



CITY OF BUELLTON

CITY COUNCIL AGENDA

**Regular Meeting of February 11, 2016 – 6:00 p.m.
City Council Chambers, 140 West Highway 246
Buellton, California**

Copies of staff reports or other written documentation relating to each item of business referred to on this Agenda are on file in the office of the City Clerk and are available for public inspection

CALL TO ORDER

Mayor Ed Andrisek

PLEDGE OF ALLEGIANCE

ROLL CALL

Council Members John Connolly, Leo Elovitz, Holly Sierra, Vice Mayor Dan Baumann, and Mayor Ed Andrisek

REORDERING OF AGENDA

PUBLIC COMMENTS

Speaker Slip to be completed and turned in to the City Clerk prior to commencement of meeting. Any person may address the Council on any subject pertaining to City business, including all items on the agenda not listed as a Public Hearing, including the Consent Agenda and Closed Session. Limited to three (3) minutes per speaker. By law, no action may be taken at this meeting on matters raised during Public Comments not included on this agenda.

CONSENT CALENDAR

(ACTION)

The following items are considered routine and non-controversial and 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 Any Council Member, the City Attorney, or the City Manager may request that an item be withdrawn from the Consent Agenda to allow for full discussion. Members of the Public may speak on Consent Agenda items during the Public Comment period.

- 1. Minutes of February 3, 2016 Special City Council Meeting**
- 2. Minutes of January 28, 2016 Regular City Council Meeting**
- 3. List of Claims to be Approved and Ratified for Payment to Date for Fiscal Year 2015-16**

PRESENTATIONS

PUBLIC HEARINGS**COUNCIL MEMBER COMMENTS****COUNCIL ITEMS****WRITTEN COMMUNICATIONS**

Written communications are included in the agenda packets. Any Council Member, the City Manager, or City Attorney may request that a written communication be read into the record.

COMMITTEE REPORTS

This Agenda listing is the opportunity for Council Members to give verbal Committee Reports on any meetings recently held for which the Council Members are the City representatives thereto.

BUSINESS ITEMS**(POSSIBLE ACTION)**

- 4. Discussion Regarding Additional Funding for the Buellton Library**
❖ (Staff Contact: City Manager Marc Bierdzinski)
- 5. Presentation and Direction on the Avenue of Flags Specific Plan**
❖ (Staff Contact: City Manager Marc Bierdzinski)
- 6. Annual Report for Fiscal Year 2014-15 (Revised) and Six-Month Report for Fiscal Year 2015-16 from the Buellton Visitor's Bureau**
❖ (Staff Contact: Finance Director Carolyn Galloway-Cooper)
- 7. Review of Comprehensive Annual Financial Report (CAFR) for Fiscal Year Ending June 30, 2015**
❖ (Staff Contact: Finance Director Carolyn Galloway-Cooper)

CITY MANAGER'S REPORT**CLOSED SESSION ITEM****(POSSIBLE ACTION)**

- 8. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION**
Significant exposure to litigation pursuant to Government Code section 54956.9, subdivision (d) (2) (one case).

ADJOURNMENT

The next meeting of the City Council will be held on Thursday, February 25, 2016 at 6:00 p.m.

CITY OF BUELLTON

SPECIAL CITY COUNCIL MEETING MINUTES

Special Meeting of February 3, 2016
City Council Chambers, 140 West Highway 246
Buellton, California

CALL TO ORDER

Mayor Andrisek called the Special Meeting to order at 5:00 p.m.

PLEDGE OF ALLEGIANCE

ROLL CALL

Present: Council Members John Connolly, Leo Elovitz, Holly Sierra, Vice Mayor Dan Baumann, and Mayor Ed Andrisek

Staff: City Manager Marc Bierdzinski and City Attorney Steve McEwen (Via Telephone)

PUBLIC COMMENTS

None

CLOSED SESSION ITEM

- 1. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION**
Significant exposure to litigation pursuant to Government Code section 54956.9, subdivision (d) (2) (one case).

The City Council met in closed session to discuss anticipated litigation. No reportable action was taken.

ADJOURNMENT

Mayor Andrisek adjourned the meeting at 6:37 p.m. The next regular City Council meeting is scheduled for Thursday, February 11, 2016 at 6:00 p.m.

Ed Andrisek
Mayor

ATTEST:

Linda Reid
City Clerk

CITY OF BUELLTON

CITY COUNCIL MEETING MINUTES
Regular Meeting of January 28, 2016
City Council Chambers, 140 West Highway 246
Buellton, California

CALL TO ORDER

Mayor Ed Andrisek called the meeting to order at 6:00 p.m.

PLEDGE OF ALLEGIANCE

Boy Scout Troup 41 led the Pledge of Allegiance

ROLL CALL

Present: Council Members John Connolly, Leo Elovitz, Holly Sierra, Vice Mayor Dan Baumann, and Mayor Ed Andrisek

Staff: City Manager Marc Bierdzinski, City Attorney Steve McEwen, Finance Director Carolyn Galloway-Cooper, Public Works Director Rose Hess, Contract Planner Irma Tucker, Assistant Planner Andrea Olson, and City Clerk Linda Reid

REORDERING OF AGENDA

None

PUBLIC COMMENTS

John Dorwin, Buellton, discussed the traffic accident on West Highway 246 and La Lata Drive and asked that the City Council review the incident.

Pam Gnekow, Buellton Senior Center Executive Director thanked Barbara Knecht and the Buellton Recreation Center for organizing three new recreation programs for seniors at the Senior Center.

CONSENT CALENDAR

- 1. Minutes of January 14, 2016 Regular City Council Meeting**
- 2. List of Claims to be Approved and Ratified for Payment to Date for Fiscal Year 2015-16**
- 3. Revenue and Expenditure Reports through December 31, 2015**

MOTION:

Motion by Council Member Sierra, seconded by Council Member Connolly, approving Consent Calendar Items 1, 2 and 3 as listed.

VOTE:

Motion passed by a roll call vote of 5-0.
 Council Member Connolly – Yes
 Council Member Elovitz – Yes
 Council Member Sierra– Yes
 Vice Mayor Baumann – Yes
 Mayor Andrisek – Yes

PRESENTATIONS

None

PUBLIC HEARINGS

- 4. Resolution No. 15-26 – “A Resolution of the City Council of the City of Buellton, California, Denying the Appeals and Approving the Mitigated Negative Declaration (15-MND-01) and Mitigation Monitoring and Reporting Program for the Live Oak Lanes Project Which Includes a Bowling Alley/Entertainment Center and Warehouse Facility on 5.08 Acres Located at 39 and 41 Industrial Way, Assessor’s Parcel Numbers 099-690-045 and 099-690-046”**

Resolution No. 15-27 – “A Resolution of the City Council of the City of Buellton, California, Denying the Appeals and Approving the Final Development Plan (13-FDP-03), Lot Line Adjustment (13-LLA-02) and Conditional Use Permit (13-CUP-02) for the Live Oak Lanes Project, Which Includes a Bowling Alley/Entertainment Center and Warehouse Facility on 5.08 Acres Located at 39 and 41 Industrial Way, Assessor’s Parcel Numbers 099-690-045 and 099-690-046” (Continued from November 12, 2015)

RECOMMENDATION:

That the City Council consider adoption of Resolution No. 15-26 and Resolution No. 15-27.

STAFF REPORT:

City Manager Bierdzinski presented the staff report.

SPEAKERS/DISCUSSION:

Correspondence regarding this item was received, distributed, and made part of the record from the following individuals:

- Sid Goldstien, Civil Engineer, Inc.
- Lew Eisaguirre, Terravant Wine Company
- Gordon Hensley, Environment in the Public Interest
- Dylan Johnson, Brownstein Hyatt Farber Schreck
- Matt Stoecker, Conservation Biologist

Mayor Andrisek opened the continued public hearing at 6:15 p.m.

Lew Eisaguirre, President of Terravant Wine Company, discussed his company's position regarding the appeal of the Live Oak Lanes project and provided a copy of his presentation for the record.

Matt Stoecker, Conservation Biologist, discussed his position regarding his appeal of the Live Oak Lanes project.

Carol Peterson, Project Applicant addressed the Council and discussed the proposed bowling alley project.

Sid Goldstien, Civil Engineer, representing Applicant Carol Peterson discussed his client's position regarding the appeal of the Live Oak Lanes project. Mr. Goldstien offered to meet with Matt Stoecker to address the environmental issues associated with the project.

Kevin Merk, Biologist with Kevin Merk and Associates discussed the biology issues associated with the Live Oak Lanes project. Mr. Merk addressed the points presented in Mr. Stoecker's letter and disagreed with Mr. Stoecker's arguments, as well as the arguments made by Gordon Hensley.

The following individuals spoke in support of the construction of Live Oak Lanes:

- Irene Covington
- Mike Hendrick
- Pam Gnekow
- Jim Dietenhoffer
- Kathy Vreeland
- Ron Anderson
- Billy Ames
- Mark Hemming

The following individuals spoke against the construction of Live Oak Lanes:

- Candice Meneghin, California Trout, Inc. (Provided a handout for the record)
- Gordon Hensley, Environment in the Public Interest
- Sethea Downey, Buellton

The Appellants (Lew Eisaguirre and Matt Stoecker) provided rebuttal arguments.

The Applicant's representatives (Kathleen Weinheimer and Sid Goldstien) provided rebuttal arguments.

There being no further public comment, Mayor Andrisek closed the Public Hearing at 9:25 p.m.

The City Council discussed the following issues:

- Drainage and biology conditions and mitigation measures
- Adding an additional condition for the Applicant to work with Matt Stoecker to mitigate erosion and biology issues
- The disputed property ownership on the project's east side
- Circulation issues
- Use of the common retention basin
- Installation of lighting along Industrial Way
- Connection of the project to the proposed trail system
- Adding a van service to get people to and from the bowling alley

DOCUMENTS:

Staff report with attachments as listed in the staff report.

MOTION:

Motion by Council Member Connolly, seconded by Council Member Sierra approving Resolution No. 15-26 – “A Resolution of the City Council of the City of Buellton, California, Denying the Appeals and Approving the Mitigated Negative Declaration (15-MND-01) and Mitigation Monitoring and Reporting Program for the Live Oak Lanes Project Which Includes a Bowling Alley/Entertainment Center and Warehouse Facility on 5.08 Acres Located at 39 and 41 Industrial Way, Assessor's Parcel Numbers 099-690-045 and 099-690-046”

Approving Resolution No. 15-27 - “A Resolution of the City Council of the City of Buellton, California, Denying the Appeals and Approving the Final Development Plan (13-FDP-03), Lot Line Adjustment (13-LLA-02) and Conditional Use Permit (13-CUP-02) for the Live Oak Lanes Project, Which Includes a Bowling Alley/Entertainment Center and Warehouse Facility on 5.08 Acres Located at 39 and 41 Industrial Way, Assessor's Parcel Numbers 099-690-045 and 099-690-046” with the following added condition: The Applicant shall work with the adjoining property owner to the south to minimize off-site drainage and biology impacts.

VOTE:

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

Council Member Connolly - Yes

Council Member Elovitz - Yes

Council Member Sierra - Yes

Vice Mayor Baumann - Yes

Mayor Andrisek – Yes

Mayor Andrisek called for a recess at 9:50 p.m.

Mayor Andrisek reconvened the meeting at 10:03 p.m.

COUNCIL MEMBER COMMENTS/ITEMS

Council Member Sierra requested that graffiti in the alley between Central and the Avenue of Flags be removed.

Council Member Sierra requested that staff agendize discussion regarding the accident on West Highway 246 where the resident was killed on December 7, 2015. City Manager Bierdzinski announced that he will agendize this issue after he receives the traffic collision report.

WRITTEN COMMUNICATIONS

None

COMMITTEE REPORTS

Council Member Sierra announced that she attended board meetings for Santa Barbara County Association of Governments (SBCAG) and Air Pollution Control District (APCD) and provided oral reports regarding the meetings.

Mayor Andrisek announced that he attended the Central Coast Water Authority (CCWA) Board Meeting and provided an oral report regarding the meeting.

BUSINESS ITEMS

- 5. Ordinance No. 16-01 – “An Ordinance of the City Council of the City of Buellton, California, Approving an Amendment to the Zoning Map (15-ZOA-02) from CR to M for a Portion of Assessor’s Parcel Number 099-690-048” (Second Reading)**

RECOMMENDATION:

That the City Council consider adoption of Ordinance No. 16-01.

STAFF REPORT:

City Manager Bierdzinski presented the staff report.

DOCUMENTS:

Staff report with attachments as listed in the staff report.

MOTION:

Motion by Vice Mayor Baumann, seconded by Council Member Elovitz, approving Ordinance No. 16-01 – “An Ordinance of the City Council of the City of Buellton, California, Approving an Amendment to the Zoning Map (15-ZOA-02) from CR to M for a Portion of Assessor’s Parcel Number 099-690-048” by title only and waive further reading.

VOTE:

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

Council Member Connolly - Yes

Council Member Elovitz - Yes

Council Member Sierra - Yes

Vice Mayor Baumann - Yes

Mayor Andrisek - Yes

6. Financial Report for the Second Quarter Ending December 31, 2015**RECOMMENDATION:**

That the City Council receive and file the Second Quarter Financial Report ending December 31, 2015.

STAFF REPORT:

Finance Director Galloway-Cooper presented the staff report.

DOCUMENTS:

Staff report with attachments as listed in the staff report.

DISCUSSION:

The City Council discussed the refund from the Department of Finance.

DIRECTION:

The Council agreed by consensus to receive and file the Second Quarter Financial Report ending December 31, 2015.

7. Resolution No. 16-02 – “A Resolution of the City Council of the City of Buellton, California, for the Purpose of Budget Amendments from Operational Changes Related to Fiscal Year 2015-16 through the Second Quarter Ending December 31, 2015”**RECOMMENDATION:**

That the City Council approve Resolution No. 16-02.

STAFF REPORT:

Finance Director Galloway-Cooper presented the staff report.

DOCUMENTS:

Staff report with attachments as listed in the staff report.

MOTION:

Motion by Council Member Sierra, seconded by Vice Mayor Baumann, approving Resolution No. 16-02 – “A Resolution of the City Council of the City of Buellton, California, for the Purpose of Budget Amendments from Operational Changes Related to Fiscal Year 2015-16 through the Second Quarter Ending December 31, 2015”

VOTE:

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

Council Member Connolly - Yes

Council Member Elovitz - Yes

Council Member Sierra - Yes

Vice Mayor Baumann - Yes

Mayor Andrisek – Yes

8. Consideration of Contract for Water and Sewer Rate Study**RECOMMENDATION:**

That the City Council award the contract for the Water and Sewer Rate Study in the amount of \$48,290 to Water Consultancy and authorize the City Manager to execute that contract.

STAFF REPORT:

Public Works Director Hess presented the staff report.

DOCUMENTS:

Staff report with attachments as listed in the staff report.

SPEAKERS/DISCUSSION:

Mr. Takaichi of Water Consultancy spoke about the importance of conducting a water and sewer rate study in order to ensure the City complies with Proposition 218.

The City Council discussed the following issues:

- The rate study must include all costs associated with the delivery of water, including operation, repair, and maintenance
- That the consultant work closely with staff and the water rate committee (consisting of Mayor Andrisek and Council Member Sierra)
- Proposition 218 requirements apply to all cities regardless of size

MOTION:

Motion by Council Member Sierra, seconded by Vice Mayor Baumann, awarding the contract for the Water and Sewer Rate Study in the amount of \$48,290 to Water Consultancy and authorizing the City Manager to execute the contract.

VOTE:

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

Council Member Connolly - Yes

Council Member Elovitz - Yes

Council Member Sierra - Yes

Vice Mayor Baumann - Yes

Mayor Andrisek – Yes

CITY MANAGER’S REPORT

City Manager Bierdzinski provided an informational report to the City Council.

ADJOURNMENT

Mayor Andrisek adjourned the regular meeting at 10:47 p.m. The next regular meeting of the City Council will be held on Thursday, February 11, 2016 at 6:00 p.m.

Ed Andrisek
Mayor

ATTEST:

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 **February 11, 2016** Council Meeting.

Listed below is a brief summary of the attached claims:

EXHIBIT A * A/P Packet #00147 \$ 2,614.49 (2 pages)

Total Packets: \$ 2,614.49

EXHIBIT B \$ 10,966.54

Staff Payroll 1/22/2016 \$ 36,513.73

Council Payroll 1/28/2016 \$ 2,198.13

TOTAL AMOUNT OF CLAIMS: Total Payroll: 38,711.86

\$ 52,292.89

* The A/P Packets above will be approved on Council Agenda date of 2/11/16.
 Checks to be signed on 2/11/2016 tie to A/P Packet #00147

Payments via Electronic Fund Transfer (EFT):

Bank Fees	1/29/16	19.50
Bank Fees	1/29/16	15.00
Bank Fees Prem Plus	1/29/16	65.00
Bank Fees	1/27/16	10.00
Payroll Taxes - Staff	1/25/16	2,218.60
Payroll Taxes - Staff	1/25/16	7,595.48
The Hartford Life Insurance	1/20/16	418.93
AFLAC	1/20/16	520.64
AFLAC	1/20/16	88.39
Bank Fees	1/19/16	15.00

Total \$ 10,966.54



Expense Approval Register

Packet: APPKT00147 - 2016-02-11 CC PAYMENT

Vendor Name	Payable Number	Post Date	Description (Item)	Account Number	Amount
Fund: 001 - General Fund					
SB CO SHERIFF'S DEPARTME	16-162	01/12/2016	Adams and Rogers Reports	001-501-60800	191.17
DONELLE MARTIN	INV0001738	01/15/2016	Pilates and Zumba Class	001-511-67140	200.00
LAURA COGAN	INV0001739	01/15/2016	Cycle Training	001-511-67140	30.00
MARIANNE MADSEN	INV0001740	01/15/2016	Yoga Class	001-511-67140	288.00
PETTY CASH	INV0001742	01/21/2016	Petty Cash Reconciliation	001-401-60710	30.68
PETTY CASH	INV0001742	01/21/2016	Petty Cash Reconciliation	001-410-67370	89.00
PETTY CASH	INV0001742	01/21/2016	Petty Cash Reconciliation	001-511-60250	38.40
PETTY CASH	INV0001742	01/21/2016	Petty Cash Reconciliation	001-511-67135	32.95
PETTY CASH	INV0001742	01/21/2016	Petty Cash Reconciliation	001-511-67140	59.97
PETTY CASH	INV0001742	01/21/2016	Petty Cash Reconciliation	001-565-61130	12.96
PETTY CASH	INV0001742	01/21/2016	Petty Cash Reconciliation	001-565-61130	5.07
PETTY CASH	INV0001742	01/21/2016	Petty Cash Reconciliation	001-565-61131	6.47
FARM SUPPLY COMPANY	15984	01/06/2016	Overshoe 17" Men's Large	001-558-67600	35.63
FARM SUPPLY COMPANY	15994	01/06/2016	Boot PVC 16" Size 8 Norcross	001-558-67600	21.59
CalPERS LONG-TERM CARE P	INV0001530	01/08/2016	Long Term Care	001-22166	84.25
HOME DEPOT CREDIT SERVI	6564156	10/15/2015	Assorted tools and equipme	001-552-61140	60.01
HOME DEPOT CREDIT SERVI	6564156	10/15/2015	Assorted tools and equipme	001-558-61127	74.49
HOME DEPOT CREDIT SERVI	7172748	11/13/2015	Return	001-558-61127	-3.29
HOME DEPOT CREDIT SERVI	3140644	11/27/2015	Husky 8 gal & 16 Gallon Ridgi	001-558-61127	128.39
HOME DEPOT CREDIT SERVI	5584330	11/05/2015	Batteries & Charger & workli	001-558-61127	70.55
HOME DEPOT CREDIT SERVI	9081675	12/11/2015	Return	001-558-73500	-15.41
ALBERTSONS, LLC.	INV0001741	12/24/2015	10/26-12/3 Misc Maint Item	001-410-60900	95.67
ALBERTSONS, LLC.	INV0001741	12/24/2015	10/26-12/3 Misc Maint Item	001-558-61140	23.96
HOME DEPOT CREDIT SERVI	6902108	12/04/2015	18 Volt One Dual Power Wor	001-558-73500	223.56
Fund 001 - General Fund Total:					1,784.07
Fund: 005 - Sewer Fund					
PETTY CASH	INV0001742	01/21/2016	Petty Cash Reconciliation	005-701-61131	9.14
ABALONE COAST ANALYTICA	2698	01/04/2016	12/15 - Chemicals/Analysis	005-701-61111	457.00
HOME DEPOT CREDIT SERVI	5584330	11/05/2015	Batteries & Charger & workli	005-701-61127	70.55
ALBERTSONS, LLC.	INV0001741	12/24/2015	10/26-12/3 Misc Maint Item	005-701-61140	43.56
Fund 005 - Sewer Fund Total:					580.25
Fund: 020 - Water Fund					
PETTY CASH	INV0001742	01/21/2016	Petty Cash Reconciliation	020-601-61131	8.59
ABALONE COAST ANALYTICA	2698	01/04/2016	12/15 - Chemicals/Analysis	020-601-61111	171.00
HOME DEPOT CREDIT SERVI	5584330	11/05/2015	Batteries & Charger & workli	020-601-61127	70.58
Fund 020 - Water Fund Total:					250.17
Grand Total:					2,614.49

Report Summary

Fund Summary

Fund	Expense Amount
001 - General Fund	1,784.07
005 - Sewer Fund	580.25
020 - Water Fund	250.17
Grand Total:	2,614.49

Account Summary

Account Number	Account Name	Expense Amount
001-22166	Long-Term Care Deducti	84.25
001-401-60710	Travel & Training	30.68
001-410-60900	Miscellaneous	95.67
001-410-67370	H/R Expense	89.00
001-501-60800	Contract Services	191.17
001-511-60250	Maintenance/Repair	38.40
001-511-67135	Buelltton Rec Program Tr	32.95
001-511-67140	Buelltton Recreation Pro	577.97
001-552-61140	Operational Supplies	60.01
001-558-61127	Tools	270.14
001-558-61140	Operational Supplies	23.96
001-558-67600	Safety Equipment	57.22
001-558-73500	Equipment	208.15
001-565-61130	Office Supplies	18.03
001-565-61131	Postage	6.47
005-701-61111	Chemicals / Analysis	457.00
005-701-61127	Tools	70.55
005-701-61131	Postage	9.14
005-701-61140	Operational Supplies	43.56
020-601-61111	Chemicals / Analysis	171.00
020-601-61127	Tools	70.58
020-601-61131	Postage	8.59
Grand Total:	2,614.49	

Project Account Summary

Project Account Key	Expense Amount
None	2,614.49
Grand Total:	2,614.49

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: Marc Bierdzinski, City Manager

Meeting Date: February 11, 2016

Subject: Discussion Regarding Additional Funding for the Buellton Library

BACKGROUND

The City Council requested an agenda item to discuss having the Buellton Library open 6-days a week instead of the current 5-day a week schedule (closed on Thursdays). Jessica Cadiente, Acting Library Director for the Santa Barbara Library System, has provided the attached draft budget (Attachment 1) for the 6-day schedule. The estimated cost would be an additional \$50,000 per year along with the current City library funding of \$91,641.

This budget amount represents changing a shared 20-hour position with Solvang to a new full-time position overseeing just Buellton. This would impact the City of Solvang as they would also need to fund a full-time position overseeing Solvang. A full-time position would allow additional program and services to be offered at the Buellton Library. I have notified the Solvang City Manager regarding this item and the potential impact to their budget.

Ms. Cadiente will be in attendance at the City Council meeting to answer questions regarding having the Buellton Library open 6-days a week, including the reasons a full-time position is needed.

FISCAL IMPACTS

The estimated fiscal impact to the Fiscal Year 2016-2017 budget for opening the library for 6-days would be \$91,641 plus \$50,000, for a total of \$141,641. This is an estimate at this time and may change once the City of Santa Barbara finalizes the budget for the Buellton Library.

RECOMMENDATION

That the City Council review the information and provide direction to staff.

ATTACHMENT

Attachment 1 – Draft Buellton Library Budget

ATTACHMENT 1

Buellton Library at \$7.80 per capita	FY 16-17 Buellton
REVENUES	43
County per capita total 10994/10995	85,777
Fines, fees	7,930
Interest	250
DRAFT	
BOOKSALE	2,000
CITY CONTRIBUTIONS	91,641
FRIENDS AND DONATIONS	250
LIBRARY FOUNDATION	0
TOTAL REVENUES	\$ 187,848

EXPENDITURES	43 hours
SALARIES & BENEFITS	\$ 160,407
SUPPLIES AND SERVICES	4,000
BLACK GOLD FEE	27,000
UNIQUE MANAGEMENT FEES	1,500
S.B. CITY OVERHEAD	10,575
ADMINISTRATIVE FEE	7,720
UTILITIES	1,140
BOOK ACQUISITIONS	25,000
TOTAL EXPENDITURES	\$ 237,342

\$ (49,494)

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, City Manager
Irma Tucker, Contract City Planner

Meeting Date: February 11, 2016

Subject: Presentation and Direction on the Avenue of Flags Specific Plan

BACKGROUND

On March 12, 2015, the City Council authorized Staff and the City’s Consultant Team (“Project Team”) to proceed with preparation of a Specific Plan for The Avenue of Flags. Initial steps in the process were: to hold public workshops in order to confirm the land uses, circulation, economic development, and design components that the community desires in the Avenue of Flags area; and to prepare a concept urban design plan based on feedback from the public workshops, the Buellton Vision Plan 2012 and related planning studies.

The public workshops were held on June 27 and October 21, 2015, and the concept plan was presented to the Planning Commission at two workshops, held on December 3, 2015 and January 21, 2016. The concept urban design plan, along with Planning Commission comments as well as ideas/suggestions from staff, the consultant team and the community, is now being presented in a workshop to the City Council for feedback and direction before a final Specific Plan document is prepared.

The Vision

The Avenue of Flags has the potential to be the “heart” of Buellton. This was clearly recognized by the Vision Plan 2012 in which one of the goals (Goal 5) is to create a vibrant downtown based on The Avenue.

The following Vision Statement for The Avenue of Flags – Downtown District is set forth in the Vision Plan:

An architecturally distinctive and economically robust downtown district that integrates commercial, mixed-use and high-density residential units fostering an attractive, vibrant and pedestrian friendly downtown village environment.

Featuring a central plaza, refined traffic pattern, ample parking, and walking paths/bikeways, Buellton provides a “signature destination experience” and promotes a “village style” commercial/residential district offering an exciting place to live, work and attract tourists.

The Vision planning priorities for The Avenue Specific Plan include:

- Robust activity
- Attractive appearance
- Public space for events
- An environment that encourages walking
- Enhanced parking and circulation for vehicles

The Specific Plan provides the appropriate regulatory mechanism to accomplish the Vision.

- It comprehensively considers land use, circulation, urban design, and economics to create a realistic and achievable way to encourage development consistent with the Vision.
- It encourages a partnership of public and private interests in order to achieve attractive and sustainable development on The Avenue that not only improves the local economy, but also provides a focal point for the community as a center of public activity.
- It provides clear direction for both the community and development interests, provides incentives where appropriate, and removes regulatory barriers that hinder creative and cohesive development patterns and architecture on The Avenue that are not easily achievable within the framework of the City’s existing General Plan and Municipal Code.

The backbone of the Specific Plan is the urban design concept plan, which is presented in this staff report and attachments. Subsequent to Council direction, the Project Team will proceed with formal preparation of the formal draft Specific Plan document.

Planning Commission Comments

On December 3, 2015 and January 21, 2016, the Planning Commission held Workshops on the Avenue of Flags Specific Plan, at which time the urban design concept plan was presented, which included land use, parking, urban design framework, circulation pattern, form-based code, architectural design styles, median design and façade standards, and conceptual design details along with economic development strategies and preliminary phasing. At the Planning Commission workshops, general consensus was reached on the items summarized below; additional comments are noted in the urban design concept plan discussion on the following pages.

Consensus Items

- Yes - Proposed **Road Alignment and Circulation** is good; the proposal retains existing general configuration, with one “sharrow” lane in each direction

(accommodating bicycles and vehicles), combined with slower speed limits, traffic calming and pedestrian safety elements

- Yes - **Roundabout at southbound freeway off-ramp** onto Avenue of Flags is desired; discussions with Caltrans to be initiated as soon as possible, and implementation of approved plans to be pursued in future phase of Specific Plan.
- No - **Roundabout at Damassa** is not recommended
- Yes – Proposed use of **medians for public spaces** is good in concept, with details and modifications to evolve during the planning process
- Yes - **Form-Based Code** is desired
- Yes – allowable **Building Heights** to be at least 45 feet by right, with incentives to go higher (except Comm. Heedy felt that the base height of 45 feet should be incentivized)
- Yes –distinctive **Design Styles**, unique to Buellton – craftsman, ranch, agrarian, along with a few buildings in art deco/50's motif or other style unique to Buellton (depending on the particular site and on a limited number of sites only)
- No – **Mission Revival Style** on The Avenue is not recommended
- Yes – **Economic Development** incentives

Urban Design Concept Plan

The Urban Design Concept Plan is discussed below and presented in the accompanying attachments. In regards to the center Medians on The Avenue, the concept plan shows proposed general uses (function/purpose); the potential layouts and building forms/designs are intended as examples, planning placeholders and for inspiration. Final layout of Medians, clustering of structures, choice of building forms, and design style, will be determined during the implementation stage, taking into consideration specific use, programming and budget factors.

A. Land Use & Parking

1. Avenue of Flags Specific Plan Area map - medians and area-wide potential redevelopment parcels [**Attachment 1**]
2. Potential buildout projections, including land uses, density, and parking demand [**Attachment 2**]
3. Parking analysis – public parking along median areas and projected new demand (public and private) [**Attachment 3**]

In order to meet future parking demand, strategies such as creation of a parking district, construction of City parking lots/structures, shared private lots, secondary parking behind businesses, and combination parking structure/private development (with allowable uses) will be considered. Peak parking demands for special events to be addressed via special parking arrangements.

4. List of allowable land uses [**Attachment 4**]

B. Urban Design & Circulation Pattern

1. Concept Site Plan, Avenue of Flags [**Attachment 5a**] – shows conceptual urban design framework, circulation pattern, building clusters, and potential general use categories for the specific plan area north of Highway 246.
 - a) Concept Plan graphics are focused on the northerly portion of the Avenue of Flags and adjacent properties as improvements to the City-owned medians in this area can most readily serve as a catalyst for rejuvenation of Buellton’s downtown and entire specific plan area.
 - b) The areas south of Highway 246 as well as redevelopment areas 1, 3a&b, 7, and 8 have been included in the buildout projections in Section A above; graphic depictions of these areas will be developed as the specific plan process moves forward.
2. Alternate Concept Plan [**Attachment 5b**] - incorporates Planning Commission comments and suggestions from the public and the project team / staff, such as:
 - a) Open / flex space with pavers and shade on Median 2, suitable to use for larger events and farmer’s markets, delete kiosks
 - b) Relocate Event Barn to north end of Median 2; the Event Barn received overall favorable comments
 - c) Between Medians 2 and 3, leave vehicular pass-thru open for general use, with the option of using bollards to close this access for events

Alternatives and suggestions are noted throughout the discussion and attachments to reflect suggested items including:

- d) Apply form based code approach to the medians; define purpose / functions of each median; allow flexibility to adjust building size, form and configuration, depending on uses and activities.
 - e) In particular, design of Medians 2, 3 and 4 to allow refinements and enhancements that are responsive to the needs of specific users/uses to be programmed for the areas during the implementation and budgeting phase.
 - f) Median 3 should incorporate landmark architectural styles that make a signature statement for the City of Buellton,
 - g) Permanent trees and landscaping
 - h) Adequate separation/protection between pedestrian areas and roadways
 - i) Enhanced shade, gathering spaces and seating options
3. Circulation Pattern – generally maintains the existing pattern on The Avenue, with some modifications: one “sharrow” lane in each direction (accommodating bicycles and vehicles), combined with slower speed limits, traffic calming and pedestrian safety elements. The recommended circulation allows for direct access/visibility and minimal disruption to existing businesses on The Avenue; and provides parking in close proximity to businesses. Convenient access and nearby parking are key factors that contribute to long-term economic viability of businesses.

4. Form-based codes [**Attachment 6**] - presents a discussion of allowable building types along the street frontage and on the medians, common lot types, potential redevelopment of certain lots, and form-based vocabulary.
5. Median design and façade standards [**Attachment 7**] – illustrates potential uses on Medians 2, 3 and 4, along with design concepts of potential buildings on the medians. NOTE: the design details are shown for inspiration at this concept planning stage; use clusters, choice of building forms and detailed architectural design will be addressed during implementation phases, depending on such factors as: intended use/users, function of space, programming, budget, site constraints, etc.
6. Design styles [**Attachment 8**] - illustrates the following proposed design styles for Avenue of Flags (previously reviewed by the Planning Commission): Craftsman (new), 50's Diner (new), Agrarian (existing), Ranch (existing), Contemporary Ranch (existing), and Mission Revival (existing). NOTE: Planning Commission requested that Mission Revival be removed from the list of allowable design styles in the Specific Plan area.

C. Perspective Drawing & Design Details

1. Aerial Perspective [**Attachment 9**] – shows view of Medians 2, 3, 4, and 5, from north (bottom left) to south (top right).
2. Examples of potential building clusters and massing per form-based code for Redevelopment Area 5 (Median 3) and Area 5 (Median 4) [**Attachments 10 & 11**]
3. Key Plan 1 – Medians 1, 2 & 3(north) [**Attachment 12**]; close-up of medians and shows location of cross-sections and perspectives.
4. Median 1 – its function will be to provide open space and parking variety to meet the needs of residents, businesses and travelers.

Proposed design concept includes: diagonal parking for passenger vehicles, parallel truck/RV parking, landscaped areas, space for potential gateway signage, and accommodation of future reconfiguration of Highway 101 southbound off-ramp, including consideration for a roundabout, contingent on Caltrans approval. Solar-covered parking areas and pedestrian pathways leading to the center of downtown are encouraged.

5. Median 2 – its function will be to provide flexible, multi-use event space and parking. [**Attachment 13**]

Proposed design concept and building features include: attractive paved areas for event space and diagonal parking (with option for parking area to be closed off and used for larger events); an Event Barn (which received overall favorable consensus and provides protection from sun and wind); shade canopies along linear central walkway, ample seating and landscaped areas.

6. Median 2 perspective [**Attachment 14**] - view to south shows transitions between parking and uses in the median; an Event Barn” with open areas on either end, all of which could be used for Farmers Markets, festivals, community activities, and other local events.
7. Roadway cross-section [**Attachment 15**] at north end of Median 3, amphitheater site looking northward.
8. Amphitheater design concept and alternatives [**Attachments 16a & 16b**]
9. Key Plan 2 - Medians 3(south), 4 & 5 [**Attachment 17**]; close-up of medians and shows location of cross-sections and perspectives.
10. Median 3 – overall this median will serve as Buellton’s landmark central plaza, its function will be to provide space for public facilities, community gatherings, outdoor performances, other civic amenities, and support uses. [**Attachment 18a – Concept Plan and Attachment 18-b – Alternate Concept**]

Proposed design concept and building features include: public restrooms, centrally located and easily accessible; the Commons Building, which may be used for a visitor center, historic museum and other purposes described in Item 11 below; attractive drought-tolerant landscape and paved areas for public performances, with ample seating and shade; may include Amphitheater, Bandstand, Pavilion/Town Plaza structures and outdoor dining areas; vendor kiosks for “pop-up retail” and other support uses may be clustered at various locations. Aesthetically designed physical barriers (such as bollards, landscape rows, raised planters, public art) shall separate pedestrian areas from vehicle traffic. Outdoor plaza areas may have permanent and/or temporary civic-themed displays, such as: a Walk of Flags, commemorating the evolution of the American and local flags; and the Buellton Beat, showcasing the unique aspects of Buellton’s culture and history.

11. Median 3 perspective [**Attachment 19**] – view north-west with Pavilion structure on left and The Commons building on right; potential uses being considered for The Commons building include a welcome center, visitor services, historic museum, seasonal café, small meeting rooms, virtual library annex, post office annex, service provider offices, among others.
12. Median 3 perspective [**Attachment 20**] – view north-east, shows town plaza with Pavilion as focal structure and beyond (to right) an example of a “Courtyard” building which could be utilized for potential future Civic and Community Center (contingent upon site availability).

13. Median 4 – this median will function as an Art & Food Village, and provide exhibit and boutique space for artisans, crafters, food vendors. [**Attachment 21**]

Proposed design concept and building features include: Art & Food Village building cluster / courtyard with small scale buildings; flexibility to use for exhibits, galleries, crafting, pop-up retail, boutiques (temporary or permanent), food vendors and food trucks; small outdoor dining areas with seating; shade canopies along linear central walkway; diagonal parking. As previously noted, final layout building design will be determined during the implementation stage, contingent upon users, programming and budget factors.

14. Median 4 perspective [**Attachment 22**] – view to north shows “art & food village” buildings and courtyard plus outdoor spaces with canopies and trellises, potential for food trucks and outdoor dining/seating areas.

15. Median 4 – Art & Food Village, Design Concept sketches [**Attachment 23**]

16. Median 5 – the function of this central median will be to provide for open space and serve as a gateway to The Avenue. The southbound roadway and street parking/sidewalk may be reconfigured to improve circulation and enhance access to existing businesses.

Proposed design concept is depicted in **Attachment 24**, which shows the roadway/median cross-section at middle of Median 5, looking northward, with reconfigured parking, sidewalk widening and outdoor dining opportunities along the west side of Avenue of Flags roadway.

D. Economic Development

1. A list of Development Opportunity Reserve (DOR) incentives/benefits and examples of incentives by different types of development [**Attachments 25 & 26**]
2. Recommendations for types of uses on medians:
 - a) Temporary art gallery for local artists
 - b) Art / project showcase for local community youth
 - c) Artisan vendors
 - d) Pop-up retail businesses
 - e) Farmer’s market and/or longer-term public market
 - f) Home-based business incubator (for entrepreneurs to test new products and services)
 - g) Outdoor dining / cafes / wine-beer tasting
 - h) Food trucks and other mobile businesses
 - i) Music Performances (impromptu and scheduled)
 - j) Community events and meeting spaces
 - k) Civic uses and amenities
 - l) Others

E. Phasing Concept (tentative) [Attachment 27]

1. Phase 1
 - a) Traffic Calming & Safety – Reduce speed limit; install bulb-outs, tabled crosswalks and other vehicular/pedestrian safety improvements
 - b) Initiate Caltrans discussions and planning process regarding roundabout at Highway 101 southbound off-ramp onto Avenue of Flags (implementation of approved plans to be pursued in future phase of Specific Plan)
 - c) Fund raising for safety measures and civic improvements
 - d) Rough site work for Medians 3 and 4

2. Phase 2
 - a) Activate Medians 3 (south) and 4
 - b) Median 3 - City investment in, and installation of, The Commons building, Pavilion/Town Plaza and Restrooms
 - c) Median 4 – Fund raising and programming for construction of Art & Food Village improvements, including additional parking
 - d) Marketing program and monthly themed activities

3. Phase 3
 - a) Median 1 – site work and installation of parking (diagonal and truck/RV)
 - b) Median 2 - Site work and installation of parking and paseo areas; fund raising for event barn/shade structures/kiosks and installation
 - c) Median 3 (north) – site work and installation of amphitheater, bandstand and shade structures, along with fund raising
 - d) Median 5 (southbound roadway) – reconfigure parking along west side and sidewalk enhancements

4. Future & Possible Concurrent
 - a) Highway 101/Avenue of Flags southbound off-ramp improvements, including potential roundabout; contingent upon Caltrans planning process and approval of design
 - b) Highway 246 upgrades
 - c) Off-site parking, including potential City parking lots
 - d) Secondary circulation and access improvements
 - e) Projects resulting from DOR incentives and public/private sector partnerships

Next Steps

Subsequent to Council direction, the Project Team will proceed with formal preparation of the draft Specific Plan document. A third public workshop will be conducted May 2016 (tentative schedule) to receive comments on the preliminary draft Specific Plan. Comments from the public workshop will be incorporated into a formal draft of the Specific Plan, accompanied by preparation of required environmental studies and CEQA reviews. A final round of public hearings will be conducted on the formal Draft Specific Plan and CEQA documents by both the Planning Commission and City Council; these public hearings are anticipated to occur in the latter part of 2016, with City Council adoption tentatively projected for October 2016. The timeline may be revised depending on comments received during the review process and any related changes that may be required to the draft documents.

