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2019-21 Financial Plan Supplement

2020-21 Adopted Budget

2019-21 Financial Plan

**ADOPTED SUPPLEMENTAL BUDGET 2020-21
June 2020**

**HEIDI HARMON, MAYOR
AARON GOMEZ, VICE MAYOR
CARLYN CHRISTIANSON, COUNCIL MEMBER
ANDY PEASE, COUNCIL MEMBER
ERICA A. STEWART, COUNCIL MEMBER**

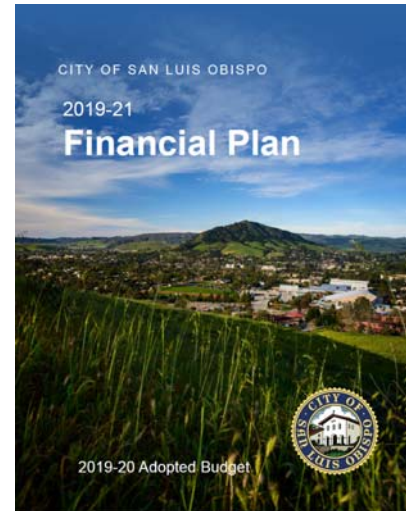
DEREK JOHNSON, CITY MANAGER



CITY OF SAN LUIS OBISPO

Preface

The City of San Luis Obispo follows a nationally recognized two-year Financial Plan process. The Financial Plan links goals and objectives with resources needed to accomplish them. 2020-21 marks the second year of the City's 2019-21 Financial Plan. This Supplemental Budget focuses on *changes* in financial position and an updated fiscal forecast. Council approval is required for each year of the budget cycle in order to appropriate the funding. For complete budget information and details on Budget Process, Major City Goals, Department Objectives, the Capital Improvement Plan, and City policies, please review the full 2019-21 Financial Plan located [here](#).



Supplemental Budget Overview

Section A: City Manager Message

Section B: 2019-20 In Review This section includes a brief review of the City's financial condition in Fiscal Year 2019-20 as well an outlook on the remainder of the year.

Section C: Setting the Stage: This section provides the assumptions and strategies regarding the City's changes to the 2020-21 Budget due to COVID19 and reviews the City's Fiscal Health Response Plan.

Section D: Strategic Planning: This section morphs the City's adopted strategies for 2019-21 into a unified Meta City Goal that provides the structure and focus for the City's continued response to and recovery from the COVID-19 public health, economic, and social impacts. It also provides an update to the objectives and recommended uses for the Local Revenue Measure.

Sections E: Consolidated Financials & Changes in Financial Position: This section contains the consolidated financials for all major funds including special assessments. It also presents the proposed changes to both Governmental, Enterprise, and Special Revenue funds. The Enterprise fund sections will also present unique strategies for handling COVID-19 fiscal impacts. A performance measures update is also included for each of the City's operating departments.

Section F: Capital Improvement Plan: This section was put together in collaboration with the City's CIP team to evaluate and prioritize upcoming projects.

Section G: Debt Schedules

Appendix: Gann Limit, Resolutions

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Section A: City Manager Budget Message

It is with mixed emotions that I am presenting the 2020-21 Budget Supplement. On the one hand, I am proud to present a balanced budget under extraordinary circumstances; on the other, it is hard to depart from the Fiscal Health Response Plan (FHRP) we had carefully drafted and embarked on just two years ago. A strategy that placed the City on the path to paydown its unfunded pension liability over 20 years while executing an ambitious, visionary, and versatile work program with many areas of enhanced service to the community.

Despite the current situation, operating under Emergency Orders associated with the COVID-19 Global Pandemics, the City has achieved much. During the first eight months of the 2019-20 budget year, the City has produced impressive results including advancement of policies, capital improvement projects to maintain and improve City infrastructure, and programmatic milestones:

- Affordable Housing Nexus Study
- Launch of Monterey Bay Community Power procuring 100% carbon-free electricity for San Luis Obispo
- Completed the Miossi Open Space Conservation Plan
- Marsh Street Bridge: This project has been 10 years of coordinating, designing, and obtaining \$5.5M dollars of grant funds to replace this structurally deficient bridge from 1909. Construction began in May 2020 and is expected to be complete prior to January 2021.
- Railroad Safety Trail – Taft to Pepper: This project has been a decade in the making and extends the Railroad Safety Trail from California at Taft along California Street, crossing the Union Pacific Railroad Tracks to Pepper Street via a new pedestrian and bicycle bridge. This project is funded by a \$3.24 million Caltrans Active Transportation Grant.
- The dedicated staff of the City who report to work on a daily basis to ensure that the City's Parks, Streets, Facilities and important community services relating to parking and transit are safe, clean and available to the community during the COVID-19 Shelter at Home order. Our teams are holding space for the time when it is time to slowly reopen our community and that we have the critical services and systems needed to begin our economic recovery.
- Produced 30 community-based safety & preparedness and prevention videos completed and uploaded to webpage.
- A comprehensive update of our Emergency Operation Plans with new annexes for Public Safety Power Shutoffs (PSPS) and Pandemics.
- Community Wildfire Protection Plan was completed and filed with the City Council.
- The Parks & Rec Element/Master Plan continued to move forward with a variety of public workshops. Three specific individual topic outreach events were conducted in winter/spring 2019: Swim Center and Events, Parks (neighborhood, botanical, dog), and Fields & Facilities. The Community Needs Assessment presentation was held in June to provide the results to the

community and help refine the themes and future priorities in order to provide guidance to the consultant and City staff in preparation for the final stages of the master plan project.

- Three dedicated Pickleball Courts and a new basketball court were constructed and opened in September at French Park for community use. The courts were built on the previous old outdoor basketball court location and the new basketball court was relocated to an underutilized area near the restroom facility. The new pickleball courts help address the community requests for this rapidly growing recreational activity.
- The Ranger Services staff developed and prepared the trail system for the Waddell Open Space (connecting to the Irish Hills Open Space) and built wood walkways and decks for preservation and access. The Miossi Open space conservation plan was finalized and adopted by City Council. The next steps are to utilize the plan to develop the trail systems.
- The Public Art Program continued with their largest Public Utility Box project with a collaboration between Utilities and the Housing Authority on the Margarita Lift station utility box. In fall, a collaboration between Parking Services and the Public Art Program provided the parking kiosks at each of the parking garages to be wrapped with iconic graphics of city sites. (e.g., the Fremont Theater, the Mission)
- Another step was accomplished for the Org of the Future with the hiring of a new Director – Parks and Recreation Department. The previous director, Shelly Stanwyck, was promoted to Assistant City Manager, and Greg Avakian was hired in early Fall to take the helm of the Parks & Recreation Department.
- Online police reporting launched giving the public a simple and streamlined way to report low level crime such as vandalism and theft. Patrol officers will now be able to focus more of their time on proactive policing.
- Internal Crime Dashboard and GIS mapping – contributing to a 4% reduction in crime
 - The internal crime dashboard was introduced providing staff with real time crime statistics. This dashboard is being used extensively to identify crime trends, providing patrol and detectives with quickly compiled data to aid in the solving of cases and help strengthen cases sent to the DA’s office for prosecution.
 - Last year, GIS assisted with a camp mapping project to assist in the identifying of problematic locations and a service level agreement was established to guide camp clean-ups. The Homelessness Task Force led by the Police Department was created to collaboratively address ongoing challenges in the community. The collaborative Task Force is comprised of employees from Police, Parks and Recreation, Public Works, Attorney’s Office, Human Resources, Community Development, Fire and Administration. The Task Force focuses on making recommendations for possible ordinance amendments, collaboration with SLO County for added resources such as affordable housing and addressing the immediate needs in City Open Space and parks.
- In addition to our Mental Health Worker, John Klevins, a second civilian Field Service Technician position was added to focus on downtown calls for service such as minor traffic collisions, parking problems and no-suspect theft and vandalism calls. The FST is able to provide timely customer

service to the downtown core thus allowing patrol Officers more time for proactive policing. This contributed to a decrease of 13% in calls for service Downtown.

- 2019 was the quietest year on record in our neighborhoods. In the past 10 years, noise party calls have decreased by 52%. Ordinance changes in 2010 and 2015 combined with focused education and collaboration with Cal Poly University and Cuesta College have worked well to create quieter neighborhoods.
- Water Energy Efficiency Project
The Water Energy Efficiency Project replaces the primary disinfection system at the City's Water Treatment Plant with a modern, more energy efficient system. Replacement of this aged equipment will result in higher quality water as well as reduced energy needs for water treatment.
- Sewer Lateral Program
Over 122 lateral replacement rebates have been distributed since the program started in September 2019. The inspection upon sale program has reviewed 90 videos and the lateral offset requirement is ensuring adequate sewer capacity for new housing in capacity constrained areas of the City.
- Water Resource Recovery Facility (WRRF) Project
This marathon project has entered its seventh month with major excavations, electrical work, and underground upgrades underway. Currently, approximately 75% of the workforce are local workers thus keeping tax dollars circulating in our regional economy.

Budget Supplement Process – Normally Compared to “Today”

During “normal” times, the second year of the City's two-year Financial Plan is simply an adjustment to the assumptions made a year earlier given a deeper understanding of current trends and budget needs. The Budget Supplement therefore usually concentrates on changes in financial position from the adopted Financial Plan and addresses work program changes based on community needs and program priorities.

Today, we find ourselves in unprecedented and challenging times. In March of 2020, the world, including San Luis Obispo, had to face the realities of a highly contagious, fast-spreading pandemic of COVID-19 and subsequent “Shelter-at-home” and physical distancing orders that had an immediate and profound effect on the City's operations and revenues.

Yet the City's sound policy framework allowed it to respond quickly and nimbly. Not only was the organization able to set up its Emergency Operation Center (EOC) and begin addressing the health emergency (with City staff performing essential and regular services simultaneously), it also activated its Fiscal Health Contingency Plan to freeze hiring, limit purchasing, and travel other than for essential functions and EOC needs in response to the quickly developing adverse economic conditions and impacts associated with sheltering-at-home. Because of the City's flexible workforce, since the beginning of the pandemic, 200 fewer City employees have work due to programs in Parks and Recreation, Parking and Public Works Maintenance of Downtown events such as Farmers Market being closed.

As a result, the entire City Team took aim at reducing expenditures in the 2019-20 fiscal year to trim \$5 million dollars in expenses and proposed another \$5 million dollars in budget reductions for the 2020-21 fiscal year. Lastly, these unprecedented times required unprecedented measures and typically a large scale change in budget in combination with a proposed consolidation of Major City Goals would be a several month long process that integrated public engagement and widespread input from stakeholders, advisory bodies, and residents. However, limitations on gatherings, limited time, and exigent circumstances negated the ability for Staff to use engagement efforts.

Preparation for fiscal challenges

Staff had already been working on the budget supplement when the tides changed. Staff immediately began assessing the situation and the fiscal ramifications. Three fiscal outlook scenarios were created to inform next steps and allow for continued reassessment as the emergency developed and continued in duration. To give clear direction, staff used a scenario that assessed the steep decline in revenue and a gradual recovery over the next three years. Several outside economic and forecasts were used to develop scenarios. It is important to understand that the current circumstances have not been experienced in recent history and thus any forecasts are imperfect at best. The decline in revenue that the City is experiencing over a three-month period took 16 months to develop during the Great Recession. The toll on employment, businesses, and economic stability will likely take a long-time to recover. All traditional forecasting tools have essentially become irrelevant given the nature and unpredictability of the pandemic's impact on economics and finances.

In addition to the immediate activation of the City's Fiscal Health Contingency Plan, the City is also fortunate to have reserves above policy levels (i.e. in total approximately \$20 million¹) that can assist with the challenges ahead. The actions taken to freeze the 2020-21 budget at 2019-20 levels and to continue the Fiscal Health Contingency Plan until the situation begins to normalize. The proposed budget is a balanced budget that aligns expenditures with an anticipated \$5 million revenue shortfall for 2020-21 based on prior projections. I proposed that we continue to monitor changes in revenues and to return to Council most likely in October with a recommended Budgetary Revise based on then known information and observed trends and updated forecasts.

Change to Major City Goals and Work Programs

As noted above the impacts of COVID-19 are unprecedented, know no geographic bounds and have impacted all residents, businesses, schools including Cal Poly and Cuesta, and community partners in San Luis Obispo. During all of this, City staff have continued to provide essential services to the community. Now as the organization begins to concentrate on a phased re-starting and re-opening of our community consistent with new health and safety guidelines to address social distancing and continued fight against COVID-19, the organization also has to concentrate on reopening its own operations and facilities in a thoughtful and safe manner. The City must be a beacon of hope, a visionary leader, and a strong partner to the community as San Luis Obispo begins rebuilding from the devastating effects of COVID-19 while also keeping an eye on the continued threat the virus presents.

¹ Approximately 28% of operating budget.

Throughout this historic health and fiscal emergency, in San Luis Obispo we have focused on what we do best and that is provide the foundation for a successful and diverse community of people with a high quality of life. We have frequently used the phrase, “we are better together” because in San Luis Obispo we are best when we collaborate, inspire, and focus on outcomes.

As we begin to navigate the recovery from this emergency, full of unknowns, we know that one of my foundational working agreements – of Teamwork is more important than ever. The strength of the team is its individual staff but each staff member better and stronger when working on together as a team. A shared vision that focuses all staff on accomplishing one goal and objectives will help us move towards a solid financial foundation for which without, many other goals will be elusive or nearly impossible to obtain. That does not mean, a massive departure from the Major City Goals of Housing, Transportation, Climate, Downtown Vitality, and Fiscal Responsibility; rather looking at the previous work program through the prism of economic recovery and resilience and maximizing and prioritizing tasks that advance this effort and deferring those for future work programs.

In order to do this, we propose to change the strategic plan section and the five major city goals and concentrate all efforts into economic recovery and resiliency. The strategic plan section has been re-written to present one Meta Goal for 2020-21 focused on economic and social recovery while building resiliency for the future but informed by San Luis Obispo’s core values, and 2019-20 Major City Goals. This section has a Council Statement, Guiding Principles, Purpose, Focused Major City Goal, Objectives, and Strategies with various Task examples.

Short-term Outlook and Next Steps

Many questions remain unanswered at the time this budget was developed. That is natural as these are unprecedented times and we need to embrace the unknown, be comfortable with ambiguity and agile and flexible given the likely hood that future flare ups are likely and will be disruptive. It is imperative that the organization create and maintain the bandwidth to respond to the community’s needs and begin the long road to recovery with likely bumps in the road. Given the uncertainty, the proposed 2020-21 Budget Supplement provides the beginning stages of the process and we plan on returning to Council in October with an update. We believe that there will be more certainty on many levels after the first quarter of the fiscal year and a better understanding of the impacts and how the City will weather the Covid-19 storm that was still actively raging when we finalized the budget submittal.

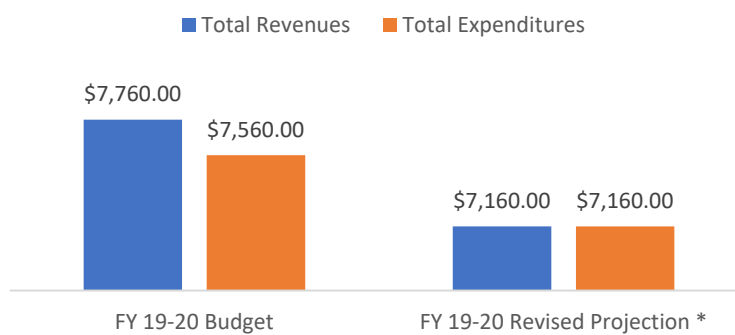
I would like to thank the entire City team who worked to present this budget and Financial Plan Supplement under difficult and never before experienced circumstances. They have rose to the occasion, have been model public servants and have put service at the core of our efforts. Seeing the dedication and creativity with which City staff responded to the unparalleled challenges, fills me with confidence, pride that we will weather this storm and emerge with an even stronger community.

By proceeding cautiously and holding to the shared vision for the future, the City of San Luis Obispo continues to be well positioned to deliver the kind of resilient, dynamic, and sustainable community we all aspire to live in and is in the heart and soul of our community.

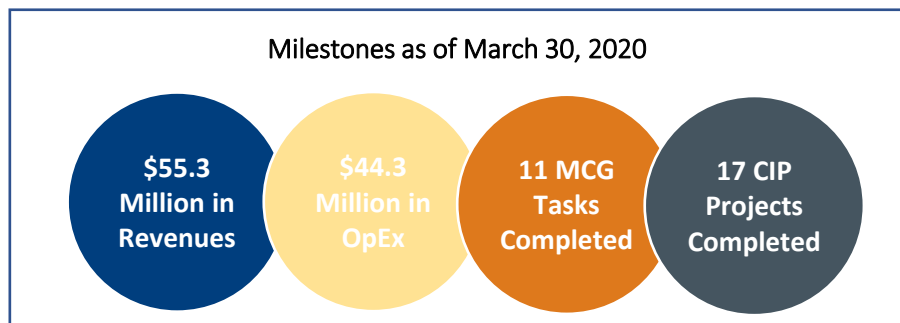
Section B: 2019-20 In Review

Before the onset of the COVID-19 Pandemic, the City was on track with delivering an ambitious, visionary, and versatile work program. Most of the City’s revenues were slightly ahead of projections and expenditures were tracking below or at budgetary allocations. Given the dramatic change at the end of the third and into the fourth quarter, those factors will likely help the City end the fiscal year in a relatively good position and will be reported to the community and Council as part of the year-end report of the CAFR. At this point, it is too early to forecast the full and projected impacts, but with the activation of the Fiscal Health Contingency Plan, the City may be able to stay within its adjusted revenue levels without using reserve balances to cover expenditures for the 2019-2020 and 2020-2021 fiscal years. The City’s quarterly financial reports can be found at <https://www.slocity.org/government/department-directory/finance-and-it/online-documents/-folder-1982>.

Graph B1: General Fund Year End Projection (thousands)



* Expenditure projection decrease is largely based on current staffing levels and Fiscal Health Contingency Plan activation results.



Adjusted Budgets and Revenue Estimates

The City’s overall revenue and expenditure picture was discussed in greater detail during the Mid-Year Budget Review, approved by Council on February 18, 2020. Based on the City’s 2018-19 audited financials, \$6.0 million in one-time undesignated fund balance remain and, on March 17, 2020, the City Council approved retaining this money in fund balance due to fiscal uncertainty and volatility brought on by COVID-19 (see Section C).

COVID-19 Pandemic

Assumptions behind COVID-19 impacts and the 2020-21 Budget Strategy are discussed in depth in Section D. With the continued spread of COVID-19, the State of California, followed by the County and City of San Luis Obispo issued a “Shelter in Place” executive order on March 18, 2020. This pandemic and the directives to curb the spread of the disease will have a significant impact on the City’s revenue sources and was already felt with March Sales Tax and Transient Occupancy Tax (TOT) remittances. Due to a lag in remittance and the ongoing nature of the directives, the full impact will not be evident for several months. There is also an unprecedented fiscal impact associated with the closure of Cal Poly. The impact of this closure will be evident in all funds and especially in the General Fund due to the cancellation of significant college events that usually happen during this time of year such as Open House and Graduation.

Sales Tax: Sales tax, including the Local Revenue Measure, is the City’s largest source of revenue. As of March 31, 2020, about 60% of the City’s forecasted sales tax revenue for this fiscal year had been collected. This is due to the timing of disbursements from the California Department of Tax and Fee Administration (CDTFA). Before the COVID19 pandemic, the US economy had seen the largest expansion and economic growth on record. Based on projections from the City’s Sales Tax consultant (HdL), 2019-20 Sales Tax Revenues will end 2019-20 about \$3 million lower than 2018-19 levels, with decreases in most industry segments.

Table B-1

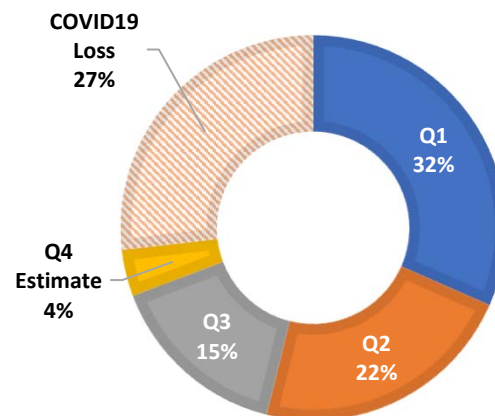
Industry Group	Fiscal Year 2019-20 Reduction
General Consumer Goods	-16.7%
Autos And Transportation	-18.5%
State & County Pools*	14.4%
Restaurants And Hotels	-21.3%
Building And Construction	-14.9%
Business And Industry	-28.9%
Fuel And Service Stations	-14.4%
Food And Drugs	8.2%

* Online sales

Property Tax: The first major apportionment of FY2019-20 taxes occurred in December and although property tax payments are typically remitted in two payments, many tax-payers remit the entire balance in December. The remaining tax apportionments occur in the fourth quarter of the fiscal year. The City has received about 66% of its property tax revenue and expects to meet the projection of \$17.9 million by year end. Because of the teeter plan, the County will continue to remit the assessed property tax allocations to the City even if the taxpayer defers payment to the County. The County’s tax collector has indicated that payment plans might be considered, but only on a case-by-cases basis and the second installment will not be automatically deferred due to COVID-19.

Transient Occupancy Tax (TOT): The tourism industry was one of the most immediately impacted industries from COVID-19. Occupancy rates for March 2020 were down over 50% from March 2019 and seem to have leveled out at around 10-15% for April. Due to the circumstances brought on by COVID-19, the City Council passed a resolution on March 27, 2020 that allowed operators to defer February and March TOT payments until August 31, 2020. The pie chart to the right shows the original TOT revenue projection, what has been received and what is expected to be lost due to COVID-19. The overall loss for FY2019-20 is estimated at over \$2 million.

GRAPH B2: 2019-20 TOT



Original Revenue Projection: \$8.03 million

New Revenues – Cannabis: Fiscal Year 2019-20 marks the first year with a Cannabis delivery business open in City limits. Original projections had estimated that at least three retail stores would be open for the entire fiscal year. Considering the delays, staff has made multiple reductions to Cannabis tax and fee revenue projections. After further analysis and forecasts provided by a new consultant, staff projected cannabis revenues at lower than originally assumed levels in the long-term forecast.

Expenditures

Overall, the City is tracking below its appropriated expenditure budget. Employee concessions were a key element in the Fiscal Health Response Plan and expenditure budgets reflect the savings in addition to those associated with retirements and filling vacancies under the new PEPPA pension plans.

Fiscal Health Contingency Plan

In response to the pandemic related orders and the City's own emergency declaration, the City's Fiscal Health Contingency plan was immediately activated to help mitigate the effects of COVID-19. It implemented hiring, purchasing, and travel chills to mitigate the anticipated revenue shortfall. The plan remains in full effect while the health and safety directives remain in place.

2019-20 Expenditure Considerations

Due to the shelter-in-place order, several City programs were suspended, and many facilities were shuttered in mid-March. Over 200 temporary staff working at these facilities have been furloughed.

This staffing reduction will help offset the loss in revenue at year end. While these programs will reopen eventually, the approach remains uncertain and it is unknown how quickly seasonal workers will get rehired.

Expenditure Summaries:

Table B-2a, 2b

Category	FY 19-20 Budget	Year-to-date Expended (YTD as of 3/31/20)	Percent % Expended
Contract Services	\$ 13,509,612	\$ 6,656,133	49.27%
Other Operating Expenses	\$ 3,984,421	\$ 2,257,036	56.65%
Staffing	\$ 54,887,401	\$ 35,374,783	64.45%
Grand Total	\$ 72,381,435	\$ 44,287,951	61.19%

Department	FY 19-20 Budget	Year-to-date Expended (YTD as of 3/31/20)	Percent % Expended
Administration	\$ 8,708,228	\$ 5,036,850	57.84%
Attorney	\$ 1,092,136	\$ 605,841	55.47%
Community Development	\$ 6,215,507	\$ 3,416,617	54.97%
Finance	\$ 2,939,555	\$ 1,346,638	45.81%
Fire	\$ 13,269,967	\$ 9,006,087	67.87%
Human Resources	\$ 1,593,307	\$ 848,515	53.25%
Parks & Rec	\$ 4,546,477	\$ 2,780,135	61.15%
Police	\$ 18,209,078	\$ 12,643,824	69.44%
Public Works	\$ 14,293,604	\$ 8,575,920	60.00%
Solid Waste	\$ 173,541	\$ 27,526	15.86%
Grand Total	\$ 72,381,435	\$ 44,287,951	61.19%

2019-20 Achievements

Despite the developing challenges over the last four months of the year, City staff had been working diligently on delivering the work programs laid out in the 2019-20 budget. Many of the tasks related to the Major City Goals were completed or implemented and the Capital Improvement Plan saw multiple projects designed and built. Below is a table of just some of the City’s accomplishments:

Table B-3

Completed MCG Tasks/Accomplishments	Completed CIP Projects
Affordable Housing Nexus Study in alignment with HE 2.15 and HE 4.6*	Downtown Renewal: 858 Higuera Sidewalk Replacement
Completed the Miossi Open Space Conservation Plan	Meadow Park Pedestrian Bridge Replacement
Launch of Monterey Bay Community Power procuring 100% carbon-free electricity for San Luis Obispo	Pickleball Courts
California Re-Leaf Grant Implementation	Swim Center Therapy Pool Re-plaster
Create an Equipment Sustainability Fund for Public Safety to forecast and budget for replacement of safety equipment that has expired or become damaged.	Mission Plaza Security Camera Installations
Hire an additional police officer to backfill for a school district funded School Resource Officer	Begin construction on replacement of Marsh Street Bridge.
Online Police Reporting	El Capitan Pedestrian Bridge Replacement
Community Wildfire Protection Plan	Casa/Murray Waterline Replacements
Implement designated pick up and drop off zones in downtown for ridesharing (part of Active Transportation Plan and Access & Parking Management Plan)	Multiple Sewer Replacements (Stafford-Kentucky-Taft, Osos-Leff-Santa Barbara)
Work with Downtown SLO to update downtown tile maps. Support Downtown SLO tree lighting and street banner programs	Water Treatment Plant Wash Water Tank Recoat
Internal Crime Dashboard and GIS mapping	Fire Station 4 Emergency Backup Generator.



Section C: Setting the Stage

Fiscal Health Response Plan (FHRP)

With the development of the 2017-19 Financial Plan, it became apparent that the City was facing a structural budget gap due to increases in pension cost. With FY2018-19, the City implemented an aggressive three-year Fiscal Health Response Plan built on three key elements: new revenues, operating reductions, and employee concessions. The goal was to balance the long-term forecast and to begin an aggressive schedule to pay down the pension obligation. The plan also allowed the City to set aside funding to establish a Section 115 Pension Trust to respond to further pension fluctuations.

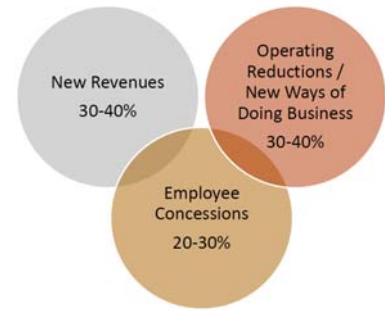


Table C-1: Fiscal Health Response Plan in Numbers (thousands)
General Fund

FY 2018-19	FY 2019-20	FY 2020-21	Total
\$2,189	\$1,538	\$3,169	\$6,896

Where are we now?

Until March 2019, the City was on track to meet all of its FHRP operating goals, with the exception of Cannabis revenue projections. Of note is the result stemming from employee concessions and pension reform over the last several years that are now reflected in the 2019-20 actuals (Section B). The realized savings come from additional employee contributions to CalPERS and from hiring new staff under the PEPR retirement plan. Over 30% of the City’s staffing cost is related to benefits and additional employee contributions and pension reform are now yielding significant savings from assumed budget allocations.

It is important to note that, while the City met most of its operating goals, the plan to pay down the unfunded pension liability has been put on hold due to uncertainty around COVID-19. The City had over \$6.0 million in undesignated fund balance as of June 30, 2019, and a portion of the one-time money was intended for an additional payment to CalPERS in April 2020. For the time being, the City Council decided to retain this funding in fund balance to cover anticipated revenue shortfalls and to assist with economic recovery efforts.

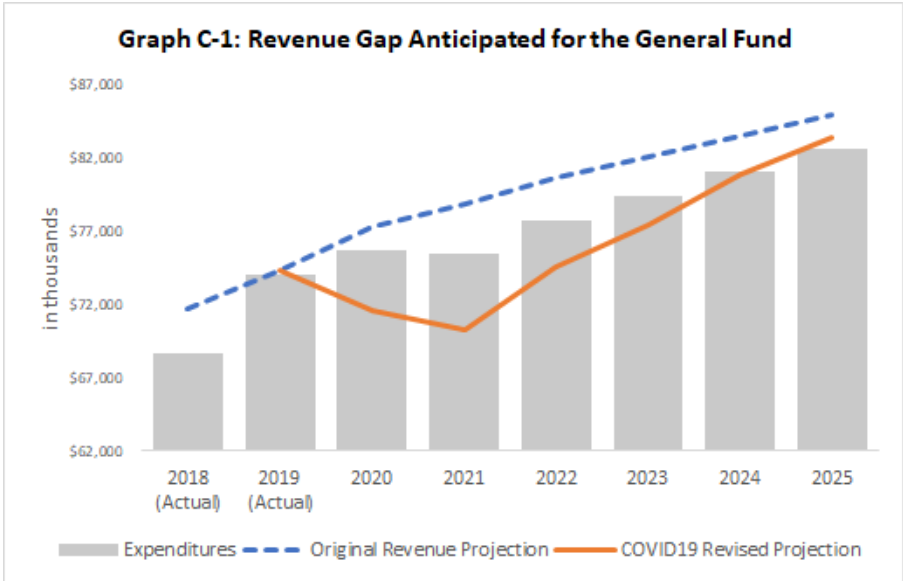
Table C-2

Unfunded Liability Payments as part of FHRP	FY 19-20	Update	FY 20-21	Update
CalPERS Downpayments	\$4.2 mil*	Unpaid	\$3.0 mil	TBD
115 Pension Trust Fund	\$1.4 mil	In Reserve	\$2.0 mil	TBD

* From 2018-19 Fund Balance

Seizing the Current Problem

The revenue shortfall brought on by COVID-19 was sudden and, as a comparison, the anticipated gap forming by June 30, 2019 took 16 months to develop during the Great Recession. Due to the work related to the FHRP, the City had begun its 2019-21 Financial Plan period in a positive budget position to pay down pension obligations. It is now faced with an estimated \$6.5 million loss at the end of FY 2020. Efforts to develop the 2020-21 Budget Supplement had already been underway when the “Shelter at Home” orders went into effect and the organization was confronted with an unprecedented challenge that required quick action and proactive thinking to present a balanced budget. The chart below illustrates the revenue gap from original assumptions if expenditures remained at budgeted levels.



Scenarios Modelling

The COVID-19 pandemic comes with countless uncertainties and continues to develop at a rapid pace. There is no clear answer yet from the State or Federal Government about the next steps or how long protective measures will last. To respond and develop a balanced budget, the City built multiple revenue forecast scenarios to allow for budget evaluation and planning. As of April 30, 2020, and based on what was known at the time, the budget supplement was developed based on Scenario 2 with an anticipated economic recovery by FY2023-24.

Table C-3

Scenario 1	Scenario 2	Scenario 3
<ul style="list-style-type: none"> ▪ Shelter-in-place until 4/30/20 ▪ Schools return before year end ▪ Quick “V” economic recovery ▪ Temporary impact on some industries 	<ul style="list-style-type: none"> ▪ Shelter-in-Place until 5/31/20 ▪ Cal Poly and other schools resume in Fall ▪ Recessionary “U” recovery trend ▪ Impact on most industries and revenues. 	<ul style="list-style-type: none"> ▪ Shelter in place extended or re-implemented ▪ Schools do not return ▪ Depression trends and duration. ▪ Impact on all industries

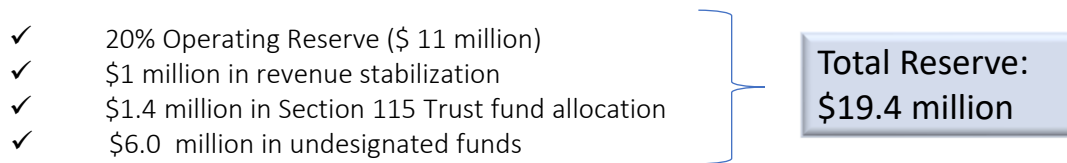
2020-21 Budget Strategy

Given the current situation, this supplemental budget was developed with a focus on the community’s economic recovery and resiliency. In order to meet the challenges brought on by COVID-19, the following actions were taken:

1. Immediate activation of the City’s Fiscal Health Contingency Plan, allowing hiring, purchasing, and travel only for essential services.
2. For 2020-21, all operating budgets were frozen at 2019-20 budget levels. All departments had to evaluate their work program given the reduction.
3. The City’s Major City Goals were critically evaluated to determine relevance and viability given the changed circumstances and need to reactivate the local economy.
4. No Significant Operating Budget Changes increasing budgets were approved.
5. The Capital Improvement Plan program was reviewed and reduced, and projects are proposed that maximize delivery and position deferred projects for potential Federal economic stimulus.
6. The currently undesignated fund balance from FY2018-19 will be used strategically to either:
 1. Assist with potential revenue shortfall in 2019-20
 2. Provide the needed cash flow due to delayed sales and transient occupancy tax remittance.
 3. Invest in economic recovery and resiliency.
 4. Assist with potential revenue shortfall in future fiscal years.
7. Preparation to activate a voluntary retirement incentive program upon Council approval.

Reserve Levels

This strategy allows the City to maintain its policy reserve levels to be prepared for additional challenges and/or emergencies that might develop such as the upcoming fire season. Current reserve levels retain:



October Budget Revise

The forecasting models are in constant motion given the current volatility and uncertainty in the world, national, state, and local economy. The City faces unprecedented conditions with many unknowns about the severity and duration of the current downturn. Due to this uncertainty, staff proposes a re-evaluation of FY 2020-21 budget in the fall. The City acknowledges that it balanced the budget at levels known at a moment in time and that additional adjustments may be needed to meet the challenges. It should be noted, that any additional reductions will impact service levels to the public as the departments are operating at minimum budgets required to deliver the proposed work program. However, it is too early to embark on such a revision as more clarity will be gained over the next few months.



Section D: Strategic Planning

San Luis Obispo's Economic Stability, Recovery, and Resiliency Meta Goal

“Never doubt that a small group of thoughtful, committed citizens can change the world; indeed, it's the only thing that ever has.”

Margaret Mead

Council Statement

The impacts of COVID-19 are unprecedented, know no geographical bounds, and have impacted all residents, businesses, schools, including Cal Poly and Cuesta College, and community partners in San Luis Obispo. The City is dedicated to safely reopening San Luis Obispo at the direction and guidance of Governor Newsom and will provide leadership, guidance, and sift through and communicate complex issues to all residents, businesses, and community partners during the initial, mid, and long-term phases of this economic and social recovery while building resiliency for the future.

Guiding Principles

1. The City of San Luis Obispo is a dynamic community embracing its future while respecting its past with core values of civility, sustainability, diversity, inclusivity, regionalism, partnership, and resiliency. The City will implement strategies based on these values and the Council 2019-21 Major City Goals.
2. While recovery and resiliency efforts are forward looking, the City and its staff will constantly remain vigilant in mitigating against a significant resurgence of COVID-19 that could impede progress. The City's reopening follows directives of the State of California and County of San Luis Obispo Public Health Officer and is science-based and community health-focused.
3. In 2014, the City adopted a Fiscal Responsibility Philosophy which acknowledges the City's commitment to fiscal responsibility through good and bad economic times. The City takes a balanced approach to provide infrastructure maintenance and services that preserve and enhance the quality of life in San Luis Obispo, as identified and prioritized through community input. The City is committed to informed decision making, shared responsibility between employer and employee for employee benefit costs, transparency, capital investments, diversified revenues, addressing unfunded liabilities, and continued efficiencies and effectiveness in service delivery.
4. The City has responded to the Economic Impacts of COVID-19 on the organization by activating its Fiscal Health Contingency Plan and is updating fiscal information and projections as they become known.
5. The City will communicate clearly with residents and businesses its roles and responsibilities, as well as those of other governmental agencies and organizations in its recovery efforts.
6. The City is continuing to partner on regional economic recovery efforts. City staff are working closely with County of San Luis Obispo colleagues and REACH on centralized information and efforts on relief,

recovery, restarting, and reinvention. In its continued coordination with regional partners the City will complement and enhance the recovery efforts of the County, REACH, Cal Poly SBDC/CIE, Visit SLOCAL, the SLO Chamber of Commerce, Downtown SLO, SLCUSD, and many more partners.

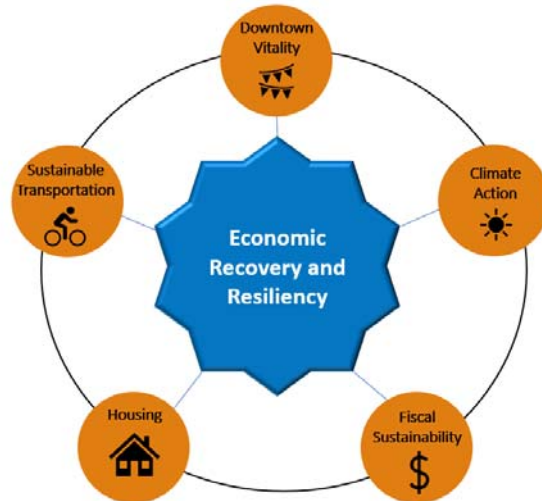
7. The City will use a phased approach to economic recovery that focuses on relief and recovery first, followed by reinvention and resiliency. This effort will need to be dynamic and responsive to changing conditions and ongoing identified needs.
8. The city recognizes that social and economic inequality is embedded in our systems and culture, and that recovery must integrate deep structural transition to support the well-being and empowerment of marginalized communities.

Purpose of Meta City Goal with 2020-21 Budget Supplement Adoption

The City of San Luis Obispo has a sound foundation of fiscal policy guiding its response to varying economic conditions and challenges. To work through the economic impacts of COVID-19 and provide comprehensive focus to the organization, a strategic framework is needed to guide tactics and decision making. The morphing of the City's adopted strategies for 2019-21 into a unified Meta City Goal will provide the structure and focus for the City of San Luis Obispo to continue to respond to, and recover from, COVID-19's public health, economic, and social impacts to the City of San Luis Obispo's residents, businesses, community partners, and the City as an organization. This Meta Goal is also needed to appropriately match resources with activities and focus the organization on the tasks ahead. This needed strategic framework is presented in this document as follows:

1. Meta City Goal focused on Economic Stability, Recovery, and Resiliency.
2. 10 Economic Recovery Strategies.
3. Tactics/Actions to Address the Economic Recovery Strategies and some examples
4. 2019-21 Major City Goals
 - a. Identification of 2019-21 Major City Goal tasks that are responsive to economic recovery and will continue or are "in progress".
 - b. Summary of completed or implemented tasks of the 2019-21 Major City Goals to date.
 - c. List of the 2019-21 Major City Goal Tasks recommended for deferral.

2020-21 Meta City Goal: San Luis Obispo's Economic Stability, Recovery, and Resiliency



The City's top priority in 2020-21 is the safe and thoughtful reopening and retention of local businesses, restarting the local and regional economy, and planning for future resiliency in alignment with state and local health orders. The Economic Stability, Recovery, and Resiliency Meta Goal is supported by a framework of strategies for all City Departments and staff to address the economic, and social impacts of COVID-19.

Supportive of economic recovery and resiliency will be continued work on affordable and workforce housing, implementation of the City's Climate Action Plan, sustainable transportation, and fiscal sustainability and responsibility.











































10 Economic Recovery Strategies.

10 Strategies are proposed to achieve the objective of the Meta-Goal. That objective is to activate the local economy by engaging with residents and the community in recovery efforts across a wide range of economic sectors and organizations while developing future resiliency.

1. **Community.** City residents and community members are encouraged to be engaged in the reopening of the City, the support of local businesses, the continued spirit of community, and the return to San Luis Obispo's high quality of life.
2. **Businesses.** City departments, staff, and programs will assist local businesses to re-open, stay open, thrive, and grow.
3. **City Organization.** All City Departments will prioritize economic response, recovery, reopening, reinvention, and resiliency activities.
4. **Impacted Industries and Business Neighborhoods.** City staff will provide focused support to the most-impacted business sectors and business neighborhoods.
5. **Infrastructure and Capital Projects.** Capital improvement projects will be prioritized to address public health and safety, maintenance of existing facilities, and support of Economic Recovery with a focus on projects that advance local business recovery, sustainability, and community vibrancy.

6. **Downtown.** City departments and staff will work with businesses and community partners to return Downtown San Luis Obispo, the historic, cultural, and social center of the City, to its vibrant and vital state.
7. **Cal Poly.** City staff will collaborate with and support Cal Poly during its reopening, strengthen existing partnerships, support students living and working in the City, and collaborate to retain knowledge and innovation generators to ensure a resilient future.
8. **Community Partners.** City staff will work together with existing and new local and regional economic development, arts, cultural, entertainment, and non-profit partners with clear roles and responsibilities to maximize economic recovery efforts in the City.
9. **Quality of Life.** Staff will partner with the community for the continued support, preservation, and recovery of the “SLO Life”. The City as a dynamic and safe community - with its natural beauty, quality recreational, arts and cultural activities - will be nurtured and advanced.
10. **Resiliency.** During the phases of relief, recovery, and reinvention City staff and programs will begin to identify ways to build both City and businesses’ resiliency.

How The 10 Strategies Connect to the 2019-20 Major City Goals

	Strategy	2019-20 Major City Goal				
1	Community					
2	Business					
3	City Organization					
4	Impacted Industries and Business Neighborhoods					
5	Infrastructure and Capital Projects					
6	Downtown					
7	Cal Poly					
8	Community Partners					
9	Quality of Life					
10	Resiliency					

Key Strategies to Address the Economic Recovery Objectives and some tactical examples

<p>1. Community. City residents and community members are encouraged to be engaged in the reopening of the City, the support of local businesses, the continued spirit of community, and the return to San Luis Obispo's high quality of life.</p>	
<i>Tactics/Actions</i>	<i>Potential Examples</i>
<p>1. Increase the consumer confidence of residents and community members and their support of local businesses.</p>	<p>a. Virtual Shop SLO Map and Restaurant Takeout and Delivery informing residents about local goods and services.</p> <p>b. Use Community Resource and City communications to continue to educate and inform residents about supporting local businesses. Shop SLO campaign.</p> <p>c. Connect businesses for collaborative marketing of their neighborhoods.</p> <p>d. Work with businesses to promote best practices and make improvements to maximize opportunities for social distancing and hygiene.</p>
<p>2. Prioritize the provision of quality childcare by the City in support of economic recovery and residents' return to work.</p>	<p>a. Parks and Recreation staff provide summer programming for K-6th grade using State Reopening Guide.</p> <p>b. Parks and Recreation staff partner with SLCUSD for school site use and school year programming.</p>
<p>3. Facilitate community building, both virtually and in person, to strengthen civic connections between individuals, businesses, non-profits, and public services.</p>	<p>a. Through City communications message about San Luis Obispo's positive community spirit, resolve, and ingenuity to restore and build community.</p>

	<p>b. Connect the public to information about public service opportunities and activate volunteers to support City and community activities such as volunteers landscaping the South Street Medians (Love SLO events, TLC for parks, help the Children’s Museum day, etc.).</p>
<p>4. Connect community members who have been impacted by COVID-19 to information, support, and resources.</p>	<p>a. City to provide communications and links to County Recovery Resources.</p> <p>b. City educated about and can provide information and links to 211, Transitions, RISE, United Way and other supportive programs.</p>

<p>2. Businesses. City departments, staff, and programs will assist local businesses re-open, stay open, thrive, and grow.</p>	
<i>Tactics/Actions</i>	<i>Potential Examples</i>
<p>1. Identify business needs through ongoing, focused research, outreach, and engagement to develop responsive tactics.</p>	<p>a. Conduct regular and focused topic surveys to engage with local business.</p> <p>b. Form and work with a business leaders roundtable to have cross sector and business type and size insight; co-develop responsive tactics supportive of local businesses.</p>
<p>2. Implement traditional and creative economic development strategies to help the business community in the recovery phase and prepare for the future.</p>	<p>a. Welcome back program.</p> <p>b. City will explore all possible financial assistance programs for business that it may provide including mini grants, revolving loans, leveraging funds as collateral with bank partners and other methods should funding sources be developed for this purpose.</p>

	<p>c. Increase business marketing efforts to respond to stated need for promotion and marketing for business community by City.</p> <p>d. Launch Shop SLO program.</p>
<p>3. Act as a convener, conduit, and communicator to expediate and maximize business re-openings and recovery.</p>	<p>a. Business Ambassador program operated initially to provide health, safety, and reopening information to local businesses.</p> <p>b. Identify City team to assist in expediting reopening and refilling of vacant commercial spaces and properties. Work with property owners, tenants, and realtors.</p> <p>c. Create an enhanced City focused economic development web page that connects individuals and businesses with critical information</p>

<p>3. City Organization. All City Departments will prioritize economic response, recovery, reinvention, and resiliency activities.</p>	
<p><i>Tactics/Actions</i></p>	<p><i>Potential Examples</i></p>
<p>1. Economic response, recovery, and reinvention will be the top priority for all City Departments</p>	<p>a. Departments understand their focus and roles supporting the Meta-Goal.</p> <p>b. Staff will innovate and try new approaches often through pilot programs to assist in businesses recovery and economic reinvention.</p> <p>c. Cross-departmental and operating efficiencies will be sought to maximize staff resources.</p>

<p>2. Each City Department will closely track resources, staff, and programs support economic recovery as well as community and social recovery.</p>	<p>a. Results and progress on strategies, tactics and actions will be data tracked with dashboards that are outcome driven.</p> <p>b. Staff will provide weekly/monthly snap shots as to activities and resources in support of recovery and efficiencies.</p>
<p>3. City Departments will strengthen relations with local businesses, including working with them to identify and implement immediate process improvements, new ways of doing business, streamlined interactions, and collaborative services to benefit the community.</p>	<p>a. Temporarily not enforcing a portion of the sign ordinance and parking requirements to assist with social distancing.</p> <p>b. Evaluate further permit streamlining.</p> <p>c. Create flexible zoning strategies to respond to changed needs as well as expansion of allowed uses in Downtown.</p> <p>d. Designation of certain employees to serve as a specific businesses' liaison and internal point of contact – to keep communications centralized.</p>

<p>4. Impacted Industries and Business Neighborhoods. City staff will provide focused support to the most-impacted business sectors and business neighborhoods.</p>	
<p><i>Tactics/Actions</i></p>	<p><i>Potential Examples</i></p>
<p>1. Define commercial neighborhoods and support efforts by property and business owners to organize and pursue new areas and methods of business success (e.g. funk zone in mid-Higuera). <i>[i.e. convene business leaders]</i></p>	<p>a. "Funk Zone" in mid-Higuera, convene and facilitate process to quickly revise Mid-Higuera Plan to spur investment.</p>

<p>2. City staff will provide focused support to the most-impacted business sectors and business neighborhoods.</p>	<p>a. Create staff teams dedicated to specific sectors (such as auto dealers or restaurants, LOVR corridor, mid-Higuera, Foothill Blvd).</p>
<p>3. City staff will provide focused support to the Head of Household employers, job creators and business innovators.</p>	<p>a. Staff engagement with local businesses and individuals to support.</p>
<p>4. Provide focused staff resources in support of the safe and appropriate Visitor Experience return of San Luis Obispo as a destination through tourism marketing and the delivery excellent experiences.</p>	<p>a. Assist the hospitality industry to help safely reopen as allowed by state and county orders.</p> <p>b. Identify appropriate and safe social interactions that enhance residents and visitors daily experience.</p> <p>c. TBID marketing and promotion will be implemented at the appropriate Phase of reopening and will focus on reassurance and recovery visitation.</p> <p>d. Maintain and expand visitor experience through PCC and TBID supported activities.</p>

<p>5. Infrastructure and Capital Projects. Capital improvement projects will be prioritized to address public health and safety, maintenance of existing facilities, and support of Economic Recovery with a focus on projects that promote local business recovery, sustainability, and community vibrancy.</p>	
<p><i>Tactics/Actions</i></p>	<p><i>Potential Examples</i></p>
<p>1. CIP Engineering and Inspecting will advance and actively manage Council approved construction projects which focus on public health and safety, maintenance of existing facilities and support of Economic Recovery.</p>	<p>a. Highlight the City’s efforts to put local dollars back to work.</p> <p>b. Invest in projects that help the community social distance.</p>

<p>2. Staff maintain and advance design of a list of shovel-ready projects and will actively monitor and apply for any and all Federal, State, and Private Stimulus Grants that are consistent with the objectives of advancing public health and safety, maintaining existing facilities, and supporting Economic Recovery.</p>	<p>a. New revenues will be evaluated to fund needed infrastructure, catalyze recovery, and support Downtown Vitality, Climate Action and Sustainable mobility.</p> <p>b. Staff focused on grants and applications and administration.</p>
<p>3. Maintenance activities of existing City infrastructure, facilities, parks, and open spaces will be focused on cleanliness and safety.</p>	<p>a. Determine protocols and implement, i.e. more hand washing stations in parks and downtown.</p> <p>b. Install signage in areas to remind people of best practices to reduce the spread.</p> <p>b. Maintenance staff will continue to provide excellent service making for a well maintained and clean City.</p>

<p>6. Downtown. City departments and staff will work with businesses and community partners to return Downtown San Luis Obispo, the historic, cultural, and social center of the City, to its vibrant and vital state.</p>	
<p><i>Tactics/Actions</i></p>	<p><i>Potential Examples</i></p>
<p>1. Through Parking Program operational changes, pursue creative ways to activate and invigorate the local economy and downtown.</p>	<p>a. Free Parking during “Stay at Home” orders.</p> <p>b. Parking Validation program recognizing shopping local.</p> <p>c. Continued curbside parking for “take out” and/or “pick up”.</p> <p>d. Use of City owned surface parking lots for socially distanced activities.</p>

<p>2. Facilitate social distancing and business success by using City right-of-way to create more outdoor dining opportunities</p>	<p>a. Pursue creative ways and make investments to use the City’s right of way to maintain social distancing.</p> <p>b. Use public art to enhance the look and feel of the public right of way during its temporary use.</p>
<p>3. Minimize impact of vacant storefronts by funding and promoting pop-up art displays and other visually appealing displays</p>	<p>a. Use art, supportive messages, cultural celebrations, etc. to bring vibrancy to areas with vacant storefronts.</p> <p>b. Streamline pop up shops process and allow them too.</p> <p>c. Develop processes for one day TI permit issuance.</p>
<p>4. As needed modify traditional zoning standards and requirements.</p>	<p>a. Provide more flexible uses in Downtown ground floor square footage – allow additional uses by amending zoning in the Downtown.</p>

7. Cal Poly. City staff will collaborate with and support Cal Poly during its reopening, strengthen existing partnerships, support students living and working in the City, and collaborate to retain knowledge and innovation generators to ensure a resilient future.

