

SPECIAL REVENUE FUNDS

OVERVIEW

This section summarizes the budgets for special revenue and assessment district funds. Each section provides a description of the program, the revenues financing the programs, a summary of the overall fund budgets, and the goals, objectives, and changes to the fund budgets. Each fund budget contains the following elements:

Program Expenses/Revenues:

This section reports expenses by summary type: Salaries and Benefits, Services and Supplies, Capital Debt Service, and Reserves. The historical and projected expenditure budgets are presented at the function and operation level.

Summary of Service Programs:

The cost of each activity or program within each fund is summarized and presented in this section.

Program Description:

A general description is presented for the purpose, goals, and activities of each special revenue fund/assessment district program.

Subprograms and Their Objectives:

This section outlines how each division or subprogram accomplishes the purpose and goals of the department.

Noteworthy Budget Highlights:

This section summarizes the significant operating program changes from the prior financial plan. These changes may include major service reorganizations; the curtailment or expansion of services and/or programs; increases or decreases in regular positions; significant one-time costs; major changes in the method of delivering services; operational changes that will impact other departments or customer service; and changes that affect current policies or noteworthy capital projects.

Programs Presented in Section D:

Growth Mitigation Capital Improvements.....	D- 2
Landscape Maintenance Services.....	D- 5
Park Acquisition and Development Fee	D- 7
Santa Maria Community Television.....	D- 9
Parking & Lighting Maintenance.....	D-12

SPECIAL REVENUE FUNDS

DEPARTMENT: Public Works
 DIVISION: Engineering

PROGRAM: Capital Improvements
 FUND: Growth Mitigation

	Actual 2016-17	Adopted 2017-18	Year-End Estimated 2017-18	Proposed 2018-19	Proposed 2019-20
<u>PROGRAM EXPENSES/REVENUES</u>					
Salaries & Benefits	\$	\$	\$	\$	\$
Services & Supplies					
Total Operating Cost					
Capital	236,431	3,823,850	1,454,485	4,798,075	73,640
Debt Service	12,389				
State Water					
Transfers	937,540				
Total Cost	\$ 1,186,360	\$ 3,823,850	\$ 1,454,485	\$ 4,798,075	\$ 73,640

SUMMARY OF SERVICE PROGRAMS

Growth Projects - City Hall	\$	\$	\$	\$	\$
Growth Projects - Library	12,389				
Growth Projects - Parks			175,000		
Growth Projects - Fire					
Growth Projects - Police	937,540				
Growth Projects - Sewer				1,023,075	73,640
Growth Projects - Water Resources				2,000,000	
Growth Projects - Traffic	236,431	3,823,850	1,279,485	1,775,000	
Total Service Programs	\$ 1,186,360	\$ 3,823,850	\$ 1,454,485	\$ 4,798,075	\$ 73,640

