Mission Statement

Provide a variety of quality, alternative programs for teenagers, including recreational, educational and leadership training activities, in a safe, drug- and alcohol-free environment.

Program Activities

- Develop and coordinate recreational and entertaining activities for teens.
- Develop and coordinate educational, life-skills and leadership training activities for teens.
- Coordinate and supervise the activities of the Santa Barbara Youth Council and other teen clubs.
- Foster collaborations with other youth service agencies, non-profits, school district and other youth entities to maximize programs for teens.
- Assist and supervise alternative programs developed "by-and-for" youth.
- Provide a forum for teens to discuss and make recommendations on topics concerning youth and teens.
- Coordinate and collaborate with other youth agencies to provide teen resource information, via web page, brochure and cable television.

Objectives for Fiscal Year 2004

- Coordinate and host at least two weekend activities per month for teens.
- Coordinate and hold 22 Youth Council meetings with at least four held in alternative locations to maximize the exposure of Youth Council activities and programs to teens.
- Develop and coordinate two new life-skills and/or educational training classes for teens.
- Conduct and analyze a teen service satisfaction survey and make efforts to implement recommendations for future teen activities.
- Collaborate with other youth agencies to produce Youth Quarterly Newsletters.

Financial and Staffing Information

	Actual FY 2002	Adopted FY 2003	Adopted FY 2004
Authorized FTEs	**1.00**	**1.00**	**1.00**
Revenues			
Fees and Service Charges	13,264	10,030	13,450
Donations	3,500	-	-
Intergovernmental	5,456	-	-
General Fund Subsidy	166,981	188,833	245,588
Total Revenue	**$ 189,201**	**$ 198,863**	**$ 259,038**
Expenditures			
Salaries and Benefits	139,830	150,443	167,108
Supplies and Services	49,024	47,476	90,430
Non-Capital Equipment	347	944	1,500
Total Expenditures	**$ 189,201**	**$ 198,863**	**$ 259,038**

Program Performance Measures

	Adopted FY 2003	Projected FY 2003	Adopted FY 2004
Youth Council meetings	n/a	22	22
Youth participants at Youth Council meetings and events	n/a	109	119
Leadership and life-skills training workshops.	n/a	8	6
Percent of teens reporting they have gained knowledge or skills through participation in leadership programs	n/a	80%	80%
Satisfaction rate achieved at "good" or better for overall satisfaction with teen events through program evaluations	n/a	75%	80%
Weekend teen activities participants	n/a	1,145	1,316
Grants received for teen programs	n/a	2	3

Adapted Recreation

(Program No. 6152)

Mission Statement

Provide sports and recreation services for individuals with physical and developmental disabilities to enhance their social and physical skills for independent living.

Program Activities

- Facilitate a wide range of sports and social recreation activities specifically adapted for children and adults with developmental and physical disabilities.
- Provide training for department and program staff for the successful integration of individuals with disabilities into other department programs.
- Collaborate with community organizations to enhance services for the disabled.
- Provide outreach to encourage participation by the disabled in recreation programs.

Objectives for Fiscal Year 2004

- Provide recreation programs to 400 South Coast youth and adults with disabilities.
- Facilitate participation in recreation programs for 25 youth and adults with disabilities through the Inclusion Program, allowing disabled participants supported by staff to integrate into regular recreation programming.
- Expand programs and services for the disabled by increasing the number of community partners by two or more.
- Achieve 80% "good" or better survey response ratings for customer satisfaction with programs.

RECENT PROGRAM ACHIEVEMENTS

A diverse representation of multiple disability interests on the Advisory Committee was achieved.

Staff training materials were developed for the Inclusion Program.

Financial and Staffing Information

	Actual FY 2002	Adopted FY 2003	Adopted FY 2004
Authorized FTEs	**1.00**	**1.00**	**1.00**
Revenues			
Fees and Service Charges	23,499	15,850	11,550
Donations	45,547	19,100	-
General Fund Subsidy	149,235	203,643	236,727
Total Revenue	**$ 218,281**	**$ 238,593**	**$ 248,277**
Expenditures			
Salaries and Benefits	169,906	181,414	181,889
Supplies and Services	48,375	57,179	65,888
Non-Capital Equipment	-	-	500
Total Expenditures	**$ 218,281**	**$ 238,593**	**$ 248,277**

Program Performance Measures

	Adopted FY 2003	Projected FY 2003	Adopted FY 2004
Individuals registered in Adapted Programs	n/a	500	400
Individuals served through the Inclusion Program	n/a	25	25
Contracted community partners for disabled programs	n/a	1	2
Percent of customer satisfaction survey responses that are "good" or better	n/a	80%	80%

PARKS & RECREATION

RECENT PROGRAM ACHIEVEMENTS

More than 83% of participants report that Senior Recreation Services programs improve their quality of life.

Senior Recreation Services

(Program No. 6161)

Mission Statement

Provide recreation, social and wellness activities for adults 50 years of age and older to promote a healthy lifestyle in an active senior community.

Program Activities

- Manage a tour and travel program with opportunities ranging from in-town outings to oversea excursions.
- Provide public dance programs for swing, ballroom and contra dancing at the historic Carrillo Ballroom.
- Offer fitness and wellness classes for a wide range of interests and ability levels.
- Coordinate volunteer-led social programs including bridge, potlucks, and peer support groups.
- Provide sports activities including badminton, table tennis, basketball, and softball.
- Operate an information and referral service to connect seniors with local resources.
- Provide site management of the Carrillo Recreation Center, Carrillo St. Gym, Santa Barbara Lawn Bowls Club and MacKenzie Park Lawn Bowls Club.

Objectives for Fiscal Year 2004

- Serve 1,100 participants with Senior Recreation Services tour programs.
- Maintain a minimum 80% "excellent" rating in overall customer satisfaction in the tour program.
- Serve 11,500 participants in the Swing, Ballroom and Contra dance programs.
- Increase recreation opportunities through programs offered by community partners.
- Convert tour reservation management to the Class software system.
- Achieve 80% or more program participants reporting quality of life through participation in Senior Recreation Services programs.
- Foster volunteerism through leadership and involvement in programs with a minimum of 90 volunteers.

Financial and Staffing Information

	Actual FY 2002	Adopted FY 2003	Adopted FY 2004
Authorized FTEs	**3.00**	**3.00**	**2.00**
Revenues			
Donations	25	-	-
Fees and Service Charges	268,475	252,200	293,700
Interest Income	39	-	-
General Fund Subsidy	121,912	115,561	375,165
Total Revenue	**$ 390,451**	**$ 367,761**	**$ 668,865**
Expenditures			
Salaries and Benefits	194,420	199,713	214,610
Supplies and Services	192,174	159,279	451,755
Non-Capital Equipment	3,857	8,769	2,500
Total Expenditures	**$ 390,451**	**$ 367,761**	**$ 668,865**

Program Performance Measures

	Adopted FY 2003	Projected FY 2003	Adopted FY 2004
Tour registrations	n/a	1,200	1,200
Percent of tour participants who rate experience as "excellent" on program evaluations	n/a	85%	80%
Participants in Ballroom, Swing, Contra dance programs	n/a	11,000	11,500
Programs offered with community partners	n/a	18	20
Percent of program participants who indicate that participation in Senior programs has improved their quality of life	n/a	83%	80%
Volunteers registered with Senior programs	n/a	95	90

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RECENT PROGRAM ACHIEVEMENTS

The West Beach Wading pool-resurfacing project was completed.

Staff revised the employee policy and procedures manuals and employee-training program.

Aquatics

(Program No. 6171)

Mission Statement

Provide safe and high quality aquatic programs and services that encourage skill development and promote swimming as a lifetime sport for swimmers of all ages.

Program Activities

- Provide safe and clean community swimming and wading pools for exercise and healthy enjoyment.
- Provide professional lifeguard services at City beaches and pools to ensure that two million visitors and citizens enjoy the sun, surf, and sand in a safe environment.
- Provide swim lessons to 450 participants annually and Water Safety training to safeguard against drowning accidents, provide job certifications, and enhance community awareness for responsible swimming.
- Provide aquatic opportunities for youth including Junior Lifeguards, Aquacamp, beach Volleyball Camp, and new avenues for aquatics-related personal growth.
- Manage two year-round, multi-use aquatic facilities, Los Banos del Mar Swimming Pool and Cabrillo Bathhouse, and three seasonal pool facilities.

Objectives for Fiscal Year 2004

- Maintain zero swimming pool closures based on Santa Barbara County Environmental Health inspections at four swimming pool sites.
- Maintain 80% “good” or “very good” overall customer satisfaction rate with programs.
- Maintain 100% Aquatic staff participation for required training and certifications.
- Maintain current level of registrations in three aquatic summer camps.
- Increase youth swim lesson registration by 5%.
- Provide scholarships to aquatic camp programs.
- Maintain current level of annual participation at Los Banos del Mar swimming pool.

Financial and Staffing Information

	Actual FY 2002	Adopted FY 2003	Adopted FY 2004
Authorized FTEs	**3.80**	**3.80**	**3.00**
Revenues			
Fees and Service Charges	637,139	612,830	723,914
General Fund Subsidy	362,919	365,356	462,038
Total Revenue	**$ 1,000,058**	**$ 978,186**	**$ 1,185,952**
Expenditures			
Salaries and Benefits	547,602	559,762	540,621
Supplies and Services	441,494	410,924	612,831
Special Projects	-	-	25,000
Non-Capital Equipment	10,962	7,500	7,500
Total Expenditures	**$ 1,000,058**	**$ 978,186**	**$ 1,185,952**

Program Performance Measures

	Adopted FY 2003	Projected FY 2003	Adopted FY 2004
Percent of participants rating overall customer satisfaction "good" to "very good"	n/a	85%	80%
Mandated pool closures	n/a	0	0
Registrations for three aquatic summer camps	n/a	1,124	1,124
Youth swim lesson registrations	n/a	506	531
Scholarships awarded for aquatic summer camps	n/a	43	45
Percent of aquatic staff participating in required training and certification	n/a	n/a	100%
Participants at Los Banos del Mar swimming pool	n/a	38,800	38,800

RECENT PROGRAM ACHIEVEMENTS

Under agreement with the Santa Barbara School Districts, the Program is now responsible for scheduling and monitoring two fields at Franklin Elementary and La Cumbre Middle schools.

Sports

(Program No. 6181)

Mission Statement

Provide adults of all ability levels the opportunity to participate in competitive sports and outdoor education activities that promote healthy and active lifestyles, and coordinate and facilitate use of sports fields.

Program Activities

- Provide sports leagues for adults in softball, volleyball, and basketball.
- Prepare fields for sport activities at the City's two soccer and seven softball fields.
- Provide softball tournaments in partnership with the Santa Barbara Softball Club for men, women, and coed teams.
- Provide sponsorship and awards for the beach volleyball tournaments including five adult and five youth tournaments.
- Provide instructional seminars in salt and fresh water fishing, hunting, and camping.
- Schedule and coordinate athletic events at City parks, beach and sports fields.
- Under agreement with Santa Barbara School District, coordinate field reservations and use of Franklin Elementary, La Colina, La Cumbre and Santa Barbara Junior High sports fields.

Objectives for Fiscal Year 2004

- Provide adult basketball, softball, and volleyball sports leagues to 330 teams.
- Achieve 75% customer satisfaction with reservation processing.
- Process 3,700 reservations for ten City sports field and nine school district sports fields.
- Provide five adult and five youth beach volleyball tournaments.

Financial and Staffing Information

	Actual FY 2002	Adopted FY 2003	Adopted FY 2004
Authorized FTEs	**3.00**	**3.00**	**3.00**
Revenues			
Fees and Service Charges	189,543	267,280	209,856
Donations	34,062	-	-
General Fund Subsidy	154,418	154,450	148,782
Total Revenue	**$ 378,023**	**$ 421,730**	**$ 358,638**
Expenditures			
Salaries and Benefits	193,517	221,940	162,760
Supplies and Services	183,593	199,790	194,878
Special Projects	913	-	-
Non-Capital Equipment	-	-	1,000
Total Expenditures	**$ 378,023**	**$ 421,730**	**$ 358,638**

Program Performance Measures

	Adopted FY 2003	Projected FY 2003	Adopted FY 2004
Teams participating in the adult basketball, softball and volleyball sport leagues	n/a	400	330
Percent of participants rating customer satisfaction with field reservations as "satisfactory" or above	n/a	75%	75%
Sport field reservations	n/a	3,100	3,700
Beach volleyball tournaments	n/a	10	10

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RECENT PROGRAM ACHIEVEMENTS

A new after school tennis program was implemented at five elementary schools citywide.

Tennis

(Program No. 6182)

Mission Statement

Offer reasonably priced, quality tennis classes, leagues, clinics and tournaments in well-maintained facilities and promote tennis as a lifetime sport.

Program Activities

- Provide community tennis programs consisting of group and private lessons, leagues, summer youth camp, and tournaments.
- Maintain and coordinate use of 32 tennis courts at five facilities, including 17 lighted courts, showers, and locker rooms.
- Manage a tennis court user-fee permit system, with approximately 400 annual and 5,000 daily permits sold each year.
- Collaborate with local schools, non-profit agencies and national tennis associations to promote adult and youth participation in tennis.

Objectives for Fiscal Year 2004

- Maintain current level of 1,900 registrations in tennis lessons.
- Sell 4,500 daily tennis permits.
- Sell 262 annual tennis permit, or 75% of annual tennis permits sold in FY 2003.
- Maintain 70% participation in available tennis league slots.
- Maintain an 80% customer satisfaction rate for tennis facility and court maintenance.

Financial and Staffing Information

	Actual FY 2002	Adopted FY 2003	Adopted FY 2004
Authorized FTEs	**0.80**	**0.80**	**0.80**
Revenues			
Fees and Service Charges	171,693	160,500	183,600
General Fund Subsidy	37,150	34,328	104,356
Total Revenue	**$ 208,843**	**$ 194,828**	**$ 287,956**
Expenditures			
Salaries and Benefits	67,283	77,760	78,674
Supplies and Services	141,560	117,068	178,282
Special Projects	-	-	30,000
Non-Capital Equipment	-	-	1,000
Total Expenditures	**$ 208,843**	**$ 194,828**	**$ 287,956**

Program Performance Measures

	Adopted FY 2003	Projected FY 2003	Adopted FY 2004
Tennis lesson registrations	n/a	1,900	1,900
Daily tennis permits sold	n/a	4,500	4,500
Annual tennis permits sold	n/a	350	262
Registered participants in tennis leagues	n/a	203	178
Percent participation in annual tennis leagues	n/a	70%	70%
Percent of tennis participants rating facilities at "satisfactory" or above	n/a	80%	80%

PARKS & RECREATION

Community Services

(Program No. 6192)

Mission Statement

Strengthen families and neighborhoods by operating three community centers through which city-related information and social services are provided to low-income populations.

Program Activities

- Operate four neighborhood centers, located in densely populated, low-income and culturally diverse neighborhoods: Franklin Community Center, Westside Community Center, Lower Westside Community Center, and Louise Lowry Davis Center.
- Provide a total of 16,330 square feet of leasable office space at below market rates for direct social services delivery by 13 non-profit agencies.
- Provide facilities for various recreation and community programs, private and public events.
- Facilitate social service referrals and direct services in areas of community relations, public education programs, information referral, and youth diversion programs.

Objectives for Fiscal Year 2004

- Maintain a 90% user approval rating for four neighborhood social service and recreation centers.
- Maintain 100% occupancy of 13 leasable office spaces by non-profit social service agencies.
- Increase 1,900 facility reservations for community, private and public events by 5%.
- Provide information and referrals on City services and community social services through 6,500 contacts.
- Provide 7,000 participants with programs and services to meet specific neighborhood needs such as renters/homeowners assistance, tax preparation, health screening, and food distribution.
- Provide 35 youth and adult job skills and mentoring through the Job Apprenticeship Program.
- Facilitate distribution of 11,000 free or low cost meals to senior citizens by the Community Action Commission.

RECENT PROGRAM ACHIEVEMENTS

Combined efforts by Community Center Advisory Committees resulted in successful introduction of the first Annual Santa Barbara Salsa Festival and Holiday Dinner for low-income families.

Financial and Staffing Information

	Actual FY 2002	Adopted FY 2003	Adopted FY 2004
Authorized FTEs	**5.00**	**5.00**	**4.50**
Revenues			
Rents	224,337	200,295	270,900
Fees and Service Charges	-	-	15,400
Grants	16,000	-	-
Donations	11,000	2,500	-
General Fund Subsidy	171,597	227,752	532,390
Total Revenue	**$ 422,934**	**$ 430,547**	**$ 818,690**
Expenditures			
Salaries and Benefits	301,428	293,601	329,786
Supplies and Services	115,266	132,523	484,904
Special Projects	5,844	2,500	-
Non-Capital Equipment	396	1,923	4,000
Total Expenditures	**$ 422,934**	**$ 430,547**	**$ 818,690**

Program Performance Measures

	Adopted FY 2003	Projected FY 2003	Adopted FY 2004
User approval rating for three neighborhood social service centers	n/a	75%	90%
Occupancy rate for leasable office spaces	n/a	100%	100%
Facilty reservations for community, private and public events	n/a	1,900	1,995
Information and referrals contacts to residents	n/a	6,500	6,500
Community Services program and service participants	n/a	3,500	3,500
Youth and adults receiving job skills and mentoring through the Job Apprenticeship Program	n/a	30	35
Senior citizens and children receiving meals from the Community Action Commission	n/a	11,000	11,000

PARKS & RECREATION

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Recreation Program Management
Facilities and Reservation Services
Cultural Arts
Youth Activities
Teen Programs
Adapted Recreation
Senior Recreation Services
Aquatics
Sports
Tennis
Community Services
➢ **Creeks Restoration and Water Quality Improvement**
Golf Course
Park Operations Management
Grounds and Facilities Maintenance
Forestry
Beach Maintenance
Chase Palm Park

RECENT PROGRAM ACHIEVEMENTS

The Creeks Program matched revenues with grants by 20%, removed 509 tons of debris from creeks and streets, and responded to 298 enforcement calls. Staff completed a comprehensive education plan and final plans for the Bohnett Park Creek Restoration.

Creeks Restoration and Water Quality Improvement

(Program No. 6511)

Mission Statement

Improve creek and ocean water quality and restore natural creek systems with the implementation of storm water and urban runoff pollution reduction, creek restoration and community education programs.

Program Activities

- Monitor creek and ocean water quality.
- Oversee clean water operations; including creek cleanups and storm drain filters.
- Enforce storm water and urban runoff code.
- Develop and implement creek restoration projects and watershed restoration plans.
- Oversee storm water treatment control projects.
- Coordinate community information and clean water business assistance programs.

Objectives for Fiscal Year 2004

- Match program revenues with grant funds by at least 10%.
- Maintain weekly monitoring of 30 creek, ocean and storm drain sites.
- Conduct weekly creek clean-ups to remove contaminants.
- Perform 95% of the scheduled maintenance of the storm water treatment system.
- Maintain 95% response rate to enforcement calls within three working days.
- Provide 100 direct business contacts through clean water business program.
- Provide quarterly bilingual information programs on clean water & creek issues.
- Implement clean water business program and 60 youth watershed education presentations.
- Train eight operations divisions to develop and implement pollution prevention plans.
- Complete construction of Old Mission Creek Restoration at Bohnett Park.
- Develop preliminary watershed plans for Arroyo Burro and Mission Creek.
- Complete design of Las Positas storm water detention project.
- Design two storm water treatment projects on Mission Creek & Arroyo Burro.

Financial and Staffing Information

	Actual FY 2002	Adopted FY 2003	Adopted FY 2004
Authorized FTEs	**5.75**	**5.75**	**5.00**
Revenues			
Intergovernmental	20,494	-	-
Interest Income	108,892	50,000	50,000
Transient Occupancy Tax (Measure B)	1,967,363	1,994,900	2,054,780
Total Revenue	**$ 2,096,749**	**$ 2,044,900**	**$ 2,104,780**
Expenditures			
Salaries and Benefits	390,282	480,780	433,473
Supplies and Services	600,945	478,935	949,589
Special Projects	12,358	-	65,000
Inter-Fund Reimbursement	-	-	150,000
Appropriated Reserve	-	176,685	50,449
Non-Capital Equipment	15,335	4,000	5,000
Capital Equipment	19,631	161,500	-
Miscellaneous	19,322	-	-
Total Operating Expenditures	**1,057,873**	**1,301,900**	**1,653,511**
Capital Program	**458,615**	**743,000**	**525,000**
Total Expenditures	**1,516,488**	**2,044,900**	**2,178,511**
Addition to (Use of) Reserves	**$ 580,261**	**$ -**	**$ (73,731)**

Program Performance Measures

	Adopted FY 2003	Projected FY 2003	Adopted FY 2004
Percent of revenues matched with grant funds	n/a	20%	10%
Weekly Creek, ocean, and storm samples collected	n/a	30	30
Enforcement calls receiving response within three working days	n/a	95%	95%
Creek cleanups and tons removed	n/a	52% / 35	52% / 35
Percent of storm water treatment system scheduled maintenance completed	n/a	95%	95%
Direct business contacts through clean water business program	n/a	100	100
Bilingual information programs on clean water/creek issues	n/a	n/a	4
Schools and summer camps with watershed education classes	n/a	60	60
Businesses participating in clean water business program	n/a	n/a	20
Employees trained in pollution prevention	n/a	n/a	340

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RECENT PROGRAM ACHIEVEMENTS

The Driving Range Phase II tee project upgrade was completed.

New turf equipment was purchased to replace old and unsafe equipment.

Golf Course

(Program No. 6711)

Mission Statement

Provide a quality and affordable golf experience for all ages and abilities, through the collection of golf greens fees to support operational costs.

Program Activities

- Coordinate golf services, including daily play, tournaments, lessons, equipment rental, driving range, and food service.
- Maintain 108 acres of land (85 acres of developed golf area).
- Oversee the maintenance of equipment.
- Maintain facilities, including the Pro Shop, parking lot, and walkways.
- Implement capital improvement projects.

Objectives for Fiscal Year 2004

- Achieve Golf Course facility use of 91,000 rounds of golf.
- Achieve greens fee revenue per round of $18.50.
- Complete 90% of maintenance activities in accordance with Golf Division Maintenance Standards.
- Maintain an average of 72,000 units of water applied to golf course annually at a cost of $159,000.
- Complete 100% of pesticide usage reports required by the County Agricultural Commissioner on a monthly basis.
- Maintain the number of reportable injuries at one or less by holding monthly co-worker safety meetings.
- Achieve sales of 3,800 resident discounts and 850 total five-day and seven-day play discounts.
- Achieve $250,000 in golf concessionaire revenue.
- Ensure compliance of contract terms and conditions for golf concessionaires.

Financial and Staffing Information

	Actual FY 2002	Adopted FY 2003	Adopted FY 2004
Authorized FTEs	**11.90**	**11.90**	**12.90**
Revenues			
Golf Fees	1,638,315	1,677,142	1,759,500
Interest Income	81,495	65,000	55,000
Other	1,139	-	-
Rents (Concessions)	249,371	225,000	250,000
Total Revenue	**$ 1,970,320**	**$ 1,967,142**	**$ 2,064,500**
Expenditures			
Salaries and Benefits	733,242	839,831	901,284
Supplies and Services	595,357	579,788	598,360
Special Projects	69,552	45,000	77,300
Non-Capital Equipment	29,137	5,000	5,000
Capital Equipment	47,955	36,984	-
Debt Service	76,054	196,303	182,556
Miscellaneous	19,317	-	-
Total Operating Expenditures	**1,570,614**	**1,702,906**	**1,764,500**
Capital Program	**296,686**	**270,000**	**300,000**
Total Expenditures	**1,867,300**	**1,972,906**	**2,064,500**
Addition to (Use of) Reserves	**$ 103,020**	**$ (5,764)**	**$ -**

Program Performance Measures

	Adopted FY 2003	Projected FY 2003	Adopted FY 2004
Average greens fee revenue per round	n/a	$18.00	$18.50
Units of water used	n/a	72,000	72,000
Reportable injuries	n/a	1	1
Rounds of golf	n/a	91,000	91,000
Resident discounts sold	n/a	3,750	3,800
Five-day and seven-day discounts sold	n/a	825	850
Golf concessionare revenues	n/a	$225,000	$250,000

PARKS & RECREATION

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- Golf Course
- ➢ **Park Operations Management**
- Grounds and Facilities Maintenance
- Forestry
- Beach Maintenance
- Chase Palm Park

RECENT PROGRAM ACHIEVEMENTS

The Parks Division completed a successful "100 Years of Parks" Centennial Celebration and received the Santa Barbara Beautiful "President's Award" for the Sensory Garden at Alice Keck Park Memorial Gardens.

Park Operations Management

(Program No. 6911)

Mission Statement

Manage maintenance operations for park and street tree resources, recreation facilities landscaping, capital projects, secure grants, monitor safety programs, Division budget, and overall ordinance compliance related to parks and street trees.

Program Activities

- Oversee long range planning, set goals, and manage budget resources for parks and open space.
- Respond to citizen inquiries regarding park operations, street tree operations, and record keeping.
- Coordinate park project planning and inter-departmental efforts.
- Work with the School District staff on issues related to the Joint Use Agreement between the City and School District.

Objectives for Fiscal Year 2004

- Achieve 80% of Parks Division objectives.
- Maintain 365 acres of developed parkland at a cost of $4,880 per acre.
- Maintain 1,180 acres of open space at a cost of $170 per acre.
- Submit to the DFP Advisory Committee, a strategy of implementation for the DFP management plan.
- Complete design of Moreton Bay Fig Tree Park improvements.
- Complete Stevens Park restroom construction.
- Complete Oak Park Bridge construction.
- Initiate design development for Franceschi Park Master Plan.
- Construct improvements for the Bohnett Park project.
- Construct improvements for Ortega Park Sports Field Improvement Project.
- Construct improvements for Plaza Vera Cruz.

Financial and Staffing Information

	Actual FY 2002	Adopted FY 2003	Adopted FY 2004
Authorized FTEs	**6.50**	**6.50**	**5.00**
Revenues			
Grants	30,000	39,819	174,000
Donations	8,530	-	-
General Fund Subsidy	490,857	398,288	976,735
Total Revenue	**$ 529,387**	**$ 438,107**	**$ 1,150,735**
Expenditures			
Salaries and Benefits	371,054	397,831	385,079
Supplies and Services	63,574	37,776	619,156
Special Projects	93,023	-	-
Non-Capital Equipment	1,736	2,500	2,500
Capital Program	-	-	144,000
Total Expenditures	**$ 529,387**	**$ 438,107**	**$ 1,150,735**

Program Performance Measures

	Adopted FY 2003	Projected FY 2003	Adopted FY 2004
Parks Division objectives achieved	n/a	80%	80%
Cost per acre to maintain 365 acres of developed parkland	n/a	$4,884	$4,880
Cost per acre to maintain 1,180 acres of open space	n/a	$168	$170

PARKS & RECREATION

Grounds and Facilities Maintenance

(Program No. 6912)

Mission Statement

Provide safe and high quality open space, parks, sports fields, street medians and right of way landscaping, building landscaping and restrooms.

Program Activities

- Repair and reconstruct existing park features such as softball backstops, signs, benches, hardscape and other park amenities.
- Maintain 25 restroom facilities to highest standards.
- Manage 21 playgrounds including routine safety inspection and follow-up, replacements, modifications for universal access, and user safety.
- Oversee grounds maintenance, including litter control, trash removal, hardscape cleaning, pruning, planting, and fertilizing landscape plants, mowing, turf management and sports field maintenance.
- Coordinate water use management, irrigation repair, replacement, and performance management.
- Administer Park Ranger Program for public safety and enjoyment of parks and school facilities.
- Maintain 1,200 acres of open space in eleven areas and oversee vegetative fuels management of open space parks.

Objectives for Fiscal Year 2004

- Complete all safety work orders within an average of 15 days.
- Complete all non-safety work orders within an average of 95 days.
- Clean and service 25 restrooms in accordance with maintenance standards 90% of the time.
- Maintain 80% of park grounds to meet minimum park maintenance quality standards for designated service level.
- Complete 100% of park safety inspections monthly.
- Maintain turf with irrigation within 20% of evapotranspiration rates (water used by turf) within irrigation season of April – October.
- Provide walkthrough inspections four times per year with Downtown Organization for 12 blocks of State Street to ensure conformance to standards and contract specifications.

RECENT PROGRAM ACHIEVEMENTS

Staff replaced the Shoreline Park Steps at Shoreline Park and the playgrounds at Plaza Vera Cruz Park.

Financial and Staffing Information

	Actual FY 2002	Adopted FY 2003	Adopted FY 2004
Authorized FTEs	**25.30**	**25.30**	**25.80**
Revenues			
Intergovernmental	40,229	38,975	-
Inter-Fund Reimbursement	-	-	100,000
Rents	-	-	30,000
Donations	174,828	29,735	65,000
Other	-	6,000	6,000
General Fund Subsidy	3,194,136	3,401,841	3,272,136
Total Revenue	**$ 3,409,193**	**$ 3,476,551**	**$ 3,473,136**
Expenditures			
Salaries and Benefits	1,730,403	1,872,525	1,978,882
Supplies and Services	1,495,096	1,555,551	1,358,254
Special Projects	156,000	38,975	90,000
Non-Capital Equipment	7,694	9,500	6,000
Capital Equipment	20,000	-	-
Capital Program	-	-	40,000
Total Expenditures	**$ 3,409,193**	**$ 3,476,551**	**$ 3,473,136**

Program Performance Measures

	Adopted FY 2003	Projected FY 2003	Adopted FY 2004
Average days to complete all safety-related work orders	n/a	21	21
Safety-related work orders	n/a	175	15
Average days to complete all non-safety work orders	n/a	60	60
Non-safety work orders	n/a	375	45
Percent of time 25 restrooms are cleaned and serviced	n/a	90%	90%
Park inspections meeting minimum park maintenance quality standards	n/a	80%	80%
Park site safety inspections completed	n/a	504	504
Average inches of water applied compared to State-operated weather station at Municipal Golf Course	n/a	20%	20%

Forestry

(Program No. 6913)

Mission Statement

Plant and care for street trees, open space, and City facility trees for the benefit of residents and to ensure a safe and healthy community forest.

