CITY OF BUELLTON

CITY COUNCIL AGENDA
Regular Meeting of May 24, 2018 – 6:00 p.m.
City Council Chambers, 140 West Highway 246
Buellton, California

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

CALL TO ORDER

Mayor Holly Sierra

PLEDGE OF ALLEGIANCE

ROLL CALL

Council Members Ed Andrisek, Art Mercado, Vice Mayor Dave King, and Mayor Holly Sierra

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. Public Speakers using a translator are allotted a total of six (6) minutes to speak, unless simultaneous translation equipment is used.

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 Any Council Member, the City Attorney, or the City Manager may request that an item be withdrawn from the Consent Agenda to allow for full discussion.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 May 10, 2018 Regular City Council Meeting

2. List of Claims to be Approved and Ratified for Payment to Date for Fiscal Year 2017-18

3. Monthly Treasurer's Report – April 30, 2018

- *(Staff Contact: Finance Director Shannel Zamora)*

4. Resolutions Pertaining to General Municipal Election to be Held November 6, 2018

❖ *(Staff Contact: City Clerk Linda Reid)*

Resolution No. 18-11 – "A Resolution of the City Council of the City of Buellton, California, Calling and Giving Notice of the Holding of a General Municipal Election to be Held on Tuesday, November 6, 2018 for the Election of Certain Officers as Required by the Provisions of the Laws of the State of California Relating to General Law Cities"

Resolution No. 18-12 – "A Resolution of the City Council of the City of Buellton, California, Requesting the Board of Supervisors of the County of Santa Barbara to Consolidate a General Municipal Election to be Held on Tuesday, November 6, 2018 with the General Election Pursuant to Section 10403 of the Elections Code"

Resolution No. 18-13 – "A Resolution of the City Council of the City of Buellton, California, Adopting Regulations for Candidates for Elective Office Pertaining to Candidate's Statements, Materials Submitted to the Electorate, and the Cost Thereof, Submitted to the Voters at an Election to be Held on Tuesday, November 6, 2018"

5. Acceptance of Bid and Award of Contract for the 2017/18 Road Maintenance Project

❖ *(Staff Contact: Public Works Director Rose Hess)*

6. Acceptance of Public Right-of-Way Dedication (Hampton Inn)

❖ *(Staff Contact: Public Works Director Rose Hess)*

7. Van Rental Agreement Between the City of Buellton and Buellton Union School District

❖ *(Staff Contact: Recreation Coordinator Kyle Abello)*

PRESENTATIONS

PUBLIC HEARINGS

COUNCIL MEMBER COMMENTS/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)

8. Contract for Law Enforcement Services Between the County of Santa Barbara and the City of Buellton for Fiscal Year 2018/19

❖ *(Staff Contact: City Manager Marc Bierdzinski)*

9. Discussion and Direction on CalPERS Pension Funding

❖ *(Staff Contact: Finance Director Shannel Zamora)*

10. Resolution No. 18-14 – "A Resolution of the City Council of the City of Buellton, California, for the Purpose of Mid-Cycle Budget Amendments Related to Fiscal Year 2018-19"

❖ *(Staff Contact: Finance Director Shannel Zamora)*

CITY MANAGER'S REPORT

ADJOURNMENT

The next meeting of the City Council will be held on Thursday, June 14, 2018 at 6:00 p.m.

City Manager Review: MPB
Council Agenda Item No.: 1

CITY OF BUELLTON

CITY COUNCIL MEETING MINUTES
Regular Meeting of May 10, 2018
City Council Chambers, 140 West Highway 246
Buellton, California

CALL TO ORDER

Mayor Holly Sierra called the meeting to order at 6:00 p.m.

PLEDGE OF ALLEGIANCE

ROLL CALL

Present: Council Members Ed Andrisek, Art Mercado, Vice Mayor Dave King, and Mayor Holly Sierra

Staff: City Manager Marc Bierdzinski, Public Works Director Rose Hess, City Attorney Steve McEwen (Via Telephone), Finance Director Shannel Zamora, Deputy Rockwell Ellis, and City Clerk Linda Reid

PUBLIC COMMENTS

Steve Lykken, Buellton, spoke regarding the poor condition of the Avenue of Flags and provided photos for the record. Mr. Lykken also asked staff to contact Caltrans regarding the weeds surrounding the freeway ramps.

Finn Runge, Buellton, asked the Council to speak into the microphones so residents at home can hear their conversation.

CONSENT CALENDAR

Mayor Sierra requested and the Council agreed by consensus to pull Item 5 for discussion.

1. **Minutes of April 26, 2018 Regular City Council Meeting**

2. **List of Claims to be Approved and Ratified for Payment to Date for Fiscal Year 2017-18**

3. **Contract Extension with Kosmont Companies for Economic Development Services**

4. Contract Amendment to the Agreement for Animal Control Services Between the County of Santa Barbara and the City of Buellton – Fiscal Year 2018-19 and Fiscal Year 2019-20

MOTION:
Motion by Council Member Andrisek, seconded by Vice Mayor King approving Consent Calendar Items 1 through 4 as listed.

VOTE:
Motion passed by a roll call vote of 4-0.
Council Member Andrisek – Yes
Council Member Mercado – Yes
Vice Mayor King - Yes
Mayor Sierra – Yes

5. Acceptance of Public Waterline Easements (Flying Flags)

The Council questioned the public waterline easement and staff responded to the questions.

MOTION:
Motion by Council Member Andrisek, seconded by Mayor Sierra approving Consent Calendar Item 5.

VOTE:
Motion passed by a roll call vote of 4-0.
Council Member Andrisek – Yes
Council Member Mercado – Yes
Vice Mayor King - Yes
Mayor Sierra – Yes

PRESENTATIONS

None

PUBLIC HEARINGS

None

COUNCIL MEMBER COMMENTS/ITEMS

Council Member Andrisek requested that staff contact Caltrans and ask them to post Buellton's current population number. Council Member Andrisek also discussed the City's emergency management plan and emergency response capabilities.

Vice Mayor King asked about replacing a faded stop sign at Central Avenue and Second Street. Vice Mayor King stated he would like to see a Farmer's Market come to town.

Mayor Sierra stated the book boxes are installed in two locations in town and thanked resident Finn Runge for repairing the boxes.

Mayor Sierra stated that the updated water fee schedule was legally implemented.

Mayor Sierra announced the first Special Olympics basketball game is scheduled for this Saturday at noon.

Mayor Sierra announced that Buellton has a team running in the Santa Barbara Wine Country Half Marathon this Saturday.

WRITTEN COMMUNICATIONS

None

COMMITTEE REPORTS

None

BUSINESS ITEMS

6. Discussion and Direction Regarding the City Owned Property at 480 Central Avenue

RECOMMENDATION:
That the City Council provide direction to staff regarding adding the 480 Central property to the Fiscal Year 2018-19 Capital Improvement Program as a parking lot.

STAFF REPORT:
City Manager Bierdzinski presented the staff report.

DOCUMENTS:
Staff report with attachments as listed in the staff report.

SPEAKERS/DISCUSSION:
The City Council discussed the following issues:

- Monthly parking rate
- Whether the parking lot could be part of a parking district
- Having a developer versus the City build the parking lot

DIRECTION:
The City Council agreed by consensus to work with a future developer for construction of the parking lot at 480 Central Avenue.

CITY MANAGER'S REPORT

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

CLOSED SESSION ITEMS

7. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
California Government Code Section 54956.9(a)
City of Buellton v. TJ Partners, LLC, et al.
Superior Court Case No. 18CV01553

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

8. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION
Initiation of litigation pursuant to Government Code Section 54956.9, subdivision (d)(4) (one case)

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

ADJOURNMENT

Mayor Sierra adjourned the regular meeting at 6:55 p.m. The next regular meeting of the City Council will be held on Thursday, May 24, 2018 at 6:00 p.m.

_____
Holly Sierra
Mayor

ATTEST:

_____
Linda Reid
City Clerk

CITY OF BUELLTON

City Council Agenda Staff Report

City Manager Review: MPB
Council Agenda Item No.: 2

To:	The Honorable Mayor and City Council
From:	Shannel Zamora, Finance Director
Meeting Date:	May 24, 2018
Subject:	List of Claims to be Approved and Ratified for Payment to Date for Fiscal Year 2017/18

BACKGROUND

Staff is required to submit a check register to the City Council for approval every council meeting for the most recently completed check register (Attachment 1).

The check register for the period 5/3/2018 through 5/15/2018 has been prepared in accordance to Government Code 37202 and City Code 3.08.070. The check register lists all vendor payments for the specified period above, along with claimant's name, a brief description of the goods or service purchased, amount of demand, check number, check date and the account number(s) associated with each payment.

The total amount of checks, 5/3/2018 through 5/15/2018, and electronic fund transfers issued for the period of 5/3/2018 through 5/15/2018 was $1,205,576.66.

FISCAL IMPACT

Payments made to the various vendors were consistent with the approved City's Biennial Budget for FY 2017/18 and FY 2018/19. Cash is available for the payment disbursements of the above liabilities.

RECOMMENDATION

That the City Council review and accept the check register for the period 5/3/2018 through 5/15/2018.

ATTACHMENTS

Attachment 1 – Claims

ATTACHMENT 1

CONSOLIDATED CLAIMS DISBURSEMENT

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 **May 24, 2018** Council Meeting.

Listed below is a brief summary of the attached claims:

EXHIBIT A *	A/P Packet #APPKT00758	956,751.38	
	A/P Packet #APPKT00754	107,045.84	
	A/P Packet #APPKT00750	51,918.61	
	A/P Packet #APPKT00747	24,690.40	
	Total A/P Packets:	$1,140,406.23	(7 pages)
	Total Packets:	**$1,140,406.23**	
EXHIBIT B		$19,725.22	
Staff Payroll	5/11/2018	45,445.21	
	Total Payroll:	$45,445.21	
TOTAL AMOUNT OF CLAIMS:		**$1,205,576.66**	

* The A/P Packets above will be approved on Council Agenda date of 05/24/2018
Checks to be signed on 05/24/2018 tie to A/P Packet #APPKT00758
Checks previously signed by staff to avoid late fees relate to:
A/P Packet # APPKT00747, APPKT00750, and APPKT00754

SB 5/16/18

EXHIBIT B

Payments via Electronic Fund Transfer (EFT):
From 05/02/2018 through 05/15/2018

The Hartford	5/3/2018	525.46
Bank Fees	5/4/2018	15.00
Bank Fees	5/7/2018	15.00
CalPERS - Classic	5/14/2018	6,142.08
Payroll Tax - EDD	5/14/2018	2,590.23
CalPERS - PEPRA	5/14/2018	2,414.62
Payroll Tax - IRS	5/14/2018	7,360.38
AFLAC	5/15/2018	662.45
Total		**19,725.22**

Check Report - APPKT#'S 00747, 00750, 00754 and 00758

City of Buellton, CA

By Payment Number

Payment Dates 05/03/2018 - 05/15/2018

Payment Number	Payment Date / Payable Number	Vendor # / Description	Vendor Name	Account Number	Project Account Key	Payment Amount / Item Amount
36238	5/4/2018	001184	ALBERTSONS/SAFEWAY			49.82
	INV0009187	April 2018 - Misc Supplies		005-701-61130		49.82
36239	5/4/2018	000090	CalPERS LONG-TERM CARE PROGRAM			84.25
	12284385	4/16-30/2018 CalPERS Long Term Car		001-22166		84.25
36240	5/4/2018	000118	COASTAL COPY, INC.			342.84
	776567	01/18-02/17/2018 CH Overages		001-410-61130		322.69
	788443	3/164/15/2018 - HR - Overages		001-410-61130		20.15
36241	5/4/2018	000122	COMCAST CABLE			176.67
	INV0009175	4/25-5/24/2018 REC - Internet/Telep		001-511-61290		176.67
36242	5/4/2018	000122	COMCAST CABLE			290.76
	INV0009176	4/26-5/25/2018 - CH - Internet Servi		001-410-61292		290.76
36243	5/4/2018	000172	ECHO COMMUNICATIONS			117.65
	INV0009174	04/2018 Msg Srvcs & 05/2018 Answe		001-558-60800		39.21
	INV0009174	04/2018 Msg Srvcs & 05/2018 Answe		005-701-60800		39.22
	INV0009174	04/2018 Msg Srvcs & 05/2018 Answe		020-601-60800		39.22
36244	5/4/2018	000193	FIRST NATIONAL BANK OF OMAHA			9,835.46
	INV0009179	KAbello - CC thru 4/17/2018		001-511-60800		79.95
	INV0009179	KAbello - CC thru 4/17/2018		001-511-67135		1,310.70
	INV0009179	KAbello - CC thru 4/17/2018		001-511-67140	53003-040	245.00
	INV0009179	KAbello - CC thru 4/17/2018		001-511-67140		145.12
	INV0009179	KAbello - CC thru 4/17/2018		001-511-67570		145.12
	INV0009180	MBierdzinski - CC thru 4/17/2018		001-401-61130		25.16
	INV0009180	MBierdzinski - CC thru 4/17/2018		001-410-60900		74.86
	INV0009180	MBierdzinski - CC thru 4/17/2018		001-410-61130		20.13
	INV0009180	MBierdzinski - CC thru 4/17/2018		001-565-60710		1,181.03
	INV0009181	RHess - CC thru 4/17/2018		001-558-60560		200.20
	INV0009181	RHess - CC thru 4/17/2018		001-558-60710		18.25
	INV0009181	RHess - CC thru 4/17/2018		001-558-61140		13.30
	INV0009181	RHess - CC thru 4/17/2018		005-701-61111		42.99
	INV0009181	RHess - CC thru 4/17/2018		005-701-61130		46.15
	INV0009181	RHess - CC thru 4/17/2018		005-701-61140		13.30
	INV0009181	RHess - CC thru 4/17/2018		005-701-61140		58.28
	INV0009181	RHess - CC thru 4/17/2018		020-601-60710		30.06
	INV0009181	RHess - CC thru 4/17/2018		020-601-61140		80.59
	INV0009182	BKnecht - CC thru 4/17/2018		001-511-60250		24.79
	INV0009182	BKnecht - CC thru 4/17/2018		001-511-60800		278.00
	INV0009182	BKnecht - CC thru 4/17/2018		001-511-67135	54007-040	1,120.30
	INV0009182	BKnecht - CC thru 4/17/2018		001-511-67135	54010-040	917.45
	INV0009182	BKnecht - CC thru 4/17/2018		001-511-67135	54003-040	2,700.34
	INV0009182	BKnecht - CC thru 4/17/2018		001-511-67140	51001-040	45.99
	INV0009183	LReid - CC thru 4/17/2018		001-401-61130		118.52
	INV0009183	LReid - CC thru 4/17/2018		001-410-60900		115.38
	INV0009184	HSierra - CC thru 4/17/2018		001-401-60710		375.00
	INV0009185	PSmith - CC thru 4/17/2018		001-511-67135		156.00
	INV0009185	PSmith - CC thru 4/17/2018		001-511-67140	53003-040	103.50
	INV0009186	SZamora - CC thru 4/17/2018		001-420-60710		150.00
36246	5/4/2018	001040	FRONTIER COMMUNICATIONS			1,823.56
	INV0009173	4/19-5/18/2018 Phone Summary Billi		001-410-67705		336.55
	INV0009173	4/19-5/18/2018 Phone Summary Billi		001-565-67705		417.77

Payment Number	Payment Date / Payable Number	Vendor # / Description	Vendor Name	Account Number	Project Account Key	Payment Amount / Item Amount
	INV0009173	4/19-5/18/2018 Phone Summary Billi		005-701-67705		564.42
	INV0009173	4/19-5/18/2018 Phone Summary Billi		020-601-67705		504.82
36247	5/4/2018	001107	HdL Coren & Cone			3,500.00
	0025367-IN	July-Sept 2018 Contract Services - Pro		001-15000		1,750.00
	0025367-IN	April-June 2018 - Contract Services -		001-420-60800		1,750.00
36248	5/4/2018	000280	LEE CENTRAL COAST NEWSPAPERS			103.83
	122221	3/29/2018 COB-NtcofAdoption - Ord		001-403-60520		103.83
36249	5/4/2018	000835	METRO VENTURES LTD			7,087.50
	2018-0503-buel	04/2018 - City Planner Professional S		001-22416	90052-070	81.00
	2018-0503-buel	04/2018 - City Planner Professional S		001-22416	90054-070	931.50
	2018-0503-buel	04/2018 - City Planner Professional S		001-565-60800		6,075.00
36250	5/4/2018	000353	MICHAEL J. BOGGESS dba			260.00
	3877	04/2018-04/2019-1-Yr Web Hosting-		001-410-61292		200.00
	3883	4/2/2018 - COB - Website Updates		001-410-61292		60.00
36251	5/4/2018	000059	MOTOR PRODUCTS INC. dba			142.30
	INV0009189	April 2018 - Misc Maint/Repair Iterm		005-701-61127		125.71
	INV0009189	April 2018 - Misc Maint/Repair Iterm		005-701-61140		16.59
36252	5/4/2018	000706	SATCOM GLOBAL, INC.			50.62
	AI05180052	-> 4/30/2018 - Satellite Sim Card# 88		001-410-60014		50.62
36253	5/4/2018	000441	SB CO - PUBLIC WORKS DEPT			337.50
	WC8230-02262018	2/9/2018 - "Waterology" Presentatio		001-551-67575		337.50
36254	5/4/2018	000507	THE GAS COMPANY			34.45
	INV0009189	3/27-4/25/2018 LIB/CCC - Gas Servic		001-510-61230		34.45
36255	5/4/2018	000507	THE GAS COMPANY			32.35
	INV0009177	3/26-4/23/2018 - CH - Gas Services		001-510-61230		32.35
36256	5/4/2018	000529	TRANSFIRST HEALTH & GOVERNMENT SVCS			271.07
	ARINV104549	March 2018 - Merchant Fees (413998		001-410-60900		271.07
36257	5/4/2018	001063	Wells Fargo Vendor Fin Serv			149.77
	68283027	June 2018 - REC - Copier Lease		001-511-60310		149.77
36258	5/9/2018	001269	A.S.A.P. PLUMBING & DRAINS			634.86
	341273	4/18/2018 RVP/OP - REPAIRS		001-552-60256		317.43
	341273	4/18/2018 RVP/OP - REPAIRS		001-552-60258		317.43
36259	5/9/2018	000005	ABALONE COAST ANALYTICAL, INC.			2,792.75
	4076	March 2018 - WWTP - Chemical/Anal		005-701-61111		586.00
	4076	March 2018 - WWTP - Chemical/Anal		020-601-61111		27.50
	4081	March 2018 - DWTP - Chemicals/Anal		020-601-61111		545.00
	4104	April 2018 - WWTP - Chemicals/Analy		005-701-61111		1,214.25
	4108	April 2018 - DWTP - Chemicals/Analy		020-601-61111		420.00
36260	5/9/2018	000820	ACWA/JPIA			6,722.19
	0551729	June 2018 - Dental/Vision & EAP Pre		001-401-50400		1,179.87
	0551729	June 2018 - Dental/Vision & EAP Pre		001-402-50400		240.12
	0551729	June 2018 - Dental/Vision & EAP Pre		001-403-50400		144.08
	0551729	June 2018 - Dental/Vision & EAP Pre		001-420-50400		657.73
	0551729	June 2018 - Dental/Vision & EAP Pre		001-511-50400		904.10
	0551729	June 2018 - Dental/Vision & EAP Pre		001-558-50400		1,186.85
	0551729	June 2018 - Dental/Vision & EAP Pre		001-565-50400		369.79
	0551729	June 2018 - Dental/Vision & EAP Pre		005-701-50400		1,019.83
	0551729	June 2018 - Dental/Vision & EAP Pre		020-601-50400		1,019.82

Payment Number	Payment Date / Payable Number	Vendor # / Description	Vendor Name	Account Number	Project Account Key	Payment Amount / Item Amount
36261	5/9/2018	000509	ALAN NEEDHAM dba			16,742.90
	24382	4/3/2018 - Mow & Clean-up		001-556-60800		125.00
	24403	4/2/2018 - WWTP - Chemicals		005-701-61111		257.90
	24461	April 2018 Landscape Maintenance		001-552-60800		3,820.00
	24461	April 2018 Landscape Maintenance		001-552-60800		11,200.00
	24461	April 2018 Landscape Maintenance		001-556-60800		140.00
	24548	4/30/2018 - RVP - Mowing/Weedeati		001-552-60800		1,200.00
36262	5/9/2018	000718	AUTOSYS, INC.			1,974.39
	2121	4/18&20/2018 - Radio Comm - Well 8		020-601-60800		959.39
	2122	4/11&16/2018 - SCADA Programming		005-701-60800		1,015.00
36263	5/9/2018	000062	BUELLTON MEDICAL CENTER			185.00
	INV0009194	April 2018 - Pre-employ/Drug Screeni		001-410-60022		185.00
36265	5/9/2018	000118	COASTAL COPY, INC.			144.60
	788770	4/1-30/2018 - REC - Overages		001-511-61130		144.60
36266	5/9/2018	000142	DANIEL FITZGERALD dba			960.00
	INV0009192	April 2018 - Monthly Janitorial Servic		001-558-60800		960.00
36267	5/9/2018	000187	FARM SUPPLY COMPANY			108.27
	31029	5/1/2018 Misc Maint/Repair Items		005-701-61127		43.63
	31075	5/3/2018 Misc Maint/Repair Supplies		005-701-61140		64.64
36268	5/9/2018	000191	FERGUSON ENTERPRISES, INC #1350			480.96
	5557028	1/15/2018 Misc Maint/Repair Items		020-601-60250		187.40
	5566501	1/2/2018 Misc Maint/Repair Items		020-601-60250		293.56
36269	5/9/2018	000813	HOME DEPOT CREDIT SERVICES			22.80
	INV0009190	04/2018 - Misc Maint/Repair Supplie		001-558-60250		22.80
36270	5/9/2018	000342	NIELSEN BUILDING MATERIALS,INC			14.14
	638274	5/2/2018 - Misc Repair/Maint Items		001-558-60250		14.14
36271	5/9/2018	000350	OLIVERA'S REPAIR, INC			83.04
	121451	5/1/2018 - Vehicle Maint - 2010 Ford		001-558-60270		83.04
36272	5/9/2018	000379	POSTMASTER			520.00
	INV0009193	May 2018 UB Postage		005-701-61131		260.00
	INV0009193	May 2018 UB Postage		020-601-61131		260.00
36273	5/9/2018	000380	PRAXAIR DISTRIBUTION, INC.			49.99
	82563608	3/20-4/20/2018 Cylindar Rental		005-701-61111		49.99
36274	5/9/2018	000390	QUINN COMPANY			1,131.62
	WO0730005124	4/23/2018 - Cooling System Repair		001-558-60270		377.20
	WO0730005124	4/23/2018 - Cooling System Repair		005-701-60270		377.21
	WO0730005124	4/23/2018 - Cooling System Repair		020-601-60270		377.21
36275	5/9/2018	000032	READY REFRESH BY NESTLE			129.99
	18D0029022365	3/27-4/26/2018 - CH - Water Service		001-410-60800		63.62
	18D0029022381	3/27-4/26/2018 - CC/LIB - Water Serv		001-410-60800		45.44
	18D0029154614	3/27-4/26/2018 - Planning - Water Se		001-410-60800		20.93
36276	5/9/2018	000763	RIO VISTA CHEVROLET, INC.			1,625.58
	77445-EOD	11/30/2017 - Vehicle Maint - 2010 Ch		001-558-60270		571.21
	77445-EOD	11/30/2017 - Vehicle Maint - 2010 Ch		005-701-60270		571.21
	77445-EOD	11/30/2017 - Vehicle Maint - 2010 Ch		020-601-60270		571.21
	CM0000078	4/30/2018 - CREDIT - BRAKE SPECIAL		001-558-60270		-29.35
	CM0000078	4/30/2018 - CREDIT - BRAKE SPECIAL		005-701-60270		-29.35
	CM0000078	4/30/2018 - CREDIT - BRAKE SPECIAL		020-601-60270		-29.35

Payment Number	Payment Date / Payable Number	Vendor # / Description	Vendor Name	Account Number	Project Account Key	Payment Amount / Item Amount
36277	5/9/2018	000161	STATE OF CALIFORNIA - DOJ			32.00
	302300	April 2018 - Fingerprint Apps		001-410-60022		32.00
36278	5/9/2018	000521	TODD PIPE & SUPPLY			1,256.29
	INV0009178	April 2018 - Misc Maint/Repair Items		001-552-60258		1,198.60
	INV0009178	April 2018 - Misc Maint/Repair Items		001-552-61140		14.27
	INV0009178	April 2018 - Misc Maint/Repair Items		001-558-60250		16.98
	INV0009178	April 2018 - Misc Maint/Repair Items		020-601-67600		26.44
36279	5/9/2018	000535	UNDERGROUND SERVICE ALERT			23.20
	420180069	5/1/2018 New Ticket Charges/Month		005-701-60800		11.60
	420180069	5/1/2018 New Ticket Charges/Month		020-601-60800		11.60
36280	5/9/2018	000551	VALLEY TOOL RENTALS			32.00
	14750.1.1	5/2/2018 - Sign Rental		001-558-60560		32.00
36281	5/9/2018	000677	WALLACE GROUP			13,619.96
	45831	-> 3/31/2018 Services FY17-18 COB R		005-701-60800		13,619.96
36282	5/9/2018	000768	WEX BANK			2,632.08
	54114918	April 2018 - Fuel Charges		001-511-61280		806.61
	54114918	April 2018 - Fuel Charges		001-558-61280		608.49
	54114918	April 2018 - Fuel Charges		005-701-61280		608.49
	54114918	April 2018 - Fuel Charges		020-601-61280		608.49
36283	5/10/2018	000326	MNS ENGINEERS, INC.			107,045.84
	70043	2/1-28/2018 City Engineer/Public Wo		025-554-60800		5,980.00
	70044	2/1-28/2018 City/Transportation Pla		029-557-60800		720.00
	70045	2/1-28/2018 Proj# BC141.00		001-551-60800		8,800.60
	70046	2/1-28/2018 City/Update Water		020-601-60830		1,885.00
	70047	2/1-28/2018 Crossroads Cntr @ the V		001-22416	90010-070	420.00
	70048	2/1-28/2018 PedSftyImprvmnts-Hwy		092-306-60800		2,865.00
	70049	2/1-28/2018 2nd Street Chumash Ap		001-22416	90013-070	481.25
	70050	2/1-28/2018 Nghbrhd Park @ the Vill		001-22416	90017-070	240.00
	70051	2/1-28/2018 Hampton Inn		001-22416	90019-070	360.00
	70052	2/1-28/2018 Flyng Flags RV Resort Ex		001-22416	90040-070	300.00
	70053	2/1-28/2018 Backflow Prevention Pr		020-601-60830		4,625.00
	70054	2/1-28/2018 Village Townhomes		001-22416	90021-070	540.00
	70055	2/1-28/2018 Industrial Way Street Lig		092-311-60800		262.50
	70056	2/1-28/2018 Fig Mtn Brewery Expans		001-22416	90037-070	360.00
	70057	2/1-28/2018 2015/2016/2017 Rd Mai		092-313-60800		787.50
	70058	2/1-28/2018 Calor ADA Sidewalk		092-313-60800		4,962.50
	70059	2/1-28/2018 2017/18 Rd Maint & Cit		092-316-60800		7,237.50
	70217	3/1-3/2/2018 City Engineer/Public W		025-554-60800		7,222.50
	70218	BC001.00 CITY/TRANSPORTATION PL		029-557-60800		3,772.50
	70219	3/1-31/2018 City/Sewer Network		005-701-60830		4,567.50
	70220	3/1-31/2018 City Storm Water Mana		001-551-60800		6,375.63
	70221	3/1-31/2018 City/Update Water		020-601-60830		1,070.00
	70222	3/1-31/2018 Crossroads Cntr @ the V		001-22416	90010-070	1,530.00
	70223	3/1-31/2018 Ped Sfty Imprvmnts-Hw		092-306-60800		17,565.00
	70224	3/1-31/2018 - NhbrhdPrk@ the Villag		001-22416	90017-070	1,170.00
	70225	3/1-31/2018 - Hampton Inn		001-22416	90019-070	235.00
	70226	3/1-31/2018 Backflow Prevention Pr		020-601-60830		5,375.00
	70227	3/1-31/2018 - Village Townhomes		001-22416	90021-070	2,430.00
	70228	3/1-31/2018 - Fig Mtn Brewery Expan		001-22416	90037-070	1,540.00
	70229	3/1-31/2018 2015/2016/2017 Rd Mai		092-313-60800		387.50
	70230	3/1-31/2018 Calor ADA Sidewalk		092-313-60800		240.86
	70231	3/1-31/2018 2017/18 Rd Maint & Cit		092-316-60800		12,737.50
36286	5/15/2018	000091	CENTRAL COAST WATER AUTHORITY			952,172.04
	INV0009191	7/1/201/-6/30/2019 DWR FIXED COS		020-15000		553,732.20

Payment Number	Payment Date / Payable Number	Vendor # / Description	Vendor Name	Account Number	Project Account Key	Payment Amount / Item Amount
	INV0009191	7/1/2018-6/30/2019 CCWA FIXED CO		020-15000		398,439.84
36287	5/15/2018	000280	LEE CENTRAL COAST NEWSPAPERS			449.52
	INV0009188	4/10&12/2018 - #123010-1 - Weight		001-511-60510		129.84
	INV0009188	4/24&26/2018 - #123664-1 Parks & R		001-511-60510		79.92
	INV0009188	4/17&19/2018 - #123292-1 Not Too		001-511-60510		79.92
	INV0009188	4/3&5/2018 - #122563-1 Something f		001-511-60510		79.92
	INV0009188	3/26&4/29/2018 - #122149-1 Spring		001-511-60510		79.92
36288	5/15/2018	000390	QUINN COMPANY			340.86
	WO030041296	4/30/2018 - vehicle maint & repair		005-701-60270		170.43
	WO030041296	4/30/2018 - vehicle maint & repair		020-601-60270		170.43
36289	5/15/2018	000450	SB CO SHERIFF'S DEPARTMENT			1,025.34
	18-265	April 2018 - Motorcycle Services		001-501-60800		1,025.34
36290	5/15/2018	000465	SP MAINTENANCE SERVICES, INC.			2,516.50
	66077	April 2018 - Street Sweeping per cont		001-558-60800		2,516.50
36291	5/15/2018	000529	TRANSFIRST HEALTH & GOVERNMENT SVCS			247.12
	ARINV104791	April 2018 - Merchant Fees (4139980		001-410-60900		247.12
					Payment Total:	1,140,406.23

Report Summary

Fund Summary

Fund	Payment Amount
001 - General Fund	79,070.17
005 - Sewer Fund	25,364.77
020 - Water Fund	971,230.43
025 - Gas Tax Fund	13,202.50
029 - Transportation Planning	4,492.50
092 - Capital Improvement Proj Fund	47,045.86
Grand Total:	**1,140,406.23**

Account Summary

Account Number	Account Name	Payment Amount
001-15000	Pre-Paid Expense	1,750.00
001-22166	Long-Term Care Deducti	84.25
001-22416	Developer Deposit	10,618.75
001-401-50400	Medical Benefit	1,179.87
001-401-60710	Travel & Training	375.00
001-401-61130	Office Supplies	143.68
001-402-50400	Medical Benefit	240.12
001-403-50400	Medical Benefit	144.08
001-403-60520	Advertising - Legal	103.83
001-410-60014	Emergency Operations	50.62
001-410-60022	Recruitment Expense	217.00
001-410-60800	Contract Services	129.99
001-410-60900	Miscellaneous/CalPERS	708.43
001-410-61130	Office Supplies	362.97
001-410-61292	Internet Access/ Websit	550.76
001-410-67705	Telephone	336.55
001-420-50400	Medical Benefit	657.73
001-420-60710	Travel & Training	150.00
001-420-60800	Contract Services	1,750.00
001-501-60800	Contract Services	1,025.34
001-510-61230	Utilities - Gas	66.80
001-511-50400	Medical Benefit	904.10
001-511-60250	Maintenance/Repair	24.79
001-511-60310	Equipment Rental	149.77
001-511-60510	Advertising	449.52
001-511-60800	Contract Services	357.95
001-511-61130	Office Supplies	144.60
001-511-61280	Fuel-Vehicles	806.61
001-511-61290	Telephone/Internet	176.67
001-511-67135	Buellton Rec Program Tr	6,204.79
001-511-67140	Buellton Recreation Pro	539.61
001-511-67570	Recreation Program 50/	145.12
001-551-60800	Contract Services	15,176.23
001-551-67575	Regulatory Compliance	337.50
001-552-60256	Maintenance/Repair-Oa	317.43
001-552-60258	Maintenance/Repair-Riv	1,516.03
001-552-60800	Contract Services	16,220.00
001-552-61140	Operational Supplies	14.27
001-556-60800	Contract Services	265.00
001-558-50400	Medical Benefit	1,186.85
001-558-60250	Maintenance / Repair	53.92
001-558-60270	Maintenance - Vehicles	1,002.10
001-558-60560	Signs	232.20
001-558-60710	Travel & Training	18.25
001-558-60800	Contract Services	3,515.71
001-558-61140	Operational Supplies	13.30
001-558-61280	Fuel - Vehicles	608.49

Account Summary

Account Number	Account Name	Payment Amount
001-565-50400	Medical Benefit	369.79
001-565-60710	Travel & Training	1,181.03
001-565-60800	Contract Services	6,075.00
001-565-67705	Telephone	417.77
005-701-50400	Medical Benefit	1,019.83
005-701-60270	Maintenance - Vehicles	1,089.50
005-701-60800	Contract Services	14,685.78
005-701-60830	Contract Services-Engine	4,567.50
005-701-61111	Chemicals / Analysis	2,151.13
005-701-61127	Tools	169.34
005-701-61130	Office Supplies	95.97
005-701-61131	Postage	260.00
005-701-61140	Operational Supplies	152.81
005-701-61280	Fuel - Vehicles	608.49
005-701-67705	Telephone	564.42
020-15000	Pre-Paid Expense	952,172.04
020-601-50400	Medical Benefit	1,019.82
020-601-60250	Maintenance / Repair	480.96
020-601-60270	Maintenance - Vehicles	1,089.50
020-601-60710	Travel & Training	30.06
020-601-60800	Contract Services	1,010.21
020-601-60830	Contract Services-Engine	12,955.00
020-601-61111	Chemicals / Analysis	992.50
020-601-61131	Postage	260.00
020-601-61140	Operational Supplies	80.59
020-601-61280	Fuel - Vehicles	608.49
020-601-67600	Safety Equipment	26.44
020-601-67705	Telephone	504.82
025-554-60800	Contract Services	13,202.50
029-557-60800	Contract Services	4,492.50
092-306-60800	Contract Services	20,430.00
092-311-60800	Contract Services	262.50
092-313-60800	Contract Services	6,378.36
092-316-60800	Contract Services	19,975.00
	Grand Total:	**1,140,406.23**

Project Account Summary

Project Account Key	Payment Amount
None	1,124,654.90
51001-040	45.99
53003-040	348.50
54003-040	2,700.34
54007-040	1,120.30
54010-040	917.45
90010-070	1,950.00
90013-070	481.25
90017-070	1,410.00
90019-070	595.00
90021-070	2,970.00
90037-070	1,900.00
90040-070	300.00
90052-070	81.00
90054-070	931.50
Grand Total:	**1,140,406.23**

CITY OF BUELLTON

City Council Agenda Staff Report

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

To: The Honorable Mayor and City Council

From: Shannel Zamora, Finance Director

Meeting Date: May 24, 2018

Subject: Monthly Treasurer's Report – April 30, 2018

BACKGROUND

California Government Code Section 53646(b)(3) provides mandatory investment reporting requirements for California public agencies. The attached Treasurer's Report complies with the State's reporting requirement.

On June 8, 2017, Council adopted the current Investment Policy per Resolution 17-10 which states the City Finance Director, as the investment officer, must submit monthly reports to City Council to demonstrate that sufficient cash flow liquidity is available to meet the succeeding month's estimated expenditures.

This Treasurer's Report is for April 30, 2018. Treasurer's Reports are presented on a monthly basis.

FISCAL IMPACT

There is no fiscal impact; this report is intended to show the City Council the financial performance of the City's investment portfolio of idle funds.

RECOMMENDATION

That the City Council receive and file the Treasurer's Report for the month ending April 30, 2018.

ATTACHMENTS

Attachment 1 – Monthly Treasurer's Report – April 30, 2018

City of Buellton

City of Buellton
Monthly Treasurer's Report
As of April 30, 2018

May 24, 2018

This report presents the City's cash activity and investment portfolio as of April 30, 2018. The report includes:

1) Cash and investments at April 30, 2018 compared to the prior month;

2) A reconciliation of cash and investments to City ledger balances;

3) All investments managed by the City on its own behalf;

4) Beginning of year fund balance, revenues, expenditures and ending fund balance for each fund at April 30, 2018

The following schedule is a summary of the City's cash and investments based on recorded value as of April 30, 2018 compared with the prior month.

	April 30, 2018	March 31, 2018
Cash	$ 4,360,454.22	$ 3,503,774.97
Investments held by the City	8,637,055.24	8,856,384.57
TOTAL CASH AND INVESTMENTS	$ 12,997,509.46	$ 12,360,159.54

Summary of activity for the Month and Future Liquidity: The increase of about $856 thousand in cash in April is due to the receipt of about $566 thousand for property tax revenue. Also, the Berkshire Bank Certificate of Deposit (CD) matured at the end of April and was cashed into the city checking account. This event caused the investment balance decrease by about $220 thousand. The portfolio is sufficiently liquid to meet expected expenditures for the coming six months.

The following schedule is a reconciliation of Cash and Investments to City ledger:

Pooled Cash Report

City of Buellton, CA

For the Period Ending 4/30/2018

ACCOUNT #	ACCOUNT NAME	3/31/2018 BALANCE	CURRENT ACTIVITY	4/30/2018 BALANCE
CLAIM ON CASH				
001-10000	Claim On Pooled Cash	6,604,963.39	469,871.71	7,074,835.10
005-10000	Claim On Pooled Cash	1,315,857.84	42,888.60	1,358,746.44
006-10000	Claim on Pooled Cash	164,245.25	403.24	164,648.49
020-10000	Claim On Pooled Cash	2,646,807.21	128,208.94	2,775,016.15
021-10000	Claim on Pooled Cash	255,032.59	626.14	255,658.73
023-10000	Claim On Pooled Cash	476,511.74	1,169.90	477,681.64
024-10000	Claim On Pooled Cash	27,377.17	67.21	27,444.38
025-10000	Claim On Pooled Cash	263,580.51	12,590.74	276,171.25
027-10000	Claim On Pooled Cash	13,347.58	(1,394.46)	11,953.12
029-10000	Claim On Pooled Cash	11,111.14	27.28	11,138.42
031-10000	Claim On Pooled Cash	355,114.29	24,069.74	379,184.03
072-10000	Claim on Pooled Cash	-	-	-
075-10000	Claim On Pooled Cash	226,210.83	555.38	226,766.21
090-10000	Claim On Pooled Cash	-	-	-
091-10000	Claim On Pooled Cash	-	-	-
092-10000	Claim On Pooled Cash	-	(41,734.50)	(41,734.50)
TOTAL CLAIM ON CASH		12,360,159.54	637,349.92	12,997,509.46
CASH IN BANK				
Cash in Bank				
999-10001	Pooled Cash - General Checking	3,491,585.20	856,873.41	4,348,458.61
999-10002	Pooled Cash - Money Market	205,851.13	34.97	205,886.10
999-10003	Pooled Cash - FSA	12,189.77	(194.16)	11,995.61
999-10004	Pooled Cash - Brokerage	249,019.92	(249,019.92)	-
999-10005	Pooled Cash - LAIF	8,156,033.12	30,345.37	8,186,378.49
999-10006	Pooled Cash - Morgan Stanley	245,480.40	(689.75)	244,790.65
TOTAL: Cash in Bank		12,360,159.54	637,349.92	12,997,509.46

Per Statements:	**4/30/2018**
Rabobank General Checking	4,668,382.87
Rabobank Money Market	205,886.10
Rabobank FSA	11,995.61
Local Agency Investment Fund	8,186,378.49
First Empire	-
Morgan Stanley	244,790.65
Total Cash per Statements:	**13,317,433.72**

Claim on Cash vs. Total Cash Per Statements:	(319,924.26)
Outstanding items per System Reconciliation	(319,924.26)
Difference:	-

City of Buellton
Investment Summary
April 30, 2018

Investment Portfolio	Interest Rate	Type	Market Value	Maturity Term	Maturity Date
Local Agency Investment Fund - LAIF	1.51%	Government - State Pool	$ 8,186,378.49	NA	NA
Berkshire Bank*	1.35%	Negotiable Certificate of Deposit	-	5 years	4/30/2018
Rabobank Money Market	0.20%	Public Investment Money Market	205,886.10	NA	NA
Wells Fargo Bank**	2.25%	Certificate of Deposit	241,058.15	5 Years	8/16/2022
Total Invested:			**$ 8,633,322.74**		
Cash in Portfolio Holding Account					
Portfolio Holding**		Cash Balance	3,732.50		
Total Cash in Investments:			3,732.50		
Total:			**$ 8,637,055.24**		

*Held by First Empire
**Held by Morgan Stanley

Currently, short-term excess cash is primarily invested in the Local Agency Investment Fund (LAIF) administered by the State Treasurer. This is a high quality investment available in terms of safety, liquidity, and yield. Due to fluctuations in the marketplace, the City may have some investments with a current market value that is greater or less than the recorded value. This difference has no effect on investment yield as the City intends to hold the securities to maturity. However, generally accepted accounting principles require that market gains and losses be reported as interest earnings or losses at year-end.

The following is a fund balance schedule showing beginning fund balance at July 1, 2018 plus revenues minus expenditures for the period, resulting in ending fund balance at April 30, 2018. Fund balance includes total assets and liabilities of the City.

