

2013-15 Financial Plan

GOAL-SETTING AGENDA PACKET

January 8, 2013 Community Forum
January 26, 2013 Goal-Setting Workshop



**2013-15 Financial Plan
COMMUNITY FORUM & GOAL-SETTING AGENDA PACKET
January 8 and January 26, 2013**

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Responses received after December 14 will be distributed on January 18

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To be distributed on January 15

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Section 1

WORKSHOP AGENDAS

January 8: Community Forum

January 26: Council Goal-Setting Workshop

Community Forum

6:00 PM to 9:00 PM, Tuesday, January 8, 2013

Ludwick Community Center

- 6:00 **Welcome** Mayor
- 6:05 **Process, Current Goals, Measure Y Priorities and Fiscal Outlook** City Manager/
Interim Finance & IT Director
- 6:30 **Public Comment**
1. Members of public who desire to speak complete public comment cards and indicate topic. Where a group has several members present, we encourage them to select a spokesperson and have others in their group indicate support for the same position with a show of hands.
 2. We invite each speaker to address:
 - a. **What** do you recommend as a Major City Goal?
 - b. **Why** is it important to you and the City?
 - c. **How** do you suggest that it might be accomplished?
 3. Facilitator calls upon a speaker and identifies general topic.
 4. Department Head in the budget category for the topic steps up to write the idea on a flip chart sheet and clarifies any linkages with existing programs or plans.
 5. Staff posts the public comment in the relevant budget category.
 6. All participants provided with half-page “post-its” to note any suggestions or concerns about the ideas.
- 8:40 **Closing remarks** Mayor
- 8:45 **Participants Vote on Top Priorities with Dots** (no more than 1 green and orange dot per item)
- 9:00 **Adjourn**

Preparation

- Prepare handouts on budget process; current goals & objectives and Measure Y Priorities; and Community Priorities Survey results.
- Set up the room with posting area for each of the budget categories.
- Provide participants with half-page post-its.
- After receiving public comments, provide the following adhesive dots per attendee: 6 orange for top Measure Y priorities and 6 green for overall goal priorities.

Council Goal-Setting Workshop
8:30 AM to 4:30 PM
Saturday, January 26, 2013
City-County Library Community Room

| | | |
|-------------------|---|---------------|
| 8:30 - 9:00 a.m. | Refreshments | |
| 9:00 - 9:05 a.m. | Welcome and Introductions | Mayor |
| 9:05 - 9:10 a.m. | Purpose, Process & Guidelines | Facilitator |
| 9:10 – Noon | Review Goals by Category Discuss Relationship of Goals to Current Activities Formulate and Select Candidate Goals | Council |
| Noon – 12:15 p.m. | [Council may accept further comments from the public that have not been previously presented] | |
| 12:15 – 1:15 | Lunch Break [staff compiles candidate goals] | |
| 1:15 - 2:15 p.m. | Discuss and Clarify the Goals Each Member Prepares a Written Ballot Ranking the Goals | Council |
| 2:15 - 3:15 p.m. | Break while staff tabulates the results | Staff |
| 3:15 - 4:00 p.m. | Review and Identify Major City Goals | Council |
| 4:00 - 4:30 p.m. | Discuss Next Steps | Council/Staff |

Preparation

- Staff compiles and distributes composite list of candidate goals to Council members.
- Staff prepares a template for Council ballot sheet.
- Assign staff to enter goal statements into spreadsheet as Council formulates them.

Section 2

Recommended City Goals COUNCIL ADVISORY BODIES

2013-15 Financial Plan

Council Advisory Body

RECOMMENDED GOALS

December 14, 2012

city of san luis obispo

COUNCIL ADVISORY BODY RECOMMENDED GOALS

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The Housing Authority did not provide a goal listing.

INTRODUCTION

This document summarizes advisory body recommendations to the City Council for consideration during the 2013-15 Financial Plan process. The goals are listed by advisory body in alphabetical order.

BACKGROUND

Community input is imperative to the City's budget process. As part of its extensive outreach effort, the City Council asks its appointed advisory bodies to provide input as to the most important projects and tasks the City should pursue during the next two-year financial plan period. Each advisory body first provides a list of goals independently and is then provided with a summary of all advisory body goals submitted. This process allows each advisory body to consider what the other bodies deem important objectives to be accomplished over the next two years.

REVIEW PROCESS

In 2012, all City advisory bodies provided the initial listing of goals after their October meeting. The consolidated listing of all recommended draft advisory body goals was sent on November 14, 2012 for review during the December regular meetings. The final recommendations from each advisory body are provided in alphabetical order in this report.

GOAL SUMMARY

Several of the listed goals appeared on more than one advisory body submittal and are listed below:

- **Alternative Transportation (Bicycle & Pedestrian Improvements)**
 - Architectural Review Commission
 - Bicycle Advisory Committee
 - Planning Commission
 - Parks & Recreation Commission
 - Tourism Business Improvement District

- **Homeless Issues and Affordable Housing**
 - Human Relations Committee
 - Planning Commission
 - Tourism Business Improvement District Board

- **Beautification**
 - Architectural Review Commission
 - Promotional Coordinating Committee
 - Tourism Business Improvement District Board

ARCHITECTURAL REVIEW COMMISSION

The Architectural Review Commission (ARC) requests Council consideration of the following budget goals in priority order:

1. Downtown Concept Plan:

Update and further expand the Downtown Concept Plan with focus on the following:

- a. Enlarge and improve Mission Plaza to the Broad Street dogleg.
- b. Extend and improve facilities along the downtown creek-walk.
- c. Implement pedestrian plaza in front of Government Center on Monterey Street.

2. Gateway Projects:

Implement three previously-identified City gateway improvements.

3. Alternative Transportation Incentives:

Encourage using in-lieu parking fees and other transportation revenue sources for the development of bicycle circulation and improvements and encourage the development of spaces in conventional parking lots and structures to accommodate scooters and other alternative transportation vehicles.

4. Downtown Beautification & Maintenance:

- a. Provide funding for ongoing maintenance activities like shrub and flower planting in landscaped areas and the steam cleaning of sidewalks to improve the appearance of the downtown.
- b. Expand the uniform streetscape improvements to other areas.

Why It's Important

- a. Improves citizens' enjoyment of community.
- b. Provides a diversity of experiences.
- c. Promotes economic distribution throughout the downtown core.
- d. Makes downtown an attractive environment to encourage mixed-use developments.

How to Make it Happen

- a. Encourage public-private partnerships with the Downtown Association and individual businesses to take on the responsibility of downtown maintenance.
- b. Emphasize low-cost improvements over costly capital projects.

BICYCLE ADVISORY COMMITTEE

On November 20, 2012, the Bicycle Advisory Committee drafted its recommended FY 2013-15 goals for Council consideration. The following table presents the Committee’s draft goals which are designed to implement Measure Y priorities of Traffic Congestion Relief, maintain the City’s silver level “Bicycle Friendly City” designation by the League of American Bicyclists and make the best use of the City’s limited financial resources. Goals are not listed in any specific order. The Committee recommends that what can be done, should be done.

| Recommended Goal | Why Goal is Important | Measure Y/Major City Goal Relationship | Candidate Funding |
|--|--|--|---|
| Maintain ½ time Principal Transportation Planner position and as the City’s fiscal health improves, restore funding to 1.0 FTE. | The Principal Transportation Planner position oversees the City’s bicycle transportation program. | Direct relationship: Traffic Congestion Relief Also supports Preservation of Essential Services and Fiscal Health | - General Fund |
| Maintain ¼ time temporary staffing position for Transportation Programs Implementation and as the City’s fiscal health improves, restore funding to 0.50 FTE and make the position permanent. | This position seeks out and applies for grants as well as assists in the implementation of the Bicycle Transportation Plan. | Direct relationship: Traffic Congestion Relief Also supports Preservation of Essential Services and Fiscal Health | - General Fund |
| Continue improving the maintenance & safety of bicycling & pedestrian facilities in conjunction with Pavement Management projects. (\$25,000 annually). | Increases the usability & safety of bicycle & pedestrian facilities which promotes alternative transport. Including these improvements in the Pavement Management cycle results in substantial cost savings. | Direct relationship: Traffic Congestion Relief Also supports Infrastructure Maintenance | - Traffic Impact fees |
| Continue design and construction of the Railroad Safety Trail: Taft to Pepper. | This goal provides a huge safety enhancement for a large volume of bicyclists, a safe bike route to the University, schools, & parks: implements General Plan goals to increase bicycle use and supports Grand Jury recommendations to close gaps. | Direct relationship: Traffic Congestion Relief Also supports Climate Protection | - General Fund - BTA grants - STIP funding - City debt financing for construction - Fundraising efforts |
| | | | |

BICYCLE ADVISORY COMMITTEE

| Recommended Goal | Why Goal is Important | Measure Y/Major City Goal Relationship | Candidate Funding |
|--|---|---|--|
| Continue design and construction of the Bob Jones City to Sea Trail . | This project continues to be a high priority among residents and SLO County is moving forward with their section of the trail. | Direct relationship: Traffic Congestion Relief Also supports Climate Protection | - Grants |
| Maintain \$7,500 in funding for Bicycling Safety Education . | Education efforts reduce collisions. Also supports Grand Jury goal of promoting safe cycling. | Direct relationship: Traffic Congestion Relief | - Transportation Development Act (TDA) funds |
| Fund the design and construction of Bicycle Boulevards . | Bike boulevards are relatively inexpensive to construct and increase ridership as they appeal to risk-averse, inexperienced and younger bicyclists. | Direct relationship: Traffic Congestion Relief and Neighborhood Wellness Also supports Climate Protection | - General Fund - Traffic Impact fees |
| Implement multiple lower cost Bicycle Transportation Plan projects. | The City's bicycle infrastructure can be greatly expanded for minimal costs if many small projects in the Bike Plan are implemented. | Direct relationship: Traffic Congestion Relief Also supports Climate Protection | - General Fund - Traffic Impact fees |

CULTURAL HERITAGE COMMITTEE

1. **Historic Context Statement:**

With the assistance of a consultant, complete the Historic Context Statement that has been funded by a Certified Local Government grant; and as time and resources are available, consider updates to the Historic Preservation Program Guidelines to incorporate the Context Statement.

2. **Historic Resource Surveys:**

In alignment with the City's status as a Certified Local Government, continue historic resource survey efforts.

3. **Historic District Boundaries:**

Following completion of the context statement, examine the boundaries of existing historic districts to determine if amendments are needed and seek final approval and funding for the installation of historic district identification signs.

4. **City owned Adobes:**

Focus efforts on the preservation of the La Loma adobe and seek grants and grass roots efforts to support this effort. Assign this effort to a specific City department outside of administration such as Community Development or Natural Resources.

5. **Historical tours and outreach media:**

Support the development and implementation of historical tours of the City by public entities and volunteer efforts, employing various media. Utilize these tours and associated media (maps, brochure, podcasts, interactive web based GIS mapping of site-specific historical, cultural, social, economic, architectural and archeological information to be made available to the public on the City website) to support heritage tourism efforts.

HUMAN RELATIONS COMMISSION

The Human Relations Commission (HRC) makes recommendations to the City Council and staff on how to best address social concerns and human needs in San Luis Obispo. The HRC serves as a conduit for input from community members and social service organizations and has the opportunity to encourage cooperation and collaboration between nonprofit agencies and city departments.

Why?

A community's moral value is determined by how it treats its most vulnerable members. Therefore, the HRC recommends to the Council that the support of basic human needs be established as a major city goal for 2013-15.

What?

Although there are many worthwhile needs such as senior services, hunger prevention, support for youth at risk and others, given the current fiscal constraints we encourage the city to focus on homeless prevention, supportive services and transitional housing.

Homeless Prevention and Transition Plan

Continue to support a long-term, comprehensive, proactive, sustainable program that addresses homelessness and focuses on transitioning children, families and individuals out of homelessness.

How:

1. Continue to work with the County and other local municipalities in implementing the San Luis Obispo Countywide 10-year Plan to End Chronic Homelessness.
2. Support the development of a comprehensive homeless services facility that includes the implementation of a Good Neighbor Plan and requires case management enrollment.
3. Balance needs of the homeless population and neighborhood wellness e.g. expanded safe parking program, transitional programs, meals, etc.
4. Explore ways to increase the affordable and transitional housing inventory using creative financing, master leasing, and purchase programs.
5. Increase the Grants in Aid budget and General Fund support.

JACK HOUSE COMMITTEE

1. Gazebo restoration:

The Gazebo is an important landmark element in the Jack House Gardens, but has been classified as being in questionable condition by the Department of Public Works. Parks and Recreation is working in conjunction with Public Works to submit a CIP for Gazebo Restoration in the upcoming fiscal cycle.

2. Bay Window restoration and elevator shaft removal:

The bay window on the south side of the house used to serve the first floor dining room and the second floor master bedroom. The bay window was removed and replaced with an exterior elevator shaft to serve the resident at the time. Removing the elevator shaft and restoring the bay window would restore the south side of the house to its original charm and grace. It would also restore the missing south light quality to the dining room and master bedroom. Hopefully some of the funding of this restoration could be provided for through the recent trust endowment for Jack House restoration projects.

3. Annual outdoor maintenance:

To passer-byers and visitors alike, the house appears dirty and dingy on the outside. The Committee would like to see that it receive an annual cleaning of dirt and debris, including the fence that lines Marsh Street before wedding season begins in April. In addition to the annual clean, the house should be painted on an 8-year cycle, as recommended by Public Works.

4. Buggy Shed makeover and updating for public use:

The Buggy Shed is an integral part of the Jack House Gardens. Several years ago it had a seismic structural upgrade which made it safe for public use. With minimal funding and anticipated volunteer work the front half of the facility can be open to the public as a display space for historic artifacts and/or a small meeting facility. The back half of the facility will remain a storage space for tables and chairs used in the Gardens.

MASS TRANSPORTATION COMMITTEE

In order of priority

| GOAL <i>What is being proposed for the community?</i> | IMPORTANCE <i>Why is it important?</i> | FUNDING SOURCE <i>How can it be achieved from a resource perspective?</i> |
|--|---|---|
| 1. Maintain part-time temporary staffing position for Transportation Programs Implementation (approximately \$38,000 annually) | <ul style="list-style-type: none"> • This bicycle/transit funded position seeks out and applies for grants as well as assists in the implementation of the Bicycle Transportation Plan and Short Range Transit Plan. • Traffic Congestion Relief & Bikeway Improvements • Public Safety Service Levels & Downtown Improvements | <ul style="list-style-type: none"> • ½ General Fund • ½ Transit Fund |
| 2. Maintain existing service levels including Evening service. | <ul style="list-style-type: none"> • Improve accessibility throughout the City. | <ul style="list-style-type: none"> • Federal Transit dollars • Transportation Development Act dollars • Shelter and bench advertising • Measure Y |
| 3. Develop and implement a comprehensive marketing campaign for fixed route and trolley operations. | <ul style="list-style-type: none"> • Increase ridership, revenues and farebox recovery ratios | <ul style="list-style-type: none"> • Federal Transit dollars • Transportation Development Act dollars • Shelter and bench advertising |
| 4. Add a Full Time city staff position with responsibilities for marketing and outreach. | <ul style="list-style-type: none"> • Promotes economic goals and reduces the likelihood of fare increases or service reductions • Increased revenue | <ul style="list-style-type: none"> • Federal Transit dollars • Transportation Development Act dollars • Shelter and bench advertising • Measure Y |
| 5. Complete physical infrastructure to support convenient ridership, including schedule and media information, ADA access, lighting, bike capacity, electronic AVL signage and increased bus stop passenger amenities. | <ul style="list-style-type: none"> • Improve accessibility throughout the City. • Increase convenient bus service. • Increase ridership | <ul style="list-style-type: none"> • Capital improvement program • Federal Transit dollars • Transportation Development Act dollars • Prop 1B-CAL EMA |

MASS TRANSPORTATION COMMITTEE

| | | |
|---|--|--|
| <p>6. Complete Transit CIP infrastructure projects including Transit facility fuel tanks, Transit facility expansion and Transit facility bus wash modification.</p> | <ul style="list-style-type: none"> • Improve Transit system reliability • Reduce operating costs by reducing fuel costs via bulk purchases | <ul style="list-style-type: none"> •Capital improvement program • Federal Transit dollars • Transportation Development Act dollars • Prop 1B-CAL EMA |
| <p>7. Conduct a Joint Short Range Transit Plan (SRTP) update for SLO Transit and RTA.</p> | <ul style="list-style-type: none"> • Improve Transit system reliability and efficiency •Improve Transit system coordination of services | <ul style="list-style-type: none"> • Federal Transit dollars • Transportation Development Act dollars |
| <p>8. Support SLOCOG Coordinated Transit Center EIR</p> | <ul style="list-style-type: none"> • Next step in the process to construct a joint transit hub for SLO Transit & RTA | <ul style="list-style-type: none"> •Capital improvement program • Federal Transit dollars • Transportation Development Act dollars • Prop 1B-CAL EMA |
| <p>9. Reduce Greenhouse gas emissions by use of alternate fuel or hybrid electric Transit vehicles.</p> | <ul style="list-style-type: none"> • Improve air quality | <ul style="list-style-type: none"> • Federal Cap & Trade funds • Federal Transit dollars • Transportation Development Act dollars Prop 1B |
| <p>10. Support congestion relief and long term fiscal health through transit-supportive land use strategies and revising parking requirements near transit routes</p> | <ul style="list-style-type: none"> • Land use is the most important long term influence on ridership levels. • Puts land use into more revenue producing uses. | <ul style="list-style-type: none"> • Policy changes • Municipal code changes. |

PARKS AND RECREATION COMMISSION

The 2012 Adopted Major City Goal Recommendation for the Parks and Recreation Commission is as follows:

Provide for Active and Healthy Lifestyles for our City residents through further investment in plans, programs and facilities.

Objectives

- 1. Commit financial support for recreational facilities, activities and programs**
 - Increase Ranger Staffing to improve public safety and neighborhood wellness
 - Implement Sinsheimer Stadium Study Recommendations
 - Construct the Santa Rosa Skate Park
 - Construct lit tennis courts at Emerson Park
 - Fund an update of the Parks and Recreation Element
 - Complete the Railroad Safety Trail, Bob Jones multi-use trail, and bike boulevards

- 2. Expand recreational opportunities (for example):**
 - Form community partnerships to increase sports programming
 - Build additional open space trails
 - Support Parkway development

PLANNING COMMISSION

On November 28, 2012, the Planning Commission amended its draft goals for the 2013-15 Financial Plan and finalized its submittal:

- **Increase** support for non-auto related transportation alternatives in plan and project approvals as well as program implementation through budgeting priorities.
- **Implement** the Economic Development Strategic Plan, including a focused attention to retail uses in the downtown.
- **Maintain** a sustainable City budget and level of services by focusing on infrastructure maintenance, new revenue sources, and renewal of Measure Y.
- **Emphasize** affordable housing programs and homeless services and Housing Element implementation.
- **Stress** early implementation of the updated Land Use and Circulation Element high-priority programs.

PROMOTIONAL COORDINATING COMMITTEE

The PCC had a lively discussion during its October 2012 regular meeting regarding goal setting for the 2013-15 Financial Plan. Consistent with its assigned role, the adopted goals concentrate on improvements and enhancements that would make the City of San Luis Obispo an even better place to reside and visit. The PCC did not weigh the goals since the members felt that they were equally important.

Goals

- **Beautification**
 - Concentrate on median beautification and create an “Adopt a Median” program.
 - Include all business districts (Railroad, Old Town, China Town) in beautification instead of concentrating solely on Downtown.
- **Create** signage for bicycle trails with a distinct look so they visually link together. Utilize green paint for street marking of bike lane.
- **Enhance and increase** capacity, awareness, and information about all modes of public transportations in and around San Luis Obispo.
- **Support** collaboration with local cultural, recreational and competitive sports events to drive visitors to San Luis Obispo.
 - Establish a process to make event organization and permitting easy, cost effective, and user friendly. As a City embrace and facilitate events as much as possible.
- **Install** proper pedestrian lighting on residential and perimeter streets to increase safety. Consider implementing an “Adopt a Street Light” program for this purpose.
- **Finish** the build-out of the directional wayfinding program.

TOURISM BUSINESS IMPROVEMENT DISTRICT BOARD

The Tourism Business Improvement District (TBID) board reviewed its 2011-13 goals and felt that they were still valid. The board recommended some updates and additions and the members hope that some of the goals will make it into the 2013-15 work program to improve the visitor experience in San Luis Obispo. The TBID board did not weigh its goals, keeping them all equally important.

Goals

- **San Luis Obispo Events**
Establish a process to make event organization and permitting easy, cost effective, and user friendly. As a City embrace and facilitate events as much as possible.
- **SLO Airport**
Support the San Luis Obispo Airport in its efforts to keep airline services in town and assist with marketing efforts to bring visitors to San Luis Obispo by plane. Encourage the upgrade of the arrival area in the airport as well as the expansion of the regional airport.
- **Establish** a City shuttle service to outer areas (LOVR, Madonna, Airport) as well as the train station to facilitate visits to Downtown San Luis Obispo.
- **Increase** funding for the Promotional Coordinating Committee in its efforts to promote cultural, recreational, and social events that bring and keep tourists in San Luis Obispo.
- **Beautification** of City Gateways and the City's downtown core.
- **Enhance** security relative to transient populations throughout the City so residents and tourists can feel safe while enjoying activities in San Luis Obispo.
- **Increase** emphasis on completion of the Bob Jones bike path as a connection between San Luis Obispo and the beach.

TREE COMMITTEE

Tree Committee Goal Suggestion for 2013-15:

Increase the operating budget and staffing for the Urban Forest (Program 50220 Tree Maintenance)

Why?

To ensure the vitality of our urban forest, where trees are trimmed on a regular basis, trees are replaced, new trees are planted and all the trees within the city are cared for in a manner that adds value to the city. San Luis Obispo has been a Tree City USA, for 29 consecutive years now since 1983.

How?

- a. Increase staffing by adding a third full time position to the Tree Crew. Three people is the industry standard size crew for most efficient tree trimming.
- b. Increase staffing by converting the young tree care specialist to a full time position. This position has been a temporary worker for 11 years.
- c. Increase budget for one year to purchase a stump grinder for Tree Crew for \$30,000.
- d. Increase the tree budget by \$10,000.00 a year to keep up with necessary, tools, training, education and operating expenses. The city currently has four certified arborists on staff. All 3 full time positions and one “temporary” worker are certified arborists.

These increases will help to bring the city closer to parity with other cities of a similar population and number of trees. The City has almost 19,000 street and park trees that are cared for by the Urban Forestry Crew. Many cities with a similar population or number of trees under their care have much larger budgets and personnel for the Urban Forest.

Section 3

Recommended City Goals COMMUNITY PRIORITIES SURVEY

RESULTS OF COMMUNITY BUDGET BULLETIN SURVEY

BACKGROUND

Citizen feedback and input is a cornerstone of the City’s budget process and an integral part to the decision making on Major City Goals.

In addition to encouraging participation in the budget workshops, the community survey asks the City’s residents to share their priorities and the most important things for the City to accomplish over the next two years. Additionally it asks for feedback on possible program and service adjustment in order to accomplish the goals.

SURVEY DISTRIBUTION

In order to reach as many residents as possible, the City utilizes several outreach methods. They range from:

- Online & Facebook availability
- Utility Invoice inserts
- City public counters and the Senior Center, Swim Center, the Golf Course, and the Public Library
- Newspaper ads
- Outreach to 200 community groups

SURVEY PARTICIPATION

By December 14, 2012, **279** online and hard copy individual surveys were received. This is especially notable since the survey is an “open-ended” template (it did not provide pre-determined “check-off” answers) and requires thought and effort on the part of respondents. As surveys continue to be received, the Council will receive an updated summary on January 18, 2013.

SURVEY RESULTS

It is important to point out that this is not a “scientific survey” and as such caution should be used when interpreting the results. Nonetheless, staff believe the results are useful—especially when viewed in conjunction with the other forms of feedback the Council will receive in this process—in gaining additional insight into the wishes, views, and concerns of the community.

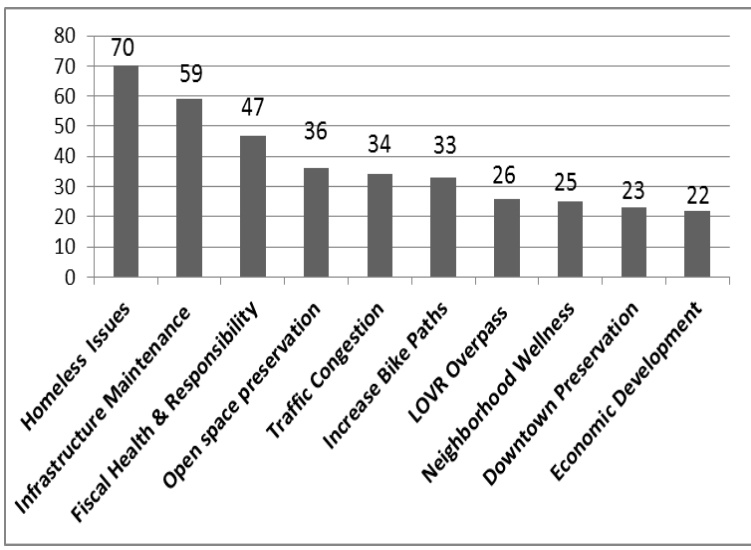
Since these are “open-ended” responses, it is not possible to provide a simple, analytical summary of the results. Nonetheless, clear themes emerged. The sidebar charts summarize “Top Themes,” presented in order of the most common responses.

How Does this Compare with Other Surveys?

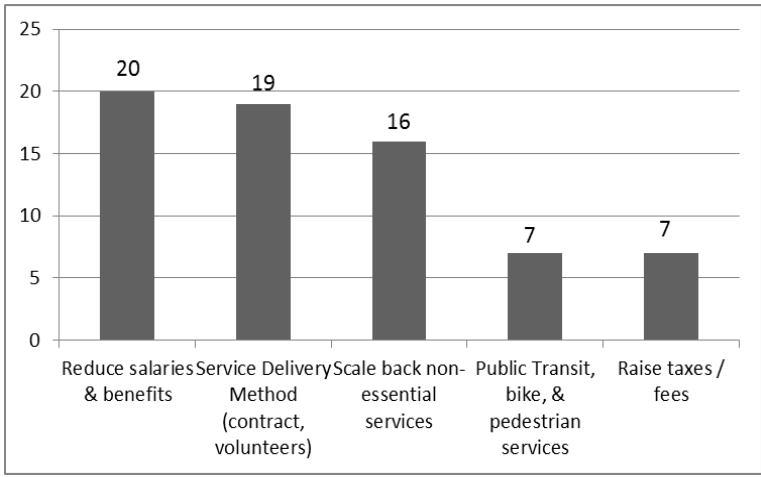
Two Years Ago. The same survey on priorities was conducted two years ago as part of the 2011-13 Financial Plan. The results are similar for both, community priorities and related program adjustments. Although the importance of priorities have changed over time, the themes have been consistent over the past four years.

TOP 10 THEMES: PRIORITIES

Based on 279 Responses



TOP 5 THEMES: ADJUSTMENTS



What should be the most important, highest priority goals during 2013-15?

Responses are reproduced verbatim. Where a response is shown more than once, it was received in duplicate.

1. Los Osos Valley Road from Higuera to Madonna Rd.

1. Be fiscally responsible
2. Prado Rd. overpass
3. Los Osos Valley Rd. overpass
4. Bike Path extension-town to Avila
5. Fix Tank Farm 4 lanes

1. Safety of all citizens
2. Homeless situation is out of control. I do not like going downtown due to homeless.
3. Large department store i.e. Macy's would be nice. I would rather shop in SLO instead of Santa Maria or Santa Barbara.

1. Resolve the homeless parking concerns (permit free parking in certain areas). Officers should be more understanding and (indecipherable word) and less "officers".
2. Repair the streets (holes and rough areas)
3. Fire personnel are great and caring-Police should be more so and remember that they are here to serve and not "impose" strict law interpretations

1. Economic Development
2. End regulatory sprawl
3. End unconstitutional attacks on the homeless
4. Transparency
5. Fiscal restraint

1. Reduce size of Fire Dept. by 1/3 to 1/2-paying them to chase ambulances and sleep is bad. We sprinklered downtown and removed over 1/2 the fire load-so set. We do not have a major fire in year-get real!
2. Cutting over-paid staff to save public money; stop over paying City staff-they are not magic
3. Return the SLOPD to community policing-they have lost their way a bit.

1. Foster greater use of public bus system by offering more free rides (or would that decrease your precious downtown parking revenues?)
2. With so many available open spaces/hiking trails don't even think about entry fees to generate revenues. They should remain free.
3. San Luis Obispo should never stoop down to red light cameras

1. Repair of roads
2. Build the homeless shelter

COMMUNITY BUDGET BULLETIN SURVEY RESPONSES: PRIORITIES

1. Trim tree branches that hide stop signs
2. The markings on some streets has faded-needs new paint or cleaning-hard to see at night when it rains

1. Balance budget or create surplus for times of true need? Sound reasonable? P.S. You can't do this

1. Restore wage and benefits to City employees ASAP

1. Fiscal health/preserve essential services
2. Economic wellness
3. Neighborhood wellness
4. Traffic Congestion
5. Downtown preservation & support

1. Promote policies and programs to attract and enable new business/existing businesses to thrive and grow
2. Development agreement with Chevron to widen Tank Farm Rd.

1. Fiscal stability
2. Comprehensive homeless pan with housing/social services/meals
3. Support housing development in general

1. Homelessness
2. Street maintenance
3. Public service coverage

1. In these times a balanced budget is the highest priority.

1. Historic preservation-maintain & enhance the historic environment downtown-which gives out City its unique charm and attracts tourists and residents alike

1. Continue to limit or prevent big box stores from locating within the SLO City limits
2. Provide a traffic light at Broad & Stoneridge (on Broad & Lawrence provided access to the latter from Stoneridge)
3. We have owned a home on Bluerock Ct. for 12 years, 11 of which we rented, now we live in it a few months each year until we retire in about 4 years-then full time! We love SLO, and we appreciate all the efforts made to make it so wonderful.

1. Improve street safety by: create more bike lanes; lower speed limits improve Higuera between Marsh & Madonna, drop Higuera to two lanes downtown

1. Preservation of Fiscal Health
2. Maintain Infrastructure (streets & utilities)
3. Neighborhood wellness
4. Keep San Luis Obispo awesome

COMMUNITY BUDGET BULLETIN SURVEY RESPONSES: PRIORITIES

1. Getting rid of the homeless in the downtown area
2. Stop the proliferation of bars in the downtown area

1. Keeping SLO attractive to tourists. The restrooms at Mission Plaza should be updated or at least kept clean.
2. Additional parking on the core will be needed a more residences are built downtown
3. Continue to make the City supportive of new companies-the Chamber does well with this

1. Traffic congestion relief. Install smart traffic lights to reduce congestion created by current traffic lights such as one at Madonna and Oceanaire.
2. Long term planning for construction of a road to connect east side to west side: Los Osos Valley Road to Johnson

1. Please do not raise water and sewer rates again. We conserve on water. Retired people cannot afford another rate increase.

1. Reduce high water and particularly sewage bills!!!

1. Student rentals in residential areas that fill the streets with cars (5 cars with room for two in driveway)
2. Enforce the existing No Smoking law downtown
3. Continue to encourage Cal Poly/Cuesta to provide housing for their students

1. Sewer rates are seriously too high for med. And lower income families. Why is this?

1. Live within a balanced budget
2. Maintain sewer, water and roads
3. Maintain law and order-address drinking downtown and law-breaking bicyclists
4. Focus schools on basic skills-"3R's"
5. Support regulated growth

1. Dealing with the homeless. They are loitering downtown more than in the past and getting more aggressive.

1. Infrastructure-keeping it up to date
2. Recreational activities for families that are affordable for all
3. Low cost housing for young families

1. Address homeless issues in the City of San Luis Obispo
2. Traffic flow
3. Vibrant downtown core-love projects like the Granada hotel
4. Bike paths and safe ways to travel
5. More library hours

1. Continue to acquire Open Space
2. More senior housing units

COMMUNITY BUDGET BULLETIN SURVEY RESPONSES: PRIORITIES

1. Lower cost of electricity of electricity and water- it's way too expensive compared to other cities as much as 3x more each. Crazy!

1. Thank you for the realignment of lane markers on our City streets. The use of reflective paints is a big plus.

1. Preservation of essential services especially for low income (and homeless)
2. Better lights for residential neighborhoods (Long range)
3. "Safer" sidewalks downtown

1. Addressing homelessness, physically and psychologically
2. Providing affordable housing for low-income/students
3. Continue to exclude big-business like Wal-Mart and drive-thrus
4. Consider extending bus route #1 or #3 to SLO Airport
5. Cut/reduce programs that are not being used

1. Open Space
2. Open Space
3. Open Space
4. Open Space
5. Open Space

1. Get rid of the homeless in Meadow Park!!!

1. More traffic control-San Luis has become a race track. Where are the cops?

1. Continue careful budgeting (compliments for good job currently)
2. Best care possible for homeless
3. Maintain City parks-wonderful close-to-home recreation for family health
4. Maintenance of infrastructure-roads, streets
5. Watchful eye on Diablo plant-on offshore wells

1. Noise abatement-barking dogs! City ordinance is ineffective because it requires 3 neighbors to sign a complaint. Our neighbors don't want their names on the complaint petition for fear of retribution and gossip. Pet owners should not allow their dogs to bark continuously or at regular intervals throughout the day or night.

1. Street and utility services
2. Police and fire services
3. Maintain parks we have; no new ones

1. Homeless issues. Parking all over the City all day; downtown begging. I don't shop downtown it has become very seedy!

1. Sidewalk repair
2. Enforce lights on bicycles after dark

COMMUNITY BUDGET BULLETIN SURVEY RESPONSES: PRIORITIES

3. Provide some dedicated accessible (blue) curbside parking spaces downtown-one per block would be ideal
4. Encourage new businesses that would bring jobs to SLO for our high school grads who currently often have to leave the area to find permanent full-time jobs
5. Bring cable TV options to SLO-ATT, Verizon, Cox

1. Maintain streets/signage in good repair
2. Stop making stupid rules-like the garbage can one

1. LOVR overpass/interchange and related HORRIBLE traffic in that area; including Madonna Rd
2. Prado Road overpass!! Development has exceeded what these roads can handle. Circulation (three lanes merge to two) are unsafe!!

1. Economical-stay in the black
2. Traffic at Madonna and LOVR is problematic-too long to wait at signals
3. Neighborhoods-noise and junk in front yards and trailers permanently in streets
4. Homeless groups in town and living in RVs etc. behind Trader Joe's

1. Reducing price of water
2. Civilized solution to homelessness issues
3. Reduce parking fees

1. Prado Rd. Fwy overpass and road thru to Broad St. from Madonna

1. Availability of housing-we have to move our family out of San Luis because of the cost of living here

1. Reduce the cost of public pensions, particularly for police and firemen
2. Improve quality of local schools
3. Promote development of economy and encourage small business, technology and industry
4. Remove homeless from downtown and residential areas
5. Improve and develop bike trails and pedestrian corridors

1. Major pursuit of a major department store retailer. Get Macy's in SLO!

1. Move Caltrans outside City limits
2. Develop convention center and hotel at Madonna/Higuera
3. Stop residential development
4. Think Gateway to San Luis Obispo

1. Population is overwhelming infrastructure
2. Water-sewer-police-fire protection are all stretched to the max or becoming too expensive

COMMUNITY BUDGET BULLETIN SURVEY RESPONSES: PRIORITIES

1. Traffic: first priority is to reschedule traffic lights in more logical sequence
2. Economic Development. Review all business and community regulations and verify need for all of them. Have an office of Economic Development to help businesses thru regulation maze.

1. Keep expenses down
2. Minimize lawsuits, buyouts, and bad press by improving the safety of employees, establishing ethics and behavior rules, etc.
3. Make it easier for small businesses to thrive
4. Completely revamp our permitting process
5. Improve the homeless situation

1. Be more business friendly!
2. Be more business friendly!
3. Be more business friendly!
4. Be more business friendly!
5. Be more business friendly!

1. Fix streets
2. Fix old sewers
3. Help homeless

1. Continue to strive for fiscal responsibility and financial health
2. Keep downtown vibrant by encouraging businesses to locate there
3. Traffic congestion relief-more important every year as our population expands
4. Encourage use of public transportation and make it more user-friendly for disabled residents
5. Continue to encourage mixed use zoning i.e. commercial/residential

1. Reduce number of bars and alcoholic outlets on Higuera Street
2. Encourage a Department Store-high end on Higuera Street
3. Encourage a Whole Foods grocery downtown
4. Encourage an art gallery-such as Hands
5. Have sidewalks washed down a few times a year

1. Aggressive homeless persons need to be better policed in downtown core
2. A no sit/no lie ordinance needs to be adopted as a deterrent to homeless persons and their dogs in the downtown core

1. More bike paths through town and widen Orcutt at least to Biddle Ranch Rd.
2. More public art
3. Free downtown parking-don't like new extended parking hours
4. Continue Concerts in the Plaza, Art After Dark
5. More help for the hungry

1. Downtown streets and sidewalks are dirty

COMMUNITY BUDGET BULLETIN SURVEY RESPONSES: PRIORITIES

2. Too much panhandling downtown
3. Homeless overnight parking on streets

1. Maintain downtown spirit
2. Support youth and families-focus on parks, programs, education and safety. Our town needs young families!
3. Support Cal Poly excellence
4. Support public library

1. Stop the use of public streets as storage for boats, campers, trailers (see Prefumo Canyon example)
2. Maintain the City owned greenbelt areas with adequate brush control and fire prevention-be open to citizen suggestions

1. Fiscal responsibility-specifically pension and budget reform
2. Sensible regulations-make SLO more business friendly

1. Los Osos Valley Rd. & Hwy 1 overpass-expansion. Traffic is horrible!
2. No overnight street parking
3. Clamp down on panhandlers

1. Stop all new construction and road work. (We moved here for peace and beauty-not LA north)
2. Add/restore more/lost green space
3. Sit on the Community Development plan for these years-staff has rushed development of this draft
4. Do not approve any more bars/taverns downtown

1. Establishing a permanent facility for the homeless on existing property on S. Higuera
2. Discontinue harassment of homeless
3. Minimize spending on downtown projects
4. Pave Higuera Street

1. Homeless people ALL OVER TOWN
2. Road Repair (streets)
3. Increasing traffic

1. Bicycle network: paths and bike boulevards!
2. Innovative adaptive reuse of underused/old strip malls
3. Downtown traffic calming (remove parking, mid block crosswalks, wide sidewalks)
4. Increase police enforcement of traffic violations (speeding, cell phone use)

1. Preservation of essential services
2. Fiscal health
3. Neighborhood health
4. Provide homeless housing and service

5. Improve softball fields: better maintenance

1. Reduce homeless population
2. LOVR bridge/road repair

1. Infrastructure maintenance-fully fund repair to replacement needs
2. Homeless population-appropriate new shelter and programs
3. Economic development-controlled growth to tourism
4. Maintain public safety (police and fire) at their present good level of service
5. Water rates adequate to fully fund a sustainable system

1. Traffic Congestions – LOVR, Prado, Broad, Madonna
2. Parks – Prado between Tank Farm/Broad/Higuera

1. Air pollution including Thursdays Farmers Market, etc.
2. Vehicle safety esp. higher volume sites (i.e. LOVR in congested zones)
3. Somehow monitor animal dropping disregard by some owners who just leave the ‘mess’ and leave the poop dropping for you to clean up and if you complain to them you only get cussed at or called insulting names. I think such people who do this should be fined each time they allow their dog to do this.

1. Start the LOVR overpass and design a method for safe exit and entrance to Los Verdes two condo complex—we need help. Bonnie Wamaly

1. Traffic congestion.
2. Homeless people.

1. Safe bike paths—Tank Farm Road area
2. Repair downtown sidewalks—lots of cracks that you trip over
3. Replace remaining old street signs including Pauline Way

1. Stop relentless growth.
2. Require all new construction to incorporate solar energy (install solar panels)

1. Extend Prado Lane to Broadway like you said you were going to—Tank Farm Rd is too dangerous for that much traffic flow, especially on a bike
2. Consider building an overpass (no on or offramps) over 101 at Dalidio to take the pressure off of LOVR, also very congested and dangerous for biking
3. At least a partial dredging of Laguna Lake!

1. Review retirement formulas & adjust them so that retirements don’t undermine/bankrupt city’s finances
2. Affordable housing priority: require 50% of new housing to be affordable
3. Streets: resurface Higuera below Marsh, add lights to dark Broad Street below South Street, widen Tank Farm

COMMUNITY BUDGET BULLETIN SURVEY RESPONSES: PRIORITIES

4. Create cross town arteries to improve traffic flow—extend E-W corridor from Johnson to South; extend Prado to Broad
5. Establish day-care centers for working moms using a sliding pay scale
6. Continue plans for homeless accommodations

1. Public safety—crime rate increasing in downtown and some other areas of city. Medical care—need to attract and retain primary care MDs
2. Business friendly—allow more growth and development especially away from downtown due to parking
3. Reverse plastic bag ordinance or allow stores to provide paper bags at no charge.
4. Need more residential housing. Very difficult to build in this city due to permits, reports, studies. Takes too long and very expensive
5. Downtown parking fees and restrictions hurt business. Shoppers go elsewhere. Sunday parking should be free. This city is expensive!

1. Please reduce or eliminate the invasion of transient panhandlers in SLO, especially the downtown which our family has stopped walking thru and shopping there. Our city has become a ‘magnet’ for transient people along the West Coast. The word appears to be out that the city of SLO is a great place.
2. Reduce the number of alcohol outlets downtown, again, we don’t go there anymore in the evenings because of so many “college-age” people who are eneborating or “celebrating” something
3. Infrastructure—road maintenance, sign maintenance
4. Maintain/improve public parks and open space, hiking trails, etc.

1. The huge disparity that people pay for association fees. I pay \$564/year and my neighbor 3 houses down pays \$108!!
2. Open up Prado Road
3. Water bills are atrocious! Doubled!?? Really?
4. Fix Tank Farm from Broad Street to Higuera. It should be 5 lane with bike lane.

1. Cities and communities, especially near coastal areas, gradually taken over by the homeless population. Many of these people choose not to work. Carmel, CA does not have a homeless problem. It would help to take into consideration families, and people of the community who go to Barnes and Noble, Thursday Farmers Market and Trader Joes that have been threatened by the homeless.

1. Neighborhood wellness (rentals, RVs—boats on street, noise, trash cans out of sight)
2. Senior Center & senior issues (safety, recreation, nutrition)
3. Maintain open spaces—(parks, trails, green zones, & accessible)
4. Fiscal responsibility (no big pay raises for anyone, phase downtown imp.)
5. Crack down on street crime—facilitate homeless shelter & guidelines

1. Infill—not sprawl
2. Extend protected space rather than developing it as Neil Havlik did
3. Protect and develop local enterprises over national franchises, etc.

4. Protect SLO's historic character vs. strip mall mentalities

1. Focus on residents—not business owners. Much more \$ for neighborhood wellness/seniors
2. Up to date water system with reasonable water rates. Don't overbuild system—new growth pays for expansion
3. Open space—continue aggressive acquisition/more rangers, much more money for maintenance/resource rehabilitation, less on economic development

1. Better public transportation for students, the disabled and elderly and tourism. The buses hardly ever run, they stop way too early, the rates often don't make sense and don't stop in Avila Beach or near Bob Jones Trail or new mt. bike and hiking path. There should be safe and available public transportation options for evenings so that people don't drink and drive.

1. The failure of traffic flow in the big box district of LOVR and related failure of traffic flow at LOVR/101/S Higuera area

1. Keep city employee salaries & benefits in check
2. Balance budget
3. No tall buildings (more than 3 stories) downtown
4. No more bars—we need sustainable businesses for community downtown

1. Tank Farm Road 4 lanes from Higuera to Orcutt

1. Consistent enforcement of traffic laws. (i.e., if you ticket a skateboarder for riding in the bike lane, joggers should be ticketed also)
2. Los Osos Valley Rd @ 101 overpass
3. Maintain balanced budget

1. Streets: some are so old and seamed/rutted they are a danger. Repair and repaving between Broad & Johnson, Orcutt Rd in particular necessity. Congestion on Foothill & California Blvds.
2. With the expansion of Tank Farm @ Broad, the danger of drivers coming out the Edna gas station should dissipate, but drivers ignoring the 'no left turn' should be prosecuted to the fullest. They are extremely callous and endanger many
3. All in all, the city does a great job of prioritizing and keeping the city a gleaming gem!

1. Services for the middle & low income families and the homeless, especially affordable housing
2. Open space maintenance and expansion
3. Continue to attract and keep qualified, experienced, competent, and forward-looking management and staff as city employees

1. Clean out trees, brush, and debris from creeks
2. Increase library funding

3. Build Prado Road extension

1. The hedge along Madonna Road is becoming more and more bleak and sparse and giant see thru holes. The city used to provide a water truck occasionally to maintain growth. This has not been the case during the past year or more. Once this vegetation dies, it will take years to replace by growth alone. Or building a brick wall would be at prohibitive cost. Why is this not very preserved—to save money in the future. The hedge is there, maintain it! Also, the prisoners always did a better job trimming it than City employees.

1. Traffic has become almost intolerable on LOVR. What can be done?
2. Continue offering before/after school care for elementary children through the rec dept.
3. Expand opportunities for seniors to be active.

1. Ease traffic congestion especially at LOVR and 101
2. Figure out good solutions for the homeless

1. Paving streets, painting faded street lines and red curbs and red curbs @ fire hydrants.
2. Maintaining quality of neighborhoods. (These are not necessarily the highest priority but have long been neglected. I totally agreed that we needed neighborhood services and was very happy those positions were added.)

1. Solving the homelessness problem: By 1) Interviewing the homeless. 2) Taking stock of what each person can do. 3) Provide training for basic survival. 4) Empower the homeless population by encouraging base-line employment, socialization, and recreation venues/options
2. Use real solutions, not band-aiding!

1. Remove the ordinance that discriminates against the physically disabled, the elderly, the infirm, and those affected by bad weather disallowing drive-thru services.

1. Lights for Sinsheimer Park tennis courts
2. Extend Prado Road to Broad Street
3. Build new homeless center/shelter
4. Create another community garden

1. Make the Dept. Heads see to it the work gets done. The neighborhood enforcement patrol is a good example of what is going on—nothing! Look at the mess at Johnson and Sydney—gone by it taking kids to school and the mess gets worse week by week. Looks like the Nipomo Mesa—not SLO—
2. Keep the Fire Dept. and its employees in line

1. Homelessness, a new center, using grant money if possible
2. Downtown transient and homeless loitering—our downtown business sector is not being helped with this problem
3. Streamlining residential and commercial permitting processes and lowering permit fees
4. More head of household jobs with affordable housing

COMMUNITY BUDGET BULLETIN SURVEY RESPONSES: PRIORITIES

1. Housing: location, type, density—need to be readjusted to provide good quality and stable neighborhoods—for the long term
2. Open Space: configured to give good city organization and enhance quality
3. Traffic signalization: needs good and real field observation and analysis
4. Underground all utility lines
5. Benign storage of excessive water run off (restore balance of creek run off and moisture levels in soils)

1. Bring Mardi Gras back
2. Create dog friendly events—these critters are essential family members you ban them from everything
3. Close Garden Street for one block—you know where
4. Enhance small business—NOT corporate. Get all stores to conserve energy by closing their damn doors
5. Cut top management salaries

1. Traffic circulation: a) Tank Farm rd to four lanes. b) bridge widening—Los Osos Valley Road. c) South Street back to four lanes
2. Pension reform: All city employees pay 50% of pension costs (monthly amount), city matches
3. City salaries: reduce exorbitant salaries to middle level of comparable sized cities in CA—not only selected few. i.e.—police salaries should not be more than high crime/street police departments i.e., LA, San Jose, etc.
4. Continue to improve bike lanes (Tank Farm is heavy traffic area)

1. Safety—I think you should patrol streets more and be more of a presence in residential areas. I live on Laurel Lane and never see police
2. Seniors—help seniors understand resources
3. Library—please consider having the library open Sundays and Mondays
4. Bus Service—please fund buses for public transportation

1. Maintenance of utility infrastructure, electrical, gas, water, trash and sewage
2. Financial conservatism—no green projects or protecting unions/pensions w/o justification
3. Jobs for all—part-time to full-time across all lines, not just “government” created
4. Continue to keep growth in direct ratio with resources

1. Add to greenbelt
2. Support county, cities, and conservancy organization in County
3. Avoid getting trapped into responsibility for homeless. This is a county problem. City should not be financially responsible
4. Continue to expect that all respect city streets and private property laws and enforce the same
5. Continue “bike friendly” travel

1. Deal with homelessness—focus on locals, not transients. Don’t become a magnet.
2. Honor the intent of Measure Y--\$ got new things, not existing services

COMMUNITY BUDGET BULLETIN SURVEY RESPONSES: PRIORITIES

3. Continue focus on fiscal responsibility
4. Recreational activities—soccer fields, skate park, bike trails, open space
5. Stop increasing water and sewage rates!

1. The homeless shelter, food, medical care. Jobs for people of all ages.
2. More loft/business housing. More retail, upper-scale businesses.
3. Help curb noise from businesses that are surrounded by housing areas.

1. Remove parking along Higuera Street downtown—expand width of sidewalk—more benches and wider sidewalks
2. Increase amount of bike lanes/bike routes
3. Increase funding toward purchase of open space around city

1. Traffic—especially around Costco/Target and S. Higuera Street—it is awful!
2. Boats/RVs, business trucks parked in residential areas for weeks on end—stored and not temporary
3. Bikes and skateboards on downtown streets

1. We have missed the economic curve for cheap water, we need a better plan for the future
2. The homeless are getting out of control between Madonna and Marsh. “Help” the police now.
3. Remember the city and city fathers work for the tax payers, not the reverse. Listen to our needs.
4. Try raising tax base 3% use the new money for past due and new project, like the homeless
5. Improve parking (free) during weekends, you’re killing the downtown retailers

1. Provide a city team of 5 or 6 to work with the homeless agencies creating new ideas, ways whereby these folks
2. Maybe a safety team to monitor alcohol use on weekends when Poly students over-drink, get assaultive, ruin their college goals and create difficulties for SLO residents, the City and themselves
3. Slow down traffic on Johnson Avenue. People now drive in the bike lane on south side past Laurel Lane. A number of animals are hit; cars are dented by hit/run drivers, our van was totaled last year. In 31 years I have seen many accidents have taken people to the hospital. A number of accidents near the apartments just up from the Unity Church, more signs needed, people drive over 35 mph.
4. Cut trees, bushes, which make stop signs very hard to see. Trim trees outside the city
5. Develop a larger senior center. More activities, courses to study, sports.

1. Public Transportation.
2. Keeping creeks clean.
3. Curb cuts on more sidewalks.
4. Smooth rough roads.
5. Keep library open.

COMMUNITY BUDGET BULLETIN SURVEY RESPONSES: PRIORITIES

1. Finish Bob Jones Trail.
2. If you are going to allow all bars downtown then clean all the puke up and wash all the urine off of our sidewalks and parking areas.
3. End spending useless \$\$ on re-doing perfectly good sidewalks.
4. Spend some of the sidewalk \$\$ and new sign \$\$ on helping the homeless!

1. Create a power grid, solar based, to couple with PG&E.
2. A bicycle routing that separates bikes from motor vehicles → make it easy to leave the car behind.

1. Remove parking along Higuera Street downtown and increase sidewalk width on both sides
2. More bike paths/lanes through town and in open space
3. More open space around city

1. I think you need to look into why you still can't combine multiple bills into one. i.e. water—we get five bills mailed in separate envelopes which also means 5x the stuffing. I don't see any great changes to this expensive computer system.

1. Cleaning up neighborhoods. I haven't seen any enforcement of tidying up ordinances
2. Noise downtown—reducing bar activity. This is not a nice place to be in the late evenings
3. Homeless—closer cooperation with CAPSLO on addressing this issue in a meaningful and humane way
4. Traffic congestion—where is all the new traffic on S. Higuera going to go?
5. Completing Class I bike lanes—bike lanes in SLO are totally inadequate. Study Davis

1. Even with counseling, our use of water, the water monthly bills are too high. I am very careful and my bill is \$100.88
2. We need good retail stores downtown and a good department store like Rileys used to be. There are too many restaurants and bars! We need a good mix or retail.
3. Keep up the good work of police department taking care of homeless transients. Also, keep their good response to parties after 11 p.m.
4. Keep new buildings lowers so we can always enjoy the mountains—our beautiful setting and have good circulation of air on streets
5. Preserve our unique setting and friends downtown

1. Reduce sewer fees. My water usage is \$31.25 and my sewer fee is \$48.38.

1. Reduce greenhouse emissions
2. Reduce cancer & heart disease & diabetes
3. Reduce water pollution—runoff & groundwater
4. Reduce carbon footprint
5. Improve the quality of our topsoil—restore habitat to original quality

1. Obtain funding as needed and construct improved LOVR interchange (including new southbound onramp to 101)

COMMUNITY BUDGET BULLETIN SURVEY RESPONSES: PRIORITIES

2. Fund and construct improvement to San Luis Creek between Madonna Rd. and Marsh to reduce flood hazard
3. Fund and conduct dredging to central portion of Laguna Lake
4. Modify circulation element to show arterial street connection between LOVR and Buckley RD
5. Fund, acquire needed right-of-way and widen Mid-Higuera near High Street and near Marsh Street offramp

1. A pedestrian bridge over Santa Rosa (Rtel) by Boysen Avenue
2. Remediate the noise generated by Cal Poly's new P.A. system—it can be heard downtown
3. Homeless issue—a tough one. I want to treat these people with dignity and respect—but—if they are treated too kindly, the word will spread and attract more and more. A heart-breaking situation.

1. Bike path from Cal Poly to train depot
2. Connecting green space trails. These first two will help attract head of household jobs.
3. Fiscal responsibility—be more transparent on the 'why' of the spending. Use a website to explain everything.
4. Better town and gown relationships. You have a university—use it.
5. Tourism is not an answer for high paying, head of household jobs

1. Please remember that SLO is not the 'happiest city' for a large number of residents who struggle to keep a roof over their heads and for those are homeless. City employees have medical and other benefits as well as retirement plans; many other residents do not. When allot funds and decide on programs, please deal with basic necessities for operating an efficient and safe city and for helping to lift all residents (paying people to give neighborhood tickets for trash cans left out too long is not necessary.) Costs of utilities, services, food, gas, etc. constantly rise; wages for many people, do not. Please be aware of all community members.

1. Homeless—I don't feel safe in the downtown areas
2. Salaries/benefits of City employees. I still feel they are excessive in comparison to other cities.
3. Complete bike path across 101 freeway
4. A more diverse downtown, after 9 pm it's active for Cal Poly students, not 30-50 year olds.

1. Cut exorbitant police and fire retirement packages. I'm having to work 40 years to come close to what they get.
2. Fix stoplight problems promptly when reported
3. Continue good job on paving/maintenance
4. Install solar panels on public buildings—if it would save money long-term
5. I live near two elderly care centers. There are constant fire responses from Laurel Lane station. I hope these facilities are paying for these services.

COMMUNITY BUDGET BULLETIN SURVEY RESPONSES: PRIORITIES

1. Remove panhandlers/beggars
2. Remove uncontrolled crosswalks on Marsh and Higuera at Copeland Center—interferes with traffic flow
3. Stop spending money on fancy trashcans & cutesy signs are more maintenance of properties
4. Hire fire chiefs, police chiefs and managers locally

1. Reduce the risk that City employee retirement benefits will bankrupt the city
2. Address transient problem

1. Public safety—crime and fire prevention and hazard mitigation
2. Proper management of open space
3. Create an atmosphere that does not attract transients from all over the country
4. Keep our children safe!
5. Do something with our streets that create better traffic flow

1. Continued fire and police training and adequate response times. Police patrol visibility in public places
2. Economic development/redevelopment for homeless and mentally ill people. Adequate support for the homeless
3. Reduce parking free as economy picks up to encourage downtown business patronage.
4. Advertising of bus route and alternative transportation/carpooling. More green bike lanes (love them—thank you!)
5. LOVR traffic flow/congestion relief. It's scary and dangerous at peak times—movable cones/lanes

1. Overall I feel the City Council does an amazing job! Opening up Prado Road would release traffic congestion on Los Osos Valley Road.

1. Reduce water rates once the water project has been paid for. My water bill for summer for a family of 3—with a yard, runs \$200/month. I'm on a fixed income. While I don't avail myself of help with gas & electric, I would for my water bill if that type of program were available to low income families. Thank you.

1. Have better laws on street parking, Poly students renting in neighborhoods where residents can't find places to park in front of their own houses or guests
2. People with multiple cars, 2 cars in driveway not able to run, park on street. 3 cars or more belong to same people
3. Need to have more street sweeping. Get odd or even days to sweep different areas. Get people to move trailers, cars, boats
4. Better street repair to roads look for storm drains that are dirty, clean out before rains
5. Better tree maintenance branches over sidewalks, over stop signs in town

1. Stop trying to make downtown like Santa Barbara. All those condos, high rise bldgs., really. The quaintness is going to the dogs.

COMMUNITY BUDGET BULLETIN SURVEY RESPONSES: PRIORITIES

2. Shorten the end of islands so as to not hit tires on the turns, such as Madonna & LOVR, Broad and South streets
3. The Bill Rolmer bike crossing at Buchon/Morro sucks! The merging/turning lanes like new one on Tank Farm are accidents waiting to happen with impatient road drivers.

1. Fiscal Conservancy
2. Infrastructure Improvements
3. Improve Swim Center facility and cleaner changing rooms!
4. More tennis courts
5. Develop parts of Laguna Lake Park for turf and hard-court sports
6. Better bike paths and lanes

1. Continue to acquire open space for the multi-use trail access, more is needed. Just look at the use of Johnsons Ranch and Bishop Peak areas get every day of the week!
2. Continue to make the City more bicycle friendly, one lane of car traffic on Pismo. St. and a designated bike lane
3. Make Buchon one-way east bound, one lane of car travel and a designated bike lane
4. Continue to pursue SLO to Avila class 1 bike route with County

1. Cut salaries, benefits, starting at top and middle management. We cannot afford all this!
2. Fire all employees involved in toxic waste scandal at Corporation Yard, and all involved in cover-ups. We can do better!
3. Eliminate overtime for SLOPD/Fire as much as possible. They should pay their employee contribution, not us tax payers.
4. Cut all nonessential services. Get our fiscal house in order! Cut homeless services. They don't vote!
5. Eliminate prevailing wage for city-funded projects; we can do this as a charter city and fund CIP that way

1. SLOPD should collaborate with neighboring communities' PDs to the north and south to suppress gang satellite activity here.
2. Maintain the integrity of the downtown charm. Revenue from tourism relies upon a unique vacation destination area.
3. Develop infrastructure/seamless mobility for tourists arriving by train. Post feasible ways for people to visit without renting a car.
4. NEVER ALLOW A WAL-MART. (Actually, this should #2, not #4).
5. Postpone low income housing. In metropolitan areas, the travel time (with traffic) to low income housing equates to the travel time to SLO outlying areas.

1. Remove the R. turn only sign at Pereira and Madonna. Also crossing Madonna on both sides of Madonna Road at Pereira.
2. The traffic mess near Target was very poorly planned.
3. We are boxed in and forced to travel to Oceanaire and make a U turn to go to Spencer's Market Center—a waste of gas and time.

1. Community health and sanitation—homeless assistance and preventing non-resident camping in vehicles
2. Maintaining qualified and well-educated public safety officers
3. Sustainable development according to long-range plans
4. Speed/traffic control in residential neighborhoods. Why are speed bumps on Pismo larger than the ones on Ella Street?

1. Watch spending—check on high pensions from the past that retired employees are getting. Can they be lowered to fit the times?
2. Important projects like keeping the road repaired should come 1st before expensive artwork is purchased, etc.
3. The homeless should be considered but the homeless should help out in helping cook food, clean premises, even growing a garden.
4. Parks and Rec join with senior citizens (Senior Center). Seniors need special needs and should be allowed to give info to receive better help. Programs!
5. Many tickets for driving mistakes are very expensive and many people just make a mistake. Do we have to have such costly fees?

1. Traffic congestion relief—especially at LOVR over 101 and at Target.
2. Neighborhood Wellness—re: new homeless shelter on Prado.

1. Neighborhood Preservation:

- (a) There continues to be noise, drunken crowd-roaming, parking and blight problems in neighborhoods. We need to continue to try to improve those issues and provide funds for additional enforcement tools, including, but not limited to, (I) additional police patrols assigned to neighborhoods on weekends and special event or problem holidays; (ii) a rental inspection program to improve the rental housing stock to maintain property values and to help students who often times live in substandard housing; and (iii) a solution to the extreme parking problems in many neighborhoods from single family homes being rented to 5 (or more) students, each with their own vehicle.
- (b) Revamp our residential business license program by attaching requirements to the owners' license since he is operating a business in our neighborhoods (i.e., requirements similar to those under our Home Occupation Permit program that contains 16 requirements for the owner to run a business out of his home.
- (c) Do whatever necessary to convince Cal Poly to build more on-campus housing to relieve the rental market in SLO, making it more affordable to families.
- (d) Do more to improve neighborhood streets and sidewalks. This was one of the promises made in Measure Y promotion but has not been done, while Downtown area streets have continued to take priority over neighborhoods.
- (e) Make the street sweeper program function properly in the neighborhoods by not allowing vehicle to be parked in the street on street sweeper day. This would help our storm drainage because there would be less debris flowing down the gutter into storm drains.

COMMUNITY BUDGET BULLETIN SURVEY RESPONSES: PRIORITIES

2. Infrastructure maintenance: Maintain our infrastructure including replacing aging utility lines, repair streets and sidewalks, trim city trees more often, and paint red curbs around fire hydrants, throughout the city, not just in the downtown area.
3. Economic Development: Continue to try to encourage more head of household jobs in the City. We have many low paying jobs which does not allow many families to work and live in SLO. The rents are too high for families to afford compared to the salaries offered in the City.

1. Completely stop adding any more people or houses to San Luis Obispo, via infill and sprawl. Start focusing on the people already living here. Improve their safety, welfare, and quality of life. Plus, San Luis Obispo needs to live within its means. Paying money to secure a water source. Then pushing to add more people to the tap, is irresponsible.
2. Insist the San Luis Obispo Police Department enforce the laws pertaining to: Limit lines, stop signs, yellow lights, red lights, residential speed limits. I am amazed at how comfortable automobile drivers are at breaking traffic laws. Given the heavy hand the San Luis Obispo Police Department ran this city. I am surprised this public safety issue has become so far out of hand. How many stop sign running automobile drivers should I slam my bicycle into? Before suing the city for not enforcing traffic laws; I have hit three this week. All three drove away without checking my welfare.
3. San Luis Obispo Police Department also need to enforce trespassing laws. Also, remove the criminal element form the downtown. Make it a safe destination day or night.
4. Improve pedestrian safety throughout the city
5. The City of San Luis Obispo installed a speed bump on our family's street. This did not slow down cross town drivers. Who use our street as a high speed shortcut: the stop signs at either end are meaningless. Fix the problem.
6. Educate San Luis Obispo City employees that drive City marked vehicles. That the stop signs and traffic laws, apply to them also.
7. Stop "Abercrombie & Finch" from polluting the air downtown and downwind. No one should have to smell this acidic stench.
8. The Los Osos Valley Road is a disgusting mess of traffic and valuable farm land paved over with chain stores offering up low paying, part time jobs selling foreign made products. This mess is a clear indication hired and elected officials could care less about this city.
9. Make it a criminal offense for the San Luis Obispo City Council to lower building fees for developers. Why should a developer, for example "MD2 Communities", receive a discount-for damaging the quality of life in San Luis Obispo.

1. Public drunkenness on Thursday, Friday and Saturday on downtown residential neighborhoods where college students are staggering home
2. Sidewalk repairs needed due to tree root encroachment
3. Decrease in payroll and benefits to all new employees and a restructuring of med and retirement benefits to existing employees. It is all unsustainable.

1. Reduce the number of homeless people sleeping under the creek bridges. Require them to clean up their trash and debris. In return for this you might provide them with a card good for one meal at Prado. All using our City should pay something.

COMMUNITY BUDGET BULLETIN SURVEY RESPONSES: PRIORITIES

2. Do not allow beggars to consistently sit on public benches in downtown. Our own citizens (tax payers) cannot sit on them.
3. Declare the creek off limits for 'camping' and sleeping

1. Develop policy to deal with Downtown panhandlers.
2. Deal with traffic congestion at Los Osos Valley Road and 101 intersection
3. Maintain SLO creek bed with appropriate shrub/tree pruning and/or removal

1. The homeless problems are numerous; shelter food and basic. The Prado location seems like the best.
2. Traffic is growing and the bikes are increasing all over. We need strict monitoring. Those who use the lanes should pay extra for their licenses.
3. Tank Farm Road has been changed, but am sure much more could be redesigned.

1. Bike and pedestrian pathways: widen downtown sidewalks, encourage alternative transportation
2. Strengthen downtown business zones. Recognize the changing demographics—"save our downtown" too rooted in past policy and economics.
3. Discourage sprawl

1. Creating good/moderate/high paying jobs or just good skilled jobs that pay more than minimum wage
2. Encourage entrepreneurship, create incentives for business to grow, hire, open shop, etc.
3. Balanced budget (same priority as job creation)

1. Lower residential water rates!
2. Lower residential sewer rates!

1. Become more fiscally responsible

1. Public safety—police and fire

1. Increasing space for the homeless and programs to help them. Perhaps rent a large, vacant site if not enough open space is available.
2. Economic development in partnership with County—looking and at jobs and training

1. Hold the line on personnel costs and reduce the number of employees. Have employees pay their own pension contributions.
2. Conduct hearing tests on all patrol officers—most/many are unable to hear loud parties when they respond to residential complaints.
3. Allocate a higher percentage of maintenance funds to our residential neighborhoods. Nearly \$1 million to a few blocks downtown is disgraceful!
4. Keep up and expand the excellent work of the neighborhood services specialists. They are making improvements each day! Kudos!
5. Teach police officers to recognize those drivers using cell phones. I've nearly been hit twice while walking this past summer and fall.

1. Providing for the homeless
2. Sinsheimer Park, pool, baseball park, needs renovation
3. Help maintain local businesses, limit franchises
4. Fix, upgrade Marsh Street offramp appearance—it's a mess. Higuera interchange with 101 is awful.
5. Re-establish Obispo Beautiful. Reduce signage on our streets—consolidate and eliminate.

1. The City's highest priority goals should be no growth. By that I mean no building. No new homes, no new industrial structures. The city must encourage any new or growing businesses to utilize existing buildings that are currently empty. Secondly, the city should make every effort to keep the cost of utilities low for all. Cable, water, electricity, gas are all charging fees and taxes which are going up and up. The added costs of living in SLO are out of sight. I for one (not to mention those folks in my neighborhood and with whom I work) cannot afford to live here on a reduced income. Working for the government (which I do) has continued disadvantages because I am furloughed indefinitely and thus cannot save. Further, pensions are being cut as well as health care benefits. The costs cannot continue to rise and the income continue to be lower. My hope is that SLO will take heed if they want a diverse population which supports a positive living environment. If not, only the extremely wealthy will live here, who will spend the bulk of their money in SF or LA.

1. Justice and savings: remove the system's (city, county, state, etc.) automatic and unchallenged lawyer/liar 'fees' scams by having 1) 3 retired honest people. Replace 'judges;' 2) all is processed at first trial/appearance if each side agrees of others' plans/proofs and 3) facts not lies (liars are disqualified, fined, jailed—imprisoned for collaborating—like Monaco, China, etc.) Justice. You and everyone SAVE, civilize, etc.

1. Councilmembers should exert their individual and collective political skills to accomplish the following objectives as quickly as possible:
 - a) Permit local governments to collect sales tax on all internet sales of merchandise. Work with other local government agencies and, especially, The League of California Cities to accomplish this task ASAP. Equity with 'brick and mortar' merchants is essential as is the additional tax revenues.
 - b) Exert pressure on Copeland Brothers to initiate its China Town project in 2013. Objectives: to stimulate commercial activity downtown; remove the appearance of blight; and produce increased production of sales and bed tax revenues.
 - c) Insist that SLO County government recognize its rightful responsibilities in the areas of health and welfare and reorganize, if necessary, a fair and effective program to deal with homelessness through the County. A complaint to the Grand Jury might be an effective starting point.
 - d) Work with other local governments to pressure the PUC to establish more generous contributions from utilities presently maintaining overhead distribution systems to speed up pace of undergrounding systems by setting aside larger sums of funds for this purpose. Reevaluate undergrounding priorities and raise the

City's north Monterey Street entrance to number 1 and underground immediately.
This visual blight should be eliminated at once.

2. Resurrect the priority established by the 2000 and 2002 City Councils to construct landscaped dividers in LOVR between the NW City limits and Madonna Road on an annual, incremental basis. *Rationale: when the Los Osos—Baywood Park sewer plant is completed and the long-standing building moratorium is lifted, there will be an unprecedented surge in new home-building in Los Osos—Baywood Park that will generate a flood of new traffic on LOVR into and through SLO to Highway 101. The remainder of undivided LOVR must be physically divided and traffic effectively controlled for the safety of SLO residents.*
3. Place a temporary moratorium on the building of new sports facilities in favor of the promotion of 'cultural facilities,' especially cultural facilities in our downtown in order to stimulate symbiotic relationships with commercial and tourist serving facilities that generate economic interaction and produce tax revenues.
4. Design and construct a Mission Plaza 'First Phase Dogleg' from Palm and Broad to Monterey and Broad Streets as shown in the Downtown Concept Plan. 'First Phase' meaning to design and construct as a one-way street with traffic entering from Palm and exiting Broad with diagonal parking adjacent to the Mission and eliminated from Monterey. Only minimum expenditures need be made for new signing, moving of parking meters, and paint striping for the parking. This 'First Phase' could be kept in place until either a new Art Museum is built or a new addition to the Historical Museum is constructed at which time all vehicular traffic (except emergency) would be removed and the Dogleg converted to pedestrian ways as per rendering on display in the Art Museum. (Planning reminder: a major cross-town water line is buried beneath this dogleg section).
5. Make monetary contribution to speed the completion and opening of the Railroad Museum. This facility, largely remodeled and refurbished to date by donations and the labor of citizens, needs to be recognized as another element in SLO's growing inventory of visitor attracting facilities, which if effectively promoted should generate a fair return in sales and bed tax revenues.

1. Police assigned to particular neighbors so residents could call them direct
2. Fix streets on Higuera between downtown and Madonna
3. Help businesses in Downtown to prevent so much turnover and vacant stores
4. Make bridges over San Luis Creek more attractive to encourage walkers

1. Pro-active police —enforce quality of life laws, Neighborhood Wellness
2. Clean up creeks—get homeless out and into proper shelters
3. Open space—buy more—spend lots more on restoring what we have
4. More art in town
5. Cut down on number of bars in town—way too many

1. Stop new growth until recession catches up. Just let us breath! You don't listen well, I know the residents I speak with feel you are all pro-business and not humans! SLOW DOWN PLEASE! No more houses—and STOP the road construction! We pay a high

COMMUNITY BUDGET BULLETIN SURVEY RESPONSES: PRIORITIES

price to live here—please don't continue to cheapen the experience by building 600 more cracker box houses and five more business parks.

1. Fiscal responsibility. Reasonable and sustainable pensions and benefits
2. Improve efficiency, e.g. don't send multiple vehicles on a fire truck to respond to minor medical 911 calls
3. Landscaping—more trees
4. Continue supporting athletic events—SLO Tri, Marathon, City-to-Sea, and consider Tour of CA
5. Noise—police and fire siren use is excessive!

1. Promote a good image and run as economical as possible
2. Try to treat everyone the same-- give the little with a home project the same time and respect as the big developer. Quit giving away City property.

1. More housing units for fixed-income seniors
2. Continue expanding the use of recycled water into all parks and ball fields and any public buildings
3. Put a planted median or a stop light on South Broad between South and Orcutt to slow traffic and allow residents to carefully cross Broad
4. Any time that a cut is made into a street for repairs, upgrade any other pipes along that same street

1. Upgrade/maintain Public Works infrastructure—streets, lighting, signage
2. Better maintenance at parks—regravel Laguna bike paths, trim lower branches for safety and to discourage campers
3. Continue to support public transportation
4. Encourage economic survival of downtown area over next few years

1. Maintain budget expenditures! Conserve our \$\$!
2. Limit generous pay for public employees
3. Fire and Police (traffic=speeding, cell phones, texting everywhere!)
4. Preserve historic history (architecture) and limit housing sprawl

1. Homeless 'will nots' and please do not do anything that will attract other homeless to the area
2. Major changes to the employee benefit expenses are necessary, stop hiring \$250K+ employees!

1. Go green: renewable energy, low emissions, plants trees
2. Vibrant downtown

1. Further reduce employee expenses especially police and fire

1. Abandon the homeless shelter project slated for South Higuera. Cutback or eliminate homeless services

COMMUNITY BUDGET BULLETIN SURVEY RESPONSES: PRIORITIES

2. To the City Manager: If you have the courage, WALK the streets of town. You'll readily see and experience the 'new' ambiance we have. Thanks for reading.

1. Anything having to do with maintaining and strengthening downtown

1. Maintaining quality service without sacrificing cost or personnel or charging public more

1. Do something about traffic flow on Madonna and Los Osos Valley Roads by synchronizing the traffic lights.
2. Stop with the crazy lane painting. Broad Street onto South Street westbound, Madonna approaching LOVR are two examples.

1. The downtown restaurant scene is terrible. Horrible food. We go to Morro Bay and Cayucos and Cambria for meals out. Pismo Beach, also. This is not my community for fun, good food or adventure. I travel a lot so maybe I will die in Crete.

1. The City of SLO should re-examine its hiring of staff policies very carefully. The city Council seems to disregard past employees' feelings and to throw away the City funds with both hands!!! i.e.: Margaret, our new city manager was hired at the rate of \$300,000+ annual salary while Ken, the last city mgr was paid about \$200,000 per year. Please don't misunderstand me: I don't blame Margaret for taking a very plush job when offered, but just where does the City get off with paying her more than they paid Ken? It just doesn't make fiscal sense! Further!! SLO should take finance lessons from Fresno! Fresno hired recently their new City Manager for about the same salary that we paid Ken! \$280,000/yr. Fresno is about five times bigger than SLO and has many more problems than SLO! And, it appears that both new managers came to us from Beverly Hills. Wow!! How do they do it?! If the citizens of SLO were to read this in the local fish wrapper do you think the City Council could get re-elected? I don't! PS—I read all about the hirings in the Tribune and Fresno Bee!

1. Bike blvds that connect places
2. Bike lanes that connect places
3. Get 'cut through' traffic out of residential neighborhoods (Buchon/Pismo)
4. Fund the skateparks
5. Make our downtown residential areas more walkable by slowing down cars on connectors and arterials

1. Open space—greenbelt
2. Controlling sprawl
3. Old town circulation element—traffic speed control

1. Keeping the City clean!! Please. It is pretty dirty.

1. Less late night bars—like Bulls where the only activity is alcohol based—more downtown recreation for ages 40-65
2. More focus on shops/small businesses

COMMUNITY BUDGET BULLETIN SURVEY RESPONSES: PRIORITIES

3. Please bring back free meters on Sundays and wouldn't it be nice to encourage downtown shoppers during holidays by giving a free week—no meters—a gift from our City!

1. Preservation of nice neighborhoods

1. Pay attention to how many places serve alcohol downtown!! So sorry you gave permission to move Downtown Brew to Higuera—it will destroy the atmosphere of the whole plaza—noise of this type can never be contained.
2. Note the increase of gang members
3. The lack of shopping for anyone but college students. Gone at the dress shops, department stores and variety stores

1. "Neighborhood wellness. Take care of residents. Do more.
2. Open Space - maintain what we own; water bars, closing shortcuts. Continue aggressively buying Green Belt
3. Maintain building and development standards, don't lower. Add bond requirement to planned developments so we don't get stuck with partially built projects that sit there and deteriorate."

1. Infrastructure-repairing streets, curbs, sidewalks downtown and in neighborhoods
2. Homeless situation
3. Transportation Center
4. Old town and other areas need new curbs

1. Neighborhood Wellness

1. More police for safety in our city
2. Fire funded well so response is quick with good equipment and enough fireman
3. Public transportation is vital to this community and outlying areas - more routes

1. Making sure that the city is resident-centered. Just saying you have meetings isn't enough- especially when the main people there are NOT residents. A real outreach needs to be done, residents don't have paid lobbyists to keep track of what is being done at city hall.

1. Complete the skate park project - too much time has passed and the kids still need it!
2. Provide more job opportunities within the City by enhancing economic development.
3. Take steps to improve employee morale - it is the lowest it has been in years and starting to filter out into the public.
4. Complete LOVR overpass improvements

1. Controlling growth; possibly limiting it to 1/2 % per year and a target cap of 48,000 to 50,000 population.

1. Having a resident centered city government

COMMUNITY BUDGET BULLETIN SURVEY RESPONSES: PRIORITIES

1. Council is to be congratulated in the LUCE update process for giving direction that input to the City from people who did not live in the city needed to be identified as such. THIS SURVEY DOES NOT FOLLOW COUNCIL DIRECTION.
2. On the other hand, the 25,000 LUCE surveys and more than 2,100 responses do
3. The highest resident priorities identified in the City LUCE survey are acquiring and maintaining open space to protect the City's hillsides, Peaks, creeks, marshes, and open space in the greenbelt. These are THE ONLY THINGS A MAJORITY OF RESIDENTS WERE ALSO WILLING TO PAY MORE FOR WAS ACQUIRING AND MAINTAINING OPEN SPACE. These priorities should not be watered down by this survey or paid lobbyists.
4. The BIGGEST THREAT to natural open space that residents so highly value is commercial pressure to turn it into parkland and/or to ""commercialize it"" as a major tourist attraction under the guise of ""economic development"" BUT there has been NO equivalent input from the residential neighborhoods adjacent to open space who are already being affected by increased use (Highland Dr, etc.), and there was NO environmental or neighborhood committees to balance the input of the economic committee.

1. Please remember that Natural Open Space is a refuge not only for wildlife and their critical habitat, but for the residents of this city as the city becomes more dense. In San Luis Obispo, residents of all income levels have the opportunity to easily reconnect with nature, to decompress from an increasingly loud and competitive world. IF the natural open space is turned into a major tourist attraction that is lost. (the former natural resource manager has said he quit hiking Bishop's Peak because it is too crowded...the EVC tourism study refers to "tourism backlash" as residents face the increased crowding impacts of tourism).

1. A higher/tourist attraction level of usage was never intended for the city's natural open spaces....trailheads are in residential neighborhoods, there are no parking lots, no facilities etc. (for years after the early 90s Open Space element the City actively did NOT allow natural open space to be advertised beyond the "greater community"...that changed WITHOUT input from the residential neighborhoods being affected or any meaningful input from residents who so highly value NATURAL open space.

1. PLEASE PROTECT THE CITY'S NATURAL OPEN SPACE AS A NATURAL REFUGE FOR RESIDENTS AS WELL AS WILDLIFE AND THEIR HABITATS

1. Continue the top 4 goals with the exception of traffic congestion relief; rather than focus on congestion relief, goal should be providing for increased mobility needs with even greater provision for alternative mean of transportation

1. Get Cal Poly to build more student housing
2. Get Cuesta to stop adding out of town students without adding student housing

COMMUNITY BUDGET BULLETIN SURVEY RESPONSES: PRIORITIES

3. Focus upon neighborhoods that are being destroyed by student renters and inconsiderate landlords, and do whatever is possible to turn things around
4. Take better care of city properties, including empty lots
5. Resolve any safety problems (such as missing sidewalks) right away

1. Maintaining the current level of city services to ensure public safety and our way of life in this beautiful city.
2. Increasing business in downtown area and city of SLO AND decreasing vagrancy, loitering etc., crime that seems to have increased in downtown area. Decrease street parking/homelessness. STRICT POLICE ENFORCEMENT.

1. Close the Gaps in disconnected or incomplete facilities, e.g. sidewalks, street repairs, street trees, furniture, parks, signage, etc.
2. Set a Cap on city growth for commercial and residential, tied together and linked to transit, to avoid more Highway 101 congestion.
3. Fund right-sized housing for low and moderate income people, with emphasis on those who work here.
4. Retract the LAFCO Sphere of Influence on Orcutt Road and on Madonna's property; reward and target infill development for walkability.
5. Reset the community as a college and government services city, not a low-end job center (reduce support for tourism and airport area service commercial uses; incubation no longer needed!).

1. The section of road on Los Osos Valley Rd between Madonna Rd and the entrance to the 101 south freeway suffers from painstaking gridlock during peak and off peak times. I realize aesthetics played a huge role in the development of that area, but let's be honest, we don't need the landscaped median that separates both sides of traffic. We also don't need the landscaped and expansive sidewalks. Remove the aesthetics and add an additional lane to one direction to improve this awful layout that was indeed poorly planned and executed. If an additional lane is not an option, then manipulate the existing layout to improve the flow of traffic. LOVR is a major artery for thousands of daily commuters in San Luis Obispo, Los Osos and Morro Bay. How did the City fail to anticipate this nagging gridlock? People reside here to avoid the hassles of big-city living, yet this section of road suffers from metropolitan style traffic.

1. Maintain emergency service levels to be prepared for un-foreseen disasters and daily emergencies

1. Homeless people taking over SLO
2. Downtown beautification
3. More tree lights downtown
4. Wider sidewalks more outside eateries

COMMUNITY BUDGET BULLETIN SURVEY RESPONSES: PRIORITIES

1. Basic/essential City services, including Department, Police Department, including protecting the downtown business owners and shoppers from the homeless influx in the downtown, along with water and waste water services, and streets and traffic improvements. We need to stick to the basics of essential City services.
2. Maintaining quality of life through strong support of public safety
3. It's very sad to me that we have such a high homeless population. For whatever reasons create this, it is fact. This affects our city on so many levels. When I go shopping, my safety at night, police resources, emergency care, even quality of the creek water. I would hope that many avenues are being considered in a way to change the issue. How do other cities cope? Who can we learn from? How do we make control the issue? I don't expect them to go away, I expect more effort from the city to maintain the issues that come with the higher population that seems to be growing year after year.

