



AGENDA

SOLVANG CITY COUNCIL MONDAY APRIL 14, 2025 5:30 PM SPECIAL CLOSED SESSION 6:30 PM REGULAR MEETING

City Council:

David Brown,	Mayor
Mark Infanti	District 1
Claudia Orona	Mayor pro tem, District 2
Louise Smith	District 3
Elizabeth Orona	District 4

1644 Oak Street, Solvang, Ca 93463
Virtual & in Council Chamber

AGENDA AND SUPPORTING MATERIALS – Available for viewing 8:00a.m.-5:00p.m. at City Hall, 1644 Oak Street, Solvang, and on the City’s website <https://www.cityofsolvang.com/agendacenter>. Additional writings distributed to a majority of the City Council after the posting of the agenda will be made available at City Hall and on the City’s website.

AGENDA POSTING NOTIFICATION - Subscribe to receive email or text message notifications when agendas are posted online through “Notify Me” at: <https://www.cityofsolvang.com/List.aspx>

PUBLIC COMMENT - The public is encouraged to address the City Council in-person, virtually, or in-writing on agenda and non-agenda items. If provided in writing, comments must be submitted to the City Clerk at cityclerk@cityofsolvang.com by 5:00 p.m. on the Friday before the meeting to be considered. Your comment will be recorded and distributed appropriately. Comments on agenda items will be heard at the time each item is considered, including non-agenda items. In-person speakers will be invited to make public comments first. Virtual speakers will follow.

CAMPAIGN CONTRIBUTION DISCLOSURE - Pursuant to Government Code Section 84308, any party to a City proceeding must disclose on the record any campaign contributions made to a member of the City Council [or commission] in excess of \$250 in the past 12 months. This disclosure requirement includes contributions by the party’s agent and aggregated contributions from persons or entities related to the party. Please make the disclosure as soon as possible, but not later than the beginning of the proceeding.

AMERICANS WITH DISABILITIES ACT - If, as a participant of this meeting, you need special assistance the City will attempt to accommodate you in every reasonable manner. Please contact the City Clerk at either (805) 688-5575 x206 or cityclerk@cityofsolvang.com. 72- hours’ notice is requested.

LET YOUR VOICE BE HEARD! Do you have about one minute a month to help make Solvang better? The City of Solvang is working with FlashVote to engage the community and gather valuable input from residents to inform our decisions. We encourage residents to sign up at www.flashvote.com/Solvang or call 775-235-2240 to participate by phone or text only.

PARTICIPATING IN THE MEETING -City Council meetings will be in person and conducted by video/teleconferencing through Zoom. The meeting will also be broadcast live on Channel 23 and streamed on the City’s website, Vimeo, and YouTube <https://www.youtube.com/@CityofSolvang1/>

- To join by Zoom, visit <https://zoom.us/j/3066529195>. If you wish to speak, please use the “raised hand” symbol.
- To join by phone, call **(888) 788-0099** and enter Meeting ID: **306 652 9195#**. The phone line will be open 30 minutes before the meeting.

5:30 PM SPECIAL CLOSED SESSION

CALL TO ORDER
ROLL CALL
PLEDGE OF ALLEGIANCE

1. PUBLIC COMMUNICATIONS ON CLOSED SESSION ONLY

This section is intended to provide members of the public with the opportunity to comment on Closed Session Items. This section is limited to 30 minutes. Each speaker will be afforded three minutes and may speak only once.

2. RECESS TO CLOSED SESSION

- a. **CONFERENCE WITH LEGAL COUNCIL – EXISTING LITIGATION** – The closed Session is authorized by Government Code Section 54956.9(d)(1)

Name of Case:

S.Y. Valley Residents Association v. City of Solvang, et al.
Case No. 25CV01519

- b. **CONFERENCE WITH LABOR NEGOTIATORS** – The Closed Session is authorized by Government Code Section 54957.6

AGENCY REPRESENTATIVE:

Randy Murphy, City Manager

EMPLOYEE ORGANIZATION:

All Unrepresented Employees

- c. **CONFERENCE WITH LABOR NEGOTIATOR** – The Closed Session is authorized by Government Code Section 54957.6

AGENCY DESIGNATED REPRESENTATIVE:

Dave Fleishman, Assistant City Attorney

EMPLOYEE ORGANIZATION:

Teamsters Union Local 986

RECONVENE TO OPEN SESSION

3. ANNOUNCEMENT OF CLOSED SESSION ACTIONS

4. ADJOURNMENT

6:30 PM REGULAR MEETING

CALL TO ORDER

ROLL CALL

PLEDGE OF ALLEGIANCE

1. PROCLAMATIONS, COMMENDATIONS AND CEREMONIAL ITEMS

- a. DMV/Donate Life Proclamation
- b. Library Week Proclamation

4
5

2. PRESENTATIONS: None

3. PUBLIC COMMUNICATIONS – NON- AGENDA AND CONSENT ITEMS

This section is intended to provide members of the public with the opportunity to address the Council on items not on the Agenda and on Consent. This section is limited to 30 minutes. Each speaker will be afforded three minutes and may speak only once. State law does not allow the Council to discuss or act on issues not on the agenda, except to briefly respond or ask Staff to follow up on such items.

4. CITY MANAGER REPORT AND ADVANCE CALENDAR

Informational Report

6

5. GC SECTION 53232.3(d) (aka AB 1234) and GC SECTION 84308 (aka SB 1439), REPORT OUT, EX-PARTE COMMUNICATIONS, COUNCIL COMMENTS, REQUESTS

Reports of meetings attended, contributions made or received, communications, and Comments and requests from City Council Members.

6. CONSENT ITEMS

Consent is designed for routine; administrative city matters and is approved by roll call vote with one motion. These items are discussed only at the request of council members. Members of the public were afforded an opportunity to speak on Consent items during the Public Communications portion of this agenda.

- a. Approve Order of Agenda as Presented.
- b. Approve City Council Minutes: March 24, 2025 7
- c. Adopt Resolution 25-1285 amending the Investment Policy to include Mechanics Bank on the approved list of financial institutions, and authorize the City Manager to execute the new account documents. 13
- d. Receive and file Solvang letter of support for Santa Ynez Band of Mission Indians to support outreach and education efforts for the Chumash Heritage National Marine Sanctuary. 27
- e. Receive and File Santa Ynez Valley Transit TDA Triennial Performance Audit, FY 2022 – FY 2024 28
- f. Receive and file Santa Barbara County Fire Statistics Quarterly Report 83

7. PUBLIC HEARINGS

None

8. DISCUSSION ITEMS:

- a. Discussion and possible action to Adopt Resolution No. 25-1286 Initiating Intention of the Annual Assessment for the Solvang Mesa Landscape & Lighting Maintenance District No. 2004-1 for Fiscal Year 2025-26, and setting May 12, 2025 as the date for the Public Hearing. 91
- b. Discussion and Possible Action to Adopt Resolution No. 25-1287 to Approve Measure U Citizens’ Oversight Committee Guidelines. 116
- c. Discussion and Possible Action to Adopt Resolution No. 25-1288 Granting Advisory Oversight of Measure E Revenue to the Measure U Citizens’ Oversight Committee. 124
- d. Discussion and Possible Action to Adopt Resolution No. 25-1289 Renaming the Measure U Citizens’ Oversight Committee to the Revenue Measure Oversight Committee. 127

9. COUNCIL CLOSING COMMENTS

10. ADJOURNMENT

AFFIDAVIT OF POSTING

I, Annamarie Porter, City Clerk for the City of Solvang, California, DO HEREBY CERTIFY under penalty of perjury under the laws of the State of California, that the foregoing revised notice was posted at the City of Solvang City Hall bulletin board at 1644 Oak Street, Solvang, CA and on the City of Solvang website not less than 72 hours prior to the meeting, per Government Code 54954.2.

Dated this 9th day of April 2025.

CITY OF SOLVANG

DMV/DONATE LIFE MONTH PROCLAMATION

WHEREAS, organ, eye, tissue, marrow and blood donation are life-giving acts recognized worldwide as expressions of compassion to those in need and more than 103,000 individuals nationwide and more than 23,000 in California are currently on the national organ transplant waiting list, and on average, 17 people die each day while waiting; and

WHEREAS, the need for donated organs is especially urgent in Hispanic, Latino, and African American communities; and a single individual's donation of the heart, lungs, liver, kidneys, pancreas and small intestine can save up to eight lives; and

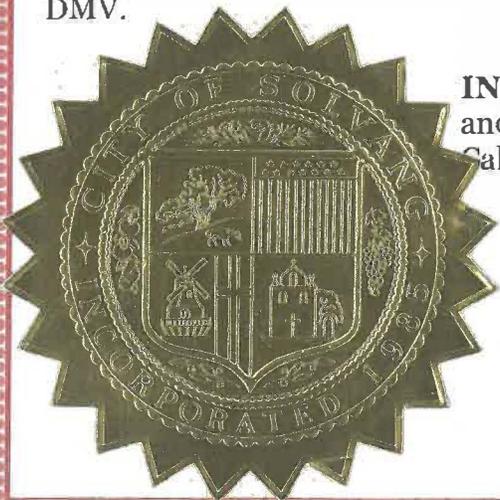
WHEREAS, donation of tissue can save and heal the lives of more than 75 others, organ donors saved more than 46,000 lives last year, and any person can register to be an organ, eye and tissue donor regardless of age or medical conditions; and

WHEREAS, being a registered donor does not impact the quality of life-saving medical care a person receives in an emergency and California residents can sign up with the Donate Life California Donor Registry online at any time by visiting www.donateLIFecalifornia.org or, for Spanish-speakers, www.doneVIDAcalifornia.org; and

WHEREAS, California residents can sign up to be an organ, eye and tissue donor when applying for or renewing their driver's licenses or ID cards at the California Department of Motor Vehicles; or residents interested in saving a life through living kidney donation may visit www.LivingDonationCalifornia.org.

NOW, THEREFORE BE IT RESOLVED, that I, Mayor David Brown, along with the City Council of the City of Solvang, California do hereby Proclaim **April 2025 as "DMV/Donate Life Month"** and in doing so we encourage all Californians to check "YES!" online, or when applying for or renewing their driver's license of I.D. card at the DMV.

IN WITNESS THEREOF, I have hereunto set my hand and have caused the Official Seal of the City of Solvang, California, to be affixed this 14th day of April, 2025.



David Brown, Mayor

CITY OF SOLVANG PROCLAMATION

APRIL 6 - 12 AS NATIONAL LIBRARY WEEK

WHEREAS, libraries ignite creativity, fuel imagination, and inspire lifelong learning by providing spaces where individuals of all ages can explore new ideas and expand their horizons; and

WHEREAS, libraries serve as dynamic community hubs, offering free and equitable access to books, technology, and educational programs while fostering civic engagement and critical thinking; and

WHEREAS, libraries strengthen communities by partnering with schools, businesses, and organizations to maximize resources, enhance efficiency, and expand access to essential services; and

WHEREAS, libraries empower individuals by supporting job seekers, entrepreneurs, and lifelong learners with valuable resources, training, and opportunities for personal and professional growth; and

WHEREAS, libraries uphold intellectual freedom, championing the right to read, think, and explore without censorship, while dedicated librarians and staff provide welcoming spaces for discovery, collaboration, and creativity.

NOW, THEREFORE BE IT RESOLVED, that I, Mayor David Brown, along with the City Council of the City of Solvang, California do hereby Proclaim the Week of April 6 – 12 as **National Library Week** and encourage all residents to visit our Public Library, explore its resources, and celebrate all the ways that the library draws us together as a community.

IN WITNESS THEREOF, I have hereunto set my hand and have caused the Official Seal of the City of Solvang, California, to be affixed this 14th day of April, 2025.



David Brown, Mayor



CITY COUNCIL ADVANCE CALENDAR

Meeting Date	Agenda Item	Agenda	Dept
28-Apr	Adopt Fee Schedule Reso	Public Hearing	Administration
	Child Abuse Awareness and Sexual Assault Awareness	Proclamation	Administration
	Grant Funding Presentations/applications	Discussion	Administration
	Water Services Proclamation	Proclamation	City Clerk
	Quarterly Financial Reports	Consent	Administration
	Quarterly Public Records Requests Report	Consent	City Clerk
	Quarterly Marketing Update	Presentation	Parks & Rec
	Solvang Mesa Storm Drain Modification	Discussion	Public Works
	Zoning Code & Signage Amendments direction	Discussion	Planning
	WWTP Upgrade Project Contract Amendments	Discussion	Utilities
12-May	PublicWorks Week Proclamation	Proclamation	City Clerk
	IT RFP	Discussion	Administration
	Utilities Department Contract Amendments	Consent	Utilities
27-May	Fire Hazard Severity Zone Ordinance 1st reading	Public Hearing	Planning
	Preliminary Budget Review	Public Hearing	Administration
	AB 2561 Vacancy report-out	Public Hearing	Administration
9-Jun	Fire Hazard Severity Zone Ordinance 2nd reading	Consent	City Manager
	Draft Budget Discussion	Discussion	Administration
	Flag Etiquette	Presentation	Mayor
	Divestment of Transit responsibility	Discussion	Public Works
	On-Street Parking Restrictions Policy	Discussion	Public Works
	Fire Hazard Severity Zone Ordinance 2nd Reading	Consent	Planning
23-Jun	Final Budget Adoption	Consent	Administration
	RFQ Interim Financing WWTP Administration	Discussion	Finance
Future Meetings	Outdoor dining ordinance	Public Hearing	Planning
	Modify City Code Title 9, Chapter 3, 9-3D-3 Water Conservation	Public Hearing	Utilities
	Award Nyborg Estates Water Mainline Replacement Contract unfunded liability	Discussion	Utilities
	Calpers Debt Reduction Plan	Discussion	City Manager
Council Requested Agenda Items			
Target Date	Agenda Item	Agenda	Dept
12-May	Guidebook for development standards	Discussion	Planning
	DRC Role & Processing Procedures	Discussion	Planning
12-May	Chain Retailers	Discussion	Planning
	Locations within the TRC without signage	Discussion	Planning
Annual Reports			
	Agenda Item	Agenda	Dept
January	Annual Comprehensive Financial Report	Discussion	Finance
January (odd years)	Brown Act, Public Records Act, Levine Act Training	Presentation	City Attorney
January (odd years)	Appointment to Boards, Commissions, Committees	Discussion	City Clerk
January	Fee Schedule Review	Discussion	Finance
January	Investment Policy Annual Review	Discussion	Finance
February (even years)	Budget to Actual	Discussion	Finance
February	Measure A 5-Year Local Program of Projects	Public Hearing	Public Works
February	Mid-Year Budget Adjustments		Finance
February (even years)	Council Budget Goal Setting	Public Workshop	City Manager
March	Housing General Plan Annual Report	Discussion	Planning
March	SB1 RMRA project List	Public Hearing	Public Works
March	Solvang Mesa LLMD Annual Assessment	Public Hearing	Public Works
March	FTA 5311 Grant Agreement	Consent	Public Works
March	TDA (Transit Development Act) Grant Funding	Consent	Public Works
May (even years)	Ordinance 1st Reading & Adoption Conflict of Interest	Public Hearing	City Attorney
May	Grant Funding Applications review	Discussion	Finance
Oct/Jan/April/July	Quarterly Financial Reports	Consent	Finance
Oct/Jan/April/July	Quarterly Marketing Update	Presentation	Parks & Rec
Oct/Jan/April/July	Quarterly Public Records Requests Report	Consent	City Clerk
June	Preliminary Budget	Discussion	Finance
June	Two-Year Financial Plan Development or Supplemental Budget adoption	Discussion	Finance
June	Capital Improvement Program	Discussion	FIN/Public Works
June/July	Amend Appropriation Limit (GANN)	Public Hearing	
November	Stormwater Management Program Annual Report	Consent	Public Works
December	AB 1600 Report	Discussion	Public Works
December	City Council Reorganization - Appointment of Mayor pro tem	Discussion	City Clerk
December (even years)	City Council Reorganization Council selection of representatives to Committees and Agencies	Discussion	City Clerk



**MINUTES
SOLVANG CITY COUNCIL
MONDAY, MARCH 24, 2025**

Agenda Item 6.b

Special Closed Session – 5:00 PM
Regular Meeting – 6:30 PM

5:00 PM SPECIAL CLOSED SESSION

CALL TO ORDER

Mayor Brown called the Special Closed Session meeting to order at 5:00 p.m. in the City Hall Council Chamber, 1644 Oak Street, Solvang, California.

ROLL CALL

Present: Mayor David Brown, Mayor pro tem, Claudia Orona, Councilmembers Elizabeth Orona, Mark Infanti, Louise Smith

Staff: City Manager Randy Murphy, City Attorney Craig Steele, City Clerk Annamarie Porter, Patty Howard, Regional Government Services Consultant

PLEDGE OF ALLEGIANCE

Mayor pro tem Claudia Orona led in the Pledge of Allegiance.

1. PUBLIC COMMUNICATIONS ON CLOSED SESSION ONLY –

None

2. RECESS TO CLOSED SESSION

Mayor Brown recessed to Closed Session at 5:02 p.m.

- a. **CONFERENCE WITH LEGAL COUNCIL – EXISTING LITIGATION** – The closed Session is authorized by Government Code Section 54956.9(d)(1)

Name of Case:

S.Y. Valley Residents Association v. City of Solvang, et al.
Case No. 25CV01519

- b. **CONFERENCE WITH LABOR NEGOTIATORS** – The Closed Session is authorized by Government Code Section 54957.6

AGENCY REPRESENTATIVE:

Randy Murphy, City Manager

EMPLOYEE ORGANIZATION:

All Unrepresented Employees

- c. **CONFERENCE WITH LABOR NEGOTIATOR** – The Closed Session is authorized by Government Code Section 54957.6

AGENCY DESIGNATED REPRESENTATIVE:

Dave Fleishman, Assistant City Attorney

EMPLOYEE ORGANIZATION:

Teamsters Union Local 986

RECONVENE TO OPEN SESSION

Mayor Brown reconvened to Open Session at 6:27 p.m.

3. ANNOUNCEMENT OF CLOSED SESSION ACTIONS

City Attorney Steele announced there was no reportable action taken during Closed Session.

4. ADJOURNMENT

Mayor Brown adjourned the Closed Session at 6:27 p.m.

6:30 PM REGULAR MEETING

CALL TO ORDER

Mayor Brown called the Regular meeting to order at 6:32 p.m. in the City Hall Council Chamber, 1644 Oak Street, Solvang, California.

ROLL CALL

Present: Mayor David Brown, Mayor pro tem, Claudia Orona, Councilmembers Elizabeth Orona, Mark Infanti, Louise Smith

Staff: City Manager Randy Murphy, City Attorney Craig Steele, City Clerk Annamarie Porter, Management Analyst Olivia Uribe-Mutal, Planning Manager Rafael Castillo, Public Works Director Bridget Paris

PLEDGE OF ALLEGIANCE

Engineering Technician Cole Phillips led the Pledge of Allegiance.

Mayor Brown announced an emergency item will be added to the agenda as Item 8.e.

Motion by Councilmember Infanti, seconded by Councilmember Elizabeth Orona, to add Item 8.e to the agenda and address it immediately after Item 3, and carried 5-0.

1. PROCLAMATIONS, COMMENDATIONS AND CEREMONIAL ITEMS - None

2. PRESENTATIONS

a. Fire Chief Year in Review Presentation

Deputy Chief Garrett Huff of Emergency Services narrated a PowerPoint presentation detailing a public safety review.

Battalion Chief Lonnie Maniscalco reported on recent fires in the area emphasizing that none of the structures were equipped with sprinklers or fire detection systems and that two of them were caused by the incorrect storage of oily rags.

3. PUBLIC COMMUNICATIONS – NON-AGENDA AND CONSENT ITEMS

Mayor Brown invited public comments.

Lisa Palmer, Santa Ynez Valley Aquatics Center

There were no other public communications.

Mayor Brown moved to Item 8.e.

a. Discussion and possible action to take a position on the Chumash Casino Hotel and Resorts request to modify its ABC License.

City Manager Murphy introduced the item and provided a brief report.

Sam Cohen, Government Affairs and Legal Officer of the Santa Ynez Band of Chumash Indians, explained why they want to modify the conditions of their permit, citing competition with other casinos and establishments.

Mayor Brown stated he had offered a gentleman's agreement with Head Chef Sherlock to allow a happy hour from 4:00 p.m. to 8:00 p.m., Friday through Sunday.

There were no public comments on this item.

Motion by Councilmember Elizabeth Orona to receive and file the petition on the Chumash Casino Hotel and Resort's request to modify its ABC license, seconded by Councilmember Infanti, and carried 5-0.

Mayor Brown returned to Item 4.

4. CITY MANAGER REPORT AND ADVANCE CALENDAR

City Manager Murphy reported voting for USA Today's 10 Best Reader Choice Awards, a Measure U Committee meeting on March 25th, a fire mitigation meeting for the Santa Ynez Valley, the Solvang cleanup day on May 17th, QR codes attached to City staff and Councilmember cards for the public to rate their service and experience, and reports from the Measure U Committee at the next City Council meeting.

5. GC SECTION 53232.3(d) (aka AB 1234) and GC SECTION 84308 (aka SB 1439) REPORT OUT, COUNCIL COMMENTS, REQUESTS

Councilmember Smith reported attending the Solvang Chamber of Commerce mixer on March 13th, the joint Planning Commission and DRC meeting, a League of California City's dinner on March 14th, and the Buellton Chili Festival on March 16th.

Mayor pro tem Claudia Orona reported attending a League of California City's dinner where she spoke to Assemblymember Hart and Congressman Carbajal.

Councilmember Elizabeth Orona reported attending the EMA JPA meeting and requested a report on the joint workshop of the Planning Commission and DRC and an update on the plans to combine the Measure U and Measure E Committees.

Councilmember Infanti reported attending the joint Planning Commission and DRC meeting, the GSA EMA joint meeting, and the Santa Barbara County Library Advisory Council meeting.

Mayor Brown reported attending the Sheriff's Awards, a blood drive, a SBCAG meeting, an APCD meeting; future attendance to a meeting with the Board Directors of the Solvang Chamber of

Commerce, a visit to Diablo Canyon on April 3rd and requested a future agenda items regarding regulations on chain retailers and codes, handouts from stores and harassment of patrons.

6. CONSENT ITEMS

- a. Approve Order of Agenda as Presented.
- b. Approve City Council Minutes: March 10, 2025
- c. Approve an Agreement with Tetra Tech Inc for Development of Cross-Connection Control Plan and Hazard Assessment, for the total amount not to exceed \$108,596 for the term March 24, 2025 – December 31, 2029, and authorize the Mayor to execute on behalf of the City.
- d. Approve the Fifth Amendment to the Agreement with Carollo Engineers Inc to Support Solvang's USDA Grant Application for the WWTP Project to extend the term to June 30, 2026, and authorize the Mayor to execute on behalf of the City.
- e. Adopt Resolution No. 25-1281 in Support of the Santa Ynez Valley Community Aquatics Complex.
- f. Adopt Resolution No. 25-1284 authorizing the City Manager to Execute an FTA 5311 Grant Agreement with Caltrans for Operation Assistance for Public Transit.
- g. Adopt Resolution No. 25-1283 Authorizing the Filing of a Claim with the Santa Barbara County Association of Governments for Allocation of Transportation Development Act funds for Fiscal Year 2025-2026.
- h. Receive and file January and February Financial Reports.
- i. Receive and file letter to Congressman Carbajal in support of HR 1267.

Motion by Councilmember Infanti to approve consent items, as presented, seconded by Councilmember Smith, and carried 5-0.

7. PUBLIC HEARINGS - None

8. DISCUSSION ITEMS

b. Discussion and possible action to Receive and file the Fire Abatement and Brush Removal Program update.

Management Analyst Uribe-Mutal gave a report on the fire abatement and brush removal program, detailing ongoing vegetation management, new initiatives, long term plans, fire map updates, and community engagement.

City Attorney Steele discussed the tools available for the City to regulate vegetation management, including distances from structures and challenges in terms of rural areas.

Mayor Brown invited public comments.

There were no public comments.

c. Discussion and possible direction to Staff regarding Vacation Rental/Short Term Rental Ordinance Amendment (Solvang Municipal Code 11-12-20)

Planning Manager Castillo narrated a PowerPoint presentation detailing vacation rental/short term rental ordinance amendments.

Discussion followed on how short-term rentals not in tourist related zones would be affected if the City does nothing, Transit Occupancy Tax (TOT) of short-term rentals, making the short term-rental permit annual to make revenue or be cost neutral for the City and the use and implementation of the software in other cities, how to regulate the number of short-term rentals, caps that may be envisioned, developing permit fees and annual registration requirements, enforcement and compliance

Mayor Brown invited public comments.

Brandon Sparks-Gillis

There were no other public comments.

City Council directed staff to do the appropriate and required research and bring it back for later discussion.

d. Discussion and possible action to receive and file the 2024 Annual General Plan and Housing Element Progress report.

Planning Manager Castillo narrated a PowerPoint presentation detailing the Annual General Plan and Housing Report, and opined the Capital Improvement Plan should be recategorized as a red topic with highest priority.

Mayor Brown invited public comments.

There were no public comments.

e. Discussion and possible action to Approve Amendment 2 to the Agreement with JJ Fisher Construction, Inc. for PW 24-04 Concrete Repairs Change Order 2 for an additional \$2,300 for a total Contract Amount of \$537,300, to Accept as Complete PW 24-04, and authorize the City Engineer to Record the Notice of Completion with the County Recorder.

Public Works Director Paris narrated a PowerPoint presentation on the Solvang Concrete Repair Project in the Alisal Glen neighborhood.

Mayor Brown invited public comments.

There were no public comments.

Motion by mayor pro tem Claudia Orona, to approve Amendment 2 to the Agreement with JJ Fisher Construction, Inc. for PW 24-04 Concrete Repairs Change Order 2 for an additional \$2,300 for a total Contract Amount of \$537,300, to accept as Complete PW 24-04, and authorize the City Engineer to Record the Notice of Completion with the County Recorder, seconded by Councilmember Elizabeth Orona, and carried 5-0.

There were no public comments on this item.

9. COUNCIL CLOSING COMMENTS - None

10. ADJOURNMENT – 9:02 p.m.

The meeting was adjourned at 9:02 p.m.

Respectfully submitted:



CITY COUNCIL STAFF REPORT

Agenda Item: 6.c

Meeting Date: April 14, 2025

SUBJECT: Adopt Resolution 25-1285 amending the Investment Policy to include Mechanics Bank on the approved list of financial institutions and authorize the City Manager to execute the new account documents.

PREPARED BY: Wendy Berry, Administrative Services Director

DISCUSSION:

The Parks and Recreation Department has identified the need to implement a cashless payment method for all City-sponsored special events. Cashless payment platforms require funds to be transferred to a designated bank account upon completion of transactions. However, the current City bank accounts are not suitable for this purpose due to their high balances.

The Investment Policy, adopted by Resolution #25-1277 in January 2025, grants the City Manager authority to execute necessary documents for new investments. However, the policy's list of approved financial institutions does not include Mechanics Bank. The following institutions are currently approved: MBS Securities, LPL Financial LLC., Montecito Bank & Trust, the Local Agency Investment Fund (LAIF), California Class, Five Star Bank, and King Capital Advisors.

To safeguard City funds, staff recommends opening a low-balance checking account with Mechanics Bank. Mechanics Bank offers an account with a minimum balance requirement of \$3,000 and no associated fees, making it a practical and secure solution for handling event-related transactions.

ALTERNATIVES:

None.

FISCAL IMPACT:

No significant financial impact.

ATTACHMENTS:

A – Resolution 25-1285

B – Investment Policy

RESOLUTION NO. 25-1285

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SOLVANG
CALIFORNIA AMENDING THE INVESTMENT POLICY TO INCLUDE MECHANICS BANK
AS AN APPROVED FINANCIAL INSTITUTION**

WHEREAS, the City of Solvang needs a new account to process cashless payments for its special events; and

WHEREAS, the current City bank accounts are not appropriate for this purpose due to their high balances; and

WHEREAS, Mechanics Bank offers a checking account with a low minimum balance and no associated fees; and

WHEREAS, the revised Investment Policy to include Mechanics Bank on the approved Financial Institution list is attached to this Resolution as Exhibit A

**NOW, THEREFORE THE CITY COUNCIL OF THE CITY OF SOLVANG DOES HEREBY
RESOLVE AS FOLLOWS:**

SECTION 1. That the City Council authorizes the City Manager to execute the new account documents.

SECTION 2. The approved financial institution list includes MBS Securities, King Capital Advisors, California Class, LPL Financial LLC, Five Star Bank, Montecito Bank and Trust, Local Area Investment Fund and Mechanics Bank.

SECTION 3. That this Resolution is effective immediately upon adoption.

SECTION 4. That the City Clerk shall certify to the passage and adoption of this Resolution and shall cause a certified copy to be filed in the book of original resolutions.

PASSED, APPROVED AND ADOPTED this 14th day of April, 2025.

David Brown, Mayor

APPROVED AS TO FORM:

ATTEST:

Craig Steele, Acting City Attorney

Annamarie Porter, City Clerk

STATE OF CALIFORNIA)
COUNTY OF SANTA BARBARA)ss
CITY OF SOLVANG)

I, Annamarie Porter, City Clerk of the City of Solvang, California do hereby certify that Resolution No. 25-1285 was passed and adopted by the City Council of the City of Solvang at a regular meeting of said City Council held on the 14th day of April 2025, and thereafter signed and approved by the Mayor and attested by the City Clerk, and that said resolution was adopted by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Annamarie Porter, City Clerk



Investment Policy

Section: **Finance**

Adopted: **April 14, 2025**

Last Amended: **January 13, 2025**

CA Reviewed *CAS* **April 9, 2025**

1.0 Policy

The City of Solvang shall invest public funds in such a manner as to comply with state and local laws, ensure prudent money management, provide for daily cash flow requirements, and meet the objectives of the Policy, in priority order of Safety, Liquidity and Return on investment. California Government Code §53646 (a)(2) states the treasurer or chief fiscal officer of a local agency or district may submit an investment policy to the governing body and treasurer oversight committee should one exist. Any change in the policy shall also be considered by the legislative body of the local agency at a public meeting. The investment program shall be in conformance with federal, state, and other legal requirements, including California Government Code 53600 and 53630 et seq.

