



TO: Mayor and Councilmembers

FROM: Robert Nisbet, City Manager

CONTACT: Luke Rioux, Finance Director

SUBJECT: FY 2023/24 and 2024/25 Two-Year Budget Update

RECOMMENDATION:

Receive a presentation on the updated Preliminary Operating and Capital Improvement Budgets for Fiscal Years 2023/24 and 2024/25 and provide direction, if any, regarding items to be addressed or included in the final recommended budget.

BACKGROUND:

On May 2, 2023, the Preliminary Operating Budgets for Fiscal Years (FY) 2023/24 and 2024/25 were presented to City Council. During this budget workshop, staff provided the City Council with an overview of the budget process and approach. Updated revenue and expenditure projections were reviewed, along with updates to the General Fund's projected fund balance and Five-Year Forecast. The draft budget presented included policy direction as provided in the City's updated Strategic Plan, each department's annual work program, and City Council's priorities from previous discussions on the new general transactions and use tax measure (Measure B).

On May 22, 2023, staff presented the updated Comprehensive Capital Improvement Plan, and Capital Improvement Program (CIP) Budget for FY 2023/24 and 2024/25. During this budget workshop, staff provided the Council with an overview of the Comprehensive Capital Improvement Plan, and the three main components. The three components include a Comprehensive CIP Project List, the Five-Year CIP Project List and the CIP Budget for Fiscal Years 2023/24 and 2024/25. Additionally, Council received an update on priority projects that are actively being worked on by Public Works, Neighborhood Services and General Services. The review also included updated project costs, new funding amounts and estimated unfunded amounts. To fund these priority projects, staff is recommending an allocation of \$1.08 million from the General Fund in FY 2023/24 and \$2.3 million in FY 2024/25.

Staff received feedback from City Council at the budget workshops and this report summarizes the direction staff received from the City Council. Staff is now requesting Council review this direction and provide additional feedback, and direction for the following items:

1. Library Funding and Book Van
2. Creeks and Watershed Management Plan and Program (CWMP)
3. Review Measure B Chart

DISCUSSION:

Summary of Budget Updates:

The City Manager worked with Department Directors and staff on items discussed at the budget workshops. Additional information in each area, and any changes, is summarized in the section below and will be discussed further during staff's presentation.

Library Funding and Library Book Van:

Library Funding

The Goleta Valley Library (GVL) is supported by multiple funding sources, which include the City's General Fund and Special Revenue Funds. Special Revenue Funds include the County Per Capita, Measure L (City and County CSA 3 area), City Library DIF (when available) and Grants (when available).

The Goleta Valley Library has always served the greater Goleta Valley, not just the City of Goleta. As recently as 2015, the Library was funded solely by County per capita and Measure L revenues. However, service levels had declined, operational costs exceeded available revenues, and the Library was using dwindling one-time reserve funds to fund annual operations under City of Santa Barbara management. Goleta began to provide General Fund revenue to the Library in 2016 (\$30,000) and took over management of the Library in 2018 as a municipal library. The City understood that, in taking over management, it would be taking on a greater role in funding the Library. However, part of the decision to do so, according to those Goleta staff who were involved in the decision, was the assurance that the GVL would continue to receive the County per capita allocation, for both the City and unincorporated County areas, that it always had. This was also key to the City's agreement, at the behest of the County, to manage the Buellton and Solvang libraries. The Goleta Valley Library has indeed continued to receive this per capita funding.

The City of Goleta's General Fund subsidy to the GVL has gradually increased since the City took over. The operating deficit was identified as \$255,676 back in 2016. It is now \$830,210 and growing, though spending is as tight as ever. The City of Goleta will budget in FY 23-24 and 24-25 to make up that difference, as necessary. Today, City of Goleta residents contribute, directly and indirectly, significantly more than residents from any other area in the Goleta Valley Library's service zone. The following tables demonstrate this:

Who Pays for the Region's Library?

| AREA | Source | FY 23/24 | FY 24/25 |
|-------------------------------|---|------------------|------------------|
| ALL AREAS IN ZONE 4 | County Per Capita | \$751,790 | \$774,300 |
| • Isla Vista & Hope Ranch | Support from Friends and other Donations | \$67,000 | \$70,000 |
| • County CSA 3 | Library User Fees | \$13,500 | \$12,700 |
| • City of Goleta | | | |
| MEASURE "L" AREAS ONLY | Measure "L" - County (CSA 3) | \$238,100 | \$245,200 |
| • County CSA 3 | Measure "L" - City | <u>\$365,000</u> | <u>\$375,900</u> |
| • City of Goleta | | \$603,100 | \$621,100 |
| CITY OF GOLETA ONLY | City DIF Fees (FY 24/25 Est.)* | \$1,700 | \$132,100 |
| • City of Goleta | General Fund Operations Subsidy | \$830,210 | \$826,600 |
| | General Fund – Book Van | \$50,000 | \$50,100 |
| | Value of Admin Overhead Not Charged (20%) | \$461,420 | \$495,900 |
| | Real Estate (market value) | - | - |

* The City programs its DIF fees to the budget every year. The County also collects DIF Fees. In theory, these are available to the Library. In practice, the County has not released any of these funds since the City assumed management of the GVL.



