



San Luis Obispo, California

2016-17 Mid-Year Budget Review

For the 2015-17 Financial Plan

2015-17 Financial Plan

MID-YEAR BUDGET REVIEW: 2016-17

February 2017

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CITY OF SAN LUIS OBISPO

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Section A

TRANSMITTAL MEMORANDUM

February 21, 2017

TO: Mayor and City Council

FROM: Katie Lichtig, City Manager
Xenia Bradford, Interim Finance Director
Courtney Steck, Budget Manager

SUBJECT: 2016-17 MID-YEAR BUDGET REVIEW

OVERVIEW

The City's *Budget and Fiscal Policies* call for a formal financial status report to the Council six months after the beginning of each fiscal year. The Mid-Year Budget Review meets this requirement and allows the Council to take a broader look at the City's financial picture at the mid-point of the fiscal year. This report provides:

1. An update to the beginning fund balance projections based on actual audited results from the prior fiscal year with uses to be considered during strategic budget direction.
2. An analysis of revenue trends since adoption of the Financial Plan, and revision of revenue and ending fund balance projections accordingly.
3. An update on the status of the Major City Goals, Other Important Objectives, Capital Improvement Plan projects, and other objectives.
4. Identification of any budget adjustments that require Council action, and recommendations for supplemental budget adjustments.

This mid-year budget update shows that the City remains financially sound; maintaining a positive fund balance in fiscal years 2015-16 and 2016-17. Sales tax projections for 2016-17 have been lowered by \$1.2 million due to two primary factors. Sales tax revenue growth is slower than originally anticipated six months ago. The analysis is based on statewide trends as well as San Luis Obispo receipts: both show a slower rate of growth. California Legislative Analyst office analysis predicts further slowing down of the economy with a mild recession in 2019-20. The second reason is a potential reporting issue identified by the City's contracted HdL companies, who review the City's tax receipts. Up to \$400,000 of sales tax revenue was likely incorrectly reported within the City's limits. These funds will be set-aside pending the Board of Equalization review. The projections into the future have also been lowered to account for this potential reporting error. Property tax estimates received from the County of San Luis Obispo, came-in higher by \$256,000. Other major General Fund revenues such as, Transient Occupancy Tax (TOT), Property Tax, Utility User's Tax, continue to increase, in alignment with previous budget estimates, although TOT growth over prior year actuals is lower than in previous years. Development Review fees have once again showed higher growth than originally budgeted and are estimated at \$247,000 higher than original budget. Overall, General Fund revenue sources are estimated to decrease by \$548,000. There are no significant expenditure variances that would impact fund balances projected as a result of expenditure trends through the end of December 2016.

The General Fund balance, including Local Revenue Measure sub-fund, at the end of fiscal year 2015-16 was approximately \$29.6 million, of which \$10.4 million was classified as unassigned per year-end Comprehensive Annual Report audited results. Of this amount, \$5.8 million was allocated in one-time funds with the 2016-17 Supplement. \$344,727 was encumbered within the Local Revenue Measure sub-fund and is reclassified as committed funds. Per the City's Long-Term Financial Planning policy and balanced budget, this available fund balance can only be used to fund "one-time," non-recurring expenditures. Based on latest revenue trends and expenditures, the estimated fund balance at the end of the current 2016-17 fiscal year above policy required reserve

of 20% of operating expenditures, is estimated at \$3.35 million and may be recommended to be allocated for one-time expenditures as part of the 2017-19 Financial Plan development.

The current 2015-17 Financial Plan budget prefunds portions of the City's long-term liabilities. As part of the December 13, 2016 Budget Foundation meeting, the Council adopted policy prioritizing the City's unassigned fund-balance due to one-time expenditure savings or one-time increase in revenue to pay down long-term unfunded liabilities and invest in infrastructure. This policy will be incorporated into the 2017-19 Financial Plan.

All Funds Reviewed

Revenue and expenditure trends for all funds have been reviewed and budget adjustments are proposed in this document, based on revised projections.

General Fund Summary of Significant Findings

After reviewing the City's audited financial results from 2015-16 and analyzing the current fiscal year-to-date revenue and expenditure trends, staff applied its best and most prudent professional judgment to confirm the revenue and expenditure projections for the rest of the fiscal year. The following points highlight the major changes that have been made to the original General Fund revenue and expenditure projections compared to the adopted 2016-17 budget:

1. **Revenue:** General Fund and Local Revenue Measure Fund revenues received through December 2016 were compared to receipts from 12 months ago and a forecast of future revenues for the rest of 2016-17 was developed to determine the annual revenues to be derived from each revenue source. 2016-17 revenues are forecasted to decrease by a total of \$548,000 from the original budget amount. This projected decline is due to the Sales Tax decrease partially offset by an increase in Property Tax and Development Review fees. The revised projections for major revenues shown in this document represent growth trends that are in line with the those provided by the City's Sales Tax advisor for sales tax assumptions, and other outside sources such as San Luis Obispo County for Property Tax receipts, current contract agreements related to fee reimbursements and current Local Revenue Measure trends.
2. **Expenditures:** The budget continues the assumption that there will be savings in expenditures equal to approximately \$1.4 million.
3. **Insurance Benefit Fund:** 2016-17 Supplemental Budget authorized an additional payment of \$750,000 for CalPERS unfunded liability and \$250,000 for OPEB unfunded liability. These funds were originally transferred to the Insurance Benefit Fund.
4. **Development Services:** By resolution on June 17, 2014 the City Council revised fiscal policies to provide for the City Manager to reallocate up to 75% of Development Services revenues to acquire temporary resources for the timely processing of development applications and other permit processing activities. The policy calls for reallocated revenues to be reported to the City Council on a semi-annual basis as part of the mid-year and annual budget presentations.

Development review activity remains high and is projected to continue increasing over the five-year forecast period. In 2015-16 Development Services revenues collected were \$1.7 million in excess of the budget; \$1.2 million (or 75%) of this excess has been allocated to Development Services operating expenditures. The remaining amount of over-realized revenues has been allocated to the Development Services program in order to accomplish the timely processing of development permit applications and perform other related permit processing activities. In 2016-17, Development Services revenues are projected to be \$247,000 in excess of the original budget forecast, of which \$185,000 (or 75%) is recommended to be either allocated or designated for Development Services expenditures once the revenue is actually realized at the end of 2016-17 fiscal year.

Development review fees paid at the time of an application represent a prepayment for work in conjunction with the development review process. Not all of these fees should be allocated for expenditures in the period they are received because some of the work can only occur when the project is under construction, which may be many months or years after an application is processed and payment is received.

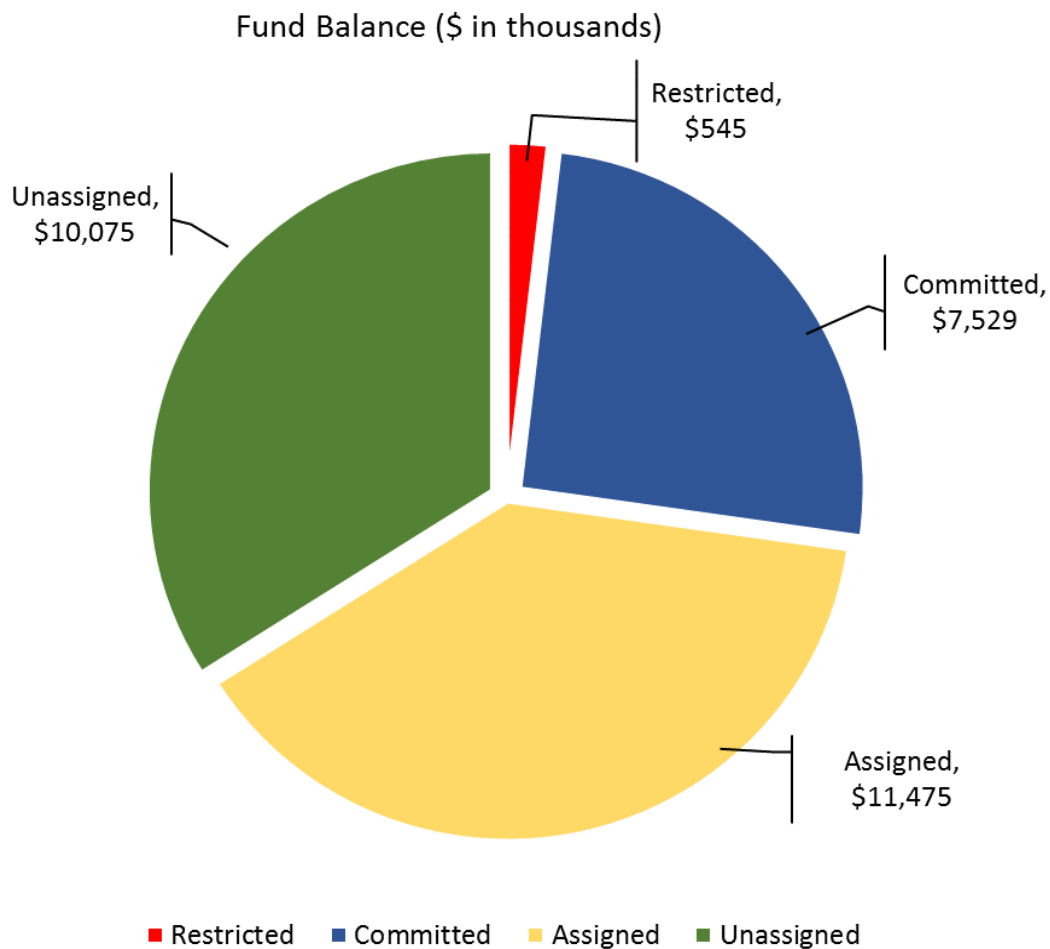
Development Services Revenues & Allocation				
<i>(\$ in thousands)</i>				
	2015-16	75%	2016-17	75%
Adopted Budget	<u>3,957</u>		<u>5,126</u>	
Mid-Year Revised Budget	<u>4,636</u>		<u>5,373</u>	
Variance	679	509	247	185
Year-End Actual	<u>5,624</u>			
Variance	<u>1,667</u>	1,250		
Development Services Expenditure Appropriations of 75% in Over-Realized Revenue				
2016-17				
	2016-17 Financial Plan Allocation		807	
	Year-End Manager Allocation		<u>69</u>	
Total Allocated			876	

FINANCIAL CONDITION SUMMARY

2015-16 General Fund Balance

Based on the 2015-16 financial results reported in the Comprehensive Annual Financial Report, the 2015-16 unrestricted fund balance above the 20% policy level is \$11.1 million.

This amount is a result of one-time expenditure savings and higher than budgeted revenue growth. Actual revenue received was \$2.8 million higher than final budget and expenditures were \$5.4 million lower than final budget.



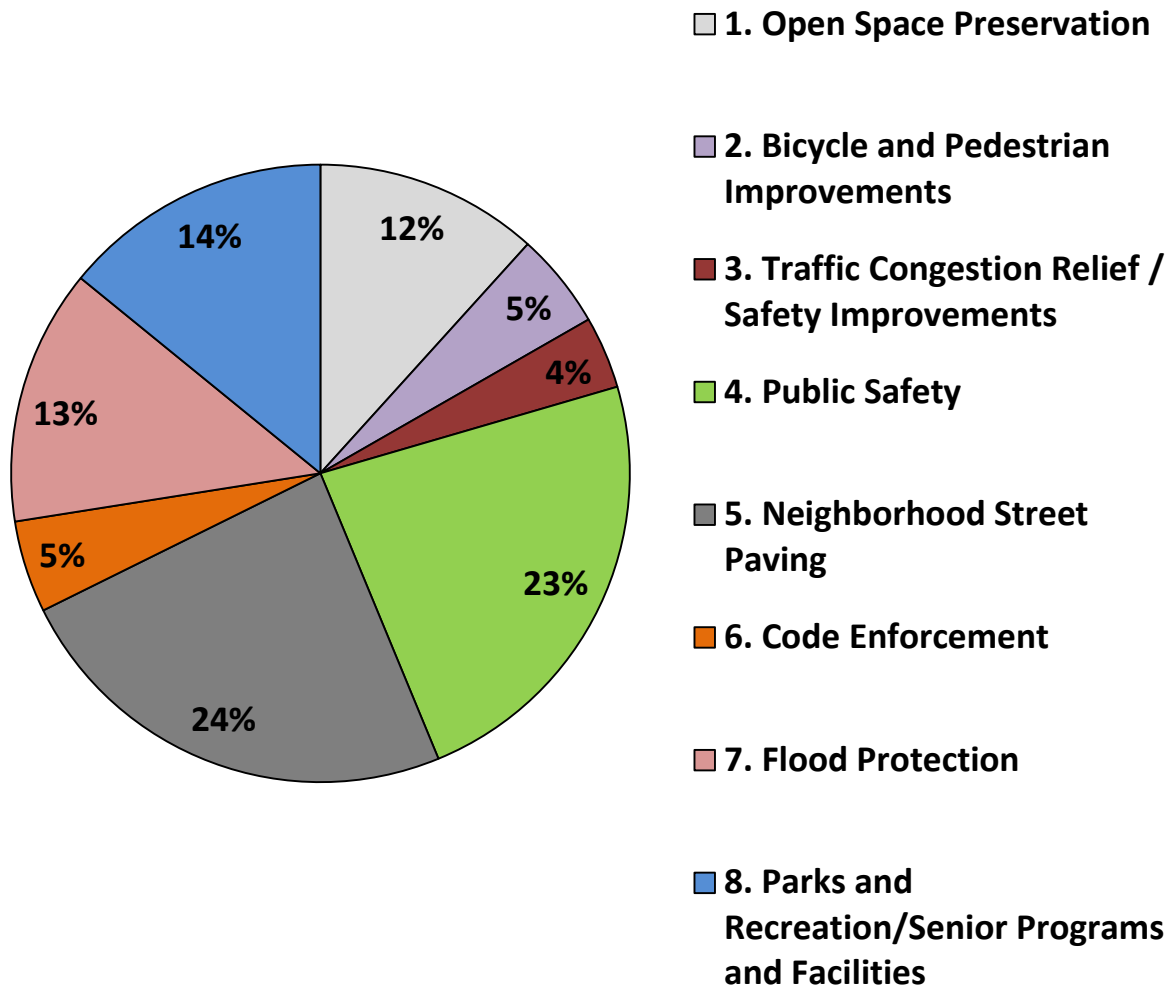
2015-16 Local Revenue Measure

In 2014, voters approved the extension of the one-half cent local sales tax, known as Measure G, which included a provision to create a Citizen’s Revenue Enhancement Oversight Commission (REOC) to make recommendations to the Council for local revenue measure uses. Staff will continue to seek recommendations from REOC for allocation of any excess local revenue measure funds and return to Council with final recommendations as part of the 2017-19 Financial Plan.

The REOC meets regularly to determine the level of support that will be given to the various programs. These support amounts are primarily based on the cost of certain positions within the program performing basic functions that are identified as being a Measure G priority in order to provide a reasonable and quantifiable sum. Fiscal year 2015-16 original expenditure budget for Local Revenue Measure was approximately \$9.3 million. By the end of 2015-16, revenues totaled \$7.2 million, expenditures totaled \$4.9 million, carryover funds to 2016-17 totaled approximately \$4 million, leaving the Local Revenue Measure fund with an approximate unreserved fund balance of \$770,000. The 2016-17 Supplemental Budget drew on the \$474,000 fund balance of the Local Revenue Measure sub-fund. In addition, 2016-17 revenue is forecasted at \$545,000 lower than original budget, thus leaving the Local Revenue Measure sub-fund with a negative \$321,000 variance. The Local Revenue Measure is a sub-fund of the General Fund, which means that the General Fund balance will contribute to expenditures originally planned to be funded with Local Revenue Measure resources.

The following demonstrates the distribution of the Local Measure expenditures by program.

FY 2015-16 Local Revenue Measure Uses (\$4.9M)



General Fund Revenues

Included in Section B of this report is a summary of revenues by fund and major sources that provides actual results for 2015-16, and original budgeted amounts for 2016-17 along with revised projections and respective variances for each source. Based on this Mid-Year Review, the following are anticipated changes over previously projected figures in the 2016-17 Supplement to the 2015-17 Financial Plan:

1. **General Sales Tax.** Based on the latest forecast provided by HdL, the City's sales tax advisor, general sales tax receipts will reflect a decrease of \$713,000 compared to the original budget.
2. **Local Sales Tax.** Using the HdL forecast for Local Sales Tax revenue (Measure Y/G), mid-year revisions reflected a decrease of approximately \$495,000 to anticipated receipts of Local Sales Tax revenue compared to original budget.
3. **Property Tax.** Based on revised estimates from the County, the General Fund's Property Tax revenues were adjusted to reflect an increase of \$256,000.
4. **Transient Occupancy Tax.** Even though Transient Occupancy Tax receipts compared to previous year actuals increased only by a little over 1% through November, 2016 comparison; the revenue is in line with original budget.
5. **Development Review Fees.** Revenues collected through December 2016 are well ahead of expectations. The mid-year revised projection reflects adjustments to account for the fees already received and those anticipated to be received during the current year from proposed development activity. Based on the amounts received and staff's estimate for the rest of the year, development fee revenue is forecast to be \$247,000 more than the original budget forecast. Per Council adopted policy, 75% of this revenue may be allocated or designated by the City Manager for Development Review expenditures due to increased workload.

2016-17 General Fund Operating Program Expenditures

Section B includes an overview of changes to the operating program budgets. Organized by fund, these schedules include the original budget, re-appropriations for encumbrances and carryovers, and budget changes to-date since approval of the 2015-17 Financial Plan Supplement. Below is a description of items affecting General Fund.

General Fund - The revised budget shows a \$3.5 million increase in the General Fund operations. Of this amount:

- \$2.7 million represents Year 2 Financial Plan Carryover from 2015-16; and
- \$850,855 pertains to encumbrance roll-over for prior year commitments.

Local Revenue Measure Sub-Fund - The revised budget shows a \$4 million increase in the Local Revenue Measure Sub-Fund expenditure budget operations. Of this amount:

- \$3.6 million pertains to Capital Improvement Plan project carry forward; and
- \$344,727 was encumbrance roll-over for prior year commitments.

A detailed listing of expenditure budget adjustments is provided in Section B of this Mid-Year Report (Summary of Expenditure Budget Adjustments).

Other Funds Significant Changes

1. **Law Enforcement Grant Fund** – In October 2016, an Office of Traffic Safety (OTS) Grant expired, which resulted in a reduction of \$272,000 in Operating budget. The City has reapplied for OTS grant funds.

2. **Fleet Replacement Fund** – Increased revenue and expenditure budget of \$7,500 for Green Fleet (Rebate).
3. **Transportation Impact Fee Fund** - Increased revenue and expenditure budget of \$1,095 for a PG&E Change Order.
4. **Open Space Fund** – A revenue and expenditure budget increase of \$6,900 was made for funds related to an Easement Agreement for Rachel Ct Terrace Hill Trail.
5. **Affordable Housing Fund** – On October 18, 2016, Council approved up to \$300,000 from the Affordable Housing Fund to purchase, and resell, an affordable housing unit located at 867 Humbert.
6. **Sewer Fund** – On October 4, 2016, Council approved a transfer of \$756,870 from the Sewer Fund working capital to the project account for the Jennifer Street Sewer Line Replacement. On August 6, 2016, Council also approved \$152,000 for the construction phase of the Margarita Lift Station Replacement project. Also, \$38,500 in funds were authorized for Legal Services related to California River Watch litigation.
7. **Parking Fund.** During 2016-17 Supplemental Budget Adoption, Council authorized an additional \$100,000 for Parking Supply and Demand Modeling.
8. **Parkland Development Fund.** During 2016-17 Supplemental Budget Adoption, Council allocated \$900,000 to be transferred to Parkland Development fund. This action has no impact on the 2016-17 analysis because it was included in the current year’s budget.

Capital Improvement Program Expenditures

The Capital Improvement Program (CIP) budget reflects an increase of \$43.5 million across all funds. The majority of this amount represents carryover of encumbrances and unexpended balances from 2015-16. Changes are displayed in Section B, summary of Expense Budget Changes.

Projected Fund Balances/Working Capital

Based on the revised estimates for revenue projections and expenditures, this part of Section B includes a summary of projected changes in financial position for each of the City's funds. The changes in financial position schedules include the actual fund balances/working capital along with the original budget and revised budget projections for 2016-17, and reflect budget changes that have already been approved since the beginning of the fiscal year. The costs and estimated revenues (if any apply) that are associated with the following Mid-Year supplemental funding requests are also reflected in the ending fund balance.

Summaries of Revenue & Expenditure Budget Adjustments

This part of Section B reflects the budget changes that have taken place to carryover prior year encumbrances, carryover unspent capital project balances and other routine budget changes that do not have significant policy impacts and will not affect budgeted fund balances or working capital that have occurred since the approval of the 2015-17 Financial Plan Supplement in June 2016.

Inter-Fund Transactions

This portion of Section B reflects actual inter-fund transfers for 2015-16 along with the original budget and revisions for 2016-17.