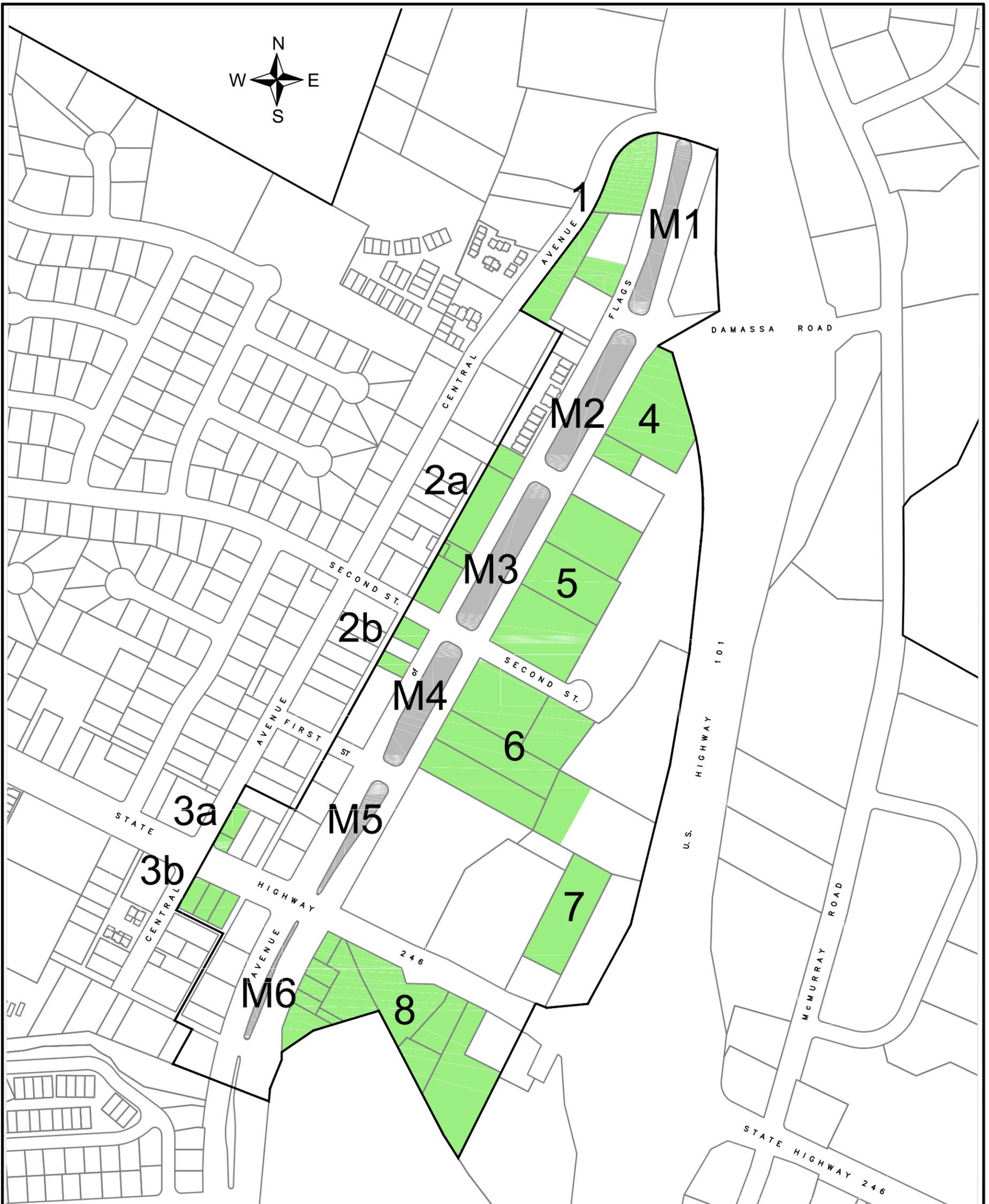
RECOMMENDATION

That the City Council provide comments on the Concept Urban Design Plan presented herein, along with direction to staff to proceed with formal preparation of the draft Specific Plan document and related environmental analysis.

This is an information and comment item; no formal action is required.

ATTACHMENTS

Attachments 1 – 27 (outlined above)



**AVENUE of FLAGS
POTENTIAL REDEVELOPMENT AREAS**

AREA 1 – 1.58 ac.\68,825 s.f.	AREA M1 – 0.64 ac.\27,878 s.f.
AREA 2a – 1.13 ac.\49,223 s.f.	AREA M2 – 0.80 ac.\34,848 s.f.
AREA 2b – 0.24 ac.\10,454 s.f.	AREA M3 – 0.84 ac.\36,590 s.f.
AREA 3a – 0.17 ac.\7,405 s.f.	AREA M4 – 0.69 ac.\30,056 s.f.
AREA 3b – 0.39 ac.\16,988 s.f.	AREA M5 – 0.69 ac.\30,056 s.f.
AREA 4 – 1.62 ac.\70,567 s.f.	AREA M6 – 0.15 ac.\ 6,534 s.f.
AREA 5 – 3.08 ac.\134,165 s.f.	
AREA 6 – 3.94 ac.\171,626 s.f.	
AREA 7 – 1.07 ac.\46,609 s.f.	
AREA 8 – 4.01 ac.\174,676 s.f.	



1 inch = 300 ft.

ATTACHMENT 2

REDEVELOPMENT AREAS				Projected Commercial Use			Projected Residential Use			* TBD		
Redevt Area	Develop. Acreage	Square Footage (Existing)	Potential Land Use	Comm		Parking	DU/ac		Res (DU)	Parking	Redevt Parking Need	Onsite Parking Potential
				FAR	Comm SF	Rate	DU/ac	Res (DU)	Rate			
1	1.98	86,249	Commercial	0.20	17,250	0.0033	0.00	0.00	0.00	0.00	57	0.00
2a	1.13	49,223	Commercial	0.60	29,534	0.0033	0.00	0.00	0.00	0.00	98	0.00
2b	0.24	10,454	Commerical	0.60	6,273	0.0033	0.00	0.00	0.00	0.00	21	0.00
3a	0.17	7,405	Commerical	0.60	4,443	0.0033	0.00	0.00	0.00	0.00	15	0.00
3b	0.39	16,988	Commerical	0.60	10,193	0.0033	0.00	0.00	0.00	0.00	34	0.00
4	1.62	70,741	Mixed Use	0.50	35,371	0.0033	12.00	19.49	2.00	2.00	157	0.00
5	3.08	134,165	Mixed Use	0.40	53,666	0.0033	12.00	36.96	2.00	2.00	253	0.00
6	5.04	219,542	Mixed Use	0.40	87,817	0.0033	12.00	60.48	2.00	2.00	414	0.00
7	1.07	46,609	Residential	0.00	0	0.0000	16.00	17.12	2.00	2.00	34	0.00
8	4.01	174,676	Commerical	0.30	52,403	0.0033	0.00	0.00	0.00	0.00	175	0.00
Sub-Total - Redevelopment Areas 1 - 8				296,949						1258		

MEDIAN AREAS				MEDIANS - Projected Public or Commercial Use				Spaces on Parking Median & Street		
								Need	Street	
M1	0.64	27,878	Public - Parking	0.00	0	0.0000		0		
			Other?	0.00	0	0.0000		0	40	
M2	0.80	34,848	Public - Events+Comml	0.20	7,000	0.0033		23		
			Public - Parking	0.00	0	0.0000		0	80	
M3	0.84	36,590	Public - Park+ Amphith	0.20	7,250	0.0033		24		
			Public-VisitorCtr +Commtyspace	0.00	0	0.0000		0	66	
M4	0.69	30,056	Public-ArtVillage+Comml +OutdoorDining	0.20	6,000	0.0033		20		
			Public - Parking	0	0	0		0	72	
M5	0.69	30,056	Public - Parking	0	0	0		0	46	
M6	0.15	6,534	Public - Parking	0	0	0		0	31	
Sub-Total - Median Areas				20,250				67		335

TOTALS	21.70	945,426		317,199		134.05	0.00	1325	335
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1-8 Total 18.73 816,053
M Total 3.81 165,964

*TBD - To Be Determined

ATTACHMENT 3

PARKING ANALYSIS - AOF & MEDIANS

1/14/2016

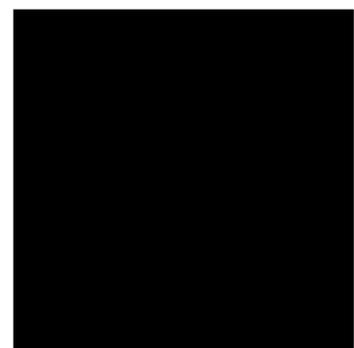
MEDIAN AREAS PUBLIC	EXISTING			LOSS/GAIN (per reconfiguration)			RECONFIGURED PARKING (Existing + Loss/Gain)			NEW DEMAND	REDEV'T DEMAND	Redev't Area
	parallel	diagonal	truck	parallel	diagonal	truck	parallel	diagonal	truck	Public	Private	
Median 1	6	0	0	(6)	37	3	0	37	3	0	57	1
Median 2	16	23	0	(16)	57	0	0	80	0	23	157	4
Median 3	35	0	0	(35)	66	0	0	66	0	24	351	2a+5
Median 4	28	0	0	(28)	72	0	0	72	0	20	435	2b+6
Median 5	0	41	0	0	5	0	0	46	0	0	49	3a+7
Sub-Total M1-5	85	64	0	(85)	237	3	0	301	3		1049	
Median 6	0	31	0	0	0	0	0	31	0	0	209	3b+8
TOTALS M 1-6	85	95	0	(85)	237	3	0	332	3	67	1258	

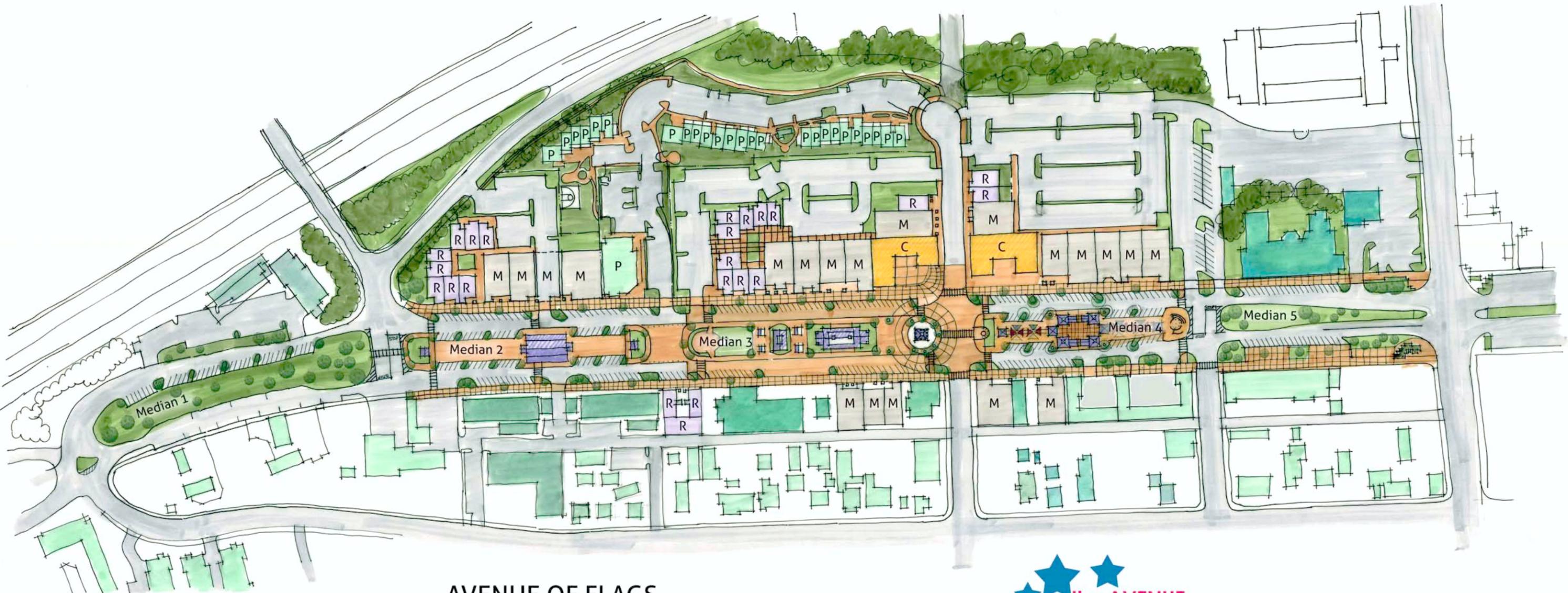
SUMMARY Existing = 180 Net Gain= 155 Reconfig= 335

LAND USE POSSIBILITIES

Agricultural, Resource and Open Space
Plant Nurseries
Public Open Space, Town Plaza
Light Industrial
Art Studios
Handicraft Industries / Small-Scale Manufacturing
Other Uses
Civic Center (Library, Post Office, City Hall, Police)
Live-Work /Work-Live Units
Mixed-Use
Recreation, Education, Public Assembly
Churches
Community Centers
Museums
Membership Organization Facilities
Outdoor Commercial Recreation
Parks and Playgrounds
Recreation and Fitness Centers
Schools - Specialized Education and Training
Sports Facilities and Outdoor Public Assembly
Temporary Events
Theaters and Meeting Halls
Residential
Emergency Shelters
Farm Employee Housing
Home Occupations
Multi-Family Dwellings (Apartments / Condominiums)
Residential Accessory Uses
Residential Care Homes, 6 or Fewer Clients
Shared Living Arrangements
Single-Room Occupancies (SRO)
Transitional and Special Needs Housing
Retail Trade
Antiques, Collectibles and Memorabilia

Retail Trade (cont.)
Art Galleries and Gifts
Auto Parts Sales
Certified Farmers' Markets
Consignment Boutiques and Vintage Items
Furniture, Furnishings and Equipment Stores
Grocery / Liquor Stores, and Indoor / Outdoor Farmers Markets
Restaurants and Bars
Retail Stores, General Merchandise, Parking Lot Sales
Shopping Centers
Service Uses
Banks and Financial Services
Business Support Services
Child Day Care Centers
Hotels and Motels
Laundries and Dry Cleaning
Medical Clinics and Laboratories
Veterinary Clinics and Hospitals
Offices
Personal Services
Public Safety and Utility Facilities
Repair / Maintenance - Accessory to Sales
Repair / Maintenance - Consumer Products
Storage, Accessory
Storage, Petroleum Products for On-Site Use
Transportation and Communications
Antennas, Communication Facilities
Broadcasting Studios
Transit Stations and Terminals
Additional Possibilities

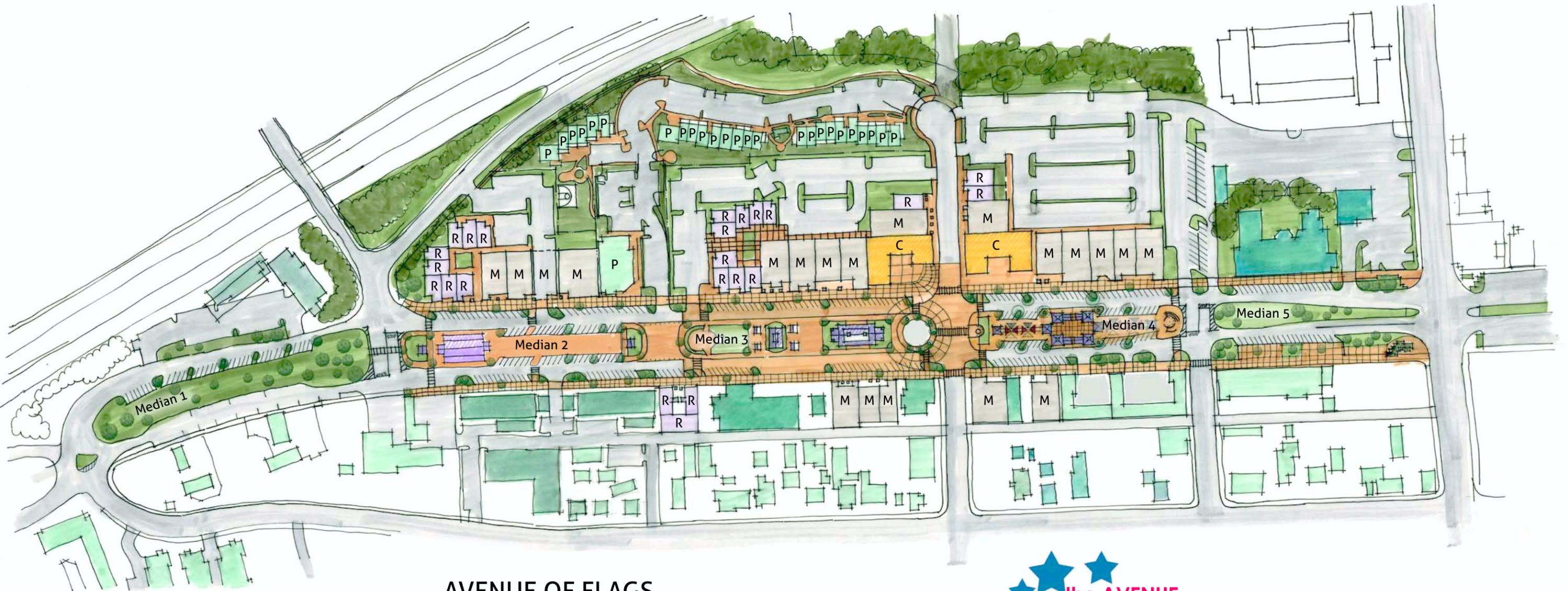




AVENUE OF FLAGS

- R - RESIDENTIAL ● M - MERCANTILE ● C - COURTYARD ● P - PROPOSED ●





AVENUE OF FLAGS



● R - RESIDENTIAL ● M - MERCANTILE ● C - COURTYARD ● P - PROPOSED ●

CITY OF BUELLTON AVENUE OF FLAGS FORM BASED CODES



AVENUE OF FLAGS - REDEVELOPMENT

AVENUE OF FLAGS ZONE

PURPOSE

The Avenue of Flags Zone is proposed to be the most intensely occupied zone within the City of Buellton, with mostly attached buildings that create a continuous street facade within walking distance of surrounding residential areas.

The medians create a special design opportunity to be developed to support specific functions, activities, and events. Buildings located within the medians may be in continuous use or more temporary as the program develops for each median area. Median buildings may focus on “themed” areas of development such as art, food, and specialty shows. These buildings should provide opportunities for robust activity on the Avenue.

Please reference the adjacent site plan for the proposed redevelopment areas.

ALLOWABLE BUILDING TYPES

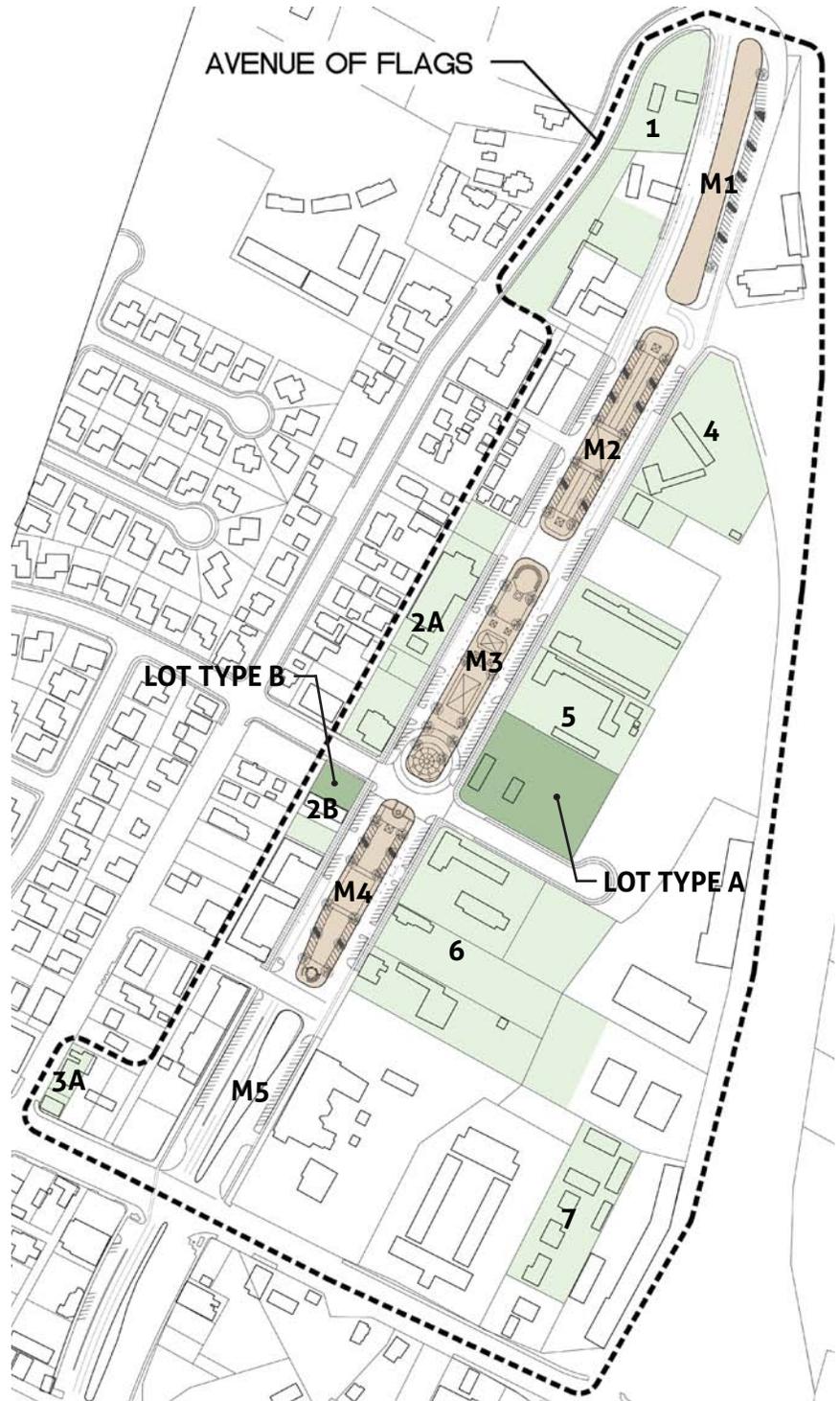
- Mercantile Building
- Courtyard Building
- Live-work Building

MEDIAN BUILDING TYPES

- Art and Food Village
- Commons Building (Visitor’s Center, Post Office, Virtual Library)
- Restrooms
- Event Barn
- Pavilion
- Vendors
- Trellis

LEGEND

-  Median Development
-  Proposed Lot Redevelopment
-  Common Lot Types



LOT TYPES



LOT TYPE A - CLUSTER DEVELOPMENT

FEATURES

Parcel width is existing. Subdivide into smaller lot widths of 50'-0" - 100'-0" for a mercantile building type cluster or 30'-0" - 50'-0" for a live-work building cluster. Width of 120'-0" to 180'-0" for a courtyard building type is allowed. Parcel depth is existing.

BUILDING PLACEMENT ON LOTS

Buildings may be placed along the front property line and along side property lines. Zero lot lines are encouraged. The form may be setback from the front property line a maximum of 10'-0".

OFF-STREET PARKING

Off-street parking is provided to the rear of the site.



LOT TYPES

LOT TYPE B - INFILL SMALL LOTS

FEATURES

Parcel width is existing and varies. Parcel depth is existing at 90'-0".

BUILDING PLACEMENT ON LOTS

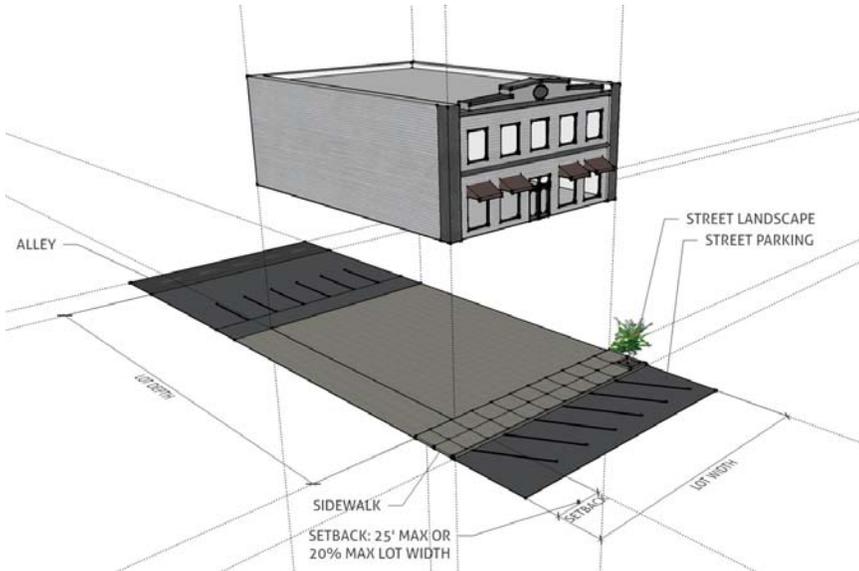
Buildings may be placed along the front property line and along side property lines. Zero lot lines are encouraged. The form may be setback from the front property line a maximum of 10'-0".

OFF-STREET PARKING

Off-street parking may be provided at the back of the lot via the existing alley if the proposed infill building does extend the length of the lot.



FORM BASED CODES



MERCANTILE BUILDING TYPE

The mercantile building type provides a place for commercial businesses along the Avenue of Flags. It is proposed that the street front facades are broken up into smaller blocks to keep an intimate feel and consistent environment for visitors.

LOT SIZE

Lot width can vary between 50'-0" to 100'-0"
Lot depth can vary between 100'-0" to 150'-0"

SETBACKS

Zero lot line is encourage. A side setback may be provided at 25' (to allow for a driveway to rear parking) but not more than 20% max of lot width.

BUILDING FORM AND PLACEMENT ON LOTS

The building form can vary, but should be based on a two-story, 50'-0"x75'-0" block.

Buildings should be placed along the front property line and along the interior property line. The form may be setback from the front property line a maximum of 10'-0".

PERMITTED USES

See Permitted Uses.

Any commercial business.

OFF-STREET PARKING

Off-street Parking may be provided at the rear of the building or via access easements to a common parking area.

ALLOWABLE FORM BASED VOCABULARY

- C - Yard
- D - Arcade
- E - Horizontal Mixed Use
- F - Vertical Mixed Use

DESIGN STYLE

Any allowed.

FORM BASED CODES

LIVE-WORK BUILDING TYPE

The live-work building type allows for commercial or professional offices at ground floor and residential units above (second and third floors).

LOT SIZE

Lot width can vary between 30'-0" to 50'-0"
Lot depth can vary between 60'-0" to 100'-0"

SETBACKS

There shall be no side setbacks, zero lot lines are encouraged.

BUILDING FORM AND PLACEMENT ON LOTS

The building form can vary, but should be based on a two-story, 30'-0"x45'-0" block. Third floors are allowed, however they must be setback from the street at least 5'-0".

Buildings should be placed along the front property line and span the width of the lot. The form may be setback from the front property line a maximum of 10'-0".

PERMITTED USES

See Permitted Uses.

Ground Floor: Any commercial business or professional offices.

Upper floors: Residential Units

OFF-STREET PARKING

Off-street Parking may be provided via access easements to a common parking area.

ALLOWABLE FORM BASED VOCABULARY

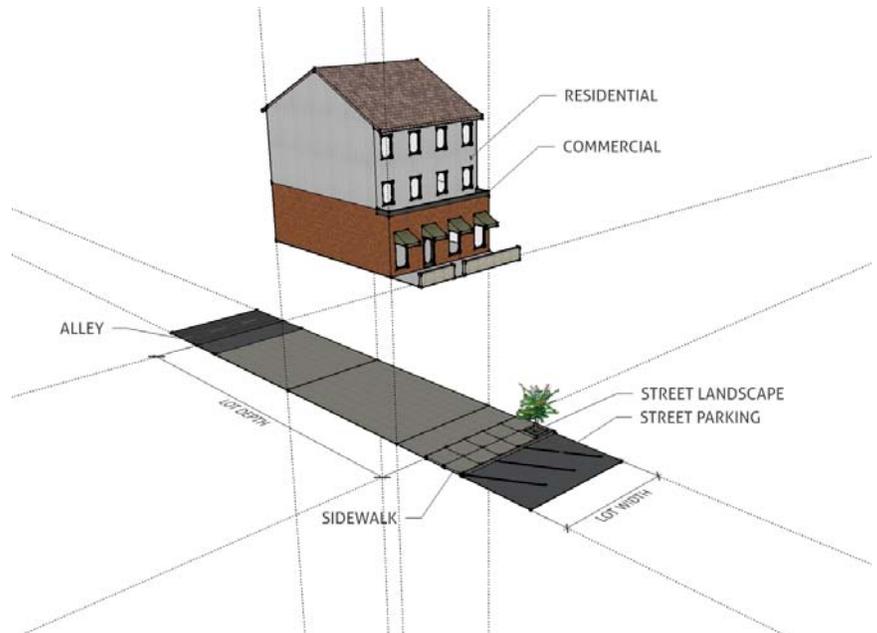
C - Yard

E - Horizontal Mixed Use

F - Vertical Mixed Use

DESIGN STYLE

Any allowed.



FORM BASED CODES



COURTYARD BUILDING TYPE

The courtyard building type provides a place for civic and community functions.

LOT SIZE

Lot width can vary between 120'-0" to 180'-0"
Lot depth can vary between 100'-0" to 180'-0"

SETBACKS

A side setbacks may be provided, but are not required.

BUILDING FORM AND PLACEMENT ON LOTS

The building form can vary, but should be based on a two-story, 75'-0" x 120'-0" block. The form may accommodate a center street-front courtyard, or a corner yard.

Buildings may be placed along the front property line and along side property lines. The form may be setback from the front property line a maximum of 20'-0".

PERMITTED USES

See Permitted Uses.
Civic, commercial, Assembly

OFF-STREET PARKING

Off-street Parking is not provided on site.

ALLOWABLE FORM BASED VOCABULARY

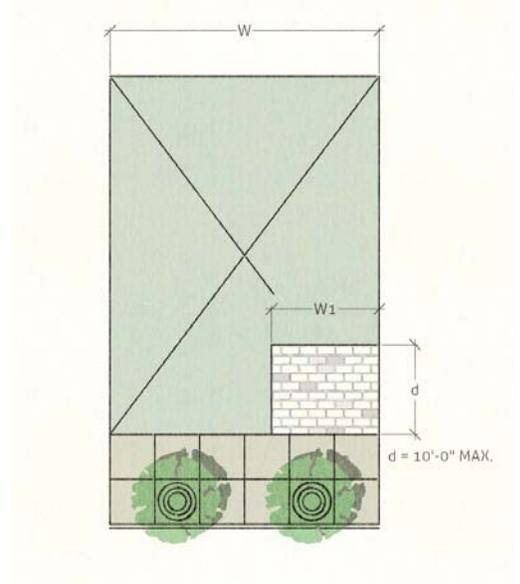
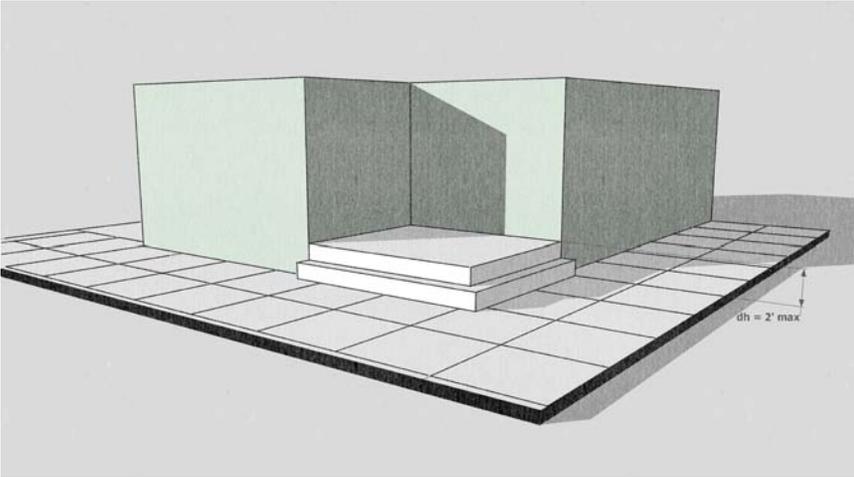
- A - Courtyard Corner
- B - Courtyard Center

DESIGN STYLE

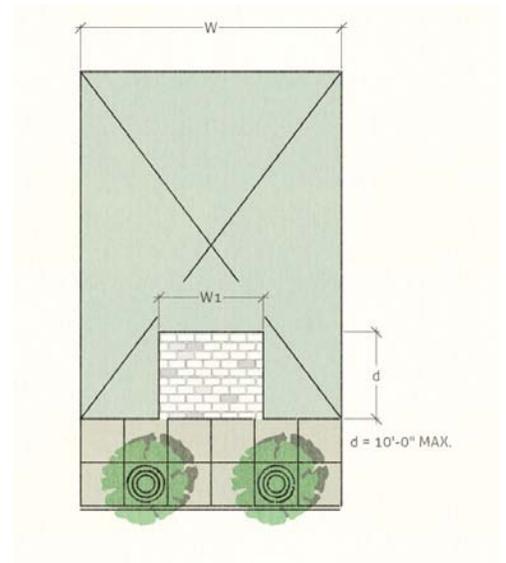
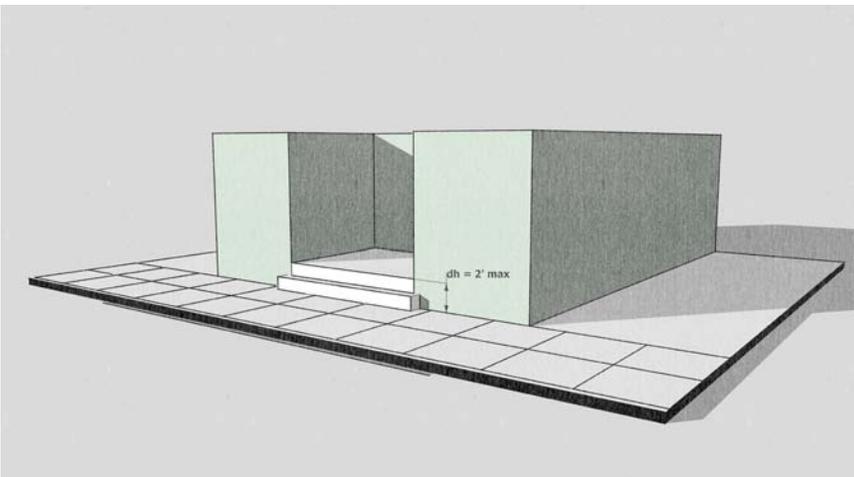
Any allowed.

FORM BASED VOCABULARY

A. COURTYARD - CORNER

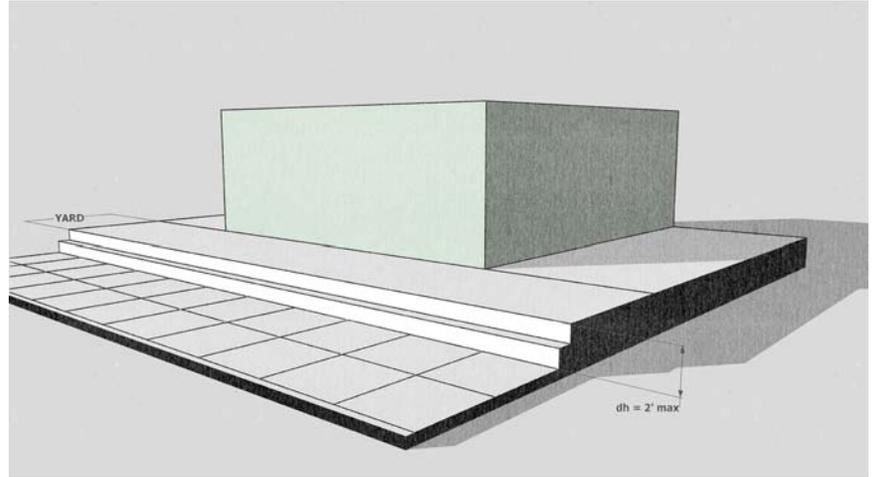
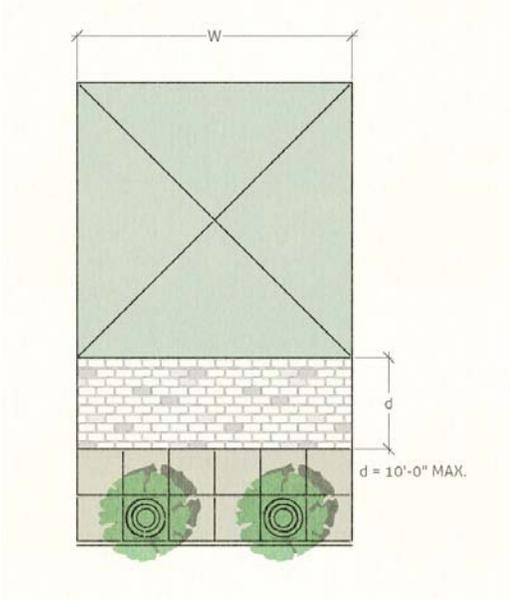


B. YARD - CENTER

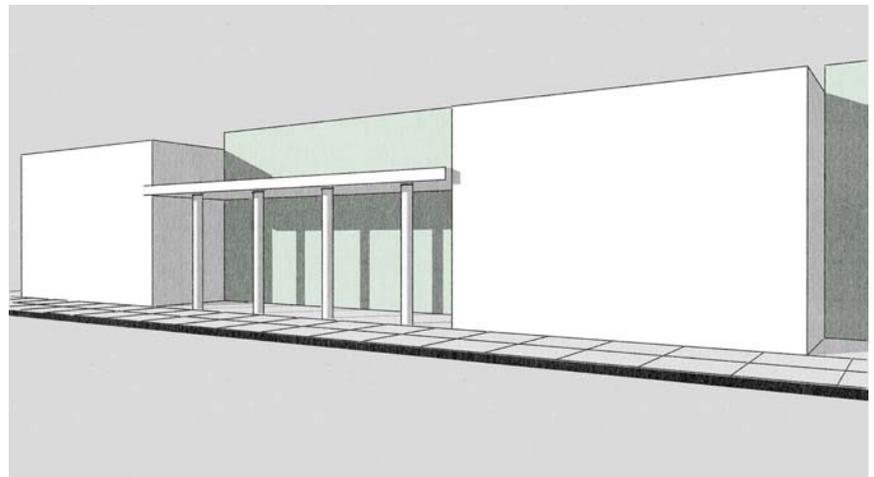
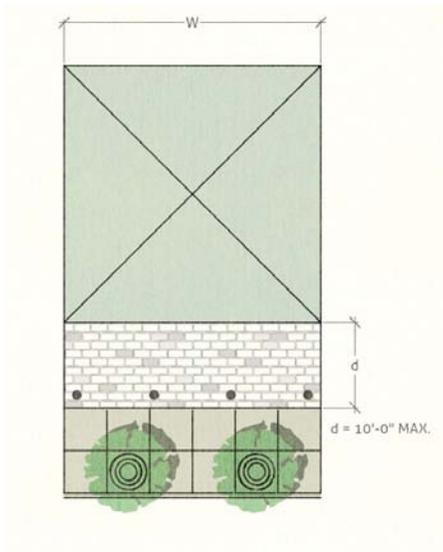


FORM BASED VOCABULARY

C. YARD

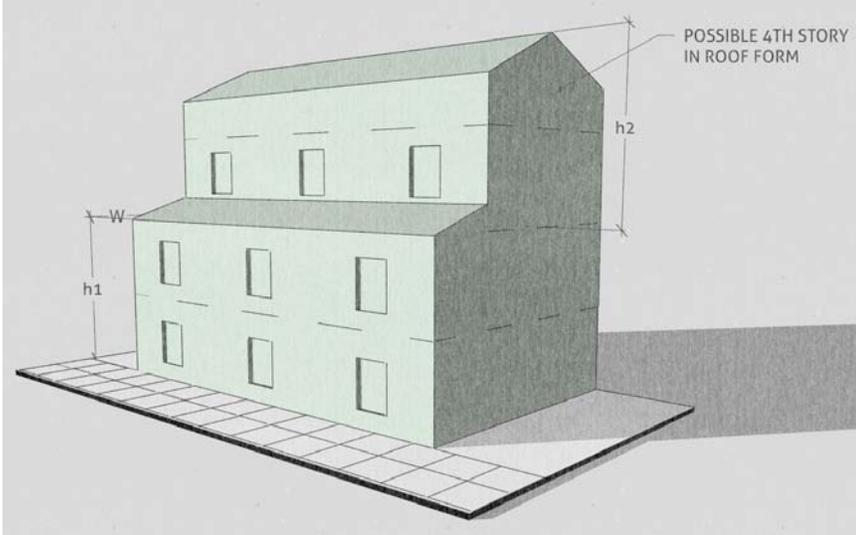
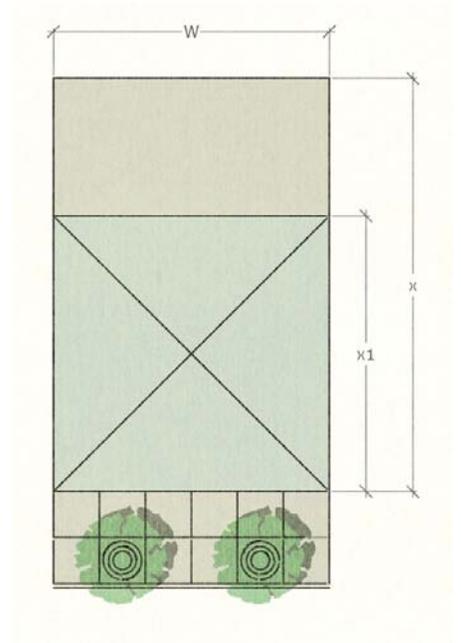
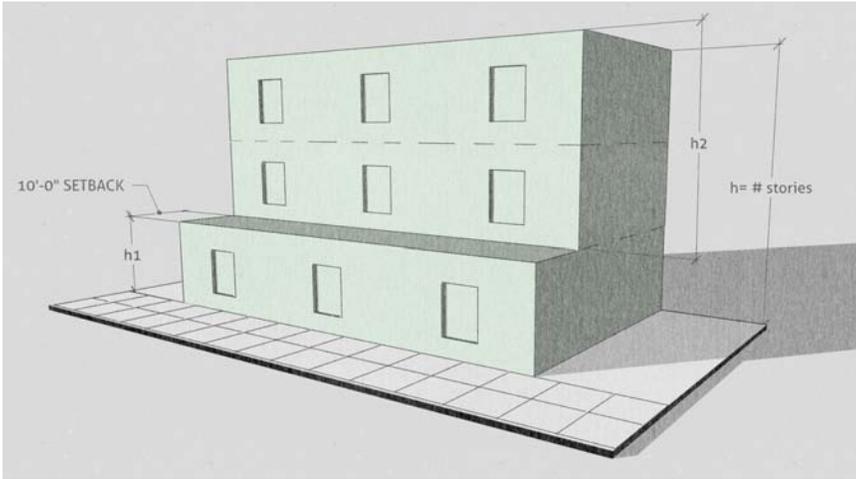