The chart below divides this into per capita by subarea, using the same per capita methodology that the County puts together for libraries throughout the County.

| Areas within Zone 4 | Est. Pop. for Area | FY 22/23 County per capita plus 3% ³ | Fees, Friends and Donations | Measure L | City DIF | CITY GF Operation Subsidy | TOTAL | PER CAPITA TOTAL |
|-----------------------|---------------------------|---|-----------------------------|------------------|----------------|---------------------------|--------------------|------------------|
| CSA #3 | 31,188 ² | \$267,909 | \$28,706 | \$238,100 | \$0 | \$0 | \$534,714 | \$17.15 |
| City of Goleta | 31,881² | \$273,862 | \$29,343 | \$365,000 | \$1,700 | \$830,210 | \$1,500,116 | \$47.05 |
| Gaviota Area | 2,574 ² | \$22,113 | \$2,369 | \$0 | \$0 | \$0 | \$24,482 | \$9.51 |
| Hope Ranch | 1,881 ² | \$16,160 | \$1,731 | \$0 | \$0 | \$0 | \$17,891 | \$9.51 |
| Isla Vista | 19,046 ¹ | \$163,609 | \$17,530 | \$0 | \$0 | \$0 | \$181,139 | \$9.51 |
| Other County | 891 ² | \$7,655 | \$820 | \$0 | \$0 | \$0 | \$8,475 | \$9.51 |
| Subtotal | 89,500 ¹ | \$751,307 | \$80,500 | \$603,100 | \$1,700 | \$830,210 | \$2,266,817 | |

¹Population Total for GVL service area is as provided by County of Santa Barbara (divided into Goleta and IV only)

²Goleta area population (other than Isla Vista) is as provided by the County, but divided into sub areas based on the 2020 Census percentage share for the same areas.

³3% anticipated increase in County per capita for FY 23/24

⁴Support from Friends and User Fees presumed to be attributable to all areas of the service zone

The per capita comparison reflected above is just for status quo direct funding and does not include the additional book van funding included in the recommended budget or City administrative overhead that is not charged to the Library budget. If the \$50,000 in the proposed City budget for the Library book van is approved (see below), City per capita will be \$48.62 per City resident in direct funding.

Library Book Van

State funding for a two-year pilot program for book van (“Bookvan”) service to Isla Vista has been fully expended, and there have been requests from representatives of the County and the Isla Vista Community Services District for the City to use Goleta Valley Library funds to continue the service at 20 hours per week (\$100,000 per year in staffing costs, plus gasoline, liability insurance, materials and digital services, and administrative overhead).

City staff that were involved in the decision to assume management of the GVL insist that no commitment was ever made by the City to use existing County per capita funding for new services in Isla Vista. As demonstrated above, there is no “fat” in the budget for the Goleta Valley Library. Any per capita funding that is taken out of the region’s main library for mobile services to Isla Vista or other County areas must either lead to:

- 1) Cuts to the regional main library’s budget, which could lead to cuts in staffing and operational hours, affecting all patrons in the City’s service areas, or
- 2) Another increase to City of Goleta residents’ contributions to the Library, already significantly greater than contributions from other areas, to backfill the cost of the new service to Isla Vista.

As part of the proposed budget, staff have recommended increasing the General Fund contribution to the Library by \$50,000 so that Bookvan service may continue at 10 hours per week, but to the whole Goleta Valley service zone including Old Town Goleta, not just Isla Vista. We have asked the County to match this \$50,000 contribution for an additional 10 hours per week in Isla Vista. A few points about this request:

- The \$50,000 the City is requesting from the County only includes direct salary and benefit costs for staff of the Bookvan.
- The Library and/or the City would separately absorb the full costs of gasoline, liability insurance, program support and supervision, materials and digital services, and administrative overhead. The City started doing this during the Pilot Program, to allow the state grant funds to stretch farther.
- If a revenue measure is passed by the County’s voters in the next few years, staff anticipate that the County could use some of that funding for Bookvan service to Isla Vista in the long term.
- Staff have submitted a request to the Santa Barbara Women’s Fund for up to 2 years of gap funding for 10 hours per week of Isla Vista Bookvan service until the revenue measure kicks in or another source of funding can be identified. However, that funding wouldn’t be available until FY 24-25, if approved.

County staff have agreed to present this request for funding to the County Board of Supervisors.

Creeks and Watershed Management Plan and Program (CWMP):

The Creeks and Watershed Management Plan (CWMP) and Program are supported through various Public Works divisions’ budgets and staff, including Environmental Services, Parks & Open Space and the Capital Improvement Program (CIP). Staff have

proposed to focus on the San Jose Creek Fish Passage project during the next budget cycle¹. While this is not a new project, and is a project that the City would have had to find a way to fund due to commitments to the state, it is identified as a project in the CWMP, and it was one of the critical unfunded projects (both the CIP project and the ongoing maintenance) that had been identified for possible Measure B funding as part of the 2022 revenue needs analysis. However, staff have removed it from the Measure B Chart, discussed in the next section of this report, based on Council feedback at the May 2, 2023, meeting.