SPECIAL REVENUE FUNDS

DEPARTMENT: Public Works
DIVISION: Engineering

PROGRAM: Capital Improvements
FUND: Growth Mitigation

PROGRAM DESCRIPTION

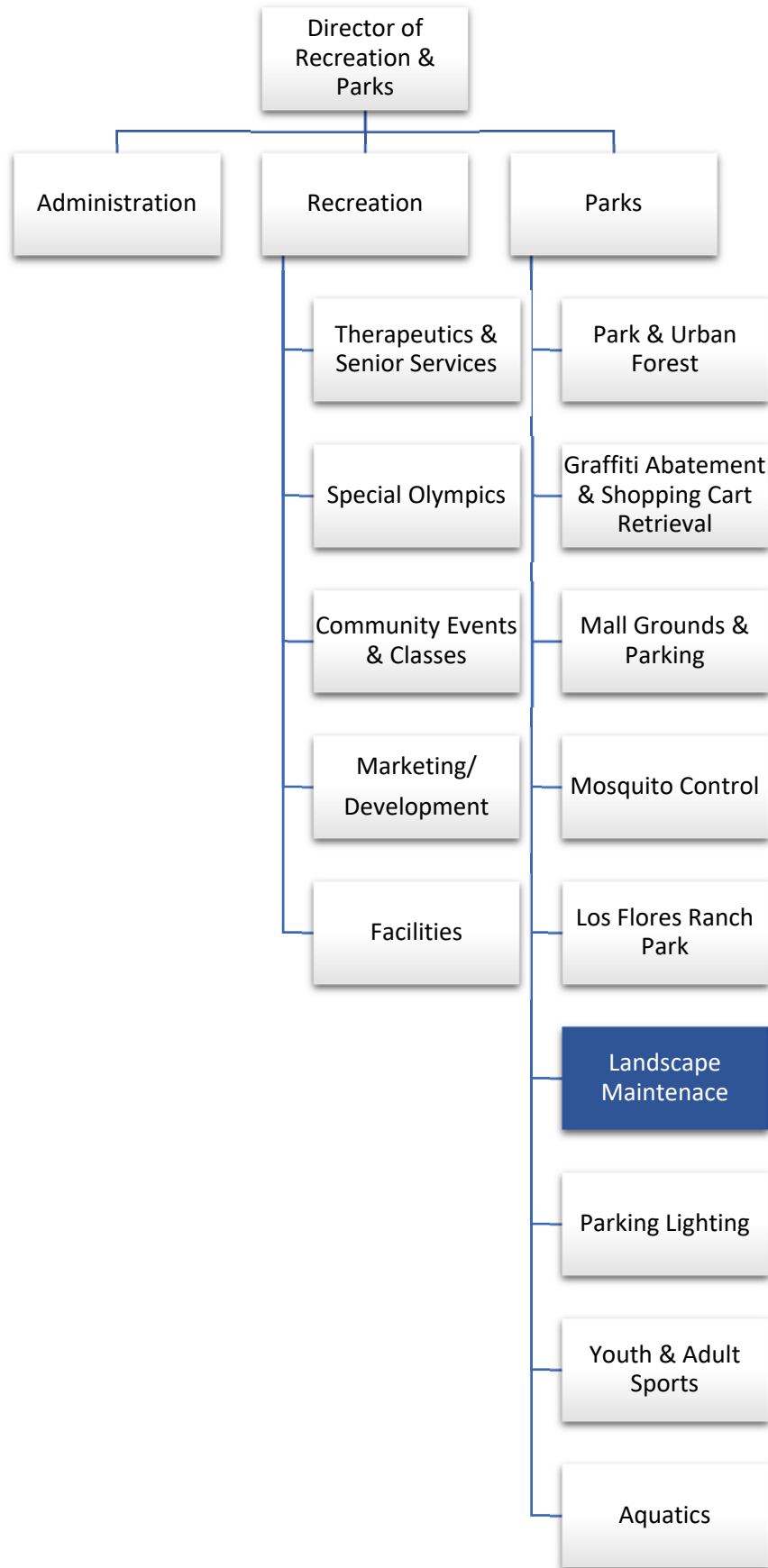
Assembly Bill 1600 was enacted in 1987; thereby, allowing local governments to enact ordinances establishing development fees to finance the cost of growth-related capital improvements. The legislation provided the framework for establishing growth mitigation fees for development. The City's Growth Mitigation Fee Ordinance captures revenues and distributes the costs of City-wide infrastructure needs associated with new development and the existing community, to assure that adequate funding is available for the construction of new capital assets necessary to accommodate a growing population and service area.

This budget unit was established to account for the collection of developer/growth mitigation fees for the purpose of mitigating the impact that growth has on public infrastructure. This budget unit serves as a Special Revenue Fund. Proposed funding of various capital projects can be found in the *Capital Projects* section of this document (Section F).

Growth mitigation fees represent only one element of capital project financing. These fees are used in concert with other funding mechanisms, such as gas tax, local transportation funds, Measure A (county-wide sales tax), and grants to provide necessary infrastructure for planned and orderly growth.