1. Pay off all loans
2. Close all city departments except essential services
3. End all low income programs and require work camps

1. Look at revenue builders. A great example would be to provide ambulance transport. This is done in many other cities and makes a lot of money. Up front cost would be a big investment but it would pay off for our city.

1. Stop allowing corporations such as Compas Health from using our emergency services to do what they should do.
2. For example, why should we send a fire engine with three people to lift someone off the ground when the facility has able bodied staff? The corporations have a hands off policy so there staff cannot lift their patients. Obviously, this is for insurance purposes. Instead they put the risk on the city and our firefighters. Create a new policy that prevents this and save the city big money in work comp injuries. Not to mention it keeps the fire engine available for true emergencies in the city.

1. Public safety and essential services like public works. The many specialty projects that the city is great for do make the city wonderful but as we rebuild we should learn from the past and put our priorities first.

1. We HAVE to maintain our police and fire protection. We can NOT let that be taken for granted. It's easy to dismiss them...until they're needed. A life is not worth taking for granted.

1. Maintain existing levels of service and infrastructure care/improvement
2. Re-establish the trust of your employees, which you have lost due to draconian treatment by the Council and CAO."

1. Keeping the homeless people from absolutely ruining our city and especially our downtown. I do not feel safe downtown any more with my family. I also would like a

better police presence downtown and laws in place to rid of the pan handling, drug using, dangerous homeless vagrants.

1. Safety
2. Open space
3. Keep downtown historic

1. Attempt to complete and connect Class I & Class II bike routes across the city.
2. Rehabilitate parks, especially Sinsheimer. It is very "tired". Hazardous paths, deteriorated parking lot, awful playground, poor picnic tables and layout, and no direct bike path link from parking and park to RR Safety Trail and Sinsheimer School.
3. Neighborhood improvements program for sidewalk repairs and street tree replacements
4. Work with SLO County and land owners to get Tank Farm Road improved, with ample bike lanes, as soon as possible. It is deteriorating and hazardous. Similar for Buckley Road.

1. Live & let live! Too many insignificant regulations (trash can police, over the top code enforcement, too much hoopla over parking). Relax!
2. Equality of treatment for "regular folk", less special treatment of big name local families like Copeland.
3. Respect your employees. They are the backbone of the services you provide.
4. Spend money on infrastructure, not frills like public art, open space, and the Laguna Golf Course. This is not Orange County but it is feeling more like it every year.
5. Listen to the MAJORITY of citizens, not the few squeaky wheels who seem to hold sway over City Council decisions.

1. Resolve traffic issues @ LOVR & 101
2. Alleviate traffic issues at Madonna & Atascadero, and Madonna & LOVR.
3. Repair city streets
4. Neighborhood blight

1. Have the police go to the graduate 990 industrial way at 1:45am and note how loud the music is, you are cracking down on the bars downtown but not addressing the issues at the grad. Check the police log for all the assaults. it is disturbing the neighboring residents from sleeping
2. Change the way they are doing the water monitoring, 3 months is too long
3. Stop the tattling on neighbors whose yards don't meet others standards. it's no ones business unless it's a hazard. You are going too far with the program. America was built on freedom and not restricting people on their own property unless is a danger to someone else.

1. Public safety
2. Deal with our terrible homeless problem. Stop the homeless from camping anywhere in the city. Stop the homeless from begging down town.
3. Assist the homeless that don't want to be homeless that are from San Luis Obispo.

4. Assist the homeless that want to be homeless and by getting them transportation back to where they are from.
5. Do not build the large homeless campus. This will not help. It will just make more come to our area and tax our already over taxed police department."

1. I don't think most people are conscious of the degree to which roads affect the quality of life. Roads facilitate living. We tend not to think about them because they're only a means to an end. But when roads are absent or congested, we suffer, even if we're not conscious of the cause of our suffering. Wherever needed roads are simply absent, such as the Prado Road extension, to cite one example, you are forced to take a longer and circuitous route to your destination. Your travel time is thus lengthened, your progress is interrupted by more stop lights and stop signs, and so on. Similarly, where existing roads are congested, such as the Los Osos Valley Road near the LOVR-101 overpass, or 101 southbound at 5 pm, you experience extended delays, frustration, and increased stress. It may seem that I have exaggerated the influence of roads and traffic on human happiness. Indeed it's true that no single experience of inconvenience or stress on the roadways amounts to anything of great significance in our lives. But traffic woes are never one-time events. They become daily miseries. It is an insidious kind of misery because it becomes normal and thus subsides just beneath conscious awareness. And yet our peace of mind is quietly poisoned every day. Search your own experiences, and you will recognize this to be true. Therefore, I ask that you please place the highest priority on relieving traffic congestion and adding new roadways. Our quality of life depends on it.

1. Recruit physicians to San Luis Obispo. The most frequent comment I have heard from residents since I moved to the area 3 years ago is "Good luck finding a doctor." Indeed, many of the higher rated physicians are not taking new patients. Several more have retired or are near retirement. Mine retired a few months after he agreed to take me as a patient. So I'm back to square one.
2. Allow more residential housing developments.
3. Consider an indoor mall near Madonna Plaza. There is a need for more high end stores like Nordstrom's, Williams Sonoma, etc.
4. Public safety should be a top priority along with quality medical care.

1. Efforts to ensure renewal of Measure Y.

1. Affordable Housing for young professionals

1. Balanced budget
2. No raised taxes
3. Maintenance and parks
4. Public transportation
5. Continued strong support of the PAC and SLOMA"

1. Budget responsibility. Balanced and forward thinking.
2. Housing--SLO is extremely overpriced for the average worker. It has become a bedroom/retirement village for L.A. and San Fran.

COMMUNITY BUDGET BULLETIN SURVEY RESPONSES: PRIORITIES

3. More housing downtown so that locals can participate in a vibrant community without a car. Mid-rise apartment complexes close to city center.

1. To create a plan to assist the homeless population - giving them access to assistance.

1. Widening Los Osos valley overpass/Tank Farm road (from Broad to Higuera).

1. Really focus on neighborhoods, where the majority of residents live. A lot has been done for downtown, so it's time to shift gear and try to attract families back to SLO by improving neighborhood conditions.

1. Traffic Congestion and speeding
2. Neighborhood Wellness

1. Traffic, many new large stores are congesting streets LOS OSOS VALLEY RD, TANK FARM, S. HIGUERA, BROAD ST.

1. Our City has an opportunity to be a leader as a truly sustainable community: economically, socially and environmentally. Here's an amazing possibility that can fulfill on this entirely...
2. Community Choice Aggregation (CCA) is a market-based approach toward energy use and generation that would powerfully change the way we have a choice about where our energy comes from and how to generate our own effectively.
3. Any community -- individual city, group of cities and county, or any combination -- can form a not-for-profit organization (CCA) to efficiently manage the ratepayers in their jurisdiction. The CCA can create programs that the customers want such as 100% renewables, low and stable rates, and feed-in tariffs. Right now, there is no choice about energy.
4. The utility company will continue to deliver the energy and maintain the transmission and distribution as before. Our City would benefit by having a steady stream of revenue (approx. \$10 million annually) to be able to buy power on the wholesale market and to issue bonds for building local clean generation such as solar.
5. A CCA creates more local jobs, provides long-term stable rates regardless of market fluctuations, strengthens the local economy, reduces greenhouse gas effectively, and creates a future based on clean energy.

1. Invest in a more robust Economic Development program- give program resources to implement strategic plan
2. Invest in the health Mission Plaza/downtown - address exploding transient problem, downtown safety

1. Preservation of the environment and open space

1. Make sure the budget is in the black.
2. Finish the bike paths
3. Get businesses in the Monterey street

4. Fix traffic congestion
5. Get rid of the homeless
6. Wash the filthy sidewalks downtown

1. Safety on the streets

1. Open Space
2. Safe bike lanes

1. Conservation of open space

1. Move outside of California so we can enjoy living in SLO without the punitive tax code and unfriendly business policies that are pushing people away in droves. I will soon follow.
2. Stop with the green plan and let us in business have the freedom to understand and act upon the need to protect the environment and live as free people

1. Support the growth of Mindbody
2. Maintain trails and outdoor space
3. Support local business
4. Improve SLO tourism efforts/marketing campaign. (Paso has seen a prolific influx with their marketing).
5. Extend the Bob Jones trail to San Luis Obispo

1. Be friendly to business
2. Encourage growth instead of running them off
3. Make SLO more affordable
4. Reduce water rates
5. Reverse the bag law. You took away our freedom to choose. Also there are health concerns about reusing contaminated bags. Meat leaks and you can't sterilize the bag. Great to recycle, but should chose!

1. Neighborhood wellness
2. Crumbling sidewalks in older town neighborhoods present safety issues
3. Simplify the planning departments permitting process

1. Lower the cost of water. Too expensive. All the plants in the City are being removed or dying from lack of water.
2. Neighborhoods are deteriorating.
3. Fix – repave Islay Street. All other streets in the area were redone. Why were Islay and Nipomo skipped?
4. Put a stop sign at 4-way intersection at Islay and Nipomo. Cars drive too fast on Nipomo.

1. Solve the homeless problem and keep Downtown lighted and safe.
2. Upkeep of roads (painting red on curbs)
3. Keep development under control.

COMMUNITY BUDGET BULLETIN SURVEY RESPONSES: PRIORITIES

4. Keep taxes low
5. Keep warning people to NOT be distracted by anything while driving. No texting or fumbling at radio dials. Check with Governor Mitch Daniels in Indiana as to how he does it.
6. Traffic lights are too long vs. time to walk across which is just seconds.

1. Neighborhood wellness ... including crime & graffiti controls.
2. Traffic congestion and flow.
3. Greenbelt/preservation of open space.
4. Encouragement of public transportation; use and alternative modes of transportation.
5. Continue funding and constructing the bike path from Cal Poly to Bob Jones Trail.

1. Fix the streets
2. Help the homeless and disadvantaged in our community.

1. Hold down City and close-by area population growth. Already too many people and cars, congestion, pollution.
2. Already enough regional center commerce.
3. Keep open space.
4. Don't let City grow to "rat-pack" syndrome.

1. Finish the Bob Jones Trail.
2. Get the dirt bags off our downtown streets and plazas.
3. "2" lanes all the way to Buckley out Broad. This is way more important than tearing up all our sidewalks everywhere.

1. Local organic food available to all.
2. Complete Bob Jones Trail and Skate park.
3. Work towards greenest city in California.
4. LID water retention/stormwater management.
5. Compact mixed use development.

1. Complete the RR bike path to Cal Poly.
2. Construct bridge (bike/ped) from Sinsheimer Park to Villa Rosa/Broad across RR tracks.

1. Economic development
2. Fiscal health
3. Reform pensions so as sustainable
4. Invest in roads, transportation
5. Solve homeless

1. Preserve essential services/fiscal health
2. Economic development
3. Infrastructure maintenance
4. Traffic congestion

COMMUNITY BUDGET BULLETIN SURVEY RESPONSES: PRIORITIES

1. Resolve traffic congestion on los osos valley road between madonna and south higuera.

1. Police presence downtown.
2. Dredge Laguna Lake

1. Implement Economic Development Strategy

1. LOVR widening near Costco
2. Traffic congestion

1. Affordable Housing
2. Complete streets - streets that are safe for pedestrians and bicyclists
3. Better street lighting to make streets safer at night
4. Public education programming about interaction with the homeless population - similar to the program enacted by the City of Ventura.
5. Completion of railroad safety bicycle trail

1. Improving and expanding the transit system.

1. Sustainability
2. Climate action plan
3. Identification of non-government agency resources

1. Encouraging local small business
2. Preserving and expanding open space.
3. Smart growth
4. Target our strengths for tourism

1. Homeless issues
2. Long term homeless parking
3. Downtown area needs patrolling There are homeless living at the old Scolari's building.

1. The clean environment
2. Parks and recreation
3. Preservation of green space and hiking trails

1. The Environment
2. Climate action plan
3. Assessment of local resources
4. Identification of non-government agency resources
5. Increase awareness of environmental issues facing our city
6. Increase awareness and docent lead hikes to open spaces

1. Clean air and clean water
2. Conservation of water

3. Reduce pollutants
4. RE: agriculture-real food-not GMO's-will have a healthier population-lower medical costs

1. Animal waste-negatively effects water quality disturbing amount of dog waste left in parks, residential yards, etc.

1. Reduce the number of public employees
2. Simplify building permit process
3. Simplify planning process; shorten review

1. Fix the big pothole on Toro St. between Pismo and Marsh. It's been there for a long time.
2. The creek along the backside of Marsh is overgrown and needs to be cut back. Along with the tree overgrowth blocking the sidewalks.
3. Lessen the population of the homeless. It's out of control.

1. Having a balanced budget
2. Bike path construction

1. Get the cost of water and sewer under control
2. Get rid of the two deck bus. Cost to operate and street maintenance is excessive.

1. Invest in utilities and roads to maintain them in sound condition (replace old deteriorated lines)
2. Economic Development
3. Make roads safer by maintaining center stripes that are almost invisible now in many places
4. Fix the traffic mess at Broad and Tank Farm created by the offset new lanes-somebody is going to be killed there due to a horrible, non-standard design!
5. Address the ever-worsening homeless problem

How might the City adjust other programs & services to accomplish these priorities?

Responses are reproduced verbatim. Where a response is shown more than once, it was received in duplicate.

1. I have not lived here long enough to know all of the programs.

1. Reduce programs, increase transparency

1. Give them some extra funding from the millions stolen

1. Eliminate unnecessary city services. Example: every 4th Thursday street sweeper sweeps out already clean street. Suggestion: Target the service where needed.
2. Stop the stupid laws having nothing to do with health and safety. Example: trash receptacles in front of homes, couches on porches. Stop trying to control with your concept of aesthetics.
3. Use parking revenues to foster greater use of public bus system
4. Do not charge entry fees
5. Cease operation of red light cameras

1. There has been a lot of improvement. Just keep working on it.
2. The repairs on sidewalks in the Laguna Lake area is much appreciated.

1. Cut the fire department
2. Renegotiate retirement benefits with all City unions, especially early retirement of police and obscene retirement fire fighter benefits!!! There are a number of occupations with higher deaths per capita than firemen or policemen; example: 3rd shift convenience store clerks. Go Google!

1. Have community volunteer projects to clean or repair buildings, open space, trails, etc. Encourage more community volunteer projects.

1. Stop adding so many conditions to permits so that businesses can grow.
2. Move faster! Change isn't all bad!!

1. Adjust administrative expenses in line with communities of similar size

1. Make sure resources match goals (don't overwhelm staff/depts)

1. Don't really care what you adjust as long as it becomes safe and pleasurable to go downtown again. During the day it's a challenge to walk over/around the homeless panhandling and bike riding on the sidewalk. Late nights after the movies are just as disgusting with all the drunks leaving the bars. We are embarrassed to take friends/family downtown.

COMMUNITY BUDGET BULLETIN SURVEY RESPONSES: PROGRAM ADJUSTMENTS

1. There seems to always be a police car at the SLO Airport-parked near the terminal and it sits there all day. Couldn't the cost of that vehicle be used in another way?
1. Reduce pension and retirement benefits for safety personnel to more reasonable and sustainable levels.
1. Make the fine for violating the smoking ordinance high enough to cover the enforcement
1. Use the funds from the new Sunday parking and additional ticket revenue from Sunday towards this (*homeless loitering in downtown*). Additional patrol, programs to keep them away from downtown, housing, etc.
1. Encourage builders to create bungalow type housing similar to that created after WWII to returning vets and their families.
1. Install a camera at Broad and Santa Barbara to catch license numbers of cars turning against the green arrow from Broad to Santa Barbara. You'd make a fortune.
1. Focus on revenue and/or cost saving measures all the time. Charge everyone \$1.00 month in taxes to pay for/offset cost of water/electricity.
1. Keep doing what you are doing
1. Stop funding for the Downtown Business Association
1. Relax on the neighborhood improvement police and support the real police
1. Administrative belt tightening
1. Build more normal-sized houses
1. Reduce police and firemen pensions
1. 2-5 year moratorium on residence building to allow a settling period-prior to issuing additional building permits
1. Devote Public Works hours to review all signals. No added work.
1. Quit spending \$\$\$ on sidewalk repairs/corner ramps. Total waste of money!
1. You figure that out
1. Eliminate waste and duplication of government services
1. An architect (not in practice) should be hired to be on City staff-many of the new develops could be assessed prior to going through long CHC, ARC, and Council mtgs.

COMMUNITY BUDGET BULLETIN SURVEY RESPONSES: PROGRAM ADJUSTMENTS

2. There should be NO practicing architects on CHC or ARC as it is a conflict of interest and some that are on now do not have proper integrity or morals

1. Redistribution of excess produce
2. Pay for bike paths with monies granted for alternative/environmentally beneficial transportation
3. More tax revenues from more shoppers downtown could offset parking \$ losses

1. I do not feel qualified to comment. Overall I am pleased with how the City is run.

1. Encourage the construction of storage yards/facilities to accommodate rec. vehicles
2. Keep up the good work on quickly eradicating graffiti when it occurs

1. Slim down the number of City government employees
2. Eradicate the neighborhood watch program and other such unnecessary programs
3. Overhaul the pension system for gov't employees. This is too big a drain on the economy down the road

1. Stop greenlighting new developments/business centers, etc. Just let the City Breathe! It has been breakneck development for threat thereof for the 5 years we have been here

1. Unnecessary spending on double decker buses and barns for bus must stop!
2. Unnecessary spending on painting utility boxes must stop!

1. Take another look at your sewer/water bill-I have single family home and MOST of my (your) water goes in my garden-not down (your) sewer!!

1. Allow SLOPD to do operations which increase citations for car drivers and cell phones
2. Explore NACTO urban Bikeway design guidelines and implementation in the City to make active transport a priority!
3. Thank you

1. "3 strikes you're out" program for deviant repeat homeless offenders. Keep the services, eliminate the deviants
2. Repair the road

1. Widening/Extension – Prado – S. Higuera – Tank Farm
2. Overpass – LOVR/Prado

1. Alert Caltrans re: LOVR overpass.

1. My priority #1 will be save money.
2. Perhaps Measure Y can be used for resurfacing of Higuera below Marsh, adding lights to Broad Street below South Street and widen Tank Farm and maybe to create crosstown arteries to improve traffic flow by extending E-W corridor from Johnson to South.
3. Grants may provide some funds for the day care centers.

4. Ask State and Federal to help fund facilities for the homeless (the homeless come from all over and should be the responsibility of all levels of government to provide, not just city and county).

1. Reduce money spent on “public arts,” some is fine but some projects have been excessive, in bad taste or simply not appropriate.

1. The Cal Poly/Cuesta students need to help pay for police—ambulance—road services, etc. instead of just SLO property owner. Tax beer & pizza!

1. Solve the [homeless] problem or attempt to—people without roofs over their heads. A homeless shelter that works for people who have a need.

1. Continue: upgrading downtown inc mixed-use/residential

2. Continue limiting growth to 1%

3. Continue improving infrastructure & recreational areas

1. Drop Laguna Lake dredging ideas—so 19th century.

1. All the money the city gets in DUI fines could definitely go toward better public transportation.

1. Implement a big box tax on purchases as big box store in the big box district.

1. Renegotiable salaries—limit new hires salaries—especially in department management.

2. Limit new hotels/buildings to 3 stories.

3. Make existing bars pay for their share of police and public safety costs.

1. When the time period (December, January, February) determines your base usage for water, I would like to know if the exact date that time periods starts and ends. That could be sent out with the November billing for each address. I am sure that could be programmed to be done automatically for each address.

1. Require more accountability from various departments; i.e.- use of personal vehicles, use of city vehicles, expenditures monitored.

1. Readjust

1. Continue cost efficiency measures

1. Reserve a parking area in or near the Prado Road facility and provide 2 portable toilets to allow those who must sleep in their cars to use these facilities. They have a right to sleep in their cars, but need the facilities for restrooms.

1. I guess the [Parks and Rec] fees could be raised \$1 or \$2 per activity

COMMUNITY BUDGET BULLETIN SURVEY RESPONSES: PROGRAM ADJUSTMENTS

1. We're fairly new to the area and so don't know a lot about what is needed and what's been done. But we love it here, appreciate the friendly atmosphere, good library and plenty of outdoor facilities and biking trails.

1. No more "new" positions in the City while employees have taken cuts in salaries. I agree with the City's major goals from 2011-2012. Don't always agree with the 'size' of some development. The ambiance of the City is totally changing and I don't know anyone who really likes it.

1. Stop this pompous attitude that SLO is something special. It is run by a bunch of idiots with their heads in the sand. Look at LOVR/US 101 from 3:30-6:30 pm. Anti-big box? Thank God Alex got the big boxes through or you would be bankrupt. IDIOTS! Aren't you embarrassed?

1. Contract fire protection to CalFire—lots of times when there is a fire, they are the only ones working with the SLO FD doing traffic control with the big truck—you would get better service, more efficiency, and save the City a bundle of money on retirement/salary costs and no Union B.S.

1. New parking seems a waste of money.

1. Tell the BIA or DA to work on 1 [bring Mardi Gras back] and 2 [dog friendly events]—this group has leadership that isn't receptive to people-friendly issues.

2. We are supposedly a 'green city'—what a joke see 4 [tell store to close their doors].

1. I think too much money is spent on publicity making special events so fancy. It seems City dollars should not be spent on events and promotions.

1. Adopt conservative and responsible approach to all priorities—don't pay obscene amounts for 'studies' that don't come to fruition. Consider the owners of the property over experimental support of 'green-themed' projects. Keep employees accountable.

1. I saw three City workers cleaning a bus stop enclosure...really! Payroll is our biggest liability—reassess and contract out municipal services. Put "Public Art" money to artistic landscaping. Listen and aggressively recruit retired public service workers ideas for getting more explicit use of their old departments. Now they can be bold and truthful as they have nothing to lose and still get paid.

1. ONE supervised campground with rules and requirements.

1. Maybe having volunteer neighborhood patrol to help keep crime and noise in check.

1. Tourism creates money in the pockets of retailers, A more pedestrian-friendly downtown increases tourism—have BBB and Downtown Org endorse removal of parking along Higuera downtown.

1. Move quickly on widening 101 overpass
2. Have patrol cars cite. Don't need to wait for complaints.
3. Return of walking and/or bike-riding police in downtown core.

1. Don't Californians have a canal? Stop waiting.
2. We already have regulations, enforce them
3. Listen or we could suffer economic problems
4. Use 3% for pre-identified immediate needs.
5. Free Saturday/Sunday parking helps business.

1. Look at other cities in the U.S. which are very safety conscious.
2. In Germany, while in the army we had a safety squad—bring soldiers out of bars before they were arrested by German police, and back to the base without arrest.
3. Just returning from Virginia in September, they cater to seniors there. Dancing classes, shows, many fun activities, etc. Maybe SLO could start to develop a bigger center with more opportunities.
4. Slowing traffic down will be a priority, too. Folks in Virginia, Kentucky, even in big cities they drive slower. I have lived 42 years and have noticed a real increase. Thanks!

1. Fundraisers

1. Offer incentives for homeowners, businesses, etc. to install solar panels.
2. Remove select cross streets from vehicle traffic.

1. Tax

1. Find out why you can't combine accounts! [re: multiple water bills arriving to the same household in separate envelopes].

1. How about trying traffic circles instead of lights?

1. Most of these priorities don't take added cost at all.

1. All of the above [reduce: greenhouse emissions, cancer, heart disease, diabetes, pollution, carbon footprint; improve top soil] are accomplished with reducing the meat and dairy intake.
2. How about meatless Mondays? Or going all vegetarian and really being green. =)

1. Many of these projects have languished in the City pipeline for many years. Unless the city sets a priority and funds them, they City will continue with the current less-than-satisfactory conditions. With current better times more funds will be available.

1. While I can appreciate the good intention to support the arts, mandatory public 'art' should be reprioritized. Sorry, I am non-plussed by most of the statues (SLOLT)(City Hall)
2. Thanks to all who do a wonderful job to make this city a wonderful place to live.

1. Look for ways to trim/combine administration work flows, and systems.

1. Improve fiduciary responsibilities, think of each issue with your personal budget mindset.
2. Please be more aggressive in the homeless situation.

1. Have less chiefs and more Indians in police and fire departments.
2. Make them work more than 20 years for a full retirement!
3. Thank you—I even used my own postage!

1. Reduce the assumed rate of return on City investments for retirement benefits from 7% to 4% and negotiate increased contributions from employees to close the gap of unfunded liabilities. Or, convert them all to deferred contribution pensions as private companies have done.
2. Use Arroyo Grande program as a model: put resources into helping those who work with a case manager to get on their feet, and make life uncomfortable for those who violate City ordinances.

1. Increase funding for prevention programs.
2. Provide funding for open space vegetation management with oversight by the fire dept.
3. Keep transients out of our parks and creeks.

1. Reduce unnecessary/redundant paperwork requirements so each agency can get work done faster without gazillions of studies, meetings, reviews....
2. Best of luck! And thank you for all you do!

1. Get city workers to clean creeks of willows and underbrush so doesn't get caught under bridges during rain storm. More police presence in some neighborhoods will not have taggers painting signs, buildings, more is better than none.

1. Improve but don't ruin a once friendly, quaint place to live.

1. Increase participation in the CP Federal Work-Study. CProgram allows you to hire 4 student employees/interns for the cost of 1. Saves \$.

1. Put more focus on open space and its value to our community, both for residents (gets people outside exercising, enjoying the beauty of our home, increases health and happiness) and visitors (boosts our economy with visitors coming here to enjoy our accessible beautiful outdoors!)

1. Contract out services. Eliminate 'fluff' like painting utility boxes, art stuff—let Rotary do it. And please remove that HORRIBLE sculpture of blobby female form at Higuera. It's an insult to women! Get tough on homeless—no shelter on Higuera!

1. Realize transients are not the area's homeless and treat accordingly. Unless you have been homeless yourself you have no idea; nor could it be explained to you, how difficult

and hopeless the situation is. Provide a place to sleep and shower. Encourage the purchase of NGV cars and trucks by lessening the price of CNG here.

1. Consult with neighbors before making decisions. –Mrs. De Martin, 1633 Pereira Drive.

1. Increase enforcement against camping in vehicles.
2. Increase collaboration with Cal Poly, CMP, Calfire and County agencies.

1. Those people sleeping in vehicles as long as they do not disturb the neighborhood and keep the area clean—should be allowed to do so. Be careful about a new expensive parking structure. The lot at present is not being used.

1. Reduce the amount of money that gets spent for improvements in the downtown area. Make the business owners pay some of the upkeep of the downtown areas surrounding their businesses as other businesses have to do in outlying areas like Madonna Plaza and the shopping centers on Los Osos Valley Road and Broad Street
2. Stop hiring consultants for every little thing. Our Staff should be able to do research and come up with ideas—that’s what we pay them to do.
3. Spend less money on signs. We have way too many signs in this City, which are very unattractive and many are not even maintained.
4. I also wonder about the money we contribute toward the PAC. Maybe it’s time we reduce our contribution. I’m not sure that is really drawing people into our area as often times the venue is quite empty. Perhaps if they have less subsidy, they will do more to make up the difference by booking more crowded drawing entertainment.

1. SLO has properties that need upgrading and improvement that the high initial fees and restrictions as well as permit delays etc. prohibited many of these projects from even being started or planned—more efficient and informative programs of encouragement would make these upgrades possible.

1. Prepare for more shortfalls as Fed taxes, state taxes and sales taxes rise. It will affect charitable giving as well as reduce spending power for local use.
P.S.—over the years I have removed an enormous amount of trash, thrown away sleeping bags, broken glass, worn out batteries of various size and innumerable amounts of broken glass, rotten food, etc. And I am rather tired of this!

1. The Council is very intelligent and logical. They should be able to resolve these problems.

1. Reduce management, increase efficiency of infrastructure, reduce wasteful use of water on open areas. Eliminate duplication of positions within employment sections. Reduce pensions and vacation costs. Increase retirement age.

1. Eliminate the two neighbor services positions to achieve “active code enforcement.”

1. Address the homeless problem.

1. While the downtown merchants believe that ‘they’ are ‘San Luis Obispo,’ we are all SLO—even if we are merely ‘residents.’ Shift the Council/Staff focus away from downtown and put it out where people live. I don’t need more tourists coming to town than we already have to tolerate. Let them take the smog-generating cars and trucks elsewhere to clog someone else’s streets.

1. Beautify Tank Farm Road.
2. Clean up SLO school district dump-bus barn area. A blight!

1. Cut the fat. There is so much waste. At least one person in each office could be eliminated. It should be a management person. Second, eliminate a program or two. I would suggest eliminating street sweeping, stop promoting tourism and cutting in half the Parks and Rec department. We should not be dealing (maintaining) with golf courses, and promoting art. These are frills we cannot afford now.

1. Write, petition, ballot measures, etc. until the County, etc. gets rid of the expensive, lying, lawyers! DA could then be called ‘County Chief Investigator.’ –Anton Hoffman PO Box 476 Avila Beach, CA 93424.

1. Less support to developers—spend on residents.

1. Quit funding bars downtown. The last survey we filled out you all poo-pooed right on camera at the City Council Meeting—saying “it wasn’t a representative sample—“ Why do you ask our input then ignore it roundly? The only people that wanted the new SLO Brew on Higuera was the business, Chamber of Commerce, and the Downtown Association—no one else asked for it. Make them (Hammish) pay BIG and at least not just in political contributions.

1. Set an example for our dysfunctional State and Federal govts by establishing budgets that are sustainable.

1. Let’s look at saving a lot of money now and in the future—let contract fire protection to Calfire—they provide everything and the city City does not have to worry about funds for pensions—Calfire is a professional unit with a good name—the SLO City Fire Dept is a joke and has the City Management and Council buffaloed with their union—the image is terrible—several mason type working there—and what type of image is it when for example at the old Sclaris store the big ladder truck is parked in the bike lane while the crew of 3 is in the store—one time I watched as the other helped themselves to candy—(shoplifting). Is that the image City workers should project?

1. If City officials continue to be fiscally careful, as the economy improves, money will become more available to fund these.

1. Adjustments to make commercial growth to south and west of town more expensive, subsidize downtown with the added income.

1. Better use of taxes/income.
2. Less liberal use of City/County employee benefits.
3. Stepped up enforcement of traffic laws! Police out and ticketing, source of revenue as well as maintaining order and public safety!

1. Go with the greenest alternatives for all upgrades.

1. I would love to see the City invest in a baseball complex for youth. SLO Stadium is sought after by many groups now—it was built for use by Babe Ruth kids and the high school—now all sorts of groups are fighting for time. Our city has not placed any priority on this for many years and it should.

1. Reduce City employee costs further
2. Repair STS/ improve circulation
3. Reduce water cost.
4. Develop Prado Road/Hwy 101 overpass.

1. The City of SLO, especially the Downtown area, has lost its ambiance due to the overabundance of transients and “homeless people.” The City continues to cater to these people and consequently attracts these unsavory characters. I have lived and worked in SLO since 1969 and no longer feel ‘good about’ or safe in town. I am seriously considering selling my property in SLO, which I have owned since 1977 because I feel it is losing value due to the above situation.

1. Look at administrative expenses.

1. Forego salary and benefit increases to City employees. Thanks.

1. I know you need money, but the City has lost its charm. I used to walk into town, stop at a local book store, meet my husband for coffee, shop for clothes. Now there is nothing for me. College aged kids and Fresno types. I know things change, frankly.

1. Take some of the funding for auto infrastructure—say 8-10%--and give that to peds and bikes.

1. Don’t let big trucks park by homes for more than a few hours. Don’t allow low-cost apartments to be built in single home neighborhoods. Provide homeowners with stickers on something that will allow them to park by their own homes. Others who have parked on the street rather than the provided business parking lots would get ticketed.

1. Once a CCA is established, the program operates without any adjustment to other programs and services. Since it's based on the revenue that would otherwise go to investor-owned utility, the organization is self-sufficient and can provide for many other programs.

1. Address fiscal issues-- pension and benefits

1. Spend less on economic development - let entrepreneurs pay their own way.

1. Hold off on further expenditures on beautification on downtown street lighting in cooperation with Downtown Assoc.
2. Hold off new Parking Structure

1. Coordinate with SLO Police Dept. on weekends & holidays to patrol neighborhoods along with the downtown corridor.

1. Public transportation - even if it runs in the red - increase our taxes to cover the shortage - I have a car, but others don't
2. Police/Fire - review city budget for areas that can be better handled by combining departments. Think outside the box - times are different, look for technology.
3. Let us sign up to receive our water bills via email. Savings, paper, postage and handling. Encourage more residents to pay on-line so you don't have to handle depositing checks.

1. Put funding towards Traffic calming. (I.e High Street)

1. A real outreach needs to be done, residents don't have paid lobbyists to keep track of what is being done at city hall.
2. Seek other funding sources - grants, fundraising, etc. Develop a non-profit foundation for P&R programs and projects (see Paso Robles and Santa Maria for examples). If you must, increase sales tax but do not include law enforcement as a beneficiary; should cover those services that have been getting cut for the last five years.

1. Decide that a 'town' of 48-50k is the desired goal. Why can we not decide to be the size we desire?

1. The budget must reflect resident's top priority of acquiring and maintaining natural open space as a refuge for residents as well as wildlife and their habitats.... even if they are not the top priorities of commercial interests or city staff.

1. Even greater engagement with public, as transportation choices are made by every household and every workplace

1. Don't hire outside consultants, but let your city teams do the jobs for which they were hired.
2. Stop focusing so much on downtown, and more on neighborhoods.

1. Prioritize needs based upon making our city safe, ensure adequate staffing of police and fire, increase police presence in downtown area to decrease the aggressive homeless panhandling that goes on. It is bad for business and the general appearance of our downtown core to visitors. Annex the airport.

1. Put a priority of this or more people will move out of SLO.

1. Give direction to the update of the LUCE to emphasize resetting the city's direction away from tourism and low-wage jobs and toward more compact size, a jobs-housing balance, and safe and busy alternative transportation.
2. Re-focus infrastructure funding and improvements to meet these goals sooner than later.
3. Train City staff in the advantages of compact, transit-oriented growth, and hire people well-skilled in achieving it.
4. Have audits conducted of programs and processes that are concerned with these goals; get third-party, professional opinions that do not varnish or self-justify current practices or viewpoints.
5. Look to the Cities of Paso Robles and Ventura for their work with consultants to re-think their direction away from sprawl and auto-centric culture. Use those consultants to go them one better.

1. Appropriate Measure Y funds to this transportation problem, since among the uses for this bogus tax increase was to alleviate traffic congestion. I know the money exists for this project because revenue from Measure Y averages between \$5 to \$6 million a year and there are surpluses that have carried over from previous years.

1. Less money toward homeless services, if you care for them they will come.
2. Allow more businesses to build to increase tax base.
3. Re-new tax measure.....I think its measure Y or increase taxes, sales, bed tax, BAR TAX!!

1. We need to consider a scale back of the nonessential services, such as continual expansion of open space, public art, enhanced neighborhood wellness, and other topics that do not relate to basic fundamental City services.

1. Not spend \$1400 on painting boxes and spending 2 million on bathrooms.

1. Some thoughts would be, more of a police presence in the areas that homeless camp and hang out. Foot patrolled areas at night (i do see the police on bicycles).
2. I wish I could give some great ideas, I just don't know that there are any.

1. Stop all programs for two years like art, green space, homeless campus.
2. Re evaluate IT and there cost benefit
3. Eliminate all analysts, assistant CAO"

1. Limiting special projects or non-essential cost items.

1. Reduce financial support of pet-projects that only benefit certain blocks & businesses downtown, or small groups of vocal people who have hijacked your clear vision.

1. A bigger police presence, especially downtown. Have the business involved to report any suspicious activity and have the police actually do something about it rather than move them along. Also, maybe don't allow them to move into and live in the creeks. Our SLO is being ruined by these people.

1. No more pink sidewalks

1. Use some of the Measure Y funds for bike and pedestrian improvements (Complete Streets) - which benefit both the community and tourists.
2. Direct developer in lieu fees to also rehabilitate existing parks, plus city funding, grants, etc.
3. Create additional (short-term?) utility tax for neighborhood improvements, or create special districts for same.

1. Charge fair market price for rental and purchase of City property.
2. Sell Laguna Golf Course to a private enterprise.
3. Spend less on self-promotion and tourism. The Chamber of Commerce does a great job at this; no need to spend money duplicating their efforts.
4. Be honest about your financial status and use the money wisely.

1. We pay way too much for police and fire protection (wages too high)!
2. Obtain grants/state \$ or raise taxes."

1. Use some common sense.

1. Provide more staffing to police and fire departments

1. Do not mess with senior center
2. Reduce outrageous salaries for top staff
3. Forget a new transit center
4. Reduce parks and recreation staff

1. Ticket traffic offenders

1. Less \$\$ on police

1. Promote open space more and reap the benefits all the way around

1. Start reducing and eliminating building restrictions.
2. Less government is better
3. Reduce costs and give Americans back their freedom. I grew up here, but am not sure I can continue to live here when I retire.

1. I don't know, but staff seems to be doing adequately.

1. Not sure, but we think the City Council does a good job. Keep up the good work. We appreciate it.

1. Stop wasting money on painting utility boxes so you can spend on helping the poor.
2. Cut the pay of the City manager and hire another cop or fireman.

3. Don't sell a million dollar property to the Copeland's for 1 million dollars. You could hire a lot of cops and firemen for that.

1. Accomplish goals with savvy financial management.

1. Reduce pension cost
2. Reduce number of employees

1. Reduce staffing and payroll – make do with fewer bodies without reducing core services

1. May have to expand lanes on overpass

1. Get priorities in line. Look at alternatives to just saying “don't have the money”. Alternatives have been given every time this comes up but none are looked at.

1. Reduction of minimum parking requirements, and increase in bicycle parking in downtown areas.
2. Quick approval and leadership towards well constructed longterm homeless housing (efficiency apartments) to reduce hospital and law enforcement costs.
3. Maximize existing retail space instead of building more...Promote increase of business on Marsh St as extension of Higuera St. Consider remodel of Promenade shopping center to increase retail space, build parking garage, and make it more walkable/inviting (think the Grove shopping center in Los Angeles).

1. Cuts

1. The Environment.
2. Increase awareness of environmental issues facing our city.

1. Grants and loan programs to small businesses, streamline regulations/processes
2. Partner with NGOs, expand hiking programs, continue Neil Havlik's legacy
3. Continue support for SLO City Farm as an Ag tourism/education site, build comprehensive hiking/biking/outdoors guide

1. Freeze top level staff salaries
2. I am not sure where the city currently spends its money to address which programs should be cut or diminished.

1. Maintain efforts to rein in salaries and benefits; as needed, make across-the-board cuts where it is impossible to agree on particular programs that can be reduced.

1. Dog bags available help, but it may be more of the attitudes of certain dog owners who allow dogs to be off leash-not sure how to change that

1. Education in schools
2. Inform the public (ongoing) of all the health and financial advantages of healthy living.

Section 4

Recommended City Goals COMMUNITY GROUPS/OTHERS

Key Dates

Budget Foundation Workshop

Tuesday, December 18, 2012
6:00 p.m.

Written Suggestions

Please send them to Charles Bourbeau by:

Friday, December 14, 2012

990 Palm Street

San Luis Obispo, CA 93401

Fax: 781-7401

Email: cbourbeau@slcity.org

Community Forum

Tuesday, January 8, 2013

6:00 p.m. to 9:00 p.m.

Ludwick Community Center

864 Santa Rosa Street

Goal-Setting Workshop

Saturday, January 26, 2013

8:30 a.m. to 4:00 p.m.

Mid-Year Budget Review

Tuesday, February 19, 2013

6:00 p.m.

Strategic Budget Direction & Major

City Goal Programs Workshop

Tuesday, April 9, 2013

6:00 p.m.

Budget Workshops

June 10, 11 & 12, 2013

6:00 p.m.

2013-15 Budget Adoption

Tuesday, June 18, 2013

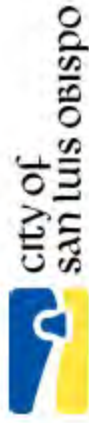
6:00 p.m.

Contact Information

Please submit your written comments by **Friday, December 14, 2012** to Charles Bourbeau, Director of Finance & Information Technology, by mail at 990 Palm Street, San Luis Obispo, CA, 93401; by fax at 781-7401; or by email at cbourbeau@slcity.org. For more information on the goal-setting and budget process, contact Charles at 781-7125.



The City of San Luis Obispo is committed to including disabled persons in all of our services, programs and activities. Telecommunications device for the deaf, (805) 781-7410.



2013-15 Financial Plan

What are the most important issues facing the City of San Luis Obispo?

The City Council wants to hear from you about what is truly important for the community.

Of all the things that can be done to make the City an even better place to live, work and play, which are the most important?

What Are the Most Important Needs of the City Over the Next Two Years?

The City Wants Your Input

Every two years, the City establishes the top priorities to make San Luis Obispo an even better place to live, work and play. Then the City Council matches the resources to achieve these priorities through adopting the budget in June. This sets the City's course of action for the next two years and helps the City to continue to provide the exceptional services and programs the community cherishes.

The City anticipates entering the 2013-15 budget planning process in better financial shape than two years ago. Some revenue sources have rebounded, budgets have been trimmed and the City has taken steps to reduce costs. All of these actions have helped keep the City financially healthy, even in a time of the "Great Recession." However, other economic uncertainties linger with the State and Federal budgets, the City's budget is still tight, and we face an ongoing need to reinvest in streets, bridges, technology, vehicles and facilities. All of these may lead to potentially complex budget decisions.

So regardless of the specific fiscal circumstances, it is critical that we have an effective process for setting the most important, highest priority things for the City to do in the next two years. That's where you can help!

Share Your Thoughts on the City's Priorities!

You have the opportunity to tell the City:

- What issues are important to the community?
- What priorities should the City focus on during the next two years?
- How might the City adjust other service needs to accomplish these priorities?

2011-13 Major City Goals

The City Council needs to know your thoughts on what the community's priorities should be so that available resources can be best allocated to achieve them. Now it's time for you to share your ideas for 2013-15 priorities.

Major City Goals are identified as the most important, highest priority goals for the City to accomplish over the next two years.

Current Major City Goals

- Economic Development
- Preservation of Essential Services & Fiscal Health
- Neighborhood Wellness
- Traffic Congestion Relief

Current Measure Y Priorities

Adopted by the voters in November 2006, Measure Y set an added ½-cent City sales tax. This funding enables the City to provide valued services to the community for both day-to-day operating programs and one-time capital improvements. The Council prioritizes the use of this resource, so it is important that they integrate Measure Y goal identification into the overall goal-setting process.

- Infrastructure Maintenance
- Traffic Congestion Relief
- Open Space Preservation
- Downtown Maintenance & Beautification
- Preservation of Essential Services:
 - ◻ Public Safety
 - ◻ Maintenance Services
 - ◻ Neighborhood Code Enforcement

Your Important Role in this Process

The City needs the help of the community in two important ways:

- 1 **Attend the Community Forum on January 8, 2013 from 6:00 p.m. to 9:00 p.m. at the Ludwick Community Center, 864 Santa Rosa Street.**

This forum is an opportunity to present your ideas to the Council and discuss them with other community members.

City staff will compile the community feedback for the Council to review in advance of its goal-setting workshop on Saturday, January 26, 2013. During this public workshop, the Council will deliberate to set the Major City Goals and Other Important Council Objectives for the next two years.

- 2 **Provide feedback.**

Community input will be presented to all Council members. It will be especially helpful if your written comments address: **what** needs you believe are the highest priority goals for the community, **why** they are important, and any creative ideas you have about **how** to achieve them, such as alternative approaches or opportunities for partnering with others.

Section 5

Recommended City Goals RESULTS FROM COMMUNITY FORUM

To be distributed on January 15, 2013

Section 6

Recommended City Goals COUNCIL MEMBER GOALS

*Consolidated Council Member Goals to be distributed
on January 24, 2013*

Council Member Candidate Major City Goals

Please prepare up to 7 candidates for Major City Goals below and submit them to Finance by Tuesday, January 22, 2013. Since the Council will identify connections between the use of Measure Y revenues and Major City Goals, please note which suggestions address Measure Y priorities. Finance will then compile a verbatim, composite list by topic without identifying who submitted the particular statements. Please refrain from releasing your personal list so that each Council member has flexibility to review all of the submissions and discuss them at the Council Goal-Setting Workshop before staking a position. An electronic version of this form will be provided to you.

| |
|--|
| 1 <u>Measure Y? Yes/No</u> |
| 2 <u>Measure Y? Yes/No</u> |
| 3 <u>Measure Y? Yes/No</u> |
| 4 <u>Measure Y? Yes/No</u> |
| 5 <u>Measure Y? Yes/No</u> |
| 6 <u>Measure Y? Yes/No</u> |
| 7 <u>Measure Y? Yes/No</u> |

Note: Council Members will receive a copy of this form in the notebooks and via e-mail

Suggestions for Changes in Other Programs and Services

Please provide ideas about possible changes in other programs and services to fund desired goals. Please submit them to Finance by Tuesday, January 22, 2013. Finance will then compile a verbatim, composite list by topic without identifying who submitted the particular statements. Please refrain from releasing your personal list so that each Council member has flexibility to review all of the submissions and discuss them at the Council Goal-Setting Workshop before staking a position. An electronic version of this form will be provided to you.

| |
|---|
| ① |
| ② |
| ③ |
| ④ |
| ⑤ |

Note: Council Members will receive a copy of this form in the notebooks and via e-mail

Section 7

Background Materials GOAL-SETTING PROCESS FOR 2013-15



Council agenda report

| | |
|--------------|----------|
| Meeting Date | 12-18-12 |
| Item Number | |

CITY OF SAN LUIS OBISPO

FROM: Katie Lichtig, City Manager
Michael Codron, Assistant City Manager
Shelly Stanwyck, Parks and Recreation Director

SUBJECT: 2013-15 FINANCIAL PLAN PROCESS AND POLICIES

RECOMMENDATION

1. Review and approve the 2013-15 Financial Plan Goal Setting Process.
2. Review and approve the proposed changes to the 2013-15 Financial Plan Policies.

REPORT-IN-BRIEF

The purpose of this agenda item is to finalize the process for establishing the City's 2013-15 Financial Plan including the development of Major City Goals. The report will further review the policies that past financial plans have relied upon and address recommended changes to a few for consistency amongst all City policies.

BACKGROUND

The following four features describe the City's Financial Plan process: goal-oriented, policy-driven, multi-year and technically rigorous. For 2013-15, staff plans to continue using a two-year budget that emphasizes long-range planning and effective program management. The benefits identified when the City's first two-year plan budget was prepared for 1983-85 continue to be realized:

1. Reinforcing the importance of long-range planning in managing the City's fiscal affairs.
2. Concentrating on developing and budgeting for the accomplishment of significant objectives.
3. Establishing realistic timeframes for achieving objectives.
4. Creating a pro-active budget that provides for stable operations and assures the City's long-term fiscal health.
5. Promoting more orderly spending patterns.
6. Reducing the amount of time and resources allocated to preparing annual budgets.

Appropriations continue to be made annually; however, the Financial Plan is the foundation for preparing the budget for the second year. Additionally, unexpended operating appropriations from the first year may be carried over for specific purposes into the second year with the approval of the City Manager. This practice has successfully avoided the tendency in large organizations to make "use it or lose it" expenditures at the end of a fiscal year.

The fundamental purpose of the City's Financial Plan is to link what the City wants to accomplish over a two-year period with the resources required to do so. The Financial Plan process used by the Council does this by engaging the community to identify the most important things for the City to accomplish for the community, establishing a timeframe and organizational responsibility for achieving them, and allocating the resources needed to do so. Attachments 1 and 2 contain the community-wide priorities survey and the flyer sent to over 200 groups and individuals inviting participation in this process, both of which are examples of methods to solicit input from residents and other community members

In order to identify key goals which will drive the budget process, the City begins its Financial Plan process with Council goal-setting to determine major objectives to be accomplished over the next two years. These key goals, "Major City Goals", are in addition to the routine, ongoing services the City provides to the community.

Two major elements of the goal-setting process are the Community Forum and the Council Goal-Setting Workshop which are both held in January. Goals approved by the Council are incorporated into the budget preparation process. In April, staff returns with draft work plans and requests for policy direction which is used to formulate a Preliminary Financial Plan for public comment. A series of study sessions and public hearings are then held prior to approval of the Financial Plan and Budget by June 30th. A visual depiction of the Goal-Setting and Budget Process elements and their interactions is included in Attachment 3.

Measure Y Integration

Measure Y was approved by City voters in November 2006 to preserve essential services for the community. Measure Y established a ½-cent City sales tax that keeps all revenues local. This general purpose revenue measure generated \$6.2 million in revenue during 2011-12, which is being used for important public safety, infrastructure maintenance, traffic congestion relief, neighborhood code enforcement and open space acquisition projects. Measure Y includes accountability and citizen oversight provisions, including an 8-year sunset and annual auditing requirements. In addition, Measure Y includes the following provisions to ensure that consideration of this important revenue source is integrated into the financial planning process. The proposed goal-setting process for 2013-15 is designed to meet these two requirements.

1. ***Integration into the City's budget and goal-setting process.*** The estimated revenue and proposed use of funds generated by this measure shall be an integral part of the City's budget and goal-setting process, and significant opportunities will be provided for meaningful participation by citizens in determining priority uses of these funds.
2. ***Annual citizen meeting.*** An invitation will be extended each year to the entire community asking Community members to participate in a forum to review and discuss the use of the revenue generated by this measure. City staff will also be available to meet with any group that requests a specific briefing with their members to discuss and answer questions about the revenues generated by the measure and their uses.

It is important to know that Measure Y is a general purpose measure, and the proceeds are not restricted to specific purposes. However, the language on the ballot measure approved by voters in 2006 provided examples of the types of uses that would be funded. The language on the ballot was:

“To protect and maintain essential services—such as neighborhood street paving and pothole repair; traffic congestion relief; public safety, including restoring eliminated traffic patrol, Fire Marshal and fire/paramedic training positions; flood protection; senior citizen services or facilities; neighborhood code enforcement; open space preservation and other vital general purpose services—shall the sales tax be increased by one-half cent for eight years only, with citizen oversight and independent annual financial audits?”

In short, while the ballot language provided examples of the types of uses that could be funded - based on community input received before placing the measure on the ballot - Measure Y is a general purpose tax providing Council with flexibility to respond to new circumstances and challenges. With each financial plan, staff prepares a Measure Y integration report to show how use of Measure Y revenues is connected to the Council’s goals (Attachment 4). The report discusses how Measure Y priorities are determined, and includes detailed information about the types of expenditures made (operating and capital) since the local, half-cent sales tax was approved.

As noted above, the Community Forum will give the community an opportunity to provide input to the Council as to their views on Measure Y priorities. This will help the Council connect Major City Goals and Measure Y priorities.

DISCUSSION

2013-15 Goal Setting Process

The first purpose of this agenda item is to finalize the goal-setting process for 2013-15. With adoption of the Goal Setting and Budget calendar on September 4, 2012 (Attachment 5) and tonight’s workshop as the foundation, the City is using a “two-step” approach to the Council goal-setting process. The two principal elements to this approach are the **Community Forum**, to be held on the evening of *Tuesday, January 8, 2013*, at the Ludwick Community Center and the **Council Goal-Setting Workshop** to be held on *Saturday, January 26, 2013 at the City/County Library Community Room*.

Staff and facilitator Don Maruska plan to build on past successes in integrating Council goal-setting into the budget process following an approach similar to the one used for many years including integration of Measure Y goal identification. The specifics are outlined below.

Community Forum

The January 8th Community Forum is intended to solicit suggestions from Council advisory bodies, community groups, other groups of stakeholders and interested individuals on proposed City goals and fiscal issues. It is also intended to meet the “forum” requirements of Measure Y to “review and

2011-13 Measure Y Priorities

- Infrastructure maintenance
- Preservation of essential services: public safety, maintenance services
- Traffic congestion relief
- Neighborhood code enforcement

discuss the use of the revenue generated by this measure.” To ensure that adequate space is available for the forum, it will be held at the Ludwick Community Center.

The proposed agenda for the Community Forum is provided in Attachment 6. As reflected in the agenda, it is recommended that the facilitator be responsible for calling speakers to allow the Mayor to focus on the content. As noted in the agenda details, the facilitator will help organize comments by general topic and encourage groups to select a spokesperson and have others in the group indicate support for the same position with a show of hands. Each speaker will be invited to address the “what, why, and how” of his/her suggested goal. The Department Head responsible for the budget function (i.e., Public Safety; Public Utilities; Transportation; Leisure, Cultural and Social Services; Community Development; and General Government) in which the comment falls will write the idea on a flip chart sheet and clarify any linkages with existing programs or plans. Staff will post the flip chart sheets with the public comments in the relevant budget functional areas on the walls.

Participants will also receive half-page “post-it” notes for audience members to offer written comments such as resource suggestions or concerns to be posted next to goals. To involve participants further and garner direct citizen feedback on all suggestions offered, “voting with dots” will be used again. At the end of the meeting, each attendee will receive adhesive dots to apply to the posted items: six green for overall goal priorities and six orange dots for top Measure Y priorities will be provided to each participant. When using the dots the same goal could receive both a green and orange dot. That decision is within the control of community member participating in the process. Participants will be advised to avoid assigning more than one green and one orange dot to any one goal. However, because this is an informal way to gather input for the Council to be considered for the coming two year-cycle there will be no monitors or ways to prohibit participants from applying as many dots to any item as they wish. City staff will summarize the results of the forum and distribute them to the Council on January 15, 2013 before the Goal-Setting Workshop. It is also planned for the Community Forum to be videotaped so there will be a historical record other than the flip charts and individual recollections. This will be done in a way that will be low key (one camera, no lights) so the quality may not replicate a regular council meeting. Should the Council object to this effort, concern should be expressed at the December 18th Council meeting.

Council Homework Assignment (Due to Finance by January 22, 2013)

Provided in Attachments 7 and 8 are the Council’s first “homework assignments” for the January 26th workshop. Based on all input received, it is requested that Council members prepare and submit ***up to seven candidate goals*** as Major City Goals by January 22, 2013. Council members are also asked to prepare and submit suggestions for changes in other programs and services to fund their desired goals. Staff will then compile verbatim, composite lists organized by common topics, without identifying who submitted the particular statements for review and consideration before the workshop. This lists will be distributed to all Council members and the community on January 24, 2013. While staff will retain individual submissions in the working files it is recommended that Council members refrain from releasing their personal lists so that each Council member has flexibility to review all of the submissions and discuss them at the Goal-Setting Workshop before taking a position.

Council Goal-Setting Workshop

At the all-day January 26th workshop, the Council will review the consolidated goals presented by Council members to ensure clarity, completeness and understanding; and then narrow the list to finalist goals that are supported by at least three Council members. The discussion will note which goals address Measure Y priorities.

While the Council proceeds with the discussion outlined above, the staff will prepare a final listing that the Council can use in prioritizing goals. In years past, the Council has used a ranking system of 5 through 0 for each candidate goal. Staff recommends continuing to use this ranking system for 2013-15, summarized as follows:

- 5 Most important, highest priority for City to achieve over the next two years.
- 4 Very important goal to achieve.
- 3 Important goal to achieve.
- 2 Address if resources are available.
- 1 Defer to 2015-17 for consideration.
- 0 Not a priority goal.

Depending on the number of candidate goals, total points available to individual Council members have ranged in the past from 50 to 75 based on 3 points per candidate goal. For example, if there are 15 goals in the final listing, then 45 points might be about right; if there are 25, then 75 might be appropriate. The exact number of points is typically figured out on the day of the workshop.

Staff will summarize the results of the Council’s ranking during a break at the workshop. Based on past experience, it is likely that three priority “tiers” will emerge from this process:

1. **Major City Goals.** These represent the most important, highest priority goals for the City to accomplish over the next two years, and as such, resources to accomplish them should be included in the 2013-15 Financial Plan. If the work program approved by the Council for a Major City Goal is not included in the City Manager’s Preliminary Financial Plan, compelling reasons and justification must be provided as to why resources could not be made available to achieve this goal.
2. **Other Important Objectives.** Goals in this category are important for the City to accomplish, and resources should be made available in the 2013-15 Financial Plan if at all possible.
3. **Address as Resources Permit.** While it is desirable to achieve these goals over the next two years, doing so is subject to existing resource availability.

In determining these groupings, the Council will note which goals address Measure Y priorities and determine the desired emphasis among the areas that Measure Y funding supports. These discussions will provide guidance at a policy level, while details of work plans and budget figures will come forward in April.

The outline for the goal setting workshop is provided in Attachment 9; and suggested guidelines for Council members during the goal-setting process are provided in Attachment 10. Included as Attachment 11 are the suggested “Criteria for Major City Goals” which have been used by the

Council for the past twenty years. These criteria capture the relevant considerations to determine a Major City Goal but the Council could refine the criteria at this time if desired.

Continued consideration of goals for 2013-15 is scheduled for the next regular Council meeting following the workshop. This will be held on February 5, 2013, if needed. No follow-up meeting has been needed in the last several goal-setting sessions as the Council concluded all necessary actions at the Saturday Goal-Setting Workshop.

Next Steps: Council Goal Work Programs

After the Council finalizes goals and objectives for 2013-15, staff will prepare detailed work programs for each Major City Goal. Based on past experience, it is important for the Council to reach consensus not only on the objective for Major City Goals, but also on the program, action plan and resources that will be needed to accomplish it. Unless staff fully understands the scope and timeframe that the Council intended, needed resources cannot be identified; and without this understanding, the Preliminary Financial Plan may significantly over (or under) fund the desired work effort. Accordingly, the purpose of each work program is to:

1. Define the scope, scale and intended outcomes of the adopted goal.
2. Ensure that there is consensus about the action steps to be used in accomplishing it so appropriate resources are allocated.
3. Ensure specific action steps are associated with measurable deliverables so that progress in achieving the goal can be articulated.

For each “Major City Goal,” staff will prepare a detailed work program describing the objective of the goal, the key factors driving the need, work that has already been completed, anticipated challenges or obstacles, stakeholders, and key assumptions. Also included will be a detailed action plan with targeted completion dates for key tasks, a description of the financial and staff resources necessary to complete the work, and the desired outcome and community benefit of the goal. For each “Other Important Objective,” staff will prepare an outline highlighting the objective, action plan, responsible department, overview of financial and staff resources, and desired outcome and community benefit. Finally, for each “Address as Resources Permit,” staff will prepare a brief summary of the objective and the key activities needed to accomplish it.

The work programs for Major City Goals will be presented to the Council at a special budget workshop on April 9, 2013. This meeting will result in strategic budget direction about levels of investment in the Major City Goals as well as additional investments in the City’s general fund supported capital improvement program. This direction is then translated into the operating and capital budgets contained in the Financial Plan. In other words, this meeting is used to get broad-brush direction and guidance from the Council which typically helps ensure that the draft financial plan reflects the wishes of the City Council. Programs and projects related to goals in the other two priority categories will be reflected in the Preliminary Financial Plan as appropriate.

Continued Enhancements or Discontinued Elements to the Goal-Setting Process

The following key enhancements to the process were implemented in the 2011-13 Financial Plan and will continue with this financial plan to build on past experience:

1. *Inclusion of carryover goals, Major City Goals and Other Important Goals underway or not fully funded in the goal-setting process.* This ensures that the Council is looking at the full plate of major activities during the process.
2. *Integration and identification of Measure Y funding with other goals.* This emphasizes clarity and accountability for Measure Y funding.

In preparation of the 2011-13 Financial Plan, staff completed a new initiative which gave the Council and the community another tool to compare and contrast services in deciding how to address the City’s then budget gap (called Service Categorization). Since the circumstances are substantially different now it is an imprudent dedication of staff resources to update this assessment and staff has not incorporated a service categorization project into the schedule.

Summary Goal-Setting Calendars

The following summarizes key dates leading to the January 26th Goal-Setting Workshop:

| When | What |
|----------------------|--|
| Friday, December 21 | Council receives goal-setting notebooks, which includes advisory body goal recommendations, initial results from Community Priorities Survey; and written suggestions as of December 14. |
| Tuesday January 8 | Council holds Community Forum. |
| Tuesday, January 15 | Council receives written results from Community Forum. |
| Tuesday, January 22 | Council members submit goals to Finance Department. |
| Thursday, January 24 | Staff distributes consolidated Council member goals organized by similar topics. |
| Saturday, January 26 | Council holds Goal-Setting Workshop. |

The following summarizes the remaining key dates after January 26th.

Remaining Key Dates After January 26th Goal-Setting Workshop

| When | What |
|---|--|
| Tuesday, February 5 Regular Meeting | Follow-up to Council Goal-Setting, if needed. Continued consideration of goal-setting at the next regularly scheduled Council meeting following the January 26 workshop, if needed. |

| | |
|--|--|
| <p>Tuesday, February 19 Regular Meeting</p> | <p>Mid-Year Budget Review. Consider the City's fiscal status at the mid-point of the fiscal year and make appropriation adjustments as necessary; review status of 2011-13 goals and objectives.</p> |
| <p>Tuesday, April 9 Special Budget Workshop</p> | <p>Major City Goal Work Programs. Review and approve detailed work programs to accomplish Major City Goals; provide other budget direction as needed.</p> |
| <p>Thursday, May 24</p> | <p>Preliminary Financial Plan. Receive 2013-15 Preliminary Financial Plan.</p> |
| <p>June 10, 11, 12 Special Budget Workshops</p> | <p>Budget Workshops. Review the Financial Plan and consider General Fund operating programs. Consider General Fund CIP projects. Consider Enterprise Fund operating programs, CIP projects, revenue requirements and rates.</p> |
| <p>Tuesday, June 18 Regular Meeting</p> | <p>Public Hearing and Budget Adoption. Continue to discuss and receive public comment on the Preliminary Financial Plan; adopt the budget.</p> |
| <p>Tuesday, June 25 Special Meeting (if needed)</p> | <p>Hold special meeting to continue review and adopt budget, if required.</p> |

Goal-Setting Workshop Notebooks

To help organize all the background information that Council members will receive as part of this goal-setting process, notebooks will be distributed by December 21, 2012 with the following sections:

Agendas

1. Agendas for the January 8 Community Forum and January 26 Goal-Setting Workshop.

Goal Recommendations

2. Goals received from Council advisory bodies.
3. Goals from the “Community Priorities Survey” as of December 14, 2012 (additional submissions received after this date will be distributed to the Council in a three-hole punch format for inclusion in the notebook, along with an updated summary).
4. Goals received by December 14, 2012, from community groups and interested individuals (additional submissions received after this date will be distributed to the Council in a three-hole punch format for inclusion in the notebook).
5. Summary of results from the January 8th Community Forum (to be distributed by January 15, 2013).
6. Consolidated Council member candidate goals (to be distributed by January 24, 2013).

Background Materials

7. Status reports on the General Fund Fiscal Outlook; General Plan programs; long-term CIP; 2011-13 goals and objectives; and current CIP projects as included in the *Setting the Table: Background Materials for 2013-15 Goal-Setting and Financial Plan Process* report dated November 13, 2012.
8. General Fund Five-Year Fiscal Forecast presented to the Council separately this evening.
9. Other background information, such as the 2013-15 Financial Plan schedule, Budget-in-Brief, Financial Plan policies and public notifications.
10. Notes and space for other supplemental materials that the Council may receive.

2013-15 FINANCIAL PLAN POLICIES

As noted in the discussion above, Council goal-setting is an important “first step” in the City’s Financial Plan process. The second major feature in the City’s Financial Plan Process is reliance upon clear polices. In looking at cities across the nation that have reputations for being financially well-managed, and have maintained their fiscal health through good times and bad, one finds that they have in common clearly articulated fiscal policies used in financial decision-making.

Formal statements of key budget and fiscal policies provide the foundation for assuring long-term fiscal health by establishing a clear framework for effective and prudent financial decision-making. The City’s *Budget and Fiscal Policies* are traditionally set forth in the Policies and Objectives section of the Financial Plan (Attachment 12 contains proposals outlined below). The policies cover a broad range of fiscal issues, including:

- Financial Plan organization
- General Revenue Management
- User Fee Cost Recovery Goals
- Enterprise Fund Fees and Rates
- Revenue Distribution
- Investments
- Appropriations Limitation
- Fund Balances and Reserves
- Capital Improvement Management
- Capital Financing and Debt Management
- Human Resource Management
- Productivity
- Contracting for Services.

Each financial planning cycle the City reviews the policies in place to see if any updating is necessary. At this point, several policy changes, focused primarily on revisions and updating of definitions within different policies, are proposed. These changes are intended to create consistency amongst City fiscal policies and create a system that is efficient and effective to administer. Further, as staff begins preparing the 2013-15 Financial Plan, other additions or revisions to the

City's budget and fiscal policies may arise; if so, these will be presented for Council consideration at that time.

Proposed Policy Changes

1. Capital Improvement Project (CIP) Management

The 2011-13 Financial Plan Budget and Fiscal Policies regarding Capital Improvement Management section A currently reads:

CIP Projects \$15,000 or More. Construction projects and equipment purchases which cost \$15,000 or more will be included in the Capital Improvement Plan (CIP); minor capital outlays of less than \$15,000 will be included in the operating program budgets.

The following changes are proposed for the 2013-15 Financial Plan as noted below in strikeout and replace:

CIP Projects ~~\$15,000~~ \$25,000 or More. Construction projects and equipment purchases which cost ~~\$15,000~~ \$25,000 or more will be included in the Capital Improvement Plan (CIP); minor capital outlays of less than ~~\$15,000~~ \$25,000 will be included in the operating program budgets.

The reason for this modification is two-fold – efficiency and consistency. As it relates to efficiency, currently every CIP proposal of \$15,000 to \$25,000 receives the same amount of attention as does every other project. As best as can be discerned from staff's research this amount has been in place since the two-year financial plan was implemented. As an example, in the 2009-11 financial plan a project to replace the pool cover at the Swim Center is included in the CIP budget as opposed to be included at a capital outlay in the operating budget. It would be more efficient and effective use of staff time to incorporate this expenditure in the operating budget. This isn't to say that the Council would not be involved in the decision making about whether this expenditure is necessary as the Council would get the opportunity to consider this expenditure because the Council would review the addition of the expenditure through consideration of increase over the threshold for Significant Operating Program Changes (SOPC).

As for consistency with other policies, the City's current Financial Management Manual Section 200, Purchasing Policies and Procedures, currently articulates very clearly the City's purchasing policies and procedures including ethics, objectives, competitive bidding requirements, and specifications. In setting forth the policies and procedures which govern staff's purchasing activities (Purchasing Policy approved by Council on September 4, 2007), the Financial Management Manual establishes authority, responsibility, and accountability for purchasing activities on behalf of the City. Fundamental to these activities is the securing of goods and services at the lowest costs commensurate with quality requirements. Departments have responsibility to evaluate and select goods and services up to a certain fiscal threshold following the clear guidelines of the City's policies. As provided in the City's purchasing ordinance, the responsibility and accountability for purchasing activities has been delegated to the City Manager for purchases between \$25,000 and \$100,000 without prior Council authorization. In addition to the City Manager, the Director of Finance and IT, and the City Engineer have the authority to approve

2013-15 Financial Plan: Process and Policies

purchase orders for construction projects or general purposes of \$25,000 or less. Department Heads have purchasing authority for projects under \$7,500.

Given this backdrop of existing policies and the fiscal reality that \$15,000 is not a significant amount of capital in today’s dollars, staff proposes that only construction projects and or equipment purchase over \$25,000 become a Capital Improvement Plan project. Those that are under that amount would be subject to all of the normal purchasing checks and balances as described above and specifically outlined in the City’s Financial Management Manual. By following a more streamlined process, many minor projects will be accomplished with more staff time spent on the completion of the project itself.

Staff conducted research on benchmark cities’ thresholds for CIP projects (i.e., what qualifies as a CIP project and requires Council approval) and found a wide range. Several cities require Council approval for all capital projects, regardless of the cost. For those cities that do have a specific Council approval threshold, the average is \$48,000. The table below shows the findings:

| Agency | Council Approval Threshold |
|------------------------------|-----------------------------------|
| City of Monterey | All capital projects |
| City of Paso Robles | All capital projects |
| City of Santa Maria | \$5,000 or more |
| City of Palm Springs | \$5,000 or more |
| City of Davis | \$30,000 or more |
| City of Santa Barbara | \$100,000 or more |
| City of Santa Cruz | \$100,000 or more |

Based on the requests submitted during the past three financial plans, if the current Council approval threshold for CIPs was increased to \$25,000, 16 CIP projects (4% of the total 383 projects) would be incorporated into the operating budget which is approved by the City Council. However to implement the project it would have been approved at the City Manager level. A summary of these findings is below:

| Financial Plan | All CIP Projects | CIP projects greater than \$15,000 and less than \$25,000 | % of Total Projects That Would be Affected by Policy Change |
|-----------------------|-------------------------|--|--|
| 2007-09 | 147 | 9 | 6% |
| 2009-11 | 116 | 5 | 4% |
| 2011-13 | 120 | 2 | 2% |
| Total | 383 | 16 | 4% |

This minor modification would create consistency between City policy documents and would facilitate more time spent on achieving projects.

3. Significant Program Operating Changes (SOPCs)

Currently staff’s practice is for any significant operating change to a City program in excess of \$5,000 (either increases or decreases) must be written up and included in the documentation for

2013-15 Financial Plan: Process and Policies

SOPCs. The purpose is to summarize and compile all materials used to develop the recommended changes in the Financial Plan. SOPCs are defined as:

1. Major service curtailments or expansions
2. Any increases or decreases in regular positions
3. Significant one-time costs
4. Major changes in the method of delivering services
5. Changes in operation that will significant affect other departments or customer services
6. Changes that affect current policies

Staff does not recommend any change in what is considered an SOPC. The only change recommended is to raise the threshold to \$7,500 to provide consistency with the City’s Financial Management Manual which allows Department Heads purchasing approval of up to \$7,500.

Staff conducted research on the approval process for operating budget modifications at benchmark cities. In general, most of these cities require Council approval for all budget increases but have a much less rigorous request process. None of them require full page requests as the City of San Luis Obispo does but instead utilize budget committees comprised of department heads to review requests and decide on recommendations to present to their City Councils. The table below shows the findings:

| Agency | Council Approval Threshold | Approval Process |
|-----------------------|---|--|
| City of Monterey | All budget modifications and new appropriations | Departments submit brief request via online system; Budget Committee reviews requests and makes recommendations to Council. |
| City of Santa Barbara | No specific threshold | Small changes can be approved by Finance Director and City Manager; others must go to Council via Budget Policy Steering Committee recommendations. |
| City of Paso Robles | All budget increases | Department Heads review proposed changes and make recommendations to Council. Council sees all requests (including those not recommended by Department Head team). |
| City of Palm Springs | All budget increases | Requests approved by Finance Department and City Manager; Council receives final proposed budget which incorporates these changes. |

Based on the requests submitted during the past three financial plans, if the current Council approval threshold for SOPCs was increased to \$7,500, seven program changes (5% of the total 135 requests) could have been approved at the department head level. A summary of these findings is below:

| Financial Plan | All SOPCs | SOPCs greater than \$5,000 and less than \$7,500 | % of Total SOPCs That Would be Affected by Policy Change |
|----------------|------------|--|--|
| 2007-09 | 77 | 6 | 8% |
| 2009-11 | 30 | 1 | 3% |
| 2011-13 | 28 | 0 | 0% |
| Total | 135 | 7 | 5% |

This minor modification would create consistency between City policy documents.

3. Establishment of an Information Technology (IT) Replacement Fund

Under the section Fund Balances and Reserves, staff recommends the addition of a new section focused on the establishment of an IT Replacement Fund. This fund would be analogous to the existing Fleet Replacement Fund. The purpose of this fund is to recognize the significant capital investment that the City makes in technology on an annual basis. It further recognizes that value of technology as an asset and a tool for Council, the public, and staff. In today’s world, IT is a critical component to the health and welfare of a City and should be budgeted for on an annual basis reflecting the costs associated with this key component of the City’s fiscal sustainability. The establishment of this mechanism to save for and replace critical IT resources is consistent with the Information Technology Strategic Plan adopted by the City Council earlier this year. The proposed policy addition reads in Attachment 12 as follows:

Information Technology (IT) Replacement Fund

The City will establish an IT Replacement Fund for the General Fund to provide for the timely replacement of information technology, both hardware and software, with an individual replacement cost of \$25,000. The City will begin building the fund balance with the long term objective of maintaining a minimum fund balance in the IT Replacement Fund of at least 20% of the original purchase costs of the items accounted for in this fund.

4. Enterprise Fund Reserves – Proposed Modifications to Water and Sewer

As part of the development of the City’s Enterprise Fund Budgets, each fund: Parking, Transit, Water, and Sewer, will present information during their fund reviews about each funds’ minimum fund balance (reserves). The appropriate valuation of fund balance varies by fund. Staff does not recommend changes to either the Parking or Transit funds accounting of their minimum fund balances. However, there are recommended changes to the policies for maintaining fund balances for both the Water and Sewer Funds discussed below.

Rate Stabilization Reserves

Staff recommends adding a section to the Fund Balance and Reserves fiscal policy section to establish rate stabilization reserves in the Water and Sewer Funds. The goal of rate stabilization reserves (and all reserves) is to provide a level of stability to both the City and the customer. Reserves help the City to adequately provide for things such as cash flow requirements, emergency repairs, local disasters or catastrophic events, and loss of significant revenue sources. The purpose of rate stabilization reserves is to offset unanticipated fluctuations in sales revenues that would

otherwise require increases to rates. These reserves are not intended to replace regular and prudent rate increases that are necessary to maintain the water and wastewater systems, but they allow flexibility in implementation of rate increases should unforeseen circumstances occur (such as a major ratepayer ceases operation). Staff recommends adding the following language to the City's fiscal policies:

C. Water and Sewer Rate Stabilization Reserves. The City will maintain a reserve for the purposes of offsetting unanticipated fluctuations in Water Fund or Sewer Fund revenues to provide financial stability, including the stability of revenues and the rates and charges related to each Enterprise. The funding target for the Rate Stabilization Reserve will be 10% of sales revenue in the Water Fund and 5% of sales revenue in the Sewer Fund.

Conditions for utilization and plan for replenishment of the reserve will be brought to Council for its consideration during the preparation and approval of the Financial Plan or as it becomes necessary during any fiscal year.

Staff is not proposing to change the current policy regarding minimum level of reserve required to maintain the City's credit worthiness and provide for general uncertainties (a minimum working capital balance of at least 20% of operating expenditures in the Water and Sewer Funds). Rather, staff is proposing the designation of an additional reserve of working capital that would be utilized to provide temporary relief or to "soften" the impact of necessary rate increases that are due to unanticipated loss of revenues. Annual water and sewer sales can be difficult to predict as they are influenced by many factors, such as weather and customer consumption and conservation patterns. There are certain things that can assist in providing revenue stability and predictability (such as minimum fixed charges or sewer caps) however, the weather can have significant impact on revenues and is not predictable. As such, the fiscal analysis of these funds typically provides for working capital balances in excess of the 20% minimum in order to respond to changing circumstances without an immediate need for adjustments to the rates. Therefore, in concept, the City has traditionally provided for a de-facto rate stabilization reserve in the water and sewer funds, it just wasn't identified as such.

Why implement a rate stabilization reserve now?

There are several reasons to formally establish rate stabilization reserves. One is the City's continued efforts for transparency and accountability of funds. Historically, the Water and Sewer Funds have maintained fund balances in excess of the minimum reserve policy for various purposes including providing rate stability or positioning the fund for future large capital projects. Identifying fund balance amounts that are reserved or designated for specific purposes will provide the readers of the fund analysis with a better picture of the financial status of the fund. An example of how the reserve and designations would be displayed on the fund analysis statement appears below.

Another reason to formally establish a rate stabilization reserve is to demonstrate strong financial management to outside entities, particularly to rating agencies. The City's bonds are rated by agencies such as Standard & Poor's and Fitch Ratings. These agencies look favorably on strong financial policies and on maintaining adequate reserves. Of the many factors that contribute to a City's bond rating, one analysis calculates the amount of revenue available to provide the annual

debt service payment. This is commonly called the “debt coverage ratio” and gives investors some sense of the creditworthiness of a city. The City’s bond documents include language that guarantees to bond holders that the City will set rates that will ensure a coverage ratio of at least 125%; that is available revenues will exceed the annual bond payment by at least 125%.

Generally, rating agencies would like the ratio to be higher than that, in fact in its recent rating of the Water bonds, Fitch Ratings indicated that the City needs to return to coverage levels approaching 200% by 2015. Having formal acknowledgement of the use and replenishment of these specific reserves can alter the calculation of the debt coverage ratio; therefore it is important for the City to establish these policies.

How was the reserve amount established?

Staff reviewed original revenue budgets and actual revenue outcomes for the past ten fiscal years and analyzed the variances each year. In the case of the Water fund, as recently as 2010-11, the fund experienced revenue shortfalls of about 10% of sales revenue budgets. This was the largest variance for the fund during the ten-year analysis period and staff is comfortable that the rate stabilization reserve does not need to be any larger than the largest variance. At the time this recommendation was being developed, Council was considering possible changes to the water rate structure that could increase the fund’s revenue stability and predictability; however it is too soon to see the impact of those decisions. Staff therefore recommends initially establishing the Water Fund’s rate stabilization reserve at 10% of sales revenue. In the Sewer Fund, there are already well established revenue stability measures, which don’t entirely eliminate volatility in sewer sales revenues, but do help mitigate the variance. Because of this, staff recommends establishing the Sewer Fund’s rate stabilization reserve at 5% of sales revenue.

Using and replenishing the reserve

The use of any or all of the rate stabilization reserves would depend on the financial circumstances facing the affected fund(s) at the time. The degree to which reserves are utilized or replenished will depend on the short term and long term financial projections for the fund. Consistent with the City’s adopted Fiscal Health Contingency Plan, the use of reserves (including rate stabilization reserves) would be recommended as a first line of defense in adverse circumstances and will provide “breathing room” while comprehensive response plans are developed. Staff anticipates that the discussion of the use and/or the replenishment of the reserve would occur with the development of each Financial Plan or during the annual fund review; however, unforeseen circumstances may occur at any time that would render it necessary to discuss the topic with the Council. In other words, use or replenishment of the rate stabilization would be a policy decision by the Council.

Example of Changes in Financial Position with rate stabilization reserve and capital designation identified.

| CHANGES IN FINANCIAL POSITION - SEWER FUND | | | | | |
|---|--------------------|-------------------|-------------------|-------------------|--------------------|
| | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17 |
| | Budget | Projection | Projection | Projection | Projection |
| Revenues | | | | | |
| Investment and Property Revenues | 249,800 | 154,600 | 169,900 | 215,400 | 311,600 |
| Service Charges | | | | | |
| Customer Sales | | | | | |
| Sewer Service Charges | 14,266,000 | 14,836,600 | 15,281,700 | 15,740,200 | 16,212,400 |
| Sales to Cal Poly | 799,200 | 831,200 | 856,100 | 881,800 | 908,300 |
| Development Impact Fees | 200,000 | 106,000 | 109,000 | 112,300 | 115,700 |
| Account Set-Up Fees | 116,400 | 118,000 | 120,400 | 123,800 | 126,900 |
| Industrial User Charges | 65,700 | 66,600 | 67,900 | 69,800 | 71,500 |
| Connection Charges and Meter Sales | 20,000 | 20,300 | 20,700 | 21,300 | 21,800 |
| Other Revenue | 3,600 | 3,700 | 3,800 | 3,900 | 4,000 |
| Total Revenue | 15,720,700 | 16,137,000 | 16,629,500 | 17,168,500 | 17,772,200 |
| Expenditures | | | | | |
| Operating Programs | | | | | |
| Public Utilities | 7,264,200 | 6,533,300 | 6,766,500 | 7,038,800 | 7,217,700 |
| General Government | 1,394,100 | 1,413,600 | 1,441,900 | 1,477,900 | 1,514,800 |
| Total Operating Programs | 8,658,300 | 7,946,900 | 8,208,400 | 8,516,700 | 8,732,500 |
| Capital Improvement Plan | 15,843,000 | 5,773,000 | 4,371,700 | 3,787,900 | 63,218,100 |
| Debt Service | 2,995,000 | 1,698,500 | 1,697,300 | 1,695,700 | 5,440,000 |
| Total Expenditures | 27,496,300 | 15,418,400 | 14,277,400 | 14,000,300 | 77,390,600 |
| Other Sources (Uses) | | | | | |
| Operating Expenditure Adjustments | (62,900) | (64,200) | (65,800) | (67,400) | (69,100) |
| Projected MOA Adjustments | 82,000 | 110,100 | (15,500) | (18,800) | (33,900) |
| Proceeds from Debt Financing | 7,000,000 | | | | 49,800,000 |
| Total Other Sources (Uses) | 7,019,100 | 45,900 | (81,300) | (86,200) | 49,697,000 |
| Revenues and Other Sources Over (Under) | | | | | |
| Expenditures and Other Uses | (4,756,500) | 764,500 | 2,270,800 | 3,082,000 | (9,921,400) |
| Working Capital, Beginning of Year | 12,488,900 | 7,732,400 | 8,496,900 | 10,767,700 | 13,849,700 |
| Working Capital, End of Year | 7,732,400 | 8,496,900 | 10,767,700 | 13,849,700 | 3,928,300 |
| Reserve (20% of operating) | 1,731,700 | 1,589,400 | 1,641,700 | 1,703,300 | 1,746,500 |
| Rate Stabilization Reserve (5% of sales) | 753,300 | 783,400 | 806,900 | 831,100 | 856,000 |
| Capital Reserve for WRF upgrade | 4,000,000 | 5,000,000 | 8,000,000 | 11,000,000 | |
| Unreserved Working Capital | 1,247,400 | 1,124,100 | 319,100 | 315,300 | 1,325,800 |

5. Investment Oversight Committee

The 2011-13 Financial Plan Budget and Fiscal Policies includes specific policies regarding Investments including the role and membership of the Investment Oversight Committee. At a recent City Council meeting the issue of expanding membership of this committee to include a city council member and a financial professional from the public was raised. The appropriate section of the Policies currently reads:

K. Investment Oversight Committee. As set forth in the Investment Management Plan, this committee is responsible for reviewing the City's portfolio on an ongoing basis to determine compliance with the City's investment policies and for making recommendations regarding investment management practices. Members include the City Manager, Assistant City Manager, Director of Finance & Information Technology/City Treasurer, Finance Manager and the City's independent auditor.