CONCLUSION

This Mid-Year review shows that the City continued to experience slow economic growth for the past six months. Sales tax revenue which is the most volatile source of revenue for the General Fund because it closely correlated with economic fluctuations and which amounts to 37% of total General Fund revenues, showed a slowing down in growth. Due to prudent expenditure management and more favorable than expected revenue trends in 2015-16, the City has one-time funds in the amount of \$4.25 million; however, further draw on this fund balance is projected within this fiscal year due to decline in revenue. Unassigned fund balance for General fund including Local Revenue Measure sub-fund is projected at \$3.35 million at the end of fiscal year 2016-17. There are no Local Revenue Measure funds not previously allocated available to be considered for allocation. Staff intends to return to Council with the 2017-19 Financial Plan Budget in June 2017 to make recommendations for the use of these one-time funds.

The Budget Review Team and Department Heads will be prepared to respond to any questions the Council may have regarding this report at the February 21, 2017 meeting. If you have any questions in the interim, or require additional information, please do not hesitate to the Interim Finance Director, Xenia Bradford, at 805-781-7132.

Section B

FINANCIAL CONDITION SUMMARIES

SUMMARY BY FUND

	Actual 2015-16	Original Budget	Revised Projection	Variance	% Change
GOVERNMENTAL FUNDS					
General Fund	60,863,001	58,941,339	58,827,948	(113,391)	0%
Local Revenue Measure Fund	7,178,160	7,936,000	7,391,000	(545,000)	-7%
Special Revenue Funds	3,322,827	3,383,057	3,400,846	17,789	1%
Capital Project Funds	11,220,127	11,168,700	14,847,711	3,679,011	33%
Total Governmental Funds	82,584,115	81,429,096	84,467,505	3,038,409	4%
ENTERPRISE FUNDS & AGENCY FUNDS					
Water Fund	20,430,353	19,337,708	19,337,708		
Sewer Fund	16,644,012	15,868,500	15,868,500		
Parking Fund	7,580,158	4,433,800	4,433,800		
Transit Fund	3,559,492	3,747,051	3,747,051		
Boysen Ranch Conservation Fund		1,800	1,800		
Whale Rock Reservoir Fund	1,438,507	1,512,705	1,512,705		
Total Enterprise Funds	49,652,521	44,901,564	44,901,564		
TOTAL	\$132,236,636	\$126,330,660	\$129,369,069	3,038,409	2%

BUDGET SUMMARY

	Actual 2015-16	Original Budget	Revised Projection	Variance	% Change
GENERAL FUND					
Tax & Franchise Revenues					
Sales & use tax					
General	17,498,218	17,297,334	16,584,000	(713,334)	-4%
Public safety (Proposition 172)	405,066	428,443	428,443		
Property tax	10,186,858	10,510,790	10,767,000	256,210	2%
Property tax in lieu of VLF	4,113,244	4,365,153	4,365,153		
Transient occupancy tax	7,113,466	7,186,067	7,186,067		
Utility users tax	5,413,720	5,562,000	5,505,703	(56,297)	-1%
Franchise fees	1,537,922	1,557,383	1,540,364	(17,019)	-1%
Business tax certificates	2,491,516	2,395,090	2,500,000	104,910	4%
Real property transfer tax	366,088	301,000	373,000	72,000	24%
Total Tax & Franchise Revenues	49,126,097	49,603,260	49,249,730	(353,530)	-1%
Fines & Forfeitures					
Vehicle code fines	154,844	120,000	120,000		
Other fines & forfeitures	17,509	36,000	36,000		
Total Fines & Forfeitures	172,353	156,000	156,000		
Investment and Property Revenues					
Investment earnings	373,460	120,300	120,300		
Rents & concessions	189,196	161,400	161,400		
Total Investment & Property	562,656	281,700	281,700		
Subventions & Grants					
Motor vehicle in-lieu	18,480				
Homeowners & other in-lieu taxes	75,043	74,000	74,000		
Other in-lieu taxes	18,695	22,000	15,000	(7,000)	-32%
SB 90 reimbursements	108,718				
Police training (POST)	15,667	40,000	40,000		
Mutual aid reimbursements	949,584				
COPS grant AB3229	143,942	100,000	100,000		
Zone 9 reimbursements	79,094	85,000	85,000		
Other state & federal grants	129,645	2,000	2,000		
Total Subventions & Grants	1,538,869	323,000	316,000	(7,000)	-2%
Service Charges					
Police Services					
Accident reports	2,647	3,000	3,000		
Collision investigation	9,869	10,000	10,000		
Alarm permits and false alarm fees	122,175	80,000	80,000		
DUI cost recovery	40,535	20,000	20,000		
Tow release fee	12,069	12,000	12,000		
Booking fee recovery					
Tobacco permit fees	20,503	20,000	20,000		
Administrative citations	155,657	115,000	115,000		

BUDGET SUMMARY

	Actual 2015-16	Original Budget	Revised Projection	Variance	% Change
GENERAL FUND					
Parking citations	76,549	80,000	80,000		
Other police services	194,457	110,300	110,300		
Total Police Services	634,461	450,300	450,300		
Fire Services					
Cal Poly fire services	273,391	276,125	276,125		
Medical emergency recovery	174,620	173,000	173,000		
Fire safety/haz mat permits	135,909	130,000	130,000		
Multi-dwelling unit inspections	195,378	194,000	194,000		
CUPA fees	100,567	97,000	97,000		
Other fire services	24,627	8,000	8,000		
Total Fire Services	904,491	878,125	878,125		
Development Review					
Planning & zoning fees	731,828	490,913	838,223	347,310	71%
Building Permits	1,585,825	1,714,988	1,972,988	258,000	15%
Construction plan check & inspection	788,496	664,620	534,422	(130,198)	-20%
Infrastructure plan check & inspections	845,203	525,050	474,000	(51,050)	-10%
Encroachment permits	165,902	140,626	126,953	(13,673)	-10%
Fire plan check & inspections	396,607	350,000	423,500	73,500	21%
Credit Card Fees	(67,692)	(97,464)	(24,374)	73,090	-75%
Other Development Fees	936,079	891,990	881,000	(10,990)	-1%
Rental Inspection Fees	242,046	445,000	146,150		
Total Development Review	5,624,294	5,125,723	5,372,862	247,139	5%
Parks & Recreation					
Adult athletic fees	113,861	122,400	122,400		
Youth athletic fees	25,000	33,700	33,700		
Skate park fees		2,000	2,000		
Instruction fees	93,780	91,000	91,000		
Special event fees	88,456	92,700	92,700		
Rental & use fees	181,572	161,500	161,500		
Children services	772,553	600,000	600,000		
Teens & seniors	11,216	1,500	1,500		
Aquatics	200,236	246,700	246,700		
Golf	263,870	291,700	291,700		
Other recreation revenues	8,797	3,000	3,000		
Total Parks & Recreation	1,759,342	1,646,200	1,646,200		
General Government					
Business license	379,571	389,531	389,531		
Sales of publications	2,333	2,500	2,500		
Other service charges	32,252	30,000	30,000		
Total General Government	414,156	422,031	422,031		
Total Service Charges	9,336,744	8,522,379	8,769,518	247,139	3%
Other Revenues					
Insurance refunds	17,295	20,000	20,000		
Other revenues	108,987	35,000	35,000		
Total Other Revenues	126,282	55,000	55,000		
Total General Fund	\$60,863,001	\$58,941,339	\$58,827,948	(\$113,391)	0%

BUDGET SUMMARY

	Actual 2015-16	Original Budget	Revised Projection	Variance	% Change
LOCAL REVENUE MEASURE FUND					
Measure G	7,178,160	7,886,000	7,391,000	(495,000)	-6%
Investment & Property Revenues	9,043	50,000		(50,000)	-100%
Total Local Revenue Measure Fund	7,187,203	7,936,000	7,391,000	(545,000)	-7%
SPECIAL REVENUE FUNDS					
Downtown Business Improvement District Fund					
Investment & Property Revenues					
Service Charges	222,111	214,000	214,000		
Other Revenues					
Total Downtown BID Fund	222,111	214,000	214,000		
Tourism Business Improvement District Fund					
Investment & Property Revenues	1,723	1,100	1,100		
Other Revenues					
Service Charges	1,429,190	1,433,975	1,433,975		
Total Tourism BID Fund	1,430,913	1,435,075	1,435,075		
Community Development Block Grant Fund					
Investment & Property Revenues					
Subventions & Grants	304,004	364,964	597,863	232,899	64%
Other Revenues					
	304,004	364,964	597,863	232,899	1
Gas Tax Fund					
Subventions & Grants	1,033,757	965,000	965,000		
Transportation Development Act Fund					
Subventions & Grants	40,531	41,100	41,100		
Law Enforcement Grant Fund					
Investment & Property Revenues	12				
Subventions & Grants	206,831	320,818	105,708	(215,110)	-67%
Service Charges	1,782				
Total Law Enforcement Grant Fund	208,625	320,818	105,708	(215,110)	
Public Art Contributions Fund					
Investment & Property Revenues	2,892	2,100	2,100		
Service Charges		40,000	40,000		
Other Revenues	79,994				
Total Public Art Contributions Fund	82,886	42,100	42,100		
Total Special Revenue Funds	\$3,322,827	\$3,383,057	\$3,400,846	17,789	1%

BUDGET SUMMARY

	Actual 2015-16	Original Budget	Revised Projection	Variance	% Change
CAPITAL PROJECT FUNDS					
General Purpose CIP					
Subventions & Grants					
<i>State of California</i>					
SHA/USHA					
Safe routes to school grant					
SLTPP/STP grant					
STP/SHA - RRTC	8,381,533	9,060,000	12,124,611	3,064,611	
Other state grants					
<i>Federal Government</i>					
Highway & bridge rehabilitation & replacement (HBRR)					
	44,292				
Transportation enhancement (TEA)					
Other federal grants					
	59,408				
Service Charges					
Zone 9 reimbursements					
	88,894				
Other Revenues					
Contributions					
Other Revenue					
	2,506				
Total General Purpose CIP	8,576,634	9,060,000	12,124,611	3,064,611	34%
Parkland Development Fund					
Investment & Property Revenues	5,756	3,000	3,000		
Subventions & Grants					
Service Charges					
Park in-lieu fees					
	174,799				
Dwelling unit charge					
	7,950				
Other Revenues					
	34,320				
Total Parkland Development Fund	222,825	3,000	3,000		
Transportation Impact Fee Fund					
Investment & Property Revenues	107,807	1,000	1,000		
Subventions & Grants					
Service Charges					
Impact Fees					
	1,356,158	75,000	75,000		
Other Revenues					
Total Transportation Impact Fee Fund	1,463,965	76,000	76,000		
Fleet Replacement Fund					
Investment & Property Revenues	13,625	6,000	6,000		
Other Revenues					
Sale of surplus property					
	69,220	10,000	10,000		
Green Vehicle Rebates					
			7,500		
Total Fleet Replacement Fund	82,845	16,000	23,500	7,500	47%

BUDGET SUMMARY

	Actual 2015-16	Original Budget	Revised Projection	Variance	% Change
CAPITAL PROJECT FUNDS					
Open Space Protection Fund					
Investment & Property Revenues	4,101				
Subventions & Grants		2,000,000	2,600,000	600,000	
Service Charges	47,369		6,900	6,900	
Total Open Space Protection Fund	51,470	2,000,000	2,606,900	606,900	
Airport Area Impact Fee Fund					
Investment & Property Revenues	8,248	1,000	1,000		
Service Charges	134,210				
Total Airport Area Impact Fee Fund	142,458	1,000	1,000		
Affordable Housing Fund					
Investment & Property Revenues	34,415	8,000	8,000		
Subventions & Grants					
Service Charges	625,506				
Total Affordable Housing Fund	659,921	8,000	8,000		
Los Osos Valley Road Sub-Area Fee Fund					
Investment & Property Revenues	2,586	1,700	1,700		
Service Charges	14,661				
Total LOVR Sub-Area Fee Fund	17,246	1,700	1,700		
Information Technology Replacement Fund					
Investment & Property Revenues	2,765	1,500	1,500		
Subventions & Grants	73,861				
Service Charges					
Total IT Replacement Fund	2,765	1,500	1,500		
Major Facility Replacement Fund					
Investment & Property Revenues	606	500	500		
Service Charges	22,000				
Total IT Replacement Fund	22,606	500	500		
Infrastructure Investment Fund					
Investment & Property Revenues	1,660	1,000	1,000		
Total IT Replacement Fund	1,660	1,000	1,000		
Total Capital Project Funds	\$11,220,127	\$11,168,700	\$14,847,711	3,679,011	33%
TOTAL-GOVERNMENTAL FUNDS	\$82,593,157	\$81,429,096	\$84,467,505	3,038,409	4%

BUDGET SUMMARY

	Actual 2015-16	Original Budget	Revised Projection	Variance	% Change
ENTERPRISE & AGENCY FUNDS					
Water Fund					
Investment & Property Revenues	322,538	50,000	50,000		
Impact Fees	1,542,268	800,000	800,000		
Service Charges	18,302,445	18,437,708	18,437,708		
Other Revenues	263,101	50,000	50,000		
Total Water Fund	20,430,353	19,337,708	19,337,708		
Sewer Fund					
Investment & Property Revenues	388,885	50,000	50,000		
Impact Fees	502,393	250,000	250,000		
Service Charges	15,689,263	15,531,000	15,531,000		
Other Revenues	63,471	37,500	37,500		
Total Sewer Fund	16,644,012	15,868,500	15,868,500		
Parking Fund					
Fines & Forfeitures	579,823	669,900	669,900		
Investment & Property Revenues	333,687	48,200	48,200		
Service Charges	6,263,285	3,215,100	3,215,100		
Lease Revenue	403,630	500,500	500,500		
Other Revenues	(266)	100	100		
Total Parking Fund	7,580,158	4,433,800	4,433,800		
Transit Fund					
Investment & Property Revenues	11,355	5,800	5,800		
Subventions & Grants	2,888,820	3,046,270	3,046,270		
Service Charges	659,292	690,381	690,381		
Other Revenues	25	4,600	4,600		
Total Transit Fund	3,559,492	3,747,051	3,747,051		
Boysen Ranch Conservation Fund					
Investment & Property Revenues	2,981	1,800	1,800		
Subventions & Grants					
Service Charges					
Total Boysen Ranch Fund	2,981	1,800	1,800		
Whale Rock Commission					
Investment & Property Revenues	23,698	1,000	1,000		
Service Charges	1,414,066	1,510,205	1,510,205		
Other Revenues	743	1,500	1,500		
Total Whale Rock Commission Fund	1,438,507	1,512,705	1,512,705		
Total Enterprise & Agency Funds	\$49,655,503	\$44,901,564	\$44,899,764	(\$1,800)	0%
TOTAL - ALL FUNDS	\$132,248,660	\$126,330,660	\$129,367,269	\$3,036,609	2%

CHANGES IN FINANCIAL POSITION

ALL FUNDS COMBINED

	2016-17				
	Actual 2015-16	Original Budget	Revised Budget	Variance	% change
Revenues					
Tax Revenues	49,140,388	57,489,259	56,640,730	(848,529)	-1%
Fines and Forfeitures	752,176	825,900	825,900	-	
Investment and Property Revenues	1,640,080	515,400	464,400	(51,000)	-10%
Subventions and Grants	14,660,801	16,121,152	19,796,552	3,675,400	23%
Service Charges					
Governmental Funds	13,358,191	10,285,354	10,539,393	254,039	2%
Enterprise Funds	41,338,105	39,424,789	39,424,789	-	
Trust and Agency Revenues	1,438,507	1,512,705	1,512,705	-	
Other Revenues	673,898	158,600	158,600	-	
Total Revenues	123,002,146	126,333,159	129,363,069	3,029,910	2%
Expenditures					
Operating Programs					
Public Safety	25,718,455	26,589,473	26,902,897	313,424	1%
Public Utilities	19,767,227	23,590,549	24,543,754	953,205	4%
Transportation	7,972,922	9,330,808	9,883,796	552,988	6%
Leisure, Cultural & Social Services	7,428,198	7,912,032	8,619,751	707,719	9%
Community Development	9,957,712	11,424,283	11,958,749	534,466	5%
General Government	17,209,243	19,627,724	20,435,677	807,953	4%
Total Operating Programs	88,053,756	98,474,869	102,344,624	3,869,755	4%
Capital Improvement Plan Projects	27,023,834	29,944,336	72,506,913	42,562,577	142%
Debt Service	7,615,865	7,844,645	7,844,645	-	
Total Expenditures	122,693,456	136,263,850	182,696,182	46,432,332	34%
Other Sources (Uses)					
Adjustment to Working Capital	-	-	-	-	
Operating Transfers In	10,123,214	11,099,475	11,099,475	-	
Operating Transfers Out	(8,514,070)	(11,098,475)	(11,998,475)	(900,000)	8%
Proceeds from Debt Financings	-	1,166,600	1,166,600	-	
Projected MOA Adjustments	-	(15,398)	-	15,398	-100%
Other Sources (Uses)	-	-	-	-	
Expenditure Savings	-	1,428,944	1,428,944	(0)	0%
Total Other Sources (Uses)	1,609,144	2,581,146	1,696,544	(884,602)	-34%
Revenues and Other Sources Over (Under)					
Expenditures and Other Uses	1,917,834	(7,349,545)	(51,636,568)	(44,287,024)	603%
Fund Balance/Working Capital,					
Beginning of Year	108,855,305	69,605,170	115,471,572	45,866,402	66%
Fund Balance/Working Capital,					
End of Year					
Prior Year Restatement	(709,020)	-	-	-	
Reserved for Debt Service	2,043,222	2,043,222	2,043,222	-	
Unreserved	108,020,897	60,212,403	61,791,781	1,579,378	3%
Total Fund Balance/Working Capital	110,773,139	62,255,625	63,835,003	1,579,378	3%

CHANGES IN FINANCIAL POSITION

ALL GOVERNMENTAL FUNDS COMBINED

	2016-17				
	Actual 2015-16	Original Budget	Revised Budget	Variance	% change
Revenues					
Tax Revenues	49,140,388	57,489,259	56,640,730	(848,529)	-1%
Fines and Forfeitures	172,353	156,000	156,000	-	
Investment and Property Revenues	758,880	358,600	308,600	(50,000)	-14%
From Other Governments	11,771,981	13,074,882	16,750,282	3,675,400	28%
Service Charges	13,358,191	10,285,354	10,539,393	254,039	2%
Other Revenues	335,059	65,000	65,000	-	
Total Revenues	75,536,851	81,429,095	84,460,005	3,030,910	4%
Expenditures					
Operating Programs				-	
Public Safety	25,718,455	26,589,473	26,902,897	313,424	1%
Transportation	3,317,177	3,694,341	4,050,322	355,981	10%
Leisure, Cultural & Social Services	7,428,198	7,912,032	8,619,751	707,719	9%
Community Development	9,957,712	11,424,283	11,958,749	534,466	5%
General Government	17,209,243	18,617,224	20,425,177	1,807,953	10%
Total Operating Programs	63,630,785	68,237,353	71,956,896	3,719,543	5%
Reimbursed Expenditures	(4,008,992)	(4,164,747)	(4,164,747)	-	
Total Operating Expenditures	59,621,793	64,072,606	67,792,149	3,719,543	6%
Capital Improvement Plan Projects	19,102,153	22,568,512	40,473,434	17,904,922	79%
Debt Service	3,060,964	3,245,866	3,245,866	-	
Total Expenditures	81,784,910	89,886,984	111,511,449	21,624,465	24%
Other Sources (Uses)					
Operating Transfers In	9,950,118	11,099,475	11,099,475	-	
Operating Transfers Out	(8,514,070)	(10,046,912)	(10,946,912)	(900,000)	9%
Proceeds from Debt Financings	-	1,166,600	1,166,600	-	
Projected MOA Adjustments	-	-	-	-	
Expenditure Savings	-	1,428,944	1,428,944	(0)	0%
Total Other Sources (Uses)	1,436,048	3,648,107	2,748,107	(900,000)	-25%
Revenues and Other Sources Over (Under)	-	-	-	-	
Expenditures and Other Uses	(4,812,011)	(4,809,782)	(24,303,337)	(19,493,555)	405%
Fund Balance, Beginning of Year	48,154,267	27,014,391	50,922,843	23,908,452	89%
Prior Year Restatement	(709,020)	-	-	-	
Fund Balance, End of Year	47,445,247	27,014,391	50,922,843	23,908,452	89%
Reserved for Debt Service	2,043,222	2,043,222	2,043,222	-	
Unreserved	40,590,014	20,161,387	24,576,284	4,414,897	
Total Fund Balance	42,633,236	22,204,609	26,619,506	4,414,897	20%