NOTEWORTHY BUDGET HIGHLIGHTS

- Rebuilding of College Drive from Battles Road to Betteravia Road. The Growth Mitigation Program funded completion in 2018 of this road to a final section of two lanes in each direction, medians, curb, gutter, and sidewalk. The developer installed all underground utilities such as sewer, water, secondary water, gas, storm drain, street light system, wire utilities, and frontage improvements on the east side of the road. The Program will now fund the placement of landscaping on the west side of the road and in the median.
- The Betteravia/Highway 101 Interchange is in need of operational improvements based on increased vehicle and truck traffic. The City is installing improvements to the southbound off-ramp and the northbound on-ramps of Highway 101 in the Fall of 2018 with other funding sources. To plan for major long-term improvements to the interchange, a Project Study Report (PSR) is necessary. This document will identify several options to improve the interchange and study environmental, right-of-way, circulation, and cost impact of each option.
- The Broadway/Highway 101 Interchange is in need of replacement to provide access to the east side of Highway 101, and to improve the capacity and operations of the interchange. The project will be funded with a blend of funding from Measure A, Growth Mitigation, Gas Tax, and Developer Funds. A Project Study Report has been completed for this interchange. Staff will now start a Project Approval and Environmental Document from Caltrans and then proceed into the Plans, Specification, and Estimate for construction of the Highway 101 and Betteravia Interchange Project.
- Construction of Depot Street from Carmen Lane to Betteravia Road. Depot Street is an important secondary arterial for circulation. This section of the road is not built. When it is constructed, Depot Street/Railroad will travel from the north end of the City to McCoy Lane. When completed, it will help move traffic off portions of Broadway (Highway 135) and Blosser Road. The proposal is to study a conceptual design, environmental impacts, and the construction cost of the project.



SPECIAL REVENUE FUNDS

DEPARTMENT: Recreation & Parks
 DIVISION: Special Districts

PROGRAM: Landscape Maintenance Services
 FUND: Special Districts Funds

	Actual 2016-17	Adopted 2017-18	Year-End Estimated 2017-18	Proposed 2018-19	Proposed 2019-20
PROGRAM EXPENSES/REVENUES					
Salaries & Benefits	\$ 1,013,461	\$1,280,970	\$1,015,897	\$1,148,885	\$1,221,423
Services & Supplies	2,238,508	2,507,083	2,296,995	2,627,320	2,646,273
Total Operating Cost	3,251,969	3,788,053	3,312,892	3,776,205	3,867,696
Capital	698,142	237,427	467,893	15,119	23,431
Debt Service					
Intrafund Transfers Out	1,101,234	1,108,580	1,350,711	1,340,020	1,340,020
Transfers	361,480	387,887	387,887	404,655	404,655
Total Cost	5,412,825	5,521,947	5,519,383	5,535,999	5,635,802
Less: Intrafund Transfers In	1,101,234	1,108,580	1,350,711	1,340,540	1,340,540
Net City Cost	\$4,311,591	\$4,413,367	\$4,168,672	\$4,195,459	\$4,295,262

SUMMARY OF SERVICE PROGRAMS

Northwest Landscaping	\$1,736,272	\$1,885,690	\$1,654,184	\$1,829,768	\$1,926,292
Northeast Landscaping	751,088	646,014	683,302	654,537	655,150
Southwest Landscaping	1,546,701	1,464,890	1,774,642	1,501,068	1,502,289
Southeast Landscaping	1,378,764	1,525,353	1,407,255	1,550,626	1,552,071
Total Service Programs	\$5,412,825	\$5,521,947	\$5,519,383	\$5,535,999	\$5,635,802

SUMMARY OF POSITIONS

FULL-TIME

Groundskeeper	1	2	2	2	2
Maintenance Worker I/II	2	2	2	2	2
Special Districts Coordinator	1	1	1	1	1
Special Districts Supervisor	1	1	1	1	1
Special Districts Technician	1	1	1	1	1
TOTAL	6	7	7	7	7

PART-TIME

Account Clerk Aide	1	1	1	1	1
Laborer III	9	9	9	9	9

TOTAL	10	10	10	10	10
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GRAND TOTAL	16	17	17	17	17
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TEMPORARY (FTE)

Maintenance Technician	0.5	0.5	0.5	0.5	0.5
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TOTAL TEMPORARY (FTE)	0.5	0.5	0.5	0.5	0.5
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SPECIAL REVENUE FUNDS

DEPARTMENT: Recreation & Parks
DIVISION: Special Districts

PROGRAM: Landscape Maintenance Services
FUND: Special Districts Funds

PROGRAM DESCRIPTION

The Landscape Maintenance Districts were formed by the City Council as a means to finance the ongoing maintenance and future renovations of beautification projects in various areas of the City. The creation of these districts is authorized under Section 22500 of the California Streets and Highways Code and the 1972 Landscape and Lighting Act. The districts levy property tax assessments to fund the maintenance of public and private open space, rights-of-way, and boulevards within each respective district. For the purpose of easily distinguishing the landscaping maintenance districts, the City has been divided into four quadrants, centered at Stowell Road and Broadway. The districts are identified as Northwest, Northeast, Southwest, and Southeast. Each of the four districts serve as a "Master Special District" (MSD) to various Special Benefit Zones (SBZ), which fund the special landscape features found with a specific development, i.e., multi-purpose trails, parks, roundabouts, and parkways. This MSD assessment varies from one MSD to another based on square footage of properties and the improvements maintained. Assessments are annually determined and assessed on all properties developed since the creation of the districts.