Program Activities

- Manage 23,500 street trees and 5,300 park trees.
- Oversee stump and root management.
- Coordinate young tree planting and management.
- Inspect potentially hazardous trees.
- Communicate City policies and ordinances regarding tree issues, and coordinate citizen requests for tree planting.
- Respond to citizen tree maintenance and removal requests and scheduled block pruning.
- Enforce street tree and front yard setback tree ordinance.

Objectives for Fiscal Year 2004

- Prune 5,170 (22%) of all street trees.
- Prune 530 (10%) of all park and facility trees.
- Plant 300 street trees.
- Complete 85% of service inspections requested within 10 working days.
- Inspect and act on 100% of tree ordinance violations within 30 days.
- Maintain average tree pruning cost of $115 per tree.
- Complete tree pruning to maintain a 14-foot clearance within the consolidated street sweeping area.

RECENT PROGRAM ACHIEVEMENTS

Forestry staff planted 500 new trees on City streets in FY 2003.

Financial and Staffing Information

	Actual FY 2002	Adopted FY 2003	Adopted FY 2004
Authorized FTEs	**10.00**	**10.00**	**11.00**
Revenues			
General Fund Subsidy	573,870	186,145	220,910
Inter-Fund Reimbursement (Streets)	316,788	744,579	744,579
Total Revenue	**$ 890,658**	**$ 930,724**	**$ 965,489**
Expenditures			
Salaries and Benefits	642,528	684,146	712,856
Supplies and Services	246,640	245,078	251,133
Non-Capital Equipment	1,490	1,500	1,500
Total Expenditures	**$ 890,658**	**$ 930,724**	**$ 965,489**

Program Performance Measures

	Adopted FY 2003	Projected FY 2003	Adopted FY 2004
Street trees pruned	na	4,176	5,170
Park trees pruned	n/a	530	530
Trees planted	n/a	500	300
Percent of service inspections completed within 10 days	n/a	n/a	85%
Service inspections completed	n/a	2,400	2,400
Percent of ordinance violations acted on within 30 days	n/a	n/a	100%
Ordinance violations investigated	n/a	72	72
Cost per tree pruned	n/a	$195	$115

PARKS & RECREATION

Beach Maintenance

(Program No. 6914)

Mission Statement

Clean, grade and groom beaches to maintain clean and safe beaches for the enjoyment of residents and visitors.

Program Activities

- Perform maintenance duties of raking, sand grooming, and minor grading of the beaches.
- Dispose and remove of kelp, litter and storm debris, and dead sea animals.
- Oversee creek outlet cleaning, maintenance, and annual installation and removal of lifeguard towers.
- Dispose of abandoned beached boats or vessels.
- Youth Beach Litter Clean-up Program.

Objectives for Fiscal Year 2004

- Groom beach sand on Leadbetter, West and East beaches 12 times between May and October.
- Rake beach sand on Leadbetter, West and East beaches 12 times between November and April.
- Hand clean the perimeter of Mission Creek Lagoon on East Beach an average of twice per week.
- Remove all beach debris and dead animals within 24 hours of notification.

RECENT PROGRAM ACHIEVEMENTS

Staff worked with the Creeks Division and the Waterfront Department to improve water quality and aesthetics at the Mission Creek Lagoon.

The quality of beach maintenance has resulted in minimal complaints.

Financial and Staffing Information

	Actual FY 2002	Adopted FY 2003	Adopted FY 2004
Authorized FTEs	**1.00**	**1.00**	**1.00**
Revenues			
General Fund Subsidy	91,766	95,758	102,290
Total Revenue	**$ 91,766**	**$ 95,758**	**$ 102,290**
Expenditures			
Salaries and Benefits	59,909	64,234	70,540
Supplies and Services	31,857	31,524	31,750
Total Expenditures	**$ 91,766**	**$ 95,758**	**$ 102,290**

Program Performance Measures

	Adopted FY 2003	Projected FY 2003	Adopted FY 2004
Beach groomings	n/a	12	12
Beach rakings	n/a	12	12
Hand cleanings of perimeter of Mission Creek Lagoon	n/a	104	104
Percent of beach hazards and dead animals removed of total notified	n/a	100%	100%
Beach debris and dead animals removed	n/a	50	50
Youth Beach Clean-up contracts	n/a	16	16

PARKS & RECREATION

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- Forestry
- Beach Maintenance
- ➢ **Chase Palm Park**

RECENT PROGRAM ACHIEVEMENTS

Chase Palm Park staff received the 2001 Park Operations and Maintenance Award from the California Park and Recreation Society.

Chase Palm Park

(Program No. 6917)

Mission Statement

Provide high quality park maintenance and recreation services at Chase Palm Park.

Program Activities

- Maintain the park landscaping and facilities of Chase Palm, a popular venue for leisure visits, corporate and community events, and concerts.
- Provide grounds maintenance including mowing, hedging, trash pick-up and litter control.
- Coordinate restroom cleaning and maintenance.
- Provide safety oversight and maintenance of playground equipment and water features.
- Provide repairs and maintenance to hardscape elements.
- Develop and coordinate recreation programming for park sites.
- Schedule and coordinate rentals of indoor and outdoor reservable sites.
- Facilitate community special events at the park by working with City and other event coordinators.
- Provide on-site staff on a daily basis to oversee public use of the Park, provide information, and check out recreational equipment at no charge to the public.

Objectives for Fiscal Year 2004

- Maintain 75% "good" to "very good" rating for overall customer satisfaction with outdoor rental facilities.
- Maintain 65 permits to rent outdoor facilities on an annual basis.
- Maintain annual revenue for facility rentals and other income at $172,280.
- Ensure that 80% of park grounds inspections meet established park maintenance standards.
- Clean and inspect Skater's Point skateboard park daily.
- Maintain 23 acres at a cost of $20,000 per acre.

Financial and Staffing Information

	Actual FY 2002	Adopted FY 2003	Adopted FY 2004
Authorized FTEs	**4.70**	**4.70**	**3.90**
Revenues			
Donations	62,500	62,500	62,500
Fees and Service Charges	79,544	70,810	98,780
Rents-Concessions	8,911	13,000	11,000
General Fund Subsidy	237,956	314,437	415,077
Total Revenue	**$ 388,911**	**$ 460,747**	**$ 587,357**
Expenditures			
Salaries and Benefits	278,782	339,464	366,750
Supplies and Services	109,851	120,283	219,607
Non-Capital Equipment	278	1,000	1,000
Total Expenditures	**$ 388,911**	**$ 460,747**	**$ 587,357**

Program Performance Measures

	Adopted FY 2003	Projected FY 2003	Adopted FY 2004
Percent of overall customer satisfaction surveys rated "good" to "very good"	n/a	75%	75%
Permits issued for rental of outdoor facilities	n/a	65	65
Rental revenue for outdoor facilities	n/a	$15,325	$15,325
Percent of park grounds inspections in compliance with established park maintenance standards	n/a	80%	80%
Skateboard Park cleanings and inspections	n/a	365	365
Cost per acre to maintain 23 acres of parkland	n/a	$20,000/acre	$20,000/acre

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Police

Operating under a Community Oriented Policing philosophy, create and maintain a safe community where people can live in peace, without the fear of crime.

About Police

The Police Department is responsible for providing law enforcement services to the City of Santa Barbara. Working in partnership with the community, quality and professional law enforcement services are provided in a fair and efficient manner.

The Patrol Division provides police services to the community that include 24-hour patrol assignments, traffic enforcement, safety programs, animal control activities, special event planning, crisis response teams and a chaplaincy program.

The Investigative Division conducts follow-up investigations from initial crime reports that include crimes against persons, property, narcotics violations, school resource officers and forensic investigations.

The Community Services Division provides support services to the entire organization that include managing the building and maintaining equipment, providing crime analysis, training and recruitment and community oriented problem solving programs and services.

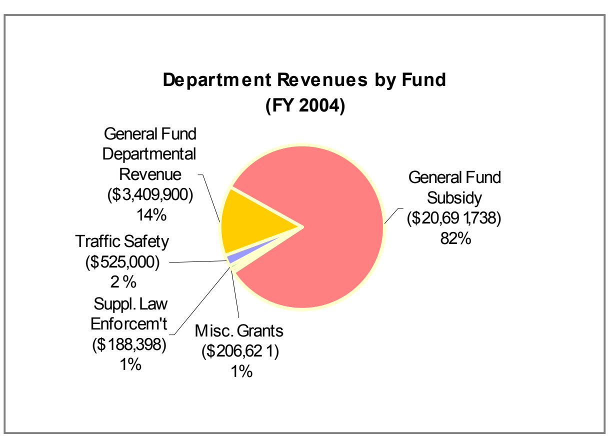
Our motto "Dedicated to Serve" captures our commitment to ensure a safe and secure place for people to live, work and enjoy our community.

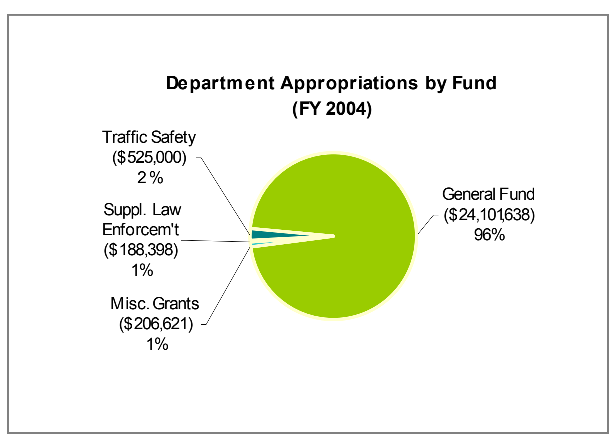
Police

Department Financial and Staffing Summary

	Actual FY 2002	Adopted FY 2003	Adopted FY 2004
Authorized Positions (FTEs)	**238.50**	**236.50**	**230.00**
Revenues			
Traffic Safety	574,953	575,000	525,000
Parking Violations	1,607,210	1,624,921	2,277,245
Fines & Forfeitures	-	-	175,000
Fees and Services Charges	544,645	467,824	510,951
Intergovernmental	985,247	778,699	612,019
Interfund Reimbursements	-	-	168,204
Donations	110,350	-	-
Other	76,622	61,500	61,500
General Fund Subsidy	18,896,781	20,081,525	20,691,738
Total Department Revenue	**$ 22,795,808**	**$ 23,589,469**	**$ 25,021,657**
Expenditures			
Salaries and Benefits	19,499,274	20,558,442	21,287,181
Supplies and Services	2,869,822	2,797,139	3,525,722
Special Projects	155,266	68,194	60,367
Transfers	125	-	-
Non-Capital Equipment	255,764	135,694	148,387
Equipment Capital	15,557	30,000	-
Total Department Expenditures	**$ 22,795,808**	**$ 23,589,469**	**$ 25,021,657**

Department Fund Composition





Police

Program Organizational Chart

- Chief's Staff
  - Support Services
  - Records Bureau
- Community Services Division
  - Crime Analysis
  - Property Room
  - Training and Recruitment
  - Range
  - D.A.R.E.
  - Beat Coordinators
  - Information Technology
- Investigative Division
  - Crime Lab
  - High -Tech Crimes Unit
- Patrol Division
  - Traffic
  - Special Events
  - Tactical Patrol Force
  - Nightlife Enforcement Team
  - Parking Enforcement
  - Combined Communication Center
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RECENT PROGRAM ACHIEVEMENTS

A department-wide Mentoring Program was established for all employees.

Staff held a Team Building Workshop for supervisors and managers.

Chief's Staff

(Program No. 3411)

Mission Statement

Ensure that the organization is operating in a professional manner at all levels with a solid and consistent focus on community policing through team approaches and employee accountability.

Program Activities

- Manage, oversee and monitor the operations of the Santa Barbara Police Department, which includes three divisions that provide public safety for the Santa Barbara Community and focus on quality of life issues.
- Provide public information to all media sources to enhance our community policing philosophy.
- Disseminate information and notify the community of on-going crime problems, significant criminal arrests, public safety information and opportunities to participate in the criminal justice system.
- Investigate and evaluate all complaints related to the performance and conduct of the members of the police department.
- Assist other city departments in gathering information related to public liability claims and other personnel matters.

Objectives for Fiscal Year 2004

- Successfully complete 80% of the department-wide performance objectives.
- Develop a long-term strategy to address workspace acquisition.
- Investigate citizen complaints and respond to 90% of the reporting parties with the action taken within 60 days.
- Provide press releases within 24 hours of specific incidents deemed to be newsworthy and respond to media inquiries expediently.
- Provide Diversity Training to 100% of employees.
- Administer a citizen's survey in 2003-2004.
- Plan and host the 2004 California Police Chief's Association Annual Conference.

Financial and Staffing Information

	Actual FY 2002	Adopted FY 2003	Adopted FY 2004
Authorized FTEs	**34.00**	**34.00**	**5.00**
Revenues			
Parking Violations	1,607,210	1,624,921	2,277,245
Intergovernmental	276,066	217,035	217,000
Fees and Service Charges	307,444	315,300	342,275
Other	15,878	4,000	4,000
Donations	110,350	-	-
General Fund Subsidy	(46,862)	542,587	(2,018,719)
Total Revenue	**$ 2,270,086**	**$ 2,703,843**	**$ 821,801**
Expenditures			
Salaries and Benefits	1,860,086	2,396,309	782,948
Supplies and Services	242,607	290,800	38,853
Special Projects	24,716	-	-
Transfers	125	-	-
Non-Capital Equipment	128,102	16,734	-
Equipment Capital	14,450	-	-
Total Expenditures	**$ 2,270,086**	**$ 2,703,843**	**$ 821,801**

Program Performance Measures

	Adopted FY 2003	Projected FY 2003	Adopted FY 2004
Citizen complaints investigated	n/a	17	17
SBPD interviews, press releases and meetings with media representatives	n/a	840	840
Percent of citizen complaints receiving a response in 60 days	n/a	90%	90%

POLICE

RECENT PROGRAM ACHIEVEMENTS

The Police Department payroll clerk was awarded Payroll Timekeeper of the Year by the Finance Department.

Support Services

(Program No. 3413)

Mission Statement

Perform the administrative and fiscal functions for the Police Department, including purchasing, payroll, and revenue collection while providing fiscal support and oversight to all department divisions.

Program Activities

- Administer the preparation, implementation and management of the department's budget.
- Provide timely management and support on all matters related to personnel and payroll actions.
- Process all department purchasing, accounts payable and receivable actions.
- Manage the Parking Collection Section including payments, reviews and tows.

Objectives for Fiscal Year 2004

- Achieve a 98% accuracy rate in processing employee timesheets.
- Achieve a 98% completion rate for all purchasing and accounts payable transactions within two business days of receipt.
- Achieve a collection rate of 85% for parking citations.
- Notify all interested parties of vehicles towed for unlicensed driver within one business day.
- Develop the annual budget within target and administer within fiscal constraints and policies.

Financial and Staffing Information

	Actual FY 2002	Adopted FY 2003	Adopted FY 2004
Authorized FTEs	**0.00**	**0.00**	**8.00**
Revenues			
General Fund Subsidy	-	-	600,338
Total Revenue	**$ -**	**$ -**	**$ 600,338**
Expenditures			
Salaries and Benefits	-	-	520,046
Supplies and Services	-	-	79,922
Non-Capital Equipment	-	-	370
Total Expenditures	**$ -**	**$ -**	**$ 600,338**

Program Performance Measures

	Adopted FY 2003	Projected FY 2003	Adopted FY 2004
Timesheets processed	n/a	6,500	6,500
Errors reported on timesheets	n/a	130	100
Purchasing transactions	n/a	675	675
Accounts payable transactions	n/a	850	850
Parking citations issued	n/a	69,232	99,532
Parking citations cleared	n/a	55,386	78,717
Vehicles towed for unlicensed driver	n/a	1,111	1,111
Accuracy rate in processing employee timesheets	n/a	98%	98%
Percent of purchasing and accounts payable transactions completed within two business days	n/a	98%	98%
Collection rate for parking citations	n/a	85%	85%

POLICE

Records Bureau

(Program No. 3414)

Mission Statement

Process and disseminate police reports while providing quality customer service to citizens.

Program Activities

- Process, maintain, and track all police crime reports, arrest reports, traffic accident reports, and traffic citations within allotted time frames.
- Provide the timely processing of subpoenas for officer and civilian personnel for appearance in court, declarations, and requests for records.
- Assist the general public and police officers by taking and completing counter reports.
- Process and maintain the monthly Uniform Crime Report statistics for the Department of Justice.
- Fingerprint using Live Scan or rolling prints for the police department, city employees, bookings, registrants, city permits and general public.
- Transcribe police reports that are dictated by officers to ensure the reports are correct, standardized and legible.

Objectives for Fiscal Year 2004

- Process 100% of police reports, arrest, reports, traffic citations and traffic accidents within 24 hours of receipt.
- Submit 100% of mandated monthly Uniform Crime Reports for Department of Justice as required by law.
- Submit 100% of mandated Minors in Custody Reports for the Board of Correction as required by law.
- Complete recommendations for police report procedures, based on a completed workload analysis of police reports.
- Relocate the Transcriber Office to an adequate facility adjacent to Records Bureau.

RECENT PROGRAM ACHIEVEMENTS

The Records Bureau successfully passed a California Law Enforcement Terminal Check with the Department of Justice.

Financial and Staffing Information

	Actual FY 2002	Adopted FY 2003	Adopted FY 2004
Authorized FTEs	**0.00**	**0.00**	**21.00**
Revenues			
General Fund Subsidy	-	-	1,263,425
Total Revenue	**$ -**	**$ -**	**$ 1,263,425**
Expenditures			
Salaries and Benefits	-	-	1,148,968
Supplies and Services	-	-	114,087
Non-Capital Equipment	-	-	370
Total Expenditures	**$ -**	**$ -**	**$ 1,263,425**

Program Performance Measures

	Adopted FY 2003	Projected FY 2003	Adopted FY 2004
Reports prepared by Officers processed	n/a	18,000	18,000
Reports prepared by Records staff processed	n/a	3,900	3,900
Traffic citations processed	n/a	11,000	11,000
Subpoenas processed	n/a	2,400	2,400
Vehicle tow forms processed	n/a	3,800	3,800
Incoming and outgoing phone calls handled	n/a	17,000	17,000
Individuals fingerprinted by Live Scan and rolled prints	n/a	4,700	4,700
Reports transcribed	n/a	11,000	11,000
Completed UCR reports	n/a	12	12
Percent of police reports, arrest reports, traffic citations, and traffic accidents processed within 24 hours	n/a	100%	100%

POLICE

RECENT PROGRAM ACHIEVEMENTS

The Community Services Division enhanced safety in the Downtown corridor by drafting a new Pedi-Cab Ordinance.

Community Services Division

(Program No. 3421)

Mission Statement

Provide leadership, direction and administrative guidance for the Community Services Division.

Program Activities

- Coordinate and oversee the Police Department facilities maintenance needs with the Public Works Department.
- Ensure the delegation throughout the Department of the Community Oriented Policing efforts that originate in the Community Services Division.
- Work closely with the Business Office to efficiently administer the Community Services Division Budget.
- Maintain a working relationship with the landlord of the Police Annex Building.
- Provide outreach to local youth through the Police Activities League (PAL) to strengthen relationships between the Police Department and youth.

Objectives for Fiscal Year 2004

- Ensure Community Services programs complete 80% of program objectives.
- Increase the number of participants in the PAL Program by 5%.
- Identify, secure and track outside funding sources to support the Police Activities League, including the PAL Assistant Coordinator's Position.

Financial and Staffing Information

	Actual FY 2002	Adopted FY 2003	Adopted FY 2004
Authorized FTEs	**5.00**	**4.00**	**4.00**
Revenues			
Fees and Service Charges	18,750	25,000	15,000
General Fund Subsidy	887,784	765,477	822,741
Total Revenue	**$ 906,534**	**$ 790,477**	**$ 837,741**
Expenditures			
Salaries and Benefits	554,089	441,131	438,789
Supplies and Services	350,577	349,346	398,952
Non-Capital Equipment	1,868	-	-
Total Expenditures	**$ 906,534**	**$ 790,477**	**$ 837,741**

Program Performance Measures

	Adopted FY 2003	Projected FY 2003	Adopted FY 2004
Youth participating in Police Activities League (PAL)	n/a	722	758
Youth referred to outside partnerships through the Police Activities League (PAL)	n/a	450	486

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RECENT PROGRAM ACHIEVEMENTS

The Crime Analyst attended the California Crime Analysts Conference and is a member of the California Gang Node Advisory Committee.

Crime Analysis

(Program No. 3422)

Mission Statement

Analyze data to identify crime series, patterns, trends, and criminal offenders to assist in criminal investigations and citywide reports.

Program Activities

- Provide timely and pertinent information relative to crime and arrest data to Police Department personnel, other City departments, outside law enforcement agencies and the general public for resource allocation, budgeting activities and community policing.
- Furnish crime analysis services to Police Department personnel through the identification of crime patterns and/or series, suspect identification and forecasting future crimes occurrences.
- Manage the City's alarm permit system, update the audible false alarm system, send false alarm warning letters to applicable permit holders and provide monthly false alarm billing reports to the City Finance Department.
- Provide technical support, answer administrative questions and provide hands on training on the CalGang system to end users in the Santa Barbara region.
- Respond to CalGang administrative and training requests from end users.

Objectives for Fiscal Year 2004

- Ensure that 80% of the requests for crime data and statistics are provided within two working days.
- Analyze 90% of all crime reports with crime pattern tools.
- Ensure that 100% of all false alarm warning letters are sent within 30 days of violation.

Financial and Staffing Information

	Actual FY 2002	Adopted FY 2003	Adopted FY 2004
Authorized FTEs	**2.00**	**2.00**	**1.00**
Revenues			
General Fund Subsidy	94,699	126,660	77,431
Total Revenue	**$ 94,699**	**$ 126,660**	**$ 77,431**
Expenditures			
Salaries and Benefits	89,020	109,906	65,643
Supplies and Services	5,679	13,145	11,788
Non-Capital Equipment	-	3,609	-
Total Expenditures	**$ 94,699**	**$ 126,660**	**$ 77,431**

Program Performance Measures

	Adopted FY 2003	Projected FY 2003	Adopted FY 2004
Crime data or statistics requests	n/a	460	460
Percent of crime statistics provided for requests within two working days	n/a	80%	80%
Crime reports entered into Crime Summary Module for analysis	n/a	440	440
Percent of crime reports analyzed with crime pattern tools	n/a	90%	90%
Training sessions conducted for CalGang	n/a	5	6
CalGang administrative system requests handled	n/a	115	115
People trained on the CalGang system	n/a	50	60
False alarm warning letters generated	n/a	1,850	1,850
Percent of false alarm warning letters sent within 30 days	n/a	100%	100%
False Alarms	n/a	2,900	2,610

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RECENT PROGRAM ACHIEVEMENTS

The installation of the evidence storage walk-in refrigerator and freezer was completed.

Property Room

(Program No. 3423)

Mission Statement

Track and store all property and evidence received for court proceedings or return to rightful owners.

Program Activities

- Catalog and store all items of evidence.
- Identify and dispose of evidence associated with closed cases.
- Provide legal access to items of evidence for Santa Barbara Police Department employees and officers of the courts.
- Notify the public how and when their property is available for retrieval from the property room.
- Catalog, track and ensure the disposal of all weapons and drugs in a timely manner.
- Coordinate the delivery and retrieval of evidence for analysis with the State Crime Lab.
- Prepare and catalog all items to be released by way of auction.

Objectives for Fiscal Year 2004

- Catalog 100% of property into a storage location within one working day.
- Ensure that 90% of computerized entry of all property and evidence is completed within 10 working days.
- Ensure 100% disposal rate of confiscated Drugs and Weapons.
- Complete yearly audit of all items booked into the property room with 100% accuracy.
- Update the data entry system using bar coding to facilitate computerized tracking of all property and evidence.

Financial and Staffing Information

	Actual FY 2002	Adopted FY 2003	Adopted FY 2004
Authorized FTEs	**2.00**	**2.00**	**2.00**
Revenues			
General Fund Subsidy	128,490	144,851	139,867
Total Revenue	**$ 128,490**	**$ 144,851**	**$ 139,867**
Expenditures			
Salaries and Benefits	115,758	124,935	125,748
Supplies and Services	11,767	16,394	13,725
Non-Capital Equipment	965	3,522	394
Total Expenditures	**$ 128,490**	**$ 144,851**	**$ 139,867**

Program Performance Measures

	Adopted FY 2003	Projected FY 2003	Adopted FY 2004
Individual cases cataloged in property room	n/a	5,096	5,504
Percent of property cataloged in one day	n/a	100%	100%
Items received, stored and entered into the computer	n/a	14,203	15,481
Percent of computerized entry completed in ten days	n/a	95%	95%
Bulk property items cataloged	n/a	357	385
Weapons destroyed	n/a	375	405
Drug cases destroyed	n/a	1,200	1,308

POLICE

RECENT PROGRAM ACHIEVEMENTS

Sworn and dispatch staffing levels are at 98% of funded positions. New recruitment posters and brochures were completed.

Training and Recruitment

(Program No. 3424)

Mission Statement

Recruit and hire qualified personnel and provide state mandated training for all department employees.

Program Activities

- Conduct thorough background checks on all prospective police department employees.
- Conduct background investigations for other city departments such as Fire, Parks and Recreation, Airport and Waterfront.
- Conduct recruiting activities with Human Resources personnel to recruit a diverse candidate pool.
- Review training records of all sworn personnel to ensure compliance with Police Officer Standards Training (POST) requirements.
- Facilitate new employee orientations.
- Supervise police officer trainees while at the Police Academy.
- Oversee and supervise the property room and range personnel.
- Oversee the department's Mentoring Program.

Objectives for Fiscal Year 2004

- Maintain an average staffing level of 98% of funded positions.
- Develop and implement a plan to increase diversity within the organization.
- Increase compliance with mandated training for sworn personnel to 100% by June 30, 2004.
- Facilitate ten open entry testing processes for sworn and civilian positions.
- Complete 90% of background checks on prospective police employees within 45 days of a conditional job offer.

Financial and Staffing Information

	Actual FY 2002	Adopted FY 2003	Adopted FY 2004
Authorized FTEs	**3.00**	**3.00**	**2.00**
Revenues			
Fees and Service Charges	524	-	-
General Fund Subsidy	482,093	404,864	296,573
Total Revenue	**$ 482,617**	**$ 404,864**	**$ 296,573**
Expenditures			
Salaries and Benefits	350,665	292,908	274,507
Supplies and Services	122,822	102,670	22,066
Non-Capital Equipment	9,130	9,286	-
Total Expenditures	**$ 482,617**	**$ 404,864**	**$ 296,573**

Program Performance Measures

	Adopted FY 2003	Projected FY 2003	Adopted FY 2004
Employees hired	n/a	15	20
Outside agency recruitment trips and job fairs	n/a	4	8
Advertisements and promotions for diverse workforce	n/a	10	10
Employees in compliance with POST regulations	n/a	144	144
Open-entry testing processes	n/a	10	10
Average staffing level	n/a	98%	98%
Background checks for prospective Police Department employees completed	n/a	25	25
Percent of background checks for prospective police officers completed within 45 days of offer	n/a	90%	90%
Background checks completed for employees of other City departments	n/a	10	10

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RECENT PROGRAM ACHIEVEMENTS

Staff completed long rifle qualification training for all regular and reserve officers.

Range

(Program No. 3425)

Mission Statement

Provide firearms training to insure compliance for all officers and oversee the maintenance and issuance of operative, well-maintained safety equipment and vehicles.

Program Activities

- Oversee primary weapon qualification for all regular and reserve officers, Harbor Patrol and Airport Patrol.
- Provide a safety officer at requested SWAT trainings.
- Manage all requests for repairs for department fleet vehicles.
- Monitor all manufacturers' recalls on department vehicles and schedule vehicles for routine preventive maintenance.
- Issue all safety equipment to newly hired personnel and replace safety equipment to all officers as requested.
- Oversee day-to-day minor building maintenance requests.

Objectives for Fiscal Year 2004

- Maintain 100% quarterly compliance for weapon qualifications for officers on active duty.
- Ensure that 100% of all equipment meets department safety requirements.
- Respond to 98% of vehicle maintenance requests within two business days.

Financial and Staffing Information

	Actual FY 2002	Adopted FY 2003	Adopted FY 2004
Authorized FTEs	**0.00**	**0.00**	**1.00**
Revenues			
General Fund Subsidy	-	-	954,284
Total Revenue	**$ -**	**$ -**	**$ 954,284**
Expenditures			
Salaries and Benefits	-	-	66,261
Supplies and Services	-	-	888,023
Total Expenditures	**$ -**	**$ -**	**$ 954,284**

Program Performance Measures

	Adopted FY 2003	Projected FY 2003	Adopted FY 2004
Safety equipment pieces replaced	n/a	100	100
Vehicle repair requests	n/a	160	160
Preventative maintenance vehicle repairs	n/a	160	160
Percent of vehicle maintenance requests receiving a response in two days	n/a	98%	98%
Officers trained in long rifle training (four times per year)	n/a	640	640
Officers trained in primary weapon (four times per year)	n/a	744	744

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RECENT PROGRAM ACHIEVEMENTS

Since its inception in 1984, 13,613 students have graduated from the DARE Program.

