



2011-13 Financial Plan

2011-12 Budget



city of
san luis obispo

2011-13 Financial Plan

July 1, 2011

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city of san luis obispo

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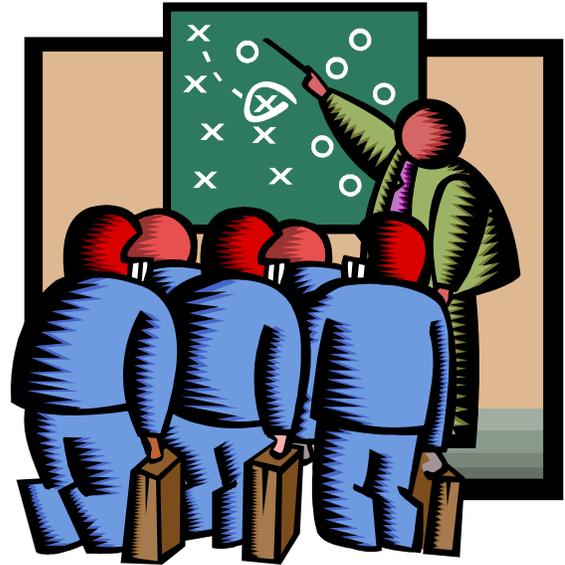
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PREFACE



PREFACE

BUDGET PROCESS OVERVIEW

The City of San Luis Obispo has received national recognition for its use of a two-year budget process that emphasizes long-range planning and effective program management. Significant features of the City's two-year Financial Plan include the integration of Council goal-setting into the budget process and the extensive use of formal policies and measurable objectives. The Financial Plan includes operating budgets for two years and a capital improvement plan (CIP) covering five years.

While appropriations continue to be made annually under this process, the Financial Plan is the foundation for preparing the budget in the second year. Additionally, unexpended operating appropriations from the first year may be carried over into the second year with the approval of the City Manager.

Purpose of the Two-Year Financial Plan

The fundamental purpose of the City's Financial Plan is to link what we want to accomplish for the community with the resources necessary to do so. The City's Financial Plan process does this by: clearly setting major City goals and other important objectives; establishing reasonable timeframes and organizational responsibility for achieving them; and allocating resources for programs and projects.

Major City Goals

Linking important objectives with necessary resources requires a process that identifies key goals at the very beginning of budget preparation. Setting goals and priorities should drive the budget process, not follow it.

For this reason, the City begins each two-year Financial Plan process with in-depth goal setting workshops where the Council invites candidate goals from community groups, Council advisory bodies and interested individuals; reviews the City's fiscal outlook for the next five years and the status of prior goals; presents their individual goals to fellow Council members; and then set and prioritize major goals and work programs for the next two years. City staff then prepares the Preliminary Financial Plan based on the Council's policy

guidance.

Financial Plan Policies

Formally articulated budget and fiscal policies provide the foundation for preparing and implementing the Financial Plan while assuring the City's long-term fiscal health. Included in the Financial Plan itself, these policies cover a broad range of areas such as user fee cost recovery goals, enterprise fund rates, investments, capital improvement management, debt management, capital financing, fund balance and reserves, human resource management and productivity.

Preparation and Review Process

Under the City Charter, the City Manager is responsible for preparing the budget and submitting it to the Council for approval. Although specific steps will vary from year to year, the following is an overview of the general approach used under the City's two-year budget process:

First Year. As noted above, the Financial Plan process begins with Council goal-setting to determine major objectives for the next two years. The results of Council goal-setting are incorporated into the budget instructions issued to the operating departments, who are responsible for submitting initial budget proposals. After these proposals are comprehensively reviewed and a detailed financial forecast is prepared, the City Manager issues the Preliminary Financial Plan for public comment. A series of workshops and public hearings are then held leading to Council adoption of the Financial Plan by June 30.

Second Year. Before the beginning of the second year of the two-year cycle, the Council reviews progress during the first year, makes adjustments as necessary and approves appropriations for the second fiscal year.

Mid-Year Reviews. The Council formally reviews the City's financial condition and amends appropriations, if necessary, six months after the beginning of each fiscal year.

BUDGET PROCESS OVERVIEW

Interim Financial and Project Status Reports.

On-line access to “up-to-date” financial information is provided to staff throughout the organization. Additionally, comprehensive financial reports are prepared monthly to monitor the City's fiscal condition, and more formal reports are issued to the Council on a quarterly basis. The status of major program objectives, including CIP projects, is also periodically reported to the Council on a formal basis.

Service Categorization Project. The development of the 2011-13 Financial Plan included an added effort to categorize every activity undertaken by the City to provide services to the community. The Service Categorization Project provides a tool to compare and contrast the various City services. This allows for discussion and decisions about how to address the current budget gap. In addition, it assists in identifying areas of cross-departmental efficiencies that could be explored as well as identification of services that should be discontinued because they are of marginal added value compared to other services. The outcome of this effort was one of many factors used in identifying areas for reduction when evaluating all possible budget balancing options.

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.

PREFACE

HOW TO USE THE FINANCIAL PLAN DOCUMENT

OVERVIEW

This document reflects the City's continued use of a two-year financial plan that emphasizes 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:

- Reinforcing the importance of long-range planning in managing the City's fiscal affairs.
- Concentrating on developing and budgeting for the accomplishment of significant objectives.
- Establishing realistic timeframes for achieving objectives.
- Creating a pro-active budget that provides for stable operations and assures the City's long-term fiscal health.
- Promoting more orderly spending patterns.
- 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 into the second year with the approval of the City Manager.

PURPOSE OF THE FINANCIAL PLAN

Although the City's Financial Plan document itself may introduce new plans or policy goals, its primary purpose is to serve as the Council's primary tool for programming the implementation of existing plans and policies by allocating the resources necessary to do so.

Through a variety of policy documents and plans—such as the General Plan, Urban Water Management Plan, Access and Parking Management Plan, Pavement Management Plan, Short-Range Transit Plan, Facilities Master Plan and Conceptual Physical Plan for the City's Center—the City has set forth a number of long-term goals for the City to

accomplish. However, with limited resources, some process must be developed for evaluating priorities and determining which of the goals included in these plans will be accomplished over a given period of time.

This is the fundamental purpose of the City's Financial Plan: to link what we want to accomplish in the near term with the resources required to do so.

The City's Financial Plan process does this by:

- Identifying the most important things for us to accomplish for our community.
- Establishing a reasonable timeframe and organizational responsibility for achieving them.
- Allocating the resources necessary to do so.

FINANCIAL PLAN ORGANIZATION

In achieving its purpose of identifying the most important things for the City to accomplish over the next two years and allocating the resources necessary to do so, the Financial Plan serves four roles:

- **Policy Document.** Sets forth goals and objectives to be accomplished and the fundamental fiscal principles upon which the budget is prepared.
- **Fiscal Plan.** Identifies and appropriates the resources necessary to accomplish objectives and deliver services; and ensures that the City's fiscal health is maintained.
- **Operations Guide.** Describes the basic organizational units and activities of the City.
- **Communications Tool.** Provides the public with a blueprint of how public resources are being used and how these allocations were made.

In meeting these roles, the Financial Plan is organized into the following nine sections. Each of these sections is introduced by an overview that

PREFACE

HOW TO USE THE FINANCIAL PLAN DOCUMENT

comprehensively describes its purpose, format and content.

Section A **Introduction**

Includes the Budget Message from the City Manager, budget highlights, City mission statement, organizational values, directory of officials and advisory bodies, organization chart and awards for distinguished budget presentation.

Section B **Policies and Objectives**

Summarizes the fiscal policies that guide preparation and management of the budget; presents Major City Goals and related work programs; and summarizes the status of prior Major City Goals.

Section C **Budget Graphics and Summaries**

Provides simple pie charts and tables that highlight key financial relationships and summarize the overall budget.

Section D **Operating Programs**

Presents the City's operating programs that form the City's basic organizational units, allow for providing essential services to citizens and enable the City to accomplish the following tasks:

- Establish policies and goals that define the nature and level of services to be provided.
- Identify activities performed in delivering program services.
- Propose objectives for improving the delivery of service.
- Identify and appropriate the resources required to perform activities and accomplish objectives.

The City's operating programs are organized into six major functional areas which in many instances cross departmental boundaries and funding sources: public safety; public utilities; transportation; leisure, cultural & social services; community development; and general government.

Section E **Capital Improvement Plan**

Presents the City's capital improvement plan (CIP) that includes all of the City's construction projects and equipment purchases that cost \$15,000 or more.

Section F **Debt Service Requirements**

Summarizes the City's debt obligations at the beginning of the Financial Plan period.

Section G **Changes in Financial Position**

Provides combined and individual statements of revenues, expenditures and changes in fund balance/working capital for each of the City's operating funds.

Section H **Financial and Statistical Tables**

Includes supplemental financial and statistical information such as revenue estimates and assumptions, interfund transactions, authorized staffing levels, appropriations limit history and general demographic information about the City.

Section I **Budget Reference Materials**

Describes the major policy documents and preparation guidelines used in developing and executing the Financial Plan; and provides a Budget Glossary of terms that may be unique to local government finance or the City's Financial Plan.

PREFACE

ABOUT THE CITY

Who We Are and How We Got Started

The City of San Luis Obispo serves as the commercial, governmental and cultural hub of California’s Central Coast. One of California’s oldest communities, it began with the founding of Mission San Luis Obispo de Tolosa in 1772 by Father Junípero Serra as the fifth mission in the California chain of 21 missions.

The mission was named after Saint Louis, a 13th century Bishop of Toulouse, France. (San Luis Obispo is Spanish for “St. Louis, the Bishop.”) The City was first incorporated in 1856 as a General Law City, and became a Charter City in 1876.

Where We’re Located

With a population of 44,000, the City is located eight miles from the Pacific Ocean and is midway between San Francisco and Los Angeles at the junction of Highway 101 and scenic Highway 1.



San Luis Obispo is the County Seat, and a number of federal and state regional offices and facilities are located here, including Cal Poly State University, Cuesta Community College, Regional Water Quality Board and Caltrans District offices.

The City’s ideal weather and natural beauty provide numerous opportunities for outdoor recreation at nearby City and State parks, lakes, beaches and wilderness areas.

Great Place to Live, Work and Visit

While San Luis Obispo grew relatively slowly during most of the 19th century, the coming of Southern Pacific Railroad in 1894 opened up the area to the rest of California. The City’s distance

from major metropolitan areas to the north (San Francisco Bay Area) and south (Los Angeles) have allowed our area to retain its historic and scenic qualities, which contribute to the superb quality of life our residents enjoy, and attract visitors from many other areas. In fact, in 2010, the City was dubbed the “Happiest City in North America.”

Downtown

Another key feature contributing to the City’s great quality of life is our delightful downtown. The heart of downtown is Mission Plaza. With its wonderful creek side setting and beautifully restored mission (that continues to serve as a parish church to this day), Mission Plaza is the community’s cultural and social center.

This historic plaza is complemented by a bustling downtown offering great shopping, outdoor and indoor dining, night life, and its famous Thursday Night Farmers’ Market, where you can buy locally grown fresh produce and enjoy an outdoor BBQ.

This unique blend of history, culture, commerce and entertainment make San Luis Obispo’s downtown one of the most attractive, interesting and economically vibrant downtowns in America.

Government

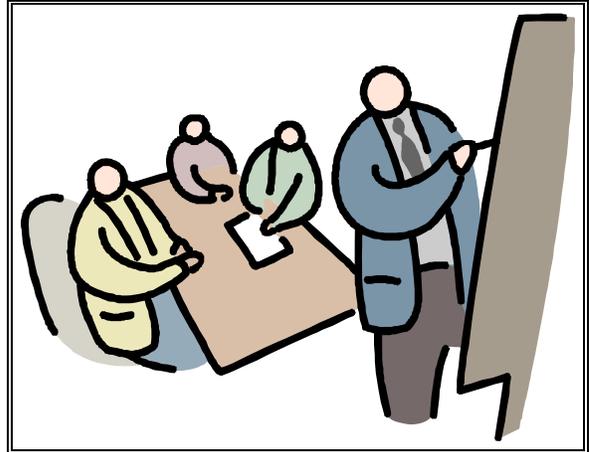
The City operates under the Council-Mayor-City Manager form of government. Council members are elected at-large and serve overlapping, four-year terms. The Mayor is also elected at-large but for a two-year term, and serves as an equal member of the Council. The Council appoints the City Manager and City Attorney. All other department heads are appointed by the City Manager.

San Luis Obispo is a full-service city that provides police, fire, water, sewer, streets, transit, parking, planning, building, engineering and parks & recreation services to the community.



Section A

INTRODUCTION



BUDGET MESSAGE

May 20, 2011

TO: Honorable Mayor and City Council
FROM: Katie E. Lichtig, City Manager

INTRODUCTION

Today we reach another major milestone on our financial sustainability journey by submitting for your consideration the Proposed 2011-13 City of San Luis Obispo Financial Plan. This Financial Plan presents a recommended path to follow toward long-term financial sustainability over the long term. It identifies and funds vital services important to the community, enables the implementation of the Major City Goals outlined by Council in January, and allows us to maintain our infrastructure and provide the tools and equipment to deliver services in the most effective way. The Financial Plan reflects priorities of the Council and the community and represents our best professional judgment in balancing essential municipal services with resources available into the future.

It has not been an easy task to develop this proposed Financial Plan in light of our “new fiscal reality.” Beginning in 2008 the onset of what would become the worst recession since the Great Depression (now commonly referred to as the “Great Recession”) was recognized and the City began efforts to limit its impacts on our financial condition; these impacts were most severe on the City’s General Fund. The City began making a series of aggressive expenditure reductions to balance the budget. These budget balancing strategies totaled \$17.6 million in the General Fund over the last four years. However, the continuing effects of the economic downturn on our revenues, coupled with significantly increasing employee benefit costs, have caused an ongoing structural gap between revenues and expenditures in our General Fund which must be addressed. It has also become clear that a number of the one-time stop gap measures that were adopted in the 2009-11 budget were not sustainable on a long-term basis and a more robust investment in our capital assets would be necessary. The result of all of these factors is a General Fund budget gap of \$4.4 million which the City needed to address.

Our challenge this year has been to craft a financial strategy that would align the City’s delivery of services with our ongoing revenue base over the long term. This is true for the General Fund as well as each of the Enterprise Funds. The strategy has been developed based on input from the Community Forum and the Community Budget Bulletin, the Council Goal-Setting Workshop, and full engagement of employees at all levels of the organization. We are fortunate to have a culture which values continuous improvement, and it has served us well over the years through various economic cycles. We have built upon this culture as we tackled the challenges presented by the Great Recession. During the 2011-13 Financial Plan process, we added the Service Categorization Project as another tool to assist in evaluating all possible budget balancing options. It allowed us to compare and contrast every service provided to the community and included valuable information as staff developed potential operating program reduction options for your consideration.

The proposed 2011-13 Financial Plan focuses on permanent, on-going changes as much as possible, with departmental operating reductions and employee concessions being the two largest elements of our budget balancing strategy. Revenue enhancements are part of the proposed Financial Plan 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. All of these pieces of the financial sustainability puzzle were included after thorough and rigorous evaluation. Every decision was made with service to the community in mind. All of these decisions were difficult to make but ultimately they honor a model of shared sacrifice. Moreover, they are necessary in order to “right size” our operating costs. Our strategy also includes looking whenever possible at alternate ways to provide services and efficiencies that can be obtained through use of information technology or organizational

BUDGET MESSAGE

realignment. Our Major City Goal on Preservation of Essential Services and Fiscal Health includes a number of these initiatives which we will pursue to address our continuing financial challenges.

Finally, the Financial Plan before you maintains our minimum reserve policy for the General Fund of 20% of operating expenditures which is an essential first line of defense against unexpected economic emergencies. This reserve is the cornerstone of the sound and prudent financial practices that have allowed us to manage the organization through the economic difficulties of the last several years and maintain the City as a great place to live and work.

BUDGET OVERVIEW

The recommended 2011-12 Budget for all funds as presented for Council consideration totals \$99.5 Million as indicated below.

	Actual 2009-10	Budget 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Operating Programs	68,650,800	78,962,100	80,633,300	80,929,000
Capital Improvement Plan	22,649,700	45,955,800	9,103,700	8,823,100
Debt Service	9,999,900	10,137,300	9,776,700	9,523,900
TOTAL	\$101,300,400	\$135,055,200	\$99,513,700	\$99,276,000

2010-11 Capital Improvement Plan includes \$34.7 million in carryover from prior fiscal years

Because the Capital Improvement Plan includes carryover from prior fiscal years, it is most useful to focus on operating programs when comparing the proposed budget to prior years. The overall recommended 2011-12 Budget for operations is two percent higher than the adopted 2010-11 budget. While the individual components of the budget vary by fund, the increase is primarily due to escalating retirement costs for our employees.

The table below outlines the recommended expenditures for the General Fund. This is the fund which supports many of the basic City services, such as police, fire, road maintenance, and parks and open space. The General Fund makes up 59% of the citywide budget, with the City's four enterprise funds making up 41% of the overall budget.

	Actual 2009-10	Budget 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Operating Programs	46,150,900	47,984,400	50,257,600	50,459,500
Capital Improvement Plan	3,956,000	2,312,700	4,093,300	3,766,900
Debt Service	2,908,700	2,670,900	2,705,200	2,699,600
Other Uses (Sources)	(877,500)	(2,297,300)	(3,595,400)	(4,983,900)
TOTAL	\$52,138,100	\$50,670,700	\$53,460,700	\$51,942,100

Because the General Fund receives most of its revenues from taxes, it has been the most affected by legislative actions and economic downturns. Although San Luis Obispo has weathered the recent Great Recession better than many communities in California, the downturn has lowered baseline revenues available to fund programs and services. Our major revenues have, for the most part, reached bottom and started to recover, but most economists expect the comeback to be long and moderate rather than to follow the steeper pattern of the past.

General Fund revenues are projected to be up modestly in 2011-12 from 2010-11 estimated levels, with a few exceptions. In particular, Property Tax revenues are still being impacted by the housing downturn of the last few years, and we are therefore projecting a slight reduction in this important revenue source. As this message is written, we have received word from the County Assessor that the reduction in Property Tax may in fact be lower than we have projected. As more information becomes available we will update Council.

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In addition, the budget does not include revenues from Fire Mutual Aid events, since these are not ongoing and predictable. Finally, beginning in 2011-12 revenues from Golf operations are included in the General Fund because of Council direction received in April. Overall, General Fund revenues are projected to increase by approximately 1% in 2011-12.

Unfortunately, expenditures continue to grow at a faster pace than revenues, particularly in the area of employee retirement. The California Public Employees Retirement System (CalPERS), which provides retirement benefits for our employees, was hit hard by stock market losses in 2008, and these losses caused employer contribution rates to rise significantly. Also impacting the rates was the demographic study conducted by CalPERS in 2010 which concluded that employees were living longer and retiring earlier. As a result of these factors, the employer rates for miscellaneous employees will increase in 2011-12 from 17.6% to 22% of payroll (a 25% increase). Employer rates for sworn public safety employees will increase from 35.5% to 38.9% of payroll (a 10% increase). In total, the changes in retirement cost for the City will add \$997,000 to General Fund operating costs in 2011-12.

During the course of identifying sustainable operating budgets, departments were asked to identify programs in their budgets that require additional resources in order to maintain basic services. Consistent with the City's fiscal policies, the proposed Financial Plan incorporates the use of one-time resources for one-time purposes, while ongoing needs are incorporated into ongoing operating budget assumptions. Details of these resource requests, called Significant Operating Program Changes (SOPC), are shown in Appendix A. The information in Appendix A is broken out into two parts for ease of use. The first section contains those SOPCs that require additional resources, and the second section contains those that are operating program reductions.

Including all recommended budget balancing strategies, the General Fund will still have a small imbalance in 2011-12. The operating reserve will be \$214,000 less than the 20% policy level. This is principally because the first opportunity for the City to have employee concessions take effect is January 2012, after successor labor agreements have been negotiated with our employee groups. However, by 2012-13, which is the second year of our recommended Financial Plan, projected General Fund revenues and expenditures will be in balance and our reserves will be at or above policy levels.

Capital Improvement Plan

An important goal in preparing the 2011-13 Financial Plan is to provide sufficient funds to protect vital City assets for the short and long-term. For the first time this year, a five-year capital improvement plan is proposed with its costs reflected in the Five Year Fiscal Forecast. This plan represents a phased approach to funding the projects needed to maintain our infrastructure and building facility assets over the entire five year period. The plan also identifies equipment replacement needs in the area of fleet and information technology infrastructure.

Based on the requests submitted and the City's financial circumstances, we are recommending General Fund capital improvement projects that total \$7.3 million for the 2011-13 Financial Plan and \$24 million over the five year plan. Of this amount, \$1.2 million consists of contributions to the equipment replacement fund for fleet and information technology for 2011-12 and 2012-13. Contributions to the equipment replacement fund total \$3.85 million over the five year plan. This level of funding does not represent the optimal capital improvement plan for the General Fund; approximately 29 projects were initially recommended for funding but were deferred beyond the five years due to fiscal constraints. Nonetheless, the capital improvement funding recommended is more than was project in the December General Fund Forecast and represents a major step toward a responsible and sustainable long-term capital improvement plan.

Details of the Capital Improvement Plan are in Appendix B of this budget document.

General Fund Five Year Fiscal Forecast

In October 2010 staff prepared the General Fund Five Year Fiscal Forecast (Fiscal Forecast) for 2011-12 through 2015-16. The Forecast serves as a guiding document for long-range fiscal planning and provides the framework

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for development of the next two year Financial Plan. Its basic purpose is to assess the General Fund’s ability, over the next five year period, to continue current services, maintain existing assets, and fund new initiatives.

In October, the Fiscal Forecast identified the fact that the General Fund continues to face structural budget gaps – that is, revenues will be less than expenditures – into the future unless corrective action is taken. At the time, the budget gap was projected to average about \$2.6 million over the five year planning period. Subsequently, Council received an updated Fiscal Forecast in December as part of the background materials for the Council Goal Setting Workshop. In updating the Fiscal Forecast, staff reviewed a number of factors that influence the City’s fiscal condition. Based on these factors, the December Fiscal Forecast projected that the budget gap had risen to \$3 million in 2011-12, growing to \$3.4 million in 2013-14, largely due to higher than expected CalPERS employer contribution rates resulting from changes in demographic assumptions.

The Fiscal Forecast has been revised periodically since that time as new information has become available, most recently in April with the Council Agenda Report on Strategic Budget Direction. At that time, the Fiscal Forecast was updated to include a number of changes to key assumptions:

- Operating budget savings due to employee negotiations for 2011
- Adjustments to base budget revenue assumptions for sales tax, transient occupancy tax, and fire mutual aid revenues
- Impacts to COPS grant funding and booking fee costs due to State budget balancing proposals
- Increases from the proposed five-year Capital Improvement Plan
- Restoration of certain operating costs that had been eliminated as part of “stop gap” budget reduction measures during this current year

The following table summarizes the changes in the General Fund budget gap from December to April:

Increases to Budget Gap:	
Increased CIP (including fleet)	\$ 1,100,000
Base operating budgets	300,000
Fire mutual aid revenues removed	400,000
Eliminated COPS funding	100,000
Booking fee payment	250,000
Ongoing SOPC's	300,000
Other minor changes	150,000
Total Increases to Budget Gap	<u>\$ 2,600,000</u>
Decreases to Budget Gap:	
Employee contracts	\$ (700,000)
Changes in major revenues	<u>(500,000)</u>
Total Decreases to Budget Gap	<u>\$ (1,200,000)</u>

As noted below, changes in these assumptions and realities caused the structural gap to increase to \$4.4 million. The budget balancing strategies which we are proposing in this Financial Plan are designed to address this structural imbalance over the long term while maintaining reserves at policy levels.

Budget Gap - December	\$ 3,000,000
Increases to Gap	2,600,000
Decreases to Gap	<u>(1,200,000)</u>
Budget Gap - April	<u>\$ 4,400,000</u>

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KEY BUDGET BALANCING STRATEGIES

In April 2011 Council conceptually approved a budget balancing strategy that closes the projected \$4.4 million gap. The strategy, as amended by Council action, consists of the following elements:

- Implementing select, limited new revenues and increased cost recovery
- Reducing operating program costs and related service levels by approximately \$1.8 million beginning in 2011-12 while allocating resources sufficient to accomplish Major City Goals, Other Important Objectives, and Measure Y priorities
- Reducing the cost of personnel via negotiated concessions by \$2.6 million annually

In addition to these budget balancing strategies, staff is committed to continuous improvement to ensure effective and efficient City operations in our new fiscal environment of constrained resources. This strategy is reflected in the work plan for our Preservation of Essential Services and Fiscal Health Major City Goal; a major component of this work is the structured organizational reviews that will take place every two years. Additional elements of the work plan include the evaluation of ideas for savings or increased revenues as recommended by staff or community members (commonly referred to as Non-Operating Budget Balancers or “NOBBs”) and the review of opportunities for managed competition in various City functions. Managed competition is a technique that requires in-house service units to compete with external service providers. We believe that these efforts will reap a significant “return on investment” (ROI) in future years. To reflect this return, we have estimated an ROI growing to three times the cost of the organizational reviews and included these organizational cost savings as a budget balancing element reflected in our Five Year Fiscal Forecast. This is an opportunity to be accountable and transparent about the savings we expect to achieve through implementing these important programmatic efficiencies.

Although the current review of the Public Works Department Assessment has not yet been finalized or presented to Council, certain recommendations from that analysis have been included in the operating program reduction proposals in the 2011-13 Financial Plan. We have also assumed that other recommendations from the Assessment will be implemented and that we will achieve additional efficiencies as we review and move forward with the NOBBs. We believe that these efforts will provide a measure of progress for the Council and the community to gauge staff’s focus on continuous improvement in our City operations.

Below is a summary of the recommended elements of our General Fund budget balancing strategy:

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

Details of two of these budget balancing strategies are included in the Financial Plan document. Revenue Enhancement proposals are included in Section H of the Financial Plan. Recommended Operating Budget Reductions are contained in the second section of Appendix A.

Because salaries and benefits currently make up 79% of the General Fund budget, increases in this area have a dramatic impact on the financial condition of the City. These rising costs also have an impact on all of the Enterprise funds. Therefore, addressing them must play a key part of our strategy for ongoing sustainability. The proposed budget balancing strategy relies on approximately \$2.6 million in employee concessions. The first opportunity for these strategies to have an impact on our budget is January 2012 after successor agreements have been negotiated with our employee groups. Because of this timing, the Financial Plan for 2011-12 only reflects

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the concessions for the second half of the fiscal year. By 2012-13, the concessions will result in employee benefits and salaries dropping to 73% of the General Fund operating budget.

As discussed previously, the final element of our budget balancing strategy involves a focus on operational efficiencies through structured organizational reviews and review of ideas for savings as surfaced by staff or community members.

Consistent with the City's adopted fiscal policy, we are also recommending that if and when the ending fund balance exceeds the policy level of 20% of operating costs, these additional funds should only be used for one-time non-recurring expenditures. We are currently estimating that we will end this fiscal year with about \$1.6 million more in General Fund reserves than are required. Using these funds for ongoing costs such as salaries or benefits is not sustainable over the long-term and simply postpones difficult decisions. We are therefore recommending that we use the funds for one-time Significant Operating Program Changes in the amount of \$689,700. We are also proposing that we use these reserves to address any unforeseen realignment of services that may occur as a result of the State budget situation or any one-time costs associated with the timing of our other budget balancing strategies.

CITY COUNCIL GOALS

The fundamental purpose of the City's Financial Plan is to link what the City wants to accomplish over the two-year period with the resources required to do so. The Financial Plan process used by the Council does this by identifying 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.

In order to identify the key goals that 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. The proposed goal-setting process for 2011-13 followed the multi-year approach which the City has used successfully for a number of years. As part of this process, community groups, interested individuals, and council advisory bodies presented their recommendations to the Council. Extensive efforts were made to invite community and advisory body participation in this process.

Two major elements of the goal-setting process are the Community Forum and the Council Goal-Setting Workshop which were both held in January. At the Goal-Setting Workshop, Council established eleven goals organized into three priority categories:

Major City Goals. These represent the most important, highest priority work programs for the City to accomplish over the next two years, and as such, resources to accomplish them should be included in the 2011-13 Financial Plan.

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 College, the business community, and responsible agencies.

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.

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

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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 extension, and public transit).

Detailed work programs for each of the four Major City Goals were approved by Council in April 2011. They are provided in *Section B: Policies and Objectives* of the Preliminary Financial Plan.

Other Important Objectives. Goals in this category are important for the City to accomplish, and resources should be made available in the 2011-13 Financial Plan if at all possible. In general, goals in this category reflect the continuation of current goals or new initiatives that are not likely to have significant General Fund resource requirements.

Open Space Preservation. Continue efforts to acquire, preserve, protect and maintain open space in our greenbelt, and implement the master plan for the City owned agricultural lands at Calle Joaquin, and the updated conservation plan for the Irish Hills Natural Reserve, and create a plan for maintenance of Laguna Lake and Park, including a potential funding strategy.

Infrastructure Maintenance. 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 and sidewalks, flood protection facilities, recreation facilities, bikeways, City-owned historic resources, and urban forest).

Planning. Within the scope of the grant, undertake an update of the Land Use and Circulation Elements; including “Healthy Cities” policies and creating a Pedestrian Circulation Plan.

Affordable Housing/Homeless Services. 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.

These goals are also reflected in *Section B: Policies and Objectives* of the Preliminary Financial Plan based on the summary work programs approved by the Council in April 2011.

Address as Resources Permit. While it is desirable to achieve these goals over the next two years, doing so is subject to current resource availability. Fiscal allocations have not been attached to these objectives due to the economic challenges currently facing the City.

Parks and Recreation. Increase utilization of Damon-Garcia Sports Fields.

Climate Protection. 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.

Historic Preservation. Continue to promote historic resource preservation opportunities and update Historic Resource Inventory.

No work programs were prepared for these goals because these priorities are to be addressed within the scope of existing operating budgets. They are, however, reflected in the Preliminary Financial Plan.

In determining these groupings, the Council also noted which goals address Measure Y priorities and determined the desired emphasis among the areas that Measure Y funding supports.

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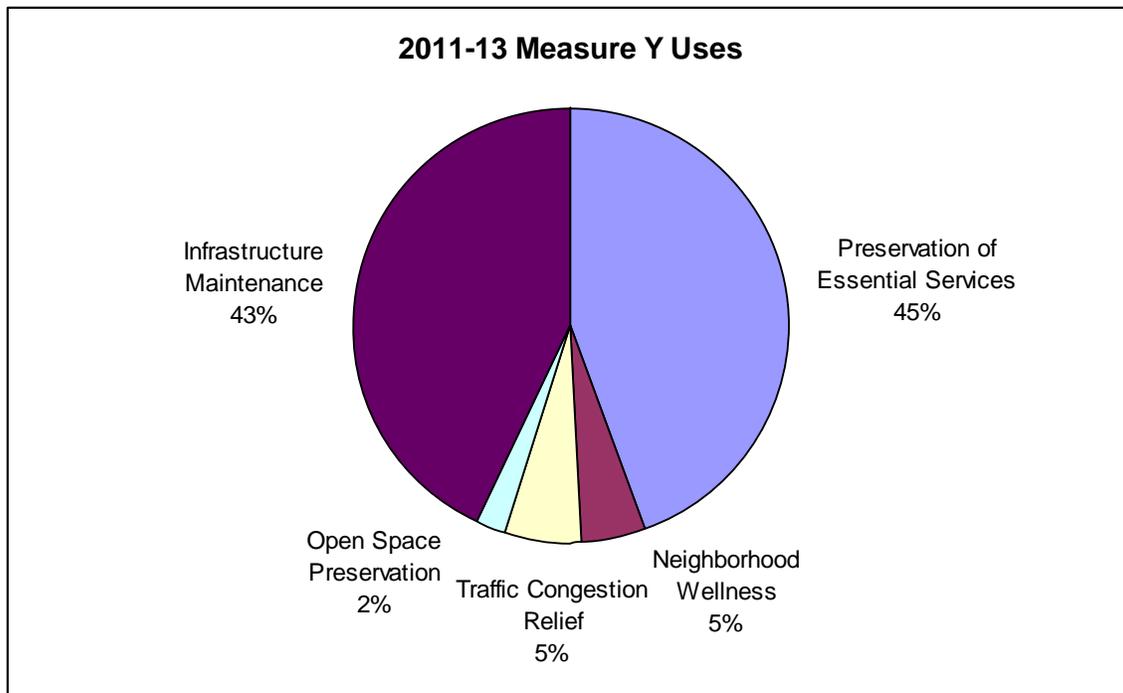
IMPORTANCE OF MEASURE Y FUNDS

Adopted by the voters in November 2006, Measure Y set an added ½-cent City sales tax. This general purpose revenue measure is projected to generate \$5.7 million in 2011-12. This funding enables 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 was important that as the Council set goals for the 2011-13 Financial Plan, it also considered the prioritized use of Measure Y funds.

Along with an eight-year sunset and requirements for annual audits and annual community reports on how much revenue is generated by the measure and how funds are spent, Measure Y includes the following accountability and citizen oversight provisions:

- 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.

Measure Y is a general purpose measure and so the proceeds are not restricted to specific purposes. This provides the Council with flexibility to respond to new circumstances and challenges. However, the ballot language provided examples of the types of uses that would be funded through the measure. These priorities have included: infrastructure maintenance; traffic congestion relief; open space preservation; downtown maintenance and beautification; and preservation of essential services: public safety, maintenance services and neighborhood code enforcement.



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As reflected above, the proposed uses of Measure Y revenues for 2011-13 in funding operating programs and capital improvement plan (CIP) projects fall into five categories in alignment with top Council goals and objectives:

- Preservation of Essential Services
- Neighborhood Wellness
- Traffic Congestion Relief
- Open Space Preservation
- Infrastructure Maintenance

These are described in greater detail following *Financial Highlights*.

ENTERPRISE FUNDS

The City operates four Enterprise Funds for Water, Sewer, Transit, and Parking operations. Prior to 2011-12, operations of the Laguna Lake Golf Course were also accounted for in an Enterprise Fund. However, Council provided direction at its April 19 meeting to consolidate Golf operations into the General Fund with other recreational activities.

Enterprise Funds comprise 41% of the City's overall budget. The two largest are the Water Fund and the Sewer Fund, which are 18% and 15% respectively. Similar to the General Fund, each of the enterprise funds have felt the impact of declining revenues due to the economic downturn while operating costs continued to rise. In response, they have adapted to the challenging times and made appropriate cost reductions to mitigate impacts on rate payers.

Below are highlights of each enterprise fund.

Water Fund

With the completion of the Nacimiento Project this past year, the City has added another water supply to its water resources portfolio. This achieves the Water Management Element goal of a multi-source water supply. The addition of the Nacimiento water supply provides sufficient water to meet other General Plan goals. It provides the existing community with a reliability reserve to minimize impacts of future water shortages due to drought conditions or other water-related emergencies. The City is entering its seventh and eighth years of an eight year rate setting strategy to fund this project.

For over 15 years the City has been investing over \$1 million annually in the replacement of old pipelines. This has proven to be a prudent action and has demonstrated significant improvements such as enhanced fire protection and reduction in service disruptions to water users. The City has also nearly accomplished the replacement of all inferior polybutylene water service lines through multi-year replacement projects funded at \$250,000 or more per year. Recycled water use continues to grow and provides safe, non-potable water for irrigating the golf course, parks, schools, and commercial facilities.

Over the last two years, there has been a significant decrease in water sales due to many factors. In the last year there has been an unprecedented drop in revenues to the Water Fund. This drop in water use is being experienced in many communities, so San Luis Obispo is not alone in this area. In response to these challenging times, the fund continues to make expenditure reductions in order to avoid rate increases above what would otherwise have been required. Holding to 2009 rate projections for 2011-13 has required significant budget reductions in capital, operating, and staffing costs.

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Sewer Fund

The Sewer Fund is preparing to undertake an extensive upgrade to its water reclamation facility to meet added regulatory requirements for the protection of San Luis Obispo Creek. Belt-tightening continues to occur, including staffing cost reductions in order to mitigate rate increases. Proposed sewer rate increases are the same as those projected in 2009.

A major lift station on Tank Farm Road was recently commissioned, allowing for two old lift stations to be abandoned. Significant planning has taken place in order to focus resource allocation including a plan for sewers in the Buckley and Vachel areas. A major two-year study of infiltration and inflow in the wastewater collection system is currently wrapping up and a master plan for the water reclamation facility is complete. A major update to the Water and Wastewater Management Element of the General Plan was accomplished.

Over the next two years, in addition to further planning efforts, multiple capital projects are planned for the Sewer Fund, including the replacement of two failing lift stations, a pipe crossing a creek, and many activities related to energy conservation at the water reclamation facility.

Transit Fund

As a result of the ever-turbulent State budget situation, the Transit Fund program moves cautiously into 2011-12. We are in the final year of the Cal Poly subsidy agreement, and another three year term has been proposed which Cal Poly is currently considering. However, the impact of State budget decisions could change the level of funding from Cal Poly and they have indicated that they may not be able to give us a final number until a State budget is passed. State transit funding is expected to increase for this fiscal year as a result of the better than expected gas tax/excise tax revenues and one-time carryover funding, which results in an increase in State revenues of approximately 27% over current year. This good news is offset by an increase in the budget needs of the San Luis Obispo Regional Transit Authority (up 12.33% from this year) and the fact that even with the increase, we are still 16% lower than 2007-08 state funding levels. Federal revenues are expected to be about even with last year's amounts. Fuel costs have been on the rise, and we have tried to include a projected cost in the budget that is realistic, but if exceeded, will cause some hardship.

With these factors under consideration, we are initially projecting a year where no service reductions need to be proposed now, but there is very little room for variation. Until the State budget is approved, we will not have final amounts to count on. Additionally, 2012-13 will be a challenging year based on projected revenue amounts. Staff will be monitoring the budget situation closely, and return later in the year with any changes or reductions that need to be considered. Capital expenditures will be limited to projects that can be funded from grant revenues, keeping the local match required to a minimum and preserving as much for operating expenses as possible. If needed, the capital purchases can be deferred, freeing up the funding intended to be used as a match.

Parking Fund

Several interesting developments will affect the Parking Fund this year. Council has approved charging for parking on Sundays, and the implementation of a higher core meter rate in the Downtown, both of which will increase revenues. Environmental and design studies continue for the Palm-Nipomo parking structure, which has a projected construction start up in 2014-15. There are additional operating costs this year, including funding the services of a half-time Transportation Planner to help move the Palm-Nipomo structure project forward, and partly as an offset to the Parking Manager's role as the Downtown Champion. However, the biggest challenge is the timing of the two major developments (Chinatown and Garden Street Terraces) in relation to when the City builds the Palm-Nipomo structure. Development attracts more people downtown and therefore more parking demand. The delay of these developments adversely affects parking demand but allows the fund to accumulate additional revenues from Sunday operations and credit card meters while postponing the cost of construction, debt

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financing, and operations for the new structure. So the overall affect may be neutral or even help the fund in the short term.

Delays to smaller development projects Downtown have similarly decreased revenues below assumptions, but also kept parking demand from increasing. Parking meter, lot and structure revenues are projected to be consistent with last year, and once again, citation revenue is projected to be down this year due to the high surcharge costs added by the State, which created an added deterrent. No structure or other meter rate increases are proposed for this year, as Council deferred both as part of the Sunday parking discussion. Overall, the Parking Fund faces some challenges due to the timing of developments and has managed to weather these changes because of mitigated need to accommodate the increased demand for parking as a result of those developments.

CONCLUSION

Although the City continues to operate in a challenging economic environment, we have made great strides in our financial sustainability journey. Our goal has been to develop a Financial Plan for 2011-13 that will meet the needs of our community without compromising the future. Adoption of the recommended Financial Plan, which requires making the difficult decisions now, will put us in a strategic position to sustain the projected expenditure increases that we will experience in the next several years. The 2011-13 Financial Plan positions the City with resources to adequately maintain existing infrastructure and facilities, preserve our long-term fiscal health by aligning revenues and costs, and maintain a prudent fund balance at policy levels.

Preparation of the 2011-13 Financial Plan has been a team effort involving shared sacrifice and common vision. Council has provided leadership and direction in the goal setting and strategic budget direction process. The Plan has benefitted from input from our dedicated and caring advisory bodies, involved citizens, and important community partners about their community priorities. In addition, our talented and dedicated workforce has participated in the process to ensure that in an environment of budget reductions the City can still provide high quality services to our community.

While the good news is that our recommended Financial Plan is balanced over the long-term, we must be mindful that there are a number of uncertainties still facing us. The “jobless recovery” currently underway is still putting strain on our economy. The recovery itself is uneven and local governments are feeling its impacts in some of our lagging revenues such as Property Tax. Even with the cooperation of our employees in containing personnel costs, we are faced with the prospect of benefit costs beyond our control and the problem of how to address these in the future. And finally the dire financial condition of the State is sure to have consequences, intended or unintended, on our City and local area. Nonetheless, we know that our strong tradition of sound financial practices will allow us to successfully overcome any future challenges and maintain the quality of life that our community enjoys.

Respectfully submitted for your consideration,

Katie E. Lichtig
City Manager

ACKNOWLEDGEMENTS

Preparing the Financial Plan at the staff level was a team effort involving the time and talents of a wide variety of City employees: department heads; staff members from Administration and Finance & Information Technology; special review groups such as the CIP Review Committee and Budget Review Team; department fiscal officers;

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and department operating staff. The task was made even more complicated by the addition of new elements of the process as well as the reality of having a new City Manager and an Interim Finance & Information Technology Director. Without the dedication of these City staff members, this Financial Plan would not have been possible. I am extremely grateful for the staff's dedication, commitment, and quality work that has made this Financial Plan possible.

Ultimately, the benefits associated with this budget formulation effort would not exist without the Council's support of long-term planning and modern, innovative budgeting practices as well as their willingness to devote long hours to the budget review and decision-making process.

FINANCIAL HIGHLIGHTS

OVERVIEW

Total proposed appropriations for 2011-12 are \$99.5 million summarized as follows:

	Governmental Funds	Enterprise Funds	Total
Operating Programs	51,653,900	28,979,400	80,633,300
CIP	4,763,200	4,340,500	9,103,700
Debt Service	2,705,200	7,071,500	9,776,700
Total	\$59,122,300	\$40,391,400	\$99,513,700

As discussed previously, the budget for 2011-12 intentionally reduces the General Fund's reserve below policy levels for one year as budget balancing strategies are put in place, returning to policy levels in 2012-13. The 2011-12 budget is balanced for all other funds.

What is a balanced budget? The City's fiscal policies define a balanced budget as one where:

1. *Operating* revenues are equal to or greater than *operating* expenditures, including debt service.
2. Ending fund balance (or working capital in the enterprise funds) meets minimum policy levels. For the general and enterprise funds, this level has been established at 20% of operating expenditures.

This means that it is allowable for total expenditures to exceed revenues in a given year, but in this situation beginning fund balance can only be used to fund capital improvement plan projects, or other "one-time," non-recurring expenditures.

FINANCIAL CONDITION SUMMARY

General Fiscal Environment

As discussed in the *Budget Message*, the City is continuing to experience economic challenges and faced a General Fund budget gap of \$4.4 million without corrective action. Revenue enhancements, operating budget reductions, operational efficiencies and employee concessions will each play a role in balancing the 2011-13 Financial Plan as we align the City's delivery of services with our ongoing revenue base over the long term.

Budget Compared with the Forecast

Generally on Target with Recent Forecast. The updated revenue and expenditure projections are generally consistent with the results of the recent five-year General Fund Forecast (Forecast) presented to the Council in October 2010 and updated in April 2011, as part of the 2011-13 Financial Plan process.

REVENUE HIGHLIGHTS

General Fund

Sources used in preparing General Fund revenue projections include:

1. Analysis of key revenue trends for the past fifteen years compared with changes in the consumer price index, population and other demographic factors as well as legislative and other structural changes.
2. Economic trends as reported in the national media.
3. Forecast data for the State prepared by various economists, including the Central Coast Economic Forecast.
4. Economic and fiscal trends provided by the State Legislative Analyst and the State Department of Finance.
5. Revenue estimating materials prepared by the State Controller's Office, the League of California Cities and the City's sales tax advisor.

Ultimately, however, the 2011-13 revenue projections reflect the staff's best judgment about how the local economy will perform over the next two years, and how it will affect our key revenues.

Key General Fund Revenues

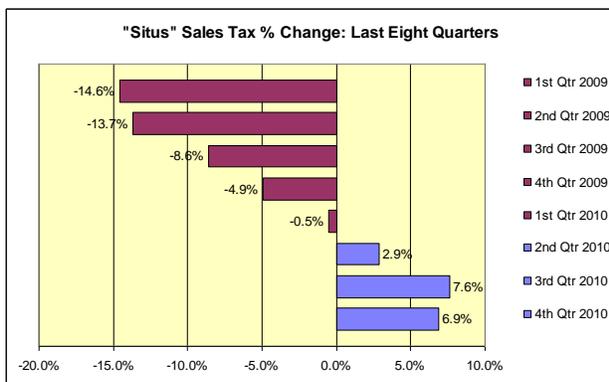
Detailed descriptions and revenue assumptions for the City's top ten revenues, which account for approximately 95% of total General Fund revenues, are provided in *Section H: Financial and Statistical Tables* of the Financial Plan.

FINANCIAL HIGHLIGHTS

The following is an overview of assumptions for the top three General Fund revenues, which account for about 60% of total General Fund sources:

1. **Sales Tax.** This is the City's number one General Fund revenue, accounting for 32% of General Fund sources.

Following recent declines in Sales Tax due to the Great Recession, we are beginning to see recovery in this revenue source, as demonstrated in the chart below. Estimated revenues for 2010-11 indicate a 6% increase from the prior year. In 2011-13 we anticipate continued overall recovery as well as new revenues from the Target store, which is scheduled to open in July 2011. Overall, sales tax revenues are estimated to increase by 3.5% in 2011-12 and an additional 2% in 2012-13.



Similarly, the *Measure Y* ½-cent sales tax is projected to follow the same trend. We project that *Measure Y* revenues will generate \$5.7 million in 2011-12, and \$5.8 million in 2012-13. Without these revenues our budget situation would be much worse.

2. **Property Tax.** Under Proposition 13, assessed value increases are generally limited to 2% annually. They can be increased to market value for improvements or upon change of ownership. Based on the recent economic situation, many properties have been reassessed to lower valuations or have been sold at less than prior valuations. In addition, for the first time since Proposition 13 was approved, the Consumer Price Index adjustment was negative for 2010-11, which impacts the base upon which the revenues will increase. For 2011-12 the CPI

adjustment was 0.75%, well below the statutory 2% maximum. Many communities have been hit harder by foreclosures than the City of San Luis Obispo; however we are not immune from the impacts of the housing market declines. Revenues from property taxes are estimated to remain virtually unchanged from 2010-11 to 2011-12 and then see a modest 1.5% growth in 2012-13.

3. **Transient Occupancy Tax (TOT).** Compared to other revenue sources, TOT appears to have rebounded quickly. As indicated in the monthly TOT report, year-to-date results through March indicate that the current year is 8.4% higher than the previous year.

Based largely on overall year-to-date trends for the first nine months of the year, we are projecting a continued increase in TOT revenues. We anticipate that the recent trends will continue, however at a slower pace, resulting in a 4% increase during 2011-13.

Other General Fund Revenues

Other General Fund revenues are consistent with the Forecast. The 2011-13 Financial Plan relies upon enhanced cost recovery from existing fees to generate revenues that help balance the budget, but does not implement any new fees. Enhanced business license and tax enforcement and code enforcement efforts are expected to generate approximately \$124,000 as detailed on pages H-13 to H-30 of the Financial Plan.

Enterprise Fund Revenues

Comprehensive rate reviews and revenue requirement projections for the next four years will be presented to the Council on June 14, 2011 for each of the City's four enterprise funds: water, sewer, parking and transit. The following is a brief overview of enterprise fund rate recommendations for 2011-13.

Water Fund. Consistent with the multi-year rate setting strategy previously approved by the Council to improve the City's water distribution and treatment systems as well as fund participation in the Nacimiento water project, the Council will

FINANCIAL HIGHLIGHTS

consider rate increases of 10% in July 2011 and 9% in July 2012. These increases are on target with prior projections for 2011-13.

Sewer Fund. The Sewer Fund also uses a multi-year rate-setting strategy. In order to continue supporting an adequate capital improvement plan and meet high wastewater treatment standards, the Council will consider rate increases of 7% in July 2011 and 6% in July 2012. These increases are on target with prior projections for 2011-13.

Parking Fund. On April 5, 2011 the Council considered several changes to parking fees. This included charging for parking on Sunday afternoons, as well as increases in parking meter rates in a core area of the Downtown.

In addition, as detailed on pages H-16 to H-19, parking fine and fee modifications are proposed in 2011-13 for residential 10-hour meter permits, commercial loading zone permits, residential parking permits, overtime and restricted parking fines and cancellation of disabled parking violations.

Transit Fund. No fare box rate increases are currently projected for 2011-13.

Golf Fund. In accordance with Council direction on April 19, 2011, the operations and costs of the Laguna Lake Golf Course will no longer be represented in an enterprise fund. Beginning in 2011-13, these operations will be incorporated into the General Fund like other recreational activities.

Changes to greens fees will continue to be adopted by resolution and not automatically updated by CPI, in order to allow for analysis of the various aspects of greens fees, including comparison to other local golf courses.

OPERATING PROGRAM HIGHLIGHTS

Appropriations for operating programs—day-to-day delivery of services—total \$80.6 million for 2011-12 summarized as follows:

Operating Programs: 2011-12

	Governmental Funds	Enterprise Funds	Total
Public Safety	25,090,000		25,090,000
Public Utilities		20,442,200	20,442,200
Transportation	3,169,700	4,674,900	7,844,600
Leisure, Cultural & Social Services	7,130,500		7,130,500
Community Development	7,729,300		7,729,300
General Government	8,534,400	3,862,300	12,396,700
Total	\$51,653,900	\$28,979,400	\$80,633,300

During the course of identifying sustainable operating budgets, departments were asked to identify programs in their budgets which require additional resources in order to maintain basic services as well as to identify operating budget reductions which would be required in order to balance the budget.

A summary of significant operating program changes – both reductions needed to balance the budget and increases needed to maintain basic services – is provided in the *Expenditure Summaries* part of Section D.

Additionally, each of the operating program narratives (also provided in Section D) discuss any significant changes. Lastly, comprehensive supporting documentation for each change—both increases and reductions—is provided in *Appendix A: Significant Operating Program Changes* to the Financial Plan.

As reflected in the summary below, these reductions are across all departments and levels of the organization:

BUDGET REDUCTION SUMMARY BY DEPARTMENT				
	Temp Staffing	Regular Staffing	Annual Savings	
			2011-12	2012-13
Administration	(0.23)	1.00	158,700	188,000
City Attorney				
Comm. Dev.		1.00	109,000	109,300
Fire		1.25	170,500	212,400
Finance & IT	0.48		182,500	137,800
Human Resources	0.40		65,400	65,400
Parks & Rec.	1.33		190,400	190,700
Police		4.00	467,100	578,100
Public Works	1.44	2.00	469,000	474,900
Total	3.42	9.25	1,812,600	1,956,600

FINANCIAL HIGHLIGHTS

The following summarizes the most significant of the increases on a program basis from a policy and service level perspective.

Public Safety

Police Services

Booking Fee Increase. An increase in booking fees will cost \$222,600 annually in 2011-13 due to state budget reductions that eliminate the funding for these costs. This will be offset by revenue recovery of \$44,500 for a net cost of \$178,100.

Public Utilities

Water Meter Replacements. Replacing aged and poorly performing water meters will cost an additional \$7,600 in 2011-12 and \$9,900 in 2012-13. Projected off-setting revenues are estimated at \$6,000 in 2011-12 and \$12,000 in 2012-13, resulting in a net operating cost of \$1,600 in 2011-12 and net operating savings of \$2,100 in 2012-13. While not a large dollar amount, this investment in critical infrastructure will assist in meeting our goals.

Laguna Sewer Lift Pump Maintenance. Maintaining the Laguna sewer lift station in reliable operational use will cost \$46,000 in 2011-12 for pump repairs, shipping, overtime, and pump rental equipment.

Transportation

Traffic Engineering. Continuing the full-time Engineer II benefited Contract staffing position to provide Traffic Program support for the Transportation Planning and Engineering division will cost \$111,700 in 2011-12 and \$117,200 in 2012-13.

Part Time Temporary Parking Officer. Adding a part-time temporary Parking Enforcement Officer position to support the Neighborhood Wellness Major City Goal and the citation processing costs of the Neighborhood Services Specialist will cost the Parking Enterprise Fund \$24,200 in 2011-12 and \$38,000 in 2012-13.

Sunday Parking and New “Super Core” Meter Increase. Expanding parking services to Sundays

from 1:00 PM to 6:00 PM and modifying the existing meter rate areas by adding a new “super core” of 400 credit card parking meters as approved by Council at its April 5, 2011 meeting will cost \$73,800 in 2011-12 and \$72,400 in 2012-13 for operating expenses and \$222,300 for the purchase of the parking meters. Additional revenues of \$330,300 in 2011-12 and \$415,200 in 2012-13 will be generated.

Community Development

Land Use and Circulation Element Update. Updating the Land Use and Circulation Elements will cost \$367,500 in 2011-12 and \$67,500 in 2012-13 for consultant services and contract staffing.

Neighborhood Wellness. Creating two full-time regular positions known as Neighborhood Services Specialists to support the Major City Goal will cost \$132,000 in 2011-12 and \$167,000 in 2012-13.

Economic Development Work Program. Augmenting the Economic Development Program budget with \$47,500 in 2011-12 and \$57,500 in 2012-13 will provide funding to: Complete a Strategic Plan for the Economic Development Program; enhance and perform upkeep of the business outreach website; complete analysis associated with developing a strategy for infrastructure phasing and financing in the expansion areas; and fund ongoing collaboration efforts between Cal Poly, County, City, and business community.

General Government

Measure Y Renewal Activities. Providing funding for public opinion research related to Measure Y renewal efforts will cost \$25,000 in 2011-12.

Regular Staffing Changes

General Fund. There are net 5.6 full-time equivalent (FTE) regular employee position reductions along with 3.6 temporary FTE reductions recommended in the General Fund. There are no regular employee layoffs in the General Fund as result of these reductions.

FINANCIAL HIGHLIGHTS

Enterprise and Agency Funds. There are 0.5 FTE regular position increases and 0.5 temporary FTE reductions in the enterprise and agency funds.

Additional information on specific staffing increases and reductions is available in Appendix A.

CIP HIGHLIGHTS

As summarized below, the two-year CIP for 2011-13 totals \$17.6 million:

CIP Summary: 2011-13

CIP Expenditures by Function	2011-12	2012-13
Public Safety	503,200	465,800
Public Utilities	4,015,000	4,570,000
Transportation	3,424,800	3,029,000
Leisure, Cultural & Social Services	164,800	580,800
Community Development	237,500	22,500
General Government	389,000	155,000
Total	\$8,734,300	\$8,823,100

CIP Expenditures by Source	2011-12	2012-13
General Fund	3,593,300	3,066,900
Transportation Impact Fees	73,000	25,000
CDBG Fund		105,000
Other Grants and Contributions	670,000	570,000
Fleet Replacement Fund	57,500	291,200
Enterprise and Agency Funds	4,340,500	4,765,000
Total	\$8,734,300	\$8,823,100

In addition, the Council has separately approved \$369,400 in 2011-12 for Capital Projects from the CDBG fund that are not reflected in these figures.

The following summarizes major CIP projects for 2011-13:

Plans, Studies and Design

We will complete a number of important studies and design efforts during 2011-13 that will set the course for the construction portion of our CIP in the following years. These include:

1. Calle Joaquin lift station replacement: \$500,000 for design
2. Water Reclamation Facility upgrade: \$1.5 million for design
3. Bob Jones bike trail Octagon Barn connection: \$40,000 for study

Major Construction and Acquisition Projects

While planning for the future will be an important part of our work program during the next two years, we will also undertake a number of major construction and acquisition projects to maintain and improve our facilities and infrastructure, including the following “top dozen” projects:

Public Safety

1. Replacement of the Computer Aided Dispatch servers: \$350,000
2. Replacement of thermal imaging cameras and cardiac monitors: \$134,600

Public Utilities

3. Water distribution system improvements: \$400,000
4. Wastewater collection system improvements: \$1.9 million
5. Laguna sewer lift station replacement: \$1.2 million
6. Calle Joaquin lift station replacement: \$1.5 million for construction

Transportation

7. Street reconstruction and resurfacing projects: \$3.2 million
8. Sidewalk accessibility improvements: \$105,000
9. Bikeway improvements: Railroad Safety Trail \$1.2 million
10. Creek and flood protection improvements, including storm drain replacements and repair, culvert repairs and creek silt removal: \$1.4 million

Leisure, Cultural & Social Services

11. Playground equipment replacement: \$555,300

Community Development

12. Open space preservation and improvement: \$237,500

Carryover Projects from 2009-11

Along with the projects presented in the 2011-13 Financial Plan, several major projects previously funded in prior Financial Plans will be accomplished during the next two years:

1. Paving upper Monterey Street

FINANCIAL HIGHLIGHTS

2. Water reuse system improvements at the Water Reclamation Facility
3. Los Osos Valley Road interchange design
4. Monterey parking structure design
5. Skate park improvements
6. Acquisition of affordable housing at 313 South Street
7. Prefumo Creek bike path/pedestrian way

Project Evaluation

To assist the City Manager in developing the recommended CIP for 2011-13, the Budget Review Team and CIP Review Committee evaluated all departmental requests. In preparing their CIP recommendations, this joint review team considered the following evaluation factors in setting priorities for limited funds:

:

1. Does it complete an existing project?
2. Is it mandated by the state or federal government?
3. Is there significant outside funding for the project?
4. Is it necessary to address an immediate public health or safety concern that cannot be deferred beyond 2011-13?
5. Is it necessary to adequately maintain existing facilities, infrastructure or equipment?
6. Was it previously scheduled in the 2009-11 Financial Plan?
7. Does it implement a high priority Council goal for 2011-13?
8. Will it result in significant operating savings in the future that makes a compelling case for making this investment solely on a financial basis? If yes, how can we ensure that these savings will in fact occur?

The resulting 2011-16 CIP reflects these priority assessments.

Deferred Projects Beyond 2011-13

As discussed in the *Budget Message*, each project initially submitted by departments presented a compelling case for meeting capital needs. However, any additional CIP projects will have to be balanced by deeper cuts in the operating budget. Accordingly, in several cases, while a project may have been meritorious, its costs relative to the resources available was so large that it has been deferred beyond the five-year CIP.

Projects that are not recommended in the 2011-16 CIP are reflected in the list on the following page.

FINANCIAL HIGHLIGHTS

Projects deferred beyond 2011-16:

Project	Cost	Project	Cost
Playground Equipment Maintenance	\$ 25,000	Highway 227 Traffic Signal Upgrade	\$ 200,000
Park Resroom Remodel/Replacement	49,200	Drainage Design Manual Update	175,000
Parking Lot Pavement Maintenance	50,000	Poinsettia Walkway Repair	50,000
Police Station Remodel - Construction	300,000	Replace entry steps at Ludwick Center	16,000
Median Landscaping - South Street	200,000	Laguna Lake Boat Docks & Ramp	105,000
New Sidewalk Installation - Chorro/Ferrini, Prado	206,000	City Hall Kiosk	17,200
CAD/RMS Management System Replacement (study)	153,000	Variable Air Volume Control Units	32,200
Radio Handhelds and Mobile Replacements	519,000	Railroad Safety Trail Fence Maintenance	115,000
Public Safety Automatic Vehicle Locator System	87,500	Southwest Area Annexation	140,000
Fire Station Engine Bay Door Safety System	83,000	Special Use Area Plan Development	140,000
Fire Station #2 Concrete Driveway (design)	11,200	Fire Station #5 design	350,000
EPCR Toughbook computer/accessory replacement	60,000	Fire Station #2 Asphalt resurface	20,000
South Higuera Widening: Margarita to Elks Lane	270,000	Laguna Lake Shoreline Stabilization	185,000
Downtown Concrete Crosswalk Removal	300,000	Marsh Street 2-way Conversion (study)	15,000
		Total	\$ 2,313,900

DEBT FINANCINGS

There are no additional debt financings planned in the 2011-13 Financial Plan.

FINANCIAL PLAN POLICIES

Formally articulated Financial Plan policies provide the fundamental framework and foundation for preparing and implementing the City's budget. They are comprehensively set forth in *Section B: Policies and Objectives* of the Financial Plan.



MEASURE Y FUNDING SUMMARY

The uses of Measure Y revenues for 2011-13 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 Budget Total
	2011-12	2012-13	2011-12	2012-13	
Preservation of Essential Services					
<i>Public Safety</i>					
Police Services	702,000	722,400	350,000		1,774,400
Fire Prevention & Training	449,700	439,600			889,300
Cardiac Monitor Replacements				94,600	94,600
Fire Engine/Truck Replacement: Debt Service			129,900	126,900	256,800
<i>Maintenance Services</i>					
Streets, Sidewalks and Traffic Signal Operations	184,100	184,700	25,000	35,000	428,800
Creek & Flood Protection	449,600	460,000	-	35,000	944,600
Parks	80,000	80,300	25,000	50,000	235,300
Project Management & Inspection	261,500	266,800			528,300
Neighborhood Wellness					
Enhanced Building & Zoning Code Enforcement	127,800	128,200			256,000
Neighborhood Service Specialists	81,000	162,000			243,000
"SNAP" Enhancement	18,100	18,100			36,200
Traffic Congestion Relief					
Traffic Engineer	111,700	117,200			228,900
Traffic Safety Report Implementation			25,000	25,000	50,000
Traffic Operations Report Implementation			30,000		30,000
Roadway Sign Replacement			66,500	66,500	133,000
Bob Jones City to Sea Trail LOVR Bridge			181,000		181,000
Open Space Preservation					
Froom Ranch Improvements			62,500	22,500	85,000
Open Space Acquisition			175,000	-	175,000
Infrastructure Maintenance					
Fire Engine Bay Slab Replacement			20,000	80,000	100,000
Street Reconstruction & Resurfacing			1,700,000	1,500,000	3,200,000
Warden Bridge Deck/Mission Plaza walkway			7,500	57,500	65,000
Storm Drain Replacements			350,000	350,000	700,000
Toro Street Creek Bank Stabilization			35,000	30,000	65,000
Andrews Creek Bypass			84,000	-	84,000
Broad Street Creek Bank Reinforcement			-	35,000	35,000
Playground Equipment Replacement			84,000	520,000	604,000
TOTAL	\$2,465,500	\$2,579,300	\$3,350,400	\$3,028,000	\$11,423,200

Projected Measure Y Revenues

2011-12	5,682,900
2012-13	5,772,200
Total	\$11,455,100

SAN LUIS OBISPO STYLE

Quality With Vision

WHO ARE WE?

People Serving People

- A team that puts high value on each citizen it serves.
- Providers of programs that meet basic service needs of each citizen.
- Enhancers of the quality of life for the community as a whole.

WHAT DO WE STAND FOR?

Quality in all Endeavors – Pride in Results

- Service to the community – the best – at all times.
- Respect – for each other and for those we serve.
- Value – ensuring delivery of service with value for cost.
- Community involvement – the opportunity to participate in attaining the goals of the City.

WHERE ARE WE GOING?

Into the Future with a Design

- Planning and managing for levels of service consistent with the needs of the citizens.
- Offering skills development and organizational direction for employees in order to improve the delivery of municipal services.
- Developing sources of funding and establishing a sound financial management program which will result in fiscal independence and flexibility in the delivery of City Services.
- Providing the residents of the City with accurate and timely information on issues which affect them, and encouraging the full utilization of City services.
- Promoting the City as a regional trade, recreational and tourist center and improving the quality of life for residents and visitors.

ORGANIZATIONAL VALUES

We, as an organization, embrace opportunities to improve our services and the quality and effectiveness of our relationships with the community and our teams. The following values guide and inspire our efforts.

Shared Vision, Mission and Goals

We have a sense of common purpose and direction pursued with passion and translated into concrete actions.

Service

We are dedicated to the best use of resources to fulfill identified community goals and needs.

Leadership and Support

We recognize that the ability to lead can be found at all levels and that to create an environment to succeed requires leading by example.

Communication

We foster open and clear discussion that encourages the willingness to speak up and to listen, within a framework of respect and understanding.

Team Players

We encourage effective working relationships within and between departments and the public to address issues and achieve valuable results.

Honesty, Respect and Trust

We honor commitments, acknowledge legitimate differences of opinion and accept decisions reached with integrity.

Initiative and Accountability

We take personal responsibility to do what needs to be done and report the results in a straightforward manner.

Innovation and Flexibility

We are open to change and willing to try new ways to fulfill the organization's vision, mission, and goals more effectively.

Employee Development and Recognition

We encourage and support each employee to improve relevant job skills and celebrate personal and team accomplishments.

Stewardship and Ethics

We promote public trust by using City resources wisely, and through consistent fulfillment of these values.

DIRECTORY OF OFFICIALS AND ADVISORY BODIES

CITY COUNCIL

Jan Howell Marx, Mayor
John Ashbaugh, Vice-Mayor
Dan Carpenter, Council Member
Andrew Carter, Council Member
Kathy Smith, Council Member

ADVISORY BODIES

Architectural Review Commission
Bicycle Committee
Campaign Regulation Committee
Construction Board of Appeals
Cultural Heritage Committee
Housing Authority
Human Relations Commission
Jack House Committee
Joint Recreational Use Committee

Mass Transportation Committee
Parks and Recreation Commission
Personnel Board
Planning Commission
Promotional Coordinating Committee
Tourism Business Improvement District
Advisory Board
Tree Committee

APPOINTED OFFICIALS AND DEPARTMENT HEADS

Appointed Officials

Katie Lichtig
Christine Dietrick

City Manager
City Attorney

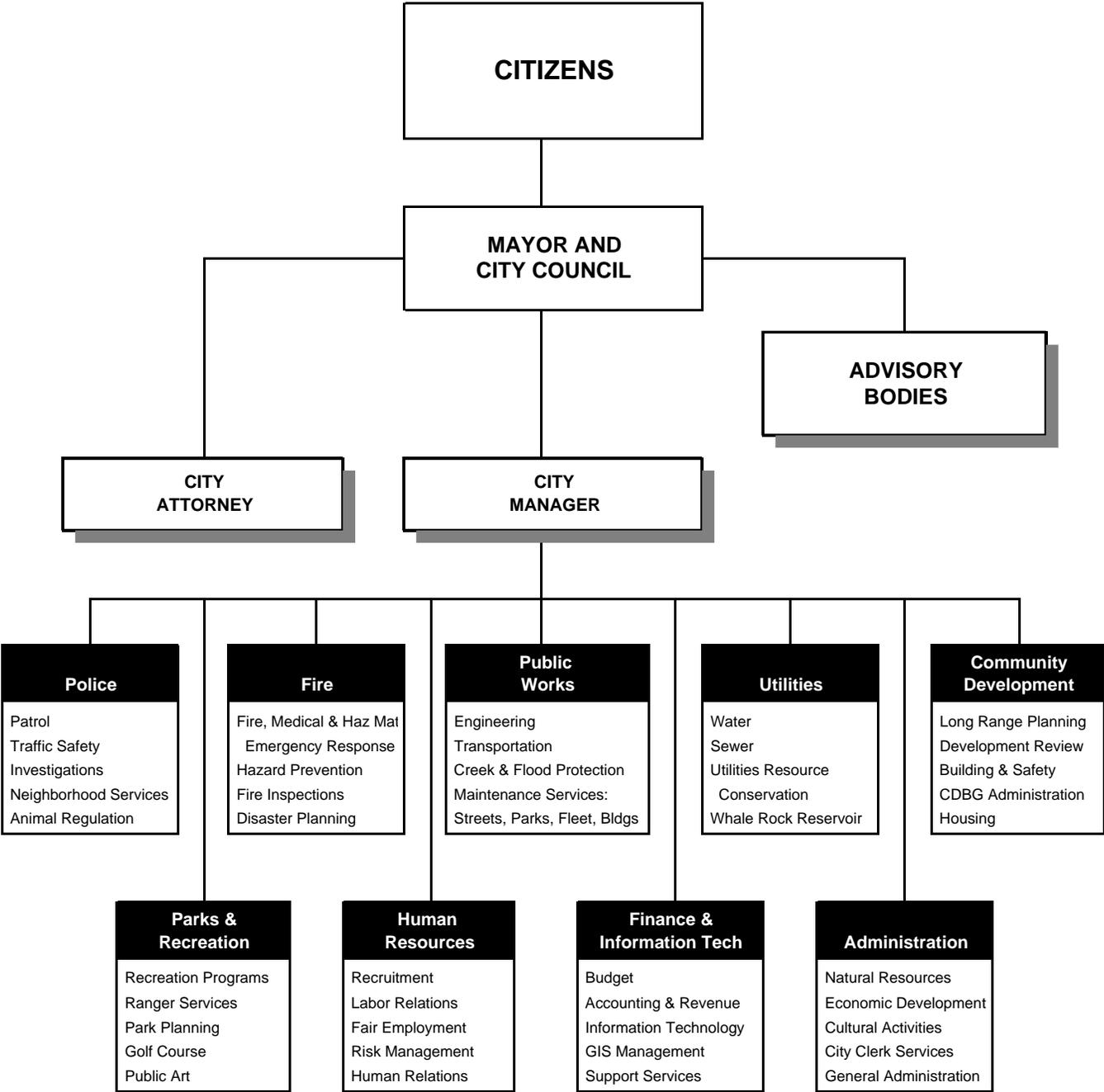
Department Heads

Mary Bradley

Michael Codron
Charlie Hines
Monica Irons
Deb Linden
John Mandeville
Carrie Mattingly
Shelly Stanwyck
Jay Walter

Interim Director of Finance & Information
Technology
Assistant City Manager
Fire Chief
Director of Human Resources
Police Chief
Director of Community Development
Director of Utilities
Director of Parks & Recreation
Director of Public Works

ORGANIZATION OF THE CITY OF SAN LUIS OBISPO



Appointed by the City Council

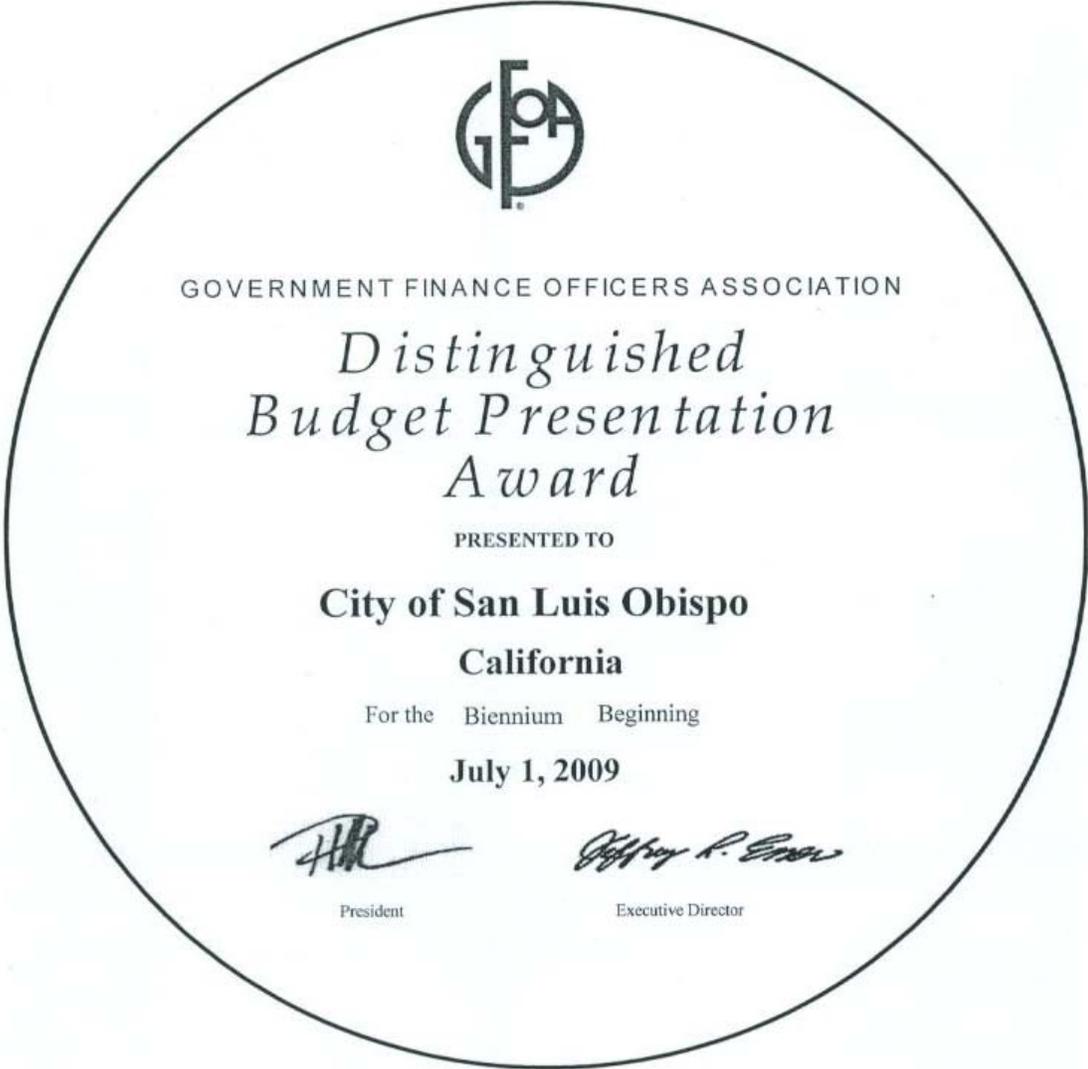
Dept *Appointed by the City Manager*

AWARDS

GFOA. The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the City of San Luis Obispo, California for our two-year budget for the fiscal year beginning July 1, 2009.

In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan and as a communications device.

The award is valid for a period of two years only. We believe our current budget continues to conform to program requirements.

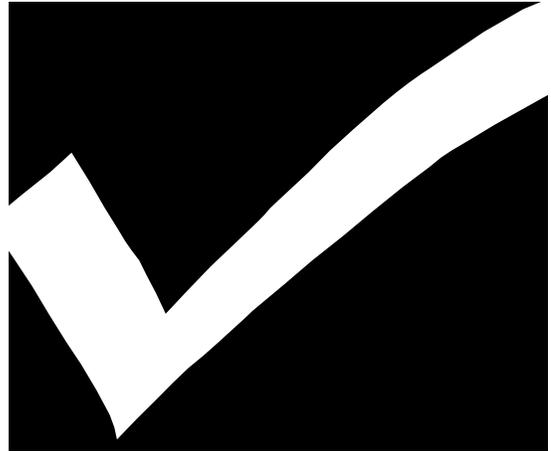


AWARDS

CSMFO. For our 2009-11 Financial Plan, the California Society of Municipal Finance Officers (CSMFO) presented the City with Awards for Excellence in all four of its budget categories: Operating Budgeting (two-year award), Capital Budgeting, Public Communications and Budget Innovation. We believe our current budget continues to conform to program requirements.



Section B
POLICIES & OBJECTIVES



POLICIES AND OBJECTIVES

OVERVIEW

The overall goal of the City's Financial Plan is to link what we want to accomplish over the next two years with the resources required to do so. Formal statements of fiscal policies and major objectives provide the foundation for achieving this goal.

This section of the Financial Plan outlines the policies used in guiding the preparation and management of the City's overall budget, the major objectives to be accomplished, and status of prior plan major City goals. This section is composed of three major parts:

1. Budget and Fiscal Policies
2. Major City Goals and Other Important Council Objectives for 2011-13
3. Status of 2009-11 Major City Goals

BUDGET AND FISCAL POLICIES

The following budget and fiscal policies guide the preparation and execution of the 2011-13 Financial Plan:

- Financial Plan Purpose and Organization
- Financial Reporting and Budget Administration
- General Revenue Management
- User Fee Cost Recovery Goals
- Enterprise Funds Fees and Rates
- Revenue Distribution
- Investments
- Appropriations Limitation
- Fund Balance and Reserves
- Capital Improvement Management
- Capital Financing and Debt Management
- Human Resource Management
- Productivity
- Contracting for Services

Changes for 2011-13

The following summarizes changes in the City's Budget and Fiscal Policies for 2011-13.