CHANGES IN FINANCIAL POSITION

ALL ENTERPRISE AND AGENCY FUNDS COMBINED

	2016-17				
	Actual 2015-16	Original Budget	Revised Budget	Variance	% change
Revenues					
Fines and Forfeitures	579,823	669,900	669,900	-	
Investment and Property Revenues	881,200	156,800	155,800	(1,000)	-1%
From Other Governments	2,888,820	3,046,270	3,046,270	-	
Service Charges	41,338,105	39,424,789	39,424,789	-	
Other Revenues	338,840	93,600	93,600	-	
Trust and Agency Revenues	1,438,507	1,512,705	1,512,705	-	
Total Revenues	47,465,294	44,904,064	44,903,064	(1,000)	0%
Expenditures					
Operating Programs				-	
Public Utilities	19,767,227	23,590,549	24,543,754	953,205	4%
Transportation	4,655,745	5,636,467	5,833,474	197,007	3%
Leisure, Cultural & Social Services	-	-	-	-	
General Government	4,008,992	5,175,247	4,175,247	-	
Total Operating Programs	28,431,964	34,402,263	34,552,475	150,212	0%
Capital Improvement Plan Projects	7,921,680	7,375,824	32,033,478	24,657,654	334%
Debt Service	4,554,901	4,598,779	4,598,779	-	
Total Expenditures	40,908,545	46,376,866	71,184,732	24,807,866	53%
Other Sources (Uses)					
Adjustment to Working Capital	-	-	-	-	
Operating Transfers In	173,096	-	-	-	
Proceeds from Debt Financings	-	-	-	-	
Operating Transfers Out	(1,436,048)	(1,051,563)	(1,051,563)	-	
Projected MOA Adjustments	-	(15,398)	-	-	
Other Sources (Uses)	-	-	-	-	
Total Other Sources (Uses)	(1,262,952)	(1,066,961)	(1,051,563)	15,398	
Revenues and Other Sources Over (Under)					
Expenditures and Other Uses	5,293,797	(2,539,763)	(27,333,231)	(24,793,468)	976%
Working Capital, Beginning of Year	61,410,058	42,590,779	64,548,728	21,957,949	52%
Working Capital, End of Year	66,703,855	40,051,016	37,215,497	(2,835,519)	-7%

CHANGES IN FINANCIAL POSITION

GENERAL FUND

	2016-17				
	Actual 2015-16	Original Budget	Revised Budget	Variance	% change
Revenues					
Tax Revenues	49,140,388	49,603,259	49,249,730	(353,529)	-1%
Fines and Forfeitures	172,353	156,000	156,000	-	
Investment and Property Revenues	562,656	281,700	281,700	-	
Subventions and Grants	1,538,869	323,000	316,000	(7,000)	-2%
Service Charges	9,322,456	8,522,379	8,769,518	247,139	3%
Other Revenues	149,220	55,000	55,000	-	
Total Revenues	60,885,943	58,941,338	58,827,948	(113,390)	0%
Expenditures					
Operating Programs					
Public Safety	24,870,762	25,457,225	25,985,759	528,534	2%
Transportation	2,462,851	2,378,572	2,734,553	355,981	15%
Leisure, Cultural & Social Services	7,233,480	7,703,845	8,137,529	433,684	6%
Community Development	7,741,381	9,384,956	9,826,194	441,238	5%
General Government	15,080,806	18,617,224	20,425,177	1,807,953	10%
Total Program Expenditures	57,389,279	63,541,822	67,109,211	3,567,389	6%
Reimbursed Expenditures	(4,008,992)	(4,164,747)	(4,164,747)	-	
Total Expenditures	53,380,287	59,377,075	62,944,464	3,567,389	6%
Other Sources (Uses)					
Operating Transfers In	2,920,748	2,353,342	2,353,342	-	
Proceeds from Debt Issuance				-	
Operating Transfers Out	(6,975,470)	(8,705,233)	(9,605,233)	(900,000)	10%
Expenditure Savings		1,428,944	1,428,944	-	
Other Sources		-	-	-	
Total Other Sources (Uses)	(4,054,722)	(4,922,947)	(5,822,947)	(900,000)	18%
Revenues and Other Sources Over (Under)					
Expenditures and Other Uses	3,450,933	(5,358,684)	(9,939,463)	(4,580,779)	85%
Transfer to Local Revenue Measure Fund					
Fund Balance, Beginning of Year	22,140,527	17,481,628	24,882,440	7,400,812	42%
Prior Year Restatement	(709,020)			-	
Fund Balance, End of Year sub-total	24,882,440	12,122,944	14,942,977	2,820,033	23%
Fund Balance Components:					
Designated Reserves	(4,112,465)	(1,153,126)	(489,000)	664,126	-58%
Policy Reserve Level @ 20%:	(11,475,178)	(10,851,000)	(10,851,000)	-	
Amount Over (Under) Policy Reserve:	9,294,797	118,818	3,602,977	3,484,159	2932%

CHANGES IN FINANCIAL POSITION

LOCAL REVENUE MEASURE SUB-FUND

	2016-17				
	Actual 2015-16	Original Budget	Revised Budget	Variance	% change
Revenues					
Tax Revenues	7,178,160	7,886,000	7,391,000	(495,000)	-6%
Investment & Property Revenue	9,043	50,000	-	(50,000)	-100%
Total Revenues	7,187,203	7,936,000	7,391,000	(545,000)	-7%
				-	
				-	
Expenditures					
Operating Programs				-	
Public Safety	705,843	812,655	812,655	-	
Transportation	854,326	1,315,769	1,315,769	-	
Leisure, Cultural & Social Services	194,718	208,187	208,187	-	
Community Development	328,737	5,000	5,000	-	
General Government	-	-	-	-	
Capital Improvement Plan Projects	2,797,460	6,068,100	10,030,836	3,962,736	65%
Total Expenditures	4,881,084	8,409,711	12,372,447	3,962,736	47%
				-	
Other Sources (Uses)					
Operating Transfers Out	-	-	-	-	
Total Other Sources (Uses)	-	-	-	-	
				-	
Revenues and Other Sources Over (Under)					
Expenditures and Other Uses	2,306,119	(473,711)	(4,981,447)	(4,507,736)	952%
				-	
Fund Balance, Beginning of Year	2,426,279	545,935	4,732,398	4,186,463	767%
Fund Balance, End of Year sub-total*	4,732,398	72,224	(249,050)	(321,274)	-445%
Fund Balance Components:					
Reserved	(3,962,736)				
Unreserved	769,662				

*20% Reserve fund balance is fully reported/calculated within General Fund Changes in Financial Position.

CHANGES IN FINANCIAL POSITION

INSURANCE BENEFIT

	Actual 2015-16	2016-17		Variance	% change
		Original Budget	Revised Budget		
Revenues					
Investment and Property Revenue	987	-	-		
Service Charges		-			
Total Revenues	987	-	-	-	
Expenditures					
Operating Programs					
General Government	2,128,437	1,000,000	1,000,000	-	
Capital Improvement Plan Projects		-	-		
Total Expenditures	2,128,437	1,000,000	1,000,000	-	
Other Sources (Uses)					
Operating Transfer In	2,124,000	1,739,898	1,739,898	-	
Operating Transfer Out		-	-		
Total Other Sources (Uses)	2,124,000	1,739,898	1,739,898	-	
Revenues and Other Sources Over (Under)					
Expenditures and Other Uses	(3,449)	739,898	739,898	-	
Fund Balance, Beginning of Year	343,301	343,301	339,852	(3,449)	-1%
Fund Balance, End of Year	339,852	1,083,199	1,079,750	(3,449)	

CHANGES IN FINANCIAL POSITION

DOWNTOWN BUSINESS IMPROVEMENT DISTRICT FUND

	Actual 2015-16	2016-17		Variance	% change
		Original Budget	Revised Budget		
Revenues					
Investment and Property Revenues				-	
Service Charges				-	
Assessments	222,111	214,000	214,000		
Other Service Charges		-	-		
<i>Total Service Charges</i>	222,111	214,000	214,000		
Other Revenues					
Total Revenues	222,111	214,000	214,000	-	
				-	
Expenditures					
Operating Programs					
Community Development	222,111	214,000	214,000	-	
Capital Improvement Plan Projects				-	
Total Expenditures	222,111	214,000	214,000	-	
				-	
Other Sources (Uses)					
Operating Transfer In					
Operating Transfer Out				-	
Total Other Sources (Uses)	-	-	-	-	
				-	
Revenues and Other Sources Over (Under)					
Expenditures and Other Uses	-	-	-	-	
				-	
Fund Balance, Beginning of Year	1,122	1,122	1,122	-	
Prior Year Restatement				-	
Fund Balance, End of Year	1,122	1,122	1,122	-	

CHANGES IN FINANCIAL POSITION

TOURISM BUSINESS IMPROVEMENT DISTRICT FUND

	2016-17				
	Actual 2015-16	Original Budget	Revised Budget	Variance	% change
Revenues					
Investment and Property Revenues	1,723	1,100	1,100	-	
Service Charges	1,429,190	1,433,975	1,433,975	-	
Total Revenues	1,430,913	1,435,075	1,435,075	-	
				-	
Expenditures					
Operating Programs				-	
Community Development	1,395,253	1,406,395	1,499,624	93,229	7%
Capital Improvement Plan Projects			-	-	
Total Expenditures	1,395,253	1,406,395	1,499,624	93,229	7%
				-	
Other Sources (Uses)					
Operating Transfer In				-	
Operating Transfer Out	(28,412)	(28,679)	(28,679)	-	
Total Other Sources (Uses)	(28,412)	(28,679)	(28,679)	-	
				-	
Revenues and Other Sources Over (Under)					
Expenditures and Other Uses	7,247	1	(93,228)	(93,229)	-100%
				-	
Fund Balance, Beginning of Year	333,028	270,254	340,275	70,021	26%
Prior Year Restatement				-	
Fund Balance, End of Year	340,275	270,255	247,047	(23,208)	-9%

CHANGES IN FINANCIAL POSITION

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUND

	2016-17				
	Actual 2015-16	Original Budget	Revised Budget	Variance	% change
Revenues					
From Other Governments					
CDBG Allocation	304,004	364,964	597,863	232,899	64%
Other Revenues	-	-	-	-	
Total Revenues	304,004	364,964	597,863	232,899	64%
Expenditures					
Operating Programs					
Community Development	270,230	413,932	413,932	-	
General Government					
Total Operating Programs	270,230	413,932	413,932	-	
Capital Improvement Plan Projects	164,853	105,000	337,899	232,899	222%
Debt Service					
Total Expenditures	435,083	518,932	751,831	232,899	45%
Other Sources (Uses)					
Operating Transfer In	147,487	153,969	153,969	-	
Total Other Sources (uses)	147,487	153,969	153,969	-	
Revenues and Other Sources Over (Under)					
Expenditures and Other Uses	16,408	1	1	-	
Fund Balance, Beginning of Year	(83)	(83)	16,325	16,408	-19769%
Fund Balance, End of Year	16,325	(82)	16,326	16,408	-20010%

CHANGES IN FINANCIAL POSITION

GAS TAX FUND

	2016-17				
	Actual 2015-16	Original Budget	Revised Budget	Variance	% change
Revenues					
From Other Governments -					
Gasoline Tax	1,033,757	965,000	965,000	-	
Total Revenues	1,033,757	965,000	965,000	-	
Other Sources (Uses)					
Operating Transfers Out	(1,033,757)	(965,000)	(965,000)	-	
Total Other Sources (Uses)	(1,033,757)	(965,000)	(965,000)	-	
Revenues and Other Sources Over (Under)					
Expenditures and Other Uses	-	-	-	-	
Fund Balance, Beginning of Year	-	-	-	-	
Fund Balance, End of Year	-	-	-	-	

In March 2010, the Legislature passed ABx8 6 and ABx8 9, which contained the provisions for a swap of Proposition 42 state sales tax on gasoline with allocations from the motor vehicle excise tax (gas tax).

CHANGES IN FINANCIAL POSITION

TRANSPORTATION DEVELOPMENT ACT (TDA) FUND

	2016-17				
	Actual 2015-16	Original Budget	Revised Budget	Variance	% change
Revenues					
Subventions and Grants	40,531	41,100	41,100	-	
Total Revenues	40,531	41,100	41,100	-	
Other Sources (Uses)					
Operating Transfers Out	(40,531)	(41,100)	(41,100)	-	
Total Other Sources (Uses)	(40,531)	(41,100)	(41,100)	-	
Revenues and Other Sources Over (Under)					
Expenditures and Other Uses	-	-	-	-	
Fund Balance, Beginning of Year	-	-	-	-	
Fund Balance, End of Year	-	-	-	-	

CHANGES IN FINANCIAL POSITION

LAW ENFORCEMENT GRANTS FUND

	2016-17				
	Actual 2015-16	Original Budget	Revised Budget	Variance	% change
Revenues					
Investment and Property Revenues	12	-	-	-	
Subventions and Grants	206,831	320,818	105,708	(215,110)	-67%
Service Charges	1,782	-	-	-	100%
Total Revenues	208,625	320,818	105,708	(215,110)	
Expenditures					
Operating Programs					
Public Safety	141,850	319,593	104,483	(215,110)	-67%
Capital Improvement Plan Projects	60,169	69,000	69,607	607	100%
Total Expenditures	60,169	388,593	174,090	(214,503)	-55%
Other Sources (Uses)					
Operating Transfer In	-	-	-	-	
Operating Transfer Out	-	-	-	-	100%
Total Other Sources (Uses)		-	-	-	
Revenues and Other Sources Over (Under)					
Expenditures and Other Uses	148,456	(67,775)	(68,382)	(607)	100%
Fund Balance, Beginning of Year	16,886	28,639	165,342	136,703	477%
Fund Balance, End of Year	165,342	(39,136)	96,960	136,096	-348%

CHANGES IN FINANCIAL POSITION

PUBLIC ART (PRIVATE SECTOR CONTRIBUTIONS) FUND

	2016-17				
	Actual 2015-16	Original Budget	Revised Budget	Variance	% change
Revenues					
Investment and Property Revenues	2,892	2,100	2,100	-	
Service Charges					
In-lieu fees		40,000	40,000	-	
Other Revenues	79,994	-	-	-	
Total Revenues	82,886	42,100	42,100	-	
Expenditures					
Operating Programs					
Leisure, Cultural & Social Services		-	274,035	274,035	
Capital Improvement Plan Projects	58,321	39,900	40,061	161	0%
Total Expenditures	58,321	39,900	314,096	274,196	
<hr/>					
Other Sources (Uses)					
Operating Transfer In	36,400	39,900	39,900	-	
Operating Transfer Out					
Total Other Sources (Uses)	36,400	39,900	39,900	-	
<hr/>					
Revenues and Other Sources Over (Under)					
Expenditures and Other Uses	60,965	42,100	(232,096)	(274,196)	-651%
Fund Balance, Beginning of Year	362,844	86,924	423,809	336,885	
Fund Balance, End of Year	423,809	129,024	191,713	62,689	49%

CHANGES IN FINANCIAL POSITION

GENERAL PURPOSE CIP

	2016-17				
	Actual 2015-16	Original Budget	Revised Budget	Variance	% change
Revenues					
Subventions and Grants	8,574,127	9,060,000	12,124,611	3,064,611	34%
Service Charges		-	-	-	
Other Revenues	2,304	-	-	-	
Total Revenues	8,576,432	9,060,000	12,124,611	3,064,611	34%
Expenditures					
Capital Improvement Plan Projects	9,972,831	9,460,000	15,499,077	6,039,077	64%
Total Expenditures	9,972,831	9,460,000	15,499,077	6,039,077	64%
Other Sources (Uses)					
Operating Transfers In	281,733	439,900	439,900	-	
Operating Transfers Out	(53,900)	(39,900)	(39,900)	-	
Other Sources (Uses)					
Sale of Surplus Property					
Total Other Sources (Uses)	227,833	400,000	400,000	-	
Revenues and Other Sources Over (Under)					
Expenditures and Other Uses	(1,168,566)	-	(2,974,466)	(2,974,466)	
Fund Balance, Beginning of Year					
Prior Year Restatement	4,352,266	173,253	3,183,700	3,010,447	
Fund Balance, End of Year	3,183,700	173,253	209,234	35,981	21%

CHANGES IN FINANCIAL POSITION

PARKLAND DEVELOPMENT FUND

	2016-17				
	Actual 2015-16	Original Budget	Revised Budget	Variance	% change
Revenues					
Investment and Property Revenues	5,756	3,000	3,000	-	
Subventions and Grants		-	-	-	
Service Charges				-	
Park In-Lieu Fees	174,799	-	-	-	
Dwelling Unit Fees	7,950	-	-	-	
Other Revenues	34,320	-	-	-	
Total Revenues	222,825	3,000	3,000	-	
Expenditures					
Capital Improvement Plan Projects	1,572	-	252,697	252,697	
Total Expenditures	1,572	-	252,697	252,697	
Other Sources (Uses)					
Operating Transfers In		-	900,000	900,000	
Operating Transfers Out					
Total Other Sources (Uses)					
Revenues and Other Sources Over (Under) Expenditures and Other Uses	221,253	3,000	(249,697)	(252,697)	1%
Fund Balance, Beginning of Year	620,558	369,289	841,811	472,522	
Fund Balance, End of Year	841,811	372,289	592,113	219,824	59%

CHANGES IN FINANCIAL POSITION

TRANSPORTATION IMPACT FEE FUND

	Actual 2015-16	2016-17		Variance	% change
		Original Budget	Revised Budget		
Revenues					
Investment and Property Revenue	107,807	1,000	1,000	-	
Subventions and Grants				-	
Impact Fees	1,356,158	75,000	75,000	-	
Other Revenues		-			
Total Revenues	1,463,965	76,000	76,000	-	
Expenditures					
Capital Improvement Plan Projects	3,803,935	300,000	3,734,040	3,434,040	1145%
Total Expenditures	3,803,935	300,000	3,734,040	3,434,040	1145%
Other Sources (Uses)					
Proceeds from Debt Financing				-	
Operating Transfer In					
Operating Transfer Out	(320,000)	(250,000)	(250,000)	-	
Total Other Sources (Uses)	(320,000)	(250,000)	(250,000)	-	
Revenues and Other Sources Over (Under)					
Expenditures and Other Uses	(2,339,970)	(474,000)	(3,908,040)	(3,434,040)	
Fund Balance, Beginning of Year	8,879,649	1,938,175	6,539,679	4,601,504	237%
Prior Year Restatement					
Fund Balance, End of Year	6,539,679	1,464,175	2,631,639	1,167,464	80%

CHANGES IN FINANCIAL POSITION

FLEET REPLACEMENT FUND

	2016-17				
	Actual 2015-16	Original Budget	Revised Budget	Variance	% change
Revenues					
Investment and Property Revenues	13,625	6,000	6,000	-	
Service Charges		-	-	-	
Other Revenues					
Sale of Surplus Property	69,220	10,000	10,000	-	
Green Vehicle Rebates		-	7,500	7,500	
Total Revenues	82,845	16,000	23,500	7,500	47%
Expenditures					
Capital Improvement Plan Projects	686,387	1,694,400	2,154,331	459,931	27%
Total Expenditures	686,387	1,694,400	2,154,331	459,931	27%
Other Sources (Uses)					
Proceeds from Debt Financing	-	1,166,600	1,166,600	-	
Operating Transfers Out	-	-	-	-	
Operating Transfers In	384,100	-	-	-	
Total Other Sources (Uses)	384,100	1,166,600	1,166,600	-	
Revenues and Other Sources Over (Under)					
Expenditures and Other Uses	(219,442)	(511,800)	(964,231)	(452,431)	88%
Fund Balance, Beginning of Year	2,029,047	1,326,425	1,809,605	483,180	36%
Fund Balance, End of Year	1,809,605	814,625	845,374	30,749	4%

CHANGES IN FINANCIAL POSITION

OPEN SPACE PROTECTION FUND

	2016-17				
	Actual 2015-16	Original Budget	Revised Budget	Variance	% change
Revenues					
Investment and Property Revenue	4,101	-	-	-	
Subventions and Grants		2,000,000	2,600,000	600,000	30%
Service Charges	47,369	-	6,900	6,900	
Other Revenues		-	-	-	
Total Revenues	51,470	2,000,000	2,606,900	606,900	30%
Expenditures					
Capital Improvement Plan Projects	32,743	2,000,000	2,970,881	970,881	49%
Total Expenditures	32,743	2,000,000	2,970,881	970,881	49%
Other Sources (Uses)					
Operating Transfer In		-	-	-	
Operating Transfer Out		-	-	-	
Total Other Sources (Uses)	-	-	-	-	
Revenues and Other Sources Over (Under)					
Expenditures and Other Uses	18,726	-	(363,981)	(363,981)	
			-		
Fund Balance, Beginning of Year	530,623	133,899	549,349	415,450	310%
		-	-	-	
Fund Balance, End of Year	549,349	133,899	185,369	51,470	38%

CHANGES IN FINANCIAL POSITION

AIRPORT AREA IMPACT FEE FUND

	2016-17				
	Actual 2015-16	Original Budget	Revised Budget	Variance	% change
Revenues					
Investment and Property Revenue	8,248	1,000	1,000	-	
Service Charges	134,210	-	-	-	
Total Revenues	142,458	1,000	1,000	-	
Expenditures					
Capital Improvement Plan Projects	-	-	56,669	56,669	
Total Expenditures	-	-	56,669	56,669	
Other Sources (Uses)					
Operating Transfer Out					
Revenues and Other Sources Over (Under)					
Expenditures and Other Uses	142,458	1,000	(55,669)	(56,669)	-5667%
Fund Balance, Beginning of Year	937,498	881,829	1,079,956	198,127	22%
Fund Balance, End of Year	1,079,956	882,829	1,024,287	141,458	16%