D. ARCADE



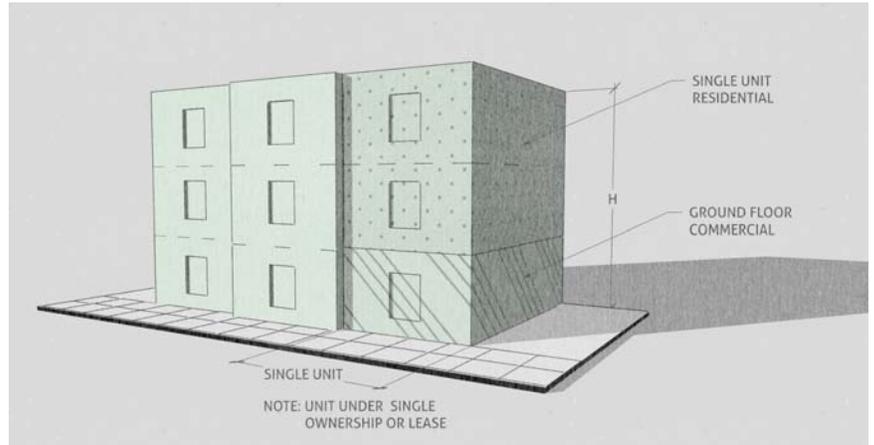
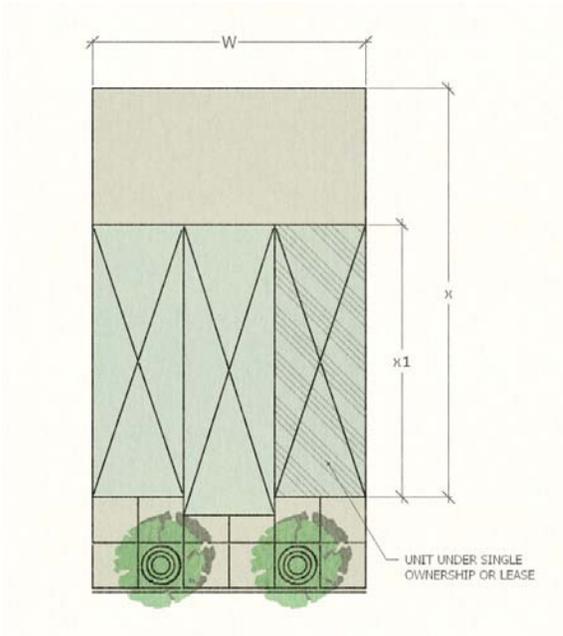
FORM BASED VOCABULARY

E. HORIZONTAL MIXED USE



FORM BASED VOCABULARY

F. VERTICAL MIXED USE



FACADE STANDARDS

FACADE STANDARDS

FEATURES

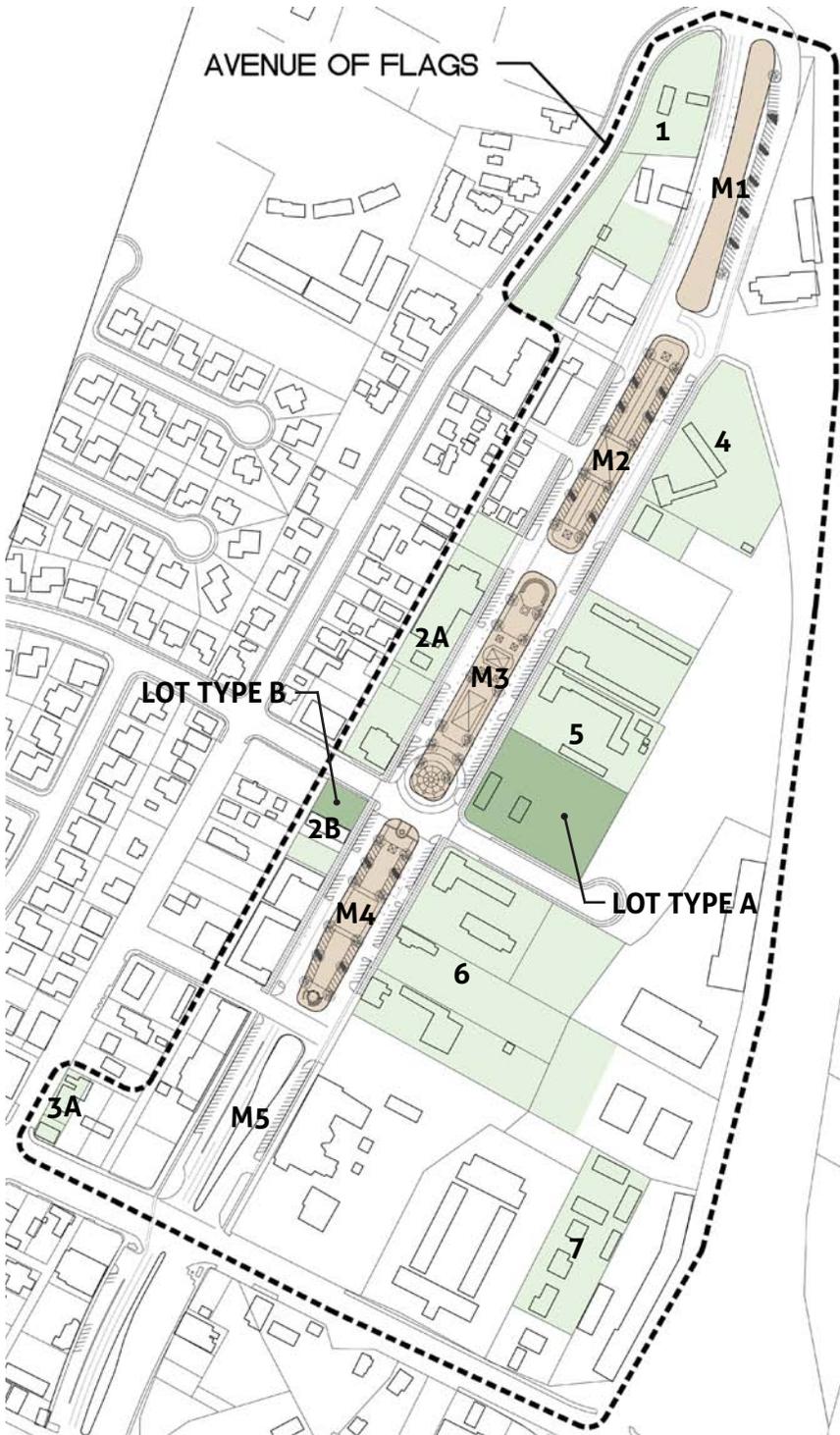
- Front facade should be broken into appropriate modules.
- Vertical or horizontal articulation is allowed.
- Architectural styles may include craftsman, contemporary ranch, mission revival, and agrarian.
- Canopies over individual windows may protrude a maximum of 4'-0".
- Canopies as part of an arcade may have a depth of 10'-0".
- Facades may be two or three stories, however the third story should be setback at least 8'-0".



CITY OF BUELLTON AVENUE OF FLAGS MEDIAN DESIGN GUIDELINES



MEDIAN DESIGN GUIDELINES



AVENUE OF FLAGS ZONE

PURPOSE

The Avenue of Flags Zone is proposed to be the most intensely occupied zone within the City of Buellton, with mostly attached buildings that create a continuous street facade within walking distance of surrounding residential areas.

The medians create a special design opportunity to be developed to support specific functions, activities, and events. Buildings located within the medians may be in continuous use or more temporary as the program develops for each median area. Median buildings may focus on “themed” areas of development such as art, food, and specialty shows. These buildings should provide opportunities for robust activity on the Avenue.

Please reference the adjacent site plan for the proposed redevelopment areas.

ALLOWABLE BUILDING TYPES

- Mercantile Building
- Courtyard Building
- Live-work Building

MEDIAN BUILDING TYPES

- Art and Food Village
- Commons Building (Visitor’s Center, Post Office, Virtual Library)
- Restrooms
- Event Barn
- Pavilion
- Vendors
- Trellis

LEGEND

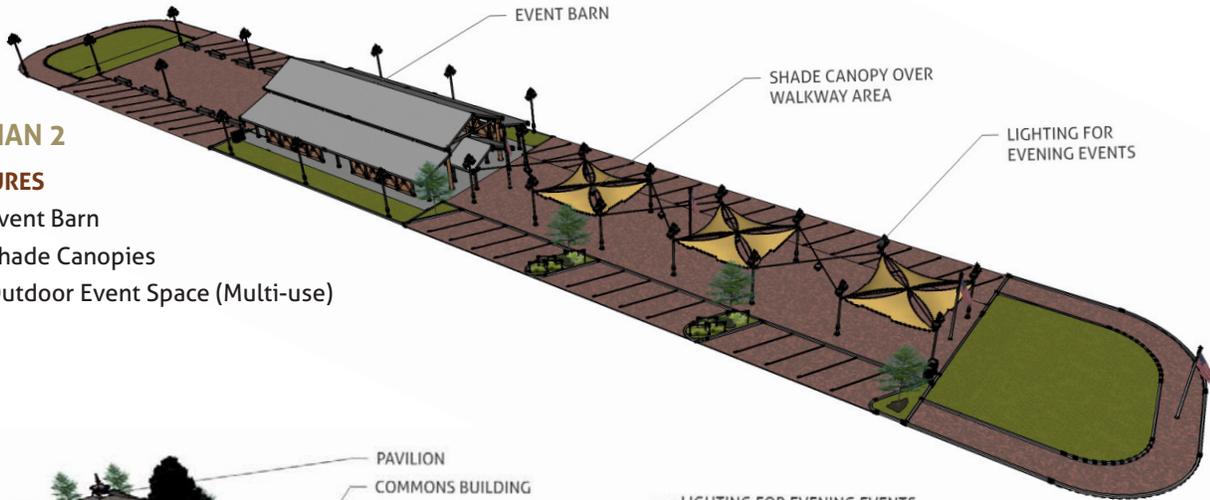
- Median Development
- Proposed Lot Redevelopment
- Common Lot Types

MEDIAN DESIGN GUIDELINES

MEDIAN 2

FEATURES

- Event Barn
- Shade Canopies
- Outdoor Event Space (Multi-use)



MEDIAN 3

FEATURES

- Pavilion
- Commons Building
- Restrooms
- Vendor Kiosks
- Amphitheater



MEDIAN 4

FEATURES

- Art and Food Village
- Trellis
- Canopies



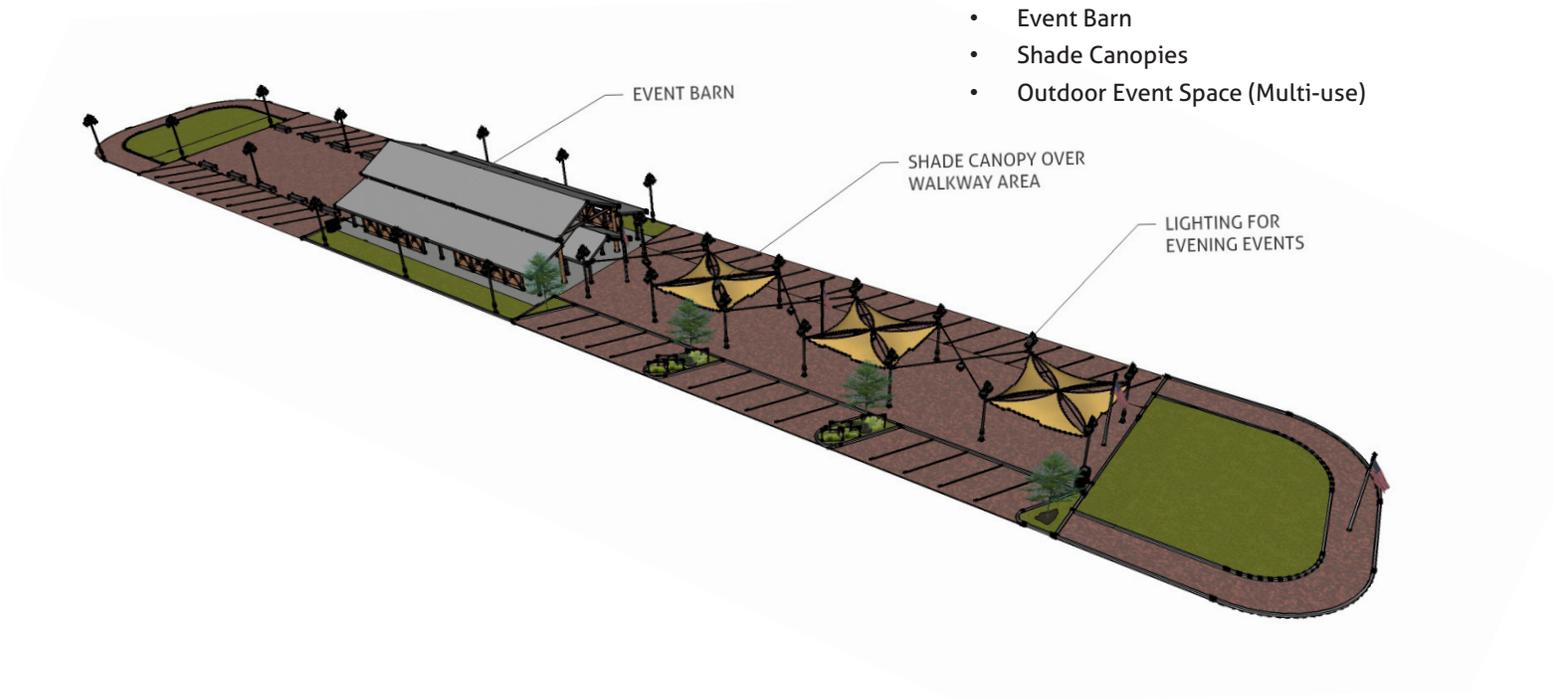
MEDIAN 2 DESIGN GUIDELINES

MEDIAN 2

This median may be themed to provide space for events, farmer's markets, and specialty shows. Median should be mostly hard paving for durability. Green spaces should be developed for activities and impromptu seating and picnicking. Provide diagonal parking spaces, which may function as event space for larger events.

FEATURES

- Event Barn
- Shade Canopies
- Outdoor Event Space (Multi-use)



MEDIAN 2 DESIGN GUIDELINES

EVENT BARN BUILDING TYPE

The Event Barn provides a space for outdoor events where shading is needed. Sliding doors may be used to create indoor/outdoor rooms and to block wind.

LOT SIZE

Lot width must fit into median.

Lot length can vary to accommodate final design.

BUILDING FORM AND PLACEMENT

Building form can vary. Agrarian pole barn concept is preferred. Form should allow flexible circulation.

PERMITTED USES

See Permitted Uses. Commercial, Assembly

OFF-STREET PARKING

Provide diagonal parking spaces for vendor and public use.

DESIGN STYLE:

Agrarian preferred



BUILDING SIZE SHOWN

90' x 45' x 24' = 4050 SF

MEDIAN 3 DESIGN GUIDELINES

MEDIAN 3

This median will serve as a public plaza area. Concerts and performances should be placed on the north end and take advantage of the change in topography. It should accommodate public facilities such as restrooms, which should be centrally located and easily accessible. "Pop-up" vendor kiosks may be clustered at various locations. The Pavilion, Town Plaza, and the Commons building should be in proximity of 2nd street. 2nd Street and Avenue of Flags are designated as the town plaza area. Attractive physical barriers (such as bollards, landscape rows, raised planters, public art, etc.) shall separate pedestrian areas from vehicle traffic.



FEATURES

- Pavilion
- Commons Building
- Restrooms
- Retail Kiosks
- Amphitheater

MEDIAN 3 DESIGN GUIDELINES

REST ROOM BUILDING TYPE

The Event Barn provides service for public shopping and events.

LOT SIZE

Lot should be large enough to accommodate a 1200 SF to 1600 SF building.

BUILDING FORM AND PLACEMENT

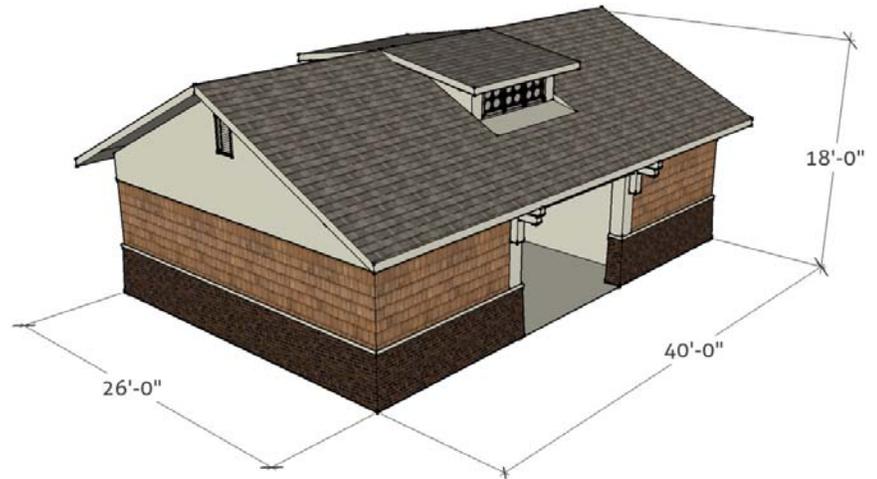
Building form can be simple, but should be easily identifiable and accommodate the movement of large amounts of people.

PERMITTED USES

Public Sanitation Facilities

DESIGN STYLE:

Any allowed



BUILDING SIZE SHOWN

26' x 40' x 18' = 1040 SF

MEDIAN 3 DESIGN GUIDELINES



VENDOR - TYPE 1
BUILDING SIZE SHOWN
15' x 15' x 15' = 225 SF

VENDOR BUILDING TYPE

The Vendor building types provides for semi-permanent, temporary, or "pop-up" commercial use. May provide an extended retail space for events.

LOT SIZE

Lots should be located where more permanent retail or food service would be convenient to service the public. "Pop-up" food service can accommodate food and drink prepared in adjacent Avenue of Flags restaurants and served more conveniently at an event.

SETBACKS

Buildings should be setback from streets a minimum of 10'-0".

BUILDING FORM AND PLACEMENT

Building form should be simple, but compatible with adjacent larger structures.

PERMITTED USES

See Permitted Uses.
Commercial, Retail, Food Service

DESIGN STYLE

Any allowed



VENDOR - TYPE 2
BUILDING SIZE SHOWN
12' x 15' x 12' = 180 SF

MEDIAN 3 DESIGN GUIDELINES

COMMONS BUILDING TYPE

The Commons Building is a small scale civic building that can provide space for public services including library annex, visitor's services, small meeting rooms, and service provider offices.

LOT SIZE

Lot must be in scale to median width and provide pedestrian circulation on all sides. Should accommodate a 2000 SF to 3500 SF building.

SETBACKS

Building should be setback from streets a minimum of 10'-0" to 20'-0" maximum.

BUILDING FORM AND PLACEMENT

Building form should be no more than two stories; two stories is preferred over one story to create a landmark identity.

PERMITTED USES

See Permitted Uses.
Civic

DESIGN STYLE

Any allowed

COMMONS BUILDING



BUILDING SIZE SHOWN

58' x 24' x 25' =

1392 SF ON GROUND FLOOR

MEDIAN 3 DESIGN GUIDELINES



BUILDING SIZE SHOWN

25' x 25' x 18' = 625 SF

Note: The 18' height allows for 1-story plus a design element.

PAVILION BUILDING TYPE

The Pavilion provides a vertical design element designating the town center. It may be used for shaded dining, or any other use such as a small music venue or speech making.

LOT SIZE

Lot should be large enough for a 600 SF to 800 SF roofed structure.

SETBACKS

Building should not interfere with traffic visibility. 10'-0" minimum setback at closest point to street.

BUILDING FORM AND PLACEMENT

Building form should be one story plus a design element to act as a town landmark.

DESIGN STYLE

Any allowed - should define Buellton's style and serve to strike a creative spark.

MEDIAN 3 DESIGN GUIDELINES

AMPHITHEATER AREA BUILDING TYPE

The Amphitheater provides a physical area for music and entertainment. May be used as a passive seating area when events are not scheduled.

LOT SIZE

Lot should be as large as is reasonable within the width of the median.

SETBACKS

Provide 10'-0" minimum setback to street.

BUILDING FORM AND PLACEMENT

Design should be functional for performance. Provide shade structures as needed over bandstand and audience seating. Seating can be outdoor bench seating, informal grass areas, or both.

DESIGN STYLE

Any allowed.



MEDIAN 4 DESIGN GUIDELINES

MEDIAN 4

This median contains the art and food village which should have small scale buildings that would be flexible for exhibits and events with “pop-up” retail space featuring local art, crafts, and food.

FEATURES

- Art and Food Village
- Trellis
- Canopies



MEDIAN 4 DESIGN GUIDELINES

ART AND FOOD VILLAGE BUILDING TYPE

The Art and Food Village is a one-story building that could provide art and craft space for permanent or special event exhibits. Provide covered walk-ways for shade.

LOT SIZE

Lot should be large enough for proposed use. Should accommodate at least 3000 SF.

SETBACKS

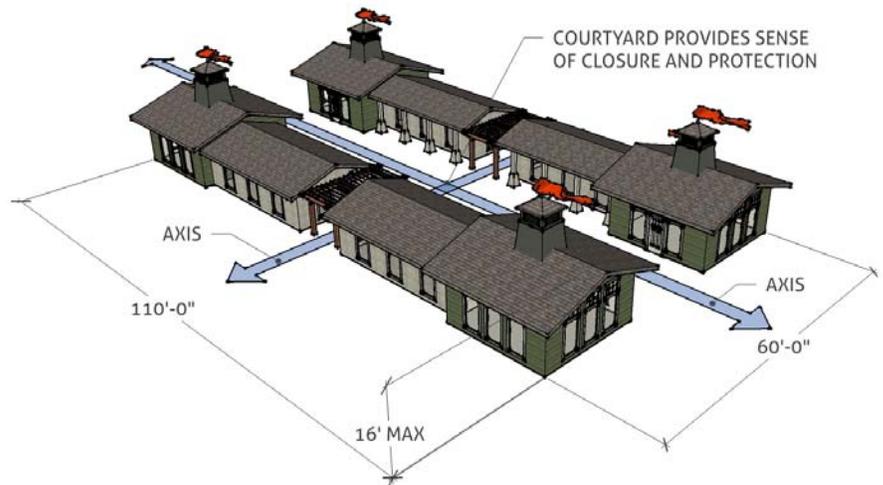
Provide walks on all sides and in courtyard. 10'-0" minimum to street.

BUILDING FORM AND PLACEMENT

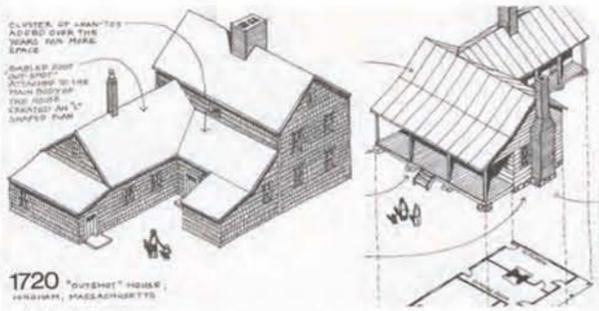
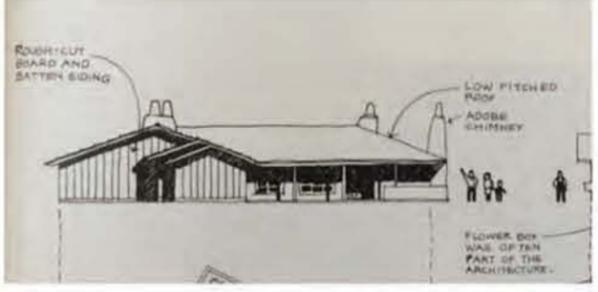
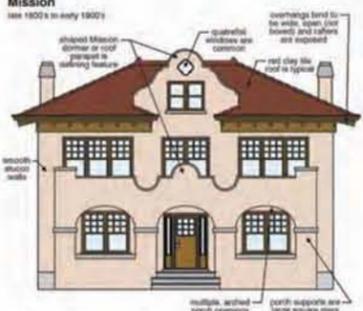
Building form should be one story.

DESIGN STYLE

Any allowed - should celebrate arts and crafts.



DESIGN STYLES

PRECEDENCE	EXAMPLE	IDENTIFIER
 <p>1720 "GOUSET" HOUSE HINGHAM, MASSACHUSETTS</p> <p>AGARIAN also related to salt-box, american venacular, barns, and shack style</p>	 <p>AGARIAN Example showing rustic and barn materials</p>	 <p>AGARIAN agricultural building materials, exposed structure</p>
 <p>CRAFTSMAN also called arts and crafts or bungalow style</p>	 <p>CRAFTSMAN Gable House in Pasadena defines the style</p>	 <p>CRAFTSMAN expressed structure highlighting artisan details</p>
 <p>50' DINER also related to art deco, art moderne, and international style</p>	 <p>50' DINER futuristic streamlined forms often using new materials such as aluminum this style often related to planes, cars and ships of its time</p>	 <p>50' DINER areodynamic forms, often horizontal banding, smooth stucco or industrial metals for finish.</p>
 <p>RANCH also related to post and beam and spanish ranch</p>	 <p>RANCH House designed by "Cliff May" in Santa Ynez defined the style made popular by "Sunset Magazine" and the California Lifestyle</p>	 <p>RANCH exposed structure, porchs, low roofs, and rustic materials define this style</p>
 <p>MISSION REVIVAL, also related to spanish revival or spanish colonial</p>	 <p>MISSION REVIVAL, "Iconic" classical forms designed by Spanish Missionaries and built with local material and labor</p>	 <p>MISSION REVIVAL, eclectic forms referencing california missions, moorish architecture, usually stucco finish, barrel tile roof, classical detailing such as crenulations and brackets</p>
 <p>CONTEMPORARY RANCH ranch design with international and industrial design elements</p>	 <p>CONTEMPORARY RANCH Sea Ranch combined venacular agricultural shapes and materials with international style design philosophy</p>	 <p>CONTEMPORARY RANCH Eclectic variation combines agrarian, ranch, industrial, and international design elements.</p>

ARCHITECTURAL STYLES

AVENUE OF FLAGS - SPECIFIC PLAN





Perspective - Aerial Perspective





Court Yard Interior

ATTACHMENT 10

30 ft min.
50 ft min.
Live Work Cluster

50 ft min.
100 ft. max.

Merchant Cluster
AREA 5

120 ft min.
180 ft min.
Courtyard
2nd Street



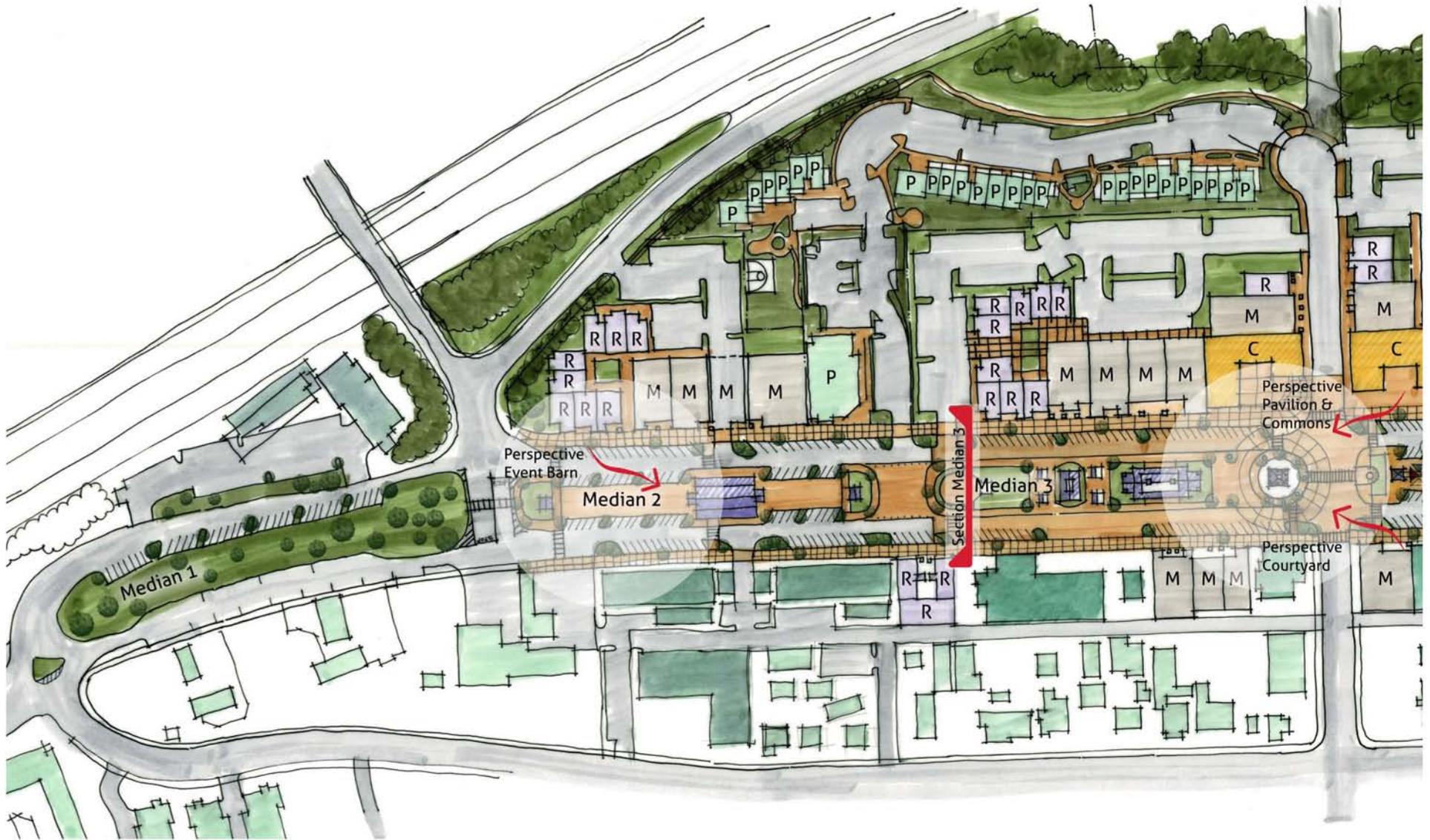
AREA 5

2nd Street

Courtyard

AREA 6

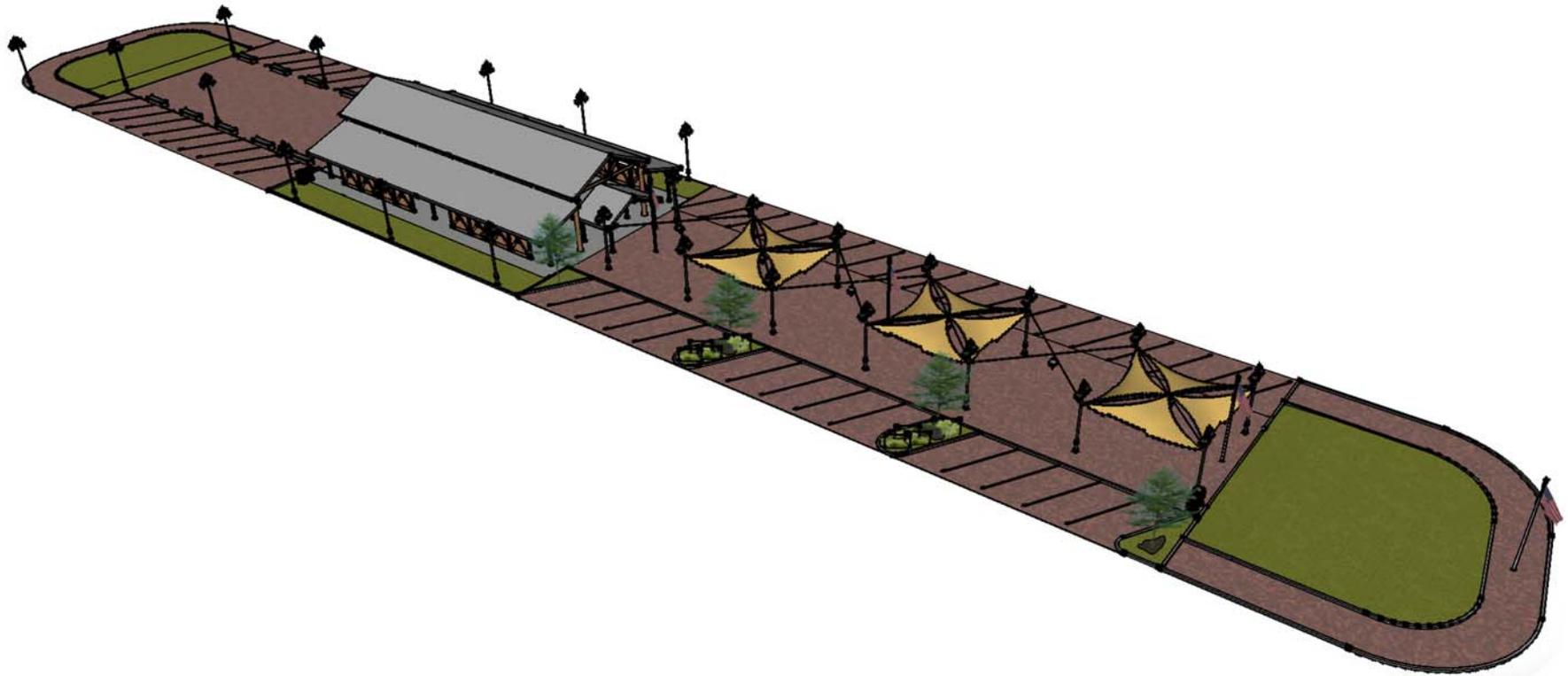
Merchant Cluster



AVENUE OF FLAGS - KEY PLAN 1



● R - RESIDENTIAL ● M - MERCANTILE ● C - COURTYARD ● P - PROPOSED ●



Median 2

● Event Barn ●

Circulation Canopies

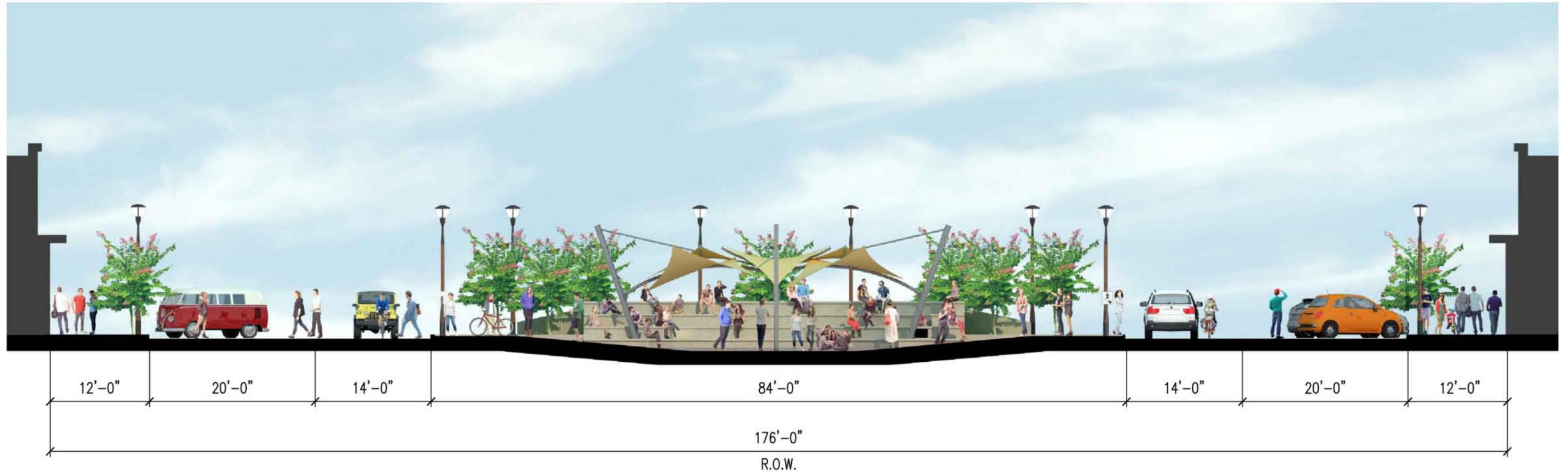


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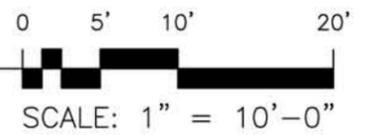


