

Budget-In-Brief

2013-15 Financial Plan

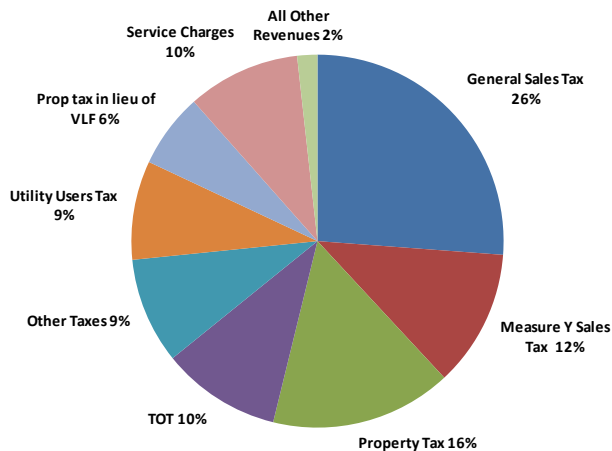
With the 2013-15 Financial Plan and 2013-14 budget, the City of San Luis Obispo continues the approach embraced by the City Council to focus its financial planning efforts on achieving long-term, structural balance in the City's budget. The plan therefore concentrates on the following key components:

- Aligning delivery of essential services with resources available on an ongoing basis;
- Reinvesting in the Capital Improvement Plan;
- Maintaining General Fund and other operating fund balances within policy reserve levels; and
- Continuing to focus on delivering essential services with local tax dollars generated by the Measure Y ½ cent sales tax.

General Fiscal Environment

The City is experiencing a slow and steady economic recovery from the Great Recession. All City Revenue sources, including sales tax, are expected to increase slowly over the next five years, but growth rates are still anticipated to be gradual and will likely mirror the movement of the overall economy.

2013-14 General Fund Revenues \$55.5 Million



Major City Goals (Financial Plan Section C)

For 2013-15, the City Council determined an ambitious Major City Goal work program based on citizen input and involvement. Within this program, the City will:

- Implement comprehensive strategies to reduce homelessness
- Continue and enhance Neighborhood Wellness initiatives
- Sustain essential services, infrastructure and fiscal health
- Expand bicycle and pedestrian paths to improve connectivity and safety
- Implement the adopted Economic Development Strategic Plan
- Assess and renew the Downtown
- Complete construction of a new Skate Park

Cost Summary By Goal and Objective	Operating and Capital Expenditures	
	2013-14	2014-15
<i>Major City Goals</i>		
Homelessness	95,058	108,514
Neighborhood Wellness		
Essential Services & Fiscal Health	50,000	
Bike & Pedestrian Paths	1,490,000	1,547,500
Economic Development Strategic Plan	30,000	65,000
Assess & Renew the Downtown	422,600	912,900
Skate Park Construction	2,200,000	
<i>Other Important Council Objectives</i>		
Open Space Expansion	269,300	635,700
Infrastructure Maintenance	7,339,500	7,003,000
Improve Transportation	263,000	23,093,500
Total	\$12,159,458.00	\$33,366,114.00

Financial Highlights & Operating Budgets

Pursuant to the City Council's goals and the emphasis on delivering essential services and reinvestment in the City's infrastructure, the 2013-15 budget makes the following appropriations for a total of \$111.3 million among all City Funds:

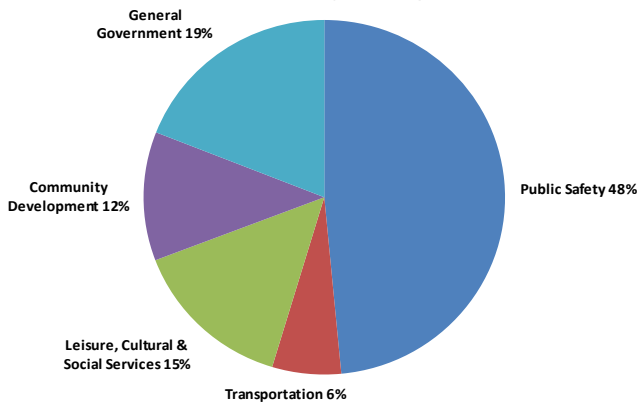
	Governmental Funds	Enterprise Funds	Total
Operating Programs	52,283,700	30,179,100	82,462,800
CIP	9,620,700	11,395,200	21,015,900
Debt Service	2,760,200	5,117,600	7,877,800
Total	\$64,664,600	\$46,691,900	\$111,356,500

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Appropriations for operating programs (day-to-day delivery of services) total \$82.4 million for 2013-14 as summarized below:

	Governmental Funds	Enterprise Funds	Total
Public Safety	24,481,500		24,481,500
Public Utilities		20,617,300	20,617,300
Transportation	3,110,700	5,020,300	8,131,000
Leisure, Cultural & Social Services	7,348,100		7,348,100
Community Development	7,734,900		7,734,900
General Gov't	9,561,700	4,588,300	14,150,000
Total	\$52,236,900	\$30,225,900	\$82,462,800

2013-14 General Fund Operating \$50.5 Million



The day-to-day services are delivered by 359 City employees in the following functions:

Authorized Regular Staffing by Function 2013-14	
General Government	53.25
Transportation	31.80
Community Development	43.00
Leisure, Cultural & Social Services	34.00
Public Utilities	61.90
Public Safety	135.25
Total	359.20

Operating Budget Changes

In addition to the investment in capital improvement projects, the City is adding resources to improve the delivery of services to residents.

Public Safety

- Addition of two Daytime Downtown Patrol Officers, which will improve public safety throughout the City
- Additional funding to reduce weeds, brush and other fire hazards along the boundary of City neighborhoods and open space

Leisure, Cultural, and Social Services

- Addition of one full-time maintenance worker to the Ranger Services staff with a focus on maintenance of open space areas
- Conversion of a tree trimmer position from temporary to permanent to improve the functioning of the Trees Division

Community Development

- Implementation of the Economic Development Strategic Plan is a Major City Goal and additional funding is provided in 2013-14 for permit streamlining activities.
- In 2014-15, funding is provided for the City to identify strategic infrastructure investments that can support the creation of head-of-household jobs.

Public Utilities

- Replacing aged water distribution lines and upgrading the computer system that controls the delivery of drinking water to residents and businesses in the City
- A sewer infrastructure replacement strategy is also in the works and will result in a prioritized approach to replacement and new installations

General Government

- The City Council has approved a local revenue measure advisory committee to analyze the City's stewardship of Measure Y, the local half-cent sales tax, and make recommendations on its future.

If you have any questions about the City's budget or would like a complete copy of the Financial Plan, please call us at 781-7125 or visit our web site at www.slocity.org.

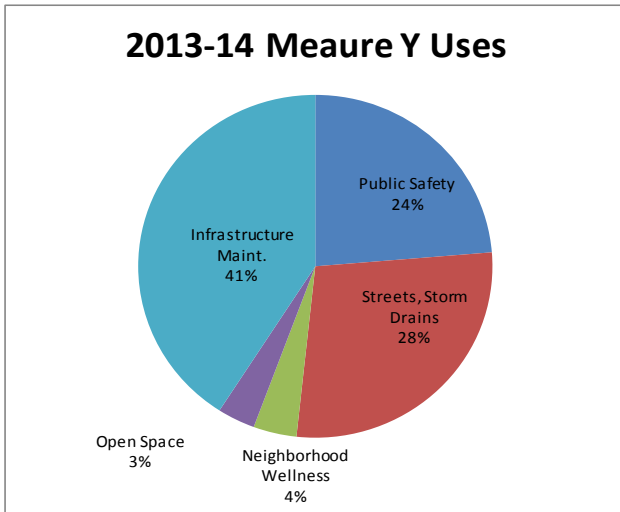
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Use of Measure Y Revenues

The City's ½ cent sales tax measure (Measure Y) continues to play a vital role in the delivery of essential services and infrastructure improvements to the City's residents. In 2013-14, Measure Y is expected to generate approximately \$6.6 million in revenues.

As reflected below, 69% of Measure Y revenues will be devoted to **maintaining the City's infrastructure, street paving, and flood protection.**

Approximately 24% of the Measure Y revenues will be used for **Public Safety** services including additional patrol officers for the Downtown district. An additional 7% is allocated for **open space acquisition** and to support **Neighborhood Wellness.**



Measure Y – A Closer Look

The City began collecting revenues from the Measure Y, ½ cent sales tax in 2007 following its approval by over **64% of the vote.** Since that time, Measure Y funding has been allocated by the City Council to the City's **highest priority essential services.**

Through June 30, 2012, the City had spent **\$26.6 million** to protect and maintain essential services. The decision about how to spend Measure Y is made by the City Council every year as part of the **budget process.** Expenditures are also **audited on an annual basis,** so the public can see exactly what its tax dollars are spent on