Fund Balance Report

City of Buellton, CA

As Of 04/30/2018

Fund	July 1, 2018 Balance	Total Revenues	Total Expenses	April 30, 2018 Balance
001 - General Fund	6,879,205.82	5,721,998.57	5,248,731.78	7,352,472.61
005 - Sewer Fund	3,486,396.62	910,214.49	925,756.58	3,470,854.53
006 - Wastewater Capital	81,915.55	97,465.20	-	179,380.75
020 - Water Fund	5,638,674.38	2,057,691.99	1,418,530.59	6,277,835.78
021 - Water Capital	142,456.80	153,701.72	-	296,158.52
023 - Housing Fees	476,537.26	3,144.35	1,999.97	477,681.64
024 - Traffic Mitigation Fund	12,648.71	14,795.67	-	27,444.38
025 - Gas Tax Fund	353,635.43	106,140.20	329,335.88	130,439.75
027 - Local Transportation Fund	49,453.33	3,494.78	44,954.99	7,993.12
029 - Transportation Planning	(132,106.10)	17,998.92	26,502.50	(140,609.68)
031 - Measure A	210,042.53	292,021.78	394,057.28	108,007.03
072 - Landscape Maintenance Fund	-	-	-	-
075 - Trust & Agency Fund	2,145.00	1,496.95	-	3,641.95
090 - Long Term Debt	(2,524,366.00)	-	-	(2,524,366.00)
091 - General Fixed Assets	17,240,627.54	-	-	17,240,627.54
092 - Capital Improvement Proj Fund	-	1,325,507.51	1,414,287.88	(88,780.37)
Report Total:	**31,917,266.87**	**10,705,672.13**	**9,804,157.45**	**32,818,781.55**

As required by Government Code Section 53646 (b) (3), the chief officer for the City declares that there is sufficient funds to meet all obligations for the next six months.

Shannel Zamora

Shannel Zamora
Finance Director

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: Linda Reid, City Clerk

Meeting Date: May 24, 2018

Subject: Resolutions Pertaining to General Municipal Election to be Held November 6, 2018

Resolution No. 18-11 – "A Resolution of the City Council of the City of Buellton, California, Calling and Giving Notice of the Holding of a General Municipal Election to be Held on Tuesday, November 6, 2018 for the Election of Certain Officers as Required by the Provisions of the Laws of the State of California Relating to General Law Cities"

Resolution No. 18-12 – "A Resolution of the City Council of the City of Buellton, California, Requesting the Board of Supervisors of the County of Santa Barbara to Consolidate a General Municipal Election to be Held on Tuesday, November 6, 2018 with the General Election Pursuant to Section 10403 of the Elections Code"

Resolution No. 18-13 – "A Resolution of the City Council of the City of Buellton, California, Adopting Regulations for Candidates for Elective Office Pertaining to Candidate's Statements, Materials Submitted to the Electorate, and the Cost Thereof, Submitted to the Voters at an Election to be Held on Tuesday, November 6, 2018"

BACKGROUND

In the past, the City has requested that the Board of Supervisors of the County of Santa Barbara consolidate the City of Buellton's Municipal Election with the General Election. This consolidation has been shown to be an economic and efficient method to conduct the election. The election in Buellton is for the purpose of electing three (3) Members of the City Council with the two highest elected vote getters serving four-year terms and lowest elected vote getter serving a two-year term, pursuant to Government Code Section 34906; one (1) Mayoral seat for the full term of two years; and one (1) Member of the City Council to fulfill the remaining term of Council Member Foster Reif.

In order to consolidate the election and to implement the election process, several procedural resolutions need to be adopted and approved by the City Council. These resolutions will request the County Board of Supervisors to consolidate the City's election with other elections conducted by the County, will officially give notice of the election for the City Council seats, and will set regulations pertaining to candidates' statements. Attached herewith for your review and consideration are the necessary resolutions to initiate the election process:

Resolution No. 18-11 officially gives notice of the municipal election and the purpose thereof. The official title is Resolution No. 18-11 – "A Resolution of the City Council of the City of Buellton, California, Calling and Giving Notice of the Holding of a General Municipal Election to be Held on Tuesday, November 6, 2018 for the Election of Certain Officers as Required by the Provisions of the Laws of the State of California Relating to General Law Cities"

Resolution No. 18-12 requests the County Board of Supervisors consolidate the City's general election with other State, County, School District and Special District elections. The official title is Resolution No. 18-12 – "A Resolution of the City Council of the City of Buellton, California, Requesting the Board of Supervisors of the County of Santa Barbara to Consolidate a General Municipal Election to be Held on November 6, 2018 with the General Election Pursuant to Section 10403 of the Elections Code"

Resolution No. 18-13 adopts regulations pertaining to candidates' statements submitted to the voters. The official title is Resolution No. 18-13 – "A Resolution of the City Council of the City of Buellton, California, Adopting Regulations for Candidates for Elective Office Pertaining to Candidates' Statements Submitted to the Voters at an Election to be Held on Tuesday, November 6, 2018"

FISCAL IMPACT

Included in the 2018-19 Fiscal Year Budget is an appropriation of $5,000 to cover the expenses of the General Municipal Election. As the final cost accounting of the City's share of the election expenses will not be determined until after the election date, it may be necessary to appropriate an additional amount at that time.

RECOMMENDATION

That the City Council adopt Resolution Nos. 18-11, 18-12, 18-13, all pertaining to the General Municipal Election scheduled for November 6, 2018.

ATTACHMENTS

Resolution No. 18-11
Resolution No. 18-12
Resolution No. 18-13

RESOLUTION NO. 18-11

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BUELLTON, CALIFORNIA, CALLING AND GIVING NOTICE OF THE HOLDING OF A GENERAL MUNICIPAL ELECTION TO BE HELD ON TUESDAY, NOVEMBER 6, 2018 FOR THE ELECTION OF CERTAIN OFFICERS AS REQUIRED BY THE PROVISIONS OF THE LAWS OF THE STATE OF CALIFORNIA RELATING TO GENERAL LAW CITIES

WHEREAS, under the provisions of the laws relating to General Law Cities in the State of California, a General Election shall be held on November 6, 2018 for the election of Municipal Officers; and

NOW, THEREFORE, THE CITY COUNCIL DOES RESOLVE, DECLARE, DETERMINE, AND REQUEST AS FOLLOWS:

SECTION 1. That pursuant to the requirements of the laws of the State of California relating to General Law Cities, there is called and ordered to be held in the City of Buellton, California, on Tuesday, November 6, 2018, a General Municipal Election for the purpose of electing three (3) Members of the City Council with the two highest elected vote getters serving four-year terms and lowest elected vote getter serving a two-year term, pursuant to Government Code Section 34906; one (1) Mayoral seat for the full term of two years; and one (1) Member of the City Council to fulfill the remaining term of Council Member Foster Reif.

SECTION 2. That the ballots to be used at the election shall be in form and content as required by law.

SECTION 3. That the polls for the election shall be open at 7:00 a.m. of the day of the election and shall remain open continuously from that time until 8:00 p.m. of the same day when the polls shall be closed, except as provided in Section 14401 of the Elections Code of the State of California.

SECTION 4. That in all particulars not recited in this resolution, the election shall be held and conducted as provided by law for holding municipal elections.

SECTION 5. That notice of the time and place of holding the election is given and the City Clerk is authorized, instructed, and directed to give further or additional notice of the election, in time, form, and manner as required by law.

SECTION 6. That the City Clerk shall certify to the passage and adoption of this resolution.

PASSED, APPROVED, and ADOPTED this 24th day of May 2018.

_____
Holly Sierra
Mayor

ATTEST:

_____
Linda Reid
City Clerk

RESOLUTION NO. 18-12

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BUELLTON, CALIFORNIA, REQUESTING THE BOARD OF SUPERVISORS OF THE COUNTY OF SANTA BARBARA TO CONSOLIDATE A GENERAL MUNICIPAL ELECTION TO BE HELD ON TUESDAY, NOVEMBER 6, 2018 WITH THE GENERAL ELECTION PURSUANT TO SECTION 10403 OF THE ELECTIONS CODE

WHEREAS, under the provisions of the laws relating to General Law Cities in the State of California, a General Municipal Election shall be held on November 6, 2018 for the election of Municipal Officers.

NOW, THEREFORE, THE CITY COUNCIL DOES RESOLVE, DECLARE, DETERMINE, AND REQUEST AS FOLLOWS:

SECTION 1. That pursuant to the requirements of Section 10403 of the Elections Code, the Board of Supervisors of the County of Santa Barbara is hereby requested to consent and agree to the consolidation of a General Municipal Election with the Statewide General Election on Tuesday, November 6, 2018 for the purpose of electing three (3) Members of the City Council with the two highest elected vote getters serving four-year terms and lowest elected vote getter serving a two-year term, pursuant to Government Code Section 34906; one (1) Mayoral seat for the full term of two years; and one (1) Member of the City Council to fulfill the remaining term of Foster Reif.

SECTION 2. That pursuant to the requirements of the laws of the State of California relating to General Law Cities there is called and ordered to be held in the City of Buellton, California, on Tuesday, November 6, 2018, a General Municipal Election for the purposes of electing three (3) Members of the City Council with the two highest elected vote getters serving four-year terms and lowest elected vote getter serving a two-year term, pursuant to Government Code Section 34906; one (1) Mayoral seat for the full term of two years; and one (1) Member of the City Council to fulfill the remaining term of Foster Reif.

SECTION 3. That the Board of Supervisors is requested to direct the County Elections Division to take any and all steps necessary for the conducting of the consolidated election.

SECTION 4. That the City Council recognizes that additional costs will be incurred by the County by reason of this consolidation and agrees pursuant to Section 10002 of the Elections Code to reimburse the County in full for the cost of services performed upon presentation of a bill.

SECTION 5. That the City will be providing the following services:

(a) Notice of election will be published, in time, form and manner required by law.

(b) Accept and process official candidate nomination papers, which include verification as to whether candidate statements and ballot designations meet all legal requirements.

(c) Upon certification by the County Elections Division, issue certificates of election.

(d) Take any other action necessary that is not the responsibility of the County Elections Official.

SECTION 6. That the City Council recognizes that the County Elections Official will be providing the following services:

(a) Verify nomination petitions as requested.

(b) Designate polling places and provide supplies and equipment.

(c) Appoint and train election officers.

(d) Furnish any and all official ballots, sample ballots, notices, and printed material.

(e) Provide and process absentee voter requests.

(f) Provide polling places for the election, which shall be open at 7:00 a.m. of the day of the election and shall remain open continuously until 8:00 p.m. of the same day when the polls shall be closed, except as provided in Section 14401 of the Elections Code.

(g) Ensure that the ballots used at the election are in the proper form and content required by law.

(h) Count ballots and canvass the returns.

(i) Declare results and certify election.

(j) Take any other action necessary in order to properly and lawfully conduct the election.

(k) Prepare and mail all invoices regarding election costs.

SECTION 7. The City acknowledges that the consolidated election will be held and conducted in the manner prescribed in Election Code Section 10418.

SECTION 8. That the City Clerk shall certify to the passage and adoption of this resolution.

PASSED, APPROVED, and ADOPTED this 24th day of May 2018.

_____
Holly Sierra
Mayor

ATTEST:

_____
Linda Reid
City Clerk

RESOLUTION NO. 18-13

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BUELLTON, CALIFORNIA, ADOPTING REGULATIONS FOR CANDIDATES FOR ELECTIVE OFFICE PERTAINING TO CANDIDATES' STATEMENTS, MATERIALS SUBMITTED TO THE ELECTORATE AND THE COST THEREOF, REGARDING AN ELECTION TO BE HELD ON TUESDAY, NOVEMBER 6, 2018

WHEREAS, Section 13307 of the Elections Code of the State of California provides that the governing body of any local agency adopt regulations pertaining to materials prepared by any candidate for a municipal election, including costs of the candidate's statement.

NOW, THEREFORE, THE CITY COUNCIL DOES RESOLVE, DECLARE, DETERMINE, AND REQUEST AS FOLLOWS:

SECTION 1. That pursuant to Section 13307 of the Elections Code of the State of California, each candidate for elective office to be voted for at an election to be held in the City of Buellton on November 6, 2018 may prepare a candidate's statement on an appropriate form provided by the City Clerk. The statement may include the name, age, and occupation of the candidate and a brief description of no more than 200 words of the candidate's education and qualifications expressed by the candidate himself or herself. The statement shall not include party affiliation of the candidate, nor membership or activity in partisan political organizations. The statement shall be filed in the office of the City Clerk at the time the candidate's nomination papers are filed. The statement may be withdrawn, but not changed, during the period for filing nomination papers and until 5:00 p.m. of the next working day after the close of the nomination period.

SECTION 2. That the candidate shall be required to pay for the cost of printing the candidate's statement in English and any other language requested by the candidate.

SECTION 3. That the City Clerk shall provide each candidate or the candidate's representative a copy of this resolution at the time nominating petitions are issued.

SECTION 4. That all previous resolutions establishing council policy of payment for candidate's statements are repealed.

SECTION 5. That this resolution shall apply only to the election to be held on November 6, 2018 and shall then be repealed.

SECTION 6. That the City Clerk shall certify to the passage and adoption of this resolution.

PASSED, APPROVED, and ADOPTED this 24th day of May 2018.

_____
Holly Sierra
Mayor

ATTEST:

_____
Linda Reid
City Clerk

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: Rose Hess, Public Works Director

Meeting Date: May 24, 2018

Subject: Acceptance of Bid and Award of Contract for the 2017/18 Road Maintenance Project

---

BACKGROUND

In April 2018 the City published a Notice to Contractors inviting sealed bids for the 2017/2018 Road Maintenance Project. The Project will include pavement maintenance of the Sycamore Ranch neighborhoods and localized repairs in various locations throughout the City.

On May 15, 2018, four bids for the project were received from the following contractors:

Bid Rank	Contractor	Bid Schedule A
1	Pavement Coatings	$272,352.00
2	VSS International	$275,120.00
3	Roy Allan Slurry Seal*	$277,837.10
4	American Asphalt South	$279,273.00

* Note: a summation error was noted changing the total from $277,822.10 to the value in the table.

The low bidder is Pavement Coatings. Staff has reviewed all the bid documents and have found them to be complete and correct. Bid amounts have also been verified. Staff has reviewed and verified license, bonds and references for Pavement Coatings.

Staff would recommend adding a contingency amount of 10%, $27,235 for additional repairs that may be needed. This would bring the total contract amount to $299,587.

It is anticipated that the effective date of the Notice to Proceed for work will be approximately June 11, 2018. The project term is 45 working days (approximate completion date is August 13, 2018).

FISCAL IMPACT

The 17/18 Road Maintenance Project is budgeted in the 17/18 FY Capital Improvement Project List. (092-316). Funding is appropriated in the 2017-18 Biennial budget in a total project amount of $463,000 through General Fund ($100,000), Gas Tax ($100,000), Measure A ($150,000) and SB1 ($113,000).

RECOMMENDATION

That the City Council award a contract in the amount of $272,352 to Pavement Coatings for the 2017/2018 Road Maintenance Project plus a contingency amount of $27,235 for a total contract amount of $299,587 and authorize the City Manager and City Attorney to execute the contract.

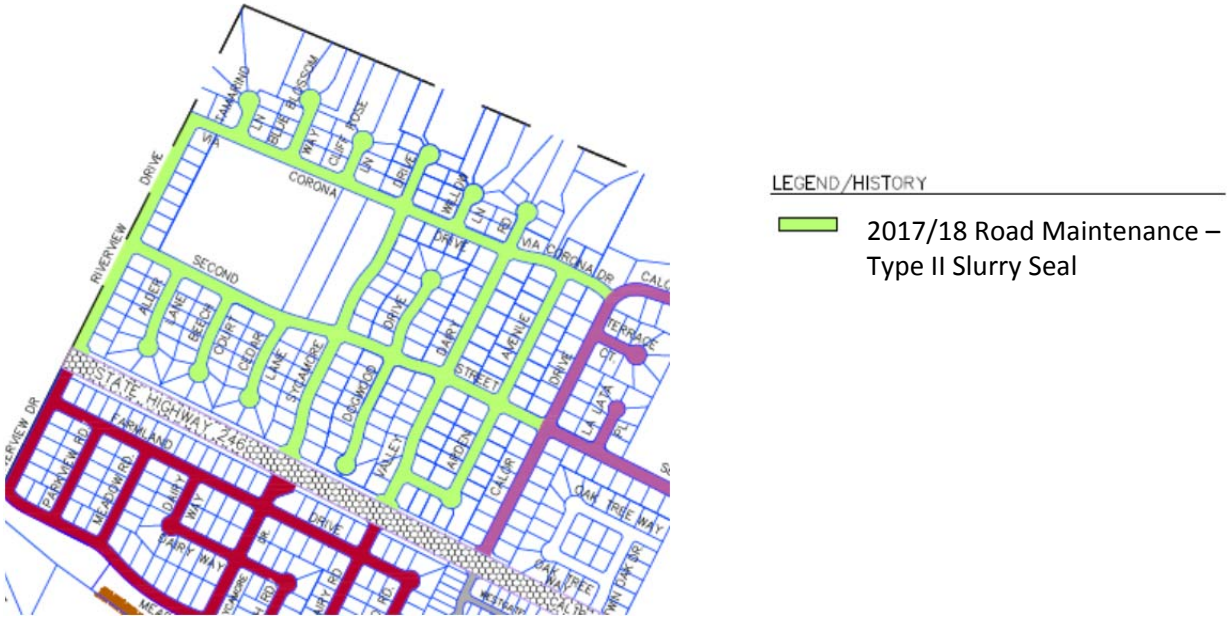
ATTACHMENTS

Attachment 1 - Location Exhibits

ATTACHMENT 1

CIP # 092-316

FY 2017-18 ROAD MAINTENANCE PROJECT



STREETS INCLUDED:

- Riverview Drive (north of 246)
- Sycamore Drive (north of 246)
- Valley Dairy Road (north of 246)
- Arden Ave
- Dogwood Drive
- Cedar Lane
- Beech Court
- Alder Lane
- Tamarind Lane
- Blue Blossom Way
- Cliff Rose Lane
- Willow Lane
- Via Corona Drive
- Second Street (west of Calor)

CITY OF BUELLTON

City Council Agenda Staff Report

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

To: Honorable Mayor and City Council

From: Rose Hess, Public Works Director

Meeting Date: May 24, 2018

Subject: Acceptance of Public Right-of-Way Dedication (Hampton Inn)

BACKGROUND

On October 16, 2014, the Planning Commission approved the Hampton Inn Final Development Plan. During the approval process, it was determined that 12 feet of public right-of-way would be required for dedication. The project required widening of McMurray Road to the ultimate right-of-way along the frontage of the project site. The requirement was incorporated into the project's Conditions of Approval.

The developer has prepared the Grant Deed for the public right-of-way dedication. The public right-of-way legal description and exhibit are provided as Attachment 1. All improvements have been completed and accepted. Staff has reviewed the legal documents and finds they are accurate and consistent with the improvement plans.

FISCAL IMPACT

The listing of this agenda item in itself will not have any fiscal impact on the City.

RECOMMENDATION

That the City Council accept the Grant Deed for public right-of-way dedication.

ATTACHMENTS

Attachment 1 – Grant Deed for public right-of-way dedication

Recording Requested by:
CITY OF BUELLTON
When Recorded Mail to:
City of Buellton
P.O. Box 1819
Buellton, CA 93427

No Fee Per Government Code 6103 APN 137-170-67

GRANT DEED
(PUBLIC RIGHT-OF-WAY DEDICATION)

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,

The OCEAN PARK HOTELS-BLT, LLC, a California limited liability company, GRANTOR

hereby GRANTS to

the CITY OF BUELLTON, a municipal corporation, GRANTEE

an easement for public road and utility purposes over the real property described in Exhibit "A" and shown in Exhibit "B," attached hereto and incorporated by reference herein.

IN WITNESS WHEREOF, the Grantor has executed this instrument this 4th day of May, 2018.

OCEAN PARK HOTELS-BLT, LLC, a
California limited liability company

By: SHJF, LLC, a California limited liability
company, its Manager

By: _____
James M. Flagg, Manager

By: _____
Steven L. Hughes, Manager

G:\22365\0001\DOCS\KZ2700.DOC

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of Santa Barbara

On May 2, 2018, before me, Mckensey Anne Smart, Notary Public, personally appeared JAMES M. FLAGG, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature Mckensey Anne Smart (Seal)

MCKENSEY ANNE SMART
Notary Public - California
Santa Barbara County
Commission # 2167235
My Comm. Expires Oct 9, 2020

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

MCKENSEY ANNE SMART
Notary Public - California
Santa Barbara County
Commission # 2167235
My Comm. Expires Oct 9, 2020

State of California
County of Santa Barbara

On _____, 2018, before me, Mckensey Anne Smart, Notary Public, personally appeared STEVEN L. HUGHES, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature Mckensey Anne Smart (Seal)

MCKENSEY ANNE SMART
Notary Public - California
Santa Barbara County
Commission # 2167235
My Comm. Expires Oct 9, 2020

EXHIBIT "A"

LEGAL DESCRIPTION

PUBLIC RIGHT-OF-WAY DEDICATION

The westerly 12.00 feet of Parcel 2 of Lot Line Adjustment No. 05-LLA-02 in the City of Buellton, County of Santa Barbara, State of California, per the Certificate of Conformity recorded January 24, 2007 as Instrument No. 2007-0005592 Official Records of said County, more particularly described as follows:

Beginning at the southwest corner of said Parcel 2, being a point on the east right-of-way line of McMurray Road, 64.00 feet wide; thence, along said right-of-way,

1st - North 0°26'51" West, 607.45 feet to the northwest corner of said Parcel 2; thence, along the north line of said Parcel 2,

2nd - North 78°41'02" East, 12.22 feet to a line parallel with and distant 12.00 feet easterly from said right-of-way line; thence, along said parallel line,

3rd - South 0°26'51" East, 594.08 feet to the southerly line of said Parcel 2; thence, along said southerly line,

4th - South 36°59'33" West, 19.74 feet to the point of beginning.

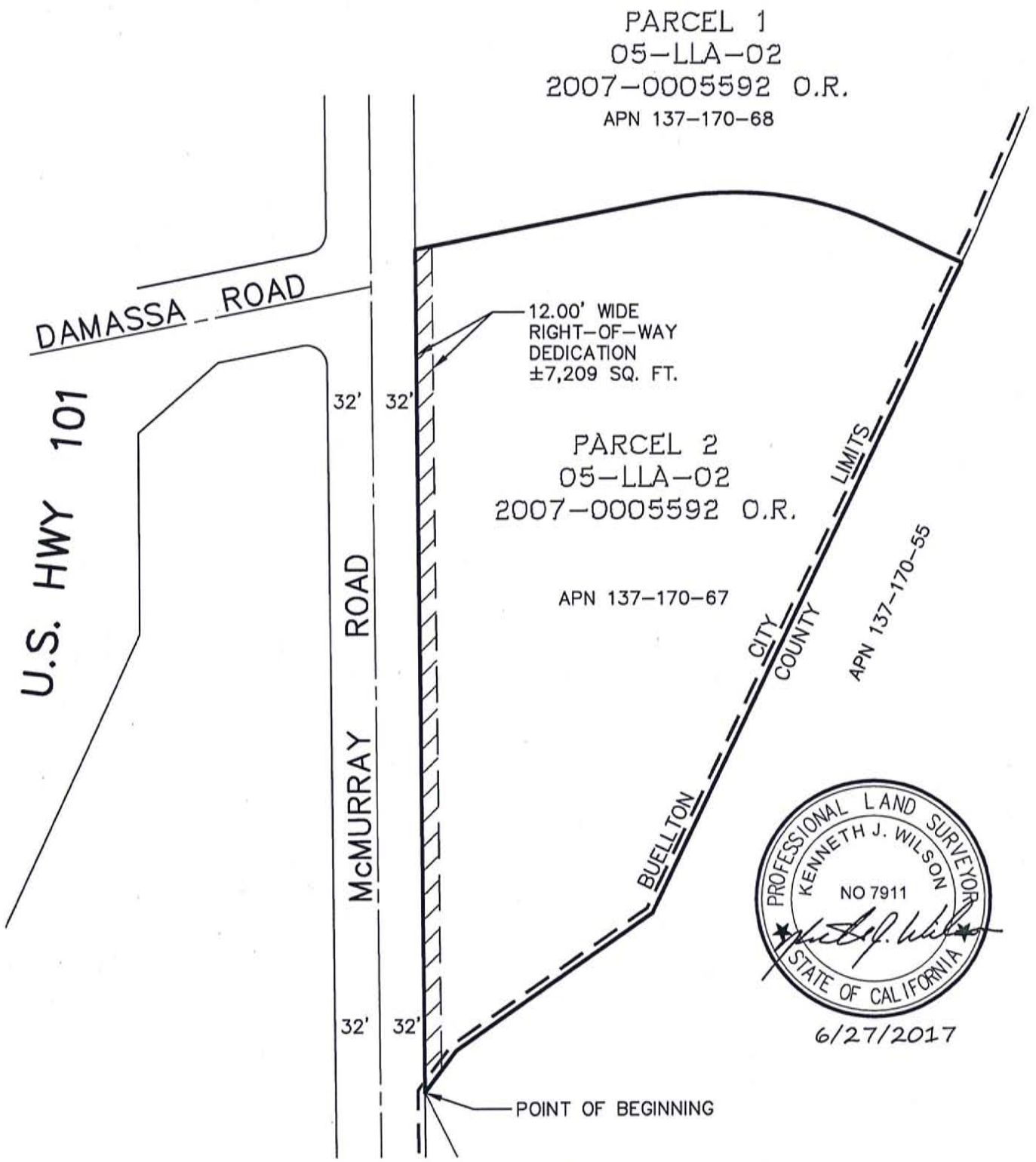
Containing 7,209 square feet, more or less.

The above described westerly 12.00 feet is graphically shown on Exhibit B attached hereto and made a part thereof by reference.

6/27/2017

EXHIBIT "B"

[See attached]



Stantec

111 East Victoria Street, Santa Barbara, CA 93101
Phone: (805) 963-9532 Fax: (805) 966-9801

P.N. 2064021307 DWG: Exhibit B_ROW.dwg

SCALE: 1" = 100'

EXHIBIT B
PUBLIC
RIGHT-OF-WAY DEDICATION
CITY OF BUELLTON
COUNTY OF SANTA BARBARA
STATE OF CALIFORNIA

PLOT DATE: 6/27/2017

CERTIFICATE OF ACCEPTANCE

AND CONSENT TO RECORDATION OF

EASEMENT GRANT DEED

This is to certify that the interest in real property conveyed by the Easement Grant Deed dated _____ from Ocean Park Hotels-BLT, LLC, a California limited liability company, to the City of Buellton, a municipal corporation of the State of California, is hereby accepted by the undersigned City Clerk on behalf of the City Council, pursuant to the action of the City Council at its meeting of _____ and the grantee consents to recordation thereof by its duly authorized officer.

Dated: _____

City of Buellton

by _____
City Clerk

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: Kyle Abello, Recreation Coordinator

Meeting date: May 24, 2018

Subject: Van Rental Agreement Between the City of Buellton and Buellton Union School District

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BACKGROUND

The Summer Day Camp operated by the Buellton Recreation Department involves field trips and activities with the children. In order to accommodate as many children as possible for these field trips, additional vehicles are needed from time to time beyond the passenger buses owned by the City. The Buellton Union School District has offered the rental of their nine passenger van. The attached agreement (Attachment 1) identifies the conditions of use, costs, liability, and insurance responsibilities. The Agreement will be considered by the District Board of Trustees at their June 13, 2018 Board Meeting.

FISCAL IMPACT

The rental fee to be paid by the City of Buellton to the Buellton Union School District is $0.55 per mile. It is estimated that the rental fee for the entire summer will be approximately $600.

RECOMMENDATION

That the City Council consider approval of the Van Rental Agreement between the City of Buellton and the Buellton Union School District.

ATTACHMENTS

Attachment 1-Van Rental Agreement

RENTAL AGREEMENT

Buellton Union School District
and
City of Buellton

This **RENTAL AGREEMENT** ("Agreement") is made and entered into effective on the __th day of ____, 2018, by and between the CITY OF BUELLTON, a California municipal corporation ("City") and the BUELLTON UNION SCHOOL DISTRICT, a school district duly organized and operated under the laws of the State of California ("District").

1. RECITALS:

A. The District owns one nine-passenger van ("Van"), which the District is willing to rent to the City.

B. The City operates a summer recreation program/camp for children.

C. The City recognizes the need for an additional van for transporting children in the summer recreation program to various locations for camp activities.

2. AGREEMENT

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

A. Use of Van by City

1. The District hereby grants to the City the right and privilege of using the Van, for public, community and/or recreational purposes in accordance with the terms and conditions of this Agreement and in accordance with applicable law.

2. The Van shall be rented to the City at the cost of $0.55 per mile to be paid within 30 days of receipt of invoice.

3. In the event the District's governing Board should determine that City's use of the Van is inconsistent with District's use of the Van for school purposes or that City's use interferes with the education programs and activities of District, the Parties agree to resolve such dispute pursuant to Section 9 of this Agreement.

4. The District and the City agree that they will share in the use of said Van and will coordinate the times and programs necessary to allow the best appropriate use of the Van.

5. City stipulates the authorized drivers of the Van will be the following District and City Recreation staff:

   Ericka Dunn
   Carrie Menjou-Reed

6. The City will enroll the drivers in the DMV pull notice program.

B. Maintenance and Repair

1. The District shall pay for the recurring costs of operating, maintaining, and repairing the Van. The City and District agree, to the extent possible, to each be responsible for, and to perform, the day-to-day maintenance and clean-up of their respective uses and activities of the Van and to coordinate such maintenance and repair efforts to best serve the purposes and intent of this Agreement.

3. Term

The term of this Agreement shall be for the duration of the Buellton Recreation Program/Camps from June 11, 2018 through June 30, 2019.

4. Indemnification and Insurance

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

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

C.

1. The City and the District each agree to maintain comprehensive general liability insurance either through an insurance carrier licensed to do business in the State of California or through a joint powers insurance authority with the amount of said insurance required to be at least $1,000,000.00 per occurrence and $2,000,000.00 aggregate.

2. The City and the District each agree to maintain automobile liability insurance either through an insurance carrier licensed to do business in the State of California or through a joint powers insurance authority with the amount of said insurance required to be at least $1,000,000.00 per accident.

3. The City and the District each agree to provide 30 days written notice to the other party if it proposes any substitution, change, or other modification of the aforementioned insurance coverage which will result in a decrease in the scope or the amount of such coverage.

5. <u>Notices</u>

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

CITY OF BUELLTON	City of Buellton Attn: City Manager 107 W. Highway 246 P. O. Box 1819 Buellton, CA 93427
BUELLTON UNION SCHOOL DISTRICT	Buellton Union School District Attn: Superintendent 301 Second Street P. O. Box 75 Buellton, CA 93427

6. Entire Agreement

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

7. Governing Law

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

8. Breach of Agreement

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

9. Dispute Resolution

In the event of a dispute pertaining to the agreement, the City and the District shall each appoint an authorized representative to cooperate in developing a mutually agreeable problem resolution plan.

In the event the parties fail to resolve the dispute as set forth above, the dispute will be referred to non-binding mediation. Thereafter, either party may assert its other rights and remedies under this Agreement within a court of competent jurisdiction.

10. Attorney Fees

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

11. Severability

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

12. Successors and Assigns

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

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

13. Employees

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

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

14. Applicable Law

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

IN WITNESS WHEREOF, the District and the City have executed this Agreement as of the date first above written.

(Signatures on the following page)

BUELLTON UNION SCHOOL DISTRICT

By: _____
Randy Haggard, Superintendent

ATTEST:

_____
Terri Schrepel, Secretary to the Board

CITY OF BUELLTON

By: _____
Holly Sierra, Mayor

ATTEST:

_____
Linda Reid, City Clerk

APPROVED AS TO FORM BY THE CITY
ATTORNEY FOR THE CITY OF BUELLTON

_____
Steven McEwen, City Attorney

CITY OF BUELLTON

City Council Agenda Staff Report

City Manager Review: MPB
Council Agenda Item No.: 8

To: The Honorable Mayor and City Council

From: Marc P. Bierdzinski, City Manager

Meeting Date: May 24, 2018

Subject: Contract for Law Enforcement Services Between the County of Santa Barbara and the City of Buellton for Fiscal Year 2018/19

BACKGROUND

The City's contract with the County of Santa Barbara for law enforcement services was approved when the City incorporated. The parties amended the contract in 1997. Law enforcement costs have been reviewed and approved by the City Council on a yearly basis since then.

The Sheriff's Department is now updating its contracts with the Cities of Buellton, Carpinteria, and Solvang so all contracts are consistent with one another. They are also changing the service model from a full time equivalent (FTE) model to a Deputy Service Unit (DSU) model that is used by many other law enforcement agencies. A history and description of this new model is included as Attachment 1.

The new cost scenario for the DSU model is included as Attachment 2. The cost for Fiscal Year 2018/19 shows an increase of $86,813, or a 5% increase, over the Fiscal Year 2017/18 cost. This includes continuation of our current service level including the motor deputy. The Sheriff's Department indicates that additional increases may be required over the following two fiscal years to achieve full cost recovery. However, all future costs will be based on the actual cost of the prior year. No more estimating or guessing. This will also allow the City to predict what future costs will be one to two years in advance.

The Fiscal Year 2018/19 contract is included as Attachment 3. Staff has been working on the draft contract language with representatives of the Sheriff's Department since late last year. The Sheriff is proposing an initial one-year contract with the new service model so its effectiveness can be evaluated by both the Sheriff and the City over the course of the year. A longer term contract can then be approved for subsequent fiscal years.

There are several advantages to the new contract format:

- All future costs will be based on the actual cost of the prior year. No more estimating or guessing. This will also allow the City to predict what future costs will be one to two years in advance
- We are only paying for the services we receive
- There is more accountability and transparency as all resources are fully being accounted and reported to the City
- The Buellton Sheriff's Office will now be able to be open 5 days a week (under this new model there is no cost savings by closing the office for a certain number of days)

Representatives from the Sheriff's Department will be in attendance to further explain the new methodology, contract, and the 5% cost increase.

FISCAL IMPACT

Approval of the contract with the new service methodology would actually reduce our budgeted amount for Fiscal Year 2018/19.

Fiscal Year 2017/18
Adopted budget: $1,943,760
Actual contract: $1,699,392

Fiscal Year 2018/19
Adopted budget: $1,982,635
Proposed contract amount: $1,786,205 (a 5% increase over prior fiscal year actual contract amount)

Therefore, a decrease of $196,430 in the Fiscal Year 2018-19 budget will be reflected in the mid-year budget adjustment. As noted previously, future fiscal year budgets will be based on the actual costs incurred during the prior fiscal year.

RECOMMENDATION

That the City Council approve the Fiscal Year 2018-19 contract with the County of Santa Barbara for Law Enforcement Services and authorize the Mayor to execute the contract.

ATTACHMENTS

Attachment 1 – Description of History and New Service Model
Attachment 2 – Contract Cost Summary
Attachment 3 – Sheriff Contract for Fiscal Year 2018-19

History

The Santa Barbara Sheriff's Office has established a reputation for excellent service to the public since it began in 1850. At that time Santa Barbara County had only 1,185 people according to the census and was served by a single Sheriff with the assistance of a jailer and an occasional deputy. Early Santa Barbara had the reputation of being the roughest area of California between Los Angeles and San Francisco.

Today the Sheriff's office has grown to over 600 employees and the county population has grown to over 423,895. As the largest law enforcement agency in the county the Sheriff's office has assisted in developing some of the safest communities in the state.

Background

Over the past few decades a number of cities, private events, school districts, an Indian Tribe, the Forest Service and numerous other entities have turned to the Santa Barbara Sheriff's Office for their law enforcement needs. During that time numerous contracts, memorandums of understanding and similar agreements have been drafted. Many of these agreements and contracts are decades old and have simply been amended to reflect current cost differences through the years. Additionaly, they differ in language and content based on the parties involved and the direction of the elected Sheriff at the time.

Intent

The Sheriff's Office has determined the need to update all current and future contracts to reflect current legal language combined with a standardized billing process that is fair and reflects current industry standards. This ensures all of our contract "customers' are getting the same service for the same cost. To meet this goal a Contract Law Enforcement Services unit has been developed. The purpose of this unit is to monitor all law enforcement service contracts and ensure the Sheriff is meeting or exceeding the level of service agreed to with each entity who requests Sheriff's Office services.

Progress

The Contract Services Unit and executive staff have reviewed billing and service agreements from other law enforcement entities throughout the country and identified a model that has existed since 1977. This model is used extensively throughout Southern California as well other states and is commonly referred to as the Deputy Sheriff Service Unit. In this model the contracting entity is not contracting for a given number of personnel but instead is contracting for a specified amount of service time. The necessary number of personnel are then assigned to properly maintain the service level requested ensuring that the specified level of service is maintained regardless of employee absences due to injury, vacation, mandatory training or similar needs. A Deputy Sheriff Service Unit is not just a deputy sheriff but all of the support personnel and equipment required to meet the service level requested. This includes relief personnel, supervision,

management, logistics, clerical, investigative personnel and supplies necessary to provide law enforcement services for the requested period of time. This structure resembles a strong pyramid with the foundation being patrol deputies supported by detectives, administrative staff, supervisors/managers and the unit commander who acts as Chief of Police. This provides a complete package and protects the contracting entity and the county from any hidden or unanticipated costs.

This proven approach has required significant changes and updates to current sheriff's data systems and procedures. The intended result is a service and reporting process that is flexible, accountable and verifiable.

Contracting Law Enforcement Services

Background

The Santa Barbara Sheriff's Office has provided law enforcement services to State and Federal agencies, other law enforcement agencies, school districts, private parties and a number of other entities throughout the history of the department. Many of these services were provided in a multitude of different methods ranging from verbal agreement to formal contract. Additionally, varying administrations and department bureaus arranged these services.

Over time, agreements for our law enforcement services have become fragmented and decentralized resulting in different levels of service and cost recovery. Currently, service contracts, including grant services, are held within a number of bureaus and managed by separate managers. Ongoing department reorganization as well as management rotation resulted in contracts and agreements not being accurately monitored for compliance and renewal or cessation of services. Contracts involving cost recovery are monitored by the Chief Financial Officer, however, it is not the responsibility of the CFO to manage compliance or the services agreed to in the contract. This has resulted in services being provided well past the termination date of a number of contracts and insufficient review of accurate cost recovery as the cost for providing law enforcement services change.

Goals

- Create a centralized location for all law enforcement service contracts by creating a new unit known as the Contract Law Enforcement Services Unit.

- Identify and staff the proper level of personnel required to operate the newly formed unit.

- Identify and thoroughly review all contracts and agreements for compliance.

- Review all contracts to ensure the services agreed to can actually be provided. (A number of our current contracts indicate we will provide information that our data systems are not capable of providing, i.e. report writing hours etc.)

- Eliminate multiple versions of service contracts. Identify a single contract that accurately identifies services and how those services will be provided as well as accurate cost recovery methods. This ensure that all entities contracting law enforcement services receive the same service for identical costs.

- Monitor contracts on a consistent and ongoing basis to ensure the Sheriff's Office is providing the level of service promised.

Current Actions

A Contract Law Enforcement Services Unit has been established. It is currently being staffed by an extra help retiree and an AOP Expert that is working on the project in addition to her regular duties. It is recommended that the unit be staffed by a full time manager and a financial expert at minimum, with the costs to administer the unit being passed on to the entities requesting law enforcement services.

A review of other counties providing law enforcement services has been conducted and a determination has been made to adjust our service costing to their model, unofficially referred to as the Southern California Model. The name is arbitrary and simply recognizes that almost all counties in Southern California who contract for services use this costing model. It is also used in a number of other states in the country and has existed since the 1970's.

The new costing model is a shift away from providing Full Time Equivalent (FTE) personnel and charging separately for these positions, to a cost-recovery, salary based model that provides services by time. The entity requesting law enforcement services indicates the level of service desired and if the Sheriff (designee) agrees, the level of staffing required to provide services is identified.

The service level to provide one deputy in a patrol car 24 hours a day, 365 days a year is referred to as a Deputy Sheriff Service Unit (DSSU). It includes all of the personnel required to staff the position including; a lost time relief factor, supervision, management, administrative staff, investigative staff and all of the supplies required for a deputy to effectively provide law enforcement services.

Service compliance is measured by the time services are provided under the contract. Typically a Deputy Sheriff Unit would be expected to provide services for 8,760 hours (24x365) a year. If the Sheriff fails to provide that level of service, the entity would not be charged for the time deficiency. Conversely, if additional personnel are required to adequately complete service under the contract and the cumulative hours towards the contract exceed 8,760 hours annually it would be one indicator that the entity has requested insufficient service levels.

Summary

The Santa Barbara Sheriff's Office will be changing to the new compliance model effective July 1, 2018 when three significant contracts are expected to be renewed. Externally there may be no apparent change noticed by the entities requesting services, however internally we will be monitoring contract compliance by the time tracking model. This will allow us to review our tracking and reporting methods and determine the

capabilities of our data systems. When we are certain that all concerns have been addressed we will make the formal change to the DSSU model.
The Sheriff's Office has four primary contracts, which are cities, with a total revenue of approximately $17 million. Excluding auxiliary units such as school resources and traffic, these contracts accounted for a minimum of 61,320 hours of service. An additional 12,600 hours of law enforcement services were provided under approximately 45 other contracts (including grants) in the last fiscal year.

Converting from selling law enforcement services by personnel, to selling law enforcement services by time will provide a more accurate measurement of how our services are distributed and a better method of cost recovery for those services.

Exhibit A-1: Deputy Sheriff Service Unit

Sheriff's services are generally provided in the form of Deputy Sheriff Service Units (DSSU). One DSSU is equivalent to the sworn and support personnel required to staff one patrol position 24 hours a day for 1 year.

One Deputy Sheriff Service Unit equates to:

A sufficient number of Sheriff Deputies to provide for 24-hour coverage, seven days a week for one year, including relief (lost time). This equates to 8,760 hours of service to CITY a year per DSSU ordered. If for any reason the Sheriff falls below 98% compliance in providing this level of service, CITY will not be charged for the shortage. CITY will also be entitled to an explanation for the shortage of service and a proposed resolution.

Since timekeeping is a critical component of a DSSU, COUNTY is committed to ensuring that COUNTY is appropriately tracking time. COUNTY agrees that it will provide training and updates to its sworn and support personnel and will also audit the timekeeping system periodically. CITY will be provided with monthly reports to demonstrate time compliance reporting as described in Exhibit A-2.