Staff has not had an opportunity to fully research this issue but on the face of the issue sees little issue with a Council member being appointed to the committee. On the flip side and on its face, there may be some potential issues with a member of the public serving in this advisory role in that they would have no fiduciary obligations to the City and may have significant potential conflicts of interest. Staff will do some research on this issue before the City Council meeting and will be prepared to share best practices with the City Council at the meeting. No proposed changes have been incorporated in Attachment 12 regarding this issue.

ATTACHMENTS

1. "Community Priorities Survey" Inserted in City Utility Bills
2. Notice Sent to Community Groups and Interested Individuals
3. Goal-Setting Process Schematic
4. Measure Y Integration Report
5. 2013-15 Financial Plan Calendar
6. Outline for Community Forum (January 8)
7. Sample Form for Council Members to Submit Candidate Goals
8. Sample Form for Council Members to Submit Changes in Other Programs and Services
9. Outline for Council Goal-Setting Workshop (January 26)
10. Guidelines for Council Members During the Goal-Setting Process
11. Criteria for Major City Goals
12. Proposed 2013-15 Financial Plan Policies

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COMMUNITY PRIORITIES SURVEY

What are the most important issues facing the City of San Luis Obispo?

The City wants your input!

Every two years, the City establishes the top priorities to make San Luis Obispo an even better place to live, work and play. Then the City Council matches the resources to achieve these priorities through adopting the budget in June. This sets the City's course of action for the next two years and helps the City to continue to provide the exceptional services and programs the community cherishes.

The City anticipates entering the 2013-15 budget planning process in better financial shape than two years ago. Some revenue sources have rebounded, budgets have been trimmed and the City has taken steps to reduce costs. All of these actions have helped keep the City financially healthy, even in a time of the "Great Recession." However, other economic uncertainties linger with the State and Federal budgets, the City's budget is still tight, and we face an ongoing need to reinvest in streets, bridges, technology, vehicles and facilities. All of these may lead to potentially complex budget decisions. So regardless of the specific fiscal circumstances, it is critical that we have an effective process for setting the most important, highest priority things for the City to do in the next two years. That's where you can help!

2011-2013 Major City Goals

- ❖ Economic Development
- ❖ Preservation of Essential Services & Fiscal Health
- ❖ Neighborhood Wellness
- ❖ Traffic Congestion Relief

Share Your Thoughts on the City's Priorities!

The City Council wants to hear from you about what is truly important for the community.

This survey is your opportunity to tell the City:

- ❖ What issues are important to the community?
- ❖ What priorities should the City focus on during the next two years?
- ❖ How might the City adjust other service needs to accomplish these priorities?

The City Council needs to know your thoughts on what the community's priorities should be so that available resources can be best allocated to achieve them. Now it's time for you to share your ideas for 2013-2015 priorities.

The City needs the help of the community in two important ways:

❶ **Fill out and return** the short survey on the reverse side of this bulletin. You can mail it to City Hall at 990 Palm Street, 93401 or drop it by any City office. If you prefer to complete the survey online, please visit www.slocity.org.

❷ **Attend the Community Forum on Tuesday, January 8, 2013 from 6:00 p.m. to 9:00 p.m. at the Ludwick Community Center, 864 Santa Rosa Street.** This forum is an opportunity to present your ideas to the Council and discuss them with other community members.

City staff will compile the community feedback for the Council to review in advance of its goal-setting workshop on **Saturday, January 26, 2013**. During this public workshop, the Council will deliberate to set the Major City Goals and Other Important Objectives for the next two years.

If you have any questions about the City's goal-setting and budget process, please contact Charles Bourbeau, Director of Finance & Information Technology, at 781-7125 or cbourbea@slocity.org.



Community Priorities for 2013 - 2015

What should be the City's most important, highest priority goals during 2013-15?

| | |
|----------|--|
| 1 | |
| | |
| 2 | |
| | |
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| | |
| 4 | |
| | |
| 5 | |
| | |

How might the City adjust other programs & services to accomplish these priorities?

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|--|
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Fold and Tape Here for Mailing



2013-15 Financial Plan

Contact Information

Please submit your written comments by **Friday, December 14, 2012** to Charles Bourbeau, Director of Finance & Information Technology, by mail at 990 Palm Street, San Luis Obispo, CA, 93401; by fax at 781-7401; or by email at cbourbeau@slcity.org. For more information on the goal-setting and budget process, contact Charles at 781-7125.



The City of San Luis Obispo is committed to including disabled persons in all of our services, programs and activities. Telecommunications device for the deaf, (805) 781-7410.

Key Dates

Budget Foundation Workshop

Tuesday, December 18, 2012
6:00 p.m.

Written Suggestions

Please send them to Charles Bourbeau by:

Friday, December 14, 2012

990 Palm Street

San Luis Obispo, CA 93401

Fax: 781-7401

Email: cbourbeau@slcity.org

Community Forum

Tuesday, January 8, 2013

6:00 p.m. to 9:00 p.m.

Ludwick Community Center

864 Santa Rosa Street

Goal-Setting Workshop

Saturday, January 26, 2013

8:30 a.m. to 4:00 p.m.

Mid-Year Budget Review

Tuesday, February 19, 2013

6:00 p.m.

Strategic Budget Direction & Major

City Goal Programs Workshop

Tuesday, April 9, 2013

6:00 p.m.

Budget Workshops

June 10, 11 & 12, 2013

6:00 p.m.

2013-15 Budget Adoption

Tuesday, June 18, 2013

6:00 p.m.

What are the most important issues facing the City of San Luis Obispo?

The City Council wants to hear from you about what is truly important for the community.

Of all the things that can be done to make the City an even better place to live, work and play, which are the most important?

What Are the Most Important Needs of the City Over the Next Two Years?

The City Wants Your Input

Every two years, the City establishes the top priorities to make San Luis Obispo an even better place to live, work and play. Then the City Council matches the resources to achieve these priorities through adopting the budget in June. This sets the City's course of action for the next two years and helps the City to continue to provide the exceptional services and programs the community cherishes.

The City anticipates entering the 2013-15 budget planning process in better financial shape than two years ago. Some revenue sources have rebounded, budgets have been trimmed and the City has taken steps to reduce costs. All of these actions have helped keep the City financially healthy, even in a time of the "Great Recession." However, other economic uncertainties linger with the State and Federal budgets, the City's budget is still tight, and we face an ongoing need to reinvest in streets, bridges, technology, vehicles and facilities. All of these may lead to potentially complex budget decisions.

So regardless of the specific fiscal circumstances, it is critical that we have an effective process for setting the most important, highest priority things for the City to do in the next two years. That's where you can help!

Share Your Thoughts on the City's Priorities!

You have the opportunity to tell the City:

- What issues are important to the community?
- What priorities should the City focus on during the next two years?
- How might the City adjust other service needs to accomplish these priorities?

2011-13 Major City Goals

The City Council needs to know your thoughts on what the community's priorities should be so that available resources can be best allocated to achieve them. Now it's time for you to share your ideas for 2013-15 priorities.

Major City Goals are identified as the most important, highest priority goals for the City to accomplish over the next two years.

Current Major City Goals

- Economic Development
- Preservation of Essential Services & Fiscal Health
- Neighborhood Wellness
- Traffic Congestion Relief

Current Measure Y Priorities

Adopted by the voters in November 2006, Measure Y set an added ½-cent City sales tax. This funding enables the City to provide valued services to the community for both day-to-day operating programs and one-time capital improvements. The Council prioritizes the use of this resource, so it is important that they integrate Measure Y goal identification into the overall goal-setting process.

- Infrastructure Maintenance
- Traffic Congestion Relief
- Open Space Preservation
- Downtown Maintenance & Beautification
- Preservation of Essential Services:
 - ◻ Public Safety
 - ◻ Maintenance Services
 - ◻ Neighborhood Code Enforcement

Your Important Role in this Process

The City needs the help of the community in two important ways:

- 1 **Attend the Community Forum on January 8, 2013 from 6:00 p.m. to 9:00 p.m. at the Ludwick Community Center, 864 Santa Rosa Street.**

This forum is an opportunity to present your ideas to the Council and discuss them with other community members.

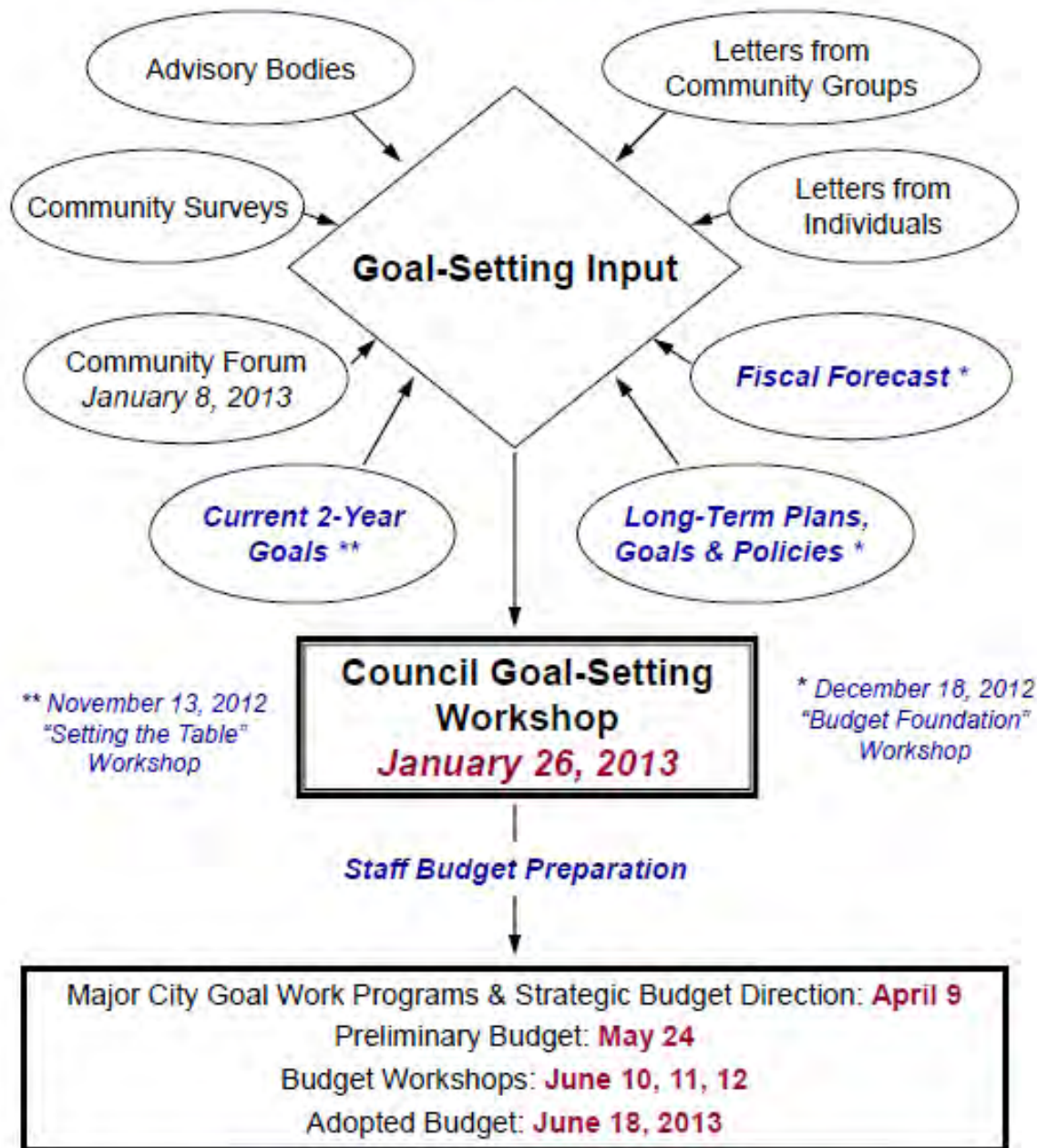
City staff will compile the community feedback for the Council to review in advance of its goal-setting workshop on Saturday, January 26, 2013. During this public workshop, the Council will deliberate to set the Major City Goals and Other Important Council Objectives for the next two years.

- 2 **Provide feedback.**

Community input will be presented to all Council members. It will be especially helpful if your written comments address: **what** needs you believe are the highest priority goals for the community, **why** they are important, and any creative ideas you have about **how** to achieve them, such as alternative approaches or opportunities for partnering with others.

Goal-Setting and the Budget Process

2013-15 Financial Plan



city of san luis obispo

Measure Y Integration – 2013-15 Financial Plan

MEASURE Y INTEGRATION REPORT - OVERVIEW

The purpose of this report is to provide the Council with information about the reporting, uses, accountability, and priorities of Measure Y funds.

Background

Measure Y was approved by City voters in November 2006 to preserve essential services for our community. Measure Y established a ½-cent City sales tax that keeps all revenues local. This general purpose revenue measure generated \$6.2 million in revenue during 2011-12, which is being used for important public safety, infrastructure maintenance, traffic congestion relief, neighborhood code enforcement and open space acquisition projects. Measure Y includes accountability and citizen oversight provisions, including an 8-year sunset and annual auditing requirements. In addition, Measure Y includes the following provisions to ensure that consideration of this important revenue source is integrated into the financial planning process. The proposed goal-setting process for 2013-15 is designed to meet these two requirements.

1. ***Integration into the City's budget and goal-setting process.*** The estimated revenue and proposed use of funds generated by this measure shall be an integral part of the City's budget and goal-setting process, and significant opportunities will be provided for meaningful participation by citizens in determining priority uses of these funds.
2. ***Annual citizen meeting.*** An invitation will be extended each year to the entire community inviting them to participate in a forum to review and discuss the use of the revenue generated by this measure. City staff will also be available to meet with any group that requests a specific briefing with their members to discuss and answer questions about the revenues generated by the measure and their uses.

It is important to know that Measure Y is a general purpose measure, and the proceeds are not restricted to specific purposes. However, the language on the ballot measure approved by voters in 2006 provided examples of the types of uses that would be funded. The language on the ballot was:

“To protect and maintain essential services—such as neighborhood street paving and pothole repair; traffic congestion relief; public safety, including restoring eliminated traffic patrol, Fire Marshal and fire/paramedic training positions; flood protection; senior citizen services or facilities; neighborhood code enforcement; open space preservation and other vital general purpose services—shall the sales tax be increased by one-half cent for eight years only, with citizen oversight and independent annual financial audits?”

In short, while the ballot language provided examples of the types of uses - based on community input received before placing the measure on the ballot - Measure Y is a general purpose tax, clearly providing Council with flexibility to respond to new circumstances and challenges.

Measure Y Integration – 2013-15 Financial Plan

DISCUSSION

How are Measure Y priorities determined?

Measure Y is a general purpose revenue source and the City Council maintains discretion over decisions regarding how these funds are allocated. Initially the City did surveying and public education/outreach so staff would know where to start, but priorities can change over time, depending upon circumstances. The Measure Y ballot language is always an important source of information when determining Measure Y priorities. The public goal setting process also plays an important role, which is why the public has an opportunity to weigh in on Measure Y priorities during the Community Forum.

Ultimately, the Council will provide priority guidance on the use of Measure Y funds. This will initially occur during the Goal Setting Workshop on January 26. The Council has made great efforts in the past to connect Council goals with Measure Y priorities, and it is anticipated that this will continue to be the case for the 2013-15 Financial Plan.

How are Measure Y Funds Used?

Measure Y funds have been used for both ongoing operations and capital projects to address the priorities identified. The following table identifies that approximately \$2.3 million of Measure Y funds have been incorporated into day-to-day operations during the current fiscal year.

| Measure Y funding allocated to ongoing day-to-day operations in 2011-12 | | | |
|--|---------|-------------------------------|---------------------|
| Operating Program | | Operating Program | |
| Public safety communications technician | 123,100 | Paving crew | \$ 77,300 |
| Traffic sergeant | 229,800 | Traffic signal operations | 29,000 |
| Police patrol officer | 186,300 | Stormwater management plan: | |
| Fire Marshall | 147,100 | Code enforcement officer | 104,500 |
| Fire Training Battalion Chief | 188,800 | GIS specialist | 50,700 |
| Fire Administrative Assistant | 77,000 | Collection operators | 187,100 |
| Park restroom maintenance | 82,900 | Utilities workers | 119,800 |
| Park landscape maintenance contract | 237,100 | Building & Zoning: | |
| Park maintenance worker | 64,500 | Code enforcement officer | 95,200 |
| Field engineering assistant | 113,900 | Permit technician | 19,300 |
| | | Neighborhood Services Special | 19,000 |
| Total Measure Y funding allocated to operating programs | | | \$ 2,152,400 |

To the degree that these operating programs remain priorities, the amount of Measure Y funding available for capital projects, or additional operating programs, is the difference between this amount and the total amount of Measure Y funding available. If Measure Y is expected to generate \$6.5 million during the 2013-14 fiscal year, and \$2.5 million is devoted to these

Measure Y Integration – 2013-15 Financial Plan

ongoing operating programs, \$4 million would be available to accomplish other Measure Y priorities.

During the upcoming goal-setting process, Council will be asked to affirm if the ongoing operating programs remain a priority use of Measure Y funds, and to prioritize the use of the remaining revenues.

Provided at the end of this report is a list of the Measure Y uses during 2011-12. This list is included in the City's Comprehensive Annual Financial Report (CAFR) and has been audited by the City's independent auditors. It provides information on the operating and capital expenditures during 2011-12 as well as a reconciliation of all Measure Y revenues and uses since 2006-07.

SUMMARY

Measure Y is now expected to provide over \$6 million in funding each year to enable the City to provide important and valued services to the community; for both day-to-day operating programs and one-time capital improvements. It is the Council's obligation to prioritize the use of this resource, just as it is their job to prioritize the use of all City resources. For this reason it is important that as the Council sets goals for the 2013-15 Financial Plan, it also considers the prioritized use of Measure Y funds.

Measure Y Integration – 2013-15 Financial Plan

**CITY OF SAN LUIS OBISPO, CALIFORNIA
MEASURE Y FUNDING SUMMARY SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

| | Operating Programs | | Capital Improvement Plan | |
|--|---------------------|-------------------------|--------------------------|-------------------------|
| | Actual | Encumbered/ Assigned | Actual | Encumbered/ Assigned |
| Infrastructure Maintenance | | | | |
| Fire Engine Bay Slab Replacement | \$ | \$ | \$ 11,900 | \$ 20,000 |
| Andrews Creek Bypass | | | 396,400 | 49,000 |
| Storm Drain Replacements | | | 206,300 | 6,800 |
| Toro Street Creek Bank Stabilization | | | | 48,300 |
| Playground Equipment Replacement | | | 59,900 | 163,300 |
| Warden Bridge/Mission Plaza Walkway | | | 2,500 | 5,000 |
| Street Reconstruction & Resurfacing | | | 2,570,800 | 438,700 |
| Total Infrastructure Maintenance | | | 3,247,800 | 731,100 |
| Traffic Congestion Relief | | | | |
| Traffic Engineer | 21,600 | | | |
| Traffic Safety Report Implementation | 29,700 | | 1,900 | 27,800 |
| Traffic Operations Report Implementation | | | | 174,700 |
| Roadway Sign Replacement | | | 4,800 | 86,600 |
| Bob Jones City to Sea Trail LOVR Bridge | | | 124,800 | 110,800 |
| Total Traffic Congestion Relief | 51,300 | | 131,500 | 399,900 |
| Preservation of Essential Services | | | | |
| Public Safety | | | | |
| Police Services | 539,300 | | 251,900 | 98,200 |
| Fire Prevention & Training | 412,900 | | | |
| Fire Engine/Truck Replacement: Debt Service | | | 129,900 | |
| Maintenance Services | | | | |
| Streets, Sidewalks and Traffic Signal Operations | 106,300 | | 11,800 | 17,100 |
| Creek & Flood Protection | 462,100 | | | |
| Parks | 384,500 | | 45,600 | |
| Project Management & Inspection | 114,000 | | | |
| Neighborhood Code Enforcement | | | | |
| Enhanced Building & Zoning Code Enforcement | 114,500 | | | |
| Neighborhood Service Specialists | 19,000 | | | |
| Total Preservation of Essential Services | 2,152,600 | | 439,200 | 115,300 |
| Open Space Preservation | | | | |
| Froom Ranch Improvements | | | | 62,500 |
| Open Space Acquisition | | | 240,100 | 495,900 |
| Total | \$ 2,203,900 | - | 4,058,600 | 1,804,700 |

Measure Y Integration – 2013-15 Financial Plan

Measure Y Revenues & Uses Summary

Revenues:

| | |
|------------------------|-------------------|
| Carryover from 2006-07 | \$ 1,000,000 |
| Revenues for 2007-08 | 5,996,600 |
| Revenues for 2008-09 | 5,641,400 |
| Revenues for 2009-10 | 5,252,500 |
| Revenues for 2010-11 | 5,616,300 |
| Revenues for 2011-12 | 6,237,500 |
| Total Revenues | <u>29,744,300</u> |

Uses:

| | |
|----------------------------------|--------------------|
| Operating programs 2007-08 | (1,463,700) |
| Capital improvement plan 2007-08 | (2,434,100) |
| Operating programs 2008-09 | (2,418,300) |
| Capital improvement plan 2008-09 | (3,684,400) |
| Operating programs 2009-10 | (2,267,100) |
| Capital improvement plan 2009-10 | (2,161,200) |
| Operating programs 2010-11 | (2,430,200) |
| Capital improvement plan 2010-11 | (3,443,000) |
| Operating programs 2011-12 | (2,203,900) |
| Capital improvement plan 2011-12 | <u>(4,058,600)</u> |

Total Uses (26,564,500)

Measure Y funding available for future year expenditures \$ 3,179,800

Encumbered or assigned for carryover for future year expenditures (1,804,700)

Net available for future year appropriations \$ 1,375,100

2013-15 Master Financial Plan Calendar

As of 11/2/12

| When | Who | What |
|---|--------------------------------------|--|
| August 2012 | | |
| August 21, 2012 | Public Works | <ul style="list-style-type: none"> Issue CIP budget instructions / overview. |
| October 2012 | | |
| October 2, 2012 | CIP Committee | <ul style="list-style-type: none"> Reviews schedule and commitments of Committee. |
| October 4, 2012 | Public Works / Finance / Departments | <ul style="list-style-type: none"> Holds briefing on 2013-15 CIP instructions. |
| October 11, 2012 | CM/Finance | <ul style="list-style-type: none"> Updates advisory body chairs on the goal-setting process. |
| October 17, 2012 | Departments | <ul style="list-style-type: none"> Complete status of General Plan programs, long-term capital improvement plan (CIP), status of current Major City Goals, objectives and CIP projects; general fiscal outlook. |
| October 22-24, 2012 | Departments | <ul style="list-style-type: none"> Meet with Fleet Manager and/or IT Manager to review <i>Fleet & IT carry forward</i> projects. |
| October 29-31, 2012 | Departments | <ul style="list-style-type: none"> Review CIP draft write-up with Engineer for <i>carry forward construction</i> projects. |
| October 29, 2012 | Finance | <ul style="list-style-type: none"> Agenda report due for November 13 meeting (Setting the Table). |
| November 2012 | | |
| November 5, 2012 | Finance | <ul style="list-style-type: none"> Begins sending letters inviting participation in goal-setting process to community groups and interested individuals. Begins inserting Community Budget Bulletins in utility bills. |
| November 6, 2012 | CIP Committee | <ul style="list-style-type: none"> Establish process and outcomes for carry forward and new project reviews. |
| November 8, 2012 | Departments | <ul style="list-style-type: none"> Provide recommended advisory body goals to Finance. |
| November 13, 2012 <i>Special Workshop</i> 6:00 to 10:00 p.m. | Council | <ul style="list-style-type: none"> Holds workshop on status of General Plan programs, long-term capital improvement plan (CIP), status of Major City Goals and objectives, and CIP projects. |
| November 14, 2012 | Finance | <ul style="list-style-type: none"> Distributes consolidated listing of draft recommended goals to advisory bodies for their review. |
| November 15, 2012 | Departments | <ul style="list-style-type: none"> CIP write-ups due to Finance for <i>Fleet & IT carry forward</i> projects. |
| November 20, 2012 | Finance | <ul style="list-style-type: none"> Distributes CIP packets to CIP Committee for <i>Fleet & IT carry forward</i> projects. |
| November 26, 2012 | CIP Committee | <ul style="list-style-type: none"> Questions to departments on <i>Fleet & IT carry forward</i> projects. Review and confirm <i>Fleet & IT carry forward</i> projects. |
| November 29, 2012 | Departments | <ul style="list-style-type: none"> CIP write-ups due to Finance for <i>general carry forward</i> projects. |
| December 2012 | | |
| December 3, 2012 | Finance | <ul style="list-style-type: none"> Agenda report due for December 18 meeting (Budget Foundation). |
| December 4, 2012 | Finance | <ul style="list-style-type: none"> CIP packets to CIP Committee for <i>general carry forward</i> projects. |
| December 10, 2012 | CIP Committee | <ul style="list-style-type: none"> Questions to departments on <i>general carry forward</i> projects. |
| December 11, 2012 | CIP Committee | <ul style="list-style-type: none"> Review and confirm <i>general carry forward</i> projects. |
| December 14, 2012 | Departments Finance | <ul style="list-style-type: none"> Submit any changes in advisory body goals to Finance. Receives written comments from community groups and interested individuals, and any changes in goals from advisory bodies. |
| | | |

| When | Who | What |
|---|--|---|
| December 18, 2012 <i>Regular Meeting</i> | Council | <ul style="list-style-type: none"> Finalizes goal-setting process and plans for Community Forum. Reviews and provides guidance regarding Financial Plan policies and organization of Financial Plan. Reviews financial results for 2011-12 and general fiscal outlook, including General Fund Five-Year Fiscal Forecast. |
| December 21, 2012 | Finance | <ul style="list-style-type: none"> Binders due to Council members for Community Forum. |
| January 2013 | | |
| January 2-4, 2013 | Departments | <ul style="list-style-type: none"> Review draft write-ups with Engineer for <i>new construction</i> projects. |
| January 8, 2013 <i>Special Workshop</i> <i>6:00 to 9:00 p.m.</i> | Council | <ul style="list-style-type: none"> Holds Community Forum at the Ludwick Community Center to receive and review goals presented by individuals, community groups, and advisory bodies. |
| January 10, 2013 | Finance & Departments | <ul style="list-style-type: none"> Distributes and holds briefing on 2013-15 Budget Instructions. |
| January 14, 2013 | Departments | <ul style="list-style-type: none"> CIP write-ups due to Finance for <i>new Fleet & IT</i> projects. |
| January 15, 2013 | Finance | <ul style="list-style-type: none"> Distributes Community Forum results. |
| January 17, 2013 | Finance | <ul style="list-style-type: none"> CIP packets to CIP Committee for <i>new Fleet & IT</i> projects. |
| January 22, 2013 | Council | <ul style="list-style-type: none"> Submits goals to Finance. |
| January 24, 2013 | Finance | <ul style="list-style-type: none"> Distribute consolidated Council member goals. |
| January 25, 2013 | CIP Committee | <ul style="list-style-type: none"> Questions to departments on <i>new Fleet & IT</i> projects. Ranking and recommendation to City Manager on all Fleet & IT projects. |
| January 26, 2013 <i>Special Workshop</i> <i>8:30 a.m. to 4:00 p.m.</i> | Council | <ul style="list-style-type: none"> Holds Saturday goal-setting workshop to discuss candidate goals presented at January 8 Community Forum; discusses Council member goals distributed on January 24; prioritizes and sets Major City Goals. |
| January 28, 2013 | Departments | <ul style="list-style-type: none"> CIP write-ups due to Finance for <i>new general</i> projects. |
| January 29, 2013 | Departments | <ul style="list-style-type: none"> Attend “usual suspects” briefing on outcome of Council goal-setting and coordinate work program preparation and next steps. |
| January 31, 2013 | Finance | <ul style="list-style-type: none"> CIP packets to CIP Committee for <i>new general</i> projects. |
| February 2013 | | |
| February 4, 2013 | Finance | <ul style="list-style-type: none"> Agenda report due for February 19 meeting (Mid-Year Review). |
| February 5, 2013 | Department Heads | <ul style="list-style-type: none"> Brainstorm Major City Goal work programs. |
| February 12, 2013 | CIP Committee | <ul style="list-style-type: none"> Questions to departments on <i>new general</i> projects. |
| February 13, 2013 | CIP Committee | <ul style="list-style-type: none"> Questions to departments on <i>new general</i> projects (continued). |
| February 13, 2013 | Departments | <ul style="list-style-type: none"> Submit operating budget requests, SOPC’s, Major City Goal work programs, department revenue estimates and narratives. |
| February 15, 2013 | Finance | <ul style="list-style-type: none"> Summarize, compile and distribute Major City Goal work programs, SOPC’s and operating budgets to Budget Review Team. |
| February 15, 2013 | CIP Committee | <ul style="list-style-type: none"> Ranking and recommendation to City Manager on all general projects. |
| February 19, 2013 | Departments | <ul style="list-style-type: none"> CIP recommendation to project management staff to begin draft scheduling. |
| February 19, 2013 | Council | <ul style="list-style-type: none"> Considers mid-year budget review. |
| February 19-22, 2013 | Budget Analysts | <ul style="list-style-type: none"> Meet with departments to review operating budgets, SOPC’s and narratives. |
| February 25-March 1, 2013 | Operating departments/BRT/City Manager | <ul style="list-style-type: none"> Review operating budget requests and Major City Goal work programs with operating department representatives. |
| March 2013 | | |
| March 5, 2013 | Finance | <ul style="list-style-type: none"> Summarize results of budget reviews for distribution to BRT and City |

| When | Who | What |
|--|------------------------|--|
| | Budget Review Team | <ul style="list-style-type: none"> Manager. Review financial position and craft SOPC recommendation for City Manager. |
| March 7, 2013 | BRT/City Manager | <ul style="list-style-type: none"> Brief City Manager on Major City Goal work programs. Present operating budget recommendations to City Manager. |
| March 11, 2013 | Finance | <ul style="list-style-type: none"> Begin preparing preliminary financial plan. Begin finalizing Major City Goal work programs packet and Council agenda report for 4/9 meeting. |
| March 18, 2013 | Finance | <ul style="list-style-type: none"> Agenda report due for April 9 meeting (Major City Goals). |
| April 2013 | | |
| April 9, 2013 <i>Special Workshop</i> <i>6:00 to 10:00 p.m.</i> | Council | <ul style="list-style-type: none"> Approves detailed work programs for Major City Goals. Sets strategic budget direction in preparing Preliminary Financial Plan. |
| April 15, 2013 | Departments | <ul style="list-style-type: none"> Draft CIP schedule submitted to City Manager. |
| April 16, 2013 | Departments Finance | <ul style="list-style-type: none"> Revised SOPC's and CIP's due to Finance by noon. Begin work on Appendix B. |
| May 2013 | | |
| May 16, 2013 | City Manager | <ul style="list-style-type: none"> Finalizes budget recommendations and approves preliminary budget. |
| May 21, 2013 | Finance | <ul style="list-style-type: none"> Completes Preliminary Financial Plan and sends to printer. |
| May 22, 2013 | Planning Commission | <ul style="list-style-type: none"> Reviews CIP for General Plan consistency. |
| May 24, 2013 | City Manager | <ul style="list-style-type: none"> Issues Preliminary Financial Plan. |
| May 28, 2013 | Finance | <ul style="list-style-type: none"> Agenda reports due for June 10, 11 and 12 meetings (Budget Workshops). |
| June 2013 | | |
| June 3, 2013 | Enterprise funds | <ul style="list-style-type: none"> Agenda report due for June 18 meeting. |
| June 10, 11, 12, 2013 <i>Special Workshops</i> <i>Preliminary Budget</i> <i>6:00 to 10:00 p.m.</i> | Council | <ul style="list-style-type: none"> Holds evening workshops to review and discuss Preliminary Budget: <ul style="list-style-type: none"> June 10: Overview and General Fund operating programs. June 11: General Fund CIP projects. June 12: Enterprise Fund programs, CIP projects and rates. |
| June 18, 2013 | Council | <ul style="list-style-type: none"> Holds continued Financial Plan review and adopts budget. |
| June 25, 2013 | Council | <ul style="list-style-type: none"> If required, holds special meeting to continue review and adopt budget. |

Key Council Dates in Bold



Suggested Guidelines for Council Members During the Goal-Setting Process

1. Encourage advisory boards, community groups and citizens to submit written comments about desired goals.
2. Invite citizens to participate in Community Forum and to listen and learn from their neighbors.
3. Receive comments from community and acknowledge their input without prematurely expressing your point of view.
4. Assure the community that you are willing to listen openly to all perspectives.
5. Focus your submission of suggested goals on a short list of key priorities to target City resources (*not to exceed seven candidate goals for consideration*).
6. Avoid publicizing your submission of suggested goals. Let staff compile your submissions verbatim into a composite list of goals by category without identification of who made each suggestion. This enables you to see the whole picture.
7. Give yourself flexibility by not publicly staking positions in advance of the January 26, 2013 Council Goal-Setting Workshop.
8. Use this process as a way to learn from citizens and Council colleagues about what's important.
9. Explore areas where the Council can come together for positive action.
10. Recognize that this is an important step, but only the first step, in the planning and budgeting for the next two years.



Criteria for Major City Goals

1. Be legitimate to our genuine beliefs (real, supported).
2. Agreed upon by a Council majority.
3. Limited in number for comprehension, communication and focus.
4. Set forth in one document—the Financial Plan.
5. Be clear and understandable.
6. Established as a high priority and a real commitment.
7. Reflect major goals that cannot be achieved without Council support.
8. Can be translated into the performance goals and objectives of employees at all levels of the organization.
9. Created within a supportive atmosphere where participants are not afraid to state their suggestions for improving goals or objectives.
10. Reflect genuine consensus: while unanimous agreement is not required, they should be accepted to the point where resistance to them is reduced or eliminated.

Section 8.1

Background Materials

Status Reports from November 13, 2012 Workshop

STATUS OF 2011-13 GOALS AND OBJECTIVES

STATUS OF GOALS AND OBJECTIVES

As of October 1, 2012

city of san luis obispo

STATUS OF GOALS AND OBJECTIVES

As of October 1, 2012

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| Report Card: Address as Resources Permit Action Plan Changes | 2 |
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MAJOR CITY GOALS

| | |
|---|----|
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| Preservation of Essential Services and Fiscal Health | 5 |
| Neighborhood Wellness | 10 |
| Traffic Congestion Relief | 13 |

OTHER IMPORTANT COUNCIL OBJECTIVES

| | |
|---|----|
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ADDRESS AS RESOURCES PERMIT

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| | |
|---|----|
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| | |
|--|----|
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|--|----|

INTRODUCTION

OVERVIEW

This report details the status of Major City Goals and Other Important Council Objectives set by the Council as part of the 2011-13 Financial Plan as of October 1, 2012. In general, we are on track in accomplishing these objectives based on the work programs adopted by the Council.

Report Card. The following is a quick “report card” on the status of Major City Goals and Other Important Council Objectives based on the “action plans” approved by the Council as part of the 2011-13 Financial Plan.

As a benchmark, at October 1, 2012, we are about 63% through the two-year Financial Plan period. Most of the goals and objectives are near or exceed

this level, with most showing good progress.

Organization. The “report card” is followed by a short summary of notable changes from the original action plan. After this is a more detailed report on each Major City Goal and Other Important Council Objective, which shows the objective, action plan as

adopted by the Council, any revisions and a brief status summary as of October 1, 2012. Revisions are displayed as follows:

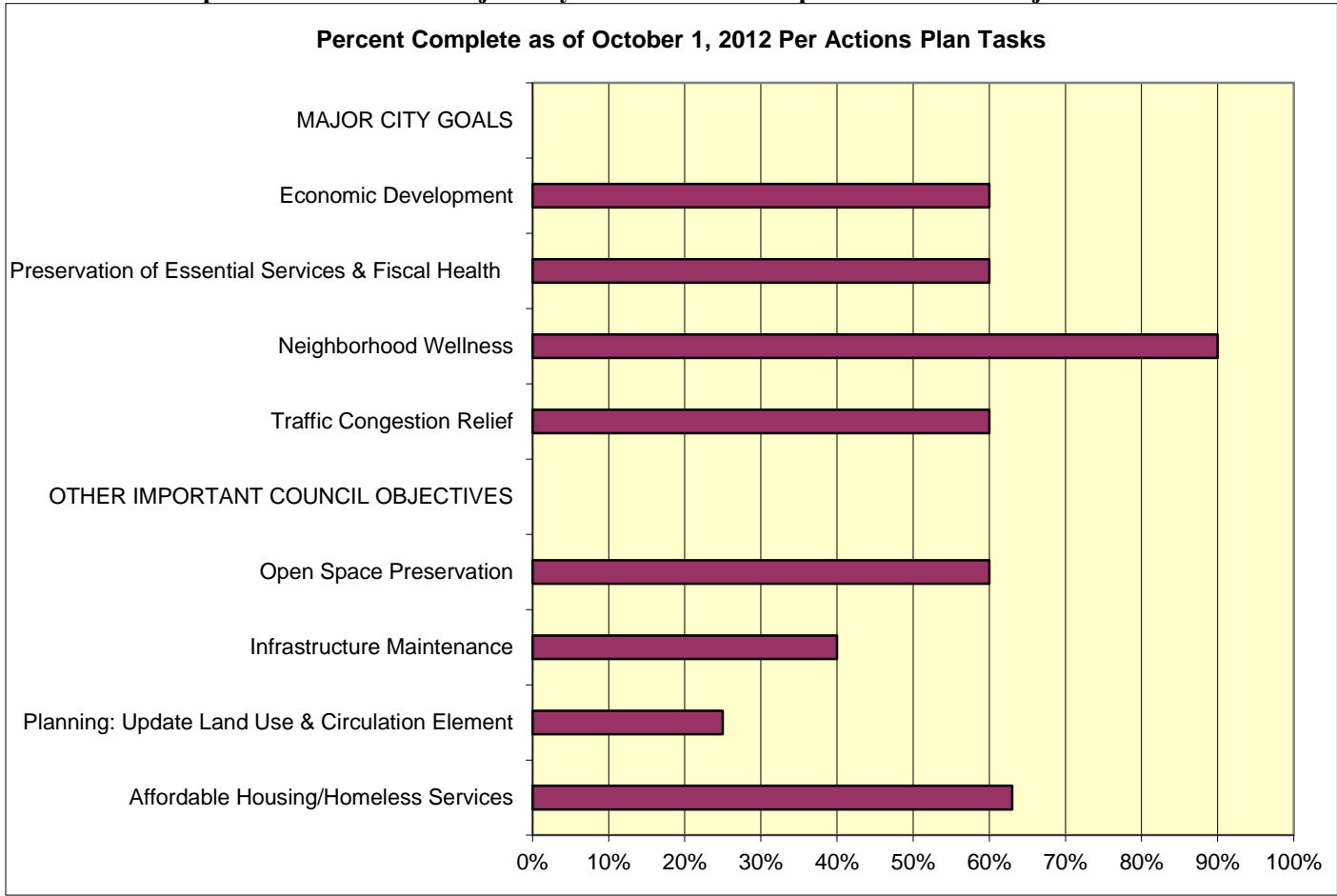
- Additions are shown in italics;
- Date changes are shown in italics and highlighted in a separate column; and
- Deletions are shown in ~~strikeout~~.

Shorter reports are provided for “Address as Resources Permit” for 2011-13 as well as for “carryover goals” from 2009-11.

Important Note

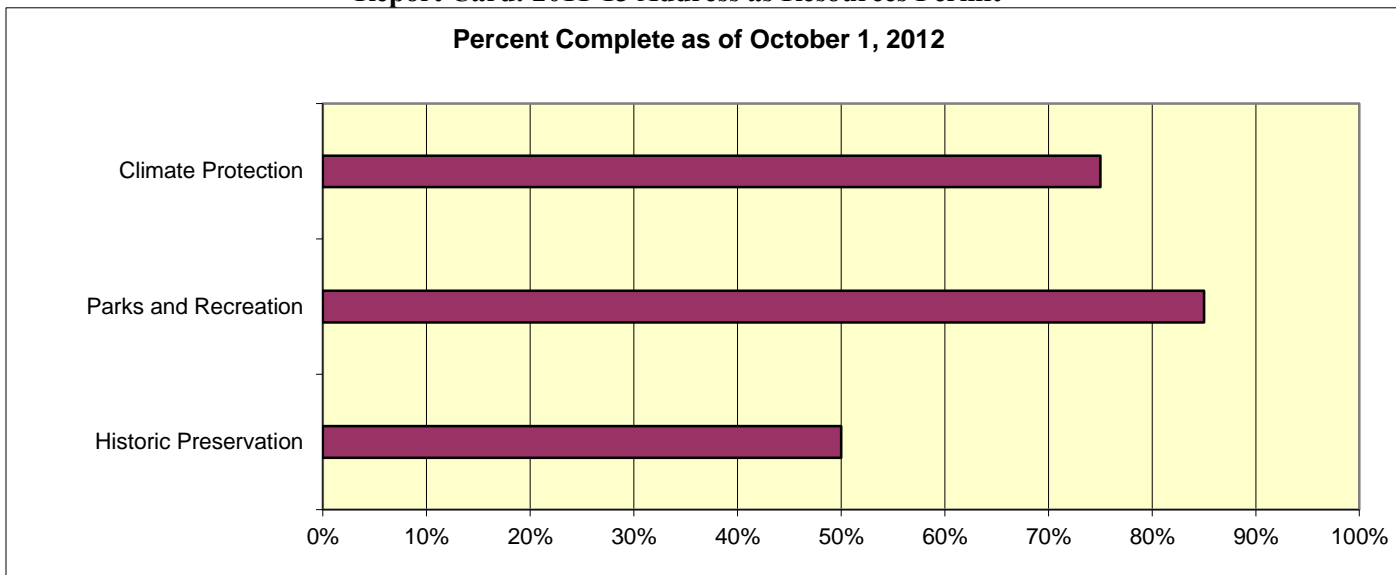
Many of these are multi-year goals that have activities associated with them that go beyond the two-year 2011-13 time frame. This status report is focused on approved “Action Plan” tasks as of October 1, 2012.

Report Card: 2011-13 Major City Goals & Other Important Council Objectives



INTRODUCTION

Report Card: 2011-13 Address as Resources Permit



ACTION PLAN CHANGES

As noted above, in general we are on track in accomplishing these goals and objectives based on the work programs adopted by the Council. Notable changes from the original action plans include the following:

Traffic Congestion Relief. Several of the tasks in this action plan have been delayed as, at the direction of the Council, staff have focused efforts on other priorities. These priorities include the Chevron project, the Land Use and Circulation Element Update and the development of an oversized vehicle parking ordinance.

Affordable Housing/Homeless Services. Due to the increasing number of individuals using their vehicles as dwelling units, Council directed staff to focus efforts on the establishment and evaluation of a safe shelter pilot program that provides homeless persons with vehicles a safe place to temporarily park overnight with the goal of eventually transitioning them into permanent housing

In October 2012, due to the initial success of the pilot program, staff received Council direction regarding the establishment of a permanent program and development of a permanent safe shelter ordinance.

NEXT REPORT

We will present the next “formal report” to the Council in February 2013 as part of the 2012-13 Mid-Year Budget Review. In the interim, we will keep the Council up-to-date on the status of major projects through agenda reports, Council Notes and other briefing opportunities.

MAJOR CITY GOALS – ECONOMIC DEVELOPMENT

ECONOMIC DEVELOPMENT

Objective. Increase focus on economic development. Support creation of head-of-household jobs through developing strategies for infrastructure, focusing on promising growth sectors, and expediting desired economic activity. Expand collaboration with Cal Poly, Cuesta, business community and responsible agencies.

Action Plan

| Task | Current | Revised |
|--|-----------------|---------|
| Economic Development Strategic Plan | | |
| 1. Create a Project Plan to guide development of the Economic Development Strategic Plan. | Complete | |
| 2. Conduct research and analysis with the assistance of local experts and utilize current census data to identify the characteristics that will define “head of household jobs” for the purpose of guiding the Strategic Plan process. Conduct baseline research on metrics that may be used to evaluate progress towards accomplishment of the Major City Goal. | Complete | |
| 3. Create a stakeholder group consisting of residents, business owners, property owners, and representatives of the County, Economic Vitality Corporation (EVC), Chamber of Commerce, Downtown Association and other community groups to provide input on the scope of work for the request for proposals (RFP). | Complete | |
| 4. Issue an RFP and scope of work for a contract to develop a City of San Luis Obispo Strategic Plan for Economic Development. | Complete | |
| 5. Execute the consultant contract, develop strategic plan, and present recommended Strategic Plan to Council for consideration including an implementation strategy for the 2012-13 fiscal year. | 7/12 | 10/12 |
| 6. Implement the new Economic Development Strategic Plan. | Ongoing | |
| Infrastructure in Expansion Areas | | |
| 1. Develop an RFP for the analysis of infrastructure requirements in the Margarita and Airport areas, with a scope of work to include a strategy for phasing and financing of key infrastructure components needed to move development forward and support creation of head of household jobs. | 8/12 | 3/13 |
| 2. Develop and present a program for Council consideration based on the recommendations in the report. | 3/13 | 6/13 |
| Collaboration Committee | | |
| 1. Continue to invest in the goals of the Collaboration Committee as a partner with the County, Cal Poly, and the business community in improving the entrepreneurial culture of the community in an effort to create head of household jobs. Continue to work with Cuesta College, the EVC and the business community to increase opportunities that facilitate job growth. | Ongoing | |

Status Summary: 60% Complete. The following is a summary of accomplishments and important next steps for this goal.

MAJOR CITY GOALS – ECONOMIC DEVELOPMENT

Activity within the Economic Development Program included several exciting developments during this period such as:

- The final draft of the Economic Development Strategic Plan (EDSP) was released to the public on October 1, 2012 in preparation for its adoption by the City Council, scheduled for October 16, 2012. The document was informed by significant public outreach including four public workshops and was guided by a steering committee of community stakeholders. Input from residents, the Chamber of Commerce, the Downtown Association, the Economic Vitality Corporation, the Planning Commission and City Council all have contributed to a comprehensive and forward looking strategy for economic growth in the City. Implementation of the strategy has already started with the approval of a scope of work for the Community Development Organizational Assessment, which includes EDSP Strategy 1.1 and actions relating to improving the development review process. The next step after its adoption will be to issue a Request for Proposals (RFP) for the infrastructure financing study, scheduled for March 2013.
- On September 18, 2012, the City Council held a Study Session to provide an introduction to the Chevron project. The project Draft Environmental Impact Review (EIR) is presently under development, and the study session provided the City Council with an introduction to the overall project concepts. In 2011, the City Council reviewed a proposal by Chevron to enter into a development agreement with the City to cover the long term phasing of both public and private development proposed for the property. Chevron would be responsible for the installation of more than 50% of the public facilities (such as transportation infrastructure) identified in the Airport Area Specific Plan over a 25-year period. Staff continues to make progress in discussions with Chevron Corporation regarding the development agreement. Two consultant reports are currently under production. The first by Goodwin Consulting Group is a fiscal and economic impact analysis for the project, which will help staff evaluate the public benefits of the project. The second is analysis of the proposed reimbursement agreement concepts by Magis Associates to identify the associated risks and recommend ways to mitigate risk. Both reports are expected to be submitted to staff in late October.
- The City Council-approved public-private partnership with Digital West Networks has resulted in the completion of the fiber-optic cable ring around the City. This project has significantly improved City technology redundancy and back-up benefiting public safety, emergency preparedness and general productivity.
- The business friendly website (www.openforbusinessinslo.com), launched through a joint effort of the City and the Chamber of Commerce, has been updated to include space available listings, and promotional materials have been developed to promote the website to visitors and local businesses looking to expand.
- The Collaboration Committee work has included collaboration on the incubator space called the HotHouse located at 955 Morro, which has concluded another successful summer of preparing Cal Poly entrepreneurs for the challenges of launching their own products and running their own businesses. Ongoing work continues to focus on growing businesses and coordinating services and entrepreneurial forums. Continuation of the HotHouse model is being promoted at the 955 Morro location, with an expansion of services to be made available for small businesses. For instance, the location is being considered for its potential to host a co-working space.

MAJOR CITY GOALS – PRESERVATION OF ESSENTIAL SERVICES AND FISCAL HEALTH

PRESERVATION OF ESSENTIAL SERVICES AND FISCAL HEALTH

Objective. Adopt a budget that sustains the city’s short and long-term fiscal health, preserves public health and safety and other essential services in line with residents’ priorities, and includes cost reduction strategies.

Action Plan

| Task | Current | Revised |
|---|--------------------|----------|
| Continue emphasis on effectiveness and efficiency of City organization | | |
| 1. Identify candidate departments for one structured organizational review. Issue request for proposals (RFP) for consulting services to systematically address operating performance, cost reductions, and opportunities to improve service. Complete reviews and present to City Manager. | 12/12 | |
| 2. Continue to review and implement ideas for savings or increased revenues as recommended by staff and community members. | Ongoing | |
| 3. Evaluate at least four opportunities for managed competition in City functions as identified in prior and current organizational reviews. | Ongoing | |
| 4. Perform focused overview of City’s organizational structure to identify potential for reorganization, combination, or other modifications to improve efficiency and reduce cost. | 12/12 | |
| 5. Using framework set forth in the initial 2006 analysis, benchmark key City financial and outcome measures with comparable communities. Develop a schedule for updating benchmark analysis on a recurring basis. | 6/12 | 12/12 |
| 6. Determine viability and cost versus savings potential of changes to variable frequency drives of certain large motors in existing facilities, and expanded lighting control, for possible inclusion in the 2013-15 Financial Plan. | 6/13 | |
| Continue to develop, review, modify and implement Human Resource policies in support of fiscal sustainability | | |
| 1. Develop short term and long term strategy for personnel cost containment and receive approval from Council prior to labor negotiations. | Complete | |
| 2. Negotiate cost containment actions through ongoing negotiation process with all employee groups. | Ongoing | Complete |
| 3. Establish a process to periodically review and monitor personnel costs and the impact of those costs on overall financial health. | Ongoing | |
| Ensure the stability and diversity of the City’s revenue sources | | |
| 1. Examine threats to the City’s Utility Users Tax revenue from federal and state legislation. Identify actions and develop plan to address problems as needed. | 6/12 | 11/12 |
| 2. Conduct Business License Tax audit with Franchise Tax Board data. | 6/12 | 12/12 |

MAJOR CITY GOALS – PRESERVATION OF ESSENTIAL SERVICES AND FISCAL HEALTH

| Task | Current | Revised |
|--|------------------|-----------------|
| 3. Conduct Transient Occupancy Tax audits. | 12/12 | <i>3/13</i> |
| 4. Explore the possibility of establishing a storm drain utility and receive Council direction. | 2/13 | |
| Work with Council and the community to renew Measure Y | | |
| 1. Hire consultant to conduct public opinion research. | Complete | |
| 2. Conduct public opinion research. | Complete | |
| 3. Present survey results and analysis to Council. | Complete | |
| 4. Determine optimal timing of ballot measure. | 6/12 | <i>Complete</i> |
| 5. Initiate public information/education program. | Ongoing | |
| Identify and address long-term liabilities that are important to fiscal sustainability | | |
| 1. Refine five-year capital improvement program that will responsibly protect the City's infrastructure assets, including building facilities, and develop plan for funding as needed. | 12/12 | |
| 2. Update Fleet Management Policy to reflect revised fleet life cycles. Develop long-term fleet replacement schedule. | Complete | |
| 3. Evaluate Information Technology replacement needs. Develop long-term replacement schedule. | 6/13 | <i>3/13</i> |
| 4. Identify funding strategies for Fleet and Information Technology replacement needs. Establish internal services funds if determined to be appropriate. | 6/13 | <i>4/13</i> |
| 5. Review liability and workers compensation claims trends and establish a plan of funding if needed. | Ongoing | |
| Continue to closely review and monitor the City's fiscal condition | | |
| 1. Update General Fund Five-Year Forecast at least twice annually, at mid-year and with recommended budget. | Ongoing | |
| 2. Prepare focused reports on areas of interest to city management and Council. | Ongoing | |

Status Summary: 60% Complete. The following is a summary of accomplishments and important next steps for this goal.

Cost Savings

The 2011-13 Financial Plan includes an expectation that the City will realize cost savings through efficiency and effectiveness measures implemented over the two-year financial plan period. These savings measures include ideas generated by the public through the financial plan process, by staff through the Non-Operating Budget

MAJOR CITY GOALS – PRESERVATION OF ESSENTIAL SERVICES AND FISCAL HEALTH

Balancers (NOBBs) exercise, and by consultants through bi-annual organizational assessments. The amount of savings that the City is seeking through this effort corresponds to a 3-to-1 return on investment with respect to the cost of conducting the organizational assessment. An organizational assessment of the Community Development Department has been initiated and an RFP released. The City has also initiated a formal review of the potential for consolidation of the Public Works and Utilities Departments. Overall, the City is planning to achieve \$50,000 in savings during 2011-12, and an additional \$100,000 in savings during 2012-13. City staff has formalized the process whereby ideas for cost-savings generated by efficiency measures and organizational assessments will be measured. Staff has also started the process of implementing and accounting for these ideas. Additionally, in June 2012, the City refinanced lease revenue refunding bonds that were used to fund various land purchases and improvements at the Damon-Garcia Sports Fields. This will result in approximately \$65,000 in annual savings to the General Fund from 2013-2029.

Personnel Cost Containment

The 2011-13 Financial Plan also assumed employee concessions to achieve a balanced budget and long term financial stability while retaining General Fund reserves at or near policy levels. Council provided staff with labor relations objectives in September 2011 and these objectives were shared with all employee groups with agreements expiring at year end. The objectives include a \$3.1 million City-wide reduction of total compensation costs and pension cost containment or reductions. A resolution adopted by Council on December 6, 2011 shifted the entire eight percent employer paid member contribution (EPMC) to unrepresented management, department head, and appointed officials effective January 5, 2012. A resolution adopted by Council on March 6, 2012 approved a four-year agreement with the International Association of Firefighters Local 3523, phasing in the full nine percent EPMC to the employees, introduced a second tier pension benefit, and included no cost of living increases for the term of the agreement. A resolution adopted by Council on April 10, 2012 approved phasing in the entire eight percent EPMC to unrepresented confidential employees, introduced a second tier pension benefit, and included no cost of living increases or changes to the City contribution to health insurance for the term of the agreement. A resolution adopted by Council on May 15, 2012 approved a three-year agreement with the Police Staff Officer's Association (SLOPSOA), phasing in a 4.5% salary reduction (as these employees currently pay the full member contribution to CalPERS), introduced a second tier pension benefit, included no cost of living increases for the term of the agreement, and included no increase in the City contribution to health insurance until December 2014. Also on May 15, 2012, Council approved a letter of agreement with the Fire Battalion Chiefs' Association (BCs), phasing in 7.5% salary reduction (as this unit currently pays the full member contribution to CalPERS) and introducing a second tier pension benefit consistent with the agreement with the Fire Union. A resolution adopted by Council on June 19, 2012 approved a three-year agreement with the San Luis Obispo City Employees Association (SLOCEA), phasing in the entire eight percent EPMC shift to the employees. A resolution adopted by Council on October 16, 2012 approved a four-year agreement with the San Luis Obispo Police Officers Association (POA), phasing in a 4.0% salary reduction. POA agreed to pay an additional 3% toward CalPERS Pension costs (this unit currently pays the full member contribution to CalPERS). These agreements included second tier pension benefit for Police Safety and Miscellaneous employees. Together, these agreements, when fully implemented achieve \$3.2 million in ongoing annualized savings.

Measure Y

On December 13, 2011, City staff presented the results of the 2011 Citizen Satisfaction Survey to the City Council with a recommendation to direct staff to continue to evaluate placing the reauthorization of the City's half-cent sales tax (Measure Y) on the general election ballot in November 2012, and return to the City Council in spring 2012 with an update. The Council accepted this recommendation and staff moved forward with an outreach effort. Information gathered through this effort informed staff's recommendation regarding the timing of Measure Y reauthorization. Staff provided the Council with an update and recommendation on June 5, 2012. Council determined not to place Measure Y renewal on the November 2012 ballot. The Council will have another opportunity to place Measure Y before the voters for renewal in November 2014. During the 2013-15 Financial Plan development process, staff will provide Council with additional information regarding options for addressing the potential loss of Measure Y revenue if renewal is not placed on the ballot or if the half-cent sales tax is not reauthorized by voters.

MAJOR CITY GOALS – PRESERVATION OF ESSENTIAL SERVICES AND FISCAL HEALTH

Long Term Liabilities

Work on five-year asset plans will correspond to timelines for the development of the draft 2013-15 Financial Plan. This work is part of the Public Works Department assessment implementation plan for General Fund infrastructure.

Benchmark Study

The benchmark cities used in the 2006 study were reviewed to determine if they are still comparable to San Luis Obispo. For the updated benchmark study, the City of Ventura will be removed and the City of Paso Robles added in order to provide as accurate a comparison as possible. Using framework set forth in the initial 2006 analysis, Finance staff have begun compiling key financial and outcome measures of San Luis Obispo and the comparable communities. The Department Head team reviewed the list of benchmarks used in 2006 and provided input for the current study.

Utility User Tax (UUT) Analysis and Potential Ballot Measure

Staff explored cost-effective options for a review of the City's UUT practices, and on September 20, 2011, Council approved such a contract with MuniServices. This agreement provides for a UUT compliance and revenue protection program and will assist the City in identifying and correcting errors or omissions that cause under-realized revenues. Additionally, these services include assistance with development of a ballot measure aimed at updating the City's UUT ordinance language and protecting it against erosion due to new legislation or lawsuits. The citizen satisfaction survey mentioned above also included questions related to a potential UUT ballot measure so that Council can decide how to proceed. On June 5, 2012, staff asked Council for guidance, and on July 10, 2012, Council approved placing a measure modernizing the UUT ordinance on the November 2012 ballot.

Equipment Replacement Funding

Staff have reviewed all fleet equipment assets and completed a comprehensive equipment replacement spreadsheet which identifies the timing of projected fleet purchases and the replacement funds needed over the life of the assets. Development of a "condition assessments" per each fleet replacement and an update of the Fleet Management Policy was postponed until the Fleet Manager position was filled in August 2012. Information Technology (IT) staff are now creating a similar spreadsheet for IT hardware and software. Following the completion of these two schedules, the next step will be to assess available funding, develop a funding plan and establish an appropriate funding strategy for equipment replacement.

Business License Tax Audit

After a successful effort to ensure business license compliance from residential rental property owners, staff have begun a Citywide business license tax audit. With cooperation from the Downtown Association, the effort began in the Downtown core area. Staff canvassed this area, recorded the names of businesses that did not appear in the City's business license database, HdL, and notified these businesses of the requirement to hold a license if conducting business in the City. This process resulted in new business licenses issued in the Downtown area. The next step in this project is underway, utilizing data from the Franchise Tax Board (FTB). This information was cross-checked with the data in HdL and is being reviewed for anomalies to confirm which businesses are not in compliance and will be subject to the enforcement process. Staff are also working with the City Attorney's Office to streamline the current citation process to ensure the effectiveness of these methods and will implement the new enforcement efforts simultaneously with the FTB effort. The next step will be to mail enforcement letters to the businesses that staff believe should have a license.

Departmental Efficiencies

On January 17, 2012, Council approved the Water Reclamation Facility Sustainable Solutions Turnkey energy efficiency project investment grade analysis and 50% project design. This project is a public/private partnership with PG&E. The investment grade analysis is moving forward with an estimated completion date of December 2012. Staff will return to Council in early 2013 with a recommendation for this project based on the completed study and preliminary design.

MAJOR CITY GOALS – PRESERVATION OF ESSENTIAL SERVICES AND FISCAL HEALTH

Five Year Fiscal Forecast

Staff updated key revenue assumptions and provided updates to the five year fiscal forecast for both the 2011-12 Mid-year Review and the 2012-13 Financial Plan Supplement. The updates were key to monitoring the City's long term financial sustainability. Staff is working on a formal comprehensive update to all aspects of the five year fiscal forecast for use in Council decision making during the 2013-15 Financial Planning process.

MAJOR CITY GOALS – NEIGHBORHOOD WELLNESS

NEIGHBORHOOD WELLNESS

Objective. Embrace and implement pro-active code enforcement and Neighborhood Wellness Policies.

Action Plan

| Task | Current | Revised |
|---|----------------|----------------|
| 1. Community coordination on new program elements. | Ongoing | |
| 2. Review City policy regarding voluntary compliance & evaluate Neighborhood Services Team. | TBD | <i>Ongoing</i> |
| 3. Create new job classification of Neighborhood Services Specialist. | Complete | |
| 4. Develop public outreach program. | Complete | |
| 5. Public outreach campaign. | Complete | |
| 6. Hire additional staff. | Complete | |
| 7. Train new staff. | Complete | |
| 8. Begin “soft start” of program. | Complete | |
| 9. Council review of proposed changes to Municipal Code and code enforcement procedures manual. | Complete | |
| 10. Begin full enforcement efforts. | Complete | |
| 11. Monitor progress and solicit feedback from external stakeholders. | Ongoing | |
| 12. Database enhancements and information sharing improvements. | Ongoing | |

Status Summary: 90% Complete. The following is a summary of accomplishments and important next steps for this goal.

Internal Collaboration

Internal collaboration has been ongoing in the hiring of the new Neighborhood Services Specialist (NSS) positions. The Neighborhood Services and Parking Services offices collaborated with Code Enforcement’s request for input and suggestions on the NSS job description, interview questions and interview panel representation. The Neighborhood Services Manager provided Code Enforcement with the current Neighborhood Enhancement Ordinance (NEO) enforcement training manual and printed Neighborhood Enhancement Ordinance (NEO) outreach and education materials currently in use which will be modified to reflect the new positions.

An ongoing effort associated with the Neighborhood Wellness objectives is cross-training staff within several departments to enhance enforcement and response efforts. Collaboration between Police, Fire, Parking Services and the Code Enforcement Office has been established so the appropriate enforcement personnel are aware of existing problems and can handle them efficiently. As an example, during a parking citation appeal one violator indicated parking was difficult at the house he lived in because there were six residents. The Parking Manager forwarded the information to the Code Enforcement Officer for follow-up. Additionally, the Police Department

MAJOR CITY GOALS – NEIGHBORHOOD WELLNESS

Student Neighborhood Assistance Program (SNAP) employees report violations observed during their late night parking and noise shifts.

Policy Review

Staff was directed to review practices related to voluntary compliance of the regulations to determine when it is appropriate to escalate the level of enforcement efforts. As suspected, there were uneven levels of enforcement efforts between City departments responsible for these activities. For example, some departments escalate enforcement very quickly while other departments allow time for compliance efforts. As a result of the review of policies and practices, it was determined that strategic escalation of enforcement should occur Citywide. The process will include three levels: a Notice to Correct (NTC), a Notice of Violation (NOV) and administrative citations. The Notice to Correct will notify the violator of the code violations, warn of possible fines and establish a timeline for action by the violator to avoid fines or fees. Based on the City's cost recovery for code enforcement policies, fees will be doubled for any permit issued to correct code violations. If no action is taken within the prescribed timeline, a Notice of Violation will be sent. The NOV will include an additional cost recovery charge and an additional warning of impending citations. If the violator remains recalcitrant, staff will begin the administrative citation process. This new process will not apply to the enforcement of noise violations, which are already subject to the issuance of formal warnings for initial violations and administrative citations for both the offender and the property owner for subsequent violations within any nine-month period. Additionally, no changes are necessary for parking violations. There are no warnings for parking in yards or blocking a public sidewalk. If the violation cannot be corrected immediately, a citation is issued. In April 2012, the City Council reviewed and approved Municipal Code and procedure changes to shift focus to proactive enforcement with an emphasis on strong public outreach.

Per Council's direction, in November 2011, the Neighborhood Services Team (NST) met with the Police Chief and new Community Development Director to consider the involvement of neighborhood residents on the Team. After discussing several ways to keep community members meaningfully involved, it was decided that City resident "neighborhood stewards" will be invited to attend monthly NST meetings led by the Neighborhood Services Manager and the Chief Building Official. Further discussion on community connectivity led to the creation of monthly "Neighborhood Wellness" meetings which have been held at the Ludwick Community Center on the first Thursday of the month since May 2012. Average attendance is 25 and includes a mix of residents, students, university representatives and City staff. These meetings allow for updates to be shared from Parking Enforcement, Community Development and Police on neighborhood wellness specific outreach and enforcement. Each meeting also allows for attendees to voice specific concerns and ask questions of staff. The Neighborhood Services Team is meeting quarterly to share division specific updates and offer feedback on current projects.

Public Outreach

Staff received input from the neighborhood and student groups regarding the public outreach efforts. Because this audience is a diverse group, efforts were made to extend outreach through multiple media sources. A portion of the Police Department's marketing contract with Verdin Marketing Inc. was used to update the website www.respectslo.com as well as create an "Office of Neighborhood Services" social networking page on Facebook. Both web based sources give excellent resource information for residents. In addition, the Community Development Department created a user friendly brochure for the Neighborhood Services Specialists to use during their daily outreach activities. The Police Department also created a refrigerator magnet to distribute on campus that provides the website address to increase connectivity to the students. The Neighborhood Outreach Manager is currently making visits to individual Cal Poly athletic teams and fraternity and sorority houses furthering sharing the message of "Respect SLO." Finally, the Police Department is in the process of purchasing updated graphic design software to allow for the reincarnation of the Neighborhood Services newsletter. Frequency of production will most likely be quarterly and provide yet another level of resource information to the community. Communication with the community will be ongoing as programs achieve the greatest amount of code compliance through education and outreach.

Front Yard Parking

The Council directed the Community Development Department staff to revise and clarify regulations regarding where vehicles can be parked in the front yards of residences. Parking in front yards outside of the driveway has

MAJOR CITY GOALS – NEIGHBORHOOD WELLNESS

been an ongoing issue in some neighborhoods, particularly in parking districts with a limited number of on-street parking permits. The new regulations will be a component of the Neighborhood Wellness Major City Goal and enforced by the Neighborhood Services Specialists. Communication with neighborhood groups, students, and property owners is critical to the successful implementation of the new regulations. Staff has discussed the proposed new parking regulations and enforcement with the Student Community Liaison Committee (SCLC), Residents for Quality Neighborhoods (RQN), and Cal Poly Associated Students, Inc. (ASI). A public forum was held at the Ludwick Center on April 4, 2012, and all property owners in the City's parking districts were invited (over 1,100 notices were sent). The Planning Commission has discussed the issue twice, including a study session in April 2011. Front yard parking amendments were heard by the Planning Commission on April 25, 2012 and the City Council on May 15, 2012.

Transition of Duties

Staff discussed the timing for transition of the NEO duties from the Police Department Student Neighborhood Assistance Program (SNAP) program to the Community Development Department Building and Safety Division. Based on the timelines identified in the work plan, NEO transitioned from SNAP to the Neighborhood Services Specialists in June 2012. The Neighborhood Services Specialists are fully trained and conducting active enforcement in the neighborhoods.

Increased Caseload

As anticipated, the addition of two Neighborhood Services Specialists and the Neighborhood Parking Officer has increased the combined code enforcement case load more than 70%. Active code enforcement cases received from July 1, 2012 to October 1, 2012 totaled 358, up from 210 in the previous year.

The numbers of self-initiated cases or cases referred by other City employees has also risen drastically. Since the beginning of the 2012-13 fiscal year, 157 cases were initiated by City staff. During the prior fiscal year, only 27 code enforcement cases were initiated by City staff.

MAJOR CITY GOALS – TRAFFIC CONGESTION RELIEF

TRAFFIC CONGESTION RELIEF

Objective. Continue efforts on projects and programs which relieve traffic congestion (like street modifications, intersection improvements, pedestrian improvements, bicycle facilities, sidewalks, trip reduction programs, traffic signal operations, LOVR interchange, Prado Road and public transit).

Action Plan

| Task | Current | Revised |
|--|-----------------|---------------------|
| Transit Service Levels | | |
| 1. Maintain existing transit levels for local and regional services with uncertain levels of State and Federal funding. | Ongoing | |
| 2. Implement recommendation in the Short Range Transit Plan if funding is available. | Ongoing | |
| 3. Work with Regional Transit Authority (RTA) and other transit providers to identify potential cost savings and sharing to reduce costs and improve efficiency. | Ongoing | |
| 4. Explore alternative fuel and vehicle type to offset operational costs. | Ongoing | |
| Transit Improvements | | |
| 1. Use federal and state capital funding to replace and upgrade transit vehicles. | Ongoing | |
| Prado Road Extension | | |
| 1. Work with west side Margarita area property owners to implement phased improvements to Prado Road. | Ongoing | |
| Madonna/Los Osos Valley Road Improvements | | |
| 1. Complete minor intersection widening and restriping as part of Prefumo Creek Commons Off-Site improvements. | Complete | |
| Broad Street/South Street Intersection Improvements | | |
| 1. Begin minor intersection widening, installation of northbound Dual Left Turn Lanes and restriping as part of Village At Broad improvements. | Complete | |
| 2. Complete Village At Broad improvements on Broad Street. | Complete | |
| Traffic Safety & Operations Programs | | |
| 1. Complete and present 2010 Annual Traffic Safety Report to Council for approval. | Complete | |
| 2. Complete and present 2010/11 Biennial Traffic Operations Report to Council for approval. | 6/12 | <i>Incorporated</i> |

MAJOR CITY GOALS – TRAFFIC CONGESTION RELIEF

| Task | Current | Revised |
|---|------------------|---|
| | | <i>into LUCE update. Independent reporting will resume after LUCE is completed.</i> |
| 3. Implement Safety & Operations Report Recommendations. | Ongoing | |
| 4. Complete and present 2011 Annual Traffic Safety Report to Council for approval. | 11/12 | 2/13 |
| Grand & 101 Traffic Signal Installation | | |
| 1. Complete design. | Complete | |
| 2. Acquire Caltrans permit & authorization / Begin construction. | Complete | |
| Widening, Signal Reconfiguration, and Railroad Crossing at Foothill & California | | |
| 1. Complete design. | Complete | |
| 2. Acquire railroad approvals / Begin construction. | Complete | |
| Conversion of Relinquished Route 227 Traffic Signal Facilities | | |
| 1. Complete design. | Complete | |
| 2. Begin construction. | 7/12 | 1/13 |
| 3. Complete Traffic Signal Timing and Operations Optimization. | 8/12 | 3/13 |
| Mid Higuera Widening and Signal Upgrades | | |
| 1. Complete design. | Complete | |
| 2. Begin construction. | 6/12 | 10/12 |
| 3. Complete construction. | 12/12 | |
| Los Osos Valley Road (LOVR) Interchange | | |
| 1. Complete construction plans and specifications. | 10/12 | 12/12 |
| 2. Complete right of way acquisition. | 2/13 | |

MAJOR CITY GOALS – TRAFFIC CONGESTION RELIEF

| Task | Current | Revised |
|---|------------------|----------|
| 3. Pursue additional funding. | Ongoing | |
| 4. Implement phased improvements as new development occurs and fees are collected in the LOVR sub area. | Ongoing | |
| 5. Complete detailed preparation of Bonded Indebtedness of local funding component. | TBD | |
| Pismo & Buchon Neighborhood Traffic Management Improvements | | |
| 1. Complete design. | Complete | |
| 2. Begin construction. | Complete | |
| 3. Complete post project Studies. | Complete | |
| Bicycle Transportation Plan Update | | |
| 1. Begin Update of the Bicycle Transportation Plan. | Complete | |
| 2. Update the City's Bicycle Transportation Plan to maintain eligibility for state grant funding. | 12/12 | 8/13 |
| Tank Farm Road Intersection Improvements | | |
| 1. Complete project design. | Complete | |
| 2. Begin construction. | 6/12 | Complete |
| Railroad Safety Trail – Hathway to Taft | | |
| 1. Complete construction documents. | 7/12 | 10/12 |
| 2. Pursue additional funding. | Ongoing | Complete |
| 3. Award contract and begin construction. | 6/13 | 4/13 |
| Railroad Safety Trail – Taft to Pepper (Replaces Highway 101 Crossing project) | | |
| 1. A. Obtain <i>preliminary</i> California Highway Patrol (CHP), Union Pacific Railroad (UPRR), and Public Utilities Commission (PUC) approvals. | 12/12 | 6/13 |
| B. Obtain <i>final</i> CHP, UPRR, and PUC approvals. | | 6/14 |
| 2. Complete project design. | 6/13 | 12/13 |

MAJOR CITY GOALS – TRAFFIC CONGESTION RELIEF

| Task | Current | Revised |
|---|----------|---------|
| 3. Pursue additional funding. | Ongoing | |
| Bob Jones City-to-Sea Trail Connection to LOVR | | |
| 1. Pursue outside funding for trail connections. | Ongoing | |
| 2. Complete construction drawings. | 9/12 | 12/12 |
| Bob Jones City-to-Sea Trail Connection to Octagon Barn | | |
| 1. Seek/obtain funding for study. | Complete | |
| 2. Complete project study. | 2/14 | |
| 3. Pursue additional funding. | Ongoing | |
| 4. Complete project design and environmental review. | TBD | |
| 5. Complete construction drawings. | TBD | |
| 6. Complete construction. | TBD | |
| Other Projects That Reduce Traffic Congestion | | |
| 1. Complete curb ramps, sidewalks, on-street bicycle facility paving, and striping improvements in conjunction with City street paving projects. | Ongoing | |
| 2. Implement Neighborhood Traffic Management program and projects. | Ongoing | |
| 3. Conduct bi-annual vehicle, bicycle traffic counts, speed surveys and travel time studies. | Ongoing | |
| 4. Complete miscellaneous bicycle facility improvements identified in the Bicycle Transportation Plan, as resources permit. | Ongoing | |
| 5. Develop a list, in conjunction with the Bicycle Committee, of streets that would benefit from increased street sweeping and coordinate with Street Maintenance to use miscellaneous sweeping hours, when available, to increase frequency. | Ongoing | |
| 6. Seek funding for the design and construction of bikeways and pedestrian paths within the City. | Ongoing | |
| 7. Seek funding to educate and promote bicycling, walking and transit as alternative forms of transportation. | Ongoing | |
| 8. Provide more bicycle parking through the City's "Racks with Plaques" program. | Ongoing | |

Status Summary: 60% Complete. The following highlights key accomplishments so far and important next steps:

Various projects and activities have been delayed due to the extended absences of several key staff in the Transportation division. Details on progress and delays are listed below.

MAJOR CITY GOALS – TRAFFIC CONGESTION RELIEF

The Los Osos Valley Road Interchange project was delayed due to a lawsuit filed by adjacent property owners. With the lawsuit now resolved, right of way acquisitions can proceed. The construction plans are 90% complete, and appraisals for the needed property and easements are being updated.

Additional traffic congestion relief efforts on Los Osos Valley Road have been completed or are currently under design, such as the completion of the third westbound through lane between Madonna Road and Laguna Lane and the design progress on a left turn pocket east of Froom Ranch Way.

The developer of the first residential subdivision within the Margarita Area Specific Plan has submitted public improvement plans for the Prado Road extension abutting the subdivision. Significant grading and drainage work has been started and the developer has submitted building permit applications for the model homes.

The installation of a traffic signal at Grand and Highway 101 is complete.

Circulation modifications at the intersection of Foothill and Tassajara are complete.

Construction of downtown beautification improvements is complete.

The Pismo and Buchon Neighborhood Traffic Management improvements have been well received by a majority of the public. Post project studies have shown that the traffic calming has resulted in a significant improvement.

Improvements completed along the Bob Jones City-to-Sea Trail include the installation of a bridge over San Luis Obispo Creek to provide a direct connection to the intersection of South Higuera and Prado Road.

The Tank Farm/Broad intersection improvements and the mid-Higuera improvements are currently being constructed.

Street paving work for 2011 and 2012 is complete. Design work is underway for 2013 Microsurfacing and Paving projects with construction scheduled for summer 2013.

Curb ramp and sidewalk construction is complete in Pavement Area 5.

Conversion of the traffic signals acquired through the relinquishment of Highway 227 from the State has been delayed due to staff's focus on other higher priority projects, as well as the long-term absence of a Signal Maintenance Technician.

The biennial Traffic Operations Report is delayed due to other staff priorities, such as the Chevron project and the Land Use and Circulation Elements Update (LUCE). This year, the report will be incorporated into the LUCE update; independent reporting will resume after LUCE is complete.

The annual Traffic Safety Report will be reduced in scope.

The Bicycle Transportation Plan update has been delayed due to extended absences of several key staff and Council direction to prioritize the development of an oversized vehicle parking ordinance.

City staff has met with Regional Transit Authority (RTA) and San Luis Obispo Council of Governments (SLOCOG) staff to identify opportunities to share costs and improve efficiency. In December 2011, as a partial follow-up to both audits, the SLOCOG Board approved setting aside \$15,000 in "State Transit Assistance" funds toward a joint scheduling project in the Central Area. On February 7, 2012, RTA, SLOCOG and City staff held a kickoff meeting for a SLO Transit Route 2/RTA Route 10 efficiencies study. Through this project, route efficiency and timing was reviewed to determine how best to coordinate services between the RTA and SLO Transit. The effort required the use of outside resources in order to gain an objective perspective on current coordination issues as well as to scope potential opportunities to improve service deployment. RTA was the lead

MAJOR CITY GOALS – TRAFFIC CONGESTION RELIEF

agency on this joint project; both agencies used half of the Transportation Development Act (TDA) third quarter funds (\$7,500) towards this effort.

During the course of this study, a number of options were developed for consideration. Most options included changing SLO Route 2 to hourly frequency, adjusting when it pulses from the Downtown Transit Center (DTC) and extending service to the South Broad Industrial area including the airport. Moving Route 2 to hourly frequency puts the timetable on a regular frequency (more attractive to customers), slows down the route so the timetable is not so tight and allows time for additional service. As the airport has been identified as a local and regional priority, using Route 2 to meet this need seemed a logical use of the additional available service time.

SLO Transit and RTA ultimately determined that none of the scenarios developed were workable in the short term for the following reasons:

- SLO Route 2 would be unable to easily change its pulse times as it has an important interface with SLO Route 3 at the Downtown Transit Terminal.
- The City of San Luis Obispo determined that service to the South Broad Industrial Area was not in its best interests in the short run and more rightly falls within the County's responsibility.
- RTA will address its on-time issues through rerouting and minimizing stops through San Luis Obispo.

Both parties agreed that a joint systems study should be initiated as early as possible to review mutual efficiencies within the entire Central Area. The study should be done outside of the normal Short Range Transit Plan (SRTP) study, though mutual interests and integrations should be considered when each system's SRTPs are next developed. City and RTA staff continue to meet on a regular basis to discuss service efficiencies that would benefit riders of both systems.

OTHER IMPORTANT COUNCIL OBJECTIVES – OPEN SPACE PRESERVATION

OPEN SPACE PRESERVATION

Objective. Continue efforts to acquire, preserve, protect, and maintain open space in our greenbelt. Begin implementation of the master plan for City-owned agricultural lands at Calle Joaquin. Complete and begin implementation of the updated conservation plan for Irish Hills Natural Reserve. Prepare a Conservation Plan for Reservoir Canyon Natural Reserve. Create a plan for maintenance of Laguna Lake and Park, including potential funding.

Action Plan

| Task | Current | Revised |
|--|----------|---------|
| Continued Open Space Acquisition, Preservation and Protection | | |
| 1. Continue participation in planning and acquisition efforts that at a minimum include: (a) the Chevron Tank Farm property and adjacent open space lands; (b) City- or Land Conservancy-held conservation easements on lands near Camp San Luis Obispo; (c) Righetti Hill in the Orcutt Specific Plan Area; (d) “Upper Goldtree Vineyard Tract” lots (King and Filipponi/Twisselman properties) above Johnson Avenue; and (e) the Filipponi/Denbow and Mountainbrook Church properties at the end of Calle Joaquin. | Ongoing | |
| 2. Support actions to implement the Agricultural Master Plan for the Calle Joaquin Agricultural Reserve. | Ongoing | |
| 3. Complete Update of the Conservation Plan for Irish Hills Natural Reserve, and begin implementation activities. | Ongoing | |
| 4. Continue implementation of elements of City adopted Conservation Plans for: Johnson Ranch; South Hills; Stenner Springs; and the Bob Jones Trail. | Ongoing | |
| 5. Continue efforts to improve signage, trail conditions, and environmental restoration programs. | Ongoing | |
| 6. Continue to participate and oversee City-sponsored or directed mitigation projects, including the Los Osos Valley Road interchange, Bob Jones Trail environmental enhancements, and various private mitigation and enhancement projects throughout the City. | Ongoing | |
| 7. Continue leadership role in management of the City’s natural waterways through Zone 9 projects, and provide administrative oversight to the Stormwater Management Program. | Ongoing | |
| 8. Preparation and completion of a Conservation Plan for Reservoir Canyon Natural Reserve. | 6/12 | 11/12 |
| Develop a Plan for Maintenance of Laguna Lake and Park, Including Potential Funding | | |
| 1. Conduct and complete research on public and private grant and loan sources. | Ongoing | |
| 2. Identify interested parties and groups. Begin a series of public workshops to develop a community supported maintenance plan for Laguna Lake and for Laguna Lake Park as it is affected by the maintenance plan. Develop an email group of participants and provide electronic information updates to this group. | Complete | |

OTHER IMPORTANT COUNCIL OBJECTIVES – OPEN SPACE PRESERVATION

| Task | Current | Revised |
|---|------------------|-----------------|
| 3. Complete public workshops for the maintenance plan. | 6/12 | <i>Complete</i> |
| 4. Draft the maintenance plan and begin circulation. | 6/12 | <i>11/12</i> |
| 5. Presentations of Draft Plan to: Stakeholders, Parks and Recreation Commission, and Planning Commission for review, comment, and recommendations to the City Council. | 11/12 | <i>12/12</i> |
| 6. Adoption of Maintenance Plan by Council. | 12/12 | <i>1/13</i> |

Status Summary: 60% Complete. The following is a summary of accomplishments and important next steps for this goal.

