



# CITY OF BUELLTON

## CITY COUNCIL AGENDA

**Regular Meeting of June 27, 2013 – 6:00 p.m.  
City Council Chambers, 140 West Highway 246  
Buellton, California**

Materials related to an item on this agenda, as well as materials submitted to the City Council after distribution of the agenda packet, are available for public inspection in the Office of the City Clerk, located at 107 West Highway 246, during normal business hours.

### **CALL TO ORDER**

Mayor Judith Dale

### **PLEDGE OF ALLEGIANCE**

Vice Mayor John Connolly

### **ROLL CALL**

Council Members Ed Andrisek, Leo Elovitz, Holly Sierra, Vice Mayor John Connolly, and Mayor Judith Dale

### **REORDERING OF AGENDA**

### **PUBLIC COMMENTS**

Speaker Slip to be completed and turned in to the City Clerk prior to commencement of meeting. Limited to matters not otherwise appearing on the agenda. Limited to three (3) minutes per speaker. No action will be taken at this meeting.

### **CONSENT CALENDAR**

**(ACTION)**

The following items are scheduled for consideration as a group. Any Council Member, the City Attorney, or the City Manager may request that an item be withdrawn from the Consent Agenda to allow for full discussion.

- 1. Minutes of June 13, 2013 Regular City Council Meeting**
- 2. List of Claims to be Approved and Ratified for Payment to Date for Fiscal Year 2012-13**
- 3. Consideration of Amended and Restated Agreement with PAWS Parks of Santa Ynez Valley, Inc.**  
❖ (Staff Contact: Recreation Coordinator Abello)

- 4. Consideration of Amended Agreement with Wallace Group for Fats/Oils/Grease (FOG), Sanitary Sewer Management Plan (SSMP), and Industrial Discharge (ID) Programs Implementation**  
❖ *(Staff Contact: Public Works Director Hess)*
  
- 5. Consideration of Contract with the Kosmont Company for Economic Development Services**  
❖ *(Staff Contact: Interim City Manager Bierdzinski)*

**PRESENTATIONS**

**PUBLIC HEARINGS**

**COUNCIL MEMBER COMMENTS**

**COUNCIL ITEMS**

**WRITTEN COMMUNICATIONS**

**COMMITTEE REPORTS**

**BUSINESS ITEMS**

**(POSSIBLE ACTION)**

- 6. Acceptance of City of Buellton, California Financial Statements – June 30, 2012**  
❖ *(Staff Contact: Finance Director Muñoz)*
  
- 7. Resolution No. 13-11 – "A Resolution of the City Council of the City of Buellton, California, Adopting the Fiscal Year 2013-14 Budget"**  
❖ *(Staff Contact: Finance Director Muñoz & Interim City Manager Bierdzinski)*

**CITY MANAGER’S REPORT**

**ADJOURNMENT**

The next meeting of the City Council will be held on Thursday, July 11, 2013 at 6:00 p.m.

# CITY OF BUELLTON

## CITY COUNCIL MEETING MINUTES

Regular Meeting of June 13, 2013

City Council Chambers, 140 West Highway 246  
Buellton, California

### CALL TO ORDER

Mayor Judith Dale called the meeting to order at 6:00 p.m.

### PLEDGE OF ALLEGIANCE

Council Member Holly Sierra led the Pledge of Allegiance

### ROLL CALL

**Present:** Council Members Ed Andrisek, Leo Elovitz, Holly Sierra, Vice Mayor John Connolly and Mayor Judith Dale

**Staff:** Interim City Manager Bierdzinski, City Attorney Ralph Hanson, Public Works Director Rose Hess, Finance Director Annette Muñoz, and City Clerk Linda Reid

### REORDERING OF AGENDA

None

### PUBLIC COMMENTS

Don Landry, Buellton, requested that the City Council consider supporting the Zaca Station Motocross Track by sending a letter to Santa Barbara County and Mr. Landry explained that the Motor Cross Track provides a lot of revenue for the community.

Pam Gnekow, Director of the Buellton Senior Center, thanked Interim City Manager Bierdzinski for effectively handling questions from the County of Santa Barbara regarding the Senior Center. Ms. Gnekow provided a handout for the record from Santa Barbara County Human Services Commission regarding a “site visit and interview report” and that the Senior Center received an “outstanding rating” following the interview.

**CONSENT CALENDAR**

- 1. **Minutes of May 23, 2013 Regular City Council Meeting**
- 2. **List of Claims to be Approved and Ratified for Payment to Date for Fiscal Year 2012-13**
- 3. **Resolution No. 13-09 – “A Resolution of the City Council of the City of Buellton, California, Acknowledging the Receipt of and Ordering the Filing of the Annual Statement of Investment Policy for Fiscal Year 2013-14 with the City Council”**
- 4. **Resolution No. 13-10 – “A Resolution of the City Council of the City of Buellton, California, Establishing an Appropriation Limit for Fiscal Year 2013-14 Pursuant to Article XIII-B of the California Constitution”**

**RECOMMENDATION:**

That the City Council approve the Consent Calendar as listed.

**MOTION:**

Motion by Vice Mayor Connolly, seconded by Council Member Sierra, approving the consent calendar as listed.

**VOTE:**

Motion passed by a roll call vote of 5-0.

**PRESENTATIONS**

None

**PUBLIC HEARINGS**

- 5. **Resolution No. 13-07 – “A Resolution of the City Council of the City of Buellton, California, Regarding the Commitments and Publishing the Report Required by Central Coast Water Authority Resolution Nos. 92-02 and 92-11”**

**RECOMMENDATION:**

That the City Council consider the approval and adoption of Resolution No. 13-07.

**STAFF REPORT:**

Public Works Director Hess presented the staff report.

**DOCUMENTS:**

Staff Report with attachment (Resolution No. 13-07)

**DISCUSSION:**

Mayor Dale opened the Public Hearing at 6:19 p.m. There being no public comment, Mayor Dale closed the Public Hearing at 6:20 p.m.

**MOTION:**

Motion by Council Member Andrisek, seconded by Council Member Elovitz, approving and adopting Resolution No. 13-07 – “A Resolution of the City Council of the City of Buellton, California, Regarding the Commitments and Publishing the Report Required by Central Coast Water Authority Resolution Nos. 92-02 and 92-11”

**VOTE:**

Motion passed by a roll call vote of 5-0.

**COUNCIL MEMBER COMMENTS**

Council Member Andrisek provided an oral report from the Central Coast Water Authority (CCWA) regarding water consumption and purchase. Mr. Andrisek requested that staff prepare a proclamation for Bill Brennan’s retirement celebration at CCWA on June 27.

Council Member Sierra announced that Muddy Madness took place on June 1 and was a great event.

**COUNCIL ITEMS**

None

**WRITTEN COMMUNICATIONS**

None

**COMMITTEE REPORTS**

Council Member Sierra announced that she attended the Buellton Chamber of Commerce Board meeting and provided an oral report regarding the meeting.

**BUSINESS ITEMS****6. Second Review of Fiscal Year 2013-14 Preliminary City Budget****RECOMMENDATION:**

That the City Council review the Fiscal Year 2013-14 2<sup>nd</sup> Preliminary City Budget and provide direction to staff as to any desired changes, including funding for the Criterium.

**STAFF REPORT:**

Finance Director Munoz and Interim City Manager Bierdzinski presented the staff report.

**DOCUMENTS:**

Staff Report with attachments (Proposed Fiscal Year 2013-14 Preliminary City Budget)

**SPEAKERS/DISCUSSION:**

The City Council discussed the following issues regarding the preliminary City budget:

- Budget reserves and deficits
- Mayor Dale provided a document for the record requesting funding for the Buellton Library; the Council discussed funding for the Buellton Library and a review of the budget mid-year for possible additional funding for the Library; the Council agreed to fund the Buellton Library in the amount of \$9,000 by transferring \$4,000 from the City Manager and Public Works Departments' Travel and Training accounts and \$5,000 that was to be used to fund the 2014 Criterium
- Funding request for the 2014 Criterium
- Changing the budget format to separate Parks from Recreation
- Recreation programs
- Maintaining the City's Parks
- Golf Course maintenance
- Year to date facility operating expenses
- Adjusting the sewer revenue account to reflect the rate increase

Ashlee Chavez, Lompoc Library Director, spoke about the funding request for the Buellton Library.

Craig Adams, Buellton, discussed the Criterium funding request for 2014.

**DIRECTION:**

The City Council directed staff to bring this item back for adoption at the regular Council meeting scheduled for June 27, 2013.

**CITY MANAGER'S REPORT**

Interim City Manager Bierdzinski provided an informational report for the record.

**CITY ATTORNEY REPORT**

City Attorney Hanson provided an informational report for the record.

**ADJOURNMENT**

Mayor Dale adjourned the regular meeting at 7:57 p.m. The next regular meeting of the City Council will be held on Thursday, June 27, 2013 at 6:00 p.m.

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Judith Dale  
Mayor

ATTEST:

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Linda Reid  
City Clerk

BACK-UP/SUPPORT DATA IS AVAILABLE FOR COUNCIL REVIEW IN CITY HALL

The following is a list of claims to be ratified and approved for payment by the City Council at the  
**June 27, 2013** Council Meeting.

Listed below is a brief summary of the attached claims:

EXHIBIT A	\$	<u>482,065.25</u>
EXHIBIT B	\$	<u>58,353.98</u>
Staff Payroll      6/15/13	\$	<u>36,942.89</u>

**TOTAL AMOUNT OF CLAIMS:**                      \$ 577,362.12

	<u>FY 2011-12</u>	<u>FY 2012-13</u>
The total amount of claims and demands paid by the City for the Fiscal Year through June 19, 2013	\$ 9,206,901.19	\$ 11,033,762.15

**AUTHORIZATION IS HEREBY GIVEN TO THE CITY TREASURER TO PAY ALL CLAIMS  
AS REVENUES BECOME AVAILABLE.**

Check-Run	Seq#	Date	Vendor Name	Checking # Obls	Discount	Net amount	Status	
28022-	564	1	6/13/2013	0 DOLORES GIORGIO	1	.00	39.00	Logged
28023-	564	2	6/13/2013	0 CASSANDRA SKAGGS	1	.00	35.22	Logged
28024-	564	3	6/13/2013	0 DEB JEFFERS/AMERICAN CANCER SO	1	.00	500.00	Logged
28025-	564	4	6/13/2013	0 NEW HOPE FOR TROUBLED LIVES	1	.00	3,623.25	Logged
28026-	564	5	6/13/2013	0 JOINT REPLACEMENT HOSPITALS	1	.00	1,171.00	Logged
28027-	564	6	6/13/2013	5 ABALONE COAST ANALYTICAL, INC.	1	.00	397.00	Logged
28028-	564	7	6/13/2013	27 AQUA BEN CORPORATION	1	.00	2,311.43	Logged
28029-	564	8	6/13/2013	28 ARAMARK UNIFORM SERVICES	1	.00	370.48	Logged
28030-	564	9	6/13/2013	32 NESTLE WATERS NORTH AMERICA db	3	.00	82.71	Logged
28031-	564	10	6/13/2013	57 DONALD T. DOUDNA	1	.00	38.48	Logged
28032-	564	11	6/13/2013	58 BUELLFLAT ROCK CO.	1	.00	167.98	Logged
28033-	564	12	6/13/2013	65 BURKE, WILLIAMS & SORENSEN, LL	5	.00	35,623.26	Logged
28034-	564	13	6/13/2013	72 CA JOINT POWERS INS AUTHORITY	2	.00	90,687.00	Logged
28035-	564	14	6/13/2013	76 CAL-COAST IRRIGATION, INC.	1	.00	11.93	Logged
28036-	564	15	6/13/2013	88 CCI CENTRAL, INC.	1	.00	180.39	Logged
28037-	564	16	6/13/2013	90 CaIPERS LONG-TERM CARE PROGRAM	1	.00	84.25	Logged
28038-	564	17	6/13/2013	91 CENTRAL COAST WATER AUTHORITY	1	.00	21,323.79	Logged
28039-	564	18	6/13/2013	95 JOHN BARNETTE dba	1	.00	330.00	Logged
28040-	564	19	6/13/2013	101 CITY OF SOLVANG	1	.00	16,856.63	Logged
28041-	564	20	6/13/2013	105 CITY OF BUELLTON	1	.00	1,471.00	Logged
28042-	564	21	6/13/2013	118 COASTAL COPY, LP	1	.00	1,398.60	Logged
28043-	564	22	6/13/2013	121 COC/BBA/VISITORS INFORMATION	1	.00	28,987.68	Logged
28044-	564	23	6/13/2013	122 COMCAST CABLE	1	.00	166.37	Logged
28045-	564	24	6/13/2013	142 DANIEL FITZGERALD dba	1	.00	960.00	Logged
28046-	564	25	6/13/2013	172 ECHO COMMUNICATIONS	1	.00	62.76	Logged
28047-	564	26	6/13/2013	176 EXCLUSIVE ALARMS	3	.00	324.00	Logged
28048-	564	27	6/13/2013	187 FARM SUPPLY COMPANY	1	.00	200.02	Logged
28049-	564	28	6/13/2013	201 G E CAPITAL	1	.00	160.92	Logged
28050-	564	29	6/13/2013	203 GARY BROWN dba	1	.00	368.00	Logged
28051-	564	30	6/13/2013	228 HOLLY SIERRA	1	.00	54.24	Logged
28052-	564	31	6/13/2013	252 JIM VREELAND FORD	1	.00	197.14	Logged
28053-	564	32	6/13/2013	262 JJ FISHER CONSTRUCTION, INC.	1	.00	78,085.51	Logged
28054-	564	33	6/13/2013	268 KEVIN WOLFFALE	2	.00	230.00	Logged
28055-	564	34	6/13/2013	280 LEE CENTRAL COAST NEWSPAPERS	1	.00	1,182.84	Logged
28056-	564	35	6/13/2013	285 SANTA MARIA TIMES dba	1	.00	181.38	Logged
28057-	564	36	6/13/2013	310 MARBORG INDUSTRIES	2	.00	914.80	Logged
28058-	564	37	6/13/2013	342 NIELSEN BUILDING MATERIALS, INC	1	.00	100.20	Logged
28059-	564	38	6/13/2013	379 POSTMASTER	1	.00	610.00	Logged
28060-	564	39	6/13/2013	380 PRAXAIR DISTRIBUTION, INC.	1	.00	125.65	Logged
28061-	564	40	6/13/2013	387 ALBERTSONS, LLC.	1	.00	177.84	Logged
28062-	564	41	6/13/2013	390 QUINN COMPANY	1	.00	1,095.38	Logged
28063-	564	42	6/13/2013	413 SUSAN CAMPBELL dba	1	.00	1,491.86	Logged
28064-	564	43	6/13/2013	426 SAN LUIS PAPER CO.	1	.00	124.90	Logged
28065-	564	44	6/13/2013	429 SAFETY-KLEEN CORP.	1	.00	312.24	Logged
28066-	564	45	6/13/2013	432 SANTA BARBARA NEWS-PRESS	1	.00	182.35	Logged
28067-	564	46	6/13/2013	437 SANTA YNEZ VALLEY FLORIST, INC	1	.00	86.40	Logged
28068-	564	47	6/13/2013	438 SANTA YNEZ VALLEY HARDWARE	1	.00	153.95	Logged
28069-	564	48	6/13/2013	450 SB CO SHERIFF'S DEPARTMENT	4	.00	139,734.96	Logged
28070-	564	49	6/13/2013	465 SP MAINTENANCE SERVICES, INC.	1	.00	2,821.00	Logged
28071-	564	50	6/13/2013	469 STAPLES CONTRACT & COMMERCIAL,	1	.00	140.11	Logged
28072-	564	51	6/13/2013	473 SPRINT SPECTRUM, L.P. dba	1	.00	33.79	Logged
28073-	564	52	6/13/2013	507 THE GAS COMPANY	3	.00	74.77	Logged
28074-	564	53	6/13/2013	521 TODD PIPE & SUPPLY	1	.00	162.44	Logged

Check-Run	Seq#	Date	Vendor Name	Checking	# Obls	Discount	Net amount	Status
28075-	564	54	6/13/2013	529 TRANSFIRST HEALTH & GOVERNMENT	1	.00	368.75	Logged
28076-	564	55	6/13/2013	535 UNDERGROUND SERVICE ALERT	1	.00	7.50	Logged
28077-	564	56	6/13/2013	543 USA BLUEBOOK	1	.00	129.28	Logged
28078-	564	57	6/13/2013	545 KROS ANDRADE dba	1	.00	153.50	Logged
28079-	564	58	6/13/2013	555 VERIZON CALIFORNIA	1	.00	2,303.41	Logged
28080-	564	59	6/13/2013	587 KYLE ABELLO	1	.00	606.20	Logged
28081-	564	60	6/13/2013	629 ED ANDRISEK	1	.00	28.25	Logged
28082-	564	61	6/13/2013	662 ANNETTE MUNOZ	1	.00	35.00	Logged
28083-	564	62	6/13/2013	668 ONE STOP AUTO PARTS	1	.00	209.50	Logged
28084-	564	63	6/13/2013	669 HYDREX PEST CONTROL	1	.00	105.00	Logged
28085-	564	64	6/13/2013	677 WALLACE GROUP	1	.00	2,794.31	Logged
28086-	564	65	6/13/2013	679 COURIER SYSTEMS	1	.00	126.50	Logged
28087-	564	66	6/13/2013	684 BOB COVARRUBIAS	1	.00	140.00	Logged
28088-	564	67	6/13/2013	704 PAUL SMITH	1	.00	216.48	Logged
28089-	564	68	6/13/2013	744 GE CAPITAL INFO TECH SOLUTIONS	1	.00	500.05	Logged
28090-	564	69	6/13/2013	750 CENTER FOR HEARING HEALTH, INC	1	.00	485.00	Logged
28091-	564	70	6/13/2013	752 DATAARC, LLC	1	.00	3,498.34	Logged
28092-	564	71	6/13/2013	768 WEX BANK	1	.00	1,705.78	Logged
28093-	564	72	6/13/2013	781 VALLEY CREST LANDSCAPE MAINT,	4	.00	32,445.50	Logged
						.00		
** Total check discount **						.00		
** Total check amount **						482,065.25		
						.00		

Payments via Electronic Fund Transfer (EFT):

Payroll Taxes	5/29/13	120.39
Dental/Vision Self Ins Dep	5/29/13	25,000.00
FSA - Staff	5/31/13	755.63
May Bank Charges	5/31/13	175.00
Aflac Sup Ins	6/5/13	643.92
June Life Ins Prem-Staff/Counc	6/5/13	467.97
Hasler postage	6/6/13	800.00
Retirement Contribution	6/11/13	19,485.02
FSA - Staff	6/15/13	755.63
Payroll Taxes	6/19/13	10,150.42
<b>Total</b>		<b>\$ 58,353.98</b>

**FISCAL YEAR 2012-13 REVENUE AND EXPENDITURE RECAP**

As of May 31, 2013  
91.7%  
of the year elapsed

<u>GENERAL FUND</u>	<u>Budgeted</u>	<u>Year to Date</u>	<u>% of Budget YTD</u>	<u>Cash Balance at 5/31/13</u>
Total Revenues (1)	\$4,296,365.00	\$4,803,560.79	112%	\$2,882,067.10
Total Expenditures (1)	\$5,017,791.00	\$4,575,532.59	91%	
<u>SPECIAL REVENUE FUNDS</u>	<u>Budgeted</u>	<u>Year to Date</u>	<u>% of Budget YTD</u>	<u>Cash Balance at 5/31/13</u>
Total Revenues	\$501,419.00	\$603,838.05	120%	\$2,023,392.79
Total Expenditures	\$1,164,304.00	\$571,732.46	49%	
<u>WATER/SEWER</u>	<u>Budgeted</u>	<u>Year to Date</u>	<u>% of Budget YTD</u>	<u>Cash Balance at 5/31/13</u>
Total Revenues	\$2,051,250.00	\$1,859,081.18	91%	\$4,294,886.70
Total Expenditures	\$2,698,458.00	\$2,705,468.74	100%	
<u>SUCCESSOR AGENCY</u>	<u>Budgeted</u>	<u>Year to Date</u>	<u>% of Budget YTD</u>	<u>Cash Balance at 5/31/13</u>
Total Revenues	\$0.00	\$64,912.96	N/A	\$2,886.84
Total Expenditures	\$0.00	\$1,821,892.27	N/A	

The Revenue Status Report and Expenditure Status Report are available for your review.

**The Cash Balances as of June 19, 2013 are as follows:**

<u>Checking</u>	<u>Balance as of:</u>	<u>FY 2011-12</u>	<u>FY 2012-13</u>
Rabobank	6/19/13	<u>284,931.03</u>	<u>209,778.32</u>
<b>Total Checking</b>		<b>284,931.03</b>	<b>209,778.32</b>
<u>Savings/Investments</u>			
LAIF-savings	5/31/13	13,041,976.14	13,582,759.25
Rabobank-money mkt	5/31/13	202,811.09	203,670.35
Morgan Stanley-bonds	5/31/13	375,000.00	126,915.57
Great Pacific-treasuries	5/31/13	0.00	0.00
First Empire-bonds	5/31/13	<u>3,235,000.00</u>	<u>2,257,564.45</u>
<b>Total Savings/Investments</b>		<b>16,854,787.23</b>	<b>16,170,909.62</b>
% of cash invested		22.25%	15.80%
<b>Total Cash</b>		<b><u>17,139,718.26</u></b>	<b><u>16,380,687.94</u></b>

**CITY OF BUELLTON**  
City Council Agenda Staff Report

City Manager Review: MPB  
Council Agenda Item No.: 3

To: The Honorable Mayor and City Council

From: Kyle Abello, Recreation Coordinator

Meeting date: June 27, 2013

Subject: Consideration of Amended and Restated Agreement with PAWS Parks of Santa Ynez Valley, Inc.

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**BACKGROUND**

On June 26, 2008, the City and PAWS Parks of Santa Ynez Valley, Inc. (PAWS) entered into a Private/Public Partnership Agreement for the development of an off-leash dog park at Sharon Place Park. The original agreement included a grant for the construction of the dog park and established responsibilities on the part of PAWS for the operation and landscape maintenance of the dog park and on the part of the City for maintaining the basic infrastructure and providing water to the site.

Since that time, PAWS has developed an energetic Board of Directors and made strides in improving landscaping and operations at the dog park. At the direction of Council, they are now working with the Parks and Recreation Commission to research possible surface improvements for the dog park.

With the recent inclusion of PAWS in the regular budget planning cycle and several other proposed modifications to the Agreement, Staff has attached an Amended and Restated Agreement for your consideration. Among the minor changes to the Agreement are: clarification of infrastructure maintenance responsibilities, adding PAWS participation in various City events, and changing the agreement term to one year renewal periods.

Staff recommends that the Council consider approval of the Amended and Restated Agreement with PAWS Parks of Santa Ynez Valley, Inc.

**FISCAL IMPACT**

This item, in itself, will have no fiscal impact to the City.

**RECOMMENDATION**

That the City Council consider approval of the Amended and Restated Agreement with PAWS Parks of Santa Ynez Valley, Inc.

**ATTACHMENT**

Attachment 1 - Amended and Restated Agreement with PAWS Parks of Santa Ynez Valley, Inc.

## AMENDED AND RESTATED AGREEMENT

### PAWS Parks of Santa Ynez Valley, Inc. and City of Buellton

This AMENDED AND RESTATED AGREEMENT (the "Agreement") is made and entered into effective as of the 27<sup>th</sup> day of June, 2013, by and between the CITY OF BUELLTON, a California municipal corporation ("City"), and PAWS Parks of Santa Ynez Valley, Inc., a non-profit corporation duly organized and operated under the laws of the State of California ("PAWS").

#### **I. RECITALS**

A. The City owns Sharon Place Park ("Park"), generally located at the northeast corner of La Pita Place and Dawn Drive in the City of Buellton.

B. PAWS is composed of persons with an interest in developing, operating, and maintaining an off leash, fenced dog park ("PAWS Park") described in Exhibit "A", which is incorporated herein and made a part hereof.

C. On June 26, 2008, PAWS and the City entered into a Private/Public Partnership Agreement (the "Original Agreement") for the development of an off-leash dog park at Sharon Place Park.

D. On February 13, 2009, PAWS and the City entered into an Amendment No. 1 to the Original Agreement to increase the grant for development of the Park in an amount not to exceed Ninety Five Thousand Dollars (\$95,000.00).

E. It is the desire of the City and PAWS to again modify the terms of the Original Agreement to enhance public benefit, use and the utilization of PAWS Park and, therefore, desire to enter into this Agreement.

#### **II. AGREEMENT**

NOW, THEREFORE, in consideration of the mutual promises, covenants and conditions contained herein, the City and PAWS agree as follows:

##### A. Purpose of Agreement

The purpose of this Agreement is to provide the terms and conditions to enable the City and PAWS to work together to provide PAWS Park to be located in the Park as shown in Exhibit "A".

It is the further purpose of this Agreement to set forth the responsibilities of the parties as to the financing, construction, maintenance and use of PAWS Park.

**1. City Responsibilities**

A. The City shall provide a site for PAWS Park generally depicted and described in Exhibit "A".

B. The City shall provide a grant in an amount not to exceed Ninety Five Thousand Dollars (\$95,000.00) for the development of the site as reasonably necessary to fulfill the purposes of this Agreement. Development of the site shall include the installation of fencing, access ramps, drinking fountains, benches and other amenities and improvements usual to a facility of this nature. Such grant may be made in increments solely determined by the City based upon need of PAWS Park.

C. The City will appoint the City's Recreation Coordinator as the City liaison to the PAWS.

D. The City will provide water to PAWS Park at no cost to PAWS.

E. The City will provide construction plans and specifications for the proposed improvements.

F. The City will be responsible for the maintenance of PAWS Park, including but not limited to, all landscaping maintenance by a licensed professional landscaper, repair of all installed infrastructure (ADA ramp, handrails, retaining walls, hillside failures, chain link gates entrances and concrete pads, benches, perimeter fencing, waste bag dispensers and cans, hose bibs, etc.), repair of vandalism, and removal of graffiti.

G. The City shall remove graffiti from the Site no longer than five (5) working days following notice by PAWS.

**2. PAWS Responsibilities**

A. Prior to the City's commitment to a grant for PAWS Park, PAWS shall submit written plans for the operation and maintenance of PAWS Park for the City Council's approval.

B. PAWS shall have the following responsibilities under this agreement:

**1. General Maintenance**

(a) PAWS will work with the City and City's landscaper to direct needed landscaping and maintenance to the grounds, be responsible, with the City's landscaper, for keeping PAWS Park grounds free of dog solid waste and litter abatement.

(b) PAWS will report incidences of graffiti and vandalism to the Public Works Department of the City within 24 hours.

## **2. Repairs and Financial Responsibility**

PAWS will be responsible for all maintenance and repair of damage to improvements (not included in Section 1. F., above) installed by PAWS, including, subterranean drip lines, auto fill water bowls, etc. PAWS agrees to fund maintenance and repairs to irrigation drip lines, water bowl gravel areas, dirt path and other minor items included in the PAWS budget. In case of a conflict as to responsibility, the City and PAWS agree to meet and determine financial responsibility.

## **3. Operation of the PAWS Park**

(a) PAWS Park maintained by PAWS shall be open to the public. Hours of operation of PAWS Park shall be the same as the general City park hours. Any change in hours shall require the consent of the City.

(b) Special events may be held at PAWS Park subject to the approval of the City who may impose permit requirements with reasonable conditions for the conduct of any such event.

(c) PAWS agrees to participate with City in selected City sponsored community events to promote the operation and use of the PAWS Park.

(d) PAWS may construct such improvements as walkways and planters on the property at its own expense with the prior approval of the City Manager or his or her designee. Said improvements shall be considered the property of PAWS during the term of this Agreement and PAWS shall be responsible for maintenance and repair of said improvements. Removal of the improvements shall be the responsibility of the PAWS.

(e) On termination of this Agreement, PAWS shall have the right to remove any improvements in a manner reasonably acceptable to the City Manager or his or her designee. Any improvements not removed by PAWS within three months' time shall become the property of the City.

## **3. PAWS Park**

PAWS Park is subject to City established park use requirements and shall be available to the general public and operated under the general terms and conditions regarding the Park.

**4. Term and Termination**

This Agreement shall have a term of one (1) year commencing on the effective date first set forth in this Agreement. On the annual anniversary of the Agreement, the term shall be automatically renewed for additional one year term without notice to City or PAWS. The City may terminate this Agreement at any time, without cause, upon thirty (30) day's written notice to PAWS. PAWS may terminate this Agreement at any time, without cause, upon thirty (30) day's written notice to City.

**5. Default**

If either Party is in default in the performance of any of the terms and conditions of this Agreement, the non-defaulting Party shall cause to be served upon the defaulting Party a written notice of the default. The defaulting Party shall have thirty (30) days after service upon it of said notice to cure the default by rendering satisfactory performance. In the event that the defaulting Party fails to cure its default within such period of time, the non-defaulting Party shall have the right, notwithstanding any other provision of this Agreement, to terminate this Agreement without further notice and without prejudice to any other remedy which it may be entitled at law, in equity or under this Agreement. If such default by a Party arises out of causes generally considered to be *force majeure*, it shall not be considered a default.

**6. Indemnification and Insurance**

A. The City agrees to and does hereby indemnify, hold harmless and defend PAWS, its governing board, its officers, agents and employees from every claim or demand or expense of any nature whatsoever, including but not limited to injury to or death of person(s) or damage to any property which arises as a result of the negligence or willful misconduct of the City, its officers, agents or employees in the performance of this Agreement.

B. PAWS agrees to and does hereby indemnify, hold harmless and defend the City, its City Council members, its officers, agents, and employees from every claim or demand or expense of any nature whatsoever, including but not limited to injury to or death of person(s) or damage to any property which arises as a result of the negligence or willful misconduct of PAWS, its officers, agents or employees in the performance of this Agreement.

**7. Notices**

Any notices to be given hereunder by either party shall be in writing and may be delivered personally or by mail. Mailed notices shall be sent to the address of the parties to be notified which appears below, but each party may change its address by written notice given in accordance with this paragraph. Notices delivered personally will be deemed communicated as of actual receipt. Mailed notices will be deemed communicated and received as of ten (10) calendar days following the date of mailing of the notice.

CITY OF BUELLTON

City of Buellton  
Attn: City Manager  
107 W. Highway 246  
P.O. Box 1819  
Buellton, CA 93427

PAWS PARKS OF  
SANTA YNEZ VALLEY, INC.

PAWS Parks of Santa Ynez Valley, Inc.  
P.O. Box 269  
Buellton, CA 93427

**8. Entire Agreement**

This Agreement supersedes the Original Agreement, as amended, any and all agreements, either oral or written, between the parties hereto with respect to the subject matter of this Agreement, and contains all of the covenants.

**9. Governing Law**

This Agreement will be governed by and construed in accordance with the laws of the State of California. Any legal action in which enforcement of the terms and conditions of this Agreement is requested, or in which it is alleged that a breach of the Agreement has taken place, shall be filed and prosecuted in the County of Santa Barbara, California.

**10. Breach of Agreement**

If either party defaults in the performance of any of the terms or conditions of this Agreement, it shall have thirty (30) days after service upon it of written notice of such default in which to cure the default by rendering a satisfactory performance. In the event that the defaulting party fails to cure its default within such period of time, the non-defaulting party shall have the right, notwithstanding any other provision of this Agreement, to terminate this Agreement without further notice and without prejudice to any other remedy to which it may be entitled at law, in equity, or under this Agreement. This failure of a party to object to any default in the performance of the terms and conditions of this Agreement shall not constitute a waiver of either that term or condition or any other term or condition of this Agreement.

**11. Binding Arbitration**

The parties agree to submit any disputes arising out of this Agreement to a mutually agreeable mediator. Should this process fail to resolve the dispute, the parties agree to submit the matter to binding arbitration, in accordance with the commercial arbitration rules of the American Arbitration Association.

**12. Attorney Fees**

If any legal proceeding, including an action for declaratory relief, is brought to enforce or interpret the provisions of this Agreement, the prevailing party will be entitled to reasonable attorney's fees, which shall be set by the court in the same action or in a separate action brought for that purpose, in addition to any other relief to which that party may be entitled.

**13. Severability**

If any provision in this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions will nevertheless continue in full force without being impaired or invalidated in any way.

**14. Successors and Assigns**

A. Neither party may assign its interest in this Agreement without the express written consent of the other party.

B. The terms and conditions of this Agreement shall be binding on the successors and assigns of the parties to this Agreement.

**15. Employees**

A. For purposes of this Agreement, all persons employed in the performance of services and functions for the City shall be deemed City employees and no City employee shall be considered as an employee of PAWS under the jurisdiction of PAWS, nor shall such City employees have any PAWS pension, civil service, or other status while an employee of the City.

B. For purposes of this Agreement, all persons employed in the performance of services and functions for PAWS shall be deemed PAWS employees and no PAWS employee shall be considered as an employee of the City under jurisdiction of the City, nor shall such PAWS employees have any City pension, civil service, or other status while an employee of PAWS.

**16. PAWS Park Program Costs**

Except as otherwise provided, neither party shall be responsible to the other party for the cost of its obligations under this Agreement.

**17. Applicable Law**

This Agreement shall be governed by and construed in accordance with the laws of the State of California and to the extent that there is any conflict between this Agreement and the laws of the State of California, the laws of the State of California shall prevail.

IN WITNESS HEREOF, PAWS and the City have executed this Agreement effective as of the 27th day of June, 2013.

PAWS Parks of Santa Ynez Valley, Inc.

By: \_\_\_\_\_  
Darin Biamonte  
President

ATTEST:

\_\_\_\_\_  
Michael Peterson  
Secretary

CITY OF BUELLTON

\_\_\_\_\_  
Judith Dale  
Mayor

ATTEST:

\_\_\_\_\_  
Linda Reid  
City Clerk

# EXHIBIT A



**Cost Estimate:**

Perimeter Fence and Gates:	1425 lf @	\$20/lf =	\$28,500
Handicap Ramp/Concrete Landings:	2000 sf @	\$5/sf =	\$10,000
Retaining Wall (for ramp areas):	250 lf @	\$35/lf =	\$ 8,750
Staircase with Handrails:	25 lf @	\$50/lf =	\$ 1,250
Decomposed Granite Foot Path:	3000 sf @	\$2/sf =	\$ 6,000
Concrete Benches	4 each @	\$1200/ea =	\$ 4,800
Trash Receptacle	2 each @	\$800/ea =	\$ 1,600
			<b>\$60,900</b>

**MINS** ENGINEERS • SURVEYORS • CONSTRUCTION MANAGERS  
*Quality Infrastructure Services*  
 ENGINEERS INC.  
 201 INDUSTRIAL WAY, SUITE A, BURLINGTON, CA 95427  
 TELEPHONE (925) 699-3200 FAX: (925) 699-3418

**CITY OF BUELLTON**  
City Council Agenda Staff Report

City Manager Review: MPB  
Council Agenda Item No.: 4

To: The Honorable Mayor and City Council

From: Rose Hess, Public Works Director

Meeting Date: June 27, 2013

Subject: Consideration of Amended Agreement with Wallace Group for Fats/Oils/Grease (FOG), Sanitary Sewer Management Plan (SSMP), and Industrial Discharge (ID) Programs Implementation

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**BACKGROUND**

The City of Buellton operates and maintains over 20 miles of sewer collection system and a 650,000 gallon per day design capacity wastewater treatment plant (WWTP). Both the collection system and WWTP are subject to regulatory requirements issued by the State Water Resources Control (SWRCB) and the Regional Water Quality Control Board (RWQCB).

There are two orders and permits under the SWRCB and RWQCB that regulate the city's activities: Waste Discharge Requirement (WDR) Permit Order No. 99-134 and General Waste Discharge Requirements for Sanitary Sewer Systems (SSSWDR) Order No. 2006-003-DWQ.

WDR Permit Order No. 99-134 – is regulated by the RWQCB and directs the City to regulate its Industrial Discharges and implement Pretreatment Program Activities to protect our publically owned treatment works (POTW) through managing user process wastewater discharges.

SSSWDR Order No. 2006-003-DWQ – is regulated by the SWRCB and requires the development and implementation of the Sewer System Management Plan (SSMP) and within that, regulates the Fats/Oils/Grease (FOG) Program.

The Wallace Group has been implementing these programs for the City since 2008, assisting with the creation of the SSMP, performing system and program audits, providing inspection and outreach services to our businesses and providing permitting services. Basically, the Wallace Group has ensured that the City has been in compliance with the above State regulations.

These programs affect all industrial/commercial businesses in the city, in particular, those that discharge waste from manufacturing or processing goods or consumables and restaurants and similar facilities.

In order to provide continuity of services to the community, staff has worked with Wallace Group for the Scope of Services to be performed in the next fiscal year which includes revisions and updates to the SSMP, preparation of Standard Operating Procedures (SOPs) for various processes, continued management of the FOG Program including inspections, reporting and permitting, and continued management of the Industrial Discharge/Pretreatment Program.

### **FISCAL IMPACT**

This professional consulting service, estimated at \$125,600, has been included in the draft FY 2013/14 budget currently under review.

### **RECOMMENDATION**

Staff recommends that the City Council authorize the amended Agreement with Wallace Group and authorize the Interim City Manager to execute the Agreement.

### **ATTACHMENT**

Attachment 1 – Wallace Group Agreement

# ATTACHMENT 1

**AGREEMENT FOR PROFESSIONAL SERVICES  
BETWEEN  
THE CITY OF BUELLTON  
AND  
WALLACE GROUP**

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**AGREEMENT FOR PROFESSIONAL SERVICES  
BETWEEN  
THE CITY OF BUELLTON  
AND  
WALLACE GROUP**

This AGREEMENT FOR PROFESSIONAL SERVICES BETWEEN THE CITY OF BUELLTON AND WALLACE GROUP ("AGREEMENT") is made and entered into this 27th day of June 2013, by and among the City of BUELLTON a municipal corporation ("CITY") and WALLACE GROUP, a California Corporation (Wallace).

In consideration of the mutual covenants and conditions set forth herein, the parties agree as follows:

**SECTION 1. TERM OF AGREEMENT.**

Subject to the provisions of SECTION 19 "TERMINATION OF AGREEMENT" of this AGREEMENT, the term of this AGREEMENT shall be for a period of one (1) year from the date of execution of this AGREEMENT, as first shown above. Such term may be extended upon written agreement of both parties to this AGREEMENT.

**SECTION 2. SCOPE OF SERVICES.**

Wallace agrees to perform the services set forth in EXHIBIT "A", "SCOPE OF SERVICES/PROPOSAL" and made a part of this AGREEMENT.

**SECTION 3. ADDITIONAL SERVICES.**

Wallace shall not be compensated for any services rendered in connection with its performance of this AGREEMENT which are in addition to or outside of those set forth in this AGREEMENT or listed in EXHIBIT "A" unless such additional services are authorized in advance and in writing by the City Council or City Manager of CITY. Wallace shall be compensated for any such additional services in the amounts and in the manner agreed to by the City Council or City Manager.

**SECTION 4. COMPENSATION AND METHOD OF PAYMENT.**

(a) Subject to any limitations set forth in this AGREEMENT, CITY agrees to pay Wallace the amounts specified in EXHIBIT "A" and made a part of this AGREEMENT. The total compensation, including reimbursement for actual expenses, shall not exceed one hundred twenty-five thousand six hundred DOLLARS (\$125,600), unless additional compensation is approved in writing by the City Council or City Manager.

(b) Each month Wallace shall furnish to CITY an original invoice for all work performed and expenses incurred during the preceding month. The invoice shall detail charges by the following categories: labor (by sub-category), travel, materials, equipment, supplies, sub-consultant contracts and miscellaneous expenses. CITY shall independently review each invoice submitted by the Wallace to determine whether the work performed and expenses incurred are in compliance with the provisions of this AGREEMENT. In the event that no charges or expenses are disputed, the invoice shall be approved and paid according to the terms set forth in subsection (c). In the event CITY disputes any charges or expenses, the original invoice shall be returned by CITY to Wallace for correction and resubmission.

(c) Except as to any charges for work performed or expenses incurred by Wallace which are disputed by CITY, CITY will use its best efforts to cause Wallace to be paid within thirty (30) days of receipt of Wallace invoice.

(d) Payment to Wallace for work performed pursuant to this AGREEMENT shall not be deemed to waive any defects in work performed by Wallace.

## **SECTION 5. INSPECTION AND FINAL ACCEPTANCE.**

CITY may inspect and accept or reject any of Wallace's work under this AGREEMENT, either during performance or when completed. CITY shall reject or finally accept Wallace's work within sixty (60) days after submitted to CITY. CITY shall reject work by a timely written explanation, otherwise Wallace's work shall be deemed to have been accepted. CITY's acceptance shall be conclusive as to such work except with respect to latent defects, fraud and such gross mistakes as amount to fraud. Acceptance of any of Wallace's work by CITY shall not constitute a waiver of any of the provisions of this AGREEMENT including, but not limited to, sections 15 and 16, pertaining to indemnification and insurance, respectively.

## **SECTION 6. OWNERSHIP OF DOCUMENTS.**

All original maps, models, designs, drawings, photographs, studies, surveys, reports, data, notes, computer files, files and other documents prepared, developed or discovered by Wallace in the course of providing any services pursuant to this AGREEMENT shall become the sole property of CITY and may be used, reused or otherwise disposed of by CITY without the permission of the Wallace. Upon completion, expiration or termination of this AGREEMENT, Wallace shall turn over to CITY all such original maps, models, designs, drawings, photographs, studies, surveys, reports, data, notes, computer files, files and other documents.

## **SECTION 7. CONSULTANTS BOOKS AND RECORDS.**

(a) Wallace shall maintain any and all documents and records demonstrating or relating to Wallace's performance of services pursuant to this AGREEMENT. Wallace shall maintain any and all ledgers, books of account, invoices, vouchers, canceled checks, or other documents or records evidencing or relating to work, services, expenditures and disbursements charged to CITY pursuant to this AGREEMENT. Any and all such documents or records shall be maintained in accordance with generally accepted accounting principles and shall be sufficiently complete and detailed so as to permit an accurate evaluation of the services provided by Wallace pursuant to this AGREEMENT. Any and all such documents or records

shall be maintained for three years from the date of execution of this AGREEMENT and to the extent required by laws relating to audits of public agencies and their expenditures.

(b) Any and all records or documents required to be maintained pursuant to this section shall be made available for inspection, audit and copying, at any time during regular business hours, upon written request by CITY or its designated representative. Copies of such documents or records shall be provided directly to the CITY for inspection, audit and copying when it is practical to do so; otherwise, unless an alternative is mutually agreed upon, such documents and records shall be made available at Wallace's address indicated for receipt of notices in this AGREEMENT.

(c) Where CITY has reason to believe that any of the documents or records required to be maintained pursuant to this section may be lost or discarded due to dissolution or termination of Wallace's business, CITY may, by written request, require that custody of such documents or records be given to the requesting party and that such documents and records be maintained by the requesting party. Access to such documents and records shall be granted to CITY, as well as to its successors-in-interest and authorized representatives.

#### **SECTION 8. STATUS OF CONSULTANT.**

(a) Wallace is and shall at all times remain a wholly independent contractor and not an officer, employee or agent of CITY. Wallace shall have no authority to bind CITY in any manner, nor to incur any obligation, debt or liability of any kind on behalf of or against CITY; whether by contract or otherwise, unless such authority is expressly conferred under this AGREEMENT or is otherwise expressly conferred in writing by CITY.

(b) The personnel performing the services under this AGREEMENT on behalf of Wallace shall at all times be under Wallace's exclusive direction and control. Neither CITY, nor any elected or appointed boards, officers, officials, employees or agents of CITY, shall have control over the conduct of Wallace or any of Wallace's officers, employees or agents, except as set forth in this AGREEMENT. Wallace shall not at any time or in any manner represent that Wallace or any of Wallace's officers, employees or agents are in any manner officials, officers, employees or agents of CITY.

(c) Neither Wallace, nor any of Wallace's officers, employees or agents, shall obtain any rights to retirement, health care or any other benefits which may otherwise accrue to CITY's employees. Wallace expressly waives any claim Wallace may have to any such rights.

#### **SECTION 9. STANDARD OF PERFORMANCE.**

Wallace represents that it has the qualifications, experience and facilities necessary to properly perform the services required under this AGREEMENT in a thorough, competent and professional manner. Wallace shall at all times faithfully, competently and to the best of its ability, experience and talent, perform all services described herein. In meeting its obligations under this AGREEMENT, Wallace shall employ, at a minimum, generally accepted standards and practices utilized by persons engaged in providing services similar to those required of Wallace under this AGREEMENT. City agrees to hold Wallace harmless from all damages, claims, expenses, and losses arising out of any reuse of the plans and specifications for purposes other than those described in this Agreement, unless written authorization of Wallace is obtained.

## **SECTION 10. COMPLIANCE WITH APPLICABLE LAWS, PERMITS AND LICENSES.**

Wallace shall keep itself informed of and comply with all applicable federal, state and local laws, statutes, codes, ordinances, regulations and rules in effect during the term of this AGREEMENT. Wallace shall obtain any and all licenses, permits and authorizations necessary to perform the services set forth in this AGREEMENT. Neither CITY, nor any elected or appointed boards, officers, officials, employees or agents of CITY, shall be liable, at law or in equity, as a result of any failure of Wallace to comply with this section.

## **SECTION 11. NONDISCRIMINATION.**

**Basic Provisions.** In performing the Work, *Wallace* agrees as follows:

(1) *Wallace* will not discriminate against any employee or applicant from employment because of race, creed, color, national origin, ancestry, sexual orientation, political affiliation or beliefs, sex, age, physical handicap, medical condition, marital status or pregnancy (as those terms are defined by the California Fair Employment and Housing Act—Government Code Section 12900-12996), except where such discrimination is based on a bona fide occupational qualification. *Wallace* will take positive action or ensure that applicants are employed, and that employees are treated during employment, without regard to their race, creed, color, national origin, ancestry, sexual orientation, political affiliation or beliefs, sex, age, physical handicap, medical condition, marital status or pregnancy (as those terms are defined by the California Fair Employment and Housing Act—Government Code Section 12900-12996), except where such discrimination is based on a bona fide occupational qualification. Such action shall include but not be limited to the following: Employment upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. *Wallace* agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by CITY setting forth the provisions of this nondiscrimination clause.

(2) *Wallace* will, in all solicitations or advertisements for employees placed by or on behalf of *Wallace*, state that all qualified applicants will receive consideration for employment without regard to race creed, color, national origin, ancestry, sexual orientation, political affiliation or beliefs, sex, age, physical handicap, medical condition, marital status or pregnancy (as those terms are defined by the California Fair Employment and Housing Act—Government Code Section 12900-12996), except where such discrimination is based on a bona fide occupational qualification.

## **SECTION 12. UNAUTHORIZED ALIENS.**

Wallace hereby promises and agrees to comply with all of the provisions of the Federal Immigration and Nationality Act, 8 U.S.C.A. §1101, *et seq.* as amended, and in connection therewith, shall not employ unauthorized aliens as defined therein. Should Wallace so employ such unauthorized aliens for the performance of work and/or services covered by this AGREEMENT, and should any liability or sanctions be imposed against CITY for such use of unauthorized aliens, Wallace hereby agrees to and shall reimburse CITY for the cost of all such liabilities or sanctions imposed, together with any and all costs, including attorneys' fees, incurred by CITY.

### **SECTION 13. CONFLICTS OF INTEREST.**

(a) Wallace covenants that neither it, nor any officer or principal of its firm, has or shall acquire any interest, directly or indirectly, which would conflict in any manner with the interests of CITY or which would in any way hinder Wallace's performance of services under this AGREEMENT. Wallace further covenants that in the performance of this AGREEMENT, no person having any such interest shall be employed by it as an officer, employee, agent or subcontractor without the express written consent of the City Manager. Wallace agrees to at all times avoid conflicts of interest or the appearance of any conflicts of interest with the interests of CITY in the performance of this AGREEMENT.

(b) CITY understands and acknowledges that Wallace is, as of the date of execution of this AGREEMENT, independently involved in the performance of non-related services for other governmental agencies and private parties. Wallace is unaware of any stated position of CITY relative to such projects. Any future position of CITY on such projects shall not be considered a conflict of interest for purposes of this section.

### **SECTION 14. CONFIDENTIAL INFORMATION; RELEASE OF INFORMATION.**

(a) All information gained or work product produced by Wallace in performance of this AGREEMENT shall be considered confidential, unless such information is in the public domain or already known to Wallace. Wallace shall not release or disclose any such information or work product to persons or entities other than CITY without prior written authorization from the City Manager, except as may be required by law.

(b) Wallace, its officers, employees, agents or subcontractors, shall not, without prior written authorization from the City Manager or unless requested by the City Attorney of CITY, voluntarily provide declarations, letters of support, testimony at depositions, response to interrogatories or other information concerning the work performed under this AGREEMENT. Response to a subpoena or court order shall not be considered "voluntary" provided Wallace gives CITY notice of such court order or subpoena.

(c) If Wallace, or any officer, employee, agent or subcontractor of Wallace, provides any information or work product in violation of this AGREEMENT, then CITY shall have the right to reimbursement and indemnity from Wallace for any damages, costs and fees, including attorney's fees, caused by or incurred as a result of Wallace's conduct.

(d) Wallace shall promptly notify CITY should Wallace, its officers, employees, agents or subcontractors be served with any summons, complaint, subpoena, notice of deposition, request for documents, interrogatories, request for admissions or other discovery request, court order or subpoena from any party regarding this AGREEMENT and the work performed thereunder. CITY retains the right, but has no obligation, to represent Wallace or be present at any deposition, hearing or similar proceeding. Wallace agrees to cooperate fully with CITY and to provide CITY with the opportunity to review any response to discovery requests provided by Wallace. However, this right to review any such response does not imply or mean the right by CITY to control, direct, or rewrite said response.

## **SECTION 15. INDEMNIFICATION.**

**INDEMNITY FOR PROFESSIONAL LIABILITY:** When the law establishes a professional standard of care for Wallace's services, to the fullest extent permitted by law, as clarified in Section 2782.8 of the Civil Code, Wallace shall indemnify, defend and hold harmless CITY and any and all of its boards, officials, employees, and agents ("Indemnified Parties") from and against all losses, liabilities, damages, costs and expenses, including reasonable attorney's fees and costs to the extent same are caused in whole or in part by any negligent or wrongful act, error or omission of Wallace, its officers, agents, employees or subconsultants (or any entity or individual for which Wallace shall bear legal liability) in the performance of professional services under this agreement.

**INDEMNITY FOR OTHER THAN PROFESSIONAL LIABILITY:** Other than in the performance of professional services and to the full extent permitted by law, Wallace shall indemnify, defend and hold harmless CITY, and any and all of its boards, employees, officials and agents from and against any liability (including liability for claims, suits, actions, arbitration proceedings, administrative proceedings, regulatory proceedings, losses, expenses or costs of any kind, whether actual, alleged or threatened, including attorney's fees and costs, court costs, interest, defense costs, and expert witness fees), where the same arise out of, are a consequence of, or are in any way attributable to, in whole or in part, the performance of this AGREEMENT by Wallace or by any individual or entity for which Wallace is legally liable, including but not limited to officers, agents, employees or subcontractors of Wallace.

## **SECTION 16. INSURANCE.**

Wallace agrees to obtain and maintain in full force and effect during the term of this AGREEMENT the insurance policies set forth in EXHIBIT "B" "INSURANCE" and made a part of this AGREEMENT. All insurance policies shall be subject to approval by CITY as to form and content. These requirements are subject to amendment or waiver if so approved in writing by the City Manager. Wallace agrees to provide CITY with copies of required policies upon request.

## **SECTION 17. ASSIGNMENT.**

The expertise and experience of Wallace are material considerations for this AGREEMENT. CITY has an interest in the qualifications of and capability of the persons and entities who will fulfill the duties and obligations imposed upon Wallace under this AGREEMENT. In recognition of that interest, CONSULTANT shall not assign or transfer this Agreement or any portion of this AGREEMENT or the performance of any of Wallace's duties or obligations under this AGREEMENT without the prior written consent of the City Council. Any attempted assignment shall be ineffective, null and void, and shall constitute a material breach of this AGREEMENT entitling CITY to any and all remedies at law or in equity, including summary termination of this AGREEMENT. CITY acknowledges, however, that Wallace, in the performance of its duties pursuant to this AGREEMENT, may utilize subcontractors.

## **SECTION 18. CONTINUITY OF PERSONNEL.**

Wallace shall make every reasonable effort to maintain the stability and continuity of Wallace's staff assigned to perform the services required under this AGREEMENT. Wallace shall notify CITY of any changes in Wallace's staff assigned to perform the services required under this AGREEMENT, prior to any such performance.

## **SECTION 19. TERMINATION OF AGREEMENT.**

(a) CITY may terminate this AGREEMENT, with or without cause, at any time by giving thirty (30) days written notice of termination to Wallace. In the event such notice is given, Wallace shall cease immediately all work in progress.

(b) Wallace may terminate this AGREEMENT at any time upon thirty- (30) day's written notice of termination to CITY.

(c) If either Wallace or CITY fails to perform any material obligation under this AGREEMENT, then, in addition to any other remedies, either Wallace, or CITY may terminate this AGREEMENT immediately upon written notice.

(d) Upon termination of this AGREEMENT by either Wallace or CITY, all property belonging exclusively to CITY, which is in *Wallace's* possession, shall be returned to CITY. *Wallace* shall furnish to CITY a final invoice for work performed and expenses incurred by *Wallace*, prepared as set forth in SECTION 4 of this AGREEMENT. This final invoice shall be reviewed and paid in the same manner as set forth in SECTION 4 of this AGREEMENT.

## **SECTION 20. DEFAULT.**

In the event that *Wallace* is in default under the terms of this AGREEMENT, the CITY shall not have any obligation or duty to continue compensating *Wallace* for any work performed after the date of default and may terminate this AGREEMENT immediately by written notice to the *Wallace*.

## **SECTION 21. EXCUSABLE DELAYS.**

*Wallace* shall not be liable for damages, including liquidated damages, if any, caused by delay in performance or failure to perform due to causes beyond the control of *Wallace*. Such causes include, but are not limited to, acts of God, acts of the public enemy, acts of federal, state or local governments, acts of CITY, court orders, fires, floods, epidemics, strikes, embargoes, and unusually severe weather. The term and price of this AGREEMENT shall be equitably adjusted for any delays due to such causes.

## **SECTION 22. COOPERATION BY CITY.**

All public information, data, reports, records, and maps as are existing and available to CITY as public records, and which are necessary for carrying out the work as outlined in the EXHIBIT "A" "SCOPE OF SERVICES/PROPOSAL", shall be furnished to *Wallace* in every reasonable way to facilitate, without undue delay, the work to be performed under this AGREEMENT.