D.A.R.E.

(Program No. 3426)

Mission Statement

Instruct fifth and sixth grade students to recognize and resist the many pressures that influence them to experiment with drugs, gangs and violence.

Program Activities

- Provide in-classroom Drug Abuse Resistance Education (DARE) instruction for elementary school age children.
- Provide training to school officials and parents on current issues and counsel school children on personal issues and safety tips.

Objectives for Fiscal Year 2004

- Provide Drug Abuse Resistance Education to fifth and sixth grade students at 13 local elementary schools.

Financial and Staffing Information

	Actual FY 2002	Adopted FY 2003	Adopted FY 2004
Authorized FTEs	**2.00**	**2.00**	**2.00**
Revenues			
General Fund Subsidy	211,398	219,400	236,122
Total Revenue	**$ 211,398**	**$ 219,400**	**$ 236,122**
Expenditures			
Salaries and Benefits	190,835	198,173	217,663
Supplies and Services	20,563	21,227	18,459
Total Expenditures	**$ 211,398**	**$ 219,400**	**$ 236,122**

Program Performance Measures

	Adopted FY 2003	Projected FY 2003	Adopted FY 2004
Students participating in the DARE Program	n/a	950	950

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Beat Coordinators

(Program No. 3427)

Mission Statement

Utilize community oriented policing programs and partnerships to resolve specific neighborhood problems affecting quality of life issues and provide mentoring for youth through the Explorer Program.

Program Activities

- Coordinate a citywide approach to Community Oriented Problem-Solving (COPS) philosophy.
- Utilize problem-solving techniques to resolve specific neighborhood problems.
- Conduct presentations on crime prevention topics.
- Provide information to the public on police procedures through the Citizen's, Spanish and Youth Academies.
- Provide direction to the Citizen's Advisory Committee.
- Guide, mentor, and assist members of the Explorer Post to help develop their life skills and self-confidence.

Objectives for Fiscal Year 2004

- Respond within three working days to 90% of all requests for attendance at presentations and meetings.
- Ensure that three Citizen Academies are conducted alternating between English, Spanish and Youth.
- Contact 90% of complainants within three working days of receipt of community problem or issue.
- Ensure that a minimum of ten monthly Citizen's Advisory Committee meetings are conducted.
- Develop a process to involve other City Departments in Community Oriented Problem Solving.
- Develop TV show, "SBPD-Live", and produce the show on a bi-monthly basis.
- Conduct 48 weekly Explorer meetings to prepare members to enter the law enforcement profession.
- Recruit new members for the Explorer Post to bring the total number to 20.

RECENT PROGRAM ACHIEVEMENTS

In 2001, staff established the Citizen's Advisory Committee to help solve community problems and neighborhood issues.

Financial and Staffing Information

	Actual FY 2002	Adopted FY 2003	Adopted FY 2004
Authorized FTEs	**8.00**	**8.00**	**7.00**
Revenues			
General Fund Subsidy	752,378	736,037	685,733
Total Revenue	**$ 752,378**	**$ 736,037**	**$ 685,733**
Expenditures			
Salaries and Benefits	735,618	714,595	650,621
Supplies and Services	16,760	21,442	35,112
Total Expenditures	**$ 752,378**	**$ 736,037**	**$ 685,733**

Program Performance Measures

	Adopted FY 2003	Projected FY 2003	Adopted FY 2004
Requests for attendance at presentations or meetings	n/a	184	184
Requests receiving response within three working days	n/a	90%	90%
Department tours	n/a	60	60
Citizen's Academies (English, Spanish and Youth)	n/a	3	3
COPS Projects	n/a	788	788
Community requests receiving a response in three working days	n/a	90%	90%
Spanish speaking presentations	n/a	72	72
Hours filling patrol assignments	n/a	160	160
COPS Projects utilizing other city departments	n/a	30	30
Meetings completed by the Explorer Program	n/a	48	48
Explorers in the post	n/a	20	20

POLICE

RECENT PROGRAM ACHIEVEMENTS

Police Information Technology, a Microsoft pre-release site, was featured in Government Computer News and Windows Magazine for Network Security achievements.

Information Technology

(Program No. 3428)

Mission Statement

Design, create, implement, and maintain automated systems, and provide 24-hour technical support to system users, in order to enhance public safety.

Program Activities

- Provide network security for all Police systems.
- Design and implement automated systems to enhance public safety, user workflow, and provide critically needed law enforcement information in a timely manner.
- Administer the Joint Powers Agreement (JPA) network, providing law enforcement agencies in Santa Barbara and San Luis Obispo counties with access to local, state, national and international databases.
- Maintain the Santa Barbara Police Department web page, provide user training, maintain all PCs and mobile computers and related software, and provide 24-hour user support for law enforcement systems.

Objectives for Fiscal Year 2004

- Provide system availability for critical systems at a rate exceeding 99% uptime.
- Ensure 95% of hardware and software is current with industry standards, defined as a four-year hardware replacement schedule and operating systems updated within one year of new release.
- Establish and implement a tracking mechanism for user help-desk and support requests.
- Complete 100% of Department of Justice (DOJ) mandated updates within required timeframe in support of the Joint Powers Agreement (JPA) network.
- Complete 100% of Joint Powers Agreement (JPA) user requests for system access and workstation configurations within five working days.

Financial and Staffing Information

	Actual FY 2002	Adopted FY 2003	Adopted FY 2004
Authorized FTEs	**6.00**	**6.00**	**5.00**
Revenues			
Fees and Service Charges	48,384	45,524	52,242
General Fund Subsidy	467,906	490,807	682,596
Total Revenue	**$ 516,290**	**$ 536,331**	**$ 734,838**
Expenditures			
Salaries and Benefits	434,486	460,452	457,522
Supplies and Services	24,155	32,348	130,716
Non-Capital Equipment	57,649	43,531	146,600
Total Expenditures	**$ 516,290**	**$ 536,331**	**$ 734,838**

Program Performance Measures

	Adopted FY 2003	Projected FY 2003	Adopted FY 2004
PC workstations maintained	n/a	142	145
Mobile Data Computers (MDCs) maintained	n/a	41	41
JPA workstations maintained	n/a	370	375
Printers maintained	n/a	28	28

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RECENT PROGRAM ACHIEVEMENTS

Through the use of DNA technology, a 27-year old homicide was solved through the arrest of the suspect.

Investigative Division

(Program No. 3431)

Mission Statement

Investigate or resolve all active unsolved assigned criminal cases to a successful conclusion or until all leads are exhausted.

Program Activities

- Investigate active, unsolved criminal cases.
- Serve as a liaison with the District Attorney to ensure successful prosecution of criminal offenders.
- Serve as a liaison with community based organizations and outside law enforcement agencies.
- Process requests for taxi, massage and dance permits.
- Proactively investigate narcotic violations.
- Extradite fugitives and transport wanted subjects back to Santa Barbara County for prosecution.

Objectives for Fiscal Year 2004

- Increase to a 20% clearance rate by arrest, warrant or referral for all assigned cases.
- Increase the number of narcotic investigations by 5% to increase proactive narcotic enforcement.
- Complete 90% of taxi permit and dance permit investigations within two weeks of application.
- Complete 85% of follow up requests from the District Attorney by due date.
- Complete 80% of investigations within 90 days of being assigned.

Financial and Staffing Information

	Actual FY 2002	Adopted FY 2003	Adopted FY 2004
Authorized FTEs	**33.00**	**32.00**	**28.00**
Revenues			
Intergovernmental	99,697	90,000	95,000
General Fund Subsidy	3,541,735	3,409,392	3,120,647
Total Revenue	**$ 3,641,432**	**$ 3,499,392**	**$ 3,215,647**
Expenditures			
Salaries and Benefits	3,224,217	3,174,194	2,906,894
Supplies and Services	293,161	262,763	253,753
Special Projects	116,795	50,000	55,000
Non-Capital Equipment	7,259	12,435	-
Total Expenditures	**$ 3,641,432**	**$ 3,499,392**	**$ 3,215,647**

Program Performance Measures

	Adopted FY 2003	Projected FY 2003	Adopted FY 2004
Cases assigned for follow up	n/a	2,290	2,290
Cases closed by arrest, warrant or referral	n/a	734	734
Clearance rate by arrest, warrant or deferral	n/a	20%	20%
Percent of investigations closed within 90 days of assignment	n/a	80%	80%
Arrests by Division personnel	n/a	380	361
Narcotic investigations	n/a	180	189
Taxi/pedi-cab/dance permits issued	n/a	184	184
Percent of taxi/pedi-cab/dance permits completed within two weeks	n/a	90%	90%
District Attorney follow-ups	n/a	264	264
Percent of District Attorney follow-up requests completed before due date	n/a	95%	95%

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Crime Lab

(Program No. 3432)

Mission Statement

Collect and process forensic evidence to assist in criminal investigations.

Program Activities

- Respond to crime scenes to identify, document, collect, and preserve physical evidence for future examinations.
- Examine and analyze evidence in the laboratory, including the identification of suspected controlled, trace evidence (i.e. hairs, fibers, physiological fluids), and the evaluation of various types of physical evidence.
- Perform various photographic assignments, including maintaining the digital image archive of crime scene photos, and perform departmental photographic work, including developing and printing a variety of films used for evidence and court displays.
- Process evidence for latent fingerprints, examine latent fingerprints and conduct fingerprint comparisons.
- Attend autopsies in criminal cases for evidence collection, documentation and evaluation.
- Examine evidence to determine if further forensic analysis is required by forensic scientists at the Department of Justice (DOJ) or Federal Bureau of Investigations (FBI). These include: serology, DNA, hair and fiber comparisons, footwear and tire track exams, ballistics, and document examinations.
- Prepare reports that document crime scenes and results of evidence examinations.
- Provide "expert" testimony in court regarding the examinations and evaluations performed.

Objectives for Fiscal Year 2004

- Process 100% of photographic evidence submitted by Crime Scene Investigators and Detectives within two working days.
- Submit 90% of all CAL-ID quality latent fingerprints to Department of Justice within one working day.
- Ensure that 100% of biological evidence requested for analysis be submitted to Department of Justice within three working days.
- Ensure that 90% of requests for evidence processing by investigators or the District Attorney's office are completed within three working days.
- Update Live Scan System to include full palm print capabilities within 60 days of system development.

RECENT PROGRAM ACHIEVEMENTS

Staff obtained direct connectivity to the State Cal-ID fingerprint database with the recent acquisition of a Latent Print Terminal.

Financial and Staffing Information

	Actual FY 2002	Adopted FY 2003	Adopted FY 2004
Authorized FTEs	**0.00**	**0.00**	**2.00**
Revenues			
General Fund Subsidy	-	-	169,391
Total Revenue	**$ -**	**$ -**	**$ 169,391**
Expenditures			
Salaries and Benefits	-	-	154,240
Supplies and Services	-	-	15,151
Total Expenditures	**$ -**	**$ -**	**$ 169,391**

Program Performance Measures

	Adopted FY 2003	Projected FY 2003	Adopted FY 2004
Physical evidence cases processed in Lab	n/a	450	450
Percent of District Attorney or investigator requests for evidence processing completed in three working days	n/a	90%	90%
Biological evidence cases submitted to DOJ	n/a	36	36
Percent of biological evidence cases submitted to DOJ within three working days	n/a	100%	100%
Crime scene responses by lab personnel	n/a	290	290
Film and digital images processed	n/a	31,000	31,000
Percent of photographic evidence processed in two days	n/a	100%	100%
Latent fingerprints submitted to CAL-ID	n/a	250	250
Percent of latent fingerprints submited to CAL-ID in one working day	n/a	90%	90%

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High-Tech Crimes Unit

(Program No. 3434)

Mission Statement

Investigate all computer related crimes, assist in the preparation of cases, and provide assistance for detectives in court prosecutions.

Program Activities

- Assist both internal and outside police agency detectives with forensic computer examinations for court proceedings.
- Maintain a secure high tech crime lab within the police department.
- Ensure the availability of Police Officer Standards Training (POST) and court certified detectives in high tech crimes.
- Conduct inter-department training of employees in high-tech related crimes.

Objectives for Fiscal Year 2004

- Ensure that 90% of investigative assistance requests from other agencies within a five county task force receive a response.
- Ensure that 25% of hardware and software in the high tech crime lab is updated.
- Recertify two employees in Encase computer investigation courses as experts in computer forensics.

RECENT PROGRAM ACHIEVEMENTS

In December 2002, the High-Tech Crimes Unit established full service operations in its new office to investigate computer crimes.

Financial and Staffing Information

	Actual FY 2002	Adopted FY 2003	Adopted FY 2004
Authorized FTEs	**0.00**	**0.00**	**2.00**
Revenues			
General Fund Subsidy	-	-	222,986
Total Revenue	**$ -**	**$ -**	**$ 222,986**
Expenditures			
Salaries and Benefits	-	-	219,365
Supplies and Services	-	-	3,621
Total Expenditures	**$ -**	**$ -**	**$ 222,986**

Program Performance Measures

	Adopted FY 2003	Projected FY 2003	Adopted FY 2004
Investigations conducted by unit	n/a	30	30
Investigations conducted by unit as part of task force	n/a	n/a	12
Training sessions attended	n/a	10	10

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RECENT PROGRAM ACHIEVEMENTS

The Tactical Patrol Rifle Program was developed and implemented.

Staff participates in the Tri-County California Gang Node.

Patrol Division

(Program No. 3441)

Mission Statement

Respond to community needs through the enforcement of public safety laws and provide expedient responses to calls for service.

Program Activities

- Provide uniform patrol 24 hours a day, seven days a week to prevent and deter crime.
- Respond to all felony calls, crimes in progress and selected misdemeanors.
- Conduct initial investigations and complete crime reports.
- Enforce State and Local statutes and traffic regulations.
- Facilitate the safe and efficient movement of motor vehicles, bicyclists and pedestrians on city streets and thoroughfares.
- Develop and implement community policing strategies to reduce crime and enhance quality of life within our community.

Objectives for Fiscal Year 2004

- Respond to 90% of high-priority calls for service within four minutes of being dispatched.
- Respond to 95% of non-priority calls for service within 10 minutes of being dispatched.
- Develop system for assigning, documenting, and tracking patrol involvement in COPS Projects.
- Increase by 5% Community Oriented Problem Solving projects (COPS) handled by Patrol Officers.
- Reduce the use of Injury on Duty (IOD) hours in Patrol Division personnel by 5%.
- Develop a 10-hour Police Officer Standards and Training (POST) approved course for all officers for specific skills including shooting, arrest and control and live support training.

Financial and Staffing Information

	Actual FY 2002	Adopted FY 2003	Adopted FY 2004
Authorized FTEs	**95.50**	**95.50**	**84.00**
Revenues			
Traffic Safety Program	574,953	575,000	525,000
Fines & Forfeitures	-	-	175,000
Intergovernmental	609,484	471,664	300,019
Fees and Service Charges	133,025	50,000	50,000
Other	1,645	-	-
General Fund Subsidy	9,036,145	9,648,403	8,437,992
Total Revenue	**$ 10,355,252**	**$ 10,745,067**	**$ 9,488,011**
Expenditures			
Salaries and Benefits	8,885,579	9,361,776	8,521,775
Supplies and Services	1,423,131	1,300,246	960,869
Special Projects	5,376	18,194	5,367
Non-Capital Equipment	40,059	34,851	-
Equipment Capital	1,107	30,000	-
Total Expenditures	**$ 10,355,252**	**$ 10,745,067**	**$ 9,488,011**

Program Performance Measures

	Adopted FY 2003	Projected FY 2003	Adopted FY 2004
Emergency calls for service	n/a	1,336	1,336
Medium priority calls for service	n/a	34,576	34,576
Low priority calls for service	n/a	84,416	84,416
Felony arrests	n/a	1,546	1,546
Misdemeanor arrests	n/a	5,240	5,240
Municipal code citations written	n/a	4,528	4,528
COPS Projects	n/a	94	100
IOD hours used	n/a	6,166	5,858
Percent of emergency calls receiving a response in four minutes	n/a	n/a	90%
Percent of non-emergency calls receiving a response in 10 minutes	n/a	n/a	95%

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RECENT PROGRAM ACHIEVEMENTS

The Department was awarded two grants for additional traffic enforcement totaling $243,000.

Traffic

(Program No. 3442)

Mission Statement

Reduce traffic collisions and facilitate the safe and orderly flow of traffic through education and enforcement.

Program Activities

- Enforce traffic laws for motorists, pedestrians, and bicyclists.
- Investigate traffic collisions.
- Provide public education about traffic issues.
- Conduct Driving Under the Influence (DUI) and Seatbelt Checkpoints to promote motorist safety and reduce collisions.
- Administer Office of Traffic Safety grants to improve traffic safety.

Objectives for Fiscal Year 2004

- Decrease by 5% the number of DUI traffic collisions from the most recent three-year average.
- Maintain the total number of injury traffic collisions at or below the most recent three-year average.
- Apply for and receive continued grant funding for special traffic enforcement programs.
- Maintain the total number of traffic collisions at or below the most recent three-year average.
- Work with Information Technology to update tracking system for pedestrian and bicycle collision statistics.

Financial and Staffing Information

	Actual FY 2002	Adopted FY 2003	Adopted FY 2004
Authorized FTEs	**0.00**	**0.00**	**8.00**
Revenues			
General Fund Subsidy	-	-	912,680
Total Revenue	**$ -**	**$ -**	**$ 912,680**
Expenditures			
Salaries and Benefits	-	-	879,819
Supplies and Services	-	-	32,861
Total Expenditures	**$ -**	**$ -**	**$ 912,680**

Program Performance Measures

	Adopted FY 2003	Projected FY 2003	Adopted FY 2004
DUI traffic collisions	n/a	142	135
Injury traffic collisions	n/a	600	600
Total traffic collisions	n/a	1,993	1,993
Active grants for special traffic enforcement programs	n/a	2	2
Total traffic citations issued by the department	n/a	11,610	11,610
Pedestrian involved traffic collisions	n/a	76	76
Bicycle involved traffic collisions	n/a	144	144

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Special Events

(Program No. 3443)

Mission Statement

Monitor special events within the City of Santa Barbara to ensure the safety of event organizers, participants, and the general public.

Program Activities

- Process all Special Event applications in accordance with rules and regulations outlined in the Municipal Code.
- Process business related film and photo applications in accordance with rules and regulations outlined in the Municipal Code.
- Prepare and implement tactical plans for all events likely to require a police presence beyond the scope of day-to-day operations.
- Supervise, coordinate and direct the activities of the Police Department's Reserve Corps, Volunteer Corps and Chaplain Program.

Objectives for Fiscal Year 2004

- Process 75% of completed special event applications within three working days.
- Process 80% of completed film/photo applications within two working days.
- Reduce major crime by 33% compared to prior three-year average within venue areas during Solstice, July 4th and Fiesta.
- Increase number of hours volunteered in Reserve Corps, Volunteer Corps and Chaplain Program by 10%.

RECENT PROGRAM ACHIEVEMENTS

A Police Chaplain Program was developed to provide counseling to the public during traumatic events.

Staff approved 161 Special Event Applications during 2002.

Financial and Staffing Information

	Actual FY 2002	Adopted FY 2003	Adopted FY 2004
Authorized FTEs	**1.00**	**1.00**	**1.00**
Revenues			
Other	59,099	57,500	57,500
General Fund Subsidy	328,209	105,010	158,781
Total Revenue	**$ 387,308**	**$ 162,510**	**$ 216,281**
Expenditures			
Salaries and Benefits	334,765	161,107	191,619
Supplies and Services	52,543	1,403	24,662
Total Expenditures	**$ 387,308**	**$ 162,510**	**$ 216,281**

Program Performance Measures

	Adopted FY 2003	Projected FY 2003	Adopted FY 2004
Completed special event applications processed within three working days	n/a	121	132
Percent of special event applications processed within three working days	n/a	75%	75%
Completed film/photo applications processed within two working days	n/a	40	45
Percent of film/photo applications processed within two working days	n/a	80%	80%
Major crimes reported during Solstice, July 4th, and Fiesta	n/a	3	2
Complaints generated by permitted events	n/a	48	39
Hours donated by Reserve Corps	n/a	3,800	3,914
Hours donated by Volunteer Corps	n/a	596	620
Hours donated by Chaplain members	n/a	298	310

POLICE

RECENT PROGRAM ACHIEVEMENTS

In 2002, the Tactical Patrol Force provided police officers, reserves, paramedics, park rangers and military police with bicycle patrol training.

Tactical Patrol Force

(Program No. 3444)

Mission Statement

Maintain a proactive police presence in the downtown and waterfront areas to reduce street crime through the utilization of unique strategies and partnerships.

Program Activities

- Provide uniformed foot and bicycle patrol officers downtown to deter street crime, maintain a highly visible police presence, and encourage interaction with the public.
- Maintain a daily proactive enforcement effort against alcohol, narcotics, panhandling, loitering and illegal vending violations in the downtown and waterfront areas.
- Conduct plainclothes enforcement to target specific problems.
- Provide security at City Council meetings with a uniformed officer.
- Manage the City Labor Line security contract and monitor activity at the Labor Line.
- Provide bicycle patrol training to SBPD officers and outside agencies.
- Work with representatives of the Downtown Organization, Old Town Merchants, and County Mental Health to solve problems.

Objectives for Fiscal Year 2004

- Increase enforcement activity at the Labor Line to four days per week.
- Maintain uniformed police presence at 100% of City Council meetings.
- Manage and maintain the city Labor Line security contract.
- Provide enforcement coverage for all specific recognized problems throughout the city, as requested.

Financial and Staffing Information

	Actual FY 2002	Adopted FY 2003	Adopted FY 2004
Authorized FTEs	**4.00**	**4.00**	**4.00**
Revenues			
General Fund Subsidy	456,035	428,441	425,518
Total Revenue	**$ 456,035**	**$ 428,441**	**$ 425,518**
Expenditures			
Salaries and Benefits	448,005	422,580	415,328
Supplies and Services	6,336	4,517	10,190
Non-Capital Equipment	1,694	1,344	-
Total Expenditures	**$ 456,035**	**$ 428,441**	**$ 425,518**

Program Performance Measures

	Adopted FY 2003	Projected FY 2003	Adopted FY 2004
Percent of days TPF officers conducted enforcement	n/a	90%	94%
Public intoxication arrests	n/a	38	38
Citations issued for open container/public consumption of alcohol	n/a	804	900
Narcotics arrests	n/a	118	110
Panhandling, loitering, and illegal vending citations issued	n/a	130	140
Arrests	n/a	152	152
Citations issued	n/a	1,208	1,300
Daily premise checks conducted at the Labor Line	n/a	120	192
Citations issued for solicitation on a public right-of-way	n/a	6	10
Percent of City Council meetings attended	n/a	100%	100%

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Nightlife Enforcement

(Program No. 3448)

Mission Statement

Ensure public safety on weekend nights in the downtown corridor through enforcement, education, and intervention, with the downtown bar and restaurant owners and the citizens of Santa Barbara.

Program Activities

- Conduct premise checks on downtown bars and nightclubs.
- Conduct responsible beverage server training every month to prevent the sale of alcohol to minors and reduce alcohol-related incidents.
- Assist with Zona Seca classes monthly to provide alcohol awareness training and education to individuals with alcohol-related violations.
- Provide security training for nightclub and bar staff.
- Refer all alcohol, bar and restaurant violations to Alcohol and Beverage Control.

Objectives for Fiscal Year 2004

- Conduct premise checks of 90% of all downtown bars and restaurants Wednesday through Saturday nights.
- Conduct a Responsible Beverage Server Training session every month.
- Attend two Zona Seca meetings every month.
- Complete recommendations on Dance/ABC Permit Applications to the Fire and Police Commission within four working days.
- Develop methodology to respond to calls for service within the downtown corridor on weekend nights.
- Develop tracking method for alcohol-related incidents for minors.

RECENT PROGRAM ACHIEVEMENTS

The Nightlife Enforcement Team facilitates bar and restaurant owners/ managers monthly meetings.

Financial and Staffing Information

	Actual FY 2002	Adopted FY 2003	Adopted FY 2004
Authorized FTEs	**4.00**	**4.00**	**4.00**
Revenues			
General Fund Subsidy	323,250	368,858	398,702
Total Revenue	**$ 323,250**	**$ 368,858**	**$ 398,702**
Expenditures			
Salaries and Benefits	310,938	364,706	385,075
Supplies and Services	4,152	4,152	13,627
Special Projects	8,160	-	-
Total Expenditures	**$ 323,250**	**$ 368,858**	**$ 398,702**

Program Performance Measures

	Adopted FY 2003	Projected FY 2003	Adopted FY 2004
Premise checks conducted in the downtown bar and restaurants on weekend nights	n/a	1,250	1,250
Percent of weekly premise checks conducted	n/a	70%	90%
Responsible Beverage Server trainings conducted	n/a	12	12
Referrals made to Alcohol and Beverage Control	n/a	100	100
Dance permit and ABC recommendations made to the Fire and Police Commission	n/a	50	50

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RECENT PROGRAM ACHIEVEMENTS

Sixteen crosswalks at elementary schools were monitored by Crossing Guards, Cadets and Parking Enforcement Officers.

Parking Enforcement

(Parking Nos. 3447, 3449)

Mission Statement

Enforce parking regulations in the City of Santa Barbara to ensure availability of limited parking resources.

Program Activities

- Enforce time zone restrictions, residential parking regulations and other Municipal Code and California Vehicle Regulations.
- Issue warnings and tow abandoned vehicles from city streets and public and private property when necessary.
- Locate and impound vehicles owned or operated by habitual parking offenders that have five or more outstanding parking violations.
- Cite and tow vehicles which constitute a traffic hazard or impede the flow of traffic.
- Maintain a Crossing Guard Program to provide crossing guards to local elementary schools.

Objectives for Fiscal Year 2004

- Develop a program for tracking day-to-day beat coverage of the six enforcement routes.
- Update the abandoned vehicle program to include tracking of initial response times.
- Locate 10% of the vehicles that have five or more unpaid parking citations and tow for Habitual Offender Problem Enforcement Program (HOPE).
- Maintain 100% crossing guard coverage for 16 school intersections during the normal school year and provide 100% summer school crossing guard coverage for those schools requesting our assistance.

Financial and Staffing Information

	Actual FY 2002	Adopted FY 2003	Adopted FY 2004
Authorized FTEs	**10.00**	**10.00**	**13.00**
Revenues			
Interfund Reimbursements	-	-	168,204
General Fund Subsidy	547,261	687,319	789,098
Total Revenue	**$ 547,261**	**$ 687,319**	**$ 957,302**
Expenditures			
Salaries and Benefits	475,737	616,378	895,512
Supplies and Services	70,207	69,806	61,790
Non-Capital Equipment	1,317	1,135	-
Total Expenditures	**$ 547,261**	**$ 687,319**	**$ 957,302**

Program Performance Measures

	Adopted FY 2003	Projected FY 2003	Adopted FY 2004
Parking citations issued	n/a	61,128	68,224
Street Sweeping Enforcement citations issued	n/a	n/a	30,300
Abandoned vehicles investigated	n/a	3,006	3,066
Abandoned vehicles found gone on arrival (GOA)	n/a	1,224	1,248
Abandoned vehicles moved after tagging	n/a	1,362	1,389
Abandoned Vehicles towed after tagging	n/a	420	428
Vehicles with five or more outstanding citations located	n/a	408	416
Crossing guard positions staffed each school day	n/a	16	16

POLICE

RECENT PROGRAM ACHIEVEMENTS

Communications staff positions were reclassified with increased compensation.

Combined Communications Center

(Program No. 3451)

Mission Statement

Receive all calls for service and dispatch Public Safety resources in an expedient manner.

Program Activities

- Provide radio communication for Police, Fire and rescue personnel during emergency, routine and disaster situations 24-hours a day.
- Receive initial requests for emergency and non-emergency incidents requiring police, fire and medical personnel, determine appropriate response, and dispatch units accordingly.
- Receive requests from the FAA Air Traffic Controllers and respond with appropriate emergency equipment to aircraft emergencies at the Santa Barbara Airport.
- Coordinate public safety activity with Police, Fire, allied agencies and other city department staff.
- Provide Emergency Medical Dispatch services to the community.
- Maintain a Communications Training Officer program to develop and retain Public Safety Dispatchers.
- Maintain certifications for communication staff in compliance with Police Officer Standards and Training and Emergency Medical Dispatching.
- Coordinate and comply with discovery requests from the Court Liaison Officer and District Attorney's Office.

Objectives for Fiscal Year 2004

- Ensure that 911 calls for service are answered within an average of four seconds.
- Implement a system for tracking emergency, medium-priority, and low priority calls for service from time of receipt to time of dispatch.

Financial and Staffing Information

	Actual FY 2002	Adopted FY 2003	Adopted FY 2004
Authorized FTEs	**23.00**	**23.00**	**20.00**
Revenues			
General Fund Subsidy	1,181,116	1,448,735	1,770,615
Total Revenue	**$ 1,181,116**	**$ 1,448,735**	**$ 1,770,615**
Expenditures			
Salaries and Benefits	1,087,600	1,287,266	1,516,516
Supplies and Services	86,536	154,851	254,099
Special Projects	219	-	-
Non-Capital Equipment	6,761	6,618	-
Total Expenditures	**$ 1,181,116**	**$ 1,448,735**	**$ 1,770,615**

Program Performance Measures

	Adopted FY 2003	Projected FY 2003	Adopted FY 2004
911 calls for service	n/a	44,748	49,000
Average seconds to answer 911 calls	n/a	4	4
Calls requiring Emergency Medical Dispatch instructions	n/a	720	1,200
Police emergency calls for service	n/a	1,336	1,469
Police medium priority calls for service	n/a	34,576	38,033
Police low priority calls for service	n/a	84,416	92,857
Fire emergency calls for service	n/a	6,004	6,604
Fire low priority calls for service	n/a	1,534	1,687
Communications staff trained in Emergency Medical Dispatching	n/a	15	16
Total hours worked by Sworn Officers	n/a	2,200	2,200

POLICE

- Chief's Staff
- Support Services
- Records Bureau
- Community Services Division
- Crime Analysis
- Property Room
- Training and Recruitment
- Range
- D.A.R.E.
- Beat Coordinators
- Information Technology
- Investigative Division
- Crime Lab
- High-Tech Crimes Unit
- Patrol Division
- Traffic
- Special Events
- Tactical Patrol Force
- Nightlife Enforcement
- Parking Enforcement
- Combined Communications Center
- ➢ **Animal Control**
- Emergency Services

RECENT PROGRAM ACHIEVEMENTS

Staff has completed training in Euthanasia of Animals as mandated by the California Code of Regulations.