<i>Tactics/Actions</i>	<i>Potential Examples</i>
<p>1. Continue, expand, or enhance partnerships with Cal Poly in key areas including administration, diversity and inclusion, fire, police, neighborhood wellness, water/sewer, transportation and transit, economic development activities, sustainability, open space use and management, and student internships and workforce development opportunities.</p>	<p>a. Continue regular contacts of teams focused on key areas to enhance communications and coordination.</p> <p>b. Coordinate communications on shared topics – Welcome Back students and parents with guidance for safe reentry conduct and support.</p>

	c. Continue to actively support student Interns in all Departments
2. Strengthen and expand City’s support of the CIE, Hot House, SBDC and other dedicated economic development programs and activities to retain knowledge and innovation generators.	a. Jointly apply for Federal grants to expand the CIE. b. Work with Cal Poly to support growing businesses to expand in the City.
3. Support implementation of the 2035 Campus Master Plan	a. Complete MOUs to facilitate continued collaboration. b. Continue support of on-campus housing.

8. Community Partners. City staff will work together with existing and new local and regional economic development, arts, cultural, entertainment, and non-profit partners with clear roles and responsibilities to maximize economic recovery efforts in the City.

<i>Tactics/Actions</i>	<i>Potential Examples</i>
1. Align current City agreements and initiatives with Community and Regional Partners around economic recovery efforts to optimize work efforts and resources.	a. Update partnership agreements to reflect changing conditions and new agreed-upon work plans with existing and new Community and Regional Partners to promote economic recovery.
2. Develop internal City protocols to ensure efficient and coordinated communication and access to resources with all Community and Regional Partners.	a. Centralize communications documentation and support communication alignment.
3. Creatively and adaptively support arts and cultural partners in their missions to further develop a vibrant community.	a. Coordinate with the Children’s, Art, and Historical Museum and SLO Rep uses of Lot 10 to social distance for activities.

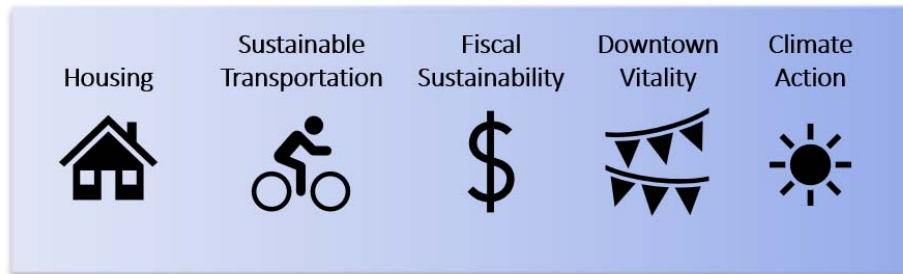
<p>9. Quality of Life. Staff will partner with the community for the continued support, preservation, and recovery of the “SLO Life”. The City as a dynamic and safe community - with its natural beauty, quality recreational, arts and cultural activities - will be nurtured and advanced.</p>	
<i>Tactics/Actions</i>	<i>Potential Examples</i>
<p>1. Through City programs and staff, infrastructure, facilities, parks, open space, will continue to be well maintained to enhance residents’ and the community’s quality of life.</p>	<p>a. Ranger Service will continue to maintain the City’s open space and informational kiosks providing safe trails and educating users about appropriate use.</p>
<p>2. Based on the phase, provide appropriate recreational programming, and collaborate with businesses and community organizations to promote, sponsor and/or support activities and events in parks, neighborhoods, and downtown to enhance the “SLO Life” and reconnect the community</p>	<p>a. Staff follow current health orders, develop operating materials, and help connect event producers about what is appropriate use as allowed by state and local orders.</p> <p>b. Staff provide markings and set up for “safe” socially distanced events and use of public facilities.</p> <p>c. Encourage businesses stay, grow, and thrive in SLO that have products or values aligned with healthy lifestyles and the SLO Life.</p> <p>d. Help scale up or down, Farmer’s Market activities as appropriate.</p>

<p>10. Resiliency. During the phases of relief, recovery, and reinvention, the City will begin to identify ways to build both City and businesses’ resiliency.</p>	
<i>Tactics/Actions</i>	<i>Potential Examples</i>
<p>1. Use the Safety Element Update public engagement process to host discussions about resiliency in the face of multiple emergencies.</p>	<p>a. Facilitated contingency planning and engagement of the public in planning for and living through extraordinary events.</p>

	<p>b. Participate in regional emergency planning scenarios and readiness for all emergencies. Leverage skills honed in Spring/Summer 2020.</p>
<p>2. Prepare plans for multiple possible outcomes related to future waves of the Covid-19 pandemic to mitigate economic damage associated with a large second wave, or multiple waves of infection in the future</p>	<p>a. City Planning staff continue to follow, monitor, and be vigilant in advanced planning in response to COVID-19 to assist the community.</p>
<p>3. Implement best practices in business retention and attraction.</p>	<p>a. Staff actively involved in making connections with businesses.</p> <p>b. Partner with SBDC to support expanded business coaching.</p> <p>c. Outreach to Cal Poly alumni who may want to return and do business in SLO.</p>

2019-21 Major City Goals

1. **Meta-Goal Supported by Tasks within the 2019-20 Major City Goals.** As noted above the City’s top priority for 2020-21 is to continue to protect the public health of San Luis Obispo, provide essential services, and assist the community in economic recovery via a Meta City Goal. Supportive of this objective will be the five adopted Major City Goals for 2019-21. Work will continue or is in progress on specific tasks related to housing, sustainable transportation, fiscal sustainability, downtown vitality, and climate action that support economic recovery and/or are close to completion.











2. **Categorization of Tasks, Status Report, and Recommended for Deferral.**
 Below is a discussion and reporting of how the City has addressed the tasks for each of these goals at this time.
 - a. **Continue or In Progress** (capital projects that are in design, bid or construction)
 - b. **Completed or Implemented** (operationalized)
 - c. **Recommended for Deferral**



Identification of 2019-20 Major City Goal tasks that are responsive to the Economic Recovery Meta Goal and will Continue or are In Progress.

A series of 2019-20 Major City Goal tasks have been identified as advancing the economic recovery goal. A few highlights of those activities include: continuing the progress on the signal at Broad and Woodbridge to enhance pedestrian and bike safety, the start of construction on the long awaited and predominately grant funded Rail Road Safety Trail extension, finishing the update of the City's Housing Element and beginning and update of the Safety Element using grant funds, construction of EV chargers at City Hall, replacing the 100 plus year old bridge at Marsh Street implementation of programs to support local businesses including Shop Local, and continued partnership with SLO Hothouse to expand economic activities. The specifics for each of the goals and their associated continue or in progress tasks are found in this table.

#	Original MCG	Task	Update	Status	FY 2021 Cost	
					Operating	Capital
M-1		Reconstruct & Resurface Streets	The design of the Roadway Sealing 2020 project has been completed and bids were opened in May. Project is anticipated to be awarded by June 30, 2020 with construction beginning early July.	In Progress	\$ 22,500	\$ 1,600,054
M-2		Complete Broad Street Bike/Ped Signal at Woodbridge. (Traffic Impact Fees & Infrastructure Investment Fund)	Final construction bid package to be completed May 2020. Recommend funding construction as part of June Budget Supplement and advertising for construction in July. Considering equipment lead times, construction could begin spring of 2021.	In Progress		
M-3		Perform maintenance on pedestrian & bicycle paths	Design of this maintenance project for the Bob Jones Bike Path is completed. Construction work will be combined with the Roadway Sealing Project to reduce costs. Work expected to begin in July.	In Progress	\$ 9,000	\$ 79,000
M-4		Construct sidewalk replacements & new installations	The work is ongoing. Minor replacements occur where trip and fall hazards exist, with high use pedestrian location such as the downtown being prioritized.	In Progress	\$ 9,000	\$ 89,000
M-5		Continue to implement Vision Zero thru the Annual Traffic Safety & Operations Program	Due to heavy staff workload, 2018 Traffic Safety Report was postponed. A combined 2018/19 Traffic Safety Report is in progress and will be presented to Council in summer 2020. Staff has completed implementation of several ongoing safety projects, including pedestrian yield signs at uncontrolled crosswalks. For FY2020-21, recommend reducing budget from \$220K to \$120K as part of June Budget Supplement. Staff has capacity to deliver several high-priority safety projects with remaining allocation.	In Progress	\$ 22,500	\$ 22,000
M-6		Continue Construction of the Railroad Safety Trail. (Traffic Impact Fees, Grant, &GF)	Final construction bid package to be completed by May 2020. All right-of-way acquisitions completed. Allocation of \$3.24M in grant funds and permission to proceed with construction approved by Caltrans. Plan to advertise in May, with construction to begin summer 2020.	In Progress	\$ 9,000	\$ 3,390,000
M-7		Construct Anholm Greenway Phase 1 & 2. (Grants, SB1, & GF)	Phase 1A (Foothill Crossing) complete. Plan to proceed with Phase 1B (LDS Church Path and Ramona Cycle Track) construction. Designs to be complete summer 2020, with likely construction start 1st Quarter 2021. For Phase 2 (Ramona to Downtown Segment), recommend completing designs, but deferring construction until FY2021-23.	In Progress	\$ 9,000	\$ 800,000
M-8		Construct Bicycle Protected Intersections at: Madonna & Dalidio, LOVR & Froom, Prado & Higuera (Traffic Impact & Mitigation Fees and Direct Developer Contribution)	Madonna/Dalidio plans complete, San Luis Ranch development to construct. LOVR/Froom plans nearly complete, San Luis Ranch development to construct. Prado/Higuera plans in development as part of Prado Creek Bridge Replacement project. Construction start planned for 2022.	In Progress	\$ 45,000	\$ 1,000,000






Original MCG	Task	Update	Status	Operating	Capital
M-9	Construct miscellaneous bicycle facilities improvements from the Bicycle/Active Transportation Plan	\$200K from FY2018-19 and 2019-20 allocated to 2020 Paving Project, which includes installation of 2 new neighborhood greenways (Nipomo and Islay), new crossings with RRFBs at several intersections. FY2020-21 allocation (\$100K) to be utilized for pedestrian/bicycle quick build improvements as part of 2021 Paving Project.	In Progress	\$ 9,000	\$ 100,000
M-10	Complete Prado Road Interchange Environmental Review & Construction Documents. (Traffic Impact & Mitigation Fees, Direct Developer Contribution, County Tax Share Funds, & SLOCOC Grants)	Environmental document preparation is currently in progress. Preliminary documents are under review by Caltrans. Design plans are being developed to 30% level for alternatives analysis.	In Progress	\$ 157,500	\$ 1,500,000
M-11	Construct the Prado Road Interchange (overpass and NB Ramps). (Traffic Impact & Mitigation Fees, Direct Developer Contribution, County Tax Share Funds, & SLOCOC Grants)	Latest schedule identifies 2022 construction start. Staff exploring all State and Federal grant funding options. Proceed with \$2M expenditure in FY2020-21 for PS&E contract.	In Progress	\$ 112,500	\$ 26,000,000
M-12	Complete Prado Creek Bridge Environmental Review & Construction Documents. (Traffic Impact Fees & Grants)	Environmental documents under review by Caltrans. Expected to complete environmental review by end of 2020. Right-of-way acquisition and PS&E to continue through FY2020-21 with anticipated construction start 2022. \$1M expenditure planned FY2020-21 for PS&E contract.	In Progress		
M-13	Construct the Prado Creek Bridge. (Traffic Impact Fees & Grants)	Construction start anticipated 2022.	In Progress	\$ 90,000	\$ 9,000,000
M-14	Complete an update to the City's Housing Element in alignment with the 6th Regional Housing Needs Allocation (RHNA) with a focus on housing production for all households and the unhoused, and begin technical work for the update of the Safety Element*	Legally mandated and we are making progress and resourced to complete. Staff anticipates receiving LEAP grant to reimburse staff time and environmental study in the amount of \$150,000. City received CalTrans Adaptation Grant for background work for Safety Element. Contract staff hired to assist with management of Grant; December 10, 2019, Staff hosted another Public Outreach event for the HE.	Continue	\$ 104,270	
M-15	Launch the Flexible Density Pilot Program and initiate an update of the Zoning Regulations and Community Design Guidelines to incorporate flexible density development options in the Downtown/Upper Monterey/Mid-Higuera Special Focus Area to support the production of smaller housing units	Received SB 2 Grant funding from HCD \$160,000 to accomplish this effort. Hired Special Project Manager to put focus and attention on this effort. \$212,760 was budgeted for the 2019-2020 budget and used only about 20% of the allocation. The majority of the expenditures will occur in 20-21 FY.	Continue	\$ 177,791	
M-16	Coordinate a study to examine the impacts of access to quality and affordable childcare on a Parents' ability to afford housing near employment centers and daily services	The City has partnered with County, school district, Cal Poly, and First 5. MOUs were completed. In March, 2020, First 5 released an RFP for study consultants.	Continue	\$ 25,638	
M-17	Begin an update to the City's Safety Element in alignment with climate action policies and initiatives and HE 1.8	See Task 2 above. This is funded by a grant in the amount of \$435,250. The Local Government Commission (LGC) is a co-applicant with the City. The City is entering into a contract (\$287,500) with a consultant, Ascent Environmental, to prepare the hazard/vulnerability assessments and adaptation strategies.	Continue	\$ 106,724	
M-18	Support the HRC with the facilitation of a world café to discuss diversity and inclusivity to identify how the City can effectively insert the diversity and inclusivity into existing award processes for City funded programs that foster ongoing community dialogue and engagement around this topic	Stakeholder outreach is underway. HRC did not receive any comments at annual Community Needs Workshop as to how the Diversity & Inclusion General Fund allocation should be distributed. Staff and HRC Subcommittee are currently meeting with community stakeholders to help frame next steps, including: Diversity Coalition of SLO County, Chamber of Commerce, Cal Poly, and RACE Matters SLO.	Continue	\$ 25,638	
M-19	Develop PPA solar projects (CIP)	Development of PPA projects is on hold with ForeFront Solar until the Transit Yard Layout Study is completed. The project will reduce operating expenses for the City.	Continue		

Original MCG	Task	Update	Status	Operating	Capital
M-20	Building Electrification Program Development	The Building Electrification Program will be initiated in Fiscal Year 20-21. This will be an outcome oriented process designed to bridge the gap between planning and implementation. This program will leverage other funds and resources from MBCP, 3C-REN, and other energy services providers to jump-start early implementation through identification of utility bill savings based on modeled building performance. This program will focus on aiding in the creation of jobs and saving large commercial building owners and tenant businesses significant operating capital.	Continue		
M-21	City Hall EV Chargers	The building permit for this facility is approved and APCD grant funds have been awarded. Staff is currently working to complete the grant agreement with APCD and implement the project. This facility will be able to provide charging to two existing City plug-in hybrid fleet vehicles, eliminating the need for fueling for in-city daily use.	Continue	\$ 45,000	
M-22	Community Climate Vulnerability Assessment and Safety Element Update	City Council approved award of vendor service contract at its 4/21 meeting and work will commence shortly. Triggered by the Housing Element Update and per State Law, the Safety Element of the General Plan is required to include an assessment of community vulnerability to the impacts of climate change. This work effort will ensure that the City's General Plan is consistent with state law, while also providing a policy framework for ongoing resiliency and recovery.	Continue		
M-23	Sidewalk and tree grate repair and replacement	Tree grate maintenance is ongoing as time and needs permit	In Progress	\$ 25,000	
M-24	Sidewalk tile replacement	Sidewalk tile replacements are ongoing. Tile replacements occur when downtown sidewalk segments are also replaced.	In Progress	\$ 10,000	
M-25	Enhanced downtown tree pruning	This is ongoing work to maintain the urban forest in the downtown area. The downtown urban forest requires a higher level of maintenance due to the existing tree size and the density of buildings. Downtown tree maintenance reduces risk to the City and increase the lifespan and beauty of the downtown urban forest.	In Progress	\$ 40,000	
M-26	Design completion for the Palm/Nipomo Parking Structure	Design work is underway. Current plan is to move forward with the project through design and permitting and hold construction until parking need returns and funding is available to construct.	In Progress	\$ 28,620,000	
M-27	Replacement of Marsh St. bridge over San Luis Creek	Construction Began in May 2020. Expected construction duration is 9 months.	In Progress		
M-28	Support Downtown SLO, property owners and other organizations to activate vacant retail spaces through pop-up shops, activities, and events	The City continues to engage with Downtown SLO to support this effort. One pop up store was created during the holiday season.	Continue		
M-29	Support the opening and operations of new downtown hotels	In March in partnership with the new downtown properties the City hosted a familiarization trip for contributing writers from publications including Forbes, San Francisco Chronicle, Alaska Beyond Magazine and AFAR. The City's ongoing efforts include continuing to support the opening (re-opening) of the downtown hotels through the alignment and promotion with the TBID. This includes the recovery promotion when viable including advertising, public relations and promotional outreach.	Continue	\$ 12,900	
M-30	Continue City partnerships for economic development and business support in downtown including SLO HotHouse, Chamber of Commerce programs, etc.	Agreements with Downtown SLO, Economic Vitality Corporation of SLO County and the SLO Chamber of Commerce to support businesses downtown and throughout the City will be revised to align with Economic Recovery and Resiliency efforts.	Continue		
M-31	Ongoing downtown business support	Efforts will be included as a part of Economic Recovery and Resiliency goal.	Continue		

Original MCG	Task	Update	Status	Operating	Capital
M-32	Create and implement a Shop Local program (also included in Fiscal Health and Sustainability Major City Goal)	The Promotional Coordinating Committee began the program development for a Shop Local program. Planning is underway now and is aimed to align with reopening of retail outlets post COVID-19.	Continue		
M-33	Develop and implementation of a business attraction and retention program	This task has not been initiated and was intended to implement an updates Economic Development Strategic Plan. These funds and staff time will now be designated toward economic development activities with the Economic Recovery and Resiliency goal.	Continue		
M-34	Downtown Vitality (PBID, Public Art, Parking Structures, Hotels, Housing)	The City has continued to support Downtown both before and after the COVID-19 emergency including pick up zones and business marketing support through take out/delivery and virtual shopping maps. Looking ahead the City will need to partner closely with DSLO to align efforts and provide support to businesses through the phased reopening.	Continue	\$ 89,746	
M-35	Development and implementation of a business attraction and retention program, funded by SB 1090, will cost \$70,000 in contract services and is estimated to take 20% of the Economic Development Manager's time.	This task has not been initiated and was intended to implement an updates Economic Development Strategic Plan. These funds and staff time will now be designated toward economic development activities with the Economic Recovery and Resiliency goal.	Continue	\$ 94,000	
M-36	Increase revenues from property, sales, and Transient Occupancy Tax (TOT) by implementing strategies in the EDSP.	This effort will be a focus of the Economic Recovery and Resiliency goal.	Continue		
M-37	Continue partnership with SLO HotHouse to create and expand economic activities.	Agreements with Downtown SLO, Economic Vitality Corporation of SLO County and the SLO Chamber of Commerce to support businesses downtown and throughout the City will be revised to align with Economic Recovery and Resiliency efforts.	Continue	\$ 62,000	
M-38	SLO Forward (funding included in previous budget)	Public outreach and education outreach efforts included 16 stakeholder and community group presentations, with a deliverable of receiving feedback in the form of an online survey. To date, the survey has had close to 700 responses, representing 33 hours of public comment. Staff is working with the ad hoc subcommittee to continue these efforts and is prepared to bring forth information to the City Council in July.	Continue		
Total				\$ 1,203,707	\$ 72,310,054

Identification of 2019-20 Major City Goal tasks that will Continue or are In Progress.














Along with those tasks that are aligned with the City's new meta goal for economic recovery and resiliency, there are also a handful of tasks that are recommended to be continued because they are part of essential City services or legal mandates. The specifics for each of the goals and their associated continue or in progress tasks are found in this table.

#	Original IMCG	Task	Update	Status	FY 2021 Cost	
					Operating	Capital
C-1		Hazard Mitigation Plan	Increases the City's resiliency. This is part of the \$60,000 Contract Emergency Management work funded through a Liability Fund SOBC and increases the City's resiliency. The updated Hazard Mitigation Plan was completed and tentatively approved by CalOES FEMA pending local adoption and is scheduled to go to City Council for adoption on 6/2/2020. This task is not complete as the implementation and management of the plan is ongoing, which includes taking action and making progress on the mitigation items identified in the plan. The City must demonstrate that it is making progress towards the mitigation items identified in the plan the this funding provides capacity for staff to do so.	Continue	\$ 10,000	
C-2		2020 GHG inventory	Mandate. The GHG inventory update will be initiated in Fall of 2020 and will require only minimal in-house staffing resources. The SLO County APCD will lead this work effort with additional funding support from MBCP as part of a region-wide effort. Regular updates of the City's GHG emissions inventory is a requirement for a qualified GHG reduction strategy, per CEQA Guidelines Section 15183.5(b)(1)(E).	Continue		
C-3		Community Wildfire Protection Plan	Increases the City's resiliency. This is part of the \$60,000 Contract Emergency Management work funded through a Liability Fund SOBC and increases the City's resiliency. In FY20, Staff used funding to make progress on this item and was able to bring the updated plan to Council for Adoption in 2019. This plan is critical for reducing the impacts a wildfire will have on the City, which remains one of the likeliest threats our City will face in the coming years. For the City to receive benefits from this new plan, staff will need to carry out and manage the items identified in the plan. Without funding for contract emergency management, staff would lack the capacity needed to carry the plan out.	Continue	\$ 10,000	
C-4		Emergency Response Plan	Increases the City's resiliency. This is part of the \$60,000 Contract Emergency Management work funded through a Liability Fund SOBC and increases the City's resiliency. In FY20, Staff used funding to make progress on this item and was able to bring the updated plan to Council for Adoption in April 2020. Before this task can be considered complete, the critical step of training on the new plan will need to be completed for staff and additional COOP annexes will need to be incorporated and approved by Council. Staff expects this task to be complete by the end of calendar year 2020.	Continue	\$ 10,000	
C-5		Ready Set Go Outreach	Increases the City's resiliency. This is part of the \$60,000 Contract Emergency Management work funded through a Liability Fund SOBC and increases the City's resiliency. In FY20, Staff used funding to make progress on this item by revamping the plan available for the public. Staff will continue to make progress on this item in FY21 through public education activities. Ready-Set-Go Program is a critical to reducing the impacts a wildfire has on this community through preparing individuals to reduce fire transmissibility by hardening their homes and property and increase their preparedness to evacuate when needed.	Continue	\$ 10,000	

Original MCG	Task	Update	Status	Operating	Capital
C-6 ☀	Urban Fuel Reduction Plan Development	Increases the City's resiliency. This is part of the \$60,000 Contract Emergency Management work funded through a Liability Fund SOBC and increases the City's resiliency. This program is essential in developing a thorough plan for reducing dangerous fuel loads located within the City. In FY20, Staff was unable to make significant progress on this item and will need the funding to make progress on in FY21. The foundational work in FY20 of establishing a seat on the Fire Safe Board was a small but important step at making progress on this item in FY21.	Continue	\$ 10,000	
C-7 ☀	Wildland Urban Interface Open Space Fuel Reduction	Increases the City's resiliency. This is part of the \$60,000 Contract Emergency Management work funded through a Liability Fund SOBC and increases the City's resiliency. This program is essential in developing a thorough plan for reducing dangerous fuel loads located in the wildland urban interface and open space. In FY20, Staff was unable to make significant progress on this item and will need the funding to make progress on in FY21. The foundational work in FY20 of establishing a seat on the Fire Safe Council Board was a small but important step at making progress on this item in FY21.	Continue	\$ 10,000	
C-8 \$	Negotiate labor agreements consistent with Fiscal Health Response Plan objectives with the San Luis Obispo City Employees Association and the San Luis Obispo Police Staff Officers Association.	Legally required and consistent with Fiscal Policy. Negotiations with San Luis Obispo City Employee Association continue as are legally required.	Continue		
C-9 \$	Identify barriers to diversity and inclusion within organizational systems in support of the Organization of the Future.	An assessment of current recruitment and selection processes will be complete by the end of the 2020 Fiscal Year. Initially, staff was planning to hire a consultant to help with these efforts, but will now be continuing with internal resources.	Continue	\$ 26,500	
C-10 \$	Fully implement MOTION ERP, HCM, and Budget modules. Develop dashboards regarding organizational effectiveness including diversity metrics.	Two out of the three modules have been partially implemented. Configuration issues with ERP and HCM have caused a delay in full HCM implementation as well as budget module implementation.	Continue		
TOTAL				\$ 86,500	\$ -

Summary of Completed or Implemented Tasks of the 2019-20 Major City Goals.

41% of the Tasks associated with the 2019-20 Major City Goals have been completed or implemented (essentially are now standard operating procedures or part of ongoing City programs. A few highlights of those activities include quarterly financial reports and implementation of housing production goals, policies and programs in the Housing Element. The specifics for each of the goals and their associated completed and implemented tasks are found in this table.

#	Original MCG	Task	Update	Status	FY 2021 Cost	
					Operating	Capital
I-1		Continue 98% On-Time performance with Short Range Transit Plan	Ongoing work effort. Pre COVID. The implemented changes from the 2017 Short Range Transit plan have improved the systems on-time reliability significantly. SLO Transit now averages 98% on-time on most routes and 96% on-time on Cal Poly routes.	Implemented	\$ 22,500	
I-2		Continue service coordination with RTA to improve mobility for transit users	Ongoing work effort. SLO Transit and RTA greatly coordinate on fares, schedule changes, policies, procurements, emergency response regional and discretionary funds where they make the most sense.	Implemented	\$ 22,500	
I-3		Complete Update of Traffic Impact Study Guidelines Consistent with SB 743	Item is currently schedule for June 2020 Council Meeting to adoption VMT as transportation performance measure for CEQA analysis. Item will include adoption of updated Traffic Impact Study Guidelines and procedures.	Complete		
I-4		Continued Installation of Electric Vehicle Charging Stations	Electric vehicle charging stations have been installed in the Marsh Street Parking Structure. APCD grant secured to assist with purchase of mobile electric vehicle charging station.	Complete	\$ 9,000	
I-5		Complete University Transit Service Agreement with CalPoly	Ongoing work effort. Cal Poly negotiations for transit are actively underway but cannot be finalized due to the uncertainty of Cal Poly's need for transit service due to impacts of COVID-19. Staff will continue to partner with Cal Poly on sustainable transportation.	Implemented	\$ 9,000	
I-6		Complete Active Transportation Plan	At request of ATC, schedule has been extended. Draft Plan to be released in June. Adoption of Final Plan scheduled for October 2020.	Implemented		
I-7		Complete an Affordable Housing Nexus Study in alignment with HE 2.15 and HE 4.6*	Completed Housing Nexus Study on April 21, 2020.	Complete		
I-8		Develop new housing-specific Key Performance Indicators (KPIs) for cycle times and set performance measures	Ongoing work effort. Housing projects are currently being tracked through our existing KPIs.	Implemented		
I-9		Implement the housing production goals, policies, and programs in the Housing Element	Ongoing work effort, which is supported by Community Services staff. Anticipated that staff will review policies and programs that increase housing production goals within the Updated Housing Element.	Implemented	\$ 111,558	
I-10		Coordinate with non-profit housing agencies on new 100% affordable housing developments	Ongoing work effort. Staff currently coordinating with Peoples' Self-Help Housing on achieving planning entitlements, as well as securing financing sources for two new 100% affordable housing projects to produce a total of 108 units.	Implemented	\$ 10,590	
I-11		Manage and prioritize grant funding (i.e. CDBG, GIA, AHF) for housing production available for extremely-low, very-low, low, and moderate- income households	Ongoing work effort. Upon staff recommendation, the HRC approved 2020-21 CDBG funding for Broad Street Place, a new 100% affordable housing project to be developed in the City. City Council is scheduled to review the funding recommendations in March 2020.	Implemented	\$ 36,450	
I-12		Monitor and report on changing State housing legislation	Ongoing work effort. Several new pieces of housing legislation were signed in CA in Oct 2019. A study session on the new legislation is scheduled for City Council on 1/21/2020. Staff are also working on amendments to the ADU Ordinance in response to the recent legislation, which is scheduled for Council review on 2/4/2020. This is an ongoing core function of the City's Housing Program.	Implemented		
I-13		Continue to prioritize streamlining and expediting projects that facilitate increased production of all housing types that are economically accessible to extremely-low, very-low, low, and moderate- income residents	Ongoing work effort, and a formal streamlining process or program may be implemented through the adoption of the Housing Element Update.	Implemented	\$ 28,190	

Original MCG	Task	Update	Status	Operating	Capital
I-14	Provide timely plan check review, building permit review and inspections for new housing developments*	Ongoing work effort. The CDD is continuously looking for ways to improve and expedite the building permit review and inspection process for new housing development. The implementation of e-plan check and future capability of online application submittals should improve efficiency.	Implemented	\$ 50,000	
I-15	Continue the Affordable Housing Monitoring Program*	Ongoing work effort. Surveys were mailed in February 2020 to tenants, owners, and property managers. Surveys have been returned back to the City. CDD staff is currently coding, organizing, and reviewing responses received to-date. Next steps include utilizing Code Enforcement and the City Attorney's Office to enforce any units that are found to be operating out of compliance.	Implemented	\$ 25,960	
I-16	Continue to promote on-campus housing growth	Ongoing work effort. Staff currently collaborating with Cal Poly in reviewing and providing input on Draft EIR of the Campus Master Plan, which incorporates plans for continued housing growth on campus.	Implemented		
I-17	Continue the City's participation with (but limited to) the San Luis Obispo County Housing Trust Fund and the Home Builder's Association, to identify, evaluate, and implement strategies to increase the production of housing.	Ongoing work effort. City staff participates and attends the meetings of various community groups, and also serve as a voting member of the San Luis Obispo County Housing Trust Fund Loan Commission in an effort to identify opportunities for collaboration to achieve common goals and objectives associated with the continued development of housing in the City.	Implemented	\$ 45,638	
I-18	Encourage residential developers to sell or rent their projects to households employed in areas that are geographically included in the boundaries of the City's jobs: housing balance analysis, in alignment with HE 10.4.	Ongoing work effort. Both Avila Ranch and San Luis Ranch include this requirement in their respective DAs. Staff continues to look for opportunities to include requirement in new housing projects.	Implemented		
I-19	Sustainability Internship Program	Assignment completed.	Complete	\$ 15,000	
I-20	California Re-Leaf Grant Implementation	City staff have completed by coordinating with ECOSLO. The California Re-Leaf Grant has been transferred to ECOSLO, who is successfully implementing it.	Complete		
I-21	Transportation Electrification Strategic Plan	Public Works has made substantial progress towards assessing electric bus and related charging infrastructure needs and has identified funding to support. This action will save the City on operational costs over the lifetime of these investments. Strategically placed EV charging and parking in the downtown will continue as opportunities arise. Strategic plan document will not move forward, saving \$10,000. Future grant funded opportunities are being monitored	Implemented		
I-22	Complete and Adopt Climate Action Plan	Will be complete Summer. A Study Session was held with City Council on December 3, 2019. Final adoption is scheduled for August 2020 consistent with State requirements. The CAP will identify priority activities that support Economic Recovery and Resilience.	Complete		
I-23	SLO Climate Coalition Support	The Climate Coalition received financial and staff support for Fiscal Year 19-20. Financial Support for FY21 is currently budgeted. The Climate Coalition will assist the City with economic recovery and resilience efforts, especially with identification and support of green tech / clean tech industries. An updated MOU will be completed to incorporate this year's MCG scope of work.	Implemented	\$ 10,000	
I-24	Integrate climate considerations into City decision making	Ongoing work effort. This is now occurring in the context of economic recovery and resilience.	Implemented		
I-25	Monterey Bay Community Power Board Participation and Program Launch	The program launched in January of 2020 and staff continue to support board participation.	Implemented		
I-26	Water Treatment Plant Energy Efficiency Project	Design build project with PG&E, project construction is starting May 2020. This project will reduce operating expenses.	Implemented		\$ 15,146,000
I-27	Complete Reach Codes for New Development and Develop Carbon Offset Program	Ongoing work effort. The Clean Energy Choice Program for New Buildings had an initial reading conducted in September of 2019. The item was set to be reintroduced in April of 2020 but was delayed due to the COVID19 pandemic. All materials are complete and ready to be adopted by Council. All electric new buildings are cost effective.	Implemented		












Original MCG	Task	Update	Status	Operating	Capital
I-28	On-Bill Financing LED Lighting Retrofits (CIP)	Ongoing work effort. The PG&E application has been completed for 919 Palm Structure, and lighting demonstrations have been completed. Agreements are being drafted with the vendor for implementation at the 919 structure. If the project is successful, the City will transition to the remaining garages. The program is paid using energy bill savings and will lower operational energy costs for lighting.	Implemented		
I-29	Formalize Solid Waste Program in the Utilities Department	Ongoing work effort as the Utilities Department has put in place an Interim Solid Waste and Recycling Coordinator	Implemented		
I-30	Major Facility Maintenance (Hydration Station and Pool Thermal Cover)	Will be completed in July 2020. Hydration stations installed and funding for pool cover avail 7/1/2020	Complete		\$ 33,000
I-31	Open Space Maintenance	On going work effort. In FY 20 Ranger staff completed improvements at Johnson Ranch trailhead including the construction of a new parking area, road work, and the construction of new fencing and gates. Significant trailhead improvements were also made to Bishop Peak including bog thistle fencing. Ranger Staff began plan objectives focused on the Waddell Ranch portion of Irish Hills, including installation of trail signage, protection of resources and improvement to existing trails. Ranger staff are now focused on COVID-19 trail use management with social distancing, and anticipate work on opening Miossi Open Space to the public later in the fiscal year as time permits.	Implemented		\$ 40,000
I-32	Urban Forest Augmentation	On going work effort. These funds provided for pruning of Ficus Trees in the Downtown as well as pruning, removing, and planting trees in Pavement Management Areas 1 and 2. Additional these funds have also assisted with emergency work and tree care in open spaces.	Implemented		\$ 175,000
I-33	Civic Spark Fellowship Program	Ongoing work effort. Funding for one CivicSpark Fellow will be replaced with Community Vulnerability Assessment/Safety Element grant funding, saving \$24,500. The remaining funded Fellow will be focused on Economic Recovery and Resilience efforts, which is supported by our partners at Local Government Commission.	Implemented	\$ 53,000	
I-34	Open Space Preservation	Ongoing work effort. The City has been awarded a \$3,000,000 grant from the California Department of Conservation's Sustainable Agricultural Land Conservation Program. It is anticipated that an additional grant facility will be needed to match with existing Open Space CIP funds and the existing \$3M grant to complete the project, and therefore project viability is dependent on successfully securing grant funding. This approach will save the \$150,000 originally identified in the Financial Plan.	Implemented		\$ 150,000
I-35	Downtown Renewal Project	Completed one project the other is "Shovel Ready". The downtown renewal work effort is comprised to two Capital Improvement Plan Projects over the course of the Financial Plan. The first project is complete as of May 2020 which replaced the sidewalk near 858 Higuera Street. The second project to replace the sidewalk on Broad Street between Marsh and Higuera is in plan development to "Shovel Ready" for any COVID-19 stimulus funding or reconsideration with the 2021-23 Financial Plan.	Complete		\$ 640,000
I-36	Install security cameras in Mission Plaza	Project is now complete and installed security cameras in the Mission Plaza.	Complete		
I-37	Implement designated pick up and drop off zones in downtown for ridesharing (part of Active Transportation Plan and Access & Parking Management Plan)	Pilot program implemented August 2019, with designated rideshare pick up/drop off zones on Higuera and Chorro. Staff will be monitoring this activity as part of the overall parking and access function to Downtown as it economically recovers.	Implemented		
I-38	Work with Downtown SLO to update downtown tile maps	These have been updated	Complete	\$ 1,145	
I-39	Support Downtown SLO tree lighting and street banner programs	Banners installed and trees trimmed.	Complete		















Original MCG	Task	Update	Status	Operating	Capital
I-40	Continue to provide sidewalk pressure washing services	Ongoing work effort and funding of contract pressure washing services several times a year.	Implemented	\$ 13,000	
I-41	Continue to explore options to reduce white fly population and fly/pigeon issues	This is an ongoing work effort. Two feeding stations for pigeon control were installed on roofs downtown and the feeding program has begun. Logistics and operations are being recorded as lessons learned for a more effective program in the summer. The Ficus trees in the downtown core were trimmed heavily to reduce the whitefly habitat and also to modify the habitat for the Lesser housefly. Continue research	Implemented	\$ 6,000	
I-42	Parking Structure Facility Improvement Program	Ongoing work effort. Parking structure maintenance needs have been identified. Improvement projects will include repair of structural damage, crack sealing, water proofing, painting, and striping and signage replacement. Initial projects are expected to begin design in Summer and Fall of 2020.	Implemented		\$ 1,284,000
I-43	Continue to implement the Mission Plaza Master Plan including the completion of the preliminary design for the restroom replacement project	Mission Plaza Restroom replacement project design is underway and recommended to be advanced to a sholve ready status.	Complete		\$ 150,000
I-44	Support the implementation of a Property-Based Business Improvement District (also included in Fiscal Health and Sustainability Major City Goal)	Changed task. In October of 2019, City staff executed an agreement with Downtown SLO to launch a one year pilot program for one additional Ambassador to be added to their Clean & Safe program.	Complete		
I-45	Focus on providing Downtown Bike Patrol and Community Action Team Officers including social worker support	There are currently 4 Metro Bicycle Officers, two working days and two working nights, assigned to the downtown corridor. In addition there is one Downtown Sergeant who supervises the 4 Metro and 3 swing shift Patrol Officers. Finally, our CAT Officer is back working with Social Worker. The second CAT Officer is unfilled due to vacancies created by two Officers out with long term injuries.	Implemented		
I-46	Continue to Implement the Downtown Concept Plan	Ongoing work program. Focus on Design and Grant Funds for construction of shovel ready projects that advance the downtown concept plan.	Implemented		
I-47	Fund Police Field Service Technician and a Downtown Sergeant with hotel land lease revenues	Ongoing work program. Positions filled.	Implemented		
I-48	Create an Equipment Sustainability Fund for Public Safety to forecast and budget for replacement of safety equipment that has expired or become damaged.	Ongoing work program.	Implemented	\$ 399,908	
I-49	Hire an additional police officer to backfill for a school district funded School Resource Officer	Ongoing work program. Position filled.	Implemented	\$ 171,610	
I-50	Purchase specific equipment related to Cannabis Detective	This equipment has been purchased.	Complete		
I-51	Implement Online reporting for Police Department	Project complete, and now paying for ongoing annual maintenance.	Implemented	13,600	
I-52	Recovery Planning process - Plan - Respond - Recover	This is an ongoing work effort that has been implemented.	Implemented	\$ 60,000	
I-53	Implement quarterly financial reports to monitor fiscal performance including performance measures.	Ongoing work effort. Delivered since Q1 FY20. Staff will continue to provide and improve the quarterly financial reports to council	Implemented	\$ 10,000	
I-54	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.	Ongoing work effort. While the tracking may not be different data at the moment, or may be on FEMA forms, significant cost containment is occurring with the Fiscal Health Contingency Plan and "chilling" hiring and operational expenditures	Implemented		
I-55	Continue to monitor legislation that could impact City revenues and expenditures.	Ongoing work effort. Staff actively doing so as part of COVID 19; evaluated impact of sales tax deferrals by State	Implemented	\$ 9,500	

Original MCG	Task	Update	Status	Operating	Capital
I-56	Closely monitor cannabis related income and expenditures.	Ongoing work effort. The revenue division has created tracking reports for Cannabis revenues and staff are tracking time and money spent on cannabis related work. Income has been delayed.	Implemented		
I-57	Continue to closely monitor liability and workers compensation costs with a focus on root cause analysis and prevention.	Ongoing work effort. Staff has continued to work on improving claims tracking and reporting.	Implemented	\$ 58,000	
I-58	Fund Police field service technician and a Downtown Sergeant with hotel land lease revenues	Tenant is making payments and operating transfers occurring from Parking to General Fund.	Implemented	\$ 227,695	
I-59	Implement Phase 1 of the Organization of the Future to achieve organizational efficiencies through thoughtful reorganizations. Could include new positions or reclassifications or consultant services. Year one of this effort will inform resources needed.	Ongoing work effort. Significant progress was made in year one of this item. No status change due to COVID-19. Remains a priority and anticipated continued focus on operational efficiencies, collaborations, new ways of doing business and thoughtful reorganizations associated with Economic Recovery and Resiliency and preparation for October Budget Revise.	Implemented	\$ 225,000	
I-60	Continued implementation of the Fiscal Health Response Plan that address short- and long-term financial challenges.	FHRP goals have been met with the exception of Cannabis Revenues. Staff plans to implement additional budget reductions due to COVID19 fiscal impact	Implemented		
I-61	Hire entry-level fire recruits to help reduce long-term pension obligations for non-PEPRA employees.	No status change due to COVID-19. item is specific to FY21.	Implemented	\$ 32,000	
I-62	Implement injury reduction programs in the Fire Department to reduce costs associated with job-related injuries.	Significant progress was made in year one of this item. No status change due to COVID-19. Remains a priority	Implemented	\$ 18,000	
I-63	Expand recruitment outreach and methods to reach diverse sources.	Expanding outreach methods for recruitment purposes will be explored upon completion of the assessment of recruitment and selection processes described above.	Implemented	\$ 65,000	
I-64	TOTAL			\$ 1,759,844	\$ 17,618,000

2019-20 Major City Goal Tasks recommended for Deferral.

28% of the Tasks associated with the 2019-20 Major City Goals are recommended for deferral. Reasons for deferral include not being supportive of the Meta Goal for Economic Recovery, insufficient funds to proceed given the City's current economic conditions and continued uncertainty ahead, not time sensitive and can be returned to when staff has capacity and time. The specifics for each of the goal tasks recommended for deferral are found in this table.

#	Original IMCG	Task	Update	Status	FY 2021 Cost	
					Operating	Capital
D-1		Develop Plan to Replace Aging Fleet	Financial resources in the form of discretionary grants have been secured. Transit Fund unreserved working capital is recommended to supplement costs along. Plan is not needed as activity is being funded by CARES Act as described in Fund Analysis.	Defer	\$ 9,000	
D-2		Investigate Potential Shared Mobility Policy	Policy will become complete; vendor selection can defer. Completed Council Study Session in fall 2019, received direction to proceed with Bikeshare Program development. Policy Framework and Draft RFP in development with plans to return to Council in fall 2020. Recommended to delay vendor procurement until FY 2021-2022 because of instability in micromobility market due to COVID.	Defer	\$ 9,000	
D-3		Continued Active Transportation Education, Outreach, & Activism	Due to COVID. Continued ongoing activities, such as Bike Education through Bike SLO County, Bike Light Giveaway, Halloween Bag Distribution, Bike Month and other education events should be deferred..	Defer	\$ 22,500	
D-4		Construct California & Taft Roundabout. (Traffic Impact & Mitigation Fees)	90% plans. Right-of-way acquisition unsuccessful due to unwilling property owner. Design will continue to completion and right-of-way negotiations will be pursued. Deferring all construction expenditures at this time as project is not yet ready.	Defer		
D-5		Construct New Street Lights & Low-Cost Personal Safety Initiatives.	New funds not needed as 2 new street lights installed in 2019-20 and 6 additional lights in progress with PG&E for installation in 2020-21. - Approximately \$70K remains from FY2018-19 & 2019-20 allocations, which will be used for additional installations. Recommend deferral of 2020-21 allocation.	Defer	\$ 9,000	\$ 75,000.00
D-6		Construct LOVR Spur of the Bob Jones Bike Path. (Traffic Impact & Mitigation Fees and Direct Developer Contributions)	Defer to Active Transportation Plan completion with prioritized list of projects. Completed Project Study Report, including Council Adoption of a preferred route alignment and concept design. Recommend deferral until after adoption of Active Transportation Plan and completion of Froom Ranch Specific Plan.	Defer	\$ 22,500	\$ 2,000,000.00
D-7		Investigate Electric Downtown Shuttle Service	This would be best be considered post COVID-19 and during the next Short Range Transit Plan, scheduled for 2021/22	Defer	\$ 18,000	
D-8		Augment Ridesharing Services. (Parking Enterprise Funds)	Staff will continue to monitor best practices in the industry and pursue but a program augmentation is not needed at this time.	Defer	\$ 18,000	
D-9		Enhance Transit marketing to seniors, K-12 students, and working commuters; and with Cal Poly, to increase ridership 5%	Temporarily put on hold due to COVID-19 pandemic. To save funds leveraging materials alongside RTA to promote transit post pandemic	Defer	\$ 18,000	
D-10		Complete Update of Neighborhood Traffic Management Policy/Guidelines	In progress. Due other high-priority project commitments, update to NTM Guidelines will not be complete until FY2020-21.	Defer		
D-11		Investigate "Open Streets" events with LA CicLAvia	Staff has investigated feasibility and had several discussions with Rideshare about collaborating on an open streets event. However, plans on hold due for now due to uncertain future of public gatherings with COVID.	Defer	\$ 9,000	
D-12		Launch a program that creates housing for Above Moderate-Income Households that includes "missing middle" housing types, that is consistent with HE 2.16*	Defer at this time. This task has been delayed to focus on the flexible density, \$45,436 not used from 2019-2020 budget. Do not have the resources to complete design and public engagement	Defer		
D-13		Complete a text amendment to Land Use Element Table 3	Not time sensitive and can be completed in the next Financial Plan period.	Defer		
D-14		Develop management plan for housing and new Capital Facilities Districts (CFDs) during development construction phases	Preliminary discussions have occurred on how best to accomplish.	Defer		

Original MCG		Task		Update		Status	Operating	Capital
D-15		Safe housing outreach and education; and review of the High Occupancy Residential Use Ordinance for consistency with best practices and neighborhood wellness			This effort has not started. Pursue when resources to complete exist.	Defer	\$ 62,965	
D-16		Update the Subdivision Regulations			\$35,912 of allocated staff time remains unspent from the 19-20 budget for this task.	Defer		
D-17		Support amendments for future property tax sharing agreements to encourage housing			Ongoing work effort. Adoption of any formal policies will be considered in the Housing Element Update.	Defer		
D-18		Continue to support employer/employee and employer/developer financing programs and Public/Private/Non-Profit partnerships to increase housing opportunities for the unhouseed and local workforce.			Ongoing work effort. Staff continues to support employers and developers whom are interested in partnerships to develop housing projects that would be targeted towards producing housing specifically for the local workforce.	Defer	\$ 5,638	
D-19		Support SLO Green Business Network and Certify City Hall as a Green Business			This work effort will be deferred due to other economic recovery priorities.	Defer		
D-20		Green Team Reorganization			This will be delayed as staff who would be on this team will be focused on economic recovery and resiliency work efforts.	Defer		
D-21		Municipal Operations Climate Action Plan			The City has made substantial progress on a municipal operations greenhouse gas emissions inventory and has an open task with through an existing vendor Purchase Order to complete the municipal plan. This effort is a "foundational action" in the forthcoming Climate Action Plan update and will establish the framework for increasing operational efficiency and reducing operational costs, which will lead to COVID19 recovery benefits. However, this work is not time critical and will be placed on "pause" until overall staffing and budget resources are better understood.	Defer		
D-22		"Sustainable SLO" Branding Implementation			Staff have received draft marks and are working with AMF to develop a use guide for the logo. Since the effort is not recovery related and the City has many communications priorities at this time, it will be put on pause.	Defer		
D-23		Municipal Solid Waste Reduction Plan			This project will not be moving forward due to COVID-19 budget reductions, saving \$20,000.	Defer		
D-24		Urban Forest Master Plan			Tree inventory is currently 50% complete. This task is recommended for deferral until 2021-23 Financial Plan due to necessary COVID-19 budget reductions, saving \$35,000.	Defer		
D-25		Sequestration Study and Carbon Farming Pilot Program			A purchase order in the amount of \$35,000 has been issued to the Coastal San Luis Resource Conservation District and work has started, but is currently on "pause" with agreement from the vendor until overall budget and staffing resources are better understood due to COVID-19. CDFA grant funding opportunity for implementation expected early 2021.	Defer		
D-26		Stormwater Business Plan			This item will not move forward due to COVID-19 budget reductions, saving \$20,000.	Defer		
D-27		Host Creek Clean Up Day in the downtown			This is an ongoing task. In 2019 SLO County Creeks to Coast Cleanup took place on September 21. Creeks to Coast Clean-up in 2020 would be Saturday, September 26th but we will have to wait and see what kind of event to offer with uncertainty due to COVID-19. Staff will meet with partnering organizations in May to begin preparations for later this fall. There is always a crew dedicated to cleaning up the creek along the downtown core and this will be scheduled again.	Defer	\$ 1,500	
D-28		Explore use of shared mobility devices in downtown (also included in Sustainable Transportation Major City Goal)			Defer contracts with vendor at this time.	Defer		

Original IMCG	Task	Update	Status	Operating	Capital
D-29	Continue progress on a Higuera St. Parking Structure and an Upper Monterey St. parking district	The City, County and a Private Party have investigated the possibility of installing a new parking structure at this location. Based upon the varied ownership, cost and revenue projections continued participation in this project is not fiscally prudent.	Defer		
D-30	Downtown Security Project	Plans complete. Defer construction and reprogram most funds for other downtown/business recovery investments. Retain small amount of project funds for potential interim safety measures (i.e. water-filled barricades) when Farmer's Market resumes.	Defer	\$ 438,000.00	
D-31	Continued maintenance of downtown planters	This is an ongoing effort to maintain planters in the downtown provided through both contract services and staff.	Defer	\$ 10,000	
D-32	Work with the City's Special Events Team and Downtown SLO on a viable recycling and compost program for large events occurring in Mission Plaza and downtown	Defer until new post COVID normal is known	Defer		
D-33	Activate public spaces in downtown through events and programming such as pop-up classes and temporary public art	Defer until new post COVID normal is known	Defer		
D-34	Update and refresh Direct Giving (Meter) Program with Downtown SLO, United Way and 40 Prado	Defer and/or seek out partner organization to lead this effort.	Defer		
D-35	Complete design of Cheng Park rehabilitation	Project is recommended to be deferred until completion of the Marsh Street Bridge and economic impacts of COVID-19 are better quantified. During this time, staff will investigate the possibility of obtaining community volunteers to complete this work. If not successful, staff will revisit this need in the 2021-23 Fancial Plan	Defer	\$ 50,000.00	
D-36	Enhance Downtown Trip & Parking demand reduction programs.	This work effort was repheised into a communication and education plan to increase awareness of walkability to the downtown core. This work is recommended to defer due to COVID-19 parking demand changes.	Defer		
D-37	Create a Park & Walk informational campaign in coordination with Downtown SLO	Marketing plan to "rediscover DT". PS sent 1 postcard mailing out, but a revamping of program might be needed to help DT economic recovery.	Defer		
D-38	Update Economic Development Strategic Plan and implement actions specific to downtown (also including in Fiscal Health and Sustainability Major City Goal)	The initial focus will be on supporting Economic Recovery and Resiliency efforts, but future phases of that plan may include an updated Economic Development Strategic Plan.	Defer		
D-39	Explore options, including adjacent to Bubbegum Alley, for additional public art and creative place making	Public Art will be transitioned to a focus of the Economic Recovery Efforts with up to date projects considered	Defer		
D-40	Continue pension payments from one-time funding toward unfunded liability. Monitor progress in reduction of unfunded liability.	Postponed due to COVID19 uncertainty.	Defer	\$ 3,515,000	
D-41	Establish a 115 Pension Trust Fund, related funding levels, and use policy. Provide monitoring through the Investment Oversight Committee.	Postponed due to COVID19 uncertainty. Initial amount of \$1.4 million held in reserve.	Defer	\$ 2,315,000	
D-42	Monitor changes in market compensation, including impacts of minimum wage increases, and present comparative data to Council.	Completed minimum wage analysis. Due to financial constraints as well as potential fluctuations in the market resulting from impacts of COVID-19 staff recommendation is not to complete a compensation study at this time.	Defer	\$ 16,000	
D-43	Updated the EDSP to include business-based strategies to address emergency preparedness, climate action, etc., will cost \$50,000 in contract services and is estimated to take 20% of the Economic Development Manager's time.	The initial focus will be on supporting Economic Recovery and Resiliency efforts, but future phases of that plan may include an updated Economic Development Strategic Plan.	Defer	\$ 24,000	
D-44	Fund a new Cannabis Detective Position using Cannabis Fees	If Cannabis fees don't fund this position, then Dept. would request that this position be funded by general fund.	Defer	\$ 195,942	
TOTAL				\$ 6,281,045	\$ 2,563,000

Section D: Strategic Planning – Local Revenue Measure

In 2014, the City's voters approved the continuation of the half-cent transaction tax (Local Revenue Measure) to protect and maintain essential services and facilities. The following are the proposed FY 2020-21 Local Revenue Measure operating and capital outlay expenditures, which were recommended by the Revenue Enhancement Oversight Commission (REOC) on May 14, 2020 after receiving updated revenue projections based upon the budget impacts from the COVID-19 emergency.