**SECTION 23. NOTICES.**

All notices required or permitted to be given under this AGREEMENT shall be in writing and shall be personally delivered, or sent by telecopier or certified mail, postage prepaid and return receipt requested, addressed as follows:

To CITY: City of Buellton  
Attn: Rose Hess  
P.O. Box 1819  
107 W. Highway 246  
Buellton, CA 93427

To Wallace: Wallace Group  
Attn: Steve Tanaka  
612 Clarion Court  
San Luis Obispo, CA 93401

Notice shall be deemed effective on the date personally delivered or transmitted by facsimile or, if mailed, three (3) days after deposit of the same in the custody of the United States Postal Service.

**SECTION 24. AUTHORITY TO EXECUTE.**

The person or persons executing this AGREEMENT on behalf of *Wallace* represents and warrants that he/she/they has/have the authority to so execute this AGREEMENT and to bind *Wallace* to the performance of its obligations hereunder.

**SECTION 25. BINDING EFFECT.**

This AGREEMENT shall be binding upon the heirs, executors, administrators, successors and assigns of the parties.

**SECTION 26. MODIFICATION OF AGREEMENT.**

No amendment to or modification of this AGREEMENT shall be valid unless made in writing and approved by the *Wallace* and by the City Council. The parties agree that this requirement for written modifications cannot be waived and that any attempted waiver shall be void. In the event of any conflict between the terms and conditions of this AGREEMENT and attached Exhibit "A", the terms and conditions of this AGREEMENT shall control. In the event of any conflict between the terms and conditions of this AGREEMENT and any attached exhibits, the terms and conditions of this AGREEMENT will control.

**SECTION 27. WAIVER.**

Waiver by any party to this AGREEMENT of any term, condition, or covenant of this AGREEMENT shall not constitute a waiver of any other term, condition, or covenant. Waiver by any party of any breach of the provisions of this AGREEMENT shall not constitute a waiver of any other provision, nor a waiver of any subsequent breach or violation of any

provision of this AGREEMENT. Acceptance by CITY of any work or services by *Wallace* shall not constitute a waiver of any of the provisions of this AGREEMENT.

**SECTION 28. LAW TO GOVERN; VENUE.**

This AGREEMENT shall be interpreted, construed and governed according to the laws of the State of California. In the event of litigation between the parties, venue in state trial courts shall lie exclusively in the County of Santa Barbara. In the event of litigation in a U.S. District Court, venue shall lie exclusively in the Central District of California, in Los Angeles.

**SECTION 29. ATTORNEYS FEES, COSTS AND EXPENSES.**

In the event litigation or other proceeding is required to enforce or interpret any provision of this AGREEMENT, the prevailing party in such litigation or other proceeding shall be entitled to an award of reasonable attorney's fees, costs and expenses, in addition to any other relief to which it may be entitled.

**SECTION 30. ENTIRE AGREEMENT.**

This AGREEMENT, including the attached EXHIBITS "A" and "B", is the entire, complete, final and exclusive expression of the parties with respect to the matters addressed therein and supersedes all other agreements or understandings, whether oral or written, or entered into between *Wallace* and CITY prior to the execution of this AGREEMENT. No statements, representations or other agreements, whether oral or written, made by any party which is not embodied herein shall be valid and binding. No amendment to this AGREEMENT shall be valid and binding unless in writing duly executed by the parties or their authorized representatives.

**SECTION 31. SEVERABILITY.**

If a term, condition or covenant of this AGREEMENT is declared or determined by any court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions of this AGREEMENT shall not be affected thereby and the AGREEMENT shall be read and construed without the invalid, void or unenforceable provision(s).

IN WITNESS WHEREOF, the parties hereto have caused this AGREEMENT to be executed the day and year first above written.

**WALLACE GROUP**

By: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

**CITY OF BUELLTON**

APPROVED AS TO FORM:

By: \_\_\_\_\_  
CITY MANAGER

\_\_\_\_\_  
Ralph Hanson, City Attorney

**EXHIBIT "A"**

**SCOPE OF SERVICES/PROPOSAL**

***[NOTE: Scope of Services and Wallace Group Compensation is set forth in the letter from Wallace Group, dated May 15, 2013, attached hereto and incorporated herein by this reference. Total compensation shall not exceed \$125,600.]***

TRANSMITTAL

Number of Pages (including cover): \_  
Originals mailed  Yes,  No



**WALLACE GROUP**

**Date:** May 15, 2013

**Project Number:** PP13-4943-915

**To:** Ms. Rose Hess  
City of Buellton  
PO Box 1819  
Buellton, CA 93427

**VIA Email and USPS**

**Phone:** 805 688-5200  
**Fax:**  
**Email:** [roseh@cityofbuellton.com](mailto:roseh@cityofbuellton.com)

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MANAGEMENT

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ARCHITECTURE

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PLANNING

PUBLIC WORKS  
ADMINISTRATION

SURVEYING /  
GIS SOLUTIONS

WATER RESOURCE

**From:** Heather Billing  
Senior Environmental  
Compliance Specialist  
WALLACE GROUP  
612 Clarion Court  
San Luis Obispo, CA 93401

**Phone:** 805 544-4011  
**Fax:** 805 544-4294  
**Email:** [heatherb@wallacegroup.us](mailto:heatherb@wallacegroup.us)

**Subject:** Proposal for Regulatory Compliance Services

Please find attached our proposal for the above referenced project. If this proposal meets with your approval, please sign where indicated and return one original to our office, **to the attention of Sybil Regan, Marketing Coordinator**, which will serve as our notice-to-proceed on your project. Formal hard copies will follow today via U.S.P.S.

Please call me if you have any questions at 544-4011.

ATTACHMENT  
PP13-4943  
Exhibit A

WALLACE GROUP  
A California Corporation

612 CLARION CT  
SAN LUIS OBISPO  
CALIFORNIA 93401

T 805 544-4011  
F 805 544-4294

[www.wallacegroup.us](http://www.wallacegroup.us)

May 15, 2013

Rose Hess  
City of Buellton  
PO Box 1819  
Buellton, California 93427

Subject: Proposal for Professional Services for Public Works Regulatory Compliance

Dear Ms. Hess:

Wallace Group appreciates the opportunity to provide you with our proposal for professional services for public works regulatory compliance for Fiscal Year 2013/2014. We have enjoyed working with you and your staff this past year. As we have discussed Buellton has become an attractive location for the alcohol beverage industry in Santa Barbara County and continues to attract restaurateurs, who are managed in the City of Buellton's Fats, Oils, and Grease (FOG) and Pretreatment Programs.

Based on our discussions this year, the following Scope of Services has been prepared for your consideration:

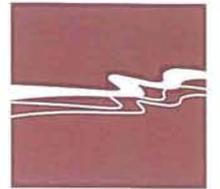
**PROJECT UNDERSTANDING**

The City of Buellton (City) operates and maintains approximately twenty (20) miles of sewer collection system and a ~~1.3 million~~ <sup>656,000</sup> gallon per day design capacity wastewater treatment plant (WWTP), which is designed to treat domestic type wastewater. Both the collection system and WWTP are subject to regulatory requirements issued by the State Water Resources Control Board (SWRCB) and Central Coast Regional Water Quality Control Board (RWQCB).

In 2006, SWRCB issued the General Waste Discharge Requirements for Sanitary Sewer Systems (SSSWDR), Order No. 2006-003-DWQ, for collection systems over one (1) mile in length, which required the development and implementation of a Sewer System Management Plan (SSMP). The City developed its first revision of their SSMP in April 2010. In 2012, Wallace Group and City Public Works staff audited the SSMP as required by the SSSWDR and determined that several sections of the SSMP require updating to document changes in City staff, to document operation and maintenance program practices, and to develop emergency and operation and maintenance procedures. The next step in this process is to coordinate with City staff and revise the City's April 2010 SSMP in order to address these identified requirements and deficiencies.

The City also initiated a Fats, Oils, and Grease (FOG) Program in 2009 in order to comply with the requirements for the FOG Control Program element of the SSMP. This program is ongoing and as part of this proposed contract, Wallace Group will provide FOG Program management and implementation services for FY 2013/14.

It is forecasted that the SSSWDR amended Monitoring and Reporting Requirements, Order No. WQ 2008-0002-EXEC, may be revised by the SWRCB in May 2013. If the SSSWDR's amended MRP is revised within the timeframe of the task schedules identified in the following Scope of Services, the requirements for several tasks



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GIS SOLUTIONS

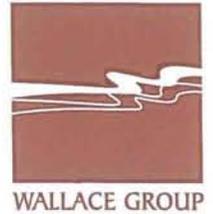
WATER RESOURCES

WALLACE GROUP  
A California Corporation

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SAN LUIS OBISPO  
CALIFORNIA 93401

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F 805 544-4294

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discussed in the Scope of Services may change, which will require an adjustment to the Scope of Services.

The City's WWTP and collection system are also regulated by the RWQCB Waste Discharge Requirements (WDR) Permit, Order No. 99-134. This permit directs the City to perform specific Pretreatment Program activities to protect the publically owned treatment works (POTW), which includes the WWTP and the sewer collection system, through managing user process wastewater discharges. In order to comply with this requirement, Wallace Group will provide Pretreatment Program management and implementation services for FY 2013/14.

Based on our discussions and understanding of the Project, the following Scope of Services has been prepared for your consideration:

### **SCOPE OF SERVICES**

Wallace Group will provide the following services:

#### **Task 1.0 Public Works Regulatory Compliance Project Management and Meetings**

##### Task 1.1: Project Management and Coordination

This Task includes monthly coordination of project activities, including scheduling and budget controls, staffing needs and coordination, Client coordination, quarterly status updates, and other related project management activities.

##### Task 1.2: Fiscal Year 2013/14 Regulatory Compliance Kick-off Meeting

We will coordinate and attend a kick-off meeting with key Wallace Group team members and City staff. We will prepare the meeting agenda and minutes for this meeting. This meeting will focus on scope of work, schedule, deliverables, and other components of regulatory compliance services for Fiscal Year 2013/14 so that the project direction is agreed upon by the Wallace Group team members in advance.

##### Task 1.3: QA/QC

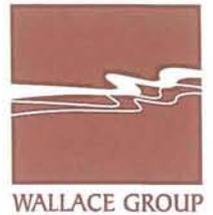
Wallace Group team members will provide in-house quality assurance and quality control (QA/QC) for milestone Sewer System Management Plan and Pretreatment Program activities. The QA/QC will be conducted by senior or principal engineers within Wallace Group.

#### **Task 1.0 Deliverables:**

Email documentation of meetings and pertinent project coordination correspondence, including quarterly status updates.

#### **Task 2.0 Sewer System Management Plan, Revision 1.0**

Wallace Group will revise each of the eleven (11) elements of the City's SSMP, dated April 22, 2010, based on the findings of the 2012 SSMP Audit and as required by SSSWDR Section D.13(x). Wallace Group staff expects to work with City Public staff to revise the existing SSMP and to obtain additional materials and documentation necessary for these revisions.



Task 2.1: Agency Goals (SSSWDR D.13(i))

Wallace Group will work with the City to update the City's goals for operating and maintaining the sewer collection system. We will identify the Goals in the revised SSMP.

Task 2.2: Organization (SSSWDR D.13(ii))

Wallace Group will revise the information required to meet the requirements of the Organization element. This will include an updated organizational chart, chain of command, and updated names and phone numbers of City staff having SSMP and/or SSO response responsibilities.

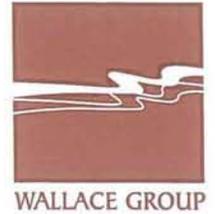
Task 2.3: Legal Authority (SSSWDR D.13(iii))

We will update the SSMP to include the relevant sections of the City Municipal Code.

Task 2.4: Operation and Maintenance Program (SSSWDR D.13(iv))

We will update the City Operation and Maintenance (O&M) Program so that it can be used as a stand-alone document from the SSMP. The O&M Program will include the following:

- We will create a plan, schedule and estimated cost to update City maps of the sewer collection system. The City maps require updating to show all sewer assets and appurtenances (i.e., lift stations, force mains, air/pressure relief valves, and applicable stormwater conveyance systems).
- We will update the description of the City's current routine preventative and operation and maintenance activities, including cleaning and video inspections (CCTV). We will include in the SSMP all existing documentation (i.e., Lift Station Inspection Reports) that demonstrates the City's on-going activities. We will make recommendations for improvements, if necessary.
- We will provide descriptions of the City's current collection system training program. We will include in the SSMP examples of existing documentation that demonstrates the City's on-going collection system training activities since FY 2010/11. We will make recommendations for improvements, if necessary.
- We will provide a summary of the City's equipment, replacement parts inventory, on-call contractors, parts stores, etc. that are used in the City's day-to-day operations and under emergency conditions. We will make recommendations for improvements, if necessary.
- We will develop a plan and schedule to update the City collection system rehabilitation and replacement plan. We will update this section of the SSMP with collection system capital improvement projects conducted since FY 2010/11 and known future projects.
- We will analyze the City's allocated resources to perform the day-to-day operations and preventative maintenance activities and make recommendations on means to improve daily functions, if necessary. We will make recommendations for staff allocations for various field operation activities, if necessary.



Task 2.5: Design and Performance Provisions (SSSWDR D.13(v))

We will work with the Public Works Director/City Engineer to revise this section to include a referenced set of design standards, specifications, and inspection requirements. This may include the 1995 City of Buellton Standards, which will need to be signed and stamped by a Professional Engineer if the City chooses to utilize them moving forward.

Task 2.6: Overflow and Emergency Response Plan (SSSWDR D.13(vi))

We will revise this section with a plan and schedule to update the Overflow and Emergency Response Plan (OERP) so that will be usable as a stand-alone document. This section of the SSMP will provide an overview of the current City SSO response activities. The stand-alone OERP will include:

- Updated notification procedures (upon acceptance of Task 3) so appropriate City staff, regulatory agencies, the public, and appropriate officials are informed of all SSOs in a timely manner in accordance with the SWRCB SSSWDR and amended MRP.
- Updated emergency operating procedures (upon acceptance of Task 3) specific to SSO response activities, such as SSO mitigation and containment, traffic and crowd control, SSO volume estimating, surface water quality monitoring, environmental impact monitoring, SSO records and reporting activities, and training.

Task 2.7: Fats, Oil, and Grease Control Program (SSSWDR D.13(vii))

This section will be updated to include the results of the City FOG program from 2010 to the present. We will include an update of the effectiveness of outreach and public education, legal authority within the City, Wallace Group FOG permitting and inspections, requirements to install grease traps, identification of high FOG areas within the City, and development and implementation of FOG control measures.

Task 2.8: System Evaluation and Capacity Assurance Plan (SSSWDR D.13(viii))

The System Evaluation and Capacity Assurance Plan (SECAP) will be updated to create a plan and schedule to perform the wet weather Inflow and Infiltration (I/I) analysis recommended by the 2006 Buellton Citywide Sewer System Capacity Study. We will additionally update the SECAP overview to document why a capital improvement project plan, funding plan, and schedule is currently not needed.

Task 2.9: Monitoring, Measurement, and Program Modifications (SSSWDR D.13(ix))

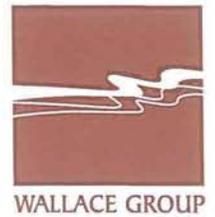
We will update the performance indicators to monitor the effectiveness of each SSMP element and recommend a management program so sections of the SSMP are revised annually.

Task 2.10: Sewer System Management Plan Audit (SSSWDR D.13(x))

We will update this section with the results of the first biannual audit and with the schedule and framework for ensuring the biannual requirement to audit the implementation and effectiveness of the SSMP.

Task 2.11: Communication Program (SSSWDR D.13(xi))

We will update the City's communication program and include examples of methods used to engage customers and private collection systems since 2010. We will provide recommendations for areas of improvement, if necessary.



**Task 2.12: Draft Sewer System Management Plan, Revision 1.0**

Wallace Group will compile the information from Tasks 2.1 through 2.11 and prepare the Draft Sewer System Management Plan, Revision 1.0, Operations and Maintenance Program, and Overflow Emergency Response Plan. We will provide the Draft to the City for review and comments.

**Task 2.13: Final Sewer System Management Plan, Revision 1.0**

We will address comments from the City, make changes as requested, and prepare a Final Draft. The Final Draft will then be presented for re-certification to the City Council by the Public Works Director/City Engineer. Following the City Council re-certification and approval, we will make final changes and provide the City with the SSMP, Revision 1.0.

**Task 2.14: Training**

Wallace Group will provide the City management and utility worker staff with training on the SWRCB SSSWDR and MRP, SSMP, Revision 1.0, and OERP.

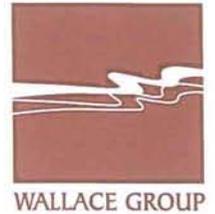
**Task 2.0 Deliverables:**

1. Draft SSMP, Revision 1.0 - Two (2) hard copies and one (1) electronic PDF copy
2. Draft Final SSMP, Revision 1.0 - One (1) hard copy and one (1) electronic PDF copy
3. SSMP, Revision 1.0 - Two (2) hard copy and one (1) electronic PDF copy
4. Draft Operations and Maintenance Program - Two (2) hard copies and one (1) electronic PDF copy
5. Draft Final Operations and Maintenance Program - One (1) hard copy and one (1) electronic PDF copy
6. Final Operations and Maintenance Program - Two (2) hard copies and one (1) electronic PDF copy
7. Draft OERP - Two (2) hard copies and one (1) electronic PDF copy
8. Draft Final OERP - One (1) hard copy and one (1) electronic PDF copy
9. Final OERP - Two (2) hard copies and one (1) electronic PDF copy

**Task 2.0 Schedule:**

The estimated schedule for the project is outlined in the table below. The schedule is subject to change.

Task Name	Responsible Party/Duration	Locations
1. SSMP Revision Kick-Off Meeting	Wallace Group Staff and City PW Staff/three (3) hours - when	City Public Works Office
2. Revise SSMP	Wallace Group Staff and City PW Staff/four (4) to ten (10) business days - when	City Public Works Office and Wallace Group Office
3. Issue Draft SSMP, Revision 1.0	Wallace Group Staff: ten (10) weeks from date of Kick-off Meeting	Wallace Group Office
4. Receive comments, resolve, and issue SSMP, Revision 1.0	Turnaround for City PW Staff comments - three (3) weeks.	Wallace Group Office



	Wallace Group Staff - three (3) weeks after all comments are received.	
--	--	--

### Task 3.0 Development of Collection System Standard Operating Procedures

Wallace Group will work with City Public Works and Collection System Operations and Maintenance Staff to develop standard operating procedures (SOPs) required by the SWRCB SSSWDR. City staff will be required to be available approximately six (6) hours per day, each day Wallace Group staff are on site for the development of SOPs. Procedures are required to address the following areas:

#### Task 3.1: Sanitary Sewer Overflow Emergency Operating Procedures

We will work to create the first revision of the following sanitary sewer overflow (SSO) procedures:

1. SSO Regulatory and Reporting Requirements
2. SSO Response Documentation
3. SSO Traffic and Crowd Control
4. SSO Volume Estimation
5. SSO Cleanup
6. SSO Water Quality Monitoring
7. SSO Santa Ynez River Closure
8. SSO Ecological and Human Health Impact Assessment
9. SSO Records Requirements
10. SSO Training Requirements

#### Task 3.2: Sewer System Operations and Maintenance Procedures

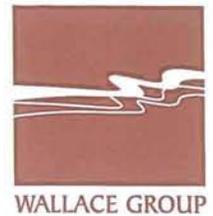
We will work to create the first revision of the following operation and maintenance procedures:

1. Preventative Maintenance Program
2. Lift Station Operations and Maintenance
3. Annual and High Maintenance Area Sewer Collection System Cleaning and Reporting
4. Annual Map/GIS Updates
5. Underground Service Alert (USA) Marking
6. Fats, Oils, and Grease (FOG) Program
7. Routine Traffic and Crowd Control
8. Sewer Connection Requests
9. Collection System Training Requirements

#### Task 3.3: Management Procedures

We will work with the City to create the following management procedures which are required by the General Provisions or section D.13 of the SSS WDR:

1. SSSWDR Order Tracking and Training
2. Customer Complaint/Customer Contact Form



### 3. Sewer Rate Structure/Accounting Audits

#### Task 3.0 Deliverables:

Wallace Group will produce individual SOPs for each of the areas described above.

#### Task 3.0 Schedule:

A schedule for development of SOPs will depend on the level of effort requested by the City. The following estimate schedule is for the development of the twenty-two (22) SOPs listed above and is subject to change:

Task Name	Responsible Party/Duration	Locations
1. SOP Kick-Off Meeting	Wallace Group Staff and City Public Works Staff/two (2) hours- when	City Public Works Office
2. SOP Development	Wallace Group and City Public Works Staff/six (6) weeks -when	City Public Works Office and Seaside District Sewer Service Area
3. Issue Draft SOPs	Wallace Group	Wallace Group Office
4. Receive comments, resolve, and issue final SOPs to City	Turnaround for City PW Staff comments - three (3) weeks.  Wallace Group Staff- three (3) weeks after all comments are received.	Wallace Group Office

### Task 4.0 Management of Fats, Oils, and Grease (FOG) Program FY 2013/14

Implementation and management of the City FOG Program by Wallace Group since 2009 has been instrumental in the City maintaining a SSO rate of zero (0) to one (1) SSOs in a calendar year.

The FOG Program is an element of the Sewer System Management Plan (SSMP) whose primary purpose is to inform and direct FSEs to manage their FOG to prevent and reduce Sanitary Sewer Overflows (SSOs).

#### Task 4.1: FOG Program Management

Wallace Group will continue to perform FOG permitting, semiannual inspections, and re-inspections for the City at its Food Service Establishments (FSEs) for Fiscal Year 2013/14. The FOG Program will include the following:

1. One - one (1) hour meeting to determine goals for the FY 2013-14 FOG Program.
2. A semiannual inspection of approximately forty (40) FSEs.
3. Performance of re-inspections when non-compliant conditions are identified.
4. Implementation of enforcement response with the City Public Works Director for FSEs who remain noncompliant.
5. Annual permit renewal of FSEs enrolled in the FOG Program.
6. Education and permitting of new FSEs that open for business in FY 2013-14 and removal from the FOG Program of those FSEs that have closed.



7. Issuance of monthly reports documenting FOG program status.

**Task 4.0 Deliverables:**

- Electronic copies of all inspection reports (PDF format)
- Electronic copies of all permit applications and permits issued (PDF format)
- Monthly reporting of FOG program status (PDF format)
- Electronic copies of updated outreach materials provided to FSEs as applicable (PDF format)
- Electronic copies of updated outreach materials for residential FOG education (PDF format)

**Task 4.0 Schedule:**

Upon receipt of the signed proposal, Wallace Group will schedule the FY 2013/14 FOG Program meeting after July 1, 2013 and schedule the next round of FOG inspections.

**Task 5.0 Management of Pretreatment Program FY 2013/14**

The City Pretreatment Program is a requirement of the Central Coast RWQCB WDR Permit, Order No. 99-134, which requires the City to conduct specified Pretreatment Program activities.

The purpose of the City Pretreatment Program is to work with existing and new businesses in the City to manage their discharge process wastewater in order to protect the POTW from harmful discharges.

Implementation and management of the City Pretreatment Program by Wallace Group since 2009 has assisted the City in meeting its effluent discharge limits at the WWTP.

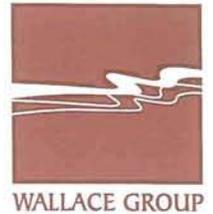
**Task 5.1: Pretreatment Program Management:**

Wallace Group will continue to perform Pretreatment Program Industrial User (IU) permitting, annual inspections and re-inspections for the City for its identified IUs for FY 2013/2014 by performing the tasks below:

1. One, two (2) hour meeting to determine goals for the FY 2013/14 Pretreatment Program.
2. An annual inspection of approximately fifteen (15) IUs.
3. Performance of re-inspections when non-compliant conditions are identified.
4. Implementation of enforcement response with the City Public Works Director for IUs who remain noncompliant.
5. Permit renewal of IUs enrolled in the Pretreatment Program.
6. Education and permitting of new IUs that open for business in FY 2013/14, and removal from the Pretreatment Program of those IUs that have closed.
7. Issuance of quarterly reports documenting Pretreatment Program status.

**Task 5.0 Deliverables:**

- Electronic copies of all Industrial Wastewater Discharge (IWD) inspection reports (PDF format)
- Electronic copies of all issued IWD permit applications and permits (PDF format)
- Electronic copies of all received IU Monitoring Reports (PDF format)
- Quarterly reporting of Pretreatment Program status (PDF format)



- Electronic copies of updated outreach materials provided to Industrial Users as applicable (PDF format)
- Electronic copies of updated outreach materials for Industrial User education as applicable (PDF format)

#### **Task 5.0 Schedule:**

Upon receipt of the signed proposal, Wallace Group will schedule the FY 2013/14 Pretreatment Program meeting after July 1, 2013 and schedule the next round of Pretreatment inspections.

#### **TO BE PROVIDED BY THE CLIENT**

- Collection system maps
- Collection system maintenance schedule
- Collection system work orders
- City staff training records

#### **ITEMS NOT INCLUDED IN SCOPE OF SERVICES**

The following services may also benefit your project. Wallace Group can provide these services, directly or through sub-consultants, however, they are not included in the current Scope of Services or estimate of fees:

- Revisions to the City Municipal Code
- GIS database and maps
- Survey
- Hydraulic study
- Local limits study
- Public education television and radio ads
- California Integrated Water Quality Information System (CIWQS) Reporting

#### **PROJECT FEES**

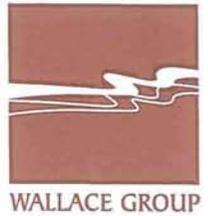
The project fees are shown allocated by task to indicate our expected distribution of work. However, the task fee allocations are not individual contract limits.

Wallace Group will perform the services denoted in Tasks One through Five of the proposed Scope of Services on a time and materials basis. For budgeting purposes, our preliminary estimate is that over the next 12 months, our fees will be \$5,000 to \$20,000 per month with a total not to exceed \$125,600 based upon the following breakdown:

Task 1.0 Public Works Regulatory Compliance Project Management and Meetings  
\$9,400

Task 2.0 Sewer System Management Plan, Revision 1.0  
\$37,400

Task 3.0 Development of Collection System Standard Operating Procedures  
\$28,900



Task 4.0 Management of Fats, Oils, and Grease (FOG) Program FY 2013/14  
\$19,600

Task 5.0 Management of Pretreatment Program FY 2013/14  
\$25,700

These services will be invoiced monthly on an accrued basis in accordance with the attached Schedule of Fees (Exhibit A). Reimbursables are included in the time and materials estimated fee amounts stated above (mileage and copies, \$4,600).

At your request, additional services to the Scope of Services will be performed by Wallace Group following the signature of our Contract Amendment or the initiation of a new contract.

### TERMS AND CONDITIONS

In order to convey a clear understanding of the matters related to our mutual responsibilities regarding this proposal, the City of Buellton Agreement is considered a part of our proposal agreement. Wallace Group is requesting modifications be made to the City of Buellton Agreement, as detailed in the client Contract and Insurance Review Memorandum dated May 14, 2013.

Upon mutual agreement to the City of Buellton Agreement, and if this proposal meets with your approval, please sign where indicated and return one original to our office and/or prepare a Purchase Order, which will serve as our notice-to-proceed.

We want to thank you for this opportunity to present our proposal for professional services. If you would like to discuss this proposal in greater detail, please feel free to Heather Billing, or Bill Callahan.

Sincerely,

WALLACE GROUP, a California Corporation

  
Thomas K. Zehnder, PE  
Principal  
612 Clarion Court  
San Luis Obispo  
California 93401  
T 805 544-4011  
F 805 544-4294  
www.wallacegroup.us

TERMS AND CONDITIONS ACCEPTED:

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

Attachments  
sr: PP13-4943, 200903  
Exhibit A

THIS PROPOSAL IS VALID FOR 60 DAYS FROM THE DATE OF THIS DOCUMENT.

"Exhibit A"  
Schedule of Fees  
Personnel Hourly Rates

**Public Works Administration Services:**

Project Analyst I - III .....	\$ 87 - \$127
Program Manager .....	\$128
Public Works Administrator I-III .....	\$128 - \$138
Senior Project Analyst .....	\$ 132
Senior Right-of-Way Agent .....	\$151
Senior Engineer I-III .....	\$151 - \$159
Senior Environmental Compliance Specialist I-III .....	\$151 - \$159

**Administrative Services:**

Office Assistant .....	\$ 45
Administrative Assistant I - V.....	\$ 67 - \$ 83
Financial Analyst I - II.....	\$ 87 - \$110
Senior Financial Analyst .....	\$128

**Additional Professional Services:**

Fees for expert witness preparation, testimony, court appearances, or depositions will be billed at the rate of \$300 an hour.

**Direct Expenses:**

Reimbursement of direct expenses incurred in connection with the project scope of work will be invoiced to the client. A handling charge of 15% may be added to the direct expenses listed below. Direct expenses include, but are not limited to the following:

- travel expenses (automobile/lodging/ meals)
- professional sub-consultants
- county/city fees
- document copies
- long distance telephone/fax
- postage/delivery service
- special materials
- blueprints
- photographs

**Invoicing and Interest Charges:**

Invoices are submitted monthly on an accrued cost basis in accordance with this Fee Schedule. A finance charge of 1.5% per month (18% per annum) will be assessed on all balances that are thirty days past due.

**Fee Revisions:**

Wallace Group reserves the right to revise our Schedule of Fees on a semi-annual basis, and also to adjust hourly prevailing wage rates (up or down) as the State establishes rate changes. As authorized in advance by the client, overtime on a project will be billed at 1.3 times the normal employee's hourly rate.

**Personnel Classifications:**

Wallace Group may find it necessary to occasionally add new personnel classifications to our Schedule of Fees.

**Mileage:**

Wallace Group charges \$0.60 per mile.

## EXHIBIT "B"

### INSURANCE

A. Insurance Requirements. *Wallace* shall provide and maintain insurance, acceptable to the City Manager or City Council, in full force and effect throughout the term of this AGREEMENT, against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by *Wallace*, its agents, representatives or employees. Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A: VII. *Wallace* shall provide the following scope and limits of insurance:

1. Minimum Scope of Insurance. Coverage shall be at least as broad as:

(1) Insurance Services Office form Commercial General Liability coverage (Occurrence Form CG 0001).

(2) Insurance Services Office form number CA 0001 (Ed. 1/87) covering Automobile Liability, including code 1 "any auto" and endorsement CA 0025, or equivalent forms subject to the written approval of the City.

(3) Workers' Compensation insurance as required by the Labor Code of State of California and Employer's Liability insurance and covering all persons providing services on behalf of the *Wallace* and all risks to such persons under this AGREEMENT.

(4) Errors and omissions liability insurance appropriate to the *Wallace's* profession.

2. Minimum Limits of Insurance. *Wallace* shall maintain limits of insurance no less than:

(1) General Liability: \$1,000,000 general aggregate for bodily injury, personal injury and property damage.

(2) Automobile Liability: \$1,000,000 per accident for bodily injury and property damage.

(3) Workers' Compensation and Employer's Liability: Workers' Compensation as required by the Labor Code of the State of California and Employers Liability limits of \$1,000,000 per accident.

(4) Errors and omissions Liability: \$1,000,000 per occurrence.

B. Other Provisions. Insurance policies required by this AGREEMENT shall contain the following provisions:

1. All Policies. Each insurance policy required by this paragraph 5 shall be endorsed and state the coverage shall not be suspended, voided, cancelled by the insurer or either party to this AGREEMENT, reduced in coverage or in limits except after 30 days' prior written notice by Certified mail, return receipt requested, has been given to the CITY FINANCE DIRECTOR.

2. General Liability Accident -- Mobile Liability Rates.

(1) CITY and its respective elected and appointed officers, officials, and employees and volunteers are to be covered as additional insureds as respects: liability arising out of activities *Wallace* performs; products and completed operations of *Wallace*; premises owned, occupied or used by CONSULTANT; or automobiles owned, leased, hired or borrowed by *Wallace*. The coverage shall contain no special limitations on the scope of protection afforded to CITY, and their respective elected and appointed officers, officials, or employees.

(2) *Wallace's* insurance coverage shall be primary insurance with respect to CITY, and its respective elected and appointed, its officers, officials, employees and volunteers. Any insurance or self-insurance maintained by CITY, and its respective elected and appointed officers, officials, employees or volunteers, shall apply in excess of, and not contribute with, *Wallace's* insurance.

(3) *Wallace's* insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

(4) Any failure to comply with the reporting or other provisions of the policies including breaches of warranties shall not affect coverage provided to CITY, and its respective elected and appointed officers, officials, employees or volunteers.

3. Workers' Compensation and Employer's Liability Coverage. Unless the City Manager otherwise agrees in writing, the insurer shall agree to waive all rights of subrogation against CITY, and its respective elected and appointed officers, officials, employees and agents for losses arising from work performed by *Wallace*.

C. Other Requirements. *Wallace* agrees to deposit with CITY, at or before the effective date of this contract, certificates of insurance necessary to satisfy CITY that the insurance provisions of this contract have been complied with. The City Attorney may require that *Wallace* furnish CITY with copies of original endorsements effecting coverage required by this Section. The certificates and endorsements are to be signed by a person authorized by that insurer to bind coverage on its behalf. CITY reserves the right to inspect complete, certified copies of all required insurance policies, at any time.

1. *Wallace* shall furnish certificates and endorsements from each subcontractor identical to those CONSULTANT provides.

2. Any deductibles or self-insured retentions must be declared to and approved by CITY. At the option of CITY, either the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects CITY or its respective elected or appointed officers, officials, employees and volunteers or the *Wallace* shall procure a bond guaranteeing payment of losses and related investigations, claim administration, defense expenses and claims.

3. The procuring of such required policy or policies of insurance shall not be construed to limit *Wallace's* liability hereunder nor to fulfill the indemnification provisions and requirements of this AGREEMENT.

**CITY OF BUELLTON**  
City Council Agenda Staff Report

City Manager Review: MPB  
Council Agenda Item No.: 5

To: The Honorable Mayor and City Council

From: Marc Bierdzinski, Interim City Manager

Date: June 27, 2013

Subject: Consideration of Contract with the Kosmont Company for Economic Development Services

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**BACKGROUND**

Attachment 1 is the draft contract with the Kosmont Company for economic development services. The “Revised Proposal” from the Kosmont Company (May 28, 2013) was previously sent to the City Council and is included as part of Attachment 1.

The Economic Development Task Force (EDTF) reviewed the “Revised Proposal” at their June 123, 2013, meeting and recommends that the City enter into the contract. The EDTF had the following comments on the “Revised Proposal:”

- Add a provision to the contract to allow for the extension of the contract to further the implementation program after the main work program is complete (has been added to contract)
- Is 24 hours enough to complete task 7?
- Will the market analysis possibly stop a business from coming to town (such as a business that is planning to come to town but is shown to be oversaturated)?
- Kosmont Company needs to stay in touch with stakeholders throughout the process

Kosmont Company has been sent these comments and will address all of them as part of their work product.

**FISCAL IMPACT**

The City Council has authorized \$60,000 for this service in the Fiscal Year 2013-2014 Budget.

**RECOMMENDATION**

Staff recommends that the City Council authorize the Interim City Manager to execute a contract for economic development services with the Kosmont Company in accordance with Attachment 1.

**ATTACHMENT**

Attachment 1 – Contract with Kosmont Company

**AGREEMENT FOR ECONOMIC DEVELOPEMENT SERVICES  
BETWEEN  
THE CITY OF BUELLTON  
AND  
KOSMONT COMPANY**

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**AGREEMENT FOR ECONOMIC DEVELOPMENT SERVICES  
BETWEEN  
CITY OF BUELLTON  
AND  
KOSMONT COMPANY**

This AGREEMENT FOR ECONOMIC DEVELOPMENT SERVICES BETWEEN THE CITY OF BUELLTON AND KOSMONT COMPANY ("AGREEMENT"), is made and entered into this 27th day of June 2013, by and among the CITY OF BUELLTON a municipal corporation ("CITY") and KOSMONT COMPANY ("CONSULTANT").

In consideration of the mutual covenants and conditions set forth herein, the parties agree as follows:

**SECTION 1. TERM OF AGREEMENT.**

Subject to the provisions of SECTION 19 "TERMINATION OF AGREEMENT" of this AGREEMENT, the term of this AGREEMENT shall be for a period of July 1, 2013, through June 30, 2014. Such term may be extended upon written agreement of both parties to this AGREEMENT.

**SECTION 2. SCOPE OF SERVICES.**

*CONSULTANT* agrees to perform the services set forth in EXHIBIT "A", "SCOPE OF SERVICES" and made a part of this AGREEMENT.

**SECTION 3. ADDITIONAL SERVICES.**

*CONSULTANT* shall not be compensated for any services rendered in connection with its performance of this AGREEMENT which are in addition to or outside of those set forth in this AGREEMENT or listed in EXHIBIT "A" unless such additional services are authorized in advance and in writing by the City Council or City Manager of CITY. *CONSULTANT* shall be compensated for any such additional services in the amounts and in the manner agreed to by the City Council or City Manager.

**SECTION 4. COMPENSATION AND METHOD OF PAYMENT.**

(a) Subject to any limitations set forth in this AGREEMENT, CITY agrees to pay *CONSULTANT* the amounts specified in EXHIBIT "A" and made a part of this AGREEMENT.

(b) Each month *CONSULTANT* shall furnish to CITY an original invoice for all work performed and expenses incurred during the preceding month. The invoice shall detail charges by the following categories: labor (by sub-category), travel, materials, equipment, supplies, sub-consultant contracts and miscellaneous expenses. CITY shall independently review each invoice submitted by the *CONSULTANT* to determine whether the work performed and expenses incurred are in compliance with the provisions of this AGREEMENT. In the event that no charges or expenses are disputed, the invoice shall be approved and paid according to the terms set forth in subsection (c). In the event CITY disputes any charges or expenses, the original invoice shall be returned by CITY to *CONSULTANT* for correction and resubmission.

(c) Except as to any charges for work performed or expenses incurred by *CONSULTANT* which are disputed by CITY, CITY will use its best efforts to cause *CONSULTANT* to be paid within thirty (30) days of receipt of *CONSULTANT* invoice.

(d) Payment to *CONSULTANT* for work performed pursuant to this AGREEMENT shall not be deemed to waive any defects in work performed by *CONSULTANT*.

## **SECTION 5. INSPECTION AND FINAL ACCEPTANCE.**

CITY may inspect and accept or reject any of *CONSULTANT*'s work under this AGREEMENT, either during performance or when completed. CITY shall reject or finally accept *CONSULTANT*'s work within sixty (60) days after submitted to CITY. CITY shall reject work by a timely written explanation, otherwise *CONSULTANT*'s work shall be deemed to have been accepted. CITY's acceptance shall be conclusive as to such work except with respect to latent defects, fraud and such gross mistakes as amount to fraud. Acceptance of any of *CONSULTANT*'s work by CITY shall not constitute a waiver of any of the provisions of this AGREEMENT including, but not limited to, sections 15 and 16, pertaining to indemnification and insurance, respectively.

## **SECTION 6. OWNERSHIP OF DOCUMENTS.**

All original maps, models, designs, drawings, photographs, studies, surveys, reports, data, notes, computer files, files and other documents prepared, developed or discovered by *CONSULTANT* in the course of providing any services pursuant to this AGREEMENT shall become the sole property of CITY and may be used, reused or otherwise disposed of by CITY without the permission of the *CONSULTANT*. Upon completion, expiration or termination of this AGREEMENT, *CONSULTANT* shall turn over to CITY all such original maps, models, designs, drawings, photographs, studies, surveys, reports, data, notes, computer files, files and other documents.

## **SECTION 7. CONSULTANTS BOOKS AND RECORDS.**

(a) *CONSULTANT* shall maintain any and all documents and records demonstrating or relating to *CONSULTANT*'s performance of services pursuant to this AGREEMENT. *CONSULTANT* shall maintain any and all ledgers, books of account, invoices, vouchers, canceled checks, or other documents or records evidencing or relating to work, services, expenditures and disbursements charged to CITY pursuant to this AGREEMENT. Any and all such documents or records shall be maintained in accordance with generally accepted accounting principles and shall be sufficiently complete and detailed so as to permit an accurate evaluation of the services provided by *CONSULTANT* pursuant to this AGREEMENT. Any and all such documents or records shall be maintained for three years from the date of execution of this AGREEMENT and to the extent required by laws relating to audits of public agencies and their expenditures.

(b) Any and all records or documents required to be maintained pursuant to this section shall be made available for inspection, audit and copying, at any time during regular business hours, upon written request by CITY or its designated representative. Copies of such documents or records shall be provided directly to the CITY for inspection, audit and copying when it is practical to do so; otherwise, unless an alternative is mutually agreed upon, such documents and records shall be made available at *CONSULTANT*'s address indicated for receipt of notices in this AGREEMENT.

(c) Where CITY has reason to believe that any of the documents or records required to be maintained pursuant to this section may be lost or discarded due to dissolution or termination of *CONSULTANT*'s business, CITY may, by written request, require that custody of such documents or records be given to the requesting party and that such documents and records be maintained by the requesting party. Access to such documents and records shall be granted to CITY, as well as to its successors-in-interest and authorized representatives.

#### **SECTION 8. STATUS OF CONSULTANT.**

(a) *CONSULTANT* is and shall at all times remain a wholly independent contractor and not an officer, employee or agent of CITY. *CONSULTANT* shall have no authority to bind CITY in any manner, nor to incur any obligation, debt or liability of any kind on behalf of or against CITY; whether by contract or otherwise, unless such authority is expressly conferred under this AGREEMENT or is otherwise expressly conferred in writing by CITY.

(b) The personnel performing the services under this AGREEMENT on behalf of *CONSULTANT* shall at all times be under *CONSULTANT*'s exclusive direction and control. Neither CITY, nor any elected or appointed boards, officers, officials, employees or agents of CITY, shall have control over the conduct of *CONSULTANT* or any of *CONSULTANT*'s officers, employees or agents, except as set forth in this AGREEMENT. *CONSULTANT* shall not at any time or in any manner represent that *CONSULTANT* or any of *CONSULTANT*'s officers, employees or agents are in any manner officials, officers, employees or agents of CITY.

(c) Neither *CONSULTANT*), *CONSULTANT*'s officers, employees or agents, shall obtain any rights to retirement, health care or any other benefits which may otherwise accrue to CITY's employees. *CONSULTANT* expressly waives any claim *CONSULTANT* may have to any such rights.

#### **SECTION 9. STANDARD OF PERFORMANCE.**

*CONSULTANT* represents and warrants that it has the qualifications, experience and facilities necessary to properly perform the services required under this AGREEMENT in a thorough, competent and professional manner. *CONSULTANT* shall at all times faithfully, competently and to the best of its ability, experience and talent, perform all services described herein. In meeting its obligations under this AGREEMENT, *CONSULTANT* shall employ, at a minimum, generally accepted standards and practices utilized by persons engaged in providing services similar to those required of *CONSULTANT* under this AGREEMENT.

#### **SECTION 10. COMPLIANCE WITH APPLICABLE LAWS, PERMITS AND LICENSES.**

*CONSULTANT* shall keep itself informed of and comply with all applicable federal, state and local laws, statutes, codes, ordinances, regulations and rules in effect during the term of this AGREEMENT. *CONSULTANT* shall obtain any and all licenses, permits and authorizations necessary to perform the services set forth in this AGREEMENT. Neither CITY, nor any elected or appointed boards, officers, officials, employees or agents of CITY, shall be liable, at law or in equity, as a result of any failure of *CONSULTANT* to comply with this section.

#### **SECTION 11. NONDISCRIMINATION.**

**Basic Provisions.** In performing the Work, *CONSULTANT* agrees as follows:

(1) *CONSULTANT* will not discriminate against any employee or applicant for employment because of race, creed, color, national origin, ancestry, sexual orientation, political affiliation or beliefs, sex, age, physical handicap, medical condition, marital status or pregnancy (as those terms are defined by the California Fair Employment and Housing Act—Government Code Section 12900-12996), except where such discrimination is based on a bona fide occupational qualification. *CONSULTANT* will take positive action or ensure that applicants are employed, and that employees are treated during employment, without regard to their race, creed, color, national origin, ancestry, sexual orientation, political affiliation or beliefs, sex, age, physical handicap, medical condition, marital status or pregnancy (as those terms are defined by the California Fair Employment and Housing Act—Government Code Section 12900-12996), except where such discrimination is based on a bona fide occupational qualification. Such action shall include but not be limited to the following: Employment upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. *CONSULTANT* agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by CITY setting forth the provisions of this nondiscrimination clause.

(2) *CONSULTANT* will, in all solicitations or advertisements for employees placed by or on behalf of *CONSULTANT*, state that all qualified applicants will receive consideration for employment without regard to race creed, color, national origin, ancestry, sexual orientation, political affiliation or beliefs, sex, age, physical handicap, medical condition, marital status or pregnancy (as those terms are defined by the California Fair Employment and Housing Act—Government Code Section 12900-12996), except where such discrimination is based on a bona fide occupational qualification.

## **SECTION 12. UNAUTHORIZED ALIENS.**

*CONSULTANT* hereby promises and agrees to comply with all of the provisions of the Federal Immigration and Nationality Act, 8 U.S.C.A. §1101, *et seq.* as amended, and in connection therewith, shall not employ unauthorized aliens as defined therein. Should *CONSULTANT* so employ such unauthorized aliens for the performance of work and/or services covered by this AGREEMENT, and should any liability or sanctions be imposed against CITY for such use of unauthorized aliens, *CONSULTANT* hereby agrees to and shall reimburse CITY for the cost of all such liabilities or sanctions imposed, together with any and all costs, including attorneys' fees, incurred by CITY.

## **SECTION 13. CONFLICTS OF INTEREST.**

(a) *CONSULTANT* covenants that neither it, nor any officer or principal of its firm, has or shall acquire any interest, directly or indirectly, which would conflict in any manner with the interests of CITY or which would in any way hinder *CONSULTANT*'s performance of services under this AGREEMENT. *CONSULTANT* further covenants that in the performance of this AGREEMENT, no person having any such interest shall be employed by it as an officer, employee, agent or subcontractor without the express written consent of the City Manager. *CONSULTANT* agrees to at all times avoid conflicts of interest or the appearance of any conflicts of interest with the interests of CITY in the performance of this AGREEMENT.

(b) CITY understands and acknowledges that *CONSULTANT* is, as of the date of execution of this AGREEMENT, independently involved in the performance of non-related

services for other governmental agencies and private parties. *CONSULTANT* is unaware of any stated position of CITY relative to such projects. Any future position of CITY on such projects shall not be considered a conflict of interest for purposes of this section.

#### **SECTION 14. CONFIDENTIAL INFORMATION; RELEASE OF INFORMATION.**

(a) All information gained or work product produced by *CONSULTANT* in performance of this AGREEMENT shall be considered confidential, unless such information is in the public domain or already known to *CONSULTANT*. *CONSULTANT* shall not release or disclose any such information or work product to persons or entities other than CITY without prior written authorization from the City Manager, except as may be required by law.

(b) *CONSULTANT*, its officers, employees, agents or subcontractors, shall not, without prior written authorization from the City Manager or unless requested by the City Attorney of CITY, voluntarily provide declarations, letters of support, testimony at depositions, response to interrogatories or other information concerning the work performed under this AGREEMENT. Response to a subpoena or court order shall not be considered "voluntary" provided *CONSULTANT* gives CITY notice of such court order or subpoena.

(c) If *CONSULTANT*, or any officer, employee, agent or subcontractor of *CONSULTANT*, provides any information or work product in violation of this AGREEMENT, then CITY shall have the right to reimbursement and indemnity from *CONSULTANT* for any damages, costs and fees, including attorneys fees, caused by or incurred as a result of *CONSULTANT*'s conduct.

(d) *CONSULTANT* shall promptly notify CITY should *CONSULTANT*, its officers, employees, agents or subcontractors be served with any summons, complaint, subpoena, notice of deposition, request for documents, interrogatories, request for admissions or other discovery request, court order or subpoena from any party regarding this AGREEMENT and the work performed thereunder. CITY retains the right, but has no obligation, to represent *CONSULTANT* or be present at any deposition, hearing or similar proceeding. *CONSULTANT* agrees to cooperate fully with CITY and to provide CITY with the opportunity to review any response to discovery requests provided by *CONSULTANT*. However, this right to review any such response does not imply or mean the right by CITY to control, direct, or rewrite said response.

#### **SECTION 15. INDEMNIFICATION.**

**INDEMNITY FOR PROFESSIONAL LIABILITY:** When the law establishes a professional standard of care for *CONSULTANT*'s services, to the fullest extent permitted by law, *CONSULTANT* shall indemnify, defend and hold harmless CITY and any and all of its boards, officials, employees, and agents ("Indemnified Parties") from and against all losses, liabilities, damages, costs and expenses, including attorney's fees and costs to the extent same are caused in whole or in part by any negligent or wrongful act, error or omission of *CONSULTANT*, its officers, agents, employees or subconsultants (or any entity or individual for which *CONSULTANT* shall bear legal liability) in the performance of professional services under this agreement.

**INDEMNITY FOR OTHER THAN PROFESSIONAL LIABILITY:** Other than in the performance of professional services and to the full extent permitted by law, *CONSULTANT* shall indemnify, defend and hold harmless CITY, and any and all of its boards, employees,

officials and agents from and against any liability (including liability for claims, suits, actions, arbitration proceedings, administrative proceedings, regulatory proceedings, losses, expenses or costs of any kind, whether actual, alleged or threatened, including attorneys fees and costs, court costs, interest, defense costs, and expert witness fees), where the same arise out of, are a consequence of, or are in any way attributable to, in whole or in part, the performance of this AGREEMENT by *CONSULTANT* or by any individual or entity for which *CONSULTANT* is legally liable, including but not limited to officers, agents, employees or subcontractors of *CONSULTANT*.

#### **SECTION 16. INSURANCE.**

*CONSULTANT* agrees to obtain and maintain in full force and effect during the term of this AGREEMENT the insurance policies set forth in EXHIBIT "B" "INSURANCE" and made a part of this AGREEMENT. All insurance policies shall be subject to approval by CITY as to form and content. These requirements are subject to amendment or waiver if so approved in writing by the City Manager. *CONSULTANT* agrees to provide CITY with copies of required policies upon request.

#### **SECTION 17. ASSIGNMENT.**

The expertise and experience of *CONSULTANT* are material considerations for this AGREEMENT. CITY has an interest in the qualifications of and capability of the persons and entities who will fulfill the duties and obligations imposed upon *CONSULTANT* under this AGREEMENT. In recognition of that interest, *CONSULTANT* shall not assign or transfer this Agreement or any portion of this AGREEMENT or the performance of any of *CONSULTANT*'s duties or obligations under this AGREEMENT without the prior written consent of the City Council. Any attempted assignment shall be ineffective, null and void, and shall constitute a material breach of this AGREEMENT entitling CITY to any and all remedies at law or in equity, including summary termination of this AGREEMENT. CITY acknowledges, however, that *CONSULTANT*, in the performance of its duties pursuant to this AGREEMENT, may utilize subcontractors.

#### **SECTION 18. CONTINUITY OF PERSONNEL.**

*CONSULTANT* shall make every reasonable effort to maintain the stability and continuity of *CONSULTANT*'s staff assigned to perform the services required under this AGREEMENT. *CONSULTANT* shall notify CITY of any changes in *CONSULTANT*'s staff assigned to perform the services required under this AGREEMENT, prior to any such performance.

#### **SECTION 19. TERMINATION OF AGREEMENT.**

(a) CITY may terminate this AGREEMENT, with or without cause, at any time by giving thirty (30) days written notice of termination to *CONSULTANT*. In the event such notice is given, *CONSULTANT* shall cease immediately all work in progress.

(b) *CONSULTANT* may terminate this AGREEMENT at any time upon thirty- (30) days written notice of termination to CITY.

(c) If either *CONSULTANT* or CITY fail to perform any material obligation under this AGREEMENT, then, in addition to any other remedies, either *CONSULTANT*, or CITY may terminate this AGREEMENT immediately upon written notice.

(d) Upon termination of this AGREEMENT by either *CONSULTANT* or CITY, all property belonging exclusively to CITY, which is in *CONSULTANT*'s possession, shall be returned to CITY. *CONSULTANT* shall furnish to CITY a final invoice for work performed and expenses incurred by *CONSULTANT*, prepared as set forth in SECTION 4 of this AGREEMENT. This final invoice shall be reviewed and paid in the same manner as set forth in SECTION 4 of this AGREEMENT.

## **SECTION 20. DEFAULT.**

In the event that *CONSULTANT* is in default under the terms of this AGREEMENT, the CITY shall not have any obligation or duty to continue compensating *CONSULTANT* for any work performed after the date of default and may terminate this AGREEMENT immediately by written notice to the *CONSULTANT*.

## **SECTION 21. EXCUSABLE DELAYS.**

*CONSULTANT* shall not be liable for damages, including liquidated damages, if any, caused by delay in performance or failure to perform due to causes beyond the control of *CONSULTANT*. Such causes include, but are not limited to, acts of God, acts of the public enemy, acts of federal, state or local governments, acts of CITY, court orders, fires, floods, epidemics, strikes, embargoes, and unusually severe weather. The term and price of this AGREEMENT shall be equitably adjusted for any delays due to such causes.

## **SECTION 22. COOPERATION BY CITY.**

All public information, data, reports, records, and maps as are existing and available to CITY as public records, and which are necessary for carrying out the work as outlined in the EXHIBIT "A" "SCOPE OF SERVICES", shall be furnished to *CONSULTANT* in every reasonable way to facilitate, without undue delay, the work to be performed under this AGREEMENT.

**SECTION 23. NOTICES.**

All notices required or permitted to be given under this AGREEMENT shall be in writing and shall be personally delivered, or sent by fax or certified mail, postage prepaid and return receipt requested, addressed as follows:

To CITY:	City of Buellton Attn: Marc Bierdzinski P.O. Box 1819 107 W. Highway 246 Buellton, CA 93427
To:	Larry J. Kosmont Kosmont Company 825 S. Figueroa Street, 35 <sup>th</sup> Floor Los Angeles, CA 90017

Notice shall be deemed effective on the date personally delivered or transmitted by facsimile or, if mailed, three (3) days after deposit of the same in the custody of the United States Postal Service.