There are numerous additional otherwise-unfunded creeks and watershed-related projects that Measure B will help support in the future. A planning and prioritization process is scheduled with the City's CWMP Technical Advisory Committee (TAC) in the summer and fall of 2023. Staff will be returning to Council thereafter with a recommendation on how to prioritize these projects. At that point, discussion with Council about future funding can be held, including integrating these projects into Measure B priorities. As noted in the Measure B chart in the next section of this report, staff is recommending a new allocation of \$150,000 every year in Measure B funds, beginning in FY 2024-25, for a Funding Reserve for Creeks and Watershed projects². This reserve account will continue to build up, until Council appropriates it for a CWMP related project.

In response to Council interest, staff also propose to fill a long-vacant Management Analyst position in the Parks and Open Space Division of Public Works. The position will focus 60% of its time on Creeks and Watershed, including coordinating a team of other staff members from the Parks and Open Space, Environmental Services, and Capital Improvement Divisions who plan and execute CWMP projects and programs, helping to identify grants and other funding opportunities to complete Creeks and Watershed projects, and advocating with other property owners to move their own creeks- and watershed-related projects³ forward. The remaining 40% of this position will focus on other Parks and Open Space projects and priorities, many of which directly benefit the health of the creeks and watershed. The position is currently posted. Staff do not recommend adding additional positions to the budget at this time.

It is worth examining other places in the two-year budget where important creeks and watershed work will be occurring. The following lists summarize the existing work efforts by each divisions' existing budget and will be discussed further during staff's presentation.

Existing Parks and Open Space Division CWMP Work Efforts

- Urban Forest Management Plan (UFMP) Update
- Defensible Space Program/Fire Risk and Sedimentation Reduction
- Abandoned Encampment Clean Ups

¹ San Jose Creek Channel Fish-Passage project (one-time) at \$ 375,000 in Year 1 and \$750,000 in Year 2, and San Jose Creek Maintenance (ongoing) at \$154,000 in both years. Additional funding for this project will still need to be identified.

² To accommodate new ongoing Measure B funding for the Creeks and Watershed reserve, staff reduced ongoing funding in FY 2024-25 from \$150,000 to \$100,000 for Economic Development Plan implementation and from \$250,000 to \$150,000 for Old Town projects and priorities, many of which are already addressed by other funding categories, as Councilmembers pointed out at the May 2, 2023, meeting.

³ Two such projects were identified in Public Comment to the initial budget presentation on May 2, 2023.

- City Adopt a Park Program for Weed Removal
- Dog Waste Baggy Program (Approximately 300,000 Bags per Year)
- Wildfire Risk Reduction and Riparian Habitat Enhancements
- Trash Removal/General Maintenance

Existing Environmental Services Division CWMP Work Efforts

- Full Trash Capture – full trash capture system as a treatment control, or series of treatment controls.
- Street Sweeping – litter removal around cars and obstructions.
- CWMP Project Management – Coordinate stakeholders to develop programs, projects, priorities, and schedules for the CWMP.
- Watershed Assessments – treatment and infiltration project assessment, water quality forensics, and could also include things such as concrete channel removal evaluation.
- Intern or Civic Well fellow – 50% time dedicated to the CWMP.
- Beautify Goleta – helps to reduce pollutants which affects water quality and wildlife.

Existing Capital Projects That Help Meet CWMP Goals

- Ekwill Street & Fowler Road Extensions
- Hollister Avenue Bridge
- San Jose Creek Bike Path - Northern & Southern Segments
- San Jose Creek Bike Path - Middle Extent
- Ellwood Beach Drive Drainage Repair
- Evergreen Park Drainage Repair
- Old Town Full Trash Capture
- San Jose Creek Channel Fish-Passage Modification Project
- Ellwood Coastal Trails and Habitat Restoration
- Ellwood Mesa/Sperling Preserve Butterfly Management Plan
- Lake Los Carneros Master Plan

Measure B Recap and Updates:

In the November 2022 General Election, the voters of the City of Goleta approved a 1% additional Transaction and Use Tax (“sales tax increase”). This brought the City’s overall sales tax rate in alignment with other cities in the County of Santa Barbara. The following is a copy of the ballot language.

MEASURE B2022

“To support Goleta’s 9-1-1 response/crime prevention; cleanup trash in creeks to maintain coastal waters; address homelessness, fire risks from illegal encampments; maintain public safety, clean/maintain public areas; repair streets/potholes; increase recycled water use for parks; retain local businesses/jobs; maintain open spaces/natural areas and for general government use; shall a measure be adopted

establishing a 1¢ sales tax providing approximately \$10,600,000 annually until ended by voters, requiring public spending disclosure?”