Acquisition, Preservation and Protection of Open Space

1. Staff is participating in several acquisition efforts described above which are advancing satisfactorily. Foremost among these is the Goldtree acquisition project, which has taken a challenging new turn but is expected to be completed by the end of the fiscal year. Also, the Righetti property easements have been completed and recorded.
2. Two grant proposals for the Bob Jones Trail extension and for several riparian enhancement projects have been submitted to State agencies. Staff continue to work with the Central Coast Agriculture Network (CCAN) to develop a management agreement for the site. This agreement is expected to be presented to Council in the near future. In the meantime, a hay crop has been planted there.
3. The Irish Hills Conservation Plan was approved in July 2011. Staff has completed the jeep road decommissioning, a trail workday on November 12, 2011, and several other trail events since that time, resulting in the opening of approximately one mile of new trails. Two grant requests have been submitted to the State of California for additional trail work funding support and for riparian restoration along Froom Creek. Staff are awaiting word regarding the success of these applications.
4. A mitigation basin was installed at Johnson Ranch and construction of the skills area is moving forward at Stenner Springs.
5. New signage is currently being installed primarily at Irish Hills, and at the Highland Drive and Patricia Street trailheads as requested by residents.
6. Storm preparedness projects completed include: Andrews Street stormwater improvements; Park Street sewer line replacement; silt removal at Hollyhock Lane and Los Osos Valley Road; and new riparian plantings along the Bob Jones Trail.
7. “Winterization” work was completed and needs for next year are being identified and compiled. A greater effort to obtain necessary permits will be undertaken for 2012 to ensure that the silt removal work below Laguna Lake can be undertaken this summer.
8. The Reservoir Canyon Conservation Plan is underway, with a successful public workshop held on January 31, 2012 at the Ludwick Center. Staff is working with a Cal Poly graduate student to complete the Conservation Plan and begin the adoption process in May 2012.

Laguna Lake Maintenance Plan

- 1-2. Research is progressing on public and private grant and loan sources for financing of the project. Staff is investigating the permitting requirements for a variety of alternative sediment removal scenarios.
- 3-6. These work program items are expected to be completed on schedule.

OTHER IMPORTANT COUNCIL OBJECTIVES – INFRASTRUCTURE MAINTENANCE

INFRASTRUCTURE MAINTENANCE

Objective. Increase infrastructure maintenance and investment. Sustain an effective level of core existing infrastructure and proactively protect and maintain physical assets (such as the downtown, streets, bikeways, sidewalks, flood protection facilities, recreation facilities, City owned historic resources, and the urban forest). Infrastructure Maintenance is a designated Measure Y priority.

Action Plan

| Task | Current | Revised |
|--|---|----------------|
| Buildings and Facilities | | |
| 1. Exterior Painting of Parks and Recreation Building | Complete | |
| 2. Police Facility Air Volume Control Modifications | Complete | |
| 3. Fire Station #3 Engine Bay Slab Replacement | 6/13 | 11/12 |
| 4. City Hall Steps | 10/12 | 2/13 |
| Creek and Flood Protection | | |
| 1. Silt Removal | 10/12 | Complete |
| 2. Broad Street Bank Reinforcement Design | 6/13 | 10/14 |
| 3. Storm Drain Culvert Repair Design | 6/13 | 10/13 |
| 4. Storm Drain Pipe Replacement – Year 1 & Year 2 | Year 1 - Complete Year 2 – 6/13 | Year 2 – 11/12 |
| 5. Toro Street Bank Stabilization | 6/13 | 10/13 |
| Parking Services | | |
| 1. Marsh Street Parking Structure Painting | 6/13 | 12/13 |
| 2. Downtown Parking Lot Resurfacing Design | 6/13 | 11/13 |
| Parks & Public Places | | |
| 1. Playground Equipment Replacement | 6/13 | |
| 2. Meadow Park Roof Replacement | Complete | |
| 3. Warden Bridge Deck/Mission Plaza Walkway Rehabilitation | 6/13 | 4/13 |
| Streets | | |
| 1. Traffic Sign Maintenance Program – Year 1 & Year 2 | 6/12 & 6/13 | Year 1 - |

OTHER IMPORTANT COUNCIL OBJECTIVES – INFRASTRUCTURE MAINTENANCE

| Task | Current | Revised |
|--|--|---|
| | | <i>Complete</i> |
| 2. Pavement Maintenance – Year 1 & Year 2 | Year 1 - Complete Year 2 – 10/12 | <i>Year 2 - Complete</i> |
| 3. Sidewalk Repair – Year 1 & Year 2 | Year 1 – Complete Year 2 - 6/13 | |
| Wastewater | | |
| 1. Laguna Lift Station | 12/12 | <i>2/13</i> |
| 2. Calle Joaquin Lift Station Replacement | 12/13 | |
| 3. Wastewater Collection System Improvements – Year 1 & Year 2 | 6/12 & 6/13 | <i>Year 1 - Complete Year 2 – 12/12</i> |
| 4. Water Reclamation Facility Major Maintenance – Year 1 & Year 2 | 6/12 & 6/13 | <i>Year 1 - Complete</i> |
| Water | | |
| 1. Water Distribution System Improvements – Year 1 & Year 2 | 6/12 & 6/13 | <i>Year 1 – Complete</i> |
| Regular Maintenance | | |
| 1. Operating program regular maintenance through: Building, Flood Control, Golf Course, Landscape & Parks Maintenance, Natural Resources Protection, Parking Operations, Ranger Program, Reservoir Operations, Streets & Sidewalk, Swim Center, Traffic Signals & Lighting, Tree, Vehicle & Equipment, Wastewater Collection, Water Distribution, Water Reclamation Facility, Water Treatment | Ongoing | |

Status Summary: 40% Complete. The following is a summary of accomplishments and important next steps for this goal.

The Laguna Lift Station Replacement project is under construction. The Calle Joaquin Lift Station Replacement project is 50% complete with design. A Request for Proposals (RFP) for design services was approved by Council in August 2011, and a consultant is now under contract for both lift station projects. Construction of Calle Joaquin Lift Station has been rescheduled to summer 2013 because of the additional time needed for land acquisition and some unanticipated costs.

Several Water Distribution System Improvements projects have been completed. The trench repair Job Order Contract is currently in place and repairs are underway. Completion of the Water Reuse Automation Improvements is anticipated in July 2012. The Water Reuse Distribution Analysis is 100% complete.

All project work for the 2011-12 and 2012-13 Wastewater Collection System Improvements projects is underway. In November 2011, two projects began construction, one of which was combined with another project to maximize

OTHER IMPORTANT COUNCIL OBJECTIVES – INFRASTRUCTURE MAINTENANCE

efficiencies in design and construction. The last project is currently being constructed and anticipated to be complete by December 2012.

Playground equipment replacement work is completed at Meadow Park. Design work is on-going for Santa Rosa, Sinsheimer, Johnson, and Emerson parks. The Meadow Park Restroom Roof replacement is complete. Design work is ongoing on the Warden Bridge surface replacement.

Street paving work for 2011 and 2012 is complete. Design is underway for the 2013 Microsurfacing and Paving projects with construction scheduled in summer 2013. Sidewalk work is complete in Area 5. Work is underway in Area 6, scheduled for resurfacing work in summer of 2013.

Chorro Street paving work is complete.

Storm Drain Replacements Year 1 is finished with the completion of the storm drain work on Highland Drive. Storm Drain Replacements Year 2 is currently under construction and is estimated to finish in November 2012.

Downtown parking lot resurfacing design work is 50% complete.

OTHER IMPORTANT COUNCIL OBJECTIVES – PLANNING

PLANNING: UPDATE LAND USE AND CIRCULATION ELEMENTS

Objective. Within the scope of the Strategic Growth Council (SGC) Grant, undertake an update of the Land Use and Circulation Elements; including “Healthy Cities,” complete streets, and pedestrian circulation policies.

Action Plan

| Task | Current | Revised |
|---|----------|---------|
| 1. Develop request for proposals (RFP) for consultant services | Complete | |
| 2. Program initiation – Planning Commission and Council meetings | Complete | |
| 3. Task Force formation and public participation plan | Complete | |
| 4. Background report – current program evaluation, demographics, regulatory framework, interviews, and outreach | 9/12 | 11/12 |
| 5. EIR – environmental setting/existing conditions report | 9/12 | 11/12 |
| 6. Policy updates – community workshops | 11/12 | 2/13 |
| 7. New issues, including neighborhood identification, healthy cities, greenhouse gas reduction, pedestrian circulation, and complete streets policies and programs– community workshops | 1/13 | 3/13 |
| 8. Policy document – draft set of goals, policies and implementation measures | 8/13 | |
| 9. Land use plan recommendations – community workshops | 6/13 | |
| 10. Circulation plan recommendations – community workshops | 8/13 | |
| 11. EIR – project description and impact analysis including a fiscal analysis for the updated elements underway. Assemble all current downtown design guidelines and standards. | 12/13 | |

Status Summary: 25% Complete. The following is a summary of accomplishments and important next steps for this goal.

A consultant team was selected to help lead this grant-funded project and a contract was finalized in January 2012. Council selected 17 residents to serve on a task force to provide input to the process and their first meeting was held on April 18, 2012. The first public workshop was on May 16, 2012, and a survey modeled after the 1988 survey was distributed to all addresses in the City through April and May. Collection of data and evaluation of policy status for the elements is underway, and the web page www.slo2035.com has been launched to provide public access to all materials and dates associated with the effort. A neighborhood definition interactive program provided a starting point for neighborhood discussion and was the subject of the first community workshop. The topic of neighborhoods will be discussed in the background report. The background report chapters are being researched, assembled and then reviewed by a city staff team and the full report is anticipated to be publicly available in November 2012.

Two workshops, a series of six open houses, and five task force meetings have been hosted where topics such as neighborhoods, opportunities and challenges, “complete streets,” survey information and the update process have been discussed. The task force members have been active facilitators in public outreach events. A community visioning workshop will be held in December 2012.

OTHER IMPORTANT COUNCIL OBJECTIVES – PLANNING

Work extending beyond 2011-2013 is reflected in the chart below.

Action Plan 2013-2015

| Task | Original | Revised |
|---------------------------------------|----------|---------|
| 12. EIR – Public Review Draft Release | 1/14 | |
| 13. Draft EIR and General Plan Update | 1/14 | |
| 14. Public Workshops and Hearings | 2/14 | |
| 15. DEIR – Response to comments | 8/14 | |
| 16. Final EIR | 9/14 | |
| 17. Final General Plan | 11/14 | |

OTHER IMPORTANT COUNCIL OBJECTIVES – AFFORDABLE HOUSING / HOMELESS SERVICES

AFFORDABLE HOUSING/HOMELESS SERVICES

Objective. Continue to facilitate provision of affordable as well as market-rate housing and provide leadership in implementing the County’s 10-Year Plan to End Chronic Homelessness.

Action Plan

| Task | Current | Revised |
|--|---------|---------|
| 1. Seek grants to facilitate affordable housing projects. | Ongoing | |
| 2. Work with developers to include affordable housing units in projects and to complete housing projects in process. | Ongoing | |
| 3. Continue to implement Housing Element programs. | Ongoing | |
| 4. Look for new opportunities to use Affordable Housing Fund and grant monies to leverage other funds for affordable housing projects. | Ongoing | |
| 5. Work with service providers and the Homeless Services Oversight Council (HSOC) director to understand needs of homeless population. | Ongoing | |
| 6. Continue HSOC participation to further the implementation of the 10-Year Plan. | Ongoing | |

Status Summary: 63% Complete. The following is a summary of accomplishments and important next steps for this goal.

Affordable Housing

On September 5, 2012, the Human Relations Commission (HRC) held its combined Grants-In-Aid (GIA) and Community Development Block Grant (CDBG) community needs hearing. The purpose for the hearing is to inform the public about upcoming funding amounts and how to apply for grants, hear community views on grant funding needs, and recommend funding priorities. An audience of about 20 people attended the hearing and 13 speakers addressed a wide variety of community needs. The testimony provided indicated to the Commission and staff that difficult economic conditions continue to drive an increase in service needs. Representatives from non-profits who spoke pointed to an increase in demand for services including emergency shelter, transitional housing, hunger prevention, child care, health services, affordable housing and social programs, while funding at the state and local level has significantly decreased. The increase in demand along with a decrease in grant funding has strained providers’ ability to deliver core services. The service providers stressed the importance of the GIA and CDBG programs and encouraged the HRC to continue its support. The HRC reviewed the prior year CDBG funding priorities and decided to re-affirm the priorities without modification. On October 2, 2012, City Council approved CDBG funding priorities as recommended by the HRC for the 2013 Program Year. The City expects to receive approximately \$506,000 in CDBG funds for the upcoming year.

Staff completed several National Environmental Policy Act (NEPA) environmental review clearances for the City’s 2012 CDBG Program Year projects, including ADA street improvements, Tri-Counties Housing Corporation and Habitat for Humanity.

On March 20, 2012, Council authorized staff to apply to the State Department of Housing and Community Development (HCD) for Housing Related Park (HRP) grant funds. In July, HCD announced that the City was awarded the HRP grant in the amount of \$139,750. The grant amount is based on the number of new low income housing starts in 2011. The City

OTHER IMPORTANT COUNCIL OBJECTIVES – AFFORDABLE HOUSING / HOMELESS SERVICES

had two affordable housing projects that qualified during the designated program year, including Villages at Broad Street (2280 Emily Street) & Habitat for Humanity (1320 & 1324 Phillips Lane) with a total of 43 extremely-low, very-low and low income affordable units. The HRP grant program is designed to encourage cities and counties to develop new residential housing by rewarding those jurisdictions that approve housing for low income households. Funds from this grant program can be used for eligible parks and recreation projects that benefit the community. Council authorized use of the grant funds for the Santa Rosa Park playground replacement project, which will directly offset General Fund expenditures in the 2011-2013 Financial Plan. The project includes the removal of old play equipment and sand surfacing and installing new equipment, as well as providing an improved drainage system and compliant safety surfacing in this heavily used playground. The preliminary estimate of construction costs is approximately \$245,000. The project is currently in design phase with construction scheduled to begin in spring 2013 and completion expected in summer 2013.

Transitions Mental Health Association (TMHA) has approached the County to purchase the Sunny Acres building and surrounding property for a residential care facility use. The project would include a total of 35 single-room occupancy dwellings for low income residents with mental health illnesses. Thirteen of the units would be in the Sunny Acres building located in the Open Space land use designation on approximately 0.6 acres. The remaining 22 units would be located in three separate buildings constructed below the Sunny Acres building in the Low Density Residential land use designation on approximately 0.72 acres. The County's purchase agreement will require THMA to work with the City to preserve the building's exterior façade and ensure retention of the historic resource. On July 11, 2012, the Planning Commission, on a 7-0 vote, adopted a resolution that found the County's proposal in conformance with the General Plan. Staff is working the TMHA to explore various funding opportunities for pre-development costs of the facility.

Staff met with numerous developers and reviewed development projects for compliance with the City's Inclusionary Housing Program. The City received its first development proposal in the Orcutt Area Specific Plan. The development includes 146 dwelling units with a mix of affordability and housing types. The applicant is proposing approximately 25% of the units as affordable to very-low, low, and moderate income households. This level of dedication far exceeds the project's Inclusionary Housing requirement.

On October 2, 2012, Council approved an Affordable Housing Fund award for the Housing Trust Fund (HTF) in the amount of \$30,000. The HTF provides three key services that benefit affordable housing in the City of San Luis Obispo: 1) financing, 2) technical assistance and 3) advocacy. The HTF provides funding for affordable housing projects, including property acquisition, construction and refinancing. HTF staff also serve as a resource to City staff working with developers on affordable housing projects. The HTF was instrumental in facilitating the property acquisition component of the Village at Broad Street project, a 42-unit affordable housing project developed by ROEM Corporation, with a \$1.3 million loan. The HTF has also lent \$350,000 to the Housing Authority of San Luis Obispo (HASLO) to refinance the Marvin Gardens Apartments on Laurel Lane, helping to preserve that 24-unit affordable project. In August 2011, the HTF loaned \$360,000 to the Tri-Counties Community Housing Corporation to acquire three extremely-low income affordable housing units occupied by individuals with developmental disabilities on Hathway. In June 2012, the HTF committed a \$400,000 loan to the South Street Family Apartments, a 43-unit affordable rental apartment project proposed by ROEM Development Corporation. This funding commitment was designed specifically to help the project be more competitive for tax credits – a critical funding piece of this project's feasibility. The Affordable Housing Fund award improves the City's ability to facilitate affordable housing and provides technical assistance to City staff and developers of affordable housing in the City. Additionally, the award leverages significant additional funding from other sources.

The 1550 Madonna Road property (120-unit affordable housing project) received 4% tax credits and tax exempt bonds to acquire and rehabilitate the property and units. The project has received both planning and building permit approvals and construction is expected to start in the coming weeks with completion in spring 2013.

Staff completed several property reconveyances and subordination agreements for the City's Inclusionary Housing program. Since July 2012, staff expanded the Inclusionary Housing stock by securing 18 affordable rental housing units (16 low and 2 very-low income) through long-term affordability agreements. In an effort to assist HASLO, property

OTHER IMPORTANT COUNCIL OBJECTIVES – AFFORDABLE HOUSING / HOMELESS SERVICES

managers, and citizens pre-screen for income and asset eligibility, staff published affordable housing rental guidelines, which are posted on the City's Housing website and available at the Community Development Department front counter.

Work continued on updating Chapter 17.90 (Affordable Housing Incentives) of the Zoning Regulations to be consistent with State density bonus law. Staff expects to have the draft ordinance complete in winter 2013 with advisory body review in spring 2013.

The Community Development Department is preparing for the next Regional Housing Needs Allocation (RHNA), which will require an update to the City's Housing Element. The RHNA produced by the State Department of Housing and Community Development (HCD) identifies the projected housing needs in the region as part of the periodic updating of local housing elements of the General Plan. The San Luis Obispo Council of Governments (SLOCOG) works with staff from all seven cities and the County to distribute the regional housing assignment so that each jurisdiction can address their assigned units within their respective Housing Elements for the planning period January 1, 2014 to June 30, 2019. Staff will work with SLOCOG on the RHNA methodology committee as well as the community and HCD in order to make sure the Housing Element reflects local values and state mandates so that the City can once again ensure that its Housing Element can be certified by the state.

Staff continued efforts to implement an Affordable Housing Monitoring Program. Of the City's 240 Inclusionary Housing units, only two were determined to be out of compliance with the City's affordability agreements and Affordable Housing Standards. In August 2012, staff met on-site with property management representatives of the apartment complex to discuss how best to gain compliance. On October 4, 2012, staff met with the City Attorney to discuss "next steps." Based on follow-up discussion with property management representatives, staff is confident rents will be adjusted for the two outstanding units consistent with the City's Affordable Housing Standards in the coming weeks.

Homeless Services

On March 20, 2012, the City Council temporarily suspended enforcement of the requirements of Municipal Code Chapter 17.16.015 (Recreational vehicle as dwelling unit) and authorized Community Action Partnership of San Luis Obispo County, Inc. (CAPSLO) to operate a safe shelter pilot program for up to five vehicles for a portion of property located at 43 Prado Road. Council also directed staff to return within six months of program implementation to report on the success of the pilot program and consider changes to the Municipal Code to establish a permanent safe shelter ordinance. On June 22, 2012, CAPSLO implemented the six month pilot program that provides homeless persons with vehicles a safe place to temporarily park overnight with the goal of eventually transitioning them into permanent housing. On October 2, 2012, staff presented Council with findings from the pilot program and received direction regarding a permanent program. In summary, the pilot program is accomplishing its goal of providing a safe place for those living in their vehicles to sleep while working towards transitioning into permanent housing. Staff found that the pilot program has operated at or near the five vehicles capacity since initiated and program requirements have not deterred interest; participants have demonstrated progress towards securing permanent housing, and there was one Police call for service that resulted in an arrest. Based on Council direction to develop a permanent safe shelter ordinance, staff will: 1) continue to monitor the safe shelter pilot program for lessons learned (ongoing); 2) engage residents and stakeholders through a series of round table discussions and community workshops (fall 2012); 3) draft the ordinance (winter 2013); 4) facilitate the public hearing process and advisory body review (winter 2013); and 5) bring the ordinance to Council for review and consideration (spring 2013).

Staff is an active participant on the Homeless Services Working Group. This group is made up of representatives from the County, City and local social service providers. The group meets on a regular basis to discuss homeless issues and opportunities to better coordinate our approach to fill gaps in homeless services. Staff also meets regularly with CAPSLO staff to discuss the design, layout and programs proposed for the new Homeless Services Center.

Staff is actively involved with the 2013 Homeless Enumeration Report. The purpose of the report is to understand the extent and nature of homelessness, which allows the community to plan for needed programs and services, and to provide

OTHER IMPORTANT COUNCIL OBJECTIVES – AFFORDABLE HOUSING / HOMELESS SERVICES

data for required reporting to HUD. Staff is working with CAPSLO and a consultant team to make appropriate changes to some of the questions in the report to get relevant data on the City's homeless population and tailor services and programs to address current needs.

ADDRESS AS RESOURCES PERMIT

The following provides brief status reports on “Address as Resources Permit” objectives for 2011-13.

Climate Protection

Objective. Implement greenhouse gas reduction and Climate Action Plan. Conduct energy audits of all City facilities, increase energy conservation, invest in infrastructure which will save energy and funds in the future.

Status Summary: 75% Complete.

The Utilities Department is working on an energy efficiency project at the Water Reclamation Facility (WRF) that partners with Pacific Gas and Electric (PG&E) to reduce energy consumption, operating costs and greenhouse emissions. In January 2012, Council approved agreements with PG&E to complete a study and a portion of the design for energy efficiency measures at the WRF. Staff will return to Council in early 2013 with a recommendation for this project based on the completed study and preliminary design.

In addition, the Council approved a Climate Action Plan in July 2012 after substantial outreach and Planning Commission review and revision.

Parks and Recreation

Objective. Increase utilization of Damon-Garcia Sports Fields.

Status Summary: 85% Complete.

To address this Council objective, staff first established a project team in spring 2011. The project team consists of staff from Parks and Recreation and Public Works departments, members of the Parks and Recreation Commission, and representatives from both Youth and

Adult Turf Sports. The project team has met bi-monthly since May of 2011. The project team’s first step was to create a project plan with four main objectives: determine current field usage (including maintenance); determine ways to increase play; identify short term strategies; and identify longer term strategies. Based on permit records, the use of the Damon Garcia Sports Fields during calendar year 2010 was analyzed. For the

calendar year 2010, staff found that 1,395 hours of play by youth was scheduled, 419.5 hours by adults, 5,483 hours were needed for maintenance (including closures for restoration), and 31 days of play were rained out. 47,388 people were estimated to have been on the fields as spectators or participants.

Following the analysis of field usage, the project team determined that a stand of Bermuda grass should be planted on a portion of a field to determine definitively if it could (a) grow successfully in our cooler climate and (b) determine if it was more durable and therefore would result in less restoration time for the facilities longer term. The grass was planted during this summer’s renovation and a final determination of its success and failure will occur in spring 2012. Also following the analysis of field usage, additional hours of play have been scheduled for 2011-12. Ultimate Frisbee (for adults) has been added as has Lacrosse (for adults). Organized drop-in play was tested in the fall of 2011, occurring on Tuesdays from 12-2 p.m. With positive feedback from participants and staff, Thursday 12-2 p.m. drop-in play was also added to the schedule. Approximately 30 players are participating in this opportunity. Beginning in November 2011, a Thursday night practice for club soccer teams was added as another test for expanded play. These additional hours of play were based on a survey of over 125 users and non-users of the facility who staff sought information from about their use to better maximize facility usage.

To increase awareness of field uses and to better serve the public, a Google calendar has been created for the fields so that users can have ready access to the scheduled play at the facility. Staff continues to: monitor field conditions; survey (every other month) users about field conditions; and expand use of other facilities in the community for turf sports. As a result of the additional uses described above for 2011-12, permitted uses and additional drop-in and practice uses increased by 298 hours of permitted play (50 hours for youth and 248 hours for adults). This totaled a 16% increase from the prior year’s previously scheduled play.

In mid-May 2012, the Damon Garcia Sports Fields was closed for its annual renovation. Prior to that closure, a final survey of field conditions was taken by users to assist in the ongoing maintenance of the facility. Play for the 2012-13 season has begun with the re-opening of the renovated facility in August. Play levels are about the same as last season with a few increases in youth

ADDRESS AS RESOURCES PERMIT

practices on Tuesday and Thursday nights (new) and work with an additional adult soccer league to also play nights. Staff and the ad hoc committee members continue to work to identify opportunities for additional turf in the City. As always, the ideal balance between maintenance and use at Damon Garcia Sports Fields continues to be sought.

Historic Preservation

Objective. Continue to promote historic resource preservation opportunities and update Historic Resource Inventory.

Status Summary: 50% Complete.

The Cultural Heritage Committee (CHC) has been conducting historic survey work of a 10-block area adjacent to the Old Town and Railroad Historic Districts. This survey is the first of several that will bring the Citywide historic resources inventory up to date. The CHC sent letters to property owners and received input at several meetings regarding the process and how to proceed with the survey.

The CHC organized a subcommittee consisting of CHC members and Community Development staff to assist with the survey work. Detailed workbooks with State Historic Survey forms, guidelines, architectural details and training materials were provided to the subcommittee members to assist with the work effort. The CHC hearings in October through December 2011 were utilized to review survey results and identify potential historic resources. Seventy (70) properties within the survey area are currently being examined for potential listing. The CHC will forward the final survey results along with recommendations for historic listings to the City Council in winter 2012.

In December 2011, the City Council adopted a resolution to allow the City to move forward with an application to become a Certified Local Government (CLG). The CLG program facilitates a partnership between the City and the State Office of Historic Preservation (OHP), allowing for technical assistance, grant funding and collaboration. The application was accepted by OHP and approved in May 2012. This enabled the City to apply for grant funding during the 2012 grant cycle to develop a historic context for the City including a mid-century theme. The City was awarded a \$22,500 grant for this purpose and solicited

bids. Three proposals were received. These bids will be screened and evaluated, and a consultant hired by the beginning of November 2012.

CARRYOVER GOALS AND OBJECTIVES

The following summarizes the status of “carryover” Other Important Council Objectives from the 2009-11 and 2007-09 Financial Plans. In several cases, “carryover tasks” have been incorporated into the Major City Goals (or “Other Important Council Objectives”) for 2011-13, and as such, they are not repeated in this section.

OTHER IMPORTANT COUNCIL OBJECTIVES

Creek and Flood Protection

Objective. Advance Mid-Higuera flood protection improvements by seeking Zone 9 funding to complete design, obtain approvals and make progress toward construction as resources will allow.

Status Summary: 25% Complete. As recommended by the Zone 9 committee, the Board of Supervisors approved additional funding for preliminary design work to accompany the already completed technical studies necessary for the environmental document. The preliminary design work for the Mid-Higuera bypass flood control project, sponsored by Zone 9, is underway. The preliminary design has been presented to Zone 9 and at that time Zone 9 requested an increased project scope. City staff is working with County staff to develop a revised project scope and additional funding to complete the preliminary design. If additional funding is provided through Zone 9, the anticipated completion date for the preliminary design work is September 2013. Staff will continue to move this project forward as resources permit.

Skatepark

Objective. Develop plans and specifications and seek funding to construct a skate park.

Status Summary: 90% Complete. The skate park has received all of its discretionary approvals by City advisory bodies. The project is now in the final stages and 90% construction ready plans are presently under review by City staff.

In September 2011, staff submitted grant applications for Proposition 84 funding (2008 Statewide Park Development and Community Revitalization Program) in the amount of \$1.27 million and to the Stewardship

Council Infrastructure Fund for \$200,000. The City was not awarded either grant. Staff continue efforts to raise funds for the project through a variety of fundraisers including the ongoing “Buy a Brick Build a Dream” campaign for the park.

Airport Area Annexation

Objective. Annex the Airport Area.

Status Summary: 100% Complete for Phase 1A. The Local Agency Formation Commission (LAFCO) completed the annexation process for 626 acres associated with Phase 1A of the annexation area. The map and certificate of annexation was delivered to the State Board of Equalization and the land was officially added to the City boundary on July 25, 2008.

Discussion with property owners in the Phase 1B area was conducted in early 2009. The proposed development of the Chevron property will result in an amendment to the Airport Area Specific Plan (AASP). That project is in the Environmental Impact Report (EIR) preparation stage and City and County staff are collaborating in the review of the project. The administrative draft of the EIR, along with the scope of work for a financing plan, is underway. Annexation of the Chevron property will provide another key piece of the Airport Area annexation. Discussions with LAFCO staff have indicated that LAFCO would prefer the City pursue annexation of the entire remaining area including the San Luis Obispo County Regional Airport, but would support phased annexations as needed. This issue is significant because several areas of the AASP are not contiguous to existing City boundaries and the only way to bring those properties into the City will be to address the airport property itself. Including the airport may significantly alter the timing anticipated for Phase 1B.

Broad Street Corridor Plan

Objective. Adopt and implement a plan for South Broad Street corridor planning and improvements.

Status Summary: 80% Complete. The plan has been significantly revised after further evaluation revealed that overall densities associated with reducing development to address traffic impacts, would result in less development than currently allowed. Utilities staff worked with Wallace Group to evaluate waste collection

CARRYOVER GOALS AND OBJECTIVES

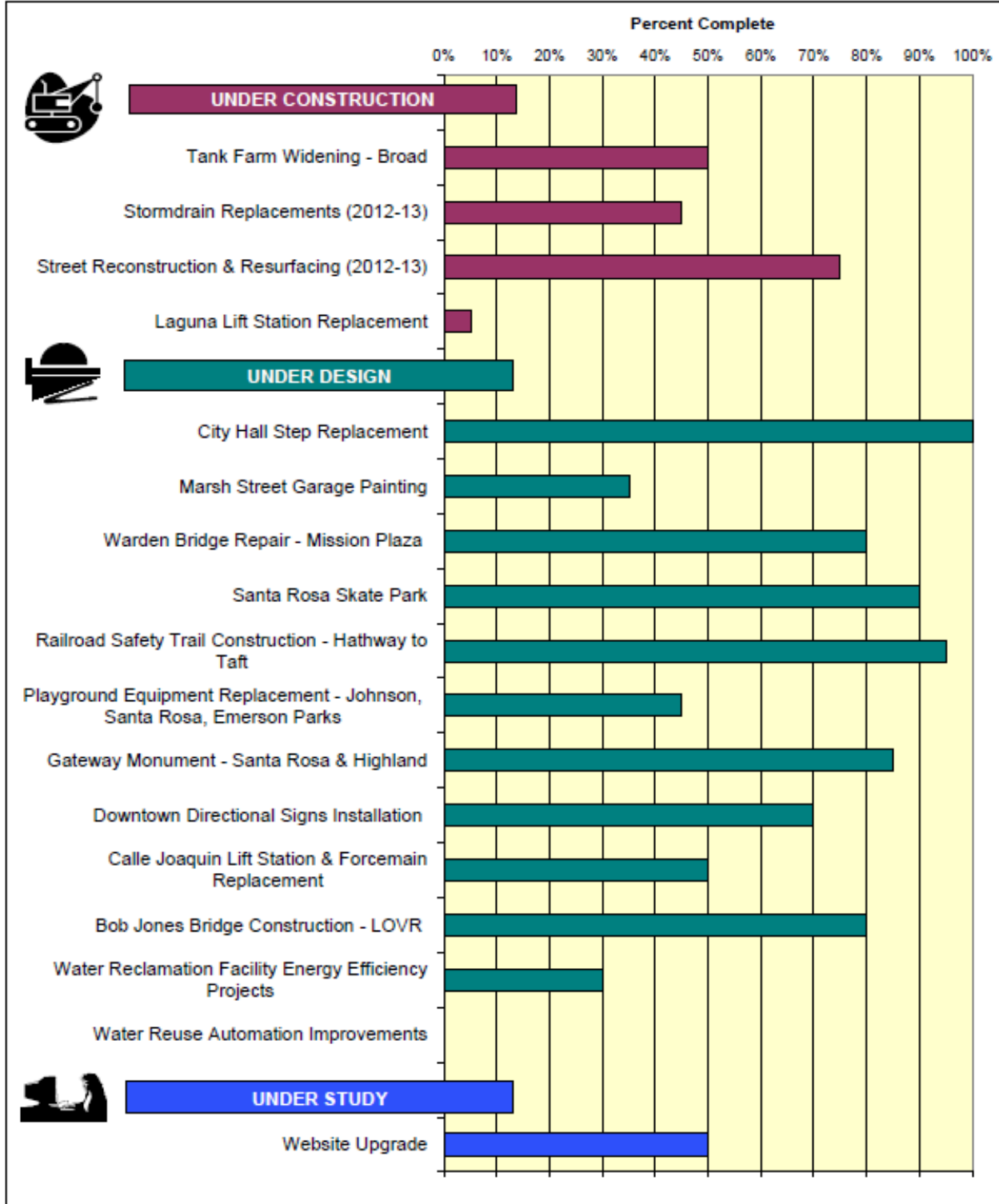
system capacity to ensure orderly development could occur. Staff revised the draft plan to achieve the project goal of mixed use and infill development. An Airport Land Use Commission sub-committee reviewed the draft plan with the project planner to assist with Airport density compliance determination. The infill densities envisioned appear to trigger significant traffic impacts at various intersections. Evaluation of project impacts will occur with the Environmental Impact Report (EIR) prepared for the General Plan update. Staff anticipates distributing the revised draft in winter 2013 for conceptual review by the public and the Planning Commission.

status of major cip projects



2012-13: First Update

As of October 1, 2012



Section 8.2

Background Materials

Status Reports from November 13, 2012 Workshop

STATUS OF CURRENT CIP PROJECTS

STATUS OF CURRENT CIP PROJECTS

As of October 1, 2012

city of san luis obispo

STATUS OF CIP PROJECTS
As of October 1, 2012

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STATUS REPORTS

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| Major CIP Projects | 3 |
| All CIP Projects | |
| Construction or Acquisition Completed | 4 |
| Construction or Acquisition in Progress | 7 |
| Design Completed: In Bid Process | 11 |
| In Design | 12 |
| Under Study | 14 |

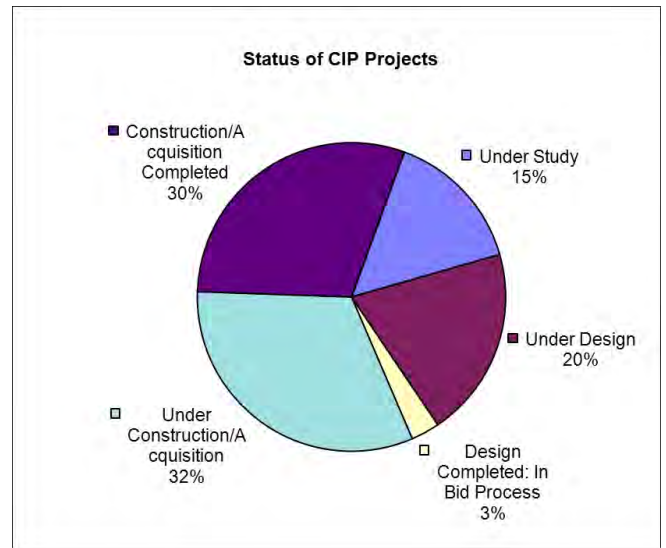
INTRODUCTION

OVERVIEW

The purpose of this report is to provide the Council with a concise yet comprehensive summary of the status of the City's Capital Improvement Plan (CIP) projects.

As discussed in greater detail below, we are making excellent progress in achieving our CIP goals: of 186 projects that have been financially active in 2012-13:

1. 62% (114) are either completed or under construction.
2. 3% (6) are in the bid process.
3. 20% (38) are under design.
4. 15% (28) are under study, in many cases with preliminary work completed and now ready for the design phase.



REPORT ORGANIZATION

Status of Major City Projects

This one-page chart concisely presents the status of our progress to-date on 17 major CIP projects by presenting the “percent complete” based on the phase that it is in: construction, design or study.

Status of All CIP Projects

This report summarizes the status of all 186 CIP projects with financial activity in 2012-13 organized as follows:

Project Status. Projects are first presented in one of five “phase” categories:

1. Under study
2. Under design
3. Design completed: in the bid process
4. Construction or acquisition in progress
5. Construction or acquisition completed

Each project shows the “percent complete” within the phase along with the year that the Council approved funding for that phase.

Primary Funding Source. Within the “phase,” projects are then presented by their primary funding source:

INTRODUCTION

1. Capital Outlay Fund (Along with grant funds, the General Fund is the primary funding source for this fund.)
2. Community Development Block Grant (CDBG) Fund
3. Law Enforcement Grant Fund
4. Public Art In-Lieu (Private Sector)
5. Transportation Impact Fee Fund
6. Los Osos Valley Road Impact Fee Fund
7. Airport Area Impact Fee Fund
8. Affordable Housing Fund
9. Open Space Protection Fund
10. Parkland Development Fund
11. Fleet Replacement Fund (Along with interest earnings and sale of surplus property, the General Fund is the primary funding source for this fund.)
12. Water Fund
13. Sewer Fund
14. Parking Fund
15. Transit Fund
16. Whale Rock Reservoir Fund

Within each fund, projects are organized by functional area: public safety, public utilities; transportation; leisure, cultural and social services; community development; and general government.

Priority Criteria. For each project, we have provided information about the “high priority” criteria used by the CIP Review Committee in initially evaluating CIP budget requests before recommending them to the City Manager for approval by the Council:

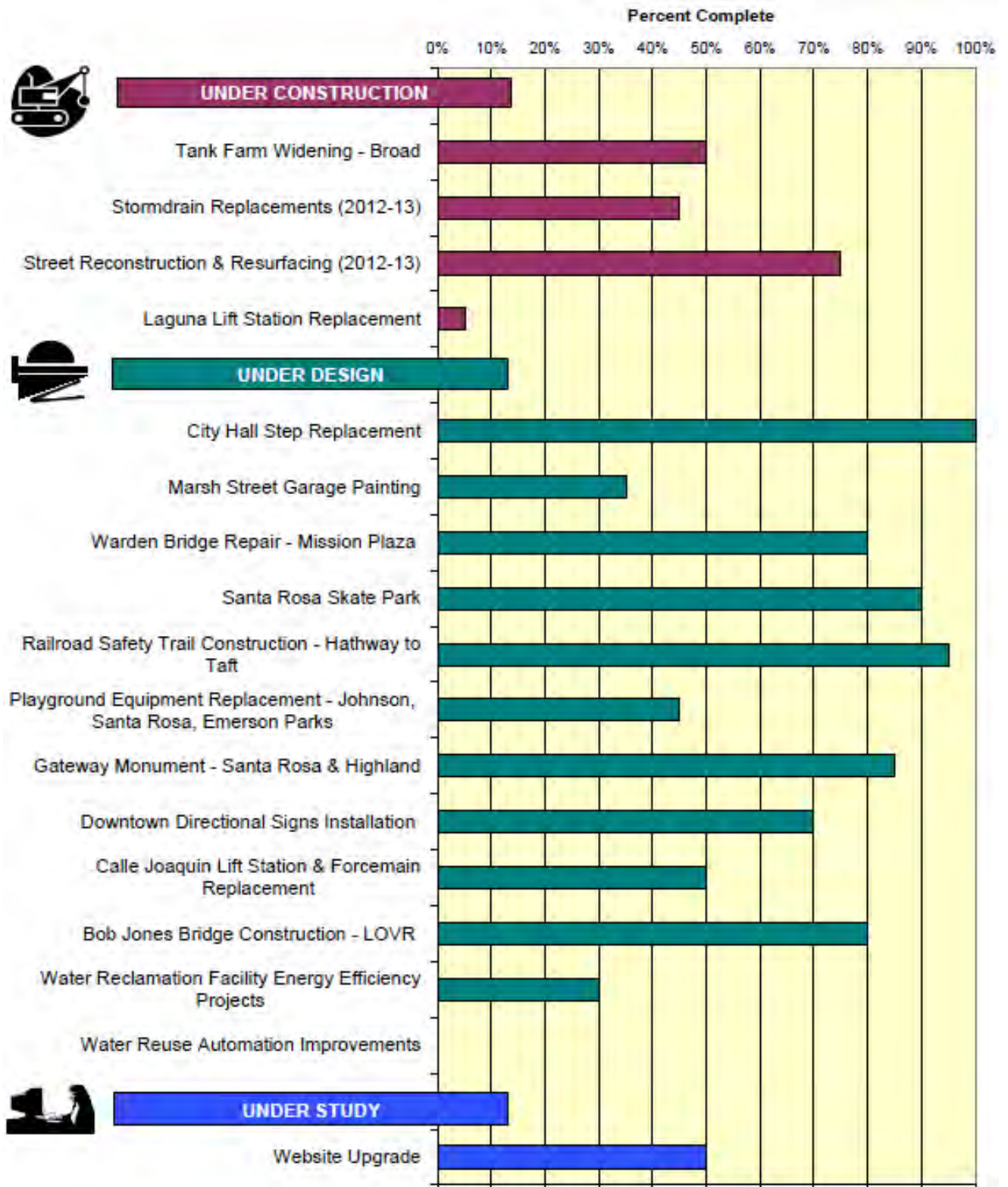
1. Does it help achieve a Major City Goal?
2. Is the project needed to meet significant public health or safety concerns?
3. Is there significant outside funding?
4. Is it needed to adequately maintain, repair or replace existing infrastructure, facilities or equipment?
5. Will it result in significant operating cost savings or productivity improvements?
6. Is it required to meet state or federal mandates?
7. Is it needed to meet the City’s public art policy or funded through the private sector public art in-lieu fee?

FINDINGS

As reflected in this summary, every project meets at least one of the “high priority” criteria (and many meet more than one). This is not surprising, given the high level of scrutiny that each received before being approved by the Council, and the detailed reviews that we have already undertaken in our efforts to allocate CIP funding to high priority needs.

Based on our detailed review of the status of our CIP and priority criteria, no projects surfaced as candidates for deferral or deletion at this time. Nonetheless, undertaking this type of detailed review on an ongoing basis is an important part of effective CIP management.

CIP STATUS AS OF OCTOBER 1, 2012



CIP STATUS REPORT

| | Phase Percent Complete | Year Phase Approved By Council | Project Priority Criteria | | | | | | | |
|---|------------------------|--------------------------------|---------------------------|---|--|---|-----------------------------|------------------------------|-------------------|--|
| | | | Major City Goal | Significant Public Health or Safety Concern | Maintenance of Existing Infrastructure Facilities or Equipment | Significant Oper Cost Savings/ Productivity Imprvmnts | Significant Outside Funding | Federal or State Requirement | Public Art Policy | Other Priority Factors (See Notes Below) |
| COMPLETED PROJECTS | | | | | | | | | | |
| Airport Area Impact Fee Fund | | | | | | | | | | |
| Community Development | | | | | | | | | | |
| AASP Update | 100% | | | | | | | | | |
| Capital Outlay Fund | | | | | | | | | | |
| Public Safety | | | | | | | | | | |
| PD On Duty Weapons | 100% | 2008 | | | | | | x | | |
| Fire Station Alert System | 100% | 2008 | | x | x | | | | | |
| Transportation: Streets | | | | | | | | | | |
| Orcutt Rd Widening | 100% | 2007 | x | | | | | x | | |
| Osos/Santa Rosa Traffic Signal | 100% | 2007 | | | x | | | | | |
| Street Rconst 2011 | 100% | 2011 | x | | x | | | | | |
| Microsurfacing 2011 | 100% | 2011 | x | | x | | | | | |
| Chorro St R&R | 100% | 2011 | x | | x | | | | | |
| Walnut/Osos Drain Rep | 100% | 2011 | | | x | | | | | |
| Traffic Safety Report 2012 | 100% | n/a | | | | | | | | |
| Foothill/Tassajara Improvements | 100% | 2008 | | | x | | | | | |
| Grand/Hwy 101 NB Signalization | 100% | 2008 | | | | | | x | | |
| Hwy 1/Santa Rosa MIS | 100% | 2010 | | | | | | | | |
| Transportation: Creek & Flood Protection | | | | | | | | | | |
| Foothill Blvd Bridge | 100% | 2000 | | x | x | | | x | | |
| Higuera CMP Replacement | 100% | 2008 | x | | x | | | | | |
| Highland SD replacement | 100% | 2010 | x | | x | | | | | |
| Monterey SD replacement | 100% | 2010 | x | | x | | | | | |
| Transportation: Pedestrian Improvements | | | | | | | | | | |
| ADA Improvements | 100% | 2005 | | | x | | | | x | |
| Curb Ramp 2011 Project | 100% | 2011 | | | x | | | | | |
| Transportation: Bikeway Improvements | | | | | | | | | | |
| RRST Phase 4A | 100% | 2008 | | | x | | | x | | |
| Bob Jones Trail Bridge Connections | 100% | 2003 | | | | | | x | | |
| LOVR Srts Bike Path | 100% | 2007 | x | | | | | | | |
| Transportation: Transit | | | | | | | | | | |
| Particulate Matter Traps | 100% | 2011 | | | | | | | | |
| Leisure, Cultural & Social Services | | | | | | | | | | |
| Play Equipment Replace Meadow Pk | 100% | 2007 | | | x | | | | x | |
| Golf Concrete Walkway | 100% | 2009 | | | x | | | | | |
| Ext Paint PR Building | 100% | 2009 | | | x | | | | | |
| SPRR Freight Warehouse | 100% | 2009 | | | x | | | | | |

CIP STATUS REPORT

| | Phase Percent Complete | Year Phase Approved By Council | Project Priority Criteria | | | | | | | |
|---|------------------------|--------------------------------|---------------------------|---|--|---|-----------------------------|------------------------------|-------------------|--|
| | | | Major City Goal | Significant Public Health or Safety Concern | Maintenance of Existing Infrastructure Facilities or Equipment | Significant Oper Cost Savings/ Productivity Imprvmnts | Significant Outside Funding | Federal or State Requirement | Public Art Policy | Other Priority Factors (See Notes Below) |
| Community Development | | | | | | | | | | |
| City to Sea Greenway | 100% | 2004 | | | | | | | | |
| General Government | | | | | | | | | | |
| MS Office Replacement | 100% | 2011 | | | x | | | | | |
| Fleet Replacement Fund | | | | | | | | | | |
| Transportation: Transit | | | | | | | | | | |
| Particulate Matter Traps | 100% | 2011 | | | | | | | | |
| Law Enforcement Grant Fund | | | | | | | | | | |
| Public Safety | | | | | | | | | | |
| Mobile Radar Units | 100% | 2012 | | x | x | | | | | |
| Open Space Protection Fund | | | | | | | | | | |
| Community Development | | | | | | | | | | |
| Open Space Protection | 100% | 2007 | | | | | x | | | |
| Parking Fund | | | | | | | | | | |
| Transportation: Parking | | | | | | | | | | |
| Archaeological Study Garage Artifact | 100% | 2005 | | | | | | x | | |
| Parking Meter | 100% | 2002 | | | x | | | | | PW4 |
| DT Parking Sign Repl | 100% | 2011 | | | x | | | | | PW1 |
| General Government | | | | | | | | | | |
| Copeland Downtown Archeology | 100% | | | | | | | | | |
| MS Office Replacement | 100% | 2011 | | | x | | | | | |
| Parkland Development Fund | | | | | | | | | | |
| Leisure, Cultural & Social Services | | | | | | | | | | |
| Play Equip Repl - Meadow Pk | 100% | 2007 | | | x | | | x | | |
| Community Development | | | | | | | | | | |
| Open Space Acquisition | 100% | 2007 | | | | | | | | |
| Public Art Fund (Private Sector Contributions) | | | | | | | | | | |
| Leisure, Cultural & Social Services | | | | | | | | | | |
| Buena Vista/Monterey Public Art | 100% | 2007 | | | | | | | x | |
| Oh Great Spirit | 100% | 2010 | | | | | | | x | |
| Utility Box Beautification | 100% | 2010/12 | | | | | | | x | |
| Sewer Fund | | | | | | | | | | |
| Public Utilities | | | | | | | | | | |
| Park Ave Sewerline | 100% | n/a | | | x | | | | | |
| Sewer Repl at RR Xing | 100% | 2010 | | | x | | | | | |
| Southwood Sewer Replacement | 100% | n/a | | | x | | | | | |
| WRF Roof Repairs | 100% | n/a | | | x | | | | | |

CIP STATUS REPORT

| | Phase Percent Complete | Year Phase Approved By Council | Project Priority Criteria | | | | | | | |
|---|------------------------|--------------------------------|---------------------------|---|--|---|-----------------------------|------------------------------|-------------------|--|
| | | | Major City Goal | Significant Public Health or Safety Concern | Maintenance of Existing Infrastructure Facilities or Equipment | Significant Oper Cost Savings/Productivity Imprvmts | Significant Outside Funding | Federal or State Requirement | Public Art Policy | Other Priority Factors (See Notes Below) |
| Transportation: Streets | | | | | | | | | | |
| Street R&R 2012 | 100% | 2011 | | | x | | | | | |
| General Government | | | | | | | | | | |
| UB System Upgrade | 100% | 2011 | | | x | | | | | |
| Transit Fund | | | | | | | | | | |
| Transportation: Transit | | | | | | | | | | |
| Transit Facility Improv | 100% | 2010 | | | x | | | | | |
| Downtown Trans Coord Ctr Study | 100% | 2010 | | | | | | | | |
| Transit Radio Replace | 100% | 2010 | | | x | | x | | | |
| Bus Replacement (9823) | 100% | 2011 | | | x | | x | | | |
| General Government | | | | | | | | | | |
| MS Office Replacement | 100% | 2011 | | | x | | | | | |
| Transportation Impact Fee Fund | | | | | | | | | | |
| Transportation: Streets | | | | | | | | | | |
| Street Reconstruction 2011 | 100% | 2011 | | | x | | | | | |
| Microsurfacing 2011 | 100% | 2011 | | | x | | | | | |
| Microsurfacing Summer 2012 | 100% | 2011 | | | x | | | | | |
| Orcutt Rd Widening | 100% | 2007 | x | | x | | x | | | |
| City Traffic Counts 2012 | 100% | n/a | | | | | | | | |
| Transportation: Bikeway Improvements | | | | | | | | | | |
| RR Safety Trail Phase 4 | 100% | 2007 | x | | | | | | | |
| RR Safety Trail Phase 4A | 100% | 2008 | | | | | x | | | |
| RR Bike Path Phase II | 100% | 2000 | x | | | | | | | |
| Bicycle Projects | 100% | 1999 | x | x | x | | | | | |
| Water Fund | | | | | | | | | | |
| Public Utilities | | | | | | | | | | |
| Raw Waterline Recoat | 100% | 2012 | | | x | | | | | |
| Transportation: Streets | | | | | | | | | | |
| Street R&R 2012 | 100% | 2011 | | | x | | | | | |
| Transportation: Bikeway Improvements | | | | | | | | | | |
| LOVR Srts Bike Path | 100% | 2011 | | | x | | | | | |
| General Government | | | | | | | | | | |
| UB System Upgrade | 100% | 2011 | | | x | | | | | |

CIP STATUS REPORT

| | Phase Percent Complete | Year Phase Approved By Council | Project Priority Criteria | | | | | | | |
|---|------------------------|--------------------------------|---------------------------|---|--|---|-----------------------------|------------------------------|-------------------|--|
| | | | Major City Goal | Significant Public Health or Safety Concern | Maintenance of Existing Infrastructure Facilities or Equipment | Significant Oper Cost Savings/ Productivity Imprvmnts | Significant Outside Funding | Federal or State Requirement | Public Art Policy | Other Priority Factors (See Notes Below) |
| UNDER CONSTRUCTION/ACQUISITION | | | | | | | | | | |
| Airport Area Impact Fees Fund | | | | | | | | | | |
| Transportation: Streets | | | | | | | | | | |
| Tank Farm Broad Intersect | 75% | 2005 | x | | x | | | | | |
| Capital Outlay Fund | | | | | | | | | | |
| Public Safety | | | | | | | | | | |
| CAD Server Replacement | 95% | 2011 | | | x | | | | | |
| FS3 Engine Bay Slab | 100% | 2012 | | | x | | | | | |
| Thermal Image Camera | 75% | 2011 | | x | x | | x | | | |
| Transportation: Streets | | | | | | | | | | |
| Master Acct Street R & R | n/a | 2007 | x | | x | | | | | PW2 |
| Master Acc't Neighbor Traf Mgmt | n/a | 2007 | | x | | | | | | PW2 |
| Downtown Imp 09-10 | 100% | 2010 | | | x | | | | | |
| Downtown Beautification | 100% | 2010 | x | | x | | | | | |
| Tank Farm Broad Interchange | 50% | 2005 | x | | x | | | | | |
| St Light Repl - Broad S | 95% | 2009 | | | x | | | | | |
| Street R&R 2012 | 100% | 2011 | | | x | | | | | |
| Microsurfacing Summer 2012 | 100% | 2011 | | | x | | | | | |
| Traffic Safety Report Improv | 75% | 2003 | | x | | | | | | |
| General Traffic\ Signal Improvements | 5% | 2008 | | | x | | | | | |
| Traffic Signal Modifications | 5% | 2010 | | | | | | | | |
| Traffic Safety Report Improv | 75% | 2003 | | x | | | | | | |
| Transportation: Creek & Flood Protection | | | | | | | | | | |
| Andrews Bypass | 99% | 2005 | x | | x | | | | | PW1 |
| Master Acc't CMP Replacement | n/a | 2007 | x | | x | | | | | PW2 |
| Silt Removal | n/a | 2007 | x | | x | | x | | | PW2 |
| Storm Drain Replacment Var Loc | 70% | 2010 | x | | x | | | | | |
| Silt Removal - Various Loc | 100% | 2011 | | | x | | | | | |
| Transportation: Pedestrian Improvements | | | | | | | | | | |
| Master Acc't Sidewalk Repair | n/a | 2011 | | | x | | | | | PW2 |
| Master Acc't Sidewalk Access | n/a | 2007 | | | x | | | | | PW2 |
| Safe Rte 2 School Phase 2 | 100% | 2010 | | | | | x | | | |
| Leisure, Cultural & Social Services | | | | | | | | | | |
| PR Admin Software Replacement | 70% | 2009 | | | x | | | | | |
| Play Equip Replacement | n/a | 2009 | | | x | | | | | |
| Golf Course Tree Removal & Replacem | 60% | 2001 | | | x | | | | | |
| Fountain @ Marsh/Higuera Art | 50% | 2005/07 | | | | | | | x | |
| Irrigation Control Repairs | 70% | 2007 | | | x | x | | | | |

CIP STATUS REPORT

| | Phase Percent Complete | Year Phase Approved By Council | Project Priority Criteria | | | | | | | | Other Priority Factors (See Notes Below) |
|---|------------------------|--------------------------------|---------------------------|---|--|--|-----------------------------|------------------------------|-------------------|------|--|
| | | | Major City Goal | Significant Public Health or Safety Concern | Maintenance of Existing Infrastructure Facilities or Equipment | Significant Oper Cost Savings/Productivity Imprvmnts | Significant Outside Funding | Federal or State Requirement | Public Art Policy | | |
| Sewer Fund | | | | | | | | | | | |
| Public Utilities | | | | | | | | | | | |
| Collection System Improvements | n/a | n/a | | | x | | | | | UT 1 | |
| Sewer Siphon Upgrade | 90% | 2012 | | | x | | | | | | |
| Mid-Hig Impr Project | 85% | 2012 | | | x | | | | | | |
| Tank Farm Broad Interchange | 25% | 2011 | | | x | | | | | | |
| Sewerline Impr 09-10 | 60% | | | | x | | | | | | |
| Sewer Liners 2011 | 100% | | | | x | | | | | | |
| Major Equipment Replacement | n/a | n/a | | | x | | | | | UT 1 | |
| Laguna Lift Station Repl | | 2012 | | | x | | | | | | |
| WRF Major Maintenance | n/a | n/a | | | x | | | | | UT 1 | |
| General Government | | | | | | | | | | | |
| Laserfiche | 80% | 2010 | | | x | x | | | | | |
| Fox Pro Replacement | 80% | 2010 | | | x | | | | | | |
| Utilities Asset Management System | 75% | 2012 | | | x | | | | | | |
| Transit Fund | | | | | | | | | | | |
| Transportation: Transit | | | | | | | | | | | |
| Bus Maintenance Facility Ex | 90% | 2007 | | | x | | | | | | |
| Bus Stop Improvements | 80% | 2010 | | | x | | x | | | | |
| Staff Vehicle Repl-VAN | 97% | 2010 | | | x | | | | | | |
| Bus Cap Engine Rehab | 86% | 2011 | | | x | | | | | | |
| General Government | | | | | | | | | | | |
| Laserfiche | 80% | 2010 | | | x | x | | | | | |
| Fox Pro Replacement | 80% | 2010 | | | x | | | | | | |
| Transportation Impact Fee Fund | | | | | | | | | | | |
| Transportation: Streets | | | | | | | | | | | |
| Tank Farm Broad Interchange | 50% | 2005 | | | x | | | | | | |
| Traffic Safety Report Improvements | 80% | 2003 | | x | | | | | | | |
| Traffic Model Update | 90% | 2010 | x | | | | | | | | |
| Transportation: Bikeway Improvements | | | | | | | | | | | |
| LOVR Srts Bike Path | 100% | 2009 | | | | | x | | | | |
| Water Fund | | | | | | | | | | | |
| Public Safety | | | | | | | | | | | |
| Fire Lateral Reim | n/a | n/a | | | x | | | | | | |
| Public Utilities | | | | | | | | | | | |
| Reuse Hig-Margarita | 100% | 2008 | | | x | | | | | UT 2 | |
| Water Meters and AMR | 98% | 2010 | | | x | | | | | | |
| Raise Valve Covers | n/a | n/a | | | x | | | | | | |
| Tank Maintenance | 10% | 2012 | | | x | | | | | | |
| Wtr Trmt Major Equip Maint | n/a | n/a | | | x | | | | | UT 1 | |

CIP STATUS REPORT

| | Phase Percent Complete | Year Phase Approved By Council | Project Priority Criteria | | | | | | | |
|-----------------------------------|------------------------------|---|---------------------------|---|--|--|-----------------------------------|------------------------------------|-------------------------|--|
| | | | Major City Goal | Significant Public Health or Safety Concern | Maintenance of Existing Infrastructure Facilities or Equipment | Significant Oper Cost Savings/ Productivity Imprvmts | Significant Outside Funding | Federal or State Requirement | Public Art Policy | Other Priority Factors (See Notes Below) |
| Transportation: Streets | | | | | | | | | | |
| Mid-Hig Impr Project | 85% | 2012 | | | X | | | | | |
| Tank Farm Broad Interchange | 25% | 2011 | | | X | | | | | |
| Trench Repair | n/a | n/a | | | X | | | | | |
| General Government | | | | | | | | | | |
| Laserfiche | 80% | 2010 | | | X | X | | | | |
| Fox Pro Replacement | 80% | 2010 | | | X | | | | | |
| Utilities Asset Management System | 75% | 2012 | | | X | | | | | |

CIP STATUS REPORT

| | Phase Percent Complete | Year Phase Approved By Council | Project Priority Criteria | | | | | | | |
|--|------------------------------|---|---------------------------|---|--|---|-----------------------------------|------------------------------------|-------------------------|--|
| | | | Major City Goal | Significant Public Health or Safety Concern | Maintenance of Existing Infrastructure Facilities or Equipment | Significant Oper Cost Savings/ Productivity Imprvmnts | Significant Outside Funding | Federal or State Requirement | Public Art Policy | Other Priority Factors (See Notes Below) |
| DESIGN COMPLETED: IN BID PROCESS | | | | | | | | | | |
| Fleet Replacement Fund | | | | | | | | | | |
| Public Safety | | | | | | | | | | |
| PD Marked Patrol Sedans | 75% | 2010 | | | x | | | | | |
| Public Art Fund (Private Sector Contributions) | | | | | | | | | | |
| Leisure, Cultural & Social Services | | | | | | | | | | |
| Library Mural Project | 50% | 2012 | | | | | | | x | |
| Transit Fund | | | | | | | | | | |
| Transportation: Transit | | | | | | | | | | |
| Bus Replacement (9710) | 50% | 2011 | | | x | | | | | |
| Bus Replacement (9824) | 50% | 2011 | | | x | | x | | | |
| Transportation Impact Fee Fund | | | | | | | | | | |
| Transportation: Streets | | | | | | | | | | |
| Higuera Widening @ Marsh/High | 100% | 1999 | x | | x | | | | | |
| Transportation: Pedestrian & Bikeway Improvements | | | | | | | | | | |
| Bicycle Facility Improv | 80% | 2007 | x | x | x | x | | | | |

CIP STATUS REPORT

| | Phase Percent Complete | Year Phase Approved By Council | Project Priority Criteria | | | | | | | | Other Priority Factors (See Notes Below) |
|--|------------------------------|---|---------------------------|---|--|---|-----------------------------------|------------------------------------|-------------------------|--|--|
| | | | Major City Goal | Significant Public Health or Safety Concern | Maintenance of Existing Infrastructure Facilities or Equipment | Significant Oper Cost Savings/ Productivity Imprvmnts | Significant Outside Funding | Federal or State Requirement | Public Art Policy | | |
| UNDER DESIGN | | | | | | | | | | | |
| Capital Outlay Fund | | | | | | | | | | | |
| Public Safety | | | | | | | | | | | |
| Cardiac Monitor Replacement | 5% | 2012 | | x | x | | | | | | |
| Transportation: Streets | | | | | | | | | | | |
| Street Sign Maintenance | 40% | 2009 | | | x | | | | | | |
| Directional Sign Program | 60% | 2007 | | | | | | | | | |
| Hwy 227 Signal Upgrades | 50% | 2008 | | | x | | | | | | |
| Traffic Oper Rept Implm | 80% | 2009 | | | | | | | | | |
| Transportation: Creek & Flood Protection | | | | | | | | | | | |
| Toro St CK Bank Stabil | 60% | 2005 | | | x | | | x | | | |
| Storm Drain Culverts | 50% | 2007 | | | x | | | x | | | |
| Bishop-Augusta Creek Bank | 20% | 2008 | | | x | | | | | | |
| Flood Plan Phase II | 100% | 2008 | | | | | | | | | |
| Toro St Bank Stabil | 60% | 2011 | | | x | | | | | | |
| Broad Street Bank Reinfor | 5% | 2011 | | | x | | | | | | |
| Transportation: Pedestrian Improvements | | | | | | | | | | | |
| Warden/Mission Walkway | 90% | 2011 | | | x | | | | | | |
| Safe Rte 2 School Phase 2 | 100% | 2010 | | | | | x | | | | |
| Transportation: Pedestrian & Bikeway Improvements | | | | | | | | | | | |
| Bob Jones Trail Connection | 80% | 2011 | | | | | x | | | | |
| Leisure, Cultural & Social Services | | | | | | | | | | | |
| Sinsheimer Equipment Replacement | 20% | 2007 | | | x | | | x | | | |
| Skate Park Improvements | 90% | 2008 | x | | | | | | | | |
| Play Equipment Replace Johnson Pk | 40% | 2010 | | | x | | | x | | | |
| Play Equipment Replace Santa Rosa | 65% | 2010 | | | x | | | x | | | |
| Play Equipment Replace Emerson Park | 45% | 2010 | | | x | | | x | | | |
| Pool Boiler Replacement | 50% | 2012 | x | | x | | | | | | |
| City Gateways | 75% | 2007 | x | | | | x | | | | |
| General Government | | | | | | | | | | | |
| City Website Upgrade | 20% | 2011 | | | x | | | | | | |
| Wireless Net Infr Rep | 100% | 2011 | | | x | | | | | | |
| City Hall Entry Steps | 100% | 2011 | | | x | | | | | | |
| Community Development Block Grant Fund | | | | | | | | | | | |
| Transportation: Pedestrian Improvements | | | | | | | | | | | |
| CDBG Curb Ramps 2011 | 35% | 2011 | | | x | | x | x | | | |
| LOVR Impact Fee Area Fund | | | | | | | | | | | |
| Transportation: Streets | | | | | | | | | | | |
| Costco LOVR Reimb | 50% | 2003 | x | | | | | | | | |
| LOVR/HWY 101 Interchange | 40% | 2003 | x | | | | | | | | |

CIP STATUS REPORT

| | Phase Percent Complete | Year Phase Approved By Council | Project Priority Criteria | | | | | | | |
|--|------------------------|--------------------------------|---------------------------|---|--|--|-----------------------------|------------------------------|-------------------|--|
| | | | Major City Goal | Significant Public Health or Safety Concern | Maintenance of Existing Infrastructure Facilities or Equipment | Significant Oper Cost Savings/Productivity Imprvmnts | Significant Outside Funding | Federal or State Requirement | Public Art Policy | Other Priority Factors (See Notes Below) |
| Parking Fund | | | | | | | | | | |
| Transportation: Parking | | | | | | | | | | |
| Parking Lot Reseal/Resurface | 90% | 2010 | | | X | | | | | |
| Marsh Street Paint - Phase 2 | 35% | 2011 | | | X | | | | | |
| Marsh Street Paint - Phase 2 | 35% | 2011 | | | X | | | | | |
| General Government | | | | | | | | | | |
| City Website Upgrade | 20% | 2011 | | | X | | | | | |
| Parkland Development Fund | | | | | | | | | | |
| Leisure, Cultural & Social Services | | | | | | | | | | |
| Skate Park Improvement | 90% | 2008 | | | X | | | | | |
| Sewer Fund | | | | | | | | | | |
| Public Utilities | | | | | | | | | | |
| Calle Joaquin Lift Station | | 2011 | | | X | | | | | |
| WRF Energy Efficiency | 85% | 2011 | | | | X | | | | |
| General Government | | | | | | | | | | |
| City Website Upgrade | 20% | 2011 | | | X | | | | | |
| Transit Fund | | | | | | | | | | |
| General Government | | | | | | | | | | |
| City Website Upgrade | 20% | 2011 | | | X | | | | | |
| Transportation Impact Fee Fund | | | | | | | | | | |
| Transportation: Streets | | | | | | | | | | |
| LOVR/Hwy 101 Interchange | 40% | 2003 | X | | | | | | | |
| Traffic Volume Counts | 60% | 2009 | | | | | | X | | |
| LOVR Interchange | 40% | 2003 | | | | | X | | | |
| Transportation: Bikeway Improvements | | | | | | | | | | |
| RR Safety Trail Hwy 101 | 50% | 2007 | X | | | | X | | | |
| RR Safety Trail lighting | 50% | 2010 | | | | | | | | |
| Bob Jones Trail Connection | 80% | 2011 | | | | | X | | | |
| RR Safety Trail Hath/Taft | 95% | 2011 | | | | | X | | | |
| RR Safety Trail Taft/Pepper | 25% | 2011 | | | | | X | | | |
| Water Fund | | | | | | | | | | |
| Public Utilities | | | | | | | | | | |
| Wtr Pump Station Anly | | 2012 | | | X | | | | | |
| General Government | | | | | | | | | | |
| City Website Upgrade | 20% | 2011 | | | X | | | | | |
| Wireless Net Infr Rep | 100% | 2011 | | | X | | | | | |

CIP STATUS REPORT

| | Phase Percent Complete | Year Phase Approved By Council | Project Priority Criteria | | | | | | | |
|---------------------------------------|------------------------------|---|---------------------------|---|--|---|-----------------------------------|------------------------------------|-------------------------|--|
| | | | Major City Goal | Significant Public Health or Safety Concern | Maintenance of Existing Infrastructure Facilities or Equipment | Significant Oper Cost Savings/ Productivity Imprvmnts | Significant Outside Funding | Federal or State Requirement | Public Art Policy | Other Priority Factors (See Notes Below) |
| Transit Fund | | | | | | | | | | |
| Transportation: Transit | | | | | | | | | | |
| SLO Transit Pickup | 0% | 2011 | | | X | | | | | |
| Facility Security Imp | 0% | 2011 | | | X | | X | | | |
| Transportation Impact Fee Fund | | | | | | | | | | |
| Transportation: Streets | | | | | | | | | | |
| Higuera-Prado Right Way | 50% | 2003 | | | | | X | | | |
| Water Fund | | | | | | | | | | |
| Public Utilities | | | | | | | | | | |
| Salinas Dam Seismic | 100% | 2006 | | X | X | | | X | | |
| General Government | | | | | | | | | | |
| Telemetry System Upgrade | 100% | 2005 | | | X | | | | | |
| Whale Rock Fund | | | | | | | | | | |
| Public Utilities | | | | | | | | | | |
| Whale Rock Silt Study | 0% | 2011 | | | | | | | | |
| Old Creek Habitat Plan | 80% | 2000 | | | | | | X | | |
| General Government | | | | | | | | | | |
| Telemetry System Upgrade | 100% | 2005 | | | X | | | | | |

COLUMN L NOTES:

CD1 - Business support for low income clients

CD2 - Affordable Housing Projects

UT 1 - Master account; no project activity occurs here.

UT 2 - Recycled water system expansion.

PW1 - The Construction is complete; however the project remains in the maintenance and establishment phase

PW2 - Master account; no project activity tracked here

PW3 - Funding used for another project. Funding to be transferred to TIF to backfill

PW4 - Project Complete. Transfer remaining funding back into Completed Projects Fund for Parking Fund.

Section 8.3

Background Materials

Status Reports from November 13, 2012 Workshop

STATUS OF GENERAL PLAN IMPLEMENTATION PROGRAMS



**Status Report on
General Plan Implementation Programs**

November 2012

city of san luis obispo

Status of General Plan Implementation Programs

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Status of Area Plan Implementation Programs

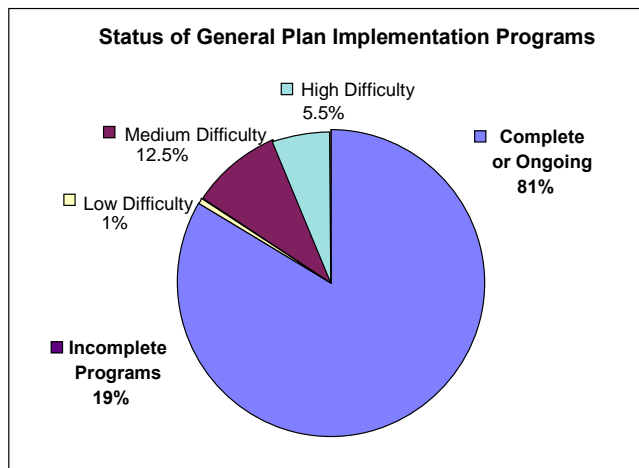
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INTRODUCTION

OVERVIEW

The purpose of this report is to provide a concise yet comprehensive summary of the status of all General Plan implementation programs as well as implementation programs for key “area” plans: Downtown, Mid-Higuera Area, and Railroad District Area. This report also covers action items and the status of efforts in the Airport Area, Margarita Area and Orcutt Area Specific Plans.

STATUS OF GENERAL PLAN IMPLEMENTATION PROGRAMS



The following schedules provide a concise yet comprehensive summary of the status of all General Plan implementation programs. As discussed in greater detail below, of the 448 individual implementation programs in the General Plan, 81% (362) of them are completed or have been integrated into the City’s ongoing operations. This is a five percent increase of implemented programs since the last Financial Plan reporting.

Given the ambitious nature of our General Plan and its twenty-year time horizon, we believe that this represents significant

progress in achieving General Plan goals.

The incomplete programs (19% of the total) are classified as follows:

- 1% (5) as being relatively easy to achieve from a resource perspective.
- 12.5% (56) as being of moderate difficulty.
- 5.5% (25) as being difficult to achieve.

Report Focus: Why Report on the Status of Programs? The City’s General Plan is composed of a “building block” hierarchy of goals, objectives, policies and programs. Goals and objectives are direction-setters. They describe desirable conditions and preferred outcomes as they are applied to specific situations. Goals are generally not quantifiable, time-dependent or suggestive of specific actions for their achievement. Objectives generally state an intermediate step toward attaining a goal. Policies are typically more specific statements that guide decision-making.

Programs are actions that implement goals, objectives and policies. As such, monitoring our progress in implementing General Plan programs is an excellent way of monitoring our progress in achieving General Plan goals and objectives. And for this reason, it is the focus of this report.

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Report Organization

General Plan Elements. The report first organizes each of the implementation programs into one of our eight General Plan elements:

- Land Use (LU)
- Housing (H)
- Circulation (CI)
- Conservation and Open Space (COSE)
- Noise (N)
- Safety (S)
- Parks and Recreation (PR)
- Water and Wastewater (WW)

Implementation Program Summary. A short “one-line” narrative is provided for each implementation program, referencing the specific General Plan Program number. (Each program is assigned a “line number” solely for easy internal reference within the report itself.)

Lead Department. The lead responsible for implementing the program is presented. (In many cases, several departments work closely together in implementing the program; this simply indicates which department has the lead role in coordinating program implementation.)

- Administration (ADM)
- Community Development (CD)
- Finance & Information Technology (F&IT)
- Fire (FD)
- Parks and Recreation (P&R)
- Police (PD)
- Public Works (PW)
- Utilities (UT)

Implementation Status. All programs are organized into one of two major “status” categories:

- ① If it’s complete (or will be complete by June 2013) or has been integrated into City operations as an ongoing program, this is noted with a “C” (complete) or an “O” (ongoing) in the first status column of the summary. For easy reference, within each element, completed programs are listed first in the summary, followed by those that are ongoing.
- ② If it won’t be completed (or become an ongoing program) by June 2013, then we have rated how difficult it will be to complete on an “order of magnitude” (qualitative) basis using the following coding:

Low (L): Minimal staff effort and no consultant assistance will be needed to complete the analytical work and coordinate stakeholder-public outreach. While this is a qualitative assessment by the lead department, this generally means that less than 80 hours of staff work and no additional budget resources will be needed to implement the program.

Medium (M): Significant staff effort, some consultant assistance or supplemental funding for operations or capital projects will be needed to complete the analytical work and coordinate stakeholder-public outreach or implement the program. Again, while this is a qualitative assessment by the lead department, this generally means between 80 to 500 hours of staff work and/or up to \$25,000 for added budget resources will be needed to implement the program.

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High (H): Major staff effort, consultant assistance or supplemental funding for operations or capital projects will be needed to complete the analytical work, coordinate stakeholder-public outreach or implement the program. Generally, this means that more than 500 hours of staff work and/or more than \$25,000 for added budget resources will be needed to implement the program.

For easy reference, within each element, the incomplete programs follow those that are complete/ongoing, with the “low” difficulty programs listed first, followed by those that are “medium and high.”

Area Plans. “Area plans” like the *Railroad District Plan* are not General Plan Elements. However, each of the area plans adopted by the Council that have “implementation programs” – Mid-Higuera Street Enhancement Plan, Railroad District Plan, Airport Area Specific Plan, Margarita Area Specific Plan and Orcutt Area Specific Plan – are closely linked to the General Plan implementation. Accordingly, the status of “area plan” implementation programs is also provided in this report. They are organized in the same manner as the status report on General Plan program implementation. The Downtown Concept Plan is a graphical document with supporting guidance. This plan is summarized in narrative format on page 5.

Findings

General Plan Programs

Status Summary. As noted above, 81% of the City’s General Plan implementation programs have been completed or integrated into the City’s day-to-day operations. The following is a more detailed summary of the status of General Plan implementation programs by element:

| Summary: Status of General Plan Implementation Programs | | | | | | | | | |
|--|---------------------|------------|------------------------|-----------|-----------|--------------|-----------|-------------|------------|
| General Plan Element | Complete or Ongoing | | Difficulty to Complete | | | | | | Total |
| | No. | Pct. | Low | | Medium | | High | | |
| | No. | Pct. | No. | Pct. | No. | Pct. | No. | Pct. | |
| Land Use | 54 | 74% | 0 | 0% | 12 | 16% | 7 | 10% | 73 |
| Housing | 47 | 60% | 2 | 3% | 28 | 36% | 1 | 1% | 78 |
| Circulation | 51 | 78% | 2 | 3% | 7 | 11% | 5 | 8% | 65 |
| Conservation & Open Space | 106 | 90% | 0 | 0% | 6 | 5% | 6 | 5% | 118 |
| Noise | 4 | 100% | 0 | 0% | 0 | 0% | 0 | 0% | 4 |
| Safety | 33 | 97% | 0 | 0% | 1 | 3% | 0 | 0% | 34 |
| Parks and Recreation | 36 | 93% | 0 | 0% | 0 | 0% | 3 | 7% | 39 |
| Water and Wastewater | 31 | 84% | 1 | 3% | 2 | 5% | 3 | 8% | 37 |
| | | | | | | | | | |
| TOTAL | 362 | 81% | 5 | 1% | 56 | 12.5% | 25 | 5.5% | 448 |

As reflected above, there are very few “low effort” programs remaining.

Resource Requirements. Based on our qualitative assessment of the resources need to complete the implementation of the remaining programs, the following is a “high-level” assessment of the staff resources and added budget resources that will ultimately be needed to complete these programs at some point:

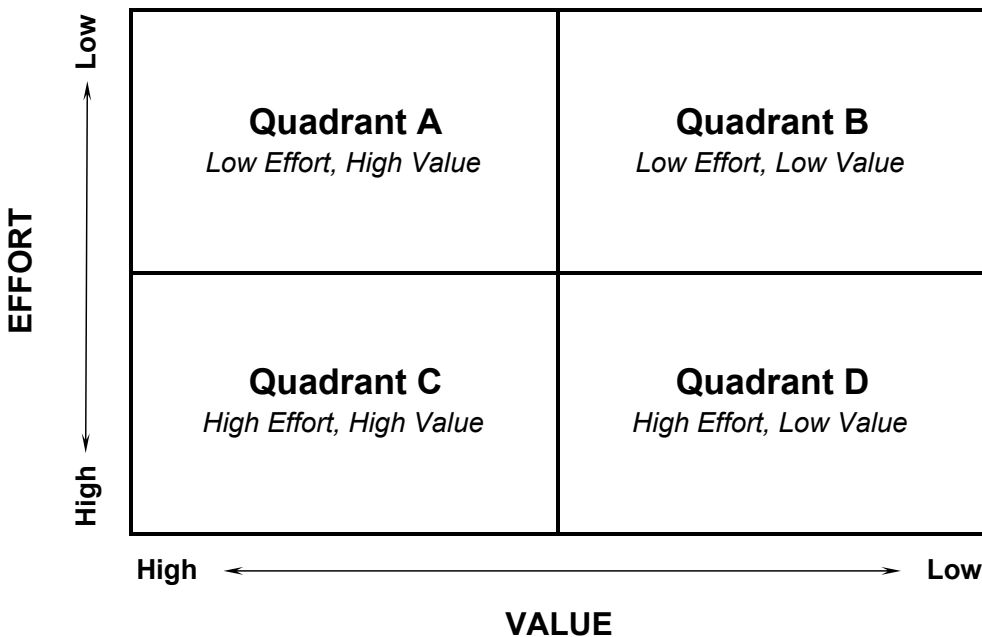
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| High-Level Resource Assessment | | | | | | |
|--------------------------------|-----------|-------------|--------------|----------|-------------------|-----------------------|
| Remaining Programs | | FTE's* | | and/or | Consultant Costs | |
| | | min | max | | min | max |
| Low Difficulty | 5 | 0 | 0.23 | | \$ - | \$ - |
| Medium | 56 | 2.59 | 16.17 | | \$ - | \$ 1,400,000 |
| High | 25 | 7.22 | 7.22 | + | \$ 625,000 | \$ 625,000 + |
| Total | 86 | 9.81 | 23.62 | + | \$ 625,000 | \$ 2,025,000 + |

*Annual Full-time Equivalent (FTE)

Value of Remaining Action Items. These summaries show which programs remain undone and the “order of magnitude” resources that would be needed to complete them. However, they do not address their relative value to the community compared with the effort that would be required to complete them. For example, it might be tempting to direct our resources to finishing-up the “low or medium difficulty” programs to get them off our plate. However, this should be weighed against the value likely to be derived. In this case, we might have a greater impact in improving the community’s quality of life if we focused the same level of resources towards accomplishing a fewer number of “high value” (but relatively higher effort) programs. On the other hand, we would want to avoid undertaking high-effort but lower-value programs.

The following is a paradigm or model for assessing these “value versus effort” trade-offs, which can be summarized as follows in the context of allocating resources towards completing General Plan programs:



In this model, the first priorities should be selected from Quadrant A: “low effort but high value.” (These are the proverbial “low hanging fruit.”) After this, Quadrants B and C are a “toss-up.” However, in all cases, we would want to minimize efforts towards programs that might fall

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into Quadrant D, unless the community or decision makers think that there is greater value than the weight assigned by City staff.

Ultimately, assessing the value of individual programs and directing resources towards completing them is the Council's decision (and in the final analysis, this is what the City's goal-setting and budget process is all about). However, staff can prepare an "order of magnitude" assessment of those programs we believe would have the most near-term benefits relatively quickly if the Council believes that this would be helpful background information in the goal-setting process.

Area Plans

Railroad District Plan Programs

Ten of the forty-one Railroad District Plan implementation programs have been completed or integrated into ongoing programs. Of the remaining thirty-one programs that are not yet complete, we have classified two of them as "medium" difficulty and twenty-nine as "high." Several of the programs that call for bike paths along the railroad right-of-way may need to be adjusted to reflect the inability to achieve easements from the Union Pacific Railroad.