Prior to March 2020, revenue from the Local Revenue Measure was forecasted to reach \$7.8M in FY 2019-20. Due to the impacts of the COVID-19 emergency, the revised revenue projections are \$7.3M, a decrease of 7%. The revised revenue projections for FY 2020-21 show a similar trend, with a decrease from the original budget of \$8M to \$7.2M, a decrease of 10%. Due to the revised projections in revenue from the Local Revenue Measure, staff evaluated all projects currently funded and the projects that were identified for funding in FY 2020-21 as part of the 2019-21 Financial Plan. Part of that evaluation included how the capital projects supported delivering essential services to the community as well as identify a list of projects that could be deferred in order to align with the revised revenue projections. These projects are identified in more detail in the following sections of this report.

The largest use of Local Revenue Measure funding for operating costs is for public safety. Other examples include the salaries for programs such as neighborhood street paving, flood control, and code enforcement.

Local Revenue Measure Categories	FTE	2020-21
1. Open Space Preservation (Ranger Staffing)	2	\$152,922
2. Bicycles and Pedestrian Improvements (Engineer, Active Transportation Manager)	1.6	\$215,023
3. Traffic Congestion Relief (Signal and Light Maintenance (Technician)	1	\$112,237
4. Public Safety (Downtown Officers, Sergeant)	4	\$663,940
5. Neighborhood Street Paving (Project Engineer & Maintenance Worker)	2	\$189,527
6. Code Enforcement (Code Enforcement Technicians and Officer)	3	\$302,046
7. Flood Protection (Collection Operators)	6	\$667,282
8. Parks and Recreation/Senior Programs and Facilities (Maintenance Worker)	1	\$66,954
9. Other Vital Services and Capital Projects	-	-
TOTAL	20.6	\$2,369,931

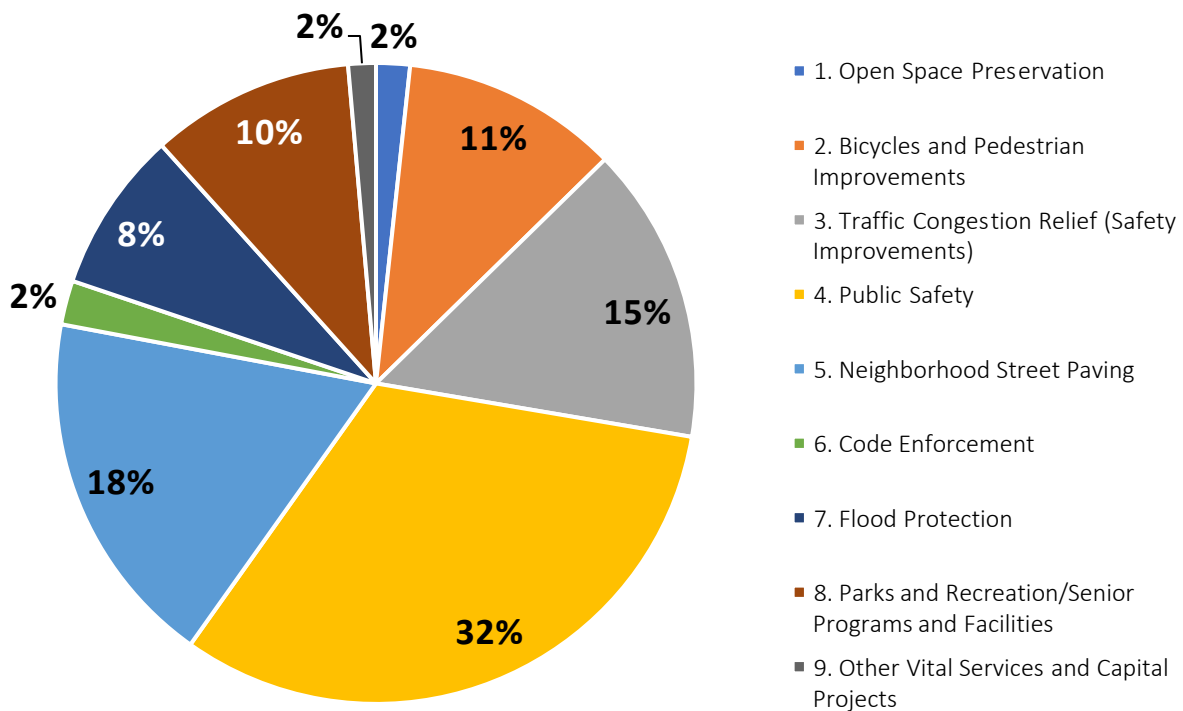
The largest use of Local Revenue Measure for capital expenditures is for Neighborhood Street Paving. Other projects include playground equipment replacement, park major maintenance and repairs and pedestrian and bicycle pathway maintenance. A detailed list of the projects funded through the Local Revenue Measure is included in Section F of the Capital Improvement Plan.

Local Revenue Measure Uses

Expenditures are broken into the following nine categories developed from the Measure G (Local Revenue Measure) ballot language:

1. Open Space Preservation
2. Bicycle and Pedestrian Improvements
3. Traffic Congestion Relief/Safety Improvements
4. Public Safety
5. Neighborhood Street Paving
6. Code Enforcement
7. Flood Protection
8. Parks and Recreation/Senior Programs and Facilities
9. Other Vital Services and Capital Projects

FY 2020-21 Local Revenue Measure Uses (Operating & Capital)



Section E: Changes in Financial Positions

Consolidated Financials – Combined Financials for all Major and Special Revenue Funds

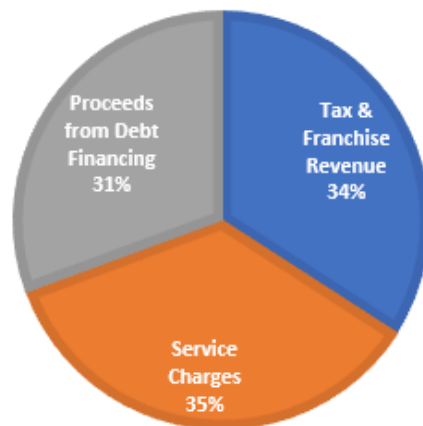
Table E1: Expenditures Combined - By Fund

Expenditures (in thousands)	19-21 Financial Plan				Change	% Change
	2018-19 Actuals	2019-20 Budget	20-21 Original Budget	20-21 Revised Budget		
General Fund	74,006	75,697	75,412	69,566	(5,846)	-8%
Business Activities					-	
Water Fund *	22,735	37,998	32,069	34,215	2,146	7%
Sewer Fund *	18,372	77,098	57,243	57,983	740	1%
Parking Fund *	6,057	5,572	34,002	4,758	(29,244)	-86%
Transit Fund	3,562	4,099	4,164	3,670	(494)	-12%
Special Revenue						
Tourism Assessment	1,577	1,565	1,585	1,251	(334)	-21%
Downtown Association	205	260	260	253	(7)	-3%
TOTAL	\$ 126,514	\$ 202,289	\$ 204,735	\$ 171,696	\$ (33,039)	-16%

* Includes Debt Service in FY19-20 and FY20-21. The Parking Fund deferred debt financing as part of the revised FY21 budget.

Table E2: Total Funding Sources - All Funds Combined

Revenue (in thousands)	19-21 Financial Plan				Change	% Change
	2018-19 Actuals	2019-20 Budget	20-21 Original Budget	20-21 Revised Budget		
Tax & Franchise Revenue	60,956	62,292	65,097	57,782	(7,315)	-11%
Service Charges						
General Fund	13,024	15,688	13,789	12,479	(1,310)	-10%
Water Service Charges	25,133	22,386	23,549	21,391	(2,158)	-9%
Sewer Service Charges	19,873	17,432	18,518	16,896	(1,622)	-9%
Parking Service Charges	5,347	5,343	6,045	2,798	(3,247)	-54%
Transit Revenue	3,806	4,116	4,188	4,808	620	15%
Assessment Revenue	1,892	1,866	1,886	1,507	(379)	-20%
Proceeds from Debt Financing						
Water Fund		5,500	8,800	8,800	-	0%
Sewer Fund		64,311	43,100	43,100	-	0%
Parking Fund			20,000		(20,000)	-100%
TOTAL	130,030	198,933	204,972	169,562	(35,410)	-17%



Consolidated Financials – Combined Financials for all Major and Special Revenue Funds

Table E3-1: Reimbursement Transfers

Fund	Original 2020-21		Revised 2020-21	
	Transfer Out	Transfer In	Transfers Out	Transfers In
General Fund		\$ 4,363,217		\$ 4,578,402
Parking Fund	\$ 548,023		\$ 710,211	
Sewer Fund	\$ 1,745,448		\$ 1,632,521	
Transit Fund	\$ 282,342		\$ 321,727	
Water Fund	\$ 1,623,997		\$ 1,729,965	
Whalerock Fund	\$ 163,407		\$ 183,978	
TOTAL	\$ 4,363,217	\$ 4,363,217	\$ 4,578,402	\$ 4,578,402

Change due to recalculation of Cost Allocation Plan

Table E3-2: Operating Transfers

Fund	Original 2020-21		Revised 2020-21	
	Transfer Out	Transfer In	Transfers Out	Transfers In
General Fund	\$ 4,876,000	\$ 3,365,700	\$ 3,818,617	\$ 3,757,740
Gas Tax	\$ 1,020,000		\$ 1,082,390	
Housing Fund	\$ 58,200		\$ 58,200	
TDA Fund	\$ 45,900		\$ 45,900	
TIF Fund	\$ 285,600		\$ 285,600	
TBID Fund	\$ 32,800		\$ 25,068	
Parking Fund	\$ 227,700		\$ 280,700	
Sewer Fund	\$ 732,900		\$ 769,208	
Water Fund	\$ 962,600		\$ 943,003	
Info Tech Replacement Fund*	\$ 50,000		\$ 267,671	
Insurance Fund		\$ 4,876,000		\$ 3,818,617
Total Operating Transfer	\$ 8,291,700	\$ 8,241,700	\$ 7,576,357	\$ 7,576,357

* Revised budget includes debt transfer amount to be paid out of Debt Service Fund in FY21

Table E3-3: Replacement Transfers

Fund	Original 2020-21		Revised 2020-21	
	Transfer Out	Transfer In	Transfers Out	Transfers In
General Fund	\$ 2,031,000		\$ 1,658,798	
Fleet Fund		\$ 602,000		\$ 260,000
IT Replacement Fund		\$ 904,000		\$ 979,008
Major Facilities Replacement Fund		\$ 524,000		\$ 419,790
Total	\$ 2,031,000	\$ 2,030,000	\$ 1,658,798	\$ 1,658,798

Table E4-1: General Fund Long-term Forecast

<i>In Thousands</i>	Footnote	Actual FY 19	Adopted FY 20	Projected FY 20	Original FY 21	Revised FY21	Projected FY 22	Projected FY 23	Projected FY 24	Projected FY 25
Tax & Franchise Revenue										
Sales & Use Tax		26,444	25,899	23,210	26,266	22,854	24,316	25,869	28,150	29,527
General		18,119	17,675	15,558	17,940	15,321	16,301	17,344	18,905	19,851
Public Safety (Prop 172)		-	385	339	369	315	335	353	338	324
Measure G		8,325	7,840	7,313	7,957	7,218	7,680	8,171	8,907	9,352
Property Tax		17,473	17,921	17,940	18,638	18,299	17,847	17,669	18,199	18,745
Transient Occupancy Tax		8,061	8,033	5,968	8,133	6,267	7,213	8,303	8,448	8,532
Utility Users Tax		4,920	5,854	5,678	5,971	5,565	5,966	6,085	6,207	6,331
Franchise Fees		1,428	1,558	1,485	1,589	1,544	1,588	1,620	1,653	1,686
Business Tax Certificates		2,630	2,942	2,942	3,001	2,854	2,656	2,391	2,415	2,439
Cannabis		-	650	64	1,500	400	1,500	1,515	1,530	1,545
Total Tax & Franchise Revenue		\$ 60,956	\$ 62,856	\$ 57,286	\$ 65,097	\$ 57,782	\$ 61,087	\$ 63,451	\$ 66,601	\$ 68,804
Fees for Service										
Police Services		655	595	605	742	593	605	617	630	642
Fire Services		1,453	1,400	1,417	1,416	1,328	1,354	1,381	1,409	1,437
Development Review		5,882	5,333	6,807	5,426	5,722	5,836	5,953	6,072	6,194
Parks & Recreation		1,872	1,915	1,000	1,946	1,390	1,418	1,446	1,475	1,505
General Government		522	560	435	571	439	448	457	466	475
Cannabis		225	400	100	750	321	750	1,000	1,020	1,040
Other Revenues		1,667	3,230	3,038	2,036	1,786	2,184	2,251	2,302	2,355
Subventions & Grants		1,098	900	900	900	900	900	900	900	900
Total Fees & Other Revenue		\$ 13,375	\$ 14,480	\$ 14,302	\$ 13,787	\$ 12,479	\$ 13,496	\$ 14,006	\$ 14,274	\$ 14,549
Total Revenue		\$ 74,331	\$ 77,337	\$ 71,588	\$ 78,885	\$ 70,262	\$ 74,583	\$ 77,457	\$ 80,875	\$ 83,353
Use of Funds										
Staffing	1	\$ 53,539	\$ 53,595	\$ 50,861	\$ 55,113	\$ 53,190	\$ 55,373	\$ 56,677	\$ 57,678	\$ 58,702
Contract Services		\$ 6,558	\$ 5,319	\$ 5,319	\$ 5,434	\$ 5,050	\$ 5,434	\$ 5,743	\$ 5,858	\$ 5,975
Other Operating Expenditures	2	\$ 10,299	\$ 6,523	\$ 6,523	\$ 6,251	\$ 7,688	\$ 8,217	\$ 8,756	\$ 9,306	\$ 9,867
Cost Allocation		\$ (3,982)	\$ (4,281)	\$ (4,281)	\$ (4,367)	\$ (4,578)	\$ (4,670)	\$ (4,763)	\$ (4,859)	\$ (4,956)
SOBCs	3	\$	\$ 2,175	\$ 2,175	\$ 2,001					
Total Operating Expenditure		\$ 66,414	\$ 63,331	\$ 60,597	\$ 64,433	\$ 60,812	\$ 63,795	\$ 65,840	\$ 67,401	\$ 68,996
Debt Service		\$ 2,784	\$ 2,742	\$ 2,716	\$ 2,577	\$ 2,759	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000
Capital Expenditures		\$ 6,049	\$ 9,288	\$ 9,288	\$ 7,693	\$ 5,934	\$ 8,603	\$ 8,764	\$ 8,926	\$ 9,085
Transfers		\$ (1,241)	\$ 336	\$ 336	\$ 709	\$ 61	\$ 386	\$ 309	\$ 231	\$ 151
Total Expenditure		\$ 74,006	\$ 75,697	\$ 72,937	\$ 75,412	\$ 69,566	\$ 75,783	\$ 77,913	\$ 79,558	\$ 81,232
Beginning Fund Balance		\$ 29,576	\$17,797	\$ 29,901	\$16,437	\$ 28,552	\$ 29,247	\$ 28,047	\$ 27,591	\$ 28,908
Revenue Over/(Under) Expenses		\$ 325	\$ 1,640	\$ (1,348)	\$ 2,922	\$ 695	\$ (1,201)	\$ (456)	\$ 1,318	\$ 2,121
Ending Fund Balance		\$ 29,901	\$ 19,437	\$ 28,552	\$ 19,831	\$ 29,247	\$ 28,047	\$ 27,591	\$ 28,908	\$ 31,029
Policy Reserve Level - 20%		11,018	10,259	10,036	10,331	10,251	10,994	11,386	11,707	12,035
Capital Reserve			500	120	120	120	120	120	120	120
Revenue Stabilization Reserve		1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Prior Year Restatements										
CalPERS Downpayments	4		4,200		3,000		2,000	2,000	2,000	2,000
115 Pension Trust Fund		1,400	2,000	1,400	2,000	2,000	2,000	2,000	2,000	2,000
Restricted based on Audit	5	10,492		10,000		8,500	8,500	8,500	8,500	8,500
Undesignated Fund Balance		\$ 5,991	\$ 1,478	\$ 5,996	\$ 3,225	\$ 7,376	\$ 3,432	\$ 2,585	\$ 3,581	\$ 5,374

Longterm Forecast Footnotes:

- Projected FY20 Staffing Expenditures use an assumption of 7% salary savings based on the implemented hiring chill and staffing expenditures as of March 31, 2020.
- The increase in "Other Operating Expenditures" is due to several reasons:
 - A rise in utility costs
 - As of FY21, Credit Card Fees are being accounted for in operating expenditures as it considered an Accounting best practice. In prior years, these fees were taken directly from revenues. This administrative change does not affect the bottom line.
 - In transition to a new Financial System, some account categorization has changed from "Contract Services" to "Other Operating Expenditures"
- SOBC amounts have been added into the respective operating accounts for FY21; therefore this line does not appear in the revised budget
- The CalPERS Downpayment was not made in FY20 due to COVID19 uncertainty and was not included in the FY21 revised projection. These payments will be re-assessed during the October revise.
- This amount includes committed funds from prior years, designations, and local revenue measure fund balance.

Table E4-2: Water Fund Long-Term Forecast

<i>In Thousands</i>	2018-19 Actual	2019-20 Budget	2020-21 Budget	2020-21 Revised	2021-22 Budget	2022-23 Budget	2023-24 Budget	2024-25 Budget
REVENUES BY TYPE								
Water Services Charges	13,616	14,448	15,243	13,481	15,243	15,700	16,171	16,495
Base Fee Revenue	4,539	5,092	5,372	5,092	5,372	5,533	5,699	5,813
Cal Poly Sales	1,011	964	1,017	906	1,017	1,048	1,079	1,101
Recycled Water	724	633	668	595	668	688	708	723
Development Impact Fees	3,746	3,300	800	800	800	800	800	800
AB 939 Reimbursement	136	-	-	-	-	-	-	-
Investment & Property Revenue	915	50	50	50	50	50	50	50
Proceeds from Debt	-	5,500	8,800	8,800	-	-	6,500	7,300
Miscellaneous Revenue	469	299	299	367	300	300	301	301
Water Sales - FHRP (start FY19)	-	100	100	100	-	-	-	-
TOTAL	\$ 25,155	\$ 30,386	\$ 32,349	\$ 30,191	\$ 23,449	\$ 24,119	\$ 31,308	\$ 32,582
EXPENDITURE BY CATEGORY								
Salaries & Benefits	4,316	4,138	4,275	4,376	4,827	5,071	5,351	5,606
Operating Expenditures	10,111	13,702	11,522	12,409	11,713	11,821	11,930	12,035
Capital Outlay	3,769	13,571	11,327	12,328	2,858	3,375	8,681	9,085
Debt Service	2,033	3,944	2,013	2,430	2,421	2,828	2,256	2,667
Transfers Out	2,506	2,642	2,672	2,672	2,769	2,837	2,909	2,981
TOTAL	\$ 22,735	\$ 37,997	\$ 31,809	\$ 34,215	\$ 24,589	\$ 25,932	\$ 31,127	\$ 32,375
EXPENDITURE BY FUNCTION								
General Government	2,543	2,669	2,699	2,699	2,769	2,837	2,909	2,981
Water Source of Supply	9,491	14,471	9,814	10,828	9,979	10,060	10,143	10,220
Water Treatment	5,033	14,088	13,953	14,478	6,509	7,650	12,737	14,074
Water Distribution	4,202	5,384	4,166	4,929	4,072	4,061	4,026	3,762
Utilities Services	406	369	388	402	417	427	439	450
Water Administration	1,060	1,017	789	879	842	897	873	887
TOTAL	\$ 22,735	\$ 37,997	\$ 31,809	\$ 34,215	\$ 24,589	\$ 25,932	\$ 31,127	\$ 32,375
CHANGES IN FINANCIAL POSITION								
Working Capital - Beginning	28,156	28,156	20,544	20,544	16,521	15,381	13,568	13,749
Revenues over (under) Expenditure	2,392	(7,612)	540	(4,023)	(1,139)	(1,813)	181	207
Working Capital - Year End	\$ 30,549	\$ 20,544	\$ 21,084	\$ 16,521	\$ 15,381	\$ 13,568	\$ 13,749	\$ 13,956
Operating Reserve	3,799	4,885	4,096	4,377	4,346	4,511	4,489	4,658
Rate Stabilization	1,916	2,050	2,163	1,948	2,163	2,228	2,295	2,341
CALPERS Down Payment	-	252	180	180	180	180	120	120
UFL Trust Fund	-	120	120	120	120	120	96	72
Unreserved Working Capital - Year End	\$ 24,833	\$ 13,235	\$ 14,524	\$ 9,895	\$ 8,571	\$ 6,528	\$ 6,749	\$ 6,765

Table E4-3: Sewer Fund Long-Term Forecast

<i>In Thousands</i>	2018-19	2019-20	2020-21	2020-21	2021-22	2022-23	2023-24	2024-25
	Actual	Budget	Budget	Revised	Projected	Projected	Projected	Projected
REVENUES BY TYPE								
Sewer Service Charges	11,659	11,373	11,942	10,691	11,385	12,125	12,489	12,864
Base Fee Revenue	3,886	4,281	4,495	4,281	4,560	4,856	5,002	5,152
Cal Poly Sales	990	958	1,006	901	1,072	1,141	1,175	1,211
Development Impact Fees	1,590	300	300	600	600	600	600	600
Industrial User Charges	80	85	85	6	85	85	85	85
Investment & Property Revenue	1,024	50	50	50	50	50	50	50
Proceeds from Debt Financing	-	64,311	43,100	43,100	15,921	427	-	-
Miscellaneous Revenue	603	431	298	367	304	310	316	323
TOTAL	\$ 19,833	\$ 81,789	\$ 61,276	\$ 59,995	\$ 33,976	\$ 19,594	\$ 19,718	\$ 20,284
EXPENDITURE BY CATEGORY								
Salaries & Benefits	4,375	4,336	4,530	4,669	4,747	4,882	5,025	5,172
Operating Expenditures	2,569	3,001	3,153	3,050	3,200	3,248	3,297	3,346
Capital Outlay	7,575	65,839	45,770	46,430	22,867	3,576	1,275	6,590
Debt Service	1,399	1,385	1,387	1,387	4,307	4,304	7,259	7,074
Transfers Out	2,454	2,535	2,401	2,447	2,479	2,526	2,575	2,625
TOTAL	\$ 18,372	\$ 77,096	\$ 57,241	\$ 57,983	\$ 37,600	\$ 18,536	\$ 19,430	\$ 24,806
EXPENDITURE BY FUNCTION								
General Government	2,496	2,567	2,433	2,477	2,479	2,526	2,575	2,625
Wastewater Collection	5,814	2,653	4,267	4,927	8,664	4,745	2,869	8,131
Environmental Compliance	215	305	284	270	295	303	311	319
Water Resource Recovery	7,520	69,322	48,011	47,965	23,660	8,438	11,216	11,220
Utilities Revenue	531	487	502	526	513	523	533	544
Water Quality Lab	626	800	803	872	835	856	878	900
Wastewater Administration	1,171	961	941	946	1,154	1,145	1,049	1,068
TOTAL	\$ 18,372	\$ 77,096	\$ 57,241	\$ 57,983	\$ 37,600	\$ 18,536	\$ 19,430	\$ 24,806
CHANGES IN FINANCIAL POSITION								
Working Capital - Beginning	31,423	31,423	36,115	36,115	38,127	34,503	35,561	35,849
Revenues over (under) Expenditures	1,418	4,692	4,035	2,012	(3,624)	1,058	288	(4,522)
Working Capital - Year End	\$ 32,841	\$ 36,115	\$ 40,150	\$ 38,127	\$ 34,503	\$ 35,561	\$ 35,849	\$ 31,326
Operating Reserve	2,168	2,252	2,294	2,311	2,947	2,992	3,631	3,643
Rate Stabilization	827	831	872	794	851	906	933	961
CALPers Down Payment	-	252	180	180	180	120	120	120
UFL Trust Fund	-	120	120	120	120	120	96	72
Unreserved Working Capital - Year End	\$ 29,847	\$ 32,661	\$ 36,684	\$ 34,723	\$ 30,406	\$ 31,423	\$ 31,069	\$ 26,530

Table E4-5: PARKING FUND LONG-TERM FORECAST

<i>In Thousands</i>	Actual 2018-19	Budget 2019-20	Projected Actuals 2019-20	Original Budget 2020-21	Revised Budget 2020-21	Projected 2021-22	Projected 2022-23	Projected 2023-24	Projected 2024-25
Revenues									
Service Charges									
Parking Meter Collections	-	-	-	-	-	-	-	-	-
Lots	153	119	63	124	60	87	101	106	115
Streets	1,685	1,974	788	2,290	821	1,232	1,437	1,511	1,642
Parking Structure Collections	1,389	1,474	789	1,768	702	1,052	1,228	1,291	1,403
Long-Term Parking Revenues	913	890	552	1,008	431	647	755	793	862
Lease Revenues	480	283	357	283	363	427	459	471	491
Parking In-Lieu Fees*	15	21	-	21	21	21	21	21	21
Other Service Charges	(126)	(127)	(65)	(174)	(48)	(72)	(84)	(88)	(96)
Total Service Charges	4,509	4,634	2,483	5,321	2,350	3,395	3,917	4,106	4,440
Investment and Property Revenues	56	64	64	63	79	61	49	44	42
Fines and Forfeitures	633	632	493	647	297	446	520	547	595
Other Revenues	31	13	18	13	25	28	30	31	32
Total Revenues	\$ 5,229	\$ 5,343	\$ 3,058	\$ 6,045	\$ 2,750	\$ 3,930	\$ 4,517	\$ 4,728	\$ 5,108
Expenditures									
Operating Programs									
Operating Expenses	2,178	2,430	2,243	2,484	2,030	2,064	2,133	2,204	2,279
General Government (CAP)	535	537	537	548	710	710	710	710	710
Total Operating Programs	2,714	2,967	2,780	3,032	2,740	2,774	2,843	2,914	2,989
Capital Improvement Plan Projects**	2,317	1,552	2,625	30,114	1,162	1,002	1,037	1,033	506
Debt Service	1,026	857	857	856	856	855	852	852	851
Total Expenditures	\$ 6,057	\$ 5,376	\$ 6,262	\$ 34,002	\$ 4,758	\$ 4,631	\$ 4,731	\$ 4,799	\$ 4,345
Other Sources (Uses)									
Operating Transfers In	-	-	-	-	-	-	-	-	-
Operating Transfers Out	(170)	(196)	(280)	(281)	(281)	(281)	(281)	(281)	(281)
Proceeds from Debt Financing	-	-	-	20,000	-	-	-	-	-
Total Other Sources (Uses)	(170)	(196)	(280)	19,719	(281)	(281)	(281)	(281)	(281)
Revenues Over/(Under) Expenses	(998)	(229)	(3,484)	(8,238)	(2,288)	(982)	(495)	(352)	483
Working Capital, Beginning of Year	16,693	15,695	15,695	12,660	12,212	9,923	8,941	8,446	8,094
Working Capital, End of Year (CAFR)	\$ 15,695	\$ 15,466	\$ 12,212	\$ 4,422	\$ 9,923	\$ 8,941	\$ 8,446	\$ 8,094	\$ 8,577
Reserve	543	552	564	626	548	555	569	583	598
PERS Down Payment	-	-	-	58	-	58	39	39	39
Section 115 Trust Fund	-	-	-	39	-	39	39	31	31
Unreserved Working Capital	\$ 15,153	\$ 14,914	\$ 11,648	\$ 3,699	\$ 9,375	\$ 8,289	\$ 7,799	\$ 7,441	\$ 7,909

Table E4-4: Transit Fund Long-Term Forecast

<i>In Thousands</i>	2018-19 Actuals	2019-20 Budget	2019-20 Projected Actuals	2020-21 Original Budget	2020-21 Revised Budget	Projected 2021-22	Projected 2022-23	Projected 2023-24	Projected 2024-25
Operating Revenues									
FTA Grants	1,485	1,489	772	1,511	-	1,458	1,372	1,413	1,427
TDA Revenues (LTF)	1,646	1,598	1,472	1,572	799	1,535	1,842	2,118	2,139
TDA Revenues (STA)	205	206	206	259	104	110	165	247	249
CARES Act	-	-	1,390	-	2,806	-	-	-	-
Service Charges	777	817	673	840	467	481	485	490	495
Investment and Property Revenues	3.8	5.8	5.8	6.5	5.8	5.9	5.9	6.0	6.0
TOTAL REVENUES	\$ 4,116	\$ 4,116	\$ 4,519	\$ 4,188	\$ 4,182	\$ 3,589	\$ 3,870	\$ 4,274	\$ 4,317
Operating Expenditures									
Purchase Transportation	2,851	3,235	2,929	3,292	2,781	2,808	2,836	2,865	2,893
General Government/Admin	391	587	569	590	568	574	579	585	591
Cost Allocation	320	277	277	282	322	325	328	331	335
TOTAL EXPENDITURES	\$ 3,562	\$ 4,099	\$ 3,774	\$ 4,164	\$ 3,670	\$ 3,707	\$ 3,744	\$ 3,781	\$ 3,819
Changes in Financial Plan									
Working Capital, Beginning of Year	2,234	2,788	2,234	2,805	2,978	3,489	3,372	3,497	3,990
Over / Under Expenditures	554	17	744	24	511	(118)	126	492	497
Working Capital, Year End	2,788	2,805	2,978	2,829	3,489	3,372	3,497	3,990	4,487
Reserve (20% of operating)	712	820	755	833	734	741	749	756	764
Designated Working Capital	-	-	-	-	-	181	-	-	-
CIP Designated Working Capital	1,442	-	-	-	530	-	-	-	-
CalPERS Downpayment	-	-	-	51	-	51	51	51	51
Unreserved Working Capital	\$ 633	\$ 1,985	\$ 2,223	\$ 1,945	\$ 2,225	\$ 2,399	\$ 2,697	\$ 3,182	\$ 3,672

General Fund Operating Budget Changes Overview: Expenditures

Due to revenue losses through COVID-19, the City's expenditure budget needed to be reduced by just over \$5.1 million in order to balance the budget. Operating departments critically reviewed budgets and re-forecasted staffing expenditures based on current employees. The table below outlines the reductions needed.

Table E5

<i>REVENUES (millions)</i>	General Fund	% Decrease	Local Revenue Measure	% Decrease	Total
Original Projection	\$ 70,928		\$ 7,957		\$ 78,885
Reduction	\$ (7,885)		\$ (739)		\$ (8,624)
Revised Projection	\$ 63,043	-11%	\$ 7,218	-9%	\$ 70,261
Original Expenditure Budget					\$ 75,412
Reduction Needed for Balanced Budget					\$ (5,151)
Reduction Needed from LRM					\$ (739)
Reduction Needed from General Fund					\$ (4,412)

The City was able to reduce operating expenditures by about \$4.7 million for 2020-21. Department reductions are shown below and in the following detailed changes in financial position tables.

Table E6-1

Operating Expenditures	19-21 Financial Plan				Variance	% Change
	18-19 Actual	19-20 Budget	FY 20-21 Original Budget	FY 20-21 Revised Budget		
General Fund	70,263,138	67,603,837	70,149,478	66,464,959	(3,684,519)	-5%
Administration	6,594,090	7,880,765	7,928,622	7,697,781	(230,841)	-3%
City Attorney	832,944	827,237	855,123	778,167	(76,956)	-9%
Finance	2,843,697	3,071,004	3,273,333	2,998,897	(274,435)	-8%
Fire	13,769,806	13,051,071	13,471,411	12,615,778	(855,632)	-6%
Human Resources	5,350,851	1,394,945	1,404,100	1,350,586	(53,514)	-4%
Police	17,864,377	18,012,060	18,760,949	17,802,862	(958,087)	-5%
<i>Community Services Group</i>						
Community Services Admin*	-	-	225,000	404,998	179,998	80%
Parks and Recreation	4,119,364	4,434,161	4,478,221	4,274,301	(203,920)	-5%
Community Development	5,998,133	5,453,535	5,842,415	5,185,811	(656,604)	-11%
Public Works	12,889,877	13,305,518	13,724,616	13,196,459	(528,157)	-4%
Solid Waste (Utilities)	-	173,541	185,689	159,318	(26,370)	-14%
Insurance Fund						
Human Resources	-	4,410,000	4,876,340	3,818,617	(1,057,723)	-22%
Grand Total	\$ 70,263,138	\$ 72,013,837	\$ 75,025,818	\$ 70,283,576	\$ (4,742,242)	-6%

* **Community Services Admin:** This is a new cost center created for administrative and accounting purposes associated with the new Org of the Future structure. This funding was already approved through an ongoing SOBC and a redistribution of budget from the other departments within the group. A portion of this funding is also reimbursed from the Enterprise funds through the annual Cost Allocation Plan.

Note: Per Council action from June 2, 2020, \$140,000 will be allocated for diversity, equity, and inclusion programs. This amount is not reflected within the tables in this document. This money will be added to the Human Relations Contract Services account within the Community Development Department.

General Fund Operating Budget Changes Overview: Revenue

Table E6-2

General Fund Revenues	18-19 Actual	19-20 Budget*	19-21 Financial Plan		Change	% Change
			FY 20-21 Original Budget	FY 20-21 Revised Budget		
Tax & Franchise Revenue	60,956,000	62,290,502	65,097,000	57,782,426	(7,314,574)	-11%
1 Sales Tax (incl. LRM)	26,444,000	25,899,000	26,266,000	22,853,783	(3,412,217)	-13%
2 Property Tax	17,473,000	17,940,101	18,638,000	18,298,903	(338,097)	-2%
3 Transient Occupancy Tax	8,061,000	8,033,001	8,133,000	6,267,000	(1,866,000)	-23%
4 Utility User Tax	4,920,000	5,854,000	5,971,000	5,565,000	(406,000)	-7%
5 Business Tax Certificates	2,630,000	2,942,000	3,001,000	2,853,740	(147,260)	-5%
6 Franchise Fees	1,428,000	1,558,000	1,589,000	1,544,000	(45,000)	-3%
7 Cannabis Tax		64,400	1,500,000	400,000	(1,100,000)	-73%
Fees for Service	13,023,674	15,221,607	13,788,821	12,478,725	(1,310,096)	-10%
8 Development Review	5,881,785	6,963,000	5,426,000	5,722,000	296,000	5%
9 Parks & Recreation	1,871,996	1,762,929	1,794,503	1,390,240	(404,263)	-23%
10 Police Services	655,371	605,347	745,602	593,350	(152,252)	-20%
11 Fire Services	1,453,435	1,416,913	1,413,942	1,327,676	(86,266)	-6%
12 General Government	521,893	435,418	444,015	439,215	(4,800)	-1%
13 Cannabis	225,000	100,000	750,000	320,937	(429,063)	-57%
14 Grants and Subventions	1,098,145	900,000	900,000	900,000	-	0%
15 Other Revenues	1,316,049	3,038,000	2,314,759	1,785,307	(529,452)	-23%
Grand Total	\$ 73,979,674	\$ 77,513,109	\$ 78,885,821	\$ 70,261,151	\$ (8,624,670)	-11%

*as adjusted at Mid-Year

Sales Tax: Revenue adjusted based on projections from the City's Sales Tax Consultant, HdL. Apart from State and County Pools, all tax categories are negatively impacted by COVID-19.

Property Tax: Property tax revenue lag by about 18 months; therefore the full effects of COVID-19 are not expected until Fiscal Year 2022. Revenue projections were slightly lowered to account for the most recent property tax estimates as provided by the County Tax Assessor.

Transient Occupancy Tax (TOT): Revenue was adjusted based on occupancy rate projections for the next 12 months. Assuming that the "Shelter at Home" order is lifted before July, the City expects a moderate recovery in tourism. By June 2021, the City expects TOT revenue to be remain about 10% below 18-19 levels.

Business Tax Revenue: This revenue is based on gross receipts from the prior calendar year. Due to the permanent closure of some businesses, the City expects a slight decrease in Business Tax, but the greatest impact from COVID-19 will be felt in FY 2021-22.

Franchise Fees & Utility User Tax: These revenues were lowered moderately based on current trends and projections provided by the City's consultants.

Cannabis Taxes and Fees: Revenues lowered based on most recent projections and the delayed opening of businesses.

Development Review: Original revenue projections were too low based on recent development activity levels. Revenue is projected to be significantly lower than current year, but many projects continue to move forward as the construction industry remains active.

Parks & Recreation: The cancellation of summer programs and the annual SLO Triathlon will greatly reduce revenues. Trends from the last recession were also analyzed and used to forecast this revenue stream. This revenue is expected to recover once programs and facilities reopen.

Police and Fire Services: These revenues were slightly reduced to account for reductions in miscellaneous permit and citation fees. General Government Fines and Forfeitures were erroneously double counted in the original budget, so a \$150,000 reduction in Police Fees was made to correct the budget.

Other Revenues: This reduction is due to a significant reduction in SB1 funding for Road Repair and Maintenance. This revenue was over-projected in the original budget and was lowered additionally to account for reduced consumptions due to COVID-19 for the revised 2020-21 budget.

Table E7: Operating Department Reductions

Reduction		Assumptions	Impact on Service Level	Fiscal Impact
			Total	\$ (4,026,830)
1	City Wide: Staffing True-up	Staffing costs are re-evaluated annually based on current employees. Due to the FHRP incl. employee concessions, the City has been able to significantly lower its staffing budget.	No impact.	\$ (2,969,107)
2	City Wide: Insurance Expenses	Decrease in Liability and Workers Comp Insurance Costs. (actual cost for 2020-21)	No impact.	(1,057,723)
Admin/IT			Total	\$ (173,259)
4	Forgo Performing Art Center (PAC) 3% Annual Increase		Historically, the City provides a 3% increase annually to its PAC contributions. A reduction of \$10,030 would limit the City's ability to provide this increase for FY21.	\$ (10,030)
5	Sustainability Program Misc. Operating budget	Natural Resources can operate with less operating budget under an austerity budget.	Natural Resources will have to be even more judicious in responding to concerns about hazardous open space trees, for example, by recommending safety pruning when removal will be needed later.	\$ (4,000)
6	City Clerk Contract Services		There are no anticipated impacts to current service levels. Reducing the budget by \$4,500 will provide less funding capacity to purchase an upgraded agenda management system.	\$ (4,500)
7	Network Services Contract Services		The Network Services Contract Services reductions are comprised of the following: 1)Emergency Vehicle Specialist Services -This reduction would delay the installation or removal of hardware in Police vehicles (MDCs, in-car video, radio) as this work would be scheduled and completed by City Fleet personnel. 2) Non-renewal of Info Tech contract removes access to IT research, data analysis, & contract reviews. 3) Non-renewal of contracts due to equipment replacements/upgrades.	\$ (70,229)
8	Communications SOBC		A reduction of \$30,000 for additional communication contract services would result in the limited ability to bring on additional contractors or specialized support (e.g. graphic design, crisis communications, etc.) .	\$ (30,000)
9	Reduce Civic Spark Fellow SOBC by one Fellow	This reduction is made with the assumption that a second Civic Spark Fellow will be funded through the CalTrans community vulnerability assessment / Safety Element Update grant.	The second Civic Spark fellow working on the community vulnerability assessment / Safety Element Update will need to focus work on that task and may not be available for other assignments due to funding restrictions.	\$ (22,500)
10	Office 365 SOBC	Office 365 is a vital component of the entire organization. This SOBC has been reduced by \$28,900 as that portion is funded by Enterprise funds and by \$13,100 as that portion is funded by CIP.	There is no impact on service levels.	\$ (42,000)
11	Sustainability - Addition to Contract Services for Climate Coalition		The City's relationship with the SLO Climate Coalition substantially amplifies the importance of climate action within the community and multiply the efforts undertaken pursuant to this work program. This funding is indicated in the Financial Plan however was not included in the FY21 Office of Sustainability Budget.	\$ 10,000

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E7: Operating Department Reductions

	Reduction	Assumptions	Impact on Service Level	Fiscal Impact
	Community Development			Total \$ (50,796)
12	Freeze Associate Planner SOBC	Workload can be accomplished by consultants paid for by applicants.	Should be minor impacts on customer service but allows CDD to be more flexible with how the workload is managed	\$ (112,760)
13	Freeze Code Enf. Tech SOBC	It is okay to defer starting this new program.	Maintains status quo on safe housing outreach and education.	\$ (39,189)
14	Eliminate Communications Consultant SOBC	Staff can effectively accomplish this outreach.	Reduced scale of outreach on Housing Element.	\$ (25,000)
15	Freeze Deputy Director	Will look for opportunities to initiate recruitment.	Workload impacts on Director and program managers, decentralized project management, slower pace of change on business processes	\$ (177,485)
16	Freeze Vacant Building Inspector	Cost savings due to backfill with contract building inspector	No impact.	\$ (92,119)
17	Addition of <i>contract & temporary</i> resources to manage workload	Permit workload will continue at current levels	Ensures ability to process permits, plan checks, planning & engineering work in a timely manner to support economic recovery. Uses current vacancies as an opportunity to hire contract and temporary staff due to COVID19 uncertainty.	\$ 247,997
18	Surveyor	Permit workload will continue at current levels	Legally mandated service, would be more expensive to contract with County for this service.	\$ 20,000
19	Special Projects Manager	The need for major entitlement support, climate action work continue	High level resource is needed to support staff team through the assignment of complex projects.	\$ 127,760
20	City Attorney			Total \$ (11,910)
21	Legal Services Contingency Budget	as always, if litigation arises, funding from somewhere in the City budget has to be located to cover the cost of defending the City.	None Anticipated	\$ (3,000)
22	Contract Services for code enforcement legal support	A new method of monitoring court proceedings for criminal filings will need to be designed. This was inevitable because the attorney currently doing this will be retiring in the Fall/Winter	The processing and filing of complaints for misdemeanor criminal citations may be delayed and/or filing decisions revised commensurate with prosecution resources and court appearance availability, and support for the work of code enforcement staff in general will need to be re-prioritized. The attorney and non-attorney time funded will go towards legally mandated actions and health and safety concerns first.	\$ (6,000)
23	Various non-staffing reductions	Physical resources are being replaced by digital resources	None Anticipated	\$ (2,910)
24	Finance			Total \$ (205,183)
25	Contingency Expense Reduction	Re-forecasted expenditures	None Anticipated	\$ (152,555)
26	Freeze Financial Specialist - Purchasing	Temporary reallocation of resources from other areas of the department will be able to manage workload. Implementation of FHCP should lower purchasing activity.	May impact overall efficiency of the department depending on workload.	\$ (78,550)
27	Various non-staffing adjustments	These expenses are offset by other savings in the budget. The increase is due to annual contract amounts and miscellaneous expenses.	No impact.	\$ 25,922

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E7: Operating Department Reductions

	Reduction	Assumptions	Impact on Service Level	Fiscal Impact
28	Parks and Recreation		Total	\$ (169,636)
29	Freeze Rec Administrative Aid Vacancy	All furloughed LBTs (Specialists) will be brought back when programs restart and will be available to cover front desk needs.	Staff doesn't anticipate this largely impacting service levels if other P&R staff are brought back and can help cover the front counter.	\$ (14,700)
30	Freeze Community Services TRI and Intern Positions	COVID-19 limitations on special events will carry through the initial first 6 months of FY 20-21 (July-Dec).	No TRI event held July 2020, limited pop-up events and special events	\$ (20,800)
31	Freeze All Head Lifeguard Budget	County orders restrict gatherings through most of the Summer FY 20-21 season which will reduce summer programming from July 20-May 21.	P&R staff believe Coordinator and LBT can fill the Head Lifeguard role and would still be able to offer Rec Swim if County orders indicate the ability to offer Rec Swim programming.	\$ (10,353)
32	Freeze Ranger Service Worker Vacancy		Impact timing of new open space availability to public due to staff time needed to build trails, construct parking lots and trailheads and signage.	\$ (21,060)
33	Train City/County Staff to open and close City Facilities eliminating Facility Host Hours Needed	Comfortability with training County/City staff to open/close facilities in place of facilities staff.	None	\$ (8,500)
34	Freeze YS LBT		Youth Services Coordinator and Youth Services Supervisor will be at sites in ratio acting as Site Specialists limiting their availability to develop program enhancements, modifications and efficiencies.	\$ (31,200)
35	Run Modified Summer Camp Program which will cut Staff Hours Needed	Shelter in place is lifted in May or June and programs can resume in the middle of June or beginning of July.	Will limit the amount of children served and will modify program to not include field trips, etc. so fee for the program may need to be adjusted.	\$ (30,000)
36	Cut Golf Cashier Hours and have Golf Staff and P&R LBTs cover more shifts	Furloughed LBTs (Specialist) will be available to cover cashier hours during FY 20-21.	Golf Coordinators will work as a Cashier as well as Golf Maintenance workers to provide adequate counter coverage which will impact/limit Golf Operations/Maintenance activities.	\$ (18,023)
37	Stop Club Polo Use of Pool and eliminate Friday Rec Swim	Consensus on eliminating pool access to Club Polo.	Will no longer be servicing Club Polo and will forfeit revenue.	\$ (15,000)
38	Public Works		Total	\$ (252,628)
39	Freeze .75 Admin Assistant	Workload can be accomplished through reallocation of resources	None Anticipated	\$ (36,348)
40	Reduce 1 Parks Maintenance Aide (Farmer's Market Restrooms)	The COVID-19 pandemic has canceled Farmer's Market until such time large gatherings are permitted by the County and State.	The impact would result in no public restrooms placed in on Chorro and Broad. When Farmers Market starts back up, Parks Maintenance or Streets Maintenance will likely need to staff until this position can be funded again and filled.	\$ (33,425)
41	Parks Maint Overtime	After-hours events are expected to be reduced as a result of COVID-19 restrictions. This coupled with the historic savings, the remaining budget is expected to be adequate.	Minimal impact is expected at this time, and available budget is expected to be sufficient at this time.	\$ (2,000)
42	Reduce Landscape & Pruning Contract (do in house)	This portion of the contract services has allowed a Parks Maintenance Specialist to maintain Parks Maintenance equipment. This particular employee is planning for a future retirement so the vast knowledge of small engine repair is not expected to continue at the current level.	This change would increase the workload of one Parks Maintenance Specialist 25-30 hours per week, which would cut down on the in-house equipment repair this position currently performs. To fill this void, the program would share the load of equipment repair among the entire division and also contract out small engine repair as needed.	\$ (35,652)
43	Reduce Parks Maint Janitorial Supplies	This expenditure is historically underspent. The program is assuming the the rate of supplies use to remain consistent.	Minimal impact is expected at this time, and available budget is expected to be sufficient at this time.	\$ (2,000)
44	Retirements and Reorganization in Public Works Administration and Urban Forestry	The Public Works Department has several staff that will be retiring with in the next several months. After staff retire, workload will be reviewed and resources shifted as needed to address essential needs.	Service impacts to community are limited to regulatory, development review, and commission support. With the staff retirement, staff will likely not be available to support development review and code enforcement activities. As retirements occur, staff workload will be shifted to address high priority needs.	\$ (111,256)
45	Trees, Shrubs & Nursery Stock	With the current MCG of carbon neutrality by 2035, non-profits such as ECOSLO have partnered with the the City to plant additional street trees for carbon sequestration which has reduced the number of trees needing to be replaced by Urban Forestry.	The recent MCG and community partnerships are expect to assist the Urban Forest program replace dead or missing street trees which is what this expenditure is used for. A reduction to this expenditure is not expected to have negative impacts.	\$ (2,000)

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Operating Department Reductions