2. Scope

This investment policy applies to all funds and investment activities and financial assets of the City of Solvang. The funds covered by this policy are accounted for and incorporated in the City of Solvang's Annual Comprehensive Financial Report (ACFR) and include:

- General Fund
- Special Revenue Funds
- Debt Service Funds
- Capital Project Funds
- Internal Service Funds
- Agency Funds
- Enterprise Funds

This investment policy does not apply to Bond Proceeds, Deferred Compensation Funds, Retirement or Retiree Health Care savings/trusts/plans. California Government Code Section 5922(d) authorizes proceeds of bonds to be invested in accordance with related offering documentation. These Code Sections recognize the unique needs and objectives of such proceeds. Likewise, Deferred Compensation Plans are covered under California Government Code.

3.0 Prudence: Reference: CA Govt. Code 53600.3 and 53646

The City Treasurer is authorized to make investment decisions on behalf of the City investing public funds subject to the prudent investment standard. The Prudent Investor Standard (California Government Code Section 53600.3 states, that "When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the City". The standard of prudence to be used by investment officials shall be applied in the context of managing an overall portfolio.

4.0 Objective: Reference: CA Govt. Code 53600.5

The primary objectives, in priority order, of investment activities shall be safety, liquidity, and return on investment.

A. Safety: of principal is the foremost objective of the investment program. Investments of the City shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective the City will diversify its investments by investing funds among a variety of securities with independent returns.

Liquidity:

The City's investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated.

Return on Investments:

The City investment portfolio shall have the objective of attaining a comparative performance measurement or an acceptable rate of return throughout budgetary and economic cycles. These measurements should be commensurate with the City's investment risk constraints identified in the investment Policy and the cash flow characteristics of the portfolio.

5.0 Delegation of Authority: Reference: CA Govt. Code 41006 and 53607

California Government Code Section 53601 states the legislative body of a local agency is authorized to invest surplus moneys as specified in that code section. In accordance with California Government Code Section 53607, the authority to invest or reinvest the funds of the City or to sell or exchange securities so purchased may be delegated to the City Treasurer/Administrative Services Director for a one-year period by the City Council. Subject to review, the City Council may renew the delegation of authority under this code section each year.

The City of Solvang City Council, as permitted under California Government Code 53607 delegates its authority to invest or reinvest City funds to the City Treasurer, who is also the Administrative Services Director. The City Treasurer shall be responsible for all investment transactions undertaken and shall establish a system of controls to regulate the activities of City officials involved in any aspect of the investment program in the absence of the City Treasurer. In case of the City Treasurer's absence, the City Council delegates investment authority to the City Manager. The City Council may renew the delegation of authority under this code section each year.

Duties and Responsibilities

5.1 City Treasurer (Administrative Services Director): Charged with the responsibility for all public funds and securities belonging to or under the control of the City, and for the deposit and investment of those funds in accordance with the principles of sound treasury management and in accordance with the applicable laws, ordinances and policies adopted by the City.

5.2 Administrative Service Department Staff: Charged with recording investment activity in the accounting records and with verifying the Treasurer's records with broker confirmations, bank statements and safekeeping records.

5.3 City Council: May delegate to the City Treasurer for a one-year period, the authority to invest the City's funds. Subject to review, the City Council may also annually consider and approve a written Statement of Investment Policy at a public meeting. Any change to the Investment Policy at any time shall also be considered by the City Council at a public meeting.

6.0 Ethics and Conflict of Interest:

Employees and Investment Officers shall refrain from personal business activity that could conflict with the proper execution and management of the policy and investment program or which could impair their ability to make impartial decisions. Employees and Investment Officers must provide a public disclosure document by February 1 of each year or when the material interest in the financial institutions or personal investment positions require it. Furthermore, Employees and Investment Officers must refrain from undertaking personal investment transactions with the same individual (s) employed by the

financial institution with whom business is conducted on behalf of the City.

7.0 Authorized Dealers and Institutions: Reference: CA Govt. Code 53601.5

The Treasurer will maintain a list of approved financial institutions authorized to provide investment services to the City in the State of California. This list shall be approved by City Council. These may include “primary” dealers or regional dealers that qualify under Securities & Exchange Commission Rule 15C3-1 (uniform net capital rule. Best practices include the following: 1) A competitive bid process, when practical, will be used to place all investment purchases, other than those that are classified as “new issue” securities. On an annual basis, the Treasurer shall recommend a list of at least two broker/dealers who are authorized to provide investment services. All broker/dealers who wish to be considered for the list must meet the following minimum requirements: 1) A determination that all approved broker/dealer firms and individuals covering the public agency, are reputable and trustworthy,; 2) the broker/dealer firms should have the ability to meet all their financial obligations in dealing with City; 3) the firms, individuals covering the agency, should be knowledgeable and experienced in Public Agency investing and the investment products involved; 4)no public deposit shall be made except in a qualified public depository as established by the established state laws 5) all financial institutions and broker/dealers who desire to conduct investment transactions with the public agency may supply the Treasurer with audited financial statements, proof of FINRA certification, trading resolution, proof of State of California registrations, a completed broker/dealer questionnaire, certification of having read City’s investment policy and depository contracts.

An annual review of the financial condition and registrations of qualified bidders may be conducted by the Treasurer and a current audited financial statement requested for each financial institution and broker/dealer in which the City invests.

8.0 Authorized and Suitable Investments:

California Government Code Section 53601, 53601.6, 53601.8, 53635, 53635.2, 53638 and 53684 include a number of requirements on how and where public money may be invested. The City is empowered by statute to invest in the following types of securities:

Permitted Investments	City Dollar Limit, Maximum Percentage of Portfolio Limit	Maturity Limit
Local Agency Investment Fund	\$50 million, 100%	None
Agency Issues (Govt. sponsored Enterprise, or GSE, instruments)	50%	5 years
Negotiable Certificates of Deposits	30%	5 years
Non-Negotiable Certificates of Deposit	50%	5 years
Public Funds Checking or Savings Account	100%	None
Shares of Beneficial Interest (i.e, money market mutual funds)	20% (10% in any one mutual fund)	N/A
U.S. Treasury Issues	100%	5 years

State of California Issues	30%	5 years
Issues of Entities outside of California	30%	5 years
Issues of Other California Entities	30%	5 years
Joint Powers Authority Pool	50%	N/A
City of Solvang Bonds	100%	5 years
Corporate Bonds	30% minimum rating by at least one of the following and a maximum of 10% per issuer: S&P A, Moody's A@, Fitch A	5 years
Commercial Paper	25% or portfolio; 10% per issuer; Rating of A1/P1' or higher from S & P Moody's	270 days

Any State of California legislative action that further restricts allowable maturities, investment types or percentage allocations will be incorporated into the City's Policy and supersedes any and all previous applicable language. If the City is holding an investment that is subsequently prohibited by a legislative change, the City may hold that investment, if it is deemed prudent by the Investment Officer, until the maturity date to avoid an unnecessary loss.

9.0 Review of Investment Portfolio:

The securities held by the City must be in compliance with Section 8.0 Authorized and Suitable Investments at the time of purchase. Because some securities may not comply with Section 8.0 Authorized and Suitable Investments subsequent to the date of purchase, the City Treasurer shall at least quarterly review the portfolio to identify those securities that do not comply. The City Treasurer shall establish procedures to report to the City Council, major and critical incidences of noncompliance identified through the review of the portfolio.

10.0 Investment Pools/Mutual Funds

A thorough investigation of the pool/fund is required prior to investing, and on a continual basis. There shall be a questionnaire developed which will answer the following general questions:

10.1. A description of eligible investment securities, and a written statement of investment policy and objectives.

10.2. A description of interest calculations and how it is distributed, and how gains and losses are treated.

10.3. A description of how the securities are safeguarded (including the settlement processes), and how often the securities are priced and the program audited.

10.4. A description of who may invest in the program, how often, what size deposit and withdrawal are allowed.

10.5. A schedule for receiving statements and portfolio listings.

10.6. A description of how the pool/fund maintain reserves, retained earnings, etc. or is all income after expenses distributed to participants.

10.7. A fee schedule that discloses when and how fees are assessed.

10.8. The eligibility of the pool/fund to invest in bond proceeds and a description of its practices.

11.0 Collateralization: Reference: CA Govt. Code 53601

Collateralization is required on certificates of deposits and sweep checking accounts. In order to anticipate market changes and provide a level of security for all funds, the collateralization level will be (110%) of market value of principal and accrued interest.

The City chooses to limit collateral to the following: certificates of deposits, sweep checking accounts, and agency issues. Collateral will always be held by an independent third party with whom the entity has a current custodial agreement. A clearly marked evidence of ownership (safekeeping receipt) must be supplied to the entity and retained.

At the City Treasurer's discretion, the collateral requirements may be waived for certificates of deposits up to \$250,000 which are fully insured by the Federal Deposit Insurance Corporation.

12.0 Safekeeping and Custody: Reference: CA Govt. Code 53608

All securities will be received and delivered on a delivery versus payment (DVP) basis. Securities will be held by a third-party custodian/safekeeping account designated by the Treasurer and evidenced by safekeeping receipts. Said securities shall be held in a manner that establishes the government entity's right of ownership. The only exception to the foregoing shall be depository accounts and securities purchases made with: LAIF, time certificates of deposit and money market mutual funds held directly with issuing institution, since the purchased securities are not deliverable.

13.0 Diversification

The City recognizes that investment risks can result from issuer defaults, market price changes, or various technical complications leading to temporary illiquidity. To minimize the City's exposure to these types of risk, the portfolio should be diversified among several types of institutions, instruments, and maturities. The Treasurer shall minimize default risk by prudently selecting only instruments and institutions, which at the time of placement have been evaluated for their financial viability and compliance with this policy.

No individual investment transaction shall be undertaken that jeopardizes the total capital position of the overall portfolio. Risk shall also be managed by subscribing to a portfolio management philosophy that helps to control market and interest rate risk by matching investments with cash flow requirements. See section 9.0 Authorized and Suitable Investments, which lists the City's maximum percentage limits and promotes a diverse portfolio.

14.0 Maximum Maturities

To the extent possible, the City will attempt to match its investments with anticipated cash flow requirements. Matching maturities with cash flow dates will reduce the need to sell securities prior to maturity, thus reducing market risk. Unless matched to a specific cash flow and approved by City Council, the City will not directly invest in securities maturing more than 5 years from the date of purchase.

15.0 Internal Controls

The City Treasurer shall establish an annual process of independent review by an external auditor. This

review will provide internal control by assuring compliance with policies and procedures.

- Proper documentation obtained from confirmation and cash disbursement wire transfers is required for each investment transaction.
- Timely bank reconciliation is conducted to ensure proper handling of all transactions.
- The investment portfolio and all related transactions are reviewed and balanced to appropriate general ledger accounts by the Administrative Services Department on a monthly and quarterly basis.

16.0 Performance Standards

The investment portfolio shall be designed with the objective of obtaining a rate of return throughout budgetary and economic cycles, commensurate with investment risk constraints and cash flow needs.

The City's basic investment strategy is to buy and hold investments until maturity. However, the City Treasurer may sell a security due to adverse changes in credit risk or due to unexpected cash flow needs.

The Market Yield benchmark used by the Treasurer is to determine whether market yields are being achieved and shall be the rate of return from the following indices: Local Agency Investment Fund (LAIF) and 6- month and 1-year Treasury Bills.

17.0 Investment Reporting Reference: CA Govt. Code 53607 and 53646 (b)

In accordance with California Government Code Section 53607, the Treasurer shall file a monthly investment report with the City Clerk who will place the report on the agenda of the next regular City Council meeting. The City Treasurer shall review and render monthly and quarterly investment portfolio reports to the City Manager and City Council.

- The monthly report shall include an accounting of all receipts, disbursements, and fund balances.
- The quarterly reports shall include the book and market value of the cash investment, the classification of the investment, the name of the institution or entity, the rate of interest, and the maturity dates for all securities.
- The quarterly report will include a statement of compliance of the portfolio with the investment policy or an explanation as to why the portfolio is not in compliance per Government Code 53646(b)(2).
- The quarterly report will include a statement on availability of funds to meet its obligations within the next six months per Government Code 53646(b)(3).

18.0 Investment Policy Adoption: Reference: CA Govt. Code 53646

The City's Investment Policy shall be adopted by resolution annually by the City Council. The policy shall be reviewed annually by the City Council and any modifications made thereto must be approved by the City Council.

19.0 Glossary

ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR): The official financial annual report of the City. It includes five combined statements for each individual fund and account group prepared in conformity with GAAP. It also includes supporting schedules necessary to demonstrate compliance with

finance related legal and contractual provisions, extensive introductory material, and a detailed Statistical Section.

AGENCIES: Federal agency securities and/or Government T sponsored enterprises.

ASK PRICE: The price at which securities are offered.

BEAR MARKET: A period of generally pessimistic attitudes and declining market prices.

BENCHMARK: A comparative base for measuring the performance or risk tolerance of the investment portfolio. A benchmark should represent a close correlation to the level of risk and the average duration of the portfolio's investments.

BID PRICE: The price offered by a buyer of securities. (When you are selling securities, you ask for a bid.) See Offer.

BOND: An interest-bearing security issued by a corporation, quasi-governmental agency or other body, which can be executed through a bank or trust company. A bond is a form of debt with an interest rate, maturity, and face value, and is usually secured by specific assets. Most bonds have a maturity of greater than one year, and generally pay interest semiannually.

BOND RATING: The classification of a bond's investment quality.

BOOK VALUE: The amount at which a security is carried on the books of the holder or issuer. The book value is often the cost, plus or minus amortization, and may differ significantly from the market value.

BROKER: A broker brings buyers and sellers together for a commission.

BULL MARKET: A period of generally optimistic attitudes and increasing market prices.

CERTIFICATE OF DEPOSIT (CD): A time deposit with a specific maturity evidenced by a Certificate. Large denomination.

CDs are typically negotiable.

COLLATERAL: Securities, evidence of deposit or other property, which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

COMMERCIAL PAPER: Short term obligations with maturities ranging from 2 to 270 days issued by banks, corporations, and other borrowers to investors with temporarily idle cash. Such instruments are unsecured and usually discounted, although some are interest bearing.

COMMISSION: The broker's or agent's fee for purchasing or selling securities for a client.

COUPON: (a) The annual rate of interest that a bond's issuer promises to pay the bondholder on the bond's face value. (b) A certificate attached to a bond evidencing interest due on a payment date.

DEALER: A dealer, as opposed to a broker, acts as a principal in all transactions, buying and selling for his own account.

DEBENTURE: A bond secured only by the general credit of the issuer.

DEFAULT RISK: This is the risk that a company or individual will be unable to make the required payments on their obligation. Standard measurement tools to gauge default risk include credit ratings by Nationally Recognized Statistical Rating Organizations (NRSROs).

DELIVERY VERSUS PAYMENT: There are two methods of delivery of securities: delivery versus payment and delivery versus receipt. Delivery versus payment is delivery of securities with an exchange of money for the securities. Delivery versus receipt is delivery of securities with an exchange of a signed receipt for the securities.

DISCOUNT: The difference between the cost price of a security and its maturity when quoted at lower than face value. A security selling below original offering price shortly after sale also is considered to be at a discount.

FEDERAL RESERVE SYSTEM: The central bank of the United States which consists of a seven-member Board of Governors, 12 regional banks and approximately 5,700 commercial banks that are members.

DISCOUNT SECURITIES: Noninterest bearing money market instruments that are issued a discount and redeemed at maturity for full face value (e.g., U.S. Treasury Bills).

DIVERSIFICATION: Dividing investment funds among a variety of securities offering independent returns.

DURATION: A measure of the sensitivity of the price (the value of principal) of a fixed income investment to a change in interest rates. Duration is expressed as a number of years. Rising interest rates mean falling bond prices, while declining interest rates mean rising bond prices.

FEDERAL CREDIT AGENCIES: Agencies of the Federal government set up to supply credit to various classes of institutions and individuals, e.g., S&L's, small business firms, students, farmers, farm cooperatives, and exporters.

FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC): A federal agency that insures bank deposits, currently up to \$250,000 per entity.

FEDERAL FUNDS RATE: The rate of interest at which Fed funds are traded. This rate is currently pegged by the Federal Reserve through open market operations.

FEDERAL OPEN MARKET COMMITTEE (FOMC): Consists of seven members of the Federal Reserve Board and five of the twelve Federal Reserve Bank Presidents. The President of the New York Federal Reserve Bank is a permanent member, while the other Presidents serve on a rotating basis. The Committee periodically meets to set Federal Reserve guidelines regarding purchases and sales of Government Securities in the open market as a means of influencing the volume of bank credit and money.

FISCAL YEAR: An accounting or tax period comprising any twelve-month period. The City's fiscal year begins on July 1.

FULL FAITH AND CREDIT: The unconditional guarantee of the United States government backing a debt for repayment.

INTEREST RATE: The interest payable each year on borrowed funds, expressed as a percentage of the principal.

INVESTMENT: Use of capital to create more money, either through income producing vehicles or through more risk-oriented ventures designed to result in capital gains.

INVESTMENT PORTFOLIO: A collection of securities held by a bank, individual, institution, or government agency for investment purposes. LAIF: trade name for the California State Local Agency

Investment Fund. Chapter 730, Statutes of 1976 of the State of California, established the

LAIF. The LAIF enables local governmental agencies to remit money not required for immediate needs to the State Treasurer for the purpose of investment. To derive the maximum rate of return possible, the State Treasurer has elected to invest these monies with State monies as a part of the Pooled Money Investment Account. Each local governmental unit has the exclusive determination of the length of time its money will be on deposit with the State Treasurer. At the end of each calendar quarter, all earnings derived from investments are distributed by the State respective amounts deposited in the LAIF and the length of time such amounts remained therein. Prior to the distribution, the State's cost of administering the program is deducted from the earnings. The California Government Code states that monies placed for deposit in LAIF are in trust in the custody of the State Treasurer and cannot be borrowed or be withheld from the City. Further, the right of the City to withdraw its deposited money from the LAIF upon demand may not be altered, impaired, or denied in any way by any State official or agency based upon the State's failure to adopt a budget by July 1 of each new fiscal year.

LIQUIDITY: A liquid asset is one that can be converted easily and rapidly into cash without a substantial loss of value. In the money market, a security is said to be liquid if the spread between bid and asked prices is narrow and reasonable size can be done at those quotes.

MARKET RISK: This is the risk that the value of a security will raise or decline because of changes in market conditions.

MARKET VALUE: the price at which a security is currently being sold in the market.

MATURITY: the date that the principal or stated value of debt instrument becomes due and payable.

MONEY MARKET: The market in which short-term debt instruments (bills, commercial paper, bankers' acceptances, etc.) are issued and traded.

MUTUAL FUND: An investment company that pools money and can invest in a variety of securities, including fixed income securities and money market instruments. Mutual funds are regulated by the Investment Company Act of 1940 and must abide by Securities and Exchange Commission (SEC) disclosure guidelines.

NEGOTIABLE CERTIFICATES OF DEPOSIT: Fixed deposit certificate that may be negotiated (traded) to a third party. The institution issuing the certificate promises to pay face value plus accrued interest at maturity or semiannually if maturity is over one year.

NRSRO: This acronym stands for Nationally Recognized Statistical Rating Organization, which is a credit rating agency that issues credit ratings that the U.S. Securities and Exchange Commission (SEC) permits other financial firms to use for certain regulatory purposes. NRSROs include Standard & Poor's, Moody's, and Fitch ratings.

OFFER: The price asked by a seller of securities. (When you are buying securities, you ask for an offer.) See Asked and Bid.

OPEN MARKET OPERATIONS: Purchases and sales of government and certain other securities in the open market by the New York Federal Reserve Bank as directed by the FOMC to influence the volume of money and credit in the economy. Purchases inject reserves into the bank system and stimulate growth of money and credit; sales have the opposite effect. Open market operations are the Federal Reserve's most important and most flexible monetary policy tool.

PORTFOLIO: The collection of securities held by an individual or institution. The combined holding of more than one stock, bond, commodity, real estate investment, cash equivalent, or other asset. The purpose of a portfolio is to reduce risk by diversification.

PRINCIPAL: The face or par value of an instrument.

PRIMARY DEALER: A group of government securities dealers who submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its informal oversight. Primary dealers include Securities and Exchange Commission (SEC) registered securities broker dealers, banks, and a few unregulated firms.

QUALIFIED PUBLIC DEPOSITORIES: A financial institution which does not claim exemption from the payment of any sales or compensating use or ad valorem taxes under the laws of this state, which has segregated for the benefit of the commission eligible collateral having a value of not less than its maximum liability and which has been approved by the Public Deposit Protection Commission to hold public deposits.

RATE OF RETURN: 1) The yield which can be attained on a security based on its purchase price or its current market price. 2) Income earned on an investment, expressed as a percentage of the cost of the investment.

RATING: The designation used by investors' services to rate the quality of a security's creditworthiness. Moody's ratings range from the highest Aaa, down through Aa, A, Bbb, Ba, B, etc. while Standard and Poor's rating range from the highest AAA, down through AA, A, BBB, BB, B, etc.

REFINANCING: Rolling over the principal on securities that have reached maturity or replacing them with the sale of new issues. The object may be to save interest costs or to extend the maturity of the loan.

SAFEKEEPING: A service offered to customers for a fee, where securities are held in the vaults for protection.

SECONDARY MARKET: A market made for the purchase and sale of outstanding issues following the initial distribution.

SECURITIES & EXCHANGE COMMISSION: Agency created by Congress to protect investors in securities transactions by administering securities legislation.

SEC RULE 15(C)3T1: See Uniform Net Capital Rule.

SECURITIES: investment instruments such as bonds, stocks and other instruments of indebtedness or equity.

SPREAD: The difference between two figures or percentages. For example, it may be the difference between the bid and asked prices of a quote, or between the amount paid when bought and the amount received when sold.

TREASURY BILLS (TTBILL): U.S. Treasury Bills are short term, direct obligations of the U.S. Government issued with original maturities of 13 weeks, 26 weeks and 52 weeks; sold in minimum amounts of \$10,000 in multiples of \$5,000 above the minimum. Treasury Bills are issued in book entry form only and are sold on a discount basis.

TRUSTEE: A bank designated as the custodian of funds and the official representative for bondholders.

UNDERWRITER: A dealer bank or financial institution which arranges for the sale and distribution of a large batch of securities and assumes the responsibility for paying the net purchase price.

UNIFORM NET CAPITAL RULE: Securities and Exchange Commission requirement that member firms as well as nonmember broker dealers in securities maintain a maximum ratio of indebtedness to liquid capital of 15 to 1; also called net capital rule and net capital ratio. Indebtedness covers all money owed

to a firm, including margin loans and commitments to purchase securities, one reason new public issues are spread among members of underwriting syndicates. Liquid capital includes cash and assets easily converted into cash.

U.S. GOVERNMENT AGENCIES: Instruments issued by various U.S. government agencies most of which are secured only by the credit worthiness of the particular agency.

YIELD: The rate of annual income return on an investment, expressed as a percentage. (a) **INCOME YIELD** is obtained by dividing the current dollar income by the current market price for the security. (b) **NET YIELD** or **YIELD TO MATURITY** is the current income yield minus any premium above par or plus any discount from par in purchase price, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond.

Approved Financial Institution List

- 1. MBS Securities**
- 2. King Capital Advisors**
- 3. California Class**
- 4. LPL Financial LLC**
- 5. Five Star Bank**
- 6. Montecito Bank & Trust**
- 7. Local Area Investment Fund**
- 8. Mechanics Bank**



March 28, 2025

The Honorable Adam Schiff
United States Senator
116 Hart Senate Office
Washington, D.C. 20015

The Honorable Alex Padilla
United States Senator
331 Hart Senate Office
Washington DC 20510

Dear Senator Schiff and Senator Padilla:

I write to express my strong support for the Congressionally Directed Spending request submitted by the Santa Ynez Band of Mission Indians to support outreach and education efforts for the Chumash Heritage National Marine Sanctuary.

The Chumash Tribe submitted a request for \$1.4 million from the NOAA Operations, Research and Facilities (ORF), Special Projects Account to build out staff and programming to support the National Oceanic and Atmospheric Administration's newly created Chumash Heritage National Marine Sanctuary on the Central Coast. The soon-to-open Santa Ynez Chumash Museum and Cultural Center, located on the tribe's reservation, is the perfect focal point to support the cultural preservation and education goals of the Sanctuary. I look forward to working with NOAA to support this sanctuary, believe the funding provided by this request will complement the goals identified by central coast residents.

Thank you for your consideration, and I look forward to working with you on this and many other areas of interest.

Sincerely,

A handwritten signature in blue ink, appearing to read "Randy Murphy", is written over the word "Sincerely".

Randy Murphy
City Manager
City of Solvang



SBCAG

SANTA BARBARA COUNTY
ASSOCIATION OF GOVERNMENTS

TDA Triennial Performance of Santa Ynez Valley Transit for FY 2021/22 through FY 2023/24



Final Report | March 2025



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Chapter 1 | Executive Summary

In 2024, the Santa Barbara County Association of Governments (SBCAG) selected Moore & Associates, Inc., to prepare Triennial Performance Audits of itself as the RTPA and the nine transit operators to which it allocates TDA funding.

The California Public Utilities Code requires all recipients of Transit Development Act (TDA) Article 4 funding to undergo an independent performance audit on a three-year cycle in order to maintain funding eligibility. Audits of Article 8 recipients are encouraged.

The Triennial Performance Audit is designed to be an independent and objective evaluation of Santa Ynez Valley Transit (SYVT) as a public transit operator, providing operator management with information on the economy, efficiency, and effectiveness of its programs across the prior three fiscal years. In addition to assuring legislative and governing bodies (as well as the public) that resources are being economically and efficiently utilized, the Triennial Performance Audit fulfills the requirement of PUC Section 99246(a) that the RTPA designate an entity other than itself to conduct a performance audit of the activities of each operator to whom it allocates funds.

This chapter summarizes key findings and recommendations developed during the Triennial Performance Audit (TPA) of SYVT's public transit program for the period:

- Fiscal Year 2021/22,
- Fiscal Year 2022/23, and
- Fiscal Year 2023/24.

Santa Ynez Valley Transit (SYVT) is administered by the City of Solvang through a Memorandum of Understanding (MOU) between the cities of Buellton and Solvang and the County of Santa Barbara. SYVT provides public transit service on two fixed routes, as well as an ADA paratransit Dial-A-Ride and a general public Dial-A-Ride. The Express Route operates through Buellton, Solvang, and Santa Ynez. The Los Olivos Loop originates at Solvang Park before traveling up to Los Olivos and back to Solvang. Both routes feature on-call stops including the Chumash Casino, the Chumash Tribal Health Clinic, and Cottage Hospital, which are served upon request. SYVT does not operate on designated holidays.

SYVT's Dial-A-Ride service is a curb-to curb on-demand service, available to seniors, age 60 and older, and persons with disabilities within three-quarters of a mile from the SYVT fixed-route alignment. Dial-A-Ride operates during the same hours as the fixed-route service. Reservations may be made up to seven days in advance and same-day requests are accepted on an as-received basis, if space allows.

SYVT also offers a general public Dial-A-Ride on Sunday where proof of eligibility is not required for riders to utilize the service. Sunday service operates from 8:30 a.m. to 12:30 p.m. and 1:00 p.m. to 4:00 p.m. Riders may schedule rides for regular Dial-A-Ride service and Sunday service Monday through Sunday.

This performance audit was conducted in accordance with generally accepted government auditing standards. Those standards require that the audit team plans and performs the audit to obtain sufficient,

appropriate evidence to provide a reasonable basis for its findings and conclusions based on the audit objectives. Moore & Associates believes the evidence obtained provides a reasonable basis for our findings and conclusions.

This audit was also conducted in accordance with the processes established by the California Department of Transportation (Caltrans), as outlined in the *Performance Audit Guidebook for Transit Operators and Regional Transportation Planning Entities*.

The Triennial Performance Audit includes five elements:

- Compliance requirements,
- Prior recommendations,
- Analysis of program data reporting,
- Performance Audit, and
- Functional review.

Test of Compliance

Based on discussions with City staff, analysis of program performance, and an audit of program compliance and function, the audit team presents one compliance finding:

1. SYVT's TDA fiscal audit for FY 2021/22 was completed beyond the extended deadline.

Status of Prior Recommendations

The prior audit – completed in November 2022 by Michael Baker International for the three fiscal years ending June 30, 2021 – included five recommendations:

1. [Continue to pursue options for demand-response transportation services. \(Auditor suggestion\)](#)
Status: Implemented.
2. [Continue to pursue partnerships with the local hotel industry to implement a pass-through charge program to support farebox recovery. \(Auditor suggestion\)](#)
Status: Not implemented.
3. [Continue to pursue implementation of cashless fare media. \(Auditor suggestion\)](#)
Status: Implementation in progress.
4. [Work with the SYVT independent fiscal auditor to capitalize contractor equipment and/or preventive maintenance. \(Auditor suggestion\)](#)
Status: Not implemented.