Mid-Higuera Area Enhancement Plan Programs

While work has been done toward implementation, none of the twenty-four programs set forth in this long term plan have been completed. We have classified two of the twenty-four programs that are not yet complete as "medium" difficulty and twenty-two of them as "high."

Downtown Concept Plan

The General Plan provides policies and programs for all areas of the City including a specific section in the Land Use Element regarding the Downtown. The Downtown Concept Plan is a graphical map with principles that has long been used to guide decisions regarding development in the Downtown. This document is referenced in the Land Use Element (4.0) as an illustration of how Downtown development may occur but was never envisioned as a static document, rather more of a vision concept. Some of the concepts are being pursued with review and approval of private development. Others require City resources and action, and some concepts may change or be adapted as part of the Land Use and Circulation Elements update process.

Airport Area Specific Plan Programs

Of the twenty-nine programs set forth in this plan, twenty have been integrated into ongoing programs. We have classified one of the remaining nine programs that are not yet complete as "low" difficulty, two of them as "medium" and six as "high." This Specific Plan is undergoing an update as part of the Chevron Remediation and Redevelopment proposal and some of these programs will be updated as part of the process.

Margarita Area Specific Plan

The Margarita Area Specific Plan was adopted in October 2004 and accommodates 838 dwelling units and about 900,000 square feet of business park development. Three subdivisions have been

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approved for a total of approximately 300 residential lots, and several commercial developments have been approved. Many of the programs listed in the plan are dependent upon actual construction taking place since they will be implemented with development; however, two of the 86 programs have been completed: the dedication of the South Street Hills and the construction of the Damon-Garcia Sports Field complex. Recent changes to the fee program were undertaken to clarify parkland fee structure and to re-assign a portion of parkland payment responsibility to the community at large to reflect the community-wide benefit of the Damon-Garcia Sports fields.

Orcutt Area Specific Plan

The Orcutt Area Specific Plan was approved in 2010 and accommodates nearly 1,000 new residential units and some 15,000 square feet of commercial retail space. The area was annexed to the City in November 2011. None of the 93 programs identified has yet to be completed because the programs specify conditions that will be accomplished by development occurring in the area. The programs are listed as “ongoing” because the programs will apply to any development in the area once it is annexed and subdivision and development proposals are submitted.

\\chstore4\Team\Budget Folders\2013-15 Financial Plan\Council Goal-Setting\12-18-12 Goal-Setting Process Council Meeting\Status of General Plan Implementation Programs, 2011-13.docx

GENERAL PLAN IMPLEMENTATION PROGRAMS

Status of General Plan Implementation Programs

| Program | Summary | STATUS AS OF October, 2012 | | | Lead Dept | |
|---------|--|----------------------------|------------------------|-----|-----------|------|
| | | Comp Or Ongoing | Difficulty to Complete | | | |
| | | | Low | Med | | High |
| | Land Use | | | | | |
| 2.14 | Consider new regulations for accessory buildings (LU 2.14.(3)) | C | | | CD | |
| 3.9 | Rezone neighborhood uses in C-S (LU 3.9.3) | C | | | CD | |
| 6.4 | Revise engineering standards to allow for porous paving and landscaping (LU 6.4.5) | C | | | PW | |
| 2.15 | Provide staff support for neighborhood issues (LU 2.15.F) | C | | | CD | |
| 3.6 | Add warehouse stores to Zoning Regulations. (LU 3.6.2.B) | C | | | CD | |
| 3.6 | Add R&D facilities to Zoning Regulations (LU 3.6.2.D) | C | | | CD | |
| 3.9 | Provide incentives to encourage relocation of auto sales (LU 3.9.8) | C | | | CD | |
| 3.9 | Noise prevention in Zoning Regulations, architectural guidelines (LU 3.9.9/N) | C | | | CD | |
| 6.0 | Prepare a refined land use map for the City and its planning areas (LU 6.0.3) | C | | | CD | |
| 2.16 | Revise residential density determination method for Medium, Med-High & High land use districts (LU 2.16) | C | | | CD | |
| 3.9 | Revise zoning & architectural standards to protect character of downtown areas (LU 3.9.7) | C | | | CD | |
| 4.2 | Revise zoning regulations to require large new projects downtown to include dwellings (LU 4.2.1) | C | | | CD | |
| 1.7 | Encourage County to adopt cluster districts (LU 1.7.4) | C | | | ADM | |
| 1.15 | City-County MOU regarding SLO Planning Area (LU 1.15.8) | C | | | ADM | |
| 2.10 | Review and, if necessary, revise noise, property development, & maintenance standards (LU 2.10.1) | C | | | CD | |
| 2.10 | Adopt property maintenance standards (LU 2.10.2) | C | | | CD | |
| 2.13 | Affordable housing inclusionary fee requirements (LU 2.13) | C | | | CD | |
| 2.14 | Consider new regulations for large infill houses (LU 2.14.(1),(2)) | C | | | CD | |
| 3.9 | Investigate ways to intensify and improve cohesion at existing Madonna Road centers (LU 3.9.10) | C | | | ADM | |
| 3.9 | Eliminate PD minimum site area for commercial zones (LU 3.9.2) | C | | | CD | |
| 4.2 | Develop & apply a "Residential-Office" zone in the downtown (LU 4.2.2) | C | | | CD | |
| 5.7 | Study possible reuse of surplus City facilities by cultural and non-profit groups (LU 5.7) | C | | | ADM | |
| 5.8 | Encourage public art in all projects (LU 5.8) | C | | | ADM | |
| 6.3 | Designate sensitive sites and require ARC review during subdivision process (LU 6.3.1) | C | | | ADM | |

GENERAL PLAN IMPLEMENTATION PROGRAMS

| | | | | |
|------|---|---|---|-----|
| 7.13 | Establish in-lieu fee to protect airport area OS when protection not feasible with project approval (LU 7.13) | C | | CD |
| 7.8 | Work with Airport Area property owners to complete a specific plan (LU 7.8) | C | | CD |
| 8.4 | Work with property owners to prepare area plans for Santa Barbara Street area (LU 8.4) | C | | CD |
| 8.5 | Consider enhancement of Mid-Higuera Area (LU 3.1.4) (see also Special Design Area 8.5) | C | | CD |
| 1.15 | Work with County to make SLO Area Plan consistent w/ City LU (LU 1.15.7) | O | - | CD |
| 1.10 | Monitor nonresidential growth rate: (LU 1.10.4) | O | | CD |
| 1.15 | Discuss feasibility of countywide planning group (LU 1.15.4) | O | | ADM |
| 1.15 | Promote inter-jurisdictional review of countywide projects (LU 1.15.5) | O | | ADM |
| 1.15 | Monitor County Resource Management Reports (LU 1.15.1) | O | | CD |
| 1.15 | Advocate annual meetings among local jurisdictions to discuss regional issues (LU 1.15.2) | O | | CD |
| 1.15 | Advocate regional growth management program (LU 1.15.6) | O | - | CD |
| 2.1 | Support formation & continuation of neighborhood planning groups (LU 2.1.2) | O | | CD |
| 2.10 | Periodically review & update prop. maintenance standards (LU 2.10.2) | O | | CD |
| 2.1 | Promote neighborhood traffic calming (LU 2.1.3./CE) | O | | PW |
| 2.10 | Review, revise property maintenance and development standards (LU 2.10.1) | O | | CD |
| 2.15 | Undertake focused review, improvement, & enforcement efforts for neighborhoods (LU 2.15.C) | O | | CD |
| 2.15 | Provide early neighborhood notice of project reviews (LU 2.15.E) | O | | CD |
| 3.9 | Develop aggressive marketing programs for tourism (LU 3.9.11.C) | O | | ADM |
| 3.9 | Encourage development of recreation facilities (LU 3.9.11.E) | O | | ADM |
| 3.9 | Consider establishing tourist information at City entries (LU 3.9.4) | O | | ADM |
| 3.9 | Develop tour concepts (LU 3.9.11.D) | O | | ADM |
| 4.16 | Review allowed building heights in retail areas & outside the Commercial Core (LU 4.16.4; LU 4.18) | O | - | CD |
| 4.19 | Include Downtown Concept Plan features in zoning regulations, architectural guidelines, engineering standards & capital improvement plans (LU 4.19) | O | - | CD |
| 6.0 | Develop resource maps (LU 6.0.2) | O | | ADM |
| 6.3 | Mitigate visual impacts of hillside houses including considering revising method for determining building height (LU 6.3.4) | O | | CD |
| 6.5 | Notify creekside property owners in advance of work along creeks (LU 6.5.3) | O | - | PW |
| 7.11 | Work with County to assure airline service at Airport consistent with Circulation Element (LU 7.11) | O | | CD |

GENERAL PLAN IMPLEMENTATION PROGRAMS

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| 7.3 | Actively pursue annexation of the Airport Area (LU 7.3) | O | | | CD |
| 7.7 | Expanded transit service to development sites in Airport Area concurrent with development (LU 7.7) | O | | | PW |
| 8.3 | Work with property owners to prepare area plans for Broad Street area (LU 8.3) | O | | - | CD |
| 2.11 | Revise apartment standards to include usable open space (LU 2.11.2) | | | M | CD |
| 2.12 | Consider special downtown dev standards: New residential density category between low & medium (LU 2.12.A) | | | M | CD |
| 2.1 | Identify, designate, and plan neighborhoods (LU 2.1.1, 2.15.A) | | | M | CD |
| 2.11 | Evaluate student housing needs, revise City standards & zoning as appropriate (LU 2.11.1) | | | M | CD |
| 2.12 | Consider special downtown dev standards: Added dwellings on lots with existing houses (LU 2.12.B) | | | M | CD |
| 2.12 | Consider special downtown development standards: Mass & spacing standards (LU 2.12.C) | | | M | CD |
| 2.12 | Consider special downtown dev standards: Parking & coverage standards (LU 2.12.D) | | | M | CD |
| 2.12 | Consider special downtown residential standards (LU 2.12) | | | M | CD |
| 2.15 | Devise strategies to stabilize owner/rental ratio and maintain neighborhood character (LU 2.15.B) | | | M | CD |
| 3.7 | Offer new development incentives for providing child and elder care for employees (LU 3.7.1) | | | M | CD |
| 4.2 | Survey downtown, rezone office, residential, and mixed use areas (LU 4.2.2) | | | M | CD |
| 5.3 | Work with the County to develop a City-County downtown space needs plan (LU 5.3) | | | M | PW |
| 1.15 | Plans capacity summary COG (LU 1.15.3) | | | - | H CD |
| 4.2 | Develop a TDC program that includes Commercial Core properties as receiver sites (LU 4.2.1) | | | | H CD |
| 6.0 | Re-evaluate LU map based upon resource mapping and revise as appropriate (LU 6.0.3) | | | | H CD |
| 6.3 | Revise Zoning Regulations to include provisions for TDC's from outside URL to within URL (LU 6.3.2) | | | | H CD |
| 6.5 | Removal man-made obstructions from creek channels (LU 6.5.1.C) | | | | H PW |
| 8.1 | Work with property owners to prepare area plans for Madonna Road regional shopping area (LU 8.1) | | | | H CD |
| 8.2 | Work with property owners to prepare area plans for Foothill Boulevard area (LU 8.2) | | | | H CD |
| Housing | | | | | |
| 1.4 | Provide financial assistance for rehabilitation of affordable rental and ownership units using Federal, state and local housing funds (HE1.4) | O | | | CD |
| 1.5 | Continue Code enforcement to expedite removal of illegal/unsafe dwellings (HE 1.5) | O | | | CD |
| 1.6 | Enact a rental inspection program to improve condition of housing stock (HE1.6) | O | | | CD |

GENERAL PLAN IMPLEMENTATION PROGRAMS

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| 1.7 | Continue to support local & regional solutions to homelessness by funding programs such as Maxine Lewis and Prado Center(HE1.7) | O | | CD |
| 1.8 | Create educational campaign to encourage owners of older residences to conduct seismic upgrades (HE 1.8) | | - M | CD |
| 2.5 | Amend inclusionary requirement to provide more ways for commercial development to meet requirements (HE 2.5) | | - M | CD |
| 2.6 | Prepare Criteria to sustainably manage the Affordable Housing Fund (HE 2.6) | | M | CD |
| 2.8 | Review existing standards to remove regulations that inhibit affordable housing production (HE 2.8) | O | | CD |
| 2.9 | Establish permit streamlining for affordable housing projects (HE2.9) | O | | CD |
| 2.10 | Pursue outside funding for payment of City impact fees for affordable units (HE2.10) | O | | CD |
| 2.11 | If outside funding sources found, exempt moderate income dwellings from impact fees (HE 2.11). Maintain current exemption for low to extremely low income units. | O | | CD |
| 2.12 | Help coordinate public/private sector actions to develop housing to meet city needs (HE 2.12) | O | | CD |
| 2.13 | Assist with financial tools to develop or preserve affordable housing (HE 2.13) | O | | CD |
| 2.14 | Adjust affordable housing standards to address HOA fees, utilities, etc. (HE 2.14) | | M | CD |
| 2.15 | Provide technical assistance to help preserve at-risk units (HE 2.15) | O | | CD |
| 2.16 | Provide technical assistance to developers re: design strategies to achieve affordable housing (HE 2.16) | O | | CD |
| 2.17 | Evaluate Inclusionary requirements and ability to develop housing that meets RHNA (HE 2.17) | | M | CD |
| 2.18 | Evaluate workforce level of affordability (HE 2.18) | | M | CD |
| 2.19 | Evaluate increasing residential densities on appropriate sites for housing affordable to extremely low income households (HE 2.19) | O | | CD |
| 3.7 | Develop an ordinance to discourage removal of affordable housing (HE 3.7) | | M | CD |
| 3.8 | Correct unsanitary or unsafe housing conditions by collaborating with agencies offering rehab programs (HE 3.8) | O | | CD |
| 3.9 | Preserve dwellings in Downtown Core (HE 3.9) | O | | CD |
| 3.10 | Identify properties eligible for historic listing and assist property owners to repair, rehabilitate properties (HE 3.10) | O | | CD |
| 3.11 | Amend Inclusionary requirements to allow reduced term for rehabilitated units (HE 3.11) | | M | CD |
| 3.12 | Establish a monitoring system to track affordable units at risk of conversion (HE 3.12) | O | | CD |
| 3.13 | Encourage rehab of residential, commercial or industrial buildings to expand rental housing opportunities (HE 3.13) | O | - | CD |
| 4.5 | Review new development for compliance with mixed-income policies (HE 4.5) | O | | CD |

GENERAL PLAN IMPLEMENTATION PROGRAMS

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| 5.5 | Review new development for compliance with housing variety and tenure policies (HE 5.5) | O | | CD |
| 6.8 | Maintain growth management exemption for affordable housing and housing in Downtown core (HE 6.8) | O | | CD |
| 6.9 | Amend Zoning & Parking Access Plan to allow flexible regs for housing in Downtown Core (HE 6.9) | C | | CD |
| 6.10 | Provide incentives to encourage housing in Downtown core (HE 6.10) | | M | CD |
| 6.11 | Include R-3 and R-4 zoned land in OASP to accommodate extremely low to low income housing (HE 6.11) | C | - | CD |
| 6.13 | Consider GP amendments to rezone non-residential land to higher density, infill or mixed use - 13 sites listed (HE 6.12) | | M | CD |
| 6.13 | Continue to support SLO Housing Trust Fund HE 6.13) | O | - | CD |
| 6.14 | Encourage residential infill and densification over new annexation of land (HE 6.14) | O | | CD |
| 6.15 | Seek opportunities with other public agencies to develop surplus land for housing (HE 6.15) | O | | CD |
| 6.16 | Develop multi-family housing standards to promote innovative higher density housing (HE 6.16) | | M | CD |
| 6.17 | Complete the OASP and obtain City authorization to file annexation app (HE 6.17) | C | | CD |
| 6.18 | Financially assist lower income housing using State, Fed & local sources (HE 6.18) | O | - | CD |
| 6.19 | Actively seek new revenue sources for affordable housing (HE 6.19) | O | | CD |
| 6.20 | Update Community design guidelines & amend MC2.48 to exempt smaller residential developments (HE 6.20) | C | | CD |
| 6.21 | Identify vacant or under-used City land for housing (HE 6.21) | O | - | CD |
| 6.22 | Prepare property profiles for properties suitable for housing (HE 6.22) | | L | CD |
| 6.23 | Evaluate adding a Special Considerations overlay to 46 acre County-owned property behind General Hospital (HE 6.23) | | M | CD |
| 6.24 | Update Affordable Housing incentives to be consistent with state law (HE 6.24) | | M | CD |
| 6.25 | Evaluate increasing residential densities allowed in CN, O and CD zones (HE 6.25) | | M | CD |
| 6.26 | Evaluate underlying lot patterns in R-2, R-3 and R-4 zones for ability to meet density (HE 6.26) | | H | CD |
| 6.27 | Support residential infill and promote higher density (HE 6.27) | O | | CD |
| 6.28 | Consider changes to SDU ordinance to provide incentives to encourage production HE 6.28) | | M | CD |
| 6.29 | Evaluate subdivision and zoning regs changes to support small lot subdivisions & other alternatives (HE 6.29) | | M | CD |
| 7.8 | Implement strategies to ensure residents are aware of planning decisions affecting neighborhoods (HE 7.8) | O | | CD |
| 7.9 | Identify specific neighborhood needs (HE 7.9) | | M | CD |
| 7.10 | Help fund neighborhood improvements (HE 7.10) | | M | CD |

GENERAL PLAN IMPLEMENTATION PROGRAMS

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| 7.11 | Continue to implement neighborhood parking strategies (HE 7.11) | O | | CD |
| 8.11 | Support regional solutions to meet the needs of the homeless (HE 8.11) | O | | CD |
| 8.12 | Continue mobile home park rent stabilization program (HE 8.12) | O | | ADM |
| 8.13 | Identify sites suitable for mobile home parks, self-help housing and others to meet special needs (HE 8.13) | | M | CD |
| 8.14 | Advocate more housing and refurbishing campus housing at Cal Poly (HE 8.14) | C | | CD |
| 8.15 | Work with Cal Poly to secure on-campus fraternity/sorority groups (HE 8.15) | | M - | CD |
| 8.16 | Jointly implement a good neighbor program with colleges for student housing in residential neighborhoods (HE 8.16) | O | | ADM |
| 8.17 | Provide education regarding universal design (HE 8.17) | O | | CD |
| 8.18 | Solicit input on provisions for homeless shelters from service agencies (HE 8.18) | O | | CD |
| 8.19 | Update zoning ordinance to allow homeless shelters by right in zones subject to standards (HE 8.19) | | M | CD |
| 8.20 | Continue to allow transitional housing and supportive housing in residential zones (HE 8.20) | O | | CD |
| 8.21 | Identify properties that can be converted to affordable and supportive housing for homeless persons (HE 8.21) | | M | CD |
| 8.22 | Update Community Design Guidelines to include universal access standards (HE 8.22) | | M | CD |
| 8.23 | Develop a program addressing reasonable accommodation procedures (HE 8.23) | O | | CD |
| 8.24 | Consider an overlay zone for existing and future mobile home and trailer parks (HE 8.24) | | M | CD |
| 9.6 | Educate staff and advisory bodies on energy conservation opportunities for housing (HE 9.6) | O | | CD |
| 9.7 | Evaluate solar regulations and revise local regulations as needed (HE 9.7) | | M | CD |
| 9.8 | Adopt LID standards (HE 9.8) | | L | CD |
| 9.9 | Develop an ordinance to increase production of green housing units (HE 9.9) | | M | CD |
| 9.10 | Promote building materials reuse and recycling (HE 9.10) | O | | CD |
| 10.3 | Work with County to mitigate housing impacts due to expansion in areas adjacent to City (HE 10.3) | O | | CD |
| 10.4 | Encourage residential developers to promote projects within SLO housing market first (HE 10.4) | O | | CD |
| 10.5 | Advocate link between enrollment and expansion of campus housing for colleges (HE 10.5) | | M | CD |
| 10.6 | Advocate for state legislation to provide funding for colleges to develop campus housing (HE 10.6) | | M | CD |
| 11.3 | Adopt measures to ensure ability of legal conforming non-residential uses to continue where new housing is proposed on or adjacent to sites (HE 11.3) | C | | CD |
| Circulation | | | | |

GENERAL PLAN IMPLEMENTATION PROGRAMS

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| 4.1 | Revise zoning regulations to provide standards for lockers, secured bicycle parking and showers (CI 4.1.5) | C | | CD |
| 11.1 | Encourage Airport Land Use Commission to complete Airport Land Use Plan update (CI 11.1.2) | C | | CD |
| 10.1 | Amend Home Occupation regulations to preclude regular home delivery by commercial trucks (CI 10.1.2) | C | | CD |
| 15.1 | Revise ARC guidelines to incorporate protection of views from scenic roads (CI 15.1.2) | C | | CD |
| 2.1 | Recommend that county-wide trip reduction include an AVR of 1.60 or larger (CI 2.1.2) | C | - | PW |
| 3.1 | Encourage SLORTA to expand commuter bus service to Cuesta & the Men's Colony (CI 3.1.4) | C | | PW |
| 3.1 | Cooperate with SLOCOG to evaluate centralized transit services (CI 3.1.5) | C | | PW |
| 4.1 | Update the City bicycle plan (CI 4.1.2) | C | | PW |
| 4.1 | Request Cal Poly & Cuesta to adopt bicycle plans (CI 4.1.3) | C | - | PW |
| 4.1 | Request Cal Poly & Cuesta to revise campus master plans to encourage alternate transportation (CI 4.1.4) | C | | PW |
| 8.1 | Maintain a computerized circulation system model (CI 8.1.4) | C | | PW |
| 9.1 | Require a Project Study Report for Prado Road to ensure proper sequence of improvements (CI 9.1.3) | C | | PW |
| 9.1 | Evaluate street designs as method to achieving Conceptual Plan for City's Center (CI 9.1.5) | C | | PW |
| 9.1 | Evaluate feasibility of arterial between Santa Barbara St & the S. end of Santa Rosa (CI 9.1.5) | C | | PW |
| 9.1 | Ask SLOCOG to monitor pattern of development throughout County (CI 9.1.7.A) | C | - | PW |
| 9.1 | Ask SLOCOG to study regional traffic needs between SLO and the coast (CI 9.1.7.B) | C | | PW |
| 12.1 | Encourage SLOCOG to evaluate local rail service (CI 12.1.2) | C | | PW |
| 13.1 | Periodically update the Parking Management Plan (CI 13.1.1) | C | | PW |
| 13.1 | Build additional parking structures only after a comprehensive parking study is done (CI 13.1.4) | C | | PW |
| 13.1 | Work with the Downtown Association to evaluate curb parking in the downtown (CI 13.1.5) | C | | PW |
| 16.1 | Incorporate a Transportation Work Program into the City financial plan (CI 16.1.1) | C | | PW |
| 16.1 | Adopt a transportation impact fee ordinance (CI 16.1.2) | C | | PW |
| 3.1 | Adopt 5 yr. Transit Master Plans (CI 3.1.1) | C | | PW |
| 2.1 | Cooperate with APCD & others to establish trip reduction programs (CI 2.1.1) | O | | PW |
| 3.1 | Pursue goal of City employees reaching an AVR of 1.7 or greater (CI 2.1.4) | O | | PW |
| 3.1 | Maintain a downtown trolley service (CI 3.1.3) | O | | PW |
| 4.1 | Obtain RR ROW & easements for separated bike path & pedestrian trail (CI 4.1.6) | | H | PW |
| 4.1 | Use street funds to maintain bicycle facilities (CI 4.1.7) | O | | PW |

GENERAL PLAN IMPLEMENTATION PROGRAMS

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| 5.1 | Pursue completion of the community sidewalk system (CI 5.1.2) | | H | PW |
| 5.1 | Continue program of replacing existing curbs with handicapped ramps (CI 5.1.3) | O | | PW |
| 5.1 | Work with schools to establish a "suggested routes to school" program (CI 5.1.4) | O | | PW |
| 6.3 | Revise subdivision regulations to include ROW and design standards (CI 6.3.2) | | M | PW |
| 7.1 | Adopt neighborhood traffic management plans (CI 7.1.1) | O | | PW |
| 7.1 | Undertake measures to control traffic in residential areas (CI 7.1.2) | O | | PW |
| 7.1 | Organize neighborhood traffic calming workshops (CI 7.1.3) | O | | PW |
| 7.1 | Upon request, analyze residential streets for livability (CI 7.1.4) | O | | PW |
| 7.1 | Non-safety City vehicles shouldn't use residential local or collector streets as shortcuts (CI 7.1.5) | O | | PW |
| 8.1 | Establish on-going transportation monitoring program (CI 8.1.2) | O | | PW |
| 8.1 | Conduct bi-annual transportation use survey (CI 8.1.3) | O | | PW |
| 9.1 | Establish building setback lines along Figure 4 routes (CI 9.1.1) | O | | PW |
| 9.1 | As part of Dalidio-Madonna-McBride development, evaluation new road between W. Prado Rd and LOVR (CI 9.1.8) | O | | PW |
| 9.1 | As part of Maino-Madonna development, evaluate frontage road on west side of Highway 101 (CI 9.1.9) | O | | PW |
| 10.1 | Continue to provide reserved commercial truck loading in downtown areas (CI 10.1.4) | O | | PW |
| 12.1 | Encourage daily morning & evening train service both north & south (CI 12.1.1) | O | | PW |
| 13.1 | Monitor public parking in the commercial core (CI 13.1.2) | O | | PW |
| 13.1 | Work with CalTrans to consider park-and-ride lots (CI 13.1.3) | O | | PW |
| 15.1 | Work with CalTrans to improve appearance of Highway 101 (CI 15.1.1) | | H | PW |
| 16.1 | Reevaluate all Circulation Element projects before implementation (CI 16.1.3) | O | | PW |
| 16.1 | Major project proposals will include effects on the nearby neighborhoods and entire city (CI 16.1.4) | O | | PW |
| 3.1 | Develop a bulk discount rate for monthly transit passes (CI 3.1.2) | O | - | PW |
| 2.1 | Support aggressive APCD programs for Cal Poly, Cuesta and the Men's Colony (CI 2.1.3) | O | | PW |
| 4.1 | Encourage Cal Poly & Cuesta to provide incentives to use alternate transportation (CI 4.1.1) | O | | PW |
| 8.1 | Cooperate with State & SLOCOG in evaluating HOV lanes on State highways (CI 8.1.5) | | L | PW |
| 10.1 | Work with APCD to encourage trucks to turn off idling motors when parked (CI 10.1.1) | | L | PW |
| 15.1 | Adopt a street corridor landscape plan for scenic roadways (CI 15.1.3) | O | | CD |

GENERAL PLAN IMPLEMENTATION PROGRAMS

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|------------------------------------|--|---|---|---|-----|
| 9.1 | Ask CalTrans to designate Prado Road from Broad to Highway 101 as Highway 227 (CI 9.1.2) | | - | H | PW |
| 3.1 | Adopt 20 yr. Transit Master Plans (CI 3.1.1) | | | M | PW |
| 3.1 | Develop a comprehensive marketing to reach target audiences (CI 3.1.6; CI 8.11) | | | M | PW |
| 8.0 | Give priority to traffic programs identified in CI 8.0.1A with the greatest potential to reduce traffic increases permitted by the City's Growth Management Plan(CI 8.1.1) | | | M | PW |
| 5.1 | Adopt a pedestrian transportation plan (CI 5.1.1) | | | M | PW |
| 6.3 | Develop joint design & construction standards with County for streets within the URL (CI 6.3.1) | | | H | PW |
| 10.1 | If LOS exceeded, limit truck delivery times in the commercial core (CI 10.1.5) | | | M | PW |
| 9.1 | Adopt a plan & standards for installation and maintenance of street amenity improvements (CI 9.1.4) | O | | | PW |
| 11.1 | Work with the ALUC to encourage quieter & environmentally sensitive aircraft (CI 11.1.1) | | | H | PW |
| 2.1 | Work with area employers on a voluntary trip reduction program (CI 2.1.5) | | | H | PW |
| Conservation and Open Space | | | | | |
| 3.6 | Promote public awareness of cultural resources through activities, including tours & clean-up events (COSE 3.6.1.A.3) | C | | | ADM |
| 3.6 | Assist the CHC in preparing archaeological resource guidelines (COSE 3.6.5) | C | | | ADM |
| 3.6 | Display artifacts which illuminate past cultures (COSE 3.6.6) | C | | | ADM |
| 3.6 | Expand ARC guidelines to address specific guidance for new buildings in historic districts (COSE 3.6.3) | C | | | CD |
| 7.7 | Adopt creek setback requirements (COSE 7.7.9) | C | | | CD |
| 7.7 | Protect natural communities (COSE 7.7.1) | O | | | ADM |
| 7.7 | Preserve ecotones through changes to or conditions on new development (COSE 7.7.7) | O | | | ADM |
| 7.7 | Protect wildlife corridors through changes to or conditions on new development (COSE 7.7.8) | O | | | ADM |
| 8.7 | Acquire land or interests in land for open space; seek variety of funding sources (COSE 8.7.1.D) | O | | | ADM |
| 8.7 | Manage open space holdings and enforce open space easements (COSE 8.7.1.E) | O | | | ADM |
| 8.7 | Avoid imposing taxes or fees that discourage open space or agriculture (COSE 8.7.1.K) | O | | | ADM |
| 8.7 | Maintain the position of Natural Resources Manager and consolidate open space functions (COSE 8.7.1.M) | O | | | ADM |
| 8.7 | Provide and maintain wildlife corridors thru or under barriers to wildlife movement (COSE 8.7.2.E) | O | | | ADM |
| 8.7 | Provide continuing community education on open space values, programs, rules (COSE 8.7.2.G) | O | | | ADM |
| 8.7 | Enlist volunteers and academic programs to restore and monitor open space (COSE 8.7.2.H) | O | | | ADM |
| 8.7 | Adopt conservation plans for open space under City easement or fee ownership (COSE 8.7.2.J) | O | | | ADM |

GENERAL PLAN IMPLEMENTATION PROGRAMS

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| 9.3 | Preserve the Morros, in cooperation with other government agencies, non-profit land trusts and property owners (COSE 9.3.12) | O | | ADM |
| 8.7 | Provide information on natural resources and land conservation (COSE 8.7.1.I) | O | | ADM |
| 10.3 | Participate with other agencies in watershed planning and management (COSE 10.3.2.E) | O | | ADM |
| 3.6 | Provide cultural resource awareness public educational programs (COSE 3.6.6) | O | | ADM |
| 3.6 | Encourage partnering for preservation (COSE 3.6.7) | O | | ADM |
| 3.5 | Acquire in fee or partial interest in archaeological sites (COSE 3.5.1) | O | | ADM |
| 4.6 | Promote technology and energy conservation businesses (COSE 4.6.16) | O | | ADM |
| 5.5 | Maintain inventory of recycling businesses and services (COSE 5.5.5) | O | | ADM |
| 8.7 | Improve interagency cooperation for open space acquisition (COSE 8.7.1.J) | O | | ADM |
| 8.7 | Encourage sustainable agricultural practices, limit grading and livestock near creeks (COSE 8.7.1.H) | O | | ADM |
| 8.7 | Enhance and restore open space (COSE 8.7.2) | O | | ADM |
| 8.7 | Establish self-sustaining populations of native species (COSE 8.7.2.B) | O | | ADM |
| 8.7 | Remove invasive non-native species and prevent their introduction (COSE 8.7.2.C) | O | | ADM |
| 8.7 | Where possible, remove man-made elements from open space areas (COSE 8.7.2.D) | O | | ADM |
| 7.7 | Replace invasive non-native vegetation with native vegetation (COSE 7.7.6) | O | | ADM |
| 3.6 | Rehabilitate and maintain City-owned adobes and historic structures (COSE 3.6.9) | O | | ADM |
| 8.7 | Protect open space resources (COSE 8.7.1) | O | - | ADM |
| 8.7 | Identify alternative funding tools for replanting degraded creek sections (COSE 8.7.2.K) | O | | ADM |
| 8.7 | Acquire ownership/easements along creeks & wetlands for drainage maintenance. & appropriate public access (COSE 8.7.2 D, E, and F) | O | | ADM |
| 8.7 | Pursue means to protect open space (COSE 8.7.1) | O | | ADM |
| 8.7 | Pursue source of open space funding (COSE 8.7.1.D.2) | O | | ADM |
| 8.7 | Replace non-native creekside plants with native species (COSE 8.7.2.B.2) | O | | ADM |
| 2.2 | Model air pollution behavior, help educate public (COSE 2.2.5) | O | | CD |
| 2.3 | Monitor air quality and Clean Air Plan implementation (COSE 2.3.2) | O | | CD |
| 2.3 | Consult with APCD on significant development proposals (COSE 2.3.2, 4.6.18) | O | | CD |
| 2.3 | Promote alternative transportation/land use strategies (COSE 2.3.3) | O | | CD |
| 2.3 | Amend the General Plan as needed to achieve air quality goals (COSE 2.3.5) | O | | CD |
| 3.6 | Maintain and support the Cultural Heritage Committee | O | | CD |

GENERAL PLAN IMPLEMENTATION PROGRAMS

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| | (COSE 3.6.1) | | | |
| 3.6 | Maintain financial assistance program to encourage preservation & restoration of historic properties (COSE 3.6.2) | O | | CD |
| 3.6 | Implement historic preservation standards for construction within historic districts (COSE 3.6.3) | O | | CD |
| 3.6 | Provide financial assistance and incentives for historic preservation (COSE 3.6.2) | O | | CD |
| 3.6 | Sponsor educational programs to foster appreciation of historic resources (COSE 3.6.6) | O | - | CD |
| 3.6 | Promote adaptive reuse of historic buildings (COSE 3.6.8) | O | | CD |
| 3.6 | Implement Cultural Heritage Committee Whitepaper (COSE 3.6.10) | C | | CD |
| 4.6 | Reduce obstacles to energy conservation (COSE 4.6.4) | O | | CD |
| 4.6 | Administer State Building Energy Standards (COSE 4.6.7) | O | | CD |
| 4.6 | Encourage energy-efficient design in private development projects (COSE 4.6.8) | O | | CD |
| 4.6 | Address solar access in new development (COSE 4.6.9) | O | | CD |
| 4.6 | Require solar power for new dwellings (COSE 4.6.17) | O | | CD |
| 4.6 | Seek Air Pollution Control District support for maintaining air quality (COSE 4.6.18) | O | | CD |
| 5.5 | Ensure new development projects include space for materials recycling/storage (COSE 5.5.8) | O | | CD |
| 7.7 | Maintain creek setbacks (COSE 7.7.9) | O | | CD |
| 8.7 | Maintain Urban Reserve location (COSE 8.7.1.A) | O | | CD |
| 8.7 | Promote open space by applying C/OS and Agriculture zoning (COSE 8.7.1.B) | O | | CD |
| 8.30 | Set subdivision and new development conditions consistent with General Plan (COSE 8.30.1.C) | O | | CD |
| 8.7 | Set conditions of subdivisions and development approvals consistent w/ General Plan (COSE 8.7.1.C) | O | | CD |
| 8.7 | Encourage transfer of development credit from open space lands (COSE 8.7.1.F) | O | | CD |
| 9.3 | Maintain and apply Sign Regulations consistent with the General Plan (COSE 9.3.3) | O | | CD |
| 9.3 | Conduct environmental and architectural review consistent with General Plan (COSE 9.3.4) | O | | CD |
| 9.3 | Require visual assessments for projects affecting important scenic resources and views from public places (COSE 9.3.5) | O | | CD |
| 9.3 | Determine that view blockage along a scenic roadway is a significant impact (COSE 9.3.6) | O | | CD |
| 9.3 | Review development in unincorporated County for consistency with General Plan (COSE 9.3.7) | O | | CD |
| 9.3 | Prohibit billboards (COSE 9.3.10) | C | | CD |
| 9.3 | Establish and maintain a program of describing and monitoring viewsheds within and adjacent to City limits to establish a photographic baseline of visual setting (COSE 9.3.13) | O | | CD |

GENERAL PLAN IMPLEMENTATION PROGRAMS

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| 10.3 | Identify and protect groundwater recharge areas to maintain suitable groundwater levels and to protect groundwater quality and potential City water sources (COSE 10.3.2.I) | O | | CD |
| 4.6 | Encourage sustainable employee commuting practices (COSE 4.6.5) | O | | HR |
| 8.7 | Remove trash and contaminants with minimum disruption to open space areas (COSE 8.7.2.F) | O | | P&R |
| 2.3 | Provide alternative transportation incentives (COSE 2.3.4) | O | | PW |
| 4.6 | Promote Sustainable design in City facilities (COSE 4.6.3) | O | | PW |
| 5.5 | Use materials with reduced environmental impacts in City operations and facilities (COSE 5.5.4) | O | | PW |
| 7.7 | Implement natural communities policies through the Tree Committee (COSE 7.7.9) | O | | PW |
| 8.7 | Locate, design and operate City facilities consistent with General Plan (COSE 8.7.1.G) | O | | PW |
| 9.3 | Locate and design public facilities and utilities consistent with General Plan (COSE 9.3.1) | O | | PW |
| 9.3 | Place underground existing overhead utilities, with highest priority for scenic roadways, entries to the City, and historic districts (COSE 9.3.9) | O | | PW |
| 2.3 | Employ best available practices in City operations (COSE 2.3.1) | O | | UT |
| 4.6 | Promote efficient City energy use (COSE 4.6.1) | O | | UT |
| 4.6 | Promote energy conservation education (COSE 4.6.6) | O | | UT |
| 4.6 | Retrofit City facilities for energy savings (COSE 4.6.10) | O | | UT |
| 5.5 | Use materials efficiently in City operations (computer technology and copying) (COSE 5.5.1) | O | | UT |
| 5.5 | Promote City materials reuse and recycling (COSE 5.5.2) | O | | UT |
| 5.5 | Coordinate waste reduction and recycling efforts (COSE 5.5.3) | O | | UT |
| 8.7 | Establish positive relationships with landowners and conservation organizations (COSE 8.7.1.L) | O | | UT |
| 10.3 | Use water efficiently (COSE 10.3.1) | O | | UT |
| 10.3 | Promote use of water-conserving landscape design and plant materials (COSE 10.3.1.A) | O | | UT |
| 10.3 | Encourage landscape maintenance and irrigation design to conserve water. (COSE 10.3.1) | O | | UT |
| 10.3 | Facilitate use of tertiary-treated water and seek legalization of grey water for non-potable household uses (COSE 10.3.1) | C | | UT |
| 10.3 | Promote water conservation through leak control in all plumbing systems (COSE 10.3.1) | O | | UT |
| 10.3 | Maintain water quality (COSE 10.3.2) | O | | UT |
| 10.3 | Design and operate water supply, treatment and distribution systems to prevent adverse effects on water quality (COSE 10.3.2.A) | O | | UT |
| 10.3 | Design and operate wastewater collection and treatment systems to prevent adverse effects on water quality (COSE 10.3.2.B) | O | | UT |
| 10.3 | Regulate design, construction and operation of City facilities to protect water quality (COSE 10.3.2.C) | O | | UT |

GENERAL PLAN IMPLEMENTATION PROGRAMS

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| 10.3 | Regulate design of private water facilities to protect water quality (COSE 10.3.2.D) | O | | | UT |
| 4.6 | Seek financial assistance for energy efficiency improvements in City facilities (COSE 4.6.11) | O | | | UT |
| 4.6 | Manage City operations for energy self-reliance (COSE 4.6.2) | O | | | UT |
| 5.5 | Expand City public information efforts on energy and materials conservation goals (COSE 5.5.6) | O | | | UT |
| 10.3 | Coordinate erosion control in watershed w/ County & property owners (COSE 10.3.2.) | O | | | PW |
| 3.5 | Establish and maintain records of archaeological sites (COSE 3.5.9) | | | M | ADM |
| 8.7 | Establish performance standards for open space/agricultural buffers (COSE 8.7.1.N) | | | M | ADM |
| 3.6 | Prepare post-disaster historic preservation standards (COSE 3.6.4) | | | M | CD |
| 3.6 | Update archaeological resource preservation standards (COSE 3.6.5) | C | | | CD |
| 9.3 | Update community design guidelines to address views from scenic routes (COSE 9.3.2) | | | M | CD |
| 9.3 | Advocate State and County scenic highway designations and protective programs for scenic routes connecting San Luis Obispo with other communities (COSE 9.3.8) | | | M | CD |
| 4.6 | Monitor energy use in City facilities and prepare biannual report for City Council (COSE 4.6.12) | O | | | UT |
| 8.7 | Inventory natural areas that have been degraded; prioritize list of restoration sites (COSE 8.7.2.A) | | | H | ADM |
| 4.6 | Prepare energy conservation plan for City facilities (COSE 4.6.13) | | | M | CD |
| 4.6 | Adopt green building standards (COSE 4.6.14) | | | H | CD |
| 10.3 | Prevent storage of biological or chemical pollution from locating in flood zones (COSE 10.3.2.F) | | | H | CD |
| 9.3 | Remove existing billboards through amortization, conditions of development approval and grants for enhancing open space and transportation corridors (COSE 9.3.11) | | | H | CD |
| 9.3 | City & County enforce an amortization program for billboard removal along scenic roadways (COSE 9.3.11) | | | H | PW |
| 10.3 | Establish standards for non-point source water pollution in cooperation with RWQCB (COSE 10.3.2.G) | O | | | PW |
| 10.3 | Establish a program for baseline water quality testing in City creeks (COSE 10.3.2.H) | O | | | UT |
| 4.6 | Consider City-owned green energy utility (COSE 4.6.15) | | | H | UT |
| Noise | | | | | |
| 1.12 | Review public and private development proposals for Noise Element conformance (N 1.12) | O | | | CD |
| 1.13 | Require noise studies early in the review process when project noise may exceed allowable limits (N1.13) | O | | | CD |
| 1.14 | Assure that noise mitigation measures are carried-out during construction (N1.14) | O | | | CD |

GENERAL PLAN IMPLEMENTATION PROGRAMS

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|---------------|--|---|--|--|----|
| 1.15 | Monitor compliance with mitigation measures after project completion (N1.15) | O | | | CD |
| Safety | | | | | |
| 9.19 | Establish complaint-based code compliance for all buildings (S 9.19.C) | C | | | CD |
| 9.19 | Implement City-adopted program on Unreinforced masonry buildings (S 9.19.D) | C | | | CD |
| 9.3 | Set response-time objective for Public Works (S 9.3.C) | C | | | PW |
| 9.3 | Evaluate fire-flow and identify deficiencies (S 9.3) | C | | | UT |
| 9.4 | Train building & planning staff in lessons from previous disaster areas (S 9.4.B) | O | | | CD |
| 9.19 | Establish routine code inspections for commercial, industrial, public-assembly, & group housing (S 9.19.B) | O | | | CD |
| 9.19 | Provide outreach program for earthquake bracing of wood-frame buildings (S 9.19.E) | O | | | CD |
| 9.20 | Administer zoning, subdivision, & Architectural standards consistent with police & fire recommendations (S 9.20) | O | | | CD |
| 9.21 | Fire, police, public works, & utilities review development applications for safety objectives (S 9.21) | O | | | CD |
| 9.22 | Maintain & administer building regulations in conformance with State requirements (S 9.22) | O | | | CD |
| 8.2 | Review emergency response plans of utilities and transportation agencies (S 8.2.5.B) | O | | | FD |
| 9.7 | Establish emergency operation center in Fire Station 1 and backups sites (S 9.7) | C | | | FD |
| 9.9 | Keep Multi-hazard Emergency Response Plans current (S 9.9) | O | | | FD |
| 9.2 | Maintain and annually update emergency response plan (S 9.2) | O | | | FD |
| 9.3 | Meet response-time objective of four minutes (S 9.3.A) | O | | | FD |
| 9.6 | Work w/CalTrans on hazardous materials approved routes and related safety precautions (S 9.6.C) | O | | | FD |
| 9.8 | Expand and keep current safety-related information (S 9.8) | O | | | FD |
| 9.10 | Work with other jurisdictions on mutual-aid & automatic-aid agreements (S 9.10) | O | | | FD |
| 9.15 | Support education programs for lower grades to teach fire hazards (S 9.15.D) | O | | | FD |
| 9.22 | Maintain & administer fire regulations in conformance with State requirements (S 9.22) | O | | | FD |
| 9.4 | Train fire fighters, police, building inspectors, public works, & utilities staff (S 9.4.A) | O | | | FD |
| 9.4 | Conduct non-nuclear disaster-response exercises (S 9.4.C) | O | | | FD |
| 9.5 | Obtain information about specific location & type of fire & toxic hazards (S 9.5) | O | | | FD |
| 9.6 | Participate in periodic regional disaster-response drills (S 9.6.A) | O | | | FD |
| 9.11 | Prepare for post-disaster recovery (S 9.11) | O | | | FD |
| 9.15 | Develop program to familiarize residents with fire hazards and appropriate responses (S 9.15.A) | O | | | FD |
| 9.15 | Promote efforts of the Fire Safe Council (S 9.15.B) | O | | | FD |

GENERAL PLAN IMPLEMENTATION PROGRAMS

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| 9.15 | Continue CERT training program (S 9.15.C) | O | | FD |
| 9.16 | Help organizations that provide emergency outreach & education (S 9.16) | O | | FD |
| 9.17 | Encourage & participate in individual home inspection programs (S 9.17) | O | | FD |
| 9.23 | Conduct fire & hazardous materials inspections in commercial, industrial, & multifamily buildings (S 9.23) | O | | FD |
| 8.1 | Identify and maintain or remove hazardous trees for City property and assist property owners (S 8.1) | O | | PW |
| 9.3 | Set response-time objective for Utilities (S 9.3.C) | C | | UT |
| 9.19 | Identify & evaluate facility hazards for City owned property (S 9.19.A) | | M | PW |
| Parks and Rec | | | | |
| 6.0 | Add fields in Damon-Garcia Sports Complex (PR 6.0.6) | C | | P&R |
| 3.16 | Update & improve indoor facilities (PR 3.16.3) | C | | P&R |
| 3.18 | Construct a therapy pool at the SLO Swim Center (PR 3.18.1.2) | C | | P&R |
| 3.19 | Pursue joint use of SLO High School swimming pool (PR 3.19.2) | C | | P&R |
| 4.3 | Accommodate schedules of working people (PR 4.3.3.2) | C | | P&R |
| 5.1 | Develop collaborative fee exchange with S.L.C.U.S.D. (PR 5.1.1) | C | | P&R |
| 6.1 | Upgrade Recreation Center to provide interim community center (PR 6.1.1) | C | | P&R |
| 6.0 | Develop joint use agreements with other agencies in addition to schools (PR 6.0.3) | C | | P&R |
| 6.2 | Construct mini-parks at Purple Sage Drive (PR 6.2.1) | C | | P&R |
| 6.2 | Construct mini-park at Marsh & Santa Rosa (PR 6.2.1) | C | | P&R |
| 3.14 | Partner with schools and other joint users to renovate existing sports fields (PR 3.14.1) | O | | P&R |
| 3.19 | Continue the Playground Equipment Replacement Program (PR 3.19.1) | O | | P&R |
| 4.2 | Regularly evaluate demand and need and modify as appropriate (PR 4.2.2.1) | O | | P&R |
| 4.2 | Conduct periodic public evaluations of services (PR 4.2.2.2) | O | | P&R |
| 4.2 | Regularly publicize recreational opportunities (PR 4.2.2.3) | O | | P&R |
| 4.2 | Consider needs of underserved groups (PR 4.2.2.4) | O | | P&R |
| 4.2 | Avoid duplication of commercial programs (PR 4.2.3) | O | | P&R |
| 4.2 | Collaborate with groups providing high risk programs in open space areas (PR 4.2.8) | O | | P&R |
| 4.3 | Recruit at-risk youth to participate in activities (PR 4.3.2.1) | O | | P&R |
| 4.3 | Collaborate with other agencies in serving at-risk youth (PR 4.3.2.2) | O | | P&R |
| 4.3 | Evaluate services to determine benefits (PR 4.3.3.1) | O | | P&R |
| 4.3 | Prioritize new activities from results of public input (PR 4.3.3.3) | O | | P&R |
| 4.3 | Continue to maintain publicly accessible open space trails (PR 4.3.6) | O | | P&R |
| 6.0 | Continue to improve existing fields (PR 6.0.1) | O | | P&R |
| 6.0 | Transition from multi-use to single use fields (PR 6.0.2) | O | | P&R |
| 6.0 | Develop new programs to not conflict with existing field | O | | P&R |

GENERAL PLAN IMPLEMENTATION PROGRAMS

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| | use (PR 6.0.4) | | | | |
| 6.0 | Ensure athletic fields are provided within new residential development (PR 6.0.5) | O | | | P&R |
| 6.0 | Consider additional fields for needs not addressed with Damon Garcia fields (PR 6.0.6) | O | | | P&R |
| 6.1 | Consider revenue enhancement to fund new community center (PR 6.1.3) | O | | | P&R |
| 6.2 | Support neighbor efforts to develop mini-parks (PR 6.2.2) | O | | | P&R |
| 6.3 | Design new parks so they can connect to recreational trails (PR 6.3.3) | O | | | P&R |
| 6.3 | Connect existing parks & open space with trails (PR 6.3.4) | O | | | P&R |
| 6.4 | Schedule "unmet needs" projects through the CIP process (PR 6.4.1) | O | | | P&R |
| 6.4 | Look for alternatives to address unmet needs projects (PR 6.4.2) | O | | | P&R |
| 6.3 | Acquire open space property to construct trails (PR 6.3.1) | O | | | P&R |
| 6.3 | Use a variety of techniques to acquire open space (PR 6.3.2) | O | | | P&R |
| 3.16 | Acquire property and construct a community center (PR 3.16.2) | | | H | P&R |
| 3.17 | Implement the revised Laguna Lake Park Master Plan (PR 3.17.1 & PR 6.5.1) | | | H | P&R |
| 3.18 | Implement the revised Sinsheimer Park Master Plan (PR 3.18.1.1 & PR 6.5.1) | | | H | P&R |
| Water and Wastewater | | | | | |
| A2.3 | Work cooperatively on regional water issues & resource planning (WW A2.3.1) | O | | | UT |
| A2.3 | Participate with SLO County in Integrated Regional Water Mgmt Plan (WW A2.3.2) | O | | | UT |
| A2.3 | Participate with other appropriate agencies in controlling invasive species which could impact water supplies (WW A2.3.3) | O | | | UT |
| A2.3 | Work with agencies to minimize water quality impacts (WW A2.3.4) | O | | | UT |
| A2.3 | Continue to work with SLO County-operation of Salinas Reservoir & Nacimiento project (WW A2.3.5) | O | | | UT |
| A2.3 | Complete sanitary surveys for Salinas & Whale Rock reservoirs every five years (WW A2.3.6) | | L | | UT |
| A3.3 | Provide water resource update to Council as part of annual report (WW A3.3.1) | O | | | UT |
| A3.3 | Update safe annual yield computer model for Salinas & Whale Rock reservoirs following drought periods (WW A3.3.2) | C | | | UT |
| A3.3 | Monitor ongoing research for potential long term impacts to water supplies from climate change (WW A3.3.3) | O | | | UT |
| A4.3 | Work with other agencies to implement Best Management Practices to reduce siltation (WW A4.3.1) | O | | | UT |
| A4.3 | Continue education & outreach to owners in watersheds to reduce siltation (WW A4.3.2) | O | | | UT |
| A4.3 | Consider periodic siltation studies at each reservoir (WW A4.3.3) | | | M | UT |
| A4.3 | Provide annual update on siltation to Council (WW A4.3.4) | O | | | UT |

GENERAL PLAN IMPLEMENTATION PROGRAMS

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| A5.3 | Provide annual update on water supply & demand projections to Council (WW A.5.3.1) | O | | UT |
| A5.3 | Conduct periodic updates to water development impact fees (WW A5.3.2) | O | | UT |
| A5.3 | Prepare Urban Water Management Plan every five years (WW A5.3.3) | O | | UT |
| A5.3 | Prepare water supply assessments for large new developments (WW A5.3.4) | O | | UT |
| A5.3 | Analyze water efficiency program impacts to overall reduction in water demand (WW A5.3.5) | O | | UT |
| A6.3 | Work with SLO County water agencies to identify cooperative water efficiency measures (WW A6.3.1) | O | | UT |
| A6.3 | Participate in state & regional water conservation efforts (WW A6.3.2) | O | | UT |
| A6.3 | Implement Water Shortage Contingency Plan as required (WW A6.3.3) | O | | UT |
| A7.3 | Expand recycled water distribution system (WW A 7.3.1) | O | | UT |
| A7.3 | Review development projects to ensure recycled water is used appropriately (WW A7.3.2) | O | | UT |
| A7.3 | Present annual recycled water use as part of annual report to Council (WW A7.3.3) | O | | UT |
| A7.3 | Consider delivery of recycled water to customers outside City limits (WW A7.3.4) | | M | UT |
| B2.3 | Expand capacity in collection system and Water Reclamation Facility (WW B2.3.1) | | H | UT |
| B2.3 | Evaluate wastewater flows of proposed projects (WW B2.3.2) | O | | UT |
| B2.3 | Conduct periodic updates to wastewater development impact fees (WW B2.3.3) | | H | UT |
| B3.3 | Prepare & implement Water Reclamation Facility master plan (WW B3.3.1) | O | | UT |
| B3.3 | Work cooperatively on regional water quality issues (WW B3.3.2) | O | | UT |
| B4.3 | Investigate cost-effective methods for reducing infiltration and inflow to the wastewater collection system (WW B4.3.1) | | H | UT |
| B4.3 | Provide education and outreach regarding infiltration and inflow (WW B4.3.2) | O | | UT |
| B4.3 | Support retrofit of sewer laterals to reduce infiltration and inflow (WW B4.3.3) | O | | UT |
| B4.3 | Update Sewer System Management Plan to maintain its applicability (WW B4.3.4) | O | | UT |
| B4.3 | Maintain master plans for wastewater service to developing areas of City (WW B4.3.5) | O | | UT |
| B4.3 | Review development proposals to ensure necessary infrastructure is in place (WW B4.3.6) | O | | UT |
| B4.3 | Provide a Pretreatment Program pursuant to Clean Water Act (WW B4.3.7) | O | | UT |

ORCUTT AREA SPECIFIC PLAN IMPLEMENTATION PROGRAMS

STATUS OF ORCUTT AREA SPECIFIC PLAN IMPLEMENTATION PROGRAMS

| No. | Lead Dept | Implementation Program Summary | STATUS AS OF October 2012 | | | |
|-----|-----------|---|---------------------------|------------------------|-----|------|
| | | | Compl Or Ongoing | Difficulty to Complete | | |
| | | | | Low | Med | High |
| 1 | CDD | 2.2.2a Development subject to 20 ft setback from creek. | O | | | |
| 2 | CDD | 2.2.2b Development subject to 30 ft. setback from wetland habitat | O | | | |
| 3 | CDD | 2.2.2c Development subject to 20 ft. setback from riparian/wetland mitigation areas & fenced. | O | | | |
| 4 | ADM | 2.2.3a Create 1.94 acres of wetland & 2.76 acres of riparian enhancement. | O | | | |
| 5 | ADM | 2.2.3b Allow filling of .78 acres of isolated agricultural wetland seeps on hill. | O | | | |
| 6 | ADM | 2.2.4a Allow .12 acres of creek fill for 3 bridge crossings. | O | | | |
| 7 | CDD | 2.2.4b All creek channel modifications to comply with Drainage Design Manual & any other required permits from Army Corps or Fish and Game. | O | | | |
| 8 | ADM | 2.2.5a Plant native species between trails/rec features and wetland/riparian habitat | O | | | |
| 9 | ADM | 2.2.5b Provide educational signage re: wetland & creek habitats on public trails and OS. | O | | | |
| 10 | ADM | 2.2.9a City will manage Righetti Hill open space in accordance with City Standards. | O | | | |
| 11 | ADM | 2.2.9b City will provide & maintain access to Righetti Hill. City will development a management plan consistent with COSE. | O | | | |
| 12 | CDD | 2.2.10a Landowner maintains right to existing #structures & will manage parcel consistent with Open Space standards. | O | | | |
| 13 | CDD | 2.3.3a 16.3 acres of active & passive parkland to be provided with development. City will pursue 4 acres of joint use with SLCUSD with new school development nearby. | O | | | |
| 14 | CDD | 2.3.3b 12 acre park to be developed: 10 acres to be dedicated w/Phase I development | O | | | |
| 15 | PR | 2.3.3c 2.5 acre junction park to be developed when impact fees are available. | O | | | |
| 16 | CDD | 2.3.3d 1.5 acres of linear park to be developed w/bike path adj to stormwater basin. | O | | | |
| 17 | CDD | 2.3.3e 4 acres of park to be provided by a joint use facility when elementary school is | O | | | |

ORCUTT AREA SPECIFIC PLAN IMPLEMENTATION PROGRAMS

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| | | developed. | | |
| 18 | CDD | 2.3.4a Subdivisions may provide parkland in lieu of fee payment if findings can be made. | O | |
| 19 | CDD | 2.4.1a 20 ft landscaped setback from Orcutt and Tank Farm Roads. | O | |
| 20 | CDD | 2.4.1b Parcels adjacent to Tank Farm & Orcutt are sensitive sites & require ARC review. | O | |
| 21 | CDD | 2.4.1c ARC shall review landscape plans - cluster trees and screen views of new structures. | O | |
| 22 | CDD | 2.4.1d Buildings on sensitive parcels shall not include 2nd story unless 2nd floor is set back by 50 ft. | O | |
| 23 | CDD | 2.4.1e PC shall review design of sensitive lots during subdivision review to ensure views are maintained | O | |
| 24 | CDD | 2.4.1f ARC design review of units along Tank Farm & Orcutt for compatibility & views of hill | O | |
| 25 | CDD | 2.4.1g E street residences shall not be visible from Orcutt/Tank Farm intersection | O | |
| 26 | CDD | 2.4.1h R-1 subdivision at west base of Righetti Hill - preserve views from D street to hill | O | |
| 27 | CDD | 2.5.1a Implement environmental mitigation measures with entitlements as appropriate. | O | |
| 28 | CDD | 3.2.19a Provide public plaza/seating areas adjacent to A/B streets intersection. | O | |
| 29 | CDD | 3.2.19 b Commercial use to occupy ground floor of primary commercial area. | O | |
| 30 | CDD | 3.2.19c Provide commercial development incentives: additional story, parking reduction, exemption from OASP add-on fees. | O | |
| 31 | PW | 3.2.24a Right-to-farm ordinance notification for real property transfers. | O | |
| 32 | CDD | 3.2.24b Ag activities to be phased out by project build-out. Existing uses legally-established subject to Non-conforming uses under Zoning Code. | O | |
| 33 | CDD | 3.3.4a City will support affordable housing in area through state and local density bonus incentives. | O | |
| 34 | CDD | 3.4.1a Geotech study required for each project site prior to development. | O | |
| 35 | CDD | 3.4.1b All structures & development shall meet appropriate codes (Building & Transportation). | O | |
| 36 | CDD | 3.4.2a Sites not previously surveyed shall conduct a Phase I site assessment. | O | |

ORCUTT AREA SPECIFIC PLAN IMPLEMENTATION PROGRAMS

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| 37 | CDD | 3.4.2b Environmental assessment reqd prior to public access or development for buidlings associated with ag uses and 55 gallon drums in plan area. | O | |
| 38 | CDD | 3.5.2a-h Performance standards for airport compatibility. | O | |
| 39 | CDD | 4.1.1a Encourage architectural styles: Craftsman, CA Bungalow, CA Mission themes | O | |
| 40 | CDD | 4.1.1b Design Standards for R-1 and R-2 districts. | O | |
| 41 | CDD | 4.1.1c Design Guidelines for R-1 and R-2 districts. | O | |
| 42 | CDD | 4.1.1d Design Standards for R-3 and R-4 development | O | |
| 43 | CDD | 4.1.1e Design Guidelines for R-3 and R-4 development | O | |
| 44 | CDD | 4.1.2a Residential design - use local streets to enhance neighborhood atmosphere | O | |
| 45 | CDD | 4.1.2b Design features (porches, entryways, yards) to strengthen connections. | O | |
| 46 | CDD | 4.1.2c Encourage universally accessible entries to residences. | O | |
| 47 | PW | 4.2.3a Traffic calming design for intersection of A and B streets | O | |
| 48 | CDD | 4.2.3b Mixed use commercial area near intersection of A&B streets to have 2 public plazas. Adjacent buildings to be 2 stories tall. | O | |
| 49 | CDD | 4.2.3c Southern part of intersction of A&B streets to be landscaped. | O | |
| 50 | CDD | 4.2.4a Building setbacks from A Street defined | O | |
| 51 | CDD | 4.2.4b Trees in tree wells for whole mixed use area | O | |
| 52 | CDD | 4.2.4c Mixed-use building facades, materials, entries, windows to be consistent with one another. | O | |
| 53 | CDD | 4.2.1a Use figures 3.1 and 3.2 when reviewing intersection plans for A and B streets | O | |
| 54 | CDD | 4.2.1b Height ordinance allowed to be relaxed to enable architectural features. | O | |
| 55 | CDD | 4.3.4a Final landscape plan to include details & not use invasive non-native plant species. | O | |
| 56 | CDD | 4.3.4b List of plants not be be planted in OASP. | O | |
| 57 | CDD | 4.4.3a OASP lighting standards - style, height, efficiency, sheilding, type, etc. | O | |
| 58 | CDD | 4.5.1a 160 ft wide distance buffer from train tracks to residential areas. | O | |
| 59 | CDD | 4.5.1b Add landscaped berm or sound wall where buffer is not adequate for noise. | O | |

ORCUTT AREA SPECIFIC PLAN IMPLEMENTATION PROGRAMS

| | | | | |
|----|-----|--|---|--|
| 60 | CDD | 4.5.1c Orient residential uses and outdoor areas away from railroad tracks. | O | |
| 61 | CDD | 4.5.1d Put parking lots between residence and railroad tracks. | O | |
| 62 | CDD | 4.5.1e Locate sensitive uses within residences away from tracks. | O | |
| 63 | CDD | 4.5.1f Use insulating construction to reduce noise. | O | |
| 64 | CDD | 4.5.2a Set outdoor activity areas 80' back from Orcutt and Tank Farm Rd to reduce noise. | O | |
| 65 | CDD | 4.5.2b Locate sensitive uses within residences away from roads. | O | |
| 66 | CDD | 4.5.2c 60 ft wide distance buffer from Orcutt and Tank Farm Rd to residences. | O | |
| 67 | CDD | 4.5.2d Use insulating construction to reduce noise. | O | |
| 68 | CDD | 4.7.2 Building placement & construction to maximize passive systems for heating, cooling & lighting. | O | |
| 69 | CDD | 4.7.2b Use shade, skylights, daylight controls, & glazing to maximize energy savings. | O | |
| 70 | CDD | 4.7.2c Residential developments of >5 units/non-residential uses >5,000 sq ft shall comply with green building criteria | O | |
| 71 | CDD | 4.7.2d 5% of all single family units shall use photovoltaics. Increase this percentage by 4% each year. | O | |
| 72 | CDD | 4.7.3a Energy star compliant appliances required for dwellings. | O | |
| 73 | CDD | 4.7.3b Use CFLs where possible. | O | |
| 74 | PW | 5.1.1 Orcutt Rd to have a continuous 2-way left-turn lane, Class II bike lane, & curb/gutter between Johnson and Tank Farm. | O | |
| 75 | PW | 5.1.2 Tank Farm to be widened at D St, Brookpine & Wavertree w/left turn lanes. | O | |
| 76 | PW | 5.1.3 Tank Farm/Orcutt intersection realignment to be completed in Phase I. | O | |
| 77 | PW | 5.2.1 Collector streets will be single lane of travel in each direction. | O | |
| 78 | PW | 5.2.2 A St. shall have Class II bike lanes & separated sidewalks & no parking (except adjacent to neighborhood commercial area) on both sides. | O | |
| 79 | PW | 5.2.3 B St. development standards. | O | |
| 80 | PW | 5.2.4 C St. development standards. | O | |
| 81 | PW | 5.2.5 D St. development standards. | O | |
| 82 | PW | 5.2.6 Bullock Ln to be extended to connect with traffic circle at B & C streets. | O | |

ORCUTT AREA SPECIFIC PLAN IMPLEMENTATION PROGRAMS

| | | | | |
|----|-----|--|---|--|
| 83 | PW | 5.2.7 Traffic circle to be built at B and C street intersections. | O | |
| 84 | PW | 5.2.8 Shared driveway access for A, B, C, & D streets ok. Limited private drives ok. | O | |
| 85 | PW | 5.3.1 E St development standards | O | |
| 86 | CDD | 5.3.2 Allow alley area to count towards net site area for density determination. | O | |
| 87 | PW | 5.4.1 Bus routes, stops & pullout areas to be determined by City transit. | O | |
| 88 | PW | 5.5.1 Bike trail connections descriptions | O | |
| 89 | PW | 5.5.2 Neighborhood park bike trail path description | O | |
| 90 | PW | 5.5.3 Tank Farm & Orcutt Road bike paths and bike bridge over Industrial Way | O | |
| 91 | PW | 7.2.2a Circulation & road widths shall accommodate Fire Dept emergency access. | O | |
| 92 | PW | 7.2.2b Public fire hydrants reqd. Adequate water volumes to support fire hydrants for fire protection needs. | O | |
| 93 | FD | 7.2.2c Buildings shall have fire sprinkler systems per SLOFD requirements. | O | |

MID-HIGUERA AREA ENHANCEMENT PLAN

STATUS OF MID-HIGUERA AREA ENHANCEMENT PLAN

| No. | Lead Dept | Implementation Program Summary | STATUS AS OF October 2012 | | | |
|-----|--------------|--|---------------------------|------------------------------|--------|------|
| | | | Complete Or Ongoing | Difficulty to Complete | | |
| | | | | Low | Medium | High |
| 1 | ADM | Plant native veg along creek. Acquire land on fwy side of creek & propety on east side of creek between City prop & Marsh Street bridge for open space (Crk-a) | | | | H |
| 2 | ADM | Improve open space at south end of Brook St. (PPO-d) | | M | | |
| 15 | PW | Restripe street spaces & reduce driveway ramps (Pkg-b) | | M | | |
| 3 | P&R | Acquire CalTrans property & develop park (PPO-a) | | | | H |
| 4 | PW | Modify or replace Marsh St bridge if desirable to align w/Higuera- Marsh (Flood-a) | | | | H |
| 5 | PW | Install bypass overflow channel parallel to creek on City-owned OS (Flood-b) | | | | H |
| 6 | PW | Coordinate other flood-planning improvements (Flood-c.) | | | | H |
| 7 | PW | Widen Higuera to four lanes w/bike lanes & median & mid-block turns (Circ-a) | | | | H |
| 8 | PW | Realign Bianchi Ln w/ High St. (Circ-b) | | | | H |
| 9 | PW | Realign Pacific St. Close Walker St. Landscape Walker closed area (Circ-c) | | | | H |
| 10 | PW | Parker St- CGS, trees, benches, lighting. Higuera - trees, lighting & benches.Madonna- landscaped median.Underground utilities & remove billboards (Circ-d) | | | | H |
| 11 | PW | Extend Brook St. w/Caltrans site (Circ-e) | | | | H |
| 12 | PW | Install bikeway along creek with bridge (Crk-b) | | | | H |
| 13 | PW | Construct ped path on east side of creek. Add benches, public art & interpretive displays & bridges (Crk-c) | | | | H |

MID-HIGUERA AREA ENHANCEMENT PLAN

| | | | | | |
|----|----|---|--|--|---|
| 14 | PW | Establish a Mid-Higuera Area parking committee & consider parking assessment dist (Pkg-a) | | | H |
| 16 | PW | Review shared use parking & expand to distribute parking (Pkg-c) | | | H |
| 17 | PW | Lease or purchase 2 public parking lots (Pkg-d) | | | H |
| 18 | PW | Acquire & improve public parking near Archer/Walker/Higuera & Parker/High (Pkg-e) | | | H |
| 19 | PW | Complete street improvements including ped amenities (Pkg-f) | | | H |
| 20 | PW | Establish in-lieu parking fee for the Mid-Higuera Area (Pkg-g) | | | H |
| 21 | PW | Add transit stops w/shelter, benches & signage for the Mid-Higuera area. (Pub-a & Pub-b) | | | H |
| 22 | PW | Develop mini-plaza at Walker (PPO-b) | | | H |
| 23 | PW | Provide info kiosks at strategic places for peds as part of the Mid-Higuera Enhancement Plan. (PPO-c) | | | H |
| 24 | PW | Acquire & maintain OS along creek & install bridges & imps (PPO-e) | | | H |

RAILROAD DISTRICT PLAN IMPLEMENTATION PROGRAMS

STATUS OF RAILROAD DISTRICT PLAN IMPLEMENTATION PROGRAMS

| No. | Lead Dept | Implementation Program Summary | STATUS AS OF October 2012 | | | |
|-----|-----------|--|---------------------------|------------------------|-----|------|
| | | | Comp Ongoing | Difficulty to Complete | | |
| | | | | Low | Med | High |
| 1 | PW | Install traffic signals at Upham (4.1B) | C | | | |
| 2 | ADM | Use CIPs & economic revitalization tools to promote area (2.9C) | O | | | |
| 3 | CD | Limit noise & emissions from engine idling between 10pm and 6am (3.1M) | O | | | |
| 4 | CD | Ped Circulation Plan, Bike Transp. Plan, Circulation Element, and RR District Plan to be consistent (2.7B) | O | | | |
| 5 | CD | Identify code violations & work with owners to correct (2.8C) | O | | | |
| 6 | PW | Rehabilitate historic SP Freight warehouse (1.11) - 4 construct phases & roof repair completed | C | | | |
| 7 | PW | Install Curb, gutter, boardwalk & trees along Santa Barbara, High, Roundhouse, Emily & South Street (4.1D) | O | | | H |
| 8 | CD | Clearly communicate with property owners, railroad & ops staff (3.1I) | O | | | |
| 9 | CD | Encourage added public telephones or emergency call boxes (2.7E) | | | M | |
| 10 | PW | Install pedestrian crosswalks at Leff & Upham streets (4.1A) <i>- Upham Crosswalk complete, Leff still needed</i> | | | M | |
| 11 | PW | Widen Santa Barbara Street from Broad to Upham - including left turn pocket (4.1C) | C | | | |
| 12 | CD | Install standard gauge railroad track to display of historic railroad cars (1.12) | | | | H |
| 13 | CD | Install historic markers & improved walk of history describing RR features (1.14) | | | | H |
| 14 | CD | Public access to RR bikeway provided with Villa Rosa development (1.17) | | | | H |
| 15 | CD | Consider MU zone to allow broader range of uses (2.9D) | | | | H |
| 16 | CD | Consider CDBG funds for business loans and rehabilitation grants (3.1K) | | | | H |

RAILROAD DISTRICT PLAN IMPLEMENTATION PROGRAMS

| | | | | | |
|----|----|--|--|--|---|
| 17 | CD | Enforce property screening & maintenance along ROW (3.1N) | | | H |
| 18 | CD | Rehabilitate historic water tower to 1940s condition & update historic marker (1.6) | | | H |
| 19 | PW | Evaluate assessment district to pay for undergrounding utilities (3.1O) | | | H |
| 20 | PW | Construct bikeway on land adjacent to Johnson Ave for Southbound bicyclists (1.1) | | | H |
| 21 | PW | Install bridge off Johnson Ave for bikeway north to Cal Poly (1.2) | | | H |
| 22 | PW | Install pedestrian bridge over RR linking Fairview with Penny Lane (1.3) | | | H |
| 23 | PW | Install bikeway & trail linking east side of RR tracks to signal on Johnson @Lizzie St (1.4) | | | H |
| 24 | PW | Install new bikeway along both sides of RR ROW (1.5) <i>- Partial improvements completed, significant improvements still remain</i> | | | H |
| 25 | PW | Expand passenger loading zone in parking lot north of depot (1.7) | | | H |
| 26 | PW | Install textured concrete paving & crosswalks, ped lighting, trees & signage @ Leff and Osos (1.8) | | | H |
| 27 | PW | Plant palm trees on 50-100 ft centers (1.9) | | | H |
| 28 | PW | Acquire land & construct a multi-modal transit center with parking, shelter, restrooms, info, bike storage, lockers etc (1.10) | | | H |
| 29 | PW | Install street paving, curb, gutter, wood sidewalks, street trees, lighting, & signage on Railroad Ave, Osos, Santa Barbara, High, Emily and Roundhouse Streets (1.13) <i>- Santa Barbara Street improvements complete; other improvements remain</i> | | | H |
| 30 | PW | Install bikeway between Alphonso and Emily streets (1.15) | | | H |
| 31 | PW | Install ped/bike crossing for access from Stoneridge/Lawrence Dr./Villa Rosa neighborhoods to Sinsheimer Park (1.16) | | | H |
| 32 | PW | Improve bike/ped undercrossing to Sinsheimer Park (1.18) | | | H |
| 33 | PW | Install bikeway linking RR bikeway with Augusta /Southwood Drive neighborhood through creek & park areas (1.19) | | | H |
| 34 | PW | Replace/repair fencing, remove trash & install landscaping along fence line (1.20) | | | H |

RAILROAD DISTRICT PLAN IMPLEMENTATION PROGRAMS

| | | | | |
|----|----|---|---|---|
| 35 | PW | Encourage expanded parking & staging area for bikes (1.21) | | H |
| 36 | PW | CIPs to install improvements at Emily, Roundhouse, High, Church, Santa Barbara & Osos for paving, curbs, lighting, boardwalks, signage & trees (2.7C) | | H |
| 37 | PW | Consider special engineering standards for district public improvements (2.7D) | | H |
| 38 | PW | Improve traffic circ-expand public transit, bikeways, & widen Santa Barbara (3.1H) <i>- Santa Barbara Street improvements 90% complete; other improvements remain</i> | O | - |
| 39 | PW | Improve passenger loading facilities at depot parking area (3.1J) | | H |
| 40 | PW | Use RR parking lease funds to improve parking enforcement, & lot appearance (3.1L) | | H |
| 41 | PW | Install additional traffic signage and street lighting, where considered necessary at pedestrian crossings to improve sight distance (4.1E) Traffic Signal at Upham completed. | | H |

AIRPORT AREA SPECIFIC PLAN IMPLEMENTATION PROGRAMS

STATUS OF AIRPORT AREA SPECIFIC PLAN

| No. | Lead Dept | Implementation Program Summary | STATUS AS OF October 2012 | | | |
|-----|-----------|--|---------------------------|------------------------|-----|------|
| | | | Complete Or Ongoing | Difficulty to Complete | | |
| | | | | Low | Med | High |
| 1 | PW | Establish joint RTA bus stop on S. Higuera & Tank Farm Rd (AASP 6.3E) | C | | | |
| 2 | AD M | Management program for area creeks required with minimum setbacks of 35 ft. (AASP 3.3.1) | O | | | |
| 3 | AD M | Develop remediation actions for Chevron site to preserve natural resources (AASP 3.3.4) | O | | | |
| 4 | AD M | Establish mitigation bank within Chevron property to serve AASP & MASP areas (AASP 3.3.5) | O | | | |
| 5 | AD M | Develop public access levels compatible with maintaining habitat for Chevron property (AASP 3.3.6) | O | | | |
| 6 | AD M | Restore creek areas (AASP 3.3.7) | O | | | |
| 7 | AD M | Retain open space corridor to allow movement of wildlife on Chevron property (AASP 3.3.8) | O | | | |
| 8 | AD M | Maintain wildlife corridors south from AASP toward Indian Knob & Davenport Hills by obtaining greenbelts and working with County (AASP 3.3.9P) | O | | | |
| 9 | AD M | Enlarge wetland connection between areas north and south of Tank Farm Rd (AASP 3.3.10) | O | | | |
| 10 | AD M | City will manage acquired open space land to preserve habitat (AASP 3.3.11) | O | | | |
| 11 | AD M | City will pursue MOU for privately owned open space lands to preserve habitat (AASP 3.3.12) | O | | | |
| 12 | AD M | In lieu fee for development not able to dedicate land for open space (AASP 3.3.14) | O | | | |
| 13 | AD M | Expansions of URL will secure open space (AASP 3.3.15) | O | | | |
| 14 | AD M | Resource management activities compatible with airport operations (AASP 3.3.17) | O | | | |
| 15 | AD M | Expand wetland north of Tank Farm w/Chevron project (AASP 3.3.18) | O | | | |
| 16 | CD | 50 ft wetland setback required through subdivision, development, & public facilities (AASP 3.3.3) | O | | | |
| 17 | CD | Require development to dedicate land or | O | | | |

AIRPORT AREA SPECIFIC PLAN IMPLEMENTATION PROGRAMS

| | | | | |
|----|---------|--|---|---|
| | | easements for greenbelt (AASP 3.3.13) | | |
| 18 | PW | Locate bike paths outside creek setback area (AASP 6.3H) | O | |
| 19 | PW | Bike lanes shall meet or exceed CA DOT & City design standards (AASP 6.3I) | O | |
| 20 | PW | Require bike lanes as part of frontage improvements for development. Require bus stops as part of development improvements where appropriate (AASP 6.3G) | O | |
| 21 | PW | Establish timed transfer point on Margarita Rd (AASP 6.3D) | | L |
| 22 | PW | Development to provide street furniture or passenger amenities such as transit stops, shelters, pads, trash receptacles, etc. (AASP 6.3L) | | M |
| 23 | PW | Amend Bicycle Transportation Plan to include Airport area facilities (6.3F) | | M |
| 24 | AD M | Limit access to creekside environment between Broad St. and Santa Fe Rd (AASP 3.3.2) | | H |
| 25 | CD | Access & interpretive info for historical resources (AASP 3.3.16) | | H |
| 26 | PW | TIF funds used for new buses to serve AASP. Bus stops provided by adjacent development (AASP 6.3C) | | H |
| 27 | PW | Amend Circulation Element to expand truck route network (AASP 6.3A) | | H |
| 28 | PW | Connect bike lanes at intersections in the Airport Area (AASP 6.3J) | | H |
| 29 | PW | Establish a CIP program to include bikeways not part of Airport development (AASP 6.3K) | | H |

MARGARITA AREA SPECIFIC PLAN IMPLEMENTATION PROGRAMS

STATUS OF MARGARITA AREA SPECIFIC PLAN IMPLEMENTATION PROGRAMS

| No. | Lead Dept | Implementation Program Summary | STATUS AS OF October 2012 | | | |
|-----|--------------|---|---------------------------|------------------------|-----|------|
| | | | Ongoing | Difficulty to Complete | | |
| | | | | Low | Med | High |
| 1 | ADM | 1.1a Hills to be dedicated to City & protected. | C | | | |
| 2 | CDD | 1.1b Livestock grazing may be limited & City will manage hillside vegetation. | O | | | |
| 3 | CDD | 1.1c Previously graded road to Telecom facilities will be relocated. | O | | | |
| 4 | CDD | 1.2.a Acacia Creek corridor shall be 100 ft wide exclusive of sports fields & will be replanted with riparian plants. | O | | | |
| 5 | CDD | 1.2.b Swales emerging from hills will have open space corridors 50 ft wide & fenced near developed areas. | O | | | |
| 6 | CDD | 1.2c Lower swales thru neighborhood park will be accessible for play | O | | | |
| 7 | CDD | 1.3 Riparian and seasonal wetlands which are shown as development areas will be replaced in kind within MASP. | O | | | |
| 8 | CDD | 1.4a MASP development to detain peak stormwater flows on-site. Shallow basins are preferable to deeper ones. | O | | | |
| 9 | CDD | 1.5a Protect ag land elsewhere in URL or greenbelt. | O | | | |
| 10 | CDD | 1.6a Provide 10 acre neighborhood park, and 16 acre improved sports field. | O | | | |
| 11 | CDD | 1.6.1a Neighborhood Park req's including equipment and landmark feature | | | | |
| 12 | CDD | 1.6.1b Some seating, cooking & small child play space to be partly enclosed. | O | | | |
| 13 | CDD | 1.6.2 Greenspace and play fields mainly semi-natural vegetation, with large trees only at edges & possibility of community gardens. | O | | | |
| 14 | CDD | 1.6.3 Greenways for cycling & walking paths. | O | | | |
| 15 | CDD | 1.6.4 Sports fields to accommodate active recreational uses & include on-site parking. Shielded night lighting. | C | | | |

MARGARITA AREA SPECIFIC PLAN IMPLEMENTATION PROGRAMS

| | | | | |
|----|-----|---|---|--|
| 16 | CDD | 2.1.1 Low Density Residential areas for SFRs only. No churches, schools or secondary dwellings. | ○ | |
| 17 | CDD | 2.1.2 Density will be 7-9 dwellings/acre | ○ | |
| 18 | CDD | 2.1.3 Lot dimensions are regulated by Table 2 | ○ | |
| 19 | CDD | 2.1.4 A-C - setbacks and building/parking orientation | ○ | |
| 20 | CDD | 2.1.5 Each dwelling shall have 2 off-street parking spaces - one covered. & alley access standards | ○ | |
| 21 | CDD | 2.2.1 Medium density residential areas - detached houses on small lots or groups of detached dwellings on larger lots | ○ | |
| 22 | CDD | 2.2.2 Medium Density shall be 8-16 dwellings/acre. | ○ | |
| 23 | CDD | 2.2.2a-e Lot dimension table & standards for Med Density | ○ | |
| 24 | CDD | 2.2.4 Med Density Building form - setbacks and architecture | ○ | |
| 25 | CDD | 2.2.5 Parking to be located at rear. Alley access standards and special setbacks if located in front. | ○ | |
| 26 | CDD | 2.3.1 Med-High Density Res for attached dwellings or PUDs. No churches or schools allowed. | ○ | |
| 27 | CDD | 2.3.2 Med-High Density will be 13-18 units/acre. | ○ | |
| 28 | CDD | 2.3.3 Lot dimensions per Table 4 | ○ | |
| 29 | CDD | 2.3.4a&b Setbacks and architectural criteria | ○ | |
| 30 | CDD | 2.3.5 Parking to be located at rear. Alley access standards and special setbacks if located in front | ○ | |
| 31 | CDD | 2.4.1 High-Density Residential - allow a mix of densities and ownership. Churches and Schools not allowed | ○ | |
| 32 | CDD | 2.4.2 High-Density Residential density will be 19-24 units/acre | ○ | |
| 33 | CDD | 2.4.3 Lots to be developed as a single parcel or condo however it may be divided into two land parcels to allow for affordable housing. | ○ | |
| 34 | CDD | 2.4.4a-c High Density building form - setbacks, arch character and porches or other outdoor space. | ○ | |
| 35 | CDD | 2.4.5 Parking requirements and location | ○ | |

MARGARITA AREA SPECIFIC PLAN IMPLEMENTATION PROGRAMS

| | | | | |
|----|-----|--|---|--|
| 36 | CDD | 2.5.1 Neighborhood commercial uses = CN zone except no uses larger than 5,000 sq ft, schools, services stations | ○ | |
| 37 | CDD | 2.5.2 CN Density shown in Figure 5 | ○ | |
| 38 | CDD | 2.5.3 CN lot dimensions & size minimums | ○ | |
| 39 | CDD | 2.5.4a-f CN Building Form (coverage, height, setbacks, FAR, size, architectural character) | ○ | |
| 40 | CDD | 2.5.5 CN parking required 1/500 sq ft. & 1/300 sq ft for bikes | ○ | |
| 41 | CDD | 2.6.1 Business Park uses - master-planned campus-type development. | ○ | |
| 42 | CDD | 2.6.1a BP Office - small offices and mixed use. | ○ | |
| 43 | CDD | 2.6.1b BP General - R&D, Light manufacturing, business services. Allowed uses listed by approval level. | ○ | |
| 44 | CDD | 2.6.1c BP- Outdoor - landscaped parking, storage, employee recreation areas | ○ | |
| 45 | CDD | 2.6.1d BP- prohibited uses = carnivals, convalescent hospitals, dwellings, homeless shelters, schools or public assembly uses | ○ | |
| 46 | CDD | 2.6.2 BP employee density not to exceed 40 persons/acre | ○ | |
| 47 | CDD | 2.6.3 BP parcel sizes & dimensions | ○ | |
| 48 | PW | 2.6.4 BP vehicle access will be loops or grid extensions. NO driveways on Prado Rd. | ○ | |
| 49 | CDD | 2.6.5a-i BP site and building design (FAR, Orientation, outdoor space, setbacks, parking lots, heights, massing, entries, & materials) | ○ | |
| 50 | CDD | 2.6.6a-d BP Continuity of landscape space | ○ | |
| 51 | CDD | 2.6.7a-d BP parking requirements & design | ○ | |
| 52 | CDD | 2.6.8a-b BP Landscape screening required for loading, waste collection, utilities & mechanical equipment | ○ | |
| 53 | CDD | 2.6.10 BP Outdoor employee amenity areas are required | ○ | |

MARGARITA AREA SPECIFIC PLAN IMPLEMENTATION PROGRAMS

| | | | | |
|----|-----|---|---|--|
| | CDD | 2.7.1 Special use area between hills and Broad street (1.2 acres). House and grounds should be preserved and uses may include residence; B7B, hostel, museum, art or craft gallery with retail sales, restaurant, retail sales of food, office for sales of MASP properties or visitor info center. | ○ | |
| 54 | CDD | 3.1a Buildings to express human scale by articulating mass | ○ | |
| 55 | CDD | 3.1b Architectural styles in plan are encouraged | ○ | |
| 56 | CDD | 3.1c Residential entries should be identifiable from streets or ped walkways | ○ | |
| 57 | CDD | 3.1d Universally accessible entries are encouraged for all buildings | ○ | |
| 58 | CDD | 3.1e All development is encouraged to have outdoor space shielded from aircraft noise. | ○ | |
| 59 | CDD | 3.2 Street trees to create sense of identity; focal areas should be highlighted through trees and planting; riparian corridors should have native landscaping; and all landscaping should be water efficient. | ○ | |
| 60 | CDD | 3.3 Lighting shall be energy efficient, avoid glare and minimize illumination toward sky. | ○ | |
| 61 | CDD | 3.4 Building form & placement to meet solar exposure objectives. | ○ | |
| 62 | CDD | 3.5 Public art to be encouraged at neighborhood park & principal collector street entries. | ○ | |
| 63 | CDD | 3.6 Dwellings & outdoor spaces to be separated from Prado Rd by greenways, green space & BP uses. Landscaped berm to be installed where appropriate. | ○ | |
| 64 | CDD | 3.7 Fence and wall designs to comply with community design guidelines | ○ | |
| 65 | CDD | 4.2a-g performance standards to ensure airport compatibility including limitation on uses and operations that might be dangerous; indoor noise level requirements, aviation easement and disclosure requirements | ○ | |
| 66 | PW | 5.0 Traffic calming features to be developed. Streets & drives to provide access without unnecessary paving | ○ | |

MARGARITA AREA SPECIFIC PLAN IMPLEMENTATION PROGRAMS

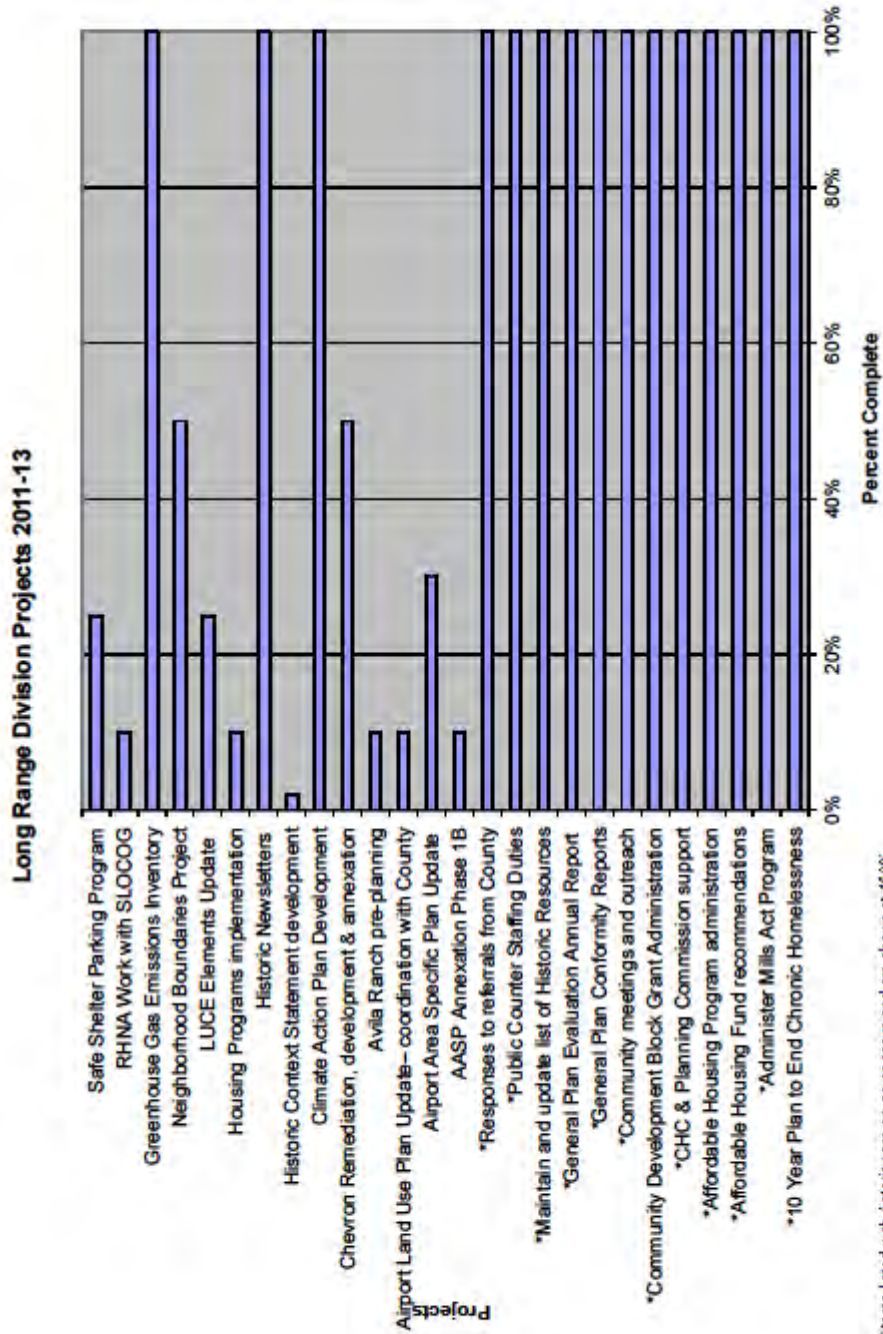
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|----|-----|---|---|--|
| 67 | PW | 5.1 City will extend transit service into area as roads are developed. Transit stops to include turnouts, shelters, benches, trash receptacles & real time arrival status displays. | O | |
| 68 | PW | 5.2a New development shall include sidewalks, ped paths, bike lanes and bike paths. Precise alignments will be determined with subdivisions. | O | |
| 69 | PW | 5.2b Bike path width, paving, signs and features to comply with Bicycle Transportation Plan. Proposed crossings may include features such as pavement changes, signs or bulb-outs. | O | |
| 70 | PW | 5.2c. Pedestrian and bike access to sports fields will be by enhanced under or over crossing with visibility for safety and sense of place | O | |
| 71 | PW | 5.3a-I Streets to foster traffic volumes appropriate for land uses and neighborhoods | O | |
| 72 | PW | 5.4 Alleys should be used where feasible | O | |
| 73 | PW | 5.5 Local streets will have bulb-outs at the end of blocks and at mid-block for blocks longer than 500'. | O | |
| 74 | PW | 5.7.1 Additional right-of-way for Broad Street to accommodate bike lane, vertical curbs, landscaped parkway, and center median. | O | |
| 75 | PW | 5.7.2 Prado Road facilities, phasing and construction requirements | O | |
| 76 | PW | 5.8 Traffic calming required - roundabouts, traffic circles, intersection treatments, and bulb-outs. | O | |
| 77 | CDD | 5.9 Street names to follow City requirements. | O | |
| 78 | PW | 6.3 Fire-dept activated signal control devices required for all intersections with traffic signals | O | |
| 79 | PW | 7.3.1 Subdivision plans must show detailed solutions to stormwater issues. Developers are responsible for drainage facilities serving their parcels. | O | |
| 80 | PW | 7.3.2 All drainage facilities must comply with NPDES & post construction runoff controls | O | |
| 81 | PW | 7.5 Each residence shall have one 2" conduit connected with underground system to facilitate future installation of high-speed data system. | O | |

MARGARITA AREA SPECIFIC PLAN IMPLEMENTATION PROGRAMS

| | | | | |
|----|-----|--|---|--|
| 82 | PW | 7.7 All new power, telephone & cable lines to be installed underground. All existing line facilities to be underground at time of frontage construction. | O | |
| 83 | PW | 7.8 Streets& utilities installations must be built to ensure that later projects can build upon systems that are appropriately sized and located. | O | |
| 84 | CDD | 8.1a The area shall accommodate at least 2 sites with a total capacity of 40 dwellings for HASLO to provide affordable housing. | O | |
| 85 | CDD | 8.1b Residential area may be developed with modular or manufactured dwellings that comply with specific plan. | O | |
| 86 | CDD | 8.1c Affordable housing density bonuses available in area designated in Fig 5 only due to airport land use plan. | O | |

LONG RANGE DIVISION WORK ASSIGNMENTS

Long Range Division Work Program Items:



Section 8.4

Background Materials

Status Reports from November 13, 2012 Workshop

LONG-TERM CAPITAL IMPROVEMENT PLAN

**LONG-TERM
CAPITAL IMPROVEMENT PLAN**

city of san luis obispo

LONG-TERM CAPITAL IMPROVEMENT PLAN

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INTRODUCTION

OVERVIEW

What is a Long Term Capital Improvement Plan (CIP)?