**SECTION 24. AUTHORITY TO EXECUTE.**

The person or persons executing this AGREEMENT on behalf of *CONSULTANT* represents and warrants that he/she/they has/have the authority to so execute this AGREEMENT and to bind *CONSULTANT* to the performance of its obligations hereunder.

**SECTION 25. BINDING EFFECT.**

This AGREEMENT shall be binding upon the heirs, executors, administrators, successors and assigns of the parties.

**SECTION 26. MODIFICATION OF AGREEMENT.**

No amendment to or modification of this AGREEMENT shall be valid unless made in writing and approved by the *CONSULTANT* and by the City Council. The parties agree that this requirement for written modifications cannot be waived and that any attempted waiver shall be void. In the event of any conflict between the terms and conditions of this AGREEMENT and attached Exhibit "A", the terms and conditions of this AGREEMENT shall control. In the event of any conflict between the terms and conditions of this AGREEMENT and any attached exhibits, the terms and conditions of this AGREEMENT will control.

**SECTION 27. WAIVER.**

Waiver by any party to this AGREEMENT of any term, condition, or covenant of this AGREEMENT shall not constitute a waiver of any other term, condition, or covenant. Waiver by any party of any breach of the provisions of this AGREEMENT shall not constitute a waiver of any other provision, nor a waiver of any subsequent breach or violation of any

provision of this AGREEMENT. Acceptance by CITY of any work or services by *CONSULTANT* shall not constitute a waiver of any of the provisions of this AGREEMENT.

**SECTION 28. LAW TO GOVERN; VENUE.**

This AGREEMENT shall be interpreted, construed and governed according to the laws of the State of California. In the event of litigation between the parties, venue in state trial courts shall lie exclusively in the County of Santa Barbara. In the event of litigation in a U.S. District Court, venue shall lie exclusively in the Central District of California, in Los Angeles.

**SECTION 29. ATTORNEYS FEES, COSTS AND EXPENSES.**

In the event litigation or other proceeding is required to enforce or interpret any provision of this AGREEMENT, the prevailing party in such litigation or other proceeding shall be entitled to an award of reasonable attorney's fees, costs and expenses, in addition to any other relief to which it may be entitled.

**SECTION 30. ENTIRE AGREEMENT.**

This AGREEMENT, including the attached EXHIBITS "A" and "B", is the entire, complete, final and exclusive expression of the parties with respect to the matters addressed therein and supersedes all other agreements or understandings, whether oral or written, or entered into between *CONSULTANT* and CITY prior to the execution of this AGREEMENT. No statements, representations or other agreements, whether oral or written, made by any party which are not embodied herein shall be valid and binding. No amendment to this AGREEMENT shall be valid and binding unless in writing duly executed by the parties or their authorized representatives.

**SECTION 31. SEVERABILITY.**

If a term, condition or covenant of this AGREEMENT is declared or determined by any court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions of this AGREEMENT shall not be affected thereby and the AGREEMENT shall be read and construed without the invalid, void or unenforceable provision(s).

IN WITNESS WHEREOF, the parties hereto have caused this AGREEMENT to be executed the day and year first above written.

KOSMONT COMPANY

By: \_\_\_\_\_

Title: \_\_\_\_\_

CITY OF BUELLTON

APPROVED AS TO FORM:

By: \_\_\_\_\_  
CITY MANAGER

\_\_\_\_\_  
Ralph D. Hanson, City Attorney

## **EXHIBIT "A"**

### **SCOPE OF SERVICES**

The CONSULTANT shall perform economic development services as specified in the attached "Revised Proposal" dated May 28, 2013.

The not-to-exceed cost shall be \$60,000 as noted in the "Revised Proposal" dated May 28, 2013.



# REVISED PROPOSAL

## CITY OF BUELLTON *Economic Development Services*





May 28, 2013

Mr. Marc Bierdzinski  
Planning Director  
City of Buellton - Planning Dept.  
P.O. Box 1819  
Buellton, CA 93427

RE: Request for Proposals for Economic Development Services

Dear Mr. Bierdzinski:

Kosmont & Associates, Inc., doing business as Kosmont Companies (“Kosmont” or “Consultant”), is pleased to present our qualifications for Economic Development Services for the City of Buellton, California (“City”). It is our understanding that the City of Buellton seeks a consultant to assist and advise on economic development activities that involve attracting and retaining businesses, including but not limited to, establishing best practices and procedures, effectively pursuing retail tenants, marketing strategies and programs, and providing redevelopment dissolution strategies as may be relevant.

Kosmont Companies, a certified Minority Business Enterprise (MBE), is a full service local government, economics and real estate advisory firm with 25+ year track record of working with cities and public agencies on economic development strategies and real estate projects that have led to successful outcomes. Our public and private sector experience, and in-depth expertise in multiple areas such as economic development, real estate development, project funding, business costs/incentives and land use / zoning make us the ideal firm to provide the City with the required economic development services.

Kosmont is joined in this effort by Platinum PR, a renowned woman-owned public relations firm serving municipalities with city-wide marketing, business attraction and outreach programs, including the cities of Sierra Madre, Montebello, Pomona, South El Monte, and South Gate. Platinum PR Solutions, a frequent collaborator with Kosmont Companies, will provide expert help with public relations and media communications.

Since 1986, Kosmont has performed a myriad of similar assignments for hundreds of California cities such as South Gate, Redondo Beach, Stanton, Placentia, Redlands, Norco and San Jacinto. Currently, we are also helping our clients evaluate alternatives to funding economic development without redevelopment.

Kosmont Companies recently served as the Interim City Administrator for Montebello, and our staff includes former City Managers as well as Directors of Economic Development, Community Development, Redevelopment, and management services for various other local municipalities.

The Kosmont team understands the needs of the private sector as well. In 1994, I founded the Kosmont-Rose Institute Cost of Doing Business Survey which has been the national standard for businesses to compare costs among cities when consider a move or an expansion. Kosmont also helped establish the first Los Angeles Business Team under Mayor Richard Riordan, designed to provide citywide business attraction and retention services. Further we are



frequently retained by private sector investment funds, developers and retailers to assist in due diligence and financial analysis of properties and projects. These assignments provide Kosmont with significant insight in our retail recruitment and business attraction efforts on behalf of our city clients.

The Kosmont Team, if selected, will provide the City with expert knowledge and economic development strategies to attract businesses, generate jobs and promote economic growth in the absence of redevelopment agencies.

We are available to discuss further at your convenience.

Yours truly,

A handwritten signature in cursive script that reads 'Larry J. Kosmont'.

Larry J. Kosmont, CRE<sup>®</sup>  
President & CEO

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## Project Team

Mr. Larry Kosmont will be the contact with primary responsibility for this project. Key staff will not be changed during the course of the project following the submittal of this proposal. Staffing for this engagement may consist of a combination of the following personnel.



**Larry J. Kosmont, CRE**, is President and CEO of Kosmont Companies. Mr. Kosmont is a nationally-recognized real estate and economic development advisor to public agencies and private organizations. He is the founder and Chief Executive of Kosmont Companies as well as the managing partner of the Renaissance Community Fund, a real estate development company which specializes in suburban infill projects. Mr. Kosmont's 36-year career encompasses negotiations, development, and management of real estate transactions exceeding \$10 Billion. He has an extensive track record across all phases of real estate investment, development and management as well as a unique insight into the economic, administrative, and political aspects of local government decision making. Mr. Kosmont has assisted hundreds of local government agencies in project and policy decisions ranging from large-scale economic development to site-specific real estate strategies and projects. From 1975 to 1986, Mr. Kosmont served in the roles of City Manager, Director of Community Development, and Redevelopment Director for the Southern California cities of Santa Monica, Seal Beach, Bell Gardens, and Burbank. He is also a board member of the following state and local organizations:

- California Redevelopment Association (CRA)
- California Association for Local Economic Development (CALED)
- USC Lusk Center for Real Estate



**Susan Perry, Esq.**, is a Partner with Kosmont Companies. With nearly 20 years of experience in real estate transactions, land use and planning, Ms. Perry manages complex assignments involving asset due diligence, entitlements and public approvals on behalf of a broad range of private sector clients. Ms. Perry is Kosmont Companies' principal project liaison to private sector corporations, public agencies, developers, lenders, non-profits and REITs. Ms. Perry is an attorney and a member of both the State Bar of California and the American Bar Association and a registered Municipal Advisor with the U.S. Securities and Exchange Commission (SEC). She has served as President of the Southern California Development Forum and remains on SCDF's Advisory Board of Directors.



C. Wil Soholt, Senior Vice President at Kosmont Companies, functions as the firm's financial and investment strategist for public-private deals. Prior to joining Kosmont Companies, Mr. Soholt managed more than 25 redevelopment projects with an aggregate project cost of \$140 million. Mr. Soholt's analytical capabilities extend to economic and geographic modeling, feasibility modeling, acquisition strategies, demographic projections, and data mining. Mr. Soholt has a talent for consensus building, creative problem solving, and identifying opportunities to capture hidden value. Mr. Soholt holds a Master of Business Administration from Pepperdine University and a Bachelor of Science in Urban Planning and Real Estate Development from the University of Southern California. He is an instructor in Real Estate Development Finance for the California Association of Local Economic Development (CALED).



Kenneth K. Hira serves as Senior Vice President for Kosmont Companies. An expert in retail development and strategies for retail attraction, Mr. Hira has nearly 20 years of varied experience in virtually every aspect of real estate financing, downtown revitalization, acquisition, entitlement, development, asset management and disposition. Mr. Hira's expertise is in identifying retail tenants and negotiating retail and mixed-use projects that can revitalize communities and assist in economic development/tax generation programs.

A former Executive Vice President of the Irvine-based mixed-use developer, Pacific Century Commercial, Mr. Hira managed a portfolio of over \$100 million of retail sites, while operating the commercial division of the company. Prior to this, as a Managing Director of Acquisitions for Westrust and a Vice President of Development at Lewis Retail Centers, he evaluated and underwrote hundreds of acres of land, successfully captured and negotiated anchor tenant commitments creating \$60 million of value in ground-up development and redevelopment, and was responsible for 800,000 square feet of retail entitlement, design and development. As Vice President of GMS Realty, Mr. Hira entitled one million square feet of retail development projects, as well as led the acquisition of 24 neighborhood and community shopping centers, totaling 3.3 million square feet and valued at \$375 million, and organized a \$287 million recapitalization of the company.

Mr. Hira holds a Bachelor degree in Economics and Business from UCLA, and is an active volunteer leader of the International Council of Shopping Centers. He serves as the ICSC Southern California State Director, while previously serving as the ICSC Program Committee Chair and Alliance Co-Chair, advocating public-private partnerships. Mr. Hira is a registered Municipal Advisor with the U.S. Securities and Exchange Commission (SEC).



Dan Massiello is a Senior Vice President – Public Finance with Kosmont Companies. Massiello brings over 20 years of professional experience in the Public Finance industry to Kosmont Companies. Mr. Massiello started his career with an east coast financial advisory firm, and has been an investment banker in CA for 13 years. Mr. Massiello has structured and brought to market over \$4 billion of new money and refunding transactions to market for Cities, Redevelopment Agencies, School and Community College Districts and Special Districts. Successfully completed transactions include General Fund Financings (Certificates of Participation), Tax Increment, General Obligation, Installment Purchase, Lease Revenue, Revenue, Special Tax, and Sales Tax supported financings. A significant portion of these transactions involved unrated and challenging credits, which have garnered Mr. Massiello the ability to engineer well-structured and marketable financing vehicles that consistently meet his clients' financing goals and objectives.

Mr. Massiello earned his BS in Management/Finance from the State University of New York-Binghamton and held Series 24, 7, and 63 FINRA Licenses while employed by a Broker/Deal (currently inactive).



Mr. Chris Jicha is a Senior Consultant with Kosmont Companies. He brings a wealth of understanding both municipalities and real estate markets with an exceptional understanding of inland California cities. Mr. Jicha's expertise ranges from building and guiding economic development departments and programs to business development. His 12 years of experience as a businessman and entrepreneur along with 6 years experience with a County municipality creates a unique blend of experience to serve his clients. Mr. Jicha has been involved in 7 business acquisitions and relocations as an entrepreneur and provided site selection, incentives, workforce development and project entitlement & permitting services to large corporations and businesses.

Currently, Mr. Jicha focuses on providing real estate and development advisory services including highest & best use studies, market analysis, retail demand studies, and financial analysis/valuation and implementation strategies for municipalities in Southern California.



Ryan Aubry, LEED Green Associate, Senior Vice President with Kosmont Companies, has over ten years experience in the detailed analysis of infill development. He has worked with various governmental organizations on planning and development issues relating to infill development, as well as with private developers. He has worked closely with the City of Los Angeles Planning Department, the County of Los Angeles Planning Department, and the Los Angeles Community Redevelopment Agency. Recently he served as

a project manager for a development firm focusing on workforce housing in the City of Los Angeles, where he was involved in the development of nine infill condominium and town home projects as well as assisting with acquisition strategies. As a real estate consultant, Mr. Aubry has been involved in the underwriting of many property types including multifamily apartments, retail malls, urban hotels, and infill residential development. He is adept in using Geographic Information Systems (GIS) for the analysis of transit oriented development and other project types. He holds a Master's in Real Estate Development from the University of Southern California, as well as a Masters degree in Geography from the University of California Santa Barbara. Mr. Aubry is a member of the Urban Land Institute. He is also a registered Municipal Advisor with the U.S. Securities and Exchange Commission (SEC).



[Joseph Dieguez](#) is a Vice President with Kosmont Companies, serving clients primarily through market and financial analyses, project due diligence, government management services and marketing efforts. Prior to joining Kosmont Companies, Mr. Dieguez served as a senior analyst at a real estate investment, development and finance firm and as an analyst at a financial services management consulting firm, responsible for industry, market, portfolio and property-level research and analysis, negotiations and transaction execution support. Mr. Dieguez was previously an assistant project manager at a construction management firm, where he assisted with RFQ/P development and project implementation. Mr. Dieguez graduated with a Bachelors of Science degree in Mechanical Engineering from the Massachusetts Institute of Technology and is a Real Estate Salesperson licensed by the State of California Department of Real Estate.



[Matt Goulet](#) serves as the firm's business development manager and principal writer for economic and real estate studies. In addition, he manages the clients' land use planning and entitlement processing for real estate projects in various communities throughout California. Mr. Goulet has more than 15 years of experience working with industries that form the backbone of the Southern California economy including aerospace, manufacturing, theme parks and motion pictures. Mr. Goulet has worked with Kosmont Companies in a variety of consulting roles since 2006, providing his expertise in aggregating disparate information into finished reports and in developing strategies for some of Kosmont's most complex client assignments.

Prior to joining Kosmont Companies as Vice President, Mr. Goulet worked on a variety of land use matters that included entitlement strategies, political outreach, and securing land use approvals for several major projects. Since 2008, he has served as the board-level CFO and Vice President of 1010

Development Corporation, a non-profit affordable housing developer. Mr. Goulet holds a Bachelor of Science in Mechanical Engineering from the University of Maryland, an MBA from California State University Northridge, and a Professional Certificate in Real Estate Investments from UCLA. He also holds an FE/EIT certification in Mechanical Engineering from the Maryland Board of Professional Engineers and has served as a docent providing architectural tours for the Los Angeles Conservancy.



**Josh Kreger** is a Project Analyst with Kosmont Companies where he focuses on real estate, market studies, land use, economics research and analysis, and marketing activities. Prior to joining Kosmont Companies, Mr. Kreger worked for the Los Angeles Department of City Planning where he researched and analyzed zoning code processes and procedures and worked on staff reports related to CRA dissolution, code compliance and RFPs. Prior to the City of LA, Mr. Kreger worked as a real estate agent in downtown San Diego specializing in residential properties.

Mr. Kreger's background includes experience in analyzing complex issues, negotiation, and market analysis. Mr. Kreger holds a Juris Doctor from the University of San Diego and a Bachelor of Arts in Sociology from the University of Maryland. He is a licensed Real Estate Salesperson, California Department of Real Estate.

### Key Project Personnel

Staff Member	Title	Estimated Percentage Allotted to Project
Larry J. Kosmont, CRE	President & CEO	5 - 7%
Susan Perry, Esq.	Partner, Senior Vice President	5 - 7%
Wil Soholt	Senior Vice President	5 - 15%
Ken Hira	Senior Vice President	10 - 20%
Ryan Aubry	Senior Vice President	10 - 20%
Joseph Dieguez	Vice President	25 - 30%
Chris Jicha	Senior Consultant	5 - 15%
Josh Kreger	Project Analyst	10 - 20%

## PLATINUM PR Team Profile

### **ABOUT THE PLATINUM PR TEAM**

Platinum PR, a 100% woman-owned business provides innovative approaches to strategizing and communicating with City Hall, stakeholders and communities. We work with municipalities, civic groups, public agencies, department heads and chambers of commerce to help them succeed in delivering a powerful message.

Joining us will be the professional staff of Avant-Garde, a 100% woman-owned business, **certified minority business enterprise, women business enterprise, disadvantaged business enterprise, small business enterprise (MBE, WBE, DBE, SBE), and Community Based Enterprise (CBE).**

Together we understand the many ways that a single project may affect multiple layers of government as well as the desired economic growth and development. We use and leverage this information by looking at every angle of a program and/or project to determine the overall impact and how best to design and implement outreach and marketing programs that best produce optimum results. With our team of experts in marketing, public relations, community outreach, compliance management, grant writing and funding identification and administration, our team is committed to creating a working relationship that becomes a seamless extension of Kosmont Companies and City of Buellton staff.

### Community Relations

Our Community Relations Specialists can assist all members of the community who need help in gaining access to and use of various County/City/Agency and community services and resources. We can develop a Community Relations and Participation Program to serve as a catalyst for community change and problem solving, insuring maximum community participation by empowering citizens to access community resources and services, and by ensuring cultural sensitivity throughout the community. Our bi-lingual staff can help establish partnerships that enable neighborhood-based organizations to work together to revitalize the economy, generate jobs, and rebuild healthy communities.

### Media Relations and Communication

Our Media Relations and Communications Specialists can manage the City of Buellton's communications and media relations activities, produce internal and external publications, develop public awareness and involvement campaigns, oversee content on the City's website and manage local government channels. We work with all departments, councils, committee and Boards to provide proactive, useful information to citizens. Our Communications Specialist can act as the primary point of contact for news media, organizations and the general public seeking information about City programs, policies, procedures, statistics, research and services. We assist on all public affairs and strategic communications matters and serves as a liaison between departments, communities and agencies on public information matters. The Platinum PR Team ensures the right message is delivered using the right means of communication.

# Relevant Project Experience

## ***South Gate – Economic Development & Real Estate Advisory Services***

Kosmont has been under the retainer with the City of South Gate since 2003, and currently serves as the real estate, financial and economic development advisor to the City and Redevelopment Commission on multiple real estate projects and sites, including the following:

***Former Los Angeles Community College District/ Ameron Site Real Estate Advisory:*** On the City's behalf, Kosmont conducted the negotiations for a 30+ acre regional lifestyle shopping center. As part of the process, Kosmont developed the RFQ and helped the City select a development team and negotiate the Purchase and Sale Agreement. Kosmont directed the City's acquisition of the property from the Los Angeles Community College District and re-sold the property to the private sector developer on the same day in a back-to-back escrow. Project design and leasing is currently being negotiated. Additionally, the Kosmont and the City are currently negotiating with the developer various public benefit fees and is evaluating the potential bonding capacity available through tax increment financing.

***“azalea” Retail Project (former “Gateway”/ “El Portal”):*** This project is a 600,000 square feet 30+ acre regional Promotional and Entertainment Retail Center. Kosmont Companies currently leads public private negotiations on behalf of the City. In addition, Kosmont Companies has developed the developer RFQ and helped the city select a development team and negotiate development agreements. Additionally, Kosmont and the City negotiated alternative designs and deal structure points, as well as evaluated potential bonding capacity available through tax increment and other public financing structures. Kosmont is leading the City's efforts to utilize Recovery Zone Bonds, a newly available public financing program pursuant to the American Recovery and Reinvestment Act (ARRA). Kosmont Companies also prepared an Urban Decay Analysis for this project evaluated the local demand for the various types of retail within the proposed project, compared that demand to the available retail amenities within the City and surrounding communities, and estimated the impacts this proposed project might have on local retailers.

***California Senior Plaza Real Estate Advisory:*** Kosmont assisted the City in working through a series of complex real estate workouts that resulted from a prior corrupt City administration. Kosmont acted as the City and the Court's real estate specialist, and sold the California Senior Plaza project through a court process, resulting in payoff of liens and return of monies that had been previously lost by the City. Kosmont Realty Corporation acted as the Broker of Record for this 65 unit affordable senior's project.

***Hollydale Plaza Real Estate Advisory:*** Similar to California Senior Plaza above, Kosmont negotiated a workout and sale of a property that was partially built, and conducted the financial and valuation analysis that is the basis for buyout transaction which resolved underlying liens and recover monies for the Redevelopment Agency. The site is a 1.5-acre infill site that is currently under contract for an affordable, mixed use project.

***Village at South Gate Economic Study:*** This is a 6-acre parcel adjacent to the Los Angeles Freeway. Kosmont is in the process of developing a workout strategy for the site in order to recover Redevelopment Agency funds that were squandered as part of an act of corruption by the prior City administration. Kosmont conducted a highest and best use analysis, and has supported the negotiation of an interim lease.

### ***Redondo Beach – Economic Development & Real Estate Advisory Services***

***Redondo Beach – Business Development:*** The City of Redondo Beach retained Kosmont to assist in the development of a Business Plan for the City's pier and harbor area. The area is in need of revitalization and cohesive strategies to encourage and foster development by leveraging public and private resources. The Business Plan was adopted by the City in 2010, and Kosmont's recommendations and strategies are now being implemented to promote and accelerate revitalization of the area.

***Redondo Beach – Marine Real Estate Services:*** Kosmont acted as City's Financial Advisor for the transaction structure and financing of a two hotel, 340 room project on Marine Ave and the 405 Freeway. The transaction closed as a \$48.5 Million financing in the form of a Lease Leaseback and Site Specific Tax Revenue pledge.

***Redondo Beach – Waterfront Revitalization:*** Kosmont was retained by the Harbor Division of the City of Redondo Beach to develop and execute an Asset Management Plan, which included a series of policies for the management and redevelopment of the leaseholds on the 150 acres that comprise the Redondo Beach Pier and surrounding waterfront district. Kosmont developed strategies for encouraging business investment and assessed with determination of optimum use and tenant mix to achieve revitalization goals. Kosmont recently completed negotiations for the Shade Hotel (Zisli Group), which is proposed luxury boutique hospitality facility on land owned by the City pursuant to a ground lease. Kosmont is currently retained to establish the highest and best use of the five properties under City control which involve the negotiation of multiple lease, financial analysis, coordination of the RFQ processes for underdeveloped properties and general transactional support as pertaining to hotel, office, retail, restaurant and visitor serving amenities. Transactions executed in 2012 included two lease-leaseback financing structures totaling approximately \$11 million (~105% financing and positive cash flow) and two property acquisitions totaling approximately \$10.5 million.

### ***W Hotel***

Kosmont was retained by HEI Hotels to assist in the identification, evaluation, and potential procurement of public subsidies and/or other financing assistance related to the development of a mixed-use hotel, condominium, nightclub, and restaurant located in Hollywood, California. Kosmont identified a source of equity for the Hotel utilizing an EB-5 investment program structure for certain sections of the Hotel facilities.

### ***Macerich – Mall of Victor Valley: Retail Implementation & Tenant Enhancement***

Kosmont was retained by Macerich to provide real estate advisory services related to its Mall of Victor Valley. The Mall is approx. 550,000 square feet with a vacant Gottschalks

department store and a temporarily filled vacant Mervyn's building. The City of Victorville meanwhile, where the Mall is located, was facing declining sales tax revenues as a result of the underperforming retail space. Kosmont assisted Macerich in the evaluation of a public-private partnership with the City of Victorville and the exploration of government financing solutions for a potentially distressed asset. Kosmont evaluated & negotiated a "win-win" public-private transaction that allowed major retailer attraction/retention for Macerich, sales tax preservation for the City, and job generation for the community. A Site Specific Tax Revenue (SSTR) sharing arrangement was employed as part of a Development Agreement between Macerich and the City. As a result, a new Macy's department store was introduced, an existing JCPenney was relocated into a larger space, exterior mall improvements were implemented, and the regional mall was revitalized as an economic driver for the region.

### ***City of Norco – Real Estate & Economic Development Advisor Services***

Kosmont was retained as the City's real estate and financial advisor on a variety of economic development projects. Kosmont completed a hospitality demand analysis for the City of Norco to assist the City in its process of establishing a hospitality overlay zone. The intention of creating the hospitality zone within the City was to designate an area where hotels, restaurants, and other tourist serving amenities might be located. In order to properly market and attract these tourist serving amenities to the hospitality zone, Kosmont worked with the City in evaluating the potential demand for such amenities. Additionally, Kosmont assisted the City in estimating the potential future demand should certain tourist attracting amenities be developed within the City.

The City purchased a deed-restricted 122-acre site for \$5 million known locally as "Silverlakes", but it could not capitalize the land investment into a public park without some private investment. In response, Kosmont Companies initiated an extensive RFP process on behalf of the City of the Site. At the end of an exhaustive search, Kosmont recommended Belstarr, an experienced operator of equestrian, soccer and recreational facilities to enter into a long-term ground lease with the City. Belstarr was then responsible for financing \$30 million of improvement costs and to construct, operate and manage the facility (in addition to providing public programs). Lease payments to the City included ground rent, CPI increases and repayment to the City for \$6 million in public improvements. Belstarr is now developing a world-class sports and performance event facility that is expected to attract millions of visitors. Furthermore, the City will own a world-class facility at the expiration of the ground lease. An initial phase of the project is expected to open in 2013 with the second and final phase to open in 2014.

### ***Santa Clarita RDA – Retail Analysis and Recruitment***

Kosmont was retained by the Santa Clarita Redevelopment Agency to assist with redevelopment services including the evaluation of downtown revitalization opportunities in Old Town Newhall on Main Street to be anchored by a new library. Kosmont was retained to market Agency-owned block redevelopment project to retailers and developers, market at International Council of Shopping Centers conferences, research financing solutions for the Project and a potential parking structure, provide an Implementation Strategy and an

Approach presentation. Kosmont is also assisting with the Sierra Gateway mixed-use Project feasibility analysis and developer negotiations.

### ***San Jacinto – Economic Development Services***

Kosmont was retained by the City of San Jacinto to assist with various retail economic development services, including but not limited to the structuring and implementation of business attraction programs, pursuit of project funding from various public and private sources evaluation of current tourism programs and strategic advisory and implementation assistance related to enhancements to such programs and marketing and branding efforts. Kosmont is also identifying potential financing sources which may include taxable/tax-exempt bonds, lease/leasebacks, redevelopment funds, Infrastructure Financing District, EB-5 immigrant investor funds, grants and guarantee sources (e.g. EPA, EDA, HUD, DOT, DOE), and other specialized economic development funding sources as part of their services.

### ***City of Diamond Bar – Real Estate & Economic Development Advisory Services***

Kosmont was originally retained by the City to write a Comprehensive Economic Development Strategy, was subsequently retained by the City to execute that strategy, and served the City as its real estate advisor for approximately five (5) years. Kosmont assisted the City with negotiations with a residential developer on the subject of City impact fees and the appropriate level of fees to charge. It also provided pro forma analyses, and advice on project processing and zoning matters. Kosmont completed financial pro formas and negotiation of fees for a Target Center on Diamond Bar Boulevard which is now open and operating

### ***Placentia – Real Estate & Economic Development Advisory Services***

Kosmont is retained by the City of Placentia for a variety of economic development and real estate advisory services, including project/developer negotiations, public-private transaction structuring, project due diligence, proforma analyses and fiscal impact, highest-and-best-use, tax and other economic analyses

### ***City of Goleta – Economic Development Strategic Plan***

Kosmont was retained by the City of Goleta to prepare an Economic Development Strategic Plan (EDSP). The objective of the Plan was to help the City better understand existing conditions (strengths, weakness, opportunities, and threats), guide future economic decisions and actions, and develop realistic and feasible programs for the future. The EDSP was locally based and preserved and enhanced the academic and “incubator” environment based upon proximity to the University of California, Santa Barbara. The plan was oriented to help City’s long-term preservation and enhancement of the tax base.

### ***Montebello – Interim City Administrator & Financial Turnaround Implementation***

Kosmont was retained by the City of Montebello as the Interim City Administrator and Financial Turnaround Specialist. Kosmont's extensive services provided include operational and fiscal stabilization, long-term financial strategy advisory, media relations and marketing outreach and day-to-day city management duties. Under the guidance of Kosmont, the City has adopted, for the first time in its history, a five-year financial plan tied to cash flows and a balanced budget for the 2011 fiscal year. Other efforts included the active shopping of the financial marketplace for the placement of tax and revenue anticipation note (TRAN) financing to overcome short-term cash flow hurdles.

### ***City of Carson – Economic Development Strategy***

Kosmont Companies assisted Watt Communities prepare a developer response for a RFP to develop 9.57 acre property in the City of Carson. The RFP was issued by the City's Redevelopment Agency. The Agency was seeking a qualified developer to deliver a mixed-use residential and retail project. Kosmont offered guidance on potential prevailing wage and green building issues.

### ***RRM – LANI West Boulevard: Economic Development & Financial Advisory Services***

Kosmont was retained by the Los Angeles Neighborhood Initiative (LANI) to assist with market analysis, economic development strategies, retail opportunity assessment and identification of viable funding sources in connection with its West Boulevard Community Linkages and Revitalization TOD Project. The purpose of the Project was to craft a strategy document outlining how the neighborhood could be revitalized following the opening of the planned Metro Crenshaw Line light rail station. The process relied on extensive input from community members. The Project study area is in the cities of Los Angeles and Inglewood.

## References

Peter Grant  
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# Scope of Work

## ***Task 1: Economic & Demographic Profile***

Kosmont will prepare an Economic and Demographic Profile, illustrating existing and future projected trends in population and household social and economic characteristics, including incomes, race/ethnicity, housing preferences, educational attainment, unemployment, employment by industry and occupation, commute patterns, employed resident place of work, resident/employee concentrations, and other metrics. Kosmont will utilize the City's Economic Development Element of the General Plan and other relevant goals and policies, the 2008 City CALED Study, meetings with City staff, the economic development task force, City Council members, the Chamber of Commerce and Visitors Bureau, Santa Ynez Valley Tourism Business Improvement District, other relevant stakeholder groups, the 2012 Public Vision Plan, U.S. Census Bureau, U.S. Bureau of Labor Statistics, California Employment Development Department, California Retail Survey, ESRI, broker-provided market data (e.g. vacancy, lease rates), and other sources.

## ***Task 2: Market Demand Analysis***

Pursuant to direction from City Staff and in alignment with goals and objectives expressed in previous studies, Kosmont will evaluate the market demand for various relevant development types (e.g. retail, tourism / recreation / entertainment, office, industrial, residential, etc.) within the City. Analyses will include retail sales leakage/surplus analysis and retailer void evaluation by retail category, employment projections by industry category (e.g. for office/industrial space users), and resident household growth projections. Kosmont will evaluate existing supply conditions, such as existing retail offerings and tourism / recreation / entertainment amenities.

## ***Task 3: SWOT Analysis***

Based on results obtained in Tasks 1 and 2, Kosmont will prepare in collaboration with City and City-recommended stakeholders a Strengths, Weaknesses, Opportunities, and Threats (SWOT) Analysis. Kosmont will present analysis and results from Tasks 1 and 2, and incorporate feedback into SWOT analysis.

## ***Task 4: Economic Development Implementation Plan***

Based on Tasks 1 through 3, Kosmont will prepare an Economic Development Implementation Plan ("Implementation Plan") leveraging strengths and focusing on opportunities identified in the SWOT Analysis. Kosmont will recommend a road map of short-term and longer-term goals, strategies, and key action items for implementation. Goals will include existing (retail) tax base retention and enhancement, business retention and development, and promotion of long-term fiscal stability. Kosmont will identify potential economic incentives, funding sources, and/or financing structures in alignment with potential implementation steps, such as, but not limited to, site specific tax revenue pledges, tourism districts, (taxable/tax-exempt) bonds or notes, lease or lease/leaseback financing, grants, and/or EB-5 Immigrant investment. Kosmont will identify possible economic incentives and zoning strategies for project development.

### ***Task 5: Financing & Incentives Strategy***

Kosmont will work in collaboration with City staff to prepare a strategy for the formation and implementation of an entity devoted to business and retail attraction and job creation, serving in essence as a type of Economic Development Corporation (“EDC”). The proposed EDC, acting as an extension of the City, would incentivize businesses based on measurable positive metrics, such as job creation and fiscal revenue generation. The EDC could be authorized to perform activities such as acquire, manage, and dispose of real property, obtain financial assistance from public and private sources, issues debt, enter into joint powers agreements (“JPA”) with other public agencies, offer financial assistance to developers, and/or other tasks in connection with the promotion of economic development within the City.

### ***Task 6: Present Plan to the Economic Development Task Force and City Council***

Upon review by City staff, Kosmont will present the Implementation Plan to the Economic Development Task Force and then to the City Council (two meetings total).

### ***Task 7: Initial Implementation of the Implementation Plan***

As a firm focused on strategy and project implementation, Kosmont would assist in the initial implementation of the Economic Development Implementation Plan. Kosmont staff includes International Council of Shopping Centers (ICSC) Southern California State Director and other active industry leaders, which uniquely enables the firm to assist City in retail, hospitality, recreation, and other industry recruitment efforts and related tasks. Kosmont’s experience with tourism and other special districts and other alternative economic incentives and financing mechanisms empowers the firm to assist the City in promoting public-private transactions with active private sector constituents.

### ***Deliverables***

Consultant will provide electronic copies (in PPT and PDF) of the Economic and Demographic Profile, Market Demand Analysis, SWOT Analysis, Economic Development Implementation Plan, and Financing & Incentives Strategy. Consultant will also provide hard copies as requested by City on a case-by-case basis.



## Fee Adjustment Method

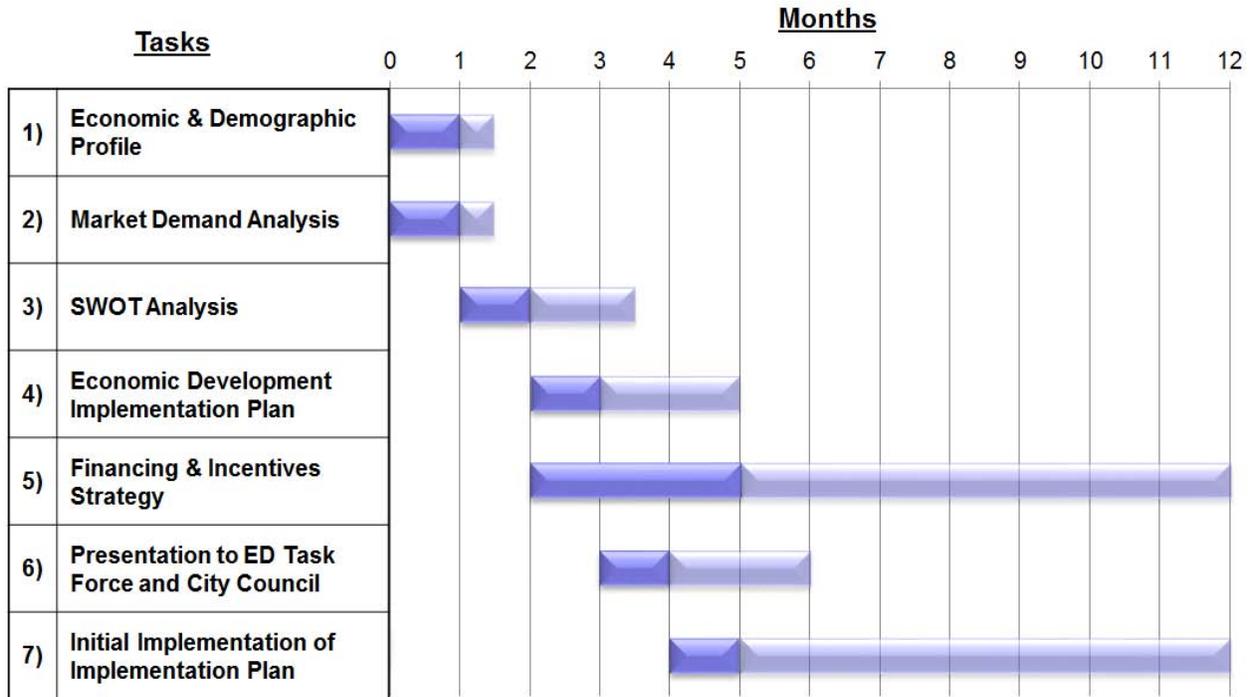
Adjustments in compensation during the contract period will require approval of both Kosmont and the City in advance.

## Insurance

Kosmont carries all the requisite insurances in the amounts requested by City, and will provide all requested insurance certificates and name the City as additional insured, if selected for the assignment.

# Estimated Project Schedule

Project schedule is estimated within the ranges:





# Estimated Budget

Budget is estimated within the ranges below. Task budgets may be re-allocated between tasks and personnel categories as deemed appropriate by Consultant in order to adequately provide services to City.

**Kosmont - Buellton E.D. Advisory**  
**Fiscal Year 2013-2014**

	Estimated Cost	Estimated Hours	Pres. & CEO	SVP/Sr.Cnslt	Vice Pres.	Analyst
			\$295	\$225	\$185	\$150
1) Economic and Demographic Profile	\$8,940	46	0	16	24	6
2) Market Demand Analysis	\$9,755	49	1	18	26	4
3) SWOT Analysis	\$9,095	45	1	20	20	4
4) Economic Development Implementation Plan	\$9,090	44	2	20	20	2
5) Financing & Incentives Strategy	\$12,350	56	10	24	20	2
6) Presentation to ED Task Force and City Council	\$2,460	12	0	6	6	0
7) Initial Implementation	\$5,520	24	4	16	4	0
<b>Professional Services Total</b>	<b>\$57,210</b>	<b>276</b>	<b>18</b>	<b>120</b>	<b>120</b>	<b>18</b>
<b>Travel / Reimbursables</b>	<b>\$2,861</b>					
<b>TOTAL</b>	<b>\$60,071</b>					
<b>Not to Exceed:</b>	<b>\$60,000</b>					

# Professional Fees

Services as described herein will be invoiced monthly at Consultant’s standard billing rates, as shown on the 2013 Public Agency Fee Schedule below, plus reimbursement for out-of-pocket expenses such as travel and mileage, professional printing, conference calls, and delivery charges for messenger and overnight packages at actual cost. Consultant will also include in each invoice an administrative services fee to cover in-house copy, fax, telephone and postage costs equal to four percent (4.0%) of Consultant’s monthly professional service fees incurred. Whenever practical, materials will be produced in electronic format for distribution/review in lieu of hard copy formats. Any unpaid invoices after 30 days shall accrue interest at the rate of 10% per annum.

## **Kosmont Companies 2013 Public Agency Fee Schedule**

President & CEO	\$295.00/hour
Partner/Senior Vice President/Senior Consultant	\$225.00/hour
Vice President/Associate	\$185.00/hour
Project Analyst / Project Manager	\$150.00/hour
GIS Mapping/Graphics Service/Research	\$ 95.00/hour
Clerical Support	\$ 60.00/hour

- **Additional Expenses**

In addition to professional services (labor) fees:

- 1) An **administrative fee** for in-house copy, fax, phone and postage costs will be charged, which will be computed at four percent (4.0 %) of monthly Kosmont Companies professional service fees incurred; **plus**
- 2) **Out-of-pocket expenditures**, such as travel and mileage, professional printing, and delivery charges for messenger and overnight packages will be charged at cost.

- **Charges for Court/Deposition/Expert Witness-Related Appearances**

Court-related (non-preparation) activities, such as court appearances, depositions, mediation, arbitration, dispute resolution and other expert witness activities, will be charged at a court rate of 1.5 times scheduled rates, with a 4-hour minimum.

*Rates shall remain in effect until December 31, 2013*

## EXHIBIT "B"

### INSURANCE

A. Insurance Requirements. *CONSULTANT* shall provide and maintain insurance, acceptable to the City Manager or City Council, in full force and effect throughout the term of this AGREEMENT, against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by *CONSULTANT*, its agents, representatives or employees. Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A: VII. *CONSULTANT* shall provide the following scope and limits of insurance:

1. Minimum Scope of Insurance. Coverage shall be at least as broad as:

(1) Insurance Services Office form Commercial General Liability coverage (Occurrence Form CG 0001).

(2) Insurance Services Office form number CA 0001 (Ed. 1/87) covering Automobile Liability, including code 1 "any auto" and endorsement CA 0025, or equivalent forms subject to the written approval of the City.

(3) Workers' Compensation insurance as required by the Labor Code of State of California and Employer's Liability insurance and covering all persons providing services on behalf of the *CONSULTANT* and all risks to such persons under this AGREEMENT.

(4) Errors and omissions liability insurance appropriate to the *CONSULTANT*'s profession.

2. Minimum Limits of Insurance. *CONSULTANT* shall maintain limits of insurance no less than:

(1) General Liability: \$1,000,000 general aggregate for bodily injury, personal injury and property damage.

(2) Automobile Liability: \$1,000,000 per accident for bodily injury and property damage.

(3) Workers' Compensation and Employer's Liability: Workers' Compensation as required by the Labor Code of the State of California and Employers Liability limits of \$1,000,000 per accident.

(4) Errors and omissions Liability: \$1,000,000 per occurrence.

B. Other Provisions. Insurance policies required by this AGREEMENT shall contain the following provisions:

1. All Policies. Each insurance policy required by this paragraph 5 shall be endorsed and state the coverage shall not be suspended, voided, cancelled by the insurer or either party to this AGREEMENT, reduced in coverage or in limits except after 30 days' prior written notice by Certified mail, return receipt requested, has been given to the CITY FINANCE DIRECTOR.

2. General Liability Accident -- Mobile Liability Rates.

(1) CITY and its respective elected and appointed officers, officials, and employees and volunteers are to be covered as additional insureds as respects: liability arising out of activities *CONSULTANT* performs; products and completed operations of *CONSULTANT*; premises owned, occupied or used by *CONSULTANT*; or automobiles owned, leased, hired or borrowed by *CONSULTANT*. The coverage shall contain no special limitations on the scope of protection afforded to CITY, and their respective elected and appointed officers, officials, or employees.

(2) *CONSULTANT*'s insurance coverage shall be primary insurance with respect to CITY, and its respective elected and appointed, its officers, officials, employees and volunteers. Any insurance or self-insurance maintained by CITY, and its respective elected and appointed officers, officials, employees or volunteers, shall apply in excess of, and not contribute with, *CONSULTANT*'s insurance.

(3) *CONSULTANT*'s insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

(4) Any failure to comply with the reporting or other provisions of the policies including breaches of warranties shall not affect coverage provided to CITY, and its respective elected and appointed officers, officials, employees or volunteers.

3. Workers' Compensation and Employer's Liability Coverage. Unless the City Manager otherwise agrees in writing, the insurer shall agree to waive all rights of subrogation against CITY, and its respective elected and appointed officers, officials, employees and agents for losses arising from work performed by *CONSULTANT*.

C. Other Requirements. *CONSULTANT* agrees to deposit with CITY, at or before the effective date of this contract, certificates of insurance necessary to satisfy CITY that the insurance provisions of this contract have been complied with. The City Attorney may require that *CONSULTANT* furnish CITY with copies of original endorsements effecting coverage required by this Section. The certificates and endorsements are to be signed by a person authorized by that insurer to bind coverage on its behalf. CITY reserves the right to inspect complete, certified copies of all required insurance policies, at any time.

1. *CONSULTANT* shall furnish certificates and endorsements from each subcontractor identical to those *CONSULTANT* provides.

2. Any deductibles or self-insured retentions must be declared to and approved by CITY. At the option of CITY, either the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects CITY or its respective elected or appointed officers, officials, employees and volunteers or the *CONSULTANT* shall procure a bond guaranteeing payment of losses and related investigations, claim administration, defense expenses and claims.

3. The procuring of such required policy or policies of insurance shall not be construed to limit *CONSULTANT's* liability hereunder nor to fulfill the indemnification provisions and requirements of this AGREEMENT.

**CITY OF BUELLTON**  
City Council Agenda Staff Report

City Manager Review: MPB  
Council Agenda Item No.: 6

To: The Honorable Mayor and City Council

From: Annette Muñoz, Finance Director

Meeting Date: June 27, 2013

Subject: Acceptance of City of Buellton, California Financial Statements –  
June 30, 2012

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**BACKGROUND**

At the end of each fiscal year an independent audit of the City's financial records is required. The audit for Fiscal Year 2011-12 has been completed by the firm of JJACPA, Inc., Certified Public Accountants and is presented here for your review and acceptance.

The last two years the audit was brought to Council in January and February. For fiscal year 2011-12 additional reporting was required by the State due to the dissolution of the Buellton Redevelopment Agency. Additional audits were also required by the Department of Finance and the State for the city's finance director. Those are the reasons the presentation of the audit has been delayed this year.

Joe Arch, President/CEO of JJACPA, Inc. will be presenting the audited financials to the Council.

**FISCAL IMPACT**

There is no fiscal impact to the City as a result of the approval of the financial statements. The cost of the preparation of the City's Fiscal Year 2011-12 Audit is \$22,000.00 and is included in the FY 2012-13 Budget.

**RECOMMENDATION**

That the City Council review and accept the City of Buellton, California Financial Statements - June 30, 2012.

**ATTACHMENTS**

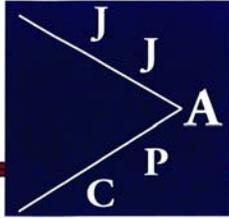
Attachment 1 – Governing Board Letter 6-18-13  
Attachment 2 - City of Buellton, California Financial Statements - June 30, 2012.

# ATTACHMENT 1

## CITY OF BUELLTON

### COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE AND COMMUNICATION OF INTERNAL CONTROL RELATED MATTERS

JUNE 30, 2012



JJACPA, Inc.

A Professional Accounting Services Corp.

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June 18, 2013

City Council  
City of Buellton  
Buellton, California

We have audited the basic financial statements of the City of Buellton (City) as of and for the year ended June 30, 2012, and have issued our report thereon dated June 10, 2013. Professional standards require that we advise you of the following matters relating to our audit.

**Our Responsibility under Generally Accepted Auditing Standards (and when applicable, Government Auditing Standards)**

As communicated in our engagement letter dated May 18, 2012, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the City solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

## **Other Information in Documents Containing Audited Financial Statements**

Pursuant to professional standards, our responsibility as auditors for other information in documents containing the City's audited financial statements does not extend beyond the financial information identified in the audit report, and we are not required to perform any procedures to corroborate such other information.

Our responsibility also includes communicating to you any information which we believe is a material misstatement of fact. Nothing came to our attention that caused us to believe that such information, or its manner of presentation, is materially inconsistent with the information, or manner of its presentation, appearing in the financial statements.

## **Planned Scope and Timing of the Audit**

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

## **Qualitative Aspects of the Entity's Significant Accounting Practices**

### *Significant Accounting Policies*

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the City is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during June 30, 2012. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

### *Significant Accounting Estimates*

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements are useful lives of capital assets ("useful lives").

Management's estimate of the useful lives is based on experience with and observation of capital assets, by category (e.g. infrastructure) as well as industry standards, when applicable (i.e. buildings). We evaluated the key factors and assumptions used to develop the useful lives and determined that it is reasonable in relation to the basic financial statements taken as a whole.

### *Financial Statement Disclosures*

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the City's financial statements relate to commitments and contingencies.

### **Significant Difficulties Encountered during the Audit**

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

### **Uncorrected and Corrected Misstatements**

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Management has corrected all identified misstatements.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. None of the misstatements identified by us as a result of our audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole or applicable opinion units.

### **Disagreements with Management**

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the City's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

### **Representations Requested from Management**

We have requested certain written representations from management, which are included in a separate letter dated June 18, 2013.

### **Management's Consultations with Other Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

### **Other Significant Findings or Issues**

In the normal course of our professional association with the City, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the City, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the entity's auditors.

## Communication of Internal Control Related Matters

In planning and performing our audit of the financial statements of the City of Buellton as of and for the year ended June 30, 2012, in accordance with auditing standards generally accepted in the United States of America, we considered the City's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the City Council and management of Buellton and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

*Joseph J. Arch, CPA*

JOSEPH J ARCH, CPA  
President/CEO  
JJACPA, INC

CITY OF BUELLTON, CALIFORNIA

ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED

JUNE 30, 2012



Prepared by:

**Annette Munoz**  
Finance Director

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**City of Buellton, California**  
**Basic Financial Statements**  
**For the year ended June 30, 2012**

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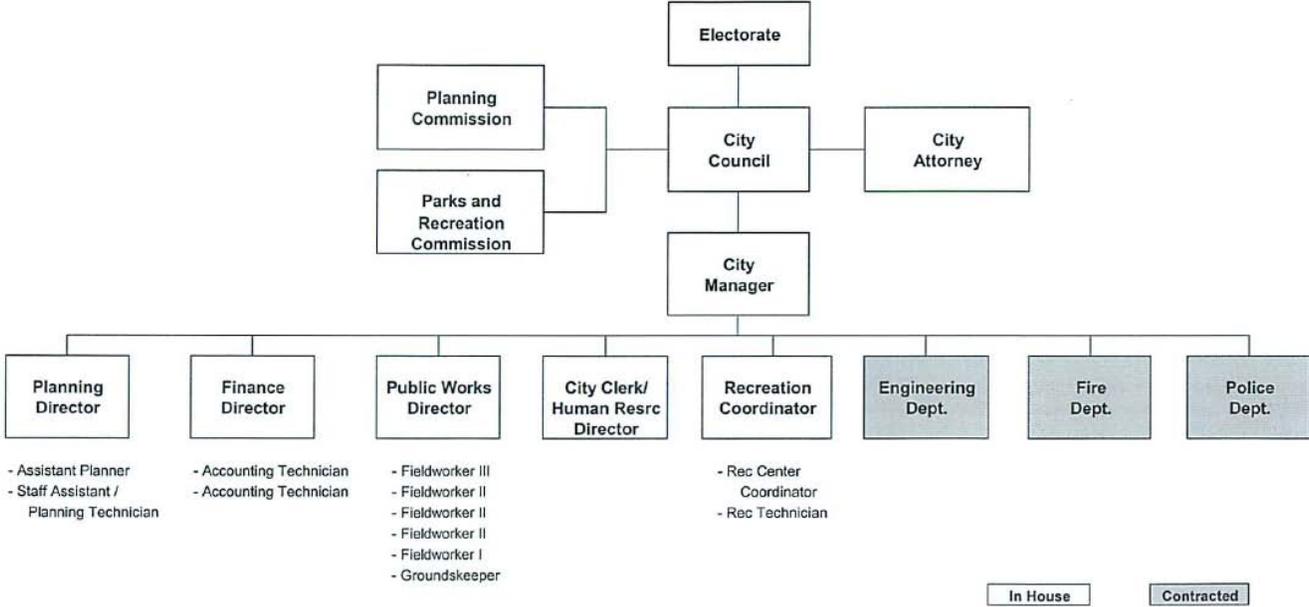
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**Organization Chart**



**City of Buellton California**  
**Basic Financial Statements**  
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**List of Officials**

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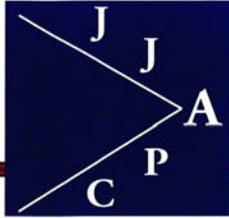
***CITY COUNCIL***

- Judith Dale, Mayor
- John Connolly, Vice Mayor
- Ed Andrisek
- David King
- Holly Sierra

***CITY OFFICIALS***

- John Kunkel, City Manager
- Annette Munoz, Finance Director
- Marc Bierdzinski, Planning Director
- Rose Hess, Public Works Director/ City Engineer
- Linda Reid, City Clerk/ Human Resources Director
- Kyle Abello, Parks & Recreation Coordinator

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JJACPA, Inc.

A Professional Accounting Services Corp.

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## INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and City Council  
of the City of Buellton  
Buellton, California

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Buellton, California (City), as of and for the year ended June 30, 2012, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to previously present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2012, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 10, 2013, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

To the Honorable Mayor and City Council  
of the City of Buellton  
Buellton, California  
Page 2

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3–16 and 29–30 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated in all material respects in relation to the financial statements as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section is presented for the purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

*JJACPA, Inc.*

JJACPA, Inc.

June 10, 2013

**City of Buellton, California**  
**Basic Financial Statements**  
**For the year ended June 30, 2012**

**Management's Discussion and Analysis**

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This section provides a narrative overview and analysis of the financial activities of the City of Buellton (City) for the fiscal year ended June 30, 2012. It should be read in conjunction with the accompanying transmittal letter and basic financial statements.

**FINANCIAL HIGHLIGHTS**

- The assets of the City of Buellton exceeded its liabilities at the close of the most recent fiscal year by \$40,966,460 (net assets). Of this amount, \$16,150,788 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- The Government's total net assets increased by \$633,919. This increase is attributable to an increase of \$773,019 in the City's total assets and an increase of (\$139,100) in total liabilities.
- As of the close of the current fiscal year, the City of Buellton's governmental funds reported combined ending fund balances of \$13,219,995 an increase of \$332,279 in comparison with the prior fiscal year. Approximately 84 percent of this total amount, \$11,056,477 is available for spending at the government's discretion (unassigned fund balance).
- At the end of the current fiscal year, there was an unassigned fund balance for the general fund of \$11,334,055.

**City of Buellton, California**  
**Basic Financial Statements**  
**For the year ended June 30, 2012**

**Management's Discussion and Analysis, Continued**

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**OVERVIEW OF THE ANNUAL FINANCIAL REPORT**

This Annual Financial Report is in two major parts:

- 1) **Introductory section**, which includes general information;
- 2) **Financial section**, which includes the Management's Discussion and Analysis (this part), the Basic Financial Statements, which include the Government-wide and the Fund Financial Statements along with the notes to these financial statements, and Combining and Individual Fund Financial Statements and Schedules.

**The Basic Financial Statements**

The Basic Financial Statements are comprised of the Government-wide Financial Statements and the Fund Financial Statements; these two sets of financial statements provide two different views of the City's financial activities and financial position.

**The Government-wide Financial Statements**

The Government-wide Financial Statements provide a broad overview of the City's activities as a whole and comprise the Statement of Net Assets and the Statement of Activities. The Statement of Net Assets provides information about the financial position of the City as a whole, including all its capital assets and long-term liabilities on the full accrual basis, similar to that used by corporations. The Statement of Activities provides information about all the City's revenues and all its expenses, also on the full accrual basis, with the emphasis on measuring net revenues or expenses of each the City's programs. The Statement of Activities explains in detail the change in Net Assets for the year.

