



2023-25

Financial Plan Supplement

FY 2024-25 Supplemental Budget

2023-25 Financial Plan

FY 2024-25 SUPPLEMENTAL BUDGET June 2024

ERICA A. STEWART, MAYOR
ANDY PEASE, VICE MAYOR
JAN MARX, COUNCIL MEMBER
MICHELLE SHORES MAN, COUNCIL MEMBER
EMILY FRANCIS, COUNCIL MEMBER

WHITNEY MCDONALD, INTERIM 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. 2024-25 marks the second year of the City's 2023-25 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 2023-25 Financial Plan located [HERE](#).

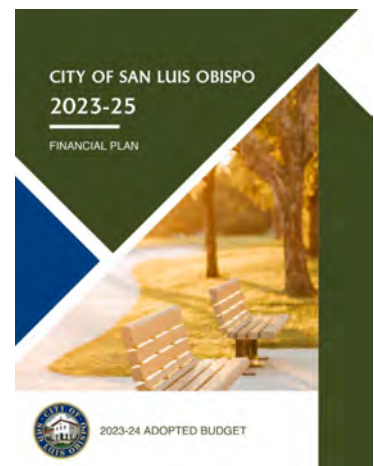


Table of Contents



Section 1: Intro	
City Manager Message	4
Section 2: Changes from Financial Plan Adoption	
Mid-year Approved Budget Changes	8
Significant Operating Budget Changes	8
Section 3: Consolidated Financials	
Total Revenue/Expenditures	12
Reserve Levels	13
Transfers	13
Section 4: Fund Overviews/ Detailed Financials	
General Fund	16
Special Revenue & Other Funds	28
Enterprise Funds: Water & Sewer	31
Enterprise Fund: Transit Fund	39
Enterprise Fund: Parking Fund	42
Section 5: Local Revenue Measure	47
Section 6: Debt Service	52
Section 7: Capital Improvement Plan	53
Section 8: Major City Goals	73
Section 9: Department Updates	
Admin/IT	89
City Attorney	93
Community Development Department	96
Finance	102
Fire	104
Human Resources	106
Parks & Recreation	108
Police	115
Public Works	117
Utilities	122
Section 10: Appropriation Limit	126

Section 1: City Manager Message

It is my pleasure to present the 2024-25 Supplemental Budget. This budget is consistent with the adopted 2023-25 Financial Plan and augmented with important investments for emergent community and organizational needs. Consistent with prior years, the 2023-25 Financial Plan was developed following an extensive public engagement process to inform the Council's adoption of Major City Goals, which largely represent a continuation of the goals established in the prior Financial Plan and enable staff to maintain a long-term focus on initiatives that bring about sustained systemic change.

Fiscal Year 2023-24 in Review

In many ways, FY 2023-24 can be characterized as a turning point for the City, as we are actively implementing a number of programs and projects that we have been planning for over the last several years; and in April 2024 the City bid farewell to long-time City Manager, Derek Johnson, who returned to his hometown to serve as the County Executive Officer for the County of Marin. Despite significant added workload due to the Winter 2023 Storms and ongoing economic turbulence, we were able to make progress on a number of important initiatives, including:

- Purchasing two additional electric busses, bringing the City's fleet of electric busses to eight.
- Continuing to work with the Federal Emergency Management Agency (FEMA) and California Office of Emergency Services (CalOES) to document and submit over \$17 million 2023 Winter storm related costs for consideration of reimbursement.
- Supporting the ongoing build out of the San Luis Ranch and Avila Ranch developments, in addition to other smaller residential developments throughout the city.
- Launching local business support programs like 'Buy Local Bonus' to fuel the local economy.
- Providing grant funding for childcare facilities.
- Working with a consultant to identify opportunities to reduce parking rates in the downtown to address community concerns while sustaining the Parking program. Reduced rates were adopted by Council on May 14, 2024, and will go into effect on July 8, 2024.
- Launching 'Resilient SLO' to build local and regional capacity to adapt and build resilience to climate change impacts.
- Obtaining \$400,000 in grant funding through the federal Department of Energy's Buildings UP! Program to provide planning, community engagement, and property owner support for clean energy projects that focus on low income and disadvantages communities.
- Expanding homeless services, including enhanced City Homelessness Response Team coordination, distribution of updated pocket guides to help homeless individuals navigate services, direct outreach to downtown businesses with Community Services Officers, helping to fund the expansion of the safe parking program at 40 Prado, supporting development of supportive housing projects, and streamlining encampment clean ups.
- Supporting the County in its development of the Welcome Home Village project to provide interim and permanent supportive housing for up to 80 unhoused individuals, beginning with those who are encamped along the Bob Jones Bike Trail in the City.
- Achieving State designation as a Prohousing jurisdiction in February 2024.
- Supporting development of below market rate housing units including the opening of Broad Street Place and start of construction on the Maxine Lewis and Bridge Street Apartment projects.

- Securing \$47 million of financing at an attractive rate to fund construction of the Cultural Arts District Parking Structure, which began construction in November 2023.
- Refunding prior bonds to reduce debt service payments and free up City assets to support planned future lease revenue bond financing for upcoming large scale capital projects.
- Updating the Economic Development Strategic Plan to promote, encourage, and enhance an economic environment that is dynamic and resilient with a focus on sustainable and equitable policies, programs, and processes.
- Developing and adopting the City’s first DEI Strategic Plan.
- Holding annual community events, including the September Scramble, Boo Bash, Leprechaun Lost, and Spring Fling, and also coordinating five Monday Meetups, Super Rec Saturdays, as well as providing ongoing support to special events at the Jack House.
- Negotiating successor agreements with the Police Staff Officers’ Association and International Association of Firefighters, Local 3523.
- Updating the community partnership agreement with San Luis Obispo Museum of Art for art installations throughout Downtown and for major CIP projects such as the new roadway roundabouts.
- Hosting a “Community Academy,” which offered 30 community members the opportunity to learn about City operations, community issues, and how to get involved.
- And, completing several significant capital projects, including:
 - Railroad safety trail fencing
 - Santa Rosa at Monterey intersection improvements
 - Calle Joaquin lift station replacement
 - 2022 roadway sealing
 - Repairs to City infrastructure damaged in the 2023 Winter storms including: San Luis Drive, San Luis Obispo Creek bank stabilization, Old Garden creek repairs, and significant debris clearing at the Marsh Street Bridge and along Prefumo Creek.
 - Phase 1 of the Cultural Arts District Parking Structure project to prepare the site for construction
 - Whale Rock Dam maintenance-spillway undertrain repairs.

2024-25 Budget Highlights

One major focus of the FY 2024-25 budget is a true-up to the Capital Improvement Plan (CIP). Due to larger inflationary, labor market, and demand pressures within the construction industry, the City has seen significant increases in construction costs for its capital projects. In order to ensure that the City can deliver CIP projects within its available resources, the FY 2024-25 CIP has been adjusted to reallocate capital project funding to the projects that will be ready to move forward in the new fiscal year. While this is not a reprioritization of projects, it enables projects that would otherwise be ready to begin construction in FY 2024-25 to move forward with sufficient funding.

Staff is also recommending minimal Significant Operating Budget Changes (SOBCs) to support critical needs or address mandates in FY 2024-25. Departments submitted \$2.2 million worth of requests for funding from the General Fund and the Financial Plan Steering Committee carefully considered each request, resulting in a recommended allocation of \$485,057 of new General Fund dollars in FY 2024-25. Of that amount, \$167,804 is one-time and \$317,253 represents an ongoing cost. In addition, \$1.1 million

of augmentations are recommended in the Water Fund, \$414,452 in the Sewer Fund, and \$534,330 in the Parking Fund. The recommendations are detailed in Section 2 of this document and described throughout Section 9 as part of the department updates.

Long Term Outlook and the Path Ahead

We are pleased to have finished FY 2023-24 within budget and to deliver another balanced budget for FY 2024-25. However, caution is needed in the years ahead. As reported during the FY 2024-25 Supplemental Budget preview on May 7, 2024, the General Fund forecast indicates that we will have a modest budget deficit in FY 2026-27 that, if not addressed, is expected to grow to \$8 million by FY 2028-29. The forecasted deficit is largely driven by continued increases to our required payments to CalPERS (something that all CalPERS agencies are facing), as well as the City's obligation to bring a fifth fire station online by July 2026 in order to satisfy conditions of the Avila Ranch development agreement. Staff is currently working to identify options to satisfy the requirements around a fifth fire station, but the forecast includes an estimated annual operating cost so that we can plan for this future expense.

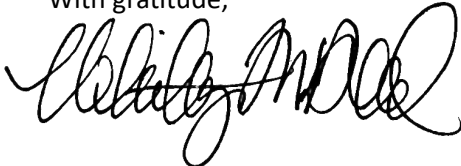
The projected deficit is a shift from prior budgets which have supported significant augmentations to City services. After years of rapid inflation, other agencies continue to increase compensation and our cost to attract and retain a talented workforce will likely increase. Labor and materials costs have dramatically increased the cost to deliver capital projects. The significant development currently underway will also increase the City's capital operating costs, as it is expected that our population will grow considerably by 2035. Given this, prudent financial decision making will be necessary to balance budgets and maintain service levels for our growing community. Staff will be working in the coming months to identify strategies to mitigate the forecasted deficits in the outer years and will discuss these strategies with Council as a part of 2025-27 Financial Plan development later this year.

Finally, on May 10, 2024, the Governor released the State's May Budget Revision for FY 2024-25, identifying his administration's proposals to address a \$27.6 budget shortfall. The proposals have significant implications for health and human services funding provided to counties. The State budget proposals, as well as the passage of Proposition 1 in March 2024, are expected to significantly impact the availability of funding for local jurisdictions to provide behavioral health and other supportive services to the most vulnerable in our community. Staff is tracking State budget actions and will continue to work with our County partners to understand how these changes could impact the City's ability to address issues of homelessness moving forward.

Despite the choppy budget waters ahead, the good news is that the City has a strong foundation of sound financial management and fiscal policies to guide us through the coming years. While we all need to be mindful that expansion of programs or new programs will require tradeoffs, our community's ongoing support and investments through the passage and management of Measure G-20 funds and other revenue efforts will continue to support the City's ambitious projects and goals. By maintaining a long-term perspective and carefully considering the ongoing impacts of our decisions, I expect that we can collectively work to reduce the forecasted budget gaps in the coming years.

I am grateful to the Council for the thoughtful consideration of staff's recommendations and to our staff for their adaptability over the last year. San Luis Obispo is a special place and we are committed to managing the budget to ensure the financial sustainability of our operations to support our growing community.

With gratitude,

A handwritten signature in black ink, appearing to read "Whitney McDonald". The signature is fluid and cursive, with the first name being more prominent.

Whitney McDonald
Interim City Manager

Section 2. Changes from Financial Plan

FY 2023-24 Mid-Year Adjustments

Staff used the FY 2023-24 Mid-Year Budget Report to make considerable changes to the financial plan. Specifically, Council approved strategic use of unassigned fund balance from the prior year as confirmed through the annual audit according to Section 8 of the City's Fiscal Policies:

The City sets the following prioritization of unassigned General Fund Balance:

- a. Additional discretionary payments to CalPERS
- b. Infrastructure investments
- c. Emerging Health and Safety needs of the community

FY 2023-24 expenditures therefore increased by nearly \$13 million based on a combination of over realized revenues, use of capital reserves, and changes to capital and replacement fund budgets.

Funding Source	Amount
General Fund FY 2022-23 unassigned fund balance	6,471,095
Local Revenue Measure FY 2022-23 unassigned fund balance	3,872,937
Capital Reserve	1,860,000
Completed projects or reallocation of project budgets	680,000
IT Replacement Fund	33,200
Total	\$ 12,917,232

In line with our policy, these budget changes were all one-time in nature and therefore do not impact FY 2024-25.

The mid-year action also included a recommendation to transfer an additional \$3.8 million of unassigned General Fund balance from FY 2022-23 to the Infrastructure Investment Fund, contingent upon reimbursement of costs related to the 2023 winter storms. As the City has yet to receive funds, this recommendation remains contingent upon repayment.

FY 2024-25 Significant Operating Budget Changes (SOBCs)

The Supplemental Budget presents an opportunity for departments to adjust their budgets within the limits set forth by the Financial Plan, using expected savings in certain expenditures to offset increases elsewhere. In addition, departments were invited to submit SOBCs to address emerging needs of the City.

General Fund

Departments submitted \$2.2 million in General Fund SOBC requests. In light of the projected deficits in the General Fund in future years of the 5-year financial forecast, the Financial Plan Steering Committee requested that departments critically review their requests and place them in one of the following categories:

1. The request can be deferred to the 2025-27 Financial Plan;
2. The request is for one-time funding and can potentially be funded with carryover available at the end of FY 2023-24 (availability of carryover funding is dependent on departments finishing the year with operating budget savings and funding is not guaranteed); and

3. The request is critical for consideration with the FY 2024-25 Supplemental Budget and the department has identified tradeoffs within their planned budget for FY 2024-25 to fund the new request.

The categorization of SOBCs helped to significantly reduce the number of requests to be considered for recommendation as part of the Supplemental Budget. Minimal SOBCs are recommended to support critical needs or address mandates in FY 2024-25. Recommendations total \$485,057 of new General Fund dollars in FY 2024-25; of that amount, \$167,804 is one-time and \$317,253 represents an ongoing cost. Several SOBCs result in a transition of limited duration staff resources to permanent positions. In some cases, departments identified expenditures within their budgets that could be reallocated to offset the cost of the recommended SOBCs. The reallocation of budget to offset the new costs is permanent, in order to provide a sustainable resource for the recommended SOBCs. In one unique case, funding for the two Finance department requests will come from savings identified in the Community Services Group. These recommendations will add much needed administrative and technology support that will benefit the City as a whole.

Table 2.1. General Fund SOBC Recommendations

	Department	Summary of Request	Timing	Request	Offsets	Net
1	Admin	Convert DEI Fellow contract position to 1.00 FTE Administrative Specialist	Ongoing	91,081	(91,081)	-
2	CDD	Add 1.00 FTE Building Inspector and Vehicle	Ongoing	165,708	(150,000)	15,708
3	CDD	Convert Stormwater Code Enforcement Officer contract position to 1.00 FTE Stormwater Code Enforcement Officer and Vehicle	Ongoing	174,271	-	174,271
4	CDD	Funding for CAPSLO's Hotel Voucher Program	One-time	45,000	-	45,000
5	City Attorney	Convert Legal Assistant contract position to 1.00 FTE Legal Assistant	Ongoing	-	-	-
6	Finance	Add 0.50 FTE Administrative Assistant- Confidential	Ongoing	35,863	(35,863)	-
7	Finance	Increase 0.50 FTE Supplemental Financial Analyst (Oracle ERP) to 1.00 FTE Financial Analyst	Ongoing	77,626	(77,626)	-
8	Fire	Add contract Fire Vehicle Mechanic through FY 2024-25	One-time	122,804	-	122,804
9	Fire	Increase 0.50 FTE Fire Inspector to 1.00 FTE	Ongoing	32,380		32,380
10	Parks & Rec	Public Art Fund operating expenses	Ongoing	15,000	(15,000)	-
11	Police	License Plate Reader maintenance cost increase	Ongoing	10,000		10,000
12	Police	Animal Services contract cost increase	Ongoing	84,894	-	84,894
13	Public Works	Add 1.00 FTE Parks Maintenance Superintendent, 1.00 FTE Parks Maintenance Technician and transition two Supplemental Parks Maintenance Aides to Limited Benefit Temporary Parks Maintenance Aides	Ongoing	280,271	(280,271)	-
14	Total			\$1,134,898	\$(649,841)	\$485,057

More information about the recommended SOBCs can be found in Section 9- Department Updates.

Enterprise and Agency Funds

Recommendations for changes to the enterprise funds' operating budgets are evaluated based on each fund's long-term forecast. Each fund has the ability to support these recommendations moving forward, so offsets are not required in order to fund these recommendations. Staff nevertheless carefully scrutinized requests and believe these recommendations are critical to maintaining current service levels.

Recommended SOBCs for the Utilities Department include two positions that are allocated across funds. The 1.00 FTE Engineer will be allocated 0.40 FTE to the Water Fund, 0.50 FTE to the Sewer Fund, and 0.10 FTE to the Whale Rock fund. The 0.75 FTE Utility Billing Assistant will be allocated 0.375 FTE to each of the Water and Sewer funds. These recommended positions are duplicated in the tables below to show the budgetary impact of each to the Water, Sewer and Whale Rock funds.

Table 2.2. Water Fund SOBC Recommendations

	Recommendation	Timing	Request	Offsets	Net
1	Add two contract Water Meter Technicians and funding for integration between billing software and Advanced Metering Infrastructure	Ongoing	87,904	-	87,904
2	Add 1.00 FTE Engineer	Ongoing	17,261	-	17,261
3	Funding for Rate Structure Study	One-time	42,500	-	42,500
4	Add 0.75 FTE Utility Billing Assistant	Ongoing	18,127	-	18,127
5	Funding for Nacimiento Pipeline Repairs	One-time	932,459	-	932,459
6	Total		\$ 1,098,250	\$ -	\$ 1,098,250

Table 2.3. Sewer Fund SOBC Recommendations

	Recommendation	Timing	Request	Offsets	Net
1	Add two contract Water Meter Technicians and funding for integration between billing software and Advanced Metering Infrastructure	Ongoing	87,904	-	87,904
2	Add 1.00 FTE Engineer	Ongoing	21,577	-	21,577
3	Funding for rate structure study	One-time	42,500	-	42,500
4	Add 0.75 FTE Utility Billing Assistant	Ongoing	18,127	-	18,127
5	Increased Funding for WRRF Electric Utility Costs	Ongoing	125,000	-	125,000
6	Add 1.00 FTE Wastewater Collection System Chief Operator and Vehicle	Ongoing	179,345	-	179,345
7	Total		\$ 474,453	\$ -	\$ 474,453

Table 2.4. Whale Rock Agency Fund SOBC Recommendations

	Recommendation	Timing	Request	Offsets	Net
1	Add 1.00 FTE Engineer	Ongoing	3,706	-	3,706
2	Total		\$ 3,706	\$ -	\$ 3,706

Table 2.5. Parking Fund SOBC Recommendations

	Recommendation	Timing	Request	Offsets	Net
1	Increased Funding for data processing and maintenance costs	Ongoing	170,200	-	170,200
2	Increased funding for credit card merchant fees	Ongoing	304,130	-	304,130
3	Funding for consultant services to complete a technology road map	One-time	60,000	-	60,000
4	Total		\$ 534,330	\$ -	\$ 534,330

Staff has evaluated the Transit Fund operating budget and does not recommend any significant changes in FY 2024-25.

Section 3: Consolidated Financials – Major Funds Combined

The City uses separate funds to run its operations. There are generally five major funds, the General Fund and four enterprise funds: the Water Fund, Sewer Fund, Parking Fund, and Transit Fund. The General Fund uses a combination of tax and fee revenue to provide services to the community. The enterprise funds operate as separate businesses and generate their own revenues to provide services to fee payers.

The five major funds are consolidated here and reported on in detail individually throughout the report.

Revenues and Expenditures

Table 3.1. Consolidated Revenue

	FY 2022-23 Actuals	FY 2023-24 Mid-year Budget	FY 2024-25 Financial Plan Budget	FY 2024-25 Supplemental Budget	Change	% Change
1 Tax & Franchise Revenue	\$ 99,842,239	\$ 99,643,156	\$ 100,701,662	\$ 103,548,018	\$ 2,846,356	3%
2 Fee & Other Revenue						
3 General Fund	16,568,200	15,240,933	18,823,448	23,278,097	4,454,649	24%
4 Water Fund	29,259,996	31,906,659	30,011,625	32,871,625	2,860,000	10%
5 Sewer Fund	45,686,183	49,788,242	36,398,900	36,398,900	-	0%
6 Parking Fund	7,957,191	56,700,994	10,412,624	9,991,861	(420,763)	-4%
7 Transit Fund	5,715,762	11,754,973	11,964,525	17,059,186	5,094,661	43%
8 Assessment Revenue	2,478,792	2,416,200	2,464,516	2,398,151	(66,365)	-3%
9 Total	\$ 207,508,362	\$ 267,451,157	\$ 210,777,299	\$ 225,545,838	\$ 14,768,538	7%

Staff forecast a year over year decrease in revenue next fiscal year as FY 2023-24 revenue included significant long-term debt proceeds to finance construction of the Cultural Arts District Parking Structure by the Parking Fund and improvements to the Water Resource Recovery Facility by the Sewer Fund.

Table 3.2. Consolidated Expenditures

	FY 2022-23 Actuals	FY 2023-24 Mid-year Budget	FY 2024-25 Financial Plan Budget	FY 2024-25 Supplemental Budget	Change	% Change
1 General Fund	\$ 112,789,648	\$ 125,306,563	\$ 120,958,660	\$ 122,027,928	\$ 1,069,268	1%
2 Business Activities						
3 Water Fund	23,952,257	55,052,266	28,441,479	35,144,934	6,703,455	24%
4 Sewer Fund	43,934,895	63,763,698	25,618,489	28,151,584	2,533,095	10%
5 Parking Fund	7,272,763	67,198,514	10,230,346	10,055,657	(174,689)	-2%
6 Transit Fund	6,354,792	10,846,599	9,614,849	17,222,202	7,607,353	79%
7 Special Revenue						
8 Tourism Assessment	\$ 2,209,268	\$ 2,140,800	\$ 2,183,616	\$ 2,117,251	\$ (66,365)	-3%
9 Downtown Assessment	269,523	275,400	280,900	280,900	-	0%
10 Total	\$ 196,783,147	\$ 324,583,841	\$ 197,328,339	\$ 215,000,457	\$ 16,602,849	9%

In line with the year over year decreases in revenue driven by major capital projects in the Parking and Sewer funds, expenditures are projected to decrease significantly as budget has been expended for those projects in FY 2023-24. General Fund expenditures are also expected to decline modestly as FY 2022-23 fund balance was expended in FY 2023-24 and is not expected to repeat in FY 2024-25.

Fund Balances and Reserves

Fund Balance represents the total of all reserves and unspent funds at the end of the year. It includes operating reserves, restricted funds, and undesignated amounts.

Operating reserves are funds set aside to continue to fund operations in the event of an emergency causing the City to exceed its expenditures budget or in the event revenues are not realized as forecasted.

Staff carefully manage fund balance and operating reserves to ensure the City’s financial stability.

Table 3.3. Consolidated Fund Balances

	FY 2022-23 Actuals	FY 2023-24 Mid-year Budget	FY 2024-25 Financial Plan Budget	FY 2024-25 Supplemental Budget	Change	% Change
1 General Fund	\$ 40,537,932	\$ 26,359,614	\$ 30,433,173	\$ 31,483,548	\$ 1,050,375	3%
2 Business Activities						
3 Water Fund	40,261,007	17,115,400	18,685,546	14,842,091	(3,843,455)	-21%
4 Sewer Fund	49,525,688	35,371,331	46,151,742	43,618,646	(2,533,095)	-5%
5 Parking Fund	13,813,435	3,315,915	3,498,193	3,050,140	(448,053)	-13%
6 Transit Fund	2,236,399	3,144,773	5,494,449	2,981,757	(2,512,692)	-46%
7 Total	\$ 146,374,461	\$ 85,307,032	\$ 104,263,103	\$ 95,976,182	\$ (9,337,296)	-8%

Table 3.4. Consolidated Operating Reserves

	FY 2022-23 Actuals	FY 2023-24 Mid-year Budget	FY 2024-25 Financial Plan Budget	FY 2024-25 Supplemental Budget	Change	% Change
1 General Fund	\$ 13,727,000	\$ 10,825,500	\$ 14,526,000	\$ 14,586,832	\$ 60,832	0%
2 Business Activities						
3 Water Fund	4,259,777	5,087,544	5,270,875	5,479,113	208,238	4%
4 Sewer Fund	2,429,275	2,785,374	4,041,632	4,108,251	66,619	2%
5 Parking Fund	814,579	1,262,589	1,485,207	1,549,221	64,014	4%
6 Transit Fund	711,650	1,016,488	1,068,556	1,026,210	(42,345)	-4%
7 Total	\$ 21,942,281	\$ 20,977,495	\$ 26,392,270	\$ 26,749,627	\$ 296,525	1%

Transfers Between Funds

The five major funds generally operate distinctly and fund their own operations. When the operations of one fund benefit another, a transfer is made to reimburse those costs. Transfers are also made between various sub-funds of the five major funds designated for specific purposes, like the Local Revenue Measure fund or the Gas Tax Fund, and the General Fund where that money is spent.

Operating Transfers

The City’s General Fund receives reimbursements and operating transfers for various services and activities that are provided by General Fund operating programs. In turn, the General Fund provides funding to various functions for specific uses. The amounts shown below represent the anticipated funding that will be transferred between the funds. These transfers also include Cost of Services transfers as detailed in the Cost Allocation Plan approved by Council on May 21st, 2024 coming from the Sewer and Water funds. The Parking Fund transfer includes lease revenue owed to the general fund and interfund loan amounts.

Table 3.5. Operating Transfers

	Fund	Transfer out	Transfer In
1	General Fund	\$7,961,073	\$14,676,318
2	Local Revenue Measure	\$9,455,000	
3	Public Art Fund	\$89,950	
4	Gas Tax Fund	\$1,419,353	
5	Housing Fund	\$207,000	
6	TIF Fund	\$280,000	
7	TBID Fund	\$42,345	
8	Parking Fund	\$375,212	
9	Sewer Fund	\$1,451,616	
10	Water Fund	\$1,387,992	
11	IT Replacement Fund	\$152,000	
12	Public Safety Equipment Fund		\$387,334
13	Debt Service Fund		\$1,757,889
14	Insurance Fund		\$6,000,000
15	Total Operating Transfer	\$22,821,541	\$22,821,541

General Fund transfers out are to the Insurance Fund for workers compensation coverage and other policies as well as to the Debt Service Fund to meet the City's obligations and to the Public Safety Equipment Fund to purchase needed police and fire equipment. Transfers in are described below and include transfers from other funding sources for ongoing operations.

Local Revenue Measure transfers out are for LRM funded positions and operating programs paid for out of the General Fund, as well as the remainder of the transfer into the Public Safety Equipment Fund for needed police and fire equipment.

Public Art Fund transfers out reimburse the General Fund for the Public Art Coordinator position cost.

Gas Tax Fund transfers allow the General Fund to spend gas tax revenue.

TBID Fund transfers are based on a percentage of Transient Occupancy Tax revenue.

Enterprise Fund transfers include cost of services transfers under the City's Cost Allocation Plan approved on May 21st, 2024 and certain other transfers including an interfund loan between the Parking Fund and the General Fund.

Capital Transfers

The City budgets for capital expenditures from a number of different funds. In some cases this serves to restrict revenue for a specific purpose as required by policy, as is the case for the Local Revenue Measure. In other cases, capital budgeting by fund allows for capital budgets to remain relatively consistent year over year while expenditures fluctuate to align with asset replacement schedules.

Transfers out come from revenue generating funds, and transfers in go to the funds which will incur expenditures for their specific purpose.

Table 3.6 Capital Transfers

	Fund	Transfer out	Transfer In
1	General Fund	\$3,610,000	
2	Local Revenue Measure	\$22,400,000	
3	TDA Bikeways	\$90,000	
5	Capital Outlay		\$23,245,166
6	Fleet		\$685,000
7	IT Replacement		\$1,446,656
8	Major Facilities Maintenance		\$423,178
9	Infrastructure Investment		\$0
10	Public Art Fund		\$300,000
11	Total	\$26,100,000	\$26,100,000

In addition to the transfers above, staff expect to make transfers to the Infrastructure Investment Fund as called for in the FY 2023-24 Mid-Year budget recommendations. As noted in Section 2, these transfers are contingent upon reimbursement of costs related to the winter 2023 storms.

Reimbursement Transfers

These transfers reimburse the General Fund for direct cost incurred for service to the City's Enterprise and Agency Funds. The cost comes from internal services departments such as City Administration (including IT), Human Resources, City Attorney's Office, and Finance. It is assessed annually through the City's Cost Allocation Plan (CAP). The Supplemental Budget numbers are derived from the Cost Allocation Plan approved by Council on May 21, 2024.

Table 3.7 Reimbursement Transfers

	Fund	Transfer out	Transfer In
1	General Fund		\$5,367,608
2	Water Fund	\$1,559,425	
3	Sewer Fund	\$1,838,634	
4	Parking Fund	\$1,256,841	
5	Transit Fund	\$460,609	
6	Whale Rock Fund	\$252,099	
7	Total	\$5,367,608	\$5,367,608

Section 4: Fund Overviews

4a. General Fund

The City has ten departments that provide a full suite of municipal services to the community. Eight of the departments are budgeted entirely in the General Fund, and certain programs in the Public Works and Utilities departments are also budgeted in the General Fund (other programs in these departments including Parking, Transit, Water and Sewer are budgeted in Enterprise Funds which are presented in this section of the document separately from the General Fund).

Revenue

The 2023-25 Financial Plan was developed in a time of tremendous economic uncertainty. During budget development, inflation was moderating from rates not seen in decades and the Federal Reserve was raising interest rates at unprecedented rates. Despite calls for a recession, staff projected only a “flattening” of cyclical revenues, including Sales Tax and Transient Occupancy Tax.

FY 2023-24 performance has exceeded this predicted flattening and, on the recommendation of consultants, staff have incorporated revenue projections for the Supplemental Budget that reflect continued outperformance of the Financial Plan’s FY 2024-25 targets.

Table 4a.1. General Fund Revenue

	FY 2022-23 Actuals	FY 2023-24 Budget	FY 2024-25 Financial Plan Budget	FY 2024-25 Supplemental Budget	Change	% Change
Tax Revenue						
1 Sales & Use Tax	\$ 52,926,619	\$ 53,391,093	\$ 54,572,619	\$ 56,383,599	\$ 1,810,980	3%
2 Property Tax	22,216,031	22,863,770	22,651,995	23,446,385	794,391	4%
3 Transient Occupancy Tax	11,037,037	10,704,000	10,918,080	10,586,256	(331,824)	-3%
4 Utility Users Tax	6,904,194	6,332,000	5,881,630	6,622,639	741,009	13%
5 Franchise Fees	2,349,603	2,000,000	1,910,000	2,091,800	181,800	10%
6 Business Tax Certificates	3,281,010	3,252,293	3,317,338	3,317,338	-	0%
7 Cannabis Tax	1,127,744	1,100,000	1,450,000	1,100,000	(350,000)	-24%
8 Tax Revenue Subtotal	\$ 99,842,239	\$ 99,643,156	\$ 100,701,662	\$ 103,548,018	\$ 2,846,356	3%
9 Police Services	\$ 753,481	\$ 745,003	\$ 611,917	\$ 611,917	\$ -	0%
10 Fire Services	\$ 1,612,981	\$ 1,647,854	\$ 1,577,836	\$ 1,577,836	\$ -	0%
11 Development Review	\$ 6,526,792	\$ 6,275,536	\$ 6,585,331	\$ 6,585,331	\$ -	0%
12 Parks & Recreation	\$ 1,867,801	\$ 2,025,958	\$ 2,068,693	\$ 2,068,693	\$ -	0%
13 Business Licenses	\$ 522,674	\$ 459,000	\$ 468,000	\$ 468,000	\$ -	0%
14 Cannabis Licenses	\$ 147,295	\$ 171,000	\$ 232,600	\$ 232,600	\$ -	0%
15 Other Revenues	\$ 3,707,802	\$ 2,910,765	\$ 2,389,292	\$ 2,319,154	\$ (70,138)	-3%
16 Subventions & Grants	\$ 1,429,375	\$ 1,005,817	\$ 682,279	\$ 682,279	\$ -	0%
17 Storm Reimbursement	-	-	4,207,500	8,732,287	4,524,787	108%
18 Total	\$ 116,410,439	\$ 114,884,089	\$ 119,525,109	\$ 126,826,114	\$ 7,301,005	6%

Sales & Use Tax: Staff revised revenue expectations upwards, reflecting both current year outperformance of financial plan targets and expectations for future growth driven by new business openings.

Property Tax: The City receives its annual property tax forecasts directly from the County Assessor. In developing the Financial Plan, staff expected a cooling effect on this revenue stream from Federal Reserve

policy actions. Despite higher interest rates driving up mortgage costs, home prices continue to increase and new developments continue to move forward. Staff increased this forecast based on continued home price appreciation and new inventory brought to market from ongoing development activity.

Transient Occupancy Tax (TOT): This revenue stream benefited significantly from post-COVID consumer preferences and spending levels. Staff noted in the Financial Plan that most of the exceptional growth experienced in the post-COVID era was driven not by volumes but by average daily rates and did not expect that trend to continue. On advice of consultants, staff forecast modest decrease in revenue next year as average daily rates continue to normalize.

Utility User Tax (UUT): Historically, UUT revenue has been highly sensitive to the market cost of commodities, including natural gas. Staff revised UUT forecast upwards based on the Municipal Cost Index.

Franchise Fees: Similar to UUT, staff forecast Franchise Fees to grow in line with the Municipal Cost Index.

Business Tax Certificates: Staff left this forecast unchanged as increased delinquency rates drive uncertainty and present challenges to forecasting. Staff will continue to monitor this revenue stream and enforce collections as needed to ensure compliance.

Cannabis Tax: While the Financial Plan contemplated continued growth, this revenue stream has held steady at current levels and is not predicted to increase further.

Fee & Other Revenue: A comprehensive user and regulatory fee study is near completion and will be presented to Council after adoption of the Supplemental Budget. To leave flexibility for Council to set user and regulatory fees at appropriate levels, staff have left the user fee revenue streams unchanged from the Financial Plan. However, projections in the “other revenue” category have been modified to account for SB1 Road Maintenance and Rehabilitation funds, which have decreased slightly and must be accurately budgeted for road maintenance.

Storm Reimbursement: Under the Federal and State declarations of emergency for the January and March 2023 storms, the City is eligible to receive a maximum of 93.75% reimbursement of eligible storm related costs through the Federal Emergency Management Agency (FEMA) and California Office of Emergency Services (CalOES). Staff have been advised by our consultant, Ernst & Young (EY), that we should expect reimbursement of eligible costs within 12 months of projects being submitted to FEMA for review and consideration of reimbursement. As of the date of the supplemental budget drafting, the City has spent \$12.6 million on emergency storm repairs and submitted \$17.2 million in requests for reimbursement (the amount submitted to FEMA includes estimated expenditures that have yet to be made for projects that are not yet complete).

Expenditures

In recent years the City has experienced considerable upwards pressure on expenditures due to the increased cost of living, which has driven other agencies to rapidly increase salaries and even greater increases in the cost to deliver capital projects. While departments submitted many budget requests that would benefit the community, the expenditures budget presented here reflects modest additions only where needed to maintain service levels contemplated in the Financial Plan as staff carefully monitor expenditure growth in light of the potential for deficits indicated by the General Fund’s long term forecast.

Table 4a.2. General Fund Expenditures by Type

	FY 2022-23	FY 2023-24	FY 2024-25	FY 2024-25		
	Actuals	Mid-year Budget	Financial Plan Budget	Supplemental Budget	Change	% Change
1 Staffing	\$ 64,984,921	\$ 70,997,424	\$ 72,729,444	\$ 74,181,403	\$ 1,451,959	2%
2 Contract Services	9,285,186	11,484,085	8,442,975	8,265,071	(177,904)	-2%
3 Other Operating Costs	9,471,467	11,243,386	10,748,062	10,624,557	(123,505)	-1%
4 Capital	27,055,941	29,727,994	27,269,275	27,199,138	(70,138)	0%
5 Debt Service	1,992,133	1,853,674	1,768,903	1,757,889	(11,014)	-1%
6 Total	\$ 112,789,648	\$ 125,306,563	\$ 120,958,660	\$ 122,028,058	\$ 1,150,550	1%

Table 4a.3. General Fund Expenditures by Department

	FY 2022-23	FY 2023-24	FY 2024-25	FY 2024-25		
	Actuals	Mid-year Budget	Financial Plan Budget	Supplemental Budget	Change	% Change
1 <i>Public Safety</i>					\$ -	
2 Police	\$ 21,207,958	\$ 23,181,327	\$ 22,607,072	\$ 23,493,292	886,220	4%
3 Fire	\$ 15,083,884	\$ 15,809,707	\$ 15,480,510	\$ 16,663,315	1,182,804	8%
4 <i>Community Services Group</i>					-	
5 CSG Administration	\$ 703,825	\$ 850,725	\$ 778,730	\$ 658,925	(119,805)	-15%
6 Community Development	7,380,642	8,991,151	8,510,146	8,710,502	200,356	2%
7 Parks and Rec	5,095,101	5,796,290	5,899,998	5,981,428	81,430	1%
8 Public Works	16,554,664	18,248,974	18,328,375	18,510,233	181,858	1%
9 Utilities	260,907	472,085	349,657	363,874	14,217	4%
10 <i>Internal Services</i>					-	
11 Administration	\$ 11,048,269	\$ 12,354,947	\$ 11,003,659	\$ 11,130,422	126,763	1%
12 City Attorney	1,424,496	1,708,554	1,497,103	1,514,049	16,945	1%
13 Finance	2,481,796	2,769,515	2,804,255	2,948,031	143,775	5%
14 Human Resources	2,106,552	2,303,738	2,246,535	2,203,622	(42,913)	-2%
15 Non-Departmental	393,479	1,237,883	2,414,439	893,338	(1,521,101)	-63%
16 Capital	27,055,941	29,727,994	27,269,275	27,199,138	(70,138)	0%
17 Debt Service	1,992,133	1,853,674	1,768,903	1,757,889	(11,014)	-1%
18 Total	\$ 112,789,648	\$ 125,306,563	\$ 120,958,660	\$ 122,028,058	\$ 1,150,550	1%

Staffing: The majority of the FY 2023-24 budget adjustments are due to changes in employee compensation and benefits elections since adoption of the financial plan driven by merit increases, employee turnover, and reclassifications. This budget also reflects negotiated equity and cost of living increases for the public safety departments’ bargaining groups; however, because these negotiations were agreed upon within the financial plan parameters there is no budget impact in FY 2024-25.

The recommended Significant Operating Budget Changes reflected here include the addition of 7.50 FTE. In many cases, these employees already work for the City and are either moving from part-time to full-time or having their contracts extended. Expenditure offsets have also been identified for a majority of these positions, and some are funded directly through fee programs.

Other Operating Costs & Contract Services: Departments used the Supplemental Budget process to analyze expenditures trends and identify savings and overages. Movement between Other Operating Costs and Contract Services reflects departments’ careful evaluation of year to date expenditures and changes in the cost of needed goods and services to ensure that funds are put to good use. Increases to the Financial Plan base budget were limited to those required to maintain existing assets or fund price increases from service providers.

Capital: The total allocation to Capital changes only due to revisions to the SB1 revenue forecast, which is allocated entirely to Capital projects. Other changes to Capital Expenditures are detailed in the Capital Improvements Program update in Section 7.

Debt Service: The City does not expect any new debt service costs in FY 2024-25. Adjustments to the debt service costs shown here reflect changes to debt service schedules only.

Significant Operating Budget Changes (SOBCs)

Staff carefully evaluated requests for additional General Fund appropriations and directed departments to identify offsets and efficiencies in their operating budgets wherever possible. In many cases, these recommendations are for positions that are currently staffed and funded out of existing budgets, and staff’s recommendation is to make these positions and offsets permanent.

In one unique case, funding for two Finance SOBC recommendations will come from a separate department. These recommendations will add much needed administrative and technology support that will benefit the City as a whole. As such, the Community Services Group will fund these recommendations by freezing a vacant position.

The recommended SOBCs have been included in all of the General Fund and Consolidated revenue and expenditure tables included in this document.

Table 4a.4. General Fund SOBCs

	Department	Summary of Request	Timing	Request	Offsets	Net
1	Admin	Convert DEI Fellow contract position to 1.00 FTE Administrative Specialist	Ongoing	91,081	(91,081)	-
2	CDD	Add 1.00 FTE Building Inspector and Vehicle	Ongoing	165,708	(150,000)	15,708
3	CDD	Convert Stormwater Code Enforcement Officer contract position to 1.00 FTE Stormwater Code Enforcement Officer and Vehicle	Ongoing	174,271	-	174,271
4	CDD	Funding for CAPSLO's Hotel Voucher Program	One-time	45,000	-	45,000
5	City Attorney	Convert Legal Assistant contract position to 1.00 FTE Legal Assistant	Ongoing	-	-	-
6	Finance	Add 0.50 FTE Administrative Assistant-Confidential	Ongoing	35,863	(35,863)	-
7	Finance	Increase 0.50 FTE Supplemental Financial Analyst (Oracle ERP) to 1.00 FTE Financial Analyst	Ongoing	77,626	(77,626)	-
8	Fire	Add contract Fire Vehicle Mechanic through FY 2024-25	One-time	122,804	-	122,804
9	Fire	Increase 0.50 FTE Fire Inspector to 1.00 FTE	Ongoing	32,380	-	32,380
10	Parks & Rec	Public Art Fund operating expenses	Ongoing	15,000	(15,000)	-
11	Police	License Plate Reader maintenance cost increase	Ongoing	10,000	-	10,000
12	Police	Animal Services contract cost increase	Ongoing	84,894	-	84,894
13	Public Works	Add 1.00 FTE Parks Maintenance Superintendent, 1.00 FTE Parks Maintenance Technician and transition two Supplemental Parks Maintenance Aides to Limited Benefit Temporary Parks Maintenance Aides	Ongoing	280,271	(280,271)	-
14	Total			\$ 1,134,898	\$ (649,841)	\$ 485,057

Long Term Forecast

The long-term forecast is an essential planning tool for the City and its ongoing service delivery. While the City adopts a two-year Financial Plan that must be balanced, the outer years of the forecast are presented to show the City's financial condition and availability of resources into the future. The forecast is updated every six months, which gives staff the opportunity to alert Council of looming imbalances and strategize appropriate actions to be taken. The forecast presented here projects a deficit in the outer years.

Key Takeaways

The forecast reflects that expenditures are growing more quickly than we currently expect revenues to grow. Left unmitigated, this will lead to a deficit. Given this, staff is working to develop budget balancing strategies and approaches which will be reviewed with Council as part of development of the 2025-27 Financial Plan.

Staff have begun an initiative to identify and forecast expenditures that the City will be required to incur based on commitments it has made in the past. Specifically, staff have identified significant commitments from development agreements that will impact the City's budget in the future. More generally, a growing population is expected to increase the cost to provide current service levels and adds pressure to the City's finances.

Significant changes to the forecast compared to the FY 2023-24 Mid-Year forecast include:

- **CalPERS pension obligations:** The costs to meet the City's pension obligations are highly volatile and driven by uncontrollable market conditions. Pension obligations continue to pressure the City's budget, with costs projected to increase by nearly \$1million compared to estimates in the FY 2023-24 Mid-Year forecast.
- **Costs to operate a fifth fire station:** As called for in the Avila Ranch development agreement, the City expects to add and operate a fifth fire station by July 2026. Staff have projected operational costs for this station, including staffing, equipment, and training, beginning in FY 2025-26 and have made reasonable estimates of the offsets available from the development agreement and other grant sources. While there remain a broad range of possible costs associated with operating this new fire station, staff have modeled what we believe is the most likely outcome and expect to refine this estimate over time.
- **Increased sales tax revenue:** The City has been fortunate to benefit from strong growth in sales tax, including both Bradley Burns and Local Revenue Measure G-20. This growth has exceeded the projections contemplated by the Financial Plan, leading us to increase the FY 2024-25 budget based on current year performance and new businesses opening. We also increased out-year growth expectations based on statewide assumptions provided by our consultants.

Other material assumptions include:

- **Continued economic growth:** The City benefits from diversified revenue streams. However, many of these revenue streams rely on consumer spending and tourism and are therefore cyclical. This forecast does not contemplate a recession or slowdown in spending.
- **Three percent cost of living adjustments:** Inflation has led other agencies to increase compensation drastically over the last few years. As of the date this report was published, the

Consumer Price Index was increasing at 3.4% year over year. This forecast assumes we can attract and retain a talented workforce with three percent cost of living adjustments to salaries.