Perspective - Event Barn



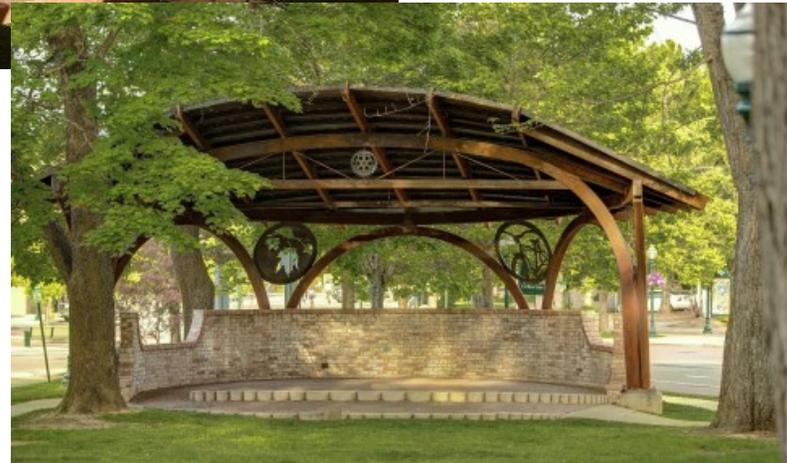


MEDIAN 3
AVENUE OF FLAGS

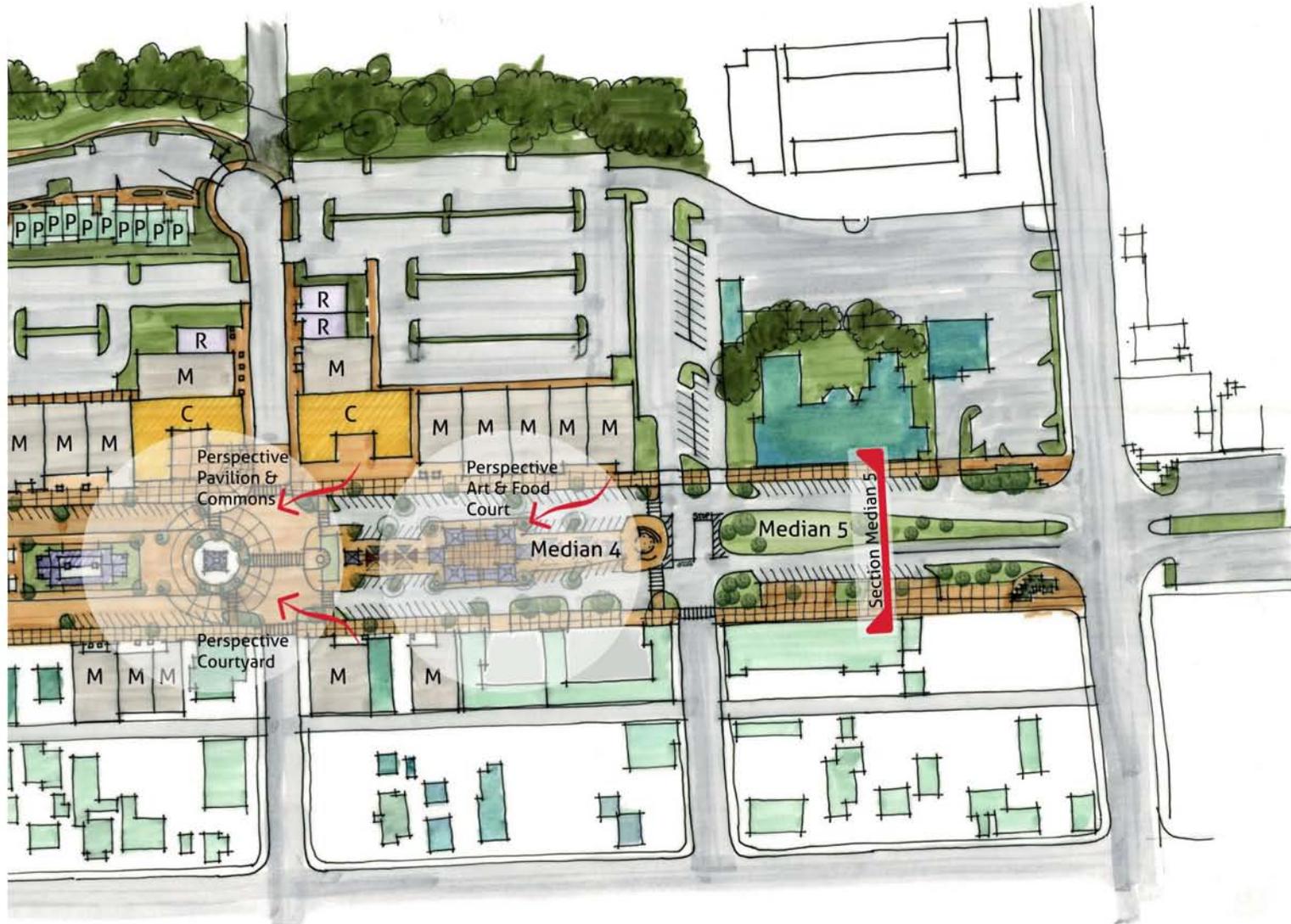




Median 3 – Amphitheater Design Concept



Median 3 – Amphitheater & Bandstand Design Options



AVENUE OF FLAGS - KEY PLAN 2

- R - RESIDENTIAL ● M - MERCANTILE ● C - COURTYARD ● P - PROPOSED ●





Median 3



- Pavilion ● Commons Building ● Restrooms ● Retail Kiosks ● Amphitheater ●



Median 3



- Commons Building
- Restrooms
- Retail Kiosks
- Amphitheater



Perspective - Pavilion & Commons



Perspective - Pavilion & Courtyard Building Cluster





Median 4

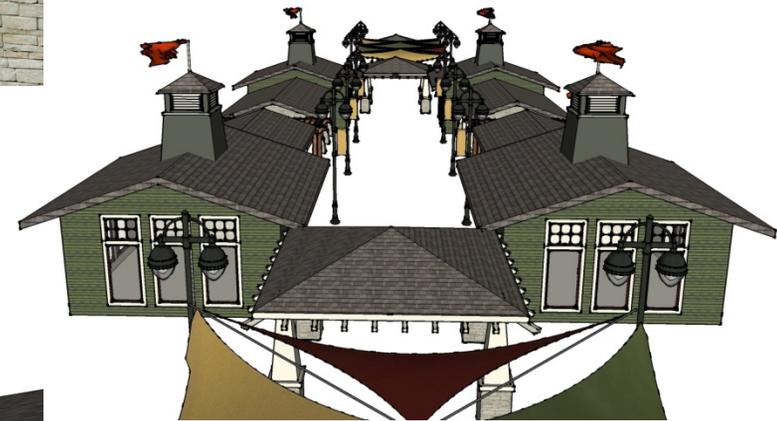
- Art & Food Village
- Trellis
- Canopies
-



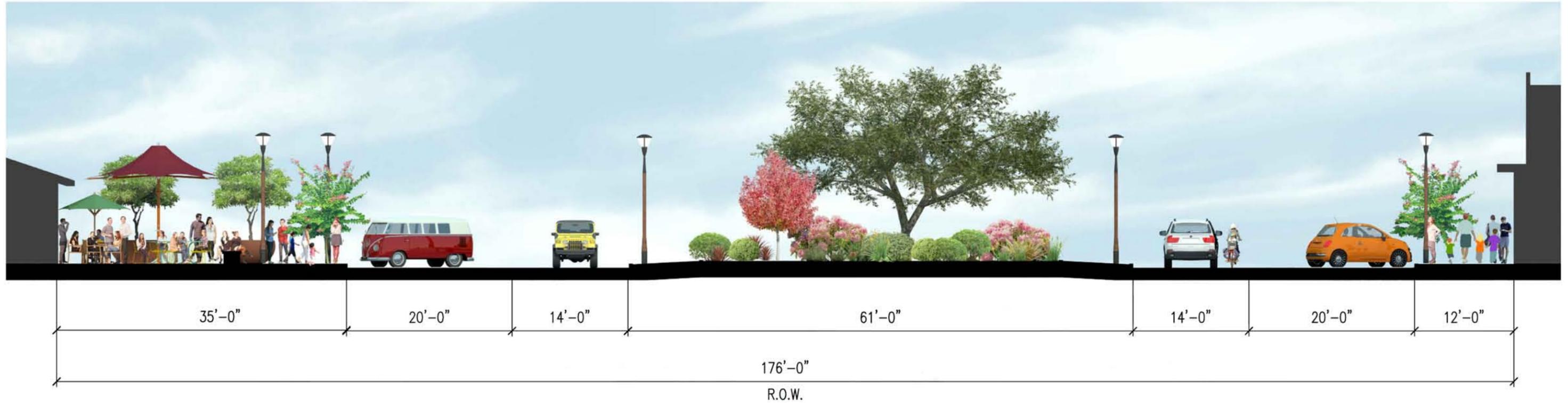


Perspective - Art & Food Court

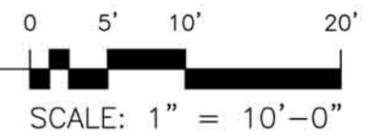




Median 4 - Art & Food Village, Design Concepts



MEDIAN 5
AVENUE OF FLAGS



DOR Trade-Offs

- Incentives support Specific Plan Goals and Objectives and are placed into a “Reserve Account” for City to distribute on a case-by-case / project basis
- If developers provide specified community benefits / objectives, City rewards developers with incentives

Potential Community Benefits / Objectives	Potential Incentives
<ul style="list-style-type: none"> • Construction of restrooms • Construction of an off-site public parking lot • Payment into, or creation of, a parking district • Construct off-site public improvements (curb, gutter, sidewalk, street widening) • Payment of an off-site trail fee • Payment of off-site water / wastewater fees • Installation of public art • Payment of a library fee • Adding additional green building features 	<ul style="list-style-type: none"> • Increase building heights from 45 to 55 feet* • Reduce on-site parking requirements • Increase mixed-use residential density from 12 units per acre to 18-20 • Reduced rear yard setbacks • Allow land uses not allowed in the CR zone, such as 100% industrial • Reduced application fees • Reduced traffic fees of off-site public improvements are provided

Source: City of Buellton City Council Staff Report, October 23, 2014; * Revised February 3, 2016

Types of Incentives for difference types of development

- Incentives should be aligned to specific types of desired development, and tailored to achieve market and financial feasibility

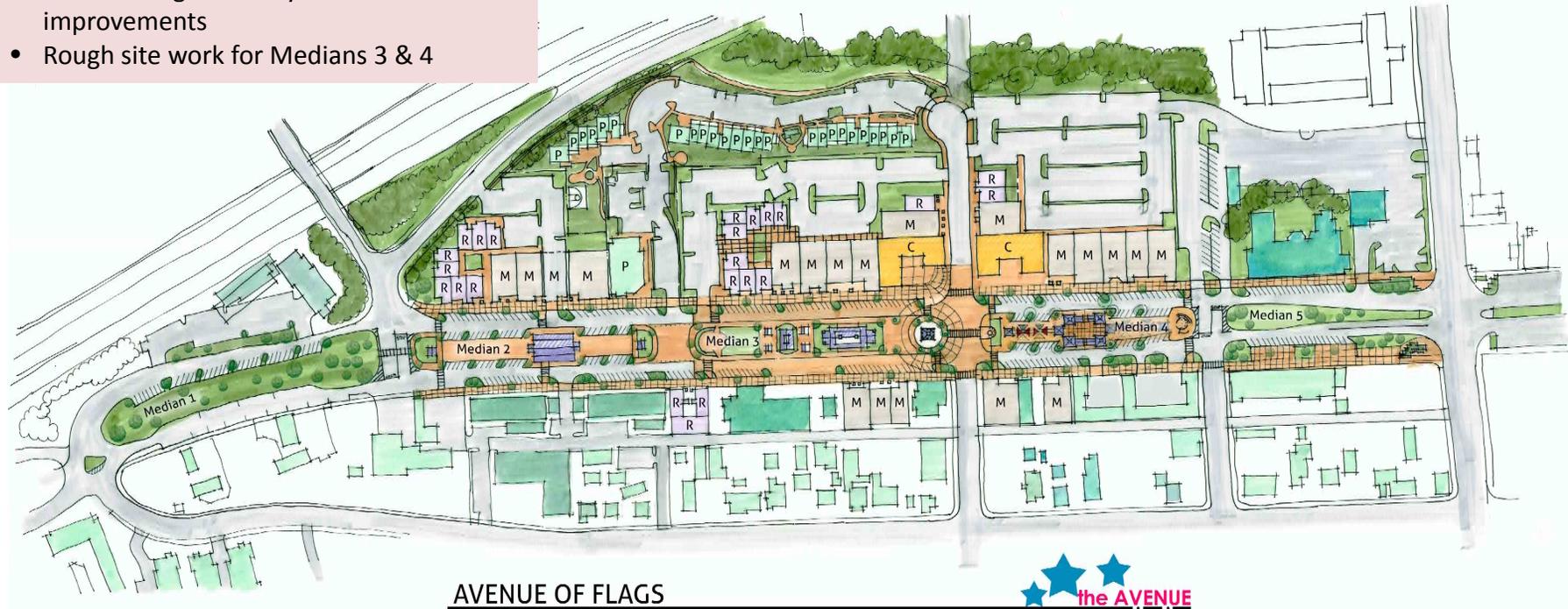
Type of Incentive	Commercial Development	Mixed-Use Development
Increase potential operating revenues (i.e. rental income)	<ul style="list-style-type: none"> • Reduce on-site parking requirements • Reduced rear yard setbacks • Allow land uses not allowed in the CR zone, such as 100% industrial 	<ul style="list-style-type: none"> • Increase building heights from 45 to 55 feet • Increase mixed-use residential density from 12 units per acre to 18-20 • Reduce on-site parking requirements • Reduced rear yard setbacks • Allow land uses not allowed in the CR zone, such as 100% industrial
Decrease project costs	<ul style="list-style-type: none"> • Reduced application fees • Reduced traffic fees of off-site public improvements are provided 	<ul style="list-style-type: none"> • Reduced application fees • Reduced traffic fees of off-site public improvements are provided

Phase 1

- Traffic calming & safety
- Caltrans discussions/planning process re: southbound Hiway101/AOF potential roundabout
- Fund Raising for safety measures & civic improvements
- Rough site work for Medians 3 & 4

Phase 2

- Activate Medians 3 (south) and 4
- Median 3 – City investment in / installation of: The Commons, Pavilion & Restrooms
- Median 4 – Programming, fund raising /construction of Art & Food village and parking
- Marketing program and monthly themed activities



Phasing Concept (tentative)

Phase 3

- Median 1 – site work, install parking
- Median 2 – install parking/paseo; fund raising /install Event Barn, shade structures, kiosks
- Median 3 (north) – Fund raising / install Amphitheater, Bandstand, shade structures
- Median 5 (southbound roadway) – reconfigure parking along west side and sidewalk enhancements

Future Phases & Potential Concurrent Items

- Hiway 101 /AOF southbound off-ramp improvements, potential roundabout; contingent on Caltrans process
- Hiway 246 upgrades
- Off-site parking, including potential City parking lots
- Secondary circulation and access improvements
- Secure potential location for Civic and Community Center
- Projects from DOR incentives & public/private partnerships

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: Carolyn Galloway-Cooper, Finance Director

Meeting Date: February 11, 2016

Subject: Annual Report for Fiscal Year 2014-15 (Revised) and Six-Month Report for Fiscal Year 2015-16 from the Buellton Visitor's Bureau

BACKGROUND

Attached are reports from Buellton Visitor's Bureau. They include:

- The Revised 2014-15 Annual Report presented to the City Council in September 2015 with changes requested by the City Council including:
 - Clarification on the "return on investment" terminology
 - Correction of the transient occupancy tax discrepancy
- The 2015-16 Six-Month report

FISCAL IMPACT

None

RECOMMENDATION

That the City Council review and file the attached reports.

ATTACHMENTS

Attachment 1 – 2014-15 Annual Report (revised) from Buellton Visitor's Bureau
Attachment 2 – 2015-16 Six-Month Report from Buellton Visitor's Bureau

BUELLTON VISITORS BUREAU

July 1, 2014-June 30, 2015 Year End Report

History

- The City of Buellton contracts with the Chamber of Commerce to operate a Visitors Bureau for the promotion of tourism and economic development.
- The Visitors Bureau is funded through a percentage (20.83%) of Transient Occupancy Tax (TOT) received by the City.

Overview

- The focus of the Visitors Bureau is to promote Buellton to travelers on a domestic and international level. By branding Buellton as a destination to, “Eat, Stay, & Play” we have been able to attract people from all over the world. We have made improvements to our website, we continue to develop our social media and content, and we have raised awareness of what Buellton has to offer by attending various trade shows. Through our own marketing and promotions along with partnerships we have with local, regional, and state bureaus we have continued to put Buellton on the map. Our city is growing and with new lodging properties coming in and existing ones expanding, it is imperative to continue our marketing efforts.

Visitor Bureau Income

- 20.83% of the TOT collected by the hotels and reported to the City.
- County of Santa Barbara

7/1/14 – 6/30/15	YTD	Budget
City of Buellton	375,381.76	350,000.00
Balance Forward		100,495.00
County of SB	2,758.00	2,758.00
Total Income	378,139.76	453,253.00

Expenses

Program Expense
Employee Services
Maintenance Expense
Taxes

7/1/14 – 6/30/15	YTD	Budget
Program Exp.	213,686.83	277,400.00
Employee Service	88,411.49	127,800.00
Maintenance Exp.	17,758.49	20,520.00
Taxes	411.30	450.00
Total Expenses	320,268.11	455,253.00

Program Expenses

- **Member Dues & Subscriptions**
 - Central Coast Tourism Council – Membership
 - Western Association of Conference & Visitors Bureaus
 - International Conference of Shopping Centers (ICSC)
 - Dropbox
 - Santa Ynez Valley News
 - Santa Barbara News Press
 - Santa Maria Times
- **Sponsorships & Donations**
 - Sponsored Wine Bloggers
 - Sponsored WACVB CEO Forum
 - Sponsored Harvest Blues Festival at Standing Sun
 - Sponsored Sideways 10 promotion
 - Donated to SYV Botanic Garden
 - Sponsored Wine tasting at CA RV Show
 - Sponsored SYV Fireworks show
 - 805 Criterium weekend
 - Donated certificate to Hitching Post II for Sideways promotion
 - Sponsored American Hot Shot extreme mud run
 - Sponsored Dry Lakes Racing Hall of Fame Gas-up
 - Sponsored People Helping People SYV Polo Classic
- **Conference & Meeting**
 - Mileage reimbursements for conferences, meetings and trade shows
 - Registration fees for annual conferences and meetings
 - Conference lodging reimbursements

Program Expenses Continued

- Economic Development
 - ICSC Conferences, registration fees, lodging, mileage, transportation, membership
 - Avenue of Flags pole banners
 - Vinyl replacements on the McMurray Billboard
 - Contract continuation with Kosmont Companies
 - Hwy 246 Banner engineering
- Advertising
 - Billboard – rent, utilities, permits
 - Co-op
 - Canadian Traveler w/ CCTC
 - Partnership with Visit SYV
 - Westways Co-op with Visit SYV
 - Print Advertising
 - Santa Ynez Valley Destination Guide
 - Certified Folder Rack Card Displays
 - Solvang Festival Theater brochure
 - Yosemite Journal
 - Rack Cards
 - CCTC Map
 - Vintners Festival program
 - Buellton Map revision
 - California Road Trips
 - Santa Barbara Map

Program Expenses Continued

- **Web**
 - Web hosting
 - New Website development
- **Graphic Design**
 - Develop concepts and designs for ad layouts (print & digital), promotional materials, trade show displays, billboard re-design, web re-design
- **E Marketing**
 - Social Media
 - Madden Media – SEM, Facebook sweepstakes, content management
 - Meltwater Press – Database of journalist for press release distribution, tracking and newsfeed abilities
- **Events**
 - Buellton Winter Fest
- **Trade Shows**
 - LA Travel & Adventure Show
 - California RV Show
 - Booth Display update
 - ICSC

Employee Services

- Wages & Salaries
 - Payroll Taxes
 - Contract Labor
 - Insurance
 - Workmens comp
- Liability Insurance
- Property Tax

Maintenance Expense

- Office Expense
 - Office Supplies
 - Telephone/Internet
 - Office Alarm
 - Equipment Rental & Service
 - Cleaning & Janitorial
 - Postage & Shipping
 - Storage rental
 - Copy machine maintenance
- Professional Fees
 - Accounting
 - Bookkeeping

Sponsorships & Donations

The Buellton Visitors Bureau continues to support local events with potential for overnight stays. We also provided sponsorships for partnership promotions and trade show opportunities.

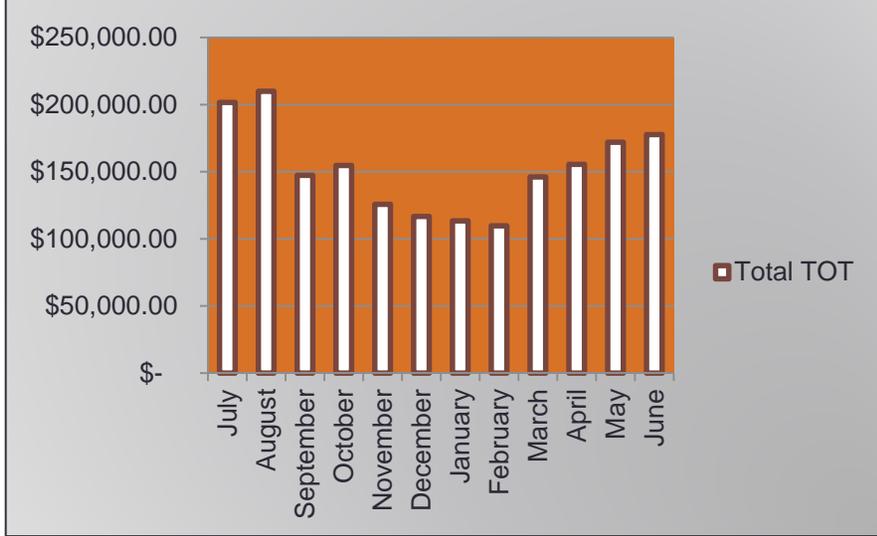
In addition to sponsorships, the Visitors Bureau also made contributions to the SYV Botanic Garden and items for promotional prize packages.

We are grateful for the businesses and organizations who choose to host events in Buellton. It is our duty to promote our city and the activities that take place. Our support for the events is greatly appreciated by the event organizers and is what helps to keep them returning year after year.

The Visitors Bureau sponsored/donated over \$17,000.00 to local events and organizations this year.

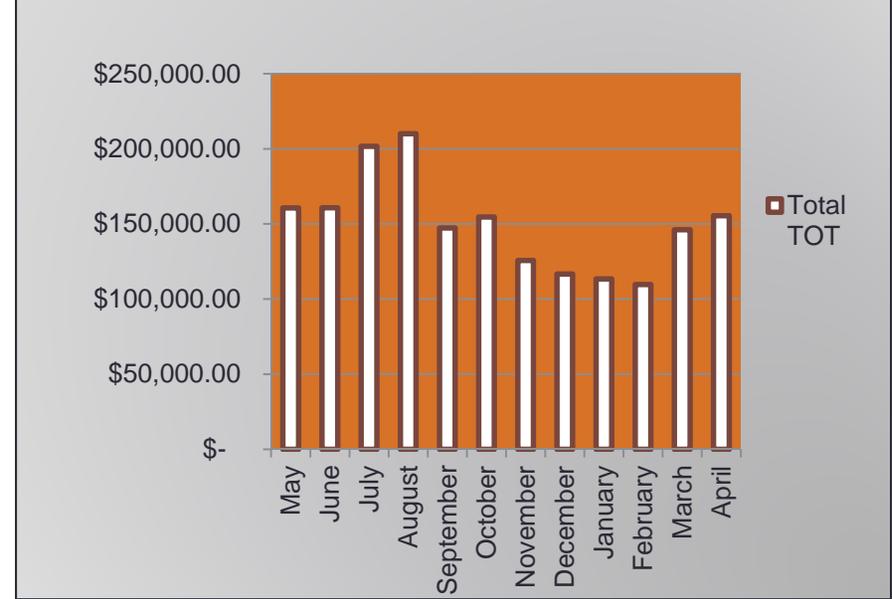
- Wine Bloggers
- WACVB CEO Forum
- Harvest Blues Festival
- Sideways 10 Promotion
- SYV Botanic Garden
- Wine Tasting at RV Show
- Fireworks show
- 805 Criterium Weekend
- American Hot Shot Extreme Mud Run
- Dry Lakes Racing Hall of Fame Gas-Up
- Polo Classic

Total TOT collected by the City for the Fiscal Year July 2014 - June 2015



This indicates the TOT generated by the City for the Fiscal Year July 2014-June 2015.
Total TOT collected by the City = \$1,830,276.

Total TOT collected by the City May 2014 – April 2015



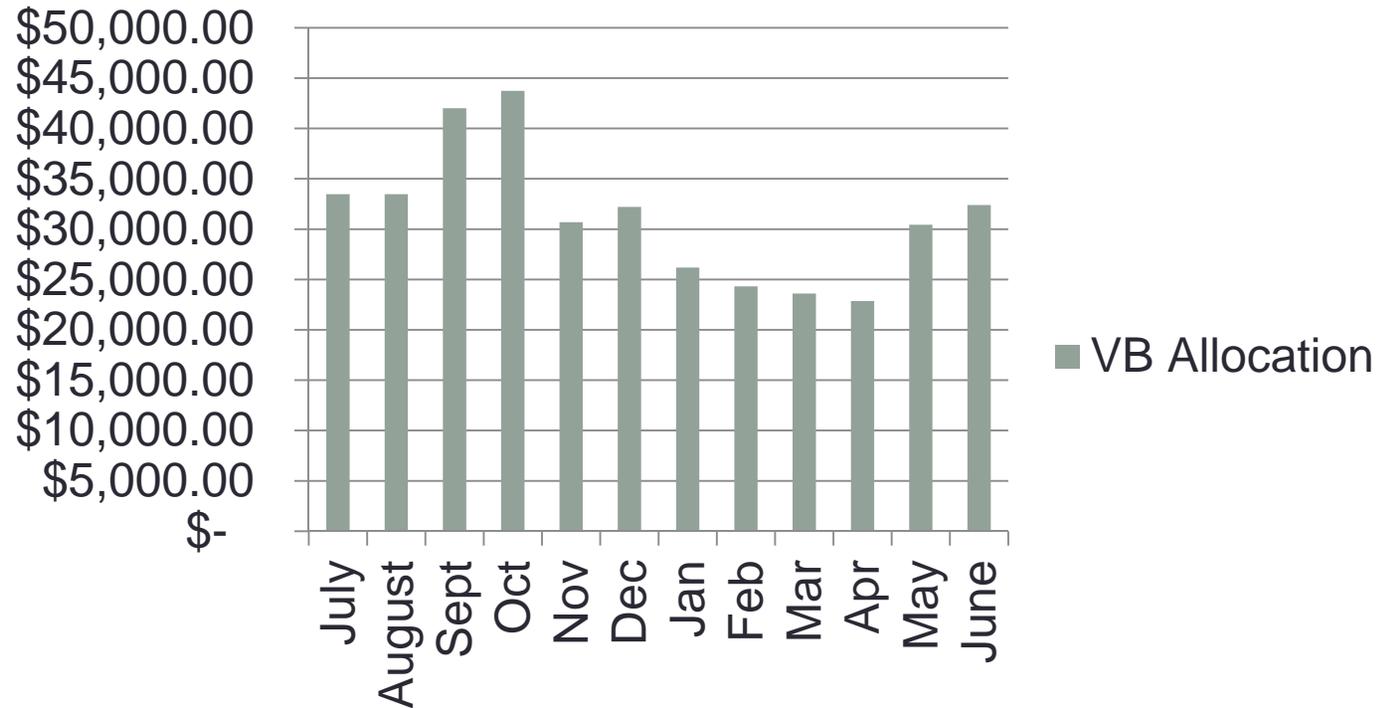
The VB receives the allocation 2 months after the TOT is collected by the City. Therefore, the allocation to the VB for Fiscal year July 2014- June 2015 is actually collected by the City in the months of May 2014 – April 2015.
Total TOT collected by the City May '14 – April '15 = \$1,802,122.

TOT Breakdown

Total TOT (May '14 – April '15)	\$1,802,122.00
Visitors Bureau Allocation	\$ 375,381.76
City General Fund:	\$1,426,740.24

Visitors Bureau Allocation

VB Allocation



There is a 2 month delay from when the City collects the TOT to when the VB receives the allocation for that month.

Ex: The VB collects a check in July based on the TOT collected by the City for the month of May and so on.

VB allocation for July 2014 – June 2015 = \$375,381.76

Visitor Traffic

The Visitors Bureau attracts visitors from around the world. We invite our visitors to sign our guest book and let us know where they are from.

We track our visitors at the Visitors Center by logging how many people were in each party and what information they were requesting. We also track calls coming in requesting information.

We continue to receive leads from our advertisements and social media sweepstakes campaign. In response to these leads, we mail additional information and invite them to Visit Buellton. We also have a growing email list who we are able to reach out to as well.

We also provide welcome bags to groups coming into the area for reunions, corporate retreats, weddings, and gatherings. Quality customer service goes a long way and turns overnight guests into repeat customers.

2014-2015	Walk-Ins & Calls	Mailings	Total Contacts
July	559	103	662
August	566	90	656
September	424	36	460
October	375	45	420
November	235	53	288
December	161	18	179
January	194	247	441
February	286	129	415
March	252	85	337
April	342	262	604
May	387	111	498
June	387	570	957
Totals	4168	1749	5917

Visitor Bags

Q1	159
Q2	206
Q3	576
Q4	20
Totals	961

Who's looking at Buellton? VisitBuellton.com

VisitBuellton.com sees significant traffic from around the world.

On an international level, we are looking to our neighbors to the north. The Canadian market continues to grow, especially the eastern parts of Canada including; Toronto, Montreal, and Quebec. We continue to advertise in the Canadian Traveler in a cooperative effort with the Central Coast Tourism Council to reach this market.

California, especially Southern CA, continues to be a prime market for our area. We also see web traffic from our neighboring states to the north and east. Texas continues to be in the top 5.

Top 10 countries visiting our website are:

- USA
- Canada
- Brazil
- United Kingdom
- India
- Mexico
- Philippines
- Australia
- Italy
- Germany



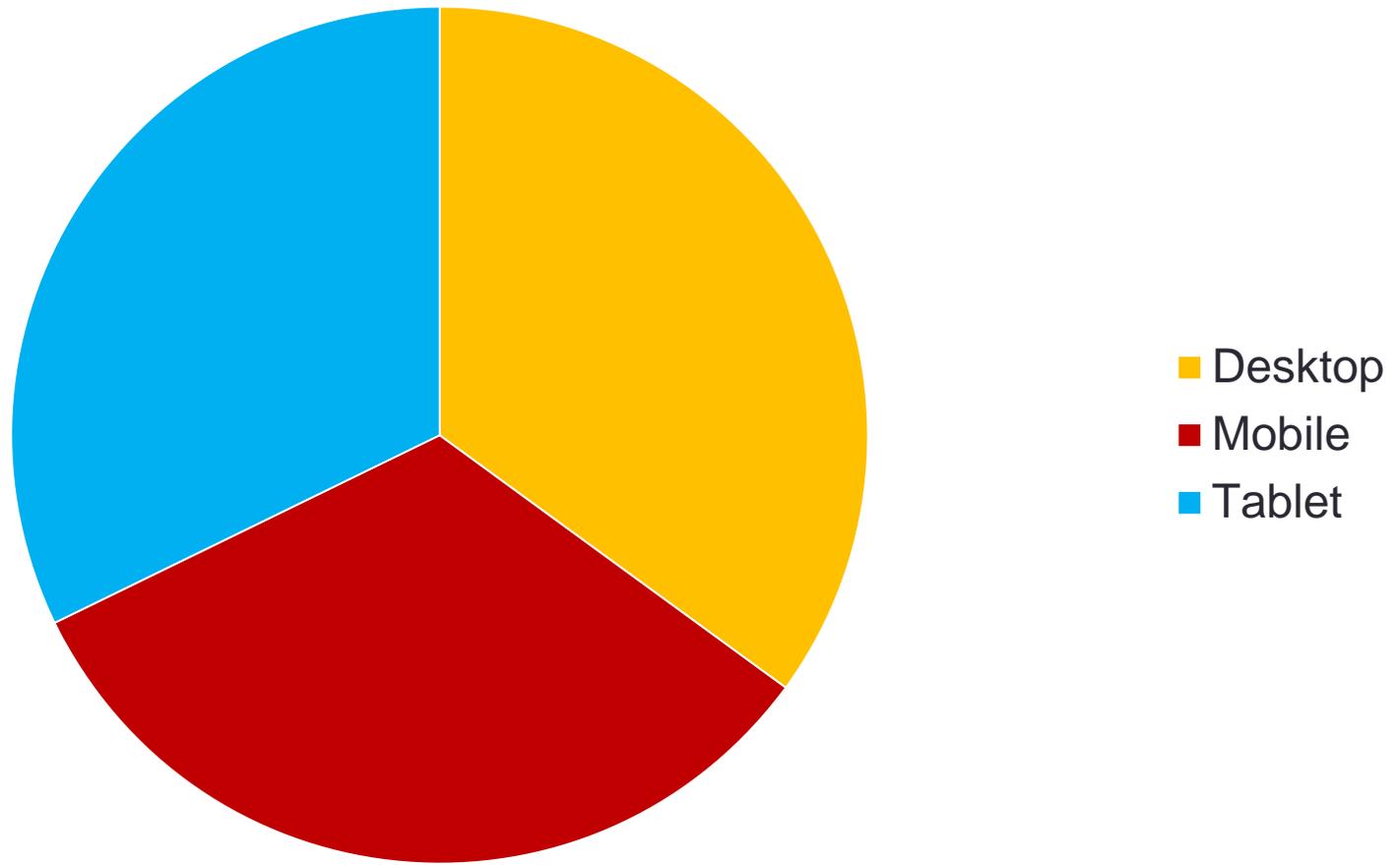
Top 5 states in the USA

- California
- Washington
- Texas
- Nevada
- Arizona



How are our Visitors finding us on the web?

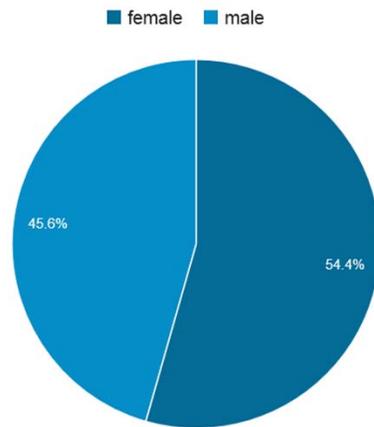
Devices



Who are these Visitors?

Gender

29.12% of total sessions

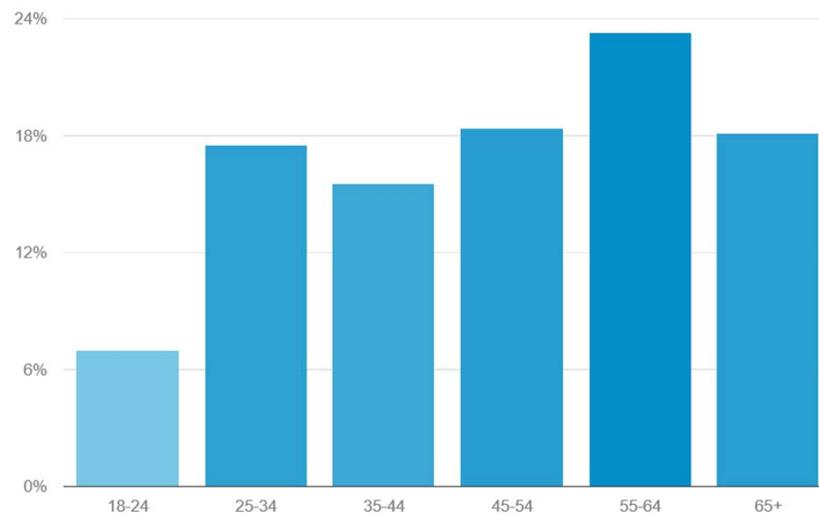


The female market continues to drive the decision making when it comes to vacation planning.

We continue to engage with the Baby Boomers, but also have seen an increase in the ages from 25-54.

Age

26.59% of total sessions



Getting Social

- We continue to build our audience through . Using #VisitBuellton along with tagging other organizations and businesses, we are expanding our reach and gaining likes. We also began a sweepstakes for a 2 night give away to Buellton and have had over 4.3 million impressions with over 22 thousand clicks. This engagement continues to brand Buellton as a destination.
- Our activity continues to increase on . Using @visitbuellton we are able to continue branding and engaging tourists, writers, people in the industry, amongst others who may have more reasons to come visit our area.
- We also opened an  (Visit Buellton) and have been using this as a means to reach out to yet another demographic. We expect our engagement to increase into the next fiscal year.

Economic Development

- We continued our outreach at the ICSC retail shows and conventions. We have met potential developers and retailers who have interest in coming to Buellton. Through our efforts, we have been able to connect developers to land owners so they may further discuss the opportunities.
- ICSC offers various breakout sessions and panel discussions which are focused on the future of retail, trends in the industry, and how other cities are coming out of the recession and moving forward.
- Having a booth at the Monterey convention allows us to stand out as a city and showcase what we have available in Buellton. An economic packet was developed for this show and electronic copies were sent out to leads following the conference.

• Attended ICSC

1. San Diego
2. Monterey
3. Las Vegas Recon



CITY OF BUELLTON

CITY PLANING

ECONOMIC DEVELOPMENT



LOS ANGELES TRAVEL & ADVENTURE SHOW®

Travel Shows



We designed a new booth display to brand Buellton as a destination where you may, "Eat, Stay, & Play!" We were located on a busy corner and had great response to our colorful booth.

- The Visitors Bureau had a 10x10 booth at the LA Travel & Adventure Show in Long Beach. This is a consumer based show with various presentations, professional travel speakers, travel media, and exhibitors from around the world.
- Attendees come to dream, plan, and book their vacations. For us we can inspire, educate, and build our brand and visibility.
- 79% of the attendees chose a destination by attending the show.
- 86% booked 1-2 trips by meeting an exhibitor at the show.
- Attendees spend over \$5,360 per trip
- 97% of the show attendees took at least one domestic leisure trip



Travel Shows



- 33,269 attendees, a 15% increase from the prior year
- This was the 2nd year we attended this largest RV show in California and partnered with Flying Flags RV Resort. It has proved to be a great success showing immediate bookings as a direct response of the show.
- Also, we conducted an education seminar on our destination which included a wine tasting as well.



McMurray Road Billboard



Advertising

We continue to brand Buellton as a destination to, “Eat, Stay, & Play!”

Our advertising efforts are done on a domestic and international level, both in and out of market.

We have generated hundreds of leads with many of our ad buys which allows us to follow up and reach out to those inquiring visitors.

Here is a list of the various places we could be seen this year.

- Yosemite Journal
- Solvang/Santa Ynez Visitor Guide
- Canadian Traveler Explore Magazine
- CA Road Trips
- Westways Co-op
- Santa Barbara Map
- Central Coast Map
- PCPA Solvang Festival Theater
- Santa Barbara County Vintner’s Guide
- California RV Show Program
- People Helping People Polo Classic Program
- Vintner’s Festival program
- A new rack card for Buellton was produced
- Buellton Map Revisions

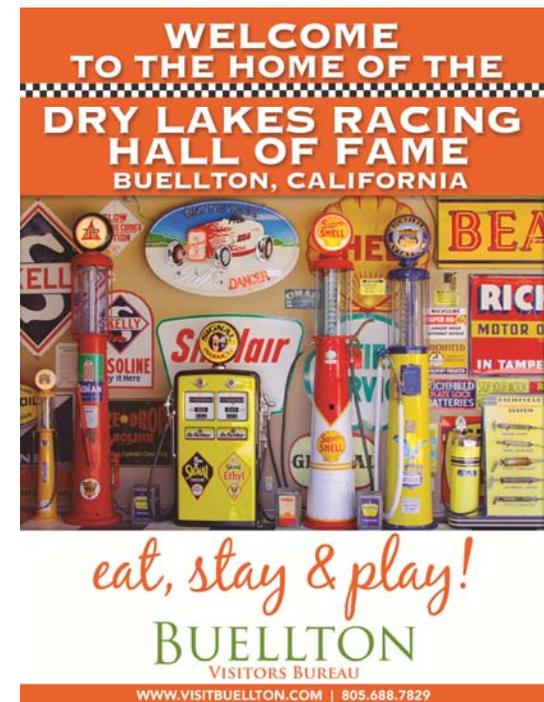
Ad Layouts Print & Digital



CA Road Trips



Web Banner Ads



Gas-up ad

Ad Layouts

eat, stay & play

Visit Buellton. If you haven't explored this unique Central Coast city, then you must add it to your bucket list of trips. Located in the heart of the Santa Barbara County and smack dab in the middle of Santa Ynez Valley wine country, this small town is a great place to set up camp and explore.

The uniqueness, hidden gems, and niche industries of Buellton offer an array of things to do and see. Home of the movie *Sideways*, Figueroa Brewing, Ascendant Spirits, Hitching Post II, Mendocino's Museum, Ostrichland and more, Buellton prides itself with the eclectic mix of award winning businesses. Nearby towns and attractions, such as Solvang and the Chumash Casino are just a couple more reasons to visit.

Most of these businesses are located within walking distance to Flying Flags RV Resort, a destination RV resort. Here you will find an abundance of amenities, friendly service, clean modern facilities, and fun for the whole family. Whether it's a weekend getaway for two or a break for the entire family, once you check into Flying Flags, you won't want to leave. Don't have an RV? No worries. Flying Flags has vintage, remodeled air streams, cabins, and safari tents you may rent. So what are you waiting for? Visit Buellton and Eat, Stay & Play!

FLYING FLAGS
RV RESORT

eat, stay & play!!
BUELLTON
VISITORS BUREAU & COORDINATOR OF COMMUNITY

WWW.FLYINGFLAGS.COM | WWW.VISITBUELLTON.COM

RV Show Guide

BUELLTON
VISITORS BUREAU

eat, stay & play!!

WWW.VISITBUELLTON.COM

Polo Classic program ad

BUELLTON
VISITORS BUREAU

eat, stay & play!!

WWW.VISITBUELLTON.COM

Santa Barbara Map

Ad Layouts continued



Yosemite Journal



Canadian Traveler



SYV Destination guide

Visit California



We had the opportunity to partner with the Central Coast Tourism Council and make a presentation to the staff at Visit California. We presented to over 20 employees and shared with them the Original Road Trip through the Central Coast. A prize package and giveaways were put together by all of the partners and one lucky winner received a grand prize for a trip through the Central Coast. We were fortunate to have one of their content management personnel win the prize and he will be making his way through the Central Coast to enjoy all we have to offer.



Sponsorship Opportunities



We welcomed the Wine Bloggers Conference



We sponsored the Western Association of Conference & Visitors Bureaus

Thank you for allowing us the opportunity
to market our great city of Buellton

eat, stay & play!!
BUELLTON
VISITORS BUREAU



Buellton Visitors Bureau 6 month report (July 2015-December 2015)

The Buellton Visitors Bureau is off to a great start for the fiscal year 2015-2016. The additional funding has presented itself with new opportunities for marketing and promoting the City. Below is the scope of work that has taken place in the first half of the fiscal year. The next half consists of ongoing projects, trade shows, and continued marketing efforts.

The occupancy has continued to see growth in Buellton and in doing so has attracted hotel developers to Buellton who are building new lodging properties, we have existing properties going through renovations and expanding their inventory, as well as discussions on other acquisitions taking place.