All of the City's activities are grouped into Governmental Activities and Business-type activities, as explained below. All the amounts in the Statement of Net Assets and the Statement of Activities are separated into Governmental Activities and Business-type Activities in order to provide a summary of these two activities of the City as a whole.

- ◆ **Governmental activities** – All of the City's basic services are considered to be governmental activities, including general government, community development, culture and leisure, public safety, and public works. These services are supported by general City revenues such as taxes and by specific program revenues such as developer fees. The City's governmental activities include the activities of a separately legal entity, the former Buellton Redevelopment Agency (RDA) because the City was financially accountable for this entity.

**City of Buellton, California**  
**Basic Financial Statements**  
**For the year ended June 30, 2012**

**Management's Discussion and Analysis, Continued**

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**OVERVIEW OF THE ANNUAL FINANCIAL REPORT, Continued**

**The Government-wide Financial Statements, Continued**

- ◆ ***Business-type activities*** – All the City's enterprise activities are reported here, including Water and Wastewater. Unlike governmental services, these services are supported by charges paid by users based on the amount of the service they use.

**Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

***Governmental funds.*** Governmental funds are used to account for essentially the same functions reported as governmental activities in the Government-wide Financial Statements. However, unlike the Government-wide Financial Statements, Governmental Fund Financial Statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of the Governmental Fund Financial Statements is narrower than that of the Government-wide Financial Statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the Government-wide Financial Statement. By doing so, readers may better understand the long-term impact of the government's near-term financial decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. The Governmental Fund Financial Statements provide detailed information about each of the City's most significant funds, called major funds. The concept of major funds, and the determination of which are major funds, was established by GASB Statement No. 34 and replaces the concept of combining like funds and presenting them as one total. Instead, each major fund is presented individually, with all non-major funds summarized and presented only in a single column. Subordinate schedules present the detail of these non-major funds. Major funds present the major activities of the City for the year, and may change from year to year as a result of changes in the pattern of the City's activities.

**City of Buellton, California**  
**Basic Financial Statements**  
**For the year ended June 30, 2012**

**Management's Discussion and Analysis, Continued**

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**OVERVIEW OF THE ANNUAL FINANCIAL REPORT, Continued**

**Fund Financial Statements, Continued**

For the fiscal year ended June 30, 2012, the City's major funds are as follows:

**GOVERNMENTAL FUNDS:**

- ◆ General Fund
- ◆ Former Redevelopment Agency Community Development Special Revenue Fund

**PROPRIETARY FUNDS:**

- ◆ Water Enterprise Fund
- ◆ Wastewater Enterprise Fund

**Proprietary funds.** The City maintains Enterprise-type proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the Government-wide Financial Statements. The City uses enterprise funds to account for Water and Wastewater operations. Proprietary funds provide the same type of information as the Government-wide Financial Statements, only in more detail.

**Fiduciary funds.** The City maintains two private-purpose trust funds and one agency fiduciary fund. The agency funds are used to account for resources held for the benefit of parties outside the government. Since agency funds are custodial in nature, (i.e. assets equal liabilities), they do not involve the measurement of results of operations. Private-purpose trust funds are not reflected in the government-wide financial statements for this reason.

**Notes to the Basic Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the Government-wide and Fund Financial Statements. The notes to the basic financial statements can be found on pages 40–71 of this report.

**Combining and Individual Fund Financial Statements and Schedules**

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the notes to the financial statements. Combining and individual fund statements can be found on pages 76–95 of this report.

**City of Buellton, California**  
**Basic Financial Statements**  
**For the year ended June 30, 2012**

**Management's Discussion and Analysis, Continued**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position.

In the case of the City, assets exceeded liabilities by \$40,966,460 as of June 30, 2012.

The Summary of Net Assets as of June 30, 2012, and 2011, follows:

	Summary of Net Assets					
	2012			2011		
	Governmental Activities	Business- type Activities	Total	Governmental Activities	Business- type Activities	Total
Current and other assets	\$ 11,590,482	\$ 5,443,195	\$ 17,033,677	\$ 13,533,929	\$ 5,794,383	\$ 19,328,312
Noncurrent assets	19,479,661	5,563,438	25,043,099	16,445,038	5,530,407	21,975,445
Total assets	31,070,143	11,006,633	42,076,776	29,978,967	11,324,790	41,303,757
Current and other liabilities	301,810	194,597	496,407	501,328	72,516	573,844
Noncurrent liabilities	501,505	112,404	613,909	279,650	117,722	397,372
Total liabilities	803,315	307,001	1,110,316	780,978	190,238	971,216
Net assets:						
Invested in capital assets	17,403,453	5,563,438	22,966,891	16,445,038	5,530,407	21,975,445
Restricted	1,848,781	-	1,848,781	4,282,496	-	4,282,496
Unrestricted	11,014,594	5,136,194	16,150,788	8,470,455	5,604,145	14,074,600
<b>Total net assets</b>	<b>\$ 30,266,828</b>	<b>\$ 10,699,632</b>	<b>\$ 40,966,460</b>	<b>\$ 29,197,989</b>	<b>\$ 11,134,552</b>	<b>\$ 40,332,541</b>

Restricted net assets decreased by \$2,433,715 due to the reclassification of previously restricted balances that have now been determined to be unrestricted.

**City of Buellton, California**  
**Basic Financial Statements**  
**For the year ended June 30, 2012**

**Management's Discussion and Analysis, Continued**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued**

The change in net assets for the fiscal years ended June 30, 2012, and 2011, follows:

	Changes in Net Assets					
	2012			2011		
	Governmental Activities	Business- type Activities	Total	Governmental Activities	Business- type Activities	Total
Revenues:						
Program revenues:						
Charges for services	\$ 199,041	\$ 1,986,776	\$ 2,185,817	\$ 475,404	\$ 1,960,196	\$ 2,435,600
Grants and contributions:						
Operating	1,225,407	462	1,225,869	356,627	-	356,627
Capital	-	34,720	34,720	182,490	114,575	297,065
General revenues:						
Secured and unsecured property taxes	1,479,869	-	1,479,869	1,718,074	-	1,718,074
Sales and use tax	1,611,788	-	1,611,788	1,552,752	-	1,552,752
Other taxes	1,826,202	-	1,826,202	1,813,950	-	1,813,950
Investment income	468,543	14,519	483,062	127,128	23,774	150,902
Other income	-	-	-	5,917	23,140	29,057
Total revenues	<u>6,810,850</u>	<u>2,036,477</u>	<u>8,847,327</u>	<u>6,232,342</u>	<u>2,121,685</u>	<u>8,354,027</u>
Expenses:						
Governmental activities:						
General government	1,484,345	-	1,484,345	1,040,330	-	1,040,330
Community development	1,131,764	-	1,131,764	1,804,188	-	1,804,188
Culture and leisure	621,570	-	621,570	819,223	-	819,223
Public safety	1,350,473	-	1,350,473	947,844	-	947,844
Public works	862,578	-	862,578	638,904	-	638,904
Depreciation - unallocated	-	-	-	737,978	-	737,978
Business-type activities:						
Water	-	1,699,457	1,699,457	-	1,623,335	1,623,335
Sewer	-	771,940	771,940	-	842,378	842,378
Total expenses	<u>5,450,730</u>	<u>2,471,397</u>	<u>7,922,127</u>	<u>5,988,467</u>	<u>2,465,713</u>	<u>8,454,180</u>
Excess (Deficiency) of revenues over expenses before transfers	1,360,120	(434,920)	925,200	243,875	(344,028)	(100,153)
Transfers	-	-	-	-	-	-
Extraordinary item	(291,281)	-	(291,281)	-	-	-
Change in net assets	<u>1,068,839</u>	<u>(434,920)</u>	<u>633,919</u>	<u>243,875</u>	<u>(344,028)</u>	<u>(100,153)</u>
Net assets:						
Beginning of year	29,197,989	11,134,552	40,332,541	28,954,114	11,478,580	40,432,694
End of year	<u>\$ 30,266,828</u>	<u>\$ 10,699,632</u>	<u>\$ 40,966,460</u>	<u>\$ 29,197,989</u>	<u>\$ 11,134,552</u>	<u>\$ 40,332,541</u>

**City of Buellton, California**  
**Basic Financial Statements**  
**For the year ended June 30, 2012**

**Management's Discussion and Analysis, Continued**

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**GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued**

**Revenues**

The City's total revenues for governmental and business-type activities were \$8,847,327 for the fiscal year ended June 30, 2012. Approximately 49% of the City's key revenues are generated from three major sources.

The following discusses variances in key revenues from the prior fiscal year:

- 1. Sales and Use Taxes** – The change in sales and use tax was mainly due to increased consumer spending as the economy slowly recovers.
- 2. Secured and Unsecured Property Taxes** – Annual receipts decreased by 14%, due to a continued decline in property values and foreclosures throughout the state.
- 3. Grants and Contributions – Governmental Activities Operating** – The increase in Governmental operating grants and contributions was mainly due to street, road, and community enhancement operating grants.

**City of Buellton, California**  
**Basic Financial Statements**  
**For the year ended June 30, 2012**

**Management's Discussion and Analysis, Continued**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued**

**Expenses**

Governmental and business-type activity expenses of the City for the year totaled \$7,922,127. Governmental activity expenses totaled \$5,450,730 or 69% of total expenses. Business-type activities incurred \$2,471,397 of expenses during the fiscal year. General government expenses represented 27% of total governmental activities expenses and include City Council, City Manager, City Clerk, City Attorney, Non-departmental and Finance. Charges for services and other fees partially offset the cost of this category.

Public safety expenses represented 25% of total governmental activities expenses. Revenues from fines and grants partially offset the cost of this category.

**Governmental Activities**

The following table shows the cost of each of the City's major programs and the net cost of the programs. Net cost is the total cost less fees and other direct revenue generated by the activities. The net cost reflects the financial burden that was placed on the City's taxpayers by each of the programs. The total cost of services and the net cost of services for the fiscal years ended June 30, 2012, and 2011, are as follows:

	2012		2011	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
General government	\$ 1,484,345	\$ 1,430,694	\$ 1,040,330	\$ 947,712
Community development	1,131,764	1,131,764	947,844	786,990
Culture and leisure	621,570	561,784	638,904	483,588
Public safety	1,350,473	1,183,919	1,804,188	1,737,572
Public works	862,578	(281,879)	819,223	280,106
Depreciation -unallocated	-	-	737,978	737,978
<b>Total</b>	<b>\$ 5,450,730</b>	<b>\$ 4,026,282</b>	<b>\$ 5,988,467</b>	<b>\$ 4,973,946</b>

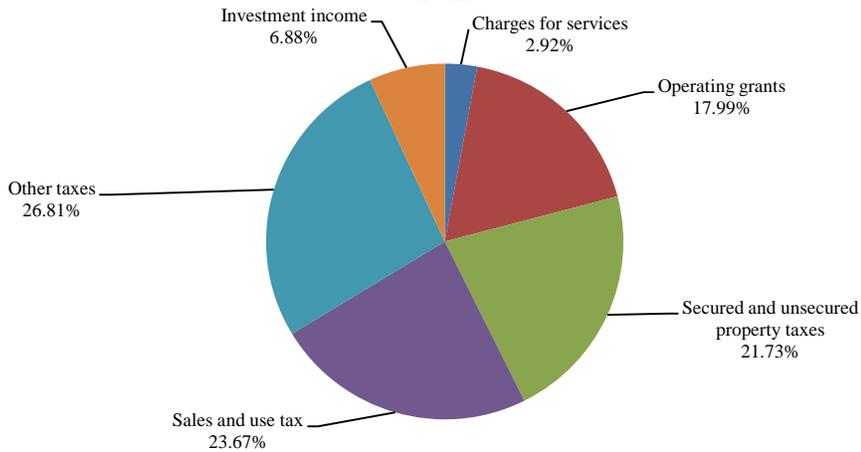
**City of Buellton, California**  
**Basic Financial Statements**  
**For the year ended June 30, 2012**

**Management's Discussion and Analysis, Continued**

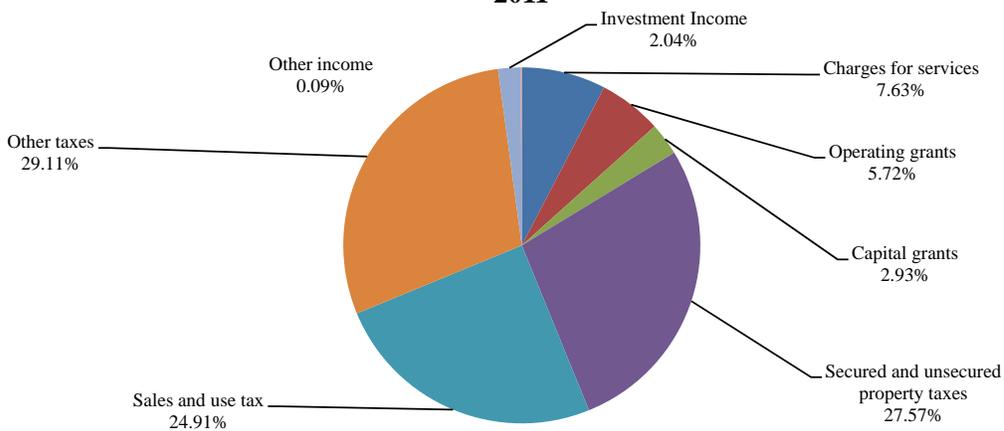
**GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued**

Revenues by source for the fiscal years ended June 30, 2012, and 2011, are as follows:

**Revenues by Source - Governmental Activities**  
**2012**



**Revenues by Source - Governmental Activities**  
**2011**



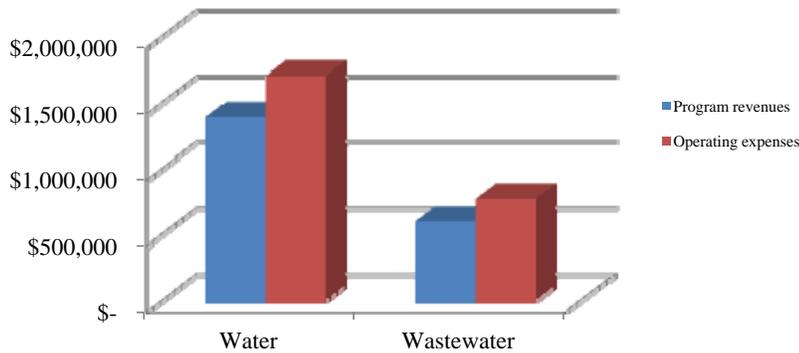
**City of Buellton, California**  
**Basic Financial Statements**  
**For the year ended June 30, 2012**

**Management’s Discussion and Analysis, Continued**

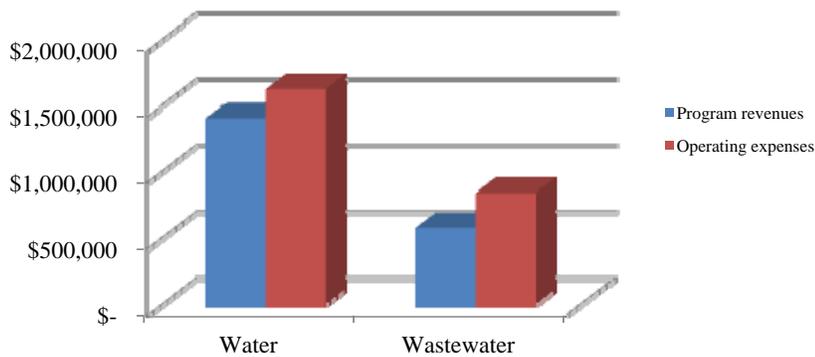
**GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued**

**Business-type activities.** Business-type activities decreased the City’s net assets by \$434,920. The City has two business-type activities: Water and Wastewater. Water accounts for 69%, and Wastewater accounts for 31% of total business-type activity revenue. The expenses and program revenues for the business-type activities for the fiscal year ended June 30, 2012, and 2011, are as follows:

**Expenses and Program Revenues  
 Business-type Activities  
 2012**



**Expenses and Program Revenues  
 Business-type Activities  
 2011**



**City of Buellton, California**  
**Basic Financial Statements**  
**For the year ended June 30, 2012**

**Management's Discussion and Analysis, Continued**

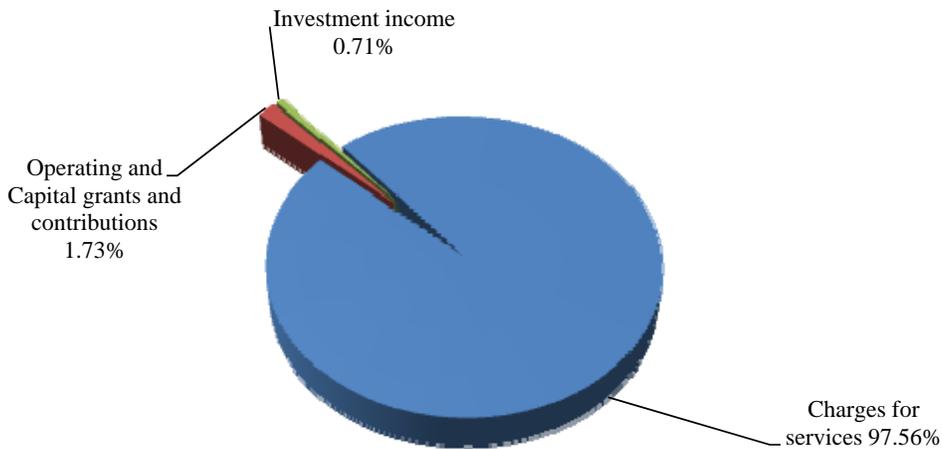
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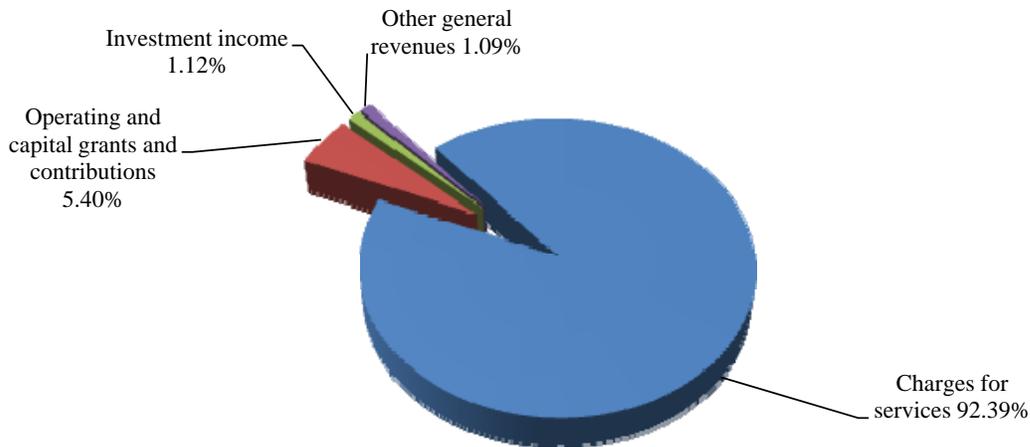
**GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued**

The revenues by source for the business-type activities for the fiscal years ended June 30, 2012, and 2011, are as follows:

**Revenues by Source - Business-type Activities  
2012**



**Revenues by Source - Business-type Activities  
2011**



**City of Buellton, California**  
**Basic Financial Statements**  
**For the year ended June 30, 2012**

**Management's Discussion and Analysis, Continued**

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**GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued**

**Financial Analysis of the Government's Funds**

The City of Buellton uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The fund financial statements focus on individual parts of the City government, reporting the City's operations in more detail than the government-wide financial statements.

**Governmental funds.** The focus of the City of Buellton's governmental funds is to provide information on near term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City of Buellton's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City of Buellton's governmental funds reported combined ending fund balances of \$13,219,995, an increase of \$332,279 in comparison with the prior fiscal year. Approximately 84 percent of this total amount (\$11,056,477) constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of fund balance is nonspendable or restricted to indicate that it is not available for new spending because it has already been committed 1) to cover a note receivable for the Housing Fund (\$200,000), 2) to fund amounts prepaid for the following fiscal year (\$114,737) for the General Fund and 3) for a variety of other restricted purposes (\$1,848,781).

The general fund is the chief operating fund of the City of Buellton. The total fund balance in the general fund was \$11,448,792.

The fund balance of the City of Buellton's general fund increased by \$915,681 during the current fiscal year. Key factors in this growth are as follows:

- A net increase in general fund revenues of \$724,964.

**Proprietary funds.** The City of Buellton's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net assets of the water fund at the end of the fiscal year amounted to \$3,204,873 and those for the wastewater fund amounted to \$1,931,321. The total change in unrestricted net assets for both funds were (\$349,209) and (\$118,742), respectively.

**City of Buellton, California**  
**Basic Financial Statements**  
**For the year ended June 30, 2012**

**Management's Discussion and Analysis, Continued**

**General Fund Budgetary Highlights**

During the fiscal year, there were no changes in appropriations between the original and final budgets.

**Capital Assets**

The City of Buellton's investment in capital assets for its governmental and business-type activities as of June 30, 2012, amounts to \$22,966,891 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, equipment and infrastructure. The total increase in the City's investment in capital assets for the current fiscal year was \$991,446. Of the total increase, governmental activities showed an increase of \$958,415, resulting from an increase in net depreciable capital assets. Accumulated depreciation decreased to adjust the balances of the remaining assets, total asset valuations did not change. Business-type activities increased by \$33,031, due to an increase in net depreciable capital assets.

	Governmental Activities		Business-type Activities		Totals	
	2012	2011	2012	2011	2012	2011
Nondepreciable -Land	\$ 1,536,248	\$ 1,536,248	\$ 247,691	\$ 247,691	\$ 1,783,939	\$ 1,783,939
Buildings and improvements	4,221,448	8,346,414	574,387	-	4,795,835	8,346,414
Equipment	385,766	392,039	582,952	557,499	968,718	949,538
Infrastructure	15,815,655	16,183,515	10,729,454	10,968,077	26,545,109	27,151,592
Total Depreciable Capital Assets	20,422,869	24,921,968	11,886,793	11,525,576	32,309,662	36,447,544
Less: Accumulated Depreciation	4,555,664	10,013,178	6,571,046	6,242,860	11,126,710	16,256,038
Net Depreciable Capital Assets	15,867,205	14,908,790	5,315,747	5,282,716	21,182,952	20,191,506
Net Capital Assets	\$ 17,403,453	\$ 16,445,038	\$ 5,563,438	\$ 5,530,407	\$ 22,966,891	\$ 21,975,445

More detail of the capital assets and current activity can be found in the notes to the financial statements on Pages 46 and 47 for significant accounting policies and Note 5 on Page 57 for other capital asset information.

**Debt Administration**

At the end of the current fiscal year, the City of Buellton had no long-term debt outstanding. The City has no general obligation or revenue bonds.

**Economic Outlook**

- The unemployment rate for the City of Buellton is currently 5.8 percent, which is an increase from a rate of 6.3 percent a year ago. This compares favorably to the unemployment rate of 8.0 percent for Santa Barbara County (the county where Buellton is located), the State of California's average unemployment rate of 10.6 percent and the national average unemployment rate of 8.2 percent.

**City of Buellton, California**  
**Basic Financial Statements**  
**For the year ended June 30, 2012**

**Management’s Discussion and Analysis, Continued**

**Economic Outlook, continued**

- The City increased water and wastewater meter rates beginning June 1, 2011 and will continue approximately every six months over a four year period. The last meter rate increase is scheduled for January 2015. All of these factors were considered in preparing the City of Buellton's budget for the 2011-12 fiscal year.

**NEXT YEAR’S BUDGETED APPROPRIATIONS**

The adopted budget for all City funds for the new fiscal year of 2012-2013 was \$6,849,034 and is summarized as follows:

	<u>FY 2012-13</u>	<u>FY 2011-12</u>	<u>Amount Change</u>	<u>Percentage Change</u>
General fund	\$ 4,172,865	\$ 3,948,016	\$ 224,849	5.4%
Special revenue funds	2,676,169	2,629,149	47,020	1.8%
<b>Total budget</b>	<u>\$ 6,849,034</u>	<u>\$ 6,577,165</u>	<u>\$ 271,869</u>	<u>7.1%</u>

1. General Fund – Shows an increase of \$224,849 or approximately 5.4%. The increase is the result of operation and personnel increases and reallocations.
2. Special Revenue Funds – Show an increase of \$47,020 or approximately 1.8%. The increase is the result of operation and personnel increases and reallocations.

**Requests for Information**

This Annual Financial Report is intended to provide citizens, taxpayers, investors, and creditors with a general overview of the City’s finances. If you have any questions about this report, need additional financial information, or would like to obtain component unit financial statements, contact Annette Munoz, Finance Director, 107 West Highway 246, Buellton, CA 93427, or visit the City’s web page at [www.cityofbuellton.com](http://www.cityofbuellton.com).

## **BASIC FINANCIAL STATEMENTS**

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# City of Buellton, California

## Statement of Net Assets

June 30, 2012

ASSETS	Governmental Activities	Business-type Activities	Total
<b>Current assets:</b>			
Cash and investments	\$ 4,708,722	\$ 4,322,079	\$ 9,030,801
Restricted cash and investments	6,142,856	-	6,142,856
Receivables:			
Taxes receivable	144,885	-	144,885
Accounts receivable	464,951	200,631	665,582
Interest receivable	14,331	3,286	17,617
Inventory	-	10,280	10,280
Internal balances	-	-	-
Prepaid items	114,737	906,919	1,021,656
<b>Total current assets</b>	<u>11,590,482</u>	<u>5,443,195</u>	<u>17,033,677</u>
<b>Noncurrent assets:</b>			
Notes receivable	200,000	-	200,000
Advances to fiduciary activities	1,876,208	-	1,876,208
Capital assets:			
Nondepreciable	1,536,248	247,691	1,783,939
Depreciable	15,867,205	5,315,747	21,182,952
<b>Total noncurrent assets</b>	<u>19,479,661</u>	<u>5,563,438</u>	<u>25,043,099</u>
<b>Total assets</b>	<u>31,070,143</u>	<u>11,006,633</u>	<u>42,076,776</u>
<b>LIABILITIES</b>			
<b>Current liabilities:</b>			
Accounts payable	189,460	170,080	359,540
Accrued wages	111,600	-	111,600
Deposits payable	750	24,517	25,267
<b>Total current liabilities</b>	<u>301,810</u>	<u>194,597</u>	<u>496,407</u>
<b>Noncurrent liabilities:</b>			
Claims liabilities	82,690	-	82,690
Compensated absences	56,396	23,904	80,300
Net OPEB obligation	362,419	88,500	450,919
<b>Total noncurrent liabilities</b>	<u>501,505</u>	<u>112,404</u>	<u>613,909</u>
<b>Total liabilities</b>	<u>803,315</u>	<u>307,001</u>	<u>1,110,316</u>
<b>NET ASSETS</b>			
Invested in capital assets	17,403,453	5,563,438	22,966,891
Restricted:			
Streets and roads	1,341,645	-	1,341,645
Housing	451,255	-	451,255
Maintenance	55,881	-	55,881
Unrestricted	11,014,594	5,136,194	16,150,788
<b>Total net assets</b>	<u>30,266,828</u>	<u>10,699,632</u>	<u>40,966,460</u>
<b>Total liabilities and net assets</b>	<u>\$ 31,070,143</u>	<u>\$ 11,006,633</u>	<u>\$ 42,076,776</u>

The accompanying notes are an integral part of these basic financial statements.

**City of Buellton, California**  
**Statement of Activities**  
**For the year ended June 30, 2012**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary government:</b>				
Governmental activities:				
General government	\$ 1,484,345	\$ 1,712	\$ 51,939	\$ -
Community development	1,131,764	-	-	-
Culture and leisure	621,570	59,786	-	-
Public safety	1,350,473	48,678	117,876	-
Public works	862,578	88,865	1,055,592	-
Total governmental activities	5,450,730	199,041	1,225,407	-
Business-type activities:				
Water	1,699,457	1,388,813	462	34,720
Wastewater	771,940	597,963	-	-
Total business-type activities	2,471,397	1,986,776	462	34,720
<b>Total primary government</b>	<b>\$ 7,922,127</b>	<b>\$ 2,185,817</b>	<b>\$ 1,225,869</b>	<b>\$ 34,720</b>

General revenues:

Taxes:

Secured and unsecured property taxes

Sales and use tax

Other taxes

Investment income

Total general revenues

Transfers

Total general revenues and transfers

Extraordinary item:

Loss on dissolution of redevelopment agency

Change in net assets

Net assets:

Beginning of year

Net assets - Ending

The accompanying notes are an integral part of these basic financial statements.

**Net (Expense) Revenue and  
Changes in Net Assets**

<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Totals</b>
\$ (1,430,694)	\$ -	\$ (1,430,694)
(1,131,764)	-	(1,131,764)
(561,784)	-	(561,784)
(1,183,919)	-	(1,183,919)
281,879	-	281,879
<u>(4,026,282)</u>	<u>-</u>	<u>(4,026,282)</u>
-	(275,462)	(275,462)
-	(173,977)	(173,977)
-	(449,439)	(449,439)
<u>(4,026,282)</u>	<u>(449,439)</u>	<u>(4,475,721)</u>
1,479,869	-	1,479,869
1,611,788	-	1,611,788
1,826,202	-	1,826,202
468,543	14,519	483,062
<u>5,386,402</u>	<u>14,519</u>	<u>5,400,921</u>
-	-	-
<u>5,386,402</u>	<u>14,519</u>	<u>5,400,921</u>
(291,281)	-	(291,281)
1,068,839	(434,920)	633,919
29,197,989	11,134,552	40,332,541
<u>\$ 30,266,828</u>	<u>\$ 10,699,632</u>	<u>\$ 40,966,460</u>

**FUND FINANCIAL STATEMENTS**  
**MAJOR FUNDS**

<b>Fund</b>	<b>Description</b>
Governmental Funds:	
General Fund	Primary operating fund of the City; accounts for all activities except those legally or administratively required to be accounted for in other funds.
Former Redevelopment Agency Community Development Fund	This fund is used to account for the accumulation of resources for, and the payment of, operations and related costs in the Redevelopment Agency.

**City of Buellton, California**

**Balance Sheet**

**Governmental Funds**

**June 30, 2012**

	<b>Major Funds</b>			<b>Totals</b>
	<b>General Fund</b>	<b>Former Redevelopment Agency</b>	<b>Nonmajor Governmental Funds</b>	
		<b>Community Development Special Revenue</b>		
<b>ASSETS</b>				
Cash and investments	\$ 2,958,590	\$ -	\$ 1,750,132	\$ 4,708,722
Restricted cash and investments	6,142,856	-	-	6,142,856
Receivables:				
Taxes	144,885	-	-	144,885
Accounts	356,603	-	108,348	464,951
Interest	5,660	-	8,671	14,331
Loans/Notes receivable	-	-	200,000	200,000
Due from other funds	272,450	-	192	272,642
Prepaid items	114,737	-	-	114,737
Advances to Successor Agency private purpose trust fund	1,876,208	-	-	1,876,208
<b>Total assets</b>	<b>\$ 11,871,989</b>	<b>\$ -</b>	<b>\$ 2,067,343</b>	<b>\$ 13,939,332</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 165,962	\$ -	\$ 23,498	\$ 189,460
Accrued wages	111,600	-	-	111,600
Deposits payable	750	-	-	750
Due to other funds	-	-	272,642	272,642
Deferred revenue	144,885	-	-	144,885
<b>Total liabilities</b>	<b>423,197</b>	<b>-</b>	<b>296,140</b>	<b>719,337</b>
<b>Fund balances:</b>				
Nonspendable:				
Prepaid items	114,737	-	-	114,737
Notes receivable	-	-	200,000	200,000
Restricted:	-	-	1,848,781	1,848,781
Unassigned (deficit):	11,334,055	-	(277,578)	11,056,477
<b>Total fund balances</b>	<b>11,448,792</b>	<b>-</b>	<b>1,771,203</b>	<b>13,219,995</b>
<b>Total liabilities and fund balances</b>	<b>\$ 11,871,989</b>	<b>\$ -</b>	<b>\$ 2,067,343</b>	<b>\$ 13,939,332</b>

The accompanying notes are an integral part of these basic financial statements.

**City of Buellton, California**  
**Reconciliation of the Governmental Funds Balance Sheet**  
**to the Statement of Net Assets**  
**June 30, 2012**

**Total fund balances - total governmental funds** \$ 13,219,995

Amounts reported for governmental activities in the Statement of Net Assets are different because:

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds balance sheet. 17,403,453

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds balance sheet.

Claims liabilities	\$ (82,690)	
Compensated absences	(56,396)	
Net OPEB obligation	(362,419)	(501,505)

Long-term receivables are not available to pay current period expenditures and, therefore, are deferred in the governmental funds:

Taxes receivable		144,885
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Internal services funds are used by management to charge the costs of certain activities, such as insurance, to individual funds. The assets and liabilities of the internal service funds are:

Current assets		
Noncurrent assets		
Accounts payable and accrued liabilities		
Compensated absences		-

**Net assets of governmental activities** \$ 30,266,828

# City of Buellton, California

## Reconciliation of Fund Basis Balance Sheet to Government-wide Statement of Net Assets

### Governmental Activities

June 30, 2012

ASSETS	Governmental Funds Balance Sheet	Reclassifications	Changes in GAAP	Statement of Net Assets
<b>Current assets:</b>				
Cash and investments	\$ 4,708,722	\$ -	\$ -	\$ 4,708,722
Restricted cash and investments	6,142,856			6,142,856
Receivables:				
Taxes receivable	144,885	-	-	144,885
Accounts receivable	464,951	-	-	464,951
Interest receivable	14,331	-	-	14,331
Notes receivable	200,000	-	-	200,000
Advances to private purpose trust/fiduciary activities	1,876,208	-	-	1,876,208
Internal balances	-	-	-	-
Prepaid items	114,737	-	-	114,737
Due from other funds	272,642	(272,642)	-	-
<b>Total current assets</b>	<b>13,939,332</b>	<b>(272,642)</b>	<b>-</b>	<b>13,666,690</b>
<b>Noncurrent assets:</b>				
Capital assets, net:				
Nondepreciable	-	-	1,536,248	1,536,248
Depreciable	-	-	15,867,205	15,867,205
<b>Total noncurrent assets</b>	<b>-</b>	<b>-</b>	<b>17,403,453</b>	<b>17,403,453</b>
<b>Total assets</b>	<b>\$ 13,939,332</b>	<b>\$ (272,642)</b>	<b>\$ 17,403,453</b>	<b>\$ 31,070,143</b>
<b>LIABILITIES</b>				
<b>Current liabilities:</b>				
Accounts payable	\$ 189,460	\$ -	\$ -	\$ 189,460
Accrued wages	111,600	-	-	111,600
Deposits payable	750	-	-	750
Due to other funds	272,642	(272,642)	-	-
Deferred/Unearned revenue	144,885	-	(144,885)	-
Advances from other funds	-	-	-	-
<b>Total current liabilities</b>	<b>719,337</b>	<b>(272,642)</b>	<b>(144,885)</b>	<b>301,810</b>
<b>Noncurrent liabilities:</b>				
Claims liabilities	-	-	82,690	82,690
Compensated absences	-	-	56,396	56,396
Net OPEB obligation	-	-	362,419	362,419
<b>Total noncurrent liabilities</b>	<b>-</b>	<b>-</b>	<b>501,505</b>	<b>501,505</b>
<b>Total liabilities</b>	<b>719,337</b>	<b>(272,642)</b>	<b>356,620</b>	<b>803,315</b>
<b>FUND BALANCES/NET ASSETS</b>				
<b>Fund balances:</b>				
Nonspendable				
Prepaid items	114,737	(114,737)	-	-
Advances receivable	200,000	(200,000)	-	-
Restricted				
Streets and roads	1,341,645	(1,341,645)	-	-
Housing	451,255	(451,255)	-	-
Maintenance	55,881	(55,881)	-	-
Unassigned (deficit)	11,056,477	(11,056,477)	-	-
<b>Net assets:</b>				
Invested in capital assets	-	-	17,403,453	17,403,453
Restricted	-	1,848,781	-	1,848,781
Unrestricted	-	11,371,214	(356,620)	11,014,594
<b>Total fund balances/ net assets</b>	<b>13,219,995</b>	<b>-</b>	<b>17,046,833</b>	<b>30,266,828</b>
<b>Total liabilities and net assets</b>	<b>\$ 13,939,332</b>	<b>\$ (272,642)</b>	<b>\$ 17,403,453</b>	<b>\$ 31,070,143</b>

The accompanying notes are an integral part of these basic financial statements.

**City of Buellton, California**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the year ended June 30, 2012**

	<u>Major Funds</u>			<u>Totals</u>
	<u>General Fund</u>	<u>Former Redevelopment Agency Community Development Special Revenue</u>	<u>Other Governmental Funds</u>	
<b>REVENUES:</b>				
Taxes	\$ 4,495,371	\$ 422,488	\$ -	\$ 4,917,859
Licenses, permits, and fees	85,777	-	-	85,777
Intergovernmental	169,815	-	1,060,792	1,230,607
Fines and forfeitures	49,223	-	-	49,223
Use of money and property	494,568	174	30,766	525,508
Other	1,876	-	-	1,876
<b>Total revenues</b>	<u>5,296,630</u>	<u>422,662</u>	<u>1,091,558</u>	<u>6,810,850</u>
<b>EXPENDITURES:</b>				
Current:				
General government	1,046,267	-	-	1,046,267
Community development	988,241	-	143,523	1,131,764
Culture and leisure	608,804	-	-	608,804
Public safety	1,350,473	-	-	1,350,473
Public works	325,693	-	334,822	660,515
Capital outlay	61,471	-	1,327,996	1,389,467
<b>Total expenditures</b>	<u>4,380,949</u>	<u>-</u>	<u>1,806,341</u>	<u>6,187,290</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>915,681</u>	<u>422,662</u>	<u>(714,783)</u>	<u>623,560</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Extraordinary gain (loss) on the dissolution of redevelopment	-	1,256,535	(1,547,816)	(291,281)
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>1,256,535</u>	<u>(1,547,816)</u>	<u>(291,281)</u>
<b>Net change in fund balances</b>	<u>915,681</u>	<u>1,679,197</u>	<u>(2,262,599)</u>	<u>332,279</u>
<b>FUND BALANCES:</b>				
Beginning of year	10,533,111	(1,679,197)	4,033,802	12,887,716
End of year	<u>\$ 11,448,792</u>	<u>\$ -</u>	<u>\$ 1,771,203</u>	<u>\$ 13,219,995</u>

The accompanying notes are an integral part of these basic financial statements.

**City of Buellton, California**

**Reconciliation of Fund Basis Statements to Government-wide Statement of Activities**

**For the year ended June 30, 2012**

<b>Functions/Programs</b>	<b>Fund Based Totals</b>	<b>Compensated Absences</b>	<b>Depreciation</b>	<b>Capital Asset (Additions)/ Retirements</b>	<b>Claims/ OPEB Obligation</b>	<b>Government- wide Totals</b>
<b>Governmental activities:</b>						
General government	\$ 1,046,267	\$ 2,027	\$ 22,911	\$ 193,312	\$ 219,828	\$ 1,484,345
Community development	1,131,764	-	-	-	-	1,131,764
Culture and leisure	608,804	-	12,766	-	-	621,570
Public safety	1,350,473	-	-	-	-	1,350,473
Public works	660,515	-	202,063	-	-	862,578
Capital outlay	1,389,467	-	-	(1,389,467)	-	-
<b>Total governmental activities</b>	<b>\$ 6,187,290</b>	<b>\$ 2,027</b>	<b>\$ 237,740</b>	<b>\$ (1,196,155)</b>	<b>\$ 219,828</b>	<b>\$ 5,450,730</b>

The accompanying notes are an integral part of these basic financial statements.

**City of Buellton, California**  
**Reconciliation of the Statement of Revenues, Expenditures, and Changes in**  
**Fund Balances of Governmental Funds to the Statement of Activities**  
**For the year ended June 30, 2012**

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**Net change in fund balances - total governmental funds** \$ 332,279

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:

Capital asset purchases capitalized	\$ 1,196,155	
Capital asset retirements	-	
Depreciation expense	<u>(237,740)</u>	958,415

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:

Change in claim liabilities		(82,690)
Change in compensated absences		(2,027)

Certain employee benefit obligations are recorded on a pay-as-you-go basis in the governmental funds, but are accrued as liabilities in the Statement of Net Assets:

Net OPEB obligation	<u>(137,138)</u>	(137,138)
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**Change in net assets of governmental activities** \$ 1,068,839

The accompanying notes are an integral part of these basic financial statements.

# City of Buellton, California

## Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual - General Fund and Major Special Revenue Funds For the year ended June 30, 2012

	<b>General Fund</b>			Variance w/Final Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
<b>REVENUES:</b>				
Taxes	\$ 3,673,451	\$ 3,673,451	\$ 4,495,371	\$ 821,920
Licenses, permits, and fees	4,000	4,000	85,777	81,777
Intergovernmental	165,000	165,000	169,815	4,815
Fines and forfeitures	31,700	31,700	49,223	17,523
Use of money and property	64,315	64,315	494,568	430,253
Other	10,000	10,000	1,876	(8,124)
<b>Total revenues</b>	<b>3,948,466</b>	<b>3,948,466</b>	<b>5,296,630</b>	<b>1,348,164</b>
<b>EXPENDITURES:</b>				
Current:				
General government	939,602	939,602	1,046,267	(106,665)
Community development	1,043,964	1,043,964	988,241	55,723
Culture and leisure	789,744	789,744	608,804	180,940
Public safety	1,855,592	1,855,592	1,350,473	505,119
Public works	361,351	361,351	325,693	35,658
Capital outlay	80,200	80,200	61,471	18,729
<b>Total expenditures</b>	<b>5,070,453</b>	<b>5,070,453</b>	<b>4,380,949</b>	<b>689,504</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(1,121,987)</b>	<b>(1,121,987)</b>	<b>915,681</b>	<b>2,037,668</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Extraordinary gain (loss) on the dissolution of redevelopment	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>(1,121,987)</b>	<b>(1,121,987)</b>	<b>915,681</b>	<b>2,037,668</b>
<b>FUND BALANCES:</b>				
Beginning of year	10,533,111	10,533,111	10,533,111	-
End of year	<b>\$ 9,411,124</b>	<b>\$ 9,411,124</b>	<b>\$ 11,448,792</b>	<b>\$ 2,037,668</b>

The accompanying notes are an integral part of these basic financial statements.

**Former Redevelopment Agency  
Community Development Fund**

Budgeted Amounts		Actual	Variance w/Final
Original	Final		Positive (Negative)
\$ 600,000	\$ 600,000	\$ 422,488	\$ (177,512)
-	-	-	-
-	-	-	-
-	-	-	-
15,000	15,000	174	(14,826)
-	-	-	-
<u>615,000</u>	<u>615,000</u>	<u>422,662</u>	<u>(192,338)</u>
-	-	-	-
110,000	110,000	-	110,000
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>110,000</u>	<u>110,000</u>	<u>-</u>	<u>110,000</u>
505,000	505,000	422,662	(82,338)
-	-	1,256,535	1,256,535
-	-	-	-
-	-	-	-
<u>-</u>	<u>-</u>	<u>1,256,535</u>	<u>1,256,535</u>
505,000	505,000	1,679,197	1,174,197
<u>(1,679,197)</u>	<u>(1,679,197)</u>	<u>(1,679,197)</u>	<u>-</u>
<u>\$(1,174,197)</u>	<u>\$(1,174,197)</u>	<u>\$ -</u>	<u>\$ 1,174,197</u>

## PROPRIETARY FUNDS

Fund	Description
<b>MAJOR FUNDS:</b>	
Water Fund	Accounts for revenues and expenses associated with the administration and coordination of stormwater drainage activities in conjunction with the County of Santa Barbara transferred to Special Revenue because of discontinuance of the user fee.
Wastewater Fund	Accounts for all activities associated with the operation and maintenance of providing solid waste services.

# City of Buellton, California

## Statement of Net Assets

### Proprietary Funds

June 30, 2012

	<u>Water Fund</u>	<u>Wastewater Fund</u>	<u>Totals</u>
<b>ASSETS</b>			
<b>Current assets:</b>			
Cash and investments	\$ 2,380,188	\$ 1,941,891	\$ 4,322,079
Receivables:			
Accounts	137,697	62,934	200,631
Interest	1,604	1,682	3,286
Inventory	10,280	-	10,280
Prepaid items	888,953	17,966	906,919
<b>Total current assets</b>	<u>3,418,722</u>	<u>2,024,473</u>	<u>5,443,195</u>
<b>Noncurrent assets:</b>			
Capital assets, net			
Buildings and improvements	822,078	-	822,078
Equipment	259,309	323,643	582,952
Infrastructure	5,407,275	5,322,179	10,729,454
Less: accumulated depreciation	(3,451,041)	(3,120,005)	(6,571,046)
Total capital assets (net of accumulated depreciation)	<u>3,037,621</u>	<u>2,525,817</u>	<u>5,563,438</u>
<b>Total noncurrent assets</b>	<u>3,037,621</u>	<u>2,525,817</u>	<u>5,563,438</u>
<b>Total assets</b>	<u>\$ 6,456,343</u>	<u>\$ 4,550,290</u>	<u>\$ 11,006,633</u>
<b>LIABILITIES AND NET ASSETS</b>			
<b>Current liabilities:</b>			
Accounts payable and accrued liabilities	\$ 133,130	\$ 36,950	\$ 170,080
Deposits	24,517	-	24,517
<b>Total current liabilities</b>	<u>157,647</u>	<u>36,950</u>	<u>194,597</u>
<b>Noncurrent liabilities:</b>			
Compensated absences	11,952	11,952	23,904
OPEB payable	44,250	44,250	88,500
<b>Total noncurrent liabilities</b>	<u>56,202</u>	<u>56,202</u>	<u>112,404</u>
<b>Total liabilities</b>	<u>213,849</u>	<u>93,152</u>	<u>307,001</u>
<b>Net Assets:</b>			
Invested in capital assets	3,037,621	2,525,817	5,563,438
Unrestricted	3,204,873	1,931,321	5,136,194
<b>Total net assets</b>	<u>6,242,494</u>	<u>4,457,138</u>	<u>10,699,632</u>
<b>Total liabilities and net assets</b>	<u>\$ 6,456,343</u>	<u>\$ 4,550,290</u>	<u>\$ 11,006,633</u>

The accompanying notes are an integral part of these basic financial statements.

**City of Buellton, California**

**Statement of Revenues, Expenses, and Changes in Fund Net Assets**

**Proprietary Funds**

**For the year ended June 30, 2012**

	<b>Water Fund</b>	<b>Wastewater Fund</b>	<b>Totals</b>
<b>OPERATING REVENUES:</b>			
Charges for services	\$ 1,388,813	\$ 597,963	\$ 1,986,776
Other operating revenues	462	-	462
<b>Total operating revenues</b>	<b>1,389,275</b>	<b>597,963</b>	<b>1,987,238</b>
<b>OPERATING EXPENSES:</b>			
Personnel services	246,420	245,595	492,015
Operations and maintenance	1,298,940	352,256	1,651,196
Depreciation	154,097	174,089	328,186
<b>Total operating expenses</b>	<b>1,699,457</b>	<b>771,940</b>	<b>2,471,397</b>
<b>OPERATING LOSS</b>	<b>(310,182)</b>	<b>(173,977)</b>	<b>(484,159)</b>
<b>NONOPERATING REVENUES:</b>			
Interest revenue	7,458	7,061	14,519
<b>Total non-operating revenues, net</b>	<b>7,458</b>	<b>7,061</b>	<b>14,519</b>
<b>NET INCOME BEFORE TRANSFERS AND CAPITAL CONTRIBUTIONS</b>			
Capital contributions	34,720	-	34,720
<b>Total capital contributions</b>	<b>34,720</b>	<b>-</b>	<b>34,720</b>
<b>CHANGE IN NET ASSETS</b>	<b>(268,004)</b>	<b>(166,916)</b>	<b>(434,920)</b>
<b>NET ASSETS:</b>			
Beginning of year	6,510,498	4,624,054	11,134,552
End of year	<u>\$ 6,242,494</u>	<u>\$ 4,457,138</u>	<u>\$ 10,699,632</u>

The accompanying notes are an integral part of these basic financial statements.

**City of Buellton, California**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the year ended June 30, 2012**

	<b>Water Fund</b>	<b>Wastewater Fund</b>	<b>Totals</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Cash received (refunds paid) from (to) customers/users for services provided	\$ 1,403,455	\$ 601,472	\$ 2,004,927
Cash payments to suppliers for goods and services	(1,149,657)	(339,446)	(1,489,103)
Cash payments to employees for services	(249,079)	(248,254)	(497,333)
<b>Net cash provided by operating activities</b>	<b>4,719</b>	<b>13,772</b>	<b>18,491</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>			
Due to/from other funds	221,882	(514,465)	(292,583)
<b>Net cash used by noncapital financing activities</b>	<b>221,882</b>	<b>(514,465)</b>	<b>(292,583)</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>			
Capital grants received	34,720	-	34,720
Acquisition and construction of capital assets	(235,302)	(125,915)	(361,217)
<b>Net cash (used) by capital and related financing activities</b>	<b>(200,582)</b>	<b>(125,915)</b>	<b>(326,497)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Investment income received	8,051	7,636	15,687
<b>Net cash provided by investing activities</b>	<b>8,051</b>	<b>7,636</b>	<b>15,687</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>34,070</b>	<b>(618,972)</b>	<b>(584,902)</b>
<b>CASH AND CASH EQUIVALENTS:</b>			
Beginning of year	2,346,118	2,560,863	4,906,981
End of year	<u>\$ 2,380,188</u>	<u>\$ 1,941,891</u>	<u>\$ 4,322,079</u>
<b>Reconciliation of income from operations to net cash provided by operating activities:</b>			
Operating income	\$ (310,182)	\$ (173,977)	\$ (484,159)
Adjustments to reconcile operating income to net cash provided by operating activities:			
(Increase) decrease in current assets:			
Accounts receivable	14,575	3,509	18,084
Inventory	(4,139)	-	(4,139)
Prepaid items	42,523	1,233	43,756
Increase (decrease) in liabilities:			
Accounts payable and accrued liabilities	110,899	11,577	122,476
Deposits payable	(395)	-	(395)
Compensated absences	(2,659)	(2,659)	(5,318)
OPEB payable	-	-	-
<b>Net cash provided by operating activities</b>	<b>\$ 4,719</b>	<b>\$ 13,772</b>	<b>\$ 18,491</b>

The accompanying notes are an integral part of these basic financial statements.

**City of Buellton, California**  
**Statement of Fiduciary Net Assets**  
Fiduciary Funds  
June 30, 2012

	<u>Successor Agency</u>		<u>Totals</u>
	<u>Private Purpose Trust Funds</u>	<u>Deposits Agency Fund</u>	
<b>ASSETS</b>			
<b>Current Assets:</b>			
Cash and investments	\$ 1,885,046	\$ 143,242	\$ 2,028,288
Receivables:			
Accounts	91,926	-	91,926
Interest	1,313	-	1,313
Prepays	3,866	-	3,866
<b>Total current assets</b>	<u>1,982,151</u>	<u>143,242</u>	<u>2,125,393</u>
<b>Noncurrent Assets</b>			
Property, plant and equipment, net	345,683	-	345,683
<b>Total noncurrent Assets:</b>	<u>345,683</u>	<u>-</u>	<u>345,683</u>
<b>Total assets</b>	<u>\$ 2,327,834</u>	<u>\$ 143,242</u>	<u>\$ 2,471,076</u>
<b>LIABILITIES AND NET ASSETS</b>			
<b>Current Liabilities:</b>			
Accounts payable	\$ 280,650	\$ -	\$ 280,650
Refundable deposits	-	143,242	143,242
<b>Total current liabilities:</b>	<u>280,650</u>	<u>143,242</u>	<u>423,892</u>
<b>Noncurrent liabilities:</b>			
Advances from Governmental Activities	1,876,208	-	1,876,208
<b>Total noncurrent liabilities</b>	<u>1,876,208</u>	<u>-</u>	<u>1,876,208</u>
<b>Total liabilities</b>	<u>2,156,858</u>	<u>\$ 143,242</u>	<u>2,300,100</u>
<b>Net Assets (Deficit)</b>			
Net assets held in trust for Redevelopment Dissolution	<u>170,976</u>		<u>170,976</u>
<b>Total liabilities and net assets</b>	<u>\$ 2,327,834</u>		<u>\$ 2,471,076</u>

The accompanying notes are an integral part of these basic financial statements.

**City of Buellton, California**  
**Statement of Changes in Fiduciary Net Assets**  
Private Purpose Trust Funds  
For the year ended June 30, 2012

	Successor Agency
	<u>Private Purpose Trust Fund</u>
<b>ADDITIONS:</b>	
Property taxes	\$ 94,926
Investment earnings	1,466
Net assets received upon dissolution of redevelopment agency	<u>291,281</u>
<b>Total additions:</b>	387,673
<b>DEDUCTIONS:</b>	
Community development	<u>216,697</u>
<b>Total deductions:</b>	216,697
<b>CHANGE IN FIDUCIARY NET ASSETS</b>	170,976
<b>NET ASSETS (DEFICIT):</b>	
Beginning of year	-
End of year	<u>\$ 170,976</u>

The accompanying notes are an integral part of these basic financial statements.

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**NOTES TO BASIC FINANCIAL STATEMENTS**

**City of Buellton, California**  
**Basic Financial Statements**  
**For the year ended June 30, 2012**

**Index to Notes to Basic Financial Statements**

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**City of Buellton, California**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2012**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The basic financial statements of the City of Buellton, California (City) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental agencies. The Governmental Accounting Standards Boards (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

**A. Financial Reporting Entity**

The City of Buellton (City) was incorporated in 1992, under the laws and regulations of the State of California (State). The City operates under a City Council/Manager form of government and provides the following services: public safety (Police and Fire), highways and streets, water service, wastewater, public improvements, planning and zoning, and general administration.

The financial statements of the City have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting. On June 15, 1987, GASB issued a codification of the existing Governmental Accounting and Financial Reporting Standards which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units. The City applies all GASB pronouncements to its activities.

In addition, the City applies all Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board (APB) Opinions, and Accounting Research Bulletins (ARB) issued after November 30, 1989, unless they conflict with or contradict GASB pronouncements. The more significant of these accounting policies are described below and, where appropriate, subsequent pronouncements will be referenced.