The landscape maintenance districts derive revenue in two ways: 1) from special assessments to residential and commercial properties that were "conditioned" as part of their Development Permit, to participate in a landscape maintenance district, and 2) from a City General Fund contribution, which pays for the benefits received by parcels not in a landscape maintenance district. These assessments and benefit calculations are updated annually by the City Engineer and used to establish new assessments. District staff strives to be good stewards of these funds, by using the competitive bid process to obtain contract services, having City staff manage operations, inspections, renovations and special project functions as well as maintenance-related activities associated with irrigation, construction, graffiti abatement and tree-related service calls. Further savings are realized by sharing the cost of administration by dedicating a percentage of staff time to administer the districts. In addition, the districts maintain a sufficient level of reserves to provide for the ongoing replacement of infrastructure, such as plant material damaged by weather events and traffic accidents, an annual district-wide renovation program, and to fund anticipated capital projects within the districts.

NOTEWORTHY BUDGET HIGHLIGHTS

- Creating a new Special Benefit Zone, the Betteravia Plaza SBZ. This will be a new division within an existing fund. Special Benefit Zones provide added funding to care for enhanced landscaping within the Zone. This includes street trees, roadside landscaping, bike and walking paths, and neighborhood parks. The Betteravia Plaza SBZ will include the area bounded by Betteravia, Blosser, Carmen, and the Santa Maria Railroad.
- To eliminate a structural deficit in the Southeast District (\$700,000) and Northeast District (\$200,000), the Department will undertake a plan to move the majority of maintenance tasks from the contractor to the district staff. In addition, there will be efforts made to reduce water use in these areas and service levels will also be reduced. This will allow these special districts to become financially solvent in the next five to seven years.
- The Enos Ranch Special Benefit Zone has public right-of-way landscaping that became the City's responsibility in early 2018. This zone was added as a division in an existing fund. The City Council in November 2017 authorized a new agreement for professional landscape services for all street-side, park, and retention basin landscaping within this zone. Enos Ranch is a 113-acre development bounded by Betteravia Road, Bradley Road, Battles Road, and College Drive. The landscaping company was awarded the contract that carries an annual cost of \$65,700.

SPECIAL REVENUE FUNDS

DEPARTMENT: Recreation & Parks
DIVISION: Park Acquisition & Development Service Fund

PROGRAM: Park Acquisition and Devel. Fee
FUND: Park Acquisition & Devel. Service

	Actual 2016-17	Adopted 2017-18	Year-End Estimated 2017-18	Proposed 2018-19	Proposed 2019-20
<u>PROGRAM EXPENSES/REVENUES</u>					
Salaries & Benefits	\$	\$	\$	\$	\$
Services & Supplies			50,000		
Total Operating Cost			50,000		
Capital	713,815		992,366	975,000	1,650,000
Debt Service					
Transfers					
Total Cost	\$ 713,815		\$1,042,366	\$ 975,000	\$ 1,650,000

SUMMARY OF SERVICE PROGRAMS

Park Acquisition & Development	\$ 386,321		\$ 314,911	975,000	1,650,000
Residential Development Tax	327,494		727,455		
Total Service Programs	\$ 713,815		\$ 1,042,366	\$ 975,000	\$ 1,650,000