The Visitors Bureau continues to develop and promote our brand of Eat, Stay, and Play. We have used our marketing opportunities to enlighten, entice, and educate the tourists on what Buellton has to offer. We've demonstrated where we are located, highlighted our assets and hidden gems, and enhanced the image of Buellton. Our successful marketing efforts take place through a variety of platforms such as: digital, print, social media, and on an individual and cooperative level. The Visitors Bureau continues to market on a domestic and international level attracting tourists from around the globe.

Income/Expenses

Income received from July – December is \$232,733.97.

Expenses incurred from July – December are \$240,071.57.

We feel we are staying within our budget and carrying out the activities as proposed in our plan.

Co-Op

Westways Discover – We partnered with Solvang CVB and Visit SYV to produce a two page spread, featuring the hidden gems in the Valley for the Discover section of Westways. We also offered our local tourism partners a discounted rate to purchase a 1/6 page ad following the 2 page spread. Circulation is 500,000 So Cal AAA households with incomes over \$100k.

Canadian Traveler – Partnered with Central Coast Tourism partners to produce a Central Coast section in the Canadian Traveler. Recognizing the Canadian market as high importance for our region. With the co-op we received ½ page ad in Canadian Traveler Wine & Culinary, along with inclusion in 4 print articles, up to 20 online articles, 3 full page ad placements, 1 million impressions, 24 eNewsletters and 2 social media campaigns.

Yosemite Journal – Partnered with Central Coast Tourism partners to receive better exposure and pricing. Ad buy included: ½ page ad, ½ page advertorial, digital editions on Nook, iPad, and Kindle. Online at MyYosemitePark.com with bonus edit posted online, CA map pin, CA itinerary, and quarterly posts or shares on Facebook. This partnership also includes lead generation and we have received 1,223 targeted leads. Most recently, the VB participated in a “Yosemite to Coast” Road Trip Sweepstakes.



This is being promoted over digital platforms including Facebook. The winner will receive a package including overnight stays, attractions, and meals.

California Road Trips – Partnered with Central Coast Tourism partners to showcase our region as a destination and recommended California Road Trip. 2.7 million readers, 1 million print copies, digital version on Visitcalifornia.com year around, 600,000 inserted into Sunset magazines May issue, 400,000 distributed in CA State Parks, CA Welcome Centers, CVB's, Visitor Information Centers, Travel & Adventure Shows, Coastal Living, and Sunset events throughout the year.

California Welcome Center (CWC)- Placement of a Ceiling Banner at the CA Welcome Center in Oxnard along with display of collateral materials. Over 30,000 visitors a year, 1800 direct referrals to Buellton, exposure on CWC website with over 129,000 unique visits.

Print / Digital

SYV Destination Guide – ½ page ad in the Santa Ynez Valley/Solvang Destination guide to continue to brand Buellton as a destination within the Valley, highlighting places to Eat, Stay, and Play. We also assisted with edits and inclusions relating to Buellton. Over 90,000 copies printed and distributed via trade shows, festivals, Visitors Centers and direct mailings. Guides are also delivered to local hotels, museums, and restaurants. A digital version of the publication is also available on the VisitSYV website.

Santa Barbara Destination Guide – Full page ad within the Santa Ynez Valley section with a 90,000 total distribution, digital publications on SantaBarbaraCA.com(over one million visits yearly), and digital platforms for smart phones and tablet devices. Also displayed in visitors centers, hotels, trade shows, and direct mailings.

PCPA – Renewed Rack Brochure listing. Distribution in Display racks throughout the area including visitor's centers and hotels.

Certified Folder – ½ panel ad in the Traveler Info Guide (a free map to visitors). Distribution to 370 visitor locations throughout the state from San Francisco to Ventura. 100,000 copies printed. We also distribute our Buellton Rack Card in the Pismo Welcome Center through Certified Folder.

California Visitor Guide- 1/3 page ad in the Central Coast region of the official guide for Visit CA. Distribution 500,000 on newsstands, sales missions, consumer and travel trade shows, California Welcome Centers, Visitor Centers, targeted list of spas, salons, professional offices, country clubs, and auto centers nationwide, Sunset, Coastal Living, and Southern Living magazine events. Digital version on Visit CA website with a link to our website. 791 leads generated.

Wine Country - 15,000 magazines with over 320 locations from Paso Robles to Malibu. Copies are also mailed to Central Valley, LA and Orange Counties and San Francisco South Bay area. Targeting in-market as well as key areas of our market. We are working to grow our wine presence in this magazine and showcase the wine industry in Buellton.



Horizon Travel & Lifestyle –

(Midwest) Full page ad and Full page Editorial, 100,000 distribution.

(Canada) ½ page ad and ½ page editorial, 100,000 distribution.

120 (5) second spots on the ABC Good Morning America Screen in Times Square Nov 24-30.

11,160 (5) second spots on The PATH Screens in December 1-31. The PATH is a 29km network of pedestrian tunnels beneath the office towers of downtown Toronto. The Screens are viewed by 100,000 people per day.

(California) ½ page ad and ½ page Editorial, plus cover mention in January 2016 edition of Horizon, inserted in 100,000 copies of the Wall Street Journal. 120 (5) second spots on the ABC Good Morning America Screen in Times Square December 14-20.

Digital copy available online at Horizontravelmag.com with link to VisitBuellton.com

Trade Shows

CA RV Show – Partnered with Highway West Vacations (Flying Flags) to attend this 10day show. Over 30,000 people attend with the intent to purchase and or shop RV's and discover new destinations.

Upcoming shows include Travel & Adventure (San Diego/Long Beach) and IPW (International Pow Wow)

Economic Development

ICSC San Diego Western Conference – Met with potential commercial developers and retailers to discuss vacant opportunities in Buellton, explored new technologies to assist with Traffic Study reporting measures and also met with Kosmont and the leasing agent for Crossroads while at the show to discuss potential tenants.

Billboard wrap – Changed Billboard to showcase golf as an activity to do in Buellton.

Visa Vue – A program available through Visit California that tracks the spending of Visa card holders while in Buellton. Domestic reports show spending by city and state, as well as by category of spending. International reports break down by country and category of spending and offer insight as to what Visa card holders are spending their money on and where they are from. This assists with defining markets and understanding who is coming into Buellton and what purchases they are making.

Avenue / Hwy 246 Pole Banners – The Visitors Bureau continues to update and upgrade the Avenue Banners to highlight what there is to do in the city, events taking place, and welcome visitors into our community.

Reprint of maps – Revisions were made to the Buellton fold out map and a reprint was done. Maps are distributed in Buellton hotels, gas stations, at trade shows, in the Visitors Center, and placed in welcome bags.



Kosmont Companies– The Visitors Bureau worked with Kosmont to prepare for the ICSC and to discuss and follow up on activity taking place in Buellton with regards to retail and space availability.

Traffic Counts

Walk-ins – July – Dec 2015 the Visitors Center welcomed and assisted 1,963 Walk-ins.

Calls & Mailing – July – Dec 2015 the Visitors Center communicated with via phone and/or mail 841 individuals.

Events

Winter Fest - The Visitors Bureau partnered with the Buellton Rec Center, Buellton Senior Center, Buellton Historical Society and the Buellton Chamber of Commerce to host the Buellton Winter Fest. Over 500 people attended the festivities and enjoyed Live Music, food, beer, wine, vendors, 20 tons of snow, a light parade, and the tree lighting. This event continues to grow and has become a tradition for many families.

Sponsorship & Donations

Clean Air Express Saturday Service-A pilot program sponsored by the Buellton VB, Solvang CVB, Visit the SYV, and SBCAG to provide Saturday Service to/from the Valley and Santa Barbara.

Scarecrow Fest – A Valley-wide event promoting local business and overnight stays. Visitors descend on the Valley to tour and vote for their favorite scarecrows. A winner is selected from each community and entered into the Harvest Cup, the valley-wide winner.

Santa Ynez Valley Botanical Garden – The Visitors Bureau donated \$5k to the Botanical Garden to assist with the construction cost of their tool Shed.

American Hot Shot Extreme Mud Run – This event honors the families of the fallen firefighters and attracts people from across the United States who overnight in our community.

Fam Trip - The Visitors Bureau hosted a travel writer for Yahoo in partnership with Central Coast Tourism.



Los Alamos Days – The Los Alamos Days attracts visitors from across the state and Buellton offers accommodations nearby.

Buellton Historical Society – The Visitors Bureau has earmarked funding for the Historical Society to assist with their landmark monuments to be placed at historical landmarks throughout the city.

Social Media / E Marketing

Facebook, Twitter, Instagram - The VB contracted with an individual to manage the social media consisting of Facebook, Twitter, and Instagram. We have increased our number of posts and followers on all platforms and continue to promote #VisitBuellton and @VisitBuellton. Twitter stands at 469 followers, Instagram is at 744 followers, Facebook is at 1,331 and they continue to grow.

Photo Shoot – A second photo shoot was done to capture additional shots of family fun, outdoor activities, beer, wine and surrounding scenery. New images are used in all platforms of our advertising including social media, website content, print, digital, and promotional materials.

Meltwater Press – The VB uses this service to track editorial and social media conversations pertaining to Buellton. Relevant conversations may be directed to our newsfeed on the website for site visitors to read. This service also offers a data base of various writers who we may reach out to and submit press releases to for further attention and interest.

Madden Media – The VB contracted with Madden Media to assist with content management for our website as well as create a Facebook Sweepstakes to increase website traffic and visibility for Buellton. Through their efforts we received:

7,457,456 impressions / 42,815 Clicks

Year over Year we increased our web traffic nearly 3 times from prior usage:

240% increase in sessions on our website going from 20,287 to 68,776

230% increase in Users on our website going from 17,281 to 56,630

200% increase in page views taking it from 42,881 to 127,065

Facebook Sweepstakes produced 1,116,567 impressions and received 85%+ click through rate which is over 60% of the standard industry rate.

Madden Media has recently launched our second Facebook Sweepstakes and are in the process of developing a new content piece to place on our website and further market to the end consumer over digital platforms. These campaigns will also be measured to determine their success.



The Buellton Visitors Bureau continues to market on a domestic and international level working collaboratively with neighboring bureaus, regional partners, and state partners. It is in our best interest to place Buellton as a destination on the Central Coast where you may Eat, Stay, and Play. We appreciate the opportunity to market Buellton and look forward to attracting new visitors to explore our community.

Respectfully Submitted,

Kathy Vreeland, Executive Director

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: Carolyn Galloway-Cooper, Finance Director

Meeting Date: February 11, 2016

Subject: Review of Comprehensive Annual Financial Report (CAFR) for
Fiscal Year Ending June 30, 2015

BACKGROUND

Staff is pleased to present the Comprehensive Annual Financial Report (CAFR) for the fiscal year July 1, 2014 through June 30, 2015. Although submitted to the Mayor and City Council for consideration, the CAFR is also intended to provide relevant financial information to the residents of Buellton, taxpayers, creditors, investors and other interested parties.

The CAFR was prepared at the request of the City Manager to ensure a more comprehensive financial presentation of the City's fiscal position which provides a broader scope than the basic audited financial statements prepared in the past. In fiscal years 2012-13 and 2013-14, the City won an award for the CAFR. We will continue to prepare and submit the CAFR to the Government Finance Officers Association in anticipation of receiving the Certificate of Achievement for Excellence in Financial Reporting each year.

The City contracted with JJACPA, Inc., a Certified Public Accountant licensed to practice in the State of California, to perform the annual independent audit. The auditors expressed an opinion that the City's financial statements for fiscal year 2014-2015 are fairly stated in conformity with accounting principles generally accepted in the United States. This is the most favorable conclusion and is commonly known as an "unmodified" or "clean" opinion. The independent auditor's report is included in the Financial Section of this report.

The CAFR is organized into three sections:

- The Introductory Section is intended to familiarize the reader with the organizational structure of the City, the nature and scope of City services and specifics of the City's legal operating environment.

- The Finance Section includes Management's Discussion & Analysis, Basic Financial Statements, Notes to the Basic Financial Statements include the government-wide financial statements that present an overview of the City's entire financial operations and the fund financial statements that present financial information for each of the City's major funds, non-major governmental funds, as well as propriety funds, internal service funds and fiduciary funds. This section also contains the independent auditor's report on the Basic Financial Statements.
- The Statistical Section presents up to ten year of detailed statistical data on the City's financial trends, revenue capacity, debt capacity, demographic and economic financial statements and note disclosures.

FISCAL IMPACT

There is no fiscal impact to the City as a result of approving the 2014-15 CAFR.

RECOMMENDATION

That the City Council review and file the Comprehensive Annual Financial Report for Fiscal Year ending June 30, 2015.

ATTACHMENT

Attachment 1 – Comprehensive Annual Financial Report for June 30, 2015



2015

Comprehensive Annual Financial Report



Buellton City Hall Drought Resistant Landscape

**Fiscal Year Ended June 30, 2015
Buellton, California**

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2015

Comprehensive Annual Financial Report



Fiscal Year Ended June 30, 2015
Buellton, California

Prepared by:

Carolyn Galloway-Cooper, CPA
Finance Director

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**City of Buellton, California
 Comprehensive Annual Financial Report
 For the year ended June 30, 2015**

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City of Buellton, California
Comprehensive Annual Financial Report
For the year ended June 30, 2015

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Comprehensive Annual Financial Report
For the year ended June 30, 2015

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City of Buellton

January 29, 2016

To the Honorable Mayor, Members of the City Council and Citizens of the City of Buellton:

We are pleased to present the Comprehensive Annual Financial Report (“CAFR”) of the City of Buellton (“City”) for the fiscal year July 1, 2014 through June 30, 2015. Although submitted to the Mayor and City Council (“Council”) for consideration, the CAFR is also intended to provide relevant financial information to the residents of Buellton, taxpayers, creditors, investors and other interested parties.

The letter of transmittal provides a non-technical summary of City finances, services, achievements and economic prospects. We ask that readers who wish a more detailed discussion of the City’s financial results refer to Management’s Discussion & Analysis (“MD&A”). State law requires that every general purpose local government publish, within twelve months of the close of each fiscal year, a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended June 30, 2015.

The City Administration is responsible for the accuracy of the information contained in this report, the adequacy of its disclosures and the fairness of its presentation. We believe this CAFR to be complete and reliable in all material respects. To provide a reasonable basis for making this representation, we have established a comprehensive system of internal controls designed to protect City assets from loss to identify and record transactions accurately, and to compile the information necessary to produce financial statements in conformity with generally accepted accounting principles.

The City contracted with JJACPA, Inc., a Certified Public Accountant licensed to practice in the State of California, to perform the annual independent audit. The auditors expressed an opinion that the City’s financial statements for fiscal year 2014-2015 are fairly stated in conformity with accounting principles generally accepted in the United States. This is the most favorable conclusion and is commonly known as an “unmodified” or “clean” opinion. The independent auditor’s report is included in the Financial Section of this report.

REPORTING ENTITY

The City of Buellton has operated under the Council-Manager form of government since 1992. The Mayor and Council form the legislative body that represents the community and is empowered to formulate citywide policy. Council members serve four-year terms, with three members elected every two years. The Mayor is appointed by the Council but will change because the voters recently passed a measure that requires the Mayor to be elected for a two-year term starting in 2016. The City Manager is appointed by the Council and serves as the chief administrative officer of the organization responsible for the administration of City affairs, day-to-day operations and implementation of Council policies. In addition to the City Manager, the City Attorney is appointed by and reports directly to the Council.

Letter of Transmittal (Continued)

The City of Buellton, California incorporated in 1992 and is in the central coast part of the state in the Santa Ynez Valley. It is located at the regional intersection of Highways 101 and 246 about 45 miles North of the City of Santa Barbara. Buellton occupies an area of 1.6 miles and serves a population of about 4,900 consisting of 1,800 households within the City. Thousands of travelers have come to know Buellton as the Home of the Original Split Pea Soup, giving credit to Anderson's Split Pea Soup Restaurant. The City is surrounded by cattle ranches, the beautiful Santa Ynez Mountains, vineyards and wineries. No longer merely a crossroads stop for tourists and travelers, the City has evolved into a highly desirable place to live and work. Buellton's scenic biking routes, hiking trails and wine trails are a popular recreational attraction. The botanical gardens at Riverview Park are a picturesque vista for locals and tourists alike.

The City of Buellton provides a full range of services, including police and fire protection; refuse collection; off-street parking; building inspections; licenses and permits; the construction and maintenance of highways, streets, and other infrastructure; recreational and cultural activities; library services; low-income housing; and transit services. The City contracts with the County of Santa Barbara for Police and Fire services. Refuse collection services are under contract with Marborg Industries. Water distribution and sanitary sewer services are provided through departments of the City of Buellton and are maintained as separate funds in the proprietary section of these financial statements.

The CAFR includes all funds of the City, as well as all governmental organizations and activities for which the Council has financial accountability. These organizations include the Successor Agency to the Redevelopment Agency of the City of Buellton.

ECONOMIC CONDITION AND FISCAL OUTLOOK

Fiscal year 2014-15 ended with a continued solid growth in a number of revenue categories such as Sales Tax and Transient Occupancy Tax. With revenue increases from a stronger economy and the careful management of expenses, the City's budget continued to be on target in 2014-15. Transient Occupancy Tax increased due to increased occupancy rates. The City experienced strong sales tax revenue increases in Auto and Transportation and Building and Construction. The Business and Industry category outpaced all groups, rising over 50 percent. Other categories such as property tax measured slightly lower than expected at 97 percent of budget. Future growth is anticipated in this category with an approved housing development at the City's Crossroads location. The Village Town Homes will include 156-unit townhome project, and a senior citizen apartment complex and commercial development will be coming on-line in the near future.

The 2014-15 Adopted Budget was developed with the assumption of continued economic strength. Economic indicators and actual revenue performance supported this assumption during 2014-15. The City Council adopted a balanced budget which anticipated an operating budget maintaining City services and allowing for incremental increases in employee compensation. The City prioritized funding Buellton library services with a contribution to the Lompoc Library System. The oversight of the library will change from Lompoc to the Santa Barbara system starting in 2015-16. Community Organization Support increased slightly over the prior year with contributions to the Senior Center, People Helping People, Food Bank of Santa Barbara County and Santa Ynez Valley Fruit and Vegetable Rescue. Funding was provided to the Buellton Visitor's Bureau to promote tourism and economic development. The payment is based on a percentage of Transient Occupancy Tax received and increases proportionately with increases in Transient Occupancy Tax revenue.

Letter of Transmittal (Continued)

The City attracts a significant visitor population and numerous employees coming from neighboring Santa Barbara County jurisdictions. Employment is concentrated within accommodation and food services, manufacturing, retail trade and agriculture. The median household income is \$68,480 in Buellton compared to \$61,400 for California and \$53,046 for the United States. The households are mostly owner-occupied, newer housing. There is a large mobile home population consisting of about 20% of the population. The annual population growth rate through 2017 is expected to be .65 percent per year. According to Zillow Home Value Index, median home value for Buellton \$516,200 while California experienced a median value of \$449,500. The median home value for Santa Barbara County compares at \$545,400. All median home values for Buellton, Santa Barbara County and California were up from the prior year.

The unemployment rate in Buellton ended the fiscal year at 5.3 percent, slightly lower than the same period in the prior year. This rate continues to remain well below California. According to the Bureau of Labor Statistics (BLS), the unemployment rate for California in June 2015 is 6.2 percent. The National Unemployment Rate was lower than California at 5.3 percent.

LONG-TERM FINANCIAL PLANNING AND MAJOR INITIATIVES

Examples of Long-Term Financial Planning and Major Initiatives for the fiscal year ended June 30, 2015. Include the following:

- ◆ The City's Economic Development Task Force continued to work with the City's Economic consultant, Kosmont Companies. Consideration of a variety of economic development initiatives will allow the City to bring development projects that will expand the tax base and provide cash flow for funding the City's business plan.
- ◆ Starting in March 2015, two public workshops were held for the Avenue of Flags Specific Plan. The "Avenue" is located in the heart of Buellton's downtown and a focal point of economic development.
- ◆ In May 2015, Earth Day at River View Park and Botanic Garden provided a host of activities for all ages to celebrate the wonders of living on planet Earth.
- ◆ In May 2015, the City submitted an annual report demonstrating water savings from June – November compared to 2013 usage. The City continues to outreach regarding conservation measures. City Hall landscape renovations are planned to replace grass with drought tolerant landscape. Landscape rebate grants were implemented with flyers inserted in monthly water bills.
- ◆ On June 20, 2015, the 4th Annual Firestone 805 Avenue of the Flags Criterium event took place in downtown Buellton. The event is designed for the community with free kids' races, expo booths, food, a Firestone Walker 805 Beer Garden in addition to a really fast and exciting short track, NASCAR-style bicycle racing. Kids' bounce houses and plenty of food and drink were available.

Letter of Transmittal (Continued)

CAPITAL IMPROVEMENT PLAN

The use of a Capital Improvement Fund not only tracks costs but guides the City in the planning, scheduling and budgeting of capital improvement projects. The City has completed the development of Five-Year CIP and included it in budget year 2015-16. The City-wide capital improvement budget summarizes each project by “start date” and “end date. The CIP is updated annually and approved by Council. The CIP is the blueprint for resource investments to improve and rehabilitate existing public infrastructure while also making targeted investments that align with the City’s expansion plans. In total, the City’s 2015-16 CIP budget was equal to \$3.5 million and reflects a 25% increase from 2014-15. The CIP includes large investments to upgrade Water and Wastewater Treatment facilities and infrastructure upgrades such as Streets and Sidewalks.

Key components of the 2015-2020 Adopted Capital Improvement Program include:

- Circulation Improvements – Town Center Driveway was completed in 2014-15, McMurray Road Widening, Avenue of Flags Park and Ride structure and Bus Shelter improvements are still in progress with incremental progress assisting with traffic flow. The Majority of funding is through City General Fund and property owners benefitting at the Town Center project.
- Financial Accounting/Utility Billing Software Upgrade – Project to be completed in 2015-16. Total funding of \$150,000 replaced a ten year old software system. This technology upgrade is expected to improve utility billing efficiency for customers and save time for employees.
- Road Maintenance and Storm Drain Retrofit – Phase III Highway 246 Pedestrian Crossing and Street and Pavement rehabilitation activities are ongoing. The majority of this funding is through Measure A and Gas Tax with a contractor reimbursement of almost \$8,000 for Phase III Highway 246 Pedestrian Crossing received in 2014-15.
- Water Treatment Plant Capital Program – Water Facilities, Reservoirs 1 & 2 and Water Treatment Plant Pump Booster Reliability Project, Backwash Reclamation, Recycled Water Study, Water Distribution and Water Meter upgrades. This level of funding did not require a rate increase in 2014-15 but is anticipated in 2016-17.
- Sanitary Sewer System Capital Program –Sewer Collection System (CCTV) project, Sewer Line Replacement, Lift Station Security project, a Pilot Project (no cost to City), Sewer Jetter, Recycled Water (Joint project with Water Treatment Plan) and Head-Works Improvement. This level of funding did not require a rate increase but may be reviewed in 2015-16.
- Parks, Facilities and Miscellaneous – Paws Park Grass, Riverview Park Pedestrian/Sidewalk, Santa Ynez River Trail, Village Park (Combine funding with Developer). Facilities Maintenance and Painting.

FINANCIAL INFORMATION

Budgetary Controls

The City maintains budgetary controls through the City council’s adoption of an annual balanced budget. Expenditures for City operations cannot exceed revenues. The budgeted amounts approved in the annual budget are recorded in the City’s accounting system for each fund. Fund level monitoring is performed monthly. Quarterly reports to Council include budget versus actual trend analysis. Budget amendments are submitted to Council when a fund’s actual expenditures are expected to exceed budget.

Letter of Transmittal (Continued)

The City continues to meet its responsibility for sound financial management as demonstrated by the statements and schedules included in the financial section of this report.

Cash and Investment Policy

The City invests unreserved idle cash in order to enhance the economic status of the City while protecting its pooled cash. The City's Investment Policy is to exercise prudent judgment and care when investing. The criteria for selecting investments and the order of priority are Safety, Liquidity and Yield. The city attempts to obtain the highest yield obtainable as long as investments meet the criteria established for safety and liquidity. The Statement of Investment Policy is updated annually and approved by the City Council.

AWARDS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded its Certificate of Achievement for Excellence in Financial Reporting to the City for its CAFR for the past two fiscal years ended June 30, 2013 and June 30, 2014. Fiscal year 2014-15 was the second year the City has received this prestigious award. To qualify for the Certificate of Achievement, the governmental entity must publish an easily readable and efficiently organized CAFR, the contents of which conform to program standards. Such report must satisfy accounting principles generally accepted in the United States of America, as well as all applicable legal requirements.

A Certificate of Achievement is valid for only one year. The City believes this CAFR continues to conform to the Certificate of Achievement Program requirements and will be submitting it to the GFOA for consideration of the annual award.

ACKNOWLEDGMENTS

The preparation of the CAFR represents the culmination of a concerted team effort by the entire staff of the Finance Department. Many members of the Departments demonstrated commendable dedication and long days of focused attention to produce this document.

In addition, staff in all City departments and the Successor Agency should be recognized. The City also recognizes the contributions and positive working relationship with JJACPA, Inc.

On behalf of the entire Finance staff, we express our appreciation to the Mayor and City Council for providing policy direction and support for achieving financial excellence in all aspects of financial reporting.

Respectfully Submitted,



Carolyn Galloway-Cooper, CPA
Finance Director

City of Buellton, California
Comprehensive Annual Financial Report
For the year ended June 30, 2015

Certificate of Achievement for Excellence in Financial Reporting



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Buellton
California**

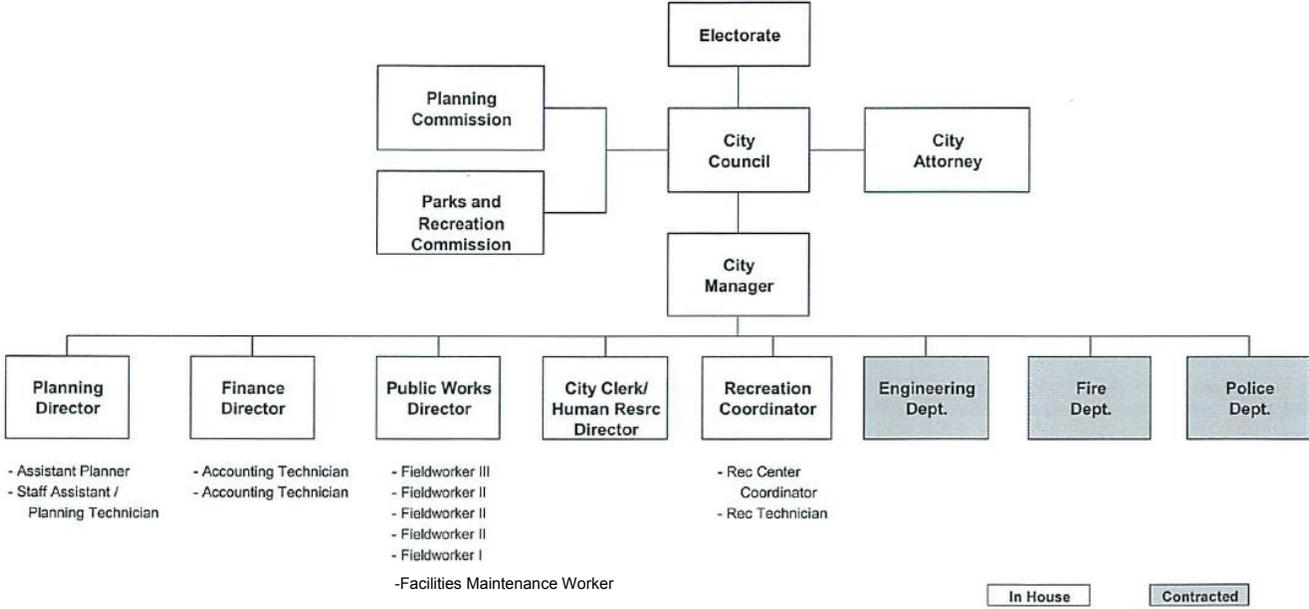
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

Executive Director/CEO

**City of Buellton, California
 Comprehensive Annual Financial Report
 For the year ended June 30, 2015**

Organization Chart



City of Buellton, California
Comprehensive Annual Financial Report
For the year ended June 30, 2015

List of Officials

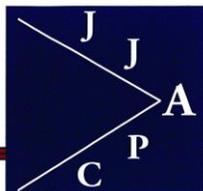
CITY COUNCIL

- Holly Sierra, Mayor
- Ed Andrisek, Vice Mayor
- John Connolly
- Leo Elovitz
- Dan Baumann

CITY OFFICIALS

- Marc Bierdzinski, City Manager/Planning Director
- Carolyn Galloway-Cooper, CPA, Finance Director
- Rose Hess, Public Works Director/ City Engineer
- Linda Reid, City Clerk/ Human Resources Director
- Kyle Abello, Parks & Recreation Coordinator
- Barbara Knecht, Recreation Center Coordinator

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JJACPA, Inc.

A Professional Accounting Services Corp.

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, and the budgetary comparison information of the City of Buellton, California (City), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design 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. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, and the budgetary comparison information of the City of Buellton, California, as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying supplementary information, which includes the combining and individual nonmajor fund financial statements, introductory, and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic 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 is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

To the Honorable Mayor and City Council
of the City of Buellton
Buellton, California
Page 3

The introductory and statistical sections have 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.

Implementation of New Accounting Standards

As disclosed in the Note 1 to the financial statements, the District implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, and *GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, during the fiscal year 2015.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 29, 2016 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City’s internal control over financial reporting and compliance.

January 29, 2016

JJACPA, Inc.

**JJACPA, Inc.
Dublin, CA**

City of Buellton, California
Basic Financial Statements
For the year ended June 30, 2015

Management's Discussion and Analysis

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, 2015. 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 \$39,029,991 (net position). Of this amount, \$7,821,325 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- The Government's total Net Position increased by \$84,310. This increase is attributable to an increase in grants for business-type activities along with an increase in Transient Occupancy Tax for governmental activities. Governmental activities experienced a reduction in expenses which enhanced the increase in net position. A summary of transactions reflecting Net Position is found on page 8 of this report.
- As of the close of the current fiscal year, the City of Buellton's governmental funds reported combined ending fund balances of \$13,986,666, a decrease of \$73,887 in comparison with the prior fiscal year. Approximately 45 percent of this total amount, \$6,289,573 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 \$6,482,765, of which \$3,200,000 is estimated by management to be "spendable" as shown in the adopted fiscal year 2015-16 City budget. There is \$3,282,765 included in the \$6,482,765 General Fund "unassigned" fund balance figure that is not spendable or available.

City of Buellton, California
Basic Financial Statements
For the year ended June 30, 2015

Management's Discussion and Analysis, Continued

OVERVIEW OF THE COMPREHENSIVE ANNUAL FINANCIAL REPORT

This Comprehensive Annual Financial Report is in three 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.
- 3) **Statistical section**, which includes detailed information as a context for understanding what the information in the financial statements, and footnotes says about the City's overall financial health.

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 Position and the Statement of Activities. The Statement of Net Position 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 Position 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 Position 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.

City of Buellton, California
Basic Financial Statements
For the year ended June 30, 2015

Management's Discussion and Analysis, Continued

OVERVIEW OF THE COMPREHENSIVE 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, 2015

Management's Discussion and Analysis, Continued

OVERVIEW OF THE COMPREHENSIVE ANNUAL FINANCIAL REPORT, Continued

Fund Financial Statements, Continued

For the fiscal year ended June 30, 2015, the City's major funds are as follows:

GOVERNMENTAL FUNDS:

- ◆ General Fund
- ◆ Traffic Mitigation Special Revenue Fund
- ◆ Transportation Planning Special Revenue Fund
- ◆ General Capital Projects 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 one private-purpose trust fund 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 49–86 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 92–100 of this report.

City of Buellton, California
Basic Financial Statements
For the year ended June 30, 2015

Management's Discussion and Analysis, Continued

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

In the case of the City, assets exceeded liabilities by \$32,029,991 as of June 30, 2015.

The Summary of Net Position as of June 30, 2015, and 2014, follows:

	Summary of Net Position					
	2015			2014		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Current and other assets	\$ 12,761,135	\$ 4,318,122	\$ 17,079,257	\$ 12,193,361	\$ 5,112,435	\$ 17,305,796
Noncurrent assets	1,876,208	-	1,876,208	1,876,208	-	1,876,208
Capital assets	18,152,109	5,573,002	23,725,111	17,499,108	5,555,611	23,054,719
Deferred outflows of resources	178,731	56,017	234,748	-	-	-
Total assets and deferred outflows of resources	32,968,183	9,947,141	42,915,324	31,568,677	10,668,046	42,236,723
Current and other liabilities	650,677	337,494	988,171	331,103	95,022	426,125
Noncurrent liabilities	2,064,548	432,633	2,497,181	841,632	126,416	968,048
Deferred inflows of resources	304,536	95,445	399,981	-	-	-
Total liabilities	3,019,761	865,572	3,885,333	1,172,735	221,438	1,394,173
Net Position:						
Net investment in capital assets	18,152,109	5,573,002	23,725,111	17,499,108	5,555,611	23,054,719
Restricted	7,483,555	-	7,483,555	7,986,418	-	7,986,418
Unrestricted	4,312,758	3,508,567	7,821,325	5,301,357	4,218,343	9,519,700
Total net position	\$ 29,948,422	\$ 9,081,569	\$ 39,029,991	\$ 30,786,883	\$ 9,773,954	\$ 40,560,837

Net Position increased by \$84,310. This increase is attributable to an increase in grants for business-type activities along with an increase in Transient Occupancy Tax for governmental activities. Governmental activities experienced a reduction in expenses which enhanced the increase in net position.

City of Buellton, California
Basic Financial Statements
For the year ended June 30, 2015

Management's Discussion and Analysis, Continued

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

The change in Net Position for the fiscal years ended June 30, 2015, and 2014, follows:

	Changes in Net Position					
	2015			2014		
	Governmental Activities	Business- type Activities	Total	Governmental Activities	Business- type Activities	Total
Revenues:						
Program revenues:						
Charges for services	\$ 460,223	\$ 2,170,416	\$ 2,630,639	\$ 388,450	\$ 2,245,135	\$ 2,633,585
Grants and contributions:						
Operating	555,856	293,817	849,673	639,327	1,699	641,026
Capital	-	-	-	-	-	-
General revenues:						
Secured and unsecured property taxes	1,146,289	-	1,146,289	1,116,510	-	1,116,510
Sales and use tax	1,943,723	-	1,943,723	1,935,411	-	1,935,411
Transient lodging tax	1,830,275	-	1,830,275	1,604,086	-	1,604,086
Franchise taxes	418,586	-	418,586	216,444	-	216,444
Other taxes	220,140	-	220,140	387,905	-	387,905
Investment income	107,885	8,146	116,031	41,160	7,932	49,092
Other general revenues	54,257	-	54,257	1,192	-	1,192
Total revenues	<u>6,737,234</u>	<u>2,472,379</u>	<u>9,209,613</u>	<u>6,330,485</u>	<u>2,254,766</u>	<u>8,585,251</u>
Expenses:						
Governmental activities:						
General government	783,769	-	783,769	1,771,834	-	1,771,834
Community development	1,192,571	-	1,192,571	469,675	-	469,675
Culture and leisure	607,761	-	607,761	595,098	-	595,098
Public safety	1,801,989	-	1,801,989	1,792,569	-	1,792,569
Public works	1,959,864	-	1,959,864	2,568,183	-	2,568,183
Business-type activities:						
Water	-	1,822,088	1,822,088	-	1,679,681	1,679,681
Sewer	-	957,261	957,261	-	453,728	453,728
Total expenses	<u>6,345,954</u>	<u>2,779,349</u>	<u>9,125,303</u>	<u>7,197,359</u>	<u>2,133,409</u>	<u>9,330,768</u>
Excess (Deficiency) of revenues over expenses before transfers	391,280	(306,970)	84,310	(866,874)	121,357	(745,517)
Transfers from fiduciary activities	-	-	-	59,073	-	59,073
Transfers	-	-	-	626,822	(626,822)	-
Change in net position	391,280	(306,970)	84,310	(180,979)	(505,465)	(686,444)
Net position:						
Beginning of year	30,786,883	9,773,954	40,560,837	429,906,184	822,274	430,728,458
Adjustments	(1,229,741)	(385,415)	(1,615,156)	-	-	-
Beginning of year, as adjusted	<u>29,557,142</u>	<u>9,388,539</u>	<u>38,945,681</u>	<u>429,906,184</u>	<u>822,274</u>	<u>430,728,458</u>
End of year	<u>\$ 29,948,422</u>	<u>\$ 9,081,569</u>	<u>\$ 39,029,991</u>	<u>\$ 429,725,205</u>	<u>\$ 316,809</u>	<u>\$ 430,042,014</u>

City of Buellton, California
Basic Financial Statements
For the year ended June 30, 2015

Management's Discussion and Analysis, Continued

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

Revenues

The City's total revenues for governmental and business-type activities were \$9,209,613 for the fiscal year ended June 30, 2015. Approximately 63% or \$5,769,960 of the City's key revenues is generated from four major sources.

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

- 1. Sales and Use Taxes** – The less than 1% positive change in sales and use tax was mainly due to local vendors maintaining retail sales growth and an overall generally improving economy in California.
- 2. Secured and Unsecured Property Taxes** – Annual receipts increased by approximately 3%, due to slowly recovering property values in Santa Barbara County and throughout the state. The positive trend is expected to continue.
- 3. Grants and Contributions – Governmental and Business-Type Activities Operating** – Grants continue to be a source of revenue for public works uses under Business and Governmental-type activities. Contributions from contractors were maintained in 2015 while revenue grew from grants. This was mainly due to street, road, and community enhancement operating grants for maintenance and operations renewed in the current year.
- 4. Transient Occupancy Tax – Governmental Activities Operating** – This revenue source is a major component and top revenue source of the City's General Fund. The City experienced TOT revenue streams in excess of budget at 114 percent and expects stronger trends in 2015-16. The Hampton Inn is under construction and will be added to the TOT list next fiscal year.

City of Buellton, California
Basic Financial Statements
For the year ended June 30, 2015

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 \$9,125,303. Governmental activity expenses totaled \$6,345,934 or about 70% of total expenses. Business-type activities incurred \$2,779,349 of expenses during the fiscal year. Public Works costs of \$1,959,864 represented almost 31% of total governmental activities expenses, which represented the largest single expense for governmental activities.