Public Art. The City's public art policy generally requires that 1% of eligible project construction costs be set aside for public art. However, 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%. This was also the situation in 2009-11.

Golf. At the April 19, 2011 meeting, the City Council directed staff to incorporate golf operations into the General Fund, rather than continuing to account for golf as an enterprise fund. The 2011-13 Financial Plan reflects this change.

Fleet Replacement. Revisions to the Fleet Management Policy are proposed that will lengthen the useful lives of vehicles and provide condition indicators to guide future fleet replacements. These revisions are included in the attached Council Agenda Report and have been incorporated into the 2011-13 Financial Plan.

COUNCIL GOALS

The fundamental purpose of the City's Financial Plan is to link what we want to accomplish over the next two years with the resources required to do so. The Financial Plan process approved by the Council does this by:

1. Identifying the most important, highest priority things for us to accomplish for the community.
2. Establishing a reasonable timeframe and organizational responsibility for achieving them.
3. Allocating the resources necessary to do so.

Obviously, this approach only has meaning if there is a way of identifying key goals at the beginning of the process that drive budget preparation, not follow it.

For this reason, the City begins its two-year budget process with Council goal-setting. This follows an extensive effort to involve advisory bodies and the community in this process. It also follows consideration of a number of analytical reports such as the General Fund Five-Year Fiscal Forecast and

POLICIES AND OBJECTIVES

OVERVIEW

comprehensive updates on the status of long-term plans and policies, current major City goals and capital projects.

While the specifics of the process vary from plan to plan, the City has used this basic approach for more than twenty years.

Goal-Setting Process for 2011-13

For 2011-13, the Council held four workshops for this purpose on December 14, 2010 (“Budget Foundation”), January 11, 2011 (Community Forum), January 29, 2011 (Council Goal-Setting) and April 12, 2011 (Goal Work Programs).

Using the services of a professional facilitator, the Council reached agreement on eleven goals organized into the following three priority groupings at its January 29 goal-setting workshop:

❶ **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 2011-13 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.

❷ **Other Important Council Objectives.** Goals in this category are also important for the City to accomplish, and resources should be made available in the 2011-13 Financial Plan if at all possible.

❸ **Address As Resources Permit.** While it is desirable to achieve these goals over the next two years, doing so is subject to current resource

availability.

As approved by the Council, detailed work programs have been prepared for the *Major City Goals* and summary work programs were prepared for *Other Important Council Objectives*. The other Council goals are presented with the applicable operating program narrative in Section D (Operating Programs) of the Financial Plan.

Goal Work Programs

Overview. The work programs for *Major City Goals* and *Other Important Council Objectives* for 2011-13 present detailed action plans for the next two years that link goals with resources and timeframes.

Goal-Setting Drives the Budget Process. The goals set by the Council drive the budget preparation

process. However, before the staff can build the Preliminary Financial Plan around Council goals, it is essential that we have a clear understanding of what the Council hopes to achieve with each goal over the next two years. For this reason, following this goal-setting workshop, staff prepared detailed work programs for achieving *Major City Goals* in order to:

1. Clearly define and scope the adopted goal, including its relationship to Measure Y funding.
2. Ensure that there is a clear understanding of the means selected to pursue the goal.
3. Convert the general goal into specific action steps so we can measure progress in achieving it.

Top Council Goals for 2011-13
<p>Major City Goals</p> <ul style="list-style-type: none"> • Economic Development • Preservation of Essential Services and Fiscal Health • Neighborhood Wellness • Traffic Congestion Relief <p>Other Important Council Objectives</p> <ul style="list-style-type: none"> • Open Space Preservation • Infrastructure Maintenance • Land Use and Circulation Revisions • Affordable Housing/Homeless Services

POLICIES AND OBJECTIVES

OVERVIEW

This is especially important in the case of objectives where fully achieving the goal is likely to extend well beyond the two-year Financial Plan period. However, we can measure progress—and our success in accomplishing the goal—by clearly defining the specific actions we plan to undertake over the next two years in making meaningful progress in achieving the longer-term goal.

These work programs were presented to the Council on April 12, 2011, with follow-up discussion on April 19, 2011. After in-depth review and discussion, the Council approved the work programs with minor revisions.

Work Program Content. The work programs are organized by functional area: public safety, transportation, leisure, cultural & social services and community development. Each work program provides the following information:

1. Objective.
2. Discussion of its relationship to Measure Y, workscope summary, existing situation and related work accomplished in the past.
3. Constraints and limitations.
4. Stakeholders.
5. Action plan detailing specific tasks and schedule for the next two years. When applicable, likely “carryover and spin-off” tasks beyond the next two years are also discussed.
6. Key assumptions in preparing the work program.
7. Responsible department.
8. Financial and staff resources required to achieve the goal.
9. General Fund revenue potential, if any.
10. Outcome—final work product at the end of the next two years.

Integration into the Financial Plan

The Major City Goals and related work programs that emerged from this process are detailed later in

this section of the Financial Plan. In recognition of the extraordinary fiscal challenges facing us, the Council has adopted just four Major City Goals for 2011-13:

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.

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.

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

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).

These focused goals reflect four things:

1. Priorities expressed by residents and other community members during the goal-setting process.
2. Responding pro-actively and responsibly to the economic climate.
3. Focus on preserving core services and maintaining what we already have.
4. Close alignment with the priorities that surfaced both before and during the Measure Y campaign.

POLICIES AND OBJECTIVES

OVERVIEW

Other Council Objectives

In addition to the four Major City Goals set by the Council, summary work programs have been prepared for the following Other Important Council Objectives:

Open Space Preservation. 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.

Infrastructure Maintenance 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.

Planning: Update Land Use and Circulation Elements. 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.

Affordable Housing/Homeless Services. 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.

Address as Resources Permit

In addition to the Major City Goals and Other Important Council Objectives, the following “Address as Resources Permit” are also reflected in the Financial Plan in some fashion.

Parks and Recreation. Increase utilization of Damon-Garcia Sports Fields.

Climate Protection. 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.

Historic Preservation. Continue to promote historic resource preservation opportunities and update Historic Resource Inventory.

Other Program Objectives

Along with goals set by the Council, the Financial Plan also includes objectives proposed by the staff for improving the delivery of City services. These are different from Council-initiated goals in two important ways:

1. Council goals are generally focused on objectives that can only be successfully achieved through Council leadership, support and commitment; program objectives proposed by staff are typically more internally focused on improving day-to-day operations, and can usually be achieved through staff leadership, support and commitment.
2. Achieving Council goals has a higher resource priority.

Each of the 73 operating programs presented in the Financial Plan clearly identifies Major City Goals, other Council goals and other program objectives.

STATUS OF 2009-11 MAJOR CITY GOALS

Measuring progress in achieving major City goals is an essential component of the Financial Plan process. For this reason, a status summary of 2009-11 major City goals is provided in this part of Section B.



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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:
 - a. Output of program activities.
 - b. Accomplishment of program objectives.
 - c. 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.

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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.

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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.

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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

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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

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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."

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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.

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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 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:

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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. 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.

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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:

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. **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

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interests of the City. For example, replacement of critical information technology infrastructure or other projects.

D. **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: \$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 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.

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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.

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BUDGET AND FISCAL POLICIES

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

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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

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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.

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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

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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.

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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.

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.

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.
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)

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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.

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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)

- 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.

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.

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BUDGET AND FISCAL POLICIES

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, 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.

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?
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

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COUNCIL GOALS SUMMARY

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 2011-13 Financial Plan.

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.

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.

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

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).

OTHER IMPORTANT COUNCIL OBJECTIVES

Goals in this category are important for the City to accomplish and resources should be made available in the 2011-13 Financial Plan if at all possible.

Open Space Preservation. 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.

Infrastructure Maintenance 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.

Planning: Update Land Use and Circulation Elements. 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.

Affordable Housing/Homeless Services. 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.

ADDRESS AS RESOURCES PERMIT

While it is desirable to achieve these goals over the next two years, doing so is subject to current resource availability. As noted earlier fiscal allocations have not been attached to these objectives due to the economic challenges currently facing the City.

Creek and Flood Protection. 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.

Parks and Recreation. Increase utilization of Damon-Garcia Sports Fields.

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COUNCIL GOALS SUMMARY

Climate Protection. 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.

Historic Preservation. Continue to promote historic resource preservation opportunities and update Historic Resource Inventory.

POLICIES AND OBJECTIVES

COUNCIL GOAL WORK PROGRAMS – COST AND FUNDING SUMMARY

The following summarizes additional operating program and capital improvement plan (CIP) costs to achieve the work programs for Major City Goals and Other Important Council Objective and proposed funding sources.

Cost Summary By Goal and Objective

	Operating Programs		Capital Improvement Plan	
	2011-12	2012-13	2011-12	2012-13
Major City Goals				
Economic Development	47,500	57,500		
Preservation of Essential Services & Fiscal Health	62,500			
Neighborhood Wellness	156,200	205,000		
Traffic Congestion Relief	119,600	126,200	603,500	426,500
Other Important Council Objectives				
Open Space Preservation			237,500	22,500
Infrastructure Maintenance			6,266,200	5,884,000
Planning	1,247,500	67,500		
Affordable Housing/Homeless Services	239,000	239,000		
Total	\$ 1,872,300	\$ 695,200	\$ 7,107,200	\$ 6,333,000

Cost Summary By Funding Source

	Operating Programs		Capital Improvement Plan	
	2009-10	2010-11	2009-10	2010-11
General Fund	834,100	523,200	3,186,200	2,973,000
Community Development Block Grant Fund	134,000	134,000		
Parking Fund	24,200	38,000		195,000
Sewer Fund			3,390,000	2,370,000
Water Fund			250,000	200,000
Transportation Impact Fee Fund			73,000	25,000
Zone 9				280,000
State Bicycle Grant			50,000	250,000
State Highway and Other Grants			158,000	40,000
Strategic Growth Council Grant	880,000			
Total	\$ 1,872,300	\$ 695,200	\$ 7,107,200	\$ 6,333,000

MAJOR CITY GOALS

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.

DISCUSSION

Workscope Summary

The work program consists of the following key elements:

- A. Develop a strategic plan to focus City economic development efforts on activities that support head of household job creation.
- B. Develop an infrastructure phasing and financing strategy in the expansion areas to support growth sectors and businesses that create head of household jobs.
- C. Continue the public-private collaboration between the City of San Luis Obispo, the County of San Luis Obispo, Cal Poly, and the local business community to support the creation of new head of household jobs.

Existing Situation and Proposed Implementation

A. *Economic Development Strategic Plan*

The Economic Stability Program was established in 1991 to focus City resources on specific activities intended to preserve and promote the financial stability of the community. In 1993, the City Council directed the development of a “more defined, proactive program,” as a Major City Goal. An Economic Strategy Task Force was appointed to develop specific program and policy recommendations, some of which were adopted in March 1994. With the 1995-97 Financial Plan, the new position of Economic Development Manager was established with a primary task of initiating a proactive business recruitment program. The Financial Plan of 1995-97 included completion of the Targeted Industry Study and a Redevelopment Feasibility Study. The Redevelopment Feasibility Study found that a Redevelopment Agency was not feasible for the City of San Luis Obispo due to “take-aways” from San Luis Coastal School District. The Targeted Industry Study identified primary and secondary cluster targets as well as marketing strategies and priorities. Many of the marketing strategies and priorities in the report have been implemented such as annexation of the Airport area, permitting readiness, marketing ambiance and quality of life. Other strategies continue to direct efforts of the Program.

Beginning with the 2003-05 Financial Plan period, the Economic Development effort was directed by major city goals to increase sales and transient occupancy taxes. Although some of the original business retention programs continued, such as the business visitation program, the Economic Development Program’s focus became activities that add to the City’s tax base, such as development of retail land uses on Los Osos Valley Road, the development of an expanded Auto Park on Calle Joaquin, and management of public-private partnerships for development on City-owned surface parking lots within the Downtown core. With the 2007-2009 Financial Plan, the work program focus shifted back toward business retention and expansion, with a parallel focus on revenue generation. The 2009-2011 Financial Plan period continued the effort to reorient the City’s program toward job creation.

Now, the City’s Economic Development Program finds itself at an important crossroads. In order to achieve the Major City Goal with a focus on head of household jobs, the program must put careful consideration into a long-

MAJOR CITY GOALS

ECONOMIC DEVELOPMENT

term strategy. The plan will assist staff in identifying the appropriate range of activities given available on-going resources, will identify best practices for economic development and head of household job creation, and will recommend strategies to reorient the program to achieve the Major City Goal. Care will need to be taken to assure that there is integration, and not duplication, of effort with the newly established County-wide Economic Vitality Corporation's (EVC) Economic Strategy. A consultant with expertise in municipal economic development best practices will be retained to assist in the development of the Economic Development Strategic Plan.

The scope of the Economic Development Strategic Plan will include efforts to:

1. Examine models for business incubator service provision;
2. Establish criteria for a head of household job in this City;
3. Identify strategies to build on and implement the efforts of the Collaboration Committee (see #C below);
4. Fine tune business retention and expansion activities to focus on head of household job creation, and match the scope of the program with available resources;
5. Recommend a strategy, based on best planning practices, to provide the development community with more certainty regarding the City's development review process so that businesses that create head of household jobs can succeed with their relocation or expansion efforts;
6. Recommend a strategy to leverage existing fiber-optic infrastructure and facilitate expansion of, and access to, broadband as a resource for local businesses and an engine for head of household job creation and City revenue generation;
7. Provide an overall assessment and evaluation of City-wide economic development efforts, including tourism and community promotion activities, to ensure that program organization and execution is optimized; and
8. Use the new Economic Development website as a tool to facilitate outreach and gather intelligence during the process of writing the Strategic Plan.

Metrics for each activity will be developed in collaboration with the consultant and may include a variety of indicators including labor statistics regarding job growth, City median household income, permit processing statistics for targeted business types, number of new businesses, expansion of current businesses, and growth in City revenues. All of these efforts are expected to support the long term strategy for growth of head of household jobs. Such a strategy will prepare the City to take advantage of opportunities to create the future that it wants to see with respect to the attraction, development and expansion of businesses that create head of household jobs.

B. Expansion Area Infrastructure Phasing and Financing Strategies

During the past decade, substantial City resources have been allocated to completion of specific plans for the City's main commercial expansion areas — the Margarita Area and the Airport Area. In addition, significant undeveloped acreage covered by these specific plans has been annexed to the City. Now that the annexation and the specific planning processes are mostly complete, it is timely to begin to apply economic development efforts to attract new businesses to the area and help existing City businesses expand here. Because retail is not an allowed land use in these areas, which are primarily designated for Business Park as well as Services and Manufacturing land uses, these areas are expected to support substantial growth of businesses that provide local head of household jobs. To facilitate development, a consultant will be retained to examine infrastructure phasing strategies and infrastructure financing strategies to identify and recommend specific strategies for the phasing and financing of infrastructure identified in the specific plans. In particular, there is a need to ensure that the requirements for infrastructure in the early stages of development in these expansion areas do not serve as an impediment to the first development project moving forward. The recommended approach must be consistent with General Plan policy, which dictates that development pays its fair share of costs.

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The success of this effort during the second year of the Financial Plan will be measured by completion and initial implementation of a strategy. Long term success will be measured by development of business locations and infrastructure in the expansion areas and improved head of household metrics, such as labor statistics regarding job growth, City median household income, permit processing statistics for targeted business types, number of new businesses, expansion of current businesses, and growth in City revenues.

C. Collaboration Committee

The effort of the Collaboration Committee started as the result of the Chamber of Commerce-sponsored trip to Boulder, Colorado. On that trip, representatives of the Chamber, the City, the County and Cal Poly came together and experienced, first hand, the possibilities when the public and private sectors worked together to promote business growth, entrepreneurship, and the attendant job creation.

Following the Boulder experience, the Chamber formed the Collaboration Committee with representatives from Cal Poly, the County, the City, and the business community/Chamber of Commerce with a kick-off meeting in May 2009. The mission of the committee is to better understand and effect change in the local region's entrepreneurial ecosystem. To do this, Committee resources were relied upon to bring perspective and define the steps needed to foster entrepreneurship in this community by facilitating an environment that is supportive and helps start-up companies prosper in an effort to grow head of household jobs. Administration staff, including the City Manager, has been instrumental in moving this project forward over the past two years.

Research was undertaken by two consultants to assess the key ingredients of an effective entrepreneurial ecosystem and to study similar communities in search of relevant models that have been successful in establishing an entrepreneurial ecosystem. The City provided partial funding for this effort along with Cal Poly and the Chamber of Commerce. Three communities were studied in depth, highlighting the value of strong public-private partnerships, a lead "agency" to coordinate all efforts, and the effects of a catalyzing individual. On the basis of these findings, the Collaboration Committee proposed formation of a separate coordinating organization that would begin by finding a key "champion" to lead the effort of bringing all stakeholders together. Rather than using an existing organization, a new organization was proposed in the interest of forging new relationships among all economic development entities countywide.

The Committee is now working to provide the resources to fund this effort. Both Cal Poly and the City have pledged funding, with the Chamber of Commerce and the County determining their contribution amounts. The "champion" will be responsible for creating a network that sustains a start-up friendly environment in the community, including (but not limited to) a formal mentor group, start-up service provider resources and entrepreneur networking opportunities. Long term success will be measured by increases in the number of new businesses and head of household jobs, growth of existing local businesses, greater business retention and increased investment income in the community.

Project Work Completed

Specific Plans

The Margarita Area Specific Plan, adopted in 2004, and Airport Area Specific Plan, adopted in 2005, set out the goals and requirements for development of these two expansion areas. With the annexation of Phase 1a including the Margarita Area and a large portion of the Airport Area in 2008, the stage has been set in support of future business expansion. However, despite numerous development proposals and efforts of staff to meet the requirements of such proposals, no projects have come to fruition. This is cause for concern as future business expansion depends on development of business building stock today.

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Business Retention and Expansion

The Business Retention and Expansion Program in the 2009-2011 Economic Development Major City Goal used the clusters identified in the EVC's Strategic Plan to direct the outreach to high-growth businesses in the City. In the first six months of the program, the Chamber of Commerce staff and City staff worked closely on the surveying process. The Chamber of Commerce staff and volunteers were instrumental in helping to fine tune the survey document and conduct the initial outreach. In early 2010, in recognition of the intensive time commitment necessary for participation in this program, the program responsibilities were reallocated to reflect concerns from Chamber staff. This significantly increased the burden of "getting a foot in the door" to complete surveys. However, the Chamber volunteers opened doors for surveying purposes and enabled an on-line surveying process that helped to increase the number of surveys completed during the current Financial Plan. None-the-less, completion numbers relative to the goal set for the work program continue to fall short of expectations. As a result, similar programs in other jurisdictions were examined for keys to their success. Of particular note was the high rate of surveying done by staff dedicated to the surveying process alone. Current workload constraints have not allowed City staff to dedicate time solely to the surveying process. It is recommended that this program be fine tuned as part of the Strategic Planning process so that efforts are strongly correlated with data collection about head of household job creation and match the scope of the program with available resources.

In addition to the surveying efforts, work with City business licensing data and GIS staff has resulted in better understanding of our business community. Staff has employed the data to produce metrics about how many businesses are active in the City, analysis of revenue generation in specific geo areas by square foot, determining the number of home based businesses and year over year analysis of the change in the number of businesses in the City.

Other Outreach

Other programs that were started as part of the Business Retention and Expansion Program in the current Financial Plan period will continue. Outreach via e-tips and the efforts of staff to be highly responsive to businesses in need of assistance continue to take priority. Furthermore, City staff developed a "Thrive" webpage to showcase the articles and videos that resulted from publication of the book as well as the multitude of other articles that highlight San Luis Obispo. The City's greatly enhanced ability to reach out to local businesses electronically has added essential tools that the City has available to support business outreach.

Economic Development Website

An effort funded by the Promotional Coordinating Committee (PCC) in the current year is development of a business attraction website. Currently under construction under the direction of the Chamber of Commerce, the business website is expected to launch in June 2011. It extends the welcome mat to businesses looking for information about how to locate and thrive in San Luis Obispo.

Fiber-Optic Infrastructure

There is ongoing work on ways to facilitate greater broadband penetration in our community through rental of existing City conduit. The City's Information Technology (IT) division has been working closely with our partners, Cal Poly via the Corporation for Education Network Initiatives in California (CENIC) and San Luis Obispo County, to determine ways to allow public-private partnerships to flourish. The work program for this Major City Goal will build on steps taken to facilitate public-private partnerships that can govern the use of the public facilities.

Collaboration Committee

Finally, the two-year work program of the Collaboration Committee, described above, has resulted in agreement between the stakeholders on a course of action to implement the findings of the Committee's research showing

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the need for creation of a network to sustain a start-up friendly business environment, namely an entrepreneurial ecosystem.

WORK PROGRAM CONSTRAINTS AND LIMITATIONS

The primary focus of this work program is head of household jobs. Each of the three tasks brings a different element essential to head of household job creation:

- Task A: A global strategy to guide the City’s economic development efforts for the next several years.
- Task B: A specific assessment of infrastructure phasing and financing strategies to facilitate development in the commercial expansion areas.
- Task C: Continued collaboration to create and sustain a start-up friendly business environment.

The success of this work program is predicated on all three elements being implemented during the Financial Plan period. Both Task A and Task B require contract services from qualified consultants to achieve the goal. The success of the goal will be measured by the development and adoption of two major strategies and through creation of a start-up friendly environment. Development of the two strategies will be linear, with the Economic Development Strategic Plan informing the strategy for expansion area infrastructure development. Collaboration efforts to create a start-up friendly economic environment will be on-going.

STAKEHOLDERS

The stakeholders for this program include City residents, the business community, the Chamber of Commerce, the Economic Vitality Corporation, Cal Poly, Cuesta College, a representative for broadband in the private sector, and San Luis Obispo County Economic Development staff. In the formulation of this work program, these stakeholders provided essential direction and perspective. In addition, these stakeholders will continue to be partners to bring perspective as the work progresses.

ACTION PLAN

Task A	Date
Economic Development Strategic Plan	
Create a Project Plan to guide development of the Economic Development Strategic Plan.	7/2011 - 9/2011
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.	7/2011 - 9/2011
Create a stakeholder group consisting of residents, business owners, property owners, and representatives of the County, EVC, Chamber of Commerce, Downtown Association and other community groups to provided input on the scope of work for the RFP.	9/2011 – 10/2011
Issue an RFP and scope of work for a contract to develop a City of San Luis Obispo Strategic Plan for Economic Development.	11/2011

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Execute the consultant contract, develop strategic plan, and present recommended Strategic Plan to Council for consideration including an implementation strategy for the 2012-2013 fiscal year.	1/2012-6/2012
Implement the new Economic Development Strategic Plan	7/2012-Ongoing
Task B	Date
Infrastructure in Expansion Areas	
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.	6/2012
Develop and present a program for Council consideration based on the recommendations in the report.	1/2013
Task C	Date
Collaboration Committee	
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

KEY WORK PROGRAM ASSUMPTIONS

This assumption is based on current staffing levels remaining static.

RESPONSIBLE DEPARTMENT

The Administration Department will be the lead in accomplishing all tasks. The 30% Finance and IT Analyst assigned to Economic Development will assist with the work. Other departments will play supporting roles in development of the Strategic Plan and Infrastructure Strategies.

FINANCIAL AND STAFF RESOURCES REQUIRED TO ACHIEVE THE GOAL

Along with significant staff commitment from Administration and particularly Economic Development staff (including the 30% F&IT Analyst), several other departments will be relied on to bring perspective to the Strategic Planning Process and to play a supporting role in the Infrastructure Strategy. As part of the Economic Development Strategic Plan, Community Development staff will review recommendations and provide advice on creating more certainty in the development review process. Current staffing levels, including the 30% of the Finance and IT Analyst, are required to achieve the goal.

During the two year Financial Plan period, ongoing expenses include updates to the new business website and investment in the work of the Collaboration Committee. Funding for contract services will be needed to complete a Strategic Plan for Economic Development and the Infrastructure Strategy analysis. The additional

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funding in the amount of \$105,000 over the two-year period is supplemental to the current funds programmed for Economic Development Contract Services.

Cost Summary

	Operating Programs		Capital Improvement Plan	
	2011-12	2012-13	2011-12	2012-13
Contract Services for Strategic Planning	50,000	0		
Contract Services for Infrastructure Strategy	0	60,000		
Ongoing website management and updates	5,000	5,000		
Collaboration Committee Investment	25,000	25,000		
Less Existing Unallocated	(32,500)	(32,500)		
Total	\$47,500	\$57,500	\$0	\$0

Funding Sources

	Operating Programs		Capital Improvement Plan	
	2011-12	2012-13	2011-12	2012-13
General Fund	47,500	57,500		
Total	\$47,500	\$57,500	\$0	\$0

GENERAL FUND REVENUE POTENTIAL

General Fund revenue will be derived from future increases in business tax, sales tax and the revenues generated over the long term by an expanded economic base. Additionally, the program to lease conduit for broadband penetration is expected to generate revenues under the terms of individual leases. No short term increases in General Fund revenues are forecast.

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These programs are expected to result in significant improvements in the City’s abilities to attract and retain businesses that bring head of household jobs to the community.

MAJOR CITY GOALS

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.

DISCUSSION

Measure Y Relationship: *This major City goal promotes efficiency and effectiveness in City government and the preservation of essential services, a top priority for the use of **Measure Y** funds.*

Proposed Scope of Work.

The proposed workscope consists of six major categories. Each category contains a number of key elements as detailed below:

Continue emphasis on effectiveness and efficiency of the City organization

- Perform organizational reviews on an ongoing basis
- Continue to review and implement ideas for savings or increased revenues as recommended by staff and community members
- Implement opportunities for managed competition in City functions as identified in organizational reviews
- Analyze City's organizational structure and evaluate possibilities for reorganizing functions to achieve maximum effectiveness in providing services to the community
- Implement benchmark analysis to compare key financial and outcome measures with comparable jurisdictions periodically

Continue to develop, review, modify, and implement Human Resources policies in support of fiscal sustainability

- Prioritize personnel cost drivers by potential cost savings and viability of implementation
- Develop a short term and long term strategy for personnel cost containment
- Negotiate cost containment actions through the standard, ongoing negotiation process
- Establish a process to continually review and monitor personnel costs and the impact of those costs on overall financial health

Ensure the stability and diversity of the city's revenue sources

- Examine threats to the Utility Users Tax from federal and state legislation and litigation and take action as needed
- Take steps to maximize existing revenue sources
- Explore the possibility of establishing a storm drain utility

Work with Council and the community to renew Measure Y

- Determine appropriate timing for ballot measure
- Depending upon timing of election, identify community priorities and develop needed educational materials

Identify and address long-term liabilities that are important to our fiscal sustainability

- Identify five-year capital improvement program that will responsibly protect the city's infrastructure assets including facilities maintenance needs
- Identify prudent replacement plan for fleet equipment, including establishment of a fleet internal service fund
- Identify prudent replacement plan for information technology assets, including establishment of a computer services internal service fund and appropriate capital improvement projects
- Review liability and workers compensation claims trends and establish a plan of funding as needed

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PRESERVATION OF ESSENTIAL SERVICES AND FISCAL HEALTH

- Work with CalJPIA to continually monitor liability and workers compensation claims to ensure best practices focusing on prevention are implemented

Continue to closely review and monitor the city's fiscal condition

- Update General Fund Five-Year Forecast at least twice annually, at mid-year and with recommended budget
- Prepare focused reports on areas of interest to city management and Council

Existing Situation.

Focus on Sustainability. Although experts have declared the “Great Recession” over, the General Fund is still suffering from its economic impacts. Revenue available to operate the City has dropped significantly. Our major revenues have, for the most part, reached bottom and started a slow, moderate climb. Unfortunately, while revenues are finally increasing, they are down from their recent peaks and in some cases, we do not expect them to return to past levels for some time. In the meantime, expenses have continued to increase, particularly in the area of staffing. This has resulted in a gap between revenues and expenses that will continue over the long term unless action is taken.

As the recession unfolded, Council took a number of budget balancing actions to close projected gaps. These included actions totaling \$4.8 million in 2008, and another \$11.3 million in the 2009-11 Financial Plan. Because the economy continued to deteriorate, an additional \$3 million in stop gap reductions were implemented in the second year of the 2009-11 budget.

Although the economy has stabilized, it has unfortunately left the City with a new fiscal reality. Our task now is to address the structural gap between revenues and expenditures and develop a Financial Plan which will be sustainable for the long term. In addition to the significant steps taken over the last several years to maintain our community's fiscal health, employee groups and the City recently agreed that salary costs would remain unchanged in calendar year 2011. In addition, there was agreement that most employees would be responsible for a larger share of their health insurance costs as premiums rose.

Although the City has continued efforts to prepare for our new economic reality, key challenges to fiscal sustainability remain. These include the dire financial condition of the State of California, increasing retirement costs for our employees, and ongoing infrastructure and asset maintenance needs. Fortunately, we address these issues with a number of strengths. We have strong financial systems and procedures in place. We have an engaged community and information on community priorities. We have committed staff and strong Council leadership. And we have a tradition of doing the right thing. All of these taken together will help us on our fiscal sustainability journey to align community priorities and financial resources over the long term.

Project Work Completed

The City has a number of key programs and policies in place that are focused on preserving the City's fiscal health, improving productivity, and containing costs. These include:

- A reserve policy which requires a General Fund balance that is at least 20% of operating expenditures
- Robust annual and interim financial reporting
- Multi-year budgets and long-term financial planning
- Use of technology to improve customer service, productivity, and access to information
- Strong fiscal policies to guide key financial decisions
- Efficient and effective human resources management
- Formal organizational reviews on a systematic, ongoing basis

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PRESERVATION OF ESSENTIAL SERVICES AND FISCAL HEALTH

In addition, one of the City's Major City Goals identified in the 2009-11 Financial Plan was the Preservation of Critical Services and Fiscal Health. Fourteen steps were identified in the action plan at that time, and significant work has been completed. All Memoranda of Understanding which expired this fiscal year were renegotiated for a one year period and costs were held at existing levels. This resulted in over \$700,000 of savings to our base employee costs. In addition, police management agreed to waive 2011 calendar year contractual increases resulting in savings of \$118,000 in 2011 and \$87,000 in 2012. An organizational review of the Public Works Department was initiated and is now in the final completion stages. A "Best Practices Review" of grant management is in the final stages and will be complete this year. All major City buildings have received an energy audit by PG&E and changes implemented to conserve energy. Light replacement is underway at the City Corporation Yard. And the Property Management Manual has been reviewed and updated.

During this fiscal year the focus on our budget and upcoming Financial Plan has been intense. The General Fund Five-Year Forecast was prepared in October rather than November in order to provide Council and staff with an understanding of our current fiscal position. A new Service Prioritization process was initiated to provide information on services provided and their costs. As part of the Financial Plan process, a Community Forum was held and the community was solicited for ideas on potential revenues and cost reductions. A five-year Capital Improvement Plan has been developed and will be incorporated into the Five-Year Forecast.

Due to the time spent on these efforts, some items in the action plan have not yet been completed. Most notably, the Benchmark Study which was scheduled for this year will be started next year.

WORK PROGRAM CONSTRAINTS AND LIMITATIONS

Constraints for this Major City Goal include:

1. The current and projected lack of staffing capacity in all areas to perform high level analysis and implementation.
2. The need to transition and orient a new Finance and Information Technology Director during 2011-12.
3. Uncertainties around other levels of government which impact our community. This includes impacts of the State budget crisis, and its effect on county services and local government employment.
4. The City's obligation to meet and confer with labor organizations regarding changes in wages, hours, and working conditions.

STAKEHOLDERS

The stakeholders for this Major City Goal are both internal to the organization and external. Community members have a vested interest in the long-term fiscal health of the City and preservation of critical services and assets. Internal stakeholders include all City employees.

Administration, Human Resources and Finance and Information Technology will be active in the development and implementation of the tasks identified. However, every department will be involved in accomplishment of this goal.

MAJOR CITY GOALS

PRESERVATION OF ESSENTIAL SERVICES AND FISCAL HEALTH

ACTION PLAN

The following summarizes key tasks and due dates:

Continue emphasis on effectiveness and efficiency of City organization	Date
1. Identify candidate departments for one structured organizational review. Issue RFP for consulting services to systematically address operating performance, cost reductions, and opportunities to improve service. Complete reviews and present to City Manager.	Aug. 2011 - Dec. 2012
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.	Aug 2011-Dec. 2012
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.	Analysis: Sept. – Dec. 2011 Schedule: by December 2011
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.	February 2012

Continue to develop, review, modify, and implement Human Resources policies in support of fiscal sustainability	Date
1. Develop short term and long term strategy for personnel cost containment and receive approval from Council prior to labor negotiations.	June – Sept, 2011
2. Negotiate cost containment actions through ongoing negotiation process with all employee groups.	Sept – Dec. 2011
3. Establish a process to periodically review and monitor personnel costs and the impact of those costs on overall financial health.	Ongoing

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Ensure the stability and diversity of the City's revenue sources	Date
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.	July – Dec. 2011
2. Conduct Business License Tax audit with Franchise Tax Board data.	Nov 2011 – May 2012
3. Conduct Transient Occupancy Tax audits.	June 2012 – Dec. 2012
4. Explore the possibility of establishing a storm drain utility and receive Council direction.	Dec. 2011 – Feb. 2013

Work with Council and the community to renew Measure Y	Date
1. Hire consultant to conduct public opinion research.	August 2011
2. Conduct public opinion research.	October 2011
3. Present survey results and analysis to Council and determine optimal timing of ballot measure.	November 2011
4. Initiate public information/education program.	January 2012

Identify and address long-term liabilities that are important to fiscal sustainability	Date
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.	Feb. 2011 – June 2012
2. Update Fleet Management Policy to reflect revised fleet life cycles. Develop long-term fleet replacement schedule. Establish Fleet internal service fund if determined to be appropriate.	July 2011 – June 2012
3. Evaluate Information Technology replacement needs. Develop long-term replacement schedule. Identify appropriate funding strategy, including potential Information Technology internal service fund.	July 2012 – June 2013
4. Review liability and workers compensation claims trends and establish a plan of funding if needed.	July 2012 – June 2013

Continue to closely review and monitor the City's fiscal condition	Date
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

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PRESERVATION OF ESSENTIAL SERVICES AND FISCAL HEALTH

KEY WORK PROGRAM ASSUMPTIONS

1. It is assumed that this work program can be accomplished within existing resources plus the cost of the consultant services identified. This assumption is based on current staffing levels remaining static.
2. Budget and fiscal policies and plans that have served the City well in the past will remain in place and continue to be effectively implemented.
3. The City will work constructively and collaboratively with employee associations, adhering to its obligation to meet and confer on matters affecting wages, hours, and working conditions.
4. Costs for consultant services are based on the range of similar work done in the past. Costs will vary based on the scope of the review and consultant selected.
5. Organizational changes will be managed using fundamental change principles including meaningfully engaging employees in developing solutions, communicating extensively and frequently about changes anticipated, listening and acting upon input from employees, and celebrating successes and learning from our efforts.

RESPONSIBLE DEPARTMENT

The Finance and Information Technology Department will take the lead role for this work program, with significant support from the Human Resources and Administration Departments.

FINANCIAL AND STAFF RESOURCES REQUIRED TO ACHIEVE THE GOAL

Along with significant staff commitment from Administration, Finance and Information Technology, Human Resources, and the operating departments, funds will be needed for Measure Y renewal activities and the organizational reviews.

Cost Summary

	Operating Programs		Capital Improvement Plan	
	2011-12	2012-13	2011-12	2012-13
Measure Y Renewal activities	25,000			
Organizational review consultant services	37,500			
Total	\$62,500	\$0	\$0	\$0

Funding Sources

	Operating Programs		Capital Improvement Plan	
	2011-12	2012-13	2011-12	2012-13
General Fund	62,500			
Total	\$62,500	\$0	\$0	\$0

GENERAL FUND REVENUE POTENTIAL

Proposed Business License Tax audits are anticipated to generate \$50,000 the first year and \$100,000 in the second year. These are ongoing revenues. We expect to generate additional revenues from Transient Occupancy Tax audits to be conducted in the second year. Other revenue opportunities, such as establishment of a Storm Drain utility would generate significant revenues which cannot be identified at this time. Renewal of Measure Y would continue to generate approximately \$6 million per year in 2015-16.

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PRESERVATION OF ESSENTIAL SERVICES AND FISCAL HEALTH

OUTCOME—FINAL WORK PRODUCT

Development and implementation of a variety of ongoing programs for preserving critical services and enhancing the City's fiscal health. These include long-term productivity improvements and cost reduction strategies, and significant increases in revenues.

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NEIGHBORHOOD WELLNESS

OBJECTIVE

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

DISCUSSION

Measure Y Relationship: *The major City goal for neighborhood wellness directly supports neighborhood code enforcement, a top priority for the use of **Measure Y** funds.*

Proposed Scope of Work

This plan proposes hiring additional staff and re-distributing duties among several City departments in order to provide increased enforcement of City codes, property maintenance standards and parking regulations within residential neighborhoods. The key elements of the plan are as follows:

1. Increase neighborhood outreach and stakeholder participation.
2. Increasing the monitoring of property conditions and enforcement of code violations in the City's neighborhoods.
3. Review and revise the current code enforcement practices to streamline efforts and achieve greater efficiencies.
4. Identifying and mapping neighborhoods in the City in order to provide a framework for location-specific initiatives and better communication between city staff and residents. (This will be done as part of the Land Use Element update.)
5. Reviewing and considering best practices used in other jurisdictions to further neighborhood wellness.
6. Evaluating how all City departments are currently coordinating responses to violations, and creating a more streamlined methodology for the pro-active reporting and enforcement of violations.
7. Further cross-training City employees to be the "eyes and ears" within neighborhoods to ensure code violations are pro-actively addressed rather than requiring the nuisance be called in by residents or other complainants.
8. Enhance pro-active efforts to deal with noise nuisances within residential neighborhoods.
9. Increasing enforcement of parking violations in the neighborhoods.

Review and Modification of Existing Code Enforcement and Neighborhood Wellness Policies

Section 1.24.010 of the Municipal Code requires staff to "...employ the philosophy of voluntary compliance when seeking compliance with this code." The section continues with very specific guidance to staff regarding enforcement: "Prior to implementation of the enforcement policies and penalties stated herein, voluntary compliance approaches, when practical, should first be used to educate City property owners and businesses concerning the requirements of the Code and the corrective action necessary to correct a violation of this Code." Staff proposes to improve consistency among the various facets of the City's code enforcement program descriptions and fee resolutions and bring back to the Council any amendments needed to reflect the more proactive program that is the subject of this goal.

Staff will also evaluate the composition and role of the City's Neighborhood Services Team to ensure they are aligned with neighborhood wellness policies and are operating in the most effective manner. This evaluation will include the appropriateness of adding community or other agency members to the team.

Consolidation of Neighborhood Code Enforcement

This work program proposes shifting responsibility for enforcement of all neighborhood code violations to the Community Development Department, including enforcement of Neighborhood Enhancement Ordinance

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NEIGHBORHOOD WELLNESS

violations currently being conducted by Police Department SNAP employees. Two new Neighborhood Services Specialist positions will be added to the Community Development Department to augment enforcement of code and parking violations in the neighborhoods, including:

1. Illegal conversions of non-habitable space to living areas.
2. Fence height violations.
3. Unpermitted fraternities and sororities and “satellite houses.”
4. Improper trash can placement,
5. Debris or furniture in front yards, on roofs, or in public areas.
6. Overgrown shrubs or yards.
7. Neighborhood parking, including front yard parking violations.
8. Other violations as defined in the neighborhood enhancement ordinance.

The new Neighborhood Services Specialists will be assigned to daytime duties, which will allow for more efficient identification of the types of violations they will be patrolling for. The employees will respond to complaints and reports of code violations, and will address violations pro-actively based on their own observations. The Police Department will continue to be responsible for the enforcement of noise violations in the neighborhoods utilizing SNAP personnel for warnings and Police Officers for citations.

Increased Neighborhood Parking Enforcement

The new Neighborhood Services Specialists will patrol for violations in permit parking districts as well as illegally parked vehicles on private property. These patrols will increase the identification of unpermitted parking spaces in front yard areas. An additional half-time Parking Enforcement Officer will augment the existing level of parking enforcement conducted by Public Works/Parking Officers on weekends. SNAP employees will continue to enforce parking violations in residential parking districts primarily during nighttime hours.

Public Outreach

A key component of the revised Goal is a public outreach and education campaign in advance of beginning the new program activities. A more aggressive enforcement program is likely to result in more people receiving citations, which is likely to result in complaints. Recent letters to the editor in the Tribune regarding the City’s enforcement of trash and recycling receptacles is an example of what can be expected when the City begins to issue more citations for property maintenance and parking. An information and education campaign is essential to provide residents an opportunity to learn about the new program and comply with regulations prior to enforcement.

Existing Situation

Overall coordination of the City’s efforts related to neighborhood wellness is accomplished by the Neighborhood Services Team, comprised of City staff from Police, Public Works, Fire and Community Development and led by the Neighborhood Services Manager in the Police Department. Enforcement of the various codes related to neighborhood violations is conducted by several City departments.

- The Current Planning Division of the Community Development Department establishes policies and procedures for determining residential parking standards and maintains a database of approved parking areas in front yards.
- The Police Department Office of Neighborhood Services, through the Student neighborhood Assistance Program (SNAP) addresses low-level code enforcement violations visible from the public right of way, such as trash can placement, debris in yards, overgrown shrubbery and weeds (implementing this goal will

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reassign these code enforcement duties to Community Development). SNAP employees are also responsible for enforcing residential parking standards and noise ordinance violations.

- The Fire Prevention Bureau within the Fire Department handles fire hazards such as tall weeds and conducts life safety inspections for businesses and residential apartments as required by state law.
- The Code Enforcement Office, within the Building & Safety Division of the Community Development Department, investigates violations of many different building and zoning regulations, including serious violations involving potentially hazardous conditions.
- The Long-Range Planning Division of the Community Development Department prepares land use and area plans within the City.
- The Utilities Department provides services to ensure accumulated waste does not create nuisances in neighborhoods and the community's wastewater system does not suffer negative impacts from illicit discharges.
- Currently, Parking Enforcement Officers respond to complaints and conduct pro-active enforcement of parking violations in neighborhoods usually in the morning hours prior to addressing parking problems in other areas of the City. Existing parking officers work Monday through Saturday from 9:00 AM to 6:00 PM. High enforcement demand in retail areas of the City limit the amount of time parking officers are available to patrol the neighborhoods, where violations are less frequent. Police Department SNAP employees conduct enforcement of residential parking district violations during dedicated parking enforcement shifts and on a continual basis as they are conducting their other duties.
- The Public Works Department enforces illegal encroachments within the City's right of way areas, coordinates citizen requests for traffic management and neighborhood parking districts within neighborhoods, including parking violations in neighborhoods, oversees flood protection regulations, and maintains infrastructure related to neighborhood wellness, such as street lighting, roadways, directional signage and trees.
- The Finance & Information Technology (FIT) Department administers the City's Business tax and licensing program, including residential rental properties, and processes invoices for administrative fines for code and noise violations.
- The Geographic Information Systems division in the FIT Department produces maps based on geographic attributes.
- The City Attorney's Office provides legal support for enforcement related activities, and initiates judicial action if necessary to achieve compliance.

Project Work Completed

In 2007-2009, Neighborhood Wellness was addressed through implementation of the Major City Goal titled "Increased Building & Zoning Code Enforcement and Community Appearance". At that time staffing increases were approved for the Student Neighborhood Assistance Program (SNAP) and the Code Enforcement Office. The action plan for that goal included development of a Neighborhood Wellness Work Plan which was created through collaboration among several city departments and community stakeholders. Since the implementation of this plan, the number of code violations that are identified by city staff increased significantly, creating a more pro-active program. Code Enforcement staff still utilizes this work plan to direct their priorities. The work plan has elements that are relevant to this new Major City Goal and could provide a good foundation to build upon, including:

1. Increasing outreach in order to increase reporting of code violations.
2. Cross training City employees to recognize and report serious code violations.
3. Quickly addressing complaints that jeopardize safety or create neighborhood blight.

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NEIGHBORHOOD WELLNESS

4. Examining enforcement policies to ensure they are effective as a deterrent to violations and are used as a corrective mechanism.
5. Identifying high priority violations that affect our neighborhoods.

Other neighborhood issues, such as noise complaints, have been addressed through increased education and enforcement and will continue to be a significant focus of neighborhood efforts.

WORK PROGRAM CONSTRAINTS AND LIMITATIONS

Expanded outreach and stakeholder involvement will be necessary to fully implement the proposed action plan, including revision of policies and implementation of new practices. Code enforcement issues often deal with inspecting private property areas and proposed changes to the program will need to be reviewed by the City Attorney's Office prior to implementation to ensure they comply with legal constraints.

Increasing code and parking enforcement in the neighborhoods is likely to generate complaints from neighborhood residents who have not been subject to regular enforcement of these types of violations. Some residents may feel the enforcement is inappropriate and intrusive. Recently, staff has received complaints regarding the new trash can regulations for this reason.

The revenue generated by the additional parking officer is not likely to off-set the cost of the new position and associated equipment. Generally, parking violations in neighborhoods are less frequent and sporadic than in retail areas and once citations are issued, compliance by residents tends to be relatively high. In addition, parking violations and associated revenue has declined in recent years due to increases fine amounts driven by State surcharges on parking citations.

Increased enforcement of code violations will likely increase the workload of the City Attorney's office in prosecuting violations that are not corrected after initial enforcement action. Staff will examine the processes involved to determine if any streamlining is possible. Reduction in resources of the City Attorney's could result in delayed prosecution of violations.

Human Resource Review

Because these are newly proposed positions, staff has not had time to fully develop the required documentation such as job descriptions and organizational flow charts. The assumptions at this time are that the two new Neighborhood Services Specialist positions will be placed in a compensation bracket between a Parking Enforcement Officer and a Code Enforcement Officer position. Final analysis of the position classification must be done by the Human Resources department to verify compensation is commensurate with the duties and responsibilities of the position and it is classified equitably compared to other positions within the organization. Subsequent review of the organizational structure within the Community Development Department may also be necessary due to the increased workloads and potential implications of expanding the code enforcement program. This could lead to a re-organization and potential reclassification of other positions within the department which may have cost implications for the program.

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NEIGHBORHOOD WELLNESS

Strategies for Successfully Overcoming the Challenges

Coordination with Neighborhood Groups, Student Groups and Other City Residents

Increased efforts to meet with existing neighborhood groups, student organizations, homeowner associations and property owner organizations are anticipated in order to solicit feedback regarding the program objectives. Information gathered could help steer the public outreach efforts which will be an important component of the program. Staff from the Community Development Department and the Office of Neighborhood Services will collaborate in this effort.

Public Outreach

It is highly recommended that a well devised public outreach effort be done prior to asserting more aggressive enforcement tactics within the neighborhoods. In order for the program to be successful it will be important for residents to know and understand the various regulations that will be enforced. Use of a professional advertising firm to assist with the development of the public messaging will be needed to augment the advertising expertise of existing City staff. Once the information is created staff could use several methods to deliver it. Development of a Public Service Announcement to be utilized on Channel 20 or the radio; including information within utility bills, newspapers such as the New Times or Mustang Daily; or other local publications can be done. Additional efforts to meet directly with the residents of the neighborhoods should also be done in case the other methods do not prove to be effective with residents not typically exposed to these mediums. Launching the program with a “soft start” could also be considered which would mean that staff would distribute information only when a violation is encountered until a well advertised start date, then notice of violations or citations would begin.

STAKEHOLDERS

Stakeholders include City residents, student groups, property owners and property managers.

ACTION PLAN

Task	Date
1. Community Coordination on New Program Elements	On-going
2. Review City policy regarding voluntary compliance & evaluate Neighborhood Services Team.	July - Sept 2011
3. Create new job classification of Neighborhood Services Specialist	Oct 2011
4. Develop Public Outreach Program	Aug - Nov 2011
5. Public Outreach Campaign	Jan -Mar 2012
6. Hire additional staff	Feb 2012
7. Train new staff	Feb - Mar 2012
8. Begin “soft start” of program	Mar - Apr 2012
9. Begin full enforcement efforts	May 2012
10. Monitor Progress and solicit feedback from external stakeholders	On-going
11. Database enhancements and information sharing improvements	On-going

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NEIGHBORHOOD WELLNESS

KEY WORK PROGRAM ASSUMPTIONS

1. Council support for reducing the number of warnings provided before citations are issued. Currently the City provides multiple warnings before issuing citations. This process increases the amount of staff time spent on individual violations and limits the time that would otherwise be spent identifying new violations. The number of violations processed is expected to increase substantially with the program changes proposed. In order to increase the proportion of time the new enforcement staff spend in the field identifying new violations, as opposed to time spent on repeat warnings, the new program strategy is to follow-up the initial warning with a citation if corrective action is not taken.
2. On-going Council support for increased enforcement efforts as the program goes through its start-up period especially when complaints that the program is too aggressive surface. This assumption is based on the feedback received from recent enforcement of trash and recycling receptacles.

RESPONSIBLE DEPARTMENT

The Chief Building Official, within the Community Development Department, will act as the lead position for this goal. Neighborhood blight and zoning code conformance will be the responsibility of the Community Development Department. The Police and Public Works Departments will continue to focus on noise nuisances and parking violations, however sufficient cross-training will be done in order to recognize other neighborhood wellness issues can be identified by these personnel and be referred to Community Development Department for follow-up action.

FINANCIAL AND STAFF RESOURCES REQUIRED TO ACHIEVE THE GOAL

Cost Summary

	Operating Programs		Capital Improvement Plan	
	2011-12	2012-13	2011-12	2012-13
1/2 time Parking Enforcement Officer	24,200	38,000		
(2) Neighborhood Services Specialists	81,000	162,000		
2 Computers and workstation modifications	10,000			
2 Motorola MC65 (E-Ticket Package) (Optional)	15,000			
Public Outreach Funding	10,000			
2 Ruggedized laptop computers	11,000			
Operating Budget	5,000	5,000		
Total	\$156,200	\$205,000	\$0	\$0

Funding Sources

	Operating Programs		Capital Improvement Plan	
	2011-12	2012-13	2011-12	2012-13
Parking Fund	24,200	38,000		
General Fund	132,000	167,000		
Total	\$156,200	\$205,000	\$0	\$0

GENERAL FUND REVENUE POTENTIAL

It is unlikely there will be a significant General Fund revenue enhancement as a result of achieving this goal.

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NEIGHBORHOOD WELLNESS

Because the plan recommends significant public outreach and a “soft start” which will delay revenue potential during much of the first year and three months of strict enforcement prior to the second year may lead to greater compliance throughout neighborhoods which is the key objective, staff cannot predict the potential for revenues.

OUTCOME—FINAL WORK PRODUCT

The outcome of implementing this operating program change will be an increase in the number of code violations identified and corrected. The result of this will be improved compliance with City regulations and an improved appearance in the City’s neighborhoods.

MAJOR CITY GOALS

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).

DISCUSSION

Measure Y Relationship: *This Major City Goal for relieving traffic congestion directly supports a top priority for the use of Measure Y funds.*

Proposed Scope of Work

The work program consists of the following key elements:

Maintaining staff efforts on roads, transit and other programs for congestion relief and safety.

1. Continue on-going implementation of the Traffic Operations, Traffic Safety programs. These two programs are the City's primary mechanisms for identifying and correcting existing traffic safety and congestion issues.
2. Continue on-going implementation of a reduced Neighborhood Traffic Management (NTM) Program. The NTM will be limited to small and moderate scale projects due to continued budget reductions in the CIP project allocation and budget reductions in temporary staffing. Staff will return to Council with additional funding and staffing requests for large scale projects as needed on a case by case basis.
3. Maintain current customer service levels for traffic related citizen requests regarding traffic congestion and traffic concerns.
4. Respond to public inquiries and concerns regarding traffic and traffic facilities.
5. Maintain basic levels of transit service for SLO Transit and coordinating with SLO Regional Transit Authority (RTA) to find efficiencies during a time of transit funding shortfalls.

Adding capacity and implementing operational improvements at congested locations

1. Complete widening of Tank Farm Road and Broad Street intersection.
2. Complete new traffic signal installation at US 101 and Grand Avenue.
3. Complete widening/reconfiguration of Los Osos Valley Road between Froom Ranch Way and Royal Way.
4. Complete reconfiguration of traffic signals at Higuera and Marsh as well as at Higuera and High Street.
5. Complete widening, signal reconfiguration, and railroad crossing upgrades at Foothill & California.(may be nearly complete by July 1, 2011)
6. Seek grant funding to complete widening of Higuera Street in front of 50 Higuera (Caltrans District Office) to accommodate a two-way left turn lane.
7. Work with developers in the Margarita area to begin a phased in approach to improving Prado Road in the "west end" of the Specific Plan area.

Convert relinquished Route 227 signal system to be compliant with the City's traffic control network

1. Complete conversion of relinquished Route 227 traffic signal equipment along South & Broad Street.
2. Optimize traffic signal timing and operations along Broad Street and maintain/operate new facilities and infrastructure with reduced resources.

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TRAFFIC CONGESTION RELIEF

Expand travel options including transit, bicycle and pedestrian facilities

1. Continue on-going construction and repairs of city sidewalks to improve accessibility for pedestrians.
2. Continue to pursue Federal and State grant funding for traffic safety, operations, and multimodal projects such as bikeways and pedestrian paths including:
 1. Continuing with bicycle improvements such as the Railroad Safety Trail and Bob Jones City-to-the Sea Trail
 2. Continuing to promote alternative transportation through marketing and education outreach.
3. Implement elements of the Short Range Transit Plan (SRTP) update and Bicycle Transportation Plan update as funds permit.
4. Obtain grants and prepare for debt financing for the Los Osos Valley Road (LOVR) interchange construction and other projects to reduce the burden on the General Fund.
5. Complete a class I bicycle and pedestrian connection at Laguna Middle School.

Adequately plan for future traffic conditions and needed major transportation infrastructure

1. Begin update of the City's Land use and Circulation Elements. Identify and study potential operational and capacity improvements such as: conversion of Marsh Street to a two-way roadway between Johnson Avenue and Santa Rosa Street to improve access and congestion in the area, investigate the potential for an LOVR bypass between Higuera and US 101, on-street parking removal to increase lane capacity along congested corridors such as Osos Street and California Blvd., interchange closures or modifications to improve US 101 capacity, and Hwy 1 improvements as identified in the Hwy 1 Major Investment Study.
2. Updating the City's Bicycle Transportation Plan which is due in 2012 to retain eligibility for Bicycle Transportation Account grant funding.

Existing Situation

Over the course of the last decade the City has completed many significant traffic congestion relief projects through numerous programs and grants. Development and implementation of these have yielded significant results, currently 93% of intersections throughout the City are operating above minimum level of service standards. The importance of continuing these efforts and providing for the most efficient and economically feasible circulation system is evident given the continued community identification of traffic congestion relief as a major goal for the City.

Public Works is the primary department responsible for identifying and developing solutions to traffic congestion and safety issues within the City, for both motorized and non-motorized modes such as cyclists and pedestrians. This often leads to recommendations to provide additional capacity (as outlined in the Circulation Element) in order to accommodate current and future traffic demands. In addition, opportunities for small scale operational improvements to the street system, traffic striping or signage, signal coordination system, bicycle and pedestrian improvements, and mass transit service improvements are frequently identified. The two primary mechanisms for providing this function are the City's traffic safety and operations programs, where annually for safety and biennially for operations staff prioritizes and ranks all facilities throughout the City and implements measures at the top ranking locations to improve safety and reduce traffic congestion. These programs have been recognized internationally as the most effective in the industry. Since the safety program began in 2002, the City has reduced collisions by over 45%, the traffic operations program began in 2009 however staff is expecting similar results in congestion relief as the program matures.

In addition to these programs, the City has also developed a state of the art user desktop based Traffic Signal Management System for operations, management, monitoring and maintenance of the City's 66 traffic signals, 4 flashing beacon systems, and 4 active speed feedback facilities. This system also provides automated alerts for

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TRAFFIC CONGESTION RELIEF

critical system failures and errors. It's important to note that currently the City operates its traffic signals with operations and maintenance staffing significantly below minimum industry recommended levels, it is however still possible to maintain acceptable service levels most of the time because this state of the art signal system buffers staff resource demands. However, maintenance and operations staff resources are occasionally not available for response to various issues. For example signal outages, malfunctions, and software errors often take several days to correct causing unacceptable congestion and delays during those downtimes.

Project Work Completed

Traffic Congestion Relief is a broad goal with associated project work being completed in numerous projects and programs. The most notable project work completed as part of the City's 2009-11 Capital Improvement Program, Traffic Safety Program, and Traffic Operations Programs are summarized below

- Update of the City's Travel Demand Model
- Hwy 1 Major Investment Study
- 2009 Annual Traffic Safety Report
- 2008/09 Biennial Traffic Operations Report
- South Street Road Diet
- Los Osos Valley Road Capacity Improvements
- Aero Drive Realignment & Signal Installation
- Double Decker Bus Transit Service
- Marsh Street Interchange Pedestrian Trail
- Downtown Pedestrian Signal Upgrades
- Hawthorne Safe Routes to School Improvements
- SLO High School Safe Routes to School Improvements
- Laurel & Orcutt Signalization w/ Bicycle Phasing
- Madonna Inn Bike Path
- Railroad Safety Trail Phase 4a Construction Progress
- Marsh Street Signal Upgrades
- 50+ Traffic Signal Operation Optimizations per year
- 200+ Customer Service Traffic Requests per year
- Laguna Village Shopping Center Negotiations
- Pismo & Buchon NTM Progress
- S. Chorro Street NTM Progress
- Palm & Nipomo Parking Structure Study
- US 101 & Grand Ave. Signalization Design

Due to the impacts of the current economic climate, many infrastructure improvements associated with development projects have not occurred. Most notably the Prado Road extension between Higuera and Broad Street is the responsibility of development and will likely happen in a reduced or phased approach due to the delay in residential development in that specific plan area.

CONSTRAINTS AND LIMITATIONS

1. With acquisition of Highway 227 the Transportation Division is currently operating at approximately 103% of its current staffing resource capacity. The Division can deliver this Major City Goal and maintain services levels at this staffing level if no new significant work efforts are introduced. There is limited ability to add significant new work efforts, unless new resources are allocated or core service tasks are reprioritized.
2. Any new work efforts not already identified will require reallocation of staffing resources away from Major Council Goal projects and programs.
3. If the SOPC request to maintain the proposed Engineer II position for the full FY 2011-13 period is not approved, the Transportation Division will no longer have the staffing capacity to maintain full efforts on the Traffic Safety, Operations, and Neighborhood Traffic management programs which are the primary mechanisms for delivering this goal.
4. Estimated project costs for this work program are based on recent bids for funding currently anticipated to be available to complete the work. Depending upon final general fund allocations, the current financial situation could impact the City's ability to fund the Capital Improvement Plan as currently recommended.
5. It is anticipated that several projects will require additional funds for construction to begin. If additional grant funds are not acquired, and General Fund dollars are not available, the projects will not begin construction and will have to wait for future funding.

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6. Significant reductions in transit operational funding will make it difficult to maintain current service levels, let alone implement new service recommendations of the Short Range Transit Plan.
7. Because of funding commitments to keep the Los Osos Valley Road Interchange on schedule, other projects must wait for accumulated Transportation Impact Fee (TIF) funds for design and construction. The revised TIF program better reflects the new costs of capital projects and passes on the appropriate share to new development. Unfortunately, the projected state of the development industry makes it unlikely that TIF revenue will be secured in its historical pattern.
8. Infrastructure improvements tied to new growth areas will be delayed due to the economy and may be implemented in a phased approach when development activity returns to historical levels.
9. Approval of the construction documents for the LOVR Interchange is subject to Caltrans and federal review timelines, defense of the legal challenge to environmental determination and therefore the date of approval cannot be guaranteed.
10. Given the projections for the 2011-13 City budget, funding available for traffic congestion relief projects such as sidewalks, curb ramps, traffic calming devices, and bicycle facilities may be limited or not available until a later fiscal year.

STAKEHOLDERS

The primary stakeholders for this program are the residents of our community and other users of the circulation system, including bicyclists, transit riders, pedestrians and motorists. Other stakeholders include the business and development community, transportation providers such as freight carriers and transit operators, and the disabled community.

ACTION PLAN

Task	Date
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 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.	July 2011

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Broad Street/South Street Intersection Improvements	
1. Begin minor intersection widening, installation of NB Dual Left Turn Lanes and restriping as part of Village At Broad improvements.	July 2011
2. Complete Village At Broad improvements on Broad Street.	Nov 2011
Traffic Safety & Operations Programs	
1. Complete and present 2010 Annual Traffic Safety Report and 2010/11 Biennial Traffic Operations Report to Council for approval.	Nov 2011
2. Implement Safety & Operations Report Recommendations.	June 2012
Grand & 101 Traffic Signal Installation	
1. Complete Design.	Completed
2. Acquire Caltrans Permit & Authorization / Begin Construction.	Aug 2011
Widening, Signal Reconfiguration, and RR Crossing at Foothill & California	
1. Complete Design	Completed
2. Acquire RR Approvals / Begin Construction	TBD
Conversion of Relinquished Route 227 Traffic Signal Facilities	
1. Complete design.	Completed
2. Begin Construction.	July 2011
3. Complete Traffic Signal Timing and Operations Optimization.	Jan 2012
Mid Higuera Widening and Signal Upgrades	
1. Complete design.	July 2011
2. Begin Construction.	Oct 2011
Los Osos Valley Road Interchange	
1. Complete construction plans and specifications.	Dec 2011
2. Complete right of way acquisition.	Dec 2011
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.	May 2011
2. Begin Construction.	July 2011
3. Complete Post Project Studies.	June 2013
Bicycle Transportation Plan Update	
1. Begin Update of the Bicycle Transportation Plan.	June 2011

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2. Update the City's Bicycle Transportation Plan to maintain eligibility for State grant funding.	Dec 2012
Tank Farm Road Intersection Improvements	
1. Complete project design.	June 2011
2. Begin construction.	Oct 2011
Railroad Safety Trail – Hathway to Taft	
1. Complete construction documents.	July 2012
2. Pursue additional funding.	Ongoing
3. Award contract and begin construction.	June 2013
Railroad Safety Trail – Taft to Pepper (Replaces Highway 101 Crossing project)	
1. Obtain CHP, UPRR, and PUC approvals.	June 2012
2. Complete project design.	June 2013
3. Pursue additional funding.	Ongoing
4. Complete construction drawings.	June 2014
5. Begin Construction.	TBD
Bob Jones City-to-Sea Trail Connection to LOVR	
1. Pursue outside funding for trail connections.	Ongoing
2. Complete construction drawings.	TBD
Bob Jones City-to-Sea Trail Connection to Octagon Barn	
1. Seek/obtain funding for study.	Ongoing
2. Complete project study.	TBD
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

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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

KEY ASSUMPTIONS

1. The contract Engineer II position that was part of the budget balancing strategies for FY 2011-13 which is currently funded half through grants and half through the general fund will be funded with General Fund resources as of July 2011 and for the 2011-13 Financial Plan. Please refer to the associated SOPC for this position.
2. Updates of the Land Use & Circulation Element updates are approved and necessary funding for contract services is allocated to backfill regular staffing to perform other important objectives. Please refer to associated SOPC for the Land Use & Circulation Element Updates.
3. Overall staffing reductions as a result of budget balancing strategies will not reduce the ability to design and inspect projects in a timely manner or to do Community outreach and consensus building on controversial projects.
4. Approvals by other jurisdictions and entities such as UPRR, Caltrans, Air Pollution Control District, US Army Corp of Engineers, etc. will be obtained within reasonable time frames.

RESPONSIBLE DEPARTMENT

The Public Works Department, traffic engineering section will be primarily responsible for achieving much of this goal and completion of the identified steps. The Natural Resources Manager, City Biologist, and Community Development Department and Public Works Engineering will assist with various issues that may arise on each of the various projects.

FINANCIAL AND STAFF RESOURCES REQUIRED TO ACHIEVE THE GOAL

The financial and staffing resources required to achieve this goal are summarized in the table below. Essentially, in order to fulfill this Major City Goal the Transportation Staffing SOPC retaining a contract Engineer II in the Transportation Division must be approved in addition to all associated CIP’s. Also due to the current staffing capacity in the Transportation Division there is limited ability to add significant new work efforts, unless additional resources are allocated or priorities are shifted within the proposed action plan.

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TRAFFIC CONGESTION RELIEF

Cost Summary

	Operating Programs		Capital Improvement Plan	
	2011-13	2012-13	2011-12	2012-13
Bicycle Facility Improvements			25,000	25,000
Bob Jones Bike Bridge Connection to LOVR			181,000	0
Bob Jones Bike Trail: Octagon Barn to LOVR			0	40,000
LOVR Interchange			0	0
Neighborhood Traffic Management			20,000	20,000
RR Safety Trail: Hathway to Taft			50,000	250,000
RR Safety Trail: Taft to Pepper			158,000	0
Traffic Counts			48,000	0
Traffic Operations Report Implementation			30,000	0
Traffic Safety Report Implementation			25,000	25,000
Sign Maintenance	3,000	3,000	66,500	66,500
Traffic Engineering Staff	116,600	123,200	0	0
Total	\$ 119,600	\$ 126,200	\$ 603,500	\$ 426,500

Funding Sources

	Operating Programs		Capital Improvement Plan	
	2009-10	2010-11	2009-10	2010-11
General Fund	119,600	126,200	322,500	111,500
Transportation Impact Fee			73,000	25,000
State Bicycle Transportation Account Grant			50,000	250,000
State Highway and Other Grants			158,000	40,000
Total	\$ 119,600	\$ 126,200	\$ 603,500	\$ 426,500

GENERAL FUND REVENUE POTENTIAL

There is no direct potential for General Fund revenues from these projects, however traffic congestion relief will improve access within the City which can increase sales tax and transient occupancy tax revenues. Also traffic congestion relief projects have a direct economic benefit to the traveling public in terms of the societal costs (fuel consumption, pollution, value of personal time, etc.) associated with driving in the City.

OUTCOME—FINAL WORK PRODUCT

These programs and projects should result in significant improvements in reducing traffic congestion in key locations in the City.

OTHER IMPORTANT OBJECTIVES

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.

Measure Y Relationship: *This major City goal for open space preservation directly supports a top priority for the use of **Measure Y** fund.*

OUTCOME—FINAL WORK PRODUCTS

Anticipated final products from the successful implementation of this objective include:

1. A formal agreement for easement or fee ownership of the Chevron Tank Farm open space lands (plus a sizable restricted fund to pay for maintenance thereof), resulting in the addition of 260 acres of ecologically significant open space lands on both sides of Tank Farm Road. Title transfer would occur after completion of remediation projects and a certain level of infrastructure development there, which will take several years.
2. One or possibly two new conservation easements (held either by the City or by the Land Conservancy) on agricultural land near Camp San Luis Obispo.
3. A new conservation and public access easement at Righetti Hill in the Orcutt Specific Plan Area, totaling about 50 acres, with future additions, allowing for trail use there.
4. Possible fee ownership of large portions of the Upper Goldtree Vineyard Tract lots (King and Filipponi/ Twissleman properties), where proposed residential development has been controversial for the past several years, adding up to 140 acres to the greenbelt and to Reservoir Canyon Natural Reserve.
5. Preparation and completion of a Conservation Plan for Reservoir Canyon Natural Reserve.
6. Possible trail connections from the Froom Ranch to Calle Joaquin and Johnson Ranch.
7. Progress on implementation of the master plan for the farmland acreage at the Calle Joaquin site.
8. Measurable increases in trail lengths usable to the public.
9. Measurable improvements in conditions on the City's waterways, such as length of near-stream areas thinned and pruned, volume of debris removed, and amounts of exotic vegetation removed and native species planted or established; and
10. Development of a maintenance plan for Laguna Lake, including potential funding sources.

The City Council has consistently supported the growth and maturation of the Natural Resources Protection Program as one of the City's signature programs.

OTHER IMPORTANT OBJECTIVES

OPEN SPACE PRESERVATION

ACTION PLAN

Task	Date
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.	June 2012
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.	Oct 2011
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	Oct 2011
3. Complete public workshops for the maintenance plan.	Feb 2012
4. Draft the maintenance plan, and begin circulation.	June 2012
5. Presentations of Draft Plan to: Stakeholders, Parks and Recreation Commission, and Planning Commission for review, comment, and recommendations to the City Council.	Nov 2012
6. Adoption of Maintenance Plan by Council.	Dec 2012

OTHER IMPORTANT OBJECTIVES

OPEN SPACE PRESERVATION

RESPONSIBLE DEPARTMENT

Administration will be the department primarily responsible for implementation of both of the above programs, with support from the Parks and Recreation and Public Works Departments. The Natural Resources Manager will be the lead staff person involved in the programs, supported primarily by the City Biologist.

FINANCIAL AND STAFF RESOURCES REQUIRED TO ACHIEVE THE GOAL

By approving the recommended City budget allocation (\$175,000) to the Greenbelt Acquisition CIP and the recommended allocation to the Froom Ranch CIP (\$85,000), the financial resources deemed necessary and available from the City will be in place to successfully complete the two to three anticipated transactions, and to install the improvements anticipated at the Irish Hills Natural Reserve. In addition, the current level of expenditure for contractors and consultants for the Natural Resources Program or from Zone 9 funding will be sufficient to cover costs of preparation of the Laguna Lake Maintenance Plan.

Cost Summary

	Operating Programs		Capital Improvement Plan	
	2011-12	2012-13	2011-12	2012-13
Greenbelt Acquisition			175,000	0
Froom Ranch Improvements			62,500	22,500
Total	\$0	\$0	\$237,500	\$22,500

Funding Sources

	Operating Programs		Capital Improvement Plan	
	2011-12	2012-13	2011-12	2012-13
General Fund			237,500	22,500
Total	\$0	\$0	\$237,500	\$22,500

OTHER IMPORTANT OBJECTIVES

INFRASTRUCTURE MAINTENANCE

OBJECTIVE

Measure Y Relationship: *This objective directly supports infrastructure maintenance including neighborhood street paving and pothole repair, a top priority for the use of Measure Y funds.*

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.

OUTCOME—FINAL WORK PRODUCT

Resources will be invested in the City's infrastructure at an increased level to address deterioration of infrastructure. The Capital Improvement Program will include projects that accomplish this objective, and those projects will be completed using a combination of City engineering staff and consultants. Infrastructure maintenance not only provides a better appearance for visible structures, but also delays the need to completely replace the infrastructure. Complete replacement is more costly and disruptive to the users of the facility. Regular infrastructure maintenance is important to reduce future liability to the City by mitigating the higher costs for replacement and by reducing the risk of failure of the infrastructure.

STAKEHOLDERS

The primary stakeholders for this program are the residents of our community and other beneficiaries of the City's investment in its infrastructure assets, which include streets, sidewalks, parks, bikeways, flood protection facilities, and buildings. Other stakeholders include the business and development community, transportation providers such as transit operators, and visitors.

ACTION PLAN

Work completed under the action plan is a combination of major maintenance activities accomplished through the Capital Improvement Plan and ongoing maintenance through the operating programs in Public Works, Utilities and Parks & Recreation. Work managed by Capital Improvement Plan Engineering Staff will have a critical path project schedule developed by May 2011. Staff will work off these schedules to meet target dates for delivery. These schedules will be based on the best available information at the time of scheduling and the schedules will be updated as the project work solidifies. Factors that could change the delivery schedules are, revised project scopes, changed project priorities, and new and higher priority work being added to the project list.

Task	Date
BUILDINGS & FACILITIES	
1. Exterior Painting of Parks and Recreation Building	June 2012
2. Police Facility Air Volume Control Modifications	June 2012
3. Fire Station #3 Engine Bay Slab Replacement	June 2013
4. City Hall Steps	June 2013

OTHER IMPORTANT OBJECTIVES

INFRASTRUCTURE MAINTENANCE

Task	Date
CREEK & FLOOD PROTECTION	
5. Silt Removal	June 2013
6. Broad Street Bank Reinforcement Design	June 2013
7. Storm Drain Culvert Repair Design	June 2013
8. Storm Drain Pipe Replacement – Year 1 & Year 2	June 2012 & June 2013
9. Toro Street Bank Stabilization	June 2013
PARKING SERVICES	
10. Marsh Street Parking Structure Painting	June 2013
11. Downtown Parking Lot Resurfacing Design	June 2013
PARKS & PUBLIC PLACES	
12. Playground Equipment Replacement	June 2013
13. Meadow Park Roof Replacement	June 2012
14. Warden Bridge Deck/Mission Plaza Walkway Rehabilitation	June 2013
STREETS	
15. Traffic Sign Maintenance Program – Year 1 & Year 2	June 2012 & June 2013
16. Pavement Maintenance – Year 1 & Year 2	June 2012 & June 2013
17. Sidewalk Repair – Year 1 & Year 2	June 2012 & June 2013
WASTEWATER	
18. Laguna Lift Station	June 2013
19. Calle Joaquin Lift Station Replacement	June 2013
20. Wastewater Collection System Improvements – Year 1 & Year 2	June 2012 & June 2013
21. Water Reclamation Facility Major Maintenance – Year 1 & Year 2	June 2012 & June 2013
WATER	
22. Water Distribution System Improvements – Year 1 & Year 2	June 2012 & June 2013

OTHER IMPORTANT OBJECTIVES

INFRASTRUCTURE MAINTENANCE

Task	Date
REGULAR MAINTENANCE 23. 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

RESPONSIBLE DEPARTMENT

Operating program managers and departments are responsible to complete ongoing maintenance at levels determined by program resources. Current proposed budget reductions in the various programs, such as small reductions in janitorial services or reductions in maintenance materials and supplies, coupled with reductions from prior years, are expected to have some negative impact on the ability of staff to complete needed maintenance activities.

Capital improvement project work will be managed through the CIP Engineering program in the Public Works Department with support from the associated project program staff, with the exception of the two lift station projects which are anticipated to be managed by the Wastewater Division of Utilities. Staff anticipates being able to deliver the proposed capital improvement projects in the most cost effective way, utilizing an innovative approach with contract employees.

FINANCIAL AND STAFF RESOURCES REQUIRED TO ACHIEVE THE OBJECTIVE

The 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, and Water Treatment operating programs will provide the staff and resources to support the ongoing regular maintenance at levels dictated by the Council, including allowance for program reductions. The remaining support for this objective will come from the Capital Improvement Plan for major work efforts.

OTHER IMPORTANT OBJECTIVES

INFRASTRUCTURE MAINTENANCE

Cost Summary

	Operating Programs		Capital Improvement Plan	
	2011-12	2012-13	2011-12	2012-13
Exterior Painting of Parks & Recreation Building			25,000	
City Hall Steps			10,000	130,000
Fire Station #3 Engine Bay Slab Replacement			20,000	80,000
Variable Air Volume Control Units			28,200	
Silt Removal			250,000	280,000
Broad Street Bank Reinforcement				35,000
Storm Drain Culvert				35,000
Storm Drain Infrastructure			350,000	350,000
Toro Street Bank Stabilization			35,000	30,000
Marsh Street Parking Structure Painting				175,000
Parking Lot Resurfacing				20,000
Playground Equipment Replacement			84,000	520,000
Meadow Park Roof Replacement			25,000	
Bridge Deck / Walkway Rehabilitation			7,500	57,500
Sign Maintenance			66,500	66,500
Pavement Maintenance			1,700,000	1,500,000
Sidewalk Repair			25,000	35,000
Calle Joaquin Lift Station Replacement			500,000	1,500,000
Laguna Lift Station			1,200,000	
Wastewater Collection System Improvements			1,380,000	500,000
WRF Major Maintenance			310,000	370,000
Water Distribution System Improvements			200,000	200,000
Water Reuse System Major Maintenance			50,000	
Total	\$0	\$0	\$6,266,200	5,884,000

Funding Sources

	Operating Programs		Capital Improvement Plan	
	2011-12	2012-13	2011-12	2012-13
General Fund			2,616,200	2,709,000
Zone 9 Grant				280,000
Water Fund			250,000	200,000
Sewer Fund			3,390,000	2,370,000
Parking Fund				195,000
Total	\$0	\$0	\$6,256,200	\$5,754,000

OTHER IMPORTANT OBJECTIVES

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.