	Reduction	Assumptions	Impact on Service Level	Fiscal Impact
46	Facilities Reduce Contract Services	This expenditure is historically underspent, and the amount varies based on the need of that fiscal year.	This reduction will need to be closely monitored, and if there are not sufficient funds to cover the program needs, contract services such as drinking water filtration will be eliminated, as well as reducing the the service to the first aid cabinets to the code minimums.	\$ (13,500)
47	Streets Reduce Call Back - Historically Underspent	This expenditure is historically underspent, and the amount varies based on the need of that fiscal year.	This reduction is anticipated to have minimal impacts on the Streets program and the remaining overtime and callback budget should be sufficient.	\$ (2,500)
48	Streets Reduce Contract Services	This expenditure is historically underspent, and the amount varies based on the need of that fiscal year.	This reduction is expected to have minimal impacts and remaining available budget should be sufficient.	\$ (5,200)
49	Streets Reduce Operating Materials and Supplies	Different levels of COVID-19 restrictions are expected to last for some time which have significantly changed the Streets paving process, resulting in less production to comply with County and State orders. It is the assumption that the reduction will match the programs paving production for the next fiscal year.	The reduction will impact the program once the COVID-19 restrictions are lifted and operations return to normal. At that time, pavement zone repairs may need to be prioritized.	\$ (20,000)
50	Traffic Signals & Lighting reduce Operating Materials & Supplies	Largest expenditure is typically purchase of spare traffic controllers (\$10-\$15K annually). A full stock was just purchased in 2020 and several other field controllers were sent to vendor for refurbishment. At historic rate of replacement, Department can go another few years before replacing spares.	Negligible impact to service anticipated. If emergency traffic signal replacement is required beyond typical funding resources in materials and supplies account, there will be available funds in the Traffic Signal Operations project account for signal modifications/upgrades.	\$ (12,000)
51	Fleet reduce annual subscription to Mitchell Vehicle Repair Info	This expenditure was underutilized by Fleet staff and it's assumed when needed, this service could be covered by one time source and not a annual subscription.	Minimal impact is expected at this time, and available budget is expected to be sufficient at this time to cover any future needs.	\$ (6,000)
52	Fleet reduce fuel - historically underspent	Fuel prices are currently much lower than they have been historically, and the PD patrol vehicle hybrids are starting to be integrated into the fleet which is expected to reduce fuel consumption.	If fuel prices rise drastically during the next fiscal year, the department will have to reevaluate this expenditure once an accurate cost is identified.	\$ (20,000)
53	CIP Project Engineering Eliminate Benchmark Update Contract	Reestablishment of missing or destroyed benchmarks is not a priority. Consistent datum could be established with the existing benchmarks in the system.	Negligible impact to services is anticipated. The department has been regularly updating the City's benchmark system and a reduction in this service for several years is not anticipated to impact the community negatively.	\$ (12,400)
54	CIP Project Engineering reduce Operating Materials and Supplies 25%	Historically expenditures in this area are typically underspent by 25% (\$4,425). The department is assuming the rate of material & supplies use and cost of materials & supplies will match historic trends.	Negligible impact to service is anticipated, available budget is enough for staff to complete their work.	\$ (4,425)

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Table E7: Operating Department Reductions

	Reduction	Assumptions	Impact on Service Level	Fiscal Impact
55	Transportation Planning/Engineering reduce Contract Services	Historically, Division has used approximately \$10K for contract services through this account. Useage was higher for FY2019-20 because budget was temporarily increased that year for a specific project. With return to historic expenditures, this budget reduction can be accomodates.	Negligible impact to service is anticipated. Available budget is sufficient for typical work efforts.	\$ (7,000)
56	Transportation Planning/Engineering reduce Advertising Exp	Advertising budget historically underspent. With addition of in-house graphic design and social media resources (Sahvanna), Department will require less budget for outside advertising support.	Negligible impact to service. Will utility in-house public outreach/advertising resources more regularly.	\$ (14,000)
57	Transportation Planning/Engineering Operating Material & Supplies	Historically, Division has used approximately \$1000 for these purchases. Types of expenditures are typically "nice to have" , but not "need to have" items. No impact to work program with reduction for several years as needed.	Negilible impact to service. Available budget is sufficient for typical work efforts.	\$ (400)
58	Mid-Year Request - Recycle Trash Pickup in Park System	None	This is a new level of service approved at mid-year budget. No impacts to current service levels.	\$ (40,000)
59	PG&E Peak Hour Adjusment Cost -effective Nov 2020			\$ 125,478
60	Police		Total	\$ 150,000
61	Increase to Overtime	Th Police Department consistently overspends in its Overtime budget. This variance is usually offset by salary savings. Due to the staffing true-up and and a fully staffed department, Police does not expect to have salary savings in 20-21. This additional cost is off set a \$1.4 million reduction in regular staffing budgets due to filling vacancies with lower level officers.	Overall positive impact.	\$ 150,000
62	Total Operating Reductions			\$ (4,742,242)

Table E8

Expenditures by Type	Footnote	2019-21 Financial Plan				Change	% Change
		18-19 Actual	FY 19-20 Budget	Original FY 20-21 Budget	Revised FY 20-21 Budget		
Administration		6,594,090	7,880,765	7,928,622	7,697,781	(230,841)	-3%
Contract Services		1,463,123	1,761,344	1,690,766	1,571,535	(119,231)	-7%
Other Operating Expenses		1,545,275	1,848,901	1,862,606	1,808,578	(54,028)	-3%
Staffing		3,585,692	4,270,520	4,375,250	4,317,668	(57,582)	-1%
Community Services Group (Admin)		-	-	225,000	404,998	179,998	80%
Contract Services		-	-	225,000	37,109	(187,891)	-84%
Other Operating Expenses		-	-	-	6,000	6,000	
Staffing		-	-	-	361,889	361,889	
City Attorney		832,944	827,237	855,123	778,167	(76,956)	-9%
Contract Services		94,896	26,000	26,000	20,000	(6,000)	-23%
Other Operating Expenses		48,681	21,660	21,660	15,600	(6,060)	-28%
Staffing		689,367	779,577	807,463	742,567	(64,896)	-8%
Community Development		5,998,133	5,453,535	5,842,415	5,185,811	(656,604)	-11%
Contract Services	1	1,202,643	688,477	549,274	745,100	195,826	36%
Other Operating Expenses	2	293,519	140,055	133,955	253,955	120,000	90%
Staffing		4,501,971	4,625,003	5,159,186	4,186,756	(972,430)	-19%
Finance		2,843,697	3,071,004	3,273,333	2,998,897	(274,435)	-8%
Contract Services	3	410,429	303,060	310,570	350,570	40,000	13%
Other Operating Expenses	2	437,167	433,347	408,089	457,089	49,000	12%
Staffing		1,996,101	2,334,597	2,554,674	2,191,238	(363,435)	-14%
Fire		13,769,806	13,051,071	13,471,411	12,615,778	(855,632)	-6%
Contract Services		117,520	104,400	73,020	73,020	-	0%
Other Operating Expenses		611,386	649,863	617,185	617,185	-	0%
Staffing		13,040,899	12,296,808	12,781,206	11,925,573	(855,632)	-7%
Human Resources	4	5,350,851	1,394,945	1,404,100	1,350,586	(53,514)	-4%
Contract Services		316,847	278,200	246,980	250,311	3,331	1%
Other Operating Expenses		1,637,764	42,100	42,320	37,800	(4,520)	-11%
Staffing		3,396,240	1,074,645	1,114,800	1,062,475	(52,325)	-5%
Parks and Recreation		4,119,364	4,434,161	4,478,221	4,274,301	(203,920)	-5%
Contract Services		241,094	335,015	234,015	234,015	-	0%
Other Operating Expenses		515,278	581,334	587,232	586,334	(898)	0%
Staffing		3,362,991	3,517,812	3,656,974	3,453,952	(203,022)	-6%
Police		17,864,377	18,012,060	18,760,949	17,802,862	(958,087)	-5%
Contract Services		404,834	565,070	576,329	567,665	(8,664)	-2%
Other Operating Expenses		559,201	564,252	526,710	526,952	242	0%
Staffing		16,900,342	16,882,738	17,657,910	16,708,245	(949,665)	-5%
Public Works		12,889,877	13,305,518	13,724,616	13,196,459	(528,157)	-4%
Contract Services		1,325,427	1,212,180	1,259,230	1,190,669	(68,561)	-5%
Other Operating Expenses		3,133,735	3,242,665	3,310,473	3,339,926	29,453	1%
Staffing		8,430,715	8,850,673	9,154,913	8,665,864	(489,049)	-5%
Solid Waste (Utilities)		-	173,541	185,689	159,318	(26,370)	-14%
Contract Services		-	10,000	10,000	10,000	-	0%
Other Operating Expenses		-	36,510	36,510	36,510	-	0%
Staffing		-	127,031	139,179	112,808	(26,370)	-19%
Grand Total		\$ 70,263,138	\$ 67,603,837	\$ 70,149,478	\$ 66,464,959	\$ (3,684,519)	-5%

1. Utilization of contract services to manage workload with the use of Salary Savings.

2. Credit Card Expenses are now being accounted for as expenditures.

3. Increase for Cannabis related consultant services. This expense is offset by revenues

4. Worker's comp insurance now budgeted in Insurance Fund

Table E9

Operating Departments	2019-21 Financial Plan				Change	% Change
	18-19 Actual	FY 19-20 Budget	Original FY 20-21 Budget	Revised FY 20-21 Budget		
Administration	6,594,090	7,880,765	7,928,622	7,697,781	(230,841)	-3%
City Administration	1,311,008	1,135,820	1,130,352	1,046,504	(83,848)	-7%
City Clerk	668,355	575,437	686,696	606,113	(80,583)	-12%
City Council	162,709	159,473	186,768	184,977	(1,791)	-1%
Community Promotion	373,003	405,302	408,094	404,143	(3,951)	-1%
Cultural Activities	324,586	337,601	347,631	337,601	(10,030)	-3%
Economic Development	302,094	303,176	284,317	309,954	25,637	9%
Information Services	553,125	1,088,688	1,001,126	1,016,434	15,308	2%
IT Support Services*	207,284	202,507		628,149		
Natural Resource Protection	407,673	760,449	673,397	3,163,906	2,490,509	370%
Network Services	2,284,252	2,912,312	3,210,241	3,149,746	(60,495)	-2%
City Attorney	832,944	827,237	855,123	778,167	(76,956)	-9%
City Attorney	832,944	827,237	855,123	778,167	(76,956)	-9%
Community Development	5,998,133	5,453,535	5,842,415	5,185,811	(656,604)	-11%
Building and Safety	2,095,557	1,637,404	1,802,267	1,463,365	(338,902)	-19%
CDD Administration	919,089	781,653	854,184	800,126	(54,058)	-6%
Commissions and Committees	32,292	51,453	51,453	51,453	-	0%
Development Review	1,908,161	2,616,025	2,827,512	2,563,867	(263,645)	-9%
Human Relations	250,345	367,000	307,000	307,000	-	0%
Long Range Planning**	676,830	-				
Community Services Group (Admin)	-	-	225,000	404,998	179,998	80%
Community Services Group	-	-	225,000	404,998	179,998	80%
Finance	2,843,697	3,071,004	3,273,333	2,998,897	(274,435)	-8%
Accounting	885,253	839,772	876,150	821,057	(55,093)	-6%
Budget	133,862	198,748	203,795	191,859	(11,936)	-6%
Finance Administration	885,100	459,946	470,740	451,906	(18,834)	-4%
Finance Support Services	184,148	380,647	355,489	333,189	(22,300)	-6%
Non- Departmental	273,334	650,536	803,091	611,285	(191,806)	-24%
Purchasing	182,458	189,486	201,631	208,482	6,851	3%
Revenue Management	299,543	351,868	362,436	381,120	18,684	5%
Fire	13,769,806	13,051,071	13,471,411	12,615,778	(855,632)	-6%
Disaster Assistance	276,820	6,800	6,860	6,860	-	0%
Emergency Response	11,067,375	10,294,205	10,716,177	10,129,843	(586,333)	-5%
Fire Administration	872,652	1,066,731	1,118,913	1,041,211	(77,702)	-7%
Fire Apparatus Services	378,942	437,775	437,873	401,966	(35,907)	-8%
Fire Station Facilities Support	45,881	43,993	37,625	37,625	-	0%
Hazard Prevention	926,601	918,867	981,413	825,723	(155,690)	-16%
Recruit Academy	82,589	143,975	32,000	32,000	-	0%
Training	118,945	138,725	140,550	140,550	-	0%

Continued on next page

Table E9

Expenditures by Cost Center	2019-21 Financial Plan				Change	% Change
	18-19 Actual	FY 19-20 Budget*	Original FY 20-21 Budget *	Revised FY 20-21 Budget		
Human Resources	5,350,851	1,394,945	1,404,100	1,350,586	(53,514)	-4%
Human Resources Administration	1,307,603	1,361,145	1,370,300	1,317,975	(52,325)	-4%
Risk Management	4,029,011	15,200	15,200	15,200	-	0%
Wellness	14,236	18,600	18,600	17,411	(1,189)	-6%
Parks and Recreation	4,119,364	4,434,161	4,478,221	4,274,301	(203,920)	-5%
Aquatics	458,827	484,246	502,526	483,225	(19,301)	-4%
Community Services	542,194	637,048	643,862	612,895	(30,967)	-5%
Facilities	237,835	238,920	252,871	238,878	(13,993)	-6%
Golf Course	621,659	646,001	672,917	666,245	(6,673)	-1%
Jack House	5,883	-	10,500	10,500	-	0%
Ranger Service	487,919	544,076	557,750	525,780	(31,970)	-6%
Recreation Administration	791,159	899,015	830,299	738,905	(91,393)	-11%
Youth Services	973,889	984,855	1,007,496	997,873	(9,623)	-1%
Police	17,864,377	18,012,060	18,760,949	17,802,862	(958,087)	-5%
Investigations	2,625,952	2,738,091	2,848,983	2,662,527	(186,456)	-7%
Neighborhood Services	263,697	263,061	273,612	260,956	(12,656)	-5%
Patrol	9,700,945	9,493,775	9,905,624	9,659,843	(245,781)	-2%
Police Administration	1,866,869	1,982,936	2,035,151	1,925,154	(109,997)	-5%
Support Services	2,577,373	2,595,174	2,706,366	2,524,226	(182,140)	-7%
Traffic Safety	829,542	939,023	991,213	770,156	(221,057)	-22%
Public Works	12,889,877	13,305,518	13,724,616	13,196,459	(528,157)	-4%
CIP Project Engineering	2,049,917	2,026,791	2,111,489	2,240,356	128,867	6%
Facilities Maintenance	1,215,167	1,235,921	1,277,973	1,142,493	(135,480)	-11%
Fleet Maintenance	1,197,554	1,183,712	1,199,141	1,114,498	(84,642)	-7%
Parks Maintenance	2,848,301	2,736,466	2,868,164	2,935,567	67,403	2%
Public Works Administration	991,570	1,131,548	1,104,113	860,714	(243,399)	-22%
Stormwater & Flood Control	854,456	1,007,558	1,037,572	1,039,816	2,244	0%
Streets & Sidewalk Maintenance	1,207,017	1,425,568	1,475,997	1,276,107	(199,890)	-14%
Swim Center Maintenance	465,842	449,215	464,333	479,743	15,410	3%
Traffic Signals & Lighting Maintenanar	537,539	550,074	557,533	524,166	(33,367)	-6%
Transportation Planning/Engineerir	896,897	906,874	960,726	902,428	(58,298)	-6%
Urban Forest Services	625,617	651,790	667,575	680,571	12,997	2%
Solid Waste (Utilities)	-	173,541	185,689	159,318	(26,370)	-14%
Solid Waste Recycling	-	173,541	185,689	159,318	(26,370)	-14%
General Fund	70,263,138	67,603,837	70,149,478	66,464,959	(3,684,519)	-5%

* These Cost Centers have been consolidated into other Cost Centers within the Department

Note: Per Council action from June 2, 2020, \$140,000 will be allocated for diversity, equity, and inclusion programs. This amount is not reflected within the tables in this document. This money will be added to the Human Relations Contract Services account within the Community Development Department.

Table E10

General Fund Revenues	2019-21 Financial Plan				Change	% Change
	18-19 Actual	FY 19-20 Budget*	Original FY 20-21 Budget*	Revised FY 20-21 Budget		
Tax & Franchise Revenue	60,956,000	62,291,502	65,097,000	57,782,426	(7,314,574)	-11%
Property Tax						
Prop Tax In-Lieu Vlf	4,961,000	5,064,000	5,266,000	5,165,280	(100,720)	-2%
Property Tax	12,238,000	12,496,101	12,976,000	12,746,023	(229,977)	-2%
Real Prop. Transfer Tax	274,000	380,000	395,000	387,600	(7,400)	-2%
Sales Tax						
Local Sales Tax	17,715,000	17,675,000	17,940,000	15,320,620	(2,619,380)	-15%
Sales Tax- Lmr \$.005	8,325,000	7,840,000	7,957,000	7,218,000	(739,000)	-9%
Sales Tax-Safety Prop 172	404,000	385,000	369,000	315,163	(53,837)	-15%
Transient Occupancy Tax	8,061,000	8,033,001	8,133,000	6,267,000	(1,866,000)	-23%
Utility User Tax	4,920,000	5,854,000	5,971,000	5,565,000	(406,000)	-7%
Franchise Fees	1,428,000	1,558,000	1,589,000	1,544,000	(45,000)	-3%
Business Tax Certificates	2,630,000	2,942,000	3,001,000	2,853,740	(147,260)	-5%
Cannabis Tax		64,400	1,500,000	400,000	(1,100,000)	-73%
Development Review	5,881,785	6,963,000	5,426,000	5,722,000	296,000	5%
Building Permits	2,328,194	2,263,000	2,305,000	2,200,000	(105,000)	-5%
Code Enforcement Fees	83,372	82,000	82,000	50,000	(32,000)	-39%
Development Review Fees	360,726	269,000	168,000	248,000	80,000	48%
Encroachment Permits	290,915	305,000	310,000	305,000	(5,000)	-2%
Engineering Dev Rev Fee	128,174	120,000	120,000	120,000	-	0%
Infrastruct. Pln Ck/Insp	1,168,976	1,800,000	940,000	1,200,000	260,000	28%
Plan Check Fees	1,033,350	1,500,000	1,012,000	999,000	(13,000)	-1%
Planning & Zoning Fee	488,078	624,000	489,000	600,000	111,000	23%
Fire Services	1,453,435	1,416,913	1,413,942	1,327,676	(86,266)	-6%
Cal Poly Fire Services	296,090	314,937	314,122	324,700	10,578	3%
Cupa Inspection Fees	162,797	140,000	140,000	140,000	-	0%
Fire Alarm Permits	1,541	2,677	2,677	2,677	-	0%
Fire Plan Ck. & Inspect.	379,622	399,000	406,000	300,000	(106,000)	-26%
Medical Er Recovery	188,198	194,409	185,253	194,409	9,156	5%
Other Fire Dept. Revenue	7,060	5,890	5,890	5,890	-	0%
Permit Fees	111,885	100,000	100,000	100,000	-	0%
R1 Inspection Fees	306,242	260,000	260,000	260,000	-	0%

Continued on next page

Table E10

General Fund Revenues	2019-21 Financial Plan				Change	% Change
	18-19 Actual	FY 19-20 Budget*	Original FY 20-21 Budget*	Revised FY 20-21 Budget		
Parks & Recreation	1,871,996	1,762,929	1,794,503	1,390,240	(404,263)	-23%
Adult Athletic Fees	119,222	120,000	122,400	104,040	(18,360)	-15%
Child Services/Day Care	803,140	662,000	675,240	549,040	(126,200)	-19%
Daily Use Fees	91,401	109,220	109,220	92,837	(16,383)	-15%
Driving Range Fees	10,625	11,485	11,715	9,031	(2,684)	-23%
Golf Cart Rentals	23,501	28,262	28,262	19,976	(8,286)	-29%
Golf Green Fees	178,200	220,000	224,400	151,470	(72,930)	-32%
Golf Rental Fees	6,310	10,359	10,566	5,363	(5,203)	-49%
Indoor Rental & Use Fees	64,007	51,795	52,831	52,831	-	0%
Instruction Fees	77,263	80,000	81,600	69,360	(12,240)	-15%
Library Rental	21,538	17,453	17,802	17,802	-	0%
Merchandise Sales Taxabl	8,801	15,764	16,079	7,481	(8,598)	-53%
Other Park & Rec Revenue	4,039	3,378	3,445	3,445	-	0%
Other Pool Revenue	68,692	54,047	55,128	58,388	3,260	6%
Outdoor Rental & Use Fee	121,238	112,598	114,850	103,052	(11,798)	-10%
Pass Sales	43,550	37,157	37,157	27,032	(10,125)	-27%
Private Golf Lesson Fees	165	2,252	2,297	140	(2,157)	-94%
Spec Event-City Sponsore	64,143	81,859	83,496	41,748	(41,748)	-50%
Spec Events-App/Permit	36,493	30,000	30,600	15,300	(15,300)	-50%
Swim Instruction Fees	64,055	67,559	68,910	20,673	(48,237)	-70%
Therapy Pool Fees	15,623	9,796	9,796	8,327	(1,469)	-15%
Youth Athletic Fees	49,990	37,945	38,709	32,903	(5,806)	-15%
Police Services	655,371	605,347	745,602	593,350	(152,252)	-20%
Accident Reports	2,423	3,400	3,400	3,400	-	0%
Administrative Citations	126,085	152,833	152,833	152,833	-	0%
Alarm Permits (Contract)	111,505	100,000	100,000	100,000	-	0%
Collision Investigation	5,320	8,000	8,000	6,000	(2,000)	-25%
DUI Cost Recovery	48,976	34,000	21,417	23,400	1,983	9%
Other Police Services	228,373	188,426	339,426	190,000	(149,426)	-44%
Parking Citation-Pd Issu	74,743	75,000	75,000	75,000	-	0%
Police Dept Permits	7,183	7,000	7,511	6,000	(1,511)	-20%
Property Release Fee	839	200	1,071	800	(271)	-25%
Second Response	779	1,071	1,071	1,000	(71)	-7%
Tobacco Permits	30,577	21,417	21,417	21,417	-	0%
Tow Release Fee	12,243	11,000	12,850	11,000	(1,850)	-14%
Witness Fees	6,325	3,000	1,606	2,500	894	56%
General Government	521,893	435,418	444,015	439,215	(4,800)	-1%
Cannabis	225,000	100,000	750,000	320,937	(429,063)	-57%
Grants and Subventions	1,098,145	900,000	900,000	900,000	-	0%
Other Misc Revenues	1,316,049	3,504,118	2,314,759	1,785,307	(529,452)	-23%
Grand Total	\$ 73,979,675	\$ 77,979,227	\$ 78,885,821	\$ 70,261,150	\$ (8,624,671)	-11%

*as adjusted at Mid-Year

Special Revenue: Tourism Business Improvement District Fund

The Tourism Business Improvement District (TBID) assessment is set at 2% of the lodging industry’s gross receipts. The program sets an operating budget to match its yearly revenues. Due to the severe and immediate impact of COVID-19 on the tourism industry, the TBID is expecting a decline in revenue of \$500 thousand. The TBID program is an essential piece to economic recovery. The areas of reduction for 2020-21 are primarily in Contract Services and Promotions/Public Relations which includes a Marketing Service contract, strategic partnership commitments and special event sponsorships.

Table E11-a

TBID Expenditures	18-19 Actual	19-20 Budget	19-21 Financial Plan		Change	% Change
			FY 20-21 Original Budget	FY 20-21 Revised Budget		
Contract Services	1,166,995	1,065,000	1,070,000	923,000	(147,000)	-14%
Other Operating Expenses	178,885	264,786	264,998	89,100	(175,898)	-66%
Staffing	199,721	203,800	217,482	214,279	(3,203)	-1%
Transfers	31,355	32,100	32,800	25,068	(7,732)	-24%
Grand Total	\$ 1,576,955	\$ 1,565,686	\$ 1,585,280	\$ 1,251,447	\$ (333,833)	-21%

Table E11-b

TBID Revenues	18-19 Actual	19-20 Budget	19-21 Financial Plan		Change	% Change
			FY 20-21 Original Budget	FY 20-21 Revised Budget		
Assessment Revenue	1,598,067	1,606,000	1,626,000	1,253,400	(372,600)	-23%
Interest on Investment	17,615	1,400	1,400	1,400	-	
Grand Total	\$ 1,615,682	\$ 1,607,400	\$ 1,627,400	\$ 1,254,800	\$ (372,600)	-23%



Special Revenue: Downtown Business Improvement District

The downtown Business Improvement District assessment is collected annually with the Business Tax renewal from businesses located within the geographical boundary of the Downtown District. Business tax certificates are renewed at the beginning of each fiscal year based on the prior calendar year. With the exception of some closed businesses, the City does not expect a significant decrease in this revenue source due to the lag period. This revenue supports the operations of Downtown SLO.

Table E-11c

Downtown Bid Fund Expenditures	19-21 Financial Plan					Change	% Change
	18-19 Actual	19-20 Budget	FY 20-21 Original Budget	FY 20-21 Revised Budget			
Contract Services	\$ 204,772	\$ 260,400	\$ 260,400	\$ 252,588		(7,812)	-3%
Grand Total	\$ 204,772	\$ 260,400	\$ 260,400	\$ 252,588	\$	(7,812)	-3%

Downtown Bid Fund Revenues	19-21 Financial Plan					Change	% Change
	18-19 Actual	19-20 Budget	FY 20-21 Original Budget	FY 20-21 Revised Budget			
Assessment Revenue	\$ 276,769	\$ 260,400	\$ 260,400	\$ 252,588		(7,812)	-3%
Grand Total	\$ 276,769	\$ 260,400	\$ 260,400	\$ 252,588	\$	(7,812)	-3%

Special Revenue: Boysen Ranch Conservation Fund

Boysen Ranch consists of approximately 116 acres bounded by Los Osos Valley Road, Foothill Boulevard, and O'Connor Way. The funding was set up as an endowment to fund monitoring and maintenance of the restored wetland area. *No changes in financial position were made for this fund.*

Table E-11d

Boysen Ranch Conservation Easement Fund	19-21 Financial Plan				
	18-19 Actual	19-20 Budget	FY 20-21 Original Budget	FY 20-21 Revised Budget	
Contract Services	\$ -	\$ 7,500	\$ 7,500	\$ 7,500	\$ 7,500
Total Expenditures	\$ -	\$ 7,500	\$ 7,500	\$ 7,500	\$ 7,500
Interest on Investment	\$ 2,017	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000
Total Revenues	\$ 2,017	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000

Section E2: Business Type Funds – Water and Sewer

Overview

The City's water and sewer operations are paid for by rate revenues and cover all costs for operations, maintenance, infrastructure replacement, and debt service. Taxes, including utility user tax, do not support these services. When preparing annual budgets, the Utilities department analyzes past financial results, reviews upcoming operational and capital needs, and current and future debt obligations to assess the financial position of each of the funds. The 2019-21 financial plan adopted balanced water and sewer fund budgets that considered all these factors. In June 2019, the City Council also adopted a two-year rate increase as follows:

Table E-12a

Year	Water Rate Increase	Sewer Rate Increase
2019-20	5.5%	5.5%
2020-21	5.5%	5.0%

With the social and economic changes that have occurred over the last few months, the previously adopted 2020-21 water and sewer fund budgets must be revised. The water and sewer funds are separate and distinct, however the impacts of Covid-19, the resultant economic analysis, and necessary budget changes are similar for the two funds.

Impacts of Covid-19 on the Water and Sewer Funds

As with the pandemic itself, the future economic impacts of Covid-19 are still unclear. Historical methodologies used to determine the immediate and forecasted health of the Water and Sewer funds are challenged as the daily makeup of the community has been altered for a still-unknown duration of time. The Utilities Department has compiled available data and performed an analysis to develop a strategy for the funds. Data used in this analysis as of May 2020, included the following:

1. The April water meter reads only show partial impacts to water consumption because the meter read period represents the last three weeks of March and the first week of April. Only about half of this time would have been impacted by the shelter-at-home order.
2. All non-residential users (bars, restaurants, hotels, other businesses, and government facilities) ordinarily, make up 18% of total water consumption and 26% of revenue. Business closures will impact revenue. The impact will be clearer after the May water meter reads.
3. The Cal Poly campus makes up 5% of total revenue for water and 6% of total revenue for sewer. Cal Poly consumption during the first half of April was reduced 70% for water and 90% for sewer as compared to the same period in 2019. This is a small sample period (just two weeks) but this reduction in Cal Poly revenue is expected to continue until students and staff partially or fully return to campus.
4. Other schools ordinarily make up 0.75% of total consumption and 0.5% of revenue. We do not expect school closures to have a significant impact on revenue because they are such a small percentage of customers.

5. Water production at the Water Treatment Plant (WTP) trended downward 25% during the last two weeks of March and the first two weeks of April as compared to the same period in 2019.
6. The impacts of Cal Poly virtual learning are still unknown. There will likely be many empty rental properties and less business activity including retail and tourism as a result.
7. The inability of customers to pay their bills and the resulting level of unpaid (aged) accounts will likely be a far greater impact than in previous years. Past due balances for both funds are currently \$449,000 as compared to \$32,000 the same time in 2019.

Graphical representations of some of this background information appears in Appendix A.

Key Assumptions

The Utilities Department used the above data and the following assumptions to forecast revenues for the 2020-21 Supplemental Budget. These assumptions will continue to be monitored and updated as more information becomes available.

1. Consumption revenue will be down 6%. This estimate is derived from the March consumption data and the April-to-date production information.
2. There will be an estimated decrease of \$29,000 per fund in other fee revenue due to waiving more late charges, lower credit agency collections, and potentially fewer customers signing up for new service. This is an approximate 7% reduction in miscellaneous fee revenue in each fund; however, miscellaneous revenue is only 1.2% of total revenue in the Water Fund and 2.3% of total revenue in the Sewer Fund. The true impact is still unknown but will be monitored.
3. The already approved 2020-21 rate increases (5.5% water and 5% sewer) will be deferred at this time, to aid in the community's economic recovery.
4. Certain CIP projects will continue in order to save money in the future arising from significant maintenance as well as to be used as a stimulus to the local economy.

Initial Response

The Utilities Department has taken the following steps to respond to the reductions in revenue as forecasted above.

1. **Compliance with the Fiscal Health Contingency Plan.** Following the plan, staff have reduced spending in operating and staffing and are responding to the "chill" by making only essential operational purchases and hiring only key positions that must be filled.
2. **Operating Expenditure Reductions.** Revisited all 2020-21 operating expenditure line item budgets with supervisors.
3. **Community Assistance.** In recognition that many community members and utility customers will be facing financial difficulties, the Utility Billing section has implemented several accommodations to assist customers. These include waiving more late charges, not discontinuing water service for non-payment, and not sending past due accounts to collections.
4. **Hiring Chill.** Frozen two positions; an open Water Distribution Operator position in the Water Fund and a Water Quality Laboratory Analyst position in the Sewer Fund will not be hired for at this time and will remain vacant as a means of operational savings.
5. **Economic Recovery.** Class 1 (auto shops and similar businesses) and Class 2 (restaurant) industrial user permit fees have been suspended in 2020-21 to aid in the local business community's economic recovery.

6. **CIP.** One 2019-20 water CIP project has been cancelled because it was inadvertently counted twice¹. This will be a \$150,000 savings to the Water Fund. The intent is to maintain all other Water Fund specific CIP to continue maintaining and addressing aged infrastructure and to stimulate the local economy.
7. **The Mid-Higuera bypass and Buchon-Santa Rosa intersection improvements public works capital projects have been deferred.** Both projects have water fund contributions totaling \$175,000 which, as a result, will also be deferred.
8. **Unreserved Working Capital.** Utilize Unreserved Working Capital.

Unreserved Working Capital

The shortfalls to the Water Fund revenue are significant enough that the freezing of positions, reduction in operating budgets, and deferral of contributions to Public Works CIP were not enough to balance revenue to expenditures. The decision to utilize Unreserved Working Capital in the Water Fund was made after careful evaluation of other options. These other options included cutting all CIP, which was deemed too impactful to the City's aged infrastructure and would not serve to stimulate sectors of the local economy. The use of the Rate Stabilization fund, currently at \$1.9 million, was also not the preferred strategy as the Water Fund currently has a healthy Unreserved Working Capital balance. Further, both the Rate Stabilization fund and the budgeted CIP may be needed to address ongoing impacts of Covid – 19 on the Water Fund in the event of a continued significant economic downturn or a lack of return of Cal Poly students to the community.

The impacts to the Water Fund of these changes to the unreserved working capital balance and debt ratio are displayed in Appendix B Scenario 1. The impacts to the Sewer Fund of these recommendations are displayed in Appendix C Scenario 1.

Significant Operating Budget Changes

The Utilities Department is recommending five significant operating budget changes (SOBCs) in 2020-21. The full write ups are in Appendix D.

Water Fund

1. **Water Treatment Plant Liquid Oxygen (LOx)** The City's Water Treatment Plant (WTP) will be replacing the existing aging Ozone System (originally installed in 1994) as part of the Water Energy Efficiency Project in FY 20/21. Ozone is a key water treatment process used for primary disinfection of the City's potable drinking water. The new Ozone System will use Liquid Oxygen (LOx) for mass transference of ozone into the drinking water for the disinfection process. This will cost \$30,000 in 2020-21 and \$50,000 per year ongoing.
2. **Stormwater Program Coordination** Create a stormwater cost center and move stormwater funding and certain program coordination responsibilities from the Water Resource Program Manager to the Environmental Programs Manager. This will cost the water fund \$17,900 per year ongoing.

Water and Sewer Funds

3. **Water Distribution Digsart Software** Purchase of the Dig-Smart software to integrate with Cityworks for the management of Underground Service Alert tickets. This software will also provide a "positive response" to the USA call center which is a requirement of AB 1166. AB 1166 was signed by Governor Newsom

October 2019 and the related portion of the bill affecting positive response is effective January 1, 2021. This software is designated a Cityworks partner and easily integrates with Cityworks and the City's existing GIS system. This will cost \$10,000 in 2020-21 and \$5,000 per year ongoing.

4. **Solid Waste Program Staffing** Permanently change a Water Resource Technician position to a Solid Waste Coordinator. Change supervision of the Solid Waste Coordinator from .25 FTE of the Water Resources Program Manager to .1 FTE of the Utilities Business Manager. This will save the sewer fund \$8,600 per year ongoing and cost the water fund \$22,400 per year ongoing. This will also make \$13,800 per year in AB939 fees available for the solid waste program.
5. **Interim Deputy Director – Engineering and Planning** Fund the Utilities Department Interim Deputy Director for Engineering & Planning for the duration of the Water Resource Recovery Facility (WRRF) upgrade project. This will cost the water fund \$23,050 and the sewer fund \$94,400.

<i>Table E-12b</i>	Water	Sewer	General	TOTAL
WTP LOx	\$30,000			\$30,000
Stormwater Program	\$17,900			\$17,900
Digsmart Software	\$4,500	\$4,500	\$1,000	\$10,000
Solid Waste Program	\$22,400	\$(8,600)		\$13,800
Interim Deputy Director	\$23,050	\$94,400		\$117,450
TOTAL	\$97,850	\$90,300	\$1,000	\$189,150

Changes in Financial Position: Water and Sewer Fund Budgets

Water Fund Revenue

<i>Table E-12c</i>	2019-20 Budget	2020-21 Original Budget	2020-21 Revised Budget	Change	% Change
Investment and Property Revenue	\$50,000	\$50,000	\$50,000	\$0	0 %
Water Volumetric Charges	\$15,181,304	\$16,010,776	\$14,176,400	\$(1,834,376)	(11) %
Water Base Fee	\$5,091,645	\$5,371,686	\$5,091,600	\$(280,086)	(5) %
Cal Poly	\$964,158	\$1,017,187	\$906,300	\$(110,887)	(11) %
Development Impact Fees	\$800,000	\$800,000	\$800,000	\$0	0 %
Other Revenue	\$395,500	\$396,010	\$367,010	\$(29,000)	(7) %
Debt Proceeds	\$5,500,000	\$8,800,000	\$8,800,000	\$0	0 %
Total Revenue	\$27,982,607	\$32,445,659	\$30,191,310	\$(2,143,462)	(7) %

Water Fund Operating Expenditures by Program

<i>Table E-12d</i>	2019-20 Budget	2020-21 Original Budget	2020-21 Revised Budget	Change	% Change
Admin & Engineering	\$807,648	\$786,785	\$994,455	\$207,670 ²	26%
Source of Supply	\$13,950,140	\$9,716,707	\$10,675,781	\$959,074 ³	10%
Water Treatment	\$3,090,738	\$2,982,647	\$3,082,557	\$99,910	3%
Water Distribution	\$1,947,915	\$1,976,264	\$1,739,783	\$(236,481)	(12) %
Water Resources	\$374,565	\$387,828	\$402,250	\$14,422	4%
Debt Service	\$3,944,356	\$2,013,527	\$2,430,429	\$416,902	20%
General Government	\$2,641,957	\$2,586,597	\$2,672,968	\$86,371	3 %
Total Expenditures	\$26,757,319	\$20,450,355	\$21,998,223	\$1,547,868	7%

Water Fund Operating Expenditures by Type

<i>Table E-12e</i>	2019-20 Budget	2020-21 Original Budget	2020-21 Revised Budget	Change	% Change
Staffing	\$4,179,826	\$4,274,596	\$4,376,275	\$101,679	2%
Other Operating	\$15,991,180	\$11,575,635	\$12,518,551	\$942,916	7%
Debt Service	\$3,944,356	\$2,013,527	\$2,430,429	\$416,902	0%
General Government	\$2,641,957	\$2,586,597	\$2,672,968	\$86,371	(1) %
Total Expenditures	\$26,757,319	\$20,450,355	\$21,998,223	\$1,547,868	7%

² Includes credit card and bank fees for the first time. These were previously budgeted differently.

³ The increase to the Source of Supply budget is to replenish the Nacimiento capital reserve account and an increase in Whale Rock capital projects. The Nacimiento capital reserve account was depleted to pay for the pipeline repair. Whale Rock capital reserve expenditures are increasing due to State regulatory requirements related to the Oroville dam emergency.

Sewer Fund Revenue

<i>Table E-12f</i>	2019-20 Budget	2020-21 Original Budget	2020-21 Revised Budget	Change	% Change
Investment and Property Revenue	\$50,000	\$50,000	\$50,000	\$0	0 %
Sewer Volumetric Charges	\$11,372,900	\$11,941,545	\$10,690,500	\$(1,251,045)	(10) %
Sewer Base Fee	\$4,281,396	\$4,495,466	\$4,281,396	\$(214,070)	(5) %
Cal Poly	\$958,204	\$1,006,114	\$900,700	\$(105,414)	(10) %
Development Impact Fees	\$300,000	\$300,000	\$600,000 ⁴	\$300,000	100%
Industrial User Charges	\$85,000	\$85,000	\$6,000	\$(79,000)	(93) %
Other Revenue	\$395,000	\$395,000	\$367,010	\$(27,990)	(7) %
Debt Proceeds	\$64,310,573	\$43,099,819	\$43,099,819	\$0	0%
Total Revenue	\$81,753,073	\$61,372,944	\$59,995,425	\$(1,377,519)	(2) %

Sewer Fund Expenditures by Program

<i>Table E-12g</i>	2019-20 Budget	2020-21 Original Budget	2020-21 Revised Budget	Change	% Change
Admin & Engineering	\$889,593	\$937,031	\$937,708	\$677	0%
Wastewater Collections	\$1,128,957	\$993,996	\$1,157,859	\$163,863	16%
Water Resource Recovery Facility	\$3,877,021	\$3,995,345	\$3,930,431	\$(64,914)	(2) %
Environmental Compliance	\$270,465	\$284,308	\$270,079	\$(14,229)	(5) %
Utilities Revenue	\$487,302	\$501,742	\$525,979	\$24,237	5%
Water Quality Lab	\$800,223	\$803,224	\$872,297	\$69,073	9%
Debt Service	\$1,385,200	\$1,387,400	\$1,387,400	\$0	0%
General Government	\$2,535,827	\$2,478,348	\$2,401,729	(76,619)	(3) %
Total Expenditures	\$11,374,588	\$11,381,394	\$11,483,482	\$102,088	1%

Sewer Fund Expenditures by Type

<i>Table E-12h</i>	2019-20 Budget	2020-21 Original Budget	2020-21 Revised Budget	Change	% Change
Staffing	\$4,335,683	\$4,530,394	\$4,644,180	\$113,786	3%
Other Operating	\$3,117,878	\$2,985,252	\$3,050,173	\$64,921	2%
Debt Service	\$1,385,200	\$1,387,400	\$1,387,400	\$0	0%
General Government	\$2,535,827	\$2,478,348	\$2,401,729	\$(76,619)	(2) %
Total Expenditures	\$11,374,588	\$11,381,394	\$11,483,482	\$102,088	1%

⁴ Sewer impact fees were increased in 2018-19 so this budget reflects increased fee, not increased activity.

Next Steps – Considerations in Advance of October Revise

The economic climate is fluid and the complete future impacts of the Covid-19 economic downturn to the Water and Sewer funds are unknown. The Utilities Department will continue to monitor weekly its budget and fiscal forecast based on revenues and expenditures in advance of the October return to the City Council. This will include:

1. Continue to monitor water production, water consumption, wastewater flows, and revenue.
2. Continue to monitor the impacts of forgoing a rate increase on the funds over the next several years.
3. Consider a partial rate increase later in the year upon examination of all factors including the economic health of the community.
4. Seek guidance from the American Water Works Association to analyze minimum operating reserve levels to determine appropriate levels. Currently operating reserves are 20% of operating expenditures, approximately \$4 million in the water fund and \$2.8 million in the sewer fund. However, in 2019-20 the water fund used approximately \$3 million in unreserved working capital for emergency projects. This raises the question that 20% may be too low considering the typical cost of a utility emergency.
5. Develop additional long-term scenarios modeling assumptions that include: (1) different lengths of times to return to normal water consumption; and (2) rate increases at various levels and various timing.
6. Evaluate impacts to funds and required workload associated with keeping positions open with the understanding that many of the operating costs for both the water and sewer fund are fixed, meaning that changes in volume of water production or wastewater treatment do not necessarily equal a commensurate decrease in costs

Potential Options that May Have to be Considered in October

If the economic situation worsens, the Utilities Department will:

1. Consider use of the rate stabilization funds.⁵
2. Consider further use of Unreserved Working Capital and Reserved Working Capital if the current state of emergency continues.
3. Deferral of CIP that do not have significant maintenance impacts.
4. Not fill vacant positions.
5. Other operational reductions.

Additional Revenue Possibilities Not Included in Analysis

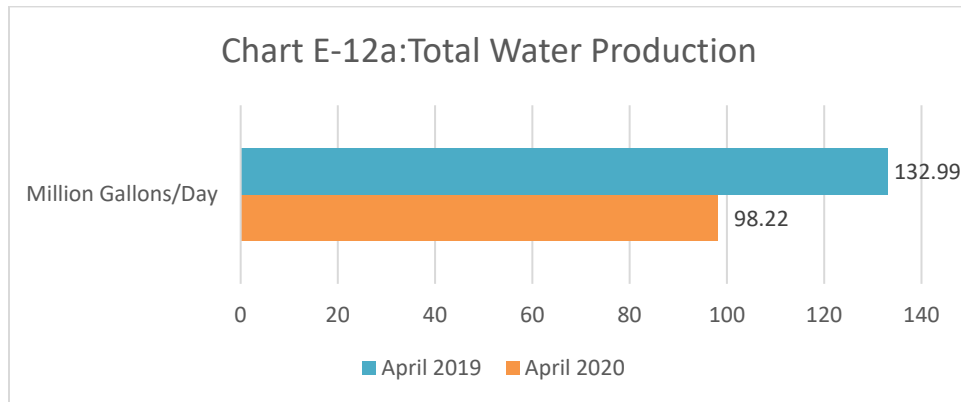
The Utilities Department is anticipating a few additional revenue sources in 2020-21. These are not guaranteed, so they have not been included in the budget or fund analyses.

1. Grant funding received for a permanent backup generator at the Water Treatment Plant (WTP).
2. Additional funds received from Cal Poly for resiliency as part of an update to the Rate Agreement (MOA).
3. Additional funds from Cal Poly for its fair share of infrastructure projects at the Water Resource Recovery Facility (WRRF) and WTP (outlined in MOA).
4. A legal settlement related to Source of Supply.

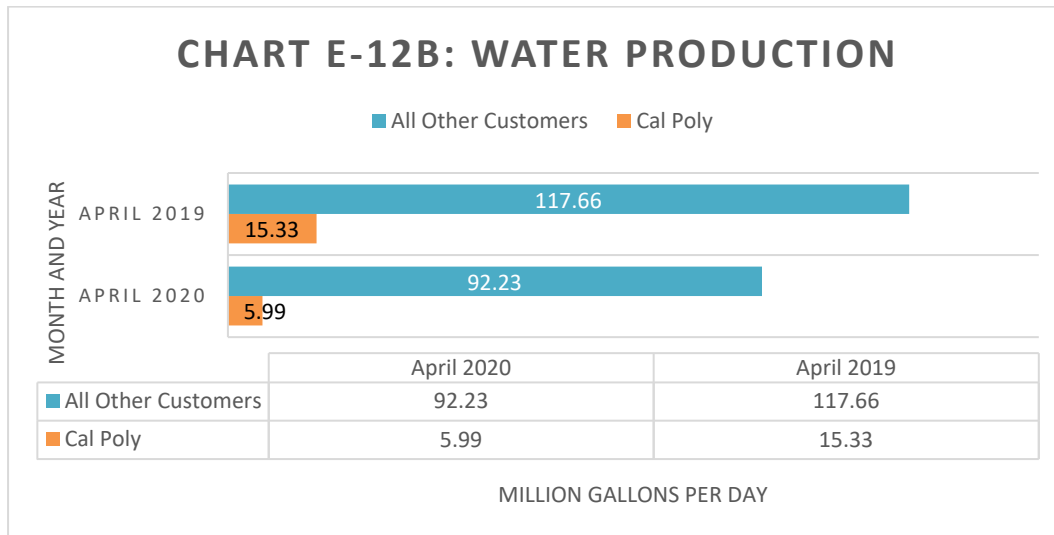
⁵ The Water Fund rate stabilization fund is 10% of operating revenue. The Sewer Fund is 5% of operating revenue.

Utilities Appendix A: Background Data

This bar graph compares total water production in April 2020 as compared to April 2019.



This bar graph compares water production, and the portion attributable to Cal Poly in April 2020 as compared to April 2019.



This graph shows the difference between past due account balances in April 2020 as compared to April 2019.

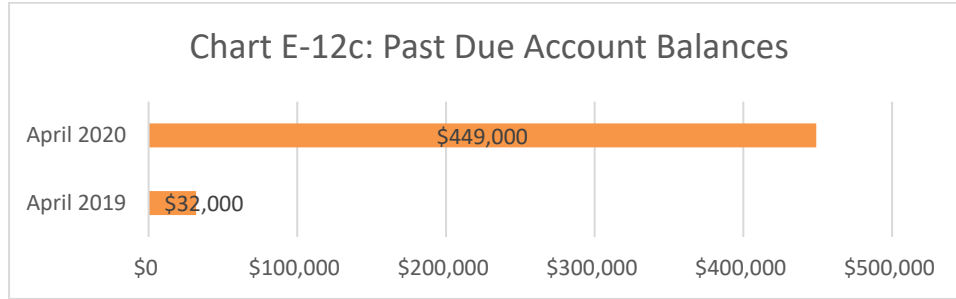


Table E-12i	April 2019	April 2020	% Change
Total Past Due Balances	\$32,000	\$449,000 ⁶	1303%
Number of Past Due Accounts	690 ⁷	929 ⁸	35%
Average Past Due Balance	\$283.13	\$511.84	81% ⁹

⁶ The increased past due balance is likely also related to SB998: Discontinuation of Residential Water Service, which added additional notification and timing requirements to water systems who shut off water service for non-payment. Ordinarily water service is shut-off and customers are required to pay their past due bill to have service restored. AB989 went into effect April 2020 so, to gain compliance, the Utilities department had not shut off water for non-payment since January 2020. The plan had been to do the first AB989-compliant shut off in April 2020. Covid-related State requirements and customer service concerns kept this from happening. Utilities has not been able to utilize this “incentive” to pay since January.

⁷ 4.4% of all customers

⁸ 5.9% of all customers

⁹ The increase in past due account balances is due more to the total balance being carried than the number of customers who are past due.

Utilities Appendix B: Water Fund Recommended 20-21 Budget Changes

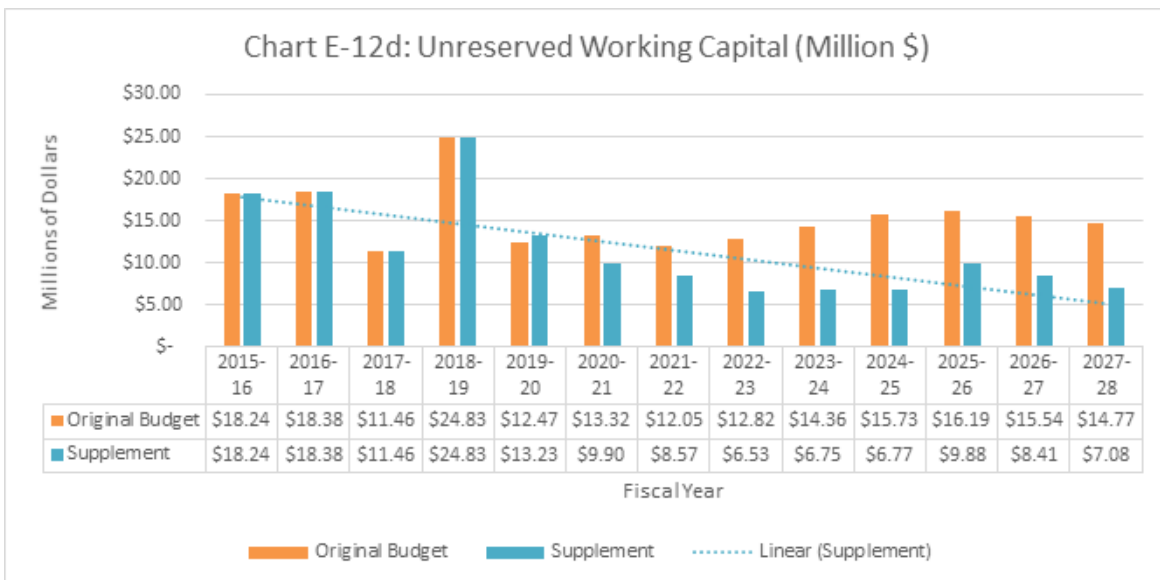
Unreserved Working Capital

It is the City's policy to maintain a *reserved* working capital balance of 20% of operating expenditures in the water and sewer funds. This is considered the minimum level necessary to maintain the City's credit worthiness and to adequately provide for:

1. Economic uncertainties, local disasters, and other financial hardships or downturns in the local or national economy.
2. Contingencies for unseen operating or capital needs.
3. Cash flow requirements.

All working capital that is not designated is undesignated. The current target *unreserved* working capital balance in the water fund is \$10 million.

The blue "Original Budget" bars in this graph shows the unreserved working capital balances as they appeared with the original 20-21 budget. The orange "Supplement" bars in this graph represent the projected unreserved working capital balances with the changes to rate increases and revenue decreases being made to the 20-21 for the budget supplement.