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, 2015, and 2014, are as follows:

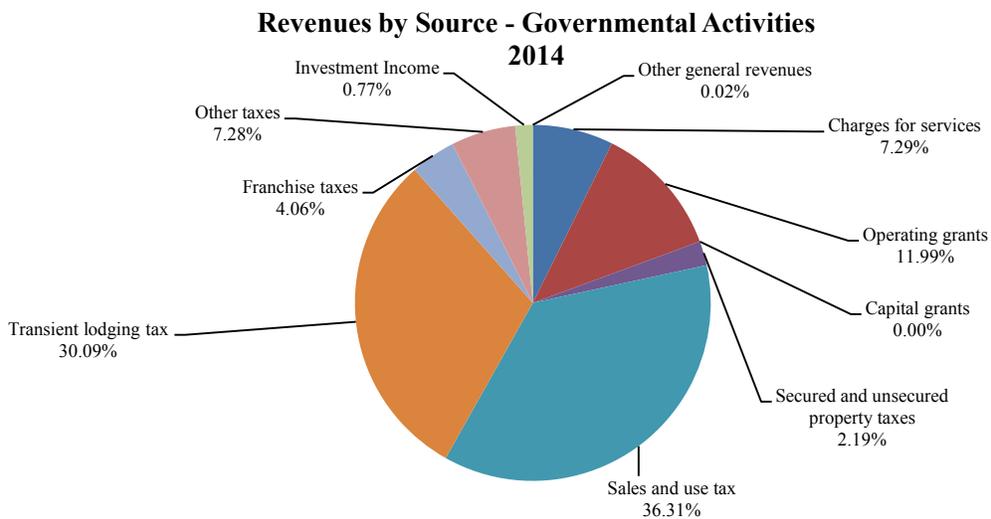
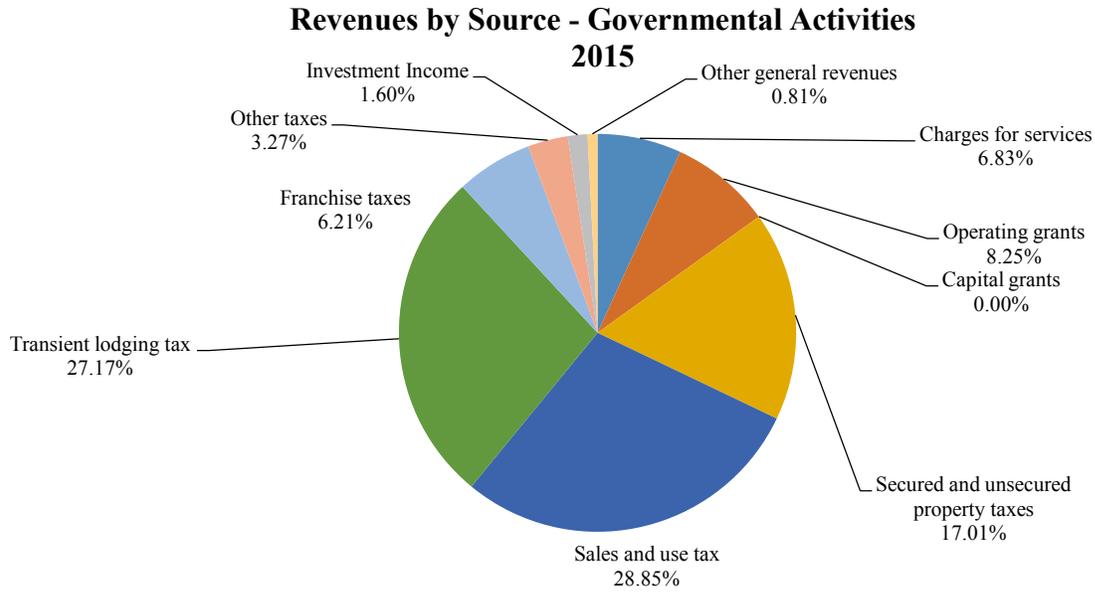
	2015		2014	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
General government	\$ 783,769	\$ 774,674	\$ 1,771,834	\$ 1,637,208
Community development	1,192,571	1,192,571	469,675	469,675
Culture and leisure	607,761	301,201	595,098	323,867
Public safety	1,801,989	1,764,395	1,792,569	1,754,440
Public works	1,959,864	1,297,034	2,568,183	1,984,392
Total	<u>\$ 6,345,954</u>	<u>\$ 5,329,875</u>	<u>\$ 7,197,359</u>	<u>\$ 6,169,582</u>

City of Buellton, California
Basic Financial Statements
For the year ended June 30, 2015

Management's Discussion and Analysis, Continued

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

Revenues by source for the fiscal years ended June 30, 2015, and 2014, are as follows:



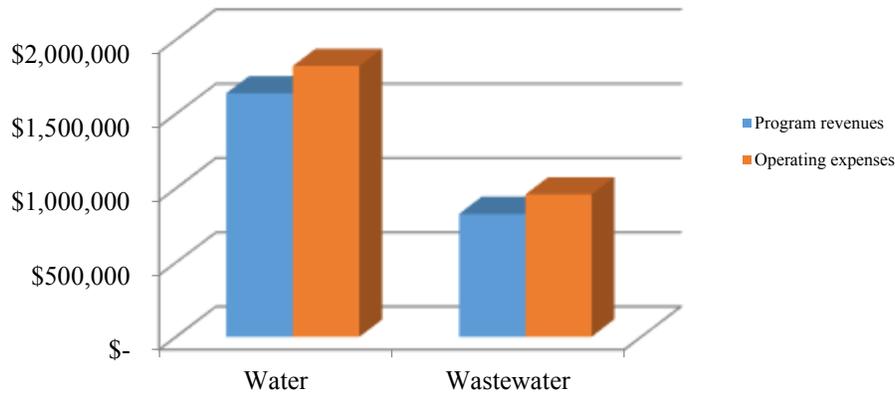
City of Buellton, California
Basic Financial Statements
For the year ended June 30, 2015

Management’s Discussion and Analysis, Continued

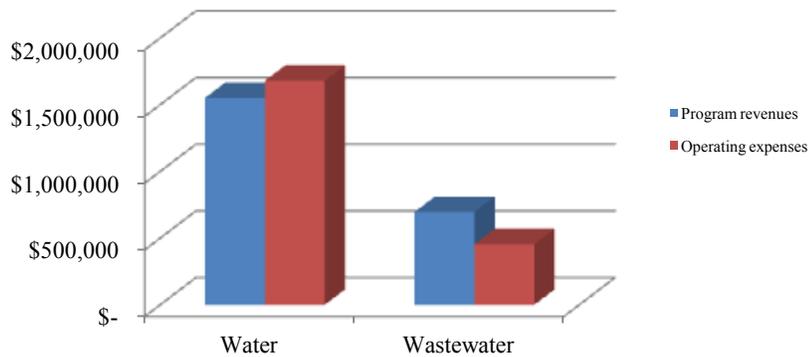
GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

Business-type activities. Business-type activities increased the City’s Net Position by \$9,081,569. The City has two business-type activities: Water and Wastewater. Water accounts for 67%, and Wastewater accounts for 33% of total business-type activity revenue. The expenses and program revenues for the business-type activities for the fiscal year ended June 30, 2015, and 2014, are as follows:

**Expenses and Program Revenues
 Business-type Activities
 2015**



**Expenses and Program Revenues
 Business-type Activities
 2014**

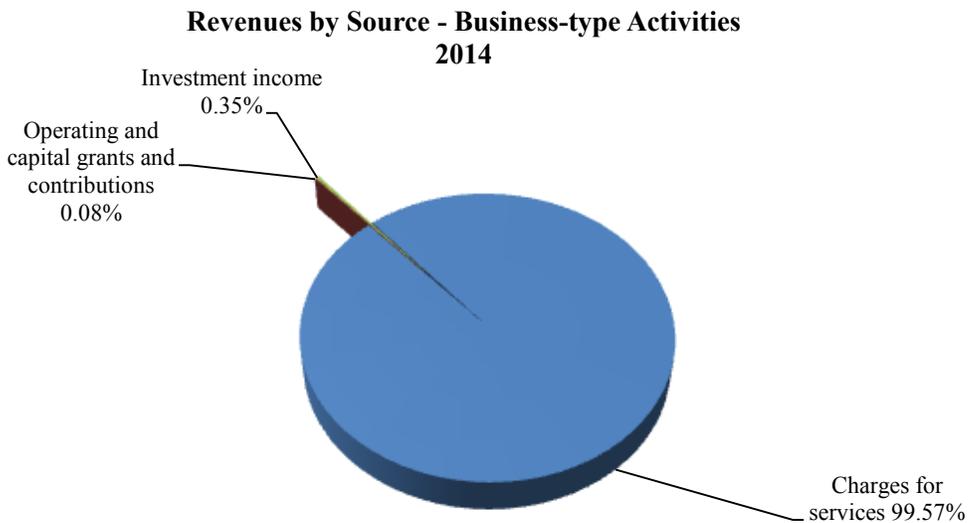
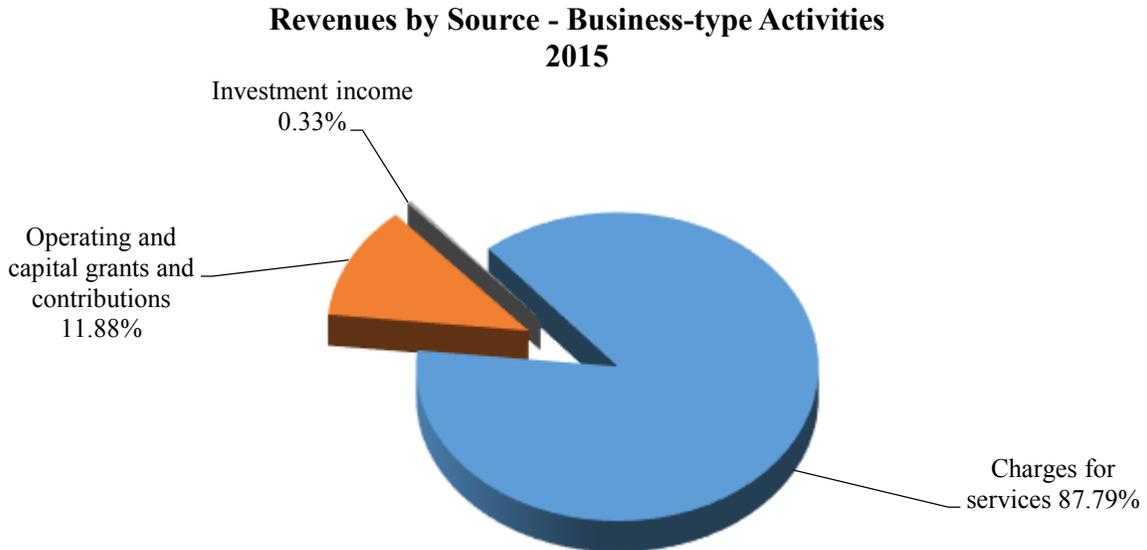


City of Buellton, California
Basic Financial Statements
For the year ended June 30, 2015

Management's Discussion and Analysis, Continued

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

The revenues by source for the business-type activities for the fiscal years ended June 30, 2015, and 2014, are as follows:



City of Buellton, California
Basic Financial Statements
For the year ended June 30, 2015

Management's Discussion and Analysis, Continued

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 \$13,986,666, a decrease of \$73,887 in comparison with the prior fiscal year. Approximately 45 percent of this total amount (\$6,289,573) constitutes unassigned fund balance. 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 to fund amounts prepaid for the following fiscal year (\$213,538) and a variety of other restricted purposes (\$7,483,555).

The General Fund is the chief operating fund of the City of Buellton. The total fund balance in the general fund is \$12,880,075, of which \$6,482,765 is shown as "unassigned."

The fund balance of the City of Buellton's General Fund increased by \$389,092 during the current fiscal year. Key factors in this growth are as follows:

- A net increase in general fund revenues of \$287,121.
- A net increase in general fund expenditures of \$364,673.

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 Position of the water fund at the end of the fiscal year amounted to \$2,286,851 and those for the wastewater fund amounted to \$1,221,716. The total change in unrestricted Net Position for both funds were (\$179,566) and (\$127,404), respectively.

City of Buellton, California
Basic Financial Statements
For the year ended June 30, 2015

Management’s Discussion and Analysis, Continued

General Fund Budgetary Highlights

In fiscal year 2015, appropriation changes between the original and final budgets amounted to a net decrease of \$3,760 for the General Fund. The General Fund experienced slight decreases in various revenue streams while expenditure savings within the General Fund departments offset shortfalls. Other key revenue streams exceeded budget causing the General Fund budget to experience a balanced budget.

Capital Assets

The City of Buellton's investment in capital assets for its governmental and business-type activities as of June 30, 2015, amounts to \$23,725,111 (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 \$670,392. Of the total increase, governmental activities showed a decrease of \$653,001, resulting from an increase in net depreciable capital assets. Business-type activities increased by \$17,391, due to an increase in net depreciable capital assets.

	Governmental Activities		Business-type Activities		Totals	
	2015	2014	2015	2014	2015	2014
Land	\$ 1,536,248	\$ 1,536,248	\$ 247,691	\$ 247,691	\$ 1,783,939	\$ 1,783,939
Total Nondepreciable Capital Assets	1,536,248	1,536,248	247,691	247,691	1,783,939	1,783,939
Buildings and improvements	4,221,448	4,221,448	574,387	574,387	4,795,835	4,795,835
Equipment	528,043	444,765	815,800	773,522	1,343,843	1,218,287
Infrastructure	17,367,786	16,364,557	11,578,959	11,207,646	28,946,745	27,572,203
Total Depreciable Capital Assets	22,117,277	21,030,770	12,969,146	12,555,555	35,086,423	33,586,325
Less: Accumulated Depreciation	5,501,416	5,067,910	7,643,835	7,247,635	13,145,251	12,315,545
Net Depreciable Capital Assets	16,615,861	15,962,860	5,325,311	5,307,920	21,941,172	21,270,780
Net Capital Assets	\$ 18,152,109	\$ 17,499,108	\$ 5,573,002	\$ 5,555,611	\$ 23,725,111	\$ 23,054,719

More detail of the capital assets and current activity can be found in the notes to the financial statements on Page 55 for significant accounting policies and Note 4 on Page 66 for other capital asset information.

Debt Administration

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

Buellton enjoys a relatively healthy local economy; however, it does not currently have a bond rating because it has zero bonded debt on its balance sheet. When the City decides to go to Wall Street to sell bonds for future infrastructure improvements for Water or Wastewater systems, the City will go before Moody’s Investor Service or Fitch’s Rating Service for a credit rating. There is a definite need to update the user fees for Water and Wastewater services. An adequate multi-year rate management program will provide the best opportunity for obtaining an investment-grade credit rating for the City of Buellton in the future.

City of Buellton, California
Basic Financial Statements
For the year ended June 30, 2015

Management's Discussion and Analysis, Continued

Economic Outlook

- The City completed 2014-15 with better operating financial results in some categories than expected when the 2014-15 Adopted Budget was developed. The City finished the year exceeding budgeted revenues in the categories of Taxes and Charges for Current Services. In May of 2015, the City Council approved a balanced General fund budget for 2015-16 that used consistent resources available on an ongoing basis while delivering essential services. The City's sales tax and transient occupancy tax (TOT) revenues are expected to increase with the new Crossroads Shopping Center under construction.
- The General Fund cash reserves are at over \$3 Million and revenues exceed expenditures in the 2015-16 budget by approximately \$12,000. There is a restricted cash amount of \$6.2 Million in addition to the approximate \$3 Million. Those reserves remain restricted until a legal decision is rendered concerning the City's current lawsuit against the State of California Department of Finance. The lawsuit stems from an outstanding loan to the former Buellton Redevelopment Agency.
- The City Council approved utility rate increases to address maintenance needs and to improve the financial viability of the water and wastewater fund. Incremental increases were applied from 2012 through 2015. The City of Buellton has not declared a Stage 1 Water Emergency but continues to advocate water conservation.
- A rate study is budgeted in the 2015-16 to determine if sufficient margins are met to cover operating costs in the Water and Sewer Funds. Rate increases are expected to be implemented in 2016-17. Although the City is experiencing high commercial growth and increases in connection fees, this one-time revenue source may be nonrecurring in future years.
- Quarterly reports to support the financial management of City resources continue to provide information to the City Council and public. As part of the mid-year budget review, the City prepares a report on financial position, considers economic factors and highlights trends based on the City's budget versus what actually occurred during the period. A discussion of other economic factors provides a means of comparing the local economy against the larger economic events that may affect the City. This provides Council with a budget review at four periods during the year. Council has a better control of costs, while identifying financial requirements prior to the close of the fiscal year. Modifications to the original budget take place each quarter as needed.
- The General Fund ended the 2014-15 fiscal year with a fund balance of \$6,289,573 (unassigned). Operating expenditures approved in 2015-16 budget amount to \$5,274,080. The result is a coverage ratio of about 119%. Because it is difficult to fully anticipate dramatic changes in the national and local economies, the Council has set an unassigned fund balance goal of 25% of the general fund's operating expenditures.

City of Buellton, California
Basic Financial Statements
For the year ended June 30, 2015

Management’s Discussion and Analysis, Continued

NEXT YEAR’S BUDGETED APPROPRIATIONS

The adopted budget for all City funds for the new fiscal year of 2015-2016 was \$12,887,808. The adopted budget for fiscal year 2014-15 totals \$12,144,155 and is summarized, with CIP expenditures shown in the Citywide CIP row of the chart below for consistent comparison as follows:

	FY 2015-16	FY 2014-15	Amount Change	Percentage Change
General fund	\$ 6,188,198	\$ 5,900,114	\$ 288,084	4.7%
Water & Sewer Funds	3,075,613	3,100,544	(24,931)	(0.8)%
Citywide CIP Fund	3,492,797	2,792,397	700,400	20.1%
Special revenue funds	131,200	351,100	(219,900)	(167.6)%
Total budget	\$ 12,887,808	\$ 12,144,155	\$ 743,653	(143.7)%

1. General Fund – Shows an increase of \$288,044 or approximately 5%. The increase reflects maintaining essential services by avoiding service cuts while prioritizing the needs of the community. Contract planning services continue in the Community Development Department. Public Works Engineering costs are expected to increase relative to development projects and public infrastructure improvements.
2. Water & Sewer Funds – Shows a decrease of \$24,931 or less than 1%. The decrease is due to maintaining staffing levels and improving efficiencies after replacing antiquated utility billing software. Increases in State Water payments and other contract engineering costs are expected in 2015-16.
3. Citywide Capital Improvement Program (CIP) Fund – The CIP Fund expenditures relate to Capital Improvements. CIP fund shows an increase of \$700,400 or approximately 20%. A combined project summary of circulation improvements, water and sewer facilities, water reservoirs, water recycling, parks and maintenance projects are scheduled in 2015-16.
4. Special Revenue Funds – Show a decrease of \$219,900 or approximately 168%. The decrease is the result of a reduction in transit operating costs from economies realized over time.

Requests for Information

This Comprehensive 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 Finance Director, 107 West Highway 246, Buellton, CA 93427, or visit the City’s web page at www.cityofbuellton.com.

BASIC FINANCIAL STATEMENTS

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City of Buellton, California
Statement of Net Position
June 30, 2015

ASSETS	Governmental Activities	Business-type Activities	Total
Current assets:			
Cash and investments	\$ 5,808,082	\$ 3,065,239	\$ 8,873,321
Restricted cash and investments	6,185,439	-	6,185,439
Receivables:			
Accounts receivable	546,470	175,712	722,182
Interest receivable	7,606	2,020	9,626
Inventory	-	10,252	10,252
Prepaid items	213,538	1,064,899	1,278,437
Total current assets	12,761,135	4,318,122	17,079,257
Noncurrent assets:			
Advances to fiduciary activities	1,876,208	-	1,876,208
Capital assets:			
Nondepreciable	1,536,248	247,691	1,783,939
Depreciable	16,615,861	5,325,311	21,941,172
Total noncurrent assets	20,028,317	5,573,002	25,601,319
Total assets	32,789,452	9,891,124	42,680,576
DEFERRED OUTFLOWS OF RESOURCES			
Pension Plan	178,731	56,017	234,748
Total deferred outflows of resources	178,731	56,017	234,748
Total assets and deferred outflows	\$ 32,968,183	\$ 9,947,141	\$ 42,915,324
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 419,917	\$ 305,606	\$ 725,523
Wages payable	72,907	-	72,907
Compensated absences	8,102	9,412	17,514
Deposits payable	149,751	22,476	172,227
Total current liabilities	650,677	337,494	988,171
Noncurrent liabilities:			
Compensated absences	71,072	23,120	94,192
Net OPEB obligation	969,222	88,500	1,057,722
Net pension obligation	1,024,254	321,013	1,345,267
Total noncurrent liabilities	2,064,548	432,633	2,497,181
Total liabilities	2,715,225	770,127	3,485,352
DEFERRED INFLOWS OF RESOURCES			
Pension Plan	304,536	95,445	399,981
Total liabilities and deferred inflows of resources	3,019,761	865,572	3,885,333
NET POSITION			
Net investment in capital assets	18,152,109	5,573,002	23,725,111
Restricted:			
Redevelopment	6,185,439	-	6,185,439
Streets and roads	855,754	-	855,754
Housing	442,362	-	442,362
Unrestricted	4,312,758	3,508,567	7,821,325
Total net position	29,948,422	9,081,569	39,029,991
Total liabilities, deferred inflows, and net position	\$ 32,968,183	\$ 9,947,141	\$ 42,915,324

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, 2015

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 783,769	\$ 9,095	\$ -	\$ -
Community development	1,192,571	-	-	-
Culture and leisure	607,761	306,560	-	-
Public safety	1,801,989	37,594	-	-
Public works	1,959,864	106,974	555,856	-
Total governmental activities	6,345,954	460,223	555,856	-
Business-type activities:				
Water	1,822,088	1,436,127	201,740	-
Wastewater	957,261	734,289	92,077	-
Total business-type activities	2,779,349	2,170,416	293,817	-
Total primary government	\$ 9,125,303	\$ 2,630,639	\$ 849,673	\$ -

General revenues:

Taxes:

- Secured and unsecured property taxes
- Sales and use tax
- Transient lodging tax
- Franchise taxes
- Other taxes

Investment income

Other general revenues

Total general revenues

Transfers

Total general revenues and transfers

Change in net position

Net position:

Beginning of year, as originally reported

Adjustments

Beginning of year, as adjusted

Net Position - Ending

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

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

Governmental Activities	Business-Type Activities	Totals
\$ (774,674)	\$ -	\$ (774,674)
(1,192,571)	-	(1,192,571)
(301,201)	-	(301,201)
(1,764,395)	-	(1,764,395)
(1,297,034)	-	(1,297,034)
<u>(5,329,875)</u>	<u>-</u>	<u>(5,329,875)</u>
-	(184,221)	(184,221)
-	(130,895)	(130,895)
-	(315,116)	(315,116)
<u>(5,329,875)</u>	<u>(315,116)</u>	<u>(5,644,991)</u>
1,146,289	-	1,146,289
1,943,723	-	1,943,723
1,830,275	-	1,830,275
418,586	-	418,586
220,140	-	220,140
107,885	8,146	116,031
54,257	-	54,257
<u>5,721,155</u>	<u>8,146</u>	<u>5,729,301</u>
-	-	-
<u>5,721,155</u>	<u>8,146</u>	<u>5,729,301</u>
391,280	(306,970)	84,310
30,786,883	9,773,954	40,560,837
(1,229,741)	(385,415)	(1,615,156)
<u>29,557,142</u>	<u>9,388,539</u>	<u>38,945,681</u>
<u>\$ 29,948,422</u>	<u>\$ 9,081,569</u>	<u>\$ 39,029,991</u>

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FUND FINANCIAL STATEMENTS
MAJOR FUNDS

Fund	Description
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.
Traffic Mitigation Special Revenue Fund	Accounts for traffic congestion relief funds received for street purposes.
Transportation Planning Special Revenue Fund	Accounts for funds used in the planning for transportation projects restricted by other governments.
General Capital Projects Fund	Accounts for Capital Improvement Projects by centralizing project expenditures. Projects are tracked and managed for purposes of planning, scheduling and budgeting capital improvements.

City of Buellton, California
Balance Sheet
Governmental Funds
June 30, 2015

	Major Funds			
	General Fund	Traffic Mitigation Special Revenue	Transportation Planning Special Revenue	General Capital Projects
ASSETS				
Cash and investments	\$ 4,533,643	\$ -	\$ -	\$ -
Restricted cash and investments	6,185,439	-	-	-
Receivables:				
Accounts	473,305	-	-	-
Interest	6,813	-	-	-
Due from other funds	188,109	-	-	-
Prepaid items	211,871	-	-	-
Advances to Successor Agency private purpose trust fund	1,876,208	-	-	-
Total assets	\$ 13,475,388	\$ -	\$ -	\$ -
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 364,553	\$ -	\$ 5,083	\$ -
Wages payable	72,907	-	-	-
Compensated absences	8,102	-	-	-
Deposits payable	149,751	-	-	-
Due to other funds	-	64,047	124,062	-
Total liabilities	595,313	64,047	129,145	-
Fund balances:				
Nonspendable:				
Prepaid items	211,871	-	-	-
Restricted	6,185,439	-	-	-
Unassigned (Deficit)	6,482,765	(64,047)	(129,145)	-
Total fund balances (Deficits)	12,880,075	(64,047)	(129,145)	-
Total liabilities and fund balances	\$ 13,475,388	\$ -	\$ -	\$ -

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

Nonmajor Governmental Funds		Totals	
\$	1,274,439	\$	5,808,082
	-		6,185,439
	73,165		546,470
	793		7,606
	-		188,109
	1,667		213,538
	-		1,876,208
<u>\$</u>	<u>1,350,064</u>	<u>\$</u>	<u>14,825,452</u>

\$	50,281	\$	419,917
	-		72,907
	-		8,102
	-		149,751
	-		188,109
<u></u>	<u>50,281</u>	<u></u>	<u>838,786</u>

	1,667		213,538
	1,298,116		7,483,555
	-		6,289,573
<u></u>	<u>1,299,783</u>	<u></u>	<u>13,986,666</u>
<u>\$</u>	<u>1,350,064</u>	<u>\$</u>	<u>14,825,452</u>

City of Buellton, California
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2015

Total fund balances - total governmental funds \$ 13,986,666

Amounts reported for governmental activities in the Statement of Net Position 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. 18,152,109

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

Compensated absences	\$ (71,072)	
Net OPEB obligation	(969,222)	
Net pension obligation	<u>(1,024,254)</u>	(2,064,548)

Pension obligations result in deferred outflows and inflows of resources associated with actuarial value of contributions, assets, and liabilities

Deferred outflows	178,731	
Deferred inflows	<u>(304,536)</u>	<u>(125,805)</u>

Net position of governmental activities \$ 29,948,422

City of Buellton, California

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

Governmental Activities

June 30, 2015

ASSETS	Governmental Funds Balance Sheet	Reclassifications	Changes in GAAP	Statement of Net Position
Current assets:				
Cash and investments	\$ 5,808,082	\$ -	\$ -	\$ 5,808,082
Restricted cash and investments	6,185,439			6,185,439
Receivables:				
Accounts receivable	546,470	-	-	546,470
Interest receivable	7,606	-	-	7,606
Advances to private purpose trust/fiduciary activities	1,876,208	-	-	1,876,208
Prepaid items	213,538	-	-	213,538
Due from other funds	188,109	(188,109)	-	-
Total current assets	<u>14,825,452</u>	<u>(188,109)</u>	<u>-</u>	<u>14,637,343</u>
Noncurrent assets:				
Capital assets, net:				
Nondepreciable	-	-	1,536,248	1,536,248
Depreciable	-	-	16,615,861	16,615,861
Total noncurrent assets	<u>-</u>	<u>-</u>	<u>18,152,109</u>	<u>18,152,109</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension Plan	-	-	178,731	178,731
Total assets and deferred outflows of resources	<u>\$ 14,825,452</u>	<u>\$ (188,109)</u>	<u>\$ 18,330,840</u>	<u>\$ 32,968,183</u>
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES				
Current liabilities:				
Accounts payable	\$ 419,917	\$ -	\$ -	\$ 419,917
Wages payable	72,907	-	-	72,907
Compensated absences	8,102	-	-	8,102
Deposits payable	149,751	-	-	149,751
Due to other funds	188,109	(188,109)	-	-
Total current liabilities	<u>838,786</u>	<u>(188,109)</u>	<u>-</u>	<u>650,677</u>
Noncurrent liabilities:				
Compensated absences	-	-	71,072	71,072
Net OPEB obligation	-	-	969,222	969,222
Net pension obligation	-	-	1,024,254	1,024,254
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>2,064,548</u>	<u>2,064,548</u>
Total liabilities	<u>838,786</u>	<u>(188,109)</u>	<u>2,064,548</u>	<u>2,715,225</u>
Deferred inflows: Pension Plan	<u>-</u>	<u>-</u>	<u>304,536</u>	<u>304,536</u>
Total liabilities and deferred inflows:	<u>838,786</u>	<u>(188,109)</u>	<u>2,369,084</u>	<u>3,019,761</u>
FUND BALANCES/NET POSITION				
Fund balances:				
Nonspendable				
Prepaid items	213,538	(213,538)	-	-
Restricted				
Redevelopment	6,185,439	(6,185,439)	-	-
Streets and roads	855,754	(855,754)	-	-
Housing	442,362	(442,362)	-	-
Unassigned (Deficit)	6,289,573	(6,289,573)	-	-
Net position:				
Net investment in capital assets	-	-	18,152,109	18,152,109
Restricted	-	7,483,555	-	7,483,555
Unrestricted	-	6,503,111	(2,190,353)	4,312,758
Total fund balances/ net position	<u>13,986,666</u>	<u>-</u>	<u>15,961,756</u>	<u>29,948,422</u>
Total liabilities, deferred inflows, and net position	<u>\$ 14,825,452</u>	<u>\$ (188,109)</u>	<u>\$ 18,330,840</u>	<u>\$ 32,968,183</u>

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, 2015

	Major Funds			
	General Fund	Traffic Mitigation Special Revenue	Transportation Planning Special Revenue	General Capital Projects
REVENUES:				
Taxes	\$ 5,179,413	\$ -	\$ -	\$ -
Licenses, permits, and fees	10,854	-	-	-
Intergovernmental	386,250	-	-	-
Charges for services	284,829	-	-	-
Fines and forfeitures	37,508	-	-	-
Use of money and property	104,564	108	-	-
Other	60,782	93,507	-	-
Total revenues	<u>6,064,200</u>	<u>93,615</u>	<u>-</u>	<u>-</u>
EXPENDITURES:				
Current:				
General government	568,229	-	-	-
Community development	1,192,571	-	-	-
Culture and leisure	591,096	-	-	-
Public safety	1,801,989	-	-	-
Public works	1,499,452	-	41,338	-
Capital outlay	3,196	-	-	1,086,506
Total expenditures	<u>5,656,533</u>	<u>-</u>	<u>41,338</u>	<u>1,086,506</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>407,667</u>	<u>93,615</u>	<u>(41,338)</u>	<u>(1,086,506)</u>
OTHER FINANCING SOURCES (USES):				
Proceeds from sales of assets	5,288	-	-	-
Transfers in	119,976	-	-	1,086,506
Transfers out	(143,839)	-	-	-
Total other financing sources (uses)	<u>(18,575)</u>	<u>-</u>	<u>-</u>	<u>1,086,506</u>
Net change in fund balances	389,092	93,615	(41,338)	-
FUND BALANCES (Deficit):				
Beginning of year	12,490,983	(157,662)	(87,807)	-
End of year	<u>\$ 12,880,075</u>	<u>\$ (64,047)</u>	<u>\$ (129,145)</u>	<u>\$ -</u>

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

Other	
Governmental	
Funds	Totals
\$ -	\$ 5,179,413
-	10,854
555,856	942,106
-	284,829
-	37,508
3,213	107,885
15,062	169,351
<u>574,131</u>	<u>6,731,946</u>
-	568,229
-	1,192,571
-	591,096
-	1,801,989
26,744	1,567,534
-	1,089,702
<u>26,744</u>	<u>6,811,121</u>
<u>547,387</u>	<u>(79,175)</u>
-	5,288
50,000	1,256,482
<u>(1,112,643)</u>	<u>(1,256,482)</u>
<u>(1,062,643)</u>	<u>5,288</u>
(515,256)	(73,887)
<u>1,815,039</u>	<u>14,060,553</u>
<u>\$ 1,299,783</u>	<u>\$ 13,986,666</u>

City of Buellton, California

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

For the year ended June 30, 2015

Functions/Programs	Fund Based Totals	Compensated Absences	Depreciation	Capital Asset (Additions)/ Retirements	Net OPEB Obligation	Pension Plan	Government- wide Totals
Governmental activities:							
General government	\$ 568,229	\$ 71,072	\$ 27,706	\$ -	\$ 196,444	\$ (79,682)	\$ 783,769
Community development	1,192,571	-	-	-	-	-	1,192,571
Culture and leisure	591,096	-	16,665	-	-	-	607,761
Public safety	1,801,989	-	-	-	-	-	1,801,989
Public works	1,567,534	-	389,135	3,195	-	-	1,959,864
Capital outlay	1,089,702	-	-	(1,089,702)	-	-	-
Total governmental activities	\$ 6,811,121	\$ 71,072	\$ 433,506	\$ (1,086,507)	\$ 196,444	\$ (79,682)	\$ 6,345,954

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, 2015

Net change in fund balances - total governmental funds \$ (73,887)

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	\$ 101,578	
Capital asset retirements	(18,300)	
Depreciation expense	(433,506)	
Capital asset adjustment	<u>1,003,229</u>	653,001

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 Position:

Net OPEB obligation	(196,444)	(196,444)
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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 government funds

Change in pension expense	79,682	
Change in long-term compensated absences	<u>(71,072)</u>	<u>8,610</u>

Change in net position of governmental activities		<u><u>\$ 391,280</u></u>
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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, 2015

	General Fund			Variance w/Final Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES:				
Taxes	\$ 5,041,000	\$ 5,041,000	\$ 5,179,413	\$ 138,413
Licenses, permits, and fees	4,200	4,200	10,854	6,654
Intergovernmental	560,776	560,776	386,250	(174,526)
Charges for services	161,500	151,500	284,829	133,329
Fines and forfeitures	42,500	42,500	37,508	(4,992)
Use of money and property	143,865	143,865	104,564	(39,301)
Other	206,600	206,600	60,782	(145,818)
Total revenues	6,160,441	6,150,441	6,064,200	(86,241)
EXPENDITURES:				
Current:				
General government	586,075	586,075	568,229	17,846
Community development	960,408	960,408	1,192,571	(232,163)
Culture and leisure	502,391	512,391	591,096	(78,705)
Public safety	1,888,348	1,888,348	1,801,989	86,359
Public works	1,790,792	1,790,792	1,499,452	291,340
Capital outlay	1,000	1,000	3,196	(2,196)
Total expenditures	5,729,014	5,739,014	5,656,533	82,481
REVENUES OVER (UNDER) EXPENDITURES	431,427	411,427	407,667	(3,760)
OTHER FINANCING SOURCES (USES):				
Proceeds from sales of assets	-	-	5,288	5,288
Transfers in	-	-	119,976	119,976
Transfers out	(412,100)	(412,100)	(143,839)	268,261
Total other financing sources (uses)	(412,100)	(412,100)	(18,575)	393,525
Net change in fund balances	19,327	(673)	389,092	389,765
FUND BALANCES (Deficit):				
Beginning of year	12,490,983	12,490,983	12,490,983	-
End of year	<u>\$ 12,510,310</u>	<u>\$ 12,490,310</u>	<u>\$ 12,880,075</u>	<u>\$ 389,765</u>

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

Traffic Mitigation Special Revenue Fund				Transportation Planning Special Revenue Fund			
Budgeted Amounts		Actual	Variance w/Final Positive (Negative)	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
Original	Final			Original	Final		
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	25,000	25,000	-	(25,000)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
25	25	108	83	-	-	-	-
-	-	93,507	93,507	-	-	-	-
25	25	93,615	93,590	25,000	25,000	-	(25,000)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	45,000	45,000	41,338	3,662
-	-	-	-	-	-	-	-
-	-	-	-	45,000	45,000	41,338	3,662
25	25	93,615	93,590	(20,000)	(20,000)	(41,338)	(21,338)
-	-	-	-	-	-	-	-
-	-	-	-	45,000	45,000	-	(45,000)
-	-	-	-	-	-	-	-
-	-	-	-	45,000	45,000	-	(45,000)
25	25	93,615	93,590	25,000	25,000	(41,338)	(66,338)
(157,662)	(157,662)	(157,662)	-	(87,807)	(87,807)	(87,807)	-
\$ (157,637)	\$ (157,637)	\$ (64,047)	\$ 93,590	\$ (62,807)	\$ (62,807)	\$ (129,145)	\$ (66,338)

(continued)

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, 2015

	Total			Variance w/Final Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES:				
Taxes	\$ 5,041,000	\$ 5,041,000	\$ 5,179,413	\$ 138,413
Licenses, permits, and fees	4,200	4,200	10,854	6,654
Intergovernmental	585,776	585,776	386,250	(199,526)
Charges for services	161,500	151,500	284,829	133,329
Fines and forfeitures	42,500	42,500	37,508	(4,992)
Use of money and property	143,890	143,890	104,672	(39,218)
Other	206,600	206,600	154,289	(52,311)
Total revenues	6,185,466	6,175,466	6,157,815	(17,651)
EXPENDITURES:				
Current:				
General government	586,075	586,075	568,229	17,846
Community development	960,408	960,408	1,192,571	(232,163)
Culture and leisure	502,391	512,391	591,096	(78,705)
Public safety	1,888,348	1,888,348	1,801,989	86,359
Public works	1,835,792	1,835,792	1,540,790	295,002
Capital outlay	1,000	1,000	3,196	(2,196)
Total expenditures	5,774,014	5,784,014	5,697,871	86,143
REVENUES OVER (UNDER) EXPENDITURES	411,452	391,452	459,944	68,492
OTHER FINANCING SOURCES (USES):				
Proceeds from sales of assets	-	-	5,288	5,288
Transfers in	45,000	45,000	119,976	74,976
Transfers out	(412,100)	(412,100)	(143,839)	268,261
Total other financing sources (uses)	(367,100)	(367,100)	(18,575)	348,525
Net change in fund balances	44,352	24,352	441,369	417,017
FUND BALANCES (Deficit):				
Beginning of year	12,245,514	12,245,514	12,245,514	-
End of year	\$ 12,289,866	\$ 12,269,866	\$ 12,686,883	\$ 417,017

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

(concluded)

PROPRIETARY FUNDS

Fund	Description
MAJOR FUNDS:	
Water Fund	Accounts for revenues and expenses associated with the City's Water enterprise operation.
Wastewater Fund	Accounts for all activities associated with the operation and maintenance of providing Sewer services.

City of Buellton, California
Statement of Net Position
Proprietary Funds
June 30, 2015

	<u>Water Fund</u>	<u>Wastewater Fund</u>	<u>Totals</u>
ASSETS			
Current assets:			
Cash and investments	\$ 1,615,742	\$ 1,449,497	\$ 3,065,239
Receivables:			
Accounts	116,037	59,675	175,712
Interest	967	1,053	2,020
Inventory	10,252	-	10,252
Prepaid items	1,035,427	29,472	1,064,899
Total current assets	<u>2,778,425</u>	<u>1,539,697</u>	<u>4,318,122</u>
Noncurrent assets:			
Capital assets, net			
Buildings and improvements	822,078	-	822,078
Equipment	393,062	422,738	815,800
Infrastructure	5,778,928	5,800,031	11,578,959
Less: accumulated depreciation	(3,926,398)	(3,717,437)	(7,643,835)
Total capital assets (net of accumulated depreciation)	<u>3,067,670</u>	<u>2,505,332</u>	<u>5,573,002</u>
Total noncurrent assets	<u>3,067,670</u>	<u>2,505,332</u>	<u>5,573,002</u>
Total assets	<u>5,846,095</u>	<u>4,045,029</u>	<u>9,891,124</u>
Deferred outflows: Pension Plan	25,343	30,674	56,017
Total assets and deferred outflows	<u>\$ 5,871,438</u>	<u>\$ 4,075,703</u>	<u>\$ 9,947,141</u>
LIABILITIES AND NET POSITION			
Current liabilities:			
Accounts payable	\$ 245,513	\$ 60,093	\$ 305,606
Deposits	22,476	-	22,476
Compensated absences	4,706	4,706	9,412
Total current liabilities	<u>272,695</u>	<u>64,799</u>	<u>337,494</u>
Noncurrent liabilities:			
Compensated absences	11,560	11,560	23,120
Net OPEB obligation	44,250	44,250	88,500
Net pension obligation	145,231	175,782	321,013
Total noncurrent liabilities	<u>201,041</u>	<u>231,592</u>	<u>432,633</u>
Total liabilities	<u>473,736</u>	<u>296,391</u>	<u>770,127</u>
Deferred inflows: Pension Plan	43,181	52,264	95,445
Total liabilities and deferred inflows	<u>516,917</u>	<u>348,655</u>	<u>865,572</u>
Net Position:			
Net investment in capital assets	3,067,670	2,505,332	5,573,002
Unrestricted	2,286,851	1,221,716	3,508,567
Total net position	<u>5,354,521</u>	<u>3,727,048</u>	<u>9,081,569</u>
Total liabilities and net position	<u>\$ 5,871,438</u>	<u>\$ 4,075,703</u>	<u>\$ 9,947,141</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 Position
Proprietary Funds
For the year ended June 30, 2015

	Water Fund	Wastewater Fund	Totals
OPERATING REVENUES:			
Charges for services	\$ 1,436,127	\$ 734,289	\$ 2,170,416
Other operating revenues	201,740	92,077	293,817
Total operating revenues	1,637,867	826,366	2,464,233
OPERATING EXPENSES:			
Personnel services	230,902	228,440	459,342
Operations and maintenance	1,445,571	478,236	1,923,807
Depreciation	145,615	250,585	396,200
Total operating expenses	1,822,088	957,261	2,779,349
OPERATING INCOME (LOSS)	(184,221)	(130,895)	(315,116)
NONOPERATING REVENUES:			
Interest revenue	4,655	3,491	8,146
Total non-operating revenues	4,655	3,491	8,146
CHANGE IN NET POSITION	(179,566)	(127,404)	(306,970)
NET POSITION:			
Beginning of year	5,708,454	4,065,500	9,773,954
Prior period adjustments	(174,367)	(211,048)	(385,415)
Beginning of year, as adjusted	5,534,087	3,854,452	9,388,539
End of year	\$ 5,354,521	\$ 3,727,048	\$ 9,081,569

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, 2015

	Water Fund	Wastewater Fund	Totals
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received (refunds paid) from (to) customers/users for services provided	\$ 1,664,735	\$ 831,900	\$ 2,496,635
Cash payments to suppliers for goods and services	(1,290,442)	(435,755)	(1,726,197)
Cash payments to employees for services	(233,594)	(231,132)	(464,726)
Net cash provided by operating activities	140,699	165,013	305,712
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Changes in pension obligations	(11,298)	(13,676)	(24,974)
Net cash used by noncapital financing activities	(11,298)	(13,676)	(24,974)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Acquisition and construction of capital assets	(356,412)	(57,179)	(413,591)
Net cash (used) by capital and related financing activities	(356,412)	(57,179)	(413,591)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Investment income received	4,499	3,125	7,624
Net cash provided by investing activities	4,499	3,125	7,624
Net increase (decrease) in cash and cash equivalents	(222,512)	97,283	(125,229)
CASH AND CASH EQUIVALENTS:			
Beginning of year	1,838,254	1,352,214	3,190,468
End of year	<u>\$ 1,615,742</u>	<u>\$ 1,449,497</u>	<u>\$ 3,065,239</u>
Reconciliation of income from operations to net cash provided by operating activities:			
Operating income (loss)	\$ (184,221)	\$ (130,895)	\$ (315,116)
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	145,615	250,585	396,200
(Increase) decrease in current assets:			
Accounts receivable	26,534	5,534	32,068
Prepaid items	(45,740)	10,624	(35,116)
Increase (decrease) in liabilities:			
Accounts payable	200,869	31,857	232,726
Deposits payable	334	-	334
Compensated absences	(2,692)	(2,692)	(5,384)
Net cash provided by operating activities	\$ 140,699	\$ 165,013	\$ 305,712

There were no noncash investing, capital, or financing activities affecting recognized assets and liabilities for the year ended June 30, 2015.
The accompanying notes are an integral part of these basic financial statements.