- **Debt financing:** Forecasted debt financing costs include current obligations only. Should the General Fund issue additional debt, those debt service costs will reduce our capital budget. This could have a material impact on the City's ability to build and maintain infrastructure.
- **Additional Discretionary Payments (ADPs) to CalPERS:** We continue to forecast \$2m per year in ADPs. This amount was established with the Fiscal Health Response Plan in 2018 and has not changed to reflect our increased staffing costs. This means our progress in paying down our unfunded pension liabilities is projected to slow.
- **Emergency Storm Reimbursement:** The City has expended \$12.6m to date in emergency storm expenditures. While we strive for the maximum reimbursement of 93.75% of all eligible costs, our assumption of \$8.7m in reimbursement in FY 2024-25 is unchanged from mid-year as tremendous uncertainty to the reimbursement amount remains.

Table 4a.5. General Fund Long Term Forecast

	(A)	(B)	(C)	(D)	(E)	(F)	(G)
General Fund Five-Year Forecast (In Thousands)	Actual 2022-23	Mid Year Revised 2023-24	Supplement 2024-25	Projected 2025-26	Projected 2026-27	Projected 2027-28	Projected 2028-29
Tax & Franchise Revenue							
1 Sales & Use Tax	\$ 52,927	\$ 53,391	\$ 56,384	\$ 57,903	\$ 59,640	\$ 61,370	\$ 63,211
5 Property Tax	22,216	22,864	23,446	24,323	25,052	25,679	26,192
6 Transient Occupancy Tax	11,037	10,704	10,586	10,798	11,014	11,234	11,459
7 Utility Users Tax	6,904	6,332	6,623	6,755	6,890	7,028	7,169
8 Franchise Fees	2,350	2,000	2,092	2,134	2,176	2,220	2,264
9 Business Tax Certificates	3,281	3,252	3,317	3,384	3,451	3,520	3,591
10 Cannabis Tax	1,128	1,100	1,100	1,400	1,428	1,457	1,486
11 Total Tax & Franchise Revenue	\$ 99,842	\$ 99,643	\$ 103,548	\$ 106,696	\$ 109,652	\$ 112,507	\$ 115,371
Fees for Service & Other Revenue							
13 Police Services	\$ 753	\$ 745	\$ 612	\$ 624	\$ 637	\$ 649	\$ 662
14 Fire Services	1,613	1,648	1,578	1,609	1,642	1,674	1,708
15 Development Review	6,527	6,276	6,585	6,717	6,851	6,988	7,128
16 Parks & Recreation	1,868	2,026	2,069	2,110	2,152	2,195	2,239
17 Business Licenses	523	459	468	477	487	497	507
18 Cannabis Licenses	147	171	233	237	242	247	252
19 Other Revenues	3,708	2,911	2,319	2,376	2,392	2,412	2,429
20 Subventions & Grants	1,429	1,006	682	440	441	442	442
21 <i>Storm Reimbursement - ESTIMATE</i>			8,732	-	-	-	-
22 Total Fees & Other Revenue	\$ 16,568	\$ 15,241	\$ 23,278	\$ 14,591	\$ 14,844	\$ 15,105	\$ 15,367
23 Total Revenue	\$ 116,410	\$ 114,884	\$ 126,826	\$ 121,287	\$ 124,496	\$ 127,612	\$ 130,738
Use of Funds							
25 Staffing	\$ 65,544	\$ 67,422	\$ 71,483	\$ 74,379	\$ 76,679	\$ 79,126	\$ 82,348
26 Contract Services	9,285	11,066	9,061	8,720	8,895	9,073	9,254
27 Other Operating Expenditures	9,471	11,097	10,193	10,499	10,709	10,923	11,142
28 Cost Allocation	(4,462)	(5,419)	(5,368)	(5,475)	(5,584)	(5,696)	(5,810)
29 <i>SOBC Recommendations</i>			485	218	224	231	238
30 <i>Fire Station 5 - ESTIMATE</i>				1,062	700	1,813	1,817
31 <i>Storm Expenditures - ESTIMATE</i>	3,646	5,354					
32 <i>Mid-Year One-time Budget Recommendations</i>		4,471	3,804				
33 Total Operating Expenditure	\$ 83,484	\$ 93,991	\$ 89,659	\$ 89,403	\$ 91,623	\$ 95,470	\$ 98,989
34 Debt Service	\$ 1,992	\$ 1,854	\$ 1,758	\$ 1,761	\$ 1,550	\$ 1,549	\$ 1,550
35 Capital	27,056	29,728	27,199	27,748	28,288	28,843	29,408
36 Transfers Out/(In)	2,085	1,490	1,086	1,486	1,844	2,251	2,352
37 Total Expenditure	\$ 114,618	\$ 127,062	\$ 119,702	\$ 120,397	\$ 123,305	\$ 128,113	\$ 132,300
38 Revenue Over/(Under) Expenses	\$ 1,792	\$ (12,178)	\$ 7,124	\$ 890	\$ 1,192	\$ (500)	\$ (1,562)
39 Beginning Fund Balance	\$ 40,746	\$ 40,538	\$ 26,360	\$ 31,484	\$ 30,373	\$ 29,565	\$ 27,065
40 CalPERS ADP	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000
41 Ending Fund Balance	\$ 40,538	\$ 26,360	\$ 31,484	\$ 30,373	\$ 29,565	\$ 27,065	\$ 23,503
42 General Fund Reserve	13,727	10,826	14,587	15,046	15,354	15,974	16,367
43 Revenue Stabilization Reserve	2,000	2,000	2,000	2,000	2,000	2,000	2,000
44 115 Pension Trust Fund	2,000	2,000	2,000	2,000	2,000	2,000	2,000
45 Committed or Restricted	14,536	11,534	11,000	10,500	10,500	10,500	10,500
46 Undesignated Fund Balance	\$ 8,275	\$ 0	\$ 1,897	\$ 827	\$ (289)	\$ (3,409)	\$ (7,364)
47 Reserve funded level (Policy=20%)	20%	14%	20%	20%	20%	20%	20%

Table 4a.6. Detailed Operating Expenditures

	FY 2022-23	FY 2023-24	FY 2024-25	FY 2024-25		
	Actuals	Mid-year Budget	Financial Plan	Supplemental Budget	Change	% Change
Administration	11,048,269	12,354,947	11,003,659	11,130,422	126,763	1%
1001 - Administration	1,502,421	1,815,760	1,599,600	1,659,973	60,373	4%
Contract Services	121,878	362,946	104,340	114,340	10,000	10%
Other Operating Costs	91,480	95,430	79,680	71,680	(8,000)	-10%
Staffing	1,289,063	1,357,384	1,415,580	1,473,953	58,373	4%
1002 - City Council	234,567	247,207	246,440	240,816	(5,625)	-2%
Contract Services	9,675	-	-	-	-	-
Other Operating Costs	30,371	34,400	34,400	34,400	-	0%
Staffing	194,521	212,807	212,040	206,416	(5,625)	-3%
1003 - Cultural Activities	348,269	365,161	365,161	365,161	-	0%
Contract Services	348,269	365,161	365,161	365,161	-	0%
Other Operating Costs	-	-	-	-	-	-
1004 - Economic Dev	1,032,915	1,222,649	937,514	934,062	(3,453)	0%
Contract Services	791,985	963,878	686,000	686,000	-	0%
Other Operating Costs	20,277	37,650	27,650	27,650	-	0%
Staffing	220,653	221,121	223,864	220,412	(3,453)	-2%
1005 - Natural Resource Protection	983,010	1,499,751	949,032	973,285	24,253	3%
Contract Services	197,054	696,183	150,000	150,000	-	0%
Other Operating Costs	69,160	83,792	73,459	73,459	-	0%
Staffing	716,796	719,776	725,573	749,826	24,253	3%
1007 - Community Promotion	421,838	442,712	413,234	397,816	(15,417)	-4%
Contract Services	341,456	357,800	328,000	313,000	(15,000)	-5%
Other Operating Costs	35,600	39,000	39,000	54,000	15,000	38%
Staffing	44,781	45,912	46,234	30,816	(15,417)	-33%
1010 - Office of Diversity, Equity, Inclusion (DEI)	988,355	727,620	606,539	619,222	12,682	2%
Contract Services	702,001	447,500	360,000	360,000	-	0%
Other Operating Costs	16,455	20,583	64,000	64,000	-	0%
Staffing	269,899	259,538	182,539	195,222	12,682	7%
1021 - City Clerk	666,756	779,116	777,137	774,801	(2,336)	0%
Contract Services	142,797	171,917	164,700	164,700	-	0%
Other Operating Costs	31,655	49,345	49,345	49,345	-	0%
Staffing	492,304	557,853	563,092	560,756	(2,336)	0%
1101 - Network Services	3,512,394	3,718,067	3,555,056	3,574,551	19,495	1%
Contract Services	798,144	663,949	500,740	501,940	1,200	0%
Other Operating Costs	1,360,371	1,608,609	1,568,910	1,568,910	-	0%
Staffing	1,353,879	1,445,508	1,485,405	1,503,701	18,295	1%
1103 - Information Services	1,357,744	1,536,904	1,553,946	1,590,735	36,789	2%
Contract Services	7,696	11,400	11,400	11,400	-	0%
Other Operating Costs	38,951	75,444	74,195	74,195	-	0%
Staffing	1,311,097	1,450,061	1,468,351	1,505,140	36,789	3%
CSG Administration	703,825	850,725	778,730	658,925	(119,805)	-15%
1009 - Community Services Group	703,825	850,725	778,730	658,925	(119,805)	-15%
Contract Services	104,369	130,600	40,000	40,000	-	0%
Other Operating Costs	10,829	13,020	13,020	13,020	-	0%
Staffing	588,627	707,105	725,710	605,905	(119,805)	-17%
City Attorney	1,424,496	1,708,554	1,497,103	1,514,049	16,945	1%
1501 - City Attorney	1,424,496	1,708,554	1,497,103	1,514,049	16,945	1%
Contract Services	62,833	93,933	47,905	44,544	(3,361)	-7%
Other Operating Costs	223,744	279,834	39,955	43,370	3,415	9%
Staffing	1,137,918	1,334,787	1,409,243	1,426,135	16,891	1%
Finance	2,765,535	4,007,398	5,218,694	3,841,369	(1,377,326)	-26%
2001 - Financial Admin	598,733	370,604	326,599	440,669	114,069	35%
Contract Services	71,378	62,626	10,000	10,000	-	0%
Other Operating Costs	9,984	22,640	22,640	22,640	-	0%
Staffing	517,372	285,338	293,959	408,029	114,069	39%
2002 - Budgets	197,020	232,206	253,217	253,086	(131)	0%
Contract Services	28,074	57,000	72,000	72,000	-	0%
Other Operating Costs	6,311	9,500	9,500	9,500	-	0%
Staffing	162,634	165,706	171,717	171,586	(131)	0%
2003 - Revenue Mgmt	385,980	556,015	493,195	483,061	(10,134)	-2%
Contract Services	128,762	271,900	162,950	162,950	-	0%
Other Operating Costs	9,249	16,200	16,200	16,200	-	0%
Staffing	247,969	267,915	314,045	303,911	(10,134)	-3%

		FY 2022-23	FY 2023-24	FY 2024-25	FY 2024-25		
		Actuals	Mid-year Budget	Financial Plan	Supplemental Budget	Change	% Change
64	2004 - Purchasing	206,580	252,825	256,936	252,896	(4,040)	-2%
65	Contract Services	16,136	15,200	15,400	15,400	-	0%
66	Other Operating Costs	215	4,500	4,500	4,500	-	0%
67	Staffing	190,229	233,125	237,036	232,996	(4,040)	-2%
68	2005 - Accounting	987,897	1,124,766	1,142,608	1,186,619	44,011	4%
69	Contract Services	132,054	171,377	168,520	168,520	-	0%
70	Other Operating Costs	8,892	10,100	10,100	10,100	-	0%
71	Staffing	846,951	943,289	963,988	1,007,999	44,011	5%
72	2006 - Finance Support Services	105,586	233,100	331,700	331,700	-	0%
73	Contract Services	-	-	-	-	-	-
74	Other Operating Costs	105,586	233,100	331,700	331,700	-	0%
75	2007 - Finance NonDepart	283,739	1,237,883	2,414,439	893,338	(1,521,101)	-63%
76	Other Operating Costs	222,242	285,000	100,000	100,000	-	0%
77	Staffing	61,497	952,883	2,314,439	793,338	(1,521,101)	-66%
78	Human Resources	2,106,552	2,303,738	2,246,535	2,203,622	(42,913)	-2%
79	3001 - Human Resources Admin	2,103,351	2,250,380	2,190,716	2,147,803	(42,913)	-2%
80	Contract Services	608,438	750,722	577,803	95,672	(482,131)	-83%
81	Other Operating Costs	90,101	66,500	66,500	484,536	418,036	629%
82	Staffing	1,404,813	1,433,158	1,546,413	1,567,595	21,182	1%
83	3003 - Wellness	3,201	53,358	55,819	55,819	-	0%
84	Contract Services	1,896	50,358	52,819	52,819	-	0%
85	Other Operating Costs	1,305	3,000	3,000	3,000	-	0%
86	Community Development	7,380,642	8,991,151	8,510,146	8,710,502	200,356	2%
87	4001 - Community Dev Admin	840,891	981,639	991,111	1,016,584	25,473	3%
88	Contract Services	31,572	11,601	3,600	3,600	-	0%
89	Other Operating Costs	141,556	234,760	234,760	236,160	1,400	1%
90	Staffing	667,763	735,279	752,751	776,824	24,073	3%
91	4002 - Commissions and Committees	14,819	37,240	37,240	37,240	-	0%
92	Other Operating Costs	4,735	11,200	11,200	11,200	-	0%
93	Staffing	10,084	26,040	26,040	26,040	-	0%
94	4003 - Planning	1,594,072	2,157,086	2,163,464	2,234,614	71,150	3%
95	Contract Services	276,906	483,525	585,785	585,785	-	0%
96	Other Operating Costs	19,773	28,200	28,200	28,200	-	0%
97	Staffing	1,297,393	1,645,361	1,549,479	1,620,629	71,150	5%
98	4004 - Engineering	930,742	1,252,369	1,035,759	1,029,539	(6,220)	-1%
99	Contract Services	36,787	303,338	57,000	57,000	-	0%
100	Other Operating Costs	8,347	13,500	13,500	14,000	500	4%
101	Staffing	885,608	935,531	965,259	958,539	(6,720)	-1%
102	4005 - Development Services	-	-	-	-	-	-
103	Other Operating Costs	-	-	-	-	-	-
104	4006 - Building and Safety	2,895,572	3,333,187	3,106,867	3,194,956	88,089	3%
105	Contract Services	298,161	399,887	140,000	140,000	-	0%
106	Other Operating Costs	613,418	885,437	885,706	740,866	(144,840)	-16%
107	Staffing	1,983,992	2,047,863	2,061,161	2,314,090	232,929	11%
108	4007 - Human Relations	-	-	-	-	-	-
109	Contract Services	-	-	-	-	-	-
110	Other Operating Costs	-	-	-	-	-	-
111	4008 - Housing Policy and Programs	1,104,545	1,229,630	1,175,706	1,197,570	21,864	2%
112	Contract Services	467,359	479,385	417,826	462,826	45,000	11%
113	Other Operating Costs	4,491	15,000	15,000	15,000	-	0%
114	Staffing	632,695	735,246	742,880	719,744	(23,136)	-3%
115	Public Works	16,554,664	18,248,974	18,328,375	18,510,233	181,858	1%
116	5001 - Public Works Admin	1,402,863	1,510,372	1,527,733	1,571,031	43,298	3%
117	Contract Services	54,783	1,500	1,500	5,000	3,500	233%
118	Other Operating Costs	64,934	62,890	42,888	44,393	1,505	4%
119	Staffing	1,283,147	1,445,982	1,483,345	1,521,638	38,293	3%
120	5002 - Parks Maint	3,571,500	4,303,479	4,318,912	4,451,008	132,097	3%
121	Contract Services	704,530	1,089,112	879,600	983,600	104,000	12%
122	Other Operating Costs	1,406,072	1,560,802	1,751,795	1,497,645	(254,150)	-15%
123	Staffing	1,460,898	1,653,565	1,687,517	1,969,763	282,247	17%
124	5003 - Swim Center Maint	672,335	676,788	688,515	698,871	10,357	2%
125	Contract Services	6,085	22,100	22,100	22,100	-	0%
126	Other Operating Costs	523,613	497,619	509,589	522,139	12,550	2%
127	Staffing	142,637	157,070	156,826	154,632	(2,193)	-1%

	FY 2022-23	FY 2023-24	FY 2024-25	FY 2024-25	Change	% Change
	Actuals	Mid-year Budget	Financial Plan	Supplemental Budget		
128 5004 - Urban Forest Services	339,617	267,592	390,066	290,564	(99,502)	-26%
129 Contract Services	132,240	17,536	3,500	4,750	1,250	36%
130 Other Operating Costs	17,505	29,238	26,950	27,578	628	2%
131 Staffing	189,872	220,818	359,616	258,236	(101,380)	-28%
132 5005 - Facilities Maintenance	1,430,582	1,481,000	1,548,295	1,558,325	10,030	1%
133 Contract Services	317,533	310,000	360,475	358,865	(1,610)	0%
134 Other Operating Costs	465,867	512,155	518,037	520,462	2,425	0%
135 Staffing	647,182	658,845	669,783	678,998	9,215	1%
136 5006 - Streets Maint	2,212,230	2,383,873	2,416,058	2,475,330	59,272	2%
137 Contract Services	434,162	393,760	343,600	483,300	139,700	41%
138 Other Operating Costs	520,991	532,573	598,277	448,675	(149,602)	-25%
139 Staffing	1,257,077	1,457,540	1,474,181	1,543,355	69,174	5%
140 5007 - Traffic Signals and Lighting	556,237	643,892	602,390	594,143	(8,246)	-1%
141 Contract Services	61,755	26,714	15,000	20,800	5,800	39%
142 Other Operating Costs	234,723	326,355	297,417	287,590	(9,827)	-3%
143 Staffing	259,759	290,823	289,973	285,753	(4,219)	-1%
144 5008 - Fleet	1,421,074	1,469,523	1,485,298	1,487,340	2,042	0%
145 Contract Services	135,250	147,800	147,800	196,425	48,625	33%
146 Other Operating Costs	762,630	771,236	780,300	744,600	(35,700)	-5%
147 Staffing	523,194	550,487	557,198	546,315	(10,883)	-2%
148 5009 - CIP Project Eng	2,683,531	3,031,760	3,002,118	3,019,946	17,828	1%
149 Contract Services	9,158	101,591	24,500	20,000	(4,500)	-18%
150 Other Operating Costs	100,287	95,701	103,901	119,861	15,960	15%
151 Staffing	2,574,087	2,834,469	2,873,717	2,880,085	6,368	0%
152 5010 - Transportation Plan and Eng	1,187,300	1,147,794	1,121,828	905,892	(215,936)	-19%
153 Contract Services	132,568	63,311	15,000	15,000	-	0%
154 Other Operating Costs	44,326	50,378	55,057	38,349	(16,708)	-30%
155 Staffing	1,010,406	1,034,105	1,051,771	852,543	(199,228)	-19%
156 5011 - Active Transportation	-	-	-	220,230	220,230	-
157 Other Operating Costs	-	-	-	23,903	23,903	-
158 Staffing	-	-	-	196,327	196,327	-
159 5101 - Parking Admin	-	3,168	-	-	-	-
160 Staffing	-	3,168	-	-	-	-
161 5301 - Stormwater and Flood Control	1,077,395	1,329,731	1,227,164	1,237,553	10,389	1%
162 Contract Services	175,984	339,423	234,740	234,740	-	0%
163 Other Operating Costs	62,309	113,125	112,425	112,425	-	0%
164 Staffing	839,102	877,184	879,999	890,388	10,389	1%
165 Utilities	260,907	472,085	349,657	363,874	14,217	4%
166 6004 - Water Distribution	-	-	-	-	-	-
167 Staffing	-	-	-	-	-	-
168 6104 - Water Resource Recovery	192	-	-	-	-	-
169 Staffing	192	-	-	-	-	-
170 6105 - Utilities Revenue	(0)	-	-	-	-	-
171 Staffing	(0)	-	-	-	-	-
172 6107 - Solid Waste Recycling	260,715	472,085	349,657	363,874	14,217	4%
173 Contract Services	24,648	86,980	21,500	21,500	-	0%
174 Other Operating Costs	20,248	43,442	34,584	34,584	-	0%
175 Staffing	215,819	341,663	293,573	307,790	14,217	5%
176 Parks and Recreation	5,095,101	5,796,290	5,899,998	5,981,428	81,430	1%
177 7001 - Recreation Admin	844,713	940,245	958,721	971,535	12,814	1%
178 Contract Services	10,703	11,700	10,100	10,100	-	0%
179 Other Operating Costs	75,487	76,552	75,930	75,930	-	0%
180 Staffing	758,523	851,993	872,691	885,505	12,814	1%
181 7002 - Recreation Facilities	326,162	361,745	363,272	374,527	11,254	3%
182 Contract Services	33,761	37,175	37,175	37,175	-	0%
183 Other Operating Costs	21,440	25,730	25,730	25,730	-	0%
184 Staffing	270,961	298,840	300,367	311,622	11,254	4%
185 7003 - Youth Services	1,185,547	1,434,435	1,469,226	1,504,633	35,408	2%
186 Contract Services	41,826	47,800	52,950	52,950	-	0%
187 Other Operating Costs	119,394	118,470	123,750	123,750	-	0%
188 Staffing	1,024,327	1,268,165	1,292,526	1,327,933	35,408	3%
189 7004 - Community Services	601,789	707,575	726,547	740,317	13,769	2%
190 Contract Services	59,752	81,100	82,100	82,100	-	0%
191 Other Operating Costs	95,569	119,465	121,930	121,930	-	0%
192 Staffing	446,468	507,010	522,517	536,287	13,769	3%

	FY 2024-25				Change	% Change	
	FY 2022-23 Actuals	FY 2023-24 Mid-year Budget	FY 2024-25 Financial Plan	Supplemental Budget			
193	7005 - Ranger Service	786,460	916,462	933,275	916,900	(16,375)	-2%
194	Contract Services	37,347	40,000	40,000	40,000	-	0%
195	Other Operating Costs	30,763	36,400	36,400	36,400	-	0%
196	Staffing	718,351	840,062	856,875	840,500	(16,375)	-2%
197	7006 - Aquatics	620,772	608,201	613,667	627,884	14,217	2%
198	Contract Services	40,038	42,581	45,888	45,888	-	0%
199	Other Operating Costs	48,123	18,265	18,230	18,230	-	0%
200	Staffing	532,611	547,355	549,549	563,766	14,217	3%
201	7007 - Golf Course	724,556	817,127	824,790	835,133	10,343	1%
202	Contract Services	19,167	23,991	24,173	24,173	-	0%
203	Other Operating Costs	223,504	272,236	272,573	272,573	-	0%
204	Staffing	481,886	520,900	528,044	538,387	10,343	2%
205	7008 - Jack House	5,101	10,500	10,500	10,500	-	0%
206	Other Operating Costs	5,101	10,500	10,500	10,500	-	0%
207	Police	21,207,958	23,181,327	22,607,072	23,493,292	886,220	4%
208	8001 - Police Admin	2,151,322	2,601,262	2,357,587	2,538,303	180,717	8%
209	Contract Services	596,402	754,137	596,153	681,047	84,894	14%
210	Other Operating Costs	354,745	424,872	338,207	338,207	-	0%
211	Staffing	1,200,175	1,422,252	1,423,227	1,519,049	95,823	7%
212	8002 - Patrol	11,820,107	12,469,788	12,245,831	12,536,033	290,202	2%
213	Other Operating Costs	170,709	238,253	129,000	129,000	-	0%
214	Staffing	11,649,399	12,231,536	12,116,831	12,407,033	290,202	2%
215	8003 - Investigations	2,861,663	3,165,279	3,105,337	3,612,738	507,402	16%
216	Contract Services	39,174	7,900	7,900	7,900	-	0%
217	Other Operating Costs	63,694	48,322	42,100	42,100	-	0%
218	Staffing	2,758,795	3,109,057	3,055,337	3,562,738	507,402	17%
219	8004 - Police Support Services	3,110,839	3,699,019	3,664,786	3,533,903	(130,883)	-4%
220	Contract Services	146,984	174,335	178,335	188,335	10,000	6%
221	Other Operating Costs	19,094	44,922	42,700	42,700	-	0%
222	Staffing	2,944,761	3,479,762	3,443,751	3,302,868	(140,883)	-4%
223	8005 - Neighborhood Services	282,511	302,353	309,929	323,317	13,389	4%
224	Contract Services	24,404	27,000	27,000	27,000	-	0%
225	Other Operating Costs	14,637	25,800	30,800	30,800	-	0%
226	Staffing	243,470	249,553	252,129	265,517	13,389	5%
227	8006 - Traffic Safety	981,516	943,625	923,603	948,997	25,394	3%
228	Contract Services	2,500	4,900	4,900	4,900	-	0%
229	Other Operating Costs	24,851	21,400	21,400	21,400	-	0%
230	Staffing	954,165	917,325	897,303	922,697	25,394	3%
231	Fire	15,083,884	15,809,707	15,480,510	16,663,315	1,182,804	8%
232	8501 - Fire Admin	1,060,873	1,202,367	1,220,274	1,300,399	80,126	7%
233	Contract Services	10,290	6,600	7,400	7,400	-	0%
234	Other Operating Costs	206,773	244,052	248,367	248,367	-	0%
235	Staffing	843,810	951,715	964,507	1,044,632	80,126	8%
236	8502 - Emergency Response	12,002,050	12,177,190	12,010,598	13,125,373	1,114,774	9%
237	Contract Services	9,873	19,353	17,666	(94,605)	(112,271)	-636%
238	Other Operating Costs	136,634	170,727	145,924	145,924	-	0%
239	Staffing	11,855,543	11,987,110	11,847,008	13,074,054	1,227,045	10%
240	8503 - Hazard Prevention	938,914	1,081,224	1,064,736	1,167,937	103,201	10%
241	Contract Services	24,049	50,696	1,500	(11,500)	(13,000)	-867%
242	Other Operating Costs	61,800	66,197	57,427	57,427	-	0%
243	Staffing	853,066	964,331	1,005,809	1,122,010	116,201	12%
244	8504 - Training Services	129,620	152,305	113,448	113,448	-	0%
245	Contract Services	39,832	49,964	49,964	49,964	-	0%
246	Other Operating Costs	89,788	102,341	63,484	63,484	-	0%
247	Staffing	-	-	-	-	-	-
248	8505 - Recruit Academy	66,984	89,261	-	-	-	-
249	Contract Services	12,281	9,000	-	-	-	-
250	Other Operating Costs	54,703	80,261	-	-	-	-
251	8506 - Fire Apparatus Services	500,254	527,019	496,515	516,142	19,627	4%
252	Contract Services	19,483	29,235	28,035	28,035	-	0%
253	Other Operating Costs	200,528	221,162	191,162	191,162	-	0%
254	Staffing	280,243	276,622	277,318	296,945	19,627	7%

		FY 2022-23	FY 2023-24	FY 2024-25	FY 2024-25		
		Actuals	Mid-year Budget	Financial Plan	Supplemental Budget	Change	% Change
255	8507 - Fire Station Facility Support	29,180	44,457	43,525	43,525	-	0%
256	Contract Services	2,589	13,800	13,800	13,800	-	0%
257	Other Operating Costs	26,591	30,657	29,725	29,725	-	0%
258	Staffing	-	-	-	-	-	-
259	8510 - Mobile Crisis Unit	160,605	325,423	326,523	195,614	(130,909)	-40%
260	Contract Services	81,748	126,672	126,672	126,672	-	0%
261	Other Operating Costs	17,785	54,515	54,353	54,353	-	0%
262	Staffing	61,073	144,236	145,498	14,589	(130,909)	-90%
263	8599 - Emergency Management	195,404	210,460	204,891	200,876	(4,015)	-2%
264	Contract Services	8,865	4,133	-	-	-	-
265	Other Operating Costs	11,153	21,030	21,030	21,030	-	0%
266	Staffing	175,386	185,297	183,861	179,846	(4,015)	-2%

Section 4b. Special Revenue and Other Funds

Community Facilities Districts

Avila Ranch CFD No. 2017-1

A Mello-Roos Community Facilities District was established and approved by City Council on October 24, 2017 (Resolution No 10844) pursuant to section 5.02.1 of the Avila Ranch Development Agreement. The CFD boundaries are identical to that of the Avila Ranch Development project and located at the northeast corner of Buckley Road and Vachell Lane. The Avila Ranch Project will include up to 720 dwelling units, 15,000 square feet of office and retail, 18 acres of parks, 53 acres of open space, riparian corridors and farmed agricultural land. The CFD was formed with purpose of funding services as well as facilities of the CFD. Services to be funded can include the maintenance and lighting of parks, parkways, streets, roads, and open space; flood and storm protection services; police & fire protection services; maintenance and operation of real property. Facilities to be funded can include park, recreation, parkway, and open space facilities; construction and undergrounding of utilities (water, natural gas, telephone lines, electric, cable television); for the acquisition, improvement, or rehabilitation of real property.

Table 4b.1. Avila Ranch CFD No. 2017-1 Budget

	FY 2022-23	FY 2023-24	FY 2024-25	FY 2024-25		
	Actuals	Mid-year Budget	Financial Plan Budget	Supplemental Budget	Change	% Change
1 Authorized Services	\$ 145,735	\$ 226,274	\$ 466,147	\$ 466,147	\$ -	0%
2 Authorized Infrastructure	15,154	23,075	46,623	46,623		0%
3 Total	\$ 160,889	\$ 249,349	\$ 512,770	\$ 512,770	\$ -	0%

San Luis Ranch CFD No. 2019-1

A Mello-Roos Community Facilities District (CFD) was established and approved by City Council on April 16, 2019 (Ordinance No 1661) pursuant to section 5.02 of the San Luis Ranch Development Agreement. The boundaries of the CFD are identical to the San Luis Ranch Specific Plan and includes 131.4 acres approved for up to 580 dwelling units and commercial development, a 200-room hotel, 100,000 square feet of office space, 150,000 square feet of retail space, 7.8 acres of parks/ open space, and 52.3 acres of farmed agriculture land. The purpose of the CFD is to fund major road improvements, potable and non-potable water system improvements, drainage system improvements, wastewater system improvements, solid waste improvements, park and paseo improvements, open space improvements, and utilities.

Table 4b.2. San Luis Ranch Budget

	FY 2022-23	FY 2023-24	FY 2024-25	FY 2024-25		
	Actuals	Mid-year Budget	Financial Plan Budget	Supplemental Budget	Change	% Change
1 Debt Service	\$ 913,600	\$ 929,700	\$ 950,200	\$ 950,200	\$ -	0%
2 Staffing	25,500	26,010	26,530	26,530	-	0%
3 CFD Administration	7,350	7,718	8,103	8,103	-	0%
3 Trustee Fees	2,200	2,200	2,200	2,200	-	0%
4 Pay-As-You-Go	118,488	335,247	322,850	322,850	-	0%
5 Total	\$ 1,067,138	\$ 1,300,875	\$ 1,309,883	\$ 1,309,883	\$ -	0%

Special Revenue & Other Funds

Tourism Business Improvement District (TBID)

The Tourism Business Improvement District (TBID) assessment is set at 2% of the lodging industry's gross receipts. The program annually aligns its operating budget with its anticipated revenues.

Table 4b.3. TBID Budget

	FY 2022-23	FY 2023-24	FY 2024-25	FY 2024-25		
	Actuals	Mid-year Budget	Financial Plan Budget	Supplemental Budget	Change	% Change
1 Contract Services	\$ 1,638,367	\$ 1,904,034	\$ 1,745,144	\$ 1,745,144	\$ -	0%
2 Other Operating Costs	81,586	89,303	89,100	89,100	-	0%
3 Staffing	184,415	284,674	289,984	269,700	(20,284)	-7%
4 Transfers	43,298	42,816	43,672	43,672	-	0%
5 Total	\$ 1,947,666	\$ 2,320,828	\$ 2,167,900	\$ 2,147,616	\$ (20,284)	-1%

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 prior calendar year gross receipts. The revenue is then remitted to Downtown SLO monthly via contract services.

Table 4b.4. Downtown Business Improvement District Budget

	FY 2022-23	FY 2023-24	FY 2024-25	FY 2024-25		
	Actuals	Mid-year Budget	Financial Plan Budget	Supplemental Budget	Change	% Change
1 Contract Services	\$ 271,977	\$ 275,400	\$ 280,900	\$ 280,900	\$ -	0%
2 Total	\$ 271,977	\$ 275,400	\$ 280,900	\$ 280,900	\$ -	0%

Boysen Ranch Conservation Fund

Boysen Ranch consists of approximately 116 acres bounded by Los Osos Valley Road, Foothill Boulevard, and O'Connor Way. The City holds a series of conservation easements that protect approximately 25 acres of the Ranch to mitigate impacts to wetlands and waters caused by the nearby commercial development projects on Los Osos Valley Road. As part of the original easement agreement, Boysen Ranch's owners provided the City with an endowment to fund required monitoring activities.

Table 4b.5. Boysen Ranch Conservation Fund Budget

	FY 2022-23	FY 2023-24	FY 2024-25	FY 2024-25		
	Actuals	Mid-year Budget	Financial Plan Budget	Supplemental Budget	Change	% Change
1 Contract Services	\$ 6,489	\$ 11,771	\$ 7,500	\$ 7,500	\$ -	0%
2 Total	\$ 6,489	\$ 11,771	\$ 7,500	\$ 7,500	\$ -	0%

Special Revenue & Other Funds

Public Safety Equipment Fund

The Public Safety Equipment Fund (PSEF) was created with the 2019-21 Financial Plan to help budget and forecast the replacement of Public Safety equipment that has expired or become damaged. The Fund had received an original seed amount with the 2019-20 budget and, going forward, an annual allocation is made from the Local Revenue Measure.

Table 4b.6 Public Safety Equipment Fund Budget

	FY 2022-23	FY 2023-24	FY 2024-25	FY 2024-25		
	Actuals	Mid-year	Financial Plan	Supplemental	Change	% Change
		Budget	Budget	Budget		
1 Other Operating Costs	\$ 442,726	\$ 633,752	\$ 403,560	\$ 403,560	\$ -	0%
2 Total	\$ 442,726	\$ 633,752	\$ 403,560	\$ 403,560	\$ -	0%

Insurance Fund

The Insurance Fund serves to pay the City's annual premiums for liability, workers' compensation, special events, volunteer, and property insurance needed to protect the City and to manage fluctuations in claims-related expenses. The budget for the insurance fund has been supplemented over time with expenditures from the Office of the City Attorney and the Human Resources department, which continue to incur costs which could fall under the intended use of the Insurance Fund. Staff intend to revisit where these costs are incurred in future planning cycles.

Table 4b.7 Insurance Fund Budget

	FY 2022-23	FY 2023-24	FY 2024-25	FY 2024-25		
	Actuals	Mid-year	Financial Plan	Supplemental	Change	% Change
		Budget	Budget	Budget		
1 Contract Services	\$ 2,844,913	\$ 2,691,607	\$ 2,610,281	\$ 2,610,281	\$ -	0%
2 Other Operating Costs	2,865,566	3,038,866	3,058,578	3,058,578	-	0%
3 Total	\$ 5,710,479	\$ 5,730,473	\$ 5,668,859	\$ 5,668,859	\$ -	0%

Section 4c. Water and Sewer Enterprise Funds

Overview

The Utilities Department oversees two Enterprise Funds (Water and Sewer), an Agency Fund (Whale Rock), and the Solid Waste and Recycling program which is held in the General Fund. The Solid Waste and Recycling budget is funded by AB 939 and Franchise Fee funding, which are restricted to waste diversion activities. In addition to the Water and Sewer Funds, the Utilities Department also manages the Whale Rock Fund, which is overseen by the Whale Rock Commission. The City’s share of operational expenses and capital project contributions for Whale Rock operations are budgeted through the Water Fund’s Source of Supply budget.

Table 4c.1 - Utilities Department Programs

Fund	Fund Type	Programs Funded	Notes
Water Fund	Enterprise Fund	Administration and Engineering Source of Supply Water Treatment Water Distribution Water Resources Utility Billing	The City’s water operations are paid for by water service rate revenues and cover all costs for operations, maintenance, infrastructure replacement, and debt service. Taxes, including utility user taxes, do not support these services.
Sewer Fund	Enterprise Fund	Administration and Engineering Wastewater Collection Environmental Programs Water Resource Recovery Water Quality Lab Utility Billing	The City’s sewer operations are paid for by sewer service rate revenues and cover all costs for operations, maintenance, infrastructure replacement, and debt service. Taxes, including utility user taxes, do not support these services.
Whale Rock Fund	Agency Fund	Reservoir Operations	The Whale Rock Fund is overseen by the Whale Rock Commission.
General Fund (AB 939)	General Fund	Solid Waste and Recycling	The Solid Waste program is paid for by AB 939 and Franchise fee funding. AB 939 funds may only be used to pay for activities that divert waste from landfills.

The following sections review revenues, expenditures, significant operating budget changes, and long-term financial position of these funds as they pertain to the 2024-25 Budget Supplement.

Revenue

Table 4c.2 – Water Fund Revenues

	Revenue Type	23-24 Budget	24-25 Original Budget	24-25 Supplement Budget	Change	% Change
	Water Fund					
1	43201-Miscellaneous Penalties	\$ 118,000	\$ 118,000	\$ 118,000	\$ -	0%
2	44101-Interest on Investment	\$ 50,000	\$ 50,000	\$ 50,000	\$ -	0%
3	44306-Credit Collections	\$ 14,000	\$ 14,000	\$ 14,000	\$ -	0%
4	44310-Miscellaneous Revenue	\$ 20,000	\$ 20,000	\$ 20,000	\$ -	0%
5	45204-Prop 1B Revenue	\$ 580,000	\$ -	\$ 2,860,000	\$ 2,860,000	
6	45211-Other State Grants	\$ 657,171	\$ 657,171	\$ 657,171	\$ -	0%
7	46102-Development Review Fees	\$ 26,000	\$ 26,000	\$ 26,000	\$ -	0%
8	46701-Sales to Cal Poly	\$ 1,106,029	\$ 1,183,946	\$ 1,183,946	\$ -	0%
9	46702-Water Sales	\$ 17,716,575	\$ 19,045,319	\$ 19,045,319	\$ -	0%
10	46703-Utilities Base Charges	\$ 6,243,398	\$ 6,711,653	\$ 6,711,653	\$ -	0%
11	46704-Reclaimed Water Sales	\$ 1,080,097	\$ 1,161,104	\$ 1,161,104	\$ -	0%
12	46708-Utilities Set-up Fees	\$ 157,560	\$ 60,000	\$ 60,000	\$ -	0%
13	46709-Other Utilities Charges	\$ 1,000	\$ 1,000	\$ 1,000	\$ -	0%
14	46712-Low Income Subsidy	\$ (100,000)	\$ (100,000)	\$ (100,000)	\$ -	0%
15	46713-Cal Poly Capacity & Resilience	\$ 251,072	\$ 263,433	\$ 263,433	\$ -	0%
16	47201-Impact Fees	\$ 3,235,397	\$ 800,000	\$ 800,000		0%
17	48002-Long-Term Debt Proceeds	\$ 750,360				
	Water Fund Total	\$ 31,906,660	\$ 30,011,625	\$ 32,871,625	\$ 2,860,000	10%

Table 4c.3– Sewer Fund Revenues

	Revenue Type	23-24 Budget	24-25 Original Budget	24-25 Revised Budget	Change	% Change
	Sewer Fund					
1	42105-Industrial User Permits	\$ 85,000	\$ 85,000	\$ 85,000	\$ -	0%
2	43201-Miscellaneous Penalties	\$ 118,000	\$ 118,000	\$ 118,000	\$ -	0%
3	44101-Interest on Investment	\$ 50,000	\$ 50,000	\$ 50,000	\$ -	0%
4	44306-Credit Collections	\$ 14,000	\$ 14,000	\$ 14,000	\$ -	0%
5	44310-Miscellaneous Revenue	\$ 20,000	\$ 20,000	\$ 20,000	\$ -	0%
6	45211-Other State Grants	\$ 1,500,380			\$ -	
7	46102-Development Review Fees	\$ 26,000	\$ 26,000	\$ 26,000	\$ -	0%
8	46701-Sales to Cal Poly	\$ 1,012,594	\$ 1,007,838	\$ 1,007,838	\$ -	0%
9	46703-Utilities Base Charges	\$ 5,008,281	\$ 5,208,612	\$ 5,208,612	\$ -	0%
10	46705-Sewer Service Charges	\$ 13,303,765	\$ 13,835,916	\$ 13,835,916	\$ -	0%
11	46708-Utilities Set-up Fees	\$ 60,000	\$ 60,000	\$ 60,000	\$ -	0%
12	46709-Other Utilities Charges	\$ 1,000	\$ 1,000	\$ 1,000	\$ -	0%
13	46712-Low Income Subsidy	\$ (100,000)	\$ (100,000)	\$ (100,000)	\$ -	0%
14	46713-Cal Poly Capacity & Resilience	\$ 472,534	\$ 472,534	\$ 472,534	\$ -	0%
15	47201-Impact Fees	\$ 2,251,812	\$ 600,000	\$ 600,000		0%
15	48002-Long-Term Debt Proceeds	\$ 25,964,877	\$ 15,000,000	\$ 15,000,000	\$ -	0%
16	Sewer Fund Total	\$ 49,788,244	\$ 36,398,900	\$ 36,398,900	\$ -	0%

On June 6, 2023 Council adopted rate increases for the 2023-25 Financial Plan ([R-11427](#) and [R-11428](#)). Relative to these adopted rate increases, revenues are on track with staff expectations outlined as part of the 2023-25 Financial Plan and in the corresponding Comprehensive Water and Sewer Rate Studies.

Table 4c.4: Utility Rates

Year	Water Rate Increase	Sewer Rate Increase
2023-24 (Adopted)	8.5%	4%
2024-25 (Adopted)	7.5%	4%
2025-26 (Forecasted)	7.5%	4%
2026-27 (Forecasted)	4.5%	4%
2027-28 (Forecasted)	4.5%	3.5%

Staff have been able to offset any cost increases and unexpected expenditures through fiscally prudent project management, improved operations, and strategic deferrals of capital projects. As a result, the adopted rate increases are sufficient to support the costs of delivering water and sewer services in FY 2024-25.

As seen recently, deferral of projects and cost escalations associated with new projects may result in inflationary costs in outer years. Staff are in the preliminary phases of exploring tax credits through the Inflation Reduction Act, which may offset some of these increased costs. At this time, forecasted water rate increases are expected to be sufficient to support the costs of sustainably delivering drinking water and maintaining associated infrastructure.

Staff are recommending one adjustment to FY 2024-25 budgets for revenues. As of February 14, 2024, the City has entered into agreement with the State Water Resources Control Board for the Proposition 1 Groundwater Grant Program (Round 3, Implementation Phase). Council delegated authority to execute this grant on May 16, 2023. In total this grant will fund \$6,607,850 in groundwater cleanup projects, helping the City to increase its available water supply while improving water supply resiliency. Grant funding will be realized between FY 2023-24 and FY 2025-26.

Staff are also anticipating substantial loan proceeds associated with the WRRF Upgrade (2091219) in FY 2024-25. Similarly, staff are forecasting loan proceeds for Waterline Replacement: Santa Rosa – Stenner Creek Road to Highland (2001048). When establishing recommended 2023-24 and 2024-25 rate increases, the City’s rate consultant identified that both these projects would require loan financing.