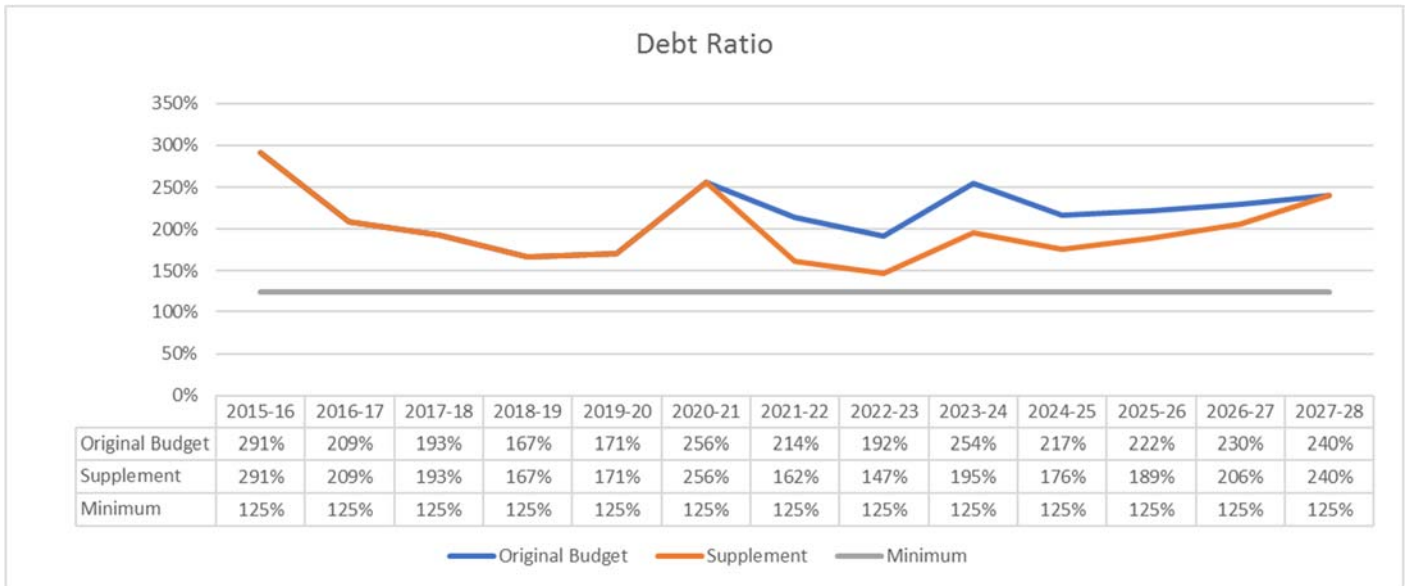


Debt Ratio

The Water fund debt covenants require the fund to maintain at least a 125% debt ratio. The debt ratio is net operating revenue to debt service.

The blue “Original Budget” line in this graph shows the debt ratio as it appeared with the original 20-21 budget. The orange “Supplement” line in this graph represents the impact to the debt ratio with the changes being made to the 20-21 for the budget supplement.

Chart E-12e

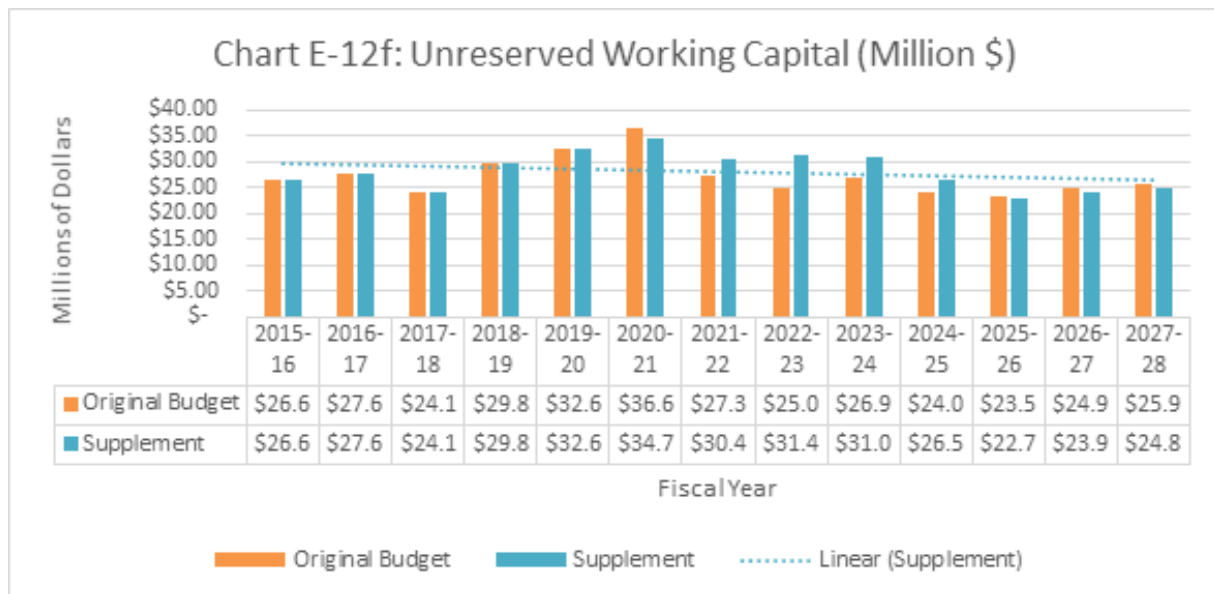


Utilities Appendix C: Sewer Fund Recommended 20-21 Budget Changes

Unreserved Working Capital

Currently the sewer fund unreserved working capital is intentionally high to manage the cash flow needs of the WRRF upgrade.

The blue “Original Budget” bars in this graph shows the unreserved working capital balances as they appeared with the original 20-21 budget. The orange “Supplement” bars in this graph represent the projected unreserved working capital balances with the changes to rate increases and revenue decreases being made to the 20-21 for the budget supplement.



Utilities Appendix D: Significant Operating Budget Changes

SOBC: LOx (Liquid Oxygen) New Ozone System

Function	Program
Ozone-Water Treatment Process	Water Treatment Plant

SUMMARY OF CHANGE

The City’s Water Treatment Plant (WTP) will be replacing the existing aging Ozone System (originally installed in 1994) as part of the Water Energy Efficiency Project in FY 20/21. Ozone is a key water treatment process used for primary disinfection of the City’s potable drinking water. The new Ozone System will use Liquid Oxygen (LOx) for mass transference of ozone into the drinking water for the disinfection process.

FISCAL IMPACT

Operating Expense:
\$30,000 FY 20/21 with \$50,000 annual cost thereafter

Fiscal Year	Fund	Account	FTEs	One-Time	Ongoing	Revenue Offset	Net Cost
20/21	601	6003	0	\$30,000	\$50,000		
Sub-Total: \$							
Total \$							

SERVICE LEVEL IMPACT

Replacing the existing WTP ozonation system will allow for the City to maintain compliance with State and Federal Drinking Water Regulations for the next 20-25 years. The new Ozone System will use LOx for mass transference of ozone into the drinking water. LOx will replace the currently used compressed air system that is energy and maintenance intense. It is anticipated that using LOx to replace the current compressed air system will significantly reduce annual Ozone System maintenance costs. For reference, FY 19/20, \$150,000 is budgeted for annual maintenance on the ozone system. It is anticipated that annual maintenance costs associated with the new ozone system will reduce to \$75,000 annually. It is also anticipated that the new ozone system could potentially reduce WTP overall energy costs by up to 20%.

BACKGROUND, SUPPORTING EVIDENCE, IMPLEMENTATION

Existing Situation: The City’s existing WTP Ozone System was installed in 1994 and is aging and inefficient. Spare parts and qualified service providers are very limited and hard to procure.

Goal & Policy Criteria: Maintain compliance with State and Federal Drinking Water Regulations. City’s sustainability goals and advancement toward Zero Net Energy by reducing annual energy usage at the Water Treatment Plant.

Key Objectives: City staff conducted an ozone pilot study in 2018 to assist with equipment sizing by identifying maximum ozone demand for various blend ratios of the City’s three water supply sources. From this evaluation, it was determined to replace the existing ozone generators with modular ozone generators. The new generators will use liquid oxygen (LOx) storage and delivery systems to increase mass transfer of ozone into the drinking water reducing maintenance and energy costs.

**SOBC: Creation of New Stormwater Cost Center and Reallocate Stormwater Staff
Support from the Water Resources Program Manager to the Environmental Programs Manager**

Function	Program
Stormwater Cost Center	Stormwater

SUMMARY OF CHANGE

At present, the existing Stormwater Program structure is a decentralized, interdepartmental program with 6.15 FTE staff positions assigned to associated stormwater and flood control duties. Budget oversight currently resides in the Public Works Department. Both Flood Control and Stormwater staffing and operating expenses are comingled into one budget. It is currently difficult and labor intensive to differentiate budget allocations and expenditures as the two programs are budgeted within a single cost center.

To best serve the needs of the community and achieve regulatory requirements, staff recommends separating the Flood Control budget from the Stormwater budget by creating a new cost center for the Stormwater Program only. Most stormwater activities are regulatory and include sampling, inspections, enforcement, and monitoring and reporting those regulatory requirements to the State. In addition, other stormwater and flood control activities are also regulatory, such as street sweeping, and storm drain cleaning.

Creating a new cost center for stormwater will streamline the budget process, allow internal stakeholders to identify and access available funding, and prioritize critical stormwater projects to achieve regulatory compliance milestones. As the Program evolves and expands, a separate cost center allows the City to more easily identify, analyze and determine appropriate funding and budget monitoring for both the current MS4 General Permit as well as the revised permit responsibilities which are scheduled for release in 2020/21.

Currently 0.20 FTE of the Water Resources Programs Manager (WRPM) and 0.20 of the Environmental Programs Manager (EPM) are funded by the Stormwater Program. With the changing of job duties of the WRPM and the increase in stormwater duties of the EPM, the 0.20 WRPM is recommended to move to the EPM.

Current Position Allocation in Stormwater	Proposed Position Allocation in Stormwater	FTE Change	Impact to General Fund
0.20 WRPM FTE	0.00 WRPM FTE	-0.20 WRPM FTE	None
0.20 EPM FTE	0.40 EPM FTE	+0.20 EPM FTE	None

FISCAL IMPACT

Operating Expense: There is no net fiscal impact to the general fund. The 6.15 total FTE stormwater positions are funded by the Local Revenue Measure. These position allocation changes do not change the total position allocation of 6.15 for the Stormwater Program. The annual fiscal impact to the water fund will be \$17,900 because the water fund will be absorbing the 0.20 of the WRPM. The annual fiscal impact to the sewer fund will be a reduction of \$(17,900) because the 0.20 stormwater moving to the EPM is currently paid by the sewer fund.

Water and Sewer Funds

Fiscal Year	Fund	Cost Center	Account	FTEs	Ongoing	Revenue Offset	Net Cost
Water Resource Program Manager							
2021	601	6005-Water Resources	51001- Salaries for WRPM	+0.20	\$17,900		
2021	101	New Cost Center- Stormwater	51001r – Salaries for WRPM	-0.20	\$(17,900)		
Environmental Programs Manager							
2021	101	New Cost Center- Stormwater	51001- Salaries for – EPM	+0.20	\$17,900		
2021	602	6103- Environmental Programs	51001– Salaries for EPM	-0.20	\$(17,900)		
		Sub-Total:					0
		Total		0	\$0		0

SERVICE LEVEL IMPACT

Services will continue as usual, with budget management falling under Public Utilities. Flood control oversight will continue to fall under Administration and Public Works.

BACKGROUND & SUPPORTING EVIDENCE**Existing Situation: Factors Driving the Need for Change**

Please see above.

Key Objectives: Making the Change Happen

- Separate stormwater operating costs from flood control operating costs
- Move stormwater budget oversight from Public Works to Public Utilities
- Oversight of flood control operating costs to remain under Administration/Public Works

Goal & Policy Criteria

- Regulatory oversight of the Municipal Separate Storm Sewer (MS4) General Permit

Major City Goal or Other Important Objective Addressed

- Regulatory compliance

STAKEHOLDERS

Administration, Public Utilities, Public Works, Community Development

IMPLEMENTATION**Program Manager**

Program Manager: Christina Claxton – Environmental Programs

Project Team: Freddy Otte, Bob Hill, Matt Horn, Aaron Floyd, David Hix, Jennifer Thompson

SOBC: Digsmart Software

Function	Program
Utility Locating	Water Distribution

SUMMARY OF CHANGE

Purchase of the Dig-Smart software to integrate with Cityworks for the management of Underground Service Alert tickets. This software will also provide a “positive response” to the USA call center which is a requirement of AB 1166. AB 1166 was signed by Governor Newsom October 2019 and the related portion of the bill affecting positive response is effective January 1, 2021. This software is designated a Cityworks partner and easily integrates with Cityworks and the City’s existing GIS system.

FISCAL IMPACT

Operating Expense:

\$10,000 initial with \$5,000 annual licensing cost.

Fiscal Year	Fund	Account	FTEs	One-Time	Ongoing	Revenue Offset	Net Cost
2021	601	6004	0	\$4,500	\$5,000	0	
	602	6101		\$4,500			
	101			\$1,000			
Sub-Total:							
Total				\$10,000	\$5,000		

SERVICE LEVEL IMPACT

This software meets the requirements of AB 1166 signed into law October 2019, which requires electronic positive response for all assets within a designated Underground Service Alert dig ticket of which the City receives thousands per year. This software will also integrate with Cityworks for better tracking of assets and workload for the Utilities Locator who is responsible for the locating of these critical infrastructure assets. It will also appropriately divide designated areas of responsibility outside the City boundaries but with City owned assets such as the Whale Rock raw water line, which now must be manually sorted through by staff. IT concurs with this purchase and it will have minimal impacts to their current workload.

BACKGROUND & SUPPORTING EVIDENCE

Existing Situation: Currently, USA tickets are sent to a designated email distribution list managed by Public Works Administrative staff. There is a limited number of people allowed on the distribution list which makes visibility and management of the work difficult and work orders must be manually entered into Cityworks for tracking. The data currently collected does not allow for reasonable oversight of the work of the Utility Locator and does not meet legal requirements for positive notification that go into place in January 2021.

Key Objectives: The software will allow all staff using Cityworks access to USA tickets as they arrive. Incomplete tickets will be fully visible and manageable. The software will provide a positive response to the call center when the mark out has been completed complying with AB 1166. One of the major benefits to this software is that it provides the Utility Locator’s supervisor with an opportunity for quick oversight of the utility markout work to ensure that markouts are being conducted in the allotted timeframe, that photographic evidence of

marked locations is being stored digitally, and that markouts are being handled by other City staff when the Utility Locator is unavailable.
Goal & Policy Criteria
Complying with AB 1166. Allowing better management of Utility Locating workload.
Major City Goal or Other Important Objective Addressed
Compliance with AB 1166 signed into law October 2019.

STAKEHOLDERS
Utilities Department, Public Works, and IT

IMPLEMENTATION
Program Manager
Marcus Henderson
Project Team
Marcus Henderson, Kurt Long, Joe Little, Josh Erquiaga, David Yun
Implementation Plan
Purchase the software and implement API after Cityworks has been upgraded in approximately October 2020. IT has placed the software on the IT Steering Committee agenda and have committed to its implementation when Cityworks has been successfully upgraded to its latest version. As dig-smart is a Cityworks partner, the installation and integration of it to the City's network and GIS systems will require a minimal effort and will provide a great benefit to the stakeholders and fulfill a new legal requirement.

Solid Waste Program Staffing Update

Function	Program
30 – Environmental Health & Open Space	Solid Waste

SUMMARY OF CHANGE

Permanently change a Water Resource Technician (WRT) position to a Solid Waste Coordinator (SWC). Change supervision of the Solid Waste Coordinator from 0.25 FTE of the Water Resources Program Manager (WRPM) to 0.1 FTE of the Utilities Business Manager (UBM).

Current Position Allocation	Proposed Position Allocation
WRT 1 FTE Solid Waste Program	SWC 1 FTE Solid Waste Program
WRPM 0.25FTE-Solid Waste Program	WRPM 0 FTE-Solid Waste Program
UBM 0 FTE Solid Waste	UBM 0.1 FTE Solid Waste

FISCAL IMPACT

Operating Expense: Solid Waste is a General Fund Program, that is funded entirely from AB939 fees. AB939 fees are collected from the solid waste franchise hauler and must be used exclusively to pay for activities that reduce the amount of waste sent to the landfill (waste diversion).

Change Supervision of the SWC

The 0.25 Solid Waste FTE removed from the WRPM will be paid by the Water Fund. The 0.10 UBM FTE added to the Solid Waste Program will be removed from the Sewer Fund.

Permanently Change WRT to SWC

Currently 1 FTE Water Resource Technician is paid from the Solid Waste AB939 fees. This SOBC will change that WRT to a SWC but the funding source will remain the same.

Because AB939 fees must be used for waste diversion activities, the difference to the Solid Waste cost center will be maintained by Solid Waste salaries in anticipation of the possibility that that the Solid Waste Coordinator salary increases when the position becomes permanent. If the salary does not increase the difference will be added to another Solid Waste expense line item or may be used to pay for a supplemental employee to assist with Solid Waste activities. This will be reevaluated with the Mid-Year budget review.

Fiscal Year	Fund	Account	FTEs	One-Time	Ongoing	Revenue Offset	Net Cost
Utilities Business Manager							
2021	602	Salaries – Regular			(\$8,600)		
2021	101 AB939	Salaries – Regular			\$8,600		
Water Resources Program Manager							
2021	601	Salaries – Regular			\$22,400		
2021	101 – AB939	Salaries – Regular			(\$22,400)		
Solid Waste Cost Center							

2021	101 AB939	Salaries – Regular			\$13,800 ¹⁰		
Total					\$0		

Fund	UBM	WRPM	Total Impact
Water		\$22,400	\$22,400
Sewer	\$(8,600)		\$(8,600)
General AB939	\$8,600	\$(22,400)	\$13,800

SERVICE LEVEL IMPACT

This will allow for continuation of the Solid Waste Program.

BACKGROUND & SUPPORTING EVIDENCE

Existing Situation: Factors Driving the Need for Change
 The Solid Waste cost center, included funding for salaries, was created as a part of the for the 2019-21 Financial Plan however no permanent Solid Waste positions were created at that time.

Key Objectives: Making the Change Happen

Goal & Policy Criteria

Major City Goal or Other Important Objective Addressed

Climate Action

STAKEHOLDERS

Utilities Department, Water and Sewer ratepayers, Solid Waste ratepayers

IMPLEMENTATION

Program Manager

Utilities Business Manager

Project Team

Utilities Business Manager and Solid Waste Coordinator

Implementation Plan

Finalize Solid Waste Coordinator job description.
 Meet and confer with SLOCEA.
 Recruit a permanent Solid Waste Coordinator.

¹⁰ The \$13,800 should remain in the Solid Waste cost center for waste diversion activities.

SOBC: Interim Deputy Director – Engineering & Planning

Function	Program
20 - Infrastructure & Transportation	Water and Wastewater Administration

SUMMARY OF CHANGE

Fund the Utilities Department Interim Deputy Director for Engineering & Planning for the duration of the Water Resource Recovery Facility (WRRF) upgrade project.

FISCAL IMPACT

Operating Expense: This will cost the sewer fund \$94,400 annually and the water fund \$23,050 annually. The WRRF upgrade is expected to last approximately 3 years.

Fiscal Year	Fund	Account	FTEs	One-Time	Ongoing	Revenue Offset	Net Cost
2021	601	51001 – Regular Salaries		\$23,050			
2021	602	51001 – Regular Salaries		\$94,400			
Sub-Total:							
Total				\$117,450			

SERVICE LEVEL IMPACT

This change will enhance the Utilities Department’s ability to continue providing essential water and sewer services.

BACKGROUND & SUPPORTING EVIDENCE

Existing Situation: Factors Driving the Need for Change

In May 2019, the Utilities Department created the Interim Deputy Director – Engineering & Planning (Interim Deputy) position to manage the Water Resource Recovery Facility (WRRF) upgrade project. The WRRF Project is the largest capital improvement project ever constructed by the City. As the project manager, the Interim Deputy, oversees all aspects of the project, including managing and negotiating all project agreements including scopes of work, project budget and State Revolving Fund financing, change order review, compliance with the project-associated Construction General Stormwater Permit, and the need for consistency in project management as well as service as City liaison and point of contact for both internal and external communications for the project. In addition to overseeing the WRRF Project, the Interim Deputy manages and supervises the Interim Utilities Engineer and the Utilities Project Manager and oversees all engineering and planning for the department.

To fund the position, the Utilities department has frozen a Water Resource Recovery Facility (WRRF) Operator and a Water Resources Technician. Since May 2019, it has become apparent that these positions are critical and must be hired.

This request is to fund the Interim Director position thus “unfreezing” the WRRF Operator and Water Resource Technician positions so that they can be hired.

Stakeholders: Utilities Department, Water and Sewer Ratepayers

Section E2: Business Type Funds – Parking Fund

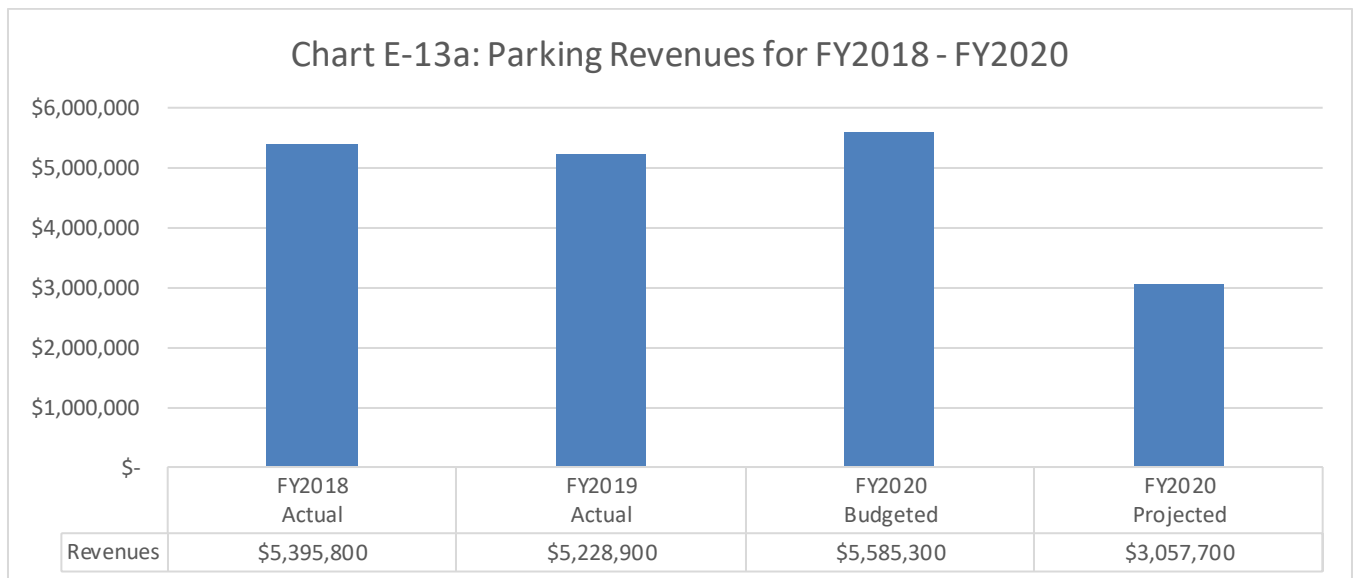
Overview

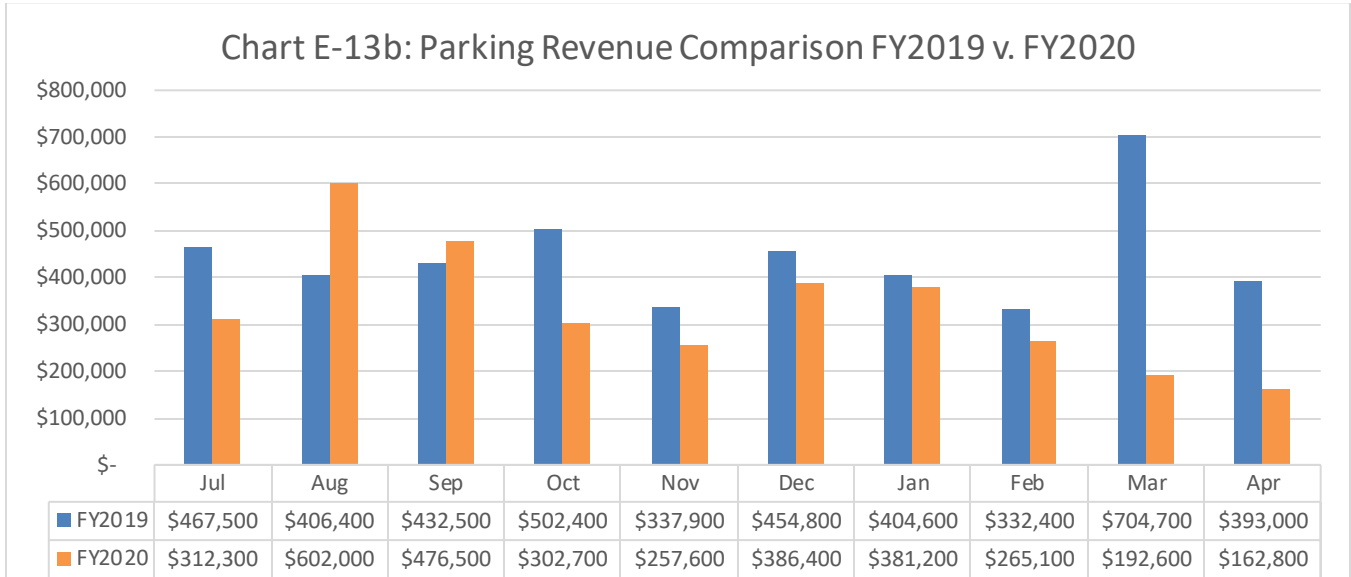
The Parking Fund review provides the updated supplemental budget for FY 2020-21 and revised projections for FY 2021-22 through FY 2024-25. The Fund Analysis includes strategies to address financial impacts of the COVID-19 pandemic. The Parking Fund revenues and expenditures projections through the end of February 2020 were in-line with end of year budgeted amounts adopted as part of the 2019 -21 Financial Plan; however, closure of the majority of businesses in the downtown as well as the closure of the Parking Services office to the public in response to the pandemic ceased nearly all new revenues for the remainder of FY 2019-20.

Impact of COVID-19 on the Parking Fund

As with the pandemic itself, the future economic impacts of COVID-19 are still unclear. Parking has developed a response strategy which includes suspension of most enforcement (except for egregious violations), waiving parking fees at meters and structures, and has made reductions to staffing, non-staffing, and Capital Improvement Plan (CIP) projects to close the gap between revenue and expenditures. Even with the recommended operating reductions, staff is anticipating a revenue shortfall of approximately \$5.9M between the two financial plan years as a result of the COVID-19 pandemic and the key role the Parking Fund will play in the efforts to revitalize the City’s downtown. The Parking Fund is expected to return to normal revenue levels by 2023-24.

The two charts below illustrate the significant reductions in revenues for FY 2019-20. The revenue shown for March 2020 in Chart E-13b illustrates the variance between FY2019 levels with FY2020. Billed revenue includes monthly structure access cards and lease space revenue that has been invoiced but will not be collected due to COVID-19 impacts.





Historical methodologies used to determine the immediate and forecasted health of the Parking Fund are challenged as Downtown businesses have been forced to close to public uses other than drop off and pick up which has altered the daily activities in our community. Parking Services, particularly not charging for many uses, will be used as a catalyst for economic revitalization of the downtown area once the shelter at home orders are lifted and businesses can re-open. Staff has identified multiple parking incentives that will be implemented in support of the downtown revitalization efforts. Furthermore, staff is recommending not implementing further downtown parking rate increases that were previously approved by Council. As part of the supplemental budget, Parking Services is proposing a resolution to suspend future rate increases as well as temporary suspensions of current rates to assist in the revitalization of downtown.

Another significant change to the Fund is pausing construction of the Palm-Nipomo parking structure which was anticipated to begin construction in the fall of 2020. The Fund will complete final design for the parking structure to be “shovel ready” but will not program the start of construction and its related debt issuance, operating costs, and revenues in the Parking Fund projections until the Fund is sufficiently stabilized from the COVID-19 pandemic impacts. However, staff will monitor and apply for any and all grants that this “shovel ready” project can apply for as economic stimulus.

The Fund is still able to maintain the minimum 20% operating reserve level as well as cover all current debt obligations in accordance with the City Financial Management policies.

Parking Services Initial Response to COVID-19

Parking Services has taken the following steps to respond to the significant reduction in revenue and in support of actions taken by City, county, state, and federal government agencies to address COVID-19:

1. **Compliance with the Fiscal Health Contingency Plan:** Following the plan, spending was reduced in operating and staffing and staff are responding to the “chill” by making only essential operational purchases and only hiring key positions that must be filled.

2. **Operating Expenditure Reductions:** The revisiting of all 2020-21 operating expenditures resulted in a reduction of \$385,771 including reductions to security services contract, cleaning contract, landscaping contract, parking meter services contract, and minor reductions in materials budgets as noted below. Parking staff will be reassigned to perform tasks previously covered by contracted services including structure cleaning and security.
3. **Design only of Palm/Nipomo Parking Structure:** The design of the Palm/Nipomo Parking Structure will continue to ensure that the project is “shovel ready” but no construction is recommended or projected in the CIP for the Parking Fund.
4. **No Increase in Rates:** Suspension of all previously approved rate increases that were programmed to take effect July 1, 2020.
5. **Reduced use of Supplemental Staff:** Parking staff working assignments were reconfigured factoring in use of new technologies so that staff are now able to cover multiple structures and lots more effectively. Additionally, permit holder parking locations have been reconfigured by management staff to optimize operating ability with new reduced staffing levels. This is an ongoing solution for staffing.
6. **Reduced Contract Services:** Reduced service levels for landscaping, cleaning, and structure security. Reduction to service contract levels will be supplemented by existing Parking staff that have been repurposed due to the COVID-19 pandemic that will actively work on cleaning and security. This is intended to extend through all of FY2020-21.
7. **Community Assistance:** In recognition that many community members and businesses are facing financial difficulties, Parking Services suspended parking meter payments and waived timed parking limits at all metered spaces. Staff have facilitated drop off and pick up zones. Further, parking citations were granted an additional 30-day extension beyond established procedures to allow for payment of the base fine amount only prior to citations becoming delinquent.
8. **Hiring Chill:** Froze two positions; the open Supervising Administrative Assistant position and the Parking Coordinator position. Reduced supplemental staffing by 47% due to no work available and have remaining supplemental staff performing duties to ensure the safety of the structures, appropriate use of the same, and some other duties to make up for reduced contract services.
9. **Reduction in CIP:** Reduced, deferred, or defunded certain CIP projects, totaling \$28,870,000. This amount includes costs and related debt issuance for construction of Palm-Nipomo.

Key Assumptions for the Parking Fund

Parking Services used the following assumptions to forecast the FY 2020-21 Fund Analysis and budget. These assumptions will continue to be monitored and updated as more information becomes available. Additional assumptions are included in Appendix B.

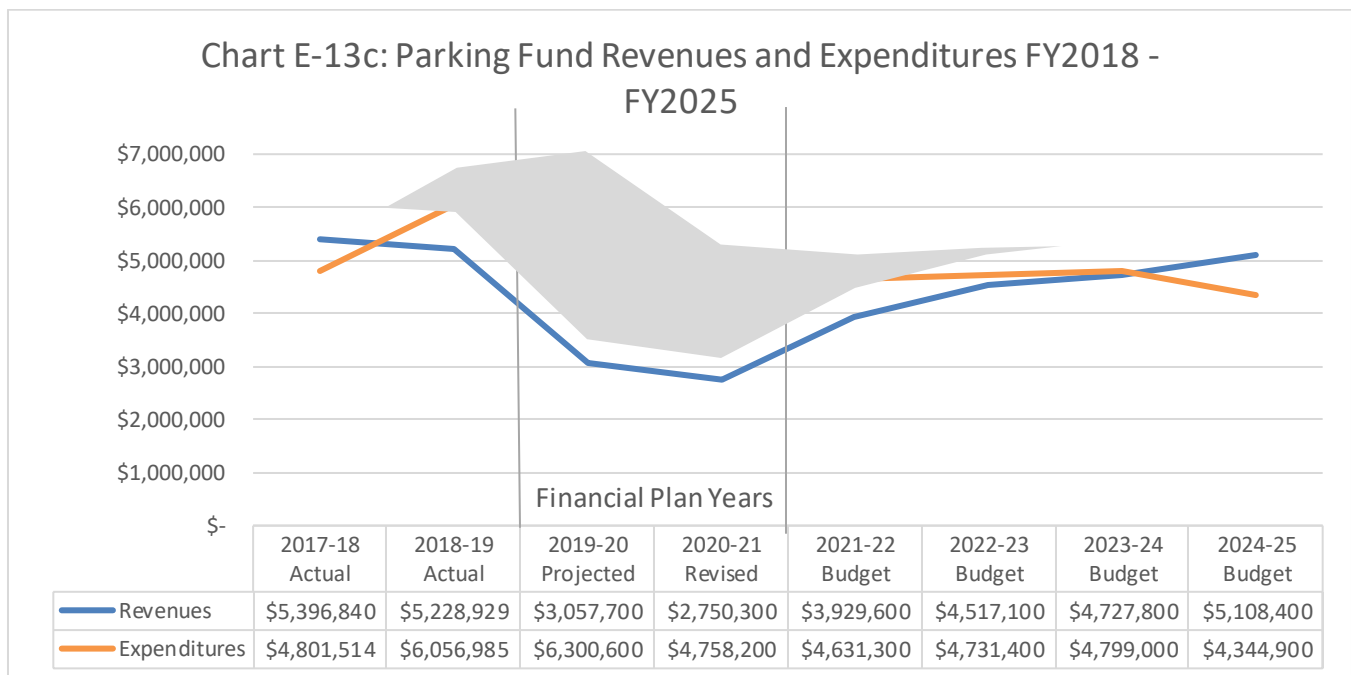
1. **Dramatic Decline in Revenues.** Reported Parking revenue for March 2020 was down 72% compared to March 2019. These numbers are derived from parking structure, metered parking, long-term parking, and lease revenues for both FYs. Similarly, revenue for April 2020 is down 59% compared to April 2019. The

forecast assumes that May and June will also be dramatically lower than comparable months last fiscal year.

2. **Parking Services Engagement in Economic Recovery Response.** Parking Services currently is and will be in the future engaged to assist with economic recovery by taking the following actions:
 - a. Not charging for parking fees for on-street parking or parking in the structures from March 19, 2020 to present and likely extending until January 1, 2021. Limited or no revenues are expected to be generated from daily parking for the remainder of FY 2019-20 and the first half of FY 2020-21. This equates to roughly a \$5.9 million dollar loss in revenue, but will greatly assist with the health, vitality, and recovery of the City’s Downtown.
 - b. Minimal revenues generated from citation issuance and contract parking for the remainder of the FY 2019-20 and the first two quarters for FY 2020-21.
 - c. Courtesy Curbside Pickup zones were developed to assist customers with reaching businesses while maintaining proper physical distancing.
 - d. Planned CIPs to improve parking meters in the downtown area will be used to upgrade to multi-space pay-stations and the introduction of Mobile-App payment options which will allow for an improved frictionless (contactless) parking experience.

2019-21 Financial Plan & Supplement Budget Review

It is anticipated that the Parking Fund Operating Budget will not exceed projected revenues until FY 2023-24 due to the significant economic downturn that has resulted from the COVID-19 pandemic and economic recovery efforts made by the City to assist with the revitalization of businesses. The chart below compares the operating budget to projected revenues for FY 2020-21 through FY 2024-25.



The shortfalls to the Parking Fund revenue are significant enough that the waiving of positions, reduction in operating budgets, and deferral of CIPs were not enough to balance revenue to expenditures. The City’s planned efforts to assist with the economic recovery for downtown business will reduce previously anticipated revenues for

the first half of FY 2020-21 and possibly beyond. **Reduced operating costs are anticipated to be greater than revised revenue projections, for both financial plan years and are planned to be funded using unreserved working capital.**

The decision to utilize Unreserved Working Capital in the Parking Fund was made after careful evaluation of other options.

Other options included defunding all CIPs, which was deemed too impactful to the City’s aged infrastructure and would not allow for technology enhancements that are required to reduce future operating costs in the long term. Further reductions to supplemental Parking staff were deemed unwise at this time due to decreases in more costly contract services for security, landscaping, and janitorial services that will now be performed in-house by Parking staff. In short, further operating reductions to balance revenues to expenditures would significantly impact Parking operations and severely limit the Fund’s ability to provide even the most basic parking services to the community.

Parking Fund Revised Expenditure Budgets

Below is a comparison of the adopted 2020-21 budget and the revised 2020-21 budget amounts which include the reductions listed above. The delivery cost to construct the Palm-Nipomo Structure is not included in the comparison chart because the significant cost, nearly \$29M, of the Palm-Nipomo Structure in relation to the other categories made the comparison difficult to display visually. The Parking Fund has deprogrammed the anticipated cost to construct Palm-Nipomo until the parking demand and Parking Fund has recovered.

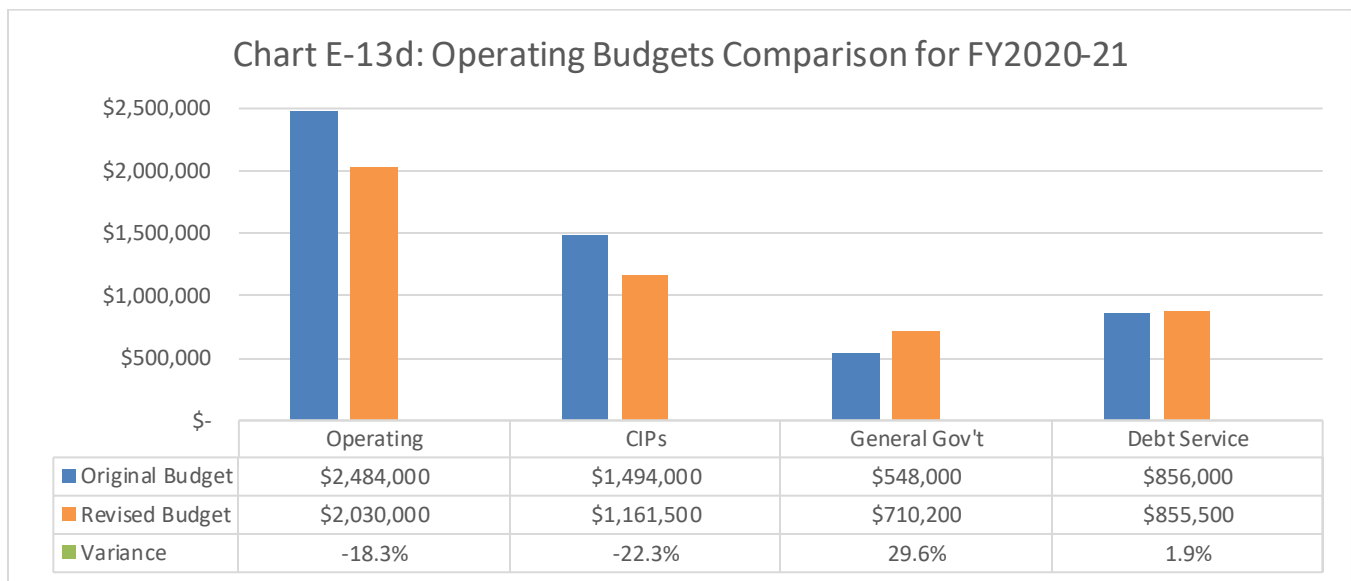


Table E-13a: Parking Fund Revised Budget For FY 20-21

Operating Expenses		Notes
20-21 Original Budget	\$ 2,484,000	
Non-staffing Reductions	\$ (168,200)	Incl. Contract Services
Staffing Adjustments	\$ (327,400)	Incl. Staffing Reductions and Freezing Positions
MOA Contingency	\$ 12,900	
PG&E Peak Hours Adjustment	\$ 28,700	
Revised 20-21 Budget	\$ 2,030,000	
General Gov't		
20-21 Original Budget	\$ 548,000	
General Gov't Adjustment	\$ 162,200	Adjustment to Allocation of Public Works Administration Co.
Revised 20-21 Budget	\$ 710,200	
Capital Improvement Plan Projects		
20-21 Original Budget	\$ 30,114,000	
Deprogrammed CIPs	\$ (28,952,500)	Incl. Palm-Nipomo
Revised 20-21 Budget	\$ 1,161,500	
Debt Service		
20-21 Original Budget	\$ 855,500	
20-21 Revised Budget	\$ 855,500	
20-21 Revised Budget Total	\$ 4,758,200	

Parking Fund Revenue Projections

It is anticipated that Parking Fund revenues for 2020-21 will experience significant shortfall equaling about half the total revenue received in a typical fiscal year. The chart below compares budgeted amounts for the fund's top six revenue sources between the original budgeted amounts for FY 2020-21 and the revised budgeted amounts for FY 2020-21. The table below shows the revenue impacts of changes in parking operations due to COVID-19 pandemic and to support the economic recovery of the downtown area.

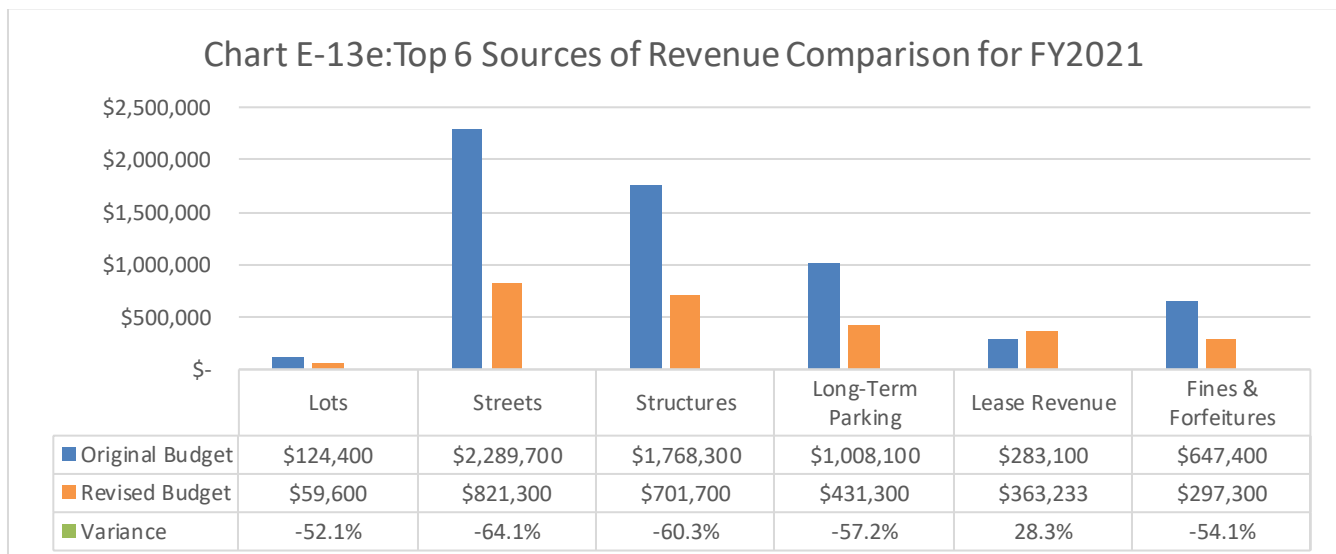


Table E-13b: Parking Fund Revised Revenue Projections For FY 20-21

Revenue	Parking Fund	Notes
20-21 Adopted Budget	\$ 6,045,000	
Less Rate Increase	\$ (727,300)	Rate increase approved as part of 17-19 Financial Plan
Reduced Enforcement	\$ (334,400)	
Waived Metered Parking	\$ (1,103,900)	
Reduced Structure Usage	\$ (771,900)	
Other Program Reductions	\$ (357,200)	Incl. long-term parking, lease revenue, and meter bags
Revised 20-21 Budget	\$ 2,750,300	

The impacts to the Parking Fund's Unreserved Working Capital balance is displayed in Appendix A.

Parking Fund CIP Budgets

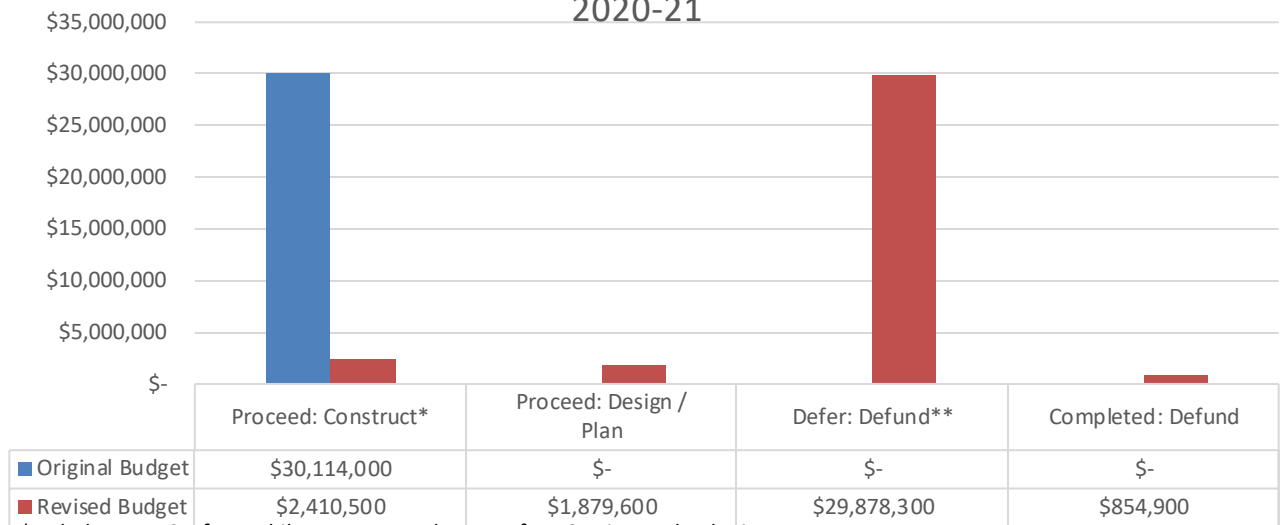
Budgeted Capital Improvement Plan (CIP) projects for FY 2019-20 and FY 2020-21 have been reviewed and assigned to one of four categories: Proceed – Construct, Proceed – Plan / Design Only, Defer - Defund, and Completed – Defund. The recommendation to proceed with certain projects while deferring/ defunding other projects is based on the Parking Fund's need to maintain current assets while still supporting the City's Major City Goals by providing improved services to community members.

The most significant change to CIPs is the recommendation to proceed with the planning and design for the Palm-Nipomo parking structure but not to proceed with construction until such time that the Fund is deemed healthy enough to support the on-going debt obligations and operational costs associated with the new parking structure. Another change is the recommendation to not fund the single space parking meter upgrades previously approved by Council but, instead, to use the funds to purchase and implement new infrastructure including mobile payment technology and pay-on-foot stations.

Planned CIPs for payment infrastructure (Mobile-Apps and on-street pay-on-foot stations) will enhance communications from Parking Services to the customer base allowing for an easier, seamless interaction. The addition of these technologies will allow customers to be informed of incentive offerings when parking in the community while allowing the customer to choose a level of physical interaction with Parking that they are most comfortable with. Additionally, these technologies will provide data that will be used to help guide parking demand and ensure proper usage of all available resources.

The chart below shows the Parking Fund CIP projects by the categories listed above. These figures include CIP budget across both Financial Plan years as well as previously funded and open projects that have carried over into FY 2019-20. The chart also includes the newly proposed project reallocate funds for single-space parking meter upgrades to new payment infrastructures.

Chart E-13f: Capital Improvement Plan (CIP) Budgets for FY2019-20 & 2020-21



*Includes new CIP for Mobile Payment and Pay-on-foot Station Technologies
 **Includes construction costs for Palm-Nipomo

The Major City Goal Economic Recovery Response

As the City and the community look to emerge from the impacts of the COVID-19 pandemic, Parking Services will largely be involved in helping incentivize the customers and employee base to return to the downtown. Parking Services is planning to offer waived parking fees at meters, lots, and structures for a minimum period of three months. Discounted and additional waived parking fee options such as 100% parking validations for daily customers in the parking structures; and reduced rate quarterly meter permits and PROX cards will be offered beyond the initial waived three months that are planned to support revitalization efforts. Parking Services has estimated that these initial offerings could continue for a much greater period, somewhere in line of six months to one year depending on future resurgence of the virus.

Proposed Parking Initiatives

Below are highlights of other presently contemplated initiatives to both help residents, businesses, the community, and the Parking Fund begin to recover economically. At the October revise, staff may have further initiatives for Council’s consideration.

1. Metered Parking Spaces

- a. Payment for metered spaces will be suspended from present until on-street spaces meet or exceed 50% peak daily occupancy for two consecutive weeks.
 - i. Meter time limits and safety violations are enforced
- b. 10-Hour Meter permits offered at a reduced rate (2/3 cost) to downtown employees from the beginning of the reestablishment of hourly parking rates for a period no longer than three months.

2. Parking Structures

- a. Payment in all city parking structures will be suspended from present until structures meet or exceed 50% peak daily occupancy for two consecutive weeks.
 - i. No overnight parking (except for DROP program participants)
 - ii. Safety violations are enforced

- iii. 1 additional hour of waived parking fees in all structures will be offered from the beginning of the reestablishment of hourly parking rates for a period no longer than three months.
- b. PROX Cards offered at a reduced rate (2/3 cost) to downtown employees from the beginning of the reestablishment of hourly parking rates for a period no longer than three months.
- c. Web-validations will be offered to downtown businesses for customers use only in the Marsh Street and Palm 919 structure from the beginning of the reestablishment of hourly parking rates for a period no longer than three months. Validation is for 100% of one (1) day stay in the structure at no charge to downtown business.

3. Parking Lots

- a. Waived parking fees in Lots 9, 14, and 15 from present until surface parking lots meet or exceed 50% peak daily occupancy for two consecutive weeks.
 - i. No overnight parking
 - ii. Safety violations are enforced
- b. Waived parking fees in Lots 9 and 15 from the beginning of the reestablishment of hourly parking rates for a period no longer than three months.
- c. Parking Services is also considering offering waived parking options during the 2020 holiday season to encourage increased business for retail and dining establishments.

Next Steps – Considerations in Advance of October Budget Revisit

The economic climate is fluid and the complete future impacts of the COVID-19 economic downturn to the Parking Fund are unknown. Parking Services will continue to monitor its budget weekly, observe what other parking agencies are doing in California, actively partner and coordinate with DowntownSLO, participate in the City's Economic Recovery and Resiliency Major City Goal, coordinate with Cal Poly on technological solutions to Parking to remain aligned and better prepared to serve shared visitors, students, staff, and faculty, and actively assess forecasted revenues and expenditures in advance of the October budget review by the City Council. This will include:

1. Daily monitoring of parking usage and revenue.
2. Identification of additional economic recovery efforts and financial impacts to incentivize customers and employees to return to normal business operations in the downtown.
3. Continuation of coordination efforts on the Downtown Right-Of-Way (ROW) project and impacts to traffic, parking and revenues for the City.
4. Implementation of pay-on-foot machines and mobile apps to replace meters in the downtown area. Adoption of these technologies should increase compliance with established parking policies and reduce annual maintenance and operating costs associated with the current single-space parking meters.