Animal Control

(Program No. 3461)

Mission Statement

Provide law enforcement and respond to calls for service for neighborhood and health concerns related to domestic and wild animals.

Program Activities

- Investigate reports of possible rabies exposure from animal bites to humans and wildlife bites to domestic owned animals.
- Quarantine animals as required or submit specimen for lab testing.
- Enforce State Humane Laws under the Penal Code, California Code of Regulations, Civil Code, Fish and Game Code, Food and Agriculture Code, Health and Safety Code, Government Code and Title 6 of the Santa Barbara Municipal Code.
- Impound stray, abused, neglected, injured, sick, abandoned, dead or aggressive animals.
- Deal patiently and effectively with frightened, fractious and injured animals with the ability to humanely capture, control, carry or subdue.
- Respond to calls for service regarding animal complaints seven days a week and provide standby service for emergencies after regular work hours.
- Promote good public relations by educating pet owners on laws pertaining to the care and control of animals, spaying, neutering, vaccinating, and licensing of pets.

Objectives for Fiscal Year 2004

- Respond to all animal control calls for service within 24 hours.
- Quarantine 90% of animals involved in bites to humans or contact with wildlife within 24 hours of notification.
- Ensure that 100% of impounded animals are handled in accordance with State Law.

Financial and Staffing Information

	Actual FY 2002	Adopted FY 2003	Adopted FY 2004
Authorized FTEs	**5.00**	**5.00**	**5.00**
Revenues			
Fees and Service Charges	36,518	32,000	51,434
General Fund Subsidy	333,525	365,662	383,956
Total Revenue	**$ 370,043**	**$ 397,662**	**$ 435,390**
Expenditures			
Salaries and Benefits	291,216	312,296	327,456
Supplies and Services	77,867	82,737	107,281
Non-Capital Equipment	960	2,629	653
Total Expenditures	**$ 370,043**	**$ 397,662**	**$ 435,390**

Program Performance Measures

	Adopted FY 2003	Projected FY 2003	Adopted FY 2004
Calls for service	n/a	11,000	11,000
Percent of animal control calls receiving a response in 24 hours	n/a	100%	100%
Violations cited	n/a	3,300	3,300
Animals involved in bite incidents	n/a	400	400
Animals quarantined	n/a	400	400
Percent of animals involved in bites to humans quarantined in 24 hours	n/a	90%	90%
Animals impounded live, injured or dead	n/a	9,000	9,000
Educational presentations	n/a	6	6

POLICE

Chief's Staff
Support Services
Records Bureau
Community Services Division
Crime Analysis
Property Room
Training and Recruitment
Range
D.A.R.E.
Beat Coordinators
Information Technology
Investigative Division
Crime Lab
High-Tech Crimes Unit
Patrol Division
Traffic
Special Events
Tactical Patrol Force
Nightlife Enforcement
Parking Enforcement
Combined Communications Center
Animal Control
➢ **Emergency Services**

RECENT PROGRAM ACHIEVEMENTS

Staff conducted citywide disaster drills to ensure city readiness in dealing with a major incident.

Emergency Services

(Program No. 3471)

Mission Statement

Coordinate citywide emergency planning and services, including training, to ensure a rapid response to a disaster or other emergency, while assisting the Chief's Staff with special projects, which include department-wide diversity training.

Program Activities

- Provide Standardized Emergency Management Systems (SEMS) training to all city employees.
- Maintain city readiness to deal with disasters and other major emergencies.
- Monitor levels of training for city managers and department heads in emergency management procedures.
- Review and update action plans and emergency response manuals.
- Research and develop a department-wide diversity program directed to all police employees.

Objectives for Fiscal Year 2004

- Ensure 95% of city managers have received training courses in SEMS and emergency operations.
- Exceed State of California guidelines in conducting at least two citywide disaster drills and three city department exercises.
- Update contingency plans for disasters outlined in the Santa Barbara Police Department Unusual Occurrence Manual and Citywide Multi-Hazard Function Plan.
- Provide Diversity Training to 100% of police employees.

Financial and Staffing Information

	Actual FY 2002	Adopted FY 2003	Adopted FY 2004
Authorized FTEs	**1.00**	**1.00**	**1.00**
Revenues			
General Fund Subsidy	171,619	189,022	160,981
Total Revenue	**$ 171,619**	**$ 189,022**	**$ 160,981**
Expenditures			
Salaries and Benefits	110,660	119,730	124,866
Supplies and Services	60,959	69,292	36,115
Total Expenditures	**$ 171,619**	**$ 189,022**	**$ 160,981**

Program Performance Measures

	Adopted FY 2003	Projected FY 2003	Adopted FY 2004
Number of city management staff and other key city personnel receiving training	n/a	9	15
Number of employees trained in diversity issues	n/a	31	230
Community Surveys	n/a	0	1

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DEPARTMENT SUMMARY

Public Works

Provide for the public's needs relative to transportation, water, wastewater, and refuse collection services.

About Public Works

The Public Works Department is responsible for an annual budget of over $72 million, representing approximately 46% of the City of Santa Barbara's total budget, and the 278 full-time employees represent approximate 26% of the City's total permanent work force. Public Works programs generate approximately $68 million in revenue from a variety of sources to offset the expenditures. The department organization supports 30 City programs.

Public Works responsibilities include the design and construction of City's capital program projects, management and planning of a City transportation system, treatment and reliable distribution of high quality water at a reasonable price, collection and treatment of wastewater at a reasonable price, and cost effectively construct and maintain City streets, public drainage facilities, street lights, traffic signals and other City infrastructure facilities.

Fiscal Year 2004 Budget Highlights

Public Works will have four major facilities projects under design or construction totaling over $70,000,000.

These projects are the Cater Water Treatment Facility Remodel, Sheffield Reservoir Replacement, Airport Terminal Renovation project and the construction of the downtown Granada Garage.

While the main office for Public Works is located at 630 Garden Street, the department is also responsible for operating the City's El Estero Wastewater Treatment Facility on Yanonali Street and the Cater Water Treatment Facility on San Roque Road, which provide basic water and sewer service to over 100,000 customers.

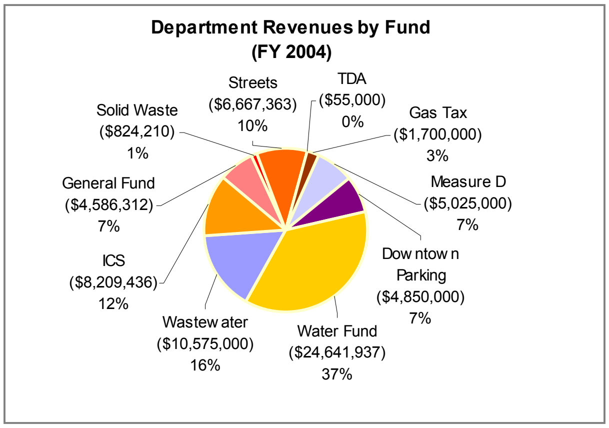
Public Works

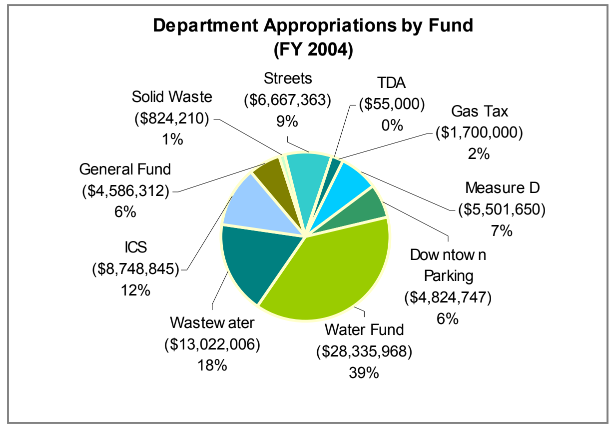
Department Financial and Staffing Summary

	Actual FY 2002	Adopted FY 2003	Adopted FY 2004
Authorized Positions (FTEs)	**273.35**	**273.85**	**278.60**
Revenues			
Taxes- Utility Users Tax	5,569,926	4,732,045	5,607,700
Taxes-State Gas Tax	1,667,888	1,650,000	1,700,000
Taxes-Measure "D" Sales Tax	4,840,405	4,350,000	4,800,000
Transportation Development Funds	56,850	50,000	50,000
Franchise Tax - Refuse	-	260,000	780,000
Parking Violations	-	-	531,159
Interest Income	3,326,099	2,730,000	1,730,000
Intergovernmental	1,034,923	1,516,000	26,710
Inter-Fund Reimbursements	9,671,019	9,627,090	10,948,620
Fees and Service Charges	34,120,008	35,945,000	37,286,393
Mission Canyon- JPA	223,107	200,000	200,000
PBIA Assessment	669,078	650,000	675,000
JPA Reimbursements	1,217,569	1,100,000	1,200,000
State Loan Proceeds (Cater)	1,752,295	-	-
Donations - Looking Good SB	17,496	17,500	17,500
Miscellaneous	409,433	376,000	300,000
General Fund Subsidy	2,957,385	2,548,033	1,281,176
Total Department Revenue	**$ 67,533,481**	**$ 65,751,668**	**$ 67,134,258**
Expenditures			
Salaries and Benefits	19,260,884	21,405,052	22,965,183
Supplies and Services	13,786,029	16,228,299	18,246,277
Special Projects	3,417,601	3,432,085	10,874,167
Inter-Fund Reimbursements	-	-	1,204,340
Non-Capital Equipment	143,520	204,236	233,317
Equipment Capital	747,452	209,986	365,996
Water Purchases	5,584,034	5,881,526	-
Debt Service	2,777,931	2,247,740	2,250,688
Miscellaneous	156,534	897,699	672,101
Total Operating Expenditures	**$ 45,873,985**	**$ 50,506,623**	**$ 56,812,069**
Capital Program	18,630,319	16,359,162	17,454,032
Total Department Expenditures	**$ 64,504,304**	**$ 66,865,785**	**$ 74,266,101**
Addition to (Use of) Reserves	**$ 3,029,177**	**$ (1,114,117)**	**$ (7,131,843)**

Public Works

Department Fund Composition





Program Organizational Chart

Public Works Administration

- **Engineering**
  - Engineering Services
  - Land Development
  - Environmental Programs
  - Solid Waste
- **Transportation Planning and Alternative Transportation**
  - Transportation Planning
  - Alternative Transportation
- **Facilities Maintenance**
  - Building Maintenace
  - Motorpool
  - Communications Systems
  - Custodial Services
- **Streets, Parking and Transportation Operations**
  - Transportation Operations
  - Transportation & Drainage Systems Maintenance
  - Traffic Signals
  - Streets Capital
  - Downtown Parking
- **Water Resources**
  - Water Resources Management
  - Water Reclamation
  - Water Distribution
  - Water Treatment
  - Water Resources Laboratories
  - Water Capital Program
  - Wastewater Collection
  - Wastewater Treatment
  - Wastewater Capital Program
- **Water Supply Management**

PUBLIC WORKS PROGRAMS

- ➢ **Administration**
- Engineering Services
- Land Development
- Environmental Programs
- Solid Waste
- Traffic Operations
- Transportation Planning
- Alternative Transportation
- Transportation and Drainage Systems Maintenance
- Traffic Signals
- Streets Capital
- Downtown Parking
- Building Maintenance
- Motor Pool
- Communications Systems
- Custodial Services
- Water Resources Management
- Water Reclamation
- Water Distribution
- Water Treatment
- Water Supply Management
- Water Resources Laboratories
- Water Capital Program
- Wastewater Collection
- Wastewater Treatment
- Wastewater Capital Program

RECENT PROGRAM ACHIEVEMENTS

The Department developed and implemented new procedures to complete and publish the six-year Capital Improvement Program.

Administration

(Program No. 4111)

Mission Statement

Provide administrative, personnel and financial management support to Division staff in order to attain efficient and organizational day-to-day operations by the department.

Program Activities

- Direct the activities of the Department Division Managers and provide interface and support to other City Department Heads.
- Develop and coordinate all department revenues including water and wastewater rate setting.
- Monitor and coordinate the department's budget activities, ensuring that all expenditures are within appropriation.
- Coordinate timely and responsive input for the department for the development of the FY 05/06 Financial Plan.
- Administer the City Hall telephone exchange and coordinate centralized payment of department utility bills.
- Process all departmental correspondence, Council reports, departmental claims and requisitions as well as all personnel documentation and evaluations for the department, ensuring timeliness and accuracy.

Objectives for Fiscal Year 2004

- Ensure 80% or greater of all Public Works Program Objectives are met or exceeded.
- Ensure positive appropriation balance for all assigned Public Works funds.
- Ensure annual revenues attained by fund are within 5% of fiscal year estimate.
- For each assigned Enterprise Fund, ensure Council policy reserve level goals are met or exceeded.
- Ensure responsive and timely processing of the Department's Council Reports on a weekly basis, in accordance with established deadlines from the City Clerk's Office.

Financial and Staffing Information

	Actual FY 2002	Adopted FY 2003	Adopted FY 2004
Authorized FTEs	**4.00**	**4.00**	**4.00**
Revenues			
Inter-Fund Reimbursements	-	-	112,125
Utility Users' Tax	82,520	112,711	-
Fees and Service Charges	31,791	30,000	10,375
General Fund Subsidy	564,559	369,611	457,830
Total Revenue	**$ 678,870**	**$ 512,322**	**$ 580,330**
Expenditures			
Salaries and Benefits	410,517	423,258	453,357
Supplies and Services	85,437	77,480	104,973
Special Projects	176,678	5,000	15,000
Non-Capital Equipment	6,238	6,584	7,000
Total Expenditures	**$ 678,870**	**$ 512,322**	**$ 580,330**

Program Performance Measures

	Adopted FY 2003	Projected FY 2003	Adopted FY 2004
Percent of all PW program objectives met or exceeded	n/a	80%	80%
Percent of annual revenues attained by fund within 5% of fiscal year estimate	n/a	80%	80%
Percent of Council policy reserve level goals met or exceeded for all Enterprise Funds	n/a	100%	100%
Percent of annual expenditures by fund that are equal or less than budgeted appropriation	n/a	100%	100%

PUBLIC WORKS PROGRAMS

- Administration
- ➢ **Engineering Services**
- Land Development
- Environmental Programs
- Solid Waste
- Traffic Operations
- Transportation Planning
- Alternative Transportation
- Transportation and Drainage Systems Maintenance
- Traffic Signals
- Streets Capital
- Downtown Parking
- Building Maintenance
- Motor Pool
- Communications Systems
- Custodial Services
- Water Resources Management
- Water Reclamation
- Water Distribution
- Water Treatment
- Water Supply Management
- Water Resources Laboratories
- Water Capital Program
- Wastewater Collection
- Wastewater Treatment
- Wastewater Capital Program

RECENT PROGRAM ACHIEVEMENTS

Engineering Services managed the completion of $19.1 million of capital improvements in FY 02 and started construction in FY 03 on the Cater Water Treatment Plant and Granada Garage.

Engineering Services

(Program No. 4211)

Mission Statement

Provide professional engineering and management support for City departments and all Capital Projects to maintain and improve the City's infrastructure.

Program Activities

- Manage the construction of the City's Capital Improvement Program.
- Provide professional engineering services for planning, designing, surveying, inspecting and managing the City's Capital Program.
- Provide long-range master planning and engineering support for the City's capital infrastructure, in addition to general engineering services for all City projects as requested.
- Track and bill engineering services to user departments or capital improvement projects for design and construction.

Objectives for Fiscal Year 2004

- Complete 75% of budgeted Capital Program project milestones assigned to Engineering.
- Limit engineering services (staff and consultant costs) to less than 25% of total project costs.
- Limit the cost of construction contract change orders in the Capital Program to less than 9% of original construction contract value, and limit all change orders to the maximum of the Council authorized Change Order Allowance.
- Award 80% of construction contracts within 10% of the Engineer's final estimate.
- Meet or exceed the budget's work order revenues and projections.
- Track capital improvement project costs from budget cost estimates to construction.

Financial and Staffing Information

	Actual FY 2002	Adopted FY 2003	Adopted FY 2004
Authorized FTEs	**33.30**	**33.30**	**34.30**
Revenues			
Measure D (Transportation Sales Tax)	383,982	563,432	604,643
InterFund Charges (Eng. Work Orders)	2,588,830	2,280,000	2,600,000
Intergovernmental	26,394	-	-
Other	79	-	-
General Fund Subsidy	(153,513)	303,959	301,912
Total Revenue	**$ 2,845,772**	**$ 3,147,391**	**$ 3,506,555**
Expenditures			
Salaries and Benefits	2,630,264	2,903,294	3,066,926
Supplies and Services	184,076	208,297	431,629
Special Projects	12,931	11,000	-
Non-Capital Equipment	18,501	24,800	8,000
Total Expenditures	**$ 2,845,772**	**$ 3,147,391**	**$ 3,506,555**

Program Performance Measures

	Adopted FY 2003	Projected FY 2003	Adopted FY 2004
Percent of budgeted annual Capital Program project milestones assigned to Engineering	n/a	75	75
Percent of engineering services costs to total project costs	n/a	25	25
Percent of Change Order cost to original construction contract value	n/a	9	9
Percent of construction contract awards within 9% of Engineers Estimate	n/a	80	80
Percent of projects exceeding maximum Change Order Allowance	n/a	0	0

PUBLIC WORKS PROGRAMS

- Administration
- Engineering Services
- ➢ **Land Development**
- Environmental Programs
- Solid Waste
- Traffic Operations
- Transportation Planning
- Alternative Transportation
- Transportation and Drainage Systems Maintenance
- Traffic Signals
- Streets Capital
- Downtown Parking
- Building Maintenance
- Motor Pool
- Communications Systems
- Custodial Services
- Water Resources Management
- Water Reclamation
- Water Distribution
- Water Treatment
- Water Supply Management
- Water Resources Laboratories
- Water Capital Program
- Wastewater Collection
- Wastewater Treatment
- Wastewater Capital Program

RECENT PROGRAM ACHIEVEMENTS

Staff reviewed and permitted over 200 private land development projects and issued over 1,100 Public Works Permits in FY 02.

Land Development

(Program No. 4212)

Mission Statement

Manage the public right-of-way and City-owned lands, protect the interests of the general public, and process private development review applications and permits.

Program Activities

- Ensure land development projects comply with applicable regulations including the Subdivision Map Act, sound engineering practices, and City policies and guidelines.
- Manage and operate the Public Works permit counter, which issues over the counter Public Works permits, and participate in the review of over 3,000 building construction permits annually.
- Review and process private land development project applications and coordinate a unified Department response from all Department divisions.
- Coordinate Department review and permitting of private land development projects.
- Manage and maintain a monthly inventory of the City's real property interests, including City utility easements.
- Acquire rights-of-way and associated easements as required for City initiated public improvement projects following applicable Federal, State, and local statutes.
- Manage and maintain the Public Works library of record drawings and digital geospatial data.
- Manage and provide enforcement of the Outdoor Dining Program for permits issued for outdoor dining on City sidewalks.

Objectives for Fiscal Year 2004

- Meet 98% of Land Development Team discretionary land development project review deadlines.
- Meet 90% of the target response dates for staff review of specified building permits at the Public Works Department permit counter.
- By September 2003, develop a matrix to establish target staff response dates for real property workload submittals.

Financial and Staffing Information

	Actual FY 2002	Adopted FY 2003	Adopted FY 2004
Authorized FTEs	**9.50**	**9.50**	**9.50**
Revenues			
Utility Users' Tax	-	310,975	-
Inter-Fund Reimbursements	-	-	297,636
Fees and Service Charges	195,270	200,000	260,000
Other	700	1,000	-
General Fund Subsidy	510,135	265,462	323,198
Total Revenue	**$ 706,105**	**$ 777,437**	**$ 880,834**
Expenditures			
Salaries and Benefits	667,366	750,959	797,192
Supplies and Services	23,376	25,878	81,642
Special Projects	13,345	-	-
Non-Capital Equipment	2,018	600	2,000
Total Expenditures	**$ 706,105**	**$ 777,437**	**$ 880,834**

Program Performance Measures

	Adopted FY 2003	Projected FY 2003	Adopted FY 2004
Public Works Permits issued	n/a	1,057	1,057
Building Permit applications reviewed	n/a	3,215	3,215
Percent of Building Permit applications reviewed that met the target reaponse date	n/a	90%	90%
Land Development discretionary development projects reviewed	n/a	258	258
Land Development discretionary development projects reviewed that did not meet the target response date	n/a	5	5
Real Property tasks including acquisitions, abandonments, encroachments, and developments	n/a	42	42
Real Property tasks, including acquisitions, abandonments and developments completed	n/a	16	16
Real property leases and outdoor dining licenses managed	n/a	71	71

PUBLIC WORKS PROGRAMS

Administration
Engineering Services
Land Development
➢ **Environmental Programs**
Solid Waste
Traffic Operations
Transportation Planning
Alternative Transportation
Transportation and Drainage Systems Maintenance
Traffic Signals
Streets Capital
Downtown Parking
Building Maintenance
Motor Pool
Communications Systems
Custodial Services
Water Resources Management
Water Reclamation
Water Distribution
Water Treatment
Water Supply Management
Water Resources Laboratories
Water Capital Program
Wastewater Collection
Wastewater Treatment
Wastewater Capital Program

RECENT PROGRAM ACHIEVEMENTS

Staff received the "National Pollution Prevention Week 2002 Award" as recognition and appreciation for outstanding work.

Environmental Programs

(Program No. 4213)

Mission Statement

Manage the disposal of hazardous waste, compliance with State regulations applying to City-operated Leaking Underground Fuel Tank (LUFT) sites, and vector control services.

Program Activities

- Assess and oversee remediation of soil and groundwater contamination from leaking underground fuel tank (LUFT) sites to comply with regulatory agency requirements.
- Prepare quarterly reports for all LUFT sites as required by regulatory agencies.
- Recover state reimbursement monies for soil and groundwater cleanups of contaminated LUFT sites.
- Perform asbestos studies and abate conditions in City facilities.
- Provide vector control services for City facilities and the public right-of-way and spray creeks and stagnant water for mosquito control.
- Provide vector control information to citizens regarding mosquitoes, bees, mice and rats,
- Provide cleanup of hazardous waste found in the public right-of-way.
- Coordinate the removal of contaminated soil identified during project development and construction of capital projects.

Objectives for Fiscal Year 2004

- Maintain planned schedule and complete required reports for remediation of LUFT sites, in accordance with the County of Santa Barbara, Protection Services Division approved work plan.
- Retain eligibility with the State Underground Storage Tanks Reimbursement Fund and submit reimbursement requests upon acceptance of the LUFT site.
- Respond to 80% of vector control calls within one working day.
- Respond to 90% of emergency spills within three hours.
- Evaluate the feasibility of the City joining the Santa Barbara Coastal Vector Control District.
- Complete 100% of activities, in accordance with the vector control preventative maintenance schedule.

Financial and Staffing Information

	Actual FY 2002	Adopted FY 2003	Adopted FY 2004
Authorized FTEs	**3.50**	**1.60**	**1.60**
Revenues			
Utility Users' Tax	-	66,708	-
InterFund Reimbursements	-	-	25,000
Intergovernmental	26,710	-	-
Donation - Looking Good S.B.	17,496	-	-
Other	200	-	-
General Fund Subsidy	409,335	100,062	198,236
Total Revenue	**$ 453,741**	**$ 166,770**	**$ 223,236**
Expenditures			
Salaries and Benefits	276,904	150,692	160,812
Supplies and Services	15,724	16,078	22,424
Special Projects	161,113	-	40,000
Equipment Capital	-	-	-
Total Expenditures	**$ 453,741**	**$ 166,770**	**$ 223,236**

Program Performance Measures

	Adopted FY 2003	Projected FY 2003	Adopted FY 2004
Percent of required LUFT Site reports completed on schedule	n/a	100%	100%
Percent of vector control calls responded to within the next business day	n/a	80%	80%
Percent of responses to emergency spills within three hours of call	n/a	90%	90%
Responses to emergency spills	n/a	12	n/a
Vector control calls received	n/a	950	950

PUBLIC WORKS PROGRAMS

RECENT PROGRAM ACHIEVEMENTS

The City increased diversion from landfills to 55% for 2001.

Staff received a $281,000 grant for an anti-freeze, batteries, oil and paint (ABOP) recycling facility.

Solid Waste

(Program No. 4214)

Mission Statement

Provide reliable, cost-effective collection of residential and commercial municipal solid waste, recyclables and green waste through contracted haulers, with a primary focus on maximizing recycling and landfill diversion levels.

Program Activities

- Develop a cost-effective solid waste management system that will allow the City to maintain ultimate control of its waste stream, pursue long-term disposal options, and continuously reduce the volume of material disposed in landfills through aggressive recycling and other diversion strategies.
- Maintain the City's compliance with State solid waste mandates.
- Manage all components of the City's waste management system.
- Design solid waste programs that protect public health and the environment and minimize the City's exposure to liability.
- Provide information to the public and respond to concerns about hauling services.
- Ensure contract compliance with haulers.
- Participate in regional solid waste forums such as the Multi-jurisdictional Solid Waste Task Group (MJSWTG) and the Solid Waste Local Task Force (LTF).

Objectives for Fiscal Year 2004

- Increase solid waste diversion a minimum of 2% annually, or from 55% to 57%, for calendar year 2003.
- Respond to collection service complaints within two business days.
- Investigate and assess hauler's overall contract compliance once every month.
- Add 10 new commercial recycling accounts per month.
- Develop and implement a foodscrap recycling pilot program with 25 food-serving entities in the City.
- Develop long-term strategies for long-term disposal in conjunction with the MJSWTG.
- Monitor and initiate a solid waste assessment test at the closed landfill at Elings Park as required by state regulatory agencies.
- Open and operate an Antifreeze, Batteries, Oil and Paint (ABOP) Recycling Center at the City Corporate Yard.

Financial and Staffing Information

	Actual FY 2002	Adopted FY 2003	Adopted FY 2004
Authorized FTEs	**0.00**	**1.90**	**2.90**
Revenues			
Franchise Tax - Refuse	-	260,000	780,000
InterFund Reimbursement	-	200,000	-
Intergovernmental	-	26,000	26,710
Donations - Looking Good SB	-	17,500	17,500
Total Revenue	**$ -**	**$ 503,500**	**$ 824,210**
Expenditures			
Salaries and Benefits	-	158,281	284,092
Supplies and Services	-	15,000	18,573
Special Projects	-	322,000	490,000
Miscellaneous	-	8,219	31,545
Total Expenditures	**$ -**	**$ 503,500**	**$ 824,210**

Program Performance Measures

	Adopted FY 2003	Projected FY 2003	Adopted FY 2004
Solid waste diversion rate	n/a	55%	57%
Percent of collection service complaints responded to within two business days	n/a	100%	100%
Contract compliance investigations conducted	n/a	12	12
Percent of restaurants and single and multi-family units in compliance with mandatory trash ordinance	n/a	99%	99%
Total number of commercial recycling accounts	n/a	2,056	2,176
Total residential recycling, greenwaste and trash accounts	n/a	16,766	16,766
Total commercial recycling, greenwaste and trash accounts	n/a	2,826	2,826
Food service entities participating in foodscrap recycling program	n/a	0	25
Collection service complaints received	n/a	280	260

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Wastewater Collection
Wastewater Treatment
Wastewater Capital Program

RECENT PROGRAM ACHIEVEMENTS

Staff confirmed pedestrian signal timing at all signals and installed speed humps on three streets.

Traffic Operations

(Program No. 4311)

Mission Statement

Manage the transportation network and develop improvements that are responsive to the needs of all travel modes so that people and goods can move safely and efficiently throughout the City.

Program Activities

- Collect, analyze, and interpret traffic information needed to optimize the transportation system to meet travel demand and City policy for equality between all modes of travel.
- Reduce collisions by collaborating with the Police Department in quarterly meetings.
- Respond to public requests, suggestions, and inquiries for changes in parking and traffic control.
- Provide direction in the design and construction of public and private improvements to ensure traffic safety and minimize travel impacts.
- Collect and process traffic data for transportation planning and land development review activities.
- Operate a coordinated traffic signal system to maximize safety, minimize delay, and be responsive to pedestrian, cyclist and motor vehicle needs.
- Monitor and map traffic collisions to identify high collision locations.

Objectives for Fiscal Year 2004

- Review and document changes to the signal timing at 33% of the City's signalized intersections annually.
- Conduct traffic counts on 15% of roadway segments annually.
- Investigate and resolve 85% of traffic related concerns and citizen requests within 60 calendar days.
- Complete two major safety improvement projects, targeted to reduce correctable collisions by 15%.
- Present an ordinance to Council for adoption to create double-fine zones in school zones.
- Present an ordinance to Council for adoption to regulate Segway Human Transport.