As approved by voters, these funds may be used over the long term to fund a wide range of general government needs and provide the city the flexibility when additional funds are needed, including addressing critical backlog of deferred maintenance items, priority unfunded projects and to maintain public safety. In June 2022, the City Council provided staff with certain preliminary priorities for the use of such funds. While these priorities were designed to reflect Council's philosophy at that point in time and are non-binding, they were considered by staff in developing the recommended budget. These priorities were:

- Public Health, Safety & Infrastructure (Estimated 51.7% of new funding): Including the City's pavement program, Capital Improvement Program (CIP) projects, critical maintenance backlog for public infrastructure (concrete, street trees, traffic signals, ADA in the public rights-of-way), Homelessness Strategic Plan implementation, and Public Safety and Emergency Response (Police & Fire)
- Parks, Recreation, Creeks & Sustainability (Estimated 20% of new funding): Including Creek and Watershed Master Plan implementation, Bicycle and Pedestrian Master Plan implementation, critical maintenance backlog for parks and open space maintenance and storm drains (storm drains - creek and watershed), Ellwood Mesa/Sperling Preserve Butterfly Habitat Management Plan implementation, Parks, Facilities and Playgrounds Master Plan and Recreation Needs Assessment implementation, and Strategic Energy and Climate Action Plan Implementation.
- Jobs, Economy & Housing (Estimated 18.3% of new funding): Including the Affordable Housing Program, Economic Development Strategic Plan implementation, Childcare Programs, and Old Town investment (Visioning Process, Improvements and CIP projects).
- Other Vital Services and Capital Maintenance Projects (Estimated 10% of new funding): Including Library Strategic Planning implementation, Goleta Community Center Strategic Plan implementation, critical public facility maintenance and replacement funding, and the Lake Los Carneros Master Plan implementation.

In accordance with the City's reserve policies for disasters and budget contingencies, 33% of the annual revenue increase from Measure B must be set aside in reserves. This is a one-time cost, and in subsequent years only 33% of any incremental increase in Measure B funds will need to be set aside, also on a one-time basis.

At the May 2, 2023, budget workshop, staff provided a Measure B Table on the unfunded projects and priorities that Measure B would be programmed towards. In response to Council feedback, staff have:

- Added in the preliminary estimate of impacts of the increase to the Sheriff contract back in,
- Removed the San Jose Creek Fish Passage Project and on the ongoing maintenance cost,

- Added an item for ongoing funding for the Creeks and Watershed reserve account (explained earlier in this report), and reduced funding for Economic Development and Old Town projects and priorities accordingly, and
- Removed the Bookvan funding increase.

These updates are highlighted in yellow in the revised table below:

Fiscal Year 2023/24 and 2024/25 List of Measure B Projects & Programs

| Categories | FY 23/24 | FY 24/25 |
|--|--------------------|--------------------|
| Policy Reserves | | |
| Policy Reserves - Increase Reserves per 33% General Fund Reserve Policies (one-time) | \$1,749,000 | \$1,749,000 |
| Subtotal Reserves | \$1,749,000 | \$1,749,000 |
| Public Health, Safety & Infrastructure | | |
| Increase Annual Pavement Program (ongoing) | \$1,665,500 | \$3,331,000 |
| City's match for new Train Station project (one-time) | N/A | \$1,000,000 |
| Increase maintenance of concrete, trees, signals, ADA (ongoing) | \$ 381,000 | \$ 691,000 |
| Fund the City's Homelessness program (ongoing) | \$ 280,000 | \$ 280,000 |
| Sheriff contract increases (Public Safety) | \$ 780,736 | \$ 1,149,634 |
| Subtotal Public Health, Safety & Infrastructure | \$3,107,236 | \$6,451,634 |
| Parks, Recreation, Creeks & Sustainability | | |
| Funding reserve for Creeks and Watershed (ongoing) | N/A | \$ 150,000 |
| Increase funding for maintenance of open spaces, storm drains (ongoing) | \$ 530,000 | \$ 541,000 |
| Increase funding for Ellwood/Butterfly management (ongoing) | \$ 200,000 | \$ 200,000 |
| Subtotal Parks, Recreation, Creeks & Sustainability | \$730,000 | \$891,000 |
| Jobs, Economy & Housing | | |
| Transfer funds to Affordable Housing Fund (ongoing) | \$ 200,000 | \$ 250,000 |
| Creation of a comprehensive Affordable Housing plan (one-time) | \$ 50,000 | N/A |
| Funding to implement Economic Development plan (ongoing) | \$ 75,000 | \$ 100,000 |
| Funding for Childcare Programs (ongoing) | \$ 50,000 | \$ 250,000 |
| Funding for Old Town projects and priorities (ongoing) | N/A | \$ 150,000 |
| Subtotal Jobs, Economy & Housing | \$ 375,000 | \$ 750,000 |

| Categories | FY 23/24 | FY 24/25 |
|--|----------------------|---------------------|
| Other Vital Services and Capital Maintenance | | |
| Address shortfall in book budget for Library (ongoing) | \$ 204,700 | \$ 74,300 |
| GVL Strategic Plan Implementation (ongoing) | N/A | \$ 82,100 |
| Design for Library facility refresh project (one-time) | \$ 200,000 | \$ 50,000 |
| Design Lake Los Carneros Footbridge replacement (one-time) | \$ 330,000 | N/A |
| Design for Historic Train Station preservation project (one-time) | \$ 250,000 | \$ 50,000 |
| Design for Community Center Refresh project (one-time) | N/A | \$ 150,000 |
| Implement Community Center Strategic Plan (ongoing) | \$ 75,000 | (see above) |
| Add new position - facility maintenance coordinator | \$ 114,488 | \$ 117,923 |
| Subtotal Other Vital Services and Capital Maintenance | \$1,174,188 | \$524,323 |
| Debt capacity, Financial and Support Services for increased programs (ongoing) | TBD | \$ 670,000 |
| TOTAL MEASURE B EXPENSES | \$7,135,424 | \$11,035,957 |
| TOTAL MEASURE B REVENUES | \$5,300,000 | \$10,600,000 |
| USE OF OTHER FUNDS ON THESE MEASURE B PROJECTS | \$(1,835,424) | \$(435,957) |

Though they have been removed from the table, the San Jose Creek Fish Passage Project, San Jose Creek Fish Passage maintenance, and the increase to Bookvan funding are still in the proposed budget and will still further Council's Measure B priorities. The rededication of 60% of a budgeted Management Analyst's time toward Creeks and Watershed priorities, while not reflected above, will also further the Creeks and Watershed Master Plan goals.