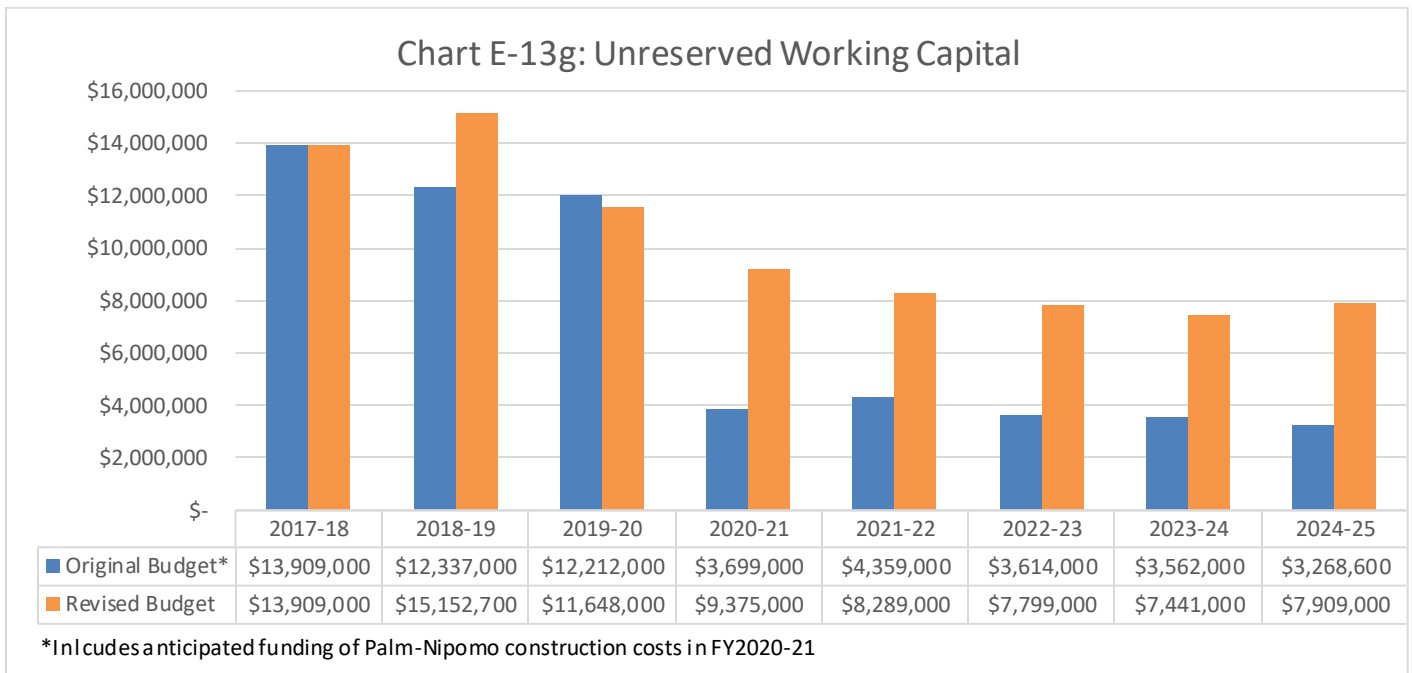
Parking Appendix A: Parking Fund Recommended 2020-21 Budget Changes

Unreserved Working Capital

It is the City's policy to maintain a *reserved* working capital balance of 20% of operating expenditures for enterprise funds. All working capital that is not designated is unreserved. This is considered the minimum level necessary to maintain the City's credit worthiness and to adequately provide for:

1. Economic uncertainties, local disasters, and other financial hardships or downturns in the local or national economy.
2. Contingencies for unseen operating or capital needs.
3. Cash flow requirements.

There is a significant change in the Parking Fund's Unreserved Working Capital beginning in FY 2020-21 as a result of the deferral of the Palm-Nipomo parking structure CIP project. \$10M of the project construction costs were anticipated to be funded through Unreserved Working Capital while the remaining construction costs would be funded through debt financing. The deferral of the Palm-Nipomo project allows for Unreserved Working Capital to be used to cover the Fund's revenue shortfalls over the next four years while still maintaining the 20% operating reserve.



Parking Appendix B: Detailed Budget Assumptions for 2020-21 Supplement

The following assumptions have been programmed into the long-term forecast of the Parking Fund. These assumptions will be revisited in the fall when staff returns to Council with an update to the City's financial position.

Revenue Assumptions

- a. All approved rate increases for downtown parking programs that were scheduled to take effect on July 1, 2020 have been postponed and deprogrammed from the budget forecast until such time that it is determined appropriate to implement the increases.
- b. It is anticipated to take four years to fully recover from the financial downturn that has resulted from the COVID-19 pandemic. Staff assumes revenue levels will return to normal in 2023-24.
- c. On-street parking meter and parking structure fees will be waived during the 1st quarter of 2020-21. Parking structures will provide an additional 60 minutes waived in the structures for the 2nd quarter of 2020-21.
- d. Metered lot parking fees will be waived for the 1st quarter of 2020-21 in Lot 14 and for the 1st and 2nd quarters of 2020-21 in Lots 9 and 15 in support of downtown employees.
- e. 10-hour meter permits and monthly day time garage access cards will be offered at a reduced rate for the 1st and 2nd quarters of 2020-21 in support of downtown employees.
- f. Parking enforcement will return to 'normal' operation beginning July 1, 2020 but the focus will be on safety violations and timed parking violations to ensure proper utilization of space in the downtown neighborhood.
- g. Parking revenues from Lot 14 will continue until a new construction start date for the Palm-Nipomo parking structure has been determined.
- h. Residential parking permit rate increase, approved as part of the 2017-19 Financial Plan, will still take effect on July 1, 2020.
- i. Lease revenue from Hotel Cerro project will continue to be transferred to the General Fund to fund key downtown positions in the Police Department.

Operating Assumptions

- a. Staffing costs includes \$12,869 for MOA contingency.
- b. Reductions to service contracts is assumed to be on-going and some services will now be performed by City staff.
- c. General Government expenses reflect increases from the most recent Cost Allocation Plan.
- d. Assumes increase in electricity cost of \$28,664 to reflect PG&E rate adjustment.
- e. The Palm-Nipomo parking structure, including on-going operations costs and debt service, have been deprogrammed until a new construction start date can be determined.
- f. Capital improvements for structure maintenance projects in 2020-21 are still funded.
- g. Funds approved for the upgrade and replacement of single space parking meters will be reallocated to fund the installation of on-street multi-space pay stations; pending Council approval.
- h. Assumes Finance and Information Technology CIP projects that are proportionately funded by the Parking Fund will occur in the projected years.

Section E2: Business Type Funds – Transit Fund

Overview

The Transit Fund Supplement review presents a look at the annual Transit Enterprise Fund for Fiscal Year 2019-20 (FY20) and provides a revised budget for Fiscal Year 2020-21 (FY21). The forecast looks at key issues and trends which could have an impact on the overall health of the fund. In this regard, staff is pleased to report that due to the COVID-19 Aid, Relief, and Economic Security Act (CARES Act) funding, the Transit Fund will remain balanced, and likely end FY 20 consistent with original operating assumptions adopted with the 2019-21 Financial Plan, despite the impacts from the COVID-19 pandemic.

As with the pandemic itself, the future economic impacts of COVID-19 are still unclear. Historical assumptions used to determine the immediate and forecasted health of the Transit Enterprise fund have significantly changed but have been tempered by unanticipated supplemental funds provided by the CARES Act. Based on knowledge to date, the Transit Program has compiled available data and performed an analysis to develop a strategy for the fund.

Below is a summary of changes in Transit operations, which have occurred since March 2020 in response to COVID-19, and which will impact the FY 21 budget.

1. **Significant Decrease in Ridership.** In direct response to the COVID-19 pandemic and the Shelter-In-Place order issued on March 20, 2020, transit ridership has decreased by as much as 85%. For FY 21 ridership is anticipated to remain low with continued social distancing measures still in place, community members are anticipated to be reluctant to share enclosed spaces and transit use by Cal Poly students (the largest category of riders) being unknown.

Ridership has historically been one of the many indicators for gauging the success of a transit program and to some degree, financial stability. However, because of the possibly long-lasting impacts from COVID-19 and associated mitigative measures, the Transit Program remains dedicated to providing a safety focused public transit model rather than a high ridership model at this time. Regardless of the reemphasized focus of priorities, financial soundness is still achieved during this Financial Plan largely due to the funding provided by the CARES Act.

2. **Weekend Service Only (Seven Days a Week).** Since March 20, 2020, and consistent with other local and regional transit providers, service levels have been adjusted to match ridership demand. The City's transit system has moved from the robust "Academic Schedule" to essential "Weekend Service" levels. This has resulted in cost savings in the current fiscal year. For FY 21 transit service levels are still expected to be reduced.
3. **Community Assistance.** To aid the community during these times of crisis and as an industry best practice during emergency situations, SLO Transit implemented a "Fare-Free" model on March 26, 2020. The "Fare-Free" mode, where riders do not have to process cash or bus passes at the driver's farebox, financially assists riders and allows for increased social distancing opportunities by reducing interactions between drivers and riders by allowing for rear-door boarding.

At this time, the Transit Program expects to remain “Fare-Free” until the end of the FY20 and is expected to reduce Transit Fund revenue by approximately \$50,000 in cash and bus pass. Even when the Transit Fund resumes collecting fares in FY 21, because of the expected losses in ridership, locally generated revenue in the form of cash and bus pass sales will continue to be reduced from prior years. Based on the scale of the pandemic and current conversations being held at the State level, the State is anticipated to forgo the mandated 20% operation cost recovery requirement. Farebox recovery is elaborated upon further in this document. Additionally, the CARES Act funding can replace the local requirement and this usual stipulation should not be a concern for 2019-20 and 2020-21.

4. **Cal Poly.** Historically Cal Poly University has contributed a fixed amount of funding towards a portion of their student body related ridership. For FY 20 the contributing amount was \$533,139 and is paid to the Transit Fund quarterly installments of \$133,285. As result of suspending the remainder of the Cal Poly’s Spring Quarter, Cal Poly has requested a 75% reduction for the last (reducing payment to \$33,321) to match provided service levels to Cal Poly. This reduction brings Cal Poly’s Transit Fund contribution to \$443,179 for FY 19/20. Similar reduction requests are expected in FY 20/21.

Several scenarios have been reviewed to assess what the Cal Poly’s school year may look like in the Fall but those are caveated with the decisions that have yet to be made by the California State University (CSU) system and Cal Poly’s implementation CSU guidance or orders at the local level. At the time of writing this report, the situation is fluid and Cal Poly has not made any decisions about the next school year.

For FY 21 the Transit Fund model assumes increased operational expenses of the “Academic Schedule” with reduced revenue. This model was selected due to the need to maintain physical distance between riders, reducing the total occupancy of a transit vehicle. This model provides for greater opportunity for physical distancing and will be adjusted to match ridership demand. This Transit Fund model is financially achievable due to CARES Act funds.

The Transit Program is actively working with Cal Poly to negotiate a new agreement for transit services. The Transit Fund model assumes Cal Poly’s contribution for FY 21 will be 65% (\$346,540) of the previously agreed amounts due to reduced ridership. Additionally, increased service frequency will be required to provide for the health and safety of Cal Poly Students.

5. **Health and Safety Materials.** To mitigate the exposure of drivers who share an enclosed space with passengers, Personal Protective Equipment (PPE) in the form of UV lights, cleaning and sterilizing solutions, nitrile gloves and facemasks have been procured resulting in approximately \$22,000 in unexpected costs for FY 20. Other capital costs such as driver barriers and air conditioning mounted UV lights are pending quotes and recommended to be funded by the CARES Act. Expenditures for continued procurement of PPE in FY 20/21 is anticipated and included in Transit Fund model.
6. **Health and Safety Operational Changes.** Transit operational procedures have been put in place to help protect passengers and drivers from virus transmission. These measures include passenger

rear-door entry only, marking off seats so that there is some space between passengers, providing appropriate transit service frequency so that buses do not exceed 15 passengers at any given time, and providing Public Service Announcements (PSA) to riders consistent with County of San Luis Obispo recommendations.

7. **Anticipated Funding.** The CARES Act will provide the Transit Fund up to **\$4,196,099** in direct response to pandemic operating and capital costs. CARES Act funds will subsidize typical transit funding sources for operational and pandemic related costs for portions of the current and into the next fiscal year.

Key Revenue Assumptions

The Transit Fund used the following assumptions to forecast revenues for the Fiscal Year 2020-21 Supplemental Budget. These assumptions will continue to be monitored and updated as more information becomes available.

1. Transit ridership will be significantly reduced. Transit has used a decline in overall ridership of 50% (500,000 rides) for the model. These numbers assumed that a number of current riders will take only essential trips and Cal Poly students' usage will be lower than past years as well due to remote learning. Transit service will be scaled to match ridership demand. Reduced revenue due to ridership decline is matched by reduced transit operating cost and further offset by CARES Act funding.
2. A new agreement or an extension of the existing agreement with Cal Poly for transit services will be approved. This work is currently underway but challenging to secure due to the unknowns brought on by COVID-19.
3. The transit fund model assumes that FY 21 allocation of Transit Development Act Funds (TDA) will be reduced as a result of the economic impacts of COVID-19 combined with lower fuel prices from which most of these funds are derived.
4. Only a portion of FY 20 Federal funds are required to be used for operational costs and none will be required in FY 21. Those traditional funds are replaced by CARES Act funds. These funds are still available for future years and are available to reimburse the Transit Fund for eligible expenses. The Transit Fund model assumes deferment of reimbursement of these Federal funds to future fiscal years to address operational needs.
5. CARES Act funds will provide the majority of revenue to the Transit Fund in FY 2021, allowing the fund to carry over unspent Federal funds into future fiscal years, as elaborated further in this document.

Using these revenue assumptions, **transit revenue will be \$350,180 below the original projection for FY 20 and approximately \$180,643 below for FY 21.** CARES Act funding will be used to fund all revenue shortfalls and pay for 100% of the operating costs for much of the year. Remaining costs will then be covered by typical Federal and State funding sources.

Revenues – Transit Fund

Annually, the City receives funding for its Transit Program from the following funding sources:

Table E-14a: Historic Transit Financial Model

Typical Transit Funding Sources	% of Annual Budget	Date Funds Received
Federal 5307 Funds (FTA)	36%	Reimbursed After Fiscal Year
CA Local Transportation Funds (LTF)	38%	Paid Quarterly During Fiscal Year
CA State Transit Assistance Funds (STA)	6%	Paid Quarterly During Fiscal Year
Local Farebox Revenues	7%	Collected Throughout Fiscal Year
Cal Poly Transit Agreement	13%	Paid Quarterly During Fiscal Year

1. CARES Act Funds

The Coronavirus Aid, Relief, and Economic Security Act (CARES Act) provides \$25 billion specifically to transit agencies to prepare for and respond to the COVID-19 pandemic. Funding will be provided at a 100 percent (federal share) cost coverage, that requires no local match, and will be available to support capital, operating, and other expenses generally eligible under transit programs. All operating expenses incurred beginning on February 1, 2020 (representing five-twelfths of the fiscal year), can be funded by the CARES Act, including capital costs associated with the pandemic.

The CARES Act will provide \$16,347,083 for the San Luis Obispo County region, of which the City's Transit Program is estimated to receive \$4,196,099. There is \$7.1 of CARES Act money allocated to the San Luis Obispo Urbanized Area (SLO UZA). However, because RTA provides the para-transit operations (door-to-door specialized bus service) on our behalf, they are entitled to a portion of the areas funds. This is why the Transit Fund has programed the \$4.1 Million in CARES Act funds. This funding will subsidize operational costs for portions of FY 20 and all of FY 21.

2. Annual Federal 5307 Transit Assistance Funds

Transit Services receives an annual allocation of Federal Transit Assistance (FTA) funding that is formula-based. It is provided to transit agencies and calculated by population and service level categories. This Federal assistance is known as Federal 5307 funds. The annual allocation of Federal 5307 is an automatic expected throughout the life of FAST Act, the current federal law that provides transportation funding and which was enacted in 2016. While the allocation is available annually to the Transit Fund, the Fund can only access these funds – or “draw them down” – as a reimbursement when there are eligible expenses that have not already been covered by another funding source.

The 2019-21 Financial Plan Fund Analysis projected FTA funding of \$1,488,983 in FY 20 and a similar amount for FY 21. At the time of writing this report, these funding levels are expected to stay the same, despite the infusion of CARES Act funds. 5307 funding will still be used to pay up-to 40% of Transit's operating costs from July 1, 2019 to January 31, 2020 (approximately \$771,641). CARES Act funds will then pay for 100% of the remaining fiscal year from February 1, 2020 to June 30, 2021, including all COVID-19 related costs.

With the City's receipt of CARES Act funds, there will be an unused balance of FTA 5307 funds of approximately \$671,641 in FY 20 and growing to \$1,597,111 (total combined amount of FY 20 and FY 21) in FY 21. These funds are provided to a transit agency as reimbursement for eligible costs. Since CARES Act

funds will provide operational funds, the unused 5307 funds are recommended to be used towards bus replacements and in later years reimbursable operating costs not covered by CARES Act funds.

3. California Transportation Development Act Funds

The California Transportation Development Act (TDA) is comprised of two sources of funding for transit programs, Local Transportation Funds (LTF) and State Transportation Assistance (STA) funding. LTF is derived from a ¼ cent collected in retail sales taxes. STA is derived from the statewide sales tax on diesel fuel. Both funds are distributed to the regions by the State. Combined, these funds average 40% to 44% (depending on the volatility of other funding sources) of the Transit Program's annual operating costs. As opposed to 5307 money which is given to us as reimbursement, TDA funds are dispersed up front. The County Auditor projects the estimated revenues of these funds and are received on a quarterly basis throughout the year.

At the time of writing this report, these funding levels are expected to stay the same for FY 20. Given the current pandemic and related measures, LTF funding will be severely impacted due to business closures and the rapid decline in sales tax. In FY 21, this funding amount is anticipated to be reduced by as much as 33% to 50%, which aligns with assumptions made by SLOCOG and RTA.

Due to CARES Act funding, which will pay for 100% of Feb 1st to June 30 operational costs, the Transit Fund is estimated to have unused California TDA funds of approximately \$735,937. These funds are recommended to remain in unreserved fund balance to support future fiscal years needs based upon the likelihood that future California TDA funding will be reduced as a result of the economic impacts of COVID-19 pandemic.

4. Local Fare Revenue

Locally generated revenues such as bus pass sales and cash fares are collected and used to support transit service operating costs. Specifically, the State requirement is that no less than 20% of the operating cost be recovered from locally generated revenues. With potentially large losses in ridership and increased remote learning opportunities from Cal Poly, locally generated revenues are anticipated to decline by 50%. This is a conservative fund model since the current emergency is drastically different from previous economic recessions that historically resulted in an increase of ridership. Staff will continue to monitor revenues and will take necessary corrective actions to respond to ridership demands and Transit Fund resiliency. CARES Act funding is eligible to offset declines in local generated revenue.

It is important to note that failure to meet the 20% locally generated revenue for three years in a row can be penalized by a reduction in State TDA funds. However, the City has not failed to generate the 20% local match requirement in the past and there has been no indication from the State this requirement will be enforced given the current situation.

5. Local Partnership with Cal Poly

An additional source of locally generated revenue arises from a partnership agreement with Cal Poly to reimburse the City for a portion of student ridership costs. Cal Poly ridership makes up as much as 65% of the total ridership of the City's transit system. An extension to the originally signed long-term agreement was approved by Council while negotiations for a new long-term agreement were underway. These

negotiations are anticipated to take longer than originally assumed due to the economic uncertainty brought on by COVID-19.

The Cal Poly funding model has built in flexibility. This will allow the Fund to achieve some costs savings yet have the ability to ramp up service levels corresponding to transit ridership demands if necessary. The Cal Poly transit agreement that has been previously discussed will assist with locally generated revenue, albeit the Fund is less reliant on this because of the infusion of CARES Act funds and the State dispensing with the 20% Farebox recover mandate. However, in the spirit of cooperation, the Transit contribution will be at a reduced cost to Cal Poly and assumed at 50% (\$346,540) of previous years' contribution. This is aimed to reflect assumed reductions in ridership yet help ensure scalability of transit frequency to provide for the health and safety of Cal Poly Students, and the City and Cal Poly's long-term partnership to address community needs.

Key Operating Changes

The Transit Fund has taken the following steps to respond to the current conditions:

1. Operational service costs have been reduced for FY 20-21 and are reflective of the less robust transit service levels that correspond with reduced ridership levels. As a result of reduced transit services, lower operational costs will be incurred by the City's transit service contractor and less compensation is provided by the City to the contractor than in previous years.
2. The City's transit service will continue to implement industry best practices and County, State, and CDC guidelines and orders for Personal Protective Equipment (PPE). Driver PPE such as gloves and masks will continue to be a necessary and new operational expense in this area are included in the Fund Model. Riders are also encouraged to bring their own PPE when taking essential trips on public transit.
3. Due to reduced transit service frequency and operational service hours, reduced fuel and maintenance cost will produce further savings, as elaborated upon later in this document.
4. Additional operating cost savings have been achieved by reductions in travel, training, marketing, and computer supplies budget line items, consistent with the Fiscal Health Response Plan.

Operating Expenses – Transit Fund

1. **Contract Services** - On July 1, 2019, the City entered into a fourth and final year of an operational contract with First Transit LLC. The contract allows for up to three one-year extensions. On March 3, 2020, Council approved the first of the three possible extensions for Fiscal Year 2020-21. As in the base four-year contract, the contractor is reimbursed a fixed amount for overhead and administration and a variable amount for transit service hours.

As a direct result of the COVID-19 pandemic, transit operating service hours and levels are less robust than previous years' service levels and corresponded to reduced ridership demand. This results in a cost savings of approximately \$348,000 in FY 20/21.

2. **Fuel** - Fuel costs historically had been volatile and difficult to predict. Fund forecasts for fuel had previously assumed a cost of \$3.40 per gallon, however, the pandemic has resulted in reductions

in fuel costs both locally and globally. The Transit Fund Model currently projects to save approximately \$90,007 in fuel costs in FY 21 based on fewer miles driven and current fuel cost.

3. **Capital Projects** - Capital expenditures will be limited to those projects deemed essential, that stimulate economic recovery; and can be funded largely from grants, keeping the local match requirements to a minimum.

Of those projects, preparing for the retirement and replacement of two 2007 diesel buses is considered essential as these buses have reached the end of their service life, are showing wear, and are prone to service failures. These bus replacements have been awarded a discretionary grant to assist with funding, and if not used to replace these buses, the grant funds would need to be returned. They are recommended to be replaced with electric buses resulting in a decrease of Greenhouse Gas emissions.

While the discretionary grant funds awarded for bus replacements are less than previously anticipated, the grant allows for use of 5307 Federal funds to off-set any shortfalls. Even with the grant funds and use of 5307 Federal funding, \$530,428 of unreserved transit fund balance is required to complete the project.

Table E-14b: Anticipated Transit Electric Bus Purchase CIP Fund Amounts vs. Actuals

	Original Projection	Revised
Capital Revenues		
SB1	378,000	285,459
LCTOP	517,000	256,731
Federal Grant Funds	-	671,641
Unreserved Working Capital	849,259	530,428
Capital Expenditures		
Two (2) electric buses	1,744,259	1,744,259

Note: Less Unreserved Working Capital is need, as a result of CARES Act funds freeing up 5307 Federal Funds that can now be used toward Capital purchases.

Procurement of these electric buses will be brought for Council consideration in July of 2020.

Outlook

Despite the negative impacts of the COVID-19 pandemic, the Transit Fund is stable largely due to CARES Act funding. The reduction in transit service hours have produced cost savings that help to offset current losses in revenues. Moving forward the CARES Act funds will be the primary revenue source for the Transit Fund for FY 21. Typical FY 21 annual allocations of Federal 5307 and State Transit Development Act (TDA) Funds will then be deferred for future use in FY 22. Transit service levels will be monitored closely and will be programmed to align with ridership demands so that community members have this transportation option.

Table E-14c: Summary of Recommended 20-21 Budget Changes

<i>In Thousands</i>	2018-19 Actuals	2019-20 Budget	2019-20 Projected Actuals	2020-21 Original Budget	2020-21 Revised Budget	Projected 2021-22	Projected 2022-23	Projected 2023-24	Projected 2024-25
Operating Revenues									
FTA Grants	1,485	1,489	772	1,511	-	1,458	1,372	1,413	1,427
TDA Revenues (LTF)	1,646	1,598	1,472	1,572	799	1,535	1,842	2,118	2,139
TDA Revenues (STA)	205	206	206	259	104	110	165	247	249
CARES Act	-	-	1,390	-	2,806	-	-	-	-
Service Charges	777	817	673	840	467	481	485	490	495
Investment and Property Revenues	3.8	5.8	5.8	6.5	5.8	5.9	5.9	6.0	6.0
TOTAL REVENUES	\$ 4,116	\$ 4,116	\$ 4,519	\$ 4,188	\$ 4,182	\$ 3,589	\$ 3,870	\$ 4,274	\$ 4,317
Operating Expenditures									
Purchase Transportation	2,851	3,235	2,929	3,292	2,781	2,808	2,836	2,865	2,893
General Government/Admin	391	587	569	590	568	574	579	585	591
Cost Allocation	320	277	277	282	322	325	328	331	335
TOTAL EXPENDITURES	\$ 3,562	\$ 4,099	\$ 3,774	\$ 4,164	\$ 3,670	\$ 3,707	\$ 3,744	\$ 3,781	\$ 3,819
Changes in Financial Plan									
Working Capital, Beginning of Year									
	2,234	2,788	2,234	2,805	2,978	3,489	3,372	3,497	3,990
Over / Under Expenditures	554	17	744	24	511	(118)	126	492	497
Working Capital, Year End	2,788	2,805	2,978	2,829	3,489	3,372	3,497	3,990	4,487
Reserve (20% of operating)	712	820	755	833	734	741	749	756	764
Designated Working Capital	-	-	-	-	-	181	-	-	-
CIP Designated Working Capital	1,442	-	-	-	530	-	-	-	-
CalPERS Downpayment				51		51	51	51	51
Unreserved Working Capital	\$ 633	\$ 1,985	\$ 2,223	\$ 1,945	\$ 2,225	\$ 2,399	\$ 2,697	\$ 3,182	\$ 3,672

Note: FY 2020-21 will receive a big sum of CARES Act funds paying 100% of operating Costs. Federal 5307 and TDA savings will then be reinvested in the subsequent years.

Table E-14d: Transit Capital Revenues vs. Expenditures

	Adopted 2019-20	Projected 2019-20	Adopted 2020-21	Revised 2020-21	Projected 2021-22	Projected 2022-23	Projected 2023-24
Capital Revenues							
SB1	-	285,459	9,000	9,000	9,000	9,000	9,000
LCTOP	-	256,731	9,000	9,000	9,000	9,000	9,000
Federal Grant Funds	0			671,641	4,800,000	0	1,732,000
Unreserved Working Capital	1,200,000			530,428			
Capital Expenditures							
Two (2) electric buses	1,744,259			1,744,259			
Six (6) electric buses					4,800,000		
Two (2) electric buses							1,750,000

Note: FY 2021-22 and subsequent fiscal year bus purchases are subject to grant funding.

Transit Fund

Transit Appendix A: Transit Fund Recommended 2020-21 Budget Changes

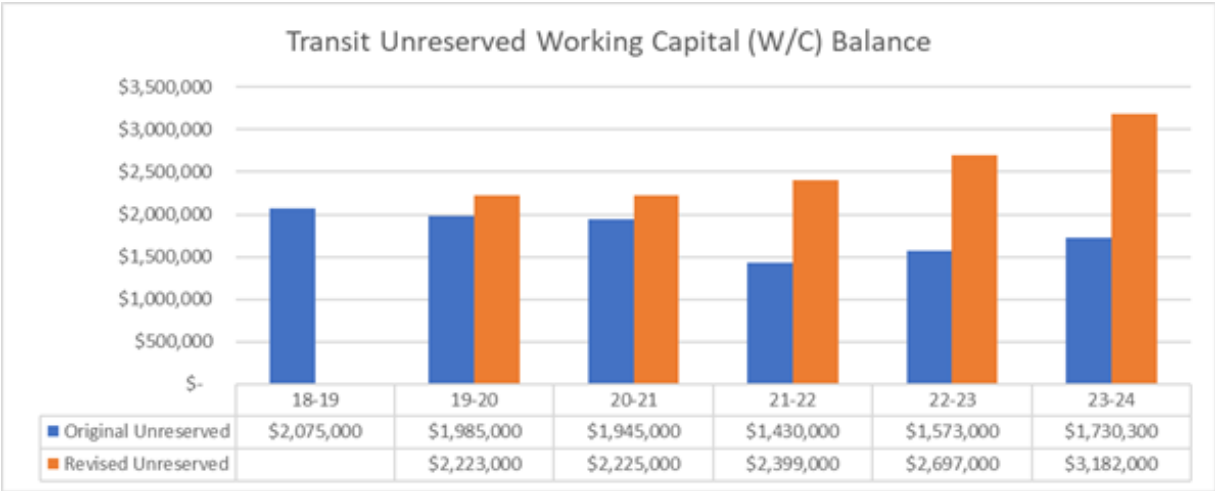
Unreserved Working Capital

It is the City’s policy to maintain a reserved working capital balance of 20% of operating expenditures for enterprise funds. This is considered the minimum level necessary to maintain the City’s credit worthiness and to adequately provide for:

1. Economic uncertainties, local disasters, and other financial hardships or downturns in the local or national economy.
2. Contingencies for unseen operating or capital needs
3. Cash flow requirements.

All working capital that is not designated is undesignated. The current undesignated working capital balance (net of required reserved amount) in the Transit funds is \$2.2 Million

The blue “Original Budget” bars in this graph shows the undesignated working capital balances as they appeared in the original 2019-21 Financial Plan. The orange bar in this graph represents the projected unreserved working capital balances with the CARES Act funding supplementing traditional transit funding sources, changes in operating costs, capital purchases and reductions in revenues being made to the FY 21 Supplement Budget.



Department Performance and Workload Measures				
CITY ADMINISTRATION & INFORMATION TECHNOLOGY DEPARTMENT				
Summary				
<p>The City Administration department is responsible for providing information and recommendations to the City Council, implementing Council policies and programs as well as managing the day-to-day operations of the City. It is the lead department charged with overseeing the implementation the Council’s Major City Goals. The department is also responsible for coordinating the City's economic efforts including the City's Tourism program; includes a new Office of Sustainability that houses the City’s Climate Action Program, Natural Resources Program, Creeks and Watersheds Program and Community Partnerships; and, provides the City's information technology resources and oversees the City Clerk program. It serves as the liaison to Downtown SLO, the Revenue Enhancement Oversight Commission, and Monterey Bay Community Power</p>				
Performance Measures				
Measure/Explanation	Target 2019-20	Actual* 2019-20	Target 2020-21	
Maintain City Network Reliability Uptime Status	99.90%	99.90%	99.90%	
<p>The indicator is expressed as the percent of uptime each year that the City's core network is online and available 99.999% of the time (no more than 8 hours per year of unscheduled and uncontrollable downtime).</p>				
Open City Hall Participant Satisfaction Rating	90%	93%	90%	
<p>Open City Hall is the City's main online platform for civic engagement. A variety of topics are regularly posted, and each member of the public is asked to complete a brief satisfaction survey regarding their experience using the tool. Regular use of Open City Hall by both the staff and public is a cost-effective way to increase engagement.</p>				
Economic Recovery & Resiliency Plan Implementation**	N/A	NA	100%	
<p>On time implementation of the Economic Development and Tourism work plan items from the Recovery Phase of the Strategic Roadmap in response to and recover from COVID 19’s economic impact to the City.</p>				
* FY20 year end projection as of 4/24/20				
<p>** The original performance measure as outlined in the 19-21 Financial Plan was to reach a 5% total increase in sales and transient occupancy taxes. Due to the COVID-19 pandemic, staff has implemented a new performance measure that is in-line with our Economic Recovery efforts.</p>				
Administration Department Workload Measures				
Measure	19-21 Financial Plan			
	2017-18	2018-19	2019-20*	2020-21
City facilities receiving IT support	31	31	31	31
Data backed-up in Gigabytes	78200	78200	140,395	140,395
Number of GIS layers maintained	905	905	905	905
Contacts with businesses regarding starting, expanding and staying the City	25	26	105	75
Promotional contracts administered	49	56	43	50
Regular and Special Council Meetings Held	36	30	26	24
City Manager Reports reviewed	238	230	140	150
Council agenda reports processed	262	266	270	266
Public Records requests processed	253	351	300	300
Community partnership contracts administered	12	12	12	12
* FY20 year end projection as of 4/24/20				

Department Performance and Workload Measures			
CITY ATTORNEY DEPARTMENT			
Summary			
<p>The legal services program is a support function that assists the City Council, all City departments and City advisory bodies to accomplish Major City Goals, Other Important Objectives, and core operational functions in accordance with the law.</p> <p>This program includes: Council, Commission and cross departmental legal review and advice to ensure general compliance with applicable laws and to minimize liability exposure; defending or managing the defense of claims and litigation against the City and initiating civil actions on behalf of the City; enforcing and prosecuting violations of the Municipal Code, including both criminal violations and civil/administrative enforcement; and coordinating the City's review of and response to proposed county, state, and federal legislation.</p>			
Performance Measures			
Measure/Explanation	Target 2019-20	Actual* 2019-20	Target 2020-21
Citation Appeal Process Completed Within 70 Days	70%	81%	80%
<p>Administrative Citations written for violations of the City's Municipal Code will occasionally result in an appeal being filed. It is the goal of this office to make the appeals process as efficient as possible for all those involved and measure that efficiency by the time between when the City receives a request for appeal and when a decision (of any kind) on that appeal is mailed (this includes decisions by staff to reject an appeal as untimely or to void the underlying citation). The process is coordinated by City staff but relies entirely on volunteer hearing officers to review valid appeals and make decisions, and should take no longer than 70 days.</p>			
Claims Against the City Received that Resulted in Litigation	<5%	4%	<5%
<p>Through active management of liability claims filed against the City, it is the objective that very few will result in litigation or judgments against the City, and that claims, and litigation settlement costs can be managed effectively. A level of less than 5% of all claims received by the City being litigated is ideal.</p>			

* FY20 year end projection as of 4/21/20

City Attorney Department Workload Measures				
Measure	2017-18	2018-19	19-21 Financial Plan	
			2019-20*	2020-21
Liability Claims Against the City Reviewed	66	80	77	70
Resolutions/Ordinances Reviewed	106	129	133	130**
Regular & Special Council Meetings	36	30	26	24
Planning Commission Meetings	23	16	15	18
Administrative Citation Appeals Received by the City	151	145	128	150

* FY20 year end projection as of 4/21/20

**estimate for FY 2020-21 increased based on trend of most recent years.

Department Performance and Workload Measures			
COMMUNITY DEVELOPMENT DEPARTMENT			
Summary			
<p>The Community Development Department includes the Planning & Engineering and Building & Safety divisions which develop, implement and track guiding policies in the City's General Plan. Plans for new construction are reviewed through zoning, building permits, subdivision regulations, code enforcement, and community design guidelines. The Community Development Department processes applications for development of private property and serves San Luis Obispo residents directly at its public counter and through code enforcement, and indirectly by guiding the City's urban form from concept to construction.</p>			
Performance Measures			
Measure/Explanation	Target 2019-20	Actual* 2019-20	Target 2020-21
Development Review activities completed within established cycle	75%	70%	75%
<p>The target goal of meeting cycle times 75% of the time reflects an increase in more complex and resource intensive development review activities</p>			
Affordable Housing Units Constructed	34	34	40
<p>Based on current entitlements and applications in progress, it is estimated that 34 affordable units will be built in FY 2019-20 and 40 affordable units will be built in FY 2020-21.</p>			
Code Enforcement Performance	80%	85%	80%
<p>This performance measure assesses the performance of the Code Enforcement Division with respect to the average response time for all complaints received. The standards are: First Tier - 24 Hours, Second Tier - 2 Days, and Third Tier - 3-5 Days</p>			

Community Development Department Workload Measures				
Measure	2017-18	2018-19	19-21 Financial Plan	
			2019-20*	2020-21
Number of Development Review Applications Processed	480	345	376	362
Engineering Development Review Applications Processed	60	24	51	25
Building Permit Applications Processed	1346	915	1100	750
Inspections Conducted	8062	6510	7500	4600
Enforcement Cases Reported	771	880	384	800
Affordable Housing Units Constructed	5	50	34	40

* FY20 year end projection as of 4/21/20

Department Performance and Workload Measures			
FIRE DEPARTMENT			
Summary			
<p>The San Luis Obispo Fire Department protects the lives and property of the residents, businesses, and visitors of the City from the adverse effects of medical emergencies, fires, and other dangers caused by human or nature. In addition to providing compassionate emergency response, the Fire Department embraces a prevention and education strategy that includes fire and life safety inspections, plan review services, fire/arson investigation, fire safety and prevention public education, and disaster preparedness classes. The Fire Department has automatic and mutual aid agreements with surrounding departments, California Office of Emergency Services, and Los Padres National Forest.</p>			
Performance Measures			
Measure/Explanation	Target 2019-20	Actual* 2019-20	Target 2020-21
Meet the Total Response Time (TRT) goal as defined by General Plan Safety Element of 7 minutes or less to 90% of all lights-and-siren emergencies in the City.	90%	71%	90%
<p>Total Response Time is calculated from the time of 911 pick-up in the City's Emergency Communication Center until arrival of the first Fire Department personnel at the scene. For serious medical emergencies and fires of all types, rapid arrival at the scene impacts outcomes. The time standard established in the General Plan Safety Element are reflective of the guidance standards of the National Fire Protection Association (NFPA).</p>			
Percentage of Fire Department Development Review activities completed within published cycle times.	80%	60%	80%
<p>The target goal of meeting cycle times on 80% of all internal development review activities is based on assumptions that some projects will be more complex, development review activities will be extremely high, and resources will be limited. In FY 2019-20 performance was down due to City re-organization of the Fire Marshal and Chief Building Official position, which resulted in a decrease in staff resources for fire plan review activities.</p>			

*as of 4/23/20

Fire Department Workload Measures				
Measure*	2017-18	2018-19	19-21 Financial Plan	
			2019-20*	2020-21
Fire Incidents (National Fire Incident Reporting System (NFIRS) 100 series)	97	149	132	159
Rescue and Medical Services (NFIRS 300 series)	3,584	3,521	3,721	3,753
Total Fire Responses**	5,774	5,856	6,014	6,255
Fire and Safety Inspections	2,896	3,611	2,388	3,650
Building Plan and Development Plan Reviews	790	811	540	650
Emergency Response Personnel Average Training Hours	147	170	223	185

* Fire Incidents, Rescue and Medical Services, Total Fire Responses and Emergency Response Personnel Average Training Hours are provided in calendar years for 2018-18 and 2018-19. Actuals year end projections as of 4/23/20. FY 2019-20 lower than anticipated due to COVID-19 impacts that have paused inspections, reduced development review activity. **Total Fire Responses do not include cancelled alarms or non-emergency medical transfers.

Department Performance and Workload Measures				
FINANCE DEPARTMENT				
Summary				
The Finance Department is responsible for managing the City's financial operations in accordance with applicable law, policies, and procedures. This includes the preparation of the City's budget, payroll, and financial reports, administration of the City's treasury and revenue operations, management of the City's resources, and administration of indirect City-wide costs not easily charged to operating programs or projects. The Department also prepares the City's audit and its Comprehensive Annual Financial Report as well as the Popular Annual Financial Report.				
Performance Measures				
Measure/Explanation	Target 2019-20	Actual* 2019-20	Target 2020-21	
Receive the Government Finance Officers Association Distinguished Budget and CAFR Award	Yes	Yes	Yes	
The Government Finance Officers Association (GFOA) issues the Certificate of Achievement for Excellence in Financial Reporting (CAFR) and the Distinguished Budget Preparation Award to recognize local governments that go beyond the minimum requirements of generally accepted accounting principles when preparing comprehensive annual financial reports, that provide full disclosure of financial status to the public, and that prepare budget documents of the very highest quality that reflect both the guidelines established by the National Advisory Council on State and Local Budgeting and the GFOA's best practices on budgeting.				
Meet Budget and Fiscal Policy Fund Balance Requirements	100%	100%	100%	
Through semi-annual reporting to the City Council, ensure that the City is meeting all budget and fiscal policy adopted fund balance requirements.				
Meet all Federal, State, and City Charter Reporting	100%	100%	100%	
Provide accurate and timely financial reporting data as required to Federal and State entities as well as to the City Council as required by the City Charter and financial policies.				
* FY20 year end projection as of 4/21/20				
Finance Department Workload Measures				
	19-21 Financial Plan			
Measure	2017-18	2018-19	2019-20*	2020-21
Business Tax Certificates Issued	8,230	8,205	8,300	8,100
Accounts Payable Checks issued	8,000	7,380	8,000	8,000
W2s Issued	766	1,425**	800	800
Purchase Orders (PO) Created	n/a	3,200	4,000	3,600 ***
Requests for Proposals Issued (new measure as of FY20)		45	55	45
Contracts Administered		270	315	300
* FY20 year end projection as of 4/21/20				
**W-s were issued from both the former payroll system and the new Oracle payroll system during this transition year				
*** open POs will reduce the initial number of POs issued in 20-21 initially; which will likely be offset by fewer credit cards purchases in future years.				

Department Performance and Workload Measures				
HUMAN RESOURCES DEPARTMENT				
Summary				
<p>The Human Resources Department provides support to all City departments through programs: Human Resources Administration, Risk Management, and Wellness. The services provided under the Human Resources Administration program include coordination of recruitment and selection, classification and compensation, labor relations and negotiations, performance management, employee training and development, and employee benefit administration. Services provided in the Risk Management program include liability and property claims administration, workers' compensation administration, employee safety and compliance, and insurance review. The Wellness program promotes a healthy organization through the Employee Assistance Program as well as education and wellness activities.</p>				
Performance Measures				
Measure/Explanation	Target 2019-20	Actual 2019-20	Target 2020-21	
Percentage of On-Time Employee Performance Evaluations	95%	81%	95%	
<p>On time performance evaluations have dropped below the target due to a variety of reasons; a change in the tracking system used, new staff, and competing priorities. Since October, Human Resources staff has been sending regular reports to Administrative Assistants and Department Heads so that they can work to ensure timely evaluations and HR staff is conducting performance evaluation training.</p>				
Percentage of Internal Promotions	40%	51%	40%	
<p>Human Resources staff has continued to encourage departments to provide opportunities for their staff to work out of classification or on temporary assignment and continued the City's commitment to training and development. The combination of these efforts has resulted in fifty one percent of recruitments resulting in internal promotions.</p>				
Reduction in Liability and Workers' Compensation Claims*	-7%	-13%	-6%	
<p>During the first six months of the fiscal year, the cost of claims that have been filed and settled have been historically low. This trend continued through the third quarter of the year, and is expected to remain that way through the end of the fiscal year. If all claims that are currently open are paid out at the full value with which they were filed, the program will exceed the expected reduction. There have been 44 Workers' Compensation Claims filed during this period, and 25 Record-Only Claims filed. If the trend continues for the rest of the fiscal year, the department will achieve or exceed the objective of 58 Workers' Compensation Claims filed.</p> <p><i>*This performance measure will only consider liability claims that incurred monetary losses</i></p>				
Human Resources Department Workload Measures				
Measure	2017-18	2018-19	19-21 Financial Plan	
			2019-20*	2020-21
Recruitments - Regular and Supplemental	70	110	77	100
Labor Relations Activity	40	40	53	45
Applicants Screened	3,200	2,800	1644	3,000
Training Sessions Coordinated	31	35	35	35
Classification, Compensation, and Benefit Analysis	45	60	175	75
Liability Claims Filed	66	62	49	56
Worker's Compensation Claims Filed	61	60	44	55

*As of 4-23-2020

Department Performance and Workload Measures			
PARKS AND RECREATION DEPARTMENT			
Summary			
<p>The Parks and Recreation Department is committed to providing quality parks and facilities (such as the SLO Swim Center, Damon-Garcia Sports Complex, and Laguna Lake Golf Course) where recreation programs, special events, activities for youth and seniors, cultural and educational opportunities occur in an effort to encourage wellness and develop community through leisure, cultural, and social pursuits. The Department also protects and preserves the City's natural resources and open spaces.</p>			
Performance Measures			
Measure/Explanation	Target 2019-20	Actual* 2019-20	Target 2020-21
Pop up Events to Activate our Parks & Facilities	12 Events	18 Events	13 Events
<p>Activate parks and recreational facilities through the planning of "pop-up" events with a target goal of at least 12 events in 2019-20 and 13 in 2020-21. The original target for FY 20-21 was 15 events, but due to COVID-19 possible impacts and County and State restrictions on large group gatherings, the Department has adjusted the target down to 12 events.</p>			
Increased Community Awareness of Recreational Activities	10%	25%	10%
<p>Continue to maximize outreach and educational efforts through social media. Track website visits, targeted emails, and community participation at Parks and Recreation events.</p>			
Miles of Trails/Roads Maintained in the City Open Space	57 Miles	58.5 Miles	60 Miles
<p>Preserve and protect the City's natural resources and open space by maintaining, managing, and patrolling open space, trails, and creek corridors.</p>			

* FY20 year end projection as of 4/21/20

Parks and Recreation Workload Measures				
Measure	2017-18	2018-19	19-21 Financial Plan	
			2019-20*	2020-21
Youth Service Participants	1195	1195	1,380	think
Adult Sports Teams Registered	240	250	223	250
Youth Sports Participants	1000	1100	714	1000
Triathlon Participants	900	900	0	800
Golf Rounds Played	30000	25000	25,000	25,000
Contract Class Participants	750	850	600	800
SLO Swim Center Uses	83,500	87,700	56,500	80,000
Facility Permits Processed	900	900	850	900
Special Events Permitted	90	90	45	75
Senior Center Members	300	300	300	300
Jack House & PRC Meetings	18	18	13	18

* FY20 year end projection as of 4/21/20, note that many of the workload measures were impacted by COVID-19 program closures and goals for FY 20-21 were adjusted down due to potential COVID-19 impacts.

Department Performance and Workload Measures			
POLICE DEPARTMENT			
Summary			
<p>The Police Department's primary goal is to reduce harm. This is accomplished by reducing crime and the fear of crime, increasing regional partnerships, enhancing community engagement, increasing multi-modal safety and ensuring members of the department are healthy and well trained. The department consists of two operating bureaus; Operations and Administration. The Operations Bureau consists of patrol services, traffic safety, and neighborhood services. The Administrative Services Bureau includes administrative services, investigative division, communications, and records units.</p>			
Performance Measures			
Measure/Explanation	Target 2019-20	Actual* 2019-20	Target 2020-21
Crime Reduction	-5%	-5%	-2%
<p>The Police Department will work to reduce Part 1 Crime (defined as crimes against persons) by 5% as compared to FY 2018-19. Methods for reaching this goal include; utilizing a crime analyst position, rapid deployment of resources, increased social media, lowest level problem solving tactics and accountability, and utilizing intelligence led policing.</p>			
Increase Engagement on Wellness and Employee Health	5%	16.50%	20%
<p>The Police Department will continue to invest in the peer counseling team and explore the possibility of offering professional emotional and psychological support annually. The Department will begin tracking the number of Peer Support contacts handled by the team and look for opportunities to increase engagement with our Employees by 5% and 10% respectively over the next two years.</p>			
Reduce Homelessness and Mental Health Disorders calls	-2.50%	-7%	-5%
<p>Reduce calls for service that are related to homelessness and/or mental health disorders by 5% each year with a focus on ensuring 100% of our staff is trained in Crisis Intervention Training (CIT) and work towards getting some officer and supervisor trained in the 80-hour hostage negotiation training, to address the growing needs surrounding homelessness and mental health issues within downtown.</p>			

* FY20 year end projection as of 4/21/20

Police Department Workload Measures				
Measure	2017-18	2018-19	19-21 Financial Plan	
			2019-20*	2020-21
Part I Crime (Property/Violent)*	1,955	1,999	1,925	1,906
Homeless Calls for Service	7,916	6,929	7,457	7,609
Traffic Collisions (All)	606	623	593	605
All Noise Complaints Received by Dispatch	1,897	1,625	1,736	1,771
Citations and Warnings Issued	11,271	10,463	6,865	9,300
DUI Arrests	296	305	175	250
Calls for Service – Police	31,591	31,494	29,448	32,200
Delayed Response (due to Officer unavailability)**	n/a	n/a	950	1,000
Total Arrests	2,921	2,201	1,854	2,245
Calls Received in the Communications Center	103,118	108,976	106,500	109,500
Property/Evidence Booked	7,744	5,929	7,478	7,630
Body Worn Camera & InCar Video Uploads	79,774	80,400	62,097	66,957
Public Records Requests & Subpoena Duces Tecum	81	87	91	93
Cases Assigned to Detectives	373	293	350	357

*Part I Crime statistics represent calendar year data

**Tracking data for Delayed Response didn't start until 2019.

Department Performance and Workload Measures			
PUBLIC WORKS DEPARTMENT			
Summary			
The mission of the City of San Luis Obispo Public Works Department is to preserve and enhance city infrastructure for an accessible, safe and inclusive community experience. These Performance Measures are intended to monitor specific aspects of that mission.			
Performance Measures			
Measure/Explanation	Target 2019-20	Actual* 2019-20	Target 2020-21
Increase the number of work orders for proactive preventive maintenance of city assets	5%	7%	5%
Increasing the percentage of total preventive work orders completed by staff in the areas of parks, city facilities, and streets maintenance. Preventive work orders prolong the city's existing infrastructure and city assets while reducing the risk of larger, more expensive projects in the future.			
Enhance traffic safety for all modes of transportation	2%-3%	7.40%	10%
Reduce traffic collisions: A) vehicle to vehicle, B) vehicle to bicycle, C) vehicle to pedestrian, based upon a running three year average.			
Percentage of capital projects constructed in the budgeted year	85%	70%	80%
Target completion of projects funded to construct improvements or maintain assets to 80% within the two year financial plan. The goal of 80% takes into account challenges such as obtaining permits and agreements from third parties, unforeseen field conditions, weather, etc.			