CHANGES IN FINANCIAL POSITION

AFFORDABLE HOUSING FUND

	2016-17				
	Actual 2015-16	Original Budget	Revised Budget	Variance	% change
Revenues					
Investment and Property Revenue	34,415	8,000	8,000	-	
Subventions and Grants		-	-	-	
Service Charges	625,506	-	-	-	
Total Revenues	659,921	8,000	8,000	-	
Expenditures					
Capital Improvement Plan Projects	636,978	8,000	1,524,227	1,516,227	
Total Expenditures	636,978	8,000	1,524,227	1,516,227	
Transfer Out	(62,000)	(17,000)	(17,000)	-	
Revenues and Other Sources Over (Under) Expenditures and Other Uses	(39,057)	(9,000)	(1,533,227)	(1,524,227)	16936%
Fund Balance, Beginning of Year	2,601,882	739,677	2,562,825	1,823,148	246%
Fund Balance, End of Year	2,562,825	730,677	1,029,598	298,921	41%

CHANGES IN FINANCIAL POSITION

LOS OSOS VALLEY ROAD SUB-AREA FEE FUND

	2016-17				
	Actual 2015-16	Original Budget	Revised Budget	Variance	% change
Revenues					
Investment and Property Revenue	2,586	1,700	1,700	-	
Service Charges	14,661	-	-	-	
Total Revenues	17,246	1,700	1,700	-	
Expenditures					
Capital Improvement Plan Projects		-	-	-	
Total Expenditures	-	-	-	-	
Other Sources (Uses)					
Operating Transfer In					
Operating Transfer Out					
Revenues and Other Sources Over (Under) Expenditures and Other Uses	17,246	1,700	1,700	-	
Fund Balance, Beginning of Year	146,723	148,423	163,969	15,546	10%
Fund Balance, End of Year	163,969	150,123	165,669	15,546	10%

CHANGES IN FINANCIAL POSITION

INFORMATION TECHNOLOGY REPLACEMENT

	2016-17				
	Actual 2015-16	Original Budget	Revised Budget	Variance	% change
Revenues					
Investment and Property Revenue	2,765	1,500	1,500	-	
Subventions and Grants	73,861		-		
Service Charges					
Total Revenues	2,765	1,500	1,500	-	
Expenditures					
Capital Improvement Plan Projects	481,374	2,318,512	2,803,400	484,888	21%
Total Expenditures	481,374	2,318,512	2,803,400	484,888	21%
Other Sources (Uses)					
Operating Transfer In	617,000	2,621,000	2,621,000	-	
Debt Proceeds	688,500			-	
Total Sources (Uses)	1,305,500	2,621,000	2,621,000	-	
Revenues and Other Sources Over (Under)					
Expenditures and Other Uses	826,891	303,988	(180,900)	(484,888)	-160%
Fund Balance, Beginning of Year	(159,846)	435,893	667,045	231,152	53%
Fund Balance, End of Year	667,045	739,881	486,146	(253,735)	-34%

CHANGES IN FINANCIAL POSITION

MAJOR FACILITY REPLACEMENT

	2016-17				
	Actual 2015-16	Original Budget	Revised Budget	Variance	% change
Revenues					
Investment and Property Revenue	606	500	500	-	
Service Charges Donation	22,000		-		
Total Revenues	22,000	500	500	-	
Expenditures					
Capital Improvement Plan Projects	405,530	504,600	749,710	245,110	49%
Total Expenditures	405,530	504,600	749,710	245,110	49%
Other Sources (Uses)					
Operating Transfer In	163,250	504,600	504,600	-	
Operating Transfer Out			-	-	
	163,250	504,600	504,600	-	
Revenues and Other Sources Over (Under) Expenditures and Other Uses	(220,280)	500	(244,610)	(245,110)	-49022%
Fund Balance, Beginning of Year	488,636	5,586	268,356	262,770	4704%
Fund Balance, End of Year	268,356	6,086	23,746	17,660	

CHANGES IN FINANCIAL POSITION

INFRASTRUCTURE INVESTMENT FUND

	Actual 2015-16	2016-17		Variance	% change
		Original Budget	Revised Budget		
Revenues					
Investment and Property Revenue	1,660	1,000	1,000	-	
Service Charges					
Total Revenues	1,660	1,000	1,000	-	
Expenditures					
Operating Programs				-	
Capital Improvement Projects	-	1,000	250,000	249,000	
Total Expenditures		1,000	250,000	-	
Other Sources (Uses)					
Operating Transfer In	250,000	1,000	1,000	-	
Debt Proceeds			-		
Total Sources (Uses)	250,000	1,000	1,000	-	
Revenues and Other Sources Over (Under)					
Expenditures and Other Uses	251,660	1,000	2,000	1,000	
Fund Balance, Beginning of Year	60,105	61,000	311,765	250,765	411%
Fund Balance, End of Year	311,765	62,000	313,765	251,765	

CHANGES IN FINANCIAL POSITION

DEBT SERVICE FUND

	2016-17				
	Actual 2015-16	Original Budget	Revised Budget	Variance	% change
Expenditures					
Debt Service					
2012/2001 Refunded Revenue Bonds	388,725	385,350	385,350	-	
2005/1996 Refunding Revenue Bonds	467,851	466,789	466,789	-	
2006 Lease Revenue Bonds	460,374	459,914	459,914	-	
2009 Lease Revenue Bonds	829,998	826,610	826,610	-	
Fire Engine/Truck Lease Purchase	127,492	129,203	129,203	-	
Capital Lease / Fire Truck 2014	116,702	116,702	116,702	-	
Capital Lease (I.T. Equipment)	154,773	199,049	199,049	-	
2014 Lease Revenue Bond/ LOVR	515,050	422,181	422,181	-	
Fleet Debt Service 2015-17		240,068	240,068	-	
Total Expenditures	3,060,964	3,245,866	3,245,866	-	
Other Sources (Uses)					
Operating Transfers In	3,025,400	3,245,866	3,245,866	-	
Operating Transfers Out		-	-	-	
Proceeds from Debt Financing		-	-	-	
Total Other Sources (Uses)	3,025,400	3,245,866	3,245,866	-	
Revenues and Other Sources Over (Under)					
Expenditures and Other Uses		-	-	-	
Fund Balance, Beginning of Year	2,043,222	2,043,222	2,043,222	-	
Fund Balance, End of Year					
Reserved for Debt Service	2,043,222	2,043,222	2,043,222	-	
		-	-	-	
Total Fund Balance	2,043,222	2,043,222	2,043,222	-	

CHANGES IN FINANCIAL POSITION

WATER FUND

	2016-17				
	Actual 2015-16	Original Budget	Revised Budget	Variance	% change
Revenues					
Service Charges					
Water Sales					
Water Service Charges	15,055,071	17,216,708	17,216,708	-	
Sales to Other Agencies	862,813	850,000	850,000	-	
Development Impact Fees	1,542,268	800,000	800,000	-	
Connection Charges and Meter Sales	60,421	71,000	71,000	-	
Late Charges and Credit Card Fees	39,584	65,000	65,000	-	
Account Set-up Fee	107,159	100,000	100,000	-	
AB 939 Reimbursement	141,957	135,000	135,000	-	
Total Service Charges	17,809,273	19,237,708	19,237,708	-	
Other Revenues	46,439	50,000	50,000	-	
Subventions and Grants		-			
Investment and Property Revenues	305,608	50,000	50,000	-	
Total Revenues	18,161,320	19,337,708	19,337,708	-	
Expenditures					
Operating Programs					
Public Utilities	12,909,891	15,508,470	16,438,538	930,068	6%
General Government	1,328,061	1,477,598	1,477,598	-	
Total Operating Programs	14,237,952	16,986,068	17,916,136	930,068	5%
Capital Improvement Plan Projects	2,366,716	2,958,493	7,514,756	4,556,263	154%
Debt Service	2,195,124	2,193,792	2,193,792	-	
Total Expenditures	18,799,792	22,138,353	27,624,684	5,486,331	25%
Other Sources (Uses)					
Other Sources (Uses)					
Proceeds from Debt Financing					
Projected MOA Adjustments					
Operating Transfer In		-	-	-	
Operating Transfers Out	(469,607)	(561,244)	(561,244)	-	
Expenditure Savings					
Other Sources (Uses)		-	-	-	
Total Other Sources (Uses)	(469,607)	(561,244)	(561,244)	-	
Revenues and Other Sources Over (Under)					
Expenditures and Other Uses	(1,108,079)	(3,361,889)	(8,848,220)	(5,486,331)	163%
Working Capital, Beginning of Year	21,857,589	16,238,604	20,749,510	4,510,906	28%
Working Capital, End of Year	20,749,510	12,876,715	11,901,290	(975,425)	-8%

CHANGES IN FINANCIAL POSITION

SEWER FUND

	2016-17				
	Actual 2015-16	Original Budget	Revised Budget	Variance	% change
Revenues					
Service Charges					
Customer Sales					
Sewer Service Charges	14,526,319	14,300,000	14,300,000	-	
Sales to Cal Poly	888,437	875,000	875,000	-	
Development Impact Fees	502,393	300,000	300,000	-	
Account Set-Up Fees	107,131	100,000	100,000	-	
Late Charges and credit card fees	40,066	65,000	65,000	-	100%
Industrial User Charges	79,822	70,000	70,000	-	
Connection Charges and Meter Sales	60,241	71,000	71,000	-	
<i>Total Service Charges</i>	16,204,409	15,781,000	15,781,000	-	
Other Revenues	50,718	37,500	37,500	-	
Investment and Property Revenues	388,885	50,000	50,000	-	
Total Revenues	16,644,012	15,868,500	15,868,500	-	
Expenditures					
Operating Programs					
Public Utilities	6,018,807	7,098,843	7,098,843	-	
General Government	1,576,026	1,591,041	1,591,041	-	
<i>Total Operating Programs</i>	7,594,833	8,689,884	8,689,884	-	
Capital Improvement Plan Projects	5,178,482	4,023,275	19,677,576	15,654,301	389%
Debt Service	1,406,026	1,435,587	1,435,587	-	
Total Expenditures	14,179,341	14,148,746	29,803,047	15,654,301	111%
Other Sources (Uses)					
Cashflow adjustment for working capital		-			
Proceeds from Debt Financing		-	-		
Projected MOA Adjustments		-			
Operating Transfer In	173,096	-	-	-	
Operating Transfers Out	(493,073)	(490,319)	(490,319)	-	
Other Sources (Uses)		-			
Total Other Sources (Uses)	(319,977)	(490,319)	(490,319)	-	
Revenues and Other Sources Over (Under)					
Expenditures and Other Uses	173,096	1,229,435	(14,424,866)	(15,654,301)	-1273%
Working Capital, Beginning of Year	27,050,422	13,481,852	27,223,518	13,741,666	102%
Working Capital, End of Year	27,223,518	14,711,287	12,798,652	(1,912,635)	-13%

CHANGES IN FINANCIAL POSITION

WHALE ROCK COMMISSION

	2016-17				
	Actual 2015-16	Original Budget	Revised Budget	Variance	% change
Revenues					
Investment and Property Revenues	19,273	1,000	1,000	-	
Service Charges					
Member Agency Contributions O & M	724,058	735,828	735,828	-	
Member Agency Contributions CIP	411,877	404,377	404,377	-	
Water Distribution Charges	277,791	370,000	370,000	-	
Other Service Charges		-	-	-	
<i>Total Service Charges & Interest</i>	1,432,999	1,511,205	1,511,205	-	
Other Revenues	5,508	1,500	1,500		
Total Revenues	1,438,507	1,512,705	1,512,705	-	
Expenditures					
Operating Programs					
Public Utilities	838,529	983,236	1,006,373	23,137	2%
General Government	115,989	125,510	125,510	-	
<i>Total Operating Programs</i>	954,518	1,108,746	1,131,883	23,137	2%
Capital Improvement Plan Projects	223,937	114,889	606,419	491,530	
Total Expenditures	1,178,455	1,223,635	1,738,302	514,667	42%
Other Sources (Uses)					
Transfer out	-	-	-	-	
Other Sources (Uses)		-	-	-	
Adjust for working capital		-	-	-	
Total Other Sources (Uses)	-	-	-	-	
Revenues and Other Sources Over (Under)					
Expenditures and Other Uses	260,052	289,070	(225,597)	(514,667)	
Working Capital, Beginning of Year	1,153,370	1,007,925	1,413,422	405,497	40%
Working Capital, End of Year	1,413,422	1,296,995	1,187,825	(109,170)	-8%

CHANGES IN FINANCIAL POSITION

PARKING FUND

	2016-17				
	Actual 2015-16	Original Budget	Revised Budget	Variance	% change
Revenues					
Service Charges					
Parking Meter Collections					
Lots	304,345	166,200	166,200	-	
Streets	1,526,182	1,539,100	1,539,100	-	
Parking Structure Collections	1,162,982	1,054,700	1,054,700	-	
Long-Term Parking Revenues	642,483	434,900	434,900	-	
Lease Revenues	403,630	500,500	500,500	-	
Parking In-Lieu Fees	2,641,296	20,200	20,200	-	
Other Service Charges	(15,096)	100	100	-	
Total Service Charges	6,665,822	3,715,700	3,715,700	-	
Investment and Property Revenues	172,523	48,200	48,200	-	
Fines and Forfeitures	579,823	669,900	669,900	-	
Other Revenues	161,164	-	-	-	
Total Revenues	7,579,331	4,433,800	4,433,800	-	
Expenditures					
Operating Programs					
Transportation	1,835,753	2,188,099	2,385,106	197,007	9%
General Government	711,587	684,603	684,603	-	
Total Operating Programs	2,547,340	2,872,702	3,069,709	197,007	7%
Capital Improvement Plan Projects	20,547	50,798	2,231,404	2,180,606	
Debt Service	953,751	969,400	969,400	-	
Total Expenditures	3,521,638	3,892,900	6,270,513	2,377,613	61%
Other Sources (Uses)					
Cashflow adjustment for working capital		-			
Expenditure Savings		-		-	
Operating Transfer In		-	-	-	
Operating Transfer Out	(473,368)	-	-	-	
PERS 1% Contribution		-	-	-	
Proceeds from Debt Financing		-	-	-	
Other Sources (Uses)	(82,653)	-	-	-	
GST Loan per Council Approval		(500,000)	(500,000)	-	
Potential MOA Adjustments		(11,198)	(11,198)	-	
Total Other Sources (Uses)	(556,021)	(511,198)	(511,198)	-	
Revenues and Other Sources Over (Under)					
Expenditures and Other Uses	3,501,673	29,702	(2,347,911)	(2,377,613)	-8005%
Working Capital, Beginning of Year	8,436,557	9,643,354	11,938,230	2,294,876	24%
Working Capital, End of Year	11,938,230	9,673,056	9,590,319	(82,737)	-1%

CHANGES IN FINANCIAL POSITION

TRANSIT FUND

	2016-17				
	Actual 2015-16	Original Budget	Revised Budget	Variance	% change
Revenues					
Investment and Property Revenues	11,203	5,800	5,800	-	
From Other Governments					
TDA Revenues (LTF)	1,312,716	1,286,625	1,286,625	-	
TDA Revenues (STA)	162,418	159,890	159,890	-	
Other Grants	39,738	175,200	175,200	-	
FTA Grants	1,373,948	1,424,555	1,424,555	-	
Service Charges	658,601	690,381	690,381	-	
Other Revenues	868	4,600	4,600	-	
Total Revenues	3,559,492	3,747,051	3,747,051	-	
Expenditures					
Operating Programs					
Transportation	2,819,992	3,448,368	3,448,368	-	
General Government	277,329	288,995	288,995	-	
Total Operating Programs	3,097,321	3,737,363	3,737,363	-	
Capital Improvement Plan Projects	131,999	228,369	2,003,324	1,774,955	777%
Total Expenditures	3,229,320	3,965,732	5,740,687	1,774,955	45%
Other Sources (Uses)					
Cashflow adjustment for working capital		-	-		
Projected MOA Adjustments		(4,200)	(4,200)	-	
Operating Transfer In		-	-	-	
Operating Transfer Out	-	-	-	-	
Other Sources	(21,225)	-	-	-	
Expenditure Savings		-	-	-	
Total Other Sources (Uses)	(21,225)	(4,200)	(4,200)	-	
Revenues and Other Sources Over (Under)					
Expenditures and Other Uses	308,947	(222,881)	(1,997,836)	(1,774,955)	796%
Working Capital, Beginning of Year	2,825,195	2,137,819	3,134,142	996,323	47%
Prior Year Restatement					
Working Capital, End of Year	3,134,142	1,914,938	1,136,306	(778,632)	-41%

CHANGES IN FINANCIAL POSITION

BOYSEN RANCH CONSERVATION FUND

	Actual 2015-16	2016-17		Variance	% change
		Original Budget	Revised Budget		
Revenues					
Investment and Property Revenue	2,981	1,800	1,800	-	
Service Charges		-	-		
Total Revenues	2,981	1,800	1,800	-	
Expenditures					
Operating Programs		7,500	7,500	-	
Total Expenditures		7,500	7,500	-	
Other Sources (Uses)					
Operating Transfer In			-	-	
Debt Proceeds			-	-	
Total Sources (Uses)		-	-	-	
Revenues and Other Sources Over (Under) Expenditures and Other Uses					
	2,981	(5,700)	(5,700)	-	
Fund Balance, Beginning of Year	86,925	81,225	89,906	8,681	11%
Fund Balance, End of Year	89,906	75,525	84,206	8,681	11%

SUMMARY OF REVENUE BUDGET ADJUSTMENTS

Item	Amount	Pending Approval	Total
LAW ENFORCEMENT GRANT FUND			
OTS Grant Expired 10/2016	(272,322)	-	
OTS 16-17 Step Grant	57,212	-	
	(215,110)	-	(215,110)
GENERAL PURPOSE CIP FUND			
Stormwater Resource Plan	10,000	-	
Sinsheimer Park Playground	282,650	-	
	292,650	-	292,650
TRANSPORTATION IMPACT FEE FUND			
PG&E Change Order	1,095	-	
	1,095	-	1,095
FLEET REPLACEMENT FUND			
Green Fleet Rebate	7,500	-	
	7,500	-	7,500
MAJOR FACILITY REPLACEMENT FUND			
Transfer from General Fund	270,000	-	
	270,000	-	270,000
OPEN SPACE PROTECTION FUND			
Rachel Ct Terrace Hill Trail	6,900	-	
	6,900	-	6,900

SUMMARY OF EXPENDITURE BUDGET ADJUSTMENTS

Item	Amount	Pending Approval	Total
GENERAL FUND			
Year 2 - Financial Plan Carryover from 2015-16	2,716,534		
2015-16 Encumbrance Carryforward	850,855		
	3,567,389	-	3,567,389
LOCAL REVENUE MEASURE SUB-FUND			
2015-16 CIP Carryforward	3,618,009		
2015-16 Encumbrance Carryforward	344,727		
	3,962,736	-	3,962,736
COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUND			
2015-16 CIP Carryforward	232,899		
	232,899	-	232,899
TOURISM BUSINESS IMPROVEMENT DISTRICT (TBID) FUND			
2015-16 Encumbrance Carryforward	25,030		
2015-16 TBID Carryover	68,200		
	93,230	-	93,230
LAW ENFORCEMENT GRANT FUND			
2015-16 CIP Carryforward	607		
2016-17 OTS Step Grant	57,212		
OTS Grant Expired 10/2016	(272,322)		
	(214,503)	-	(214,503)
PUBLIC ART FUND			
2015-16 CIP Carryforward	199,951		
2015-16 Encumbrance Carryforward	74,246		
	274,196	-	274,196
DEBT SERVICE FUND			
2016-17 Debt Service Original Budget	3,245,866		
	3,245,866	-	3,245,866
GENERAL PURPOSE CIP FUND			
2015-16 CIP Carryforward	4,702,312		
2015-16 Encumbrance Carryforward	1,044,115		
	5,746,427	-	5,746,427
PARKLAND DEVELOPMENT FUND			
2015-16 CIP Carryforward	252,697		
	252,697	-	252,697
TRANSPORTATION IMPACT FEE FUND			
2015-16 CIP Carryforward	3,117,505		
2015-16 Encumbrance Carryforward	315,440		
PG&E Change Order	1,095		
	3,434,040	-	3,434,040
FLEET REPLACEMENT FUND			
2015-16 CIP Carryforward	208,819		
2015-16 Encumbrance Carryforward	243,612		
Green Fleet Rebate	7,500		
	459,931	-	459,931
OPEN SPACE PROTECTION			
2015-16 CIP Carryforward	947,781		
2015-16 Encumbrance Carryforward	16,200		
Rachel Ct Terrace Hill Trail - Easement	6,900		
	970,881	-	970,881
AIRPORT AREA IMPACT FEE FUND			
2015-16 CIP Carryforward	50,000		
2015-16 Encumbrance Carryforward	6,669		
	56,669	-	56,669
AFFORDABLE HOUSING FUND			
2015-16 CIP Carryforward	1,224,227		
Purchase Affordable Housing Unit: 867 Humbert	300,000		
	1,524,227	-	1,524,227
INFORMATION TECHNOLOGY REPLACEMENT FUND			
2015-16 CIP Carryforward	409,464		
2015-16 Encumbrance Carryforward	75,423		
	484,888	-	484,888