Expenditures

Table 4c.5 – Water Fund Operating Expenditures

Expenditure Category	22-23 Actuals	23-24 Budget	24-25 Original Budget	24-25 Revised Budget	Change	% Change
Water Fund						
1 Debt Services	\$ 2,301,274	\$ 1,870,392	\$ 1,868,807	\$ 1,868,807	\$ -	0.00%
2 General Government	\$ 2,311,753	\$ 2,826,144	\$ 3,250,066	\$ 3,250,066	\$ -	0.00%
3 Operations ²	\$ 11,616,711	\$ 15,238,611	\$ 15,474,345	\$ 16,450,680	\$ 1,033,396	6.68%
4 Salaries and Benefits	\$ 5,069,147	\$ 6,181,083	\$ 6,453,270	\$ 6,518,124	\$ 64,854	1.00%
Water Fund Total	\$ 21,298,886	\$ 26,116,230	\$ 27,046,487	\$ 28,087,676	\$ 1,098,250	4.06%
<small>²Cost escalations in Operations are predominantly driven by the City's contributions to repairs of the Nacimiento Pipeline.</small>						

Table 4c.6 – Sewer Fund Operating Expenditures

Expenditure Category	22-23 Actuals	23-24 Budget	24-25 Original Budget	24-25 Revised Budget	Change	% Change
Sewer Fund						
1 Debt Services	\$ 1,377,108	\$ 1,382,346	\$ 7,005,933	\$ 7,005,933	\$ -	0.00%
2 General Government	\$ 2,573,783	\$ 3,104,155	\$ 3,569,778	\$ 3,569,778	\$ -	0.00%
3 Operations	\$ 3,229,062	\$ 3,949,234	\$ 3,850,153	\$ 4,019,638	\$ 169,486	4.40%
4 Salaries and Benefits	\$ 4,966,420	\$ 6,183,247	\$ 6,564,115	\$ 6,737,755	\$ 244,966	3.73%
5 Sewer Fund Total	\$ 12,146,373	\$ 14,618,982	\$ 20,989,980	\$ 21,333,105	\$ 414,452	1.97%

Staff continue to budget around extraordinary inflation in key cost categories, including electricity, chemicals, and construction costs. It should be noted that the figures above account SOBC impacts to the operating budget and do not include any impacts to capital. The display above includes updated expenditures and while chemical costs have somewhat stabilized, electricity costs and construction costs continue to be highly volatile. Staff had budgeted assuming a 35% rate increase in electricity through July 2024. However, staff were informed in January 2024 that the cumulative electric rate increase from January 2023 to July 2024 is now forecasted to be 63% for Community Choice Aggregation customers. Likewise, capital projects continue to exceed available budgets.

Table 4c.7: Capital Project Cost Escalation

Project	Original Estimate	Current Cost Estimate	% increase
Waterline Replacement: Chorro – Highland to Meinecke 24-inch Pipeline Replacement	\$2,000,000	\$2,720,000	36%
Johnson – Iris to Bishop Pipeline Replacement	\$3,300,000	\$5,644,444	71%
Islay, Henry, Sierra Way Wastewater Collections System Improvements	\$1,850,000	\$4,050,000	119%
Sewer-main Replacement: Morro, Mill, Santa Rosa, and Chorro	\$1,620,000	\$2,720,000	68%

Staff have tried to offset these inflationary increases through fiscally prudent project management, improving operations, and strategic deferrals of capital projects. While it is hard to quantify some of these cost savings, staff have compiled some of these cost saving efforts for illustration.

Table 4c.8: Cost Savings

Description	Cost Savings	Cost Reduction Category
Completion of Calle Joaquin Lift Station underbudget	\$1,800,000	One-Time
Estimated savings from the Tesla Battery at the Water Treatment Plant	\$120,000	Annual Ongoing
Estimated cost savings through the WTP Energy Efficiency Project	\$150,000	Annual Ongoing
Estimated savings from reduced inflow and infiltration from the lateral rebate program	\$150,000	Annual Ongoing
Deferral of the Foothill Sewer Lift Station Replacement	\$2,000,000	Deferred
Deferral of the replacement of UV Bulb Replacements for Wastewater Treatment	\$10,000	Deferred
Deferral of the Airport Sewer Lift Station Replacement	\$800,000	Deferred
Deferral of the Sewer-main Replacement: Serrano, Bressi, Dana, and Higuera Pipeline Replacement	\$1,275,000	Deferred
Deferral of the WRRF and Wastewater Collections Shop	\$6,000,000	Deferred

Staff are able to defer some of these projects to balance the short-term budget, but many of these projects are critical to the long-term delivery of water and sewer services. These projects will need to be constructed in the future and will likely be more expensive to construct at a later date.

In addition to inflationary impacts and cost reduction efforts, staff are recommending significant operating budget changes related to the implementation of advanced metering infrastructure (AMI), additional staff to accommodate population growth and additional regulatory requirements, short-term funding needs for storm-related damages, and Council direction to perform a rate structure study.

Significant Operating Budget Changes

These recommendations also include the capital costs associated with providing vehicles to new employees as needed in order to reflect the fully burdened cost of the position.

Table 4c.9: Significant Operating Budget Changes [Water fund]

	Recommendation	Timing	Request	Offsets	Net
1	Add two contract Water Meter Technicians and funding for integration between billing software and Advanced Metering Infrastructure	Ongoing	87,904	-	87,904
2	Add 1.00 FTE Engineer	Ongoing	17,261	-	17,261
3	Funding for Rate Structure Study	One-time	42,500	-	42,500
4	Add 0.75 FTE Utility Billing Assistant	Ongoing	18,127	-	18,127
5	Funding for Nacimiento Pipeline Repairs	One-time	932,459	-	932,459
6	Total		\$ 1,098,250	\$ -	\$ 1,098,250

Table 4c.10: Significant Operating Budget Changes [Sewer fund]

	Recommendation	Timing	Request	Offsets	Net
1	Add two contract Water Meter Technicians and funding for integration between billing software and Advanced Metering Infrastructure	Ongoing	87,904	-	87,904
2	Add 1.00 FTE Engineer	Ongoing	21,577	-	21,577
3	Funding for rate structure study	One-time	42,500	-	42,500
4	Add 0.75 FTE Utility Billing Assistant	Ongoing	18,127	-	18,127
5	Increased Funding for WRRF Electric Utility Costs	Ongoing	125,000	-	125,000
6	Add 1.00 FTE Wastewater Collection System Chief Operator and Vehicle	Ongoing	179,345	-	179,345
7	Total		\$ 474,453	\$ -	\$ 474,453

Long Term Strategy

Since adoption of the 2023-25 Financial Plan, staff have balanced short term budgets as outlined in previous sections. To mitigate the ongoing expenses related to project deferrals and inflation staff have identified four main points of emphasis.

1. Pursue Grants: Over the last six years Utilities staff have obtained \$20,849,989 in grants that have funded capital projects that would have otherwise needed to be funded by rate payers.
2. Improve Operations: Projects like the WTP Energy Efficiency, the WRRF Energy Efficiency Project, and the WTP Tesla Batter Pack all contribute to more efficient processes that reduce ongoing expenses.
3. Infrastructure Replacement Alternatives: Staff have identified innovative measures to control capital project costs, such as technologies for pipeline rehabilitations, analysis of pipeline conditions, utilizing reliability centered maintenance programs, and leveraging artificial intelligence (AI) in operating strategies. One example of AI usage is the adjustment of wastewater collection system maintenance from aggregated data models that provide service recommendations centered around risk and real impacts that allows staff to focus limited resources most efficiently.
4. Water Sales: Staff continue to explore opportunities to sell surplus raw and recycled water.

Table 4c.10: Water Fund Five Year Forecast

	(A) Actual 2022-23	Revised with Supplement			(E) Projected 2025-26	(F) Projected 2026-27	(G) Projected 2027-28	(H) Projected 2028-29
		(B) Mid Year Revised 2023-24	(C) Financial Plan 2024-25	(D) Supplement 2024-25				
1 Revenues								
2 46102-Development Review Fees	\$ 37	\$ 26	\$ 26	\$ 26	\$ 26	\$ 26	\$ 26	\$ 26
3 46701-Sales to Cal Poly	\$ 1,195	\$ 1,106	\$ 1,184	\$ 1,184	\$ 1,340	\$ 1,458	\$ 1,558	\$ 1,699
4 46702-Water Sales	\$ 15,260	\$ 17,717	\$ 19,045	\$ 19,045	\$ 20,757	\$ 21,897	\$ 22,977	\$ 23,896
5 46703-Utilities Base Charges	\$ 5,910	\$ 6,243	\$ 6,712	\$ 6,712	\$ 7,215	\$ 7,540	\$ 7,879	\$ 8,194
6 46704-Reclaimed Water Sales	\$ 1,042	\$ 1,080	\$ 1,161	\$ 1,161	\$ 1,248	\$ 1,304	\$ 1,363	\$ 1,418
7 46708-Utilities Setup Fees	\$ 180	\$ 158	\$ 60	\$ 60	\$ 60	\$ 60	\$ 60	\$ 60
8 46709-Other Utilities Charges	\$ (0)	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1
9 46711-Water Distribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10 46712-Low Income Subsidy	\$ (16)	\$ (100)	\$ (100)	\$ (100)	\$ (100)	\$ (100)	\$ (100)	\$ (100)
11 46713-Cal Poly Capacity & Resilience	\$ 233	\$ 251	\$ 263	\$ 263	\$ 288	\$ 299	\$ 310	\$ 321
12 Total Charges for Services	\$ 23,841	\$ 26,482	\$ 28,352	\$ 28,352	\$ 30,835	\$ 32,485	\$ 34,074	\$ 35,516
13 Total Other Revenue¹	\$ 1,770	\$ 2,190	\$ 859	\$ 3,719	\$ 11,370	\$ 202	\$ 202	\$ 8,952
14 Total Impact Fees	\$ 3,649	\$ 3,235	\$ 800	\$ 800	\$ 800	\$ 800	\$ 800	\$ 800
15 Total Revenue	\$ 29,260	\$ 31,907	\$ 30,012	\$ 32,872	\$ 43,005	\$ 33,487	\$ 35,076	\$ 45,268
16 Expenditures								
17 Total Salaries and Benefits	\$ 5,069	\$ 5,503	\$ 5,761	\$ 5,826	\$ 5,998	\$ 6,213	\$ 6,421	\$ 6,637
18 Total Contract Services	\$ 9,835	\$ 12,553	\$ 12,721	\$ 13,700	\$ 12,985	\$ 13,325	\$ 13,720	\$ 14,131
19 Total Other Operating Expenditures	\$ 1,782	\$ 2,685	\$ 2,753	\$ 2,750	\$ 2,864	\$ 2,950	\$ 3,039	\$ 3,130
20 Total Capital Asset Expenditures²	\$ 2,653	\$ 28,936	\$ 1,395	\$ 7,057	\$ 12,758	\$ 6,605	\$ 5,880	\$ 11,608
21 Total Debt Service Expenditures	\$ 2,301	\$ 1,870	\$ 1,869	\$ 1,869	\$ 1,866	\$ 2,391	\$ 2,390	\$ 2,388
22 Total General Government Expenditures	\$ 2,312	\$ 2,826	\$ 3,250	\$ 3,250	\$ 3,770	\$ 3,808	\$ 3,998	\$ 4,197
23 CalPERS Additional Discretionary Payment	\$ -	\$ 679	\$ 692	\$ 692	\$ 165	\$ 165	\$ 165	\$ 165
24 Total Expenditures	\$ 23,952	\$ 55,052	\$ 28,441	\$ 35,145	\$ 40,406	\$ 35,456	\$ 35,613	\$ 42,257
25 Change in Financial Position								
26 Working Capital - Beginning	\$ 34,725	\$ 40,261	\$ 17,115	\$ 17,115	\$ 14,842	\$ 17,441	\$ 15,473	\$ 14,936
27 Net Revenues (Revenues minus Expenditures)	\$ 5,308	\$ (23,146)	\$ 1,570	\$ (2,273)	\$ 2,599	\$ (1,969)	\$ (537)	\$ 3,011
28 Working Capital - Year End	\$ 40,261	\$ 17,115	\$ 18,686	\$ 14,842	\$ 17,441	\$ 15,473	\$ 14,936	\$ 17,947
29 Operating Reserve (20%)	\$ 4,260	\$ 5,088	\$ 5,271	\$ 5,479	\$ 5,497	\$ 5,737	\$ 5,914	\$ 6,097
30 Rate Stabilization (10%)	\$ 2,237	\$ 2,507	\$ 2,694	\$ 2,694	\$ 2,931	\$ 3,090	\$ 3,241	\$ 3,379
31 Other Reserves	\$ 176	\$ 176	\$ 176	\$ 176	\$ 176	\$ 176	\$ 176	\$ 176
32 Unreserved Working Capital - Year End	\$ 33,589	\$ 9,346	\$ 10,545	\$ 6,493	\$ 8,838	\$ 6,470	\$ 5,605	\$ 8,295
¹ Other Revenue includes forecasted debt proceeds for 2001048-Waterline Replacement: Santa Rosa - Stenner Creek Rd to Highland 30-inch Pipeline in 2025-26.								
² Capital Asset Expenditure includes carryover balances for multi-year projects in 2023-24.								

Table 4c.11: Sewer Fund Five Year Forecast

	Revised with Supplement							
	(A) Actual 2022-23	(B) Mid Year Revised 2023-24	(C) Financial Plan 2024-25	(D) Supplement 2024-25	(E) Projected 2025-26	(F) Projected 2026-27	(G) Projected 2027-28	(H) Projected 2028-29
Revenues								
46101-Planning and Zoning Fee	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
46102-Development Review Fees	\$ 38	\$ 26	\$ 26	\$ 26	\$ 26	\$ 26	\$ 26	\$ 26
46104- Sewer Wye Fees	\$ 8	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
46701- Sales to Cal Poly	\$ 1,106	\$ 1,013	\$ 1,008	\$ 1,008	\$ 991	\$ 984	\$ 960	\$ 990
46703- Utilities Base Charges	\$ 5,143	\$ 5,008	\$ 5,209	\$ 5,209	\$ 5,417	\$ 5,634	\$ 5,831	\$ 5,977
46705- Sewer Service Charges	\$ 13,345	\$ 13,304	\$ 13,836	\$ 13,836	\$ 14,503	\$ 14,503	\$ 14,503	\$ 14,503
46708 - Utilities Setup Fees	\$ 187	\$ 60	\$ 60	\$ 60	\$ 60	\$ 60	\$ 60	\$ 60
46709- Other Utilities Charges	\$ (25)	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1
46711- Water Distribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
46713- Cal Poly Capacity & Resilience	\$ 244	\$ 473	\$ 473	\$ 473	\$ 473	\$ 473	\$ 473	\$ 473
Total Charges for Services	\$ 20,071	\$ 19,884	\$ 20,612	\$ 20,612	\$ 20,612	\$ 20,612	\$ 20,612	\$ 20,612
Total Other Revenue¹	\$ 23,634	\$ 27,652	\$ 15,187	\$ 15,187	\$ 187	\$ 187	\$ 187	\$ 187
Total Impact Fees	\$ 1,981	\$ 2,252	\$ 600	\$ 600	\$ 600	\$ 600	\$ 600	\$ 600
Total Revenue	\$ 45,686	\$ 49,788	\$ 36,399	\$ 36,399	\$ 22,257	\$ 23,130	\$ 23,874	\$ 24,446
Expenditures								
Total Salaries and Benefits	\$ 4,966	\$ 5,491	\$ 5,782	\$ 5,946	\$ 6,124	\$ 6,340	\$ 6,553	\$ 6,773
Total Contract Services	\$ 1,785	\$ 2,478	\$ 2,356	\$ 2,522	\$ 2,543	\$ 2,614	\$ 2,688	\$ 2,768
Total Other Operating Expenditures	\$ 1,444	\$ 1,471	\$ 1,494	\$ 1,497	\$ 1,552	\$ 1,599	\$ 1,647	\$ 1,696
Total Capital Asset Expenditures²	\$ 31,789	\$ 49,145	\$ 4,690	\$ 6,890	\$ 10,398	\$ 5,583	\$ 7,241	\$ 4,237
Total Debt Service Expenditures	\$ 1,376	\$ 1,382	\$ 7,006	\$ 7,006	\$ 7,099	\$ 7,090	\$ 7,088	\$ 7,087
Total General Government Expenditures	\$ 2,575	\$ 3,104	\$ 3,570	\$ 3,570	\$ 4,146	\$ 4,202	\$ 4,412	\$ 4,631
CalPERS Additional Discretionary Payment	\$ -	\$ 692	\$ 721	\$ 721	\$ 169	\$ 169	\$ 169	\$ 169
Total Expenditures	\$ 43,935	\$ 63,764	\$ 25,618	\$ 28,152	\$ 32,032	\$ 27,598	\$ 29,797	\$ 27,362
Change in Financial Position								
Working Capital - Beginning	\$ 1,751	\$ 49,347	\$ 35,371	\$ 35,371	\$ 43,619	\$ 33,844	\$ 29,376	\$ 23,452
Net Revenues (Revenues minus Expenditures)	\$ 49,526	\$ (13,975)	\$ 10,780	\$ 8,247	\$ (9,775)	\$ (4,468)	\$ (5,924)	\$ (2,915)
Working Capital - Year End	\$ 2,429	\$ 35,371	\$ 46,152	\$ 43,619	\$ 33,844	\$ 29,376	\$ 23,452	\$ 20,537
Operating Reserve (20%)	\$ 980	\$ 2,785	\$ 4,042	\$ 4,108	\$ 4,293	\$ 4,369	\$ 4,477	\$ 4,591
Rate Stabilization (10%)	\$ 180	\$ 966	\$ 1,003	\$ 1,003	\$ 1,046	\$ 1,089	\$ 1,126	\$ 1,155
SRF Loan Reserve Amount	\$ 2,953	\$ 5,907	\$ 5,907	\$ 5,907	\$ 5,907	\$ 5,907	\$ 5,907	\$ 5,907
115 Pension Trust Fund	\$ 180	\$ 180	\$ 180	\$ 180	\$ 180	\$ 180	\$ 180	\$ 180
Unreserved Working Capital - Year End	\$ 42,983	\$ 25,533	\$ 35,020	\$ 32,421	\$ 22,419	\$ 17,831	\$ 11,761	\$ 8,704

¹Other Revenue includes forecasted debt proceeds for 2091219-WRRF Upgrade in 2023-24 and 2024-25.

²Capital Asset Expenditure includes carryover balances for multi-year projects in 2023-24.

Section 4d. Transit Fund

Overview

SLO Transit is the local fixed-route public transit operation for the City of San Luis Obispo. Ridership demographics reflect a broad cross section of the community, seniors, persons with disabilities, Indigent, K-12 and University Students, Commuters and Visitors. Trips are routinely taken to access educational, medical, employment, commercial and social opportunities throughout the service area. Transit services play a vital role, not only as a “safety net” for the public transportation dependent population, but also addresses climate change issues associated with greenhouse gases.

Revenue

Bus fare revenue is tracking slightly low for FY 2024-25 and has been adjusted to reflect actuals through the first three quarters. Bus fare is, however, expected to increase in FY 2024-25 as services continue to be restored and as pass programs are expanded, as recommended by the recently completed Transit Innovation Study. In April 2024, Council approved a new three-year agreement with Cal Poly for transit services at the same annual amount of \$750,000, which is reflected in the FY 2024-25 Supplemental Budget.

The Federal Revenue budget increases significantly in FY 2024-25 due to a federal grant submitted in April 2024 to fund the replacement of diesel-powered buses with zero-emission models and to fund expansion buses needed to implement service enhancements identified as the highest priority recommendation of the Transit Innovation Study. Federal Revenue also includes the \$12.1 million in American Rescue Plan Act (ARPA) operating assistance funding programmed in FY 2022-23 through FY 2024-25. Staff continues to draw down on the funds in accordance with federal requirements. Any remaining funds will carry over for use in FY 2025-26.

State Revenue increases in FY 2024-25 because of grants received through various state programs for operational equipment like auto-vehicle locator system and on-bus camera system.

Transit Fund Revenue	2022-23 Actual	FY 2023-25				
		23-24 Budget	24-25 Original Budget	24-25 Revised Budget	Change	% Change
1 Federal	\$4,083,165	\$7,571,830	\$7,675,985	\$12,469,861	\$4,793,876	62.45%
2 Local (Bus Fare)	\$806,521	\$990,000	\$1,000,000	\$976,000	(\$24,000)	-2.40%
3 Other Revenue/Interest Revenue	\$446,998	\$13,579	\$13,851	\$0	(\$13,851)	-100.00%
4 State	\$379,078	\$3,179,564	\$3,274,689	\$3,613,325	\$338,636	10.34%
5 Total	\$5,715,762	\$11,754,973	\$11,964,525	\$17,059,186	\$5,094,661	42.58%

Expenditures

Staffing costs were decreased at Mid-Year for FY 2023-24 and beyond due to allocation of existing positions for the Mobility Services Division implementation. Overall, non-staffing costs decrease slightly between FY2023-24 and FY2024-25. Purchased Transportation and Maintenance are expected to increase in FY2024-25 due to a negotiated term extension for the City’s transit operations and maintenance services contract. These increases are offset by a reduction in Other Contract Services as part of an operating true-up.

		FY 2023-25				
Transit Fund Expenditures	2022-23 Actual	23-24 Budget	24-25 Original Budget	24-25 Revised Budget	Change	% Change
1 Salaries and Benefits	\$195,979	\$367,579	\$477,676	\$330,949	(\$146,727)	-30.72%
2 Contract Services	\$3,330,848	\$4,589,147	\$4,740,590	\$4,659,393	(\$81,197)	-1.71%
3 Other Operating Expenditures	\$31,425	\$125,713	\$124,513	\$140,710	\$16,198	13.01%
4 Transfers to / from Other Funds	365,544	\$463,491	\$477,396	\$460,609	(\$16,787)	-3.52%
5 Total	\$3,923,795	\$5,545,930	\$5,820,175	\$5,591,661	(\$228,513)	-3.93%

Significant Operating Budget Changes

Staff is not recommending any changes at this time.

Capital

The Transit Fund includes several new capital projects based on recently approved and/or applied for grant funds. Projects include replacement of existing on-bus camera (\$750,000) and auto vehicle locator systems (\$130,000) that were identified as high priority recommendations in the Transit Innovation Study. Grants to replace diesel-powered buses with zero-emission models and the associated charging infrastructure (\$6.9 million) are also included in the forecast for FY 2024-25.

Transit Fund – Five-Year Forecast

		2023-25 Financial Plan						
		(A)	(B)	(C)	(D)	(E)	(F)	(G)
		Actual	Mid Year	Financial Plan	Supplement	Projected	Projected	Projected
		2022-23	Revised 2023-24	2024-25	2024-25	2025-26	2026-27	2027-28
REVENUE								
<i>Charges for Service</i>								
1	46601 - Bus Fare	\$206,521	\$240,000	\$250,000	\$226,000	\$260,000	\$260,000	\$260,000
2	46602 - Cal Poly Transit Agreement	\$600,000	\$750,000	\$750,000	\$750,000	\$750,000	\$750,000	\$772,500
3	Total Charges for Service	\$806,521	\$990,000	\$1,000,000	\$976,000	\$1,010,000	\$1,010,000	\$1,032,500
<i>Other Revenue</i>								
4	44101 - Interest on Investment	\$117,310	\$13,579	\$13,851	\$0	\$32,815	\$22,648	\$43,017
5	44107 - Investment FMV	(\$17,944)	\$0	-	-	-	-	-
6	44310 - Miscellaneous Revenue	\$119	-	-	-	-	-	-
7	45208 - TDA Revenue	(\$60,272)	\$2,727,295	\$2,809,114	\$1,992,000	\$2,893,387	\$2,980,189	\$3,069,594
8	45209 - STA Revenue	\$430,628	\$443,547	\$456,853	\$732,000	\$470,559	\$484,676	\$499,216
9	45215 - State of Good Repair (SGR)	\$8,722	-	-	\$9,325	-	-	-
10	45211 - Other State Grants	\$0	\$8,722	\$8,722	\$880,000	\$8,722	\$8,722	\$8,722
11	45216 - Low Carbon Operation Revenue	\$344,183	-	-	-	-	-	-
12	45302 - FTA 5307 (Capital)	\$1,339,692	\$3,471,830	\$3,575,985	\$3,575,985	\$3,647,505	\$3,720,455	\$3,794,864
13	45303 - FTA 5307 (Preventative Maint.)	\$0	\$0	\$0	\$0	\$210,765	\$214,980	\$219,280
14	45304 - FTA 5307 (Operating)	\$2,743,473	\$0	\$0	\$0	\$1,694,054	\$1,727,935	\$1,762,494
15	45305 - Other Federal Grants	\$0	\$4,100,000	\$4,100,000	\$8,893,876	\$0	\$0	\$0
16	47003 - Other Revenue	\$3,330	\$0	\$0	\$0	\$0	\$0	\$0
17	Total Other Revenue	\$4,909,241	\$10,764,973	\$10,964,525	\$16,083,186	\$8,957,807	\$9,159,605	\$9,397,187
18	Total Revenue	\$5,715,762	\$11,754,973	\$11,964,525	\$17,059,186	\$9,967,807	\$10,169,605	\$10,429,687
EXPENDITURES								
<i>Total Salaries and Benefits</i>								
19		\$195,979	\$367,579	\$477,676	\$330,949	\$345,108	\$357,408	\$369,245
<i>Contract Services</i>								
20	61011 - Maintenance	\$348,373	\$255,000	\$265,000	\$332,500	\$355,775	\$380,679	\$407,327
21	61013 - Other Contract Services	\$229,164	\$905,550	\$1,011,993	\$161,600	\$169,680	\$178,164	\$187,072
22	61016 - Purchased Transportation	\$2,387,952	\$3,078,597	\$3,078,597	\$3,800,293	\$3,863,962	\$3,979,881	\$4,099,277
23	62504 - Fuel	\$365,359	\$350,000	\$385,000	\$365,000	\$365,000	\$365,000	\$365,000
24	Total Contract Services	\$3,330,848	\$4,589,147	\$4,740,590	\$4,659,393	\$4,754,417	\$4,903,724	\$5,058,676
25	Total Other Operating Expenditures	\$31,425	\$125,713	\$124,513	\$140,710	\$144,931	\$149,279	\$153,758
26	Total Capital Asset Expenditures	\$2,490,996	\$5,300,669	\$3,794,574	\$11,830,541	\$3,749,910	\$230,000	\$4,149,851
27	Total Transfers to / from Other Funds	365,544	\$463,491	\$477,396	\$460,609	\$474,427	\$488,660	\$503,320
28	Total Expenditures	6,354,792	\$10,846,599	\$9,614,849	\$17,222,302	\$9,468,794	\$6,129,071	\$10,234,850
29	CalPERS ADP	12,555	\$12,555	\$12,555	\$12,555	\$12,555	\$12,555	\$12,555
30	Total Expenditures (After CalPERS ADP)	6,367,347	\$10,859,154	\$9,627,404	\$17,234,757	\$9,481,349	\$6,141,626	\$10,247,405
31	Working Capital - Beginning	\$2,875,428	\$2,236,399	\$3,144,773	\$3,144,773	\$2,981,757	\$3,480,769	\$7,521,303
32	Change in Financial Position	(\$639,030)	\$908,374	\$2,349,676	(\$163,016)	\$499,013	\$4,040,533	\$194,837
33	Working Capital - Year End	\$2,236,399	\$3,144,773	\$5,494,449	\$2,981,757	\$3,480,769	\$7,521,303	\$7,716,139
34	Operating Reserve (20%)	\$711,650	\$1,016,488	\$1,068,556	\$1,026,210	\$1,048,891	\$1,082,082	\$1,116,336
35	Unreserved Working Capital Year End	\$2,948,049	\$4,161,260	\$6,563,005	\$4,007,967	\$4,529,661	\$8,603,385	\$8,832,475

Section 4e. Parking Fund

Overview

The Parking Services program implements the Access and Parking Management Plan and operates and maintains the City's parking lots, on-street metered spaces, parking structures, residential permit parking districts and timed parking areas throughout the City with focus on the downtown area and residential neighborhoods. Parking, Active Transportation, Transit, Curb Management (access) and traffic circulation are interrelated, and the Parking Services program plays an important role in the successful operations of the City's transportation systems. The Parking Services Program works with stakeholders including businesses, residents, other government agencies, and visitors to meet their diverse parking and access needs. The Program promotes services through direct education, community outreach, engineering, and enforcement efforts that strive to balance the high demands by providing a variety of transportation and parking options.

Revenue

In July 2023, the Parking program implemented three significant changes to its operations including increasing of rates on-street and in the structures, elimination of first hour free in all structures, and implementation of a gateless operation for the 842 Palm Street parking structure. In November 2023, Council considered and approved further changes to the parking structures in response to the community's request for immediate relief from the impacts of the rate changes that went into effect at the beginning of the fiscal year. The approved changes included reinstatement of the first hour free and free parking on Sundays in the structures, and free parking during the annual holiday parade. The free first hour and free Sunday parking was approved through FY 2024-25. During the same meeting in November 2023, Council authorized staff to issue a request for proposals and retain a consultant to prepare a comprehensive parking rate study to further evaluate rate options and recommend operational changes to improve the user experience.

On May 14, 2024, Council considered the findings from the Parking Rate Study which analyzed potential changes to on-street, off-street, and permit rates to address community concerns while maintaining a fiscally sustainable parking fund. Council approved financial model package Option B presented in the rate study (reduction of on-street rates, reduction of structure rates including the daily max, and elimination of the free first hour and free Sunday parking programs in the structures). Council also approved a reduction in structure permit rates and a reduction in structure validation rates. The FY 2024-25 budget has been updated to reflect the Option B revenue projections as approved by Council. Staff will monitor the impacts of the approved changes and update revenue forecasts as part of future financial planning and budget reporting efforts. These combined actions result in an approximately \$420,000 decrease in total revenue for FY 2024-25.

Table 4e.1 Revenue

		FY 2023-25				
Parking Fund Revenue	2022-23 Actual	23-24 Budget	24-25 Original Budget	24-25 Revised Budget	Change	% Change
1 Parking Meters	\$ 2,574,431	\$ 4,876,000	\$ 4,876,000	\$ 4,312,367	\$ (563,633)	-11.56%
2 Parking Structures	\$ 1,224,458	\$ 2,316,100	\$ 3,388,400	\$ 2,860,504	\$ (527,896)	-15.58%
3 Parking Fines	\$ 1,369,398	\$ 1,050,010	\$ 852,100	\$ 1,252,200	\$ 400,100	46.95%
4 Federal Stimulus Grants	\$ 700,000	\$ -	\$ -	\$ -	\$ -	-
5 Long Term Parking	\$ 700,873	\$ 695,300	\$ 766,300	\$ 901,906	\$ 135,606	17.70%
6 Total Other Revenue	\$ 1,388,031	\$ 763,584	\$ 529,824	\$ 664,884	\$ 135,060	25.49%
7 Debt Proceeds	\$ -	\$ 47,000,000	\$ -	\$ -	\$ -	-
8 Total	\$ 7,957,191	\$ 56,700,994	\$ 10,412,624	\$ 9,991,861	\$ (420,763)	-4.04%

Expenditures

Parking program staffing costs for FY 2023-24 and future years were increased with the FY 2023-24 Mid-Year Budget Review to correct the allocation of new and existing positions as part of the Mobility Services Division reorganization implementation. Parking realized some savings in staffing costs with the Parking Program Manager vacancy from November 2023 through March 2024 and these savings were used to partially fund a contract Communications Coordinator position to lead Mobility Services Division’s communication efforts.

Parking has significantly increased communication and marketing efforts this fiscal year in response to the community’s concerns about parking rates. These increased efforts resulted in overspending against the Advertising and Public Outreach, as well as Print and Reproduction line items. Parking has also been challenged by unexpected maintenance needs for the public facing EV charging stations, on-street pay stations, and parking structure equipment. The program is requesting increased funding in FY 2024-25 and beyond for future unanticipated maintenance needs.

Table 4e.2 Expenditures

		FY 2023-25				
Parking Fund Expenditures	2022-23 Actual	23-24 Budget	24-25 Original Budget	24-25 Revised Budget	Change	% Change
1 Salary & Benefits	\$ 1,690,052	\$ 2,016,191	\$ 2,006,347	\$ 2,071,081	\$ 64,734	3.23%
2 Contract Services	\$ 794,078	\$ 895,476	\$ 607,661	\$ 662,700	\$ 55,039	9.06%
3 Other Operating Expenditures	\$ 769,146	\$ 892,969	\$ 694,888	\$ 1,185,003	\$ 490,115	70.53%
4 Debt Service Expenditures	\$ 819,618	\$ 2,508,307	\$ 4,117,141	\$ 3,827,322	\$ (289,819)	-7.04%
5 Transfers Out	\$ 1,263,622	\$ 1,387,281	\$ 1,421,842	\$ 1,629,054	\$ 207,212	14.57%
6 Total	\$ 5,336,516	\$ 7,700,224	\$ 8,847,879	\$ 9,375,170	\$ 527,290	5.96%

Significant Operating Budget Changes

Staff recommends three SOBCs for the Parking Fund as detailed below. The revised budget forecast for the Parking Fund reflects revenues that are sufficient to cover operating costs and debt service, including the recommended budget changes below, without significantly impacting working capital.

Table 4e.3 SOBC Recommendations

Recommendation	Current Amount Budgeted	Additional Amount Recommended	New Total
1. Credit Card Merchant Fees Increase	\$215,870	\$304,130	\$520,000
2. Technology Roadmap	\$0	\$60,000	\$60,000
3. Mobility Services Account True-Ups – Data Processing and Maintenance	\$0	\$170,200	\$170,200
Total	\$215,870	\$534,330	\$750,200

1. Credit Card Merchant Fees Increase

With the Mid-Year Budget Review, the budget for credit card merchant fees was increased as a one-time adjustment for FY 2023-24 from \$205,590 to \$390,590 to account for continued and significant digital payment adoption. Through the first eight months of FY 2024, credit card merchant fees are averaging \$45,170 per month with a projected year-end of \$542,000. Credit card fees are trending down slightly but will likely end at or around this projected year-end amount.

Credit card payments represent over 90 percent of revenue collected at the pay stations and at the parking meters. There have also been over 200,000 mobile application (app) transactions (which are all credit card-based) in the first eight months of FY 2024. Credit card payment adoption will likely stay at this level or increase depending on future changes to operations. Parking’s operating budget needs to be adjusted accordingly to accurately reflect these new transactional norms.

This SOBC requests increasing the credit card merchant fee budget to \$520,000 annually, on an ongoing basis.

2. Technology Roadmap

This request is to increase the Parking Program’s Other Contract Services budget by \$60,000 in FY 2024-25 to work with a consultant on a Technology Road Map. The Technology Road Map will assist the City in troubleshooting existing technology issues and adjust to fully implement recommendations from the rate study.

3. Mobility Services Account True-Ups – Data Processing and Maintenance

After analyzing current and past year expenditure trends and current contracts, staff is recommending reallocated budget into the most appropriate accounts, and providing the ongoing addition of \$80,200 to Data Processing (mobile app fees and services) and \$90,000 to Maintenance (general services, repair services, equipment support) to fund budget gaps. This ongoing transfer of \$170,200 will cover these expenses and allow the Parking Program to continue to operate at current service levels.

Capital

In November 2023, staff also presented to Council a forecast that de-programmed future structure maintenance capital projects to help offset the impacts of the parking relief changes being considered. Council did not take action on the capital project changes at the November meeting, so the reprogramming of funds is included in the Supplemental Budget. Beginning in FY 2024-25, capital project funding is being decreased anywhere from \$500,000 to \$1 million annually. Staff may return at a future date to present updated funding needs for structure maintenance projects once the parking rate study recommendations are implemented and impacts to the fund can be determined.

Parking Fund – Five-Year Forecast

		2023-25 Financial Plan						
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(G)
	Actual	Mld Year	Financial Plan	Supplement	Projected	Projected	Projected	Projected
	2022-23	Revised	2024-25	2024-25	2025-26	2026-27	2027-28	2028-29
	2023-24							
Revenue								
Charges for Service								
1								
2	46401/46402 - Parking Meters	2,574,431	4,876,000	4,876,000	4,312,367	4,312,367	4,312,367	4,312,367
3	46403 - Parking Structures	1,224,458	2,316,100	3,388,400	2,860,504	2,860,504	3,687,079	3,687,079
4	46404 - Long Term Parking	700,873	695,300	766,300	901,906	901,906	901,906	901,906
5	46405 - Parking In-Lieu	23,824	23,824	23,824	23,824	23,824	23,824	23,824
6	46406 - City Employee Parking	82,705	89,760	-	89,760	89,760	89,760	89,760
7	44204 - Other Rent & Lease Revenue	690,310	474,200	456,300	475,500	479,600	483,900	504,400
8	Total Charges for Service	5,296,600	8,475,184	9,510,824	8,663,861	8,667,961	9,498,836	9,519,336
9	Total Citations and Fines	1,389,398	1,050,010	852,100	1,252,200	1,231,100	1,276,500	1,247,267
10	Total Other Revenue	1,281,197	175,800	49,700	75,800	78,800	98,800	108,800
11	Total Revenue without Debt Financing	7,957,191	9,700,994	10,412,624	9,991,861	9,977,861	10,874,136	10,875,403
12	Proceeds from Debt Financing		47,000,000	-	-	-	-	-
13	TOTAL REVENUE	7,957,191	56,700,994	10,412,624	9,991,861	9,977,861	10,874,136	10,875,403
EXPENDITURES								
Operations								
16	Total Salaries and Benefits	1,690,052	2,016,191	2,006,347	2,071,081	2,133,968	2,205,843	2,276,572
17	Total Contract Services	794,078	895,476	607,661	662,700	620,781	639,404	658,587
18	Total Other Operating Expenditures	769,146	892,969	694,888	1,185,003	1,224,284	1,260,413	1,297,625
19	Total Operating Expenditures	3,253,276	3,804,636	3,308,896	3,918,784	3,979,034	4,105,660	4,232,763
20	Total Capital Asset Expenditures	1,936,247	59,498,290	1,382,487	882,467	631,665	1,102,292	507,612
21	Total Debt Service Expenditures	819,618	2,508,307	4,117,141	3,827,322	3,832,523	3,847,476	3,843,068
22	Total Transfers to / from Other Funds	1,263,622	1,387,281	1,421,842	1,629,064	1,696,016	1,766,233	1,839,876
23	TOTAL EXPENDITURES	7,272,763	67,198,514	10,230,366	10,257,636	10,139,237	10,821,661	10,423,339
24	CalPERS Payment (ADP)		61,003	61,003	61,003	61,003	61,003	61,003
25	Total Expenditures (After CalPERS ADP)	7,272,763	67,259,517	10,291,369	10,318,639	10,200,240	10,882,664	10,484,342
26	Working Capital - Beginning	13,129,008	13,813,435	3,315,915	3,315,915	3,050,140	2,888,763	2,941,239
27	Change in Financial Position	684,425	(10,437,520)	192,278	(255,775)	(16,376)	52,475	452,064
28	Working Capital - Year End	13,813,435	3,315,915	3,498,193	3,050,140	2,888,763	2,941,239	3,393,302
29	Operating Reserve (20%)	814,579	1,262,589	1,485,207	1,549,221	1,562,311	1,590,627	1,615,170
30	115 Pension Trust Fund		61,446	61,446	61,446	61,446	61,446	61,446
31	Unreserved Working Capital Year End	12,998,856	1,991,880	1,951,540	1,439,473	1,265,006	1,289,165	1,716,686

Section 5. Local Revenue Measure

The Local Revenue Measure (LRM) is a 1.5 percent local sales tax approved by City voters in November 2020 that went into effect on April 1, 2021. It replaced the previous .5 percent local sales tax approved by City voters in November 2014. The revenue provided by this measure has become instrumental in maintaining public infrastructure and delivering critical operating programs to address emerging needs identified by the community.

Local Revenue Measure Ballot Language (G-20)

“To protect City of San Luis Obispo’s financial stability; maintain fire/community safety, health emergency/disaster preparedness; protect creeks from pollution; address homelessness; keep public areas clean/ safe; retain local businesses; maintain youth/senior services, streets, open space/natural areas, and other general services, by extending voter- approved funding at a 1.5¢ rate, providing approximately \$21,600,000 annually until ended by voters; requiring audits/ all funds used locally”

Table 5.1. Budget by Priority

Priority	FY 2024-25	
	Budget	% of Total
Street Maintenance and Transportation	\$9,150,627	29%
Community Safety and Emergency Preparedness	\$6,616,890	21%
Youth/Senior Services and Recreation Facilities	\$5,287,099	17%
Other Services and Projects	\$3,342,390	10%
Safe and Clean Public Areas	\$1,889,662	6%
Creek and Flood Protection	\$1,718,127	5%
Open Space/Natural Areas Preservation and Maintenance	\$1,555,889	5%
Protect Financial Stability	\$1,186,330	4%
Address Homelessness	\$907,987	3%
Economic Development and Business Retention	\$200,000	1%
Total	\$ 31,855,000	

The table above represents Local Revenue Measure contributions to each priority. These priorities also receive funding from other sources including the General Fund and certain enterprise funds.

Changes from Financial Plan

The priority allocations above reflect the community’s feedback from development of the 2023-25 Financial Plan. Changes to recommended operating budget allocations since plan development reflect typical year to year changes in salaries and benefits and employee turnover. Changes to Capital Improvement Program (CIP) budget allocations are based on a true-up of programming to a realistic level based on available financial and staff resources.

Detailed changes to budget allocations are listed in the tables below.

Local Revenue Measure

Table 5.2. CIP Changes from Financial Plan

Note: Negative numbers in the “Supplemental Budget” column below represent re-allocations of prior year budget. This happens either when projects can be delivered under budget or when staff have made the assessment that a project will not move forward to construction in the next fiscal year and those resources are better allocated elsewhere.