Additionally, all management, supervision, investigative support, administrative support, overtime and supply costs are included. This ensures that there are no unexpected cost increases to the city for the annual duration of the contract. The costs for all services and supplies, relief (lost time) factors, overtime, labor, and insurance costs will be calculated each year based on prior year actual costs and provided to CITY prior to the end of the current fiscal year.

The following are Supplemental Law Enforcement Services available for purchase, also referred to as menu items:

Deputy Sheriff

- Additional deputy to enhance patrol functions or focus on specific interests and needs of CITY.

School Resource Deputy

- Typical duties involve enforcement of state, local and education code laws.
- Liaison between school officials, City staff and the Sheriff's Office.
- Provide education classes to students, parents and community members impacted by the school.
- Complete School related projects as directed.
- Investigate youth related offenses related to the school on and off campus.

Community Resource Deputy

- Typically works as a liaison between CITY staff and Sheriff's personnel.
- Works cooperatively with the City Manager, or designee, and the Station Lieutenant; focuses on interests unique to the city.
- Develops crime prevention programs and provides public education and instruction.
- Typically assists with coordinating CITY sponsored events.

Detective

- Investigates general or specific criminal violation cases developed by patrol personnel.

Sergeant

- Supplemental supervision for groups of deputies assigned to similar duties or projects.

Administrative Office Professional

- Clerical staff assigned to process incident, crime and traffic reports.
- Responsible for records processing and information coordination with the District Attorney and other local state and federal agencies.

Sheriff's Service Technician

- Under general supervision performs a variety of non-sworn technical and clerical based administrative duties in the office and the field. Supports sworn law enforcement personnel by performing tasks that do not require a sworn deputy to perform.

Supplemental Law Enforcement Services include overhead costs. They can be provided with or without a relief factor.

ATTACHMENT 2

Buellton

DSU Summary - Contract Cost | **Hours Purchased** | 8,760

Patrol Costs	**Hourly Rate**	**Total Contract Cost**
Deputy Costs		
Deputy S&B Cost	91.36	800,310
Indirect Rate @ 9.84%	8.99	78,750
Cost Inflation @ 3%	3.01	26,372
Deputy S&B Cost	*103.36*	*905,432*
Patrol Support		
SHERIFFS SERGEANT	23.37	204,760
SHERIFFS LIEUTENANT	4.43	38,769
ADMN OFFICE PRO II	3.36	29,460
SHERIFFS COMMANDER	2.37	20,753
ADMN OFFICE PRO SR	1.33	11,694
LEGAL OFFICE PRO II	0.43	3,730
CRIME SCENE TECHNICIAN I	0.03	268
Indirect Rate @ 9.84%	3.48	30,448
Cost Inflation @ 3%	1.16	10,196
Patrol Support S&B	*39.96*	*350,078*
Direct Patrol S&S	*11.02*	*96,568*
Total Patrol Cost	**154.35**	**1,352,078**

Law Enforcement Support Costs (includes S&B, Indirect, Inflation, and S&S Costs)		
Investigations		
General Investigations	21.76	190,620
SOD, Narcotics	4.26	37,322
SOD, Intelligence	1.26	11,066
Gang Team	1.21	10,580
SOD, High Tech Crime Unit	1.53	13,416
Total Investigations	*30.02*	*263,004*
Information Services Bureau	6.36	55,707
Forensics	5.96	52,243
Property & Evidence	2.32	20,361
Crime Analysis Unit	0.79	6,898
Cal ID Program	0.05	440
Total Law Enforcement Support	**45.51**	**398,652**
Hourly Contract Rate	**199.86**	**1,750,731**

Other Costs	
DSU Admin	19,482
Menu Items	307,067
Dispatch	81,136
Total Contract Cost	2,158,416
Subsidy	(372,211)
Total Subsidized Contract	**1,786,205**

Pending BOS Approval

Buellton

Position	18-19 Reimbursable Cost	18-19 Full Cost	Unreimbursable Cost
Non Relief Traffic Deputy	197,860.00	197,860.00	-
Indirect Costs	19,469.42	30,450.65	(10,981.23)
Total S&B	217,329.42	228,310.65	(10,981.23)
Patrol Support			
SHERIFFS SERGEANT	46,542.71	48,894.42	(2,351.71)
SHERIFFS LIEUTENANT	8,812.28	9,257.55	(445.27)
ADMN OFFICE PRO II	6,696.42	7,034.77	(338.36)
SHERIFFS COMMANDER	4,717.13	4,955.48	(238.35)
ADMN OFFICE PRO SR	2,658.05	2,792.35	(134.31)
LEGAL OFFICE PRO II	847.92	890.76	(42.84)
CRIME SCENE TECHNICIAN I	60.82	63.89	(3.07)
Services and Supplies	19,401.86	21,688.47	(2,286.61)
	89,737.18	95,577.70	(5,840.52)
Total Costs	**307,066.60**	**323,888.35**	**(16,821.75)**

Contract Summary

DSU Area	Hourly Rate	c Hours Purchased	c/8,760 hours Deputy Units	d % of total	e = Contract Rate*c Contract Amount	f = County Cost Rate*c Total County Cost	g = e-f Unreimbursable costs
Goleta	200	26,280	3.00	12%	5,252,192	5,531,078	(278,886)
Carp	200	17,520	2.00	8%	3,501,462	3,687,385	(185,924)
Solvang	200	8,760	1.00	4%	1,750,731	1,843,693	(92,962)
Buellton	200	8,760	1.00	4%	1,750,731	1,843,693	(92,962)
		61,320	7.00	27%	12,255,115	12,905,849	(650,733)
					c*County Cost Rate-g		
Unincorporated	210	161,693	18.46	73%	34,030,968	34,681,701	
Total	210	223,013	25.46	100%	46,286,083	47,587,550	

DSU Contract Administration Area	DSU Admin Cost Allocation	Indirect Cost	Inflation (3%)	True-Up	Contract Amount	Total County Cost	Unreimbursable costs
Goleta	63,769	4,609	2,051	-	70,429	75,790	(5,361)
Carp	31,851	3,073	1,048	-	35,972	37,856	(1,883)
Solvang	17,379	1,536	567	-	19,482	20,656	(1,173)
Buellton	17,379	1,536	567	-	19,482	20,656	(1,173)
Unincorporated	267,121	28,359	8,864	-	-	370,413	-
Total	397,500	39,113	13,097	-	145,366	525,370	(9,592)

Menu Items Area	Menu Item Direct S&B	Indirect Cost	True-Up	Direct Support	Contract Amount	Total County Cost	Unreimbursable costs
Goleta	1,481,886	145,818	-	628,160	2,255,863	2,378,992	(123,128)
Carp	179,102	17,624	-	89,737	286,463	302,244	(15,781)
Solvang	179,102	17,624	-	89,737	286,463	302,244	(15,781)
Buellton	197,860	19,469	-	89,737	307,067	323,888	(16,822)
Total	2,037,950	200,534	-	897,372	3,135,856	3,307,367	(171,511)

Dispatch Area	Services and Supplies	Salaries and Benefits	Indirect Cost	Contract Amount	Total County Cost	Unreimbursable costs
Goleta	33,650	190,967	18,791	243,408.23	254,007	(10,599)
Carp	22,433	127,312	12,527	162,272.15	169,338	(7,066)
Solvang	11,217	63,656	6,264	81,136.08	84,669	(3,533)
Buellton	11,217	63,656	6,264	81,136.08	84,669	(3,533)
Unincorporated	207,035	1,174,962	115,616	-	1,562,824	-
Total	285,551	1,620,553	159,462	567,952.54	2,155,507	(24,730)

Total Contracted Services Area	General Fund Subsidy	Total Contract Amount	Total Cost	Total Unreimbursable Costs	17-18 Contract	Contract vs 17-18 Contract	Variance Percentage
Goleta	-	7,821,892	8,239,867	(417,974)	8,395,829	(573,937)	-7%
Carp	-	3,986,169	4,196,823	(210,654)	3,621,480	364,689	10%
Solvang	2/ (370,365)	1,767,448	2,251,261	(483,814)	1,656,158	111,290	7%
Buellton	4/ (372,211)	1,786,205	2,272,906	(486,700)	1,699,392	86,813	5%
Total	(742,575)	15,361,714	16,960,856	(1,599,142)	15,372,859	(11,145)	

ATTACHMENT 3

2018

Contract Law Enforcement Services

BILL BROWN
SHERIFF-CORONER

Keeping The Peace Since 1850

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AGREEMENT TO PROVIDE LAW ENFORCEMENT SERVICES

THIS AGREEMENT (hereafter Agreement) is made by and between the County of Santa Barbara, a political subdivision of the State of California (hereafter COUNTY) and the City of Buellton, an incorporated city having its principal place of business at 107 West Highway 246, P.O. Box 1819, Buellton, CA 93427, (hereafter CITY) wherein COUNTY agrees to provide and CITY agrees to accept the services specified herein.

WHEREAS, CITY has requested COUNTY, through its Sheriff's Office, to provide law enforcement services pursuant to a contractual agreement; and,

WHEREAS, the COUNTY, through its Sheriff's Office, has expressed willingness to provide law enforcement services on a cost reimbursement basis, as authorized by California Government Code sections 6500 et seq. and 51300 et seq.; and,

WHEREAS, in recognition that this Agreement represents significant cost to CITY, COUNTY recognizes its responsibility of fiscal stewardship and to that end, is committed to providing law enforcement services in a fiscally responsible manner.

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

1. **DESIGNATED REPRESENTATIVE.** The currently assigned City of Buellton Station Lieutenant at phone number (805) 688-5002 is the representative of COUNTY and will administer this Agreement for and on behalf of COUNTY. The City Manager at phone number (805) 688-5177 is the authorized representative for CITY. Changes in designated representatives shall be made only after advance written notice to the other party.

2. **NOTICES.** Any notice or consent required or permitted to be given under this Agreement shall be given to the respective parties in writing, by first class mail, postage prepaid, or otherwise delivered as follows:

To COUNTY:	Sheriff Bill Brown, P.O. Box 6427, Santa Barbara, CA 93160
To CITY:	City Manager, City of Buellton, 107 West Highway 246, P.O. Box 1819, Buellton, CA. 93427

or at such other address or to such other person that the parties may from time to time designate. Notices and consents under this section, which are sent by mail, shall be deemed to be received five (5) days following their deposit in the U.S. mail.

3. **SCOPE OF SERVICES.** COUNTY agrees to provide law enforcement services to CITY in accordance with **Exhibits A** through **A-2** and **Exhibit E** attached hereto and incorporated herein by reference.

4. **TERM.**

A. Basic Term. The term of this Agreement shall commence July 1, 2018, and continue through June 30, 2019, a one (1) year term, expiring on June 30, 2019, unless sooner terminated pursuant to Paragraph 12, Termination, below, or extended as described in Paragraph 4(B).

B. Extended Term. The term of this Agreement may be extended for two (2) successive periods of one (1) year each if the Sheriff and City Manager determine to so extend the term and written notice of such renewal is given to the other party at least six (6) months prior to expiration. The extended terms shall be referred to as the First Extended Term and Second Extended Term.

C. Appropriations Limitation. CITY and COUNTY each acknowledge that annual budgetary appropriations in future years for payment and services hereunder are subject to the approval of their respective legislative bodies.

5. **STANDARD OF PERFORMANCE.** COUNTY represents that it has the skills and expertise necessary to perform law enforcement services required under this Agreement, as described in **Exhibit A**.

6. **COMPENSATION OF COUNTY.** COUNTY shall be paid for performance under this Agreement in accordance with the terms of **Exhibit B and C** attached hereto and incorporated herein by reference.

7. **INDEMNIFICATION AND INSURANCE.** CITY and COUNTY agree to defend, indemnify and save harmless each other and to procure and maintain insurance in accordance with the provisions of **Exhibit D**, attached hereto and incorporated herein by reference.

8. **OWNERSHIP OF EQUIPMENT.** COUNTY shall be the owner of all items incidental to the performance of this Agreement. Equipment or supplies purchased by CITY to aid in the performance of law enforcement services shall remain the property of CITY. No transfer of ownership of equipment from COUNTY to CITY shall occur as a result of this agreement. It is understood that COUNTY shall provide all equipment and supplies necessary to the performance of this Agreement and that any CITY-owned equipment and supplies are provided voluntarily. CITY and COUNTY shall have no obligation to maintain or replace any CITY-owned equipment and supplies.

9. **INDEPENDENT CONTRACTOR.** It is expressly understood between the parties to this contract that no employer/employee relationship is intended; the relationship of COUNTY to CITY being that of an independent contractor and CITY and COUNTY retain sole and independent liability for the actions of the employees of each.

10. **NONDISCRIMINATION.** COUNTY hereby notifies CITY that COUNTY'S Unlawful Discrimination Ordinance (Article XIII of Chapter 2 of the Santa Barbara County Code) applies to this Agreement and is incorporated herein by this reference with the same force and effect as if the ordinance were specifically set out herein and CITY agrees to comply with said ordinance.

11. **NONEXCLUSIVE AGREEMENT.** CITY understands that this is not an exclusive Agreement and that COUNTY shall have the right to negotiate with and enter into contracts with other Santa Barbara County cities and/or other entities to provide the same or similar services.

12. **ASSIGNMENT.** Neither party shall assign any of its rights nor transfer any of its obligations under this Agreement without the prior written consent of the other party and any attempt to so assign or so transfer without such consent shall be void and without legal effect and shall constitute grounds for termination of this Agreement.

13. **TERMINATION.**

A. By COUNTY

1. Termination for Convenience. COUNTY may terminate this Agreement upon Three Hundred Sixty Five (365) days' written notice. Upon the date of termination, COUNTY shall cease work and notify CITY as to the status of its performance.

2. Termination for Cause. Should CITY default in the performance of this Agreement or materially breach any of its provisions, COUNTY may, at COUNTY'S sole option, terminate this Agreement by Ninety (90) days written notice.

B. By CITY

1. Termination for Convenience. CITY may terminate this Agreement upon Three Hundred Sixty Five (365) days' written notice.

2. Termination for Cause. Should COUNTY default in the performance of this Agreement or materially breach any of its provisions, including by failing to provide CITY all or any part of the services set forth in Exhibit A, CITY may, at CITY'S sole option, terminate this Agreement by Ninety (90) days written notice..

Notwithstanding any other payment provision of this Agreement, CITY shall pay COUNTY for service performed to the date of termination, including any prorated amount of compensation due hereunder less payments, if any, previously made.

14. **SECTION HEADINGS.** The headings of the several sections, and any table of contents appended hereto, shall be solely for convenience of reference and shall not affect the meaning, construction or effect hereof.

15. **SEVERABILITY.** If any one or more of the provisions contained herein shall for any reason be held to be invalid, illegal, or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions hereof, and such invalidity, illegality or unenforceability shall not affect any other provision hereof, and this Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.

16. **REMEDIES NOT EXCLUSIVE.** No remedy herein conferred upon or reserved to the parties is intended to be exclusive of any other remedy or remedies, and each and every such remedy, to the extent permitted by law, shall be cumulative and in addition to any other remedy given hereunder or now or hereafter existing at law or in equity or otherwise.

17. **TIME IS OF THE ESSENCE.** Time is of the essence in this Agreement and each covenant and term is a condition herein.

18. **NO WAIVER OF DEFAULT.** No delay or omission of by either party to exercise any right or power arising upon the occurrence of any event of default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein; and every power and remedy given by this Agreement to each party shall be exercised from time to time and as often as may be deemed expedient in the sole discretion of the exercising party.

19. **ENTIRE AGREEMENT AND AMENDMENT.** In conjunction with the matters considered herein, this Agreement contains the entire understanding and agreement of the parties and there have been no promises, representations, agreements, warranties or undertakings by any of the parties, either oral or written, of any character or nature hereafter binding except as set forth herein. This Agreement may be altered, amended or modified only by an instrument in writing, executed by the parties to this Agreement and by no other means. Each party waives its future right to claim, contest or assert that this Agreement was modified, canceled, superseded, or changed by any oral agreements, course of conduct, waiver, or estoppel.

20. **SUCCESSORS AND ASSIGNS.** All representations, covenants and warranties set forth in this Agreement, by or on behalf of, or for the benefit of any or all of the parties hereto, shall be binding upon and inure to the benefit of such party, its successors and assigns.

21. **COMPLIANCE WITH LAW.** Both parties shall, at their sole cost and expense, comply with all applicable City, County, State and Federal ordinances and statutes now in force or which may hereafter be in force with regard to this Agreement.

22. **CALIFORNIA LAW.** This Agreement shall be governed by the laws of the State of California. Any litigation regarding this Agreement or its contents shall be filed in the County of Santa Barbara, if in state court; or in the federal district court nearest to Santa Barbara County, if in federal court.

23. **EXECUTION OF COUNTERPARTS.** This Agreement may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts, or as many of them as the parties shall preserve undestroyed, shall together constitute one and the same instrument.

24. **AUTHORITY.** The parties to this Agreement warrant and represent that they have the power and authority to enter into this Agreement in the names, titles and capacities herein stated and on behalf of any entities, persons, or firms represented or purported to be represented by such entity(ies), person(s), or firm(s) and that all formal requirements necessary or required by any state and/or federal law in order to enter into this Agreement have been fully complied with. Furthermore, by entering into this Agreement, COUNTY and CITY hereby warrant that each shall not have breached the terms or conditions of any other contract or agreement to which COUNTY or CITY is obligated, which breach would have a material effect hereon.

25. **PRECEDENCE.** In the event of conflict between the provisions contained in the numbered sections of this Agreement and the provisions contained in the Exhibits, the provisions of the Exhibits shall prevail over those in the numbered sections. In the event of conflict between the provisions contained in the numbered sections of this Agreement, Exhibits and subsequent contract Amendments, the most current contract Amendment shall prevail over the provisions, Exhibits and/or prior Amendments.

26. **DISPUTE RESOLUTION PROCESS.** Before commencing any legal proceeding in any court of law, any controversy, arising out of or relating to this Agreement, its enforcement, or interpretation, including claims of an alleged breach (but excluding a dispute regarding the level of service subject to procedure set forth in Paragraph 2.B. of Exhibit A) shall be first submitted to non-binding mediation. Written notice stating the basis of the dispute, including the amount disputed, if any, shall be provided to the other party within thirty (30) days of the event giving rise to the dispute. During the next thirty (30) days following receipt of notice, the parties shall engage in good faith efforts to resolve the dispute through the appropriate internal hierarchy of each agency. If the dispute remains unresolved, the matter shall be referred to a neutral mediator agreed to by both parties. If the parties cannot agree on a mediator, the mediator shall be appointed

pursuant to the Commercial Arbitration Rules of the American Arbitration Association, unless the parties mutually agree to choose the mediator in another manner. The mediator shall hear presentations and documentary evidence from the parties. The rules of evidence shall not apply to the mediation. At the conclusion of the mediation, the mediator shall render a written decision. Any costs of retaining the services of the mediator shall be shared equally by the COUNTY and CITY. The parties intend that the dispute resolution procedures provided for hereunder shall be conducted in as expeditious a manner as possible.

27. **AGREEMENT NOT CONSTRUED AGAINST DRAFTER.** This Agreement has been negotiated and prepared by the parties and their respective counsel, and should any provision of this Agreement require judicial interpretation, the court interpreting or construing the provision shall not apply a rule of construction that a document is to be construed against one party.

//
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IN WITNESS WHEREOF, the parties have executed this Agreement to be effective July 1, 2018 after it is fully executed by the appropriate CITY, and COUNTY officials.

COUNTY OF SANTA BARBARA

By: _____
DAS WILLIAMS
CHAIR, BOARD OF SUPERVISORS

Date: _____

ATTEST:
CLERK OF THE BOARD
DEPUTY MICHAEL ALLEN

By: _____

APPROVED AS TO FORM:
MICHAEL C. GHIZZONI
COUNTY COUNCIL

By: _____

APPROVED AS TO FORM:
RAY AROMATORIO
RISK MANAGER

By: _____

APPROVED AS TO FORM:
THEO FALLATI
AUDITOR-CONTROLLER

By: _____

APPROVED AS TO FORM:
SHERIFF BILL BROWN,
SANTA BARBRA SHERIFF'S OFFICE

By: _____

CITY OF BUELLTON

By: _____
HOLLY SIERRA
MAYOR OF BUELLTON

Date: _____

ATTEST:
CITY CLERK
LINDA REID

By: _____

CITY OF BUELLTON
STEPHEN A. McEWEN
CITY ATTORNEY

By: _____

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Exhibit A: Statement of Work

The purpose of Exhibit A is to describe and define the type and level of work to be performed.

1. **Delivery of Services.**

COUNTY, through its Sheriff's Office, shall deliver general law enforcement services within the incorporated limits of the City of Buellton according to the terms and conditions set forth herein. It is the goal of the Sheriff's Office to provide a high level of professional excellence; respond to calls for service promptly; protect lives and property to the best of its ability; practice community oriented policing and conduct itself in a manner that promotes trust and legitimacy and is participatory in community matters and events; initiate programs that prevent and deter crime or improve the quality of life; stay abreast of modern policing methods and technology; and apprehend criminal offenders.

2. **General Law Enforcement Services.**

A. COUNTY agrees to provide general law enforcement services for CITY, which include 24/7 police patrol; criminal investigation/detectives; technical services; direct support and administrative functions; emergency Dispatch; general traffic enforcement, accident investigation, and parking control; all services included within a Deputy Sherriff Service Unit, as defined in Exhibit A-1; and all Specialized Law Enforcement Functions, as defined in Paragraph 2.C.

1. Labor and Materials. COUNTY shall supply all necessary labor, supervision, equipment, communication facilities, and supplies necessary to perform all duties and functions to maintain the level of service to be rendered hereunder. Notwithstanding anything contained herein, in all instances where special supplies, stationery, notices, forms and the like must be issued in the name of CITY, the same shall be supplied by CITY at CITY'S cost and expense.

2. Marked Vehicles. The Sheriff's Office may authorize defined areas of patrol vehicles to display CITY insignia indicating they are CITY police vehicles. If CITY elects to display approved CITY insignia the cost of such insignia will be at CITY expense.

3. Prosecution of Offenses. CITY and COUNTY shall continue their existing practice regarding the prosecution of offenses, with CITY responsible for the prosecution of infractions and City Ordinances, and COUNTY, through the District Attorney's Office, responsible for the prosecution of all other offenses. There shall be no cost effect on the parties under this Section.

4. Custody and Coroner Functions. It is generally understood by both parties at this writing that current law requires conventional custody and coroner functions be provided at the COUNTY'S obligation and expense throughout the County of

Santa Barbara regardless of incorporated or unincorporated boundaries. CITY, therefore, will not be invoiced for custody or coroner services. This item is also addressed in Exhibit B, Paragraph 1(B)

B. Level of Service.

1. Level of Service Recommendation. The level of service, workplace and/or geographic boundaries for general law enforcement services to CITY will be recommended by COUNTY by November 1 of each year with service level adjustments occurring July 1 of the following year. The level of service refers to the sum of Deputy Sheriff Service Units (as defined in Exhibit A-1) ordered, supervision, contract management, support functions, equipment, capital structures, major assets, services, supplies, and other incidental costs attributable to the provision of general law enforcement services within the then current geographic boundaries of CITY. In consultation with COUNTY, CITY may enhance the level of law enforcement services as defined under Paragraph 3, "Supplemental Law Enforcement Services."

2. Level of Service Adjustment.

a. Adjustment Recommendation by COUNTY. If COUNTY proposes to raise the level of service above the level of service provided in the prior year, COUNTY shall provide CITY, along with its recommendation, data supporting its determination that a higher level of service is necessary to protect public and officer safety along with its recommendation. If requested by CITY, COUNTY will discuss alternative service options.

b. Adjustment Request by CITY. If CITY wishes to reduce the level of service below the level of service provided in the prior year, CITY shall make a written request to COUNTY within 30 days of the date it receives COUNTY'S level of service recommendation. CITY shall provide information supporting its request for a reduction in service level.

c. Consideration of Adjustment. The parties agree to work in good faith to review and consider the adjustment recommendation or request, including providing any supporting information or data that either party may request to support the recommendation or request.

3. Level of Service Review. If the parties do not come to agreement on an adjustment recommendation or request through the process set forth in Paragraph B.2., CITY may request review from the Undersheriff. The Undersheriff shall engage in a face-to-face meeting with the CITY to review the recommendation or request and shall consider the CITY'S position in good faith. The parties shall make all reasonable efforts to complete this process by April 15 of any year in which the process is utilized.

4. Minimum Level of Service. COUNTY is under no obligation to allow a minimum level of service that jeopardizes public or officer safety. If the level of service review, as set forth in Paragraph 2.B.3., is completed and the parties do not come to an agreement regarding the required level of service, the parties agree that the Sheriff shall have final authority to determine minimum level of service for this Agreement.

5. Amendment. If the foregoing process results in an increase or decrease to levels of service, the parties shall prepare and execute a written amendment to this Agreement as to the terms and conditions of the increase or decrease; all other terms set forth in this Agreement shall continue in full force and effect.

C. Specialized Law Enforcement Functions. Specialized law enforcement functions, such as: K-9; Mounted Unit Patrol; Search & Rescue; Hostage Negotiations; Special Enforcement (SWAT) Team; Dive Team, Hazardous Devices Team, Professional Standards Investigations, Reserve Forces; Fugitive/Warrant Detail; and/or Helicopter/fixed wing patrol are included in the cost of a Deputy Service Unit, described in Exhibit A-1, and may also be provided within the City Limits as needed and when deemed appropriate by COUNTY. CITY will not be invoiced separately for these services unless the service is requested by CITY as described in Section 3.

D. Grant Administration. The Administrative function will also include the ability and authority for COUNTY to apply, administer and implement grant opportunities for the benefit of CITY with the expressed written permission of the Designated Representative of CITY.

E. Service Limitations of COUNTY. All references to General Law Enforcement Services contained in this Agreement are references only to services that shall be delivered under the terms of this Agreement.

3. **Supplemental Law Enforcement Services.**

A. Additional Level(s) of Service.

1. Definition. Additional Level(s) of Service refers to supplemental or specialized law enforcement services not included in, "General Law Enforcement Services," as defined in Section 2, above. CITY may request an additional level of service such as, but not limited to: dedicated traffic enforcement, Community or School Resource Officers, dedicated specialty units (k-9, gang enforcement, etc.) or grant programs that are within the legal authority of COUNTY to provide. Another example is the application, administration and implementation of a supplemental grant program. Other supplemental law enforcement services are set forth in Exhibit A-1. CITY may request this additional level of service in writing to COUNTY'S Station Lieutenant. COUNTY will consider CITY'S requests and, at its option, implement these requests with any additional, actual expense invoiced to CITY.

2. Grant Programs. If the additional level of service is tied to a grant program, CITY will be invoiced for actual, additional costs above the grant award for the applicable time period unless COUNTY and CITY agree otherwise. This assumes that any grant funds are received directly by COUNTY. CITY may request and COUNTY may provide cost estimates prior to the implementation of a grant and/or program. CITY understands that actual, additional costs may vary slightly (high or low) from original estimates. Any supplemental, material expenses related to ongoing programs will be recommended by COUNTY to CITY in advance of purchase. CITY understands and accepts that if a supplemental item related to an ongoing program is not approved by CITY, COUNTY may exercise the option to refrain from further work on the grant or program. COUNTY will apply Departmental and/or County overhead to a grant cost when the provisions of the grant allow for the accounting of overhead expense. CITY understands and accepts that the net cost of grant overhead may become an expense to CITY when other provisions are not agreed upon in writing by both parties in advance of the implementation of the grant. CITY understands and accepts any ongoing fiscal, staffing, and/or programmatic obligations incurred in the acceptance of a grant. An example of such an obligation may include a grant requirement to retain a staffing position for a time period beyond the original grant award period.

B. One-time or Periodic Law Enforcement Services.

1. Definition. One-time or Periodic Law Enforcement Services refers to the provision of periodic or one-time enhancements to the level of general law enforcement services provided, such as, but not limited to: additional security for special events and seasonal staffing. These planned and/or unplanned events usually require additional, short-term law enforcement services. For planned events, upon written request of CITY to COUNTY, COUNTY will review and recommend the appropriate level of service for the event or occurrence and provide CITY with services within the available staffing and legal authority of COUNTY. In the instance of an unplanned event or emergency requiring law enforcement services in order to maintain public safety, COUNTY will immediately respond with an additional level of law enforcement service as determined by COUNTY in accordance with existing mutual aid agreements.

2. City Cost. CITY will be invoiced for actual, additional costs of any and all one time or periodic law enforcement services unless there exists no actual, additional cost (process described in Paragraph 3(B)(4) herein). CITY may request a written cost estimate in advance of a planned event and CITY understands and accepts that actual, additional costs of the event may vary (high or low) from the estimate.

3. Request Process for Planned Events. The request for additional law enforcement services for planned events shall be memorialized in writing, printed or electronic, between the two parties through their respective Designated

Representatives. The writing will describe the nature of the event, specific dates, times and addresses and may include a suggested level of service. The CITY will provide COUNTY with as much advance notice as is possible and practical prior to the event, for COUNTY scheduling purposes.

4. Provision of One-time or Periodic Services. COUNTY shall grant such requests if and when it is capable of doing so. This will first be accomplished using existing staff during regularly scheduled work hours if/when the provision of such services would not unreasonably interfere with the Sheriff's provision of general law enforcement services to the unincorporated portion of the County. If the request can be accomplished within the regularly scheduled hours that are already included within this Agreement, there may be no actual, additional expense incurred by CITY. The second staffing priority will be the use of additional personnel through overtime scheduling of the Sheriff's Office staff. The third staffing priority will be provided by means of COUNTY'S request of additional personnel from a neighboring law enforcement agency. COUNTY shall provide notice to CITY prior to providing service under the second or third staffing priority, when feasible. Any additional personnel and/or equipment used in the provision of supplemental law enforcement services will be invoiced above the base agreement amount in a manner described in Exhibit B. The priorities set forth herein are designed to keep CITY'S costs to a minimum and are consistent with current practice.

4. **Personnel Management.**

A. Hiring, Training and Discipline of Staff. The hiring, training, discipline and/or control of all Sheriff's Office personnel employed under this Agreement shall remain under the appropriate chain-of-command within COUNTY Sheriff's Office. All persons employed in the performance of services and functions for CITY pursuant to this Agreement shall be COUNTY employees.

B. Exclusive Authority. Subject to the terms of this Agreement, the Sheriff shall retain exclusive authority over the activities of his/her personnel. The planning, organization, scheduling, direction, supervision, standards of performance and discipline of Sheriff's personnel, and all other related matters incidental to the delivery of General Law Enforcement Services to CITY shall be as determined by the Sheriff. Nothing herein shall be deemed to limit the Sheriff's authority to move, transfer and/or discipline Sheriff's Office personnel as Sheriff in his/her discretion deems appropriate.

C. City Personnel Consultations and Recommendations. CITY may request to be consulted on the selection or replacement of the station Lieutenant, who will represent the Sheriff as Chief of Police, and any personnel for any position related to supplemental law enforcement services of a specialized nature that the CITY has requested. CITY may request review or transfer of Sheriff's personnel as a consequence of services and functions performed under this Agreement, and such request shall be considered in good faith by Sheriff in determining the appropriate course of action, if any. CITY may make these requests through the Station Lieutenant.

D. Employee Pay Issues. CITY shall not assume any liability for the direct payment of any salaries, wages or other compensation to any COUNTY personnel performing services hereunder for CITY, including liability for workers' compensation claims or injury or illness arising out of COUNTY personnel's performance of this Agreement (aside from costs included within the Deputy Sheriff Service Unit as defined in Exhibit A-1). Except as otherwise provided herein, no person employed by COUNTY hereunder shall have any rights to pension, civil service, or other status or right from CITY by virtue of this Agreement; and no CITY employee shall have any rights to pension, civil service or other status or right from COUNTY by virtue of this Agreement.

E. Orientation. Personnel assigned to CITY pursuant to the terms of this Agreement shall receive appropriate orientation regarding the special characteristics and needs of CITY. Training shall include familiarization with CITY municipal codes, key CITY staff and CITY departments that will interact with Sheriff personnel.

5. **Enforcement of Laws.**

Sheriff shall enforce the statutes of the State of California and the municipal police ordinances of CITY. When requested, Sheriff will assist in the enforcement of CITY Code provisions in cooperation with CITY'S staff and Code Enforcement personnel.

6. **Mutual Cooperation.**

To facilitate the delivery of services under this Agreement, COUNTY shall have full cooperation and assistance from CITY, its officers, agents and employees and CITY shall have full cooperation and assistance from COUNTY, its officers, agents and employees.

7. **Maintenance of Records.**

COUNTY shall keep reasonably itemized and detailed records and reports as required by law, grants and/or generally accepted accounting principles on behalf of CITY. CITY records shall be maintained by COUNTY pursuant to COUNTY practice and as required by law, and shall be available to CITY for inspection after reasonable prior notice to COUNTY. CITY understands and accepts that various records may be destroyed after specific time periods have passed and thus unavailable for inspection.

8. **Monthly and Annual Reports.**

Within Fifteen (15) working days after the end of each calendar month, COUNTY via the Sheriff's Law Enforcement Contract Services Unit, shall provide CITY a monthly report of law enforcement service statistics as set forth in Exhibit A-2 hereto. These monthly reports will also be summarized in a quarterly report. COUNTY further shall provide CITY an annual report if/when applicable. COUNTY and CITY may work together to modify the format and content of the report as needed and when practical.

Exhibit A-1: Deputy Sheriff Service Unit

Sheriff's services are generally provided in the form of Deputy Sheriff Service Units (DSSU). One DSSU is equivalent to the sworn and support personnel required to staff one patrol position 24 hours a day for 1 year.

One Deputy Sheriff Service Unit equates to:

A sufficient number of Sheriff Deputies to provide for 24-hour coverage, seven days a week for one year, including relief (lost time). This equates to 8,760 hours of service to CITY a year per DSSU ordered. If for any reason the Sheriff falls below 98% compliance in providing this level of service, CITY will not be charged for the shortage. CITY will also be entitled to an explanation for the shortage of service and a proposed resolution.

Since timekeeping is a critical component of a DSSU, COUNTY is committed to ensuring that COUNTY is appropriately tracking time. COUNTY agrees that it will provide training and updates to its sworn and support personnel and will also audit the timekeeping system periodically. CITY will be provided with monthly reports to demonstrate time compliance reporting as described in Exhibit A-2.

Additionally, all management, supervision, investigative support, administrative support, overtime and supply costs are included. This ensures that there are no unexpected cost increases to the city for the annual duration of the contract. The costs for all services and supplies, relief (lost time) factors, overtime, labor, and insurance costs will be calculated each year based on prior year actual costs and provided to CITY prior to the end of the current fiscal year.

The following are Supplemental Law Enforcement Services available for purchase, also referred to as menu items:

Deputy Sheriff

- Additional deputy to enhance patrol functions or focus on specific interests and needs of CITY.

School Resource Deputy

- Typical duties involve enforcement of state, local and education code laws.
- Liaison between school officials, City staff and the Sheriff's Office.
- Provide education classes to students, parents and community members impacted by the school.
- Complete School related projects as directed.
- Investigate youth related offenses related to the school on and off campus.

Community Resource Deputy

- Typically works as a liaison between CITY staff and Sheriff's personnel.
- Works cooperatively with the City Manager, or designee, and the Station Lieutenant; focuses on interests unique to the city.
- Develops crime prevention programs and provides public education and instruction.
- Typically assists with coordinating CITY sponsored events.

Detective

- Investigates general or specific criminal violation cases developed by patrol personnel.

Sergeant

- Supplemental supervision for groups of deputies assigned to similar duties or projects.

Administrative Office Professional

- Clerical staff assigned to process incident, crime and traffic reports.
- Responsible for records processing and information coordination with the District Attorney and other local state and federal agencies.

Sheriff's Service Technician

- Under general supervision performs a variety of non-sworn technical and clerical based administrative duties in the office and the field. Supports sworn law enforcement personnel by performing tasks that do not require a sworn deputy to perform.

Supplemental Law Enforcement Services include overhead costs. They can be provided with or without a relief factor.

Exhibit A-2: Monthly Sheriff's Report
List of Collected Statistics

Crime Report Statistics

Criminal Homicide
Robbery
Burglary- Residential
Burglary- Institutional
Vehicle Theft
Theft
Theft- Recovery Value

Forcible Rape
All Assaults
Burglary- Commercial
Burglary- All Others
Vehicles Recovered
Theft- Value

Traffic Statistics

Accidents
Person Injured
Persons Killed
DUI Arrests
Towed Vehicles

Injury Collisions
Fatal Collisions
Citations
AB321 Violations

Caseload

Felony Arrests

Misdemeanor Arrests

Potential Homeless/Transient Contacts

Number of Contacts

Time Spent on Calls

Deputy Sheriff Service Unit Hours

Time spent on calls for service
Time spent on report writing and administrative duties
Proactive patrol and Crime Prevention activities

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Exhibit B: Payment Methodology

1. **General Compensation.**

A. Reimbursable Expenses. Subject to the terms of this Agreement, CITY shall pay to COUNTY the costs incurred by COUNTY in providing the services contracted for or otherwise authorized under the terms of this Agreement, including:

- Salaries and benefits of all COUNTY officers and employees engaged therein for positions defined in Exhibit A-1: Deputy Sheriff Unit;
- Direct supervision;
- Clerical support;
- Contract Law Enforcement Services Unit;
- Direct services and supplies;
- Department-applied overhead;
  (a percent applied to salaries and benefits expenses only);
- A proportionate share of Law Enforcement Dispatch and Records;
- Management services;
- Any actual, additional costs associated with supplemental law enforcement services (as described in Exhibit A, Paragraph 3); and,
- Any other mutually agreed upon expense that arises during the term of the AGREEMENT. Examples include CITY'S request to participate in a COUNTY bid process, or sharing a purchasing contract for the purpose of quantity discount to the benefit of both parties.

B. COUNTY Obligations. CITY will not be billed for general overhead costs of operation of the County government until or unless authorized by applicable provisions of the then-current Government Code. COUNTY shall not charge CITY for any service or function performed by the COUNTY attributable to services made available to all portions of the County, such as Custody or Coroner services, as referenced in Exhibit A (2)(B).

2. **Annual Recomputation of Compensation**

A. Recomputation of General Law Enforcement Services. Except as otherwise specified hereinafter, the total amount charged for General Law Enforcement Services, as defined in Exhibit A, Paragraph 2, shall be recomputed annually with an estimate provided by COUNTY on or before November 1st of each calendar year for the following fiscal year, with the fiscal year defined as July 1st through June 30th. A final recomputation will be provided by COUNTY for the fiscal year beginning July 1st on or before January 15th of the same year. The recomputation calculation shall be determined by COUNTY based on actual costs of providing General Law Enforcement Services described in Exhibit A, Paragraph 2, from the previous fiscal year. The recomputation formula will specifically include actual

costs for items specified in Exhibit B, Paragraph 1. The total agreement amount for the applicable fiscal year will be effective July 1st of that fiscal year, subject to review by CITY as provided in Exhibit A, Paragraph 4, above. Staff representatives of COUNTY and CITY are advised to meet during the calculation process and prior to any formal presentation before their respective governing bodies. In the event cost increases will have a detrimental impact to the CITY'S budget, Sheriff will meet with CITY, upon its request, and discuss staffing adjustments to mitigate costs, provided service levels do not drop below safe levels as described in Exhibit A, section 2(B)(1).

1. The annual cost computation will be provided to CITY as Exhibit E-1 and will be referred to as First (1st) Annual Cost Computation, Second Annual Cost Computation if this Agreement is extended, and Third (3rd) Annual Cost Computation if this Agreement is further extended.

B. Increases to Service Level Requested by City. In the event that CITY desires to increase the then-existing type or level of staffing provided under the terms of this Agreement - in addition to other procedures set forth in this Agreement - CITY will make a written request to COUNTY in December of each year for changes to be applied to the succeeding fiscal year. CITY'S request shall detail the specific type and level of staffing CITY desires, with CITY acknowledging that the costs of such services may impact the total, negotiated agreement for the relevant fiscal year. COUNTY shall review said annual request within thirty (30) days of COUNTY'S receipt thereof and acknowledge acceptance or rejection by letter to CITY'S Designated Representative. Upon notice from COUNTY of acceptance or partial acceptance of said request, and the cost of providing the type or level of staffing therein agreed upon, the parties shall prepare and execute a written amendment to this Agreement as to the terms and conditions set forth in said annual request and acceptance; all other terms set forth in this Agreement shall continue in full force and effect. In the event COUNTY rejects all or any portion of said annual request, the then-existing type and level of staffing shall remain in full force and effect, as modified by the acceptable portions of said annual request, until such time that the parties reach agreement as to the rejected portions of said annual request. An increase in level of service recommended by COUNTY, or decrease requested by CITY, is subject to the procedures set forth in Paragraph 2 of Exhibit A and not this Paragraph.

C. Payment Process. The total estimated cost for the applicable fiscal year will be divided by twelve (12) months and invoiced monthly to CITY for full payment on or before the 25th of the applicable month in which services are rendered. For example, law enforcement services provided in the month of July are due July 25th. The purpose of this specific due date is to match earned obligations with earned receipts in the same accounting period, which benefits both parties administratively. CITY'S payment shall be made by check or electronic transfer. A check shall be made payable to the order of, "Santa Barbara County Sheriff's Office" and mailed to the COUNTY address specified in Paragraph 1, Designated Representative, unless otherwise directed in writing by COUNTY. If such payment is not delivered to the COUNTY office within thirty days of the respective due date, COUNTY is entitled to recover interest thereon. Said interest

shall be assessed using the COUNTY'S pooled interest rate in effect at the time; it shall commence thirty (30) days after the date of the invoice and continue until such time as the payment is delivered to the COUNTY office described on said invoice.

D. Revised Exhibit C. A revised Exhibit "E", (to be called Exhibit E-1, E-2, etc., and dated with the effective date of said Exhibit) shall be provided by COUNTY to CITY showing rate adjustments and the consequent adjustment in monthly compensation due COUNTY whenever there is any recomputation of compensation due COUNTY. Any such revised Exhibit E shall constitute an amendment to this Agreement upon signature by the City Manager, or his designee, and the Sheriff on behalf of the COUNTY. The format of Exhibit E may be revised from time-to-time according to current accounting practices, service changes, CITY-requested changes in format or other unforeseen circumstances at the time of this Agreement.