FIDUCIARY FUNDS

Fund Type	Description
Private Purpose Trust Fund	
Successor Agency	Accounts for funds collected and disbursed for the dissolution of the former Buellton Redevelopment Agency related to Administration and Retirement of enforceable obligations.
Agency Fund	
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
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2015

ASSETS	Successor Agency Private Purpose Trust Fund	Deposits Agency Fund
Current Assets:		
Cash and investments	\$ 37,124	\$ 175,898
Receivables:		
Interest	40	122
Total current assets	<u>37,164</u>	<u>176,020</u>
Noncurrent Assets		
Investment in land and building held for resale	345,683	-
Total noncurrent Assets:	<u>345,683</u>	<u>-</u>
Total assets	<u>\$ 382,847</u>	<u>\$ 176,020</u>
LIABILITIES AND NET POSITION		
Current Liabilities:		
Accounts payable	\$ 2,504	\$ -
Refundable deposits	-	176,020
Total current liabilities:	<u>2,504</u>	<u>176,020</u>
Noncurrent liabilities:		
Advances from Governmental Activities	1,876,208	-
Total noncurrent liabilities	<u>1,876,208</u>	<u>-</u>
Total liabilities	<u>1,878,712</u>	<u>\$ 176,020</u>
Net Position (Deficit)		
Net deficit held in trust for Redevelopment Dissolution	<u>(1,495,865)</u>	
Total liabilities and net position	<u>\$ 382,847</u>	

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

City of Buellton, California
Statement of Changes in Fiduciary Net Position
 Successor Agency Private Purpose Trust Fund
 For the year ended June 30, 2015

	Successor Agency
	<u>Private Purpose Trust Fund</u>
ADDITIONS:	
Property taxes	\$ -
Investment earnings	<u>133</u>
Total additions:	133
DEDUCTIONS:	
Community development	<u>52,105</u>
Total deductions:	52,105
CHANGE IN FIDUCIARY NET POSITION	(51,972)
NET POSITION (Deficit):	
Beginning of year	<u>(1,443,893)</u>
End of year	<u><u>\$ (1,495,865)</u></u>

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

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NOTES TO BASIC FINANCIAL STATEMENTS

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City of Buellton, California
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For the year ended June 30, 2015

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City of Buellton, California
Notes to Basic Financial Statements
For the year ended June 30, 2015

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.

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, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

A. Financial Reporting Entity, Continued

The following is a brief review of the Successor Agency 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 a private purpose trust fund.

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 City has no component units reported in these financial statements.

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 Position and a Statement of Activities and Changes in Net Position. 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 Position. The Statement of Activities presents changes in Net Position.

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.

City of Buellton, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

B. Basis of Accounting and Measurement Focus, Continued

Government–Wide Financial Statements, continued

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 Position 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

The City applies all applicable GASB pronouncements (including all National Council on Governmental Accounting (NCGA) Statements and Interpretations currently in effect) 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.

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 Position as presented in these statements to the Net Position 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.

City of Buellton, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

B. Basis of Accounting and Measurement Focus, Continued

Governmental Fund Financial Statements, Continued

Major governmental funds, continued

- ***Traffic Mitigation Special Revenue Fund*** - Accounts for traffic congestion relief revenue received for street purposes.
- ***Transportation Planning Special Revenue Fund*** - Accounts for revenue used in the planning for transportation projects restricted by other governments.
- ***General Capital Projects Fund*** - Accounts for Capital Improvement Projects by centralizing project expenditures. Projects are tracked and managed for purposes of planning, scheduling and budgeting capital improvements.

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.

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.

City of Buellton, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

B. Basis of Accounting and Measurement Focus, Continued

Proprietary Fund Financial Statements

Proprietary fund financial statements include a Statement of Net Position, a Statement of Revenues, Expenses, and Change in Net Position, 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 Position. The Statement of Revenues, Expenses, and Changes in Net Position present increases (revenues) and decreases (expenses) in total Net Position. 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.

Fiduciary Fund Financial Statements

Successor Agency Private Purpose Trust Fund

Successor Agency Private Purpose Trust Fund accounts 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.

City of Buellton, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

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

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 in the Water Fund consist primarily of meters and are carried at cost.

City of Buellton, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

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

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 are 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 outflows if they constitute bond insurance.

City of Buellton, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

G. Long-Term Liabilities, continued

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 Position.

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.

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.

City of Buellton, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

I. Deferred outflows/inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The District has only has one item that qualifies for reporting in this category. It is the deferred charge on pension plan contributions on the statement of net position.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item reported as a deferred inflow of resources. The deferred inflow our resources is the net difference between projected and actual earnings on pension plan investments and is reported on the statement of net position.

J. Net Position and Fund Equity

Government-Wide Financial Statements

In the Government-Wide Financial Statements, Net Position is classified in the following categories:

Net Investment 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.

Restricted Net Position – This amount is restricted by external creditors, grantors, contributors, or laws or regulations of other governments.

Unrestricted Net Position – This amount is all Net Position that does not meet the definition of “investment in capital assets” or “restricted net position.”

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:

City of Buellton, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

J. Net Position and Fund Equity, Continued

Fund Financial Statements, Continued

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.

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).

City of Buellton, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

K. 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.

L. 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.

City of Buellton, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

M. Implementation of GASB Statements 68 and 71 related to Pension Plan

The GASB issued Statement No. 68, "Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27" The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement establishes accounting and financial reporting requirements related to pensions for governments whose employees are provided with pensions through pension plans that are covered by the scope of this Statement, as well as for nonemployer governments that have a legal obligation to contribute to those plans.

In addition, the GASB issued Statement No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date" The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, "Accounting and Financial Reporting for Pensions".

The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

In implementing these Statements, the City recognizes a net pension liability, which represents the City's proportionate share of the excess of the total pension liability over the fiduciary net position of the Plan reflected in an actuarial report provided by the California Public Employees' Retirement System (CalPERS). The net pension liability is measured as of the City's prior Plan year-end. Changes in the net pension liability are recorded, in the period incurred, as pension expense or as deferred inflows of resources or deferred outflows of resources depending on the nature of the change in the liability. The changes in net pension liability that are recorded as deferred inflows of resources or deferred outflows of resources (that arise from changes in actuarial assumptions or other inputs and differences between expected or actual experience) are amortized over the weighted average remaining service life of all participants in the respective pension plan and are recorded as a component of pension expense beginning with the period in which they are incurred.

For purposes of measuring the net pension liability and deferred outflows/inflows or resources relating to pensions and pension expense, information about the fiduciary net position of the City's pension plan with CalPERS and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefits terms. Investments are reported at fair value.

Projected earnings on pension investments are recognized as a component of pension expense. Differences between projected and actual investment earnings are reported as deferred inflows of resources or deferred outflows of resources and amortized as a component of pension expense on a closed basis over a five-year period beginning with the period in which the difference occurred. Each subsequent year will incorporate an additional closed basis five-year period of recognition.

City of Buellton, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

N. Prior Period Adjustment

Due to the City’s adoption of GASB 68, net position was adjusted at June 30, 2015. The following is a reconciliation of the total net position as previously reported at July 1, 2014, to the restated net position.

	Governmental Activities	Proprietary - Water	Proprietary - Wastewater
Net Position at June 30, 2014	\$ 30,786,883	\$ 5,708,454	\$ 4,065,500
Adjustment:			
Adoption of GASB 68, pensions	(1,229,741)	(174,367)	(211,048)
Total Adjustments	<u>(1,229,741)</u>	<u>(174,367)</u>	<u>(211,048)</u>
Net Position at July 1, 2014, as adjusted	<u>\$ 29,557,142</u>	<u>\$ 5,534,087</u>	<u>\$ 3,854,452</u>

O. Reclassifications

Certain amounts have been reclassified to provide for comparable results on a year to year basis.

P. 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.”

Q. Use of Restricted and Unrestricted Net Position

When an expense is incurred for purposes for which both restricted and unrestricted Net Position is available, the City’s policy is to apply restricted Net Position first.

R. Budgetary Accounting

The City Council establishes budgets for the General Fund and all Special Revenue Funds, except for certain Special Revenue Funds for which expenditures are controlled by grant funding or by assessments received. Budgetary control is legally maintained at the fund level for these funds. Department heads submit budget requests to the City Manager. The City Manager prepares an estimate of revenues and prepares recommendations for the next year’s budget. The preliminary budget may or may not be amended by the City Council and is adopted by resolution by the City Council on or before June 30 in accordance with the municipal code.

City of Buellton, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

R. Budgetary Accounting, Continued

The City Council may amend the budget by motion during the fiscal year. Only the Council can authorize transfers between funds and approve inter-fund loans. The City Manager is authorized to transfer budgeted amounts within a fund without formal council action or approval. The City Manager is authorized to increase expenditures in relation to revenues in funds receiving assigned revenues without approval by the City Council.

Expenditures may not legally exceed appropriations at the fund level, which is the legal level of control. Supplemental appropriations, which increase appropriations, may be made during the fiscal year. There were no material supplemental appropriations made for the fiscal year ended June 30, 2015. Budget information is presented for the General and budgeted Special Revenue Funds in the fund financial statements. The budget information is presented on a basis consistent with generally accepted accounting principles. Appropriations, except open project appropriations, and unexpended grant appropriations, lapse at the end of each fiscal year.

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, 2015, 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.

City of Buellton, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2015

2. CASH AND INVESTMENTS

At June 30, 2015, 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	\$ -	\$ -	\$ -	\$ 716,096	\$ 716,096
Money Market Savings	-	-	-	204,725	204,725
Petty cash	-	-	-	650	650
Total pooled items	-	-	-	921,471	921,471
Pooled investments, at fair value					
<u>Interest obligations</u>					
Negotiable Certificates of Deposit 1.2% - 1.85%					
\$1,737,000 par	-	250,804	502,825	-	753,629
State of California Local Agency Investment Fund	13,596,682	-	-	-	13,596,682
Total pooled investments - interest obligations	13,596,682	250,804	502,825	-	14,350,311
Total cash equivalents and investments pooled	\$ 13,596,682	\$ 250,804	\$ 502,825	\$ 921,471	\$ 15,271,782

Amounts reported in:

Governmental activities	\$ 5,808,082
Governmental activities - restricted	6,185,439
Business-type activities	3,065,239
Fiduciary activities	
Private Purpose Trust	37,124
Deposits Agency Fund	175,898
Total	\$ 15,271,782

Investment Type	Fair Value	Maturity (in years)
Negotiable Certificates of Deposit	\$ 753,629	1.38
Local Agency Investment Fund	13,596,682	0.76
Total fair value	\$ 14,350,311	
Portfolio weighted average maturity		0.84

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, 2015, 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, 2015

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, 2015, the weighted average maturity was 0.84 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 none 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, 2015

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, 2015, the City had a balance of \$205,914 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, 2015, the carrying amount of the City's deposits was \$716,096 and the balances in financial institutions were \$705,914. Of the balance in financial institutions, \$500,000 was covered by federal depository insurance and \$205,914 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, 2015, 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 \$69,606,487,716 of which the City had a balance of \$13,596,682, which approximated market value and was managed by the State Treasurer. Of the total invested, 99.03% was invested in non-derivative financial products and 0.97% 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, 2015

3. ACCOUNTS RECEIVABLE

Accounts receivable consisted of the following at June 30, 2015:

	Governmental Activities	Business-type Activities	Fiduciary Activities	Total
Current:				
Accounts receivable	\$ 546,470	\$ 175,712	\$ -	\$ 722,182
Interest receivable	7,606	2,020	162	9,788
Total receivables	<u>\$ 554,076</u>	<u>\$ 177,732</u>	<u>\$ 162</u>	<u>\$ 731,970</u>

These amounts resulted in the following concentrations in receivables:

Individuals/Businesses	98.7%
Financial	1.3%

Amounts do not indicate a significant concentration (greater than 25%) with any single individual, business, or agency.

4. CAPITAL ASSETS

Capital asset activity for governmental activities for the year ended June 30, 2015, was as follows:

	Balance July 1, 2014	Additions	Deletions	Adjustments	Balance June 30, 2015
<u>Governmental activities:</u>					
Nondepreciable assets:					
Land	\$ 1,536,248	\$ -	\$ -	\$ -	\$ 1,536,248
Total nondepreciable assets	<u>1,536,248</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,536,248</u>
Depreciable assets:					
Buildings and improvements	4,221,448	-	-	-	4,221,448
Equipment	444,765	101,578	(18,300)	-	528,043
Infrastructure	16,364,557	-	-	1,003,229	17,367,786
Total depreciable assets	<u>21,030,770</u>	<u>101,578</u>	<u>(18,300)</u>	<u>1,003,229</u>	<u>22,117,277</u>
Total	<u>22,567,018</u>	<u>101,578</u>	<u>(18,300)</u>	<u>1,003,229</u>	<u>23,653,525</u>
Accumulated depreciation:					
Buildings and improvements	(464,432)	(34,986)	-	-	(499,418)
Equipments	(378,407)	(35,239)	-	-	(413,646)
Infrastructure	(4,225,071)	(344,669)	-	(18,612)	(4,588,352)
Total accumulated depreciation	<u>(5,067,910)</u>	<u>(414,894)</u>	<u>-</u>	<u>(18,612)</u>	<u>(5,501,416)</u>
Net depreciable assets	<u>15,962,860</u>	<u>(313,316)</u>	<u>(18,300)</u>	<u>984,617</u>	<u>16,615,861</u>
Total net capital assets	<u>\$ 17,499,108</u>	<u>\$ (313,316)</u>	<u>\$ (18,300)</u>	<u>\$ 984,617</u>	<u>\$ 18,152,109</u>

City of Buellton, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2015

4. CAPITAL ASSETS, Continued

Capital asset activity for business-type activities for the year ended June 30, 2015, was as follows:

	Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015
Business-type activities:				
Nondepreciable assets:				
Land	\$ 247,691	\$ -	\$ -	\$ 247,691
Total nondepreciable assets	247,691	-	-	247,691
Depreciable assets:				
Buildings	574,387	-	-	574,387
Equipment	773,522	42,278	-	815,800
Infrastructure	11,207,646	371,313	-	11,578,959
Total depreciable assets	12,555,555	413,591	-	12,969,146
Total	12,803,246	413,591	-	13,216,837
Accumulated depreciation:				
Buildings and improvements	(498,980)	(17,358)	-	(516,338)
Equipment	(526,475)	(21,578)	-	(548,053)
Infrastructure	(6,222,180)	(357,264)	-	(6,579,444)
Total accumulated depreciation	(7,247,635)	(396,200)	-	(7,643,835)
Net depreciable assets	5,307,920	17,391	-	5,325,311
Total net capital assets	\$ 5,555,611	\$ 17,391	\$ -	\$ 5,573,002

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:

Governmental Activities:	
General government	\$ 27,706
Culture and leisure	16,665
Public works	370,523
Total depreciation expense governmental activities	\$ 414,894
Business-type Activities:	
Water	\$ 145,615
Wastewater	250,585
Total depreciation expense - business-type activities	\$ 396,200

City of Buellton, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2015

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities consisted of the following at June 30, 2015:

	Governmental Activities	Business-type Activities	Fiduciary Activities	Total
Accounts payable	\$ 419,917	\$ 305,606	\$ 2,504	\$ 728,027
Wages payable	72,907	-	-	72,907
Deposits payable	149,751	22,476	176,020	348,247
Total	<u>\$ 642,575</u>	<u>\$ 328,082</u>	<u>\$ 178,524</u>	<u>\$ 1,149,181</u>

These amounts resulted in the following concentrations in payables:

Vendors	63.4%
Employees	6.3%
Individuals/Businesses	30.3%

Amounts do not indicate a significant concentration (greater than 25%) with any single vendor or employee.

6. NONCURRENT LIABILITIES

Changes in Noncurrent Liabilities

Noncurrent liability activity for the fiscal year ended June 30, 2015, was as follows:

	Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015	Due Within One Year
Governmental Activities:					
Compensated Absences	\$ 68,854	\$ 10,320	\$ -	\$ 79,174	\$ 8,102
Net OPEB Obligation	772,778	196,444	-	969,222	-
Net Pension Obligation	-	1,024,254	-	1,024,254	-
Total Governmental Activities:	<u>\$ 841,632</u>	<u>\$ 1,231,018</u>	<u>\$ -</u>	<u>\$ 2,072,650</u>	<u>\$ 8,102</u>
Business-type activities:					
Compensated Absences	\$ 37,916	\$ -	\$ (5,384)	\$ 32,532	\$ 9,412
Net OPEB Obligation	88,500	-	-	88,500	-
Net Pension Obligation	-	321,013	-	321,013	-
Total Business-type Activities:	<u>\$ 126,416</u>	<u>\$ 321,013</u>	<u>\$ (5,384)</u>	<u>\$ 442,045</u>	<u>\$ 9,412</u>

City of Buellton, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2015

6. NONCURRENT LIABILITIES, Continued

Claims liabilities

The City has no recorded liability for potential claims in excess of amounts covered by the insurance pool for the year ended June 30, 2015. See Note 10 for further discussion on the City's risk management activities.

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, 2015, total \$71,072 for governmental activities and \$23,120 for business-type 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, 2015, the City had a total net OPEB Obligation of \$1,057,722. Governmental activities were \$969,222 and business-type activities were \$88,500. See Note 12 for further discussion on OPEB.

7. NET POSITION/ FUND BALANCES

Net Position

	Governmental Activities	Business-type Activities	Totals
Net investment in capital assets	\$ 18,152,109	\$ 5,573,002	\$ 23,725,111
Restricted	7,483,555	-	7,483,555
Unrestricted	4,312,758	3,508,567	7,821,325
Total	<u>\$ 29,948,422</u>	<u>\$ 9,081,569</u>	<u>\$ 39,029,991</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

City of Buellton, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2015

7. NET POSITION/ FUND BALANCES, Continued

Fund Balance

Nonspendable, Restricted, and Unassigned (deficit) fund balance consisted of the following at June 30, 2015:

Nonspendable:	
Prepaid items	\$ 213,538
Total nonspendable	<u>\$ 213,538</u>
Restricted for:	
General	\$ 6,185,439
Housing	442,362
Gas Tax	646,417
Measure A	180,128
Local Transportation	29,209
Total restricted	<u>\$ 7,483,555</u>
Unassigned (deficit):	
General Fund	\$ 6,482,765
Nonmajor governmental funds (deficits)	(193,192)
Total unassigned	<u>\$ 6,289,573</u>
Total fund balances	<u><u>\$ 13,986,666</u></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.

Restricted

General– represents amounts restricted as a result of the dissolution of the Buellton Redevelopment Agency.

Housing – includes amounts set aside to increase the number of affordable housing units as provided by affordable housing regulations.

Gas Tax – represents amounts restricted for street purposes by the California Streets and Highways Code.

City of Buellton, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2015

7. NET POSITION/ FUND BALANCES, Continued

Measure A – represents amounts restricted for Measure A.

Local Transportation – represents amounts restricted for local transportation.

Deficit fund balances consisted of the following at June 30, 2015:

Major Special Revenue Funds:

Traffic Mitigation Funds - (\$64,047)

Transportation Planning - (\$129,145)

These amounts will be eliminated over time as resources become available through grants and intergovernmental revenues.

8. INTERFUND TRANSACTIONS

Due to and due from other funds consisted of the following as of June 30, 2015:

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
<u>Governmental Activities</u>		
Major Funds:		
General Fund	\$ 188,109	\$ -
Traffic Mitigation Special Revenue	-	64,047
Transportation Planning Special Revenue	-	124,062
Total Major Funds	<u>188,109</u>	<u>188,109</u>
Total Governmental Activities	<u><u>188,109</u></u>	<u><u>188,109</u></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 the City and the Successor Agency. Each advance carries a stated interest rate and has scheduled debt service payments. Advances receivable and payable balances at June 30, 2015, are as follows:

An advance in the amount of \$1,876,208 was made from the General Fund to the Successor Agency 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, 2015

8. INTERFUND TRANSACTIONS, Continued

Transfers consisted of the following at June 30, 2015:

	<u>Transfers In</u>	<u>Transfers Out</u>
<u>Governmental Activities</u>		
<u>Major Funds:</u>		
General Fund	\$ 119,976	\$ 143,839
General Capital Projects	1,086,506	-
Total Major Funds	<u>1,206,482</u>	<u>143,839</u>
<u>Non-major Funds:</u>		
<u>Special Revenue Funds:</u>		
Gas Tax	-	570,023
Measure A	-	542,620
Local Transportation	50,000	-
Total Non-major Special Revenue Funds	<u>50,000</u>	<u>1,112,643</u>
Total Non-major Funds	<u>50,000</u>	<u>1,112,643</u>
Total Transfers	<u><u>\$ 1,256,482</u></u>	<u><u>\$ 1,256,482</u></u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them. The use of one fund maximizes efficiency by consolidating all transactions.

9. 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.

City of Buellton, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2015

9. RISK MANAGEMENT, Continued

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.

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.

City of Buellton, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2015

10. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

A. General Information about the Pension Plans

Plan Descriptions - All qualified full-time employees are eligible to participate in the City's Miscellaneous First Tier Plan and Miscellaneous PEPR Plan (The Plans), agent multiple-employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS), which acts as a common investment and administrative agent for its participating member employers. Benefit provisions under the Plans are established by State statute and Local Government resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Benefits Provided - CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The Plan's provisions and benefits in effect at June 30, 2015, are summarized as follows:

	<u>Miscellaneous Plan</u>
Hire date	Prior to January 1, 1978
Benefit formula	2% @ 55
Benefit vesting schedule	5 years service
Benefit payments	monthly for life
Retirement age	55
Monthly benefits, as a % of eligible compensation	2% to 2.7%
Required employee contribution rates	7%
Required employer contribution rates	13.85%

City of Buellton, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2015

10. PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS), Continued

A. General Information about the Pension Plans, Continued

Contributions - Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plan is determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is based on the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the year ended June 30, 2015, the contributions recognized as part of pension expense for the Plan were as follows:

	<u>Miscellaneous</u>
Contributions - employer	\$ 154,787
Contributions - employee (paid employer)	-

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

As of June 30, 2015, the City reported a net pension liability for its proportionate shares of the net pension liability of the Plan as follows:

	<u>Proportionate Share of Net Pension Liability</u>
Miscellaneous	\$ 1,345,267
Total Net Pension Liability	<u>\$ 1,345,267</u>

City of Buellton, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2015

10. PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS), Continued

The City's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2014, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2013 rolled forward to June 30, 2014 using standard update procedures. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The City's proportionate share of the net pension liability for the Plan as of June 30, 2014 was as follows:

	<u>Miscellaneous</u>
Proportion - June 30, 2014	0.02162%

For the year ended June 30, 2015, the City recognized pension expense of \$137,877. At June 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions paid to CalPERS subsequent to measurement date	\$ 234,747	\$ -
Differences between actual and expected economic experience	-	-
Changes in assumptions	-	-
Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of the contributions	-	-
Net differences between projected and actual earnings on plan investments	-	399,981
Total	<u>\$ 234,747</u>	<u>\$ 399,981</u>

\$234,347 reported as deferred outflows of resources related to contributions subsequent to the measurement date and other contribution differences, which will be recognized as a reduction of the net pension liability in the year ended June 30, 2016.

City of Buellton, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2015

10. PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS), Continued

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	
2016	\$ (129,489)
2017	105,258
2018	105,258
2019	84,207
2020	-
Thereafter	-

Actuarial Assumptions -The total pension liabilities in the June 30, 2013 actuarial valuations were determined using the following actuarial assumptions:

Actuarial Assumptions	
Valuation date	June 30, 2013
Measurement date	June 30, 2014
Actuarial cost method	Entry-age normal cost method
Actuarial assumptions:	
Discount rate	7.5%
Inflation	2.75%
Salary increases	Varies by entry age and service
Investment Rate of Return	7.50% net pension plan investment and administrative expenses; includes inflation
Post-retirement benefit increase	Contract COLA up to 2.75% until purchasing power protection allowance floor on purchasing power applies, 2.75% thereafter.

The underlying mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details, please refer to the 2014 experience study report.

All other actuarial assumptions used in the June 30, 2013 valuation were based on the results of an actuarial experience study for the fiscal years 1997 to 2011, including updates to salary increase, mortality and retirement rates. The Experience Study can be obtained at CalPERS' website under Forms and Publications.

10. PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS), Continued

Discount Rate - The discount rate used to measure the total pension liability was 7.50 percent for the Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for the plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.50 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.50 percent will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

According to Paragraph 30 of Statement 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The 7.50 percent investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. An investment return excluding administrative expenses would have been 7.65 percent. Using this lower discount rate has resulted in a slightly higher total pension liability and net pension liability. CalPERS checked the materiality threshold for the difference in calculation and did not find it to be a material difference.

CalPERS is scheduled to review all actuarial assumptions as part of its regular Asset Liability Management (ALM) review cycle that is scheduled to be completed in February 2018. Any changes to the discount rate will require Board action and proper stakeholder outreach. For these reasons, CalPERS expects to continue using a discount rate net of administrative expenses for GASB 67 and 68 calculations through at least the 2017-18 fiscal year. CalPERS will continue to check the materiality of the difference in calculation until such time as we have changed our methodology.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

City of Buellton, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2015

10. PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS), Continued

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

Asset Class	New Strategic Allocation	Real Return Years 1 - 10 ¹	Real Return Year 11+ ²
Global Equity	47%	5.25%	5.71%
Global Fixed Income	19%	0.99%	2.43%
Inflation Sensitive	6%	0.45%	3.36%
Private Equity	12%	6.83%	6.95%
Real Estate	11%	4.50%	5.13%
Infrastructure and Forestland	3%	4.50%	5.09%
Liquidity	2%	-0.55%	-1.05%

(1) An expected inflation of 2.5% used for this period.

(2) An expected inflation of 3.0% used for this period.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following presents the City's proportionate share of the net pension liability for the Plan, calculated using the discount rate for Plan, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Miscellaneous	2,296,244	1,345,267	556,047

Pension Plan Fiduciary Net Position -Detailed information about the pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

Payable to the Pension Plans - At June 30, 2015, the City reported a payable of \$165,184 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2015.

City of Buellton, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2015

11. 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 - 100% 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, 2015

Retirees and beneficiaries receiving benefits	8
Current staff receiving benefits	0
Other participants not yet fully eligible for benefits	18
Total	26

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. Typically, the General Fund has been used in the past to liquidate the net OPEB obligation.

City of Buellton, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2015

11. 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, 2015, the amount actually contributed to the plan, and changes in the City's Net OPEB obligation:

Annual required contribution (ARC)	\$ 264,555
Interest on net OPEB Obligation	34,451
Adjustment to annual required contribution	<u>(49,808)</u>
Annual OPEB cost (expense)	\$ 249,198
Employer contributions made	<u>(52,754)</u>
Increase (Decrease) in net OPEB obligation	\$ 196,444
Net OPEB Obligation - beginning of year	<u>861,278</u>
Net OPEB Obligation - end of year	<u><u>\$ 1,057,722</u></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 2015 and the two preceding years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/13	\$ 256,515	19%	\$ 658,042
6/30/14	252,822	20%	861,278
6/30/15	249,198	21%	1,057,722

Funded Status and Funding Progress

The funded status of the plan as June 30, 2015, 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)	\$ 1,196,377
UAAL as a percentage of covered payroll	155.7%

11. 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.

12. 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, 2015

12. 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, 2012. 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) in the June 30, 2012 financial statements.

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, 2015

12. SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY, Continued

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 \$345,682 and represents the value received for disposition by the Successor Agency.

13. 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.

14. 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.

15. NEW ACCOUNTING PRONOUNCEMENTS

The GASB has issued Statement No. 72, “*Fair Value Measurement and Application*”. The objective of this Statement is to improve financial reporting by clarifying the definition of fair value for financial reporting purposes, establishing general principles for measuring fair value, providing additional fair value application guidance, and enhancing disclosures about fair value measurements. These improvements are based in part on the concepts and definitions established in Concepts Statement No. 6, *Measurement of Elements of Financial Statements*, and other relevant literature. The requirements of this Statement are effective for financial statements for reporting periods beginning after June 15, 2015.

City of Buellton, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2015

15. NEW ACCOUNTING PRONOUNCEMENTS, Continued

The GASB has issued Statement No. 73, “Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68”. The objective of this Statement is to improve the usefulness of information about pensions included in the general purpose external financial reports of state and local governments for making decisions and assessing accountability. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement establishes requirements for defined benefit pensions that are not within the scope of Statement No. 68, “Accounting and Financial Reporting for Pensions”, as well as for the assets accumulated for purposes of providing those pensions. In addition, it establishes requirements for defined contribution pensions that are not within the scope of Statement 68. It also amends certain provisions of Statement No. 67, “Financial Reporting for Pension Plans”, and Statement 68 for pension plans and pensions that are within their respective scopes.

The requirements of this Statement that address accounting and financial reporting by employers and governmental nonemployer contributing entities for pensions that are not within the scope of Statement 68 are effective for financial statements for fiscal years beginning after June 15, 2016, and the requirements of this Statement that address financial reporting for assets accumulated for purposes of providing those pensions are effective for fiscal years beginning after June 15, 2015. The requirements of this Statement for pension plans that are within the scope of Statement 67 or for pensions that are within the scope of Statement 68 are effective for fiscal years beginning after June 15, 2015.

The GASB has issued Statement No. 74, “Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans”. The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement replaces Statements No. 43, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, as amended, and No. 57, OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans. It also includes requirements for defined contribution OPEB plans that replace the requirements for those OPEB plans in Statement No. 25, Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans, as amended, Statement 43, and Statement No. 50, Pension Disclosures. Effective Date: The provisions in Statement 74 are effective for fiscal years beginning after June 15, 2016.

15. NEW ACCOUNTING PRONOUNCEMENTS, Continued

The GASB has issued Statement No. 75, “Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions”. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement replaces the requirements of Statements No. 45, “Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions”, as amended, and No. 57, “OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans”, for OPEB. Statement No. 74, “Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans”, establishes new accounting and financial reporting requirements for OPEB plans. Effective Date: The provisions in Statement 75 are effective for fiscal years beginning after June 15, 2017.

The GASB has issued Statement No. 76, “The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments”. The objective of this Statement is to identify—in the context of the current governmental financial reporting environment—the hierarchy of generally accepted accounting principles (GAAP). The “GAAP hierarchy” consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. This Statement supersedes Statement No. 55, “The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments”. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2015, and should be applied retroactively.

The GASB has issued Statement No. 77, “Tax Abatement Disclosures”. This information is intended, among other things, to assist these users of financial statements in assessing (1) whether a government’s current-year revenues were sufficient to pay for current-year services (known as interperiod equity), (2) whether a government complied with finance-related legal and contractual obligations, (3) where a government’s financial resources come from and how it uses them, and (4) a government’s financial position and economic condition and how they have changed over time. The requirements of this Statement are effective for reporting periods beginning after December 15, 2015

REQUIRED SUPPLEMENTARY INFORMATION

City of Buellton, California

Required Supplementary Information - Schedule of Contributions

Miscellaneous Plan

Last 10 Fiscal Years*

	<u>2014</u>
Actuarially determined contribution	\$ 154,787
Contributions in relation to the actuarially determined contributions	<u>(154,787)</u>
Contribution deficiency (excess)	<u>\$ -</u>
Covered-employee payroll	\$ 1,158,940
Contribution as a percentage of covered-employee payroll	13.36%

Notes to Schedule

1) Covered employee payroll represents compensation earnable and pensionable compensation. Only compensation earnable and pensionable compensation that would possibly go into the determination of retirement benefits are included.

* - Fiscal year 2015 was the first year of implementation, therefore only the first year was available.

City of Buellton, California

Required Supplementary Information - Schedule of the City's Proportionate Share of the Net Pension Liability

Miscellaneous Plan

Last 10 Fiscal Years*

	<u>2014</u>
Plan's Proportion of the Net Pension Liability/(Asset)	0.02162%
Plan's Proportionate Share of the Net Pension Liability/(Asset)	\$ 1,345,267
Plan's Covered-Employee Payroll	\$ 1,158,940
Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered-Employee Payroll	116.08%
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	81.23%
Plan's Proportionate Share of Aggregate Employer Contribution	\$ 157,466

Notes to Schedule

1) Covered employee payroll represents compensation earnable and pensionable compensation. Only compensation earnable and pensionable compensation that would possibly go into the determination of retirement benefits are included.

* - Fiscal year 2015 was the first year of implementation, therefore only the first year was available.

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

NON-MAJOR GOVERNMENTAL FUNDS

Fund Type	Description
Housing Fund	Accounts for funds used to maintain the City's supply of affordable housing.
Gas Tax Fund	Accounts for funds received and expended for street maintenance as defined in the Streets and Highways Code.
Measure A Fund	Accounts for revenues and expenditures of Measure A funds.
Local Transportation Fund	Accounts for revenues and expenditures used for local transportation funds.

City of Buellton, California
Combining Balance Sheet
Non-major Governmental Funds
June 30, 2015

	Special Revenue Funds		
	Housing Fund	Gas Tax Fund	Measure A Fund
ASSETS			
Cash and investments	\$ 442,056	\$ 586,031	\$ 211,315
Receivables:			
Accounts	-	73,165	-
Interest	306	369	118
Prepaid items	-	-	-
Total assets	\$ 442,362	\$ 659,565	\$ 211,433
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ -	\$ 13,148	\$ 31,305
Total liabilities	-	13,148	31,305
Fund Balances:			
Nonspendable:			
Prepaid items	-	-	-
Restricted	442,362	646,417	180,128
Total fund balances	442,362	646,417	180,128
Total liabilities and fund balances	\$ 442,362	\$ 659,565	\$ 211,433

Special Revenue Funds

Local Transportation Fund	Total Non-major Governmental Funds
\$ 35,037	\$ 1,274,439
-	73,165
-	793
1,667	1,667
<u>\$ 36,704</u>	<u>\$ 1,350,064</u>
<u>\$ 5,828</u>	<u>\$ 50,281</u>
<u>5,828</u>	<u>50,281</u>
1,667	1,667
<u>29,209</u>	<u>1,298,116</u>
<u>30,876</u>	<u>1,299,783</u>
<u>\$ 36,704</u>	<u>\$ 1,350,064</u>

City of Buellton, California
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-major Governmental Funds
For the year ended June 30, 2015

	Special Revenue Funds		
	Housing Fund	Gas Tax Fund	Measure A Fund
REVENUES:			
Intergovernmental	\$ -	\$ 215,283	\$ 336,806
Use of money and property	1,024	1,585	456
Other	-	-	15,062
Total revenues	1,024	216,868	352,324
EXPENDITURES:			
Current:			
Public works	1,130	250	-
Total expenditures	1,130	250	-
REVENUES OVER (UNDER) EXPENDITURES	(106)	216,618	352,324
OTHER FINANCING SOURCES (USES):			
Transfers in	-	-	-
Transfers out	-	(570,023)	(542,620)
Total other financing sources and uses	-	(570,023)	(542,620)
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES)	(106)	(353,405)	(190,296)
FUND BALANCES:			
Beginning of year	442,468	999,822	370,424
End of year	<u>\$ 442,362</u>	<u>\$ 646,417</u>	<u>\$ 180,128</u>

Special Revenue Funds

Local Transportation Fund	Total Non-major Governmental Funds
\$ 3,767	\$ 555,856
148	3,213
-	15,062
<u>3,915</u>	<u>574,131</u>
25,364	26,744
<u>25,364</u>	<u>26,744</u>
(21,449)	547,387
50,000	50,000
-	<u>(1,112,643)</u>
<u>50,000</u>	<u>(1,062,643)</u>
28,551	(515,256)
2,325	1,815,039
<u>\$ 30,876</u>	<u>\$ 1,299,783</u>

City of Buellton, California

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual

Housing Special Revenue Fund

For the year ended June 30, 2015

	Budgeted Amounts		Actual	Variance w/Final
	Original	Final		Positive (Negative)
REVENUES:				
Use of money and property	\$ 5,000	\$ 5,000	\$ 1,024	\$ (3,976)
Total revenues	5,000	5,000	1,024	(3,976)
EXPENDITURES:				
Current:				
Public works	3,000	3,000	1,130	1,870
Total expenditures	3,000	3,000	1,130	1,870
REVENUES OVER (UNDER)				
EXPENDITURES	2,000	2,000	(106)	(2,106)
Net change in fund balances	2,000	2,000	(106)	(2,106)
FUND BALANCES (Deficit):				
Beginning of year	442,468	442,468	442,468	-
End of year	\$ 444,468	\$ 444,468	\$ 442,362	\$ (2,106)

City of Buellton, California

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual

Gas Tax Special Revenue Fund

For the year ended June 30, 2015

	Budgeted Amounts		Actual	Variance w/Final
	Original	Final		Positive (Negative)
REVENUES:				
Intergovernmental	\$ 197,267	\$ 197,267	\$ 215,283	\$ 18,016
Use of money and property	2,000	2,000	1,585	(415)
Total revenues	199,267	199,267	216,868	17,601
EXPENDITURES:				
Current:				
Public works	142,000	142,000	250	141,750
Total expenditures	142,000	142,000	250	141,750
REVENUES OVER (UNDER)				
EXPENDITURES	57,267	57,267	216,618	159,351
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	(744,000)	(744,000)	(570,023)	173,977
Total other financing sources (uses)	(744,000)	(744,000)	(570,023)	173,977
Net change in fund balances	(686,733)	(686,733)	(353,405)	333,328
FUND BALANCES:				
Beginning of year	999,822	999,822	999,822	-
End of year	\$ 313,089	\$ 313,089	\$ 646,417	\$ 333,328

City of Buellton, California

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual

Measure A Special Revenue Fund

For the year ended June 30, 2015

	Budgeted Amounts		Actual	Variance w/Final
	Original	Final		Positive (Negative)
REVENUES:				
Intergovernmental	\$ 322,897	\$ 322,897	\$ 336,806	\$ 13,909
Use of money and property	350	350	456	106
Other	-	-	15,062	15,062
Total revenues	323,247	323,247	352,324	29,077
EXPENDITURES:				
Current:				
Public works	-	-	-	-
Total expenditures	-	-	-	-
REVENUES OVER (UNDER)				
EXPENDITURES	323,247	323,247	352,324	29,077
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	(807,397)	(807,397)	(542,620)	264,777
Total other financing sources (uses)	(807,397)	(807,397)	(542,620)	264,777
Net change in fund balances	(484,150)	(484,150)	(190,296)	293,854
FUND BALANCES (Deficit):				
Beginning of year	370,424	370,424	370,424	-
End of year	\$ (113,726)	\$ (113,726)	\$ 180,128	\$ 293,854

City of Buellton, California

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual

Local Transportation Special Revenue Fund

For the year ended June 30, 2015

	Budgeted Amounts		Actual	Variance w/Final
	Original	Final		Positive (Negative)
REVENUES:				
Intergovernmental	\$ 3,718	\$ 3,718	\$ 3,767	\$ 49
Use of money and property	150	150	148	(2)
Total revenues	3,868	3,868	3,915	47
EXPENDITURES:				
Current:				
Public works	101,100	101,100	25,364	75,736
Total expenditures	101,100	101,100	25,364	75,736
REVENUES OVER (UNDER)				
EXPENDITURES	(97,232)	(97,232)	(21,449)	75,783
OTHER FINANCING SOURCES (USES):				
Transfers in	126,100	126,100	50,000	(76,100)
Transfers out	-	-	-	-
Total other financing sources (uses)	126,100	126,100	50,000	(76,100)
Net change in fund balances	28,868	28,868	28,551	(317)
FUND BALANCES (Deficit):				
Beginning of year	2,325	2,325	2,325	-
End of year	\$ 31,193	\$ 31,193	\$ 30,876	\$ (317)

City of Buellton, California
Statement of Changes in Assets and Liabilities
Deposits Agency Fund
For the year ended June 30, 2015

	<u>Balance July 1, 2014</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2015</u>
ASSETS				
Cash and investments	\$ 150,535	\$ 50,743	\$ (25,380)	\$ 175,898
Receivables:				
Interest	-	122	-	122
Total assets	<u>\$ 150,535</u>	<u>\$ 50,865</u>	<u>\$ (25,380)</u>	<u>\$ 176,020</u>
LIABILITIES				
Refundable deposits	\$ 150,535	\$ 50,743	\$ (25,258)	\$ 176,020
Total liabilities	<u>\$ 150,535</u>	<u>\$ 50,743</u>	<u>\$ (25,258)</u>	<u>\$ 176,020</u>

STATISTICAL SECTION

This part of the City of Buellton's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, footnotes, and required supplementary information says about the City's overall financial health.