Line ID	FY 2024-25: Local Revenue Measure Expenditure Budget by Priority	Financial Plan	Supplemental Budget	Change
1	Address Homelessness			
2	<i>Operating</i>			
3	CAT Team Social Worker - Contract through TMH	\$ 116,188	\$ 116,188	\$ -
4	Homelessness Response Manager (FTE=1)	\$ 150,958	\$ 157,955	\$ 6,997
5	25% Expansion of 40 Prado Beds - Proportions City share to County contribution	\$ 63,826	\$ 63,826	\$ -
6	Housing/Homelessness Admin Specialist (FTE=1)	\$ 102,669	\$ 104,249	\$ 1,580
7	Mobile Crisis Unit (Social Worker and Other Operating Expenditures)	\$ 181,025	\$ 195,614	\$ 14,589
8	Mobile Crisis Unit Paramedic/Firefighter (FTE=1)	\$ 115,247	\$ 190,155	\$ 74,908
9	Parks and Open Space Environmental Clean-Up Resources	\$ 80,000	\$ 80,000	\$ -
10	Community Safety and Emergency Preparedness			
11	<i>Capital</i>			
12	Fire Hydrants: Fire Hydrants	\$ 55,000	\$ -	\$ (55,000)
13	Fleet Replacement: Admin: City Hall Generator (GEN-9712)	\$ 9,484	\$ 9,484	\$ -
14	Fleet Replacement: Police: Police Motorcycles	\$ 20,000	\$ 20,000	\$ -
15	Fleet Replacement: Police: Police Patrol Hybrid SUV (2 Vehicles per Year))	\$ 70,000	\$ 70,000	\$ -
16	Fleet Replacement: Fire Station 5 Apparatus (Debt Finance Yr 1)		\$ 150,000	\$ 150,000
17	IT Replacement: Body Worn Cameras, Video Storage and Interview Rooms	\$ 50,000	\$ 50,000	\$ -
18	IT Replacement: ECC Equipment Replacement	\$ 35,000	\$ 35,000	\$ -
19	IT Replacement: Public Safety MDC and In-Car Video Replacement	\$ 250,000	\$ 250,000	\$ -
20	IT Replacement: Radios, Mobiles and stations not replaced - PW Only	\$ 55,000	\$ 55,000	\$ -
21	IT Replacement: Uninterruptible Power Supplies (UPS's Servers and Storage)	\$ 42,172	\$ 42,172	\$ -
22	Major Facility Maintenance: Facility Roll Up Door Replacements	\$ 20,000	\$ 20,000	\$ -
23	Major Facility Maintenance: Police Department Hydronic System Piping Repl	\$ 15,000	\$ 15,000	\$ -
24	Major Facility Replacements: Public Safety Center	\$ 350,000	\$ 1,100,000	\$ 750,000
25	Emergency Storm Response		\$ 2,100,000	\$ 2,100,000
26	<i>Operating</i>			
27	Police Officer (FTE=3)	\$ 667,140	\$ 676,139	\$ 8,999
28	Police Sergeant (FTE=1)	\$ 273,419	\$ 334,357	\$ 60,938
29	Community Services Officers (FTE=4)	\$ 445,058	\$ 492,719	\$ 47,661
30	Emergency Manager (FTE=1)	\$ 181,878	\$ 177,958	\$ (3,919)
31	Farmer's Market Supplemental Staffing Support	\$ 16,000	\$ 16,000	\$ -
32	Fire Equipment Replacement (PPE, AED, etc.)	\$ 173,000	\$ 173,000	\$ -
33	Fire Inspection Management Software (Mobile Eyes)	\$ 11,150	\$ 11,150	\$ -
34	Fire Intern Program	\$ 23,586	\$ 48,650	\$ 25,063
35	Fire Technical Rescue Team Expansion	\$ 10,000	\$ 10,000	\$ -
36	Fire Training/Safety Captain (FTE=1)	\$ 285,253	\$ 324,602	\$ 39,349
37	Firefighter (FTE=2)	\$ 318,264	\$ 364,887	\$ 46,623
38	Open Space and Creeks Hazardous Tree Removals	\$ 20,000	\$ 20,000	\$ -
39	Police Equipment Replacement and Supplies	\$ 47,000	\$ 47,000	\$ -
40	Public Safety Customer Engagement	\$ 12,000	\$ 12,000	\$ -
41	Creek and Flood Protection			
42	<i>Capital</i>			
43	Storm Drain System Replacement: Drainage Infrastructure Replacement	\$ 950,000	\$ 950,000	\$ -
44	Storm Drain System Replacement: Trash Capture	\$ 75,000	\$ 75,000	\$ -
45	<i>Operating</i>			
46	Environmental Compliance Inspector (FTE=1)	\$ 132,803	\$ 141,419	\$ 8,615
47	Environmental Programs Manager (FTE=0.4)	\$ 73,045	\$ 75,757	\$ 2,712
48	GIS Specialist (FTE=0.25)	\$ 32,243	\$ 32,680	\$ 437
49	Laboratory Analyst (FTE=0.1)	\$ 16,011	\$ 16,228	\$ 217
50	Sweeper Operator (FTE=1)	\$ 106,655	\$ 108,337	\$ 1,682
51	Wastewater Collection Supervisor (FTE=0.25)	\$ 43,091	\$ 44,398	\$ 1,306
52	Wastewater Collection System Operator (FTE=2)	\$ 263,375	\$ 274,309	\$ 10,934

Local Revenue Measure

Line ID	FY 2024-25: Local Revenue Measure Expenditure Budget by Priority	Financial Plan	Supplemental Budget	Change
53	Economic Development and Business Retention			
54	<i>Capital</i>			
55	Annual Public Art Maintenance and Projects: Asset Maintenance	\$ 30,000	\$ 50,000	\$ 20,000
56	Annual Public Art Maintenance and Projects: Small Public Art Projects	\$ 100,000	\$ 100,000	\$ -
57	Annual Public Art Maintenance and Projects: Utility Box Beautify	\$ 20,000		\$ (20,000)
58	Banner Arms, Bench Arm Rests, Signs: Banner Arms, Bench Arm Rests, Signs	\$ 25,000	\$ 25,000	\$ -
59	Roundabout Public Art Installations: Roundabout Public Art Installations	\$ 100,000	\$ (125,000)	\$ (225,000)
60	<i>Operating</i>			
61	Holiday Activation Support in Downtown for Lighting and Other Features	\$ 150,000	\$ 150,000	
62	Open Space/Natural Areas Preservation and Maintenance			
63	<i>Capital</i>			
64	Laguna Lake Dredging and Sediment Management Project Implementation	\$ 900,000	\$ 100,000	\$ (800,000)
65	Open Space Acquisition: Open Space Acquisition	\$ 150,000	\$ 150,000	\$ -
66	Open Space Maintenance: General Open Space Maintenance	\$ 120,000	\$ 39,000	\$ (81,000)
67	Open Space Maintenance: Open Space Fencing	\$ 50,000	\$ 50,000	\$ -
68	Fleet: Parks and Rec Ranger Truck, F150 Lightning (long range)		\$ 81,000	\$ 81,000
69	Urban Forest Maintenance: Urban Forest Maintenance	\$ 440,000	\$ 440,000	\$ -
70	<i>Operating</i>			
71	Ranger Maintenance Worker (FTE=4)	\$ 372,845	\$ 419,432	\$ 46,587
72	Fuel Reduction Crew	\$ 65,000	\$ 65,000	\$ -
73	Open Space Vegetation Management and Fuel Reduction	\$ 25,000	\$ 25,000	\$ -
74	Parks Contract Services Funding	\$ 40,000	\$ 40,000	\$ -
75	Sustainability & Natural Resources Analyst (FTE=1)	\$ 141,181	\$ 146,457	\$ 5,276
76	Other Services and Projects			
77	<i>Capital</i>			
78	Allocation to CIP Reserve (Per policy)	\$ 4,000,000	\$ 4,000,000	\$ -
79	Use of existing CIP Reserve balance		\$ (1,500,000)	\$ (1,500,000)
80	Electric Vehicle Charging Station at Various Facilities: Various City Facilities	\$ 100,000	\$ 100,000	\$ -
81	Lead by Example: Swim Center Heat Pump	\$ 25,000	\$ 25,000	\$ -
82	Major Facility Maintenance: ADA Transition Plan Implementation	\$ 15,000	\$ -	\$ (15,000)
83	Major Facility Maintenance: Building Electrification PG&E SST Program		\$ 50,000	\$ 50,000
84	Major Facility Maintenance: IT Room Heat Pump Replacements	\$ 15,000	\$ 15,000	\$ -
85	Righetti Hillside Repair (favorable bid)		\$ (200,000)	\$ (200,000)
86	KVEC Tower		\$ (171,750)	\$ (171,750)
87	Capital Projects Manager I/II/III (FTE=1)*	\$ 140,792	\$ 141,878	\$ 1,086
88	CIP Manager (FTE=1)*	\$ 179,930	\$ 177,606	\$ (2,325)
89	Engineering Inspector I/II/III/IV (FTE=1)*	\$ 160,439	\$ 150,368	\$ (10,070)
90	Public Works Contract Coordinator (FTE=2)*	\$ 249,432	\$ 218,617	\$ (30,815)
91	Supervising Civil Engineer (FTE=1)*	\$ 187,967	\$ 194,171	\$ 6,204
92	<i>Operating</i>			
93	Centralized Resident Inquiry Platform (GoGov)	\$ 40,000	\$ 40,000	\$ -
94	City Fleet Vehicle Repairs	\$ 20,000	\$ 20,000	\$ -
95	Funding for Increased Cost of Facilities Maintenance Materials and Supplies	\$ 30,000	\$ 30,000	\$ -
96	Increased Contract Funds for Specialized Mechanic Services	\$ 51,500	\$ 51,500	\$ -
97	Protect Financial Stability			
98	<i>Operating</i>			
99	Accounting Assistant (FTE=1)	\$ 94,056	\$ 93,994	\$ (62)
100	Application Systems Specialist (FTE=1)	\$ 157,690	\$ 157,685	\$ (5)
101	Financial Specialist - Accounting (FTE=1)	\$ 112,678	\$ 113,372	\$ 694
102	Fire Injury Reduction Program	\$ 18,000	\$ 18,000	\$ -
103	Technology Project Manager (FTE=1)	\$ 153,861	\$ 183,194	\$ 29,333
104	Transfer to Operating Reserve	\$ -	\$ 611,855	\$ 611,855

Local Revenue Measure

Line ID	FY 2024-25: Local Revenue Measure Expenditure Budget by Priority	Financial Plan	Supplemental Budget	Change
105	Safe and Clean Public Areas			
106	<i>Capital</i>			
107	Fleet Replacement: Admin: Downtown Cleaning Equipment	\$ 125,000	\$ 125,000	\$ -
108	Mission Plaza Concept Plan: Phase 1 - Plaza Restroom and Kiosk		\$ 1,163,433	\$ 1,163,433
109	Mission Plaza Concept Plan: Phase 2 - Plaza Area Between Chorro and Broad	\$ 370,028	\$ -	\$ (370,028)
110	Mission Plaza Concept Plan: Phase 3 - Broad Street Dog-Leg Improvements	\$ 100,000	\$ -	\$ (100,000)
111	Park Major Maintenance & Repairs: Mission Plaza Railing Upgrade	\$ 35,000	\$ 35,000	\$ -
112	Sidewalk Replacement and Installation: Curb Ramps and Sidewalks	\$ 100,000	\$ 32,678	\$ (67,322)
113	Sidewalk Replacement and Installation: Street Tree Sidewalks	\$ 50,000	\$ 50,000	\$ -
114	SLO Creek Walk Maintenance - Lighting, Signage, Irrigation, Plants	\$ 250,000	\$ -	\$ (250,000)
115	Street Lights - Annual Asset Maintenance: Pathway Lighting Various Locations	\$ 75,000	\$ 75,000	\$ -
116	<i>Operating</i>			
117	Downtown Maintenance Coordinator (FTE=1)	\$ 117,559	\$ 119,278	\$ 1,719
118	Facilities Contract Services Funding	\$ 25,000	\$ 25,000	\$ -
119	Landscape Maintenance	\$ 70,000	\$ 70,000	\$ -
120	Mission Plaza & Downtown Maintenance	\$ 77,750	\$ 77,750	\$ -
121	Parks Maintenance Beautification Gardener (FTE=1)	\$ 114,772	\$ 116,523	\$ 1,751
122	Street Maintenance and Transportation (includes bicycle and pedestrian)			
123	<i>Capital</i>			
124	ATP Implementation: Active Transportation Plan Tier 1 Network Implementation	\$ 50,000	\$ 50,000	\$ -
125	ATP Implementation: Area Sealing Projects Complete Street Components	\$ 200,000	\$ 200,000	\$ -
126	ATP Implementation: Bicycle Facility Improvements	\$ 150,000	\$ 150,000	\$ -
127	ATP Implementation: Pedestrian Facility Improvements	\$ 60,000	\$ 60,000	\$ -
128	ATP - Higuera Complete Street Project	\$ 750,000	\$ 750,000	\$ -
129	ATP - Orcutt Road Railroad Crossing Upgrades		\$ (200,000)	\$ (200,000)
130	Bridge Maintenance: Bridge Maintenance	\$ 200,000	\$ -	\$ (200,000)
131	Downtown Renewal: Broad Street - West Side - Higuera to Marsh	\$ 200,000	\$ -	\$ (200,000)
132	Fleet Replacement: Public Works: Streets Maint HD Air Brake Trailer (9711)	\$ 55,000	\$ 55,000	\$ -
133	Fleet Replacement: Public Works: Streets Maintenance Trailers (9231, 0006)	\$ 25,000	\$ 25,000	\$ -
134	Mid-Higuera Bypass: Mid-Higuera Bypass	\$ 2,850,000	\$ 2,850,000	\$ -
135	Neighborhood Traffic Improvements: Neighborhood Traffic Improvements	\$ 30,000	\$ 30,000	\$ -
136	North Chorro Greenway		\$ 225,000	\$ 225,000
137	Pedestrian and Bicycle Pathway Maintenance: Andrews and Johnson Bike Path	\$ 10,000	\$ -	\$ (10,000)
138	Ped and Bicycle Pathway Maintenance: Various Locations	\$ 150,000	\$ -	\$ (150,000)
139	Bob Jones Trail and RRST Solar Lighting		\$ (1,350,000)	\$ (1,350,000)
140	Street Reconstruction & Resurfacing (2023 Arterials)		\$ 220,000	\$ 220,000
141	Street Reconstruction & Resurfacing: Pavement Management	\$ 2,908,000	\$ 3,968,000	\$ 1,060,000
142	Street Reconstruction & Resurfacing: Paving Area Curb Ramps	\$ 1,000,000	\$ 1,000,000	\$ -
143	Street Reconstruction & Resurfacing: Sacramento Drive Paving		\$ (220,000)	\$ (220,000)
144	Traffic Signs & Striping Maintenance: Traffic Signs & Striping Maintenance	\$ 75,000	\$ 75,000	\$ -
145	Transportation Safety & Operations: Vision Zero Program Implementation	\$ 120,000	\$ 120,000	\$ -
146	Active Transportation Manager (FTE=1)*	\$ 170,611	\$ 176,899	\$ 6,288
147	CIP Project Engineering Inspector (FTE=1)*	\$ 141,947	\$ 150,368	\$ 8,422
148	Transportation Planning Engineer (FTE=1)*	\$ 133,561	\$ 135,428	\$ 1,867
149	<i>Operating</i>			
150	Increased Asphalt and Concrete Budget	\$ 60,000	\$ 60,000	\$ -
151	Increased Budget for Signals and Street Light Equipment and Electricity	\$ 25,000	\$ 25,000	\$ -
152	Signal & Streetlight Technician (FTE=1)	\$ 129,335	\$ 127,145	\$ (2,190)
153	Streets Maintenance Operator (FTE=4)	\$ 480,246	\$ 467,786	\$ (12,460)

Local Revenue Measure

Line ID	FY 2024-25: Local Revenue Measure Expenditure Budget by Priority	Financial Plan	Supplemental Budget	Change
154	Youth/Senior Services and Recreation Facilities			
155	<i>Capital</i>			
156	Development Related Park Improvements: Orcutt Area - Neighborhood Park	\$ 3,237,138	\$ 3,987,138	\$ 750,000
157	Fleet Replacement: Public Works: Parks Maintenance 3/4 ton Pickup	\$ 140,000	\$ 140,000	\$ -
158	Fleet Replacement: Public Works: PW Maintenance Supervisor Vehicle	\$ 50,000	\$ 50,000	\$ -
159	Laguna Lake Golf Course Maintenance: Laguna Lake Golf Course Maintenance	\$ 20,000	\$ 20,000	\$ -
160	Major Facility Maintenance: Hydration Stations	\$ 25,000	\$ (34,333)	\$ (59,333)
161	Major Facility Maint: Ludwick and Senior Center - Exterior Paint and Shell Rehab	\$ 250,000	\$ 250,000	\$ -
162	Major Facility Maintenance: Therapy Pool Shade Structure Material Replacement	\$ 33,178	\$ 33,178	\$ -
163	Park Major Maintenance & Repairs: ADA Transition Plan Implementation	\$ 20,000	\$ 20,000	\$ -
164	Park Major Maintenance & Repairs: Bench & Table Replacements	\$ 15,000	\$ 15,000	\$ -
165	Park Major Maintenance & Repairs: Irrigation Mainline Leak Repair	\$ 35,000	\$ 35,000	\$ -
166	Park Major Maintenance: Landscape Controller System Upgrade to Calsense	\$ 150,000	\$ 150,000	\$ -
167	Park Major Maintenance: Mitchell Park Playground	\$ -	\$ (100,000)	\$ (100,000)
168	Park Major Maintenance & Repairs: Parks Play Surfacing	\$ 60,000	\$ 60,000	\$ -
169	Park Major Maintenance & Repairs: Santa Rosa Park Monument Sign	\$ 20,000	\$ 20,000	\$ -
170	Park Major Maintenance & Repairs: Sinsheimer Stadium Lighting Addition	\$ 75,000	\$ 75,000	\$ -
171	Park Major Maintenance & Repairs: Water Stations and Supply Lines	\$ 30,000	\$ 30,000	\$ -
172	Parking Lot Maintenance: Johnson Park	\$ 50,000	\$ 50,000	\$ -
173	Parking Lot Maintenance: Ludwick Community Center	\$ 10,000	\$ -	\$ (10,000)
174	Parking Lot Maintenance: Meadow Park		\$ (100,000)	\$ (100,000)
175	Parking Lot Maintenance: Laguna Lake		\$ (35,000)	\$ (35,000)
176	Parking Lot Maintenance: Minor Repair of City Parking Lots	\$ 40,000	\$ 40,000	\$ -
177	Parking Lot Maintenance: Mitchell Park and SLO Senior Citizens Center	\$ 35,000	\$ 35,000	\$ -
178	Parking Lot Maintenance: Throop Park	\$ 80,000	\$ -	\$ (80,000)
179	<i>Operating</i>			
180	Parks Maint. Specialist (FTE=2)	\$ 232,457	\$ 230,866	\$ (1,591)
181	Swim Center Supplies (pool chemicals, etc.)	\$ 25,000	\$ 25,000	\$ -
182	Volunteer Coordinator (FTE=1)	\$ 99,598	\$ 100,923	\$ 1,326
183	Youth Services Specialists (FTE=2)	\$ 243,348	\$ 189,326	\$ (54,022)
184	Total	\$ 30,897,440	\$ 31,855,000	\$ 957,560

* These positions are budgeted within the operating programs, but are categorized as "Capital" here because they have a direct tie to the delivery of Capital Projects

Section 6. Debt Service

Debt financing plays an important role in helping the City build and maintain its infrastructure without diverting current revenues to pay for future projects. This allows community members to benefit from these projects now and allows for future benefits to be paid for by future revenues.

Staff carefully evaluate debt financing proposals to prudently manage the City's debt burden and ensure that costs and benefits are aligned with debt paydown schedules. Debt service costs listed below include both interest and principal payments on the City's outstanding debt balances expected at the end of FY 2023-24.

Table 6.1. Debt Service by Fund

Debt Issue by Fund	Outstanding Balance	Debt Service Cost
Debt Service Fund		
2012 Lease revenue refunding bonds	\$2,110,000	\$393,100
2014 Lease Revenue bonds	\$6,085,000	\$422,731
2018 Lease revenue refunding bonds	\$8,257,431	\$942,058
	\$16,452,431	\$1,757,889
Water Fund		
2018 Lease revenue refunding bonds	\$239,529	\$28,805
2018 Water Revenue Refunding bonds	\$7,365,000	\$875,250
2020 CIEDB State Loan (lbank)	\$11,975,405	\$966,337
	\$19,579,934	\$1,870,392
Parking Fund		
2018 Lease revenue refunding bonds	\$3,845,063	\$411,941
2001 CIEDB State Loan	\$2,857,619	\$462,392
2023 Lease Revenue Bond	\$45,780,000	\$2,817,000
2023 Interfund loan	\$4,845,000	\$135,989
	\$57,327,682	\$3,827,322
Sewer Fund		
2018 Lease revenue refunding bonds	\$543,742	\$31,837
2009 CIEDB State Loan	\$5,971,321	\$549,999
2014 US Bank Installment Sale Agreement	\$2,883,966	\$616,939
2020 SRF Loan - WRRF Upgrade	\$136,000,000	\$5,807,159
	\$145,399,029	\$7,005,933
Total All Funds	\$238,759,076	\$14,461,536



Capital Improvement Plan (CIP)

Fiscal Year 2024-25

Purpose of CIP

The Capital Improvement Program (CIP) enables the City to plan, schedule, and finance capital projects to ensure cost effectiveness and conformance with established plans and policies. The City's budget process guides the capital priorities through community input, Council goal setting, Local Revenue Measure priorities, and the biennially adopted Major City Goal work programs.

Through its adopted CIP, the City meets community needs by providing the infrastructure required for economic vitality, neighborhood wellness, housing, transportation, sustainability, active and passive recreation, public safety, cleanliness, and other basic amenities.

The City systematically plans, schedules, and finances capital projects to ensure cost-effectiveness and compliance with established policies. These policies, primarily outlined in the City's fiscal policies, govern the development and management of the Capital Improvement Plan (CIP). All construction projects and equipment expenditures of \$25,000 or more are included in the CIP.

During the 2023-2025 financial planning process, the City set specific goals, resulting in a budget of \$183 million over the two-year plan. One year into this plan, the Supplemental Budget recommends a CIP True-Up. The recommendations included in the True-Up are based on the current status of projects, increased project costs, and the staff resources required to deliver the planned projects.

Major Completed and Ongoing Projects

Major work efforts of the program have been made in the first year of the Financial Plan including the groundbreaking of the Cultural Arts District Parking Structure, street reconstruction and resurfacing, completion of emergency storm response projects, and significant progress on the Prado Bridge Widening and Prado Interchange Projects. In the first year of the Financial Plan, staff was able to complete 23 projects and bring 17 projects into construction.

Prado Road Interchange: The Prado Road Interchange Project in San Luis Obispo is a legacy Capital Improvement Project (CIP) that plays a crucial role in the City's infrastructure development. This project will construct a bridge over US 101, connecting Prado Road to Dalidio Drive and establishing a continuous transportation link between S. Higuera Street and Madonna Road. The project aligns with major City goals such as Housing and Homelessness, Climate Action, Open Space, and Sustainable Transportation, and is identified in the General Plan. Currently, the project is transitioning from the Project Approval and Environmental Document (PA/ED) phase to the Plans, Specifications, and Estimates (PS&E) phase. During a recent Council Meeting on September 5, 2023, staff presented updated project cost estimates based on its progress, projecting a construction cost of \$106 million. This estimate included a 5% escalation rate,

amounting to \$10 million, factored into the total construction cost. Additionally, staff anticipates a total of \$20 million in soft costs such as construction management and design, for a total project cost of \$126 million. As the project progresses through the PS&E phase, the estimated cost will be refined and adjusted based on value analysis recommendations, ensuring alignment with the project's objectives and financial considerations.

Cultural Arts District Parking Structure: After two decades of planning, work has commenced on the Cultural Arts District Parking Structure. The Cultural Arts District Parking Structure is necessary to address longstanding needs within the downtown. As the City envisions the realization of future surrounding projects like the SLOREP Theater and housing projects, coupled with the proposed liner building that is anticipated to provide affordable housing on site, this new structure serves as a pivotal enabler, ensuring adequate parking provisions to accommodate both existing and forthcoming developments. By adding 397 parking spaces to the downtown inventory, this project aligns strategically with the City's aspirations for increased density in its urban landscape. This structure, poised to more than double the availability of public electric vehicle charging stations, also positions the City as a champion of sustainability, actively supporting greener transportation alternatives and amplifying its commitment to a forward-looking and accessible urban environment. The project is currently in the initial phase of construction, and the shoring wall is close to completion. The parking structure is expected to be completed and operational by January 2026.

North Chorro Greenway: In mid-2023, the City started construction on the North Chorro Neighborhood Greenway project. This project prioritizes bicycle and pedestrian travel between the Foothill Boulevard and North Chorro neighborhoods to downtown SLO.

The Greenway project includes construction of over 40 accessible curb ramps, separated bicycle lanes, safety lighting along the route, public art, and lighting at the Chorro/US 101 underpass, as well as landscaping along the corridor with 60 new street trees and improved stormwater management features.

This greenway makes traveling by bike or on foot a more convenient and low-stress option, in addition to providing safe connections to schools and enhancing the overall quality of life for residents.

The project is nearly finished, with paving now completed along the entire greenway. Remaining items to be completed include striping, signage, and installation of the public art at the Chorro/Hwy 101 underpass, including painting of the underpass and columns, and fence installation. The project is anticipated to be completed in the summer of 2024. The Public Art Installation CIP account has been identified as a funding source for the public art component of this project.

Storm Response Projects: Staff's swift response to the 2023 storm events led to the successful completion of crucial storm projects throughout the city. The largest storm response project was the San Luis Drive Retaining Wall, constructed adjacent to the high school. Several portions of San Luis Obispo creek were also damaged, resulting in the construction of a soil nail wall near the intersection of Pismo and Johnson Streets, as well as debris removal projects under the Marsh Street Bridge and between Prado and Los Osos Valley Roads. A portion of Prefumo Creek that experienced a major flooding event was also cleared to remove debris and minimize future flooding risk. Several areas along Old Garden Creek were also damaged, including several portions of a retaining wall. These areas were swiftly repaired, often during rain events. The proactive approach to emergency situations demonstrates the City's commitment to ensuring the safety and resilience of our infrastructure.

Road Resurfacing and Reconstruction: In June 2022, the City Council received an update on the City’s Pavement Management Plan. It was noted that in order to achieve Council’s goals from the 2009 Pavement Management Plan, more emphasis must be placed on Arterials, Collectors, and Downtown pavement maintenance. At the time of the update, arterials, on average, had a lower Pavement Condition Index (“PCI”) than collector and local streets within the City. The report also mentioned that to keep up with the increasing cost to perform pavement maintenance and keep the road system in good condition, the City would need to spend approximately double the prior estimated budget for arterial paving projects.

Proactively addressing road maintenance while the PCI is still high can prevent minor issues from escalating into major structural failures, which are significantly more expensive and time-consuming to repair. Moreover, well-maintained roads enhance safety, reduce vehicle operating costs, and minimize disruptions for road users. Therefore, investing in timely road maintenance preserves the infrastructure's integrity and extends its lifespan, ultimately benefiting the economy and public welfare.

The City is concluding the 2023 Arterials Project and is preparing to bid on the 2024 Sealing Project, both of which align with the City’s Pavement Management Plan. These projects benefit from SB1 funding, a crucial financial resource provided by the State of California. Senate Bill 1 (SB1), also known as the Road Repair and Accountability Act of 2017, generates revenue through increased fuel taxes and vehicle registration fees. This funding is specifically allocated for the maintenance and improvement of roadways, ensuring sustainable infrastructure development across the state. By leveraging SB1 funds, the City can effectively maintain and enhance its road network, addressing critical resurfacing and reconstruction needs in a fiscally responsible manner. This strategic use of state resources supports the City's long-term goals for transportation infrastructure and aligns with broader state initiatives to improve road safety and reliability.

CIP Challenges

With the passage of Measure G in 2020, funding for Capital Improvement Plan (CIP) projects has significantly increased. Despite this, the CIP Engineering program continues to face challenges due to economic conditions affecting resource availability for capital projects. Cost escalation and supply chain delays have hindered the City's ability to deliver capital projects within budget and on schedule. Additionally, the City has focused CIP resources on designing and constructing emergency storm response projects necessitated by severe winter storms and rainfall, which have significantly impacted its infrastructure. Compounding these challenges is the discrepancy between the volume of projects that remain on the CIP list and the number of available project managers and inspectors. This imbalance further strains the City's capacity to manage and complete its extensive list of infrastructure projects efficiently.

CIP True-up

In evaluating escalating construction costs and the current workload of the CIP Engineering Team, staff has adopted a strategic approach to allocate resources effectively. With a total of 132 Projects on the current CIP list, it has become imperative to prioritize initiatives that are advancing towards construction or have a heightened demand for funding within the current Financial Plan. This approach is not about deferring projects, but rather about focusing staff and financial resources on those projects that can

realistically be completed or significant progress made in FY 2024-25. By concentrating on projects that are nearing the finish line, the City can optimize resources and ensure that critical milestones are met in a timely manner and that projects are fully funded when they are ready to construct. This streamlined strategy is essential for maintaining the team's productivity and delivering impactful outcomes across the CIP portfolio.

True-Up Process:

Through the true-up process, CIP Engineering, Transportation, and Utilities staff worked to identify initial solutions to address escalating construction costs within the current budget framework. These solutions were then communicated by the CIP Administrative Manager to the CIP Review Committee, initiating a round of review and feedback. Following this, staff conducted a comprehensive internal review and comment period, including dedicated time for staff to meet with the CIP Administrative Manager to fine-tune recommendations. The final recommendations were then presented back to the CIP Review Committee, incorporating valuable input and suggestions. The CIP Administrative Manager made final adjustments in close coordination with the Public Works Director based on the committee's input.

True-Up Recommendation:

Funding Needs

The parameters established for the CIP true-up focus on projects slated to commence construction before July 2025 that could require additional funding. This includes taking a deeper look at projects outside this deliverable timeframe due to the existing construction schedule. To meet these funding needs, funds from existing accounts or the incoming FY 2024-25 budget were recommended for allocation. The recent assessment by the CIP Review Committee identified 5 new assets and 29 projects set for construction before July 2025 that require a total additional \$16,454,163 for design, construction, and/or procurement support. Tables 7.1 and 7.2 below identify all projects moving toward construction and the additional funding that would be required to move the project forward, should Council wish to complete the project within the current financial plan.

Table 7.1. Supplemental Budget Request By Fund:

Supplemental Fund	Project Account	Budget Request
☐ CIP Completed Projects Request		\$150,000.00
	North Chorro Neighborhood Greenway	\$150,000.00
☐ General Capital Outlay Request		\$861,565.04
	Mission Plaza Enhancements	\$261,565.04
	New Fleet: Utilities Safety Manager	\$25,000.00
	Remodel City Hall's lower-level Finance/IT Office area	\$575,000.00
☐ Info Tech Repl Fund Request		\$175,000.00
	Remodel City Hall's lower-level Finance/IT Office area	\$175,000.00
☐ Local Revenue Measure Request		\$6,522,598.18
	Building Electrification PG&E SST Program	\$50,000.00
	Emergency Storm Response Projects	\$2,100,000.00
	Mission Plaza Enhancements	\$1,136,598.18
	New Fleet: Fire Station 5 Apparatus (Debt Finance Yr 1)	\$150,000.00
	New Fleet: Parks and Rec Ranger Truck, F150 Lightning (long range)	\$81,000.00
	North Chorro Neighborhood Greenway	\$225,000.00
	Righetti - Community Park (phase 1)	\$750,000.00
	Safety Center/1106 Walnut	\$750,000.00
	Street Reconstruction & Resurfacing - Sealing Project	\$1,060,000.00
	Street Reconstruction & Resurfacing (2023 Arterials)	\$220,000.00
☐ Operating - CDD Request		\$98,000.00
	New Fleet: CDD - Building & Safety (3 new vehicles)	\$98,000.00
☐ Parking Request		\$155,000.00
	1166 Higuera Parking Lot - Improvements	\$100,000.00
	Big Belly Trash Cans in Parking Structures	\$35,000.00
	Parking Structure Safety Element Research and Design	\$20,000.00
☐ Sewer Fund Request		\$5,731,000.00
	Buckley Lift Station	\$150,000.00
	Foothill and Santa Rosa CalTrans Pipeline Replacement	\$350,000.00
	Major Facility Maintenance - 879 Morro Roof	\$65,000.00
	New Fleet: Utilities Chief Operator - WWC Ford Lightning (std range)	\$70,000.00
	New Fleet: Utilities Safety Manager	\$12,500.00
	Sewer Inflow/Infiltration Reduction	\$220,000.00
	Sewer-main Replacement: Morro, Mill, Santa Rosa, and Chorro Pipeline	\$1,100,000.00
	Sewer-main Replacement: Oceanaire - Cayucos to Froom Road	\$700,000.00
	Wastewater Collections System - Point Repairs	\$140,000.00
	Wastewater Collections System Improvements - Islay, Henry, Sierra Way	\$2,200,000.00
	Water Meters and Boxes	\$288,500.00
	Water Meters and Boxes - AMI Box Lids	\$75,000.00
	Water Meters and Boxes - AMI Radios	\$360,000.00
☐ Water Fund Request		\$2,761,000.00
	Fire Hydrants	\$55,000.00
	Major Facility Maintenance - 879 Morro Roof	\$65,000.00
	Mid-Higuera Bypass	\$45,000.00
	New Fleet: Utilities Safety Manager	\$12,500.00
	Salinas Reservoir Transfer of Ownership Plan	\$550,000.00
	Water Meters and Boxes	\$288,500.00
	Water Meters and Boxes - AMI Box Lids	\$75,000.00
	Water Meters and Boxes - AMI Radios	\$360,000.00
	Waterline Replacement: Chorro - Highland to Meinecke 24-inch Pipeline Replacement	\$720,000.00
	Waterline Replacement: Johnson - Iris to Bishop	\$440,000.00
	Waterline Replacement: Santa Rosa - Stenner Creek Road to Highland 30-inch Pipeline	\$150,000.00
Grand Total		\$16,454,163.22

Table 7.2. Supplemental Budget Request By Project:

Project Account	Additional Budget Request
1166 Higuera Parking Lot - Improvements	\$100,000.00
Big Belly Trash Cans in Parking Structures	\$35,000.00
Buckley Lift Station	\$150,000.00
Building Electrification PG&E SST Program	\$50,000.00
Emergency Storm Response Projects	\$2,100,000.00
Fire Hydrants	\$55,000.00
Foothill and Santa Rosa CalTrans Pipeline Replacement	\$350,000.00
Major Facility Maintenance - 879 Morro Roof	\$130,000.00
Mid-Higuera Bypass	\$45,000.00
Mission Plaza Enhancements	\$1,398,163.22
New Fleet: CDD - Building & Safety (3 new vehicles)	\$98,000.00
New Fleet: Fire Station 5 Apparatus (Debt Finance Yr 1)	\$150,000.00
New Fleet: Parks and Rec Ranger Truck, F150 Lightning (long range)	\$81,000.00
New Fleet: Utilities Chief Operator - WWC Ford Lightning (std range)	\$70,000.00
New Fleet: Utilities Safety Manager	\$50,000.00
North Chorro Neighborhood Greenway	\$375,000.00
Parking Structure Safety Element Research and Design	\$20,000.00
Remodel City Hall's lower-level Finance/IT Office area	\$750,000.00
Righetti - Community Park (phase 1)	\$750,000.00
Safety Center/1106 Walnut	\$750,000.00
Salinas Reservoir Transfer of Ownership Plan	\$550,000.00
Sewer Inflow/Infiltration Reduction	\$220,000.00
Sewer-main Replacement: Morro, Mill, Santa Rosa, and Chorro Pipeline	\$1,100,000.00
Sewer-main Replacement: Oceanaire - Cayucos to Froom Road	\$700,000.00
Street Reconstruction & Resurfacing - Sealing Project	\$1,060,000.00
Street Reconstruction & Resurfacing (2023 Arterials)	\$220,000.00
Wastewater Collections System - Point Repairs	\$140,000.00
Wastewater Collections System Improvements - Islay, Henry, Sierra Way	\$2,200,000.00
Water Meters and Boxes	\$288,500.00
Water Meters and Boxes	\$288,500.00
Water Meters and Boxes - AMI Box Lids	\$150,000.00
Water Meters and Boxes - AMI Radios	\$720,000.00
Waterline Replacement: Chorro - Highland to Meinecke 24-inch Pipeline Replacement	\$720,000.00
Waterline Replacement: Johnson - Iris to Bishop	\$440,000.00
Waterline Replacement: Santa Rosa - Stenner Creek Road to Highland 30-inch Pipeline	\$150,000.00
Grand Total	\$16,454,163.22

1166 Higuera Parking Lot Improvements: \$100,000

Staff recommends that \$100,000 be allocated toward the 1166 Higuera Parking Lot project for several critical reasons. At the November 14, 2023

Council meeting, authorization was granted for the purchase of 1166 Higuera to accommodate 44 paid parking stalls and prepare the site for public use. This project encompasses necessary parking lot improvements, including signage, striping, wheel stops, parking pay stations, landscaping, and the demolition of the existing structure on the lot. However, current construction estimates indicate that additional funding is required to cover the costs associated with the demolition and removal of the building. Therefore, the requested allocation will ensure the project's timely and successful completion, adhering to the Council's original vision and providing the community with the intended parking facilities.

Big Belly Trash Cans in Parking Structures: \$35,000

This is a new project to remove 14 existing old style trash cans from the parking structures and install new Big Belly brand trash cans. Big Belly trash cans were installed on-street throughout downtown and have proven to be functional and attractive. This is a portion of the replacement needs in the parking structures. There are currently 33 old style trash cans that need to be replaced with the new Big Belly brand. The remaining cans will be budgeted for replacement in the 2025-2027 Financial Plan.

Buckley Lift Station: \$150,000.00

The Buckley Lift Station is a new city asset within the Avila Ranch development that will serve the southwest portion of the Airport Specific Area. The current project associated with this asset will include capacities for all phased construction of the Avila Ranch Development and will have the ability to expand as future discharge flows increase consistent with the Land Use and Circulation Element (LUCE). The Lift Station is partly funded by the developer and citywide sewer impact fees in accordance with the 2017 Development Agreement and conditions of approval. Additional funding is requested for the existing appropriation to cover cost escalation experienced with electrical components, and design modifications needed to facilitate the construction phase because of site constraints.

Building Electrification PG&E SST Program: \$50,000

Staff recommends that the City collaborate with PG&E's System Safety and Integrity (SST) program to perform an audit of existing facilities to effectively implement the City-wide Building Electrification initiative. The SST program's expertise in enhancing infrastructure safety and reliability through advanced technology and risk management is well-suited to support this transition. The initial phase of the collaboration involves conducting a thorough audit and generating a detailed report on the current state of the City's infrastructure, identifying necessary upgrades or modifications. After the audit is completed, the City will have a clear understanding of the costs associated with the required building upgrades, which can then be incorporated into the financial planning process. Partnering with the SST program will ensure a well-managed, safe, and efficient transition to electrified buildings, contributing to a more sustainable and resilient urban environment.

Emergency Storm Response Projects: \$2,100,000

Our emergency storm accounts have played a pivotal role in addressing the flood damage caused by the 2022 floods. The City responded swiftly to ensure that funding was available in these accounts before invoices or bills were due, demonstrating an atypical but necessary approach given the urgency of the situation. This proactive funding strategy allowed us to initiate critical projects without delay and also facilitated forecasting for potential FEMA reimbursement, mitigating financial strain during an emergency.

As we continue to prioritize the completion of the most urgent flood projects, there is a concerted effort to implement a more structured and controlled budgetary approach. This involves fully funding the projects in advance, aligning with the City's standard practice of securing funding for projects in full prior to commencement. To achieve this, staff is requesting an allocation of \$2,100,000 to bolster the current emergency storm account. This funding will enable us to progress through each project phase seamlessly, whether it involves design or construction activities.

Looking ahead, projects transitioning towards construction will likely necessitate revisiting funding allocations during the 2025-2027 financial plan cycle. This strategic budget planning not only ensures the timely completion of crucial flood mitigation projects but also reinforces our commitment to prudent financial management and preparedness for future emergencies.

Fire Hydrants: \$55,000

The project includes fire hydrant units, and hydrant appurtenances where water distribution staff needs to replace public fire hydrants that are reported to be defective, leaking, or corroded. The objective of the project is to assess the condition of fire hydrants, and when applicable, replace with new hydrants that meet current codes and standards for protection of public health and infrastructure. When a defective hydrant is reported, water distribution staff will use best available technology to monitor the water service area (pressure zone) using leak detection equipment, sound correlators, radio monitoring telemetry of water flows and pressures, and catalog the inspection assessment into a GIS database. Additional funding is requested for the existing appropriation to cover cost escalation experienced with materials needed for construction of a hydrants, and appurtenances.

Foothill and Santa Rosa CalTrans Pipeline Replacement: \$350,000

The objective of this project is to replace existing clay pipes from 1965 with a new 8-inch sewer main serving areas that are along the Caltrans right-of-way. The sewer main at the intersection will need to be lowered to accommodate the proposed Caltrans drainage improvements. The sewer-main replacement will reduce maintenance, inflow, and infiltration that have previously been recorded in this catchment area, and it will replace an existing maintenance-hole with evidence of severe deterioration.

Major Facility Maintenance - 879 Morro Roof: \$130,000

Additional funding is requested for the existing appropriation to cover cost escalation experienced with providing labor, equipment, and materials for construction of a new roof at 879 Morro Street.

Mid-Higuera Bypass: \$45,000

The Mid-Higuera Bypass Project seeks to reduce flooding from San Luis Obispo Creek and replace aging infrastructure. The project is in the final stages of easement acquisition and planning with utility companies for relocation of facilities. Additional funding is requested to cover the cost of escalated construction costs associated with replacing existing water infrastructure. Staff are developing 100% plans and specifications and working to finalize the construction cost estimate. Additional funding will be requested from Council once the project plans and specifications are finalized and ready to be advertised.

Mission Plaza Enhancement: \$1,398,162.72

Mission Plaza Phase 1 is a critical project aimed at reactivating the current mission plaza with a new restroom, cafe kiosk, adobe repair and protection, lighting, and other amenities. Originally envisioned as part of a three-phase plan, Phase 1 has already gone out to bid. However, the initial bid opening was rejected due to multiple bid item errors. The bid received indicated that additional funding would be necessary to complete the project.

As part of our CIP true-up process, it has been determined that Phases 2 and 3 are not progressing towards construction during the current financial plan. Therefore, staff is recommending reallocating the programmed dollars from these phases to contribute \$470,028 toward Phase 1. Additionally, staff suggests appropriating an extra \$928,135 from various General Fund and LRM-funded projects as part of the CIP true-up. This reallocation and additional funding will ensure the timely completion and success of this essential community enhancement project.

North Chorro Neighborhood Greenway: \$375,000

While the North Chorro Neighborhood Greenway is substantially constructed, recent elements have resulted in unanticipated increased project costs, primarily due to the unanticipated need to remove two eucalyptus trees in Caltrans ROW at Chorro and Hwy 101 underpass, as the underground tree roots were in conflict with the footings necessary for the underpass fence. Unfortunately, this has also led to a minor delay in the project schedule. The increased work scope for the project as well as the delay in the project schedule requires the need for additional Construction Management services in order for the consultant to remain on the project through completion.

Moreover, the project is expected to incur higher costs related to its public art component. Staff are collaborating with vendors and contractors to implement the mural, lighting, and artistic fence under the freeway overpass. These elements are not included in the general contractor's bid and will remain separate from it.

Parking Structure Safety Element Research and Design: \$20,000

Parking structures have, unfortunately, played a role in suicide deaths over the past few years. The structures are some of the tallest and easily accessed buildings in the downtown area. This is largely because they are built for public use and parking structures tend not to be fully enclosed like other buildings. Safety elements like fencing, netting, and camera systems can be retrofitted to structures as deterrents to further self-harm. \$20,000 has been included in the CIP True-Up to be used on consultants services to research feasibility of potential deterrents and to provide preliminary designs for the existing parking structures. The new Cultural Arts District Parking Structure (CAD-PS) will be constructed with safety elements installed upon opening and will be funded through the CAD-PS project account.

Remodel City Hall's lower-level Finance/IT Office area: \$750,000

The Finance and IT Office remodel project will reconfigure the existing layout of the office to address space constraints, ADA compliance and enhance safety measures at the Finance front counter. Growth of the Departments, in addition to divisions being relocated to City Hall have pressed the capacity of the existing conditions. The remodel organizes the Departments to promote collaboration and communication, produces room to expand into and improves visibility of the front counter. The project also relocates the conference room to be accessible from the main hallway, creating a more accessible space for the organization, and advisory body or community meetings. These changes increase accessibility while preserving spaces of confidentiality for CJIS compliance and sensitive payroll conversations. The Information Technology Division has identified some project accounts which had some project savings that could contribute toward this project accounting to \$357,287.48. These accounts include the KVEC Tower, ERP Acquisition, IT Completed Projects, and IT Fund Balance.

Righetti Community Park (phase 1): \$750,000

City staff is actively pursuing the implementation of the Righetti Park project, a crucial amenity identified in the Orcutt Area Specific Plan and the Righetti Ranch Development. This project encompasses the design

and construction of three new parks, incorporating feedback from the public, staff, and the Parks and Recreation Commission. The proposed amenities for the Linear Park, Community Park, and Pocket Park are comprehensive, addressing a diverse range of recreational and community needs.

Currently, the estimated cost for the entire project stands at \$23 million, while our available funding sources, including Local Revenue Measure, Quimby fees, OASP Park fund, and Park Improvement Impact fees, total \$5,653,746.32. Due to this funding gap, City staff has identified the need to prioritize and segment out portions of the project for construction based on community needs and available resources.

Recognizing the community's emphasis on playground equipment and fields, staff is recommending a phased approach to prioritize the installation of these amenities, alongside essential infrastructure like parking and restrooms, within the Community Park. Ongoing efforts in the design phase for all park segments continue to ensure a comprehensive and successful implementation of the Righetti Park project. City staff remains committed to seeing this project through to construction and completion.

Safety Center/1106 Walnut: \$750,000

In May 2023, City staff acquired a new property at 1106 Walnut Street across the street from the existing Police Station. The property will provide office space for the City and potential future operational support for the Police Department. City staff has acquired consultant services to prepare construction documents for tenant improvements and the installation of site security fencing on the property. The 11,000 square foot building will provide office spaces, conference rooms, and training rooms. The initial estimates for these improvements based on preliminary design documents exceeds available funding. The original budget allocation was completed prior to the design and receipt of the initial cost estimate.