The City was incorporated under the General Laws of the State of California and enjoys all the rights and privileges pertaining to such "General Law" cities. The City uses the City Council/Manager form of government. The financial reporting entity consists of: (a) the primary government, the City; (b) organizations for which the primary government is financially accountable; and (c) other organizations for which the primary government is not accountable, but for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the primary government's exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

**City of Buellton, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2012**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

**A. Financial Reporting Entity, Continued**

The following is a brief review of the component units included in the accompanying basic financial statements of the City:

**Former Redevelopment Agency of the City of Buellton (RDA)** was established in fiscal year 1992-93 pursuant to the State of California Health and Safety Codes, Section 33000, entitled "Community Redevelopment Law." Its purpose is to prepare and carry out plans for the improvement, rehabilitation, and redevelopment of blighted areas within the territorial limits of the City. In fiscal year 2011-12, due to dissolution of all redevelopment agencies by the State, all redevelopment activities were transferred to a Successor Agency reported in private purpose trust funds.

The City is the primary government unit. Component units are those entities which are financially accountable to the primary government, either because the City appoints a voting majority of the component unit's board, or because the component unit will provide a financial benefit or impose a financial burden on the City. The RDA has been accounted for as a "blended" component unit of the City. Despite being legally separate, these entities are so intertwined with the City that they are, in substance, part of the City's operations. Accordingly, the balances and transactions of these component units are reported within the funds of the City's special revenue and capital project funds.

The following specific criteria were used in determining that the RDA was a blended component unit:

- The members of the City Council also acted as the governing body of the RDA.
- The RDA was managed by employees of the City. A portion of the employee's salary and overhead expenses that work with Redevelopment was charged to the RDA each year.
- The City and RDA were financially interdependent. The City made loans to the RDA to use for redevelopment purposes. Property tax revenues of the RDA were used to repay the loans to the City.

**City of Buellton, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2012**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

***B. Basis of Accounting and Measurement Focus***

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

**Government–Wide Financial Statements**

The government–wide financial statements include a Statement of Net Assets and a Statement of Activities and Changes in Net Assets. These statements present summaries of governmental and business-type activities for the City, the primary government, accompanied by a total column. Fiduciary activities of the City are not included in these statements.

These government-wide financial statements are presented on an “*economic resources*” measurement focus and the accrual basis of accounting. Accordingly, all of the City’s assets and liabilities, including capital assets and related infrastructure assets and long-term liabilities, are included in the accompanying Statement of Net Assets. The Statement of Activities presents changes in net assets.

Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

Certain types of transactions are reported as program revenues for the City in three categories:

- Charges for services
- Operating grants and contributions
- Capital grants and contributions

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, payables, and receivables. All internal balances in the Statement of Net Assets have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. Transactions between governmental and business-type activities have not been eliminated. The following interfund activities have been eliminated:

- Due to/from other funds
- Advances to/from other funds
- Transfers in/out

**City of Buellton, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2012**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

**B. Basis of Accounting and Measurement Focus, Continued**

**Government–Wide Financial Statements, Continued**

The City applies all applicable GASB pronouncements (including all National Council on Governmental Accounting (NCGA) Statements and Interpretations currently in effect) as well as the following pronouncements issued on or before November 30, 1989, to the business-type activities, unless those pronouncements conflict with or contradict GASB pronouncements: Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board (APB) Opinions, and Accounting Research Bulletins (ARB) of the committee on Accounting Procedure. The City applies all applicable FASB Statements and Interpretations issued after November 30, 1989, to proprietary funds, except those that conflict with or contradict GASB pronouncements.

**Governmental Fund Financial Statements**

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures, and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. An accompanying schedule is presented to reconcile and explain the differences in net assets as presented in these statements to the net assets presented in the government-wide financial statements. The City has presented all major funds that met the applicable criteria. The following were the City’s major governmental funds:

- ***The General Fund*** - Accounts for all general revenues of the city not specifically levied or collected for other City funds and the related expenditures. The General Fund accounts for all financial resources of a governmental unit which are not accounted for in other funds.
- ***Former Redevelopment Agency Community Development Fund*** – This fund is used to account for the accumulation of resources for, and the payment of, operations and related costs in the Redevelopment Agency.

All governmental funds are accounted for on a spending or “*current financial resources*” measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheet. The Statement of Revenues, Expenditures, and Changes in Fund Balances present increases (revenue and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period.

Revenues are recorded when received in cash, except those revenues subject to accrual (generally 60 days after year-end) are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the City, are property tax, sales tax, intergovernmental revenues, and other taxes. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

**City of Buellton, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2012**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

***B. Basis of Accounting and Measurement Focus, Continued***

**Governmental Fund Financial Statements, Continued**

Deferred revenues arise when potential revenues do not meet both the “measurable” and “available” criteria for recognition in the current period. Deferred revenues also arise when the government receives resources before it has a legal claim to them, as when grant monies are received prior to incurring qualifying expenditures. In subsequent periods when both revenue recognition criteria are met or when the government has a legal claim to the resources, the deferred revenue is removed from the balance sheet and revenue is recognized.

Reconciliation of the Fund Financial Statements to the Government-Wide Financial Statements is provided to explain the differences between the two methods of measurement focus.

**Proprietary Fund Financial Statements**

Proprietary fund financial statements include a Statement of Net Assets, a Statement of Revenues, Expenses, and Change in Net Assets, and a Statement of Cash Flows for all proprietary funds. The City has determined that all its enterprise funds are major funds. The following were the City’s major enterprise funds:

- ***The Water Fund*** - This fund was established as a separate fund to account for the operation of the City's water utility. It is a self-supporting activity that provides services on a user-charge basis to residents and businesses located in the City.
- ***The Wastewater Fund*** - This fund was established as a separate fund to account for the operation of the City's wastewater utility. It is a self-supporting activity that provides services on a user-charge basis to residents and businesses located in the City.

Proprietary funds are accounted for using the “*economic resources*” measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) are included on the Statement of Net Assets. The Statement of Revenues, Expenses, and Changes in Net Assets presents increases (revenues) and decreases (expenses) in total net assets. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which a liability is incurred.

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as nonoperating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as nonoperating expenses.

**City of Buellton, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2012**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

***B. Basis of Accounting and Measurement Focus, Continued***

**Fiduciary Fund Financial Statements**

*Private Purpose Trust Funds*

Private Purpose Trust Funds account for resources held for other individuals or entities in a manner similar to private enterprise.

*Agency Funds*

Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

The fiduciary funds are accounted for using the accrual basis of accounting.

***C. Cash, Cash Equivalents, and Investments***

The City pools its available cash for investment purposes. The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturity of three months or less from the date of acquisition. Cash and cash equivalents are combined with investments and displayed as Cash and Investments. For purposes of the statement of cash flows of the proprietary fund types, cash and cash equivalents include all investments, as the City operates an internal cash management pool which maintains the general characteristics of a demand deposit account.

Disclosure requirements for Deposits and Investment Risks were made in the following areas:

- Interest Rate Risk
- Credit Risk
  - Overall
  - Custodial Credit Risk
  - Concentrations of Credit Risk

**City of Buellton, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2012**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

***C. Cash, Cash Equivalents and Investments, Continued***

In addition, other disclosures are specified including use of certain methods to present deposits and investments, highly sensitive investments, credit quality at year-end, and other disclosures.

Highly liquid market investments with maturities of one year or less at time of purchase are stated at amortized cost. All other investments are stated at fair value. Market value is used as fair value for those securities for which market quotations are readily available.

The City participates in the Local Agency Investment Fund (LAIF), an investment pool managed by the State of California. LAIF has invested a portion of the pool funds in Structured Notes and Asset-Backed Securities. LAIF's investments are subject to credit risk with the full faith and credit of the State of California collateralizing these investments. In addition, these Structured Notes and Asset-Backed Securities are subject to market risk as a result of changes in interest rates.

***D. Restricted Cash and Investments***

Certain restricted cash and investments are held by fiscal agents for the redemption of bonded debt and for acquisition and construction of capital projects. Cash and investments are also restricted for deposits held for others within the enterprise funds.

***E. Inventories***

The City accounts for inventories using the first-in, first-out method. Inventories consist primarily of supplies and are carried at cost. Governmental fund type inventories are recorded as expenditures when consumed rather than when purchased.

***F. Capital Assets***

**Government-Wide Financial Statements**

Capital assets are valued at historical cost or estimated historical cost if actual historical cost was not available. Donated fixed assets are valued at their estimated fair market value on the date donated. City policy is to capitalize all capital assets with costs exceeding a minimum threshold of \$2,000 and with useful lives exceeding one year. Depreciation is recorded on a straight-line basis over estimated useful lives of the assets as follows:

Structures and Improvements	50 years
Machinery and Equipment	3-15 years
Infrastructure	15-100 years

**City of Buellton, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2012**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

***F. Capital Assets, Continued***

The City defines infrastructure as the basic physical assets that allow the City to function. The assets include streets, wastewater, park lands, and buildings. Each major infrastructure system can be divided into subsystems. For example, the street system can be subdivided into pavement, curb and gutters, sidewalks, medians, streetlights, landscaping, and land. These subsystems were not delineated in the basic financial statements. The appropriate operating department maintains information regarding the subsystems.

Interest accrued during capital assets construction, if any, is capitalized for the business-type and proprietary funds as part of the asset cost.

For all infrastructure systems, the City elected to use the Basic Approach defined by GASB Statement No. 34, which requires all infrastructures be reported at historical cost and be depreciated over their estimated useful lives.

***G. Long-Term Liabilities***

**Government-Wide Financial Statements**

Long-term debt and other financial obligations are reported as liabilities in the appropriate activities. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable premium or discount. Issuance costs are reported as deferred charges.

**Fund Financial Statements**

The Governmental Fund Financial Statements do not present long-term debt. Consequently, long-term debt is shown as a reconciling item in the Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Assets.

Governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financial sources. Premiums received on debt issuance are reported as other financing sources while discounts on debt issuance reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Proprietary Fund Financial Statements use the same principles as those used in the Government-Wide Financial Statements.

**City of Buellton, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2012**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

**H. *Compensated Absences***

**Government-Wide Financial Statements**

For governmental and business-type activities, compensated absences are recorded as incurred and the related expenses and liabilities are reported in the appropriate activity.

**Fund Financial Statements**

In compliance with Governmental Accounting Standards Board Statement *No.* 16, the City has established a liability for accrued vacation in relevant funds. For governmental type funds, the current liability appears in the respective funds. All vacation paid is accrued when incurred in the government-wide and proprietary funds financial statements. This liability is set up for the current employees at the current rates of pay. Each fiscal year, an adjustment to the liability is made based on pay rate changes and adjustments for the current portion. The General Fund is primarily responsible for the repayment of the governmental portion of compensated absences.

Accumulated employee sick leave benefits are not recognized as liabilities of the City. The City's policy is to record sick leave as an operating expense in the period taken since such benefits do not vest nor is payment probable; however, unused sick leave is added to the creditable service period for calculation of retirement benefits when the employee retires.

**I. *Net Assets and Fund Equity***

**Government-Wide Financial Statements**

In the Government-Wide Financial Statements, net assets are classified in the following categories:

*Invested in Capital Assets* – This amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt that attributed to the acquisition, construction, or improvement of the assets.

**City of Buellton, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2012**

---

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

***I. Net Assets and Fund Equity, Continued***

**Government-Wide Financial Statements, Continued**

Restricted Net Assets – This amount is restricted by external creditors, grantors, contributors, or laws or regulations of other governments.

Net Assets – This amount is all net assets that do not meet the definition of “invested in capital assets” or “restricted net assets.”

**Fund Financial Statements**

Governmental fund equity is classified as fund balance. Fund balance is classified as nonspendable, restricted, committed, assigned or unassigned. Proprietary fund equity is classified the same as in the government-wide statements. The classifications for governmental funds are defined as follows for the City:

***Nonspendable Fund Balance*** –

- Assets that will never convert to cash (prepaid items, inventory).
- Assets that will not convert to cash soon enough to affect the current period (long-term notes or loans receivable).
- Resources that must be maintained intact pursuant to legal or contractual requirements (the principal of an endowment).

***Restricted Fund Balance*** –

- Resources that are subject to externally enforceable legal restrictions imposed by parties altogether outside the government (Creditors, Grantors, Contributors and Other Governments).
- Resources that are subject to limitations imposed by law through constitutional provisions or enabling legislation (Gas Tax).

***Committed Fund Balance*** –

- Self imposed limitations set in place prior to the end of the period. (Encumbrances, economic contingencies and uncertainties)
- Limitation at the highest level of decision-making (Council) that requires formal action at the same level to remove.

***Assigned Fund Balance*** –

- Amounts in excess of nonspendable, restricted, and committed fund balance in funds other than the general fund automatically are reported as assigned fund balance.

**City of Buellton, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2012**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

*I. Net Assets and Fund Equity, Continued*

**Fund Financial Statements, Continued**

*Unassigned Fund Balance –*

- Residual net resources
- Total fund balance in the general fund in excess of nonspendable, restricted, committed and assigned fund balance (surplus).
- Excess of nonspendable, restricted, and committed fund balance over total fund balance (deficit).

*J. Property Taxes*

California Constitution Article XIII A, limits the combined property tax rate to one percent of a property's assessed valuation. Additional taxes may be imposed with voter approval. Assessed value is calculated at one hundred percent of a property's fair value, as defined by Article XIII A, and may be increased no more than two percent per year unless a change in ownership occurs. The State Legislature has determined the method of distributing the one percent tax levy among the various taxing jurisdictions.

Property tax revenues are recognized in the fiscal year for which taxes have been levied, and collected within sixty days of fiscal year end. Property taxes are billed and collected as follows:

	<u>Secured</u>	<u>Unsecured</u>
Valuation/Lien Dates	January 1	January 1
Levy Dates	July 1	August 1
Due Dates	November 1 (50%) February 1 (50%)	
Delinquency Dates	December 10 (Nov.) April 10 (Feb)	August 31

The City adopted an alternative method of property tax distribution (the "Teeter Plan"). Under this method, the City receives 100% of its secured property tax levied in exchange for foregoing any interest and penalties collected on delinquent taxes. The City receives payments as a series of advances made by the County throughout the fiscal year. The secured property tax levy is recognized as revenue upon receipt including the final payment, which generally is received within 60 days after the fiscal year end.

**City of Buellton, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2012**

---

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

***K. Use of Estimates***

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities. In addition, estimates affect the reported amount of expenses. Actual results could differ from these estimates and assumptions.

***L. Reclassifications***

Certain amounts have been reclassified to provide for comparables results on a year to year basis.

***M. Interfund Balances/Internal Balances***

Advances to and advances from other funds represent interfund loans in the fund financial statements. Advances between funds are offset by a fund liability or by deferred revenue in the applicable governmental funds to indicate that they are not expendable available financial resources. Any unpaid interest due to lack of funds in the borrowing fund increases the principal owed and is reported in the lending fund as deferred revenue.

All other outstanding balances between funds are reported as due to and due from other funds. These are generally repaid within the following fiscal year.

Any residual balances outstanding between the governmental activities and business-type activities are reported in the Government-Wide Financial Statements as “internal balances.”

***N. Use of Restricted and Unrestricted Net Assets***

When an expense is incurred for purposes for which both restricted and unrestricted net assets are available, the City’s policy is to apply restricted net assets first.

***O. Budgetary Accounting***

The City followed these procedures in establishing the budgetary data reflected in the financial statements:

- Public hearings are conducted to obtain public comments. The City Council annually adopts the budget for the ensuing fiscal year prior to July 1st.
- The City Manager is authorized to transfer budgetary amounts within a Department; however, any revisions that alter the total expenditures of any Department must be approved by the City Council.
- Legally adopted budgets and formal budgetary integration is employed as a management control device during the year for all funds.
- All Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

**City of Buellton, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2012**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

*O. Budgetary Accounting, continued*

- Budgeted revenue amounts represent the original budget modified by adjustments authorized during the year. Budgeted expenditure amounts represent original appropriations adjusted for supplemental appropriations during the year which were contingent upon new or additional revenue sources and reappropriated amounts for prior year encumbrances. The City Manager may amend the budgeted amounts within departmental expenditure classifications. Appropriation revisions made during the year ended June 30, 2012, were not significant.

Appropriations lapse at the end of the fiscal year and then are rebudgeted for the coming year. Under Article XIII B of the California Constitution (the Gann Spending Limitation Initiative), the City is restricted as to the amount of annual appropriations from the proceeds of taxes, and if proceeds of taxes exceed allowed appropriations, the excess must either be refunded to the State Controller, returned to the taxpayers through revised tax rates or revised fees schedules, or an excess in one year may be offset against a deficit in the following year. For the fiscal year ended June 30, 2012, based on the calculations by City Management, proceeds of taxes did not exceed the appropriations limit. Budgeted appropriations for the various governmental funds become effective each July 1. The City Council may amend the budget during the fiscal year. The legal level of budgetary control has been established at the fund level. Appropriations generally lapse at the end of the fiscal year to the extent they have not been expended or encumbered.

**City of Buellton, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2012**

**2. CASH AND INVESTMENTS**

At June 30, 2012, the City's pooled cash and investments, classified by maturity, consisted of the following stated at fair market value:

	Maturities (in years)			Deposits	Fair Market Value
	< 1	1 to 2	> 2		
<u>Cash equivalents and investments pooled</u>					
Pooled cash, at fair value:					
Cash in bank	\$ -	\$ -	\$ -	\$ 489,687	\$ 489,687
Petty cash	-	-	-	550	550
Total pooled items	-	-	-	490,237	490,237
Pooled investments, at fair value					
<u>Interest obligations</u>					
FNMA - STEP 1% \$250,000 par value	-	-	250,801	-	250,801
State Bank of India - Negotiable CD	-	125,818	-	-	125,818
Negotiable Certificates of Deposit 1.2% - 1.85% \$2,232,000 par	-	-	2,240,115	-	2,240,115
FNMA Notes 1.125%-2.125% \$1,000,000 par	-	-	1,002,998	-	1,002,998
State of California Local Agency Investment Fund	13,091,976	-	-	-	13,091,976
Total pooled investments - interest obligations	13,091,976	125,818	3,493,914	-	16,711,708
Total cash equivalents and investments pooled	\$ 13,091,976	\$ 125,818	\$ 3,493,914	\$ 490,237	\$ 17,201,945
Amounts reported in:					
Governmental activities					\$ 4,708,722
Governmental activities - restricted					6,142,856
Business-type activities					4,322,079
Fiduciary activities					2,028,288
Total					\$ 17,201,945

Investment Type	Fair Value	Maturity (in years)
US Agency Securities	\$ 1,253,799	5
Certificates of Deposit	2,365,933	5
Local Agency Investment Fund	13,091,976	0.25
Total fair value	\$ 16,711,708	
Portfolio weighted average maturity		3.42

California statutes authorize cities to invest idle or surplus funds in a variety of credit instruments as provided for in the California Government Code, Section 53600, Chapter 4 – Financial Affairs. The table below identifies the investment types that are authorized for the City by the California Government Code (or the City's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. During the year ended June 30, 2012, the City's permissible investments included the following instruments:

**City of Buellton, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2012**

**2. CASH AND INVESTMENTS, Continued**

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Securities	5 years	None	None
Bankers' Acceptances	180 days	40%	30%
Commercial Paper	270 days	15%	10%
Negotiable Certificates of Deposit	5 years	30%	None
Repurchase Agreements	1 year	None	None
Reverse Repurchase Agreements	92 days	20% of base value	None
Money Market Mutual Funds	N/A	20%	10%
Local Agency Investment Fund.	N/A	None	None

*Interest rate risk* – In accordance with its investment policy, the City manages its exposures to declines in fair values by limiting the weighted average maturity of its investment portfolio to not exceed 5 years. As of June 30, 2012, the weighted average maturity was 3.42 years.

*Credit risk* – It is the City’s policy that medium-term notes, with a final maturity not exceeding five years from the date of purchase, must have a rating of “AAAm” or “AAAm-G” or better by the Standard & Poor’s Corporation. The LAIF, administered by the State of California, has a separate investment policy, governed by Government Code Sections 16480-16481.2, that provides credit standards for its investments.

*Concentration of credit risk* – The City’s investment policy does not allow for an investment in any one issuer that is in excess of five percent of the government’s total investments. The investments made by the City Treasurer are limited to those allowable under State statutes as incorporated into the City’s Investment Policy, which is accepted annually by the City Council. There were no concentrations in any one issuer for the year.

The City participates in an investment pool managed by the State of California titled Local Agency Investment Fund (LAIF) which has invested 0.76% of the pool funds in Structured Notes and Asset-Backed Securities. LAIF's investments are subject to credit risk with the full faith and credit of the State of California collateralizing these investments. In addition, these Structured Notes and Asset-Backed Securities are subject to market risk as to changes in interest rates.

**City of Buellton, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2012**

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**2. CASH AND INVESTMENTS, Continued**

*Custodial credit risk – deposits.* For deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City's Investment Policy addresses custodial credit risk, which follows the Government Code. As of June 30, 2012, the City had a balance of \$222,484 in the pool exposed to custodial credit risk because they exceeded the \$250,000 Federal Deposit Insurance Corporation's insurance limits. The uninsured bank balance is collateralized by the pledging financial institutions at 110% of the deposits, in accordance with the State of California Government Code.

*Custodial credit risk – investments.* For investments, this is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside counterparty. For the investments maintained by the City, no security was uninsured or unregistered or held by a brokerage firm which is also the counterparty for the security.

At June 30, 2012, the carrying amount of the City's deposits was \$489,687 and the balances in financial institutions was \$483,941. Of the balance in financial institutions, \$250,000 was covered by federal depository insurance and \$233,941 was collateralized as required by State law (Government Code Section 53630), by the pledging financial institution with assets held in a common pool for the City and other governmental agencies, but not in the name of the City. As of June 30, 2012, the City's investments were held by the City's custodial agent, but not in the City's name, and were insured up to specified limits by the Securities Investor Protection Corporation (SIPC) and supplemental private insurance up to a limit of \$150 million.

**Investment in LAIF:** LAIF is stated at amortized cost, which approximates fair value. The LAIF is a special fund of the California State Treasury through which local governments may pool investments. The total fair value amount invested by all public agencies in LAIF is \$60,612,199,285 of which the City had a balance of \$13,091,976, which approximated market value and was managed by the State Treasurer. Of the total invested, 99.24% was invested in non-derivative financial products and 0.76% in structured notes and asset-backed securities. The Local Investment Advisory Board (Board) has oversight responsibility for LAIF. The Board consists of five members as designated by State Statute. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

**City of Buellton, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2012**

**3. ACCOUNTS RECEIVABLE**

Accounts receivable consisted of the following at June 30, 2012:

	Governmental Activities	Business-type Activities	Fiduciary Activities	Total
Current:				
Taxes receivable	\$ 144,885	\$ -	\$ -	\$ 144,885
Accounts receivable	464,951	200,631	91,926	757,508
Interest receivable	14,331	3,286	1,313	18,930
Total current	<u>624,167</u>	<u>203,917</u>	<u>93,239</u>	<u>921,323</u>
Noncurrent:				
Notes receivable	200,000	-	-	200,000
Total noncurrent	<u>200,000</u>	<u>-</u>	<u>-</u>	<u>200,000</u>
Total receivables	<u>\$ 824,167</u>	<u>\$ 203,917</u>	<u>\$ 93,239</u>	<u>\$ 1,121,323</u>

These amounts resulted in the following concentrations in receivables:

Other Governments	12.9%
Individuals/Businesses	85.4%
Financial	1.7%

Amounts do not indicate a significant concentration (greater than 25%) with any single individual, business, or agency.

**4. LOANS AND NOTES RECEIVABLE**

The City extended a loan in the amount of \$200,000 on September 13, 1998 to Horizon Homes Association, LP. The annual rate is 3% of outstanding principal per annum. Interest payments are due monthly, and the remaining principal is due on September 13, 2013. The principal balance of the note at June 30, 2012, was \$200,000.

**City of Buellton, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2012**

**5. CAPITAL ASSETS**

Capital asset activity for governmental activities for the year ended June 30, 2012, was as follows:

	Balance July 1, 2011	Additions	Deletions	Balance June 30, 2012
<b><u>Governmental activities:</u></b>				
<b>Nondepreciable assets:</b>				
Land	\$ 1,536,248	\$ -	\$ -	\$ 1,536,248
<b>Total nondepreciable assets</b>	<b>1,536,248</b>	<b>-</b>	<b>-</b>	<b>1,536,248</b>
<b>Depreciable assets:</b>				
Buildings and improvements	8,346,414	-	(4,124,966)	4,221,448
Equipment	392,039	-	(6,273)	385,766
Infrastructure	16,183,515	-	(367,860)	15,815,655
<b>Total depreciable assets</b>	<b>24,921,968</b>	<b>-</b>	<b>(4,499,099)</b>	<b>20,422,869</b>
<b>Total</b>	<b>26,458,216</b>	<b>-</b>	<b>(4,499,099)</b>	<b>21,959,117</b>
<b>Accumulated depreciation:</b>				
<b>Total accumulated depreciation</b>	<b>(10,013,178)</b>	<b>(237,740)</b>	<b>5,695,254</b>	<b>(4,555,664)</b>
<b>Net depreciable assets</b>	<b>14,908,790</b>	<b>(237,740)</b>	<b>1,196,155</b>	<b>15,867,205</b>
<b>Total net capital assets</b>	<b>\$ 16,445,038</b>	<b>\$ (237,740)</b>	<b>\$ 1,196,155</b>	<b>\$ 17,403,453</b>

Capital asset activity for business-type activities for the year ended June 30, 2012, was as follows:

	Balance July 1, 2011	Additions	Deletions	Balance June 30, 2012
<b><u>Business-type activities:</u></b>				
<b>Nondepreciable assets:</b>				
Land	\$ 247,691	\$ -	\$ -	\$ 247,691
<b>Total nondepreciable assets</b>	<b>247,691</b>	<b>-</b>	<b>-</b>	<b>247,691</b>
<b>Depreciable assets:</b>				
Buildings and improvements	-	574,387	-	574,387
Equipment	557,499	25,453	-	582,952
Infrastructure	10,968,077	-	(238,623)	10,729,454
<b>Total depreciable assets</b>	<b>11,525,576</b>	<b>599,840</b>	<b>(238,623)</b>	<b>11,886,793</b>
<b>Total</b>	<b>11,773,267</b>	<b>599,840</b>	<b>(238,623)</b>	<b>12,134,484</b>
<b>Accumulated depreciation:</b>				
<b>Total accumulated depreciation</b>	<b>(6,242,860)</b>	<b>(328,186)</b>	<b>-</b>	<b>(6,571,046)</b>
<b>Net depreciable assets</b>	<b>5,282,716</b>	<b>271,654</b>	<b>(238,623)</b>	<b>5,315,747</b>
<b>Total net capital assets</b>	<b>\$ 5,530,407</b>	<b>\$ 271,654</b>	<b>\$ (238,623)</b>	<b>\$ 5,563,438</b>

**City of Buellton, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2012**

**5. CAPITAL ASSETS, Continued**

**Depreciation Allocations**

Depreciation expense was charged to function and programs based on their usage of the related assets. The amounts allocated to each function or programs were as follows:

<b>Governmental Activities:</b>			
General government		\$	22,911
Culture and leisure			12,766
Public works			202,063
Total depreciation expense governmental activities		\$	<u>237,740</u>
<b>Business-type Activities:</b>			
Water		\$	154,097
Wastewater			174,089
Total depreciation expense - business-type activities		\$	<u>328,186</u>

**6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

Accounts payable and accrued liabilities consisted of the following at June 30, 2012:

	Governmental Activities	Business-type Activities	Fiduciary Activities	Total
Accounts payable	\$ 189,460	\$ 170,080	\$ 280,650	\$ 640,190
Accrued payroll and related liabilities	111,600	-	-	111,600
Deposits payable	750	24,517	-	25,267
Refundable deposits and accruals	-	-	143,242	143,242
Total	<u>\$ 301,810</u>	<u>\$ 194,597</u>	<u>\$ 423,892</u>	<u>\$ 920,299</u>

These amounts resulted in the following concentrations in payables:

Vendors	12.1%
Employees	87.9%

Amounts do not indicate a significant concentration (greater than 25%) with any single vendor or employee.

**City of Buellton, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2012**

**7. NONCURRENT LIABILITIES**

Changes in Noncurrent Liabilities

Noncurrent liability activity for the fiscal year ended June 30, 2012, was as follows:

	Balance July 1, 2011	Additions	Deletions	Balance June 30, 2012	Due Within One Year
<b>Governmental Activities:</b>					
Claims liabilities	\$ -	\$ 82,690	\$ -	\$ 82,690	\$ -
Compensated absences	54,369	2,027	-	56,396	-
Net OPEB Obligation	225,281	137,138	-	362,419	-
Total Governmental Activities:	<u>\$ 279,650</u>	<u>\$ 221,855</u>	<u>\$ -</u>	<u>\$ 501,505</u>	<u>\$ -</u>
<b>Business-type activities:</b>					
Compensated absences	\$ 29,222	\$ -	\$ (5,318)	\$ 23,904	\$ -
Net OPEB Obligation	88,500	-	-	88,500	-
Total Business-type Activities:	<u>\$ 117,722</u>	<u>\$ -</u>	<u>\$ (5,318)</u>	<u>\$ 112,404</u>	<u>\$ -</u>

Compensated Absences

Governmental Accounting Standards Board Statement No. 16 identifies certain items that should be accrued as a liability as the benefits are earned by the employees but only to the extent it is probable that the employer will compensate the employees for the benefits through cash payments conditioned on the employee's termination or retirement.

City employees accumulate earned but unused benefits which can be converted to cash at termination of employment. The non-current portion of these vested benefits at June 30, 2012, total \$56,396 for governmental activities and \$23,904 for business-type activities.

Claims liabilities

The City has recorded a liability for potential claims in excess of amounts covered by the insurance pool. See Note 10 for further discussion on the City's risk management activities.

Net OPEB Obligation

A net OPEB Obligation is the cumulative difference between annual OPEB cost and an employer's contribution to a plan. At June 30, 2012, the City had a net OPEB Obligation of \$450,919. See Note 12 for further discussion on OPEB.

**City of Buellton, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2012**

**8. NET ASSETS/ FUND BALANCES**

**Net Assets**

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Totals</u>
Invested in capital assets	\$ 17,403,453	\$ 5,563,438	\$ 22,966,891
Restricted	1,848,781	-	1,848,781
Unrestricted	<u>11,014,594</u>	<u>5,136,194</u>	<u>16,150,788</u>
Total	<u>\$ 30,266,828</u>	<u>\$ 10,699,632</u>	<u>\$ 40,966,460</u>

- Restricted balances are for the same purposes as fund balance restrictions because external restriction requirements are the same. See descriptions of the restrictions below

**Fund Balance**

Nonspendable, Restricted, and Unassigned (deficit) fund balance consisted of the following at June 30, 2012:

Nonspendable:	
Prepaid items	\$ 114,737
Notes receivable	200,000
Total nonspendable	<u>\$ 314,737</u>
Restricted for:	
Streets and roads	\$ 1,341,645
Housing	451,255
Maintenance	55,881
Total restricted	<u>\$ 1,848,781</u>
Unassigned (deficit):	
General Fund	\$ 11,334,055
Nonmajor governmental funds	(277,578)
Total unassigned (deficit)	<u>\$ 11,056,477</u>
Total fund balances	<u>\$ 13,219,995</u>

The following describe the purpose of each nonspendable, restriction and unassigned used by the City:

**Nonspendable**

**Prepaid items** - used to segregate that portion of fund balance to indicate that prepaid amounts do not represent available, spendable resources even though they are components of assets.

**City of Buellton, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2012**

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**8. NET ASSETS/ FUND BALANCES, Continued**

**Notes receivable** – used to indicate that the long-term note receivable is unavailable for current financials, spendable resources.

**Restricted**

**Streets and Roads** – represents amounts restricted for streets and roads maintenance as provided by Highways and Streets Regulations and Local Measures.

**Housing** – includes amounts set aside to increase the number of affordable housing units as provided by affordable housing regulations.

**Maintenance** – includes amounts set aside for maintenance of City facilities.

There were no Deficit net assets balances at June 30, 2012.

Deficit fund balances consisted of the following at June 30, 2012:

**Nonmajor Special Revenue Funds:**

Traffic Mitigation Funds - (\$157,705), the deficit will be resolved through collection of future funding.

Transportation Planning - (\$119,873), the deficit will be resolved through future grants.

**Excess of Expenditures and Transfers Over Appropriations:** Expenditures and transfers exceeded appropriations for the year ended June 30, 2012, for the following funds:

	<u>Final Budget</u>	<u>Total Expenditures and Transfers</u>	<u>Excess Expenditures Over Appropriations</u>
<u>Governmental Activities</u>			
Non-major Funds:			
Special Revenue Funds:			
Gas Tax	\$ 511,728	\$ 1,072,066	\$ (560,338)
Measure D	130,000	133,109	(3,109)

**City of Buellton, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2012**

**9. INTERFUND TRANSACTIONS**

Due to and due from other funds consisted of the following as of June 30, 2012:

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
<u>Governmental Activities</u>		
Major Funds:		
General Fund	\$ 272,450	\$ -
Total Major Funds	<u>272,450</u>	<u>-</u>
Non-major Funds:		
Traffic Mitigation Fund	-	157,717
Meaure D Fund	192	-
Transportation Planning Fund		<u>114,925</u>
Total Non-major Funds	<u>192</u>	<u>272,642</u>
Total Governmental Activities	<u>272,642</u>	<u>272,642</u>
Total	<u>\$ 272,642</u>	<u>\$ 272,642</u>

Due to and from balances result from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Advances receivable and payable constitute long-term borrowing between funds. Each advance carries a stated interest rate and has scheduled debt service payments. Interfund advances receivable and payable balances at June 30, 2012, are as follows:

An advance in the amount of \$1,876,208 was made from the General Fund to the Successor Agency Non-Housing Private Purpose Trust Fund as a result of the dissolution of redevelopment agencies in the State of California.

**City of Buellton, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2012**

**10. RISK MANAGEMENT**

**Description of Self-Insurance Pool Pursuant to Joint Powers Agreement**

The City of Buellton is a member of the California Joint Powers Insurance Authority (Authority). The Authority is composed of 122 California public entities and is organized under a joint powers agreement pursuant to California Government Code §6500 et seq. The purpose of the Authority is to arrange and administer programs for the pooling of self-insured losses, to purchase excess insurance or reinsurance, and to arrange for group purchased insurance for property and other lines of coverage. The California JPIA began covering claims of its members in 1978. Each member government has an elected official as its representative on the Board of Directors. The Board operates through a nine member Executive Committee.

**Self-Insurance Programs of the Authority**

Amount	Coverage Provider	Payment Source
General and Automobile Liability Claims:		
\$0 - \$30,000	Charged directly to the City's primary deposit	City funds
30,001 - 750,000	Pooled based on the City's share of losses under \$30,000	City funds
750,001 - 5,000,000	Pooled based on payroll	Authority
5,000,001 - 10,000,000	Paid under reinsurance policies	Authority
10,000,001 - 50,000,000	Covered through purchase of excess insurance policies	Authority
Workers' Compensation Claims:		
\$0 - \$50,000	Charged directly to City's primary deposit	City funds
50,001 - 100,000	Pooled based on the member's share of losses under \$50,000	City funds
100,001 - 2,000,000	Pooled based on payroll	Authority
2,000,001 - 4,000,000	Covered through purchase of excess insurance policies	Authority
4,000,001 - 10,000,000	Covered through purchase of excess insurance policies	Authority

**Purchased Insurance**

***Environmental Insurance*** – The City of Buellton participates in the pollution legal liability and remediation legal liability insurance which is available through the Authority. The policy covers sudden and gradual pollution of scheduled property, streets, and storm drains owned by the City of Buellton. Coverage is on a claims-made basis. There is a \$50,000 deductible.

***Property Insurance*** – The City of Buellton participates in the all-risk property protection program of the Authority. This insurance protection is underwritten by several insurance companies. City of Buellton property is currently insured according to a schedule of covered property submitted by the City of Buellton to the Authority. City of Buellton property currently has all-risk property insurance protection in the amount of \$12,802,732. There is a \$5,000 deductible per occurrence except for non-emergency vehicle insurance which has a \$1,000 deductible. Premiums for the coverage are paid annually and are not subject to retroactive adjustments.

**City of Buellton, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2012**

**10. RISK MANAGEMENT, Continued**

*Earthquake and Flood Insurance* – The City of Buellton purchases earthquake and flood insurance on a portion of its property. The earthquake insurance is part of the property protection insurance program of the Authority. City of Buellton property currently has earthquake protection in the amount of \$6,262,385. There is a deductible of 5% per unit of value with a minimum deductible of \$100,000. Premiums for the coverage are paid annually and are not subject to retroactive adjustments.

*Crime Insurance* – The City of Buellton purchases crime insurance coverage in the amount of \$1,000,000 with a \$2,500 deductible. The fidelity coverage is provided through the Authority. Premiums are paid annually and are not subject to retroactive adjustments.

**Adequacy of Protection**

During the past three fiscal (claims) years, none of the above programs of protection have had settlements or judgments that exceeded pooled or insured coverage. There have been no significant reductions in pooled or insured liability coverage from coverage in the prior fiscal year.

	Beginning of Year Liability	Current Year Claims and Changes in Estimates	Claim Payments for Current and Prior Years	End of Year Liability
2011-2012	\$ -	\$ 115,380	\$ (32,690)	\$ 82,690

**11. PUBLIC EMPLOYEES' RETIREMENT SYSTEM**

**Plan Description**

The City of Buellton's defined benefit pension plan, Public Employees' Retirement System (PERS), provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. PERS is part of the Public Agency portion of the California Public Employees' Retirement System, (CalPERS), an agent multiple-employer plan administered by CalPERS, which acts as a common investment and administrative agent for participating public employers within the State of California. A menu of benefit provisions as well as other requirements are established by State statutes with the Public Employees' Retirement Law. The City selects optional benefit provisions from the benefit menu by contract with CalPERS and adopts those benefits through local ordinance (other local methods). CalPERS issues a separate comprehensive annual financial report. Copies of the CalPERS' annual financial report may be obtained from the CalPERS Executive Office – 400 P Street - Sacramento, CA 95814.

**Funding Policy**

The City contributes the employee and employer shares for the Miscellaneous Plan. The City of Buellton is required to contribute the actuarially determined remaining amounts necessary to fund the benefits for its members. The actuarial methods and assumptions used are those adopted by the CalPERS Board of Administration. The required employer contribution rate for the fiscal year 2011/2012 was 12.216% of annual payroll. The contribution requirements of the plan members are established by the State statute and the employer contribution rate is established and may be amended by CalPERS. The City of Buellton's contributions to CalPERS for the fiscal years ending

**City of Buellton, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2012**

**11. PUBLIC EMPLOYEES' RETIREMENT SYSTEM, Continued**

**Funding Policy, continued**

June 30, 2012, 2011, and 2010, were \$142,413, \$124,757, and \$123,515, respectively, and equal 100% of the required contributions for each fiscal year.

**12. POSTEMPLOYMENT HEALTH CARE BENEFITS**

***Plan Description***

Medical coverage is provided through CalPERS under the Public Employees' Medical and Hospital Care Act (PEMHCA), also referred to as PERS Health. The City contributes up to \$800 per month on behalf of each active employee and covered dependents. The employee is responsible for excess, if any of the total PEMHCA premium over \$800 per month.

The City offers the same medical plans to its retirees as to its active employees, with the general exception that upon reaching age 65 and becoming eligible for Medicare, the retiree must join one of the Medicare Supplement coverage's offered under PEMHCA.

Employees become eligible to retire and receive City-paid healthcare benefits upon attainment of age 50 and 5 years of covered PERS service, or by attaining qualifying disability retirement status. The City's contribution on behalf of retirees is the same as for active employees - 1'00% of PEMHCA premium for retiree and covered dependents, but not to exceed \$800 per month. Benefits continue for the lifetime of the retiree with survivor benefits extended to surviving spouses.

Membership of the plan consisted of the following at June 30, 2012

Retirees and beneficiaries receiving benefits	8
Current staff receiving benefits	0
Other participants not yet fully eligible for benefits	18
<b>Total</b>	<b>26</b>

The City pays a 0.43% of premium administrative fee on behalf of employees and retirees.

***Funding Policy***

As required by GASB Statement No. 45, an actuary will determine the City's Annual Required Contribution (ARC) at least once every two fiscal years. The ARC is calculated in accordance with certain parameters, and includes (1) the Normal Cost for one year, and (2) a component for amortization of the total unfunded actuarial accrued liability (UAL) over a period not to exceed 30 years. GASB Statement No. 45 does not require pre-funding of OPEB benefits. Therefore, the City's funding policy is to continue to pay healthcare premiums for retirees as they fall due. The City has elected not to establish an irrevocable trust at this time. The City Council reserves the authority to review and amend this funding policy from time to time, in order to ensure that the funding policy continues to best suit the circumstances of the City.

**City of Buellton, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2012**

**12. POSTEMPLOYMENT HEALTH CARE BENEFITS, Continued**

*Annual OPEB Cost and Net OPEB Obligation*

The City's annual other postemployment benefit cost (expense) is calculated based on the annual required contribution (ARC) of the employer. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years.

The following table shows the components of the City's annual OPEB Cost for the fiscal year ended June 30, 2012, the amount actually contributed to the plan, and changes in the City's Net OPEB obligation:

Annual required contribution (ARC)	\$ 192,373
Interest on net OPEB Obligation	15,689
Adjustment to annual required contribution	(20,412)
Annual OPEB cost (expense)	<u>\$ 187,650</u>
Employer contributions made	(50,512)
Increase (Decrease) in net OPEB obligation	<u>\$ 137,138</u>
Net OPEB Obligation - beginning of year	313,781
Net OPEB Obligation - end of year	<u>\$ 450,919</u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for fiscal year 2012 and the two preceding years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/10	\$192,373	17%	\$160,278
6/30/11	200,387	23%	313,781
6/30/12	187,650	27%	450,919

*Funded Status and Funding Progress*

The funded status of the plan as June 30, 2012, the Plan's most recent actuarial valuation date, was as follows:

Actuarial accrued liability (AAL)	\$ 1,862,711
Actuarial value of Plan assets	<u>-</u>
Unfunded actuarial accrued liability (UAAL)	\$ 1,862,711
Funded ratio (actuarial value of Plan assets/AAL)	0%
Covered payroll (active Plan participants)	\$ 1,164,087
UAAL as a percentage of covered payroll	160.0%

**City of Buellton, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2012**

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**12. POSTEMPLOYMENT HEALTH CARE BENEFITS, Continued**

Actuarial valuations of an ongoing plan involve estimates of the value of expected benefit payments and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

*Actuarial Methods and Assumptions*

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The plan's most recent actuarial valuation was performed as of July 1, 2012. In that valuation, the Projected Unit Credit (PUC) Cost Method was used. The actuarial assumptions included a 4 percent investment rate (net of administrative expense) and an annual health care cost trend rate of 8 percent to better reflect expectations of average premium increases over the next several years. The City's unfunded actuarial accrued liability is being amortized as a level dollar amount on an open basis over 30 years. The remaining amortization period as of July 1, 2012, was 30 years.

**13. SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY**

On December 29, 2011, the California Supreme Court upheld Assembly Bill 1X 26 ("the Bill") that provides for the dissolution of all redevelopment agencies in the State of California. This action impacted the reporting entity of the City of Buellton that previously had reported a redevelopment agency within the reporting entity of the City as a blended component unit.

The Bill provides that upon dissolution of a redevelopment agency, either the city or another unit of local government will agree to serve as the "successor agency" to hold the assets until they are distributed to other units of state and local government. On June 4, 2012, the City Council elected to become the Successor Agency for the former redevelopment agency in accordance with the Bill as part of City resolution number 12-02.

After enactment of the law, which occurred on June 28, 2011, redevelopment agencies in the State of California cannot enter into new projects, obligations or commitments. Subject to the control of a newly established oversight board, remaining assets can only be used to pay enforceable obligations in existence at the date of dissolution (including the completion of any unfinished projects that were subject to legally enforceable contractual commitments).

**City of Buellton, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2012**

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**13. SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY, Continued**

In future fiscal years, successor agencies will only be allocated revenue in the amount that is necessary to pay the estimated annual installment payments on enforceable obligations of the former redevelopment agency until all enforceable obligations of the prior redevelopment agency have been paid in full and all assets have been liquidated.

The Bill directs the State Controller of the State of California to review the propriety of any transfers of assets between redevelopment agencies and other public bodies that occurred after January 1, 2011. If the public body that received such transfers is not contractually committed to a third party for the expenditure or encumbrance of those assets, the State Controller is required to order the available assets to be transferred to the public body designated as the successor agency by the Bill.

Management believes, in consultation with legal counsel, that the obligations of the former redevelopment agency due to the City are valid enforceable obligations payable by the successor agency trust under the requirements of the Bill. The City's position on this issue is not a position of settled law and there is considerable legal uncertainty regarding this issue. It is reasonably possible that a legal determination may be made at a later date by an appropriate judicial authority that would resolve this issue unfavorably to the City.

In accordance with the timeline set forth in the Bill (as modified by the California Supreme Court on December 29, 2011) all redevelopment agencies in the State of California were dissolved and ceased to operate as a legal entity as of February 1, 2012. Prior to that date, the final seven months of the activity of the redevelopment agency continued to be reported in the governmental funds of the City included in the fund financial statements as Former Redevelopment Agency Community Development Fund.

After the date of dissolution, the assets and activities of the dissolved redevelopment agency are reported in a fiduciary fund (private-purpose trust fund) in the financial statements of the City. The transfer of the assets and liabilities of the former redevelopment agency as of February 1, 2012 (effectively the same date as January 31, 2012) from governmental funds of the City to fiduciary funds was reported in the governmental funds as an extraordinary loss (or gain) in the governmental fund financial statements. The receipt of these assets and liabilities as of January 31, 2012 was reported in the private-purpose trust fund as an extraordinary gain (or loss).

Because of the different measurement focus of the governmental funds (*current financial resources measurement focus*) and the measurement focus of the trust funds (*economic resources measurement focus*), the extraordinary loss (gain) recognized in the governmental funds was not the same amount as the extraordinary gain (loss) that was recognized in the fiduciary fund financial statements.

**City of Buellton, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2012**

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**13. SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY, Continued**

The difference between the extraordinary loss recognized in the fund financial statements and the extraordinary gain recognized in the fiduciary fund financial statements is reconciled as follows:

Total extraordinary loss reported in governmental funds – increase to net assets of the Successor Agency Trust Fund	\$291,281
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**No adjustments for change to accounting basis**

Net increase to net assets of the Successor Agency Trust Fund as a result of initial transfers (equal to amount of extraordinary loss reported in the government-wide financial statements of the City)	<u>\$291,281</u>
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**Investment in Land and Building Held for Resale** – consists of a commercial condominium purchased by the Former Redevelopment Agency for the Visitor’s Bureau headquarters. The purchase cost was \$345,683 and represents the value received for disposition by the Successor Agency.

**14. COMMITMENTS AND CONTINGENCIES**

The City is a party to claims and lawsuits arising in the ordinary course of business. The City’s management and legal council are of the opinion that the ultimate liability, if any, arising from these claims will not have material adverse impact on the financial position of the City. The City participates in a number of federal and state assisted grant programs. These programs are subject to program compliance audits by the grantors. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

**15. JOINT OPERATING AGREEMENTS**

**Water operations** – The Central Coast Water Authority (CCWA) is a Joint Power Authority authorized to finance, develop, operate, and maintain the Mission Hills and Santa Ynez extension to the Coastal Branch Phase II Extension of the California aqueduct of the State water project. Each member has entered into a water supply agreement with the Authority to pay their proportionate share of the project costs from local water revenues. These costs are reported in the Water Fund as operations and maintenance.

**City of Buellton, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2012**

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**16. NEW ACCOUNTING PRONOUNCEMENTS**

The GASB has issued Statement No. 60, “Accounting and Financial Reporting for Service Concession Arrangements.” The objective of this Statement is to improve financial reporting by addressing issues related to service concession arrangements (SCAs), which are a type of public-private or public-public partnership. The implementation of this Statement did not have an effect on these financial statements.

The GASB has issued Statement No. 61, “The Financial Reporting Entity: Omnibus.” The objective of this Statement is to improve financial reporting for a governmental financial reporting entity. The requirements of Statement No. 14, *The Financial Reporting Entity*, and the related financial reporting requirements of Statement No. 34, *Basic Financial Statements—and Management’s Discussion and Analysis—for State and Local Governments*, were amended to better meet user needs and to address reporting entity issues that have arisen since the issuance of those Statements. The City will implement this Statement in fiscal year 2012-13.

The GASB has issued Statement No. 62, “Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements.” The objective of this Statement is to incorporate into the GASB’s authoritative literature certain accounting and financial reporting guidance that is included in FASB and AICPA pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements. The implementation of this Statement did not have an effect on these financial statements.

The GASB has issued Statement No. 63, “Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position.” This Statement provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources. Concepts Statement No. 4, *Elements of Financial Statements*, introduced and defined those elements as a consumption of net assets by the government that is applicable to a future reporting period, and an acquisition of net assets by the government that is applicable to a future reporting period, respectively. Previous financial reporting standards do not include guidance for reporting those financial statement elements, which are distinct from assets and liabilities. The City will implement this Statement in Fiscal year 2012-13.

The GASB has issued Statement No. 64, “Derivative Instruments: Application of Hedge Accounting Termination Provisions.” The objective of this Statement is to clarify whether an effective hedging relationship continues after the replacement of a swap counterparty or a swap counterparty’s credit support provider. This Statement sets forth criteria that establish when the effective hedging relationship continues and hedge accounting should continue to be applied. The implementation of this Statement did not have an effect on these financial statements.

The GASB has issued Statement No. 65, “Item Previously Reported as Assets and Liabilities.” This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. The City will implement this Statement in Fiscal year 2012-13.

**City of Buellton, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2012**

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**16. NEW ACCOUNTING PRONOUNCEMENTS, Continued**

The GASB has issued Statement No. 66, “Technical Corrections – 2012”. The objective of this Statement is to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, and No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. The implementation of this Statement did not have an effect on these financial statements.

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**COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES**

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## NON-MAJOR GOVERNMENTAL FUNDS

<b>Fund Type</b>	<b>Description</b>
Housing Fund	Accounts for funds used to maintain the City's supply of affordable housing.
Traffic Mitigation Fund	Accounts for traffic congestion relief funds received for street purposes.
Gas Tax Fund	Accounts for funds received and expended for street maintenance as defined in the Streets and Highway Code.
Measure A Fund	Accounts for revenues and expenditures of Measure A funds.
Measure D Fund	Accounts for revenues and expenditures of Measure D funds.
Local Transportation Fund	Accounts for revenues and expenditures used for local transportation projects.
Transportation Planning Fund	Accounts for funds used in the planning for transportation projects.
Former Redevelopment Agency Low & Moderate Fund	Accounts for tax increment revenues received and expended for low/moderate income housing purposes.
Former Redevelopment Agency Capital Projects Fund	Accounts for tax increment revenues received and expended for Redevelopment capital projects.