It should be noted that the total "Measure B" expenditures listed above will be reduced in Fiscal Year 2025/26 and future years as the one-time costs (e.g., funding General Fund reserves, Train Station match) are complete. This will potentially allow for many additional projects, including but not limited to CWMP projects identified during the prioritization process this summer and fall, to be completed with Measure B funds in future fiscal years.

Finally, it should be noted that Measure B revenues are general tax revenues and are available and appropriate to be considered within the overall General Fund budget. Behind-the-scenes forces can affect other General Fund revenues and expenditures and may affect the Council's priorities for spending overall in any given year. For example, imbedded in the budget is the ongoing reduction in estimated Cannabis Revenue of \$1,000,000 per

year beginning in FY 2023/24 and, while staff have budgeted \$10.5 Million for sheriff contract costs, final amounts for that fiscal year and future fiscal years could come in higher.

FISCAL IMPACTS:

The preliminary budgets are still in draft form, and any changes will be finalized and released in June for consideration at the public hearing on June 20, 2023. Any budget increases in programs may require reduction in others.

ALTERNATIVES:

The City Council can accept their previously provided direction and approve of these budget changes as presented in this report.

Reviewed By:



Kristine Schmidt
Assistant City Manager

Approved By:



Robert Nisbet
City Manager

ATTACHMENTS:

1. Presentation

ATTACHMENT 1:

FY 2023/24 and 2024/25 Two-Year Budget Update Presentation

FY 2023/24 & 2024/25 Preliminary Budget Update

City of Goleta
City Council Meeting
June 6, 2023



Budget Updates - Topics

- Operating and CIP Budget Updates
- Special Issues
 - Library Book Van
 - Creeks and Watershed Management Plan and Program (CWMP)
 - Pending Items
- Review Measure B Chart

Budget Updates

- Preliminary Operating Budgets for FY 23/24 & 24/25
 - Workshop held May 2, 2023
- Updated Comprehensive Capital Improvement Plan and Preliminary CIP Budget for FY 23/24 & 24/25
 - Workshop held May 22, 2023

Library and Bookvan

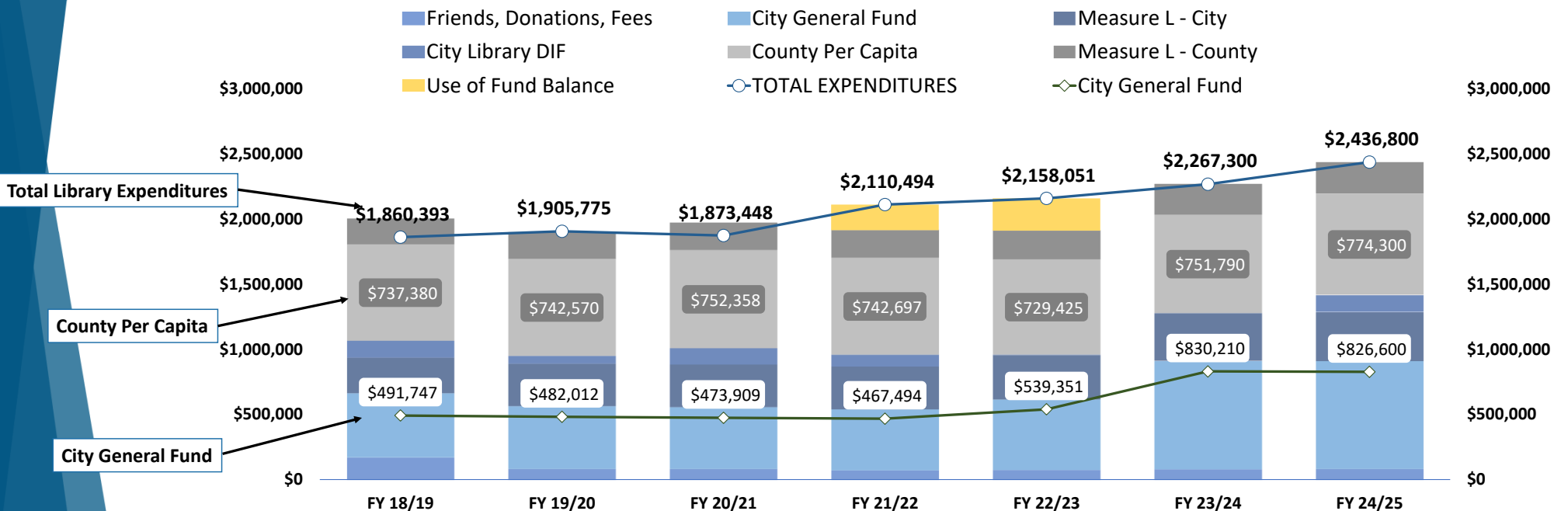
Library Funding

- As recent as 2015, Library was funded only by County (per capita) and Measure L revenues
- In 2016, service levels had declined, costs exceeded revenues by \$255,676 , and Library's reserves were dwindling under City of SB management
- In 2016 Goleta committed \$30,000 from General Fund and supported a County revenue measure (which never happened).
- Goleta decided in 2018 to take over management of GVL as a municipal library, knowing this would be a big commitment
- Budget gap that Goleta residents are funding has grown to \$830,210 per year