Salinas Reservoir Transfer of Ownership Plan: \$550,000

Salinas Reservoir (also known as Santa Margarita Lake) is located on the upper Salinas River, approximately 10 miles northeast of the City of San Luis Obispo (City) and captures water from a 112 square-mile watershed. The City has an agreement with U.S. Army Corps of Engineers (USACE) to receive water from the reservoir. The purpose of this study is to review the terms of the existing agreement and determine what alternatives may be available should USACE decide to transfer the ownership of the asset to a local agency. Additional funding is requested for the existing appropriation to cover the proportional shared costs of a collaborative effort between the City and San Luis Obispo County in completing this preliminary report.

Sewer Inflow/Infiltration Reduction: \$220,000

Replacement of wastewater collection pipes, and related infrastructure is an ongoing program for a reliable sanitary sewer collection system. The program's inflow and infiltration program will conduct pipe integrity tests, video inspections of public sewers, smoke testing of service areas, and schedule point repairs to address existing deficiencies according to priority. The objective of the project is to explore opportunities to consolidate sewer collection systems that may run parallel along roadways and construct new sewer lateral interconnections that can simplify maintenance operations, reduce illegal stormwater connections into the sewer, and rehabilitate fractures in clay pipes that may be experiencing groundwater infiltration due to soil settlements or root intrusions. A decrease of infiltration flows will result in lower energy costs needed to treat sewer volumes at the wastewater treatment plant. The project efforts may include sewer lateral rebates, engineering reports, construction plans for point repairs, construction management services, sewer maintenance-hole re-coatings, sewer flow monitoring studies, and field testing of wastewater piping infrastructure. Additional funding is requested for the existing appropriation

to cover cost escalation experienced with materials needed for construction of a pipes and appurtenances related to sewer laterals.

Sewer-main Replacement: Morro, Mill, Santa Rosa, and Chorro: \$1,100,000

The City's wastewater collection system includes approximately 140 miles of sewer mains. Some pipes are over 100 years old and are undersized to handle the current flow rates. Maintenance needs increase dramatically as pipelines reach their flow capacities, or when they approach the end of their useful life. Pipelines in the public wastewater collection system are inspected using specialized video equipment that will prioritize periodic cleaning frequencies or recommend a complete replacement. Based on the assessment, this project is needed for the replacement of sewer mains dating back to 1948 that require high cleaning frequencies, have experienced structural failures due to root intrusions, and have shown high infiltration flows rates during major storm events. Additional funding is requested for the existing appropriation to cover cost escalation experienced with providing labor, equipment, and materials for the construction this high priority project.

Sewer-main Replacement: Oceanaire - Cayucos to Froom Road: \$700,000

During the 2023 and 2024 storms, severe erosion was observed along Perfumo Creek, near Oceanaire Street, and across the alignment of an existing 15-inch sewer main crossing the creek. This project is needed for the replacement of a clay sewer pipe dating back to 1958 that require high cleaning frequencies along backyard easements, have experienced structural failures due to root intrusions, and have shown high infiltration flows rates during major storm events. The project will include a new creek crossing at a new location not susceptible to creek flows or erosion and eliminate the need to cross behind residential parcels by constructing the new sewer main along the recently completed road and bridge on Froom Road south of Oceanaire.

Street Reconstruction & Resurfacing - Sealing Project : \$1,060,000

The 2024 Roadway Sealing project will focus on sealing local streets in pavement management areas 8 and 1. Apart from those pavement areas, the Project also includes pavement maintenance and striping on Johnson Avenue, Broad Street, and several parking lots, including the Damon Garcia Parking lot, Johnson Park Parking lot, and Mitchell Park Parking lot. The Project is structured with a Base Bid and one Additive Alternative A to maximize the scope of work within available funding. The Project's base bid includes street sealing in Area 8 and 1, Johnson Avenue improvements and the sealing of the three parking lots included in the Project. The Project's Additive Alternative A includes work on Grand Avenue which includes completes street improvements to improve active transportation facilities and safety for all road users as a pilot program that will be made permanent at a future time. Additional funding is requested for the existing appropriation to cover cost escalation experienced with providing labor, equipment, and materials for the construction. Should bids come in favorable, the project will include Grand Avenue.

Street Reconstruction & Resurfacing (2023 Arterials)/Sacramento Drive: \$220,000

It is recommended that funds from the Sacramento Drive Paving project, totaling \$220,000, be reallocated to the 2023 Paving Project currently in construction, pending approval by the City Council. The initial allocation for Sacramento Drive aimed to address immediate pavement concerns for bicycle users. However, subsequent evaluations have shown that temporary solutions can sufficiently manage the cracking until the next scheduled paving project in fiscal year 2025. It is important to highlight that the temporary fix will be replaced with a permanent solution during the 2025 paving project. By reallocating these funds to the 2023 project, particularly in light of increased costs due to sidewalk transitions on Palm Street, we can effectively address pressing infrastructure needs while optimizing available resources. This

recommendation aligns with our strategic approach to responsible resource management and timely execution of essential projects.

Wastewater Collections System - Point Repairs: \$140,000

Additional funding is requested for the existing appropriation to cover cost escalation experienced with providing labor, equipment, and materials for the construction of wastewater point repairs.

Wastewater Collections System Improvements - Islay, Henry, Sierra Way: \$2,200,000

Maintenance needs increase dramatically as pipelines reach their flow capacities, or when they approach the end of their useful life. Pipelines in the public wastewater collection system are inspected using specialized video equipment that will prioritize periodic cleaning frequencies or recommend a complete replacement. Based on the assessment, this project is needed for the replacement of sewer mains dating back to 1910 that make up portions of the backbone system serving essential facilities along Johnson Avenue. The project will be coordinated with the efforts being made by the hospital's infrastructure improvements along Iris Road and the railroad crossing to ensure design capacities are adequate for current and future needs. Additional funding is requested for the existing appropriation to cover cost escalation experienced with providing labor, equipment, and materials for the construction of a new sewer main.

Water Meters and Boxes - AMI Box Lids: \$150,000, Radios \$720,000, Meters and Boxes \$577,000

The project includes materials for water meters, meter appurtenances, and meter boxes where water distribution staff needs to remove or repair public water meters within the distribution system that are reported to be defective. The objective of the project is to increase accuracy and reliability of public water meters, and efficiently manage all water resources in a cost-effective manner. When leaks are suspected, water distribution staff will use best available technology to monitor the water service area (pressure zone) using: leak detection equipment, sound correlators, radio monitoring telemetry of water flows around a pressure zone, and pilot tests by the water distribution staff for a temporary district metering area. Additional funding is requested to begin the addition of Advanced Metering Infrastructure (AMI) using telemetry that can augment the ability to accurately read water consumption, promptly provide billing information to customers, and facilitate a better customer service interaction during the start and stop of water services. Meters are currently read manually and past delays with the City's contract meter reading service have caused delays in customer billing, increased challenges in calculating revenues for the Water and Sewer Funds, and potentially lowered confidence in the City's services.

To assist with expenditures associated with this project, staff are also beginning to seek grant opportunities to offset costs. To date, staff have identified one possible grant opportunity, though it is highly competitive and does not fully align with the timing of the AMI project. For this reason, staff are recommending the full amount of funding required for the much-needed AMI project and will continue seek outside funding that could be directed towards minimizing the fiscal impacts of the project.

Waterline Replacement: Chorro - Highland to Meinecke 24-inch Pipeline: \$720,000

The City operates a complex potable water distribution system that is comprised of 15 distribution zones, nine potable water storage tanks, two reservoirs, five hydro-pneumatic tanks, seven pump stations, 21 pressure reducing valves (PRVs) and over 180 miles of pipe with diameters ranging in size from four inches to 30 inches. This project will replace critical infrastructure that has reached the end of its useful life, experienced water main breaks, and is ranked as a high priority for replacement. The objective of the project is to replace existing 4-inch and 6-inch cast-iron pipes in the vicinity with pipe meeting new

standards by the American Water Works Association (AWWA) to provide resiliency in the distribution network against variations in pressure and flows with a new 24-inch transmission pipeline. Additional funding is requested for the existing appropriation to cover cost escalation experienced with providing labor, equipment, and materials for construction of a new ductile-iron water main.

Waterline Replacement: Johnson - Iris to Bishop: \$440,000

Additional funding is requested for the existing appropriation to fund the completion of the Johnson Road water main replacement and a contract-change-order needed to remove and replace the water main along Iris from Fixlini to Johnson. The water main along Iris experienced a small crack as part of the original contract construction, and exposed severe deterioration of the remaining 300-feet of existing water main.

Waterline Replacement: Santa Rosa - Stenner Creek Road to Highland 30-inch Pipeline: \$150,000

Additional funding is requested for the existing appropriation to cover cost escalation experienced with providing labor, equipment, and materials for the construction of a new 30-inch water transmission pipeline.

New Fleet CDD - Building & Safety (3 new vehicles): \$98,000

The Community Development Department recommends the addition of three new fleet vehicles to the Building and Safety Division, funded through operational savings. The first vehicle is needed for a new full-time Building Inspector position, currently a contract role, to manage the unprecedented levels of inspection demands. This role requires consistent and reliable transportation to various construction sites for timely and effective inspections. The second vehicle is to replace a grey fleet vehicle (a 2002 Rav4), which is currently used by the building inspection team. Reliable transportation is critical for the building inspection team as the majority of their work is in the field visiting various project sites.

The third vehicle is for a Stormwater Code Enforcement Officer, who currently uses a pool vehicle. This officer is responsible for ensuring compliance with Federal, State, and regional stormwater regulations at private construction sites, addressing deficiencies that led to a Notice of Violation from the Regional Water Quality Control Board. A dedicated fleet vehicle is necessary to maintain inspection standards and respond promptly to any compliance issues. These additions are crucial to meet the growing operational needs of the Building and Safety Division and to uphold the City's commitment to safety and regulatory compliance.

Fire Station 5 Apparatus (Debt Finance Yr 1): \$150,000

Securing funding for a new Fire Apparatus crucial for the impending development of Fire Station 5. This station's necessity stems from the housing developments on the South side of San Luis Obispo, particularly towards the Avila Ranch Development. An agreement with the Avila Ranch developer mandates the construction of a temporary fire station once a specific number of homes are completed, a milestone expected by the end of 2026.

Considering the lead time of 24-36 months for procuring such a vital apparatus, immediate action is imperative to ensure it is operational precisely when required. As per the City's policy, vehicles exceeding \$200,000 can be financed through debt or leasing options. Therefore, we propose allocating \$150,000 in the FY2024-25 budget towards this critical acquisition. This funding accounts for the first six months of a five-year loan starting in January 2025.

New Fleet - Utilities New Chief Operator (Ford Lightning -std range): \$70,000

Staff is recommending the creation of a Wastewater Collection System Chief Operator which will help ensure compliance and completion of mandatory State and City initiated requirements. The CIP request is to support the addition of this position with an appropriate vehicle request.

New Fleet - Utilities Safety Manager: \$50,000

The Safety Manager has been relying on an aging grey vehicle that has exceeded its operational lifespan. Staff recommends allocating funds to procure a new vehicle, aligning with the City's fleet replacement guidelines.

New Fleet - Parks and Recreation Ranger (Ford Lightning -long range): \$81,000

Currently, there are 7 rangers and 3 open space technicians, alongside the potential addition of 7-10 interns (provided by City Fire), while Ranger Service fleet current inventory is only 5 trucks. This shortage necessitates the use of personal vehicles for site visits, which is both inefficient and unsustainable. With the responsibility of maintaining 66.5 miles of trails across 4,100 acres of open space, Ranger Service workload is substantial. The condition and status of 28 trail heads require daily or weekly checks, depending on community use and weather impacts. The inclusion of an EV truck would not only alleviate Ranger Service transportation constraints but also offer practical benefits in supporting operational needs and requirements. These trucks are equipped with power outlets, enabling Rangers and Open Space Techs to operate battery operated equipment, as well as power water pumps for essential tree planting projects citywide. Considering the upcoming trail projects slated for FY 2024-25, in addition to regular duties, the acquisition of an EV truck is deemed a necessity as it would enhance Ranger efficiency, reduce the carbon footprint, and ultimately contribute to the preservation and enhancement of the valued City open spaces. The Open Space Maintenance CIP account has been identified as a funding source for this vehicle.

Transit Grant Adjustment

In addition to the supplemental funding requests, the Transit Division proposes a modification to the 2023-2025 Financial Plan. The modifications are a combination of new funding requests based on grants funds applied for this fiscal year as well as adjustments to existing projects intended to better reflect the state and federal grants the City anticipates receiving in FY 2024-25. By clearly listing these anticipated grants in the financial plan, the City improves its chances of securing the funding. The revised plan offers a more precise breakdown of the projects and their associated dollar amounts, ensuring a more transparent and accurate allocation of the expected funds. The following table represents the changes proposed in FY 2024-25 of the 2023-25 Financial Plan.

Table 7.3. Transit Grant Adjustments/FY 2024-2025:

Transit Project	FY 2024-2025 Grant
2 Battery Electric Buses and Associated Infrastructure	
FTA 5307 and TDA	\$370,800.00
3 Battery Electric Buses and 1 Cutaway Bus	
FTA 5339, LCTOP, and Other (as needed)	\$6,314,035.00
Auto Vehicle Locator System Replacement	
SLOCOG TIRCP Grant	\$130,000.00
Battery Electric Bus Charging Infrastructure	
SLOCOG LCTOP Grant	\$304,300.00
On-bus Security Camera System Replacement	
SLOCOG TIRCP Grant	\$750,000.00
Grand Total	\$7,869,135.00

Parkland Development Fee Adjustments

Staff is recommending the transfer of \$200,000 from the Emerson Park Amenity Upgrades and Beautification project account back into Fund 510 and un-appropriating \$138,341 from Righetti Community Park (Phase 1) project in FY 2024-2025 due to the stipulations of Fund 510. Fund 510, a Citywide Parkland Development Fee, is designated specifically for the acquisition of parkland to enhance access and usability for the City. Both Emerson Park and Righetti Community Park projects have revealed that land acquisition is not a component of the projects. The projects focus solely on the construction and development of parks without the need to purchase additional property. Consequently, the fees in Fund 510 cannot be used for these projects, as the fund is restricted to expenditures for acquiring new parkland. Staff has already identified a supplementary solution to cover the \$138,341 510 Fund shortfall and additional contributions required for Righetti Community Park, which has been identified in tables 7.1 and 7.2 above. The Emerson Park project, based on the latest construction estimates, remains underfunded. Further funding for Emerson Park will be sought during the 2025-2027 financial planning process as the design progresses. This reallocation ensures compliance with Fund 510 guidelines while addressing immediate funding gaps through alternative solutions.

As a result, the funds from Fund 510 will either remain in or be returned to the fund until the 2025-2027 financial plan, when they can be allocated to appropriate projects that involve land acquisition. This approach ensures that the funds are utilized in accordance with their designated purpose. The table below shows \$200,000 being transferred out of the Emerson Park Project Account into the Parkland Development Fee, Fund 510, and \$138,341 deprogrammed from the Righetti Community Park project back into the Parkland Development Fee, Fund 510.

Table 7.4. Parkland Development Fee Adjustments/FY 2024-2025:

Project	Transfer from Existing Account	Deprogrammed from FY 2024-2025	Total
Parkland Development Fees (510)	\$200,000.00	\$138,341.00	\$338,341.00
Emerson Park Amenity Upgrades and Beautification	\$200,000.00		\$200,000.00
Righetti - Community Park (phase 1)		\$138,341.00	\$138,341.00

Funding Opportunities

Staff has identified 46 accounts in the current CIP that do not require funding before July 2025, amounting to \$22,723,163 in available funding. Of these accounts, 34 are projects listed in the CIP that will not commence construction before July 2025. These 34 projects have not been reprioritized and those currently in the design phase will continue to be prepared for construction in the upcoming financial plan. Projects that have had their budgets reallocated during the CIP True-up will be brought back to the CIP Review Committee and Council during the 2025-2027 financial planning process. Any projects listed in the table below without a narrative are merely projects that would not otherwise go to bid during the current financial plan.

The table below outlines funds recommended for transfer from an existing account versus funds recommended for reallocation that would have been coming into an account July 1, 2024, providing a clear overview of funding adjustments. Additionally, to address the funding shortfall, staff recommends leveraging capital reserves, completed projects, or identified operating accounts as detailed in the Project Savings section of the table. This proactive strategy ensures that the CIP budget remains aligned with strategic goals, maximizing the impact of our investments.

Two tables are included below, one categorized by account circumstance (projects not ready for construction, accounts with project savings, or alternate cases), and the other categorized by funding source. Both tables include the same data displayed in alternative ways.

Table 7.5. Budget Transfers by Account Circumstance:

Project Account	Existing Balance (Transfer)	New Funding - July 24 (Reallocation)	Total
Favorable Construction Bid	\$200,000		\$200,000
Righetti Hillside Repair	\$200,000		\$200,000
Project Added to 2025 Paving Project	\$220,000		\$220,000
Sacramento Drive Paving	\$220,000		\$220,000
Project Savings	\$3,923,609	\$81,000	\$4,004,609
CIP Reserve	\$1,500,000		\$1,500,000
ERP Acquisition	\$69,740		\$69,740
IT Completed Projects Account	\$4,959		\$4,959
KVEC Tower	\$207,589		\$207,589
Water Unreserved Capital	\$1,751,000		\$1,751,000
IT Fund Balance	\$75,000		\$75,000
CDD Operating Account (For Inspector Vehicle Use)	\$98,000		\$98,000
Curb Ramps	\$67,322		\$67,322
CIP Completed Projects Account	\$150,000		\$150,000
Open Space Maintenance		\$81,000	\$81,000
Rescheduled Project	\$11,248,526	\$7,050,028	\$18,298,554
871 Marsh Parking Structure Maintenance - General Parking Structure Maintenance	\$100,000		\$100,000
Bob Jones Trail and RRST Solar Lighting	\$1,350,000		\$1,350,000
Bridge Preventative Maintenance		\$200,000	\$200,000
Downtown Renewal - Broad Street - West Side - Higuera to Marsh		\$200,000	\$200,000
Fire Hydrants		\$55,000	\$55,000
Foothill Sewer Lift Station Replacement	\$2,000,000		\$2,000,000
General Parking Structure Account	\$55,000		\$55,000
Major Facility Maintenance - Corp Yard	\$249,193		\$249,193
Major Facility Maintenance - Hydration Stations	\$34,333	\$25,000	\$59,333
Parking Lot Maintenance - Laguna Lake	\$35,000		\$35,000
Parking Lot Maintenance - Ludwick Community Center		\$10,000	\$10,000
Parking Lot Maintenance - Meadow Park	\$100,000		\$100,000
Parking Lot Maintenance - Santa Rosa Park		\$300,000	\$300,000
Parking Lot Maintenance - Throop Park		\$80,000	\$80,000
Pedestrian and Bicycle Pathway Maintenance - Andrews and Johnson Bike Path		\$10,000	\$10,000
Pedestrian and Bicycle Pathway Maintenance - Railroad Safety Trail		\$275,000	\$275,000
Playground Equipment Replacement - Mitchell Park Playground	\$100,000		\$100,000
Recycled Water Annual UV Bulb Replacement		\$10,000	\$10,000
Sewer Lift Station Replacement - Airport Lift Station	\$800,000		\$800,000
Sewer-main Replacement: San Jose, Ramona, Monte Vista, and California		\$1,225,000	\$1,225,000
SLO Creek Walk Maintenance - Lighting, Signage, Irrigation, Plants		\$250,000	\$250,000
Water Storage Tank Major Maintenance - Edna Tank Recoating		\$1,000,000	\$1,000,000
WRRF and Wastewater Collection Maintenance Facility	\$6,000,000		\$6,000,000
Parking Pay Station Installation		\$600,000	\$600,000
Laguna Lake Dredging and Sediment Management		\$800,000	\$800,000
Major Facility Maintenance - ADA Transition Plan		\$15,000	\$15,000
Mission Plaza Phase 2		\$370,028	\$370,028
Mission Plaza Phase 3		\$100,000	\$100,000
ATP - Orcutt Road Railroad Crossing Upgrades	\$200,000		\$200,000
Pedestrian and Bicycle Pathway Maintenance - Various Locations		\$150,000	\$150,000
Sewer-main Replacement: Serra, Bressi, Dana and Higuera Pipeline		\$1,275,000	\$1,275,000
Sewer Lift Station Replacement - Silver City Lift Station		\$100,000	\$100,000
Public Art Installations - Roundabouts	\$225,000		\$225,000
Grand Total	\$15,592,135	\$7,131,028	\$22,723,163

Table 7.6: Budget Transfers by Funding Source:

Project	Existing Balance (Transfer)	New Funding - July 24 (Reallocation)	Total
Additional Funding Sources	\$3,578,959		\$3,578,959
CIP Reserve	\$1,500,000		\$1,500,000
IT Completed Projects Account	\$4,959		\$4,959
Water Unreserved Capital	\$1,751,000		\$1,751,000
IT Fund Balance	\$75,000		\$75,000
CDD Operating Account (For Inspector Vehicle Use)	\$98,000		\$98,000
CIP Completed Projects Account	\$150,000		\$150,000
General Capital Outlay	\$286,565	\$575,000	\$861,565
KVEC Tower	\$10,537		\$10,537
Major Facility Maintenance - Corp Yard	\$249,193		\$249,193
Parking Lot Maintenance - Santa Rosa Park		\$300,000	\$300,000
Pedestrian and Bicycle Pathway Maintenance - Railroad Safety Trail		\$275,000	\$275,000
Curb Ramps	\$26,835		\$26,835
Info Tech Repl Fund	\$95,041		\$95,041
ERP Acquisition	\$69,740		\$69,740
KVEC Tower	\$25,301		\$25,301
Local Revenue Measure	\$2,676,570	\$2,346,028	\$5,022,598
Bob Jones Trail and RRST Solar Lighting	\$1,350,000		\$1,350,000
Bridge Preventative Maintenance		\$200,000	\$200,000
Downtown Renewal - Broad Street - West Side - Higuera to Marsh		\$200,000	\$200,000
Fire Hydrants		\$55,000	\$55,000
KVEC Tower	\$171,750		\$171,750
Major Facility Maintenance - Hydration Stations	\$34,333	\$25,000	\$59,333
Parking Lot Maintenance - Laguna Lake	\$35,000		\$35,000
Parking Lot Maintenance - Ludwick Community Center		\$10,000	\$10,000
Parking Lot Maintenance - Meadow Park	\$100,000		\$100,000
Parking Lot Maintenance - Throop Park		\$80,000	\$80,000
Pedestrian and Bicycle Pathway Maintenance - Andrews and Johnson Bike Path		\$10,000	\$10,000
Playground Equipment Replacement - Mitchell Park Playground	\$100,000		\$100,000
Righetti Hillside Repair	\$200,000		\$200,000
Sacramento Drive Paving	\$220,000		\$220,000
SLO Creek Walk Maintenance - Lighting, Signage, Irrigation, Plants		\$250,000	\$250,000
Curb Ramps	\$40,487		\$40,487
Laguna Lake Dredging and Sediment Management		\$800,000	\$800,000
Open Space Maintenance		\$81,000	\$81,000
Major Facility Maintenance - ADA Transistion Plan		\$15,000	\$15,000
Mission Plaza Phase 2		\$370,028	\$370,028
Mission Plaza Phase 3		\$100,000	\$100,000
ATP - Orcutt Road Railroad Crossing Upgrades	\$200,000		\$200,000
Pedestrian and Bicycle Pathway Maintenance - Various Locations		\$150,000	\$150,000
Public Art Installations - Roundabouts	\$225,000		\$225,000
Parking	\$155,000	\$600,000	\$755,000
871 Marsh Parking Structure Maintenance - General Parking Structure Maintenance	\$100,000		\$100,000
General Parking Structure Account	\$55,000		\$55,000
Parking Pay Station Installation		\$600,000	\$600,000
Sewer Fund	\$8,800,000	\$2,600,000	\$11,400,000
Foothill Sewer Lift Station Replacement	\$2,000,000		\$2,000,000
Sewer Lift Station Replacement - Airport Lift Station	\$800,000		\$800,000
Sewer-main Replacement: San Jose, Ramona, Monte Vista, and California		\$1,225,000	\$1,225,000
WRRF and Wastewater Collection Maintenance Facility	\$6,000,000		\$6,000,000
Sewer-main Replacement: Serra, Bressi, Dana and Higuera Pipeline		\$1,275,000	\$1,275,000
Sewer Lift Station Replacement - Silver City Lift Station		\$100,000	\$100,000
Water Fund		\$1,010,000	\$1,010,000
Recycled Water Annual UV Bulb Replacement		\$10,000	\$10,000
Water Storage Tank Major Maintenance - Edna Tank Recoating		\$1,000,000	\$1,000,000
Grand Total	\$15,592,135	\$7,131,028	\$22,723,163

Righetti Hillside Repair: \$200,000

Righetti Hill was dedicated to the City as Open Space as part of the approval of the Righetti Ranch residential development. The construction of the development placed homes and drainage facilities close

to the hillside. Several landslides have occurred on the hillside over the years. Due to the risk of another slide and potential for further deterioration of the temporary repair completed by the developer, the City Manager enacted emergency purchasing provisions of Municipal Code Section 3.24.060 on January 8, 2024. Plans were advertised on March 15, 2024 and opened on April 12, 2024. One bid was received with David Crye General Contractor submitting a bid well below the Engineer’s Estimate. Staff is recommending a transfer of \$200,000 that will not be needed due to the low bid received.

Table 7.7. Supplemental Funding Summary:

Funding Source	Budget Request	Budget Transferred/Reallocated
CIP Completed Projects	\$150,000	\$150,000
General Capital Outlay	\$861,565	\$861,565
Info Tech Repl Fund	\$175,000	\$175,000
Local Revenue Measure	\$6,522,598	\$6,522,598
Operating - CDD	\$98,000	\$98,000
Parking	\$155,000	\$755,000
Sewer Fund	\$5,731,000	\$11,400,000
Water Fund	\$2,761,000	\$2,761,000
Grand Total	\$16,454,163	\$22,723,163

The table above provides a comprehensive overview of all fund accounts in aggregate, demonstrating a balanced approach between funding requests and reallocation from existing projects in the CIP that are not scheduled for construction before July 2025. Additionally, there is supplementary support from various accounts including the CIP Reserve, CIP Completed Projects Account, IT Completed Projects Account, IT Fund Balance, Community Development Operating Account, and the Water Fund’s unreserved working capital, which are detailed in Table 7.6 Budget Transfers by Funding Source.

Two funding sources listed in Table 7.7 above are not balanced. Staff are recommending the transfer of \$5,669,000 in encumbered projects to the Sewer Fund’s unreserved working capital to offset anticipated cost escalation related to capital projects for sewer main and lift station replacements. Additionally, staff are exploring tax credits through the Inflation Reduction Act to further offset anticipated cost escalations. This strategy is consistent with the City’s CIP true-up methodology and ensures that critical projects are sufficiently funded beyond the 2023-25 Financial Plan. Staff are also recommending not to allocate \$600,000 into the Parking Pay Station project account and to leave funding in the parking enterprise fund. This modification to the current financial plan was proposed but not officially adopted at the November 7, 2023 City Council meeting updating Council on the parking program and parking rate study.

Infrastructure Investment Fund Status

The Infrastructure Investment Fund (IIF) was established with the primary goal of enabling the City to harness the advantages of well-planned growth, a process that often requires timely financial support for essential infrastructure. The fund's purpose extends to leveraging additional grant funding, providing loans, or directly participating in critical infrastructure projects that enhance quality of life and spur economic development.

Originally earmarked for the Prado Interchange and Prado Road Widening Projects, legacy projects within the City, the fund has evolved to support initiatives with broader community benefits and positive

economic impacts. These new projects, initially centered on land acquisition, are now progressing through design and construction phases under the oversight of the CIP Engineering team.

As the City increasingly leverages the IIF to enhance San Luis Obispo's quality of life, transparent reporting on current and future expenditures becomes crucial for accountability to the City Council. The tables below detail revenues and expenditures for FY 2023-24, with forecasts extending into FY 2024-25 and FY 2025-26.

At the FY 2023-24 Mid-Year budget report, the City planned for an additional contribution to the IIF in FY 2024-25 that was contingent on FEMA reimbursement. While the City expects to receive reimbursement in FY 2024-25, due to uncertain timing we forecast the final repayment of 1166 Higuera and additional contribution to the IIF in February and July 2025, respectively. Additionally, the Prado Bridge Widening planned contributions from the IIF have been reallocated from FY 2024-25 to FY 2025-26. Upon reviewing the construction schedule, it is anticipated that construction will not commence until November 2025, which aligns with the funding need.

Additionally, although the funds appear sufficient following the FY 2023-24 summary, failure to receive FEMA reimbursements would prevent the IIF from fulfilling its currently planned commitments. Therefore, ongoing monitoring and adjustments are essential to ensure the availability of funds for these projects.

Table 7.8: IIF Fund Summary and Forecast

FY 2023-2024 IIF Fund Summary			
Payment	Amount		Ending Account Balance
Starting Fund Balance FY 23-24	\$ 9,630,088.00		\$ 9,630,088.00
Repayment of 1106 Walnut	\$ 5,400,000.00		\$ 15,030,088.00
1166 Higuera Property Aquisition	\$ (4,845,000.00)		\$ 10,185,088.00
Mid-Year Repayment of 1166 Higuera	\$ 4,000,000.00		\$ 14,185,088.00
Mid-Year Transfer in Lieu of David Statue	\$ 120,000.00		\$ 14,305,088.00
Mid-Year Transfer to Broad Street	\$ (800,000.00)		\$ 13,505,088.00
600 Tank Farm, Buckley Extension	\$ (2,641,092.00)		\$ 10,863,996.00
			\$ 10,863,996.00

FY 2024-2025 IIF Fund Forecast			
Payment	Amount	Payment Date	Ending Account Balance
Prado Bridge Widening	Reallocated 25-26	Jul-24	\$ 10,863,996.00
Prado Interchange	\$ (2,750,000.00)	Jul-24	\$ 8,113,996.00
Final Repayment of 1166 Higuera			
FY 2024-2025 Mid-Year Recommended Transfer*	\$ 845,000.00	Feb-25	\$ 8,958,996.00
			\$ 8,958,996.00

FY 2025-2026 IIF Fund Forecast			
Payment	Amount	Payment Date	Ending Account Balance
Prado Interchange	\$ (1,150,000.00)	Jul-25	\$ 7,808,996.00
FEMA Reimbursement*	\$ 2,959,358.00	Feb-25	\$ 10,768,354.00
Prado Bridge Widening (reallocated from 24-25)	\$ (10,000,000.00)	Jul-25	\$ 768,354.00
			\$ 768,354.00

*Transfers contingent upon available funding, which is dependent upon the General Fund receiving reimbursement from FEMA for winter 2023 storm expenditures.

Section 8: Major City Goals

Writeups below represent updates to previously published reports. Many Major City Goal tasks have been completed and therefore an update has not been provided. Table 8.1 includes detailed information and statuses on all Major City Goal tasks.

Economic Recovery, Resiliency & Fiscal Sustainability

In collaboration with local partners, continue to support economic recovery for all from the COVID pandemic and support a thriving local economy by supporting local businesses, arts and culture, downtown vitality, practicing fiscal responsibility, paying down unfunded pension liabilities, and investing in critical infrastructure.

Strategy Updates:

1.2 Business Support

h. Continue to support the childcare options for school age children through the City's own programs and programs in conjunction with other partners. Youth Services maintains its commitment to supporting TK, Before & Afterschool programs, Teacher Workdays, and spring break camps across the five District elementary schools. Presently, staff are diligently gearing up for summer camps and ensuring seamless support for District summer school schedules. Fall registration for these programs commences on April 8, 2024.

I. Proactively evaluate and implement after briefing council on opportunities to partner with Cal Poly, San Luis Coastal Unified School District and other major employers for employer supported childcare programs. The City continues to participate in the Childcare Study that began in 2020 with agency partners: SLCUSD, SLO County, Cal Poly, First Five, and CAPSLO. Most recently, the partners have hired a consultant to provide a feasibility study to identify facilities available within the County and what would be necessary, fiscally and resource wise, to open a joint agency childcare facility to serve staff members. The study is underway and expected to be complete in late June 2024.

1.3. Downtown Vitality

The Cultural Arts District Parking Structure project is currently in Phase 2 of construction. All site preparation is complete and ground improvements have begun. In April 2024, construction moved into the right-of-way beginning with undergrounding of utilities like electrical lines. Right-of-way construction is likely to continue through summer 2025 with intermittent partial and full road closures. Structure construction is on schedule to be completed early in 2026.

On May 14, 2024, Council considered the findings from the Parking Rate Study which analyzed potential changes to on-street, off-street, and permit rates to address community concerns while maintaining a fiscally sustainable parking fund. Council approved a rate structure that:

- reduced on-street parking rates,
- reduced parking structure rates including the daily max,
- reduced parking structure monthly permit rates, and
- reduced the cost of parking validation.

Major City Goals

In order to provide a fiscally sustainable parking fund with the previously mentioned parking rate reductions, the elimination of the first hour free and free Sunday parking programs in the parking structures was required. The new rate structure is scheduled to be implemented on July 8, 2024. In addition to parking rate structure changes, Council also directed staff to move forward with parking operational improvements that are intended to make parking easier for the community. Those improvements include:

- Reducing to a single mobile parking payment app,
- Develop and offer promotional discounts,
- Updating signage improving the user experience,
- Transition to a consistent pay-at-exit gated systems for all parking structures,
- Develop a solution to reduce impacts of parking rate structure changes to those community members that are parking to go the library, attend public meetings, or other short term governmental service needs.

The Mission Plaza Enhancements Project was publicly bid and those bids were opened on April 18, 2024. The City received one bid and that bid was rejected due to defects. The project is currently soliciting bids for the second time and those bids are currently planned to be opened on June 13, 2024. This delay allows the summer concerts in the plaza to occur without construction impacts, which is a benefit for the 2024 concert season.

1.4 Support Arts and Culture

a. Continue to work with our community partners to ensure the Cultural Vitality of the City. Public Art continues its partnerships with SLOMA, NAACP, CCAC, and the County Arts Council. Staff also continue to provide assistance to SLO REP in the relocation of their operations to a new theater at the Cultural Arts District parking structure site.

b. Continue to execute the City's public art master plan. Continuing the City's commitment to public art, the recently hired Coordinator is overseeing the implementation of various projects outlined in the master plan. These include the Utility Box Art program, murals, and engaging local community artists through outreach efforts. Building on past successes, such as the Seven Sisters mural and Mamma Mobius installation, the City aims to further promote diversity, equity, and inclusion in future art installations across the community.

Diversity, Equity, Inclusion

In response to our commitment to making San Luis Obispo a more welcoming and inclusive city for all, continue to develop programs and policies to support diversity, equity, and inclusion initiatives and advance the recommendations of the DEI Task Force.

Strategy Updates:

2.4. Enhance Inclusive & Equitable Workplace Environment

a. Develop and adopt a DEI statement for the organization. The Council adopted a DEI Statement on February 20, 2024 as part of the DEI Strategic Plan.

d. Complete a planning study for gender-inclusive restroom and sleeping facilities for Fire Stations 3 & 4. Process with design work pending results of study. This design is in progress, and construction is anticipated in FY 2026 when funding is appropriated.

2.8 Equity & Inclusion in Budgeting, Planning, Programming & Policymaking

d. Provide financial assistance to qualified families through City funded scholarships for youth related programs such as: before/after-school childcare, spring break & summer camps, swim lessons, and after-school sport programs. Parks and Recreation continues to provide youth program and activity scholarships for qualifying families. This year, the maximum scholarship amount increased from \$300 to \$1,000 per child. A majority of the funds are allocated during spring enrollment.

Housing and Homelessness

Support the expansion of housing options for all, and continue to facilitate the production of housing, including the necessary supporting infrastructure, with an emphasis on affordable and workforce housing and accessibly connected development. Collaborate with local non-profit partners, non-governmental agencies, and the county, state, and federal governments to advocate for increased funding and implementation of comprehensive and effective strategies to prevent and reduce homelessness.

Strategy Updates:

3.1 – Housing Element Implementation

a. Implement the 6th Cycle Housing Element with focus on a missing middle housing program that enables "house-scale" multi-family housing opportunities (duplex, tri-plex, bungalow court, etc.) in select neighborhoods. City staff have implemented a variety of existing and new state and local programs to promote small units and missing middle housing, including processing density bonus housing developments that increase density of both market and below market housing units, and processing ADU and JADUs and SB9 multi-units developments in compliance with new state law.

b. Initiate update to the Margarita Area Specific Plan to include more housing options of all types where appropriate. In progress. A scope of work was prepared by staff and the City Council authorized a Request for Proposals for the Margarita Area Specific Plan update on April 2, 2024. Consultant selection for this effort is anticipated in June 2024 with work commencing in Fiscal Year 2024-25.

c. Initiate update to the Airport Area Specific Plan to allow mixed-use residential development, where appropriate and consistent with the County Airport Land Use Plan. In progress. A scope of work was prepared by staff and a consultant is actively working on updates to the Plan.

d. Conduct a Study Session with the City Council to identify needs and opportunities across the housing spectrum, including various types of transitional and supportive housing options. Complete. On March 5, 2024, the City Council held a housing study session focusing on the housing continuum. As a result of this discussion, City Council requested that staff produce a matrix of the various strategies that were discussed at the Council meeting with information about each strategy. This matrix could inform future discussions about work programs and priorities for the Planning Division.

e. Develop a scope of work for possible funding as part of the 2023-25 Financial Plan Supplement to update the City's parking requirements in consideration of best practices that support housing production.

Complete. Staff has prepared a scope of work and has identified the cost to complete the study will cost approximately \$200,000, which was included as an SOBC request as part of the Supplement.

f. Implement Below Market Rate Housing best practices including leveraging affordable housing fund revenues, down payment assistance programs, streamlined processing of loan documents and updated policies and procedures. The Housing team, in collaboration with the City's third-party "Below Market Rate Housing" administrator, Housekeys, continue to assist placing eligible applicants into units, including running an average of three opportunity drawings per month. This is in addition to transactions for multi-family apartment projects managed directly by partners PSHH and HASLO. A Downpayment Assistance Program was established for the Avila Ranch Development in accordance with the Development Agreement and five loans have been made to date. Three Below Market Rate Housing escrow closings were processed in January and February 2024, including the Maxine Lewis, Bridge Street and Broad Street Place projects. Regionally, the Housing and Infrastructure Plan was approved by the San Luis Obispo Council of Governments, that lists projects, many in SLO, that promote housing production as priorities. On the State level, the City has earned a Pro-housing jurisdiction designation and has applied for the first Prohousing Incentive Grant Program funding opportunity. The Prohousing status will also enables access to specific grants including infrastructure.

3.2 – Homelessness Response Strategic Plan (HRSP) Implementation

a. Work collaboratively with County and key stakeholders to coordinate regional encampment and street outreach, including an expanded hotel voucher program to ensure a bridge for temporary emergency shelter. The City has implemented a hotel voucher program with the Community Action Partnership of SLO (CAPSLO) and has updated and coordinated encampment protocols including Compassionate Assistance, Mitigation and Prevention (CAMP) Standards, and joint notification with other agencies for encampments.

b. Increase homeless response communications, resource sharing and education including increased public use of Ask SLO app. Staff have revised and streamlined new ASK SLO protocol for homelessness response to coordinate all requests through the homelessness response team with specific private property inquiries going to code enforcement. On the outreach front, Homelessness Response staff have distributed over 1,000 updated pocket guides (in English and Spanish), provided direct outreach to downtown businesses with Community Service Officers, and responded to ten media and 27 community partner and business group invitations to speak to organizations about City Homelessness Response. A Homelessness Response Community Forum is planned for June 5, 2024.

c. & d. Expand implementation of digital encampment management tool internally and for potential countywide use and leverage additional funding from other partner agencies for Mobile Crisis Unit (MCU) and Community Action Team (CAT); develop sustainable safe parking programs and pilot additional transitional shelter programs with regional partners. Staff has developed and implemented the Survey 123 App for multi-departmental use in tracking encampment work and continue to work with regional partners to join regional platforms. A transition to utilize SLO County Licensed Psych Tech (LPT) resources for CAT and MCU teams is underway. Overnight Safe Parking was expanded from seven to twelve spots at the 40 Prado Homeless Services Center and a rotating overnight safe parking program has been developed and is awaiting implementation readiness through CAPSLO and funding through SLO County.

e. Support County and regional partners in pursuing and implementing funding resources as appropriate given the City's role for services, and transitional and permanent supportive housing, including

Major City Goals

Encampment Resolution Funding and Project Homekey grants. The City and People's Self-Help Housing secured a \$19.5 million Project Homekey grant in December 2023 to acquire and rehabilitate a Motel 6 to convert it into 75 permanent supportive housing units by the end of 2024. Additional funding sources include a commitment from the City for \$400,000 in Affordable Housing Funds, Project Based Vouchers provided through the Housing Authority of San Luis Obispo (HASLO), capital and renovation funds provided through San Luis Obispo County, and private donation funds. Homelessness Response staff have also been working with the County of SLO through a state Encampment Resolution Funding award for the development of 34 transitional housing units at the Welcome Home Village site in addition to 46 permanent supportive housing units to house and provide wrap-around services to unsheltered individuals, which received approval by the County Board of Supervisors on May 21, 2024. It is anticipated that a grant subrecipient agreement will be approved between the County and the City in June 2024 for outreach services and begin implementation in Fiscal Year 2024-25.

f. Continue to develop the City's Safe Housing Outreach and Education Program, including preparation of a Council Memo on options for protecting renters, including homelessness prevention strategies. The City Council held a study session on March 5th, 2024 with Code Enforcement Staff presenting on safe housing and a renter protection memorandum is under development for delivery to City Council in Summer 2024.

g. Monitor an update the two-year Homelessness Response Plan to align with Countywide Plan to reduce homelessness. An update for the City's Homelessness Response Strategic Plan is planned to be presented on the June 18, 2024 City Council Agenda.

3.3 – Environmental Clean-up in Creeks and Open Space

a.b. Environmental clean-ups in creeks, open space areas, City Parks and public spaces associated with abandoned personal property and trash. Staff have updated and streamlined encampment clean ups, including and revising protocols for internal and external requests and those coming through Ask SLO, in alignment with the City Compassionate Assistance Mitigation and Prevention (CAMP) standards. This includes the weekly San Luis Creek (BJBT) clean-ups conducted by Ranger Service.

3.4 – Public Safety

a.b. Maintain the SLOPD bicycle patrol program as staffing allows and utilize the new Community Service Officer program to ensure effectiveness and improvements in quality-of-life surrounding homelessness issues in the downtown. The Police Department's Community Action Team (CAT) continues to work closely with the Fire Department's Mobile Crisis Unit to provide ongoing support to individuals suffering from mental health and behavioral health challenges.

Climate Action, Open Space, and Sustainable Transportation

To proactively address the climate crisis, continue to update and implement the Climate Action Plan for carbon neutrality, including preservation and enhancement of open space and the urban forest, alternative and sustainable transportation, and planning and implementation for resilience.

Strategy Updates:

4.1. Implement the Climate Action Plan and Lead by Example 2023-25 Work Plans

Fleet is continuing to source all-electric vehicles for every fleet replacement or addition that can utilize this emissions-free technology to complete work tasks. We now have ten (10) F150 EV's and five (5) EV

Major City Goals

cars performing daily operations, with an additional EV truck and two (2) EV Police vehicles on-order. Plans are underway to order more when CIP funding is approved, as many gasoline-powered City vehicles are ready for replacement with EVs. Fleet has led the way on internal-use charger implementation with 6 level-2's at the Corporation Yard. Many departments are also embracing City-vehicle EV charging: Parking now has two (2) stand-alone units, the Water Treatment Plant has one unit and Fire is installing one. The Parks & Recreation and Utilities offices, Sinsheimer Park and the new PD Admin building are all slated for charger installations in the near future, and all either have an EV, or have them on order.

As a partner of the City's 10 Tall initiative, the Public Works Department is responsible for planting 1,000 of the 10,000 new trees, as well as continue to care for the existing urban forest. The department continues to inventory newly planted trees in developments, replace trees with health and hazard issues and partner with community groups such as ECO SLO to plant new trees in parks and in the public right-of-way.