SUMMARY OF EXPENDITURE BUDGET ADJUSTMENTS

Item	Amount	Pending Approval	Total
MAJOR FACILITY REPLACEMENT FUND			
2015-16 CIP Carryforward	218,995		
2015-16 Encumbrance Carryforward	26,115		
	245,110	-	245,110
INFRASTRUCTURE INVESTMENT FUND			
2015-16 CIP Carryforward	250,000		
	250,000	-	250,000
WATER FUND			
Year 2 - Financial Plan Carryover from 2015-16	701,300		
2015-16 CIP Carryforward	4,275,255		
2015-16 Encumbrance Carryforward	448,499		
	5,425,054	-	5,425,054
SEWER FUND			
Year 2 - Financial Plan Carryover from 2015-16	548,600		
2015-16 CIP Carryforward	8,600,017		
2015-16 Encumbrance Carryforward	6,505,683		
	15,654,301	-	15,654,301
WHALE ROCK FUND			
2015-16 CIP Carryforward	481,368		
2015-16 Encumbrance Carryforward	33,299		
	514,667	-	514,667
PARKING FUND			
2015-16 CIP Carryforward	2,080,606		
2015-16 Encumbrance Carryforward	197,007		
Appropriation for Parking Demand Model	100,000		
	2,377,613	-	2,377,613
TRANSIT FUND			
2015-16 CIP Carryforward	222,226		
2015-16 Encumbrance Carryforward	1,552,730		
	1,774,955	-	1,774,955

INTERFUND TRANSACTIONS

OPERATING TRANSFERS

	2016-17			
	Actual 2015-16	Original Budget	Revised Budget	City Council/ CM Approved Budget Amendments
General Fund				
Operating Transfers In				
Gas Tax Fund	1,033,757	965,000	965,000	-
TDA Fund	40,531	41,100	41,100	-
Tourism BID Fund	28,412	28,679	28,679	-
Open Space Protection Fund				-
Proposition 1B				-
Affordable Housing Fund	62,000	17,000	17,000	0
Transportation Impact Fee Fund	320,000	250,000	250,000	-
Cost of Services		1,051,563	1,051,563	-
Fleet Replacement Fund				-
Open Space Protection Fund				-
Water Enterprise Fund	469,607			-
Sewer Enterprise Fund	493,073			-
Parking Enterprise Fund	473,368			-
PEG City of SLO	22,938			-
CIP Grant				-
Mayor Task Force/Joint Recreational				-
Total Operating Transfers In	2,943,686	2,353,342	2,353,342	0
Operating Transfers Out				
Insurance Benefit Fund	(2,124,000)	(1,739,898)	(1,739,898)	-
Community Development Block Grant	(147,487)	(153,969)	(153,969)	-
General Purpose CIP	(281,733)	(439,900)	(439,900)	-
Public Art Private Sector Fund				-
Fleet Replacement Fund	(384,100)			-
Debt Service Fund	(3,025,400)	(3,245,866)	(3,245,866)	-
Information Technology Fund	(617,000)	(2,621,000)	(2,621,000)	-
Major Facility Replacement Fund	(145,750)	(504,600)	(504,600)	-
Transportation Impact Fee Fund				-
Infrastructure Investment Fund	(250,000)			-
Open Space Protection Fund				-
Parkland Development Fund			(900,000)	(900,000)
Total Operating Transfers Out	(6,975,470)	(8,705,233)	(9,605,233)	(900,000)
Total Operating Transfers	(4,031,784)	(6,351,891)	(7,251,891)	(900,000)
Community Development Block Grant Fund				
Operating Transfer In				
Park Hotel Fund				-
General Fund	147,487	153,969	153,969	-
Total	147,487	153,969	153,969	-
Gas Tax Fund				
Operating Transfer Out	(1,033,757)	965,000	965,000	-
General Fund	(1,033,757)	965,000	965,000	-
Transportation Development Act Fund				
Operating Transfer Out	(40,531)	(41,100)	(41,100)	-
General Fund	(40,531)	(41,100)	(41,100)	-
Tourism Business Improvement District Fund				
Operating Transfer Out	(28,412)	(28,679)	(28,679)	-
General Fund	(28,412)	(28,679)	(28,679)	-

INTERFUND TRANSACTIONS

OPERATING TRANSFERS

	2016-17			City Council/ CM Approved Budget Amendments
	Actual 2015-16	Original Budget	Revised Budget	
Information Technology Replacement Fund				-
Operating Transfer In				-
General Fund	617,000	2,621,000	2,621,000	-
Public Access Channel Fund				-
Total Operating Transfers	617,000	2,621,000	2,621,000	-
Sewer Enterprise Fund				-
Operating Transfer In				-
Wastewater Dev Impact Fee Fund	173,096	-	-	-
Total Transfers In	173,096	-	-	-
Operating Transfer Out				-
Insurance Benefit Fund	(493,073)			-
General Fund		(490,319)	(490,319)	-
Total Operating Transfers	(319,977)	(490,319)	(490,319)	-
Wastewater Development Impact Fee Fund				-
Operating Transfer Out	(173,096)	-	-	-
Sewer Fund	(173,096)	-	-	-
Parking Enterprise Fund				-
Operating Transfer In				-
General Fund	-	-	12,589	12,589
Operating Transfer Out				-
Insurance Benefit Fund				-
General Fund	(473,368)	-	-	-
Total Operating Transfers	(473,368)	-	12,589	12,589
Water Enterprise Fund				-
Operating Transfer In				-
Utility Billing Control	-	-	-	-
Operating Transfer Out				-
General Fund	(469,607)	(561,244)	(561,244)	-
Total Operating Transfers	(469,607)	(561,244)	(561,244)	-
Transit Enterprise Fund				-
Operating Transfer In				-
Total Operating Transfers	-	-	-	-

INTERFUND TRANSACTIONS

OPERATING TRANSFERS

	2016-17			City Council/ CM Approved Budget Amendments
	Actual 2015-16	Original Budget	Revised Budget	
Insurance Benefit Fund				-
Operating Transfer In				-
General Fund	2,124,000	1,739,898	1,739,898	-
Water Enterprise Fund		-		-
Sewer Enterprise Fund		-		-
Parking Enterprise Fund		-		-
Transit Enterprise Fund		-		-
Whale Rock Commission		-		-
Total Operating Transfers	2,124,000	1,739,898	1,739,898	-
Whale Rock Commission				-
Operating Transfer Out				-
Insurance Benefit Fund	-	-	-	-
Total Operating Transfers	-	-	-	-
General Purpose CIP				-
Operating Transfer In				-
General Fund	281,733	439,900	439,900	-
Major Facility Replacement				-
Debt Service				-
Total Transfers In	281,733	439,900	439,900	-
Operating Transfer Out				-
Major Facility Replacement	(17,500)	-	-	-
Public Art Fund	(36,400)	(39,900)	(39,900)	-
Total Transfers Out	(53,900)	(39,900)	(39,900)	-
Total Operating Transfers	227,833	400,000	400,000	-
Transportation Impact Fee Fund				-
Operating Transfers In				-
General Fund	-	-	-	-
Operating Transfer Out				-
General Fund	(320,000)	(250,000)	(250,000)	-
Total Operating Transfers	(320,000)	(250,000)	(250,000)	-
Open Space Protection Fund				-
Operating Transfers In				-
General Fund	-	-	-	-
Operating Transfer Out				-
General Fund	-	-	-	-
Total Operating Transfers	-	-	-	-
Fleet Replacement Fund				-
Operating Transfers In				-
General Fund	384,100	-	-	-
Operating Transfers Out				-
General Fund	-	-	-	-
Total Operating Transfers	384,100	-	-	-

INTERFUND TRANSACTIONS

OPERATING TRANSFERS

	2016-17			City Council/ CM Approved Budget Amendments
	Actual 2015-16	Original Budget	Revised Budget	
Debt Service Fund				-
Operating Transfer In				-
General Fund	3,025,400	3,245,866	3,245,866	-
Operating Transfer Out				-
General Fund	-	-	-	-
Total Operating Transfers	3,025,400	3,245,866	3,245,866	-
Major Facility Replacement Fund				-
Operating Transfer In				-
General Fund	145,750	504,600	504,600	-
Capital Outlay Fund	17,500	-	-	-
Total Transfers In	163,250	504,600	504,600	-
Operating Transfer Out				-
Capital Outlay Fund	-	-	-	-
Total Transfers Out	-	-	-	-
Total Operating Transfers	163,250	504,600	504,600	-
Parkland Development Fund				-
Operating Transfer In				-
General Fund		-	900,000	900,000
Affordable Housing Fund				-
Operating Transfer Out				-
General Fund	(62,000)	-	-	-
Total Operating Transfers	(62,000)	-	-	-
CIP Grant Fund				-
Operating Transfer Out				-
General Fund	-	-	-	-
Total Operating Transfers	-	-	-	-
Mayor Task Force/Joint Recreational				-
Operating Transfer Out				-
General Fund	-	-	-	-
Total Operating Transfers	-	-	-	-

INTERFUND TRANSACTIONS

OPERATING TRANSFERS

	2016-17			City Council/ CM Approved Budget Amendments
	Actual 2015-16	Original Budget	Revised Budget	
Public Art Fund				-
Operating Transfer In				-
General Fund				-
Capital Outlay Fund	36,400	39,900	39,900	-
Total Operating Transfers	36,400	39,900	39,900	-
Public Access Channel Fund (PEG)				-
Operating Transfer Out				-
General Fund	22,938	-	-	-
Total Operating Transfers	22,938	-	-	-
Infrastructure Investment Fund				-
Operating Transfer In				-
General Fund	250,000	1,000	1,000	-
Total Operating Transfers	250,000	1,000	1,000	-
NET OPERATING TRANSFERS	45,876	1,948,000	1,060,589	(887,411)

Section C

STATUS OF GOALS AND OBJECTIVES

2016-17 MID-YEAR REPORT: UPDATE OF MCG & OIO

The overall goal of the City's Financial Plan is to link goals and objectives with the resources required to meet and complete them. This section of the 2016-17 Mid-Year Report provides a progress report on the City's adopted Major City Goals (Goals) and Other Important Objectives (Objectives). This update is presented in a table based format with narrative adjacent to each of the 2015-17 Financial Plan Goal's and Objective's Action Plan Tasks. In 12-months' time significant progress has been made on the City's Major Goals and Other Important Objectives highlights of the past six months are emphasized below.

2015-17 MCG ACTION HIGHLIGHTS TO DATE

Open Space Preservation 70% Complete

The series of Natural Resources Roundtable meetings were completed and will help formulate a vision for the future that will be articulated in a written plan presented for Council and community consideration in spring 2016-17. Ranger service staff have been working diligently on implementing the City's now adopted Open Space Maintenance Plan. As a result, the numbers of mutt mitt and trash cans, bell boxes, trail signs, and kiosks have all increased. Additionally, 3.7 miles of approved trails have been constructed providing improved access to Cerro San Luis, the Irish Hills, Stenner Springs and Reservoir Canyon. A significant fire fuel reduction effort at Bishop Peak was completed during the month of September that included over 1,100 hours of convict labor to augment Ranger staff. All of the maintenance activities undertaken during 2016 were presented to Council in the first annual open space maintenance report on January 3rd, 2017. Finally, three separate land conservation opportunities continue to progress with the Waddell Ranch Open Space Acquisition project anticipated to close escrow in early 2017. The Calle Joaquin Agricultural Reserve wetland installation and bioswale were completed in late 2016.

Multi-Modal Transportation 50% Complete

Summer saw the completion of several new green bike lanes installed along with 10 new sidewalk ramps on Santa Rosa and Patricia Drive. The Rail Road Safety Trail extension from Laurel to Orcutt design is complete and starting construction. The City received an international award from the Institute of Transportation Engineers for the 2014 LUCE Update and Multimodal activities. With the return of students and the start of elementary school in fall, the Halloween Safety program for 2016 has been completed and the City's annual Bike Rodeo produced. In September, 2016, the Council adopted the Short Range Transit Plan and service changes consistent with the plan will be implemented in summer 2017. Lastly, new bicycle markings were added to City streets during the 2015 and 2016 paving projects. These markings consisted of bicycle lane buffers and bicycle sharrows.

Major City Goals (MCG)

- Open Space Preservation
- Multi-Modal Transportation
- Housing

Other Important Objectives (OIO)

- Neighborhood Wellness
- Laguna Lake Restoration
- Fiscal Sustainability and Responsibility
- Downtown

2016-17 MID-YEAR REPORT: UPDATE OF MCG & OIO

A few notable changes to completion dates related to this action plan include the winter presentation to the Planning Commission of the environmental review associated with the Bob Jones Octagon Barn trail alignment. Also, the Higuera and Marsh Street lighted cross walk replacement is complete. The single largest project in this Goal is the Railroad Safety Trail Taft to Pepper project. Staff has completed the NEPA process, is 95% complete with the CEQA process, and 50 % complete with the design. One of the major milestones will be the approval by Union Pacific Railroad (UPRR) of the Variance to allow the alignment adjacent to their existing tracks. Staff is working diligently with UPRR on this issue and at this point are cautiously optimistic regarding its approval.

Housing 75% Complete

Since June 2016 over \$900,000 in affordable housing in-lieu fees have been collected. Staff is seeing an increase in the number of projects choosing to develop inclusionary housing instead of paying a fee. Staff is currently finalizing monitoring all inclusionary affordable units within the City and recently purchased and re-sold an affordable unit found out of compliance. Staff continues to work with non-profit developers on five upcoming affordable housing projects, and has been working closely with CAPSLO on the construction timing and financing requirements of 40 Prado.

Staff anticipates providing Council with a memo articulating affordable housing opportunities on City owned properties in February 2017.

2015-17 OTHER IMPORTANT OBJECTIVES (Objectives) ACTION HIGHLIGHTS TO DATE

Neighborhood Wellness 70% Complete

This Objective has seen continued progress on a wide variety of tasks. The Neighborhood Match Grant program has seen the completion of the Islay Park Trail clean up and start of the San Luis Seasonal Social Gatherings grant. Applications are currently being accepted for the next round of grants anticipated to be awarded in February 2017. On December 13th Council will consider amendments to the Safety Enhancement Zone to cover Saint Patrick's Day. Significant outreach was provided to parents and students over the summer when the Fire and Police Chiefs gave over 18 presentations to over 4,000 incoming Cal Poly students and their parents or caregivers.

Laguna Lake Restoration 75%

A major milestone was completed on September 20, 2016 with Council's approval of a suite of recommendations pertaining to the preferred project alternative, including dredging technology, dredging project size, dewatering, sediment disposal, and sediment management strategies. Next steps include detailed project financing strategy, public outreach, project permitting and environmental review, and 95% plans, specifications, and engineering for the preferred project. The Environmental Review process is underway. Staff will be meeting with permitting agencies, starting with the Army Corps of Engineers in early 2017. The City's staff and consultant continue to evaluate funding options for dredging, and public opinion research related to a prospective Community Facilities District was completed in late 2016. At this time, construction is planned to occur over four years with a proposed start of construction is planned for late spring 2018. Final financing arrangements and steps necessary to prepare for construction will need to occur during the early part of the 2017-19 Financial Plan period.

Fiscal Sustainability and Responsibility 50%

Work with the Revenue Enhancement Oversight Commission (REOC) is ongoing with reports provided at year-end 2016. The Government Finance Officers Association (GFOA) completed its analysis of the Finance and IT Department results of which was presented to the City Council on April 19, 2016. Based on the GFOA assessment and staff recommendations, Council approved the Efficiency & Effectiveness Initiative with the 2016-17 Supplemental Budget allocating resources to redesign business processes and implement an Enterprise Resource Planning system. A total of \$2 million was allocated to pay down unfunded liabilities for CalPERS and OPEB above required contributions with 2015-17 Financial Plan and Supplemental Budget. Council approved moving to an excess insurance program for liability coverage effective July 2016 which, based on claim experience, should result in a cost reduction. In addition, this program aligns with the City's objective to reduce claim severity and costs associated with the workers' compensation and liability programs by 30% in three years. The comprehensive analysis of City costs and fees is tentatively scheduled for a late winter 2017 presentation to Council. A draft public dashboard for performance measures was launched in May 2016. Performance measures are being developed for the 2017-19 Financial Plan. The measures will be pertinent to inform key budgetary decisions for the 2017-2019 Financial Plan.

Downtown 60%

A draft concept plan for the Mission Plaza has been generated. The draft plan was presented to the Park & Rec Committee for review and comment in January 2017. Presentations to the Cultural Heritage Committee and Architectural Review Committee are scheduled for Spring of 2017. Chinatown and Garden Street Terraces continue construction. Monterey street has seen the opening of H&M, Williams Sonoma, Lululemon and more. Significant infrastructure maintenance work continues in the Downtown on a regular basis from street crews, including increased steam cleaning of Bubble Gum Alley.

CONCLUSION

The next review of the 2015-17 Major City Goals and Other Important Objectives will occur at the end of fiscal year 2016-17. Individual items requiring policy direction and/or Council approval will continue to be brought to Council for consideration and direction.

2016-17 MID-YEAR REPORT: UPDATE OF MCG & OIO

Open Space Preservation: 2015-17 Action Plan (70% complete)

Objective: Protect and maintain open space.

#	Task	Completion Date	Revised	Status
1	Pursue voluntary land conservation opportunities in the Cuesta Canyon area of the City's Greenbelt by working cooperatively with the property owners to acquire and protect portions of The Miozzi Brothers La Cuesta Ranch and the Ahearn Family Ranch. An opportunity also exists to expand the Irish Hills Natural Reserve by collaborating with non-profit land trust partners.	Ongoing		Staff is presently pursuing three separate land conservation opportunities, as identified in the task. The Waddell Ranch addition to the Irish Hills Natural Reserve is anticipated in early 2017. The other identified acquisitions are pending and continued discussions with property owners are in progress.
2	Facilitate open space dedications anticipated as components of land use entitlements to protect the Chevron Tank Farm open space and portions of the South Hills and Righetti Hill.	Ongoing		Staff has reached preliminary agreement on the terms of the conservation easement for the open space component of the Chevron Tank Farm property. The Righetti Hill dedication is required by conditions of approval for Tract 3063. The 71-acre parcel dedication associated with Tract 2428 to expand the South Hills Natural Reserve is expected to be received by the end of 2016.
3	Undertake and complete the <i>Natural Resources Manager's Roundtable: The 20th Anniversary Proceedings of the San Luis Obispo Greenbelt</i> and pursue any follow up items that arise from this process.	01/17	Complete	The Natural Resources Roundtable completed monthly meetings in June 2016. The next step is the long-term vision plan described in Task 4, below.
4	Prepare a long-term vision plan, <i>Saving Special Places III: Towards a Sustainable Greenbelt</i> , pertaining to long-term strategic open space acquisition priorities, maintenance and enhancement projects, staffing and equipment, and funding strategies in order to provide for the long-term protection and stewardship of natural resource conservation values and passive recreational amenities appurtenant to City open space properties in existence now and that are planned in the future.	07/17		Completion of the draft vision plan is anticipated for winter 2016-17 with public outreach and advisory body input and review anticipated in late winter / spring 2017, with City Council review anticipated in June 2017.
5	Update <i>Conservation Guidelines for Open Space Lands within the City of San Luis Obispo</i> to address minor inconsistencies with other policy documents.	07/17		This update effort is expected in spring of 2017, and may also include potential revisions / updates to Open Space Regulations per Council direction regarding Open Space Hours of Use.
6	Ongoing annual monitoring of all City-owned open space properties, open space easements, and conservation easements.	Ongoing		Rangers inspect/patrol trailheads and trails daily. Conservation easements are visited annually. Workdays are held weekly.

2016-17 MID-YEAR REPORT: UPDATE OF MCG & OIO

Open Space Preservation: 2015-17 Action Plan (70% complete)

Objective: Protect and maintain open space.