Who Pays for the Region's Library?

| AREA | Source | FY 23/24 | FY 24/25 |
|--|---|------------------|------------------|
| <u>ALL AREAS IN ZONE 4</u> • Isla Vista & Hope Ranch, other • County CSA 3 • City of Goleta | County Per Capita | \$751,790 | \$774,300 |
| | Support from Friends & other Donations | \$67,000 | \$70,000 |
| | Library User Fees | \$13,500 | \$12,700 |
| <u>MEASURE "L" AREAS ONLY</u> • County CSA 3 • City of Goleta | Measure "L" - County (CSA 3) | \$238,100 | \$245,200 |
| | Measure "L" – City | <u>\$365,000</u> | <u>\$375,900</u> |
| | | \$603,100 | \$621,100 |
| <u>CITY OF GOLETA ONLY</u> • City of Goleta | City DIF Fees (FY 24/25 Est.)* | \$1,700 | \$132,100 |
| | General Fund Operations Subsidy | \$830,210 | \$826,600 |
| | General Fund – Book Van | \$50,000 | \$50,100 |
| | Value of Admin Overhead Not Charged (20%) | \$461,420 | \$495,900 |
| | Real Estate (market value) | - | - |

Historical Library Budget (Draft)



- Chart is a draft summary of the Library Budget since the City took over direct management in FY 18/19
- Numbers represent the budgeted numbers and not actuals, and removes all grant funds
- FY 18/19 through 22/23 includes estimated PW facilities maintenance costs previously in Public Works and General Services, and now in Library

Compare Goleta Resident Per Capita

FY 23/24



| Areas within Zone 4 | Estim. Pop. for Area | FY 22/23 County per capita plus 3% ³ | Support from Friends and Don. ⁴ | Library User Fees | Measure L | City DIF | CITY GF Ops Subsidy | TOTAL | PER CAPITA TOTAL |
|---------------------|----------------------|---|--|-------------------|-----------|----------|---------------------|-------------|------------------|
| CSA #3 County | 31,188 ² | \$267,909 | \$23,892 | \$4,814 | \$238,100 | \$0 | \$0 | \$534,714 | \$17.15 |
| City of Goleta | 31,881 ² | \$273,862 | \$24,422 | \$4,921 | \$365,000 | \$1,700 | \$830,210 | \$1,500,116 | \$47.05 |
| Gaviota Area | 2,574 ² | \$22,113 | \$1,972 | \$397 | \$0 | \$0 | \$0 | \$24,482 | \$9.51 |
| Hope Ranch | 1,881 ² | \$16,160 | \$1,441 | \$290 | \$0 | \$0 | \$0 | \$17,891 | \$9.51 |
| Isla Vista | 19,046 ¹ | \$163,609 | \$14,590 | \$2,940 | \$0 | \$0 | \$0 | \$181,139 | \$9.51 |
| Other County | 891 ² | \$7,655 | \$683 | \$138 | \$0 | \$0 | \$0 | \$8,475 | \$9.51 |
| Subtotal | 89,500 ¹ | \$751,307 | \$67,000 | \$13,500 | \$603,100 | \$1,700 | \$830,210 | \$2,266,817 | |

- 1) Pop as provided by County (IV and greater Goleta areas)
- 2) Pop as per County with area % breakdown of Census area (other areas)
- 3) Includes 3% proposed increase
- 4) Friends and donations equally distributed

WITH BOOK VAN, CITY RESIDENT PER CAPITA = \$ 48.62 ; COUNTING DONATED ADMIN = \$ 63.10

Library Bookvan

➤ Recommendation

- City increase City's GF contribution by \$50,000 to allow 10 hours of Bookvan staffing in whole of GVL service area (including Old Town)
- Request County to cover \$50,000 to cover additional 10 hours of Bookvan staffing in Isla Vista specifically
 - County could choose to fund more than 10 hours
 - City staff submit for gap funding from SB Women's Fund for Isla Vista in FY 24-26 and FY 25-26
 - Long-term funding could come from potential County revenue measure
- City/Library will continue to absorb costs of gasoline, liability insurance, program support and supervision, materials and digital services, and administrative overhead (not part of above funding)
- Staff will work with LAC to determine best use of budgeted hours

Creeks & Watershed

CWMP Implementation

- San Jose Creek Fish Passage project recommended for immediate funding (but taken out of Measure B chart)
 - Identified in the CWMP
 - Was identified as unfunded project in Measure B revenue needs analysis
 - Would have needed to be funded somehow due to State commitments
- CWMP prioritization process upcoming this summer
- Many existing CWMP work efforts are in the budget
 - Environmental Services
 - Parks & Open Spaces
 - Capital Improvement Program (CIP)
- Added to Measure B Chart- New Creeks and Watershed reserve account at \$150,000 per year