Findings and Recommendations

Based on discussions with City staff, analysis of program performance, and a review of program compliance and function, the audit team submits the aforementioned compliance finding for SYVT.

1. SYVT's TDA fiscal audit for FY 2021/22 was completed beyond the extended deadline.

The audit team has identified two functional findings. While these findings are not compliance findings, the audit team believes they warrant inclusion in this report:

1. SYVT has not made progress in the implementation of a hotel pass-through fee that would increase transit funding.
2. SYVT has not made progress in the prior recommendation to capitalize contractor equipment and/or preventive maintenance.

In completing this Triennial Performance Audit, we submit the following recommendations for SYVT’s public transit program. They have been divided into two categories: TDA Program compliance recommendations and functional recommendations. TDA program compliance recommendations are intended to assist in bringing the operator into compliance with the requirements and standards of the TDA, while Functional Recommendations address issues identified during the triennial audit that are not specific to TDA compliance.

Exhibit 1.1 Summary of audit recommendations

TDA Compliance Recommendations		Importance	Timeline
1	Continue to ensure the TDA fiscal audit is completed by the extended deadline of March 31.	Medium	Ongoing
Functional Recommendations		Importance	Timeline
1	Revisit the recommendation from the 2022 TDP that the cities of Solvang and Buellton implement a pass-through hotel fee program to provide support for transit.	Medium	FY 2026/27
2	Work with the SYVT fiscal auditor regarding the capital cost of contracting and/or preventive maintenance.	Medium	FY 2025/26

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Chapter 2 | Audit Scope and Methodology

The Triennial Performance Audit (TPA) of Santa Ynez Valley Transit (SYVT) public transit program covers the three-year period ending June 30, 2024. The California Public Utilities Code requires all recipients of Transit Development Act (TDA) funding to complete an independent review on a three-year cycle in order to maintain funding eligibility.

In 2024, the Santa Barbara County Association of Governments (SBCAG) selected Moore & Associates, Inc., to prepare Triennial Performance Audits of itself as the RTPA and the nine transit operators to which it allocates TDA funding. Moore & Associates is a consulting firm specializing in public transportation, including audits of non-TDA Article 4 recipients. Selection of Moore & Associates followed a competitive procurement process.

The Triennial Performance Audit is designed to be an independent and objective evaluation of SYVT as a public transit operator. Direct benefits of a Triennial Performance Audit include providing operator management with information on the economy, efficiency, and effectiveness of its programs across the prior three years; helpful insight for use in future planning; and assuring legislative and governing bodies (as well as the public) that resources are being economically and efficiently utilized. Finally, the Triennial Performance Audit fulfills the requirement of PUC Section 99246(a) that the RTPA designate an entity other than itself to conduct a performance audit of the activities of each operator to whom it allocates funds.

This performance audit was conducted in accordance with generally accepted government auditing standards. Those standards require that the audit team plans and performs the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for its findings and conclusions based on the audit objectives. The auditors believe the evidence obtained provides a reasonable basis for our findings and conclusions.

The audit was also conducted in accordance with the processes established by the California Department of Transportation (Caltrans), as outlined in the *Performance Audit Guidebook for Transit Operators and Regional Transportation Planning Entities*, as well as *Government Auditing Standards* published by the U.S. Comptroller General.

Objectives

A Triennial Performance Audit (TPA) has four primary objectives:

1. Assess compliance with TDA regulations;
2. Review improvements subsequently implemented as well as progress toward adopted goals;
3. Evaluate the efficiency and effectiveness of the transit operator; and
4. Provide sound, constructive recommendations for improving the efficiency and functionality of the transit operator.

Scope

The TPA is a systematic review of performance evaluating the efficiency, economy, and effectiveness of the transit operator. The audit of SYVT included five tasks:

1. A review of compliance with TDA requirements and regulations.
2. A review of the status of recommendations included in the prior Triennial Performance Audit.
3. A verification of the methodology for calculating performance indicators including the following activities:
 - Assessment of internal controls,
 - Test of data collection methods,
 - Calculation of performance indicators, and
 - Evaluation of performance.
4. Comparison of data reporting practices:
 - Internal reports,
 - State Controller Reports, and
 - National Transit Database.
5. Examination of the following functions:
 - General management and organization;
 - Service planning;
 - Administration;
 - Marketing and public information;
 - Scheduling, dispatching, and operations;
 - Personnel management and training; and
 - Maintenance.
6. Conclusions and recommendations to address opportunities for improvement based upon analysis of the information collected and the audit of the transit operator's major functions.

Methodology

The methodology for the Triennial Performance Audit of SYVT included thorough review of documents relevant to the scope of the audit, as well as information contained on SYVT's website. The documents reviewed included the following (spanning the full three-year period):

- Monthly performance reports;
- State Controller Reports;
- Annual budgets;
- TDA fiscal audits;
- Transit marketing collateral;
- TDA claims;
- Fleet inventory;
- Preventive maintenance schedules and forms;
- California Highway Patrol Terminal Inspection reports;
- National Transit Database reports;

- Accident/road call logs; and
- Organizational chart.

The methodology for this review included a site visit to Solvang City Hall (1644 Oak Street, Solvang) on October 15, 2024. The audit team met with Rodger Olds (Public Works Director) and Dominick Perez (RATP Dev Operations Manager), toured the location of the new SYVT office (410 Second Street, Solvang), and reviewed materials germane to the triennial audit.

This report is comprised of eight chapters divided into three sections:

1. Executive Summary: A summary of the key findings and recommendations developed during the Triennial Performance Audit process.
2. TPA Scope and Methodology: Methodology of the review and pertinent background information.
3. TPA Results: In-depth discussion of findings surrounding each of the subsequent elements of the audit:
 - Compliance with statutory and regulatory requirements,
 - Status of prior recommendations,
 - Consistency among reported data,
 - Performance measures and trends,
 - Functional audit, and
 - Findings and recommendations.

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Chapter 3 | Program Compliance

This section examines SYVT’s compliance with the Transportation Development Act as well as relevant sections of the California Code of Regulations. An annual certified fiscal audit confirms TDA funds were apportioned in conformance with applicable laws, rules, and regulations. SYVT considers full use of funds under California Code of Regulations (CCR) 6754(a) as referring to operating funds but not capital funds. The TPA findings and related comments are delineated in Exhibit 3.1.

Status of compliance items was determined through discussions with SYVT staff as well as an inspection of relevant documents including the fiscal audits for each year of the triennium, State Controller annual filings, California Highway Patrol terminal inspections, National Transit Database reports, year-end performance reports, and other compliance-related documentation.

One compliance issue was identified for SYVT:

1. SYVT’s TDA fiscal audit for FY 2021/22 was completed beyond the extended deadline.

Developments Occurring During the Audit Period

For many operators, the FY 2021/22 – FY 2023/24 audit period reflected both the acute impacts of and recovery from the COVID-19 pandemic. By the end of the audit period – even earlier in some cases – most operators had exhausted federal relief funds, even though penalties for non-compliance with farebox recovery ratios continued to be waived. Many operators, even more than four years after the onset of the pandemic, still struggle with ridership that has yet to recover to pre-pandemic levels.

Given this is not the first Triennial Performance Audit to be conducted since the COVID-19 pandemic, this report will not focus on actions taken as a result of the health crisis. Instead, the compliance review, functional review, and resulting recommendations will focus on ensuring program sustainability once penalty waivers and other emergency legislation have ended.

Assembly Bill 90, signed into law on June 29, 2020, provided temporary regulatory relief for transit operators required to conform with Transportation Development Act (TDA) farebox recovery ratio thresholds in FY 2019/20 and FY 2020/21. Assembly Bill 149, signed into law on July 16, 2021, provided additional regulatory relief by extending the provisions of AB 90 through FY 2022/23 and adjusting definitions of eligible revenues and operating costs. Most recently, Senate Bill 125, signed into law on July 10, 2023, extended protections provided via earlier legislation through FY 2025/26. While this means the audit period covered by this audit is fully exempt from penalties for non-compliance with the farebox recovery ratio, for example, it also means that transit operators will likely need to be in compliance by the last year of the next audit period.

While the ability to maintain state mandates and performance measures is important, these measures enable transit operators to adjust to the impacts of COVID while continuing to receive their full allocations of funding under the TDA.

Together, these three pieces of legislation include the following provisions specific to transit operator TDA funding under Article 4 and Article 8:

1. Prohibits the imposition of the TDA revenue penalty on an operator that did not maintain the required ratio of fare revenues to operating cost from FY 2019/20 through FY 2025/26.
2. Expands the definition of “local funds” to enable the use of federal funding to supplement fare revenues and allows operators to calculate free and reduced fares at their actual value.
3. Adjusts the definition of operating cost to exclude the cost of ADA paratransit services, demand-response and microtransit services designed to extend access to service, ticketing/payment systems, security, some pension costs, and some planning costs.
4. Allows operators to use STA funds as needed to keep transit service levels from being reduced or eliminated through FY 2025/26.

SB 125 calls for the establishment of the Transit Information Task Force to develop policy recommendations to grow transit ridership and improve the transit experience for all users. In the 50-plus years since introduction of the Transportation Development Act, there have been many changes to public transportation in California. Many operators have faced significant challenges in meeting the farebox recovery ratio requirement, calling into question whether it remains the best measure for TDA compliance. In 2018, the chairs of California’s state legislative transportation committees requested the California Transit Association spearhead a policy task force to examine the TDA, which resulted in a draft framework for TDA reform released in early 2020. The Transit Information Task Force is required to submit a report of its findings and policy recommendations to the State Legislature by October 31, 2025. This report is expected to include recommendations for TDA reform, which may impact the next Triennial Performance Audit period.

Exhibit 3.1 Transit Development Act compliance requirements

Compliance Element	Reference	Compliance	Comments
State Controller Reports submitted on time.	PUC 99243	In compliance	FY 2021/22: January 25, 2023 FY 2022/23: January 31, 2024 FY 2023/24: January 30, 2025
Fiscal and compliance audits submitted within 180 days following the end of the fiscal year (or with up to 90-day extension).	PUC 99245	Finding	FY 2021/22: May 2, 2023 FY 2022/23: March 26, 2024 FY 2023/24: March 25, 2025
Operator’s terminal rated as satisfactory by CHP within the 13 months prior to each TDA claim.	PUC 99251 B	In compliance	April 13, 2020 April 13, 2021 May 26, 2022 May 26, 2023 May 7, 2024
Operator’s claim for TDA funds submitted in compliance with rules and regulations adopted by the RTPA.	PUC 99261	In compliance	
If operator serves urbanized and non-urbanized areas, it has maintained a ratio of fare revenues to operating costs at least equal to the ratio determined by the rules and regulations adopted by the RTPA.	PUC 99270.1	Not applicable	
Except as otherwise provided, the allocation for any purpose specified under Article 8 may in no year exceed 50% of the amount required to meet the total planning expenditures for that purpose.	PUC 99405	Not applicable	
An operator receiving allocations under Article 8(c) may be subject to regional, countywide, or subarea performance criteria, local match requirements, or fare recovery ratios adopted by resolution of the RTPA.	PUC 99405	Not applicable	
The operator’s definitions of performance measures are consistent with the Public Utilities Code Section 99247.	PUC 99247	In compliance	
The operator does not routinely staff with two or more persons a vehicle for public transportation purposes designed to be operated by one person.	PUC 99264	In compliance	
The operator’s operating budget has not increased by more than 15% over the preceding year, nor is there a substantial increase or decrease in the scope of operations or capital budget provisions for major new fixed facilities unless the operator has reasonably supported and substantiated the change(s).	PUC 99266	In compliance	
If the operator serves an urbanized area, it has maintained a ratio of fare revenues to operating cost at least equal to one-fifth (20 percent).	PUC 99268.2, 99268.4, 99268.1	Not applicable	

Compliance Element	Reference	Compliance	Comments
If the operator serves a rural area, it has maintained a ratio of fare revenues to operating cost at least equal to one-tenth (10 percent).	PUC 99268.2, 99268.4, 99268.5	In compliance	<p>Fixed-route: FY 2021/22: 5.94% FY 2022/23: 6.15% FY 2023/24: 12.66%</p> <p>System: FY 2021/22: 7.13% FY 2022/23: 7.89% FY 2023/24: 21.07%</p> <p><i>Source: TDA fiscal audits, FY 2022-FY 2024. Does not include federal funding as local supplementation.</i></p> <p><i>Penalties for noncompliance waived through FY 2026 under AB 90, AB 149, and SB 125.</i></p>
For a claimant that provides only services to elderly and handicapped persons, the ratio of fare revenues to operating cost shall be at least 10 percent.	PUC 99268.5, CCR 6633.5	In compliance	<p>FY 2021/22: 13.13% FY 2022/23: 17.90% FY 2023/24:</p> <p><i>Source: TDA fiscal audits, FY 2022-FY 2024. Does not include federal funding as local supplementation.</i></p> <p><i>Penalties for noncompliance waived through FY 2026 under AB 90, AB 149, and SB 125.</i></p>
The current cost of the operator’s retirement system is fully funded with respect to the officers and employees of its public transportation system, or the operator is implementing a plan approved by the RTPA, which will fully fund the retirement system for 40 years.	PUC 99271	In compliance	As SYVT is administered by the City of Solvang, City staff’s retirement is funded through the California Public Employees’ Retirement System (CalPERS).
If the operator receives State Transit Assistance funds, the operator makes full use of funds available to it under the Urban Mass Transportation Act of 1964 before TDA claims are granted.	CCR 6754 (a) (3)	In compliance	

Compliance Element	Reference	Compliance	Comments
<p>In order to use State Transit Assistance funds for operating assistance, the operator’s total operating cost per revenue hour does not exceed the sum of the preceding year’s total plus an amount equal to the product of the percentage change in the CPI for the same period multiplied by the preceding year’s total operating cost per revenue hour. An operator may qualify based on the preceding year’s operating cost per revenue hour or the average of the three prior years. If an operator does not meet these qualifying tests, the operator may only use STA funds for operating purposes according to a sliding scale.</p>	<p>PUC 99314.6</p>	<p>In compliance</p>	<p>During the audit period, SYVT only claimed STA funds for capital purposes.</p>
<p>A transit claimant is precluded from receiving monies from the Local Transportation Fund and the State Transit Assistance Fund in an amount which exceeds the claimant’s capital and operating costs less the actual amount of fares received, the amount of local support required to meet the fare ratio, the amount of federal operating assistance, and the amount received during the year from a city or county to which the operator has provided services beyond its boundaries.</p>	<p>CCR 6634</p>	<p>In compliance</p>	<p>During the audit period, SYVT claimed more TDA funding than it was eligible to receive. These funds were held in reserve by the City of Solvang for future capital purposes.</p>

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Chapter 4 | Prior Recommendations

This section reviews and evaluates the implementation of prior Triennial Performance Audit recommendations. This objective assessment provides assurance SYVT has made quantifiable progress toward improving both the efficiency and effectiveness of its public transit program.

The prior audit – completed in November 2022 by Michael Baker International for the three fiscal years ending June 30, 2021 – included four recommendations:

1. [Continue to pursue options for demand-response transportation services. \(Auditor suggestion\)](#)

Discussion: The prior auditor carried this recommendation forward from the prior performance audit. The 2017 Short-Range Transit Plan (SRTP) contained a recommended option for express service along the SR 246 corridor with limited service to Los Olivos, and demand-response service to seniors through a contract with a transportation network (Uber/Lyft) or taxi company. The Express Route and the Los Olivos Loop were implemented by SYVT in 2018, but the demand-response option had yet to be implemented. SYVT has taken steps to implement cashless fare media on its system, which would work well with a mobility-on-demand service model. However, due to reduced demand-response ridership resulting from the COVID-19 pandemic over the course of the audit period, SYVT temporarily placed exploring this recommendation on hold. The agency has plans to revisit this recommendation as part of the upcoming 2022 SRTP process. The prior auditor recommended that SYVT continue to explore this service model, which would have the potential to lower operating costs and offer enhanced flexibility.

Progress: The 2023 Transit Development Plan identified on-demand microtransit as one of the recommendations, though it would be to expand the service area or service span rather than replace the Dial-A-Ride service. At present, SYVT is considering the potential for microtransit to connect the Fjord Drive area with the existing fixed-route service. This recommendation is considered to be implemented given it was included within short-range planning efforts during the audit period.

Status: Implemented.

2. [Continue to pursue partnerships with the local hotel industry to implement a pass-through charge program to support farebox recovery. \(Auditor suggestion\)](#)

Discussion: The prior auditor carried this recommendation forward from the prior performance audit. The 2017 SRTP recommended that SYVT partner with the local hotel industry to implement a pass-through charge program as a revenue enhancement measure. Given that the burden of the fee would not fall on either the hotel property owners or residents, there is potential for citywide support. In addition, a fee of up to \$0.50 per night is not likely to be viewed as an onerous cost by most visitors. Under the provisions of Senate Bill 508, SYVT can apply locally generated revenues toward the farebox. It is suggested that the Cities of Buellton and Solvang and the County consider such a measure to help boost farebox revenues. Due to the impacts of the COVID-

19 pandemic on the hospitality industry, SYVT temporarily put pursuit of this recommendation on hold. The prior auditor recommended that the agency revisit this recommendation as part of the upcoming 2022 SRTP process.

Progress: The 2023 Transit Development Plan continued the recommendation for a pass-through hotel fee, with a timeline of FY 2026 for implementation. While the cities of Solvang and Buellton have yet to move forward with this recommendation, it is still under consideration.

Status: Not implemented.

3. Continue to pursue implementation of cashless fare media. (Auditor suggestion)

Discussion: The prior auditor carried this recommendation forward from the prior performance audit. In recent years, SYVT had introduced several new fare media, including a monthly pass, all-day Saturday pass, and a summer youth pass. Cashless fare media provide ease of use for the ridership and potentially increased fare revenue for the transit operator. During the prior audit period, SYVT was considering implementation of Token Transit, a mobile ticketing platform. Token Transit receives a 10 percent commission on fares in excess of \$2.00 per trip. For all other transactions under \$2.00, the fee is \$0.06 plus 7 percent of the purchase. Such an application could also work well with the mobility-on-demand service option currently under consideration. However, due to the impacts of the COVID-19 pandemic, SYVT temporarily put pursuit of this recommendation on hold. The prior auditor encouraged the agency to revisit this recommendation as well as apply for Low Carbon Transit Operations Program funding to cover the administrative costs.

Progress: The 2023 Transit Development Plan included the recommendation to introduce contactless fare payment, either through a mobile ticketing platform such as Token Transit or through an open-loop payment system that would enable riders to pay with a credit or debit card. SYVT's program management consultant is in the process of exploring current options for contactless payment and expects to have a recommendation in early 2025.

Status: Implementation in progress.

4. Work with the SYVT independent fiscal auditor to capitalize contractor equipment and/or preventive maintenance. (Auditor suggestion)

Discussion: The City of Solvang, on behalf of SYVT, receives rural FTA Section 5311 funds for operations. The federal circular FTA C 9040.1F guiding nonurbanized area formula program includes a section and an exhibit on capital cost of contracting. The circular (Chapter III, 2, e, 2, o) identifies the capital cost of contracting for service as an eligible capital expense. A table in the circular shows the percentage of various types of contracts that are eligible for FTA capital assistance without further justification to the FTA. The percentages apply no matter whether the service is local, express, shuttle, or paratransit. For the type of service contract between SYVT and Roadrunner (contractor provides maintenance and transit service; grantee provides vehicles), the

percentage of contract allowed for capital assistance without further justification is a flat 40 percent.

The capital cost of contracting includes depreciation and interest on facilities and equipment, as well as allowable capital costs such as preventive maintenance. Given that the SYVT contract operator, Roadrunner, uses its own private equipment assets, the prior auditor noted there is opportunity to capitalize certain costs to operate SYVT. It recommended SYVT to work with its fiscal auditor to identify the level of cost of contracting that could be reflected in the financial statements. A primary benefit of undertaking this effort is to lower operating costs in the calculation of the farebox recovery ratio by excluding costs that are capitalized. Other benefits include having a higher federal participation (80 percent funding for capital rather than 50 percent for operations) and a lower local match. It should be verified whether the independent fiscal auditor is incorporating cost of contracting and, if so, whether all contractor assets are being accounted for.

Progress: No action has been taken with respect to this recommendation.

Status: Not implemented.

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Chapter 5 | Data Reporting Analysis

An important aspect of the Triennial Performance Audit process is assessing how effectively and consistently the transit operator reports performance statistics to local, state, and federal agencies. Often as a condition of receipt of funding, an operator must collect, manage, and report data to different entities. Ensuring such data are consistent can be challenging given the differing definitions employed by different agencies as well as the varying reporting timeframes. This chapter examines the consistency of performance data reported by SYVT both internally as well as to outside entities during the audit period.

Operating data (Vehicle Service Hours, Vehicle Service Miles, and Ridership) was reported consistently among all three reports reviewed. Fare Revenue and Full-Time Equivalent (FTE) Employees was also generally reported consistently. Variances in operating cost and ridership, as well as one variance regarding fare revenue, are discussed below.

- **Operating cost:** The variances in operating cost between the TDA fiscal audit and NTD report and the State Controller Report were between five and 10 percent each year. The variance between the State Controller Report and the NTD may be due to one being based on contractor invoices while the other is based on the City’s actual payments during the fiscal year.
- **Fare revenue:** It is likely that the difference in the fare revenue between the monthly reports/NTD report and TDA fiscal audit/State Controller Report in FY 2023/24 are due to the timing of the contractor’s invoice as discussed above.
- **Passengers:** While this metric was reported consistently on the monthly performance reports and the NTD reports, there was a discrepancy in the data reported to the State Controller in FY 2023/24. It appears this comes from fixed-route data that was entered incorrectly on the State Controller Report.

Exhibit 5.1 Data reporting comparison

Performance Measure	System-Wide		
	FY 2021/22	FY 2022/23	FY 2023/24
Operating Cost (Actual \$)			
<i>TDA fiscal audit</i>	\$964,807	\$1,036,661	\$1,002,552
<i>National Transit Database</i>	\$964,808	\$1,036,661	\$1,062,013
<i>State Controller Report</i>	\$959,526	\$979,798	\$974,582
Fare Revenue (Actual \$)			
<i>TDA fiscal audit</i>	\$48,775	\$56,068	\$52,577
<i>Monthly Performance Reports</i>	\$48,775	\$56,073	\$57,201
<i>National Transit Database</i>	\$48,775	\$56,073	\$57,202
<i>State Controller Report</i>	\$48,775	\$56,385	\$52,511
Vehicle Service Hours (VSH)			
<i>Monthly Performance Reports</i>	12,566	12,219	12,392
<i>National Transit Database</i>	12,566	12,219	12,392
<i>State Controller Report</i>	12,566	12,219	12,391
Vehicle Service Miles (VSM)			
<i>Monthly Performance Reports</i>	185,234	185,249	181,464
<i>National Transit Database</i>	185,234	185,249	181,464
<i>State Controller Report</i>	184,710	185,249	181,464
Passengers			
<i>Monthly Performance Reports</i>	38,943	45,539	48,723
<i>National Transit Database</i>	38,943	45,539	48,723
<i>State Controller Report</i>	38,863	45,539	41,287
Full-Time Equivalent Employees			
<i>State Controller Report</i>	9	9	10
<i>Per City methodology</i>	9	9	10
<i>Per TDA methodology</i>	9	9	10

Chapter 6 | Performance Analysis

Performance indicators are typically employed to quantify and assess the efficiency of a transit operator's activities. Such indicators provide insight into current operations as well as trend analysis of operator performance. Through a review of indicators, relative performance as well as possible inter-relationships between major functions is revealed.

The Transportation Development Act (TDA) requires recipients of TDA funding to track and report five performance indicators:

- Operating Cost/Passenger,
- Operating Cost/Vehicle Service Hour,
- Passengers/Vehicle Service Hour,
- Passengers/Vehicle Service Mile, and
- Vehicle Service Hours/Employee.

To assess the validity and use of performance indicators, the audit team performed the following activities:

- Assessed internal controls in place for the collection of performance-related information,
- Validated collection methods of key data,
- Calculated performance indicators, and
- Evaluated performance indicators.

The procedures used to calculate TDA-required performance measures for the current triennium were verified and compared with indicators included in similar reports to external entities (i.e., State Controller and Federal Transit Administration).

Operating Cost

The Transportation Development Act requires an operator to track and report transit-related costs reflective of the Uniform System of Accounts and Records developed by the State Controller and the California Department of Transportation. The most common method for ensuring this occurs is through a compliance audit report prepared by an independent auditor in accordance with California Code of Regulations Section 6667¹. The annual independent financial audit should confirm the use of the Uniform System of Accounts and Records. *Operating cost* – as defined by PUC Section 99247(a) – excluded the following during the audit period²:

¹ CCR Section 6667 outlines the minimum tasks which must be performed by an independent auditor in conducting the annual fiscal and compliance audit of the transit operator.

² Given the passage of AB 149, the list of excluded costs will be expanded beginning with FY 2021/22.

- Cost in the depreciation and amortization expense object class adopted by the State Controller pursuant to PUC Section 99243,
- Subsidies for commuter rail services operated under the jurisdiction of the Interstate Commerce Commission,
- Direct costs of providing charter service, and
- Vehicle lease costs.

Vehicle Service Hours and Miles

Vehicle Service Hours (VSH) and *Miles* (VSM) are defined as the time/distance during which a revenue vehicle is available to carry fare-paying passengers, and which includes only those times/miles between the time or scheduled time of the first passenger pickup and the time or scheduled time of the last passenger drop-off during a period of the vehicle's continuous availability.³ For example, demand-response service hours include those hours when a vehicle has dropped off a passenger and is traveling to pick up another passenger, but not those hours when the vehicle is unavailable for service due to driver breaks or lunch. For both demand-response and fixed-route services, service hours will exclude hours of "deadhead" travel to the first scheduled pick-up, and will also exclude hours of "deadhead" travel from the last scheduled drop-off back to the terminal. For fixed-route service, a vehicle is in service from first scheduled stop to last scheduled stop, whether or not passengers board or exit at those points (i.e., subtracting driver lunch and breaks but including scheduled layovers).

Passenger Counts

According to the Transportation Development Act, *total passengers* is equal to the total number of unlinked trips (i.e., those trips that are made by a passenger that involve a single boarding and departure), whether revenue-producing or not.

Employees

Employee hours is defined as the total number of hours (regular or overtime) which all employees have worked, and for which they have been paid a wage or salary. The hours must include transportation system-related hours worked by persons employed in connection with the system (whether or not the person is employed directly by the operator). Full-Time Equivalent (FTE) is calculated by dividing the number of person-hours by 2,000.

Fare Revenue

Fare revenue is defined by California Code of Regulations Section 6611.2 as revenue collected from the farebox plus sales of fare media.

³ A vehicle is considered to be in revenue service despite a no-show or late cancellation if the vehicle remains available for passenger use.

TDA Required Indicators

To calculate the TDA indicators for SYVT, the following sources were employed:

- Operating Cost was not independently calculated as part of this audit. Operating Cost data were obtained via State Controller Reports for each fiscal year covered by this audit. Operating Cost from the reports was compared against that reported in the SYVT's audited financial reports and appeared to be consistent with TDA guidelines. In accordance with PUC Section 99247(a), the reported costs excluded depreciation and other allowable expenses.
- Fare Revenue was not independently calculated as part of this audit. Fare revenue data were obtained via State Controller Reports for each fiscal year covered by this audit. This appears to be consistent with TDA guidelines as well as the uniform system of accounts.
- Vehicle Service Hours (VSH) data were obtained via NTD reports submitted to the FTA for each fiscal year covered by this audit. SYVT calculates VSH using driver trip sheets. SYVT's calculation methodology is consistent with PUC guidelines.
- Vehicle Service Miles (VSM) data were obtained via NTD reports submitted to the FTA for each fiscal year covered by this audit. SYVT calculates VSM by subtracting deadhead and out-of-service miles from total vehicle mileage (as noted on each vehicle's odometer). This methodology is consistent with PUC guidelines.
- Unlinked trip data were obtained via NTD reports submitted to the FTA for each fiscal year covered by this audit. SYVT's calculation methodology is consistent with PUC guidelines.
- Full-Time Equivalent (FTE) data were obtained from State Controller Reports for each fiscal year covered by this review. Use of the TDA definition regarding FTE calculation was confirmed.

System Performance Trends

Systemwide, operating cost rose steadily throughout the current audit period after experiencing year to year decreases in the prior audit period. This was due in part to a new operations contract. Between FY 2018/19 and FY 2023/24, there was a net 19.9 percent increase in operating cost. The most significant increase occurred in FY 2021/22, which experienced a 21.1 percent increase. Fare revenues, however, decreased consistently between FY 2018/19 and FY 2021/22. Fare revenues were heavily impacted by the COVID-19 pandemic, resulting in a 45.1 percent net decrease over the six-year span. However, the final two years of the audit period experience slight increases resulting in a net 17.3 percent increase for the audit period.

Vehicle service hours (VSH) saw some decline in FY 2019/20 as a result of the COVID-19 pandemic, but were otherwise relatively stable. VSH experienced a net 5.6 percent increase across the six-year span and a net 1.4 decrease during the audit period. Vehicle service miles (VSM) were varied, resulting in an 8.1 percent net decrease across six years and 2 percent net decrease during the audit period.

Ridership declined during the prior audit period but increased every year of the current audit period. Overall, ridership increased by 25.1 percent during the audit period, and 17.2 percent across the six-year period. Double-digit percentage ridership increases in FY 2021/22 and FY 2022/23 led to this significant improvement.