Financial and Staffing Information

	Actual FY 2002	Adopted FY 2003	Adopted FY 2004
Authorized FTEs	**4.00**	**4.00**	**4.00**
Revenues			
Utility Users Tax	294,045	329,173	1,587,194
Fees and Service Charges	7,938	5,000	-
Total Revenue	**$ 301,983**	**$ 334,173**	**$ 1,587,194**
Expenditures			
Salaries and Benefits	267,929	289,549	323,896
Supplies and Services	34,054	43,124	56,458
Inter-Fund Reimbursements	-	-	1,204,340
Non-Capital Equipment	-	1,500	2,500
Total Expenditures	**$ 301,983**	**$ 334,173**	**$ 1,587,194**

Program Performance Measures

	Adopted FY 2003	Projected FY 2003	Adopted FY 2004
Percent of intersections where signal timing was reviewed and documented	n/a	33%	33%
Percent of roadways counted	n/a	15%	15%
Citizen requests	n/a	600	600
Percent of citizen requests resolved within 60 calendar days	n/a	85%	85%
Major safety improvement projects completed	n/a	2	2

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- Communications Systems
- Custodial Services
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- Water Reclamation
- Water Distribution
- Water Treatment
- Water Supply Management
- Water Resources Laboratories
- Water Capital Program
- Wastewater Collection
- Wastewater Treatment
- Wastewater Capital Program

Transportation Planning

(Program No. 4312)

Mission Statement

Review private land development and plan public transportation facilities and policy so that people can move within the City with equality of convenience and access among all modes of transportation.

Program Activities

- Support regional transportation planning decision making.
- Identify and compete for State and Federal money for transportation system development.
- Work directly with community groups to address neighborhood and business transportation concerns, and develop appropriate programs or projects.
- Review all site plans for conformance to transportation and parking alternative transportation policies, regulation, and practices.

Objectives for Fiscal Year 2004

- Meet 95% of all Land Development Team Pre-Application Review Team (PRT) and Development Application Review Team (DART) deadlines.
- Review and act within deadlines on 75% of all Development Plan Agreement (DPA), Architectural Board of Review (ABR), Historic Landmarks Commission (HLC), building permit, modification, and garage waiver requests.
- Participate in the Highway 101 Technical Advisory Group to address how traffic congestion is affecting the quality of life in the South Coast.

RECENT PROGRAM ACHIEVEMENTS

The Highway 101 Corridor Implementation Plan was initiated.

Financial and Staffing Information

	Actual FY 2002	Adopted FY 2003	Adopted FY 2004
Authorized FTEs	**6.35**	**6.35**	**6.35**
Revenues			
Utility Users' Tax	472,493	559,975	608,539
Total Revenue	**$ 472,493**	**$ 559,975**	**$ 608,539**
Expenditures			
Salaries and Benefits	427,699	486,910	534,414
Supplies and Services	8,391	28,112	47,125
Special Projects	35,747	42,953	25,000
Non-Capital Equipment	656	2,000	2,000
Total Expenditures	**$ 472,493**	**$ 559,975**	**$ 608,539**

Program Performance Measures

	Adopted FY 2003	Projected FY 2003	Adopted FY 2004
Percent of Land Developent PRT and DART applications reviewed within the deadline	n/a	95%	95%
Percent of DPS, ABR, HLC, building permit, modification, and garage waiver requests reviewed within required deadlines	n/a	75%	75%
PRT and DART applications reviewed	n/a	200	200
DPA, ABR, HLC, building permit, modification, and garage waiver requests reviewed	n/a	350	350

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RECENT PROGRAM ACHIEVEMENTS

Phase I of the Neighborhood Traffic Management program was completed in the St. Francis Medical Center Neighborhood.

Alternative Transportation

(Program No. 4314)

Mission Statement

Plan and coordinate projects and programs that promote alternative modes of transportation and are widely available and attractive to the public.

Program Activities

- Fund the construction of new or improved pedestrian and bicycle facilities.
- Fund the construction of new facilities serving various alternative transportation modes.
- Fund the operation of energy efficient, non-polluting electric shuttle buses.
- Develop funding programs for Transit Capital and operating assistance.
- Subsidize the operation of various transit assistance programs.
- Plan auto related, non-auto, and auto alternative improvements to the City's transportation system consistent with policies of the Circulation Element, Bicycle Master Plan and others.
- Work with Community Development to implement the Circulation element.
- Work with neighborhoods and other Public Works Divisions to develop Neighborhood Traffic Management Programs and Projects.

Objectives for Fiscal Year 2004

- Manage and provide oversight for two capital improvement projects that will increase the attractiveness of walking and/or bicycling.
- Partner with MTD to increase the attractiveness and availability of transit by funding MTD routes, bus stops, and marketing programs.
- Identify sidewalk priorities and provide oversight for the sidewalk infill program to construct 1% of the missing sidewalk links (approximately 3000 linear feet of sidewalk).
- Submit two grant applications annually for capital improvement projects that will improve the availability and/or attractiveness of alternative modes of transportation.
- Identify the number of employees that are not using alternative transportation for the commute to work and develop a strategy to increase the use of alternative transportation.
- Work with the consultant to complete the Pedestrian and Paseo Master Plan.
- Under the Neighborhood Traffic Management Program (NTMP), coordinate data collection and finalize the draft NTMP for review by the Transportation and Circulation Committee (TCC) and approval of the Council.

Financial and Staffing Information

	Actual FY 2002	Adopted FY 2003	Adopted FY 2004
Authorized FTEs	**0.15**	**0.15**	**0.15**
Revenues			
InterFund Reimbursements	300,000	300,000	300,000
Utility Users' Tax	-	-	9,969
Measure D (Transportation Sales Tax)	1,010,348	892,642	1,120,000
General Fund Subsidy	(14,844)	6,999	-
Total Revenue	**$ 1,295,504**	**$ 1,199,641**	**$ 1,429,969**
Expenditures			
Salaries and Benefits	8,128	16,999	19,969
Special Projects	1,062,376	1,035,789	1,410,000
Equipment Capital	225,000	-	-
Miscellaneous	-	146,853	-
Total Expenditures	**$ 1,295,504**	**$ 1,199,641**	**$ 1,429,969**

Program Performance Measures

	Adopted FY 2003	Projected FY 2003	Adopted FY 2004
Capital projects managed	n/a	2	2
Annual MTD riders	n/a	690,321	700,000
Grants submitted	n/a	3	2
Lineal feet of sidewalk installed	n/a	5,000 L.F.	3,000 L.F.
Percent of City employees using alternative modes of transportation	n/a	n/a	18%

PUBLIC WORKS PROGRAMS

RECENT PROGRAM ACHIEVEMENTS

Staff completed 485 tons of special pavement overlays on Hollister Avenue, Mesa School Lane, and Cleveland Avenue.

Transportation and Drainage Systems Maintenance

(Program Nos. 4411, 4412, 4413, 4415, 4418)

Mission Statement

Clean, maintain, and repair transportation and drainage system infrastructure to enhance community mobility and preserve creek and water quality.

Program Activities

- Maintain 250 road miles of streets and over 3.5 million square feet of sidewalk and 792,000 linear feet of curb and gutter, using a variety of maintenance techniques.
- Cut or remove weeds and brush from 100 miles of roadside.
- Repair or replace damaged or deteriorated storm drain facilities, including pipes, culverts and catch basins.
- Clean and haul away debris from the storm drain system annually.
- Respond to storm conditions or other emergencies to unclog pipes and protect property.
- Operate and maintain storm water pump stations.
- Install, revise and repaint over one million linear feet of striping annually, including double yellow, skip lines, and painted curbs.
- Install and maintain over 45,000 square feet of pavement legends and over 40,000 units of traffic and parking signs.
- Mechanically sweep 56.2 miles of residential streets contracted, in conjunction with the Clean Sweep Program.
- Mechanically sweep 32 miles of business and commercial area streets (primarily in the downtown and Milpas Street areas) seven days a week.
- Work with Mobility Coordinator to focus cleaning on priority areas and bike lanes.

Objectives for Fiscal Year 2004

- Increase the total tons of pavement overlaid by 10%.
- Increase the total yards of concrete installed by 10%.
- Develop a method to track pothole repair activities and response times.
- Respond to 90% of public requests for removal of debris and large trash items within 24 hours.
- Clean 100% of drains before the rainy season.
- Utilize the Automated Mapping and Facilities Mapping System to schedule and coordinate maintenance efforts.
- Inspect and maintain 100% of all school zone signing and marking within 90 days of the start of the school year.
- Replace 100% of critical damaged signs within eight work hours of notice.
- Replace 90% of non-critical damaged signs within three days of notice.
- Develop a method to track and maintain street signs and traffic markings by researching options in other cities.
- Ensure that 100% of contracted streets are swept, except in inclement weather conditions.
- Ensure that 100% of commercial streets are swept, except in inclement weather conditions.
- Sweep bike lanes once per month and in focused areas, as directed by the Mobility Coordinator.
- Implement the Council approved expanded sweeping program.

Financial and Staffing Information

	Actual FY 2002	Adopted FY 2003	Adopted FY 2004
Authorized FTEs	**26.18**	**26.18**	**29.18**
Revenues			
Utility Users' Tax	-	145,275	2,040,999
Measure D (Transportation Sales Tax)	868,165	1,018,926	1,167,987
Parking Violations	-	-	531,159
Fees and Service Charges	-	-	15,000
InterFund Reimbursements (Creeks)	-	-	213,504
Total Revenue	**$ 868,165**	**$ 1,164,201**	**$ 3,968,649**
Expenditures			
Salaries and Benefits	1,455,153	1,606,980	1,909,614
Supplies and Services	1,028,354	1,097,356	2,008,035
Special Projects	34,469	25,000	45,000
Non-Capital Equipment	4,858	6,000	6,000
Total Expenditures	**$ 2,522,834**	**$ 2,735,336**	**$ 3,968,649**

Program Performance Measures

	Adopted FY 2003	Projected FY 2003	Adopted FY 2004
Tons of pavement overlaid	n/a	1,689	1,858
Yards of concrete installed	n/a	248	273
Percent of large trash removed within 24 hours	n/a	90%	90%
Potholes filled	n/a	n/a	n/a
Percent of drains cleaned before the rainy season	n/a	100%	100%
Debris removed (in yards)	n/a	1,820	1,820
Percent of all lines, curbs and crosswalks striped	n/a	n/a	100%
Percent of school zone signing and marking completed within 90 days of start of school year	n/a	100%	100%
Percent of non-critical damaged signs replaced within three days of notice	n/a	90%	90%
Percent of critical damaged signs replaced wtihin eight work hours of notice	n/a	100%	100%
Residential curb miles swept	n/a	2,697	5,512
Commercial curb miles swept	n/a	10,920	10,920
Clean sweeps completed	n/a	12	12
Grafitti removals	n/a	430	430

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PUBLIC WORKS PROGRAMS

RECENT PROGRAM ACHIEVEMENTS

Staff supported improvements made to Lower State Street and Upper State Street.

Staff re-lamped all amber traffic signal lights during the last fiscal year.

Traffic Signals

(Program No. 4532)

Mission Statement

Maintain a safe, efficient and reliable Citywide Traffic Signal System Network and provide funding for electrical energy for streetlights and traffic signals.

Program Activities

- Provide maintenance and repair support for the City's 104 signalized intersections.
- Maintain the computerized controlling network for each intersection.
- Ensure proper video and analog vehicle detection at signalized intersections.
- Manage the Fire Department's Opticom preemption system to coordinate signal timing with emergency vehicle response.
- Provide funding for energy costs for 3,566 streetlights and 104 signalized intersections.

Objectives for Fiscal Year 2004

- Complete 99% of scheduled preventative maintenance work orders on the Traffic Signal Network monthly in accordance with an approved preventative maintenance plan.
- Respond to 100% of all emergency calls within one working hour of notification.
- Respond to all non-emergency unscheduled repair work orders within 24 working hours on the Traffic Signal Network.

Financial and Staffing Information

	Actual FY 2002	Adopted FY 2003	Adopted FY 2004
Authorized FTEs	**2.30**	**2.30**	**2.30**
Revenues			
Utility Users Tax	623,745	697,286	900,963
General Fund Subsidy	472,493	198,865	-
Total Revenue	**$ 1,096,238**	**$ 896,151**	**$ 900,963**
Expenditures			
Salaries and Benefits	174,821	195,898	223,407
Supplies and Services	556,311	572,253	564,556
Non-Capital Equipment	3,233	3,000	3,000
Equipment Capital	361,873	125,000	110,000
Total Expenditures	**$ 1,096,238**	**$ 896,151**	**$ 900,963**

Program Performance Measures

	Adopted FY 2003	Projected FY 2003	Adopted FY 2004
Scheduled preventative maintenance work orders issued	n/a	685	685
Percent of preventative work orders completed within a specified time frame	n/a	99%	99%
Emergency repair work orders issued	n/a	173	173
Percent of emergency repair work orders responded to within a specified time frame	n/a	100%	100%
Non-emergency work orders issued	n/a	860	860
Percent of non-emergency work orders responded to within a specified time frame	n/a	100%	100%
Average energy cost per intersection	n/a	$576.92	$576.92
Total energy cost for street lights	n/a	$300,000	$300,000

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- Wastewater Treatment
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Streets Capital

(Program No. 4417)

Mission Statement

Manage the maintenance, repair, and improvements to the public right-of-way infrastructure in accordance with the goals of the City Council and the Circulation Element to provide the public with safe, efficient, functional, high quality, and cost-effective transportation and drainage systems.

Program Activities

- Adequately fund projects to maintain, repair, and improve the City's infrastructure assets for streets, sidewalks, bridges, storm drains, traffic signals, and pavement striping and markings.
- Plan, prioritize, and balance funding for capital expenditures between multi-model transportation and street right-of-way infrastructure maintenance, repair and improvements (which include streets, bridges, storm drains, traffic signals, streetlights, traffic markings and sidewalks).
- Apply for grant funding from a variety of sources for capital projects to leverage City funds.
- Identify, study, and address public drainage issues to maximize the benefit from the available funds.
- Provide courtesy review and coordination of Caltrans initiated roadway projects.
- Provide staff support to Division managers and supervisors associated with streets capital projects.

Objectives for Fiscal Year 2004

- Maintain an average asphalt concrete City Street Pavement Quality Index (PQI) of greater than 70 (as evaluated by the City's Pavement Management System).
- Reduce the percentage of asphalt concrete streets with a PQI of less than 20 from 2.5% to 2.2%.
- Award a pavement maintenance construction contract in one of the six City pavement maintenance areas for slurry seal and asphalt concrete overlay.

RECENT PROGRAM ACHIEVEMENTS:

The City attained a Citywide Pavement Quality Index rating of 74. Staff received the 2002 Local Chapter Project of the Year Award for Automated Sketch Engineering/Street Maintenance Design.

Financial and Staffing Information

	Actual FY 2002	Adopted FY 2003	Adopted FY 2004
Authorized FTEs	**0.00**	**0.00**	**0.00**
Revenues			
Interest Income	323,436	230,000	230,000
Intergovernmental	913,939	1,490,000	-
Utility Users' Tax	3,500,000	2,484,942	460,036
Transportation Development Funds	56,850	50,000	50,000
Gas Tax	1,667,888	1,650,000	1,700,000
Measure D (Transportation Sales Tax)	2,577,910	1,875,000	1,907,370
Total Revenue	**$ 9,040,023**	**$ 7,779,942**	**$ 4,347,406**
Expenditures			
Capital Program	5,672,459	6,004,942	4,824,056
Total Expenditures	**$ 5,672,459**	**$ 6,004,942**	**$ 4,824,056**

Program Performance Measures

	Adopted FY 2003	Projected FY 2003	Adopted FY 2004
Average City asphalt concrete street Pavement Quality Index	n/a	75	71
Percent of City asphalt concrete streets with a Pavement Quality Index of 20 or less	n/a	2.50%	2.20%
Miles of City roadway slurry sealed	n/a	61.3	31.1
Miles of City roadway overlaid with asphalt concrete pavement	n/a	3.7	n/a
Square feet of City sidewalk installed	n/a	5,500	n/a
Access ramps installed	n/a	54	n/a

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RECENT PROGRAM ACHIEVEMENTS

- Staff improved the appearance of surface lots by contracting sweeping.
- A communication system was established between the kiosks and maintenance crew.
- The MyRide bus pass pilot program was launched.

Downtown Parking

(Program Nos. 4315, 4316, 4317)

Mission Statement

Operate and maintain the City's parking facilities and on street parking supply in order to maximize their use by customers and employees that shop and work in the Downtown Business District, thereby enhancing the economic vitality of the Downtown area.

Program Activities

- Operate and maintain ten surface customer parking lots and four parking structures containing over 3,300 parking stalls.
- Administer customer and commuter parking programs.
- Provide parking facilities for over five million vehicles per year.
- Administer the Parking and Business Improvement Area, providing for 75-minute free parking program.
- Provide customer accounting and billing services.
- Plan, fund and implement long-term capital maintenance programs.
- Manage on-street resources for resident parking in the Downtown, City College, and upper Modoc areas.
- Fund and administer Downtown employee MTD bus pass programs.

Objectives for Fiscal Year 2004

- Perform a routine cleaning of all of the City parking lots Monday through Friday before 10:00 a.m.
- Check parking lot equipment per approved schedule to reduce the number of equipment breakdowns.
- Respond to 90% of all equipment malfunction calls within 15 minutes.
- Ensure that 100% of all cash drawers are balanced at the end of each day.
- Increase the issuance of MTD bus passes to downtown employees by 10%.
- Add five new car pools to the Transportation Management Program.
- Contact all downtown merchants once a year to increase the awareness of Public Transit options for downtown employees.
- Develop a measure of effectiveness for the My-Ride bus pass program.

Financial and Staffing Information

	Actual FY 2002	Adopted FY 2003	Adopted FY 2004
Authorized FTEs	**20.01**	**20.51**	**20.51**
Revenues			
PBIA Assessments	669,078	650,000	675,000
Interest Income	390,829	300,000	275,000
Fees and Service Charges	3,887,684	3,485,000	3,850,000
Other	29,773	25,000	50,000
Total Revenue	**$ 4,977,364**	**$ 4,460,000**	**$ 4,850,000**
Expenditures			
Salaries and Benefits	2,365,424	2,669,165	2,754,310
Supplies and Services	982,763	978,570	1,137,476
Special Projects	448,341	311,225	350,500
Non-Capital Equipment	11,943	20,250	18,376
Equipment Capital	-	13,500	10,000
Miscellaneous	-	69,279	24,085
Capital Program	137,326	450,000	530,000
Total Expenditures	**$ 3,945,797**	**$ 4,511,989**	**$ 4,824,747**

Program Performance Measures

	Adopted FY 2003	Projected FY 2003	Adopted FY 2004
Total vehicles parked (Total transactions)	n/a	4,500,000	5,000,000
Parking lots cleaned each day before 10:00 a.m. Monday through Friday	n/a	135	135
Percent of preventative maintenance inspections done each day per the approved schedule	n/a	100%	100%
Percent of responses to equipment breakdowns made within 15 minutes	n/a	90%	90%
Maintenance service calls	n/a	3,600	3,600
Percent of daily booth transactions completed and balanced successfully	n/a	>98%	>98%
Percent of new bus passes issued from the previous year	n/a	10%	10%
10-Ride bus passes issued	n/a	11,000	3,150
My-Ride Annual bus passes issued	n/a	n/a	2,000
Car Pool permits issued	n/a	47	52
Percent of downtown merchants contacted each year to make aware of Public Transit options for their employees	n/a	>30%	>30%

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RECENT PROGRAM ACHIEVEMENTS

Staff responded to 6,300 work order requests, replaced inoperative 6.6 amp street light circuit on Carrillo Blvd (Chapala/ Olive St.), and installed an emergency generator at City Hall.

Building Maintenance

(Program No. 4511)

Mission Statement

Provide operations, maintenance and construction services to City-owned facilities to maintain a clean, safe and functional environment in which to conduct City business.

Program Activities

- Manage the maintenance, replacement, and upgrade of the City's buildings and 2,250 City-owned streetlights.
- Utilize trades personnel, in conjunction with service and construction contractors, to augment and support the accomplishment of the planned maintenance and special building project programs.
- Provide project management support for capital improvement projects in various departments.

Objectives for Fiscal Year 2004

- Complete 85% of work orders related to customer requests for Building Maintenance services by the due date.
- Complete 100% of work orders identified as mandatory maintenance by the due date.
- Complete 85% of work orders for preventative maintenance services by the due date.
- Complete 85% of approved Facilities Division capital projects and accepted special projects for which project management is requested by other City departments.
- Complete 95% of all work orders involving City-owned streetlight outages within five working days.

Financial and Staffing Information

	Actual FY 2002	Adopted FY 2003	Adopted FY 2004
Authorized FTEs	**16.45**	**16.45**	**16.45**
Revenues			
InterFund Charges	2,725,238	2,958,608	2,637,931
Other	37,337	-	-
Total Revenue	**$ 2,762,575**	**$ 2,958,608**	**$ 2,637,931**
Expenditures			
Salaries and Benefits	1,036,063	1,163,215	1,233,805
Supplies and Services	388,798	428,077	455,716
Special Projects	1,199,117	1,514,168	861,851
Non-Capital Equipment	9,455	8,200	8,200
Equipment Capital	107,202	10,000	-
Capital Program	90,999	210,000	75,500
Miscellaneous	5,498	8,600	3,100
Total Expenditures	**$ 2,837,132**	**$ 3,342,260**	**$ 2,638,172**

Program Performance Measures

	Adopted FY 2003	Projected FY 2003	Adopted FY 2004
Customer requested work orders issued	n/a	4,500	4,740
Percent of customer requested work orders completed by due date	n/a	85%	85%
Mandatory maintenance work orders issued	n/a	1,700	1,700
Percent of mandatory maintenance work orders completed by due date	n/a	100%	100%
Preventative maintenance work orders issued	n/a	750	750
Percent of preventative maintenance work orders completed by due date	n/a	85%	85%
Capital and special project work orders issued	n/a	50	60
Percent of capital and special project work orders completed by due date	n/a	85%	85%
City-owned street light outages reported	n/a	110	110
Percent of City-owned street light outages repaired within five working days	n/a	95%	95%
Total number of work orders issued in a specified time frame	n/a	7,000	7,250

PUBLIC WORKS PROGRAMS

RECENT PROGRAM ACHIEVEMENTS

The preventive maintenance and scheduling program was reviewed and refined, resulting in a 25% reduction in breakdowns and unplanned repairs.

Motor Pool

(Program No. 4521)

Mission Statement

Manage motorized fleet and fleet support services to cost effectively provide safe, reliable vehicles and equipment for all City departments.

Program Activities

- Maintain and repair the City's fleet of 529 vehicles and heavy equipment.
- Administer, test and certify vehicles and equipment in compliance with federal and state mandates.
- Maintain 15 Emergency Power Generators in a state of readiness.
- Maintain automated fuel delivery system and re-fueling infrastructure.
- Fund and maintain a vehicle replacement program that ensures the orderly and timely replacement of the City's fleet.
- Provide engineering services to develop specifications to support the competitive bid process for purchasing of vehicles and equipment.
- Support the Federal and State Alternative Fuel Vehicle Purchase Program.
- Administer the Mutual Aid Fuel Purchasing Program.
- Maintain a vehicle pool car program for shared vehicle use.
- Maintain a database to track vehicle and equipment costs and allocate costs to specific department programs.

Objectives for Fiscal Year 2004

- Complete 95% of preventive maintenance services on schedule in accordance with manufacturers' recommendations.
- Complete 100% of the mandated inspections and certifications.
- Prepare vehicle replacement report by January 31, 2004, identifying vehicles and equipment that need replacement.
- Develop specifications and establish purchase contracts for the procurement of every vehicle approved for replacement.
- Install and implement a system to accurately measure vehicle availability, in accordance with published standards.
- Ensure that 60% of maintenance and repair services is for planned and schedule work.

Financial and Staffing Information

	Actual FY 2002	Adopted FY 2003	Adopted FY 2004
Authorized FTEs	**15.45**	**15.45**	**15.45**
Revenues			
InterFund Charges	4,056,951	3,888,482	4,187,462
Utility Users' Tax	25,000	25,000	-
Interfund Reimbursement (UUT)	-	-	25,000
Other	148,499	75,000	50,000
Total Revenue	**$ 4,230,450**	**$ 3,988,482**	**$ 4,262,462**
Expenditures			
Salaries and Benefits	910,818	1,063,188	1,150,574
Supplies and Services	1,053,494	1,812,894	1,626,813
Special Projects	87,862	51,500	135,000
Non-Capital Equipment	16,707	24,414	24,414
Capital Program	1,080,070	1,304,220	1,657,979
Miscellaneous	-	5,356	10,000
Total Expenditures	**$ 3,148,951**	**$ 4,261,572**	**$ 4,604,780**

Program Performance Measures

	Adopted FY 2003	Projected FY 2003	Adopted FY 2004
Percent of annual preventive maintenance services completed on schedule	n/a	95%	95%
Percent of mandated inspections and certifications completed on schedule	n/a	100%	100%
Aerial equipment certifications	n/a	9/100%	9/100%
Smog inspections and certifications	n/a	93/100%	93/100%
Diesel smoke testing and certifications	n/a	56/100%	56/100%
Youth bus inspections and certifications	n/a	21/100%	21/100%
Commercial vehicle maintenance and inspection	n/a	120/100%	120/100%
Vehicles in the fleet maintained	n/a	529	534
Commercial vehicle inspections performed	n/a	120	120
Preventative maintenance services performed	n/a	1,200	1,210
Work orders written for repairs with one or more repair requests	n/a	2,000	2,000
Total maintenance and repair costs	n/a	$1,804,099	$1,858,222
Percent of maintenance and repair costs for planned work	n/a	56%	60%

PUBLIC WORKS PROGRAMS

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- Motor Pool
- ➢ **Communications Systems**
- Custodial Services
- Water Resources Management
- Water Reclamation
- Water Distribution
- Water Treatment
- Water Supply Management
- Water Resources Laboratories
- Water Capital Program
- Wastewater Collection
- Wastewater Treatment
- Wastewater Capital Program

RECENT PROGRAM ACHIEVEMENTS

Staff completed the Downtown Parking Repeater System, which provides communication to all parking kiosks, replacing the contracted service.

Communications Systems

(Program No. 4531)

Mission Statement

Provide and maintain the citywide radio, telephone, microwave, Combined Communication Center (911) and associated electronic communication systems to ensure uninterrupted high quality communication operations.

Program Activities

- Provide maintenance and support activity for all communication equipment within the City including repeaters, voters, mobile and portable radios.
- Ensure the maintenance and operability of the 911 center.
- Maintain the City's microwave links.
- Manage the telephone system maintenance contract.
- Respond to all telephone and voicemail problems.
- Maintain computerized call accounting and name display databases.
- Perform radio, computer and electronics installations in all City owned vehicles.
- Install telecommunications cables in City-owned buildings.

Objectives for Fiscal Year 2004

- Complete 99% of scheduled preventative maintenance work orders monthly on the Combined Communication Center and all other communication equipment per the manufacturer's suggested specifications.
- Complete 100% of all unscheduled repairs to portable and mobile radios within 24 working hours.
- Complete 100% of all scheduled manufacturer's suggested maintenance as contracted for citywide telephone systems.
- Respond to 90% of all unscheduled work orders for the citywide telephone system within eight working hours of the reported outage.
- Maintain the Combined Communication Center (911) at 100% operational readiness.

Financial and Staffing Information

	Actual FY 2002	Adopted FY 2003	Adopted FY 2004
Authorized FTEs	**5.25**	**5.25**	**5.25**
Revenues			
Fees and Service Charges	6,790	5,000	-
InterFund Charges	-	-	508,025
General Fund Subsidy	428,279	507,200	-
Total Revenue	**$ 435,069**	**$ 512,200**	**$ 508,025**
Expenditures			
Salaries and Benefits	342,600	401,222	413,777
Supplies and Services	86,346	100,978	196,539
Non-Capital Equipment	3,583	4,500	4,500
Equipment Capital	2,540	5,500	5,500
Total Expenditures	**$ 435,069**	**$ 512,200**	**$ 620,316**

Program Performance Measures

	Adopted FY 2003	Projected FY 2003	Adopted FY 2004
Preventative maintenance work orders issued	n/a	322	322
Percent of preventative maintenance work orders completed	n/a	99%	99%
Unscheduled repairs to mobile or portable radios completed	n/a	470	470
Percent of unscheduled repairs to mobile and portable radios completed within a reportable time frame	n/a	100%	100%
Scheduled manufacturer's suggested maintenance work orders	n/a	60	60
Percent of scheduled manufacturer's suggested maintenance completed	n/a	100%	100%
Unscheduled work orders for the citywide telephone system issued	n/a	902	902
Percent of unscheduled work orders responded to within a specified time frame for the citywide telephone systems	n/a	90%	90%
Percent of operational readiness maintained for the 911 center	n/a	100%	100%

PUBLIC WORKS PROGRAMS

Custodial Services

(Program No. 4541)

Mission Statement

Provide custodial services to specified City-owned facilities to ensure a clean and safe work environment for the staff and the public.

Program Activities

- Perform daily and routine cleaning of approximately 280,000 square feet of City-owned facilities.
- Provide emergency custodial services to City-owned facilities.
- Manage contracted services and maintain a schedule for cleaning windows, carpets, and awnings.

Objectives for Fiscal Year 2004

- Develop a database to identify high visibility areas in City facilities.
- Clean approximately 20,000 square feet per custodian per day (shift).
- Complete contracted routine cleaning services for carpet, awning, and window cleaning in accordance with approved schedule.
- Respond 100% of custodial emergencies within one hour.
- Survey users in City facilities biannually to measure satisfaction with the cleanliness of facilities.

RECENT PROGRAM ACHIEVEMENTS

Staff completed 100% of all contractual services to City-owned facilities, on time and within budget, for FY 03.