The Long Term CIP provides a glimpse in the future of the City. Many of our current infrastructure assets are not adequate to handle the needs of the future. Many streets must be built or widened, water lines and sewer lines must be extended into new areas, and new parks must be built. At the time of General Plan build out, now assumed as the year 2050, the projects on this list would ideally be completed and in use for the residents of the City.

Why does the City need a Long Term CIP?

The Long Term CIP can serve as a blueprint to guide the Council's future investments. It is clear that the Council will be making annual investments in infrastructure repair and maintenance, but there will likely be opportunities to leverage grant funding to build larger infrastructure projects to complement or assist what new development provides. Without this plan for build out, the City may miss out on strategic investments that must be made in a timely manner to help facilitate orderly development.

What projects are included in the Long Term CIP?

The Long Term CIP only includes new improvements needed to support General Plan build-out, based on current policies, plans and goals in place today. Maintenance oriented improvements, such as for pavement or storm drains, are not included in this plan. While costs for maintenance only projects can be significant, those costs are incurred to adequately maintain what we already have in place today. This plan focuses on the new facilities and infrastructure needed to support the City at build-out.

How does staff determine which projects to include in the Long Term CIP?

Using the City's major policy documents, like the General Plan and the Circulation Element, City staff identified the improvements that need to be in place to accommodate build out of the City. For virtually all of the projects in the plan, there is a link to a major policy document approved by the Council. In most cases, these links come from the General Plan, while some others come from an adopted master plan.

When would we build these projects?

Ideally, these projects would be built as part of new development taking place in the City. Realistically, only some of the projects could be built by new development, with many needing to be built by the City using grant funds or some form of debt financing. The key purpose of this plan is to have already identified the improvements needed in advance, so that as development occurs (or funding opportunities arise) the City is ready to proceed with what needs to be built and where.

How does the Long Term CIP fit into the two year Financial Plan process?

By considering the Long Term CIP in the context of the 2013-15 goal-setting and Financial Plan process, these projects provide an important starting place in assessing which ones might be a high priority to consider in the next two years. The list is a way for

INTRODUCTION

the Council to see the long term infrastructure needs for the City and have an “order of magnitude” idea of how much it may cost to fully implement.

With this understanding, the Long-Term CIP is one of the pieces of information for the Council to consider in setting goals and priorities for 2013-15. This Long-Term CIP is conceptual, and in most cases, the projects have not undergone detailed analysis, nor undergone the rigor of the public review process. They represent City staff’s best assessment of costs and scope based on what is known today, but may undergo changes in scope or importance as new challenges and issues emerge over time.

In short, this report focuses on presenting the "inventory" of improvements that may be needed at some time in the future, as a starting point in the goal-setting process to help decide which CIP projects will go forward. Crafting funding solutions for implementation based on Council priorities is the next step in the process, and an integral part of the Financial Plan process.

REPORT ORGANIZATION

The report organizes CIP projects into the six major functional areas used in the City's Financial Plan:

Public Safety

Police Protection, Fire & Environmental Safety

Public Utilities

Water, Wastewater

Transportation

Streets, Pedestrian & Bicycle Paths, Creek & Flood Protection, Parking, Transit

Leisure, Cultural and Social Services

Parks & Recreation, Cultural Services

Community Development

Natural Resources

General Government

Information Technology, Buildings

PROJECT SUMMARY

| Project Description | Plan or Policy Link | Cost |
|--|-------------------------------|----------------------|
| PUBLIC SAFETY | | |
| Police Protection | | |
| Land Acquisition for New Police Headquarters | Police Facilities Master Plan | 8,818,000 |
| New Police Headquarters Facility | Police Facilities Master Plan | 33,705,000 |
| Total Police Protection | | 42,523,000 |
| Fire and Environmental Safety | | |
| Equipment | | |
| Fire Pumper for Station 5 | Fire Master Plan | 500,000 |
| Facilities | | |
| New Station 5 without land costs | Fire Master Plan | 3,000,000 |
| Replacement Fire Station 2 & 3 | Fire Master Plan | 6,000,000 |
| Station 4 Addition | Safety Element | 300,000 |
| Total Fire and Environmental Safety | | 9,800,000 |
| TOTAL PUBLIC SAFETY | | \$ 52,323,000 |

PROJECT SUMMARY

| Project Description | Plan or Policy Link | Cost |
|--|--|----------------------|
| PUBLIC UTILITIES | | |
| Water Services | | |
| Master Plan Implementation | Water Master Plan, October 2000, prepared by Boyle Engineering | 7,740,000 |
| Water Reuse Master Plan Implementation | Water Reuse Master Plan, Sept 2004 prepared by Dudek and Associates | 7,400,000 |
| Total Water Services | | 15,140,000 |
| Wastewater Services | | |
| Collection | | |
| Buckley Lift Station | Wastewater Master Plan AA, Oct 2009 prepared by Brown and Caldwell | 6,360,000 |
| Los Verdes Lift Station | Wastewater Master Plan AA, Oct 2009 prepared by Brown and Caldwell | 2,060,000 |
| Calle Joaquin Lift Station | Wastewater Master Plan AA, Oct 2009 prepared by Brown and Caldwell | 1,350,000 |
| Silver City Lift Station | Wastewater Master Plan AA, Oct 2009 prepared by Brown and Caldwell | 260,000 |
| Treatment and Reclamation | | |
| Master Plan Implementation | Wastewater Master Plan, Oct 2000 prepared by Brown and Caldwell | 43,940,000 |
| Plant Treatment Disinfection Modifications | Estimated by Brown and Caldwell | 4,100,000 |
| Total Wastewater Services | | 58,070,000 |
| TOTAL PUBLIC UTILITIES | | \$ 73,210,000 |

PROJECT SUMMARY

| Project Description | Plan or Policy Link | Cost |
|---|--|------------|
| TRANSPORTATION | | |
| Streets | | |
| New Roads | | |
| Prado Road: Broad to Higuera | Circulation Element A.1 | 21,000,000 |
| Prado at Higuera Intersection | Margarita Area Specific Plan (MASP) | 300,000 |
| Buckley Road: Extend from Vachell to Higuera | Circulation Element A.3 | 4,200,000 |
| Bullock Lane Extension to Tank Farm Road | Circulation Element A.4 | 3,200,000 |
| Sacramento Drive Extension Orcutt Road | Circulation Element A.5 | 1,600,000 |
| Bishop Street Extension Across UPRR to Broad | Circulation Element A.6 | 10,500,000 |
| Santa Fe Rd: Realign s/o Tank Farm Road | Circulation Element A.7, AASP | 5,200,000 |
| Santa Fe Rd: Connect with future Prado Rd | Circulation Element A.7, MASP, Airport Area Specific Plan (AASP) | 1,500,000 |
| Road Widening | | |
| Prado Road: Higuera to US 101 | Circulation Element A.1, B.4 | 6,000,000 |
| Higuera Street - High to Marsh | Circulation Element B.1 | 3,700,000 |
| Orcutt Road - Broad to Johnson | Circulation Element B.2 | 1,600,000 |
| Orcutt Road - UPRR Crossing Widening | Circulation Element B.2 | 2,700,000 |
| Tank Farm Road - S Higuera to Broad | Circulation Element B.3, AASP | 5,750,000 |
| South Higuera - Madonna to Prado Road | Circulation Element B.5 | 500,000 |
| LOVR - Madonna to US 101 | Circulation Element B.6 | 500,000 |
| Santa Rosa Street - Olive to Foothill Road | Circulation Element B.7 | 3,200,000 |
| Santa Rosa Street at Foothill (EB RT lane) | Circulation Element B.8(a) | 1,100,000 |
| Santa Rosa Street at Olive (NB RT Lane) | Circulation Element B.8(b) | 1,600,000 |
| Santa Rosa Street at Walnut (LT lanes) | Circulation Element B.8(c) | 300,000 |
| Santa Barbara Street: Upham to Broad | Railroad District Plan | 1,300,000 |
| Santa Barbara Street: Leff to Upham | Railroad District Plan | 260,000 |
| Broad Street: South Street to Alphonso | Four Creeks EIR | 1,100,000 |
| Freeway Interchanges | | |
| Prado Road Interchange | Circulation Element C.1 | 42,000,000 |
| LOVR Interchange | Circulation Element C.2 | 28,300,000 |
| Route 101/HWY 1 (Santa Rosa) | Circulation Element C.3 | 42,800,000 |
| Broad Street/US 101 (Ramp Modifications) | Circulation Element C.4 | 1,600,000 |
| Other Street Projects | | |
| Monterey Street: Santa Rosa to Grand | Circulation Element D.1 | 15,700,000 |
| Orcutt Road Grade Separation at UPRR | Circulation Element D.2 | 21,000,000 |
| Prefumo Canyon Road - Landscaped median | Circulation Element D.3 | 525,000 |
| Broad Street Dogleg | Circulation Element D.5 | 375,000 |
| Guard Rail Upgrade and Replacement | Safety Element | 1,050,000 |
| Congestion Relief Projects | Circulation Element | 5,225,000 |
| Neighborhood Traffic Management | Circulation Element, LU 2.1.3. | 850,000 |
| Traffic Safety Mitigation | Circulation Element | 5,225,000 |
| Broad Street Landscaped Medians (S of Orcutt) | AASP | 2,625,000 |
| Broad Street Corridor Enhancement | Circulation Element | 2,100,000 |
| Santa Rosa Street Corridor Enhancement | Circulation Element | 1,575,000 |
| Foothill Road Corridor Enhancement | Circulation Element | 1,575,000 |
| Undergrounding of Overhead Utility Lines | Circulation Element | 21,000,000 |
| City Assistance: Neighborhood Improvements | Housing Element 7.3.3 | 5,225,000 |
| Parker Street Improvements | Mid-Higuera Enhancement Plan | 75,000 |
| Brook Street Extension & Plaza | Mid-Higuera Enhancement Plan | 225,000 |
| Walker/Pacific Closure & Plaza | Mid-Higuera Enhancement Plan | 225,000 |

PROJECT SUMMARY

| Project Description | Plan or Policy Link | Cost |
|---|--|--------------------|
| Traffic Signals, Street Lights & Signals | | |
| New Traffic Signals | Circulation Element | 2,625,000 |
| Traffic Signal System Upgrade | Circulation Element | 775,000 |
| Video Detect/Surveillance | Circulation Element | 1,050,000 |
| Traffic Signal Communications | Circulation Element | 1,575,000 |
| Downtown Pedestrian Level Street Lighting | Circulation Element | 2,350,000 |
| New Street Lights (\$15,000 Per Year) | Circulation Element | 325,000 |
| Street Light Modifications/Upgrade | Circulation Element | 2,600,000 |
| Downtown Pedestrian Signals Improvements | Circulation Element | 300,000 |
| Billboard Removal Program | Circulation Element 14.11 | 2,100,000 |
| Acquire 975 Broad Street, Extend SLO Creek Path West of Nipomo | Circulation Element | 2,100,000 |
| Crosswalk Lighting Systems | Circulation Element | 300,000 |
| Street Lights at Crosswalks in Railroad District | Railroad District Plan | 100,000 |
| Bridge Replacements | | |
| Prado Road: SLO Creek | Land Use Element 6.4.6E, OS 3.2.1E | 4,700,000 |
| California Avenue: SLO Creek | Land Use Element 6.4.6E, OS 3.2.1E | 6,300,000 |
| Johnson Avenue: SLO Creek | Land Use Element 6.4.6E, OS 3.2.1E | 3,000,000 |
| Chorro Street: Stenner Creek | Land Use Element 6.4.6E, OS 3.2.1E | 2,700,000 |
| Madonna: Prefumo Creek | Land Use Element 6.4.6E, OS 3.2.1E | 1,450,000 |
| Bianchi Lane: SLO Creek | Mid-Higuera Enhancement Plan | 525,000 |
| Calle Joaquin: Prefumo Creek | Land Use Element 6.4.6E, OS 3.2.1E | 1,775,000 |
| Murray Street: Stenner Creek | Land Use Element 6.4.6E, OS 3.2.1E | 2,100,000 |
| Total Streets | | 315,135,000 |
| Creek and Flood Protection | | |
| Cuesta Park Detention Facility | Waterway Management Plan | 10,875,000 |
| Mid-Higuera Bypass Channels | Waterway Management Plan Mid-Higuera Enhancement Plan | 5,300,000 |
| Elks Lane Bypass Channels | Waterway Management Plan | 12,850,000 |
| Channel Modifications near LOVR | Waterway Management Plan | 6,800,000 |
| Creek Bank Stabilization | Waterway Management Plan | 31,800,000 |
| Creek Bed Stabilization | Waterway Management Plan | 22,600,000 |
| Remove human-made obstructions from creeks | Land Use Element 6.5.1C | 5,225,000 |
| Total Creek and Flood Protection | | 95,450,000 |
| Pedestrian and Bicycle Paths | | |
| Pedestrian | | |
| Complete Community Sidewalk System | Circulation Element, CI 5.1.2 | 18,254,000 |
| Continue Program of Replacing Existing Curbs with Handicapped Ramps | Circulation Element, CI 5.1.3 | 6,273,000 |
| Repave Pedestrian Crossings and Install Pedestrian Bulb-Outs | Circulation Element 5.0.5B. | 523,000 |
| Monterey Street Civic Center Plaza Installation | Circulation Element | 2,379,000 |
| Garden Street Makeover | Circulation Element D.4 | 345,000 |
| Complete Downtown Mission-Style Sidewalks | Downtown Plan; Resolution No. 9114 | 4,280,000 |
| RR District Boardwalks | Railroad District Plan | 400,000 |
| Leff and Osos Improvements | Railroad District Plan | 309,000 |
| Walk of History (West Side of Tracks) | Railroad District Plan | 523,000 |

PROJECT SUMMARY

| Project Description | Plan or Policy Link | Cost |
|---|--|-------------------|
| <i>Bicycle Paths</i> | | |
| Bob Jones Trail (Prado to LOVR) | 2007 Bike Plan | 2,300,000 |
| Prado Road Bike Bridges | 2007 Bike Plan | 523,000 |
| Bob Jones Trail (Elks to Prado) | 2007 Bike Plan | 1,658,000 |
| Bob Jones Trail (Madonna to Elks) | 2007 Bike Plan | 1,255,000 |
| Elks Lane Parallel Bike Bridge | 2007 Bike Plan | 366,000 |
| Bob Jones Trail (Marsh to Madonna) | 2007 Bike Plan, Mid-Higuera Enhancement Plan | 1,464,000 |
| Madonna Road Underpass | 2007 Bike Plan | 200,000 |
| Bob Jones Trail (LOVR to Barn) | 2007 Bike Plan | 523,000 |
| Prefumo Arm (Calle Joaquin to Madonna) | 2007 Bike Plan | 972,000 |
| Madonna Road Bridge (to Laguna Park) | 2007 Bike Plan | 1,673,000 |
| Railroad Bike Path (Depot to Marsh) | 2007 Bike Plan | 2,718,000 |
| Railroad Bike Path (Marsh to Hathway) | 2007 Bike Plan | 6,691,000 |
| Railroad Bike Path (Hathway to Foothill) | 2007 Bike Plan | 366,000 |
| Railroad Bike Path (Foothill to Campus) | 2007 Bike Plan | 162,000 |
| Railroad Bike Path (Foothill Bridge) | 2007 Bike Plan | 1,777,000 |
| Path Along n/Orcutt to Laurel | 2007 Bike Plan | 136,000 |
| Path Along Creek to Southwood | 2007 Bike Plan | 366,000 |
| Railroad Bike Path (Laurel to Tank Farm) | 2007 Bike Plan | 1,150,000 |
| Bridge Over Tank Farm Road | 2007 Bike Plan | 1,568,000 |
| Bridge Over RR @ Fairview/ Penny Ln | 2007 Bike Plan, Railroad District Plan | 2,091,000 |
| Underpass at Industrial Way | 2007 Bike Plan | 732,000 |
| Bridge from Sinsheimer Park to Lawrence Drive | 2007 Bike Plan, Railroad District Plan | 3,241,000 |
| Railroad Bike Path (High to Roundhouse) | 2007 Bike Plan | 240,000 |
| RR Bike Path (Roundhouse to McMillian) | 2007 Bike Plan | 753,000 |
| Acacia Creek BP (Rockview to Damon-Garcia) | 2007 Bike Plan | 627,000 |
| Acacia Creek BP (Damon-Garcia to Tank Farm) | 2007 Bike Plan; AASP | 261,000 |
| Acacia Creek Underpass @ SR 227 | 2007 Bike Plan | 366,000 |
| Union Oil Prop BP (Tank Farm to Buckley) | 2007 Bike Plan; AASP | 1,568,000 |
| Buckley Road Path (Broad to Vachell) | 2007 Bike Plan; AASP | 3,450,000 |
| Tank Farm Crk. BP (Tank Farm to Vachell) | 2007 Bike Plan; AASP | 1,464,000 |
| Morro Street BB (Santa Barbara to Pismo) | 2007 Bike Plan | 52,000 |
| South Street Widening for BP | 2007 Bike Plan | 52,000 |
| Bikeslot at California-Foothill | 2007 Bike Plan | 162,000 |
| Bikeslot at South-Broad | 2007 Bike Plan | 142,000 |
| Bikeslot at S.Higuera-LOVR | 2007 Bike Plan | 209,000 |
| Bike Path (Flora to Fixlini) | 2007 Bike Plan | 314,000 |
| Laguna Lake Park (to Foothill) | 2007 Bike Plan | 1,673,000 |
| Marsh Street Interchange Mods | 2007 Bike Plan | 314,000 |
| South Hills Path (Margarita Area to Exposition) | 2007 Bike Plan; MASP | 1,568,000 |
| Railroad Corridor Palm Tree Planting | Railroad District Plan | 105,000 |
| Total Pedestrian and Bicycle Paths | | 78,538,000 |

PROJECT SUMMARY

| Project Description | Plan or Policy Link | Cost |
|--|--|----------------------|
| Parking | | |
| NARF Parking | Access and Parking Management Plan | 31,350,000 |
| New Parking Structure (1 every 5 years) | Access and Parking Management Plan | 62,725,000 |
| New Parking Lot Acquisition | Access and Parking Management Plan | 6,275,000 |
| New Meter Installations - E/o Santa Rosa | Access and Parking Management Plan | 52,000 |
| Residential Parking District Implementation | Access and Parking Management Plan | 209,000 |
| Develop Downtown Park and Ride Lots | Circulation Element 12.6, Access and Parking Management Plan | 2,100,000 |
| Additional Passenger Loading Area Near Depot | Railroad District Plan | 105,000 |
| Total Parking | | 102,816,000 |
| Transit | | |
| <i>Capital</i> | | |
| Bus Stop Improvements | Short Range Transit Plan | 418,000 |
| Bus Expansion (1 Every 3 Years) | Short Range Transit Plan | 2,600,000 |
| NARF: Transit | Short Range Transit Plan | 5,225,000 |
| RTC Transfer Point Upgrade | Short Range Transit Plan | 775,000 |
| Transit Signal Priority System | Short Range Transit Plan | 1,050,000 |
| Freight Warehouse Transfer Center | Regional Transportation Plan | 1,350,000 |
| Bus Yard Expansion | Regional Transportation Plan | 3,125,000 |
| Total Transit | | 14,543,000 |
| TOTAL TRANSPORTATION | | \$606,482,000 |

PROJECT SUMMARY

| Project Description | Plan or Policy Link | Cost |
|---|--|--------------------|
| LEISURE, CULTURAL AND SOCIAL SERVICES | | |
| Parks and Recreation | | |
| Parks | | |
| Laguna Lake Park Master Plan | Parks and Recreation Element (2.55.2) | 2,614,000 |
| Laguna Lake Dredging | Laguna Lake Management Program | 7,319,000 |
| Margarita Area Neighborhood Park/Additional Sports Fields | MASP/Parks & Recreation Element (2.53) | 8,158,500 |
| Orcutt Area Neighborhood Park | OASP/Parks & Recreation Element (2.53) | 11,111,100 |
| Caltrans North Property Acquisition & Park | Mid-Higuera Enhancement Plan | 2,331,000 |
| Other Parks to Meet 10 acres/1,000 Goal | Parks and Recreation Element (2.1.1) | 71,639,400 |
| Other Improvements | | |
| Mini Parks | Parks and Recreation Element (2.40) | 1,050,000 |
| Tennis Courts | Parks and Recreation Element (2.40) | 625,000 |
| Sinsheimer Park Master Plan | Parks and Recreation Element (2.56.2) | 2,100,000 |
| Community Center | Parks and Recreation Element (2.54) | 8,350,000 |
| Meadow Park Upgrades | Parks and Recreation Element (2.54) | 260,000 |
| Sand Volleyball Facility Emerson Park | Parks and Recreation Element (2.57.5) | 105,000 |
| Skate Park | Major City Goal 2007-09 | 2,500,000 |
| Golf Course | Parks & Recreation Element (1.33.2) | 209,000 |
| Total Parks and Recreation | | 118,372,000 |
| Cultural Services | | |
| Adobe Restoration | Parks and Recreation Element (2.57.5) | 3,125,000 |
| Railroad District Gateway Tree Planting | Railroad District Plan | 26,000 |
| Historic Railroad Car Display | Railroad District Plan | 26,000 |
| Public Art @ .5% of CIP Costs | Art in Public Places Policy | 8,725,000 |
| Total Cultural Services | | 11,902,000 |
| TOTAL LEISURE, CULTURAL AND SOCIAL SERVICES | | 130,274,000 |

PROJECT SUMMARY

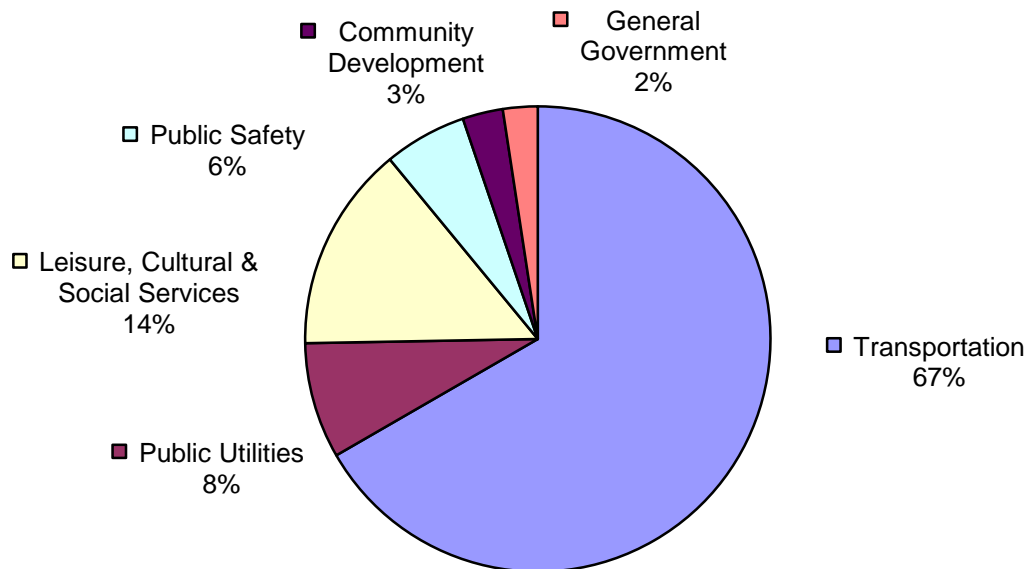
| Project Description | Plan or Policy Link | Cost |
|---|-----------------------------------|-------------------|
| COMMUNITY DEVELOPMENT | | |
| Natural Resources | | |
| Open Space Acquisition, Trail Development | Conservation & Open Space Element | 25,000,000 |
| Creek Pedestrian Trail and Open Space | Mid-Higuera Enhancement Plan | 500,000 |
| Total Natural Resources | | 25,500,000 |
| TOTAL COMMUNITY DEVELOPMENT | | 25,500,000 |

PROJECT SUMMARY

| Project Description | Plan or Policy Link | Cost |
|--|---|-------------------|
| GENERAL GOVERNMENT | | |
| Information Technology | | |
| Document Management | IT Strategic Plan, August 2012 | 650,000 |
| E-Government | IT Strategic Plan, August 2012 | 250,000 |
| Technology Mgt Tools/Security Improvements | IT Strategic Plan, August 2012 | 225,000 |
| Technology Data Center Improvements | IT Strategic Plan, March 2001 | 813,000 |
| Total Information Technology | | 1,938,000 |
| Buildings | | |
| City Hall Expansion | Conceptual Physical Plan for City Ctr; Facilities Master Plan: 1988-2010 | 20,000,000 |
| Total Buildings | | 20,000,000 |
| TOTAL GENERAL GOVERNMENT | | 21,938,000 |

| SUMMARY BY FUNCTION | |
|---------------------------------------|----------------------|
| Public Safety | 52,323,000 |
| Public Utilities | 73,210,000 |
| Transportation | 606,482,000 |
| Leisure, Cultural and Social Services | 130,274,000 |
| Community Development | 25,500,000 |
| General Government | 21,938,000 |
| Total | \$909,727,000 |

Long-Term CIP By Function: \$909 Million



Section 9

Background Materials FISCAL OUTLOOK: DECEMBER 18, 2012 FORECAST

General Fund

Five Year Forecast: 2013-18

Projecting a Slow and Steady Recovery

October 2012



General Fund Five Year Forecast: 2013-18

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Beacon Economics Revenue Forecast

Appendix A



OVERVIEW

PURPOSE AND SUMMARY OF FORECAST FINDINGS

PURPOSE:

The purpose of this forecast is to assess the General Fund's ability over the next five years—on an “order of magnitude” basis—to do five things:

1. Deliver current service levels.
2. Maintain the City's existing infrastructure and facilities based on past funding levels.
3. Preserve the City's long-term fiscal health by aligning operating revenues and expenditures.
4. Maintain fund balance at policy levels.
5. Reinvest in the General Fund supported Capital Improvement Program, particularly in areas that are underfunded such as infrastructure maintenance, fleet replacement, Information Technology replacement, and facilities maintenance.

The forecast does this by projecting likely revenues and subtracting from them operating costs, debt service and the capital improvement plan (CIP). If positive, the balance remaining is available for Council decision on whether to build reserves to guard against future financial uncertainties or fund increased investment in maintaining infrastructure, new capital improvement or operating initiatives. If negative, the balance shows a likely “budget gap” that requires corrective action.

It is important to stress that this forecast is not a budget.

The forecast does not make expenditure decisions or formally adopt revenue numbers. Its sole purpose is to provide context for considering the City's ability to continue current services, maintain existing assets and/or fund new initiatives. Ultimately, this forecast cannot answer the question: “can we afford new initiatives?” This is a basic question of priorities. Funding new initiatives within existing resources would require

reductions elsewhere to do so. As a result, making trade-offs and determining priorities is a key aspect of the budget process. The forecast is a helpful tool in this regard because it provides an important framework for decision-making by projecting the revenues that will likely be available in the future to cover the cost of maintaining current service levels.

SUMMARY OF FINDINGS:

The City has made great strides on the path to fiscal sustainability since the last formal update to the General Fund Five-Year Fiscal Forecast two years ago. This forecast concludes that the City is no longer facing continuing long term structural budget gaps of the nature projected in the five-year forecast of two years ago. However, it should be noted that forecasted balances would obviously be reduced by over \$7 million and create a gap between revenues and expenditures after 2014-15 if Measure Y is not reauthorized by the voters in November 2014. If Measure Y is not reauthorized, those revenues would cease to be collected in April 2015. The impact of that potential loss is shown in a separate fiscal forecast on page 12.

PROGRESS ON THE PATH TO FISCAL SUSTAINABILITY

Why is the forecast better than what was expected two years ago?

There are two primary reasons why the continuing budget gap projected two years ago has been eliminated. The first is that revenue declines have been reversed, although economic uncertainty remains. The second is cost containment measures taken by the Council to reduce both near-and long-term expenses.

On the revenue side, key revenue sources such as sales tax and Transient Occupancy Tax (TOT) have rebounded and have been growing for the past three years with TOT exceeding its pre-recession peak in 2011-12. The forecast projects continued moderate growth in these sources. After three years of minor declines, property tax revenue will return to positive growth in 2012-13 with very modest increases in the future. Other

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revenue sources are projected to grow modestly throughout the forecast period reflecting a long and slow recovery. While the revenue picture is positive, especially compared to the recent past, the rate of increases projected is less than the rates seen in previous periods of economic growth. In other words growth will be “slow and steady” as opposed to the rapid recovery seen in previous economic rebounds.

On the cost side of the equation, the Council took decisive action to reduce expenditures with the adoption of the 2011-13 Financial Plan. This was in addition to actions taken during previous financial plans to reduce costs and address the budget gap. Most recently, these expenditure reductions have been accomplished by controlling operating costs, reducing staffing levels, negotiating personnel compensation reductions, and constraining investment in the Capital Improvement Program. For the longer term, the City has achieved second tier pension formulas with reduced benefits for all new City employees. This is a critical piece to containing costs for future hires who are already PERS members because State pension reform only establishes reduced pension formulas for new PERS members. Together these actions will help mitigate future pension cost increases, which have and will continue to be a major cost driver and source of uncertainty. Both revenue and expenditure trends will be discussed in greater detail later in this report.

Additionally, the City engaged in two bond refinancings to take advantage of low interest rates to reduce debt service payments during the 2011-12 fiscal year. In both cases the City received an AA+ implied General Obligation bond rating from Fitch Rating Services and the City compares favorably on many indices with certain AAA rated cities.

WHERE WE’VE BEEN

Since the City’s journey to financial sustainability has been on-going, it will be helpful to review where we have been and the steps the City has taken in response to the constant changes in our financial condition.

In the 2009-11 Financial Plan, Council responded to declining revenues caused by the severe recession and unanticipated staffing cost increases

with actions to reduce the budget by \$11.3 million. While reserves and added revenues played an important role, about 80% of the budget-balancing strategy again relied upon expenditure reductions with the bulk provided by CIP reductions. Reductions from 3-11% by department were imposed with the deepest reductions occurring in the support departments. These reductions included 17.2 regular positions and 6.4 temporary full time equivalent (FTE) positions in the General Fund. This also included salary deferrals by employees totaling nearly \$1 million.

The 2009-11 Financial Plan Supplement (2010-11 budget) included additional cuts of almost \$1 million in operating expenses and almost \$2 million in CIP reductions.

Budget-Balancing in the Current 2011-13 Financial Plan.

The 2011-13 Financial Plan focused on permanent, on-going changes as much as possible, with departmental operating budgets and employee concessions being the two largest elements of the budget balancing strategy. Revenue enhancements were also part of the strategy, but were limited due to recognition that the City’s long-term sustainability depends more on cost control than on development of new revenue sources.

Therefore the 2011-13 Financial Plan included ongoing employee concessions totaling \$3.1 million in all funds, or \$2.6 million in the General Fund, as indicated in the chart below. This financial objective set the stage for Council labor relations objectives that included pension reform and a 6.8% reduction in employee total compensation. The City reached Council’s labor relations objectives through negotiated agreement with all of its bargaining units, exceeding the financial objective when the personnel compensation reductions are fully implemented. These savings are being phased in over time, and the forecast reflects this approach.

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| General Fund Budget Balancing Elements | 2011-12 | 2012-13 |
|--|------------|------------|
| Revenue enhancements | \$ 301,300 | \$ 351,300 |
| Operating budget reductions | 1,812,000 | 1,956,000 |
| Employee concessions | 1,300,000 | 2,600,000 |
| Operational efficiencies /NOBBs | 50,000 | 100,000 |

Fiscal Health Contingency Plan Elements Still Active

Twice since 2008, the City has implemented actions in its fiscal health contingency plan. The first implementation was in response to the adverse financial impacts of the binding arbitration decision (binding arbitration has since been eliminated through a Charter amendment approved by City voters on August 30, 2011). Actions were again taken due to the significant downturns in revenues in 2009-10, which included a hiring freeze. Presently, a “hiring chill” remains in place requiring the City Manager to approve all hiring actions including backfilling budgeted vacant positions. The City Manager’s judicious use of the “chill” has resulted in considerable salary savings without the potentially arbitrary impact on operations that can be caused by a full hiring freeze.

Reserve Levels Have Been Maintained

The City has also made strategic use of its reserve fund as lower operating expenditures produced a proportionally smaller reserve requirement. Reserves have been maintained at or above policy levels of 20% throughout the financial difficulties of the last several years. Audited results for 2010-11 and preliminary results for 2011-12 reflect the City achieved higher than expected revenues and expenditure savings resulting in higher than projected fund balances.

REVENUE FORECAST

Reset of Revenue Base

Beginning in 2008, the United States experienced the deepest and longest recession since the Great Depression. The housing bubble burst was followed by a crisis in the financial markets, high levels of unemployment and a sharp decline in consumer spending. During that time, several of the City’s top revenues declined or at best stayed flat. Sales tax (including Measure Y), property tax and transient occupancy tax (TOT) account for about two-thirds of all funding sources in the General Fund. These sources have begun to recover at varying rates. Overall, the current recovery can be characterized as “slow and steady.” The recovery has been accompanied by a great deal of uncertainty and ongoing fear that a double dip recession could be caused by a variety of unresolved economic issues, including the federal “fiscal cliff” and an uncertain economic climate in Europe. This long slow recovery with low growth rates and continued uncertainty is often referred to as the “new normal.” It also means that revenue forecasts must be understood in context. Because of the various uncertainties associated with the current economic recovery, staff has erred on the conservative side when making these projections.

Sources used in developing revenue projections for the forecast include long and short-term trends in key City revenues, data from the Central Coast Economic Forecast project; information developed by the State Legislative Analyst and the State Department of Finance; and materials prepared by the League of California Cities and State Controller's Office.

To assist in improving the reliability of revenue forecasts, staff has engaged the services of Beacon Economics to provide professional forecasts (Appendix A) for a number of key revenues sources. Beacon’s projections will be discussed in the applicable narrative discussions below.

Ultimately, the revenue projections in this forecast reflect staff's best judgment about the performance of the local economy during the next five years and how it will affect the City's General Fund revenues.

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Forecast

Sales Tax. For the last two fiscal years the City's growth estimates for Sales Tax revenue have been exceeded. These estimates were last updated as part of the 2011-13 Financial Plan and 2012-13 budget. The current years' growth rate projection is 4.5%, and 3.5%, 3% and 3% annual increases through 2015-16. The following table includes the City's most recently approved sales tax growth projections, along with projections provided by Beacon Economics and HdL, the City's sales tax advisor. The data indicates varying degrees of confidence in taxable sales growth over the forecast period. Staff recommends using HdL's growth assumptions in the current forecast calculation, consistent with our conservative approach to projecting revenues during this uncertain economic recovery.

Sales Tax Growth Projections

| | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 |
|--------|---------|---------|---------|---------|---------|
| Staff | 3.5% | 3.0% | 3.0% | | |
| HdL | 5.0% | 4.0% | 4.0% | 4.0% | |
| Beacon | 5.0% | 6.4% | 8.0% | 7.8% | 6.6% |

In addition to overall growth, the forecast includes assumptions related to new sales tax outlets that will enhance total revenues. This includes the Airport Area Annexation agreement, Garden Street Terraces development project, as well as expectations for the Chinatown development project.

Measure Y. The growth projections for Measure Y revenue, the local half-cent sales tax, are the same as identified in the previous table for all sales tax revenue. This document includes a forecast of revenue, expenditures and changes in fund balance without Measure Y renewal. It should be noted that if Measure Y is not renewed, revenue from the half-cent sales tax would no longer be collected effective April 1, 2015. This reduction in revenue would affect the last three months of the 2013-15 Financial Plan period, and the last three years of the forecast. As shown in the forecast, if Measure Y is not renewed a negative gap between revenues and expenditures would begin in 2014-15 and grow to \$19.7 million in 2017-18. Actual consideration of the tradeoffs that would be required to balance the budget if the half-cent sales tax is eliminated will be

considered beginning in January 2014, with decisions by the City Council in June 2014. This schedule gives the Council and the community the opportunity to consider this question separately and independently from the vast number of policy questions to be considered as part of the 2013-15 Financial Plan adoption.

TOT Revenues. Revenues from transient occupancy tax (TOT) ended 2011-12 up 7.8% from the prior year, reaching \$5,222,000. This surpassed the 2007-08 pre-recession peak of \$5,054,700 by over 3%. TOT has benefitted from the extensive marketing efforts of the Tourism Business Improvement District and the community promotions program. Having achieved and surpassed the pre-recession peak, staff expects the rate of growth to moderate some. The market has recently seen growth in both room rates and the number of rooms available with the opening in May 2012 of the 84-room Hampton Inn, and the October 2012 opening of the 17-room Granada Hotel.

Current projections include the anticipated effect of Monterey Place (11 rooms) in 2014-15 and the Garden Street Terraces project (48 rooms) beginning in 2015-16. Staff has revised the dates for receiving TOT from these hotel properties to reflect the latest information on development plans received by the Community Development Department.

Based on the analysis provided by Beacon Economics staff is projecting net TOT revenue growth of:

Transient Occupancy Tax Growth Projections

| 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 |
|---------|---------|---------|---------|---------|
| 4.4% | 2.6% | 7.62% | 3.6% | 3.8% |

Property Taxes. Property tax revenues in 2011-12 were \$8.4 million, down less than 1% from the prior year and marking the third year of small declines. Since its 2008-09 peak, property tax revenue has declined 4.8%, far less than most communities in California. The declines reflect ongoing revaluations of properties by the County Assessor's office in light of market price declines. Based on preliminary data from the Assessor, staff

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projected a return to growth, albeit very modest, in property tax revenues beginning in 2012-13.

Based on data provided by Beacon Economics on growth in assessed valuation, staff projects the following through the forecast period:

Property Tax Growth Projections

| 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 |
|---------|---------|---------|---------|---------|
| 2.0% | 2.6% | 3.1% | 3.6% | 4.1% |

Grants. The forecast does not reflect the receipt of any “competitive” grant revenues over the next five years. However, our experience tells us that we will undoubtedly be successful in obtaining grants, but these are for restricted purposes, and are usually for new facilities and infrastructure, not the “maintenance-only” projects assumed in the forecast.

Other “formula grant” programs like Community Development Block Grants will help in achieving CIP goals. However, their use is highly restricted by the granting agencies and in the case of State grants, cannot be relied upon. Again, these are largely for new facilities and infrastructure, not the “maintenance-only” projects included in the forecast. As such, the forecast does not include any funding from these sources.

Development Impact Fees. These are subject to changes in the construction market, over which the City has no control. Depending upon growth that occurs in the community over the next five years, transportation impact fees will generate funds to help offset funding for transportation improvements. However, these revenues are restricted solely to funding improvements related to new development. On a much smaller scale, the City also receives park in-lieu fees, which are also restricted to funding improvements related to park facilities to support new development. Because of these restrictions they are not included in this forecast.

EXPENDITURE FORECAST

Operating Costs

Based on requests from Council, staff has broken down the forecast of operating expenses between staffing and non-staffing costs. This is logical because most City services, such as law enforcement and building permit inspections, are provided by City staff. It is also helpful to organize operating costs in this way because the factors driving staffing cost increases, such as retirement costs, are completely different and warrant much greater analysis than non-staffing operating costs.

Operating Costs - Staffing

Basic Compensation. Staffing costs have represented up to 80% of total operating expenditures in the General Fund and have for several years been the driving force behind increases in the costs of providing City services. This has primarily been a function of rising retirement costs driven by substantial increases in the employer contribution rates required by the California Public Employees Retirement System, known as CalPERS or simply PERS.

As mentioned above, the City Council included a projection of \$2.6 million in annualized reductions in personnel compensation in the General Fund (\$3.1 million in all funds) as part of the 2011-13 Financial Plan. The plan anticipated achieving \$1.3 million in savings during the 2011-12 year and the full \$2.6 million in each year thereafter. Achieving the annual savings goal required substantial negotiation with each bargaining unit and ultimately resulted in a variety of phased in approaches to achieve the desired reduction. The last phased in reduction will occur in July 2014 and the forecast reflects these phased in reductions through the 2014-15 fiscal year.

Reductions in compensation were achieved in a variety of ways, depending upon the bargaining unit. However, all employees will pay the full Member contribution to PERS (8% or 9%) by July 2014. Further, none

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of the labor agreements or compensation resolutions include any sort of cost of living adjustments for salaries during the term (through the end of December 2014 or 2015). Considering it will be at least four years that most employee classifications have not been adjusted, staff forecasts that compensation will increase at the assumed rate of inflation for the 2015-16 year and beyond.

PERS Retirement Costs. In the previous 2011-16 forecast, staff projected fairly high increases in PERS employer contribution rates over the forecast period based on the rapid rises seen in preceding years and the knowledge that PERS was reviewing and likely changing a number of assumptions that would increase rates. Several of those assumption changes have come to pass, most notably the change in the rate of return on investments from 7.75% to 7.50%. The City recently received its PERS Annual Valuation Reports with official rates for 2013-14 and projected rates for 2014-15 for Safety and out to 2015-16 for Miscellaneous employees.

The rates for 2013-14 reflect the impact of the PERS board action to reduce the assumed rate of return, although PERS is phasing in this impact, as it has many other adjustments in the last ten years. The projected rates for 2014-15 and beyond incorporate the impact of the poor rate of return earned specifically in 2011-12. While the employer contribution rates in the recent reports are higher than PERS' last official projections, they are close to or within the assumptions used by the City when it last updated the forecast in June 2012 for the 2011-13 Financial Plan Supplement. These increases are incorporated into the staffing cost line on the forecast. Staff has also allowed for further increases in PERS rates for the forecast years beyond PERS official projections.

One of the City's key cost containment objectives achieved through the round of labor negotiations completed during 2012 was pension reform, specifically the achievement of lower second tier pension formulas for City employees that increase the "normal" retirement age and calculate benefits on the average of three years of compensation instead of the single highest year. The State also adopted new pension formulas through the Public Employees Pension Reform Act (PEPRA) effective January 1,

2013. However, the PEPRA formulas only apply to new employees who are also new to PERS.

Consequently all new personnel hired by the City will fall into either a second tier, or third "PEPRA" tier, both of which are lower than the City's current retirement benefits. Future retirement costs will be impacted by rates of turnover in the City's workforce as new employees receiving lower benefits with lower costs, replace current employees. Thus, the savings to the City will increase over time. An actuarial study by John Bartel and Associates was conducted for the City in 2011 for purposes of estimating second tier savings. PERS provided estimated employer contribution rates for the City's approved second tier formulas. Unfortunately, PERS will not provide the City an estimated third tier rate until after this forecast. However, given the formulas involved one can expect the third tier cost to be somewhat, but not substantially, less than the second tier rates. Further, based on past experience it is likely most new hires will be hired into the second tier. As a result, staff has projected retirement costs and used second tier rates for all projected turnover. The forecast provides a line for savings from CalPERS decreases from second tier savings under Expenditures and Other Uses.

Other Post Employment Benefit (OPEB) costs. Unlike many cities, the City of San Luis Obispo faces a fairly stable cost outlook for its OPEB obligations. Since 2008 the City pays its full Annual Required Contribution (ARC) to the CERBT Trust run by PERS to cover future retiree health benefits, and is rapidly reducing the future liability for this benefit. Based on the latest biennial actuarial report received during 2012, the City's cost for the next two years will increase from \$536,000 to \$558,000 and \$576,000 respectively, with future increases projected at a similar rate.

Overall, the efforts undertaken to control staffing costs in the short- and long-term appear to be successful. Ultimately, the savings from new retirement tiers will depend on turnover as well as the contribution rates required by PERS, but total staffing costs are projected to grow by less than inflation during the forecast period.

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Operating Costs – Non-Staffing

As the economy has stabilized and recovery taken hold, prices non-staffing operating costs have begun to rise. City staff has been working hard to identify areas where efficiencies can be made through improved work processes, use of technology, etc. and this effort will help moderate costs to some extent.

Accordingly, the forecast assumes non-staffing operating costs will increase in each forecast year by the assumptions for population growth and inflation combined.

Infrastructure and Facilities Maintenance

As discussed in the 2011-16 fiscal forecast, the estimated cost of adequately maintaining, repairing or replacing existing General Fund facilities, infrastructure and equipment is about \$8.8 million annually. This excludes any enhancements or “betterments.” To place this in context, the average General Fund CIP expenditures for the last 15 years have been about \$4 million annually, and the average for the last two years is a similar amount. The budget for the General Fund CIP was reduced to \$2.4 million for 2010-11 and increased to \$3.7 million in 2011-12.

For purposes of this Fiscal Forecast, staff has used the numbers from Appendix B of the 2011-13 Financial Plan, which is the approved CIP plan through 2015-16. While these numbers could, and very likely will, change through the adoption of 2013-15 Financial Plan, the previously approved plan is a logical place to start for forecast purposes. The average increase in CIP spending shown in the last Fiscal Forecast was about 15%. For the two additional years included in this forecast, staff has continued to assume investment growth in the CIP by this percentage each year.

One of the Council’s Other Important Objectives for 2011-13 has been to increase infrastructure maintenance and investment. This goal will continue to be important to the City’s fiscal well-being, since failure to maintain critical infrastructure often results in higher costs down the road.

To accomplish this, staff has proposed setting aside funding for major replacements, such as fleet, information technology and major facilities. The forecast assumes progressively increasing amounts will be transferred into funds specifically established for these purposes. Although initial investments in these funds will not cover the full cost of replacing these critical and expensive components, it is a good start toward creating fiscally sustainable replacement programs.

Debt Service Costs

During 2011-12, the City successfully refinanced 2001 Series C lease revenue bonds to achieve a lower interest rate and save \$65,000 annually in debt service costs to the General Fund. Staff and the City’s financial advisor will remain open to any potential opportunities for further savings that may present themselves if interest rates remain low and other bond issues become eligible. The City has incurred no new General Fund debt since the 2011-16 forecast and has no current plans calling for General Fund related debt during the forecast period. As a result, debt service costs are projected to remain stable after declining by approximately \$295,000 in 2014-15 when the final payment on a 1986 bond issue is made.

SUMMARY

The City enters the 2013-15 Financial Planning period in substantially better condition both long and short term than in previous financial plan periods. However, it still faces many challenges as well as continued economic uncertainty.

The City continues to have substantial advantages compared with many communities in California due to:

1. A balanced 2012-13 budget and reserves above minimum policy levels
2. Strong financial systems and procedures in place
3. Strong Council leadership
4. Committed and engaged citizens

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5. Excellent organization and capable staff
6. Great tradition of responsible stewardship

This “civic infrastructure” is simply not in place in many other cities and it will serve San Luis Obispo well in successfully meeting the fiscal challenges ahead.

Moreover, the fact remains that in good times or bad, the fundamental policy questions posed by the budget process are the same: of all the things we want to do in making our community an even better place to live, work and play, which are the most important? And what are the resource trade-offs we have to make to do them?

SYNOPSIS OF MAJOR TRENDS

DEMOGRAPHIC TRENDS

1. **Population and Housing.** Population grows by 0.25% per year for each of the years in the forecast.
2. **Inflation.** Grows by 2.40% in 2013-14; 2.50% 2014-15; 2.50% in 2015-16; 2.5% in 2016-17; and by 2.5% in 2017-18.

EXPENDITURES

1. **Operating Expenditures - Staffing.** Uses the adopted budget for 2012-13, reduced for the phased in implementation of concessions among the various bargaining groups. Grows 0.67% in 2013-14 and 1.25% in 2014-15 reflective of possible upward adjustments for units with contracts that will expire December 2013. Grows by inflation for 2015-16, 2016-17 and 2017-18.
2. **Operating Expenditures – Non-Staffing.** Uses the adopted 2012-13 budget as the base and assumes increases based on combined growth rates for population and inflation.
3. **CIP Expenditures.** Based on the five-year CIP plan approved as Appendix B of the 2011-13 Financial Plan for the years through 2015-16 and assumes an increase of 15% for 2016-17 and 2017-18.
4. **Debt Service.** The forecast includes current debt service obligations and the final debt service payment in 2012-13 for bonds issued in 1986, which reduces debt service costs by about \$295,000 in 2013-14.

KEY REVENUES

Top Dozen General Fund Revenues

These “Top Dozen” sources account for about 95% of total projected General Fund revenues.

1. **Sales Tax.** Grows by rates projected by HdL and incorporates specific factors such as Airport Area Annexation Agreement, Chinatown, and Garden Street Terraces. Measure Y and Proposition 172 revenues are projected to grow by the same factors.
2. **Property Tax.** As projected by Beacon Economics, grows by 1.4% in 2013-14; by 2.7% in 2014-15; by 3.0% in 2015-16; by 3.4% in 2016-17 and by 3.9% in 2017-18.
3. **Transient Occupancy Tax.** As projected by Beacon Economics, grows by 4.4% in 2013-14; by 2.7% in 2014-15; by 3.3% in 2015-16; by 3.6% in 2016-17 and by 3.8% in 2017-18. Incorporates projections for the net impact of Garden Street Terraces beginning in 2015-16.
4. **Utility Users Tax.** As projected by Beacon Economics, grows by 0.8% in 2013-14; by 1.1% in 2014-15; by 1.5% in 2015-16; by 2.8% in 2016-17 and 3.1% in 2017-18. Passage of Measure D-12 projected to be revenue neutral.
5. **Property Tax in Lieu of Vehicle License Fees.** Grows by the same rate as property tax revenues throughout the forecast period.
6. **Business Tax.** As projected by Beacon Economics, grows by 2.0% in 2013-14; by 2.1% in 2014-15; by 2.3% in 2015-16; by 2.6% in 2016-17 and 2.8% in 2017-18.
7. **Franchise Fees.** Grows by combination of population and inflation throughout the forecast period.

SYNOPSIS OF MAJOR TRENDS

8. **Gas Tax Subventions.** Grows by population throughout the forecast period.
9. **Development Review Fees.** Grows by 3% in 2013-14 and 4% thereafter based on Beacon Economics projection for building permit activity adjusted for estimated timing of development review activity by Community Development Department.
10. **Recreation Fees.** Grows by population and inflation throughout the forecast period.
11. **Other Fees.** Grows by population and inflation throughout the forecast period.
12. **Investments.** Based on 2.5% yields and estimated available fund balance.

Special Revenue Assumptions

1. **Proposition 42 Revenues.** Beginning in 2010-11, the State will replace Proposition 42 revenues with additional Gas Tax revenues pursuant to Revenue & Taxation Code Section 7360. The City should receive about \$500,000 annually from these transportation-restricted revenues.
2. **Mutual Aid Reimbursements.** The forecast makes no assumptions for the receipt of mutual aid revenues. This revenue results when Fire personnel respond to significant events (usually wildland fires) for which the City receives reimbursement from Federal or State sources. Response to these types of events is volatile and difficult to predict. While the City almost always receives some level of revenue from this source each year, including substantial amounts in some years, there are years where very little net revenue is received and it is unwise to build the forecast based on these revenues.

3. **State Budget Impacts.** The forecast assumes no further adverse state budget actions during the forecast period. With the passage of Propositions 30 and 39 at the November 2012 election, the state's budget outlook has improved. On November 14, 2012, the Legislative Analyst Office (LAO) released information projecting the smallest budget in many years for the current year and small surpluses for the out-years based on current reduced spending plans in place. While the state is hardly in good financial shape, the prospect of further cuts that would affect the City or local state agencies upon which the local economy depends are substantially less than in previous years.
4. **Federal Fiscal Cliff** – In the same report mentioned in the above paragraph, the State LAO states that Congress' failure to deal with the issues referred to as the "Fiscal Cliff" could result in economic conditions differing materially from those forecasted. This means that "autopilot" actions referred to in the term "Fiscal Cliff" could affect the economic growth upon which the forecast is based. This does not account for unfunded Federal mandates that may trickle down to the local level.

FUND BALANCE

The forecast assumes that the policy for maintaining fund balance at a minimum of 20% of operating expenditures will be adhered to throughout the forecast period. As previously discussed, this document includes a forecast of revenue, expenditures and changes in fund balance without Measure Y renewal. In order to achieve the fund balance called for by the City's reserve policy in this scenario, significant reductions in expenditures would have to occur to offset the loss of Measure Y revenue.

GENERAL FUND FIVE YEAR FISCAL FORECAST: 2013-18

| | 2010-11 Actual | 2011-12 Prelim Actual | 2012-13 Budget | 2012-13 Estimated | FORECAST | | | | |
|--|-------------------|--------------------------|-------------------|----------------------|-------------------------------|-------------------|-------------------|-------------------|-------------------|
| | | | | | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 |
| AVAILABLE FUND BALANCE, BEGINNING OF YEAR | 11,114,100 | 12,907,900 | 10,963,800 | 13,623,200 | 14,783,800 | 14,816,700 | 14,996,800 | 15,703,700 | 16,414,300 |
| REVENUES & OTHER SOURCES | | | | | 2013-15 Financial Plan | | | | |
| Taxes | | | | | | | | | |
| Sales Tax - General (Based on "effective" 1% tax rate) | 12,098,600 | 13,200,200 | 13,528,000 | 13,794,200 | 14,483,900 | 15,063,300 | 15,863,000 | 16,497,500 | 17,157,400 |
| Measure Y 1/2% Note: 2014-15/15-16 Estimates assume renewal | 5,616,300 | 6,237,500 | 6,279,800 | 6,562,400 | 6,890,500 | 7,166,100 | 7,551,300 | 7,853,400 | 8,167,500 |
| Sales Tax - Proposition 172 | 271,300 | 307,400 | 284,600 | 284,600 | 298,800 | 310,800 | 327,300 | 340,400 | 354,000 |
| Property Tax | 8,441,100 | 8,367,000 | 8,370,200 | 8,370,200 | 8,487,400 | 8,716,600 | 8,978,100 | 9,283,400 | 9,645,500 |
| Property Tax in lieu of VLF | 3,551,100 | 3,492,400 | 3,551,000 | 3,551,000 | 3,600,700 | 3,697,900 | 3,808,800 | 3,938,300 | 4,091,900 |
| Transient Occupancy Tax | 4,844,200 | 5,222,000 | 5,395,000 | 5,395,000 | 5,632,400 | 5,784,500 | 6,225,400 | 6,449,500 | 6,694,600 |
| Utility Users Tax | 4,592,300 | 4,584,100 | 4,938,100 | 4,721,600 | 4,759,400 | 4,811,800 | 4,884,000 | 5,020,800 | 5,176,400 |
| Franchise Fees | 2,352,100 | 2,462,300 | 2,523,000 | 2,523,000 | 2,591,100 | 2,663,700 | 2,738,300 | 2,815,000 | 2,893,800 |
| Business Tax | 1,797,800 | 1,837,500 | 1,923,100 | 2,060,000 | 2,101,200 | 2,145,300 | 2,194,600 | 2,251,700 | 2,314,700 |
| Real Property Transfer Tax | 133,700 | 144,000 | 180,000 | 180,000 | 183,600 | 187,300 | 191,000 | 194,800 | 200,300 |
| Subventions & Grants | | | | | | | | | |
| Vehicle License In-Lieu Fees (VLF) | 205,600 | 45,600 | - | - | - | - | - | - | - |
| Gas Tax/TDA/TBID Transfers In | 1,658,400 | 1,387,500 | 1,281,100 | 1,281,100 | 1,284,300 | 1,287,500 | 1,290,700 | 1,293,900 | 1,297,100 |
| Other Subventions & Grants | 590,400 | 564,300 | 321,500 | 450,000 | 300,000 | 306,000 | 312,100 | 318,300 | 324,700 |
| Service Charges | | | | | | | | | |
| Development Review Fees | 1,668,000 | 2,453,800 | 2,035,800 | 2,085,800 | 2,148,400 | 2,234,300 | 2,323,700 | 2,416,600 | 2,513,300 |
| Recreation Fees | 1,300,700 | 1,741,700 | 1,532,500 | 1,532,500 | 1,573,900 | 1,618,000 | 1,663,300 | 1,709,900 | 1,757,800 |
| Other Service Charges | 2,018,400 | 2,089,800 | 1,880,600 | 1,880,600 | 1,931,400 | 1,985,500 | 2,041,100 | 2,098,300 | 2,157,100 |
| Other Revenues | | | | | | | | | |
| Fines & Forfeitures | 171,400 | 174,300 | 162,600 | 162,600 | 167,000 | 171,700 | 176,500 | 181,400 | 186,500 |
| Interest Earnings and Rents | 549,900 | 581,700 | 695,500 | 695,500 | 674,000 | 689,000 | 697,100 | 708,700 | 724,700 |
| Other Revenues | 179,300 | 86,500 | 75,000 | 475,000 | 75,000 | 75,000 | 100,000 | 100,000 | 100,000 |
| Total Revenues | 52,040,600 | 54,979,600 | 54,957,400 | 56,005,100 | 57,183,000 | 58,914,300 | 61,366,300 | 63,471,900 | 65,757,300 |
| EXPENDITURES & OTHER USES | | | | | | | | | |
| Operating Programs - Staffing related costs (net of reimb trans & est savings) | 34,719,800 | 36,272,500 | 35,945,400 | 35,945,400 | 36,738,900 | 37,016,800 | 37,887,200 | 38,831,200 | 39,747,600 |
| CalPERS decreases (2nd tier savings) | | | | | (51,400) | (104,100) | (506,700) | (677,400) | (861,100) |
| Operating Programs - Non-staffing related costs (net of estimated savings) | 9,994,100 | 11,331,800 | 12,198,200 | 12,198,200 | 12,527,600 | 12,878,400 | 13,239,000 | 13,609,700 | 13,990,800 |
| Transfers to Golf, CDBG * | 372,800 | | 45,000 | 45,000 | 45,000 | 45,000 | 45,000 | 45,000 | 45,000 |
| Debt Service | 3,023,200 | 2,437,200 | 2,637,500 | 2,637,500 | 2,637,500 | 2,342,500 | 2,342,500 | 2,342,500 | 2,342,500 |
| Capital Improvement Plan - Equipment Replacement (Fleet) | - | 500,000 | 500,000 | 500,000 | 700,000 | 900,000 | 1,000,000 | 1,100,000 | 1,200,000 |
| Capital Improvement Plan - Equipment Replacement (IT) | | | 200,000 | 200,000 | 350,000 | 700,000 | 800,000 | 800,000 | 800,000 |
| Capital Improvement Plan - Major Facility Replacement | | | | | 200,000 | 600,000 | 800,000 | 900,000 | 1,000,000 |
| Capital Improvement Plan - All other CIP | 2,136,900 | 3,722,800 | 3,273,400 | 3,318,400 | 4,002,500 | 4,355,600 | 5,052,400 | 5,810,300 | 6,681,800 |
| Total Expenditures | 50,246,800 | 54,264,300 | 54,799,500 | 54,844,500 | 57,150,100 | 58,734,200 | 60,659,400 | 62,761,300 | 64,946,600 |
| Revenues Over (Under) Expenditures | 1,793,800 | 715,300 | 157,900 | 1,160,600 | 32,900 | 180,100 | 706,900 | 710,600 | 810,700 |
| FUND BALANCE, END OF YEAR | 12,907,900 | 13,623,200 | 11,121,700 | 14,783,800 | 14,816,700 | 14,996,800 | 15,703,700 | 16,414,300 | 17,225,000 |
| Reserve @ 20% of Operating Costs | 8,942,800 | 9,520,900 | 9,628,700 | 9,628,700 | 9,843,000 | 9,958,200 | 10,123,900 | 10,352,700 | 10,575,500 |
| Reserve above/(below) policy level | 3,965,100 | 4,102,300 | 1,493,000 | 5,155,100 | 4,973,700 | 5,038,600 | 5,579,800 | 6,061,600 | 6,649,500 |

* Beginning in 2011-12 Golf activities are reflected in the General Fund, therefore no transfer to the Golf Fund is required in subsequent years.

2013-18 Five Year Fiscal Forecast Worksheet Assumptions

Population and Inflation:

Adjusted population increase estimates based on SLOCOG projections and adjusted based on known housing projects with input from the Community Development Department. Adjusted inflation estimates based on CPI estimates provided by Beacon Economic. It should be noted that these estimates are lower than the BLS estimates on line but higher than the projections used in the most recent forecast.

PERS Costs

Miscellaneous

Assumes that second tier employees will begin to be hired during the 2012-13 year.

The employer rate for Miscellaneous Employees will not change until the 2015-16 year based on PERS letter. The City will ultimately benefit from the reduced cost of 2nd tier employees hired prior to the 15-16 year but the employer rate will not be affected until 2015-16 due to the lag in PERS setting the rate. The 14-15 rate will be set based on the City's valuation report as of June 30, 2012 and no second tier employees were on board then.

Assumes that third tier (new PERS members falling under PEPRA) will begin to be hired after Jan 1 2013.

Although PERS indicates that they may allow for separate rates they initially intend to have a blended rate for each agency that incorporates the effect of the PEPRA tier.

Safety

Second Tier employees should result in an immediate second tier rate due to the fact that they go immediately into a different pool. Because Fire and Police will have different second tier formulas, they will have separate rates. Third (PEPRA) tier safety employees (those hired as new PERS members after Jan 1, 2013 will have the same pool formula for fire and police.

The Bartel second tier analysis provided to the City in July 2011, projected at the time that the City's workforce would migrate to a second tier at the below rate based on percentage payroll.

2013-18 Five Year Fiscal Forecast Worksheet Assumptions

| Miscellaneous: | Safety: |
|----------------|---------|
| Year 1 6.89% | 4.58% |
| Year 2 12.67% | 9.22% |
| Year 3 18.02% | 14.45% |
| Year 4 23.28 | 19.22% |
| Year 5 28.59 | 24.28% |

With the advent of PEPRA there will in effect be a third tier for new PERS members. Lateral hires from other agencies who were PERS members prior to January 1, 2013 will be hired under the City's newly adopted second tiers. This means that for forecasting purposes it is necessary to split the above rates of turnover in estimates for payroll percentages in a second and third tier. This can be done based on the City's past hiring experience.

For example the HR Department estimates that 60% of Miscellaneous and 90% of Safety employees are later hires from other public agencies who already have PERS or reciprocal coverage.

GENERAL FUND FIVE YEAR FISCAL FORECAST: 2013-18
ASSUMES MEASURE Y SUNSETS MARCH 31, 2015

| | 2010-11 Actual | 2011-12 Prelim Actual | 2012-13 Budget | 2012-13 Estimated | FORECAST | | | | |
|--|-------------------|--------------------------|-------------------|----------------------|-------------------------------|--------------------|--------------------|---------------------|---------------------|
| | | | | | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 |
| AVAILABLE FUND BALANCE, BEGINNING OF YEAR | 11,114,100 | 12,907,900 | 10,963,800 | 13,623,200 | 2013-15 Financial Plan | | 12,296,800 | 5,452,400 | (1,690,400) |
| REVENUES & OTHER SOURCES | | | | | 14,783,800 | 14,816,700 | | | |
| Taxes | | | | | | | | | |
| Sales Tax - General (Based on "effective" 1% tax rate) | 12,098,600 | 13,200,200 | 13,528,000 | 13,794,200 | 14,483,900 | 15,063,300 | 15,863,000 | 16,497,500 | 17,157,400 |
| Measure Y 1/2% Note: assumes sunset March 31,2015 | 5,616,300 | 6,237,500 | 6,279,800 | 6,562,400 | 6,890,500 | 4,466,100 | | | |
| Sales Tax - Proposition 172 | 271,300 | 307,400 | 284,600 | 284,600 | 298,800 | 310,800 | 327,300 | 340,400 | 354,000 |
| Property Tax | 8,441,100 | 8,367,000 | 8,370,200 | 8,370,200 | 8,487,400 | 8,716,600 | 8,978,100 | 9,283,400 | 9,645,500 |
| Property Tax in lieu of VLF | 3,551,100 | 3,492,400 | 3,551,000 | 3,551,000 | 3,600,700 | 3,697,900 | 3,808,800 | 3,938,300 | 4,091,900 |
| Transient Occupancy Tax | 4,844,200 | 5,222,000 | 5,395,000 | 5,395,000 | 5,632,400 | 5,784,500 | 6,225,400 | 6,449,500 | 6,694,600 |
| Utility Users Tax | 4,592,300 | 4,584,100 | 4,938,100 | 4,721,600 | 4,759,400 | 4,811,800 | 4,884,000 | 5,020,800 | 5,176,400 |
| Franchise Fees | 2,352,100 | 2,462,300 | 2,523,000 | 2,523,000 | 2,591,100 | 2,663,700 | 2,738,300 | 2,815,000 | 2,893,800 |
| Business Tax | 1,797,800 | 1,837,500 | 1,923,100 | 2,060,000 | 2,101,200 | 2,145,300 | 2,194,600 | 2,251,700 | 2,314,700 |
| Real Property Transfer Tax | 133,700 | 144,000 | 180,000 | 180,000 | 183,600 | 187,300 | 191,000 | 194,800 | 200,300 |
| Subventions & Grants | | | | | | | | | |
| Vehicle License In-Lieu Fees (VLF) | 205,600 | 45,600 | - | - | - | - | - | - | - |
| Gas Tax/TDA/TBID Transfers In | 1,658,400 | 1,387,500 | 1,281,100 | 1,281,100 | 1,284,300 | 1,287,500 | 1,290,700 | 1,293,900 | 1,297,100 |
| Other Subventions & Grants | 590,400 | 564,300 | 321,500 | 450,000 | 300,000 | 306,000 | 312,100 | 318,300 | 324,700 |
| Service Charges | | | | | | | | | |
| Development Review Fees | 1,668,000 | 2,453,800 | 2,035,800 | 2,085,800 | 2,148,400 | 2,234,300 | 2,323,700 | 2,416,600 | 2,513,300 |
| Recreation Fees | 1,300,700 | 1,741,700 | 1,532,500 | 1,532,500 | 1,573,900 | 1,618,000 | 1,663,300 | 1,709,900 | 1,757,800 |
| Other Service Charges | 2,018,400 | 2,089,800 | 1,880,600 | 1,880,600 | 1,931,400 | 1,985,500 | 2,041,100 | 2,098,300 | 2,157,100 |
| Other Revenues | | | | | | | | | |
| Fines & Forfeitures | 171,400 | 174,300 | 162,600 | 162,600 | 167,000 | 171,700 | 176,500 | 181,400 | 186,500 |
| Interest Earnings and Rents | 549,900 | 581,700 | 695,500 | 695,500 | 674,000 | 689,000 | 697,100 | 708,700 | 724,700 |
| Other Revenues | 179,300 | 86,500 | 75,000 | 475,000 | 75,000 | 75,000 | 100,000 | 100,000 | 100,000 |
| Total Revenues | 52,040,600 | 54,979,600 | 54,957,400 | 56,005,100 | 57,183,000 | 56,214,300 | 53,815,000 | 55,618,500 | 57,589,800 |
| EXPENDITURES & OTHER USES | | | | | | | | | |
| Operating Programs - Staffing related costs (net of reimb trans & est savings) | 34,719,800 | 36,272,500 | 35,945,400 | 35,945,400 | 36,738,900 | 37,016,800 | 37,887,200 | 38,831,200 | 39,747,600 |
| CalPERS decreases (2nd tier savings) | | | | | (51,400) | (104,100) | (506,700) | (677,400) | (861,100) |
| Operating Programs - Non-staffing related costs (net of estimated savings) | 9,994,100 | 11,331,800 | 12,198,200 | 12,198,200 | 12,527,600 | 12,878,400 | 13,239,000 | 13,609,700 | 13,990,800 |
| Transfers to Golf, CDBG * | 372,800 | | 45,000 | 45,000 | 45,000 | 45,000 | 45,000 | 45,000 | 45,000 |
| Debt Service | 3,023,200 | 2,437,200 | 2,637,500 | 2,637,500 | 2,637,500 | 2,342,500 | 2,342,500 | 2,342,500 | 2,342,500 |
| Capital Improvement Plan - Equipment Replacement (Fleet) | - | 500,000 | 500,000 | 500,000 | 700,000 | 900,000 | 1,000,000 | 1,100,000 | 1,200,000 |
| Capital Improvement Plan - Equipment Replacement (IT) | | | 200,000 | 200,000 | 350,000 | 700,000 | 800,000 | 800,000 | 800,000 |
| Capital Improvement Plan - Major Facility Replacement | | | | | 200,000 | 600,000 | 800,000 | 900,000 | 1,000,000 |
| Capital Improvement Plan - All other CIP | 2,136,900 | 3,722,800 | 3,273,400 | 3,318,400 | 4,002,500 | 4,355,600 | 5,052,400 | 5,810,300 | 6,681,800 |
| Total Expenditures | 50,246,800 | 54,264,300 | 54,799,500 | 54,844,500 | 57,150,100 | 58,734,200 | 60,659,400 | 62,761,300 | 64,946,600 |
| Revenues Over (Under) Expenditures | 1,793,800 | 715,300 | 157,900 | 1,160,600 | 32,900 | (2,519,900) | (6,844,400) | (7,142,800) | (7,356,800) |
| FUND BALANCE, END OF YEAR | 12,907,900 | 13,623,200 | 11,121,700 | 14,783,800 | 14,816,700 | 12,296,800 | 5,452,400 | (1,690,400) | (9,047,200) |
| Reserve @ 20% of Operating Costs | 8,942,800 | 9,520,900 | 9,628,700 | 9,628,700 | 9,843,000 | 9,958,200 | 10,123,900 | 10,352,700 | 10,575,500 |
| Reserve above/(below) policy level | 3,965,100 | 4,102,300 | 1,493,000 | 5,155,100 | 4,973,700 | 2,338,600 | (4,671,500) | (12,043,100) | (19,622,700) |

* Beginning in 2011-12 Golf activities are reflected in the General Fund, therefore no transfer to the Golf Fund is required in subsequent years.