Cost-related metrics typically provide an indicator of a system’s efficiency, while passenger-related metrics offer insight into its productivity. Improvements are characterized by increases in passenger-related metrics and decreases in cost-related metrics. Operating cost per VSH and operating cost per VSM increased during the audit period, while operating cost per passenger decreased. Passenger-related metrics rose, with passengers per VSH and passengers per VSM each increasing by approximately 27 percent during the audit period.

Exhibit 6.1 System performance indicators

Performance Measure	System-wide					
	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24
Operating Cost (Actual \$)	\$885,478	\$842,987	\$796,755	\$964,808	\$1,036,661	\$1,062,013
<i>Annual Change</i>		-4.8%	-5.5%	21.1%	7.4%	2.4%
Fare Revenue (Actual \$)	\$104,284	\$95,575	\$64,682	\$48,775	\$56,073	\$57,202
<i>Annual Change</i>		-8.4%	-32.3%	-24.6%	15.0%	2.0%
Vehicle Service Hours (VSH)	11,732	9,622	11,487	12,566	12,219	12,392
<i>Annual Change</i>		-18.0%	19.4%	9.4%	-2.8%	1.4%
Vehicle Service Miles (VSM)	197,547	151,270	180,622	185,234	185,249	181,464
<i>Annual Change</i>		-23.4%	19.4%	2.6%	0.0%	-2.0%
Passengers	41,562	35,946	29,206	38,943	45,539	48,723
<i>Annual Change</i>		-13.5%	-18.8%	33.3%	16.9%	7.0%
Employees	11	8	11	9	9	10
<i>Annual Change</i>		-27.3%	37.5%	-18.2%	0.0%	11.1%
Performance Indicators						
Operating Cost/VSH (Actual \$)	\$75.48	\$87.61	\$69.36	\$76.78	\$84.84	\$85.70
<i>Annual Change</i>		16.1%	-20.8%	10.7%	10.5%	1.0%
Operating Cost/Passenger (Actual \$)	\$21.30	\$23.45	\$27.28	\$24.77	\$22.76	\$21.80
<i>Annual Change</i>		10.1%	16.3%	-9.2%	-8.1%	-4.2%
Passengers/VSH	3.54	3.74	2.54	3.10	3.73	3.93
<i>Annual Change</i>		5.5%	-31.9%	21.9%	20.3%	5.5%
Passengers/VSM	0.21	0.24	0.16	0.21	0.25	0.27
<i>Annual Change</i>		12.9%	-32.0%	30.0%	16.9%	9.2%
Farebox Recovery	11.8%	11.3%	8.1%	5.1%	5.4%	5.4%
<i>Annual Change</i>		-3.7%	-28.4%	-37.7%	7.0%	-0.4%
Hours/Employee	1,066.5	1,202.8	1,044.3	1,396.2	1,357.7	1,239.2
<i>Annual Change</i>		12.8%	-13.2%	33.7%	-2.8%	-8.7%
TDA Non-Required Indicators						
Operating Cost/VSM	\$4.48	\$5.57	\$4.41	\$5.21	\$5.60	\$5.85
<i>Annual Change</i>		24.3%	-20.8%	18.1%	7.4%	4.6%
VSM/VSH	16.84	15.72	15.72	14.74	15.16	14.64
<i>Annual Change</i>		-6.6%	0.0%	-6.3%	2.8%	-3.4%
Fare/Passenger	\$2.51	\$2.66	\$2.21	\$1.25	\$1.23	\$1.17
<i>Annual Change</i>		6.0%	-16.7%	-43.4%	-1.7%	-4.7%

Sources: FY 2018/19 – FY 2020/21 data taken from prior Triennial Performance Audit report.

FY 2021/22 – FY 2023/24 data taken from NTD reports.

FY 2021/22 – FY 2023/24 FTE data taken from State Controller Reports.

Exhibit 6.2 System Ridership

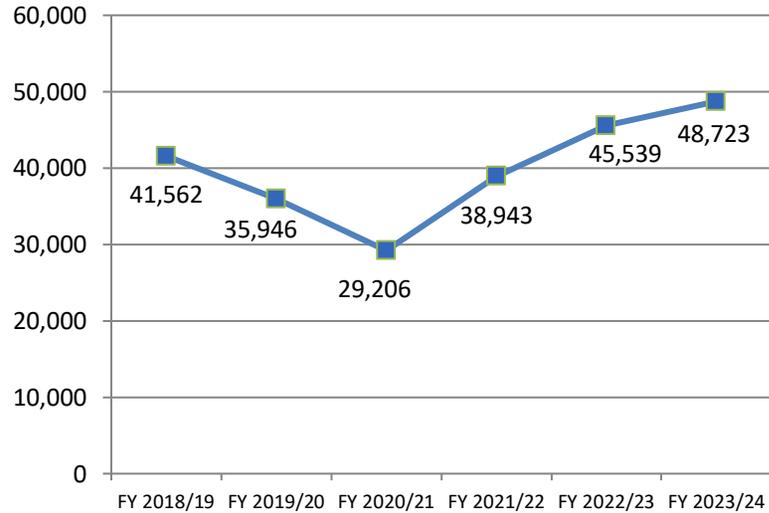


Exhibit 6.3 System Operating Cost/VSH

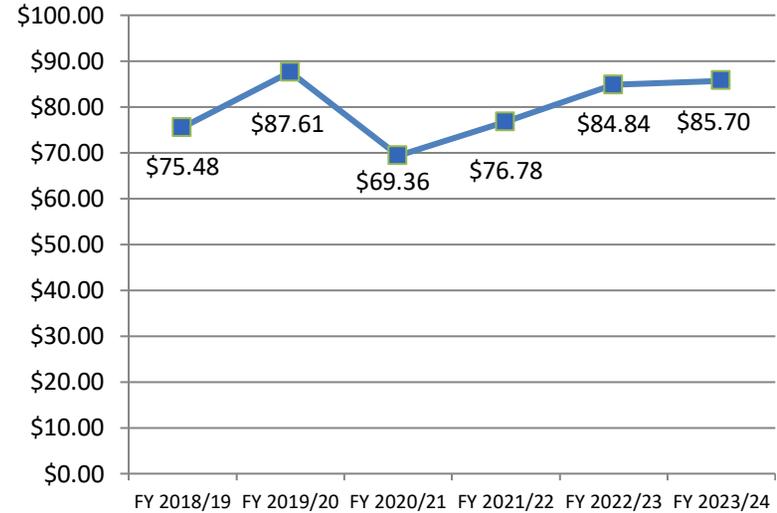


Exhibit 6.4 System Operating Cost/VSM

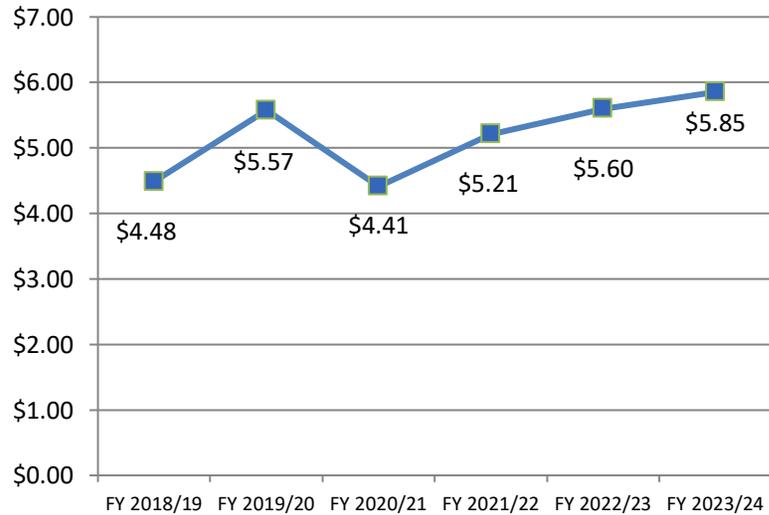


Exhibit 6.5 System VSM/VSH

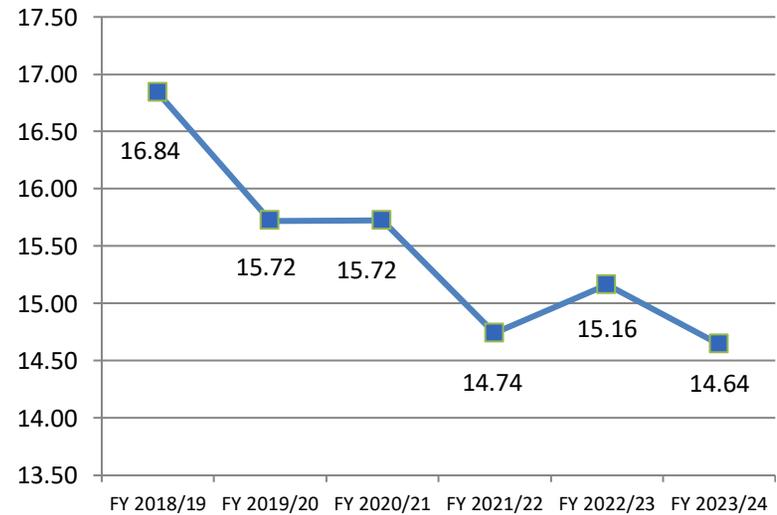


Exhibit 6.6 System Operating Cost/Passenger

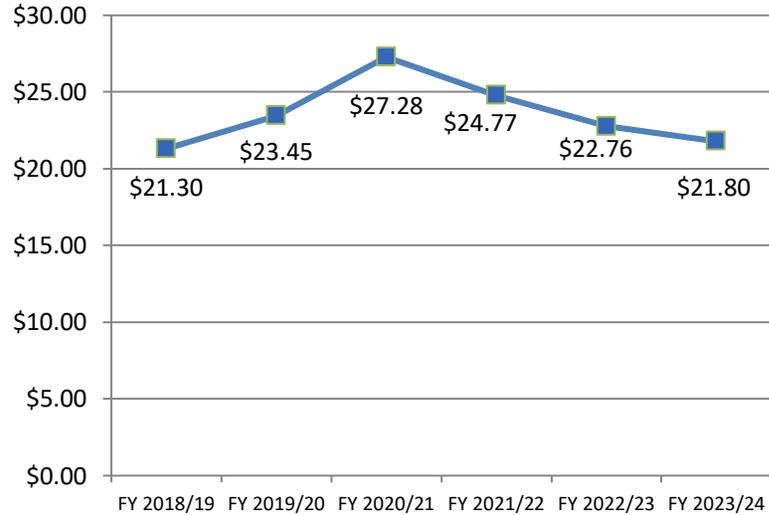


Exhibit 6.7 System Passengers/VSH

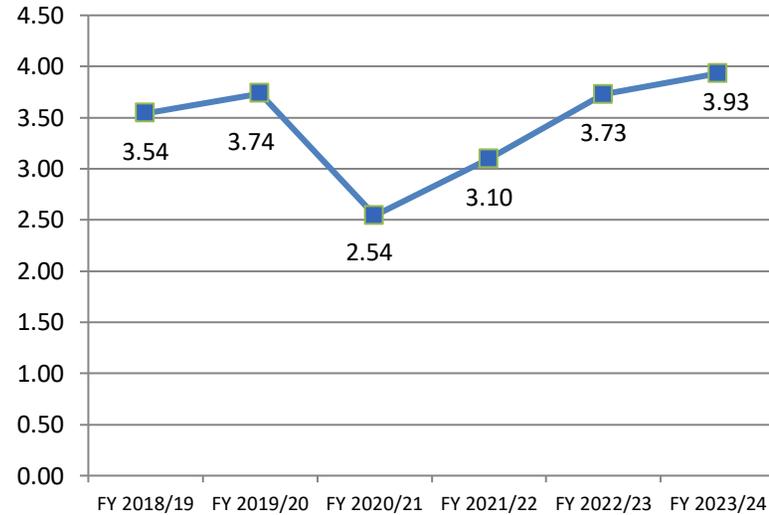


Exhibit 6.8 System Passengers/VSM

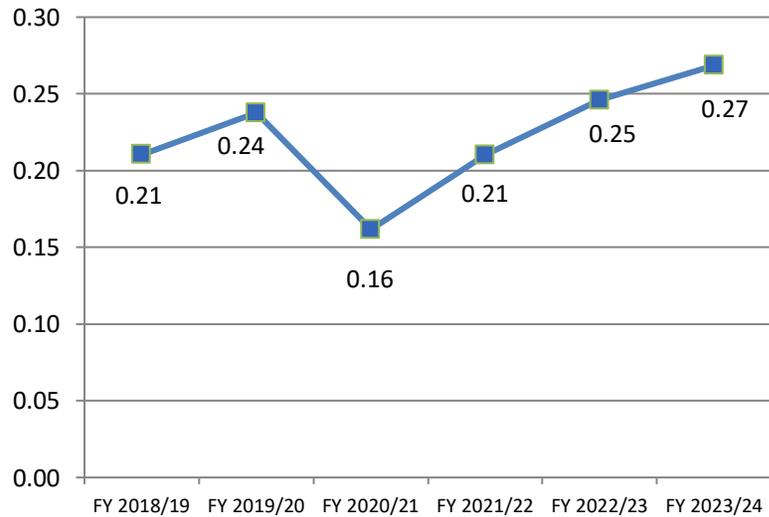


Exhibit 6.9 System VSH/FTE

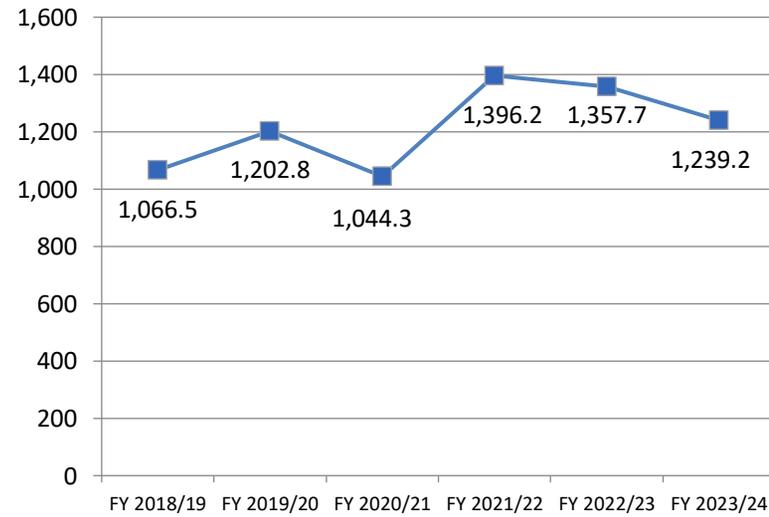


Exhibit 6.10 System Farebox Recovery

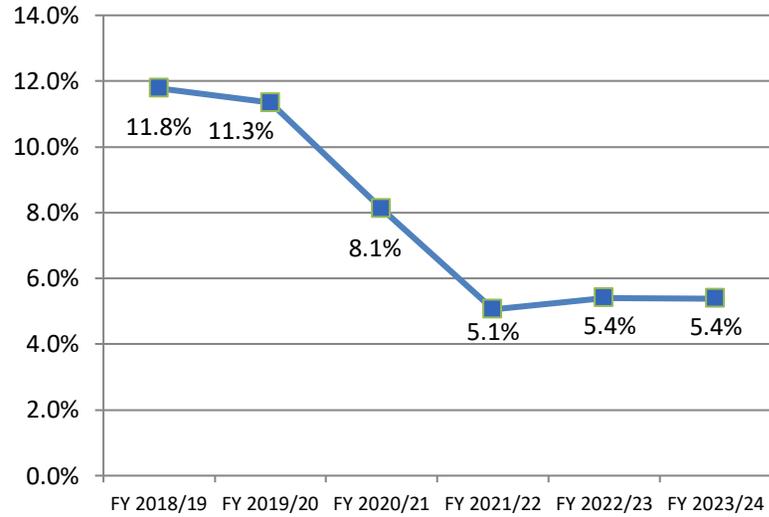
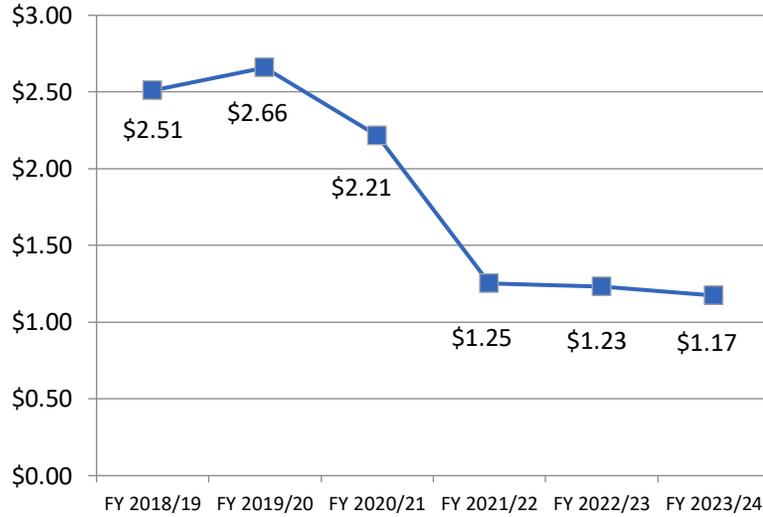


Exhibit 6.11 System Fare/Passenger



Fixed-Route Performance Trends

Fixed-route operating cost rose steadily throughout the current and prior audit periods, with the exception of a slight 4.6 percent decrease in FY 2020/21. Between FY 2018/19 and FY 2023/24, there was a net 23.5 percent increase in operating cost. The most significant increase occurred in FY 2021/22, which experienced a 16.1 percent increase. Fare revenues steadily increased year to year during the audit period, after decreasing year to year during the prior audit period. Fare revenues experienced a 19.8 percent increase during the audit period and a 25.5 percent net decrease over the six-year span.

Vehicle service hours (VSH) fluctuated across the six-year period, though were largely stable during the audit period. This resulted in a net decrease of 0.9 percent during the audit period and a net 9.5 percent increase over the past six years. Similarly, vehicle service miles (VSM) were mixed, but largely stable during the audit period. This resulted in a net decrease of 0.3 percent during the audit period, and a net increase of 2.1 percent since FY 2018/19.

Ridership declined each year of the prior audit period, before increasing year to year in the audit period. Overall, fixed-route ridership increased by 26.9 percent during the audit period, and 27.7 percent over the six-year period. Double-digit ridership increases in FY 2021/22 and FY 2022/23 led to this significant increase.

Operating cost per VSH and operating cost per VSM each increased 12 percent and 11.3 percent, respectively during the audit period. Operating cost per passenger experienced a 12.5 percent decrease across the three years of the audit period. Passenger-related metrics rose, with passengers per VSH and passengers per VSM each increasing by approximately 28 percent during the audit period.

Exhibit 6.12 Fixed-route performance indicators

Performance Measure	Fixed-Route					
	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24
Operating Cost (Actual \$)	\$712,482	\$715,595	\$682,738	\$792,958	\$863,589	\$879,922
<i>Annual Change</i>		0.4%	-4.6%	16.1%	8.9%	1.9%
Fare Revenue (Actual \$)	\$71,429	\$68,724	\$41,646	\$44,461	\$50,918	\$53,249
<i>Annual Change</i>		-3.8%	-39.4%	6.8%	14.5%	4.6%
Vehicle Service Hours (VSH)	9,078	6,982	9,334	10,028	9,897	9,939
<i>Annual Change</i>		-23.1%	33.7%	7.4%	-1.3%	0.4%
Vehicle Service Miles (VSM)	165,953	127,923	168,425	169,890	170,382	169,425
<i>Annual Change</i>		-22.9%	31.7%	0.9%	0.3%	-0.6%
Passengers	36,376	32,363	27,237	36,604	43,133	46,441
<i>Annual Change</i>		-11.0%	-15.8%	34.4%	17.8%	7.7%
Employees	8	6	8	7	7	7
<i>Annual Change</i>		-25.0%	33.3%	-12.5%	0.0%	0.0%
Performance Indicators						
Operating Cost/VSH (Actual \$)	\$78.48	\$102.49	\$73.15	\$79.07	\$87.26	\$88.53
<i>Annual Change</i>		30.6%	-28.6%	8.1%	10.3%	1.5%
Operating Cost/Passenger (Actual \$)	\$19.59	\$22.11	\$25.07	\$21.66	\$20.02	\$18.95
<i>Annual Change</i>		12.9%	13.4%	-13.6%	-7.6%	-5.4%
Passengers/VSH	4.01	4.64	2.92	3.65	4.36	4.67
<i>Annual Change</i>		15.7%	-37.0%	25.1%	19.4%	7.2%
Passengers/VSM	0.22	0.25	0.16	0.22	0.25	0.27
<i>Annual Change</i>		15.4%	-36.1%	33.2%	17.5%	8.3%
Farebox Recovery	10.03%	9.60%	6.10%	5.61%	5.90%	6.05%
<i>Annual Change</i>		-4.2%	-36.5%	-8.1%	5.2%	2.6%
Hours/Employee	1,134.8	1,163.7	1,166.8	1,432.6	1,413.9	1,419.9
<i>Annual Change</i>		2.5%	0.3%	22.8%	-1.3%	0.4%
TDA Non-Required Indicators						
Operating Cost/VSM	\$4.29	\$5.59	\$4.05	\$4.67	\$5.07	\$5.19
<i>Annual Change</i>		30.3%	-27.5%	15.1%	8.6%	2.5%
VSM/VSH	18.28	18.32	18.04	16.94	17.22	17.05
<i>Annual Change</i>		0.2%	-1.5%	-6.1%	1.6%	-1.0%
Fare/Passenger	\$1.96	\$2.12	\$1.53	\$1.21	\$1.18	\$1.15
<i>Annual Change</i>		8.1%	-28.0%	-20.6%	-2.8%	-2.9%

Sources: FY 2018/19 – FY 2020/21 data taken from prior Triennial Performance Audit report.

FY 2021/22 – FY 2023/24 data taken from NTD reports.

FY 2021/22 – FY 2023/24 FTE data taken from State Controller Reports.

Exhibit 6.13 Fixed-route Ridership

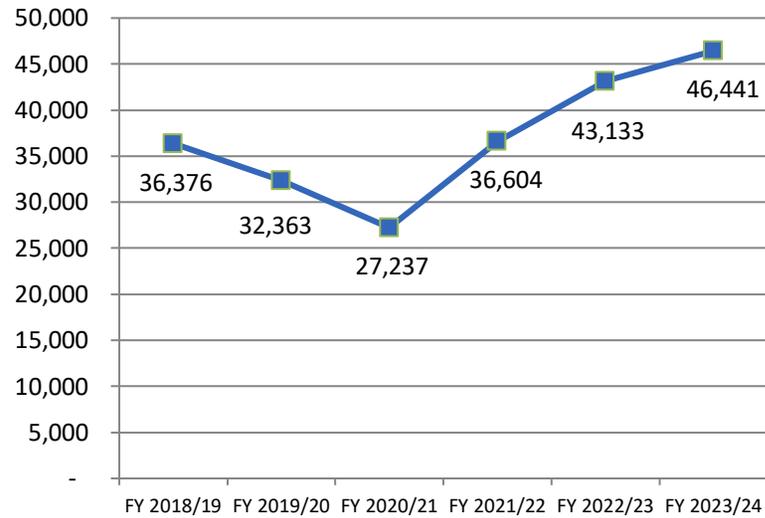


Exhibit 6.14 Fixed-route Operating Cost/VSH

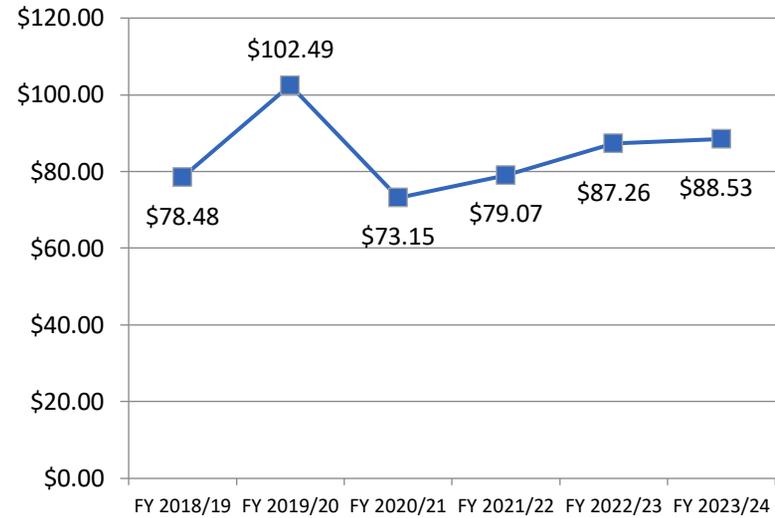


Exhibit 6.15 Fixed-route Operating Cost/VSM



Exhibit 6.16 Fixed-route VSM/VSH

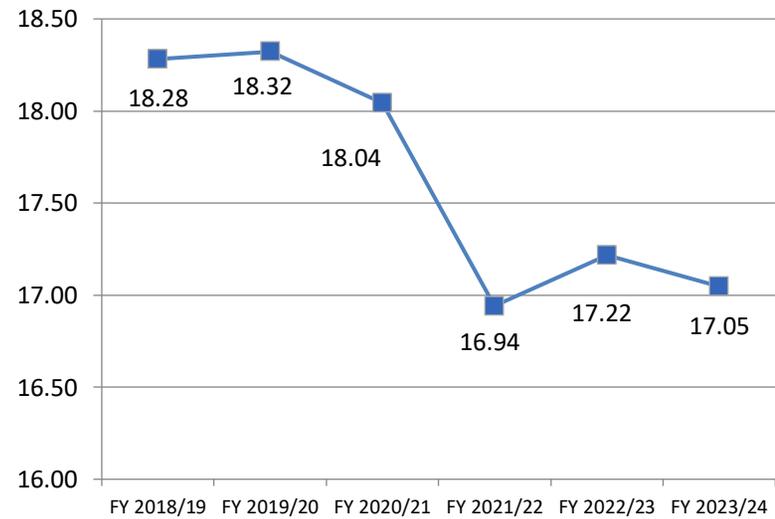


Exhibit 6.17 Fixed-route Operating Cost/Passenger

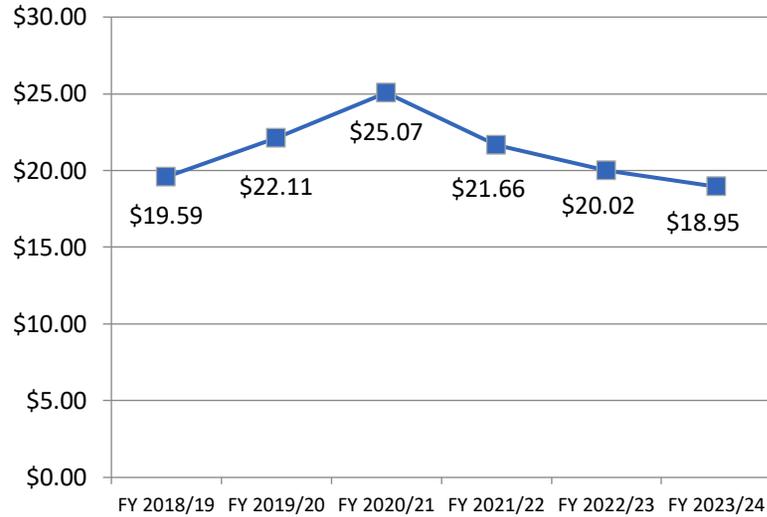


Exhibit 6.18 Fixed-route Passengers/VSH

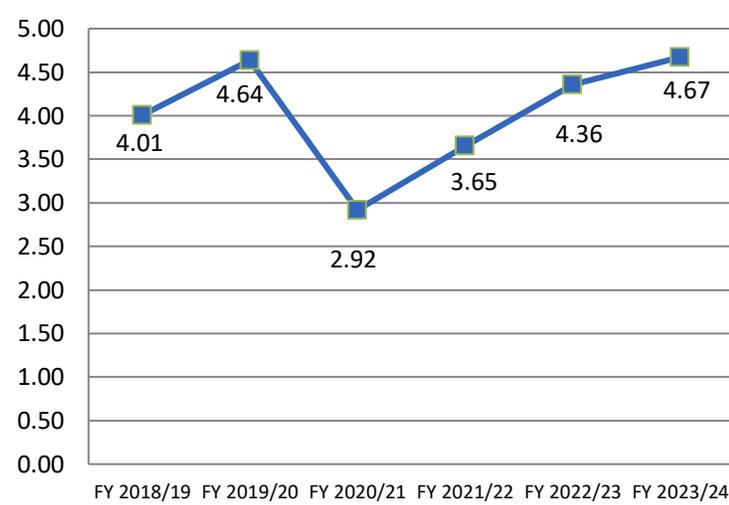


Exhibit 6.19 Fixed-route Passengers/VSM

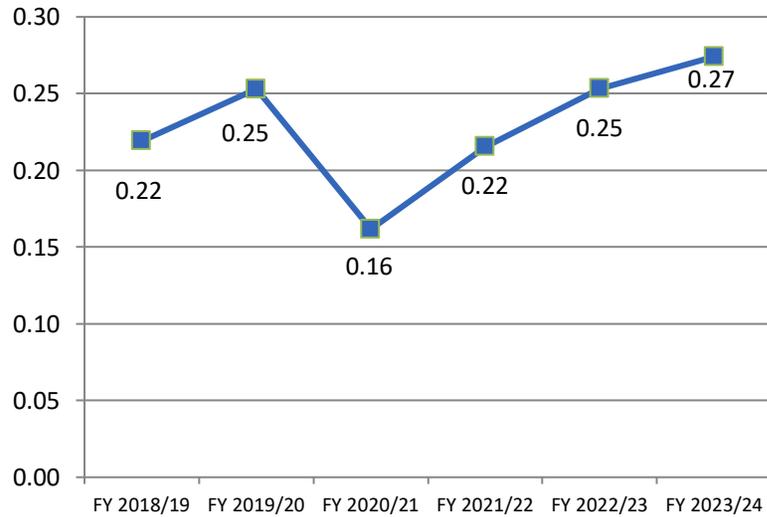


Exhibit 6.20 Fixed-route VSH/FTE

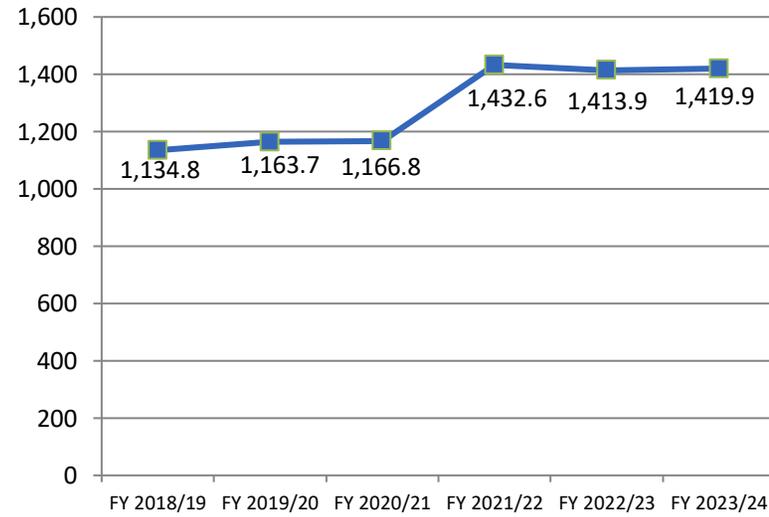


Exhibit 6.21 Fixed-route Farebox Recovery

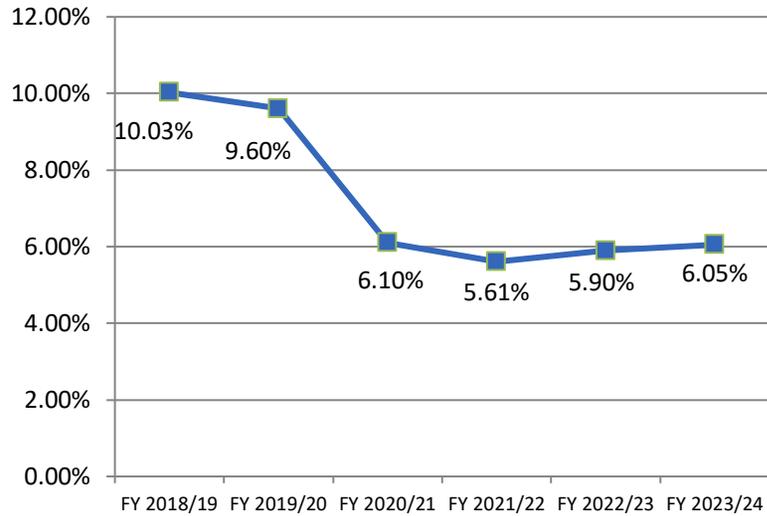
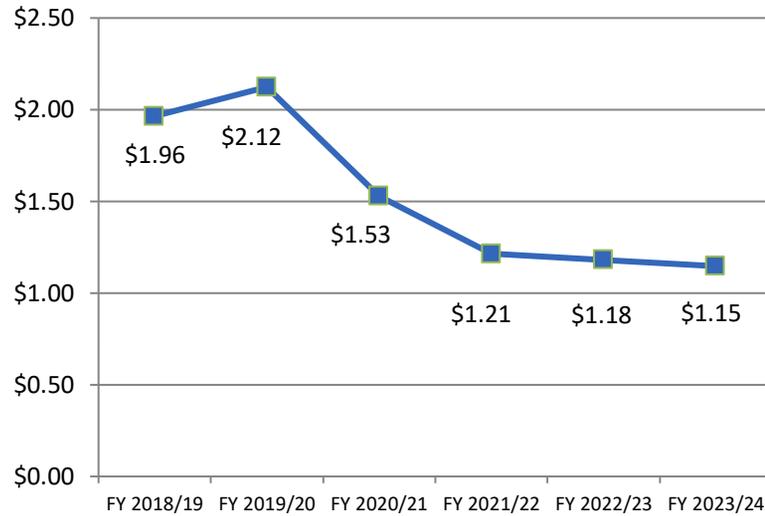