#	Task	Completion Date	Revised	Status
7	Present to the City Council a Maintenance Plan for the City's Open Space for adoption.	12/15	Complete	Adopted December 2015. Annual completed January 2017.
8	Consistent with adopted conservation and open space plans, complete Trailhead Enhancements at signature open space properties including installation of trash cans, mutt mitt stations, trail head signage, informational kiosks, trail way finding signage, and where possible improved parking for cars and bikes, as well as improved public transportation access.	06/17		The following installations have occurred during this reporting period: 11 mutt mitts stations with integrated trash cans, 7 bell boxes, 15 Trail signs with 20+ trail marking upgrades. 8 Small – Large Kiosk and construction begun with 7 to install this winter.
9	Complete priority projects previously identified in conservation and open space plans including:	06/17		See below.
10	Bishop Peak emergency vehicle access and trailhead improvements;	06/17		Two public meetings were completed in September 2016. A study session was held with City Council in January 2017 to obtain direction, with follow up action anticipated as part of the 2017-19 Financial Plan.
11	Johnson Ranch trailhead parking and safety improvements;	06/17		Project scoping, environmental review, and design started.
12	Reservoir Canyon trailhead parking enhancements, trail signs, and new loop trail;	06/17		The Reservoir Canyon Loop Trail is completed adding approximately 2.4 miles of new trail. Signage and trail markers have been installed. Kiosks are under construction and will be installed with added parking that will be completed in winter / spring 2017.
13	Cerro San Luis trail re-routing and erosion control, and completion of the "M" trail;	06/17		Trail re-routing and erosion control efforts completed. The completion of the "M" trail is underway with Ranger staff and volunteers working on this technically challenging trail project during weekly Wednesday Workdays and other times.
14	Terrace Hill sign and kiosk improvements, trail closure/erosion control, and new fencing.	06/17		Terrace Hill kiosk, fencing, and other trailhead amenities are complete. Sign panels are anticipated for mid-2017.

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Open Space Preservation: 2015-17 Action Plan (70% complete)

Objective: Protect and maintain open space.

#	Task	Completion Date	Revised	Status
15	Continue to construct additional trails at Froom Ranch consistent with the approved Irish Hills Conservation Plan completing BLM license area, expanding existing network, and working on a new and improve access point to the trail network.	06/17	Complete	Trails complete. Morro View to Froom Canyon trail to be constructed upon acquisition of the Waddell Ranch, anticipated following this property's addition to the Irish Hills Natural Reserve Conservation Plan, during 2017-19.
16	Initiate implementation of the <i>Laguna Lake Natural Reserve Conservation Plan</i> (see Other Important Council Objective).	Fall 2018	Spring 2022 (for completion of dredging and sediment basins)	Project is currently at the 65% design phase. City Council reviewed project scope and funding alternatives in September 2016. Design and project permitting anticipated to be complete in Winter 2017. Starting environmental initial studies phase. Construction will be a phased through in four years with work only during the spring/summer. Project completion date has been revised to reflect phased approach.
17	Continue to address daily maintenance project needs in the City's Open Space to address wear and tear, natural events, vandalism and other activities which create repair needs in the open space.	Ongoing		Ongoing. Efforts continue with focus on fire fuel reduction and winterization efforts to reduce flood damage in the creeks and clean up trash associated with illegal encampments.
18	Complete prioritized deferred maintenance projects identified in Open Space Maintenance Plan.	Ongoing		80-90% Trailhead "remodels" complete with Spring 2017 signage completion anticipated.
19	Continue patrol of the City's open space areas and creek corridors.	Ongoing		Rangers are out daily enforcing rules in open space while monitoring maintenance needs. Approximately 275 citations have been issued for illegal activities in the open space since the inception of active patrol. Smoking, dogs off leash and hiking when open space is closed are the most frequent citations issued. With this however has come increased compliance and times when on a given busy Saturday 30 dogs have been encountered ALL on leash in the open space. Additionally, multiple times per week creek areas are checked on and illegal and abandoned encampments cleaned out.

2016-17 MID-YEAR REPORT: UPDATE OF MCG & OIO

Open Space Preservation: 2015-17 Action Plan (70% complete)

Objective: Protect and maintain open space.

#	Task	Completion Date	Revised	Status
20	Continue to coordinate 70 trail work days (4,000 hours) a year utilizing volunteers including continuing the partnership with the Central Coast Concerned Mountain Bikers on various open space improvements and maintenance.	Ongoing		From June 30 to December 31, 2016, 3.7+ miles of trail were constructed in the following locations: Cerro San Luis, Irish Hills, Stenner Springs and Reservoir Canyon
21	Continue Ranger Led Hikes in the City's open space on a monthly basis and upon request.	Ongoing		The past six months included hikes at: Stenner Springs, Reservoir Canyon, Johnson Ranch, Islay Hill, Cerro San Luis and Bishop Peak
22	Continue Ranger Service environmental education program and Junior Ranger Camp to increase open space knowledge and user safety. Increase educational efforts to Cal Poly and Cuesta students with particular focus on safety, appropriate use of open space, appropriate time for use, and all City open space trail opportunities.	06/17		Summer 2016 camps were a great success. Natural Resources, Ranger Service and ECOSLO presented to Cal Poly WOW leaders open space etiquette and the diversity of open space locations throughout the City. 1,300 contacts were made with students during WOW week in the City's open space.
23	Increase staffing resources in the Ranger Service Program to provide increased open space improvements, maintenance, and patrol.	08/15	Complete	Complete. Ranger service is fully staffed: one supervising ranger, two full time benefited rangers, four limited benefit rangers and one city worker 5 serving as a ranger. An average of 210 hours a week (all 7 days) of ranger time in the Open Space performing various duties.
24	Include QR codes for donation links in signage, develop a marketing and promotion plan for donations to the Community Foundation City of San Luis Obispo Open Space Fund for Maintenance.	06/17		QR codes were used with the City's public outreach for the draft open space maintenance plan and will continue to be used for added outreach and education.
25	Ongoing community outreach and education in partnership with ECOSLO through the <i>SLO Stewards</i> newsletter.	Quarterly		<i>SLO Stewards</i> newsletters have been completed per schedule.
26	Improve creek and flood protection within the City's natural waterways through Zone 9 projects and coordination and oversight of the Stormwater Management Program.	10/15, 10/16		All of the annual maintenance locations are complete for winter 2015-16. "Winterization" is complete for 2016-17.
27	Ongoing monitoring, remedial action, and enhancement, as needed, of existing mitigation sites.	Ongoing		Ongoing. Occurs on a routine basis in various locations.

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Open Space Preservation: 2015-17 Action Plan (70% complete)

Objective: Protect and maintain open space.

#	Task	Completion Date	Revised	Status
28	Ongoing invasive species treatment and control.	Ongoing		Ongoing. Integrated Vegetation Management Plan for invasive species control was adopted as technical appendix to the Open Space Maintenance Plan. The Land Conservancy of San Luis Obispo County is under contract as of September 1, 2016 to attend to high priority invasive species in various open space locations.
29	Complete wetland meadow and riparian planting / invasive species control at Calle Joaquin Agricultural Reserve using awarded Environmental Enhancement and Mitigation Program grant funds.	01/16	Complete	Final installation activity is underway in October and November 2016 including a “compost blanket” to foster seed germination and weed control, as well as the installation of a bioswale to assist with drainage from the farm fields.
30	Complete project design and specifications for the Fox Hollow reservoir rainwater storage project to enhance summer stream flow in San Luis Obispo Creek.	06/17		Preliminary design concepts have been developed with assistance from the California Conservation Corps.
31	Irish Hills Natural Reserve eucalyptus thinning, mowing, oak grove understory management.	Ongoing	Complete	Work was completed in summer 2016.
32	Bowden Ranch Open Space eucalyptus thinning.	Ongoing	Complete	Thinning completed in winter 2016
33	Terrace Hill Open Space mowing and /or grazing.	Ongoing	Complete	Summer 2016 mowing of Terrace Hill Open Space complete. Seeking a goat contractor for spring / summer 2017
34	Islay Hill Open Space grazing.	Ongoing	Complete	Spring 2016 marked the beginning of seasonal grazing at Islay Hill Open Space.
35	Cerro San Luis Natural Reserve / Lemon Grove eucalyptus thinning and grazing.	Ongoing		This activity is scheduled for Summer 2017.
36	Johnson Ranch Open Space grazing.	Ongoing	Complete	The summer 2016 grazing season at Johnson Ranch Open Space is complete.

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Open Space Preservation: 2015-17 Action Plan (70% complete)

Objective: Protect and maintain open space.

#	Task	Completion Date	Revised	Status
37	Bishop Peak Natural Reserve grazing, Felsman Loop Fuel Break maintenance, removal of dead pines near Highland Drive.	Ongoing	Complete	A major fuel reduction project was completed near the top of Highland in September 2017. Over 1,100 hours of convict crews were managed by Ranger Services. 15 truckloads and 21 trailer loads of wood were removed. Over 25 hours of wood chipping occurred.

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Multimodal Transportation: 2015-17 Action Plan (50% complete)

Objective: Prioritize implementation of the Bicycle Transportation Plan and improve & maintain bicycle, pedestrian, & transit facilities.

#	Task	Completion Date	Revised	Status
1	Continue Transportation Safety & Operations Programs.	Ongoing		2015 Annual Traffic Safety Report presented to Council on October 18, 2016. Operations Report underway with anticipation for production in first quarter 2017.
2	Continue Bicycle Facilities Improvement Activities.	Ongoing		Highland/Chorro bicycle improvement completed. New green bike lanes installed as part of 2016 pavement project including improvements at Marsh and California. Kick off meeting for the Safe Route to School project for Pacheco and Bishop elementary were held. In Partnership Public Works, Parks and Recreation and Police hosted the annual City Bicycle Rodeo was held on September 17 th .
3	Complete 2015-17 BTP Implementation CIP.	06/17		Revised design of Rail Road Safety Trail (RRST) Taft to Pepper underway. Active Transportation Manager has now been hired. Broad Street Bicycle Blvd initial public workshop held. RRST Orcutt Road to Laurel connection design is complete and starting construction.
4	Complete environmental review and design of Prado Rd. Bridge at San Luis Creek Widening & Grade Separated Bike/Pedestrian crossing.	06/17		Environmental Work & Design Ongoing. Continued working with Caltrans for potential grant funding assistance.
5	Develop Safe Routes to School & BTP implementation plan for the Foothill: Pacheco / Bishop Peak Elementary School Area.	06/17		Initial public community workshop held in June 2016. Staff working on technical studies and project identification, Second community meeting anticipated for early 2017.
6	Complete environmental review and design of Bob Jones Trail Octagon Connection.	06/16	11/16	Environmental review and approved by Planning Commission in November 2016. Awaiting county concurrence letter for environmental determination.
7	Complete environmental review and design of Bob Jones Trail Prefumo Creek Connection.	06/17		Active Transportation manager preparing RFP for design services for circulation in winter 2016.

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8	Complete Higuera & Marsh Lighted Crosswalk Replacement.	06/17	Completed	Project Completed.
9	Complete Highland & Chorro Bike Improvements.	04/16	Completed	Project Completed.
10	Complete 2015-17 Pedestrian & Bicycle Pathway Maintenance.	06/17		Maintenance and drainage repairs of Railroad Safety Trail (south of Jennifer St. Bridge) is complete. This maintenance project included enhancements such as fog striping to enhance user safety. A construction contract for path improvements at Islay Park is has been awarded and is awaiting a clear weather window for construction.
11	Complete 2015-17 Downtown Tree & Sidewalk Replacements.	06/17		Three locations have been repaired in the downtown through Job Order Contract. Repair work is ongoing.
12	Complete 2015-17 Mission Plaza Railing Upgrades.	06/17	4/17	The railing replacement project is scheduled to bid in late January with construction slated to start in February 2017.
13	Complete 2015-17 Street Reconstruction & Resurfacing.	Ongoing		The summer 2016 project is complete which included maintenance work in Area 8 and 1. Design work underway for summer 2017 project on Madonna Road and Los Osos Valley Road.
14	Complete 2015-17 Sidewalk Ramp Construction.	06/17	Ongoing	The 2016-17 project is complete which replaced 10 ramps. The 2015 Project replaced 10 curb ramps on Los Osos Valley Road and Madonna Road. The 2016 project replaced 10 ramps on Santa Rosa and Patricia Drive.
15	Begin Construction on Marsh Street Bridge Replacement.	06/16	6/18	Marsh Bridge design and environmental document is close to completion. Property acquisition, permitting, and the finalization of NEPA documentation will mean the project will begin construction in 2018 at the earliest. This is primarily due to the restrictions of when work can be done in the creeks. Final construction date could be further affected based upon final Environmental and Caltrans requirements.

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16	Begin project development work on Prado Road Broad to Higuera Class I Path.	08/15	Ongoing	Meetings with property owners ongoing. The date has been revised to 'ongoing' as the project cannot advance without property owner agreement.
17	Begin project development work on Phillips Lane Bike Bridge.	08/15	Complete	Project design is 50% complete. Environmental Review per National Environmental Policy Act (NEPA) completed December 2016. California Environmental Quality Act (CEQA) is in progress. Grant funding in the amount of \$3.2 million has been obtained and project scope and schedule expanded significantly to include connection to the exiting trail at Taft Street. Productive meetings have been held with UPRR and Caltrans on this project. Easement negotiations will commence upon completion of the CEQA process.
18	Develop a detailed BTP prioritization and implementation plan	08/15	Phase 1 completed Phase 2 – 6/2017	Active Transportation Manager position is now filled and coordinating BAC activities. Phase 1 minor project prioritizations complete and is being maintained. Phase II (major capital projects) prioritization to be worked on in first quarter 2017.
19	Conduct AB1600 Study & Update Infrastructure Fee Program <ul style="list-style-type: none"> • Develop RFP & Work Program (April 2016) • Consultant Selection & Work Effort (June 2016) • Public Outreach & Hearings (September 2016) • Final Adoption (December 2016) 	12/16	Revised to 06/17 based on Council approved work program	Contract for traffic modeling work awarded and work has begun. Financial consulting hired and developing RFP for study and impact. Proposals received January 2017.
20	Update Multimodal Development Standards, Policies, & Programs <ul style="list-style-type: none"> • Update Zoning Code & Subdivision Regulations (June 2017) • Update Transportation Impact Study Guidelines (July 2015) • Develop Access Mgmt. Policy / Program (June 2017) 	06/17		Multimodal Transportation Impact Study Guidelines completed. Access management policies to be incorporated in zoning and engineering standards update in 2017. Policy and code updates are underway. City received international award from the Institute of Transportation Engineers for 2014 LUCE Update and Multimodal activities.
21	Continue Bicycle Education Activities & Develop and expand active transportation Education & Advocacy Programs.	Ongoing		Halloween Safety program completed for 2016. Bicycle Rodeo held in September 2016. City now an affiliate Member of the National Association of City Transportation Officials (NACTO).

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22	Implement new Transit Marketing Plan	Ongoing		Short Range Transit Plan update adopted by Council in September 2016. Marketing plan update being worked on. Phase 1 service changes scheduled for implementation in summer 2017.
23	Complete Short Range Transit Plan with RTA	06/16		Adopted by Council in September 2016.

2016-17 MID-YEAR REPORT: UPDATE OF MCG & OIO

Housing: 2015-17 Action Plan (70% complete)

Objective: Implement the Housing Element, facilitating workforce, affordable, supportive and transitional housing options, including support for needed infrastructure within the City's fair share.

#	Task	Completion Date	Revised	Status
1	Monitor the City's Inclusionary Housing stock for compliance with affordable housing agreements and standards.	06/17		All City Inclusionary Housing has now been monitored. Staff is currently working to compile all surveys to ensure compliance. Further action will be taken should any units be out of compliance with the City's Affordable Housing Program. In addition, staff recently closed escrow on resale of the Moylan Terrace unit which was found to be out of compliance in August 2016, the home was re-sold to a new moderate income family.
2	Continue to implement Housing Element programs and housing production goals.	Ongoing		Housing element programs and housing production goals continue to be a top priority for staff.
3	Continue the City's participation with the Workforce Housing Coalition, San Luis Obispo County Housing Trust Fund and HSOC to identify, evaluate, and implement strategies to increase the production of housing.	Ongoing		Staff continues to participate with a variety of local organizations to encourage and support the production of housing through various financial mechanisms and development opportunities.
4	Increase coordination and representation of City interests in discussions with the County, non-profit organizations and developers to increase the production of housing. City staff will continue to coordinate and support the City's advocacy efforts consistent with the adopted legislative platform, Major City Goal, and Housing Element.	Ongoing		Coordinate of City efforts continues with the County and local non-profits in terms of increasing housing production and advocacy efforts.
5	Continue, and increase where feasible, financial support for Housing Programs.	Ongoing		Staff continues to increase financial support for housing programs through: CDBG awards, Affordable Housing Fund loans and support to the Housing Trust Fund, as well as supporting projects applying for low income housing tax credits. In September 2016, the Housing Authority's 46 unit 'Iron Works' project received a tax credit award and plans to start construction in mid-2017. Council will soon review a request for \$850,000 in Affordable Housing Funds to the Housing Authority of San Luis Obispo for

2016-17 MID-YEAR REPORT: UPDATE OF MCG & OIO

Housing: 2015-17 Action Plan (70% complete)

Objective: Implement the Housing Element, facilitating workforce, affordable, supportive and transitional housing options, including support for needed infrastructure within the City's fair share.

#	Task	Completion Date	Revised	Status
				development of 34 affordable units at Bishop Street Studios.
6	Continue to implement the Inclusionary Housing Program.	Ongoing		Since June 30, 2016, staff has entered into affordable housing agreements for over 100 units with developers to ensure they provide the necessary affordable units to meet their Inclusionary Housing requirement. 60 of those affordable units will be located in multiple subdivisions within the Orcutt Area Specific Plan. Over \$900,000 in affordable housing in-lieu fees have been collected since June 30, 2016.
7	Implement the City's BEGIN first-time homebuyer program by providing down payment assistance loans to qualifying households.	10/16	Complete	As of June 30, 2016 all remaining BEGIN funds have been distributed through five down payment assistance loans totaling \$260,664. The funds were loaned to three homebuyers in Moylan Terrace (one very-low, and two moderate income households), one moderate income household in the Avivo Townhome development, and one moderate income household who purchased a unit at 3090 Rockview. There are currently no BEGIN funds remaining for down payment assistance loans.
8	Update the City's long-term affordable housing agreement, deed and note templates consistent with industry standard best practices.	06/16	Complete	New long-term affordable housing documents were completed in July 2016 and are now being used on any new units entering the program.
9	Work with Cal Poly to address the link between enrollment and the expansion of campus housing to reduce pressure on the City's housing supply (HE Program 10.5).	Ongoing		This remains a top priority.
10	Work with the Housing Authority to develop affordable housing in the Margarita Area Specific Plan.	Ongoing		On September 12, 2016, the Architectural Review Commission approved HASLO's 36-unit affordable housing project. HASLO will apply for low income housing tax credits in Summer 2017 and will pursue a

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Housing: 2015-17 Action Plan (70% complete)

Objective: Implement the Housing Element, facilitating workforce, affordable, supportive and transitional housing options, including support for needed infrastructure within the City's fair share.

#	Task	Completion Date	Revised	Status
				wide range of funding options (including City AHF, CDBG and HOME funds). The second lot to be dedicated to HASLO within MASP is located within the Toscano development. The developer is currently constructing Phase 1 and will be dedicating the lot in Phase 2, 27 units are expected on that lot.
11	Inventory City owned properties suitable for housing and present a proposal to Council on possible opportunities to pursue, if any.	06/16	12/16	The inventory is complete. A draft Council Memo is currently undergoing final review for dissemination in early February.
12	Council consideration of City owned properties and direction as to whether to partner with an affordable housing developer.	10/16	02/17	At this time, no properties have been identified as suitable for an affordable housing project; staff will provide further information to Council in the form of a memo in February 2017.
13	Develop a workforce level of affordability, including incentives, to increase housing options for those making between 121-160% of the Area Median Income (HE Program 2.16).	06/17		Initial background research has been completed. This task will be completed concurrently with the zoning regulations update scheduled to begin Winter 2016.
14	Consider scaling development impact fees for residential development based on size, number of bedrooms and room counts (HE Program 6.31).	12/16	06/17	This task will be tied into overall zoning regulations update and the Citywide Fee Study which is currently underway.
15	Consider incentivizing dwelling units to a minimum size of 150 square feet, consistent with the California Building Code, by reduced impact fees and property development standards (HE Program 9.12).	06/17		This task will be tied into the overall zoning regulations update and the Citywide Fee Study which is currently underway.
16	Evaluate and consider adopting subdivision and ordinance changes to support small lot subdivisions and ownership bungalow court development (HE Program 6.30).	08/16	06/17	This task is near completion. Staff is currently reviewing a draft of the Subdivision Regulations. Alternative small lot subdivision options are being included in this process.

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Housing: 2015-17 Action Plan (70% complete)

Objective: Implement the Housing Element, facilitating workforce, affordable, supportive and transitional housing options, including support for needed infrastructure within the City's fair share.