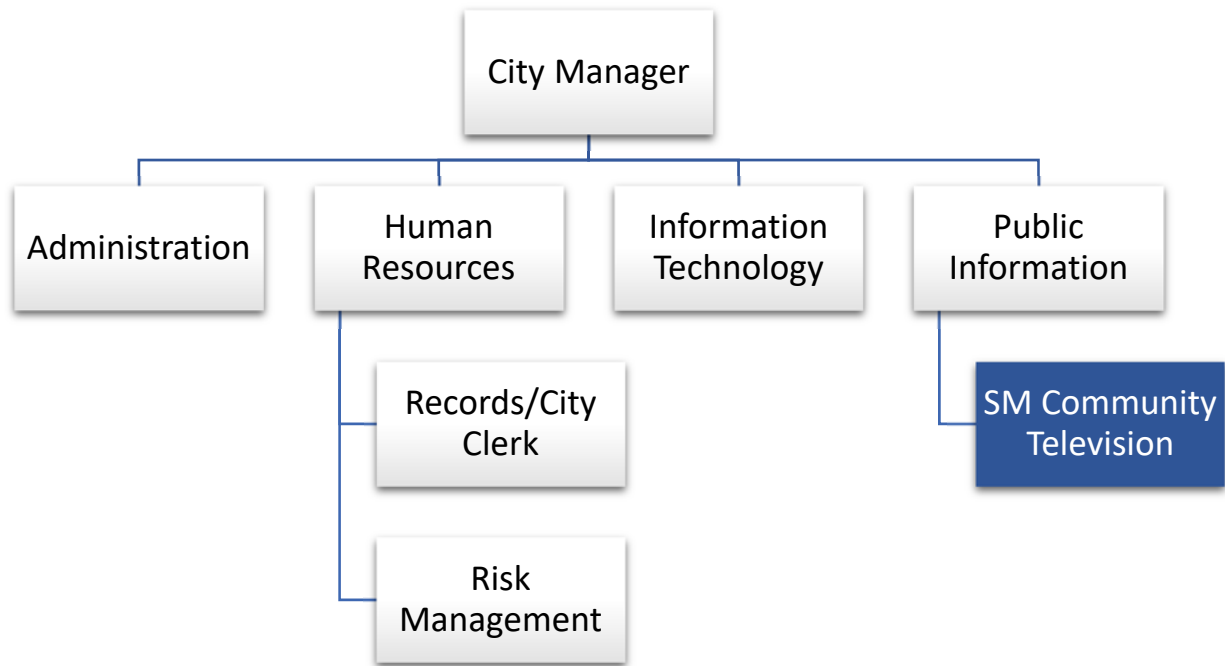
PROGRAM DESCRIPTION

The City Council established the Park Acquisition and Development Fee Program in 1974 as a means of providing a source of revenue to meet the community's basic recreation and park needs. The Park Acquisition Fee, referred to as the Subdivision In-Lieu Fee or Quimby Act Fee, is authorized by Title 11, Chapter 12.205 of the Santa Maria Municipal Code (Municipal Code) and Section 66477 of the Government Code. This revenue, from fees, represents one of the City's primary sources for acquiring land for parks and park/recreational facility improvements.

The Park Development Fee, referred to as Residential Development Tax, is authorized by Title 3, Chapter 3.7 of the Municipal Code. These funds assist in the construction, renovation, and furnishing of parks and recreational facilities. In addition to these two park fee revenues, the City's Growth Mitigation Fee Ordinance (as authorized by State law), was also enacted and has a fee structure designed to help mitigate park needs generated as a result of growth and development. These three fees shall be collected individually at the time of building permit issuance, and allocated to their appropriate revenue accounts.

NOTEWORTHY BUDGET HIGHLIGHTS

- Using a combination funding, including Park Acquisition and Development fees, during this budget cycle we will see the start of two new park projects; Harvest Glen Park Site and Enos Ranch Park Site. These two new community parks will offer a wide range of amenities for the entire community and visitors alike. Further, new amenities, not seen before in Santa Maria, are being discussed during the planning phase.
- With more than 5,000 registered visitors, Los Flores Ranch Park will continue to undergo development. One of the largest improvements will consist of additional trails for hikers, bikers, and horseback riders, adding to the 13 miles of trails already in place.
- In order to keep up with the demand of high quality parks and facilities, revenue from this fund will also be used for additional park and facility renovations and rehabilitation to keep pace with new development in all areas of the City.



SPECIAL REVENUE FUNDS

DEPARTMENT:	City Manager	PROGRAM:	Public, Education, & Government
DIVISION:	Santa Maria Community Television		Access Television
		FUND:	Special Revenue Fund

PROGRAM DESCRIPTION

Pursuant to Federal law, cable companies are required to provide funding for public access programming as part of a State franchise agreement. Under the terms of State video franchise law, Comcast is mandated to continue providing the City a franchise fee dedicated to public access programming. The funding is required to be used for capital expenditures and the City capitalizes costs related to developing Santa Maria Community Television (SMCTV) content.