4.2 Sustain, Manage, and Enhance the City's Greenbelt and Make Progress on Planting 10,000 trees by 2035

b. Complete installation of adopted trail systems at the Irish Hills Natural Reserve and at Miossi Open Space. The Bog Thistle connector, along with the re-route extension of King Trail were completed within the Irish Hills Natural Reserve. Ranger Service continues the design process for Hi Bar extension at Miossi Open Space and the Waddell parcel of the Irish Hills Natural Reserve, which includes the botany survey and eventual trail construction.

c. Identify and implement trail alignment revisions, if feasible, and other solutions to reduce erosion and wet weather closures and address trail user safety and enjoyment at Reservoir Canyon Natural Reserve. Ranger Service has identified a new trail alignment from the Lizzie Street trailhead to the summit; however, implementation has been delayed due to the effects of the Lizzie Fire on portions of this area. This project is expected to commence in late spring and continue through summer 2024.

d. Continue Open Space education activities including the "hikes with experts" series, Junior Ranger Camp, and ongoing public information and programming, with emphasis on equity and equitable access. Ranger Service has continued monthly educational hikes for the community which included bi-lingual Spanish translation hike, and a special autism group hike, three total (spring break and two summer) sessions of junior ranger camp, educational outreach at schools and Farmers Market booths.

e. Continue implementation by Ranger Service staff of all Open Space maintenance activities including establishing a replacement schedule for Open Space trailhead improvements, as well as replacement or repair of Open Space fencing currently in disrepair, all as set forth in the adopted Open Space Maintenance Plan. Ranger Service continues to implement maintenance activities, including the replacement and repair of fencing, set forth in the adopted Open Space Maintenance Plan across all twelve Open Space properties.

f. Continue ongoing Ranger Service patrol of Open Space areas ensuring compliance with the City Open Space regulations, the safety of users, and protection of natural resources values and functions. Routine patrol of the twelve Open Space areas by Ranger Service is ongoing.

g. Implement priority projects at Righetti Hill Open Space consistent with the Conservation Plan (if adopted in May 2023). Ranger Service completed the initial Righetti Hill Summit Trail. The design of the Loop Trail has been approved and is anticipated to start in summer 2024.

h. Continue to work with community groups on tree planting in creeks and open space areas toward the goal of 10,000 trees by the year 2035 as called for in CAP Natural Solutions task 2.1.A. Parks & Recreation continue to tree planting efforts with volunteers and other community groups throughout city creeks and open spaces. Notable accomplishments were plantings at Terrace Hill and Cerro San Luis (100 trees planted to date) that occurred in January and February 2024.

j. Continue to implement rehabilitation efforts throughout the City's open space network where storm damage has occurred to trails, access roads, and other open space infrastructure. There are still ongoing minor projects within Miossi open space, Waddel, Johnson Ranch, and Reservoir Canyon properties. Larger projects are being conducted at Cerro San Luis and Irish Hills for trail repairs.

k. Continue partnership with City Farm SLO to install site security and access measures and to implement California Farmland Conservancy Program grant scope of work.

4.3. Preserve and Enhance Convenient and Equitable Alternative and Sustainable Transportation Options

Progress has been in completing the Active Transportation Plan (ATP) Tier 1 Network including near completion of the North Chorro Neighborhood Greenway and the Santa Barbara Street protected bike lanes as part of the 2023 Arterials Paving Project. In addition, several new projects have been initiated including preparation of a draft corridor concept plan and initiating public outreach for the Foothill Complete Street Project and initiating planning for the South Broad Complete Street Project.

The Prado Creek Bridge Replacement project continues towards final design, with right-of-way acquisition and utility coordination as the critical path items. Construction is projected to begin in Fall 2025, and will add dedicated cycle and pedestrian facilities, as well as a protected style intersection. Additional vehicular lanes will also be added in order to accommodate future growth within the City.

The existing at-grade interchange at Prado Road and Highway 101 is proposed to be replaced with an elevated structure. The Prado Interchange project will consist of an overcrossing over Highway 101, elevated northbound ramps, widening of Prado Road and re-alignment of Elks Lane. Separated cycle and pedestrian facilities will be added, providing new connectivity across town for a truly time saving multi-modal link.

Progress has also been made in exploring a bikeshare program in partnership with Cal Poly University and drafting a Request for Proposals for Council's consideration. In addition, staff published the first iteration of the Active Transportation Plan Report Card, which details City progress on eight performance measures in the Active Transportation Plan.

In February 2024, the City finalized SLO Transit's Transit Innovation Study which evaluated the feasibility and potential impact of technology and service changes to improve transit service delivery in the community. Staff is developing an implementation for the recommended actions, including pursuing grant funding for technology upgrades, transit pass program improvements, and service enhancements. Recommendations like more frequent service and bus stop amenity improvements will also be analyzed further and possibly incorporated into future operational and capital plans through the Short Range Transit Plan (SRTP) update that is currently underway. A draft SRTP report will be ready for the public review by Fall 2024.

Major City Goals

Council approved a pilot program for discounted K-12 student passes that will be in effect through June 2025 giving staff time monitor program adoption and impacts to the Transit Fund. Staff will return to Council with a recommendation to either formalize the program and/or make further changes to it depending on these factors.

In March 2024, City Council adopted SLO Transit's Zero-Emission Rollout Plan (Rollout Plan) as mandated by the state to comply with Innovative Clean Transit regulations. The Rollout Plan details SLO Transit's transition plan to zero-emission vehicle operations based on the state's purchasing timeline requirements. SLO Transit is ahead of schedule with two battery electric buses already in service and eight more on order. Staff is pursuing additional grant funding opportunities to replace the remaining diesel-powered buses.

The charging infrastructure project at the bus yard is nearing completion with two charging stations already installed and commissioned. The project includes all underground infrastructure needed to support a full fleet transition to zero-emission technologies. The City is also working on a solar array project which will include installations at the bus yard. The solar array project is currently in the design phase.

4.4. Increase Community Resilience

Implementation of the Mid Higuera Bypass project is projected to begin in Spring 2025, which will provide flood control between the Marsh and Madonna Interchanges. Laguna Lake dredging is being re-evaluated after the completion of the Prefumo Creek Clearing project, as the creek now discharges into the deepest section of the creek. Staff plans to extend permits, perform a bathymetric survey and plan work for future projects. The City's annual silt removal sites are being re-evaluated as the current suite of permits expire, and the City is working with regulatory agencies in order to expand the scope of silt removal projects City-wide. Work is planned this summer at the Tank Farm and Hollyhock intersection.

Table 8.1 Major City Goal Tracker

	MCG	Strategy	Strategic Approach #	Task/ Action	Responsible Department(s)	Original Completion Date	Updated Completion Date	Status
1.1 For All Members of the Community								
1	ER,CV & FS	Sustainable, Diverse, and Inclusive Economic Development	1.1	a. Implement the relevant actions in the updated Economic Development Strategic Plan (EDSP) focusing on those relevant to Economic Resiliency, Cultural Vitality and Fiscal Sustainability.	ADM (ED&T)	Ongoing	Ongoing	●
2	ER,CV & FS	Sustainable, Diverse, and Inclusive Economic Development	1.1	b. Continue to partner with the Office of Sustainability to implement the economic development related actions in the Climate Action Plan (CAP) as well as the sustainability related actions in the updated Economic Development Strategic Plan (EDSP)	ADM (ED&T/Sustainability)	Ongoing	Ongoing	●
3	ER,CV & FS	Sustainable, Diverse, and Inclusive Economic Development	1.1	c. Continue to partner with the Office of Diversity, Equity and Inclusion (DEI) to implement the economic development related actions in the DEI major City goal and planned DEI strategic framework as well as the DEI related actions in the updated Economic Development Strategic Plan (EDSP)	ADM (ED&T/DEI)	Ongoing	Ongoing	●
4	ER,CV & FS	Sustainable, Diverse, and Inclusive Economic Development	1.1	d. Continue to monitor local labor participation in major City projects and adjust the City's efforts as needed to ensure local labor participation through the use of Community Workforce Agreements and other similar tools. Work to finalize CWA for Prado Overpass and Public Safety Center.	PW/Util	Ongoing	Ongoing	●
5	ER,CV & FS	Sustainable, Diverse, and Inclusive Economic Development	1.1	e. Continue to update the employment scorecard and the economic activity scorecard.	ADM (ED&T)/CDD/PW/FIN	Ongoing	Ongoing	●
6	1.2 Business Support							
7	ER,CV & FS	Business Support	1.2	a. Continue activations, promotions and programs like "Buy Local Bonus", "Eat Local Bonus" and "Shop local" to build economic resiliency through out the City and including downtown.	ADM (ED&T)	Ongoing	Ongoing	●
8	ER,CV & FS	Business Support	1.2	b. Continue to work with partners at the Chamber, REACH, Cal Poly, Downtown SLO, SCORE and others to support the business community through retention, creation, attraction, education and communication efforts.	ADM (ED&T)	Ongoing	Ongoing	●
9	ER,CV & FS	Business Support	1.2	c. Continue to promote the City to tourists, visitors and locals through the efforts of the TBID and the PCC.	ADM (ED&T)	Ongoing	Ongoing	●
10	ER,CV & FS	Business Support	1.2	d. Continue to focus on efficiency and transparency in the permitting process through implementation of new tools, performance management reporting, and enhanced customer transparency tools. Report recurring performance measures or permit processing times during General Plan Annual Report.	CDD	Ongoing	Ongoing	●
11	ER,CV & FS	Business Support	1.2	e. Ensure broad and inclusive engagement in area and specific plans updated by the Community Development Department to represent the needs of local businesses.	ADM (ED&T)/CDD	Ongoing	Ongoing	●
12	ER,CV & FS	Business Support	1.2	f. Conduct outreach and engagement with property owners and businesses in the Upper Monterey Special Focus Area to confirm scope in pursuing an area plan consistent with Land Use Element Policy 8.2.2.	CDD	FY25 Q4	FY25 Q4	●
13	ER,CV & FS	Business Support	1.2	g. Continue to support new and expanded private childcare options through the use of grant funding and other programs.	ADM (ED&T)	Ongoing	Ongoing	●
14	ER,CV & FS	Business Support	1.2	h. Continue to support the childcare options for school age children through the City's own programs and programs in conjunction with other partners.	P&R	Ongoing	Ongoing	●
15	ER,CV & FS	Business Support	1.2	i. Proactively evaluate and implement after briefing council on opportunities to partner with Cal Poly, San Luis Coastal Unified School District and other major employers for employer supported childcare programs.	P&R	Ongoing	Ongoing	●
16	ER,CV & FS	Business Support	1.2	j. Represent the interests of the business community during the implementation of the broadband strategic plan.	ADM (ED&T)	Ongoing	Ongoing	●
17	1.3 Arts & Culture Support							
18	ER,CV & FS	Downtown Vitality	1.3	a. Continue to partner with Downtown SLO to ensure the promotion, resiliency, growth, and vitality of the Downtown.	ADM (ED&T)	Ongoing	Ongoing	●
19	ER,CV & FS	Downtown Vitality	1.3	b. Continue to financially and operationally support Downtown SLO during the winter holidays including incentivizing private participation through the matching program.	ADM (ED&T)	Ongoing	Complete	●
20	ER,CV & FS	Downtown Vitality	1.3	c. Continue to support the Downtown SLO programs like Clean & Safe, the Ambassadors and homelessness support.	ADM (ED&T)	Ongoing	Ongoing	●
21	ER,CV & FS	Downtown Vitality	1.3	d. Develop a Council report and Study Session on downtown vacancies, the status and possible options to address any issues identified.	ADM (ED&T)	FY24 Q2	Ongoing	●

	MCG	Strategy	Strategic Approach #	Task/ Action	Responsible Department(s)	Original Completion Date	Updated Completion Date	Status
22	ER,CV & FS	Downtown Vitality	1.3	Develop an implementation plan for the recently adopted Access and Parking Management Plan and begin execution of the plan.	PW	Ongoing	Ongoing	●
23	ER,CV & FS	Downtown Vitality	1.3	f. Begin construction of the Cultural Arts District Parking Structure.	PW	FY24 Q2	Complete	●
24	ER,CV & FS	Downtown Vitality	1.3	g. Replace the existing Mission Plaza Restrooms in compliance with Mission Plaza Concept Plan and Council Direction.	PW	Ongoing	Ongoing	●
25	1.4 Downtown Vitality							
26	ER,CV & FS	Support Arts and Culture	1.4	a. Continue to work with our community partners to ensure the Cultural Vitality of the City.	P&R/ADM (NR&S)/ADM (ED&T)	Ongoing	Ongoing	●
27	ER,CV & FS	Support Arts and Culture	1.4	b. Continue to execute the City's public art master plan.	P&R	Ongoing	Ongoing	●
28	ER,CV & FS	Support Arts and Culture	1.4	c. Ensure that the City promotes the various City and privately owned art installations through programs like the public art promotional plan developed by the PCC.	ADM (ED&T)	Ongoing	Ongoing	●
29	ER,CV & FS	Support Arts and Culture	1.4	d. Continue to financially support the Arts and Cultural Activities of the City through the PCC's GIA program and the additional grant funding via the PCC.	ADM (ED&T)	Ongoing	Ongoing	●
30	ER,CV & FS	Support Arts and Culture	1.4	e. Continue the citywide banner program.	ADM (ED&T)	Ongoing	Ongoing	●
31	ER,CV & FS	Support Arts and Culture	1.4	f. Continue to support the preservation of the City's adobes, including work on the La Loma Adobe through a phased approach intended to ensure that the structure is ready for active stabilization efforts by 2025.	ADM (NR&S)	FY25 Q4	FY25 Q4	●
32	ER,CV & FS	Support Arts and Culture	1.4	g. Initiate implementation of the consultant recommended phased approach to update the City's historic resources inventory.	CDD	FY24 Q2	Complete	●
33	ER,CV & FS	Support Arts and Culture	1.4	h. Develop a Council Memorandum on the current base level of economic support for Arts and Cultural activities across the various departments in the City.	ADM (ED&T)	FY24 Q2	Complete	●
34	1.5 Practicing Fiscal Responsibility							
35	ER,CV & FS	Ensuring Fiscal Responsibility and Sustainable City Operations	1.5	b. Conduct a Study Session on alternative capital project delivery options and determine whether Council wishes to proceed with a Charter Amendment.	PW/Util	Ongoing	FY24 Q4	●
36	ER,CV & FS	Ensuring Fiscal Responsibility and Sustainable City Operations	1.5	c. Implement a City fee program update.	CSG	FY24 Q4	FY24 Q4	●
37	ER,CV & FS	Ensuring Fiscal Responsibility and Sustainable City Operations	1.5	Continue to implement and enhance the City's sound financial management practices to support stability of the organization and services provided to the community.	Fin	FY24 Q3	Ongoing	●
38	ER,CV & FS	Ensuring Fiscal Responsibility and Sustainable City Operations	1.5	d. Implement a Development impact fee (AB1600) study and update.	CSG	FY24 Q3	FY24 Q4	●
39	ER,CV & FS	Ensuring Fiscal Responsibility and Sustainable City Operations	1.5	e. Monitor Public Banking advances and alert the City Council to major changes.	Fin	Ongoing	Ongoing	●
40	ER,CV & FS	Ensuring Fiscal Responsibility and Sustainable City Operations	1.5	f. Continue to support and prioritize employee development and growth through investing in resources to train, develop, and onboard new and transitioning employees.	HR/All	Ongoing	Ongoing	●
41	ER,CV & FS	Ensuring Fiscal Responsibility and Sustainable City Operations	1.5	g. Continue to support employees in managing their workloads by reviewing and prioritizing work efforts, goals, and balancing trade-offs for a new workload.	HR/All	Ongoing	Ongoing	●
42	ER,CV & FS	Ensuring Fiscal Responsibility and Sustainable City Operations	1.5	h. Continue to evaluate and adjust internal meetings to create more effective meeting practices.	HR/All	Ongoing	Ongoing	●
43	ER,CV & FS	Ensuring Fiscal Responsibility and Sustainable City Operations	1.5	i. Continue promoting cross-department communication and collaboration amongst employees.	HR/All	Ongoing	Ongoing	●
44	ER,CV & FS	Ensuring Fiscal Responsibility and Sustainable City Operations	1.5	j. Continue to evaluate and enhance the training and usability of Oracle Cloud, the City's Enterprise Resource Planning/Human Capital Management software.	IT/Fin/HR	Ongoing	Ongoing	●
45	2.1 Establish Office of DEI							
46	DEI	Operationalize Office of DEI	2.1	a. Based on the completion of the DEI Strategic Plan, determine the ongoing support structure needed in the Office of DEI to optimally deliver organizational and community programs and services.	Admin-DEI	Ongoing	Ongoing	●
47	DEI	Operationalize Office of DEI	2.1	b. Work with Cal Poly and Cuesta to host interns.	Admin-DEI	Ongoing	Ongoing	●
48	DEI	Operationalize Office of DEI	2.1	c. Further develop purpose, role, activities, and enhance impact of DEI Employee Committee, including equal standing and priority to tasks and responsibilities assigned to the members (e.g. ERGs, newsletters, cultural celebrations, trainings, internal communication, public web pages, etc.).	Admin-DEI	Ongoing	Complete	●
49	DEI	Operationalize Office of DEI	2.1	d. Continue to support and act as the staff liaison to the Human Relations Commission (HRC).	Admin/DEI	Ongoing	Complete	●
50	DEI	Operationalize Office of DEI	2.1	e. Continue to provide grant support to the HRC for DEI High Impact Grants, Community Development Block Grants and Human Services Grants and complete necessary follow up and reporting with grant recipients.	Admin-DEI	Ongoing	Complete	●

	MCG	Strategy	Strategic Approach #	Task/ Action	Responsible Department(s)	Original Completion Date	Updated Completion Date	Status
51	2.2 Develop & Implement DEI Strategic Plan							
52	DEI	Develop & Implement DEI Strategic Plan	2.2	a. Complete a DEI Strategic Plan for comprehensive DEI initiatives and programming for the organization and community based on needs, priorities, and resource assessments.	Admin-DEI	FY24 Q3	Complete	●
53	DEI	Develop & Implement DEI Strategic Plan	2.2	b. Implementation of prioritized programs as outlined in the DEI Strategic Plan within available resources.	Admin-DEI	Ongoing	Ongoing	●
54	2.3 Workforce Recruitment & Retention							
55	DEI	Foster and Promote Equitable Recruiting, Hiring, Retention, and Promotion Practices	2.3	a. Continue to enhance job descriptions and recruiting materials such as materials in Spanish or in different formats to easy access.	HR	Ongoing	Ongoing	●
56	DEI	Foster and Promote Equitable Recruiting, Hiring, Retention, and Promotion Practices	2.3	b. Assess and develop enhancements processes such as implementing DEI-focused screening and interviewing trainings to personnel and interview panels.	HR	Ongoing	FY25 Q2	●
57	DEI	Foster and Promote Equitable Recruiting, Hiring, Retention, and Promotion Practices	2.3	c. Create and rollout DEI-focused trainings for employees.	HR	Ongoing	FY25 Q2	●
58	DEI	Foster and Promote Equitable Recruiting, Hiring, Retention, and Promotion Practices	2.3	d. Examine policies and programs to support primary caretakers.	HR	Ongoing	Ongoing	●
59	DEI	Foster and Promote Equitable Recruiting, Hiring, Retention, and Promotion Practices	2.3	e. Continue communicating childcare options and resources for City employees; additional to First 5 findings. Explore flex schedules, job share, remote options, etc.	HR	Ongoing	FY25 Q2	●
60	2.4 Inclusive & Equitable Workplace							
61	DEI	Enhance Inclusive & Equitable Workplace Environment	2.4	a. Develop and adopt a DEI statement for the organization.	Admin-DEI	FY24 Q1	Complete	●
62	DEI	Enhance Inclusive & Equitable Workplace Environment	2.4	b. Develop and implement a DEI module in new hire onboarding process.	HR	Ongoing	FY25 Q2	●
63	DEI	Enhance Inclusive & Equitable Workplace Environment	2.4	c. Provide DEI-related training for all staff of all levels (Council, Commission, Advisory Board, Directors, Managers, Staff, etc.).	Admin-DEI/HR	Ongoing	Ongoing	●
64	DEI	Enhance Inclusive & Equitable Workplace Environment	2.4	d. Complete a planning study for gender-inclusive restroom and sleeping facilities for Fire Stations 3 & 4. Process with design work pending results of study.	Public Works/Fire	Ongoing	Ongoing	●
65	2.5 Community-based Policing & Restorative Practices							
66	DEI	Community-based Policing & Restorative Practices	2.5	a. Promote DEI best practices in Police Department (PD) recruiting and hiring efforts.	Admin-DEI/PD/HR	Ongoing	Ongoing	●
67	DEI	Community-based Policing & Restorative Practices	2.5	b. Work in partnership with Facilities and PD to ensure new public safety building design is equitable and inclusive for the community and all department employees.	Admin/PD/Public Works	Ongoing	Ongoing	●
68	DEI	Community-based Policing & Restorative Practices	2.5	c. Continue to work with community partners (PAC and Roundtable) to give the community a voice in policing and that 21st Century Policing Recommendations are implemented where possible.	PD	Ongoing	Ongoing	●
69	DEI	Community-based Policing & Restorative Practices	2.5	d. Use Community partnerships to help build a 5-year strategic plan to create transparency and legitimacy.	PD	Ongoing	Complete	●
70	2.6 Cal Poly & Cuesta Partnerships							
71	DEI	Enhance and Expand Cal Poly & Cuesta College Partnerships and Educational Opportunities	2.6	a. Establish bimonthly collaborative and informative meetings with Cal Poly Office of University Diversity & Inclusion and Cuesta College Office of Student Equity & Special Programs to further explore partnerships around education and training.	Admin-DEI	Ongoing	Ongoing	●
72	DEI	Enhance and Expand Cal Poly & Cuesta College Partnerships and Educational Opportunities	2.6	b. Utilize the Assistant VP for Strategic Planning and Network at Cal Poly OUDI to research best practices, grants for internships, programs, outreach, innovative practices, etc.	Admin-DEI	Ongoing	Ongoing	●
73	DEI	Enhance and Expand Cal Poly & Cuesta College Partnerships and Educational Opportunities	2.6	c. Host City/Cal Poly quarterly roundtable (City & Cal Poly leadership, DEI Employee Committee, HRC, Cal Poly students, DEI Leaders, Cuesta College, etc.) regarding community/student experience, relationship-building and partnership programs.	Admin-DEI	Ongoing	Ongoing	●
74	DEI	Enhance and Expand Cal Poly & Cuesta College Partnerships and Educational Opportunities	2.6	d. Explore and develop shared multicultural programming, activities, and events with Cal Poly, Cuesta College, and Non-profit partners through a pilot and/or pop up multicultural center experience.	Admin-DEI	Ongoing	Complete	●
75	DEI	Enhance and Expand Cal Poly & Cuesta College Partnerships and Educational Opportunities	2.6	e. Contract to develop a feasibility study for a multicultural center.	Admin-DEI	Ongoing	Ongoing	●
76	2.7 Access, Inclusion, Support for Underrepresented Communities							
77	DEI	Strengthen Public Access and Engagement through Transformational Strategies	2.7	a. Support the development and implementation of the Broadband Strategic Plan to ensure access is equitable and pursue funding to fill gaps.	Admin-DEI/IT	Ongoing	Ongoing	●

	MCG	Strategy	Strategic Approach #	Task/ Action	Responsible Department(s)	Original Completion Date	Updated Completion Date	Status
78	DEI	Strengthen Public Access and Engagement through Transformational Strategies	2.7	b. Continue to provide Community Academy program in even numbered years including application outreach to underserved/underrepresented communities.	Admin-DEI	Ongoing	Complete	●
79	DEI	Strengthen Public Access and Engagement through Transformational Strategies	2.7	c. Complete training for applicable staff on the City's updated Public Engagement & Noticing (PEN) to ensure diverse participation.	Admin-DEI	Ongoing	Ongoing	●
80	2.8 Community Education & Programming							
81	DEI	Equity & Inclusion in Budgeting, Planning, Programming & Policymaking	2.8	a. Review and embed DEI language into existing policies and procedures, codes of conduct within facilities, parks, programs, events, and rentals for services provided to the community.	Admin-DEI	Ongoing	Ongoing	●
82	DEI	Equity & Inclusion in Budgeting, Planning, Programming & Policymaking	2.8	b. Include DEI Manager Financial Planning Steering Committee meetings.	Admin-DEI	Ongoing	Ongoing	●
83	DEI	Equity & Inclusion in Budgeting, Planning, Programming & Policymaking	2.8	c. Edit existing and create new policies and procedures that reflect a DEI lens for internal processes to ensure all City Departments support the DEI MCG.	Admin-DEI	Ongoing	Ongoing	●
84	DEI	Equity & Inclusion in Budgeting, Planning, Programming & Policymaking	2.8	d. Provide financial assistance to qualified families through City funded scholarships for youth related programs such as: before/after-school childcare, spring break & summer camps, swim lessons, and after-school sport programs.	Parks & Rec	Ongoing	Ongoing	●
85	3.1 Implement Housing Element							
86	HH	Housing Element Implementation	3.1	a. Initiate a missing middle housing program that enables "house-scale" multi-family housing opportunities (duplex, tri-plex, bungalow court, etc.) in neighborhoods where existing infrastructure (e.g. arterial and collector streets) can support additional infill and intensification and promote complete neighborhoods.	CDD; Attorney	FY25 Q4	FY25 Q4	●
87	HH	Housing Element Implementation	3.1	b. Initiate an update to the Margarita Area Specific Plan to include more housing options of all types (affordable, multi-family, mixed-use) on undeveloped land, and work with property owners on a plan for the completion of the Prado Road extension to Broad Street.	CDD; PW Transportation	FY25 Q4	FY25 Q4	●
88	HH	Housing Element Implementation	3.1	c. Initiate an update to the Airport Area Specific Plan to allow mixed-use residential development, where appropriate and consistent with the County Airport Land Use Plan	CDD; Attorney	FY25 Q4	FY25 Q4	●
89	HH	Housing Element Implementation	3.1	d. Conduct a Study Session with the City Council to identify needs and opportunities across the housing spectrum, including various types of transitional and supportive housing options.	CDD	FY24 Q3	Complete	●
90	HH	Housing Element Implementation	3.1	e. Develop a scope of work for possible funding as part of the 2023-25 Financial Plan Supplement to update the City's parking requirements in consideration of best practices that support housing production. Strategies may include lowering parking minimums, establishing parking maximums, reducing parking requirements in areas close to services and transit facilities, and other proven strategies.	CDD; PW Transportation; PW Parking Services	FY24 Q3	Complete	●
91	HH	Housing Element Implementation	3.1	f. Implement Below Market Rate Housing best practices including leveraging affordable housing fund revenues, down payment assistance programs, streamlined processing of loan documents, and updated policies and procedures.	CDD; Attorney	FY24 Q4	FY24 Q4	●
92	3.2 Implement Inclusionary Housing Ordinance							
93	HH	Homelessness Response Strategic Plan Implementation	3.2	a. Work collaboratively with County and key stakeholders to coordinate regional encampment and street outreach, including an expanded hotel voucher program to ensure a bridge for temporary emergency shelter	CDD; Attorney	FY24 Q4	FY24 Q4	●
94	HH	Homelessness Response Strategic Plan Implementation	3.2	b. Increase homelessness response communications, resource sharing, and education, including increased public use of Ask SLO app	CDD; Admin	FY24 Q4	FY24 Q4	●
95	HH	Homelessness Response Strategic Plan Implementation	3.2	c. Expand implementation of digital encampment management tool internally and for potential countywide use or explore using other countywide systems shared with other regional partners.	CDD; PW; P&R; PD; Fire	FY24 Q4	FY24 Q4	●
96	HH	Homelessness Response Strategic Plan Implementation	3.2	d. Leverage additional funding from other partner agencies for Mobile Crisis Unit (MCU) program, and Community Action Team (CAT) and service expansion; develop sustainable safe parking programs; and pilot additional transitional shelter programs with regional partners	CDD; PD; Fire	FY24 Q4	FY24 Q4	●
97	HH	Homelessness Response Strategic Plan Implementation	3.2	e. Support County and regional partners in pursuing and implementing funding resources as appropriate given the City's role for services, and transitional and permanent supportive housing, including Encampment Resolution Funding and Project Homekey grants	CDD; Admin	FY24 Q4	FY24 Q4	●

	MCG	Strategy	Strategic Approach #	Task/ Action	Responsible Department(s)	Original Completion Date	Updated Completion Date	Status
98	HH	Homelessness Response Strategic Plan Implementation	3.2	f. Continue to develop the City's Safe Housing Outreach and Education Program, including preparation of a Council Memo on options for protecting renters, including homelessness prevention strategies.	Attorney; CDD	FY24 Q4	FY24 Q4	●
99	HH	Homelessness Response Strategic Plan Implementation	3.2	g. Monitor and update the two-year Homelessness Response Strategic Plan to align with Countywide Plan to Reduce Homelessness, other regional and state opportunities, and in advance of next City financial plan	CDD	FY25 Q2	FY25 Q2	●
100	3.3 Below Market Rate Portfolio Management							
101	HH	Environmental Clean-up in Creeks and Open Space	3.3	a. Environmental clean-ups in creek and open space areas associated with abandoned personal property and trash. (Funding approved on March 7, 2023)	P&R	FY25 Q4	FY25 Q4	●
102	HH	Environmental Clean-up in Creeks and Open Space	3.3	b. Environmental clean-ups in City Parks and public spaces associated with abandoned personal property and trash. (Funding approved on March 7, 2023)	PW	FY25 Q4	Ongoing	●
103	3.4 Financial Management							
104	HH	Public Safety	3.4	a. Maintain SLOPD bike patrol program as staffing allows	PD	FY25 Q4	Ongoing	●
105	HH	Public Safety	3.4	b. Implement the new Community Service Officer program over the next fiscal year to ensure effectiveness and improvements in quality of life surrounding homelessness issues in the downtown (funding approved on March 7, 2023)	PD	FY24 Q1	Complete	●
106	4.1 Implement the Climate Action Plan and Lead by Example 2023-25 Work Plans							
107	CA, OS, ST	Implement the Climate Action Plan and Lead by Example 2023-25 Work Plans	4.1	a. Continue to install electric vehicle chargers and replace fleet vehicles as needed with all-electric alternatives as called for by CAP Lead by Example task 1.1.A .	Public Works	Ongoing	Ongoing	●
108	CA, OS, ST	Implement the Climate Action Plan and Lead by Example 2023-25 Work Plans	4.1	b. Continue to electrify the bus fleet as called for by CAP Lead by Example task 1.1.A.	Public Works	Ongoing	Ongoing	●
109	CA, OS, ST	Implement the Climate Action Plan and Lead by Example 2023-25 Work Plans	4.1	c. Complete installation of solar panels at the City's Bus Yard, Fire Station 1, and Sinsheimer Pool as called for by CAP Lead by Example task 1.1.A.	Public Works / Administration	FY25 Q2	FY25 Q2	●
110	CA, OS, ST	Implement the Climate Action Plan and Lead by Example 2023-25 Work Plans	4.1	e. Apply the "Sustainable SLO" mark to City infrastructure and assets and conduct a general awareness outreach program as funding and staff resources allow, as called for by CAP Lead by Example task 1.1.B.	Administration	Ongoing	Ongoing	●
111	CA, OS, ST	Implement the Climate Action Plan and Lead by Example 2023-25 Work Plans	4.1	f. Provide ongoing support for Central Coast Community Energy Policy and Operations Board Members, and engage in staff level policy and program development, as called for by CAP Clean Energy task 1.1.A	Administration	Ongoing	Ongoing	●
112	CA, OS, ST	Implement the Climate Action Plan and Lead by Example 2023-25 Work Plans	4.1	g. Pursue funding, and if feasible, create the "Green and Healthy Buildings" service to educate the community and connect building owners with resources, federal funding, incentives, financing, contractors, and streamlined permitting as called for by CAP Green Buildings Task 2.1.B, 2.1.C, and 2.1.D, and CASE Program HE-4.7.	Administration / CDD	Ongoing	Ongoing	●
113	CA, OS, ST	Implement the Climate Action Plan and Lead by Example 2023-25 Work Plans	4.1	h. Continue to monitor impacts to Municipal Code 8.11 (All-Electric New Buildings), and if necessary return to Council with an alternative approach to achieving the City's climate action goals as they relate to new buildings.	Administration / CDD	Complete	Complete	●
114	CA, OS, ST	Implement the Climate Action Plan and Lead by Example 2023-25 Work Plans	4.1	i. Conduct a study session, and pending Council direction, develop an equitable framework for cost effective building electrification retrofit policies, with an initial focus on additions and alterations, as called for by CAP Green Buildings Task 2.1.E.	Administration / CDD	Ongoing	Ongoing	●
115	CA, OS, ST	Implement the Climate Action Plan and Lead by Example 2023-25 Work Plans	4.1	j. Continue SB 1383 implementation by developing an inspection and enforcement program and complying with procurement requirements for organic waste and paper as called for in CAP Circular Economy task 1.1.A and 1.1.B.	Utilities	Ongoing	Ongoing	●
116	CA, OS, ST	Implement the Climate Action Plan and Lead by Example 2023-25 Work Plans	4.1	k. Continue to support the IWMA on facilitating the City's edible food recovery programs as called for in CAP Circular Economy task 1.1.C, 1.2.A, and 1.3.A.	Utilities	Ongoing	Ongoing	●
117	CA, OS, ST	Implement the Climate Action Plan and Lead by Example 2023-25 Work Plans	4.1	Sustain, Manage, and Enhance the City's Greenbelt and Make Progress on Planting 10,000 trees by 2035	Public Works / Administration	Ongoing	Ongoing	●
118	4.2 Sustain, Manage, and Enhance the City's Greenbelt and Make Progress on Planting 10,000 trees by 2035							
119	CA, OS, ST	Sustain, Manage, and Enhance the City's Greenbelt and Make Progress on Planting 10,000 trees by 2035	4.2	a. Actively implement opportunities to purchase open space lands and permanent land conservation agreements in furtherance of the City's Greenbelt Protection Program as called for by CAP Natural Solutions task 1.1.A.	Administration	Ongoing	Ongoing	●
120	CA, OS, ST	Sustain, Manage, and Enhance the City's Greenbelt and Make Progress on Planting 10,000 trees by 2036	4.2	b. Complete installation of adopted trail systems at the Irish Hills Natural Reserve and at Mioissi Open Space.	Parks and Recreation	Ongoing	Ongoing	●

	MCG	Strategy	Strategic Approach #	Task/ Action	Responsible Department(s)	Original Completion Date	Updated Completion Date	Status
121	CA, OS, ST	Sustain, Manage, and Enhance the City's Greenbelt and Make Progress on Planting 10,000 trees by 2037	4.2	c. Identify and implement trail alignment revisions, if feasible, and other solutions to reduce erosion and wet weather closures and address trail user safety and enjoyment at Reservoir Canyon Natural Reserve.	Parks and Recreation	Ongoing	Ongoing	●
122	CA, OS, ST	Sustain, Manage, and Enhance the City's Greenbelt and Make Progress on Planting 10,000 trees by 2038	4.2	d. Continue Open Space education activities including the "hikes with experts" series, Junior Ranger Camp, and ongoing public information and programming, with emphasis on equity and equitable access.	Parks and Recreation / Administration	Ongoing	Ongoing	●
123	CA, OS, ST	Sustain, Manage, and Enhance the City's Greenbelt and Make Progress on Planting 10,000 trees by 2039	4.2	e. Continue implementation by Ranger Service staff of all Open Space maintenance activities including establishing a replacement schedule for Open Space trailhead improvements, as well as replacement or repair of Open Space fencing currently in disrepair, all as set forth in the adopted Open Space Maintenance Plan	Parks and Recreation	Ongoing	Ongoing	●
124	CA, OS, ST	Sustain, Manage, and Enhance the City's Greenbelt and Make Progress on Planting 10,000 trees by 2040	4.2	f. Continue ongoing Ranger Service patrol of Open Space areas ensuring compliance with the City Open Space regulations, the safety of users, and protection of natural resources values and functions.	Parks and Recreation	Ongoing	Ongoing	●
125	CA, OS, ST	Sustain, Manage, and Enhance the City's Greenbelt and Make Progress on Planting 10,000 trees by 2041	4.2	g. Implement priority projects at Righetti Hill Open Space consistent with the Conservation Plan (if adopted in May 2023).	Parks and Recreation	Ongoing	Ongoing	●
126	CA, OS, ST	Sustain, Manage, and Enhance the City's Greenbelt and Make Progress on Planting 10,000 trees by 2042	4.2	h. Continue to work with community groups on tree planting in creeks and open space areas toward the goal of 10,000 trees by the year 2035 as called for in CAP Natural Solutions task 2.1.A.	Administration / Parks and Recreation	Ongoing	Ongoing	●
127	CA, OS, ST	Sustain, Manage, and Enhance the City's Greenbelt and Make Progress on Planting 10,000 trees by 2043	4.2	i. Continue to expand climate-informed maintenance practices in the Greenbelt through external funding and partnerships, and conduct ongoing monitoring on carbon sequestration results and other co-benefits for existing and potential future projects, as called for in CAP Natural Solutions task 2.1.B.	Administration	Ongoing	Ongoing	●
128	CA, OS, ST	Sustain, Manage, and Enhance the City's Greenbelt and Make Progress on Planting 10,000 trees by 2044	4.2	j. Continue to implement rehabilitation efforts throughout the City's open space network where storm damage has occurred to trails, access roads, and other open space infrastructure.	Parks and Recreation / Administration	Ongoing	Ongoing	●
129	CA, OS, ST	Sustain, Manage, and Enhance the City's Greenbelt and Make Progress on Planting 10,000 trees by 2045	4.2	k. Continue partnership with City Farm SLO to install site security and access measures and to implement California Farmland Conservancy Program grant scope of work.	Administration / Parks and Recreation	Ongoing	Ongoing	●
130				4.3 Preserve and Enhance Convenient and Equitable Alternative and Sustainable Transportation Options				
131	CA, OS, ST	Preserve and Enhance Convenient and Equitable Alternative and Sustainable Transportation Options	4.3	a. Active Transportation Plan (ATP) Tier 1 Network - Higuera Complete Street Project: Complete final design and construction of active transportation and safety improvements along Higuera Street corridor from Marsh St. to Los Osos Valley Rd.	Public Works	FY25 Q3	FY26 Q4	●
132	CA, OS, ST	Preserve and Enhance Convenient and Equitable Alternative and Sustainable Transportation Options	4.3	b. Active Transportation Plan (ATP) Tier 1 Network - South/King Crossing: Complete design and construction of a new protected bicycle/pedestrian crossing at the intersection of South St. & King St., improving access to Meadow Park, Hawthorne Elementary, and existing active transportation routes.	Public Works	FY25 Q3	FY26 Q2	●
133	CA, OS, ST	Preserve and Enhance Convenient and Equitable Alternative and Sustainable Transportation Options	4.3	c. Active Transportation Plan (ATP) Tier 1 Network - Foothill Complete Street Project: Continue design of active transportation and safety improvements along the Foothill Blvd. corridor between the western city limits and California Blvd., with goal to have shovel-ready project for construction in FY2025-27.	Public Works	FY25 Q1	FY25 Q4	●
134	CA, OS, ST	Preserve and Enhance Convenient and Equitable Alternative and Sustainable Transportation Options	4.3	d. Active Transportation Plan (ATP) Tier 1 Network - California/Taft Roundabout: Complete final design and right-of-way acquisition for new roundabout at the California Blvd. & Taft St. intersection, with goal to have shovel-ready project for construction in FY2025-27.	Public Works	FY25 Q4	FY25 Q4	●
135	CA, OS, ST	Preserve and Enhance Convenient and Equitable Alternative and Sustainable Transportation Options	4.3	e. Active Transportation Plan (ATP) Tier 1 Network - Paving Project Complete Street Elements: Implement complete street and safety improvements as part of 2023 and 2024 summer paving projects as guided by the Active Transportation Plan and Traffic Safety/Vision Zero reports.	Public Works	Ongoing	Ongoing	●

MCG	Strategy	Strategic Approach #	Task/ Action	Responsible Department(s)	Original Completion Date	Updated Completion Date	Status	
136	CA, OS, ST	Preserve and Enhance Convenient and Equitable Alternative and Sustainable Transportation Options	4.3	f. Active Transportation Plan (ATP) Tier 1 Network - Railroad Safety Trail (Orcutt to Tiburon) Connection: Initiate design and environmental review for a project that will complete the gap in the Railroad Safety Trail in the Orcutt Area between Tiburon Dr. and Orcutt Rd., including replacement of the narrow culvert on Bullock Lane and pedestrian/bicycle safety improvements at the Orcutt Road/Union Pacific Railroad Crossing.	Public Works	FY25 Q4	TBD	●
137	CA, OS, ST	Preserve and Enhance Convenient and Equitable Alternative and Sustainable Transportation Options	4.3	g. Active Transportation Plan (ATP) Tier 1 Network - Foothill/California Railroad Crossing Improvements: Complete design and initiate construction of federally-funded pedestrian safety improvements at railroad crossing.	Public Works	FY25 Q4	FY25 Q4	●
138	CA, OS, ST	Preserve and Enhance Convenient and Equitable Alternative and Sustainable Transportation Options	4.3	h. Active Transportation Plan (ATP) Tier 1 Network - Prado Creek Bridge Replacement: Complete design of new bridge, including sidewalks, protected bike lanes, and additional vehicular lanes to accommodate existing and future traffic demand. Includes reconstruction of S. Higuera/Prado intersection with additional capacity and protected intersection features to improve safety for pedestrians and cyclists.	Public Works	Ongoing	Ongoing	●
139	CA, OS, ST	Preserve and Enhance Convenient and Equitable Alternative and Sustainable Transportation Options	4.3	i. Active Transportation Plan (ATP) Tier 1 Network - Prado/US 101 Interchange: Complete project approval and environmental document phase of project, and initiate design phase for new interchange, which includes extension of Prado Road over US 101 to Froom Ranch Way, with new northbound on/off-ramps, four auto lanes, center median/left turn lanes, sidewalks and protected bike lanes. Includes realignment of Elks Lane and signalization of the Prado/Elks intersection.	Public Works	Ongoing	Ongoing	●
140	CA, OS, ST	Preserve and Enhance Convenient and Equitable Alternative and Sustainable Transportation Options	4.3	j. Vision Zero Implementation - Update annual Traffic Safety Report to evolve into a 5-Year Vision Zero Action Plan and continue ongoing implementation of traffic safety projects and programs, focusing efforts on the City's high crash/injury network.	Public Works	Ongoing	Ongoing	●
141	CA, OS, ST	Preserve and Enhance Convenient and Equitable Alternative and Sustainable Transportation Options	4.3	k. Transit Innovation Study Implementation: Begin planning implementation of strategies recommended in Final Transit Innovation Study, including incorporation of near-term strategies as part of planned SLO Transit/RTA Short Range Transit Plan update, as called for in CAP Connected Community Task 4.2.A and in the APMP Strategies 1.C.	Public Works / Administration	Ongoing	Ongoing	●
142	CA, OS, ST	Preserve and Enhance Convenient and Equitable Alternative and Sustainable Transportation Options	4.3	l. Reassess the viability of launching a citywide bikeshare system, with ongoing coordination with Cal Poly as called for in CAP Connected Communities Task 2.2.A and the APMP strategy 1.B.1. Solicit potential bikeshare system operators if staffing resources allow and this can be done without diverting resources from delivering priority active transportation infrastructure projects.	Administration	FY25 Q4	FY25 Q4	●
143	CA, OS, ST	Preserve and Enhance Convenient and Equitable Alternative and Sustainable Transportation Options	4.3	m. Public EV Chargers - Enable public EV charger deployment on City property, support EV charger installation on private property, and deploy EV chargers in low-income areas of the City as called for in CAP Connected Community Tasks 6.1.A, 6.1.B, and 6.1.D.	Administration	Ongoing	Ongoing	●
144	4.4 Increase Community Resilience							
145	CA, OS, ST	Increase Community Resilience	4.4	a. In coordination with Zone 9, convene a working group to assess the current creek flow monitoring system and provide recommendations for enhancements, as called for in CASE program FL-3.13.	Community Development / Administration / Fire	FY25 Q4	FY25 Q4	●
146	CA, OS, ST	Increase Community Resilience	4.4	b. Conduct a study session to consider options for funding stormwater and / or creek maintenance and flood preparedness in support of CASE programs 3.9, 3.10, 3.11, 3.12, 3.13, and 3.14.	Utilities / Public Works / Administration	FY25 Q4	FY25 Q4	●
147	CA, OS, ST	Increase Community Resilience	4.4	d. Evaluate opportunities to integrate climate considerations in the City's Engineering Standards and Specifications as called for in CASE program MH-1.6.	Public Works	Ongoing	Ongoing	●
148	CA, OS, ST	Increase Community Resilience	4.4	e. Provide post-disaster recovery resources and emergency preparedness education to vulnerable community members as called for in CASE program MH-1.10.	Fire / Community Development	Ongoing	Ongoing	●
149	CA, OS, ST	Increase Community Resilience	4.4	f. Initiate the development of Wildland-Urban-Interface Defensible Space and Home Hardening Program as called for in CASE program FI-5.15.	Fire	FY24 Q4	FY24 Q4	●
150	CA, OS, ST	Increase Community Resilience	4.4	g. Monitor funding sources and if feasible pursue a Climate Resilience Hub planning grant with community partners, as called for in CASE program MH-1.8.	Administration	Ongoing	Ongoing	●

	MCG	Strategy	Strategic Approach #	Task/ Action	Responsible Department(s)	Original Completion Date	Updated Completion Date	Status
151	CA, OS, ST	Increase Community Resilience	4.4	h. In partnership with Zone 9, seek funding to initiate the Waterway Management Plan update to incorporate climate-informed flood risk as called for in CASE program FL-3.7. Initial work in this Financial Plan period is envisioned to include identifying and securing funding, developing a project scope, and drafting a request for proposals.	Administration	FY25 Q4	FY25 Q4	●
152	CA, OS, ST	Increase Community Resilience	4.4	i. Develop an Urban Creeks Vegetation Management Plan as called for in CASE program FL-3.10.	Fire / Administration	Ongoing	Ongoing	●
153	CA, OS, ST	Increase Community Resilience	4.4	j. Incorporate Traditional Ecological Knowledge into open space management decisions as called for in CASE program OP-7.2.	Administration	Ongoing	Ongoing	●
154	CA, OS, ST	Increase Community Resilience	4.4	k. Implement the Mid-Higuera Bypass Project.	Public Works / Administration	Ongoing	FY25 Q3	●
155	CA, OS, ST	Increase Community Resilience	4.4	l. Implement the Laguna Lake Dredging and Sediment Management Project.	Public Works / Administration	Ongoing	FY25 Q2	●
156	CA, OS, ST	Increase Community Resilience	4.4	m. Implement Silt Removal Projects from Priority Creek Locations.	Administration / Public Works	Ongoing	Ongoing	●
157	CA, OS, ST	Increase Community Resilience	4.4	n Implement existing Community Wildfire Protection Plan and initiate focused update in 2024.	Fire	Ongoing	FY25 Q4	●
158	4.5 Continue to Build City and Community Capacity for Transformational Climate Action							
159	CA, OS, ST	Continue to Build City and Community Capacity for Transformational Climate Action	4.5	a. Participate in the Cal Poly Climate Corps Fellowship program to build staff capacity as called for in the CAP.	Administration / CDD / Public Works / Utilities	Ongoing	Ongoing	●
160	CA, OS, ST	Continue to Build City and Community Capacity for Transformational Climate Action	4.5	b. Manage the Green Team to Support Lead by Example, Climate Adaptation and Safety Element of General Plan, and Climate Action Plan implementation, as called for in CASE program MH-1.11 and OP-7.9.	Administration	Ongoing	Ongoing	●
161	CA, OS, ST	Continue to Build City and Community Capacity for Transformational Climate Action	4.5	c. Continue to support and empower community collaboration for climate action, including support for the Climate Coalition and the San Luis Obispo Climate Justice Collaborative, as called for in CAP task 3.1.A.	Administration	Ongoing	Ongoing	●
162	CA, OS, ST	Continue to Build City and Community Capacity for Transformational Climate Action	4.5	d. Support regional efforts to develop the workforce required to implement the Climate Action Plan as called for in CAP task 2.2.A.	Administration	Ongoing	Ongoing	●
163	CA, OS, ST	Continue to Build City and Community Capacity for Transformational Climate Action	4.5	e. Initiate update to the Lead by Example plan to inform the 2025-27 Financial Plan as called for by CAP Lead by Example task 1.1.A and Lead by Example Plan Administrative Action 1	Administration	Ongoing	Ongoing	●
164	CA, OS, ST	Continue to Build City and Community Capacity for Transformational Climate Action	4.5	f. Conduct GHG Emissions Inventory and Biennial CAP and Lead by Example Progress Reports as called for in CAP Administrative Action 2 and Lead by Example Plan Administrative Action 2.	Administration	FY24 Q3	Complete	●
165	CA, OS, ST	Continue to Build City and Community Capacity for Transformational Climate Action	4.5	g. Continue to integrate climate action and resilience into the 2025-27 Financial Plan development process consistent with Budget Policy A.6 and as called for by CAP Lead by Example task 1.1. and CASE Program MH-1.5.	Administration	Ongoing	Ongoing	●
166	CA, OS, ST	Continue to Build City and Community Capacity for Transformational Climate Action	4.5	h. As authorized by City Council (December 13, 2022) and as called for in CAP Administrative Action 6, pursue grant and other external funding sources opportunistically and strategically.	Administration	Ongoing	Ongoing	●
167	CA, OS, ST	Continue to Build City and Community Capacity for Transformational Climate Action	4.5	i. Complete steps and present recommendations and options to maximize the reuse of wastewater per the "Road Map" presented to the City Council.	Utilities	Ongoing	Ongoing	●

Administration and Information Technology Department

Department Summary

The Administration and Information Technology Department is responsible for providing information and recommendations to the City Council, implementing Council policies and programs and managing the day-to-day operations of the City. It is also the lead department charged with overseeing the implementation of several of Council's Major City Goals. The department is organized by the Office of the City Manager, Office of the City Clerk, Office of Economic Development and Tourism, Office of Sustainability and Natural Resources, Office of Diversity, Equity and Inclusion, and the Office of Information Technology.