Financial and Staffing Information

	Actual FY 2002	Adopted FY 2003	Adopted FY 2004
Authorized FTEs	**13.05**	**13.05**	**13.55**
Revenues			
Fees and Service Charges	-	-	801,018
General Fund Subsidy	740,941	795,875	-
Total Revenue	**$ 740,941**	**$ 795,875**	**$ 801,018**
Expenditures			
Salaries and Benefits	656,400	706,033	742,516
Supplies and Services	82,481	86,342	143,061
Non-Capital Equipment	2,060	3,500	-
Total Expenditures	**$ 740,941**	**$ 795,875**	**$ 885,577**

Program Performance Measures

	Adopted FY 2003	Projected FY 2003	Adopted FY 2004
Square Footage cleaned per FTE Custodian	n/a	20,000	20,000
Routine cleaning services performed	n/a	150	150
Percent of emergency responses within one hour	n/a	100%	100%
Responses for custodial emergencies	n/a	50	50
Annual cost per square foot cleaned	n/a	$305	$305

PUBLIC WORKS PROGRAMS

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- Transportation Planning
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- Downtown Parking
- Building Maintenance
- Motor Pool
- Communications Systems
- Custodial Services
- ➢ **Water Resources Management**
- Water Reclamation
- Water Distribution
- Water Treatment
- Water Supply Management
- Water Resources Laboratories
- Water Capital Program
- Wastewater Collection
- Wastewater Treatment
- Wastewater Capital Program

RECENT PROGRAM ACHIEVEMENTS

Staff installed an emergency generator at El Estero, replaced the Linda Road Wastewater Lift Station and Skofield Reservoir tank, and completed the Cater Cross Tie Project.

Water Resources Management

(Program No. 4611)

Mission Statement

Provide support and direction to staff in order to ensure that City water and wastewater systems are reliable, comply with all permits and regulations, protect public health and the environment, and are cost efficient.

Program Activities

- Manage the City water, wastewater and recycled water, storage, treatment, distribution and collection systems.
- Ensure compliance of water, wastewater and recycled water systems with extensive local, State, and Federal regulations.
- Develop short and long range water and wastewater resources plans and capital programs.
- Provide staff support to the Public Works Director, City Administrator, Board of Water Commissioners, and City Council concerning water resources issues.
- Develop annual Water and Wastewater Fund budgets and ensure that expenditures remain within adopted budget amounts.
- Provide ongoing budgetary guidance and support to all Water Resources Division sections.

Objectives for Fiscal Year 2004

- Ensure that 80% of Water Resources Division programs are met.
- Comply with 99% of Wastewater NPDES discharge requirements.
- Comply with 100% of Department of Health Services drinking water regulations.
- Complete a cost and technological analysis of the re-activation of the Charles Meyer Desalination Facility.

Financial and Staffing Information

	Actual FY 2002	Adopted FY 2003	Adopted FY 2004
Authorized FTEs	**3.75**	**3.75**	**3.75**
Revenues			
Utility Users' Tax	572,123	-	-
Interest Income	1,709,330	1,400,000	700,000
Fees and Service Charges	21,431,912	22,335,000	22,600,000
JPA Reimbursements	1,217,569	1,100,000	1,200,000
Other	172,683	200,000	100,000
Total Revenue	**$ 25,103,617**	**$ 25,035,000**	**$ 24,600,000**
Expenditures			
Salaries and Benefits	384,642	435,216	416,789
Supplies and Services	3,119,680	3,598,436	3,776,900
Special Projects	35,078	31,000	-
Transfers	11,543	-	-
Non-Capital Equipment	6,798	9,000	8,100
Debt Service	2,777,931	2,247,740	2,250,688
Miscellaneous	150,536	659,392	603,371
Total Expenditures	**$ 6,486,208**	**$ 6,980,784**	**$ 7,055,848**

Program Performance Measures

	Adopted FY 2003	Projected FY 2003	Adopted FY 2004
Water Resources Division Program Objectives met	n/a	80%	80%
Compliance with Wastewater Treatment Plant NPDES discharge requirements	n/a	99%	99%
Compliance with California Department of Health Services drinking water regulations	n/a	100%	100%

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- Water Resources Management
- ➢ **Water Reclamation**
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- Water Supply Management
- Water Resources Laboratories
- Water Capital Program
- Wastewater Collection
- Wastewater Treatment
- Wastewater Capital Program

RECENT PROGRAM ACHIEVEMENTS

Approximately 800 acre-feet of recycled water were provided to 80 service connections in accordance with State regulations.

Water Reclamation

(Program No. 4621)

Mission Statement

Provide cost efficient treatment and distribution of reclaimed water in accordance with State regulations in order to conserve City potable water supplies.

Program Activities

- Provide reclaimed water to 80 service connections.
- Provide public education and assistance on the use of reclaimed water.
- Implement required agreements and ensure compliance with State regulations for users on the reclamation distribution system.
- Provide guidance, training education materials and signage for landscape and toilet flushing uses of reclaimed water.

Objectives for Fiscal Year 2004

- Perform inspections on 80 service connections and conduct user classes as required by State regulations.
- Comply with annual requirement for inspections, training, and distribution of reclaimed water.

Financial and Staffing Information

	Actual FY 2002	Adopted FY 2003	Adopted FY 2004
Authorized FTEs	**5.25**	**5.25**	**4.50**
Expenditures			
Salaries and Benefits	379,508	335,279	358,239
Supplies and Services	337,907	445,010	471,291
Special Projects	15,370	5,000	10,000
Total Expenditures	**$ 732,785**	**$ 785,289**	**$ 839,530**

There are no revenues associated with this program

Program Performance Measures

	Adopted FY 2003	Projected FY 2003	Adopted FY 2004
Inspections performed	n/a	80	80
Classes for reclaimed water users	n/a	1	1
Acre feet of reclaimed water used	n/a	800	800
Cost per acre foot of reclaimed water used	n/a	$910	$910

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- Water Reclamation
- ➢ **Water Distribution**
- Water Treatment
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- Water Resources Laboratories
- Water Capital Program
- Wastewater Collection
- Wastewater Treatment
- Wastewater Capital Program

RECENT PROGRAM ACHIEVEMENTS

Staff installed chlorine analyzers with SCADA at all Water Distribution Reservoirs and replaced all 1" water meters (3,500) with new Metron meters.
The Sheffield Pump Station Variable Frequency Drive & New SCADA Technology Project was completed.

Water Distribution

(Program No. 4631)

Mission Statement

Convey water to customers in a reliable and cost-efficient manner and provide drinking water that meets all state and federal regulations.

Program Activities

- Operate and maintain the City's water distribution system comprised of Gibraltar Lake and Dam, 299 miles of pipelines, 11 water pumping stations, 13 reservoirs, 15 pressure reducing stations and 24,500 service connections and meters.
- Operate and maintain the groundwater well system.
- Distribute 13,600 acre feet (4.4 billion gallons) of potable water to the City's residents.
- Operate and maintain the City's reclaimed water distribution system comprised of 14 miles of pipelines, one pumping station, 1- 1.5 million gallon reservoir, three pressure reducing stations and 80 service connections.
- Operate and maintain the reclamation distribution system, which has the capacity to treat and deliver 1,200 acre feet per year; current demand is approximately 800 acre feet per year.
- Provide 24-hour emergency response services for all City departments through the emergency service unit.

Objectives for Fiscal Year 2004

- Operate the water distribution system to meet 100% of all applicable State and Federal requirements.
- Exercise 25% of the valves in the water distribution system annually.
- Flush 80% of the fire hydrants and transmission mains annually.
- Restore water service within eight hours of the time of shutdown 75% of the time.
- Limit interruptions of water service to residents and businesses by limiting main breaks to an average of six or less per month.
- Clean 80% of all water distribution reservoirs annually.

Financial and Staffing Information

	Actual FY 2002	Adopted FY 2003	Adopted FY 2004
Authorized FTEs	**35.16**	**35.16**	**33.41**
Expenditures			
Salaries and Benefits	2,284,523	2,365,512	2,503,350
Supplies and Services	1,574,574	1,819,195	1,980,709
Special Projects	30,153	50,000	100,000
Non-Capital Equipment	8,651	18,840	50,901
Equipment Capital	-	-	48,000
Total Expenditures	**$ 3,897,901**	**$ 4,253,547**	**$ 4,682,960**

There are no revenues associated with this program

Program Performance Measures

	Adopted FY 2003	Projected FY 2003	Adopted FY 2004
Percent of State and Federal requirements met	n/a	100%	100%
Water valves exercised	n/a	1,400	1,500
Fire hydrants and transmission main blowoff valves flushed	n/a	13 blowoffs, 1797 hydrants	13 blowoffs, 1,797 hydrants
Percent of water restored within eight hours	n/a	75%	75%
Water main breaks	n/a	72 or less	72 or less
Percent of water distribution reservoirs cleaned	n/a	80%	80%

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- Water Supply Management
- Water Resources Laboratories
- Water Capital Program
- Wastewater Collection
- Wastewater Treatment
- Wastewater Capital Program

Water Treatment

(Program Nos. 4641, 4642)

Mission Statement

Provide safe drinking water that is treated in a cost efficient manner and complies with state and federal regulations.

Program Activities

- Operate and maintain the Cater Water Treatment Facility to achieve compliance with state and federal drinking water regulations.
- Provide regional water treatment for the City of Santa Barbara, Montecito Water District and Carpinteria Valley Water District, supplying drinking water to the communities of Santa Barbara, Montecito, Summerland, and Carpinteria.
- Maintain the C. Meyer Desalination Facility in long-term storage to supplement existing water supplies.
- Facilitate the redesign of the Ortega Well Treatment Facility using information from the facility and well evaluation conducted in FY 2003.

Objectives for Fiscal Year 2004

- Maintain 100% compliance with California Department of Health Services Water Quality Regulations.
- Operate and maintain the Cater Treatment Plant through re-construction.
- Initiate redesign of the Ortega Well Treatment facility.
- Maintain C. Meyer Desalination Facility in long-term storage for reactivation within two years when required to supplement other water supplies.
- Perform 100% of preventative maintenance activities at the Cater Water Treatment Plant, in accordance with the annual preventative maintenance plan.
- Perform 100% of preventative maintenance activities at the C. Meyer Desalination Facility, in accordance with the annual preventative maintenance plan.

Financial and Staffing Information

	Actual FY 2002	Adopted FY 2003	Adopted FY 2004
Authorized FTEs	**13.80**	**13.80**	**13.80**
Expenditures			
Salaries and Benefits	1,005,474	1,101,678	1,159,790
Supplies and Services	1,110,105	1,313,482	1,524,760
Non-Capital Equipment	9,324	13,168	25,910
Total Expenditures	**$ 2,124,903**	**$ 2,428,328**	**$ 2,710,460**
There are no revenues associated with this program			

Program Performance Measures

	Adopted FY 2003	Projected FY 2003	Adopted FY 2004
Percent of scheduled preventive maintenance at Cater Treatment Plant completed	n/a	100%	100%
Percent of scheduled preventive maintenance at Desalination Facility completed	n/a	100%	100%
Compliance with Department of Health Services requirements	n/a	100%	100%
Gallons of water treated (in billions)	n/a	7.3	7.3

PUBLIC WORKS PROGRAMS

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- ➢ **Water Supply Management**
- Water Resources Laboratories
- Water Capital Program
- Wastewater Collection
- Wastewater Treatment
- Wastewater Capital Program

RECENT PROGRAM ACHIEVEMENTS

Public Works participated in the Santa Ynez River Water Rights Settlement Agreement and received a Reclamation Regional Water Conservation Award.

Water Supply Management

(Program No. 4651)

Mission Statement

Provide an adequate supply of water by implementing the Long Term Water Supply Program, which includes a cost effective water conservation element and a diverse portfolio of supplies.

Program Activities

- Implement the Long Term Water Supply Program.
- Provide up to 8,277 acre-feet of water per year from the Cachuma Project and up to 3,000 acre-feet of water per year from the State Water Project.
- Advise on optimal use of the City's diverse sources of water supplies.
- Provide information on City water supplies and water conservation via the City Internet site with quarterly or more frequent updates and prompt responses to inquiries.
- Maintain and protect surface water supplies from the Santa Ynez River.
- Manage a cost-efficient customer-response based water conservation program that meets Federal and State requirements.

Objectives for Fiscal Year 2004

- Maintain at least 3,000 acre feet (AF) of end-of-year carryover in Cachuma Reservoir every year for four years after each Cachuma spill.
- Fund City’s share of the Cachuma Project, State Water Project and participation in Central Coast Water Authority (CCWA), Cachuma Operation and Maintenance Board (COMB), Cachuma Conservation Release Board (CCRB), and Association of Santa Barbara County Water Agencies, staying within budgeted amounts and meeting payment schedules.
- Produce monthly reports for the Upper Santa Ynez River Operations Agreement within 15 days of the end of the month.
- Maintain current water allocations from Santa Ynez River supplies (Cachuma and Gibraltar Reservoirs).
- Produce annual Water Supply Report for the previous water year by January 15, 2004.
- Achieve 100% compliance with California Urban Water Conservation Council Best Management Practices (BMP’s) (14 BMP’s as documented in MOU regarding Urban Water Conservation in California).
- Achieve a 90% satisfaction rate for home water checkups.

Financial and Staffing Information

	Actual FY 2002	Adopted FY 2003	Adopted FY 2004
Authorized FTEs	**4.00**	**4.00**	**4.25**
Revenues			
Intergovernmental	67,880	-	-
InterFund Reimbursements	-	-	41,937
Total Revenue	**$ 67,880**	**$ -**	**$ 41,937**
Expenditures			
Salaries and Benefits	277,672	336,616	416,366
Supplies and Services	101,958	169,635	185,792
Water Supply Purchases	5,584,034	5,881,526	-
Special Projects	104,828	27,450	7,376,816
Non-Capital Equipment	6,691	13,800	13,000
Total Expenditures	**$ 6,075,183**	**$ 6,429,027**	**$ 7,991,974**

Program Performance Measures

	Adopted FY 2003	Projected FY 2003	Adopted FY 2004
End of year (September 30) acre feet of Cachuma carryover (should exceed 3,000 AF)	n/a	7,580	3,000
Budgeted amounts for Cachuma Project and State Water supplies	n/a	$5,881,526	$7,346,366
Upper Santa Ynez River Operations Agreement monthly reports mailed by the 15th of the following month	n/a	12	12
Water checkups and percent that a random sampling of recipients respond that they were satisfied with the service	n/a	350/na	350/90%

PUBLIC WORKS PROGRAMS

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- Water Resources Management
- Water Reclamation
- Water Distribution
- Water Treatment
- Water Supply Management
- ➢ **Water Resources Laboratories**
- Water Capital Program
- Wastewater Collection
- Wastewater Treatment
- Wastewater Capital Program

RECENT PROGRAM ACHIEVEMENTS

The Water Resources Laboratories were certified by the State of California Department of Health, Environmental Laboratory Accreditation Program in 2002.

Water Resources Laboratories

(Program No. 4661)

Mission Statement

Provide cost efficient analytical testing services and high quality data to meet the testing requirements of the water and wastewater systems.

Program Activities

- Perform all required testing in accordance with Environmental Protection Agency (EPA) approved analytical methods.
- Provide laboratory services and conduct water and wastewater sampling for special projects and research.
- Perform and complete water pollution and water supply proficiency testing.
- Provide and submit regulatory report to the California Regional Water Quality Control Board, and California Department of Health Services.
- Maintain all major analytical instrumentation in accordance with the Good Laboratory Practice Protocols.
- Provide ongoing technical training to all staff.

Objectives for Fiscal Year 2004

- Complete 100% of required testing in accordance with EPA approved analytical methods.
- Maintain certification from the State of California Department of Health Services Environmental Laboratory Accreditation Program (DHS-ELAP) at all times.
- Complete samples and testing in a timely manner to ensure reports are submitted to the California Regional Water Quality Control Board, and California Department of Health Services in compliance with reporting deadlines.

Financial and Staffing Information

	Actual FY 2002	Adopted FY 2003	Adopted FY 2004
Authorized FTEs	**7.00**	**7.00**	**7.00**
Expenditures			
Salaries and Benefits	451,494	473,913	512,217
Supplies and Services	193,351	351,164	277,434
Non-Capital Equipment	7,807	12,370	17,790
Equipment Capital	4,186	32,186	171,196
Total Expenditures	**$ 656,838**	**$ 869,633**	**$ 978,637**

There are no revenues associated with this program

Program Performance Measures

	Adopted FY 2003	Projected FY 2003	Adopted FY 2004
Percent of Labs Water/Wastewater Capital Projects on schedule and on budget	n/a	80%	80%
Percent of required testing completed in accordance with EPA approved analytical methods	n/a	100%	100%
Drinking water, wastewater and creek samples collected and received	n/a	15,200	15,200
Required water tests performed	n/a	44,000	44,000
Special water tests performed	n/a	2,000	2,000

PUBLIC WORKS PROGRAMS

RECENT PROGRAM ACHIEVEMENTS

The Cater Cross-Tie Pumping Station was completed to enhance water delivery service to the Mission Canyon and Foothill areas of the City's water service area.

Water Capital Program

(Program No. 4671)

Mission Statement

Develop, fund, design and construct projects that will maintain, upgrade and enhance the City's water system infrastructure in order to ensure a continual supply of safe water for both domestic and fire protection purposes.

Program Activities

- Determine the work required to maintain and upgrade the City's water supply, treatment and distribution, and recycled water infrastructure.
- Develop the necessary funding to facilitate the Water Capital Program.
- Approve the design, plans and specifications for constructing Water Capital Projects.
- Assist the Public Works Engineering Division in moving projects through the City's planning, environmental and permitting process, when appropriate.
- Assist Engineering staff in the bid, award, monitoring, and inspection of Water Capital projects through completion of construction, when appropriate.

Objectives for Fiscal Year 2004

- Ensure the Cater Improvement Project remains on schedule for completion by September 2004.
- Ensure the Sheffield Water Quality Project remains on schedule for completion by October 2005.
- Ensure the San Roque and Santa Barbara High School Well projects remain on schedule for completion by November 2003.
- Ensure the Ortega Well Treatment Plant Rehabilitation project pilot testing is completed and the environmental, design and permitting milestones facilitate project completion by October 2005.
- Facilitate the completion of FY 04 Water Capital Program projects, within the $4,931,000 approved funding level.

Financial and Staffing Information

	Actual FY 2002	Adopted FY 2003	Adopted FY 2004
Authorized FTEs	**0.00**	**0.00**	**0.00**
Revenues			
State Loan Proceeds (Cater)	1,752,295	-	-
	$ 1,752,295	**$ -**	**$ -**
Expenditures			
Capital Program	7,476,988	5,770,000	6,412,497
Total Expenditures	**$ 7,476,988**	**$ 5,770,000**	**$ 6,412,497**

PUBLIC WORKS PROGRAMS

RECENT PROGRAM ACHIEVEMENTS

Staff commenced a project to identify sites of inflow/infiltration of storm water into the wastewater collection system.

Wastewater Collection

(Program No. 4631)

Mission Statement

Convey wastewater to the treatment plant in a reliable and cost efficient manner, meet all applicable state and federal regulations, and protect the environment.

Program Activities

- Maintain wastewater collection system to prevent sewer overflows.
- Respond to stoppage and overflow calls and contain overflows in a timely manner.
- Manage the preventive maintenance program for the wastewater collection system and lift stations.
- Conduct a sanitary sewer smoke-testing program to identify areas of inflow/infiltration.
- Operate wastewater collection system to comply with state and federal reporting requirements.
- Enhance collection system performance by maintaining system hydraulic capacity to allow system to operate at its design capacity.

Objectives for Fiscal Year 2004

- Meet 100% of state and federal reporting requirements as specified in the NPDES Discharge Permit issued for El Estero Wastewater Treatment Plant.
- Smoke test 15 miles of the collection system with priorities based on results from the Inflow/Infiltration Study.
- Complete annual priority preventive maintenance location list for cleaning the collection system.
- Smoke and dye test all identified creek crossings in accordance with an approved plan.
- Respond to and resolve all stoppages and overflow calls in a safe, timely and professional manner within an average of two hours of receiving notification and reduce impacts should they occur.
- Enhance existing preventative maintenance program to identify causes of stoppages and update procedures to prevent future stoppages.
- Clean 250 miles of the collection system yearly.

Financial and Staffing Information

	Actual FY 2002	Adopted FY 2003	Adopted FY 2004
Authorized FTEs	**20.90**	**20.90**	**22.40**
Expenditures			
Salaries and Benefits	1,239,316	1,596,605	1,653,562
Supplies and Services	506,195	628,601	686,652
Non-Capital Equipment	11,593	14,810	14,726
Total Expenditures	**$ 1,757,104**	**$ 2,240,016**	**$ 2,354,940**
There are no revenues associated with this program			

Program Performance Measures

	Adopted FY 2003	Projected FY 2003	Adopted FY 2004
Overflows reportable to the Regional Water Quality Control Board	n/a	<15	<15
Miles of collection system cleaned annually	n/a	250	250
Compliance with state and federal reporting requirements	n/a	100%	100%
Percent of responses to stoppages or overflow calls made within two hours	n/a	100%	100%
Miles smoke tested annually	n/a	15	15
Collection system stoppages	n/a	65	65

PUBLIC WORKS PROGRAMS

Administration
Engineering Services
Land Development
Environmental Programs
Solid Waste
Traffic Operations
Transportation Planning
Alternative Transportation
Transportation and Drainage Systems Maintenance
Traffic Signals
Streets Capital
Downtown Parking
Building Maintenance
Motor Pool
Communications Systems
Custodial Services
Water Resources Management
Water Reclamation
Water Distribution
Water Treatment
Water Supply Management
Water Resources Laboratories
Water Capital Program
Wastewater Collection
➢ **Wastewater Treatment**
Wastewater Capital Program

RECENT PROGRAM ACHIEVEMENTS

Staff developed a 10-year strategic plan for capital improvements to El Estero and installed an emergency power backup generator for the entire plant.

Wastewater Treatment

(Program No. 4711)

Mission Statement

Provide cost efficient wastewater treatment, protect ocean water quality and public health, and comply with National Pollution Discharge Elimination System (NPDES) permit requirements.

Program Activities

- Operate the El Estero Wastewater Treatment Plant to comply with discharge limitations as required by the Regional Water Quality Control Board.
- Operate the wastewater treatment plant to assure air emission compliance with the Santa Barbara Air Pollution Control District Permit.
- Operate Pretreatment Program to inspect and sample industrial dischargers to the City's wastewater collection system.
- Maintain El Estero Wastewater facility using predictive and preventative maintenance methods.
- Continue public outreach and education to inform the public of environmental benefits of the El Estero Treatment Plant process.

Objectives for Fiscal Year 2004

- Achieve at least 99% compliance with discharge requirements.
- Achieve at least 99% compliance with local air emissions standards as specified in the Santa Barbara Air Pollution Control District permit requirements towards a goal of 100%.
- Inspect all permitted industrial dischargers at the frequency required by City's approved program.
- Complete 100% of activities in the annual preventative maintenance plan.
- Achieve at least 99% compliance with discharge requirements for water reclamation.
- Complete a total of 800 maintenance work orders on wastewater treatment facilities.

Financial and Staffing Information

	Actual FY 2002	Adopted FY 2003	Adopted FY 2004
Authorized FTEs	**24.00**	**24.00**	**24.00**
Revenues			
Interest Income	902,504	800,000	525,000
Mission Canyon- JPA	223,107	200,000	200,000
Fees and Service Charges	8,558,623	9,885,000	9,750,000
Other	20,241	75,000	100,000
Total Revenue	**$ 9,704,475**	**$ 10,960,000**	**$ 10,575,000**
Expenditures			
Salaries and Benefits	1,608,169	1,774,590	1,876,209
Supplies and Services	2,301,111	2,412,337	2,447,719
Special Projects	193	-	15,000
Non-Capital Equipment	13,404	16,900	16,900
Equipment Capital	46,651	23,800	21,300
Miscellaneous	500	-	-
Total Expenditures	**$ 3,970,028**	**$ 4,227,627**	**$ 4,377,128**

Program Performance Measures

	Adopted FY 2003	Projected FY 2003	Adopted FY 2004
Percent of treated wastewater at or below NPDES permit limits	n/a	99%	99%
Percent of air emission at or below requirement standards	n/a	100%	100%
Million of gallons treated	n/a	3,010	3,020
Work maintenance orders completed	n/a	638	800
Percent of treated reclaimed water at or below NPDES permit requirements	n/a	99%	99%

PUBLIC WORKS PROGRAMS

Administration
Engineering Services
Land Development
Environmental Programs
Solid Waste
Traffic Operations
Transportation Planning
Alternative Transportation
Transportation and Drainage Systems Maintenance
Traffic Signals
Streets Capital
Downtown Parking
Building Maintenance
Motor Pool
Communications Systems
Custodial Services
Water Resources Management
Water Reclamation
Water Distribution
Water Treatment
Water Supply Management
Water Resources Laboratories
Water Capital Program
Wastewater Collection
Wastewater Treatment
➢ **Wastewater Capital Program**

Wastewater Capital Program

(Program No. 4711)

Mission Statement

Expedite development, design and construction of wastewater related projects that will maintain, upgrade and enhance the infrastructure of the wastewater system in order to meet NPDES requirements and protect the environment.

Program Activities

- Determine the work required to maintain and upgrade the City's Wastewater Treatment and Collection System infrastructure.
- Develop the necessary funding to facilitate the Wastewater Capital Program.
- Review and approve plans and specifications developed for constructing Wastewater Capital Projects.
- Assist Engineering Division staff in moving Wastewater Capital Projects through the City's planning, environmental and permitting process, when appropriate.
- Assist Engineering Division staff in the bid, award and inspection of Wastewater Capital Projects, when appropriate.
- Monitor and expedite projects in the El Estero Strategic Plan.

Objectives for Fiscal Year 2004

- Monitor and facilitate the completion of the wastewater pipeline capital project before the end of fiscal year 2004.
- Submit to Engineering a list of sewer pipeline sections for replacement or rehabilitation in 2004 –2005 by August 2003.
- Work with the Goleta Sanitary District to develop an agreement which will eliminate the City's San Marcos Lift Station when the Saint Vincent project moves forward.
- Assist Engineering Division staff in bringing several projects in design for El Estero to bid (Influent pump; digester mixing; sludge thickening improvements).
- Evaluate appropriate funding sources to provide sufficient funding to accomplish the Wastewater Capital Master Plan.

RECENT PROGRAM ACHIEVEMENTS

The Linda Road Lift Station was replaced and is operating.

The Wastewater Pipeline Project to replace or rehabilitated 2.4% of pipe network was put out to bid.

Financial and Staffing Information

	Actual FY 2002	Adopted FY 2003	Adopted FY 2004
Authorized FTEs	**0.00**	**0.00**	**0.00**
Expenditures			
Capital Program	4,172,477	2,620,000	3,954,000
Total Expenditures	**$ 4,172,477**	**$ 2,620,000**	**$ 3,954,000**
There are no revenues associated with this program			

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Waterfront

Provide the community with a quality Waterfront for recreation and commercial use, along with mooring and landside services for boating activities.

About Waterfront

The Waterfront Department is responsible for managing approximately 252 acres of tidelands and submerged lands encompassing the Harbor and Stearns Wharf. The Waterfront Department is an enterprise fund and operates from revenues generated from the resources it manages; primarily lease revenue, slip fees, and parking fees.

There are a total of 1,133 slips in the Harbor, about 19% of which are used by commercial fishermen and 81% by recreational boaters and others, that are all subject to slip permits. The Harbor business/ commercial area includes nine major buildings, all of which are owned by the City, including the Waterfront Center, the largest building in the area.

While the Harbor area is a mixture of ocean dependent, ocean related and visitor-serving uses, the Wharf's primary commercial uses include restaurants, retail shops, a bait and tackle store and limited office space.

Fiscal Year 2004 Budget Highlights

Waterfront Department faced unprecedented expense increases for fiscal year 2004.

Significant fee increases were required to balance the budget and ensure that the Department will continue to meet its reserve requirements and maintain its Capital Improvement Plan in future years.

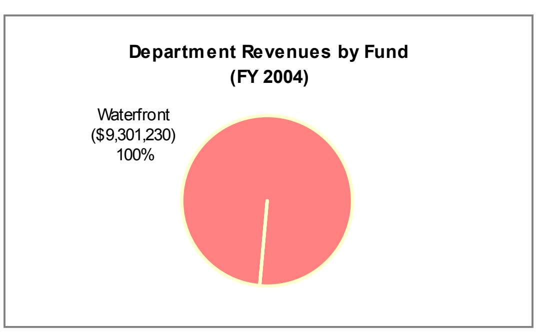
The Waterfront Department also operates nine parking lots along Cabrillo Boulevard between Leadbetter Beach and East Beach.