Public, Education, and Government (PEG) access television, often referred to as community access or local access television, exists throughout the country. PEG access television is a way of allowing non-profit groups, churches, schools and education departments, and the residents of a community, the ability to use the local cable television system to reach out and communicate with fellow citizens on subjects of local interest.

PEG access television differs from commercial broadcast television in many ways. With PEG access television there is no editorial control of content, no ratings, and no advertising. In commercial broadcast television, programming decisions are based on the desire to generate as much paid advertising as possible by reaching the largest number of television viewers. In contrast, PEG access television is often referred to as “narrowcasting.”

That is, the programs viewed on a PEG channel are often likely to appeal to a very limited audience. Providing a voice to the under-served is one of the many benefits that makes PEG access television a unique community resource. Instead of broadcasting over the airwaves, PEG channels are viewed only on cable television. The programming, therefore, is referred to as being “cablecast.” In many communities, PEG access television is the only source of locally produced television programs.

More than ever before, SMCTV’s mission is focusing on being part of the City’s public communications strategy, by making Public Service Announcements (PSA), content for the government channel, the City’s website and YouTube Channel, lobby TV’s, and videotaping public City meetings. The City’s media center is a 2,800-square-foot building located at 910 South Oakwood Drive, behind the Mussell Senior Center. The media center offers community members the tools and training to produce their own programs for airing on local cable access television. SMCTV has been up and running and providing public access television since August 2004 and also maintains a website at <http://www.smctv.tv>. The media center also continues to provide access to training, video equipment and channel time to individuals and organizations on a non-discriminatory basis.

SUBPROGRAMS AND THEIR OBJECTIVES

PEG cable access and programming operations provide a venue to allow residents of the community the ability to use the local cable television system to reach out and communicate with fellow citizens on subjects of local interest, to highlight issues, activities and events.

Three types of programming are used to establish a broad base of community understanding, support and involvement in PEG access television. Public programming is created by local residents, non-profit groups and churches; Education programming is created by local education providers, such as school districts, community colleges, and universities for educational purposes; and Government programming cablecasts local government meetings and provides for local, State and National government programming.

Provide sound management and financial strategies to ensure continued community access to and use of the access channel(s) in years to come.

Cooperatively, work with other similar organizations locally, regionally, and nationally – including Allan Hancock College – to promote and develop meaningful community uses of the cable access channel(s).

SPECIAL REVENUE FUNDS

DEPARTMENT: City Manager
DIVISION: Santa Maria Community Television
PROGRAM: Public, Education, & Government
FUND: Access Television
FUND: Special Revenue Fund

PERFORMANCE/WORKLOAD MEASURES	ACTUAL 2014-16	ESTIMATED 2016-18	PROJECTED 2018-20
DEMAND/WORKLOAD			
Membership	42	24	24
SMCTV public service announcements/specials	39	50	60
Hours of City public meetings per month includes staff pre/post meeting testing and editing time	32	32	32
EFFICIENCIES/EFFECTIVENESS			
Hours of weekly programming on three channels * *Hours revised to include pre/post meeting editing	262	239	239

GOALS & OBJECTIVES

- Utilize the staff and resources of Santa Maria Community Television to produce public service announcements and program-length video projects in support of public-safety initiatives and other City information-based projects, while maintaining limited service and support of the public and educational functions of SMCTV.
- As funding allows, update the computer equipment in the Media Center playback room to allow for file-based uploading of video programming to SMCTV's three channels, and purchase high-definition quality video cameras.
- Expand income opportunities for fee-based television production and rental services.

NOTEWORTHY BUDGET HIGHLIGHTS

Although program revenue covers the cost of program expenditures, the State franchise revenue is restricted for capital expenditures. As such SMCTV requires approximately \$100,000 per year on an ongoing basis to maintain its operational budget obligations, due to State imposed spending restrictions. In the 2018-19 budget the General Fund is making a \$50,000 contribution. This frees-up an equal amount of revenue that can be utilized for capital expenditures for use by SMCTV. To remain viable, SMCTV requires a dependable funding stream to cover operating expenses primarily consisting of salaries and benefits for the two employees who, in addition to making City-produced TV content, also program the three PEG channels on Comcast cable, operate and maintain media center equipment, production studio and playback equipment, and provide membership support. SMCTV staff remains tasked with increasing outside revenue.