Exhibit 6.22 Fixed-route Fare/Passenger



Demand-response Performance Trends

Demand-response operating cost increased every year of the audit period. Between FY 2018/19 and FY 2023/24, there was a net 5.3 percent increase in operating cost. The most significant increase occurred in FY 2021/22, which experienced a 50.7 percent increase; however, this resulted in a net increase of just 6 percent during the audit period. Fare revenues, however, fluctuated across the six-year span. This resulted in a net 88 percent decrease across the six years and 8.4 percent decrease across the audit period. (Note: It is possible the fare revenues from the prior audit period included subsidies from Measure A; those cited herein during this audit period were from farebox revenues only.)

Vehicle service hours (VSH) varied throughout the six-year period, for a decrease of 3.3 percent during the audit period and a 7.6 percent decrease over the past six years. Vehicle service miles (VSM) also varied significantly from year to year. This resulted in a decrease of 21.5 percent during the audit period, and a decrease of 61.9 percent since FY 2018/19.

Ridership declined throughout the prior audit period, before experiencing two years of increases. Overall, demand-response ridership decreased by 2.4 percent during the audit period, and 56 percent over the six-year period. Demand-response ridership has been much slower to recover from the COVID-19 pandemic than fixed-route ridership.

Cost-related metrics generally increased over the audit period. Operating cost per passenger was the most affected, since operating cost increased as ridership decreased. Passenger-related metrics rose, with passengers per VSH and passengers per VSM increasing by 0.9 percent and 24.3 percent, respectively, during the audit period.

Exhibit 6.23 Demand-response performance indicators

Performance Measure	Demand-Response					
	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24
Operating Cost (Actual \$)	\$172,996	\$127,392	\$114,017	\$171,850	\$173,072	\$182,091
<i>Annual Change</i>		-26.4%	-10.5%	50.7%	0.7%	5.2%
Fare Revenue (Actual \$)	\$32,855	\$26,851	\$23,036	\$4,314	\$5,155	\$3,953
<i>Annual Change</i>		-18.3%	-14.2%	-81.3%	19.5%	-23.3%
Vehicle Service Hours (VSH)	2,654	2,640	2,153	2,538	2,322	2,453
<i>Annual Change</i>		-0.5%	-18.4%	17.9%	-8.5%	5.6%
Vehicle Service Miles (VSM)	31,594	23,347	12,197	15,344	14,867	12,039
<i>Annual Change</i>		-26.1%	-47.8%	25.8%	-3.1%	-19.0%
Passengers	5,186	3,583	1,969	2,339	2,406	2,282
<i>Annual Change</i>		-30.9%	-45.0%	18.8%	2.9%	-5.2%
Employees	3	2	3	2	2	3
<i>Annual Change</i>		-33.3%	50.0%	-33.3%	0.0%	50.0%
Performance Indicators						
Operating Cost/VSH (Actual \$)	\$65.18	\$48.25	\$52.96	\$67.71	\$74.54	\$74.23
<i>Annual Change</i>		-26.0%	9.7%	27.9%	10.1%	-0.4%
Operating Cost/Passenger (Actual \$)	\$33.36	\$35.55	\$57.91	\$73.47	\$71.93	\$79.79
<i>Annual Change</i>		6.6%	62.9%	26.9%	-2.1%	10.9%
Passengers/VSH	1.95	1.36	0.91	0.92	1.04	0.93
<i>Annual Change</i>		-30.5%	-32.6%	0.8%	12.4%	-10.2%
Passengers/VSM	0.16	0.15	0.16	0.15	0.16	0.19
<i>Annual Change</i>		-6.5%	5.2%	-5.6%	6.2%	17.1%
Farebox Recovery	19.0%	21.1%	20.2%	2.5%	3.0%	2.2%
<i>Annual Change</i>		11.0%	-4.1%	-87.6%	18.7%	-27.1%
Hours/Employee	884.7	1,320.0	717.7	1,269.0	1,161.0	817.7
<i>Annual Change</i>		49.2%	-45.6%	76.8%	-8.5%	-29.6%
TDA Non-Required Indicators						
Operating Cost/VSM	\$5.48	\$5.46	\$9.35	\$11.20	\$11.64	\$15.13
<i>Annual Change</i>		-0.3%	71.3%	19.8%	3.9%	29.9%
VSM/VSH	11.90	8.84	5.67	6.05	6.40	4.91
<i>Annual Change</i>		-25.7%	-35.9%	6.7%	5.9%	-23.3%
Fare/Passenger	\$6.34	\$7.49	\$11.70	\$1.84	\$2.14	\$1.73
<i>Annual Change</i>		18.3%	56.1%	-84.2%	16.2%	-19.2%

Sources: FY 2018/19 – FY 2020/21 data taken from prior Triennial Performance Audit report.

FY 2021/22 – FY 2023/24 data taken from NTD reports.

FY 2021/22 – FY 2023/24 FTE data taken from State Controller Reports.

Exhibit 6.24 Demand-response Ridership

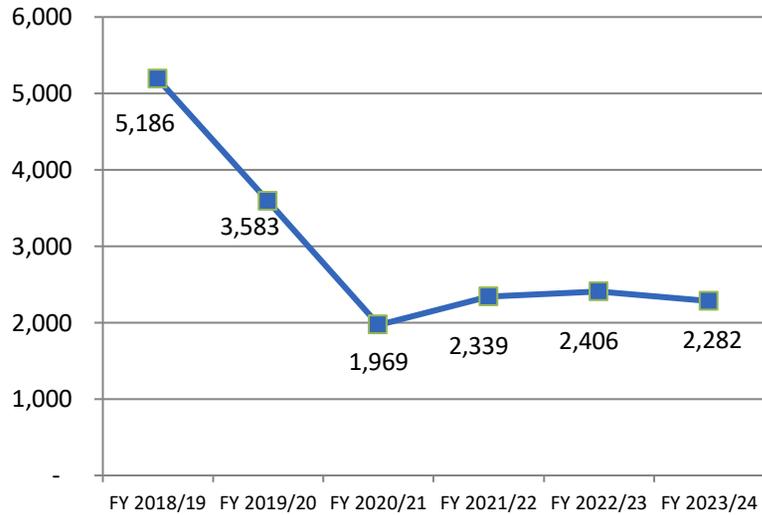


Exhibit 6.25 Demand-response Operating Cost/VSH

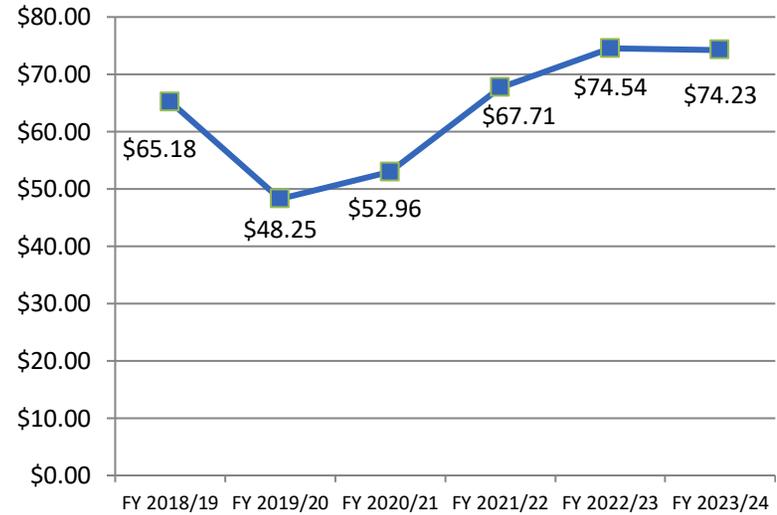


Exhibit 6.26 Demand-response Operating Cost/VSM

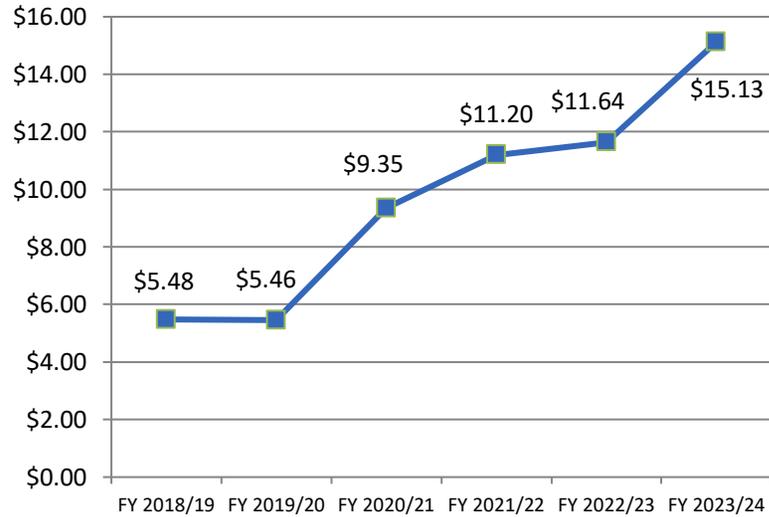


Exhibit 6.27 Demand-response VSM/VSH

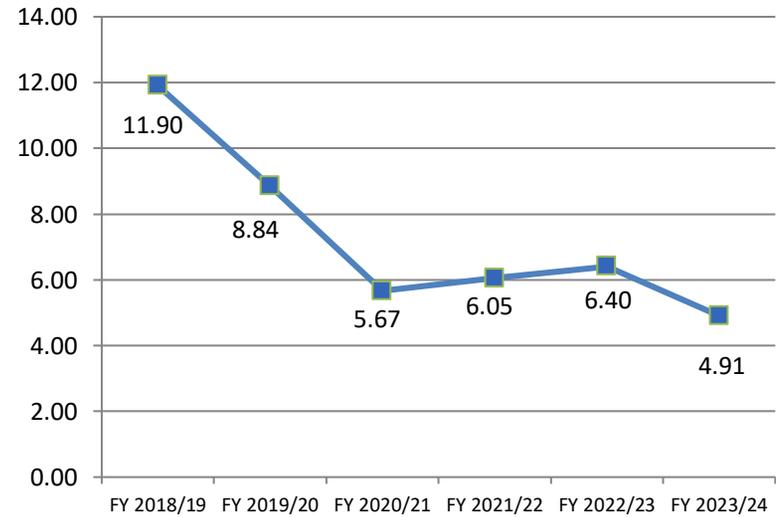


Exhibit 6.28 Demand-response Operating Cost/Passenger

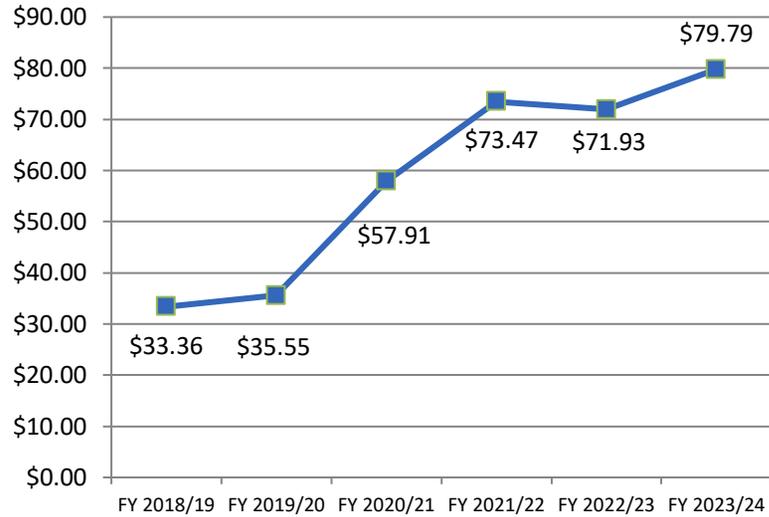


Exhibit 6.29 Demand-response Passengers/VSH

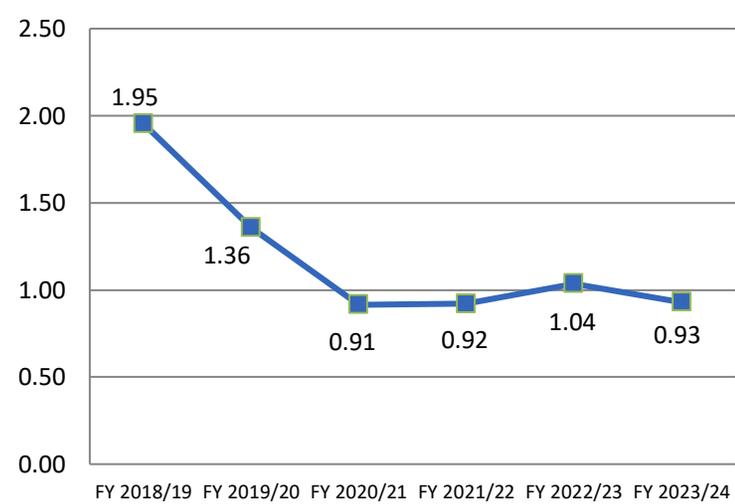


Exhibit 6.30 Demand-response Passengers/VSM

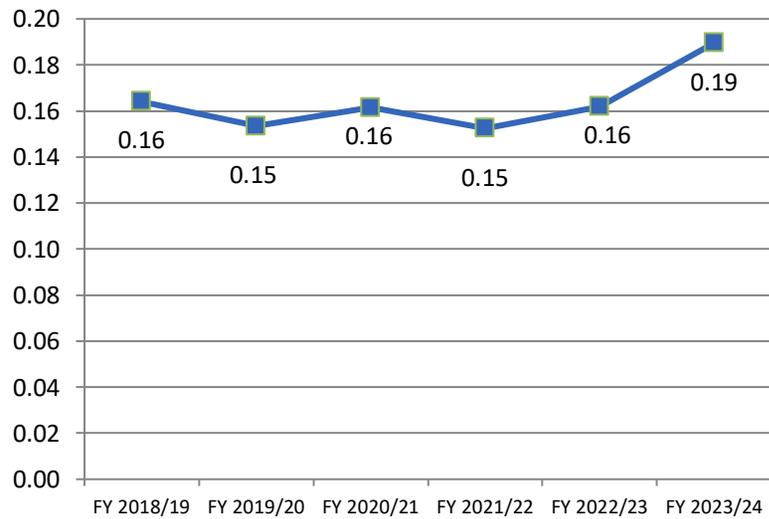


Exhibit 6.31 Demand-response VSH/FTE

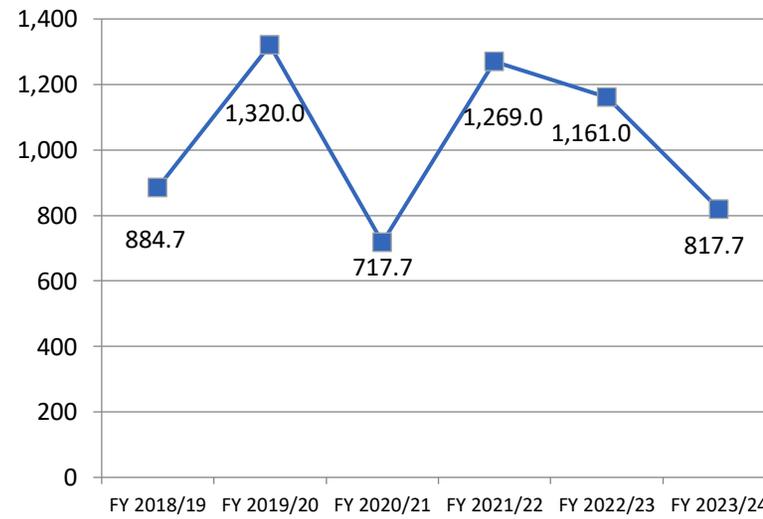


Exhibit 6.32 Demand-response Farebox Recovery

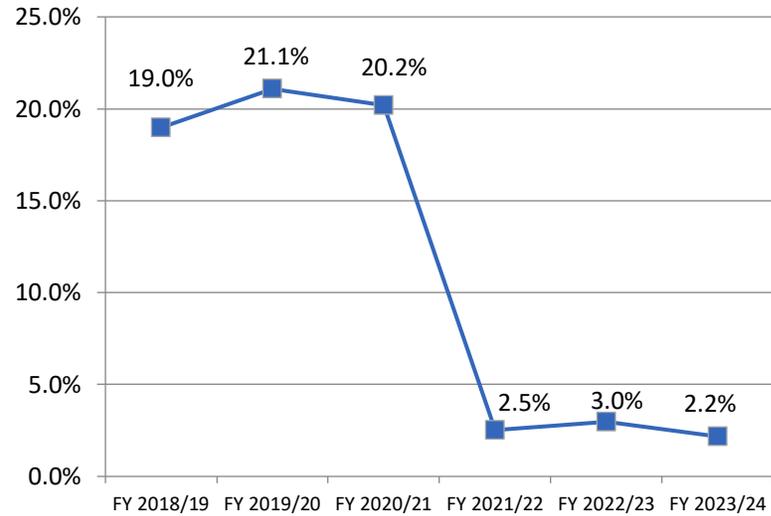
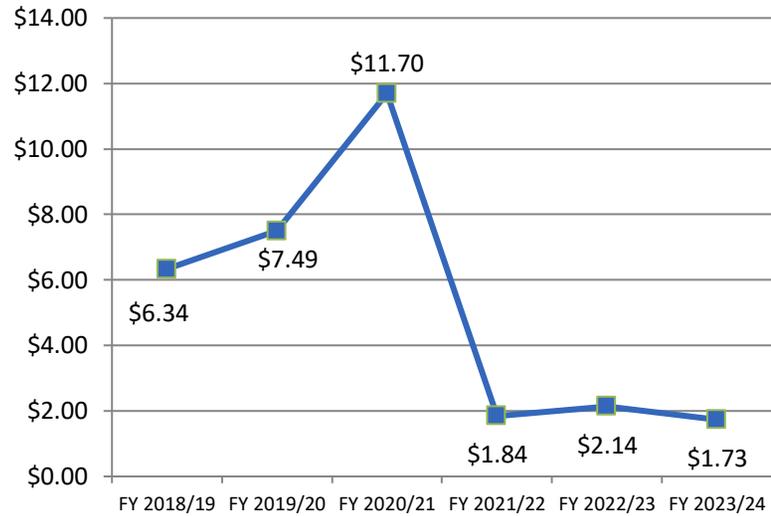


Exhibit 6.33 Demand-response Fare/Passenger



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Chapter 7 | Functional Review

A functional review of SYVT’s public transit program is intended to assess the effectiveness and efficiency of the operator. Following a general summary of the City’s transit services, this chapter addresses seven functional areas. The list, taken from Section III of the *Performance Audit Guidebook* published by Caltrans, reflects those transit services provided by SYVT:

- General management and organization;
- Service planning;
- Administration;
- Marketing and public information;
- Scheduling, dispatch, and operations;
- Personnel management and training; and
- Maintenance.

Service Overview

Santa Ynez Valley Transit (SYVT) is administered by the City of Solvang through a Memorandum of Understanding (MOU) between the cities of Buellton and Solvang and the County of Santa Barbara. SYVT provides public transit service on two fixed routes, as well as an ADA paratransit Dial-A-Ride and a general public Dial-A-Ride. The Express Route operates through Buellton, Solvang, and Santa Ynez. The Los Olivos Loop originates at Solvang Park before traveling up to Los Olivos and back to Solvang. Both routes feature on-call stops including the Chumash Casino, the Chumash Tribal Health Clinic, and Cottage Hospital, which are served upon request. SYVT does not operate on designated holidays.



SYVT’s Dial-A-Ride service is a curb-to curb on-demand service, available to seniors, age 60 and older, and persons with disabilities within three-quarters of a mile from the SYVT fixed-route alignment. Dial-A-Ride operates during the same hours as the fixed-route service. Reservations may be made up to seven days in advance and same-day requests are accepted on an as-received basis, if space allows.

SYVT also offers a general public Dial-A-Ride on Sunday where proof of eligibility is not required for riders to utilize the service. Sunday service operates from 8:30 a.m. to 12:30 p.m. and 1:00 p.m. to 4:00 p.m. Riders may schedule rides for regular Dial-A-Ride service and Sunday service Monday through Sunday.

Fare structures for both the fixed-route service and the demand-response service are displayed in exhibits 7.1 and 7.2.

Exhibit 7.1 Fixed-route fare structure

Fare Category	Fare
General (aged 5-59) one-way	\$1.50
Senior (aged 60+) one-way	\$1.25
ADA-certified riders one-way	\$0.75
Student one-way	\$1.00
General multi-trip pass	\$15.00
Senior/disabled multi-trip pass	\$12.50
Student punch pass	\$10.00
All day (7 a.m. to 7 p.m.) Saturday unlimited ride pass	\$4.00
Unlimited monthly pass – regular	\$42.50
Unlimited monthly pass – senior	\$35.00

Exhibit 7.2 Demand-response fare structure

Fare Category	Fare
Senior (ages 60+)/ADA-certified one-way	\$1.75
Sunday general public one-way	\$2.25
Senior (ages 60+)/disabled multi-trip pass	\$17.50
Registered attendants	Free

Fixed-route multi-trip passes and Saturday unlimited ride passes may be purchased at the SYVT office or onboard the vehicles. Monthly passes may only be purchased from the SYVT office. Dial-A-Ride passes may be purchased at the SYVT office, the Buellton senior center, the Solvang senior center, and onboard the vehicles.

General Management and Organization

SYVT’s public transit program is administered by the City of Solvang through a MOU between the cities of Buellton and Solvang and the County of Santa Barbara. The transit program has been operated by Roadrunner Management Services since 2016. In 2019, Roadrunner was purchased by RATP Dev. The current contract with RATP Dev for operations and maintenance of the SYVT program began on July 1, 2022. Management of the program is primarily overseen by the City of Solvang’s Public Works Director with the assistance of a consultant and support from other City departments. Program performance is monitored through monthly reports submitted by RATP Dev to the City of Solvang, which are reviewed by the Public Works Director and transit consultant. The consultant meets with RATP Dev operations staff every six weeks to discuss performance and other operational issues and concerns.

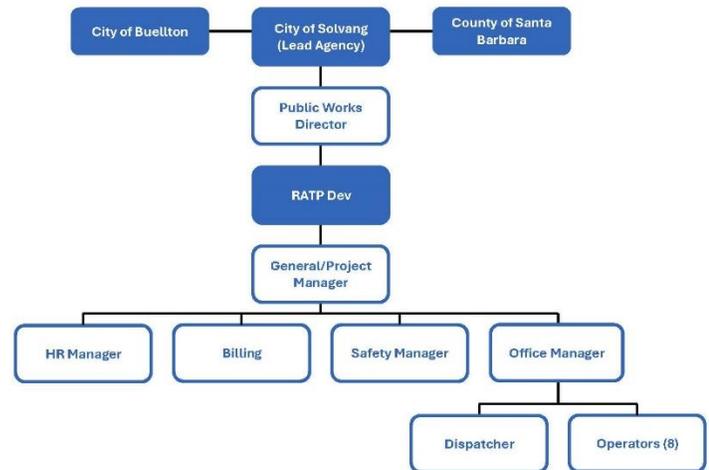
Staffing for the SYVT program is sufficient given the City utilizes the services of a consultant. This minimizes the City staff time needed for grant reporting, TDA claims, etc. The Public Works Director does not see a need for any organizational changes at this time, though this could change in the future if the service model changes to offer additional modes (such as microtransit).

The Solvang City Council is the governing body for the SYVT program. Council meetings are held at the City’s Council Chambers (1644 Oak Street, Solvang) on the second and fourth Monday of each month at 6:30 p.m. This location is less than one-quarter mile from both SYVT fixed routes, though service ends shortly after the meetings begin. SYVT does not have a citizen’s advisory committee.

In recent years, the City Council has expressed interest in extending service to the Fjord Drive area and additional marketing for the Dial-A-Ride service, as some members were unaware of the service.

The Public Works Director is the primary liaison with other governmental organizations. SYVT has a positive relationship with SBCAG and its peer agencies. The relationship between SYVT and Santa Maria Regional Transit (SMRT) is particularly strong. Caltrans initiated quarterly meetings which has improved communications positively. The transit consultant also works directly with SBCAG and Caltrans on behalf of SYVT. SYVT is a member of CalACT.

Exhibit 7.3 City of Solvang organizational chart



No service changes occurred during the audit period, though SYVT did participate in the Cal-ITP demonstration project for real-time GTFS as part of the state’s program. The system is used in all buses but has yet to be utilized in a customer-facing manner.

Several challenges emerged during the audit period and are ongoing. One such challenge has been locating a permanent office for SYVT. The previous long-term landlord did not renew SYVT’s lease, and so operations were moved to the City of Solvang’s Veterans Memorial Building on a temporary basis. When that facility was no longer available, the City then moved the office to a larger building with a much more costly lease. The current lease is month to month and requires a 30-day notice prior to vacating. The City used reserved capital funds to purchase a property (410 Second Street, Solvang) that will be used as a permanent office. The location is across the street from both the Public Works offices and City Hall and in close proximity to the transit vehicle storage yard currently undergoing improvements. Before SYVT moves into the space, it must undergo renovations to ensure ADA access and make it usable for its intended purposes. This has led to the SYVT office being located at the more expensive location longer than originally envisioned. Completion of the office facility is anticipated prior the end of the FY 2025.

Another challenge has been a request for a contract increase by RATP Dev. The City elected to take the request to the City Council before working with Caltrans. The request has been brought before the Council twice and was approved. Staff are now working with Caltrans to document the request before moving forward.