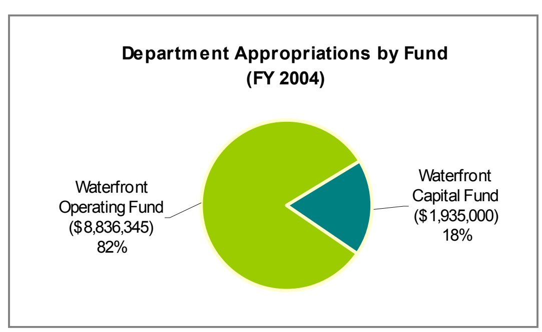
Waterfront

Department Financial and Staffing Summary

	Actual FY 2002	Adopted FY 2003	Adopted FY 2004
Authorized Positions (FTEs)	**45.00**	**45.00**	**45.00**
Revenues			
Fees and Service Charges	5,080,850	4,911,182	5,505,021
Interest Income	387,557	265,000	220,000
Leases	3,507,640	3,437,466	3,483,709
Intergovernmental	70,000	-	-
Donations	39,417	-	-
Other	186,683	27,500	92,500
Total Department Revenue	**$ 9,272,147**	**$ 8,641,148**	**$ 9,301,230**
Expenditures			
Salaries and Benefits	3,429,468	3,803,324	4,127,320
Supplies and Services	2,505,684	2,524,023	2,995,112
Debt Service	1,442,752	1,401,300	1,485,913
Non-Capital Equipment	93,068	111,100	128,000
Capital Equipment	9,014	-	-
Appropriated Reserve	-	100,000	100,000
Miscellaneous	100,398	92,700	-
Total Department Expenditures	**$ 7,580,384**	**$ 8,032,447**	**$ 8,836,345**
Capital Program	1,641,774	1,045,000	1,935,000
Total Department Expenditures	**$ 9,222,158**	**$ 9,077,447**	**$ 10,771,345**
Addition to (Use of) Reserves	**$ 49,989**	**$ (436,299)**	**$ (1,470,115)**

Department Fund Composition





DEPARTMENT SUMMARY

Waterfront

Program Organizational Chart

- **Business Services Division**
  - Administrative Support & Community Relations
  - Property Management
  - Financial Management
  - Parking Services
- **Harbor Operations**
  - Harbor Patrol
  - Marina Management
- **Facilities Division**
  - Facilities Maintenance
  - Facilities Design and Capital Programs

WATERFRONT

- **Administrative Support and Community Relations**
- Property Management
- Financial Management
- Parking Services
- Harbor Patrol
- Marina Management
- Facilities Maintenance
- Facilities Design and Capital Programs

Administrative Support and Community Relations

(Program No. 8111)

Mission Statement

Provide direction and support to Waterfront Department Staff, along with effective communication and representation before Federal and State Agencies, local harbor community, residents and businesses.

Program Activities

- Provide overall direction for the Waterfront Department.
- Provide information about the Department to the public.
- Provide staff support to the Harbor Commission.
- Provide representation before local, State and Federal agencies.

Objectives for Fiscal Year 2004

- Ensure that Waterfront divisions achieve 80% of their program objectives.
- Implement a comprehensive public information and community relations program.

RECENT PROGRAM ACHIEVEMENTS

The Department's Certificates of Participation (COP) were refinanced in July 2002, resulting in annual savings of approximately $108,000.

Financial and Staffing Information

	Actual FY 2002	Adopted FY 2003	Adopted FY 2004
Authorized FTEs	**4.60**	**4.60**	**4.60**
Expenditures			
Salaries and Benefits	342,114	391,112	404,865
Supplies and Services	801,494	880,836	979,102
Debt Service	1,442,752	1,401,300	1,485,913
Non-Capital Equipment	32,776	29,000	30,000
Capital Equipment	9,014	-	-
Miscellaneous	99,812	92,700	-
Appropriated Reserve	-	100,000	100,000
Total Expenditures	**$ 2,727,962**	**$ 2,894,948**	**$ 2,999,880**

There are no revenues associated with this program.

Program Performance Measures

	Adopted FY 2003	Projected FY 2003	Adopted FY 2004
Program objectives completed	n/a	80%	80%

Property Management

(Program No. 8112)

Mission Statement

Manage Waterfront leases ensuring the public receives a high level of services and the Department receives market value rents.

Program Activities

- Administer leases and other business agreements.
- Negotiate agreements with new and existing tenants on Stearns Wharf and in the Harbor commercial area.
- Assure tenants receive the services entitled under their agreements.

Objectives for Fiscal Year 2004

- Audit 25% of the 45 percentage rent leases.
- Meet with 50% of the 51 tenants quarterly to discuss lease issues.
- Contribute to three advertising and promotional programs.
- Improve renewal standards to the Business Activity Permit policy.
- Develop an improved tracking method for tenant rent payments.

RECENT PROGRAM ACHIEVEMENTS

A new 25-year lease with the Santa Barbara Museum of Natural History was negotiated for the Sea Center Revitalization Project on Stearns Wharf.

Financial and Staffing Information

	Actual FY 2002	Adopted FY 2003	Adopted FY 2004
Authorized FTEs	**1.55**	**1.55**	**1.55**
Revenues			
Leases	3,507,640	3,437,466	3,483,709
Other	96,022	20,000	85,000
Total Revenue	**$ 3,603,662**	**$ 3,457,466**	**$ 3,568,709**
Expenditures			
Salaries and Benefits	82,062	97,659	117,417
Supplies and Services	70,578	80,746	96,840
Total Expenditures	**$ 152,640**	**$ 178,405**	**$ 214,257**

Program Performance Measures

	Adopted FY 2003	Projected FY 2003	Adopted FY 2004
Leases audited	n/a	12	12
Tenant meetings attended	n/a	62	82
Business Activity Permits renewed within 30 days of expiration	n/a	48	72
Lease and license contracts managed	n/a	51	53
Business Activity Permits managed	n/a	71	80

- Administrative Support and Community Relations
- Property Management
- ➢ **Financial Management**
- Parking Services
- Harbor Patrol
- Marina Management
- Facilities Maintenance
- Facilities Design and Capital Programs

Financial Management

(Program No. 8113)

Mission Statement

Support the Waterfront Department with staying within budget and processing revenue and expenditures accurately.

Program Activities

- Prepare financial plan for Department revenues and expenditures.
- Approve and facilitate payment of Department expenses.
- Receive and process fees collected by Department.
- Monitor and analyze Department revenues and expenses.

Objectives for Fiscal Year 2004

- Ensure program expenditures are within budget.
- Process revenues with 100% deposit error resolution within ten working days.
- Process 85% of requisitions and claims within 60 days of receipt.
- Complete budget within timeline set by the Finance Department.
- Prepare Department billing with 100% error resolution of billing errors within three billing cycles.

RECENT PROGRAM ACHIEVEMENTS

An Automatic Payment System for slip fees was implemented so slip permittees can choose to have slip fees automatically drafted from their account monthly.

Financial and Staffing Information

	Actual FY 2002	Adopted FY 2003	Adopted FY 2004
Authorized FTEs	**1.75**	**1.75**	**1.75**
Revenues			
Interest Income	387,557	265,000	220,000
Total Revenue	**$ 387,557**	**$ 265,000**	**$ 220,000**
Expenditures			
Salaries and Benefits	104,778	110,792	118,806
Supplies and Services	12,185	9,561	17,772
Total Expenditures	**$ 116,963**	**$ 120,353**	**$ 136,578**

Program Performance Measures

	Adopted FY 2003	Projected FY 2003	Adopted FY 2004
Revenue deposit errors resolved within ten working days	n/a	100%	100%
Requisitions and claims processed within 60 days of receipt	n/a	85%	85%
Billing errors resolved after three billing cycles	n/a	100%	100%
Deposits processed	n/a	850	850
Requisitions processed	n/a	200	200
Billing accounts processed	n/a	4,000	4,000

Administrative Support and Community Relations
Property Management
Financial Management
➢ **Parking Services**
Harbor Patrol
Marina Management
Facilities Maintenance
Facilities Design and Capital Programs

Parking Services

(Program No. 8121)

Mission Statement

Provide competitively priced parking that is convenient, clean, and meets the needs of the community and its visitors.

Program Activities

- Staff and operate nine parking lots throughout the Waterfront area.
- Monitor and collect revenue at three Honor Fee collections sites.
- Staff and operate one 24-hour parking lot 365 days per year.
- Ensure audit procedures are being followed.

Objectives for Fiscal Year 2004

- Achieve an 85% annual collection rate on parking fee collection envelopes issued.
- Maintain an annual operating expense of not more than 65% of revenue collected.
- Maintain annual parking permit revenues of at least $200,000.
- Install security surveillance system in the main Harbor and Stearns Wharf parking kiosks.

RECENT PROGRAM ACHIEVEMENTS

Parking Services extended service days and hours at the Los Baños exit kiosk and implemented an improved 4-tiered parking permit system.

Financial and Staffing Information

	Actual FY 2002	Adopted FY 2003	Adopted FY 2004
Authorized FTEs	**3.10**	**3.10**	**3.10**
Revenues			
Fees and Service Charges	1,258,785	1,169,900	1,500,300
Total Revenue	**$ 1,258,785**	**$ 1,169,900**	**$ 1,500,300**
Expenditures			
Salaries and Benefits	574,028	641,184	687,637
Supplies and Services	70,265	83,063	99,840
Non-Capital Equipment	43,542	52,000	75,000
Miscellaneous	586	-	-
Total Expenditures	**$ 688,421**	**$ 776,247**	**$ 862,477**

Program Performance Measures

	Adopted FY 2003	Projected FY 2003	Adopted FY 2004
Parking fee collection envelopes collected	n/a	25,000	25,000
Percent of parking fee collection envelopes collected	n/a	85%	85%
Operating expenses	n/a	$760,000	$866,000
Operating expenses as a percent of revenue	n/a	65%	65%
Total permit revenue	n/a	$210,000	$230,000
Total parking tickets distributed at Wharf	n/a	263,800	271,700
Total parking tickets distributed at Harbor	n/a	143,600	147,900
Total parking tickets distributed at outer lots	n/a	281,000	289,430

WATERFRONT

- Administrative Support and Community Relations
- Property Management
- Financial Management
- Parking Services
- ➢ **Harbor Patrol**
- Marina Management
- Facilities Maintenance
- Facilities Design and Capital Programs

Harbor Patrol

(Program No. 8131)

Mission Statement

Enforce laws, educate the public and provide emergency fire, medical and ocean response services to facilitate the safe and orderly use of the Waterfront area.

Program Activities

- Provide emergency response seven days a week, 24 hours a day within the Waterfront jurisdiction.
- Provide security and law enforcement in the Waterfront by patrolling the ocean and land areas.
- Enforce State and local laws.
- Coordinate operations with U.S. Coast Guard, Santa Barbara Police, Santa Barbara Fire, California Department of Fish and Game, and County Sheriff.
- Provide search and rescue, towing and dewatering service to ocean users.
- Provide fire response and prevention services.

Objectives for Fiscal Year 2004

- Respond to 90% of in-harbor emergencies within five minutes.
- Achieve a minimum average of 65 hours of training per officer.
- Enhance public relations by conducting 12 school class tours or other public-relations events.

RECENT PROGRAM ACHIEVEMENTS

Harbor Patrol performed over 300 courtesy vessel tows and inspected over 1,500 Marine Sanitation Devices in FY 2003.

10 out of 11 officers have now obtained a Coast Guard Master's License.

Financial and Staffing Information

	Actual FY 2002	Adopted FY 2003	Adopted FY 2004
Authorized FTEs	**12.50**	**12.50**	**12.50**
Expenditures			
Salaries and Benefits	933,790	1,031,672	1,144,650
Supplies and Services	112,274	101,954	128,360
Non-Capital Equipment	7,008	16,900	9,500
Total Expenditures	**$ 1,053,072**	**$ 1,150,526**	**$ 1,282,510**

There are no revenues associated with this program.

Program Performance Measures

	Adopted FY 2003	Projected FY 2003	Adopted FY 2004
Percent of five minute response times	n/a	90%	90%
Training hours per officer	n/a	65%	65%
Class tours or other public-relations events	n/a	12	12
Calls for service	n/a	n/a	3,000
Enforcement contacts	n/a	1,300	1,300
Marine Sanitation Device inspections	n/a	1,500	1,500
Emergency responses inside Harbor	n/a	100	100
Emergency responses outside Harbor	n/a	100	100
Non-emergency (courtesy) vessel tows	n/a	300	300

WATERFRONT

- Administrative Support and Community Relations
- Property Management
- Financial Management
- Parking Services
- Harbor Patrol
- ➢ **Marina Management**
- Facilities Maintenance
- Facilities Design and Capital Programs

Marina Management

(Program No. 8141)

Mission Statement

Manage and administer full professional services to the boating public, harbor users, slip permittees, fishermen, visitors and the community at large.

Program Activities

- Manage 1,133 slip marina and associated facilities.
- Coordinate Waterfront events including Parade of Lights, Harbor Festival, Fourth of July, and Navy ship visits.
- Pursue measures and undertake activities directed at maintaining a clean ocean environment in the Harbor.
- Measure vessels, facilitate slip assignments, slip transfers and accommodation of visitors.
- Administer permit process for skiff, catamarans, outrigger canoes and small sailboats.
- Maintain office space and staff to facilitate services to the boating public, harbor users and visitors.

Objectives for Fiscal Year 2004

- Process 90% of slip trades, transfers, liveaboard permits or waiting list assignments within ten working days of application completion or notice of acceptance (waiting list, liveaboard permits).
- Process 90% of visitor slip assignments within 30 minutes of vessel arrival at the harbor.
- Assign 90% of available outrigger and catamaran permits.
- Develop a survey to measure slip permittees' satisfaction with marina management services.

RECENT PROGRAM ACHIEVEMENTS

Staff implemented a Clean Water Program and facilitated the Harbor and Seafood Festivals.

Financial and Staffing Information

	Actual FY 2002	Adopted FY 2003	Adopted FY 2004
Authorized FTEs	**2.50**	**2.50**	**2.50**
Revenues			
Fees and Service Charges	3,822,065	3,741,282	4,004,721
Other	35,993	7,500	7,500
Total Revenue	**$ 3,858,058**	**$ 3,748,782**	**$ 4,012,221**
Expenditures			
Salaries and Benefits	161,824	172,087	188,865
Supplies and Services	43,123	54,949	61,535
Total Expenditures	**$ 204,947**	**$ 227,036**	**$ 250,400**

Program Performance Measures

	Adopted FY 2003	Projected FY 2003	Adopted FY 2004
Trades, transfers, permits or assignments processed within ten working days	n/a	97%	90%
Visitor slip assignments processed within 30 minutes	n/a	86%	90%
Average transient slip assignments per year (includes multiple day assignments)	n/a	17,000	17,000
Trades, transfers, permits or assignments processed	n/a	150	150
Outrigger and catamaran permits assigned	n/a	88%	90%

WATERFRONT

Administrative Support and Community Relations
Property Management
Financial Management
Parking Services
Harbor Patrol
Marina Management
➢ **Facilities Maintenance**
Facilities Design and Capital Programs

Facilities Maintenance

(Program Nos. 8151, 8152, 8153)

Mission Statement

Provide clean and safe commercial and recreational facilities for tenants and visitors at the Harbor and Stearns Wharf.

Program Activities

- Maintain and repair the harbor, Stearns Wharf and Waterfront Parking lots, including buildings, ocean structures, pavement, utilities, vessels and equipment.
- Use tracking system to analyze preventive maintenance program effectiveness.

Objectives for Fiscal Year 2004

- Implement a tenant satisfaction survey for commercial and restaurant tenants based on cleanliness, safety and response time.
- Achieve 70% of in-service days for the Harbor Patrol fleet through preventive maintenance and service.
- Identify labor and equipment costs for holidays and special event support.
- Identify a reduction of lost staff time and number of injuries through maintaining 63 hours of safety training per employee.
- Act as Department liaison for the annual U.S. Army Corps of Engineers Federal Channel Dredging to ensure the navigation channel is dredged to allow safe vessel transit in and out of the harbor.
- Accomplish 90% of the preventative maintenance tasks.

RECENT PROGRAM ACHIEVEMENTS

Facilities Maintenance staff completed the Marina 4 main walkway re-decking project and replaced 1,000 cleats on Marina 1.

Financial and Staffing Information

	Actual FY 2002	Adopted FY 2003	Adopted FY 2004
Authorized FTEs	**16.30**	**16.30**	**16.50**
Revenues			
Other	53,792	-	-
Total Revenue	**$ 53,792**	**$ -**	**$ -**
Expenditures			
Salaries and Benefits	1,083,767	1,187,411	1,309,891
Supplies and Services	1,361,241	1,260,295	1,572,518
Non-Capital Equipment	9,742	13,200	13,500
Total Expenditures	**$ 2,454,750**	**$ 2,460,906**	**$ 2,895,909**

Program Performance Measures

	Adopted FY 2003	Projected FY 2003	Adopted FY 2004
In-service days for Harbor Patrol fleet (70% x 1460 fleet days)	n/a	1,022 days	1,022 days
Staff injuries	n/a	2	2
Training hours per employee	n/a	63 hours	63 hours
Total lost staff time	n/a	260 days	230 days

WATERFRONT

- Administrative Support and Community Relations
- Property Management
- Financial Management
- Parking Services
- Harbor Patrol
- Marina Management
- Facilities Maintenance
- ➢ **Facilities Design and Capital Programs**

RECENT PROGRAM ACHIEVEMENTS

The Launch Ramp Replacement project was completed.

Facilities Design and Capital Programs

(Program No. 8161)

Mission Statement

Plan, design and execute needed construction and repair activities for Waterfront Facilities.

Program Activities

- Plan and design construction projects for Waterfront facilities in the Harbor, Stearns Wharf, and Waterfront parking lots.
- Develop contract specifications for Waterfront facility projects.
- Manage capital improvement projects including inspection, scheduling and public notification.

Objectives for Fiscal Year 2004

- Complete 80% of minor capital projects (projects under $100,000) according to the approved schedule.
- Complete 70% of minor capital projects (projects under $100,000) according to the approved budget.
- Advertise for bid the Chandlery Remodel project in the first quarter of Fiscal Year 2004.
- Complete design phase of Breakwater Cap Repair project.

Financial and Staffing Information

	Actual FY 2002	Adopted FY 2003	Adopted FY 2004
Authorized FTEs	**2.70**	**2.70**	**2.50**
Revenues			
Donations	39,417	-	-
Intergovernmental	70,000	-	-
Other	876	-	-
Total Revenue	**$ 110,293**	**$ -**	**$ -**
Expenditures			
Salaries and Benefits	147,105	171,407	155,189
Supplies and Services	34,524	52,619	39,145
Capital Program	1,641,774	1,045,000	1,935,000
Total Expenditures	**$ 1,823,403**	**$ 1,269,026**	**$ 2,129,334**

Program Performance Measures

	Adopted FY 2003	Projected FY 2003	Adopted FY 2004
Percent of minor capital projects completed according to schedule	n/a	80%	80%
Minor capital projects completed	n/a	11	11

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APPENDIX: Description of Funds

A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts, segregated for the purpose of carrying on specific activities, or complying with special regulations, restrictions, or limitations. The following provides a description of all accounting funds used by the City of Santa Barbara, including those for which a budget is not adopted.

GOVERNMENTAL FUNDS

The measurement focus for governmental funds is on current spendable resources, and as such, the balance sheets for these types of funds include only current assets and current liabilities. Governmental funds are accounted for on a modified accrual basis, thus revenues are recognized when measurable and spendable, and expenditures are recorded when the related liability is incurred.

General Fund

The City's General Fund accounts for activities and services traditionally associated with governments, such as police and fire, which are financed primarily through tax-generated revenues and not required to be accounted for in another fund.

Special Revenue Funds

Special revenue funds are used to account for the proceeds from specific revenue sources, other than trusts or major capital projects, that are legally restricted to expenditures for specific purposes.

1995 Floods Fund

For costs incurred as a result of the two federally declared disasters in January 1995 and March 1995.

Community Development Block Grant Fund

For receipt and disbursement of the City's federal block grant funds.

County Library

For funds received and expended for library services on behalf of Santa Barbara County (non-City) residents.

Creeks Restoration and Water Quality Improvement (Measure B) Fund

For the receipt and disbursement of the creeks-related share of transient occupancy tax (2%), generated by the passage of Measure B in October 2000. These funds may only be used for operations and capital projects related to creeks restoration, cleanup and maintenance, and for creeks- and ocean-water quality improvement projects and activities.

Gas Tax Fund

For receipt and disbursement of the City's share of state gasoline taxes. State law requires that these funds be used to maintain streets.

HOME Grant Fund

For receipt and disbursement of federal HOME Investment Partnership Program funds which facilitate the development of affordable housing projects in the City.

Miscellaneous Grants Fund

For resources received from various granting agencies.

Police Asset Forfeiture Fund

For assets confiscated by police special operations and restricted for use in support of police operations.

Police Local Law Enforcement Block Grant Fund

For Federal grants funds received for local law enforcement activities.

Police Supplemental Law Enforcement Fund

For State voter-approved funds (AB 3229), restricted to public safety and law enforcement.

Redevelopment Agency Fund

For operations of the Redevelopment Agency. Tax increment revenues primarily support this fund.

Solid Waste Fund

For City operations related to solid waste in support of State AB 939.

Streets

For receipt and disbursement of streets-restricted utility users' tax for activities related to streets and roads. Fifty percent of the City's utility users' tax is restricted for this purpose.

Traffic Safety Fund

For 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 to traffic or police officers.

Transportation Development Fund

For 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.

Transportation Sales Tax (Measure D) Fund

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.

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

For the accumulation of 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.

1993 Redevelopment Agency Tax Allocation Bonds

For payment of the 1993 Tax Allocation Bonds. These bonds mature in annual principal installments of $480,000 to $2,200,000 through 2007.

1995 Redevelopment Agency Refunding Tax Allocation Bonds

For the accumulation of 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.

Capital Projects Funds

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

Capital Outlay Fund

For all capital projects financed by the General Fund.

Streets Capital Fund

For street improvements funded by streets development-related fees and restricted revenues.

Redevelopment Agency Capital Projects Fund

For expenditures funded from the proceeds of the Agency's 1993 Tax Allocation Bonds.

PROPRIETARY FUNDS

Proprietary funds account for operations that are financed and operated in a manner similar to private sector enterprises, in that goods and services are provided to the general public (external users) or other City departments (internal users), and the costs of which are financed or recovered primarily through fees and service charges charged directly to the users of the goods and services. Proprietary funds use the accrual basis of accounting.

Enterprise Funds

Enterprise funds are used to report activities for which service charges or fees are charged to external users. Enterprise funds are financed and operated in a manner similar to private sector enterprises.

Airport Fund

For operations of the municipal airport and the administration of leases on 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 the billing and collection of fees.

Airport Capital Fund

For all Airport capital projects funded by operations, FAA grants, PFC revenues, and debt proceeds.

Downtown Parking Fund

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 the billing and collection of fees.

Golf Fund

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 the billing and collection of fees.

Wastewater Fund

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 the billing and collection of fees.

Wastewater Capital Fund

For Wastewater capital projects funded by operations, external grants and debt proceeds.

Water Fund

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 the billing and collection of fees.

Water Capital Fund

For Water capital projects funded by operations, external grants and debt proceeds.

Waterfront Fund

For the operations of the City-managed waterfront. Operations include: (1) a public wharf providing facilities for, and services to, leaseholders, restaurants, retail shops and other recreational activities; (2) a small watercraft harbor for commercial fishing, tour and privately-owned boats; and (3) the operation of all parking facilities in the waterfront area.

Waterfront Capital Fund (Harbor Preservation Fund)

For Waterfront capital projects funded by operations, external grants and debt proceeds.

Internal Service Funds

Internal service funds are used to report activities for which service charges or fees are charged to internal users. These funds are used to account for the financing of goods or services provided by one City department to other City departments on a cost reimbursement basis.

Duplications Fund

For the costs of operating the City print shop that provides duplicating services to all City departments.

Intra-City Service Fund

For the costs of operating a City maintenance facility for automobiles and other vehicles used by all City departments. This fund also accounts for the citywide building maintenance operation, custodial and electronics maintenance operations.

Self-Insurance Fund

For the cost of providing workers' compensation, unemployment, liability and employee health insurance coverage on a citywide basis.

Information Systems Intra-City Service Fund

For the costs of the Information Systems operations for citywide computer and network maintenance and replacement.

FIDUCIARY FUNDS

Funds that account for resources held in a trustee, custodial or agency capacity for others.

Pension Trust Funds

Pension trust funds are used to account for the accumulation of resources for the locally administered safety retirement programs.

Safety Retirement Fund

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

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 trust resources, wherein the City, in accordance with the terms of the trust agreement, can expend interest earnings of the trust, but the principal must remain intact. Like proprietary funds, non-expendable trust funds use the accrual basis of accounting.

Tidelands Trust (Waterfront)

For the assets of the State of California Tideland Trust which are comprised of the City-managed waterfront area, 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.

Expendable Trust Funds

Expendable trust funds are used to account for trust resources, wherein the City, in accordance with the terms of the trust agreement, can expend the Trust's principal and interest earnings.

Library Gifts Fund

For gifts and bequests made to the City library. Funds are used for book replacement.

Russ Morrison Fund

For contributions from the Santa Barbara Athletic Roundtable for the sole purpose of promoting junior golf.

H. Bayer Sculpture Fund

For funds dedicated to the repair and maintenance of the Herbert Bayer sculpture, located on City-owned park property.

Agency Funds

Agency funds are used to account for resources for which the City acts as an agent, or custodian, for other governmental units, private organizations, or individuals.

Browning Ferris Industries Fund

For the collection and disbursement of utility billings for refuse collection service provided under a franchise agreement.

Cachuma Conservation Fund

For moneys received from various participating agencies for the operation of the Cachuma Conservation Resources Board.

Cachuma Project Authority Fund

For funds contributed by various South Coast water purveyors, including the City, to represent the group's interests in the federal Cachuma water project.

California Law Enforcement Telecommunications System (CLETS) Fund

For monies received from various participating public agencies for the purchase of computer equipment for communication with the California Law Enforcement Tracking System (CLETS).

Deferred Compensation Fund

For the tax deferred deductions from the paychecks of employees choosing to participate in the City's Section 457 deferred compensation plan.

Fiscal Agent Payment Fund

For the payment of bond interest and matured bonds for those debt issues for which the City acts as the paying agent.

Revolving Rehabilitation Loan Fund

For rehabilitation loans made by the City through the use of various funding sources

Seismic Safety Assessment Fund

For the financial activities of the Seismic Assessment District #1.

State Deferred Loan Fund

For monies received from the State of California to provide low-interest loans to individuals for the rehabilitation of housing.

APPENDIX: Budget Policies

General Policies

All current operating expenditures will be financed 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.

Productivity improvements resulting in cost reduction will remain an important budgetary goal.

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:

- Capital improvements that are consistent with the Six-Year Capital Program priorities and 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.

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 five 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 responding to 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.

Debt Policy

It is the intent of the City of Santa Barbara to issue debt in a manner that adheres to state and federal laws, existing bond covenants and prudent financial management. A summary of existing debt obligations by fund and a summary of total annual debt service requirements is provided in this section under "Debt Obligations".

The General Fund currently does not have any general obligation bonds and does not anticipate issuing such debt. Existing General Fund debt includes certificates of participation for capital improvements to City facilities. As of June 30, 2003, the outstanding balance is $3,930,300 and annual debt service requirement is $354,374.

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 to existing bond covenants associated with the 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 $4.0 million and $858,000, respectively, based on operating results for the year ended June 30, 2003. For fiscal year 2004, the current total debt service requirement for all existing debt is approximately $2.4 million and $459,000 for the Water Fund and Wastewater Fund, respectively.

Based on a net assessed value of property of approximately $9.28 billion, the legal debt limit is $927.9 million. Currently, there is no outstanding debt subject to limitation.

No other restrictions exist.

APPENDIX: Legal Requirements and the Budgetary Process

Authoritative Basis for the Annual Budget

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 Roles and Responsibilities

The Budget Officer and the Finance Department, during budget pre-development, determine departmental revenue targets for use during budget development and develop cycle-specific information, such as debt service requirements and allocated costs. The Budget Officer works with the Treasury Manager from Finance Treasury throughout the entire budget development process to develop the base budget requirements for the next fiscal year through analysis of preliminary and final revenue estimates.

The Treasury Manager develops preliminary revenue estimates for departments during budget pre-development, and works with departments throughout the budget development process in revising the preliminary estimates for departmental revenues in order to reach final, revised estimates.

The Finance Department develops overhead cost allocations and works with the Public Works Department in preparing preliminary cost allocations for building maintenance, custodial and electronic maintenance services, and the City's Motor Pool. Finance also works with Information Systems to determine cost allocations for the desktop maintenance and replacement program, as well as cost allocations related to the City's financial management system.

Budget Liaisons serve as the vital communication link between the departments and the Finance Department, the City Administrator, and the Budget Steering Committee. They assist departmental budget staff to ensure that departmental budget submittals are complete, technically correct and submitted in a timely manner. During the budget review phase, Budget Liaisons analyze requested budgets to determine that departments met their revenue target, and verify the accuracy of line-item budgets. Budget Liaisons present their findings and recommendations to the City Administrator during the individual departmental meetings with the departments.

The Assistant City Administrator for Organizational Development works with all departmental Program Owners, Managers and Department Heads to ensure that the performance objectives contained in the Programs and Services narratives are measurable, actionable, specific and adequately cover the day-to-day activities of the operation, as well as any one-time projects or initiatives planned for the budget year.

Budget Steering Committee provides oversight to the entire budget process, with direction from the City Administrator, to ensure that Council goals and other citywide priorities are addressed throughout development of the budgets.

Department Heads, Budget Contacts, Departmental Staff develop line-item operating and CIP budget requests, working with the Budget Liaisons. Anticipated program adjustments are incorporated and communicated to the Finance Department for revising departmental revenue targets.

The City Administrator provides oversight of the Budget Steering Committee throughout the entire budget process. The City Administrator meets with Department Heads. Program Owners, Departmental Budget Staff and Budget Liaisons to review all departmental operating and CIP requests and makes recommended funding decisions, ensuring that Council goals and the Steering Committee's budget priorities are addressed. Also at these budget meetings, the City Administrator approves all operational goals and objectives for the coming fiscal year that have been laid out in the Programs and Services narratives. All recommendations and adjustments are incorporated into the City Administrator's recommended budget that is filed with the City Clerk and presented to City Council for approval.

The Finance Committee reviews the City Administrator's recommended operating and capital budget and makes recommendations to the full City Council.