Due to funding constraints, and as part of the City-wide budget reduction plan, the full-time PEG Station Manager's position is being reduced to a part-time (32-hour) position, generating an annual savings of about \$24,000. This adjustment will commence in December 2018. Staff secured more outside revenue in 2018 and needs to seek more sources. The impact of fewer staff hours to the public should be minimal as the Media Center's public hours are to remain at 11 hours per week, but will result in less time to make City-produced videos.

A significant amount of staff's time will continue to be directed to producing tangible City video assets in the form of training videos, public service announcements, and shows about City programs and services. In 2016 and 2017, SMCTV staff produced a variety of PSAs and programs, including two State of the City addresses, how to get a building permit, the Police Department's video surveillance safety cameras, Downtown Fridays, the Mayor's water conservation challenge, where to get free sand, the Public Library's Homework Help program, and more, besides making videos for employee viewing. In addition, staff will also continue making videos of City Council, Planning Commission, and Recreation and Parks Commission meetings, and videos of events held at the Public Library, managed from the TV control room in the tower of City Hall.

Oversight of the SMCTV operation is through the Public Information Manager rather than the Assistant City Manager, as it was in years past.

SPECIAL REVENUE FUNDS

DEPARTMENT: Recreation & Parks
 DIVISION: Parking & Lighting District

PROGRAM: Parking & Lighting Maintenance
 FUND: Stowell Parking & Lighting

	Actual 2016-17	Adopted 2017-18	Year-End Estimated 2017-18	Proposed 2018-19	Proposed 2019-20
<u>PROGRAM EXPENSES/REVENUES</u>					
Salaries & Benefits	\$ 17,708	\$ 27,882	\$ 28,555	\$ 28,034	\$ 28,076
Services & Supplies					
Total Operating Cost	17,708	27,882	28,555	28,034	28,076
Capital					
Debt Service - Lease Payments	3,050	22,200	22,200	22,200	22,200
Transfers	550	540	540	563	563
Total Cost	\$ 21,308	\$ 50,622	\$ 51,295	\$ 50,797	\$ 50,839

SUMMARY OF SERVICE PROGRAMS

Maintenance & Projects	\$ 21,308	\$ 50,622	\$ 51,295	\$ 50,797	\$ 50,839
Total Service Programs	\$ 21,308	\$ 50,622	\$ 51,295	\$ 50,797	\$ 50,839

SPECIAL REVENUE FUNDS

DEPARTMENT: Recreation & Parks
DIVISION: Parking & Lighting District

PROGRAM: Parking & Lighting Maintenance
FUND: Stowell Parking & Lighting

PROGRAM DESCRIPTION

The Stowell Parking and Lighting Maintenance District was formed in 1961 by the City Council. Since that time, the Stowell Plaza Shopping Center's (Center) parking lot and landscaping have been maintained by the City, under this special services maintenance district. The Center's property owners pay an ad valorem tax, which provides income to the district to cover the following services: parking lot sweeping, general clean-up, landscape maintenance, electrical lighting of the parking areas, marquee signage maintenance and upkeep, and other common area maintenance. The objective of this ad valorem tax is to provide the district with sufficient revenue to pay for these services. Meeting this objective with the ad valorem tax rate became impossible, however, as annual expenses continued to increase and tax rate revenues were raided by the State, staff was unable to meet the costs of services. Understanding this challenge and the need for improvements at the Center, the Center's owners took a big step in addressing the problem. In 2002, the property owners of the Center requested a loan from the City's General Fund to finance a parking lot renovation project and voted to join the Southwest Landscape Maintenance District in order to finance the repayment of the loan through a special assessment. This loan was approved by the City Council in the amount of \$150,000 with simple interest of six percent. In 2003, the City made the needed basic improvements to the parking lot and the loan, through a special assessment, was paid-in-full as of June 30, 2010. Landscape islands and parking lot repairs now enhance the site. The property owners requested to keep the assessment active to fund future parking lot repairs and renovations.

NOTEWORTHY BUDGET HIGHLIGHTS

- The City continues to ensure that the landscaping, parking lot, and lighting at the Center are maintained in a safe, clean, attractive, and professional manner to attract and encourage people to patronize the Stowell Center businesses.