HISTORICAL TRENDS

OVERVIEW

In order to establish its five-year forecast, the City looks at historical trends to make informed decisions about its projections. Understanding where we've come from helps us identify trends and make adjustments to reach the desired fiscal outcome. The following information is an essential part of the fiscal forecast and highlights important information that has and will influence the City's past, current, and future standing. In preparing the five-year forecast, the following historical trends were reviewed:

POPULATION, HOUSING, COST OF LIVING..... page 15

- Annual growth rates for the past 15 years
- Compound annual growth rates for the past 15 years

OVERVIEW OF GENERAL FUND REVENUE SOURCES..... page 18

- Actual Revenues for the fiscal year ended June 30, 2012 (unaudited)
- Major revenue trends for the past 15 years
 - o Actual
 - o Adjusted for increases in population and cost of living
 - o Major General Fund Revenue Sources – actual & adjusted for increases in Population and Cost of Living
 - Sales Tax & Sales Tax Measure Y
 - Property Tax & Property Tax in Lieu of VLF
 - Transient Occupancy Tax
 - Utility User Tax
 - Subvention
 - Vehicle License
 - Business Tax & Licenses
 - Franchise Fees
 - Gas Tax

GENERAL FUND OPERATING PROGRAM EXPENDITURES..... page 21

Last 15 years – actual and adjusted for increases in population and cost of living

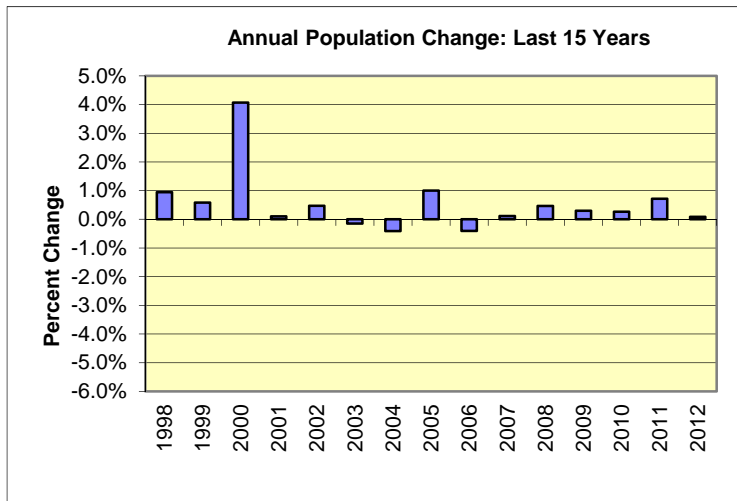
- Public Safety: Police & Fire
- Transportation
- Leisure, Cultural, & Social Services
- Community Development
- General Government
- Total Operating Program Expenditures

SUPPLEMENTAL INFORMATION page 28

HISTORICAL TRENDS

Population

The population in San Luis Obispo has grown during most of the past 15 years at a steady pace with no major increases. 2000 is the only year that shows a significant increase when the population jumped by 4% from 42,446 to 44,174. This most likely reflects a reporting anomaly as the increases were generally below 1% in population growth and reached a population of 45,308 in 2012.

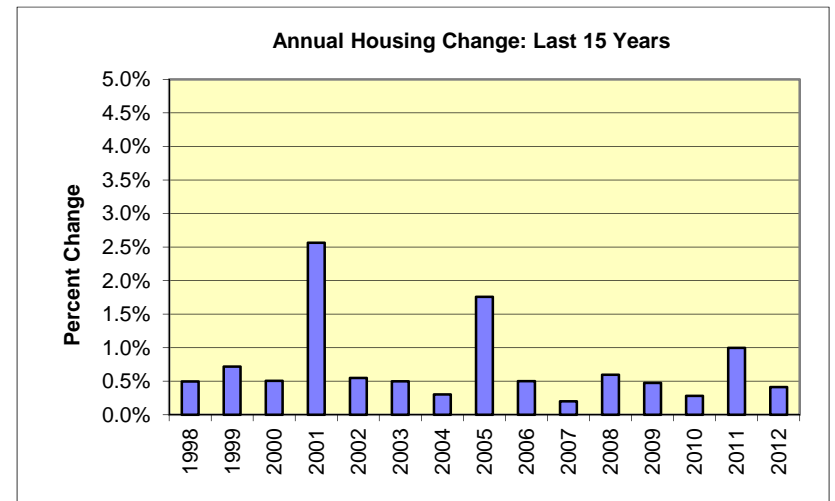


Annual Growth Rate - Population

| | |
|---------------|------|
| Last 2 Years | 0.4% |
| Last 5 Years | 0.4% |
| Last 10 Years | 0.2% |
| Last 15 Years | 0.5% |

Housing Units

Housing units have also experienced a steady increase with two more significant growth spurts in 2001 (2.6% / 484 Units) and in 2005 (1.8% / 345 Units). Over the past 15 years, the City's housing unit inventory has grown by 2,021 units from 18,642 to 20,663.

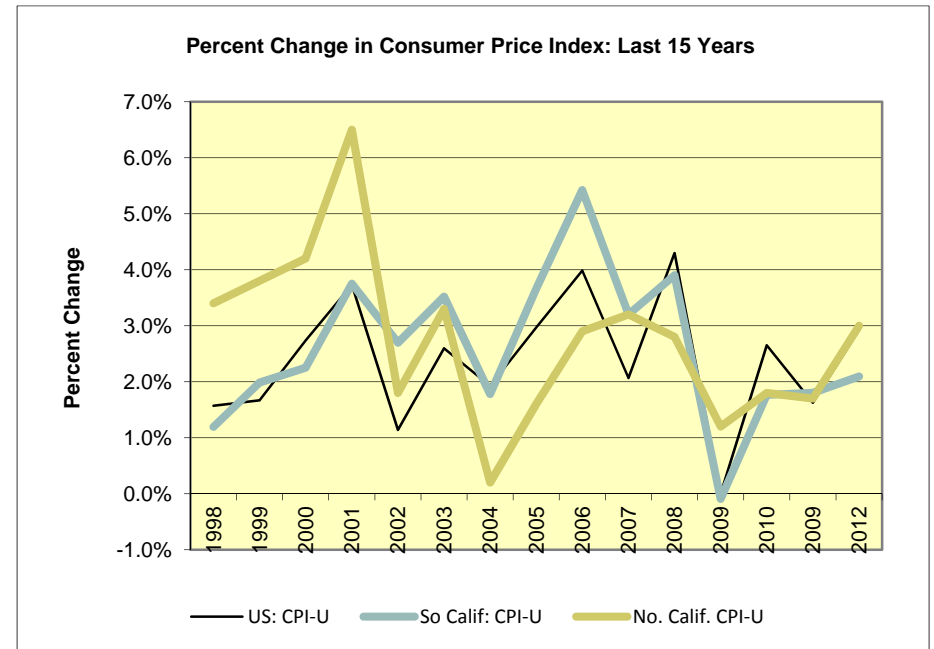
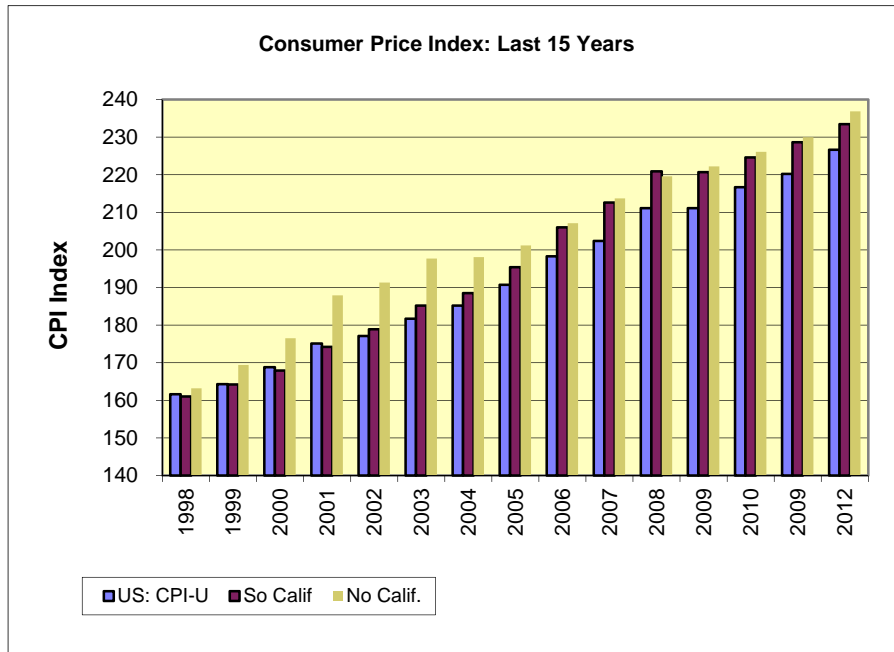


Annual Growth Rate - Housing Units

| | |
|---------------|------|
| Last 2 Years | 0.7% |
| Last 5 Years | 0.6% |
| Last 10 Years | 0.6% |
| Last 15 Years | 0.7% |

CONSUMER PRICE INDEX (CPI)

The City uses several CPI regions depending on the application. The City's rates and fee structure is increased annually by the U.S. City Average (All Urban Consumers CPI), but many of the labor agreements use the Southern California (Los Angeles-Riverside-Orange) or Northern California (San Francisco, Oakland, San Jose) CPI. The following summarizes the changes in CPI for those regions over the past 15 years.



Annual Growth Rate - CPI: U.S

| | |
|---------------|------|
| Last 2 Years | 2.3% |
| Last 5 Years | 2.3% |
| Last 10 Years | 2.5% |
| Last 15 Years | 2.4% |

Annual Growth Rate - CPI: Compound

| | |
|---------------|------|
| Last 2 Years | 2.7% |
| Last 5 Years | 2.7% |
| Last 10 Years | 2.7% |
| Last 15 Years | 2.9% |

Annual Growth Rate - CPI: So. California

| | |
|---------------|------|
| Last 2 Years | 1.9% |
| Last 5 Years | 1.9% |
| Last 10 Years | 2.7% |
| Last 15 Years | 2.6% |

Annual Growth Rate - No. California

| | |
|---------------|------|
| Last 2 Years | 2.4% |
| Last 5 Years | 2.1% |
| Last 10 Years | 2.2% |
| Last 15 Years | 2.8% |

GENERAL FUND REVENUE SOURCES

The City receives income from two different revenue sources. Nine major sources come through tax money and the remainder from service fees the City levies. Below is a listing of those income streams and how they pertain to the overall General Fund budget. For an in-depth explanation of revenue allocation, see supplemental information on page 26. It should be noted that 2008 was the first year with full Measure Y funding as marked in the tables with an asterisk.

Major Sources of Tax Money

| Revenue Source & Taxation Entity | % of budget per 6/30/12 |
|----------------------------------|-------------------------|
| Sales Tax - State | 24% |
| Sales Tax – Measure Y - Local | 11% |
| Property Tax – County | 15% |
| Property Tax - Lieu of VLF* | 6% |
| Utility User Tax – Local | 8% |
| Transient Occupancy Tax – Local | 9% |
| Franchise Fees – Local | 4% |
| Business Tax & Licenses – Local | 3% |
| Gas Tax / TDA - | 2% |

Services Charges

| Fee | % of budget per 6/30/12 |
|-------------------------|-------------------------|
| Development Review Fee | 4% |
| Recreation Fees | 3% |
| Other Service Charges | 4% |
| Use of Money & Property | 2% |
| Subventions & Grants | 2% |
| Fines & Forfeitures | 1% |
| Other Sources** | 2% |

15- Year Data – Average Annual Growth Rate

| | Actual | Adjusted* |
|---------------|--------|-----------|
| Last Year | 5.3% | 2.2% |
| Last 2 Years | 4.9% | 2.1% |
| Last 5 Years | 3.4% | 0.7% |
| Last 10 Years | 5.1% | 2.4% |
| Last 15 Years | 5.7% | 2.7% |

*Adjusted for compound changes in population and CPI to reflect “True” growth in revenue.

Historical Trends in Revenue Sources

Major Tax Revenue: 15-Year Data

| Major Sources: 15 Year Trends | | |
|-------------------------------|------------|----------------|
| Fiscal Year | Amount | Percent Change |
| Ending | | |
| 1998 | 22,154,400 | 7.3% |
| 1999 | 23,185,000 | 4.7% |
| 2000 | 25,609,500 | 10.5% |
| 2001 | 27,298,600 | 6.6% |
| 2002 | 28,722,000 | 5.2% |
| 2003 | 29,541,400 | 2.9% |
| 2004 | 31,285,600 | 5.9% |
| 2005 | 32,712,500 | 4.6% |
| 2006 | 34,747,300 | 6.2% |
| 2007 | 39,906,100 | 14.8% |
| 2008* | 45,562,500 | 14.2% |
| 2009 | 44,158,000 | -3.1% |
| 2010 | 42,496,300 | -3.8% |
| 2011 | 44,413,200 | 4.5% |

All Revenue Sources: 15-Year Trend

| Fiscal Year | Amount | Percent Change |
|-------------|------------|----------------|
| Ending | | |
| 1998 | 26,944,300 | 24.1% |
| 1999 | 28,397,000 | 5.4% |
| 2000 | 29,906,000 | 5.3% |
| 2001 | 30,977,000 | 3.6% |
| 2002 | 35,769,300 | 15.5% |
| 2003 | 35,522,000 | -0.7% |
| 2004 | 37,777,500 | 6.3% |
| 2005 | 37,953,900 | 0.5% |
| 2006 | 44,376,900 | 16.9% |
| 2007 | 45,165,700 | 1.8% |
| 2008* | 54,152,000 | 19.9% |
| 2009 | 53,745,600 | -0.8% |
| 2010 | 49,265,700 | -8.3% |
| 2011 | 50,382,200 | 2.3% |
| 2012 | 54,976,800 | 9.1% |

Individual Revenue Sources by Type – 15-year Data

| Fiscal Year Ending | Amount | Percent Change |
|--------------------|------------|----------------|
| 1998 | 7,521,100 | 9.5% |
| 1999 | 8,099,000 | 7.7% |
| 2000 | 9,283,400 | 14.6% |
| 2001 | 9,516,400 | 2.5% |
| 2002 | 10,099,200 | 6.1% |
| 2003 | 10,179,300 | 0.8% |
| 2004 | 11,294,300 | 11.0% |
| 2005 | 11,745,400 | 4.0% |
| 2006 | 12,675,900 | 7.9% |
| 2007 | 13,993,800 | 10.4% |
| 2008 | 13,581,700 | -2.9% |
| 2009 | 12,070,700 | -11.1% |
| 2010 | 10,723,900 | -11.2% |
| 2011 | 12,098,600 | 12.8% |
| 2012 | 13,200,200 | 9.1% |

| Fiscal Year Ending | Amount | Percent Change |
|--------------------|-----------|----------------|
| 1998 | 3,966,300 | 2.4% |
| 1999 | 4,169,300 | 5.1% |
| 2000 | 4,501,300 | 8.0% |
| 2001 | 4,799,800 | 6.6% |
| 2002 | 5,219,000 | 8.7% |
| 2003 | 5,584,200 | 7.0% |
| 2004 | 6,069,600 | 8.7% |
| 2005 | 6,630,600 | 9.2% |
| 2006 | 7,519,600 | 13.4% |
| 2007 | 8,255,000 | 9.8% |
| 2008 | 8,374,200 | 1.4% |
| 2009 | 8,788,400 | 4.9% |
| 2010 | 8,579,300 | -2.4% |
| 2011 | 8,441,100 | -1.6% |
| 2012 | 8,367,000 | -0.9% |

| Fiscal Year Ending | Amount | Percent Change |
|--------------------|-----------|----------------|
| 1998 | 3,002,900 | 5.5% |
| 1999 | 3,256,800 | 8.5% |
| 2000 | 3,582,700 | 10.0% |
| 2001 | 3,920,200 | 9.4% |
| 2002 | 3,790,300 | -3.3% |
| 2003 | 3,840,800 | 1.3% |
| 2004 | 3,922,200 | 2.1% |
| 2005 | 4,079,800 | 4.0% |
| 2006 | 4,539,200 | 11.3% |
| 2007 | 4,786,000 | 5.4% |
| 2008 | 5,054,700 | 5.6% |
| 2009 | 4,679,500 | -7.4% |
| 2010 | 4,496,100 | -3.9% |
| 2011 | 4,844,200 | 7.7% |
| 2012 | 5,222,000 | 7.8% |

| Fiscal Year Ending | Amount | Percent Change |
|--------------------|-----------|----------------|
| 1998 | 2,991,400 | 5.8% |
| 1999 | 2,943,400 | -1.6% |
| 2000 | 3,079,100 | 4.6% |
| 2001 | 3,425,200 | 11.2% |
| 2002 | 3,532,300 | 3.1% |
| 2003 | 3,666,200 | 3.8% |
| 2004 | 3,669,200 | 0.1% |
| 2005 | 3,670,200 | 0.0% |
| 2006 | 3,947,300 | 7.5% |
| 2007 | 4,096,100 | 3.8% |
| 2008 | 4,177,700 | 2.0% |
| 2009 | 4,358,500 | 4.3% |
| 2010 | 4,862,400 | 11.6% |
| 2011 | 4,592,300 | -5.6% |
| 2012 | 4,584,100 | -0.2% |

| | Actual | Adjusted* |
|---------------|--------|-----------|
| Last Year | 9.1% | 5.9% |
| Last 2 Years | 11.0% | 8.1% |
| Last 5 Years | -0.7% | -3.2% |
| Last 10 Years | 3.1% | 0.4% |
| Last 15 Years | 4.7% | 1.7% |

| | Actual | Adjusted* |
|---------------|--------|-----------|
| Last Year | -0.9% | -3.8% |
| Last 2 Years | -1.2% | -3.8% |
| Last 5 Years | 0.3% | -2.3% |
| Last 10 Years | 5.0% | 2.2% |
| Last 15 Years | 5.4% | 2.3% |

| | Actual | Adjusted* |
|---------------|--------|-----------|
| Last Year | 7.8% | 4.6% |
| Last 2 Years | 7.8% | 5.0% |
| Last 5 Years | 2.0% | -0.7% |
| Last 10 Years | 3.4% | 0.7% |
| Last 15 Years | 4.3% | 1.3% |

| | Actual | Adjusted* |
|---------------|--------|-----------|
| Last Year | -0.2% | -3.1% |
| Last 2 Years | -2.9% | -5.4% |
| Last 5 Years | 2.4% | -0.2% |
| Last 10 Years | 2.7% | 0.0% |
| Last 15 Years | 3.4% | 0.4% |

| Fiscal Year Ending | Amount | Percent Change |
|--------------------|-----------|----------------|
| 2007 | 1,000,000 | NA |
| 2008 | 5,996,600 | 499.7% |
| 2009 | 5,641,400 | -5.9% |
| 2010 | 5,252,500 | -6.9% |
| 2011 | 5,616,300 | 6.9% |
| 2012 | 6,237,500 | 11.1% |

Footnotes

* Adjusted for compound changes in population and CPI to reflect "true" changes in revenue.

** See supplemental analysis on page 28 for significant changes in the underlying factors.

*** See summary of Measure & uses – Measure Y FAQs

Individual Revenue Sources by Type – 15-year Data – continued

| VLF in Excess* | | |
|--------------------|-----------|----------------|
| Fiscal Year Ending | Amount | Percent Change |
| 1998 | 1,829,300 | 7.9% |
| 1999 | 1,928,800 | 5.4% |
| 2000 | 2,130,900 | 10.5% |
| 2001 | 2,297,700 | 7.8% |
| 2002 | 2,467,400 | 7.4% |
| 2003 | 2,621,600 | 6.2% |
| 2004 | 2,013,300 | -23.2% |
| 2005 | 2,187,000 | 8.6% |
| 2006 | 955,600 | -56.3% |
| 2007 | 296,700 | -69.0% |
| 2008 | 190,300 | -35.9% |
| 2009 | 166,500 | -12.5% |
| 2010 | 135,000 | -18.9% |
| 2011 | 205,600 | 52.3% |
| 2012** | 45,600 | -77.8% |

| Business Tax | | |
|--------------------|-----------|----------------|
| Fiscal Year Ending | Amount | Percent Change |
| 1998 | 1,069,600 | 18.1% |
| 1999 | 1,041,500 | -2.6% |
| 2000 | 1,107,800 | 6.4% |
| 2001 | 1,275,200 | 15.1% |
| 2002 | 1,355,900 | 6.3% |
| 2003 | 1,429,900 | 5.5% |
| 2004 | 1,475,100 | 3.2% |
| 2005 | 1,518,800 | 3.0% |
| 2006 | 1,578,000 | 3.9% |
| 2007 | 1,706,700 | 8.2% |
| 2008 | 1,866,400 | 9.4% |
| 2009 | 1,878,500 | 0.6% |
| 2010 | 1,830,100 | -2.6% |
| 2011 | 1,797,800 | -1.8% |
| 2012 | 1,837,500 | 2.2% |

| Franchise Fees | | |
|--------------------|-----------|----------------|
| Fiscal Year Ending | Amount | Percent Change |
| 1998 | 889,900 | 5.8% |
| 1999 | 883,900 | -0.7% |
| 2000 | 1,089,600 | 23.3% |
| 2001 | 1,211,800 | 11.2% |
| 2002 | 1,388,100 | 14.5% |
| 2003 | 1,356,200 | -2.3% |
| 2004 | 1,967,800 | 45.1% |
| 2005 | 2,005,600 | 1.9% |
| 2006 | 2,101,300 | 4.8% |
| 2007 | 2,153,700 | 2.5% |
| 2008 | 2,361,700 | 9.7% |
| 2009 | 2,439,400 | 3.3% |
| 2010 | 2,396,700 | -1.8% |
| 2011 | 2,352,100 | -1.9% |
| 2012 | 2,462,300 | 4.7% |

| Gas Tax & TDA | | |
|--------------------|-----------|----------------|
| Fiscal Year Ending | Amount | Percent Change |
| 1998 | 883,900 | 11.8% |
| 1999 | 862,300 | -2.4% |
| 2000 | 834,700 | -3.2% |
| 2001 | 852,300 | 2.1% |
| 2002 | 869,800 | 2.1% |
| 2003 | 863,200 | -0.8% |
| 2004 | 874,100 | 1.3% |
| 2005 | 875,100 | 0.1% |
| 2006 | 855,200 | -2.3% |
| 2007 | 853,300 | -0.2% |
| 2008 | 869,400 | 1.9% |
| 2009 | 796,900 | -8.3% |
| 2010 | 790,200 | -0.8% |
| 2011 | 1,119,700 | 41.7% |
| 2012 | 1,346,000 | 20.2% |

| Annual Growth Rate | | |
|--------------------|--------|-------------|
| | Actual | Adjusted*** |
| Last Year | -77.8% | -78.5% |
| Last 2 Years | -12.8% | -15.0% |
| Last 5 Years | -18.6% | -20.7% |
| Last 10 Years | -22.6% | -24.7% |
| Last 15 Years | -12.5% | -15.0% |

| Annual Growth Rate | | |
|--------------------|--------|-------------|
| | Actual | Adjusted*** |
| Last Year | 2.2% | -0.8% |
| Last 2 Years | 0.2% | -2.4% |
| Last 5 Years | 1.6% | -1.1% |
| Last 10 Years | 3.2% | 0.4% |
| Last 15 Years | 5.0% | 2.0% |

| Annual Growth Rate | | |
|--------------------|--------|-------------|
| | Actual | Adjusted*** |
| Last Year | 4.7% | 1.6% |
| Last 2 Years | 1.4% | -1.2% |
| Last 5 Years | 2.8% | 0.1% |
| Last 10 Years | 6.6% | 3.8% |
| Last 15 Years | 8.0% | 4.9% |

| Annual Growth Rate | | |
|--------------------|--------|-------------|
| | Actual | Adjusted*** |
| Last Year | 20.2% | 16.7% |
| Last 2 Years | 31.0% | 27.5% |
| Last 5 Years | 10.9% | 8.0% |
| Last 10 Years | 5.3% | 2.5% |
| Last 15 Years | 4.2% | 1.2% |

| Property Tax in Lieu of VLF ¹ | | |
|--|-----------|----------------|
| Fiscal Year Ending | Amount | Percent Change |
| 2006 | 1,530,800 | NA |
| 2007 | 3,061,500 | 100.0% |
| 2008 | 3,280,100 | 7.1% |
| 2009 | 3,504,700 | 6.8% |
| 2010 | 3,565,100 | 1.7% |
| 2011 | 3,551,100 | -0.4% |
| 2012 | 3,492,400 | -1.7% |

Footnotes:

* See supplemental analysis on page 28 for significant changes in the underlying factors.

** Previously anticipated VLF will be eliminated after 2012: however, it will continue to provide a small source of revenue due to the collection of associated fees and penalties.

*** Adjusted data for compound changes in population and CPI in order to reflect "true" changes in revenue.

1. In March 2010, the State began swapping Prop 42 revenues (State sales tax on gas) with allocations from the gas excise tax.

GENERAL FUND OPERATING PROGRAM EXPENDITURES

The following information provides an overview as to how the City used its revenues to provide City services, invested in capital improvement projects, and fulfilled its debt service requirements. As with the revenue data, 15 years of expenditures are listed for comparison.

General Fund Operating Expenditures* 15 Year Trends

| Fiscal Year Ending | Amount | Percent Change |
|--------------------|------------|----------------|
| 1998 | 20,730,900 | |
| 1999 | 22,497,000 | 8.5% |
| 2000 | 23,747,500 | 5.6% |
| 2001 | 25,324,200 | 6.6% |
| 2002 | 28,158,700 | 11.2% |
| 2003 | 30,404,800 | 8.0% |
| 2004 | 33,245,900 | 9.3% |
| 2005 | 34,182,800 | 2.8% |
| 2006 | 35,771,100 | 4.6% |
| 2007 | 39,515,300 | 10.5% |
| 2008** | 45,810,900 | 15.9% |
| 2009 | 48,192,900 | 5.2% |
| 2010 | 46,150,900 | -4.2% |
| 2011 | 44,713,900 | -3.1% |
| 2012 | 47,212,100 | 5.6% |

* Excludes transfers to other funds.

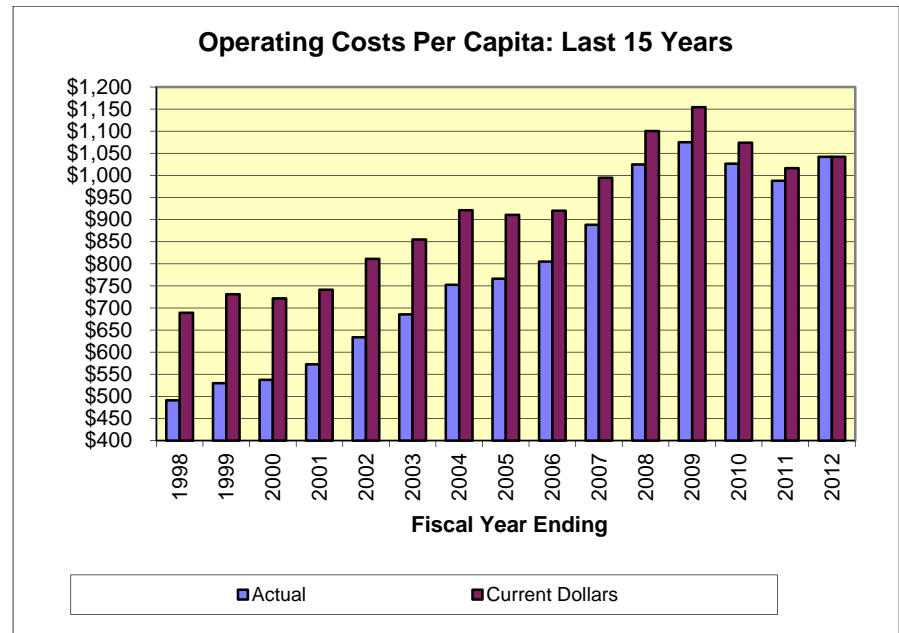
** Includes Measure Y for a full year in 2007-08.

Average Annual Growth Rate**

| | Actual | Adjusted* |
|---------------|--------|-----------|
| Last Year | 5.6% | 2.5% |
| Last 2 Years | 1.2% | -1.4% |
| Last 5 Years | 3.9% | 1.2% |
| Last 10 Years | 5.5% | 2.7% |
| Last 15 Years | 6.2% | 3.1% |

* Adjusted for compound changes in population and cost of living (CPI) in order to reflect "true" growth in expenditures.

** Includes Measure Y for a full year in 2007-08.



General Fund Operating Expenditures: Actual

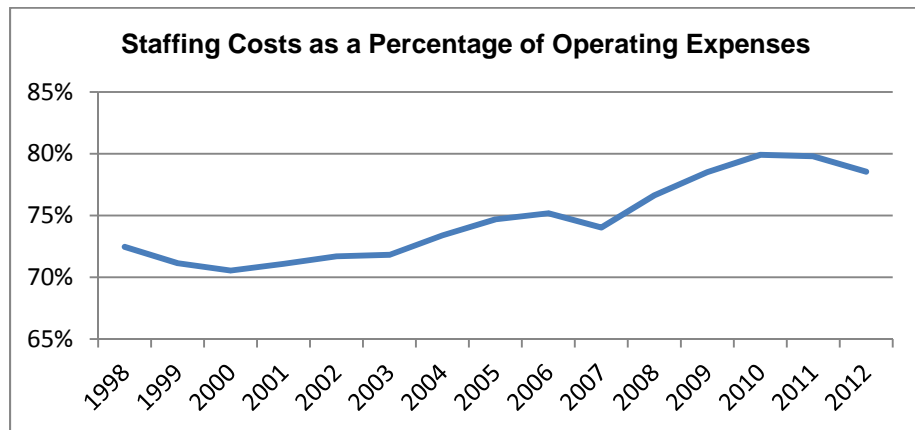
| Fiscal Year Ended June 30, 2012 (unaudited) | Actual | Percent of Total |
|---|---------------------|------------------|
| Public Safety | 23,953,200 | 51% |
| Transportation | 2,865,100 | 6% |
| Leisure, Cultural & Social Services | 6,704,200 | 14% |
| Community Development | 5,514,400 | 12% |
| General Government | 8,175,200 | 17% |
| TOTAL | \$47,212,100 | 100% |

Staffing Expenditures

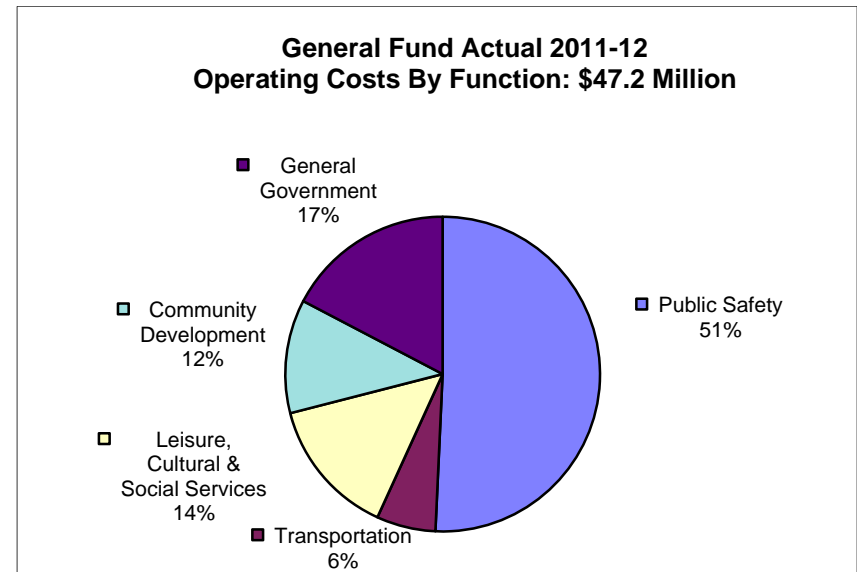
As a service organization, the City's largest and most expensive asset is the people providing the services. The following charts provide an overview of the cost percentage of staffing compared to the overall expenditure.

General Fund Staffing Costs as Percentage of Operating Expenses 15 Year Trends

| Fiscal Year Ending | Actual | Adjusted * | Percent of Operating |
|--------------------|------------|------------|----------------------|
| 1998 | 16,794,900 | 23,557,000 | 72% |
| 1999 | 17,820,500 | 24,584,800 | 71% |
| 2000 | 18,580,100 | 24,949,400 | 71% |
| 2001 | 19,894,200 | 25,752,800 | 71% |
| 2002 | 22,265,100 | 28,496,400 | 72% |
| 2003 | 23,979,300 | 29,913,400 | 72% |
| 2004 | 26,875,000 | 32,892,100 | 73% |
| 2005 | 28,093,700 | 33,392,000 | 75% |
| 2006 | 29,591,000 | 33,823,700 | 75% |
| 2007 | 32,053,800 | 35,896,600 | 74% |
| 2008 | 38,226,300 | 41,044,800 | 77% |
| 2009 | 41,144,300 | 44,178,000 | 79% |
| 2010 | 40,288,600 | 42,141,300 | 80% |
| 2011 | 39,227,500 | 40,375,000 | 80% |
| 2012 | 40,047,392 | 40,047,400 | 79% |



The City has five general program areas through which services are provided. Below is a chart illustrating the cost as a percentage of overall expenditure as it pertains to those programs.



* Adjusted data for compound changes in population and CPI in order to reflect "true" changes in revenue.

Operating Program Expenditures

The following data represents the expenditures by operating program over the past 15 years. The data includes comparisons with increases in population and inflation.

Public Safety: Police

| Fiscal Year Ending | Amount | Percent Change |
|--------------------|------------|----------------|
| 1998 | 6,086,900 | -0.5% |
| 1999 | 6,417,400 | 5.4% |
| 2000 | 6,901,900 | 7.5% |
| 2001 | 7,340,700 | 6.4% |
| 2002 | 7,990,700 | 8.9% |
| 2003 | 8,822,800 | 10.4% |
| 2004 | 9,758,100 | 10.6% |
| 2005 | 10,121,500 | 3.7% |
| 2006 | 10,948,000 | 8.2% |
| 2007 | 11,240,400 | 2.7% |
| 2008* | 14,901,300 | 32.6% |
| 2009 | 15,194,200 | 2.0% |
| 2010 | 14,525,400 | -4.4% |
| 2011 | 14,019,900 | -3.5% |
| 2012 | 14,029,600 | 0.1% |

* Reflects result of binding arbitration

Public Safety: Fire

| Fiscal Year Ending | Amount* | Percent Change |
|--------------------|------------|----------------|
| 1998 | 4,302,300 | -2.9% |
| 1999 | 4,729,000 | 9.9% |
| 2000 | 4,581,900 | -3.1% |
| 2001 | 4,841,200 | 5.7% |
| 2002 | 5,906,500 | 22.0% |
| 2003 | 6,505,200 | 10.1% |
| 2004 | 7,495,900 | 15.2% |
| 2005 | 7,702,700 | 2.8% |
| 2006 | 8,299,000 | 7.7% |
| 2007 | 9,419,200 | 13.5% |
| 2008 | 10,154,600 | 7.8% |
| 2009 | 10,808,200 | 6.4% |
| 2010 | 9,678,400 | -10.5% |
| 2011 | 9,486,200 | -2.0% |
| 2012 | 9,923,600 | 4.6% |

* Includes Mutual Aid expenses which vary widely

Transportation ***

| Fiscal Year Ending | Amount | Percent Change |
|--------------------|-----------|----------------|
| 1998 | 1,401,200 | -10.5% |
| 1999 | 1,497,700 | 6.9% |
| 2000 | 1,501,100 | 0.2% |
| 2001 | 1,659,700 | 10.6% |
| 2002 | 1,954,100 | 17.7% |
| 2003 | 2,015,900 | 3.2% |
| 2004 | 1,854,200 | -8.0% |
| 2005 | 2,020,300 | 9.0% |
| 2006 | 1,967,800 | -2.6% |
| 2007 | 2,173,500 | 10.5% |
| 2008 | 2,539,800 | 16.9% |
| 2009 | 3,224,200 | 26.9% |
| 2010 | 3,019,700 | -6.3% |
| 2011 | 2,901,900 | -3.9% |
| 2012 | 2,865,100 | -1.3% |

Annual Growth Rate

| | Actual | Adjusted* |
|---------------|--------|-----------|
| Last Year | 0.1% | -2.9% |
| Last 2 Years | -1.7% | -4.3% |
| Last 5 Years | 5.3% | 2.6% |
| Last 10 Years | 6.2% | 3.4% |
| Last 15 Years | 6.0% | 3.0% |

* Adjusted for compound changes in population and cost of living (CPI) in order to reflect "true" growth in expenditures

Annual Growth Rate

| | Actual | Adjusted* |
|---------------|--------|-----------|
| Last Year | 4.6% | 1.6% |
| Last 2 Years | 1.3% | -1.3% |
| Last 5 Years | 1.3% | -1.4% |
| Last 10 Years | 5.6% | 2.8% |
| Last 15 Years | 5.8% | 2.8% |

Annual Growth Rate

| | Actual | Adjusted* |
|---------------|--------|-----------|
| Last Year | -1.3% | -4.2% |
| Last 2 Years | -2.6% | -5.1% |
| Last 5 Years | 6.5% | 3.7% |
| Last 10 Years | 4.4% | 1.7% |
| Last 15 Years | 4.6% | 1.6% |

*** 1989-90 through 1998-99 adjusted for changes in budgeting for contract street sealing costs; effective 2000-01, now shown as CIP expenditures.

Operating Program Expenditures - continued

| Leisure, Cultural & Social Services | | |
|-------------------------------------|-----------|----------------|
| Fiscal Year Ending | Amount | Percent Change |
| 1998 | 3,177,500 | -1.4% |
| 1999 | 3,308,200 | 4.1% |
| 2000 | 3,822,100 | 15.5% |
| 2001 | 4,113,300 | 7.6% |
| 2002 | 4,540,000 | 10.4% |
| 2003 | 4,753,800 | 4.7% |
| 2004 | 4,896,400 | 3.0% |
| 2005 | 5,145,500 | 5.1% |
| 2006 | 5,280,500 | 2.6% |
| 2007 | 5,705,000 | 8.0% |
| 2008 | 6,398,600 | 12.2% |
| 2009 | 6,598,900 | 3.1% |
| 2010 | 6,279,900 | -4.8% |
| 2011 | 6,268,700 | -0.2% |
| 2012 | 6,704,200 | 6.9% |

| Community Development | | |
|-----------------------|-----------|----------------|
| Fiscal Year Ending | Amount | Percent Change |
| 1998 | 2,762,800 | 9.5% |
| 1999 | 3,162,600 | 14.5% |
| 2000 | 3,102,100 | -1.9% |
| 2001 | 3,501,200 | 12.9% |
| 2002 | 3,852,000 | 10.0% |
| 2003 | 3,925,000 | 1.9% |
| 2004 | 4,420,600 | 12.6% |
| 2005 | 4,360,000 | -1.4% |
| 2006 | 4,308,400 | -1.2% |
| 2007 | 4,897,800 | 13.7% |
| 2008 | 5,510,900 | 12.5% |
| 2009 | 5,576,200 | 1.2% |
| 2010 | 5,394,000 | -3.3% |
| 2011 | 5,309,000 | -1.6% |
| 2012 | 5,514,400 | 3.9% |

| General Government | | |
|--------------------|------------|----------------|
| Fiscal Year Ending | Amount | Percent Change |
| 1998 | 5,445,300 | |
| 1999 | 5,934,400 | 9.0% |
| 2000 | 6,429,300 | 8.3% |
| 2001 | 6,525,800 | 1.5% |
| 2002 | 6,811,300 | 4.4% |
| 2003 | 7,364,600 | 8.1% |
| 2004 | 8,194,600 | 11.3% |
| 2005 | 8,263,200 | 0.8% |
| 2006 | 8,557,400 | 3.6% |
| 2007 | 9,866,100 | 15.3% |
| 2008 | 10,381,000 | 5.2% |
| 2009 | 11,002,000 | 6.0% |
| 2010 | 11,517,500 | 4.7% |
| 2011 | 11,178,100 | -2.9% |
| 2012 | 11,950,100 | 6.9% |

| Total | | |
|--------------------|------------|----------------|
| Fiscal Year Ending | Amount | Percent Change |
| 1998 | 20,730,900 | |
| 1999 | 22,497,000 | 8.5% |
| 2000 | 23,747,500 | 5.6% |
| 2001 | 25,324,200 | 6.6% |
| 2002 | 28,158,700 | 11.2% |
| 2003 | 30,404,800 | 8.0% |
| 2004 | 33,245,900 | 9.3% |
| 2005 | 34,182,800 | 2.8% |
| 2006 | 35,771,100 | 4.6% |
| 2007 | 39,515,300 | 10.5% |
| 2008 | 45,810,900 | 15.9% |
| 2009 | 48,192,900 | 5.2% |
| 2010 | 46,150,900 | -4.2% |
| 2011 | 44,713,900 | -3.1% |
| 2012 | 47,212,100 | 5.6% |

| Annual Growth Rate | | |
|--------------------|--------|-----------|
| | Actual | Adjusted* |
| Last Year | 6.9% | 3.8% |
| Last 2 Years | 3.4% | 0.7% |
| Last 5 Years | 3.4% | 0.8% |
| Last 10 Years | 4.1% | 1.3% |
| Last 15 Years | 5.1% | 2.1% |

| Annual Growth Rate | | |
|--------------------|--------|-----------|
| | Actual | Adjusted* |
| Last Year | 3.9% | 0.8% |
| Last 2 Years | 1.1% | -1.5% |
| Last 5 Years | 2.5% | -0.1% |
| Last 10 Years | 3.8% | 1.1% |
| Last 15 Years | 5.6% | 2.5% |

| Annual Growth Rate | | |
|--------------------|--------|-----------|
| | Actual | Adjusted* |
| Last Year | 21.5% | 18.0% |
| Last 2 Years | 7.1% | 4.3% |
| Last 5 Years | 6.5% | 3.7% |
| Last 10 Years | 8.0% | 5.1% |
| Last 15 Years | 7.1% | 4.1% |

| Annual Growth Rate | | |
|--------------------|--------|-----------|
| | Actual | Adjusted* |
| Last Year | 5.6% | 2.5% |
| Last 2 Years | 1.2% | -1.4% |
| Last 5 Years | 3.9% | 1.2% |
| Last 10 Years | 5.5% | 2.7% |
| Last 15 Years | 6.2% | 3.1% |

*Adjusted for compound changes in population and cost of living (CPI) in order to reflect "true" growth in expenditures

Capital Improvement Program (CIP)

Every year, the City establishes a capital improvement program to maintain and improve its infrastructure. The following data provides the investment levels over the past 15 years.

General Fund CIP Expenditures: 15 Year Trends Excluding Debt Financed Projects and Fleet Replacements

| Fiscal Year Ending | Actual | Adjusted * |
|--------------------|------------|------------|
| 1998 | 3,581,300 | 5,023,200 |
| 1999 | 4,734,300 | 6,531,300 |
| 2000 | 5,521,400 | 7,414,100 |
| 2001 | 6,131,200 | 7,936,800 |
| 2002 | 4,829,300 | 6,180,900 |
| 2003 | 2,856,400 | 3,563,300 |
| 2004 | 3,388,700 | 4,147,400 |
| 2005 | 1,807,100 | 2,147,900 |
| 2006 | 2,354,100 | 2,690,800 |
| 2007 | 2,961,700 | 3,316,800 |
| 2008** | 10,390,500 | 11,156,600 |
| 2009 | 4,083,100 | 4,384,200 |
| 2010 | 3,876,900 | 4,055,200 |
| 2011 | 2,136,900 | 2,199,400 |
| 2012 | 3,722,800 | 3,722,800 |

2008 reflects availability of Measure Y Funding

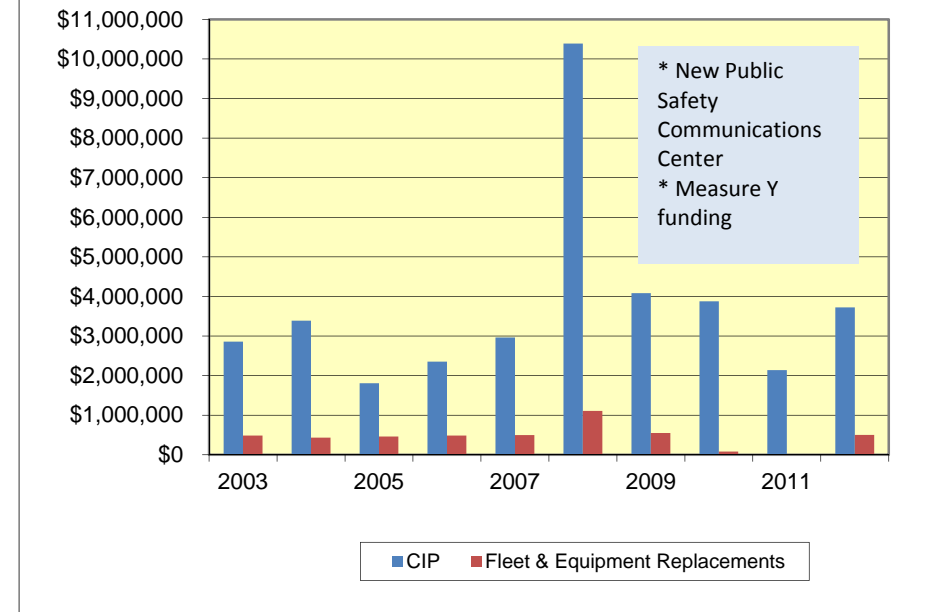
General Fund CIP Project Expenditures: Last 10 Years

| Fiscal Year Ending | CIP | Equipment Replacements | Total (Actual) | Adjusted* |
|--------------------|------------|------------------------|----------------|------------|
| 2003 | 2,856,400 | 486,700 | 3,343,100 | 4,170,400 |
| 2004 | 3,388,700 | 433,700 | 3,822,400 | 4,678,200 |
| 2005 | 1,807,100 | 458,700 | 2,265,800 | 2,693,100 |
| 2006 | 2,354,100 | 483,800 | 2,837,900 | 3,243,800 |
| 2007 | 2,961,700 | 498,300 | 3,460,000 | 3,874,800 |
| 2008** | 10,390,500 | 1,109,000 | 11,499,500 | 12,347,400 |
| 2009 | 4,083,100 | 550,000 | 4,633,100 | 4,974,700 |
| 2010 | 3,876,900 | 79,100 | 3,956,000 | 4,137,900 |
| 2011 | 2,136,900 | 0 | 2,136,900 | 2,199,400 |
| 2012 | 3,722,800 | 500,000 | 4,222,800 | 4,222,800 |

* Adjusted for changes in cost of living (CPI) from 2012

** Reflects backlog of projects, Measure Y funds, and the new Public Safety Communications Center

10-Year Historic CIP Expenditures



Average Annual General Fund CIP Expenditures**

| | Actual | Adjusted* |
|---------------|-----------|-----------|
| Last Year | 3,722,800 | 3,722,800 |
| Last 2 Years | 2,929,900 | 2,961,100 |
| Last 5 Years | 4,842,000 | 5,103,600 |
| Last 10 Years | 3,757,800 | 4,138,400 |
| Last 15 Years | 4,158,400 | 4,964,700 |

* Adjusted for changes in cost of living (CPI) from 2012

** Includes Measure Y for a full year in 2007-08.

Debt Service Obligations – General Fund

Debt service obligations have remained a small part of the General Fund over the past 15 years. The City continues to exercise a conservative approach to debt financing, as well as a constant review of payments and possible term improvement whenever practical.

General Fund Debt Service Obligations Last 15 Fiscal Years

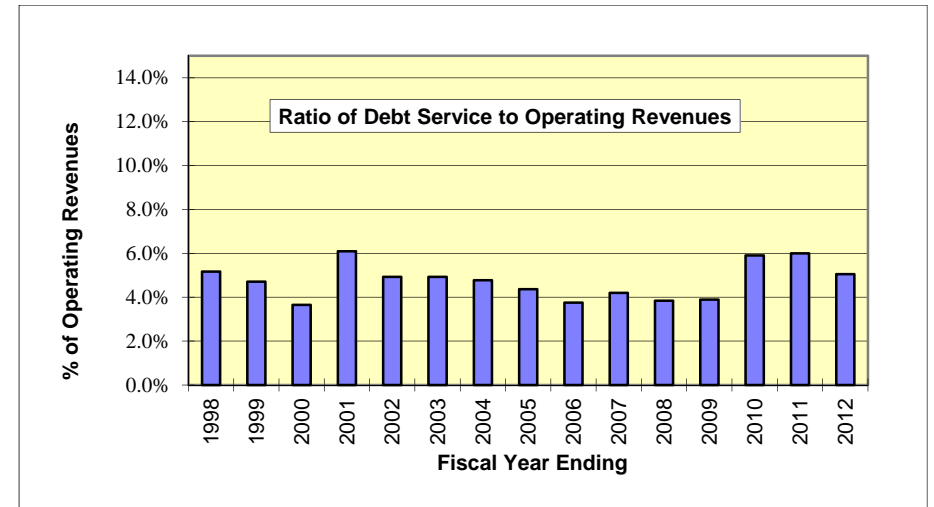
| Fiscal Year Ending | Amount | Operating Revenues* | Percent of Operating Revenues |
|-----------------------|-----------|------------------------|-------------------------------------|
| 1998 | 1,312,600 | 25,399,000 | 5.2% |
| 1999 | 1,311,100 | 27,867,200 | 4.7% |
| 2000 | 1,209,000 | 33,130,800 | 3.6% |
| 2001 | 2,075,600 | 34,077,500 | 6.1% |
| 2002 | 1,715,200 | 34,834,600 | 4.9% |
| 2003 | 1,696,100 | 34,415,600 | 4.9% |
| 2004 | 1,760,200 | 36,872,400 | 4.8% |
| 2005 | 1,672,600 | 38,325,500 | 4.4% |
| 2006 | 1,620,300 | 43,164,400 | 3.8% |
| 2007 | 2,083,500 | 49,649,600 | 4.2% |
| 2008 | 2,078,000 | 54,152,000 | 3.8% |
| 2009 | 2,075,800 | 53,354,700 | 3.9% |
| 2010 | 2,908,700 | 49,265,700 | 5.9% |
| 2011 | 3,023,200 | 50,382,200 | 6.0% |
| 2012 | 2,705,200 | 53,592,100 | 5.0% |

*Excludes transfers in from Gas Tax, TDA and other funds.

The City's debt management policies state that:

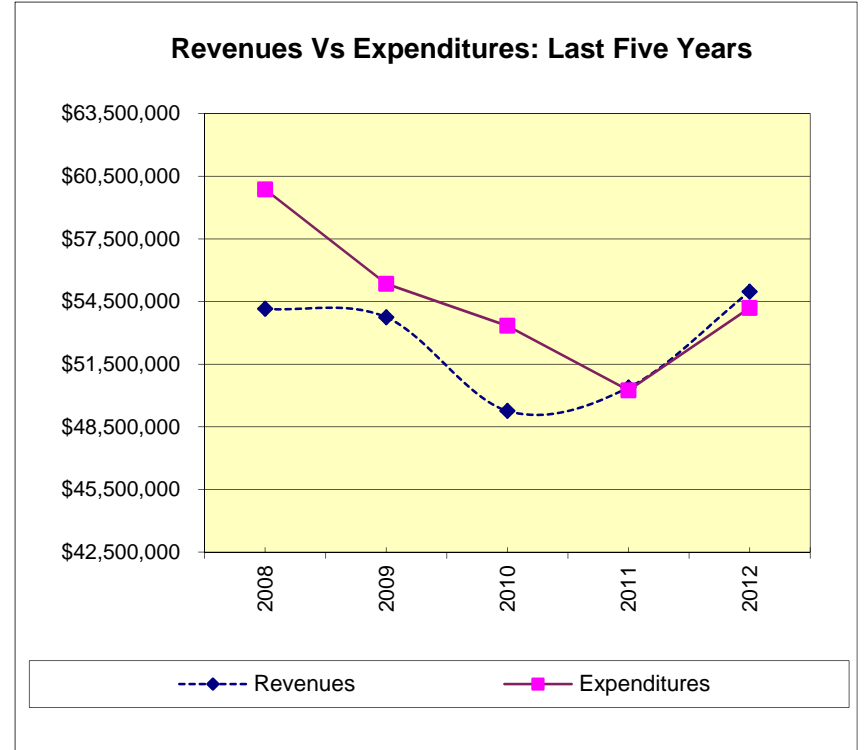
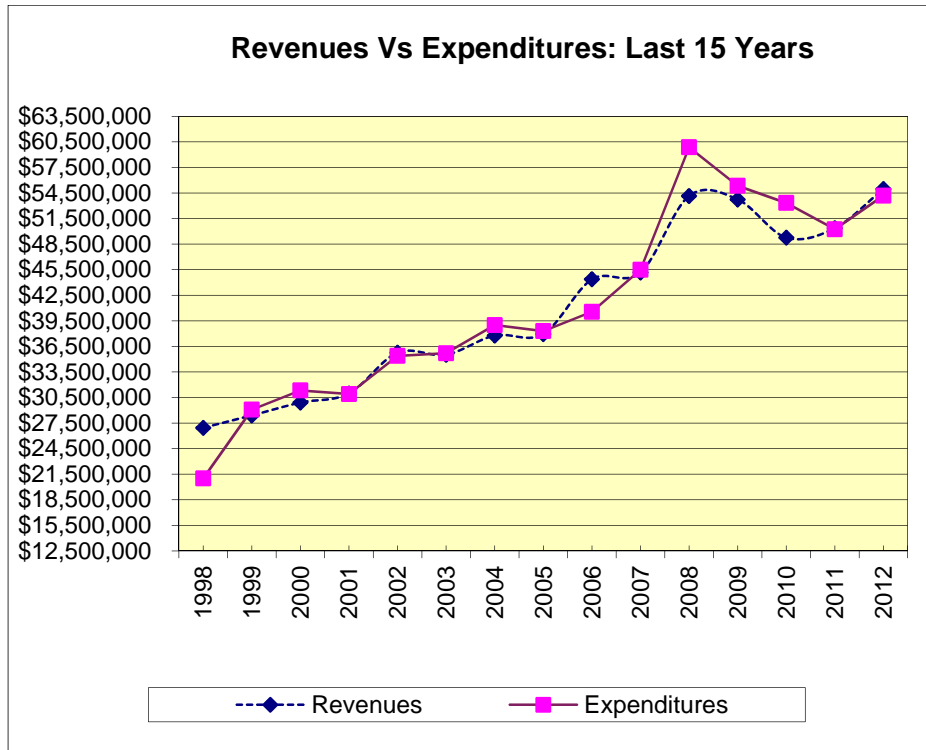
"In evaluating debt capacity, general-purpose annual debt service payments should generally not exceed 10% of General Fund revenues; in no case should they exceed 15%."

The following chart illustrates the City's performance as to the ratio of debt service to operating revenues which is consistently below policy:



REVENUE COMPARED WITH EXPENDITURES

The graphs and information below compare General Fund total revenues with total expenditures over the past 15 years. When the revenue line is equal to the expenditures, the budget is balanced. If revenues are above, the City has a budget surplus. If the opposite occurs, the City faces a budget gap. The data shows how even the earlier years were balanced and that in 2008 a significant budget gap of \$5.7 million developed. This necessitated drastic expenditure cuts in order to balance the budget. In 2011, City revenues slightly exceeded expenditures for the first time since 2006. It should be noted that the sharp increase in both revenues and expenditures in 2008 were related to the passage of Measure Y which provided almost \$6 million annually in additional revenues.



SUPPLEMENTAL HISTORICAL INFORMATION: SALES TAX

As mentioned earlier, several major revenue sources have unique characteristics or have undergone changes during prior years that must be considered when making five-year projections. These include Sales Tax and Property Tax, Property Tax In Lieu of Vehicle License Fees (VLF) and Development Review Fees.

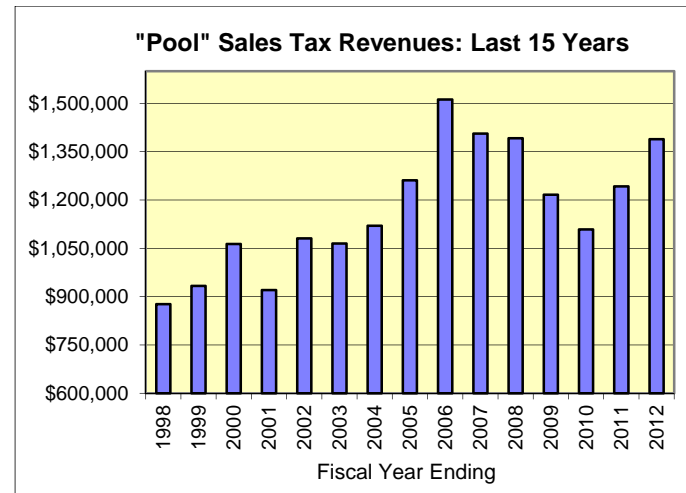
While sales taxes are usually generated on a "situs" basis (city or county unincorporated area where the sale takes place), there are a variety of retail transactions that are allocated on a "pool" basis because the State Board of Equalization believes that it would be too difficult to do otherwise. These are generally known as "use taxes." A significant portion of the City's sales tax revenues come from the "pool" - between 10% and 15%. Allocations from the pool are made in proportion to a city's or county's share of situs revenues; as such, we receive about 35% of County pool revenues. While used car sales between private parties are a large component of the pool for all cities in the State, we have a unique situation in San Luis Obispo due to the Diablo Canyon power plant: it is a large sales tax generator, and all of these revenues go into the County pool. These revenues are especially pronounced during reactor refueling, which occurs about every 14 to 16 months.

However, beginning in 1997, the State Board of Equalization changed its allocation procedures. Now, any individual transaction in excess of \$500,000 that would otherwise be distributed through the pool is allocated on a situs basis. We initially estimated that this change would result in a loss to the City of about \$180,000 on an annualized basis. However, it turns out that this is more difficult to project than we originally thought because we did not lose all Diablo Canyon revenues - just those with a value greater than \$500,000 per transaction. Cumulatively, it appears that sales activity at Diablo Canyon for individual transactions under \$500,000 remains high. This is reflected in pool revenues from 1998-2006, when they either increased or remained relatively constant rather than decreased sharply as we would have otherwise expected. After declining between 2006 and 2010, these pool revenues are on the rise again.

Sales Tax excluding Pool Revenues

| Fiscal Year Ending | Amount | Percent Change |
|--------------------|------------|----------------|
| 1998 | 6,670,162 | 8.9% |
| 1999 | 7,181,100 | 7.7% |
| 2000 | 7,931,259 | 10.4% |
| 2001 | 8,684,124 | 9.5% |
| 2002 | 8,977,858 | 3.4% |
| 2003 | 9,395,665 | 4.7% |
| 2004 | 10,268,463 | 9.3% |
| 2005 | 10,751,879 | 4.7% |
| 2006 | 11,876,204 | 10.5% |
| 2007 | 12,442,687 | 4.8% |
| 2008 | 12,214,902 | -1.8% |
| 2009 | 11,358,444 | -7.0% |
| 2010 | 10,415,560 | -8.3% |
| 2011 | 11,029,231 | 5.9% |
| 2012 | 12,107,702 | 9.8% |

Because the pool is such a large portion of the City's total sales revenues and is so volatile based on factors unrelated to the City's retail base, a better indicator of trends is sales tax revenue excluding pool allocations. To put the significance of this in perspective, the adjacent chart summarizes City pool sales tax revenues for the past fifteen fiscal years.

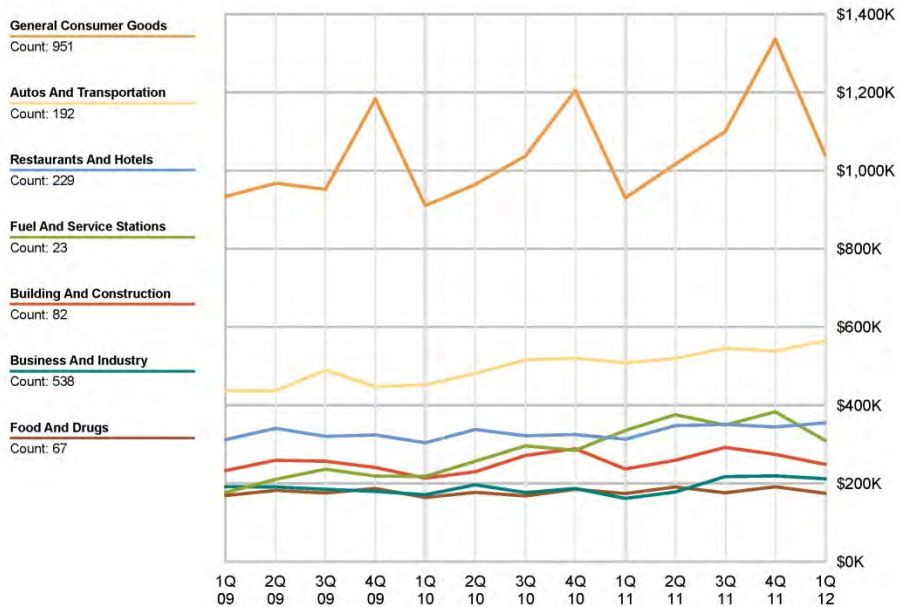


Sales Tax Revenues: Diverse

The City's Sales Tax revenues come from several different business categories, each of which performs very differently in response to economic conditions. The chart below shows our Sales Tax revenues by major business category for the previous five years. It also shows the percent of total revenue generated by each category and the percent change in each category in FY 2011-12. As noted on the graph, our largest and most volatile business category is general consumer goods. The graph also shows the other six categories and the relative volatility of each.

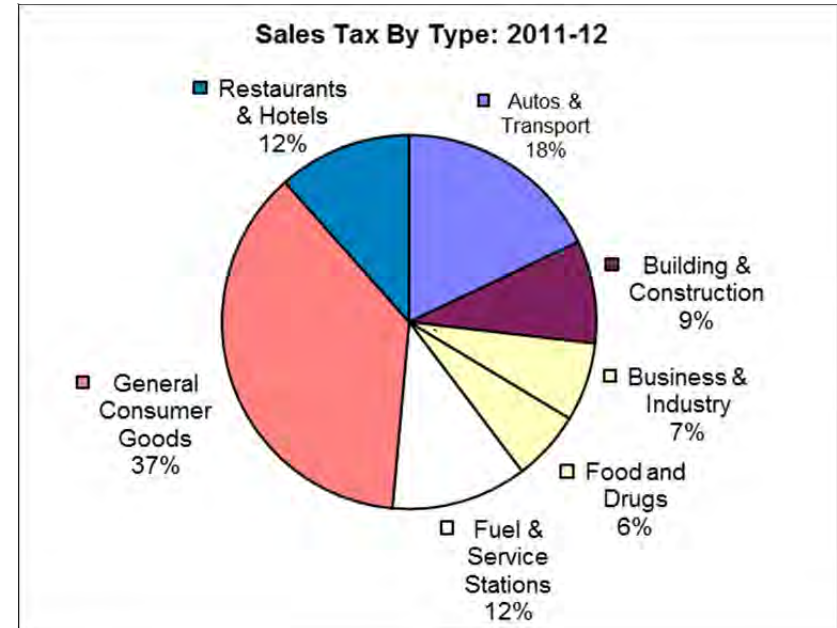
In making Sales Tax projections, the historical performance of each of the categories and the various economic factors currently influencing them are taken into consideration.

Sales Tax by Major Industry Group



Sales Tax Revenues by Type: Last Five Fiscal Years

| | Fiscal Year | | | | |
|--------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | 2007-08 | 2008-09 | 2009-10 | 2010-11 | 2011-12 |
| Autos & Transportation | 2,615,226 | 2,045,854 | 1,826,041 | 2,025,718 | 2,172,351 |
| Building & Construction | 1,103,656 | 1,060,860 | 969,473 | 1,025,685 | 1,076,986 |
| Business & Industry | 909,072 | 814,122 | 724,884 | 722,163 | 823,276 |
| Food & Drugs | 735,216 | 735,168 | 708,609 | 704,867 | 734,380 |
| Fuel & Service Stations | 1,104,119 | 1,072,616 | 883,851 | 1,173,539 | 1,419,194 |
| General Consumer Goods | 4,400,803 | 4,319,227 | 4,010,555 | 4,076,226 | 4,483,070 |
| Restaurants & Hotels | 1,347,262 | 1,310,561 | 1,293,069 | 1,301,032 | 1,398,553 |
| Transfers & Unidentified | (452) | 36 | (922) | - | (108) |
| Total | 12,214,902 | 11,358,444 | 10,415,560 | 11,029,230 | 12,107,702 |



Property Tax

Property Tax has been the revenue most affected by voter initiatives and legislative actions over the years. With approval of Proposition 13 in 1978, Property Tax revenues were reduced by two-thirds and thereafter limited to 2% annual increases or changes to the Consumer Price Index, whichever is less. When properties change hands or are improved, the base for assessing the tax (the "assessed value") is increased or decreased to reflect the current market value.

Although the Property Tax is strictly a local revenue and is shared by cities, counties, school districts and special districts, it is collected and allocated in accordance with State law. In the early 1990s, the State legislature permanently shifted a larger portion of the Property Tax to schools. This shift was made to the State's Educational Revenue Augmentation Fund (ERAF) to backfill a portion of the State's obligation for school funding. This original "ERAF shift" resulted in an ongoing annual loss to the City of approximately \$2 million that could be used for property-related basic services.

In FY 2004-05 and FY 2005-06, the State shifted an additional \$1.5 million over the two years from the City's Property Tax to the ERAF as part of a solution to its ongoing budget crisis. This was a one-time shift which ended in FY 2006-07. Also included as part of the State Budget deal with local governments at that time was a permanent reduction in the VLF rate and an increase to our Property Tax base to make up for the reduced revenues as discussed below.

Property Tax In Lieu of VLF

Included in the State budget deal with local governments in FY 2004-05 was a permanent redistribution of two of the City's revenue sources. Under this agreement, the Vehicle License Fee (VLF) rate for cities was permanently reduced from 2% to 0.65%. For FY 2004-05, the VLF that the City would have gotten at the 2% rate was calculated and this amount was added to our Property Tax base. In FY 2005-06, the City began to receive our portion of the VLF revenues at the new low rate. Meanwhile, our Property Tax base reflects the new, permanent base. This Property Tax base grows in the

future according to current economic conditions. It should be noted that the VLF/Property Tax shift results in a cash flow and earnings loss to the City because Property Tax is paid twice a year while VLF was paid monthly. However, it should also be noted that Property Tax has historically grown at a faster pace than that experienced by the VLF. Effective July 1, 2011, as part of the Legislature's efforts to solve the state's chronic budget problems, VLF revenue to cities was eliminated and permanently shifted to fund law enforcement grants. As a result, the City should expect to receive very low VLF revenues (from fees and penalties) in 2012-13 and future years.

Development Review Fees: Last Five Years

Development Review Fees are a General Fund revenue source that are particularly sensitive to the condition of the larger economy. Planning Fees are at the lowest level in five years. Building Fees reached a four-year high in 2012 but are still below 2008 levels. Engineering Fees, specifically infrastructure plan check and inspection fees, can vary widely from year to year, based on the amount of development activity and the stages that projects are in during the construction process in a given year. After a sharp decline in 2009, Fire plan check and inspection fees have been rising slightly each year. Below are charts that show annual receipts by type of fee for the last five years.

| Planning Fees | |
|--------------------------|------------------|
| Fiscal Year Ending | Revenue |
| 2008 | 809,300 |
| 2009 | 591,900 |
| 2010 | 429,600 |
| 2011 | 500,400 |
| 2012 | 392,000 |
| Five Year Average | \$544,600 |

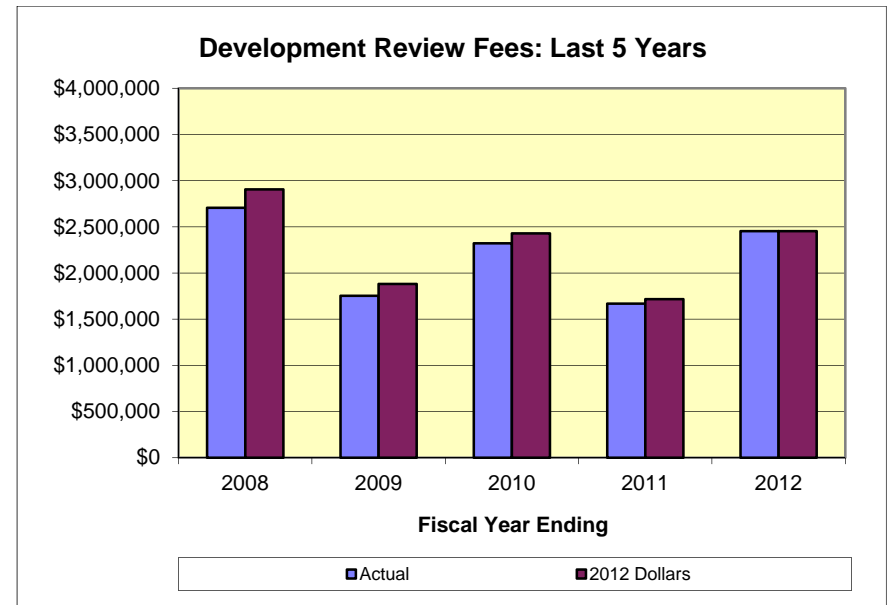
| Building | |
|--------------------------|------------------|
| Fiscal Year Ending | Revenue |
| 2008 | 1,372,300 |
| 2009 | 775,100 |
| 2010 | 829,000 |
| 2011 | 724,800 |
| 2012 | 924,600 |
| Five Year Average | \$925,200 |

| Engineering | |
|--------------------------|------------------|
| Fiscal Year Ending | Revenue |
| 2008 | 363,700 |
| 2009 | 322,800 |
| 2010 | 959,700 |
| 2011 | 319,900 |
| 2012 | 987,600 |
| Five Year Average | \$590,700 |

| Fire | |
|--------------------------|------------------|
| Fiscal Year Ending | Revenue |
| 2008 | 160,300 |
| 2009 | 62,800 |
| 2010 | 103,700 |
| 2011 | 122,900 |
| 2012 | 149,600 |
| Five Year Average | \$119,900 |

| Total | | |
|--------------------------|--------------------|--------------------|
| Fiscal Year Ending | Revenue | Adjusted* |
| 2008 | 2,705,600 | 2,905,100 |
| 2009 | 1,752,600 | 1,881,800 |
| 2010 | 2,322,000 | 2,428,800 |
| 2011 | 1,668,000 | 1,716,800 |
| 2012 | 2,453,800 | 2,453,800 |
| Five Year Average | \$2,180,400 | \$2,277,300 |

* Adjusted for changes in cost of living (CPI) from 2012



Section 10

Background Materials PUBLIC OPINION RESEARCH



council agenda report

CITY OF SAN LUIS OBISPO

| |
|--------------|
| Meeting Date |
| Item Number |

FROM: Katie Lichtig, City Manager

Prepared By: Michael Codron, Assistant City Manager

SUBJECT: 2011 CITIZEN SATISFACTION SURVEY RESULTS

RECOMMENDATION

1. Receive a presentation from Richard Maullin of Fairbank, Maslin, Maullin, Metz and Associates (FM3) on the results of the 2011 City of San Luis Obispo Citizen Satisfaction Survey.
2. Consistent with the Council's Major City Goal for the preservation of essential services and fiscal health, direct staff to continue to evaluate placing the reauthorization of the City's half cent sales tax (Measure Y) on the general election ballot in November 2012, and return to the City Council during Spring 2012 with an update.

DISCUSSION

Overview

FM3 has recently conducted a new citizen satisfaction survey. The results are consistent with previous survey responses. San Luis Obispo continues to rate extremely high as a place to live. A majority of residents believe the City is doing a good or excellent job providing services. And, when asked specifically about Measure Y, the City's half-cent sales tax measure, 59% say that if renewal were on the ballot today they would vote yes.

97%...

- ... rate the City as a good or excellent place to live.

71%...

- ... rate the job being done by the City in providing services as good or excellent.

59%...

- ... would definitely or probably vote "Yes" on Measure Y if the vote were held today.

The surveys also highlight issues that are a concern to the community. For example, the biggest issues identified by residents include:

- Availability of affordable housing for middle-class families;
- Availability of stable, good paying jobs in the local area;
- Alcohol related crimes and problems; and
- Homelessness and transients.

All of these issues were prioritized by the Council via the 2011-13 financial planning process. Specifically, these issues are addressed in the form of Council Goals - Major City Goals, Other Important Objectives or Address as Resources Permit.

Past Surveys

Previous surveys were conducted in 2005, 2006 and 2010. The survey results have provided important information regarding citizen satisfaction with key City services, the quality of life in San Luis Obispo and support for Measure Y, the half-cent sales tax measure approved by voters in 2006. For example, the 2006 survey specifically gauged citizen support for the concepts that were later translated into the actual ballot measure. These surveys have also tested arguments for and against the local sales tax to determine the strength of support. In general, the results of the recent survey are consistent with past surveys. The top line results of the surveys conducted in each of the four years are available for the Council to review in the Council Reading File.

Survey Methodology and Trends

The survey was conducted by phone on October 29, 30 and November 1, 2011. Four hundred randomly selected registered City voters participated, with 32% reached on their cell phone. The margin of error is plus or minus 4.9% at the 95% confidence level. In other words, for each question there is a 95% certainty that the true value lies within 4.9% of the reported result.

Certain survey questions have been asked in each of the four surveys, allowing the City to track responses over time. The following tables highlight these responses.

| How would you rate the job being done by city officials in providing services to the City’s residents? | | | | |
|---|-------------------|-------------------|-------------------|-------------------|
| | 2005 | 2006 | 2010 | 2011 |
| Excellent | 11% | 15% | 15% | 17% |
| Good | 57% | 59% | 57% | 54% |
| <i>Subtotal:</i> | <i>68%</i> | <i>74%</i> | <i>72%</i> | <i>71%</i> |
| Only fair, or | 27% | 20% | 22% | 22% |
| Poor job | 4% | 4% | 4% | 4% |
| Don’t know | 2% | 2% | 2% | 2% |

Source: FM3

Thinking about the next five years, do you think the quality of life in San Luis Obispo will get better, stay the same, or get worse?

| | 2005 | 2006 | 2010 | 2011 |
|-------------------------|-------------------|-------------------|-------------------|-------------------|
| Much better | 7% | N/A | 8% | 11% |
| Somewhat better | 17% | N/A | 17% | 15% |
| Stay the same | 42% | N/A | 56% | 57% |
| <i>Subtotal:</i> | <i>66%</i> | <i>N/A</i> | <i>81%</i> | <i>83%</i> |
| Somewhat worse | 25% | N/A | 10% | 11% |
| Much worse | 5% | N/A | 7% | 3% |
| Don't know | 5% | N/A | 2% | 2% |

Source: FM3

Based on these results, it appears that residents remain steadfast that the City does a good job providing services and are optimistic about the direction of the quality of life in San Luis Obispo.

It is also worth noting that in another recent public opinion survey, this one conducted by the San Luis Obispo Council of Governments (SLOCOG), that 67% of City residents responded that they are not concerned about the local sales tax rate being too high. 69% responded affirmatively that they could afford an additional half-cent increase. These questions were asked in the context of a potential transportation related tax measure, which SLOCOG staff is recommending against moving forward on. The information still holds relevance, however, because Governor Brown recently indicated that his administration would be seeking to place a new half-cent sales tax measure on the ballot state-wide in November 2012.

Measure Y Overview and Financial Sustainability Planning

On November 7, 2006, the citizens of the City of San Luis Obispo passed Measure Y, the Essential Services Measure. The measure passed with support from 64% of the voters. Measure Y was a general purpose measure that provides the City with over \$5 million annually to maintain and restore essential services like street paving, traffic congestion relief, public safety, flood protection, senior citizen services and facilities, neighborhood code enforcement, open space preservation and other vital general purpose services. Measure Y was approved for a period of eight years and will sunset at the end of 2014.

Financial sustainability planning for the long term requires the City to think ahead about the prospects for renewal of Measure Y before its expiration. The prospects for renewing Measure Y are good, but definitive support for Measure Y has fallen since May 2010. The following table summarizes and reflects changing community sentiment towards the renewal of Measure Y.

How would you vote if Measure Y renewal were on the ballot today?

| | 2010 | 2011 |
|-------------------------------|------|------|
| Definitely yes | 43% | 34% |
| Probably yes | 21% | 25% |
| Probably no | 10% | 10% |
| Definitely no | 19% | 16% |
| Don't Know/ Need more info | 7% | 15% |

The total number of voters that would definitely or probably vote yes was 64% in 2010 and 59% in 2011. In addition, arguments opposing Measure Y renewal appear to have a greater impact now than they did in 2010. In 2010, after hearing arguments opposed to Measure Y, 62% of respondents continued to strongly or somewhat favor reauthorization of the sales tax. In 2011, arguments opposed to the renewal of Measure Y reduced support for reauthorization of the sales tax from 59% to 54%. While this may cause some pause, it is important to note that those who would probably or definitely vote no has fallen as well (from 29% to 26%).

The largest change as it relates to Measure Y renewal is in the area of people who need more information to determine how they would vote on Measure Y. These responses increased by 8% between 2010 and 2011. This is important information for the City Council to consider because it highlights the need for an educational effort by the City to reach out to residents and share relevant information about Measure Y and the accomplishments made possible by this funding source.

Although the number of people who don't know how they'll vote, or who need more information has increased, awareness of Measure Y has also increased 14%, as illustrated in the following table. Staff believes that Measure Y awareness has increased because highly visible projects were underway or completed during the active summer months. Public outreach efforts that highlight the City's use of Measure Y funding is also believed to be a contributing factor. Recently, Measure Y was featured on CNN Local Edition. The Public Works Director was interviewed and highlighted Measure Y funded projects. This news feature can be viewed on the City's website. Additionally, the use of signage to highlight Measure Y-funded projects has been in effect for over a year.

Have you heard about Measure Y, the City of San Luis Obispo ballot measure that voters approved in 2006 to raise the local city sales tax one half cent per dollar of expenditures?

| | 2010 | 2011 |
|---------------------|------|------|
| Yes, heard a lot | 17% | 26% |
| Yes, heard a little | 40% | 45% |
| No, haven't heard | 41% | 27% |
| Don't know | 2% | 1% |

As part of the 2011-13 Financial Plan, the City Council adopted a Major City Goal with the objective of sustaining the City's short and long-term fiscal health. There are a number of items identified in the workscope to achieve this goal. One of the key items directs staff to work with the Council and the community to renew Measure Y. Specifically, the work program directs staff to determine the appropriate timing for the ballot measure to reauthorize the half-cent sales tax. The work program also directs staff to identify community priorities and develop educational materials.

At this time, staff is seeking direction from the City Council to carefully evaluate placing reauthorization of Measure Y on the November 2012 general election ballot. If Measure Y is to be reauthorized, it must be placed on the ballot before it expires in 2014. 2012 may represent a good opportunity to propose reauthorization of Measure Y to the voters because it is a presidential election year, where turnout is normally increased. The last day to call an election for ballot measures and qualify for the general election ballot is August 10, 2012. However, it is generally preferable to make the decision in advance to allow as much time as possible for voter awareness and education efforts to occur.

Additional Survey Results

Another issue of importance that was evaluated in the survey relates to the City's Utility User Tax (UUT). Jurisdictions across the state and the country are writing modern UUT ordinances to address current technology, and are placing them before voters for approval. These modern ordinances are generally revenue neutral in that the rate is reduced to compensate for the fact that a modernized ordinance would apply to new technologies, such as mobile data. The UUT is an important revenue source for the City and a future ballot measure to update the City's ordinance to address litigation and technology risks is recommended.

In order to take advantage of the survey timing and to get some preliminary data for the City Council to consider, the citizen satisfaction survey asked if respondents favored reauthorization of the City's UUT. The results were mixed, with 39% supporting the tax, 39% opposing it and 22% needing additional information. However, because the UUT was not the focus of the survey, a range of questions that would probe support for a UUT measure was not asked. Staff will continue to monitor the situation with respect to litigation, and the success of efforts by other jurisdictions to re-authorize their UUT ordinances. Additional information will be provided to the City Council when it becomes available.

FISCAL IMPACTS

There are no fiscal impacts associated with receiving the Citizen Satisfaction Survey. Direction by the City Council to consider whether or not November 2012 is an appropriate time to place reauthorization of Measure Y on the ballot is consistent with the City's existing work program for a Major City Goal. No new resources are proposed to be added to this effort.

ALTERNATIVE

1. The City Council can direct staff to follow up on any other issues or questions raised by the Citizen Satisfaction Survey that warrant additional analysis or review.

2. The City Council could direct staff to focus attention and efforts on Measure Y renewal in 2014. This alternative is not recommended because the 2012 election is a presidential election and voter participation is expected to be higher during this general election.

ATTACHMENT

City of San Luis Obispo Citizen Satisfaction Survey Summary

COUNCIL READING FILE

Citizen Satisfaction Survey Results (2005, 2006, 2010, 2011)

CITY OF SAN LUIS OBISPO MEASURE Y RENEWAL
220-3264
WFT N=400

Hello, I'm _____ from FM3, a public opinion research company. I am definitely NOT trying to sell you anything or ask for a donation. We are conducting an opinion survey about issues that interest people living in San Luis Obispo, and we would like to include your opinions. May I speak to _____?
YOU MUST SPEAK TO THE VOTER LISTED. VERIFY THAT THE VOTER LIVES AT THE ADDRESS LISTED, OTHERWISE TERMINATE.

A. Before we begin, could you please tell me if I have reached you on a cell phone? **(IF YES, ASK: Are you in a place where it is safe to talk on the cell phone?)**

Yes, cell and in safe place----- 32%
 Yes, cell not in safe place ----- **TERMINATE**
 No, not on cell ----- 68%
(DON'T READ) DK/NA/REFUSED ----- TERMINATE

1. Generally speaking, how would you rate the City of San Luis Obispo as a place to live? Would you say it is an excellent place to live, a good place, just fair, or a poor place to live?