E. Future Annexation. In the event that CITY annexes any new area near the incorporated City limits, COUNTY will continue or begin to provide law enforcement services to that annexed area under the terms of this Agreement. Additionally, within thirty (30) days of applicable annexation, the compensation due to COUNTY by CITY will be adjusted to serve the newly-annexed area(s).

3. **Additional Law Enforcement Services.**

A. Annual Agreement. CITY costs for One-time or Periodic Law Enforcement Services, as defined in Exhibit A, Paragraph 3, will not be included in the total contract amount.

B. Estimates. CITY may request an estimated cost from COUNTY as described in paragraph 2(A) for budget preparation and planning purposes for the fiscal year or in advance of a planned event. CITY understands and accepts that such an estimate in no way represents any minimum or maximum charge to CITY.

C. Cost Tracking & Invoicing. The actual, costs related to providing additional or special law enforcement services will be tracked through the COUNTY'S Financial System (currently referred to as "FIN") and reviewed prior to preparing a summary invoice. COUNTY will send an invoice to CITY within 90 days of the conclusion of the work performed. A detailed listing of these charges will be kept on file at the COUNTY office and made available to CITY upon written request. These records will be maintained for a period of one year after the date of the original invoice.

D. Payment Process. CITY payment for Additional or Supplemental Law Enforcement Services is due to the COUNTY within thirty (30) days of the date of the invoice. Payment will be made payable to: "Santa Barbara County Sheriff" and mailed to: Santa Barbara County Sheriff Dept., Attention: Business Office, P.O. Box 6427, Santa Barbara, CA 93160-6427. If such payment is not delivered to the COUNTY office within thirty days after the date of the invoice, COUNTY is entitled to recover interest thereon. Said interest shall be assessed using the COUNTY'S pooled interest rate in effect at the

time; it shall commence thirty (30) days after the date of the invoice and continue until such time as the payment is delivered to the COUNTY office described on said invoice.

4. **Miscellaneous**

A. Booking Fees. CITY will not be responsible for the payment of booking fees to COUNTY.

B. Third Party Reimbursements. CITY may seek direct reimbursement of Supplemental Law Enforcement Services from a third party when applicable. An example of an applicable situation occurs when CITY collects a fee or deposit from a film crew, pays COUNTY for services provided, and then charges the film crew for the expense from the deposit.

C. Facilities. COUNTY makes no guarantees regarding the negotiation of gratis "Store Front" facilities within the City for law enforcement use.

D. Capital Improvements. COUNTY makes no guarantees regarding law enforcement-related capital improvements within the City.

E. Other Law Enforcement Agencies. COUNTY makes no guarantees regarding the ability to negotiate services from other law enforcement agencies on behalf of CITY.

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Exhibit C: Cost Model

The cost model determines the cost of a Deputy Sheriff Service Unit based on the actual hourly cost of a Sheriff Deputy, which includes both direct and indirect costs of providing one hour of law enforcement services. This actual hourly cost is then multiplied by 8,760 hours in order to equate to the annual cost of one Deputy Sheriff Service Unit, as described in Exhibit A-1. The annual cost of one Deputy Service Unit is then multiplied by the quantity of Deputy Sheriff Service Units purchased by CITY to determine the total annual cost for general law enforcement services to be included in the total contract amount for the applicable fiscal year. The direct and indirect costs of providing one hour of law enforcement services are determined as follows:

1. Direct cost of a Sheriff Deputy. This is the average actual hourly cost of salary and benefits paid to the Sheriff Deputy employee classification for law enforcement services. The direct cost of a Sheriff Deputy excludes all costs of Sheriff functions which are made available to all portions of the County, such as custody and coroner, as well as all law enforcement programs and projects that are reimbursable from other sources.

2. Direct cost of support to a Sheriff Deputy. This is the average actual hourly cost of salary and benefits paid to the employee classifications that provide direct support to a Sheriff Deputy for one hour of work. This includes the chain of command supervising and managing a Sheriff Deputy (Sergeants, Lieutenants, Commanders, Chief) as well as other direct support staff. The direct cost of support to a Sheriff Deputy also excludes the functions, programs and projects excluded from the direct cost of a Sheriff Deputy.

3. Anticipated salary and benefits increases. The direct cost of a Sheriff Deputy and the direct cost of support to a Sheriff Deputy are estimated for the next fiscal year based on the prior fiscal year's actual average costs. In order for these estimated costs for the next fiscal year to more closely match the actual average costs for the next fiscal year, the prior year actual average costs are adjusted for anticipated salary and benefit increases, such as negotiated cost of living increases and project employer pension contribution changes. These adjustments help reduce the amount of any true-up required, as explained in 7. below, in order to match estimated costs billed to actual costs incurred.

4. Direct services and supplies and other charges. This is the actual hourly cost per a Sheriff Deputy of direct services and supplies and other charges incurred for law enforcement. This includes equipment maintenance, vehicle fuel, training, motor pool charges, liability insurance, and various other law enforcement expenditures. This also excludes any expenditures for functions, programs and projects that are excluded from the direct cost of a Sheriff Deputy.

5. Indirect Cost of Support and Administration. This is determined using the indirect cost rate calculated for the Sheriff's Support and Administration Division, including Cost Allocation Plan charges applied to Sheriff Law Enforcement. This rate is applied to the direct cost of a Sheriff Deputy and the direct cost of support to a Sheriff Deputy in order to determine the indirect costs applicable to law enforcement services. The rate is calculated annually by the Sheriff's Office and Auditor Controller in accordance with federal cost principles. The rate used for determining

indirect costs billable to cities excludes any costs that are general overhead costs of operation of the County government.

6. Public safety dispatch costs. This is the CITY'S proportionate share of the actual hourly cost of public safety dispatch costs incurred by the Sheriff for law enforcement. The CITY'S proportionate share is determined based on historical calls for law enforcement service within the City boundaries as a percentage of total calls for law enforcement services.

7. True-up to actual cost. Because the cost model estimates the costs for next year based on the prior year actual costs, a comparison of what was estimated and billed for next year and what the costs actually are will be performed after the close of next year. The difference, whether positive (due to actual costs exceeding estimated costs) or negative (due to estimated costs exceeding actual costs), is then included in the costs estimated for two years later in order to true-up the estimated costs billed next year to the actual costs incurred.

8. Contract Law Enforcement Services Unit. Costing for the Contract Law Enforcement Services Unit is determined by adding the total hours of all contracted law enforcement services for the prior fiscal year. The cost of the unit is then divided by the total number of contract hours for the year. The cost charged to CITY equates to the percentage of the total number of hours CITY received law enforcement services.

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Exhibit D: Special Indemnification & Insurance Provisions

The purpose of Exhibit D is to address liability & insurance issues.

1. Indemnification

A. Indemnification by CITY. CITY shall indemnify, defend and hold COUNTY and COUNTY'S agents, officers, elected officials, employees and volunteers, harmless from and against all claims, damages, losses, causes of action and expenses, including attorney's fees, for any personal injury, bodily injury, loss of life or damage to property, violation of any federal, state or municipal law, ordinance or constitutional provisions, including those circumstances where COUNTY lawfully enforces municipal ordinances that are later deemed or declared unconstitutional, or other cause which arises out of, relates to or results from the activities or omissions, negligent or otherwise, under this Agreement of CITY, and CITY'S officers, agents, elected officials and employees.

B. Indemnification by COUNTY. COUNTY shall indemnify, defend and hold CITY, and CITY'S agents, officers, elected officials, and employees, harmless from and against all claims, damages, losses, causes of action and expenses, including attorney's fees, for any personal injury, bodily injury, loss of life or damage to property, violation of any federal or state constitutional provisions, or other cause which arises out of, relates to or results from the activities or omissions, negligent or otherwise, under this Agreement of COUNTY, and COUNTY'S officers, agents, elected officials, employees and volunteers, including performing or authorizing the performance of, or in failing to perform or authorize the performance of any work, services or functions provided for, referred to in or in any way connected with any work, services or functions to be performed under this Agreement.

C. No Agency. Except as otherwise specified herein, for the purposes of this section, CITY shall not be deemed to be COUNTY'S agent and COUNTY shall not be deemed to be CITY'S agent.

D. Notification. Each party shall give the other prompt notification when it first learns of an incident or occurrence covered, or likely to be covered, under the terms of this section, as well as prompt notification if a claim is made or suit is brought against a party based on an incident or occurrence covered, or likely to be covered, by the terms hereof.

E. Continuing Obligation. To the extent that COUNTY has agreed to indemnify, defend and hold harmless CITY, its officers, agents and employees under this Agreement, said obligations shall continue to exist during the term of this Agreement and subsequent to this Agreement for those acts or omissions giving rise to liability which occurred during this Agreement. To the extent that CITY has agreed to indemnify, defend and hold harmless COUNTY, its officers, agents, elected officials, employees and volunteers under this Agreement, said obligations shall continue to exist during

the term of this Agreement and subsequent to this Agreement for those acts or omissions giving rise to liability which occurred during this Agreement.

2. <u>Insurance.</u>

Each party shall maintain its own insurance coverage, through commercial insurance, self-insurance or a combination thereof (which may include insurance through a joint powers insurance authority), against any claim, expense, cost, damage, or liability arising out of the performance of its responsibilities pursuant to this Agreement.

Minimum Scope of Insurance for both Parties to the Agreement.
Coverage shall be at least as broad as:

A. <u>Commercial General Liability (CGL).</u> Insurance on an "occurrence" basis, including products-completed operations, personal & advertising injury, with limits no less than $2,000,000 per occurrence and $4,000,000 in the aggregate. Each party shall name the other party as an additional insured on its policy.

B. <u>Automobile Liability.</u> Insurance covering any auto with policy limits no less than $2,000,000 per accident for bodily injury and property damage.

C. <u>Workers' Compensation.</u> Insurance as required by the State of California, with Statutory Limits, and Employer's Liability Insurance with limit of no less than $1,000,000 per accident for bodily injury or disease

D. <u>Primary Coverage.</u> For any claims related to this Agreement, the indemnitor's insurance coverage shall be primary insurance as respects the indemnitee, its officers, officials, employees, agents and volunteers. Any insurance or self-insurance maintained by the indemnitor, its officers, officials, employees, agents or volunteers shall be excess of the indemnitee's insurance and shall not contribute with it.

//
//

Exhibit E: Agreements Specific to the City of Buellton

The purpose of this section is to incorporate into this agreement needs specific to the City of Buellton

At the time of this writing COUNTY and CITY agree that all aspects of this service agreement are included. Any future changes that are specific to the City of Buellton and not other law enforcement service contracts provided by COUNTY will be included as Exhibit E after an agreement in writing is completed by both parties, with Sheriff representing COUNTY.

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Exhibit E-1
Annual Cost Computation
Fiscal Year 2018-19

CITY OF BUELLTON

City Council Agenda Staff Report

City Manager Review: MPB
Council Agenda Item No.: 9

To: The Honorable Mayor and City Council

From: Shannel Zamora, Finance Director

Meeting Date: May 24, 2018

Subject: Discussion and Direction on CalPERS Pension Funding

BACKGROUND

The purpose of this item is threefold:

- Provide background information to the City Council and the public regarding the issues surrounding the CalPERS Unfunded Accrued Liability (UAL)
- Provide the City Council several potential options to mitigate the City's UAL
- Provide recommendations to the City Council on which options are in the best financial interests of the City. The options being recommended would reduce the interest amount paid (Option 2) and provide for a "rainy" day fund (Option 3) in case the UAL situation worsens

Employees of the City of Buellton are members of the California Public Employees Retirement System (CalPERS), which is a defined benefit pension plan. CalPERS is funded through three sources: returns on the system's investment assets or portfolio, employee contributions by CalPERS members, and employer paid-contributions.

The following table illustrates the two separate retirement plans the City offers its employees. As of June 30, 2017, 18 retirees and 3 beneficiary survivors are receiving retirement benefits all which were on the Classic retirement plan.

	Classic	PEPRA
Hire Date	Prior to 1/1/13	on or after 1/1/2013
Benefit Formula	2% at 55	2% at 62
Vesting Schedule	5 years	5 years
Benefit Payments	Monthly for Life	Monthly for Life
Retirement age	55	62
Monthly Benefit as pecentage of compensation	2%	2%
Required Employee Contribution Rate	7%	6.50%
Required Employer Contribution Rate	9.599%	6.908%
Total Rate	16.599%	13.408%
Employees enrolled in Plan	12	7

CalPERS Funding History

- During the great recession, the CalPERS funding ratio decreased from 101 percent to 61 percent due to the following factors:
  - Investment losses during the great recession
  - Persons retiring earlier and living longer
  - Not enough PEPRA workers coming through to offset classic retirees
- In January 2013, California pension reform became law under Public Employees' Pension Reform Act (PEPRA), which reduced pension benefits for newly hired employees on or after January 1, 2013. However, savings from the reform will take many years to be realized.

CalPERS has taken the following actions since then:

- On December 21, 2016, the CalPERS Board of Administration took further action by lowering its discount rate from 7.5% to 7.00% over a phased in process for a total of five years beginning in Fiscal Year 18/19. Lowering the discount rate increases the City's unfunded liabilities. Thus, CalPERS implemented a 30-year amortization payment schedule for agencies to pay off their unfunded accrued liability (UAL) in 30 years.
- On February 14, 2018, the CalPERS Board of Administration reduced the agency's amortization policy from 30 years to 20 years. The above noted five-year phase in for the recent discount rate was not modified.
- Under previous CalPERS policy, gains and losses were phased in over five years. This resulted in significantly higher payments for 20 years then ramped down (lower payments) for the last five years. Under the policy CalPERS adopted on February 14, 2018, ramp up for gains and losses remains while the ramp down is eliminated which creates more uncertainty for cities. The amortization policy changes will be reflected in cities' June 2019 valuation reports, however, city budgets will not be impacted by the newly adopted policy until Fiscal Year 21/22. Cities that want to adopt the 20-year amortization plan sooner can work directly with CalPERS staff or pay as if they were in a 20-year amortization period.

Each year CalPERS issues annual actuarial valuation reports. The measurement date lags a couple years. The latest actuarial valuation report is dated August 2017 for the measurement date June 30, 2016, with payment due in Fiscal Year 18/19. Attachment 1 is the Classic Actuarial Report and Attachment 2 is the PEPRA Actuarial Report.

The purpose of these Actuarial Reports is to:

- Set forth the assets and accrued liabilities of the plan as of June 30, 2016;
- Determine the required employer contribution for the Fiscal Year 18/19; and
- Provide actuarial information as of June 30, 2016, to the CalPERS Board of Administration and other interested parties

The City of Buellton's funding status of each plan noted in Table 1 below is based on a 30-year amortization schedule. The calculation for these amounts can be found on Page 5 of Attachments 1 and 2.

Table 1

As of 6/30/16 Measurement Date			Required UAL Payment	Projected UAL Payment					
	Unfunded Liability(UAL)	Funded Ratio	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25
Classic	$ 2,072,456	74.30%	$ 124,305	$ 154,000	$177,000	$207,000	$232,000	$226,000	$239,000
PEPRA	$ 3,127	89.90%	$ 330	$ 490	$ 790	$ 850	$ 1,200	$ 1,400	$ 1,600
Total	**$ 2,075,583**		**$ 124,635**	**$ 154,490**	**$177,790**	**$207,850**	**$233,200**	**$227,400**	**$240,600**

The assumptions that the Actuarial Report used to determine the amount of the UAL shown in the above table are: demographics (ex. Life expectancy) and economic conditions (ex. Investment gains/losses).

The UAL payment for Fiscal Year 18/19 of $124,635 is due to CalPERS by July 31, 2018. Only the UAL portion of the employer contribution can be prepaid. As seen on the table above, the UAL is projected to increase about $116,000 by Fiscal Year 24/25.

In addition to the UAL, the City will be required to pay the normal cost for the Classic and PEPRA Plans (10.152% and 7.266% respectively) as a percentage of payroll. The normal cost contributions are reported to CalPERS every pay period as part of the normal payroll process. The total annual employer contributions to CalPERS are the sum of the UAL Payment and normal cost payments.

The City of Buellton's adopted budget for Fiscal Year18/19 for UAL is $107,100. The City of Buellton's required contribution for Fiscal Year 18/19 is $124,635 and a budget amendment will be required to account for the increase of about $17,900.

Options Cities can take to reduce the CalPERS burden

1) Option 1 - Reduce personnel costs and/or other services

The City will not have to reduce personnel costs nor reduce services to the City. The current Fiscal Year 18/19 Budget has a projected surplus that can accommodate the increase. In the long term, the City is expected to receive enough revenue in the next few years that can fund future personnel costs.

2) Option 2 - Pay down the unfunded liability faster by paying under a 20-year amortization schedule to reduce interest, or use one-time revenue to pay more than the required contribution for a particular base

The goal in the short term is to find ways to reduce or stabilize the required pension contribution and explore options that will provide budget flexibility to the City. Take for example, a mortgage. Usually mortgage loans are over a 30 year period and more interest is paid along with the principal. To reduce the interest on a mortgage loan, the loan is refinanced over a 15 year period. The monthly payment increases, but the principal is paid off faster, less interest is paid, and the total loan amount is reduced.

Attachment 3 illustrates two separate scenarios (30-year vs. 20-year) assuming a 2 percent cost of living adjustment (COLA) increase for full-time employees beginning Fiscal Year 19/20 for the next five years and focuses on the advantages of paying the amount of the 20-year amortization. Table 2 below compares the total employer contribution payments for the next seven years. The total is for both retirement plans (Classic and PEPRA) and consists of the employer normal cost plus the UAL amount. The 20-year amortization scenario allows for a savings of about $43,000.

Table 2

Total Employer Contribution	Scenario 1 30-Year Amortization	Scenario 2 20-Year Amortization	Scenario 2 vs Scenario 1
FY 17/18 Actual	$ 216,986	$ 216,986	$ -
FY 18/19	$ 267,920	$ 308,710	$ 40,790
FY 19/20	$ 306,872	$ 322,770	$ 15,898
FY 20/21	$ 344,920	$ 342,629	$ (2,291)
FY 21/22	$ 378,527	$ 351,442	$ (27,085)
FY 22/23	$ 407,000	$ 359,987	$ (47,013)
FY 23/24	$ 405,335	$ 369,708	$ (35,627)
FY 24/25	$ 421,903	$ 378,830	$ (43,073)
			$ -
Total Retirement Increase	$ 204,917	$ 161,844	$ (43,073)

Attachment 4 illustrates the comparison of payments between a 20-year amortization schedule and 30-year amortization schedule for both the PEPRA and Classic Plans. Table 3 summarizes the comparison between the UAL payment, peak payment date, peak payment amount, difference between highest payment and FY 18/19 contribution amount and total interest paid. In scenario one (30-year), the annual payments will increase on average $20,000 in the next seven years and will begin to scale down starting in Fiscal Year 24/25.

Table 3

Classic Plan	Scenario 1 30-Year Amortization	Scenario 2 20-Year Amortization	Scenario 2 vs Scenario 1
Amortization Base	$ 2,207,027	$ 2,207,027	$ -
FY 18/19 Payment	124,305.00	164,981.00	40,676.00
Peak Payment Date	FY 31/32	FY 37/38	
Peak Payment Amount	$ 238,807	$ 289,295	$ 50,488
FY 18/19 Payment vs. peak payment	$ 114,502	$ 124,314	$ 9,812
Total Interest Paid	$ 2,620,389	$ 2,226,067	$ (394,322)

In contrast, with scenario two (20-year), the payments are significantly higher in the first two years compared to the required contribution of $124,305. In the first two years, the City would be paying about $100,000 more than the required contribution for Fiscal Year 18/19. Beginning in Fiscal Year 20/21, the payments commence to grow at a much steadier pace until Fiscal Year 37/38 (Figure 1). This option allows for better budget stabilization and interest savings.

Figure 1

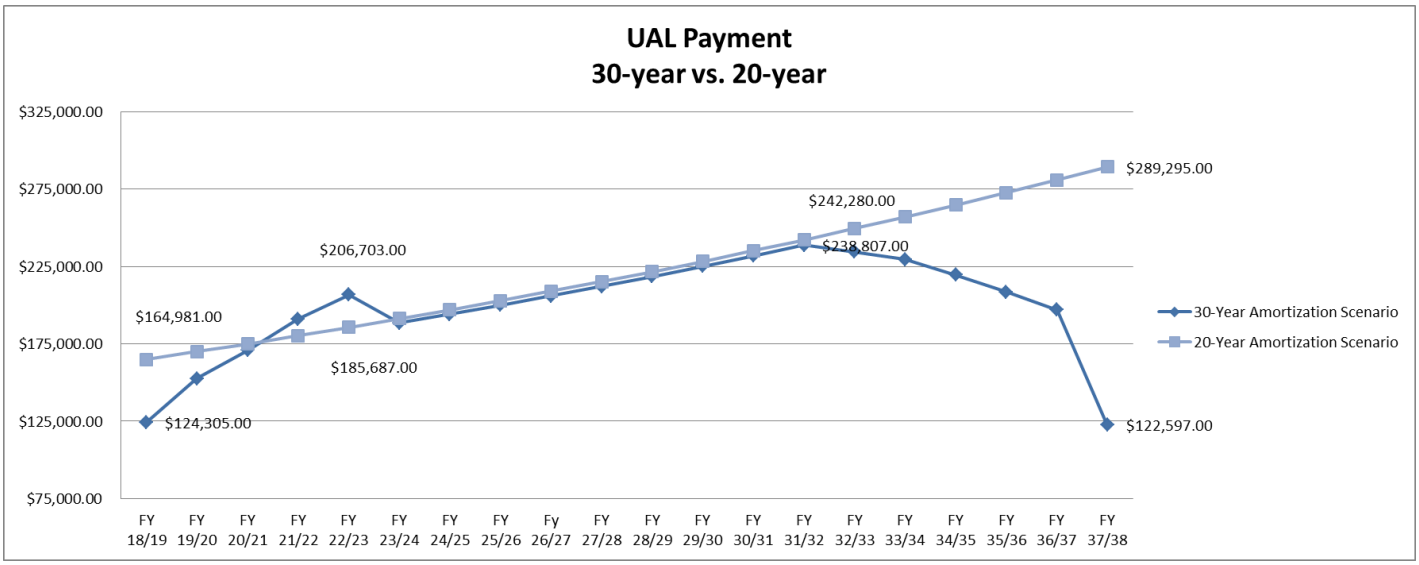

Table 4 summarizes the comparison between the UAL payment, peak payment date, peak payment amount, difference between highest payment and FY 18/19 contribution amount and total interest paid for the PEPRA plan.

Table 4

PEPRA Plan	Scenario 1 30-Year Amortization	Scenario 2 20-Year Amortization	Scenario 2 vs Scenario 1
Amortization Base	$ 5,945	$ 5,945	$ -
FY 18/19 Payment	330.00	444.00	114.00
Peak Payment Date	FY 33/34	FY 37/38	
Peak Payment Amount	$ 695	$ 779	$ 84
FY 18/19 Payment vs. peak payment	$ 365	$ 335	$ (30)
Total Interest Paid	$ 7,121	$ 5,997	$ (1,124)

Considering the PEPRA unfunded liability is under $6,000, it can be argued that the City should pay-off the whole liability amount. The benefits include accumulated interest savings and would show less liability on the Balance Sheet. This argument is partially correct. Paying off the PEPRA UAL does not guarantee that the City will no longer have a liability. Every year, a new base is calculated which may be positive or may be negative depending on the asset and liability experience on the plan. The advantage of paying the $5,945 PERPA liability now will be the savings in interest in the long-term.

3) Option 3 - Set-up a reserve account to fund future obligations and allocate a percentage of budget surplus to the pension reserve fund annually

Based on current budget projections for Fiscal Year 18/19, the General Fund revenue growth will be able to keep up with the future pension increases, and the City should utilize budget surpluses to address future pension cost. This sets-up a reserve policy for Pension Obligations. The City Council can create a policy that indicates what percentage of annual surpluses should be used to set-aside in the Pension reserve account. The advantage of this option is that the funds can be accessed any time to offset contribution rate increases (rate stabilization), or as a savings fund during economic downturns. The disadvantage of this option is that the asset will not reduce pension liability reported on the City's financial statements.

4) Option 4 - Fund Section 115 Irrevocable Pension Trust

Historically, Internal Revenue Code (IRC) Section 115 Irrevocable Trusts have been used to pre-fund Other Post-Employment Benefits (OPEB). In 2015, Public Agency Retirement Services (PARS) received a favorable private letter ruling from the Internal Revenue Service that allows public agencies to pre-fund pension obligations in a Section 115 Irrevocable Trust. This ruling allows the City to safely and securely set aside funds, separate and apart from the state retirement system, in a tax-exempt irrevocable trust to reduce pension liabilities and stabilize pension costs. Establishing a Trust for both rate stabilization and pre-funding will provide the City with an alternative to sending funds directly to CalPERS.

The advantages of a Section 115 Trust are: assets can be accessed any time to offset contributions, investments are less restricted than General Fund investments, more local control and oversight of investment fund management, the investment returns are higher than CalPERS, and trust assets can be used to reduce pension liability reported on the City's financial statements. The disadvantages include: potential of losing principal, administration fees associated with plan, and market uncertainties.

These options are recommendations for the Council to discuss and consider. Staff feels Options 2 and 3 are in the best financial interests of the City for the following reasons:

- Option 2 will realize $394,322 of interest savings to the City similar to a 15-year versus a 30-year mortgage
- Option 3 will provide a "rainy" day savings fund in case the UAL situation worsens. This option is safer than Option 4 (Section 115 Trust) because Option 4 is subject to market volatility and the City could potential lose money under Option 4 but not Option 3

FISCAL IMPACT

The options presented are to begin a discussion to address the challenges the City will be facing. Council direction will influence the future financial impacts.

RECOMMENDATION

That the City Council consider the information and provide direction to address future pension costs. Staff recommends the City Council consider accelerating payments (Option 2) and setting-up a pension reserve fund policy (Option 3).

ATTACHMENTS

Attachment 1 – Classic Actuarial Valuation Report as of June 30, 2016
Attachment 2 – PEPRA Actuarial Valuation Report as of June 30, 2016
Attachment 3 – Total Employer Cost Changes for FY 18/19 through FY 2024/25
Attachment 4 – Comparison of CalPERS Unfunded Liability Payment with a 30-year and 20-year amortization period
Attachment 5 – CalPERS Pension PowerPoint

California Public Employees' Retirement System
Actuarial Office
P.O. Box 942709
Sacramento, CA 94229-2709
TTY: (916) 795-3240
(888) 225-7377 phone – (916) 795-2744 fax
www.calpers.ca.gov

ATTACHMENT 1

August 2017

MISCELLANEOUS PLAN OF THE CITY OF BUELLTON
(CalPERS ID: 7472860304)
Annual Valuation Report as of June 30, 2016

Dear Employer,

As an attachment to this letter, you will find a copy of the June 30, 2016 actuarial valuation report of the pension plan.

Because this plan is in a risk pool, the following valuation report has been separated into two sections:

- Section 1 contains specific information for the plan including the development of the current and projected employer contributions, and
- Section 2 contains the Risk Pool Actuarial Valuation appropriate to the plan as of June 30, 2016.

Section 2 can be found on the CalPERS website at (www.calpers.ca.gov). From the home page, go to "*Forms & Publications*" and select "*View All*". In the search box, enter "*Risk Pool Report*" and from the results list download the Miscellaneous or Safety Risk Pool Actuarial Valuation Report as appropriate.

Your June 30, 2016 actuarial valuation report contains important actuarial information about your pension plan at CalPERS. Your assigned CalPERS staff actuary, whose signature appears in the Actuarial Certification section on page 1, is available to discuss the report with you after August 31, 2017.

The exhibit below displays the minimum employer contributions, before any cost sharing, for Fiscal Year 2018-19 along with estimates of the required contributions for Fiscal Years 2019-20 and 2020-21. Member contributions other than cost sharing (whether paid by the employer or the employee) are in addition to the results shown below. **The employer contributions in this report do not reflect any cost sharing arrangements you may have with your employees**.

Required Contribution

Fiscal Year	Employer Normal Cost Rate	Employer Payment of Unfunded Liability
2018-19	10.152%	$124,305
Projected Results		
2019-20	*10.6%*	*$154,000*
2020-21	*11.6%*	*$177,000*

The actual investment return for Fiscal Year 2016-17 was not known at the time this report was prepared. The projections above assume the investment return for that year would be 7.375 percent. ***If the actual investment return for Fiscal Year 2016-17 differs from 7.375 percent, the actual contribution requirements for the projected years will differ from those shown above.***

Moreover, the projected results for Fiscal Years 2019-20 and 2020-21 also assume that there are no future plan changes, no further changes in assumptions other than those recently approved, and no liability gains or losses. Such changes can have a significant impact on required contributions. Since they cannot be predicted in advance, the projected employer results shown above are estimates. The actual required employer contributions for Fiscal Year 2019-20 will be provided in next year's report.

For additional details regarding the assumptions and methods used for these projections please refer to the "Projected Employer Contributions" in the "Highlights and Executive Summary" section.

The "Risk Analysis" section of the valuation report also contains estimated employer contributions in future years under a variety of investment return scenarios.

Changes since the Prior Year's Valuation

On December 21, 2016, the CalPERS Board of Administration lowered the discount rate from 7.50 percent to 7.00 percent using a three year phase-in beginning with the June 30, 2016 actuarial valuations. The minimum employer contributions for Fiscal Year 2018-19 determined in this valuation were calculated using a discount rate of 7.375 percent. The projected employer contributions on Page 5 are calculated assuming that the discount rate will be lowered to 7.25 percent next year and to 7.00 percent the following year as adopted by the Board.

The CalPERS Board of Administration adopted a Risk Mitigation Policy which is designed to reduce funding risk over time. This Policy has been temporarily suspended during the period over which the discount rate is being lowered. More details on the Risk Mitigation Policy can be found on our website.

Besides the above noted changes, there may also be changes specific to the plan such as contract amendments and funding changes.

Further descriptions of general changes are included in the "Highlights and Executive Summary" section and in Appendix A, "Statement of Actuarial Data, Methods and Assumptions" of the Section 2 report.

We understand that you might have a number of questions about these results. While we are very interested in discussing these results with your agency, in the interest of allowing us to give every public agency their results, we ask that you wait until after August 31 to contact us with actuarial related questions.

If you have other questions, please call our customer contact center at (888) CalPERS or (**888-225-7377**).

Sincerely,

SCOTT TERANDO
Chief Actuary

ACTUARIAL VALUATION
as of June 30, 2016

for the
MISCELLANEOUS PLAN
of the
CITY OF BUELLTON
(CalPERS ID: 7472860304)

REQUIRED CONTRIBUTIONS
FOR FISCAL YEAR
July 1, 2018 - June 30, 2019

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(CalPERS ID: 7472860304)
(Rate Plan: 1722)

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ACTUARIAL CERTIFICATION

Section 1 of this report is based on the member and financial data contained in our records as of June 30, 2016 which was provided by your agency and the benefit provisions under your contract with CalPERS. Section 2 of this report is based on the member and financial data as of June 30, 2016 provided by employers participating in the Miscellaneous Risk Pool to which the plan belongs and benefit provisions under the CalPERS contracts for those agencies.

As set forth in Section 2 of this report, the pool actuary has certified that, in their opinion, the valuation of the risk pool containing your MISCELLANEOUS PLAN has been performed in accordance with generally accepted actuarial principles consistent with standards of practice prescribed by the Actuarial Standards Board, and that the assumptions and methods are internally consistent and reasonable for the risk pool as of the date of this valuation and as prescribed by the CalPERS Board of Administration according to provisions set forth in the California Public Employees' Retirement Law.

Having relied upon the information set forth in Section 2 of this report and based on the census and benefit provision information for the plan, it is my opinion as the plan actuary that Unfunded Accrued Liability amortization bases as of June 30, 2016 and employer contribution as of July 1, 2018, have been properly and accurately determined in accordance with the principles and standards stated above.

The undersigned is an actuary for CalPERS, a member of both the American Academy of Actuaries and Society of Actuaries and meets the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

STUART BENNETT, ASA, MAAA
Senior Pension Actuary, CalPERS
Plan Actuary

HIGHLIGHTS AND EXECUTIVE SUMMARY

- **INTRODUCTION**
- **PURPOSE OF SECTION 1**
- **REQUIRED EMPLOYER CONTRIBUTION**
- **PLAN'S FUNDED STATUS**
- **PROJECTED EMPLOYER CONTRIBUTIONS**
- **CHANGES SINCE THE PRIOR YEAR'S VALUATION**
- **SUBSEQUENT EVENTS**

Introduction

This report presents the results of the June 30, 2016 actuarial valuation of the MISCELLANEOUS PLAN of the CITY OF BUELLTON of the California Public Employees' Retirement System (CalPERS). This actuarial valuation sets the required employer contributions for Fiscal Year 2018-19.

Purpose of Section 1

This Section 1 report for the MISCELLANEOUS PLAN of the CITY OF BUELLTON of the California Public Employees' Retirement System (CalPERS) was prepared by the plan actuary in order to:

- Set forth the assets and accrued liabilities of this plan as of June 30, 2016;
- Determine the required employer contribution for this plan for the fiscal year July 1, 2018 through June 30, 2019; and
- Provide actuarial information as of June 30, 2016 to the CalPERS Board of Administration and other interested parties.

The pension funding information presented in this report should not be used in financial reports subject to GASB Statement No. 68 for a Cost Sharing Employer Defined Benefit Pension Plan. A separate accounting valuation report for such purposes is available from CalPERS and details for ordering are available on our website.

The measurements shown in this actuarial valuation may not be applicable for other purposes. The employer should contact their actuary before disseminating any portion of this report for any reason that is not explicitly described above.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; changes in actuarial policies; and changes in plan provisions or applicable law.

California Actuarial Advisory Panel Recommendations

This report includes all the basic disclosure elements as described in the *Model Disclosure Elements for Actuarial Valuation Reports* recommended in 2011 by the California Actuarial Advisory Panel (CAAP), with the exception of including the original base amounts of the various components of the unfunded liability in the Schedule of Amortization Bases shown on page 9.

Additionally, this report includes the following "Enhanced Risk Disclosures" also recommended by the CAAP in the Model Disclosure Elements document:

- A "Deterministic Stress Test," projecting future results under different investment income scenarios
- A "Sensitivity Analysis," showing the impact on current valuation results using alternative discount rates of 6.0 percent, 7.0 percent and 8.0 percent.

Required Employer Contribution

		Fiscal Year
Required Employer Contribution		**2018-19**
Employer Normal Cost Rate		**10.152%**
Plus Either		
1) Monthly Employer Dollar UAL Payment	**$**	**10,358.79**
Or		
2) Annual Lump Sum Prepayment Option	**$**	**119,961**

*The total minimum required employer contribution is the **sum** of the Plan's Employer Normal Cost Rate (expressed as a percentage of payroll) **plus** the Employer Unfunded Accrued Liability (UAL) Contribution Amount (billed monthly in dollars).*

*Only the UAL portion of the employer contribution can be prepaid **(which must be received in full no later than July 31)**. Plan Normal Cost contributions will be made as part of the payroll reporting process. If there is contractual cost sharing or other change, this amount will change.*

§ 20572 of the Public Employees' Retirement Law assesses interest at an annual rate of 10 percent if a contracting agency fails to remit the required contributions when due.

		Fiscal Year 2017-18		Fiscal Year 2018-19
Development of Normal Cost as a Percentage of Payroll[1]				
Base Total Normal Cost for Formula		15.314%		15.794%
Surcharge for Class 1 Benefits[2]				
a) FAC 1		0.503%		0.517%
b) PRSA		0.678%		0.743%
Phase out of Normal Cost Difference[3]		0.000%		0.000%
Plan's Total Normal Cost		16.495%		17.054%
Formula's Expected Employee Contribution Rate		6.896%		6.902%
Employer Normal Cost Rate		9.599%		10.152%
Projected Payroll for the Contribution Fiscal Year	$	1,164,154	$	1,133,904
Estimated Employer Contributions Based on Projected Payroll				
Plan's Estimated Employer Normal Cost	$	111,747	$	115,114
Plan's Payment on Amortization Bases[4]		98,534		124,305
% of Projected Payroll (illustrative only)		8.464%		10.963%
Estimated Total Employer Contribution	$	210,281	$	239,419
% of Projected Payroll (illustrative only)		18.063%		21.115%

[1] The results shown for Fiscal Year 2017-18 reflect the prior year valuation and may not take into account any lump sum payment, side fund payoff, or rate adjustment made after June 30, 2016.

[2] Section 2 of this report contains a list of Class 1 benefits and corresponding surcharges for each benefit.

[3] The normal cost difference is phased out over a five year period. The phase out of normal cost difference is 100 percent for the first year of pooling, and is incrementally reduced by 20 percent of the original normal cost difference for each subsequent year. This is non-zero only for plans that joined a pool within the past 5 years. Most plans joined a pool June 30, 2003, when risk pooling was implemented.

[4] See page 9 for a breakdown of the Amortization Bases.

Plan's Funded Status

	June 30, 2015	June 30, 2016
1. Present Value of Projected Benefits (PVB)	$ 8,993,405	$ 9,305,831
2. Entry Age Normal Accrued Liability (AL)	7,682,992	8,071,132
3. Plan's Market Value of Assets (MVA)	6,154,736	5,998,676
4. Unfunded Accrued Liability (UAL) [(2) - (3)]	1,528,256	2,072,456
5. Funded Ratio [(3) / (2)]	80.1%	74.3%

This measure of funded status is an assessment of the need for future employer contributions based on the selected actuarial cost method used to fund the plan. The UAL is the present value of future employer contributions for service that has already been earned and is in addition to future normal cost contributions for active members. For a measure of funded status that is appropriate for assessing the sufficiency of plan assets to cover estimated termination liabilities, please see "Hypothetical Termination Liability" in the "Risk Analysis" section.

Projected Employer Contributions

The table below shows projected employer contributions (before cost sharing) for the next six fiscal years. Projected results reflect the adopted changes to the discount rate described in Appendix A, "Statement of Actuarial Data, Methods and Assumptions" of the Section 2 report. The projections also assume that all actuarial assumptions will be realized and that no further changes to assumptions, contributions, benefits, or funding will occur during the projection period.

	Required Contribution	Projected Future Employer Contributions (Assumes 7.375% Return for Fiscal Year 2016-17)					
Fiscal Year	**2018-19**	**2019-20**	**2020-21**	**2021-22**	**2022-23**	**2023-24**	**2024-25**
Normal Cost %	10.152%	10.6%	11.6%	11.6%	11.6%	11.6%	11.6%
UAL Payment	$124,305	$154,000	$177,000	$207,000	$232,000	$226,000	$239,000

Changes in the UAL due to actuarial gains or losses as well as changes in actuarial assumptions or methods are amortized using a 5-year ramp up. For more information, please see "Amortization of the Unfunded Actuarial Accrued Liability" under "Actuarial Methods" in Appendix A of Section 2. This method phases in the impact of unanticipated changes in UAL over a 5-year period and attempts to minimize employer cost volatility from year to year. As a result of this methodology, dramatic changes in the required employer contributions in any one year are less likely. However, required contributions can change gradually and significantly over the next five years. In years where there is a large increase in UAL the relatively small amortization payments during the ramp up period could result in a funded ratio that is projected to decrease initially while the contribution impact of the increase in the UAL is phased in.

Due to the adopted changes in the discount rate for the next two valuations in combination with the 5-year phase-in ramp, the increases in the required contributions are expected to continue for seven years from Fiscal Year 2018-19 through Fiscal Year 2024-25.

For projected contributions under alternate investment return scenarios, please see the "Analysis of Future Investment Return Scenarios" in the "Risk Analysis" section.

Changes since the Prior Year's Valuation

Benefits

None. This valuation generally reflects plan changes by amendments effective before the date of the report. Please refer to the "Plan's Major Benefit Options" and Appendix B of Section 2 for a summary of the plan provisions used in this valuation.

Actuarial Methods and Assumptions

On December 21, 2016, the CalPERS Board of Administration lowered the discount rate from 7.50 percent to 7.00 percent using a three year phase-in beginning with the June 30, 2016 actuarial valuations. The minimum employer contributions for Fiscal Year 2018-19 determined in this valuation were calculated using a discount rate of 7.375 percent. The projected employer contributions on Page 5 are calculated assuming that the discount rate will be lowered to 7.25 percent next year and 7.00 percent the following year as adopted by the Board. The decision to reduce the discount rate was primarily based on reduced capital market assumptions provided by external investment consultants and CalPERS investment staff. The specific decision adopted by the Board reflected recommendations from CalPERS staff and additional input from employer and employee stakeholder groups. Based on the investment allocation adopted by the Board and capital market assumptions, the reduced discount rate assumption provides a more realistic assumption for the long term investment return of the fund.

Notwithstanding the Board's decision to phase into a 7.0 percent discount rate, subsequent analysis of the expected investment return of CalPERS assets or changes to the investment allocation may result in a change to this three year discount rate schedule. A comprehensive analysis of all actuarial assumptions and methods including the discount rate will be conducted in 2017.

Subsequent Events

The contribution requirements determined in this actuarial valuation report are based on demographic and financial information as of June 30, 2016. Changes in the value of assets subsequent to that date are not reflected. Declines in asset values will increase the required contribution, while investment returns above the assumed rate of return will decrease the actuarial cost of the plan.

This actuarial valuation report reflects statutory changes, regulatory changes and CalPERS Board actions through January 2017. Any subsequent changes or actions are not reflected.