OUTCOME—FINAL WORK PRODUCT

At the end of the 2011-2013 Financial Plan, the City will be part-way through the process of updating two elements of the General Plan. Within the subsequent 2013-2015 Financial Plan, the final work product will consist of updated elements that have been adopted through the public hearing process.

ACTION PLAN

In addition to addressing the anticipated demographic changes over the upcoming 20 years, the General Plan update will require the City to address: greenhouse gas emissions related to the land use scenarios; development of the sphere of influence areas; fiscal feasibility of the identified scenarios; complete streets; storm water and low impact development requirements; distribution of housing, businesses, industry and open space; and identification of sensitive areas (such as flood hazard or noise-sensitive areas). In addition, the SGC Grant emphasizes several key aspects of land use and circulation planning: access to healthy food sources; consistency with the Regional Blueprint; pedestrian and bicycle improvements and linkages; focus on neighborhoods, infill and affordable housing; looking at disadvantaged areas of the City; incorporation of climate action plan strategies; and ensuring a robust community involvement process.

The areas to be discussed and evaluated through the update process are addressed in tasks listed below. The update process will continue beyond the 2011-2013 Financial Plan hence the high level tasks listed below are only those that will be accomplished in the current Financial Plan.

Task	Date
1. Develop RFP for consultant services	July 2011
2. Program initiation – Planning Commission and Council meetings	Dec 2011
3. Task Force formation and public participation plan	Dec 2011
4. Background report – current program evaluation, demographics, regulatory framework, interviews, and outreach	April 2012
5. EIR – environmental Setting/Existing conditions report	April 2012
6. Policy updates – community workshops	August 2012
7. New issues, including neighborhood identification, healthy cities, greenhouse gas reduction, pedestrian circulation, and complete streets policies and programs– community workshops	November 2012
8. Policy document – Draft set of goals, policies and implementation measures.	February 2013
9. Land use plan recommendations – community workshops	April 2013
10. Circulation plan recommendations – community workshops	June 2013
11. EIR – project description and impact analysis including a fiscal analysis for the updated elements underway	June 2013

RESPONSIBLE DEPARTMENT

Community Development will take the lead role in coordinating this effort but staff from Public Works will also play key roles in the update of both Land Use and Circulation Elements. The project will involve staff resources

OTHER IMPORTANT OBJECTIVES

PLANNING: UPDATE LAND USE AND CIRCULATION ELEMENTS

from all departments because any changes to land use or circulation scenarios will impact all aspects of City services including safety response, utility capacity and location, and parks and recreation needs, to name a few. Staff from all departments will need to participate in the internal team responsible for reviewing and providing input on the various land use and circulation scenarios as well as potential mitigation measures to address any resulting impacts.

FINANCIAL AND STAFF RESOURCES REQUIRED TO ACHIEVE THE OBJECTIVE

The City was successful in seeking grant assistance for the project in the amount of \$880,000. The grant may be used for assistance in developing the land use and circulation element scenarios however it cannot be used for environmental review. With diminishing staffing resources, it will be vitally important to ensure that adequate resources are in place to accomplish this objective and this will entail additional funds for consultant assistance with environmental review. An SOPC has been developed to address the need for supplemental staffing in Public Works and Fire Department and environmental review costs associated with the project. The complete cost of the update has been shown in the cost summary, however, the project expenses and funding will be spread over several years and will extend beyond FY 2011-2013.

Cost Summary

	Operating Programs		Capital Improvement Plan	
	2011-12	2012-13	2011-12	2012-13
Land Use and Circulation Element Updates	1,247,500	67,500		
Total	\$1,247,500	\$67,500	\$0	\$0

Staffing resources required:

Community Development	1.0 FTE
Public Works Department	.50 FTE
Utilities Department	.20 FTE
Fire Department	.02 FTE
Police Department	.02 FTE
Finance & IT Department	.05 FTE
Administration (NR & ED)	.05 FTE
Parks & Recreation Department	.05 FTE

Funding Sources

	Operating Programs		Capital Improvement Plan	
	2011-12	2012-13	2011-12	2012-13
SGC Grant	880,000			
General Fund	367,500	67,500		
Total	\$1,247,500	\$67,500	\$0	\$0

OTHER IMPORTANT OBJECTIVES

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

The proposed work program includes implementing Housing Element programs; working with existing non-profit and for-profit development groups to facilitate construction of affordable housing; leveraging the City's affordable housing funds and proactively looking for new ways to use these funds to increase affordable housing production; and applying for grants. This work effort will be directed by the Housing Programs Manager as part of his assigned duties.

The second part of this objective includes promoting collaborative efforts and opportunities to address the needs of the homeless population. The actions called for in the 10 Year Plan to End Chronic Homelessness (aka 10-Year Plan) outline strategies to coordinate homeless services and address housing and service needs. A director has been hired by the countywide Homeless Services Oversight Council (HSOC) to implement the plan.

Task	Date
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 HSOC director to understand needs of homeless population	Ongoing
6. Continue HSOC participation to further the implementation of the 10 Year Plan	Ongoing

RESPONSIBLE DEPARTMENT

The Community Development Department will take the lead on this objective with assistance from Administration and the Police Department. The Housing Programs Manager (CDD) is tasked with facilitating provision of affordable housing while a City Council member and the Police Department Chief serve on the Homeless Services Oversight Council (HSOC) Board to implement the 10-Year Plan. In addition, staff from the Administration Department represents the City on the Friends of Prado Board.

FINANCIAL AND STAFF RESOURCES REQUIRED TO ACHIEVE THE OBJECTIVE

Accomplishing this objective will require ensuring staff resources are available to work on these efforts; continuing to provide both Community Development Block Grant (CDBG) and General Fund financial support to the Maxine Lewis Shelter and Prado Day Center; and considering ways to augment that support to assist in

OTHER IMPORTANT OBJECTIVES

AFFORDABLE HOUSING/HOMELESS SERVICES

developing the design and plans for a consolidated homeless services center. The latter may be achieved by committing to a Section 108 loan through CDBG funds or by seeking other grants.

The Housing Manager position is a regular position that is funded by the CDBG program (just as regular Utilities positions are funded through the Water and Sewer Funds). The work performed by this position is an eligible cost under the CDBG program; and the Council recently approved using CDBG funds for this position in 2011-2013 in the amount of \$129,500. With dwindling CDBG awards, however, the 20% maximum allowance for administration of the program doesn't cover the entire cost of salary and benefits associated with the Housing Programs Manager position. As such, the full cost is shown in the cost summary below with the understanding that CDBG funds will off-set all but approximately \$5,000 of the position costs.

Cost Summary

The following costs are as estimates of commitments required during the Financial Plan to support the existing shelter and day center. These funds are in addition to the maximum support allowed through CDBG grant funds for public services. Traditionally, the Council has committed CDBG public service funds to the Maxine Lewis Homeless Shelter.

	Operating Programs		Capital Improvement Plan	
	2011-12	2012-13	2011-12	2012-13
Maxine Lewis Shelter	45,000	45,000		
Prado Day Center	60,000	60,000		
Housing Programs Manager	134,000	134,000		
Total	\$239,000	\$239,000	\$0	\$0

Funding Sources

	Operating Programs		Capital Improvement Plan	
	2011-12	2012-13	2011-12	2012-13
General Fund	105,000	105,000		
Community Development Block Grant	134,000	134,000		
Total	\$239,000	\$239,000	\$0	\$0

OUTCOME—FINAL WORK PRODUCT

Implementation of the 10-Year Plan will close gaps in the continuum of care for homeless families and will link and improve the use of limited funding resources to achieve the plan goal of ending chronic homelessness. Increasing the amount of housing and affordable units available to the community will enable more citizens who work in the community to live in the community and will meet General Plan goals for residential development.

OTHER IMPORTANT OBJECTIVES

STATUS OF 2009-11 MAJOR CITY GOALS

OVERVIEW

The following summarizes major City goals for 2009-11, including the objective, action plan and projected status at the end of 2009-11 as of June 30, 2011.

As indicated in the summaries, based on the adopted two-year action plans we project completing the Infrastructure Maintenance goal and making significant progress on the other three goals – each of which are at least 85% complete. In addition, many of these goals have carryover activities associated with them beyond 2009-11.

Status Summary

The following “report card” summarizes the major City goals for 2009-11 and provides its projected status at June 30, 2011.

Status Summary of 2009-11 Major City Goals

Major City Goal	Projected Status at June 30, 2011	
	Complete	In Progress
Infrastructure Maintenance	☑	
Traffic Congestion Relief		☑
Economic Development		☑
Preservation of Essential Services and Fiscal Health		☑

INFRASTRUCTURE MAINTENANCE

Objective. Sustain an effective level of core existing infrastructure maintenance such as streets, sidewalks, creeks and flood protection, as well as the protection and maintenance of other physical assets.

Action Plan

Task
Building Maintenance Projects
1. Fire Station 3 Shower Stall Construction, Police Annex Sewer Lateral Replacement, Carnegie Library Exterior Sealing, Laguna Lake Restroom Replacement
2. Meadow Park Roof Replacement, Santa Rosa Restroom Replacement
Playground Equipment Projects
1. Throop Park playground Equipment Replacement
2. Meadow Park playground Equipment Replacement construction;
Street and Flood Protection Projects
1. Andrews Drainage System Design, Drainage Facility Design, Street Reconstruction and Resurfacing Design, Sign Reflectivity Software and Equipment Purchase, Sidewalk Repairs, Sidewalk Ramp Construction, and Street Light Pole Painting
2. Andrews Drainage System Permitting, Drainage Facility Construction, Sidewalk Repairs, Pavement Area and Downtown Street Reconstruction and Resurfacing Design and Construction, Sign Replacements, Sidewalk Ramp Construction, Parking lot resurfacing, Street Light Pole Painting, Downtown Tree Management Plan Tree and Sidewalk work
3. Pavement and sidewalk maintenance by City staff
Utility Projects
1. Polybutylene Water Service Replacement, Waterline Replacement, Sewerline Replacement, Raw Waterline Coating
2. Polybutylene Water Service Replacement, Waterline Replacement, Sewerline Replacement, Water Treatment Plant Roof Replacement and Filter Media Replacement, Clarifier Recoating,
Downtown Design Standards
Complete review and modifications of Downtown design standards used in infrastructure maintenance as part of the Council’s Downtown Maintenance and Beautification objective

Status Summary at June 30, 2011: Complete

OTHER IMPORTANT OBJECTIVES

STATUS OF 2009-11 MAJOR CITY GOALS

TRAFFIC CONGESTION RELIEF

Objective. Continue efforts on projects and programs which relieve traffic congestion, such as street modifications, intersection improvements, pedestrian improvements, bicycle facilities, trip reduction programs, traffic signal operations and public transit.

Action Plan

Task
Transit Service Levels
5. Maintain existing transit levels for local and regional services with uncertain levels of State and Federal funding.
6. Implement recommendation in the Short Range Transit Plan if funding is available.
7. Explore alternative fuel and vehicle type to offset operational costs.
Transit Improvements
2. Use federal and state capital funding to replace and upgrade vehicles.
3. Use federal American Recovery and Reinvestment Act (ARRA) and state capital funding to upgrade Automatic Vehicle Location (AVL) system for improved on time performance.
4. Use federal (ARRA-completed) and state capital funding to improve the transit facility on Prado Road.
Congestion Management Report
Implement low cost recommendations of the Congestion Management Report.
State Route 1/Highway 101
Work with San Luis Obispo Council of Governments (SLOCOG) and Caltrans regarding further planning for State Route 1 (Santa Rosa Street) including an alternatives assessment for US 101/State Route 1 interchange.
Prado Road Extension
Work with west side Margarita area property owners to implement phased improvements to Prado Road.

Task
Signalization of US 101/Grand Avenue Intersection
4. Complete design.
5. Begin construction.
6. Complete construction.
Los Osos Valley Road Interchange
6. Complete construction plans and specifications.
7. Begin right of way acquisition.
8. Complete right of way acquisition.
9. Pursue additional funding.
10. Implement phase improvements as new development occurs.
Traffic Model Update
1. Complete base year traffic model update.
2. Recruit temporary or contract staff, or consultant assistance for traffic model development.
3. Complete Traffic Model Update with existing Land Use scenarios.
4. Identification and development of strategic revisions to the Land Use Element in superseded sections.
5. Conduct traffic model assessments of various land use modifications for future year forecasts and strategic revisions to the Circulation Element.
Neighborhood Traffic Management Program Update
Update the Neighborhood Traffic Management program to reflect current practices and principles.
Aero Drive Realignment
Work with the County of San Luis Obispo to relocate Aero Drive and signalize access to San Luis Obispo Regional Airport.
SLO County 511
Work with Rideshare to promote a new 511 traffic hotline.
Johnson and Buchon Intersection Improvements
1. Begin project design (combined scope of Pismo/Buchon neighborhood traffic management program).
2. Begin construction.

OTHER IMPORTANT OBJECTIVES

STATUS OF 2009-11 MAJOR CITY GOALS

Task
3. Complete construction.
Tank Farm Road Intersection Improvements
3. Initiate design of Tank Farm Road widening project.
4. Complete project design.
Railroad Safety Trail - Phase 3: Amtrak to Marsh Street
Identify alternative routes and present initial findings to the Council.
5. Pursue additional funding.
Railroad Safety Trail - Phase 4A: The Missing Link (Foothill to Cal Poly)
1. Complete construction drawings.
2. Begin construction
3. Complete construction
Railroad Safety Trail - Phase 4: Foothill to Hathaway
5. Complete construction drawings.
6. Begin construction
7. Complete construction
Railroad Safety Trail Bridge: Highway 101 Crossing
1. Identify alternative routes and present initial findings to the Council.
2. Pursue additional funding
Bob Jones City-to-Sea Trail: North Connection to Prado Road
3. Pursue outside funding for trail connections.
4. Complete construction drawings.
5. Complete construction.
Bob Jones City-to-Sea Trail: Southern Connection to LOVR
1. Pursue outside funding for trail connections.
Bill Roalman Phase II
Complete construction.
Madonna Road Bike Path
Work with property owners and Caltrans to implement a new bicycle facility that connects Madonna Road to Marsh Street.
Mid-Higuera Widening

Task
Evaluate the costs and benefits of landscaped medians in the as set forth in the Mid-Higuera Street Enhancement Plan and present results to the Council.
Other Projects That Reduce Traffic Congestion
9. Complete curb ramps, on-street bicycle facility paving and striping improvements in conjunction with City Street paving projects.
10. Implement Neighborhood Traffic Management projects.
11. Construct curb ramps and install sidewalks.
12. Conduct bi-annual vehicle and bicycle traffic counts.
13. Complete miscellaneous bicycle facility improvements identified in the Bicycle Transportation Plan, as resources permit.
14. 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.
15. Seek funding for the design and construction of bikeways and pedestrian paths within the City.
16. Promote bicycling, walking and transit as alternative forms of transportation.
17. Provide more bicycle parking through the City's "Racks with Plaques" program.

Status Summary at June 30, 2011: In Progress (85% Complete)

OTHER IMPORTANT OBJECTIVES

STATUS OF 2009-11 MAJOR CITY GOALS

ECONOMIC DEVELOPMENT

Objective. In collaboration with Cal Poly, Cuesta and the business community, develop strategies to increase economic development including emphasis on head-of-household jobs and environmentally sustainable businesses.

Action Plan

Task
Business Retention and Expansion (BRE) – Data Collection and Analysis
1. Finance & Information Technology (IT) hires Administrative Analyst.
2. Develop Business Retention and Expansion (BRE) database using existing data from city and external sources.
3. Conduct 72 business surveys (4 per month beginning January 2010).
4. Update BRE database with information from surveys and existing sources of information.
5. Use BRE data to produce a quarterly newsletter on business retention and expansion efforts.
6. Use BRE data to produce metrics about inquiries to the City.
7. Work with Administrative Analyst to manage the BRE database, analyze the information, produce metrics and disseminate information.
8. Continue to conduct 10 business visitations with Council per year.
9. Continue to collaborate with Community Development on the Seismic Retrofit Program.
Identify Industry Clusters and Opportunities
1. Begin a series of forums to identify industry clusters and opportunities for job growth drawing on expertise from the business, environmental, educational and governmental communities.
2. Draft a working list of industry clusters and opportunities.

Task
3. Present working list of industry clusters and opportunities to participants and foster opportunities for continuing collaboration on the list and opportunities.
Information Outreach
1. Identify changes that would make economic development information more accessible to users of the City web pages.
2. Work on web upgrades as time and staffing constraints permit.
3. Coordinate with available staff to periodically update the web pages with data to market City as place to do business.
4. Explore ideas and opportunities to support the business community during the economic downturn through strategic economic development initiatives program.
5. Continue to contract with HdL and economic forecasters for data pertinent to businesses.
Collaborative Economic Development Efforts
1. Develop Strategic Economic Development Initiatives Program and recommend funding allocations to Council.
2. Participate with the Chamber of Commerce coordinated committee for collaboration between business, government and universities.
3. Foster collaborative activities with the environmental community (including ECOSLO, Sierra Club, and Land Conservancy) beginning with participation with the Chamber's Sustainability Committee.
4. Collaborate with Community Development and Finance & IT Departments to explore opportunities for economic development action presented by AB 811.
5. Partner with tourism efforts to market the community as a place to do business.

Status Summary at June 30, 2011: In Progress (85% Complete)

OTHER IMPORTANT OBJECTIVES

STATUS OF 2009-11 MAJOR CITY GOALS

PRESERVATION OF ESSENTIAL SERVICES AND FISCAL HEALTH

Objective. Adopt a balanced budget that retains the City's fiscal health, preserves essential services and implements long-term productivity improvements and cost-reduction strategies.

Action Plan

Task

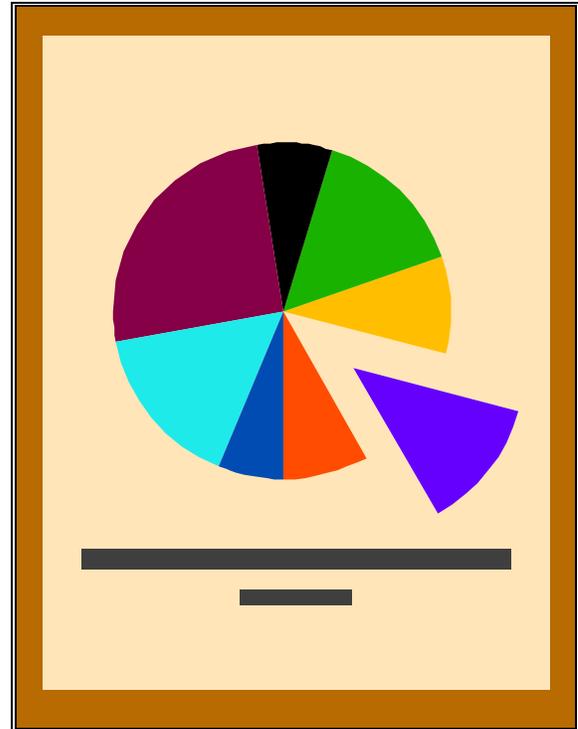
1. Implement organization-wide savings recommended by community members and City employees.
2. Continue to closely review and monitor the City's fiscal situation.
3. Implement budget-balancing strategies adopted in the 2009-11 Financial Plan.
4. Review and update as appropriate key infrastructure maintenance plans.
 - a. Present Pavement Management Plan update to Council.
 - b. Review other plans for update as appropriate and present the results to the Council.
5. Resume "best practice reviews" that focus on one to two significant internal control areas annually that typically cross department activities.

6. Continue supporting pension reform.
7. Implement ongoing "benchmark" analysis of key financial and outcome measures with comparable communities periodically.
8. Update the Property Management Manual: comprehensive review of our property management policies and procedures, including property acquisition, sale and lease.
9. Continue evaluating contracting-out opportunities for cost reductions or service improvements.
10. Maximize grant funding opportunities, including "Stimulus Package."
11. Review Memorandums of Agreements.
12. Continue succession planning efforts.
13. Continue to develop, review, modify and implement Human Resources policies in support of fiscal health.

Status Summary at June 30, 2011: In Progress (95% Complete)

Section C

BUDGET GRAPHICS



BUDGET GRAPHICS AND SUMMARIES

OVERVIEW

This section provides simple charts and tables which highlight key financial relationships and summarize the overall budget document. Graphics summarizing the following areas are included:

Combined Expenditures and Revenues

- Total Operating Program, Capital Improvement Plan and Debt Service Expenditures
- Total Funding Sources
- Operating Program Expenditures by Function
- Operating Program Expenditures by Type
- Capital Improvement Plan Expenditures by Function
- Capital Improvement Plan Expenditures by Funding Source
- Debt Service Expenditures by Function

Expenditures and Revenues by Fund

- Total Expenditures by Fund
- General Fund Expenditures and Uses
- General Fund Operating Program Expenditures by Function
- General Fund Operating Program Expenditures by Type
- General Fund Revenues and Sources

Changes in Financial Position

- Summary of Revenues, Expenditures and Changes in Financial Position by Fund for 2009-10 and 2010-11

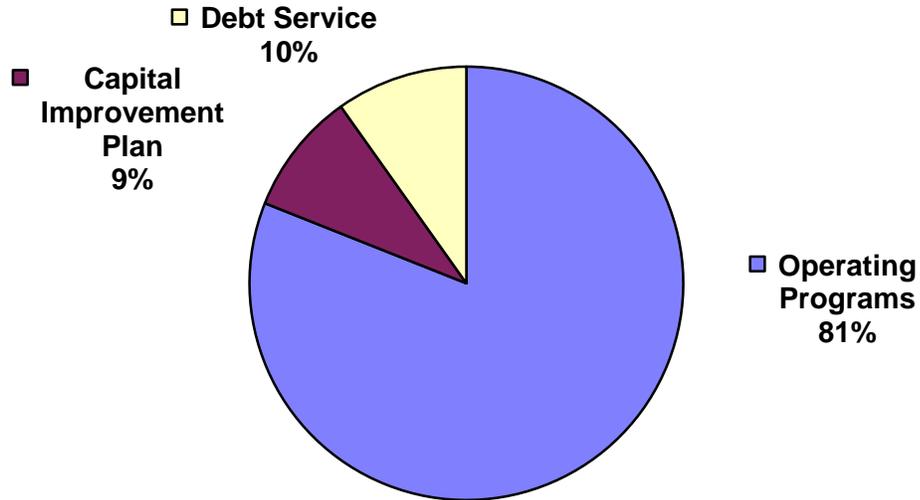
Authorized Regular Positions

- Authorized Regular Positions by Function

BUDGET GRAPHICS AND SUMMARIES

TOTAL EXPENDITURES BY TYPE - ALL FUNDS COMBINED

2011-12 Expenditures By Type: \$99.5 Million

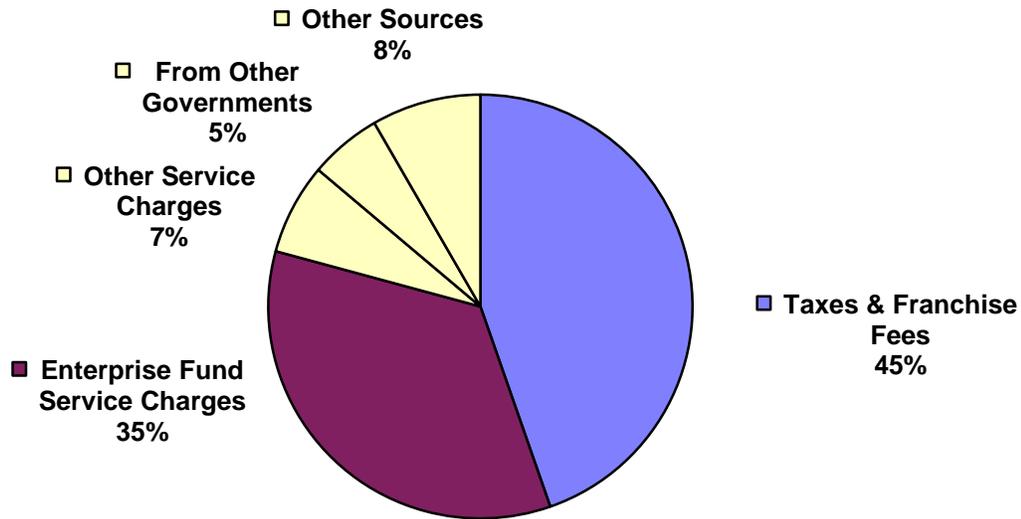


	Actual 2009-10	Budget 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Operating Programs	68,650,800	78,962,100	80,633,300	80,929,000
Capital Improvement Plan	22,649,700	45,955,800	9,103,700	8,823,100
Debt Service	9,999,900	10,137,300	9,776,700	9,523,900
TOTAL	\$101,300,400	\$135,055,200	\$99,513,700	\$99,276,000

BUDGET GRAPHICS AND SUMMARIES

TOTAL FUNDING SOURCES - ALL FUNDS COMBINED

2011-12 Funding Sources: \$99.5 Million

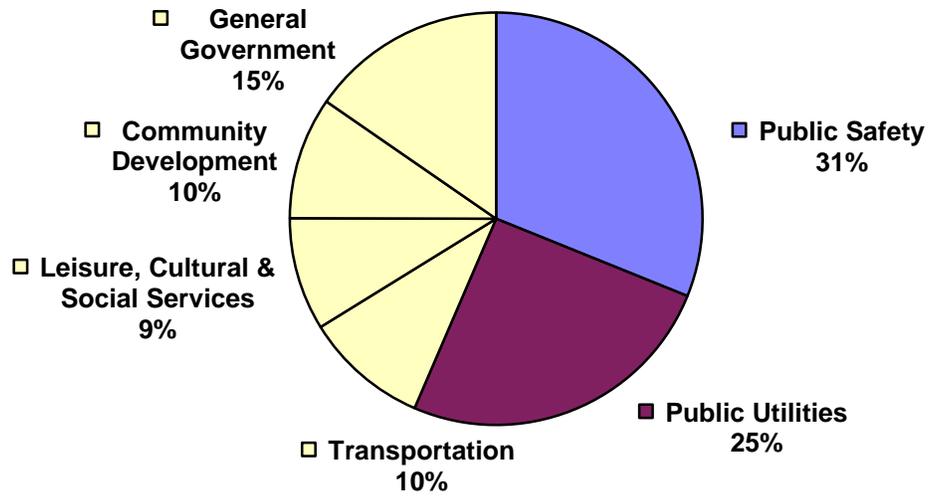


	Actual 2009-10	Budget 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Taxes & Franchise Fees	42,093,000	43,582,600	44,436,400	45,208,600
Service Charges				
Governmental Funds	5,885,800	7,566,200	6,915,100	7,116,600
Enterprise & Agency Funds	31,778,500	32,459,500	34,387,900	41,261,800
From Other Governments	8,274,500	16,609,900	5,485,000	5,214,200
Use of Money & Property	2,667,700	1,567,700	1,513,500	1,391,500
Other Revenues	1,290,900	2,090,900	1,045,900	1,000,800
Total Current Sources	91,990,400	103,876,800	93,783,800	101,193,500
Proceeds from Debt Financings		1,044,000		
Fund Balance/Other Sources (Uses)	9,310,000	30,134,400	5,729,900	(1,917,500)
TOTAL	\$101,300,400	\$135,055,200	\$99,513,700	\$99,276,000

BUDGET GRAPHICS AND SUMMARIES

OPERATING PROGRAM EXPENDITURES BY FUNCTION

2011-12 Operating Budget: \$80.6 Million

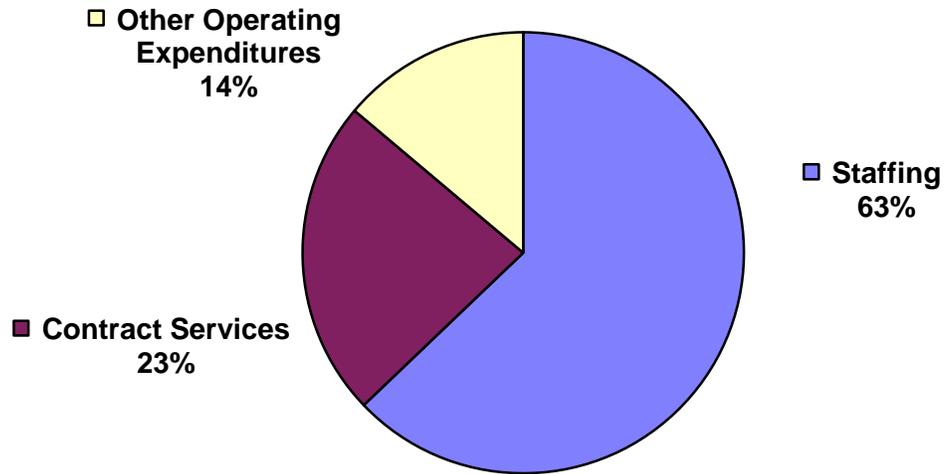


	Actual 2009-10	Budget 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Public Safety	24,203,800	24,954,200	25,090,000	25,271,000
Public Utilities	12,384,300	19,694,700	20,442,200	20,257,700
Transportation	7,069,800	7,497,400	7,844,600	8,070,400
Leisure, Cultural & Social Services	6,785,200	7,296,100	7,130,500	7,261,700
Community Development	6,690,200	7,703,800	7,729,300	7,551,400
General Government	11,517,500	11,815,900	12,396,700	12,516,800
TOTAL	\$68,650,800	\$78,962,100	\$80,633,300	\$80,929,000

BUDGET GRAPHICS AND SUMMARIES

OPERATING PROGRAM EXPENDITURES BY TYPE

2011-12 Operating Budget: \$80.6 Million

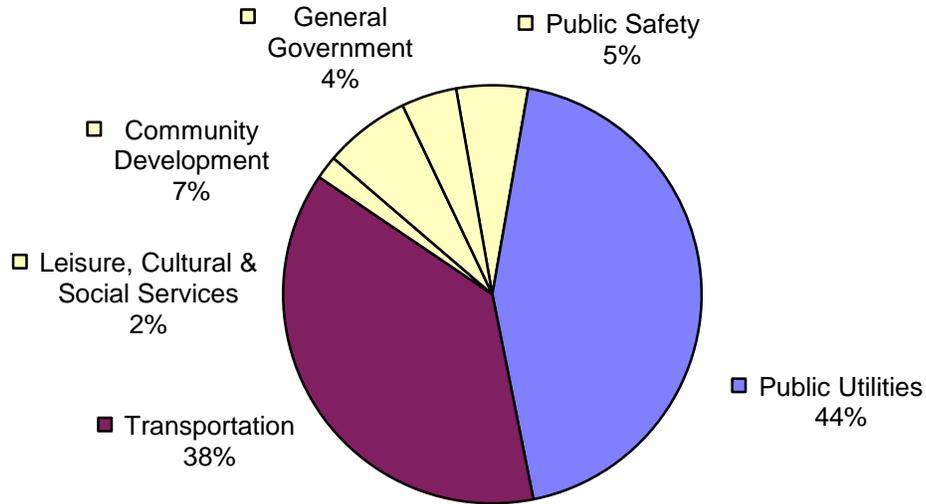


	Actual 2009-10	Budget 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Staffing	48,315,800	49,758,100	50,640,300	51,334,300
Contract Services	10,482,000	17,592,200	18,764,500	18,315,700
Other Operating Expenditures	9,671,200	11,471,500	11,159,600	11,256,100
Minor Capital	181,800	140,300	68,900	22,900
TOTAL	\$68,650,800	\$78,962,100	\$80,633,300	\$80,929,000

BUDGET GRAPHICS AND SUMMARIES

CAPITAL IMPROVEMENT PLAN EXPENDITURES BY FUNCTION

2011-12 Capital Improvement Plan: \$9.1 Million

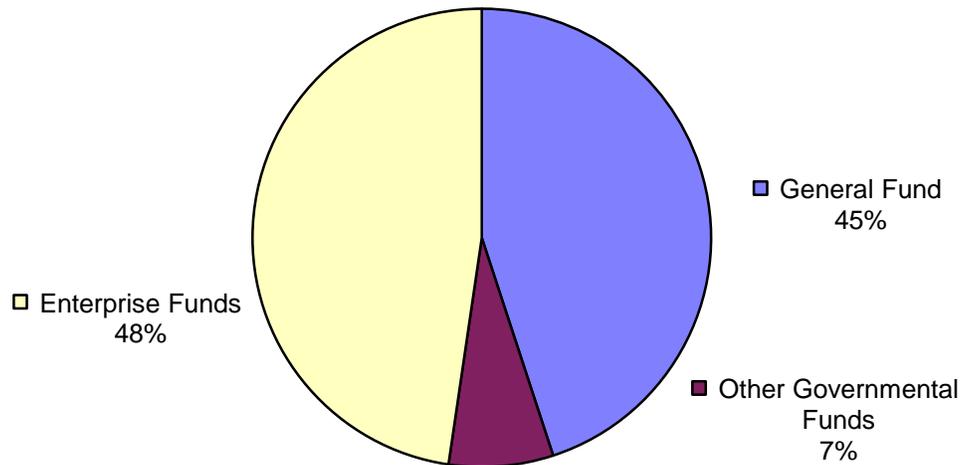


	Actual 2009-10	Budget 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Public Safety	4,704,400	548,100	503,200	465,800
Public Utilities	4,421,500	12,271,600	4,015,000	4,570,000
Transportation	5,323,900	24,312,600	3,424,800	3,029,000
Leisure, Cultural & Social Services	1,229,400	2,709,800	164,800	580,800
Community Development	3,893,700	3,856,600	606,900	22,500
General Government	3,076,800	2,257,100	389,000	155,000
TOTAL	\$22,649,700	\$45,955,800	\$9,103,700	\$8,823,100

BUDGET GRAPHICS AND SUMMARIES

CAPITAL IMPROVEMENT PLAN EXPENDITURES BY FUNDING SOURCE

2011-12 Capital Improvement Plan: \$9.1 Million

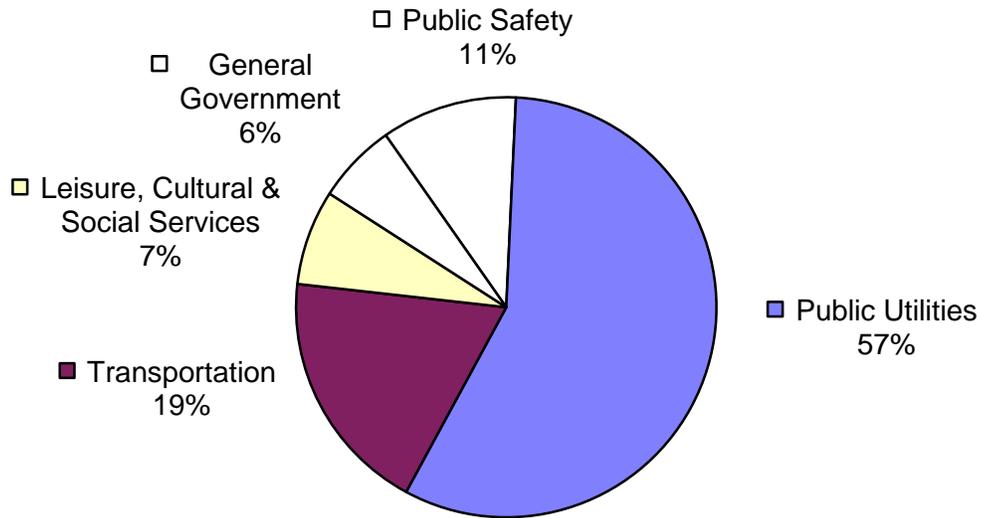


	Actual 2009-10	Budget 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Governmental Funds				
Current Sources				
General Fund	3,956,000	2,312,700	4,093,300	3,766,900
Other Governmental Funds	13,144,600	24,923,400	669,900	291,200
Debt Financing		1,044,000		
<i>Total Governmental funds</i>	<i>17,100,600</i>	<i>28,280,100</i>	<i>4,763,200</i>	<i>4,058,100</i>
Enterprise & Agency Funds				
Current Sources	5,549,100	17,675,700	4,340,500	4,765,000
Debt Financing				
<i>Total Enterprise & Agency Funds</i>	<i>5,549,100</i>	<i>17,675,700</i>	<i>4,340,500</i>	<i>4,765,000</i>
TOTAL	\$22,649,700	\$45,955,800	\$9,103,700	\$8,823,100

BUDGET GRAPHICS AND SUMMARIES

DEBT SERVICE EXPENDITURES BY FUNCTION

2011-12 Debt Service: \$9.7 Million

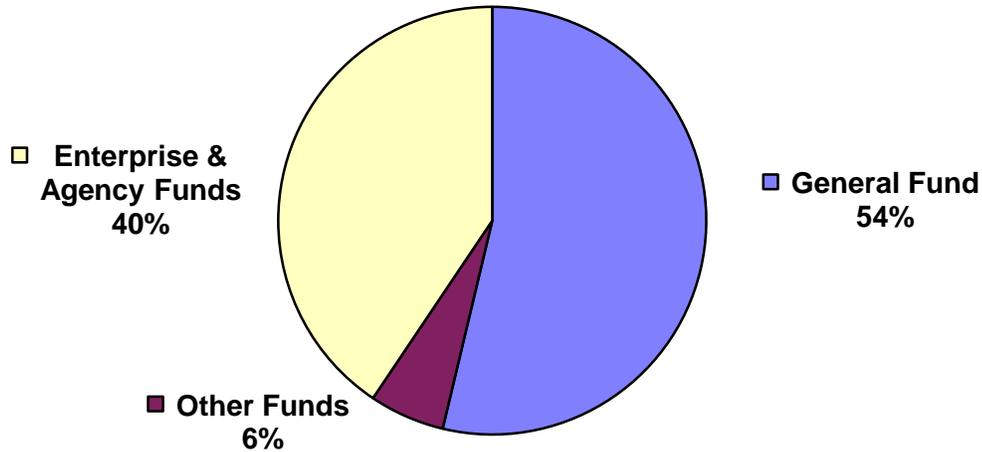


	Actual 2009-10	Budget 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Public Safety	948,500	1,052,800	1,022,500	1,015,500
Public Utilities	5,569,200	5,585,200	5,588,800	5,343,900
Transportation	1,885,300	1,846,200	1,845,200	1,841,300
Leisure, Cultural & Social Services	962,500	911,400	716,600	719,000
General Government	634,500	689,500	603,600	604,200
TOTAL	\$10,000,000	\$10,085,100	\$9,776,700	\$9,523,900

BUDGET GRAPHICS AND SUMMARIES

TOTAL EXPENDITURES BY FUND

2011-12 Expenditures By Fund: \$99.5 Million



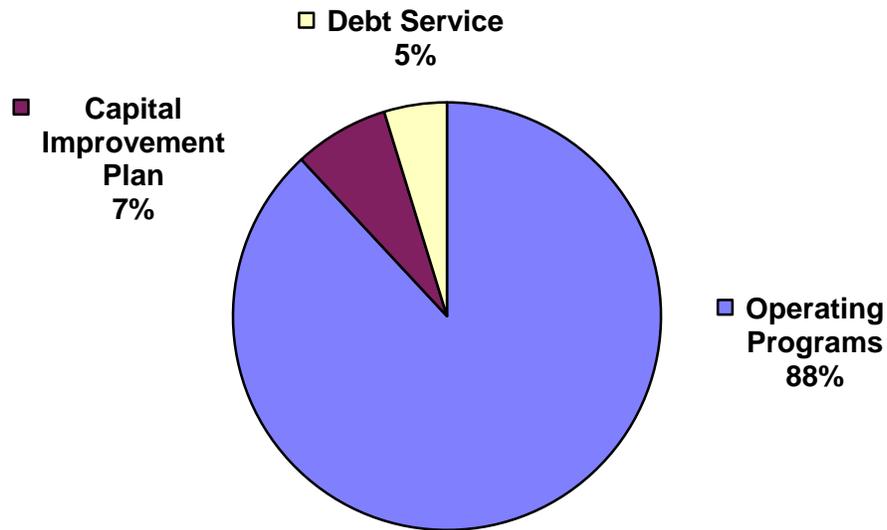
	Actual 2009-10	Budget 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Governmental Funds				
General Fund	52,138,100	50,710,200	53,461,000	51,942,400
Other Funds	15,318,300	30,682,100	5,661,300	6,695,100
Total Governmental Funds	67,456,400	81,392,300	59,122,300	58,637,500
Enterprise & Agency Funds				
Water Fund	12,599,200	21,913,600	17,611,200	17,240,600
Sewer Fund	12,039,800	17,322,300	14,528,400	15,052,700
Parking Fund	3,764,600	6,390,000	4,186,700	4,182,600
Transit Fund	3,782,900	5,709,700	3,134,100	3,243,900
Golf Fund*	714,500	740,500		
Whale Rock Reservoir Fund	943,000	1,586,800	931,000	918,700
Total Enterprise Funds	33,844,000	53,662,900	40,391,400	40,638,500
TOTAL	\$101,300,400	\$135,055,200	\$99,513,700	\$99,276,000

* Beginning in 2011-12 Golf operations are included in General Fund recreation activities.

BUDGET GRAPHICS AND SUMMARIES

GENERAL FUND EXPENDITURES AND USES

2011-12 General Fund Expenditures and Uses: \$53.4 Million

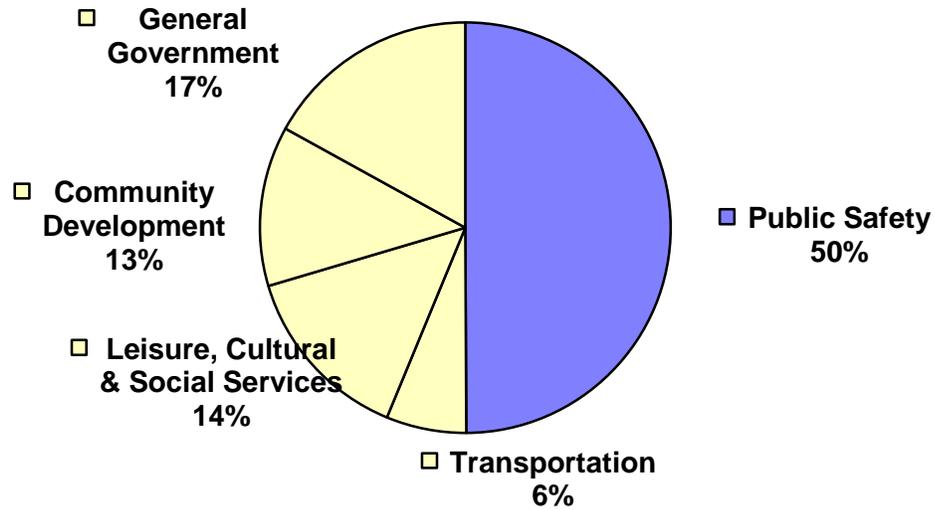


	Actual 2009-10	Budget 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Operating Programs	46,150,900	47,984,400	50,257,600	50,459,500
Capital Improvement Plan	3,956,000	2,312,700	4,093,300	3,766,900
Debt Service	2,908,700	2,670,900	2,705,200	2,699,600
Other Uses (Sources)				
Operating Subsidies to Other Funds:				
Golf Fund	296,100	346,500		
Community Development Block Grant Fund	21,800	39,500	64,000	
Operating Transfers From Other Funds	(1,195,400)	(1,274,300)	(1,277,000)	(1,296,300)
MOA & Other Compensation Adjustments			(1,300,000)	(2,600,000)
Expenditure Savings		(1,369,500)	(1,082,100)	(1,087,300)
TOTAL	\$52,138,100	\$50,710,200	\$53,461,000	\$51,942,400

BUDGET GRAPHICS AND SUMMARIES

GENERAL FUND OPERATING PROGRAM EXPENDITURES BY FUNCTION

2011-12 General Fund Operating: \$50.3 Million

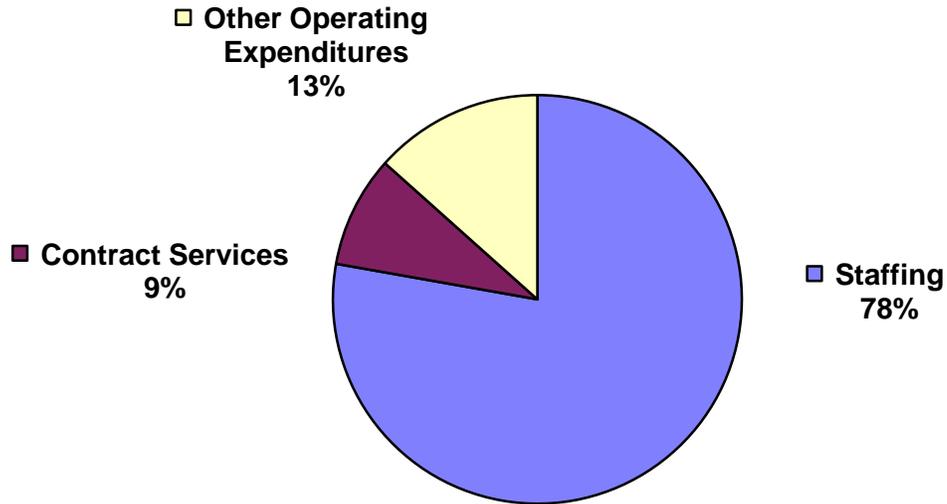


	Actual 2009-10	Budget 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Public Safety	24,203,800	24,954,200	25,090,000	25,271,000
Transportation	3,019,700	3,147,900	3,169,700	3,199,800
Leisure, Cultural & Social Services	6,279,900	6,770,700	7,130,500	7,261,700
Community Development	5,394,000	5,732,100	6,333,000	6,131,100
General Government	7,253,500	7,379,500	8,534,400	8,595,900
TOTAL	\$46,150,900	\$47,984,400	\$50,257,600	\$50,459,500

BUDGET GRAPHICS AND SUMMARIES

GENERAL FUND OPERATING PROGRAM EXPENDITURES BY TYPE

2011-12 General Fund Operating: \$50.3 Million

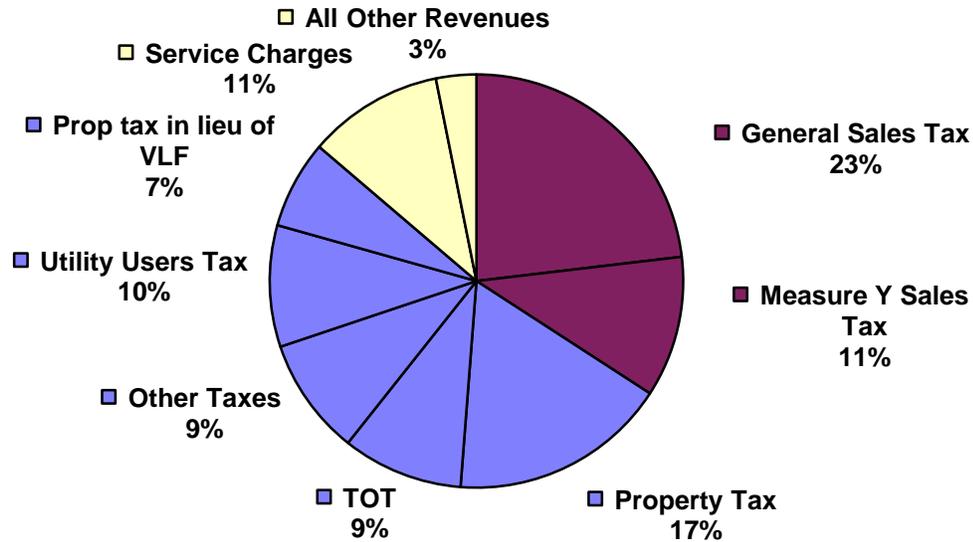


	Actual 2009-10	Budget 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Staffing	40,288,600	41,170,800	42,082,800	42,637,300
Contract Services	3,812,400	4,393,400	4,771,700	4,500,600
Other Operating Expenditures	6,275,600	6,770,000	7,244,200	7,221,300
Minor Capital	38,300	47,100	21,200	21,200
Reimbursed Expenditures From Other Funds	(4,264,000)	(4,396,900)	(3,862,300)	(3,920,900)
TOTAL	\$46,150,900	\$47,984,400	\$50,257,600	\$50,459,500

BUDGET GRAPHICS AND SUMMARIES

GENERAL FUND REVENUES

2011-12 General Fund Revenues: \$51.5 Million



	Actual 2009-10	Budget 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Taxes				
Sales & Use Taxes				
General Sales Tax	10,723,900	11,500,000	11,914,500	12,157,300
Measure Y Sales Tax	5,252,500	5,489,000	5,682,900	5,772,200
Public Safety (Proposition 172) Sales Tax	257,900	258,900	272,300	277,800
Property Tax	8,579,300	8,800,000	8,795,200	8,927,100
Property Tax In-Lieu of VLF	3,565,100	3,551,000	3,551,000	3,604,300
Transient Occupancy Tax (TOT)	4,496,100	4,770,000	4,865,400	4,962,700
Utility Users Tax	4,862,400	4,860,000	4,898,900	4,938,100
Other Taxes	4,355,800	4,353,700	4,456,200	4,569,100
Total Taxes	42,093,000	43,582,600	44,436,400	45,208,600
Fines & Forfeitures	201,700	195,000	196,600	198,200
Use of Money & Property	904,800	820,000	996,100	992,300
From Other Governments				
Vehicle License In-Lieu Fees (VLF)	135,000	132,000	133,100	134,200
Other Intergovernmental Revenues	1,100,000	561,600	221,200	221,500
Service Charges	4,691,600	4,961,800	5,460,900	5,611,100
Other Revenues	139,600	818,300	75,000	75,000
TOTAL	\$49,265,700	\$51,071,300	\$51,519,300	\$52,440,900

BUDGET GRAPHICS AND SUMMARIES

SUMMARY OF CHANGES IN FINANCIAL POSITION

2011-12 Changes in Financial Position

REVENUES, EXPENDITURES AND CHANGES IN FINANCIAL POSITION: 2011-12

	Revenues	Expenditures	Other Sources (Uses)		Sources Over (Under) Uses	Fund Balance/Working Capital	
			Operating Transfers	Other		Beginning of Year	End of Year
Governmental Funds							
General Fund	51,519,300	50,257,600	(5,585,500)	2,382,400	(1,941,400)	11,480,600	9,539,200
Special Revenue Funds							
Downtown BID (Note 1)	198,100	199,200			(1,100)	1,100	-
Gas Tax	1,215,600		(1,215,600)		-	-	-
TDA (Note 2)	22,500		(22,500)		-	-	-
CDBG (Note 3)	568,400	632,400	64,000		-	-	-
Law Enforcement Grants	2,800				2,800	40,400	43,200
Public Art (Private Sector)	25,000				25,000	221,000	246,000
Proposition 42 Fund					-	-	-
Tourism BID (Note 4)	980,100	934,100	(38,900)		7,100	21,800	28,900
Capital Project Funds							
Capital Outlay	340,000	3,695,800	3,355,800		-	-	-
Parkland Development	11,700				11,700	74,300	86,000
Transportation Impact	673,000	403,000			270,000	698,900	968,900
Open Space Protection	1,000	237,500	237,500		1,000	103,900	104,900
Airport Area Impact	6,800				6,800	677,800	684,600
Affordable Housing	2,300				2,300	229,400	231,700
Fleet Replacement	27,100	57,500	500,000		469,600	1,709,400	2,179,000
Los Osos Valley Rd	1,100				1,100	111,400	112,500
Debt Service Fund		2,705,200	2,705,200		-	1,887,500	1,887,500
Enterprise & Agency Funds							
Water	15,502,300	17,611,200		(157,900)	(2,266,800)	8,953,000	6,686,200
Sewer	14,445,200	14,528,400		(67,200)	(150,400)	5,784,200	5,633,800
Parking	4,084,000	4,186,700		49,700	(53,000)	4,531,400	4,478,400
Transit	3,226,600	3,134,100		13,000	105,500	749,800	855,300
Whale Rock Commission	931,000	931,000		(19,700)	(19,700)	516,100	496,400
TOTAL	\$93,783,900	\$99,513,700	\$0	\$2,200,300	(\$3,529,500)	\$37,792,000	\$34,262,500

1. Downtown Business Improvement District
2. Transportation Development Act
3. Community Development Block Grant
4. Tourism Business Improvement District

These two charts summarize changes in financial position for 2011-12 and 2012-13 for all of the City's funds. Detailed statements for each fund are provided in Section G (Changes in Financial Position), which provide additional information on revenues, expenditures and changes in financial position for the last two completed fiscal years (2009-10 and 2010-11) and for the two years covered by the Financial Plan (2011-12 and 2012-13). Section G also provides an overview of the purpose and organization of the City's funds.

BUDGET GRAPHICS AND SUMMARIES

SUMMARY OF CHANGES IN FINANCIAL POSITION

2012-13 Changes in Financial Position

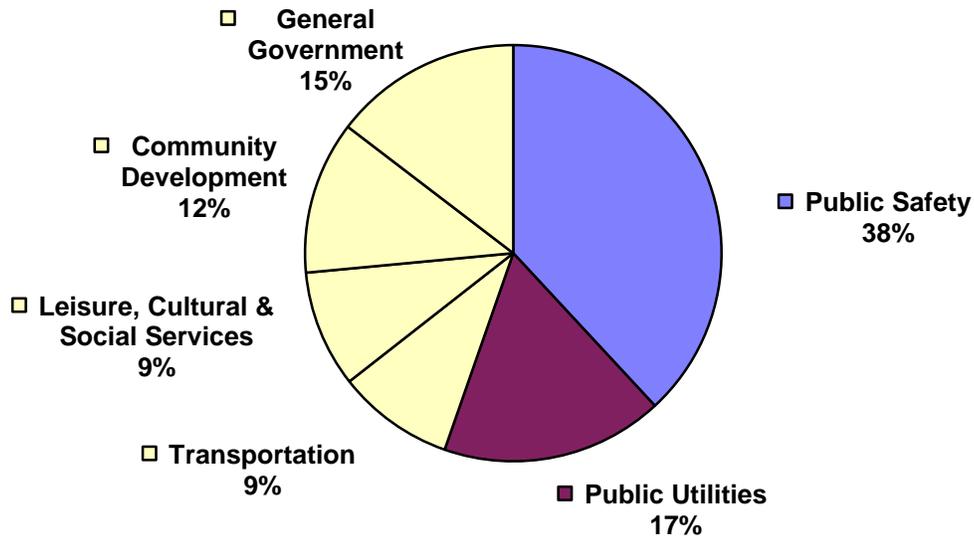
REVENUES, EXPENDITURES AND CHANGES IN FINANCIAL POSITION: 2012-13

	Revenues	Expenditures	Other Sources (Uses)		Sources Over (Under) Uses	Fund Balance/Working Capital	
			Operating Transfers	Other		Beginning of Year	End of Year
Governmental Funds							
General Fund	52,440,900	50,459,500	(5,170,200)	3,687,600	498,800	9,539,200	10,038,000
Special Revenue Funds							
Downtown BID	200,000	200,000			-	-	-
Gas Tax	1,233,800		(1,233,800)		-	-	-
TDA	22,800		(22,800)		-	-	-
CDBG	630,000	373,000			257,000	-	257,000
Law Enforcement Grants	2,900				2,900	43,200	46,100
Public Art (Private Sector)	25,000				25,000	246,000	271,000
Proposition 42 Fund					-	-	-
Tourism BID	999,500	952,300	(39,700)		7,500	28,900	36,400
Capital Project Funds							
Capital Outlay	320,000	3,364,400	3,044,400		-	-	-
Parkland Development	11,900				11,900	86,000	97,900
Transportation Impact	539,700	275,000			264,700	968,900	1,233,600
Open Space Protection	1,000	22,500	22,500		1,000	104,900	105,900
Airport Area Impact	6,800				6,800	684,600	691,400
Affordable Housing	2,300				2,300	231,700	234,000
Fleet Replacement	31,800	291,200	700,000		440,600	2,179,000	2,619,600
Los Osos Valley Road	1,100				1,100	112,500	113,600
Debt Service Fund		2,699,600	2,699,600		-	1,887,500	1,887,500
Enterprise & Agency Funds							
Water	16,790,500	17,240,600		(328,400)	(778,500)	6,686,200	5,907,700
Sewer	15,267,500	15,052,700		49,800	264,600	5,633,800	5,898,400
Parking	8,654,500	4,182,600		(2,327,300)	2,144,600	4,478,400	6,623,000
Transit	3,076,800	3,243,900		13,000	(154,100)	855,300	701,200
Whale Rock Commission	934,700	918,700		(17,700)	(1,700)	496,400	494,700
TOTAL	\$101,193,500	\$99,276,000	\$0	\$1,077,000	\$2,994,500	\$34,262,500	\$37,257,000

BUDGET GRAPHICS AND SUMMARIES

AUTHORIZED REGULAR STAFFING BY FUNCTION

2011-13 Authorized Positions: 353.5



	Actual 2009-10	Budget 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Public Safety	140.3	139.5	135.3	134.3
Public Utilities	60.8	60.8	60.8	60.8
Transportation	33.0	32.2	32.0	32.0
Leisure, Cultural & Social Services	33.0	33.0	32.0	32.0
Community Development	41.1	41.1	41.9	41.9
General Government	51.0	51.0	51.5	51.5
TOTAL	359.2	357.6	353.5	352.5

OPERATING PROGRAMS

OVERVIEW—PURPOSE AND ORGANIZATION

PURPOSE

The operating programs set forth in this section of the Financial Plan form the City's basic organizational units, provide for the delivery of essential services and allow the City to accomplish the following:

- Establish policies and goals that define the nature and level of services to be provided.
- Identify activities performed in delivering program services.
- Set objectives for improving the delivery of services.
- Appropriate the resources required to perform activities and accomplish objectives.

ORGANIZATION

The City's operating expenditures are organized into the following hierarchical categories:

- Function
- Operation
- Program
- Activity

Function

The highest level of summarization used in the City's Financial Plan, *functions* represent a grouping of related operations and programs that may cross organizational (departmental) boundaries aimed at accomplishing a broad goal or delivering a major service. The six functions in the Financial Plan are:

- Public Safety
- Public Utilities
- Transportation
- Leisure, Cultural and Social Services
- Community Development
- General Government

Operation

An *operation* is a grouping of related programs within a functional area such as *Police Protection* within Public Safety or *Water Service* within Public Utilities.

Program

Programs are the basic organizational units of the Financial Plan establishing policies, goals and objectives that define the nature and level of services to be provided.

Activity

Activities are the specific services and tasks performed within a program in the pursuit of its objectives and goals.

Sample Relationship: Public Utilities

The following is an example of the hierarchical relationship between functions, operations, programs and activities:

FUNCTION__Public Utilities

OPERATION_____Water Service

PROGRAM_____Water Treatment

ACTIVITY_____Laboratory Analysis

OPERATING PROGRAMS

OVERVIEW—SUMMARY OF FUNCTIONS AND OPERATIONS

	Responsible Department	Funding Source
Public Safety		
Police Protection	Police	General Fund
Fire & Environmental Safety	Fire	General Fund
Public Utilities		
Water Service	Utilities	Water Fund
Wastewater Service	Utilities	Sewer Fund
Whale Rock Reservoir	Utilities	Whale Rock Fund
Transportation		
Transportation Planning & Engineering	Public Works	General Fund
Streets, Sidewalks, Signals & Street Lights	Public Works	General Fund
Creek & Flood Protection	Public Works	General Fund
Parking	Public Works	Parking Fund
Municipal Transit System	Public Works	Transit Fund
Leisure, Cultural & Social Services		
Parks & Recreation		
Recreation Programs	Parks & Recreation	General Fund
Golf Course	Parks & Recreation	General Fund
Maintenance Programs	Public Works	General Fund
Cultural Services	Administration	General Fund
Social Services (Human Relations)	Human Resources	General Fund
Community Development		
Development Review & Long Range Planning	Community Development	General Fund
Housing	Community Development	CDBG Fund
Construction Regulation		
Building & Safety	Community Development	General Fund
Engineering	Public Works	General Fund
Natural Resources Protection	Administration	General Fund
Economic Health		
Economic Development	Administration	General Fund
Community Promotion	Administration	General Fund
Tourism Business Improvement District	Administration	T-BID Fund
Downtown Business Improvement District	Administration	D-BID Fund
General Government		
Legislation & Policy	Council & Advisory Bodies	General Fund
General Administration		
City Administration	Administration	General Fund
Public Works Administration	Public Works	General Fund
Legal Services	City Attorney	General Fund
City Clerk Services	Administration	General Fund
Organizational Support Services		
Human Resources Administration	Human Resources	General Fund
Risk Management	Human Resources	General Fund
Accounting & Revenue Management	Finance & Information Technology	General Fund
Network Services	Finance & Information Technology	General Fund
Geographic Information Services	Finance & Information Technology	General Fund
Building & Fleet Maintenance	Public Works	General Fund

OPERATING PROGRAMS

OVERVIEW—OPERATING PROGRAM NARRATIVES

The following information is provided for each operating program:

PROGRAM TITLE

Presents the function, program name, operation, department responsible for program administration and the primary funding source at the top of the page.

PROGRAM COSTS

Provides four years of historical and projected expenditure information (2009-10 through 2011-13) organized into four categories:

- **Staffing.** All costs associated with City staffing, including salaries for all regular, temporary and contract employees as well as related costs for benefits and overtime.
- **Contract Services.** All expenditures related to contract services.
- **Other Operating Expenditures.** Purchases of supplies, tools, utilities, insurance and similar operating expenditures.
- **Minor Capital.** Capital acquisitions or projects with a life in excess of one year and costs between \$5,000 and \$15,000. Capital acquisitions or projects with a cost in excess of \$15,000 are included in the Capital Improvement Plan (CIP) section of the Financial Plan.

PROGRAM DESCRIPTION

Describes program purpose, goals and activities.

STAFFING SUMMARY

Provides a four-year summary of authorized regular positions allocated to this program (2009-10 through 2011-13) along with full-time equivalents (FTE's) for temporary staffing.

Unless there are compelling reasons to do otherwise, regular positions are assigned to programs based on where employees spend 50% or more of their time.

SIGNIFICANT PROGRAM CHANGES

Summarizes significant program changes from the prior Financial Plan such as:

- Major service curtailments or expansions.
- Any increases or decreases in regular positions.
- Significant one-time costs.
- Major changes in the method of delivering services.
- Changes in operation that will significantly affect other departments or customer service.
- Changes that affect current policies.
- Reductions needed to balance the budget.

Detailed supporting documentation for each of the significant operating program changes (both increases and decreases) is provided in *Appendix A* of the Financial Plan.

2011-13 PROGRAM OBJECTIVES

Identifies major program objectives for the next two years to improve service delivery.

WORKLOAD MEASURES

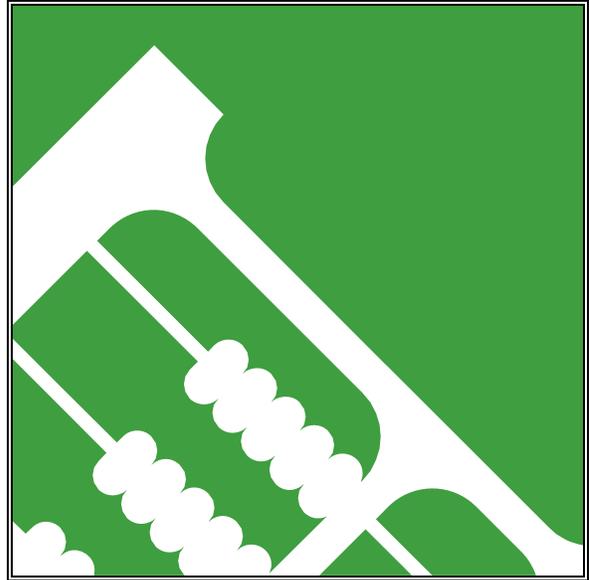
Provides four years of historical and projected workload measures (2009-10 through 2011-13) in order to provide the Council and public with an overview of the program's workscope and effectiveness

OPERATING PROGRAMS

OVERVIEW—OPERATING PROGRAM NARRATIVES

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Operating Programs EXPENDITURE SUMMARIES



OPERATING PROGRAMS

EXPENDITURE SUMMARIES—OVERVIEW

The following expenditure summaries precede the individual operating program narratives in order to highlight the financial relationships between programs as well as to summarize the overall operating program budget:

Expenditures by Function

- Summarizes operating expenditures at the function and operation level.

Expenditures by Program

- Summarizes all operating expenditures at the program level grouped within related functions and operations.

Expenditures by Department

- Summarizes all operating program expenditures at the program or operation level grouped by the Department that is responsible for administering them.

Expenditures by Type:

All Funds and the General Fund

- Summarizes all operating expenditures by type: staffing (salaries and benefits), contract services, other operating expenditures (materials, communications, utilities, and insurance) and minor capital (capital purchases with a per item cost greater than \$5,000 and less than \$15,000).

Significant Operating Program Changes

- Summarizes all significant operating program changes—both increases and reductions required to balance the budget—by function and operation.

OPERATING PROGRAMS

EXPENDITURES BY FUNCTION

	Actual	Budget	2011-13 Financial Plan	
	2009-10	2010-11	2011-12	2012-13
PUBLIC SAFETY				
Police Protection	14,525,400	15,122,800	15,149,100	15,297,000
Fire & Environmental Safety	9,678,400	9,831,400	9,940,900	9,974,000
Total Public Safety	24,203,800	24,954,200	25,090,000	25,271,000
PUBLIC UTILITIES				
Water Service	5,934,200	12,351,500	13,603,300	13,311,900
Wastewater Service	5,606,400	6,431,100	6,046,000	6,131,300
Whale Rock Reservoir	843,700	912,100	792,900	814,500
Total Public Utilities	12,384,300	19,694,700	20,442,200	20,257,700
TRANSPORTATION				
Transportation Management	595,800	596,900	577,100	591,000
Streets	1,673,100	1,733,800	1,792,400	1,795,900
Creek & Flood Protection	750,800	817,200	800,200	812,900
Parking	1,603,900	1,725,100	1,952,000	1,983,900
Municipal Transit System	2,446,200	2,624,400	2,722,900	2,886,700
Total Transportation	7,069,800	7,497,400	7,844,600	8,070,400
LEISURE, CULTURAL & SOCIAL SERVICES				
Parks & Recreation				
Recreation Programs	3,451,400	3,623,900	3,543,200	3,589,700
Maintenance Services	2,739,700	3,069,800	3,071,600	3,150,300
Cultural Services	362,700	372,900	278,000	284,000
Social Services	231,400	229,500	237,700	237,700
Total Leisure, Cultural & Social Services	6,785,200	7,296,100	7,130,500	7,261,700

OPERATING PROGRAMS

EXPENDITURES BY FUNCTION

	Actual	Budget	2011-13 Financial Plan	
	2009-10	2010-11	2011-12	2012-13
COMMUNITY DEVELOPMENT				
Planning	1,871,500	1,943,500	2,191,100	1,911,600
Construction Regulation				
Building & Safety	829,100	1,001,600	1,143,600	1,208,600
Engineering	1,996,800	2,037,900	2,123,400	2,146,900
Natural Resources Protection	365,300	359,500	369,700	370,800
Economic Health				
Economic Development	213,400	270,300	291,300	309,000
Community Promotion	377,700	400,400	476,900	452,200
Tourism Business Improvement District	828,100	1,469,800	934,100	952,300
Downtown Business Improvement District	208,300	220,800	199,200	200,000
Total Community Development	6,690,200	7,703,800	7,729,300	7,551,400
GENERAL GOVERNMENT				
Legislation & Policy	129,700	138,800	141,100	144,400
General Administration				
City Administration	790,800	739,300	761,100	737,600
City Clerk Services	281,100	379,700	316,400	376,700
Public Works Administration	1,113,100	1,028,600	994,300	960,200
Legal Services	518,900	515,000	525,200	548,100
Organizational Support Services				
Human Resources Programs	3,020,300	2,858,500	2,982,800	2,924,200
Finance & Information Technology Programs	3,336,400	3,619,100	4,144,300	4,258,700
Geographic Information Services	389,800	509,700	458,200	459,700
Buildings & Equipment				
Building Operations & Maintenance	973,200	1,068,800	1,044,200	1,064,500
Fleet Maintenance	964,200	918,900	1,029,100	1,042,700
Total General Government	11,517,500	11,776,400	12,396,700	12,516,800
TOTAL OPERATING EXPENDITURES	\$68,650,800	\$78,922,600	\$80,633,300	\$80,929,000

OPERATING PROGRAMS

EXPENDITURES BY PROGRAM - PUBLIC SAFETY

	Actual	Budget	2011-13 Financial Plan	
	2009-10	2010-11	2011-12	2012-13
POLICE PROTECTION				
Administration	1,449,400	1,565,700	1,769,500	1,808,700
Neighborhood & Crime Prevention Services	238,100	259,600	258,900	259,400
Support Services	2,152,600	2,395,800	2,311,700	2,331,300
Investigative Services	2,637,700	2,761,700	2,520,700	2,559,100
Traffic Safety	950,300	950,100	966,000	975,700
Patrol Services	7,097,300	7,189,900	7,322,300	7,362,800
Total Police Protection	14,525,400	15,122,800	15,149,100	15,297,000
FIRE & ENVIRONMENTAL SAFETY				
Administration	687,200	639,100	575,500	586,400
Emergency Response	7,895,800	8,148,500	8,329,200	8,402,300
Hazard Prevention	736,900	687,200	654,100	660,200
Training	318,900	313,100	353,000	295,600
Technical Services	28,800	34,000	19,400	19,800
Disaster Preparedness	10,800	9,500	9,700	9,700
Total Fire & Environmental Safety	9,678,400	9,831,400	9,940,900	9,974,000
TOTAL PUBLIC SAFETY	\$24,203,800	\$24,954,200	\$25,090,000	\$25,271,000

OPERATING PROGRAMS

EXPENDITURES BY PROGRAM - PUBLIC UTILITIES

	Actual	Budget	2011-13 Financial Plan	
	2009-10	2010-11	2011-12	2012-13
WATER SERVICE				
Water Source of Supply	1,392,800	6,905,700	8,377,700	7,939,600
Water Treatment	1,871,500	2,249,200	2,248,400	2,318,300
Water Distribution	1,032,000	1,132,900	1,146,600	1,175,600
Water Customer Service	235,600	336,800	321,300	327,100
Utilities Conservation Office	379,000	414,700	388,200	389,400
Water Taxes & Fees	470,700	516,000	519,600	562,000
Water Administration & Engineering	552,600	796,200	601,500	599,900
Total Water Service	5,934,200	12,351,500	13,603,300	13,311,900
WASTEWATER SERVICE				
Wastewater Collection	1,087,000	1,050,600	1,103,100	1,081,600
Wastewater Pretreatment	205,200	227,900	235,300	239,600
Water Reclamation Facility	2,930,100	3,284,800	3,235,700	3,302,100
Water Quality Laboratory	400,300	520,100	476,800	482,100
Wastewater Taxes & Fees	412,100	471,400	489,700	522,800
Wastewater Administration & Engineering	571,700	876,300	505,400	503,100
Total Wastewater Service	5,606,400	6,431,100	6,046,000	6,131,300
WHALE ROCK RESERVOIR				
Reservoir Operations	843,700	912,100	792,900	814,500
TOTAL PUBLIC UTILITIES	\$12,384,300	\$19,694,700	\$20,442,200	\$20,257,700

OPERATING PROGRAMS

EXPENDITURES BY PROGRAM - TRANSPORTATION

	Actual	Budget	2011-13 Financial Plan	
	2009-10	2010-11	2011-12	2012-13
TRANSPORTATION MANAGEMENT				
Transportation Planning & Engineering	595,800	596,900	577,100	591,000
STREETS				
Street & Sidewalk Maintenance	1,164,000	1,238,800	1,317,500	1,312,600
Traffic Signals & Street Lights	509,100	495,000	474,900	483,300
Total Streets	1,673,100	1,733,800	1,792,400	1,795,900
CREEK AND FLOOD PROTECTION				
Operations & Maintenance	750,800	817,200	800,200	812,900
PARKING				
Operations, Maintenance & Enforcement	1,603,900	1,725,100	1,952,000	1,983,900
MUNICIPAL TRANSIT SYSTEM				
Operations & Maintenance	2,446,200	2,624,400	2,722,900	2,886,700
TOTAL TRANSPORTATION	\$7,069,800	\$7,497,400	\$7,844,600	\$8,070,400

OPERATING PROGRAMS

EXPENDITURES BY PROGRAM - LEISURE, CULTURAL & SOCIAL SERVICES

	Actual	Budget	2011-13 Financial Plan	
	2009-10	2010-11	2011-12	2012-13
PARKS & RECREATION				
Recreation Programs				
Recreation Administration	688,100	759,200	754,700	766,200
Aquatics/Sinsheimer Park Facilities	346,300	353,600	341,600	341,400
Youth Services	718,800	916,400	886,100	898,700
Facilities	220,200	233,200	225,700	226,200
Community Services	163,900	268,000	259,300	263,700
Recreational Sports	338,600	333,800	292,400	292,900
Teens, Seniors & Classes	257,800	0	0	0
Ranger Services	212,400	234,300	237,600	242,100
Golf Course Operations & Maintenance	505,300	525,400	545,800	558,500
<i>Total Recreation Programs</i>	3,451,400	3,623,900	3,543,200	3,589,700
Maintenance Services				
Parks & Landscape Maintenance	1,930,000	2,188,900	2,241,400	2,304,700
Swim Center Maintenance	345,400	408,800	424,000	436,300
Tree Maintenance	464,300	472,100	406,200	409,300
<i>Total Maintenance Services</i>	2,739,700	3,069,800	3,071,600	3,150,300
Total Parks & Recreation	6,191,100	6,693,700	6,614,800	6,740,000
CULTURAL SERVICES				
Cultural Activities	362,700	372,900	278,000	284,000
SOCIAL SERVICES				
Human Relations	231,400	229,500	237,700	237,700
TOTAL LEISURE, CULTURAL & SOCIAL SERVICES	\$6,785,200	\$7,296,100	\$7,130,500	\$7,261,700

OPERATING PROGRAMS

EXPENDITURES BY PROGRAM - COMMUNITY DEVELOPMENT

	Actual	Budget	2011-13 Financial Plan	
	2009-10	2010-11	2011-12	2012-13
PLANNING				
Commissions & Committees	21,000	33,900	33,900	33,900
Community Development Administration	439,800	479,500	505,900	516,700
Development Review	584,800	510,800	541,400	550,200
Long Range Planning	566,100	638,200	846,900	542,800
Housing	259,800	281,100	263,000	268,000
Total Planning	1,871,500	1,943,500	2,191,100	1,911,600
CONSTRUCTION REGULATION				
Building & Safety	829,100	1,001,600	1,143,600	1,208,600
CIP Project Engineering	1,555,500	1,597,400	1,712,500	1,729,000
Engineering Development Review	441,300	440,500	410,900	417,900
Total Construction Regulation	2,825,900	3,039,500	3,267,000	3,355,500
NATURAL RESOURCES PROTECTION				
Natural Resources Protection	365,300	359,500	369,700	370,800
ECONOMIC HEALTH				
Economic Development	213,400	270,300	291,300	309,000
Community Promotion	377,700	400,400	476,900	452,200
Tourism Business Improvement District	828,100	1,469,800	934,100	952,300
Downtown Business Improvement District	208,300	220,800	199,200	200,000
Total Economic Development	1,627,500	2,361,300	1,901,500	1,913,500
TOTAL COMMUNITY DEVELOPMENT	\$6,690,200	\$7,703,800	\$7,729,300	\$7,551,400

OPERATING PROGRAMS

EXPENDITURES BY PROGRAM - GENERAL GOVERNMENT

	Actual	Budget	2011-13 Financial Plan	
	2009-10	2010-11	2011-12	2012-13
LEGISLATION AND POLICY				
City Council	129,700	138,800	141,100	144,400
GENERAL ADMINISTRATION				
City Administration	790,800	739,300	761,100	737,600
City Clerk Services	281,100	379,700	316,400	376,700
Public Works Administration	1,113,100	1,028,600	994,300	960,200
Total General Administration	2,185,000	2,147,600	2,071,800	2,074,500
LEGAL SERVICES				
City Attorney	518,900	515,000	525,200	548,100
ORGANIZATIONAL SUPPORT SERVICES				
Human Resources Administration	642,900	728,800	597,900	609,900
Risk Management	2,377,400	2,129,700	2,384,900	2,314,300
Finance & Information Technology Administration	320,900	332,300	324,700	341,700
Accounting	559,400	580,200	633,000	630,900
Revenue Management	679,800	741,900	802,000	804,700
Support Services	85,800	177,000	207,100	208,100
Network Services	1,690,500	1,787,700	2,177,500	2,273,300
Geographic Information Services	389,800	509,700	458,200	459,700
Total Organizational Support Services	6,746,500	6,987,300	7,585,300	7,642,600
BUILDINGS & EQUIPMENT				
Building Maintenance	973,200	1,068,800	1,044,200	1,064,500
Fleet Maintenance	964,200	918,900	1,029,100	1,042,700
Total Buildings & Equipment	1,937,400	1,987,700	2,073,300	2,107,200
TOTAL GENERAL GOVERNMENT	\$11,517,500	\$11,776,400	\$12,396,700	\$12,516,800