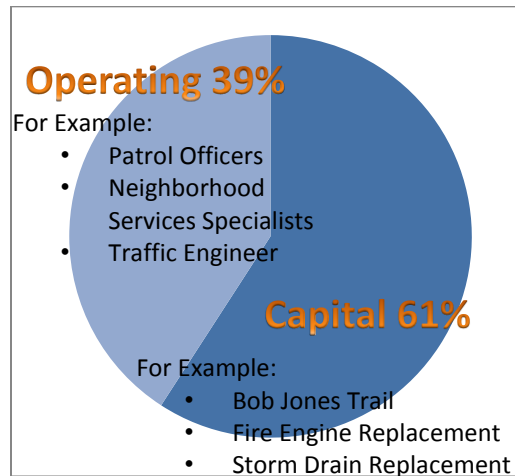
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Measure Y Expenditures

Measure Y is used for both operating expenditures and capital improvement projects. Operating expenditures includes staff that provide essential municipal services, such as patrol officers, a Fire Marshal, maintenance workers, engineers, Neighborhood Services Specialists, and other key staff.

Capital Improvement Projects are expenditures such as neighborhood street paving, replacement of storm drains, replacement of fire engines and police patrol sedans, open space acquisitions, bicycle facility improvements, and traffic congestion relief projects among other project types.

**Total Expenditures = \$26,646,300
Through June 30, 2012**



Project in Focus – Open Space Acquisition



The City and its partners have used Measure Y to leverage outside funding for important conservation projects at the Stenner Ranch, Froom Ranch, O'Connor Ranch, and Reservoir Canyon adding miles of new trail and over 1,400 acres of permanent land conservation to the City's greenbelt.

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MEASURE Y FUNDING SUMMARY

The uses of Measure Y revenues for 2013-15 in funding operating programs and capital improvement plan (CIP) projects are aligned with top Council goals and objectives, and closely match projected revenues.

	Operating Programs		CIP		Two-Year
	2013-14	2014-15	2013-14	2014-15	Budget Total
Preservation of Essential Services					
<i>Public Safety</i>					
Police Services	873,119	868,118			1,741,237
Police Vehicles			172,800	175,600	348,400
Public Safety Mobile Data Computers			184,500	188,000	372,500
Fire Prevention & Training	395,838	399,058			794,896
Extrication Equipment - Fire Engines			60,400		60,400
Fire Engine Replacements (2): Debt Service			128,920	256,781	385,701
Fire Station #2 Remodel			2,700	27,800	30,500
<i>Maintenance Services</i>					
Streets, Sidewalks and Traffic Signal Operations	180,836	180,928			361,764
Creek & Flood Protection	572,059	575,623	316,400	450,000	1,914,082
Parks	78,188	76,581	620,000	580,000	1,354,769
Project Management & Inspection	108,030	113,205			221,235
Neighborhood Wellness					
Enhanced Building & Zoning Code Enforcement	113,441	117,871			231,313
"SNAP" Enhancement	50,544	53,079			103,623
Neighborhood Code Enforcement Specialists	139,183	145,708			284,891
Traffic Congestion Relief					
Traffic Safety Report Implementation			25,000	25,000	50,000
Traffic Operations Report Implementation			30,000		30,000
Traffic Engineer	97,905	102,161			200,066
Traffic Sign Maintenance				40,000	40,000
Bicycle Facility Improvements			100,000	100,000	200,000
Neighborhood Traffic Improvements			20,000	20,000	40,000
Open Space Preservation					
Open Space Acquisition			200,000	200,000	400,000
Ranger Services Staffing	59,300	75,700			135,000
Open Space Wildfire Fuel Reduction	5,000	5,000			10,000
Infrastructure Maintenance and Improvements					
Santa Rosa Skatepark			1,226,300	-	1,226,300
Street Reconstruction & Resurfacing			1,180,700	1,174,300	2,355,000
Downtown Renewal			-	608,500	608,500
Facility Maintenance			54,000	94,000	148,000
Jack House Exterior Painting			25,000	-	25,000
Johnson Avenue Underpass Pump			190,000	-	190,000
Library Restroom Remodel			39,000	-	39,000
Marsh Street Bridge Replacement			19,300	-	19,300
Mission Plaza Railing Upgrade			30,000	30,000	60,000
Olympic Pool Replastering			25,000	310,000	335,000
Pedestrian and Bicycle Pathway Maintenance			60,000	60,000	120,000
Sidewalk Repairs			25,000	25,000	50,000
Parks Central Irrigation Controller Replacement			163,323		163,323
Tree Maintenance Equipment			100,400	-	100,400
TOTAL	\$2,673,443	\$2,713,032	\$4,998,743	\$4,364,981	\$14,750,200

Projected Measure Y Revenues

2013-14	6,600,000
2014-15	6,684,000
Prior Year Revenue Appropriated (See 2011-12 CAFR Pg. 88)	1,466,200
Total	14,750,200

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