ASSETS AND LIABILITIES

- **BREAKDOWN OF ENTRY AGE NORMAL ACCRUED LIABILITY**
- **ALLOCATION OF PLAN'S SHARE OF POOL'S EXPERIENCE/ASSUMPTION CHANGE**
- **DEVELOPMENT OF PLAN'S SHARE OF POOL'S MVA**
- **SCHEDULE OF PLAN'S AMORTIZATION BASES**
- **30-YEAR AMORTIZATION SCHEDULE AND ALTERNATIVES**
- **EMPLOYER CONTRIBUTION HISTORY**
- **FUNDING HISTORY**

Breakdown of Entry Age Normal Accrued Liability

1.	Active Members	$	2,978,373
2.	Transferred Members		1,084,432
3.	Terminated Members		185,259
4.	Members and Beneficiaries Receiving Payments		3,823,068
5.	Total	$	8,071,132

Allocation of Plan's Share of Pool's Experience/Assumption Change

It is the policy of CalPERS to ensure equity within the risk pools by allocating the pool's experience gains/losses and assumption changes in a manner that treats each employer equitably and maintains benefit security for the members of the System while minimizing substantial variations in employer contributions. The Pool's experience gains/losses and impact of assumption/method changes is allocated to the plan as follows:

1.	Plan's Accrued Liability	$	8,071,132
2.	Projected UAL balance at 6/30/16		1,576,879
3.	Pool's Accrued Liability	$	14,775,287,594
4.	Sum of Pool's Individual Plan UAL Balances at 6/30/16		2,987,498,021
5.	Pool's 2015/16 Investment & Asset (Gain)/Loss		771,070,186
6.	Pool's 2015/16 Other (Gain)/Loss		(95,296,686)
7.	Plan's Share of Pool's Asset (Gain)/Loss [(1)-(2)]/[(3)-(4)] * (5)		424,806
8.	Plan's Share of Pool's Other (Gain)/Loss [(1)]/[(3)] * (6)		(52,057)
9.	Plan's New (Gain)/Loss as of 6/30/2016 [(7)+(8)]	$	372,749
10.	Increase in Pool's Accrued Liability due to Change in Assumptions		224,853,121
11.	Plan's Share of Pool's Change in Assumptions [(1)]/[(3)] * (10)	$	122,828

Development of the Plan's Share of Pool's Market Value of Assets

1.	Plan's Accrued Liability	$	8,071,132
2.	Plan's UAL	$	2,072,456
3.	Plan's Share of Pool's MVA [(1)-(2)]	$	**5,998,676**

Schedule of Plan's Side Fund and Other Amortization Bases

There is a two-year lag between the valuation date and the start of the contribution fiscal year.

- The assets, liabilities, and funded status of the plan are measured as of the valuation date: June 30, 2016.
- The employer contribution determined by the valuation is for the fiscal year beginning two years after the valuation date: Fiscal Year 2018-19.

This two-year lag is necessary due to the amount of time needed to extract and test the membership and financial data, and the need to provide public agencies with their employer contribution well in advance of the start of the fiscal year.

The Unfunded Accrued Liability (UAL) is used to determine the employer contribution and therefore must be rolled forward two years from the valuation date to the first day of the fiscal year for which the contribution is being determined. The UAL is rolled forward each year by subtracting the payment on the UAL for the fiscal year and adjusting for interest.

							Amounts for Fiscal 2018-19	
Reason for Base	**Date Established**	**Amortization Period**	**Balance 6/30/16**	**Payment 2016-17**	**Balance 6/30/17**	**Payment 2017-18**	**Balance 6/30/18**	**Scheduled Payment for 2018-19**
SIDE FUND	2013 or Prior	5	$118,861	$19,942	$106,963	$20,540	$93,568	$21,037
SHARE OF PRE-2013 POOL UAL	06/30/13	19	$559,403	$40,969	$558,206	$42,199	$555,646	$42,941
ASSET (GAIN)/LOSS	06/30/13	27	$795,180	$21,727	$831,311	$33,568	$857,836	$45,431
NON-ASSET (GAIN)/LOSS	06/30/13	27	$(7,821)	$(214)	$(8,176)	$(330)	$(8,437)	$(447)
ASSET (GAIN)/LOSS	06/30/14	28	$(605,153)	$(8,511)	$(640,964)	$(17,534)	$(670,066)	$(26,680)
NON-ASSET (GAIN)/LOSS	06/30/14	28	$659	$9	$698	$19	$730	$29
ASSUMPTION CHANGE	06/30/14	18	$383,512	$7,305	$404,226	$15,048	$418,445	$22,993
ASSET (GAIN)/LOSS	06/30/15	29	$361,392	$0	$388,045	$5,464	$411,001	$11,077
NON-ASSET (GAIN)/LOSS	06/30/15	29	$(29,154)	$0	$(31,304)	$(441)	$(33,156)	$(894)
ASSET (GAIN)/LOSS	06/30/16	30	$424,806	$0	$456,136	$0	$489,776	$6,789
NON-ASSET (GAIN)/LOSS	06/30/16	30	$(52,057)	$0	$(55,896)	$0	$(60,018)	$(832)
ASSUMPTION CHANGE	06/30/16	20	$122,828	$(4,628)	$136,682	$(4,767)	$151,702	$2,859
TOTAL			**$2,072,456**	**$76,599**	**$2,145,927**	**$93,766**	**$2,207,027**	**$124,303**

The (gain)/loss bases are the plan's allocated share of the risk pool's (gain)/loss for the fiscal year as disclosed on the previous page. These (gain)/loss bases will be amortized according to Board policy over 30 years with a 5-year ramp-up.

If the total Unfunded Liability is negative (i.e., plan has a surplus), the scheduled payment is $0, because the minimum required contribution under PEPRA must be at least equal to the normal cost.

30-Year Amortization Schedule and Alternatives

The amortization schedule on the previous page shows the minimum contributions required according to CalPERS amortization policy. There has been considerable interest from many agencies in paying off these unfunded accrued liabilities sooner and the possible savings in doing so. As a result, we have provided alternate amortization schedules to help analyze the current amortization schedule and illustrate the advantages of accelerating unfunded liability payments.

Shown on the following page are future year amortization payments based on: 1) the current amortization schedule reflecting the individual bases and remaining periods shown on the previous page, and 2) alternate "fresh start" amortization schedules using two sample periods that would both result in interest savings relative to the current amortization schedule. Note that the payments under each alternate scenario increase by 3 percent for each year into the future. **The schedules do not attempt to reflect any experience after June 30, 2016 that may deviate from the actuarial assumptions. Therefore, future amortization payments displayed in the Current Amortization Schedule may not match projected amortization payments shown in connection with Projected Employer Contributions provided elsewhere in this report.**

The Current Amortization Schedule typically contains individual bases that are both positive and negative. Positive bases result from plan changes, assumption changes or plan experience that result in increases to unfunded liability. Negative bases result from plan changes, assumption changes or plan experience that result in decreases to unfunded liability. The combination of positive and negative bases within an amortization schedule can result in unusual or problematic circumstances in future years such as:

- A positive total unfunded liability with a negative total payment,
- A negative total unfunded liability with a positive total payment, or
- Total payments that completely amortize the unfunded liability over a very short period of time

In any year where one of the above scenarios occurs, the actuary will consider corrective action such as replacing the existing unfunded liability bases with a single "fresh start" base and amortizing it over a reasonable period.

The Current Amortization Schedule on the following page may appear to show that, based on the current amortization bases, one of the above scenarios will occur at some point in the future. It is impossible to know today whether such a scenario will in fact arise since there will be additional bases added to the amortization schedule in each future year. Should such a scenario arise in any future year, the actuary will take appropriate action based on guidelines in the CalPERS amortization policy. For purposes of this display, total payments include any negative payments. Therefore, the amount of estimated savings may be understated to the extent that negative payments appear in the current schedule.

30-Year Amortization Schedule and Alternatives

	Current Amortization Schedule		Alternate Schedules			
			20 Year Amortization		15 Year Amortization	
Date	**Balance**	**Payment**	**Balance**	**Payment**	**Balance**	**Payment**
6/30/2018	2,207,027	124,305	2,207,027	164,981	2,207,027	200,742
6/30/2019	2,240,988	152,688	2,198,839	169,930	2,161,783	206,764
6/30/2020	2,248,043	170,730	2,184,918	175,028	2,106,961	212,967
6/30/2021	2,236,922	191,049	2,164,689	180,279	2,041,669	219,356
6/30/2022	2,203,926	206,703	2,137,526	185,687	1,964,941	225,937
6/30/2023	2,152,276	188,516	2,102,756	191,258	1,875,735	232,715
6/30/2024	2,115,662	194,172	2,059,649	196,996	1,772,927	239,696
6/30/2025	2,070,488	199,997	2,007,418	202,906	1,655,302	246,887
6/30/2026	2,015,945	205,997	1,945,210	208,993	1,521,551	254,294
6/30/2027	1,951,163	212,177	1,872,107	215,262	1,370,261	261,923
6/30/2028	1,875,200	218,542	1,787,116	221,720	1,199,909	269,780
6/30/2029	1,787,038	225,099	1,689,165	228,372	1,008,850	277,874
6/30/2030	1,685,580	231,851	1,577,097	235,223	795,315	286,210
6/30/2031	1,569,643	238,807	1,449,665	242,280	557,393	294,796
6/30/2032	1,437,948	234,378	1,305,523	249,548	293,027	303,640
6/30/2033	1,301,129	229,469	1,143,219	257,035		
6/30/2034	1,159,308	219,465	961,187	264,746		
6/30/2035	1,017,393	208,655	757,740	272,688		
6/30/2036	876,214	196,998	531,059	280,869		
6/30/2037	736,701	122,597	279,183	289,295		
6/30/2038	663,996	121,110				
6/30/2039	587,469	124,743				
6/30/2040	501,533	128,486				
6/30/2041	405,382	110,145				
6/30/2042	321,144	108,647				
6/30/2043	232,247	96,298				
6/30/2044	149,589	70,265				
6/30/2045	87,812	42,583				
6/30/2046	50,163	38,907				
6/30/2047	13,547	14,037				
Totals		**4,827,416**		**4,433,095**		**3,733,583**
Interest Paid		**2,620,389**		**2,226,067**		**1,526,556**
Estimated Savings				**394,321**		**1,093,833**

* This schedule does not reflect the impact of adopted discount rate changes that will become effective beyond June 30, 2016. For Projected Employer Contributions, please see Page 5.

Employer Contribution History

The table below provides a recent history of the required employer contributions for the plan, as determined by the annual actuarial valuation. It does not account for prepayments or benefit changes made during a fiscal year.

Fiscal Year	Employer Normal Cost	Unfunded Liability Payment ($)
2016 - 17	9.558%	$81,228
2017 - 18	9.599%	$98,534
2018 - 19	10.152%	$124,305

Funding History

The funding history below shows the plan's actuarial accrued liability, share of the pool's market value of assets, share of the pool's unfunded liability, funded ratio, and annual covered payroll.

Valuation Date	Accrued Liability (AL)	Share of Pool's Market Value of Assets (MVA)	Plan's Share of Pool's Unfunded Liability	Funded Ratio	Annual Covered Payroll
06/30/2011	$ 6,012,332	$ 4,789,981	$ 1,222,351	79.7%	$ 1,128,573
06/30/2012	6,043,958	4,546,304	1,497,654	75.2%	1,131,639
06/30/2013	6,485,216	5,151,752	1,333,464	79.4%	1,125,185
06/30/2014	7,304,613	6,119,235	1,185,378	83.8%	1,170,181
06/30/2015	7,682,992	6,154,736	1,528,256	80.1%	1,065,365
06/30/2016	8,071,132	5,998,676	2,072,456	74.3%	1,037,683

RISK ANALYSIS

- **ANALYSIS OF FUTURE INVESTMENT RETURN SCENARIOS**
- **ANALYSIS OF DISCOUNT RATE SENSITIVITY**
- **VOLATILITY RATIOS**
- **HYPOTHETICAL TERMINATION LIABILITY**

Analysis of Future Investment Return Scenarios

Analysis was performed to determine the effects of various future investment returns on required employer contributions. The projections below provide a range of results based on five investment return scenarios assumed to occur during the next four fiscal years (2016-17, 2017-18, 2018-19 and 2019-20). The projections also assume that all other actuarial assumptions will be realized and that no further changes to assumptions, contributions, benefits, or funding will occur.

Each of the five investment return scenarios assumes a return of 7.375 percent for fiscal year 2016-17. For fiscal years 2017-18, 2018-19, and 2019-20 each scenario assumes an alternate fixed annual return. The fixed return assumptions for the five scenarios are -3.0 percent, 3.0 percent, 7.0 percent (7.25 percent for 2017-18), 11.0 percent and 17.0 percent.

Alternate investment returns were chosen based on stochastic analysis of possible future investment returns over the four year period ending June 30, 2020. Using the expected returns and volatility of the asset classes in which the funds are invested, we produced ten thousand stochastic outcomes for this period. We then selected annual returns that approximate the 5th, 25th, 50th, 75th, and 95th percentiles for these outcomes. For example, of all of the 4-year outcomes generated in the stochastic analysis, approximately 25 percent of them had an average annual return of 3.0 percent or less.

Required contributions outside of this range are also possible. In particular, while it is unlikely that investment returns will average less than -3.0 percent or greater than 17.0 percent over this four year period, the possibility of a single investment return less than -3.0 percent or greater than 17.0 percent in any given year is much greater.

Assumed Annual Return From 2017-18 through 2019-20	Projected Employer Contributions			
	2019-20	2020-21	2021-22	2022-23
(3.0%)				
Normal Cost	10.6%	11.6%	11.6%	11.6%
UAL Contribution	$154,000	$187,000	$237,000	$293,000
3.0%				
Normal Cost	10.6%	11.6%	11.6%	11.6%
UAL Contribution	$154,000	$182,000	$219,000	$258,000
Assumed Discount Rate				
Normal Cost	10.6%	11.6%	11.6%	11.6%
UAL Contribution	$154,000	$177,000	$207,000	$232,000
11.0%				
Normal Cost	10.6%	11.6%	11.8%	12.0%
UAL Contribution	$154,000	$174,000	$195,000	$209,000
17.0%				
Normal Cost	10.6%	11.6%	12.2%	12.9%
UAL Contribution	$154,000	$168,000	$177,000	$171,000

Given the temporary suspension of the Risk Mitigation Policy during the period over which the discount rate assumption is being phased down to 7.0 percent, the projections above were performed without reflection of any possible impact of this Policy for Fiscal Years 2019-20 and 2020-21.

Analysis of Discount Rate Sensitivity

Shown below are various valuation results as of June 30, 2016 assuming alternate discount rates. Results are shown using the current discount rate of 7.375 percent as well as alternate discount rates of 6.0 percent, 7.0 percent, and 8.0 percent. The alternate rate of 7.0 percent was selected since the Board has adopted this rate as the final discount rate at the end of the three year phase-in of the reduction in this assumption. The rates of 6.0 percent and 8.0 percent were selected since they illustrate the impact of a 1 percent increase or decrease to the 7.0 percent assumption. This analysis shows the potential plan impacts if the PERF were to realize investment returns of 6.0 percent, 7.0 percent, or 8.0 percent over the long-term.

This type of analysis gives the reader a sense of the long-term risk to required contributions. For a measure of funded status that is appropriate for assessing the sufficiency of plan assets to cover estimated termination liabilities, please see "Hypothetical Termination Liability" in the "Risk Analysis" section.

Sensitivity Analysis				
As of June 30, 2016	**Plan's Total Normal Cost**	**Accrued Liability**	**Unfunded Accrued Liability**	**Funded Status**
7.375% (current discount rate)	17.054%	$8,071,132	$2,072,456	74.3%
6.0%	23.021%	$9,537,036	$3,538,360	62.9%
7.0%	18.468%	$8,434,510	$2,435,834	71.1%
8.0%	14.989%	$7,517,526	$1,518,850	79.8%

Volatility Ratios

Actuarial calculations are based on a number of assumptions about long-term demographic and economic behavior. Unless these assumptions (terminations, deaths, disabilities, retirements, salary growth, and investment return) are exactly realized each year, there will be differences on a year-to-year basis. The year-to-year differences between actual experience and the assumptions are called actuarial gains and losses and serve to lower or raise required employer contributions from one year to the next. Therefore, employer contributions will inevitably fluctuate, especially due to the ups and downs of investment returns.

Asset Volatility Ratio (AVR)

Plans that have higher asset-to-payroll ratios experience more volatile employer contributions (as a percentage of payroll) due to investment return. For example, a plan with an asset-to-payroll ratio of 8 may experience twice the contribution volatility due to investment return volatility, than a plan with an asset-to-payroll ratio of 4. Shown below is the asset volatility ratio, a measure of the plan's current contribution volatility. It should be noted that this ratio is a measure of the current situation. It increases over time but generally tends to stabilize as the plan matures.

Liability Volatility Ratio (LVR)

Plans that have higher liability-to-payroll ratios experience more volatile employer contributions (as a percentage of payroll) due to investment return and changes in liability. For example, a plan with a liability-to-payroll ratio of 8 is expected to have twice the contribution volatility of a plan with a liability-to-payroll ratio of 4. The liability volatility ratio is also shown in the table below. It should be noted that this ratio indicates a longer-term potential for contribution volatility. The asset volatility ratio, described above, will tend to move closer to the liability volatility ratio as the plan matures. Since the liability volatility ratio is a long-term measure, it is shown below at the current discount rate (7.375 percent) as well as the discount rate the Board has adopted to determine the contribution requirement in the June 30, 2018 actuarial valuation (7.00 percent).

Rate Volatility		As of June 30, 2016
1. Market Value of Assets	$	5,998,676
2. Payroll		1,037,683
3. Asset Volatility Ratio (AVR) [(1) / (2)]		5.8
4. Accrued Liability	$	8,071,132
5. Liability Volatility Ratio (LVR) [(4) / (2)]		7.8
6. Accrued Liability (7.00% discount rate)		8,434,510
7. Projected Liability Volatility Ratio [(6) / (2)]		8.1

Hypothetical Termination Liability

The hypothetical termination liability is an estimate of the financial position of the plan had the contract with CalPERS been terminated as of June 30, 2016. The plan liability on a termination basis is calculated differently compared to the plan's ongoing funding liability. For the hypothetical termination liability calculation, both compensation and service are frozen as of the valuation date and no future pay increases or service accruals are assumed. This measure of funded status is not appropriate for assessing the need for future employer contributions in the case of an ongoing plan, that is, for an employer that continues to provide CalPERS retirement benefits to active employees.

A more conservative investment policy and asset allocation strategy was adopted by the CalPERS Board for the Terminated Agency Pool. The Terminated Agency Pool has limited funding sources since no future employer contributions will be made. Therefore, expected benefit payments are secured by risk-free assets and benefit security for members is increased while funding risk is limited. However, this asset allocation has a lower expected rate of return than the PERF and consequently, a lower discount rate is assumed. The lower discount rate for the Terminated Agency Pool results in higher liabilities for terminated plans.

The effective termination discount rate will depend on actual market rates of return for risk-free securities on the date of termination. As market discount rates are variable, the table below shows a range for the hypothetical termination liability based on the lowest and highest interest rates observed during an approximate 2-year period centered around the valuation date.

Market Value of Assets (MVA)	Hypothetical Termination Liability[1,2] @ 1.75%	Funded Status	Unfunded Termination Liability @ 1.75%	Hypothetical Termination Liability[1,2] @ 3.00%	Funded Status	Unfunded Termination Liability @ 3.00%
$5,998,676	$15,520,010	38.7%	$9,521,334	$13,399,176	44.8%	$7,400,500

[1] The hypothetical liabilities calculated above include a 7 percent mortality contingency load in accordance with Board policy. Other actuarial assumptions can be found in Appendix A.

[2] The current discount rate assumption used for termination valuations is a weighted average of the 10-year and 30-year U.S. Treasury yields where the weights are based on matching asset and liability durations as of the termination date. The discount rates used in the table are based on 20-year Treasury bonds, rounded to the nearest quarter percentage point, which is a good proxy for most plans. The 20-year Treasury yield was 1.75 percent on June 30, 2016, and was 2.75 percent on January 31, 2017.

In order to terminate the plan, you must first contact our Retirement Services Contract Unit to initiate a Resolution of Intent to terminate. The completed Resolution will allow the plan actuary to give you a preliminary termination valuation with a more up-to-date estimate of the plan liabilities. CalPERS advises you to consult with the plan actuary before beginning this process.

Participant Data

The table below shows a summary of your plan's member data upon which this valuation is based:

		June 30, 2015		June 30, 2016
Reported Payroll	$	1,065,365	$	1,037,683
Projected Payroll for Contribution Purposes	$	1,164,154	$	1,133,904
Number of Members				
Active		19		17
Transferred		8		9
Separated		3		6
Retired		19		18

List of Class 1 Benefit Provisions

This plan has the additional Class 1 Benefit Provisions:

- One Year Final Compensation (FAC 1)
- Post-Retirement Survivor Allowance (PRSA)

PLAN'S MAJOR BENEFIT OPTIONS

Plan's Major Benefit Options

Shown below is a summary of the major optional benefits for which your agency has contracted. A description of principal standard and optional plan provisions is in Appendix B within Section 2 of this report.

	Contract package			
Benefit Provision	Active Misc	Inactive Misc	Receiving Misc	
Benefit Formula	2.0% @ 55	2.0% @ 55		
Social Security Coverage	No	No		
Full/Modified	Full	Full		
Employee Contribution Rate	7.00%			
Final Average Compensation Period	One Year	One Year		
Sick Leave Credit	Yes	Yes		
Non-Industrial Disability	Improved	Improved		
Industrial Disability	No	No		
Pre-Retirement Death Benefits				
Optional Settlement 2W	Yes	Yes		
1959 Survivor Benefit Level	No	No		
Special	No	No		
Alternate (firefighters)	No	No	No	
Post-Retirement Death Benefits				
Lump Sum	$500	$500	$500	
Survivor Allowance (PRSA)	Yes	Yes	Yes	
COLA	2%	2%	2%	

Section 2

CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Section 2 may be found on the CalPERS website (www.calpers.ca.gov) in the Forms and Publications section

California Public Employees' Retirement System
Actuarial Office
P.O. Box 942709
Sacramento, CA 94229-2709
TTY: (916) 795-3240
(888) 225-7377 phone – (916) 795-2744 fax
www.calpers.ca.gov

August 2017

PEPRA MISCELLANEOUS PLAN OF THE CITY OF BUELLTON
(CalPERS ID: 7472860304)
Annual Valuation Report as of June 30, 2016

Dear Employer,

As an attachment to this letter, you will find a copy of the June 30, 2016 actuarial valuation report of the pension plan.

Because this plan is in a risk pool, the following valuation report has been separated into two sections:

- Section 1 contains specific information for the plan including the development of the current and projected employer contributions, and
- Section 2 contains the Risk Pool Actuarial Valuation appropriate to the plan as of June 30, 2016.

Section 2 can be found on the CalPERS website at (www.calpers.ca.gov). From the home page, go to "*Forms & Publications*" and select "*View All*". In the search box, enter "*Risk Pool Report*" and from the results list download the Miscellaneous or Safety Risk Pool Actuarial Valuation Report as appropriate.

Your June 30, 2016 actuarial valuation report contains important actuarial information about your pension plan at CalPERS. Your assigned CalPERS staff actuary, whose signature appears in the Actuarial Certification section on page 1, is available to discuss the report with you after August 31, 2017.

The exhibit below displays the minimum employer contributions, before any cost sharing, for Fiscal Year 2018-19 along with estimates of the required contributions for Fiscal Years 2019-20 and 2020-21. Member contributions other than cost sharing (whether paid by the employer or the employee) are in addition to the results shown below. **The employer contributions in this report do not reflect any cost sharing arrangements you may have with your employees**.

Required Contribution

Fiscal Year	Employer Normal Cost Rate	Employer Payment of Unfunded Liability
2018-19	7.266%	$330
Projected Results		
2019-20	*7.3%*	*$490*
2020-21	*7.4%*	*$790*

The actual investment return for Fiscal Year 2016-17 was not known at the time this report was prepared. The projections above assume the investment return for that year would be 7.375 percent. ***If the actual investment return for Fiscal Year 2016-17 differs from 7.375 percent, the actual contribution requirements for the projected years will differ from those shown above.***

Moreover, the projected results for Fiscal Years 2019-20 and 2020-21 also assume that there are no future plan changes, no further changes in assumptions other than those recently approved, and no liability gains or losses. Such changes can have a significant impact on required contributions. Since they cannot be predicted in advance, the projected employer results shown above are estimates. The actual required employer contributions for Fiscal Year 2019-20 will be provided in next year's report.

For additional details regarding the assumptions and methods used for these projections please refer to the "Projected Employer Contributions" in the "Highlights and Executive Summary" section.

The "Risk Analysis" section of the valuation report also contains estimated employer contributions in future years under a variety of investment return scenarios.

Changes since the Prior Year's Valuation

On December 21, 2016, the CalPERS Board of Administration lowered the discount rate from 7.50 percent to 7.00 percent using a three year phase-in beginning with the June 30, 2016 actuarial valuations. The minimum employer contributions for Fiscal Year 2018-19 determined in this valuation were calculated using a discount rate of 7.375 percent. The projected employer contributions on Page 5 are calculated assuming that the discount rate will be lowered to 7.25 percent next year and to 7.00 percent the following year as adopted by the Board.

The CalPERS Board of Administration adopted a Risk Mitigation Policy which is designed to reduce funding risk over time. This Policy has been temporarily suspended during the period over which the discount rate is being lowered. More details on the Risk Mitigation Policy can be found on our website.

Besides the above noted changes, there may also be changes specific to the plan such as contract amendments and funding changes.

Further descriptions of general changes are included in the "Highlights and Executive Summary" section and in Appendix A, "Statement of Actuarial Data, Methods and Assumptions" of the Section 2 report.

We understand that you might have a number of questions about these results. While we are very interested in discussing these results with your agency, in the interest of allowing us to give every public agency their results, we ask that you wait until after August 31 to contact us with actuarial related questions.

If you have other questions, please call our customer contact center at (888) CalPERS or (**888-225-7377**).

Sincerely,

SCOTT TERANDO
Chief Actuary

ACTUARIAL VALUATION
as of June 30, 2016

for the
PEPRA MISCELLANEOUS PLAN
of the
CITY OF BUELLTON
(CalPERS ID: 7472860304)

REQUIRED CONTRIBUTIONS
FOR FISCAL YEAR
July 1, 2018 - June 30, 2019

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(CalPERS ID: 7472860304)
(Rate Plan: 26369)

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ACTUARIAL CERTIFICATION

Section 1 of this report is based on the member and financial data contained in our records as of June 30, 2016 which was provided by your agency and the benefit provisions under your contract with CalPERS. Section 2 of this report is based on the member and financial data as of June 30, 2016 provided by employers participating in the Miscellaneous Risk Pool to which the plan belongs and benefit provisions under the CalPERS contracts for those agencies.

As set forth in Section 2 of this report, the pool actuary has certified that, in their opinion, the valuation of the risk pool containing your PEPRA MISCELLANEOUS PLAN has been performed in accordance with generally accepted actuarial principles consistent with standards of practice prescribed by the Actuarial Standards Board, and that the assumptions and methods are internally consistent and reasonable for the risk pool as of the date of this valuation and as prescribed by the CalPERS Board of Administration according to provisions set forth in the California Public Employees' Retirement Law.

Having relied upon the information set forth in Section 2 of this report and based on the census and benefit provision information for the plan, it is my opinion as the plan actuary that Unfunded Accrued Liability amortization bases as of June 30, 2016 and employer contribution as of July 1, 2018, have been properly and accurately determined in accordance with the principles and standards stated above.

The undersigned is an actuary for CalPERS, a member of both the American Academy of Actuaries and Society of Actuaries and meets the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

STUART BENNETT, ASA, MAAA
Senior Pension Actuary, CalPERS
Plan Actuary

HIGHLIGHTS AND EXECUTIVE SUMMARY

- **INTRODUCTION**
- **PURPOSE OF SECTION 1**
- **REQUIRED EMPLOYER CONTRIBUTION**
- **PLAN'S FUNDED STATUS**
- **PROJECTED EMPLOYER CONTRIBUTIONS**
- **CHANGES SINCE THE PRIOR YEAR'S VALUATION**
- **SUBSEQUENT EVENTS**

Introduction

This report presents the results of the June 30, 2016 actuarial valuation of the PEPRA MISCELLANEOUS PLAN of the CITY OF BUELLTON of the California Public Employees' Retirement System (CalPERS). This actuarial valuation sets the required employer contributions for Fiscal Year 2018-19.

Purpose of Section 1

This Section 1 report for the PEPRA MISCELLANEOUS PLAN of the CITY OF BUELLTON of the California Public Employees' Retirement System (CalPERS) was prepared by the plan actuary in order to:

- Set forth the assets and accrued liabilities of this plan as of June 30, 2016;
- Determine the required employer contribution for this plan for the fiscal year July 1, 2018 through June 30, 2019; and
- Provide actuarial information as of June 30, 2016 to the CalPERS Board of Administration and other interested parties.

The pension funding information presented in this report should not be used in financial reports subject to GASB Statement No. 68 for a Cost Sharing Employer Defined Benefit Pension Plan. A separate accounting valuation report for such purposes is available from CalPERS and details for ordering are available on our website.

The measurements shown in this actuarial valuation may not be applicable for other purposes. The employer should contact their actuary before disseminating any portion of this report for any reason that is not explicitly described above.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; changes in actuarial policies; and changes in plan provisions or applicable law.

California Actuarial Advisory Panel Recommendations

This report includes all the basic disclosure elements as described in the *Model Disclosure Elements for Actuarial Valuation Reports* recommended in 2011 by the California Actuarial Advisory Panel (CAAP), with the exception of including the original base amounts of the various components of the unfunded liability in the Schedule of Amortization Bases shown on page 9.

Additionally, this report includes the following "Enhanced Risk Disclosures" also recommended by the CAAP in the Model Disclosure Elements document:

- A "Deterministic Stress Test," projecting future results under different investment income scenarios
- A "Sensitivity Analysis," showing the impact on current valuation results using alternative discount rates of 6.0 percent, 7.0 percent and 8.0 percent.

Required Employer Contribution

		Fiscal Year
Required Employer Contribution		**2018-19**
Employer Normal Cost Rate		**7.266%**
Plus Either		
1) Monthly Employer Dollar UAL Payment	**$**	**27.50**
Or		
2) Annual Lump Sum Prepayment Option	**$**	**318**

*The total minimum required employer contribution is the **sum** of the Plan's Employer Normal Cost Rate (expressed as a percentage of payroll) **plus** the Employer Unfunded Accrued Liability (UAL) Contribution Amount (billed monthly in dollars).*

*Only the UAL portion of the employer contribution can be prepaid **(which must be received in full no later than July 31)**. Plan Normal Cost contributions will be made as part of the payroll reporting process. If there is contractual cost sharing or other change, this amount will change.*

§ 20572 of the Public Employees' Retirement Law assesses interest at an annual rate of 10 percent if a contracting agency fails to remit the required contributions when due.

		Fiscal Year 2017-18		Fiscal Year 2018-19
Development of Normal Cost as a Percentage of Payroll[1]				
Base Total Normal Cost for Formula		12.783%		13.092%
Surcharge for Class 1 Benefits[2]				
a) PRSA		0.625%		0.674%
Phase out of Normal Cost Difference[3]		0.000%		0.000%
Plan's Total Normal Cost		13.408%		13.766%
Plan's Employee Contribution Rate		6.500%		6.500%
Employer Normal Cost Rate		6.908%		7.266%
Projected Payroll for the Contribution Fiscal Year	$	93,655	$	301,391
Estimated Employer Contributions Based on Projected Payroll				
Plan's Estimated Employer Normal Cost	$	6,470	$	21,899
Plan's Payment on Amortization Bases[4]		235		330
% of Projected Payroll (illustrative only)		0.251%		0.110%
Estimated Total Employer Contribution	$	6,705	$	22,229
% of Projected Payroll (illustrative only)		7.159%		7.376%

[1] The results shown for Fiscal Year 2017-18 reflect the prior year valuation and may not take into account any lump sum payment, side fund payoff, or rate adjustment made after June 30, 2016.

[2] Section 2 of this report contains a list of Class 1 benefits and corresponding surcharges for each benefit.

[3] The normal cost difference is phased out over a five year period. The phase out of normal cost difference is 100 percent for the first year of pooling, and is incrementally reduced by 20 percent of the original normal cost difference for each subsequent year. This is non-zero only for plans that joined a pool within the past 5 years. Most plans joined a pool June 30, 2003, when risk pooling was implemented.

[4] See page 9 for a breakdown of the Amortization Bases.

Plan's Funded Status

	June 30, 2015	June 30, 2016
1. Present Value of Projected Benefits (PVB)	$ 123,160	$ 387,892
2. Entry Age Normal Accrued Liability (AL)	9,490	31,102
3. Plan's Market Value of Assets (MVA)	8,861	27,975
4. Unfunded Accrued Liability (UAL) [(2) - (3)]	629	3,127
5. Funded Ratio [(3) / (2)]	93.4%	89.9%

This measure of funded status is an assessment of the need for future employer contributions based on the selected actuarial cost method used to fund the plan. The UAL is the present value of future employer contributions for service that has already been earned and is in addition to future normal cost contributions for active members. For a measure of funded status that is appropriate for assessing the sufficiency of plan assets to cover estimated termination liabilities, please see "Hypothetical Termination Liability" in the "Risk Analysis" section.

Projected Employer Contributions

The table below shows projected employer contributions (before cost sharing) for the next six fiscal years. Projected results reflect the adopted changes to the discount rate described in Appendix A, "Statement of Actuarial Data, Methods and Assumptions" of the Section 2 report. The projections also assume that all actuarial assumptions will be realized and that no further changes to assumptions, contributions, benefits, or funding will occur during the projection period.

	Required Contribution	Projected Future Employer Contributions (Assumes 7.375% Return for Fiscal Year 2016-17)					
Fiscal Year	**2018-19**	**2019-20**	**2020-21**	**2021-22**	**2022-23**	**2023-24**	**2024-25**
Normal Cost %	7.266%	7.3%	7.4%	7.4%	7.4%	7.4%	7.4%
UAL Payment	$330	$490	$790	$850	$1,200	$1,400	$1,600

Changes in the UAL due to actuarial gains or losses as well as changes in actuarial assumptions or methods are amortized using a 5-year ramp up. For more information, please see "Amortization of the Unfunded Actuarial Accrued Liability" under "Actuarial Methods" in Appendix A of Section 2. This method phases in the impact of unanticipated changes in UAL over a 5-year period and attempts to minimize employer cost volatility from year to year. As a result of this methodology, dramatic changes in the required employer contributions in any one year are less likely. However, required contributions can change gradually and significantly over the next five years. In years where there is a large increase in UAL the relatively small amortization payments during the ramp up period could result in a funded ratio that is projected to decrease initially while the contribution impact of the increase in the UAL is phased in.

Due to the adopted changes in the discount rate for the next two valuations in combination with the 5-year phase-in ramp, the increases in the required contributions are expected to continue for seven years from Fiscal Year 2018-19 through Fiscal Year 2024-25.

For projected contributions under alternate investment return scenarios, please see the "Analysis of Future Investment Return Scenarios" in the "Risk Analysis" section.

Changes since the Prior Year's Valuation

Benefits

None. This valuation generally reflects plan changes by amendments effective before the date of the report. Please refer to the "Plan's Major Benefit Options" and Appendix B of Section 2 for a summary of the plan provisions used in this valuation.

Actuarial Methods and Assumptions

On December 21, 2016, the CalPERS Board of Administration lowered the discount rate from 7.50 percent to 7.00 percent using a three year phase-in beginning with the June 30, 2016 actuarial valuations. The minimum employer contributions for Fiscal Year 2018-19 determined in this valuation were calculated using a discount rate of 7.375 percent. The projected employer contributions on Page 5 are calculated assuming that the discount rate will be lowered to 7.25 percent next year and 7.00 percent the following year as adopted by the Board. The decision to reduce the discount rate was primarily based on reduced capital market assumptions provided by external investment consultants and CalPERS investment staff. The specific decision adopted by the Board reflected recommendations from CalPERS staff and additional input from employer and employee stakeholder groups. Based on the investment allocation adopted by the Board and capital market assumptions, the reduced discount rate assumption provides a more realistic assumption for the long term investment return of the fund.

Notwithstanding the Board's decision to phase into a 7.0 percent discount rate, subsequent analysis of the expected investment return of CalPERS assets or changes to the investment allocation may result in a change to this three year discount rate schedule. A comprehensive analysis of all actuarial assumptions and methods including the discount rate will be conducted in 2017.

Subsequent Events

The contribution requirements determined in this actuarial valuation report are based on demographic and financial information as of June 30, 2016. Changes in the value of assets subsequent to that date are not reflected. Declines in asset values will increase the required contribution, while investment returns above the assumed rate of return will decrease the actuarial cost of the plan.

This actuarial valuation report reflects statutory changes, regulatory changes and CalPERS Board actions through January 2017. Any subsequent changes or actions are not reflected.

ASSETS AND LIABILITIES

- **BREAKDOWN OF ENTRY AGE NORMAL ACCRUED LIABILITY**
- **ALLOCATION OF PLAN'S SHARE OF POOL'S EXPERIENCE/ASSUMPTION CHANGE**
- **DEVELOPMENT OF PLAN'S SHARE OF POOL'S MVA**
- **SCHEDULE OF PLAN'S AMORTIZATION BASES**
- **30-YEAR AMORTIZATION SCHEDULE AND ALTERNATIVES**
- **EMPLOYER CONTRIBUTION HISTORY**
- **FUNDING HISTORY**

Breakdown of Entry Age Normal Accrued Liability

1.	Active Members	$	30,625
2.	Transferred Members		0
3.	Terminated Members		477
4.	Members and Beneficiaries Receiving Payments		0
5.	Total	$	31,102

Allocation of Plan's Share of Pool's Experience/Assumption Change

It is the policy of CalPERS to ensure equity within the risk pools by allocating the pool's experience gains/losses and assumption changes in a manner that treats each employer equitably and maintains benefit security for the members of the System while minimizing substantial variations in employer contributions. The Pool's experience gains/losses and impact of assumption/method changes is allocated to the plan as follows:

1.	Plan's Accrued Liability	$	31,102
2.	Projected UAL balance at 6/30/16		877
3.	Pool's Accrued Liability	$	14,775,287,594
4.	Sum of Pool's Individual Plan UAL Balances at 6/30/16		2,987,498,021
5.	Pool's 2015/16 Investment & Asset (Gain)/Loss		771,070,186
6.	Pool's 2015/16 Other (Gain)/Loss		(95,296,686)
7.	Plan's Share of Pool's Asset (Gain)/Loss [(1)-(2)]/[(3)-(4)] * (5)		1,977
8.	Plan's Share of Pool's Other (Gain)/Loss [(1)]/[(3)] * (6)		(201)
9.	Plan's New (Gain)/Loss as of 6/30/2016 [(7)+(8)]	$	1,776
10.	Increase in Pool's Accrued Liability due to Change in Assumptions		224,853,121
11.	Plan's Share of Pool's Change in Assumptions [(1)]/[(3)] * (10)	$	473

Development of the Plan's Share of Pool's Market Value of Assets

1.	Plan's Accrued Liability	$	31,102
2.	Plan's UAL	$	3,127
3.	Plan's Share of Pool's MVA [(1)-(2)]	$	**27,975**

Schedule of Plan's Side Fund and Other Amortization Bases

There is a two-year lag between the valuation date and the start of the contribution fiscal year.

- The assets, liabilities, and funded status of the plan are measured as of the valuation date: June 30, 2016.
- The employer contribution determined by the valuation is for the fiscal year beginning two years after the valuation date: Fiscal Year 2018-19.

This two-year lag is necessary due to the amount of time needed to extract and test the membership and financial data, and the need to provide public agencies with their employer contribution well in advance of the start of the fiscal year.

The Unfunded Accrued Liability (UAL) is used to determine the employer contribution and therefore must be rolled forward two years from the valuation date to the first day of the fiscal year for which the contribution is being determined. The UAL is rolled forward each year by subtracting the payment on the UAL for the fiscal year and adjusting for interest.

							Amounts for Fiscal 2018-19	
Reason for Base	**Date Established**	**Amortization Period**	**Balance 6/30/16**	**Payment 2016-17**	**Balance 6/30/17**	**Payment 2017-18**	**Balance 6/30/18**	**Scheduled Payment for 2018-19**
FRESH START	06/30/15	3	$877	$88	$850	$235	$669	$241
NON-ASSET (GAIN)/LOSS	06/30/16	30	$(201)	$0	$(215)	$0	$(231)	$(3)
ASSUMPTION CHANGE	06/30/16	20	$473	$(1,230)	$1,783	$(1,267)	$3,227	$61
ASSET (GAIN)/LOSS	06/30/16	30	$1,977	$0	$2,123	$0	$2,279	$32
TOTAL			**$3,126**	**$(1,142)**	**$4,541**	**$(1,032)**	**$5,944**	**$331**

The (gain)/loss bases are the plan's allocated share of the risk pool's (gain)/loss for the fiscal year as disclosed on the previous page. These (gain)/loss bases will be amortized according to Board policy over 30 years with a 5-year ramp-up.

If the total Unfunded Liability is negative (i.e., plan has a surplus), the scheduled payment is $0, because the minimum required contribution under PEPRA must be at least equal to the normal cost.

30-Year Amortization Schedule and Alternatives

The amortization schedule on the previous page shows the minimum contributions required according to CalPERS amortization policy. There has been considerable interest from many agencies in paying off these unfunded accrued liabilities sooner and the possible savings in doing so. As a result, we have provided alternate amortization schedules to help analyze the current amortization schedule and illustrate the advantages of accelerating unfunded liability payments.

Shown on the following page are future year amortization payments based on: 1) the current amortization schedule reflecting the individual bases and remaining periods shown on the previous page, and 2) alternate "fresh start" amortization schedules using two sample periods that would both result in interest savings relative to the current amortization schedule. Note that the payments under each alternate scenario increase by 3 percent for each year into the future. **The schedules do not attempt to reflect any experience after June 30, 2016 that may deviate from the actuarial assumptions. Therefore, future amortization payments displayed in the Current Amortization Schedule may not match projected amortization payments shown in connection with Projected Employer Contributions provided elsewhere in this report.**

The Current Amortization Schedule typically contains individual bases that are both positive and negative. Positive bases result from plan changes, assumption changes or plan experience that result in increases to unfunded liability. Negative bases result from plan changes, assumption changes or plan experience that result in decreases to unfunded liability. The combination of positive and negative bases within an amortization schedule can result in unusual or problematic circumstances in future years such as:

- A positive total unfunded liability with a negative total payment,
- A negative total unfunded liability with a positive total payment, or
- Total payments that completely amortize the unfunded liability over a very short period of time

In any year where one of the above scenarios occurs, the actuary will consider corrective action such as replacing the existing unfunded liability bases with a single "fresh start" base and amortizing it over a reasonable period.