Office of the City Manager:

The Office of the City Manager oversees the high-level administrative operations of the City, regional partnerships, the legislative advocacy platform, and supports the City's public communications. The City Manager recruitment will be wrapping up near the end of June; therefore, onboarding a new City Manager will be a major work effort for this program and the entire organization in FY 2024-25. The Communications Program has been more active than ever with a focus on reaching more community members, creating more multimedia content to keep the community engaged, and providing ways to communicate important information to the community. The Communications Program was expanded in February 2024 with the addition of a new, temporary Mobility Services Communications Coordinator, who will play a vital role in keeping the community informed about the City's Parking program, SLO Transit, and various active transportation projects. During the City Manager transition, the office will continue to support other Administration and IT Department programs as well as the entire City organization in reaching their goals.

Office of Diversity, Equity, & Inclusion:

The City's Office of Diversity, Equity, and Inclusion (DEI) has been actively engaged in various initiatives that further the City's efforts in building a more welcoming, inclusive, and equitable community where all feel respected, valued, and heard. The Office of DEI has managed the 2023-24 Human Services Grant (HSG) Program, previously known as Grants-in-Aid; the 2023-24 one-time funding DEI SLO Business Grant Program, which was a shared goal and collaboration between the Office of DEI and the Office of Economic Development & Tourism; and the 2023-24 DEI High Impact Grant Program.

The Office of DEI completed and executed a contract with Cal Poly's Office of University Diversity & Inclusion (OUDI) to develop a Community Belonging Series, in various city locations to further engage the entire community. This initiative is designed to build spaces for learning and to bring the community together, to build stronger bonds, and to foster a sense of belonging. The Office of DEI also engaged in the research, writing, community outreach and engagement necessary to present to Council in February 2024 a draft DEI Strategic Plan, which was adopted by the City Council. The Office of DEI is currently engaged in partnerships with City departments to address specific tactics and initiatives that further and apply a DEI lens into various City projects impacting the community.

Office of Economic Development & Tourism:

The Office of Economic Development & Tourism (ED&T) includes the work programs of Economic Development, Tourism (include the management of the Tourism Business Improvement District) and

Administration and Information Technology

Community Promotions. In FY 2023-24, ED&T earned the successful approval of the updated Economic Development Strategic Plan (EDSP) and began the work of implementation including the reorganization of the office resulting in a new division of work programs and operations. In addition to the approval of the EDSP, the Economic Development program continued to implement strategies to support San Luis Obispo as an attractive place to live, work and play including business retention and expansion (BRE) support to over 75 businesses, grant funding for childcare facilities, support local programs like Buy Local Bonus that fuel the local economy, and community vibrancy efforts through placemaking like ARTober. For the tourism work, the Tourism Business Improvement District (TBID) continued the attraction and promotion of San Luis Obispo as visitor destination by launching a whole new website experience through VisitSLO.com, through promotions like the Midweekend, partnerships with Cal Poly and others, and continued work on sustainability through Sustainable SLO and Keys for Trees. On the community promotions activities, the Promotional Coordinating Committee (PCC) was able to revise the grant program for community events into the new Cultural Arts & Community Promotion (CACP) grant program that supported over 20 local non-profit organizations in FY 2023-24 and brought events and activities to the community. They were also instrumental in the development and implementation of the Support Local program focused on the various neighborhoods in San Luis Obispo - including Downtown – as a way to promote all of the economic and cultural opportunities. The PCC also led the vision and City support for the Lunar New Year celebration that took place in February on Palm Street. Through coordination between the programs of Economic Development, Tourism and Community Promotions - the Office of ED&T has continued to support and drive the economic and cultural vitality of San Luis Obispo.

Office of Sustainability and Natural Resources:

The Office of Sustainability and Natural Resources has been active with implementation of the Climate Action, Open Space, and Sustainable Transportation Major City Goal including adopting the revised Clean Energy Program for New Buildings and preparation of the Energy Efficient Renovations Policy, as well as activating the Green Team for implementation of the Lead By Example Municipal Climate Action Plan. The City also received a Buildings UP! Prize of over \$400,000 through the federal Department of Energy to provide planning, community engagement, and property owner support for clean energy projects that focus on low income and disadvantaged communities.

Staff are continuing work on a suite of land conservation projects that are anticipated to permanently protect valuable open space and natural resource values in areas throughout the City's Greenbelt, and have completed the open space easements at Froom Ranch that protect rare and endangered plant habitat, wetlands, and a segment of Froom Creek. Other key work items have included the completion of the Righetti Hill Open Space Conservation Plan and the Community Forest Plan.

Recently, the City was awarded over \$200,000 in grant funds to implement a series of process-based restoration projects at Johnson Ranch Open Space and Bishop Peak Natural Reserve that will include partnerships with local non-profits and the yak tit'yu tit'yu yak tiłhini (ytt) Northern Chumash Tribe. Staff also remain active with completion of actions listed in the City's Recovery Action Plan for winter 2023 storm damage and the Lizzie Fire burn area, while continuing to stay focused and build capacity to proactively attend to pre-treatment activities that address flooding and wildfire risk.

Administration and Information Technology

Office of the City Clerk:

The City Clerk's Office facilitated 34 City Council meetings as well as implementation of hybrid meetings as needed, completed an annual training for Advisory Body Members, and ensured compliance with several City-wide regulatory mandates. The Clerk's Office is also prepared and ready to conduct the November 5, 2024, Municipal Election for Mayor and two Council Member seats.

Information Technology:

Rounding out the department is Information Technology which provides network and information technology infrastructure, support, training, policy and technology strategic planning. In partnership with Cal Poly, construction was successfully completed on KVEC Radio Tower greatly amplifying radio coverage capabilities for public safety partners and emergency response teams. In early 2024, City-wide radio digital encryption interoperability was successfully deployed to ensure compliance with California laws regarding transmission of personally identifying information. The Control Systems team played a crucial role in the successful launch of the new Calle Joaquin Lift station and was also instrumental in the design, installation and commissioning of the SCADA systems, ensuring efficient and reliable operations from day one. The City limits were adjusted by the GIS team adding the newly annexed Froom Ranch area to the U.S. Census database while also migrating online applications to the new ArcGIS portal. Finally, Information Technology staff finalized for adoption the City's first Broadband Plan which will allow the City to apply for grants from State and Federal sources to improve broadband access and affordability for all residents and businesses within the city.

Changes from Financial Plan

The department is not proposing any work program changes from the Financial Plan and will continue its contribution to the City's strategic goals and departmental objectives. With the Office of DEI approaching its third year, and with a workplan that is now fully operational, the contract DEI Management Fellow position which is fully covered with existing budget, is recommended to move to a regular 1.00 FTE Administrative Specialist that will provide key support for tasks identified in the current financial plan and future work efforts in the adopted DEI Strategic Plan. This change fulfills a task in DEI Strategic Plan to ensure resources are available to complete the work identified for the Office of DEI.

Administration and Information Technology

Performance Measures

Performance measures are designed to determine accountability, improve service quality, allocate resources, and evaluate departmental performance in meeting San Luis Obispo’s goals and objectives.

Objective	Measure	2023-24 Target	2023-24 Projected Actual	2024-25 Target
Provides City-wide communications to the community. <i>Strategic Goal: Citywide Communications</i>	Open City Hall Participant Satisfaction Rating	93%	92%	92%
	# of Pageviews for City News Pages	350,000	105,000	150,000
	# of news email subscribers	4,500	5,600	6,000
Provides reliable IT resources to the organization and community. <i>Strategic Goal: Information Technology</i>	Maintain City Network Reliability Uptime Status	99.9%	99.9%	99.9%
	Data backed-up in Terabytes	173	174	173
	Number of GIS layers maintained	920	920	920
Economic Stability <i>Strategic Goal: Economic Recovery and Stability</i>	Contacts with businesses regarding starting, expanding, and/or staying in the City	75	75*	75
	One-time funds used for direct aid to local businesses and non-profits	\$175,000	\$275,000	\$175,000
Supports our commitment to sustainability and provides open space resources to the community. <i>Strategic Goal: Climate Action, Open Space, and Sustainable Transportation</i>	# of Green Team Meetings	10	10	10
	# of Open Space Conservation Plans that will guide the long-term protection and stewardship of natural resource values while guiding appropriate public use	1	1	1
Strengthens the City's commitment to advancing Diversity, Equity and Inclusion <i>Strategic Goal: DEI</i>	# of City-wide DEI Trainings Offered	10	5 ¹	6
	# of DEI Newsletters for Staff	6	6	6
	Funds for High-Impact DEI Grants Awarded	\$150,000	\$150,000	\$150,000

¹ Trainings were provided through Day of Welcome sessions, Police Command Strategic Leadership Training, and Community Development Code Enforcement Training. Due to other work efforts during the fiscal year including the development of the DEI Strategic Plan, there was reduced staff capacity to complete additional department trainings. The training target for 2024-25 reflects a more accurate estimate of trainings that will be provided in addition to the other Office of DEI work.

City Attorney

Department Summary

The attorneys and administrative staff of the City Attorney Department continue to provide sound, thorough legal advice and services to the City Council, advisory bodies and City staff to support legal compliance and reduce exposure to liability; to advance most, if not all, Major City Goals and other important City objectives; and to maintain the core department objectives of completing efficient and reliable document review; providing and/or managing qualified counsel; and coordinating the administrative citation appeals hearing, claims review, and public record request legal review processes.

The 2023-25 Financial Plan was intended to be a time of staffing stability. At its start, the three full-time, regular positions that had been added to the department (Deputy City Attorney, Paralegal, and Legal Assistant) were to have had staff onboarded for six months to a year, with July 2023 marking a move away from intensive training and monitoring, and into independent completion of work. For the Deputy City Attorney position, this expectation was achieved with the incumbent thriving in her role. However, the two non-attorney positions were vacated by July 2023 and year one of the financial plan has consisted of recruitments, redistributed workload, and overlapping onboarding. As of the end of April 2024, all positions are again filled, with the Legal Assistant hiring process completed in August 2023 and the Paralegal position filled as of March 2024, and training proceeding well for both positions. With the contract Legal Assistant position also filled just prior to publication of this report, the department looks forward to gaining staffing and workload stability, while focusing on the onboarding and training of the newest hires and continued development of the fully staffed City Attorney's Office.

Notwithstanding staffing variability, it remains clear the demand for legal services continues to escalate. Based on continuing workload demand and complexity trends, staff submitted a net-zero SOBC, for FY 2024-25, requesting conversion of our ongoing funded contract legal support staff position to a regular, full-time position. Additionally, the office will continue to evaluate, in preparation for the next financial plan, future actions that will sustainably align resource needs to staffing levels.

Since July 2023, several lawsuits with high impact on staff resources have been resolved. Most significant of these being *Langley v. City of SLO* (the matter alleging misapplication of evolving laws surrounding occupation and storage of property in public spaces by unhoused individuals), which was settled in December 2023, with implementation of the settlement agreement terms ongoing. As the remaining open litigation has continued its demand for the coordination of contributions from staff and leadership throughout the City, personnel and labor matters, specifically, have increased exponentially with five going to labor arbitration, appeal hearings before third-party hearing officers, or the Personnel Board already in FY 2023-24. Nevertheless, staff have continued to provide legal advice and support to Council and staff throughout the organization to help advance, or bring to completion, many important projects, including:

- Mediation of development agreement disputes arising out of the San Luis Ranch and Avila Ranch project approval implementations.
- Negotiations regarding the implementation of the 600 Tank Farm project and the Tank Farm Roundabout improvements.
- Objections to the City's application of housing and ADU laws, including SB 9, Housing Accountability Act and Density Bonus Law amendments.
- Updates to various affordable housing agreements.

- Assistance to staff with review of applications for issuance of a retail cannabis permit and associated legal issues.
- Negotiation of Mid-Higuera Bypass easements for a significant flood control project.
- Froom Ranch easements necessary for annexation.
- Assistance with negotiation of Acquisition Agreements with East Airport Annexation Area, necessary for participation in the SCIP funding program.
- Acquisition of 1106 Walnut and 1166 Higuera properties for City use.
- Legal advice related to Welcome Home Village, HomeKey, and city safe parking projects.
- Surplus Land Act compliance issues.
- Non-profit partner agreements, including SLOMA, SLO Rep, HASLO, TMHA, People's Self-Help Housing, and the Downtown Association.
- Assistance to staff with updates to public art policies & agreements.
- Storm related project advice and financial, mitigation and remediation responsibility evaluation.
- Negotiations for a communications easement across the Damon-Garcia property.
- Advice to staff on green building policies upon invalidation of electric building ordinance by 9th Circuit's Decision in *California Restaurant Association v. City of Berkeley*.
- Assistance to staff with amendments to Chapters 8, 12, and 13 to the Municipal Code.

Changes from Financial Plan

Staff's recommendation includes one change to the adopted 2023-25 Financial Plan, to convert the contract Legal Assistant to 1.00 FTE Legal Assistant. Addition of this ongoing resource is recommended because the department has determined through experience, that permanent resources are a more efficient, effective, and reliable means by which to provide for the City's ongoing legal services and related administrative support needs.

Performance Measures

Performance measures are designed to determine accountability, improve service quality, allocate resources, and evaluate departmental performance in meeting San Luis Obispo’s goals and objectives.

Strategic Goals	Measure	2023-24 Target/ Expected Volume	2023-24 Projected Actual ¹	2024-25 Target/ Expected Volume
Timely and Responsive legal advice and support <i>Strategic Goal: Department Objectives</i>	Administrative Citation Appeals Received by the City	120	116	120
	Appeals closed without need of a hearing ²	25	34	25
	City assisted corrections to defective appeals to allow access to hearing	15	21	15
	City facilitated hearings on the record without need for personal appearance by Appellant	30	33	30
	# of hearing days scheduled ³	12	20	18 ⁴
Legal Training & Compliance <i>Strategic Goal: Department Objectives</i>	# of Council, Staff, and Advisory Body legal trainings, legal updates, and compliance advisory sessions	12	8	12 ⁵
Municipal Claims, Litigation & Prosecution Management <i>Strategic Goal: Department Objectives</i>	Percentage of Claims Resulting in Litigation	<5%	3.8%	<5%
	Liability Claims Against the City Reviewed/Managed	70	52	70
	Number of multi-count complaints filed for misdemeanor municipal code violations ⁶	35	33	45 ⁷

¹ Forecasted for year-end as of 4/26/2024

² Closed in some way that did not include a decision being issued (e.g. withdrawn by appellant, untimely filed, voided by the issuing department)

³ If more than one hearing officer convened hearings on the same day, those are counted separately.

⁴ Increased this target due to the addition of a third hearing officer. The volunteer hearing officers were previously asked to review a larger volume of appeals in a single day, but staff are now able to distribute the hearings among more volunteers and therefore reduce the demand on their donated time.

⁵ Decreased this target as the staff transitions described previously have impacted the ability of both attorneys and non-attorney staff to develop and hold trainings.

⁶ New measure being tracked due to rise of volume and importance to the community.

⁷ Newer performance measure and adjusted this target up due to more efficient process devised by staff and higher level of staff coordination with the County, Court and Police Department resulting in less backlog.

Community Development Department

Department Summary

The Community Development Department includes the Administration, Housing Policy and Programs, 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 planning applications to ensure compliance with City standards and policy objectives. Construction is supported by implementing zoning, building, and engineering codes and coordinating with various city departments. The Community Development Department provides service to the community directly at its public counter, and services are offered online through the City's website. The department helps maintain the health and safety of the community directly through code enforcement activities and indirectly by guiding the City's urban form from concept to construction.

All divisions within the department have done an exceptional job of handling a high workload, with a few experiencing employee vacancies. Some areas of consistent or increasing workload include reviewing planning applications, public improvement projects, code enforcement violations, building inspections, and building permits. All divisions have been working this fiscal year on the user and regulatory fee study update, which is expected to be completed around the end of the fiscal year. This work has been a significant effort for the divisions with the goal of resulting in fees that are aligned with the current cost of providing services to the public.

Community Development Administration

The Administration team continues to provide process management and support for all the divisions within the Community Development Department. The division also supports the Department's advisory bodies and Major City Goal work programs. Administration provides internal customer service by maintaining SharePoint pages and content, which are undergoing an overhaul. Externally supporting customer service via the phone while our online platform, Citizens Self-Service Portal, allows customers to schedule inspections at any time while not being limited to the Department's hours of operation. Administration is currently undertaking a front counter user assessment by gathering input on front counter needs. This effort will inform front counter enhancements to make it easier for customers to interact with staff and provide a more customer-focused experience, which is anticipated to be completed by the end of the Fiscal Year 2023-24. This also includes the development of a transparency reporting dashboard that will be displayed in the permit center to enhance public awareness about important department updates and provide customers with information related to processing and wait times. Administration collaborated with the Communications team to update the website home page to make it streamlined and user-friendly. Once the home page is completed, other pages will be restructured or updated to create consistent branding and messaging across all the Department's pages.

Planning

The Planning Division continues to serve our community by processing planning entitlements, building permit application reviews, policy and long-range planning initiatives, historic preservation, cannabis program implementation, tree regulation implementation, and housing and homelessness-related work. Planning continues to make process improvements to support housing production and economic

Community Development

development, allowing certain projects to move forward with a timelier and streamlined review of entitlements. Work efforts have been completed or are in progress on many key Housing & Homelessness Major City Goal work program tasks, including an initiation of an update to the Margarita Area Specific Plan, an initiation of an update to the Airport Area Specific Plan, completion of a Council study session to identify needs and opportunities across the housing spectrum, development of a scope of work to update the City's parking requirements, initiation of an update to the City's Historic Resources Inventory, recipient of a ProHousing designation from the State of California, and ongoing implementation of the Homelessness Response Strategic Plan.

Major highlights include the award of a Project Homekey grant from the State in the amount of \$19.4M for the Calle Joaquin Homekey project, continuation of work on the Welcome Home Village project in collaboration with the County to provide 80 interim and permanent supportive housing units, and expansion of the 40 Prado Safe Parking Program from 7 to 12 parking spaces.

Planning cycle times for application reviews continue to exceed the 75% target goal. The Planning division experienced recruitment challenges at the beginning of the fiscal year but has since hired a Cannabis Business Coordinator, an Urban Forestry Coordinator, an Assistant Planner, and a Community Development Climate Fellow.

Over the past several years, the Planning Division has experienced growth including the addition of the Housing Policy and Programs Manager, Homelessness Response Manager, Housing Coordinator, Cannabis Business Coordinator, and Urban Forestry Program Coordinator in order to respond to community needs and address major city goals and priorities. Adding programs and employees has substantially changed the division and the role of its management positions, including the Deputy Director of Community Development/City Planner, Senior Planners, Housing Policy and Programs Manager, and Homelessness Response Manager. To address these changes and ensure that the Planning Division is organized efficiently, the Community Development Department completed a classification study of the management positions in the Planning Division. The study's findings, including the need to reclassify several positions, are recommended by the Human Resources Department to ensure the Planning Division's classifications are equitably aligned with other classifications in the city and with the labor market. A City Manager Report and updates to job descriptions will be completed to finalize the reclassifications.

Engineering

The Engineering Division is important in the Development Review process, ensuring that public improvements required to support private property development are designed to meet city standards. In addition, the Engineering Division reviews grading and drainage plans to ensure that stormwater management is consistent with the City's Drainage Design Manual. The division evaluates planning applications and building permits for compliance with stormwater management, in addition to the direct applications received for subdivision map checks and Public Improvement Plans. The Engineering Division plays a major role in facilitating housing production in the city. It supports the Housing and Homelessness Major City Goal by providing plan check and mapping services for projects such as Avila Ranch, San Luis Ranch, Froom Ranch, Righetti Ranch, Bullock Ranch, 600 Tank Farm Road, 650 Tank Farm Road, 1150 Laurel Lane, three HASLO projects (Anderson Apartments, 279 Bridge Street, and 1422 Monterey Street), as well as numerous SB 9 urban lot splits and Accessory Dwelling Units.

The Engineering Development Review Division sent letters to property owners regarding annual stormwater inspection requirements, in coordination with the Building Division and Utilities Department. A plan was developed to track projects with stormwater control devices and ensure they have been properly maintained per their operations and maintenance manuals. This plan was carried out to meet the reporting requirements of the Central Coast Regional Water Quality Control Board.

Encroachment permits have included significant private development projects, fiber optic projects, utility company projects, and night work. Outdoor dining encroachment permits for parklets, and tables and chairs have been reviewed for downtown projects, including 746 Higuera Street, 849 Monterey Street, and 857 Monterey Street. Engineering also issues encroachment permits for capital improvement projects.

Significant staffing changes have caused continual transformation for this division, which started at the beginning of the fiscal year with staffing shortages. As of the time of preparation of this budget supplement, key positions have been filled with a mix of full-time employees, supplemental part-time, temporary employees, and contracted services. While the hiring climate has been challenging, the following positions were filled: Engineer I, Permit Technician I, Engineering Technician III, Senior Civil Engineer (full-time regular), and Senior Civil Engineer (temporarily filled with a supplemental part-time employee; the position will remain open until it can be filled with a full-time regular employee). Filling these positions resulted in immediate improvements to customer service and project processing times for CDD Engineering. In April, the Supervising Civil Engineer, the highest-level position in CDD Engineering, left the City. The Department is actively recruiting for the crucial position and is currently utilizing existing staff supplemented by consultant support to ensure that the vacancy does not impact operations. Due to this vacancy, the CDD Engineering division has been moved temporarily to the Building and Safety Department. Staff is assessing whether this move will become permanent.

Building and Safety

Code Enforcement: The Code Enforcement team promotes community health and safety by increasing awareness of City policies and investigating reported code violations. The monthly average number of open code enforcement cases has increased, and code enforcement staff has responded to more investigation requests. The City Council held a study session in the second quarter of Fiscal Year 2023-24, to provide an overview of the division's work and discussed the development of the Safe Housing Program. Code Enforcement has hired a Code Enforcement Technician II (Safe Housing Specialist) who is working closely with Cal Poly's Off-Campus Housing Program Coordinator to develop rental housing educational materials and programs. The Code Enforcement team is now fully staffed for the first time in several years with the recent hire of a Code Enforcement Technician I who is dedicated to Neighborhood Services.

Building Inspections: The number of building inspection requests has remained high, with over 7,000 inspections conducted since the start of the Fiscal Year 2023-24. The team has become efficient in scheduling inspections because of technology upgrades that now include an option of requesting an inspection online. The building inspection team is fully staffed and supplemented by a consultant inspector who is funded by and stationed at the San Luis Ranch Development. This funding will end in June 2024, and the Fiscal Year 2024-25 supplemental budget includes recommendations to add this position as a permanent ongoing inspector. On average, the building inspection team, consisting of one

supervisor and three inspectors, conducts over 650 building inspections monthly. A notable project that recently received a final inspection is the People's Self-Help Housing on Broad Street, consisting of 36 affordable units and a community center. Another notable project downtown, the renovation of the Anderson Hotel, is currently framing out accessible units on each floor and has completed the seismic strengthening of the foundation walls in the basement. There are also two new mixed-use projects that are currently in the vertical phase of construction downtown. These projects are located behind the Creamery and at the old Foster Freeze site (Both on Higuera) and will provide more than 40 new dwelling units downtown.

Permits: Building permit activity has remained high and is consistent with last year's numbers. The front counter received over 1,580 new building permit applications and an additional 283 fire permit applications. 1,588 building permits have been issued during the same time. The Division continues to receive applications for installing photovoltaic systems (Solar Panels). Since the start of the fiscal year, the City has issued over 372 solar permits, 355 of which are for residential properties. Over 100 of these applications are for new Energy Storage Systems (backup batteries). More of these systems are expected to be installed over the next several years as PG&E implements the Residential Storage Initiative (RSI) program. Under this program, PG&E offers Tesla Powerwall Battery Storage Units and installation for free to their most vulnerable customers.

Housing Policy and Programs

Major City Goals for Housing and Homelessness include implementing the 6th Cycle of the Housing Element and the Homelessness Response Strategic Plan. Housing Element Implementation included amending the permitting processes to clarify and implement new state laws for SB9 (CA HOME Act), small lot subdivisions in single-family zones, Accessory Dwelling units, and density bonus projects. Specific Plan updates have been initiated for both the Margarita Area and the Airport Area. On March 5, 2024, a housing study session was held, and a scope of work for a parking study to remove barriers to housing production was completed. The scope of work was estimated to cost approximately \$200,000 by consultants who complete this type of work and this time, staff is not recommending moving forward to complete this work due to budget constraints in FY 2024-25. As a result of the housing study session held on March 5, staff also produced a matrix of housing related policies and programs that would support additional housing production across the housing continuum. The matrix includes policies and programs that are currently underway, those that are part of the Community Development work plan, and those that could be considered for future work programs. This matrix was presented to the City Council as part of the May 7 Fiscal Year 2024-25 Supplemental Budget Preview, during which time public comment was received on additional ideas to encourage housing. As a result of that public comment, staff has developed a response to describe which of these ideas could be accommodated within the existing work program and which cannot. Staff can continue to develop the scope of the items that cannot currently be accommodated in the work program in order that they could be considered in the next budget cycle. A Downpayment Assistance Program was established for the Avila Ranch Development in accordance with the Development Agreement. The City's Below Market Rate housing portfolio continues to grow with

Community Development

construction started on the Maxine Lewis and Bridge Street Apartment projects and the opening of Broad Street Place. In February 2024, the state designated the City as a Prohousing jurisdiction.

Homelessness Response Strategic Plan implementation included work with community partners, including the County of SLO, People's Self-Help Housing (PSHH), and the Housing Authority of SLO (HASLO), to move two projects to construction in the summer and fall of 2024 that would rapidly provide approximately 150 units to house and provide wrap-around services to unsheltered individuals and families; the Welcome Home Village and the Calle Joaquin Homekey projects. Staff has updated and streamlined encampment clean-ups, including revising protocols for internal and external requests and those coming through Ask SLO, in alignment with the City's Compassionate Assistance Mitigation and Prevention (CAMP) Standards. On the outreach front, Homelessness Response staff have distributed over 1,000 updated pocket guides (in English and Spanish) in the fall of 2023, provided direct outreach to downtown businesses with Community Service Officers, and responded to ten media and 27 community partner and business group invitations to speak to organizations about City Homelessness Response. A Homelessness Response Community Forum is planned for June 5, 2024. Overnight Safe Parking was expanded from seven to twelve spots at the 40 Prado Homeless Services Center, and a rotating overnight safe parking program has been developed and is awaiting implementation readiness through CAPSLO and potential FY2024-25 Outreach Services Funding through SLO County. Homelessness Response staff administered the [Annual Homelessness Response survey](#), shared with the City Council and all City employees. An update to the City's Homelessness Response Strategic Plan is planned for presentation to Council on June 18, 2024.

Changes from Financial Plan

Staff is recommending three changes to the adopted 2023-25 Financial Plan in order to continue to provide the same level of service to the public in critical work program areas. 2.00 FTE positions, a Building and Safety Inspector and Stormwater Inspector are recommended, due to the ongoing increased demand for inspection services resulting from the high level of building in the community, as well as the regulatory requirements related to stormwater compliance for these construction projects. In addition, staff is recommending the allocation of one-time funds to continue the Hotel Voucher Program into the next fiscal year to ensure availability of beds for those experiencing homelessness when they cannot be accommodated elsewhere. These recommendations support the continued provision of services to the community as well as the Housing and Homelessness Major City Goal.

Performance Measures

Performance measures are designed to determine accountability, improve service quality, allocate resources, and evaluate departmental performance in meeting San Luis Obispo’s goals and objectives.

Objective	Measure	2023-24 Target	2023-24 Actual	2024-25 Target
Affordable housing production <i>Strategic Goal: Housing</i>	Number of affordable housing units secured through entitlements or construction	50	94	50
Provide Excellent Customer Service <i>Strategic Goal: Other Department Objectives</i>	Customer survey response positivity rate	85%	90%	85%
Objective	Measure	2023-24 Target	2023-24 Actual	2024-25 Target
Ensure a Safe Community <i>Strategic Goal: Housing</i>	Percent of Code Enforcement cases investigated on time: First Tier - 24 Hours, Second Tier - 2 Days, and Third Tier - 3-5 Days	85%	59% ¹	85%
Development Review activities <i>Strategic Goal: Other Department Objectives</i>	The target goal of meeting cycle times 75% of the time reflects an increase in more complex and resource-intensive development review activities.	75%	76%	75%
Building Permit Review activities <i>Strategic Goal: Economic Stability</i>	Percent of building permit reviews completed within established cycle times	85%	52%	85%

¹ Code Enforcement continued to experience increased investigation requests. This trend began with the implementation of the AskSLO application in October of 2022. The Code Enforcement team has been fully staffed since January 2024.

Finance Department

Department Summary

The Finance Department is tasked with safeguarding the City's resources and fiscal health by implementing financial policies, procedures, and reporting systems to serve the citizens and enable operating departments to achieve their objectives. Finance plays a key role in the City's Economic Resiliency, Cultural Vitality and Fiscal Sustainability Major City Goal by developing strategies to control expenditures to maintain a balanced budget, ensuring transparency in financial reporting and enhancing the City's financial systems to support accurate and timely accounting processes.

In the first year of the 2023-25 Financial Plan, the department was impacted by several significant non-recurring work efforts. The January and March 2023 storm events caused significant damage to City infrastructure and resulted in Presidential emergency declarations, triggering the availability of public assistance for all local agencies in San Luis Obispo County. Finance is leading the effort to work with the Federal Emergency Management Agency (FEMA) and California Office of Emergency Services (CalOES) to secure reimbursement for an estimated \$35.2 million of storm related expense. As of the writing of this narrative, the City has spent approximately \$12.6 million on storm response, and has submitted \$17.2 million of storm related expenditures to FEMA for consideration of reimbursement. The expenditures submitted to FEMA include both costs that have already been incurred, as well as estimated costs for future or in-progress projects which enables FEMA to begin review of projects prior to completion (actual project costs are provided upon completion). The unexpected and unbudgeted storm costs also prompted activation of a Fiscal Health Contingency Plan in order to control expenditures. The department also secured \$47 million through a lease revenue bond to fund construction of the Cultural Arts District Parking Structure, which began in the fall of 2023. As a part of that financing, staff also refinanced prior bonds in order to free up City assets that had been encumbered so that those assets can be pledged as a part of future expected debt financing for major projects like the Highway 101/Prado Road Interchange. Finally, the department is nearing completion of an organizational assessment in order to determine the most optimal organizational structure to support effective delivery of Finance services to both the City organization and external customers. This assessment has resulted in the reclassification of several positions to meet current departmental needs and provide additional opportunities for succession planning.

For the first time in over a year, the department is fully staffed and looks forward to redistributing workload which will help staff deliver on core services and objectives more efficiently. Six regular staff were hired in FY 2023-24, so staff orientation, training and development will continue to be a significant focus in FY 2024-25. New staff are coming up to speed quickly, and the capacity that this creates will allow the department to focus its efforts on making updates to policies and processes to better support the growing organization. Training for all staff Citywide will also be a significant focus in FY 2024-25.

Changes from Financial Plan

Staff's recommendation includes two changes to the adopted 2023-25 Financial Plan, comprising the addition of 0.50 FTE Administrative Assistant-Confidential to provide administrative support to the department and increasing a 0.50 FTE Financial Analyst for Enterprise Resource Planning (ERP) to 1.00 FTE in order to create needed capacity to support ongoing work to improve the Oracle ERP in coordination with Information Technology. The addition of the 0.50 FTE Administrative Assistant- Confidential partially restores administrative support that was eliminated in 2022 to enable the addition of a Payroll Analyst to allow for further capacity in the City's payroll function, which has increased in size and complexity due to

the Oracle payroll system as well as growth in employee headcount. The elimination of the Administrative Assistant position resulted in Finance being the only department without dedicated administrative support, which led to spreading those duties among all staff and expanding reliance on other departments to assist Finance. The increase of the Financial Analyst for ERP from half-time to full-time will provide the department with the resources necessary to oversee the assigned functional aspects of ongoing maintenance of the Oracle system, make meaningful system improvements to address issues identified by the City’s external auditor, and provide desirable enhancements that have been identified by the team. Both of these recommendations will directly contribute to the City’s strategic goals and support Citywide needs.

Performance Measures

Objective	Measure	2023-24 Target	2023-24 Projected Actual	2024-25 Target
Enables & enhances transparency, accountability & integrity. <i>Strategic Goal: Fiscal Policies</i>	# of calendar days following year-end until CAFR is issued	170	170	170
	# of audits/reviews conducted/ # of additional agreed upon procedure audits performed	2/2	2/2	2/2
Protects & prudently manages its financial resources. <i>Strategic Goal: Fiscal Policies</i>	# of funds within fund balance requirements/ total funds with fund balance requirements	8/8	8/8	8/8
	Net direct debt per capita (General Fund)	\$39	\$42.4	\$42.4
	Twelve-month total rate of return/City portfolio	3%	4.75% ¹	3%

¹ Based on the February 2024 Investment Report for the calendar year ending 12/31/2023. While ultimately the City aims for a long-term rate of return of 3%, market volatility can cause swings from year to year. As a government entity, the City’s primary investment objective is to achieve a reasonable rate of return on public funds rather than the maximum generation of income, which could expose the City to unacceptable levels of risk.

Fire Department

Department Summary

In addition to providing exceptional and compassionate emergency response, the Fire Department embraces inclusive fire prevention and education strategies that include fire and life safety inspections, plan review services, fire/arson investigation, fire safety and public safety education, and disaster preparedness classes. The department's vision is to be a progressive organization that leads the community in public safety and preparedness demonstrated through an unwavering commitment to the protection of lives, property, and the environment. The service provided will be of the highest quality recognized against local, state, and federal standards.

The Fire Department has six major programs to ensure that the community continues to receive exceptional service: Fire Administration, Emergency Response, Fire Prevention, Fire Training, Fire Apparatus Fleet Service and Emergency Management. At mid-year of FY 2023-24, the City Council funded an increase in the fuel budget, replacement of the Fire Marshal vehicle and authorization to complete a refurbishment on Truck 1. The Fire Marshal vehicle was past replacement age and beginning to see an increase in repair costs; its replacement was funded through the Local Revenue Measure. Truck 1 was nearing engine failure and the cost to continue repairing was escalating as well as the increased time out of service. The Community Resources and Services Specialist is the Mobile Crisis Unit Case Worker and was previously provided through a contract partnership with Transitions Mental Health Association. The position was transitioned to a contract City employee in mid-February, allowing the Mobile Crisis Unit to better serve the community's unhoused and other individuals in crisis.

Changes from Financial Plan

Staff is recommending two changes to the adopted 2023-25 Financial Plan, including increase of a 0.50 FTE Fire Inspector to 1.00 FTE in order to address an increasing number of Fire Life and Safety Inspections due to increased development, and addition of a contract Fire Vehicle Mechanic for one year to complete the drive-train refurbishment on Truck 1. The department will continue its contribution to the City's strategic goals and departmental objectives.

Performance Measures

Performance measures are designed to determine accountability, improve service quality, allocate resources, and evaluate departmental performance in meeting San Luis Obispo’s goals and objectives.

Objective	Metric	2023-24 Target	2023-24 Projected Actual	2024-25 Target
Deliver Timely Effective Response to ensure rapid care and hazard mitigation <i>Strategic Goal: Other Department Objectives</i>	Meet the Total Response Time (TRT) goal of 7 minutes or less to 90% of all lights-and-siren emergencies in the City as defined by the Department’s Master Plan. TRT Includes Call Processing Time, Turnout Time, and Travel Time.	7:00	8:32	7:00
	Meet the Call Processing Time goal of 1 minute or less to 90% of all lights-and-siren emergencies in the City as part of TRT.	1:00	1:32	1:00
	Meet the Turnout Time goal of 2 minutes or less to 90% of all lights-and-siren emergencies in the City as part of TRT.	2:00	2:06	2:00
	Meet the Travel Time goal of 4 minutes or less to 90% of all lights-and-siren emergencies in the City as part of TRT.	4:00	5:45	4:00
Provide timely service to the development community. Strategic Goal: Housing				
	Plan Review completed #	350	307	350
	% of annual within cycle times	80%	62%	80%
	Occupancy Inspections #	1190	658	1190
Hazardous Materials Inspections (CUPA)	264	207	264	

Human Resources Department

Department Summary

Human Resources plays a pivotal role in providing comprehensive organizational support in various domains, including benefits administration, risk management, compensation, recruitment, labor relations, performance management, training and development, and legal compliance.

The department continues to experience a high volume of recruitments, labor issues, and performance management issues. This is in part due to the impact of the Great Reshuffle, the dynamic and changing workforce, and other external factors. Additionally, there is an increased level of requests for classification review, leaves of absence, disability accommodation, and benefits changes.

During FY 2023-24, notable achievements included: (1) the successful negotiation of a successor Memorandum of Understanding with the International Association of Firefighters, Local 3523 and Police Staff Officers' Association, (2) hiring or promoting 90 regular full time employees, representing approximately 20% of the organization, as well as 33 limited term employees and (3) Establishing a Labor Relations Committee to provide valuable insights, expertise, and diverse perspectives to the City Manager and HR Director on labor-related matters, cultivating a culture of informed collaboration.

New legislative mandates effective January 1, 2024, have necessitated updates to policies and system configurations, compounding the department's existing workload. The department continues to partner with the Centre for Organization Effectiveness to provide professional development opportunities for employees and supervisors across the organization and implement enhancements based on the 2023 Employee Engagement Survey. Additionally, staff continues to partner with IT and Finance to make enhancements to the Oracle Human Capital Management system.

Although the HR Manager position remains vacant despite multiple recruitment attempts, workload has been redistributed to temporary staff members to meet the needs of the organization. Half of the HR team is new to the organization, and the full HR team has been in their roles for less than three years.

The Insurance Fund is structured to maintain an adequate reserve to cover fluctuations in liability and workers' compensation costs. Expenses have remained stable during FY 2023-24 and there was no need to request undesignated fund balance as in prior years. The City transitioned to participating in the excess program for workers' compensation effective July 1, 2023 with a \$500,000 self-insured retention limit. Staff will continue to seek ways to reduce claims costs. The City now contracts with The Counseling Team International to offer mental health resources to employees in the Police and Fire departments due to the unique situations they encounter.