OPERATING PROGRAMS

OPERATING EXPENDITURES BY DEPARTMENT

	Actual	Budget	2011-13 Financial Plan	
	2009-10	2010-11	2011-12	2012-13
CITY COUNCIL				
Legislation & Policy	129,700	138,800	141,100	144,400
Total City Council	129,700	138,800	141,100	144,400
ADMINISTRATION				
City Administration	790,800	739,300	761,100	737,600
City Clerk Services	281,100	379,700	316,400	376,700
Cultural Activities	362,700	372,900	278,000	284,000
Natural Resources Protection	365,300	359,500	369,700	370,800
Economic Development	213,400	270,300	291,300	309,000
Community Promotion	377,700	400,400	476,900	452,200
Total Administration	2,391,000	2,522,100	2,493,400	2,530,300
CITY ATTORNEY				
Legal Services	518,900	515,000	525,200	548,100
Total City Attorney	518,900	515,000	525,200	548,100
HUMAN RESOURCES				
Human Resources Administration	642,900	728,800	597,900	609,900
Risk Management	2,377,400	2,129,700	2,384,900	2,314,300
Human Relations	231,400	229,500	237,700	237,700
Total Human Resources	3,251,700	3,088,000	3,220,500	3,161,900
FINANCE & INFORMATION TECHNOLOGY				
Finance & Information Technology Administration	320,900	332,300	324,700	341,700
Accounting	559,400	580,200	633,000	630,900
Revenue Management	679,800	741,900	802,000	804,700
Support Services	85,800	177,000	207,100	208,100
Network Services	1,690,500	1,787,700	2,177,500	2,273,300
Geographic Information Services	389,800	509,700	458,200	459,700
Total Finance	3,726,200	4,128,800	4,602,500	4,718,400
COMMUNITY DEVELOPMENT				
Commissions & Committees	21,000	33,900	33,900	33,900
Administration	439,800	479,500	505,900	516,700
Development Review	584,800	510,800	541,400	550,200
Long Range Planning	566,100	638,200	846,900	542,800
Housing	259,800	281,100	263,000	268,000
Building & Safety	829,100	1,001,600	1,143,600	1,208,600
Total Community Development	2,700,600	2,945,100	3,334,700	3,120,200

OPERATING PROGRAMS

OPERATING EXPENDITURES BY DEPARTMENT

	Actual	Budget	2011-13 Financial Plan	
	2009-10	2010-11	2011-12	2012-13
PARKS & RECREATION				
Recreation Programs	3,451,400	3,623,900	3,543,200	3,589,700
UTILITIES				
Water Services	5,934,200	12,351,500	13,603,300	13,311,900
Wastewater Services	5,606,400	6,431,100	6,046,000	6,131,300
Whale Rock Reservoir	843,700	912,100	792,900	814,500
Total Utilities	12,384,300	19,694,700	20,442,200	20,257,700
PUBLIC WORKS				
Administration	1,113,100	1,028,600	994,300	960,200
CIP Project Engineering	1,555,500	1,597,400	1,712,500	1,729,000
Transportation & Development Review				
Engineering Development Review	441,300	440,500	410,900	417,900
Transportation Planning & Engineering	595,800	596,900	577,100	591,000
Parking	1,603,900	1,725,100	1,952,000	1,983,900
Municipal Transit System	2,446,200	2,624,400	2,722,900	2,886,700
Maintenance Services				
Street Maintenance	1,673,100	1,733,800	1,792,400	1,795,900
Creek & Flood Protection	750,800	817,200	800,200	812,900
Parks & Landscape Maintenance	1,930,000	2,188,900	2,241,400	2,304,700
Swim Center Maintenance	345,400	408,800	424,000	436,300
Tree Maintenance	464,300	472,100	406,200	409,300
Building Maintenance	973,200	1,068,800	1,044,200	1,064,500
Fleet Maintenance	964,200	918,900	1,029,100	1,042,700
Total Public Works	14,856,800	15,621,400	16,107,200	16,435,000
POLICE	14,525,400	15,122,800	15,149,100	15,297,000
FIRE	9,678,400	9,831,400	9,940,900	9,974,000
NON-DEPARTMENTAL				
Tourism Business Improvement District	828,100	1,469,800	934,100	952,300
Downtown Business Improvement District	208,300	220,800	199,200	200,000
Total Non-Departmental	1,036,400	1,690,600	1,133,300	1,152,300
TOTAL OPERATING EXPENDITURES	\$68,650,800	\$78,922,600	\$80,633,300	\$80,929,000

OPERATING PROGRAMS

OPERATING EXPENDITURES BY TYPE - ALL FUNDS COMBINED

	Actual 2009-10	Budget 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
STAFFING				
Salaries and Wages				
Regular Salaries	28,915,800	30,096,600	29,877,100	30,150,600
Temporary Salaries	2,287,000	2,409,400	2,197,500	2,198,100
Overtime	2,552,700	2,185,500	2,358,100	2,455,200
Benefits				
Retirement	9,341,000	9,775,000	10,976,000	11,278,900
Group Health and Other Insurance	4,017,300	4,135,700	4,070,000	4,048,200
Retiree Healthcare	649,100	519,000	524,300	558,000
Medicare	446,800	501,300	492,700	497,700
Unemployment Reimbursements	106,100	135,600	131,500	134,500
Total Staffing	48,315,800	49,758,100	50,627,200	51,321,200
CONTRACT SERVICES	10,482,000	17,592,200	18,777,600	18,328,800
OTHER OPERATING EXPENDITURES				
Communications & Utilities	3,029,600	3,650,800	3,455,900	3,610,800
Rents & Leases	135,000	151,800	154,200	155,900
Insurance	2,248,900	1,976,900	2,197,400	2,119,500
Other Operating Expenditures	4,257,700	5,652,500	5,352,100	5,369,900
Total Other Operating Expenditures	9,671,200	11,432,000	11,159,600	11,256,100
MINOR CAPITAL	181,800	140,300	68,900	22,900
TOTAL OPERATING EXPENDITURES	\$68,650,800	\$78,922,600	\$80,633,300	\$80,929,000

OPERATING PROGRAMS

OPERATING EXPENDITURES BY TYPE - GENERAL FUND

	Actual 2009-10	Budget 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
STAFFING				
Salaries and Wages				
Regular Salaries	24,180,400	24,740,500	24,651,900	24,851,000
Temporary Salaries	1,592,700	1,963,100	1,816,900	1,812,400
Overtime	2,397,500	1,980,500	2,151,100	2,253,100
Benefits				
Retirement	7,915,900	8,271,900	9,267,300	9,523,100
Group Health and Other Insurance	3,191,500	3,279,500	3,251,300	3,229,500
Retiree Health Care	552,700	408,800	427,000	444,400
Medicare	370,300	415,100	408,900	412,600
Unemployment Reimbursements	87,600	111,400	108,400	111,200
Total Staffing	40,288,600	41,170,800	42,082,800	42,637,300
CONTRACT SERVICES	3,812,400	4,393,400	4,771,700	4,500,600
OTHER OPERATING EXPENDITURES				
Communications & Utilities	1,538,000	1,910,100	1,904,500	1,991,100
Rents & Leases	130,500	146,500	152,200	153,900
Insurance	2,207,800	1,976,900	2,197,400	2,119,500
Other Operating Expenditures	2,399,300	2,736,500	2,990,100	2,956,800
Total Other Operating Expenditures	6,275,600	6,770,000	7,244,200	7,221,300
MINOR CAPITAL	38,300	47,100	21,200	21,200
TOTAL PROGRAM EXPENDITURES	50,414,900	52,381,300	54,119,900	54,380,400
Reimbursed Expenditures	(4,264,000)	(4,396,900)	(3,862,300)	(3,920,900)
TOTAL GENERAL FUND OPERATING EXPENDITURES	\$46,150,900	\$47,984,400	\$50,257,600	\$50,459,500

Note: Beginning in 2011-12 Golf operations are included in General Fund Operating Expenditures

SIGNIFICANT OPERATING PROGRAM CHANGES

SUMMARY OF SIGNIFICANT OPERATING PROGRAM CHANGES - ADDITIONS

		Fiscal Year	
		2011-12	2012-13
Public Safety			
<i>Police Administration</i>	■ Booking Fees	222,600	222,600
	■ SART Fees	20,000	20,000
<i>Police Support Services</i>	■ Dispatch Center Uninterrupted Power Supply Maintenance	7,500	7,900
	■ Mobile Data Computer And In Car Video Warranty Extension	34,300	
<i>Fire Training</i>	■ Recruit Academy	46,800	
Public Utilities			
<i>Utilities Administration</i>	■ Painting of 879 Morro Building	14,000	
<i>Source of Supply</i>	■ Water Reuse Electric Utility and Chemicals	21,300	23,900
<i>Water Customer Service</i>	■ Accelerated Water Meter Replacements	7,600	9,900
<i>Water Treatment</i>	■ Electric Utility, Chemicals and Contract Servcies	39,900	48,800
<i>Water Reclamation Facility</i>	■ Maintenance Projects	30,000	
	■ Biosolids Composting Contract	18,000	33,000
	■ Utility Services and Chemicals		29,800
<i>Wastewater Collection</i>	■ Laguna Sewer Lift Station Pump Maintenance	46,000	
Transportation			
<i>Transportation Planning</i>	■ Traffic Engineering Staff Position	111,700	117,200
<i>Street and Sidewalk Maintenance</i>	■ Farmer's Market Traffic Control Upgrade	27,300	16,300
<i>Parking Services</i>	■ Part time temporary parking officer - Neighborhood Wellness	24,200	38,000
	■ Planning Staff reallocation to Parking Services	64,700	64,900
	■ Sunday Parking	73,800	72,400

SIGNIFICANT OPERATING PROGRAM CHANGES

SUMMARY OF SIGNIFICANT OPERATING PROGRAM CHANGES - ADDITIONS

		Fiscal Year	
		2011-12	2012-13
Community Development			
<i>Long Range Planning</i>	■ Land Use and Circulation Elements Update	367,500	67,500
<i>Building and Safety</i>	■ Neighborhood Services Specialists - Neighborhood Wellness	132,000	167,000
<i>Economic Development</i>	■ Strategy for Economic Development Work Program	47,500	57,500
<i>CIP Engineering</i>	■ Capital Improvement Plan Delivery Support Services	47,900	
General Government			
<i>Support Services</i>	■ Copier Replacements	15,000	15,000
<i>Network Services</i>	■ Database Administrator Position	51,900	54,600
	■ Enterprise Storage Growth	30,000	
<i>Administration</i>	■ Measure Y Renewal Activities	25,000	
	■ Organizational Analysis	37,500	
<i>City Clerk</i>	■ Agenda Management		15,000
TOTAL		1,564,000	1,081,300

Summary By Fund		
General Fund	1,224,500	760,600
Enterprise Funds		
Water Fund	75,800	82,600
Sewer Fund	101,000	62,800
Parking Fund	162,700	175,300
Transit Fund		
TOTAL	1,564,000	1,081,300

SIGNIFICANT OPERATING PROGRAM CHANGES

SUMMARY OF REDUCTIONS REQUIRED TO BALANCE THE BUDGET

Summary By Function

	Staffing FTE's	Annual Savings	
		2011-12	2012-13
PUBLIC SAFETY	5.3	637,600	790,500
Police Protection	4.0	467,100	578,100
Fire & Environmental Safety	1.3	170,500	212,400
PUBLIC UTILITIES	0.0	886,300	1,298,000
Water		824,300	1,268,000
Sewer		62,000	30,000
TRANSPORTATION	1.7	207,700	207,800
Street Maintenance		35,600	35,500
Signals & Lights		28,500	28,500
Creek & Flood Protection	0.4	31,700	31,800
Transportation Planning & Engineering	1.3	98,200	98,300
Parking Services		12,500	12,500
Transit Services		1,200	1,200
LEISURE, CULTURAL & SOCIAL SERVICES	3.3	306,700	312,100
Recreation Administration	1.0	160,800	161,100
Recreational Sports	1.1	21,000	21,000
Facilities		3,100	3,100
Special Events		1,500	1,500
Aquatics	0.2	4,000	4,000
Parks & Landscape Maintenance		52,700	57,500
Trees	1.0	59,600	59,900
Cultural Services		4,000	4,000
COMMUNITY DEVELOPMENT	1.4	207,800	233,200
Planning Development Review	1.0	109,000	109,300
Engineering Development Review	0.4	45,300	45,400
Community Promotion		53,500	78,500
GENERAL GOVERNMENT	2.0	466,500	426,500
Council & City Administration		29,000	29,000
City Clerk Services	0.8	72,200	76,500
Public Works Administration	0.4	53,500	53,600
Human Resources & Risk Management	0.4	65,400	65,400
Finance & Information Technology	0.5	179,300	134,400
Support Services		3,200	3,300
Building Maintenance		62,000	62,400
Fleet Maintenance		1,900	1,900
TOTAL	13.7	2,712,600	3,268,100

Summary By Function

General Fund	13.7	1,812,600	1,956,400
Parking Fund	-	12,500	12,500
Transit Fund	-	1,200	1,200
Golf Fund	-	-	-
Water Fund	-	824,300	1,268,000
Sewer Fund	-	62,000	30,000
Whale Rock Reservoir Fund	-	-	-
Total	13.7	2,712,600	3,268,100

FTE: Full-Time Equivalent

Operating Programs PUBLIC SAFETY



PROGRAM NARRATIVE PUBLIC SAFETY

PROGRAM: Police Administration
DEPARTMENT: Police

OPERATION: Police Protection
FUND: General Fund

PROGRAM COSTS	Actual 2009-10	Budgeted 2010-11	% Diff.	2011-13 Financial Plan	
				2011-12	2012-13
Staffing	959,300	939,900	4.9%	985,600	1,011,500
Contract Services	299,000	301,600	69.4%	511,000	512,400
Other Operating Expenditures	191,100	324,200	-15.8%	272,900	284,800
Minor Capital					
Total	\$1,449,400	\$1,565,700	13.0%	\$1,769,500	\$1,808,700

PROGRAM DESCRIPTION

The police administration program plans, directs, and evaluates all police services, including overall department leadership provided by the Chief of Police. Police administration provides business and fiscal management; personnel hiring and training; risk management; claims/lawsuit coordination; contract service administration; equipment purchase and maintenance; and computer application support for public safety information systems, including computer aided dispatch (CAD) and records management applications. This program is also responsible for preparing and implementing policies and procedures, ensuring appropriate training and performance standards are maintained and ensuring compliance with mandates. This program has nine major activities:

- **Leadership and Professional Standards.** Maintaining positive and effective community relations; coordinating inter-department and agency affairs; implementing mandated activities; managing special projects; developing policies and procedures and reviewing them for compliance; conducting internal affairs investigations.
- **Contract administration.** Administering animal control, false alarm, facility, information technology, equipment, towing, Bomb Task Force and other contracts.
- **Business/fiscal administration.** Developing and monitoring budgets; coordinating audits; paying invoices; administering departmental collection activities; preparing financial reports, and evaluating and forecasting fiscal trends.
- **Public safety information system management.** Administering, supporting, and maintaining public safety system applications.
- **Grant research and management.** Researching, submitting applications, and reporting on law enforcement grants and special funding programs.
- **Personnel & training.** Recruiting, selecting and testing personnel, developing and managing in-service training, mandated training and intermediate and advanced training activities; maintaining personnel training records, facilities and equipment; maintaining personnel files.
- **Cost recovery activities.** Processing permit and license applications; processing driving-under-the-influence (DUI) cost recovery billings; fee reviews and collection.
- **Legal liaison.** Processing, investigating and coordinating claims against the department or its employees and coordinating with City Attorney's office on lawsuits involving the department.
- **Janitorial Services.** Oversee contracted janitorial work at police facilities; coordinating maintenance and repair work.

PROGRAM NARRATIVE PUBLIC SAFETY

PROGRAM: Police Administration (continued)
 DEPARTMENT: Police

STAFFING SUMMARY	Actual 2009-10	Budgeted 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Regular Positions				
Police Chief	1.0	1.0	1.0	1.0
Police Captain	1.0	1.0	1.0	1.0
Police Sergeant	1.0	1.0	1.0	1.0
Senior Administrative Analyst	1.0	1.0	1.0	1.0
Administrative Assistant	1.5	1.5	1.5	1.5
Total	5.5	5.5	5.5	5.5

SIGNIFICANT PROGRAM CHANGES

Reductions Required to Balance the Budget

- **2011-13** Reducing various non-staffing line items including; contract services, utilities, and training will save \$52,400 in 2011-12 and \$44,800 in 2012-13.

Increases Required to Support Basic Service Levels

- **2011-13** If the Police Department is required to pay the County of San Luis Obispo for booking fees, the cost would be approximately \$178,100 annually.
- **2011-13** Suspected Abuse Response Team (SART) exam fees will cost the Police Department an estimated \$20,000 annually.

2011-13 PROGRAM OBJECTIVES

Other Program Objectives

- **2011-13** Complete annual report of Police Department activities and statistics for the past year.
- **2011-13** Develop strategies to provide enhanced services to neighborhoods without additional staffing.
- **2011-13** Develop strategies to mitigate budget reductions and the elimination of department positions.
- **2011-13** Continue efforts to reduce the negative impacts of underage, high-risk, and binge drinking.

WORKLOAD MEASURES	Actual 2009-10	Projected 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Training Hours Completed	4,107	4,100	4,100	4,100
False Alarms Received	1,115	1,056	1,150	1,150

PROGRAM NARRATIVE PUBLIC SAFETY

PROGRAM: Neighborhood & Crime Prevention Services
 DEPARTMENT: Police

OPERATION: Police Protection
 FUND: General Fund

PROGRAM COSTS	Actual 2009-10	Budgeted 2010-11	% Diff.	2011-13 Financial Plan	
				2011-12	2012-13
Staffing	195,200	208,100	2.0%	212,300	212,800
Contract Services	38,400	41,500	-7.0%	38,600	38,600
Other Operating Expenditures	4,500	10,000	-20.0%	8,000	8,000
Minor Capital					
Total	\$238,100	\$259,600	-0.3%	\$258,900	\$259,400

PROGRAM DESCRIPTION

The neighborhood services program is responsible for coordinating services and outreach to the residential neighborhoods in the City, through the efforts of the Neighborhood Services Manager and Neighborhood Services Team, which is comprised of representatives from various City departments. The Program coordinates response to violations of the City noise and neighborhood enhancement ordinances, along with related follow-up, data collection, and the issuance of warning notices and administrative citations to property owners. The duties of the Neighborhood Services Manager include disseminating crime prevention information via the department's multi-media crime prevention program; presenting neighborhood education programs and student orientation workshops; coordinating and providing staff support to various committees and neighborhood groups; receiving and acting on concerns expressed by neighborhood residents about issues affecting the quality of life in the neighborhoods; processing citation appeals for noise and neighborhood parking violations; and preparing the Neighborhood Services Team newsletter. This program has seven major activities:

- **S.N.A.P (Student Neighborhood Assistance Program).** Providing first response to noise ordinance violations within the City; patrolling and enforcing neighborhood parking districts; enforcing Neighborhood Enhancement ordinances and following up on related activities. SNAP employees are part-time temporary employees who are Cal Poly and/or Cuesta College students.
- **Crime Prevention.** Coordinating and preparing the media crime prevention program including print and Internet components; attend meetings, support initiatives and work with local university, college, neighborhood, and business groups involved in neighborhood and City quality of life issues.
- **Working to Improve Neighborhoods (W.I.N.).** Providing public education and awareness programs aimed at improving neighbor relations and quality of life issues in the community; coordinating the annual SLO Night With Your Neighbor event.
- **Neighborhood Services Team.** Coordinating team comprised of City staff from various departments who work collaboratively with residents and community based groups in an effort to promote communication, support of the City's General Plan, and foster neighborhood enhancement and well-being; publish bi-annual Neighborhood Services Team newsletter.
- **Noise Ordinance Enforcement.** Tracking trends related to noise complaints and violations and helping develop strategies to reduce violations; collaborating with uniformed patrol staff to address repeat offenders; processing violation notices and administrative citations issued to residential property owners.
- **SLO Solutions.** Overseeing contract and supporting efforts of the SLO Solutions program, which provides free conflict resolution and mediation services to City residents, focusing on disputes involving neighbors, roommates, and tenant/landlords. SLO Solutions is jointly funded by Cal Poly, Cuesta College and the City.

PROGRAM NARRATIVE PUBLIC SAFETY

PROGRAM: Neighborhood & Crime Prevention Services (continued)
 DEPARTMENT: Police

STAFFING SUMMARY	Actual 2009-10	Budgeted 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Regular Positions				
Neighborhood Services Manager	1.0	1.0	1.0	1.0
Total	1.0	1.0	1.0	1.0
Temporary Positions				
Full-Time Equivalents (FTE)	3.2	3.2	3.2	3.2

2011-13 PROGRAM OBJECTIVES

Major City Goals

- **2011-13** *Neighborhood Wellness.* Embrace and implement pro-active code enforcement and Neighborhood Protection policies.

Other Program Objectives

- **2011-13** Develop and implement innovative strategies to continue to provide public education and crime prevention information aimed at improving neighbor relations and quality of life issues in neighborhoods at a significantly reduced cost.
- **2011-13** Develop strategies to provide enhanced services to neighborhoods without additional staffing.
- **2011-13** In partnership with Cal Poly, Cuesta and community organizations, implement a new community event to collect, re-use and recycle household goods and furniture left behind by departing students in order to reduce the amount of solid waste left in neighborhoods at the end of the school year.

WORKLOAD MEASURES	Actual 2009-10	Projected 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Noise Complaints Received by Dispatch	2,358	2,000	1,985	1,975
SNAP average response time to noise complaints	15:29 minutes	15:00 minutes	15:00 minutes	15:00 minutes
SNAP Neighborhood Enforcement Cases	560	570	575	580
SNAP Parking Citations issued	1,789	1,850	1,900	1,950

PROGRAM NARRATIVE PUBLIC SAFETY

PROGRAM: Police Support Services
DEPARTMENT: Police

OPERATION: Police Protection
FUND: General Fund

PROGRAM COSTS	Actual 2009-10	Budgeted 2010-11	% Diff.	2011-13 Financial Plan	
				2011-12	2012-13
Staffing	2,066,700	2,194,900	-0.7%	2,180,300	2,231,200
Contract Services	83,900	115,000	11.2%	127,900	96,600
Other Operating Expenditures	1,900	7,000	-50.0%	3,500	3,500
Minor Capital					
Total	\$2,152,500	\$2,316,900	-0.2%	\$2,311,700	\$2,331,300

PROGRAM DESCRIPTION

The support services program is divided into two divisions: Communications and Records. Management of this program includes conducting Department of Justice (DOJ) audits, custodian of criminal records, and compliance with State and Federal regulations such as Uniformed Crime Reporting (UCR) and California Public Records Act (CPRA). This program provides project management for certain technology projects, especially those related to the communications and records functions. Support Services personnel are responsible for receiving, processing and dispatching emergency and non-emergency calls for service; processing police reports and citations; tracking and reporting crime statistics; and maintaining confidential information. This program has seven major activities:

- **Records and Citations.** Processing, maintaining, updating and purging police citations and reports pursuant to State and Federal mandates and City records retention policies; sealing juvenile and adult records pursuant to court order; querying, entering, modifying, and clearing all California Law Enforcement Telecommunications System (CLETS) entries regulated by DOJ.
- **Statistics and Information Requests.** Researching records and providing requested information to the Courts, law enforcement personnel and the public as required by the CPRA; conducting data base background checks requested by authorized agencies; tracking and reporting crime statistics to DOJ as required and providing statistical data to other entities as needed.
- **Public Contact.** Provide first point of contact for citizens both in person and via telephone; assisting with citation sign offs, impounded and towed vehicle releases, and general inquiries; assisting with registering mandated offenders and maintaining registrant files; processing Taxi, Massage, and Solicitor permit applications; collecting fees charged for services and balancing register receipts.
- **Processing emergency phone calls and requests for service.** Answering 9-1-1 calls regarding police, fire and medical emergencies; providing pre-arrival medical instructions to callers involved in medical emergencies; processing calls for public safety services and crime reporting; operating computerized dispatch systems, including communication with other public safety agencies; answering after hour emergency phone calls for City services such as sewer, water, streets, buildings, and parks and recreation, and dispatching service requests accordingly.
- **Dispatching Police and Fire Response.** Prioritizing calls for service and dispatching public safety emergency vehicles and personnel to calls for service; requesting ambulance response from county via computerized dispatch system.
- **Public Outreach.** Public education and training regarding safety, injury prevention, and utilizing emergency services including, 9-1-1 education for elementary students, elder adult education; providing tactical dispatcher/scribe services for the Regional SWAT Team.
- **Monitor Security Systems.** Monitoring security cameras for City facilities including the Police Department, holding cells, Fire Department, Sinsheimer Pool, City Hall, and Council Chambers.

PROGRAM NARRATIVE PUBLIC SAFETY

PROGRAM: Police Support Services (continued)
 DEPARTMENT: Police

STAFFING SUMMARY	Actual 2009-10	Budgeted 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Regular Positions				
Communications and Records Manager	1.0	1.0	1.0	1.0
Communications Supervisor	2.0	2.0	2.0	2.0
Communications Technician	11.0	11.0	10.0	10.0
Records Supervisor	1.0	1.0	1.0	1.0
Records Clerk	4.0	4.0	4.0	4.0
Total	19.0	19.0	18.0	18.0

SIGNIFICANT PROGRAM CHANGES

Reductions Required to Balance the Budget

- **2011-13** Reducing various non-staffing accounts will result in savings of \$5,800 in 2011-12 and \$4,900 in 2012-13.
- **2011-13** Eliminating a Communication Technician position will result in savings of \$106,900 in 2011-12 and \$107,200 in 2012-13.

Increases Required to Support Basic Service Levels

- **2011-13** Ongoing annual maintenance of the Uninterrupted Power Supply system at the dispatch center will cost \$7,500 in 2011-12 and \$7,900 in 2012-13.
- **2011-12** Purchasing warranties for the Mobile Data Computers and In-Car Video in 2011-12 will cost \$34,300 in 2011-12.

2011-13 PROGRAM OBJECTIVES

Other Program Objectives

- **2011-13** Complete electronic citation and collision reporting project to automatically upload data to records management and traffic collision tracking systems.
- **2011-13** Complete conversion of archived paper reports into the Laser Fiche electronic document storage system and purge hard copies as appropriate.
- **2011-12** Complete the CAD-2-CAD project connecting all agencies in the county to our CAD system for dispatching and receiving calls for service between CAD systems.
- **2011-12** In partnership with City Information Technology staff, complete full implementation of new computer systems at the Emergency Communications Center.

WORKLOAD MEASURES	Actual 2009-10	Projected 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Calls for Service Police/Fire/Business	32,043	31,922	32,000	32,050
Incident Numbers Issued	27,550	27,405	27,450	27,500
Police Reports Processed	7,454	7,457	7,500	7,550
Citations Processed	7,402	7,450	7,460	7,500
Phone calls received by the Communications Center	105,458	107,580	108,600	109,700

PROGRAM NARRATIVE PUBLIC SAFETY

PROGRAM: Investigative Services
DEPARTMENT: Police

OPERATION: Police Protection
FUND: General Fund

PROGRAM COSTS	Actual 2009-10	Budgeted 2010-11	% Diff.	2011-13 Financial Plan	
				2011-12	2012-13
Staffing	2,613,200	2,704,700	-8.1%	2,485,900	2,524,300
Contract Services	3,500	6,900	21.7%	8,400	8,400
Other Operating Expenditures	21,000	49,000	-46.1%	26,400	26,400
Minor Capital					
Total	\$2,637,700	\$2,760,600	-8.7%	\$2,520,700	\$2,559,100

PROGRAM DESCRIPTION

The investigative services program provides investigation of a variety of criminal activity, including homicides, assault, robberies, burglaries, narcotic trafficking, major frauds, and child and elder abuse. Program staff also interview and monitor convicted sex and arson offenders; coordinate and deliver enforcement, intervention and education services to the high school, and junior high; provide forensic investigative services and evidence collection and analysis; and process and dispose of evidence and property. This program has five major activities:

- **Investigations.** Investigating complex crimes, identifying suspects, and submitting cases to the District Attorney for prosecution; investigating initial reports of suspected child abuse; coordinating missing persons investigations; interviewing and tracking convicted sex offenders.
- **Juvenile Services.** Providing enforcement, intervention and educational services to the high school, and the middle school in the City; investigating criminal and chronic truancy cases involving juveniles, including major graffiti investigations; participating in school-based Threat Assessment conferences with school staff; planning and helping train school staff for emergency situations at the schools.
- **Narcotics Task Force.** Participating in the countywide Narcotics Task Force to investigate major narcotic trafficking cases and to leverage significant resources dedicated to the Task Force by the California Department of Justice and other local law and Federal enforcement agencies.
- **Situation Oriented Response Team (S.O.R.T.).** Conducting specialized enforcement activities directed at known violators or designed to address crime trends, such as street drug sales, burglary cases, and gang activities; augmenting patrol and investigation units as needed for major crimes, special events, and peak activity periods; conducting alcohol and tobacco compliance operations.
- **Evidence and Property.** Collecting, analyzing, monitoring, storing, auditing, and disposing of evidence and property.

STAFFING SUMMARY	Actual 2009-10	Budgeted 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Regular Positions				
Police Lieutenant	1.0	1.0	1.0	1.0
Police Sergeant	1.0	1.0	1.0	1.0
Police Officer	11.0	11.0	9.0	9.0
Field Service Technician	1.0	1.0	1.0	1.0
Evidence Technician	1.0	1.0	1.0	1.0
Records Clerk	1.0	1.0	1.0	1.0
Total	16.0	16.0	14.0	14.0

PROGRAM NARRATIVE PUBLIC SAFETY

PROGRAM: Investigative Services (continued)
 DEPARTMENT: Police

SIGNIFICANT PROGRAM CHANGES

Reductions Required to Balance the Budget

- **2011-13** Reducing the Contract Services budget will save \$2,400 annually.
- **2011-13** Eliminating a vacant officer position (SORT) would save \$146,700 in 2011-12 and \$147,800 in 2012-13.
- **2011-13** Eliminating a vacant officer position (SRO/DARE Program) will save \$146,700 in 2011-12 and \$147,800 in 2012-13.

2011-13 PROGRAM OBJECTIVES

Other Program Objectives

- **2011-13** Develop a comprehensive approach to address the increasing rate of vehicle and home burglaries.
- **2011-13** Participate in the First Responders Group, SARP Board and the Women’s Safety Committee to identify ways to improve sexual assault prevention and investigation efforts.
- **2011-13** Conduct activities to reduce under age drinking in the neighborhoods and the sales and provision of alcohol to minors.
- **2011-13** Continue to aggressively investigate crimes involving local fraud which victimize City residents and businesses.

WORKLOAD MEASURES	Actual 2009-10	Projected 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Sex Offender Compliance Checks	320	286	310	330
Property/evidence booked	7213	6810	6850	6900
Property/evidence purged	7205	4638	4700	4750
Cases assigned for investigation	550	693	690	690
Elder/dependant adult mandated reports	6	6	10	10
Child abuse mandated reports	147	185	180	190

PROGRAM NARRATIVE PUBLIC SAFETY

PROGRAM: Traffic Safety
DEPARTMENT: Police

OPERATION: Police Protection
FUND: General Fund

PROGRAM COSTS	Actual 2009-10	Budgeted 2010-11	% Diff.	2011-13 Financial Plan	
				2011-12	2012-13
Staffing	915,800	923,600	1.7%	939,000	951,900
Contract Services	5,900	10,300	0.0%	10,300	10,300
Other Operating Expenditures	5,700	11,800	4.2%	12,300	9,100
Minor Capital	3,600	4,400	0.0%	4,400	4,400
Total	\$931,000	\$950,100	1.7%	\$966,000	\$975,700

PROGRAM DESCRIPTION

The traffic safety program provides enforcement of traffic laws, collision investigations, education programs and coordination of special events. This program has five major activities:

- **General Traffic Enforcement.** General enforcement of traffic laws, including DUI enforcement through special patrols and DUI check-points.
- **Directed Traffic Enforcement.** Focused enforcement in areas with high traffic concentration and/or a history of collisions; special enforcement in response to citizen complaints of violations in neighborhood areas; enforcement of school zones during peak hours when children are being dropped off and picked up.
- **Collision Investigation.** Investigation of traffic collisions and reconstructing collisions involving death or serious injury.
- **Special Event Coordination.** Working with staff from Parks and Recreation and other City departments to plan and staff special events in the City.
- **Education.** Provide education regarding traffic and bicycle safety to members of the community.

STAFFING SUMMARY	Actual 2009-10	Budgeted 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Regular Positions				
Police Sergeant	1.0	1.0	1.0	1.0
Police Officer	4.0	4.0	4.0	4.0
Total	5.0	5.0	5.0	5.0

SIGNIFICANT PROGRAM CHANGES

Reductions Required to Balance the Budget

- 2011-13 Reducing the Operating Materials & Supplies budget will save \$600 annually.

PROGRAM NARRATIVE PUBLIC SAFETY

PROGRAM: Traffic Safety (continued)
 DEPARTMENT: Police

2011-13 PROGRAM OBJECTIVES

Other Program Objectives

- **2011-13** Continue conducting special enforcement operations in the City's most hazardous intersections and roadways to reduce collisions in those locations.
- **2011-13** Conduct specialized enforcement focused on reducing collisions involving bicycles and pedestrians.
- **2011-13** Continue enforcement efforts of DUI violations.
- **2011-13** Conduct programs designed to increase traffic safety in the neighborhoods.

WORKLOAD MEASURES	Actual 2009-10	Projected 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Citations Issued	5646	5294	5400	5400
Traffic Collisions	718	715	750	750
DUI Arrests	225	240	245	250
DUI Involved Collisions	63	50	50	50
Pedestrian Collisions	29	30	30	32

PROGRAM NARRATIVE PUBLIC SAFETY

PROGRAM: Patrol Services
DEPARTMENT: Police

OPERATION: Police Protection
FUND: General Fund

PROGRAM COSTS	Actual 2009-10	Budgeted 2010-11	% Diff.	2011-13 Financial Plan	
				2011-12	2012-13
Staffing	7,035,500	7,113,600	2.0%	7,256,600	7,297,000
Contract Services	7,400	8,400	10.7%	9,300	9,300
Other Operating Expenditures	54,400	67,900	-16.9%	56,400	56,500
Minor Capital					
Total	\$7,097,300	\$7,189,900	1.8%	\$7,322,300	\$7,362,800

PROGRAM DESCRIPTION

The police patrol services program utilizes uniformed officers to respond to emergencies and calls for service; conduct preliminary investigations of criminal activity; enforce state and City laws and statutes; apprehend criminals; enforce traffic laws; conduct routine traffic collision investigations; control disturbances; manage unusual incidents; implement crime prevention strategies; and provide other public safety related services as directed. This program has seven major components:

- **General patrol.** Driving or walking assigned sectors; conducting pro-active patrols to discover criminal activity in progress or prevent its occurrence; responding to calls-for-service, apprehending criminals; enforcing traffic laws.
- **Directed patrol.** Providing targeted vehicle and foot patrol to respond to known criminal patterns or locations of frequent occurrences.
- **Special events.** Planning and coordinating special events and major deployments with event organizers, other City departments; community organizations, schools, and other law enforcement organizations.
- **Neighborhood enhancement.** Directed educational and enforcement activities focused specifically on quality of life issues in neighborhoods; making presentations and attending meetings in coordination with the Office of Neighborhood Services to groups including neighborhood associations, university sports teams, Greek organizations, and others.
- **Traffic enforcement.** Conducting proactive traffic enforcement by issuing warnings and citations for violations and conducting collision investigations.
- **Downtown Team.** Providing a dedicated program of education, enforcement and crime prevention in the downtown core in collaboration with the Downtown Association, Chamber of Commerce, and owners and staff of downtown bars, restaurants and businesses; providing patrol in the downtown core and neighboring areas on bicycle; addressing daytime issues downtown including aggressive panhandling and related crimes.
- **Special Weapons and Tactics (SWAT).** Participating in the Regional SWAT Team, comprised of specially trained and equipped officers to respond to high risk situations that require expertise and resources beyond patrol officers.

STAFFING SUMMARY	Actual 2009-10	Budgeted 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Regular Positions				
Police Captain	1.0	1.0	1.0	1.0
Police Lieutenant	2.0	2.0	2.0	2.0
Police Sergeant	5.0	5.0	5.0	5.0
Police Officer	30.0	30.0	30.0	30.0
Field Service Technician	2.0	2.0	2.0	1.0
Total	40.0	40.0	40.0	39.0

PROGRAM NARRATIVE PUBLIC SAFETY

PROGRAM: Patrol Services (continued)
 DEPARTMENT: Police

SIGNIFICANT PROGRAM CHANGES

Reductions Required to Balance the Budget

- **2011-13** Reducing non-staffing equipment budgets such as; weapons inspection, protective clothing, uniform and accessories will save \$3,800 annually.
- **2012-13** Eliminating a Field Services Technician position will save \$118,800 in 2012-13.

2011-13 PROGRAM OBJECTIVES

Other Program Objectives

- **2011-13** Continue to develop and implement proactive policing strategies focusing on neighborhood safety and quality of life.
- **2011-13** Plan and schedule for major deployments including St. Patrick’s Day, “Back-to-school” periods, Halloween, and others.
- **2011-13** Maintain a directed and intensive program of education and enforcement related to alcohol violations and related crimes, particularly in the neighborhoods and downtown area.
- **2011-13** Increase enforcement of traffic laws focused on violations that tend to increase collisions.

WORKLOAD MEASURES	Actual 2009-10	Projected 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Police Calls for Service	27,510	27,400	27,500	27,550
Felony Arrests	645	510	525	525
Total Arrest	2,632	2,650	2,700	2,700

PROGRAM NARRATIVE PUBLIC SAFETY

PROGRAM: Fire Administration
DEPARTMENT: Fire

OPERATION: Fire & Environmental Safety
FUND: General Fund

PROGRAM COSTS	Actual 2009-10	Budgeted 2010-11	% Diff.	2011-13 Financial Plan	
				2011-12	2012-13
Staffing	588,200	524,000	-13.1%	455,400	462,000
Contract Services	25,400	24,700	10.5%	27,300	28,100
Other Operating Expenditures	73,600	90,400	2.7%	92,800	96,300
Minor Capital					
Total	\$687,200	\$639,100	-10.0%	\$575,500	\$586,400

PROGRAM DESCRIPTION

The fire administration program plans, directs and evaluates all fire department programs and their activities. Program goals are to achieve: 1) responsive, effective and efficient fire department programs and 2) well-planned long-term improvements to the fire department facilities, equipment and organization. This program has five major activities:

- **Department leadership.** Communicating organizational goals and values and establishing department priorities. Directing and coordinating the work of department. Representing the department before the public and community groups, department heads and other public agencies. Maintaining positive and effective community relations. Anticipating community needs for fire services and managing required changes in staffing, facilities, technology, and equipment.
- **Public information and support services.** Providing administrative support for the department. Assisting the public with general information. Preparing reports; compiling statistics and data to address department needs and programs.
- **Human resource management.** Administering human resource policies, staffing requirements and payroll.
- **Fiscal and contract management.** Developing and monitoring fire department budgets, expenditures, revenues, contracts and grants. Assuring compliance with fiscal policies.
- **Fund enhancement.** Researching and implementing opportunities for revenue enhancement such as grants, sponsorships and fees.

STAFFING SUMMARY	Actual 2009-10	Budgeted 2010-11	2013-13 Financial Plan	
			2011-12	2012-13
Regular Positions				
Fire Chief	1.0	1.0	1.0	1.0
Administrative Analyst	1.0	1.0	1.0	1.0
Administrative Assistant	2.0	2.0	1.0	1.0
Total	4.0	4.0	3.0	3.0

SIGNIFICANT PROGRAM CHANGES

Reductions Required to Balance the Budget

- **2011-13** Eliminating the vacant Administrative Assistant position will save \$74,000 in 2011-12 and \$78,300 in 2012-13.

PROGRAM NARRATIVE PUBLIC SAFETY

PROGRAM: Fire Administration (continued)
 DEPARTMENT: Fire

2011-13 PROGRAM OBJECTIVES

Major City Goals

- **2011-13** *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 resident’s priorities, and includes cost reduction strategies.
- **2011-13** *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.

Other Council Goals

- **2011-13** *Planning* – Within the scope of the grant, undertake the update of the Land Use and Circulation Elements, including “Healthy Cities” policies and creating a Pedestrian Circulation Plan.

Other Program Objectives

- **2011-12** Institute budget reductions and prioritize program tasks. Monitor impact of budget reductions.
- **2011-12** Training and implementation of new timecard software.
- **2011-13** Develop new strategies to expand efforts for revenue enhancements.

WORKLOAD MEASURES	Actual 2009-10	Projected 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Hours spent on budget	900	1,300	1,200	1,100
Number of visitors	150	250	400	500
Hours spent on payroll	560	560	560	560
Hours spent on mutual aid reimbursement	700	100	400	400
Hours spent on personnel issues	1,200	1,200	1,200	1,200
Hours spent on grants	300	300	400	400
Hours spent on contracts	Not tracked	400	400	400
Hours preparing staff reports	500	1200	1200	1200
Hours spent at meetings on special projects and/or new programs	1,000	500	600	600
Council Agenda Reports Prepared	6	9	7	7
City Manager Reports prepared	24	22	21	21
Grants submitted	2	3	4	5
Out of County Mutual Aid billings	12	5	8	8

PROGRAM NARRATIVE PUBLIC SAFETY

PROGRAM: Emergency Response
DEPARTMENT: Fire

OPERATION: Fire & Environmental Safety
FUND: General Fund

PROGRAM COSTS	Actual 2009-10	Budgeted 2010-11	% Diff.	2011-13 Financial Plan	
				2011-12	2012-13
Staffing	7,714,500	7,912,100	3.0%	8,147,900	8,213,900
Contract Services	45,800	44,700	-7.6%	41,300	44,000
Other Operating Expenditures	135,500	191,700	-27.0%	140,000	144,400
Minor Capital					
Total	\$7,895,800	\$8,148,500	2.2%	\$8,329,200	\$8,402,300

PROGRAM DESCRIPTION

The emergency response program protects life, the environment and property by responding to a wide variety of emergencies including but not limited to structure fires, vegetation fires, medical emergencies, hazardous materials incidents, vehicle fires/accidents, flooding, utility emergencies, and a wide range of non-emergency public assists. Program goals include timely response (industry standard of 6 minutes from receipt of 911 phone call), provide Advanced Life Support on medical emergencies, deliver sufficient number of personnel for initial attack on structure and vegetation fires, limit any environmental damage caused by a release of hazardous materials, and keep property damage to a minimum when confronted with human caused or natural adverse events. This program has the following major activities:

- **Emergency Response Services**
 - **Fire protection.** Responding to fire emergencies, rescuing civilians exposed to fire, suppressing fires, and protecting exposed property.
 - **Emergency medical response (EMS).** Providing victims of acute trauma and sudden illness with Advanced Life Support (ALS) from certified Firefighter-Paramedics. Maintaining EMS quality assurance/quality improvement program, supplies, etc.
 - **Hazardous materials incident response.** Controlling and containing unwanted hazardous materials releases.
 - **Rescue.** Extrication of victims trapped in wrecked automobiles, collapsed buildings, swift water rescues and cliffside extractions.
- **Equipment and protective clothing purchasing, repair, and maintenance.** Ensuring equipment and Personal Protective Equipment (PPE) meet continually updated state and federal mandates.
- **Vehicle maintenance and repair.** Performing Occupational Safety Health Act (OSHA) regulated maintenance, major and minor repairs, as well as day-to-day maintenance on all emergency response vehicles.
- **Building and district preplan and inspection.** Familiarize personnel with, and keep data on, target hazards, and perform fire safety inspections on buildings and businesses.

STAFFING SUMMARY	Actual 2009-10	Budgeted 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Regular Positions				
Battalion Chief	3.0	3.0	3.0	3.0
Fire Captain	12.0	12.0	12.0	12.0
Fire Engineer	15.0	15.0	15.0	15.0
FireFighter	12.0	12.0	12.0	12.0
Fire Vehicle Mechanic	1.0	1.0	1.0	1.0
Total	43.0	43.0	43.0	43.0

PROGRAM NARRATIVE PUBLIC SAFETY

PROGRAM: Emergency Response (continued)
 DEPARTMENT: Fire

SIGNIFICANT PROGRAM CHANGES

Reductions Required to Balance the Budget

- **2011-13** Backfilling three vacant Firefighter positions with existing staff on overtime will save \$48,800 in 2011-12 and \$70,500 in 2012-13.

2011-13 PROGRAM OBJECTIVES

Major City Goals

- **2011-13** *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.
- **2011-13** *Neighborhood Wellness.* Embrace and implement pro-active code enforcement and Neighborhood Protection policies.

Other Program Objectives

- **2011-13** Maintain participation and support of the County Hazardous Materials Team.
- **2011-13** Respond to medical emergencies with Advanced Life Support (ALS) capabilities.
- **2011-13** Maintain apparatus and vehicles.
- **2011-13** Complete an average of 130 fire inspections per crew per year.

WORKLOAD MEASURES	Actual 2009-10	Projected 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
<u>All figures are based on a calendar year</u>				
Structure Fires	13	20	21	22
Vehicle Fires	15	15	16	17
Vegetation Fires	9	1	3	5
EMS and Rescue	3,097	3,251	3,381	3,516
Hazardous Conditions/Materials	47	43	45	47
Service Calls	449	449	466	484
Good Intent/False Alarms	634	718	746	775
Other Calls & Incidents	146	119	124	130
Total Responses	4,410	4,616	4,802	4,996
Number of Fire Safety Inspections	77*	2,330	2,330	2,330
Hours of vehicle/equipment maintenance completed by Emergency Response	6,721	6,721	6,721	6,721

PROGRAM NARRATIVE PUBLIC SAFETY

PROGRAM: Hazard Prevention
DEPARTMENT: Fire

OPERATION: Fire & Environmental Safety
FUND: General Fund

PROGRAM COSTS	Actual 2009-10	Budgeted 2010-11	% Diff.	2011-13 Financial Plan	
				2011-12	2012-13
Staffing	710,900	660,900	-5.8%	622,400	628,200
Contract Services	19,400	14,800	46.6%	21,700	22,000
Other Operating Expenditures	6,600	11,500	-13.0%	10,000	10,000
Minor Capital					
Total	\$736,900	\$687,200	-4.8%	\$654,100	\$660,200

PROGRAM DESCRIPTION

The hazard prevention program prevents injury and loss to life, property and the environment caused by fire, explosion or exposure to hazardous materials. Program goals include: 1) eliminating fire hazards and investigating fires in buildings, equipment and properties; 2) safely handling and containing all hazardous materials; 3) broadening public awareness about the dangers of fire and hazardous materials. This program has seven major activities:

- **Fire hazard inspection and abatement.** Regularly inspecting residential, commercial, governmental, educational and industrial sites for fire hazards and responding to citizen complaints and implementing the weed abatement program during the fire season.
- **Fire and arson investigation.** Investigating all reported fires to determine causes and possible prevention measures.
- **Hazardous material inspection and abatement.** Enforcing regulations governing the storage, use, handling and disposal of hazardous materials; annually inspecting the safety and environmental quality of all facilities, storing, using or handling hazardous materials.
- **Building plan review and construction inspections.** Reviewing development projects and building plans for compliance with fire safety codes, along with associated field inspections.
- **Hazardous waste removal and disposal.** Serving as a collecting agent for hazardous waste found in city streets, property, or creeks resulting from unknown sources and unidentified parties. Conducting plan checks for underground storage tank installation and removals, with a permit issued by the Department, along with associated field inspections.
- **Education.** Providing fire and safety education programs to businesses, hospitals and homeowners groups.
- **Hydrant maintenance.** Inspecting, testing and servicing fire hydrants (funded by Utilities).

STAFFING SUMMARY	Actual 2009-10	Budgeted 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Regular Positions				
Fire Marshal	1.0	1.0	1.0	1.0
Administrative Assistant	1.0	1.0	1.0	1.0
Hazardous Materials Coordinator	1.0	1.0	1.0	1.0
Fire Inspector	2.8	2.0	1.8	1.8
Total	5.8	5.0	4.8	4.8
Temporary Positions				
Full-Time Equivalents (FTE)	0.0	0.0	0.0	0.0
FTE Paid by Utilities	0.6	0.6	0.6	0.6

PROGRAM NARRATIVE PUBLIC SAFETY

PROGRAM: Hazard Prevention (continued)
DEPARTMENT: Fire

SIGNIFICANT PROGRAM CHANGES

Reductions Required to Balance the Budget

- **2011-13** Reducing one Fire Inspector III position to .75 FTE will save \$30,900 in 2011-12 and \$31,100 in 2012-13

2011-13 PROGRAM OBJECTIVES

Major City Goals

- **2011-13** *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.
- **2011-13** *Neighborhood Wellness.* Embrace and implement pro-active code enforcement and Neighborhood Protection policies.

Other Program Objectives

- **2011-13** Continue to deliver year-round education and business outreach programs that promote fire and life safety.
- **2011-13** Provide annual fire and life safety inspections and education for all multi-dwelling properties (R-1/R-2 inspections).
- **2011-13** Provide fire prevention training to all suppression personnel.
- **2011-13** Provide continuing education to fire prevention personnel.
- **2011-13** Verify and ensure compliance with the Downtown Fire Sprinkler Ordinance.
- **2011-13** Review all fire sprinkler and fire alarm systems, in house, for compliance to national standards in order to improve customer service and reduce costs to the City.
- **2011-13** Training and implementation of new data management software (Ener Gov).
- **2011-13** Provide the necessary resources to respond to the State Certified Unified Program Agency (CUPA) audit.
- **2011-13** Administer enforcement orders for CUPA Program.
- **2011-13** Observe underground storage tank installations and removals.
- **2011-13** Conduct inspections of all Underground Fuel Tank facilities to determine compliance with state and local regulations.
- **2011-13** Ensure adequate funding and training in the area of hazardous materials programs, hazardous waste disposal, and leaking underground tank programs.
- **2011-13** Identify and abate all hazardous vegetation and combustible debris from private property.
- **2011-13** Promote and initiate a vegetation management program in the city-owned open space adjacent to developments surrounding the City.
- **2011-13** Investigate the cause and origin of all fires, explosions and unauthorized hazardous materials releases.
- **2011-13** Promote public safety by remaining actively involved in the Development Review Process.
- **2011-13** Conduct thorough plan review and inspections of construction projects for compliance to the fire and life-safety codes.
- **2011-13** Conduct fire hydrant and flow testing and maintenance throughout the City.

PROGRAM NARRATIVE PUBLIC SAFETY

PROGRAM: Hazard Prevention (continued)
 DEPARTMENT: Fire

WORKLOAD MEASURES	Actual 2009-10	Projected 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Fire and life safety inspections	1,400*	3,600	3,650	3,670
Weed abatement notices to previous violators	1,500	0	0	0
Water Bill Inserts (Notices to Clear Weeds)	14,500	14,500	14,500	14,500
Hazardous materials inspections/inventories	254	260	260	270
Hazardous materials business plans	83	85	90	90
Building plan review	205	216	220	240
Development plan reviews, ARC, EIR	59	66	70	75
Adult fire education activities (no. of adults)	2,000	2,000	2,000	2,000
Fire and arson investigations	35	40	45	45
Complaints, fire hazards and referrals	50	50	50	50
Code review and interpretations	200	200	200	200
Parking Citations	30	30	30	30
Underground Storage Tank Modifications	10	10	15	15
Juvenile Fire setter Counseling Sessions (referrals)	0	0	0	0
Special Events Inspections / Bar Checks	30	30	30	30

*Number of Fire Safety Inspections reduced due to other department priorities.

PROGRAM NARRATIVE PUBLIC SAFETY

PROGRAM: Training OPERATION: Fire & Environmental Safety
 DEPARTMENT: Fire FUND: General Fund

PROGRAM COSTS	Actual 2009-10	Budgeted 2010-11	% Diff.	2011-13 Financial Plan	
				2011-12	2012-13
Staffing	266,900	257,800	13.9%	293,700	235,600
Contract Services	18,900	15,900	69.8%	27,000	30,200
Other Operating Expenditures	33,100	39,400	-18.0%	32,300	29,800
Minor Capital					
Total	\$318,900	\$313,100	12.7%	\$353,000	\$295,600

PROGRAM DESCRIPTION

The fire training program schedules, coordinates, and documents both in-house and outside training and certification for fire department staff. The program also works to maintain and improve the health fitness of fire department employees. The overall program goal is to provide and support highly qualified, well-trained, safe, healthy and fit employees. This program has five major activities:

- **In-service training.** Complying with mandates, conducting training exercises and classroom lessons to maintain the myriad skills of our business, and facilitating the introduction of new methodologies, technology and equipment. The addition of an internet based training delivery and records management system has allowed us to meet minimum training mandates in a more efficient manner.
- **Outside training.** Scheduling and coordinating employee attendance at State certified upper level (I and II) training offered outside of the Department; facilitating bringing specialized instruction into our area; providing any other needed and mandated training not generated within the instructional capabilities of fire department staff. This budget cycle will mark the third and fourth year of decreased funding in this training category. This trend will limit the long term improvement of emergency services delivered to citizens.
- **Health fitness.** Scheduling and coordinating all physical fitness activities including medical examinations and comprehensive fitness evaluation.
- **Safety.** Providing required safety training to all employees.
- **Recruitment and promotion testing.** Working with the Human Resources Department, assisting with the design and administration of new hire and promotional testing processes and conducting recruit-training academies for new hires.

STAFFING SUMMARY	Actual 2009-10	Budgeted 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Regular Positions				
Fire Battalion Training Chief	1.0	1.0	0.0	0.0
Training Captain	0.0	0.0	1.0	1.0

*Fire Battalion Chief-Training will be re-classified to Training Captain at the end of 2011.

SIGNIFICANT PROGRAM CHANGES

Reductions Required to Balance the Budget

- **2011-13** Reclassifying the Fire Battalion Chief-Training position to a Fire Captain will save \$16,100 in 2011-12 and \$32,500 in 2012-13.

Increases Required to Support Basic Service Levels

- **2011-13** Depending on the number of firefighter vacancies, a Recruit Academy may be required in 2011-12 or 2012-13 at a cost of \$46,800.

PROGRAM NARRATIVE PUBLIC SAFETY

PROGRAM: Training (continued)
 DEPARTMENT: Fire

2011-13 PROGRAM OBJECTIVES

Major City Goals

- **2011-13** *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.

Other Program Objectives

- **2011-13** Deliver mandated training by structuring training that is aligned with the intent of federal and state mandates as well as nationally recognized standards.
- **2011-13** Develop and maintain baseline and advanced skills at the individual, company and organizational level.
- **2011-13** Maintain web based training delivery and records management program.
- **2011-13** Provide for Firefighter health and safety by continuing the health and fitness program.
- **2011-13** Provide an opportunity for professional development by facilitating career track counseling and encouraging specialty training.
- **2011-13** Maintain current training drill tower and surroundings including development of props.

WORKLOAD MEASURES	Actual 2009-10	Projected 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
In-service/mandated training hours (240 hrs X 42 employees / year)	9,072	10,808	10,080	10,080
Outside Training hours (total)	560	280	360	360
Academy/Probationary Training hours (360/employee)	720	0	1,440	0
Baseline Medical Tests & Review by Physician	45	45	45	45
Basic Physicals	30	27	29	29
Comprehensive Medical Exams	15	18	15	15
TB tests	43	43	43	43
EMT re-certification (individuals)	22	0	22	0
Paramedic re-certification (individuals)	9	15	9	15

PROGRAM NARRATIVE PUBLIC SAFETY

PROGRAM: Technical Services
 DEPARTMENT: Fire

OPERATION: Fire & Environmental Safety
 FUND: General Fund

PROGRAM COSTS	Actual 2009-10	Budgeted 2010-11	% Diff.	2011-13 Financial Plan	
				2011-12	2012-13
Staffing	1,200	500	0.0%	500	500
Contract Services	7,700	18,800	-77.7%	4,200	4,200
Other Operating Expenditures	19,900	14,700	0.0%	14,700	15,100
Minor Capital					
Total	\$28,800	\$34,000	-42.9%	\$19,400	\$19,800

PROGRAM DESCRIPTION

The technical services program manages and maintains the City's four fire station facilities, their grounds and miscellaneous related equipment, and furnishings. The program goal is to maintain attractive, safe and energy-efficient fire stations. The technical services program works closely with the Public Works Department to facilitate building repairs and to provide landscape maintenance. This program includes four major activities:

- **Minor Facilities Maintenance.** Identifying, coordinating and providing cleaning supplies, maintaining landscaped areas, repairing or replacing broken or worn station furnishings, and correcting minor electrical and plumbing problems while meeting Cal-OSHA safe work place requirements.
- **Major Building Repair and Construction.** Identifying necessary remodel and update needs for the interior and exterior of the four fire stations. Major building and exterior repair projects coordinated with or managed by the Public Works Department.
- **Automatic External Defibrillators (AED).** Public Access Defibrillation Project is a program that provides Automatic External Defibrillators (AED's) in public areas throughout the city to allow lay rescuers to intervene early in cases of cardiac arrest. An AED is an automated computerized medical device programmed to analyze heart rhythm, recognize rhythms that require defibrillation, and deliver life-saving electric shocks.
- **Fire Mapping Program.** Updates fire grid books for emergency personnel and provides miscellaneous emergency response maps at all fire stations.

STAFFING SUMMARY

None—Program activities are supported by staff from other program areas.

2011-13 PROGRAM OBJECTIVES

Major City Goals

- **2011-13** *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.

Other Program Objectives

- **2011-13** Maintain Automated External Defibrillator (AED) program.
- **2011-13** Maintain fire grid books for responding personnel and provide miscellaneous response maps for the fire stations and Public Safety Dispatch Center in coordination with Finance and Information Technology Department, GIS staff.
- **2011-13** Coordinate with the Public Works Department for the Engine Bay Slab Replacement at Fire Station 3.

PROGRAM NARRATIVE PUBLIC SAFETY

PROGRAM: Technical Services (continued)
 DEPARTMENT: Fire

WORKLOAD MEASURES	Actual 2009-10	Projected 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Square feet of fire stations maintained	33,346	33,346	33,346	33,346
Square feet of property	138,491	138,491	138,491	138,491
AEDs in City buildings	20	20	20	20

PROGRAM NARRATIVE PUBLIC SAFETY

PROGRAM: Disaster Preparedness
 DEPARTMENT: Fire

OPERATION: Fire & Environmental Safety
 FUND: General Fund

PROGRAM COSTS	Actual 2009-10	Budgeted 2010-11	% Diff.	2011-13 Financial Plan	
				2011-12	2012-13
Staffing			100.0%	1,600	1,600
Contract Services					
Other Operating Expenditures	10,800	9,500	-14.7%	8,100	8,100
Minor Capital					
Total	\$10,800	\$9,500	2.1%	\$9,700	\$9,700

PROGRAM DESCRIPTION

The disaster preparedness program has two focuses: 1) ensures that City personnel can provide appropriate rescue and relief services following major disasters like earthquakes, floods, nuclear power accidents, hazardous material spills, and wildland fires; and 2) provides information and education on disaster preparedness, and fire safety to the general public. Program goals are to train disaster response to employees, provide up-to-date disaster response plans, and educate residents and businesses in disasters and emergency preparedness. This program has five major activities:

- **Training.** Teaching city employees from a variety of departments how to use the incident command system and conducting disaster response drills.
- **Planning.** Reviewing and revising the city's disaster response plans to improve deployment of city forces and ensure coordination with federal, state and local agencies; operating the City's emergency operation center (EOC) in the event of a disaster.
- **Community Emergency Response Team (CERT) training.** Training the general public on how to provide for themselves in major emergencies for 72 hours following an emergency.
- **Community Outreach.** Providing general fire safety and life safety information to citizens in the community.
- **Business Continuity.** Upon request, distribute information to encourage businesses to create and implement emergency preparedness plans to protect their business against any unexpected business interruption following a disaster.

STAFFING SUMMARY

None – Program activities are staffed from other program areas.

2011-13 PROGRAM OBJECTIVES

Major City Goals

- **2011-13** *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.

Other Program Objectives

- **2011-13** Update disaster plans as needed.
- **2011-13** Provide disaster preparedness information and one (1) CERT course annually to the general public.
- **2011-13** Conduct disaster preparedness training or drill for City employees.
- **2011-13** Distribute emergency business continuity plan to local businesses upon request.

PROGRAM NARRATIVE PUBLIC SAFETY

PROGRAM: Disaster Preparedness (continued)
 DEPARTMENT: Fire

WORKLOAD MEASURES	Actual 2009-10	Projected 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Citizens educated in fire and life safety skills	3,000	1,800	1,800	1,800
Key City employees trained in City-wide disaster drills	40	55	40	55
General public trained for disaster response (CERT)	33	30	30	30

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Operating Programs PUBLIC UTILITIES



PROGRAM NARRATIVE PUBLIC UTILITIES

PROGRAM: Water Source of Supply
 DEPARTMENT: Utilities

OPERATION: Water Service
 FUND: Water Fund

PROGRAM COSTS	Actual 2009-10	Budgeted 2010-11	% Diff.	2011-13 Financial Plan	
				2011-12	2012-13
Staffing		76,600	2.1%	78,200	78,900
Contract Services	1,291,500	6,714,100	21.8%	8,180,600	7,739,200
Other Operating Expenditures	101,300	115,000	3.4%	118,900	121,500
Minor Capital					
Total	\$1,392,800	\$6,905,700	21.3%	\$8,377,700	\$7,939,600

PROGRAM DESCRIPTION

The water source of supply program procures raw water from the City's three primary sources: Whale Rock Reservoir, Salinas Reservoir (Santa Margarita Lake) and Nacimiento Reservoir to provide a clean, dependable supply of raw water for treatment at the City's water treatment plant. An additional source of supply offers highly treated recycled water from the City's Water Reclamation Facility to be used for irrigation and other approved purposes. The Nacimiento Reservoir source of supply began water deliveries to the City's water treatment plant in January of 2011. This program has four major activities:

- **Whale Rock Reservoir.** The Whale Rock Commission, of which the City is a member, operates Whale Rock Reservoir through the Whale Rock Fund. Through the source of supply program, the City pays the Whale Rock Fund 55% of the money required to operate the Whale Rock reservoir programs based on its proportionate ownership of the reservoir, and 100% of the money required to pump raw water to the City's water treatment plant for City use.
- **Salinas Reservoir.** The San Luis Obispo County Flood Control and Water Conservation District operates Salinas Reservoir under contract with the Army Corps of Engineers. Through the source of supply program, the City pays for the total cost of operating and maintaining Salinas Reservoir and transporting raw water to the City's water treatment plant. Costs associated with recreation activities at the reservoir are paid for by the County of San Luis Obispo.
- **Nacimiento Reservoir.** Monterey County Water Resources Agency owns the Nacimiento Reservoir. The San Luis Obispo County Flood Control and Water Conservation District has contractual rights to water in the reservoir. The Nacimiento Water Project was completed in early 2011 and provides a highly reliable, supplemental raw water source for several agencies in the County including the City of San Luis Obispo. The County Flood Control and Water Conservation District provides day-to-day operation and maintenance of the Nacimiento delivery facilities. The Nacimiento Commission, made up of representatives from the City of San Luis Obispo, City of Paso Robles, Atascadero Mutual Water Company, Templeton Community Services District, and a member of the County Board of Supervisors, is an advisory board to the Board of Supervisors which approves budgets and other operational decisions. The City pays its proportionate share to operate the program. The City's water treatment plant treats the raw water for City use.
- **Recycled Water.** The City's Water Reclamation Facility produces a high quality recycled water product that can be used for a number of approved purposes, such as landscape irrigation. Recycled water use directly offsets the demand for potable water, thus allowing other water sources to be utilized more effectively. Costs associated with treatment and delivery are located in the source of supply budget, although a number of program managers have responsibility for individual aspects of the recycled water program.

STAFFING SUMMARY	Actual 2009-10	Budgeted 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Regular Positions				
Water Reclamation Facility Supervisor	0.0	0.1	0.1	0.1
Water Reclamation Facility Operator	0.0	0.5	0.5	0.5
Maintenance Technician	0.0	0.1	0.1	0.1
Total	0.0	0.7	0.7	0.7

PROGRAM NARRATIVE PUBLIC UTILITIES

PROGRAM: Water Source of Supply (continued)
 DEPARTMENT: Utilities

SIGNIFICANT PROGRAM CHANGES

Reductions Required to Balance the Budget

- **2011-13** Ensuring efficient and reliable operations of the Salinas Reservoir by providing appropriate funding levels for capital projects to the San Luis Obispo County Flood Control and Water Conservation District, the agency responsible for the Salinas Reservoir water supply operations, required the City to increase its contribution to the District over the last several years. Sufficient reserves required for capital projects are nearly funded and it is now time to start ramping down reserve contributions. This action will result in a budget reduction of \$675,900 in 2011-12 and a budget reduction of \$1,135,900 in 2012-13. These reductions bring the City’s payment down to \$725,000 in 2012-13 representing the projected base operating and minor capital budget levels for Salinas Reservoir Operations after funding a booster pump station upgrade capital project.
- **2011-13** Adding the Nacimiento Lake water supply as a primary water source for the City will result in a reduction of electrical utilities funding for the Whale Rock Pump Stations commensurate with reductions in the amount of water which the City will have delivered from Whale Rock Reservoir. Whale Rock water supplies will move from the second to the third source of water that the City will utilize in 2011-13. Using this new water supply will reduce the City’s estimated electrical pumping charges for Reservoir Operations by \$91,600 annually in 2011-13.

Increases Required to Support Basic Service Levels

- **2011-13** Increasing electrical and chemical usage and projected utility service rate changes for production and delivery of recycled water will cost an additional \$6,700 in 2011-12 and \$9,300 in 2012-13.

2011-13 PROGRAM OBJECTIVES

Major City Goals

- **2011-13** *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.

Other Program Objectives

- **2011-13** Deliver raw water supplies in a reliable, cost-effective manner
- **2011-13** Operate, maintain, and repair supply facilities

WORKLOAD MEASURES	Actual 2009-10	Projected 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Acre feet of water delivered – Nacimiento	0	1,000	3,380	3,380
Acre feet of water delivered - Salinas	2,737	3,000	1,820	1,820
Acre feet of water delivered - Whale Rock	2,840	1,800	650	650
Acre feet of water delivered - Recycled	153	150	150	150

PROGRAM NARRATIVE PUBLIC UTILITIES

PROGRAM: Water Treatment
DEPARTMENT: Utilities

OPERATION: Water Service
FUND: Water Fund

PROGRAM COSTS	Actual 2009-10	Budgeted 2010-11	% Diff.	2011-13 Financial Plan	
				2011-12	2012-13
Staffing	1,072,700	1,192,900	2.7%	1,225,500	1,267,000
Contract Services	162,300	187,900	-1.2%	185,700	186,000
Other Operating Expenditures	636,400	846,400	-1.1%	837,200	865,300
Minor Capital		22,000	-100.0%		
Total	\$1,871,400	\$2,249,200	0.0%	\$2,248,400	\$2,318,300

PROGRAM DESCRIPTION

The water treatment program receives raw water from reservoirs and wells, treats it to meet potable water standards, and delivers it into the water distribution system. The water treatment plant produces an average of 6.0 million gallons per day of potable water for the community and Cal Poly. The program goal is an adequate water supply, treated to State and Federal standards, for domestic consumption and firefighting. This program has four major activities:

- **Reservoir water treatment.** Receiving and analyzing raw water from reservoirs, chemically treating and filtering the raw water to meet Federal and State standards, adding fluoride to treated water, pumping treated water to storage facilities, preparing reports for local, State, and Federal agencies.
- **Laboratory analysis.** Performing analyses necessary for the optimization of treatment process operations and to maintain compliance with Federal and State regulations.
- **Equipment maintenance.** Calibrating treatment mechanisms, performing periodic preventative maintenance, repairing broken equipment, evaluating and replacing worn and obsolete equipment.
- **Janitorial and grounds maintenance.** Cleaning and tending buildings, removing trash, performing minor repairs, controlling weeds, preventing soil erosion, managing low maintenance landscaping materials.

STAFFING SUMMARY	Actual 2009-10	Budgeted 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Regular Positions				
Water Treatment Plant Supervisor	1.0	1.0	1.0	1.0
Laboratory Manager	0.1	0.1	0.1	0.1
Laboratory Analyst	1.0	1.0	1.0	1.0
Treatment Plant Maintenance Technician	1.0	1.0	1.0	1.0
Water Treatment Plant Chief Operator	1.0	1.0	1.0	1.0
Water Treatment Plant Operator	7.0	7.0	7.0	7.0
Total	11.1	11.1	11.1	11.1

SIGNIFICANT PROGRAM CHANGES

Reductions Required to Balance the Budget

- **2011-13** Reducing non-staffing budgets which include Electric Utility, Chlorine Chemicals and Contract Services will save \$42,200 in 2011-12 and \$25,900 in 2012-13.

PROGRAM NARRATIVE PUBLIC UTILITIES

PROGRAM: Water Treatment (continued)
 DEPARTMENT: Utilities

Increases Required to Support Basic Service Levels

- **2011-13** Ensuring regulatory compliance and maintaining a high level of potable water quality requires an additional \$39,900 for chemicals in 2011-12 and an additional \$48,800 for electric utility service and chemicals in 2012-13. However, with the reductions noted above the net result is a savings of \$2,300 in 2011-12 and a cost of \$22,900 in 2012-13.

2011-13 PROGRAM OBJECTIVES

Major City Goals

- **2011-13** *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.

Other Council Goals

- **2011-13** *Infrastructure Maintenance.* 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 and sidewalks, flood protection facilities, recreation facilities, bikeways, City-owned historic resources, and urban forest.)

Other Program Objectives

- **2011-13** Continue to provide uninterrupted supply of high quality water to distribution system.
- **2011-13** Continue to meet all treatment standards as required by EPA, CDPH, APCD, and other regulatory agencies.
- **2011-13** Continue with succession planning goals of development of standard operating procedures, internship program, etc.
- **2011-13** Complete work in coordination with treating water from the Nacimiento Water Project.
- **2011-13** Continue development of computerized maintenance database and work order system.

WORKLOAD MEASURES	Actual 2009-10	Projected 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Number of regulatory reports submitted	Not tracked	Not tracked	200	200
Hours of required training	Not tracked	Not tracked	600	600

PROGRAM NARRATIVE PUBLIC UTILITIES

PROGRAM: Water Distribution
DEPARTMENT: Utilities

OPERATION: Water Service
FUND: Water Fund

PROGRAM COSTS	Actual 2009-10	Budgeted 2010-11	% Diff.	2011-13 Financial Plan	
				2011-12	2012-13
Staffing	807,100	882,500	2.8%	907,000	925,700
Contract Services	43,400	61,000	5.1%	64,100	65,200
Other Operating Expenditures	148,800	189,400	-7.3%	175,500	184,700
Minor Capital	32,700				
Total	\$1,032,000	\$1,132,900	1.2%	\$1,146,600	\$1,175,600

PROGRAM DESCRIPTION

The water distribution program delivers potable water from the water treatment plant and wells to system users and fire hydrants via 12 water storage facilities, seven pump stations, and approximately 180 miles of water mains. The water distribution program also delivers recycled water from the Water Reclamation Facility to users and hydrants via approximately nine miles of pipelines. Program staff collaborates with Public Works to design, construct, and commission capital improvement projects. The program goal is uninterrupted water flow at adequate pressure with minimum water leakage. This program has nine major activities:

- **Pump station and tank maintenance.** Inspecting all pump stations weekly, lubricating and repairing pumps and motors, painting pump houses and facilities, controlling weeds, tending landscaping, and repairing fences.
- **Potable water system maintenance.** Repairing broken or leaking water mains and appurtenances, periodically inspecting and cleaning and rebuilding all pressure reducing valves, exercising and repairing isolation valves.
- **Recycled water system maintenance.** Repairing broken or leaking water mains and appurtenances, flushing mains, and conducting annual bacteriological sampling.
- **Water service installation and service renewal.** Installing and upgrading, service lines, meters, and meter boxes.
- **Fire hydrant installation.** Installing and replacing fire hydrants as needed.
- **Backflow and cross connection control.** Preventing backflow of harmful substances into the water system.
- **USA mark-outs.** Locating and marking of all City underground water utilities within public right of way prior to any excavations.
- **Bacteriological sampling.** Taking water samples of all new water mains before being placed into service to ensure public health and safety.
- **Low Threat Discharge Permit Compliance.** Sampling, monitoring, and reporting all planned and unplanned discharges as required by the City's Low Threat Discharge Permit issued by the Regional Water Quality Control Board.

STAFFING SUMMARY	Actual 2009-10	Budgeted 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Regular Positions				
Water Distribution Supervisor	1.0	1.0	1.0	1.0
Underground Utility Locator	1.0	1.0	1.0	1.0
Water Distribution System Operator	7.0	7.0	7.0	7.0
Total	9.0	9.0	9.0	9.0

PROGRAM NARRATIVE PUBLIC UTILITIES

PROGRAM: Water Distribution (continued)
 DEPARTMENT: Utilities

SIGNIFICANT PROGRAM CHANGES

Reductions Required to Balance the Budget

- **2011-13** Electrical cost *reductions* of \$14,600 annually in the Water Distribution program are due to increased energy efficiencies resulting from recent infrastructure replacements and the reprogramming of control systems and processes.

2011-13 PROGRAM OBJECTIVES

Major City Goals

- **2011-13** *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.

Other Council Goals

- **2011-13** *Infrastructure Maintenance.* 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 and sidewalks, flood protection facilities, recreation facilities, bikeways, City-owned historic resources, and urban forest.)

Other Program Objectives

- **2011-13** Continue the water distribution system improvements in accordance with the Capital Improvement Plan
- **2011-13** Design, construct, and implement the recommendations in the Water System Master Plan
- **2011-13** Utilize pipe pulling machine to replace 1-1/2 inch and 2 inch polybutylene water services

WORKLOAD MEASURES	Actual 2009-10	Projected 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Water main breaks/valves repaired	10	12	12	14
Water service line repairs and renewals	87	80	80	60
Fire hydrants installed / repaired	6	12	12	12
Underground Service Alert locates	780	780	900	900
Valves exercised	750	1000	1000	1200
Pump station and storage facility inspections	351	325	325	325
Emergency response hours	372	400	375	375
Cla-Valves rebuilt/maintained	5	10	10	10
Hours of required training	Not tracked	Not tracked	580	580

PROGRAM NARRATIVE PUBLIC UTILITIES

PROGRAM: Water Customer Service
DEPARTMENT: Utilities

OPERATION: Water Service
FUND: Water Fund

PROGRAM COSTS	Actual 2009-10	Budgeted 2010-11	% Diff.	2011-13 Financial Plan	
				2011-12	2012-13
Staffing	188,500	195,600	0.6%	196,700	201,400
Contract Services	2,600	11,000	-9.1%	10,000	10,100
Other Operating Expenditures	44,400	102,200	10.2%	112,600	115,600
Minor Capital		28,000	-92.9%	2,000	
Total	\$235,500	\$336,800	-4.6%	\$321,300	\$327,100

PROGRAM DESCRIPTION

The water customer service program measures water used by approximately 14,400 customers so that utility billing staff can calculate water bills. The program goals are 1) accurate measurement of water usage and 2) timely and regular water billings. This program has four major activities:

- **Meter reading.** Reading about 14,400 water meters each month, investigating abnormal readings, starting and stopping water service, maintaining access to meters.
- **Meter replacement and maintenance.** Replacing all obsolete meters over a seven-year period to reduce unaccounted-for water use, promoting conservation and ensuring equitable billing; replacing all meters on a 20-year schedule.
- **Backflow and cross connection control.** Preventing backflow of harmful substances into the water system.
- **New meter sets.** Installing meters in new housing tracts and other developments.