The Current Amortization Schedule on the following page may appear to show that, based on the current amortization bases, one of the above scenarios will occur at some point in the future. It is impossible to know today whether such a scenario will in fact arise since there will be additional bases added to the amortization schedule in each future year. Should such a scenario arise in any future year, the actuary will take appropriate action based on guidelines in the CalPERS amortization policy. For purposes of this display, total payments include any negative payments. Therefore, the amount of estimated savings may be understated to the extent that negative payments appear in the current schedule.

30-Year Amortization Schedule and Alternatives

	Current Amortization Schedule		Alternate Schedules			
			20 Year Amortization		15 Year Amortization	
Date	**Balance**	**Payment**	**Balance**	**Payment**	**Balance**	**Payment**
6/30/2018	5,945	330	5,945	444	5,945	541
6/30/2019	6,042	432	5,923	458	5,823	557
6/30/2020	6,040	539	5,886	471	5,676	574
6/30/2021	5,926	390	5,831	486	5,500	591
6/30/2022	5,959	502	5,758	500	5,293	609
6/30/2023	5,878	517	5,664	515	5,053	627
6/30/2024	5,776	533	5,548	531	4,776	646
6/30/2025	5,650	549	5,408	547	4,459	665
6/30/2026	5,498	565	5,240	563	4,099	685
6/30/2027	5,318	582	5,043	580	3,691	706
6/30/2028	5,107	600	4,814	597	3,232	727
6/30/2029	4,862	618	4,550	615	2,718	749
6/30/2030	4,581	636	4,248	634	2,142	771
6/30/2031	4,260	655	3,905	653	1,502	794
6/30/2032	3,895	675	3,517	672	789	818
6/30/2033	3,483	695	3,080	692		
6/30/2034	3,019	618	2,589	713		
6/30/2035	2,601	536	2,041	735		
6/30/2036	2,237	449	1,431	757		
6/30/2037	1,937	356	752	779		
6/30/2038	1,712	256				
6/30/2039	1,572	264				
6/30/2040	1,415	272				
6/30/2041	1,237	280				
6/30/2042	1,038	289				
6/30/2043	815	297				
6/30/2044	567	245				
6/30/2045	355	189				
6/30/2046	186	130				
6/30/2047	65	67				
Totals		**13,067**		**11,942**		**10,058**
Interest Paid		**7,121**		**5,996**		**4,112**
Estimated Savings				**1,124**		**3,008**

* This schedule does not reflect the impact of adopted discount rate changes that will become effective beyond June 30, 2016. For Projected Employer Contributions, please see Page 5.

Employer Contribution History

The table below provides a recent history of the required employer contributions for the plan, as determined by the annual actuarial valuation. It does not account for prepayments or benefit changes made during a fiscal year.

Fiscal Year	Employer Normal Cost	Unfunded Liability Payment ($)
2016 - 17	6.930%	$88
2017 - 18	6.908%	$235
2018 - 19	7.266%	$330

Funding History

The funding history below shows the plan's actuarial accrued liability, share of the pool's market value of assets, share of the pool's unfunded liability, funded ratio, and annual covered payroll.

Valuation Date	Accrued Liability (AL)	Share of Pool's Market Value of Assets (MVA)	Plan's Share of Pool's Unfunded Liability	Funded Ratio	Annual Covered Payroll
06/30/2014	$ 353	$ 369	$ (16)	104.5%	$ 38,232
06/30/2015	9,490	8,861	629	93.4%	85,708
06/30/2016	31,102	27,975	3,127	89.9%	275,816

RISK ANALYSIS

- **ANALYSIS OF FUTURE INVESTMENT RETURN SCENARIOS**
- **ANALYSIS OF DISCOUNT RATE SENSITIVITY**
- **VOLATILITY RATIOS**
- **HYPOTHETICAL TERMINATION LIABILITY**

Analysis of Future Investment Return Scenarios

Analysis was performed to determine the effects of various future investment returns on required employer contributions. The projections below provide a range of results based on five investment return scenarios assumed to occur during the next four fiscal years (2016-17, 2017-18, 2018-19 and 2019-20). The projections also assume that all other actuarial assumptions will be realized and that no further changes to assumptions, contributions, benefits, or funding will occur.

Each of the five investment return scenarios assumes a return of 7.375 percent for fiscal year 2016-17. For fiscal years 2017-18, 2018-19, and 2019-20 each scenario assumes an alternate fixed annual return. The fixed return assumptions for the five scenarios are -3.0 percent, 3.0 percent, 7.0 percent (7.25 percent for 2017-18), 11.0 percent and 17.0 percent.

Alternate investment returns were chosen based on stochastic analysis of possible future investment returns over the four year period ending June 30, 2020. Using the expected returns and volatility of the asset classes in which the funds are invested, we produced ten thousand stochastic outcomes for this period. We then selected annual returns that approximate the 5th, 25th, 50th, 75th, and 95th percentiles for these outcomes. For example, of all of the 4-year outcomes generated in the stochastic analysis, approximately 25 percent of them had an average annual return of 3.0 percent or less.

Required contributions outside of this range are also possible. In particular, while it is unlikely that investment returns will average less than -3.0 percent or greater than 17.0 percent over this four year period, the possibility of a single investment return less than -3.0 percent or greater than 17.0 percent in any given year is much greater.

Assumed Annual Return From 2017-18 through 2019-20	Projected Employer Contributions			
	2019-20	2020-21	2021-22	2022-23
(3.0%)				
Normal Cost	7.3%	7.4%	7.4%	7.4%
UAL Contribution	$490	$840	$990	$1,500
3.0%				
Normal Cost	7.3%	7.4%	7.4%	7.4%
UAL Contribution	$490	$810	$910	$1,300
Assumed Discount Rate				
Normal Cost	7.3%	7.4%	7.4%	7.4%
UAL Contribution	$490	$790	$850	$1,200
11.0%				
Normal Cost	7.3%	7.4%	7.5%	7.6%
UAL Contribution	$490	$770	$800	$1,100
17.0%				
Normal Cost	7.3%	7.4%	7.7%	8.0%
UAL Contribution	$490	$750	$720	$900

Given the temporary suspension of the Risk Mitigation Policy during the period over which the discount rate assumption is being phased down to 7.0 percent, the projections above were performed without reflection of any possible impact of this Policy for Fiscal Years 2019-20 and 2020-21.

Analysis of Discount Rate Sensitivity

Shown below are various valuation results as of June 30, 2016 assuming alternate discount rates. Results are shown using the current discount rate of 7.375 percent as well as alternate discount rates of 6.0 percent, 7.0 percent, and 8.0 percent. The alternate rate of 7.0 percent was selected since the Board has adopted this rate as the final discount rate at the end of the three year phase-in of the reduction in this assumption. The rates of 6.0 percent and 8.0 percent were selected since they illustrate the impact of a 1 percent increase or decrease to the 7.0 percent assumption. This analysis shows the potential plan impacts if the PERF were to realize investment returns of 6.0 percent, 7.0 percent, or 8.0 percent over the long-term.

This type of analysis gives the reader a sense of the long-term risk to required contributions. For a measure of funded status that is appropriate for assessing the sufficiency of plan assets to cover estimated termination liabilities, please see "Hypothetical Termination Liability" in the "Risk Analysis" section.

Sensitivity Analysis				
As of June 30, 2016	**Plan's Total Normal Cost**	**Accrued Liability**	**Unfunded Accrued Liability**	**Funded Status**
7.375% (current discount rate)	13.766%	$31,102	$3,127	89.9%
6.0%	18.408%	$42,706	$14,731	65.5%
7.0%	14.867%	$33,849	$5,874	82.6%
8.0%	12.156%	$27,091	$(884)	103.3%

Volatility Ratios

Actuarial calculations are based on a number of assumptions about long-term demographic and economic behavior. Unless these assumptions (terminations, deaths, disabilities, retirements, salary growth, and investment return) are exactly realized each year, there will be differences on a year-to-year basis. The year-to-year differences between actual experience and the assumptions are called actuarial gains and losses and serve to lower or raise required employer contributions from one year to the next. Therefore, employer contributions will inevitably fluctuate, especially due to the ups and downs of investment returns.

Asset Volatility Ratio (AVR)

Plans that have higher asset-to-payroll ratios experience more volatile employer contributions (as a percentage of payroll) due to investment return. For example, a plan with an asset-to-payroll ratio of 8 may experience twice the contribution volatility due to investment return volatility, than a plan with an asset-to-payroll ratio of 4. Shown below is the asset volatility ratio, a measure of the plan's current contribution volatility. It should be noted that this ratio is a measure of the current situation. It increases over time but generally tends to stabilize as the plan matures.

Liability Volatility Ratio (LVR)

Plans that have higher liability-to-payroll ratios experience more volatile employer contributions (as a percentage of payroll) due to investment return and changes in liability. For example, a plan with a liability-to-payroll ratio of 8 is expected to have twice the contribution volatility of a plan with a liability-to-payroll ratio of 4. The liability volatility ratio is also shown in the table below. It should be noted that this ratio indicates a longer-term potential for contribution volatility. The asset volatility ratio, described above, will tend to move closer to the liability volatility ratio as the plan matures. Since the liability volatility ratio is a long-term measure, it is shown below at the current discount rate (7.375 percent) as well as the discount rate the Board has adopted to determine the contribution requirement in the June 30, 2018 actuarial valuation (7.00 percent).

Rate Volatility		As of June 30, 2016
1. Market Value of Assets	$	27,975
2. Payroll		275,816
3. Asset Volatility Ratio (AVR) [(1) / (2)]		0.1
4. Accrued Liability	$	31,102
5. Liability Volatility Ratio (LVR) [(4) / (2)]		0.1
6. Accrued Liability (7.00% discount rate)		33,849
7. Projected Liability Volatility Ratio [(6) / (2)]		0.1

Hypothetical Termination Liability

The hypothetical termination liability is an estimate of the financial position of the plan had the contract with CalPERS been terminated as of June 30, 2016. The plan liability on a termination basis is calculated differently compared to the plan's ongoing funding liability. For the hypothetical termination liability calculation, both compensation and service are frozen as of the valuation date and no future pay increases or service accruals are assumed. This measure of funded status is not appropriate for assessing the need for future employer contributions in the case of an ongoing plan, that is, for an employer that continues to provide CalPERS retirement benefits to active employees.

A more conservative investment policy and asset allocation strategy was adopted by the CalPERS Board for the Terminated Agency Pool. The Terminated Agency Pool has limited funding sources since no future employer contributions will be made. Therefore, expected benefit payments are secured by risk-free assets and benefit security for members is increased while funding risk is limited. However, this asset allocation has a lower expected rate of return than the PERF and consequently, a lower discount rate is assumed. The lower discount rate for the Terminated Agency Pool results in higher liabilities for terminated plans.

The effective termination discount rate will depend on actual market rates of return for risk-free securities on the date of termination. As market discount rates are variable, the table below shows a range for the hypothetical termination liability based on the lowest and highest interest rates observed during an approximate 2-year period centered around the valuation date.

Market Value of Assets (MVA)	Hypothetical Termination Liability[1,2] @ 1.75%	Funded Status	Unfunded Termination Liability @ 1.75%	Hypothetical Termination Liability[1,2] @ 3.00%	Funded Status	Unfunded Termination Liability @ 3.00%
$27,975	$87,051	32.1%	$59,076	$61,914	45.2%	$33,939

[1] The hypothetical liabilities calculated above include a 7 percent mortality contingency load in accordance with Board policy. Other actuarial assumptions can be found in Appendix A.

[2] The current discount rate assumption used for termination valuations is a weighted average of the 10-year and 30-year U.S. Treasury yields where the weights are based on matching asset and liability durations as of the termination date. The discount rates used in the table are based on 20-year Treasury bonds, rounded to the nearest quarter percentage point, which is a good proxy for most plans. The 20-year Treasury yield was 1.75 percent on June 30, 2016, and was 2.75 percent on January 31, 2017.

In order to terminate the plan, you must first contact our Retirement Services Contract Unit to initiate a Resolution of Intent to terminate. The completed Resolution will allow the plan actuary to give you a preliminary termination valuation with a more up-to-date estimate of the plan liabilities. CalPERS advises you to consult with the plan actuary before beginning this process.

Participant Data

The table below shows a summary of your plan's member data upon which this valuation is based:

	June 30, 2015	June 30, 2016
Reported Payroll	$ 85,708	$ 275,816
Projected Payroll for Contribution Purposes	$ 93,655	$ 301,391
Number of Members		
Active	3	6
Transferred	0	0
Separated	0	1
Retired	0	0

List of Class 1 Benefit Provisions

This plan has the additional Class 1 Benefit Provisions:

- Post-Retirement Survivor Allowance (PRSA)

PLAN'S MAJOR BENEFIT OPTIONS

Plan's Major Benefit Options

Shown below is a summary of the major optional benefits for which your agency has contracted. A description of principal standard and optional plan provisions is in Appendix B within Section 2 of this report.

	Contract package	
Benefit Provision	Active Misc	
Benefit Formula	2.0% @ 62	
Social Security Coverage	No	
Full/Modified	Full	
Employee Contribution Rate	6.50%	
Final Average Compensation Period	Three Year	
Sick Leave Credit	Yes	
Non-Industrial Disability	Improved	
Industrial Disability	No	
Pre-Retirement Death Benefits		
Optional Settlement 2W	Yes	
1959 Survivor Benefit Level	No	
Special	No	
Alternate (firefighters)	No	
Post-Retirement Death Benefits		
Lump Sum	$500	
Survivor Allowance (PRSA)	Yes	
COLA	2%	

Section 2

CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Section 2 may be found on the CalPERS website (www.calpers.ca.gov) in the Forms and Publications section

ATTACHMENT 3

Scenario 1

City of Buellton

CAL PERS Unfunded Liability Changes

assumes 2 percent COLA increases beginning 2019-20

30-year amortization schedule

CLASSIC PLAN

		2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	Difference Between FY 2018 and 2025
	Development of Normal Cost as Percentage of Payroll									
a)	Employer Normal Cost Rate	9.599%	10.152%	10.600%	11.600%	11.600%	11.600%	11.600%	11.600%	**2.001%**
b)	Projected Payroll for the Contribution Fiscal Year	$ 1,164,154	$ 989,119	$ 1,009,809	$ 1,029,666	$ 1,049,921	$ 1,064,651	$ 1,091,654	$ 1,113,149	**$ (51,005)**
	Estimated Employer Contributions Based on Projected Payroll									
(a*b)	Plan's Estimated Employer Normal Cost	$ 111,747	$ 100,415	$ 107,040	$ 119,441	$ 121,791	$ 123,500	$ 126,632	$ 129,125	**$ 17,378**
c)	(UAL Payment) Plan's Payment on Amortization Bases***	$ 98,534	$ 124,305	$ 154,000	$ 177,000	$ 207,000	$ 232,000	$ 226,000	$ 239,000	**$ 140,466**
(c/b)	% of Projected Payroll	8.464%	12.567%	15.250%	17.190%	19.716%	21.791%	20.703%	21.471%	**13%**
((a*b)+c)	**Estimated Total Employer Contribution**	$ 210,281	$ 224,720	$ 261,040	$ 296,441	$ 328,791	$ 355,500	$ 352,632	$ 368,125	**$ 157,844**
	% of projected payroll (illustrative only)	18.063%	22.719%	25.850%	28.790%	31.316%	33.391%	32.303%	33.071%	**15.008%**
	Retirement Increase ($)		**$ 14,439**	**$ 36,319**	**$ 35,402**	**$ 32,350**	**$ 26,709**	**$ (2,868)**	**$ 15,493**	**$ 157,844**
	Percentage Increase		**4.66%**	**3.13%**	**2.94%**	**2.53%**	**2.08%**	**-1.09%**	**0.77%**	**15.01%**

PEPRA PLAN

		2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	Difference Between FY 2018 and 2025
	Development of Normal Cost as Percentage of Payroll									
a)	Employer Normal Cost Rate	6.908%	7.266%	7.300%	7.400%	7.400%	7.400%	7.400%	7.400%	**0.492%**
b)	Projected Payroll for the Contribution Fiscal Year	$ 93,655	$ 590,000	$ 621,131	$ 644,449	$ 660,622	$ 679,736	$ 693,282	$ 705,100	**$ 611,445**
	Estimated Employer Contributions Based on Projected Payroll									
(a*b)	Plan's Estimated Employer Normal Cost	$ 6,470	$ 42,869	$ 45,343	$ 47,689	$ 48,886	$ 50,300	$ 51,303	$ 52,177	**$ 45,708**
c)	(UAL Payment) Plan's Payment on Amortization Bases	$ 235	$ 330	$ 490	$ 790	$ 850	$ 1,200	$ 1,400	$ 1,600	**$ 1,365**
(c/b)	% of Projected Payroll	0.251%	0.056%	0.079%	0.123%	0.129%	0.177%	0.202%	0.227%	**-0.02%**
((a*b)+c)	**Estimated Total Employer Contribution**	$ 6,705	$ 43,199	$ 45,833	$ 48,479	$ 49,736	$ 51,500	$ 52,703	$ 53,777	**$ 47,073**
	% of projected payroll (illustrative only)	7.159%	7.322%	7.379%	7.523%	7.529%	7.577%	7.602%	7.627%	**0.468%**
	Retirement Increase ($)		**$ 36,495**	**$ 2,633**	**$ 2,647**	**$ 1,257**	**$ 1,764**	**$ 1,202**	**$ 1,075**	**$ 47,073**
	Percentage Increase		**0.16%**	**0.06%**	**0.14%**	**0.01%**	**0.05%**	**0.03%**	**0.02%**	**0.47%**
	Total Retirement Increase (Classic plus PEPRA)		**$ 50,934**	**$ 38,953**	**$ 38,048**	**$ 33,606**	**$ 28,473**	**$ (1,665)**	**$ 16,568**	**$ 204,917**
	Percentage Increase (Classic Plus PEPRA)		**4.82%**	**3.19%**	**3.08%**	**2.53%**	**2.12%**	**-1.06%**	**0.79%**	**15.48%**

*** Amount from valuation reports

Scenario 2

City of Buellton

CAL PERS Unfunded Liability Changes

assumes 2 percent COLA increases beginning 2019-20

20-year amortization schedule

CLASSIC PLAN

		2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	Difference Between FY 2018 and 2025
	Development of Normal Cost as Percentage of Payroll									
a)	Employer Normal Cost Rate	9.599%	10.152%	10.600%	11.600%	11.600%	11.600%	11.600%	11.600%	**2.001%**
b)	Projected Payroll for the Contribution Fiscal Year	$ 1,164,154	$ 989,119	$ 1,009,809	$ 1,029,666	$ 1,049,921	$ 1,064,651	$ 1,091,654	$ 1,113,149	**$ (51,005)**
	Estimated Employer Contributions Based on Projected Payroll									
(a*b)	Plan's Estimated Employer Normal Cost	$ 111,747	$ 100,415	$ 107,040	$ 119,441	$ 121,791	$ 123,500	$ 126,632	$ 129,125	**$ 17,378**
c)	(UAL Payment) Plan's Payment on Amortization Bases***	$ 98,534	$ 164,981	$ 169,930	$ 175,028	$ 180,279	$ 185,687	$ 191,258	$ 196,996	**$ 98,462**
(c/b)	% of Projected Payroll	8.464%	16.680%	16.828%	16.999%	17.171%	17.441%	17.520%	17.697%	**9%**
((a*b)+c)	**Estimated Total Employer Contribution**	$ 210,281	$ 265,396	$ 276,970	$ 294,469	$ 302,070	$ 309,187	$ 317,890	$ 326,121	**$ 115,840**
	% of projected payroll (illustrative only)	18.063%	26.832%	27.428%	28.599%	28.771%	29.041%	29.120%	29.297%	**11.234%**
	Retirement Increase ($)		**$ 55,115**	**$ 11,573**	**$ 17,500**	**$ 7,601**	**$ 7,117**	**$ 8,703**	**$ 8,231**	**$ 115,840**
	Percentage Increase		**8.77%**	**0.60%**	**1.17%**	**0.17%**	**0.27%**	**0.08%**	**0.18%**	**11.23%**

PEPRA PLAN

		2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	Difference Between FY 2018 and 2025
	Development of Normal Cost as Percentage of Payroll									
a)	Employer Normal Cost Rate	6.908%	7.266%	7.300%	7.400%	7.400%	7.400%	7.400%	7.400%	**0.492%**
b)	Projected Payroll for the Contribution Fiscal Year	$ 93,655	$ 590,000	$ 621,131	$ 644,449	$ 660,622	$ 679,736	$ 693,282	$ 705,100	**$ 611,445**
	Estimated Employer Contributions Based on Projected Payroll									
(a*b)	Plan's Estimated Employer Normal Cost	$ 6,470	$ 42,869	$ 45,343	$ 47,689	$ 48,886	$ 50,300	$ 51,303	$ 52,177	**$ 45,708**
c)	(UAL Payment) Plan's Payment on Amortization Bases	$ 235	$ 444	$ 458	$ 471	$ 486	$ 500	$ 515	$ 531	**$ 296**
(c/b)	% of Projected Payroll	0.251%	0.075%	0.074%	0.073%	0.074%	0.074%	0.074%	0.075%	**-0.18%**
((a*b)+c)	**Estimated Total Employer Contribution**	$ 6,705	$ 43,313	$ 45,801	$ 48,160	$ 49,372	$ 50,800	$ 51,818	$ 52,708	**$ 46,004**
	% of projected payroll (illustrative only)	7.159%	7.341%	7.374%	7.473%	7.474%	7.474%	7.474%	7.475%	**0.316%**
	Retirement Increase ($)		**$ 36,609**	**$ 2,487**	**$ 2,360**	**$ 1,212**	**$ 1,428**	**$ 1,017**	**$ 891**	**$ 46,004**
	Percentage Increase		**0.18%**	**0.03%**	**0.10%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.32%**
	Total Retirement Increase (Classic plus PEPRA)		**$ 91,724**	**$ 14,061**	**$ 19,859**	**$ 8,812**	**$ 8,545**	**$ 9,721**	**$ 9,122**	**$ 161,844**
	Percentage Increase (Classic Plus PEPRA)		**8.95%**	**0.63%**	**1.27%**	**0.17%**	**0.27%**	**0.08%**	**0.18%**	**11.55%**

*** Amount from valuation reports

ATTACHMENT 4

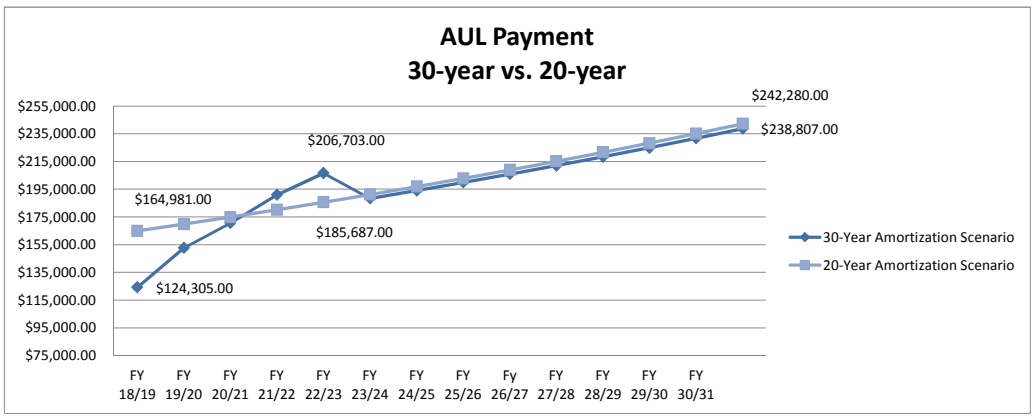
CalPERS
Classic Plan Unfunded Liability Payoff
Amortization Base $ 2,207,027

30-Year Amortization Scenario													
	Lump-Sum Payment		70% General Fund	$ Change from Prior Year		15% Water Fund	$ Change from Prior Year		15% Sewer Fund	$ Change from Prior Year		Total $ Change
FY 18/19	$	124,305.00	$ 87,013.50	$ 20,489.00	$	18,645.75	$ 4,390.50	$	18,645.75	$ 4,390.50	$	29,270.00
FY 19/20	$	152,688.00	$ 106,881.60	$ 19,868.10	$	22,903.20	$ 4,257.45	$	22,903.20	$ 4,257.45	$	28,383.00
FY 20/21	$	170,730.00	$ 119,511.00	$ 12,629.40	$	25,609.50	$ 2,706.30	$	25,609.50	$ 2,706.30	$	18,042.00
FY 21/22	$	191,049.00	$ 133,734.30	$ 14,223.30	$	28,657.35	$ 3,047.85	$	28,657.35	$ 3,047.85	$	20,319.00
FY 22/23	$	206,703.00	$ 144,692.10	$ 10,957.80	$	31,005.45	$ 2,348.10	$	31,005.45	$ 2,348.10	$	15,654.00
FY 23/24	$	188,516.00	$ 131,961.20	$ (12,730.90)	$	28,277.40	$ (2,728.05)	$	28,277.40	$ (2,728.05)	$	(18,187.00)
FY 24/25	$	194,172.00	$ 135,920.40	$ 3,959.20	$	29,125.80	$ 848.40	$	29,125.80	$ 848.40	$	5,656.00
FY 25/26	$	199,997.00	$ 139,997.90	$ 4,077.50	$	29,999.55	$ 873.75	$	29,999.55	$ 873.75	$	5,825.00
Fy 26/27	$	205,997.00	$ 144,197.90	$ 4,200.00	$	30,899.55	$ 900.00	$	30,899.55	$ 900.00	$	6,000.00
FY 27/28	$	212,177.00	$ 148,523.90	$ 4,326.00	$	31,826.55	$ 927.00	$	31,826.55	$ 927.00	$	6,180.00
FY 28/29	$	218,542.00	$ 152,979.40	$ 4,455.50	$	32,781.30	$ 954.75	$	32,781.30	$ 954.75	$	6,365.00
FY 29/30	$	225,099.00	$ 157,569.30	$ 4,589.90	$	33,764.85	$ 983.55	$	33,764.85	$ 983.55	$	6,557.00
FY 30/31	$	231,851.00	$ 162,295.70	$ 4,726.40	$	34,777.65	$ 1,012.80	$	34,777.65	$ 1,012.80	$	6,752.00
FY 31/32	$	238,807.00	$ 167,164.90	$ 4,869.20	$	35,821.05	$ 1,043.40	$	35,821.05	$ 1,043.40	$	6,956.00
FY 32/33	$	234,378.00	$ 164,064.60	$ (3,100.30)	$	35,156.70	$ (664.35)	$	35,156.70	$ (664.35)	$	(4,429.00)
FY 33/34	$	229,469.00	$ 160,628.30	$ (3,436.30)	$	34,420.35	$ (736.35)	$	34,420.35	$ (736.35)	$	(4,909.00)
FY 34/35	$	219,465.00	$ 153,625.50	$ (7,002.80)	$	32,919.75	$ (1,500.60)	$	32,919.75	$ (1,500.60)	$	(10,004.00)
FY 35/36	$	208,655.00	$ 146,058.50	$ (7,567.00)	$	31,298.25	$ (1,621.50)	$	31,298.25	$ (1,621.50)	$	(10,810.00)
FY 36/37	$	196,998.00	$ 137,898.60	$ (8,159.90)	$	29,549.70	$ (1,748.55)	$	29,549.70	$ (1,748.55)	$	(11,657.00)
FY 37/38	$	122,597.00	$ 85,817.90	$ (52,080.70)	$	18,389.55	$ (11,160.15)	$	18,389.55	$ (11,160.15)	$	(74,401.00)

Pay-off in FY 2047/48. Peak Payment in FY 2031/32 for $238,807
Interest paid $2,620,389

20-Year Amortization Scenario													
	Lump-Sum Payment		70% General Fund	$ Change from Prior Year		15% Water Fund	$ Change from Prior Year		15% Sewer Fund	$ Change from Prior Year		Total $ Change
FY 18/19	$	164,981.00	$ 115,486.70	$ 48,962.20	$	24,747.15	$ 10,491.90	$	24,747.15	$ 10,491.90	$	69,946.00
FY 19/20	$	169,930.00	$ 118,951.00	$ 31,937.50	$	25,489.50	$ 742.35	$	25,489.50	$ 742.35	$	33,422.20
FY 20/21	$	175,028.00	$ 122,519.60	$ 3,568.60	$	26,254.20	$ 764.70	$	26,254.20	$ 764.70	$	5,098.00
FY 21/22	$	180,279.00	$ 126,195.30	$ 3,675.70	$	27,041.85	$ 787.65	$	27,041.85	$ 787.65	$	5,251.00
FY 22/23	$	185,687.00	$ 129,980.90	$ 3,785.60	$	27,853.05	$ 811.20	$	27,853.05	$ 811.20	$	5,408.00
FY 23/24	$	191,258.00	$ 133,880.60	$ 3,899.70	$	28,688.70	$ 835.65	$	28,688.70	$ 835.65	$	5,571.00
FY 24/25	$	196,996.00	$ 137,897.20	$ 4,016.60	$	29,549.40	$ 860.70	$	29,549.40	$ 860.70	$	5,738.00
FY 25/26	$	202,906.00	$ 142,034.20	$ 4,137.00	$	30,435.90	$ 886.50	$	30,435.90	$ 886.50	$	5,910.00
Fy 26/27	$	208,993.00	$ 146,295.10	$ 4,260.90	$	31,348.95	$ 913.05	$	31,348.95	$ 913.05	$	6,087.00
FY 27/28	$	215,262.00	$ 150,683.40	$ 4,388.30	$	32,289.30	$ 940.35	$	32,289.30	$ 940.35	$	6,269.00
FY 28/29	$	221,720.00	$ 155,204.00	$ 4,520.60	$	33,258.00	$ 968.70	$	33,258.00	$ 968.70	$	6,458.00
FY 29/30	$	228,372.00	$ 159,860.40	$ 4,656.40	$	34,255.80	$ 997.80	$	34,255.80	$ 997.80	$	6,652.00
FY 30/31	$	235,223.00	$ 164,656.10	$ 4,795.70	$	35,283.45	$ 1,027.65	$	35,283.45	$ 1,027.65	$	6,851.00
FY 31/32	$	242,280.00	$ 169,596.00	$ 4,939.90	$	36,342.00	$ 1,058.55	$	36,342.00	$ 1,058.55	$	7,057.00
FY 32/33	$	249,548.00	$ 174,683.60	$ 5,087.60	$	37,432.20	$ 1,090.20	$	37,432.20	$ 1,090.20	$	7,268.00
FY 33/34	$	257,035.00	$ 179,924.50	$ 5,240.90	$	38,555.25	$ 1,123.05	$	38,555.25	$ 1,123.05	$	7,487.00
FY 34/35	$	264,746.00	$ 185,322.20	$ 5,397.70	$	39,711.90	$ 1,156.65	$	39,711.90	$ 1,156.65	$	7,711.00
FY 35/36	$	272,688.00	$ 190,881.60	$ 5,559.40	$	40,903.20	$ 1,191.30	$	40,903.20	$ 1,191.30	$	7,942.00
FY 36/37	$	280,869.00	$ 196,608.30	$ 5,726.70	$	42,130.35	$ 1,227.15	$	42,130.35	$ 1,227.15	$	8,181.00
FY 37/38	$	289,295.00	$ 202,506.50	$ 5,898.20	$	43,394.25	$ 1,263.90	$	43,394.25	$ 1,263.90	$	8,426.00

Pay-off in FY 2037/38. Peak Payment in FY 2037/38 for $289,295
Interest paid $ 2,226,067. Interest Saving of $ 394,321



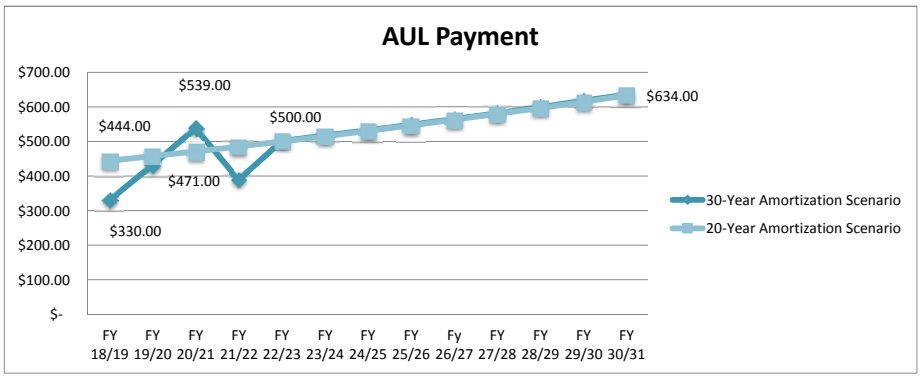
CalPERS
PEPRA Plan Unfunded Liability Payoff
Amortization Base: $5,945

30-Year Amortization Scenario														
	Lump-Sum Payment		70% General Fund	$ Change from Prior Year		15% Water Fund	$ Change from Prior Year		15% Sewer Fund	$ Change from Prior Year		Total $ Change
FY 18/19	$	330.00	$ 231.00	$	72.10	$ 49.50	$	14.09	$ 49.50	$	14.09	$ 100.28
FY 19/20	$	432.00	$ 302.40	$	71.40	$ 64.80	$	15.30	$ 64.80	$	15.30	$ 102.00
FY 20/21	$	539.00	$ 377.30	$	74.90	$ 80.85	$	16.05	$ 80.85	$	16.05	$ 107.00
FY 21/22	$	390.00	$ 273.00	$	(104.30)	$ 58.50	$	(22.35)	$ 58.50	$	(22.35)	$ (149.00)
FY 22/23	$	502.00	$ 351.40	$	78.40	$ 75.30	$	16.80	$ 75.30	$	16.80	$ 112.00
FY 23/24	$	517.00	$ 361.90	$	10.50	$ 77.55	$	2.25	$ 77.55	$	2.25	$ 15.00
FY 24/25	$	533.00	$ 373.10	$	11.20	$ 79.95	$	2.40	$ 79.95	$	2.40	$ 16.00
FY 25/26	$	549.00	$ 384.30	$	11.20	$ 82.35	$	2.40	$ 82.35	$	2.40	$ 16.00
Fy 26/27	$	565.00	$ 395.50	$	11.20	$ 84.75	$	2.40	$ 84.75	$	2.40	$ 16.00
FY 27/28	$	582.00	$ 407.40	$	11.90	$ 87.30	$	2.55	$ 87.30	$	2.55	$ 17.00
FY 28/29	$	600.00	$ 420.00	$	12.60	$ 90.00	$	2.70	$ 90.00	$	2.70	$ 18.00
FY 29/30	$	618.00	$ 432.60	$	12.60	$ 92.70	$	2.70	$ 92.70	$	2.70	$ 18.00
FY 30/31	$	636.00	$ 445.20	$	12.60	$ 95.40	$	2.70	$ 95.40	$	2.70	$ 18.00
FY 31/32	$	655.00	$ 458.50	$	13.30	$ 98.25	$	2.85	$ 98.25	$	2.85	$ 19.00
FY 32/33	$	675.00	$ 472.50	$	14.00	$ 101.25	$	3.00	$ 101.25	$	3.00	$ 20.00
FY 33/34	$	695.00	$ 486.50	$	14.00	$ 104.25	$	3.00	$ 104.25	$	3.00	$ 20.00
FY 34/35	$	618.00	$ 432.60	$	(53.90)	$ 92.70	$	(11.55)	$ 92.70	$	(11.55)	$ (77.00)
FY 35/36	$	536.00	$ 375.20	$	(57.40)	$ 80.40	$	(12.30)	$ 80.40	$	(12.30)	$ (82.00)
FY 36/37	$	449.00	$ 314.30	$	(60.90)	$ 67.35	$	(13.05)	$ 67.35	$	(13.05)	$ (87.00)
FY 37/38	$	356.00	$ 249.20	$	(65.10)	$ 53.40	$	(13.95)	$ 53.40	$	(13.95)	$ (93.00)

Pay-off in FY 2047/48. Peak Payment in FY 2033/34 for $695
Interest paid $7,121

20-Year Amortization Scenario														
	Lump-Sum Payment		70% General Fund	$ Change from Prior Year		15% Water Fund	$ Change from Prior Year		15% Sewer Fund	$ Change from Prior Year		Total $ Change
FY 18/19	$	444.00	$ 310.80	$	151.90	$ 66.60	$	31.19	$ 66.60	$	31.19	$ 214.28
FY 19/20	$	458.00	$ 320.60	$	9.80	$ 68.70	$	2.10	$ 68.70	$	2.10	$ 14.00
FY 20/21	$	471.00	$ 329.70	$	9.10	$ 70.65	$	1.95	$ 70.65	$	1.95	$ 13.00
FY 21/22	$	486.00	$ 340.20	$	10.50	$ 72.90	$	2.25	$ 72.90	$	2.25	$ 15.00
FY 22/23	$	500.00	$ 350.00	$	9.80	$ 75.00	$	2.10	$ 75.00	$	2.10	$ 14.00
FY 23/24	$	515.00	$ 360.50	$	10.50	$ 77.25	$	2.25	$ 77.25	$	2.25	$ 15.00
FY 24/25	$	531.00	$ 371.70	$	11.20	$ 79.65	$	2.40	$ 79.65	$	2.40	$ 16.00
FY 25/26	$	547.00	$ 382.90	$	11.20	$ 82.05	$	2.40	$ 82.05	$	2.40	$ 16.00
Fy 26/27	$	563.00	$ 394.10	$	11.20	$ 84.45	$	2.40	$ 84.45	$	2.40	$ 16.00
FY 27/28	$	580.00	$ 406.00	$	11.90	$ 87.00	$	2.55	$ 87.00	$	2.55	$ 17.00
FY 28/29	$	597.00	$ 417.90	$	11.90	$ 89.55	$	2.55	$ 89.55	$	2.55	$ 17.00
FY 29/30	$	615.00	$ 430.50	$	12.60	$ 92.25	$	2.70	$ 92.25	$	2.70	$ 18.00
FY 30/31	$	634.00	$ 443.80	$	13.30	$ 95.10	$	2.85	$ 95.10	$	2.85	$ 19.00
FY 31/32	$	653.00	$ 457.10	$	13.30	$ 97.95	$	2.85	$ 97.95	$	2.85	$ 19.00
FY 32/33	$	672.00	$ 470.40	$	13.30	$ 100.80	$	2.85	$ 100.80	$	2.85	$ 19.00
FY 33/34	$	692.00	$ 484.40	$	14.00	$ 103.80	$	3.00	$ 103.80	$	3.00	$ 20.00
FY 34/35	$	713.00	$ 499.10	$	14.70	$ 106.95	$	3.15	$ 106.95	$	3.15	$ 21.00
FY 35/36	$	735.00	$ 514.50	$	15.40	$ 110.25	$	3.30	$ 110.25	$	3.30	$ 22.00
FY 36/37	$	757.00	$ 529.90	$	15.40	$ 113.55	$	3.30	$ 113.55	$	3.30	$ 22.00
FY 37/38	$	779.00	$ 545.30	$	15.40	$ 116.85	$	3.30	$ 116.85	$	3.30	$ 22.00

Pay-off in FY 2037/38. Peak payment in FY 2037/38 for $779.
Interest Saving of $ 1,124



Discussion and Direction on CalPERS Pension Funding

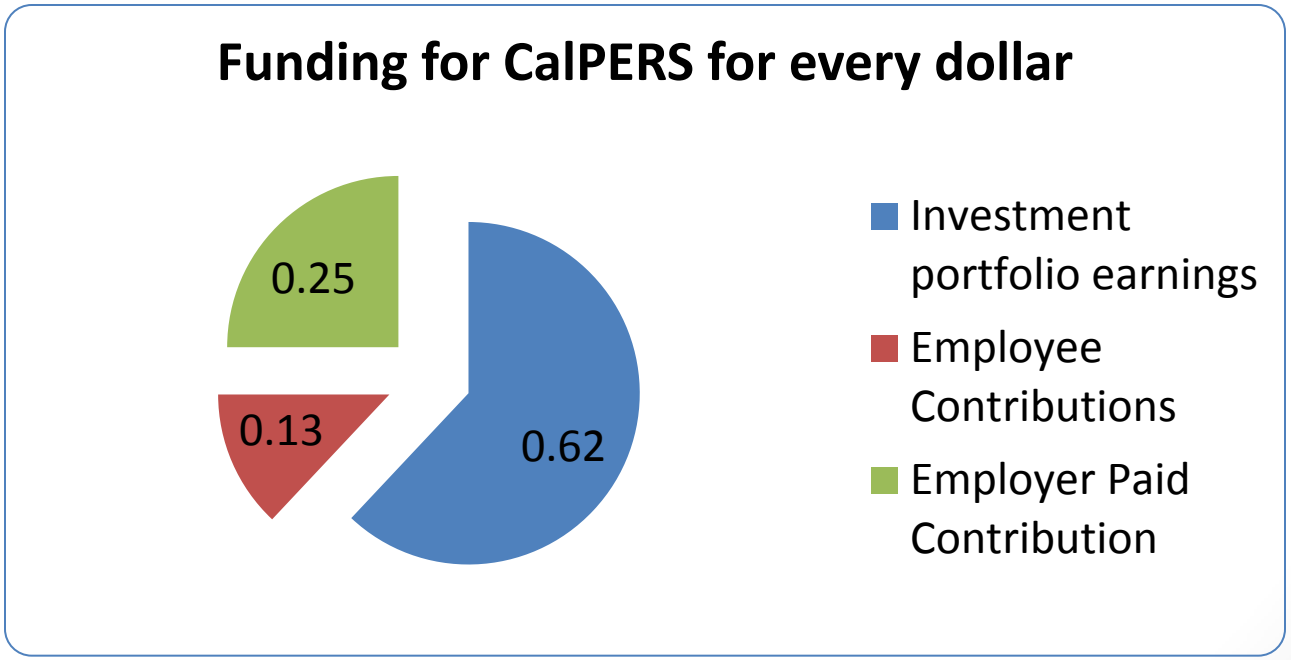
May 24, 2018
Presented By:
Shannel Zamora
Finance Director

