



City of Santa Barbara
Parks and Recreation Department

Memorandum

DATE: April 20, 2022

TO: Creeks Restoration/Water Quality Improvement Program
Citizen Advisory Committee

FROM: Cameron Benson, Creeks Restoration/Clean Water Manager

SUBJECT: Recommended Fiscal Year 2023 Budget – For Action

COMMITTEE DIRECTION

That the Committee recommend approval of the proposed Creeks Division Fiscal Year 2023 Budget to the Parks and Recreation Commission and the City Council.

DISCUSSION

Each year the Creeks Advisory Committee (Committee) reviews the Creeks Division budget and makes recommendations to the Parks and Recreation Commission and the City Council. This year the City will be adopting a budget for Fiscal Year 2023. The Committee also has a Budget Subcommittee that meets after the proposed budget is prepared for public review. The Budget Subcommittee met March 15, 2022 to review and discuss the proposed budget. The Budget Subcommittee unanimously voted to recommend that the full Committee support the proposed FY23 budget.

Executive Summary

The Creeks Division is proposing a Fiscal Year 2023 (FY23) budget of \$4,858,227. The FY23 proposed budget is largely in line with FY23 status quo budget (\$4,637,227), with the most notable change being a proposed \$175,000 increase in the capital transfer. The FY23 budget includes \$3,208,227 for operating expenses and \$1,650,000 for the Capital Program. Projected Measure B, interest, and other revenues are anticipated at \$4,831,213, with an expense budget of \$4,858,227, resulting in the proposed use of \$27,014 of operating reserves. Proposed FY23 funding for the Capital Program will be used to match grant funding, and to plan, design, and construct creek restoration and water quality improvement projects.

Key projects to be advanced in FY23 include initiating implementation of the Andrée Clark Bird Refuge Restoration Project, conceptual design for a creek restoration project

on lower Mission Creek, final design for restoration project on Mission Creek in Oak Park, and conducting a water quality public opinion survey.

Although there is often overlap, the proposed FY23 operational expenditures are allocated to Creeks Division projects and programs as follows: water quality – 50%, creek restoration – 24%, and community outreach and education – 26%.

FY23 Revenue Analysis

The Creeks Fund is proposing Measure B revenues as provided by the Finance Department of \$4,716,711, interest income of \$102,100, and \$12,402 in advertising contributions from adjacent local jurisdictions. Total projected FY23 revenue is \$4,831,213, a \$432,171 increase from FY23 status quo, and \$184,894 more than the revised projected FY22 total revenue (\$4,646,319).

Expenditure Analysis

Operating Budget

Salaries and Benefits

The proposed FY23 salaries and benefits costs are \$1,485,078, representing a \$70,566 increase over the FY22 Revised Budget of \$1,414,512.

Supplies and Services

The proposed FY23 supplies and services budget is \$1,171,392, representing an increase of \$46,000 against status quo. The proposed FY23 supplies and services budget includes the following increases compared to status quo:

- Graphic Designer – The proposed budget includes a one-time \$30,000 increase over status quo (from 10,000 to \$40,000). This project will design and implement a special Creeks Division web subsite, providing an essential tool to allow the Creeks Division's Outreach and Education Program to maximize effectiveness in water pollution prevention. This work will likely take place following the rollout of the City's website redesign in the first half of FY23.
- Water Quality Project Maintenance – Increase FY23 status quo funding by \$15,000 (from \$75,000 to \$90,000). This increase reflects the transfer of post-construction capital project maintenance costs from the capital budget to the operational budget, as well as general cost increases for labor and materials since the beginning of the pandemic.

Special Projects

The proposed FY23 special projects costs are \$10,100, representing no change from the adopted FY22 budget. Anticipated special project costs in FY23 include \$5,000 for

repairing and replacing creek signs throughout the City, and \$5,000 for community events including Earth Day and the Harbor Festival.

Transfers Out

The proposed budget includes \$201,630 for residential street sweeping, in line with the FY22-23 Financial Plan, and \$1,650,000 for new Capital funding, higher than originally planned as described below.

Capital Budget

As in past budget cycles, the largest expenditure in the proposed FY23 Creeks Division budget is the capital outlay transfer. The proposed FY23 capital transfer is \$1,650,000, representing a \$175,000 increase from the FY22 budget. Proposed capital program funding will be used for project grant matches, planning, design, and construction. The Committee reviewed and approved the FY 2023 – 2028 Capital Program in October 2021. The FY23 capital program includes:

Table 1 – Proposed Capital Budgets

Project	FY23
Arroyo Burro Restoration Project at Palermo Drive	\$250,000
Upper Mission Creek Restoration	\$150,000
Lower Mission Creek Restoration	\$350,000
Mission Creek Restoration at Oak Park	\$200,000
Rattlesnake Creek Restoration	\$100,000
Andrée Clark Bird Refuge	\$400,000
Storm Water Treatment Retrofit Projects	\$150,000
Bacterial Reduction Program	\$50,000
Total	\$1,650,000

Creeks Fund Reserve

The Creeks Fund Reserve is intended to be used for capital projects, grant matches, and as an emergency funding resource during lean economic times. The Creeks Advisory Committee has recommended a target reserve balance equivalent to the cost of two large capital projects: approximately \$3 million. The Creeks Fund Reserve balance is anticipated to be approximately \$4.4 million at the end of FY22.

The FY23 Recommended Budget includes a \$27,014 transfer from the Creeks Fund Reserve to balance the budget. Thus, the anticipated Creeks Fund Reserve balance would remain at approximately \$4.4 million at the end of FY23. It should be noted that in correlation with anticipated post-pandemic TOT revenue increases, the Creeks Capital Program does project substantial increases over the next few years. In addition, the cost of labor and materials for capital projects has risen dramatically since the start of the pandemic. This could have a significant effect on capital project cost estimates for future projects. Finally, the Creeks Fund Reserve has been used in recent years to

purchase strategic creekside open space properties for creek restoration projects, a practice likely to continue in future years, and potentially during FY23. All of these costs will impact the reserve balance going forward.

Performance Measures

The Creeks Division's FY23 P3s have been modified to reflect program changes, Storm Water Management Plan implementation, and progress on capital projects. Some specific P3 changes include:

- Initiate implementation of a water quality improvement and wetland restoration project at the Andrée Clark Bird Refuge.
- Complete final design plans for a creek restoration and water quality improvement project on Mission Creek in Oak Park.
- Initiate conceptual design plans for a creek restoration and water quality improvement project on lower Mission Creek.
- Complete a water quality public opinion survey.

cc: Jill E. Zachary, Parks and Recreation Director