#	Task	Completion Date	Revised	Status
17	Eliminate or adjust the one-acre minimum lot area for PD overlay zoning (HE Program 6.30).	06/17		Initial research has been completed. Recommendation on PD overlay minimum lot size will be included in the zoning regulations update.
18	Continue to develop incentives to encourage additional housing in the Downtown Core (C-D Zone), including alternatives to calculating residential density, to encourage the development of smaller efficiency units (HE Programs 6.12, 6.13 & 6.27 & LUCE 4.0.28).	06/17		This task will be tied into the overall zoning regulations update.
19	Support employer/employee and employer/developer financing programs and partnerships to increase housing opportunities specifically targeted towards the local workforce.	Ongoing		A workshop was held on October 18 th to begin conversations between People's Self Help Housing and local employers regarding funding programs. Staff continues to work with housing developers to develop employer sponsored housing programs.
20	Continue to prioritize the use of CDBG funds for affordable housing and homeless services.	Ongoing		2017 CDBG Applications closed on October 21 st . The Human Relations Commission approved draft recommendations in December, which will be presented to the Council in March. Those recommendations include funding assistance to the homeless shelter, development of a new affordable housing complex, and renovation of transitional housing for youth.
21	Continue to use the AHF to support the HTF's operating expenses to provide below-market financing and technical assistance to affordable housing developers.	Ongoing		On October 20, 2015, Council allocated \$60,000 from the Affordable Housing Fund to support the Housing Trust Fund as previously approved by the 2015-17 Financial Plan. The funding agreement has been executed and funding is distributed through HTF invoices on an annual basis. All funds have been released to the HTF for the 2015-17 Financial Plan timeframe.
22	Work with developers to include affordable housing units in projects and to complete housing projects in process.	Ongoing		Many residential projects currently underway are choosing to develop their inclusionary housing requirements instead of paying the in-lieu fee. Staff has prepared affordable

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Housing: 2015-17 Action Plan (70% complete)

Objective: Implement the Housing Element, facilitating workforce, affordable, supportive and transitional housing options, including support for needed infrastructure within the City's fair share.

#	Task	Completion Date	Revised	Status
				housing agreements for over 150 units across the City since July 2015. Staff meets regularly with developers to ensure proposed inclusionary housing is in compliance with regulations.
23	Continue to look for new opportunities to use Affordable Housing Fund and grant monies to leverage other funds for affordable housing projects.	Ongoing		Since June 30, 2016, Council has allocated \$300,000 to purchase and resell an affordable unit within Moylan Terrace which was in default under the City's Equity Share program. AHF's were also used to help Habitat for Humanity renovate a home for a low income family. HASLO and TMHA have requested \$850,000 to help with development costs of Bishop Street Studios, that request will be before Council in February 2017. Staff is also currently meeting with two project developers to discuss AHF loans which will likely be presented to Council in mid-2017.
24	Continue to research and apply for Federal, State and private foundation housing loans and grants.	Ongoing		In July 2016, the State department of Housing and Community Development announced the City of San Luis Obispo was awarded a Housing Related Parks grant in the amount of \$282,650. The Sinsheimer Playground project received this grant and the project is under construction.
25	Provide expedited building permit application review for the HSC.	08/15	Complete	A ground breaking celebration for 40 Prado occurred on November 2, 2016. CAPSLO released the RFP in January and will award a construction bid in March. Construction is slated to begin in late March 2017 with completion by December 2017.
26	Provide timely building inspections and ongoing support throughout the HSC's construction process.	Ongoing		Staff is providing support throughout the pre-construction process. Once construction begins in March, staff will work diligently to ensure all timelines are met.

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Housing: 2015-17 Action Plan (70% complete)

Objective: Implement the Housing Element, facilitating workforce, affordable, supportive and transitional housing options, including support for needed infrastructure within the City's fair share.

#	Task	Completion Date	Revised	Status
27	Develop a funding agreement between the City and CAPSLO for the HSC that outlines funding amounts, services and expectations for ongoing facility operations.	03/17		A funding agreement will be negotiated in 2017.
28	Continue to support, jointly with other agencies, housing programs, such as Housing First and Rapid Rehousing, for the homeless (HE Program 8.13).	Ongoing		City staff continues to support programs for the homeless including Housing First, Rapid Rehousing, 50Now, and the Mayors Challenge to End Veteran Homelessness. Staff actively participates in local County efforts and sits on the Homeless Services Coordinating Committee.
29	Fund and use the Infrastructure Investment Fund to facilitate housing projects that are in alignment with the General Plan and City goals.	Ongoing		Once enough funding has been collected, staff will look for opportunities to use the fund to support affordable housing projects.
30	Develop a Request for Proposals for the Infrastructure Fee Update work plan.	04/16	Complete	Task Complete.
31	Select a consultant for the Infrastructure/Impact Fee Update	06/16	01/17	The City is currently reviewing bids/proposals. It is anticipated that a consultant will be selected in January 2017
32	Complete the work effort for the Infrastructure Fee Update (costs, nexus, financing options, right-sizing).	04-07/16	02/17	The selected consultant will begin work on the Infrastructure Fee Update in February 2017.
33	Conduct public outreach for Infrastructure Fee Update.	08-09/16	4/17	This task will be part of the scope of work for the selected consultant.
34	Advisory body and Council consideration of infrastructure options.	10-11/16	5/17	Task not yet initiated, will be dependent on the schedule proposed by the selected consultant.
35	Council adoption of Public Facilities Fee Program.	12/16	09/17	Task not yet initiated, will be dependent on the schedule proposed by the selected consultant.

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Neighborhood Wellness: 2015-17 Action Plan 70% complete)

Objective: Improve neighborhood wellness, work with residents, Cuesta, and Cal Poly; increase public safety, code compliance, and collaborative solutions.

#	Task	Completion Date	Revised	Status
1	Neighborhood Wellness/Community Civility Effort Recommendations	Ongoing		The Police Department will be going to Council on January 17th to amend the Safety Enhancement Zone during the St. Patrick's Day period. On January 17, 2016 Police will also be going to Council to introduce the Party Registration program.
2	Neighborhood Match Grant Program initiation	10/15	Complete	One recipient has completed their project (Islay Park Trail Clean Up; \$1,883 grant). The second recipient has completed the first phase of their project (Cerro San Luis Seasonal Social Gatherings; \$3,437 grant). Applications are currently being accepted for the second year of the program and should be awarded in February 2017.
3	Establish and Implement Collaborative Communication Plan	12/15	Complete	Plan complete implementation ongoing.
4	Begin Implementation of key measures from Community Civility Committee	Ongoing	Completed	Over summer of 2016, Fire Chief Olson, Police Chief Cantrell and Cal Poly Chief Hughes spoke at 18 events, to over 4,000 parents and caregivers of incoming Freshman for Cal Poly. They discussed social decision making, alcohol, drug use, noise and other topics of concern to public safety. Additionally, Christine Wallace and Jeff Gater provided similar talks to the incoming Freshman about neighborhood wellness concerns, personal responsibility and safety.
5	"Adopt a Block" Pilot Program – SCLC	03/16	3/17	The "Adopt a Block" program was presented to the new SCLC leadership in October 2016 for consideration.
6	Administrative Citation Appeals Process	3/16	Complete	Board members appointed by Council March 15, 2016. New appeals forms and notifications, including online appeals materials, administrative guidelines and training materials have been finalized. Hearing officers for

2016-17 MID-YEAR REPORT: UPDATE OF MCG & OIO

Neighborhood Wellness: 2015-17 Action Plan 70% complete)

Objective: Improve neighborhood wellness, work with residents, Cuesta, and Cal Poly; increase public safety, code compliance, and collaborative solutions.

#	Task	Completion Date	Revised	Status
				expedited hearing alternative selected by City Attorney, trained and completed first several rounds of appeals hearings.
7	Public Safety MOU – Cal Poly University Police and SLOPD	09/15	Complete	The MOU has proven to be successful with Cal Poly PD and the police department collaborating efforts in identifying and issuing citations for adverse behaviors occurring in the neighborhoods surrounding Cal Poly.
8	Code Compliance Performance Measures	Ongoing	2/17	City staff has just implemented the use of tablets in the field for building inspectors, code enforcement officers, and code enforcement technicians. This is a major step in our ability to collect and report on data related to performance measures for code enforcement.
9	Hire staff to implement rental housing inspection (contingent on program adoption)	02/16	Complete	The two Code Enforcement Technician IIs have been hired and started work on May 5, 2016.
10	Begin inspections - prioritize properties with code enforcement violations	8/16	Ongoing	Inspections of former code case rentals was completed in the middle of August, 2016. Work is in progress with inspections of properties with prior code enforcement violations completed
11	On-going inspections and follow up for rental housing violations	Ongoing	7/16	Inspections are underway with between 6-8 inspections performed per day per inspector.
12	Neighborhood pro-active enforcement	Ongoing		In the last 6 months 32% of the cases opened were for visible storage, and 21% for waste containers. In summer and fall of 2016 police personnel have conducted extensive outreach to include mailers, flyers, social media, print media, community forums, door hangers, personal contacts with problem locations, walk and talks, to name a few. The department has been educated and staffed appropriately to

2016-17 MID-YEAR REPORT: UPDATE OF MCG & OIO

Neighborhood Wellness: 2015-17 Action Plan 70% complete)

Objective: Improve neighborhood wellness, work with residents, Cuesta, and Cal Poly; increase public safety, code compliance, and collaborative solutions.

#	Task	Completion Date	Revised	Status
				respond to neighborhood issues and address adverse behaviors. The Utilities Department coordinated efforts with various other City departments, the Garbage Company, Cal Poly, and the community to conduct clean-up week during Cal Poly move out. This year the City did not have any couch fires during clean-up week and 152 tons of material were removed by the Garbage Company during this coordinated effort.
13	Continue Sidewalk Repairs	Ongoing		Maintenance crew sidewalk repairs are complete in Pavement Area 8 and Area 1. Various Job Order Contract sidewalk repairs are underway throughout the City.
14	Continue Storm Drain Cleaning, Silt Removal & Storm Drain Replacements	Ongoing		Storm Drain cleaning work is ongoing. The 2015 storm drain replacement and Albert Drive storm drain project is complete. Design work is underway for Storm Drain Replacements schedule for construction in 2017. Silt removal projects designed and permitted and planned for construction in 2017 based upon need.
15	Complete Neighborhood Street Repair & Sealing	10/16		Roadway sealing and repair work is complete in Pavement Area 8 and Area 1. Design work is underway on the for Madonna and Los Osos Valley Road paving project.
16	Communicate Good Neighbor Expectations to Cal Poly students and parents	Summer 2016		The Police Chief, Fire Chief, Deputy Fire Chief, and Neighborhood Outreach Manager led approximately 30 sessions of dialogue with the incoming class of students and their supporters (typically parents) regarding many aspects of social decision making, neighborhood wellness, and the consequences or misconduct as part of a mandatory session of the SLO Days orientation, reaching thousands of attendees. This very frank and professional conversation covered topics such as alcohol, noise, unruly

2016-17 MID-YEAR REPORT: UPDATE OF MCG & OIO

Neighborhood Wellness: 2015-17 Action Plan 70% complete)

Objective: Improve neighborhood wellness, work with residents, Cuesta, and Cal Poly; increase public safety, code compliance, and collaborative solutions.

#	Task	Completion Date	Revised	Status
				gatherings, and real life examples of successes and failures in SLO.

2016-17 MID-YEAR REPORT: UPDATE OF MCG & OIO

Laguna Lake Restoration: 2015-17 Action Plan (75% complete) Objective: Initiate implementation of the <i>Laguna Lake Natural Reserve Conservation Plan</i> .				
#	Task	Completion Date	Revised	Status
1	Install new, updated signage at trailheads and along trails <ul style="list-style-type: none"> • Complete site-specific design (06/16) • Complete requisition signs and attendant materials (09/16) • Installation of updated signs at trailheads and along trails (12/16) 	12/16	6/17	Design work in progress.
2	Install accessible paths <ul style="list-style-type: none"> • Complete Site-specific design and project specifications (12/16) • Issue Request for Proposals (RFP) and Contractor selection (02/17) • Installation of accessible path along lake front (06/17) 	06/17	04/18	Public Works Engineering staff are designing this facility in-house and the plans 75% complete. Construction is expected in the Spring of 2017.
3	Install sediment basins <ul style="list-style-type: none"> • Issue RFP for Design / Engineering consultant (07/15) • Complete Site-specific designs and project specifications (03/16) • Complete Project permitting and environmental document (08/17) 	06/17		The project is at 65% designs following Council's action on September 20, 2016. Proposed a phased project over four years (during spring/summer) in order to ensure water in the lake, minimize environmental impacts, and to be in line with the finance strategies proposed (Community Facility District funding).
4	Begin a dredging project <ul style="list-style-type: none"> • Issue RFP for Design / Engineering consultant (07/15) • Site-specific designs and project specifications completed (03/16) • Soil samples and water quality tests (03/16) • Evaluate disposal site options and secure land tenure agreements, if necessary (05/16) • Final project design selection with City Council (09/16) • Project permitting and environmental document completed (06/17) 	06/17	9/18	The project is at 75% following Council's action on September 20, 2016. Starting the environmental impact report process phase, beginning with holding consulting meetings with permitting agencies. Project permitting to be completed Winter 2017 and project construction to begin Spring 2018.
5	Evaluate Project Financing Options and Mechanisms <ul style="list-style-type: none"> • Issue RFP for economic / municipal finance and public opinion research consultant(s) (07/15) • Evaluate financing options and feasibility (02/16) • Conduct study session with City Council on financing options and feasibility (03/16) • Conduct focused public workshops and community outreach (04/16) 	02/17	All tasks complete late 2017 / early 2018.	Staff anticipates returning to Council with a detailed financing strategy as part of the work plan for 2017-19. Public opinion research is complete, and additional outreach with property owners and stakeholders will be undertaken.

2016-17 MID-YEAR REPORT: UPDATE OF MCG & OIO

Laguna Lake Restoration: 2015-17 Action Plan (75% complete)

Objective: Initiate implementation of the *Laguna Lake Natural Reserve Conservation Plan*.

#	Task	Completion Date	Revised	Status
	<ul style="list-style-type: none"> • Final selection of preferred financing option(s) by City Council and resolution of intention as appropriate and legally required. (06/16) • Public Hearing with City Council to create financing mechanism and adopt resolution of formation as appropriate and legally required. (09/16) • Conduct registered voter election by mail, if needed. (3/17) • Proceed with any and all action necessary to fund sediment basin and dredging project implementation in 2017-19. (06/17) 			

2016-17 MID-YEAR REPORT: UPDATE OF MCG & OIO

Fiscal Sustainability and Responsibility: 2015-17 Action Plan (50% complete)

Objective: Implement the City's Fiscal Responsibility Philosophy with a focus on the reduction of unfunded liabilities.

#	Task	Completion Date	Revised	Status
1	Establish a performance management and reporting team to identify a set of performance criteria for public reporting based on information the public wants to know and available information already being maintained and reported internally.	6/16	Complete	Three performance measures from each department will be included in the 2017-19 Financial Plan.
2	Gather public opinion to establish a baseline for City performance and to determine what information the public is interested in seeing in a new set of online dashboards.	05/16	10/17	The performance measures included in the 2017-19 Financial Plan will be used to create a draft performance dashboard. Public engagement will occur in the summer/fall of 2017 to solicit feedback on the performance measures included in the draft dashboard.
3	Implement a system for ongoing tracking, management, and reporting of performance and service metrics.	01/17	12/17	Feedback on the draft performance dashboard will be incorporated into a final product by 12/17.
4	Work with the Citizen's Revenue Enhancement Oversight Commission (REOC) to accomplish enhanced reporting on the use of Measure G revenue.	Ongoing		The REOC was included in the Community Forum which was also the Annual Citizen Oversight Meeting in January 2017. The 2015-16 Annual Community Report will be distributed to the public in March 2017.
5	Continue to implement and track operational efficiencies including alternative service delivery, best management practices, and cost containment measures that preserve the effectiveness of City services and operations.	05/17	6/17	In April 2016, Government Fiscal Officers Association conducted an assessment of the City's Finance Function. Based on the assessment, staff recommended Efficiency and Effectiveness Initiative adopted by Council in June 2016. Staff begun implementation of Motion project to implement an Enterprise Resource Planning system (ERP). and redesign business processes The project duration is estimated at three years. Staff will continue these efforts based on Council adopted Financial Responsibility Philosophy.
6	Identify and include updated performance measures in the 2017-2019 Financial Plan.	06/17	6/17	This project is underway for the 2017-19 Financial Plan.

2016-17 MID-YEAR REPORT: UPDATE OF MCG & OIO

Fiscal Sustainability and Responsibility: 2015-17 Action Plan (50% complete)

Objective: Implement the City's Fiscal Responsibility Philosophy with a focus on the reduction of unfunded liabilities.

#	Task	Completion Date	Revised	Status
7	Addressing the City's long term costs: Develop a budget policy for incorporation in the 2015-17 Financial Plan that reflects policy direction regarding the use of one-time resources.	06/15	Complete	A policy was adopted with the 2015-2017 financial plan.
8	Identify and work with a risk management expert to conduct an audit of liability and workers' compensation claims history and cost trends to ensure appropriate risk management and cost effective coverage. Explore options within CJPIA to control costs as well as other programs offered by other providers, if applicable.	06/16	Completed	Given the move from primary (first dollar) insurance coverage for liability claims to an Excess Insurance Program (EIP) the City does not believe an audit is necessary. This EIP program is expected to result in cost savings given the City's positive liability claims experience. CJPIA plans to develop a similar excess insurance model for their workers' compensation program and staff will work with CJPIA to evaluate the potential benefits for the City's workers' compensation program. In addition, the City continues to make changes identified in a Risk Management Evaluation provided at no additional cost through CJPIA and will continue to actively participate in this valuable program that provides best practices in risk reduction and management.
9	Establish objectives to contain or reduce liability and/or workers' compensation claims and work with departments to achieve reductions.	06/16	Ongoing	Claim reviews on liability and workers' compensation programs are conducted quarterly with the focus on cost containment/reduction. The City's safety committee continues to be instrumental in educating staff and promoting a culture of safety. A consultant is working with staff on updating key safety policies and programs. CJPIA provided critical safety training programs at no additional cost to the City. In addition, a Safety and Technical Training Engineer and a Human Resources Analyst dedicated to risk management and safety were hired which will allow a more focused and proactive approach to the City's risk management program.

2016-17 MID-YEAR REPORT: UPDATE OF MCG & OIO

Fiscal Sustainability and Responsibility: 2015-17 Action Plan (50% complete)

Objective: Implement the City's Fiscal Responsibility Philosophy with a focus on the reduction of unfunded liabilities.

#	Task	Completion Date	Revised	Status
10	Propose and implement payment to a long-term cost item from year-end fund balance at mid-year as based on policy adopted by the City Council in the 2015-17 Financial Plan.	06/16,06/17		2014-15-year end unassigned fund balance was appropriated with the 2016-17 Supplemental Budget. \$750,000 was allocated to pay down CalPERS unfunded liability and \$250,000 was allocated to pay down OPEB unfunded liability. \$1.9 million was allocated toward implementation of an Enterprise Resource Planning system, investing in the information technology infrastructure, efficiency and effectiveness.
11	Review progress regarding liability and/or workers' compensation claim reduction	02/17	Ongoing	Quarterly liability and worker's compensation claims reviews with key stakeholders are underway to ensure active case management and to close claims more quickly when appropriate.
12	Continue investment in infrastructure maintenance	Ongoing		The City adopted a policy as part of the 2015-2017 Financial Plan to prioritize paying unfunded liabilities and deferred maintenance projects with one time revenues. 2016-17 Supplemental Budget allocated \$1.625 million toward CIP projects and \$2.8 million for Efficiency and Effectiveness Initiative ERP implementation.
13	Continue developing, implementing and reporting on operational efficiencies	Ongoing		Performance measures for each department are being developed for the 2017-2019 Financial Plan. Operational efficiencies will be evaluated with development of the financial plan.
14	Complete a comprehensive analysis of City costs and fees every five years	08/15	Spring 2017	As a result of transitions in staff, the Finance Director, and other managers involved in this project the date has been adjusted to Spring 2017.
15	Adjust existing fees per Council policy and in accordance with User Cost Recovery Goals	Annually		This will occur with the consideration of the Spring 2017 in preparation for the 2017-2019 Financial Plan.
16	Review and adjust enterprise fees and rate structures as required to ensure they remain appropriate and equitable.	Ongoing		The Utilities Department is conducting a capacity and connection fee study that is expected to replace the current

2016-17 MID-YEAR REPORT: UPDATE OF MCG & OIO

Fiscal Sustainability and Responsibility: 2015-17 Action Plan (50% complete)

Objective: Implement the City's Fiscal Responsibility Philosophy with a focus on the reduction of unfunded liabilities.

#	Task	Completion Date	Revised	Status
				development impact fee. This should be completed for implementation with the 2017-19 Financial Plan. It is also embarking on a review of its recycled water rates to appropriately charge for this water source. Provided current revenue trends; the drought surcharge is likely to remain in effect for the foreseeable future until a new norm can be determined and rates adjusted appropriately.
17	Monitor receipts of local revenues (such as business licenses, utility user taxes, franchise fees) and initiate effective collection strategies to ensure that revenues and taxes are paid by those who are obligated to pay them.	Ongoing		Staff has reinstated reporting TOT on a monthly basis and is following up with any unpaid UUT and business license fees.
18	Implement a business license compliance program using outside consultants to identify unlicensed businesses within the community.	05/16	08/16	Contract has been executed with HdL companies. Implementation is in progress and the program is being developed with the consulting services from HdL.

2016-17 MID-YEAR REPORT: UPDATE OF MCG & OIO

Downtown: 2015-17 Action Plan (60% complete)

Objective: Adopt a Downtown Concept Plan, develop a plan for expansion of Mission Plaza, and improve safety, infrastructure, and maintenance in the Downtown.