**City of Buellton, California**  
**Combining Balance Sheet**  
**Non-major Governmental Funds**  
**June 30, 2012**

	<b>Governmental Funds</b>		<b>Non-major Funds</b>
	<b>Special Revenue Funds</b>	<b>Redevelopment Agency Capital Projects Fund</b>	<b>Totals</b>
			<b>2012</b>
<b>ASSETS</b>			
Cash and investments	\$ 1,750,132	\$ -	\$ 1,750,132
Restricted cash and investments	-	-	-
Receivables:			
Accounts	108,348	-	108,348
Interest	8,671	-	8,671
Intergovernmental	-	-	-
Loans/Notes receivable	200,000	-	200,000
Due from other funds	192	-	192
Advances to other funds	-	-	-
Other assets	-	-	-
<b>Total assets</b>	<b>\$ 2,067,343</b>	<b>\$ -</b>	<b>\$ 2,067,343</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Accounts payable	\$ 23,498	\$ -	\$ 23,498
Accrued wages	-	-	-
Due to other funds	272,642	-	272,642
Deferred revenue	-	-	-
Advances from other funds	-	-	-
<b>Total liabilities</b>	<b>296,140</b>	<b>-</b>	<b>296,140</b>
<b>Fund Balances (Deficits):</b>			
Nonspendable			
Prepaid items	-	-	-
Loans/Notes receivable	200,000	-	200,000
Restricted	1,848,781	-	1,848,781
Committed	-	-	-
Assigned	-	-	-
Unassigned (Deficit)	(277,578)	-	(277,578)
<b>Total fund balances (deficits)</b>	<b>1,771,203</b>	<b>-</b>	<b>1,771,203</b>
<b>Total liabilities and fund balances</b>	<b>\$ 2,067,343</b>	<b>\$ -</b>	<b>\$ 2,067,343</b>

# City of Buellton, California

## Combining Statement of Revenues, Expenditures and Changes in Fund Balances

### Non-major Governmental Funds

For the year ended June 30, 2012

	Governmental Funds		Non-major Funds Totals
	Special Revenue Funds	Redevelopment Agency Capital Projects Fund	
<b>REVENUES:</b>			
Taxes	\$ -	\$ -	\$ -
Licenses, permits and fees	-	-	-
Intergovernmental	1,060,792	-	1,060,792
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Use of money and property	30,766	-	30,766
Other	-	-	-
<b>Total revenues</b>	<b>1,091,558</b>	<b>-</b>	<b>1,091,558</b>
<b>EXPENDITURES:</b>			
Current:			
General government	-	-	-
Community development	-	143,523	143,523
Culture and leisure	-	-	-
Public safety	-	-	-
Public works	334,822	-	334,822
Capital outlay	1,292,930	35,066	1,327,996
Debt service:			
Principal	-	-	-
Interest and fiscal charges	-	-	-
<b>Total expenditures</b>	<b>1,627,752</b>	<b>178,589</b>	<b>1,806,341</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(536,194)</b>	<b>(178,589)</b>	<b>(714,783)</b>
<b>OTHER FINANCING SOURCES (USES):</b>			
Extraordinary gain (loss) on dissolution of redevelopment	(1,721,550)	173,734	(1,547,816)
Transfers in	-	-	-
Transfers out	-	-	-
<b>Total other financing sources (uses)</b>	<b>(1,721,550)</b>	<b>173,734</b>	<b>(1,547,816)</b>
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES)</b>	<b>(2,257,744)</b>	<b>(4,855)</b>	<b>(2,262,599)</b>
<b>FUND BALANCES (DEFICITS):</b>			
Beginning of year	4,028,947	4,855	4,033,802
End of year	\$ 1,771,203	\$ -	\$ 1,771,203

**City of Buellton, California**  
**Combining Balance Sheet**  
**Non-major Special Revenue Funds**  
**June 30, 2012**

	<b>Special Revenue Funds</b>			
	Housing Fund	Traffic Mitigation Fund	Gas Tax Fund	Measure A Fund
<b>ASSETS</b>				
Cash and investments	\$ 443,568	\$ -	\$ 855,751	\$ 290,306
Restricted cash and investments				
Receivables:				
Accounts	-	-	85,665	22,452
Interest	7,687	12	721	170
Intergovernmental	-	-	-	-
Loans/Notes receivable	200,000	-	-	-
Due from other funds	-	-	-	-
<b>Total assets</b>	<b>\$ 651,255</b>	<b>\$ 12</b>	<b>\$ 942,137</b>	<b>\$ 312,928</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ -	\$ 1,443	\$ 9,765
Due to other funds	-	157,717	-	-
<b>Total liabilities</b>	<b>-</b>	<b>157,717</b>	<b>1,443</b>	<b>9,765</b>
<b>Fund Balances:</b>				
Nonspendable:				
Note receivable	200,000	-	-	-
Restricted	451,255	-	940,694	303,163
Unassigned (deficit)	-	(157,705)	-	-
<b>Total fund balances</b>	<b>651,255</b>	<b>(157,705)</b>	<b>940,694</b>	<b>303,163</b>
<b>Total liabilities and fund balances</b>	<b>\$ 651,255</b>	<b>\$ 12</b>	<b>\$ 942,137</b>	<b>\$ 312,928</b>

<b>Special Revenue Funds</b>				
<u>Measure D Fund</u>	<u>Local Transportation Fund</u>	<u>Transportation Planning Fund</u>	<u>Former Redevelopment Agency Low &amp; Moderate Fund</u>	<u>Total Non-major Special Revenue Funds</u>
\$ 55,689	\$ 104,818	\$ -	\$ -	\$ 1,750,132
-	231	-	-	108,348
-	81	-	-	8,671
-	-	-	-	-
-	-	-	-	200,000
192	-	-	-	192
<u>\$ 55,881</u>	<u>\$ 105,130</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,067,343</u>
\$ -	\$ 7,342	\$ 4,948	\$ -	\$ 23,498
-	-	114,925	-	272,642
-	7,342	119,873	-	296,140
-	-	-	-	200,000
55,881	97,788	-	-	1,848,781
-	-	(119,873)	-	(277,578)
<u>55,881</u>	<u>97,788</u>	<u>(119,873)</u>	<u>-</u>	<u>1,771,203</u>
<u>\$ 55,881</u>	<u>\$ 105,130</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,067,343</u>

**City of Buellton, California**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**

**Non-major Special Revenue Funds**

**For the year ended June 30, 2012**

	<b>Special Revenue Funds</b>			
	Housing Fund	Traffic Mitigation Fund	Gas Tax Fund	Measure A Fund
<b>REVENUES:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses, permits, and fees	-	-	-	-
Intergovernmental	-	5,200	722,444	328,814
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Use of money and property	6,792	49	18,853	740
Other	-	-	-	-
<b>Total revenues</b>	<u>6,792</u>	<u>5,249</u>	<u>741,297</u>	<u>329,554</u>
<b>EXPENDITURES:</b>				
Current:				
General government	-	-	-	-
Community development	-	-	-	-
Culture and leisure	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	83,483	-
Capital outlay	-	-	988,583	304,347
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>1,072,066</u>	<u>304,347</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>6,792</u>	<u>5,249</u>	<u>(330,769)</u>	<u>25,207</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Extraordinary gain (loss) on dissolution of redevelopment	-	-	-	-
<b>Total other financing sources and uses</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES)</b>	<u>6,792</u>	<u>5,249</u>	<u>(330,769)</u>	<u>25,207</u>
<b>FUND BALANCES (DEFICIT):</b>				
Beginning of year	644,463	(162,954)	1,271,463	277,956
End of year	<u>\$ 651,255</u>	<u>\$ (157,705)</u>	<u>\$ 940,694</u>	<u>\$ 303,163</u>

**Special Revenue Funds**

Measure D Fund	Local Transportation Fund	Transportation Planning Fund	Former Redevelopment Agency Low & Moderate Fund	Total Non-major Governmental Fund
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	4,334	-	-	1,060,792
-	-	-	-	-
-	-	-	-	-
177	416	-	3,739	30,766
-	-	-	-	-
<u>177</u>	<u>4,750</u>	<u>-</u>	<u>3,739</u>	<u>1,091,558</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
133,109	76,575	41,655	-	334,822
-	-	-	-	1,292,930
-	-	-	-	-
-	-	-	-	-
<u>133,109</u>	<u>76,575</u>	<u>41,655</u>	<u>-</u>	<u>1,627,752</u>
(132,932)	(71,825)	(41,655)	3,739	(536,194)
-	-	-	(1,721,550)	(1,721,550)
-	-	-	(1,721,550)	(1,721,550)
(132,932)	(71,825)	(41,655)	(1,717,811)	(2,257,744)
188,813	169,613	(78,218)	1,717,811	4,028,947
<u>\$ 55,881</u>	<u>\$ 97,788</u>	<u>\$ (119,873)</u>	<u>\$ -</u>	<u>\$ 1,771,203</u>

**City of Buellton, California**

**Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual**

**Housing Special Revenue Fund**

**For the year ended June 30, 2012**

	Budgeted Amounts		Actual	Variance w/Final
	Original	Final		Positive (Negative)
<b>REVENUES:</b>				
Fines and forfeitures	\$ 2,000	\$ 2,000	\$ -	\$ (2,000)
Use of money and property	4,500	4,500	6,792	2,292
<b>Total revenues</b>	<b>6,500</b>	<b>6,500</b>	<b>6,792</b>	<b>292</b>
<b>EXPENDITURES:</b>				
Current:				
Community development	-	-	-	-
Capital outlay	-	-	-	-
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	<b>6,500</b>	<b>6,500</b>	<b>6,792</b>	<b>292</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>6,500</b>	<b>6,500</b>	<b>6,792</b>	<b>292</b>
<b>FUND BALANCES:</b>				
Beginning of year	644,463	644,463	644,463	-
End of year	\$ 650,963	\$ 650,963	\$ 651,255	\$ 292

**City of Buellton, California**

**Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual**

**Traffic Mitigation Special Revenue Fund**

**For the year ended June 30, 2012**

	Budgeted Amounts		Actual	Variance w/Final
	Original	Final		Positive (Negative)
<b>REVENUES:</b>				
Intergovernmental	\$ -	\$ -	\$ 5,200	\$ 5,200
Use of money and property	-	-	49	49
<b>Total revenues</b>	-	-	5,249	5,249
<b>EXPENDITURES:</b>				
Current:				
Public works	-	-	-	-
Capital outlay	-	-	-	-
<b>Total expenditures</b>	-	-	-	-
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	-	-	5,249	5,249
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	-	-	-	-
<b>Net change in fund balances</b>	-	-	5,249	5,249
<b>FUND BALANCES:</b>				
Beginning of year	(162,954)	(162,954)	(162,954)	-
End of year	\$ (162,954)	\$ (162,954)	\$ (157,705)	\$ 5,249

**City of Buellton, California**

**Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual**

**Gas Tax Special Revenue Fund**

**For the year ended June 30, 2012**

	Budgeted Amounts		Actual	Variance w/Final
	Original	Final		Positive (Negative)
<b>REVENUES:</b>				
Intergovernmental	\$ 197,124	\$ 197,124	\$ 722,444	\$ 525,320
Use of money and property	5,000	5,000	18,853	13,853
<b>Total revenues</b>	<b>202,124</b>	<b>202,124</b>	<b>741,297</b>	<b>539,173</b>
<b>EXPENDITURES:</b>				
Current:				
Public works	120,813	120,813	83,483	37,330
Capital outlay	390,915	390,915	988,583	(597,668)
<b>Total expenditures</b>	<b>511,728</b>	<b>511,728</b>	<b>1,072,066</b>	<b>(560,338)</b>
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	<b>(309,604)</b>	<b>(309,604)</b>	<b>(330,769)</b>	<b>(21,165)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>(309,604)</b>	<b>(309,604)</b>	<b>(330,769)</b>	<b>(21,165)</b>
<b>FUND BALANCES:</b>				
Beginning of year	1,271,463	1,271,463	1,271,463	-
End of year	\$ 961,859	\$ 961,859	\$ 940,694	\$ (21,165)

**City of Buellton, California**

**Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual**

**Measure A Special Revenue Fund**

**For the year ended June 30, 2012**

	Budgeted Amounts		Actual	Variance w/Final
	Original	Final		Positive (Negative)
<b>REVENUES:</b>				
Intergovernmental	\$ 282,825	\$ 282,825	\$ 328,814	\$ 45,989
Use of money and property	450	450	740	290
<b>Total revenues</b>	<b>283,275</b>	<b>283,275</b>	<b>329,554</b>	<b>46,279</b>
<b>EXPENDITURES:</b>				
Current:				
Public works	-	-	-	-
Capital outlay	575,524	575,524	304,347	271,177
<b>Total expenditures</b>	<b>575,524</b>	<b>575,524</b>	<b>304,347</b>	<b>271,177</b>
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	<b>(292,249)</b>	<b>(292,249)</b>	<b>25,207</b>	<b>317,456</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>(292,249)</b>	<b>(292,249)</b>	<b>25,207</b>	<b>317,456</b>
<b>FUND BALANCES:</b>				
Beginning of year	277,956	277,956	277,956	-
End of year	\$ (14,293)	\$ (14,293)	\$ 303,163	\$ 317,456

**City of Buellton, California**

**Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual**

**Measure D Special Revenue Fund**

**For the year ended June 30, 2012**

	Budgeted Amounts		Actual	Variance w/Final
	Original	Final		Positive (Negative)
<b>REVENUES:</b>				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Use of money and property	-	-	177	177
<b>Total revenues</b>	-	-	177	177
<b>EXPENDITURES:</b>				
Current:				
Public works	-	130,000	133,109	(3,109)
<b>Total expenditures</b>	-	130,000	133,109	(3,109)
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	-	(130,000)	(132,932)	(2,932)
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	-	-	-	-
<b>Net change in fund balances</b>	-	(130,000)	(132,932)	(2,932)
<b>FUND BALANCES:</b>				
Beginning of year	188,813	188,813	188,813	-
End of year	\$ 188,813	\$ 58,813	\$ 55,881	\$ (2,932)

**City of Buellton, California**

**Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual**

**Local Transportation Special Revenue Fund**

**For the year ended June 30, 2012**

	Budgeted Amounts		Actual	Variance w/Final
	Original	Final		Positive (Negative)
<b>REVENUES:</b>				
Intergovernmental	\$ 2,500	\$ 2,500	\$ 4,334	\$ 1,834
Use of money and property	500	500	415	(85)
<b>Total revenues</b>	<b>3,000</b>	<b>3,000</b>	<b>4,749</b>	<b>1,749</b>
<b>EXPENDITURES:</b>				
Current:				
Public works	75,000	75,000	76,575	(1,575)
Capital outlay	6,500	6,500	-	6,500
<b>Total expenditures</b>	<b>81,500</b>	<b>81,500</b>	<b>76,575</b>	<b>4,925</b>
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	<b>(78,500)</b>	<b>(78,500)</b>	<b>(71,826)</b>	<b>6,674</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>(78,500)</b>	<b>(78,500)</b>	<b>(71,826)</b>	<b>6,674</b>
<b>FUND BALANCES:</b>				
Beginning of year	169,614	169,614	169,614	-
End of year	\$ 91,114	\$ 91,114	\$ 97,788	\$ 6,674

**City of Buellton, California**

**Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual  
Transportation Planning Special Revenue Fund  
For the year ended June 30, 2012**

	Budgeted Amounts		Actual	Variance w/Final
	Original	Final		Positive (Negative)
<b>REVENUES:</b>				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>EXPENDITURES:</b>				
Current:				
Public works	50,000	50,000	41,655	8,345
<b>Total expenditures</b>	<b>50,000</b>	<b>50,000</b>	<b>41,655</b>	<b>8,345</b>
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	<b>(50,000)</b>	<b>(50,000)</b>	<b>(41,655)</b>	<b>8,345</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>(50,000)</b>	<b>(50,000)</b>	<b>(41,655)</b>	<b>8,345</b>
<b>FUND BALANCES:</b>				
Beginning of year	(78,218)	(78,218)	(78,218)	-
End of year	\$ (128,218)	\$ (128,218)	\$ (119,873)	\$ 8,345

**City of Buellton, California**

**Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual**

**RDA Low and Moderate Special Revenue Fund**

**For the year ended June 30, 2012**

	Budgeted Amounts		Actual	Variance w/Final
	Original	Final		Positive (Negative)
<b>REVENUES:</b>				
Taxes	\$ 200,000	\$ 200,000	\$ -	\$ (200,000)
Use of money and property	5,000	5,000	3,739	(1,261)
<b>Total revenues</b>	<b>205,000</b>	<b>205,000</b>	<b>3,739</b>	<b>(201,261)</b>
<b>EXPENDITURES:</b>				
Current:				
Community development	29,000	29,000	-	29,000
<b>Total expenditures</b>	<b>29,000</b>	<b>29,000</b>	<b>-</b>	<b>29,000</b>
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	<b>176,000</b>	<b>176,000</b>	<b>3,739</b>	<b>(172,261)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Extraordinary gain (loss) on dissolution of redevelopment	-	-	(1,721,550)	(1,721,550)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>(1,721,550)</b>	<b>(1,721,550)</b>
<b>Net change in fund balances</b>	<b>176,000</b>	<b>176,000</b>	<b>(1,717,811)</b>	<b>(1,893,811)</b>
<b>FUND BALANCES:</b>				
Beginning of year	1,717,811	1,717,811	1,717,811	-
End of year	\$ 1,893,811	\$ 1,893,811	\$ -	\$ (1,893,811)

## FIDUCIARY FUNDS

Fund Type	Description
<b>Private Purpose Trust Funds</b>	
Successor Agency - Non-Housing	Accounts for funds collected and disbursed for the dissolution of the former Buellton Redevelopment Agency related to Administration and Retirement of enforceable obligations.
Successor Agency - Housing	Accounts for funds collected and disbursed for the dissolution of the former Buellton Redevelopment Agency's housing related debts.
<b>Agency Funds</b>	
Deposits Agency Fund	This fund accounts for various deposits that are held on behalf of the City for various projects or programs

**City of Buellton, California**  
**Combining Statement of Net Assets**  
**Private Purpose Trust Funds**  
**June 30, 2012**

	Successor Agency		
	Non-Housing	Housing	Totals
<b>ASSETS</b>			
<b>Current Assets:</b>			
Cash and investments	\$ 163,496	\$ 1,721,550	\$ 1,885,046
Receivables:			
Accounts	91,926	-	91,926
Interest	122	1,191	1,313
Prepays	3,866	-	3,866
<b>Total current assets</b>	<u>259,410</u>	<u>1,722,741</u>	<u>1,982,151</u>
<b>Noncurrent Assets</b>			
Investment in land and building held for resale	345,683	-	345,683
<b>Total noncurrent assets:</b>	<u>345,683</u>	<u>-</u>	<u>345,683</u>
<b>Total assets</b>	<u>\$ 605,093</u>	<u>\$ 1,722,741</u>	<u>\$ 2,327,834</u>
<b>LIABILITIES AND NET ASSETS</b>			
<b>Current Liabilities:</b>			
Accounts payable	\$ 280,650	\$ -	\$ 280,650
<b>Total current liabilities:</b>	<u>280,650</u>	<u>-</u>	<u>280,650</u>
<b>Noncurrent liabilities:</b>			
Advances from City of Buellton General Fund	1,876,208	-	1,876,208
<b>Noncurrent liabilities</b>	<u>1,876,208</u>	<u>-</u>	<u>1,876,208</u>
<b>Total liabilities</b>	<u>2,156,858</u>	<u>-</u>	<u>2,156,858</u>
<b>Net Assets (Deficit)</b>			
Net assets held in trust for Redevelopment Dissolution	<u>(1,551,765)</u>	<u>1,722,741</u>	<u>170,976</u>
<b>Total liabilities and net assets</b>	<u>\$ 605,093</u>	<u>\$ 1,722,741</u>	<u>\$ 2,327,834</u>

**City of Buellton, California**  
**Combining Statement of Changes in Fiduciary Net Assets**  
**Private Purpose Trust Funds**  
**June 30, 2012**

	<u>Successor Agency</u>		
	<u>Non-Housing</u>	<u>Housing</u>	<u>Totals</u>
<b>ADDITIONS:</b>			
Property taxes	\$ 94,926	\$ -	\$ 94,926
Investment earnings	275	1,191	1,466
Net assets received upon dissolution of Redevelopment Agency	(1,430,269)	1,721,550	291,281
<b>Total additions:</b>	<u>(1,335,068)</u>	<u>1,722,741</u>	<u>387,673</u>
<b>DEDUCTIONS:</b>			
Community development	216,697	-	216,697
<b>Total deductions:</b>	<u>216,697</u>	<u>-</u>	<u>216,697</u>
<b>CHANGE IN FIDUCIARY NET ASSETS</b>	(1,551,765)	1,722,741	170,976
<b>NET ASSETS (DEFICIT):</b>			
Beginning of year	-	-	-
End of year	<u>\$ (1,551,765)</u>	<u>\$ 1,722,741</u>	<u>\$ 170,976</u>

**City of Buellton, California**  
**Statement of Assets and Liabilities**  
**Deposits Agency Fund**  
**For the year ended June 30, 2012**

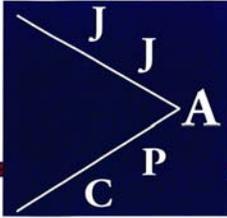
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	<u>2012</u>
<b>ASSETS</b>	
Cash and investments	\$ 143,242
<b>Total assets</b>	<u>\$ 143,242</u>
<b>LIABILITIES</b>	
Refundable deposits	\$ 143,242
<b>Total liabilities</b>	<u>\$ 143,242</u>

**City of Buellton, California**  
**Statement of Changes in Assets and Liabilities**  
**Deposits Agency Fund**  
**For the year ended June 30, 2012**

	Balance July 1, 2011	Additions	Deductions	Balance June 30, 2012
<b>ASSETS</b>				
Cash and investments	\$ 139,956	\$ 3,286	\$ -	\$ 143,242
<b>Total assets</b>	<b>\$ 139,956</b>	<b>\$ 3,286</b>	<b>\$ -</b>	<b>\$ 143,242</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 3,258	\$ -	\$ (3,258)	\$ -
Refundable deposits	136,698	6,544	-	143,242
<b>Total liabilities</b>	<b>\$ 139,956</b>	<b>\$ 6,544</b>	<b>\$ (3,258)</b>	<b>\$ 143,242</b>



JJACPA, Inc.

A Professional Accounting Services Corp.

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON  
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING  
STANDARDS**

To the Honorable Mayor and City Council  
of the City of Buellton  
Buellton, California

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and aggregate remaining fund information of the City of Buellton, California (City), as of and for the year ended June 30, 2012, and have issued our report thereon dated June 10, 2013. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

Management of the City is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined previously.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, City Council, others within the entity, and is not intended to be and should not be used by anyone other than these specified parties.

*JJACPA, Inc.*

June 10, 2013

JJACPA, Inc.

**CITY OF BUELLTON**  
City Council Agenda Staff Report

City Manager Review: MPB  
Council Agenda Item No.: 7

To: The Honorable Mayor and City Council

From: Annette Muñoz, Finance Director  
Marc Bierdzinski, Interim City Manager

Meeting Date: June 27, 2013

Subject: Resolution No. 13-11 – “A Resolution of the City Council of the City of Buellton, California, Adopting the Fiscal Year 2013-14 Budget”

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**BACKGROUND**

Based upon the review and comments of the City Council to the preliminary Fiscal Year 2013-14 Budget, attached for consideration and adoption is the final Fiscal Year 2013-14 Budget for the City of Buellton. Additions, changes and deletions may still be made at the June 27 meeting and would be reflected in the final printed budget.

Based on direction from the City Council on June 13, the following information has been changed:

1. The travel/training expenditure for the city manager department, public works department, sewer fund, and water fund were each decreased \$1,000 for a total of \$4,000.
2. The \$5,000 stipend is no longer being allocated to the Criterium.
3. The expenditure for the library was increased by \$9,000 (the increased funding to be reviewed and allocated mid-year).

The parks function and recreation function are still shown together in Attachment 1 (but noted in different colors). These budget functions will be separated in the final budget document that is printed. The final budget document will also include a Capital Project Fund which will allow for better tracking of capital fund projects.

**FISCAL IMPACT**

The final fiscal impact will be determined as a result of any additions, changes, or deletions to the Budget made by the Council.

## **RECOMMENDATION**

That the City Council consider the approval and adoption of Resolution No. 13-11 - “A Resolution of the City Council of the City of Buellton, California, Adopting the Fiscal Year 2013-14 Budget”

## **ATTACHMENTS**

Resolution No. 13-11  
Attachment 1 – Proposed Fiscal Year 2013-14 City Budget

**RESOLUTION NO. 13-11**

**A RESOLUTION OF THE CITY COUNCIL  
OF THE CITY OF BUELLTON,  
CALIFORNIA, ADOPTING THE FISCAL  
YEAR 2013-14 BUDGET**

**I. THE CITY COUNCIL OF THE CITY OF BUELLTON DOES HEREBY FIND  
AND DETERMINE AS FOLLOWS:**

- A. City staff has presented a budget to the City Council which recognizes those known sources of City income and the expenses anticipated during Fiscal Year 2013-14.
- B. The City Council has reviewed and studied the Preliminary Budget for Fiscal Year 2013-14.

**II. NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF BUELLTON  
DOES HEREBY RESOLVE AS FOLLOWS:**

- A. The City Council hereby adopts the final Fiscal Year 2013-14 Budget for the City of Buellton in those amounts which are hereby appropriated for the purposes as described therein.
- B. That a true and correct copy of the final Fiscal Year 2013-14 Budget will be on file in the Office of the City Clerk.
- C. That the City Manager can approve budget transfers within funds, providing it has no impact on fund balance and the Council can amend this Budget at any time. In addition, the City Council will review the Budget mid-year at the second meeting in January 2014.
- D. The City Clerk shall certify to the adoption of this Resolution.

**PASSED, APPROVED and ADOPTED** this 27th day of June, 2013.

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Judith Dale  
Mayor

ATTEST:

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Linda Reid  
City Clerk

**City of Buellton**

**Fiscal Year 2013-14  
Preliminary Budget**

**REVENUE PROJECTIONS**  
**Fiscal Year 2013-14**

Account Number	Description	2009-10 Actual	2010-11 Actual	2011-12 Actual	2012-13 Budget	2013-14 Proposed
<b><u>GENERAL FUND</u></b>						
<b><u>TAXES</u></b>						
001-301-4001-000	Property Taxes - Secured	890,325	891,993	1,009,788	800,000	950,000
001-302-4002-000	Property Taxes - Unsecured	42,981	38,069	40,142	40,000	41,000
001-309-4007-000	Homeowners Exemption	7,523	7,701	7,451	6,500	7,000
001-310-4101-000	Franchise Fees	131,659	209,220	202,981	205,000	203,000
001-311-4102-000	Sales & Use Tax	1,109,051	1,149,460	1,241,759	1,100,000	1,300,000
001-311-4115-000	Sales Tax Compensation	304,998	403,292	370,030	400,000	400,000
001-312-4103-000	Transient Occupancy Tax	1,164,409	1,193,216	1,239,617	1,100,000	1,500,000
001-321-4106-000	Property Transfer Tax	16,143	15,703	13,681	11,000	14,000
	TOTAL:	3,667,089	3,908,655	4,125,447	3,662,500	4,415,000
<b><u>FEES &amp; PERMITS</u></b>						
001-357-4802-000	Zoning Clearance	1,440	1,080	1,485	1,000	1,200
001-378-4205-000	Engineering Fees	6,640	3,628	1,587	3,000	3,000
	TOTAL:	8,080	4,708	3,072	4,000	4,200
<b><u>FINES &amp; PENALTIES</u></b>						
001-340-4401-000	Criminal Fines and Penalties	34,980	45,077	45,753	26,000	40,000
001-342-4402-000	Fines & Fees	9,829	3,265	2,526	5,000	2,500
	TOTAL:	44,809	48,342	48,279	31,000	42,500
<b><u>USE OF MONEY &amp; PROPERTY</u></b>						
001-345-4904-000	Interest Income	59,896	69,087	98,860	50,000	75,000
001-346-4905-000	Rent	59,850	62,568	56,965	66,365	68,865
	TOTAL:	119,746	131,655	155,825	116,365	143,865

**REVENUE PROJECTIONS**  
**Fiscal Year 2013-14**

Account Number	Description	2009-10 Actual	2010-11 Actual	2011-12 Actual	2012-13 Budget	2013-14 Proposed
<b><u>GENERAL FUND</u></b>						
<b><u>REVENUES FROM OTHER AGENCIES</u></b>						
001-322-4107-000	Motor Vehicle In-Lieu	13,971	21,917	2,413	5,000	2,400
001-322-4116-000	MV License Fee Compensation	366,110	366,193	367,510	350,000	363,000
001-333-4506-000	CA Indian Gaming Grant	0	165,000	117,876	0	0
001-333-4510-000	CA Bikeways and Trails Grant	0	48,061	51,939	0	0
001-365-4907-000	CalTrans STIP Funding	0	0	0	0	0
001-376-4908-000	CA Proposition 1B Funding	0	0	0	0	5,000
	TOTAL:	380,081	601,171	539,738	355,000	370,400
<b><u>CHARGES FOR CURRENT SERVICES</u></b>						
001-348-4403-000	Special Event Fees	865	645	945	500	1,000
001-390-4917-000	Miscellaneous	59,103	18,032	12,703	3,500	6,600
	TOTAL:	59,968	18,677	13,648	4,000	7,600
<b><u>STORM WATER FUND</u></b>						
015-345-4904-000	Interest	0	0	0	0	0
	TOTAL:	0	0	0	0	0
<b><u>PARKS/RECREATION FUND</u></b>						
028-319-4301-000	Park Quimby Act Fees	66,190	20,684	0	0	0
028-320-5801-000	Buellton Recreation Program	75,897	100,313	91,434	85,000	85,000
028-320-5801-001	Recreation Program 50/50	808	17,528	28,509	15,000	25,000
028-320-5802-000	Buellton Recreation Program-Trips	27,817	21,373	32,586	20,000	20,000
028-320-5814-000	Park Reservation Fees	4,990	3,650	5,030	3,000	3,500
028-345-4904-000	Interest	0	0	0	0	0
028-390-4917-000	Miscellaneous	0	0	500	250	0
028-398-4923-000	Transfer from General Fund	0	0	0	0	0
	TOTAL:	175,701	163,548	158,059	123,250	133,500
<b><u>LANDSCAPE MAINTENANCE FUND</u></b>						
072-345-4904-000	Interest	1,358	540	135	250	0
	TOTAL:	1,358	540	135	250	0
<b>GENERAL FUND REVENUE</b>		<b>4,456,833</b>	<b>4,877,296</b>	<b>5,044,204</b>	<b>4,296,365</b>	<b>5,117,065</b>

**REVENUE PROJECTIONS**  
**Fiscal Year 2013-14**

Account Number	Description	2009-10 Actual	2010-11 Actual	2011-12 Actual	2012-13 Budget	2013-14 Proposed
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**SPECIAL REVENUE FUNDS**

**WASTEWATER ENTERPRISE FUND**

005-345-4904-000	Interest	21,857	12,472	7,061	5,000	6,000
005-350-4602-000	Sewer Revenue	569,344	572,545	592,182	610,000	610,000
005-354-4605-000	Connection Fees	36,520	36,975	500	5,000	0
005-355-4606-000	Setup Fees	1,095	915	905	500	900
005-358-4607-000	Late Charges	4,312	4,413	4,376	4,000	4,000
005-390-4917-000	Miscellaneous	2,928	56	0	50	50
	TOTAL:	636,056	627,376	605,024	624,550	620,950

**WATER ENTERPRISE FUND**

020-345-4904-000	Interest	18,062	11,300	7,458	4,000	5,000
020-349-4601-000	Bulk Water	11,567	10,787	5,378	4,000	4,000
020-350-4602-000	Water Sales	1,456,364	1,376,863	1,363,427	1,400,000	1,400,000
020-351-4603-000	Water Service Installation	1,450	1,515	110	500	500
020-354-4605-000	Connection Fees	19,240	41,600	5,200	5,000	0
020-355-4606-000	Setup Fees	1,095	915	905	600	900
020-358-4607-000	Late Charges	11,885	11,277	10,866	10,000	10,000
020-359-4608-000	Reinstatement Fee	2,778	3,189	2,577	2,100	2,100
020-389-4810-000	Infrastructure Contributions	53,200	36,000	34,720	0	0
020-390-4917-000	Miscellaneous	3,700	860	812	500	500
	TOTAL:	1,579,341	1,494,307	1,431,453	1,426,700	1,423,000

**HOUSING FUND**

023-345-4904-000	Interest	7,711	7,165	6,792	500	5,000
023-388-4915-000	Housing Fees	42,818	160,854	0	0	0
	TOTAL:	50,529	168,019	6,792	500	5,000

**REVENUE PROJECTIONS**  
**Fiscal Year 2013-14**

Account Number	Description	2009-10 Actual	2010-11 Actual	2011-12 Actual	2012-13 Budget	2013-14 Proposed
<b><u>SPECIAL REVENUE FUNDS</u></b>						
<b><u>TRAFFIC MITIGATION FUND</u></b>						
024-345-4904-000	Interest	0	25	49	0	25
024-384-4914-000	Traffic Mitigation Fees	12,807	17,856	5,200	0	0
	TOTAL:	12,807	17,881	5,249	0	25
<b><u>GAS TAX FUND</u></b>						
025-345-4904-000	Interest	9,613	6,344	18,853	2,000	2,000
025-376-4908-000	Surface Transportation Program	67,089	74,841	71,416	65,000	70,000
025-379-4909-000	Traffic Congestion Relief	43,097	0	0	0	0
025-380-4108-000	2105 Funds	23,593	24,859	22,195	23,360	22,788
025-380-4109-000	2106 Funds	17,260	17,944	17,450	20,424	19,906
025-380-4110-000	2107 Funds	31,409	33,182	31,857	33,525	33,927
025-380-4111-000	2107.5 Funds	0	1,000	1,000	1,000	1,000
025-380-4113-000	R & T 7360	0	38,645	65,595	52,460	69,043
025-383-4913-000	CalTrans Street Sweeping	0	0	0	0	0
	TOTAL:	192,061	196,815	228,367	197,769	218,664
<b><u>MEASURE D</u></b>						
026-345-4904-000	Interest	1,000	555	0	0	0
026-382-4113-000	Measure D	397,839	27	0	0	0
	TOTAL:	398,839	582	0	0	0
<b><u>LOCAL TRANSPORTATION FUND</u></b>						
027-345-4904-000	Interest	1,689	920	415	200	200
027-381-4910-000	SB 325 (LTF/TDA) - Bikeways	2,749	2,669	3,234	2,500	3,718
027-381-4911-000	SB 325 (LTF/TDA) - Roads	199	0	0	0	0
027-381-4913-000	SYVT Dial-A-Ride Subsidy	0	0	1,100	0	0
027-398-4923-000	Transfer from General Fund	0	0	0	0	0
	TOTAL:	4,637	3,589	4,749	2,700	3,918

## REVENUE PROJECTIONS

Fiscal Year 2013-14

Account Number	Description	2009-10 Actual	2010-11 Actual	2011-12 Actual	2012-13 Budget	2013-14 Proposed
<b><u>SPECIAL REVENUE FUNDS</u></b>						
<b><u>TRANSPORTATION PLANNING</u></b>						
029-345-4904-000	Interest	0	6	0	0	0
029-381-4912-000	STA Funding	0	25,160	0	0	25,000
029-398-4923-000	Transfer from General Fund	0	0	0	0	0
	TOTAL:	0	25,165	0	0	25,000
<b><u>MEASURE A</u></b>						
031-345-4904-000	Interest	0	333	740	450	350
031-382-4113-000	Measure A	0	280,710	328,814	300,000	326,250
	TOTAL:	0	281,043	329,554	300,450	326,600
<b>TOTAL SPECIAL REVENUES</b>		<b>2,874,270</b>	<b>2,814,778</b>	<b>2,611,189</b>	<b>2,552,669</b>	<b>2,623,157</b>
<b>TOTAL GENERAL FUND</b>		<b>4,456,833</b>	<b>4,877,296</b>	<b>5,044,204</b>	<b>4,296,365</b>	<b>5,117,065</b>
<b>TOTAL REVENUES</b>		<b>7,331,102</b>	<b>7,692,075</b>	<b>7,655,392</b>	<b>6,849,034</b>	<b>7,740,222</b>

DEPARTMENT SUMMARY	2009-10 Actual	2010-11 Actual	2011-12 Actual	2012-13 Budget	2013-14 Proposed
Employee Services	\$ 83,733	\$ 85,271	\$ 98,047	\$ 103,843	\$ 119,103
Operating & Maintenance	\$ 11,915	\$ 19,429	\$ 17,534	\$ 18,500	\$ 17,000
Capital	\$ -	\$ -	\$ -	\$ -	\$ -
Department Total	\$ 95,648	\$ 104,700	\$ 115,581	\$ 122,343	\$ 136,103

**DEPARTMENT DESCRIPTION**

This Department represents the costs related to supporting the legislative body of the City. The City Council consists of five members and is the City's policy-making legislative body approving and adopting all ordinances, resolutions, contracts and other matters requiring overall policy decisions and leadership.

DEPARTMENT EXPENDITURES

CITY COUNCIL  
001-401

	2009-10 <u>Actual</u>	2010-11 <u>Actual</u>	2011-12 <u>Actual</u>	2012-13 <u>Budget</u>	2013-14 <u>Proposed</u>	Change From 2012-13 <u>Budget</u>	% Change From 2012-13 <u>Budget</u>
<b><u>EMPLOYEE SERVICES</u></b>							
5001 Staff Salaries	29,099	35,648	40,729	41,088	43,778	2,690	6.5%
5003 Council Salaries	26,400	20,768	21,120	21,120	26,400	5,280	25.0%
5004 Council Car Expense Allowance	4,500	3,540	3,600	3,600	4,500	900	25.0%
5100 Benefits	23,734	25,315	32,599	38,035	44,425	6,390	16.8%
<b><u>EMPLOYEE SERVICES SUBTOTAL:</u></b>	<b>83,733</b>	<b>85,271</b>	<b>98,047</b>	<b>103,843</b>	<b>119,103</b>	<b>15,260</b>	<b>14.7%</b>
<b><u>OPERATING &amp; MAINTENANCE</u></b>							
5301 Office Supplies	415	347	568	500	500	0	0.0%
5402 Travel & Training	7,759	11,522	15,309	15,000	12,000	(3,000)	-20.0%
5603 Computer Maintenance & Software	745	1,845	592	2,000	2,000	0	0.0%
5809 Election Expense	0	0	0	0	1,500	1,500	N/A
6301 Miscellaneous	2,996	5,714	1,065	1,000	1,000	0	0.0%
<b><u>OPERATING &amp; MAINTENANCE SUBTOTAL:</u></b>	<b>11,915</b>	<b>19,429</b>	<b>17,534</b>	<b>18,500</b>	<b>17,000</b>	<b>(1,500)</b>	<b>-8.1%</b>
<b><u>CAPITAL</u></b>							
6504 Office Furniture	0	0	0	0	0	0	N/A
6505 Computer Equipment	0	0	0	0	0	0	N/A
<b><u>CAPITAL SUBTOTAL:</u></b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>N/A</b>
<b>CITY COUNCIL TOTAL:</b>	<b>95,648</b>	<b>104,700</b>	<b>115,581</b>	<b>122,343</b>	<b>136,103</b>	<b>13,760</b>	<b>11.2%</b>

EXPENDITURE DETAIL NARRATIVE

FISCAL YEAR 2013-14

<u>Employee Services</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>
Council Members (5)	5.00	5.00	5.00
City Clerk	<u>0.40</u>	<u>0.40</u>	<u>0.40</u>
Total	5.40	5.40	5.40

5001 Staff Salaries \$43,778  
40% of City Clerk salary

5003 Council Salaries \$26,400

5004 Council Car Expense Allowance \$4,500

5100 Benefits \$44,425

Operating & Maintenance

5301 Office Supplies \$500

5402 Travel & Training \$12,000  
Attendance at League of California Cities (LOCC) conferences, Channel Counties Division (LOCC) meetings, Council of Government meetings and miscellaneous seminars for the Mayor and Council Members.

5603 Computer Maintenance & Software \$2,000

6301 Miscellaneous \$1,000

Capital

6504 Office Furniture \$0

6505 Computer Equip \$0

DEPARTMENT SUMMARY	2009-10 Actual	2010-11 Actual	2011-12 Actual	2012-13 Budget	2013-14 Proposed
Employee Services	\$ 108,696	\$ 156,258	\$ 162,406	\$ 161,113	\$ 203,525
Operating & Maintenance	\$ 27,702	\$ 4,566	\$ 5,122	\$ 5,300	\$ 4,050
Capital	\$ 6,207	\$ -	\$ -	\$ -	\$ -
Department Total	\$ 142,605	\$ 160,824	\$ 167,527	\$ 166,413	\$ 207,575

**DEPARTMENT DESCRIPTION**

This Department's primary purpose is to oversee the daily and routine operations of the City; to implement the goals, work programs and policies of the City Council by providing long-term planning coordination and administrative direction to City departments; and to inform and advise the City Council on issues, requirements and problems, both existing and anticipated.

DEPARTMENT EXPENDITURES

CITY MANAGER  
001-402

		2009-10	2010-11	2011-12	2012-13	2013-14	Change From	% Change
		Actual	Actual	Actual	Budget	Proposed	2012-13	From 2012-13
							Budget	Budget
<b><u>EMPLOYEE SERVICES</u></b>								
5001	Salaries	83,528	117,385	122,892	118,883	143,400	24,517	20.6%
5100	Benefits	25,168	38,873	39,514	42,230	60,125	17,895	42.4%
	<b><u>EMPLOYEE SERVICES SUBTOTAL:</u></b>	<b>108,696</b>	<b>156,258</b>	<b>162,406</b>	<b>161,113</b>	<b>203,525</b>	<b>42,412</b>	<b>26.3%</b>
<b><u>OPERATING &amp; MAINTENANCE</u></b>								
5301	Office Supplies	305	441	80	300	250	(50)	-16.7%
5401	Membership & Publications	0	660	810	1,000	800	(200)	-20.0%
5402	Travel & Training	3,301	2,443	4,232	3,000	2,000	(1,000)	-33.3%
5603	Computer Maintenance & Software	992	570	0	500	500	0	0.0%
6005	Recruitment Expense	21,688	0	0	0	0	0	N/A
6301	Miscellaneous	1,416	452	0	500	500	0	0.0%
	<b><u>OPERATING &amp; MAINTENANCE SUBTOTAL:</u></b>	<b>27,702</b>	<b>4,566</b>	<b>5,122</b>	<b>5,300</b>	<b>4,050</b>	<b>(1,250)</b>	<b>-23.6%</b>
<b><u>CAPITAL</u></b>								
6504	Office Furniture	6,207	0	0	0	0	0	N/A
6505	Computer Equipment	0	0	0	0	0	0	N/A
	<b><u>CAPITAL SUBTOTAL:</u></b>	<b>6,207</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>N/A</b>
<b>CITY MANAGER TOTAL:</b>		<b>142,605</b>	<b>160,824</b>	<b>167,527</b>	<b>166,413</b>	<b>207,575</b>	<b>41,162</b>	<b>24.7%</b>

EXPENDITURE DETAIL NARRATIVE

FISCAL YEAR 2013-14

<u>Employee Services</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>
City Manager	<u>0.80</u>	<u>0.80</u>	<u>1.00</u>
Total	0.80	0.80	1.00

5001 Salaries    \$143,400

5100 Benefits    \$60,125

Operating & Maintenance

5301 Office Supplies    \$250

5401 Membership & Publications    \$800

5402 Travel & Training    \$2,000

5603 Computer Maintenance & Software    \$500

6301 Miscellaneous    \$500

Capital

6504 Office Furniture    \$0

6505 Computer Equipment    \$0

DEPARTMENT SUMMARY	2009-10 Actual	2010-11 Actual	2011-12 Actual	2012-13 Budget	2013-14 Proposed
Employee Services	\$ 52,085	\$ 63,125	\$ 70,812	\$ 74,345	\$ 95,313
Operating & Maintenance	\$ 15,456	\$ 23,829	\$ 12,477	\$ 18,300	\$ 14,300
Capital	\$ -	\$ -	\$ -	\$ -	\$ -
Department Total	\$ 67,541	\$ 86,953	\$ 83,289	\$ 92,645	\$ 109,613

**DEPARTMENT DESCRIPTION**

This Department's primary purpose is to preserve and maintain the official documents of the City and to ensure that they are readily accessible to the public. The department is also responsible for the City's files, agendas, minutes, resolutions and ordinances, including non-land use permits and licenses, and maintains laws, codes and statutes.

DEPARTMENT EXPENDITURES

CITY CLERK  
001-403

		2009-10	2010-11	2011-12	2012-13	2013-14	Change From	% Change
		Actual	Actual	Actual	Budget	Proposed	2012-13	From 2012-13
							Budget	Budget
<b><u>EMPLOYEE SERVICES</u></b>								
5001	Salaries	36,373	44,560	49,947	51,360	65,668	14,308	27.9%
5100	Benefits	15,712	18,564	20,865	22,985	29,645	6,660	29.0%
<b>EMPLOYEE SERVICES SUBTOTAL:</b>		<b>52,085</b>	<b>63,125</b>	<b>70,812</b>	<b>74,345</b>	<b>95,313</b>	<b>20,968</b>	<b>28.2%</b>

<b><u>OPERATING &amp; MAINTENANCE</u></b>								
5301	Office Supplies	1,006	664	732	1,000	1,000	0	0.0%
5304	Code Updates	5,372	12,009	2,110	3,000	3,000	0	0.0%
5306	Advertising - Legal	4,641	3,152	3,153	3,500	3,500	0	0.0%
5401	Membership & Publications	575	401	525	800	800	0	0.0%
5402	Travel & Training	505	1,112	2,322	2,000	4,000	2,000	100.0%
5603	Computer Maintenance & Software	254	1,514	1,388	1,000	1,000	0	0.0%
5809	Election Expense	553	2,775	553	5,000	0	(5,000)	-100.0%
6301	Miscellaneous	2,551	2,202	1,693	2,000	1,000	(1,000)	-50.0%
<b>OPERATING &amp; MAINTENANCE SUBTOTAL:</b>		<b>15,456</b>	<b>23,829</b>	<b>12,477</b>	<b>18,300</b>	<b>14,300</b>	<b>(4,000)</b>	<b>-32.1%</b>

<b><u>CAPITAL</u></b>								
6504	Office Furniture	0	0	0	0	0	0	N/A
6505	Computer Equipment	0	0	0	0	0	0	N/A
6506	Office Equipment	0	0	0	0	0	0	N/A
<b>CAPITAL SUBTOTAL:</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>N/A</b>

<b>CITY CLERK TOTAL:</b>		<b>67,541</b>	<b>86,953</b>	<b>83,289</b>	<b>92,645</b>	<b>109,613</b>	<b>16,968</b>	<b>18.3%</b>
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EXPENDITURE DETAIL NARRATIVE

FISCAL YEAR 2013-14

<u>Employee Services</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>
City Clerk	<u>0.50</u>	<u>0.50</u>	<u>0.60</u>
Total	0.50	0.50	0.60

5001 Salaries    \$65,668

5100 Benefits    \$29,645

Operating & Maintenance

5301 Office Supplies    \$1,000

5304 Code Updates    \$3,000  
 Buellton Municipal Code and Santa Barbara County Code updates.

5306 Advertising - Legal    \$3,500

5401 Membership & Publications    \$800  
 Dues for the City Clerk for the International Institute of Municipal Clerks Association;  
 Calif City Clerks Association dues; miscellaneous books and publications.

5402 Travel & Training    \$4,000  
 Attendance at conferences and seminars.

5603 Computer Maintenance & Software    \$1,000

5809 Election Expense    \$0

6301 Miscellaneous    \$1,000

FISCAL YEAR 2013-14

Capital

6504 Office Furniture    \$0

6505 Computer Equipment    \$0

6506 Office Equipment    \$0

DEPARTMENT SUMMARY	2009-10 Actual	2010-11 Actual	2011-12 Actual	2012-13 Budget	2013-14 Proposed
Employee Services	\$ -	\$ -	\$ -	\$ -	\$ -
Operating & Maintenance	\$ 143,004	\$ 132,112	\$ 174,043	\$ 125,050	\$ 125,000
Capital	\$ -	\$ -	\$ -	\$ -	\$ -
Department Total	\$ 143,004	\$ 132,112	\$ 174,043	\$ 125,050	\$ 125,000

**DEPARTMENT DESCRIPTION**

This Department's primary purpose is to advise the City Council and City Staff regarding legal matters and procedures, to act as the City prosecutor, to achieve compliance with City ordinances and to assure that legislative and administrative decisions are consistent with the law.

DEPARTMENT EXPENDITURES

CITY ATTORNEY  
001-404

		2009-10	2010-11	2011-12	2012-13	2013-14	Change From	% Change
		<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Proposed</u>	2012-13	From 2012-13
							<u>Budget</u>	<u>Budget</u>
<b><u>EMPLOYEE SERVICES</u></b>								
5001	Salaries	0	0	0	0	0	0	N/A
5100	Benefits	0	0	0	0	0	0	N/A
<b><u>EMPLOYEE SERVICES SUBTOTAL:</u></b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>N/A</b>

		2009-10	2010-11	2011-12	2012-13	2013-14	Change From	% Change
		<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Proposed</u>	2012-13	From 2012-13
							<u>Budget</u>	<u>Budget</u>
<b><u>OPERATING &amp; MAINTENANCE</u></b>								
5301	Office Supplies	0	0	0	0	0	0	N/A
5401	Membership & Publications	23	23	0	50	0	(50)	-100.0%
5402	Travel & Training	0	0	0	0	0	0	N/A
5603	Computer Maintenance & Software	0	0	0	0	0	0	N/A
5701	Telephone	0	0	0	0	0	0	N/A
6204	Contract Services	142,971	132,089	174,043	125,000	125,000	0	0.0%
6301	Miscellaneous	9	0	0	0	0	0	N/A
<b><u>OPERATING &amp; MAINTENANCE SUBTOTAL:</u></b>		<b>143,004</b>	<b>132,112</b>	<b>174,043</b>	<b>125,050</b>	<b>125,000</b>	<b>(50)</b>	<b>0.0%</b>

<b>CITY ATTORNEY TOTAL:</b>	<b>143,004</b>	<b>132,112</b>	<b>174,043</b>	<b>125,050</b>	<b>125,000</b>	<b>(50)</b>	<b>0.0%</b>
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EXPENDITURE DETAIL NARRATIVE

FISCAL YEAR 2013-14

<u>Employee Services</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>
City Attorney	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Total	0.00	0.00	0.00

5001 Salaries    \$0

5100 Benefits    \$0

Operating & Maintenance

5301 Office Supplies    \$0

5401 Membership & Publications    \$0  
       Santa Ynez Valley News

5402 Travel & Training    \$0

5603 Computer Maintenance & Software    \$0

5701 Telephone    \$0

6204 Contract Services    \$125,000  
       City Attorney contract services.

6301 Miscellaneous    \$0

DEPARTMENT SUMMARY	2009-10 Actual	2010-11 Actual	2011-12 Actual	2012-13 Budget	2013-14 Proposed
Employee Services	\$ 32,095	\$ 46,885	\$ 50,512	\$ 54,050	\$ 51,000
Operating & Maintenance	\$ 343,668	\$ 333,832	\$ 335,650	\$ 348,298	\$ 533,681
Capital	\$ 3,677	\$ -	\$ -	\$ -	\$ -
Department Total	\$ 379,440	\$ 380,718	\$ 386,162	\$ 402,348	\$ 584,681

**DEPARTMENT DESCRIPTION**

The Non-Departmental budget provides for those services and functions neither included nor attributed to the operation of any single department and which benefit more than one departmental operation.

DEPARTMENT EXPENDITURES

NON-DEPARTMENTAL

001-410

	2009-10 Actual	2010-11 Actual	2011-12 Actual	2012-13 Budget	2013-14 Proposed	Change From 2012-13 Budget	% Change From 2012-13 Budget
<b><u>EMPLOYEE SERVICES</u></b>							
5100 Benefits	32,095	46,885	50,512	54,050	51,000	(3,050)	-5.6%
<b><u>EMPLOYEE SERVICES SUBTOTAL:</u></b>	<b>32,095</b>	<b>46,885</b>	<b>50,512</b>	<b>54,050</b>	<b>51,000</b>	<b>(3,050)</b>	<b>-5.6%</b>
<b><u>OPERATING &amp; MAINTENANCE</u></b>							
5201 Insurance - Liability	44,666	51,119	43,070	40,000	35,000	(5,000)	-12.5%
5202 Insurance - Property	6,165	3,681	4,599	5,206	5,200	(6)	-0.1%
5203 Insurance - Bond	1,391	0	0	1,000	0	(1,000)	-100.0%
5301 Office Supplies	9,729	10,388	8,303	6,300	6,300	0	0.0%
5303 Postage	5,439	2,492	2,039	3,000	3,000	0	0.0%
5305 Equipment Rental	11,456	12,417	10,522	12,000	12,000	0	0.0%
5307 Office Equipment	0	0	1,076	0	0	0	N/A
5401 Membership & Publications	5,330	4,743	3,382	5,500	4,000	(1,500)	-27.3%
5402 Travel & Training	368	702	896	800	800	0	0.0%
5601 Data Processing Contract Maintenance	0	0	0	0	0	0	N/A
5602 Internet Access / Website Maintenance	9,996	1,330	5,965	7,000	8,000	1,000	14.3%
5603 Computer Maintenance & Software	4,374	12,013	5,532	10,000	9,000	(1,000)	-10.0%
5701 Telephone	3,780	4,078	3,696	3,800	3,800	0	0.0%
5702 Utilities - Gas	666	697	841	800	900	100	12.5%
5703 Utilities - Electric	8,218	9,042	8,280	9,000	9,000	0	0.0%
5704 Utilities - Water	1,530	1,212	1,088	1,800	1,800	0	0.0%
5705 Utilities - Sewer	858	858	858	900	900	0	0.0%
5804 Animal Control	29,097	29,097	29,970	31,500	32,306	806	2.6%
5805 Visitors Bureau	135,365	115,167	114,888	123,962	312,450	188,488	152.1%
5806 Newsletter	7,473	4,513	5,236	0	0	0	N/A
5807 Community Organization Support	33,666	42,862	65,264	55,000	70,000 (1)	15,000	27.3%
5807 Undesignated Miscellaneous Support	0	0	0	15,000	2,000	(13,000)	N/A
5808 Miscellaneous Recognition Items	7,334	8,333	5,790	3,500	3,500	0	0.0%
5812 SB Co Mental Health Assessment Team (MHAT)	2,169	2,169	2,337	2,430	2,525	95	3.9%
6005 Recruitment Expense	2,773	2,472	4,666	2,500	2,500	0	0.0%
6009 LAFCO Contribution	1,567	1,646	1,340	1,700	1,700	0	0.0%
6012 Transfer to Other Funds	0	0	0	0	0	0	N/A
6017 Emergency Operations	6,975	4,600	1,651	2,000	2,000	0	0.0%
6301 Miscellaneous	3,282	8,200	4,359	3,600	5,000	1,400	38.9%
<b><u>OPERATING &amp; MAINTENANCE SUBTOTAL:</u></b>	<b>343,668</b>	<b>333,832</b>	<b>335,650</b>	<b>348,298</b>	<b>533,681</b>	<b>185,383</b>	<b>55.2%</b>
<b><u>CAPITAL</u></b>							
6503 Vehicle Replacement	0	0	0	0	0	0	N/A
6505 Office Furniture	0	0	0	0	0	0	N/A
6505 Computer Equipment	3,677	0	0	0	0	0	N/A
6507 Improvements	0	0	0	0	0	0	N/A
<b><u>CAPITAL SUBTOTAL:</u></b>	<b>3,677</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>N/A</b>
<b>NON-DEPARTMENTAL TOTAL:</b>	<b>379,440</b>	<b>380,718</b>	<b>386,162</b>	<b>402,348</b>	<b>584,681</b>	<b>182,333</b>	<b>45.3%</b>

Preliminary 8-27-13

DEPARTMENT EXPENDITURES

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(1) This incorporates the grant to the SYV Senior Citizens' Foundation (\$47,500 - program support), People Helping People (\$11,000 - for program support and ADCAP, Foodbank of Santa Barbara County (\$7,500) and SYV Fruit and Vegetable Rescue (4,000).

EXPENDITURE DETAIL NARRATIVEFISCAL YEAR 2013-14Employee Services5100 Benefits    \$51,000

Medical Benefits for retired employees

Operating & Maintenance5201 Insurance - Liability \$35,000

80% of the City's liability insurance; 10% is charged to the Wastewater and Water funds respectively.

5202 Insurance - Property    \$5,200

20% of the City's fire insurance costs; 40% is charged to the Wastewater and Water funds respectively. Includes earthquake and flood insurance on City property.

5203 Insurance - Bond    \$05301 Office Supplies    \$6,300

Copier expense for all departments.

5303 Postage    \$3,0005305 Equipment Rental    \$12,000

Lease cost of a copier and postage meter.

5401 Membership & Publications    \$4,000

League of California Cities dues, miscellaneous dues and various publications.

5402 Travel & Training    \$8005601 Data Processing Contract Maintenance    \$05602 Internet Access / Website Maintenance    \$8,000

Includes \$1,000 annual maintenance for Buellton App and \$7,000 website update and maintenance.

**FUND: 001-GENERAL**  
**FISCAL YEAR 2013-14**

**DEPARTMENT: 410/NON-DEPARTMENTAL**

- 5603 Computer Maintenance & Software \$9,000  
Update Office product
- 5701 Telephone \$3,800
- 5702 Utilities - Gas \$900
- 5703 Utilities - Electric \$9,000
- 5704 Utilities - Water \$1,800  
50% of water used at 140 W. Highway 246.
- 5705 Utilities - Sewer \$900
- 5804 Animal Control \$32,306  
Contract for services with County Animal Control.
- 5805 Visitors Bureau \$312,450  
Contract for advertising services based on 20.83% of \$1,500,000 budgeted Transient  
Occupancy Tax revenue.
- 5806 Newsletter \$0  
Cost of printing the Buellton Banner.
- 5807 Community Organization Support \$70,000  
Senior Center, People Helping People, Foodbank, and SYV Fruit & Vegetable Rescue
- 5807 Undesignated Misc Support \$2,000
- 5808 Miscellaneous Recognition Items \$3,500  
Miscellaneous award items for various organizations and employee recognition
- 5812 Mental Health Assessment Team (MHAT) Services \$2,525  
Santa Barbara County Mental Health Assessment Team (MHAT) Services.
- 6005 Recruitment Expense \$2,500  
Expenses related to new employee recruitment.
- 6009 LAFCO Contribution \$1,700  
City's share of LAFCO's operating costs.