Contents	Page(s)
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	102-112
Revenue Capacity generate revenues. Property taxes, sales and use taxes, charges for services, licenses, permits and fees and intergovernmental revenue are the City's most significant revenue sources.	113-118
Debt Capacity These schedules contain information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt	119-121
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	122
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	124-129

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

City of Buellton, California
Net Position by Component
Last Ten Fiscal Years
(Fiscal year ended June 30)
(Accrual basis of accounting)

	2006	2007	2008	2009
Governmental activities				
Net investment in capital assets	\$ 10,289,733	\$ 16,797,701	\$ 16,246,876	\$ 17,157,515
Restricted	626,250	-	-	-
Unrestricted	9,427,610	11,753,103	12,960,500	12,919,389
Total governmental activities net position	\$ 20,343,593	\$ 28,550,804	\$ 29,207,376	\$ 30,076,904
Business-type activities				
Net investment in capital assets	\$ 5,530,652	\$ 5,255,393	\$ 5,389,703	5,151,913
Restricted	-	-	-	-
Unrestricted	5,524,798	6,111,889	6,514,815	6,653,810
Total business-type activities net position	\$ 11,055,450	\$ 11,367,282	\$ 11,904,518	\$ 11,805,723
Primary government				
Net investment in capital assets	\$ 15,820,385	\$ 22,053,094	\$ 21,636,579	\$ 22,309,428
Restricted	626,250	-	-	-
Unrestricted	14,952,408	17,864,992	19,475,315	19,573,199
Total primary government net position	\$ 31,399,043	\$ 39,918,086	\$ 41,111,894	\$ 41,882,627

Source: City Finance Department

2010	2011	2012	2013	2014	2015
\$ 16,562,754	\$ 16,445,038	\$ 17,403,453	\$ 17,650,808	\$ 17,499,108	\$ 18,152,109
-	4,282,496	1,848,781	7,993,664	7,986,418	7,483,555
12,391,360	8,470,455	11,014,594	5,323,390	5,301,357	4,312,758
<u>\$ 28,954,114</u>	<u>\$ 29,197,989</u>	<u>\$ 30,266,828</u>	<u>\$ 30,967,862</u>	<u>\$ 30,786,883</u>	<u>\$ 29,948,422</u>
\$ 5,096,842	\$ 5,530,407	\$ 5,563,438	\$ 5,420,400	\$ 5,555,611	\$ 5,573,002
-	-	-	-	-	-
6,381,738	5,604,145	5,136,194	4,859,019	4,218,343	3,508,567
<u>\$ 11,478,580</u>	<u>\$ 11,134,552</u>	<u>\$ 10,699,632</u>	<u>\$ 10,279,419</u>	<u>\$ 9,773,954</u>	<u>\$ 9,081,569</u>
\$ 21,659,596	\$ 21,975,445	\$ 22,966,891	\$ 23,071,208	\$ 23,054,719	\$ 23,725,111
-	4,282,496	1,848,781	7,993,664	7,986,418	7,483,555
18,773,098	14,074,600	16,150,788	10,182,409	9,519,700	7,821,325
<u>\$ 40,432,694</u>	<u>\$ 40,332,541</u>	<u>\$ 40,966,460</u>	<u>\$ 41,247,281</u>	<u>\$ 40,560,837</u>	<u>\$ 39,029,991</u>

City of Buellton, California

Changes in Net Position

Last Ten Fiscal Years

(Fiscal year ended June 30)

(Accrual basis of accounting)

	2006	2007	2008	2009
Expenses				
Governmental activities:				
General government	\$ 1,963,313	\$ 1,063,958	\$ 1,139,402	\$ 952,729
Community development	2,062,763	610,397	617,300	908,792
Culture and leisure	72,149	1,737,275	2,311,368	607,147
Public safety	1,257,100	1,346,880	1,563,977	1,640,233
Public works	3,790,856	684,238	795,921	886,380
Unallocated depreciation	-	677,340	685,152	705,212
Total governmental activities expenses	<u>9,146,181</u>	<u>6,120,088</u>	<u>7,113,120</u>	<u>5,700,493</u>
Business-type activities:				
Water Utility	1,533,373	1,621,907	1,543,927	1,591,019
Wastewater Utility	719,227	781,517	825,680	869,595
Total business-type activities expenses	<u>2,252,600</u>	<u>2,403,424</u>	<u>2,369,607</u>	<u>2,460,614</u>
Total primary government expenses	<u>11,398,781</u>	<u>8,523,512</u>	<u>9,482,727</u>	<u>8,161,107</u>
Program revenues				
Governmental activities:				
Charges for services:				
General government	326,229	240,516	338,389	186,909
Community development	-	-	-	42,818
Culture and leisure	-	128,955	74,040	82,900
Public safety	-	17,477	32,747	12,210
Public works	-	-	-	-
Operating grants and contributions	29,565	439,319	313,596	286,756
Capital grants and contributions	-	1,156,790	797,368	474,562
Total governmental activities program revenues:	<u>355,794</u>	<u>1,983,057</u>	<u>1,556,140</u>	<u>1,086,155</u>
Business-type activities:				
Charges for services:				
Water utility	1,456,241	1,480,189	1,495,709	1,467,933
Sewer utility	622,440	561,989	562,467	556,822
Operating grants and contributions	-	-	-	-
Capital grants and contributions	-	367,055	563,863	179,062
Total business-type activities program revenues:	<u>2,078,681</u>	<u>2,409,233</u>	<u>2,622,039</u>	<u>2,203,817</u>
Total primary government program revenues	<u>2,434,475</u>	<u>4,392,290</u>	<u>4,178,179</u>	<u>3,289,972</u>
Net (Expense)/Revenue				
Governmental activities	(8,790,387)	(4,137,031)	(5,556,980)	(4,614,338)
Business-type activities	(173,919)	5,809	252,432	(256,797)
Total primary government net expense	<u>(8,964,306)</u>	<u>(4,131,222)</u>	<u>(5,304,548)</u>	<u>(4,871,135)</u>

2010	2011	2012	2013	2014	2015
\$ 1,027,858	\$ 1,040,330	\$ 1,484,345	\$ 1,519,771	\$ 1,771,834	\$ 783,769
1,343,533	947,844	1,131,764	313,216	469,675	1,192,571
648,944	638,904	621,570	588,733	595,098	607,761
1,755,474	1,804,188	1,350,473	1,872,020	1,792,569	1,801,989
1,743,224	819,223	862,578	1,526,752	2,568,183	1,959,864
723,587	737,978	-	-	-	-
7,242,620	5,988,467	5,450,730	5,820,492	7,197,359	6,345,954
1,633,422	1,623,335	1,699,457	1,734,083	1,679,681	1,822,088
909,121	842,378	771,940	847,522	453,728	957,261
2,542,543	2,465,713	2,471,397	2,581,605	2,133,409	2,779,349
9,785,163	8,454,180	7,922,127	8,402,097	9,330,768	9,125,303
133,995	92,618	1,712	3,975	51,250	9,095
42,818	160,854	-	-	-	-
183,933	155,316	59,786	231,337	271,231	306,560
58,207	66,616	48,678	47,982	38,129	37,594
-	-	88,865	9,480	27,840	106,974
400,787	356,627	1,225,407	919,707	639,327	555,856
225,429	182,490	-	-	-	-
1,045,169	1,014,521	1,424,448	1,212,481	1,027,777	1,016,079
1,467,931	1,387,651	1,388,813	1,460,658	1,549,410	1,436,127
569,344	572,545	597,963	649,703	695,725	734,289
-	-	462	3,250	1,699	293,817
108,960	114,575	34,720	36,380	-	-
2,146,235	2,074,771	2,021,958	2,149,991	2,246,834	2,464,233
3,191,404	3,089,292	3,446,406	3,362,472	3,274,611	3,480,312
(6,197,451)	(4,973,946)	(4,026,282)	(4,608,011)	(6,169,582)	(5,329,875)
(396,308)	(390,942)	(449,439)	(431,614)	113,425	(315,116)
(6,593,759)	(5,364,888)	(4,475,721)	(5,039,625)	(6,056,157)	(5,644,991)

(continued)

City of Buellton, California
Changes in Net Position, Continued
Last Ten Fiscal Years
(Fiscal year ended June 30)
(Accrual basis of accounting)

	2006	2007	2008	2009
Continued from previous page:				
General Revenues and Other Changes				
in Net Position:				
Governmental activities:				
Taxes:				
Secured and unsecured property taxes	1,410,284	1,408,990	1,683,116	1,713,355
Sales and use tax	1,541,828	1,616,089	1,878,982	1,539,733
Transient lodging tax	1,142,210	1,273,905	1,290,705	1,223,797
Franchise taxes	-	132,300	136,557	142,731
Other taxes	776,961	393,784	384,178	405,637
Investment income	593,226	878,259	814,768	448,519
Other general revenues	189,030	69,799	25,246	10,094
Transfer from fiduciary activities	-	-	-	-
Transfer in (out)	-	-	-	-
Extraordinary item	-	-	-	-
Total governmental activities	<u>5,653,539</u>	<u>5,773,126</u>	<u>6,213,552</u>	<u>5,483,866</u>
Business-type activities:				
Use of money and property	193,712	277,670	252,798	131,760
Other revenues	154,781	28,353	32,006	26,242
Transfer in (out)	-	-	-	-
Total business-type activities	<u>348,493</u>	<u>306,023</u>	<u>284,804</u>	<u>158,002</u>
Total primary government	<u>6,002,032</u>	<u>6,079,149</u>	<u>6,498,356</u>	<u>5,641,868</u>
Changes in Net Position				
Governmental activities	(3,136,848)	1,636,095	656,572	869,528
Business-type activities	174,574	311,832	537,236	(98,795)
Total primary government	<u><u>\$ (2,962,274)</u></u>	<u><u>\$ 1,947,927</u></u>	<u><u>\$ 1,193,808</u></u>	<u><u>\$ 770,733</u></u>

Source: City Finance Department

2010	2011	2012	2013	2014	2015
1,750,774	1,718,074	1,679,732	1,528,000	1,116,510	1,146,289
1,414,049	1,552,752	1,611,788	1,744,085	1,935,411	1,943,723
1,164,409	1,193,216	1,239,617	1,344,904	1,604,086	1,830,275
131,659	209,220	202,981	207,922	216,444	418,586
403,748	411,514	383,604	381,358	387,905	220,140
129,300	127,128	268,680	102,197	41,160	107,885
13,632	5,917	-	579	1,192	54,257
-	-	-	-	59,073	-
-	-	-	-	626,822	-
-	-	(291,281)	-	-	-
<u>5,007,571</u>	<u>5,217,821</u>	<u>5,095,121</u>	<u>5,309,045</u>	<u>5,988,603</u>	<u>5,721,155</u>
39,922	23,774	14,519	11,401	7,932	8,146
29,243	23,140	-	-	-	-
-	-	-	-	(626,822)	-
<u>69,165</u>	<u>46,914</u>	<u>14,519</u>	<u>11,401</u>	<u>(618,890)</u>	<u>8,146</u>
<u>5,076,736</u>	<u>5,264,735</u>	<u>5,109,640</u>	<u>5,320,446</u>	<u>5,369,713</u>	<u>5,729,301</u>
(1,189,880)	243,875	1,068,839	701,034	(180,979)	391,280
<u>(327,143)</u>	<u>(344,028)</u>	<u>(434,920)</u>	<u>(420,213)</u>	<u>(505,465)</u>	<u>(306,970)</u>
<u>\$ (1,517,023)</u>	<u>\$ (100,153)</u>	<u>\$ 633,919</u>	<u>\$ 280,821</u>	<u>\$ (686,444)</u>	<u>\$ 84,310</u>

(concluded)

City of Buellton, California
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(Fiscal year ended June 30)
(Modified accrual basis of accounting)

	2006	2007	2008	2009
General Fund:				
Nonspendable	\$ 3,759,836	\$ 7,479,546	\$ 7,782,741	\$ 7,957,130
Restricted	-	-	-	-
Committed	626,250	-	-	-
Unassigned	4,696,058	2,668,372	2,768,083	2,974,145
Total general fund	<u>9,082,144</u>	<u>10,147,918</u>	<u>10,550,824</u>	<u>10,931,275</u>
All Other Governmental Funds:				
Nonspendable	200,053	203,787	205,181	208,069
Restricted	4,715,297	5,156,233	6,123,560	6,751,213
Unassigned (deficit)	(3,908,801)	(3,717,810)	(3,869,785)	(4,916,803)
Total all other governmental funds	<u>1,006,549</u>	<u>1,642,210</u>	<u>2,458,956</u>	<u>2,042,479</u>
Total all governmental funds	<u>\$ 10,088,693</u>	<u>\$ 11,790,128</u>	<u>\$ 13,009,780</u>	<u>\$ 12,973,754</u>

Source: City Finance Department

2010	2011	2012	2013	2014	2015
\$ 8,067,010	\$ 2,968,765	\$ 114,737	\$ 98,630	\$ 267,916	\$ 211,871
-	-	-	6,169,316	6,173,046	6,185,439
-	25,000	-	-	-	-
3,187,103	9,045,094	11,334,055	5,829,005	6,050,021	6,482,765
<u>11,254,113</u>	<u>12,038,859</u>	<u>11,448,792</u>	<u>12,096,951</u>	<u>12,490,983</u>	<u>12,880,075</u>
225,917	5,971	200,000	201,667	1,667	1,667
7,016,895	4,282,496	1,848,781	1,824,348	1,813,372	1,298,116
<u>(6,091,969)</u>	<u>(3,439,610)</u>	<u>(277,578)</u>	<u>(273,652)</u>	<u>(245,469)</u>	<u>(193,192)</u>
<u>1,150,843</u>	<u>848,857</u>	<u>1,771,203</u>	<u>1,752,363</u>	<u>1,569,570</u>	<u>1,106,591</u>
<u>\$ 12,404,956</u>	<u>\$ 12,887,716</u>	<u>\$ 13,219,995</u>	<u>\$ 13,849,314</u>	<u>\$ 14,060,553</u>	<u>\$ 13,986,666</u>

City of Buellton, California
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(Fiscal year ended June 30)
(Modified accrual basis of accounting)

Revenues:	2006	2007	2008	2009
Taxes	\$ 4,388,271	\$ 4,476,399	\$ 5,002,441	\$ 4,641,967
Licenses, permits, and fees	114,470	186,321	254,325	90,702
Intergovernmental	398,107	1,454,554	1,337,608	1,068,235
Charges for services	-	128,955	74,040	82,900
Fines and forfeitures	270,080	54,015	38,240	36,951
Use of money and property	649,375	938,109	874,615	508,368
Other	189,030	517,830	188,423	140,898
Total revenues	6,009,333	7,756,183	7,769,692	6,570,021
Expenditures:				
Current:-				
General government	913,367	1,061,623	964,392	946,501
Community development	2,404,698	601,277	616,123	1,084,618
Culture and leisure	72,007	1,237,275	2,306,960	606,549
Public safety	1,257,100	1,346,880	1,560,994	1,638,619
Public works	4,198,719	684,238	794,403	885,508
Capital outlay	396,026	1,346,712	307,168	1,444,252
Total expenditures	9,241,917	6,278,005	6,550,040	6,606,047
Reconciliation of Governmental Revenues				
Less Expenditures to Fund Equity:				
Revenues over (under) expenditures	\$ (3,232,584)	\$ 1,478,178	\$ 1,219,652	\$ (36,026)
Other financing sources (uses):				
Proceeds from sales of assets	-	-	-	-
Transfer from Successor Agency Private Purpose Trust	-	-	-	-
Extraordinary loss on dissolution of redevelopment	-	-	-	-
Transfers in	427,721	1,000,000	1,800,000	-
Transfers out	(427,721)	(1,000,000)	(1,800,000)	-
Payment to Santa Barbara County	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	\$ (3,232,584)	\$ 1,478,178	\$ 1,219,652	\$ (36,026)
Debt service as a percentage of noncapital expenditures	0%	0%	0%	0%

Source: City Finance Department

2010	2011	2012	2013	2014	2015
\$ 4,339,672	\$ 4,696,667	\$ 4,917,859	\$ 5,246,898	\$ 5,260,356	\$ 5,179,413
74,144	30,049	85,777	13,666	79,181	10,854
1,027,513	1,106,355	1,230,607	879,078	639,327	942,106
183,933	155,316	-	165,717	189,475	284,829
44,809	48,342	49,223	49,261	39,203	37,508
189,152	189,696	525,508	162,312	108,775	107,885
48,632	5,917	1,876	4,594	14,168	169,351
<u>5,907,855</u>	<u>6,232,342</u>	<u>6,810,850</u>	<u>6,521,526</u>	<u>6,330,485</u>	<u>6,731,946</u>
995,266	1,002,400	1,046,267	1,317,924	1,511,614	568,229
1,312,599	911,843	1,131,764	313,216	262,175	1,192,571
629,171	621,181	608,804	575,128	590,873	591,096
1,755,474	1,804,188	1,350,473	1,872,020	1,792,569	1,801,989
1,540,579	789,708	660,515	1,303,965	1,225,306	1,567,534
310,654	620,262	1,389,467	510,038	1,215,104	1,089,702
<u>6,543,743</u>	<u>5,749,582</u>	<u>6,187,290</u>	<u>5,892,291</u>	<u>6,597,641</u>	<u>6,811,121</u>
\$ (635,888)	\$ 482,760	\$ 623,560	\$ 629,235	\$ (267,156)	\$ (79,175)
-	-	-	-	-	5,288
-	-	-	-	59,073	-
-	-	(291,281)	-	-	-
-	4,602,777	-	-	1,264,556	1,256,482
-	(4,602,777)	-	-	(637,734)	(1,256,482)
-	-	-	-	(207,500)	-
-	-	(291,281)	-	478,395	5,288
<u>\$ (635,888)</u>	<u>\$ 482,760</u>	<u>\$ 332,279</u>	<u>\$ 629,235</u>	<u>\$ 211,239</u>	<u>\$ (73,887)</u>
<u>0%</u>	<u>0%</u>	<u>0%</u>	<u>0%</u>	<u>0%</u>	<u>0%</u>

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City of Buellton, California
Assessed Value and Actual Value of Taxable Property
For the last ten fiscal years

	City			Former Redevelopment Agency			Total Direct Tax Rate
	Secured	Unsecured	Taxable	Secured	Unsecured	Taxable	
			Assessed Value			Assessed Value	
FY 05-06	574,383,945	24,949,831	599,333,776	74,993,984	8,058,041	83,052,025	1.000%
FY 06-07	621,975,128	27,378,443	649,353,571	79,183,064	8,682,562	87,865,626	1.000%
FY 07-08	679,402,694	28,649,150	708,051,844	88,497,770	7,892,351	96,390,121	1.000%
FY 08-09	707,619,233	34,655,099	742,274,332	103,932,132	8,554,860	112,486,992	1.000%
FY 09-10	686,233,598	53,552,918	739,786,516	107,966,325	9,107,721	117,074,046	1.000%
FY 10-11	684,320,951	55,490,755	739,811,706	108,444,880	8,877,972	117,322,852	1.000%
FY 11-12	683,948,070	58,348,786	742,296,856	108,257,121	7,676,358	115,933,479	1.000%
FY 12-13	677,670,315	56,809,979	734,480,294	107,901,412	7,364,330	115,265,742	1.000%
FY 13-14	693,882,411	58,627,154	752,509,565	109,941,037	7,636,523	117,577,560	1.000%
FY 14-15	715,256,461	48,056,143	763,312,604	111,820,186	7,764,135	119,584,321	1.000%

Note: In 1978 the voters of the State of California passed Proposition 13 which limited property taxes to a total maximum rate of 1% based upon the assessed value of the property being taxed. Each year, the assessed value may be increased by an "inflation factor" (limited to a maximum of 2%). With few exceptions, property is only reassessed at the time that it is sold to a new owner. At that point, the new assessed value is reassessed at the purchase price of the property sold. The assessed valuation data shown above represents the only data currently available with respect to the actual market value of taxable property and is subject to the limitations described above.

City of Buellton, California
Direct and Overlapping Tax Rates
For the last ten fiscal years
(Rate per \$1,000 of assessed value)

	Direct Rates		Overlapping Rates	
	Basic Rate	Total Direct	Buellton Union School District 1992	Buellton Union School District 2004
FY 05-06	1.000	1.000	0.0526	-
FY 06-07	1.000	1.000	0.0241	0.0279
FY 07-08	1.000	1.000	0.0234	0.0279
FY 08-09	1.000	1.000	0.0231	0.0279
FY 09-10	1.000	1.000	0.0242	0.0279
FY 10-11	1.000	1.000	0.0242	0.0279
FY 11-12	1.000	1.000	0.0250	0.0288
FY 12-13	1.000	1.000	0.0250	0.0298
FY 13-14	1.000	1.000	0.0250	0.0298
FY 14-15	1.000	1.000	0.0250	0.0298

Note: In 1978, California voters passed Proposition 13, which sets the property tax rate at a 1.00% fixed amount. This 1.00% is shared by all taxing agencies whose boundaries include the subject property. In addition to the 1.00% fixed amount, property owners are charged taxes as a percentage of assessed property values for the payment of debt issued by the taxing agencies shown above.

* The RDA rate is based on the largest RDA tax rate area (TRA) and includes only rates from indebtedness adopted prior to 1989 per California State statute. RDA direct and overlapping rates are applied only to the incremental property values. In accordance with the timeline set forth in AB1x26 (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.

Source: County of Santa Barbara Auditor-Controller's Office

AHCC Bond 2006	Total Tax Rate	Redevelopment Agency *
-	1.05255	1.05255
0.0250	1.07706	1.07706
0.0248	1.07609	1.07609
0.0250	1.07599	1.07599
0.0250	1.07714	1.07714
0.0250	1.07714	1.07714
0.0250	1.07871	-
0.0250	1.07972	-
0.0250	1.07972	-
0.0250	1.07972	-

City of Buellton, California
Principal Property Tax Payers - Secured Roll Only
Current Year and Six Years Ago

Property Owner	FY 2014-15			FY 2009-10		
	Assessed Valuation	Rank	% of Total	Assessed Valuation	Rank	% of Total
FPA Flying Flags Associates, LP	\$ 15,198,273	1	18.7%	\$ 14,467,701	2	17.3%
Oak Springs Village Properties LLC	12,390,578	2	15.2%	15,606,000	1	18.7%
Kang Family Partners	8,578,224	3	10.5%	7,811,985	5	9.3%
Buellton Self-Storage, LP	7,424,283	4	9.1%	7,969,779	4	9.5%
Kaywine, LLC	6,965,746	5	8.6%	-	-	-
Santa Ynez Valley Properties, LP	6,774,328	6	8.3%	-	-	-
ABS CA-O LLC	6,521,553	7	8.0%	-	-	-
Los Olivos Meadows LLC	6,277,244	8	7.7%	-	-	-
Santa Ynez Self Storage, LLC	5,899,127	9	7.2%	5,626,454	7	6.7%
Buellton Village Center, LLC	5,399,500	10	6.6%	-	-	-
Hauber Family Trust	-	-	-	5,050,479	8	6.0%
Los Padres Properties	-	-	-	4,879,567	10	5.8%
Buellton Industrial Partners II, LLC	-	-	-	11,113,702	3	13.3%
New Albertsons, Inc	-	-	-	6,208,066	6	7.4%
Santa Ynez Band of Mission Indians	-	-	-	4,900,000	9	5.9%
	<u>\$81,428,856</u>		<u>100.0%</u>	<u>\$83,633,733</u>		<u>100.0%</u>

Source: County of Santa Barbara Auditor-Controller's Office

City of Buellton, California

Schedule of Top 25 Principal Sales Tax Remitters (listed in alphabetical order) Current Year and Five Years Ago

Jan-Mar 2015	Oct-Dec 2010
Rio Vista Chevrolet	Toms Gas & Market
Jim Vreeland Ford	Rio Vista Chevrolet
Toms Gas & Market	Jim Vreeland Ford
Buellton Shell	Buellton Shell
Conserv Fuel	Tim Fuel
Albertsons	Todd Pipe & Supply
CVS Pharmacy	Albertsons
Pfg	Longs
Todd Pipe & Supply	Platinum Performance
Platinum Performance	Buellton Chevron
Tesoro Refining & Marketing	Ralphs Valley Service
Terravant Wine Company	Eagle Energy
The Hitching Post II	Hitching Post
Buellton Mobil	Andersons Pea Soup
Eagle Energy	AJ Spurs Saloon & Dining Hall
Platinum Performance Vet	Santa Ynez Valley Marriot
Andersons Pea Soup	McDonalds
AJ Spurs Saloon & Dining Hall	Firestone Walker Brewing
Firestone Walker Brewery	Carls Jr.
Farm Supply	Thin Film Technology
Santa Ynez Valley Mariott	Coast Auto Sales
McDonalds	Mother Hubbards
Industrial Eats	New West Catering
Wild Wood Door Factory	Gracian Agricultural
O'Reilly Auto Parts	Sears

Note: The lists above includes both public and private entities for the most recent and prior comparable period available and therefore the dollar values have been omitted because the information is not public information. Rankings are determined by the sales dollar amount.

Source: City Finance Department

City of Buellton, California
Property Tax Levies and Collections
For the last ten fiscal years

Fiscal Year Ended June 30,	Countywide Full Cash Value	Taxes Levied for the Fiscal Year*	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2006	\$ 459,630,599	\$ 855,657	\$ 843,410	98.6%	\$ 12,247	\$ 855,657	100.0%
2007	508,780,407	928,269	908,772	97.9%	19,497	928,269	100.0%
2008	547,037,318	1,024,612	999,816	97.6%	24,796	1,024,612	100.0%
2009	570,319,442	1,087,350	1,056,581	97.2%	30,769	1,087,350	100.0%
2010	573,825,003	1,098,733	1,071,856	97.6%	26,877	1,098,733	100.0%
2011	575,911,027	1,099,024	1,080,276	98.3%	18,748	1,099,024	100.0%
2012	582,738,827	1,100,892	1,086,758	98.7%	14,134	1,100,892	100.0%
2013	590,636,407	1,098,286	1,087,164	99.0%	11,122	1,098,286	100.0%
2014	617,343,477	1,118,521	1,109,598	99.2%	8,362	1,117,960	99.9%
2015	649,369,538	1,137,192	1,127,669	99.2%	-	112,669	99.2%

Source: Santa Barbara County Auditor-Controller's Office

Note: For the fiscal year ended June 30, 2015, amounts are estimates as of 12/17/2015.

City of Buellton, California
Direct and Overlapping Debt
Current Year
June 30, 2015

<hr/> <hr/>			
2014-15 Assessed Valuation	\$768,785,204	\$768,785,204	
	Total Debt		
<u>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</u>		<u>% Applicable (1)</u>	<u>Debt 6/30/2015</u>
Allan Hancock Joint Community College District - GO Bonds		3.281%	\$ 2,553,742
Buellton Union School District - GO Bonds and Bond Anticipation Notes		73.012%	6,069,176
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT			\$ 8,622,918
<u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u>			
Buellton Union School District - Certificates of Participation		73.012%	\$ 328,554
Santa Ynez Valley Union High School District - Certificates of Participation		12.597%	353,352
Santa Barbara County Certificates of Participation		1.107%	670,393
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$ 1,352,299
COMBINED TOTAL DEBT			<u>\$ 9,975,217</u> (2)

(1) The percentage of overlapping debt applicable to the city is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the city divided by the district's total taxable assessed value.

(2) Excludes tax and revenue anticipation notes, enterprise revenue and mortgage revenue bonds and non-bonded lease obligations.

Ratios to 2014-15 Assessed Valuation:

Total Overlapping Tax and Assessment Debt	1.12%
Combined Total Debt	1.30%

City of Buellton, California
Legal Debt Margin Information
Last Ten Fiscal Years
(Dollars in thousands)

	2006	2007	2008	2009
Assessed Value	\$ 621,975,128	\$ 679,402,694	\$ 707,619,233	\$ 686,233,598
Conversion Percentage	25%	25%	25%	25%
Adjusted Assessed Value	155,493,782	169,850,674	176,904,808	171,558,400
Debt Limit Percentage	15%	15%	15%	15%
Debt limit	23,324,067	25,477,601	26,535,721	25,733,760
Total net debt applicable to limit	-	-	-	-
Legal debt margin	\$ 23,324,067	\$ 25,477,601	\$ 26,535,721	\$ 25,733,760
Total net debt applicable to the limit as a percentage of debt limit	0%	0%	0%	0%

Notes: The Government Code of the State of California provides for a legal debt limit of 15% of grossed assessed secured tax valuation. However, this provision was enacted when assessed valuation was based upon 25% of market value. Effective with the 1981-82 fiscal year, each parcel is now assessed at 100% of market value (as of the most recent change in ownership for that parcel). The computations shown above reflect a conversion of the assessed value for each fiscal year from the current full valuation perspective to the 25% level that was in effect at the time that the legal debt margin was enacted by the State of California for local governments located within the state.

The City does not have any outstanding general obligation debt subject to the limit.

Source: City Finance Department

2010	2011	2012	2013	2014	2015
\$ 684,320,951	\$ 683,948,070	\$ 677,670,315	\$ 693,882,411	\$ 693,882,411	\$ 715,256,461
25%	25%	25%	25%	25%	25%
171,080,238	170,987,018	169,417,579	173,470,603	173,470,603	178,814,115
15%	15%	15%	15%	15%	15%
25,662,036	25,648,053	25,412,637	26,020,590	26,020,590	26,822,117
-	-	-	-	-	-
\$ 25,662,036	\$ 25,648,053	\$ 25,412,637	\$ 26,020,590	\$ 26,020,590	\$ 26,822,117
0%	0%	0%	0%	0%	0%

City of Buellton, California
Demographic and Economic Statistics
Last Ten Calendar Years

<u>Year</u>	<u>Population ⁽¹⁾</u>	<u>Personal Income Santa Barbara County (in thousands) ⁽²⁾</u>	<u>Per Capita Personal Income Santa Barbara County ⁽³⁾</u>	<u>Unemployment Rate Santa Barbara County ⁽⁴⁾</u>
2006	4,548	18,300	43.4	3.5
2007	4,663	18,900	44.6	3.8
2008	4,700	19,100	44.5	5.2
2009	4,740	18,100	42.0	8.2
2010	4,833	18,600	42.9	8.8
2011	4,878	19,000	44.6	8.9
2012	4,858	19,000	44.5	7.9
2013	4,863	19,300	45.0	6.3
2014	4,893	20,600	47.6	5.4
2015	4,931	21,700	49.7	4.7

Notes:

** Information presented is for the Santa Barbara County Region, except for population data which relate to the City's population, since separate data is not available for the City of Buellton.

Sources:

⁽¹⁾ State Department of Finance, numbers are based on January 1

⁽²⁾ U.S. Dept. of Commerce Bureau of Economic Analysis.

⁽³⁾ U.S. Dept. of Commerce Bureau of Economic Analysis.

⁽⁴⁾ Bureau of Labor Statistics.

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City of Buellton, California

Full-time and Part-time City Employees by Function (Full Time Equivalent)

Last Ten Fiscal Years

(Fiscal year ended June 30)

Function	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Government										
- City Council	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
- City Clerk / HR	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
- City Manager	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
- City Attorney *	1.00	1.00	1.00	-	-	-	-	-	-	-
- Finance	4.00	4.00	4.00	4.00	3.00	3.00	3.00	3.00	3.28	4.05
Community Development										
- Planning	3.00	3.00	3.00	3.00	3.05	3.13	3.19	3.10	3.16	2.45
Culture and Leisure										
- Parks & Recreation	-	-	1.00	2.51	3.35	3.43	3.61	3.97	5.09	6.65
- Library **	-	-	-	-	-	-	-	-	-	-
Public Safety										
- Police ***	-	-	-	-	-	-	-	-	-	-
- Fire ****	-	-	-	-	-	-	-	-	-	-
Public works										
- Street Lights	-	-	-	-	-	-	-	-	-	-
- Engineering	-	-	-	-	-	-	-	-	-	-
- General	7.00	7.00	7.00	7.00	6.09	6.53	7.40	7.00	9.05	9.20
Total	22.00	22.00	23.00	23.51	22.49	23.09	24.21	24.07	27.58	29.35

Note:

* Starting in FY2009 the City Attorney is contract personnel .

** The City of Buellton contracted with City of Lompoc Library System to manage the Buellton Branch of the County Library.

*** Contract with Santa Barbara County Sheriff Department for law enforcement services.

**** Contract with Santa Barbara County Fire Department to provide staffing at County Fire Station 31 in Buellton.

Source: City Finance Department

City of Buellton, California
Operating Indicators by Function
Last Ten Fiscal Years
(Fiscal year ended June 30)

Function	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Police *										
- Arrests	386	383	412	339	429	313	260	231	147	127
- Non-criminal Citations	165	867	489	507	644	452	292	348	768	667
Total Police Actions	551	1,250	901	846	1,073	765	552	579	915	794
Fire **										
- Number of Calls for Service	NA	NA	NA	NA	NA	167	526	777	538	796
- Emergency Call Responses	NA	NA	NA	NA	NA	119	197	186	351	508
- Fire Prevention Activities	NA	NA	NA	NA	NA	2	19	21	14	29
Total Fire Actions						288	742	984	903	1,333
Planning Permits:										
- Certificate of Compliance	-	1	-	-	-	-	-	-	-	-
- Conditional Use	2	-	2	-	3	1	-	2	1	-
- Development Plan Modification	-	2	1	2	-	-	-	-	-	1
- Final Development Plan	2	5	1	3	-	1	2	1	5	3
- General Plan Amendment	1	3	-	3	-	-	-	-	-	3
- Preliminary Development Plan	-	1	-	-	-	-	-	1	-	-
- Home Occupation	5	1	3	5	1	2	5	3	4	7
- Land Use Exemption ***	80	89	73	78	35	42	49	48	68	63
- Lot Line Adjustment	-	2	1	-	1	-	-	-	2	-
- Minor Use Permit	2	2	2	2	-	1	-	-	-	1
- Sign Ordinance Exemption	1	1	1	1	-	-	1	2	-	1
- Specific Plan	-	1	-	-	-	-	-	1	-	-
- Time Extensions	2	-	3	2	-	-	-	2	2	-
- Tentative Parcel Map	-	2	2	1	-	-	1	-	-	-
- Tentative Tract Map	-	2	1	-	-	-	-	-	1	-
- Variance	1	-	-	-	-	-	-	-	-	-
- Zoning Clearance	24	49	16	54	39	37	42	41	27	38
- Zoning Ordinance Amendment	4	5	-	4	2	2	1	-	1	1
Total planning actions	124	166	106	155	81	86	101	101	111	118

*Police services are provided by the Santa Barbara County Sheriff's Office.
 ** Fire services are provided by the Santa Barbara County Fire Department
 1. FY2011 data is for Apr - June 2011 activities
 2. FY2012 data is for Oct 2011 - June 2012 activities
 3. FY2015 data is for July 2013 - Dec 2013 & Apr 2015 - June 2015
 NA indicates the information is not available.

Source: City Finance, Public Works and Planning Departments

City of Buellton, California
Capital Asset Statistics by Function
Last Ten Fiscal Years
(Fiscal year ended June 30)

Function	2006	2007	2008	2009
Police *:				
Stations	1	1	1	1
Fire *				
Fire stations	1	1	1	1
Public works				
Streets (miles)	22	22	22	22
Streetlights	50	50	50	50
Parks and recreation				
Parks	2	2	2	2
Sewer				
Sanitary sewers (miles)	18	18	18	18
Number of pump stations	2	2	2	2
Wastewater treatment plant	1	1	1	1
Water				
Water lines	27	27	27	27
Wells	5	5	5	5
Water treatment plants	2	2	2	2
Reservoirs	3	3	3	3

* Services are provided by the County or Special Districts, which are separate from the City. The data provided are for those portions of the system located within the City of Buellton.

Source: City Finance, Public Works and Planning Departments

2010	2011	2012	2013	2014	2015
1	1	1	1	1	1
1	1	1	1	1	1
22	22	22	22	22	22
50	64	64	64	64	64
2	2	2	2	4	4
18	18	18	18	18	18
2	2	2	2	2	2
1	1	1	1	1	1
27	27	27	27	27	27
5	5	5	5	5	5
2	2	2	2	2	2
3	3	3	3	3	3

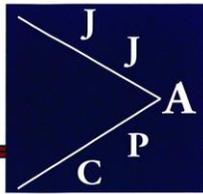
City of Buellton, California
Capital Asset Statistics by Funds
Last Ten Fiscal Years
(Fiscal year ended June 30)

	2006	2007	2008	2009
Governmental-type				
Land	\$ 1,118,648	\$ 1,118,648	\$ 1,118,648	\$ 1,118,648
Construction-in-progress	-	-	-	92,397
Buildings and improvements	666,664	7,626,199	7,759,526	8,388,508
Equipment	548,810	394,828	376,438	292,115
Infrastructure	14,986,648	14,986,648	14,986,648	15,824,033
Total	<u>17,320,770</u>	<u>24,126,323</u>	<u>24,241,260</u>	<u>25,715,701</u>
Accumulated depreciation				
Total Accumulated depreciation	(7,030,837)	(7,328,622)	(7,994,384)	(8,558,186)
Total Governmental net capital assets	<u>10,289,933</u>	<u>16,797,701</u>	<u>16,246,876</u>	<u>17,157,515</u>
Business-type Activities				
Land	\$ -	\$ 247,691	\$ 247,691	\$ 247,691
Construction-in-progress	-	-	-	-
Buildings and improvements	-	-	-	-
Equipment	-	348,660	428,084	428,084
Infrastructure	10,142,541	9,572,352	9,985,252	10,065,452
Total	<u>10,142,541</u>	<u>10,168,703</u>	<u>10,661,027</u>	<u>10,741,227</u>
Accumulated depreciation				
Total accumulated depreciation	(4,611,889)	(4,913,310)	(5,271,324)	(5,589,314)
Total Business-type net capital assets	<u>\$ 5,530,652</u>	<u>\$ 5,255,393</u>	<u>\$ 5,389,703</u>	<u>\$ 5,151,913</u>

Source: City Finance Department

2010	2011	2012	2013	2014	2015
\$ 1,118,648	\$ 1,536,248	\$ 1,536,248	\$ 1,536,248	\$ 1,536,248	\$ 1,536,248
-	-	-	-	-	-
8,318,333	8,346,414	4,221,448	4,221,448	4,221,448	4,221,448
306,543	392,039	385,766	425,998	444,765	528,043
16,094,430	16,183,515	15,815,655	16,279,484	16,364,557	17,367,786
<u>25,837,954</u>	<u>26,458,216</u>	<u>21,959,117</u>	<u>22,463,178</u>	<u>22,567,018</u>	<u>23,653,525</u>
(9,275,200)	(10,013,178)	(4,555,664)	(4,812,370)	(5,067,910)	(5,501,416)
<u>16,562,754</u>	<u>16,445,038</u>	<u>17,403,453</u>	<u>17,650,808</u>	<u>17,499,108</u>	<u>18,152,109</u>
\$ 247,691	\$ 247,691	\$ 247,691	\$ 247,691	\$ 247,691	\$ 247,691
88,645	-	-	-	-	-
-	-	574,387	574,387	574,387	574,387
552,625	557,499	582,952	740,718	773,522	815,800
10,116,246	10,968,077	10,729,454	10,765,834	11,207,646	11,578,959
<u>11,005,207</u>	<u>11,773,267</u>	<u>12,134,484</u>	<u>12,328,630</u>	<u>12,803,246</u>	<u>13,216,837</u>
(5,908,365)	(6,242,860)	(6,571,046)	(6,908,230)	(7,247,635)	(7,643,835)
<u>\$ 5,096,842</u>	<u>\$ 5,530,407</u>	<u>\$ 5,563,438</u>	<u>\$ 5,420,400</u>	<u>\$ 5,555,611</u>	<u>\$ 5,573,002</u>

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JJACPA, Inc.

A Professional Accounting Services Corp.

**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, in accordance with the 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, the financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, and the budgetary comparison information of the City of Buellton, California (City), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated January 29, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

To the Honorable Mayor and City Council
of the City of Buellton
Buellton, California
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Compliance and Other Matters

As part of obtaining reasonable assurance about whether City's financial statements are free from 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*.

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

January 29, 2016

JJACPA, Inc.

**JJACPA, Inc.
Dublin, CA**