Excellent----- 74%
 Good ----- 23%
 Just fair -----2%
 Poor -----1%
(DON'T KNOW/NA) -----0%

2. Thinking about the next five years, do you think the quality of life in the City of San Luis Obispo will get better, stay the same, or get worse? **(IF BETTER/WORSE, ASK: "Is that much BETTER/WORSE or somewhat?"**

Much better ----- 11%
 Somewhat better----- 15%
 Stay the same ----- 57%
 Somewhat worse ----- 11%
 Much worse -----3%
(DON'T KNOW/NA) -----2%

3. Next, I am going to mention issues some people say might be problems for residents of the City of San Luis Obispo. After I mention each one, please tell me whether you consider it to be a very serious problem, a somewhat serious problem, or not too serious a problem or not a problem at all for San Luis Obispo residents. **(ROTATE)**

| | <u>VERY SERIOUS</u> | <u>SMWT SERIOUS</u> | <u>NOT TOO SERIOUS</u> | <u>NOT A PROB</u> | <u>(DON'T READ) DK/NA</u> |
|-------------------------|--|-------------------------|--------------------------------|---------------------------|-----------------------------------|
| (SPLIT SAMPLE A) | | | | | |
| [] a. | Crime in general ----- | 6%----- | 13% ----- | 51%----- | 28%-----1% |
| [] b. | Inefficient storm drainage that leads to flooding ----- | 6%----- | 12% ----- | 42%----- | 35%-----4% |
| [] c. | City streets in need of repair ----- | 18%----- | 28% ----- | 31%----- | 22%-----2% |
| [] d. | State budget cuts that reduce the money available to cities for essential services such as police and fire protection ----- | 23%----- | 32% ----- | 23%----- | 17%-----5% |
| [] e. | Alcohol-related crimes and problems ----- | 22%----- | 38% ----- | 22%----- | 15%-----3% |
| [] f. | The availability of senior services ----- | 11%----- | 14% ----- | 31%----- | 27%-----17% |
| [] g. | Maintaining a good quality of life in local neighborhoods ----- | 6%----- | 11% ----- | 39%----- | 43%-----1% |
| [] h. | Waste and inefficiency in City government ----- | 16%----- | 24% ----- | 33%----- | 21%-----7% |
| [] i. | The availability of recreation programs ----- | 4%----- | 12% ----- | 32%----- | 46%-----6% |
| [] j. | The time it takes for police to respond to service calls----- | 2%----- | 7% ----- | 34%----- | 42%-----15% |

| | | | | | |
|-------------------------|--|----------|-----------|----------|-------------|
| (SPLIT SAMPLE B) | | | | | |
| [] k. | The time it takes for firefighters to respond to service calls ----- | 5%----- | 6% ----- | 32%----- | 45%-----13% |
| [] l. | Access to quality health care----- | 17%----- | 29% ----- | 21%----- | 31%-----2% |
| [] m. | Too much growth and development ----- | 14%----- | 28% ----- | 26%----- | 32%-----0% |
| [] n. | The quality of public schools ----- | 12%----- | 15% ----- | 25%----- | 33%-----15% |
| [] o. | The availability of stable, good paying jobs in the local area ----- | 34%----- | 43% ----- | 11%----- | 8%-----3% |
| [] p. | Traffic congestion ----- | 16%----- | 29% ----- | 28%----- | 27%-----0% |
| [] q. | Homelessness and transients ----- | 27%----- | 43% ----- | 20%----- | 9%-----1% |
| [] r. | The amount of taxes and fees people have to pay for city services ----- | 15%----- | 22% ----- | 33%----- | 26%-----3% |
| [] s. | Loss of open space ----- | 13%----- | 20% ----- | 32%----- | 33%-----3% |
| [] t. | The availability of affordable housing for middle-class families ----- | 41%----- | 38% ----- | 9%----- | 6%-----6% |

LET ME CHANGE THE FOCUS OF MY QUESTIONS.

4. First, have you heard about Measure Y, the City of San Luis Obispo ballot measure that voters approved in 2006 to raise the local city sales tax one half cent per dollar of expenditures? **(IF YES, ASK: “Have you heard a lot about it or just a little?”)**

Yes, heard a lot **(ASK Q.5)**----- 26%
 Yes, heard a little **(ASK Q.5)** ----- 45%
 No, haven’t heard about it **(SKIP TO Q.6)** ----- 27%
(DON'T READ) DK/NA (SKIP TO Q.6) -----1%

(ASK Q. 5 IF YES ON Q. 4)

5. Do you recall whether you voted on Measure Y? **(IF YES, ASK: “Did you vote Yes, in favor of the local sales tax or No to oppose it?”)**

Voted Yes in favor ----- 51%
 Voted No to oppose ----- 15%
(DON'T READ) Voted, can’t recall how/refused ----- 14%
 Did not vote/can’t recall if voted----- 20%

(ASK ALL RESPONDENTS)

6. Next, Measure Y, the local half cent sales tax measure, is scheduled to expire in 2014. To continue this local sales tax, voters would have to approve its renewal in another election. I know that vote could be a year or more into the future, but if a renewal of this tax were on the ballot today, would you vote Yes in favor of renewing the local half cent sales tax or No to oppose renewal? **(IF YES/NO, ASK: “Is that definitely or just probably?”)**

Definitely yes **(ASK Q.7)**----- 34%
 Probably yes **(ASK Q.7)**----- 25%
 Probably no **(ASK Q.7)**----- 10%
 Definitely no **(ASK Q.7)**----- 16%
(DON'T READ) Need more info ----- 10%
(DON'T READ) DK/NA-----5%

(ASK Q. 7 IF YES/NO IN Q. 6)

7. In a few words of your own, what are the main reasons why you would vote (YES/NO?)

YES

| | |
|--|-----|
| It's important/needed/benefit everyone/maintain quality of life ----- | 23% |
| Revenue is needed for city operations/services ----- | 19% |
| Fair tax/everyone contributes ----- | 16% |
| Need revenue to accumulate funds/growth of the city ----- | 14% |
| Road repairs/infrastructure/street lights ----- | 13% |
| There are things that need to be done/can't be paid for otherwise ----- | 3% |
| Support the community ----- | 3% |
| Generate more money for the economy ----- | 2% |
| Funding is decreasing/local counties need the funds ----- | 2% |
| Need our policeman/fireman/fully staffed ----- | 2% |
| Need schools open/education ----- | 2% |
| Jobs ----- | 1% |
| Reduction in government funds would be detrimental to the city ----- | 1% |
| Capitalizes on tourist ----- | 1% |
| People need to pay more taxes/especially the wealthy ----- | 1% |
| Raise the taxes so we would have better services ----- | 1% |
| Most of the local problems stem from lack of funds ----- | 1% |
| Help some of the budget shortfalls ----- | 1% |
| It offsets state funding/government needs more money ----- | 1% |
| Want to see safety for pedestrians and bicycle riders maintained ----- | 1% |
| Help fund the city's parks/recreation areas ----- | 0% |
| Won't make much of a difference ----- | 0% |
| If there was a reasonable plan/don't just do what they want with the money ----- | 0% |
| Don't know ----- | 5% |

NO

| | |
|--|-----|
| Too many taxes already ----- | 33% |
| Mismanagement of funds/reduce spending ----- | 25% |
| On a fixed income/can't afford/more money out of our pockets ----- | 8% |
| Don't need more money/city is doing pretty well/could do without it ----- | 6% |
| Taxes are too high ----- | 6% |
| Served its purpose/was to be temporary tax ----- | 3% |
| Hurts lower income people ----- | 3% |
| People are losing their jobs/unemployment ----- | 3% |
| City council will give themselves pay raises like they've done in the past ----- | 2% |
| More revenue is not a solution to city problems ----- | 2% |
| All that money that went to firefighters and arbitration was unfair ----- | 2% |
| Economy is bad ----- | 2% |
| Too many city services already ----- | 1% |
| Don't know ----- | 10% |

8. Next, as you may know, residents of the City of San Luis Obispo are currently paying a Utility Users Tax of five percent on phone, cable TV, electricity, natural gas and water bills. Decisions in the courts may mean that voters will be asked at a future election to re-authorize City government to collect the Utility User Tax. If re-authorization of the Utility Users Tax were on the ballot today, do you think you would vote Yes, to re-authorize this tax or No, to oppose its re-authorization? **(IF YES/NO, ASK: "Is that definitely or just probably?")**

Definitely yes ----- 21%
 Probably yes ----- 18%
 Probably no ----- 18%
 Definitely no ----- 21%
(DON'T READ) Need more info ----- 10%
(DON'T READ) DK/NA ----- 12%

NOW LET ME RETURN YOUR ATTENTION TO MEASURE Y, THE LOCAL SALES TAX

(ROTATE Q9-10 WITH Q11-12)

9. I am going to give you some statements that could be made by people who favor a ballot measure to renew Measure Y, the local half cent sales tax, for an additional period. After hearing each statement, please tell me if it would make you more inclined to vote Yes in favor of renewal of the local half cent sales tax. If you do not believe the statement, or if it has no effect on your thinking one way or the other, you can tell me that too. **(IF MORE INCLINED, ASK: "Is that much more or just somewhat?")**

| | | | | | |
|--------------------------------|--------------------------------|-------------------------|--------------------------|----------------------|-----------------------|
| MUCH MORE INCL. | SMWT MORE INCL. | (LESS INCL.) | DON'T BELIEVE | NO EFFECT | (NO OPIN.) |
|--------------------------------|--------------------------------|-------------------------|--------------------------|----------------------|-----------------------|

(ROTATE)

[]a. The State has taken 30 million dollars from the City of San Luis Obispo over the past decade that otherwise would have been spent on essential City services. The City sales tax is a locally controlled revenue source that makes up for some of this loss and allows San Luis Obispo to stretch its dollars to meet basic local needs. Renewing this local tax is essential to protecting the vital local services we all rely on. -----24%----- 31% -----9% ----- 7%----- 25% ----- 4%

| | <u>MUCH MORE INCL.</u> | <u>SMWT MORE INCL.</u> | <u>(LESS INCL.)</u> | <u>DON'T BELIEVE</u> | <u>NO EFFECT</u> | <u>(NO OPIN.)</u> |
|---|--------------------------------|--------------------------------|-------------------------|--------------------------|----------------------|-----------------------|
| []b. San Luis Obispo is making significant cuts in the City budget by reducing the number of employee positions and negotiating with employee unions for employee concessions such as salary reductions, as well as increased employee contributions for health insurance and pensions. But even with these cutbacks, San Luis Obispo needs to renew Measure Y to support essential police and fire protection and keep the City's streets, sidewalks, storm drains and other critical infrastructure safe and in good repair. ----- | 23% | 29% | 9% | 13% | 22% | 4% |
| []c. Renewing the local sales tax is the best way to avoid forced cuts to police services, including cutting back police officers who patrol City streets and neighborhoods and reducing drug and alcohol enforcement that helps keep drugs off the streets and reduces alcohol-related crimes and disturbances. ----- | 20% | 25% | 13% | 15% | 23% | 4% |
| []d. Renewing the local sales tax will provide the funds needed to fill dangerous potholes and keep city streets from becoming more and more uncomfortable and dangerous to drive. ----- | 26% | 31% | 6% | 12% | 23% | 2% |
| []e. Renewal of the local sales tax gives San Luis Obispo more local control and keeps local tax dollars in San Luis Obispo to pay for essential services, such as police and fire protection, senior programs, park maintenance, and street repair. ----- | 32% | 29% | 10% | 7% | 20% | 2% |

| | <u>MUCH MORE INCL.</u> | <u>SMWT MORE INCL.</u> | <u>(LESS INCL.)</u> | <u>DON'T BELIEVE</u> | <u>NO EFFECT</u> | <u>(NO OPIN.)</u> |
|--|--------------------------------|--------------------------------|-------------------------|--------------------------|----------------------|-----------------------|
| []f. If the local sales tax is not renewed, the City will be forced to cut back on keeping drunk drivers off the streets and preventing other alcohol-related crime such as public drunkenness by students and violent assaults. | 21% | 21% | 10% | 20% | 25% | 4% |
| []g. Crime continues to be an issue in San Luis Obispo and calls to the police continue at a high volume. Without renewal of the local sales tax, rather than have an adequate police force, we would have to cut back the police force even more. | 18% | 21% | 11% | 26% | 21% | 4% |
| []h. Fire prevention services in San Luis Obispo have expanded and improved since voters adopted the local sales tax. If the local sales tax is not renewed, we will have to cut back fire prevention programs no matter how valuable they are for local businesses, apartment dwellers and homeowners. | 20% | 27% | 9% | 18% | 20% | 6% |
| []i. Nearly sixty percent of the funds provided by the local sales tax go into capital improvements such as storm drains, new streets and traffic signals and open space acquisition. But the task is not finished. Renewing the local sales tax will allow the City to continue making necessary infrastructure improvements to enhance the safety and quality of life in San Luis Obispo. | 31% | 30% | 6% | 10% | 19% | 4% |
| []j. Even in these difficult economic times, the local sales tax has allowed the City to avoid even deeper cuts in essential services while still making progress in high priority areas such as street paving, traffic congestion relief, flood protection, public safety, senior services and open space preservation. | 28% | 31% | 8% | 6% | 23% | 4% |

10. Now, having heard statements favoring a ballot measure to renew Measure Y, the existing half cent local sales tax, would you vote Yes to approve or No to oppose a ballot measure to renew Measure Y? (IF YES/NO, ASK: "Is that definitely or just probably?")

Definitely yes ----- 38%
 Probably yes ----- 22%
 Probably no ----- 11%
 Definitely no ----- 17%
 (DON'T READ) Need more info -----9%
 (DON'T READ) DK/NA-----4%

(ROTATE Q9-10 WITH Q11-12)

11. Next, I am going to give you some statements that could be made by people who oppose a ballot measure to renew Measure Y, the local half cent sales tax, for an additional period. After hearing each statement, please tell me if it would make you more inclined to vote No to oppose renewal of the local half cent sales tax. If you do not believe the statement, or if it has no effect on your thinking one way or the other, you can tell me that too. (IF MORE INCLINED, ASK: "Is that much more or just somewhat?")

MUCH MORE INCL. **SMWT MORE INCL.** **(LESS INCL.)** **DON'T BELIEVE** **NO EFFECT** **(NO OPIN.)**

(ROTATE)

- []a. City government is trying to scare us into renewing this tax increase. In reality, the City has enough money and just needs to manage it better and stop wasting the money it already has. -----14%----- 16% ----- 10%----- 23% ----- 32% ----- 7%
- []b. Binding arbitration on police salaries has lead to big increases, which cost taxpayers additional millions each year. But now voters have passed Measure B which puts a stop to binding arbitration. So we won't need to renew this local sales tax, which just lets the same spending practices continue with no real accountability. -----15%----- 17% ----- 11%----- 22% ----- 28% ----- 7%
- []c. The local economy is struggling with high unemployment and the state has a deep budget deficit. We should be repealing this local tax, not talking about renewing it. -----14%----- 13% ----- 12%----- 22% ----- 29% ----- 10%

| | <u>MUCH MORE INCL.</u> | <u>SMWT MORE INCL.</u> | <u>(LESS INCL.)</u> | <u>DON'T BELIEVE</u> | <u>NO EFFECT</u> | <u>(NO OPIN.)</u> |
|--|--------------------------------|--------------------------------|-------------------------|--------------------------|----------------------|-----------------------|
| []d. The City admits that renewing the local sales tax will not improve City services. In fact, the City is simply saying that they will continue to give us less but charge more for it. ----- | 13% | 14% | 11% | 27% | 27% | 7% |
| []e. The City is just crying wolf. It says it has already had to drastically reduce essential services, such as road repair, park maintenance, and police and fire protection because of budget cuts, but there has been no noticeable change in services or our quality of life. ----- | 11% | 17% | 9% | 25% | 29% | 9% |
| []f. City government would not have to ask voters to renew the local sales tax if it did not overpay its employees and give them too many benefits. Voting no on renewal will draw the line and force the City to make real cuts in spending on personnel costs. ----- | 15% | 17% | 11% | 23% | 25% | 8% |
| []g. Even if the City says this tax doesn't cost taxpayers very much, taxpayers are being nicked and dined to death and just can't afford to renew this City sales tax. ----- | 12% | 16% | 12% | 22% | 33% | 5% |
| []h. City government hasn't used local sales tax revenues in the ways it promised. Renewing the local sales tax just lets city bureaucrats continue to ignore their promises. ----- | 12% | 16% | 11% | 23% | 28% | 11% |
| []i. City government says it's cutting back on employee pay and benefits, but until we really see that this is done, we should hold back on renewing this tax. ----- | 16% | 16% | 10% | 23% | 29% | 5% |
| []j. City government will be asking us to renew the Utility Users Tax and now they want us to renew the local sales tax. That's too much taxation. We ought to say NO to both of these taxes. ----- | 18% | 15% | 11% | 21% | 29% | 5% |

12. Now, having heard statements favoring a ballot measure to renew Measure Y, the existing half cent local sales tax, would you vote Yes to approve or No to oppose a ballot measure to renew Measure Y? (IF YES/NO, ASK: "Is that definitely or just probably?")

- Definitely yes ----- 31%
- Probably yes ----- 23%
- Probably no ----- 14%
- Definitely no ----- 18%
- (DON'T READ) Need more info ----- 10%
- (DON'T READ) DK/NA ----- 5%

13. Next, when voters approved Measure Y in 2006, it was for a term of eight years ending in 2014. Whether you favor or oppose renewing Measure Y, let me ask you to assume for a moment that a majority of voters want to renew the local sales tax measure. In your opinion, should the local sales tax be made permanent, or should it be approved for a fixed period of time?

- Made permanent----- 13%
- For fixed period of time (ASK Q.14)--- 78%
- (DON'T READ) Don't renew -----1%
- (DON'T READ) Need more info -----3%
- (DON'T READ) DK/NA-----4%

(IF "FIXED PERIOD OF TIME" IN Q, Q13, ASK Q. 14; ALL OTHERS SKIP TO Q 15)

14. For how many years should Measure Y be renewed beyond 2014? (OPEN-END VOLUNTEERED RESPONSE; (DO NOT READ. ASK FOR SPECIFIC NUMBER IF LESS THAN 15 YEARS)

- One year -----5%
- Two years -----9%
- Three years-----6%
- Four years ----- 18%
- Five years ----- 22%
- Six years----- 13%
- Seven years -----3%
- Eight years ----- 11%
- Nine years -----1%
- Ten years -----4%
- Eleven years -----0%
- Twelve years-----0%
- Thirteen years-----0%
- Fourteen years -----0%
- Fifteen or more years -----0%
- Don't know/NA -----8%

(READ TO EVERYONE)

NEXT, LET ME ASK YOU A FEW QUESTIONS ABOUT SAN LUIS OBISPO CITY GOVERNMENT

15. First, how would you rate the overall job being done by San Luis Obispo city government in providing services to City residents? Would you say the City is doing an...? **(READ RESPONSES AND RECORD)**

Excellent----- 17%
 Good ----- 54%
 Only fair, or ----- 23%
 Poor job-----4%
(DON'T READ) Don't know -----2%

16. Next, let me ask you specifically, how would you rate the job being done by City officials in **(READ ITEM)**? Would you say City officials are doing an excellent, good, just fair or poor job?

| | | <u>EXCELLENT</u> | <u>GOOD</u> | <u>JUST FAIR</u> | <u>POOR</u> | (DON'T READ) <u>DK</u> |
|-----------------|--|------------------|-------------|------------------|-------------|----------------------------------|
| (ROTATE) | | | | | | |
| [] a. | Managing City funds----- | 12% | -----32% | ----- 30% | ----- 13% | ----- 12% |
| [] b. | Planning for the future in an era of reduced city revenues ----- | 12% | -----31% | ----- 28% | ----- 13% | ----- 16% |
| [] c. | Negotiating fair and affordable pay and benefits for local public employees----- | 10% | -----29% | ----- 31% | ----- 16% | ----- 15% |

HERE ARE MY LAST QUESTIONS AND THEY ARE FOR STATISTICAL PURPOSES ONLY

17. Do you own or rent your home or apartment?

Own ----- 64%
 Rent ----- 33%
(DON'T READ) DK/NA -----3%

18. Are there children under the age of 18 living at home with you?

Yes ----- 20%
 No ----- 79%
(REFUSED/NA)-----1%

19. Are you a full-time student at Cuesta College or Cal Poly?

Yes ----- 14%
 No ----- 85%
(REFUSED/NA)-----1%

20. In what year were you born?

| | | |
|-----------------------------|-------|-----|
| 1993-1987 (18-24) | ----- | 16% |
| 1986-1982 (25-29) | ----- | 9% |
| 1981-1977 (30-34) | ----- | 8% |
| 1976-1972 (35-39) | ----- | 3% |
| 1971-1967 (40-44) | ----- | 5% |
| 1966-1962 (45-49) | ----- | 7% |
| 1961-1957 (50-54) | ----- | 9% |
| 1956-1952 (55-59) | ----- | 10% |
| 1951-1947 (60-64) | ----- | 7% |
| 1946-1937 (65-74) | ----- | 12% |
| 1936 or earlier (75 & over) | ----- | 11% |
| (REFUSED/ DK/NA) | ----- | 3% |

21. With which racial or ethnic group do you identify yourself? **(READ RESPONSES)**

| | | |
|--------------------------------|-------|-----|
| Hispanic or Latino | ----- | 6% |
| African-American | ----- | 1% |
| Asian | ----- | 2% |
| Caucasian/white | ----- | 89% |
| Some other group | ----- | 0% |
| (DON'T READ) DK/Refused | ----- | 2% |

22. How would you describe your political outlook? Would you say that you are very conservative, somewhat conservative, a moderate, somewhat liberal, or very liberal?

| | | |
|-----------------------------------|-------|-----|
| Very conservative | ----- | 10% |
| Somewhat conservative | ----- | 18% |
| Moderate | ----- | 28% |
| Somewhat liberal | ----- | 29% |
| Very liberal | ----- | 11% |
| (DON'T READ) Refused/DK/NA | ----- | 4% |

23. What was the last level of school you completed?

| | | |
|--|-------|-----|
| Grades 1-8 | ----- | 0% |
| Grades 9-11 | ----- | 0% |
| High school graduate (12) | ----- | 9% |
| Community college, some college/ Business/Vocational school | ----- | 26% |
| College graduate (4) | ----- | 41% |
| Post-graduate work/ Professional school | ----- | 23% |
| (DON'T READ) Refused | ----- | 1% |

24. I don't need to know the exact amount but I'm going to read you some categories for household income. Would you please stop me when I have read the category indicating the total combined income for all the people in your household before taxes in 2010?

| | |
|--------------------------------|------------|
| \$30,000 and under ----- | 16% |
| \$30,001 - \$50,000----- | 15% |
| \$50,001 - \$75,000----- | 14% |
| \$75,001 - \$100,000 ----- | 18% |
| More than \$100,000 ----- | 19% |
| (DON'T READ) DK/NA----- | 17% |

THANK AND TERMINATE

Gender: By observation

| | |
|--------------|-----|
| Male----- | 49% |
| Female ----- | 51% |

Party: From file

| | |
|-----------------------|-----|
| Democrat ----- | 43% |
| Republican ----- | 30% |
| Decline-to-state----- | 22% |
| Other party ----- | 5% |

Name _____

Address _____

City _____

Page # _____

Zip _____

Voter ID # _____

Interviewer _____

FIPS _____

FLAGS

| | |
|-------------|-----|
| G02 ----- | 48% |
| R03 ----- | 55% |
| P04 ----- | 51% |
| G04 ----- | 68% |
| S05 ----- | 57% |
| P06 ----- | 47% |
| G06 ----- | 67% |
| F08 ----- | 65% |
| J08 ----- | 47% |
| G08 ----- | 89% |
| M09 ----- | 44% |
| P10 ----- | 53% |
| G10 ----- | 87% |
| Blank ----- | 2% |

VOTE BY MAIL

| | |
|-------------|-----|
| 1 ----- | 15% |
| 2 ----- | 5% |
| 3+ ----- | 36% |
| Blank ----- | 45% |

PERMANENT ABSENTEE

| | |
|-----------|-----|
| Yes ----- | 49% |
| No ----- | 51% |

ZIP CODES

| | |
|-------------|-----|
| 93401 ----- | 58% |
| 93405 ----- | 42% |

ROTATES

| | |
|----------------------|-----|
| Q9, 10, 11, 12 ----- | 50% |
| Q11, 12, 9, 10 ----- | 50% |

Section 11

Background Materials **OTHER BACKGROUND INFORMATION**

BUDGET AND FISCAL POLICIES

FINANCIAL PLAN PURPOSE AND ORGANIZATION

A. **Financial Plan Objectives.** Through its Financial Plan, the City will link resources with results by:

1. Identifying community needs for essential services.
2. Organizing the programs required to provide these essential services.
3. Establishing program policies and goals, which define the nature and level of program services required.
4. Identifying activities performed in delivering program services.
5. Proposing objectives for improving the delivery of program services.
6. Identifying and appropriating the resources required to perform program activities and accomplish program objectives.
7. Setting standards to measure and evaluate the:
 - . Output of program activities.
 - . Accomplishment of program objectives.
 - . Expenditure of program appropriations.

B. **Two-Year Budget.** Following the City's favorable experience, the City will continue using a two-year financial plan, emphasizing long-range planning and effective program management. The benefits identified when the City's first two-year plan was prepared for 1983-85 continue to be realized:

1. Reinforcing the importance of long-range planning in managing the City's fiscal affairs.
2. Concentrating on developing and budgeting for the accomplishment of significant objectives.
3. Establishing realistic timeframes for achieving objectives.

4. Creating a pro-active budget that provides for stable operations and assures the City's long-term fiscal health.
5. Promoting more orderly spending patterns.
6. Reducing the amount of time and resources allocated to preparing annual budgets.

C. **Measurable Objectives.** The two-year financial plan will establish measurable program objectives and allow reasonable time to accomplish those objectives.

D. **Second Year Budget.** Before the beginning of the second year of the two-year cycle, the Council will review progress during the first year and approve appropriations for the second fiscal year.

E. **Operating Carryover.** Operating program appropriations not spent during the first fiscal year may be carried over for specific purposes into the second fiscal year with the approval of the City Manager.

F. **Goal Status Reports.** The status of major program objectives will be formally reported to the Council on an ongoing, periodic basis.

G. **Mid-Year Budget Reviews.** The Council will formally review the City's fiscal condition, and amend appropriations if necessary, six months after the beginning of each fiscal year.

H. **Balanced Budget.** The City will maintain a balanced budget over the two-year period of the Financial Plan. This means that:

1. Operating revenues must fully cover operating expenditures, including debt service.
2. Ending fund balance (or working capital in the enterprise funds) must meet minimum policy levels. For the general and enterprise funds, this level has been established at 20% of operating expenditures.

BUDGET AND FISCAL POLICIES

Under this policy, it is allowable for total expenditures to exceed revenues in a given year; however, in this situation, beginning fund balance can only be used to fund capital improvement plan projects, or other “one-time,” non-recurring expenditures.

FINANCIAL REPORTING AND BUDGET ADMINISTRATION

A. **Annual Reporting.** The City will prepare annual financial statements as follows:

1. In accordance with Charter requirements, the City will contract for an annual audit by a qualified independent certified public accountant. The City will strive for an unqualified auditors’ opinion.
2. The City will use generally accepted accounting principles in preparing its annual financial statements, and will strive to meet the requirements of the GFOA’s Award for Excellence in Financial Reporting program.
3. The City will issue audited financial statements within 180 days after year-end.

B. **Interim Reporting.** The City will prepare and issue timely interim reports on the City’s fiscal status to the Council and staff. This includes: on-line access to the City’s financial management system by City staff; monthly reports to program managers; more formal quarterly reports to the Council and Department Heads; mid-year budget reviews; and interim annual reports.

C. **Budget Administration.** As set forth in the City Charter, the Council may amend or supplement the budget at any time after its adoption by majority vote of the Council members. The City Manager has the authority to make administrative adjustments to the budget as long as those changes will not have a significant policy impact nor affect budgeted year-end fund balances.

GENERAL REVENUE MANAGEMENT

A. **Diversified and Stable Base.** The City will seek to maintain a diversified and stable revenue base to protect it from short-term fluctuations in any one revenue source.

B. **Long-Range Focus.** To emphasize and facilitate long-range financial planning, the City will maintain current projections of revenues for the succeeding five years.

C. **Current Revenues for Current Uses.** The City will make all current expenditures with current revenues, avoiding procedures that balance current budgets by postponing needed expenditures, accruing future revenues, or rolling over short-term debt.

D. **Interfund Transfers and Loans.** In order to achieve important public policy goals, the City has established various special revenue, capital project, debt service and enterprise funds to account for revenues whose use should be restricted to certain activities. Accordingly, each fund exists as a separate financing entity from other funds, with its own revenue sources, expenditures and fund equity.

Any transfers between funds for operating purposes are clearly set forth in the Financial Plan, and can only be made by the Director of Finance & Information Technology in accordance with the adopted budget. These operating transfers, under which financial resources are transferred from one fund to another, are distinctly different from interfund borrowings, which are usually made for temporary cash flow reasons, and are not intended to result in a transfer of financial resources by the end of the fiscal year.

In summary, interfund transfers result in a change in fund equity; interfund borrowings do not, as the intent is to repay in the loan in the near term.

From time-to-time, interfund borrowings may be appropriate; however, these are subject to the following criteria in ensuring that the fiduciary purpose of the fund is met:

1. The Director of Finance & Information Technology is authorized to approve temporary interfund borrowings for cash flow purposes whenever the cash shortfall is expected to be resolved within 45 days. The most common use of interfund borrowing under this circumstance is for grant programs like the Community Development Block Grant, where costs are incurred before drawdowns are initiated and received. However, receipt of funds is typically received shortly after the request for funds has been made.
2. Any other interfund borrowings for cash flow or other purposes require case-by-case approval by the Council.
3. Any transfers between funds where reimbursement is not expected within one fiscal year shall not be recorded as interfund borrowings; they shall be recorded as interfund operating transfers that affect equity by moving financial resources from one fund to another.

USER FEE COST RECOVERY GOALS

A. Ongoing Review

Fees will be reviewed and updated on an ongoing basis to ensure that they keep pace with changes in the cost-of-living as well as changes in methods or levels of service delivery.

In implementing this goal, a comprehensive analysis of City costs and fees should be made at least every five years. In the interim, fees will be adjusted by annual changes in the Consumer Price Index. Fees may be adjusted during this interim period based on supplemental analysis whenever there have been significant changes in the method, level or cost of service delivery.

B. User Fee Cost Recovery Levels

In setting user fees and cost recovery levels, the following factors will be considered:

1. ***Community-Wide Versus Special Benefit.*** The level of user fee cost recovery should consider the *community-wide* versus *special service* nature of the program or activity. The use of general-purpose revenues is appropriate for community-wide services, while user fees are appropriate for services that are of special benefit to easily identified individuals or groups.
2. ***Service Recipient Versus Service Driver.*** After considering community-wide versus special benefit of the service, the concept of *service recipient* versus *service driver* should also be considered. For example, it could be argued that the applicant is not the beneficiary of the City's development review efforts: the community is the primary beneficiary. However, the applicant is the *driver* of development review costs, and as such, cost recovery from the applicant is appropriate.
3. ***Effect of Pricing on the Demand for Services.*** The level of cost recovery and related pricing of services can significantly affect the demand and subsequent level of services provided. At full cost recovery, this has the specific advantage of ensuring that the City is providing services for which there is genuinely a market that is not overly-stimulated by artificially low prices.

Conversely, high levels of cost recovery will negatively impact the delivery of services to lower income groups. This negative feature is especially pronounced, and works against public policy, if the services are specifically targeted to low income groups.
4. ***Feasibility of Collection and Recovery.*** Although it may be determined that a high level of cost recovery may be appropriate for specific services, it may be impractical or too costly to establish a system to identify and charge the user. Accordingly, the feasibility of assessing and collecting charges should also be considered in developing user fees, especially if significant program costs are intended to be financed from that source.

C. Factors Favoring Low Cost Recovery Levels

Very low cost recovery levels are appropriate under the following circumstances:

1. There is *no* intended relationship between the amount paid and the benefit received. Almost all "social service" programs fall into this category as it is *expected* that one group will subsidize another.
2. Collecting fees is not cost-effective or will significantly impact the efficient delivery of the service.
3. There is *no* intent to limit the use of (or entitlement to) the service. Again, most "social service" programs fit into this category as well as many public safety (police and fire) emergency response services. Historically, access to neighborhood and community parks would also fit into this category.
4. The service is non-recurring, generally delivered on a "peak demand" or emergency basis, cannot reasonably be planned for on an individual basis, and is not readily available from a private sector source. Many public safety services also fall into this category.
5. Collecting fees would discourage compliance with regulatory requirements and adherence is primarily self-identified, and as such, failure to comply would not be readily detected by the City. Many small-scale licenses and permits might fall into this category.

D. Factors Favoring High Cost Recovery Levels

The use of service charges as a major source of funding service levels is especially appropriate under the following circumstances:

1. The service is similar to services provided through the private sector.

2. Other private or public sector alternatives could or do exist for the delivery of the service.
3. For equity or demand management purposes, it is intended that there be a direct relationship between the amount paid and the level and cost of the service received.
4. The use of the service is specifically discouraged. Police responses to disturbances or false alarms might fall into this category.
5. The service is regulatory in nature and voluntary compliance is not expected to be the primary method of detecting failure to meet regulatory requirements. Building permit, plan checks, and subdivision review fees for large projects would fall into this category.

E. General Concepts Regarding the Use of Service Charges

The following general concepts will be used in developing and implementing service charges:

1. Revenues should not exceed the reasonable cost of providing the service.
2. Cost recovery goals should be based on the total cost of delivering the service, including direct costs, departmental administration costs and organization-wide support costs such as accounting, personnel, information technology, legal services, fleet maintenance and insurance.
3. The method of assessing and collecting fees should be as simple as possible in order to reduce the administrative cost of collection.
4. Rate structures should be sensitive to the "market" for similar services as well as to smaller, infrequent users of the service.
5. A unified approach should be used in determining cost recovery levels for various programs based on the factors discussed above.

F. Low Cost-Recovery Services

Based on the criteria discussed above, the following types of services should have very low cost recovery goals. In selected circumstances, there may be specific activities within the broad scope of services provided that should have user charges associated with them. However, the primary source of funding for the operation as a whole should be general-purpose revenues, not user fees.

1. Delivering public safety emergency response services such as police patrol services and fire suppression.
2. Maintaining and developing public facilities that are provided on a uniform, community-wide basis such as streets, parks and general-purpose buildings.
3. Providing social service programs and economic development activities.

G. Recreation Programs

The following cost recovery policies apply to the City's recreation programs:

1. Cost recovery for activities directed to adults should be relatively high.
2. Cost recovery for activities directed to youth and seniors should be relatively low. In those circumstances where services are similar to those provided in the private sector, cost recovery levels should be higher.

Although ability to pay may not be a concern for all youth and senior participants, these are desired program activities, and the cost of determining need may be greater than the cost of providing a uniform service fee structure to all participants. Further, there is a community-wide benefit in encouraging high-levels of participation in youth and senior recreation activities regardless of financial status.

3. Cost recovery goals for recreation activities are set as follows:

***High-Range Cost Recovery Activities
(60% to 100%)***

- a. Adult athletics
- b. Banner permit applications
- c. Child care services (except Youth STAR)
- d. Facility rentals (indoor and outdoor; excludes use of facilities for internal City uses)
- e. Triathlon
- f. Golf

***Mid-Range Cost Recovery Activities
(30% to 60%)***

- g. Classes
- h. Holiday in the Plaza
- i. Major commercial film permit applications

***Low-Range Cost Recovery Activities
(0 to 30%)***

- j. Aquatics
- k. Batting cages
- l. Community gardens
- m. Junior Ranger camp
- n. Minor commercial film permit applications
- o. Skate park
- p. Special events (except for Triathlon and Holiday in the Plaza)
- q. Youth sports
- r. Youth STAR
- s. Teen services
- t. Senior/boomer services

4. For cost recovery activities of less than 100%, there should be a differential in rates between residents and non-residents. However, the Director of Parks and Recreation is authorized to reduce or eliminate non-resident fee differentials when it can be demonstrated that:

- a. The fee is reducing attendance.
- b. And there are no appreciable expenditure savings from the reduced attendance.

5. Charges will be assessed for use of rooms, pools, gymnasiums, ball fields, special-use areas, and recreation equipment for activities not sponsored or co-sponsored by the City. Such charges will generally conform to the fee guidelines described above. However, the Director of Parks and Recreation is authorized to charge fees that are closer to full cost recovery for facilities that are heavily used at peak times and include a majority of non-resident users.
6. A vendor charge of at least 10 percent of gross income will be assessed from individuals or organizations using City facilities for moneymaking activities.
7. Director of Parks and Recreation is authorized to offer reduced fees such as introductory rates, family discounts and coupon discounts on a pilot basis (not to exceed 18 months) to promote new recreation programs or resurrect existing ones.
8. The Parks and Recreation Department will consider waiving fees only when the City Manager determines in writing that an undue hardship exists.

H. Development Review Programs

The following cost recovery policies apply to the development review programs:

1. Services provided under this category include:
 - a. Planning (planned development permits, tentative tract and parcel maps, rezonings, general plan amendments, variances, use permits).
 - b. Building and safety (building permits, structural plan checks, inspections).
 - c. Engineering (public improvement plan checks, inspections, subdivision requirements, encroachments).
 - d. Fire plan check.

2. Cost recovery for these services should generally be very high. In most instances, the City's cost recovery goal should be 100%.
3. However, in charging high cost recovery levels, the City needs to clearly establish and articulate standards for its performance in reviewing developer applications to ensure that there is "value for cost."

I. Comparability With Other Communities

In setting user fees, the City will consider fees charged by other agencies in accordance with the following criteria:

1. Surveying the comparability of the City's fees to other communities provides useful background information in setting fees for several reasons:
 - a. They reflect the "market" for these fees and can assist in assessing the reasonableness of San Luis Obispo's fees.
 - b. If prudently analyzed, they can serve as a benchmark for how cost-effectively San Luis Obispo provides its services.
2. However, fee surveys should never be the sole or primary criteria in setting City fees as there are many factors that affect how and why other communities have set their fees at their levels. For example:
 - a. What level of cost recovery is their fee intended to achieve compared with our cost recovery objectives?
 - b. What costs have been considered in computing the fees?
 - c. When was the last time that their fees were comprehensively evaluated?
 - d. What level of service do they provide compared with our service or performance standards?
 - e. Is their rate structure significantly different than ours and what is it intended to achieve?

3. These can be very difficult questions to address in fairly evaluating fees among different communities. As such, the comparability of our fees to other communities should be one factor among many that is considered in setting City fees.

ENTERPRISE FUND FEES AND RATES

- A. **Water, Sewer and Parking.** The City will set fees and rates at levels which fully cover the total direct and indirect costs—including operations, capital outlay, and debt service—of the following enterprise programs: water, sewer and parking.
- B. **Transit.** Based on targets set under the Transportation Development Act, the City will strive to cover at least twenty percent of transit operating costs with fare revenues.
- C. **Ongoing Rate Review.** The City will review and adjust enterprise fees and rate structures as required to ensure that they remain appropriate and equitable.
- D. **Franchise Fees.** In accordance with long-standing practices, the City will treat the water and sewer funds in the same manner as if they were privately owned and operated. This means assessing reasonable franchise fees in fully recovering service costs.

At 3.5%, water and sewer franchise fees are based on the mid-point of the statewide standard for public utilities like electricity and gas (2% of gross revenues from operations) and cable television (5% of gross revenues).

As with other utilities, the purpose of the franchise fee is reasonable cost recovery for the use of the City's street right-of-way. The appropriateness of charging the water and sewer funds a reasonable franchise fee for the use of City streets is further supported by the results of studies in Arizona, California, Ohio and Vermont which concluded that the leading cause for street resurfacing and reconstruction is street cuts and trenching for utilities.

REVENUE DISTRIBUTION

The Council recognizes that generally accepted accounting principles for state and local governments discourage the "earmarking" of General Fund revenues, and accordingly, the practice of designating General Fund revenues for specific programs should be minimized in the City's management of its fiscal affairs. Approval of the following revenue distribution policies does not prevent the Council from directing General Fund resources to other functions and programs as necessary.

- A. **Property Taxes.** With the passage of Proposition 13 on June 6, 1978, California cities no longer can set their own property tax rates. In addition to limiting annual increases in market value, placing a ceiling on voter-approved indebtedness, and redefining assessed valuations, Proposition 13 established a maximum county-wide levy for general revenue purposes of 1% of market value. Under subsequent state legislation, which adopted formulas for the distribution of this countywide levy, the City now receives a percentage of total property tax revenues collected countywide as determined by the State and administered by the County Auditor-Controller. The City receives 14.9% of each dollar collected in property tax after allocations to school districts.

Accordingly, while property revenues are often thought of local revenue sources, in essence they are State revenue sources, since the State controls their use and allocation.

With the adoption of a Charter revision in November 1996, which removed provisions that were in conflict with Proposition 13 relating to the setting of property tax revenues between various funds, all property tax revenues are now accounted for in the General Fund.

- B. **Gasoline Tax Subventions.** All gasoline tax revenues (which are restricted by the State for street-related purposes) will be used for maintenance activities. Since the City's total expenditures for gas tax eligible programs and

BUDGET AND FISCAL POLICIES

projects are much greater than this revenue source, operating transfers will be made from the gas tax fund to the General Fund for this purpose. This approach significantly reduces the accounting efforts required in meeting State reporting requirements.

- C. **Transportation Development Act (TDA) Revenues.** All TDA revenues will be allocated to alternative transportation programs, including regional and municipal transit systems, bikeway improvements, and other programs or projects designed to reduce automobile usage. Because TDA revenues will not be allocated for street purposes, it is expected that alternative transportation programs (in conjunction with other state or federal grants for this purpose) will be self-supporting from TDA revenues.
- D. **Parking Fines.** All parking fine revenues will be allocated to the parking fund, except for those collected by Police staff (who are funded by the General Fund) in implementing neighborhood wellness programs.

INVESTMENTS

- A. **Responsibility.** Investments and cash management are the responsibility of the City Treasurer or designee. It is the City's policy to appoint the Director of Finance and Information Technology as the City's Treasurer.
- B. **Investment Objective.** The City's primary investment objective is to achieve a reasonable rate of return while minimizing the potential for capital losses arising from market changes or issuer default. Accordingly, the following factors will be considered in priority order in determining individual investment placements:
1. Safety
 2. Liquidity
 3. Yield
- C. **Tax and Revenue Anticipation Notes: Not for Investment Purposes.** There is an appropriate role for tax and revenue anticipation notes (TRANS) in meeting legitimate short-term cash needs within the fiscal year. However, many

agencies issue TRANS as a routine business practice, not solely for cash flow purposes, but to capitalize on the favorable difference between the interest cost of issuing TRANS as a tax-preferred security and the interest yields on them if re-invested at full market rates.

As part of its cash flow management and investment strategy, the City will only issue TRANS or other forms of short-term debt if necessary to meet demonstrated cash flow needs; TRANS or any other form of short-term debt financing will not be issued for investment purposes.

As long as the City maintains its current policy of maintaining fund/working capital balances that are 20% of operating expenditures, it is unlikely that the City would need to issue TRANS for cash flow purposes except in very unusual circumstances.

- D. **Selecting Maturity Dates.** The City will strive to keep all idle cash balances fully invested through daily projections of cash flow requirements. To avoid forced liquidations and losses of investment earnings, cash flow and future requirements will be the primary consideration when selecting maturities.
- E. **Diversification.** As the market and the City's investment portfolio change, care will be taken to maintain a healthy balance of investment types and maturities.
- F. **Authorized Investments.** The City will invest only in those instruments authorized by the California Government Code Section 53601.
- The City will not invest in stock, will not speculate and will not deal in futures or options. The investment market is highly volatile and continually offers new and creative opportunities for enhancing interest earnings. Accordingly, the City will thoroughly investigate any new investment vehicles before committing City funds to them.
- G. **Authorized Institutions.** Current financial statements will be maintained for each institution in which cash is invested.

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Investments will be limited to 20 percent of the total net worth of any institution and may be reduced further or refused altogether if an institution's financial situation becomes unhealthy.

- H. **Consolidated Portfolio.** In order to maximize yields from its overall portfolio, the City will consolidate cash balances from all funds for investment purposes, and will allocate investment earnings to each fund in accordance with generally accepted accounting principles.
- I. **Safekeeping.** Ownership of the City's investment securities will be protected through third-party custodial safekeeping.
- J. **Investment Management Plan.** The City Treasurer will develop and maintain an Investment Management Plan that addresses the City's administration of its portfolio, including investment strategies, practices and procedures.
- K. **Investment Oversight Committee.** As set forth in the Investment Management Plan, this committee is responsible for reviewing the City's portfolio on an ongoing basis to determine compliance with the City's investment policies and for making recommendations regarding investment management practices.

Members include the City Manager, Assistant City Manager, Director of Finance & Information Technology/City Treasurer, Finance Manager and the City's independent auditor.

- L. **Reporting.** The City Treasurer will develop and maintain a comprehensive, well-documented investment reporting system, which will comply with Government Code Section 53607. This reporting system will provide the Council and the Investment Oversight Committee with appropriate investment performance information.

APPROPRIATIONS LIMITATION

- A. The Council will annually adopt a resolution establishing the City's appropriations limit

calculated in accordance with Article XIII-B of the Constitution of the State of California, Section 7900 of the State of California Government Code, and any other voter approved amendments or state legislation that affect the City's appropriations limit.

- B. The supporting documentation used in calculating the City's appropriations limit and projected appropriations subject to the limit will be available for public and Council review at least 10 days before Council consideration of a resolution to adopt an appropriations limit. The Council will generally consider this resolution in connection with final approval of the budget.
- C. The City will strive to develop revenue sources, both new and existing, which are considered non-tax proceeds in calculating its appropriations subject to limitation.
- D. The City will annually review user fees and charges and report to the Council the amount of program subsidy, if any, that is being provided by the General or Enterprise Funds.
- E. The City will actively support legislation or initiatives sponsored or approved by League of California Cities which would modify Article XIII-B of the Constitution in a manner which would allow the City to retain projected tax revenues resulting from growth in the local economy for use as determined by the Council.
- F. The City will seek voter approval to amend its appropriation limit at such time that tax proceeds are in excess of allowable limits.

FUND BALANCE AND RESERVES

- A. **Minimum Fund and Working Capital Balances.** The City will maintain a minimum fund balance of at least 20% of operating expenditures in the General Fund and a minimum working capital balance of 20% of operating expenditures in the water, sewer and parking enterprise funds. This is considered the minimum level necessary to maintain the City's credit worthiness and to adequately provide for:

BUDGET AND FISCAL POLICIES

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

B. Fleet Replacement. For the General Fund fleet, the City will establish and maintain a Fleet Replacement Fund to provide for the timely replacement of vehicles and related equipment with an individual replacement cost of \$15,000 or more. The City will maintain a minimum fund balance in the Fleet Replacement Fund of at least 20% of the original purchase cost of the items accounted for in this fund.

The annual contribution to this fund will generally be based on the annual use allowance, which is determined based on the estimated life of the vehicle or equipment and its original purchase cost. Interest earnings and sales of surplus equipment as well as any related damage and insurance recoveries will be credited to the Fleet Replacement Fund.

C. Information Technology (IT) Replacement Fund. The City will establish an IT Replacement Fund for the General Fund to provide for the timely replacement of information technology, both hardware and software, with an individual replacement cost of \$25,000. The City will begin building the fund balance with the long term objective of maintaining a minimum fund balance in the IT Replacement Fund of at least 20% of the original purchase costs of the items accounted for in this fund.

D. Water and Sewer Rate Stabilization Reserves. The City will maintain a reserve for the purposes of offsetting unanticipated fluctuations in Water Fund or Sewer Fund revenues to provide financial stability, including the stability of revenues and the rates and charges related to each Enterprise. The funding target for the Rate Stabilization Reserve will be 10% of sales revenue in the Water Fund and 5% of sales revenue in the Sewer Fund.

Conditions for utilization and plan for replenishment of the reserve will be brought to Council for its consideration during the preparation and approval of the Financial Plan or as may become necessary during any fiscal year.

E. Future Capital Project Designations. The Council may designate specific fund balance levels for future development of capital projects that it has determined to be in the best long-term interests of the City. For example, replacement of critical information technology infrastructure or other projects.

F. Other Designations and Reserves. In addition to the designations noted above, fund balance levels will be sufficient to meet funding requirements for projects approved in prior years which are carried forward into the new year; debt service reserve requirements; reserves for encumbrances; and other reserves or designations required by contractual obligations, state law, or generally accepted accounting principles.

CAPITAL IMPROVEMENT MANAGEMENT

A. CIP Projects: \$25,000 or More. Construction projects and equipment purchases which cost \$25,000 or more will be included in the Capital Improvement Plan (CIP); minor capital outlays of less than \$25,000 will be included with the operating program budgets.

B. CIP Purpose. The purpose of the CIP is to systematically plan, schedule, and finance capital projects to ensure cost-effectiveness as well as conformance with established policies. The CIP is a five-year plan organized into the same functional groupings used for the operating programs. The CIP will reflect a balance between capital replacement projects that repair, replace or enhance existing facilities, equipment or infrastructure; and capital facility projects that significantly expand or add to the City's existing fixed assets.

C. Project Manager. Every CIP project will have a project manager who will prepare the project

proposal, ensure that required phases are completed on schedule, authorize all project expenditures, ensure that all regulations and laws are observed, and periodically report project status.

D. **CIP Review Committee.** Headed by the City Manager or designee, this Committee will review project proposals, determine project phasing, recommend project managers, review and evaluate the draft CIP budget document, and report CIP project progress on an ongoing basis.

E. **CIP Phases.** The CIP will emphasize project planning, with projects progressing through at least two and up to ten of the following phases:

1. **Designate.** Appropriates funds based on projects designated for funding by the Council through adoption of the Financial Plan.
2. **Study.** Concept design, site selection, feasibility analysis, schematic design, environmental determination, property appraisals, scheduling, grant application, grant approval, specification preparation for equipment purchases.
3. **Environmental Review.** EIR preparation, other environmental studies.
4. **Real Property Acquisitions.** Property acquisition for projects, if necessary.
5. **Site Preparation.** Demolition, hazardous materials abatements, other pre-construction work.
6. **Design.** Final design, plan and specification preparation and construction cost estimation.
7. **Construction.** Construction contracts.
8. **Construction Management.** Contract project management and inspection, soils and material tests, other support services during construction.

9. **Equipment Acquisitions.** Vehicles, heavy machinery, computers, office furnishings, other equipment items acquired and installed independently from construction contracts.

10. **Debt Service.** Installment payments of principal and interest for completed projects funded through debt financings. Expenditures for this project phase are included in the Debt Service section of the Financial Plan.

Generally, it will become more difficult for a project to move from one phase to the next. As such, more projects will be studied than will be designed, and more projects will be designed than will be constructed or purchased during the term of the CIP.

F. **CIP Appropriation.** The City's annual CIP appropriation for study, design, acquisition and/or construction is based on the projects designated by the Council through adoption of the Financial Plan. Adoption of the Financial Plan CIP appropriation does not automatically authorize funding for specific project phases. This authorization generally occurs only after the preceding project phase has been completed and approved by the Council and costs for the succeeding phases have been fully developed.

Accordingly, project appropriations are generally made when contracts are awarded. If project costs at the time of bid award are less than the budgeted amount, the balance will be unappropriated and returned to fund balance or allocated to another project. If project costs at the time of bid award are greater than budget amounts, five basic options are available:

1. Eliminate the project.
2. Defer the project for consideration to the next Financial Plan period.
3. Rescope or change the phasing of the project to meet the existing budget.
4. Transfer funding from another specified, lower priority project.
5. Appropriate additional resources as necessary from fund balance.

G. CIP Budget Carryover. Appropriations for CIP projects lapse three years after budget adoption. Projects which lapse from lack of project account appropriations may be resubmitted for inclusion in a subsequent CIP. Project accounts, which have been appropriated, will not lapse until completion of the project phase.

H. Program Objectives. Project phases will be listed as objectives in the program narratives of the programs, which manage the projects.

I. Public Art. CIP projects will be evaluated during the budget process and prior to each phase for conformance with the City's public art policy, which generally requires that 1% of eligible project construction costs be set aside for public art. Excluded from this requirement are underground projects, utility infrastructure projects, funding from outside agencies, and costs other than construction such as study, environmental review, design, site preparation, land acquisition and equipment purchases.

It is generally preferred that public art be incorporated directly into the project, but this is not practical or desirable for all projects; in this case, an in-lieu contribution to public art will be made. To ensure that funds are adequately budgeted for this purpose regardless of whether public art will be directly incorporated into the project, funds for public art will be identified separately in the CIP.

Given the City's fiscal situation for 2011-13, public art will be funded at the same level required by the private sector: 0.5% rather than 1%.

J. General Plan Consistency Review. The Planning Commission will review the Preliminary CIP for consistency with the General Plan and provide its findings to the Council prior to adoption.

CAPITAL FINANCING AND DEBT MANAGEMENT

A. Capital Financing

1. The City will consider the use of debt financing only for one-time capital improvement projects and only under the following circumstances:
 - a. When the project's useful life will exceed the term of the financing.
 - b. When project revenues or specific resources will be sufficient to service the long-term debt.
2. Debt financing will not be considered appropriate for any recurring purpose such as current operating and maintenance expenditures. The issuance of short-term instruments such as revenue, tax or bond anticipation notes is excluded from this limitation. (See Investment Policy)
3. Capital improvements will be financed primarily through user fees, service charges, assessments, special taxes or developer agreements when benefits can be specifically attributed to users of the facility. Accordingly, development impact fees should be created and implemented at levels sufficient to ensure that new development pays its fair share of the cost of constructing necessary community facilities.
4. Transportation impact fees are a major funding source in financing transportation system improvements. However, revenues from these fees are subject to significant fluctuation based on the rate of new development. Accordingly, the following guidelines will be followed in designing and building projects funded with transportation impact fees:
 - a. The availability of transportation impact fees in funding a specific project will be analyzed on a case-by-case basis as plans and specification or contract awards are submitted for City Manager or Council approval.

- b. If adequate funds are not available at that time, the Council will make one of two determinations:
 - Defer the project until funds are available.
 - Based on the high-priority of the project, advance funds from the General Fund, which will be reimbursed as soon as funds become available. Repayment of General Fund advances will be the first use of transportation impact fee funds when they become available.

5. The City will use the following criteria to evaluate pay-as-you-go versus long-term financing in funding capital improvements:

a. Factors Favoring Pay-As-You-Go Financing

- 1. Current revenues and adequate fund balances are available or project phasing can be accomplished.
- 2. Existing debt levels adversely affect the City's credit rating.
- 3. Market conditions are unstable or present difficulties in marketing.

b. Factors Favoring Long Term Financing

- 1. Revenues available for debt service are deemed sufficient and reliable so that long-term financings can be marketed with investment grade credit ratings.
- 2. The project securing the financing is of the type, which will support an investment grade credit rating.
- 3. Market conditions present favorable interest rates and demand for City financings.
- 4. A project is mandated by state or federal requirements, and resources are insufficient or unavailable.

- 5. The project is immediately required to meet or relieve capacity needs and current resources are insufficient or unavailable.
- 6. The life of the project or asset to be financed is 10 years or longer.
- 7. Vehicle leasing when market conditions and operational circumstances present favorable opportunities.

B. Debt Management

- 1. The City will not obligate the General Fund to secure long-term financings except when marketability can be significantly enhanced.
- 2. An internal feasibility analysis will be prepared for each long-term financing which analyzes the impact on current and future budgets for debt service and operations. This analysis will also address the reliability of revenues to support debt service.
- 3. The City will generally conduct financings on a competitive basis. However, negotiated financings may be used due to market volatility or the use of an unusual or complex financing or security structure.
- 4. The City will seek an investment grade rating (Baa/BBB or greater) on any direct debt and will seek credit enhancements such as letters of credit or insurance when necessary for marketing purposes, availability and cost-effectiveness.
- 5. The City will monitor all forms of debt annually coincident with the City's Financial Plan preparation and review process and report concerns and remedies, if needed, to the Council.
- 6. The City will diligently monitor its compliance with bond covenants and ensure its adherence to federal arbitrage regulations.
- 7. The City will maintain good, ongoing communications with bond rating agencies

about its financial condition. The City will follow a policy of full disclosure on every financial report and bond prospectus (Official Statement).

C. Debt Capacity

1. **General Purpose Debt Capacity.** The City will carefully monitor its levels of general-purpose debt. Because our general purpose debt capacity is limited, it is important that we only use general purpose debt financing for high-priority projects where we cannot reasonably use other financing methods for two key reasons:

1. Funds borrowed for a project today are not available to fund other projects tomorrow.
2. Funds committed for debt repayment today are not available to fund operations in the future.

In evaluating debt capacity, general-purpose annual debt service payments should generally not exceed 10% of General Fund revenues; and in no case should they exceed 15%. Further, direct debt will not exceed 2% of assessed valuation; and no more than 60% of capital improvement outlays will be funded from long-term financings.

2. **Enterprise Fund Debt Capacity.** The City will set enterprise fund rates at levels needed to fully cover debt service requirements as well as operations, maintenance, administration and capital improvement costs. The ability to afford new debt for enterprise operations will be evaluated as an integral part of the City's rate review and setting process.

D. Independent Disclosure Counsel

The following criteria will be used on a case-by-case basis in determining whether the City should retain the services of an independent disclosure counsel in conjunction with specific project financings:

1. The City will generally not retain the services of an independent disclosure counsel when all of the following circumstances are present:

1. The revenue source for repayment is under the management or control of the City, such as general obligation bonds, revenue bonds, lease-revenue bonds or certificates of participation.
2. The bonds will be rated or insured.

2. The City will consider retaining the services of an independent disclosure counsel when one or more of following circumstances are present:

1. The financing will be negotiated, and the underwriter has not separately engaged an underwriter's counsel for disclosure purposes.
2. The revenue source for repayment is not under the management or control of the City, such as land-based assessment districts, tax allocation bonds or conduit financings.
3. The bonds will not be rated or insured.
4. The City's financial advisor, bond counsel or underwriter recommends that the City retain an independent disclosure counsel based on the circumstances of the financing.

E. Land-Based Financings

1. **Public Purpose.** There will be a clearly articulated public purpose in forming an assessment or special tax district in financing public infrastructure improvements. This should include a finding by the Council as to why this form of financing is preferred over other funding options such as impact fees, reimbursement agreements or direct developer responsibility for the improvements.

2. **Eligible Improvements.** Except as otherwise determined by the Council when proceedings for district formation are commenced, preference in financing public

improvements through a special tax district shall be given for those public improvements that help achieve clearly identified community facility and infrastructure goals in accordance with adopted facility and infrastructure plans as set forth in key policy documents such as the General Plan, Specific Plan, Facility or Infrastructure Master Plans, or Capital Improvement Plan.

Such improvements include study, design, construction and/or acquisition of:

1. Public safety facilities.
2. Water supply, distribution and treatment systems.
3. Waste collection and treatment systems.
4. Major transportation system improvements, such as freeway interchanges; bridges; intersection improvements; construction of new or widened arterial or collector streets (including related landscaping and lighting); sidewalks and other pedestrian paths; transit facilities; and bike paths.
5. Storm drainage, creek protection and flood protection improvements.
6. Parks, trails, community centers and other recreational facilities.
7. Open space.
8. Cultural and social service facilities.
9. Other governmental facilities and improvements such as offices, information technology systems and telecommunication systems.

School facilities will not be financed except under appropriate joint community facilities agreements or joint exercise of powers agreements between the City and school districts.

3. **Active Role.** Even though land-based financings may be a limited obligation of the City, we will play an active role in managing the district. This means that the

City will select and retain the financing team, including the financial advisor, bond counsel, trustee, appraiser, disclosure counsel, assessment engineer and underwriter. Any costs incurred by the City in retaining these services will generally be the responsibility of the property owners or developer, and will be advanced via a deposit when an application is filed; or will be paid on a contingency fee basis from the proceeds from the bonds.

4. **Credit Quality.** When a developer requests a district, the City will carefully evaluate the applicant's financial plan and ability to carry the project, including the payment of assessments and special taxes during build-out. This may include detailed background, credit and lender checks, and the preparation of independent appraisal reports and market absorption studies. For districts where one property owner accounts for more than 25% of the annual debt service obligation, a letter of credit further securing the financing may be required.
5. **Reserve Fund.** A reserve fund should be established in the lesser amount of: the maximum annual debt service; 125% of the annual average debt service; or 10% of the bond proceeds.
6. **Value-to-Debt Ratios.** The minimum value-to-debt ratio should generally be 4:1. This means the value of the property in the district, with the public improvements, should be at least four times the amount of the assessment or special tax debt. In special circumstances, after conferring and receiving the concurrence of the City's financial advisor and bond counsel that a lower value-to-debt ratio is financially prudent under the circumstances, the City may consider allowing a value-to-debt ratio of 3:1. The Council should make special findings in this case.
7. **Appraisal Methodology.** Determination of value of property in the district shall be based upon the full cash value as shown on the ad valorem assessment roll or upon an appraisal by an independent Member

Appraisal Institute (MAI). The definitions, standards and assumptions to be used for appraisals shall be determined by the City on a case-by-case basis, with input from City consultants and district applicants, and by reference to relevant materials and information promulgated by the State of California, including the Appraisal Standards for Land-Secured Financings prepared by the California Debt and Investment Advisory Commission.

8. **Capitalized Interest During Construction.** Decisions to capitalize interest will be made on case-by-case basis, with the intent that if allowed, it should improve the credit quality of the bonds and reduce borrowing costs, benefiting both current and future property owners.
9. **Maximum Burden.** Annual assessments (or special taxes in the case of Mello-Roos or similar districts) should generally not exceed 1% of the sales price of the property; and total property taxes, special assessments and special taxes payments collected on the tax roll should generally not exceed 2%.
10. **Benefit Apportionment.** Assessments and special taxes will be apportioned according to a formula that is clear, understandable, equitable and reasonably related to the benefit received by—or burden attributed to—each parcel with respect to its financed improvement. Any annual escalation factor should generally not exceed 2%.
11. **Special Tax District Administration.** In the case of Mello-Roos or similar special tax districts, the total maximum annual tax should not exceed 110% of annual debt service. The rate and method of apportionment should include a back-up tax in the event of significant changes from the initial development plan, and should include procedures for prepayments.
12. **Foreclosure Covenants.** In managing administrative costs, the City will establish minimum delinquency amounts per owner, and for the district as a whole, on a case-by-

case basis before initiating foreclosure proceedings.

13. **Disclosure to Bondholders.** In general, each property owner who accounts for more than 10% of the annual debt service or bonded indebtedness must provide ongoing disclosure information annually as described under SEC Rule 15(c)-12.
14. **Disclosure to Prospective Purchasers.** Full disclosure about outstanding balances and annual payments should be made by the seller to prospective buyers at the time that the buyer bids on the property. It should not be deferred to after the buyer has made the decision to purchase. When appropriate, applicants or property owners may be required to provide the City with a disclosure plan.

F. Conduit Financings

1. The City will consider requests for conduit financing on a case-by-case basis using the following criteria:
 - a. The City's bond counsel will review the terms of the financing, and render an opinion that there will be no liability to the City in issuing the bonds on behalf of the applicant.
 - b. There is a clearly articulated public purpose in providing the conduit financing.
 - c. The applicant is capable of achieving this public purpose.
2. This means that the review of requests for conduit financing will generally be a two-step process:
 - a. First asking the Council if they are interested in considering the request, and establishing the ground rules for evaluating it.
 - b. And then returning with the results of this evaluation, and recommending approval of appropriate financing documents if warranted.

This two-step approach ensures that the issues are clear for both the City and applicant, and that key policy questions are answered.

3. The workscope necessary to address these issues will vary from request to request, and will have to be determined on a case-by-case basis. Additionally, the City should generally be fully reimbursed for our costs in evaluating the request; however, this should also be determined on a case-by-case basis.

B. Refinancings

1. **General Guidelines.** Periodic reviews of all outstanding debt will be undertaken to determine refinancing opportunities. Refinancings will be considered (within federal tax law constraints) under the following conditions:
 - a. There is a net economic benefit.
 - b. It is needed to modernize covenants that are adversely affecting the City's financial position or operations.
 - c. The City wants to reduce the principal outstanding in order to achieve future debt service savings, and it has available working capital to do so from other sources.
2. **Standards for Economic Savings.** In general, refinancings for economic savings will be undertaken whenever net present value savings of at least five percent (5%) of the refunded debt can be achieved.
 - a. Refinancings that produce net present value savings of less than five percent will be considered on a case-by-case basis, provided that the present value savings are at least three percent (3%) of the refunded debt.
 - b. Refinancings with savings of less than three percent (3%), or with negative savings, will not be considered unless

there is a compelling public policy objective.

HUMAN RESOURCE MANAGEMENT

A. Regular Staffing

1. The budget will fully appropriate the resources needed for authorized regular staffing and will limit programs to the regular staffing authorized.
2. Regular employees will be the core work force and the preferred means of staffing ongoing, year-round program activities that should be performed by full-time City employees rather than independent contractors. The City will strive to provide competitive compensation and benefit schedules for its authorized regular work force. Each regular employee will:
 - a. Fill an authorized regular position.
 - b. Be assigned to an appropriate bargaining unit.
 - c. Receive salary and benefits consistent with labor agreements or other compensation plans.
3. To manage the growth of the regular work force and overall staffing costs, the City will follow these procedures:
 - a. The Council will authorize all regular positions.
 - b. The Human Resources Department will coordinate and approve the hiring of all regular and temporary employees.
 - c. All requests for additional regular positions will include evaluations of:
 - The necessity, term and expected results of the proposed activity.
 - Staffing and materials costs including salary, benefits, equipment, uniforms, clerical support and facilities.

- The ability of private industry to provide the proposed service.
 - Additional revenues or cost savings, which may be realized.
4. Periodically, and before any request for additional regular positions, programs will be evaluated to determine if they can be accomplished with fewer regular employees. (See Productivity Review Policy)
 5. Staffing and contract service cost ceilings will limit total expenditures for regular employees, temporary employees, and independent contractors hired to provide operating and maintenance services.

B. Temporary Staffing

1. The hiring of temporary employees will not be used as an incremental method for expanding the City's regular work force.
2. Temporary employees include all employees other than regular employees, elected officials and volunteers. Temporary employees will generally augment regular City staffing as extra-help employees, seasonal employees, contract employees, interns and work-study assistants.
3. The City Manager and Department Heads will encourage the use of temporary rather than regular employees to meet peak workload requirements, fill interim vacancies, and accomplish tasks where less than full-time, year-round staffing is required.

Under this guideline, temporary employee hours will generally not exceed 50% of a regular, full-time position (1,000 hours annually). There may be limited circumstances where the use of temporary employees on an ongoing basis in excess of this target may be appropriate due to unique programming or staffing requirements. However, any such exceptions must be approved by the City Manager based on the review and recommendation of the Human Resources Director.

4. Contract employees are defined as temporary employees with written contracts approved by the City Manager who may receive approved benefits depending on hourly requirements and the length of their contract. Contract employees will generally be used for medium-term (generally between six months and two years) projects, programs or activities requiring specialized or augmented levels of staffing for a specific period.

The services of contract employees will be discontinued upon completion of the assigned project, program or activity. Accordingly, contract employees will not be used for services that are anticipated to be delivered on an ongoing basis.

C. Overtime Management

1. Overtime should be used only when necessary and when other alternatives are not feasible or cost effective.
2. All overtime must be pre-authorized by a department head or delegate unless it is assumed pre-approved by its nature. For example, overtime that results when an employee is assigned to standby and/or must respond to an emergency or complete an emergency response.
3. Departmental operating budgets should reflect anticipated annual overtime costs and departments will regularly monitor overtime use and expenditures.
4. When considering the addition of regular or temporary staffing, the use of overtime as an alternative will be considered. The department will take into account:
 - a. The duration that additional staff resources may be needed.
 - b. The cost of overtime versus the cost of additional staff.
 - c. The skills and abilities of current staff.
 - d. Training costs associated with hiring additional staff.

- e. The impact of overtime on existing staff.

D. Independent Contractors

Independent contractors are not City employees. They may be used in two situations:

1. Short-term, peak workload assignments to be accomplished using personnel contracted through an outside temporary employment agency (OEA). In this situation, it is anticipated that City staff will closely monitor the work of OEA employees and minimal training will be required. However, they will always be considered the employees of the OEA and not the City. All placements through an OEA will be coordinated through the Human Resources Department and subject to the approval of the Human Resources Director.
2. Construction of public works projects and delivery of operating, maintenance or specialized professional services not routinely performed by City employees. Such services will be provided without close supervision by City staff, and the required methods, skills and equipment will generally be determined and provided by the contractor. Contract awards will be guided by the City's purchasing policies and procedures. (See Contracting for Services Policy)

PRODUCTIVITY

Ensuring the “delivery of service with value for cost” is one of the key concepts embodied in the City's Mission Statement (San Luis Obispo Style—Quality With Vision). To this end, the City will constantly monitor and review our methods of operation to ensure that services continue to be delivered in the most cost-effective manner possible.

This review process encompasses a wide range of productivity issues, including:

- A. Analyzing systems and procedures to identify and remove unnecessary review requirements.

- B. Evaluating the ability of new technologies and related capital investments to improve productivity.

- C. Developing the skills and abilities of all City employees.

- D. Developing and implementing appropriate methods of recognizing and rewarding exceptional employee performance.

- E. Evaluating the ability of the private sector to perform the same level of service at a lower cost.

- F. Periodic formal reviews of operations on a systematic, ongoing basis.

- G. Maintaining a decentralized approach in managing the City's support service functions. Although some level of centralization is necessary for review and control purposes, decentralization supports productivity by:

1. Encouraging accountability by delegating responsibility to the lowest possible level.

2. Stimulating creativity, innovation and individual initiative.

3. Reducing the administrative costs of operation by eliminating unnecessary review procedures.

4. Improving the organization's ability to respond to changing needs, and identify and implement cost-saving programs.

5. Assigning responsibility for effective operations and citizen responsiveness to the department.

CONTRACTING FOR SERVICES

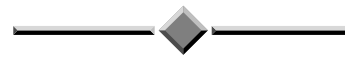
A. General Policy Guidelines

1. Contracting with the private sector for the delivery of services provides the City with a significant opportunity for cost containment and productivity enhancements. As such,

BUDGET AND FISCAL POLICIES

the City is committed to using private sector resources in delivering municipal services as a key element in our continuing efforts to provide cost-effective programs.

2. Private sector contracting approaches under this policy include construction projects, professional services, outside employment agencies and ongoing operating and maintenance services.
 3. In evaluating the costs of private sector contracts compared with in-house performance of the service, indirect, direct, and contract administration costs of the City will be identified and considered.
 4. Whenever private sector providers are available and can meet established service levels, they will be seriously considered as viable service delivery alternatives using the evaluation criteria outlined below.
 5. For programs and activities currently provided by City employees, conversions to contract services will generally be made through attrition, reassignment or absorption by the contractor.
5. Can the work scope be sufficiently defined to ensure that competing proposals can be fairly and fully evaluated, as well as the contractor's performance after bid award?
 6. Does the use of contract services provide us with an opportunity to redefine service levels?
 7. Will the contract limit our ability to deliver emergency or other high priority services?
 8. Overall, can the City successfully delegate the performance of the service but still retain accountability and responsibility for its delivery?



B. Evaluation Criteria

Within the general policy guidelines stated above, the cost-effectiveness of contract services in meeting established service levels will be determined on a case-by-case basis using the following criteria:

1. Is a sufficient private sector market available to competitively deliver this service and assure a reasonable range of alternative service providers?
2. Can the contract be effectively and efficiently administered?
3. What are the consequences if the contractor fails to perform, and can the contract reasonably be written to compensate the City for any such damages?
4. Can a private sector contractor better respond to expansions, contractions or special requirements of the service?

MEMORANDUM

October 3, 2012

TO: All Council Advisory Body Members

FROM: Katie Lichtig, City Manager
Charles Bourbeau, Director of Finance & Information Technology

SUBJECT: 2013-15 FINANCIAL PLAN – AND YOUR IMPORTANT ROLE IN IT

It's time to begin preparing the City's next two-year Financial Plan and Budget for 2013-15. Council advisory body recommendations are an important part of this process. Many of the advisory body recommendations received in the past as part of this process have been included in some way in subsequent budgets adopted by the Council.

The purpose of this memorandum is to provide you with an overview of the City's goal-setting and budget process and your important role in this process.

The City's Budget Process

Stated simply, the purpose of the City's budget process is to link what we want to accomplish for the community with the resources available to do so. The budget process does this by:

1. Clearly setting Major City Goals and Other Important Council Objectives.
2. Establishing reasonable time frames and organizational responsibility for achieving them.
3. Allocating the resources required for implementation.

In setting goals for the 2013-15 Financial Plan, the Council wants to meaningfully engage the community in surfacing the most important, highest priority things for the City to accomplish over the next two years. Receiving recommendations from Council advisory bodies is an important part of this process.

Attached are summaries of the City's goal-setting and budget process and the role that advisory bodies play. Also attached is a list of the current Major City Goals for 2011-13.

Scope of Advisory Body Goals

Council goals, by their nature, usually tend to be broader in scope than the work programs developed by advisory bodies. In your recommendations to the Council, please consider what you believe would be appropriate City goals, both from the perspective of your advisory body's purpose, as well as any perceived community-wide concerns and needs.

Importance of Goal-Setting in Good Times and Bad

We will go into the 2013-15 Financial Plan process in better financial shape than we were in 2011-13. However, the City will still face potentially complex budget decisions particularly because of an ongoing need to reinvest in the City's infrastructure. Regardless of the specific fiscal circumstances, it is a best practice to have an effective process for setting goals for the most important, highest priority things for the City to do in the next two years. Answering the following question is the foundation of the budget process: Of all the things we want to do that make our community a great place to live, work and play, which are the most important and what are the difficult resource trade-offs necessary to do them?

The specific answers to these questions and the difficulty in arriving at these answers vary depending upon the City's fiscal circumstances. However, the need to raise these questions and to use a process where the community and advisory body members meaningfully participate in providing input to the elected leadership as they craft answers to them is the same in both good times and bad.

Next Steps

Recommended goals from each advisory body are due by November 8, 2012. This date is necessary so that each advisory body can then receive a consolidated listing of all recommended advisory body goals by November 14, 2012. This in turn provides advisory bodies with an opportunity to review what other advisory bodies see as high community priorities. While not required, it is also an opportunity to revise goals in light of other advisory body goals if they want to do so. Any revised goals are due by December 14, 2012. The Council will receive the final report with all advisory body recommendations before the Community Forum on January 8, 2013.

Staff liaisons supporting your advisory body should soon begin scheduling goal setting recommendations as an agenda item on your upcoming meetings for you to discuss your goal recommendations to the Council. In the interim, please call Charles Bourbeau, Director of Finance and Information Technology, at 781-7125 or email him at cbourbea@slocity.org if you have any questions concerning the 2013-15 Financial Plan process and your important role in it.

ATTACHMENTS

- Advisory Bodies, Goal-Setting and the Budget Process
- Summary of the City's Goal-Setting and Budget Process
- 2011-13 Major City Goals

PURPOSE OF THE CITY'S BUDGET

The City has adopted a number of long term goals and plans – General Plan, Water and Sewer Master Plans, Source Reduction, Recycling & Hazardous Materials Plans, Pavement Management Plan, Short Range Transit Plan, Downtown Access and Parking Plan, Waterways Management Plan, Neighborhood Traffic Management Program, Bicycle Plan, Public Art Policy, Conceptual Physical Plan for the City's Center and Facilities Master Plan.

The two-year Financial Plan is the key tool for programming implementation of these goals, plans and policies by allocating the resources necessary to do so.

This requires a budget process that:

- Clearly sets Major City Goals and Other Important Objectives.
- Establishes reasonable timeframes and organizational responsibility for achieving them.
- Allocates resources for programs and projects.

FINANCIAL PLAN FEATURES

- Goal-Driven
- Policy-Based
- Multi-Year
- Highly-Automated, Rigorous, Technically Sound

COUNCIL GOAL-SETTING

First Step in the Budget Process. Linking goals with resources requires a budget process that identifies key objectives at the very beginning of the process. Setting goals and priorities should drive the budget process, not follow it. The Council will be involved in five major steps related to goal development.

FIVE-STEP PROCESS FOR 2013-15

1 Setting the Table: November 13, 2012. Review the status of the General Plan programs, current Major City Goals, long-term capital improvement

plan, and general fiscal outlook, including the results of the General Fund Five-Year Fiscal Forecast.

2 Budget Foundation: December 18, 2012. Finalize plans for the goal-setting process, review fiscal policies, present audited financial results for 2011-12.

3 Community Forum: January 8, 2013. Consider candidate goals from Council advisory bodies, community groups and interested individuals.

4 Council Goal-Setting Workshop: January 26, 2013. Discuss candidate goals presented at January workshop; discuss Council member goals; and prioritize and set Major City Goals for 2013-15.

5 Major City Goal Work Programs: April 9, 2013. Conceptually approve detailed work programs for Major City Goals and set strategic budget direction for 2013-15.

ADVISORY BODY ROLE

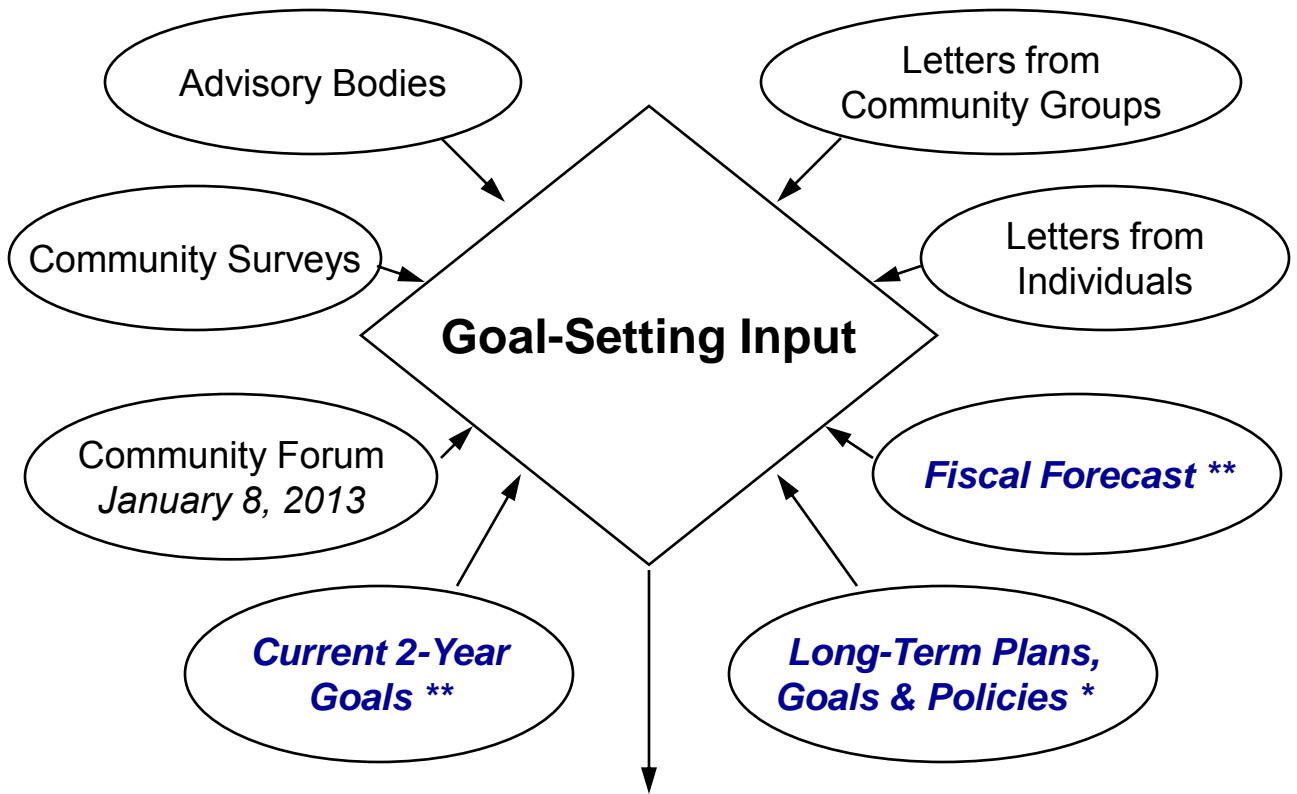
By providing the Council with their goal recommendations, advisory bodies play a very important part in this process.

Council goals, by their nature, tend to be broader in scope than those developed by advisory bodies. In your recommendations to the Council, please consider what you believe would be appropriate City goals, both from the perspective of your advisory body's purpose, as well as any perceived community-wide concerns and needs.

Council advisory bodies will receive a consolidated listing of all recommended advisory body goals by **November 14, 2012**. This provides advisory bodies with an early opportunity to review what other advisory bodies see as high community priorities. While not required, it is also an opportunity to revise goals if desired. The Council will receive the final report with all advisory body recommendations before they begin the goal-setting process in January 2013.

Goal-Setting and the Budget Process

2013-15 Financial Plan



** November 13, 2012
 "Setting the Table"
 Workshop

**Council Goal-Setting
 Workshop**
January 26, 2013

* December 18, 2012
 "Budget Foundation"
 Workshop

Staff Budget Preparation

Major City Goal Work Programs & Strategic Budget Direction: **April 9**
 Preliminary Budget: **May 24**
 Budget Workshops: **June 10, 11, 12**
 Adopted Budget: **June 18, 2013**

2011-13 major city goals



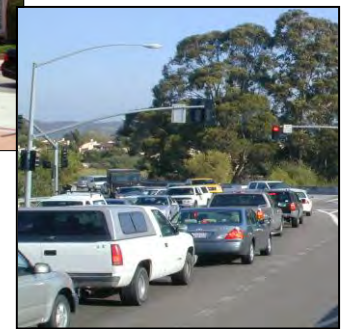
Economic Development

Increase focus on economic development. Support creation of head-of-household jobs through developing strategies for infrastructure, focusing on promising growth sectors, and expediting desired economic activity. Expand collaboration with Cal Poly, Cuesta, business community and responsible agencies.



Traffic Congestion Relief

Continue efforts on projects and programs which relieve traffic congestion (like street modifications, intersection improvements, pedestrian improvements, bicycle facilities, sidewalks, trip reduction programs, traffic signal operations, LOVR interchange, Prado Road and public transit).



Neighborhood Wellness

Embrace and implement pro-active code enforcement and Neighborhood Wellness Policies.



Preservation of Essential Services and Fiscal Health

Adopt a budget that sustains the city's short and long-term fiscal health, preserves public health and safety and other essential services in line with residents' priorities, and includes cost reduction strategies.