FISCAL YEAR 2013-14

6012 Transfer to Other Funds \$0

6017 Emergency Operations \$2,000

One CERT class and miscellaneous emergency preparedness tasks.

6301 Miscellaneous \$5,000

Capital

6503 Vehicle Replacement \$0

6504 Office Furniture \$0

6505 Computer Equipment \$0

DEPARTMENT SUMMARY	2009-10 Actual	2010-11 Actual	2011-12 Actual	2012-13 Budget	2013-14 Proposed
Employee Services	\$ -	\$ -	\$ -	\$ -	\$ -
Operating & Maintenance	\$ 450	\$ -	\$ -	\$ -	\$ -
Capital	\$ -	\$ -	\$ -	\$ -	\$ -
Department Total	\$ 450	\$ -	\$ -	\$ -	\$ -

**DEPARTMENT DESCRIPTION**

The Civic Complex budget provides for the expenses related to the acquisition and preliminary plans for developing property to be used as a City Hall/Civic Complex.

DEPARTMENT EXPENDITURES

CIVIC COMPLEX  
001-411

		2009-10	2010-11	2011-12	2012-13	2013-14	Change From	% Change
		Actual	Actual	Actual	Budget	Proposed	2012-13	From 2012-13
							Budget	Budget
<b><u>OPERATING &amp; MAINTENANCE</u></b>								
6002	Property Acquisition Fees	450	0	0	0	0	0	N/A
6201	Contract Services	0	0	0	0	0	0	N/A
<b><u>OPERATING &amp; MAINTENANCE SUBTOTAL:</u></b>		<b>450</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>N/A</b>
 <b>CIVIC COMPLEX TOTAL:</b>		 <b>450</b>	 <b>0</b>	 <b>0</b>	 <b>0</b>	 <b>0</b>	 <b>0</b>	 <b>N/A</b>

EXPENDITURE DETAIL NARRATIVE

FISCAL YEAR 2013-14

Operating & Maintenance

6002 Property Acquisition Fees \$0

6201 Contract Services \$0

DEPARTMENT SUMMARY	2009-10 Actual	2010-11 Actual	2011-12 Actual	2012-13 Budget	2013-14 Proposed
Employee Services	\$ 134,550	\$ 114,440	\$ 127,491	\$ 155,089	\$ 176,540
Operating & Maintenance	\$ 29,904	\$ 30,110	\$ 27,206	\$ 31,350	\$ 68,600
Capital	\$ -	\$ -	\$ 1,047	\$ -	\$ -
Department Total	\$ 164,453	\$ 144,550	\$ 155,744	\$ 186,439	\$ 245,140

**DEPARTMENT DESCRIPTION**

The Finance Department provides for the overall financial management of the City and includes Personnel and Data Processing. Major activities include projecting and collecting revenues, preparing the annual budget, controlling and disbursing all expenditures, purchasing equipment and supplies, investing City monies, and personnel, risk management and data processing functions. The department is responsible for the billing of all utility customers for the services of water and wastewater collection.

DEPARTMENT EXPENDITURES

FINANCE  
001-420

	2009-10 <u>Actual</u>	2010-11 <u>Actual</u>	2011-12 <u>Actual</u>	2012-13 <u>Budget</u>	2013-14 <u>Proposed</u>	Change From 2012-13 <u>Budget</u>	% Change From 2012-13 <u>Budget</u>
<b><u>EMPLOYEE SERVICES</u></b>							
5001 Salaries	92,101	77,586	86,378	101,579	116,840	15,261	15.0%
5100 Benefits	42,449	36,854	41,113	53,510	59,700	6,190	11.6%
<b>EMPLOYEE SERVICES SUBTOTAL:</b>	<b>134,550</b>	<b>114,440</b>	<b>127,491</b>	<b>155,089</b>	<b>176,540</b>	<b>21,451</b>	<b>13.8%</b>
<b><u>OPERATING &amp; MAINTENANCE</u></b>							
5301 Office Supplies	1,973	968	1,040	1,500	1,500	0	0.0%
5302 Printing	0	0	0	0	0	0	N/A
5401 Membership & Publications	434	680	701	800	800	0	0.0%
5402 Travel & Training	1,557	3,289	1,519	2,000	2,000	0	0.0%
5601 Data Processing Contract Maintenance	4,273	4,273	4,233	5,000	5,000	0	0.0%
5603 Computer Maintenance & Software	1,254	2,058	815	2,500	2,500	0	0.0%
6004 Audit	6,167	7,222	5,440	7,350	7,100	(250)	-3.4%
6201 Contract Services	14,240	11,486	12,979	12,000	49,500	37,500	312.5%
6301 Miscellaneous	7	135	479	200	200	0	0.0%
<b>OPERATING &amp; MAINTENANCE SUBTOTAL:</b>	<b>29,904</b>	<b>30,110</b>	<b>27,206</b>	<b>31,350</b>	<b>68,600</b>	<b>37,250</b>	<b>136.9%</b>
<b><u>CAPITAL</u></b>							
6504 Office Furniture	0	0	0	0	0	0	N/A
6505 Computer Equipment	0	0	1,047	0	0	0	N/A
6506 Office Equipment	0	0	0	0	0	0	N/A
<b>CAPITAL SUBTOTAL:</b>	<b>0</b>	<b>0</b>	<b>1,047</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>N/A</b>
<b>FINANCE TOTAL:</b>	<b>164,453</b>	<b>144,550</b>	<b>155,744</b>	<b>186,439</b>	<b>245,140</b>	<b>58,701</b>	<b>31.5%</b>

EXPENDITURE DETAIL NARRATIVE

FISCAL YEAR 2013-14

<u>Employee Services</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>
Finance Director	0.50	0.50	0.60
Accounting Technicians (2)	0.70	0.70	0.70
Staff Assistant	<u>0.00</u>	<u>0.00</u>	<u>0.25</u>
Total	1.20	1.20	1.55

5001 Salaries    \$116,840

5100 Benefits    \$59,700

Operating & Maintenance

5301 Office Supplies    \$1,500

5302 Printing    \$0

5401 Membership & Publications    \$800

Membership dues for the California Society of Municipal Finance Officers (CSMFO) and the Government Finance Officers Association (GFOA); miscellaneous publications.

5402 Travel & Training    \$2,000

Attendance at conferences and seminars

5601 Data Processing Contract Maintenance    \$5,000

Contract support for accounting programs.

5603 Computer Maintenance & Software    \$2,500

6004 Audit    \$7,100

33 1/3% of the cost.

6201 Contract Services    \$49,500

Hinderliter De Llamas, HDL Coren & Cone \$12,000, Temp Fin Consult \$37,500

6301 Miscellaneous    \$200

FUND: 001-GENERAL

DEPARTMENT: 420/FINANCE

FISCAL YEAR 2013-14

Capital

6504 Office Furniture    \$0

6505 Computer Equipment    \$0

6506 Office Equipment    \$0

DEPARTMENT SUMMARY	2009-10 Actual	2010-11 Actual	2011-12 Actual	2012-13 Budget	2013-14 Proposed
Employee Services	\$ -	\$ -	\$ -	\$ -	\$ -
Operating & Maintenance	\$1,741,416	\$1,804,188	\$1,350,472	\$1,787,656	\$1,883,174
Capital	\$ -	\$ -	\$ -	\$ -	\$ -
Department Total	\$1,741,416	\$1,804,188	\$1,350,472	\$1,787,656	\$1,883,174

**DEPARTMENT DESCRIPTION**

The City of Buellton contracts with the Santa Barbara County Sheriff's Department for law enforcement services within the City, including patrol, criminal investigations, traffic safety and accident investigations, crime prevention and crime suppression. The primary purpose of the organization is to protect life and property.

The Santa Barbara County Fire Department provides staffing at County Fire Station 31 in Buellton. The City subsidizes staffing at County Fire Station 31 through funding for a full-time Firefighter/Paramedic position in order to meet National Fire Protection Association minimum staffing standards and the California Occupational Safety and Health Association's "2-in/2-out" requirement.

DEPARTMENT EXPENDITURES

PUBLIC SAFETY - POLICE & FIRE  
001-501

		2009-10	2010-11	2011-12	2012-13	2013-14	Change From	% Change
		<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Proposed</u>	2012-13	From 2012-13
							<u>Budget</u>	<u>Budget</u>
<u>OPERATING &amp; MAINTENANCE</u>								
5703	Utilities - Electric	3,962	4,441	3,694	4,000	4,000	0	0.0%
6201	Contract Services - Police	1,577,179	1,625,211	1,152,887	1,582,656	1,697,174	114,518	7.2%
6208	Contract Services - Fire	160,276	174,536	193,892	201,000	182,000	(19,000)	-9.5%
<u>OPERATING &amp; MAINTENANCE SUBTOTAL:</u>		<u>1,741,416</u>	<u>1,804,188</u>	<u>1,350,472</u>	<u>1,787,656</u>	<u>1,883,174</u>	<u>95,518</u>	<u>5.3%</u>
PUBLIC SAFETY TOTAL:		<u>1,741,416</u>	<u>1,804,188</u>	<u>1,350,472</u>	<u>1,787,656</u>	<u>1,883,174</u>	<u>95,518</u>	<u>5.3%</u>

EXPENDITURE DETAIL NARRATIVE

FISCAL YEAR 2013-14

Operating & Maintenance

5703 Utilities - Electric \$4,000

6201 Contract Services \$1,697,174

Contract with the County of Santa Barbara Sheriff's Department for public safety services and traffic enforcement. Includes \$10,000 for estimated overtime pay.

6208 Contract Services \$182,000

Contract with the County of Santa Barbara's Fire Department for 33% of the salary for a Firefighter/Paramedic.

DEPARTMENT SUMMARY	2009-10 Actual	2010-11 Actual	2011-12 Actual	2012-13 Budget	2013-14 Proposed
Employee Services	\$ -	\$ -	\$ -	\$ -	\$ -
Operating & Maintenance	\$ 77,134	\$ 81,504	\$ 81,378	\$ 86,378	\$ 95,378
Capital	\$ -	\$ -	\$ -	\$ -	\$ -
Department Total	\$ 77,134	\$ 81,504	\$ 81,378	\$ 86,378	\$ 95,378

**DEPARTMENT DESCRIPTION**

This Department provides a building and utilities for the Buellton Branch of the County Library, operated by contract with the City of Lompoc Library System.

DEPARTMENT EXPENDITURES

LEISURE SERVICES - LIBRARY  
001-510

		2009-10	2010-11	2011-12	2012-13	2013-14	Change From	% Change
		<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Proposed</u>	2012-13	From 2012-13
<u>OPERATING &amp; MAINTENANCE</u>							<u>Budget</u>	<u>Budget</u>
5702	Utilities - Gas	1,710	2,952	2,651	2,800	2,800	0	0.0%
5703	Utilities - Electric	2,895	2,790	3,088	3,500	3,500	0	0.0%
5704	Utilities - Water	1,530	1,212	1,088	1,800	1,800	0	0.0%
6201	Contract Services	71,000	74,550	74,550	78,278	87,278	9,000	11.5%
<b><u>OPERATING &amp; MAINTENANCE SUBTOTAL:</u></b>		<b>77,134</b>	<b>81,504</b>	<b>81,378</b>	<b>86,378</b>	<b>95,378</b>	<b>9,000</b>	<b>10.4%</b>
<b>LIBRARY TOTAL:</b>		<b>77,134</b>	<b>81,504</b>	<b>81,378</b>	<b>86,378</b>	<b>95,378</b>	<b>9,000</b>	<b>10.4%</b>

EXPENDITURE DETAIL NARRATIVE

FISCAL YEAR 2013-14

Operating & Maintenance

5702 Utilities - Gas    \$2,800

5703 Utilities - Electric    \$3,500

5704 Utilities - Water    \$1,800  
50% of water used at 140 W. Highway 246.

6201 Contract Services    \$87,278  
Contract with the Lompoc Library System to manage the Buellton Library.

DEPARTMENT SUMMARY	2009-10 Actual	2010-11 Actual	2011-12 Actual	2012-13 Budget	2013-14 Proposed
Employee Services	\$ -	\$ -	\$ -	\$ -	\$ -
Operating & Maintenance	\$ 44,843	\$ 49,545	\$ 49,852	\$ 55,000	\$ 55,000
Capital	\$ -	\$ -	\$ -	\$ -	\$ -
Department Total	\$ 44,843	\$ 49,545	\$ 49,852	\$ 55,000	\$ 55,000

**DEPARTMENT DESCRIPTION**

This Fund provides funding for the power for general street lighting.

DEPARTMENT EXPENDITURES

PUBLIC WORKS - STREET LIGHTS  
001-550

		2009-10	2010-11	2011-12	2012-13	2013-14	Change From	% Change
		<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Proposed</u>	2012-13	From 2012-13
							<u>Budget</u>	<u>Budget</u>
<u>OPERATING &amp; MAINTENANCE</u>								
5703	Utilities - Electric	44,843	49,545	49,852	55,000	55,000	0	0.0%
<u>OPERATING &amp; MAINTENANCE SUBTOTAL:</u>		<b>44,843</b>	<b>49,545</b>	<b>49,852</b>	<b>55,000</b>	<b>55,000</b>	<b>0</b>	<b>0.0%</b>
 <b>STREET LIGHTS TOTAL:</b>		<b>44,843</b>	<b>49,545</b>	<b>49,852</b>	<b>55,000</b>	<b>55,000</b>	<b>0</b>	<b>0.0%</b>

EXPENDITURE DETAIL NARRATIVE

FISCAL YEAR 2013-14

Operating & Maintenance

5703 Utilities - Electric \$55,000

DEPARTMENT SUMMARY	2009-10 Actual	2010-11 Actual	2011-12 Actual	2012-13 Budget	2013-14 Proposed
Employee Services	\$ -	\$ -	\$ -	\$ -	\$ -
Operating & Maintenance	\$ 139,344	\$ 73,801	\$ 87,143	\$ 64,000	\$ 64,000
Capital	\$ -	\$ -	\$ 90,131	\$ 70,575	\$ 75,000
Department Total	\$ 139,344	\$ 73,801	\$ 177,274	\$ 134,575	\$ 139,000

**DEPARTMENT DESCRIPTION**

This Department provides for the engineering and public works requirements of the City. The City Engineer administers the City's street capital improvement and traffic engineering programs and provides engineering support and administration of various public works projects.

DEPARTMENT EXPENDITURES

PUBLIC WORKS - ENGINEERING  
001-557

	2009-10 <u>Actual</u>	2010-11 <u>Actual</u>	2011-12 <u>Actual</u>	2012-13 <u>Budget</u>	2013-14 <u>Proposed</u>	Change From 2012-13 <u>Budget</u>	% Change From 2012-13 <u>Budget</u>
<b><u>OPERATING &amp; MAINTENANCE</u></b>							
6101 Development Permit Processing	4,205	4,355	1,753	4,000	4,000	0	0.0%
6201 Contract Services	83,660	69,446	74,865	60,000	60,000	0	0.0%
6202 Engineering Services	51,420	0	0	0	0	0	N/A
6202 Engineering Services - Prop1B	60	0	10,525	0	0	0	N/A
<b><u>OPERATING &amp; MAINTENANCE SUBTOTAL:</u></b>	<b>139,344</b>	<b>73,801</b>	<b>87,143</b>	<b>64,000</b>	<b>64,000</b>	<b>0</b>	<b>0.0%</b>
<b><u>CAPITAL</u></b>							
6507 Improvements	0	0	65,000	65,000	70,000	5,000	7.7%
6507 Improvements - Prop 1B	0	0	25,131	5,575	5,000	(575)	-10.3%
<b><u>CAPITAL SUBTOTAL:</u></b>	<b>0</b>	<b>0</b>	<b>90,131</b>	<b>70,575</b>	<b>75,000</b>	<b>4,425</b>	<b>6.3%</b>
<b>ENGINEERING TOTAL:</b>	<b>139,344</b>	<b>73,801</b>	<b>177,274</b>	<b>134,575</b>	<b>139,000</b>	<b>4,425</b>	<b>3.3%</b>

EXPENDITURE DETAIL NARRATIVE

FISCAL YEAR 2013-14

Operating & Maintenance

6101 Development Permit Processing \$4,000

6201 Contract Services \$60,000

6202 Engineering Services \$0

Capital

6507 Improvements \$70,000

6507 Improvements \$5,000  
Prop 1B - Local Streets and Roads Improvement

DEPARTMENT SUMMARY	2009-10 Actual	2010-11 Actual	2011-12 Actual	2012-13 Budget	2013-14 Proposed
Employee Services	\$ 274,983	\$ 274,655	\$ 286,079	\$ 336,631	\$ 333,387
Operating & Maintenance	\$ 115,632	\$ 128,907	\$ 115,874	\$ 152,125	\$ 161,375
Capital	\$ -	\$ 2,214	\$ 18,300	\$ 39,628	\$ 85,500
Department Total	\$ 390,615	\$ 405,776	\$ 420,253	\$ 528,384	\$ 580,262

**DEPARTMENT DESCRIPTION**

The Public Works Department maintains, repairs and rebuilds, as required, all streets, curbs, gutters and sidewalks; maintains street signs, all warning and informational signs and street surface painting. The Department is also responsible for the overall maintenance for City Hall and City facilities as well as landscaping City-owned medians and property.

DEPARTMENT EXPENDITURES

PUBLIC WORKS - GENERAL  
001-558

	2009-10 Actual	2010-11 Actual	2011-12 Actual	2012-13 Budget	2013-14 Proposed	Change From 2012-13 Budget	% Change From 2012-13 Budget
<b><u>EMPLOYEE SERVICES</u></b>							
5001 Salaries	187,612	185,976	188,619	219,416	205,730	(13,686)	-6.2%
5005 Hourly	0	0	0	0	12,192	12,192	N/A
5100 Benefits	87,371	88,679	97,460	117,215	115,465	(1,750)	-1.5%
<b><u>EMPLOYEE SERVICES SUBTOTAL:</u></b>	<b>274,983</b>	<b>274,655</b>	<b>286,079</b>	<b>336,631</b>	<b>333,387</b>	<b>(3,244)</b>	<b>-1.0%</b>
<b><u>OPERATING &amp; MAINTENANCE</u></b>							
5301 Office Supplies	62	220	1,126	200	200	0	0.0%
5401 License,Membership & Publications	0	0	0	1,000	1,200	200	20.0%
5402 Travel & Training	451	494	335	2,000	2,500	500	25.0%
5501 Operational Supplies	0	0	0	0	1,500	1,500	N/A
5503 Tools	264	844	1,216	4,500	4,000	(500)	-11.1%
5504 Laundry - Uniforms	832	703	609	750	750	0	0.0%
5506 Fuel - Vehicles	4,863	4,898	7,416	9,000	9,000	0	0.0%
5507 Maintenance - Vehicles	4,426	2,362	3,535	4,000	6,000	2,000	50.0%
5508 Landscape Maintenance Program	0	0	68	0	0	0	N/A
5509 Maintenance / Repair	37,480	40,947	32,574	50,000	50,000	0	0.0%
5510 Safety Equipment	1,031	882	868	950	1,500	550	57.9%
5511 Signs	0	645	1,978	2,000	2,000	0	0.0%
5603 Computer Maintenance & Software	0	0	1,616	475	475	0	0.0%
5701 Telephone	1,140	1,258	1,335	2,300	2,300	0	0.0%
5703 Utilities - Electric	0	0	2,000	950	950	0	0.0%
5704 Utilities - Water	39,067	25,116	18,589	32,000	32,000	0	0.0%
6201 Contract Services	26,014	50,537	42,609	42,000	47,000	5,000	11.9%
<b><u>OPERATING &amp; MAINTENANCE SUBTOTAL:</u></b>	<b>115,632</b>	<b>128,907</b>	<b>115,874</b>	<b>152,125</b>	<b>161,375</b>	<b>9,250</b>	<b>6.1%</b>
<b><u>CAPITAL</u></b>							
6503 Vehicle Replacement	0	0	18,300	32,628	0	(32,628)	-100.0%
6507 Improvements	0	2,214	0	0	78,500	78,500	N/A
6508 Equipment	0	0	0	7,000	7,000	0	N/A
<b><u>CAPITAL SUBTOTAL:</u></b>	<b>0</b>	<b>2,214</b>	<b>18,300</b>	<b>39,628</b>	<b>85,500</b>	<b>45,872</b>	<b>115.8%</b>
<b>PUBLIC WORKS - GENERAL TOTAL:</b>	<b>390,615</b>	<b>405,776</b>	<b>420,253</b>	<b>528,384</b>	<b>580,262</b>	<b>51,878</b>	<b>9.8%</b>

EXPENDITURE DETAIL NARRATIVE

FISCAL YEAR 2013-14

<u>Employee Services</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>
Public Works Director	0.40	0.40	0.40
Fieldmen (6)	2.00	2.00	2.40
Groundskeeper	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>
Total	3.40	3.40	3.80

5001 Salaries    \$205,730

5100 Benefits    \$115,465

Operating & Maintenance

5301 Office Supplies    \$200

5401 License, Membership & Publications    \$1,200

5402 Travel & Training    \$2,500

5501 Operational Supplies    \$1,500

5503 Tools    \$4,000

5504 Laundry - Uniforms    \$750

33 1/3% of laundry and uniform service for Public Works employees; 100% for Groundskeeper.

5506 Fuel - Vehicles    \$9,000

5507 Maintenance - Vehicles    \$6,000

5508 Landscape Maintenance Program    \$0

5509 Maintenance / Repair    \$50,000

City buildings, facilities, infrastructure and equipment maintenance and repair.

5510 Safety Equipment    \$1,500

33 1/3% of cost for Public Works employees; 100% for Groundskeeper.

5511 Building Maintenance/Signs    \$2,000

Preliminary 6-27-13

**FISCAL YEAR 2013-14**

5603 Computer Maintenance & Software    \$475

5701 Telephone    \$2,300

5703 Utilities - Electric    \$950

5704 Utilities - Water    \$32,000  
Irrigation water use on Avenue of Flags medians.

6201 Contract Services    \$47,000  
Contract services for miscellaneous tree trimming, 33 1/3% of mapping services, 33 1/3% of answering service, 60% of janitorial service, fire extinguisher servicing and monthly service agreement for security system at City Hall.

**Capital**

6503 Vehicle Replacement    \$0

6507 Improvements    \$78,500  
Painting of buildings \$10,000, Wayfinding signs \$68,500

6508 Equipment    \$7,000  
Radar feedback sign

DEPARTMENT SUMMARY	2009-10 Actual	2010-11 Actual	2011-12 Actual	2012-13 Budget	2013-14 Proposed
Employee Services	\$ 270,439	\$ 267,269	\$ 302,951	\$ 285,054	\$ 306,036
Operating & Maintenance	\$ 138,430	\$ 74,460	\$ 86,937	\$ 54,600	\$ 97,600
Capital	\$ -	\$ -	\$ 1,067	\$ -	\$ -
Department Total	\$ 408,869	\$ 341,729	\$ 390,954	\$ 339,654	\$ 403,636

**DEPARTMENT DESCRIPTION**

The Planning Department encompasses current planning, long range planning, economic development, and code enforcement functions. Current planning is the processing of development applications, providing staff support for the Planning Commission, and providing planning information to the public at the counter and over the telephone. Long range planning consists of updates to the General Plan, and Zoning Ordinance amendments. Economic development activities include implementing the policies and programs of the Economic Development Element of the General Plan and being a member of the Economic Development Task Force. Code enforcement is the investigation of violations of the Municipal Code and associated abatement actions.

DEPARTMENT EXPENDITURES

COMMUNITY DEVELOPMENT - PLANNING

001-565

	2009-10 <u>Actual</u>	2010-11 <u>Actual</u>	2011-12 <u>Actual</u>	2012-13 <u>Budget</u>	2013-14 <u>Proposed</u>	Change From 2012-13 <u>Budget</u>	% Change From 2012-13 <u>Budget</u>
<b><u>EMPLOYEE SERVICES</u></b>							
5001 Staff Salaries	182,427	173,945	196,784	180,718	194,180	13,462	7.4%
5002 Planning Commission Salaries	6,000	6,000	6,000	6,000	6,000	0	0.0%
5005 Intern Program	1,210	6,251	0	0	0	0	N/A
5005 Code Enforcement	0	0	9,039	7,176	7,176	0	0.0%
5100 Benefits	80,802	81,073	91,127	91,160	98,680	7,520	8.2%
<b><u>EMPLOYEE SERVICES SUBTOTAL:</u></b>	<b>270,439</b>	<b>267,269</b>	<b>302,951</b>	<b>285,054</b>	<b>306,036</b>	<b>20,982</b>	<b>7.4%</b>
<b><u>OPERATING &amp; MAINTENANCE</u></b>							
5301 Office Supplies	1,770	1,743	2,852	2,000	2,000	0	0.0%
5305 Equipment Rental	4,659	5,187	6,583	5,000	5,000	0	0.0%
5306 Advertising - Legal	971	1,079	930	3,500	3,000	(500)	-14.3%
5401 Membership & Publications	1,848	1,761	2,259	1,500	2,000	500	33.3%
5402 Travel & Training	7,299	4,823	4,332	5,000	5,000	0	0.0%
5509 Maintenance / Repair	74	51	42	1,000	1,000	0	0.0%
5603 Computer Maintenance & Software	1,936	1,468	2,457	3,500	3,500	0	0.0%
5701 Telephone	3,641	3,911	4,128	3,600	3,600	0	0.0%
5703 Utilities - Electric	1,923	2,062	2,473	2,500	2,500	0	0.0%
6016 Code Enforcement Expense	58	2,539	46	1,000	1,000	0	0.0%
6102 Bev Container Recycle Program	0	0	5,042	0	0	0	N/A
6201 Contract Services	81,439	31,771	44,976	15,000	60,000 (1)	45,000	300.0%
6202 Contract Services - Engineering	30,070	15,123	10,160	10,000	8,000	(2,000)	-20.0%
6301 Miscellaneous	2,741	2,942	658	1,000	1,000	0	0.0%
<b><u>OPERATING &amp; MAINTENANCE SUBTOTAL:</u></b>	<b>138,430</b>	<b>74,460</b>	<b>86,937</b>	<b>54,600</b>	<b>97,600</b>	<b>43,000</b>	<b>78.8%</b>
<b><u>CAPITAL</u></b>							
6504 Office Furniture	0	0	0	0	0	0	N/A
6505 Computer Equipment	0	0	1,067	0	0	0	N/A
6506 Office Equipment	0	0	0	0	0	0	N/A
<b><u>CAPITAL SUBTOTAL:</u></b>	<b>0</b>	<b>0</b>	<b>1,067</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>N/A</b>
<b>PLANNING TOTAL:</b>	<b>408,869</b>	<b>341,729</b>	<b>390,954</b>	<b>339,654</b>	<b>403,636</b>	<b>63,982</b>	<b>18.8%</b>

(1) Economic Development Consultant

EXPENDITURE DETAIL NARRATIVE

FISCAL YEAR 2013-14

<u>Employee Services</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>
Planning Director	0.90	0.90	1.00
Planning Commissioners (5)	5.00	5.00	5.00
Assistant Planner	1.00	1.00	1.00
Staff Assistant/ Planning Tech	<u>0.70</u>	<u>0.70</u>	<u>0.45</u>
Total	7.60	7.60	7.45

5001 Salaries    \$194,180

5002 Planning Commission Salaries    \$6,000  
 \$100 per month each for five Planning Commissioners

5005 Intern Program    \$0

5005 Code Enforcement    \$7,176  
 Part-Time Code Enforcement Officer

5100 Benefits    \$98,680

Operating & Maintenance

5301 Office Supplies    \$2,000

5305 Equipment Rental    \$5,000  
 Monthly leasing expense for copier.

5306 Advertising - Legal    \$3,000

5401 Membership & Publications    \$2,000  
 Professional and organization dues.

5402 Travel & Training    \$5,000  
 Attendance at conferences and seminars for Planning Commission and staff.

FISCAL YEAR 2013-14

- 5509 Maintenance / Repair \$1,000  
Copier and miscellaneous maintenance and repairs.
- 5603 Computer Maintenance & Software \$3,500  
Maintenance and updates of existing computer software programs.
- 5701 Telephone \$3,600
- 5703 Utilities - Electric \$2,500
- 6016 Code Enforcement Expense \$1,000
- 6201 Contract Services \$60,000  
Economic Development consultant \$60,000
- 6202 Contract Services - Engineering \$8,000  
GIS, CADD and mapping services.
- 6301 Miscellaneous \$1,000
- Capital
- 6504 Office Furniture \$0  
Miscellaneous office furniture.
- 6505 Computer Equipment \$0  
Miscellaneous computer equipment and upgrades.
- 6506 Office Equipment \$0

DEPARTMENT SUMMARY	2009-10 Actual	2010-11 Actual	2011-12 Actual	2012-13 Budget	2013-14 Proposed
Employee Services	\$ 242,877	\$ 233,436	\$ 245,595	\$ 278,634	\$ 272,515
Operating & Maintenance	\$ 643,484	\$ 586,223	\$ 526,346	\$ 634,550	\$ 673,400
Capital	\$ -	\$ -	\$ -	\$ -	\$ -
Department Total	\$ 886,361	\$ 819,659	\$ 771,941	\$ 913,184	\$ 945,915

**DEPARTMENT DESCRIPTION**

The Wastewater Fund is an enterprise fund that is used to account for all the financial activity associated with the operation of the City's sewer utility. The Wastewater Department is responsible for operating, maintaining, cleaning and repairing the sanitary sewer system and treatment plant, including lift stations and mains. The Department provides biological and chemical analysis required to evaluate and manage domestic and industrial waste. It also maintains plant process control and provides the database for performance reports required by regulatory agencies.

In accordance with Generally Accepted Accounting Principles, capital purchases are not budgeted as expenditures within this fund; rather, depreciation expense is recorded over each asset's useful life.

DEPARTMENT EXPENDITURES

**WASTEWATER**  
**005-701**

	2009-10 Actual	2010-11 Actual	2011-12 Actual	2012-13 Budget	2013-14 Proposed	Change From 2012-13 Budget	% Change From 2012-13 Budget
<b><u>EMPLOYEE SERVICES</u></b>							
5001 Salaries	166,992	158,192	163,386	182,184	177,630	(4,554)	-2.5%
5100 Benefits	75,886	75,244	82,209	96,450	94,885	(1,565)	-1.6%
<b>EMPLOYEE SERVICES SUBTOTAL:</b>	<b>242,877</b>	<b>233,436</b>	<b>245,595</b>	<b>278,634</b>	<b>272,515</b>	<b>(6,119)</b>	<b>-2.2%</b>

<b><u>OPERATING &amp; MAINTENANCE</u></b>							
5201 Insurance - Liability	5,517	6,257	5,363	5,000	5,000	0	0.0%
5202 Insurance - Property	12,330	7,363	9,197	10,500	10,500	0	0.0%
5203 Insurance - Bond	140	0	0	0	0	0	N/A
5301 Office Supplies	1,790	3,455	1,888	2,300	2,300	0	0.0%
5303 Postage	3,333	4,275	4,685	4,500	5,000	500	11.1%
5401 Membership & Publications	256	256	269	400	400	0	0.0%
5402 Travel & Training	946	395	1,244	2,000	4,000	2,000	100.0%
5501 Operational Supplies	0	0	876	450	2,600	2,150	477.8%
5502 Chemicals / Analysis	51,954	55,082	46,688	50,000	50,000	0	0.0%
5503 Tools	107	78	230	900	2,000	1,100	122.2%
5504 Laundry - Uniforms	629	501	236	700	700	0	0.0%
5506 Fuel - Vehicles	4,863	4,898	7,352	7,000	7,000	0	0.0%
5507 Maintenance - Vehicles	900	1,210	2,984	2,000	2,000	0	0.0%
5509 Maintenance / Repair	48,492	32,735	39,416	45,000	45,000	0	0.0%
5510 Safety Equipment	445	481	750	950	2,000	1,050	110.5%
5601 Data Processing Contract Maintenance	799	900	900	1,300	1,300	0	0.0%
5603 Computer Maintenance & Software	0	86	223	1,000	1,000	0	0.0%
5701 Telephone	6,592	7,300	7,654	6,500	6,500	0	0.0%
5703 Utilities - Electric	82,088	93,254	99,364	95,000	95,000	0	0.0%
5704 Utilities - Water	11,882	14,724	11,253	13,000	13,000	0	0.0%
6004 Audit	6,169	7,219	5,438	7,350	7,100	(250)	-3.4%
6007 Depreciation	170,608	164,434	174,089	175,000	175,000	0	0.0%
6011 Regulatory Compliance	12,006	10,860	13,163	19,500	20,000	500	2.6%
6201 Contract Services	200,607	163,782	87,134	158,000	180,000	22,000	13.9%
6202 Contract Services - Engineering	19,578	4,435	3,565	25,000	35,000	10,000	40.0%
6301 Miscellaneous	1,455	2,244	2,386	1,200	1,000	(200)	-16.7%
<b>OPERATING &amp; MAINTENANCE SUBTOTAL:</b>	<b>643,484</b>	<b>586,223</b>	<b>526,346</b>	<b>634,550</b>	<b>673,400</b>	<b>38,850</b>	<b>6.1%</b>

<b>WASTEWATER TOTAL:</b>	<b>+</b>	<b>886,361</b>	<b>819,659</b>	<b>771,941</b>	<b>913,184</b>	<b>945,915</b>	<b>32,731</b>	<b>3.6%</b>
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DEPARTMENT EXPENDITURES

WASTEWATER  
005-701

BUDGET NOTE: Capital Items are included in the Depreciation Category

	2009-10 <u>Actual</u>	2010-11 <u>Actual</u>	2011-12 <u>Actual</u>	2012-13 <u>Budget</u>	2013-14 <u>Proposed</u>	Change From 2012-13 <u>Budget</u>	% Change From 2012-13 <u>Budget</u>
<u><b>CAPITAL</b></u>							
6503 Vehicle Replacement	0	0	0	14,678	0	(14,678)	-100.0%
6507 Improvements	0	732,060	0	275,000	150,000	(125,000)	-45.5%
6508 Equipment	0	0	0	0	15,000	15,000	N/A
<u><b>CAPITAL TOTAL:</b></u>	<b>0</b>	<b>732,060</b>	<b>0</b>	<b>289,678</b>	<b>165,000</b>	<b>(124,678)</b>	<b>-43.0%</b>

EXPENDITURE DETAIL NARRATIVE

FISCAL YEAR 2013-14

<u>Employee Services</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>
Finance Director	0.20	0.20	0.20
Accounting Technicians (2)	0.65	0.65	0.65
Public Works Director	0.30	0.30	0.30
Fieldmen (5)	<u>1.50</u>	<u>1.50</u>	<u>1.50</u>
Total	2.65	2.65	2.65

5001 Salaries    \$177,630

5100 Benefits    \$94,885

Operating & Maintenance

5201 Insurance - Liability \$5,000  
 10% of the City's liability insurance; 80% is charged to the General Fund and 10% is charged to the Water Fund.

5202 Insurance - Property \$10,500  
 40% of the City's fire insurance costs; 20% is charged to the General Fund and 40% is charged to the Water Fund. Includes earthquake and flood insurance on City

5203 Insurance - Bond \$0

5301 Office Supplies    \$2,300

5303 Postage    \$5,000

5401 Membership & Publications \$400  
 Membership dues for the Association of California Water Agencies (ACWA), American Water Works Association (AWWA), Sanitation Agency Managers Association (SAMA) and Underground Service Alert (USA).

FISCAL YEAR 2013-14

- 5402 Travel & Training \$4,000  
Attendance at seminars and reimbursement for certification and license renewal fees.
- 5501 Operational Supplies \$2,600
- 5502 Chemical Analysis \$50,000
- 5503 Tools \$2,000
- 5504 Laundry - Uniforms \$700  
33 1/3% of laundry and uniform service for the Wastewater Plant operators.
- 5506 Fuel - Vehicles \$7,000
- 5507 Maintenance - Vehicles \$2,000
- 5509 Maintenance / Repair \$45,000
- 5510 Safety Equipment \$2,000  
33 1/3 % of the cost for the Wastewater Plant operators.
- 5601 Data Processing Contract Maintenance \$1,300  
50% of contract support for utility billing software.
- 5603 Computer Maintenance & Software \$1,000
- 5701 Telephone \$6,500
- 5703 Utilities - Electric \$95,000
- 5704 Utilities - Water \$13,000
- 6004 Audit \$7,100  
33 1/3% of the cost.
- 6007 Depreciation \$175,000  
Estimate for Fiscal Year 2013-14; includes the amortization of buildings, underground lines, automotive equipment and other equipment listed in the utility plant; excludes land.
- 6011 Regulatory Compliance \$20,000  
Assembly Bill 2588, Santa Barbara Air Pollution Control Board and miscellaneous compliance costs.

FISCAL YEAR 2013-14

6201 Contract Services \$180,000

Trash hauling, 33 1/3% of answering service, 33 1/3% of mapping service, 20% of janitorial services, engineering services and sludge removal.

6202 Contract Services - Engineering \$35,000

Engineering work related to state mandated industrial waste discharge program, wastewater treatment plant upgrades and Regional Water Quality Control Board (RWQCB) compliance and permitting.

6301 Miscellaneous \$1,000

Memo Items Only: (Paid from line item 6007 on previous page)

Capital

6503 Vehicle Replacement \$0

6507 Improvements \$150,000

Generator upgrade/lift station generator

6508 Equipment \$15,000

Wastewater treatment plant equipment.

DEPARTMENT SUMMARY	2009-10 Actual	2010-11 Actual	2011-12 Actual	2012-13 Budget	2013-14 Proposed
Employee Services	\$ -	\$ -	\$ -	\$ -	\$ -
Operating & Maintenance	\$ 173,182	\$ 138,371	\$ 146,743	\$ 151,000	\$ 156,000
Capital	\$ -	\$ -	\$ -	\$ -	\$ -
Department Total	\$ 173,182	\$ 138,371	\$ 146,743	\$ 151,000	\$ 156,000

**DEPARTMENT DESCRIPTION**

The Storm Water Department addresses all issues related to the operation and maintenance of the City's storm drain system, flood control, FEMA and floodplain issues and regulatory compliance and permitting for the National Pollutant Discharge Elimination System (NPDES) general discharge requirements for municipal discharges.

DEPARTMENT EXPENDITURES

**STORM WATER**  
**015-545**

		2009-10	2010-11	2011-12	2012-13	2013-14	Change From	% Change
		<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Proposed</u>	2012-13	From 2012-13
							<u>Budget</u>	<u>Budget</u>
<b><u>OPERATING &amp; MAINTENANCE</u></b>								
5509	Maintenance/Repair	0	0	0	15,000	15,000	0	0.0%
6011	Regulatory Compliance	0	600	4,852	1,000	6,000	5,000	500.0%
6201	Contract Services	173,182	137,771	141,891	135,000	135,000	0	0.0%
<b><u>OPERATING &amp; MAINTENANCE SUBTOTAL:</u></b>		<b>173,182</b>	<b>138,371</b>	<b>146,743</b>	<b>151,000</b>	<b>156,000</b>	<b>5,000</b>	<b>3.3%</b>
<b>STORM WATER TOTAL:</b>		<b>173,182</b>	<b>138,371</b>	<b>146,743</b>	<b>151,000</b>	<b>156,000</b>	<b>5,000</b>	<b>3.3%</b>

EXPENDITURE DETAIL NARRATIVE

FISCAL YEAR 2013-14

Operating & Maintenance

5509 Repair/Maintenance      \$15,000

6011 Regulatory Compliance      \$6,000

6201 Contract Services      \$135,000

Engineering work related to FEMA mapping and regulatory issues, Storm Water Management Plan (SWMP) permitting and implementation, and storm drain system evaluation.

DEPARTMENT SUMMARY	2009-10 Actual	2010-11 Actual	2011-12 Actual	2012-13 Budget	2013-14 Proposed
Employee Services	\$ 242,871	\$ 233,430	\$ 246,421	\$ 285,224	\$ 281,370
Operating & Maintenance	\$1,367,790	\$1,368,414	\$1,453,036	\$1,500,050	\$1,508,350
Capital	\$ -	\$ -	\$ -	\$ -	\$ -
Department Total	\$1,610,661	\$1,601,843	\$1,699,456	\$1,785,274	\$1,789,720

**DEPARTMENT DESCRIPTION**

The Water Fund is an enterprise fund that is used to account for all the financial activity associated with the operation of the City's water utility. The Water Department is responsible for providing production, treatment and distribution of potable domestic water to all residential, commercial and industrial customers within the City as well as providing water for fire suppression. The Department maintains water quality control to meet all Health Department standards and regulation.

In accordance with Generally Accepted Accounting Principles, capital purchases are not budgeted as expenditures within this fund; rather, depreciation expense is recorded over each asset's useful life.

DEPARTMENT EXPENDITURES

**WATER**  
**020-601**

		2009-10	2010-11	2011-12	2012-13	2013-14	Change From	% Change
		Actual	Actual	Actual	Budget	Proposed	2012-13	From 2012-13
							Budget	Budget
<b><u>EMPLOYEE SERVICES</u></b>								
5001	Salaries	166,992	158,192	164,130	187,584	177,630	(9,954)	-5.3%
5005	Hourly	0	0	0	0	7,200	7,200	N/A
5100	Benefits	75,879	75,238	82,291	97,640	96,540	(1,100)	-1.1%
<b><u>EMPLOYEE SERVICES SUBTOTAL:</u></b>		<b>242,871</b>	<b>233,430</b>	<b>246,421</b>	<b>285,224</b>	<b>281,370</b>	<b>(3,854)</b>	<b>-1.4%</b>
<b><u>OPERATING &amp; MAINTENANCE</u></b>								
5201	Insurance - Liability	5,517	6,257	5,363	5,000	5,000	0	0.0%
5202	Insurance - Property	12,330	7,363	9,197	10,500	10,500	0	0.0%
5203	Insurance - Bond	140	0	0	0	0	0	N/A
5301	Office Supplies	1,630	3,574	1,827	3,300	3,300	0	0.0%
5302	Printing	966	956	1,018	900	900	0	0.0%
5303	Postage	3,333	4,275	4,694	4,500	5,000	500	11.1%
5401	Membership & Publications	5,482	5,037	5,329	7,000	7,000	0	0.0%
5402	Travel & Training	531	4,382	2,046	3,000	5,000	2,000	66.7%
5501	Operational Supplies	0	0	524	450	450	0	0.0%
5502	Chemicals / Analysis	32,693	38,387	31,158	35,000	35,000	0	0.0%
5503	Tools	260	109	561	900	900	0	0.0%
5504	Laundry - Uniforms	662	501	236	700	700	0	0.0%
5505	Meter Expense	6,041	1,385	7,776	5,700	5,700	0	0.0%
5506	Fuel - Vehicles	4,863	4,898	7,352	7,000	7,000	0	0.0%
5507	Maintenance - Vehicles	900	1,210	1,573	2,000	2,000	0	0.0%
5509	Maintenance / Repair	18,634	11,853	106,738	50,000	50,000	0	0.0%
5510	Safety Equipment	445	481	750	950	2,000	1,050	110.5%
5601	Data Processing Contract Maintenance	799	900	900	1,300	1,300	0	0.0%
5603	Computer Maintenance & Software	0	505	318	1,000	2,000	1,000	100.0%
5701	Telephone	10,142	10,614	10,844	10,000	10,000	0	0.0%
5703	Utilities - Electric	96,918	107,682	95,451	110,000	110,000	0	0.0%
6004	Audit	6,169	7,219	5,438	7,350	7,100	(250)	-3.4%
6007	Depreciation	166,943	168,832	154,097	167,000	167,000	0	0.0%
6011	Regulatory Compliance	10,365	9,396	22,663	22,000	22,000	0	0.0%
6013	State Water Project	901,424	946,204	947,268	1,000,000	1,000,000	0	0.0%
6014	Santa Ynez River Appropriations	7,929	4,980	4,356	6,300	6,300	0	0.0%
6201	Contract Services	39,929	16,877	18,696	26,000	30,000	4,000	15.4%
6202	Contract Services - Engineering	29,938	1,350	2,148	10,000	10,000	0	0.0%
6301	Miscellaneous	2,807	3,188	4,716	2,200	2,200	0	0.0%
<b><u>OPERATING &amp; MAINTENANCE SUBTOTAL:</u></b>		<b>1,367,790</b>	<b>1,368,414</b>	<b>1,453,036</b>	<b>1,500,050</b>	<b>1,508,350</b>	<b>8,300</b>	<b>0.6%</b>
<b>WATER TOTAL:</b>		<b>1,610,661</b>	<b>1,601,843</b>	<b>1,699,456</b>	<b>1,785,274</b>	<b>1,789,720</b>	<b>4,446</b>	<b>0.2%</b>

DEPARTMENT EXPENDITURES

WATER  
020-601

BUDGET NOTE: Capital Items are included in the Depreciation Category

<u>CAPITAL</u>	2009-10 <u>Actual</u>	2010-11 <u>Actual</u>	2011-12 <u>Actual</u>	2012-13 <u>Budget</u>	2013-14 <u>Proposed</u>	Change From 2012-13 <u>Budget</u>	% Change From 2012-13 <u>Budget</u>
6503 Vehicle Replacement	0	0	0	14,678	0	(14,678)	-100.0%
6507 Improvements	0	0	2	200,000	160,000 (1)	(40,000)	-20.0%
6508 Equipment	53,699	0	0	50,000	75,000 (2)	25,000	50.0%
<b><u>CAPITAL TOTAL:</u></b>	<b>53,699</b>	<b>0</b>	<b>2</b>	<b>264,678</b>	<b>235,000</b>	<b>(29,678)</b>	<b>-11.2%</b>

(1) Improvements includes water treatment plant improvements, buildings, filters, booster station and Clearscada software.

(2) Equipment includes sampling, sounding and generators.

EXPENDITURE DETAIL NARRATIVE

FISCAL YEAR 2013-14

<u>Employee Services</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>
Finance Director	0.20	0.20	0.20
Accounting Technicians (2)	0.65	0.65	0.65
Public Works Director	0.30	0.30	0.30
Fieldmen (5)	<u>1.50</u>	<u>1.50</u>	<u>1.50</u>
Total	2.65	2.65	2.65

5001 Salaries    \$177,630

5005 Hourly     \$7,200

5100 Benefits    \$96,540

Operating & Maintenance

5201 Insurance - Liability \$5,000  
 10% of the City's liability insurance; 80% is charged to the General Fund and 10% is charged to the Wastewater Fund.

5202 Insurance - Property \$10,500  
 40% of the City's fire insurance costs; 20% is charged to the General Fund and 40% is charged to the Wastewater Fund. Includes earthquake and flood insurance on City property.

5203 Insurance - Bond \$0

5301 Office Supplies    \$3,300

5302 Printing        \$900

5303 Postage        \$5,000

FISCAL YEAR 2013-145401 Membership & Publications \$7,000

Membership dues for the Association of California Water Agencies (ACWA), American Water Works Association (AWWA), Cross Connection, Santa Barbara Water Purveyors Association and Underground Service Alert (USA).

5402 Travel & Training \$5,000

Attendance at seminars and reimbursement for Certification and License renewal fees.

5501 Operational Supplies \$4505502 Chemical Analysis \$35,0005503 Tools \$9005504 Laundry - Uniforms \$700

33 1/3% of laundry and uniform service for the Water Department employees.

5505 Meter Expense \$5,700

New and replacement meters. New meter expense is offset by meter installation revenue.

5506 Fuel - Vehicles \$7,0005507 Maintenance - Vehicles \$2,0005509 Maintenance / Repair \$50,0005510 Safety Equipment \$2,000

33 1/3 % of the cost for the Water Department employees.

5601 Data Processing Contract Maintenance \$1,300

50% of contract support for utility billing software.

5603 Computer Maintenance & Software \$2,0005701 Telephone \$10,0005703 Utilities - Electric \$110,0006004 Audit \$7,100

33 1/3% of the cost.

6007 Depreciation \$167,000  
Estimate for Fiscal Year 2013-14; includes the amortization of buildings, underground lines, automotive equipment and other equipment listed in the utility plant; excludes

6011  
Regulatory Compliance \$22,000  
Cost of State mandated programs and regulatory compliance.

6013  
State Water Project \$1,000,000  
Covers both Central Coast Water Authority (CCWA) and Department of Water Resources (DWR) charges.

6014  
Santa Ynez River Appropriations \$6,300  
Annual groundwater charges.

6201  
Contract Services \$30,000  
Trash hauling, 33 1/3% of answering service, 33 1/3% of mapping service, 20% of janitorial services, engineering services, valve replacement and repainting of water treatment plant.

6202  
Contract Services - Engineering \$10,000  
Rate and connection fee studies, water system modeling and atlas mapping.

6301  
Miscellaneous \$2,200

Memo Items Only:  
(Paid from line item 6007)

Capital

6503 Vehicle Replacement \$0

6507 Improvements \$160,000  
Water treatment plant improvements, buildings, filters, booster station & Clearscada

6508  
Equipment \$75,000  
Sampling, sounding and generators

DEPARTMENT SUMMARY	2009-10 Actual	2010-11 Actual	2011-12 Actual	2012-13 Budget	2013-14 Proposed
Employee Services	\$ -	\$ -	\$ -	\$ -	\$ -
Operating & Maintenance	\$ 3,624	\$ 604	\$ -	\$ 3,450	\$ 3,000
Capital	\$ -	\$ -	\$ -	\$ -	\$ -
Department Total	\$ 3,624	\$ 604	\$ -	\$ 3,450	\$ 3,000

**DEPARTMENT DESCRIPTION**

The funds received from this program may be used for anything associated with site development and development of low cost housing.

DEPARTMENT EXPENDITURES

HOUSING  
023-580

		2009-10	2010-11	2011-12	2012-13	2013-14	Change From	% Change
		<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Proposed</u>	2012-13	From 2012-13
							<u>Budget</u>	<u>Budget</u>
<u>OPERATING &amp; MAINTENANCE</u>								
5818	Housing Assistance	3,624	604	0	0	0	0	N/A
5818	Mobile Home Repair	0	0	0	3,450	3,000	(450)	-13.0%
6201	Contract Services	0	0	0	0	0	0	N/A
<u>OPERATING &amp; MAINTENANCE SUBTOTAL:</u>		<u>3,624</u>	<u>604</u>	<u>0</u>	<u>3,450</u>	<u>3,000</u>	<u>(450)</u>	<u>-13.0%</u>
 HOUSING TOTAL:		 <u>3,624</u>	 <u>604</u>	 <u>0</u>	 <u>3,450</u>	 <u>3,000</u>	 <u>(450)</u>	 <u>-13.0%</u>

EXPENDITURE DETAIL NARRATIVE

FISCAL YEAR 2013-14

Operating & Maintenance

5818 Housing Assistance \$0

5818 Mobile Home Repair \$3,000  
Mobile Home Repair \$3,000 thru Senior Center.

6201 Contract Services \$0

DEPARTMENT SUMMARY	2009-10 Actual	2010-11 Actual	2011-12 Actual	2012-13 Budget	2013-14 Proposed
Employee Services	\$ -	\$ -	\$ -	\$ -	\$ -
Operating & Maintenance	\$ 5,715	\$ -	\$ -	\$ -	\$ -
Capital	\$ -	\$ -	\$ -	\$ -	\$ -
Department Total	\$ 5,715	\$ -	\$ -	\$ -	\$ -

**DEPARTMENT DESCRIPTION**

This Fund collects off-site road improvement fees to be used for road widening and intersection improvements.

DEPARTMENT EXPENDITURES

TRAFFIC MITIGATION  
024-557

	2009-10 Actual	2010-11 Actual	2011-12 Actual	2012-13 Budget	2013-14 Proposed	Change From 2012-13 Budget	% Change From 2012-13 Budget
<u>OPERATING &amp; MAINTENANCE</u>							
6201 Contract Services	5,715	0	0	0	0	0	N/A
<b>OPERATING &amp; MAINTENANCE SUBTOTAL:</b>	<b>5,715</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>N/A</b>
<u>CAPITAL</u>							
6507 Improvements	0	0	0	0	0	0	N/A
<b>CAPITAL SUBTOTAL:</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>N/A</b>
<b>TRAFFIC MITIGATION TOTAL:</b>	<b>5,715</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>N/A</b>

EXPENDITURE DETAIL NARRATIVE

FISCAL YEAR 2013-14

Operating & Maintenance

6201 Contract Services \$0

Capital

6507 Improvements \$0

**FUND: 025-GAS TAX**

**DEPARTMENT: 553/STREET MAINTENANCE**  
**554/TRAFFIC SAFETY**  
**555/STREET CLEANING**  
**557/ENGINEERING**

DEPARTMENT SUMMARY	2009-10 Actual	2010-11 Actual	2011-12 Actual	2012-13 Budget	2013-14 Proposed
Employee Services	\$ -	\$ -	\$ -	\$ -	\$ -
Operating & Maintenance	\$ 281,212	\$ 49,530	\$ 83,482	\$ 116,974	\$ 86,000
Capital	\$ 59,092	\$ 89,085	\$ 988,584	\$ 351,555	\$ 250,000
Department Total	\$ 340,304	\$ 138,615	\$ 1,072,066	\$ 468,529	\$ 336,000

**DEPARTMENT DESCRIPTION**

The Gas Tax Fund is monies collected from gas taxes that are to be used for street construction, repair, maintenance, traffic signals and street cleaning.