Service Planning

The Public Works Director, through a consultant, is responsible for service planning for the transit program. The most current Transit Development Plan (TDP) was completed in March 2023. Outreach efforts for the TDP included surveys of current fixed-route riders and Dial-A-Ride riders, as well as a community survey conducted in Fall 2022. Additionally, two rounds of in-person and virtual community workshops were held to encourage public engagement. Input from local planning departments was included as part of the needs assessment section in SYVT's 2023 Transit Development Plan.

At the time of the site visit, the City was working to secure funding for zero-emission vehicles and charging infrastructure through LCTOP, SB 125, and other sources. Development of a storage lot for transit vehicles, which will also include electric vehicle chargers, is also currently in design.

Administration

Preparation of the transit budget typically begins in February or March. It takes into account actual costs for the prior and current year as well as anticipated cost increases, service expansion, or other factors. In some years, the City has prepared a two-year budget. The Public Works Director works with the transit consultant in preparing the budget. Actual expenses and revenues are compared to budgeted expenses and revenues quarterly and reported to the City Council twice a year.

The City of Solvang uses Tyler software to manage its financial data. Transfers of funds between budget categories can be performed by Finance/Administration with approval from the City Manager. Requests for additional funding require City Council approval.

The Public Works Director and the transit consultant are responsible for managing transit-related grants and reporting. The Public Works Director attends SBCAG and SBCTAC meetings to learn about new grant opportunities. The City determines potential grants to apply to based on the availability of funds, applicability of the grants for their needs, and the likelihood of success. The City has a Grant Writer under retain, who they meet with on a monthly basis. In the past, because SYVT did not serve a disadvantaged community (DAC), it was less competitive for some grants. However, SYVT serves the Chumash reservation, which is now considered a DAC. This could make SYVT more competitive for future grant funding.

The City's Administration Department handles risk management and has a process in place for injury and accident claims. The City is part of the California Joint Powers Insurance Authority (CJPIA). The City reviews its safety practices annually through its Emergency Response Plan. Transit participates when called upon for emergencies and evacuations.

The City manages three transit-related contracts: operations and maintenance, transit consulting, and transit marketing. The manager of each contract is responsible for monitoring performance through monthly billing cycles and check-in meetings. The City of Solvang Public Works Department is responsible for facility management, while transit stops in Buellton and Santa Barbara County outside of the City of Solvang are managed by those agencies per the MOU.

City staff submit timesheets for review by their manager and approval by the Administration/Human Resources Department. These departments also have access to secured payroll data and personal information. All employees utilize direct deposit.

The Administrative Services Director, the Accounting Manager, and Billing Clerk are responsible for accounts payable and accounts receivable. Staff verify goods and services have been received before authorizing payment of invoices. Procurement is guided by a procurement policy. Any purchases \$100,000 and greater must be approved by City Council. Those under \$100,000 can be approved by the City Manager and those under \$10,000 can be approved by the Public Works Director. Vehicles are typically procured through the state bid or CalACT cooperative bid. Fuel is purchased through a local vendor.

Marketing and Public Information

Transit marketing is provided through a contract with a consultant, with approval from the Public Works Director. Transit information in English and Spanish is available on SYVT's website and promoted through City webpages. Brochures are available onboard the buses and distributed to local hotels, community services, and businesses. Additional marketing efforts include digital and print advertisement, schedule and route information posted at bus stops, email campaigns, media releases, and participation in community events throughout the Santa Ynez Valley. Marketing tactics are guided by an annual Marketing Plan developed by the transit consultant. SYVT does not currently use social media.

SYVT launched a campaign in FY 2023/2024 during the back-to-school period geared towards students in grades K-12. It also implemented a campaign titled Seniors in the Summer to highlight locations seniors could travel to using SYVT.

SYVT logs all customer calls. Complaints are documented and the timeframe for resolving complaints is approximately two business days.

Surveys are done at outreach events in English and Spanish. On-board customer surveys were conducted as part of the 2023 TDP process. Surveys were conducted for the fixed-route service, dial-a-ride service, and the community at-large in 2022. Additionally, surveys were available at the community workshops as well. The objectives of these surveys were to assess awareness and current use of the various SYVT services, identify motivators as well as barriers regarding current and future use of the transit service, collect demographic data, and identify opportunities for service enhancements. Overall, public perception of the transit service is very positive.

Scheduling, Dispatch, and Operations

The SYVT workforce is not represented. At the time of the site visit, the transit program was staffed by seven full-time drivers. Ideally, the program would have nine full-time drivers. RATP Dev has recruited enough drivers and had several in training at the time at that time. Drivers are assigned to routes based on an open route rotation, meaning everyone does every route throughout the week. Vehicles are rotated between routes as well. No other staff members are licensed to drive. Absences are covered by a driver that has been brought in for overtime. Unplanned absences require a two-hour notice prior to the assigned shift.

Vehicles are equipped with manual drop fareboxes. Drivers bring the fares into the SYVT office at the end of their shifts. The Operations Manager counts the fares, reconciles the amount, and locks the money in a safe. The room does not have cameras, but is secured. A car delivers the money to the bank weekly. Mobile ticketing is not available at time but is planned in the near future.

Performance metrics such as passenger counts, vehicle revenue hours, and vehicle revenue miles are tracked on route sheets, through dispatch software, and driver's trip sheets.

Personnel Management and Training

Recruitment is done through a corporate recruiter, online recruiting, and posters onboard the vehicles. As noted above, at the time of the site visit, several recruits were in the training program to become full-time drivers. All potential drivers receive comprehensive training. Training is provided by the General Manager, Safety Manager, Operations Manager, and other experienced drivers. The local DMV is used for commercial license testing. All drivers hold a commercial class C license with passenger endorsement. SYVT offers a referral bonus and a retention bonus.

To motivate employees, SYVT offers anniversary awards, safety incentives, and a safety shoe program. Full time-employees receive health and dental insurance benefits, life insurance, a retirement plan, and paid time off. Information about benefits is provided to all employees as part of the onboarding process, and the Human Resources Manager is available to answer questions as they arise. Turnover has been described as sporadic with most drivers leaving due to the hourly wage. Operations staff receive annual performance evaluations.

The Safety Manager oversees SYVT's safety program. The Safety Manager holds quarterly safety meetings and refresher trainings as necessary (triggered by the telematic devices onboard the vehicles).

An employee handbook, provided upon employment, outlines the SYVT's progressive discipline policy and policy regarding absences and tardiness. Any time an employee triggers progressive discipline, the entire process is reviewed with that employee. SYVT complies with all drug and alcohol testing requirements and federal DAMIS reporting.

Maintenance

Maintenance services are provided by the operations contractor. Staff follow the manufacturers' preventive maintenance schedules as required by the FTA, and monitoring is done using RTA maintenance software. Vehicle maintenance does not conflict with regular vehicle use.

None of the vehicles in SYVT's active fleet are under warranty. The biggest issue during the audit period has been the age of the fleet. As of December 2024, two vehicles were on order to replace the two oldest vehicles in the fleet. These are gas-powered vehicles due to constraints on funding sources. SYVT has held onto its current vehicles beyond their useful life as it seeks to secure funding for and transition to electric vehicles.

RATP Dev completes most preventive maintenance on-site in Solvang using a dedicated mobile technician. Repairs requiring a maintenance facility are completed at RATP Dev's facility in Camarillo, which is shared with one other transit contract. Work orders are used to keep all maintenance work segregated by contract. There is sufficient office space for administrative personnel and records storage.

RATP Dev manages a secured parts room with access limited to the Operations Manager and Maintenance staff. Parts are tracked using the RTA software. Obtaining air conditioning hoses has been difficult due to supply chain issues. However, it does not impact vehicle downtime and there is no backlog of repairs.

Drivers perform daily pre- and post-trip inspections, and any vehicle that does not pass the inspection is taken out of service. Maintenance must clear all vehicles for service after all maintenance is performed. When vehicles are ready to be put back into service, maintenance gives the keys back to dispatch. Dispatch and maintenance regularly communicate through phone calls, text messages, and daily conversations.

A complete fleet inventory is provided in Exhibit 7.4.

Exhibit 7.4 SYVT transit fleet

Vehicle #	Year	Vehicle Make	Vehicle Model	Seating	WC
976	2016	Ford	E-450	22	2
977	2016	Ford	E-450	22	2
978	2018	Ford	E-450	22	2
979	2018	Ford	E-450	22	2
980	2019	Ford	E-450	20	2
981	2019	Ford	E-450	20	2

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Chapter 8 | Findings and Recommendations

Conclusions

With one exception, Moore & Associates finds Santa Ynez Valley Transit to be in compliance with the requirements of the Transportation Development Act. In addition, the entity generally functions in an efficient, effective, and economical manner.

Findings

Based on discussions with SYVT staff, analysis of program performance, and an audit of program compliance and function, the audit team presents one compliance finding:

1. SYVT's TDA fiscal audit for FY 2021/22 was completed beyond the extended deadline.

The audit team has identified two functional findings. While these findings are not compliance findings, the audit team believes they warrant inclusion in this report:

1. SYVT has not made progress in the implementation of a hotel pass-through fee that would increase transit funding.
2. SYVT has not made progress in the prior recommendation to capitalize contractor equipment and/or preventive maintenance.

Program Recommendations

In completing this Triennial Performance Audit, the auditors submit the following recommendations for the SYVT's public transit program. They are divided into two categories: TDA Program Compliance Recommendations and Functional Recommendations. TDA Program Compliance Recommendations are intended to assist in bringing the operator into compliance with the requirements and standards of the TDA, while Functional Recommendations address issues identified during the audit that are not specific to TDA compliance. Each finding is presented with the elements identified within the 2011 *Government Auditing Standards* as well as one or more recommendations.

Compliance Finding 1: SYVT's TDA fiscal audit for FY 2021/22 was completed beyond the extended deadline.

Criteria: PUC 99245 requires all Article 4 recipients to submit an annual fiscal audit to the State Controller within 180 days of the end of the fiscal year. The RTPA has the authority to extend the deadline for another 90 days, typically to March 31.

Condition: In FY 2021/22, SYVT's TDA fiscal audit was completed on May 2, 2023. This was more than a month after the deadline established under PUC 99245. The FY 2022/23 and FY 2023/24 audits were both completed on time.

Cause: At the time of the FY 2021/22 audit, the City of Solvang was undergoing staffing transitions in its City Manager and Administrative Services roles.

Effect: This led to delays in completion of the TDA fiscal audit.

Recommendation: Continue to ensure the TDA fiscal audit is completed by the extended deadline of March 31.

Recommended Action: Given the TDA audits for the two years subsequent to the late submittal have been completed on time, no further action is required. Staff should continue to be mindful of the timeframe for submittal and monitor the auditor’s progress.

Timeline: Ongoing.

Anticipated Cost: None.

Functional Finding 1: SYVT has not made progress in the implementation of a hotel pass-through fee that would increase transit funding.

Criteria: Service Planning is one of the functional areas identified for transit operators in Caltrans’ *Performance Audit Guidebook*. Within that functional area, specific elements include strategic planning and short-range planning.

Condition: In its 2017 Short Range Transit Plan as well as its 2022 Transit Development Plan, SYVT included a recommendation for a hotel pass-through fee that would be used to fund transit. This fee, which could be as little as 25 cents per hotel night, would provide an additional revenue stream that would improve the farebox recovery ratio, provide additional revenue for the transit program, and help to fund service expansion and improvements. At the time of this report, none of the partners have made any progress in implementing this recommendation.

Cause: The waiver of penalties for not meeting farebox recovery requirements has made action on this recommendation less urgent.

Effect: As a result, no action has been taken.

Recommendation: Revisit the recommendation from the 2022 TDP that the cities of Solvang and Buellton implement a pass-through hotel fee program to provide support for transit.

Recommended Action: The cities of Solvang and Buellton should work with their City Councils and hospitality industry to determine if implementing this recommendation is feasible, and to determine a reasonable timeline for doing so.

Timeline: FY 2026/27.

Anticipated Cost: Unknown.

Functional Finding 2: SYVT has not made progress in the prior recommendation to capitalize contractor equipment and/or preventive maintenance.

Criteria: General Management and Organization is one of the functional areas identified for transit operators in Caltrans’ *Performance Audit Guidebook*. Within that functional area, one of the specific elements is Administrative Oversight.

Condition: The prior triennial performance auditor recommended SYVT work with its fiscal auditor to capitalize contractor equipment and preventive maintenance. Under FTA Section 5311, transit operators may claim the capital cost of contracting as an eligible capital expense. Since SYVT’s contractor utilizes its own private equipment assets for maintenance, there may be opportunity to capitalize certain costs for SYVT. SYVT has yet to explore this opportunity.

Cause: There is little contact between SYVT management and the TDA auditor prior to completion of the annual fiscal audit.

Effect: It is doubtful this recommendation has been communicated to the TDA fiscal auditor.

Recommendation: Work with the SYVT fiscal auditor regarding the capital cost of contracting and/or preventive maintenance.

Recommended Action: This recommendation needs to be communicated to the TDA fiscal auditor at the time of data collection for the TDA fiscal audit. SYVT may be required to provide additional information to facilitate this claim.

Timeline: FY 2024/25.

Anticipated Cost: Negligible.

Exhibit 8.1 Audit recommendations

TDA Compliance Recommendations		Importance	Timeline
1	Continue to ensure the TDA fiscal audit is completed by the extended deadline of March 31.	Medium	Ongoing
Functional Recommendations		Importance	Timeline
1	Revisit the recommendation from the 2022 TDP that the cities of Solvang and Buellton implement a pass-through hotel fee program to provide support for transit.	Medium	FY 2026/27
2	Work with the SYVT fiscal auditor regarding the capital cost of contracting and/or preventive maintenance.	Medium	FY 2025/26

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Santa Barbara County Fire Department

4410 Cathedral Oaks Road, Santa Barbara, CA 93110

805-681-5500

Solvang - Incidents by Unit and District (Scheduled Quarterly)

Incident District/Zone	Total Incidents
Apparatus ID: E30	
30	54
31	7
32	8
	Total: 69
Apparatus ID: ME30	
30	133
31	18
32	17
38	1
LMP - Lompoc City	1
	Total: 170
Apparatus ID: MT30	
30	9
	Total: 9
Apparatus ID: T30	
30	5
	Total: 5
	Total: 253

Report Criteria
Apparatus: Is In E230, E30, E330, ME30, MT30, T30
Basic Incident Date Original (Fd1.3): Is Equal To Last Quarter

Description
Solvang - Incidents by Unit and District

Santa Barbara County Fire Department

4410 Cathedral Oaks Road, Santa Barbara, CA 93110

805-681-5500

Solvang - Response Time Report sorted by Date_Time (Scheduled Quarterly)

Basic Incident Alarm Date Time (FD1.26)	Incident Primary Station (FD1.4)	Incident District/Zone	Fire Incident Type	Response Mode To Scene	Response Time
01/01/2025 16:20:01	30	30	EMS call, excluding vehicle accident with injury	Emergency	-0:04:31
01/01/2025 19:03:29	30	30	Dispatched and cancelled en route	Emergency	-0:08:26
01/02/2025 01:44:38	30	30	EMS call, excluding vehicle accident with injury	Emergency	-0:06:18
01/02/2025 01:48:26	31	30	EMS call, excluding vehicle accident with injury	Emergency	-0:09:25
01/02/2025 13:59:56	30	30	EMS call, excluding vehicle accident with injury	Emergency	-0:05:08
01/03/2025 14:41:51	30	30	False alarm or false call, other	Emergency	-0:06:09
01/03/2025 14:56:11	30	30	False alarm or false call, other	Non-Emergency	-0:03:43
01/04/2025 12:00:17	30	30	EMS call, excluding vehicle accident with injury	Emergency	-0:06:20
01/04/2025 19:27:52	30	30	EMS call, excluding vehicle accident with injury	Emergency, Downgraded to Non-Emergency	-0:04:51
01/04/2025 22:24:27	30	30	Gas leak (natural gas or LPG)	Emergency	-0:07:42
01/05/2025 12:56:00	30	30	Dispatched and cancelled en route	Emergency	-0:02:52
01/05/2025 19:23:55	30	30	EMS call, excluding vehicle accident with injury	Non-Emergency, Upgraded to Emergency	-0:04:40
01/06/2025 07:58:20	30	30	EMS call, excluding vehicle accident with injury	Emergency	-0:06:05
01/07/2025 02:14:38	30	30	EMS call, excluding vehicle accident with injury	Emergency	-0:10:53
01/07/2025 08:52:17	30	30	EMS call, excluding vehicle accident with injury	Emergency	-0:12:01
01/07/2025 10:11:25	30	30	Motor vehicle accident with no injuries.	Non-Emergency	-0:05:27
01/08/2025 22:42:53	30	30	Assist invalid	Non-Emergency	-0:12:29
01/10/2025 00:43:00	30	30	Dispatched and cancelled en route	Emergency	-0:13:19
01/10/2025 06:21:35	30	30	Water problem, other	Non-Emergency	-0:09:04
01/10/2025 12:40:24	30	30	Smoke or odor removal	Emergency	-0:05:49
01/10/2025 16:06:59	30	30	EMS call, excluding vehicle accident with injury	Emergency, Downgraded to Non-Emergency	-0:04:00
01/11/2025 11:35:05	30	30	Dispatched and cancelled en route	Emergency, Downgraded to Non-Emergency	
01/12/2025 12:16:15	30	30	Fire, other	Emergency	-0:04:45
01/12/2025 20:52:56	30	30	EMS call, excluding vehicle accident with injury	Non-Emergency	-0:06:25
01/13/2025 15:14:58	30	30	Alarm system sounded due to malfunction	Emergency	-0:03:44
01/13/2025 18:59:25	30	30	Alarm system sounded due to malfunction	Emergency	-0:05:17
01/14/2025 02:15:03	30	30	Public service assistance, other	Non-Emergency	-0:10:22
01/14/2025 10:05:50	30	30	EMS call, excluding vehicle accident with injury	Emergency	-0:04:20
01/15/2025 09:22:02	30	30	EMS call, excluding vehicle accident with injury	Non-Emergency	-0:03:23
01/16/2025 05:33:14	30	30	Assist invalid	Non-Emergency	-0:07:57
01/16/2025 12:34:42	30	30	EMS call, excluding vehicle accident with injury	Emergency	-0:04:11
01/16/2025 17:37:38	30	30	EMS call, excluding vehicle accident with injury	Emergency	-0:06:38
01/16/2025 19:39:21	30	30	Public service assistance, other	Non-Emergency	-0:06:21

Basic Incident Alarm Date Time (FD1.26)	Incident Primary Station (FD1.4)	Incident District/Zone	Fire Incident Type	Response Mode To Scene	Response Time
01/18/2025 14:29:46	30	30	Public service assistance, other	Emergency	-0:06:36
01/18/2025 17:45:12	30	30	Dispatched and cancelled en route	Emergency, Downgraded to Non-Emergency	
01/18/2025 20:31:14	32	30	EMS call, excluding vehicle accident with injury	Emergency	-0:16:03
01/18/2025 23:08:58	30	30	Dispatched and cancelled en route	Emergency	-0:03:18
01/20/2025 10:30:56	30	30	EMS call, excluding vehicle accident with injury	Emergency	-0:02:33
01/20/2025 11:31:50	30	30	Public service	Non-Emergency	-0:07:26
01/20/2025 12:43:21	30	30	Dispatched and cancelled en route	Emergency	
01/20/2025 20:24:28	30	30	Building fire	Emergency	-0:07:54
01/20/2025 11:36:59	31	30	Dispatched and cancelled en route	Emergency, Downgraded to Non-Emergency	
01/21/2025 10:07:01	30	30	EMS call, excluding vehicle accident with injury	Emergency	-0:03:37
01/21/2025 12:17:57	30	30	Dispatched and cancelled en route	Emergency	-0:05:42
01/21/2025 17:50:49	30	30	EMS call, excluding vehicle accident with injury	Emergency	-0:06:11
01/21/2025 00:57:38	30	30	Dispatched and cancelled en route	Emergency	
01/22/2025 01:59:38	30	30	Assist invalid	Non-Emergency	-0:10:12
01/22/2025 08:29:16	30	30	Public service assistance, other	Non-Emergency	-0:14:59
01/23/2025 03:30:53	30	30	Public service assistance, other	Non-Emergency	-0:17:34
01/23/2025 11:17:55	30	30	Dispatched and cancelled en route	Emergency, Downgraded to Non-Emergency	
01/23/2025 11:38:55	30	30	Dispatched and cancelled en route	Emergency	-0:07:02
01/23/2025 19:05:11	30	30	False alarm or false call, other	Emergency	-0:05:16
01/24/2025 10:04:15	30	30	Dispatched and cancelled en route	Emergency	
01/24/2025 12:56:04	30	30	EMS call, excluding vehicle accident with injury	Emergency	-0:04:56
01/25/2025 09:52:30	30	30	EMS call, excluding vehicle accident with injury	Non-Emergency	-0:06:19
01/26/2025 09:45:39	30	30	EMS call, excluding vehicle accident with injury	Emergency	-0:03:31
01/26/2025 12:25:48	30	30	EMS call, excluding vehicle accident with injury	Emergency	-0:03:18
01/27/2025 00:10:23	30	30	EMS call, excluding vehicle accident with injury	Emergency, Downgraded to Non-Emergency	-0:07:20
01/27/2025 01:13:03	30	30	EMS call, excluding vehicle accident with injury	Non-Emergency	-0:07:07
01/27/2025 03:00:18	30	30	Smoke detector activation due to malfunction	Emergency	-0:07:42
01/27/2025 17:56:50	30	30	EMS call, excluding vehicle accident with injury	Emergency, Downgraded to Non-Emergency	-0:07:07
01/28/2025 19:24:18	30	30	Smoke from barbecue, tar kettle	Non-Emergency	-0:06:38
01/29/2025 15:22:56	30	30	EMS call, excluding vehicle accident with injury	Emergency	-0:06:16
01/29/2025 17:15:25	30	30	EMS call, excluding vehicle accident with injury	Emergency	-0:07:01
01/30/2025 16:34:00	30	30	EMS call, excluding vehicle accident with injury	Emergency	-0:03:22
01/30/2025 18:23:01	30	30	EMS call, excluding vehicle accident with injury	Emergency	-0:06:02
01/31/2025 23:49:10	30	30	Dispatched and cancelled en route	Emergency, Downgraded to Non-Emergency	
02/01/2025 15:44:22	30	30	Assist invalid	Non-Emergency	-0:05:10
02/01/2025 18:20:58	30	30	Dispatched and cancelled en route	Emergency	

Basic Incident Alarm Date Time (FD1.26)	Incident Primary Station (FD1.4)	Incident District/Zone	Fire Incident Type	Response Mode To Scene	Response Time
02/02/2025 03:09:44	30	30	Assist invalid	Non-Emergency	-0:07:52
02/02/2025 09:33:21	30	30	False alarm or false call, other	Emergency	-0:13:14
02/02/2025 17:20:48	30	30	EMS call, excluding vehicle accident with injury	Emergency	-0:03:47
02/02/2025 18:04:41	30	30	Smoke from barbecue, tar kettle	Non-Emergency	-0:06:29
02/03/2025 00:49:57	30	30	EMS call, excluding vehicle accident with injury	Emergency	-0:07:06
02/03/2025 15:45:37	30	30	False alarm or false call, other	Non-Emergency	-0:09:22
02/03/2025 21:11:13	30	30	EMS call, excluding vehicle accident with injury	Emergency	-0:07:16
02/04/2025 13:41:29	30	30	Dispatched and cancelled en route	Emergency, Downgraded to Non-Emergency	
02/04/2025 17:34:21	30	30	EMS call, excluding vehicle accident with injury	Emergency	-0:05:35
02/05/2025 12:13:02	30	30	Assist invalid	Non-Emergency	-0:11:18
02/05/2025 12:41:03	30	30	EMS call, excluding vehicle accident with injury	Emergency	-0:12:18
02/05/2025 21:51:13	30	30	EMS call, excluding vehicle accident with injury	Emergency, Downgraded to Non-Emergency	-0:07:12
02/05/2025 12:59:08	31	30	Emergency medical service, other	Emergency	
02/06/2025 14:47:40	30	30	EMS call, excluding vehicle accident with injury	Emergency, Downgraded to Non-Emergency	-0:04:42
02/06/2025 10:09:41	30	30	EMS call, excluding vehicle accident with injury	Emergency, Downgraded to Non-Emergency	-0:06:14
02/07/2025 12:47:14	30	30	EMS call, excluding vehicle accident with injury	Emergency	-0:02:49
02/07/2025 12:31:36	31	30	EMS call, excluding vehicle accident with injury	Emergency	-0:08:46
02/08/2025 08:32:16	30	30	EMS call, excluding vehicle accident with injury	Emergency	-0:04:04
02/08/2025 08:04:33	30	30	Dispatched and cancelled en route	Emergency	
02/09/2025 09:43:18	30	30	Dispatched and cancelled en route	Emergency	-0:11:43
02/09/2025 15:40:58	30	30	Dispatched and cancelled en route	Emergency	-0:03:48
02/10/2025 10:17:35	30	30	EMS call, excluding vehicle accident with injury	Emergency	-0:05:26
02/11/2025 12:43:04	30	30	EMS call, excluding vehicle accident with injury	Emergency	-0:03:14
02/11/2025 15:44:12	30	30	Dispatched and cancelled en route	Emergency	
02/13/2025 06:32:02	30	30	EMS call, excluding vehicle accident with injury	Emergency	-0:11:32
02/13/2025 12:54:23	30	30	Dispatched and cancelled en route	Emergency, Downgraded to Non-Emergency	
02/13/2025 16:11:44	30	30	EMS call, excluding vehicle accident with injury	Emergency	-0:04:42
02/13/2025 19:47:39	30	30	EMS call, excluding vehicle accident with injury	Emergency	-0:04:23
02/13/2025 19:53:01	31	30	EMS call, excluding vehicle accident with injury	Emergency	-0:07:31
02/14/2025 13:01:24	30	30	Power line down	Emergency	-0:06:51
02/15/2025 05:02:51	30	30	EMS call, excluding vehicle accident with injury	Emergency	-0:05:29
02/15/2025 09:15:22	30	30	EMS call, excluding vehicle accident with injury	Emergency	-0:06:16
02/15/2025 18:14:22	30	30	EMS call, excluding vehicle accident with injury	Emergency	-0:04:43
02/16/2025 08:27:54	30	30	EMS call, excluding vehicle accident with injury	Emergency	-0:05:27
02/16/2025 12:33:27	30	30	EMS call, excluding vehicle accident with injury	Non-Emergency	-0:07:21

Basic Incident Alarm Date Time (FD1.26)	Incident Primary Station (FD1.4)	Incident District/Zone	Fire Incident Type	Response Mode To Scene	Response Time
02/16/2025 17:08:24	30	30	False alarm or false call, other	Emergency	-0:07:37
02/16/2025 17:35:45	30	30	EMS call, excluding vehicle accident with injury	Emergency	-0:06:42
02/16/2025 23:29:29	30	30	Assist invalid	Non-Emergency	-0:08:03
02/17/2025 11:17:24	30	30	EMS call, excluding vehicle accident with injury	Emergency	-0:03:23
02/17/2025 09:09:32	30	30	EMS call, excluding vehicle accident with injury	Emergency	-0:09:49
02/17/2025 21:37:24	30	30	EMS call, excluding vehicle accident with injury	Emergency, Downgraded to Non-Emergency	-0:05:42
02/18/2025 08:39:55	30	30	Service call, other	Non-Emergency	-0:05:02
02/19/2025 06:14:05	30	30	EMS call, excluding vehicle accident with injury	Emergency, Downgraded to Non-Emergency	-0:05:46
02/20/2025 03:42:47	30	30	Smoke scare, odor of smoke	Emergency	-0:10:13
02/20/2025 09:18:27	30	30	EMS call, excluding vehicle accident with injury	Emergency	-0:05:43
02/20/2025 11:01:50	30	30	EMS call, excluding vehicle accident with injury	Emergency	-0:06:18
02/20/2025 12:22:41	30	30	EMS call, excluding vehicle accident with injury	Emergency	-0:05:52
02/20/2025 12:45:26	30	30	Dispatched and cancelled en route	Emergency, Downgraded to Non-Emergency	
02/20/2025 18:12:12	30	30	Motor vehicle/pedestrian accident (MV Ped)	Emergency	-0:04:48
02/21/2025 07:31:52	30	30	EMS call, excluding vehicle accident with injury	Emergency	-0:05:16
02/21/2025 14:15:29	30	30	EMS call, excluding vehicle accident with injury	Emergency	-0:03:54
02/23/2025 17:16:54	30	30	EMS call, excluding vehicle accident with injury	Emergency	-0:02:14
02/23/2025 22:20:35	30	30	EMS call, excluding vehicle accident with injury	Emergency	-0:04:30
02/24/2025 17:55:26	30	30	Unauthorized burning	Non-Emergency	-0:15:40
02/25/2025 13:13:19	30	30	Unauthorized burning	Non-Emergency	-0:04:40
02/25/2025 12:34:41	30	30	EMS call, excluding vehicle accident with injury	Emergency	-0:02:21
02/25/2025 20:44:00	30	30	EMS call, excluding vehicle accident with injury	Emergency	-0:05:01
02/26/2025 05:51:49	30	30	EMS call, excluding vehicle accident with injury	Emergency	-0:05:23
02/26/2025 21:05:34	30	30	Public service assistance, other	Emergency	-0:07:31
02/27/2025 00:45:12	30	30	EMS call, excluding vehicle accident with injury	Emergency	-0:04:38
02/27/2025 04:00:59	30	30	False alarm or false call, other	Emergency	-0:05:05
02/28/2025 02:30:26	30	30	EMS call, excluding vehicle accident with injury	Emergency, Downgraded to Non-Emergency	-0:07:00
02/28/2025 06:30:52	30	30	EMS call, excluding vehicle accident with injury	Emergency	-0:07:40
02/28/2025 07:39:37	30	30	Motor vehicle accident with injuries	Emergency	-0:06:19
02/28/2025 14:21:01	30	30	EMS call, excluding vehicle accident with injury	Emergency	-0:05:04
02/28/2025 18:01:27	30	30	EMS call, excluding vehicle accident with injury	Emergency	-0:06:00
03/01/2025 07:51:06	30	30	EMS call, excluding vehicle accident with injury	Emergency	-0:05:39
03/02/2025 02:07:31	30	30	EMS call, excluding vehicle accident with injury	Emergency	-0:09:30
03/02/2025 22:15:16	30	30	Motor vehicle accident with injuries	Emergency	-0:05:58
03/04/2025 06:31:14	30	30	Dispatched and cancelled en route	Non-Emergency	
03/04/2025 17:29:39	30	30	EMS call, excluding vehicle	Emergency	-0:04:37