Overall, the department focused on and achieved its highest priority goals and will operate within the parameters of the approved Financial Plan for the remainder of the 2023-2025 budget cycle.

Changes from Financial Plan

Staff does not recommend any changes from the Financial Plan.

Human Resources

Performance Measures

Performance measures are designed to determine accountability, improve service quality, allocate resources, and evaluate departmental performance in meeting San Luis Obispo’s goals and objectives.

Objective	Measure	2023-24 Target	2023-24 Projected	2024-25 Target
Integrated HR Services <i>(Strategic Goal)</i>	Average days between injury and Workers’ Compensation claim filed.	3	4	3
	Achieved lower severity of Workers’ Compensation claims than the risk pool	Yes	Yes	Yes
	Annual liability claims payment under the Self-Insured Retention amount.	Yes	Yes	Yes
Employee Development & Growth <i>(Strategic Goal)</i>	Percentage of On-Time Employee Performance Evaluations	95%	97%	98%
	Percentage of Internal Promotions	40%	36%	35%
	Training Sessions Coordinated	20	20	20
Engaged and Aware Culture <i>(Strategic Goal)</i>	Number of Policies Communicated	75	85	90
	Informational Sessions Coordinated	200	125	130

Parks and Recreation Department

Department Summary

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) and recreation programs, childcare, special events, activities for youth and seniors, cultural and educational opportunities 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.

Community Services:

The Community Services Division coordinates youth and adult sports, organizing recreational activities and classes, community events, overseeing the SLO Skate Park, Jack House events and facility, manages the community gardens programs at five locations, and coordinates Senior programming. In the past year, the division has filled two recreation coordinator positions that became vacant after previous staff moved out of the area.

Community Events, Jack House, and Contract Classes: The division continues to rely on both full- and part-time staff, as well as coordinating with student groups and academic classes from Cal Poly, for community-building events. This year the department held annual events including: September Scramble, Boo Bash, Leprechaun Lost, and Spring Fling. During the summer, the division coordinated five Monday Meet Ups at different park locations for hundreds of community members. In addition, the division supported Jack House special events such as the Victorian Christmas tours and Mother's Day concert. The division also contracted with dozens of community partners to provide enrichment and recreational class opportunities through the contract class programs.

Youth Sports, Adult Sports and SLO Skatepark: Over the past year, the division successfully operated a three-week youth sports camp, ensuring care for over 100 children during periods when school programs and regular Youth Service Programs were closed. The annual free and award-winning Junior Giants program engaged over 250 participants with the assistance of 60 volunteer coaches. Monthly youth sports clinics throughout the year provided exposure to new and non-traditional sports and attracted diverse participation. Partnerships with the YMCA facilitated the coordination of two youth sports leagues of basketball and futsal, achieving record participation numbers since the pandemic (over 700 basketball participants and 360 futsal participants). The division also continues to support and host the county-wide annual Monster Skate Series, Skatepark Competition with five agency partners.

Adult softball has remained a fan favorite with an average of 55 teams playing each of the three league seasons. In addition, the division oversees drop-in sport leagues for Volleyball, Dodgeball, Table Tennis, Pickleball, Basketball and Boomer Softball.

Community Gardens and Skate Park: The division continues to maintain four* community gardens, providing a platform for over 150 gardeners to cultivate their interests while fostering a sense of

Parks and Recreation

community. Volunteer workdays have played a crucial role in sustaining these gardens, with six events organized to date. *North Broad street location is currently under renovation.

Senior Programs: Senior programming has undergone significant expansion, with the introduction of new activities and events tailored to the interests and needs of older adults. This includes initiatives such as Senior walkers and hikers, multi-generational weekly trivia, Pet Week, holiday events, technology classes, and around-the-town excursions, enriching the lives of seniors and fostering social connections within the community. These programs are in addition to the programs offered through the SLO Senior Center, with whom the division directly provides support with the new Recreation Coordinator who spends 50% of their time at the Senior Center.

While the division has achieved significant successes, challenges such as shortages in youth basketball and futsal referees, softball umpires, and staff turnover have posed obstacles to program delivery. In response, efforts are underway to bolster supplemental staffing levels and provide adequate support to full-time staff in achieving departmental objectives through assessing current supplemental salary funds in order to provide more dedicated support through the addition of Recreation Service Leader 1 positions. Moving forward, the division remains committed to its mission of enriching community life through innovative programming, fostering healthy lifestyles, and promoting social cohesion.

Youth Services:

The Youth Services Division provides high-quality childcare and out-of-school time programs for the community, guided by the objectives outlined in the Financial Plan, including operating licensed childcare at five school sites within the city, offering before and after-school care, providing out-of-school time care during teacher workdays, spring break, and summer programs, and partnering with the San Luis Coastal Unified School District (SLCUSD) to expand summer care options. The division typically employs over 70 supplemental employees when fully staffed, providing regular staff development and growth opportunities. Subsidized care is provided to over 50 qualified families through local partner, CAPSLO.

Accomplishments over the past year demonstrate the division's commitment to serving the community. Daily over 500 youth receive care in the City program. Efforts to enroll more children off the waitlist have been successful, with 22 additional spots opened for children in February of 2024 due to strategic adjustments made by staff. Summer camp enrollment has more than doubled to over 300 through partnership with SLCUSD, accommodating more children and filling a more diverse need for care. The division recruited dozens of supplemental staff and provided extensive training to ensure high-quality care. Additionally, the division-maintained state licensing compliance and passed annual non-scheduled licensing site checks.

Programmatic changes since the adoption of the Financial Plan include doubling summer camp offerings from 120 to over 300, continuing partnerships with the school district, and maintaining before and after-school care at five sites to accommodate more children. These changes have financial implications, such as increased revenue from expanded summer camp offerings. The continued partnership with the school district enhances program accessibility and effectiveness, while maintaining care at multiple sites ensures

Parks and Recreation

adequate space for children in need of services. Despite recruitment challenges, the Youth Services Division remains committed to providing essential childcare and out-of-school time programs to support families and children in the community.

Upcoming construction at school sites may limit available space, potentially requiring lower enrollment numbers. Recruitment challenges for full-time site directors have led to increased responsibilities for supervisors and coordinators. A shortage of supplemental employees has resulted in site directors being required to work "in ratio" to meet licensing requirements, impacting administrative duties. Changes in funding from the school district for summer school enrollees and Kinder and TK care programs also pose challenges that may impact the financial plan.

The City continues to participate in the Childcare Study that began in 2020 with agency partners: SLCUSD, SLO County, Cal Poly, First Five, and CAPSLO. Most recently the partners moved forward with the third phase of the study with the hiring of a consultant to provide a feasibility study identifying facilities available within the County and what would be necessary, fiscally and resource wise, to open a joint agency childcare facility to serve staff members. This third phase of the comprehensive study is anticipated to be completed and presented to the Child Care Study committee in late June 2024.

Public Art Program:

With the recent hire of a new Public Art Coordinator in January, the City's Public Art program has experienced a revitalization. Since January 2024, a major focus has been made to engage the local artist community, assess and highlight the City's current inventory, connect with local agencies (such as Arts Council and NAACP) and activate opportunities for collaboration. The Program is renewing the popular Box Art Program and the installation of 10 new boxes is underway, along with a new mural. Since the onboarding of the Public Art Coordinator, the program's focus has expanded to better serve local art communities, leading to increased growth and opportunities. Public art staff also have taken over the responsibility of the installation of the Chorro Street Underpass artwork.

The City continues its collaboration with the San Luis Museum of Art (SLOMA) through a two-year partnership agreement. City staff play a crucial role in supporting SLOMA by managing administrative tasks related to art acquisitions. On behalf of the City, SLOMA has replaced the temporary sculpture at Mission Plaza lawn with a consigned piece by April Banks and is working with local artist Warren Hamrick for an installation to occur at a roundabout in the San Luis Ranch area. SLOMA has also begun steps to install a temporary art piece in the Garden Street Alley.

In the past year, staff worked with local fabricators to do a major repair on "Ironroad Pioneers" sculpture located in the Railroad District, as well as continue to address many smaller fixes to current art inventory throughout the City, resulting from vandalism and graffiti.

The Public Art Program acknowledges programmatic challenges that have arisen since the adoption of the Financial Plan. The absence of a streamlined inventory management system has hindered maintenance efforts and community engagement. Ongoing deferred maintenance necessitates a comprehensive

Parks and Recreation

review for safety and upkeep, with a focus on establishing sustainable processes. These initiatives would be funded through an operating expense account that is being recommended as part of the supplemental budget for FY 2024-25.

Volunteer Program:

The Citywide Volunteer Program has made significant strides under the guidance of the City's full-time Volunteer Coordinator. Over the past year, the Volunteer Program launched Engage SLO, a new web portal designed to advertise both new and ongoing volunteer opportunities in support of City needs. These opportunities include initiatives such as Adopt-a-Park, Arbor Day, September Scramble, Boo Bash, Fall Creek Clean Up, Senior Center volunteers, Community Garden Service Saturdays, the Jack House Docent Program, and Ranger Workdays. Notably, the Adopt-a-Park program has expanded to encompass five City parks (from zero at the beginning of the fiscal year), demonstrating a growing commitment to community engagement. April is celebrated as Volunteer Appreciation Month, recognizing the invaluable contributions of regular and recurring volunteers, who collectively provided over 3,330 hours of service since July 1, 2023.

Looking ahead, the Volunteer Program aims to further expand Adopt-a-Park volunteer opportunities and explore the potential for a multi-departmental 'Community Connector' volunteer role intending to further bridge City and community relations. Additionally, efforts are underway to capture Police and Advisory Body data to enhance program effectiveness.

Ranger Service:

The Ranger Service continues to diligently maintain and patrol the City's 4,050 acres of open space spread across all 12 City-managed properties. Dedicated resources are allocated to support fuel management efforts in the Wildland Urban Interface (WUI) and to address trash and debris in the City's Open Spaces and creeks. Effective management of open spaces has led to a reduction in the presence of unhoued populations within these areas.

Recent accomplishments include the completion of three new trail projects – Bog Thistle, King Trail Re-Route, and the Righetti Hill Summit trail – as well as the design and layout finalization for the Righetti Hill Lower Loop Trail. Additionally, the Bob Jones Bike Trail underwent a temporary closure for two months to facilitate fire fuel mitigation and creek clean-up projects, including the utilization of goats from The Goat Girls for natural brush removal in creek systems. The Ranger Service has expanded its educational programming, offering more environmental web-based education videos, increased social media presence, Ranger-led classroom and event presentations, and interpretive hikes. Notably, the Junior Ranger Camp sessions have sold out and expanded registration openings compared to previous years with the offering of three one-week sessions.

Facilities:

The Facilities Division supports both indoor and outdoor City managed recreational spaces for both internal and community reservations. The Division continues to provide outdoor dining options by performing daily set-up, maintenance, and clean-up for the Downtown Dining program in Mission Plaza.

Parks and Recreation

Community youth and adult sports regularly utilize City fields and courts for tournaments, leagues, and practices. The Library Conference and Community rooms, the Ludwick Community Center, Senior Center, and Meadow Park Building serve the community for social gatherings, meetings, and general uses. Staff is also accepting reservations for events at the Jack House Gardens for the upcoming 2024 season.

The division recently enhanced various community facilities with several key upgrades including new chairs for events at the Jack House Gardens. Staff continue to assess and update court rule signage in multiple tennis facilities due to the overflow from other court sports. The Library Community Room received a new projector with the support of the City's IT department. Staff continue to replace damaged tables within Mission Plaza Downtown Dining Program, enhancing the community's experience in this vibrant social hub. Indoor rentals and Jack House Gardens rentals continue to lag behind pre-pandemic reservation numbers. However, staff is increasing marketing and advertising to reintroduce these unique and affordable venues to the community.

Aquatics:

The year-round Aquatic Division has seen a stronger staffing retention and recruitment this year due to the continued promotion for lifeguard training opportunities throughout the year and forecasting of staffing levels for the non-summer months which has allowed for consistent operational hours for lap swimming and regular warm water programming. Additionally, staff is increasing swim lesson program offerings (including group and baby & me) throughout the upcoming season – increasing the number of overall lessons offerings from 195 to 268 to provide additional opportunities for the community. Management continues to provide monthly staff trainings, including First Aid, CPR, water rescue techniques, customer service and DEI trainings. The Aquatics Division provides program and facility support for the year-round SLO Seahawks Swim Club, local SCUBA shops, Mission Prep High School, and has a short-term agreement to support Atascadero High School while their pool remains under construction. Staff has focused on new promotional strategies for community water safety including videos, inter-County aquatic meetings, and in-person focused trainings while continuing to offer public lifeguard training and instructor courses throughout the year. Recruitment and retention challenges remain a concern as wages for part-time staff offerings in the fast-food sector have gone into effect in Spring 2024.

Golf:

The Golf Division provides multi-generational opportunities for play at the Laguna Lake Golf Course (LLGC) seven days per week. The course has experienced consistent round play throughout the first eight months of the fiscal year due to ideal playing conditions, even during the normally slower post-Thanksgiving and winter period. Staff have expanded the opportunity to support local community groups such as being the host site for Cal Poly Kinesiology courses, Laguna Middle School PE Courses, and SLO High School courses, as well as the free First Tee youth lessons. The course also has seen a return of local tournament play occurring this year, as well as Staff working to propose the installation of 'disc golf' cages to provide expanded uses.

Parks and Recreation

On the maintenance side, staff have used innovative watering techniques to offer a consistently green course throughout the August-October months, while still working diligently to conserve water. Unfortunately, the course continues to be impacted by leaks caused by aging irrigation lines requiring additional maintenance time and some periods of hole closures, as well as increased water costs. The parking lot was restriped with parking stops added to assist with flow of traffic and safety for patrons visiting the course.

With the main Pro Shop closed due to major flooding from a significant winter storm back in December 2021, a temporary trailer serves as the Pro Shop and staff offices. Staff are in the process of finalizing construction documents for the RFP related to the renovation of the Pro Shop (Phase 3), with an expected start date of Fall/Winter 2024-25. Replacement of the bridge, closed since the storms in January 2023, is expected to occur in June 2024.

Changes from Financial Plan

With the additional staff support to manage the Public Art Program, staff’s recommendation includes one change from the adopted 2023-25 Financial Plan. As a part of the Supplemental Budget, staff is recommending allocation of \$15,000 from the Public Art Fund to the Parks and Recreation operating budget to support daily operations, marketing, and program support of the Public Art program.

Performance Measures

Performance measures are designed to determine accountability, improve service quality, allocate resources, and evaluate departmental performance in meeting San Luis Obispo’s goals and objectives.

Objective	Measure	2023-24 Target	2023-24 Projected	2024-25 Target
Provide inclusive, accessible programming that serves the whole community. <i>Strategic Goal: Programming is Directed to Diverse Users (P&R Strategic Plan Goal), DEI and Economic Vitality MCGs</i>	# of Department Community Events	25	25	25
	# of non-profit permitted Facility Uses	120	120	120
	# of program registrations	4,500	4,900	4,500
	# of program offerings	400	490	450
	# of childcare spots filled/offered	1500/1500	3015/1500	1500/1500
	# of children receiving subsidy	60 CAPSLO 50 City Scholarships	60 CAPSLO 45 City Scholarships	60 CAPSLO 50 City Scholarships
In Coordination with Public Works, engage the public to prioritize new and revitalized Recreational Amenities <i>Strategic Goal: Expand Parks & Facilities (P&R Strategic Plan Goal), MCG Economic Stability</i>	# of public outreach meetings	6	5	6
	# of updated or new parks and amenities in process	5	4	5

Parks and Recreation

<p>Creates and fosters a sense of community through citizen involvement</p> <p><i>Strategic Goal: Maximize Community Resources & Collaborations (P&R Strategic Plan Goal)</i></p>	# of volunteers/hours	380/4100hrs	63/3300hrs (not including youth sport coaches)	80/5000hrs
	# of temporary Public Art or Cultural Art Events	5	5	5
<p>Leverage technology to engage the community and promote program offerings</p> <p><i>Strategic Goal: Programming is Directed to Diverse Users (P&R Strategic Plan Goal)</i></p>	# of Instagram followers	7,800	7,720	8,700
	# of Facebook followers	5,000	5,652	5,600
<p>Open Space Preservation and Enhancement</p> <p><i>Strategic Goal: Nurture Open Space (P&R Strategic Plan Goal), Climate Action MCG</i></p>	# of miles of Open Space trails maintained	66.5	66.5	68
	# of staff hours dedicated to fuel reduction	4000	4000	4000
	# of encampment site clean-ups removed from Open Spaces	110	75	120

Police Department

Department Summary

The Police Department is responsible for maintaining a safe city by working in partnership with the community. Goals of the department are to protect life and property, prevent and reduce crime, and improve the quality of life for residents and visitors alike. The department has two bureaus; Administrative Services and Operations. Administrative Services includes the following work divisions: Administration, Investigations, Communications, and Records. The Operations bureau includes Patrol, Traffic Safety, and Neighborhood Outreach.

The department plays a supporting role in the following Major City Goals for the 2023-25 Financial Plan: Housing & Homelessness and Diversity Equity & Inclusion. A significant achievement in FY 2023-24 has been hiring new employees to fill several department vacancies primarily in dispatch and patrol. Since July 1, 2023, the department has hired fifteen employees in total.

Changes from Financial Plan

Staff’s recommendation includes funding to support increased costs for both License Plate Reader maintenance and the Animal Services contract with the County.

Performance Measures

Performance measures are designed to determine accountability, improve service quality, allocate resources, and evaluate departmental performance in meeting San Luis Obispo’s goals and objectives.

Objective	Measure	2023-24 Target	2023-24 Projected	2024-25 Target
Reduce Crime <i>Strategic Goal: Economic Recovery, Department Mission</i>	# of total Part I Crime by year. ¹	2010	1516	1493
	Provide safe roadways for pedestrians, vehicles, and bicyclists.	# of total traffic collisions. ² # of targeted enforcement operations conducted under the Office of Traffic Safety Grant per year ³	Vehicle: 420 Pedestrian: 34 Bicycle: 32 DUI Checkpoints: 2 DUI Saturation Patrols: 28 Traffic Enforcement Operations: 14	Vehicle: 430 Pedestrian: 25 Bicycle: 40 DUI Checkpoints: 2 DUI Saturation Patrols: 28 Traffic Enforcement Operations: 14

¹ Part 1 Crimes include: homicide, forcible rape, robbery, aggravated assault, burglary, and motor vehicle theft. Figures shown represent calendar year. Data for 2023-24 Projected are actuals for calendar year 2023.

² Traffic Collision data is shown by calendar year. Data for 2023-24 Projected are actuals for calendar year 2023.

³ Figures shown reflect the number of operations completed under the annual OTS grant and 2024-25 figures are projected operations for the 2024-25 grant. The 2024-25 grant agreement has not been approved yet and some target figures may change.

Objective	Measure	2023-24 Target	2023-24 Projected	2024-25 Target
<i>Strategic Goal: Patrol Objectives, Department Mission</i>		Distracted Driving Enforcement: 5	Distracted Driving Enforcement: 5	Distracted Driving Enforcement: 10
		Bicycle & Pedestrian Enforcement: 9	Bicycle & Pedestrian Enforcement: 9	Bicycle & Pedestrian Enforcement: 9
Reduce Homeless related Calls for Service through proactive engagement. <i>Strategic Goal: Economic Recovery, Department Mission, Patrol Objective</i>	# calls related to homelessness ⁴	6300	7757	7369
	# of unique individuals contacted by CAT	305	408	428
	# of Family & Agency Reunification	8	6	7
	# of Local Permanent Housing Referrals	12	3	4
	# of Mental Health/Substance Abuse Treatment Referrals	100	249	261

⁴ All stats related to homelessness are based on calendar year. Figures shown for 2023-24 Projected are actuals for calendar year 2023.

Public Works Department

Department Summary

The core function of the Public Works Department is to preserve and enhance City infrastructure for an accessible, safe, and inclusive community experience. Staff effectively met its core services and objectives and FY 2023-24 goals, despite external cost pressures and several vacancies throughout the department.

The Public Works Administration program continues to work toward greater efficiencies for the entire department, prioritizing day-to-day fiscal needs, while continuing to optimize the Capital Improvement Program delivery and the newly-formed Mobility Services Division.

The addition of new parks and roadways in design and under construction, as well as the addition of new facilities, continue to strain the Maintenance Division. Ahead of these challenges, the City engaged a consultant to complete a resource assessment, and is recommending additional staff resources and some restructuring to properly maintain these valuable assets, as outlined further below.

The Parks Maintenance program has successfully provided the community with safe facilities and well-maintained parks, sport fields, and other landscaped areas. The program recently accepted two new parks within Avila Ranch, and a large Community Park is in the design process within this development, and the new North Broad Street Neighborhood Park anticipated to be completed later this calendar year. Additionally, the Laguna Lake Dog Park and Cheng Park are in various stages of construction and the enhanced facilities will have an increased workload on the Parks Maintenance Program.

The Swim Center Maintenance program continues to provide a safe and clean aquatic facility for the community's use. Major accomplishments include the installation of a new acid vapors recovery system (AVRS) that neutralizes vapors and fumes created by muriatic acid in the swimming pool equipment room, in addition to a new balanced pool treatment system that combines carbon dioxide and hydrochloric acid, reducing acid use and mitigating rising chemical costs. The program also replaced the diving board on the Olympic-size pool, installed new HVAC equipment and upgraded Energy Management System (EMS) controls, managed an LED lighting retrofit in the main bath house, replaced the motor and pump on the therapy pool, and rebuilt the backwash valves in the main pool filtration system.

The Urban Forest program continues to maintain nearly 14,000 inventoried tree assets valued at over \$39 million, and is doing its part to help the City meet its goal of planting 10,000 new trees by 2035. Staff has been impacted by a high volume of Ask SLO requests, which it has had to balance with its existing workload. At the same time, the program has struggled to fill staff vacancies throughout FY 2023-24, and operating budget restrictions have limited its ability to contract pruning services this year for service requests. However, staff believes that all vacancies will be filled and the program will get back on track with a fully-staffed team in FY 2024-25, which will lead to faster emergency call response times and fewer contracted services for service requests. Moreover, the City Arborist position recently transferred to the Community Development Department, allowing Urban Forest program staff to focus their efforts on City-owned trees in the right-of-way, parks and bike paths.

The Facilities Maintenance program efficiently maintains approximately 242,000 square feet of buildings and plays a critical role in the oversight and delivery of CIP projects at City facilities. Recent accomplishments include: critical improvements to City Hall which includes an ADA automated door

opener; stair replacement at the historic Jack House; oversight of tenant improvements to the new City facility at 1106 Walnut Street; and ADA accessibility improvements at the Senior Center. The additional maintenance of new office space for Human Resources and the improvements required at 1106 Walnut to accommodate the additional space needs of the Police Department, as well as trash cleanups and graffiti abatement, have created workload challenges for the team, which is comprised of four full-time technicians and a supervisor.

The Streets and Sidewalk Maintenance program continues to address the City's sidewalk and pavement needs, provide essential storm patrol services during rain events, and responds to high volumes of Ask SLO service requests consistently throughout the year. The program also completes trash and green waste management for the corporation yard, oversees the metal recycling program, provides traffic control support for City events and emergencies, and manages other maintenance activities, including encampment cleanups and trash collection within the public rights-of-way. The scope of roadway infrastructure that the program maintains will continue to increase over the next several years due to the construction of multiple new residential developments and the addition of more protected pedestrian and bicycle improvements.

The Traffic Signals & Lighting program continues to maintain safe and efficient traffic signal operations through regular preventative maintenance, repairs to damaged traffic signal equipment, and ongoing refinements to traffic signal timings and equipment, including ADA upgrades for pedestrian push buttons and assistance with Pedestrian Hybrid Beacons. Traffic Signal/Streetlight technicians have also assisted with several development-led traffic signal and beacon installations. The program is working on an ongoing effort to update its inventory processes in order to reduce delay times on repairs. While the program had a vacancy for several months in FY 2023-24, it is now fully staffed and ensuring its newest staff member is provided all the necessary training and certification. With ongoing installation of new streetlights, off-street path lights, downtown decorative "zigzag" lighting, and new traffic signals throughout the City, the program will need to continually evaluate staffing resources and operating budgets to ensure that there are sufficient funds to maintain the signal and streetlight infrastructure. Over the past several years, there has been a measurable uptick with failures of older traffic signal equipment and increases in hit-and-run vehicle collisions with traffic signal and streetlight poles, which have escalated maintenance costs beyond available budgets. This has caused both budget overruns and undesirable deferrals of necessary spare signal and streetlight equipment purchases.

The Fleet Maintenance program is responsible for purchasing, outfitting, maintaining, and repairing nearly 300 City-owned fleet assets. Other responsibilities include vehicle procurement and disposal; emissions reporting; maintenance of the Corp Yard fuel pumps, car wash, and back-up generators; hazardous waste handling reporting and disposal; and parts inventory. Staff perform 45-60 preventative work orders each month, in addition to repairs that are a result of unscheduled breakdowns. Vehicle procurement has been hindered by supply chain issues, but the program is working to procure the necessary vehicles for City programs and services, while advancing the City's fleet electrification goals. Fleet has purchased nine (9) Ford Lightning EV pickups and five (5) Chevrolet Bolt EV's to date. To charge the new full-electric trucks that work from the Corporation Yard, Fleet installed six (6) networked ChargePoint level 2 chargers at various locations within 25 Prado Rd. These units can provide vehicle charging data to Fleet software.

The CIP Project Engineering program continues to advance and deliver Capital Improvement Plan projects funded for design and construction. The program successfully managed the construction of several

emergency repair projects, including the San Luis Drive and Prefumo Creek debris removal, while also delivering on other priority capital projects, including: the installation of gateless entry technology at the 842 Palm Parking Structure; construction of the City's largest paving project to-date; and starting construction on both the new North Broad Street Neighborhood Park and the Cultural Arts District Parking Structure. The hiring of a Capital Projects Manager and an Engineer have helped expand capacity in order to deliver on current and future projects. Position vacancies have remained steady over the course of the year with several key position duties being handled by supervisors. The program continues to face the normal learning curves of new staff getting up to speed on City-specific processes or learning new roles. Additionally, construction costs, as well as general labor and material costs, continue to escalate and stretch project budgets, as reflected in the changes that staff are recommending to the Capital Improvement Plan. Emergency repair projects, once finalized, can expect to transition into traditionally delivered projects, which will increase their overall project time and budget, as the City proactively prepares for future storms.

The Transportation Planning & Engineering program has continued its progress on crosstown traffic circulation enhancements and its ongoing implementation of the City's Active Transportation Plan, in coordination with the Mobility Services Division. FY 2023-24 highlights include: completion of the Pedestrian Crossing Improvements Project; completion of the North Chorro Greenway and 2023 Arterials Paving Projects (both nearing completion by summer of 2024); planning, outreach and design progress on the Higuera Complete Streets project; preparation of a draft corridor concept plan and initiating public outreach for the Foothill Complete Street Project; completion of the Buchon Neighborhood Traffic Management Project; and completion of construction of the Santa Rosa/Monterey Intersection Improvements Project. Over the past few years, staff departures and transitions within the organization have reduced average experience level of program staff, which has slowed progress with some ongoing project efforts. With adoption of the FY 2023-24 Mid-Year Budget Report, Council directed staff to appropriate \$800,000 from the Infrastructure Investment Fund to advance work on the South Broad Street Complete Street Project via two new contract staff and additional capital resources. Staff has initiated planning for this effort, and is recruiting for two contract positions, an Engineer I-III (in CIP Engineering) and Transportation Planner-Engineer, who would both start in FY 2024-25.

The Mobility Services Division encompasses the Parking, Transit and Active Transportation to enhance inter-program collaboration, better leverage existing resources, and improve customer service experiences.

On May 14, 2024, Council considered the findings from the Parking Rate Study which analyzed potential changes to on-street, off-street, and permit rates to address community concerns while maintaining a fiscally sustainable parking fund. Council approved financial model package Option B presented in the rate study (reduction of on-street rates, reduction of structure rates including the daily max, and elimination of the free first hour and free Sunday parking programs in the structures). Council also approved a reduction in structure permit rates and a reduction in structure validation rates. Staff will monitor the impacts of the approved changes and update revenue forecasts as part of future financial planning and budget reporting efforts.

Construction has started on the Cultural Arts District Parking Structure. Right-of-way improvements including undergrounding of utilities started in April 2024 and is expected to continue until late summer 2025. Parking Services has begun site improvements for the newly acquired property at 1166 Higuera,

which will operate as a low-rate, long-term parking lot. Parking Services continues to advance its comprehensive communications efforts through its hiring of a contract Communications Coordinator.

The Transit Program received approval and issued purchase orders for eight additional battery electric buses. The buses will be delivered in two phases with six arriving by summer 2025 and two arriving by summer 2026. Once these buses are in service, almost 60% of SLO Transit's fleet will be zero-emission which puts the City well ahead of the state's zero-emission mandates. The Bus Yard, located at 29 Prado Road, has been upgraded with infrastructure necessary to support charging and storage of the new battery electric buses. Staff has secured funding for charging stations to further build out of the Bus Yard's infrastructure and will look to issue purchase orders next fiscal year in preparation for delivery of the new electric buses. SLO Transit also completed its 2020-2022 Federal Transit Administration (FTA) Triennial Review this year. The Triennial Review ensures the City is making purchases and operating transit services in compliance with federal regulations. Transit services were partially restored in October 2023 and are nearing pre-pandemic levels of service. Continued issues recruiting and retaining transit workers limits the return to full levels of services; however, Council has approved and staff is working to implement hiring and retention incentives to address this issue. In Fall 2023, staff kicked off an update to SLO Transit's Short Range Transit Plan (S RTP). The S RTP update is a joint effort between the City and San Luis Obispo Regional Transit Authority (RTA) that evaluates current system efficiency and recommends service alternatives to better meet the community's needs and to increase ridership in support of the City's mode split objectives. The S RTP is on schedule to be completed by December 2024 and will inform the Transit Fund's forecast beginning FY 2025-26 through FY 2029-30. Ridership is recovering, thanks in part to Cal Poly's return to 100% in-class instruction, but rider numbers remain lower than pre-pandemic levels.

The Active Transportation program has been working with the Transportation Planning and Engineering program to complete additional outreach and grant administration for the Higuera Complete Streets project, as well as a draft corridor concept plan and public outreach for the Foothill Complete Street Project. The Active Transportation Program has also initiated work on the South Broad Street Complete Street Project, including searching for potential grant funding and planning early public outreach efforts. In addition, the Active Transportation Program has been supporting the Office of Sustainability in assessing the viability of a bikeshare program and a draft Request for Proposals for Council consideration. In early 2024 staff also worked with SLOCOG to install new bike lockers in the downtown that provide more secure parking options for owners of electric and cargo bikes. Also in early 2024, the Active Transportation Program released the first Active Transportation Plan Report Card and is now initiating a transportation survey to inform further updates to the progress on the Active Transportation Plan implementation.

Changes from Financial Plan

Staff's recommendation includes several changes to the adopted 2023-25 Financial Plan. These include addition of 1.00 FTE Parks Maintenance Superintendent, 1.00 Parks Maintenance Technician, and transition of two Parks Maintenance Aides to a Limited Benefit Temporary designation to provide needed capacity for the Parks Maintenance Program. In addition, staff is recommending increased funding for the Parking Enterprise Fund to support increased data processing and maintenance costs, increased credit card merchant fees, and funding for consultant services to complete a technology road map. These increased parking expenditures were included in the Parking Rate Study's financial projections and are anticipated to be funded through the adopted rate changes.

Performance Measures

Performance measures are designed to determine accountability, improve service quality, allocate resources, and evaluate departmental performance in meeting San Luis Obispo’s goals and objectives.

Objective	Measure	2023-24 Target	2023-24 Projected	2024-25 Target
Proactively enhances traffic safety by providing a system of safe, reliable, and well-maintained roadways, sidewalks, traffic signals and streetlights. <i>MCG: Climate Action</i> Strategic Goal: Enhance Safe & Efficient Transportation (PW Strategic Plan)	Pavement Condition Index	75	78	75
	Bicycle network in total miles (Class I/II/III/IV)	14.6/31.0/25.1/2.8	14.6/31.0/25.1/2.8	14.6/30.8/25.1/5.4
	Street miles maintained	135	143	143
Enhance the City’s Urban Forest and maintains visually appealing public spaces. <i>MCG: Climate Action</i> Strategic Goal: Proactively Manage Assets (PW Strategic Plan)	# of trees maintained	13,080	13,360	14,500
	Number of Parks maintained/Improved area of Parks	584 ¹	26/114acres ²	28/115acres
Provide high quality services to the community through efficient and effective delivery of capital improvement projects and management of the City’s infrastructure. <i>MCG: Economic Recovery</i> Strategic Goal: Connect with our Community (PW Strategic Plan)	Total value of CIP Managed	\$97M	\$83.6M	\$53.6M

¹ The 2023-24 park acreage inventory includes the addition of North Broad Street Park and Parks A, B, C, and Stevenson Parkin Avila Ranch.

² Performance Measurement changed in 2023-24 from total park acreage to number of parks maintained and acres of improved surface within the parks.

Utilities Department

Department Summary

The Utilities Department oversees two Enterprise Funds (Water and Sewer), an Agency Fund (Whale Rock), and the Solid Waste and Recycling program which is held in the General Fund. The Solid Waste and Recycling budget is funded by AB 939 and Franchise Fee funding, which are restricted to waste diversion activities. In addition to the Water and Sewer Funds, the Utilities Department also manages the Whale Rock Fund, which is overseen by the Whale Rock Commission. The City’s share of operational expenses and capital project contributions for Whale Rock operations are budgeted through the Water Fund’s Source of Supply budget.

Utilities Department Programs

Fund	Fund Type	Programs Funded	Notes
Water Fund	Enterprise Fund	Administration and Engineering Source of Supply Water Treatment Water Distribution Water Resources Utility Billing	The City’s water operations are paid for by water service rate revenues and cover all costs for operations, maintenance, infrastructure replacement, and debt service. Taxes, including utility user taxes, do not support these services.
Sewer Fund	Enterprise Fund	Administration and Engineering Wastewater Collection Environmental Programs Water Resource Recovery Water Quality Lab Utility Billing	The City’s sewer operations are paid for by sewer service rate revenues and cover all costs for operations, maintenance, infrastructure replacement, and debt service. Taxes, including utility user taxes, do not support these services.
Whale Rock Fund	Agency Fund	Reservoir Operations	The Whale Rock Fund is overseen by the Whale Rock Commission.
General Fund (AB 939)	General Fund	Solid Waste and Recycling	The Solid Waste program is paid for by AB 939 and Franchise fee funding. AB 939 funds may only be used to pay for activities that divert waste from landfills.

Solid Waste Recycling Program

The Solid Waste and Recycling Program is funded by AB 939 fees collected from rate payers and remitted to the City monthly from the garbage company. AB 939 revenue may only be used to pay for activities that divert waste from the landfill. The program consists of one Solid Waste and Recycling Program Manager, one Solid Waste and Recycling Coordinator, and part-time fellows enrolled in the Cal Poly College Corps Program.

The Solid Waste and Recycling Program continues to complete its main functions of monitoring compliance with state laws, overseeing the solid waste, recycling, and organics franchise agreements with San Luis Garbage, mediating customer issues, and partnering with local stakeholders, such as the SLO County Integrated Waste Management Authority, to provide outreach to community members about new and changing solid waste and recycling requirements.

Beginning Fiscal Year 2023-24 and extending into Fiscal Year 2024-25, new work efforts include:

1. Negotiating the renewal of the solid waste and recycling franchise agreements, which are expiring in August 2025.
2. Updating the 1994 *Rate Setting Process and Methodology Manual for Integrated Solid Waste Management Rates* to incorporate compliance with current laws.
3. Collaborating with the Parks and Recreation Department to develop a Recycle Right Volunteer Program to provide recycling assistance at City events as well as help large events and venues reach compliance with the SB 1383 Tier 2 generator organics requirements.
4. Enforcing AB 1276, which bans bundled single-use food ware accessories and requires food generators to provide single-use utensils and standard condiments by request only.
5. Creating a City Municipal Operations Waste Reduction Plan and implementing initiatives consistent with the Council-adopted goal identified in the Lead by Example Plan to achieve zero waste by 2030.

Changes from Financial Plan

In total, staff are recommending seven changes from the adopted 2023-25 Financial Plan which would add 2.75 total FTE across the Water, Sewer, and Whale Rock funds:

1. **Staff recommend \$175,807.50 additional budget for two contract Water Meter Technicians and integration software to support the implementation of Advanced Metering Infrastructure (AMI).** The addition of Water Meter Technicians will be temporary (approximately 3-years) and tied to the completion of AMI installations across all 17,000 customer connections. Staff are also requesting \$1,447,000 for the purchase of AMI assets (meters, radios, and modified meter box lids) in 2024-25 through capital project requests. These costs will be split between the Water and Sewer Funds and staff are pursuing grant funding through the United States Bureau of Reclamation's Water Smart Grants program, which could offset project costs by as much as 50 percent. Staff anticipate that this project will provide three main benefits:
 - a. Long Term Fiscal Sustainability: Staff estimate that this investment will pay for itself in 9-12 years because ultrasonic water meters are more accurate than positive displacement water meters and will account for an estimated 3% increase in water use, which is not being registered by the City's existing water meters. Additionally, staff anticipate that there will be about \$70,000/year in cost savings by reading water meters digitally instead of having the meters read manually by third party.
 - b. Water Conservation: AMI will improve leak detection and water budgeting by enabling staff and community members to access meter reads more easily via smart devices at smaller timescales (meters are currently only read once per month).
 - c. Customer Service: This infrastructure will result in a more consistent meter read schedule, more accessible water use data, and, consequently, more predictable bills for customers. This will improve customer experience and reduce billing issues due to improved leak detection and water use communication via a free cell-phone app.
2. **Staff recommend \$43,153.60 additional budget for an Engineer I in the Utilities Engineering and Planning Team.** The position is being requested to assist with Utilities capital project delivery. Due to the increased workload in Public Works CIP Project Engineering, Utilities staff are planning to either directly design or contract the design of all projects by 2025-26. This

2024-25 budget supplement request is to fund an overlap of 4 months between CIP Project Engineering's coverage of Utilities design services and an Engineer I dedicated to Utilities to facilitate the transition and ensure adequate time for training. The fully burdened annual rate for adding this position is estimated to be \$109,004.71. After 2024-25 Utilities will no longer contribute to positions 50087 (Engineer II) in CIP Project Engineering, and after 2025-26 Utilities will no longer contribute to CIP Project Engineering through the Cost Allocation Plan for design services.

3. **Staff recommend \$85,000 additional budget to fund a Rate Structure Study.** This was requested by Council, when staff presented the proposed 2023-25 water and sewer rates on June 6, 2023.
4. **Staff recommend \$36,193.10 additional budget to add a 0.75 FTE Utility Billing Assistant. Historically, the Utility Billing Team was consolidated with the Finance Department. In 2013, Utility Billing was transitioned over to the Utilities Department, at which point, 2 full time staff were hired to fill these positions. Regulations such as the Water Shutoff Protection Act (SB 998), coupled with increased Utility Service Connections, created a need for an additional staff member during impacted times. This request would allow the Department to move away from the current model of hiring contract staff to fill this need.** The position will help this program continue to provide high-level customer service while accommodating community growth, new job duties, improved program resilience, increased productivity, and better support for low-income rate assistance programs and initiatives.
5. **Staff recommend \$125,000 to increase available electric service budget for the WRRF.** Due to multiple rate increases by the City's electrical utility provider, PG&E, the WRRF will require additional funding in this account. This SOBC will be funded from the Sewer Fund's unreserved working capital.
6. **Staff recommend \$119,344.86 to fund the addition of a Wastewater Collection Chief Operator.** The requirements of the Wastewater Collections program have expanded to include new responsibilities from the State with the issuance of a new General Order, and the City's Municipal Separate Stormwater Sewer System (MS4) permit. Additionally, the City's Sewer Lateral Programs approved by council in 2019 have significantly expanded workload associated with private development, which did not include additional staffing resources. Creation of the position will also return capacity to the Supervisor for staff development that has been diminished since the creation of the sewer lateral programs and increased regulatory requirements. The new position is similar in nature and duties to the Water Distribution Chief Operator position, which has been active since 2017.
7. **Staff recommend \$932,488.66 to support storm damages to the Nacimiento Pipeline.** In January of 2023 extreme flooding occurred within San Luis Obispo County. This flooding resulted in the Salinas Reservoir filling to capacity and spilling through the designed spillway structure. Discharges from this spillway, along with flow from other tributaries to the Salinas River, resulted in substantial erosion to the riverbank of the Salinas River throughout northern San Luis Obispo county, with extreme erosion in Atascadero. The uncharacteristically high amounts of erosion from flow in the Salinas River resulted in damage to the Nacimiento Pipeline that delivers raw water to the City of San Luis Obispo's Water Treatment Plant. The damage to

this pipeline was extensive and permanent repairs are estimated to cost \$8,292,000. The City’s share of this cost is \$3,487,137. To fund the City’s portion of repair costs, staff is recommending that \$1,300,000 be funded by the City’s portion of Nacimiento Project reserves, which are held by the County of San Luis Obispo and that the remaining \$2,504,607 be funded by the City’s water fund. All elements of the permanent repair project design and construction are anticipated to be reimbursed by FEMA and CALOES at a rate of approximately 93% upon project completion.

The unanticipated, one time increase due to this project is held as an operating expenditure in the City’s Source of Supply budget. This increase of approximately \$932,488.66 is being partially offset by a reduction in pumping costs due to Nacimiento water deliveries being replaced by deliveries from Salinas and Whale Rock, which have lower pumping costs.

Performance Measures

Performance measures are designed to determine accountability, improve service quality, allocate resources, and evaluate departmental performance in meeting San Luis Obispo’s goals and objectives.

Objective	Measure	2023-24 Target	2023-24 Projected	2024-25 Target
Maintain and manage infrastructure, assets, and facilities responsibly and transparently. <i>Strategic Goal: Public Stewardship</i>	Sanitary Sewer Overflows per 100 miles of sewer main ¹	0	0.68	0
	Breaks/leaks per 100 miles of water main ²	<13.4	5.21	<13.4
Provide the Community with High Quality and Reliable Service <i>Strategic Goal: Public Service</i>	Recycled Water Delivered (AF) ³	237	218	237
	Minimize Customer Shut-Off for Nonpayment ⁴	<450	204	<450

Section 10. 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.

Table 10.1. Appropriation Limit Calculation

	Factors	Ratio	Formula
1 A.) Prior Year Appropriation Limit	\$90,839,932		
2 B.) Adjustment Factors			
3 1. Population Change	1.01%	1.0090	
4 2. Cost of Living Increase	1.04%	1.0362	
5 3. Combined Factor	1.05%	1.0455	B1 * B2
6 Adjusted Limit	\$94,976,973		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 2024-25. A positive variance indicates that the City’s appropriations are lower than the allowable limit.

Table 10.2. Limits over time

Fiscal Year	Limit Base	Cost of Living Factor	Population Factor	Appropriation Limit	Appropriations Subject to Limit	Variance
1 2015-16	59,112,600	4.97%	0.78%	62,534,500	46,067,700	16,466,800
2 2016-17	62,534,500	5.63%	0.60%	66,451,500	49,397,200	17,054,300
3 2017-18	66,451,500	1.20%	0.92%	67,867,633	50,036,391	17,831,242
4 2018-19	67,867,633	1.88%	0.35%	69,383,546	51,142,315	18,241,231
5 2019-20	69,383,546	6.37%	0.24%	73,981,290	50,127,692	23,853,598
6 2020-21	73,981,290	1.92%	-0.04%	75,373,410	48,342,410	27,031,416
7 2021-22	75,373,410	5.11%	0.31%	79,470,558	52,362,031	27,108,458
8 2022-23	79,470,558	7.55%	0.28%	85,706,220	65,610,162	20,093,058
9 2023-24	85,706,220	4.79%	1.15%	90,839,932	71,693,192	19,146,740
10 2024-25	90,839,932	3.62%	0.90%	94,976,973	76,671,495	18,305,478