STAFFING SUMMARY	Actual 2009-10	Budgeted 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Regular Positions				
Water Customer Service Personnel	4.0	2.0	2.0	2.0
Total	4.0	2.0	2.0	2.0

* Operating program costs are funded 50 percent Water Customer Service and 50 percent Wastewater Collection.

SIGNIFICANT PROGRAM CHANGES

Increases Required to Support Basic Service Levels

- **2011-13** Replacing aged and poorly performing water meters will cost an additional \$7,600 in 2011-12 and \$9,900 in 2012-13. Projected off-setting *revenues* are estimated at \$6,000 in 2011-12 and \$12,000 in 2012-13, resulting in a net operating cost of \$1,600 in 2011-12 and net operating *savings* of \$2,100 in 2012-13.

PROGRAM NARRATIVE PUBLIC UTILITIES

PROGRAM: Water Customer Service (continued)
 DEPARTMENT: Utilities

2011-13 PROGRAM OBJECTIVES

Major City Goals

- **2011-13** *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.

Other Council Goals

- **2011-13** *Infrastructure Maintenance.* 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 and sidewalks, flood protection facilities, recreation facilities, bikeways, City-owned historic resources, and urban forest.)

Other Program Objectives

- **2011-13** Retrofit/install 550 water meters (5/8” through 2”) annually
- **2011-13** Ensure fair and equitable billing of water used by customers
- **2011-13** Inspect and rehabilitate deteriorating water meter boxes/vaults
- **2011-13** Identify undersized meters and retrofit to ensure fair and equitable billing

WORKLOAD MEASURES	Actual 2009-10	Projected 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Water meters read	177,216	177,696	178,000	178,500
Water meters installed/retrofitted	530	550	550	550
Applications for service turn-ons	3,074	3,890	3,400	3,400
Notice of discontinuance/turn-offs	1,895	2,006	2,000	2,000
Non-payment discontinuance/restoration	869	840	840	840
Investigates-high read, low read, no consumption	1,552	1,130	1,500	1,500
Water meter box/vault replacements	25	20	20	20
Hours of required training	Not tracked	Not tracked	290	290

PROGRAM NARRATIVE PUBLIC UTILITIES

PROGRAM: Utilities Conservation
DEPARTMENT: Utilities

OPERATION: Water Services
FUND: Water Fund

PROGRAM COSTS	Actual 2009-10	Budgeted 2010-11	% Diff.	2011-13 Financial Plan	
				2011-12	2012-13
Staffing	307,900	325,100	0.5%	326,800	328,000
Contract Services	66,700	83,300	-33.7%	55,200	55,200
Other Operating Expenditures	4,400	6,300	-1.6%	6,200	6,200
Minor Capital					
Total	\$379,000	\$414,700	-6.4%	\$388,200	\$389,400

PROGRAM DESCRIPTION

The utilities conservation program coordinates the planning, development, and implementation of programs and services related to water conservation, solid waste recycling, stormwater pollution prevention, recycled water, and energy conservation. The program goals are 1) achieving the City's solid waste diversion goals; 2) maintaining per capita water use at or below the level identified in the Urban Water Management Plan and the Water and Wastewater Management Element; 3) promoting and monitoring the efficient use of recycled water where appropriate; 4) providing information and assistance to reduce the energy use in City facilities; and 5) implementing Stormwater Management Plan best management practices and reporting requirements. This program has five major activities:

- **Solid waste and recycling program development, implementation, and monitoring.** Participating in developing and implementing regional solid waste diversion programs; implementing the City's Source Reduction and Recycling Element local program responsibilities; monitoring solid waste and recycling franchise agreements for compliance; evaluating solid waste management programs for effectiveness; complying with reporting requirements to the California Integrated Waste Management Board; administering the demolition and construction debris recycling ordinance; evaluating and recommending action in regards to the integrated solid waste rate applications.
- **Water conservation program development, implementation, and evaluation.** Implementing the best management practices regarding urban water conservation; enforcing all water conservation municipal codes including the retrofit upon sale ordinance; administering financial incentive programs; preparing required reports to California Urban Water Conservation Council (CUWCC); monitoring per capita water demand; providing community assistance and information, and evaluating water conservation programs for effectiveness.
- **Energy conservation assistance and strategy.** Promoting energy conservation within the City organization; assisting in the development and implementation of energy management projects.
- **Water Recycling.** Assisting in the expansion of the customer base using the recycled water system and providing ongoing monitoring services of recycled water sites; providing community assistance for efficient irrigation practices, providing training as needed for onsite irrigation managers, providing public information regarding the safe use of recycled water.
- **Stormwater Management Plan Implementation.** Assisting in the implementation of the City's Stormwater Management Plan program and the required best management practices.

STAFFING SUMMARY	Actual 2009-10	Budgeted 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Regular Positions				
Utilities Conservation Manager	0.8	0.8	0.8	0.8
Utilities Conservation Technician	2.0	2.0	2.0	2.0
Total	2.8	2.8	2.8	2.8
Temporary Positions				
Full-Time Equivalent (FTE)	0.8	0.8	0.8	0.8

PROGRAM NARRATIVE PUBLIC UTILITIES

PROGRAM: Utilities Conservation (continued)
 DEPARTMENT: Utilities

2011-13 PROGRAM OBJECTIVES

Major City Goals

- **2011-13** *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.
- **2011-13** *Neighborhood Wellness.* Embrace and implement pro-active code enforcement and Neighborhood Protection policies.

Other Council Goals

- **2011-13** *Climate Protection.* Implement greenhouse gas reduction and the 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.

Other Program Objectives

- **2011-13** Implement the CUWCC Best Management Practices to comply with state legislation AB 1420 and SBx7-7
- **2011-13** Implement Utilities Department public information and outreach programs
- **2011-13** Implement year 1, 2, and 3 stormwater Best Management Practices as assigned
- **2011-13** Implement local programs identified in the Source Reduction and Recycling Element
- **2011-13** Assist in the evaluation of the water and wastewater systems for energy efficiency opportunities

WORKLOAD MEASURES	Actual 2009-10	Projected 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
High water use correspondence issued	2,010	1,900	1,900	1,900
Utility billing adjustment requests	262	350	300	300
Public events/presentations/workshops	5	5	5	5
Service order requests	1,850	1,900	1,800	1,800
Construction & demolition plans reviewed	104	80	80	100
Industrial waste restaurant inspections	50	50	50	50
Illegal dumping activities	140	160	160	160

PROGRAM NARRATIVE PUBLIC UTILITIES

PROGRAM: Water Administration & Engineering
 DEPARTMENT: Utilities

OPERATION: Water Services
 FUND: Water Fund

PROGRAM COSTS	Actual 2009-10	Budgeted 2010-11	% Diff.	2011-13 Financial Plan	
				2011-12	2012-13
Staffing	493,400	515,700	-0.3%	514,300	518,800
Contract Services	32,100	37,600	0.8%	37,900	38,100
Other Operating Expenditures	27,100	241,900	-82.9%	41,300	42,000
Minor Capital		1,000	700.0%	8,000	1,000
Total	\$552,600	\$796,200	-24.5%	\$601,500	\$599,900

PROGRAM DESCRIPTION

The water administration and engineering program leads, evaluates, and provides guidance and direction for effective water utility management for the various water programs. It provides strategic and long-term planning and engineering for the water system. Program goals are 1) efficient management and achievement of water enterprise objectives and 2) well-planned and effective implementation of capital improvement plans. This program has two major activities:

- **Administration.** Establishing goals, identifying and mitigating potential roadblocks for successful completion, establishing staff objectives to accomplish goals, organizing resources to accomplish objectives, evaluating progress on accomplishing objectives, monitoring legislative activities related to regulation of water resources including recycled water, matching long-term supply to projected demand, ensuring the financial health of the water fund to meet its obligations and goals; promoting and maintaining effective and productive communication within the department, other city departments, the community, and other stakeholders.
- **Engineering.** Analyzing the water systems, planning documents, and fee programs to ensure resources and infrastructure can adequately meet the needs of the community; prioritizing capital improvement needs, providing preliminary design on capital improvement projects, developing design standards for capital improvements, providing technical assistance to the water operating programs and other city departments, administering special engineering and construction contracts, reviewing private development plans.

STAFFING SUMMARY	Actual 2009-10	Budgeted 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Regular Positions				
Utilities Director	0.5	0.5	0.5	0.5
Deputy Director/Water	0.9	0.9	0.9	0.9
Utilities Projects Manager	0.6	0.6	0.6	0.6
Senior Administrative Analyst	0.5	0.5	0.5	0.5
Supervising Administrative Assistant	0.5	0.5	0.5	0.5
Administrative Assistant	0.4	0.4	0.4	0.4
Total	3.4	3.4	3.4	3.4

SIGNIFICANT PROGRAM CHANGES

Increases Required to Support Basic Service Levels

- **2011-12** Painting the exterior of the Utilities Administration building to waterproof and recoat exterior walls, trim and the external stairway will cost \$14,000 in 2011-12 to extend the service life of the building. Funding sources for this project are \$7,000 (50%) Water Fund and \$7,000 (50%) Sewer Fund.

PROGRAM NARRATIVE PUBLIC UTILITIES

PROGRAM: Water Administration & Engineering (continued)
 DEPARTMENT: Utilities

2011-13 PROGRAM OBJECTIVES

Major City Goals

- **2011-13** *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.
- **2011-13** *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.

Other Council Goals

- **2011-13** *Infrastructure Maintenance.* 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 and sidewalks, flood protection facilities, recreation facilities, bikeways, City-owned historic resources, and urban forest.)
- **2011-13** *Climate Protection.* Implement greenhouse gas reduction and the 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.

Other Program Objectives

- **2011-13** Continue work with County and other participating agencies in the ongoing implementation and oversight of the Nacimiento Water Project
- **2011-13** Oversee the completion of the seismic analysis of Salinas Dam to meet State Division of Safety of Dams requirements
- **2011-13** Work with the City’s water rights attorneys relative to the City’s water rights permits at Salinas and Whale Rock Reservoirs. Provide recommendations to the City Council relative to options that will be most beneficial to the City concerning its water rights for these two sources
- **2011-13** Monitoring water enterprise fund financial operations and recommending rates and revenues needed to support program and service objectives
- **2011-13** Organizational analysis
- **2011-13** Continue strategic planning activities
- **2011-13** Utility Billing System training, system implementation, and integration

WORKLOAD MEASURES	Actual 2009-10	Projected 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Budget programs directly supervised	6	6	6	6
Agenda reports prepared and presented	10	9	8	8
Water committee meetings attended	24	28	28	26
Development review	121	120	140	140

PROGRAM NARRATIVE PUBLIC UTILITIES

PROGRAM: Wastewater Collection
DEPARTMENT: Utilities

OPERATION: Wastewater Services
FUND: Sewer Fund

PROGRAM COSTS	Actual 2009-10	Budgeted 2010-11	% Diff.	2011-13 Financial Plan	
				2011-12	2012-13
Staffing	819,400	871,400	2.9%	896,900	910,800
Contract Services	37,300	33,300	58.9%	52,900	34,700
Other Operating Expenditures	140,800	145,900	5.1%	153,300	136,100
Minor Capital	89,500				
Total	\$1,087,000	\$1,050,600	5.0%	\$1,103,100	\$1,081,600

PROGRAM DESCRIPTION

The wastewater collection program transports wastewater from its various sources to the Water Reclamation Facility via nine lift stations and 136 miles of wastewater sewer mains. Program staff collaborates with Public Works to design, construct, and commission capital improvement projects. The program goal is uninterrupted wastewater flow to the Water Reclamation Facility. This program has four major activities:

- **Sewer main maintenance.** Cleaning sewer mains on preventive and corrective maintenance schedules, inspecting new and existing mains with closed circuit television, responding to mainline blockages and other emergencies, repairing manholes and broken mains, installing new service connections and inspecting new construction, maintaining the maintenance management database.
- **Lift station operation and maintenance.** Monitoring and analyzing lift station performance, operating and maintaining pumps and motors, performing routine maintenance and repair, controlling weeds, tending landscaping.
- **Inflow and infiltration reduction.** Measuring collection system flows, performing physical inspections, conducting smoke tests, performing closed circuit television (CCTV) evaluations and inspections, maintaining inspection and testing records, and evaluating data.
- **Service requests.** Responding to customer service complaints and investigations related to private sewer lateral overflows, odor complaints, and deficiencies. Assisting other city work programs in the inspection and maintenance of vaults, tanks, pipeline repairs, drainage facilities, and housekeeping activities.

STAFFING SUMMARY	Actual 2009-10	Budgeted 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Regular Positions				
Wastewater Collection Supervisor	0.7	0.7	0.7	0.7
Water Customer Service Personnel	0.0	2.0	2.0	2.0
Wastewater Systems Collection Operator	6.0	6.0	6.0	6.0
Total	6.7	8.7	8.7	8.7

SIGNIFICANT PROGRAM CHANGES

Reductions Required to Balance the Budget

- **2011-13** Electrical cost *reductions* of \$5,000 annually in the Wastewater Collection program are due to increased energy efficiencies resulting from the new Tank Farm Lift Station, which replaced two older lift stations.

Increases Required to Support Basic Service Levels

- **2011-12** Maintaining the Laguna sewer lift station in reliable operational use will cost \$46,000 in 2011-12 for pump repairs, shipping, overtime, and pump rental equipment.

PROGRAM NARRATIVE PUBLIC UTILITIES

PROGRAM: Wastewater Collection (continued)
 DEPARTMENT: Utilities

2011-13 PROGRAM OBJECTIVES

Major City Goals

- **2011-13** *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.

Other Council Goals

- **2011-13** *Infrastructure Maintenance.* 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 and sidewalks, flood protection facilities, recreation facilities, bikeways, City-owned historic resources, and urban forest.)

Other Program Objectives

- **2011-13** Evaluate and optimize the sewer main maintenance hydro-cleaning program
- **2011-13** Evaluate the operation and maintenance of the sewer lift stations and optimize
- **2011-13** Complete the wastewater collection main replacement capital improvement projects
- **2011-13** Continue to CCTV sewer mains and prioritize structural condition ratings
- **2011-13** Complete the Wastewater Collection System Master Plan

WORKLOAD MEASURES	Actual 2009-10	Projected 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Feet of pipeline hydro-cleaned	343,113	400,000	420,000	420,000
Maintenance/service work orders completed	2,688	2,688	3,000	3,000
Feet of pipeline CCTV inspected	37,000	40,000	50,000	50,000
Hours of required training	720	720	720	720

PROGRAM NARRATIVE PUBLIC UTILITIES

PROGRAM: Wastewater Pretreatment
DEPARTMENT: Utilities

OPERATION: Wastewater Services
FUND: Sewer Fund

PROGRAM COSTS	Actual 2009-10	Budgeted 2010-11	% Diff.	2011-13 Financial Plan	
				2011-12	2012-13
Staffing	185,000	194,300	4.2%	202,500	206,800
Contract Services	14,700	22,700	-2.6%	22,100	22,100
Other Operating Expenditures	5,500	10,900	-1.8%	10,700	10,700
Minor Capital					
Total	\$205,200	\$227,900	3.2%	\$235,300	\$239,600

PROGRAM DESCRIPTION

The wastewater pretreatment /environmental compliance program coordinates the planning, development, and implementation of programs and services related to industrial wastes discharged to the wastewater collection system from commercial and industrial sources that could damage the collection system or inhibit proper treatment at the Water Reclamation Facility (WRF). The program goals are: 1) full compliance with State, Federal and local pretreatment regulations, 2) protection of employee and public safety, property, publicly owned treatment works, and the environment from damage or injury caused by illegal discharge of regulated pollutants, 3) ensuring wastewater effluent and biosolids can be safely recycled through prevention of harmful discharges to the City's sewer system, 4) monitoring the disposal of industrial waste and stormwater in the city through inspections of commercial and industrial businesses, 5) implementing Stormwater Management Plan and WRF Industrial Stormwater Plan best management practices and reporting requirements, 6) complying with and developing strategies related to new and changing regulations, and 7) working to promote sustainability through energy conservation and facility optimization. This program has eight major activities:

- **Establishing local discharge limits.** Reviewing and technically justifying local discharge limits approved by the Regional Water Quality Control Board and established in the municipal code to regulate the amount of industrial pollutants that may be discharged to the City's sewer system by commercial and industrial wastewater customers.
- **Sample collection and management.** Conducting compliance sampling according to Federal and State regulations at the WRF for industrial stormwater and priority pollutants and at industrial user sites, ensuring all sample collection and methodology conforms to legal requirements and accepted chain of custody practices required for enforcement purposes.
- **Inspection and enforcement.** Inspecting industrial, commercial, and food facilities to ensure compliance with the Federal, State and City codes. Documenting non-compliance investigative reports of illegal discharges, issuing notices of violation, and following the approved Enforcement Response Plan as required.
- **Reporting and recordkeeping.** Preparing and submitting reports to local, State and Federal regulatory agencies annually for the industrial stormwater and pretreatment program. Maintaining comprehensive files and computer database for inspections and wastewater discharge records for commercial and industrial users.
- **Spill reporting.** Responding, investigating, and issuing notices of violation for illegal discharges to the waterways. Reporting sewage spills to the Regional Water Quality Control Board according to state regulations. Maintaining files and computer database of all spills.
- **Stormwater Management Plan implementation.** Assisting in the implementation of the City's Stormwater Management Plan program and the required best management practices. Maintaining compliance with the General Industrial Stormwater Permit.
- **Regulations and compliance.** Tracking regulations and implementing compliance strategies related to wastewater treatment, industrial waste, recycled water, biosolids, and stormwater. Participating in regulatory and policy development.
- **Sustainability and energy.** Participating in projects and programs related to sustainability, energy, and environmental issues.

PROGRAM NARRATIVE PUBLIC UTILITIES

PROGRAM: Wastewater Pretreatment (continued)
 DEPARTMENT: Utilities

STAFFING SUMMARY	Actual 2009-10	Budgeted 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Regular Positions				
Environmental Programs Manager	0.8	0.8	0.8	0.8
Environmental Compliance Inspector	1.0	1.0	1.0	1.0
Total	1.8	1.8	1.8	1.8

2011-13 PROGRAM OBJECTIVES

Major City Goals

- **2011-13** *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.

Other Program Objectives

- **2011-13** Adoption of the revised Local Limits and updated Municipal Code
- **2011-13** Implement all stormwater Best Management Practices
- **2011-13** Revise WRF Industrial Stormwater Plan to reflect changes in General Industrial Permit
- **2011-13** Implementation of Wasteload Allocation Attainment Plan

WORKLOAD MEASURES	Actual 2009-10	Projected 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Class I Industrial Waste inspections	115	115	115	115
Class II Industrial Waste inspections	177	175	175	175
Categorical (CIU) / Significant (SIU) industrial waste inspections / sampling	34	34	34	34
Class I and CIU / SIU stormwater inspections	100	100	100	100
Class II stormwater inspections	126	125	125	125
Reports filed with regulatory agencies	30	30	32	32
Hours of required training	160	160	160	160
Stormwater Best Management Practices	12	18	15	15

PROGRAM NARRATIVE PUBLIC UTILITIES

PROGRAM: Water Reclamation Facility
 DEPARTMENT: Utilities

OPERATION: Wastewater Service
 FUND: Sewer Fund

PROGRAM COSTS	Actual 2009-10	Budgeted 2010-11	% Diff.	2011-13 Financial Plan	
				2011-12	2012-13
Staffing	1,412,300	1,418,700	1.5%	1,440,600	1,458,800
Contract Services	329,600	385,100	4.2%	401,200	418,500
Other Operating Expenditures	1,168,300	1,446,000	-5.7%	1,363,900	1,424,800
Minor Capital	14,500	35,000	-14.3%	30,000	
Total	\$2,924,700	\$3,284,800	-1.5%	\$3,235,700	\$3,302,100

PROGRAM DESCRIPTION

The Water Reclamation Facility (WRF) receives and treats an average of 4.7 million gallons of wastewater per day. Program goals are: 1) treating and discharging wastewater that continuously meets all State and Federal standards; 2) treating and stabilizing biosolids for disposal to composting facilities; 3) treating and delivering recycled water to the recycled water distribution system; 4) continuous compliance with local air quality standards; 5) continuously defining, streamlining and refining facility operations for efficiency and compliance; and, 6) promoting awareness of WRF operations through community outreach and volunteer training programs. This program has seven major activities:

- **Wastewater treatment.** Receiving, treating, and disinfecting wastewater; calibrating and monitoring equipment and facility processes; maintaining records; sampling, testing, and gathering analytical data for process control and facility management; preparing reports for local, State and Federal agencies; performing scheduled and unscheduled cleaning and maintenance on process equipment; developing and monitoring telemetry systems for process control.
- **Water recycling.** Treating tertiary treated wastewater to meet Department of Health Services requirements (Title 22) for use in public areas such as parks, playgrounds, and landscaping. Calibrating and maintaining process equipment; monitoring and testing system for process control. Ensuring an adequate supply of recycled water is available to meet system demand.
- **Equipment maintenance.** Performing scheduled predictive and preventive maintenance, repairing broken equipment and instrumentation, replacing worn and obsolete parts, scheduling outside contractors for larger facility projects, managing computerized maintenance scheduling program, tracking and managing parts and tools inventory.
- **Facility and grounds maintenance.** Cleaning and tending buildings, removing trash, performing minor building repairs, controlling weeds, repairing irrigation systems, planting and replacing low maintenance nursery stock, preventing soil erosion, repairing fences and gates; lawn, ground cover and tree maintenance.
- **Biosolids management.** Treating, stabilizing, dewatering, storing, and disposing of biosolids to a composting facility.
- **Capital Improvement Plan (CIP) projects.** Completing necessary minor and major CIP projects required to improve and/or modify plant processes; maintaining, rehabilitating, or replacing worn out WRF process equipment and structures.
- **Community outreach.** Participating in community-based facility tours and volunteer/internship programs to enhance relationships and communication between the City, students, community organizations, Cal Poly, and Cuesta College

PROGRAM NARRATIVE PUBLIC UTILITIES

PROGRAM: Water Reclamation Facility (continued)
 DEPARTMENT: Utilities

STAFFING SUMMARY	Actual 2009-10	Budgeted 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Regular Positions				
Water Reclamation Plant Supervisor	1.0	0.9	0.9	0.9
Water Reclamation Chief Operator	1.0	1.0	1.0	1.0
Water Reclamation Operator	7.0	6.5	6.5	6.5
Chief Maintenance Technician	1.0	1.0	1.0	1.0
Maintenance Technician	3.0	2.9	2.9	2.9
Total	13.0	12.3	12.3	12.3

SIGNIFICANT PROGRAM CHANGES

Reductions Required to Balance the Budget

- **2011-12** A one-time savings in natural gas utility services, results in a budget reduction of \$7,000 in 2011-12.
- **2011-13** Reducing the Chemical and Chlorine budgets will save \$32,000 in 2011-12 and \$7,000 in 2012-13.

Increases Required to Support Basic Service Levels

- **2011-12** Implementing one-time minor capital projects at the WRF to ensure optimal operation of processes and maintaining compliance with local, State and Federal regulations will cost \$30,000 in 2011-12.
- **2011-13** Maintaining the Biosolids Composting Contract at the Water WRF will cost an additional \$15,000 in 2012-13.
- **2012-13** Projected increases in chemical costs and electric utility rate increases will require an additional \$17,800 in 2012-13.

2011-13 PROGRAM OBJECTIVES

Major City Goals

- **2011-13** *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.

Other Council Goals

- **2011-13** *Infrastructure Maintenance.* 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 and sidewalks, flood protection facilities, recreation facilities, bikeways, City-owned historic resources, and urban forest.)

PROGRAM NARRATIVE PUBLIC UTILITIES

PROGRAM: Water Reclamation Facility (continued)
 DEPARTMENT: Utilities

Other Program Objectives

- 2011-12 Complete fiber optic upgrade
- 2011-12 Complete SCADA system upgrade
- 2011-13 Continue work related to Sustainable Solutions Turnkey program – alternative energy opportunities
- 2011-13 Continue to develop and implement energy savings
- 2011-13 Meet increased demand for recycled water
- 2011-13 Participate in community outreach by giving tours and providing a volunteer/internship program
- 2011-13 Continue with succession planning goals in the development of standard operating procedures
- 2011-13 Complete CIP projects approved in the 2011-13 Financial Plan

WORKLOAD MEASURES	Actual 2009-10	Projected 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Process control samples, tests, and calibrations	Not tracked	Not tracked	13,000	13,100
Regulatory reports generated and submitted	Not tracked	Not tracked	100	100
Hours of required training	Not tracked	Not tracked	1,250	1,250
Number of tours	Not tracked	Not tracked	40	40
Work orders completed	900	825	1,040	1,100

PROGRAM NARRATIVE PUBLIC UTILITIES

PROGRAM: Water Quality Laboratory
 DEPARTMENT: Utilities

OPERATION: Wastewater Service
 FUND: Sewer Fund

PROGRAM COSTS	Actual 2009-10	Budgeted 2010-11	% Diff.	2011-13 Financial Plan	
				2011-12	2012-13
Staffing	317,300	339,600	1.6%	345,000	350,100
Contract Services	44,700	109,300	-18.4%	89,200	89,300
Other Operating Expenditures	38,300	71,200	-40.2%	42,600	42,700
Minor Capital					
Total	\$400,300	\$520,100	-8.3%	\$476,800	\$482,100

PROGRAM DESCRIPTION

The Water Quality Laboratory is an Environmental Laboratory Accreditation Program (ELAP) State Certified Laboratory which performs sampling and/or analysis of approximately 100,000 samples annually in support of City services including: wastewater, drinking water, reclaimed water, groundwater, and biosolids. The laboratory operates under regulations as defined in Title 22, Section 64817 of the California Code of Regulations ensuring compliance with Federal, State and City regulations, ELAP, and National Pollutant Discharge Elimination System (NPDES) permit guidelines with other directive documents. This program has four major activities:

- **Laboratory analysis and sampling.** Providing analysis and sampling in support of citywide departments, infrastructure facilities, and other City services. Analyzing untreated and treated drinking water supplies, wastewater, recycled water, fire hydrant water, new construction, and drinking water line repairs, surface waters, and biosolids which are used for process control and permit compliance sampling. Investigation and analysis of special projects as they arise.
- **Environmental Laboratory Accreditation Program (ELAP).** Participating in ELAP certification allows the City to perform its own analysis for certain constituents, allowing for self-reporting to regulatory agencies. Annual ELAP program inspections and successful analysis of unknown samples sent to the City's lab by the State demonstrates proficiency and continues the City's ELAP certification.
- **Community outreach.** Participating in community based facility tours, internship programs and Big Brothers/Big Sisters enhances relationships and communication between the City, students, community organizations, Cal Poly and Cuesta College.
- **Reporting and recordkeeping.** Preparing and submitting reports to local, State, and Federal regulatory agencies monthly and annually for the Water Reclamation Facility and the Water Treatment Facility. Maintaining comprehensive files, records, reports, and computer databases.

STAFFING SUMMARY	Actual 2009-10	Budgeted 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Regular Positions				
Laboratory Manager	0.9	0.9	0.9	0.9
Laboratory Analyst	1.7	1.7	1.7	1.7
Total	2.6	2.6	2.6	2.6

PROGRAM NARRATIVE PUBLIC UTILITIES

PROGRAM: Water Quality Laboratory (continued)
 DEPARTMENT: Utilities

SIGNIFICANT PROGRAM CHANGES

Reductions Required to Balance the Budget

- **2011-13** Reducing the Laboratory Services and Supplies budgets will save \$18,000 annually.

2011-13 PROGRAM OBJECTIVES

Major City Goals

- **2011-13** *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.

Other Program Objectives

- **2011-2013** Continue work related to San Luis Obispo Creek MUN beneficial use
- **2011-2013** Continue work related to 2012 Integrated List for impaired water bodies
- **2011-2013** Continue meeting all ELAP standards
- **2011-2013** Continue participating in community outreach programs including the internship program and the Big Brothers/Big Sisters Youth Career Exploration Mentoring Program
- **2011-2013** Continue the Total Maximum Daily Load pathogen study and other investigative projects

WORKLOAD MEASURES	Actual 2009-10	Projected 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Routine samples analyzed	115,100	116,700	116,700	116,700
Samples analyzed for special projects	10,000	9,600	4,000	4,000
Hours of required training	Not tracked	Not tracked	80	80

PROGRAM NARRATIVE PUBLIC UTILITIES

PROGRAM: Wastewater Administration & Engineering
 DEPARTMENT: Utilities

OPERATION: Wastewater Service
 FUND: Sewer Fund

PROGRAM COSTS	Actual 2009-10	Budgeted 2010-11	% Diff.	2011-13 Financial Plan	
				2011-12	2012-13
Staffing	441,100	449,000	1.1%	453,800	457,500
Contract Services	118,400	187,900	-91.2%	16,600	17,000
Other Operating Expenditures	12,200	238,700	-88.6%	27,300	27,900
Minor Capital		700	1000.0%	7,700	700
Total	\$571,700	\$876,300	-42.3%	\$505,400	\$503,100

PROGRAM DESCRIPTION

The wastewater administration and engineering program leads, evaluates, and provides guidance and direction for effective wastewater utility management for the various wastewater programs. It provides strategic and long-term planning and engineering for the wastewater system. Program goals include: 1) efficient management and achievement of wastewater enterprise objectives, and; 2) well-planned and effective implementation of capital improvement plans. This program has two major activities:

- **Administration.** Establishing goals, identifying and mitigating potential roadblocks for successful completion; establishing staff objectives to accomplish goals; organizing resources to accomplish objectives; evaluating progress on accomplishing objectives; monitoring legislative activities related to regulation of recycled water and wastewater collection and treatment; negotiating with State and Federal regulatory agencies for development of reasonable discharge limitations; promoting and maintaining effective and productive communication within the department, other city departments, the community, and other stakeholders.
- **Engineering.** Analyzing the wastewater systems, planning documents, and fee programs to ensure resources and infrastructure can adequately meet the needs of the community; prioritizing capital improvement needs, providing preliminary design on capital improvement projects, developing design standards for capital improvements, providing technical assistance to the wastewater operating sections and other city departments, administering special engineering and construction contracts, reviewing private development plans.

STAFFING SUMMARY	Actual 2009-10	Budgeted 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Regular Positions				
Utilities Director	0.4	0.4	0.4	0.4
Deputy Director/Wastewater	1.0	1.0	1.0	1.0
Utilities Engineer	0.4	0.4	0.0	0.0
Utilities Projects Manager	0.0	0.0	0.4	0.4
Senior Administrative Analyst	0.4	0.4	0.4	0.4
Supervising Administrative Assistant	0.4	0.4	0.4	0.4
Administrative Assistant	0.3	0.3	0.3	0.3
Total	2.9	2.9	2.9	2.9

SIGNIFICANT PROGRAM CHANGES

Increases Required to Support Basic Service Levels

- **2011-12** Painting the exterior of the Utilities Administration building to waterproof and recoat exterior walls, trim and the external stairway will cost \$14,000 in 2011-12 to extend the service life of the building. Funding sources for this project are \$7,000 (50%) Sewer Fund and \$7,000 (50%) Water Fund.

PROGRAM NARRATIVE PUBLIC UTILITIES

PROGRAM: Wastewater Administration & Engineering (continued)
 DEPARTMENT: Utilities

2011-13 PROGRAM OBJECTIVES

Major City Goals

- **2011-13** *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
- **2011-13** *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.

Other Council Goals

- **2011-13** *Infrastructure Maintenance.* 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 and sidewalks, flood protection facilities, recreation facilities, bikeways, City-owned historic resources, and urban forest.)
- **2011-13** *Climate protection.* Implement greenhouse gas reduction and the 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.

Other Program Objectives

- **2011-13** Continue work with State and Federal agencies on San Luis Obispo Creek MUN designation
- **2011-13** Organizational analysis
- **2011-13** Reissuance of Water Reclamation Facility NPDES permit
- **2011-13** Monitor sewer enterprise fund financial operations and recommend rates and revenues needed to support program and service objectives
- **2011-13** Continue strategic planning activities
- **2011-13** Utility Billing System training, system implementation, and integration

WORKLOAD MEASURES	Actual 2009-10	Projected 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Budget programs directly supervised	5	5	5	5
Council agenda reports prepared and presented	3	5	8	10
Regulatory correspondence	25	30	30	30
Development review	121	121	130	130

PROGRAM NARRATIVE PUBLIC UTILITIES

PROGRAM: Reservoir Operations
 DEPARTMENT: Utilities

OPERATION: Whale Rock Commission
 FUND: Whale Rock Fund

PROGRAM COSTS	Actual 2009-10	Budgeted 2010-11	% Diff.	2011-13 Financial Plan	
				2011-12	2012-13
Staffing	404,100	407,900	3.4%	421,800	423,800
Contract Services	37,900	70,200	-18.4%	57,300	64,900
Other Operating Expenditures	401,700	434,000	-27.7%	313,800	325,800
Minor Capital					
Total	\$843,700	\$912,100	-13.1%	\$792,900	\$814,500

PROGRAM DESCRIPTION

The Whale Rock Commission is a joint powers agency with six voting members who represent three state agencies and the City. This commission was formed to build the Whale Rock Reservoir and set policy for its operation. The City of San Luis Obispo, California Men's Colony (CMC), and California Polytechnic State University (Cal Poly) are the actual water users, sharing the costs and benefits of the reservoir in proportion to their original investment, with the City at 55 percent, Cal Poly at 34 percent, and CMC at 11 percent.

The reservoir operations program provides for raw water storage in a 40,600 acre-foot reservoir and raw water delivery through 17 miles of conduit and two pump stations to the member agencies of the Whale Rock Commission. The program goal is safe dam operation and maintenance and a reliable, easily treatable supply of raw water for the participating agencies. This program has six major activities:

- **Water collection, storage and delivery.** Collecting and storing raw water, monitoring dam seepage, performing dam stability readings, and daily dam inspection activities. Monitoring raw water quality, and coordinating deliveries of raw water to Whale Rock Commission agencies and other customers. Providing assistance to Cayucos Area Water Organization (CAWO) member agencies to assure downstream water entitlements are protected.
- **Surveillance.** Patrolling and monitoring perimeter access, inspecting the dam, reservoir, surrounding lands, exposed pipelines and pumping stations to prevent terrorism, vandalism and raw water source contamination.
- **Equipment maintenance.** Performing daily inspections, periodic preventive maintenance, repairing damaged equipment, and replacing inefficient pumps, electrical motors, motor controllers, generators, meters, and other water delivery controls and equipment.
- **Recordkeeping.** Preparing daily, weekly, and monthly records and reports for local, state, and federal agencies. Perform annual survey of the dam and provide annual report for the Division of Safety of Dams.
- **Fishing Program.** Maintenance and enhancement of the fishing access trails and visitor facilities in accordance with the California Department of Public Health. Maintaining trails, trash receptacles access and picnic areas in a contaminant free condition at all times. Coordinating trout enhancement projects with the Department of Fish and Game.
- **Water deliveries to Cayucos Area Water Organization.** Providing water deliveries to the Cayucos Surface Water Treatment Facility through the Whale Rock pipeline. Providing optimum use of dam and reservoir under-flow by maximizing the operation of the CAWO well.

PROGRAM NARRATIVE PUBLIC UTILITIES

PROGRAM: Reservoir Operations (continued)
 DEPARTMENT: Utilities

STAFFING SUMMARY	Actual 2009-10	Budgeted 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Regular Positions				
Utilities Director	0.1	0.1	0.1	0.1
Deputy Director/Water	0.1	0.1	0.1	0.1
Senior Administrative Analyst	0.1	0.1	0.1	0.1
Supervising Administrative Assistant	0.1	0.1	0.1	0.1
Administrative Assistant	0.1	0.1	0.1	0.1
Water Supply Supervisor	1.0	1.0	1.0	1.0
Water Supply Operator	2.0	2.0	2.0	2.0
Total	3.5	3.5	3.5	3.5

2011-13 PROGRAM OBJECTIVES

Major City Goals

- **2011-13** *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.

Other Council Goals

- **2011-13** *Infrastructure Maintenance.* 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 and sidewalks, flood protection facilities, recreation facilities, bikeways, City-owned historic resources, and urban forest.)

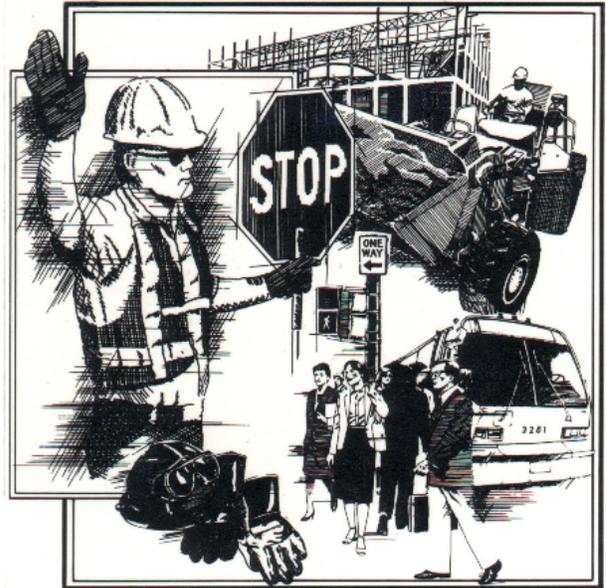
Other Program Objectives

- **2011-12** Complete a siltation study of the Whale Rock Reservoir to provide a more accurate estimate of the rate of future siltation and greater reliability to safe annual yield estimates.
- **2011-13** Collect, store, and pump raw water to member agencies in a reliable, cost-effective manner.
- **2011-13** Protect the dam from vandalism and contamination through effective surveillance.

WORKLOAD MEASURES	Actual 2009-10	Projected 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Acre feet of water delivered (annually)	4350	2350	2350	2350
Daily climate readings	3650	3650	3650	3650
Weekly piezometer readings	2000	2000	2000	2000
Pumps maintained and repaired (hours)	2	1	1	2
Reports prepared / filed (annually)	100	100	100	100
Hours of required safety training	Not tracked	Not tracked	120	120

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Operating Programs TRANSPORTATION



PROGRAM NARRATIVE TRANSPORTATION

PROGRAM: Transportation Planning and Engineering
 DEPARTMENT: Public Works

OPERATION: Transportation Management
 FUND: General Fund

PROGRAM COSTS	Actual 2009-10	Budgeted 2010-11	% Diff.	2011-13 Financial Plan	
				2011-12	2012-13
Staffing	480,500	500,400	-4.5%	477,900	491,800
Contract Services	81,800	78,000	3.5%	80,700	80,700
Other Operating Expenditures	33,500	18,500	0.0%	18,500	18,500
Minor Capital					
Total	\$595,800	\$596,900	-3.3%	\$577,100	\$591,000

PROGRAM DESCRIPTION

The transportation planning and engineering program provides and oversees analysis, planning, operations, design and construction of the City's traffic circulation systems. The program goals are to provide 1) safe and well-maintained streets 2) reduced traffic congestion and air pollution 3) less use of single-occupant vehicles 4) increased circulation safety with fewer traffic-related collisions and 5) more walking, bike riding, bus riding, and carpooling. This program has four major activities:

- **Transportation Planning.** Preparing and maintaining the General Plan Circulation Element as required by state law; forecasting future traffic volumes & transit demand, preparing and maintaining Short Range Transit Plans, the Access and Parking Management Plan, and the Bicycle Transportation Plan; planning and recommending capital improvement plan projects and operating program changes needed to implement transportation plans; applying for grants to fund transportation facilities and programs, and educating the public on traffic safety.
- **Traffic Engineering.** Operating the City's various transportation facilities such as traffic signal systems, recommending and designing improvements to traffic signal and pavement marking systems; designing transportation facilities, preparing plans, specifications, and cost estimates; conducting traffic counts; reviewing accident reports; responding to citizen complaints; mitigating the causes of high collision rates at various locations; analyzing the performance of all transportation modes within the traffic circulation system; reviewing building and development project plans to ensure accommodation of the additional traffic generated.
- **Other Transportation Projects.** Maintaining and implementing the Neighborhood Traffic Management Guidelines, staffing the Bicycle Advisory Committee, promoting alternative transportation, collaborating with partnering agencies and organizations, maintaining a Halloween safety campaign, implementing the City bike rack donation program, and promoting technological advancements in fuel-efficiency, emissions control, and communication which reduce the need for travel.
- **Regulatory Compliance.** Ensuring regulatory compliance with State and Federal transportation mandates for sign retro-reflectivity, Annual Traffic Safety Reports and the Federal Highway Administration Manual on Uniform Traffic Control Devices (MUTCD).

PROGRAM NARRATIVE TRANSPORTATION

PROGRAM: Transportation Planning and Engineering (continued)
 DEPARTMENT: Public Works

STAFFING SUMMARY	Actual 2009-10	Budgeted 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Regular Positions				
Principal Transportation Planner	1.0	1.0	0.5	0.5
Senior Transportation Engineer	1.0	0.0	0.0	0.0
Transportation Operations Manager	0.0	1.0	1.0	1.0
Engineer I-III	1.0	1.0	1.0	1.0
Total	3.0	3.0	2.5	2.5
Temporary Positions				
Full Time Equivalent (FTE)	2.9	2.9	2.1	2.1

*Principal Transportation Planner will be allocated .50 to Transportation Planning & Engineering and .50 to Parking Administration effective July 1, 2011.

SIGNIFICANT PROGRAM CHANGES

Reductions Required to Balance the Budget

- **2011-13** Transferring .50 FTE to the Parking division will save \$64,700 in 2011-12 and \$64,800 to 2012-13.
- **2011-13** Reducing the temporary salaries budget will save \$33,500 annually.

Increases Required to Support Basic Service Levels

- **2011-13** Continuing a 1.0 FTE Engineer I-III contracted position will cost \$111,700 in 2011-12 and \$117,200 in 2012-13.

2011-13 PROGRAM OBJECTIVES

Major City Goals

- **2011-13** **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).

Other Council Goals

- **2011-13** **Infrastructure Maintenance.** 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 and sidewalks, flood protection facilities, recreation facilities, bikeways, city-owned historic resources and urban forest).

Other Program Objectives

- **2011-13** Conversion of Transportation Signal Data to EnerGov program
- **2011-13** Community promotion of Measure Y funds and associated projects
- **2011-13** Implementation and compliance with MUTCD Sign Retro-Reflectivity Mandate

PROGRAM NARRATIVE TRANSPORTATION

PROGRAM: Transportation Planning and Engineering (continued)
 DEPARTMENT: Public Works

WORKLOAD MEASURES	Actual 2009-10	Projected 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
<u>Traffic</u>				
City-Wide Average Daily Corridor Traffic Volume*	16300	16600	16900	17000
City-wide Average Intersection Bicycle Count**	60	55	60	64
Traffic Signals Maintained	60	67	69	71
Centerline Miles	126	130	132	134
Transportation Service Requests	190	200	225	250
Capital Projects	39	34	35	35
<u>Bicycle Programs</u>				
Bicycle safety education classes	10	10	10	10
Halloween safety campaign	1	1	1	1
Bicycle/pedestrian safety campaign	1	1	1	1
Bicycle rodeo	1	1	1	1
Alternative transportation event sponsorship	3	3	3	3

Notes:

*As established in the City's biennial traffic operations report

** As established in the City's biennial bicycle count report

PROGRAM NARRATIVE TRANSPORTATION

PROGRAM: Street & Sidewalk Maintenance
 DEPARTMENT: Public Works

OPERATION: Streets
 FUND: General Fund

PROGRAM COSTS	Actual 2009-10	Budgeted 2010-11	% Diff.	2011-13 Financial Plan	
				2011-12	2012-13
Staffing	899,900	884,700	2.9%	910,100	913,300
Contract Services	29,600	71,200	-46.3%	38,200	39,100
Other Operating Expenditures	234,500	282,900	30.5%	369,200	360,200
Minor Capital					
Total	\$1,164,000	\$1,238,800	6.4%	\$1,317,500	\$1,312,600

PROGRAM DESCRIPTION

The street maintenance program maintains the paved portion of all streets under City jurisdiction. It also maintains curbs, gutters, sidewalks, street furnishings, signs, and pavement markings on City streets. Program goals are to provide the community with 1) smooth and safe street pavement 2) safe and efficient traffic circulation and 3) smooth and safe sidewalks. This program has seven major activities:

- **Pavement Maintenance.** Maintaining serviceable street pavements and reconstructing failed sections; evaluating pavement condition in areas scheduled for maintenance and recommending locations for reconstruction, resurfacing, and resealing; paving existing streets to meet newly installed curbs and gutters; installing asphalt berms in lieu of curbs; patching potholes and crack sealing city streets.
- **General Street Maintenance.** Constructing new concrete curbs, gutters, and sidewalks; repairing concrete curbs, gutters, and sidewalks; repairing and maintaining street furnishings; installing and repairing dead-end barriers, survey monument wells, bus shelters, bus benches, and bike racks; repairing and replacing damaged guard railing and bridge railing; systematically surveying and documenting sidewalk condition in maintenance areas and scheduling needed repairs; removing graffiti from City property.
- **Pavement Marking Maintenance.** Installing and maintaining paint and thermoplastic pavement markings, striping, and curb markings on City streets and in City parking lots.
- **Street Sign Maintenance.** Fabricating, installing, and maintaining standard traffic control signs, special signs, and disabled access signs as required by state codes.
- **Solid Waste Disposal.** Collecting and disposing of waste collected from maintenance activities; recycling excavated asphalt and concrete. Disposing of green waste and Corporation Yard trash.
- **Safety Assurance.** Conducting safety meetings for streets programs as required by Occupational Safety and Health Association (OSHA); operating on city streets in accordance with OSHA and California Manual Uniform Traffic Control Devices (MUTCD) standards for traffic control.
- **Special Event and Downtown Support.** Installing traffic barricades for parades and other Parks and Recreation Special Events, accident responses, and firefighting activities; providing barricades for Farmers Market, yearly sidewalk and Mission Plaza scrubbing, daily downtown waste pickup and graffiti and sticker removal.

PROGRAM NARRATIVE TRANSPORTATION

PROGRAM: Street & Sidewalk Maintenance (continued)
 DEPARTMENT: Public Works

STAFFING SUMMARY	Actual 2009-10	Budgeted 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Regular Positions				
Street Maintenance Supervisor	1.0	1.0	1.0	1.0
Street Maintenance Technician	1.0	1.0	1.0	1.0
Heavy Equipment Operator	1.0	2.0	2.0	2.0
Maintenance Worker	7.5	5.7	5.7	5.7
Total	10.5	9.7	9.7	9.7
Temporary Positions				
Full-Time Equivalents (FTE)	0.4	0.4	0.4	0.4

SIGNIFICANT PROGRAM CHANGES

Reductions Required to Balance the Budget

- **2011-13** Eliminating the Insecticides & Herbicides budget will save \$200 annually.
- **2011-13** Reducing the Small Tools budget will save \$1,000 annually.
- **2011-13** Reducing the Data Processing Budget will save \$1,700 annually.
- **2011-13** Reducing the Paint Supplies, Signs and Construction Equipment Rental budgets will save \$6,000 annually.
- **2011-13** Eliminating the Sidewalk Repair Contracts budget will save \$5,000 annually.
- **2011-13** Reducing the Trash Services budget will save \$20,000 annually.
- **2011-13** Eliminating the Professional Conferences budget will save \$200 annually.
- **2011-13** Reducing the Trips and Meeting budget will save \$600 annually.
- **2011-13** Reducing the Education and Training budget will save \$800 annually.

Increases Required to Support Basic Service Levels

- **2011-13** Acquiring new traffic control equipment and installing it weekly for Farmer’s Market will cost \$27,300 in 2011-12 and \$16,300 in 2012-13.

2011-13 PROGRAM OBJECTIVES

Major City Goals

- **2011-13** *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).

Other Council Goals

- **2011-13** *Infrastructure Maintenance.* 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 and sidewalks, flood protection facilities, recreation facilities, bikeways, city-owned historic resources and urban forest).

PROGRAM NARRATIVE TRANSPORTATION

PROGRAM: Street & Sidewalk Maintenance (continued)
 DEPARTMENT: Public Works

Other Program Objectives

- **2011-13** Convert Work Order program to the EnerGov system
- **2011-13** Participate in development of sign inventory in the EnerGov System

WORKLOAD MEASURES	Actual 2009-10	Projected 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Street miles under City jurisdiction	126	130	132	134
Service requests for pavement repairs	185	200	200	200
Service requests for removal of debris	245	250	250	250
Service requests for barricades/special events	25	30	30	30
Regulatory signs	6500	6600	6700	6800
Street name signs	670	700	740	780
Service requests for painting and marking	55	65	70	75
Sidewalk miles under City jurisdiction	225	235	240	240
Service requests for repair of sidewalk defects	1000	1000	1000	1000

PROGRAM NARRATIVE TRANSPORTATION

PROGRAM: Signal and Light Maintenance
 DEPARTMENT: Public Works

OPERATION: Streets
 FUND: General Fund

PROGRAM COSTS	Actual 2009-10	Budgeted 2010-11	% Diff.	2011-13 Financial Plan	
				2011-12	2012-13
Staffing	194,700	207,600	3.9%	215,800	216,400
Contract Services	96,200	61,100	-59.1%	25,000	25,000
Other Operating Expenditures	218,200	226,400	3.4%	234,100	241,900
Minor Capital					
Total	\$509,100	\$495,100	-4.1%	\$474,900	\$483,300

PROGRAM DESCRIPTION

The signal and light maintenance program operates and maintains traffic signals and streetlights on City streets. Program goals are to ensure 1) safe and efficient traffic flow through intersections and 2) well-lighted streets and neighborhoods. This program has two major activities:

- **Traffic Signal Operations and Maintenance.** Maintaining and repairing City traffic signals; operating the QuicNet traffic management system and installing video detection systems.
- **Street Light Operations and Maintenance.** Maintaining and repairing City streetlights; coordinating the installation of streetlights according to adopted standards and implementing remote monitoring systems.

This program also includes appropriations for the City's share of operations and maintenance costs for state-owned traffic signals and street lights within the City.

STAFFING SUMMARY	Actual 2009-10	Budgeted 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Regular Positions				
Signal & Street Light Technician	2.0	2.0	2.0	2.0
Total	2.0	2.0	2.0	2.0

SIGNIFICANT PROGRAM CHANGES

Reductions Required to Balance the Budget

- **2011-13** Eliminating the Cement and Concrete Mix budget will save \$300 annually.
- **2011-13** Reducing the Electrical Supplies and the Operating Materials & Supplies budgets will save \$2,500 annually.
- **2011-13** Reducing the Equipment Maintenance budget will save \$5,000 annually.
- **2011-13** Reducing the Education & Training budget will save \$700 annually.
- **2011-13** Reducing the Equipment Replacement Parts budget will save \$20,000 annually.

2011-13 PROGRAM OBJECTIVES

Major City Goals

- **2011-13** *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.

PROGRAM NARRATIVE TRANSPORTATION

PROGRAM: Signal and Light Maintenance (continued)
 DEPARTMENT: Public Works

Other Council Goals

- **2011-13** *Infrastructure Maintenance* – 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 and sidewalks, flood protection facilities, recreation facilities, bikeways, city-owned historic resources and urban forest).

Other Program Objectives

- **2011-13** Conversion of Signal and Light Data to EnerGov program

WORKLOAD MEASURES	Actual 2009-10	Projected 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Intersections with traffic signals	60	67	69	71
Traffic signal service requests	100	120	125	130
Streetlights operated and maintained	2200	2230	2240	2250
Streetlight service requests	285	300	325	350

PROGRAM NARRATIVE TRANSPORTATION

PROGRAM: Creek and Flood Protection
 DEPARTMENT: Public Works

OPERATION: Stormwater
 FUND: General Fund

PROGRAM COSTS	Actual 2009-10	Budgeted 2010-11	% Diff.	2011-13 Financial Plan	
				2011-12	2012-13
Staffing	617,800	653,600	-1.2%	645,500	657,500
Contract Services	87,900	124,900	-9.8%	112,700	112,800
Other Operating Expenditures	45,100	38,700	8.5%	42,000	42,600
Minor Capital					
Total	\$750,800	\$817,200	-2.1%	\$800,200	\$812,900

PROGRAM DESCRIPTION

The creek and flood protection program maintains storm drain facilities and creeks within the City, coordinates emergency response during heavy storms, and implements the City's Storm Water Management Plan. Program goals are to provide 1) a well-maintained storm drainage system that minimizes property damage from flooding, 2) a creek system maintained to balance conveyance with environmental concerns 3) regularly swept streets to minimize pollution entering storm drains and creeks and 4) cost-effective implementation of the City's Storm Water Management Plan. This program has four major activities:

- **Storm Water Management Plan Implementation.** Completing activities included in the City's Storm Water Management Plan involving the six major implementation areas required by the State: public education, public participation, illicit discharge, construction, post construction, and good housekeeping of municipal operations. This multi-departmental effort is coordinated by the City Biologist.
- **Storm Drain and Creek Maintenance.** Clearing and maintaining creeks and storm drainage facilities; working with contract labor crews and Natural Resources Division staff on large scale creek cleaning projects.
- **Street Sweeping.** Sweeping and disposing of dirt and debris on City streets.
- **Storm Emergency Response.** Responding to emergency calls during and after heavy storms as they relate to City facilities; providing sand for property owner sandbags during the rainy season.

STAFFING SUMMARY	Actual 2009-10	Budgeted 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Regular Positions				
Stormwater Code Enforcement Officer	1.0	1.0	1.0	1.0
Heavy Equipment Operator	1.0	1.0	1.0	1.0
Maintenance Worker	1.0	1.0	1.0	1.0
GIS Specialist	0.5	0.5	0.3	0.3
Wastewater Collection Supervisor	0.3	0.3	0.3	0.3
Utilities Conservation Manager	0.2	0.2	0.2	0.2
Wastewater Collection Operator	2.0	2.0	2.0	2.0
Environmental Programs Manager	0.2	0.2	0.2	0.2
Laboratory Analyst	0.3	0.3	0.3	0.3
Total	6.5	6.5	6.3	6.3
Temporary Positions				
Full Time Equivalents (FTE)	0.5	0.5	0.3	0.3

PROGRAM NARRATIVE TRANSPORTATION

PROGRAM: Creek and Flood Protection (continued)
 DEPARTMENT: Public Works

SIGNIFICANT PROGRAM CHANGES

Reductions Required to Balance the Budget

- **2011-13** Eliminating one .25 FTE Regular GIS Specialist position will save \$27,200 annually.
- **2011-13** Reducing the budget for Temporary GIS Intern staff will save \$4,600 annually.

2011-13 PROGRAM OBJECTIVES

Other Council Goals

- **2011-13** *Infrastructure Maintenance.* 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 and sidewalks, flood protection facilities, recreation facilities, bikeways, city-owned historic resources and urban forest).

Other Program Objectives

- **2011-12** Complete the Stormwater Management Plan Year 3 Best Management Practices
- **2012-13** Complete the Stormwater Management Plan Year 4 Best Management Practices, including Hydromodification Management Plan development work

WORKLOAD MEASURES	Actual 2009-10	Projected 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Miles of creek beds under City jurisdiction	30	30	30	30
Curb miles of streets swept	7,000	7,400	7,400	7,400
Drain inlets cleaned	2,220	2,220	2,225	2,225
Storm Drain pipe cleaned (ft)	8,000	5,000	5,000	5,000
Corrugated Metal Pipe Replaced (ft)	9,600	10,400	10,000	10,000

PROGRAM NARRATIVE TRANSPORTATION

PROGRAM: Parking Services
 DEPARTMENT: Public Works

OPERATION: Parking Services
 FUND: Parking Enterprise Fund

PROGRAM COSTS	Actual 2009-10	Budgeted 2010-11	% Diff.	2011-13 Financial Plan	
				2011-12	2012-13
Staffing	944,900	1,009,100	16.5%	1,175,200	1,186,300
Contract Services	485,900	519,700	12.5%	584,500	609,600
Other Operating Expenditures	173,100	196,300	-2.0%	192,300	188,000
Minor Capital					
Total	\$1,603,900	\$1,725,100	13.2%	\$1,952,000	\$1,983,900

PROGRAM DESCRIPTION

The parking services program implements the Access and Parking Management Plan and directs the operation and maintenance of the City's parking facilities. These facilities include 13 parking lots in the downtown and at Railroad Square, three parking structures, eight residential parking permit districts (Alta Vista, Monterey Heights, Park View, College Highlands, Tassajara, Ferrini, Murray, and Palomar-Serrano) and about 1,517 parking meters in parking lots, on streets in the downtown retail core, and on streets in neighborhoods at the periphery of downtown. Program goals are to 1) promote economic and social vitality in the downtown area 2) implement the Conceptual Physical Plan for the City's Center 3) provide sufficient parking in the commercial core for visitors and employees 4) reduce demand for employee parking 5) implement the transportation strategy presented in the General Plan Circulation Element; and 6) provide equitable and high-quality parking services to citizens, visitors, and businesses in San Luis Obispo. This program has six major activities:

- **Compliance/Enforcement.** Patrolling streets, parking lots, parking structures and permit districts; providing information; issuing citations; arranging for towing of the vehicles of habitual parking offenders; recommending the installation of regulatory signs and curb markings.
- **Revenue Management.** Collecting fines, parking meter revenue, parking fees, and parking lease payments; collecting delinquent fines; recommending parking fee and fine adjustments; modifying meters for rate adjustments; selling parking permits and bus passes.
- **Maintenance.** Maintaining and repairing parking meters and meter posts; performing janitorial maintenance in the parking structures and parking offices; sweeping and cleaning parking lots; sweeping and scrubbing parking structure floors.
- **Structure Operations.** Collecting parking fees, providing security surveillance, maintaining customer service equipment.
- **Parking Management and Demand Reduction.** Developing and implementing strategies that make maximum use of existing parking spaces and reduce the use of single occupancy vehicles in order to increase the effective inventory of parking spaces.
- **Downtown Champion.** Serving as the City liaison for the Downtown Association (DA) and local merchants, serving on the DA and Chamber of Commerce Parking and Access committee, attending various meetings and promoting good communication of City services.

PROGRAM NARRATIVE TRANSPORTATION

PROGRAM: Transit Services (continued)
 DEPARTMENT: Public Works

STAFFING SUMMARY	Actual 2009-10	Budgeted 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Regular Positions				
Parking Manager	1.0	1.0	1.0	1.0
Parking Enforcement Officer	3.0	3.0	3.0	3.0
Parking Meter Repair Worker	1.0	1.0	1.0	1.0
Supervising Administrative Assistant	1.0	1.0	1.0	1.0
Administrative Assistant	2.0	2.0	2.0	2.0
Parking Coordinator	1.0	1.0	1.0	1.0
Principal Transportation Planner	0.0	0.0	0.5	0.5
Total	9.0	9.0	9.5	9.5
Temporary Positions				
Full-Time Equivalents (FTE)	10.5	10.5	11.0	11.0

SIGNIFICANT PROGRAM CHANGES

Reductions Required to Balance the Budget

- **2011-13** Reducing the Landscape and Pruning Service Contracts budget will save \$12,500 annually.

Increases Required to Support Basic Service Levels

- **2011-13** Adding a temporary Parking Enforcement Officer position to support the Neighborhood Wellness Major City Goal will cost \$24,200 in 2011-12 and \$38,000 in 2012-13.
- **2011-13** Adding a .5 FTE Principal Transportation Planner position will cost \$64,700 in 2011-12 and \$64,900 in 2012-13.
- **2011-13** Expanding parking services to Sundays and modifying the existing meter rate areas will cost \$73,800 in 2011-12 and \$72,400 in 2012-13. The offsetting revenues are anticipated to be \$330,300 in 2011-12 and \$415,200 in 2012-13.

2011-13 PROGRAM OBJECTIVES

Major City Goals

- **2011-13** *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).
- **2011-13** *Neighborhood Wellness.* Embrace and implement pro-active code enforcement and Neighborhood Protection policies.

Other Council Goals

- **2011-13** *Infrastructure Maintenance.* 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 and sidewalks, flood protection facilities, recreation facilities, bikeways, city-owned historic resources and urban forest).

PROGRAM NARRATIVE TRANSPORTATION

PROGRAM: Transit Services (continued)
 DEPARTMENT: Public Works

Other Program Objectives

- **2011-13** Downtown Champion. The Parking Services Manager continues to serve as the liaison between the City and downtown commercial businesses. The manager spends approximately 20% of his time attending meetings, providing information, and connecting downtown business issues to the appropriate City services.
- **2011-13** Parking Analysis for proposed Palm-Nipomo Parking Structure and Garden Street Terraces.

WORKLOAD MEASURES	Actual 2009-10	Projected 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Lot parking spaces provided	787	783	783	783
Street parking spaces provided	1,134	1,131	1,131	1,131
Garage parking spaces provided	1,177	1,177	1,177	1,177
Average occupancy percentages:				
<i>Marsh Street Parking Structure</i>	54%	52%	52%	53%
<i>842 Palm Street Parking Structure</i>	48%	44%	44%	45%
<i>919 Palm Street Parking Structure</i>	81%	79%	80%	81%
Citations written	27,262	23,000	23,230	23,470
Parking officer service calls	10,436	11,362	11,300	11,300
Percentage of citations successfully collected	94%	94%	94%	94%
Citation appeals processed	1,719	1,560	1,640	1,640
10-hour meter permits sold	3,549	3,830	3,690	3,690
Meter keys sold	491	430	460	460
Residential Permit Districts	8	8	8	8
Number of residential permits issued	1,512	1,512	1,512	1,512
Lineal feet of curb in residential parking districts	62,300	62,300	62,300	62,300

PROGRAM NARRATIVE TRANSPORTATION

PROGRAM: Transit Services
DEPARTMENT: Public Works

OPERATION: Transit
FUND: Transit Enterprise Fund

PROGRAM COSTS	Actual 2009-10	Budgeted 2010-11	% Diff.	2011-13 Financial Plan	
				2011-12	2012-13
Staffing	222,300	230,300	3.1%	237,400	242,300
Contract Services	1,912,400	1,931,000	4.0%	2,008,800	2,144,000
Other Operating Expenditures	311,500	463,100	2.9%	476,700	500,400
Minor Capital					
Total	\$2,446,200	\$2,624,400	3.8%	\$2,722,900	\$2,886,700

PROGRAM DESCRIPTION

The transit program (SLO Transit) provides daily fixed-route transit service to the general public within the City limits and to Cal Poly State University. This program also includes a downtown trolley service providing connecting service from the downtown to the lodging district on upper Monterey Street. Program goals are to provide 1) quality transportation for transit dependent people 2) convenient transportation for all residents and 3) an attractive alternative to driving which can reduce traffic congestion and air pollution. This program has three major activities:

- **Vehicle Operations and Maintenance.** Contracting for transit operations, including drivers, fuel, and insurance; contracting for downtown trolley operations, including drivers, fuel, and insurance; contracting for maintenance of City-owned buses and trolleys. Replacing old transit vehicles to meet California Air Resources Board (CARB) requirements and reduce vehicle breakdowns.
- **Non-Vehicle Maintenance.** Maintaining the bus maintenance yard; maintaining shelters, benches, and signs.
- **Administration.** Planning for future service improvements and extensions; complying with state and federal grant requirements; ensuring compliance with taxi franchise provisions; organizing agendas for Mass Transportation Committee meetings.

STAFFING SUMMARY	Actual 2009-10	Budgeted 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Regular Positions				
Transit Manager	1.0	1.0	1.0	1.0
Transportation Assistant	1.0	1.0	1.0	1.0
Total	2.0	2.0	2.0	2.0
Temporary Positions				
Full-Time Equivalents (FTE)	0.32	0.32	0.32	0.32

SIGNIFICANT PROGRAM CHANGES

Reductions Required to Balance the Budget

- **2011-13** Eliminating the Education and Training budget will save \$1,200 annually.

PROGRAM NARRATIVE TRANSPORTATION

PROGRAM: Transit Services (continued)
 DEPARTMENT: Public Works

2011-13 PROGRAM OBJECTIVES

Major City Goals

- **2011-13** *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.

Other Program Objectives

- **2011-13** Develop Transit Marketing Plan and Website

WORKLOAD MEASURES	Actual 2009-10	Projected 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Buses in fleet	15	15	15	15
Trolleys in fleet	1	1	1	1
Fixed route revenue miles operated*	383,853	375,500	389,000	389,000
Fixed route revenue hours operated*	32,268	33,000	33,500	33,500
Downtown trolley revenue miles operated	12,557	10,000	10,000	10,000
Downtown trolley revenue hours operated	1,512	1,000	1,000	1,000
Total passengers	1,019,852	1,025,000	1,030,000	1,035,000
Passengers per revenue hour	29.32	31	31	31
Percentage of time buses arrived on time	95	95	96	97

* Revenue Passenger Miles (RPM) calculated by multiplying the number of revenue-paying passengers aboard a bus by the distance traveled.

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Operating Programs
LEISURE, CULTURAL & SOCIAL SERVICES



PROGRAM NARRATIVE LEISURE, CULTURAL & SOCIAL SERVICES

PROGRAM: Parks & Recreation Administration
 DEPARTMENT: Parks & Recreation

OPERATION: Parks & Recreation
 FUND: General Fund

PROGRAM COSTS	Actual 2009-10	Budgeted 2010-11	% Diff.	2011-13 Financial Plan	
				2011-12	2012-13
Staffing	605,000	689,300	-1.6%	678,100	689,300
Contract Services	65,500	47,900	15.0%	55,100	55,400
Other Operating Expenditures	17,600	22,000	-2.3%	21,500	21,500
Minor Capital					
Total	\$688,100	\$759,200	-0.6%	\$754,700	\$766,200

PROGRAM DESCRIPTION

Parks and Recreation Administration plans, directs, and evaluates all recreation programs, activities, events, and facilities in the City of San Luis Obispo as part of its mission to promote personal well-being and sense of community. This department program monitors and evaluates implementation of the Parks and Recreation Element. Administrative staff oversee management, general unit, and part-time temporary employees in the daily provision of programs and facilities. Program staff plan for new parks and facilities and improvements to existing ones, develop and manage the department budget, apply for and administer grant programs, initiate and apply research on trends and best practices, provide clerical assistance department-wide, and coordinate the City's Visual Arts in Public Places Program. This program also provides support to three advisory bodies; the Parks & Recreation Commission, the Joint Use Committee, and the Jack House Committee. Staff also plan, implement, and assist in training for emergency response activities. Program goals include: 1) developing well-planned and maintained parks, facilities and open space amenities; 2) coordinating effective implementation of the Parks and Recreation Element; 3) preparing employees to provide quality services to the community; 4) providing diverse and vital recreation programs that are responsive to community needs, promote health and wellness, and foster human development; and 5) providing a safe and secure park system.

On July 1, 2010 following a Department Assessment a reorganization of the Parks & Recreation Department disbanded the Teens, Seniors & Classes division and reclassified the Recreation Supervisor to an Administrative Analyst accounted for in the Administration Program.

The Parks and Recreation Administration program has twelve major components:

- **Department management and administration.** Providing overall administration and management of department operations and policies.
- **Supervision and Program Management.** Directing and coordinating the work of management, general unit, limited benefit temporary (LBT) and temporary employees. Ensuring division staff are meeting performance expectations and taking corrective actions as necessary. Monitoring, identifying and delivering staff training opportunities while encouraging teamwork and open communication. Planning, organizing, monitoring and evaluating program offerings including managing non-staffing and staffing budgets. Evaluating and modifying division structure to ensure efficiency, productivity and high customer satisfaction.
- **Staff support to advisory bodies.** Preparing agenda and staff reports, recording minutes, conducting public hearings, and preparing quarterly annual reports for the Parks and Recreation Commission. Supervising staff liaisons to the Joint Use Committee and Jack House Committee in performing the same.
- **Program planning and evaluation.** Managing the development, marketing, staffing, coordination, and evaluation of recreation programs and facilities to meet the needs of the community.
- **Parks and Recreation Element implementation.** Satisfying unmet needs in parks, facilities, playing fields, open spaces and activities as identified in the Parks and Recreation Element, and evaluating activity and facility compliance with Element policies and programs.
- **Parks and facilities planning and safety evaluation.** Developing current and long-range plans for new parks and recreation facilities considering both indoor and outdoor space needs.

PROGRAM NARRATIVE LEISURE, CULTURAL & SOCIAL SERVICES

PROGRAM: Parks & Recreation Administration (continued)
 DEPARTMENT: Parks & Recreation

- **Fiscal management.** Developing, managing, and maintaining the Department’s two year budget, monitoring department-wide expenditures and revenues to assure compliance with financial policies, applying for and administration of grants, identifying and implementing opportunities for revenue enhancement.
- **Public relations and information.** Marketing programs, services, events, and facilities provided by the department through a variety of media sources; serving as liaisons to the community about recreation activities.
- **Human resource management.** Supervising Departmental staff. Administering human resource policies, procedures, and staffing requirements; conducting training, and evaluating regular and temporary staff. Performing all duties associated with the hiring of part time temporary staff for the department via the City’s Neogov system.
- **Cultural arts.** Coordinating the City’s Visual Arts in Public Places program. Managing both private donations of Public Art and the Public Art in Private Development Fee Program.
- **Administrative assistance.** Preparing documents ranging from Council Agenda Reports to class rosters; collecting, receiving and depositing fees and charges; dispensing department information via the Internet, telephone, and over-the-counter service; managing the records retention schedule, processing invoice-refund batches and payroll, providing technology support for department-specific programs, and offering excellent customer service.
- **Analysis of Operations.** Conducting analytic studies regarding Department operations, programs, policies and procedures. Researching comparative data and identifying new opportunities in an effort to increase the Department’s efficiencies service to the community.

STAFFING SUMMARY	Actual 2009-10	Budgeted 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Regular Positions				
Parks & Recreation Director	1.0	1.0	1.0	1.0
Recreation Manager*	2.0	2.0	2.0	2.0
Administrative Analyst	0.0	1.0	1.0	1.0
Supervising Administrative Assistant	1.0	1.0	1.0	1.0
Administrative Assistant	1.0	1.0	1.0	1.0
Total	5.0	6.0	6.0	6.0

*The vacant Recreation Manager position is proposed to be frozen while further study of organizational efficiencies is considered.

SIGNIFICANT PROGRAM CHANGES

Reductions Required to Balance the Budget

- **2011-13** Freezing the vacant Recreation Manager position will save \$123,100 in 2011-12 and \$123,400 in 2012-13.
- **2011-13** Moving to a paperless Activity Guide will save \$11,000 annually.
- **2011-13** Eliminating the San Luis Obispo Youth Sports Association (SLOYSA) Grant will save \$20,000 annually.
- **2011-13** Decreased funding required for school district use fees will save \$6,700 annually.

PROGRAM NARRATIVE LEISURE, CULTURAL & SOCIAL SERVICES

PROGRAM: Parks & Recreation Administration (continued)
 DEPARTMENT: Parks & Recreation

2011-13 PROGRAM OBJECTIVES

Other Council Goals

- **2011-13** *Open Space Preservation.* Continue efforts to acquire, preserve, protect, and maintain open space in our greenbelt, and implement the master plan for the City owned agricultural lands at Calle Joaquin, and the updated conservation plan for the Irish Hills Natural Reserve, and create a plan for maintenance of Laguna Lake and Park, including a potential funding strategy.
- **2011-13** *Infrastructure Maintenance.* 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 and sidewalks, flood protection facilities, recreation facilities, bikeways, city-owned historic resources and urban forest).
- **2011-13** *Parks and Recreation.* Increase utilization of Damon-Garcia Sports Fields.

Other Program Objectives

- **2011-12** Complete the integration of the Golf Fund from an Enterprise Fund to the General Fund.
- **2011-12** Complete an evaluation and analysis of maintenance costs at the Golf Course including options for reductions in annual costs.
- **2011-12** Complete an evaluation and analysis of the Teens Program.
- **2011-12** Provide Project Supervision for the Capital Improvement Project (CIP) to replace the Recreation Specific Software Program.
- **2011-12** Provide Project Supervision for the CIP to replace the Toro Mower at the Golf Course.
- **2011-13** Oversee the Department's continued efforts to obtain external funding for the construction of the SLO Skatepark.
- **2011-13** Provide ongoing support to the Parks & Recreation Commission, Joint Use Committee, and Jack House Committee to achieve their annual work program goals.
- **2011-13** Research, apply for, and hopefully receive grants for support of programming, facility maintenance, and new facility construction.
- **2011-13** Manage the department budget to enhance revenues and track expenditures for effective stewardship of public funds.
- **2011-13** Develop partnerships and cooperative programs to provide recreational experiences to the community.
- **2011-13** Continue to promote and implement the Public Art Program.
- **2011-13** If resources permit, begin update of the Parks and Recreation Element of the General Plan.

WORKLOAD MEASURES	Actual 2009-10	Projected 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Average daily public contact	100	100	100	100
Advisory body meeting packets prepared & public notices mailed	32	34	34	34
Council agenda reports prepared	20	20	20	20
City Manager Reports processed	10	15	15	15
Internal staff meetings	148	156	160	160
Payroll checks distributed (average)	3190	3170	3160	3160
Response time for phone messages	24 hours	24 hours	24 hours	24 hours
Public Art Projects processed	Not tracked	3	2	2
Grant applications submitted	Not tracked	4	12	12
Grants awarded	Not tracked	1	3	3

PROGRAM NARRATIVE LEISURE, CULTURAL & SOCIAL SERVICES

PROGRAM: Aquatics/Sinsheimer Park Special Facilities
 DEPARTMENT: Parks & Recreation

OPERATION: Parks & Recreation
 FUND: General Fund

PROGRAM COSTS	Actual 2009-10	Budgeted 2010-11	% Diff.	2011-13 Financial Plan	
				2011-12	2012-13
Staffing	330,500	339,000	-2.1%	331,800	331,600
Contract Services	1,500	1,500	-46.7%	800	800
Other Operating Expenditures	11,100	11,300	-36.3%	7,200	7,200
Minor Capital	3,200	1,800	0.0%	1,800	1,800
Total	\$346,300	\$353,600	-3.4%	\$341,600	\$341,400

PROGRAM DESCRIPTION

The aquatics program at the SLO Swim Center focuses on providing the community with diverse aquatic activities that meet a wide range of customer needs at a safe and well maintained facility. Programs are designed to incorporate fitness, therapy, exercise, rehabilitation, socialization and skill development for participants regardless of economic status, disability, fitness level or age. Program goals include: 1) sustaining an environment that is safe, clean and enjoyable; 2) remaining cognizant of industry trends and customers' needs in order to provide quality programs; 3) providing a well trained and skilled cadre of staff to ensure patron safety and provide emergency response if needed.

The Aquatics program has eight major components:

- **Lap swimming.** Providing opportunity for self-paced fitness and exercise to enhance and maintain both physical and mental wellness; establishing a diverse program for all fitness and age levels – competitive, therapeutic, rehabilitative, and leisure; incorporating aqua aerobic classes during lap swim sessions to offer patrons a variety of exercise options.
- **Swimming instruction.** Offering an avenue of learning for all (infants through seniors); programming for the complete spectrum of instruction possibilities beginning with non-swimmers, and advancing to Lifeguard Training, Springboard Diving, and Water Safety Instructor; programming for both group and private lessons.
- **Recreational swimming.** Providing a venue for social interaction, exercise and play in a safe and well-supervised aquatic facility; encouraging participation, wellness, and fun for the entire family.
- **In-Service training.** Ensuring compliance with all local, state, and federal guidelines and regulations; requiring on-going facility specific training to maintain skills, confidence, and the ability to efficiently and effectively respond in an emergency; constantly reviewing safe practices and procedures to ensure patron safety and prevent accidents/injuries; continuing the history of SLO Swim Center's excellent safety record.
- **Maintenance.** Focusing on regular and thorough equipment and facility maintenance and inspections; maintaining a clean, accessible, and safe facility as an integral aspect of successful programming and paramount to incident/injury prevention.
- **Competitive swimming.** Managing contractual agreements with the local swim club and the San Luis Coastal Unified School District; incorporating use requests from local and regional competitive teams for access to the facility for events and practices.
- **Therapy.** Enhancing therapeutic and instructional aquatic programming opportunities to the community by offering activities in the Therapy Pool that are not possible in the 50 meter pool; offering programs on a year-round basis that prior to the addition of the therapy pool had been seasonal.