Basic Incident Alarm Date Time (FD1.26)	Incident Primary Station (FD1.4)	Incident District/Zone	Fire Incident Type	Response Mode To Scene	Response Time
			accident with injury		
03/04/2025 17:53:39	30	30	EMS call, excluding vehicle accident with injury	Non-Emergency	-0:03:12
03/06/2025 00:06:37	30	30	EMS call, excluding vehicle accident with injury	Emergency	-0:08:52
03/06/2025 08:26:05	30	30	Alarm system sounded due to malfunction	Emergency	-0:06:24
03/06/2025 09:46:38	30	30	EMS call, excluding vehicle accident with injury	Emergency	-0:06:05
03/06/2025 10:19:52	30	30	Dispatched and cancelled en route	Emergency, Downgraded to Non-Emergency	
03/07/2025 10:40:57	30	30	Dispatched and cancelled en route	Emergency, Downgraded to Non-Emergency	
03/07/2025 19:14:48	30	30	EMS call, excluding vehicle accident with injury	Emergency	-0:04:14
03/07/2025 23:11:10	30	30	Dispatched and cancelled en route	Emergency	
03/08/2025 20:59:55	30	30	Motor vehicle accident with no injuries.	Emergency	-0:07:58
03/09/2025 09:02:37	30	30	Unauthorized burning	Emergency	-0:07:55
03/09/2025 18:58:48	31	30	Smoke detector activation, no fire - unintentional	Emergency	-0:11:00
03/10/2025 01:12:27	30	30	EMS call, excluding vehicle accident with injury	Emergency	-0:05:10
03/10/2025 12:40:24	30	30	Dispatched and cancelled en route	Emergency	
03/10/2025 13:53:48	30	30	EMS call, excluding vehicle accident with injury	Emergency, Downgraded to Non-Emergency	-0:07:57
03/10/2025 15:21:02	30	30	Motor vehicle accident with no injuries.	Emergency	-0:13:43
03/10/2025 10:39:35	31	30	Dispatched and cancelled en route	Emergency	-0:12:27
03/11/2025 17:22:04	31	30	Dispatched and cancelled en route	Emergency	
03/11/2025 05:34:44	30	30	EMS call, excluding vehicle accident with injury	Emergency	-0:07:50
03/11/2025 13:08:37	30	30	EMS call, excluding vehicle accident with injury	Emergency	-0:07:20
03/12/2025 07:26:55	30	30	Smoke scare, odor of smoke	Non-Emergency	-0:10:56
03/12/2025 20:46:33	30	30	Public service assistance, other	Non-Emergency	-0:08:16
03/12/2025 23:09:37	30	30	Motor vehicle accident with no injuries.	Emergency	-0:05:12
03/13/2025 21:53:41	30	30	EMS call, excluding vehicle accident with injury	Emergency	-0:04:33
03/13/2025 23:30:17	30	30	Dispatched and cancelled en route	Emergency	
03/14/2025 08:55:34	30	30	EMS call, excluding vehicle accident with injury	Non-Emergency	-0:04:14
03/14/2025 12:11:05	30	30	Assist invalid	Non-Emergency	-0:05:57
03/14/2025 17:18:02	30	30	EMS call, excluding vehicle accident with injury	Emergency	-0:03:47
03/14/2025 23:11:35	30	30	EMS call, excluding vehicle accident with injury	Emergency	-0:07:25
03/15/2025 12:03:41	30	30	Dispatched and cancelled en route	Non-Emergency	
03/15/2025 10:29:24	30	30	EMS call, excluding vehicle accident with injury	Emergency	-0:03:56
03/15/2025 18:46:41	30	30	EMS call, excluding vehicle accident with injury	Emergency	-0:07:54
03/16/2025 00:24:08	30	30	EMS call, excluding vehicle accident with injury	Emergency, Downgraded to Non-Emergency	-0:04:46
03/16/2025 04:59:09	30	30	Dispatched and cancelled en route	Emergency, Downgraded to Non-Emergency	

Basic Incident Alarm Date Time (FD1.26)	Incident Primary Station (FD1.4)	Incident District/Zone	Fire Incident Type	Response Mode To Scene	Response Time
03/16/2025 07:13:27	30	30	EMS call, excluding vehicle accident with injury	Emergency	-0:05:21
03/16/2025 10:06:38	30	30	EMS call, excluding vehicle accident with injury	Emergency	-0:03:43
03/16/2025 18:03:02	30	30	EMS call, excluding vehicle accident with injury	Emergency	-0:04:25
03/17/2025 10:13:35	30	30	EMS call, excluding vehicle accident with injury	Emergency	-0:08:37
03/18/2025 10:30:49	30	30	EMS call, excluding vehicle accident with injury	Emergency	-0:06:32
03/18/2025 12:20:50	30	30	EMS call, excluding vehicle accident with injury	Emergency	-0:07:02
03/18/2025 14:31:25	30	30	EMS call, excluding vehicle accident with injury	Emergency	-0:06:59
03/18/2025 16:34:50	30	30	Hazardous condition, other	Emergency	-0:04:33
03/19/2025 21:35:54	30	30	EMS call, excluding vehicle accident with injury	Emergency	-0:05:37
03/20/2025 23:04:09	30	30	EMS call, excluding vehicle accident with injury	Emergency	-0:08:06
03/21/2025 01:27:59	30	30	EMS call, excluding vehicle accident with injury	Emergency	-0:06:20
03/21/2025 05:54:58	30	30	EMS call, excluding vehicle accident with injury	Emergency	-0:07:11
03/21/2025 11:33:23	30	30	False alarm or false call, other	Emergency	-0:10:26
03/21/2025 18:09:31	30	30	Assist invalid	Non-Emergency	-0:07:36
03/23/2025 07:17:37	30	30	EMS call, excluding vehicle accident with injury	Emergency	-0:08:10
03/23/2025 14:08:15	30	30	False alarm or false call, other	Emergency	-0:09:57
03/23/2025 23:18:17	30	30	EMS call, excluding vehicle accident with injury	Emergency	-0:06:49
03/24/2025 00:48:25	30	30	EMS call, excluding vehicle accident with injury	Emergency	-0:05:15
03/24/2025 14:47:27	30	30	EMS call, excluding vehicle accident with injury	Emergency	-0:04:12
03/25/2025 13:57:55	30	30	EMS call, excluding vehicle accident with injury	Non-Emergency	-0:13:50
03/26/2025 11:41:28	30	30	Attempted burning, illegal action, other	Non-Emergency	-0:20:19
03/26/2025 15:36:27	30	30	Dispatched and cancelled en route	Non-Emergency	
03/26/2025 09:57:55	30	30	Attempted burning, illegal action, other	Non-Emergency	-0:01:08
03/26/2025 23:49:32	30	30	Dispatched and cancelled en route	Non-Emergency	
03/27/2025 06:14:19	30	30	Public service assistance, other	Non-Emergency	-0:04:45
03/28/2025 07:49:07	30	30	Smoke detector activation due to malfunction	Non-Emergency	-0:08:19
03/28/2025 16:06:33	30	30	Public service assistance, other	Non-Emergency	-0:06:34
03/28/2025 20:35:32	30	30	EMS call, excluding vehicle accident with injury	Emergency	-0:05:49
03/29/2025 15:49:30	30	30	EMS call, excluding vehicle accident with injury	Emergency	-0:04:30
03/29/2025 20:45:20	30	30	Assist invalid	Non-Emergency	-0:04:17
03/29/2025 21:45:55	30	30	EMS call, excluding vehicle accident with injury	Emergency	-0:06:33
03/30/2025 22:43:19	30	30	EMS call, excluding vehicle accident with injury	Emergency	-0:09:12
03/30/2025 09:33:35	24	30	EMS call, excluding vehicle accident with injury	Emergency	-0:25:33
03/31/2025 13:09:09	30	30	EMS call, excluding vehicle accident with injury	Emergency	-0:03:27

Report Criteria

Incident District/Zone: Is In 30

Basic Incident Date Original (Fd1.3): Is Equal To Last Quarter

Description

Solvang - Response Time Report



Agenda Item 8.a

Meeting Date: April 14, 2025

SUBJECT: Discussion and possible action to Adopt Resolution No. 25-1286 Initiating Intention of the Annual Assessment for the Solvang Mesa Landscape & Lighting Maintenance District No. 2004-1 for Fiscal Year 2025-26, and setting May 12, 2025 as the date for the Public Hearing

PREPARED BY: Bridget Paris, Public Works Director/City Engineer

DISCUSSION:

The City of Solvang (City) City Council adopted the Tentative Vesting Map for the Skytt Mesa Project on May 27, 2003. Per Condition No. 50 of that 169-lot subdivision, the applicant was required to establish a Landscape and Lighting Maintenance District (LLMD) prior to the recordation of the first phase final map. The Solvang Mesa Landscape & Lighting Maintenance District No. 2004-1 (District) was officially formed in 2004 to provide maintenance for landscaping and lighting improvements for the Solvang (Skytt) Mesa subdivision.

The Landscape and Lighting Act of 1972 (1972 Act) requires that an annual review and updated Engineer's Report be prepared to set assessment rates each fiscal year. The City has retained Francisco & Associates to prepare the annual Engineer's Report for the District. The assessment rates may change from fiscal year to fiscal year, depending upon maintenance to be performed, but cannot exceed the maximum amount set when the District was originally formed, plus an annual adjustment for inflation. Staff has reviewed the Preliminary Engineer's Report (Attachment A) and is satisfied with the Report, including the budget items and diagram, and that the levy amounts have been spread in accordance with the special benefit received from operation, maintenance and servicing of the public improvements benefitting properties within the District. Therefore, staff recommends Council adopt the attached resolution (Attachment B) initiating the annual process, preliminarily approving the Engineer's Report, and setting May 12, 2025 as the date of the required Public Hearing.

Upon conclusion of the Public Hearing on May 12th, City Council may adopt a resolution confirming the diagram and assessments, either as originally proposed or as modified. The adoption of this resolution shall be the final Council action in the annual process and authorizes the levy of assessments for Fiscal Year (FY) 2025/26. The approved FY 2025/26 assessments in the Final Engineer's Report will be placed on the FY 2025/26 property tax roll and shall be collected at the same time and in the same manner as ordinary ad valorem property taxes.

The maximum allowable assessment rate per single-family residential (SFR) unit may increase by up to 5% annually. For FY 2025/26, the maximum assessment rate is \$3,593.05 per SFR parcel. However, the City has consistently levied assessments well below this maximum. Since the District's formation in 2004, there have been six years in which the assessment rate remained unchanged and one year in which it was slightly reduced. In other years, the assessment was adjusted as needed to reflect increases in service costs and to maintain adequate reserves. For FY 2024/25, the Council approved a 2% increase and for FY 2025/26 staff is recommending a 3% increase in the assessment rate to help offset rising utility costs and continue building healthy reserves. This would result in an assessment of \$1,429.66 per parcel, which is approximately 40% of the maximum allowable rate for FY 2025/26.

The District encompasses 169 SFR parcels, all of which benefit equally from the landscaping, street lighting, and a portion of the entryway and detention basin improvements. Therefore, the total assessment revenue of \$241,612.54 required to maintain and operate these improvements is proposed to be evenly distributed among the 169 parcels.

ALTERNATIVES:

The City could choose not to increase the assessments and draw on available reserves for FY 2025/26.

FISCAL IMPACT:

If assessments are not levied as proposed, there would be a loss of revenue of \$241,600 for FY 2025/26 to maintain landscaping, street lighting, and a portion of the entryway and detention basin improvements benefiting properties within the District.

ATTACHMENTS:

- A. Resolution 25-1286
- B. FY 2025-26 Preliminary Engineer's Report

RESOLUTION NO. 25-1286

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SOLVANG CALIFORNIA INITIATING THE ANNUAL ASSESSMENT PROCEEDINGS FOR THE SOLVANG MESA LANDSCAPE & LIGHTING MAINTENANCE DISTRICT NO. 2004-1 FOR FISCAL YEAR 2025/26, DECLARING THE INTENTION TO LEVY AND COLLECT ASSESSMENTS, AND SETTING A PUBLIC HEARING FOR 6:30 PM ON MAY 12, 2025 ON THE LEVY OF THE PROPOSED ASSESSMENT

WHEREAS, Sections 22622 and 22624 of the California Streets and Highways Code requires the City Council to adopt a resolution generally describing any changes to an existing assessment district pursuant to the Landscaping and Lighting Act of 1972, and

WHEREAS, Section 22622 further requires that the City Council order the preparation of a Preliminary Engineer's Report for submission to the legislative body.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SOLVANG DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. The City of Solvang hereby proposes initiation of the annual assessment for Solvang Mesa Landscape & Lighting Maintenance District No. 2004-1 pursuant to Streets and Highways Code sections 22500 et seq., commonly known as the "Landscaping and Lighting Act of 1972".

SECTION 2. The City of Solvang declares Francisco & Associates as the Engineer of Work for the Solvang Mesa Landscape & Lighting Maintenance District No. 2004-1.

SECTION 3. The City of Solvang ratifies the work done by Francisco & Associates as the Engineer of Work to prepare and file the Preliminary Engineer's report and hereby approves the Preliminary Engineer's Report, as filed, for Solvang Mesa Landscape & Lighting Maintenance District No. 2004-1.

SECTION 4. The City of Solvang hereby proposes intention to levy and collect assessments for the Solvang Mesa Landscape & Lighting Maintenance District No. 2004-1 for Fiscal Year 2025/26.

SECTION 5. The improvements shall consist of street lighting, landscaping, irrigation systems, storm drain detention basin, and other open space improvements as described in the conditions of approval for the Skytt Mesa subdivision.

SECTION 6. A full and detailed description of the improvements, boundaries of the assessment district and any zone therein, and the proposed assessments upon assessable lots and parcels of land with the district are included in the Preliminary Engineer's Report on file with the City Clerk.

SECTION 7. The City of Solvang hereby sets a public hearing for 6:30 PM on May 12, 2025, on the levy of the proposed assessment.

SECTION 8. That this Resolution is effective immediately upon adoption.

SECTION 9. That the City Clerk shall certify to the passage and adoption of this Resolution and shall cause a certified copy to be filed in the book of original resolutions.

PASSED, APPROVED, AND ADOPTED on this 14th day of April 2025.

David Brown, Mayor

APPROVED AS TO FORM:

ATTEST:

Craig Steele, Acting City Attorney

Annamarie Porter, City Clerk

STATE OF CALIFORNIA)
COUNTY OF SANTA BARBARA)ss
CITY OF SOLVANG)

I, Annamarie Porter, City Clerk of the City of Solvang, California do hereby certify that Resolution No. 25-1286 was passed and adopted by the City Council of the City of Solvang at a regular meeting of said City Council held on the 14th day of April 2025, and thereafter signed and approved by the Mayor and attested by the City Clerk, and that said resolution was adopted by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Annamarie Porter, City Clerk



Solvang Mesa Landscape & Lighting Maintenance District No. 2004-1

Fiscal Year 2025-26 Preliminary Engineer's Report

April 14, 2025

Prepared by

**FRANCISCO
AND ASSOCIATES**

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CITY OF SOLVANG

**SOLVANG MESA LANDSCAPE & LIGHTING
MAINTENANCE DISTRICT No. 2004-1**

FISCAL YEAR 2025-26

CITY COUNCIL MEMBERS AND CITY STAFF

David Brown
Mayor

Mark Infanti (District 1)
Council Member

Claudia Orona (District 2)
Council Member

Louise Smith (District 3)
Council Member

Elizabeth Orona (District 4)
Council Member

Randy Murphy
City Manager

Annamarie Porter
City Clerk

Bridget Paris
Public Works Director/City Engineer

Francisco & Associates
Assessment Engineer

ENGINEER'S REPORT

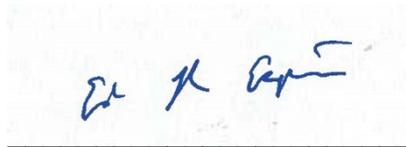
CITY OF SOLVANG

**SOLVANG MESA LANDSCAPE & LIGHTING
MAINTENANCE DISTRICT No. 2004-1**

FISCAL YEAR 2025-26

The undersigned respectfully submits the enclosed Engineer's Report as directed by the City Council.

Dated: March 24, 2025



Eduardo R. Espinoza, P. E.
R.C.E. No. 83709

I HEREBY CERTIFY that the enclosed Engineer's Report, together with the Assessment Roll and Assessment Diagram thereto attached, was filed with me on the _____ day of _____, 2025.

Annamarie Porter, City Clerk
City of Solvang
Santa Barbara County, California

By_____

I HEREBY CERTIFY that the enclosed Engineer's Report, together with the Assessment Roll and Assessment Diagram thereto attached, was approved, and confirmed by the Council of the City of Solvang, Santa Barbara County, California, on the _____ day of _____, 2025.

Annamarie Porter, City Clerk
City of Solvang
Santa Barbara County, California

By_____

SECTION I

INTRODUCTION

As required by the Landscape & Lighting Act of 1972, this Engineer's Report describes the improvements which can be constructed, operated, maintained, and serviced by the District, provides an estimate of cost for Fiscal Year 2025-26, lists the maximum assessments that can be levied upon each assessable lot or parcel of land within the District and lists the Fiscal Year 2025-26 assessments that are to be levied upon each assessable lot or parcel of land within the District.

In addition to complying with the provisions of the Landscape & Lighting Act of 1972, the Solvang City Council complied with the provisions of Proposition 218 which was approved by the California voters on November 5, 1996. Proposition 218, entitled "Right to Vote on Taxes Act", added Articles XIIC and XIID to the California Constitution. This Proposition established new procedural requirements for the formation and administration of assessment districts. In order to comply with these requirements, the City of Solvang implemented the following procedures:

1. Every property owner subject to the proposed assessment was mailed a ballot allowing the property owner to vote on whether to form and levy assessments within the District. The ballots were accompanied by a public notice describing the total assessment, the individual property owner's assessment, the reason for the assessment, and the general basis upon which the assessment was calculated.
2. The Solvang City Council held a Public Hearing on November 8, 2004 to provide an opportunity for any interested person to be heard. After the close of the public input portion of the public hearing, the City Council directed City staff to tabulate the assessment ballots. All the ballots received were in favor of forming the assessment district. The City Council subsequently adopted a resolution forming the assessment district and authorizing the levy of assessments.

SECTION II

ENGINEER'S REPORT PREPARED PURSUANT TO THE PROVISIONS OF LANDSCAPING AND LIGHTING ACT OF 1972 SECTION 22500 THROUGH 22679 OF THE CALIFORNIA STREETS AND HIGHWAYS CODE

SOLVANG MESA LANDSCAPE & LIGHTING MAINTENANCE DISTRICT No. 2004-1

FISCAL YEAR 2025-26

Pursuant to the Landscaping and Lighting Act of 1972 (Part 2 Division 15 of the Streets and Highways Code of the State of California, commencing with Section 22500), and in accordance with the Resolution of Initiation and Intention adopted by the City Council of the City of Solvang on April 14, 2025, I, Eduardo R. Espinoza, P.E. the duly appointed Engineer of Work, Assessment Engineer for the Solvang Mesa Landscape & Lighting Maintenance District No. 2004-1 ("District") submit the following Report, consisting of Section I (Introduction), and this, Section II, which consists of five (5) parts as follows:

PART A: PLANS AND SPECIFICATIONS

This part describes the improvements in the District. Plans and specifications for the improvements are as set forth on the list thereof, attached hereto, and are on file in the Office of the City Clerk of the City of Solvang, and are incorporated herein by reference.

PART B: ESTIMATE OF COST

This part contains an estimate of the cost of the proposed improvements for Fiscal Year 2025-26, including incidental costs and expenses in connection therewith. The estimate is as set forth on the lists thereof, attached hereto, and is on file in the Office of the City Clerk of the City of Solvang.

PART C: ASSESSMENT DISTRICT DIAGRAM

This part incorporates a Diagram of the District showing the exterior boundaries of the District, the boundaries of any zones within the District and the lines and dimensions of each lot or parcel of land within the District. This Diagram has been prepared by the Engineer of Work and is on file in the Office of the City Clerk of the City of Solvang.

The lines and dimensions of each lot or parcel within the District are those lines and dimensions shown on the maps of the Santa Barbara County Assessor for the year when this Report was prepared. The Assessor's maps and records are incorporated by reference herein and made a part of this Report.

PART D: METHOD OF APPORTIONMENT OF ASSESSMENTS

This part describes the method of apportionment of assessments, based upon parcel classification of land within the District in proportion to the estimated special benefits to be received.

PART E: PROPERTY OWNER LIST & ASSESSMENT ROLL

This part contains an assessment of the estimated cost of the improvements on each benefited lot or parcel of land within the District. The Assessment Roll is as set forth on the lists thereof, attached hereto, and is on file in the Office of the City Clerk of the City of Solvang. The Assessment roll is keyed to the records of the Santa Barbara County Assessor, which are incorporated herein by reference.

PART A

PLANS AND SPECIFICATIONS

The landscape improvements which can be constructed, operated, maintained, and serviced by the District generally include, but are not limited to, trees, bushes, plants, turf, irrigation systems including electrical meters, hardscapes, entry features, and appurtenant improvements as required to provide an aesthetically pleasing environment throughout the District. These landscape improvements were constructed as a condition of development and are generally located within the City's right-of-way, within City easements, and within City open space areas.

The street lighting improvements which can be constructed, operated, maintained, and serviced by the District generally include, but are not limited to, poles, fixtures, bulbs, conduits, pull boxes, equipment, including guys, anchors, posts, pedestals and metering devices, and appurtenant improvements as required to provide safe lighting within the boundaries of the District.

The detention basin improvements that can be constructed, operated, maintained, and serviced by the District generally include graded slopes, fencing, outlet and overflow structures, retaining walls and the detention basin itself.

The plans and specifications for the improvements are on file in the Office of the City Clerk of the City of Solvang.

PART B

ESTIMATE OF COST

The 1972 Act provides that the total cost of construction, operation, maintenance and servicing of landscape and lighting improvements can be recovered by the District.

The costs to construct, operate, maintain, and service the landscape and lighting improvements include, but are not limited to, personnel, electrical energy, utilities such as water, materials, contractual services, and other items necessary for the landscape and lighting improvements to be properly operated, maintained, and serviced to City standards.

Maintenance means the furnishing of services, materials and supplies for the ordinary and usual operations, maintenance and servicing of the landscaping, lighting, and appurtenant improvements, including the repair, removal or replacement of all or part of any of the landscaping, street lighting or appurtenant improvements; including cultivation, irrigation, trimming, spraying, fertilizing and treating for disease or injury; and the removal of trimmings, rubbish, debris and other solid waste.

Servicing means the furnishing of water for the irrigation of the landscaping improvements and the furnishing of electric current or energy for the operation of streetlights, irrigation controllers or other appurtenant improvements.

Below is a summary of the improvements which will be operated, maintained, and serviced by the assessment district.

- 1) Landscaped parkways throughout the project;
- 2) Landscaping within the right of way of Chalk Hill Road along the frontage of the project;
- 3) Landscaping in designated open space areas shown on the vesting tentative map and landscaped parkway;
- 4) Landscaping in the Caltrans right of way, adjacent to the project;
- 5) Irrigation systems throughout all maintained landscaped areas;
- 6) Annual fire abatement of grasses and other vegetation management in unfenced portions of the No Development Zone (individual lot owners shall be responsible for such annual fire abatement and vegetation management within those portions of the No Development Zone enclosed by a fence);
- 7) Maintenance of slopes of Lots 1-3, 7-9, 14, 93-97 and 158-166, if permitted by property owners;
- 8) Entrance signage and landscaping;
- 9) Street lighting, conduits, and appurtenant hardware; and
- 10) Landscaping within the detention basin at Hans Christian Anderson Park shall be perpetually maintained.

The construction, operation, maintenance, and servicing costs for Fiscal Year 2025-26 are summarized below.

TABLE NO. 1	
FISCAL YEAR 2025-26 ESTIMATE OF COST	
SOLVANG MESA LANDSCAPE & LIGHTING MAINTENANCE DISTRICT NO. 2004-1	
REVENUES	
Projected Beginning Fund Balance (07/01/2025)	\$501,289.00
Anticipated Fiscal Year 2025-26 Assessment Levy	<u>\$241,612.54</u>
Total Revenues Available	\$742,901.54
MAINTENANCE COSTS	
Water (irrigation)	\$91,000.00
Backflow Prevention	\$3,000.00
Irrigation Power (PG&E)	\$600.00
Street Light Power (PG&E) (24 lights)	\$4,000.00
Estimated Repairs and Replacement	\$21,000.00
Capital Improvement Projects	\$0.00
Open Space/Landscaping Maintenance	<u>\$99,950.00</u>
Subtotal Maintenance Cost	\$219,550.00
INCIDENTAL COSTS	
Administration (City)	\$12,000.00
Engineer's Report and Related Documents	\$5,250.00
County Collection Charges	<u>\$200.00</u>
Subtotal Incidental Costs	\$17,450.00
Total Estimated Costs	\$237,000.00
RESERVES	
Operating Reserves ¹	\$118,500.00
Capital Reserves ¹	<u>\$387,401.54</u>
Projected Ending Fund Balance (06/30/2026)	\$505,901.54
DISTRICT INFORMATION	
Total No. of Proposed Assessable Single Family Parcels	169
Maximum Assessment per Proposed Single Family Parcel ²	\$3,593.05
Fiscal Year 2025-26 Collection per Proposed Single Family Parcel	\$1,429.66
NOTES:	
<p>⁽¹⁾ Recommended minimum reserve amount is \$353,665 (Operating and Capital). Operating reserves are needed for future fiscal years because the City does not receive assessment revenue from the County until January, therefore it's necessary to have an operating reserve fund to cover 6 months of cashflow from July 1 through December 31 each fiscal year. Therefore, for Fiscal Year 2025-26, \$118,500 is needed for operating reserves $[(\\$219,550 + \\$17,450) \times 0.50 = \\$118,500]$. In addition, Capital reserves are used to replace capital facilities in the event of failure, damage, vandalism or when they reach their useful life expectancy. The estimated cost to replace the capital facilities in Fiscal Year 2025-26 dollars is \$940,660. Since it is unlikely that all capital facilities will need to be replaced in the same year it is estimated that at least 25% of the replacement cost, or at minimum \$235,165 be budgeted and available for capital reserves.</p> <p>⁽²⁾ The maximum assessment per parcel may increase 5% each fiscal year.</p>	

The 1972 Act requires that a special fund be set up for the revenues and expenditures of the District. Funds raised by the assessments shall be used only for the purpose as stated herein. Any balance remaining on July 1 must be carried over to the next fiscal year unless the funds are being accumulated for future capital improvements and/or operating reserves.