* FY20 year end projection as of 4/21/20

Public Works Department Workload Measures				
Measure	2017-18	2018-19	19-21 Financial Plan	
			2019-20*	2020-21
Total acreage of park inventory	550	570	570	570
Street miles maintained	197	197	197	199
Total transit riders	964,872	1,013,116	750,000	680,000
Total number of public parking spaces in the Downtown core	2,492	2,413	2,543	2,543
Internal service assets - Square feet of City facilities/total City fleet	221,176/320	221,176/320	221,176/338	221,176/338
Pavement Condition Index (PCI)	70	72	72	72
Total trench repairs	78	78	78	78
Bicycle Network; Class 1/2/3/4 in total miles	7.5/29.7/24/0	8.0/30.45/24/0	8.5/31/24/0	9.0/31.7/25.7/0.2
Total trees in the Urban Forest (public right of way/parks)	13,000/6,000	13,000/6,000	13,000/6,000	13,000/7,000
Corrugated Metal Pipe in Storm System	21%	20%	14%	14%

* FY20 year end projection as of 4/21/20

Department Performance and Workload Measures			
UTILITIES DEPARTMENT			
Summary			
<p>The Utilities Department provides essential services that support the community’s health, well-being, and quality of life. Through its efforts, water for the community is safely transported, treated, distributed, used, collected, recovered and beneficially reused. These efforts are accomplished by the department’s water and wastewater divisions. Additionally, the department manages the City’s solid waste, organic waste, and recycling programs. Long range planning for water resources and infrastructure needs, environmental stewardship, and business management are required to provide these vital services and are critical functions of the Utilities Department. In total there are 13 programs that constitute the Utilities Department.</p>			
Performance Measures			
Measure/Explanation	Target 2019-20	Actual* 2019-20	Target 2020-21
Wastewater Treatment Compliance Rate	100%	96%	100%
<p>The WRRF was in compliance with effluent and receiving water requirements for 96% of fiscal year 2019-20. Six of the eleven days of non-compliance resulted from receiving water salt concentration exceedance. This issue will be addressed in the WRRF upgrade, currently underway, which replaces chemical disinfection with an ultraviolet disinfection process.</p>			
Drinking Water Compliance Rate	100%	100%	100%
<p>The Water Treatment Plant has remained in compliance with all State and Federal Drinking Water Standards, which is the goal for this performance measure.</p>			
Safety-Incident Free Operations	0	11	0
<p>Utilities has had a total of eleven incidents in the current fiscal year. One injury resulted in lost time, two of the injuries resulted in employee work restrictions, two injuries resulted in first aid by a medical professional, two resulted in first aid, three were motor vehicle related. This remains a very small amount of injuries considering the amount of staff, type of daily operations performed in the field, and injury potential at multiple facilities. All incidents are thoroughly examined by the Safety Engineer and additional measures are put in place to avoid and future incidents.</p>			
Self-Generated Electricity at WRRF	5%	2% Increase	2% Increase
<p>The Water Resource Recovery Facility utilizes an on-site cogeneration unit to create electricity for the plant. Currently, over one Gigawatt of electricity is created by this process. Staff is investigating process improvement and expansion strategies to increase onsite electricity generation. The goal for this measure is an annual increase in amount of energy produced over 2018-19 base year.</p> <p>Energy produced onsite from April 1, 2019 through April 1, 2020 was 1.05 Gigawatts, which represents a 2.3 percent increase over 2018. After construction of the new digester facilities is completed in 2022, staff expect a more significant increase in biogas production.</p>			
Capital Improvement Projects Completion	100%	93%	100%
<p>Utilities progress in the 2019-21 approved capital improvement project plan is expressed in the number of projects on schedule during the 2019-21 Financial Plan. Utilities is on target to meet this measure, with 93% of the capital improvement projects listed on the Financial plan on schedule with approximately \$80 Million in executed purchase orders.</p>			

Department Performance and Workload Measures

* FY20 year end projection as of 4/21/20

Utilities Workload Measures				
			19-21 Financial Plan	
Measure	2017-18	2018-19	2019-20*	2020-21
Public Education tours/events	100	111	54**	111
Safety Trainings	106	127	175	150
Water delivered (acre feet)	5,784	5,267	5,669	5,828

* FY20 year end projection as of 4/21/20

**Tours and/or events at the WRRF and Water Treatment Plant impacted by the COVID-19 epidemic.

SECTION F: CAPITAL IMPROVEMENT PROJECTS

OVERVIEW

All City construction projects and equipment purchases costing \$25,000 or more are included in the City Capital Improvement Plan (CIP). The CIP is adopted as part of the budget in every Financial Plan and accomplishes several goals.

Maintains and replaces existing City infrastructure in accordance with the City's asset management plans, infrastructure replacement schedules, and other documents

Meets community needs and desires as established in the Community Budget Forum, Major City Goals and Council priorities.

Plans, schedules, and finances projects to ensure cost-effectiveness and conformance with established policies.

Comprehensive policies relative to the development of the City's CIP are specified in the Budget Policies section of the 2019-21 Financial Plan including detailed information relative to both the two-year Financial Plan and the Five-Year CIP forecast¹.

The Supplemental Budget is the second-year budget of a two-year Financial Plan. Before the beginning of the second year of the two-year cycle, the City Council reviews the progress during the first year, makes adjustments as necessary, and approves appropriations for the second fiscal year. Though the actual revenues received in FY 2018-19 were above the original budget, the impacts of the COVID-19 emergency on the local economy have been significant. A revised forecast of the revenue shows a significant reduction in FY 2019-20 and FY 2020-21. The revenue reductions necessitated a full overhaul of the CIP budget and an assessment of each individual project by funding source.

COVID-19 Budget Impacts

The impact from COVID-19 have resulted in a revised forecast shows that General Fund revenues are expected to decrease by approximately \$8 million in FY 2020-21. Due to the revised projections in revenue, staff evaluated all projects currently funded and the projects that were previously identified in FY 2020-21 as part of the 2019-21 Financial Plan. Part of that evaluation included the role of capital projects in supporting recovery. The proposed capital projects support essential services to the community as well as proposes deferred projects to align with the revised revenue projections. These projects are identified in more detail in the following sections of this report.

Construction Cost Escalation

Currently, the construction industry is facing unprecedented uncertainty in costs, labor supply, and conditions even without COVID-19 and the forecasts of costs are unknown at this time. Multiple City projects have come in well above engineers' estimates and have had to be rebid and/or returned to the City Council for further funding allocations. The costs of materials are escalating far more rapidly than indexes can predict and the construction industry is facing a labor shortage. Recently, several capital projects received no bids, which is an unusual occurrence. Global uncertainty in the financial markets and the world in general, due to stock volatility and the COVID-19 pandemic, have created further turmoil in

¹ 2020-21 Financial Plan, Page 19. <https://www.slocity.org/Home/ShowDocument?id=23630>

this industry. At the present time, it is uncertain whether the impacts from COVID-19 will increase competition and result in downward pressure on construction costs; however, staff assumes this potential to be low as overall construction has so far not slowed due to the pandemic. As such, costs escalations are also a consideration of capital project prioritization.

SECTION OUTLINE

This Section includes the following elements:

1. FY20/21 CIP Budget Supplement Overview
2. Completed 2019-21 Capital Project Highlights
3. Upcoming CIP Projects in the First Half of FY20/21.
4. CIP Project Prioritization
5. CIP Prioritization Categories.
6. GENERAL FUNDS
 - 6a. Fund Summary Table and New/Supplemental Project Funding
 - 6b. List of Projects Proceeding
 - 6c. Listing of Deferred and Completed Projects for De-Appropriation
7. LOCAL REVENUE MEASURE FUND
 - 7a. Fund Summary Table and New/Supplemental Project Funding
 - 7b. List of Projects Proceeding
 - 7c. Listing of Deferred and Completed Projects for De-Appropriation
8. PARKING FUND
 - 8a. Fund Summary Table and New/Supplemental Project Funding
 - 8b. List of Projects Proceeding
 - 8c. Listing of Deferred and Completed Projects for De-Appropriation
9. TRANSIT FUND
 - 9a. Fund Summary Table and New/Supplemental Project Funding
 - 9b. List of Projects Proceeding
 - 9c. Listing of Deferred and Completed Projects for De-Appropriation
10. WATER FUND
 - 10a. Fund Summary Table and New/Supplemental Project Funding
 - 10n. List of Projects Proceeding
 - 10c. Listing of Deferred and Completed Projects for De-Appropriation
11. SEWER FUND
 - 11a. Fund Summary Table and New/Supplemental Project Funding
 - 11b. List of Projects Proceeding
 - 11c. Listing of Deferred and Completed Projects for De-Appropriation
12. SB1 FUND
13. TRANSPORTION IMPACT FEE FUND
 - 13a. Fund Summary Table and New/Supplemental Project Funding
 - 13b. List of Projects Proceeding
 - 13c. Listing of Deferred and Completed Projects for De-Appropriation
 - 13d. Remaining Fund Balance by TIF Fund

SECTION F-2: Completed 2019-21 Capital Projects Highlights

The following is a list of CIP projects that have been completed within the first half of the 2019-20 Fiscal Year or are currently being constructed and will be complete soon. The summary below reflects expenditures from the City's General Capital Outlay, Local Revenue Measure, SB 1, Zone 9, Water and Sewer funds and shows the comprehensive enhancements to the City of San Luis Obispo that the Capital Engineering Program provides.

Table F-1: Completed 2019-21 Capital Projects			
ID#	Project	Status	Approx. Construction Budget
1	*South Broad Street Pavement Improvements	Completed in October	\$2,270,500
2	Casa/Murray Waterline Replacements	70% Complete.	\$2,055,000
3	Stafford-Kentucky-Taft Sewer Replacement	Completed in December	\$1,230,000
4	Osos-Leff-Santa Barbara Sewer Replacement	Completed in September	\$1,103,000
5	Sewer Lining 2016	Substantially Completed in August	\$524,000
6	Downtown Renewal: 858 Higuera Sidewalk Replacement	Completed in April	\$255,000
7	Foothill Pipe Bursting	Completed in November	\$250,000
8	Sewer Lining 2019	Completed in October	\$228,000
9	*Meadow Park Pedestrian Bridge Replacement	Completed in April	\$200,000
10	Council Chamber Audio / Video Replacement	Completed in March	\$175,000
11	*Pickleball Courts	Completed in September	\$167,000
12	*Dispatch HVAC Replacement	Completed in October	\$151,000
13	Water Treatment Plant Wash Water Tank Recoat	Completed in December	\$138,000
14	Silt Removal 2019	Completed in October	\$97,000
15	El Capitan Pedestrian Bridge Replacement	Completed in December	\$96,000
16	*Swim Center Therapy Pool Re-Plaster	Completed in September	\$96,000
17	*Fire Station 4 Emergency Backup Generator	Completed in September	\$94,000
18	Mission Plaza Security Camera Installations	Completed in March	\$40,000
19	*City Hall Painting	Completed in September	\$40,000
20	*Fire Station 3 Painting	Completed in August	\$10,000
Total Budget for Completed or Active Projects			\$9,219,500

*Indicates project that was delivered using LRM Funds

SECTION F-3: Upcoming CIP Projects in First Half of FY20/21

The City has numerous projects forthcoming in the fourth quarter of FY2020 and first quarter of 2021. The largest of the projects is the Marsh Street Bridge Replacement Project, which will replace the structurally obsolete bridge between Santa Rosa and Osos Streets. Work began in May and will continue for a minimum nine-month construction window in which traffic will be diverted through the downtown area to bypass the bridge replacement work. Other notable projects include South Hills Radio Site Upgrades, which will replace deficient City emergency communication equipment with more advanced and reliable equipment, and Islay Hill Park Playground Equipment Replacements, which will provide all new play equipment and ADA improvements to Islay Hill Park.

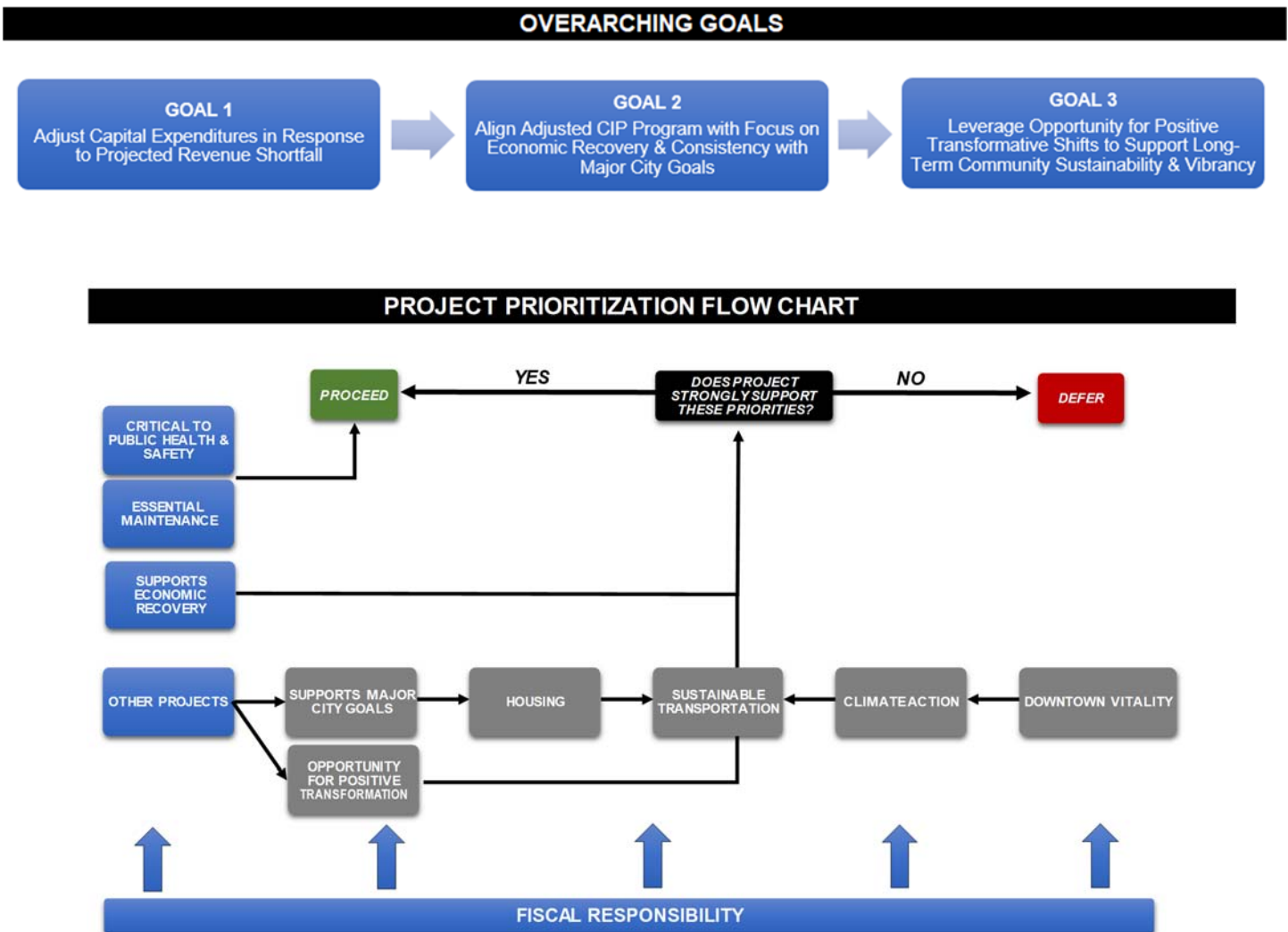
Table F-2

ID#	Project	Status	LRM Funded	Approx. Construction Budget
1	South Hills Radio Site Upgrades	Construction Begins May	Yes	\$915,000
2	Marsh Street Bridge Replacement (10% LRM)	Construction Begins May	Yes	\$5,400,000
3	Islay Hill Park Playground Equipment Replacement	Construction Begins May	Yes	\$620,000
4	City Facilities HVAC Replacements	Construction Begins May	Yes	\$145,000
5	Bridge Maintenance 2021	Award Phase	Yes	\$85,000
6	City Hall Fire Sprinkler Connection	Award Phase	Yes	\$60,000
7	Marsh Street Garage Elevator Repair	Advertising	No	\$50,000
8	Fire Station 1 HVAC Replacements	Advertising	Yes	\$140,000
9	Roadway Sealing 2020	Advertising	Yes	\$2,100,000
10	Emerson Park Parking Lot Maintenance	Advertising	Yes	\$20,000
11	Swim Center Bath House Roof Repair	Final Design Phase	Yes	\$100,000
Total Budget for upcoming Projects				\$9,635,000

SECTION F-4: CIP Project Prioritization

Capital Project Prioritization

Staff identified three overarching goals for continuing projects as identified below, including a prioritization flowchart and categories that prioritize a CIP project’s ability to deliver improvements to critical health and safety infrastructure, maintenance of critical infrastructure, and support of economic recovery through local construction job opportunities. Staff also evaluated each project’s ability to achieve the 2019-21 Financial Plan Major City Goals, including Housing, Sustainable Transportation, Climate Action, and Downtown Vitality.



A critical aspect of each of these categories is a commitment to fiscal responsibility, especially with consideration of the current economic situation. The following table provides a concise definition for each category.

Table F-3

Definitions for FY2020-21 CIP Project Prioritization

ID#	Criteria	Description	
1	Critical for Public Health & Safety	Critical Infrastructure includes any systems and assets so vital to the City that the incapacity or destruction of these assets would have a debilitating impact on security, fiscal health, public health or safety. Example may include essential roadway connections, bridges, water, wastewater, treatment processes, etc.	<p>FISCAL RESPONSIBILITY:</p> <p>Support for the City's Fiscal Responsibility Major City Goal is an overarching objective embraced with evaluation of each of the other criteria.</p> <p>This includes a continued focus on achieving efficiencies, new ways of doing business, and strategic economic investments for short-term and long-term community vitality</p>
2	Essential Maintenance	Renovates, repairs, or extends useful life of existing assets where deferral could result in significant cost increases to City. For the purposes of this exercise, this includes projects required by regulatory mandate, or where deferral could result in significant loss in grant funds or other outside funding commitments	
3	Supports Economic Recovery	Projects that would directly contribute to economic recovery. Includes infrastructure projects that would be strong candidates for future economic stimulus, particularly projects likely to generate local employment. Ideally, project could be shovel-ready within 1-2 years.	
4	Opportunity for Positive Transformation	Projects that provide a positive transformational/disruptive opportunity to align City investments, resources and practices to better support the community's long-term sustainability, health, economic and cultural vitality.	
Supports Work on the Following:			
5	Housing	Directly supports Housing Major City Goal, with focus on projects that facilitate production of housing supply--particularly affordable housing.	
6	Sustainable Transportation	Directly supports Sustainable Transportation Major City Goal, with focus on potential to make progress towards traffic safety (Vision Zero) and Mode Shift objectives, and improve access to lower-cost transportation options.	
7	Climate Action	Directly supports Climate Action Major City Goal, with focus on potential to support C.A.P. adoption and transition to carbon neutrality.	
8	Downtown Vitality	Directly supports Downtown Vitality Major City Goal, with focus on potential benefits to economic health, cultural vibrancy, safety and accessibility. Additional consideration for projects with potential City-wide economic and cultural vitality.	

SECTION F-5: CIP Prioritization Categories

In review of the CIP, each project's ability to achieve the overarching goals as well as the applicable prioritization categories identified in the prior section. Projects critical for public health and safety, essential maintenance, and work that supports economic recovery are of the highest need to the City and have the ability to reduce future maintenance and replacement costs, or create local economic vibrancy through job preservation and/or creation. Each CIP project was assigned one of the following categories:

1. **Proceed:** Construct in FY 2020-21
2. **Proceed:** Continue Planning/Design Only
3. **Hold:** Shovel Ready for Future Funding/Stimulus – Do Not Defund
4. **Defer:** No Further Action this Fiscal Year – Defund
5. **Completed:** No Further Action this Fiscal Year – Defund.

Projects within the first three categories would not be defunded and are recommended to continue. Projects specific to the "Hold" category present funding flexibility to the City. Should future revenues continue to decline, these projects could be defunded. These projects would be in a "Shovel Ready" status and could proceed if outside Federal or State funding sources are secured, such as stimulus or grants. "Hold" projects also could proceed with City funding if future budget forecasts permit. Projects within the Defer category were deemed non-essential and could be defunded to meet budgetary reduction targets. Projects that are completed require no further action, and available remaining balances can be defunded.

Budget funds remaining within "Defer" and "Completed" projects are recommended to be returned to the applicable Fund Balance, unless transferred to a new project or projects needing supplemental funding, as described in Section 6-5.

SECTION F-6: GENERAL FUND

Staff have identified additional funding for projects necessary to complete within the next fiscal year. A portion of the defunded project budgets are recommended to be transferred to those projects.

Each subsection is organized by fund and identifies new or existing projects recommended for funding. A brief description of the Purpose and Need is provided.

SECTION F-6A: Fund Summary Table and New/Supplemental Project Funding

General Funds include Capital Outlay Fund, Fleet Replacement Fund, Information Technology Fund, and the Major Facility Replacement Fund.

Table F-4

ID#	Assessment Category	Adopted Budget	Actual Cost	Remaining Budget
1	Proceed: Construct in FY2020-21	\$ 5,269,516	\$2,969,852	\$ 2,299,664
2	Proceed: Continue Planning/Design Only	\$ 1,229,965	\$341,141	\$ 888,824
3	Hold: Shovel Ready for Future Funding/Stimulus - Do Not Defund	\$ 916,663	\$354,632	\$ 562,030
4	Proceed Total			\$3,750,518
5	Defer: No Further Action this Fiscal Year - Defund	\$ 1,887,619	\$114,235	\$ 1,773,384
6	Completed: No Further Action this Fiscal Year - Defund	\$ 794,555	\$690,520	\$ 104,035
7	Defund Total			\$1,877,419
8	New and Supplemental Project Funding¹			\$ (596,000)
9	Total Reductions			\$1,281,419
	¹ See next table for New and Supplemental Funding for FY20/21			

The following table shows new and supplemental project funding requests for FY20/21.

Table F-5

ID#	New and Supplemental Project Funding	New Budget	Purpose and Need
	Capital Outlay Fund		
1	New Project - Banner Arms, Bench Arm Rests, Signs	\$ 96,000	Project provides banner arms, banners, arm rests and signs in the downtown - Downtown Vitality
2	Downtown Renewal - Supplemental funding for Curbside Parklets	\$ 200,000	Project will expand outdoor space for physical distancing within the public ROW - Downtown Vitality
3	Anholm Neighborhood Greenway Plan - Phase 1B & 2 - Supplemental Funding	\$ 300,000	construction of the Class I bike path between Foothill and Ramona. Transfer \$300k for IT Replacement fund to Capital Outlay
	New and Supplemental Project Funding	\$ 596,000	

SECTION F-6B: List of Projects Proceeding

ID#	Continuing Project	Adopted Budget	Current Costs	Remaining Budget	Project Prioritization Criteria							
					Critical to Public Health & Safety	Essential Maintenance	Supports Economic Recovery	Supports Major City Goals				Positive Transformational Opportunity
								Housing	Sustainable Transportation	Climate Action	Downtown Vitality	
1	Proceed: Construct in FY2020-21	\$ 5,269,516	\$2,969,852	\$ 2,299,664								
2	Anholm Neighborhood Greenway Plan - Phase 1B & 2 - Supplemental Funding	\$ 300,000	\$0	\$ 300,000			X		X			X
3	Radio Handhelds (91583)	\$ 274,457	\$0	\$ 274,457		X						
4	Community Safety Emergency Response Communication Equipment											
5	South Hills Radio Site	\$ 273,500		\$ 273,500	X	X	X					
6	IT Replacements - Annual Asset Maintenance Account											
7	VMware Infrastructure Upgrade	\$ 212,603		\$ 212,603		X						
8	Audio Recording System Replacement	\$ 10,000		\$ 10,000		X						
9	Shoremicro (Radio System Redundant Bypass Link)	\$ 50,000		\$ 50,000		X						
10	Street Reconstruction and Resurfacing - Roadway Sealing 2020	\$ 582,377	\$363,985	\$ 218,391		X	X	X				X
11	WRRF Facility Upgrade (91219) - Gun Range Demolition	\$ 209,000	\$6,750	\$ 202,250	X		X					
12	Downtown Renewal - Supplemental Funding for Curbside Parklets	\$ 200,000		\$ 200,000			X				X	X
13	Emergency Fiber Communication Repair	\$ 130,000	\$13,419	\$ 116,581	X	X						
14	New Project - Banner Arms, Bench Arm Rests, Signs	\$ 96,000		\$ 96,000			X				X	X
15	Major Facilities Maintenance - Annual Asset Maintenance Account											
16	Energy Management System (EMS)	\$ 100,000	\$22,435	\$ 77,565		X			X			
17	Urban Forest - Annual Asset Maintenance Account	\$ 45,000	\$0	\$ 45,000		X			X			
18	Utilities Administration HVAC 2017 (91573)	\$ 45,279	\$807	\$ 44,473		X	X					
19	ERP Acquisition (91534)	\$ 1,858,674	\$1,817,555	\$ 41,120		X						
20	Traffic Ops Improvements (90884)	\$ 39,706	\$0	\$ 39,706				X				
21	Bicycle Facility Improvements - Annual Asset Maintenance Account	\$ 33,825	\$0	\$ 33,825		X	X	X				X
22	City Hall Landing Repair (91532)	\$ 21,580	\$0	\$ 21,580		X						
23	Traffic Signs and Striping Maintenance	\$ 18,692	\$0	\$ 18,692	X	X	X					
24	Farmer's Market Bollards (91673) - Interim Measures	\$ 15,000	\$0	\$ 15,000	X						X	
25	Patrol Sedan (91698)	\$ 11,000	\$0	\$ 11,000	X							
26	Patrol Sedan (91697)	\$ 11,000	\$0	\$ 11,000	X							
27	Patrol SUV (91699)	\$ 11,000	\$0	\$ 11,000	X							
28	Fire Truck Pumper (91696)	\$ 693,096	\$685,210	\$ 7,886	X							
29	PS Battery Backup (91692)	\$ 8,294	\$5,668	\$ 2,626		X						
30	Parking Lot Maintenance - Annual Asset Maintenance Account	\$ 18,275	\$16,620	\$ 1,655		X	X					
31	Storm Drains Annual Asset Maintenance Account	\$ 1,158	\$37,403	\$ (36,245)		X	X					

					Project Prioritization Criteria							
ID#	Continuing Project	Adopted Budget	Current Costs	Remaining Budget	Critical to Public Health & Safety	Essential Maintenance	Supports Economic Recovery	Supports Major City Goals				Positive Transformational Opportunity
								Housing	Sustainable Transportation	Climate Action	Downtown Vitality	
1	Proceed: Continue Planning/Design Only	\$ 1,229,965	\$341,141	\$ 888,824								
2	LOVR at 101 and SLO Crk Bridge Widening 2016 (99821)	\$ 425,945	\$10,152	\$ 415,794			X		X			X
3	Tait Radio System Bknd Up (91691)	\$ 250,000	\$0	\$ 250,000		X						
4	California Taft Roundabout	\$ 200,000	\$123,826	\$ 76,174								X
5	Major Facilities Maintenance - Annual Asset Maintenance Account											
6	Fire Station #1 Fleet Maint. Bldg. Roof	\$ 20,000		\$ 20,000		X	X					
7	Fire Station #2 - Roof	\$ 50,000		\$ 50,000		X	X					
8	Facility Maintenance - Annual Asset Maintenance Account											
9	HVAC and Sewer Lateral Replacements	\$ 105,453	\$76,098	\$ 29,354		X	X					
10	Parks and Recreation Interior Office Rehabilitation - Design	\$ 55,000	\$38,069	\$ 16,931			X					
11	Facility Parking Lot Maintenance (91310)	\$ 18,268	\$3,505	\$ 14,763		X	X					
12	Laguna Lake Dredging (99110) - Permit Renewal (Non-LRM Funding)	\$ 13,721	\$0	\$ 13,721					X			
13	Electric Plan Submittal (91682)	\$ 59,477	\$57,389	\$ 2,088			X					
14	Transit Yard Solar - Bus Parking Layout Study	\$ 32,101	\$32,101	\$ -			X		X			X
15	Hold: Shovel Ready for Future Funding/Stimulus - Do Not Defund	\$ 916,663	\$354,632	\$ 562,030								
16	Parks and Recreation Interior Office Rehabilitation - Construction	\$ 400,000	\$0	\$ 400,000			X					
17	IT Replacements - Annual Asset Maintenance Account											
18	Fire Radio Receive Site at Fire Station #4	\$ 89,000		\$ 89,000	X	X	X					
19	Access Control (Automatic Gate Card System)	\$ 125,000		\$ 125,000		X						
20	Major Facilities Maintenance - Annual Asset Maintenance Account											
21	Fire Station #4 - Exterior Paint	\$ 27,500		\$ 27,500		X						
22	Anholm Neighborhood Greenway Plan - Phase 1B & 2	\$ 253,788	\$275,023	\$ (21,235)			X					X
23	Sidewalk Annual Asset Maintenance Account	\$ 21,375	\$79,610	\$ (58,235)		X	X					
Grand Total		\$ 7,416,143	\$3,665,625	\$ 3,750,518								

SECTION F-6C: Listing of Deferred and Completed Projects for De-Appropriation (Non LRM)

Table F-6

ID#	Category	Adopted Budget	Current Costs	Remaining Budget
1	Defer: No Further Action this Fiscal Year - Defund	\$ 1,887,619	\$114,235	\$ 1,773,384
2	Farmer's Market Bollards (91673)	\$ 917,000	\$7,192	\$ 909,808
3	Tait Radio System Bknd Up (91691)	\$ 300,000	\$0	\$ 300,000
4	Green Fleet Vehicle Charging Stations 2017 (91565)	\$ 105,000	\$0	\$ 105,000
5	Council Hearing Room Tenant Improvements	\$ 100,000	\$0	\$ 100,000
6	Major Facilities Maintenance - Annual Asset Maintenance Account	\$ 76,790		\$ 76,790
7	Bob Jones Prefumo Creek (91374)	\$ 121,929	\$47,049	\$ 74,880
8	Police Department & Fire Station 3 Painting (91646)	\$ 71,000	\$0	\$ 71,000
9	Signs Management - Cartegraph (91588)	\$ 65,000	\$0	\$ 65,000
10	Mission Plaza Enhancements - Hydration Stations			
11	Hydration Station Installation	\$ 55,044	\$21,697	\$ 33,346
12	City to Sea Greenway (90495)	\$ 25,856	\$6,500	\$ 19,356
13	Corporation Yard Tenant Improvement (91643)	\$ 50,000	\$31,797	\$ 18,204
14	LOVR Spur of the Bob Jones Bike Path	\$ -	\$0	\$ -
15	Completed: No Further Action this Fiscal Year - Defund	\$ 794,555	\$690,520	\$ 104,035
16	Street Heavy Duty Dump Truck (91589)	\$ 38,936	\$702	\$ 38,234
17	Rosa Butron Adobe Painting 2017 (91571)	\$ 20,390	\$6,278	\$ 14,112
18	IT Replacements - Annual Asset Maintenance Account			
19	Network Switching Infrastructure Equipment	\$ 90,000	\$78,758	\$ 11,242
20	ECC Computer Equipment Replacement (91328)	\$ 34,276	\$25,682	\$ 8,593
21	Storage Capacity Repl (91587)	\$ 22,249	\$14,927	\$ 7,321
22	El Capitan Pedestrian Bridge Replacement	\$ 17,645	\$11,524	\$ 6,121
23	Maintenance Work - JOC (91446)	\$ 5,360	\$0	\$ 5,360
24	Directional Signs 2016 (90740)	\$ 46,567	\$42,821	\$ 3,746
25	Ambulance Van (91409)	\$ 2,760	\$0	\$ 2,760
26	Police Patrol Utility Vehicle (91671)	\$ 52,300	\$50,276	\$ 2,024
27	Fire Rescue UTV (91622)	\$ 10,458	\$8,501	\$ 1,957
28	Police Interceptor SUV (91590)	\$ 2,300	\$395	\$ 1,905
29	Portable Restroom Trailer (91703)	\$ 315	\$0	\$ 315
30	Utility Crt with Dump Bed (91708)	\$ 1,200	\$1,005	\$ 195
31	Facilities Master Plan (91502)	\$ 10,650	\$10,500	\$ 150
	Grand Total	\$ 2,682,174	\$804,755	\$ 1,877,419

SECTION F-7A: LOCAL REVENUE MEASURE

Fund Summary Table and New/Supplemental Project Funding

The following table lists the total remaining budget of all projects recommended to continue, as well as the total remaining budget for deferrable and completed projects. The total De-Appropriation represents the total deferrable budget, less the new funding requests. This amount can be returned to the Local Revenue Measure Fund Balance.

Table F-6

ID#	Assessment Category	Adopted Budget	Actual Cost	Remaining Budget
1	Proceed: Construct in FY2020-21	\$ 12,528,856	\$4,025,579	\$ 8,503,278
2	Proceed: Continue Planning/Design Only	\$ 1,897,767	\$348,211	\$ 1,549,555
3	Hold: Shovel Ready for Future Funding/Stimulus - Do Not Defund	\$ 829,756	\$323,532	\$ 506,224
4	Proceed Total			\$ 10,559,057
5	Defer: No Further Action this Fiscal Year - Defund	\$ 3,695,293	\$674,983	\$ 3,020,310
6	Completed: No Further Action this Fiscal Year - Defund	\$ 3,316,316	\$3,116,478	\$ 199,837
7	Defund Total			\$ 3,220,147
8	New and Supplemental Project Funding¹			\$ (1,850,000)
9	Total Reductions			\$ 1,370,147
	¹ See next table for New and Supplemental Funding for FY20/21			

The following table shows new and supplemental project funding requests for FY20/21.

Table F-7

ID#	New and Supplemental Project Funding	Budget	Purpose and Need
	Local Sales Tax Fund		
1	New Project - Downtown Cleaning Equipment	\$150,000	Increases downtown cleanliness - downtown vitality
2	New Project - Pedestrian Safety Improvements on Monterey at Buena Vista	\$30,000	Required by litigation to upgrade pedestrian crossing near Apple Farm – safety issue.
3	New Project - Replace City Hall Breaker	\$30,000	Project will replace an existing electrical disconnect that no longer functions
4	New Project - Pedestrian Crosswalk Beacon on Ramona	\$50,000	Replace failed hardware with new system that is easier to maintain and functional – safety issue.
5	New Project - Bike/Ped Quick Build Projects	\$140,000	Supports paving projects to integrate ped/bike improvements – safety issue.
6	Supplemental Funding - Fleet Services Vehicle Lift	\$78,000	Replace failed in-ground vehicle lifts for portable lifts to address emergent life safety issues.
7	Supplemental Funding – Storm Drain Replacement at Bullock Lane	\$250,000	Funding to replace storm drain infrastructure on Bullock Lane, at critical risk of failure and collapse
8	Supplemental Funding - Swim Center Bath House Roof Replacement	\$60,000	Additional funding to complete roof repairs due to more extensive damage and costs. Reduces future costs to City
9	Supplemental Funding -Neighborhood Traffic Improvements	\$75,000	Supports construction of a traffic circle improvements on Buchon to reduce vehicle speeds and enhance neighborhood safety

10	Supplemental Funding - Street Reconstruction and Resurfacing	\$137,000	Supports ADA improvements and pavement reconstruction on Nipomo Street from Buchon to Leff - Sustainable Transportation
11	Street Reconstruction and Resurfacing - Transfer to Orcutt/Tank Farm Roundabout Construction	\$(522,048)	Transfer of LRM funding to support construction of the Orcutt/Tank Farm Roundabout. This amount is backfilled by SB1 Funds.
12	New Project Orcutt/Tank Farm Roundabout Construction - Fund Transfer from Street Reconstruction and Resurfacing	\$522,048	Transfer of LRM from Streets R&R funding to support construction of the Orcutt/Tank Farm Roundabout.
13	Supplemental Funding Orcutt Tank Farm Roundabout	\$550,000	Additional funding to support construction of the Orcutt Tank Farm Roundabout
14	Supplemental Funding - Tait Radio System Upgrade	\$300,000	Additional funding to support radio system upgrades used by first responders - community safety
	Additional Project Funding: Budget Transfers	\$1,850,000	

SECTION F-7B: List of Projects Proceeding

Proceed: Construct in FY2020-21					Project Prioritization Criteria							
					Critical to Public Health & Safety	Essential Maintenance	Supports Economic Recovery	Supports Major City Goals				Positive Transformational Opportunity
Adopted Budget	Current Costs	Remaining Budget	Housing	Sustainable Transportation				Climate Action	Downtown Vitality			
1	Proceed: Construct in FY2020-21	\$ 12,528,856	\$4,025,579	\$ 8,503,278								
2	Street Reconstruction and Resurfacing - Roadway Sealing 2020	\$ 4,081,211	\$2,819,014	\$ 1,262,198		X	X		X			X
3	IT Replacements - Annual Asset Maintenance Account											
4	911 Phone System	\$ 20,000		\$ 20,000		X						
5	Public Safety MDC and In-Car Video Replacement	\$ 580,000		\$ 580,000	X							
6	Radio Handhelds & Mobiles	\$ 143,123		\$ 143,123	X							
7	VMware Infrastructure Upgrade	\$ 100,200		\$ 100,200		X						
8	Costs to Date	\$ -	\$54,144	\$ (54,144)								
9	Community Safety Emergency Response Communication Equipment							X				
10	KVEC Tower	\$ 250,000	\$0	\$ 250,000	X		X					
11	South Hills Radio Site	\$ 590,420	\$126,326	\$ 464,094	X	X	X				X	
12	Marsh at Santa Rosa Bridge Replacement 2016 (90480)	\$ 725,089	\$77,258	\$ 647,831	X	X	X				X	
13	Playground Equipment Replacement - Annual Asset Maintenance Account											
14	Islay Hill Park Playground	\$ 617,315	\$67,315	\$ 550,000	X							X
15	Orcutt Tank Farm Roundabout - Supplemental Funding	\$ 550,000		\$ 550,000			X	X	X			X
16	Orcutt Tank Farm Roundabout	\$ 522,048		\$ 522,048			X	X	X			X
17	Storm Drains Annual Asset Maintenance Account											
18	Bullock Lane	\$ 307,367	\$85,808	\$ 221,559	X	X	X					
19	Bullock Lane CMP Replacement - Supplemental Funding	\$ 250,000	\$0	\$ 250,000	X	X	X					
20	Major Facilities Maintenance - Annual Asset Maintenance Account											
21	Swim Center Bath House Ceiling	\$ 30,000		\$ 30,000		X	X					
22	Swim Center Shower System Repair	\$ 71,000		\$ 71,000		X	X					
23	City Hall Fire Department Connection	\$ 58,000		\$ 58,000	X	X	X					
24	Fire Station #1 - HVAC	\$ 140,000		\$ 140,000		X	X					
25	Swim Center Bath House Roof	\$ 70,000		\$ 70,000		X	X					
26	Accelerated Funding - Fleet Services Vehicle Lift	\$ 78,000		\$ 78,000	X	X						
27	Costs to Date	\$ -	\$48,945	\$ (48,945)								
28	Urban Forest - Annual Asset Maintenance Account	\$ 350,797	\$21,814	\$ 328,983		X						
29	Fleet Replacements - Annual Asset Maintenance											
30	Police SNAP SUV Hybrid	\$ 55,000		\$ 55,000	X							
31	Police Patrol Hybrid SUV (2 Vehicles Total)	\$ 130,000		\$ 130,000	X							
32	Police Patrol Hybrid SUV (4 Vehicles Total)	\$ 260,000		\$ 260,000	X							
33	Costs to Date		\$127,358	\$ (127,358)								
34	Bicycle Facility Improvements - Annual Asset Maintenance Account	\$ 264,408	\$27,733	\$ 236,675	X		X					
35	Radio Handhelds (91583)	\$ 203,000	\$0	\$ 203,000	X			X				X
36	New Project - Downtown Cleaning Equipment	\$ 150,000		\$ 150,000		X					X	X

Proceed: Construct in FY2020-21					Project Prioritization Criteria							
					Critical to Public Health & Safety	Essential Maintenance	Supports Economic Recovery	Supports Major City Goals				Positive Transformational Opportunity
Adopted Budget	Current Costs	Remaining Budget	Housing	Sustainable Transportation				Climate Action	Downtown Vitality			
ID#	Continuing Project											
1	Traffic Safety Implementation	\$ 164,467	\$18,379	\$ 146,088	X							
2	New Project - Bike/Ped Quick Build Projects	\$ 140,000		\$ 140,000		X	X		X			
3	Street Reconstruction and Resurfacing - Supplemental Funding	\$ 137,000	\$0	\$ 137,000	X				X			X
4	Railroad Safety Trail Taft to Pepper - 2018 (91375)	\$ 230,261	\$114,154	\$ 116,107	X				X			X
5	Open Space - Annual Asset Maintenance Account	\$ 188,254	\$97,019	\$ 91,235		X						X
6	Pedestrian and Bicycle Pathway - Annual Asset Maintenance Account	\$ 79,000	\$0	\$ 79,000		X	X		X			
7	Swim Center Bath House Roof (91656) - Supplemental Funding	\$ 60,000		\$ 60,000		X	X					
8	Transportation Safety and Operations	\$ 55,000	\$0	\$ 55,000	X							
9	Active Transportation Plan	\$ 140,000	\$86,414	\$ 53,586					X			
10	Traffic Signs and Striping Maintenance	\$ 52,066	\$1,098	\$ 50,968		X			X			
11	New Project - Pedestrian Crosswalk Beacon on Ramona	\$ 50,000		\$ 50,000	X							
12	PS Battery Backup (91692)	\$ 42,706	\$0	\$ 42,706	X							
13	Pedestrian Crossing Improvements	\$ 40,000	\$0	\$ 40,000	X		X		X			
14	Broad Street Corridor Access Improvements	\$ 35,000		\$ 35,000	X		X		X			
15	City/County Library HVAC Replacement 2017 (91570)	\$ 31,300	\$164	\$ 31,136		X	X					
16	New Project - Pedestrian Safety Improvements on Monterey at Buena	\$ 30,000		\$ 30,000		X	X					
17	New Project - Replace City Hall Breaker	\$ 30,000		\$ 30,000	X							
18	Parks & Recreation HVAC 2017 (91572)	\$ 47,279	\$17,806	\$ 29,473		X	X					
19	Multisite Energy Management (91574)	\$ 32,600	\$11,590	\$ 21,010					X			
20	Laguna Lake Golf Course - Annual Asset Maintenance Account	\$ 30,000	\$10,000	\$ 20,000		X	X					
21	Parks Major Maintenance - Annual Asset Maintenance Account					X						
22	Parks Play Surfacing	\$ 20,000		\$ 20,000								
23	Parking Lot Maintenance - Annual Asset Maintenance Account	\$ 20,000	\$0	\$ 20,000		X						
24	Fire Station 3 Sewer Lateral Replacement (91687)	\$ 18,000	\$0	\$ 18,000	X	X	X					
25	Enhanced Open Space (91505)	\$ 28,970	\$15,073	\$ 13,898		X						X
26	Patrol SUV (91699)	\$ 51,000	\$41,704	\$ 9,296	X							
27	Patrol Sedan (91697)	\$ 51,000	\$41,704	\$ 9,296	X							
28	Patrol Sedan (91698)	\$ 51,000	\$41,704	\$ 9,296	X							
29	Pest Control (91578)	\$ 17,500	\$9,810	\$ 7,690		X						
30	Fire Station Rollup Door (91581)	\$ 9,500	\$3,610	\$ 5,890		X	X					
31	Swim Center Bath House Roof (91656)	\$ 8,500	\$3,800	\$ 4,700		X	X					
32	Fire Station 1 HVAC (91647) - Design Phase Carryover	\$ 21,800	\$20,735	\$ 1,065		X	X					
33	Swim Center Filter Control (91575)	\$ 10,478	\$9,703	\$ 775		X						
34	Traffic Ops Improvements (90884)	\$ 9,196	\$25,401	\$ (16,205)	X							

Proceed: Continue Planning/Design Only					Project Prioritization Criteria							
					Critical to Public Health & Safety	Essential Maintenance	Supports Economic Recovery	Supports Major City Goals				Positive Transformational Opportunity
								Housing	Sustainable Transportation	Climate Action	Downtown Vitality	
ID#	Continuing Project	Adopted Budget	Current Costs	Remaining Budget								
1	Proceed: Continue Planning/Design Only	\$ 1,897,767	\$348,211	\$ 1,549,555								
2	Tait Radio System Bknd Up (91691) - Supplemental Funding	\$ 300,000	\$0	\$ 300,000	X							
3	Major Facilities Maintenance - Annual Asset Maintenance Account											
4	Energy Management System (EMS)	\$ 100,000		\$ 100,000					X			
5	Fire Station #1 Administration Bldg Roof	\$ 81,500		\$ 81,500		X	X					
6	Fire Station #3 - Roof	\$ 50,000		\$ 50,000		X	X					
7	Hydration Stations	\$ 3,000		\$ 3,000			X			X		
8	Swim Center Olympic Pool Thermal Blankets	\$ 30,000		\$ 30,000		X						
9	Swim Center Therapy Pool Boiler	\$ 15,000		\$ 15,000		X						
10	Mission Plaza Restroom Replacements and Enhancements	\$ 300,000	\$52,000	\$ 248,000			X		X	X		
11	IT Replacements - Annual Asset Maintenance Account											
12	ECC Equipment Replacement	\$ 35,000		\$ 35,000		X						
13	Network Security Upgrade	\$ 100,664		\$ 100,664		X						
14	Facility Parking Lot Maintenance (91310)	\$ 120,000	\$0	\$ 120,000		X	X					
15	Tait Radio System Bknd Up (91691)	\$ 100,000	\$0	\$ 100,000		X						
16	Swim Center Co-generation Plant (91653)	\$ 85,000	\$5,000	\$ 80,000		X	X					
17	Street Lights - Annual Asset Maintenance Account	\$ 142,500	\$79,846	\$ 62,654	X		X					
18	Facility Maintenance - Annual Asset Maintenance Account											
19	HVAC and Sewer Lateral Replacements	\$ 63,168	\$3,498	\$ 59,670		X	X					
20	Parks Major Maintenance - Annual Asset Maintenance Account											
21	Cheng Park Revitalization	\$ 50,000		\$ 50,000			X		X	X		
22	ECC Equipment Replacement (91690)	\$ 35,000	\$295	\$ 34,705		X						
23	2015 Traffic Safety Report Improvements (91607)	\$ 30,000		\$ 30,000	X							
24	Jack House Repairs (91685)	\$ 16,500	\$0	\$ 16,500		X						
25	South Street Median Landscaping	\$ 15,000	\$0	\$ 15,000			X			X		
26	Pismo/Johnson/SL Creek Bank Stabilization	\$ 10,000	\$0	\$ 10,000	X		X					
27	Broad and Leff Culvert Repair (91156)	\$ 10,000	\$2,387	\$ 7,613		X						
28	Corp Yard Fuel Island Siding (91632)	\$ 14,750	\$14,500	\$ 250			X					
29	Police Station Replacement	\$ 190,685	\$190,685	\$ -			X		X	X		

					Project Prioritization Criteria							
Hold: Shovel Ready for Future Funding/Stimulus - Do Not Defund					Critical to Public Health & Safety	Essential Maintenance	Supports Economic Recovery	Supports Major City Goals				Positive Transformational Opportunity
ID#	Continuing Project	Adopted Budget	Current Costs	Remaining Budget				Housing	Sustainable Transportation	Climate Action	Downtown Vitality	
1	Hold: Shovel Ready for Future Funding/Stimulus - Do Not Defund	\$ 829,756	\$323,532	\$ 506,224								
2	Sidewalk Annual Asset Maintenance Account	\$ 358,268	\$191,227	\$ 167,040		X						
3	Neighborhood Traffic Improvements	\$ 166,819	\$72,636	\$ 94,183				X				
4	Air Compressor Replacement - Fire Station 1	\$ 80,000	\$0	\$ 80,000		X						
5	Neighborhood Traffic Improvements - Supplemental Funding	\$ 75,000		\$ 75,000				X				
6	Storm Drains Annual Asset Maintenance Account											
7	Trash Capture Devices	\$ 75,000		\$ 75,000			X		X			
8	Parks Hydrate Station (91681)	\$ 15,000	\$0	\$ 15,000						X	X	
9	Anholm Neighborhood Greenway Plan - Phase 1B & 2	\$ 59,669	\$59,669	\$ -				X				
Grand Total		\$ 15,256,379	\$4,697,322	\$ 10,559,057								

SECTION F-7C: Listing of Deferred and Completed Projects for De-Appropriation

ID#	Row Labels	Sum of Cost		
		Sum of Current Budget Cost	Including Commitments	Sum of Available Balance
1	Defer: No Further Action this Fiscal Year - Defund	\$ 3,695,293	\$674,983	\$ 3,020,310
2	Parks Major Maintenance - Annual Asset Maintenance Account	\$ 732,462	\$34,904	\$ 697,558
3	Carryover Funds	\$ 92,462	\$31,141	\$ 61,320
4	Parks Play Surfacing	\$ 30,000		\$ 30,000
5	Water Stations and Supply Lines	\$ 40,000		\$ 40,000
6	Sinsheimer Irrigation & Drainage (91658)	\$ 570,000	\$0	\$ 570,000
7	Costs to Date	\$ -	\$3,763	\$ (3,763)
8	Laguna Lake Dredging and Sediment Management Project Implementation	\$ 531,534	\$42,637	\$ 488,897
9	Fleet Replacements - Annual Asset Maintenance	\$ 450,000		\$ 450,000
10	Police Patrol Truck	\$ 75,000		\$ 75,000
11	Streets Maintenance Medium Duty Truck with Hooklift Bed	\$ 135,000		\$ 135,000
12	Streets Maintenance Medium Duty Truck with Utility Bed and Crane	\$ 120,000		\$ 120,000
13	Stormwater Hydrocleaner	\$ 120,000		\$ 120,000
14	Bob Jones Calle Joaquin to Ocn (91694)	\$ 216,000	\$0	\$ 216,000
15	Open Space Acquisition	\$ 772,094	\$565,282	\$ 206,812
16	Body Slide In Patcher (91700)	\$ 205,000	\$0	\$ 205,000
17	Playground Equipment Replacement - Annual Asset Maintenance Account	\$ 160,000	\$0	\$ 160,000
18	Emerson Park Fitness Equipment	\$ 100,000		\$ 100,000
19	Meadow Park Par Course	\$ 20,000		\$ 20,000
20	Vista Lago Mini Park Playground	\$ 40,000		\$ 40,000
21	Downtown Renewal - Broad Street	\$ 138,950	\$0	\$ 138,950
22	Broad Street - West Side - Higuera to Marsh	\$ 138,950	\$0	\$ 138,950
23	Meadow Park Pathways Maintenance	\$ 137,090	\$13,540	\$ 123,550
24	Traffic Safety Implementation	\$ 100,000	\$0	\$ 100,000
25	Meadow Park Irrigation (91680)	\$ 90,000	\$0	\$ 90,000
26	Street Lights - Annual Asset Maintenance Account	\$ 75,000	\$0	\$ 75,000
27	2015 Traffic Safety Report Improvements (91607)	\$ 30,000		\$ 30,000
28	Major Facilities Maintenance - Annual Asset Maintenance Account	\$ 19,663		\$ 19,663
29	ADA Transition Plan Implementation	\$ 19,663		\$ 19,663
30	Elsfor Park Fence (91678)	\$ 15,000	\$0	\$ 15,000
31	Police Evidence Storage Bldg (91645)	\$ 5,000	\$0	\$ 5,000
32	Police Department & Fire Station 3 Painting (91646)	\$ 17,500	\$18,620	\$ (1,120)
33	Completed: No Further Action this Fiscal Year - Defund	\$ 3,316,316	\$3,116,478	\$ 199,837
34	Jack House Facility Shell (91686)	\$ 57,500	\$15,000	\$ 42,500
35	City Hall Chiller Replacement 2017 (91568)	\$ 224,924	\$202,884	\$ 22,040
36	Meadow Park Pedestrian Bridges Replacement Project	\$ 271,164	\$249,646	\$ 21,518
37	Swim Center Re-plaster Therapy Pool (91657)	\$ 151,003	\$132,176	\$ 18,827
38	Portable Restroom Trailer (91703)	\$ 15,874	\$0	\$ 15,874
39	Mission Plaza Railing Upgrade 2019	\$ 35,000	\$19,836	\$ 15,164
40	Fire EPCR Records Management (91367)	\$ 16,730	\$1,796	\$ 14,934
41	EDC DataAire Replacement	\$ 157,280	\$142,492	\$ 14,788
42	Police CAD Hardware (91401)	\$ 15,826	\$4,595	\$ 11,232
43	PG&E Relocation for Meadow Park Pedestrian Bridge	\$ 66,000	\$57,417	\$ 8,583
44	Major Facilities Maintenance - Annual Asset Maintenance Account			
45	Swim Center Therapy Pool Chemical Pumps	\$ 8,000		\$ 8,000
46	ECC Blade Computers (91689)	\$ 4,317	\$0	\$ 4,317
47	RRST Pepper to Train Station (91695)	\$ 30,000	\$27,852	\$ 2,148
48	Emergency Repair - 54 Highland	\$ 15,519	\$14,770	\$ 749
49	Fire Training Pickup (91598)	\$ 6,978	\$6,606	\$ 372
50	Ped & Bike Path Maintenance - Annual Asset Maintenance Account	\$ 14,226	\$14,033	\$ 193
51	Ambulance Van (91409)	\$ 128	\$0	\$ 128
52	Utility Crt with Dump Bed (91707)	\$ 23,000	\$22,934	\$ 66
53	Railroad District Boardwalk Replacement	\$ 1,214	\$1,165	\$ 49
54	Utility Crt with Dump Bed (91708)	\$ 33,000	\$33,029	\$ (29)
55	Police Interceptor SUV (91590)	\$ 55,000	\$56,615	\$ (1,615)
	Grand Total	\$ 7,011,609	\$3,791,462	\$ 3,220,147

Table F8

SECTION F-8: PARKING FUND

SECTION F-8A: Fund Summary Table and New/Supplemental Project Funding

The following table lists the total remaining budget of all projects recommended to continue, as well as the total remaining budget for deferrable and completed projects. The total De-Appropriation represents the total deferrable budget, less the new funding requests. This amount can be returned to Fund Balance.