#	Task	Completion Date	Revised	Status
1	<p>Vision and Economic Vitality</p> <ul style="list-style-type: none"> Develop RFP for Downtown Concept Plan update in coordination with the update of the City's zoning ordinance. (08/15) Interview and select consultants (09/15) Complete community visioning, interviews, charrette(s), review of Mission Plaza Assessment project (12/15) Present draft concepts and study findings to City committees and commissions for input (09/16) Present draft concepts and study findings to Council review and approval (Revised to 10/16) Present final Concept Plan and final Mission Plaza Study to Council (Revised to 04/17) Coordinate with the Downtown Association to develop a building inventory and occupancy reporting methodology (Ongoing) Collaborate with the Downtown to develop options for downtown residential parking (10/17) Complete Design for Downtown Renewal (Construction proposed for 2017-18) (06/17) Facilitate completion of Chinatown and Garden Street Terraces private developments (Ongoing) 	06/17		<p>A Joint City Council/ Planning Commission Study Session was held on October 4, 2016 to present the draft concepts for the Downtown Concept Plan update.</p> <p>Public Workshops, to solicit feedback on the draft concepts for the Downtown Concept Plan update, will be held in November 2016.</p> <p>Draft concepts presented to City Council in October 2016. City Council feedback is currently being developed into preferred alternative concept plan.</p> <p>Mission Plaza Assessment Project draft Concept Plan approved by Council. Staff is currently working through City Commissions to gather input in order to present the final draft plan to Council Summer/Fall 2017.</p> <p>Monterey Street stores are now open in the Chinatown Project including H&M, Lululemon, and William Sonoma and more forthcoming. The Garden Street Terraces projects is progressing rapidly</p>
2	<p>Safety</p> <ul style="list-style-type: none"> Provide one police officer for the downtown and additional personnel as available Provide Community Action Team (CAT) to combine enforcement, intervention & education Coordinate with outreach groups for the homeless Coordinate with other law enforcement agencies Expand use of safety cameras (06/16) 		Completed	<p>In May of 2016 Council approved the continuance of the "Make Change Count" meter campaign from a pilot program to a permanent program.</p> <p>Three cameras have been purchased and placed in the Downtown core and are activated for use.</p> <p>Staffing has allowed the placement of two bicycle officers Downtown covering dayshift, seven days a week. The</p>

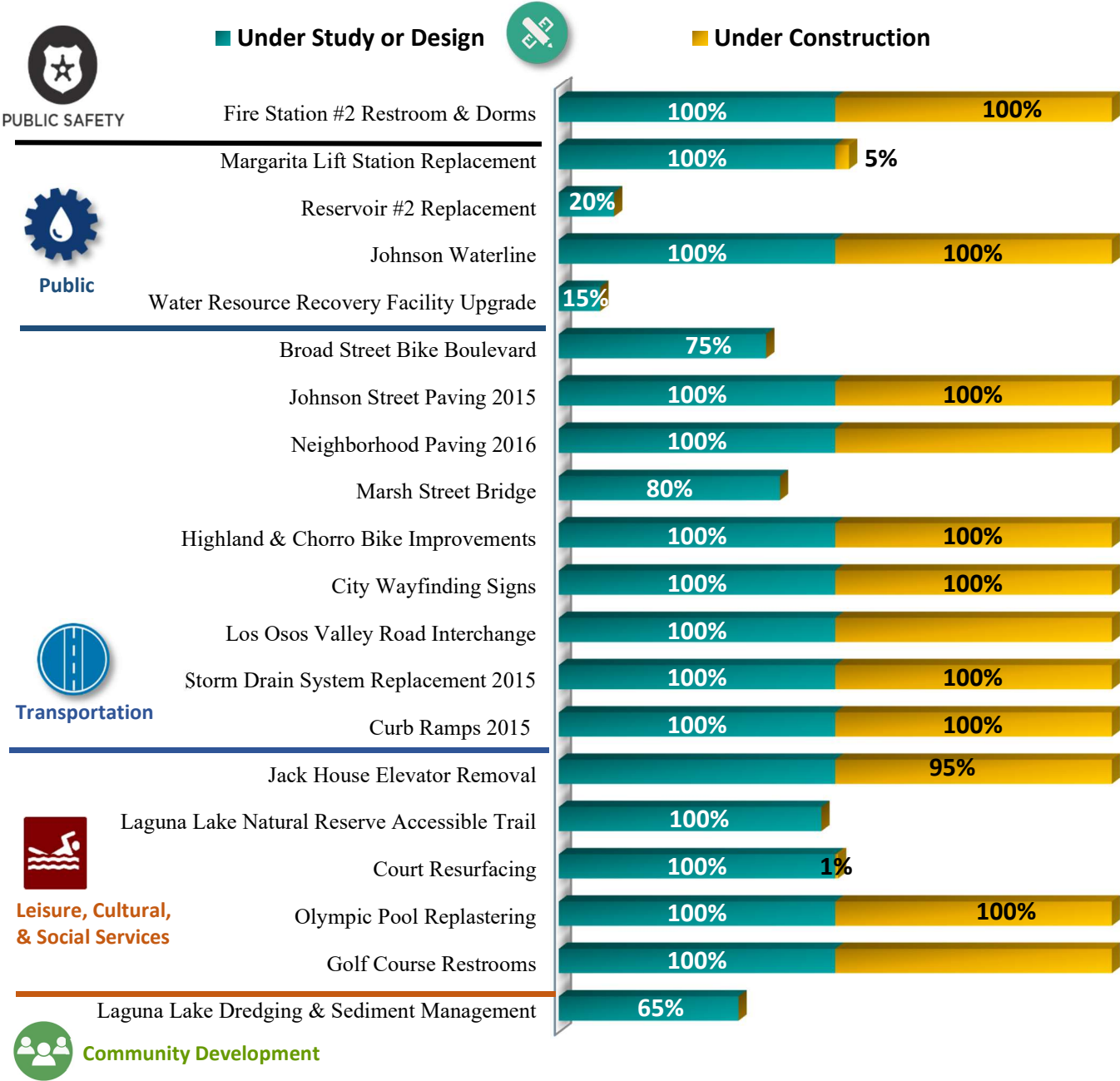
2016-17 MID-YEAR REPORT: UPDATE OF MCG & OIO

Downtown: 2015-17 Action Plan (60% complete)

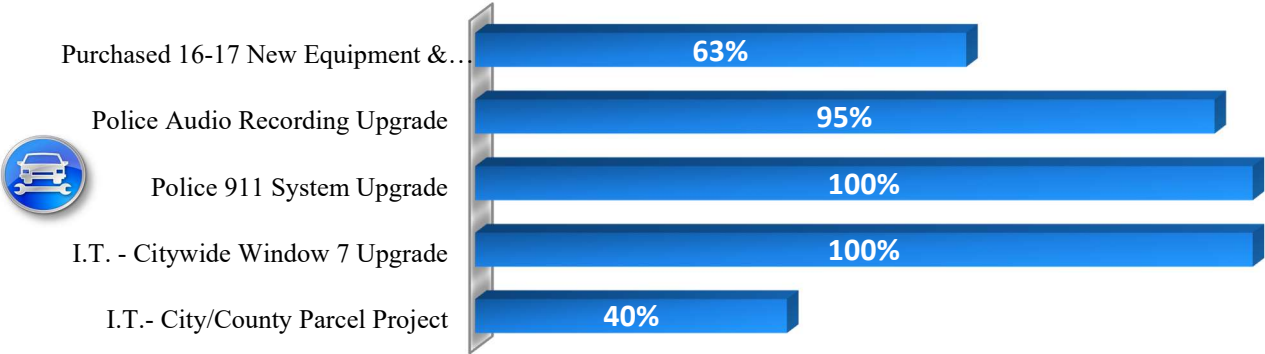
Objective: Adopt a Downtown Concept Plan, develop a plan for expansion of Mission Plaza, and improve safety, infrastructure, and maintenance in the Downtown.

#	Task	Completion Date	Revised	Status
				CAT team continues to provide outreach, intervention and education involving the homeless population downtown.
3	<p>Infrastructure and Maintenance</p> <ul style="list-style-type: none"> • Complete Sidewalk Repairs & Tree Replacements (06/16) • Complete Sidewalk Repairs & Tree Replacements (06/17) • Replace Higuera Lighted Crosswalk (06/17) • Upgrade Mission Plaza Railing (06/16) • Upgrade Mission Plaza Railing (06/17) • Start Construction of Marsh Street Bridge (06/16) • Complete Design for Mission Plaza Restroom – Construction proposed for 2017-18 (06/17) • Implement Parking Program organizational change (01/16) • Initiate Environmental Study for the Palm / Nipomo Parking Structure (01/17) • Develop and implement annual report outlined in the Public Works Strategic plan, to report annually on Downtown Support (06/16) • Continue Downtown Street Sweeping (Ongoing) • Continue Downtown Sidewalk & Bubblegum Alley Steam Cleaning (Ongoing) • Continue Downtown Trash Pickup & Graffiti Removal (Ongoing) • Continue News Rack Enforcement & Permitting Program (Ongoing) 	06/17		<p>Sidewalk repairs are currently on-going. Three task orders have been approved for construction, with additional task orders in process.</p> <p>Marsh Bridge design and environmental document is close to completion. Property acquisition, permitting, and the finalization of NEPA documentation will mean the project will begin construction in 2018 at the earliest.</p> <p>The Palm Nipomo Parking Structure Environmental impact report underway. New pedestrian signal heads installed at Broad/Marsh and other pedestrian improvements installed as part of GST project.</p> <p>Ongoing work efforts the Downtown include the following regular activities: Street Sweeping, Sidewalk & Bubblegum Alley Steam Cleaning, Trash Pickup & Graffiti Removal, and implementation of the News Rack Enforcement & Permitting Program.</p>

Status of Major CIP Projects (as of 12/31/16)



Status of Major Fleet & I.T. Replacements



Section D

RECENT FINANCIAL AND REVENUE REPORTS

Q2 2016



San Luis Obispo Sales Tax *Update*

Third Quarter Receipts for Second Quarter Sales (April - June 2016)

San Luis Obispo In Brief

San Luis Obispo's receipts from April through June sales were 4.3% higher than the same quarter one year ago. Actual sales activity increased 2.9% when accounting aberrations were excluded.

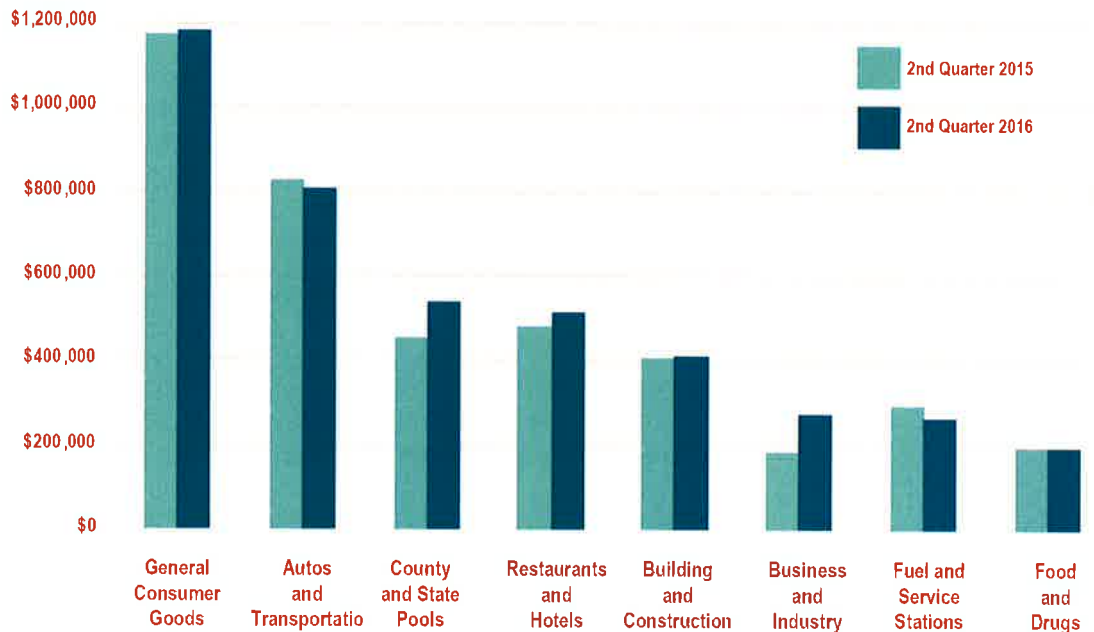
Consumer goods group gains from prior additions to sporting goods and specialty stores were largely offset by lower sales in some other categories and the closure of a women's apparel outlet. A new retailer was a major factor for the increase from the business and industry group. Accounting deviations inflated results from electronics/appliances and both casual dining and quick-service restaurants, but understated gains from contractor supplies. A multi-year retroactive adjustment boosted this quarter's allocation from the county use tax pool.

Postings declined from new car dealers and lumber/building materials. Last year's closeout hurt grocery/liquor totals and lower fuel prices cut service station returns.

Proceeds from local voter-approved Measure G totaled \$1,817,463 for the quarter. Receipts were up 1.3%, net of accounting events.

Adjusted for anomalies, taxable sales for all of San Luis Obispo County declined 0.4% over the same period; the Central Coast region was up 2.7%.

SALES TAX BY MAJOR BUSINESS GROUP



TOP 25 PRODUCERS

IN ALPHABETICAL ORDER

Alfano Motorcars	Laguna Lake Shell
Mercedes Benz	Madonna Inn
Chevrolet	Perry Ford Lincoln
Apple	Rancho Grande Motors
Best Buy	Rec Solar
Chevron	Commercial Corporation
Coast BMW Nissan	Smith Volvo
Cole Chrysler Dodge	Sunset Auto Sales
Jeep Cole Mazda	Target
Conserv Fuel	Tennis Warehouse
Costco	Tesoro Refining & Marketing
Edna Valley Shell	Toyota of San Luis Obispo
Ferguson Enterprises	Vons
Hayward Lumber	
Home Depot	
JB Dewar Exxon Distributor	

REVENUE COMPARISON

Four Quarters - Fiscal Year To Date

	2014-15	2015-16
Point-of-Sale	\$14,092,429	\$14,681,767
County Pool	1,651,544	2,010,096
State Pool	9,449	8,959
Gross Receipts	\$15,753,422	\$16,700,823
Less Triple Flip*	\$(3,938,355)	\$(2,184,392)
Measure G	\$7,218,137	\$7,266,720

California Overall

Statewide local sales and use tax receipts were up 1.9% over last year's spring quarter after adjusting for payment aberrations.

The largest gains were for building supplies, restaurants, utility/energy projects and countywide use tax pool allocations. Tax revenues from general consumer goods and business investment categories rose slightly while auto sales leveled off.

Interest In Tax Reform Grows

With modest growth in sales and use taxes, agencies are increasingly reliant on local transaction tax initiatives to cover growing infrastructure and employee retirement costs. As of October 1, there are 210 active add-on tax districts with dozens more proposed for the upcoming November and April ballots.

The Bradley-Burns 1% local sales tax structure has not kept pace with social and economic changes occurring since the tax was first implemented in 1933. Technology and globalization are reducing the cost of goods while spending is shifting away from taxable merchandise to non-taxed experiences, social networking and services. Growing outlays for housing and health care are also cutting family resources available for discretionary spending. Tax-exempt digital downloads and a growing list of legislative exemptions have compounded the problem.

California has the nation's highest sales tax rate, reaching 10% in some jurisdictions. This rate, however, is applied to the smallest basket of taxable goods. A basic principle of sound tax policy is to have the lowest rate applied to the broadest possible basket of goods. California's opposite approach leads to revenue volatility and causes the state and local governments to be more vulnerable to economic downturns.

The State Controller, several legislators and some newspaper editorials have suggested a fresh look at the state's tax structure and a few ideas for reform have been proposed, including:

Expand the Base / Lower the Rate:

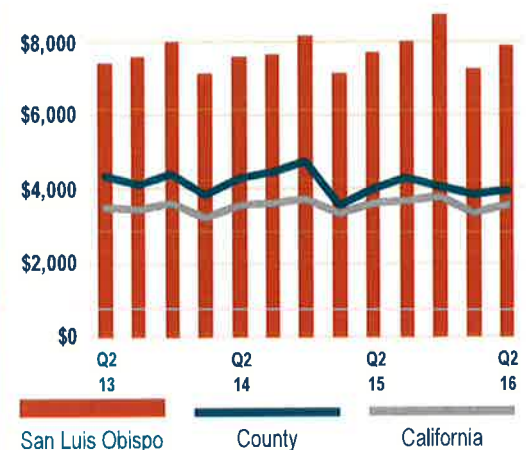
Eliminate much of the \$11.5 billion in exemptions adopted since the tax was first implemented and expand the base to include the digital goods and services commonly taxed in other states. This would allow a lower, less regressive tax that is more competitive nationally and would expand local options for economic development.

Allocate to Place of Consumption:

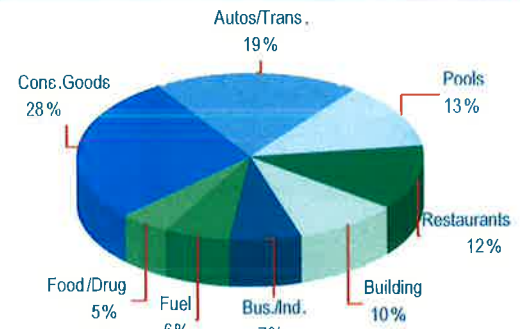
Converting to destination sourcing, already in use in the state's transactions and use tax districts, would maintain the allocation of local sales tax to the jurisdiction where stores, restaurants and other carryout businesses are located, but return the tax for online and catalog sales to the jurisdiction of the buyer that paid the tax. One outcome of this proposal would be the redirection of tax revenues to local agencies that are currently being shared with business owners and corporations as an inducement to move order desks to their jurisdictions.

Tax reform will not be easy. However, failing to reach agreement on a simpler, less regressive tax structure that adapts this century's economy could make California a long-term "loser" in competing with states with lower overall tax rates.

SALES PER CAPITA



REVENUE BY BUSINESS GROUP
San Luis Obispo This Quarter



SAN LUIS OBISPO TOP 15 BUSINESS TYPES

**In thousands of dollars*

Business Type	San Luis Obispo		County	HdL State
	Q2 '16*	Change	Change	Change
Casual Dining	293.8	6.8%	4.5%	4.4%
Contractors	84.3	1.3%	96.1%	6.3%
Discount Dept Stores	— CONFIDENTIAL —	—	-0.5%	0.7%
Electronics/Appliance Stores	145.9	7.6%	2.1%	22.4%
Energy/Utilities	— CONFIDENTIAL —	—	-76.9%	-0.8%
Family Apparel	106.5	3.0%	2.5%	4.4%
Grocery Stores Liquor	71.9	-13.0%	-5.7%	1.2%
Home Furnishings	90.0	0.5%	0.2%	1.3%
Lumber/Building Materials	174.9	-4.4%	-0.3%	3.3%
New Motor Vehicle Dealers	611.7	-5.1%	4.5%	2.7%
Plumbing/Electrical Supplies	110.5	4.0%	4.5%	7.6%
Quick-Service Restaurants	86.6	16.1%	3.5%	6.6%
Service Stations	210.6	-15.1%	-15.2%	-19.2%
Specialty Stores	101.4	9.2%	7.6%	2.4%
Sporting Goods/Bike Stores	161.2	12.0%	1.5%	9.4%
Total All Accounts	3,645.1	2.4%	-0.4%	-0.6%
County & State Pool Allocation	537.4	19.1%	15.8%	15.2%
Gross Receipts D-2	4,182.5	4.3%	1.4%	1.4%



CITY OF SAN LUIS OBISPO

Monthly TOT Report

November 2016

November 30, 2016

This report covers the City's transient occupancy tax (TOT) revenues for November 2016 compared with the two prior years. As reflected below, revenues for the month of November 2016 are up **by 6.2%** from the same month last year and **up 1.3% year to date over the prior year.**

Year End TOT Revenues					
	Prior Year 2014-15	Last Year 2015-16	This Year 2016-17	Increase (Decrease) Last Year Vs This Year	
				Amount	Percent
July	\$766,299	\$845,455	877,391	31,936	3.8%
August	739,801	775,448	765,232	(10,216)	-1.3%
September	560,728	643,127	650,117	6,991	1.1%
October	597,372	642,221	628,049	(14,172)	-2.2%
November	478,904	467,939	497,162	29,223	6.2%
Year To Date Total	3,143,105	3,374,190	3,417,952	43,762	1.3%
December	393,761	429,600			
January	402,940	387,304			
February	433,861	466,915			
March	522,702	559,235			
April	613,487	609,409			
May	603,617	598,093			
June	728,694	728,694			

This report is based on the amounts reported by the operators for the month in which the tax is due.

Currently this report covers 40 hotel establishments representing 2,226 rooms. It also includes \$5028 collected from 41 Homestay properties year to date.

For more information, please call Marjorie Hernandez at (805) 781-7436.



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