Overview

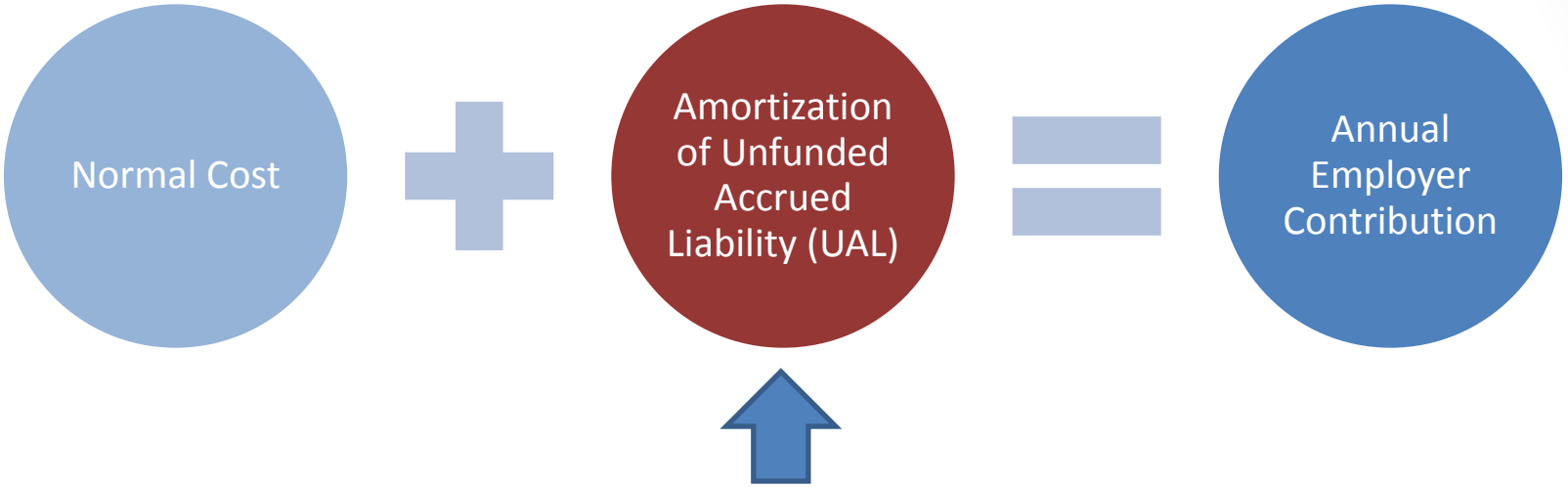
- Funding Sources
- Current Benefits
- Brief History on CalPERS
- Options to mitigate City's Unfunded Accrued Liability
- Staff Recommendation

Funding for CalPERS

- Three Sources fund CalPERS:
  1. Returns on the system's investment assets or portfolio
  2. Employee Contributions by CalPERS members (these are paid by employers in some cases)
  3. Employer-Paid contributions



Total Employer Contribution



Accumulated pension debt not covered by contributions in the past

City of Buellton's Plans

Classic Effective 1/1/1978	PEPRA Effective 1/1/2013
Hire Date: Prior to 1/01/2013	Hire Rate: On or after 1/1/2013
Benefit Formula: 2% at 55	Benefit Formula: 2% at 62
Benefit Vesting Schedule: 5 years of service	Benefit Vesting Schedule: 5 years of service
Benefit Payments: Monthly for Life	Benefit Payments: Monthly for Life
Retirement Age: 55	Retirement Age: 62
Required Employee Contribution Rate: 7%	Required Employee Contribution Rate: 6.5%
Required Employer Contribution Rate: 9.599%	Required Employer Contribution Rate: 6.908%
Total Rate: 16.599%	Total Rate: 13.408%

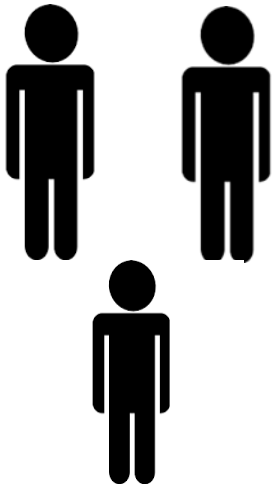
Employees

- 19 Active Full-time Employees
- 5 Council Members
- 12 Employees on Classic Retirement Plan
  - 2% @ 55 Formula
- 7 Employees on PEPRA Retirement Plan
  - 2% @ 62 Formula
  - Staff hired after 1/1/2013

By The Numbers

- According to CalPERS

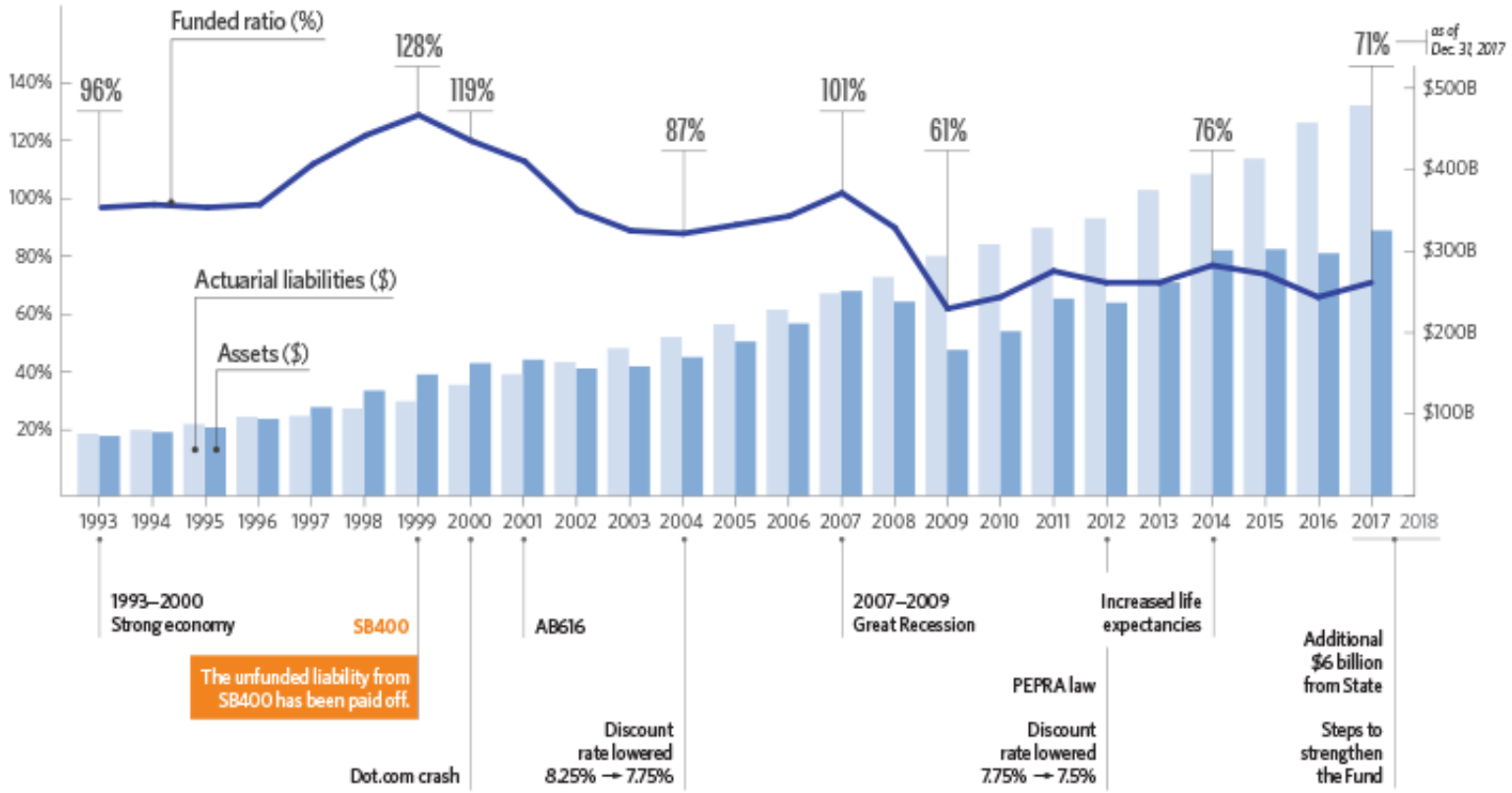
2001 — There were 2 active workers for every retiree.



2016 — There were 1.3 active employees for every retiree.

Projected 10-20 years — There will be .6 active employees for every retiree.

Historical Factors Impact Funded Status (1993–2018)



How has CalPERS strengthened the Fund?

Effective June 30, 2019 Actuarial Valuation

Lower Discount Rate

Lowered the discount rate from 7.5% to 7% over three years *(assumed rate of return)*

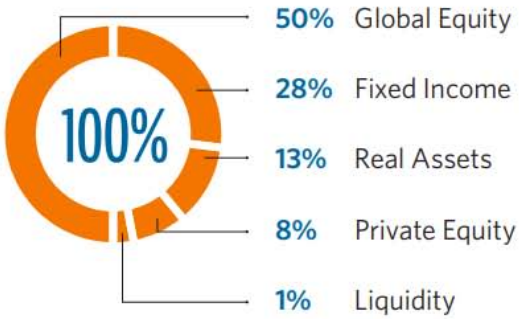
7.5%

↓

7%

New Asset Allocation

Adopted new strategic asset allocation effective July 1, 2018



Shorter Amortization

Shortened the amortization period for employers to pay their unfunded liability

30 yrs.

↓

20 yrs.

=

significant long-term savings

It will take time to increase our funded status, but lowering the **discount rate**, adopting a new strategic **asset allocation**, and shortening **amortization period**, as well as improving efficiency and reducing operational costs, will **strengthen the sustainability of the CalPERS fund** for decades to come.

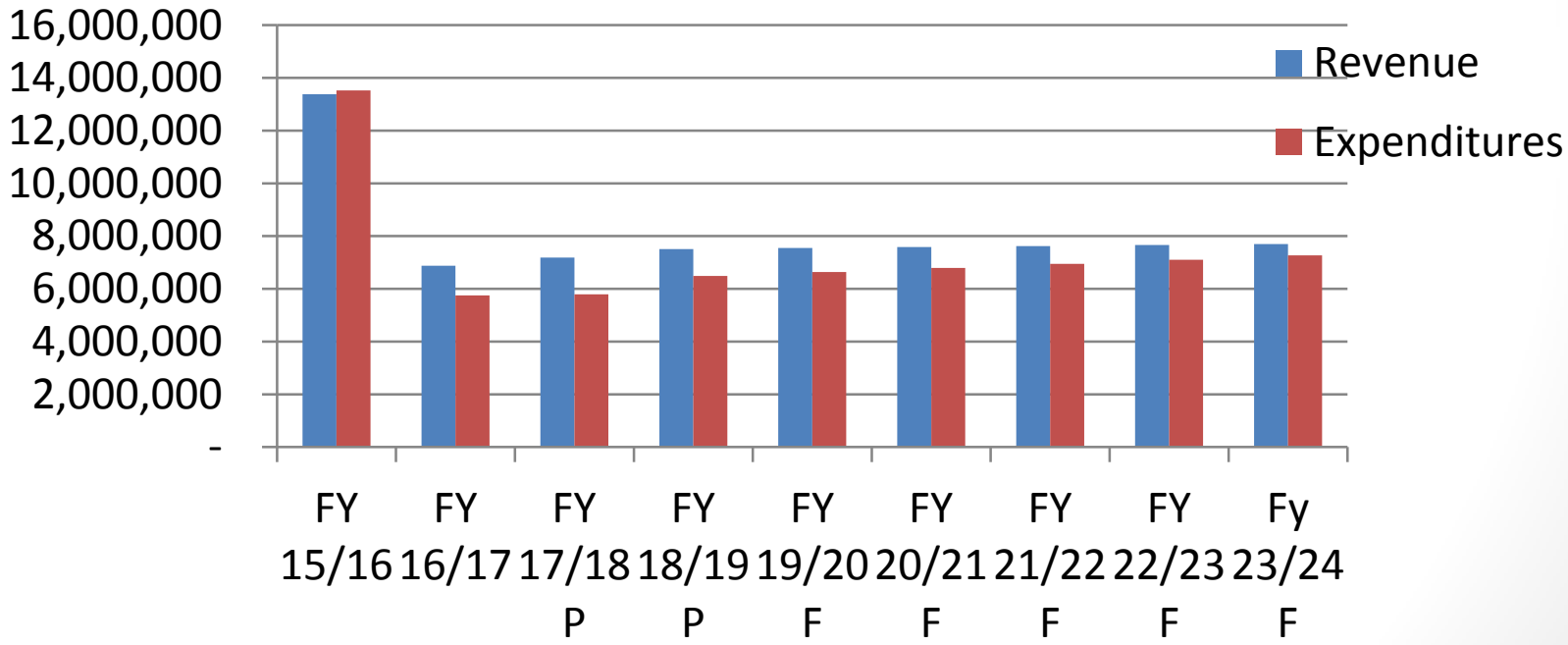
What can Cities do to alleviate the cost of CalPERS contributions?

Possible Options:

1) Reduce personnel cost and/or other services
2) Pay down unfunded liability
   a. Pay as if on a 20-year amortization period to save interest
   b. Use reserves or one-time revenue to pay down liability
3) Set-up a reserve account to fund future pension obligations
4) Fund Section 115 Irrevocable Pension Trust

Option 1: Reduce personnel and/or other services

- The City will not have to reduce personnel costs nor reduce services to the City.
- Projected General Fund Operating Revenue for FY 18/19: $7,511,033
- Projected General Fund Operating Expense for FY 18/19: $ 6,488,891



Option 2: Pay down Unfunded Liability

Make payments as if in a 20-year Amortization Schedule and use one-time revenue to pay UAL

Advantages:

- Lowers required unfunded pension liability contribution in the short-term
- Reduces the amount of interest paid over time

Disadvantages:

- Less budget flexibility

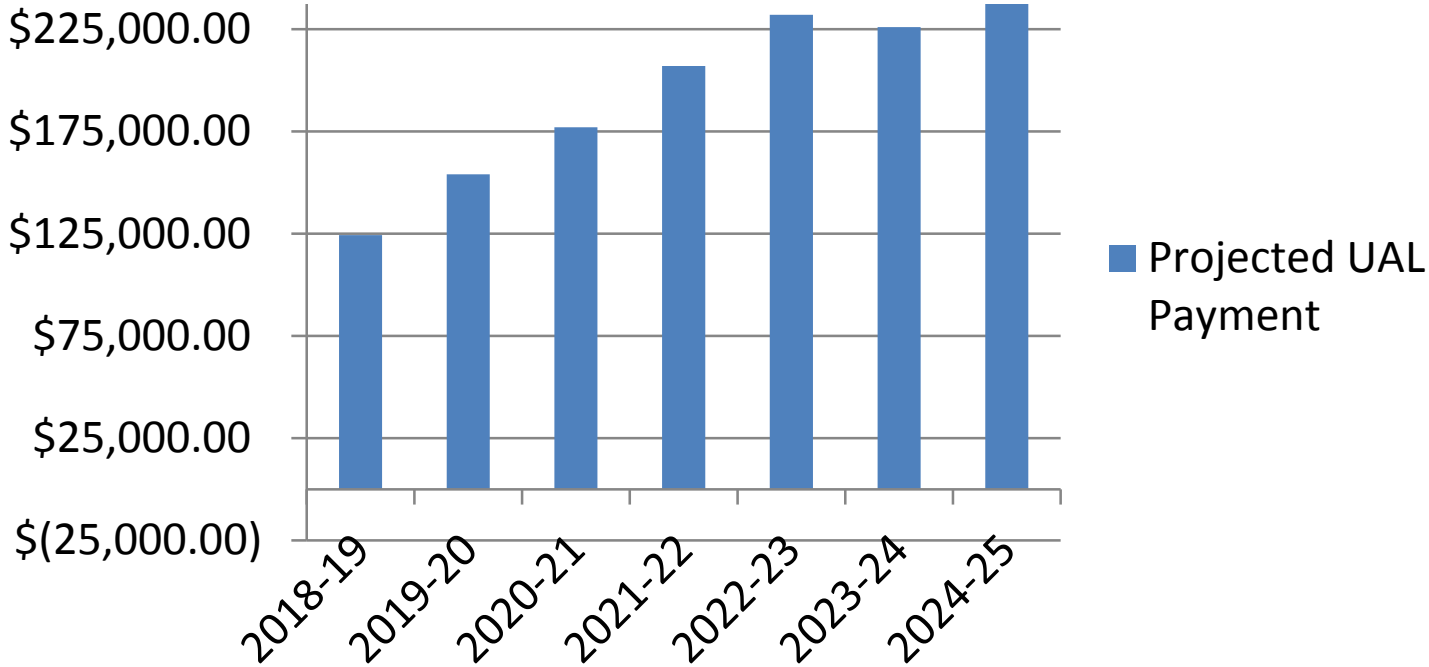
Miscellaneous Plan - Classic

- Annual Valuation Report as of June 30, 2016 published in August 2017 (Attachment 1)

Employer Contribution History

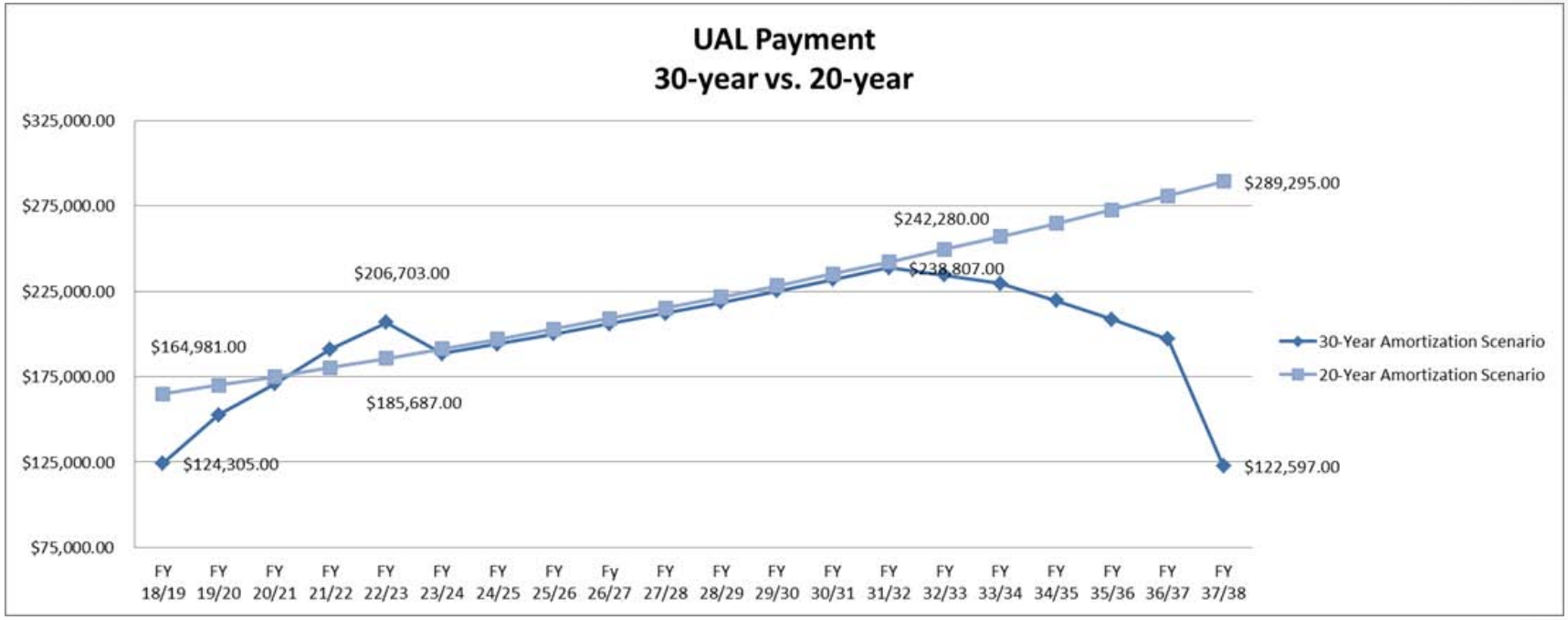
The table below provides a recent history of the required employer contributions for the plan, as determined by the annual actuarial valuation. It does not account for prepayments or benefit changes made during a fiscal year.

Fiscal Year	Employer Normal Cost	Unfunded Liability Payment ($)
2016 - 17	9.558%	$81,228
2017 - 18	9.599%	$98,534
2018 - 19	10.152%	$124,305



	Required Contribution	Projected Future Employer Contributions (Assumes 7.375% Return for Fiscal Year 2016-17)					
Fiscal Year	**2018-19**	**2019-20**	**2020-21**	**2021-22**	**2022-23**	**2023-24**	**2024-25**
Normal Cost %	10.152%	10.6%	11.6%	11.6%	11.6%	11.6%	11.6%
UAL Payment	$124,305	$154,000	$177,000	$207,000	$232,000	$226,000	$239,000

CalPERS Classic Plan Unfunded Liability
Amortization Base: $2,207, 027



30 Year Amortization

- Peak payment happens in FY 2031/32 for $238,807, with a payoff in FY 2047/48.
- Total interest paid: $2,620,389.
- Total Paid: $4,827,416

20 Year Amortization

- Peak payment happens in FY 2037/38 for $289,295, with a payoff in FY 2037/38.
- Total interest paid: $2,226,067
- Total Paid: $4,433,095 *Interest Savings of $394,321*

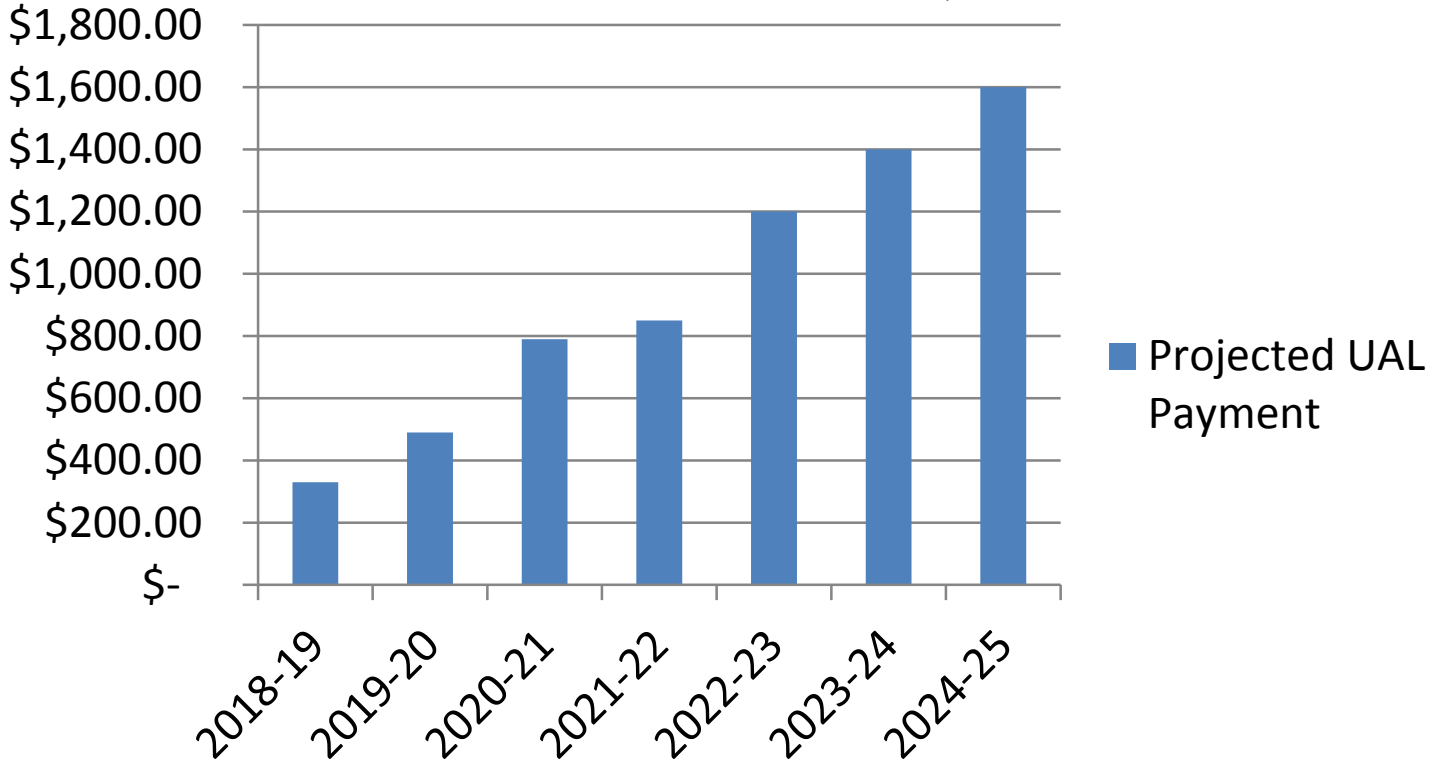
Miscellaneous Plan - PEPRA

- Annual Valuation Report as of June 30, 2016 published in August 2017 (Attachment 2)

Employer Contribution History

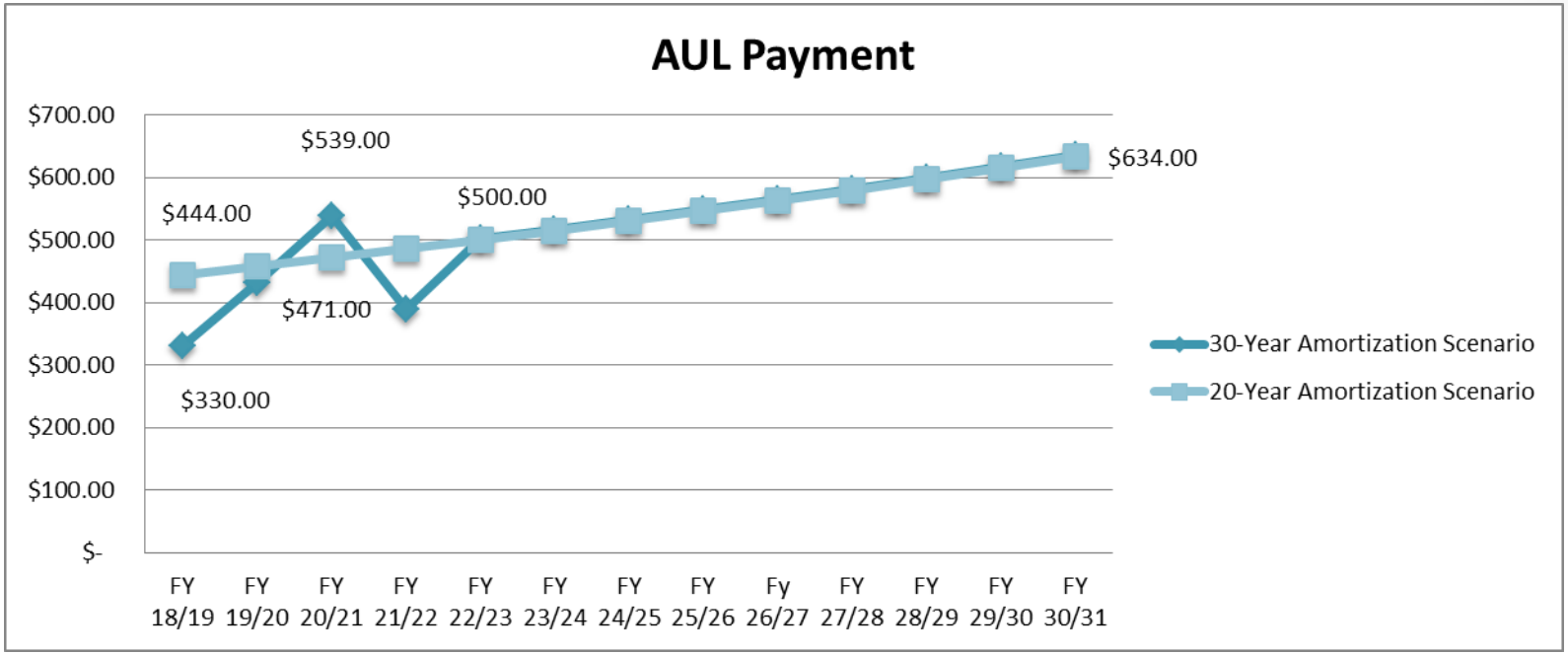
The table below provides a recent history of the required employer contributions for the plan, as determined by the annual actuarial valuation. It does not account for prepayments or benefit changes made during a fiscal year.

Fiscal Year	Employer Normal Cost	Unfunded Liability Payment ($)
2016 - 17	6.930%	$88
2017 - 18	6.908%	$235
2018 - 19	7.266%	$330



	Required Contribution	Projected Future Employer Contributions (Assumes 7.375% Return for Fiscal Year 2016-17)					
Fiscal Year	**2018-19**	**2019-20**	**2020-21**	**2021-22**	**2022-23**	**2023-24**	**2024-25**
Normal Cost %	7.266%	7.3%	7.4%	7.4%	7.4%	7.4%	7.4%
UAL Payment	$330	$490	$790	$850	$1,200	$1,400	$1,600

CalPERS PEPRA Plan Unfunded Liability
Amortization Base: $5,945



30 Year Amortization

- Peak payment happens in FY 2033/34 for $ 695, with a payoff in FY 2047/48.
- Total interest paid: $ 7,121
- Total Paid: $ 13,067

20 Year Amortization

- Peak payment happens in FY 2037/38 for $ 779, with a payoff in FY 2037/38.
- Total interest paid: $ 5,996
- Total Paid: $ 11,942 *Interest Savings of $1,124*

Total Employer Contribution for Classic and PEPRA

Total Employer Contribution	Scenario 1 30-Year Amortization	Scenario 2 20-Year Amortization	Scenario 2 vs Scenario 1
FY 17/18 Actual	$ 216,986	$ 216,986	$ -
FY 18/19	$ 267,920	$ 308,710	$ 40,790
FY 19/20	$ 306,872	$ 322,770	$ 15,898
FY 20/21	$ 344,920	$ 342,629	$ (2,291)
FY 21/22	$ 378,527	$ 351,442	$ (27,085)
FY 22/23	$ 407,000	$ 359,987	$ (47,013)
FY 23/24	$ 405,335	$ 369,708	$ (35,627)
FY 24/25	$ 421,903	$ 378,830	$ (43,073)
			$ -
Total Retirement Increase	$ 204,917	$ 161,844	$ (43,073)

- The 20 year-amortization scenario allows for a savings of about $43,000 over seven years

Impact on the FY 18/19 Budget

- Adopted FY 18/19 Budget: $107,100
  - $76,500 General Fund; $15,300 Water Fund; $15,300 Sewer Fund
- FY 18/19 Required UAL Contribution (Classic plus PEPRA): $124,635
  - Will require the a budget adjustment of $17,900:
    - $12,530 appropriation increase to General Fund
    - $ 2,685 appropriation increase to Water Fund
    - $2,685 appropriation increase to Sewer Fund
- What if the City decides to pay $165,425? (Required UAL Contribution for a 20 year amortization?
  - Will require a budget adjustment of $58,325:
    - $40,827 appropriation increase to General Fund
    - $ 8,749 appropriation increase to Water Fund
    - $ 8,749 appropriation increase to Sewer Fund

Option 3: Set-up a Reserve Policy for CalPERS

- Advantages
  - Funds can be accessed any time to offset contributions rate increases (rate stabilization)
  - Rainy day fund during adverse budgetary or economic conditions
- Disadvantages
  - Losing the potential to earn interest
  - Does not reduce the pension liability

Option 4: Establish a Section 115 Pension Trust

Advantages

- Assets can be accessed any time to offset PERS rate increases or during economic downturn to make PERS payment
- Investments held in a trust are significantly less restricted than General Fund investments to yield a higher return
- Maintain greater local control of assets
- Reduce City's unfunded pension liability and net pension liability on the balance sheet
- Higher potential earnings than City can achieve

Disadvantages

- City retains fiduciary responsibility for the program
  - Potential for negative investment performance
  - Lowers Unfunded Liability, but not pension rates
- Can lose principal

Staff Recommendation

- Option 2 will save the City $394,322 interest in the long-term and will be ahead of the game by FY 2021/22 when the amortization changes to a 20-year term.
- Option 3 will provide a “rainy” day savings fund in case the UAL situation worsens. This option is safer than Option 4 (Section 115 Trust) because Option 4 is subject to market volatility and the City could potential lose money under Option 4 but not Option 3 .

- Questions?
  - Bill Karch, CalPERs actuary is on the phone to answer Council questions

Definitions

- **Discount Rate —** Also known as the "assumed rate of return". It is what we assume our $304 billion in investments will return in a typical fiscal year, July 1 to June 30.
- **Normal Cost —** The annual cost of service accrual for the upcoming fiscal year for active employees. The normal cost should be viewed as the long term contribution rate.
- **Unfunded Liability / Unfunded Actuarial Accrued Liability (UAL) —** When a plan or pool's Market Value of Assets is less than its Accrued Liability, the difference is the plan or pool's Unfunded Liability. If the Unfunded Liability is positive, the plan or pool will have to pay contributions exceeding the Normal Cost.

CITY OF BUELLTON

City Council Agenda Staff Report

City Manager Review: MPB
Council Agenda Item No.: 10

To: The Honorable Mayor and City Council

From: Shannel Zamora, Finance Director

Meeting Date: May 24, 2018

Subject: Resolution No. 18-14 – "A Resolution of the City Council of the City of Buellton, California, for the Purpose of Mid-Cycle Budget Amendments Related to Fiscal Year 2018-19"

BACKGROUND

On May 25, 2017, the City Council adopted a Two-Year Operating and Capital budget for Fiscal Year 2017-18 and Fiscal Year 2018-19. The adopted budget for Fiscal Year 2018-19 totaled $15,065,817 and $7,504,172 for the General Fund.

This report provides an update on estimated revenues and expenditures for the second year of the biennial budget ending June 30, 2019. This update provides the Council and staff with the opportunity to make adjustments based on economic conditions. As part of the City's budget process, each department reviewed current budget amounts to determine the adjustments needed. As part of the budget process, Staff and City Council focus on goals for the City. During the mid-cycle review, City Council can analyze goal progress and create new City financial goals. The Goals in the adopted Biennial Budget are:

- Maintain a Balanced Budget
  - *Progress: Adopted a balanced budget and received the GFOA Budget Award for Biennial Budget for fiscal years 2018 and 2018. There is a projected budget surplus of $792,995 for Fiscal Year 2018/19 and estimated surplus of $914,068 for FY 17/18*
- Construct Trails and Bike Paths
  - *Progress: Money has been allocated into Reserves for Bikes and Trails – additional funds can be directed to these Reserves*
- Continue Economic Development
  - *Progress: City Council adopted the Avenue of Flags Specific Plan. The Council can allocate funds for improvement of Median 2 (parking and flex space)*
- Sound Planning and Development
  - *Progress: Various projects under construction and have been approved*

- Emergency Preparedness
  - *Progress: Staff has taken Emergency Preparedness courses through FEMA and we have a second CERT trailer*
- Maintain Infrastructure and Sustainability
  - *Progress: City has completed Avenue of the Flags pedestrian sidewalk improvement, Highway 246 sidewalk repairs, 2016/17 road maintenance, and is repairing the Wastewater treatment plant – additional projects are part of the adopted Capital Improvement Program*
- Maintain and Create New Recreation Programs
  - *Progress: increasing program activities such as the Teen Camp and Sports Camp for the upcoming 2018 Summer*

The City Council can determine additional goals and funding priorities and direct staff accordingly.

Table 1 below summarizes the changes in revenue and projections for each fund for FY 18/19. The table illustrates that a budget surplus of $792,995 exists with the recommended budget adjustments.

Table 1

	Revised FY 18/19 Budget			Adopted FY 18/19 Budget				
Fund	Operating Revenue + Transfers	Operating Expenditures + Transfers Out	Net Operating Surplus/(Deficit)	Operating Revenue + Transfers	Operating Expenditures + Transfers Out	Net Operating Surplus/(Deficit)	Change from Orignal to Revised Budget	Percentage Change
General	$ 8,511,033	$ (7,488,891)	$ 1,022,142	$ 7,741,398	$ (7,504,172)	$ 237,226	$ 784,916	331%
Wastewater	$ 1,442,960	$ (1,633,112)	$ (190,152)	$ 1,206,270	$ (1,612,584)	$ (406,314)	$ 216,162	-53%
Wastewater Capital	$ 475,000	$ (425,000)	$ 50,000	$ 475,000	$ (425,000)	$ 50,000	$ -	0%
Water	$ 2,999,100	$ (3,046,457)	$ (47,357)	$ 2,454,360	$ (3,042,200)	$ (587,840)	$ 540,483	-92%
Water Capital	$ 434,600	$ (525,000)	$ (90,400)	$ 434,600	$ (525,000)	$ (90,400)	$ -	0%
Housing	$ 4,213	$ (3,060)	$ 1,153	$ 2,448	$ (3,060)	$ (612)	$ 1,765	-288%
Traffic Mitigation	$ 10,207	$ -	$ 10,207	$ 10,153	$ -	$ 10,153	$ 54	1%
Gas Tax	$ 604,000	$ (604,000)	$ -	$ 208,040	$ (604,000)	$ (395,960)	$ 395,960	-100%
Local Transportation	$ 694,327	$ (657,500)	$ 36,827	$ 700,051	$ (644,800)	$ 55,251	$ (18,424)	-33%
Transportation Planning	$ 45,575	$ (45,000)	$ 575	$ 49,500	$ (45,000)	$ 4,500	$ (3,925)	-87%
Meaure A	$ 660,000	$ (660,000)	$ -	$ 348,697	$ (660,000)	$ (311,303)	$ 311,303	-100%
All Funds Total	**$ 15,881,015**	**$ (15,088,020)**	**$ 792,995**	**$ 13,630,517**	**$ (15,065,816)**	**$ (1,435,299)**	**$ 2,228,294**	**-155%**

The section below indicates the recommended budget adjustments within each fund.

General Fund:

General Fund Revenue: Staff recommends increasing revenue projections by $769,635. The increase is attributable to a 12 percent increase in property tax revenue, 3 percent increase to sales tax, 26 percent increase to transient occupancy tax, and 7 percent increase from revenue from other agencies.

General Fund Expenses: Staff recommends decreasing appropriations by $15,282. The most significant reason for the decrease is the reduction of the Sheriff's contract budget item which was reduced by 10 percent, and reduced the expenditures by almost $200,000. The decrease to expenditures to the 2018-19 operating budget is as a result of the following:

1. Increase to City Council appropriations in the amount of $1,840 for Travel and Training
2. Decrease to City Manager appropriation in the amount of $254 for office supplies (-$100) and computer maintenance (-$154)
3. Increase to Non-Departmental appropriations in the amount of $19,362
   a. $5,599 increase to Medical Benefit reflects the addition of a retiree receiving health insurance benefits
   b. $27,500 decrease to Insurance-Liability. Amount paid in previous years was under $100,000
   c. $2,210 increase to Animal Control to reflect the 1.5 percent contract increase anticipated for FY 18/19
   d. $5,700 decrease to Computer Maintenance to reflect previous year trends
   e. $4,800 increase to Membership and Publications to reflect membership increase for League of Cities, Association of California Water Agencies, and Santa Barbara County LAFCO Commission
   f. $44,000 increase to CalPERS unfunded liability to reflect the required unfunded liability amount due to CalPERS
   g. $5,300 decrease to Office Supplies
   h. $1,480 increase to Utilities-Sewer to reflect sewer rate increase effective July 1, 2018
   i. $960 increase to Utilities-Water to reflect water rate increases effective July 1, 2018
   j. $1,187 decrease to Santa Barbara County Mental Health Mobile Crisis service to reflect the new contract amount of $2,893 for FY 18/19.
4. Increase to Finance appropriations in the amount of $11,177 for salaries and benefits ($13,257)
5. Decrease in appropriations for miscellaneous and office supplies (-$2,080)
6. Decrease to Public Safety-Police/Fire appropriations in the amount of $188,133
   a. $196,430 decrease to Sheriff Contract services to reflect FY 18/19 proposed Sheriff Contract. The Sheriff Department updated their contract service methodology. The cost for FY 18/19 shows an increase of $86,813, or 5 percent increase from FY 17/18. However, the current 18/19 budget is $ 1,943,760; therefore the budgeted amount can be reduced.
   b. $8,297 increase to Fire Department services to reflect a 2 percent increase from the FY 17/18 contract amount of $202,152
7. No appropriation change for Library Services. However, a budget adjustment may be required at a later date. The budgeted amount for the library services is $169,974. On April 3, 2018, the Board of Supervisors revised the current county per capita formula for all library zones. The action was to cap the amount of admin fees to 20% of the per capita given to each zone plus taking 5% off the top. In addition, a new zone (Zone 4) was created by Goleta and may possibly include Solvang and Buellton by 2019. The current contract amount is $141,641 which has the potential to increase $39,831 depending of the outcome of the City of Santa Barbara Council meeting on May 15, 2018, and their direction to the County Board of Supervisors. The reason for the possible increase is for the City of Santa Barbara to recover losses of the per capita cap and for overhead charges. The Council may weigh in at this time on whether they would allocate the additional $39,831 or not.

8. Increase to Recreation appropriations in the amount of $15,221 for hourly employee salaries ($10,173), Employer SS/MC ($2,548), recreation program activities ($1,500), and Buellton-Solvang 50/50 events ($1,000)
9. Decrease to Recreation appropriations in the amount of $1,040 for miscellaneous expenditures
10. Increase to Public-Works Parks in the amount of $12,300 for Utilities-Water to reflect the increased water rates
11. Increase to Public-Works Landscape Maintenance in the amount of $12,226 for Utilities-Water to reflect water rate increase
12. Increase to Public-Works General appropriations in the amount of $16,700 for Utilities-elimination of hourly salaries
13. Decrease to Public-Works General appropriations in the amount of $13,060 to eliminate the hourly employee budget item
14. Increase to Planning appropriations in the amount of $131,489 for salaries and benefits for Planning Director position ($127,426), planning commissioner salaries ($2,267), and advertising-legal ($1,796).
15. Decrease to Planning appropriations in the amount of $33,110 for reduction in planner contract services (-$32,600), and code enforcement expenditures (-$510)

Enterprise Funds

Enterprise Funds consists of all business type activities such as the Sewer and Water Funds.