PROGRAM NARRATIVE LEISURE, CULTURAL & SOCIAL SERVICES

PROGRAM: Aquatics/Sinsheimer Park Special Facilities (continued)
 DEPARTMENT: Parks & Recreation

- **Supervision and Program Management.** Directing and coordinating the work of limited benefit temporary (LBT) and temporary employees. Ensuring division staff are meeting performance expectations and taking corrective actions as necessary. Monitoring, identifying, and delivering staff training opportunities while encouraging teamwork and open communication. Planning, organizing, monitoring and evaluating program offerings including managing non-staffing and staffing budgets. Evaluating and modifying division structure to ensure efficiency, productivity and high customer satisfaction.

STAFFING SUMMARY	Actual 2009-10	Budgeted 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Regular Positions				
Recreation Supervisor	1.0	1.0	1.0	1.0
Total	1.0	1.0	1.0	1.0
Temporary Positions				
Full-Time Equivalents (FTE)	8.8	8.8	8.6	8.6

SIGNIFICANT PROGRAM CHANGES

Reductions Required to Balance the Budget

- **2011-13** Reducing temporary staffing will save \$4,000 annually.

2011-13 PROGRAM OBJECTIVES

Other Council Goals

- **2011-13** *Infrastructure Maintenance.* 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 and sidewalks, flood protection facilities, recreation facilities, bikeways, city-owned historic resources and urban forest).

Other Program Objectives

- **2011-2013** Maintain current programming and use levels to realize revenue goals/targets.
- **2011-2013** Continue to seek new revenue sources for the Therapy Pool.
- **2011-2012** Implement changes to the American Red Cross Learn to Swim program.
- **2012-2013** Maintain training programs in conjunction with current regulations and requirements.

WORKLOAD MEASURES	Actual 2009-10	Projected 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Hours of pool use	4,400	4,050	4,050	4,050
Hours of in-service training	600	600	600	600
Pool Users served (daily through the door – does not include HS, Scuba, Club)	60,052	60,100	60,100	60,100
Scholarships Awarded	40	40	40	40
Maintenance Hours	1,800	1,800	1,800	1,800
Warm Water Exercise Uses	2,148	2,200	2,200	2,200
High School uses/year	18,470	18,500	18,500	18,500

PROGRAM NARRATIVE LEISURE, CULTURAL & SOCIAL SERVICES

PROGRAM: Aquatics/Sinsheimer Park Special Facilities (continued)
 DEPARTMENT: Parks & Recreation

Swim Club uses/year	23,331	23,400	23,400	23,400
Swim lesson totals (including Youth, Infant, Adult, LG, WSI, Diving, Polo)	9,119	9,200	9,200	9,200
Other rental hours (end of year school parties, junior guard testing, other swim clubs, club water polo)	1,486	1,500	1,500	1,500
Scuba rental hours/year	162	162	162	162
Recreational swimming attendance	10,679	10,700	10,700	10,700

PROGRAM NARRATIVE LEISURE, CULTURAL & SOCIAL SERVICES

PROGRAM: Youth Services
DEPARTMENT: Parks & Recreation

OPERATION: Parks & Recreation
FUND: General Fund

PROGRAM COSTS	Actual 2009-10	Budgeted 2010-11	% Diff.	2011-13 Financial Plan	
				2011-12	2012-13
Staffing	616,400	780,000	-3.6%	751,900	764,500
Contract Services	14,800	31,200	-11.5%	27,600	27,600
Other Operating Expenditures	87,600	105,200	1.3%	106,600	106,600
Minor Capital					
Total	\$718,800	\$916,400	-3.3%	\$886,100	\$898,700

PROGRAM DESCRIPTION

At a time when more children are spending after school hours unsupervised, the need for quality school-age childcare programs remains great. The youth services program addresses this need by providing school-age care programs to elementary and middle school age youth that reflect the main components for quality. *Positive relationships:* staff creates constructive and helpful contact with the children and fosters positive peer relationships. *Effective programming:* constructive well-planned schedules and curriculum are tailored to the needs and interests of the children. *Appropriate environments:* safe and clean space for indoor and outdoor activities is attractive, warm and inviting. *Strong partnerships:* involvement of the school, families and community are necessary to the operation of the programs. *Effective staff:* committed and well trained staff offers a fresh and energetic perspective.

In total, over 800 children and their families are served each year through programming that is offered before and after school, during spring recess, and throughout the summer. Youth Services programs focus on the healthy and positive development of children, including both cognitive and social development. Progressive and anti-bias curriculum offers a variety of activities, social experiences, and opportunities that promote learning, awareness and fun. Experienced and well-trained staff are intentional about building each child's assets through empowerment, fostering healthy self identity, developing a sense of purpose, and celebrating the whole child. In addition to the daily schedule, the programs feature additional components such as Environmental Education, community action projects, family participation events, guest speakers, and field trips. The SLO Teens Program at Laguna Middle School offers a comprehensive after school program that offers academic assistance and tutoring, as well as diverse enrichment activities such as: cooking, dance, music appreciation, sports, health and wellness activities, to name a few. The last 45 minutes of the program offers free choice options for the teens, whereas they can participate in table tennis, educational games in the computer lab, play Wii, create art projects, read, socialize with peers while listening to music or play a variety of board games. The SLO Teens program at Laguna Middle School also offers lunchtime activities for the students and is additionally partnering with the school to offer leadership and community service learning opportunities to the teens. Teens can participate in our Quest and also Junior Giants as coaching assistants.

As noted in the workload measures, the Sun 'N Fun, Club S.T.A.R., SLO Teens and Spring Camp programs are currently at program capacity based upon State of California Title 22 square footage mandates. Based on current trends and population forecasts, it is predicted these programs will continue to meet capacity annually.

Reorganization of the Parks & Recreation Department effective July 1, 2010 disbanded the Teens, Seniors & Classes division and moved programs to Youth Services.

Youth Services has 12 major components:

- **Sun 'N Fun Child Care Program.** Licensed by the state of California Community Care Licensing, Sun 'N Fun provides a fun, nurturing and social experience for school-age children during the before and after school hours. Serving approximately 35-45 children daily at each of the City's five elementary school campuses, the Sun 'N Fun program is open Monday through Friday, 7:00 am to 6:00 pm, accommodating all Kindergarten release times as well as minimum release days.

PROGRAM NARRATIVE LEISURE, CULTURAL & SOCIAL SERVICES

PROGRAM: Youth Services (continued)
DEPARTMENT: Parks & Recreation

- **CLUB S.T.A.R. Program (Students Taking Active Responsibility).** By using the Asset Development framework, the Club S.T.A.R. program has established a “with and for youth” approach. Club S.T.A.R. emphasizes youth as problem solvers and asset champions while staff promote lifelong learning, cultural unity, personal growth, and wellness. Club S.T.A.R. students have the opportunity to develop life skills, become active in community projects, participate in recreational opportunities and enhance their academic skills. Serving approximately 20-30 children daily at each of the City’s five elementary school campuses, the Club S.T.A.R. program is open Monday through Friday 2:30 pm to 5:30 pm.
- **Summer Day Camps.** Providing quality and comprehensive summer day camp programs for children 6-12 years old while offering a wide range of opportunities during the summer months, Ultimate Day Camp, Ultimate Specialty Camp, and Junior Ranger Camp are complete with art and creative expression, science and exploration, music and movement, indoor and outdoor games, sports and play, guest speakers, and weekly excursions. Serving approximately 60-100 children, Ultimate Day Camp and Ultimate Specialty Camp run for seven weeks (Junior Ranger Camp runs for two weeks) and are open daily from 7:00 am to 6:00 pm.
- **Spring Break Camp and Teacher Work Days.** Providing opportunities for special day programs during Spring Break Camp and Teacher Work Days when school is not in session. Programs vary in length, cost, and location. Each program serves 50+ children per day.
- **Subsidy Programs.** Working collaboratively with the Women’s Shelter, Prado Day Center, and the Family Services Resource Coordinator at SLCUSD, we provide partial scholarships to subsidize program fees to qualified families based on a pre-determined eligibility standard. The scholarship program provides about 85 families with financial assistance in the amount of \$8,600 annually. Concurrently, the collaborative relationship with the Community Action Partnership of San Luis Obispo (CAPSLO) – Child Care Resource Connection program provides an additional subsidy to over 30 families.
- **Inclusive Care.** Children with developmental disabilities as well as non-ambulatory children are accommodated through the Youth Services inclusive childcare programs. Well trained aides provide individualized care and inclusive recreation opportunities during program hours. The program is a collaborative effort with the Tri-Counties Regional Center.
- **SLO Teens.** Providing a space to create and imagine, be safe and secure, and to learn and play, SLO Teens gives middle school students the opportunity to grow with guidance. Deterring students from sedentary activities or potentially delinquent behavior, the after school enrichment program introduces teens to healthy lifestyles. Providing diverse activities that are planned daily and include exercise, community involvement and service, healthy eating habits, tutoring, gardening, science projects, social integration, art, and innovative games. Ensuring teens an environment where they feel safe, welcomed, heard, and appreciated, and where they are expected to engage in positive behavior.
- **Teen Special Events.** With teens (both boys and girls) nearing obesity rates of 16% within the United States, recreation opportunities not only provide a staple for maintaining physical health, but they also fight against teen depression by providing socially integrative events and activities. Diverse program opportunities for 7th and 8th graders provide safe, and fun surroundings for socialization and enrichment through music, games, and dance. Appropriate music and the employment of trained adult staff provide structure and consistency. Past events such as the Teen Idol summer talent program, give teens a chance to perform and showcase vocal talents.
- **Junior Giants Baseball Program.** Promoting positive self-esteem and character building through a summer baseball league for boys and girls 8-13 years old. Participants are mentored and coached by recreation staff in this collaborative program between the San Francisco Giants Community Fund and San Luis Obispo Parks and Recreation Department. Along with baseball skills, the principles of teamwork, leadership, confidence, and integrity are stressed. This structured activity offers a positive alternative to unsupervised time. Youth are given the opportunity to practice being leaders within their community of peers.

PROGRAM NARRATIVE LEISURE, CULTURAL & SOCIAL SERVICES

PROGRAM: Youth Services (continued)
 DEPARTMENT: Parks & Recreation

- **Quest.** Developing teambuilding, life skills, employment strategies and strong work ethics, this program instills the philosophy that ‘Teens Engaged Achieve Milestones’. San Luis Obispo teens in grades 9-12 take part in a job training and volunteer program that utilizes youths as community assets. Participants experience a ropes course to facilitate learning how to work in a team environment, and apply those skills to various challenges dealing with customer service, job hunting and communication skills. The program goal is to prepare quality employees for the Department and business community.
- **Community Agency Collaboration.** Ensuring youth obtain multi-dimensional support through the involvement and participation with various community groups such as the School Attendance Review Board (SARB), San Luis Obispo Police Department (SLOPD) Juvenile Diversion and the SLO County Childcare Planning Council. Such associations concentrate on the intervention and prevention of dangerous and detrimental behavior, as well as offer opportunities for alternative activities.
- **Supervision and Program Management.** Directing and coordinating the work of limited benefit temporary (LBT) and temporary employees. Ensuring division staff is meeting performance expectations and taking corrective actions as necessary. Monitoring, identifying and delivering staff training opportunities while encouraging teamwork and open communication. Planning, organizing, monitoring and evaluating program offerings including the management of non-staffing and staffing budgets. Evaluating and modifying division structure to ensure efficiency, productivity and high customer satisfaction.

STAFFING SUMMARY	Actual 2009-10	Budgeted 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Regular Positions				
Recreation Supervisor	1.0	1.0	1.0	1.0
Recreation Coordinator	1.0	1.0	1.0	1.0
Total	2.0	2.0	2.0	2.0
Temporary Positions				
Full-Time Equivalent (FTE)	27.3	27.3	27.3	27.3

2011-13 PROGRAM OBJECTIVES

Other Program Objectives

- **2011-13** Develop standardized staff training methods encompassing staff training manual, effective evaluations, quarterly all staff trainings, and maintaining the latest trends in childcare.
- **2011-13** Develop Staff Training Academy that is committed to providing staff development opportunities in the area of Youth Development principles and capacity building to site program staff.
- **2011-13** Expand Teen Services to include leadership development in the form of speech and debate, youth and government and leadership development through outdoor exploration.
- **2011-13** Diversify Quest Program to incorporate life skills, community service learning and Asset Development. Develop program goals that will encourage participants to participate in successive quest offerings and ideally be mentors to our middle school youth at Laguna Middle School.

PROGRAM NARRATIVE LEISURE, CULTURAL & SOCIAL SERVICES

PROGRAM: Youth Services (continued)
 DEPARTMENT: Parks & Recreation

WORKLOAD MEASURES	Actual 2009-10	Projected 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Sun 'N Fun/S.T.A.R. – Children Registered	594	604	625	700
Summer Day Camp Participants	219	250	250	250
Spring Camp Participants	80	80	80	80
# of Children Receiving Subsidized Care	51	43	50	50
# of CAPSLO Attendance Records Processed	362	330	350	350
# of Junior Giant's Participants	96	125	150	150
# of Junior Giant's Volunteer Coaches	12	15	18	18
Quest Participants	15	15	15	15
# of SLO Teens Participants	35	50	100	150

PROGRAM NARRATIVE LEISURE, CULTURAL & SOCIAL SERVICES

PROGRAM: Recreational Sports
DEPARTMENT: Parks & Recreation

OPERATION: Parks & Recreation
FUND: General Fund

PROGRAM COSTS	Actual 2009-10	Budgeted 2010-11	% Diff.	2011-13 Financial Plan	
				2011-12	2012-13
Staffing	236,600	229,100	-10.2%	205,800	206,300
Contract Services	46,000	47,900	-26.9%	35,000	35,000
Other Operating Expenditures	56,000	56,800	-9.2%	51,600	51,600
Minor Capital					
Total	\$338,600	\$333,800	-12.4%	\$292,400	\$292,900

PROGRAM DESCRIPTION

This program manages recreational sports programs for youth, teens, adults and boomers. Program goals are: 1) providing fundamental sports instruction in a non-competitive, positive environment that focuses on participation and sportsmanship for youth and teens ages 5-18 years old; 2) providing lifelong athletic opportunities through organized adult sports leagues that promote a healthy lifestyle and social interaction in a safe and supervised environment; 3) providing sporting activities for active seniors (boomers) that promote safety and health as well as social skills for all ability levels; 4) coordinating the SLO Triathlon, which focuses on personal achievement, volunteerism, and wellness.

Recreational Sports has six major components:

- **Youth Sports Programs.** Designing youth sports opportunities for children in kindergarten through sixth grade that promote a positive, growth-oriented environment through activity, instruction and organized activities. Partnering with the YMCA and other organizations, the youth sports program provides youth athletic experiences meeting community recreational needs. Presenting fundamental sports instruction to coaches, parents, and children with a focus on participation, non-competitiveness, and the importance of allowing each child to reach his/her full potential. Training for coaches through the National Youth Sports Coaches Association as well as training in the Parent Association for Youth Sports program (PAYS) for staff and parents.
- **Teen Sports Program.** Collaborating with staff and school administration to ensure teens have the opportunity to participate in well-organized, enjoyable sports programs, and use after school time in a constructive manner. Focusing on skill development, cooperation, and teamwork during activity participation. Emphasizing positive attitudes and athletic success while minimizing competition.
- **Adult Sports Program.** Administering all aspects of three seasons of a softball and one season each of basketball and flag football; training and scheduling of officials for league and tournament play, sanctioning leagues through Southern California Municipal Athletic Federation (SCMAF) and other sports-specific organizations, creating game schedules, obtaining player insurance coverage, and purchasing equipment. In addition, the adult sports programs partner with Central Coast Soccer League to offer three seasons of Men's and Coed Soccer to meet the needs of the Community.
- **Boomer Athletics.** Using volunteers and community service groups to offer league and drop-in sports for active adults (50+); providing healthy sporting activities in an enjoyable, positive environment. Providing sports such as drop-in softball, volleyball and table tennis to the community.
- **Triathlon.** Emphasizing completion rather than competition as well as encouraging and supporting a healthy lifestyle. Assisting each participant to attain his or her own personal goal, whether a novice participant or a seasoned tri-athlete.
- **Supervision and Program Management.** Directing and coordinating the work of limited benefit temporary (LBT) and temporary employees. Ensuring division staff is meeting performance expectations and taking corrective actions as necessary. Monitoring, identifying and delivering staff training opportunities while encouraging teamwork and open communication. Planning, organizing, monitoring and evaluating program offerings including the management of non-

PROGRAM NARRATIVE LEISURE, CULTURAL & SOCIAL SERVICES

PROGRAM: Recreational Sports (continued)
 DEPARTMENT: Parks & Recreation

staffing and staffing budgets. Evaluating and modifying division structure to ensure efficiency, productivity and high customer satisfaction.

STAFFING SUMMARY	Actual 2009-10	Budgeted 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Regular Positions				
Recreation Supervisor	1.0	1.0	1.0	1.0
Total	1.0	1.0	1.0	1.0
Temporary Positions				
Full-Time Equivalents (FTE)	7.6	7.6	6.5	6.5

SIGNIFICANT PROGRAM CHANGES

Reductions Required to Balance the Budget

- **2011-2013** Eliminating scorekeepers for Adult Softball leagues will save \$14,300 annually.
- **2011-2013** Reducing temporary staffing will save \$4,000 annually.
- **2011-2013** Reducing the budget for softballs will save \$2,500 annually.
- **2011-2013** Reducing the number of SCMAF memberships will save \$200 annually.

2011-13 PROGRAM OBJECTIVES

Other Program Objectives

- **2011-2013** Update Best Practices for the SLO Triathlon.
- **2011-2013** Identify and implement at least one new Adult Sports program per season.
- **2011-2013** Continue to Collaborate with the SLO County YMCA in offering Youth Sports.

WORKLOAD MEASURES	Actual 2009-10	Projected 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Youth Football Participants	75	85	100	110
Youth Basketball Participants	625	650	700	750
Youth Volleyball Participants	80	80	100	100
Futsal Participants	150	200	225	250
Teen Basketball Participants	50	40	35	45
Teen Volleyball Participants	45	50	60	65
Teen Track Participants	85	90	100	110
Teen Cross Country Participants	30	35	40	45
Adult Soccer Participants	Not tracked	Not tracked	150	200
Boomer Sports Participants	50	50	50	50
Triathlon Participants	900	950	1,200	1,200
Triathlon Volunteers	250	210	300	325

PROGRAM NARRATIVE LEISURE, CULTURAL & SOCIAL SERVICES

PROGRAM: Facilities
DEPARTMENT: Parks & Recreation

OPERATION: Parks & Recreation
FUND: General Fund

PROGRAM COSTS	Actual 2009-10	Budgeted 2010-11	% Diff.	2011-13 Financial Plan	
				2011-12	2012-13
Staffing	208,600	221,200	-0.1%	220,900	221,400
Contract Services	6,500	6,700	-79.1%	1,400	1,400
Other Operating Expenditures	5,100	5,300	-35.8%	3,400	3,400
Minor Capital					
Total	\$220,200	\$233,200	-3.2%	\$225,700	\$226,200

PROGRAM DESCRIPTION

The facilities program manages, supervises and schedules internal and external uses of community recreation buildings and reserved park areas. Staff provides assistance in the coordination and balancing of field/facility use and maintenance. In addition, the facilities program integrates and coordinates the scheduling of facility maintenance times between various City departments and user groups.

The Facilities Program has seven major components:

- **Facility Reservations.** Scheduling reservation requests and issuing permits for special events, park uses, sports fields, multi-use courts, and indoor meeting rooms. Assuring users are compliant with permits, insurance and appropriate activities. Coordinating facility preparation and maintenance with users and staff for maximum facility use. Providing excellent customer service while meeting the community's need for quality facilities.
- **Facility Management.** Providing staff support for uses at the Damon-Garcia Sports Fields, Jack House Gardens, San Luis Obispo Baseball Stadium, the Senior Center, City/County Library, Meadow Park Building, the Ludwick Community Center and other outdoor areas. Supplying on-call staff for evening and weekend facility use. Meeting routinely with Public Works Parks Maintenance, Building Maintenance and Ranger Services for safety and maintenance of facilities during use. Preparing agreements for use of the San Luis Obispo Baseball Stadium and other facilities as necessary.
- **Special User Requests of City Athletic Facilities.** Facilitating meetings with youth and adult sports groups using City facilities. Scheduling facilities for youth and adult sports tournaments held within the City. Coordinating use of City tennis courts for community members, adult leagues, local colleges and the San Luis Coastal Unified School District.
- **Supervision and Program Management.** Directing and coordinating the work of limited benefit temporary (LBT) and temporary employees. Ensuring division staff is meeting performance expectations and taking corrective actions as necessary. Monitoring, identifying, and delivering staff training opportunities while encouraging teamwork and open communication. Planning, organizing, monitoring and evaluating program offerings including the management of non-staffing and staffing budgets. Evaluating and modifying division structure to ensure efficiency, productivity and high customer satisfaction.
- **Joint Use of Recreational Facilities Committee Support.** Acting as City Liaison to the Joint Use Committee Advisory Body. Preparing agendas and staff reports and working with committee chair for inclusion of community groups. Working with committee members, San Luis Coastal Unified School District and members of the community for coordinated uses of joint recreational facilities.
- **Commemorative Bench Program and Donations.** Managing and supervising the placement of commemorative benches in parks and coordinating with Public Works Maintenance staff for installation and maintenance. Facilitating community facility donations.
- **Certified Playground Inspector.** Conducting routine safety analyses of playground equipment to insure compliance with California Playground Safety Regulations.

PROGRAM NARRATIVE LEISURE, CULTURAL & SOCIAL SERVICES

PROGRAM: Facilities (continued)
 DEPARTMENT: Parks & Recreation

STAFFING SUMMARY	Actual 2009-10	Budgeted 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Regular Positions				
Recreation Supervisor	1.0	1.0	1.0	1.0
Total	1.0	1.0	1.0	1.0
Temporary Positions				
Full-Time Equivalents (FTE)	5.0	5.0	5.0	5.0

SIGNIFICANT PROGRAM CHANGES

Reductions Required to Balance the Budget

- **2011-13** Eliminating the budget for Batting Cages supplies and fire alarm will save \$3,100 annually.

2011-13 PROGRAM OBJECTIVES

Other Council Goals

- **2011-13** *Infrastructure Maintenance.* 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 and sidewalks, flood protection facilities, recreation facilities, bikeways, city-owned historic resources, and urban forest).
- **2011-13** *Parks and Recreation.* Increase utilization of Damon-Garcia Sports Fields.

Other Program Objectives

- **2011-13** Market and lease the Ludwick Community Center Office space as a revenue enhancement to the City.
- **2011-13** Monitor and track facility field uses to optimize field use and availability.
- **2011-13** Increase facility promotions to maximize indoor facility usage and rentals.
- **2011-13** Continue to work with Stadium users for effective use of the facility.
- **2011-13** Enhance staff training relevant to succession planning.

WORKLOAD MEASURES	Actual 2009-10	Projected 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Facility Use Daily Attendance	62,945	69,250	69,500	69,500
Facility Permits Processed	1,883	1,900	1,900	1,950
Stadium uses (rental)	220	200	200	250
Stadium permits	28	25	25	25
Damon-Garcia Sports Fields:				
Events/Tournaments Scheduled				
Number of	7	10	10	12
Number of Permits Processed	34	35	35	40
Number of Facility Users	39,835	40,000	40,000	40,500

PROGRAM NARRATIVE LEISURE, CULTURAL & SOCIAL SERVICES

PROGRAM: Community Services
DEPARTMENT: Parks & Recreation

OPERATION: Parks & Recreation
FUND: General Fund

PROGRAM COSTS	Actual 2009-10	Budgeted 2010-11	% Diff.	2011-13 Financial Plan	
				2011-12	2012-13
Staffing	141,700	175,500	-0.2%	175,100	179,500
Contract Services	16,200	79,000	-11.8%	69,700	69,700
Other Operating Expenditures	6,000	13,500	7.4%	14,500	14,500
Minor Capital					
Total	\$163,900	\$268,000	-3.2%	\$259,300	\$263,700

PROGRAM DESCRIPTION

The community services program facilitates major special events held within the city limits, hosts a variety of community special events, oversees enrichment class offerings, manages Senior and Boomer programs, acts as the liaison to the Jack House Committee, coordinates volunteer services, manages the banner permit program, issues film permits and coordinates commercial filming within the City, coordinates the Community Garden program and supervises the Santa Rosa Skatepark.

Reorganization of the Parks & Recreation Department effective July 1, 2010 disbanded the Teens, Seniors & Classes division and moved programs to Community Services.

The Community Services program has twelve major components:

- **Major City-Wide Special Events.** Collaborating with supporting organizations to facilitate the coordination of citywide special events initiated by community groups including; ensuring adherence to City policies and procedures, issuing event permits, maintaining files with supporting documentation, and facilitating problem solving with inter-departmental planning in pre and post event critiques. Providing pertinent documents to event sponsors for event layout, resident notifications, parking, alcohol and fire permits, and a detailed statement of applicable special event fees.
- **Community Special Events.** Organizing special events that help unify the community and gather citizens in a healthy, positive environment, while promoting the benefits of community events/activities. Collaborating with a variety of entities, including the Downtown Association, local businesses and service organizations, and Cal Poly student organizations and clubs. Managing all aspects of special event coordination including; reviewing liability concerns, managing agreements with vendors/entertainers, purchasing supplies, securing sponsorships and implementing event logistical plans.
- **Jack House Committee.** Preparing agenda and staff reports, recording minutes, conducting public hearings, and preparing quarterly annual reports for the Jack House Committee Advisory Body with additional staff assistance for special events and promotion of the Jack House and Gardens.
- **Volunteer Services.** Providing opportunities for citizens who, through volunteerism, assist staff in expanding and enhancing a variety of City services. Training volunteers to supplement present services and encourage civic pride and community involvement. Recruiting, coordinating, orientating, and tracking the use of volunteers in all parks and recreation programs. Recognizing volunteer efforts with the Volunteer of the Month program as well as by holding an annual volunteer appreciation dinner.
- **Film Permits.** Coordinating with media sources and City staff, facilitating inter-departmental planning, providing notifications to community residents and maintaining accurate accounting of all related costs required for filming.
- **Banner Permit Processing.** Receiving and processing permits for the display of banners at Higuera and Marsh street locations including coordinating the installation and removal of each banner with the Public Works Department.
- **Community Gardens.** Coordinating the rentals of garden plots at the four community garden locations: Emerson Park, Laurel Lane, Broad Street and the Rotary Garden at Meadow Park. Managing the database of lease agreements,

PROGRAM NARRATIVE LEISURE, CULTURAL & SOCIAL SERVICES

PROGRAM: Community Services (continued)
 DEPARTMENT: Parks & Recreation

managing the wait list, assisting new gardeners with plot selection and getting started, planning and producing garden work days (seasonal) and gardening seminars, and working with Finance on billing and lease renewal.

- **SLO Skate Park.** Providing a legal, safe, and entertaining venue for skateboard and inline skate enthusiasts. Supervising the minor maintenance and upkeep of the facility while coordinating fundraising efforts to build an in-ground concrete park. Offering special events such as professional demonstrations and contests to increase participation and utilization of the facility, including the highly successful Monster Skate Series which has allowed San Luis Obispo County agencies with skate parks to collaborate in creating a large scale contest for local youth.
- **Supervision and Program Management.** Directing and coordinating the work of limited benefit temporary (LBT) and temporary employees. Ensuring division staff is meeting performance expectations and taking corrective actions as necessary. Monitoring, identifying, and delivering staff training opportunities while encouraging teamwork and open communication. Planning, organizing, monitoring and evaluating program offerings including the management of non-staffing and staffing budgets. Evaluating and modifying division structure to ensure efficiency, productivity and high customer satisfaction.
- **Senior Center Activities.** Providing enriching programs for seniors at a centralized location. Volunteer senior citizens staff the center, which is open to facilitate peer interaction and interpersonal growth through enjoyable recreation programs and unstructured meeting times. The Senior Center is also used for community agencies to bring services and information to center users. Staff serves as the liaison to the Senior Center Board, and provides oversight to maintenance of the facility, needs of the seniors, and new programming ideas.
- **Boomer Programs.** Offering generation-specific activities that serve unmet needs of active adults (50+). Creating and implementing new programs as needed. Programs include walking groups at Laguna Lake Park, Health and Wellness seminars, Global Gourmet Classes and Computer Partners classes.
- **Enrichment Classes.** Contracting with instructors who specialize in particular fields allows the Parks and Recreation Department to offer a wider variety of activities to the community. Contractual relationships provide unique services to youth, teens, adults, boomers, and seniors that otherwise could not be provided by staff due to constraints of time, knowledge, and finances. Classes are designed to offer opportunities that stimulate the mind and body. Courses are offered in fine arts, music, language, science, sports and fitness for all ages, abilities and socio-economic situations.

STAFFING SUMMARY	Actual 2009-10	Budgeted 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Regular Positions				
Recreation Supervisor	1.0	1.0		
Total	1.0	1.0	1.0	1.0
Temporary Positions				
Full-Time Equivalents (FTE)	2.4	2.4	2.4	2.4

SIGNIFICANT PROGRAM CHANGES

Reductions Required to Balance the Budget

- **2011-13** Reducing the budget for Senior Newsletter postage will save \$1,500 annually.

PROGRAM NARRATIVE LEISURE, CULTURAL & SOCIAL SERVICES

PROGRAM: Community Services (continued)
 DEPARTMENT: Parks & Recreation

2011-13 PROGRAM OBJECTIVES

Other Program Objectives

- **2011-13** Gain financial sponsors or community sponsors for community events.
- **2011-13** Seek and secure skatepark donors and/or grants for concrete park.
- **2011-13** Seek new contract instructors to expand enrichment class offerings to the community.

WORKLOAD MEASURES	Actual 2009-10	Projected 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Skate Park Users	Not tracked	6,000	6,000	6,000
Special Event Applications Processed	63	65	65	65
Special Event Participants/Spectators	5,200	5,500	6,000	6,000
Banner Permits Processed	75	74	75	75
Film Permits Processed	8	9	9	9
# of Volunteers	441	650	500	500
Community Gardeners	75	115	115	115
Jack House Events Participants	650	1,150	1,200	1,200
Activities & Classes Offered at the Senior Center	16	15	17	17
Contract Class participants	1,831	2,000	2,100	2,200
Boomer activity participants	366	400	450	450

PROGRAM NARRATIVE LEISURE, CULTURAL & SOCIAL SERVICES

PROGRAM: Ranger Services
 DEPARTMENT: Parks & Recreation

OPERATION: Parks & Recreation
 FUND: General Fund

PROGRAM COSTS	Actual 2009-10	Budgeted 2010-11	% Diff.	2011-13 Financial Plan	
				2011-12	2012-13
Staffing	182,500	203,900	2.3%	208,600	213,100
Contract Services	18,900	18,400	-8.2%	16,900	16,900
Other Operating Expenditures	11,000	12,000	0.8%	12,100	12,100
Minor Capital					
Total	\$212,400	\$234,300	1.4%	\$237,600	\$242,100

PROGRAM DESCRIPTION

The ranger services program provides valuable support for the City parks and open spaces by enforcing proper use and ensuring a safe atmosphere for users and wildlife. Rangers protect the natural resources in the City's open space by working collaboratively with the City's Natural Resources Management Program to carry out daily maintenance, construction, rehabilitation and mitigation projects as well the patrol of City parks. Ranger staff conducts year round environmental education programs and hikes for people of all ages, thus enabling the community to help protect and enjoy these open spaces.

Ranger Service has nine major components:

- **Open space maintenance/management/development.** Managing the maintenance aspects of the City's open space preservation program by performing projects needed for rehabilitation and preservation of sensitive and high traffic areas. In consultation with the Natural Resources Manager and City Biologist, open space maintenance projects are scheduled and implemented. Monthly Trail Workdays, led by the rangers, are held to aid in the rehabilitation and construction of the trails. To aid in the maintenance, many volunteer hours are donated to the City's open spaces by various clubs: Central Coast Concerned Mountain Bikers (CCCMB), Access Fund, Sierra Club and other community service organizations. Seasonal mowing is conducted by rangers to reduce fire potential in all City Open Spaces.
- **Creek corridors and storm water compliance.** Patrolling and maintaining City creek corridors to prevent unnecessary human intrusion and promote the sustainability of the natural resources while staying compliant with the new stormwater mandate.
- **Open space patrol.** Ensuring compliance with the City's open space regulations by patrolling on foot, by vehicle or bicycle over 3,512 acres of open space area. Through physical patrol, providing a watchful eye over the land and native species of these areas in order to protect them from abuse and misuse. Volunteer Trail Lookouts also assist the City with this service.
- **Park patrol.** Patrolling the City's 28 parks to ensure compliance with the City's park ordinance, reduce park vandalism, and provide park users with a safe and secure environment. Patrolling the San Luis Coastal Unified School District turf areas to reduce incidences of unauthorized use.
- **City mitigation sites.** Installing plants and maintaining them to insure the success of the project.
- **Environmental education.** Providing nature programs and hikes, school presentations, camps and other interpretation projects to further educate the public about the environment and encourage proper use of the open space.
- **Supervision and Program Management.** Directing and coordinating the work of limited benefit temporary (LBT) and temporary employees. Ensuring division staff is meeting performance expectations and taking corrective actions as necessary. Monitoring, identifying, and delivering staff training opportunities while encouraging teamwork and open communication. Planning, organizing, monitoring and evaluating program offerings including the management of non-staffing and staffing budgets. Evaluating and modifying division structure to ensure efficiency, productivity and high customer satisfaction.

PROGRAM NARRATIVE LEISURE, CULTURAL & SOCIAL SERVICES

PROGRAM: Ranger Services (continued)
 DEPARTMENT: Parks & Recreation

- **Risk management.** Monitoring high-risk activity uses in open space areas by identifying, posting, and enforcing specific components related to effective risk management.
- **Volunteer recruitment/management.** Coordinating and managing the work of open space volunteers while actively trying to recruit community groups and additional volunteers for open space maintenance and construction.

STAFFING SUMMARY	Actual 2009-10	Budgeted 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Regular Positions				
Recreation Supervisor	1.0	1.0	1.0	1.0
Total	1.0	1.0	1.0	1.0
Temporary Positions				
Full-Time Equivalents (FTE)	4.1	4.1	4.1	4.1

2011-13 PROGRAM OBJECTIVES

Major City Goals

- **2011-13** *Neighborhood Wellness.* Embrace and implement pro-active code enforcement and Neighborhood Protection policies.

Other Council Goals

- **2011-13** *Open Space Preservation.* Continue efforts to acquire, preserve, protect and maintain open space in our greenbelt, and implement the master plan for the city owned agricultural lands at Calle Joaquin, and the updated conservation plan for the Irish Hills Natural Reserve, and create a plan for maintenance of Laguna Lake and Park, including potential funding.

Other Program Objectives

- **2011-13** Begin work on the construction of a new trail system south of Froom creek on the newly acquired Froom Ranch property.
- **2011-13** Continue to patrol parks, open spaces, creeks and SLCUSD site while providing support to SLO Police.
- **2011-13** Serve as department representative for Neighborhood Service Team issues and the major city goal related to neighborhood wellness.
- **2011-13** Continue to assist in compliance with the City's Stormwater Program by assisting in creek and watershed issues.
- **2011-13** Continue to assist in maintenance activities to facilitate mitigation projects in the City's open spaces.
- **2011-13** Continue to work closely with CCCMB on collaborative projects as well as other volunteers in maintaining and enhancing the City's open space trail network.
- **2011-13** Continue to produce the annual Junior Rangers camps offered to local youth.

PROGRAM NARRATIVE LEISURE, CULTURAL & SOCIAL SERVICES

PROGRAM: Ranger Services (continued)
 DEPARTMENT: Parks & Recreation

WORKLOAD MEASURES	Actual 2009-10	Projected 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Creek mileage maintained and patrolled	7.25	7.25	7.25	7.25
Open space acres maintained and patrolled	3,124	3,512	3,512	3,512
Park acres patrolled	198	198	198	198
Parks patrolled	28	28	28	28
Trail mileage maintained and patrolled	38.75	40	41.5	43
Trash cleaned from encampments and the creek system (Tons)	17	20	15	15
Volunteer hours managed	1,800	2,400	2,400	2,400
Homeless camps posted	112	115	115	115
Jr. Ranger Camp participants	32	32	32	32
Patrol hours for SLCUSD	190	180	180	180

PROGRAM NARRATIVE LEISURE, CULTURAL & SOCIAL SERVICES

PROGRAM: Golf Course
DEPARTMENT: Parks & Recreation

OPERATION: Parks & Recreation
FUND: General Fund

PROGRAM COSTS	Actual 2009-10	Budgeted 2010-11	% Diff.	2011-13 Financial Plan	
				2011-12	2012-13
Staffing	335,200	342,500	6.5%	364,600	370,600
Contract Services	26,600	28,200	-28.4%	20,200	20,300
Other Operating Expenditures	136,700	148,200	3.6%	153,500	160,100
Minor Capital	6,800	6,500	15.4%	7,500	7,500
Total	\$505,300	\$525,400	3.9%	\$545,800	\$558,500

PROGRAM DESCRIPTION

The golf course program operates and maintains the 26 acre Laguna Lake Golf Course. The layout is a ten hole executive length course. The primary program goal is to operate and maintain a safe, attractive and reasonably priced recreational activity with an emphasis on seniors and youth users. An additional goal is the recovery of as much costs as course revenues permit.

The Golf program consists of four major components:

- **Maintenance of a 10-Hole Executive Golf Course.** The Golf Course Supervisor and two Golf Course Maintenance Workers work daily at the course performing a wide array of maintenance activities. The focus is on professionally managing the golf course in accordance with accepted cultivation practices and standards as well as National Rules of Golf. Maintaining expansive and diverse turf areas by proper methods of mowing, renovation, irrigation, and chemical application. Daily course setup is addressed by changing cups, cleaning and moving tee markers, providing drinking water, trash pickup, recycling, and marking special areas as required. General landscape maintenance is also performed including planting and care of trees, flowers, and shrubs. Addressing issues related to the use of recycled water including monitoring of sodium levels which affect health and playability of turf grass is a daily activity. Constructing, maintaining and repairing of infrastructure, including bridges, fences and protective screens occurs as needed. Irrigation system installation and repair is another daily activity. Servicing, sharpening and repair of all course equipment including mowers, utility vehicles, weed eaters, chain saws and other small tools. Cleaning and maintenance of electric golf carts. Daily cleaning of restrooms, buildings and removing trash from course. There are a variety of trainings as well that staff undertakes including pesticide training to insure compliance with regulatory agencies as well as to ensure the safety of employees and patrons. Staff also trains in CPR, AED and first aid.
- **Pro Shop Operations and Customer Service.** A pro shop with small cafe provides the retail and social hub for the Golf Course. There staff provide services related to the full enjoyment of the golfing experience by being courteous and knowledgeable about the Course and golf in general. Staff in the Pro Shop schedule golf reservations, collect fees for play, rent equipment (e.g. carts), sell and stock merchandise, coordinate and schedule golf tournaments and special events at the Course, assist with various golf club activities, promote senior and youth activities, publish a newsletter, and provide information regarding the golf course upon request. Additionally, daily customer data is collected on the Course's computerized reservation system regarding customer demographics and frequency of participation.
- **Accounting for Daily Revenues and Record Keeping.** As the Golf Course is operated 364 and one half days a year there are significant accounting and bookkeeping duties associated with its operations and all are performed by Golf Course staff. Daily revenue transactions and petty cash must be reconciled. Invoices for goods and services are processed. Credit card statements are reconciled. Inventory management of goods for resale as well as supplies for maintenance purposes also occurs as does the oversight of private contractors for golf lessons, cell site leases, and food concessionaire. Reporting and tracking of revenues, rounds, and fees is performed at the Course. Reporting of chemical and water usage to appropriate agencies occurs.
- **Supervision and Program Management.** The Golf Course Supervisor directs and coordinates the work of two full time and numerous part time temporary employees and volunteers. In so doing the Supervisor ensures division staff is meeting performance expectations and takes corrective actions as necessary. Monitoring, identifying, and delivering staff training opportunities while encouraging teamwork and open communication also occurs as does the planning,

PROGRAM NARRATIVE LEISURE, CULTURAL & SOCIAL SERVICES

PROGRAM: Golf Course (continued)
 DEPARTMENT: Parks & Recreation

organizing, monitoring and evaluating program offerings including the management of non-staffing and staffing budgets. Evaluating and modifying division structure to ensure efficiency, productivity and high customer satisfaction.

STAFFING SUMMARY	Actual 2009-10	Budgeted 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Regular Positions				
Golf Course Supervisor	1.0	1.0	1.0	1.0
Maintenance Worker	2.0	2.0	2.0	2.0
Total	3.0	3.0	3.0	3.0
Temporary Positions				
Full-Time Equivalents (FTE)	3.3	3.3	3.3	3.3

2011-13 PROGRAM OBJECTIVES

Other Council Goals

- **2011-13** *Infrastructure Maintenance.* 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 and sidewalks, flood protection facilities, recreation facilities, bikeways, city-owned historic resources and urban forest).

Other Program Objectives

- **2011-13** Complete a study of the Golf Course's maintenance practices including managed competition and/or contracting out. Make recommendation to the City Manager about the most efficient and cost effective strategies.
- **2011-13** Continue to provide a high quality recreational program that has a high rate of cost recovery.
- **2011-13** Promote and market the Golf Course in a variety of ways including: continuing the quarterly electronic newsletter, advertisement, and newspaper articles featuring the course.
- **2011-13** Continue to collect and analyze customer demographics to better serve the customer as well as identify opportunities for revenue enhancement.
- **2011-13** Continue to collaborate with the various user groups and serve as a social gathering place for many active seniors.
- **2011-13** Continue to support and facilitate the First Tee Program.
- **2011-13** Continue to pursue new revenue streams for the Golf Course including additional Cell Tower leases.
- **2011-13** Oversee the Concessionaire Agreement with Achievement House for food services at the Golf Course.

WORKLOAD MEASURES	Actual 2009-10	Projected 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Total Facility Attendance	38,165	35,000	35,000	35,000
Regular Rounds Played (under 55)	7,107	6,300	6,300	6,300
Senior Rounds Played (55 and over)	10,840	9,800	9,800	9,800
Youth Rounds Played (16 and under)	1,649	1,500	1,500	1,500
Twilight Rounds Played	6,596	7,000	7,000	7,000
Student Rounds Played	3,948	3,600	3,600	3,600
Comp Rounds	4,077	4,000	4,000	4,000
The First Tee Participants	1,098	1,100	1,100	1,100

PROGRAM NARRATIVE LEISURE, CULTURAL & SOCIAL SERVICES

PROGRAM: Parks and Landscape Maintenance
 DEPARTMENT: Public Works

OPERATION: Parks Maintenance
 FUND: General Fund

PROGRAM COSTS	Actual 2009-10	Budgeted 2010-11	% Diff.	2011-13 Financial Plan	
				2011-12	2012-13
Staffing	962,800	1,100,900	9.6%	1,207,000	1,220,800
Contract Services	378,700	376,000	-3.6%	362,300	369,100
Other Operating Expenditures	588,500	712,000	-5.6%	672,100	714,800
Minor Capital					
Total	\$1,930,000	\$2,188,900	2.4%	\$2,241,400	\$2,304,700

PROGRAM DESCRIPTION

The park and landscape maintenance program maintains parks and landscaped areas within the City. The program goal is safe, useful, and attractive parks and landscaped areas. This program has four major activities:

- **Park Maintenance.** Maintaining large landscaped areas in developed parks and on grounds used jointly with other agencies for City recreation programs; providing janitorial maintenance for park restrooms and other park buildings; collecting and disposing of waste from trash containers in parks; servicing and repairing landscape maintenance equipment; proposing improvement projects for parks; managing minor capital maintenance projects for parks; inspecting playgrounds for compliance with safety regulations; monitoring irrigation water use and proposing conservation measures.
- **Landscape Maintenance.** Maintaining landscaped areas around small parks, community gardens, parking lots, street medians, sound walls, and City buildings; proposing improvement projects for landscape areas; managing minor capital maintenance projects for landscaping; monitoring irrigation water use and proposing conservation measures.
- **Training.** Conducting safety training required by the Occupational Safety and Health Association (OSHA); conducting technical training for new equipment and emerging landscape maintenance technologies; conducting ongoing pesticide safety training required by County and State regulatory mandates.
- **Event Support.** Grooming and marking playing fields; sweeping and maintaining game courts; assisting sponsors of events using City facilities. Providing the preparation, maintenance and renovation services for the Damon-Garcia Sports Field complex to promote league play.

STAFFING SUMMARY	Actual 2009-10	Budgeted 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Regular Positions				
Parks Maintenance Supervisor	1.0	1.0	1.0	1.0
Parks Maintenance Technician	1.0	1.0	1.0	1.0
Maintenance Worker	10.0	10.0	10.0	10.0
Total	12.0	12.0	12.0	12.0
Temporary Positions				
Full-Time Equivalents (FTE)	3.3	3.3	3.3	3.3

SIGNIFICANT PROGRAM CHANGES

Reductions Required to Balance the Budget

- **2011-13** Reducing water usage in Parks by 10% will save \$52,700 in 2011-12 and \$57,500 in 2012-13.

PROGRAM NARRATIVE LEISURE, CULTURAL & SOCIAL SERVICES

PROGRAM: Park and Landscape Maintenance (continued)
 DEPARTMENT: Public Works

2011-13 PROGRAM OBJECTIVES

Other Council Goals

- **2011-13** *Infrastructure Maintenance.* 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 and sidewalks, flood protection facilities, recreation facilities, bikeways, city-owned historic resources and urban forest).
- **2011-13** *Parks and Recreation.* Increase utilization of Damon-Garcia sports fields.

Other Program Objectives

- **2011-13** Convert Work Order system and infrastructure data to the EnerGov program
- **2011-13** Encourage water conservation and reduction in City parks

WORKLOAD MEASURES	Actual 2009-10	Projected 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Total acreage of park inventory	530	530	530	530
Acres of park landscape maintained	158	158	158	158
Acres of building grounds maintained	5	5	5	5
Acres of parking lot landscape maintained	2	2	2	2
Acres of street landscape maintained	16	16	16	16
Acres of turf maintained	82	82	82	82
Sports field preparations completed	1,600	1,600	1,600	1,600
Units of irrigation water used	40,500	40,000	35,000	35,000
Work orders completed	600	550	550	550

PROGRAM NARRATIVE LEISURE, CULTURAL & SOCIAL SERVICES

PROGRAM: Swim Center Maintenance
 DEPARTMENT: Public Works

OPERATION: Parks & Recreation
 FUND: General Fund

PROGRAM COSTS	Actual	Budgeted	% Diff.	2011-13 Financial Plan	
	2009-10	2010-11		2011-12	2012-13
Staffing	92,200	109,800	5.6%	115,900	116,900
Contract Services	15,000	19,500	0.5%	19,600	19,700
Other Operating Expenditures	238,200	279,500	3.2%	288,500	299,700
Minor Capital					
Total	\$345,400	\$408,800	3.7%	\$424,000	\$436,300

PROGRAM DESCRIPTION

The swim center maintenance program maintains the Olympic swimming and diving pool, the therapy pool, two bathhouses, the deck areas, and all water treatment and mechanical equipment serving the pool complex located at Sinsheimer Park. The program goals are to provide 1) a safe, clean, and attractive Swim Center 2) reliable and energy-efficient Swim Center equipment and 3) maximum facilities life. This program has five major activities:

- **Skilled Craft Maintenance.** Performing plumbing, masonry, electrical work, carpentry, telemetry, locksmithing, pump and boiler maintenance, water filtration, chemical injection, chemical monitoring, peripheral water purification and heating system maintenance, and supervising the part-time position. This work is performed by a full-time regular Building Maintenance Technician.
- **Specialized Technical Service.** Servicing and maintaining HVAC systems, power cogeneration systems, security and fire alarm systems, elevators, fire extinguishers, and first aid kits. This work is performed by contractors with ongoing service contracts. The on-site work overseen by the Building Maintenance Technician and the contracts are overseen by the Facilities Maintenance Supervisor.
- **Swimming Pool Operations.** Operating and monitoring the pool water heating and treatment systems, daily testing and saturation index chemical adjustments, cleaning pool tile, plaster surfaces, pool vacuuming and brushing. Maintenance painting and minor repair work. This work is performed primarily by a half-time temporary Maintenance Worker with assistance from a full-time regular Building Maintenance Technician.
- **Building Improvement.** Constructing minor capital improvements. This work is typically performed by contractors, and work is overseen by the Facilities Maintenance Supervisor.
- **Regulatory Compliance.** Ensure State and Federal mandate compliance require public pools (such as the Sinsheimer facility) be equipped with approved non-entanglement drain covers and safety vacuum release systems. (Virginia Graham Baker Act and the State of California Assembly Bill - AB1020).

STAFFING SUMMARY	Actual	Budgeted	2011-13 Financial Plan	
	2009-10	2010-11	2011-12	2012-13
Regular Positions				
Building Maintenance Technician	1.0	1.0	1.0	1.0
Total	1.0	1.0	1.0	1.0
Temporary Positions				
Full-Time Equivalents (FTE)	0.5	0.5	0.5	0.5

PROGRAM NARRATIVE LEISURE, CULTURAL & SOCIAL SERVICES

PROGRAM: Swim Center Maintenance (continued)
 DEPARTMENT: Public Works

2011-13 PROGRAM OBJECTIVES

Other Council Goals

- **2011-13** *Infrastructure Maintenance.* 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 and sidewalks, flood protection facilities, recreation facilities, bikeways, city-owned historic resources and urban forest).

Other Program Objectives

- **2011-13** Conversion of Swim Center Maintenance Data to EnerGov program

WORKLOAD MEASURES	Actual 2009-10	Projected 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Surface area of swimming pools (square feet)	13,650	13,650	13,650	13,650
Square footage of bath house maintained	8,288	8,288	8,288	8,288
Work orders completed	191	194	194	194

PROGRAM NARRATIVE LEISURE, CULTURAL & SOCIAL SERVICES

PROGRAM: Tree Maintenance
 DEPARTMENT: Public Works

OPERATION: Parks Maintenance
 FUND: General Fund

PROGRAM COSTS	Actual 2009-10	Budgeted 2010-11	% Diff.	2011-13 Financial Plan	
				2011-12	2012-13
Staffing	428,100	437,900	-20.8%	346,900	350,000
Contract Services	16,300	16,700	152.1%	42,100	42,100
Other Operating Expenditures	19,900	17,500	-1.7%	17,200	17,200
Minor Capital					
Total	\$464,300	\$472,100	-14.0%	\$406,200	\$409,300

PROGRAM DESCRIPTION

The tree maintenance program plants, maintains, and preserves trees along City streets and on City property. The program goal is an attractive, healthy, and safe urban forest which beautifies the City, purifies the air, and provides shade and wind protection. This program has four major activities:

- **Tree Maintenance.** Pruning street trees and other trees on City property; controlling pests and diseases; repairing street tree wells and well covers; servicing and repairing tree maintenance equipment.
- **Urban Forest Improvement.** Enforcing the tree ordinance and associated standards and policies; reviewing landscape improvement plans for private development and inspecting installations; developing and maintaining the tree inventory and maintenance software; planting new trees in City parks and streets; replacing damaged or diseased trees; conducting and monitoring tree removal operations; providing liaison staffing for monthly Tree Committee meetings.
- **Banner and Decoration Installation.** Installing banners and decorations on downtown streets and in Mission Plaza to announce special events.
- **Special Events.** Promoting awareness and expansion of the urban forest through community programs and events such as the Commemorative Tree Program, Urban Foresters, Trees USA and Arbor Day.

STAFFING SUMMARY	Actual 2009-10	Budgeted 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Regular Positions				
PW Maintenance Supervisor	1.0	1.0	0.0	0.0
Urban Forest Supervisor/City Arborist	1.0	1.0	1.0	1.0
Tree Trimmer	2.0	2.0	2.0	2.0
Total	4.0	4.0	3.0	3.0
Temporary Positions				
Full-Time Equivalents (FTE)	1.4	1.4	1.4	1.4

SIGNIFICANT PROGRAM CHANGES

Reductions Required to Balance the Budget

- **2011-13** Eliminating the Public Works Maintenance Supervisor position will save \$59,600 in 2011-12 and \$59,900 in 2012-13.

PROGRAM NARRATIVE LEISURE, CULTURAL & SOCIAL SERVICES

PROGRAM: Tree Maintenance (continued)
 DEPARTMENT: Public Works

2011-13 PROGRAM OBJECTIVES

Other Council Goals

- **2011-13** *Infrastructure Maintenance.* 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 and sidewalks, flood protection facilities, recreation facilities, bikeways, city-owned historic resources and urban forest).

Other Program Objectives

- **2011-13** Maintain the Tree Inventory
- **2011-13** Convert the Tree Inventory, Service Request and Tree Maintenance History to EnerGov Program
- **2011-13** Utilize contract services for routine tree trimming services

WORKLOAD MEASURES	Actual 2009-10	Projected 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
City street trees	18,500	18,600	18,800	18,900
Trees pruned	2,000	2,000	2,000	2,000
Trees planted	100	200	100	100

PROGRAM NARRATIVE LEISURE, CULTURAL & SOCIAL SERVICES

PROGRAM: Cultural Activities
DEPARTMENT: Administration

OPERATION: Cultural Services
FUND: General Fund

PROGRAM COSTS	Actual 2009-10	Budgeted 2010-11	% Diff.	2011-13 Financial Plan	
				2011-12	2012-13
Staffing					
Contract Services	362,700	372,900	-25.4%	278,000	284,000
Other Operating Expenditures					
Minor Capital					
Total	\$362,700	\$372,900	0.0%	\$278,000	\$284,000

PROGRAM DESCRIPTION

Cultural Activities Program

In 1998, the City Council adopted the City of San Luis Obispo Community Partnership and Foundation Policy. The cultural activities program under this policy administers three major activities and assumes other responsibilities as needed.

- **Performing Arts Center.** The City is a partner with Cal Poly and the Foundation for the Performing Arts (FPAC) in the operation of the Performing Arts Center. Operations are overseen by the Performing Arts Commission, which includes the Mayor and City Manager among its members, as well as representatives from Cal Poly and the Foundation. Under the operating agreement, the partners share in funding any operating subsidies on the same basis as the original construction funding: one-sixth each by the City and FPAC; and two-thirds by Cal Poly.
- **City-County Public Library.** In 1989 the City of San Luis Obispo and the County of San Luis Obispo entered into a joint powers agreement to build, own, and operate the City-County Library located at 995 Palm Street. In 2005, the City Council approved an annual contribution to operating cost in the amount of \$14,000 to maintain the opening days and hours of five days and 38 hours a week. The contribution has remained unchanged since 2005.
- **Cultural Partnerships and Non-Profit Agency Support.** As appropriate, the City assumes responsibilities and makes grants in other cultural areas. The City supports the Railroad Museum through Community Development Block Grant funding, and provides City-owned property at minimal cost to the San Luis Obispo Little Theatre, the San Luis Obispo Children's Museum, the History Center of San Luis Obispo County, and the San Luis Obispo Museum of Art.

<i>Activity Cost Summary</i>	2011-12	2012-13
Performing Arts Center Operating Subsidy	\$264,000	\$270,000
Library Operating Subsidy	<u>\$14,000</u>	<u>\$14,000</u>
Total	\$278,000	\$284,000

STAFFING SUMMARY

Staff support is provided through other program areas. For Community Partnerships, staff assistance comes from the Principal Administrative Analyst who serves as the liaison to the community partners. The estimated regular staff hours to administer these programs are 600 hours. The Mayor and City Manager serve on the Performing Arts Center (PAC) Commission, which helps to oversee operations; the City Manager also serves on the Commission's Finance Subcommittee, and the Principal Administrative Analyst and one Council member serve on the Facilities Subcommittee.

SIGNIFICANT PROGRAM CHANGES

Reductions Required to Balance the Budget

- **2011-13** Keeping the PAC contribution at 2010-11 levels will save \$4,000 annually .

PROGRAM NARRATIVE LEISURE, CULTURAL & SOCIAL SERVICES

PROGRAM: Cultural Activities (continued)
 DEPARTMENT: Administration

2011-13 PROGRAM OBJECTIVES

- **2011-13** Continue Support to the City-County Library for extended opening hours
- **2011-13** Actively participate on the PAC Board and PAC Facilities Committee
- **2011-13** Continue to provide support to the City's Community Partners such as the Museum of Art, the History Center of San Luis Obispo County, the Children's Museum, and the Little Theater.

WORKLOAD MEASURES	Actual 2009-10	Projected 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Contracts Administered	6	6	6	6
Regular PAC meetings attended	8	8	8	8

PROGRAM NARRATIVE LEISURE, CULTURAL & SOCIAL SERVICES

PROGRAM: Human Relations
DEPARTMENT: Human Resources

OPERATION: Social Services
FUND: General Fund

PROGRAM COSTS	Actual 2009-10	Budgeted 2010-11	% Diff.	2011-13 Financial Plan	
				2011-12	2012-13
Staffing					
Contract Services	231,400	228,300	3.4%	236,100	236,100
Other Operating Expenditures		1,200	33.3%	1,600	1,600
Minor Capital					
Total	\$231,400	\$229,500	3.6%	237,700	237,700

PROGRAM DESCRIPTION

The human relations program provides funding for the activities of the Human Relations Commission, which serves as an advisory body to the Council on issues relating to human and social services. Program goals include: 1) advising the Council on social and human service issues; 2) overseeing the grants-in-aid process and providing recommendations to Council on grant distribution, including input on Community Development Block Grant recommendations; 3) serving as liaison to the community regarding social and human service issues; 4) monitoring and informing Council and the community on statistics identifying the social health of the city. The program has five major activities performed by the Commissioners and coordinated by staff:

- **Community Development Block Grant (CDBG) evaluations.** Evaluating grant applications and recommending to Council funding levels for applicants.
- **Grants-in-aid administration.** Evaluating grant applications and recommending to Council funding levels for social services applicants.
- **Homeless shelter performance monitoring.** Monitoring the contract performance with the Economic Opportunity Commission (EOC) to provide temporary shelter for people displaced from their homes.
- **Homeless day center liaison and financial support.** Providing a Commission liaison to support the efforts and report to the HRC regarding operational standards of the EOC's Prado Day Center; and funding the City's share of the Prado Day Center. Located at the City's Corporation Yard on Prado Road, the center offers various services for homeless persons and those vulnerable to becoming homeless. Hot meals are made available through the volunteer efforts of the People's Kitchen. Bus tokens are provided so homeless persons can get to and from the Prado Day Center. In addition, the center itself has showers, laundry facilities, children's play area and creates a single location for a number of service providers to meet with their homeless clients.
- **Low Income Water and Sewer Customer Subsidy.** Providing a reduced rate of 15% for low income utility customers.

<i>Activity Cost Summary</i>	2011-12	2012-13
Human Relations Grants	126,600	126,600
Prado Day Center	53,700	53,700
Low Income Water/Sewer Subsidy	44,500	44,500
Bus Tokens for Prado Day Center	11,300	11,300
Total	\$236,100	\$236,100

STAFFING SUMMARY

None—staff support is provided through the Human Resources Administration program.

PROGRAM NARRATIVE LEISURE, CULTURAL & SOCIAL SERVICES

PROGRAM: Human Relations (continued)
 DEPARTMENT: Human Resources

2011-13 PROGRAM OBJECTIVES

Other Program Objectives

- **2011-13** Provide grant funding to private, non-profit agencies serving the human services needs of San Luis Obispo residents.
- **2011-13** Continue to promote accessibility opportunities in San Luis Obispo.
- **2011-13** Continue to support a long-term, comprehensive, proactive, sustainable program that addresses homelessness and focuses on transitioning people out of homelessness.
- **2011-13** Continue to support services to seniors by encouraging collaboration among service providers.

WORKLOAD MEASURES	Actual 2009-10	Projected 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Grants-In-Aid applications received	34	39	35	35
CDBG applications reviewed	10	12	11	11
Agency contacts by assigned HRC liaison	54	52	50	48
Low Income Water and Sewer Customer Subsidy	283	283	285	285

Operating Programs COMMUNITY DEVELOPMENT



PROGRAM NARRATIVE COMMUNITY DEVELOPMENT

PROGRAM: Commissions & Committees
 DEPARTMENT: City Council & Advisory Bodies

OPERATION: Planning
 FUND: General Fund

PROGRAM COSTS	Actual 2009-10	Budgeted 2010-11	% Diff.	2011-13 Financial Plan	
				2011-12	2012-13
Staffing	13,100	17,500	0.0%	17,500	17,500
Contract Services	5,300	6,900	0.0%	6,900	6,900
Other Operating Expenditures	2,600	9,500	0.0%	9,500	9,500
Minor Capital					
Total	\$21,000	\$33,900	0.0%	\$33,900	\$33,900

PROGRAM DESCRIPTION

Two commissions and two committees advise the City Council on planning and building issues:

- **Planning Commission.** Makes decisions regarding land use policies and specific development applications, and recommends changes to the General Plan and Zoning Regulations, reviews and recommends long-range plans for the City’s growth and development, hears appeals of Zoning Hearing Officer’s decisions, reviews land use permit applications, reviews annexation requests, reviews subdivision tract maps and evaluates capital improvement plans for General Plan conformity. The Commission’s goal is a well-planned community with compatible land uses.
- **Architectural Review Commission (ARC).** Evaluates the architectural merit of most commercial, residential and public building projects, including exterior remodeling. The Commission also advises the City Council on design standards, architectural design, and site planning. Commission goals are 1) harmonious, aesthetic development within the City and 2) preservation of the City’s natural beauty and visual resources.
- **Cultural Heritage Committee (CHC).** Oversees a broad range of educational and technical assistance programs aimed at identifying and preserving historical and cultural resources. The Committee maintains the Master List and Contributing List of historical and cultural resources, provides input regarding the significance of impact of development proposals on historic resources, maintains a historical preservation library, advises people restoring historic buildings, and reviews major development proposals in historic districts. The program goal is preservation of cultural, historic and architecturally significant buildings and sites.
- **Construction Board of Appeals.** Holds hearings on requests for relief from the strict application of the provisions of the City Building Code, or other specifications in any uniform code, and determines suitability of alternate materials or methods of construction. Effective January, 2008 the board will also act as a hearing body for matters related to disabled access compliance and substandard housing issues. Meetings are held as needed.

STAFFING SUMMARY

Each Committee and Commission has a different staff liaison. Staff assistance is provided through all divisions of the Community Development Department.

2011-13 PROGRAM OBJECTIVES

Other Program Objectives

Planning Commission

- **2011-13 Community-wide Priorities:** As resources permit, implement Housing Element programs with an emphasis on homeless and social services and affordable housing production.
- **2011-13 Climate Action Plan:** Complete the Climate Action Plan hearing process.

PROGRAM NARRATIVE COMMUNITY DEVELOPMENT

PROGRAM: Commissions & Committees (continued)
 DEPARTMENT: City Council & Advisory Bodies

Architectural Review Commission

- **2011-13** **Downtown Beautification & Maintenance:** Encourage 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. Consider expanding the areas beyond the identified demonstration blocks on Higuera Street for the latest uniform street furniture improvements such as street tree grates, Mission style sidewalk, consolidated new rack enclosures, trash & recycling receptacles, and coordinated informational and directional signage.
- **2011-13** **Community Design Guidelines Update:** As resources permit, prepare updates to the document beginning with:
 - a. Identify locations of City gateways and develop guidelines for desired development and improvements in these areas.
 - b. Provide guidance for the design of trash and recycling facilities in the downtown that would be required with the review of major remodels, additions to existing buildings, and the construction of new projects.
 - c. Augment and enhance the existing criteria for infill residential development to prevent out of scale and non-compatible development.
 - d. Strengthen and more clearly define guidelines for storefronts and windows in commercial areas to prevent the installation of dark film and interior signs and displays that obstruct views into stores.

Cultural Heritage Committee

- **2011-13** Recommend the City become a Certified Local Government.
- **2011-13** Maintain and update as possible City historic districts and Historic Resources Inventory.
- **2011-13** Provide at least two newsletters to properties (both owners and residents) located within historic districts or on the list of historic resources. Consider additional public education efforts including historic building tours and outreach materials as resources permit.
- **2011-13** Collaborate with students and volunteers as resources permit to accomplish historic preservation goals.

WORKLOAD MEASURES	Actual 2009-10	Projected 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Total Agenda Items Reviewed	115	80	100	100
Total Advisory Body Meetings	57	60	60	60

PROGRAM NARRATIVE COMMUNITY DEVELOPMENT

PROGRAM: Community Development Administration
 DEPARTMENT: Community Development

OPERATION: Planning
 FUND: General Fund

PROGRAM COSTS	Actual 2009-10	Budgeted 2010-11	% Diff.	2011-13 Financial Plan	
				2011-12	2012-13
Staffing	404,200	429,400	6.1%	455,800	466,600
Contract Services	26,400	30,500	0.0%	30,500	30,500
Other Operating Expenditures	9,200	19,600	0.0%	19,600	19,600
Minor Capital					
Total	\$439,800	\$479,500	5.5%	\$505,900	\$516,700

PROGRAM DESCRIPTION

The community development administration program provides management and support for the Development Review, Long-Range Planning, and Building & Safety Divisions of the Community Development Department, and the City Council, Planning Commission, Architectural Review Commission and Cultural Heritage Committee. Program goals are 1) providing effective and efficient management and support for other operating divisions; 2) establishing customer service standards for the Community Development Department; 3) coordinating priorities and tasks with other City departments; 4) establishing and maintaining complete and accurate records of staff and advisory body actions; and 5) providing prompt, courteous and accurate responses to requests for information. This program includes the following activities:

- **Community Development Department Leadership.** Communicate organizational goals and values and establish department priorities. Direct and coordinate the work of four different department divisions and five operating programs. Represent the Community Development Department before the public and community groups, department heads, and other public agencies.
- **Department Management.** Plan, organize, monitor and evaluate the activities of the Building and Safety, Long-Range Planning, and Development Review divisions, including preparation of City Manager Reports.
- **Database and Records Management.** Provide systematic control of the creation, processing, use, protection, storage, and final disposition of the department's public records; develop and maintain specialized computer programs for building and planning applications, as well as citywide notification program; database management, maintenance, research and data entry for City's InfoSLO Land Use Inventory program.
- **Organization Development.** Develop initiatives to incorporate City organization values into daily routines. Encourage teamwork and open communication. Promote and monitor customer service, including polite and efficient delivery of department services. Monitor, identify and deliver staff training opportunities. Modify department organization structure to increase efficiency and productivity.
- **Human Resource Management.** Ensure Community Development Department staff are meeting performance expectations and take corrective actions as necessary.
- **Budgeting and Resource Allocation.** Prepare the Community Development Department operating budget. Manage personnel, material, travel and training expenses, including Budget Amendment Requests.
- **Contract and Securities Management.** Administer consultant contracts; grant preparation; receive, process, manage and release all sureties and related agreements; review and process all covenant easements and agreements and ensure timely recordation.
- **Citywide Addressing.** Assign addresses to new or existing buildings and new subdivision parcels after the subdivision map has been recorded. Coordinate proper addressing with federal, state and local agencies, including utility companies, police and fire and ambulance services, post office, etc. Create new and update existing land use records in Land Use database to reflect new addressing and changes and link new and existing parcels to shape files.

PROGRAM NARRATIVE COMMUNITY DEVELOPMENT

PROGRAM: Community Development Administration (continued)
 DEPARTMENT: Community Development

- **Committee and Commission Support.** Coordinate and distribute Commission and Committee agendas; provide public notice of commission and committee hearings; post agendas and staff reports on Department’s web page; maintain minutes and records of public hearings; and establish postal, electronic and voice mail service for commissioners.
- **Public Information and Support Services.** Provide clerical support for the department (create and maintain files and schedules, process payments and deposits, and prepare routine correspondence); assist the public; answer the phone; maintain planning and building files; maintain various sections of the department’s website. Provide counter technical support as needed.

STAFFING SUMMARY	Actual 2009-10	Budgeted 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Regular Positions				
Director of Community Development	1.0	1.0	1.0	1.0
Supervising Administrative Assistant	1.0	1.0	1.0	1.0
Administrative Assistant	1.5	1.5	1.5	1.5
Total	3.5	3.5	3.5	3.5
Temporary Positions				
Full-Time Equivalents (FTE)	2.0	2.0	2.0	2.0

2011-13 PROGRAM OBJECTIVES

Major City Goals

- **2011-2013** *Neighborhood Wellness.* Embrace and implement pro-active code enforcement and Neighborhood Wellness policies.

Other Council Goals

- **2011-2013** *Planning.* Update the Land Use and Circulation Elements.
- **2011-2013** *Affordable Housing.* Continue to facilitate provision of affordable and market rate housing and provide leadership in implementing the County’s 10 Year Plan to end Chronic Homelessness.
- **2011-2013** *Climate Protection.* Implement greenhouse gas reduction and climate action plan strategies. Conduct energy audits of city facilities. Invest in green infrastructure to save energy and cost in the future.
- **2011-2013** *Historic Preservation.* Continue to promote historic resource preservation opportunities and update the Historic Resources Inventory.

Other Program Objectives

- **2011-2013** Coordinate efforts to transition to the new EnerGov computer software program
- **2011-2013** Evaluate current practice of describing applications on notices and postings to provide a more understandable description of the type of development or city action being proposed. Evaluate alternative sizes and/or types of posting materials necessary to accomplish the objective.

PROGRAM NARRATIVE COMMUNITY DEVELOPMENT

PROGRAM: Community Development Administration (continued)
 DEPARTMENT: Community Development

WORKLOAD MEASURES	Actual 2009-10	Projected 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Public notices mailed	10,507	5,900	8,000	10,000
Public notice signs posted	282	232	250	300
Home Occupation permits processed	146	148	150	150
Agenda Packets Produced & Distributed	1,207	526	800	1,000
Total advisory body meetings (inc. workshops)	57	38	60	60
Administrative/Director's Hearings	19	18	20	20
Other Administrative Actions not requiring public hearings	84	84	80	80
Notarizations performed	82	30	50	50
Sureties/guarantees (CD's and Letters of credit) processed	\$199,800	\$244,760	\$225,000	\$225,000
Covenants/Agreements processed	55	74	70	70

PROGRAM NARRATIVE COMMUNITY DEVELOPMENT

PROGRAM: Planning Development Review
 DEPARTMENT: Community Development

OPERATION: Planning
 FUND: General Fund

PROGRAM COSTS	Actual 2009-10	Budgeted 2010-11	% Diff.	2011-13 Financial Plan	
				2011-12	2012-13
Staffing	574,700	500,400	5.7%	528,800	537,500
Contract Services	2,700		100.0%	2,100	2,200
Other Operating Expenditures	7,400	10,400	1.0%	10,500	10,500
Minor Capital					
Total	\$584,800	\$510,800	6.0%	\$541,400	\$550,200

PROGRAM DESCRIPTION

The development review program assists the community with land use issues and questions, evaluates all types of development applications (including City-sponsored projects) relating to compliance with the City's General Plan, Zoning Regulations, Subdivision Standards, and other development regulations. Development review also maintains the City's development regulations. Reviewing development proposals prior to allowing construction is a key component of the City's General Plan implementation strategy. New development must conform to goals and standards established for housing, economic development, and environmental protection. Program goals are to 1) assist in achieving desired development in conformance with established policies, guidelines, standards, and acceptable timeframes; 2) provide timely processing of applications consistent with State and local laws and policies; 3) create and maintain an enjoyable place to live, work, or visit; 4) protect the public health, safety and welfare; and 5) stimulate high public awareness of decisions on planning and environmental issues. The program has five major activities:

- **Evaluating development applications.** Processing use permits, variances, architectural review applications, development plans, subdivisions, zoning/business license clearance; conducting environmental review of development projects and capital projects referred by other departments; processing general plan and zoning amendments; and processing annexation and pre-zoning proposals. Significant projects that are anticipated to be reviewed in 2011-2013 include the Margarita Area subdivisions, Orcutt Area subdivisions, Palm-Nipomo Parking Structure, Chevron Tank Farm project, French Hospital expansion and new developments in the downtown.
- **Inter-department support.** Providing support and assistance to the Building Division, Public Works Department, Utilities Department, Parks and Recreation Department, and the City's natural resources, economic development, and seismic retrofit programs. Numerous capital improvement plan (CIP) projects and Council goals will require environmental analysis and review by the Architectural Review (ARC) and Planning Commissions.
- **Maintaining development regulations and standards.** Updating land use regulations (such as the Zoning Regulations, Subdivision Regulations and Sign Regulations), Architectural Review Guidelines, and Environmental Review Guidelines. Significant update projects that are anticipated in 2011-13 include an update to the City's Environmental Review/EIR process guidelines and a comprehensive amendment of the Zoning Regulations.
- **Public information.** Helping staff the department's public service counter and responding to citizen and student requests for information as well as providing an important liaison between project proponents and neighborhood groups.
- **Council, advisory body and neighborhood group support.** Providing staff support for the Council, Cultural Heritage Committee, Architectural Review Commission, Planning Commission, and Neighborhood Services Team for development review items and work goals.

PROGRAM NARRATIVE COMMUNITY DEVELOPMENT

PROGRAM: Planning Development Review (continued)
 DEPARTMENT: Community Development

STAFFING SUMMARY	Actual 2009-10	Budgeted 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Regular Positions				
Deputy Director/Development Review	1.0	1.0	1.0	1.0
Senior Planner	1.0	1.0	1.0	1.0
Associate Planner	2.0	2.0	1.0	1.0
Assistant Planner	1.0	1.0	1.0	1.0
Total	5.0	5.0	4.0	4.0

SIGNIFICANT PROGRAM CHANGES

Reductions Required to Balance the Budget

- **2011-2013** Eliminating one Associate Planner will save \$109,000 in 2011-12 and \$109,300 in 2012-13.

2011-13 PROGRAM OBJECTIVES

Other Program Objectives

- **2011-13 Residential Development.** Support the City's Housing Program objectives, specifically, facilitate the approval of plans for the Laurel Creek project, Margarita Area subdivisions, Broad Street Corridor, sites identified in the Housing Element, and other key infill sites.
- **2011-13 Commercial Development.** Support the City's Economic Development Program objectives by facilitating approval of downtown mixed-use projects and business which bring head-of-household jobs to the community.
- **2011-13 Zoning Ordinance Update.** Continue the annual comprehensive update of the Zoning Regulations with an emphasis on permit streamlining and development review efficiencies.

WORKLOAD MEASURES	Actual 2009-10	Projected 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Development Permit Applications Received	166	180	180	180
Complex Projects (Annexations, General Plan Amendments/Rezoning, Planned Developments, and Environmental Review)	19	24	25	25
City Council Agenda Items (Development Review Only)	18	10	15	15
Advisory Body Agenda Items (Development Review Only)	71	48	50	75
Administrative/Director's Actions (non-hearing)	84	84	85	85
Administrative Hearing Actions	47	40	45	45

PROGRAM NARRATIVE COMMUNITY DEVELOPMENT

PROGRAM: Long Range Planning
 DEPARTMENT: Community Development

OPERATION: Planning
 FUND: General Fund

PROGRAM COSTS	Actual 2009-10	Budgeted 2010-11	% Diff.	2011-13 Financial Plan	
				2011-12	2012-13
Staffing	409,200	416,300	-0.3%	415,200	421,100
Contract Services	151,200	210,400	99.6%	420,000	110,000
Other Operating Expenditures	5,700	11,500	1.7%	11,700	11,700
Minor Capital					
Total	\$566,100	\$638,200	32.7%	\$846,900	\$542,800

PROGRAM DESCRIPTION

The long-range planning program oversees the preparation, maintenance and implementation of the long-range plans that direct the City's efforts to meet the future needs of its residents. Program goals are:

- Conducting analyses to determine present trends and future needs.
- Organizing and facilitating community forums and outreach vehicles for citizen participation in the planning process.
- Developing planning alternatives and strategies to meet future needs and realize community goals and values.
- Developing programs and procedures that implement adopted plans.
- Providing for the protection and preservation of the environment and implementation of sustainability efforts.
- Promoting the wise use of City resources.
- Protecting the public health, safety, and welfare.
- Planning for well-managed growth and change.
- Stimulating public involvement in planning decisions that affect community values and the local environment and economy.
- Providing planning projections to other responsible City departments and coordinating plans for consistency and efficiency.
- Conducting environmental review as required by the California Environmental Quality Act for projects that involve the City as the lead agency.