Upcoming CWMP Process

- Summer/Fall 2023
- Staff Team Working with the CWMP's Technical Advisory Committee
- Develop recommendations on
 - Project Prioritization
 - Funding considerations
 - Other implementation considerations
- Presentation to City Council
 - Discussion about funding
 - May reprioritize in context other Measure B priorities

Existing CWMP Work Efforts

Environmental Services Division

- Full Trash Capture - full trash capture system as a treatment control, or series of treatment controls.
- Street Sweeping - litter removal around cars and obstructions,
- CWMP Project Management Contract – Coordinate stakeholders to develop programs, projects, priorities, and schedules for the CWMP
- Watershed Assessments - treatment and infiltration project assessment, water quality forensics, and could also include things such as concrete channel removal evaluation.
- Intern or CivicSpark Fellow - 50% time dedicated to the CWMP
- Beautify Goleta - helps to reduce pollutants which affect water quality and wildlife

Existing CWMP Work Efforts

Parks and Open Space Division

- Urban Forest Management Plan (UFMP) Update
- Defensible Space Program/Fire Risk and Sedimentation Reduction
- Abandoned Encampment Clean Ups
- City Adopt a Park Program for Weed Removal
- Dog Waste Baggy Program (Approximately 300,000 Bags per Year)
- Wildfire Risk Reduction and Riparian Habitat Enhancements
- Trash Removal/General Maintenance

CWMP CIP Projects

Upcoming Projects That Meet CWMP Goals

- Ekwill Street & Fowler Road Extensions *
- Hollister Avenue Bridge
- San Jose Creek Bike Path - Northern & Southern Segments
- San Jose Creek Bike Path - Middle Extent
- Ellwood Beach Drive Drainage Repair
- Evergreen Park Drainage Repair
- Old Town Full Trash Capture
- San Jose Creek Channel Fish-Passage Modification Project
- Ellwood Coastal Trails and Habitat Restoration
- Ellwood Mesa/Sperling Preserve Butterfly Management Plan
- Lake Los Carneros Master Plan

CWMP Staff Support

- Fill Vacant Management Analyst Position in Parks and Open Space
 - 60% CWMP (40% other Parks and Open Space projects)
 - Coordinate staff CWMP Team, CWMP grant-finding, regional advocate
 - Recruitment Pending
- CWMP Team: Other Staff Working on Creeks & Watershed Priorities (percent of time is approximate)
 - Parks and Open Space Division – Manager (15%) and Admin Assistant (10%)
 - Environmental Services Division – Manager (15%), Specialist (30%), and Admin Assistant (30%).
 - New CivicSpark Fellow (50%)
 - Capital Improvement Program (CIP) Project Managers (various)
- New staff positions are not recommended at this time

Review Measure B Chart

Measure B Updates

“To support Goleta’s 9-1-1 response/crime prevention; cleanup trash in creeks to maintain coastal waters; address homelessness, fire risks from illegal encampments; maintain public safety, clean/maintain public areas; repair streets/potholes; increase recycled water use for parks; retain local businesses/jobs; maintain open spaces/natural areas and for general government use; shall a measure be adopted establishing a 1¢ sales tax providing approximately \$10,600,000 annually until ended by voters, requiring public spending disclosure?”

➤ **Council Preliminary Priorities:**

- Public Health, Safety & Infrastructure (51.7%)
- Parks, Recreation, Creeks & Sustainability (20%)
- Jobs, Economy & Housing (18.3%)
- Other Vital Services and Capital Maintenance Projects (10%)

➤ **Other Considerations:**

- 33% one-time funding of reserves (General Fund Reserve Policies)
- Reduced ongoing Cannabis Revenues
- Sheriff Contract Increases
- Impacts to organization operations (finance & support services) and debt capacity estimated at 6.7%

Measure B Updates

| Policy Reserves | FY 23/24 | FY 24/25 |
|--|--------------------|--------------------|
| Policy Reserves - Increase Reserves per 33% General Fund Reserve Policies (one-time) | \$1,749,000 | \$1,749,000 |
| <i>Subtotal Reserves</i> | <i>\$1,749,000</i> | <i>\$1,749,000</i> |

- Contributions to fund contingency reserves are one-time.
- In future years, only 33% of incremental revenue increases will be set aside
- Comprehensive review of evaluating reserve categories and amounts under long range projects contingency on Finance staff capacity

Measure B Updates



| Public Health, Safety & Infrastructure | FY 23/24 | FY 24/25 |
|---|-------------|--------------|
| Increase Annual Pavement Program (ongoing) | \$1,665,500 | \$3,331,000 |
| City's match for new Train Station project (one-time) | N/A | \$1,000,000 |
| Increase maintenance of concrete, trees, signals, ADA (ongoing) | \$ 381,000 | \$ 691,000 |
| Fund the City's Homelessness program (ongoing) | \$ 280,000 | \$ 280,000 |
| Sheriff contract increases (Public Safety) | \$ 780,736 | \$ 1,149,634 |
| Subtotal Public Health, Safety & Infrastructure | \$3,107,236 | \$6,451,634 |