Sewer Fund Revenue: Staff recommends increasing revenue for charges for services for a total of $232,290 to reflect sewer rate increases that became effective 11/1/17 and for the next rate increase in July 2018. Staff is also recommending a revenue increase to set-up fees, and late charges to reflect current year and prior year trends for a total of $4,400. Staff invested money into new Certificate of Deposits and recommends an increase in interest projections of $3,860. The total recommended revenue increase for the Sewer fund is $236,690.

Sewer Fund Expenditures: Staff recommends increasing sewer fund appropriations by $20,528. The most significant reason for the increase is that the CalPERS Unfunded Liability portion of the sewer fund for FY 17/18 is increasing by $10,000. Other budget items that require appropriation increases include: Computer maintenance & software ($9,588), chemical/analysis ($5,500), and operational supplies ($1,440). A decrease to the following budget items is also recommended: Maintenance/repair (-$1,000) and contract services (-$5,000).

Water Fund Revenue: Staff recommends increasing revenue for charges for services for a total of $533,816 to reflect water rate increases that became effective 11/1/17 and for the next rate increase in July 2018. Staff is also recommending a revenue increase to set-up fees, and late charges to reflect current year and prior year trends for a total of $3,594. Staff invested money into new Certificate of Deposits and recommends an increase in interest projections of $7,730. The total recommended revenue increase for the Water fund is $544,740.

Water Fund Expenditures: Staff recommends increasing water fund appropriations by $4,287. The most significant reason for the increase is that the CalPERS Unfunded Liability portion of the sewer fund for FY 17/18 is increasing by $10,000. Other budget items that require appropriation increases include: Computer maintenance & software ($10,242), tools ($1,470), regulatory compliance ($2,640), and Santa Ynez river appropriations ($4,780). A decrease to the following budget items is also recommended: Hourly employees ($7,711), data processing contract maintenance ($11,934), maintenance/repair ($1,000), contract services ($1,900), contract services-engineering ($1,500), Chemical/analysis ($800).

Special Revenue Funds

Special Revenue Funds have restrictions associated with the use of the revenue received. Special Revenue is received by the State of California and County of Santa Barbara. CIPs are the major category for expenditures. The adopted FY 18/19 budget appropriations are $1,956,860 and revenue projections are $1,318,889. The following are new revenue projections and changes in assumptions:

Housing Fund:

- $1,725 revenue increase to Interest reflect interest earned on additional Certificate of Deposits

Traffic Mitigation Fund:

- $54 revenue increase to Interest reflect interest earned on additional Certificate of Deposits

Gas Tax Fund:

- $49,835 revenue increase to reflect the Department of Finance estimates for gas tax receipts as of January 2018
- $27,828 revenue increase to reflect the Department of Finance estimates for SB1 receipts as of January 2018
- $544 revenue increase to Interest reflect interest earned on additional Certificate of Deposits
- $383,409 revenue increase to reflect transfer from General Fund for CIPs

Local Transportation Fund

- $239 increase to Interest reflect interest earned on additional Certificate of Deposits
- $5,963 decrease STA Funding to reflect the amount released to SBCAG on the FY 18/19 TDA Claim
- $20,900 increase to Breeze Extension Pilot to reflect the increase in cost for the service as it will no longer be subsidized
- $400 decrease to Lompoc-Wine Country Express to reflect the $20,000 annual contract
- $13,800 decrease to SYVT Dial-A-Ride to reflect a typo on the original budget
- $6,000 increase to Transfer to Reserves to reflect the $10,000 allocated per the Measure A 5-year plan for Bike and Trails

Transportation Planning

- $75 increase to reflect interest earned on additional Certificate of Deposits
- $4,000 decrease to STA Funding to reflect the $20,000 previous budgeted amounts

Measure A

- $302,637 increase to revenue to reflect Transfer from Reserves for CIPs
- $8,666 increase to Measure A revenue to reflect the projected amount on the Measure A 5-year plan

FISCAL IMPACTS

The proposed adjustments for the General Fund increases the original adopted net surplus by $784,916 which increases the total surplus to $1,022,142, which allows City Council to allocate to new projects that meet current or new City Council financial goals.

The net increase in revenue for the Wastewater Fund is $216,162 that reduces the net deficit to $190,152. The net increase for the Water Fund is $540,483 that reduces the water deficit to $47,357.

The net increase for the Special Revenue funds is $374,430.

RECOMMENDATION

That the City Council consider adoption of Resolution No. 18-14 - "A Resolution of the City Council of the City of Buellton, California, for the Purpose of Mid-Cycle Budget Amendments related to Fiscal Year 2018-19"

ATTACHMENTS

Resolution No. 18-14 (Exhibit A - Fiscal Years 2017-19; Mid-Cycle Budget Summaries with amendments)

RESOLUTION NO. 18-14

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BUELLTON, CALIFORNIA, FOR THE PURPOSE OF MID-CYCLE BUDGET AMENDMENTS RELATED TO FISCAL YEAR 2018-19

WHEREAS, the City Council adopted the Biennial Fiscal Year 2017-18 and 2018-19 Budget; and

WHEREAS, it is necessary to make amendments to Biennial Fiscal Year 2018-19 Budget as part of the Mid-Cycle Report.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Buellton as follows:

That the budget amendments on attached Exhibit A for the Fiscal Year 2018-19 budget are approved.

The proposed adjustments for the General Fund increases the original adopted net surplus by $784,916 which increases the total surplus to $1,022,142 which allows City Council to allocate to new projects that meets current or new City Council financial goals.

The net increase in revenue for the Wastewater Fund is $216,162 that reduces the net deficit to $190,152. The net increase for the Water Fund is $540,483 that reduces the water deficit to $47,357.

The net increase for the Special Revenue funds is $374,430.

PASSED, APPROVED and ADOPTED this 24th day of May 2018

_____
Holly Sierra
Mayor

ATTEST:

_____
Linda Reid
City Clerk

EXHIBIT A

Exhibit A

General Fund Budget Summary

Fiscal Years 2017-2019; Mid-Cycle Update

001 - General Fund	2015-16 Actual	2016-17 Actual	2017-18 Revised Budget	2017-18 Projected	2018-19 Original Budget	2018-19 Proposed Budget	% Change 2018-19 Original	% Change from 2017-18 Budget
Revenues								
Property Taxes	$ 2,435,273	$ 1,341,351	$ 1,282,500	$ 1,398,123	$ 1,308,150	1,461,244	12%	14%
Sales Taxes	2,044,067	2,521,898	2,300,000	2,100,000	2,346,000	2,412,000	3%	5%
Franchise Taxes	223,303	221,847	225,000	231,000	229,500	229,500	0%	2%
Transient Occupany Tax	1,783,357	1,938,720	1,900,000	2,550,000	1,938,000	2,450,000	26%	29%
Fees and Permits	11,370	10,225	10,500	10,000	10,710	10,170	-5%	-3%
Fines and Penalties	39,875	25,396	20,700	21,000	21,114	21,114	0%	2%
Use of Money and Property	99,052	133,387	118,000	110,000	120,360	120,360	0%	2%
Revenue from Other Agencies	407,748	427,826	532,200	532,200	539,344	578,425	7%	9%
Charges for Current Services	321,420	226,932	253,745	236,289	197,620	197,620	0%	-22%
Other Revenue	16,612	31,974	30,000		30,600	30,600	0%	2%
Total GF Operating Revenue	**$ 7,382,077**	**$ 6,879,556**	**$ 6,672,645**	**$ 7,188,612**	**$ 6,741,398**	**$ 7,511,033**	11%	13%
Transfers In- Reserves (CIP)	0	0	1,028,500		1,000,000	1,000,000	0%	-3%
GF Operating Rev. plus CIP Reserve	**$ 7,382,077**	**$ 6,879,556**	**$ 7,701,145**	**$ 7,188,612**	**$ 7,741,398**	**$ 8,511,033**	10%	11%
Expenditures								
City Council	$ 131,617	$ 125,354	$ 126,714	$ 128,267	$ 132,347	$ 134,187	1%	6%
City Manager	212,578	231,767	237,304	236,784	241,720	241,466	0%	2%
City Clerk	108,978	112,612	116,050	112,496	119,213	119,213	0%	3%
City Attorney	168,827	134,219	185,000	135,000	188,700	188,700	0%	2%
Non-Departmentsl	8,816,746	1,111,383	2,040,401	1,513,333	2,073,009	2,092,371	1%	3%
Finance	316,521	213,115	168,362	184,675	167,082	178,259	7%	6%
Public Safety - Police/Fire	1,808,093	1,922,881	2,146,260	1,717,838	2,189,185	2,001,052	-9%	-7%
Leisure Services - Library	97,978	146,902	173,441	150,500	176,910	176,910	0%	2%
Recreation	507,894	523,824	530,787	575,000	514,977	529,159	3%	0%
Public Works - Street Lights	0	65,779	60,000	62,704	65,000	65,000	0%	8%
Storm Water	167,057	179,140	215,600	146,933	204,012	204,012	0%	-5%
Public Works- Parks	244,436	282,836	314,250	321,000	304,135	316,435	4%	1%
Public Works- Landscape Maintenance	84,765	80,923	106,000	110,200	108,120	120,346	11%	14%
Public Works - General	517,900	885,157	654,218	549,813	665,961	669,601	1%	2%
Community Development/Planning	343,129	350,580	354,978	350,007	353,801	452,180	28%	27%
GF Total Expenditures	**$ 13,526,519**	**$ 6,366,472**	**$ 7,429,365**	**$ 6,294,550**	**$ 7,504,172**	**$ 7,488,891**	0%	1%
Less: Transfer for CIP		616,000	1,028,500	500,000	1,000,000	1,000,000	0%	-3%
GF Total Operating Expenditures	**$ 13,526,519**	**$ 5,750,472**	**$ 6,400,865**	**$ 5,794,550**	**$ 6,504,172**	**$ 6,488,891**	0%	1%
Projected Fund Balance								
Balance, beginning of FY	$ 12,880,075	$ 6,735,633	$ 6,965,278	$ 6,965,278	$ 7,859,340	$ 7,859,340	0%	13%
Prior Year-Adjustment		$ (283,439)	$ -	$ -				
Transfers from Reserves Used			$ (1,028,500)		$ (1,000,000)	$ (1,000,000)	0%	-3%
Net Change in Fund Balance	(6,144,442)	513,084	271,780	894,062	237,226	1,022,142	331%	276%
Ending Available Fund Balance	**$ 6,735,633**	**$ 6,965,278**	**$ 6,208,558**	**$ 7,859,340**	**$ 7,096,566**	**$ 7,881,482**	11%	27%

Enterprise Budget Summary

Sewer and Sewer Capital

005/006 -Sewer Fund	2015-16 Actual	2016-17 Actual	2017-18 Revised Budget	2017-18 Projected	2018-19 Original Budget	2018-19 Proposed Budget	% Change 2018-19 Original	% Change from 2017-18 Budget
Revenues								
Charges for Services	$ 727,810	$ 849,705	$ 876,000	$ 1,072,200	$ 893,520	1,125,810	26%	29%
Set-up feees	1,165	1,150	750	1,170	765	1,150	50%	53%
Late Charges	4,745	4,829	4,750	8,114	4,845	5,000	3%	5%
Interest	4,386	7,923	7,000	11,000	7,140	11,000	54%	57%
Other Revenue	20,455							
Total Operating Revenue	758,561	863,607	888,500	1,092,484	906,270	1,142,960	26%	29%
Transfer from Reserves			300,308		300,000	300,000	0%	0%
Total Revenue plus Transfer from Reserve	758,561	863,607	1,188,808	1,092,484	1,206,270	1,442,960	20%	21%
Expenditures								
Employee Services	$ 250,555	$ 296,193	$ 315,818	$ 305,677	$ 320,897	$ 320,897	0%	2%
Operating & Maintenance	523,483	529,984	1,059,203	716,035	1,036,687	1,057,215	2%	0%
Depreciation 2	51,797	273,645	250,000	250,000	255,000	255,000	0%	2%
Sewer Expenditures including transfers to Sewer Capital	**$1,025,835**	**$ 1,099,822**	**$ 1,625,021**	**$ 1,271,712**	**$ 1,612,584**	**$ 1,633,112**	1%	0%
Less: Transfer for CIP	-	-	(435,000.00)	(150,000.00)	(400,000.00)	(400,000.00)	0%	-8%
Sewer Operating Expenditures	$ 1,025,835	$ 1,099,822	$ 1,190,021	$ 1,121,712	$ 1,212,584	$ 1,233,112	2%	4%
Operating income(loss) before capital contributions	**$ (267,274)**	**$ (236,215)**	**$ (436,213)**	**$ (179,228)**	**$ (406,314)**	**$ (190,152)**	-53%	-56%
Capital Contributions***								
Connection Fees	267,802	81,959	200,000	96,576	95,000	95,000	0%	-53%
Transfer from Sewer Fund	0	0	435,000	150,000	380,000	380,000	0%	-13%
Transfer to CIP	0	0	(650,000)	(150,000)	(425,000)	(425,000)	0%	-35%
Total Contributions	**$ 267,802**	**$ 81,959**	**$ (15,000)**	**$ 96,576**	**$ 50,000**	**$ 50,000**	0%	-433%
Projected Fund Balance								
Balance, beginning of FY	$ 3,727,048	$ 3,727,576	$ 3,573,320	$ 3,573,320	$ 3,490,668	$ 3,490,668	0%	-2%
Transfers from Reserves Used			$ (300,308)		$ (300,000)	$ (300,000)	0%	0%
Net Change in Fund Balance	**$ 528**	**$ (154,256)**	**$ (451,213)**	**$ (82,652)**	**$ (356,314)**	**$ (140,152)**	-61%	-69%
Ending Available Fund Balance	**$3,727,576**	**$ 3,573,320**	**$ 2,821,799**	**$ 3,490,668**	**$ 2,834,354**	**$ 3,050,516**	8%	8%

**** from Wastewater Capital Fund 006*

Enterprise Budget Summary

Water and Water Capital

020/021 - Water Fund	2015-16 Actual	2016-17 Actual	2017-18 Revised Budget	2017-18 Projected	2018-19 Original Budget	2018-19 Proposed Budget	% Change 2018-19 Original	% Change from 2017-18 Budget
Revenues								
Charges for Services	$ 1,426,171	$ 1,900,181	$ 1,799,200	$ 2,300,000	$ 1,835,184	2,369,000	29%	32%
Set-up feees	1,120	1,110	800	1,100	816	1,100	35%	38%
Late Charges	11,254	9,682	9,500	15,000	9,690	13,000	34%	37%
Interest	6,328	9,107	8,500	18,000	8,670	16,000	85%	88%
Other Revenue	337,623	6,565	0	4,000	0	0		
Total Operating Revenue	1,782,496	1,926,645	1,818,000	2,338,100	1,854,360	2,399,100	29%	32%
Transfer from Reserves			679,255		600,000	600,000	0%	-12%
Total Revenue plus Transfer from Reserve	1,782,496	1,926,645	2,497,255	2,338,100	2,454,360	2,999,100	22%	20%
Expenditures								
Employee Services	$ 236,446	$ 310,819	$ 324,766	$ 306,224	$ 330,023	$ 330,023	0%	2%
Operating & Maintenance	1,535,427	1,363,903	2,251,703	1,563,000	2,531,637	2,535,894	0%	13%
Depreciation 175,69	1	281,130	177,000	177,000	180,540	180,540	0%	2%
Sewer Expenditures including transfers to Sewer Capital	**$ 1,947,564**	**$ 1,955,852**	**$ 2,753,469**	**$ 2,046,224**	**$ 3,042,200**	**$ 3,046,457**	0%	11%
Less: Transfer for CIP	-	-	(230,000.00)	-	(475,000.00)	(475,000.00)	0%	107%
Sewer Operating Expenditures	$ 1,947,564	$ 1,955,852	$ 2,983,469	$ 2,046,224	$ 2,567,200	$ 2,571,457	0%	-14%
Operating income(loss) before capital contributions	**$ (165,068)**	**$ (29,207)**	**$ (256,214)**	**$ 291,876**	**$ (587,840)**	**$ (47,357)**	-92%	-82%
Capital Contributions***								
Connection Fees	468,460	142,948	400,000	152,295	200,000	200,000	0%	-50%
Transfer from Water Fund			230,000		234,600	234,600	0%	2%
Transfer to CIP			(680,000)		(525,000)	(525,000)	0%	-23%
Total Contributions	**$ 468,460**	**$ 142,948**	**$ (50,000)**	**$ 152,295**	**$ (90,400)**	**$ (90,400)**	0%	81%
Projected Fund Balance								
Balance, beginning of FY	$ 5,354,521	$ 5,657,910	$ 5,786,083	$ 5,786,083	$ 6,230,254	$ 6,230,254	0%	8%
Prior-Year Adj,		14,432	-	-	-	-		
Transfers from Reserves Used			(230,000)		(475,000)	(475,000)	0%	107%
Net Change in Fund Balance	**$ 303,392**	**$ 113,741**	**$ (306,214)**	**$ 444,171**	**$ (678,240)**	**$ (137,757)**	-80%	-55%
Ending Available Fund Balance	**$ 5,657,913**	**$ 5,786,083**	**$ 5,249,869**	**$ 6,230,254**	**$ 5,077,014**	**$ 5,617,497**	11%	7%

**** from Water Capital Fund 021*

Special Revenue Fund Budget Summaries

Housing Fund and Traffic Mitigation Fund

023 - Housing Fund	2015-16 Actual	2016-17 Actual	2017-18 Revised Budget	2017-18 Projected	2018-19 Original Budget	2018-19 Proposed Budget	% Change 2018-19 Original	% Change from 2017-18 Budget
Revenues								
Charges for Services	$ -	$ -	$ -	$ -	$ -	-	-	-
Intergovernmental	32,600	-	-	-	-	-	-	-
Interest	1,269	2,654	2,400	4,192	2,448	4,213	72%	76%
Total Operating Revenue	**$ 33,869**	**$ 2,654**	**$ 2,400**	**$ 4,192**	**$ 2,448**	**$ 4,213**	72%	**76%**
Expenditures								
Housing Assitance	$ -	$ -	$ -	$ -	$ -	$ -		
Mobile Home Repair	1,648	700	3,000	3,000	3,060	3,060	0%	2%
Total Expenditures	**$ 1,648**	**$ 700**	**$ 3,000**	**$ 3,000**	**$ 3,060**	**$ 3,060**	0%	**2%**
Operating income(loss)	**$ 32,221**	**$ 1,954**	**$ (600)**	**$ 1,192**	**$ (612)**	**$ 1,153**	-288%	**-292%**
Projected Fund Balance								
Balance, beginning of FY	$ 442,362	$ 474,583	$ 476,537	$ 476,537	$ 477,729	$ 477,729	0%	0%
Net Change in Fund Balance	**$ 32,221**	**$ 1,954**	**$ (600)**	**$ 1,192**	**$ (612)**	**$ 1,153**	-288%	**-292%**
Ending Available Fund Balance	**$ 474,583**	**$ 476,537**	**$ 475,937**	**$ 477,729**	**$ 477,117**	**$ 478,882**	0%	**1%**

024 - Traffic Mitigation Fund	2015-16 Actual	2016-17 Actual	2017-18 Revised Budget	2017-18 Projected	2018-19 Original Budget	2018-19 Proposed Budget	% Change 2018-19 Original	% Change from 2017-18 Budget
Revenues								
Traffic Mitigation Fees	$ 54,809	$ 21,648	$ 20,000	$ 14,644	$ 10,000	$ 10,000	0%	-50%
Intergovernmental	-	-	-	-	-	-		
Interest	88	151	150	203	153	207	35%	38%
Total Operating Revenue	54,897	21,799	20,150	14,847	10,153	10,207	1%	-49%
Expenditures								
Operating and Maintenance	$ -	$ -	$ -	$ -	$ -	$ -		
Operating income(loss)	**$ 54,897**	**$ 21,799**	**$ 20,150**	**$ 14,847**	**$ 10,153**	**$ 10,207**	**1%**	-49%
Projected Fund Balance								
Balance, beginning of FY	$ (64,047)	$ (9,150)	$ 12,649	$ 32,799	$ 47,646	$ 47,646	0%	277%
Net Change in Fund Balance	**$ 54,897**	**$ 21,799**	**$ 20,150**	**$ 14,847**	**$ 10,153**	**$ 10,207**	1%	-49%
Ending Available Fund Balance	**$ (9,150)**	**$ 12,649**	**$ 32,799**	**$ 47,646**	**$ 57,799**	**$ 57,852**	0.1%	76%

Special Revenue Fund Budget Summaries

Gas Tax Fund

025 - Gas Tax Fund	2015-16 Actual	2016-17 Actual	2017-18 Revised Budget	2017-18 Projected	2018-19 Original Budget	2018-19 Proposed Budget	% Change 2018-19 Original	% Change from 2017-18 Budget
Revenues								
Intergovernmental	$ 181,435	$ 168,425	$ 91,000	$ 114,213	$ 93,000	$ 132,835	43%	46%
SB1- Local Streets & Roads	-	-	113,000	29,252	113,000	85,172	-25%	-25%
Other Revenue	-	185,913	-	-	-	-	-	
Interest	1,907	2,196	2,000	2,533	2,040	2,584	27%	29%
Total Operating Revenue	$ 183,342	$ 356,534	$ 206,000	$ 145,998	$ 208,040	$ 220,591	6%	7%
Transfer from General Fund	$ -	$ -	$ 409,000	$ -	$ -	$ 383,409	0%	-6%
Total Revenue plus Transfer from Reserve	$ 183,342	$ 356,534	$ 615,000	$ 145,998	$ 208,040	$ 604,000	190%	-2%
Expenditures								
Operating and Maintenance	$ 435,145	$ 264,984	$ 602,000	$ 400,000	$ 604,000	$ 604,000	0%	0%
Total Expenditures	**$ 435,145**	**$ 264,984**	**$ 602,000**	**$ 400,000**	**$ 604,000**	**$ 604,000**	0%	0%
Less: Transfer for CIP	$ (263,974)	$ (152,625)	$ (500,000)	$ (300,000)	$ (500,000)	$ (500,000)	0%	0%
Total Operating Expenditures	$ 171,171	$ 112,359	$ 102,000	$ 100,000	$ 104,000	$ 104,000	0%	2%
Operating income(loss)	**$ (251,803)**	**$ 91,550**	**$ 13,000**	**$ (254,002)**	**$ (395,960)**	**$ -**	-100%	-100%
Projected Fund Balance								
Balance, beginning of FY	$ 646,417	$ 394,614	$ 486,164	$ 486,164	$ 232,162	$ 232,162	0%	-52%
Net Change in Fund Balance	**$ (251,803)**	**$ 91,550**	**$ 13,000**	**$ (254,002)**	**$ (395,960)**	**$ -**	-100%	-100%
Ending Available Fund Balance	**$ 394,614**	**$ 486,164**	**$ 499,164**	**$ 232,162**	**$ (163,798)**	**$ 232,162**	-242%	-53%

Special Revenue Fund Budget Summaries

Local Transportation Fund

027 - Local Transportation Fund	2015-16 Actual	2016-17 Actual	2017-18 Revised Budget	2017-18 Projected	2018-19 Original Budget	2018-19 Proposed Budget	% Change 2018-19 Original	% Change from 2017-18 Budget
Revenues								
Intergovernmental	$ 18,111	$ 3,931	$ 9,464	$ 3,930	$ 10,020	4,057	-60%	-57%
Other Revenue	-	12,788	-	-	-	-	-	
Interest	52	107	30	267	31	270	771%	800%
Total Operating Revenue	$ 18,163	$ 16,826	$ 9,494	$ 4,197	$ 10,051	$ 4,327	-57%	-54%
Transfer from Measure A	39,100	26,500	39,100	39,100	40,000	40,000	0%	2%
Transfer from General Fund	-	-	145,000	70,000	650,000	650,000	0%	348%
Total Revenue plus Transfers	$ 57,263	$ 43,326	$ 193,594	$ 43,297	$ 700,051	$ 694,327	-1%	259%
Expenditures								
Operating and Maintenance	46,845	31,207	139,000	46,622	644,800	657,500	2%	373%
Total Expenditures	**$ 46,845**	**$ 31,207**	**$ 139,000**	**$ 46,622**	**$ 644,800**	**$ 657,500**	2%	373%
Less: Transfer for CIP	-	-	(95,000)	-	(600,000)	(600,000)	0%	532%
Less: Transfer to Reserves	(13,930)		(4,000)	(70,000)	(40,000)	(40,000)	0%	900%
Total Operating Expenditures	$ 32,915	$ 31,207	$ 40,000	$ (23,378)	$ 4,800	$ 17,500	265%	-56%
Operating income(loss)	**$ 10,418**	**$ 12,119**	**$ 54,594**	**$ (3,325)**	**$ 55,251**	**$ 36,827**	**-33%**	**-33%**
Projected Fund Balance								
Balance, beginning of FY	$ 30,876	$ 41,294	$ 53,413	$ 53,413	$ 50,088	$ 50,088	0%	-6%
Net Change in Fund Balance	**10,418**	**12,119**	**54,594**	**(3,325)**	**55,251**	**36,827**	**-33%**	**-33%**
Ending Available Fund Balance	**$ 41,294**	**$ 53,413**	**$ 108,007**	**$ 50,088**	**$ 105,339**	**$ 86,915**	**-17%**	**-20%**

Special Revenue Fund Budget Summaries

Transportation Planning Fund

029 -Transportation Planning Fund	2015-16 Actual	2016-17 Actual	2017-18 Revised Budget	2017-18 Projected	2018-19 Original Budget	2018-19 Proposed Budget	% Change 2018-19 Original	% Change from 2017-18 Budget
Revenues								
Intergovernmental	$ -	$ 43,876	$ 20,000	$ 17,944	$ 24,000	$ 20,000	-17%	0%
Interest	-	-	-	73	-	75	-	
Total Operating Revenue	$ -	$ 43,876	$ 20,000	$ 18,017	$ 24,000	$ 20,075	-16%	0%
Transfer from General Fund	25,001	25,000	25,000	25,000	25,500	25,500	0%	2%
Total Revenue plus Transfer from Reserve	$ 25,001	$ 68,876	$ 45,000	$ 43,017	$ 49,500	$ 45,575	-8%	1%
Expenditures								
Operating and Maintenance	$ 44,993	$ 51,845	$ 45,000	$ 30,000	$ 45,000	$ 45,000	0%	0%
Total Expenditures	**$ 44,993**	**$ 51,845**	**$ 45,000**	**$ 30,000**	**$ 45,000**	**$ 45,000**	0%	0%
Operating income(loss)	**$ (19,992)**	**$ 17,031**	**$ -**	**$ 13,017**	**$ 4,500**	**$ 575**	-87%	
Projected Fund Balance								
Balance, beginning of FY	$ (129,145)	$ (149,137)	$ (132,106)	$ (132,106)	$ (119,089)	$ (119,089)	0%	-10%
Net Change in Fund Balance	**$ (19,992)**	**$ 17,031**	**$ -**	**$ 13,017**	**$ 4,500**	**$ 575**	-87%	
Ending Available Fund Balance	**$ (149,137)**	**$ (132,106)**	**$ (132,106)**	**$ (119,089)**	**$ (114,589)**	**$ (118,514)**	3%	-10%

Special Revenue Fund Budget Summaries

Measure A Fund

031 - Measure A Fund	2015-16 Actual	2016-17 Actual	2017-18 Revised Budget	2017-18 Projected	2018-19 Original Budget	2018-19 Proposed Budget	% Change 2018-19 Original	% Change from 2017-18 Budget
Revenues								
Intergovernmental	$ 340,203	$ 343,764	$ 336,593	$ 346,058	$ 345,127	345,127	0%	3%
Interest	1,997	3,830	3,500	4,800	3,570	4,896	37%	40%
Other Revenue	-	185,913	-	-	-	-	-	
Total Operating Revenue	342,200	533,507	340,093	350,858	348,697	350,023	0.4%	2.9%
Transfer from Reserves	-	-	324,007	-	-	309,977	-	-4%
Total Revenue plus Transfer from Reserve	$ 342,200	$ 533,507	$ 664,100	$ 350,858	$ 348,697	$ 660,000	89.3%	-0.6%
Expenditures								
Operating and Maintenance	$ 228,516	$ 346,099	$ 664,100	$ 464,100	$ 660,000	$ 660,000	0%	-1%
Total Expenditures	**$ 228,516**	**$ 346,099**	**$ 664,100**	**$ 464,100**	**$ 660,000**	**$ 660,000**	0%	-1%
Less: Transfer for CIP	(189,416)	(319,599)	(625,000)	(425,000)	(620,000)	(620,000)	0%	-1%
Less: Transfer to LTF	(39,100)	(26,500)	(39,100)	(39,100)	(40,000)	(40,000)	0%	2%
Total Operating Expenditures	$ -	$ -	$ -	$ -	$ -	$ -	-	
Operating income(loss)	**$ 113,684**	**$ 187,408**	**$ -**	**$ (113,242)**	**$ (311,303)**	**$ -**	-100.0%	
Projected Fund Balance								
Balance, beginning of FY	$ 180,128	$ 293,812	$ 481,220	$ 481,220	$ 367,978	$ 367,978	0%	-24%
Transfers from Reserves U:	$ -	$ -	$ (324,007)	$ -	$ -	$ (309,977)	0%	-4%
Net Change in Fund Balance	**$ 113,684**	**$ 187,408**	**$ -**	**$ (113,242)**	**$ (311,303)**	**$ -**	-100.0%	
Ending Available Fund Balance	**$ 293,812**	**$ 481,220**	**$ 157,213**	**$ 367,978**	**$ 56,675**	**$ 58,001**	2%	-63%

Detail of General Fund Budget Amendments for FY 18/19

Account	Budget Item	Type	2018-19 Budget	2018-19 Proposed	Dollar Change Amount	Percentage Change
001-41005	Property Tax Secured	Revenue	$ (1,209,720)	$ (1,352,096)	$ (142,376)	12%
001-41010	Propery Taxes-Unsecured	Revenue	$ (54,060)	$ (58,366)	$ (4,306)	8%
001-41025	Sales Tax	Revenue	$ (2,346,000)	$ (2,412,000)	$ (66,000)	3%
001-41035	Transient Occupancy tax	Revenue	$ (1,938,000)	$ (2,450,000)	$ (512,000)	26%
001-41040	Property Transfer Tax	Revenue	$ (37,536)	$ (43,948)	$ (6,412)	17%
001-43010	MV License Fee Compensation	Revenue	$ (430,000)	$ (470,641)	$ (40,641)	9%
001-43015	COPS Grant	Revenue	$ (102,000)	$ (100,000)	$ 2,000	-2%
001-43040	Beverage Containter Grant	Revenue	$ (5,100)	$ (5,000)	$ 100	-2%
001-401-60710	Travel and Training	Expenditure	$ 8,160	$ 10,000	$ 1,840	23%
001-402-60210	Computer Maintenance & Software	Expenditure	$ 200	$ 100	$ (100)	-50%
001-402-61130	Office Supplies	Expenditure	$ 204	$ 50	$ (154)	-75%
001-410-50400	Medical Benefit	Expenditure	$ 52,531	$ 58,130	$ 5,599	11%
001-410-50600	Insurance-Liability	Expenditure	$ 127,500	$ 100,000	$ (27,500)	-22%
001-410-60015	Animal Control	Expenditure	$ 37,740	$ 39,950	$ 2,210	6%
001-410-60210	Computer Maintenance & Software	Expenditure	$ 35,700	$ 30,000	$ (5,700)	-16%
001-410-60650	Membership & Publication	Expenditure	$ 10,200	$ 15,000	$ 4,800	47%
001-410-60900	Miscellaneous/CalPERS Unfunded Liability	Expenditure	$ 76,500	$ 120,500	$ 44,000	58%
001-410-61130	Office Supplies	Expenditure	$ 15,300	$ 10,000	$ (5,300)	-35%
001-410-61210	Utilities-Sewer	Expenditure	$ 1,020	$ 2,500	$ 1,480	145%
001-410-61211	Utilities-Water	Expenditure	$ 2,040	$ 3,000	$ 960	47%
001-410-67620	SB Co Mental Health	Expenditure	$ 4,080	$ 2,893	$ (1,187)	-29%
001-420-50000	Salaries	Expenditure	$ 106,557	$ 116,640	$ 10,083	9%
001-420-50410	Employer Paid DCP	Expenditure	$ -	$ 3,174	$ 3,174	#DIV/0!
001-420-60900	Miscellaneous	Expenditure	$ 1,020	$ 500	$ (520)	-51%
001-420-61130	Office Supplies	Expenditure	$ 3,060	$ 1,500	$ (1,560)	-51%
001-501-60800	Contract Services	Expenditure	$ 1,982,635	$ 1,786,205	$ (196,430)	-10%
001-501-60810	Contract Services- Fire Dept	Expenditure	$ 199,920	$ 208,217	$ 8,297	4%
001-511-50030	Hourly Employees	Expenditure	$ 49,827	$ 60,000	$ 10,173	20%
001-511-50120	Employer SS/MC	Expenditure	$ 6,364	$ 8,912	$ 2,548	40%
001-511-60900	Miscellaneous	Expenditure	$ 2,040	$ 1,000	$ (1,040)	-51%
001-511-67410	Buellton Recreation Program	Expenditure	$ 56,100	$ 57,600	$ 1,500	3%
001-511-67570	Recreation 50/50	Expenditure	$ 4,080.00	$ 5,080.00	$ 1,000	25%
001-552-61211	Utilities-Water	Expenditure	$ 40,800.00	$ 53,100.00	$ 12,300.00	30%
001-556-61211	Utilities-Water	Expenditure	$ 22,440	$ 34,666	$ 12,226.00	54%
001-558-50035	Hourly Employees	Expenditure	$ 13,060	$ -	$ (13,060.00)	-100%
001-558-61211	Utilities-Water	Expenditure	$ 15,300	$ 32,000	$ 16,700.00	109%
001-565-50000	Salaries	Expenditure	$ 134,831	$ 233,582	$ 98,751.00	73%
001-565-50010	Planning Commission Salaries	Expenditure	$ 3,733	$ 6,000	$ 2,267.00	61%
001-565-50120	Employer SS/MC	Expenditure	$ 3,233	$ 4,398	$ 1,165.00	36%
001-565-50130	UI & ETT	Expenditure	$ 1,046	$ 1,160	$ 114.00	11%
001-565-50200	PERS Retirement	Expenditure	$ 14,401	$ 20,262	$ 5,861.00	41%
001-565-50300	Workers Compensation	Expenditure	$ 4,428	$ 5,404	$ 976.00	22%
001-565-50400	Medical Benefit	Expenditure	$ 22,703	$ 33,094	$ 10,391.00	46%
001-565-50410	Employer DCP	Expenditure	$ 2,980	$ 13,059	$ 10,079.00	338%
001-565-50500	Group Life Insurance	Expenditure	$ 216	$ 305	89	41%
001-565-60011	Code Enforcement	Expenditure	$ 510	$ -	-510	-100%
001-565-60520	Advertising-Legal	Expenditure	$ 204	$ 2,000	$ 1,796	880%
001-565-60800	Contract Services	Expenditure	$ 132,600	$ 100,000	$ (32,600)	-25%
		General Fund Totals:	$ (2,927,153)	$ (3,712,070)	$ (784,917)	27%

Detail of Enterprise Funds Budget Amendments for FY 18/19

Sewer Fund

Account	Budget Item	Type	2018-19 Budget	2018-19 Proposed	Dollar Change Amount	Percentage Change
005-44105	Interest	Revenue	$ (7,140)	$ (11,000)	$ (3,860)	54%
005-44110	Sales	Revenue	$ (893,520)	$ (1,125,810)	$ (232,290)	26%
005-44120	Set-Up Fees	Revenue	$ (765)	$ (1,150)	$ (385)	50%
005-44125	Late Charges	Revenue	$ (4,845)	$ (5,000)	$ (155)	3%
005-701-60210	Computer Maintenance & Software	Expenditure	$ 3,060	$ 12,648	$ 9,588	313%
005-701-60250	Maintenance & Repair	Expenditure	$ 51,000	$ 50,000	$ (1,000)	-2%
005-701-60800	Contract Services	Expenditure	$ 255,000	$ 250,000	$ (5,000)	-2%
005-701-60900	Miscellaneous/CalPERS Unfunded Liability	Expenditure	$ 15,300	$ 25,300	$ 10,000	65%
005-701-61111	Chemical/Analysis	Expenditure	$ 25,500	$ 31,000	$ 5,500	22%
005-701-61140	Operational Supplies	Expenditure	$ 3,060	$ 4,500	$ 1,440	47%
		Sewer Fund Totals:	$ (553,350)	$ (769,512)	$ (216,162)	39%

Water Fund

Account	Budget Item	Type	2018-19 Budget	2018-19 Proposed	Dollar Change Amount	Percentage Change
020-44105	Interest	Revenue	$ (8,670)	$ (16,000)	$ (7,330)	85%
020-44120	Set-Up Fees	Revenue	$ (816)	$ (1,100)	$ (284)	35%
020-44125	Late Charges	Revenue	$ (9,690)	$ (13,000)	$ (3,310)	34%
020-44215	Sales	Revenue	$ (1,815,600)	$ (2,349,416)	$ (533,816)	29%
020-601-50035	Hourly Salaries	Expenditure	$ 7,711	$ -	$ (7,711)	-100%
020-601-60210	Computer Maintenance & Software	Expenditure	$ 4,080	$ 14,322	$ 10,242	251%
020-601-60211	Date Processing	Expenditure	$ 13,260	$ 1,326	$ (11,934)	-90%
020-601-60250	Maintenance/Repair	Expenditure	$ 51,000	$ 50,000	$ (1,000)	-2%
020-601-60830	Contract Services	Expenditure	$ 96,900	$ 95,000	$ (1,900)	-2%
020-601-60830	Contract Services-Enginnering	Expenditure	$ 76,500	$ 75,000	$ (1,500)	-2%
020-601-60900	Miscellaneous/CalPERS Unfunded Liability	Expenditure	$ 15,300	$ 25,300	$ 10,000	65%
020-601-61111	Chemical/Analysis	Expenditure	$ 40,800	$ 40,000	$ (800)	-2%
020-601-61127	Tools	Expenditure	$ 1,530	$ 3,000	$ 1,470	96%
020-601-67600	Regulatory Compliance	Expenditure	$ 18,360	$ 21,000	$ 2,640	14%
020-601-67610	Santa Ynez River Appropriation	Expenditure	$ 11,220	$ 16,000	$ 4,780	43%
		Water Fund Totals:	$ (1,498,115)	$ (2,038,568)	$ (540,453)	36%

Detail of Special Revenue Funds Budget Amendments for FY 18/19

Housing Fund

Account	Budget Item	Type	2018-19 Budget	2018-19 Proposed	Dollar Change Amount	Percentage Change
023-44105	Interest	Revenue	$ (2,448)	$ (4,213)	$ (1,765)	72%
		Housing Fund Totals:	$ (2,448)	$ (4,213)	$ (1,765)	72%

Traffic Mitigation Fund

Account	Budget Item	Type	2018-19 Budget	2018-19 Proposed	Dollar Change Amount	Percentage Change
024-44105	Interest	Revenue	$ (153)	$ (207)	$ (54)	35%
		Traffic Mitigation Fund Totals:	$ (153)	$ (207)	$ (54)	35%

Gas Tax Fund

Account	Budget Item	Type	2018-19 Budget	2018-19 Proposed	Dollar Change Amount	Percentage Change
025-44035	Transfer for General Fund	Revenue	$ -	$ (383,409)	$ (383,409)	
025-44105	Interest	Revenue	$ (2,040)	$ (2,584)		
025-47115	Traffic Congestin Relief	Revenue	$ -	$ (5,831)	$ (5,831)	
025-47116	SB1	Revenue	$ (113,000)	$ (85,172)	$ 27,828	-25%
025-47120	Gas Tax 2105	Revenue	$ (27,540)	$ (29,529)	$ (1,989)	7%
025-47125	Gas Tax 2106	Revenue	$ (19,380)	$ (19,516)	$ (136)	1%
025-47130	Gas Tax 2107	Revenue	$ (30,600)	$ (36,637)	$ (6,037)	20%
025-47135	Gas Tax 2107.5	Revenue	$ (1,200)	$ (2,000)	$ (800)	67%
025-47140	Gas Tax 2103	Revenue	$ (14,280)	$ (39,322)	$ (25,042)	175%
		Gas Tax Fund Totals:	$ (208,040)	$ (604,000)	$ (395,416)	190%

Local Transportation Fund

Account	Budget Item	Type	2018-19 Budget	2018-19 Proposed	Dollar Change Amount	Percentage Change
027-44105	Interest	Revenue	$ (31)	$ (270)	$ (239)	
027-49672	STA Funding	Revenue	$ (5,963)	$ -	$ 5,963	-100%
027-559-67115	Breeze Extension Pilot	Expenditure	$ 5,100	$ 26,000	$ 20,900	410%
027-559-67445	Lompoc-Wine Country Express	Expenditure	$ 20,400	$ 20,000	$ (400)	-2%
027-559-67685	SYVT Dial-A-Ride Subsidy	Expenditure	$ 15,300	$ 1,500	$ (13,800)	-90%
027-559-69400	Transfer to Reserves	Expenditure	$ 4,000	$ 10,000	$ 6,000	150%
		LTF Fund Totals:	$ 38,806	$ 57,230	$ 18,424	47%

Transportation Planning

Account	Budget Item	Type	2018-19 Budget	2018-19 Proposed	Dollar Change Amount	Percentage Change
029-44105	Interest	Revenue	$ -	$ (75)	$ (75)	
029-47410	STA Funding	Revenue	$ (24,000)	$ (20,000)	$ 4,000	-17%
		Transportation Planning Fund Totals:	$ (24,000)	$ (20,075)	$ 3,925	-16%

Measure A

Account	Budget Item	Type	2018-19 Budget	2018-19 Proposed	Dollar Change Amount	Percentage Change
031-44035	Transfer from Reserves	Revenue	$ -	$ (302,637)	$ (302,637)	
031-47510	Measure A	Revenue	$ (345,127)	$ (353,793)	$ (8,666)	3%
		Measure A Fund Totals:	$ (345,127)	$ (656,430)	$ (311,303)	90%