Table F-9

ID#	Assessment Category	Adopted Budget	Actual Cost	Remaining Budget
1	Proceed: Construct in FY2020-21	\$ 3,088,616	\$678,157	\$ 2,410,459
2	Proceed: Continue Planning/Design Only	\$ 1,910,861	\$31,859	\$ 1,879,002
3	Hold: Shovel Ready for Future Funding/Stimulus - Do Not Defund	\$ 625		\$ 625
4	Proceed Total			\$ 4,290,086
5	Defer: No Further Action this Fiscal Year - Defund	\$ 1,372,500	\$114,248	\$ 1,258,252
6	Completed: No Further Action this Fiscal Year - Defund	\$ 879,507	\$24,615	\$ 854,892
7	Defund Total			\$ 2,113,144
8	New and Supplemental Project Funding¹			\$ (516,000)
9	Total Reductions			\$ 1,597,144
	¹ See next table for New and Supplemental Funding for FY20/21			

The following table shows new and supplemental project funding requests for FY20/21.

Table F-10

ID#	Additional Project Funding	New Budget	Purpose and Need
	Parking Fund		
1	New Project - Multispace On-Street Pay Stations	\$ 515,000	meters with pay stations - operating cost savings measure
2	Major Facilities Maintenance - Accelerated Funding - Fleet Services Vehicle Lift	\$ 1,000	Replace failed in-ground vehicle lift - safety issue
	Additional Project Funding: Budget Transfers	\$ 516,000	

SECTION F-8B: List of Projects Proceeding

					Project Prioritization Criteria								
ID#	Continuing Projects	Adopted Budget	Current Costs	Remaining Budget	Critical to Public Health & Safety	Essential Maintenance	Supports Economic Recovery	Supports Major City Goals				Positive Transformational Opportunity	
								Housing	Sustainable Transportation	Climate Action	Downtown Vitality		
1	Proceed: Construct in FY2020-21	\$ 3,088,616	\$678,157	\$ 2,410,459									
2	842 Palm Parking Structure	\$ 800,000	\$1,125	\$ 798,875		X	X					X	
3	871 Marsh Street Parking Structure Maintenance	\$ 722,500	\$28,026	\$ 694,474		X	X					X	
4	New Project - Multispace On-Street Pay Stations	\$ 515,000		\$ 515,000			X					X	X
5	919 Palm Street Parking Structure Maintenance	\$ 200,000	\$18,698	\$ 181,302		X	X						
6	Upgrade Parking Structure Equipment (90960)	\$ 763,000	\$630,308	\$ 132,692		X							
7	871 Marsh - Marsh Street Elevator Repair	\$ 77,500		\$ 77,500		X	X						
8	IT Replacements - Annual Asset Maintenance Account												
9	VMware Infrastructure Upgrade	\$ 9,616		\$ 9,616		X							
10	Major Facilities Maintenance - Annual Asset Maintenance Account												
11	Accelerated Funding - Fleet Services Vehicle Lift	\$ 1,000		\$ 1,000	X	X							
12	Proceed: Continue Planning/Design Only	\$ 1,910,861	\$31,859	\$ 1,879,002									
13	Palm-Nipomo Parking Structure	\$ 1,906,989	\$31,859	\$ 1,875,130								X	X
14	IT Replacements - Annual Asset Maintenance Account												
15	Network Security Upgrade	\$ 3,872		\$ 3,872		X							
16	Hold: Shovel Ready for Future Funding/Stimulus - Do Not Defund	\$ 625		\$ 625									
17	IT Replacements - Annual Asset Maintenance Account												
18	Fire Radio Receive Site at Fire Station #4	\$ 625		\$ 625	X	X	X						
Grand Total		\$ 5,000,102	\$710,016	\$ 4,290,086									

SECTION F-8C: Listing of Deferred and Completed Projects for De-Appropriation

ID#	Category	Adopted Budget	Actual Cost	Remaining Budget
1	Defer: No Further Action this Fiscal Year - Defund	\$ 1,372,500	\$114,248	\$ 1,258,252
2	Parking Acquisition & Lease	\$ 500,000	\$7,000	\$ 493,000
3	Parking Meter Upgrades to Credit Card/Mobile Pay	\$ 315,000	\$0	\$ 315,000
4	Parking Meter Replacements of Existing Credit Card Meters	\$ 200,000	\$0	\$ 200,000
5	Parking Small Capital Miscellaneous CIP Projects	\$ 100,000	\$0	\$ 100,000
6	Telemetry Communications Upgrades - Wayfinding	\$ 57,500	\$0	\$ 57,500
7	Managed Parking Expansion (meters, Residential Permit Districts, Mobile	\$ 50,000	\$0	\$ 50,000
8	Green Fleet Vehicle Charging Stations 2017 (91565)	\$ 150,000	\$107,248	\$ 42,752
9	Completed: No Further Action this Fiscal Year - Defund	\$ 879,507	\$24,615	\$ 854,892
10	Marsh Parking Structure Maintenance (91605)	\$ 575,000	\$1,040	\$ 573,960
11	Vehicle License Plate Recognition (91382)	\$ 145,000	\$268	\$ 144,732
12	Marsh Street Garage Improvements 2016 (91381)	\$ 73,271	\$0	\$ 73,271
13	Parking Structure Assessment (91380)	\$ 76,667	\$16,432	\$ 60,235
14	IT Replacements - Annual Asset Maintenance Account			
15	Actual Costs to Date	\$ -	\$6,875	\$ (6,875)
16	Firewall Replacement	\$ 5,033		\$ 5,033
17	Virtual Private Network Replace	\$ 3,420		\$ 3,420
18	Network Switching Infrastructure Equipment	\$ 1,116		\$ 1,116
	Grand Total	\$ 2,252,007	\$138,863	\$ 2,113,144

SECTION F-9: TRANSIT FUND

SECTION F-9A: Fund Summary Table and New/Supplemental Project Funding

The following table list the total remaining budget of all projects recommended to continue, as well as the total remaining budget for deferrable and completed projects. The total De-Appropriation represents the total deferrable budget, less the new funding requests. This amount can be returned to Fund Balance.

Table F-11

ID#	Assessment Category	Adopted Budget	Actual Cost	Remaining Budget
1	Proceed: Construct in FY2020-21	\$ 988,577	\$373,058	\$ 615,519
2	Proceed: Continue Planning/Design Only	\$ 103,472	\$42,366	\$ 61,106
3	Hold: Shovel Ready for Future Funding/Stimulus - Do Not Defund	\$ 3,500		\$ 3,500
4	Proceed Total			\$ 680,125
5	Completed: No Further Action this Fiscal Year - Defund	\$ 104,637	\$1,964	\$ 102,673
6	Defund Total			\$ 102,673
7	New and Supplemental Project Funding¹			\$ (530,428)
8	New Appropriation			\$ (427,755)
	¹ See next table for New and Supplemental Funding for FY20/21			

The following table shows new project funding requests for FY20/21.

Table F-12

ID#	New and Supplemental Project Funding	New Budget	Purpose and Need
	Transit Fund		Sustainable Transportation Goals. Advances compliance with the Innovative Clean Transit (ICT) fleet regulations
1	Electric Transit Vehicles Purchase - City Matching Funds	\$ 530,428	
	New and Supplemental Project Funding	\$ 530,428	

SECTION F-9B: List of Projects Proceeding

					Project Prioritization Criteria							
ID#	Continuing Projects	Adopted Budget	Current Costs	Remaining Budget	Critical to Public Health & Safety	Essential Maintenance	Supports Economic Recovery	Supports Major City Goals				Positive Transformational Opportunity
								Housing	Sustainable Transportation	Climate Action	Downtown Vitality	
1	Proceed: Construct in FY2020-21	\$ 988,577	\$373,058	\$615,519								
2	Electric Transit Vehicles - Council Appropriated on 5/19/20	\$ 530,428		\$530,428			X		X	X		X
3	Transit Auto Location System (91606)	\$ 455,401	\$373,058	\$ 82,343		X	X					
4	IT Replacements - Annual Asset Maintenance Account											
5	VMware Infrastructure Upgrade	\$ 2,748		\$ 2,748		X						
6	Proceed: Continue Planning/Design Only	\$ 103,472	\$42,366	\$ 61,106								
7	Bus Shelter Replacement (91253)	\$ 60,000	\$0	\$ 60,000			X		X			
8	IT Replacements - Annual Asset Maintenance Account	\$ 1,106		\$ 1,106								
9	Network Security Upgrade	\$ 1,106		\$ 1,106		X	X					
10	Transit Yard Solar - Bus Parking Layout Study	\$ 42,366	\$42,366	\$ -		X	X					
11	Hold: Shovel Ready for Future Funding/Stimulus - Do Not Defund	\$ 3,500		\$ 3,500								
12	IT Replacements - Annual Asset Maintenance Account	\$ 3,500		\$ 3,500								
13	Fire Radio Receive Site at Fire Station #4	\$ 3,500		\$ 3,500	X	X	X					
Grand Total		\$ 1,095,549	\$415,424	\$ 680,125								

SECTION F-9C: Listing of Deferred and Completed Projects for De-Appropriation

ID#	Category	Adopted Budget	Current Costs	Remaining Budget
Completed: No Further Action this Fiscal Year -				
1	Defund	\$ 104,637	\$1,964	\$ 102,673
2	Bus Shelter Replacement (91253) - Partial Closeout	\$ 101,621	\$0	\$ 101,621
3	IT Replacements - Annual Asset Maintenance Account			
4	Costs to Date	\$ -	\$1,964	\$ (1,964)
5	Firewall Replacement	\$ 1,438		\$ 1,438
6	Virtual Private Network Replace	\$ 977		\$ 977
7	Network Switching Infrastructure Equipment	\$ 601		\$ 601
	Grand Total	\$ 104,637	\$1,964	\$ 102,673

SECTION F-10: WATER FUND

SECTION F-10A: Fund Summary Table and New/Supplemental Project Funding

The following table list the total remaining budget of all projects recommended to continue, as well as the total remaining budget for deferrable and completed projects. The total New Appropriation represents appropriations necessary to fund the new and additional project funding.

Table F-13

ID#	Assessment Category	Adopted Budget	Actual Cost	Remaining Budget
1	Proceed: Construct in FY2020-21	\$ 32,591,254	\$13,030,825	\$ 19,560,429
2	Proceed: Continue Planning/Design Only	\$ 414,796	\$82,570	\$ 332,226
3	Hold: Shovel Ready for Future Funding/Stimulus - Do Not Defund	\$ 5,900	\$0	\$ 5,900
4	Proceed Total			\$ 19,898,555
5	Defer: No Further Action this Fiscal Year - Defund	\$ 1,224,558	\$0	\$ 1,224,558
6	Completed: No Further Action this Fiscal Year - Defund	\$ 2,147,451	\$1,935,529	\$ 211,922
7	Defund Total			\$ 1,436,480
8	New and Supplemental Project Funding¹			\$ (1,887,000)
9	New Appropriations			\$ (450,520)
	¹ See next table for New and Supplemental Funding for FY20/21			

The following table shows new and supplemental project funding requests for FY20/21.

Table F-14

ID#	New and Supplemental Project Funding	New Budget	Purpose and Need
	Water Fund	\$ 1,887,000	
1	Reservoir Maintenance	\$ 780,000	Address deferred maintenance to water system reservoirs - health / safety and critical maintenance issue
2	Major Facilities Maintenance - Accelerated Funding - Fleet Services Vehicle Lift	\$ 7,000	Replace failed in-ground vehicle lifts for portable lifts to address emergent life safety issues.
3	Jeffrey / Cerro Romauldo / Westmont - 1000067 Supplemental Funding	\$ 1,100,000	Address deferred maintenance of water distribution system - health / safety and critical maintenance issue
	Water Fund - Prop 1B SWRCB Grant	\$ 1,996,575	
4	Groundwater Well Development Program (91506)	\$ 1,996,575	Grant funding (Prop. 1) for well development programs - community wellbeing
	New and Supplemental Project Funding (Not Including Grants)	\$ 1,887,000	

SECTION F-10B: List of Project Proceeding

ID#	Continuing Projects	Adopted Budget	Current Costs	Remaining Budget	Project Prioritization Criteria							
					Critical to Public Health & Safety	Essential Maintenance	Supports Economic Recovery	Supports Major City Goals				Positive Transformational Opportunity
								Housing	Sustainable Transportation	Climate Action	Downtown Vitality	
1	Proceed: Construct in FY2020-21	\$ 32,591,254	\$13,030,825	\$ 19,560,429								
2	Water Treatment Plant Energy Efficiency	\$ 15,211,994	\$5,961,653	\$ 9,250,340	X	X	X				X	
3	Bee Bee, Cuesta, Loomis Improvements	\$ 1,750,000	\$12,820	\$ 1,737,180	X	X	X					
4	Reservoir Maintenance	\$ 1,651,573	\$166,172	\$ 1,485,401	X	X	X					
5	PSPS Emergency Power	\$ 1,958,000	\$657,557	\$ 1,300,443	X		X					
6	Groundwater Well Development Program (91506)	\$ 1,327,443	\$50,409	\$ 1,277,034			X					
7	Jeffrey / Cerro Romauldo / Westmont - 1000067 Supplemental Funding	\$ 1,100,000		\$ 1,100,000	X	X	X					
8	Terrace Hill PRV	\$ 692,346	\$35,941	\$ 656,405	X	X	X					
9	WTP Major Equipment Maintenance	\$ 566,872	\$107,887	\$ 458,985	X	X	X					
10	Water Distribution Point Repairs	\$ 690,000	\$243,463	\$ 446,537	X	X	X					
11	Waterline Adandonment & Connections Various Locations 2016 (91312)	\$ 2,055,821	\$1,651,607	\$ 404,214	X	X	X					
12	Water Utility Trench Repair (91147)	\$ 546,984	\$230,029	\$ 316,955		X	X					
13	Water Distribution Telemetry System Upgrade (90490)	\$ 513,530	\$234,194	\$ 279,335	X	X	X					
14	Water TTHM Byproduct Reduction Project	\$ 3,142,174	\$2,916,692	\$ 225,482	X	X	X					
15	Craig, Christina, Jaycee Improvements	\$ 180,000	\$0	\$ 180,000	X	X	X					
16	Water Distribution Meters and Boxes	\$ 180,000	\$60,000	\$ 120,000		X						
17	Groundwater Basin Management	\$ 269,862	\$150,000	\$ 119,862		X						
18	Water Distribution Fire Hydrants	\$ 80,000	\$0	\$ 80,000	X		X					
19	Water Valve Cover Adjustments	\$ 46,565	\$0	\$ 46,565		X	X					
20	Edna Tank Maintenance (91152)	\$ 40,005	\$0	\$ 40,005	X		X					
21	Water Distribution Fire Hydrants (91744)	\$ 47,802	\$23,743	\$ 24,060	X	X	X					
22	IT Replacements - Annual Asset Maintenance Account											
23	VMware Infrastructure Upgrade	\$ 22,667		\$ 22,667		X						
24	WTP Ozone System Maintenance (91730)	\$ 121,820	\$104,736	\$ 17,084								
25	WTP Chemical System Maintenance (91731)	\$ 29,000	\$21,093	\$ 7,907	X	X						
26	Major Facilities Maintenance - Annual Asset Maintenance Account											
27	Accelerated Funding - Fleet Services Vehicle Lift	\$ 7,000		\$ 7,000	X		X					
28	WTP Air Compressor Replacement (91733)	\$ 4,794	\$0	\$ 4,794	X	X	X					
29	WTP Air Compressor and Dryer Maintenance (91732)	\$ 32,000	\$28,737	\$ 3,263	X	X						
30	Utilities Administration HVAC 2017 (91573)	\$ 1,500	\$0	\$ 1,500	X							
31	Groundwater Basin Management Revised	\$ 230,138	\$229,738	\$ 400		X	X					
32	Water Meters and Boxes (91743)	\$ 91,364	\$144,353	\$ (52,989)		X	X					

					Project Prioritization Criteria							
ID#	Continuing Projects	Adopted Budget	Current Costs	Remaining Budget	Critical to Public Health & Safety	Essential Maintenance	Supports Economic Recovery	Supports Major City Goals				Positive Transformational Opportunity
								Housing	Sustainable Transportation	Climate Action	Downtown Vitality	
1	Proceed: Continue Planning/Design Only	\$ 414,796	\$82,570	\$ 332,226								
2	Fleet Replacements - Annual Asset Maintenance											
3	Water Distributions Medium Duty Truck with Utility Bed and Crane	\$ 180,000	\$0	\$ 180,000		X						
4	Reservoir No 2 Replacement	\$ 171,570	\$66,570	\$ 105,000	X		X					
5	LAN Tablet System (91717)	\$ 34,100	\$0	\$ 34,100		X						
6	IT Replacements - Annual Asset Maintenance Account											
7	Network Security Upgrade	\$ 9,126		\$ 9,126		X						
8	Hydraulic Model Update (91742)	\$ 20,000	\$16,000	\$ 4,000								
9	Hold: Shovel Ready for Future Funding/Stimulus - Do Not Defund	\$ 5,900	\$0	\$ 5,900								
10	IT Replacements - Annual Asset Maintenance Account											
11	Fire Radio Receive Site at Fire Station #4	\$ 4,000		\$ 4,000	X	X	X					
12	Anholm Neighborhood Greenway Plan - Phase 1B & 2	\$ 1,900	\$0	\$ 1,900					X			X
Grand Total		\$ 33,011,950	\$13,113,395	\$ 19,898,555								

SECTION 10-10C: Listing of Deferred and Completed Projects for De-Appropriation

ID#	Category	Adopted Budget	Current Costs	Remaining Budget
1	Defer: No Further Action this Fiscal Year - Defund	\$ 1,224,558	\$0	\$ 1,224,558
2	Reservoir No 2 Replacement	\$ 949,558	\$0	\$ 949,558
3	Buchon / Santa Rosa Intersection Improvements	\$ 150,000	\$0	\$ 150,000
4	Water Utility Trench Repair (91147)	\$ 100,000	\$0	\$ 100,000
5	Mid-Higuera Bypass	\$ 25,000	\$0	\$ 25,000
6	Completed: No Further Action this Fiscal Year - Defund	\$ 2,147,451	\$1,935,529	\$ 211,922
7	Water Distribution System Improvements (90227)	\$ 131,880	-\$302	\$ 132,182
8	WTP Water Meter Replacement (91734)	\$ 70,000	\$22,454	\$ 47,546
9	Street Reconstruction and Resurfacing - Roadway Sealing 2020	\$ 58,500	\$46,598	\$ 11,902
10	Water Dist. Pickup No. 0621 Replacement	\$ 35,000	\$27,458	\$ 7,542
11	IT Replacements - Annual Asset Maintenance Account			
12	Costs to Date	\$ -	\$16,207	\$ (16,207)
13	Firewall Replacement	\$ 11,864		\$ 11,864
14	Virtual Private Network Replace	\$ 8,063		\$ 8,063
15	Network Switching Infrastructure Equipment	\$ 3,090		\$ 3,090
16	Compact Pickup (91603)	\$ 7,226	\$2,156	\$ 5,070
17	Compact Pickup (91604)	\$ 44,000	\$43,129	\$ 871
	Grand Total	\$ 3,372,009	\$1,935,529	\$ 1,436,480

SECTION F-11: SEWER FUND

SECTION F-11A: Fund Summary Table and New/Supplemental Project Funding

The following table list the total remaining budget of all projects recommended to continue, as well as the total remaining budget for deferrable and completed projects. The total New Appropriation represents appropriations necessary to fund the new and additional project funding.

Table F-15

ID#	Assessment Category	Adopted Budget	Actual Cost	Remaining Budget
1	Proceed: Construct in FY2020-21	\$ 133,368,207	\$71,826,769	\$ 61,541,439
2	Proceed: Continue Planning/Design Only	\$ 1,166,001	\$27,702	\$ 1,138,299
3	Hold: Shovel Ready for Future Funding/Stimulus - Do Not Defund	\$ 154,275	\$148,370	\$ 5,905
4	Proceed Total			\$ 62,685,642
5	Completed: No Further Action this Fiscal Year - Defund	\$ 5,333,245	\$4,530,718	\$ 802,527
6	Defund Total			\$ 802,527
7	New and Supplemental Project Funding¹			\$ (976,000)
8	New Appropriations			\$ (173,473)
	¹ See next table for New and Supplemental Funding for FY20/21			

The following table shows new and supplemental project funding requests for FY20/21.

Table F-16

ID#	New and Supplemental Project Funding	New Budget	Purpose and Need
Sewer Fund			
1	New Project - Lift Station Repairs	\$ 168,000	Critical maintenance of sewer lift stations
2	WRRF Major Equipment Maintenance	\$ 26,000	Additional funding for critical maintenance
3	Major Facilities Maintenance - Accelerated Funding - Fleet Services Vehicle Lift	\$ 12,000	Replace failed in-ground vehicle lifts for portable lifts to address emergent life safety issues
4	New Project - California Resiliency Challenge	\$ 10,000	Local match for grant funding - climate action
5	Marsh at Santa Rosa Bridge Replacement 2016 (90480) - Supplemental Funding	\$ 110,000	Supplemental funding to support sewer siphon replacement under the Marsh Street Bridge - health and safety
6	Foothill Sewer Lift Station	\$ 650,000	Advanced funding to support critical infrastructure - health and safety
	New and Supplemental Project Funding	\$ 976,000	

SECTION F-11B: List of Projects Proceeding

ID#	Continuing Projects	Adopted Budget	Current Costs	Remaining Budget	Project Prioritization Criteria								
					Critical to Public Health & Safety	Essential Maintenance	Supports Economic Recovery	Supports Major City Goals				Positive Transformational Opportunity	
								Housing	Sustainable Transportation	Climate Action	Downtown Vitality		
1	Proceed: Construct in FY2020-21	\$ 133,368,207	\$71,826,769	\$ 61,541,439									
2	WRRF Facility Upgrade (91219)	\$ 123,690,051	\$71,140,235	\$ 52,549,817	X	X	X						
3	Sewer Lift Station and Siphon Replacement - Calle Joaquin (91118)	\$ 2,600,397	\$244,444	\$ 2,355,954	X	X	X						
4	Foothill Sewer Lift Station	\$ 1,868,521	\$63,442	\$ 1,805,079	X	X	X						
5	Tassajara, Cerro Romauldo, Jeffrey, Westmont Pipe Bursting	\$ 1,320,000	\$15,255	\$ 1,304,745	X	X	X						
6	Sewer Inflow and Infiltration Reduction	\$ 826,866	\$49,592	\$ 777,274	X	X	X						
7	Sewer Lift Station – Calle Joaquin	\$ 700,000	\$8,820	\$ 691,180	X	X	X						
8	WRRF Major Equipment Maintenance	\$ 526,000	\$0	\$ 526,000	X	X	X						
9	Wastewater Collection Telemetry Improvements	\$ 359,643	\$1,735	\$ 357,908	X	X	X						
10	Marsh at Santa Rosa Bridge Replacement 2016 (90480)	\$ 261,443	\$0	\$ 261,443	X	X	X						
11	Sewer Lift Station - New Buckley Station	\$ 180,000	\$0	\$ 180,000	X	X	X						
12	New Project - Lift Station Repairs												
13	Fund Transfer from 91628 - Sewer Lift Station Repairs - Laguna Lake	\$ 168,000		\$ 168,000		X	X						
14	Water Distribution Meters and Boxes	\$ 180,000	\$60,000	\$ 120,000		X	X						
15	Marsh at Santa Rosa Bridge Replacement 2016 (90480) - Supplemental Funding	\$ 110,000		\$ 110,000	X	X	X						
16	WRRF Telemetry and Server Upgrade (91726)	\$ 108,000	\$18,799	\$ 89,201		X							
17	Water Meters and Boxes (91743)	\$ 91,178	\$17,793	\$ 73,385		X	X						
18	Sewer Utility Trench Repair (91740)	\$ 80,102	\$23,652	\$ 56,451		X	X						
19	Sewer Manhole Cover Adjustments	\$ 41,550	\$0	\$ 41,550		X	X						
20	WRRF Unit 3 Drain Pump (91728)	\$ 30,000	\$0	\$ 30,000		X	X						
21	IT Replacements - Annual Asset Maintenance Account												
22	VMware Infrastructure Upgrade	\$ 23,355		\$ 23,355		X							
23	Meinecke Murray Easement (91735)	\$ 17,860	\$0	\$ 17,860			X						
24	WRRF Membrane System (91539)	\$ 75,000	\$57,920	\$ 17,080	X	X	X						
25	Collection System Improvements and Point Repairs	\$ 29,332	\$16,600	\$ 12,733	X	X	X						
26	Major Facilities Maintenance - Annual Asset Maintenance Account												
27	Accelerated Funding - Fleet Services Vehicle Lift	\$ 12,000		\$ 12,000	X	X							
28	Street Reconstruction and Resurfacing - Roadway Sealing 2020	\$ 25,900	\$15,953	\$ 9,947		X	X						
29	New Project - Banner Arms, Bench Arm Rests, Signs	\$ 5,000		\$ 5,000			X		X				X
30	Utilities Administration HVAC 2017 (91573)	\$ 1,500	\$0	\$ 1,500		X	X						
31	WRRF Major Equipment Maintenance (91120)	\$ 15,959	\$15,959	\$ -		X	X						
32	Water Valve Cover Adjustments	\$ 25,550	\$25,550	\$ -		X	X						
33	Sewer Lift Station Replacement - Foothill		\$51,022	\$ (51,022)	X	X	X						

ID#	Continuing Projects	Adopted Budget	Current Costs	Remaining Budget	Project Prioritization Criteria						
					Critical to Public Health & Safety	Essential Maintenance	Supports Economic Recovery	Supports Major City Goals			Positive Transformational Opportunity
								Housing	Sustainable Transportation	Climate Action	
1	Proceed: Continue Planning/Design Only	\$ 1,166,001	\$27,702	\$ 1,138,299							
2	Foothill Sewer Lift Station	\$ 650,000		\$ 650,000	X	X	X				
3	Chorro/Murray Sewer Replacement (91639)	\$ 444,000	\$27,702	\$ 416,298		X	X				
4	Infrastructure Renewal (91736)	\$ 52,598	\$0	\$ 52,598		X	X				
5	New Project - California Resiliency Challenge	\$ 10,000		\$ 10,000		X			X	X	
6	IT Replacements - Annual Asset Maintenance Account										
7	Network Security Upgrade	\$ 9,403		\$ 9,403		X					
8	Hold: Shovel Ready for Future Funding/Stimulus - Do Not Defund	\$ 154,275	\$148,370	\$ 5,905							
9	Anholm Neighborhood Greenway Plan - Phase 1B & 2	\$ 2,400	\$0	\$ 2,400		X	X	X		X	
10	IT Replacements - Annual Asset Maintenance Account										
11	Fire Radio Receive Site at Fire Station #4	\$ 1,875		\$ 1,875	X	X	X				
12	Sewer Lift Station Replacement - Airport	\$ 150,000	\$148,370	\$ 1,630	X	X	X				
Grand Total		\$ 134,583,483	\$72,006,324	\$ 62,577,160							

SECTION F-11C: Listing of Deferred and Completed Projects for De-Appropriation

ID#	Category	Adopted Budget	Current Costs	Remaining Budget
1	Completed: No Further Action this Fiscal Year - Defund	\$ 5,333,245	\$4,530,718	\$ 802,527
2	Osos/Leff/SantaBarbara - 2017 (91438)	\$ 1,260,480	\$978,829	\$ 281,651
3	Sewer Lift Station Repairs - Laguna Lake (91628)	\$ 245,000	\$77,608	\$ 167,392
4	Sewer Lining Project 2016 (91421)	\$ 584,882	\$486,719	\$ 98,163
5	PSPS Emergency Power	\$ 200,000	\$117,493	\$ 82,507
6	Foothill Pipe Burst (91640)	\$ 303,600	\$252,248	\$ 51,352
7	Walnut, Morro, Albert, Mill, Santa Rosa CIP (91641)	\$ 245,457	\$198,739	\$ 46,718
8	Stafford, Taft, Kentucky Sewer Line Replacement (91265)	\$ 1,243,457	\$1,203,885	\$ 39,571
9	WRRF Auto Transfer Switch (91725)	\$ 32,470	\$17,671	\$ 14,799
10	WRRF Drain Gates (91727)	\$ 30,000	\$18,588	\$ 11,412
11	IT Replacements - Annual Asset Maintenance Account			
12	Costs to Date	\$ -	\$16,697	\$ (16,697)
13	Firewall Replacement	\$ 12,223		\$ 12,223
14	Virtual Private Network Replace	\$ 8,307		\$ 8,307
15	Network Switching Infrastructure Equipment	\$ 5,129		\$ 5,129
	Grand Total	\$ 5,333,245	\$4,530,718	\$ 802,527

SECTION F-12: SB1 Fund

Overview

On April 28, 2017, the Governor signed Senate Bill 1 (SB 1) (Beall, Chapter 5, Statutes of 2017), which is known as the Road Repair and Accountability Act of 2017 (RMRA). RMRA addresses basic road maintenance, rehabilitation, and critical safety needs on both the state highway and local roadway systems. RMRA provides funding by charging:

1. An additional 12 cents per gallon increase on the gasoline excise tax effective November 1, 2017.
2. An additional 20 cents per gallon increase on the diesel fuel excise tax effective November 2, 2017.
3. An additional vehicle registration tax called the "Transportation Improvement Fee" with rates based on the value of the motor vehicle effective January 1, 2018.
4. An additional \$100 vehicle registration tax on zero emissions vehicles model year 2020 or later effective July 1, 2020.

The City is estimated to receive approximately \$795,548 of RMRA funding over the 2020-21 Fiscal Year. This is much less than the \$1,325,000 anticipated by the FY19/21 Budget. As a result, appropriations have changed as identified in the below table.

Appropriations of SB1 funds are restricted to roadway related projects. By applying SB1 funds toward paving projects, the City can re-direct or reserve the equivalent amount of General Fund money that would have been used for those projects. Due to the ongoing economic impacts of COVID-19, the City has identified a need to save as much General Fund revenue as possible and expend outside revenue sources first.

The City is prepared to spend \$522,048.47 in Summer 2020 on Roadway Maintenance. SB1 funding will be used on the Roadway Maintenance work in lieu of General Fund LRM money.

Table F-17: SB1 Adjusted Appropriations for FY 20/21

ID#	Projects	FY 20/21 Appropriation
1	Proceed: Construct in FY2020-21	\$ 795,548
2	Street Reconstruction and Resurfacing - Roadway Sealing 2020	\$ 522,048
3	Anholm Neighborhood Greenway Plan - Phase 1B & 2	\$ 189,558
4	Bridge Maintenance - Annual Asset Maintenance Account	\$ 83,942
5	Total Appropriation	\$ 795,548

SECTION F-13: Transportation Impact Fee Fund

F-13A. Fund Summary Table and New/Supplemental Project Funding

The following table lists the total remaining budget of all Transportation Impact Fee (TIF) funded projects recommended to continue, as well as the total remaining budget for deferrable and completed projects. The New Appropriation total represents appropriations necessary to fund the new and additional project funding. Note that the Los Osos Valley Road (LOVR) and Orcutt Area Specific Plan (OASP) TIF programs have no proposed modifications from the currently adopted budget; thus, are not listed in the tables below:

ID#	Assessment Category	Adopted Budget	Actual Cost	Remaining Budget
1	Proceed: Construct in FY2020-21	\$ 6,993,247	\$1,319,047	\$ 5,674,200
2	Transportation Impact Fee Fund - CW	\$ 6,993,247	\$1,319,047	\$ 5,674,200
3	Proceed: Continue Planning/Design Only	\$ 3,624,443	\$1,126,520	\$ 2,497,923
4	Transportation Impact Fee Fund - CW	\$ 2,266,143	\$1,071,520	\$ 1,194,623
5	Transportation Impact Fee Fund - MASP	\$ 323,300	\$0	\$ 323,300
6	Transportation Impact Fee Fund - AASP	\$ 1,035,000	\$55,000	\$ 980,000
7	Proceed Total	\$ 10,617,690	\$2,445,567	\$ 8,172,123
8	Defer: No Further Action this Fiscal Year - Defund	\$ 2,437,419	\$4,549	\$ 2,432,870
9	Transportation Impact Fee Fund - CW	\$ 2,392,419	\$4,549	\$ 2,387,870
10	Transportation Impact Fee Fund - AASP	\$ 45,000	\$0	\$ 45,000
11	Completed: No Further Action this Fiscal Year - Defund	\$ 87,148	\$65,773	\$ 21,375
12	Transportation Impact Fee Fund - CW	\$ 87,148	\$65,773	\$ 21,375
13	Defund Total	\$ 2,524,566	\$ 70,322	\$ 2,454,244
14	New and Supplemental Project Funding¹			\$ (3,253,300)
15	Transportation Impact Fee Fund - CW			\$ (2,700,000)
16	Transportation Impact Fee Fund - AASP			\$ (230,000)
17	Transportation Impact Fee Fund - MASP			\$ (323,300)
18	New Appropriations			\$ (799,056)
	¹ See next table for New and Supplemental Funding for FY20/21			
	<i>CW = Citywide Transportation Impact Fee Fund</i>			
	<i>AASP = Airport Area Specific Plan Transportation Impact Fee Fund</i>			
	<i>MASP = Margarita Area Specific Plan Transportation Impact Fee Fund</i>			

The following table shows new and supplemental project funding requests for FY20/21.

ID#	New and Additional Project Funding	Fund	New Budget	Purpose and Need
TIF				
Fund Transfer from Defunded Projects			\$ 2,700,000	
1	New Project - Orcutt/Tank Farm Roundabout	CW TIF	\$ 2,600,000	Funds construction of critical transportation infrastructure to support new housing
2	New Project - Transportation Fee Program Update	CW TIF	\$ 100,000	Update of AB1600 TIF Program to reflect project cost updates and new private/public partnership projects
New Appropriation			\$ 553,300	
3	Prado Road Bridge Widening	MASP TIF	\$ 123,300	Funds design for critical transportation infrastructure to replace structurally deficient
4	Prado Road Bridge Widening	AASP TIF	\$ 230,000	infrastructure to replace structurally deficient
5	Prado Road Interchange	MASP TIF	\$ 200,000	Funds planning and environmental review for critical transportation infrastructure needed to support housing and circulation goals
Total Additional Project Funding			\$3,253,300	
<i>CW = Citywide Transportation Impact Fee Fund</i>				
<i>AASP = Airport Area Specific Plan Transportation Impact Fee Fund</i>				
<i>MASP = Margarita Area Specific Plan Transportation Impact Fee Fund</i>				

F-13B. List of Projects Proceeding

					Project Prioritization Criteria							
ID#	Continuing Projects	Adopted Budget	Current Costs	Remaining Budget	Critical to Public Health & Safety	Essential Maintenance	Supports Economic Recovery	Supports Major City Goals				Positive Transformational Opportunity
								Housing	Sustainable Transportation	Climate Action	Downtown Vitality	
1	Proceed: Construct in FY2020-21	\$ 6,993,247	\$1,319,047	\$ 5,674,200								
2	Transportation Impact Fee Fund - CW											
3	Orcutt Tank Farm Roundabout - Supplemental Funding	\$ 2,600,000	\$0	\$ 2,600,000			X	X	X			
4	Railroad Safety Trail Taft to Pepper - 2018 (91375)	\$ 3,200,297	\$645,733	\$ 2,554,565			X		X	X		X
5	Broad Street Corridor Access Improvements	\$ 177,778	\$25,590	\$ 152,189			X		X	X		X
6	New Project - Transportation Impact Fee Update	\$ 100,000	\$0	\$ 100,000				X	X			
7	LOVR Interchange Landscape (91435)	\$ 454,970	\$361,713	\$ 93,257		X	X					
8	Transportation Safety and Operations	\$ 80,000	\$0	\$ 80,000	X	X			X			
9	Traffic Model Update (90949)	\$ 139,515	\$76,748	\$ 62,767				X	X	X		
10	Bicycle Facility Improvements - Annual Asset Maintenance	\$ 34,634	\$0	\$ 34,634	X	X			X	X		X
11	RRST Hwy 101 BR (90741)	\$ 10,909	\$0	\$ 10,909			X		X	X		
12	Orcutt Tank Farm Roundabout Design (91611)	\$ 180,044	\$179,066	\$ 978			X	X	X			
13	Bicycle Projects (99615)	\$ 15,099	\$30,198	\$ (15,099)		X			X	X		X
					Project Prioritization Criteria							
ID#	Continuing Projects	Adopted Budget	Current Costs	Remaining Budget	Critical to Public Health & Safety	Essential Maintenance	Supports Economic Recovery	Supports Major City Goals				Positive Transformational Opportunity
								Housing	Sustainable Transportation	Climate Action	Downtown Vitality	
1	Proceed: Continue Planning/Design Only	\$ 3,624,443	\$1,126,520	\$ 2,497,623								
2	Transportation Impact Fee Fund - CW	\$ 2,266,143	#####	\$1,194,623								
3	LOVR at 101 and SLO Crk Bridge Widening 2016 (99821)	\$ 785,807	\$0	\$ 785,807		X			X			
4	Higuera Street Widening Bridge to Elks (91610)	\$ 365,500	\$42,548	\$ 322,953					X	X		
5	Prado Road Interchange	\$ 951,572	\$865,709	\$ 85,863			X	X	X			
6	Prado Road Bridge Widening	\$ 163,264	\$163,264	\$ -	X	X	X	X	X			
7	Transportation Impact Fee Fund - AASP	\$ 1,035,000	\$ 55,000	\$ 980,000								
8	Prado Road Bridge Widening	\$ 805,000	\$55,000	\$ 750,000	X	X	X	X	X			
9	Prado Road Bridge Widening - Supplemental Funding	\$ 230,000	\$0	\$ 230,000	X	X	X	X	X			
10	Transportation Impact Fee Fund - MASP	\$ 323,300	\$ -	\$ 323,000								
11	Prado Road Bridge Widening - Supplemental Funding	\$ 123,300	\$0	\$ 123,000	X	X	X	X	X			
12	Prado Road Interchange - Supplemental Funding	\$ 200,000	\$0	\$ 200,000			X	X	X			
Grand Total		\$ 10,617,690	\$2,445,567	\$ 8,171,823								
<i>CW = Citywide Transportation Impact Fee Fund</i>												
<i>AASP = Airport Area Specific Plan Transportation Impact Fee Fund</i>												
<i>MASP = Margarita Area Specific Plan Transportation Impact Fee Fund</i>												

F-13C. Listing of Deferred and Completed Projects for De-Appropriation

ID#	Category	Adopted Budget	Current Costs	Remaining Budget
1	Completed: No Further Action this Fiscal Year - Defund	\$ 87,148	\$65,773	\$ 21,375
2	Transportation Impact Fee Fund - CW	\$ 87,148	\$65,773	\$ 21,375
3	2018 Transportation Monitoring (91420)	\$ 70,878	\$60,445	\$ 10,433
4	WRRF Modeling (91745)	\$ 8,000	\$393	\$ 7,607
5	Traffic Volume Counts	\$ 8,270	\$4,935	\$ 3,335
6	Defer: No Further Action this Fiscal Year - Defund	\$ 2,437,419	\$4,549	\$ 2,432,870
7	Transportation Impact Fee Fund - AASP	\$ 45,000	\$0	\$ 45,000
8	Santa Fe at Tank Farm 2018 (91378)	\$ 45,000	\$0	\$ 45,000
9	Transportation Impact Fee Fund - CW	\$ 2,392,419	\$4,549	\$ 2,387,870
10	Prado Road Interchange	\$ 1,350,000	\$4,549	\$ 1,345,451
11	LOVR Spur of the Bob Jones Bike Path	\$ 550,000	\$0	\$ 550,000
12	Prado Road Bridge Widening	\$ 342,419	\$0	\$ 342,419
13	Penny Lane Bridge at Union Pacific Railroad	\$ 150,000	\$0	\$ 150,000
	Grand Total	\$ 2,524,566	\$ 70,322	\$ 2,454,244
	<i>CW = Citywide Transportation Impact Fee Fund</i>			
	<i>AASP = Airport Area Specific Plan Transportation Impact Fee Fund</i>			
	<i>MASP = Margarita Area Specific Plan Transportation Impact Fee Fund</i>			

The FY2019-21 Financial Plan identified a few CIP projects to be funded through debt financing, backed by the Citywide TIF program. Because the City ultimately did not choose to proceed with funding these projects through debt financing, the following project funding allocations were never realized and are therefore recommended for de-appropriation.

ID#	Category	Fund	Adopted Budget	Current Costs	Remaining Budget
1	Defer: No Further Action this Fiscal Year - Defund		\$ 6,360,000	\$0	\$ 6,360,000
2	Prado Road Bridge Widening	CW TIF (Debt Financed)	\$ 4,060,000	\$0	\$ 4,060,000
3	California Taft Roundabout	CW TIF (Debt Financed)	\$ 2,300,000	\$0	\$ 2,300,000
	Grand Total		\$ 6,360,000	\$0	\$ 6,360,000
	<i>CW = Citywide Transportation Impact Fee Fund</i>				

F-13D. Remaining Balance by TIF Fund

The following table summarizes the starting balance, current CIP obligations per the FY2020-21 Supplemental Budget, current developer reimbursement obligations expected in FY2020-21, and the remaining fund balance for the Citywide TIF and each subarea TIF. Note that this summary conservatively assumes includes no new TIF revenues; thus, the remaining balance shown below is a conservative projection.

ID#	Fund	Current Starting CIP			
		Balance (as of 1/2020)	Obligations FY2020-21	Developer Reimbursements	Remaining Balance
1	Citywide TIF	\$ 7,327,000	\$ 6,868,823	\$ 350,000	\$ 108,177
2	AASP TIF	\$ 1,126,000	\$ 980,000	\$ -	\$ 146,000
3	OASP TIF	\$ 166,000	\$ -	\$ 166,000	\$ -
4	MASP TIF	\$ 1,777,000	\$ 323,300	\$ -	\$ 1,453,700
5	LOVR TIF	\$ 864,707	\$ -	\$ 740,000	\$ 124,707

Section G: Debt

Table G: DEBT SERVICE REQUIREMENTS

ANNUAL PAYMENTS BY SOURCE	Current 2019-20	Adopted 2020-21	Proposed 2020-21
GENERAL FUND			
Fire Engine/Truck Lease Financing 2010			
Principal	125,000	-	-
Interest	3,700	-	-
2012/2001 Revenue Refunding Bonds Series B & C			
Principal	250,000	260,000	260,000
Interest	134,200	124,000	124,000
Capital Lease Copiers 2014			
Principal	5,300	-	-
Interest	100	-	-
Energy Conservation Loan 2014			
Principal	90,300	91,200	91,200
Interest	3,900	3,000	3,000
LOVR Lease Revenue Bonds 2014			
Principal	165,000	170,000	170,000
Interest	423,000	422,100	422,100
Capital Lease I.T. Equipment 2015			
Principal	44,300	-	-
Interest	200	-	-
Fire Engine Lease Financing 2016			
Principal	232,100	236,100	236,100
Interest	8,000	4,000	4,000
Capital Lease Street Sweeper/Dump Truck 2017			
Principal	132,600	135,200	135,200
Interest	8,600	6,000	6,000
Fire Truck 2018			
Principal	129,300	133,400	133,400
Interest	16,900	12,700	12,700
Refunding Lease Revenue Bonds 2018			
Principal	510,900	530,600	530,600
Interest	433,500	413,100	413,100
Motorola Radio Lease			
Principal			217,671
Interest			
Total Debt Service Fund	2,716,900	2,541,400	2,759,071

Continued on next page.

Table G: DEBT SERVICE REQUIREMENTS

ANNUAL PAYMENTS BY SOURCE	Current 2019-20	Adopted 2020-21	Proposed 2020-21
WATER FUND			
State Water Resources Control Board Loan 2004			
Principal*	2,441,183	464,427	-
Interest	24,073	61,000	-
Revenue Refunding Bonds 2012			
Principal	485,000	505,000	505,000
Interest	82,800	63,400	63,400
Refunding Lease Revenue Bonds 2018			
Principal	14,800	15,400	15,400
Interest	12,600	12,000	12,000
Water Revenue Refunding Bonds 2018			
Principal	415,000	440,000	440,000
Interest	468,900	452,300	452,300
Infrastructure Bank Loan 2020			
Principal	-	-	559,804
Interest	-	-	382,525
Total Water Fund	3,944,356	2,013,527	2,430,429
SEWER FUND			
SunTrust Loan 2008			
Principal	150,000	160,000	160,000
Interest	31,500	25,000	25,000
CIEDB State Loan - Tank Farm Lift Station 2009			
Principal	292,800	302,300	302,300
Interest	262,700	252,100	252,100
US Bank Wastewater Loan 2014			
Principal	469,400	483,100	483,100
Interest	148,500	134,700	134,700
Refunding Lease Revenue Bonds 2018			
Principal	16,400	17,000	17,000
Interest	13,900	13,200	13,200
Total Wastewater Fund	1,385,200	1,387,400	1,387,400
PARKING FUND			
State Infrastructure Bank (CIEDB) Loan 2001			
Principal	275,600	284,000	284,000
Interest	141,400	132,000	132,000
Refunding Lease Revenue Bonds 2018			
Principal	237,900	247,100	247,100
Interest	201,900	192,400	192,400
Total Parking Fund	856,800	855,500	855,500
TOTAL DEBT SERVICE REQUIREMENTS	8,903,256	6,797,827	7,432,400

Note: All General Fund debt service payments are accounted for in the Debt Service Fund.

*This debt was paid off in FY 2019-20

Appropriation Limit

The City's appropriation limit is based on the Gann Spending Limit Initiative, a State constitutional amendment adopted by the voters on June 6, 1979 and amended in 1990 with Proposition 111. It is anchored in the State Constitution under Article XIII B.

The limit restricts appropriations from tax revenues by State and local governments. Under its provisions, no local agency can appropriate proceeds of taxes in excess of its "appropriation limit". Excess funds may be carried over into the next year. However, any excess funds remaining after the second year must be returned to taxpayers by reducing tax rates or fees; a majority of the voters may approve an override to increase the limit. The City's appropriation limit is calculated by considering population growth and cost of living as allowed under Proposition 111. Since 2013-14, the City has chosen to use the percentage increase in new non-residential construction as the cost of living factor.

Appropriation Limit 2019-20 - Calculation			
	Factors	Ratio	Formula
A)Prior Year Appropriation Limit	\$73,981,290		
B) Adjustment Factors			
1. Population Changeⁱ	-0.04%	.9996	
2. Cost of Living Increaseⁱⁱ	1.92%	1.0192	
3. Combined Factor	1.88%	1.0188	B1*B2
Adjusted Limit	\$75,373,827		A*B3

The following summarizes changes in the City's appropriation limit and appropriations subject to the limit for the past ten years as well as the appropriation limit for 2019-20.

Fiscal Year	Limit Base	Cost of Living Factor	Population Factor	Appropriation Limit	Appropriations Subject to Limit	Variance
2010-11	48,540,600	-2.54%	0.87%	47,719,200	32,058,100	15,661,100
2011-12	47,719,200	2.51%	0.83%	49,323,000	34,229,700	15,093,300
2012-13	49,323,000	3.77%	0.47%	51,423,500	44,178,300	7,245,200
2013-14	51,423,500	5.12%	0.52%	54,337,500	40,104,100	14,233,400
2014-15	54,337,500	8.69%	0.09%	59,112,600	36,642,900	22,469,700
2015-16	59,112,600	4.97%	0.78%	62,534,500	46,067,700	16,466,800
2016-17	62,534,500	5.63%	0.60%	66,451,500	49,397,200	17,054,300
2017-18	66,451,500	1.20%	0.92%	67,867,633	50,036,391	17,831,242
2018-19	67,867,633	1.88%	0.35%	69,383,546	51,142,315	18,241,231
2019-20	69,383,546	6.37%	0.24%	73,981,290	50,127,692	23,853,598
2020-21	73,981,290	1.92%	-0.04%	75,373,827	48,342,410	27,031,416

ⁱ State of California Department of Finance <http://dof.ca.gov/Forecasting/Demographics/Estimates/>

ⁱⁱ San Luis Obispo County Assessor 2019/20 Secured Tax Rolls, provided by HDL, Coren & Cone