This program's major activities include:

- **General Plan.** Preparing new general plan elements as necessary, updating existing general plan elements, preparing an annual report on the status of the general plan, and evaluating requests to modify general plan policies or procedures.
- **Specific Plans and Area Plans.** Preparing and assisting with update and administration of specific plans and area plans.
- **Plan Implementation.** Implementing general plan and area plan policies and programs.
- **Community Development Block Grant (CDBG) oversight.** Supervising the preparation of the City's CDBG program, assisting CDBG project managers with administration of approved grant programs (coordinating fund transfers, monitoring and reporting).
- **Council and advisory body support.** Providing staff support for the Council, Planning Commission, Cultural Heritage Committee and Architectural Review Committee.
- **Historic Preservation.** Providing the community with information regarding historic preservation. Providing professional review and recommendations for development projects and administering the Mills Act Program.
- **Sustainability Programs.** Developing programs to respond to legislative changes regarding greenhouse gas emissions, sustainable community development and energy efficient development techniques.
- **Population, demographic, and land use information.** Maintaining population census and other statistical information regarding the City and updating this information in response to the 2010 Census.

PROGRAM NARRATIVE COMMUNITY DEVELOPMENT

PROGRAM: Long Range Planning (continued)
 DEPARTMENT: Community Development

- **City sponsored annexations.** Managing annexations initiated by the City typically involving multiple parcels that are not part of development permit applications.
- **Environmental review for City projects.** Preparing environmental analyses, reviews and documentation for projects that involve the City as lead agency or as a responsible agency pursuant to the California Environmental Quality Act.
- **Public information.** As staffing permits, assisting with coverage of the department's public service counter and responding to requests for information.
- **Other long-range planning activities.** Reviewing the City's capital improvement plan for consistency with the General Plan; coordinating land use and planning issues where jurisdictional planning boundaries with other agencies overlap; representing the City's long-range planning goals at community meetings; participating in the City's open space protection programs; and conducting general research and working on special projects as requested by City departments, commissions, committees, or the Council. Coordinating planning efforts with other agencies and hearing bodies: the County, SLOCOG, ALUC, LAFCO, Air Pollution Control District, Cal Poly, Cuesta College and others.
- **Stormwater Regulations.** Participate with other departments in implementing stormwater regulations.

STAFFING SUMMARY	Actual 2009-10	Budgeted 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Regular Positions				
Deputy Director/Long-Range Planning	1.0	1.0	1.0	1.0
Senior Planner	1.0	1.0	1.0	1.0
Associate Planner	1.0	1.0	1.0	1.0
Total	3.0	3.0	3.0	3.0

SIGNIFICANT PROGRAM CHANGES

Increases Required to Support Basic Service Levels

- **2011-2013** Updating of the Land Use and Circulation Elements will cost \$367,500 in 2011-12 and \$67,500 in 2012-13.

2011-13 PROGRAM OBJECTIVES

Other Council Goals

- **2011-2013** *Planning.* Update the Land Use and Circulation Elements
- **2011-2013** *Affordable Housing/Homeless Services.* Continue to facilitate provision of affordable and market rate housing and provide leadership in implementing the County's 10 Year Plan to end Chronic Homelessness
- **2011-2013** *Climate Protection.* Implement greenhouse gas reduction and climate action plan strategies. Conduct energy audits of city facilities. Invest in green infrastructure to save energy and cost in the future
- **2011-2013** *Historic Preservation.* Continue to promote historic resource preservation opportunities and update the Historic Resources Inventory

PROGRAM NARRATIVE COMMUNITY DEVELOPMENT

PROGRAM: Long Range Planning (continued)
 DEPARTMENT: Community Development

Other Program Objectives

- **2011-13** Complete South Broad Street Corridor Plan
- **2011-13** Identify and pursue opportunities to implement the “10 Year Plan to End Chronic Homelessness”
- **2011-13** Complete update to General Plan Safety Element – Fire Safety section
- **2011-13** Continue to collaborate in regional planning efforts with SLOCOG and the APCD
- **2011-13** Assist the CHC in identifying and updating the City’s list of Historic Resources and Districts
- **2011-13** Assist Public Works staff with update of the Parking Access Management Plan
- **2011-13** Address Stormwater requirements through evaluation of LID standards and consideration of small lot development standards
- **2011-13** Participate in County-initiated process to update the Airport Land Use Plan
- **2011-13** Amend the Airport Area Specific Plan
- **2011-13** Administer Mills Act Program
- **2011-13** Finalize annexation of the Orcutt Area & work with property owners interested in developing in accordance with the plan
- **2011-13** Strengthen efforts to increase affordable housing, including finding ways to augment funding
- **2011-13** Review Capital Improvement plan for General Plan conformity
- **2011-13** General Plan implementation (ordinances, special studies, amendments)
- **2011-13** Provide staff support to the CHC, ARC, Planning Commission, and Council
- **2011-13** Prepare General Plan Annual Report and monitor growth management program
- **2011-13** Work with 2010 US Census Bureau information to update any affected programs

WORKLOAD MEASURES	Actual 2009-10	Projected 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
General Plan Updates	1	1	0	0
General Plan Amendments	9	4	2	2
Specific Plans and Area Plans	1	0	1	1
City Sponsored Annexations	1	1	0	0
Housing Element Implementation Programs	1	1	1	1
Other General Plan Implementation Projects	9	16	12	12
General Plan Annual Reports	1	1	1	1
General Plan Conformity Reports	2	2	2	2
County Development Project Referrals	36	25	25	25
Community and Committee Workshops	15	14	11	12
Outreach efforts (new)	Not tracked	Not tracked	4	4
City Council and Advisory Body Agenda Items	62	50	60	60

PROGRAM NARRATIVE COMMUNITY DEVELOPMENT

PROGRAM: Housing
DEPARTMENT: Community Development

OPERATION: Planning
FUND: Community Development Block Grant

PROGRAM COSTS	Actual 2009-10	Budgeted 2010-11	% Diff.	2011-13 Financial Plan	
				2011-12	2012-13
Staffing	117,100	136,200	-9.9%	122,700	127,700
Contract Services	141,800	141,800	-2.5%	138,200	138,200
Other Operating Expenditures	900	3,100	-32.3%	2,100	2,100
Minor Capital					
Total	\$259,800	\$281,100	-6.4%	\$263,000	\$268,000

PROGRAM DESCRIPTION

This includes management of the City’s Inclusionary Housing and CDBG programs, and implementation of the Housing Element of the General Plan. The program activities include aggressively seeking grants, low-interest loans, public-private housing partnerships and other types of affordable housing assistance; coordinating housing programs with public and private agencies; evaluating additional residential infill areas, and managing the Community Development Block Grant (CDBG) program, including technical assistance to other departments, preparing federal environmental documents, monitoring grantee performance and maintaining grant records. This program also provides funding to the Community Action Partnership of San Luis Obispo (CAPSLO – formerly EOC) in helping them meet the housing needs of homeless persons in San Luis Obispo. The program’s goals are: 1) achieving the City’s housing goals as set forth in the General Plan; 2) helping fund a sheltering program that meets the immediate housing needs of homeless persons and 3) assisting in the implementation of The 10 Year Plan to End Chronic Homelessness.

The major activities of this program are:

Housing Program Coordination

- **Affordable Housing.** Developing and implementing programs to promote affordable housing which address a broad range of housing needs and income levels, such as rehabilitation loans, development incentives, homebuyer assistance, renter assistance, group and senior housing and related community development and zoning programs to assist housing initiatives. Developing proposals for innovative ways to apply the City’s Affordable Housing Funds to assist in the development and maintenance of affordable housing.
- **Expansion of Grant and Other Funding Programs.** Expanding the range of housing assistance available by aggressively seeking new grants, loans and other funding sources, and by establishing partnerships with private non-profits, lenders, housing consortia, community housing and development organizations, church groups and others; and assisting citizens, non-profits, advisory bodies, staff and others seeking CDBG or other grants for community-wide housing, homeless and community development programs.
- **Student Housing.** Working closely with Cal Poly and Cuesta to provide on- and off-campus housing for their students that does not disrupt existing City neighborhoods.
- **Grant Administration.** Managing the City’s housing-related grant programs such as CDBG and maintaining high quality customer services through expeditious application review, processing and reporting; monitoring grantee performance to ensure effective use of grant funds; and ensuring compliance with grant rules and fair housing requirements.
- **Housing Element Implementation.** Maintaining the City’s Housing Element and coordinating implementation of policies and programs.
- **Affordable Housing Program Management.** Monitoring affordable rental and ownership housing by processing deed restrictions, coordinating with escrow officers, and working with the Housing Authority of San Luis Obispo to provide eligibility screening and marketing of available units.
- **10 Year Plan to End Chronic Homelessness.** Continuing to work with CAPSLO and other housing and service providers to implement 10 Year Plan including considering ways to encourage transitional housing and “housing first” options.

PROGRAM NARRATIVE COMMUNITY DEVELOPMENT

PROGRAM: Housing (continued)
 DEPARTMENT: Community Development

Homeless Shelter Operations

- **Homeless Shelter Funding.** Providing funding assistance to CAPSLO for the operation of their homeless shelter program, which provides meals, overnight shelter and counseling assistance to homeless children, women, and men in San Luis Obispo. For 2011-13, the City anticipates providing \$90,000 annually in CDBG funds for operating the shelter program; the County of San Luis Obispo is expected to contribute a similar amount.

Note: Through the Human Relations Program, the City also provides funding assistance to the CAPSLO for operation of the homeless day care center located adjacent to the City's Corporation Yard on Prado Road. The center offers various services for homeless persons and those vulnerable to becoming homeless. Hot meals are made available through the volunteer efforts of the People's Kitchen. In addition, the center itself has showers, laundry facilities, a children's play area; and creates a single location for a number of service providers to meet with their homeless clients. In the past, operational funding of \$50,000 annually was provided through the CDBG program, with an amount matched by the County. Beginning with the 2003 grant year, CDBG funding from the City is no longer available for the day center due to federal limits on the use of CDBG funds for public services. (The limit is 15% of total CDBG funds: the City's allowable maximum is already allocated to the homeless shelter). As such, effective 2003-04, the General Fund now funds the City's contribution to the Prado Day Center.

STAFFING SUMMARY	Actual 2009-10	Budgeted 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Regular Positions				
Housing Programs Manager	1.0	1.0	1.0	1.0
Total	1.0	1.0	1.0	1.0

2011-13 PROGRAM OBJECTIVES

Other Council Goals

- **2011-13** *Affordable Housing/Homeless Services.* Facilitate provision of affordable and market-rate housing and implementation of the 10 Year Plan to end chronic homelessness.

Other Program Objectives

- **2011-13** Strengthen efforts to increase affordable housing, including ways of augmenting existing funding - continuing program
- **2011-13** Identify and pursue opportunities to implement the "10 Year Plan to end Chronic Homelessness"
- **2011-13** Implement programs to promote affordable housing across a broad range of housing needs and income levels
- **2011-13** Aggressively seek grants by establishing partnerships with private non-profits, lenders, housing consortia, community housing and development organizations, church groups and others
- **2011-13** Implement high priority Housing Element programs
- **2011-13** Work with HASLO to develop affordable housing in Margarita Specific Plan Area
- **2011-13** Look for opportunities to rezone infill areas to achieve higher density
- **2011-13** Coordinate City programs with HASLO, the Housing Trust Fund, and other housing agencies and advocates

PROGRAM NARRATIVE COMMUNITY DEVELOPMENT

PROGRAM: Housing (continued)
 DEPARTMENT: Community Development

WORKLOAD MEASURES	Actual 2009-10	Projected 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Solicit grants, loans, and other forms of financial assistance for affordable housing	3	4	4	4
Implement Housing Element programs including evaluating additional residential infill areas	3	3	3	3
Planning Applications Reviewed for inclusionary housing	13	12	12	12
CDBG Program				
Grant Applications Reviewed	10	11	10	10
Grants Funded	5	5	5	5
Affordable Housing Fund requests reviewed	Not tracked	4	4	4
Daily overnight stays at the shelter	28,993	27,194	28,000	28,000
Breakfast & dinner served daily at the shelter	69,045	64,252	65,000	65,000

PROGRAM NARRATIVE COMMUNITY DEVELOPMENT

PROGRAM: Building and Safety
DEPARTMENT: Community Development

OPERATION: Construction Regulation
FUND: General Fund

PROGRAM COSTS	Actual 2009-10	Budgeted 2010-11	% Diff.	2011-13 Financial Plan	
				2011-12	2012-13
Staffing	801,800	938,500	12.1%	1,052,200	1,161,000
Contract Services	17,400	36,700	50.4%	55,200	24,200
Other Operating Expenditures	9,900	26,400	37.1%	36,200	23,400
Minor Capital					
Total	\$829,100	\$1,001,600	14.2%	\$1,143,600	\$1,208,600

PROGRAM DESCRIPTION

The building and safety program implements the adopted construction codes and other state and local laws that regulate building construction and use including the CA Building Code, CA Residential Code, CA Electrical Code, CA Plumbing Code, CA Mechanical Code, CA Energy Code, disabled access compliance, and wild land urban interface regulations. The program operates as a “one stop” permit processing operation responsible for coordination of construction application review by other city departments including Public Works, Planning, Utilities, and Fire as well as external agencies such as County Environmental Health and the Air Pollution Control District. Building and Safety is responsible for calculation and collection of fees at time of construction permit issuance and works closely with the Economic Development Manager in order to prepare fee estimates for persons with an interest to develop within the community. Program oversight also requires coordination with the Fire Prevention Bureau and the Neighborhood Service Team in order to follow up on code enforcement related matters. Effective July 2011, the program will include oversight of the Neighborhood Wellness issues including enforcement of the provisions of the neighborhood preservation and the front yard paving/parking provisions of the zoning regulations as they relate to residential neighborhoods. The program goal is safe, accessible, and energy-efficient buildings that comply with all applicable construction, zoning and housing regulations. The Chief Building Official also serves as staff liaison to the Construction Board of Appeals.

- **Public information.** Answering questions, offering interpretations of construction codes, promoting understanding of the City’s regulations, advocating violation prevention and providing code related information to the public via the internet.
- **Construction permit application review.** Reviewing construction permit applications and plans for compliance with applicable codes, issuing permits, and collecting fees.
- **Development review coordination.** Coordinating permit application review with other departments/agencies to ensure compliance with other development regulations.
- **Construction inspection.** Inspecting construction projects to ensure compliance with codes and approved plans.
- **Code enforcement.** Investigating alleged violations of housing, zoning, sign, and construction codes and following through with abatement actions. In addition to enforcing the regulations listed above, code enforcement actions must adhere to Title 25 of the CA code of regulations.
- **Neighborhood preservation.** Proactively patrolling and investigating alleged neighborhood preservation violations and parking violations in residential neighborhoods. Providing public outreach to affected groups and administering property owner notifications including notices of violations, notices to correct, administrative citations, and parking citations.
- **Coordinate Collection of development impact and other fees.** Impact fees associated with development and other cost recovery types of fees are collected at the time of Building Permit issuance. Efforts to provide this fee collection service are complex and comprehensive. Building Division’s staff are well versed regarding the initiatives behind the required fees and act as the City’s advocate to help the public better understand the basis of our fees. Much coordination also occurs to ensure the fees are credited to the appropriate accounts and reports are prepared for other departments in order to ensure they can maintain an accurate accounting of their respective revenues.
- **Un-reinforced Masonry Ordinance.** Compliance with Un-reinforced Masonry (URM) ordinance is encouraged by review and approval of construction documents and development agreements. Additionally, coordination with the Chamber of

PROGRAM NARRATIVE COMMUNITY DEVELOPMENT

PROGRAM: Building and Safety (continued)
 DEPARTMENT: Community Development

Commerce’s Seismic Task Force is necessary to endure collaboration regarding actions affecting the URM retrofit program. Significant coordination with the Economic Development Manager is required to fulfill this initiative.

- **Stormwater Regulations.** Although funded through the Public Works Creek Protection Program, the Stormwater Code Enforcement Officer works within the Building & Safety Division. Significant portions of the City’s Stormwater Management Plan (SWMP) are administered under the direction of the Chief Building Official. Development and implementation of key elements of the SWMP include construction site, post-construction, water pollution prevention and public outreach efforts. The Federal and State regulations are routinely modified and updated so this program has significant impacts on division staff.
- **Adoption of Construction Codes and Fire and Life Safety Codes.** Keeping current with changes in State Law and community needs.

STAFFING SUMMARY	Actual 2009-10	Budgeted 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Regular Positions				
Chief Building Official	1.0	1.0	1.0	1.0
Assistant Building Official	1.0	1.0	1.0	1.0
Permit Coordinator	1.0	1.0	1.0	1.0
Plans Examiner	1.0	1.0	1.0	1.0
Building Inspector	2.0	2.0	2.0	2.0
Code Enforcement Officer	2.0	2.0	2.0	2.0
Permit Technician	0.8	0.8	0.8	0.8
Neighborhood Services Specialist	0.0	0.0	2.0	2.0
Total	8.8	8.8	10.8	10.8

SIGNIFICANT PROGRAM CHANGES

Increases Required to Support Basic Service Levels

- **2011-12** Adding two Neighborhood Service Specialists will cost \$132,000 in 2011-12 and \$167,000 in 2012-13.

2011-13 PROGRAM OBJECTIVES

Major City Goals

- **2011-13** *Neighborhood Wellness.* Embrace and implement pro-active code enforcement and Neighborhood Wellness policies.

Other Program Objectives

- **2011-12** Coordinate efforts to transition to the new EnerGov computer software program
- **2011-12** Implement fee changes related to the cost of services study
- **2011-12** Evaluate the effects of the Wildland – Urban Interface regulations and implement appropriate standards to reduce the risk of catastrophic damage within the community
- **2011-12** Develop an application process for the Construction Board of Appeals
- **2011-12** Update procedure manuals for Building Safety Division
- **2011-12** Revise Code Enforcement procedure manual
- **2011-12** Update the Building Damage Assessment Program in an effort to ensure data collection consistent with FEMA guidelines
- **2011-12** Coordinate with other departments to eliminate redundancy in the construction application review process and construction inspection program

PROGRAM NARRATIVE COMMUNITY DEVELOPMENT

PROGRAM: Building and Safety (continued)
 DEPARTMENT: Community Development

- **2011-13** Coordinate URM program including processing of extension requests
- **2011-13** Provide community outreach relative to seismic strengthening of structures at risk of damage during an earthquake
- **2011-13** Develop a Post-Disaster training program and provide training to all city employees
- **2011-13** Further develop City of San Luis Obispo rain water harvesting standards
- **2011-13** Collaborate with Fire, Cal Poly and Cuesta regarding the Safe Housing Initiative
- **2011-13** Continue cross training efforts related to recognition of code enforcement violations
- **2011-13** Develop and implement a sign enforcement program
- **2011-13** Continue website enhancements
- **2011-13** Develop an Access Compliance program for City owned buildings
- **2011-13** Coordinate review of the downtown mixed use projects including consultations with applicants regarding code updates

WORKLOAD MEASURES	Actual 2009-10	Projected 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Number of building permits issued	438	433	430	430
Number of other permits issued	1,089	1,104	1,100	1,100
\$ Value of construction permitted	\$33,946,503	\$46,756,249	\$40,000,000	\$40,000,000
Plan Check applications processed	501	387	400	400
Inspections Conducted	8,359	8,902	8,500	8,500
Enforcement Cases Received	534	435	475	475
CE Cases Requiring Attorney Consults	31	27	27	27
Average Days to Resolve Cases	80	118	100	100
Total CE Enforcement Cases Closed	510	442	450	450
NEO Violations Received	Not tracked	Not tracked	200	600
NEO Violations Closed	Not tracked	Not tracked	200	600
NEO Cases Requiring Attorney Consult	Not tracked	Not tracked	25	50
Average Days to Resolve Cases	Not tracked	Not tracked	15	15

PROGRAM NARRATIVE COMMUNITY DEVELOPMENT

PROGRAM: CIP Project Engineering
 DEPARTMENT: Public Works

OPERATION: Construction Regulation
 FUND: General Fund

PROGRAM COSTS	Actual 2009-10	Budgeted 2010-11	% Diff.	2011-13 Financial Plan	
				2011-12	2012-13
Staffing	1,515,100	1,555,300	7.4%	1,670,400	1,686,900
Contract Services	19,300	6,300	0.0%	6,300	6,300
Other Operating Expenditures	21,100	35,800	0.0%	35,800	35,800
Minor Capital					
Total	\$1,555,500	\$1,597,400	7.2%	\$1,712,500	\$1,729,000

PROGRAM DESCRIPTION

The CIP project engineering program oversees design and construction (including inspection) of all construction projects in the City's Capital Improvement Plan (CIP). These projects include improvements to buildings, parks, and streets as well as water, wastewater, and flood protection systems. The program also provides inspection services for public infrastructure improvements built by the private sector. The program goal is to promote cost-effective CIP projects and public infrastructure improvements that meet established engineering standards and specifications. This program has five major activities:

- **CIP Project Design.** Acquiring right of way; obtaining environmental clearance; preparing plans, specifications, cost estimates, advertising for bids on construction contracts and awarding contracts.
- **CIP Project Construction Management.** Inspecting construction work for conformance to specifications; preparing estimates for progress payments; documenting project work to avoid unexpected claims; compiling daily diaries for construction management and inspection activities and attempting to resolve contract disputes in an equitable manner.
- **Private Development Inspection.** Inspecting construction work by the private sector on public facilities that will be dedicated to the City and ensuring that this construction conforms to City standards; inspecting work performed in the public right-of-way by utility companies and property owners.
- **Recordkeeping.** Preparing and maintaining record maps of City streets and infrastructure; preparing as-built drawings of CIP project construction; maintaining the City's survey control information.
- **Administration.** Ensuring administrative support services for the delivery of Capital Improvement Projects; such as project advertisement, bid solicitations, processing of construction pay estimates, verification of insurance and claim liability, compliance with fair wage ordinance, and purging of project files.

STAFFING SUMMARY	Actual 2009-10	Budgeted 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Regular Positions				
Construction Engineering Manager	1.0	1.0	1.0	1.0
Supervising Civil Engineer	1.0	1.0	1.0	1.0
Senior Civil Engineer	2.0	2.0	2.0	2.0
Engineer	2.0	2.0	2.0	2.0
Engineering Technician	2.0	2.0	2.0	2.0
Engineering Inspector	5.0	5.0 #	5.0	5.0
Total	13.0	13.0	13.0	13.0
Temporary Positions				
Full-Time Equivalents (FTE)	0.7	0.7	0.7	0.7

PROGRAM NARRATIVE COMMUNITY DEVELOPMENT

PROGRAM: CIP Project Engineering (continued)
 DEPARTMENT: Public Works

SIGNIFICANT PROGRAM CHANGES

Increases Required to Support Basic Service Levels

- **2011-12** Continuing a contract Administrative Assistant Staffing position for six months will cost \$32,400..

2011-13 PROGRAM OBJECTIVES

Major City Goals

- **2011-13** *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).

Other Council Goals

- **2011-13** *Infrastructure Maintenance.* 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 and sidewalks, flood protection facilities, recreation facilities, bikeways, city-owned historic resources and urban forest).

Other Program Objectives

- **2011-13** Conversion of Data to EnerGov program
- **2011-13** Community promotion of Measure Y funds and associated projects

WORKLOAD MEASURES	Actual 2009-10	Projected 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Number of projects designed and constructed	39	34	36	36
Value of projects constructed	\$10,600,000	\$9,600,000	\$10,100,000	\$10,100,000

PROGRAM NARRATIVE COMMUNITY DEVELOPMENT

PROGRAM: Engineering Development Review
 DEPARTMENT: Public Works

OPERATION: Development Regulation
 FUND: General Fund

PROGRAM COSTS	Actual 2009-10	Budgeted 2010-11	% Diff.	2011-13 Financial Plan	
				2011-12	2012-13
Staffing	433,000	436,900	-6.8%	407,300	414,300
Contract Services	6,100	1,000	0.0%	1,000	1,000
Other Operating Expenditures	2,200	2,600	0.0%	2,600	2,600
Minor Capital					
Total	\$441,300	\$440,500	-6.7%	\$410,900	\$417,900

PROGRAM DESCRIPTION

The engineering development review program oversees design and construction of various public works projects built by private developers for City ownership. These projects typically include additions to the City’s water, wastewater, recycled water, storm drain, street, flood protection, and park systems. This program is also responsible for the review of the design of commercial, industrial and residential private development projects for compliance with the Grading Ordinance, Parking & Driveway Standards, site development and drainage designs.

This program is responsible for verifying plan compliance with the Waterway Management Plan Drainage Design Manual for all private development projects. To ensure public safety, this program also grants permission for various uses of public rights-of-way and issues permits accordingly. The program represents the city as Floodplain Manager and prepares regular responses and reports to the Federal Emergency Management Agency (FEMA) and the public in this regard. The program reviews development projects for compliance with the Tree Regulations and coordinates with the City Arborist on tree removals, tree plantings, and tree preservation requirements. The program goal is to ensure compliance with the City’s Engineering Standards, Community Design Guidelines, Floodplain Management Regulations, Waterway Management Plan, and to provide for the construction of safe, effective, and efficient public works which meet established engineering standards and specifications. This program has four major activities:

- **Development Review.** Reviewing parcel maps, subdivision maps, and subdivision construction plans as required by the Subdivision Map Act; reviewing submittals for private building and development project plans for compliance with standards; reviewing Planning Applications for the establishment of Mitigation Measures, Conditions and Code Requirements.
- **Encroachment Permit Review/Issuance.** Reviewing and approving all encroachments into the public right of way, including: private construction, construction staging, pedestrian and traffic control plans, utility installation and repair, news racks, and outdoor dining facilities. Coordinating with the Public Works Department inspectors regarding plan requirements, project conditions, compliance with City Engineering Standards, and permit conditions. Monitoring truck routes and issuing wide-load transportation/trucking permits.
- **Recordkeeping.** Preparing and filing as-built drawings of private and public works construction; preparing legal descriptions for property transactions; preparing abandonment, easement, and covenant requests. Documenting all construction activities, reports, and filings related to the Floodplain Management Regulations.
- **Miscellaneous Projects.** Coordinating miscellaneous engineering activities, enforcing FEMA standards which are intended to reduce damage caused by flooding; implementation of National Pollution Discharge Elimination System (NPDES) initiatives, permit coordination for private utility construction, and review of ordinances or guidelines being prepared by other departments or divisions.

PROGRAM NARRATIVE COMMUNITY DEVELOPMENT

PROGRAM: Engineering Development Review (continued)
 DEPARTMENT: Public Works

STAFFING SUMMARY	Actual 2009-10	Budgeted 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Regular Positions				
Supervising Civil Engineer	1.0	1.0	1.0	1.0
Senior Civil Engineer	1.0	1.0	1.0	1.0
Permit Technician	1.0	1.0	0.8	0.8
Total	3.0	3.0	2.8	2.8
Temporary Positions				
Full-Time Equivalent (FTE)	0.8	0.8	0.6	0.6

SIGNIFICANT PROGRAM CHANGES

Reductions Required to Balance the Budget

- **2011-13** Reducing the Permit Technician position to a .75 full-time equivalent will save \$18,300 annually.
- **2011-13** Reducing Temporary Salaries will save \$27,000 in 2011-12 and \$27,100 in 2012-13.

2011-13 PROGRAM OBJECTIVES

Major City Goals

- **2011-13** *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
- **2011-13** *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.
- **2011-13** *Neighborhood Wellness.* Embrace and implement a pro-active code enforcement and Neighborhood Protection policies.

Other Council Goals

- **2011-13** *Infrastructure Maintenance.* 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 and sidewalks, flood protection facilities, recreation facilities, bikeways, City-owned historic resources, and urban forest.)
- **2011-13** *Affordable Housing/Homeless Services.* 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.

Other Program Objectives

- **2011-13** Conversion of Development Review Data to EnerGov program
- **2011-13** **Flood Protection** - Flood protection activities related to new development and redevelopment projects. Also includes the review and assistance for flood barrier upgrades to existing buildings. Act as the lead division for evaluating and advancing our Flood Warning Program as identified through our NFIP/CRS review process.
- **2011-13** **Safety** - Coordinate traffic control plan approvals between the contractor, traffic engineering, plan review, and engineering inspection for all work within the public right-of-way.

PROGRAM NARRATIVE COMMUNITY DEVELOPMENT

PROGRAM: Engineering Development Review (continued)
 DEPARTMENT: Public Works

- **2011-13 Public Art** - Liaison for the Public Works Department on Public Art projects. Provide input for all public art projects located on city owned parcels or within the public right-of-way.
- **2011-13 News rack Program** - Implement a program to enforce our current ordinance permitting requirements for the placement of news racks within the right-of-way. Also includes enforcement and coordination with publications to improve the overall aesthetic, particularly within our downtown.
- **2011-13 Downtown Beautification** - Work with the private development community and Engineering CIP on our mutual goals of Downtown (DT) beautification. Condition projects for upgrades where warranted, coordinate public and private efforts, and provide project solutions and incentives that encourage voluntary upgrades.

WORKLOAD MEASURES	Actual 2009-10	Projected 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Encroachment permits issued ¹	276	290	290	290
Excavation work permitted (lineal feet)	5404	15,165	12,000	12,000
Sidewalk work permitted (lineal feet)	1356	1545	1500	1500
Driveway ramp work permitted (lineal feet)	623	480	500	500
Transportation permits issued	71	87	85	85
Improvement plans approved	12	10	12	12
Value of improvements approved	1,200,000	1,600,000	1,500,000	1,500,000
Subdivision maps approved	8	12	12	12
Planning applications reviewed	110	120	130	130
Building permit applications reviewed ²	195	150	170	170

¹ The number of encroachment permits and resulting excavation work varies with the amount of money provided by Utilities Department for the Voluntary Sewer Lateral Rehabilitation Program.

² Includes site grading reviews.

PROGRAM NARRATIVE COMMUNITY DEVELOPMENT

PROGRAM: Natural Resources Protection
 DEPARTMENT: Administration

OPERATION: Natural Resources Protection
 FUND: General Fund

PROGRAM COSTS	Actual 2009-10	Budgeted 2010-11	% Diff	2011-13 Financial Plan	
				2011-12	2012-13
Staffing	290,400	286,000	3.7%	296,500	297,600
Contract Services	60,300	58,500	-19.7%	47,000	47,000
Other Operating Expenditures	14,600	15,000	74.7%	26,200	26,200
Minor Capital					
Total	\$365,300	\$359,500	2.8%	\$369,700	\$370,800

PROGRAM DESCRIPTION

For many years, the City of San Luis Obispo has had numerous policies and programs in place designed to protect and enhance the City’s natural environment. Carrying out these policies and programs was a responsibility shared by a number of departments and staff persons. In 1995, however, a structured program was created under the Natural Resources Manager to bring consistent direction and a proactive approach to the City’s environmental protection and restoration efforts and to the open space and greenbelt programs. Because of growth in the City’s open space system and increased responsibility for mitigation activities, in 2000, the Natural Resources Protection Program was expanded with addition of the City Biologist position. Today the program has three major activities:

- **Open space/greenbelt acquisition and management.** This activity consists of the identification of important open space resources of the community and seeking long-term protection of those resources. This involves educating the community as to the value of open space resources and working with landowners, planning officials, and grant-making organizations to effect long-term land and habitat protection and management. Methods used to achieve this protection include direct purchase of fee or easement interest in land; accepting dedications of land or easements in conjunction with the granting of development entitlements; accepting outright donations of land or easements; and working with the County and with nonprofit organizations on policies that protect open space in and around the City. Consistent and effective stewardship of open space lands in City ownership is an integral part of this activity and is accomplished through the development of site-specific Conservation Plans.
- **Stormwater Program (SWP) coordination and agency reporting.** This activity consists of coordinating the efforts of City staff for purposes of reporting required technical data from the respective departments and control actions affected by this State-mandated program to the Regional Water Quality Control Board. This program is now in its second year and appears to have been successful. Certain improvements in reporting as well as operating efficiencies have been recommended and are under consideration by staff at the Regional Board. Development of educational literature for landowners to reduce stormwater impacts and monitoring (during and post-construction) of sites will be undertaken as needed. A ranking system will be developed to prioritize sites to survey further ensuring City-wide oversight. Natural Resources staff involvement is seen as giving the program broader emphasis than simple stormwater cleanup, with improvements in water quality and aquatic habitat throughout the City’s waterway system being the overarching goal.
- **Natural resource protection, project mitigation and educational outreach.** This activity consists of improving the environmental components of development projects and of routine maintenance, regardless of the party carrying it out. This is done by participating in the review of development proposals and recommending modifications or mitigations where appropriate; and by working with landowners and City staff on maintenance projects affecting sensitive resources or habitats. This may include activities as disparate as advising City staff and homeowners on maintenance practices within creek areas, to overseeing mitigation programs for major City projects. The latter activity is an important focus for the Natural Resources Protection Program, which has resulted in greater effectiveness in mitigation activities and cost savings to the City. Part of this work is paid through the Utilities Department that relies on the Natural Resources team for mitigation work. This activity also educates citizens about the community’s natural resources by developing an inventory of the City’s natural resources and making that information available to the community through various educational and volunteer activities.

PROGRAM NARRATIVE COMMUNITY DEVELOPMENT

PROGRAM: Natural Resources Protection (continued)
 DEPARTMENT: Administration

STAFFING SUMMARY	Actual 2009-10	Budgeted 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Regular Positions				
Natural Resources Manager	1.0	1.0	1.0	1.0
City Biologist	1.0	1.0	1.0	1.0
Total	2.0	2.0	2.0	2.0

2011-13 PROGRAM OBJECTIVES

Other Council Goals

- **2011-2013** *Open Space Preservation.* Continue efforts to acquire, preserve, protect and maintain open space in the greenbelt.

Other Program Objectives

- **2011-2013** Begin implementation of the Agricultural Master Plan for the Calle Joaquin Agricultural Reserve.
- **2011-2013** Complete and begin implementation of the Conservation Plan Update for the Irish Hills Natural Reserve.
- **2011-2013** Complete and begin implementation of a Conservation Plan for the Reservoir Canyon Natural Reserve.
- **2011-2013** Create a plan for the maintenance of Laguna Lake, including potential funding.
- **2011-2013** Continue a leadership role for the Stormwater Management Plan (SWMP) to ensure timely and proper reporting of program activities and direction.
- **2011-2013** Continue to assist the Community Development and Public Works Departments with the natural resource components of annexations (e.g., Orcutt Area, Tank Farm Area) and important City infrastructure projects (e.g., LOVR interchange).
- **2011-2013** Continue to oversee City and private mitigation programs especially along the City's waterways, wetland areas, and the Damon-Garcia Sports Fields.
- **2011-2013** Continue to provide technical and planning support to the Utilities Department for major utility projects with natural resource issues or concerns (e.g., wastewater discharge requirements, resource management at Whale Rock Reservoir).
- **2011-2013** Continue to participate in development of the City portion of the Bob Jones Bikeway.

WORKLOAD MEASURES	Actual 2009-10	Projected 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Land transactions	1	4	4	3
Staff referrals responded to	150	150	200	200
Citizen referrals responded to	900	900	1,000	1,000
Stewardship or education events/participants	25/1,000	25/1,000	25/1,000	25/1,000
Grant funds applied for	\$350,000	\$850,000	\$350,000	\$350,000
Grant funds approved	\$350,000	\$850,000	\$350,000	\$350,000
Acres acquired in fee/easement	7	598	210	400
Natural Resource Management Plans completed	1	1	1	1

PROGRAM NARRATIVE COMMUNITY DEVELOPMENT

PROGRAM: Economic Development
DEPARTMENT: Administration

OPERATION: Economic Health
FUND: General Fund

PROGRAM COSTS	Actual 2009-10	Budgeted 2010-11	% Diff	2011-13 Financial Plan	
				2011-12	2012-13
Staffing	178,500	174,100	0.5%	175,000	182,500
Contract Services	31,300	89,900	22.0%	109,700	119,900
Other Operating Expenditures	3,600	6,300	4.8%	6,600	6,600
Minor Capital					
Total	\$213,400	\$270,300	7.8%	\$291,300	\$309,000

PROGRAM DESCRIPTION

In keeping with the 2011-13 Major City Goal for Economic Development, this program emphasizes support for creation of head-of-household jobs through developing strategies for infrastructure, focusing on promising growth sectors, and expediting desired economic activity. In addition, it continues efforts to expand collaboration with Cal Poly, Cuesta, business community and responsible agencies. In short, the goal fully reorients the economic development program to support creation of head-of-household jobs through the following activities:

- **Economic Development Strategic Plan: Develop a strategic plan to focus City economic development efforts on activities that support head of household job creation.**

In order to achieve the Major City Goal with a focus on head of household jobs, the program must put careful consideration into a long-term strategy. The strategy will assist staff in identifying the appropriate range of activities given available on-going resources, will identify best practices for economic development and head of household job creation, and will recommend strategies to reorient the program to achieve the Major City Goal.

The scope of the Economic Development Strategic Plan will include efforts to:

1. Examine models for business incubator service provision;
2. Identify strategies to build on and implement the efforts of the Collaboration Committee (see #C below);
3. Fine tune business retention and expansion activities to focus on head of household job creation, and match the scope of the program with available resources;
4. Recommend a strategy, based on best planning practices, to provide the development community with more certainty regarding the City's development review process so that businesses that create head of household jobs can succeed with their relocation or expansion efforts;
5. Recommend a strategy to leverage existing fiber-optic infrastructure and facilitate expansion of, and access to, broadband as a resource for local businesses and an engine for head of household job creation and City revenue generation;
6. Provide an overall assessment and evaluation of City-wide economic development efforts, including tourism and community promotion activities, to ensure that program organization and execution is optimized; and
7. Use the new Economic Development website as a tool to facilitate outreach and gather intelligence during the process of writing the Strategic Plan.

Metrics for each activity will be developed in collaboration with the consultant and may include a variety of indicators including labor statistics regarding job growth, City median household income, permit processing statistics for targeted business types, and growth in City revenues. All of these efforts are expected to support the long term strategy for growth of head of household jobs. Such a strategy will prepare the City to take advantage of opportunities to create the future that it wants to see with respect to the attraction, development and expansion of businesses that create head of household jobs.

- **Expansion Area Infrastructure Phasing and Financing Strategies: Develop an infrastructure phasing and financing strategy in the expansion areas to support growth sectors and businesses that create head of household jobs.**

Now that the annexation and the specific planning processes are mostly complete in the Margarita and Airport areas, it is timely to begin to apply economic development efforts to attract new businesses to the area and help existing City

PROGRAM NARRATIVE COMMUNITY DEVELOPMENT

PROGRAM: Economic Development (continued)
 DEPARTMENT: Administration

businesses expand here. To facilitate development, a consultant will be retained to examine infrastructure phasing strategies and infrastructure financing strategies to identify and recommend a specific approach to ensure development is not stymied by the infrastructure requirements set out in the specific plans. In particular, there is a need to ensure that the requirements for infrastructure in the early stages of development in these expansion areas does not serve as an impediment to the first development project moving forward. The recommended approach must be consistent with General Plan policy, which dictates that development pays its fair share of costs.

The success of this effort during the second year of the Financial Plan period will be measured by completion and initial implementation of a strategy. Long term success will be measured by development of business locations and infrastructure in the expansion areas and improved head of household metrics, such as labor statistics regarding job growth, City median household income, permit processing statistics for targeted business types, and growth in City revenues.

- **Collaboration Committee: Continue the public-private collaboration between the City of San Luis Obispo, the County of San Luis Obispo, Cal Poly, and the local business community to support the creation of new head of household jobs.**

The two-year work of the Collaboration Committee that was started in May 2009 is at a point where the stakeholders are ready to come together to take the next steps. A specific course of action has been identified to implement the findings of the Committee’s research showing the need for creation of a network to sustain a start-up friendly business environment, namely an entrepreneurial ecosystem. Once funding is secured among all the committee members, the work will begin to form an independent entity, oversight Board, and to hire an individual who is capable of creating a network to sustain a start-up friendly business environment, namely an entrepreneurial ecosystem.

- **Ongoing Economic Development assistance: Continue to undertake efforts to assist businesses.**

Work collaboratively with the business community to encourage businesses to expand and locate in the City. Continue to work with the Downtown Association on general business issues. Continue to participate on significant projects, currently including Chinatown and Garden Street Terraces.

STAFFING SUMMARY	Actual 2009-10	Budgeted 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Regular Positions				
Economic Development Manager	1.0	1.0	1.0	1.0
Administrative Analyst*	0.3	0.3	0.3	0.3
Total	1.3	1.3	1.3	1.3

*This position is shared with Finance and IT Administration where 70% of this position is allocated.

SIGNIFICANT PROGRAM CHANGES

Increases Required to Support Basic Service Levels

- **2011-13** Increasing the Contract Services budget to complete the Major City Goal work program will cost \$47,500 in 2011-12 and \$57,500 in 2012-13.

PROGRAM NARRATIVE COMMUNITY DEVELOPMENT

PROGRAM: Economic Development (continued)
 DEPARTMENT: Administration

2011-13 PROGRAM OBJECTIVES

Major City Goals

- **2011-13** *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.

Other Program Objectives

- **2011-13** Assist with background information as an internal resource for the Seismic Retrofit Program
- **2011-13** Provide assistance as an internal resource for the major commercial projects such as Chinatown and Garden Street Terraces
- **2011-13** Continue to serve on the Workforce Housing Board, Executive Committee and chair the Employment Demand Services committee
- **2011-13** Continue to conduct business surveys (12x/year) pending redirection from strategic planning
- **2011-13** Continue to update the Database with information from surveys and existing sources of information
- **2011-13** Continue to work with the F&IT Analyst to manage database and provide metrics
- **2011-13** Continue to work with HdL and other economic forecasters to provide data pertinent to business
- **2011-13** Continue to coordinate with F&IT Analyst to periodically update the Economic Development Program web pages
- **2011-13** Continue to serve on Chamber and Downtown Association Committees as requested
- **2011-13** Continue to pursue economic development program objectives to retain and expand existing businesses and recruit targeted industries
- **2011-13** Continue to provide customer service to businesses requesting information about the City as a place to do business
- **2011-13** Continue to collaborate with the Chamber of Commerce on its business visitation program
- **2011-13** Continue to work closely with community partners to provide input and outreach regarding economic development issues

WORKLOAD MEASURES	Actual 2009-10	Projected 2010-11	2009-11 Financial Plan	
			2011-12	2012-13
City/Chamber bi-monthly business visits (2/visit)	10	8	10	10
Business Retention & Expansion business visits	24	48	12	12
Pre-Development Application meetings	0	2	0	0
Seismic Retrofit contacts	40	30	11	5
Economic Development contracts administered	4	5	6	6
Development negotiations participated in	2	1	1	1
Small business inquiries	30	36	36	36
Contacts with prospective businesses	24	12	12	12
CDBG Revolving Loan Fund contacts	12	12	12	12
External association/organization meetings attended	Not tracked	Not tracked	60	60

PROGRAM NARRATIVE COMMUNITY DEVELOPMENT

PROGRAM: Community Promotions
 DEPARTMENT: Administration

OPERATION: Economic Health
 FUND: General Fund & TBID Assessment

PROGRAM COSTS	Actual 2009-10	Budgeted 2010-11	% Diff.	2011-13 Financial Plan	
				2011-12	2012-13
Staffing	62,300	63,100	3.6%	65,400	65,700
Contract Services	315,200	336,800	21.4%	409,000	384,000
Other Operating Expenditures	200	500	400.0%	2,500	2,500
Minor Capital					
Total	\$377,700	\$400,400	19.1%	\$476,900	\$452,200

PROGRAM DESCRIPTION

Promotion Coordinating Committee

In June of 1970, the City Council established the seven-member Promotional Coordinating Committee (PCC) as a standing committee. The goals of the PCC are to 1) improve the quality of life available to all residents of and visitors to San Luis Obispo, and 2) promote, in a manner consistent with long-range community goals, the development of San Luis Obispo as a regional trade, recreational, and tourist center.

Tourism Business Improvement District Advisory Board (TBID Board)

In June 2008 Council adopted Ordinance 1517 establishing a tourism business improvement district (TBID) as requested by the local lodging industry. The assessment became effective on October 1, 2008 and the use of funds was defined in Section 12.42.030 as follows:

“This ordinance is made and enacted pursuant to the provisions of the Parking and Business Improvement Area Law of 1989 (Sections 36500 et. seq., of the California Streets and Highways Code). The purpose of forming the district as a business improvement area under the Parking and Business Improvement Area Law of 1989 is to provide revenue to defray the costs of services, activities and programs promoting tourism which will benefit the operators of hotels in the district through the promotion of scenic, recreational, cultural and other attractions in the district as a tourist destination.”

As required by State law, Council established an advisory board and seven hoteliers were appointed to the TBID Board to advise Council on the use of the assessment.

Internal and External Marketing Efforts

In order to better define the roles of the two advisory bodies, the promotional approach under this program is divided into the two categories traditionally addressed in tourism marketing; external and internal marketing. The TBID Board will therefore concentrate its efforts on external marketing to bring tourism and overnight stays to San Luis Obispo. The PCC will focus on internal marketing and concentrate its efforts on beautification, City events promotion, entertainment, shopping, and dining attractions. This specific division between the two program efforts will provide the mechanism to avoid duplication of efforts.

Tourism Business Improvement District Advisory Board (TBID Board) Program

The TBID board is focusing its efforts on marketing and events promotion related contracts to attract tourists to San Luis Obispo. Beside the marketing efforts which are centered on the new tourism website www.sanluisobispovacations.com, the board concentrated on funding support for new events such as the GranFondo bicycle event, Sunset’s Savor the Central Coast, and a San Luis Obispo Marathon Race. It continues these efforts to establish events for the long term in addition to actively building a presence at various tourism related trade shows. The TBID is paying for administrative and programmatic support received from City staff (4% of TBID revenues).

PROGRAM NARRATIVE COMMUNITY DEVELOPMENT

PROGRAM: Community Promotions (continued)
 DEPARTMENT: Administration

<i>Activity Cost Summary - TBID Fund</i>	<u>2011-12</u>	<u>2012-13</u>
Contract Services	\$800,000	800,000
Special Promotion	\$101,000	\$110,000
Publications & Subscriptions (STR)	\$4,000	\$4,000
Trade Shows	\$30,000	\$40,000
Administrative Cost	<u>\$38,000</u>	<u>\$38,000</u>
Total	\$973,000	\$992,000

The Promotional Coordinating Committee (PCC) Program

Concentrating its efforts on San Luis Obispo centric activities, the PCC will look at continuing the build-out of the Directional Signage program, and the shop and dine outreach to a countywide audience. Additional components of the program will place an emphasis on local events promotion, ensuring the exposure of the multitude of events to a countywide audience. The PCC also administers a grants-in-aid program (GIA) and makes recommendations to the Council regarding grants to non-profit organizations that organize cultural and recreational events in San Luis Obispo.

<i>Activity Cost Summary- General Fund</i>	<u>2011-12</u>	<u>2012-13</u>
Directional Sign Project	\$50,000	\$25,000
Events, Shop & Dine Promotion	\$182,500	\$182,500
Grants-in-Aid	\$100,000	\$100,000
Visitors Center	\$76,500	\$76,500
Support Costs	<u>\$2,500</u>	<u>\$2,500</u>
Total	\$411,500	\$386,500

STAFFING SUMMARY	Actual	Budgeted	2009-11 Financial Plan	
	2007-08	2008-09	2009-10	2010-11
Regular Positions				
Principal Administrative Analyst	0.5	0.5	0.5	0.5
Total	0.5	0.5	0.5	0.5

* Position allocated 50% to City Administration and 50% to Community Promotions.

SIGNIFICANT PROGRAM CHANGES

Reductions Required to Balance the Budget

- **2011-13** Reducing the Contract Services budget will save \$53,500 in 2011-12 and \$78,500 in 2012-13.

2011-13 PROGRAM OBJECTIVES

Major City Goals

- **2011-13** *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.

Other Program Objectives

- **2011-13** Provide staff support to the two advisory bodies related to Community Promotions
- **2011-13** Provide close oversight of the City's Community Promotions contracts and its vendors

PROGRAM NARRATIVE COMMUNITY DEVELOPMENT

PROGRAM: Community Promotions (continued)
 DEPARTMENT: Administration

- **2011-13** Coordinate efforts between the two advisory bodies and the various contractors hired by each body to avoid duplication of efforts
- **2011-13** Provide direct staff support at events and trade shows representing the City of San Luis Obispo tourism efforts
- **2011-13** Actively participate in the San Luis Obispo Chamber of Commerce Tourism Council, the San Luis Obispo Visitors & Conference Bureau Board of Directors, and regional marketing and events organizations

WORKLOAD MEASURES	Actual 2009-10	Projected 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Number of promotional contracts administered	10	11	15	15
PCC regular and special meetings staffed (including Marketing & GIA subcommittee)	23	37	30	30
TBID Board regular and special meetings staffed Including Events Task Force	20	37	40	40
VCB / BID Alliance meetings attended	12	20	24	24
TOT Dollars collected by City	\$4,478,080	\$4,770,000	\$4,865,400	\$4,962,700
TBID Assessment collected by City	\$895,616	\$954,000	\$973,000	\$992,000

PROGRAM NARRATIVE COMMUNITY DEVELOPMENT

PROGRAM: Downtown Business Improvement Area OPERATION: Economic Health
 DEPARTMENT: Administration FUND: Downtown Association Fund

PROGRAM COSTS	Actual 2009-10	Budgeted 2010-11	% Diff.	2011-13 Financial Plan	
				2011-12	2012-13
Staffing					
Contract Services	208,300	220,800	-10.3%	198,100	200,000
Other Operating Expenditures					
Minor Capital					
Total	\$208,300	\$220,800	-10.3%	\$198,100	\$200,000

PROGRAM DESCRIPTION

Established in 1975, the Downtown Business Improvement Area (DBIA) is a special fee district for parking and promotions in the Downtown area. In 2008, the Downtown Association, formerly a City Advisory Body, became a non profit entity. Upon this transition, the City and the Downtown Association agreed by contract that the Downtown Association would provide various services for the economic, social, cultural, and environmental vitality and beautification of Downtown San Luis Obispo.

Established every two years, the Downtown Association provides services under a contract with the City. The major activities in the contract with the Downtown Association, as set forth in the scope of services, are as follows:

Special Events. Integral to the Downtown Association’s services is the provision of special events to the Downtown. Those events include: Holiday Activities, Concerts in the Plaza, and Thursday Night Promotions.

Additional Services. In addition to the Special Events, additional services that the Downtown Association also provides under the contract include: parking/transportation; downtown maintenance; economic development; and maintaining the Downtown Association as an organization. Service efforts range from the distribution of information to employees and customers to continuing the Downtown Forester program to working with City staff to strengthen collaboration efforts to increase effectiveness of local and regional marketing.

STAFFING SUMMARY

The DBIA contract is managed by Administration. It requires approximately 400 hours of the Assistant City Manager, Principal Administrative Analyst and Economic Development Manager’s time each year. Public Works provides the Downtown Champion via the Parking Division requiring approximately 500 hours of the Parking Manager’s time each year. Finance & Information Technology staff provide support in revenue collection and dissemination requiring approximately 75 hours per year.

2011-13 PROGRAM OBJECTIVES

Other Program Objectives

- **2011-13** Continue to provide close oversight of the City’s Downtown Association contract
- **2011-13** Coordinate efforts between the City and the Downtown Association to avoid duplication of efforts and to ensure effective communication on various issues impacting the businesses Downtown
- **2011-13** Provide support for the maintenance of the Downtown
- **2011-13** Actively participate in the Downtown Association’s Economic Activities Committee, Parking Committee, and Board.

PROGRAM NARRATIVE COMMUNITY DEVELOPMENT

PROGRAM: Downtown Business Improvement Area (continued)
 DEPARTMENT: Administration

WORKLOAD MEASURES	Actual 2009-10	Projected 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Number of contracts administered	1	1	1	1
Regular and special events attended	5	5	5	5
Downtown Association Board meetings attended	12	12	12	12
Parking and Access Committee meetings attended	4	8	12	12
Economic Activities Committee meetings attended	18	18	12	12
DBIA Assessment collected by City	\$208,300	\$201,000	\$205,000	\$210,000

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Operating Programs GENERAL GOVERNMENT



PROGRAM NARRATIVE GENERAL GOVERNMENT

PROGRAM: Legislation & Policy
DEPARTMENT: City Council

OPERATION: City Council
FUND: General Fund

PROGRAM COSTS	Actual 2009-10	Budgeted 2010-11	% Diff.	2011-13 Financial Plan	
				2011-12	2012-13
Staffing	110,400	111,900	4.9%	117,400	117,700
Contract Services	100	200	0.0%	200	200
Other Operating Expenditures	19,200	26,700	-12.0%	23,500	26,500
Minor Capital					
Total	\$129,700	\$138,800	1.7%	\$141,100	\$144,400

PROGRAM DESCRIPTION

The Council governs the City of San Luis Obispo by enacting and enforcing all laws and regulations concerning municipal affairs, subject only to limitations and restrictions of the City Charter and the state constitution. Fifteen standing advisory bodies help the Council with this work. Program goals are (1) open, informed, and democratic public decisions; (2) responsive and appropriate legislation and policy; and (3) effective and efficient execution of adopted laws and regulations. This program has three major activities:

- **Legislation.** Enacting ordinances and resolutions, reviewing compliance with adopted laws and regulations.
- **Policy.** Reviewing and adopting plans which guide the decisions and actions of the City's operating programs.
- **Supervision.** Directing and evaluating the City Manager and City Attorney.

STAFFING SUMMARY

None - Staff assistance is provided through City Administration, City Attorney, and City Clerk programs. Direct clerical and administrative support is provided through the City Administration program.

2011-13 PROGRAM OBJECTIVES

Major City Goals

- **2011-13** *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.
- **2011-13** *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.
- **2011-13** *Neighborhood Wellness.* Embrace and implement pro-active code enforcement and Neighborhood Protection policies.
- **2011-13** *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).

Other Council Goals

- **2011-13** *Open Space Preservation.* Continue efforts to acquire, preserve, protect, and maintain open space in the City's greenbelt, and implement the master plan for the City-owned agricultural lands at Calle Joaquin and the updated conservation plan for the Irish Hills Natural Reserve, and create a plan for maintenance of Laguna Lake and Park, including a funding strategy.
- **2011-13** *Planning.* Within the scope of the grant, undertake the update of the Land Use and Circulation Elements, including "Health Cities" policies and creating a Pedestrian Circulation Plan.

PROGRAM NARRATIVE GENERAL GOVERNMENT

PROGRAM: Legislation & Policy (continued)
 DEPARTMENT: City Council

- **2011-13** *Affordable Housing / Homeless Services.* 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.
- **2011-13** *Infrastructure Maintenance.* 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 and sidewalks, flood protection facilities, recreation facilities, bikeways, City-owned historic resources, and urban forest.)

Other Program Objectives

- **2011-13** *Climate Protection.* Implement greenhouse gas reduction and the 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.
- **2011-13** *Park and Recreation.* Increase utilization of Damon-Garcia Sports Fields.
- **2011-13** *Historic Preservation.* Continue to promote historic resource preservation opportunities and update the Historic Resource Inventory.

WORKLOAD MEASURES	Actual 2009-10	Projected 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Advisory Body Interviews	30	30	30	30
Workshops/Special Events	16	16	15	15
Council Meetings	35	38	35	38
Advisory Commissions and Committees	15	15	15	15
Regional/County Commissions Served	17	17	17	17
Proclamations	21	15	25	25

PROGRAM NARRATIVE GENERAL GOVERNMENT

PROGRAM: City Administration
DEPARTMENT: Administration

OPERATION: General Administration
FUND: General Fund

PROGRAM COSTS	Actual 2009-10	Budgeted 2010-11	% Diff.	2011-13 Financial Plan	
				2011-12	2012-13
Staffing	747,900	676,200	1.4%	685,600	724,600
Contract Services	33,100	37,800	68.5%	63,700	1,200
Other Operating Expenditures	9,800	22,300	-47.1%	11,800	11,800
Minor Capital					
Total	\$790,800	\$736,300	3.4%	\$761,100	\$737,600

PROGRAM DESCRIPTION

The city administration program provides information and recommendations to the Council, implements Council policies, directs the delivery of municipal services, oversees accomplishment of City objectives and provides administrative support to the Mayor and Council members. Program goals include (1) informed public decision making; (2) responsive, effective and efficient operating programs; (3) effective City management; (4) supervision of the City Clerk's office, Economic Development, Natural Resources, and Community Promotions programs; and (5) effective Council administrative support; and (6) direct supervision of seven budget programs. This program has seven major activities:

- **Policy Advice, Guidance and Implementation.** Serving as the Council's chief policy advisor on all areas of City operations; implementing Council policies, goals, and objectives.
- **Council Meeting Agenda Management.** Reviewing council meeting agenda reports, recommending Council actions.
- **Operating Program Direction and Evaluation.** Ensuring that services are delivered effectively, evaluating accomplishment of approved program objectives.
- **Management Teambuilding and Leadership.** Presiding at department head meetings, organizing management training and development activities, supervising and evaluating the performance of department heads and other key managers.
- **City Clerk, Economic Development and Natural Resource program management.** Providing direction and day-to-day supervision, ensuring coordination and compatibility between the programs and consistency with Council policy and goals.
- **Community Promotions.** Providing staff support to the Tourism Business Improvement District Board and the Promotional Coordinating Committee for implementation and execution of the community promotions program to bring tourism to San Luis Obispo for sales tax and transient occupancy tax revenue. This program includes a grants-in-aid program that supports cultural events held by non-profit organizations to enhance the cultural, social, and recreational life for San Luis Obispo residence and visitors alike.
- **Special Activities Program Management.** Providing direction and day-to-day supervision, ensuring communication and support to Community Partners.

STAFFING SUMMARY	Actual 2009-10	Budgeted 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Regular Positions				
City Manager	1.0	1.0	1.0	1.0
Assistant City Manager	1.0	1.0	1.0	1.0
Principal Administrative Analyst	0.5	0.5	0.5	0.5
Administration Executive Assistant	1.0	1.0	1.0	1.0
Total	3.5	3.5	3.5	3.5

PROGRAM NARRATIVE GENERAL GOVERNMENT

PROGRAM: City Administration (continued)
 DEPARTMENT: Administration

SIGNIFICANT PROGRAM CHANGES

Reductions Required to Balance the Budget

- **2011-13** Reducing Contract Services will save \$29,000 annually.

Increases Required to Support Basic Service Levels

- **2011-12** Measure Y Renewal Activities will cost \$25,000.
- **2011-12** Organizational Analysis of one City department will cost \$37,500.

2011-13 PROGRAM OBJECTIVES

Major City Goals

- **2011-13** *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.
- **2011-13** *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.

Other Council Goals

- **2011-13** *Open Space Preservation.* Continue efforts to acquire, preserve, protect, and maintain open space in the City's greenbelt, and implement the master plan for the City-owned agricultural lands at Calle Joaquin and the updated conservation plan for the Irish Hills Natural Reserve, and create a plan for maintenance of Laguna Lake and Park, including a funding strategy.

Other Program Objectives

- **2011-13** Provide staff support to the Community Partnership Program.
- **2011-13** Continue to head the Transient Task Force for coordination of transient related issues between various City Departments, the Downtown Association, and the Chamber of Commerce.
- **2011-13** Introduce an internship program for support in Administration and the City Clerk office.

WORKLOAD MEASURES	Actual 2009-10	Projected 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Council Meetings	35	38	35	38
Council Agenda Reports Reviewed/Approved	291	290	300	300
City Manager Reports Reviewed/Approved	317	300	305	305
Departments Supervised	10	10	10	10
Budget Programs Directly Supervised	7	7	7	7
Department Head/City Manager Updates	120	120	120	120

PROGRAM NARRATIVE GENERAL GOVERNMENT

PROGRAM: Public Works Administration
 DEPARTMENT: Public Works

OPERATION: General Administration
 FUND: General Fund

PROGRAM COSTS	Actual 2009-10	Budgeted 2010-11	% Diff.	2011-13 Financial Plan	
				2011-12	2012-13
Staffing	1,075,400	939,400	1.6%	954,700	935,400
Contract Services	22,200	68,300	-83.7%	11,100	11,700
Other Operating Expenditures	15,500	20,900	-37.8%	13,000	13,100
Minor Capital					
Total	\$1,113,100	\$1,028,600	-4.8%	\$978,800	\$960,200

PROGRAM DESCRIPTION

The public works administration program helps plan, direct, and evaluate the following thirteen Public Works operating programs:

- | | | |
|---------------------------------|---|-------------------------|
| Street & Sidewalk Maintenance | Transportation Planning and Engineering | Swim Center Maintenance |
| Signal and Light Maintenance | Parking Services | CIP Project Engineering |
| Creek and Flood Protection | Transit Services | Building Maintenance |
| Parks and Landscape Maintenance | Engineering Development Review | Fleet Maintenance |
| Tree Maintenance | | |

The public works administration program also assists the operating programs with various administrative and property management services. The program goal is delivery of responsive and competitive public works services through teamwork, good communication, and appropriate technology. This program has six major activities:

- **Public Works Department Leadership.** Representing Public Works Department programs before the public, the Council, department heads, staff and other public agencies; clearly articulating the Public Works Department vision and values.
- **Organization Development.** Encouraging teamwork and open communication; reducing response time for service requests; soliciting feedback from customers; adapting new technology to better deliver services; striving to be competitive in quality and cost with the private sector and other top-performing public agencies; recognizing, using, and developing the talents of all Public Works employees. Developing and implementing a department-wide strategic plan.
- **Fiscal Support.** Preparing the Public Works Department operating and capital budgets for the City’s Financial Plan and Cost Allocation Plan. Administering procurement policies. Responsible for grant procurement, management and reporting. Providing fiscal stewardship by recommending sustainable practices while balancing the fiscal constraints of operation.
- **Administrative Support Services.** Administering employee evaluations; providing timecard processing, clerical support services to all Public Works and various Utilities programs, and providing contract support for Capital Improvement Projects, coordination of the City’s Community Service Work-Program, processing of all Public Works invoices.
- **Contract and Property Management.** Administering and providing contract services for janitorial and uniform needs city-wide. Assessing needs for office, meeting, and storage space; managing remodeling projects to accommodate changing needs. Negotiating and closing property acquisitions, sales, and leases.
- **Public Information Office.** Serving as official information center for the Public Works Department ensuring that all pertinent information about the Public Works Department operations is released on a timely basis, promoting a positive image of the department, accurately reporting to the news media information on Public Works projects, road closures or emergency incidents. Promoting community awareness of public works activities.

PROGRAM NARRATIVE GENERAL GOVERNMENT

PROGRAM: Public Works Administration (continued)
 DEPARTMENT: Public Works

STAFFING SUMMARY	Actual 2009-10	Budgeted 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Regular Positions				
Public Works Director	1.0	1.0	1.0	1.0
Deputy Public Works Director	2.0	2.0	2.0	2.0
Administrative Analyst	1.0	1.0	1.0	1.0
Supervising Administrative Assistant	1.0	1.0	1.0	1.0
Administrative Assistant	1.0	1.0	1.0	1.0
Total	6.0	6.0	6.0	6.0
Temporary Positions				
Full-Time Equivalents (FTE)	3.0	3.0	1.6	1.6

SIGNIFICANT PROGRAM CHANGES

Reductions Required to Balance the Budget

- **2011-13** Reducing Temporary Staffing will save \$23,400 in 2011-12 and \$23,500 in 2012-13.
- **2011-13** Reducing Uniform Contract Services for Public Works staff will save \$19,300 annually.
- **2011-13** Eliminating Overtime in the Administration budget will save \$1,000 annually.
- **2011-13** Reducing the Operating Materials & Supplies budget will save \$400 annually.
- **2011-13** Eliminating the Data Processing budget will save \$400 annually.
- **2011-13** Reducing the Postage budget will save \$1,000 annually.
- **2011-13** Eliminating the Publications & Subscriptions budget will save \$600 annually.
- **2011-13** Reducing the Education & Training budget will save \$500 annually.
- **2011-13** Reducing the Association Dues budget will save \$1,100 annually.
- **2011-13** Reducing the Printing & Reproduction budget will save \$1,600 annually.
- **2011-13** Reducing the Employee Recognition budget will save \$2,500 annually.
- **2011-13** Reducing the Office Supplies budget will save \$1,700 annually.

2011-13 PROGRAM OBJECTIVES

Major City Goals

- **2011-13** *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).
- **2011-13** *Neighborhood Wellness.* Embrace and implement a pro-active code enforcement and neighborhood protection policies.
- **2011-13** *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.
- **2011-13** *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 resident's priorities, and includes cost reduction strategies.

PROGRAM NARRATIVE GENERAL GOVERNMENT

PROGRAM: Public Works Administration
 DEPARTMENT: Public Works

OPERATION: General Administration
 FUND: General Fund

Other Council Goals

- **2011-13** *Infrastructure Maintenance.* 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 and sidewalks, flood protection facilities, recreation facilities, bikeways, city-owned historic resources and urban forest).
- **2011-13** *Planning.* Within the scope of the grant, undertake an update of the Land Use and Circulation Elements, including healthy cities policies and creating a pedestrian circulation plan.

Other Program Objectives

- **2011-13** Public Works Department Strategic Plan Implementation
- **2011-13** Community promotion of Measure Y funds and associated projects
- **2011-13** Development of Public Works Accreditation Program

WORKLOAD MEASURES	Actual 2009-10	Projected 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Community Service Work Program				
initial contacts & work arranged	75	200	200	200
City Manager Reports prepared	120	160	180	180
Council Agenda reports prepared	92	100	100	100
Council Memos/Notes/Red-files prepared	50	133	150	175
Invoices processed	11,200	11,200	11,200	11,200
Budget Amendment Requests prepared	115	150	150	150
PW Liability Claims processed	33	20	20	20
Contracts Agreements awarded	30	30	30	30
Purchase Orders processed	77	90	90	90

PROGRAM NARRATIVE GENERAL GOVERNMENT

PROGRAM: Legal Services
 DEPARTMENT: City Attorney

OPERATION: City Attorney
 FUND: General Fund

PROGRAM COSTS	Actual 2009-10	Budgeted 2010-11	% Diff.	2011-13 Financial Plan	
				2011-12	2012-13
Staffing	506,000	500,400	2.0%	510,500	533,300
Contract Services	800	2,000	15.0%	2,300	2,300
Other Operating Expenditures	12,100	12,600	-1.6%	12,400	12,500
Minor Capital					
Total	\$518,900	\$515,000	2.0%	\$525,200	\$548,100

PROGRAM DESCRIPTION

The legal services program is a support function that assists the City Council, City commissions, all City departments and City advisory bodies to accomplish Major City Goals, other important Council objectives, and core operational functions in accordance with the law. The legal services function also includes representation of the City in litigation and/or litigation management, and enforcement of the municipal code. Program goals include:

- **Legal review and advice.** Providing prompt and thorough legal advice to ensure general compliance with all applicable laws and to minimize liability exposure. Legal advice to the City Council, Planning Commission and other advisory bodies includes advice and training on the open meeting requirements and other procedural requirements and conflicts of interest. With respect to Council, this advice includes advice for both open and closed session agenda items. Legal advice to City staff ranges from providing opinions on legal matters that arise out of the development review process to engaging in negotiations of proposals and reviewing and preparing documents, such as resolutions, ordinances and contracts.
- **Litigation.** Defending or managing the defense of claims and litigation against the City; initiating civil actions on behalf of the City.
- **Enforcement.** Enforcing and prosecuting violations of the Municipal Code, including both criminal violations and civil /administrative enforcement.
- **Legislative review.** Coordinating the City’s review of and response to proposed county, state, and federal legislation.

STAFFING SUMMARY	Actual 2009-10	Budgeted 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Regular Positions				
City Attorney	1.0	1.0	1.0	1.0
Assistant City Attorney	1.0	1.0	1.0	1.0
Legal Assistant/Paralegal	1.0	1.0	1.0	1.0
Total	3.0	3.0	3.0	3.0

2011-13 PROGRAM OBJECTIVES

Major City Goals

- **2011-13** *Neighborhood Wellness.* Embrace and implement pro-active code enforcement and Neighborhood Protection policies.

PROGRAM NARRATIVE GENERAL GOVERNMENT

PROGRAM: Legal Services (continued)
 DEPARTMENT: City Attorney

Other Program Objectives

- **2011-13** Develop and maintain a high level of legal support to City government
- **2011-13** Provide prompt, thorough legal advice in response to inquiries, with emphasis on legal options
- **2011-13** Minimize liability exposure of City through the practice of preventative law
- **2011-13** Apprise City Council on pending litigation, legislation, and other significant legal matters
- **2011-13** Strengthen Municipal Code enforcement practices

WORKLOAD MEASURES	Actual 2009-10	Projected 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Municipal Code violations prosecuted	7	15	15	18
Civil litigation cases pending	13	7	13	12
Resolutions/Ordinances reviewed/drafted	116	113	120	120
Council Agenda Reports reviewed	291	290	300	300
City Manager Reports reviewed	317	300	305	305
Meetings attended	1200	1200	1200	1200
Council meetings attended	35	38	35	38
Planning Commission meetings attended	22	22	22	22
Review of liability claims filed	68	51	50	50
Telephone & office consultations/legal opinions	1400	1400	1400	1400
Neighborhood Enhancement enforcement letters	69	75	80	80
Letters support/opposition legislation	19	31	36	36
Response time for routine inquires: target	1-7 days	1-7 days	1-7 days	1-7 days

PROGRAM NARRATIVE GENERAL GOVERNMENT

PROGRAM: City Clerk Services
DEPARTMENT: Administration

OPERATION: City Clerk Services
FUND: General Fund

PROGRAM COSTS	Actual 2009-10	Budgeted 2010-11	% Diff.	2011-13 Financial Plan	
				2011-12	2012-13
Staffing	200,400	252,900	-10.0%	227,600	235,300
Contract Services	59,300	107,300	-38.2%	66,300	118,100
Other Operating Expenditures	21,400	22,500	0.0%	22,500	23,300
Minor Capital					
Total	\$281,100	\$382,700	-17.3%	\$316,400	\$376,700

PROGRAM DESCRIPTION

The City Clerk Administration and Records program ensures that organization-wide records are recorded and preserved as provided by City Charter and state and municipal law. It also provides a variety of support and information services to the Council, public and staff. Program goals include: 1) open and informed public decision-making; 2) complete and accurate records of Council actions and policies; and, 3) prompt responses to requests for recorded information. The Administration and Records program has ten major activities.

The City Clerk's Elections Program administers Federal, State and local procedures for City elections for elective offices, initiatives, referenda and recalls. Program goals are: 1) conduct elections that conform to the State Elections Code and the City's campaign regulations; 2) train staff in new State election and campaign disclosure laws; and, 3) encourage a high level of voter participation and turnout.

- **Information Dissemination.** Preparing and disseminating legal and promotional publications, notices, ordinances, and resolutions; researching legislative data; providing central information, telephone and lobby support at City Hall; providing City Council agendas, minutes, resolutions, ordinances and other information at City Hall and on the City's web site.
- **Council Meeting Agenda Coordination.** Coordinating and scheduling agenda items; compiling, reviewing, assembling and distributing agenda reports and related documents; preparing departmental agenda reports; and processing legislative documents following Council action.
- **Brown Act Compliance.** Ensuring that staff is knowledgeable about and complies with statute related to City Council and advisory body notices and postings; keeping Council Members, Advisory Body Members and support staff informed of other obligations under the Act.
- **Records Management.** Recording and preserving Council minutes; managing official records of Council actions (ordinances, resolutions, deeds and agreements); codifying and disseminating the City's Municipal Code and related policies; implementing a City-wide records management and retention program outlining policies, procedures and standards for preservation or destruction of official records.
- **Ministerial Duties.** Administering oaths of office; notarizing, attesting and sealing official documents; receiving claims filed against the City; receiving and scheduling appeals to the City Council.
- **Statements of Economic Interests.** Processing financial disclosure statements for City staff, consultants and advisory body members; ensuring compliance with state and local regulations; biennially updating the City's Conflict of Interest Code; serving as State Filing Officer for Council, Planning Commission and designated employees.
- **Agreement Processing.** Processing documents approved by the Council and City Manager not included in the Invitation for Bid or Request for Proposal processes; filing and maintaining original City agreements.
- **Council Services and Support.** Receiving and distributing Council correspondence, coordinating regular and special meetings and managing other Council-related activities; facilitate, review and prepare reports containing recommendations related to Council and advisory compensation in accordance with the City Charter.
- **Oversight of PEG Access Funds and Operating Plans/Management of Government Access Channel.** Overseeing operating agreements and release of education and public access funds in accordance with the Cable Franchise

PROGRAM NARRATIVE GENERAL GOVERNMENT

PROGRAM: City Clerk Services (continued)
 DEPARTMENT: Administration

Agreement and Council direction. Overseeing the contract with the Cablecast operator, ensuring coverage for live broadcasts, and maintenance of playback programming and schedule. Overseeing equipment and planning for expansion of programming in accordance with the adopted government access channel policy statement and operating guidelines.

- **Advisory Body Administration.** Recruiting citizens to serve on Advisory Bodies, scheduling interviews for applicants, preparing reports and recommendations for Council consideration, coordinating new member orientations, updating advisory body rosters and the Advisory Body Handbook, hosting the annual Advisory Body Member recognition event, and sponsoring regular training.
- **Election Administration.** Conducting regular and special elections, including processing and certifying citizen-generated petitions, providing orientation and issuing nomination papers and related documents to Mayoral and Council candidates; preparing and advertising legal notification in compliance with state and municipal law, reviewing and updating the City's election manual in accordance with the City's Campaign Regulations, State Elections Code and new Fair Political Practices Commission (FPPC) rulings.
- **Disclosure Reporting.** Receiving, filing and maintaining records of all candidate and political action committee campaign activity statements, all candidate statements of economic interests, and publishing information regarding campaigns, as required by the City's Campaign Regulations Ordinance.
- **Elections Campaign Regulations.** Facilitate review and revisions to City's Election Campaign Regulations as required in the Municipal Code.
- **Voter Education.** Promoting voter education through the City's website and other resources.
- **Municipal Advocate Registration.** Registering municipal advocates as required under the Municipal Code.

STAFFING SUMMARY	Actual 2009-10	Budgeted 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Regular Positions				
City Clerk	1.0	1.0	1.0	1.0
Administrative Assistant	2.0	2.0	1.0	1.0
Total	3.0	3.0	2.0	2.0
Temporary Positions				
Full-Time Equivalents (FTE)	0.5	0.5	0.7	0.7

SIGNIFICANT PROGRAM CHANGES

Reductions Required to Balance the Budget

- **2011-13** Eliminating the vacant Administrative Assistant III position will save \$69,200 in 2011-12 and \$73,500 in 2012-13.
- **2011-13** Reducing the number of agenda packets to print will save \$3,000 annually.

Increases Required to Support Basic Service Levels

- **2012-13** Annual maintenance of the electronic agenda management software will cost \$15,000.

PROGRAM NARRATIVE GENERAL GOVERNMENT

PROGRAM: City Clerk Services (continued)
 DEPARTMENT: Administration

2011-13 PROGRAM OBJECTIVES

- **2011-13** Proactively fulfill program responsibilities and cultivate best practices in all areas.