DEPARTMENT EXPENDITURES

GAS TAX  
025-55X

			2009-10	2010-11	2011-12	2012-13	2013-14	Change From	% Change
			<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Proposed</u>	2012-13	From 2012-13
								<u>Budget</u>	<u>Budget</u>
<b><u>OPERATING &amp; MAINTENANCE</u></b>									
553	6008	TCRF Audit	101,102	0	0	0	0	0	N/A
553	6201	Contract Services	100,000	0	0	0	0	0	N/A
554	6201	Contract Services	44,460	23,793	23,218	38,991	26,000	(12,991)	-33.3%
555	6201	Contract Services	25,885	25,342	28,643	35,000	35,000	0	0.0%
557	6201	Contract Services	9,765	395	31,622	42,983	25,000	(17,983)	-41.8%
<b><u>OPERATING &amp; MAINTENANCE SUBTOTAL:</u></b>			<b>281,212</b>	<b>49,530</b>	<b>83,482</b>	<b>116,974</b>	<b>86,000</b>	<b>(30,974)</b>	<b>-26.5%</b>
 <b><u>CAPITAL</u></b>									
553	6507	Improvements	0	0	899,224	100,000	100,000	0	0.0%
557	6507	Improvements	59,092	89,085	89,361	251,555	150,000	(101,555)	-40.4%
<b><u>CAPITAL SUBTOTAL:</u></b>			<b>59,092</b>	<b>89,085</b>	<b>988,584</b>	<b>351,555</b>	<b>250,000</b>	<b>(101,555)</b>	<b>-28.9%</b>
 <b>GAS TAX TOTAL:</b>			<b>340,304</b>	<b>138,615</b>	<b>1,072,066</b>	<b>468,529</b>	<b>336,000</b>	<b>(132,529)</b>	<b>-28.3%</b>

025-555-6201-000 = Street Sweeping

FUND: 025-GAS TAX

DEPARTMENT: 553/STREET MAINTENANCE  
554/TRAFFIC SAFETY  
555/STREET CLEANING  
557/ENGINEERING

EXPENDITURE DETAIL NARRATIVE

FISCAL YEAR 2013-14

Operating & Maintenance

554 6201 Contract Services \$26,000  
Traffic safety studies.

555 6201 Contract Services \$35,000  
Street cleaning expenditures.

557 6201 Contract Services \$25,000  
Engineering services for street operational improvements.

Capital

553 6507 Improvements \$100,000  
Annual street maintenance

557 6507 Improvements \$150,000  
Annual street maintenance

DEPARTMENT SUMMARY	2009-10 Actual	2010-11 Actual	2011-12 Actual	2012-13 Budget	2013-14 Proposed
Employee Services	\$ -	\$ -	\$ -	\$ -	\$ -
Operating & Maintenance	\$ 495,114	\$ -	\$ -	\$ -	\$ -
Capital	\$ -	\$ -	\$ 133,109	\$ -	\$ -
Department Total	\$ 495,114	\$ -	\$ 133,109	\$ -	\$ -

**DEPARTMENT DESCRIPTION**

As a result of the passage of Measure D, which was approved by the voters of Santa Barbara County on November 7, 1989, the local sales tax rate was increased countywide by 1/2 cent, effective April 1, 1990. The Transportation sales tax will remain in effect for 20 years and expires on March 31, 2010. The revenues from Measure D are allocated for transportation improvements. These funds can be used for street construction, repair and maintenance.

In November 2008, the voters of Santa Barbara County passed Measure A, which will continue the 1/2 cent sales tax authorized by Measure D. Measure A will become effective on April 1, 2010, remaining in effect for 30 years, with an expiration date of March 31, 2040.

DEPARTMENT EXPENDITURES

MEASURE D  
026-560

	2009-10 Actual	2010-11 Actual	2011-12 Actual	2012-13 Budget	2013-14 Proposed	Change From 2012-13 Budget	% Change From 2012-13 Budget
<u>OPERATING &amp; MAINTENANCE</u>							
6201 Contract Services	495,114	0	0	0	0	0	N/A
<b>OPERATING &amp; MAINTENANCE SUBTOTAL:</b>	<b>495,114</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>N/A</b>
<u>CAPITAL</u>							
6507 Improvements	0	0	133,109	0	0	0	N/A
<b>CAPITAL SUBTOTAL:</b>	<b>0</b>	<b>0</b>	<b>133,109</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>N/A</b>
<b>MEASURE D TOTAL:</b>	<b>495,114</b>	<b>0</b>	<b>133,109</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>N/A</b>

EXPENDITURE DETAIL NARRATIVE

FISCAL YEAR 2013-14

Operating & Maintenance

6201 Contract Services \$0

Capital

6507 Improvements \$0

DEPARTMENT SUMMARY	2009-10 Actual	2010-11 Actual	2011-12 Actual	2012-13 Budget	2013-14 Proposed
Employee Services	\$ -	\$ -	\$ -	\$ -	\$ -
Operating & Maintenance	\$ 24,037	\$ 71,373	\$ 76,575	\$ 90,750	\$ 85,750
Capital	\$ -	\$ -	\$ -	\$ 6,500	\$ -
Department Total	\$ 24,037	\$ 71,373	\$ 76,575	\$ 97,250	\$ 85,750

**DEPARTMENT DESCRIPTION**

Local Transportation Funds are used for transportation services for the citizens of Buellton. After all unmet needs are satisfied, the funds may be used for street construction, repair and maintenance.

DEPARTMENT EXPENDITURES

LOCAL TRANSPORTATION  
027-559

		2009-10	2010-11	2011-12	2012-13	2013-14	Change From	% Change
		<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Proposed</u>	2012-13	From 2012-13
							<u>Budget</u>	<u>Budget</u>
<b><u>OPERATING &amp; MAINTENANCE</u></b>								
6201	Contract Services	0	0	15,759	15,000	15,000	0	0
6202	Contract Services - Eng	4,038	51,373	39,716	30,000	25,000	(5,000)	-16.7%
6212	Lompoc-Wine Country Express	20,000	20,000	20,000	20,000	20,000	0	0.0%
6212	SYVT Dial-A-Ride Subsidy	0	0	1,100	1,650	1,650	0	0.0%
6212	Breeze Extension Pilot	0	0	0	24,100	24,100	0	0.0%
<b>OPERATING &amp; MAINTENANCE SUBTOTAL:</b>		<b>24,037</b>	<b>71,373</b>	<b>76,575</b>	<b>90,750</b>	<b>85,750</b>	<b>(5,000)</b>	<b>-5.5%</b>
<b><u>CAPITAL</u></b>								
6507	Improvements	0	0	0	6,500	0	(6,500)	-100.0%
<b>CAPITAL SUBTOTAL:</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>6,500</b>	<b>0</b>	<b>(6,500)</b>	<b>-100.0%</b>
<b>LOCAL TRANSPORTATION TOTAL:</b>		<b>24,037</b>	<b>71,373</b>	<b>76,575</b>	<b>97,250</b>	<b>85,750</b>	<b>(11,500)</b>	<b>-11.8%</b>

EXPENDITURE DETAIL NARRATIVEFISCAL YEAR 2013-14Operating & Maintenance

6201	<u>Contract Services</u>	<u>\$15,000</u>
	North Park & Ride design/permitting	
6202	<u>Contract Svc-Eng</u>	<u>\$25,000</u>
	Phase 3 for Hwy 246 and Sycamore crossing concept	
6212	<u>Lompoc-SYV Transit Project</u>	<u>\$20,000</u>
	Wine Country Express	
6212	<u>SYVT Dial-A-Ride Subsidy</u>	<u>\$1,650</u>
6212	<u>Breeze Extension Pilot</u>	<u>\$24,100</u>

Capital

6507	<u>Improvements</u>	<u>\$0</u>
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DEPARTMENT SUMMARY	2009-10 Actual	2010-11 Actual	2011-12 Actual	2012-13 Budget	2013-14 Proposed
Employee Services	\$ 205,647	\$ 232,534	\$ 303,256	\$ 297,506	\$ 320,408
Operating & Maintenance	\$ 355,875	\$ 311,236	\$ 381,729	\$ 428,000	\$ 399,500
Capital	\$ 14,491	\$ 528,963	\$ 42,124	\$ -	\$ 25,000
Department Total	\$ 576,013	\$ 1,072,732	\$ 727,109	\$ 725,506	\$ 744,908

**DEPARTMENT DESCRIPTION**

Park and Recreation funds are to be used for park development, repair and maintenance purposes and recreation programs.

DEPARTMENT EXPENDITURES

PARKS / RECREATION  
028-511

	2009-10 Actual	2010-11 Actual	2011-12 Actual	2012-13 Budget	2013-14 Proposed	Change From 2012-13 Budget	% Change From 2012-13 Budget
<b><u>EMPLOYEE SERVICES</u></b>							
5001 Salaries	112,658	117,176	135,381	165,961	175,818	9,857	5.9%
5005 Hourly Employees	35,317	49,643	83,448	30,000	38,000	8,000	26.7%
5100 Benefits	57,673	65,716	84,427	101,545	106,590	5,045	5.0%
	<b>205,647</b>	<b>232,534</b>	<b>303,256</b>	<b>297,506</b>	<b>320,408</b>	<b>22,902</b>	<b>7.7%</b>
<b><u>OPERATING &amp; MAINTENANCE</u></b>							
5301 Office Supplies	2,643	3,778	3,496	3,000	3,000	0	0.0%
5305 Equipment Rental	0	0	0	0	5,000	5,000	N/A
5305 Small Equipment	0	0	0	2,600	3,000	400	15.4%
5501 Operational Supplies	0	0	0	0	8,800	8,800	N/A
5502 Chemicals	0	0	0	0	5,000	5,000	N/A
5506 Fuel- Vehicles	0	3,462	5,312	5,000	7,000	2,000	40.0%
5507 Maintenance - Vehicles	0	533	2,645	3,000	2,000	(1,000)	-33.3%
5509 Maintenance / Repair - Park	0	14,439	15,736	80,000	80,000	0	0.0%
5509 Maintenance / Repair - Rec Dept	29,884	12,282	9,271	13,000	12,000	(1,000)	-7.7%
5509 Maintenance / Repair - Joint Use	0	2,248	3,120	3,300	3,300 (1)	0	0.0%
5701 Telephone/Internet	2,155	2,988	2,836	3,600	3,400	(200)	-5.6%
5703 Utilities - Electric-Park	6,496	7,523	7,815	7,500	7,500	0	0.0%
5704 Utilities - Water (Oak Park and River View)	45,500	38,861	34,552	46,000	46,000	0	0.0%
5801 Buellton Recreation Program	108,503	72,118	51,763	75,000	67,000	(8,000)	-10.7%
5801 Buellton Recreation Program 50/50	933	12,958	25,369	15,000	35,000	20,000	133.3%
5802 Buellton Rec Programs Trips	28,890	19,487	19,708	20,000	20,000	0	0.0%
5820 Zaca Creek-Park	0	4,310	46,637	0	0	0	N/A
5820 Golf Course Renovation-Park	0	0	14,076	25,000	0	(25,000)	-100.0%
6201 Contract Services-Park	114,100	99,176	136,883	125,000	90,000	(35,000)	-28.0%
6202 Contract Services - Engineering	885	0	0	0	0	0	N/A
6207 Recreation Coordinator/Admin Overhead	15,000	15,000	0	0	0	0	N/A
6301 Miscellaneous	886	2,073	2,511	1,000	1,500	500	50.0%
<b><u>OPERATING &amp; MAINTENANCE SUBTOTAL:</u></b>	<b>355,875</b>	<b>311,236</b>	<b>381,729</b>	<b>428,000</b>	<b>399,500</b>	<b>(28,500)</b>	<b>-7.5%</b>
<b><u>CAPITAL</u></b>							
6503 Vehicles	0	0	0	0	0	0	N/A
6507 Improvements	14,491	528,963	42,124	0	0	0	N/A
6508 Equipment	0	0	0	0	25,000 (2)	25,000	N/A
<b><u>CAPITAL SUBTOTAL:</u></b>	<b>14,491</b>	<b>528,963</b>	<b>42,124</b>	<b>0</b>	<b>25,000</b>	<b>25,000</b>	<b>N/A</b>
<b>PARKS / RECREATION TOTAL:</b>	<b>576,013</b>	<b>1,072,732</b>	<b>727,109</b>	<b>725,506</b>	<b>744,908</b>	<b>19,402</b>	<b>2.7%</b>

Recreation  
Parks

(1) Budgeted amount is based on 1/3 of the total Rec Center rental revenue from the previous year.

(2) New mower purchase

Preliminary 6-27-13

EXPENDITURE DETAIL NARRATIVE

FISCAL YEAR 2013-14

<u>Employee Services</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>
Recreation Coordinator	1.00	1.00	1.00
Staff Assistant/Planning Tech	0.30	0.30	0.30
Recreation Center Programmer	1.00	0.00	0.00
Recreation Center Coordinator	0.00	1.00	1.00
Recreation Technician	<u>0.00</u>	<u>1.00</u>	<u>1.00</u>
Total	2.30	3.30	3.30

5001 Salaries    \$175,818

5005 Hourly Employees    \$38,000  
 Currently employ five part-time employees

5100 Benefits    \$106,590

Operating & Maintenance

5301 Office Supplies    \$3,000

5305 Equipment Rental    \$5,000

5305 Small Equipment    \$3,000

5501 Operational Supplies    \$8,800  
 Trash bags/dog pot bags, soaps, toilet paper, cleaning supplies

5502 Chemicals    \$5,000  
 Pesticides, herbicides, graffiti remover

5506 Fuel - Vehicles    \$7,000

5507 Maint - Vehicles    \$2,000

5509 Maintenance / Repair    \$80,000  
 Irrigation, sidewalks, plants, restrooms, buildings, electrical etc. Botanic Garden  
 \$5,000, Paws Park \$10,000

5509 Maintenance / Repair    \$12,000  
 Buellton Rec dept repairs and maintenance - office, Zone

Preliminary 6-27-13

**FUND: 028-PARKS/RECREATION**

**DEPARTMENT: 511/PARKS/RECREATION**

5509 Maint/Repair-Joint Use \$3,300

Joint facility repairs - gym, kitchen, weight room, restroom, courtyard  
Amount based on 1/3 of the total Rec Center rental revenue from the previous year

5701 Telephone/Internet \$3,400

5703 Utilities - Electric \$7,500

River View Park and Oak Park

5704 Utilities - Water \$46,000

Irrigation water for Oak Park and River View Park.

5801 Buellton Recreation Program \$67,000

Seasonal personnel, Oak Valley afterschool program, supplies, flyers and equipment.

5801 Buellton Recreation Program \$35,000

Shared recreations programs with the City of Solvang

5802 Buellton Recreation Program-Trips \$20,000

Trips organized for children and adults through Buellton Recreation

5820 Zaca Creek \$0

5820 Golf Course Renovation \$0

6201 Contract Services \$90,000

Valley Crest (36k), Rafael Ruiz (24k), park maintenance support

**FISCAL YEAR 2013-14**

6202 Contract Services - Engineering \$0

6207 Recreation Coordinator/ Admin Overhead \$0

6301 Miscellaneous \$1,500

**Capital**

6503 Vehicles \$0

6507 Improvements \$25,000

John Deere mower

DEPARTMENT SUMMARY	2009-10 Actual	2010-11 Actual	2011-12 Actual	2012-13 Budget	2013-14 Proposed
Employee Services	\$ -	\$ -	\$ -	\$ -	\$ -
Operating & Maintenance	\$ 49,400	\$ 45,213	\$ 41,655	\$ 25,000	\$ 35,000
Capital	\$ -	\$ -	\$ -	\$ -	\$ -
Department Total	\$ 49,400	\$ 45,213	\$ 41,655	\$ 25,000	\$ 35,000

**DEPARTMENT DESCRIPTION**

Transportation Planning funds are to be used for services related to compliance with annual reporting requirements of Santa Barbara County Association of Governments and the California Department of Transportation.

DEPARTMENT EXPENDITURES

TRANSPORTATION PLANNING  
029-557

	2009-10 <u>Actual</u>	2010-11 <u>Actual</u>	2011-12 <u>Actual</u>	2012-13 <u>Budget</u>	2013-14 <u>Proposed</u>	Change From 2012-13 <u>Budget</u>	% Change From 2012-13 <u>Budget</u>
<u>OPERATING &amp; MAINTENANCE</u>							
6201 Contract Services	49,400	45,213	41,655	25,000	35,000	10,000	40.0%
<u>OPERATING &amp; MAINTENANCE SUBTOTAL:</u>	<u>49,400</u>	<u>45,213</u>	<u>41,655</u>	<u>25,000</u>	<u>35,000</u>	<u>10,000</u>	<u>40.0%</u>
 <b>TRANSPORTATION PLANNING TOTAL:</b>	<b>49,400</b>	<b>45,213</b>	<b>41,655</b>	<b>25,000</b>	<b>35,000</b>	<b>10,000</b>	<b>40.0%</b>

EXPENDITURE DETAIL NARRATIVE

FISCAL YEAR 2013-14

Operating & Maintenance

6201 Contract Services \$35,000

Transportation and transit coordination/planning/Caltrans

DEPARTMENT SUMMARY	2009-10 Actual	2010-11 Actual	2011-12 Actual	2012-13 Budget	2013-14 Proposed
Employee Services	\$ -	\$ -	\$ -	\$ -	\$ -
Operating & Maintenance	\$ -	\$ 3,087	\$ 55,700	\$ 91,213	\$ 50,000
Capital	\$ -	\$ -	\$ 248,647	\$ 478,862	\$ 230,600
Department Total	\$ -	\$ 3,087	\$ 304,347	\$ 570,075	\$ 280,600

**DEPARTMENT DESCRIPTION**

In November 2008, the voters of Santa Barbara County passed Measure A, which will continue the 1/2 cent sales tax authorized by Measure D. Measure A will become effective on April 1, 2010, remaining in effect for 30 years, with an expiration date of March 31, 2040.

DEPARTMENT EXPENDITURES

MEASURE A  
031-560

	2009-10 Actual	2010-11 Actual	2011-12 Actual	2012-13 Budget	2013-14 Proposed	Change From 2012-13 Budget	% Change From 2012-13 Budget
<b><u>OPERATING &amp; MAINTENANCE</u></b>							
6201 Contract Services/Ballot Initiative	0	3,087	55,700	91,213	50,000	(41,213)	-45.2%
<b><u>OPERATING &amp; MAINTENANCE SUBTOTAL:</u></b>	<b>0</b>	<b>3,087</b>	<b>55,700</b>	<b>91,213</b>	<b>50,000</b>	<b>(41,213)</b>	<b>-45.2%</b>
<b><u>CAPITAL</u></b>							
6507 Improvements	0	0	248,647	478,862	230,600	(248,262)	-51.8%
<b><u>CAPITAL SUBTOTAL:</u></b>	<b>0</b>	<b>0</b>	<b>248,647</b>	<b>478,862</b>	<b>230,600</b>	<b>(248,262)</b>	<b>-51.8%</b>
<b>MEASURE A TOTAL:</b>	<b>0</b>	<b>3,087</b>	<b>304,347</b>	<b>570,075</b>	<b>280,600</b>	<b>(289,475)</b>	<b>-50.8%</b>

EXPENDITURE DETAIL NARRATIVE

FISCAL YEAR 2013-14

Operating & Maintenance

6201 Contract Services \$50,000  
2013-14 Road Maintenance Project.

Capital

6507 Improvements \$230,600  
2013-14 Road Maintenance Project.

DEPARTMENT SUMMARY	2009-10 Actual	2010-11 Actual	2011-12 Actual	2012-13 Budget	2013-14 Proposed
Employee Services	\$ -	\$ -	\$ -	\$ -	\$ -
Operating & Maintenance	\$ 110,360	\$ 91,384	\$ 103,045	\$ 114,400	\$ 114,400
Capital	\$ -	\$ -	\$ -	\$ -	\$ -
Department Total	\$ 110,360	\$ 91,384	\$ 103,045	\$ 114,400	\$ 114,400

**DEPARTMENT DESCRIPTION**

This fund is for the maintenance of street frontage landscaping and other common areas under the jurisdiction of the City.

DEPARTMENT EXPENDITURES

LANDSCAPE MAINTENANCE  
072-558

		2009-10	2010-11	2011-12	2012-13	2013-14	Change From	% Change
		Actual	Actual	Actual	Budget	Proposed	2012-13	From 2012-13
							Budget	Budget
<u>OPERATING &amp; MAINTENANCE</u>								
5509	Maintenance / Repair	674	1,500	4,977	2,500	2,500	0	0.0%
5703	Utilities - Electric	816	881	935	900	900	0	0.0%
5704	Utilities - Water	19,306	17,876	14,921	22,000	22,000	0	0.0%
6201	Contract Services	74,182	71,128	82,213	89,000	89,000	0	0.0%
6202	Contract Services - Engineering	15,382	0	0	0	0	0	N/A
<u>OPERATING &amp; MAINTENANCE SUBTOTAL:</u>		<b>110,360</b>	<b>91,384</b>	<b>103,045</b>	<b>114,400</b>	<b>114,400</b>	<b>0</b>	<b>0.0%</b>
 <b>LANDSCAPE MAINTENANCE TOTAL:</b>		<b>110,360</b>	<b>91,384</b>	<b>103,045</b>	<b>114,400</b>	<b>114,400</b>	<b>0</b>	<b>0.0%</b>

EXPENDITURE DETAIL NARRATIVE

FISCAL YEAR 2013-14

Operating & Maintenance

5509 Maintenance / Repair    \$2,500

5703 Utilities - Electric    \$900

5704 Utilities - Water    \$22,000

6201 Contract Services    \$89,000

Valley Crest maintenance contract for common landscaped areas of the City. Ave of  
Flags medians and Highway 246.

6202 Contract Services - Engineering    \$0

## Summary of Change in Expenditures From the Fiscal Year 2012-13 Budget

		2012-13 <u>Budget</u>	2013-14 <u>Proposed</u>	Change From FY 2012-13 <u>Budget</u>	Percent Increase/ <u>Decrease</u>
<u>General Fund</u>					
001	401 City Council	\$122,343	\$136,103	\$13,760	11.2%
	402 City Manager	166,413	207,575	41,162	24.7%
	403 City Clerk	92,645	109,613	16,968	18.3%
	404 City Attorney	125,050	125,000	(50)	0.0%
	410 Non-Departmental	402,348	584,681	182,333	45.3%
	411 Civic Complex	0	0	0	N/A
	420 Finance	186,439	245,140	58,701	31.5%
	501 Public Safety - Police/Fire	1,787,656	1,883,174	95,518	5.3%
	510 Leisure Services - Library	86,378	95,378	9,000	10.4%
	550 Public Works - Street Lights	55,000	55,000	0	0.0%
	557 Public Works - Engineering	134,575	139,000	4,425	3.3%
	558 Public Works - General	528,384	580,262	51,878	9.8%
	565 Planning	339,654	403,636	63,982	18.8%
015	<u>Storm Water</u>	151,000	156,000	5,000	3.3%
028	<u>Parks &amp; Rec</u>	725,506	744,908	19,402	2.7%
072	<u>Landscape Maintenance</u>	\$114,400	\$114,400	\$0	0.0%
	<u>General Fund Total</u>	<u>\$5,017,791</u>	<u>\$5,579,870</u>	<u>\$562,079</u>	<u>11.2%</u>
005	<u>Wastewater</u>	\$913,184	\$945,915	\$32,731	3.6%
020	<u>Water</u>	\$1,785,274	\$1,789,720	\$4,446	0.2%
023	<u>Housing</u>	\$3,450	\$3,000	(\$450)	-13.0%
024	<u>Traffic Mitigation</u>	\$0	\$0	\$0	N/A
025	<u>Gas Tax</u>	\$468,529	\$336,000	(\$132,529)	-28.3%
026	<u>Measure D</u>	\$0	\$0	\$0	N/A
027	<u>Local Transportation Fund</u>	\$97,250	\$85,750	(\$11,500)	-11.8%
029	<u>Transportation Planning</u>	\$25,000	\$35,000	\$0	0.0%
031	<u>Measure A</u>	\$570,075	\$280,600	(\$289,475)	-50.8%
	<u>Special Funds Total</u>	<u>\$3,862,762</u>	<u>\$3,475,985</u>	<u>(\$396,777)</u>	<u>-10.3%</u>
<b>Total - All Funds</b>		<b>\$8,880,553</b>	<b>\$9,055,855</b>	<b>\$165,302</b>	<b>1.9%</b>

**EXPENDITURE SUMMARY  
BY FUND/CATEGORY**

**Fiscal Year 2013-14 Budgeted Amounts**

<b>FUND</b>	<b>EMPLOYEE SERVICES</b>	<b>OPERATING &amp; MAINTENANCE</b>	<b>CAPITAL</b>	<b>TOTAL</b>
001 General	1,284,904	3,119,158	160,500	4,564,562
005 Wastewater	272,515	673,400	0	945,915
015 Storm Water	0	156,000	0	156,000
020 Water	281,370	1,508,350	0	1,789,720
023 Housing	0	3,000	0	3,000
024 Traffic Mitigation	0	0	0	0
025 Gas Tax	0	86,000	250,000	336,000
026 Measure D	0	0	0	0
027 Local Transportation	0	85,750	0	85,750
028 Parks/Recreation	320,408	399,500	25,000	744,908
029 Transportation Planning	0	35,000	0	35,000
031 Measure A	0	50,000	230,600	280,600
072 Landscape Maintenance	0	114,400	0	114,400
<b>TOTAL</b>	<b>\$2,159,197</b>	<b>\$6,230,558</b>	<b>\$666,100</b>	<b>\$9,055,855</b>
<b>Percent of Total</b>	<b>23.8%</b>	<b>68.8%</b>	<b>7.4%</b>	

**Fiscal Year 2011-12 Budgeted Amounts**

<b>FUND</b>	<b>EMPLOYEE SERVICES</b>	<b>OPERATING &amp; MAINTENANCE</b>	<b>CAPITAL</b>	<b>TOTAL</b>
001 General	1,170,125	2,746,557	110,203	4,026,885
005 Wastewater	278,634	634,550	0	913,184
015 Storm Water	0	151,000	0	151,000
020 Water	285,224	1,500,050	0	1,785,274
023 Housing	0	3,450	0	3,450
024 Traffic Mitigation	0	0	0	0
025 Gas Tax	0	116,974	351,555	468,529
026 Measure D	0	0	0	0
027 Local Transportation	0	90,750	6,500	97,250
028 Parks/Recreation	297,506	428,000	0	725,506
029 Transportation Planning	0	25,000	0	25,000
031 Measure A	0	91,213	478,862	570,075
072 Landscape Maintenance	0	114,400	0	114,400
<b>TOTAL</b>	<b>\$2,031,489</b>	<b>\$5,901,944</b>	<b>\$947,120</b>	<b>\$8,880,553</b>
<b>Percent of Total</b>	<b>22.9%</b>	<b>66.5%</b>	<b>10.7%</b>	

## ACCOUNT TOTALS

DEPT	ACCT	DESCRIPTION	2009-10 Actual	2010-11 Actual	2011-12 Actual	2012-13 Budget	2013-14 Proposed
401	5001	Salaries	29,099	35,648	40,729	41,088	43,778
402	5001	Salaries	83,528	117,385	122,892	118,883	143,400
403	5001	Salaries	36,373	44,560	49,947	51,360	65,668
404	5001	Salaries	0	0	0	0	0
420	5001	Salaries	92,101	77,586	86,378	101,579	116,840
511	5001	Salaries	112,658	117,176	135,381	165,961	175,818
558	5001	Salaries	187,612	185,976	188,619	219,416	205,730
565	5001	Salaries	182,427	173,945	196,784	180,718	194,180
701	5001	Salaries	166,992	158,192	163,386	182,184	177,630
601	5001	Salaries	166,992	158,192	164,130	187,584	177,630
		TOTAL	<b>1,057,781</b>	<b>1,068,661</b>	<b>1,148,247</b>	<b>1,248,773</b>	<b>1,300,674</b>
565	5002	Planning Commission Salaries	6,000	6,000	6,000	6,000	6,000
		TOTAL	<b>6,000</b>	<b>6,000</b>	<b>6,000</b>	<b>6,000</b>	<b>6,000</b>
401	5003	Council Salaries	26,400	20,768	21,120	21,120	26,400
		TOTAL	<b>26,400</b>	<b>20,768</b>	<b>21,120</b>	<b>21,120</b>	<b>26,400</b>
401	5004	Council Car Expense Allowance	4,500	3,540	3,600	3,600	4,500
		TOTAL	<b>4,500</b>	<b>3,540</b>	<b>3,600</b>	<b>3,600</b>	<b>4,500</b>
511	5005	Hourly Employees	35,317	49,643	83,448	30,000	38,000
558	5005	Hourly Employees	0	0	0	0	12,192
565	5005	Intern Program	1,210	6,251	9,039	7,176	7,176
601	5005	Hourly Employees	0	0	0	0	7,200
		TOTAL	<b>36,527</b>	<b>55,894</b>	<b>92,487</b>	<b>37,176</b>	<b>64,568</b>
401	5100	Benefits	23,734	25,315	32,599	38,035	44,425
402	5100	Benefits	25,168	38,873	39,514	42,230	60,125
403	5100	Benefits	15,712	18,564	20,865	22,985	29,645
404	5100	Benefits	0	0	0	0	0
410	5100	Benefits	32,095	46,885	50,512	54,050	51,000
420	5100	Benefits	42,449	36,854	41,113	53,510	59,700
511	5100	Benefits	57,673	65,716	84,427	101,545	106,590
558	5100	Benefits	87,371	88,679	97,460	117,215	115,465
565	5100	Benefits	80,802	81,073	91,127	91,160	98,680
701	5100	Benefits	75,886	75,244	82,209	96,450	94,885
601	5100	Benefits	75,879	75,238	82,291	97,640	96,540
		TOTAL	<b>516,768</b>	<b>552,441</b>	<b>622,115</b>	<b>714,820</b>	<b>757,055</b>
410	5201	Insurance - Liability	44,666	51,119	43,070	40,000	35,000
701	5201	Insurance - Liability	5,517	6,257	5,363	5,000	5,000
601	5201	Insurance - Liability	5,517	6,257	5,363	5,000	5,000
		TOTAL	<b>55,701</b>	<b>63,633</b>	<b>53,796</b>	<b>50,000</b>	<b>45,000</b>
410	5202	Insurance - Property	6,165	3,681	4,599	5,206	5,200
701	5202	Insurance - Property	12,330	7,363	9,197	10,500	10,500
601	5202	Insurance - Property	12,330	7,363	9,197	10,500	10,500
		TOTAL	<b>30,824</b>	<b>18,407</b>	<b>22,993</b>	<b>26,206</b>	<b>26,200</b>
410	5203	Bond Insurance	1,391	0	0	1,000	0
701	5203	Bond Insurance	140	0	0	0	0
601	5203	Bond Insurance	140	0	0	0	0
		TOTAL	<b>1,671</b>	<b>0</b>	<b>0</b>	<b>1,000</b>	<b>0</b>

## ACCOUNT TOTALS

DEPT	ACCT	DESCRIPTION	2009-10 Actual	2010-11 Actual	2011-12 Actual	2012-13 Budget	2013-14 Proposed
401	5301	Office Supplies	415	347	568	500	500
402	5301	Office Supplies	305	441	80	300	250
403	5301	Office Supplies	1,006	664	732	1,000	1,000
404	5301	Office Supplies	0	0	0	0	0
410	5301	Office Supplies	9,729	10,388	8,303	6,300	6,300
420	5301	Office Supplies	1,973	968	1,040	1,500	1,500
511	5301	Office Supplies	2,643	3,778	3,496	3,000	3,000
558	5301	Office Supplies	62	220	1,126	200	200
565	5301	Office Supplies	1,770	1,743	2,852	2,000	2,000
701	5301	Office Supplies	1,790	3,455	1,888	2,300	2,300
601	5301	Office Supplies	1,630	3,574	1,827	3,300	3,300
		TOTAL	<b>21,322</b>	<b>25,579</b>	<b>21,911</b>	<b>20,400</b>	<b>20,350</b>
420	5302	Printing	0	0	0	0	0
601	5302	Printing	966	956	1,018	900	900
		TOTAL	<b>966</b>	<b>956</b>	<b>1,018</b>	<b>900</b>	<b>900</b>
410	5303	Postage	5,439	2,492	2,039	3,000	3,000
701	5303	Postage	3,333	4,275	4,685	4,500	5,000
601	5303	Postage	3,333	4,275	4,694	4,500	5,000
		TOTAL	<b>12,105</b>	<b>11,043</b>	<b>11,417</b>	<b>12,000</b>	<b>13,000</b>
403	5304	Code Updates	5,372	12,009	2,110	3,000	3,000
		TOTAL	<b>5,372</b>	<b>12,009</b>	<b>2,110</b>	<b>3,000</b>	<b>3,000</b>
410	5305	Equipment Rental	11,456	12,417	10,522	12,000	12,000
511	5305	Equipment Rental	0	0	0	0	5,000
565	5305	Equipment Rental	4,659	5,187	6,583	5,000	5,000
		TOTAL	<b>16,115</b>	<b>17,604</b>	<b>17,106</b>	<b>17,000</b>	<b>22,000</b>
511	5305	Small Equipment	0	0	0	2,600	3,000
		TOTAL	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,600</b>	<b>3,000</b>
403	5306	Advertising - Legal	4,641	3,152	3,153	3,500	3,500
565	5306	Advertising - Legal	971	1,079	930	3,500	3,000
		TOTAL	<b>5,612</b>	<b>4,230</b>	<b>4,082</b>	<b>7,000</b>	<b>6,500</b>
410	5307	Office Equipment	0	0	1,076	0	0
		TOTAL	<b>0</b>	<b>0</b>	<b>1,076</b>	<b>0</b>	<b>0</b>
402	5401	Membership & Publications	0	660	810	1,000	800
403	5401	Membership & Publications	575	401	525	800	800
404	5401	Membership & Publications	23	23	0	50	0
410	5401	Membership & Publications	5,330	4,743	3,382	5,500	4,000
420	5401	Membership & Publications	434	680	701	800	800
558	5401	Membership & Publications	0	0	0	1,000	1,200
565	5401	Membership & Publications	1,848	1,761	2,259	1,500	2,000
701	5401	Membership & Publications	256	256	269	400	400
601	5401	Membership & Publications	5,482	5,037	5,329	7,000	7,000
		TOTAL	<b>13,947</b>	<b>13,561</b>	<b>13,275</b>	<b>18,050</b>	<b>17,000</b>
401	5402	Travel & Training	7,759	11,522	15,309	15,000	12,000
402	5402	Travel & Training	3,301	2,443	4,232	3,000	2,000
403	5402	Travel & Training	505	1,112	2,322	2,000	4,000
404	5402	Travel & Training	0	0	0	0	0
410	5402	Travel & Training	368	702	896	800	800
420	5402	Travel & Training	1,557	3,289	1,519	2,000	2,000
558	5402	Travel & Training	451	494	335	2,000	2,500
565	5402	Travel & Training	7,299	4,823	4,332	5,000	5,000
701	5402	Travel & Training	946	395	1,244	2,000	4,000
601	5402	Travel & Training	531	4,382	2,046	3,000	5,000
		TOTAL	<b>22,716</b>	<b>29,163</b>	<b>32,235</b>	<b>34,800</b>	<b>37,300</b>

Preliminary 6-27-13

## ACCOUNT TOTALS

DEPT	ACCT	DESCRIPTION	2009-10 Actual	2010-11 Actual	2011-12 Actual	2012-13 Budget	2013-14 Proposed
511	5501	Operational Supplies	0	0	0	0	8,800
558	5501	Operational Supplies	0	0	0	0	1,500
701	5501	Operational Supplies	0	0	876	450	2,600
601	5501	Operational Supplies	0	0	524	450	450
		TOTAL	<b>0</b>	<b>0</b>	<b>1,400</b>	<b>900</b>	<b>13,350</b>
511	5502	Chemicals / Analysis	0	0	0	0	5,000
701	5502	Chemicals / Analysis	51,954	55,082	46,688	50,000	50,000
601	5502	Chemicals / Analysis	32,693	38,387	31,158	35,000	35,000
		TOTAL	<b>84,647</b>	<b>93,469</b>	<b>77,847</b>	<b>85,000</b>	<b>90,000</b>
558	5503	Tools	264	844	1,216	4,500	4,000
701	5503	Tools	107	78	230	900	2,000
601	5503	Tools	260	109	561	900	900
		TOTAL	<b>631</b>	<b>1,031</b>	<b>2,007</b>	<b>6,300</b>	<b>6,900</b>
558	5504	Laundry / Uniforms	832	703	609	750	750
701	5504	Laundry / Uniforms	629	501	236	700	700
601	5504	Laundry / Uniforms	662	501	236	700	700
		TOTAL	<b>2,124</b>	<b>1,704</b>	<b>1,082</b>	<b>2,150</b>	<b>2,150</b>
601	5505	Meter Expense	6,041	1,385	7,776	5,700	5,700
		TOTAL	<b>6,041</b>	<b>1,385</b>	<b>7,776</b>	<b>5,700</b>	<b>5,700</b>
511	5506	Fuel - Vehicles	0	3,462	5,312	5,000	7,000
558	5506	Fuel - Vehicles	4,863	4,898	7,416	9,000	9,000
701	5506	Fuel - Vehicles	4,863	4,898	7,352	7,000	7,000
601	5506	Fuel - Vehicles	4,863	4,898	7,352	7,000	7,000
		TOTAL	<b>14,590</b>	<b>18,157</b>	<b>27,432</b>	<b>28,000</b>	<b>30,000</b>
511	5507	Maintenance - Vehicles	0	533	2,645	3,000	2,000
558	5507	Maintenance - Vehicles	4,426	2,362	3,535	4,000	6,000
701	5507	Maintenance - Vehicles	900	1,210	2,984	2,000	2,000
601	5507	Maintenance - Vehicles	900	1,210	1,573	2,000	2,000
		TOTAL	<b>6,227</b>	<b>5,315</b>	<b>10,737</b>	<b>11,000</b>	<b>12,000</b>
558	5508	Landscape Maintenance Program	0	0	68	0	0
		TOTAL	<b>0</b>	<b>0</b>	<b>68</b>	<b>0</b>	<b>0</b>
511	5509	Maintenance / Repair	0	14,439	15,736	80,000	80,000
511	5509	Maintenance / Repair	29,884	12,282	9,271	13,000	12,000
511	5509	Maintenance / Repair	0	2,248	3,120	3,300	3,300
545	5509	Maintenance / Repair	0	0	0	15,000	15,000
558	5509	Maintenance / Repair	37,480	40,947	32,574	50,000	50,000
558	5509	Maintenance / Repair	674	1,500	4,977	2,500	2,500
565	5509	Maintenance / Repair	74	51	42	1,000	1,000
701	5509	Maintenance / Repair	48,492	32,735	39,416	45,000	45,000
601	5509	Maintenance / Repair	18,634	11,853	106,738	50,000	50,000
		TOTAL	<b>135,240</b>	<b>116,054</b>	<b>211,873</b>	<b>259,800</b>	<b>258,800</b>
558	5510	Safety Equipment	1,031	882	868	950	1,500
701	5510	Safety Equipment	445	481	750	950	2,000
601	5510	Safety Equipment	445	481	750	950	2,000
		TOTAL	<b>1,920</b>	<b>1,843</b>	<b>2,368</b>	<b>2,850</b>	<b>5,500</b>

## ACCOUNT TOTALS

DEPT	ACCT	DESCRIPTION	2009-10 Actual	2010-11 Actual	2011-12 Actual	2012-13 Budget	2013-14 Proposed
558	5511	Building Maintenance/Signs	0	645	1,978	2,000	2,000
		TOTAL	0	645	1,978	2,000	2,000
410	5601	Data Processing Contract Maintenance	0	0	0	0	0
420	5601	Data Processing Contract Maintenance	4,273	4,273	4,233	5,000	5,000
701	5601	Data Processing Contract Maintenance	799	900	900	1,300	1,300
601	5601	Data Processing Contract Maintenance	799	900	900	1,300	1,300
		TOTAL	5,871	6,072	6,032	7,600	7,600
410	5602	Internet Access / Website Maintenance	9,996	1,330	5,965	7,000	8,000
		TOTAL	9,996	1,330	5,965	7,000	8,000
401	5603	Computer Maintenance & Software	745	1,845	592	2,000	2,000
402	5603	Computer Maintenance & Software	992	570	0	500	500
403	5603	Computer Maintenance & Software	254	1,514	1,388	1,000	1,000
404	5603	Computer Maintenance & Software	0	0	0	0	0
410	5603	Computer Maintenance & Software	4,374	12,013	5,532	10,000	9,000
420	5603	Computer Maintenance & Software	1,254	2,058	815	2,500	2,500
558	5603	Computer Maintenance & Software	0	0	1,616	475	475
565	5603	Computer Maintenance & Software	1,936	1,468	2,457	3,500	3,500
701	5603	Computer Maintenance & Software	0	86	223	1,000	1,000
601	5603	Computer Maintenance & Software	0	505	318	1,000	2,000
		TOTAL	9,555	20,059	12,940	21,975	21,975
404	5701	Telephone	0	0	0	0	0
410	5701	Telephone	3,780	4,078	3,696	3,800	3,800
511	5701	Telephone	2,155	2,988	2,836	3,600	3,400
558	5701	Telephone	1,140	1,258	1,335	2,300	2,300
565	5701	Telephone	3,641	3,911	4,128	3,600	3,600
701	5701	Telephone	6,592	7,300	7,654	6,500	6,500
601	5701	Telephone	10,142	10,614	10,844	10,000	10,000
		TOTAL	27,451	30,148	30,493	29,800	29,600
410	5702	Utilities - Gas	666	697	841	800	900
510	5702	Utilities - Gas	1,710	2,952	2,651	2,800	2,800
		TOTAL	2,376	3,649	3,492	3,600	3,700
410	5703	Utilities - Electric	8,218	9,042	8,280	9,000	9,000
501	5703	Utilities - Electric	3,962	4,441	3,694	4,000	4,000
510	5703	Utilities - Electric	2,895	2,790	3,088	3,500	3,500
511	5703	Utilities - Electric	6,496	7,523	7,815	7,500	7,500
550	5703	Utilities - Electric	44,843	49,545	49,852	55,000	55,000
558	5703	Utilities - Electric	0	0	2,000	950	950
558	5703	Utilities - Electric	816	881	935	900	900
565	5703	Utilities - Electric	1,923	2,062	2,473	2,500	2,500
701	5703	Utilities - Electric	82,088	93,254	99,364	95,000	95,000
601	5703	Utilities - Electric	96,918	107,682	95,451	110,000	110,000
		TOTAL	248,159	277,220	272,951	288,350	288,350
410	5704	Utilities - Water	1,530	1,212	1,088	1,800	1,800
510	5704	Utilities - Water	1,530	1,212	1,088	1,800	1,800
511	5704	Utilities - Water	45,500	38,861	34,552	46,000	46,000
558	5704	Utilities - Water	39,067	25,116	18,589	32,000	32,000
558	5704	Utilities - Water	19,306	17,876	14,921	22,000	22,000
701	5704	Utilities - Water	11,882	14,724	11,253	13,000	13,000
		TOTAL	118,813	99,001	81,491	116,600	116,600
410	5705	Utilities - Sewer	858	858	858	900	900
		TOTAL	858	858	858	900	900

## ACCOUNT TOTALS

DEPT	ACCT	DESCRIPTION	2009-10 Actual	2010-11 Actual	2011-12 Actual	2012-13 Budget	2013-14 Proposed
511	5801	Buelltton Recreation Program	108,503	72,118	51,763	75,000	67,000
511	5801	Buelltton Recreation Program	933	12,958	25,369	15,000	35,000
		TOTAL	109,436	85,077	77,132	90,000	102,000
511	5802	Buelltton Rec Program Trips	28,890	19,487	19,708	20,000	20,000
		TOTAL	28,890	19,487	19,708	20,000	20,000
410	5804	Animal Control	29,097	29,097	29,970	31,500	32,306
		TOTAL	29,097	29,097	29,970	31,500	32,306
410	5805	Visitors Bureau	135,365	115,167	114,888	123,962	312,450
		TOTAL	135,365	115,167	114,888	123,962	312,450
410	5806	Newsletter	7,473	4,513	5,236	0	0
		TOTAL	7,473	4,513	5,236	0	0
410	5807	Community Organization Support	33,666	42,862	65,264	55,000	70,000
410	5807	Undesignated Miscellaneous Support	0	0	0	15,000	2,000
		TOTAL	33,666	42,862	65,264	70,000	72,000
410	5808	Miscellaneous Recognition Items	7,334	8,333	5,790	3,500	3,500
		TOTAL	7,334	8,333	5,790	3,500	3,500
401	5809	Election Expense	553	2,775	553	5,000	0
403	5809	Election Expense	0	0	0	0	1,500
		TOTAL	553	2,775	553	5,000	1,500
410	5812	SB Co Mental Health Mobile Crisis Svcs.	2,169	2,169	2,337	2,430	2,525
		TOTAL	2,169	2,169	2,337	2,430	2,525
580	5818	Housing Assistance	3,624	604	0	0	0
580	5818	Mobile Home Repair	0	0	0	3,450	3,000
		TOTAL	3,624	604	0	3,450	3,000
511	5820	Zaca Creek	0	4,310	46,637	0	0
		TOTAL	0	4,310	46,637	0	0
511	5820	Golf Course Renovation	0	0	14,076	25,000	0
		TOTAL	0	0	14,076	25,000	0
411	6002	Property Acquisition Fees	450	0	0	0	0
		TOTAL	450	0	0	0	0
420	6004	Audit	6,167	7,222	5,440	7,350	7,100
701	6004	Audit	6,169	7,219	5,438	7,350	7,100
601	6004	Audit	6,169	7,219	5,438	7,350	7,100
		TOTAL	18,505	21,660	16,315	22,050	21,300
402	6005	Recruitment Expense	21,688	0	0	0	0
410	6005	Recruitment Expense	2,773	2,472	4,666	2,500	2,500
		TOTAL	24,461	2,472	4,666	2,500	2,500

## ACCOUNT TOTALS

DEPT	ACCT	DESCRIPTION	2009-10 Actual	2010-11 Actual	2011-12 Actual	2012-13 Budget	2013-14 Proposed
701	6007	Depreciation	170,608	164,434	174,089	175,000	175,000
601	6007	Depreciation	166,943	168,832	154,097	167,000	167,000
		TOTAL	<b>337,551</b>	<b>333,265</b>	<b>328,186</b>	<b>342,000</b>	<b>342,000</b>
553	6008	TCRF Audit	101,102	0	0	0	0
		TOTAL	<b>101,102</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
410	6009	LAFCO Contribution	1,567	1,646	1,340	1,700	1,700
		TOTAL	<b>1,567</b>	<b>1,646</b>	<b>1,340</b>	<b>1,700</b>	<b>1,700</b>
545	6011	Regulatory Compliance	0	600	4,852	1,000	6,000
701	6011	Regulatory Compliance	12,006	10,860	13,163	19,500	20,000
601	6011	Regulatory Compliance	10,365	9,396	22,663	22,000	22,000
		TOTAL	<b>22,372</b>	<b>20,856</b>	<b>40,678</b>	<b>42,500</b>	<b>48,000</b>
410	6012	Transfer to Other Funds	0	0	0	0	0
		TOTAL	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
601	6013	State Water Project	901,424	946,204	947,268	1,000,000	1,000,000
		TOTAL	<b>901,424</b>	<b>946,204</b>	<b>947,268</b>	<b>1,000,000</b>	<b>1,000,000</b>
601	6014	Santa Ynez River Appropriations	7,929	4,980	4,356	6,300	6,300
		TOTAL	<b>7,929</b>	<b>4,980</b>	<b>4,356</b>	<b>6,300</b>	<b>6,300</b>
565	6016	Code Enforcement Expense	58	2,539	46	1,000	1,000
		TOTAL	<b>58</b>	<b>2,539</b>	<b>46</b>	<b>1,000</b>	<b>1,000</b>
410	6017	Emergency Operations	6,975	4,600	1,651	2,000	2,000
		TOTAL	<b>6,975</b>	<b>4,600</b>	<b>1,651</b>	<b>2,000</b>	<b>2,000</b>
557	6101	Development Permit Processing	4,205	4,355	1,753	4,000	4,000
		TOTAL	<b>4,205</b>	<b>4,355</b>	<b>1,753</b>	<b>4,000</b>	<b>4,000</b>
565	6102	Bev Container Recycle Program	0	0	5,042	0	0
		TOTAL	<b>0</b>	<b>0</b>	<b>5,042</b>	<b>0</b>	<b>0</b>
404	6204	Contract Services	142,971	132,089	174,043	125,000	125,000
411	6201	Contract Services	0	0	0	0	0
420	6201	Contract Services	14,240	11,486	12,979	12,000	49,500
501	6201	Contract Services	1,577,179	1,625,211	1,152,887	1,582,656	1,697,174
510	6201	Contract Services	71,000	74,550	74,550	78,278	87,278
511	6201	Contract Services	114,100	99,176	136,883	125,000	90,000
545	6201	Contract Services	173,182	137,771	141,891	135,000	135,000
553	6201	Contract Services	100,000	0	0	0	0
554	6201	Contract Services	44,460	23,793	23,218	38,991	26,000
555	6201	Contract Services	25,885	25,342	28,643	35,000	35,000
557	6201	Contract Services	83,660	69,446	74,865	60,000	60,000
557	6201	Contract Services	5,715	0	0	0	0
557	6201	Contract Services	9,765	395	31,622	42,983	25,000
557	6201	Contract Services	49,400	45,213	41,655	25,000	35,000
558	6201	Contract Services	26,014	50,537	42,609	42,000	47,000
558	6201	Contract Services	74,182	71,128	82,213	89,000	89,000
559	6201	Contract Services	0	0	15,759	15,000	15,000
560	6201	Contract Services	495,114	0	0	0	0
560	6201	Contract Services	0	3,087	55,700	91,213	50,000
565	6201	Contract Services	81,439	31,771	44,976	15,000	60,000
580	6201	Contract Services	0	0	0	0	0
701	6201	Contract Services	200,607	163,782	87,134	158,000	180,000
601	6201	Contract Services	39,929	16,877	18,696	26,000	30,000
		TOTAL	<b>3,328,842</b>	<b>2,581,654</b>	<b>2,240,322</b>	<b>2,696,121</b>	<b>2,835,952</b>

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## ACCOUNT TOTALS

DEPT	ACCT	DESCRIPTION	2009-10 Actual	2010-11 Actual	2011-12 Actual	2012-13 Budget	2013-14 Proposed
511	6202	Contract Services - Engineering	885	0	0	0	0
557	6202	Contract Services - Engineering	51,480	0	10,525	0	0
558	6202	Contract Services - Engineering	15,382	0	0	0	0
559	6202	Contract Services - Engineering	4,038	51,373	39,716	30,000	25,000
565	6202	Contract Services - Engineering	30,070	15,123	10,160	10,000	8,000
701	6202	Contract Services - Engineering	19,578	4,435	3,565	25,000	35,000
601	6202	Contract Services - Engineering	29,938	1,350	2,148	10,000	10,000
		TOTAL	<b>151,369</b>	<b>72,281</b>	<b>66,114</b>	<b>75,000</b>	<b>78,000</b>
511	6207	Administrative Overhead	15,000	15,000	0	0	0
		TOTAL	<b>15,000</b>	<b>15,000</b>	<b>0</b>	<b>0</b>	<b>0</b>
501	6208	Fire Department Contract	160,276	174,536	193,892	201,000	182,000
		TOTAL	<b>160,276</b>	<b>174,536</b>	<b>193,892</b>	<b>201,000</b>	<b>182,000</b>
559	6212	Lompoc-SYV Transit Project	20,000	20,000	20,000	20,000	20,000
559	6212	SYVT Dial-A-Ride Subsidy	0	0	1,100	1,650	1,650
559	6212	Breeze Extension Pilot	0	0	0	24,100	24,100
		TOTAL	<b>20,000</b>	<b>20,000</b>	<b>21,100</b>	<b>45,750</b>	<b>45,750</b>
401	6301	Miscellaneous	2,996	5,714	1,065	1,000	1,000
402	6301	Miscellaneous	1,416	452	0	500	500
403	6301	Miscellaneous	2,551	2,202	1,693	2,000	1,000
404	6301	Miscellaneous	9	0	0	0	0
410	6301	Miscellaneous	3,282	8,200	4,359	3,600	5,000
420	6301	Miscellaneous	7	135	479	200	200
511	6301	Miscellaneous	886	2,073	2,511	1,000	1,500
565	6301	Miscellaneous	2,741	2,942	658	1,000	1,000
701	6301	Miscellaneous	1,455	2,244	2,386	1,200	1,000
601	6301	Miscellaneous	2,807	3,188	4,716	2,200	2,200
		TOTAL	<b>18,150</b>	<b>27,151</b>	<b>17,867</b>	<b>12,700</b>	<b>13,400</b>
410	6503	Vehicles	0	0	0	0	0
511	6503	Vehicles	0	0	0	0	0
558	6503	Vehicles	0	0	18,300	32,628	0
		TOTAL	<b>0</b>	<b>0</b>	<b>18,300</b>	<b>32,628</b>	<b>0</b>
402	6504	Office Furniture	6,207	0	0	0	0
403	6504	Office Furniture	0	0	0	0	0
420	6504	Office Furniture	0	0	0	0	0
565	6504	Office Furniture	0	0	0	0	0
		TOTAL	<b>6,207</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
401	6505	Computer Equipment	0	0	0	0	0
402	6505	Computer Equipment	0	0	0	0	0
403	6505	Computer Equipment	0	0	0	0	0
410	6505	Computer Equipment	3,677	0	0	0	0
420	6505	Computer Equipment	0	0	1,047	0	0
565	6505	Computer Equipment	0	0	1,067	0	0
		TOTAL	<b>3,677</b>	<b>0</b>	<b>2,114</b>	<b>0</b>	<b>0</b>
403	6506	Office Equipment	0	0	0	0	0
420	6506	Office Equipment	0	0	0	0	0
565	6506	Office Equipment	0	0	0	0	0
		TOTAL	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## ACCOUNT TOTALS

DEPT	ACCT	DESCRIPTION	2009-10 Actual	2010-11 Actual	2011-12 Actual	2012-13 Budget	2013-14 Proposed
410	6507	Improvements	0	0	0	0	0
511	6507	Improvements	14,491	528,963	42,124	0	0
553	6507	Improvements	0	0	899,224	100,000	100,000
557	6507	Improvements	0	0	90,131	70,575	75,000
557	6507	Improvements	0	0	0	0	0
557	6507	Improvements	59,092	89,085	89,361	251,555	150,000
558	6507	Improvements	0	2,214	0	0	78,500
559	6507	Improvements	0	0	0	6,500	0
560	6507	Improvements	0	0	133,109	0	0
560	6507	Improvements	0	0	248,647	478,862	230,600
		TOTAL	<b>73,583</b>	<b>620,262</b>	<b>1,502,595</b>	<b>907,492</b>	<b>634,100</b>
511	6508	Equipment	0	0	0	0	25,000
558	6508	Equipment	0	0	0	7,000	7,000
		TOTAL	<b>0</b>	<b>0</b>	<b>0</b>	<b>7,000</b>	<b>32,000</b>
<b>TOTAL EXPENDITURES</b>			<b>8,070,135</b>	<b>7,749,282</b>	<b>8,628,576</b>	<b>8,880,553</b>	<b>9,055,855</b>