Measure B Updates

| Parks, Recreation, Creeks & Sustainability | FY 23/24 | FY 24/25 |
|---|------------------|------------------|
| Funding reserve for CWMP (ongoing) | N/A | \$ 150,000 |
| Increase funding for maintenance of open spaces, storm drains (ongoing) | \$ 530,000 | \$ 541,000 |
| Increase funding for Ellwood/Butterfly management (ongoing) | \$ 200,000 | \$ 200,000 |
| <i>Subtotal Parks, Recreation, Creeks & Sustainability</i> | \$730,000 | \$891,000 |

Note:

- CWMP - San Jose Creek Channel Fish Passage Project and Ongoing Maintenance removed from Measure B table - FY 23/24: \$529,000 FY 24/25: \$904,000
- 60% of vacant Management Analyst in Parks and Open Space dedicated
- 50% of CivicSpark Fellow dedicated

Measure B Updates



| Jobs, Economy & Housing | FY 23/24 | FY 24/25 |
|--|-------------------|-------------------|
| Transfer funds to Affordable Housing Fund (ongoing) | \$ 200,000 | \$ 250,000 |
| Creation of a comprehensive Affordable Housing plan (one-time) | \$ 50,000 | N/A |
| Funding to implement Economic Development plan (ongoing) | \$ 75,000 | \$ 100,000 |
| Funding for Childcare Programs (ongoing) | \$ 50,000 | \$ 250,000 |
| Funding for Old Town projects and priorities (ongoing) | N/A | \$ 150,000 |
| <i>Subtotal Jobs, Economy & Housing</i> | <i>\$ 375,000</i> | <i>\$ 750,000</i> |

Measure B Updates

| Other Vital Services and Capital Maintenance | FY 23/24 | FY 24/25 |
|---|--------------------|-------------------|
| Address shortfall in book budget for Library (ongoing) | \$ 204,700 | \$ 74,300 |
| GVL Strategic Plan Implementation (ongoing) | N/A | \$ 82,100 |
| Design for Library facility refresh project (one-time) | \$ 200,000 | \$ 50,000 |
| Design Lake Los Carneros Footbridge replacement (one-time) | \$ 330,000 | N/A |
| Design for Historic Train Station preservation project (one-time) | \$ 250,000 | \$ 50,000 |
| Design for Community Center Refresh project (one-time) | N/A | \$ 150,000 |
| Implement Community Center Strategic Plan (ongoing) | \$ 75,000 | (see above) |
| Add new position- facility maintenance coordinator | \$ 114,488 | \$ 117,923 |
| Subtotal Other Vital Services and Capital Maintenance | \$1,174,188 | \$524,323 |
| Debt capacity, Financial and Support Services for increased programs (ongoing) | TBD | \$ 670,000 |

Measure B Updates

| Other Vital Services and Capital Maintenance | FY 23/24 | FY 24/25 |
|---|----------------------|---------------------|
| TOTAL MEASURE B EXPENSES | \$7,135,424 | \$11,035,957 |
| TOTAL MEASURE B REVENUES | \$5,300,000 | \$10,600,000 |
| USE OF OTHER FUNDS ON THESE MEASURE B PROJECTS | \$(1,835,424) | \$(435,957) |

Other Reminders:

- Cannabis Revenues declined by \$1 Million per year, offsetting Measure B
- New General Fund revenue source goes into effect January 1, 2024, actual revenue performance not known until May/June 2024
- One-time costs (e.g., funding contingency reserves, one-time CIP funding), funds then to become available for other priorities in future fiscal years
- General tax gives City most flexibility to continue to address unfunded priorities and deferred maintenance

Other Considerations

Pending Items

➤ Final Sheriff Contract Cost for FY 23/24

- Preliminary FY 23/24 Budget: \$10.5 million
- Still far apart from Sheriff staff proposals

➤ Unfunded (Partially Funded) Active/Priority CIP Projects

- Updated analysis identified a list of 11 high priority CIP projects needing additional funding to close the gap in the near term
- Current strategy is phased approach in “pay-go” funding
 - Recommending re-prioritizing and reprogramming budget from non-active CIP projects
 - Closing out completed projects and releasing budget and evaluating fund balances after June 30th

➤ General Fund

- Updated ending unassigned fund balances (unaudited) will be known by September

Looking Ahead



| Key Dates | Description |
|--------------------|--|
| June 6, 2023 | Preliminary Budget Update |
| June 20, 2023 | FY 23/24 & FY 24/25 Budget Adoption |
| August 15, 2023 | Citywide User Fee Update |
| September 19, 2023 | FY 22/23 Fourth Quarter Financial Review (July 1, 2022 – June 30, 2023) |
| January 1, 2023 | 1% Transaction and Use Tax goes into effect |
| April – May, 2023 | City to start receiving new tax revenues |
| June 18, 2024 | FY 24/25 Mid-Cycle Budget Update |

Recommendations



➤ Recommendations:

Receive a presentation on the updated Preliminary Operating and Capital Improvement Budgets for Fiscal Years 2023/24 and 2024/25 and provide direction, if any, regarding items to be addressed or included in the final recommended budget.