Mayor and City Council review the City Administrator's recommended budget, along with the Finance Committee's recommendations, approve or adjust as necessary, and adopt the final operating and capital budget.

APPENDIX: Legal Requirements and the Budgetary Process

Budgetary Basis and the Budgetary Level of Control

Governmental funds are budgeted using the modified accrual basis, consistent with the basis of accounting. Briefly, this means that expenditures are recognized when the related liability is incurred; revenues are recognized to the degree that they are earned and available to finance expenditures of the current period. The only exception is the budgeting of capital projects, in which the entire cost of the capital project is included in the first year, and subsequently carried over until project completion.

Similarly, Proprietary Funds use the modified accrual basis of budgeting, but use the accrual basis of accounting. Differences arise between the two bases for several items: depreciation expense is recorded on a GAAP basis only; debt service retirement, including principal and interest payments, are budgeted as expenditures; and, like governmental funds, all costs of capital projects are included in the budget for the first year of the project.

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 (proprietary funds).

Specifically, the budget is controlled at the following levels:

1. Departments are authorized to transfer amounts between individual line-item expenditure categories within a particular major object group.

2. The City Administrator is authorized to transfer amounts within individual departmental budgets, both between programs and between major object groupings.

3. City Council must authorize all budget amendments that alter the total appropriations of a particular department.

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.

- The two-year budget cycle will be developed in conjunction with the establishment of the City Council two-year goals and action plan.

Implementation of a two-year budget cycle does not preclude adjustments at mid-cycle or modifications to the 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 that 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 summarizes the City of Santa Barbara's two-year budget process.

APPENDIX: Legal Requirements and the Budgetary Process

Budget Process - Year One

Pre-Development Activities

Council goals and program priorities are developed.

Finance Department develops preliminary revenue projection.

Revenue targets are developed by City Administrator and distributed to departments.

The Finance and Public Works departments develop allocated costs.

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, document text information, and annual performance plans for each program.

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 meetings with each department.

Production and Publication of Budget Document

Finance Director and staff develop the tables, charts and graphs, prepare summary schedules and fund overviews, and compile and publish all sections the document, as well as post the Recommended Budget to the Internet.

City Administrator and staff prepare "City Administrator's Budget Message" and review annual performance plans included in the program narratives.

The Recommended Budget is filed with the City Clerk's Office.

Public Review

Boards and Commissions review the Recommended Budget.

City Council and Finance Committee review the Recommended Budget, including Capital Program and Fee Resolutions,

City Council approves and/or adjusts the City Administrator's Recommended Budget, as appropriate.

Public hearings are held.

Budget overview and department presentations are held.

Budget information made available in accordance with Public Information Plan.

Budget Adoption

City Council adopts, by resolution, the two-year financial plan and the operating and capital program budgets for year one of the two-year financial plan.

Finance Department updates and publishes the budget document, and post to the Internet.

APPENDIX: Legal Requirements and the Budgetary Process

Budget Process - Year Two

Mid-Cycle Review

Finance Department updates the revenue projections for year two of the two-year financial plan.

Year two recommendations are revised, if necessary.

If necessary, an addendum to the two-year plan is prepared by the City Administrator.

Presentation and Adoption

City Administrator presents addendum and a summary of the proposed budget for year two to the City Council. This document identifies the following:

- Changes to the two-year financial plan approved at mid-cycle.
- Any changes to the City Administrator's second year recommendations.
- The progress of the City Council's two-year goals and action plan.
- 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 hearing is held.

Council adopts, by resolution, the operating and capital budget for year two of the two-year financial plan.

APPENDIX: Master Budget Calendar for One-Year Budget Cycle

OCTOBER 2002

- Master Budget Calendar distributed to departments
- Program and fund changes for budget due to Finance
- Revenue worksheets distributed to departments
- Planned budget changes presented to Finance Committee
- Quarterly Manager Meeting to provide overview on all budget changes
- Meetings with Program Owners, Business Managers, Division Managers to discuss detailed budget development changes
- CIP project forms submitted to Public Works by departments
- CIP reviewed forms sent to CIP Technical Review Subcommittee and to General Fund CIP Priority Ranking Committee
- CIP Technical Review Subcommittee meets with departments to review projects, finalize project revenue sources, and identify issues
- P3 Performance Measures Quarterly Report due to City Administrator for 1st quarter of current fiscal year

NOVEMBER 2002

- Budget Liaison assignments from Finance
- Schedule of Pre-Budget Meetings distributed to departments and Budget Liaisons
- Financial 4-Year Forecast developed and presented
- Preliminary Financial Issues presented to Finance Committee
- Revenue targets for General Fund departments (General Fund Status Quo Contribution) finalized by Finance
- Preliminary non-departmental revenue projections completed by Finance
- Cost allocation schedules finalized by Public Works, IS and Finance
- City Administrator Pre-Budget Meetings to discuss budget issues and changes to program objectives with Program Owners, Department Heads, Finance, and Budget Liaisons
- Departmental Budget Submittal training with Budget Contacts and Liaisons
- CIP issues identified at CIP meetings resolved by departments
- Departments begin revision of P3 Annual Performance Plans for budget
- Council Goals Workshop - Phase I

Budget | Budget Meetings | Capital | Performance Measures | Council Goals

APPENDIX: Master Budget Calendar for One-Year Budget Cycle (continued)

DECEMBER 2002

- BUDGET KICK-OFF: Budget reports, revenue targets & cost allocations distributed
- Line-item budgets developed by departments
- Final (revised) CIP forms submitted to Public Works
- CIP approved by City Administrator

JANUARY 2003

- FMS Budget System deadline for line-item entry by departments
- Department Budget Submittal Packets due to Budget Liaisons (excluding budget document narratives)
- Budget Liaison Review
- Budget Document Narratives due to City Administrator's Office and Budget Liaisons
- Calendar of Department Budget Meetings with City Administrator distributed to departments and Budget Liaisons
- Liaison Review Packets, Department Budget Submittals, and budget document narratives due to Finance from Liaisons
- CIP document compiled and published by Public Works
- Budget Liaison training
- P3 Performance Measures Quarterly Report due to City Administrator for 2nd quarter of current fiscal year

FEBRUARY 2003

- Department Budget Meetings with City Administrator
- Fee Resolutions, budget adjustments from Department Budget Meetings, and changes to performance measures and objectives due to Finance
- **BUDGET FRIDAY (Recommended budget decisions made)**
- Council Goals Workshop - Phase II
- CIP filed with City Clerk
- CIP presentations to Council and Finance Committee
- CIP approved by Council

Budget | Budget Meetings | Capital | Performance Measures | Council Goals

APPENDIX: Master Budget Calendar for One-Year Budget Cycle (continued)

MARCH 2003

- Final City Administrator budget decisions incorporated into Recommended Budget
- Recommended budget document compiled, produced and published

APRIL - MAY 2003

- **City Administrator's Recommended Budget filed with City Clerk**
- Schedule of Budget Presentations & Public Hearings approved by Council
- Budget presentations to Council and Finance Committee
- Public hearings on the proposed budget
- Recommended budget posted to the Internet
- Budget information mailed to community leaders and groups
- P3 Quarterly Report due to City Administrator for 3rd quarter of current fiscal year

JUNE 2003

- Close the public hearings
- Finance Committee recommendations to Council regarding fees, CIS, staff adjustments, and recommended capital program
- Final budget instructions from Council
- **BUDGET ADOPTION BY COUNCIL**
- Adopted budget reports distributed to departments

JULY 2003

- P3 Performance Measures Quarterly Report due to City Administrator for 4th quarter of prior fiscal year
- Adopted budget printed and posted to Internet

Budget | Budget Meetings | Capital | Performance Measures | Council Goals

APPENDIX: Gann Limit

Article XIIIB of the California State Constitution, 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 of capital expenditures for fixed assets of $100,000 or more in value that have a useful life of ten years or more.

The fiscal year 2003-04 Appropriations Limit is calculated as follows:

Fiscal year 2003 appropriation limit		$ 76,414,574
A. Inflation adjustment, CPI	1.0231	
B. Population adjustment	1.0093	
Change factor (A X B)	1.0326	
Increase in appropriation limit		2,492,248
Fiscal year 2004 appropriation limit		$ 78,906,823
Remaining appropriation capacity		$ 21,815,294
Available capacity as a percent of appropriation limit		27.65%

REVENUE BONDS

	Outstanding at June 30, 2003
***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 in 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 that 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.	$ 6,675,000
Wastewater Fund:	
$3,890,000 – 1994A Wastewater Revenue Refunding Serial Bonds. Remaining annual installments of $400,000 to $450,000 through July 1, 2003, interest at 3.75% to 4.0%, due semi-annually.	450,000
Total Revenue Bonds	**$ 7,125,000**

TAX ALLOCATION BONDS

	Outstanding at June 30, 2003
Redevelopment Agency:	
$38,855,000 – 2001 Redevelopment Agency Tax Allocation Refunding Bonds, Series A. Remaining annual principal installments on serial bonds range from $2,785,000 to $4,340,000 beginning March 1, 2009 through March 1, 2019. Interest rates range from 4.0% to 5.0% payable semi-annually on September 1 and March 1.	$ 38,305,000
$28,170,000 - 1995 Redevelopment Agency Tax Allocation Refunding Bonds, Series A. Remaining annual principal installments on serial bonds range 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.	11,585,000
$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.	2,545,000
$14,605,000 – 1993 Redevelopment Agency Tax Allocation Bonds. Remaining annual installments range from $805,000 to $2,200,000 through March 1, 2007. Interest rates range from 5.1% to 8.5%, payable semi-annually. Bonds maturing on or after March 1, 2004, are subject to redemption, at the option of the Agency, as a whole, or in part in inverse order of maturity, and by lot within a maturity, from any source of available moneys at a specified redemption price at any interest payment date on or after March 1, 2003.	7,240,000
Total Tax Allocation Bonds	**$ 59,675,000**

CERTIFICATES OF PARTICIPATION

	Outstanding at June 30, 2003
Tidelands Trust - Waterfront:	
$19,405,000 - 2002 Waterfront Refunding Certificates of Participation. Remaining annual installments range from $490,000 to $1,230,000 beginning October 1, 2002 through 2027. Term certificates of $16,090,000 are due in October 2027. Interest rates range from 3.75% to 6.75% payable semi-annually. Certificates maturing on or after October 1, 2004, are subject to optional prepayment prior to maturity on or after October 1, 2003. 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.	$18,685,000
General Fund:	
$4,184,400 – 2002 Refunding Municipal Certificates of Participation, remaining annual installments range from $204,600 to $339,000 beginning August 1, 2003 through 2017. Interest rates range from 3.0% to 4.625% payable semi-annually.	3,930,300
Golf Fund:	
$2,155,600 - 2002 Refunding Municipal Certificates of Participation. Remaining annual installments range from $105,400 to $175,100 beginning August 1, 2003 through 2017. Interest rates range from 3.0% to 4.75% payable semi-annually.	2,024,700
Water Fund:	
$15,535,000 - 2002 Refunding Water Certificates of Participation. Remaining annual installments range from $380,000 to $675,000 beginning September 1, 2003 through 2027. Interest rates range from 3.0% to 4.75% payable semi-annually.	15,000,000
Total Certificates of Participation	**$ 39,640,000**

LOANS PAYABLE

	Outstanding at June 30, 2003
Water Fund:	
$2,000,000 - 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.	$ 802,923
$5,000,000 - 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.	2,550,406
$5,110,456 – State Department of Water Resources Loan. Due in semi-annual payments commencing January 1, 2006. Interest is 2.5132% per annum. The final payment is due July 1, 2025.	5,110,456
Total Loans Payable	**$ 8,463,785**

The annual requirements to amortize all debts outstanding as of June 30, 2003 are as follows:

Fiscal Year Ending	Revenue Bonds	Tax Allocation Bonds	Certificates of Participation	Other Loans	Total
	Principal Payments				
2004	$ 870,000	$ 4,195,000	$ 1,180,000	$ 382,089	$ 6,627,089
2005	435,000	4,365,000	1,210,000	395,017	6,405,017
2006	460,000	4,630,000	1,250,000	408,390	6,748,390
2007	480,000	4,915,000	1,275,000	422,221	7,092,221
2008	510,000	3,265,000	1,330,000	436,528	5,541,528
2009 - 2013	2,960,000	15,115,000	7,165,000	1,309,084	26,549,084
2014 - 2018	1,410,000	18,850,000	8,675,000	-	28,935,000
2019 - 2023	-	4,340,000	8,135,000	-	12,475,000
2024 - 2028	-	-	9,420,000	-	9,420,000
Princpal outstanding	7,125,000	59,675,000	39,640,000	3,353,329	109,793,329

Fiscal Year Ending	**Interest Payments**				Total
2004	319,320	3,034,365	1,577,281	111,283	5,042,249
2005	289,800	2,812,907	1,550,956	98,355	4,752,018
2006	268,320	2,546,219	1,523,956	84,982	4,423,477
2007	245,760	2,262,254	1,493,506	71,150	4,072,670
2008	222,000	1,960,754	1,458,686	56,842	3,698,282
2009 - 2013	708,000	7,622,730	6,690,497	88,155	15,109,382
2014 - 2018	68,400	3,503,450	5,409,796	-	8,981,646
2019 - 2023	-	217,000	3,543,369	-	3,760,369
2024 - 2028	-	-	1,130,381	-	1,130,381
Interest outstanding	2,121,600	23,959,679	24,378,428	510,767	50,970,474
Net Debt Service Obligation	9,246,600	83,634,679	64,018,428	3,864,096	160,763,803

Accrual Basis of Accounting: Proprietary and non-expendable trust fund types utilize the accrual basis of accounting. Under this method, revenues are recorded when earned, and expenses are recorded at the time liabilities are incurred, such that revenues and expenditures are recognized when the underlying event or transaction takes place.

Appropriation: An authorization granted by the legislative body of a government, which permits officials to incur obligations against and to make expenditures of governmental resources. Appropriations are usually made for fixed amounts and are typically granted for a one-year period by the City Council. Non-operating appropriations, i.e., capital and special projects, continue in force through a budget reappropriation (or carryover) until fully expended or until the City has accomplished or abandoned the purpose for which Council originally granted the appropriation.

Appropriation Resolution: The official enactment by the legislative body establishing the legal authority for officials to obligate and expend resources.

Assessed Value: The value placed on real and other property as a basis for levying property taxes. For all agencies in the State of California, assessed value is established by the County for the secured and unsecured property tax rolls; the State Board of Equalization establishes assessed value of utility property tax rolls.

Balance Sheet: A statement purporting to present the financial position of an entity by disclosing the value of its assets, liabilities, and equities as of a specific date.

Basis of Accounting: The timing of recognition, that is, when the effects of transactions or events are recognized for financial reporting or budgeting purposes. The three bases of accounting for governmental agencies are: (1) cash basis (when cash is received or paid), (2) accrual basis (when the underlying transaction or event takes place) and, (3) modified accrual basis (revenues recognized in the accounting period in which they become available and measurable and expenditures recognized in the accounting period in which the fund liability in incurred).

Bond: A written promise to pay (debt) a specified sum of money (principal or face value) on a specific future date (the maturity date) along with periodic interest paid at a specified percentage of the principal (interest rate). Bonds are typically used for long-term debt to finance large-scale capital projects such as buildings, bridges, streets, and utility infrastructure.

Bond Rating: An evaluation of a bond issuer's credit quality and perceived ability to pay the principal and interest on time and in full. Two agencies regularly review city bonds and generate bond rating: Moody's Investors Service and Standard and Poor's Ratings Group.

Budget: A plan for the expenditure of financial resources covering a specific time period, usually one year, which, by adoption, constitutes legal authority to spend. The City of Santa Barbara adopts an annual budget from July 1 – June 30. The budget contains appropriations needed to continue the City's operations for the year and the revenues anticipated to finance them.

Budget Amendment: Under the City Charter, the City Council has the sole responsibility for adopting the City's budget, and may amend or supplement the budget at any time after adoption by a majority vote. The City Administrator has the authority to approve administrative adjustments to the budget, as long as the adjustments will not have a significant policy impact, or affect the bottom-line appropriations for any given department.

Budget Calendar: A schedule of key dates and milestones that a government follows in the preparation and adoption of the budget.

Budgetary Basis of Accounting: The method of accounting applied to the budgetary accounts and the process used to determine when revenues and expenditures are recognized for budgetary purposes. The City of Santa Barbara uses the modified accrual basis for budgeting all funds, including proprietary funds.

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. The level of budgetary control for City Council is at the department level. For the City Administrator, budgetary control is within a department, at the program level and at the major object level (groupings of individual line-item expenditure categories, for example, salaries and benefits, supplies and services, special projects, and non-capital equipment categories). For departments, budgetary control is at the line-item level within a particular major object group.

Budget Message: A general discussion of the budget presented in writing as a part of, or supplement to, the budget document. The budget message explains the principal issues against the background of financial trends and the priorities set forth in the budget.

Capital Asset: A tangible, fixed asset that is long-term in nature, of significant value, and obtained or controlled as a result of past transactions, events or circumstances. Fixed assets include land, buildings, equipment, improvements to buildings, and infrastructure (i.e., streets, highways, bridges and other immovable assets). A capital asset is defined as an asset with a useful life extending beyond a single accounting period. The capitalization threshold for the City of Santa Barbara is $10,000.

Capital Expenditure: An amount expended for fixed asset acquisitions and improvements. The capitalization threshold for the City of Santa

Barbara is $10,000.

Capital Budget: A plan of capital expenditures and the means of financing them. The capital budget is adopted as part of the complete annual budget, including both operating and capital outlays.

Capital Improvement Plan (CIP): 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). The CIP identifies the expected beginning and ending date for each project, the amount to be expended in each, and the method of financing those expenditures. The City of Santa Barbara prepares a six-year CIP and the threshold for inclusion in the CIP is $25,000.

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

Capital Projects Fund: A governmental fund type used to account for financial resources used for the acquisition or construction of major capital facilities (other than those financed by proprietary and trust funds). See also *Governmental Fund*.

Carryover: Expenditure originally planned in the current year but, because of delays, is postponed to the following fiscal year.

Certificate of Participation: A form of lease-purchase financing used to construct or acquire capital facilities and equipment.

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

Community Development Block Grant (CDBG): Grant funds allocated by the federal government to the City of Santa Barbara to use for the prevention and removal of slum and blight, and to benefit low- and moderate-income persons. The City disburses these funds through an annual application process open to all nonprofit organizations and City departments.

Contingency: An appropriation of funds to cover unforeseen events that occur during the fiscal year, such as shortfalls in revenue and similar eventualities, natural disasters, and federal mandates,

Contractual Services: Expenditures for City services performed by firms, individuals or other city departments.

Cost-Reimbursement Basis: The setting of service charges and fees such that costs are systematically recovered on a break-even basis over time. This term is used in connection with internal service funds.

Debt Instrument: A vehicle for borrowing funds, including general obligation bonds, revenue bonds, lease/purchase agreements, lease-revenue bonds, tax allocation bonds, certificates of participation, and assessment district bonds. See also *Bond*.

Debt Service: Payment of interest and repayment of principal to holders of a government's debt instruments.

Debt Service Fund: A governmental fund type used to account for the payment and accumulation of resources related to general long-term debt principal and interest; debt service payments related to enterprise operations are directly accounted for in the enterprise fund itself. See also *Governmental Fund*.

Debt Service Requirement: The amount of money required to pay interest and principal on outstanding debt and the required contributions to accumulate monies for future retirement of long-term bonds.

Department: An operational and budgetary unit designated by the City Council to define and organize City operations, or a group of related operations within a functional area.

Encumbrance: Legal commitments related to unperformed (executory) contracts for goods and services. At year-end, encumbrances represent a reservation on fund balance.

Enterprise Fund: A proprietary fund type used to account for operations that are financed and operated in a manner similar to private sector enterprises, such that the costs of providing goods and services to the general public are financed or recovered primarily through fees charged directly to the users of the goods or services provided. The City of Santa Barbara has ten enterprise funds, including Airport Operating and Capital, Golf, Downtown Parking, Water Operating and Capital, Wastewater Operating and Capital, and Waterfront Operating and Capital Funds. See also *Proprietary Fund*.

Enterprise Fund Accounting: Accounting used for government operations that are financed and operated in a manner similar to private sector enterprises, and for which preparation of an income statement is desirable. Enterprise Funds use the accrual basis of accounting.

Estimated Revenue: The budgeted projected revenues, which are expected and realizable during the budget fiscal year, to finance all or part of planned expenditures.

Expenditure: The outflow of funds paid, or to be paid, for goods and services received during the current period. Note: an encumbrance is not expenditure; rather it represents a reservation on fund balance.

Expense: 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 constitutes the entity's ongoing major or central operation. This term applies to the City's Enterprise and Internal Service Funds.

Fiduciary Fund: A major fund type used to account for assets held by the City in a trustee, agency or custodial capacity for others. The City of Santa Barbara has pension trust, expendable trust, non-expendable trust, and agency funds within the fiduciary fund type. Expendable trust funds are accounted for in the same manner as governmental funds, using the modified accrual basis of accounting. Pension trust and non-expendable trust funds use the accrual basis of accounting. An agency fund is custodial in nature in that it does not measure results of operations and the assets equal liabilities (i.e., all assets are held solely for the benefit of others).

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. The City of Santa Barbara operates on a fiscal year from July 1 through June 30.

Fixed Asset: See *Capital Asset*.

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

Fund: A separate fiscal and 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. There are three major fund types: governmental, proprietary, and fiduciary.

Fund Balance: From a strict accounting perspective, fund balance represents the excess of assets over liabilities. It also represents the cumulative effect of revenues and other financing sources over expenditures, and other financing uses that are available for reservation, designation or appropriation. A negative fund balance is called a *fund deficit*. Fund balance is also known as financial position for governmental type funds.

General Fund: The primary operating fund of a governmental organization that accounts for activities and services not required to be accounted for in another fund, and traditionally associated with governments, such as police and fire service, which are financed primarily through tax, intergovernmental and other non-exchange revenues.

General Obligation Bond: A bond sold to generate financing for various purposes, and to be repaid with normal, unrestricted operating revenue, usually from the General Fund.

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).

Governmental Activities: Activities generally financed through taxes, intergovernmental revenues, and other non-exchange revenues, and usually reported in governmental and internal service funds.

Governmental Fund: A major fund type generally used to account for tax-supported activities. Governmental funds use the modified accrual basis of accounting. The City of Santa Barbara uses four types of governmental funds: general, special revenue, debt service, and capital projects funds.

Grant: Contributions of cash or other assets donated from one governmental agency or organization to another, and usually restricted for a specific purpose. Typically, these contributions are made to local governments from state and federal governments.

Infrastructure: Facilities that support the daily life and growth of the City, for example, roads, waterlines, sewers, public buildings, parks and airports.

Inter-Fund Reimbursements: Payments from one fund to another to reimburse costs to the recipient fund.

Inter-Fund Transfers: Payments from one fund to another to finance the operations of the recipient fund.

Internal Service Fund: Funds used to account for the financing of goods or services provided by one department or agency to other departments or agencies of a government on a cost-reimbursement basis. See also *Proprietary Fund*.

Liability: Debt or other legal obligations arising out of transactions in the past that must be liquidated, renewed or refunded at some future date. Note: the term does not include encumbrances.

Line-Item Budget: A budget that lists detailed expenditures categories separately, along with the amount budgeted for each specified category. The City of Santa Barbara uses program rather than line-item budgeting; however, detailed line-item accounts are maintained and recorded for financial reporting and control purposes.

Major Object: Categorized groupings of individual line-item expenditures that are similar in nature. For example, the City's major object categories include salaries and benefits, supplies and services, special projects, non-capital equipment, capital equipment, and miscellaneous.

Mandate: Legislation passed by the state or federal government requiring action or provision of services and/or programs. Examples include the Americans with Disabilities Act, which requires actions such as physical facility improvements and provision of specialized transportation services.

Modified Accrual Basis of Accounting: Under the modified accrual basis, revenues are recognized when susceptible to accrual (i.e., when they become measurable and available). "Measurable" means the amount of the transaction that can be determined, and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Those revenues susceptible to accrual include property taxes remitted within 60 days after year-end, interest on investments, and certain intergovernmental and other revenues. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due, or when amounts have been accumulated in the debt service fund for payments to be made early in the following year. All governmental fund types, expendable trust funds and agency funds use the modified accrual basis of accounting.

Objective: Quantified, outcome-based statements of what will be accomplished during the budget year. These annual performance goals are specific, measurable, time-bound, and realistic, yet challenging. Objectives cover day-to-day activities as well as one-time initiatives.

Operating Budget: A plan of financial operations embodying an estimate of planned expenditures for a given period (typically a fiscal year) and the proposed means for financing them (revenue estimates). 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. The City of Santa Barbara generally adopts a two-year financial plan that includes the adoption of actual budget appropriations for the first year of the financial plan, and recommendations for year two.

Operating Deficit: The deficiency of operating revenues under expenditures during a single accounting period.

Operating Surplus: The excess of operating revenues over operating expenditures during a single accounting period.

Ordinance: A formal legislative enactment by the City Council. If it is not in conflict with any higher form of law, such as a state statute or constitutional provision, it has the full force and effect of law within the boundaries of the city.

Outstanding Bonds: Bonds not yet retired through principal and interest payments.

Performance Measure: Quantifiable indicators that measure program workload or progress in achieving program objectives.

Program: A group of activities, operations or organizational units organized to accomplish specific purposes, goals or objectives. It is a distinct functional unit within a department, consisting of a significant service provided using City resources.

Program Budgeting: A method of budgeting that focuses on services provided to customers at the functional (or program) level.

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.

Proprietary Fund: A major fund type used to account for operations that are financed and operated in a manner similar to private sector enterprises, in that goods and services are provided to the general public (external users) or other City departments (internal users), and the costs of which are financed or recovered primarily through fees and service charges charged directly to the users of the goods and services. Proprietary funds use the accrual basis of accounting.

Reserves: Accumulated funds legally restricted or otherwise designated by management and/or City Council for specific purposes. See also *Fund Balance*.

Revenue Bond: A bond sold to construct a project that will produce revenues pledged for the repayment of principal and related interest.

Revenues: Total amount of income received, earned, or otherwise available for appropriation.

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.

Service Charge: See *User Fee*.

Special Revenue Fund: A governmental fund type used to account for the proceeds from specific revenue sources, other than trusts or major capital projects, that are legally restricted to expenditures for specific purposes. See also *Governmental Fund*.

Transient Occupancy Tax (TOT): Tax collected by hotel operators and imposed on hotel guests for transient lodging (30 days or less) within the City. The current TOT rate is 12%, 2% of which is legally restricted for creeks restoration and creeks and ocean water quality improvement pursuant to voter-approved Measure B, effective January 1, 2001.

User Fee: The voluntary payment of a fee for direct receipt of a public service by the party directly benefiting from service.

APPENDIX: List of Acronyms

AB____	State Assembly Bill No. ____
ABC	Alcoholic Beverage Control
ABOP	Antifreeze, Batteries, Oil and Paint
ABR	Architectural Board of Review
ACCEL	Authority of California Cities Excess Liability
ADA	Americans with Disabilities Act
AOA	Airfield Operations Area
ARFF	Aircraft Rescue and Firefighting
BFI	Browning-Ferris Industries, a wholly owned subsidiary of Allied Waste Industries, Inc.
CAFR	Comprehensive Annual Financial Report
CCRB	Cachuma Conservation and Release Board
CDBG	Community Development Block Grant
CHDO	Community Housing Development Organizations
CERT	Citizens Emergency Response Training
CDS	Creek Development Standards
CLETS	California Law Enforcement Telecommunications System
COMB	Cachuma Operation and Maintenance Board
COPS	Community Oriented Problem Solving
CSSP	Consolidated Street Sweeping Program
CVB	Santa Barbara Conference and Visitors Bureau and Film Commission
D.A.R.E.	Drug Awareness Resistance Education
DART	Development Application Review Team
DMV	Department of Motor Vehicles
DOJ	Department of Justice
DUI	Driving Under the Influence
EIR	Environmental Impact Report
EMLAP	Employee Mortgage Loan Assistance Program
EPA	Environmental Protection Agency
ERAF	Educational Revenue Augmentation Fund
FAA	Federal Aviation Administration
FAR	Federal Air Regulations
FMS	Financial Management System
FTE	Full-time Equivalent Job Position
GASB	Governmental Accounting Standards Board
GASB 34	Governmental Accounting Standards Board Statement No. 34
GFOA	Government Finance Officers' Association
HEU	Housing Element Update
HLC	Historic Landmarks Commission
HOME	Federal Home Investment Partnership Program
HUD	Housing and Urban Development
ICS	Intra-City Services (Building Maintenance and Motor Pool)
IOD	Injury on Duty
JPA	Joint Powers Authority
LUFT	Leaking Underground Fuel Tanks
MOU	Memorandum of Understanding
MTD	Metropolitan Transit District
NPDES	National Pollution Discharge Elimination System
OSHA	Occupational Health and Safety Administration
PAL	Police Activities League
PARC	Parks and Recreation Community Foundation
PBIA	Parking and Business Improvement Area (Assessment)
PERS	Public Employee Retirement System
PFC	Passenger Facilities Charge
PLF	Public Library Fund
POST	Police Officers Standards and Training
PRT	Pre-Application Review Team
RDA	Redevelopment Agency
SBA	Santa Barbara Airport
SBCAG	Santa Barbara County Asso-ciation of Governments
SBMC	Santa Barbara Municipal Code
SBPD	Santa Barbara Police Department
SBPL	Santa Barbara Public Library
SCADA	Supervisory Control and Data Acquisition
SRO	School Resources Officers
TOT	Transient Occupancy Tax
TDA	Transportation Development Act
UUT	Utility Users Tax
VLF	Vehicle License Fee
WAN	Wide Area Network
ZIR	Zoning Information Report