PART C

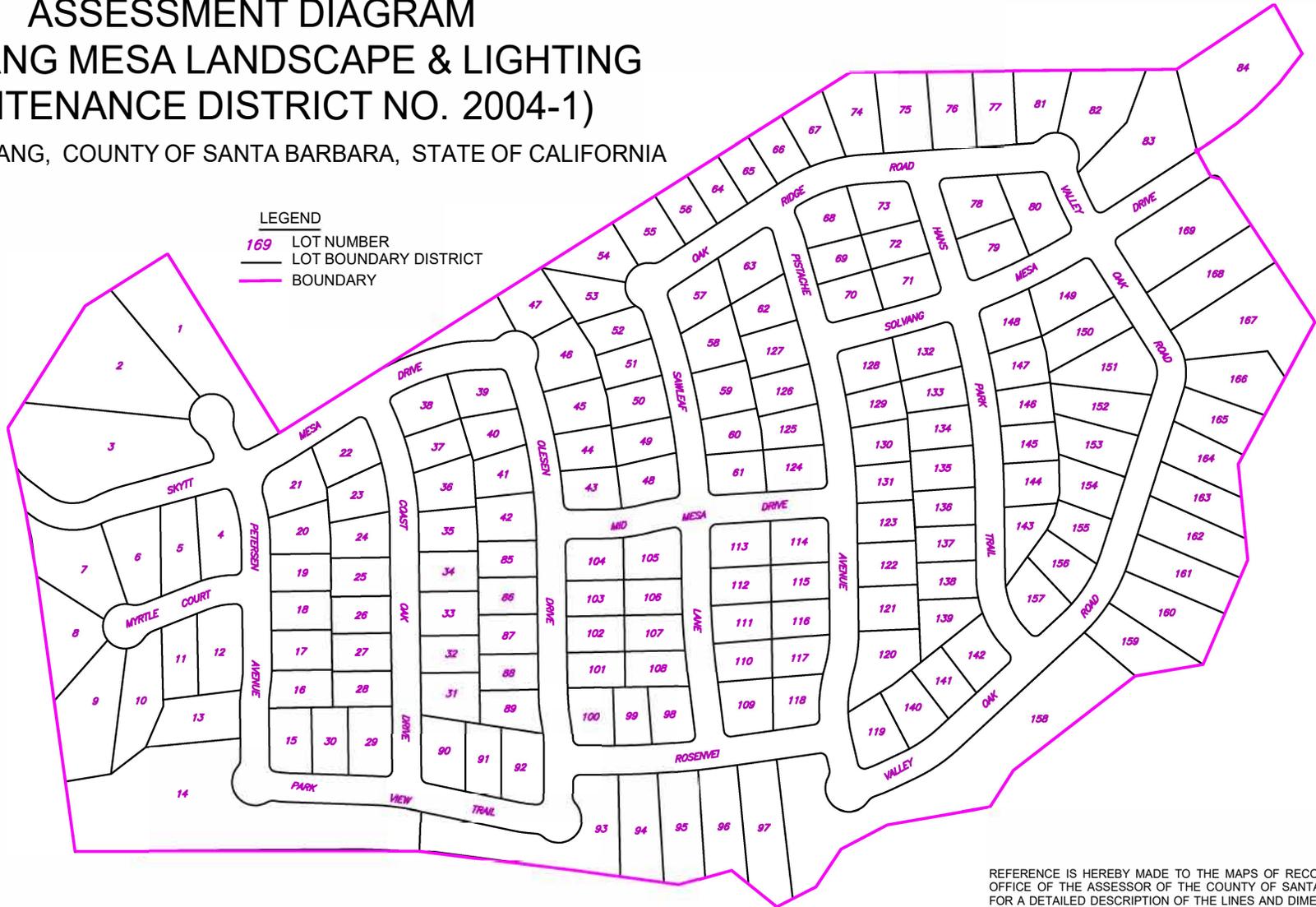
ASSESSMENT DISTRICT DIAGRAM

The boundaries of the Solvang Mesa Landscape and Lighting Maintenance District No. 2004-1 are shown on the reduced map on the following page. For the particulars of the lines and dimensions for each Assessor Parcel Number, please refer to the Assessor Parcel Maps located at the Santa Barbara County Assessor office for the year in which this Report was prepared.

ASSESSMENT DIAGRAM (SOLVANG MESA LANDSCAPE & LIGHTING MAINTENANCE DISTRICT NO. 2004-1)

CITY OF SOLVANG, COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA

LEGEND
169 LOT NUMBER
 — LOT BOUNDARY DISTRICT
— BOUNDARY



NOT TO SCALE

REFERENCE IS HEREBY MADE TO THE MAPS OF RECORD IN THE OFFICE OF THE ASSESSOR OF THE COUNTY OF SANTA BARBARA FOR A DETAILED DESCRIPTION OF THE LINES AND DIMENSIONS OF ANY PARCEL, SHOWN HEREIN, WHICH MAPS SHALL GOVERN FOR ALL DETAILS CONCERNING THE LINES AND DIMENSIONS OF SUCH PARCELS.

PART D

METHOD OF APPORTIONMENT OF ASSESSMENT

GENERAL

Part 2 of Division 15 of the Streets and Highways Code, the Landscaping and Lighting Act of 1972, permits the establishment of assessment districts by Agencies for the purpose of providing certain public improvements, which include the operation, maintenance and servicing of landscaping and lighting improvements.

Section 22573 of the Landscape and Lighting Act of 1972 requires that maintenance assessments must be levied according to special benefit, rather than according to assessed value. This Section states:

“The net amount to be assessed upon lands within an assessment district may be apportioned by any formula or method which fairly distributes the net amount among all assessable lots or parcels in proportion to the estimated benefit to be received by each such lot or parcel from the improvements.

The determination of whether a lot or parcel will benefit from the improvements shall be made pursuant to the Improvement Act of 1911 (Division 7 (commencing with Section 50000)) [of the Streets and Highways Code, State of California].”

In addition, Article XIID, Section 4(a) of the California Constitution limits the amount of any assessment to the proportional special benefit conferred on the property.

The Act permits the designation of zones of benefit within any individual assessment district if “by reasons or variations in the nature, location, and extent of the improvements, the various areas will receive different degrees of benefit from the improvement” (Sec. 22574). Thus, the 1972 Act requires the levy of a true “assessment” rather than a “special tax”.

Article XIID provided that publicly owned properties must be assessed unless there is clear and convincing evidence that those properties receive no special benefit from the assessment. Exempted from the assessment would be the areas of public streets, public avenues, public lanes, public roads, public drives, public courts, public alleys, public easements and rights-of-ways, public greenbelts and public parkways, and that portion of public property that is not developed and used for business purposes similar to private commercial, industrial, and institutional activities.

LANDSCAPING/OPEN SPACE BENEFIT DETERMINATION

Trees, landscaping, hardscaping, open space, and appurtenant facilities, if well maintained, provide beautification, shade, and enhancement of the desirability of the properties within the boundaries of the District. In *Parkways and Land Values*, written by John Nolan and Henry V. Hubbard, it is stated:

"... there is no lack of opinion, based on general principles and experience and common sense, that parkways do in fact add value to property, even though the amount cannot be determined exactly. Indeed, in most cases where public money has been spent for parkways, the assumption has been definitely made that the proposed parkway will show a provable financial profit to the City. It has been believed that the establishment of parkways causes a rise in real estate values throughout the City, or in parts of the City,..."

It should be noted that the definition of "parkways" above may include the roadway as well as the landscaping alongside the roadway. One hundred percent of the benefits resulting from the landscape and open space improvements are a direct and special benefit to the properties within the District. Therefore, there are no general benefits and 100% of the annual cost to operate and maintain the landscape and open space improvements is assessed to the properties within the boundaries of the District.

STREET LIGHTING BENEFIT DETERMINATION

The proper functioning of street lighting is imperative for the welfare and safety of the property owners throughout the District. The annual operation, maintenance and servicing of the District's street lighting system benefits the properties within the District by providing increased illumination for ingress and egress, safe traveling at night, improved security, and protection of property. One hundred percent of the benefits resulting from the street lighting improvements are a direct and special benefit to the properties within the District. Therefore, there are no general benefits and 100% of the annual cost to operate and maintain the street lighting improvements is assessed to the properties within the boundaries of the District.

GENERAL & SPECIAL BENEFIT

There are no General Benefits associated with street lighting, landscaping, and open space improvements within the Solvang Mesa Landscape & Lighting District. All the street lighting, landscaping and open space improvements directly benefit and are a special benefit to the properties within the Solvang Mesa Landscape & Lighting District.

ASSESSMENT METHODOLOGY

Each single-family residential parcel will benefit equally from the construction, operation, maintenance and servicing of the landscaping and street lighting improvements. Therefore, the total assessment revenue needed to construct, operate, maintain and service the landscaping and street lighting improvements will be spread equally to each proposed single family residential parcel.

Phase I through IV landscaping and street lighting improvements and the entire development's (Phase I through IV) entryway and detention basin improvements have been completed and turned over to the City for annual maintenance. Each of the 169 single-family residential parcels located in Phases I thru IV will benefit from the landscaping and street lighting improvements and their pro-rata share of the entryway and detention basin improvements. Therefore, it is proposed that \$241,612.54 in assessment revenue is needed from the 169 single-family residential parcels located in the District, or **\$1,429.66 per parcel** to cover these costs.

PART E

PROPERTY OWNER LIST & ASSESSMENT ROLL

Appendix A includes a listing of the Assessor parcels located within the boundaries of the Solvang Mesa Landscape & Lighting Maintenance District No. 2004-1 that will be assessed in Fiscal Year 2025-26. The maximum assessment rate in Fiscal Year 2025-26 that could be charged is \$3,593.05 per single-family residential unit. In each subsequent fiscal year, the maximum annual assessment rate for each single-family residential unit may be increased 5%.

The total proposed assessment for Fiscal Year 2025-26 is **\$241,612.54**.

FISCAL YEAR 2025-26 ASSESSMENT ROLL
(In Assessor Parcel Number Order)

**City of Solvang
Solvang Mesa Landscape & Lighting
Maintenance District No. 2004-1**

**ASSESSMENT ROLL
FISCAL YEAR 2025-26**

Assessor's Parcel Number	Assessment Amount	Assessor's Parcel Number	Assessment Amount	Assessor's Parcel Number	Assessment Amount
137-730-001	\$1,429.66	137-740-015	\$1,429.66	137-770-021	\$1,429.66
137-730-002	\$1,429.66	137-740-016	\$1,429.66	137-770-022	\$1,429.66
137-730-003	\$1,429.66	137-740-017	\$1,429.66	137-770-023	\$1,429.66
137-730-004	\$1,429.66	137-740-018	\$1,429.66	137-770-024	\$1,429.66
137-730-005	\$1,429.66	137-740-019	\$1,429.66	137-780-001	\$1,429.66
137-730-006	\$1,429.66	137-740-020	\$1,429.66	137-780-002	\$1,429.66
137-730-007	\$1,429.66	137-740-021	\$1,429.66	137-780-003	\$1,429.66
137-730-008	\$1,429.66	137-740-022	\$1,429.66	137-780-004	\$1,429.66
137-730-009	\$1,429.66	137-740-023	\$1,429.66	137-780-005	\$1,429.66
137-730-010	\$1,429.66	137-750-001	\$1,429.66	137-780-006	\$1,429.66
137-730-011	\$1,429.66	137-750-002	\$1,429.66	137-780-007	\$1,429.66
137-730-012	\$1,429.66	137-750-003	\$1,429.66	137-780-008	\$1,429.66
137-730-013	\$1,429.66	137-750-004	\$1,429.66	137-780-009	\$1,429.66
137-730-014	\$1,429.66	137-750-005	\$1,429.66	137-780-010	\$1,429.66
137-730-015	\$1,429.66	137-750-006	\$1,429.66	137-780-011	\$1,429.66
137-730-016	\$1,429.66	137-750-007	\$1,429.66	137-780-012	\$1,429.66
137-730-017	\$1,429.66	137-750-008	\$1,429.66	137-780-013	\$1,429.66
137-730-018	\$1,429.66	137-750-009	\$1,429.66	137-780-014	\$1,429.66
137-730-019	\$1,429.66	137-750-010	\$1,429.66	137-780-015	\$1,429.66
137-730-020	\$1,429.66	137-750-011	\$1,429.66	137-800-001	\$1,429.66
137-730-021	\$1,429.66	137-750-012	\$1,429.66	137-800-002	\$1,429.66
137-730-022	\$1,429.66	137-750-013	\$1,429.66	137-800-003	\$1,429.66
137-730-023	\$1,429.66	137-750-014	\$1,429.66	137-800-004	\$1,429.66
137-730-024	\$1,429.66	137-750-015	\$1,429.66	137-800-005	\$1,429.66
137-730-025	\$1,429.66	137-760-001	\$1,429.66	137-800-006	\$1,429.66
137-730-026	\$1,429.66	137-760-002	\$1,429.66	137-800-007	\$1,429.66
137-730-027	\$1,429.66	137-760-003	\$1,429.66	137-800-008	\$1,429.66
137-730-028	\$1,429.66	137-760-004	\$1,429.66	137-800-009	\$1,429.66
137-730-029	\$1,429.66	137-760-005	\$1,429.66	137-800-010	\$1,429.66
137-730-030	\$1,429.66	137-760-006	\$1,429.66	137-800-011	\$1,429.66
137-730-031	\$1,429.66	137-760-007	\$1,429.66	137-800-012	\$1,429.66
137-730-032	\$1,429.66	137-760-008	\$1,429.66	137-800-013	\$1,429.66
137-730-033	\$1,429.66	137-770-001	\$1,429.66	137-800-014	\$1,429.66
137-730-034	\$1,429.66	137-770-002	\$1,429.66	137-800-015	\$1,429.66
137-730-035	\$1,429.66	137-770-003	\$1,429.66	137-800-016	\$1,429.66
137-730-036	\$1,429.66	137-770-004	\$1,429.66	137-800-017	\$1,429.66
137-730-037	\$1,429.66	137-770-005	\$1,429.66	137-800-018	\$1,429.66
137-730-038	\$1,429.66	137-770-006	\$1,429.66	137-800-019	\$1,429.66
137-740-001	\$1,429.66	137-770-007	\$1,429.66	137-800-020	\$1,429.66
137-740-002	\$1,429.66	137-770-008	\$1,429.66	137-800-021	\$1,429.66
137-740-003	\$1,429.66	137-770-009	\$1,429.66	137-800-022	\$1,429.66
137-740-004	\$1,429.66	137-770-010	\$1,429.66	137-800-023	\$1,429.66
137-740-005	\$1,429.66	137-770-011	\$1,429.66	137-800-024	\$1,429.66
137-740-006	\$1,429.66	137-770-012	\$1,429.66	137-800-025	\$1,429.66
137-740-007	\$1,429.66	137-770-013	\$1,429.66	137-800-026	\$1,429.66
137-740-008	\$1,429.66	137-770-014	\$1,429.66	137-800-027	\$1,429.66
137-740-009	\$1,429.66	137-770-015	\$1,429.66	137-800-028	\$1,429.66
137-740-010	\$1,429.66	137-770-016	\$1,429.66	137-800-029	\$1,429.66
137-740-011	\$1,429.66	137-770-017	\$1,429.66	137-800-030	\$1,429.66
137-740-012	\$1,429.66	137-770-018	\$1,429.66	137-800-031	\$1,429.66
137-740-013	\$1,429.66	137-770-019	\$1,429.66	137-800-032	\$1,429.66
137-740-014	\$1,429.66	137-770-020	\$1,429.66	137-800-033	\$1,429.66

The County Auditor only accepts amounts divisible by two, therefore the amount may differ from the approved rate due to rounding.

City of Solvang
Solvang Mesa Landscape & Lighting
Maintenance District No. 2004-1

ASSESSMENT ROLL
FISCAL YEAR 2025-26

Assessor's Parcel Number	Assessment Amount
137-800-034	\$1,429.66
137-800-035	\$1,429.66
137-800-036	\$1,429.66
137-800-037	\$1,429.66
137-800-038	\$1,429.66
137-800-039	\$1,429.66
137-800-040	\$1,429.66
137-800-041	\$1,429.66
137-800-042	\$1,429.66
137-800-043	\$1,429.66
137-800-044	\$1,429.66
137-800-045	\$1,429.66
137-800-046	\$1,429.66
<hr/>	
Total Parcels:	169
Total Assessment:	\$241,612.54



CITY COUNCIL STAFF REPORT

AGENDA ITEM 8.b

Meeting Date: April 14, 2025

SUBJECT: Discussion and Possible Action to Adopt Resolution No. 25-1287 to Approve Measure U Citizens Oversight Committee Guidelines

PREPARED BY: Randy Murphy, City Manager

DISCUSSION:

As further described in the attached Resolution, the voters of Solvang approved the passage of a one-cent sales tax increase, known as Measure U, in November 2022. This approval also created the Measure U Citizens Oversight Committee that was tasked with recommending appropriate expenses to Council and subsequently monitoring anything paid out of the new revenue. While the inaugural group of five community representatives recognize their role as purely advisory to the Council, they have approved the attached guidelines, arranged in a Q & A format, to help facilitate the budgeting process going forward. They have further requested that staff present them to the Council to formally adopt and incorporate them in the City budgeting process.

The Acting City Attorney has made some suggested modifications in Track Changes to their document. Staff recommends approving the amended document.

ALTERNATIVES:

To not approve the Resolution. This is not recommended, as this would potentially allow inconsistencies in the recommended use of Measure U funds.

FISCAL IMPACT:

n/a

ATTACHMENTS:

- A. Resolution 25-1287
- B. Measure U Guidelines

RESOLUTION NO. 25-1287

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SOLVANG,
CALIFORNIA APPROVING THE MEASURE U CITIZENS'
OVERSIGHT COMMITTEE GUIDELINES**

WHEREAS, in November 2022 the citizens of Solvang overwhelmingly approved a one-cent sales tax increase known as Measure U for several proposed general fund uses; and

WHEREAS, the passage of Measure U also created a citizen oversight committee heretofore commonly known as the Measure U Committee to advise the City Council on appropriate uses of the revenues garnered by Measure U; and

WHEREAS, the ballot language provided to voters identified several proposed general fund uses for the revenues to be gained upon passage; and

WHEREAS, the uses proposed in the ballot language include pothole and street repair, flammable brush removal, 911 emergency response, neighborhood police patrols, recreation programs, and general government; and

WHEREAS, the Measure U Committee has unanimously approved a set of guidelines to assist the City when budgeting the expenditure of Measure U funds which, with certain amendments recommended by the Acting City Attorney, have been considered by the City Council for consideration.

NOW, THEREFORE THE CITY COUNCIL OF THE CITY OF SOLVANG DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. The amended guidelines are approved by the City Council in the form attached to this Resolution as Exhibit A and incorporated by this reference, and shall be used to encourage appropriations consistent with the will of the voters

SECTION 2. That this Resolution is effective immediately upon adoption

SECTION 3. That the City Clerk shall certify to the passage and adoption of this Resolution and shall cause a certified copy to be filed in the book of original resolutions.

PASSED, APPROVED AND ADOPTED this 14th day of April, 2025.

David Brown, Mayor

APPROVED AS TO FORM:

ATTEST:

Craig Steele, Acting City Attorney

Annamarie Porter, City Clerk

STATE OF CALIFORNIA)
COUNTY OF SANTA BARBARA)ss
CITY OF SOLVANG)

I, Annamarie Porter, City Clerk of the City of Solvang, California do hereby certify that Resolution No. 25-1287 was passed and adopted by the City Council of the City of Solvang at a regular meeting of said City Council held on the 14th day of April, 2025, and thereafter signed and approved by the Mayor and attested by the City Clerk, and that said resolution was adopted by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Annamarie Porter, City Clerk

City of Solvang Measure U Citizens Oversight Committee
Questions and Proposed Answers to Establish Policy Guidance for
Independent Oversight and Accountability

1. Should the Committee annually gather information on City needs in the Named Categories and review City plans for expenditures to meet those needs?

Yes. In setting up independent oversight, the voters should expect verification that the City is attending to needs in the Named Categories in a timely way. The Committee's role is defined in Title 2, Chapter 6 of the Solvang Municipal Code.

2. Should the City generally prioritize measure expenditures on Named Categories?

Yes. Without limiting the discretion of the City Council to spend measure revenues in any way legally authorized, the Committee should encourage prioritization of spending to meet clear needs as they arise in each of the Named Categories, not simply as budgetary stopgaps. The Council's establishment of a track record of attention to these needs is essential to meet voter expectations.

3. Should measure revenue expended on Named Categories be spent primarily to cover costs in excess of spending in such categories at historical levels (as of election date)?

Yes. To the extent possible, the Committee believes the City's general fund should be used for the maintenance of effort in the Named Categories, and that the City Council should focus measure revenues on cost increases above the historical baseline, covering new programs, expanded scopes, inflation and other types of cost increases. Final budget decisions are at the discretion of the City Council.

4. Should measure revenues be spent primarily for services benefitting residents, as opposed to supporting tourism?

The Committee's sense is that Measure U generally was intended to prioritize spending for the benefit of residents, whereas Measure E was intended to offset the impacts of tourism.

5. Should the Committee's role be limited to clearly establishing categories for measure expenditures and leaving to staff the discretion to decide whether and to what extent a given expense is within the spirit and letter of voter intent?

No. The Committee believes:

- such an approach would undermine voter expectations for independent oversight and strict accountability;
 - any process inefficiencies can be minimized by early Committee involvement in City budget planning; and
 - Committee recommendations on appropriateness of expenditures should limit the need and expense for it to perform, as authorized by the Municipal Code, independent audits.
- Ultimately, the City Council is accountable for decisions regarding the appropriateness of measure funds expenditures.

6. Should measure revenue be spent primarily on services within Named Categories or should major capital expenses beyond repairs be actively considered?

Case by case. While the ballot materials focus on protecting and maintaining services in the Named Categories, the Committee understands that capital costs sometimes are needed to provide those services. The Committee cautions, however, that capital projects can be very expensive, often involve long term commitments and can handicap revenue availability to meet needed services in other Named Categories for multiple years. That consequential outcome should be considered by staff and the City Council in making any capital cost recommendations.

7. Should the Committee periodically review the extent to which the City followed the Committee's recommendations in the prior fiscal year?

Yes. the Committee should annually review the City's actual expenditures of measure revenues during the preceding fiscal year and render a report on its observations. The focus of the report should evolve over time, in cooperation with City staff, so the Committee serves the City in as valuable and efficient a role as possible. Possible inquiries could be:

- the extent to which the Council followed Committee recommendations;
- the extent to which the recommended expenditures were not in fact expended;
- confirmation that measure expenditures were made without administrative overhead;
- recommendations, if any, to the Council to revise these guidelines, based on actual experience; and
- whether, when and for what purposes an independent audit is indicated and requests for funding for same.

8. What role, if any, should the Committee play in making recommendations of specific amounts of monies that should be spent on planned measure expenditures?

Generally, the Committee feels staff should inform the Committee of amounts the City expects to spend for the work items it is presenting to the Committee. In taking action, however, the Committee need not recommend specific caps on work items but should focus instead on the extent to which the City's use of measure revenues is meeting priority needs in the Named Categories.

The Committee recognizes that budget planning does not always reflect secured contract bids or even precise cost estimates; even when it does, bid amounts can exceed estimates and change orders can occur. As a result, the Committee feels staff and the City Council need flexibility in managing ongoing and new work.

Nevertheless, the Committee's reports of its annual review of prior FY measure expenditures the Committee recommended and of any audits the Committee requests could comment retrospectively on any such noteworthy issues for Council and staff review.

City of Solvang Measure U Citizens Oversight Committee
Questions and Proposed Answers to Establish Policy Guidance for
Independent Oversight and Accountability

1. Should the Committee annually gather information on City needs in the Named Categories and review City plans for expenditures to meet those needs?

Yes. In setting up independent oversight, the voters should expect verification that the City is attending to needs in the Named Categories in a timely way. [The Committee's role is defined in Title 2, Chapter 6 of the Solvang Municipal Code.](#)

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Yes. To the extent possible, the [Committee believes the](#) City's general fund should be used for the maintenance of effort in the Named Categories, [and that the City Council should](#) focusing measure revenues on cost increases above the historical baseline, covering new programs, expanded scopes, inflation and other types of cost increases. [Final budget decisions are at the discretion of the City Council.](#)

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Case by case. While the ballot materials focus on protecting and maintaining services in the Named Categories, the Committee understands that capital costs sometimes are needed to provide those services. The Committee cautions, however, that capital projects can be very expensive, often involve long term commitments and can handicap revenue availability to meet needed services in other Named Categories for multiple years. That consequential outcome should be considered [by staff and the City Council](#) in making any capital cost recommendations.

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The Committee recognizes that budget planning does not always reflect secured contract bids or even precise cost estimates; even when it does, [bid amounts can exceed estimates and](#) change orders can occur. As a result, the Committee feels staff [and the City Council](#) needs flexibility in managing ongoing and new work.

Nevertheless, the [Committee's reports of its](#) annual review of prior FY measure expenditures the Committee recommend~~eds~~ and [of](#) any audits the Committee [requests](#) ~~deems appropriate~~ could comment retrospectively on any such noteworthy issues for Council and staff review.



CITY COUNCIL STAFF REPORT

AGENDA ITEM 8.c

Meeting Date: April 14, 2025

SUBJECT: Discussion and Possible Action to Adopt Resolution No. 25-1288 Granting Advisory Oversight of Measure E Revenue to the Measure U Citizens' Oversight Committee

PREPARED BY: Randy Murphy, City Manager

DISCUSSION:

As previously discussed at this and other Council meetings, Solvang voters approved Measure E in November 2024. Although the ballot language did not specifically call out for an oversight committee, since the ballot language for both Measure E and Measure U were almost identical, staff along with the Citizens' Measure U Oversight Committee sanctioned by the passage of Measure U felt that the responsibilities could be absorbed by that sitting committee. Consequently, this proposed action before you to sanction that oversight.

ALTERNATIVES:

To not approve the Resolution. This is not recommended, as this would potentially allow inconsistencies in the recommended use of Measure E funds.

FISCAL IMPACT:

n/a

ATTACHMENTS:

A. Resolution 25-1288

RESOLUTION NO. 25-1288

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SOLVANG,
CALIFORNIA GRANTING ADVISORY OVERSIGHT OF MEASURE E REVENUE TO THE
MEASURE U CITIZENS' OVERSIGHT COMMITTEE**

WHEREAS, in November 2022 the citizens of Solvang overwhelmingly approved a one-cent sales tax increase for several proposed general fund uses known as Measure U; and

WHEREAS, in November 2024 the citizens of Solvang also overwhelmingly approved a 2% transient occupancy tax (TOT) increase for several proposed general fund uses known as Measure E; and

WHEREAS, the passage of Measure U also created a citizen oversight committee heretofore commonly known as the Measure U Committee to advise the City Council on appropriate uses of the revenues garnered by Measure U; and

WHEREAS, the passage of Measure E did not create a citizen oversight committee to advise the City Council on uses consistent with the will of the voters who passed the measure; and

WHEREAS, the ballot language provided to voters that identified the proposed general fund uses for both Measure U and Measure E was largely the same; and

WHEREAS, in order to provide consistency regarding the will of the voters, the expenditures should have oversight from the same committee.

NOW, THEREFORE THE CITY COUNCIL OF THE CITY OF SOLVANG DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. The Measure U Citizens' Oversight Committee is granted the same advisory responsibilities for Measure E revenue as those granted to them regarding Measure U funds

SECTION 2. To the extent practicable, the City should follow the guidelines established for the expenditure of Measure U funds in planning, budgeting, and oversight of the use of revenues received from Measure E

SECTION 3. That this Resolution is effective immediately upon adoption

SECTION 4. That the City Clerk shall certify to the passage and adoption of this Resolution and shall cause a certified copy to be filed in the book of original resolutions.

PASSED, APPROVED AND ADOPTED this 14th day of April, 2025.

David Brown, Mayor

APPROVED AS TO FORM:

ATTEST:

Craig Steele, Acting City Attorney

Annamarie Porter, City Clerk

STATE OF CALIFORNIA)
COUNTY OF SANTA BARBARA)ss
CITY OF SOLVANG)

I, Annamarie Porter, City Clerk of the City of Solvang, California do hereby certify that Resolution No. 25-1288 was passed and adopted by the City Council of the City of Solvang at a regular meeting of said City Council held on the 14th day of April, 2025, and thereafter signed and approved by the Mayor and attested by the City Clerk, and that said resolution was adopted by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Annamarie Porter, City Clerk



CITY COUNCIL STAFF REPORT

AGENDA ITEM 8.d

Meeting Date: April 14, 2025

SUBJECT: Discussion and Possible Action to Adopt Resolution No. 25-1289 Renaming the Measure U Citizens' Oversight Committee to the Revenue Measure Oversight Committee

PREPARED BY: Randy Murphy, City Manager

DISCUSSION:

As previously discussed at this and other Council meetings, Solvang voters approved supplemental revenue measures in each of the last two general elections. In order to avoid confusion as to the responsibilities of the Measure U Citizens' Oversight Committee, staff requests that your Council approve a name change to the Revenue Measure Oversight Committee (RMOC). This new name would allow the City Council to assign oversight of any future revenue measures under the Committee's advisory capacity without necessitating another name change.

ALTERNATIVES:

To select another name.

FISCAL IMPACT:

n/a

ATTACHMENTS:

A. Resolution 25-1289

RESOLUTION NO. 25-1289

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SOLVANG,
CALIFORNIA RENAMING THE MEASURE U CITIZENS' OVERSIGHT COMMITTEE TO
THE REVENUE MEASURE OVERSIGHT COMMITTEE**

WHEREAS, the citizens of Solvang have approved revenue measures in the last two general elections; and

WHEREAS, the passage of Measure U in November 2022 also created a citizen oversight committee heretofore known as the Measure U Citizens' Oversight Committee to advise the City Council on appropriate uses of the revenues garnered by Measure U; and

WHEREAS, the passage of Measure E did not create a citizen oversight committee to advise the City Council on uses consistent with the will of the voters who passed the measure; and

WHEREAS, in order to provide consistency regarding the will of the voters, the expenditures should have oversight from the same committee; and

WHEREAS, continuing the use of the current naming convention may confuse residents.

NOW, THEREFORE THE CITY COUNCIL OF THE CITY OF SOLVANG DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. The Measure U Committee shall henceforth be known as the Revenue Measure Oversight Committee (RMOC) with advisory responsibilities over both Measure U and Measure E expenditures (along with potentially any future revenue measures).

SECTION 2. The members of the former Measure U Committee shall serve as members under the RMOC with their terms unchanged

SECTION 3. That City staff shall return to Council as soon as is practicable with a revision to Ordinance number 23-0364 with the updated committee name.

SECTION 4. That this Resolution is effective immediately upon adoption.

SECTION 5. That the City Clerk shall certify to the passage and adoption of this Resolution and shall cause a certified copy to be filed in the book of original resolutions.

PASSED, APPROVED AND ADOPTED this 14th day of April, 2025.

David Brown, Mayor

APPROVED AS TO FORM:

ATTEST:

Craig Steele, Acting City Attorney

Annamarie Porter, City Clerk

STATE OF CALIFORNIA)
COUNTY OF SANTA BARBARA)ss
CITY OF SOLVANG)

I, Annamarie Porter, City Clerk of the City of Solvang, California do hereby certify that Resolution No. 25-1289 was passed and adopted by the City Council of the City of Solvang at a regular meeting of said City Council held on the 14th day of April, 2025, and thereafter signed and approved by the Mayor and attested by the City Clerk, and that said resolution was adopted by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Annamarie Porter, City Clerk