WORKLOAD MEASURES	Actual 2009-10	Projected 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Documents recorded	33	60	40	40
Agenda reports processed	291	318	300	300
Legal and display advertisements	60	110	70	70
Legal notifications mailed	4916	3300	4000	4000
Council meeting agendas	46	80	50	50
Council meeting minutes	35	38	35	38
Resolutions/Ordinances processed	116	113	120	120
Telephone/front desk inquiries	8400	8640	8700	8700
Research projects/document requests	160	110	160	160
Image Flow Index	700	950	750	750
Statements of Economic Interest processed	195	210	210	210
Advisory Body Vacancies	30	30	30	30
Workshop/Events	2	3	2	3
Proclamations	21	15	25	25
Ballot Measures	2	2	3	2
Legal and Display ads	7	7	7	7
Campaign Committees	13	6	4	6
Campaign Disclosure Statements	128	76	130	130

PROGRAM NARRATIVE GENERAL GOVERNMENT

PROGRAM: Human Resources Administration
 DEPARTMENT: Human Resources

OPERATION: Organizational Support Services
 FUND: General Fund

PROGRAM COSTS	Actual	Budgeted	% Diff.	2011-13 Financial Plan	
	2009-10	2010-11		2011-12	2012-13
Staffing	496,800	473,500	-6.6%	442,200	454,200
Contract Services	100,800	183,000	-39.7%	110,400	110,400
Other Operating Expenditures	45,300	72,300	-37.3%	45,300	45,300
Minor Capital					
Total	\$642,900	\$728,800	-18.0%	\$597,900	\$609,900

PROGRAM DESCRIPTION

The human resources administration program provides support to all City departments in all aspects of attracting and retaining highly-qualified employees. The program manages a variety of functions including coordination of recruitment and employee selection, classification and compensation, performance management, employee training and development, labor relations and negotiations, and statutory and regulatory compliance. Program goals are 1) highly-qualified, well-trained, and motivated City employees; 2) legal and unbiased recruitment and retention practices; 3) competitive pay and benefits; and 4) accurate job classifications. The program's major activities are:

- **Employee recruitment, selection and orientation.** Managing and coordinating the recruitment, testing and selection processes, including administration of the NEOGOV online recruitment system, administering and proctoring pre-employment tests, coordinating interviews and assessment centers, assisting in and coordinating reference checking and background investigations, and advising on selection. Providing a comprehensive orientation to new hires.
- **Employee classification and compensation.** Identifying the duties, qualifications, and compensation appropriate for each City classification. Ensuring employee classifications and compensation align with the City's Compensation Philosophy. Periodically reviewing and modifying the Compensation Philosophy as directed by Council. Periodically conducting wage and benefit surveys and analyses.
- **Legal Compliance.** Ensuring employee appointments, promotions, transfers as well as other personnel actions conform to the Equal Employment Opportunity Act, Americans with Disabilities Act, anti-discrimination policies and regulations, City Charter, Municipal Code, Memorandums of Agreements, and other relevant laws, ordinances, or regulations.
- **Employee performance management.** Coordinating performance evaluations to ensure employees receive accurate, consistent, and constructive feedback in support of a safe and efficient work environment. Assisting managers in creating employee development plans and/or disciplinary actions to address performance issues.
- **Employee development and training.** Developing, planning, scheduling, and implementing city-wide training programs that meet statutory and regulatory standards and promote professional development. Communicating and coordinating these courses through the internal employee university.
- **Employee/employer labor relations and negotiations.** Meeting and conferring with employee association representatives to resolve labor relations issues, developing labor relations strategies, and negotiating successor memorandum of agreements with labor groups pursuant to direction from Council.
- **Employee communication and recognition.** Advising senior staff on employee communication methods and content. Coordinating and publishing a monthly employee newsletter that disseminates information city-wide. Coordinating activities that encourage employees to exemplify the City's organizational values and provide recognition.

PROGRAM NARRATIVE GENERAL GOVERNMENT

PROGRAM: Human Resources Administration (continued)
 DEPARTMENT: Human Resources

STAFFING SUMMARY	Actual 2009-10	Budgeted 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Regular Positions				
Director of Human Resources	1.0	1.0	1.0	1.0
Human Resources Analyst	1.0	1.0	1.0	1.0
HR Administrative Assistant I*	1.0	1.0	0.3	0.3
Human Resources Specialist	1.0	1.0	1.0	1.0
Total	4.0	4.0	3.3	3.3

*Allocated 30% to Human Resources Administration and 70% to Risk & Benefits Management effective July 1, 2011.

SIGNIFICANT PROGRAM CHANGES

Reductions Required to Balance the Budget

- **2011-13** Reducing miscellaneous office expenses will save \$3,300 annually.
- **2011-13** Reducing the contract services budget will save \$700 annually.
- **2011-13** Eliminating the funding for a Learning Management System will save \$7,700 annually.
- **2011-13** Reducing recruitment-related expenses will save \$13,000 annually.
- **2011-13** Suspending the City contribution to PACE will save \$3,100 annually.
- **2011-13** Reducing the education and training budget will save \$4,700 annually.
- **2011-13** Providing only one Employee Recognition event per year will save \$5,500.
- **2011-13** Eliminating the SLO Rideshare Lucky Bucks Program and Monetary Incentives will save \$8,000 annually.

2011-13 PROGRAM OBJECTIVES

Major City Goals

- **2011-13** *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.

Other Program Objectives

- **2011-12** Negotiate collective bargaining agreements with the San Luis Obispo City Employees Association, the San Luis Obispo Firefighters Association Local 3523, and the San Luis Obispo Police Officers Association.
- **2011-12** Coordinate harassment and discrimination prevention training in compliance with AB 1825.
- **2011-12** Continue to develop and implement a comprehensive training and development program including utilizing the Learning Management System through Cal-JPIA.
- **2011-13** Continue to develop and promote succession planning efforts to ensure the City has knowledge transfer as employees retire and that employees are well prepared to advance when opportunities arise.
- **2011-13** Improve marketing the City to draw highly qualified applicants to careers in public service.
- **2011-13** Utilize NEOGOV to analyze data associated with recruitments to ensure the City is using the most cost-effective and successful recruitment methods.

PROGRAM NARRATIVE GENERAL GOVERNMENT

PROGRAM: Human Resources Administration (continued)
 DEPARTMENT: Human Resources

WORKLOAD MEASURES	Actual 2009-10	Projected 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Recruitments Regular and Temporary	47	46	50	50
Days to establish eligibility list	60	60	60	60
Labor relations topics	20	25	25	25
Applications screened	900	1000	1000	1000
Training sessions coordinated	48	42	35	35
New employee orientations	47	46	50	50
Classification, compensation and benefit analysis	35	30	40	30
Performance management	400	400	400	400
Newsletters published	12	12	12	12

PROGRAM NARRATIVE GENERAL GOVERNMENT

PROGRAM: Risk & Benefits Management
 DEPARTMENT: Human Resources

OPERATION: Organizational Support Services
 FUND: General Fund

PROGRAM COSTS	Actual 2009-10	Budgeted 2010-11	% Diff.	2011-13 Financial Plan	
				2011-12	2012-13
Staffing	107,700	112,700	48.0%	166,800	174,100
Contract Services	1,300	4,700	-74.5%	1,200	1,200
Other Operating Expenditures	2,268,400	2,012,300	10.2%	2,216,900	2,139,000
Minor Capital					
Total	\$2,377,400	\$2,129,700	12.0%	\$2,384,900	\$2,314,300

PROGRAM DESCRIPTION

The risk & benefits management program reduces the risk of accidents and protects City assets from liability for accident losses. Risk & Benefits Management also helps City employees reduce injury and disease risks and maintain good health and fitness. The program oversees employee benefits, including medical, dental, vision, flexible spending accounts, deferred compensation accounts, life and disability insurance, and CalPERS (California Public Employees' Retirement System) retirement programs. Program goals are 1) no avoidable accidents 2) minimal City exposure to loss liability 3) adequate and appropriate coverage for losses 4) measurable injury and disease reduction and measurable health and fitness increases for employees who participate in wellness activities 5) monitor health benefits programs to ensure competitive and cost effective plans are being offered that assist the City in attracting and retaining high quality employees and 6) ensure statutory and regulatory compliance. This program has eleven major activities:

Loss Control Activities

- **Liability claims administration.** Reviewing general liability claims against the City and recommending adjustment or other action.
- **Workers' compensation claims administration.** Reviewing employee injury claims against the City recommending adjustment or other action, and promoting a return to work program to minimize lost time.
- **Safety improvement.** Identifying trends and safety risks, proactively recommending hazard abatement to minimize risk, and implementing safer operating procedures using best practices in risk management.
- **Insurance review.** Ensuring that contractors and special event sponsors carry adequate insurance to protect the City; reviewing the City's self-insurance provisions to ensure adequate resources are available to cover losses.
- **Legal Compliance.** Ensuring compliance by advising managers and employees on rights including Americans with Disabilities Act, Family Medical Leave Act, California Family Rights Act, Pregnancy Disability Leave, Uniformed Services Employment and Reemployment Rights Act, Health Care Reform, Consolidated Omnibus Budget Reconciliation Act of 1985 and other relevant laws, ordinances, or regulations.
- **Semi-annual physical fitness testing and counseling.** Encouraging healthy practices and choices through educational testing and counseling in an effort to improve employee health and productivity.
- **Health and fitness education.** Conducting classes on health and fitness strategies; maintaining an educational library of health and fitness materials.

General Liability and Property Insurance Premiums

- **Liability.** Providing general liability coverage to \$50 million through the California Joint Powers Insurance Authority.
- **Property.** Providing coverage for property damage and loss.

PROGRAM NARRATIVE GENERAL GOVERNMENT

PROGRAM: Risk & Benefits Management (continued)
 DEPARTMENT: Human Resources

Other Insurance Costs

- **Worker’s Compensation.** Providing coverage for workers’ compensation through the California Joint Powers Insurance Authority.
- **Employee benefits administration.** Managing employee benefits including health insurance, retirement and leave. The costs for employee benefits are directly allocated to each operating program and are included in the staffing component of program costs. Risk & Benefits Management also coordinates Fitness for Duty evaluations, accommodation meetings as required by law, and an early return to work program.

STAFFING SUMMARY	Actual 2009-10	Budgeted 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Regular Positions				
Risk & Benefits Manager	1.0	1.0	0.0	0.0
Human Resources Manager	0.0	0.0	1.0	1.0
HR Administrative Assistant I*	0.0	0.0	0.7	0.7
Total	1.0	1.0	1.7	1.7
Temporary Positions				
Full-Time Equivalents (FTE)	0.4	0.4	0.0	0.0

* Allocated 30% to Human Resources Administration and 70% to Risk & Benefits Management effective July 1, 2011.

SIGNIFICANT PROGRAM CHANGES

Reductions Required to Balance the Budget

- **2011-13** Eliminating the budget for a consultant to update Safety Policies will save \$2,700 annually.
- **2011-13** Reducing temporary staffing in the Wellness Program will save \$16,700 annually.

2011-13 PROGRAM OBJECTIVES

Major City Goals

- **2011-13** *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.

Other Program Objectives

- **2011-13** Risk Assessment Evaluation with CalJPIA – and implement recommendations
- **2011-13** Review and update safety policies and procedures in compliance with Cal-OSHA
- **2011-13** Continue to increase safety awareness and reduce preventable injuries through training and education of employees
- **2011-13** Review insurance plans and coverage and process renewals annually, seeking the most cost-effective methods of insuring
- **2011-13** Review standards for insurance requirements in contracts with those who do business with the City to make sure appropriate risk transfer measures are included

PROGRAM NARRATIVE GENERAL GOVERNMENT

PROGRAM: Risk & Benefits Management (continued)
 DEPARTMENT: Human Resources

WORKLOAD MEASURES	Actual 2009-10	Projected 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Liability claims filed	68	51	50	50
Workers compensation claims filed	55	55	55	55
Safety and risk management training sessions coordinated	20	35	30	30
Wellness participants	150	150	160	170
COBRA – Notification	26	30	30	30

PROGRAM NARRATIVE GENERAL GOVERNMENT

PROGRAM: Finance & Information Technology Administration OPERATION: Organizational Support Services
 DEPARTMENT: Finance & Information Technology FUND: General Fund

PROGRAM COSTS	Actual 2009-10	Budgeted 2010-11	% Diff.	2011-13 Financial Plan	
				2011-12	2012-13
Staffing	300,500	282,800	8.0%	305,300	309,100
Contract Services	4,600	34,600	-84.4%	5,400	18,400
Other Operating Expenditures	15,800	14,900	-6.0%	14,000	14,200
Minor Capital					
Total	\$320,900	\$332,300	-2.3%	\$324,700	\$341,700

PROGRAM DESCRIPTION

This program plans, organizes, leads and monitors the operations within the Department of Finance & Information Technology: Accounting, Revenue Management, Support Services, Network Services and Geographic Information Systems. It is responsible for managing the City's financial and information technology operations in accordance with established policies and plans. Program goals are: 1) developing and implementing efficient and effective financial policies, plans and reporting systems that help the operating departments achieve their objectives and assure the City's long-term fiscal health; 2) protecting the City's assets from unauthorized use; 3) effectively using the City's information technology resources in improving productivity, customer service and public access to City information; 4) and providing quality service to all of the department's customers—both external and internal to the organization. This program has five major activities:

- **Fiscal Policy Advice and Guidance.** Developing innovative and cost-effective ways of financing City services and facilities; preparing and implementing policies and plans for effectively managing the City's financial resources and preserving its long-term financial health; advising the Council and City Manager on fiscal matters; coordinating the preparation of the City's two-year financial plan and budget; and reviewing Council agenda reports and other policy documents for fiscal impacts.
- **Information Technology Policy Advice and Guidance.** Developing and implementing policies and plans for the effective and efficient use of information technology resources in improving organizational productivity, customer service and public access to City information; advising the Council and City Manager on information technology matters.
- **Department Leadership.** Developing an organization that effectively builds and uses the skills and talents of each team member in achieving departmental goals and objectives; communicating City values, missions and goals to all team members and assuring that they guide actions and behaviors; developing departmental and employee work programs and monitoring performance; coordinating activities that cross program lines; maintaining a positive employee relations environment and achieving a high level of employee morale; and representing department programs before the public, community groups, Council, staff and other public agencies.
- **Department Administration.** Reviewing and administering department budgets; and maintaining department records.
- **Cross-Departmental Program Administration.** Conducting best practices reviews on internal control areas that typically cross department activities; and managing telecommunications facilities site request for proposals (RFP) process and lease agreements.

STAFFING SUMMARY	Actual 2009-10	Budgeted 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Regular Positions				
Director-Finance & Information Technology	1.0	1.0	1.0	1.0
Administrative Analyst*	0.7	0.7	0.7	0.7
Total	1.7	1.7	1.7	1.7

*Allocated 70% to Finance & IT Administration and 30% to Economic Development.

PROGRAM NARRATIVE GENERAL GOVERNMENT

PROGRAM: Finance & Information Technology Administration (continued)
 DEPARTMENT: Finance & Information Technology

SIGNIFICANT PROGRAM CHANGES

Reductions Required to Balance the Budget

- **2011-13** Eliminating travel to CSMFO meetings will save \$1,000 annually.
- **2011-13** Reducing printing will save \$1,000 annually.
- **2011-13** Reducing calculator replacements will save \$300 annually.

2011-13 PROGRAM OBJECTIVES

Major City Goals

- **2011-13** *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.

Other Program Objectives

- **2011-13** Provide helpful and timely fiscal and information technology advice to the Council, City Manager and departments.
- **2011-13** Provide financial support and assistance in implementing Major City Goals.
- **2011-13** Work closely with the operating departments in developing and implementing funding plans and programs in achieving their goals and objectives.
- **2011-13** Oversee implementation of Finance & Information Technology (IT) goals, objectives and projects, such as the IT Strategic Plan and the FoxPro Replacement Project.

WORKLOAD MEASURES	Actual 2009-10	Projected 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Council agenda reports reviewed	292	306	318	318
City Manager reports reviewed	263	240	265	270

PROGRAM NARRATIVE GENERAL GOVERNMENT

PROGRAM: Accounting
DEPARTMENT: Finance & Information Technology

OPERATION: Organizational Support Services
FUND: General Fund

PROGRAM COSTS	Actual 2009-10	Budgeted 2010-11	% Diff.	2011-13 Financial Plan	
				2011-12	2012-13
Staffing	415,300	408,700	4.8%	428,500	443,700
Contract Services	140,700	162,300	21.2%	196,700	179,400
Other Operating Expenditures	3,400	9,200	-15.2%	7,800	7,800
Minor Capital					
Total	\$559,400	\$580,200	9.1%	\$633,000	\$630,900

PROGRAM DESCRIPTION

The accounting program coordinates preparation of the City's budget, issues financial reports and administers the disbursement of City funds in accordance with adopted fiscal policies and internal control procedures. Program goals are 1) developing and implementing effective and efficient financial planning, reporting, and accounting systems that help the operating departments achieve their objectives; 2) providing quality customer service; 3) protecting the City's resources from unauthorized use. This program has five major activities:

- **Financial planning and reporting.** Coordinating preparation of the two-year financial plan, annual budgets and mid-year budget reviews; preparing the comprehensive annual financial report (CAFR); coordinating annual and special audits; preparing annual State Controller's Reports; issuing interim financial reports on the City's fiscal and budgetary status; preparing the cost allocation plan; calculating the annual appropriation limit; maintaining on-line access of financial information to department fiscal officers and other City system users; maintaining accurate and timely financial information on the City's web site.
- **Payroll.** Processing the City's employee payroll; filing monthly and annual reports with taxing authorities and regulatory agencies; coordinating employee benefit coverage and reporting with the Human Resources Department; processing payments for insurance benefits and withheld taxes; providing payroll statistics to various departments and agencies.
- **Accounts payable.** Processing the City's accounts payable and issuing checks to vendors; filing monthly and annual reports required by regulatory agencies; reviewing internal controls and adhering to established payables procedures; maintaining vendor and encumbrance files; reviewing contract pay estimates.
- **General accounting services and policies.** Maintaining the general ledger system and chart of accounts; preparing daily cash deposits and reports; reconciling monthly bank statements; establishing accounting and purchasing policies, systems and practices; coordinating cooperative purchasing opportunities; reviewing contract documents for compliance with City purchasing policies; administering the City's real and personal property management systems; coordinating FEMA/OES disaster cost recovery activities; reviewing claims to recover the cost of providing state-mandated services (SB90); maintaining historical records of the City's financial performance.
- **Support services.** Processing and distributing interdepartmental and U.S. mail; administering formal bids for purchases of supplies, equipment and services (placing bid notices; opening bids; reviewing insurance endorsements; coordinating contract execution; monitoring insurance after bid award); inventorying and ordering copier/printer paper supplies.

STAFFING SUMMARY	Actual 2009-10	Budgeted 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Regular Positions				
Finance Manager*	0.5	0.5	0.5	0.5
Accounting Supervisor	1.0	1.0	1.0	1.0
Accounting Assistant	3.0	3.0	3.0	3.0
Total	4.5	4.5	4.5	4.5
Temporary Positions				
Full-Time Equivalents (FTE)	0.2	0.2	0.0	0.0

*Allocated 50% to Accounting and 50% to Revenue Management

PROGRAM NARRATIVE GENERAL GOVERNMENT

PROGRAM: Accounting (continued)
 DEPARTMENT: Finance & Information Technology

SIGNIFICANT PROGRAM CHANGES

Reductions Required to Balance the Budget

- **2011-13** Reducing the number of financial software program enhancement hours will save \$4,300 annually.
- **2011-13** Reducing attendance at conferences will save \$1,500 annually.
- **2011-13** Reducing temporary staffing will save \$9,000 annually.

2011-13 PROGRAM OBJECTIVES

Major City Goals

- **2011-13** *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.

Other Program Objectives

- **2011-12** Successful implementation of the new IntelliTime timecard and TeleStaff scheduling programs.
- **2011-12** Explore the benefits of EPayables and, if applicable, implement as a new option for accounts payable.
- **2011-13** Ongoing management of Other Post Employment Benefit (OPEB) trust obligation.
- **2011-13** Continue to provide efficient and accurate delivery of payroll, accounts payable and other accounting services.
- **2011-13** Continue to issue comprehensive annual financial reports (CAFR) in accordance with generally accepted accounting principles that meet the Government Finance Officer's Association's program requirements for excellence in financial reporting.
- **2011-13** Continue to issue timely and accurate interim financial information to the Council and operating departments.
- **2011-13** Comply with Measure Y requirements for citizen oversight by producing an annual report on the use of proceeds from the local option ½-cent sales tax.

WORKLOAD MEASURES	Actual 2009-10	Projected 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Payroll checks and direct deposits	13,673	14,000	14,000	14,000
Vendor invoices processed	25,750	26,000	26,000	26,000
Accounts Payable checks	8,571	8,700	8,700	8,700
W-2's issued	690	700	700	700
1099's issued	106	110	110	110
Journal Entries Processed	1,638	1,650	1,650	1,650
Budget Amendment Requests Processed	361	375	375	375

PROGRAM NARRATIVE GENERAL GOVERNMENT

PROGRAM: Revenue Management
 DEPARTMENT: Finance & Information Technology

OPERATION: Organizational Support Services
 FUND: General Fund

PROGRAM COSTS	Actual 2009-10	Budgeted 2010-11	% Diff.	2011-13 Financial Plan	
				2011-12	2012-13
Staffing	501,400	565,300	6.1%	600,000	617,400
Contract Services	51,100	50,000	34.2%	67,100	60,800
Other Operating Expenditures	115,100	126,600	6.6%	134,900	126,500
Minor Capital	12,200				
Total	\$679,800	\$741,900	8.1%	\$802,000	\$804,700

PROGRAM DESCRIPTION

The revenue management program administers the City's treasury and revenue operations in accordance with established fiscal policies. Program goals are: 1) developing and implementing effective and efficient revenue planning, monitoring and reporting systems that help assure the City's long-term fiscal health; 2) providing quality customer service; 3) protecting the City's cash assets from unauthorized use. This program has six major activities:

- **Utility billing.** Administering meter reading system; coordinating customer service orders (service stops, starts, and questions); billing and collecting water and sewer service payments; maintaining utility billing website; administering low income assistance programs; supporting the City's water conservation program.
- **Business tax and license.** Administering the business tax system, including annual renewals of all City businesses, issuing tax certificates to new businesses, enforcing the business tax ordinance, implementing gross receipt verification programs and providing mandated business tax information to the State.
- **Accounts receivable.** Maintaining an organization-wide accounts receivable system, including grant receipts, transient occupancy tax (TOT) collections and all other tax and fee receipts.
- **Cashier and public counter.** Providing public counter and cashiering services at City Hall as well as accounting for all bank deposits from other City facilities.
- **Revenue forecasts and rate reviews.** Preparing revenue forecasts and monitoring trends; reviewing utility rates, user charges and development impact fees, and making recommendations to Council as appropriate.
- **Investments, banking services, and debt service administration.** Managing the City's investment portfolio in accordance with adopted policies and plans, including preparing cash flow projections, coordinating broker/dealer services, identifying appropriate investment vehicles and timeframes and allocating interest earnings among funds in accordance with generally accepted accounting principles; administering the City's banking services contract; coordinating project financings and administering debt service obligations in accordance with bond covenants.

STAFFING SUMMARY	Actual 2009-10	Budgeted 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Regular Positions				
Finance Manager*	0.5	0.5	0.5	0.5
Revenue Supervisor	1.0	1.0	1.0	1.0
Accounting Assistant	5.0	5.0	5.0	5.0
Total	6.5	6.5	6.5	6.5
Temporary Positions				
Full-Time Equivalents (FTE)	0.1	0.1	0.1	0.1

* Allocated 50% to Accounting and 50% to Revenue Management.

PROGRAM NARRATIVE GENERAL GOVERNMENT

PROGRAM: Revenue Management (continued)
 DEPARTMENT: Finance & Information Technology

SIGNIFICANT PROGRAM CHANGES

Reductions Required to Balance the Budget

- **2011-13** Reducing attendance at conferences will save \$500 annually.
- **2012-13** Reducing paper utility bills when new software is implemented will save \$13,000.

2011-13 PROGRAM OBJECTIVES

Major City Goals

- **2011-13** *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.

Other Program Objectives

- **2011-13** Implement new utility billing system.
- **2011-13** Continue business tax verification and enforcement program.
- **2011-13** Expand business tax enforcement efforts utilizing Franchise Tax Board data to ensure compliance and provide applicable revenue.
- **2011-13** Achieve yields on investments that exceed 91 day U.S. Treasury Bill while safeguarding the City’s portfolio from losses due to creditor default or market changes.

WORKLOAD MEASURES	Actual 2009-10	Projected 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Regular utility bills issued	175,086	175,560	176,036	176,512
Delinquent utility notices issued	10,505	10,848	10,877	10,907
Utility service orders	11,986	12,908	13,901	14,970
Accounts receivable invoices issued	3,565	4,520	5,731	7,266
Business tax certificates issued	7,106	8,430	8,700	8,900
Cashier transactions	30,530	31,988	33,516	35,116
Utility phone calls	22,403	25,102	28,126	31,515

PROGRAM NARRATIVE GENERAL GOVERNMENT

PROGRAM: Support Services
 DEPARTMENT: Finance & Information Technology

OPERATION: Organizational Support Services
 FUND: General Fund

PROGRAM COSTS	Actual 2009-10	Budgeted 2010-11	% Diff.	2011-13 Financial Plan	
				2011-12	2012-13
Staffing					
Contract Services	29,400	65,900	76.8%	116,500	117,000
Other Operating Expenditures	56,500	79,100	-4.4%	75,600	76,100
Minor Capital		32,000	-53.1%	15,000	15,000
Total	\$85,900	\$177,000	17.0%	\$207,100	\$208,100

PROGRAM DESCRIPTION

The support services program administers and accounts for indirect Citywide costs not easily charged to operating programs or projects. The program goal is cost-effective budgeting and accounting for these costs. This program controls five major indirect cost categories:

- **Copier maintenance and supplies.** Funding for contract maintenance and supplies for City-owned copiers.
- **Postage.** Funding for postage costs incurred through the City's central postage meter (specialized mailing costs are accounted for in the individual operating programs).
- **City associations.** Funding for City membership in the League of California Cities and San Luis Obispo Chamber of Commerce.
- **Ventures and contingencies.** Providing the City Manager with the flexibility to fund innovative proposals from the operating departments that improve City services, reduce operating costs, increase productivity or respond to one-time expenditures that are essential for the delivery of basic services that could not be anticipated during the City's two-year financial planning and budgetary process.
- **Parking.** Funding for General Fund employees in City lots and structures.

STAFFING SUMMARY

None. Staffing assistance is provided through the City Administration, Finance & Information Technology Administration and Accounting programs.

SIGNIFICANT PROGRAM CHANGES

Reductions Required to Balance the Budget

- **2011-13** Reducing miscellaneous expenses and Citywide postage will save \$3,200 in 2011-12 and \$600 in 2012-13.
- **2011-13** Reducing Citywide postage will save \$2,700 annually.

Increases Required to Support Basic Service Levels

- **2011-13** Replacing copiers on an as-needed basis will cost \$15,000 annually.

PROGRAM NARRATIVE GENERAL GOVERNMENT

PROGRAM: Support Services (continued)
DEPARTMENT: Finance & Information Technology

2011-13 PROGRAM OBJECTIVES

Other Program Objectives

- **2011-13** Continue working towards achieving program goals.

WORKLOAD MEASURES	Actual 2009-10	Projected 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Copiers on-site	21	21	21	21

PROGRAM NARRATIVE GENERAL GOVERNMENT

PROGRAM: Network Services
 DEPARTMENT: Finance & Information Technology

OPERATION: Organizational Support Services
 FUND: General Fund

PROGRAM COSTS	Actual 2009-10	Budgeted 2010-11	% Diff.	2011-13 Financial Plan	
				2011-12	2012-13
Staffing	724,500	674,800	22.1%	823,600	836,600
Contract Services	265,000	352,300	30.3%	459,200	568,400
Other Operating Expenditures	701,000	760,600	17.6%	894,700	868,300
Minor Capital					
Total	\$1,690,500	\$1,787,700	21.8%	\$2,177,500	\$2,273,300

PROGRAM DESCRIPTION

The information technology program is responsible for ensuring that the City's information technology resources are effectively managed and used as key organizational tools in improving organizational productivity, customer service and public access to City information. Program goals are: 1) developing and implementing long-range plans, policies and standards for acquiring, maintaining, and achieving full use of information technology resources; 2) providing responsive ongoing support, maintenance, trouble-shooting and training for office automation and telecommunications systems and applications. This program has four major activities:

- **Policies and standards.** Implementing the City's information technology plans, policies and standards; assisting in establishing organization-wide priorities for new system acquisitions; ensuring compliance with software copyrights and licensing agreements; protecting computer systems and files from unauthorized use or access; and providing staff support to the Information Technology Steering Committee and other technical/user groups.
- **New systems and applications installation support.** Taking lead responsibility for planning and managing the installation of new organization-wide systems and applications; assisting operating departments in planning and managing the installation of new systems and applications for more specialized functions.
- **Network and office automation support.** Assuring adequate support and maintenance of the City's technology infrastructure in providing highly reliable systems and applications to users; coordinating training for the full use of City-wide information systems; providing advice and support to departmental application administrators; administering the wide area network; administering all local area networks.
- **Telecommunications management.** Supporting and maintaining organization-wide telecommunication systems, including analog telephones, voice over internet protocol system, cell phones, smart phones, leased circuits, radios, utility telemetry systems and other "wireless" communication systems.

STAFFING SUMMARY	Actual 2009-10	Budgeted 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Regular Positions				
Information Technology Manager*	1.0	0.5	0.5	0.5
Information Technology Assistant	0.8	0.8	0.8	0.8
Network Services Supervisor	0.0	1.0	1.0	1.0
Network Administrators	4.0	3.0	3.0	3.0
Database Administrator	0.0	0.0	1.0	1.0
Total	5.8	5.3	6.3	6.3
Temporary Positions				
Full-Time Equivalents (FTE)	0.4	0.4	0.4	0.4

*Allocated 50% to Information Technology and 50% to Geographic Information Services

PROGRAM NARRATIVE GENERAL GOVERNMENT

PROGRAM: Network Services (continued)
DEPARTMENT: Finance & Information Technology

SIGNIFICANT PROGRAM CHANGES

Reductions Required to Balance the Budget

- 2011-13 Extending the computer replacement lifecycle will save \$18,500 in 2011-12 and \$18,600 in 2012-13.
- 2011-13 Reducing analog lines in the City will save \$7,400 in 2011-12 and \$19,200 in 2012-13.
- 2011-13 Renegotiating maintenance contracts will save \$80,000 in 2011-12 and \$10,000 in 2012-13.
- 2011-13 Printing Emergency Patient Reports via USB will save \$3,000 annually.
- 2011-13 Eliminating the custom design software contract will save \$4,200 in 2011-12 and \$4,300 in 2012-13.
- 2011-13 Changing external DNS providers will save \$5,100 annually.
- 2011-13 Reducing the number of replacement printers City-wide will save \$5,000 annually.
- 2011-13 Reducing paging services will save \$4,200 annually.
- 2011-13 Reducing the monthly cost of City air cards will save \$13,000 annually.
- 2011-13 Eliminating the Blackberry Enterprise System server will save \$3,800 annually.
- 2011-13 Eliminating Shoretel new user licenses will save \$3,000 in 2011-12 and \$3,100 in 2012-13.
- 2011-13 Eliminating cellular phone accessories will save \$3,500 annually.

Increases Required to Support Basic Service Levels

- 2011-12 Increasing the City's enterprise storage capacity to meet growing data storage needs will cost \$30,000 in 2011-12.
- 2012-13 Converting a GIS Specialist to a Database Administrator will cost \$51,900 in 2011-12 and \$54,600 in 2012-13.

2011-13 PROGRAM OBJECTIVES

Other Program Objectives

- 2011-13 Upgrade the City to Office 2010
- 2011-13 Upgrade the City to Windows 7
- 2011-13 Continue to virtualize servers
- 2011-13 Complete the IT Strategic Plan
- 2011-13 Complete the EnerGov, Intellitime and Telestaff projects
- 2011-13 Migrate administration of all citywide applications to IT
- 2011-13 Complete Phase 1 of the telemetry system upgrade
- 2011-13 Complete the Police Department CAD server upgrade

PROGRAM NARRATIVE GENERAL GOVERNMENT

PROGRAM: Network Services (continued)
 DEPARTMENT: Finance & Information Technology

WORKLOAD MEASURES	Actual 2009-10	Projected 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
City sites serviced	36	36	30	30
Users supported	531	531	531	531
Desktop workstations				
Standard workstations	348	348	384	384
GIS/CAD workstations	37	37	37	37
Laptops	35	35	32	32
Mobile Data Computers	49	49	54	54
Local area/special purpose servers	4/38	4/38	6/73	6/78
Data backed-up nightly (GB)	1,200	1,400	6,230	9,345
Firewalls/Network Switches	3/53	3/53	2/72	2/73
Storage/Application Appliances			14/8	14/8
Databases/Operating Systems	29/9	29/9	38/10	28/10
Blackberrys/similar "PDA's"	67	70	67	67
Printers/plotters/scanners	82/4/30	82/4/30	82/4/30	82/4/30
Software applications	85	85	171	173
Radios (handheld and vehicular)	395	395	324	324
Telephone lines/Cell phones	850/273	855/283	906/270	911/270
VoIP Switches	14	14	18	21
Pagers/Texts to cell phones	75	75	16/99	16/99

PROGRAM NARRATIVE GENERAL GOVERNMENT

PROGRAM: Geographic Information Services
 DEPARTMENT: Finance & Information Technology

OPERATION: Organizational Support Services
 FUND: General Fund

PROGRAM COSTS	Actual 2009-10	Budgeted 2010-11	% Diff.	2011-13 Financial Plan	
				2011-12	2012-13
Staffing	330,400	426,800	-9.0%	388,200	389,700
Contract Services	41,900	60,700	-14.8%	51,700	51,700
Other Operating Expenditures	17,500	22,200	-17.6%	18,300	18,300
Minor Capital					
Total	\$389,800	\$509,700	-10.1%	\$458,200	\$459,700

PROGRAM DESCRIPTION

The geographic information services program operates and maintains the City's geographic information system (GIS) which is defined in the industry as an "organized collection of computer hardware, software, geographic data, and personnel designed to efficiently capture, store, update, manipulate, analyze, and display all forms of geographically referenced information." Program goals are: 1) develop and implement an accurate, comprehensive, and up-to-date geographic information system 2) provide quick and easy access to GIS data with reasonable security and 3) promote use of GIS to expedite work processes. This program has four major activities:

- **GIS Data Management and Maintenance.** Establishing and enforcing accuracy standards, update procedures, and database compatibility for GIS data; coordinating data sharing with local, state, and federal government; creating and developing new GIS data.
- **GIS Applications Development and Analysis.** Developing custom applications, interactive maps, and specific project map documents for analysis and inquiry of GIS information; performing complex GIS analyses.
- **GIS Training and Assistance.** Conducting training classes for city-wide GIS users; tutoring and assisting individual GIS users on specific projects; answering technical questions.
- **Cartography and Presentation.** Producing informative maps, reports, and digital graphics; assisting with presentation of geographic information.

STAFFING SUMMARY	Actual 2009-10	Budgeted 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Regular Positions				
Information Technology Manager*	0.0	0.5	0.5	0.5
GIS Supervisor	1.0	1.0	1.0	1.0
GIS Specialist	2.0	2.0	1.5	1.5
Total	3.0	3.5	3.0	3.0
Temporary Positions				
Full-Time Equivalents (FTE)	0.30	0.30	0.0	0.0

* Allocated 50% to Information Technology and 50% to Geographic Information Services

PROGRAM NARRATIVE GENERAL GOVERNMENT

PROGRAM: Geographic Information Services (continued)
 DEPARTMENT: Finance & Information Technology

SIGNIFICANT PROGRAM CHANGES

Reductions Required to Balance the Budget

- **2011-13** Reducing conference attendance will save \$3,000 annually.
- **2011-13** Reducing trips and meetings will save \$300 annually.
- **2011-13** Eliminating subscriptions will save \$300 annually.
- **2011-13** Eliminating operating materials & supplies will save \$300 annually.
- **2011+13** Eliminating temporary staffing will save \$7,100 annually.

2011-13 PROGRAM OBJECTIVES

Major City Goals

- **2011-13** *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.

Other Council Goals

- **2011-13** *Infrastructure Maintenance.* 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 and sidewalks, flood protection facilities, recreation facilities, bikeways, City-owned historic resources, and urban forest.)

Other Program Objectives

- **2011-13** IT/GIS Strategic Plan
- **2011-13** GIS support for implementing EnerGov Solution
- **2011-13** Replace old ArcIMS online mapping applications with current technology
- **2011-13** 2010 Census data update and demographic analysis (to be used for economic development and community planning)
- **2011-13** Implement mobile GIS solution for Utilities (Water Division)
- **2011-13** GIS support for Incident Management

WORKLOAD MEASURES	Actual 2009-10	Projected 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
GIS Data Storage Size		692 GB	1 TB	1.1 TB
Number of GIS Layer Maintained		811	811	811
Number of GIS layers managed in X drive		6982	7330	7680
Current internal passive GIS users	287	287	287	287
Current internal active GIS users	40	40	45	50
City-wide GIS applications available	12	12	12	15
External web applications	13	13	13	15

PROGRAM NARRATIVE GENERAL GOVERNMENT

PROGRAM: Building Maintenance
 DEPARTMENT: Public Works

OPERATION: Organizational Support Services
 FUND: General Fund

PROGRAM COSTS	Actual 2009-10	Budgeted 2010-11	% Dif..	2011-13 Financial Plan	
				2011-12	2012-13
Staffing	456,200	482,500	4.7%	505,300	507,000
Contract Services	230,900	230,000	-9.3%	208,500	212,700
Other Operating Expenditures	286,100	347,400	-4.9%	330,400	344,800
Minor Capital	0	8,900	-100.0%		
Total	\$973,200	\$1,068,800	-2.3%	\$1,044,200	\$1,064,500

PROGRAM DESCRIPTION

The building maintenance program provides full building maintenance services for City Hall, 919 Palm Street office space, utilities administration, parking enforcement offices, police station and annex, police and fire dispatch center, recreation offices, senior center, Ludwick Center, Jack House, City/County Museum, City/County Library meeting rooms, Corporation Yard administration, fleet building and shops, warehouse, paint storage, fuel island and wastewater collection buildings, Meadow Park meeting room, Sinsheimer concession stand, Railroad Museum, fire stations 1, 2, 3 and 4 (including the fleet and museum buildings).

The scope of program responsibility is to oversee unplanned, unbudgeted repairs to existing building features, and planned, budgeted building maintenance projects. Limited work and consultation services are offered at the program supervisor's discretion to tenants of City buildings outside of this program's charter such as park restrooms, utility plants, golf course, bus yard, parking structures, Old City Library, City-owned adobes, and any unsupported future expansion of buildings outside of the current chartered list. Program goals are to provide and maintain attractive buildings, comfortable and productive work environments, safe and energy-efficient buildings, and promote a positive image for the City, and maximum building service life.

This program has four major activities:

- **Skilled In-house Craft Maintenance.** Performing plumbing, electrical, carpentry, flooring, mechanical, hardware, painting, roofing, pump, boiler, furniture, tile, and drinking water purification system repairs. This work is performed by two full-time regular Building Maintenance Technicians and two full-time regular Building Maintenance Workers.
- **Specialized In-house Technical Service.** Servicing and maintaining HVAC systems, power cogeneration systems, security and fire alarm systems, locksmithing, telemetry, controls, filtration systems, specialized software. This work is performed by two full-time regular Building Maintenance Technicians and two full-time regular Building Maintenance Workers and coordinated by the Facilities Maintenance Supervisor and various contractors.
- **Contract and Housekeeping Service.** This work is performed by contractors with ongoing service contracts: HVAC filter service, janitorial service, reverse osmosis and de-ionized water systems, fire extinguishers, kitchen hood ansul systems, first aid kits, elevator inspection, alarm monitoring, pest control, floor refurbishment, kitchen range duct cleaning. This work is overseen by the Facilities Maintenance Supervisor.
- **Building Improvement.** Constructing minor capital maintenance projects. This work is typically performed by contractors, and work is overseen by the Facilities Maintenance Supervisor.

PROGRAM NARRATIVE GENERAL GOVERNMENT

PROGRAM: Building Maintenance (continued)
 DEPARTMENT: Public Works

STAFFING SUMMARY	Actual 2009-10	Budgeted 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Regular Positions				
Facilities Maintenance Supervisor	1.0	1.0	1.0	1.0
Building Maintenance Technician	2.0	2.0	2.0	2.0
Maintenance Worker	2.0	2.0	2.0	2.0
Total	5.0	5.0	5.0	5.0

SIGNIFICANT PROGRAM CHANGES

Reductions Required to Balance the Budget

- **2011-13** Eliminating the Data Processing budget will save \$400 annually.
- **2011-13** Reducing the Office Equipment budget will save \$3,900 annually.
- **2011-13** Reducing the Gas and Electrical Utility budgets will save \$20,300 annually.
- **2011-13** Reducing the HVAC Contract Services budget will save \$15,700 in 2011-12 and \$15,900 in 2012-13.
- **2011-13** Reducing the Trips & Meetings budget will save \$800 annually.
- **2011-13** Reducing Contract Services for Janitorial Services will save \$20,900 in 2011-12 and \$21,100 in 2012-13.

2011-13 PROGRAM OBJECTIVES

Major City Goals

- **2011-13** *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 resident's priorities, and includes cost reduction strategies.

Other Council Goals

- **2011-13** *Infrastructure Maintenance.* 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 and sidewalks, flood protection facilities, recreation facilities, bikeways, city-owned historic resources and urban forest).

Other Program Objectives

- **2011-13** Conversion of Facility Maintenance and Work Order Data to EnerGov Program
- **2011-13** Work on inclusion of programs currently outside the Building Maintenance program's charter for the 2011-13 Cost Allocation Plan

WORKLOAD MEASURES	Actual 2009-10	Projected 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Square feet of buildings maintained	216,594	231,138	231,138	231,138
Square feet of parking garages maintained	432,800	432,800	432,800	432,800
Work orders completed	1,508	1,692	1,600	1,600

PROGRAM NARRATIVE GENERAL GOVERNMENT

PROGRAM: Vehicle & Equipment Maintenance
 DEPARTMENT: Public Works

OPERATION: Fleet & Equipment
 FUND: General Fund

PROGRAM COSTS	Actual 2009-10	Budgeted 2010-11	% Diff.	2011-13 Financial Plan	
				2011-12	2012-13
Staffing	360,800	375,600	3.9%	390,400	395,000
Contract Services	75,900	57,500	1.4%	58,300	58,300
Other Operating Expenditures	527,500	485,800	19.5%	580,400	589,400
Minor Capital					
Total	\$964,200	\$918,900	12.0%	\$1,029,100	\$1,042,700

PROGRAM DESCRIPTION

The vehicle & equipment maintenance program maintains and repairs all City vehicles and construction equipment except those used in the fire and transit programs. The program goal is to provide safe, efficient and reliable vehicles and equipment. This program has seven major activities:

- **Vehicle and Construction Equipment Maintenance.** Servicing and repairing Police patrol units and motorcycles, automobiles, light and heavy trucks, construction equipment, parks mowers and specialized equipment accessories. Responding to emergency service calls and towing requests. Scheduling of preventative maintenance and repairs of all City fleet vehicles and equipment (except Fire).
- **Specialized Equipment Maintenance.** Maintaining the above ground fuel storage tanks and associated fueling systems, car & equipment washing facility, proper cleaning and disposal of clarifiers and emergency generators located at the Corporation Yard.
- **Safety Equipment Installation & Maintenance.** Maintaining radios, mobile-data computers and video recording systems for public safety units. Installing all after-market code-3 and safety equipment.
- **Procurement.** Recommending vehicle and equipment replacements in accordance with the City's Fleet Management Policy. Developing specifications for vehicle procurements. Managing City's inventory for fuel, oil, tires, welding gases and replacement parts. Responsible for disposing of City vehicles and equipment
- **Safety and Environmental Protection.** Arranging state-mandated inspections for smog certifications, diesel particulate trap certifications, off-road and commercial vehicles, stand-by generators, and cranes. Monitoring and disposing of hazardous materials for Fleet Services. Responsible for compliance with the California Department of Motor Vehicles "pull-notice" program for commercial vehicle licensing.
- **Permitting.** Coordinating Federal and State mandated permitting of portable engine equipment, emergency stand-by generators and vehicle emissions for all City fleet and equipment. Coordinating and implementing City's Hazardous Materials Business Plan and Spill Prevention Control & Countermeasures Plan for Above Ground Storage Tanks.
- **Fabrication.** Fabricating and welding specialized equipment.

STAFFING SUMMARY	Actual 2009-10	Budgeted 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Regular Positions				
Fleet Maintenance Supervisor	1.0	1.0	1.0	1.0
Heavy Equipment Mechanic	3.0	3.0	3.0	3.0
Total	4.0	4.0	4.0	4.0

PROGRAM NARRATIVE GENERAL GOVERNMENT

PROGRAM: Vehicle & Equipment Maintenance (continued)
 DEPARTMENT: Public Works

SIGNIFICANT PROGRAM CHANGES

Reductions Required to Balance the Budget

- **2011-13** Reducing the Special Equipment Installation budget will save \$1,900 annually.

2011-13 PROGRAM OBJECTIVES

Major City Goals

- **2011-13** *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 resident’s priorities, and includes cost reduction strategies.

Other Council Goals

- **2011-13** *Infrastructure Maintenance.* 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 and sidewalks, flood protection facilities, recreation facilities, bikeways, city-owned historic resources and urban forest).

Other Program Objectives

- **2011-13** Develop a Centralized Equipment and Vehicle Sharing Pool
- **2011-13** Maintain Fire Apparatus Mechanic Certification
- **2011-13** Maintain Chrysler-Dodge Warranty Shop Status
- **2011-13** Develop and Implement Spill Prevention Control & Countermeasures Plan
- **2011-13** Develop and Implement Hazardous Materials Business Plan
- **2011-13** Pursue Grants for Alternative Fuel Vehicles
- **2011-13** Reduce Fleet in proportion to City-wide staffing reductions currently assigned vehicles

WORKLOAD MEASURES	Actual 2009-10	Projected 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
City-Wide Fleet & Equipment Assets ¹	289	290	290	290
Motorized Rolling Stock (Vehicles)	200	200	200	200
Construction & Other Equipment	89	90	90	90
Units per Mechanic Ratio	96	97	97	97

¹Includes General & Enterprise Funds (Fire Dept. & Transit not previously included in these totals)

Section E

CAPITAL IMPROVEMENT PLAN



CAPITAL IMPROVEMENT PLAN

OVERVIEW

INTRODUCTION

All of the City's construction projects and equipment purchases costing \$15,000 or more are included in the Capital Improvement Plan. (Minor capital outlays costing less than \$15,000 are included with the operating program budgets.)

Through the Capital Improvement Plan (CIP), the City systematically plans, schedules and finances capital projects to ensure cost-effectiveness and conformance with established policies. Comprehensive policies governing the development and management of the CIP are set forth in the Policies and Objectives section of the Financial Plan (capital improvement management; capital financing and debt management).

The CIP is a five-year plan organized into the same six functional groupings used for the operating programs:

1. Public Safety
2. Public Utilities
3. Transportation
4. Leisure, Cultural & Social Services
5. Community Development
6. General Government

ORGANIZATION

The CIP is composed of six parts:

1. Overview introducing the CIP and describing project types, phases and financing.
2. Summary of CIP expenditures by function and operation.
3. Summary of CIP expenditures by funding source.
4. Listing of all CIP projects by function providing the project title, phase (study, environmental review, design, real property acquisitions, site

preparation, construction, construction management and equipment acquisitions), project cost and schedule.

5. Listing of all CIP projects by funding source.
6. Project description summaries (unless specifically noted, impact on operating budget is deemed insignificant).

SUPPLEMENTAL INFORMATION APPENDIX B: CIP PROJECTS

2011-16 CIP Project Detail. The CIP information provided in the Financial Plan is based on the project detail provided in *Appendix B: Capital Improvement Plan Projects*.

In addition to summary information, Appendix B includes detailed supporting documentation for each recommended (CIP) project proposed during 2011-13 providing the following information for each project:

1. Function
2. Request title
3. CIP project description
4. Link to Council Goals and/or Measure Y
5. Need and urgency
6. Readiness to build
7. Environmental review and permits required
8. Operating program related to the request
9. Project phasing and funding sources
10. Details of ongoing costs
11. Alternatives
12. Project manager and team support
13. Site list (if applicable)
14. Location map/schematic design (if applicable)

Also included in Appendix B is summary documentation for CIP projects proposed for 2013-16.

CAPITAL IMPROVEMENT PLAN

SUMMARY OF CIP EXPENDITURES BY FUNCTION

	2011-13 Financial Plan		Proposed	Proposed	Proposed
	2011-12	2012-13	2013-14	2014-15	2015-16
PUBLIC SAFETY					
Police Protection	443,200	230,000	156,500	1,291,600	648,500
Fire & Environmental Safety	60,000	235,800	69,000	121,000	105,500
Total Public Safety	503,200	465,800	225,500	1,412,600	754,000
PUBLIC UTILITIES					
Water Services	290,000	200,000	2,082,300	1,957,000	2,137,400
Wastewater Services	3,690,000	4,370,000	4,786,500	62,940,200	2,755,500
Whale Rock Reservoir	35,000				89,700
Total Public Utilities	4,015,000	4,570,000	6,868,800	64,897,200	4,982,600
TRANSPORTATION					
Streets	1,766,500	1,671,500	2,411,100	7,613,600	2,452,400
Pedestrian & Bicycle Paths	387,500	407,500	1,249,000	160,000	465,000
Creek & Flood Protection	719,000	730,000	1,337,000	532,000	2,248,000
Parking	222,300	195,000	174,500		
Transit	45,500		1,104,300	572,500	483,600
Transportation Management	284,000.00	25,000.00	812,000.00	17,845,000.00	123,000.00
Total Transportation	3,424,800	3,029,000	7,087,900	26,723,100	5,772,000
LEISURE, CULTURAL & SOCIAL SERVICES					
Parks & Recreation	164,800	580,800	471,100	778,700	972,700
Total Leisure, Cultural & Social Services	164,800	580,800	471,100	778,700	972,700
COMMUNITY DEVELOPMENT					
Natural Resource Protection	237,500	22,500	300,000	300,000	300,000
Construction Regulation				50,200	96,100
Total Community Development	237,500	22,500	300,000	350,200	396,100
GENERAL GOVERNMENT					
Information Technology	312,200	25,000	675,000	627,100	27,100
Buildings	10,000	130,000	165,200	114,500	116,900
Fleet Management	66,800				77,400
Total General Government	389,000	155,000	840,200	741,600	221,400
TOTAL	\$8,734,300	\$8,823,100	\$15,793,500	\$94,903,400	\$13,098,800

CAPITAL IMPROVEMENT PLAN

SUMMARY OF CIP EXPENDITURES BY FUNDING SOURCE

	2011-13 Financial Plan		Proposed 2013-14	Proposed 2014-15	Proposed 2015-16
	2011-12	2012-13			
CAPITAL OUTLAY FUND					
General Fund	3,355,800	3,044,400	4,027,200	4,146,200	4,961,100
Federal & State Grants	340,000	320,000	1,682,800	5,945,900	885,000
Total Capital Outlay Fund	3,695,800	3,364,400	5,710,000	10,092,100	5,846,100
COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUND					
Federal Grants		105,000	105,000	105,000	105,000
TRANSPORTATION IMPACT FEE FUND					
Transportation Impact Fees	73,000	25,000	73,000	25,000	73,000
Federal & State Grants	330,000	250,000	1,004,000	13,800,000	
Other Sources				4,000,000	
Total Transportation Impact Fee Fund	403,000	275,000	1,077,000	17,825,000	73,000
OPEN SPACE PROTECTION FUND					
General Fund	237,500	22,500	75,000	75,000	75,000
Grants			225,000	225,000	225,000
Total	237,500	22,500	300,000	300,000	300,000
FLEET REPLACEMENT FUND					
General Fund	57,500	291,200	371,200	1,042,100	1,308,500
ENTERPRISE AND AGENCY FUNDS					
Water Fund	311,400	200,000	2,128,300	1,974,000	2,137,400
Sewer Fund	3,711,500	4,370,000	4,807,000	62,973,700	2,755,500
Parking Fund	228,600	195,000	182,600	9,500	
Transit Fund	54,000		1,112,400	582,000	483,600
Whale Rock Fund	35,000				89,700
Total Enterprise and Agency Funds	4,340,500	4,765,000	8,230,300	65,539,200	5,466,200
TOTAL	\$8,734,300	\$8,823,100	\$15,793,500	\$94,903,400	\$13,098,800

CAPITAL IMPROVEMENT PLAN

PROJECT DETAIL AND PHASING - PUBLIC SAFETY

	2011-13 Financial Plan		Proposed	Proposed	Proposed
	2011-12	2012-13	2013-14	2014-15	2015-16
POLICE PROTECTION					
Police Laser Fiche Server Replacement	65,000				
Replace Variable Air Volume Control Units	28,200				
Computer Aided Dispatch Server Replacement	350,000				
Interior Painting Police Station			32,000		
Police Station Chiller			100,000		
Police Station Mechanical Well			23,000		
Police Station Exterior Painting					
Design			1,500		
Construction				49,500	
Police Station Boiler				18,000	
Replacement of Mobile Data Computers				429,000	
Replacement of In Car Video Equipment				250,000	
Police Station HVAC Ducting					
Design				7,500	
Construction					36,000
Rifle Range Roof Replacement					27,000
Police Station Remodel					20,000
Fleet Replacement					
Police Department Marked Patrol Sedans		230,000		230,000	230,000
Police Department Unmarked Patrol Sedans				78,200	
Police Support Services Marked Pickup Truck				44,000	
Police Traffic Safety Motorcycles				185,400	30,900
Police Department Transportation Van					29,200
Police SNAP Program Sedan					25,800
Police Patrol Marked SUVs					92,000
Police Investigations Unmarked Sedans					105,800
Police Traffic Safety Speed Radar Equipment					25,700
Police Administration Unmarked Sedan					26,100
Total Police Protection	443,200	230,000	156,500	1,291,600	648,500

CAPITAL IMPROVEMENT PLAN

PROJECT DETAIL AND PHASING - PUBLIC SAFETY

	2011-13 Financial Plan		Proposed	Proposed	Proposed
	2011-12	2012-13	2013-14	2014-15	2015-16
FIRE & ENVIRONMENTAL SAFETY					
Thermal Image Camera Replacement	40,000				
Fire Station 3 Engine Bay Slab Replacement					
Design	20,000				
Construction		70,000			
Construction Management		10,000			
Cardiac Monitor Replacement		94,600			
Fire Station Exterior Painting					
Design			1,500		
Construction				32,000	
Fire Station Masonry Sealing				27,000	
Replacement of Holmatro Extrication Equipment on Two Fire Engines				25,000	
Replacement of Nozzles and Hoses				37,000	
Replacement of Holmatro Extrication Equipment on Fire Station #2 Engine Bay Slab Replacement Design					45,000
Fleet Replacement					19,000
Fire Battalion Chief Command Vehicle		61,200			
Fire Prevention SUVs			67,500		
Fire Administration Chief Sedan					41,500
Total Fire & Environmental Safety	60,000	235,800	69,000	121,000	105,500
TOTAL PUBLIC SAFETY	\$503,200	\$465,800	\$225,500	\$1,412,600	\$754,000

CAPITAL IMPROVEMENT PLAN

PROJECT DETAIL AND PHASING - PUBLIC UTILITIES

	2011-13 Financial Plan		Proposed	Proposed	Proposed
	2011-12	2012-13	2013-14	2014-15	2015-16
WATER SERVICES					
<i>Water Distribution</i>					
Water Reuse Automation Improvements	50,000		100,000		
Water Reuse Distribution Analysis and Master Plan Study	40,000				
Master Plan Update				50,000	
Water Distribution System Improvements	200,000	200,000	200,000	1,487,300	1,421,400
Distribution Pump Station Assessment			35,000		
Stenner Canyon Raw Waterline Replacement			100,000		
Water Storage Reservoir Maintenance and Tank Design					60,000
Construction				181,000	386,000
Distribution Pump Station Upgrade					50,000
Fleet Replacement					
Mid-Size Pickup Truck Replacement for Water					20,000
<i>Water Treatment Plant</i>					
Air Compressor Replacements at Water Treatment Plant			100,000	100,000	100,000
Fleet Replacement					
Water Treatment Plant Compact Truck			23,100		
Water Treatment Plant Service Body Truck				63,300	
<i>Administration and Engineering</i>					
Utilities Telemetry System Improvements			1,500,000		
Utilities Generator Replacement				55,000	
Water Division Asset Management Plan Development					100,000
Fleet Replacement					
Utilities Administration Sedan			24,200		
Utilities Conservation Compact Pickup Truck				20,400	
Total Water Services	290,000	200,000	2,082,300	1,957,000	2,137,400

CAPITAL IMPROVEMENT PLAN

PROJECT DETAIL AND PHASING - PUBLIC UTILITIES

	2011-13 Financial Plan		Proposed	Proposed	Proposed
	2011-12	2012-13	2013-14	2014-15	2015-16
WHALE ROCK RESERVOIR					
<i>Whale Rock Operations</i>					
Whale Rock Reservoir Siltation Study	35,000				
Fleet Replacement					
Whale Rock Reservoir 4x4 Pickup Truck					50,100
Whale Rock Reservoir Skip Loader					39,600
Total Whale Rock Reservoir	35,000				89,700
WASTEWATER SERVICES					
<i>Wastewater Collection</i>					
Laguna Sewer Lift Station Replacement					
Design	200,000				
Construction	800,000				
Construction Management	200,000				
Wastewater Collection System Infrastructure Replacement Strategy	200,000	100,000			
Calle Joaquin Siphon, Lift Station and Force Main					
Design	500,000				
Construction		1,200,000			
Construction Management		300,000			
Wastewater Collection System Improvements	1,380,000	500,000	1,575,000	800,000	1,470,000
Madonna Sewer Lift Station Replacement					
Design			100,000		
Construction				500,000	
Margarita Sewer Lift Station Replacement					
Design				100,000	
Construction					500,000
Foothill Sewer Lift Station Replacement					100,000
Fleet Replacement					
Wastewater Collections Pickup Truck			20,300		
Wastewater Collections Vac-Con Sewer Rodder					
Hydro-Cleaner			345,000		
Wastewater Collections Portable Generators				309,300	
Wastewater Collections Sewer Camera Cargo Van					160,600

CAPITAL IMPROVEMENT PLAN

PROJECT DETAIL AND PHASING - PUBLIC UTILITIES

	2011-13 Financial Plan		Proposed	Proposed	Proposed
	2011-12	2012-13	2013-14	2014-15	2015-16
WASTEWATER SERVICES, Continued					
<i>Water Reclamation Facility (WRF)</i>					
Water Reclamation Facility Energy Cogeneration					
Design	100,000				
Construction		400,000			
Water Reclamation Facility Major Maintenance	310,000	370,000	575,000	320,000	505,000
Water Reclamation Facility Upgrade					
Design		1,500,000	2,000,000		
Construction				56,300,000	
Construction Management				4,500,000	
Fleet Replacement					
Water Reclamation Facility Utility Trucks			42,200		
Water Reclamation Facility 4-Wheel Drive Loader			129,000		
Water Reclamation Facility Compact Pickup Truck				22,400	
Water Reclamation Facility Service Body Truck				33,500	
Water Reclamation Facility Sedan					19,900
<i>Administration and Engineering</i>					
Utilities Generator Replacement				55,000	
Total Wastewater Services	3,690,000	4,370,000	4,786,500	62,940,200	2,755,500
TOTAL PUBLIC UTILITIES	\$4,015,000	\$4,570,000	\$6,868,800	\$64,897,200	\$4,982,600

CAPITAL IMPROVEMENT PLAN

PROJECT DETAIL AND PHASING - TRANSPORTATION

	2011-13 Financial Plan		Proposed	Proposed	Proposed
	2011-12	2012-13	2013-14	2014-15	2015-16
STREETS					
<i>Pavement Maintenance</i>					
City Facility Parking Lot Maintenance				75,000	82,000
<i>Street Improvements</i>					
Street Reconstruction & Resurfacing					
Study	60,000	60,000	60,000	50,000	60,000
Design	120,000	75,000	120,000	25,000	120,000
Construction	1,450,000	1,315,000	1,450,000	600,000	1,450,000
Construction Management	70,000	50,000	70,000	25,000	70,000
Sign Maintenance					
Software	6,500	6,500	6,500	6,500	6,500
Construction	60,000	60,000	60,000	60,000	60,000
Curb Ramps Replacements					
Design		30,000	30,000	30,000	30,000
Construction		75,000	75,000	75,000	75,000
Pismo Street Retaining Barrier					
			25,000		
Prado Road Bridge Maintenance					
Design			15,000		
Construction				148,000	
Construction Management				22,000	
Marsh Street Bridge Rehabilitation					
Property Acquisition			300,000		
Construction				6,100,000	
Construction Management				300,000	
Median Landscaping					
					50,000
Fleet Replacement					
Street Maintenance Trucks			102,700		
Street Maintenance Backhoes			96,900		111,900
Street Maintenance Stencil Truck				97,100	
Street Maintenance Skid Steer					126,700
Street Maintenance Sweeper					210,300
Total Streets	1,766,500	1,671,500	2,411,100	7,613,600	2,452,400

CAPITAL IMPROVEMENT PLAN

PROJECT DETAIL AND PHASING - TRANSPORTATION

	2011-13 Financial Plan		Proposed	Proposed	Proposed
	2011-12	2012-13	2013-14	2014-15	2015-16
PEDESTRIAN AND BICYCLE PATHS					
<i>Pedestrian Improvements</i>					
Warden Bridge Deck/Mission Plaza Walkway Rehabilitation					
Design	7,500				
Construction		50,000			
Construction Management		7,500			
Sidewalk Repairs	25,000	35,000	35,000	35,000	35,000
Pathway Maintenance			60,000	60,000	60,000
<i>Bikeway Improvements</i>					
Railroad Safety Trail Extension - Hathway to Taft					
Design	50,000				
Construction		200,000			
Construction Management		50,000			
Railroad Safety Trail Extension - Taft to Pepper					
Land Acquisition	80,000				
Design	200,000				
Construction			884,000		
Construction Management			120,000		
Bicycle Facility Improvement	25,000	25,000	25,000	25,000	25,000
Bob Jones Trail Octagon Barn Connection					
Study		40,000			
Environmental/Permit			25,000		
Land Acquisition			100,000		
Design				40,000	
Construction					300,000
Construction Management					45,000
Total Pedestrian and Bicycle Paths	387,500	407,500	1,249,000	160,000	465,000

CAPITAL IMPROVEMENT PLAN

PROJECT DETAIL AND PHASING - TRANSPORTATION

	2011-13 Financial Plan		Proposed	Proposed	Proposed
	2011-12	2012-13	2013-14	2014-15	2015-16
CREEK AND FLOOD PROTECTION					
Andrews Creek Bypass					
Construction	20,000				
Construction Management	64,000				
Toro Street Bank Stabilization					
Environmental/Permit	20,000				
Design	15,000				
Construction		30,000			
Silt Removal					
Environmental/Permit			90,000		
Design				90,000	
Construction	250,000	280,000			540,000
Storm Drain System Replacement					
Design	50,000	50,000	50,000	50,000	50,000
Construction	250,000	250,000	250,000		500,000
Construction Management	50,000	50,000	50,000		100,000
Broad Street Bank Reinforcement					
Environmental/Permit		20,000			
Design		15,000			
Construction				35,000	
Storm Drain Culvert Repair and Replacement					
Design		35,000	60,000	40,000	18,000
Construction			157,000	162,000	98,000
Mid-Higuera Bypass			500,000		
Johnson Underpass Pump			180,000		
City Property Stormwater Improvements					
Design				50,000	
Construction					350,000
Construction Management					50,000
Headwall Replacement - Florence Ave					
Design				30,000	
Construction					100,000
Construction Management					15,000
Storm Drain Outlet Clearance					
Environmental/Permit				20,000	
Design				20,000	
Construction					350,000
Construction Management					40,000
McMillan Road Bank Stabilization					
Environmental/Permit				35,000	
Construction					37,000
Total Creek and Flood Protection	719,000	730,000	1,337,000	532,000	2,248,000

CAPITAL IMPROVEMENT PLAN

PROJECT DETAIL AND PHASING - TRANSPORTATION

	2011-13 Financial Plan		Proposed	Proposed	Proposed
	2011-12	2012-13	2013-14	2014-15	2015-16
PARKING					
Credit Card Parking Meter Enhancement	222,300				
Marsh Street Parking Structure Painting - Phase II					
Construction		150,000			
Construction Management		25,000			
Parking Lot Resurfacing					
Design		20,000			
Construction			75,000		
Construction Management			20,000		
Fleet Replacement					
Parking Enforcement Vehicles			79,500		
Total Parking	222,300	195,000	174,500		
TRANSIT					
Transit Facility Above Ground Fuel Tank			250,000		
Transit Facility Bus Wash Modification			100,000		
Transit Facility Expansion			261,000		
Transit Facility Roof Repair					
Design				7,500	
Construction				80,000	
Construction Management				12,500	
Fleet Addition					
SLO Transit Sedan with Wheelchair Lift			43,300		
Fleet Replacement					
SLO Transit Pickup Truck	45,500				
SLO Transit Buses Replacement			450,000	472,500	483,600
Total Transit	45,500		1,104,300	572,500	483,600

CAPITAL IMPROVEMENT PLAN

PROJECT DETAIL AND PHASING - TRANSPORTATION

	2011-13 Financial Plan		Proposed	Proposed	Proposed
	2011-12	2012-13	2013-14	2014-15	2015-16
TRANSPORTATION MANAGEMENT					
Bob Jones Trail Connection					
Environmental/Permit	8,000				
Design	173,000				
Construction			599,000		
Construction Management			90,000		
Traffic Operations Projects	30,000		30,000		30,000
Traffic Counts	48,000		48,000		48,000
Traffic Safety Projects	25,000	25,000	25,000	25,000	25,000
Neighborhood Traffic Management			20,000	20,000	20,000
Los Osos Valley Road Interchange Improvements					
Construction				15,400,000	
Construction Management				2,400,000	
Total Transportation Management	284,000	25,000	812,000	17,845,000	123,000
TOTAL TRANSPORTATION	\$3,424,800	\$3,029,000	\$7,087,900	\$26,723,100	\$5,772,000

CAPITAL IMPROVEMENT PLAN

PROJECT DETAIL AND PHASING - LEISURE, CULTURAL & SOCIAL SERVICES

	2011-13 Financial Plan		Proposed	Proposed	Proposed
	2011-12	2012-13	2013-14	2014-15	2015-16
PARKS & RECREATION					
<i>Recreation Programs</i>					
Parks and Recreation Administration Software	13,500				
Exterior Painting of Parks and Recreation Building					
Design	3,000				
Construction	22,000				
Public Art	8,500	10,800	10,500	11,000	13,700
Playground Equipment Replacement					
Design	35,300			92,000	
Construction		430,000			460,000
Construction Management		90,000			100,000
Fleet Replacement					
Parks & Recreation Ranger Program Pickup				31,400	
<i>Parks and Landscape</i>					
Meadow Park Roof Replacement	25,000				
Sinsheimer Stadium Building Assessment		50,000			
Damon Garcia Maintenance Cover Construction			62,000		
Sinsheimer Stadium Stairs					
Design			15,000		
Construction				80,000	
Construction Management				15,000	
Restroom Replacement & Remodeling					
Design				60,000	
Construction			202,000		182,000
Construction Management			55,000		55,000
Fleet Replacement					
Parks Maintenance Field Conditioner			10,400		
Parks Maintenance Equipment Trailer			4,800		
Trees Maintenance Pickup Truck			20,500		
Parks Maintenance Pickup Trucks			68,400	135,900	
Parks Maintenance Tow-Behind Turf Sweeper				6,500	
Trees Maintenance Water Tank Truck				94,000	
Parks Maintenance Utility Cart					9,600

CAPITAL IMPROVEMENT PLAN

PROJECT DETAIL AND PHASING - LEISURE, CULTURAL & SOCIAL SERVICES

	2011-13 Financial Plan		Proposed	Proposed	Proposed
	2011-12	2012-13	2013-14	2014-15	2015-16
Swim Center					
Olympic Pool Replastering					
Design			22,500		
Construction				187,500	
Bath House T-Bar Ceiling Replacement				24,200	
Bath House Roof Replacement					
Design				7,500	
Construction					62,000
Olympic Pool Boiler Replacement					
Design				2,300	
Construction					23,000
Swim Center Pool Cover Replacement					25,000
Fleet Replacement					
Swim Center Pickup Truck				31,400	
Golf Course					
Fleet Replacement					
Laguna Lake Golf Course Mower Replacement	57,500				
Golf Mower					42,400
TOTAL LEISURE, CULTURAL & SOCIAL SERVICES	\$164,800	\$580,800	\$471,100	\$778,700	\$972,700

CAPITAL IMPROVEMENT PLAN

PROJECT DETAIL AND PHASING - COMMUNITY DEVELOPMENT

	2011-13 Financial Plan		Proposed	Proposed	Proposed
	2011-12	2012-13	2013-14	2014-15	2015-16
NATURAL RESOURCES PROTECTION					
Froom Ranch Improvements					
Environmental/Permit	5,000				
Land Acquisition	5,000				
Construction	52,500	22,500			
Open Space Acquisition	175,000		300,000	300,000	300,000
Total Natural Resources Protection	237,500	22,500	300,000	300,000	300,000
CONSTRUCTION REGULATION					
<i>Building & Safety</i>					
Fleet Replacement					
Building Inspection Vehicles					71,000
<i>CIP Project Engineering</i>					
Fleet Replacement					
Capital Engineering Pickup Trucks				50,200	25,100
Total Construction Regulation				50,200	96,100
TOTAL COMMUNITY DEVELOPMENT	\$237,500	\$22,500	\$300,000	\$350,200	\$396,100

CAPITAL IMPROVEMENT PLAN

PROJECT DETAIL AND PHASING - GENERAL GOVERNMENT

	2011-13 Financial Plan		Proposed	Proposed	Proposed
	2011-12	2012-13	2013-14	2014-15	2015-16
INFORMATION TECHNOLOGY					
City Website Upgrade	45,000				
Microsoft Office Replacement	201,200				
Wireless Network Infrastructure Replacement	66,000				
Emergency Communication Center Blade Warranty		25,000			
Emergency Communication Center Blade Replacements			150,000		
Firewalls			200,000		
Virtual Private Network Appliances			200,000		
Web Filter/Security Upgrades/Network Security			125,000		
Dispatch Equipment Replacement				50,000	
Network Equipment Replacement				550,000	
Fleet Replacement					
Van for Finance & Information Technology				27,100	
Finance & Information Technology Compact 4x4					
Pickup Truck					27,100
Total Information Technology	312,200	25,000	675,000	627,100	27,100

BUILDINGS					
City Hall Entry Steps					
Design	10,000				
Construction		120,000			
Construction Management		10,000			
Exterior Painting of Ludwick and Senior Centers			91,500		
Jack House Exterior Painting			24,600		
City Hall Exterior Painting			31,500		
Corporation Yard Fuel Building Rehabilitation					
Design			8,000		
Construction				35,000	

CAPITAL IMPROVEMENT PLAN

PROJECT DETAIL AND PHASING - GENERAL GOVERNMENT

	2011-13 Financial Plan		Proposed	Proposed	Proposed
	2011-12	2012-13	2013-14	2014-15	2015-16
BUILDINGS, continued					
City Hall Perimeter Drain Repair					
Design			9,600		
Construction				27,500	
Ludwick Center Roof Replacement					
Design				7,900	
Construction					78,900
City/County Library Heat Pump Replacement					
Design				13,200	
Construction					38,000
Fleet Replacement					
Building Maintenance Pickup Truck				30,900	
Total Buildings	10,000	130,000	165,200	114,500	116,900
FLEET MANAGEMENT					
Particulate Matter Trap Retrofit	66,800				
Fleet Replacement					
Fleet Division Forklift					32,600
Fleet Division City Pool Cars					44,800
Total Fleet Management	66,800				77,400
TOTAL GENERAL GOVERNMENT	\$389,000	\$155,000	\$840,200	\$741,600	\$221,400

CAPITAL IMPROVEMENT PLAN

PROJECT EXPENDITURES BY SOURCE - CAPITAL OUTLAY FUND

	2011-13 Financial Plan		Proposed	Proposed	Proposed
	2011-12	2012-13	2013-14	2014-15	2015-16
GENERAL FUND					
Police Protection					
Police Laser Fiche Server Replacement	65,000				
Replace Variable Air Volume Control Units	28,200				
Computer Aided Dispatch Server Replacement	350,000				
Interior Painting Police Station			32,000		
Police Station Chiller			100,000		
Police Station Mechanical Well			23,000		
Police Station Exterior Painting			1,500	49,500	
Police Station Boiler				18,000	
Replacement of Mobile Data Computers				429,000	
Replacement of In Car Video Equipment				250,000	
Police Station HVAC Ducting				7,500	36,000
Rifle Range Roof Replacement					27,000
Police Station Remodel					20,000
Fire & Environmental Safety					
Fire Station 3 Engine Bay Slab Replacement	20,000	80,000			
Cardiac Monitor Replacement		94,600			
Fire Station Exterior Painting			1,500	32,000	
Fire Station Masonry Sealing				27,000	
Replacement of Holmatro Extrication Equipment on Two Fire Engines				25,000	
Replacement of Nozzles and Hoses				37,000	
Replacement of Holmatro Extrication Equipment on Fire Truck					45,000
Fire Station #2 Engine Bay Slab Replacement					19,000
Transportation Management					
* Bob Jones Trail Connection	131,000				
Traffic Operations Projects	30,000		30,000		30,000
Traffic Safety Projects	25,000	25,000	25,000	25,000	25,000
Neighborhood Traffic Management			20,000	20,000	20,000
Streets					
Street Reconstruction & Resurfacing	1,700,000	1,500,000	1,700,000	700,000	1,700,000
Sign Maintenance	66,500	66,500	66,500	66,500	66,500
Pismo Street Retaining Barrier			25,000		
* Prado Road Bridge Maintenance			1,800	20,000	
* Marsh Street Bridge Rehabilitation			34,400	734,100	
City Facility Parking Lot Maintenance				75,000	82,000
Median Landscaping					50,000
Pedestrian and Bicycle Paths					
Warden Bridge Deck/Mission Plaza Walkway	7,500	57,500			
Sidewalk Repairs	25,000	35,000	35,000	35,000	35,000
Pathway Maintenance			60,000	60,000	60,000

* Project funded by more than one source

CAPITAL IMPROVEMENT PLAN

PROJECT EXPENDITURES BY SOURCE - CAPITAL OUTLAY FUND

	2011-13 Financial Plan		Proposed 2013-14	Proposed 2014-15	Proposed 2015-16
	2011-12	2012-13			
GENERAL FUND					
Creek and Flood Protection					
Andrews Creek Bypass	84,000				
Toro Street Bank Stabilization	35,000	30,000			
Storm Drain System Replacement	350,000	350,000	350,000	50,000	650,000
Broad Street Bank Reinforcement		35,000		35,000	
Storm Drain Culvert Repair and Replacement		35,000	217,000	202,000	116,000
Johnson Underpass Pump			180,000		
City Property Stormwater Improvements				50,000	400,000
Headwall Replacement - Florence Ave				30,000	115,000
Storm Drain Outlet Clearance				40,000	390,000
McMillan Road Bank Stabilization				35,000	37,000
Parks and Recreation					
Parks and Recreation Administration Software	13,500				
Exterior Painting of Parks and Recreation Building	25,000				
Public Art	8,500	10,800	10,500	11,000	13,700
Playground Equipment Replacement	35,300	520,000		92,000	560,000
Olympic Pool Replastering			22,500	187,500	
Bath House T-Bar Ceiling Replacement				24,200	
Bath House Roof Replacement				7,500	62,000
Olympic Pool Boiler Replacement				2,300	23,000
Swim Center Pool Cover Replacement					25,000
Meadow Park Roof Replacement	25,000				
Sinsheimer Stadium Building Assessment		50,000			
Damon Garcia Maintenance Cover Construction			62,000		
Sinsheimer Stadium Stairs			15,000	95,000	
Restroom Replacement & Remodeling			257,000	60,000	237,000
Information Technology					
* City Website Upgrade	36,400				
* Microsoft Office Replacement	173,600				
* Wireless Network Infrastructure Replacement	56,500				
Emergency Communication Center Blade Warranty Extension		25,000			
Emergency Communication Center Blade			150,000		
* Firewalls			171,000		
* Virtual Private Network Appliances			164,500		
* Web Filter/Security Upgrades/Network Security			106,800		
Dispatch Equipment Replacement				50,000	
* Network Equipment Replacement				480,500	

CAPITAL IMPROVEMENT PLAN

PROJECT EXPENDITURES BY SOURCE - CAPITAL OUTLAY FUND

	2011-13 Financial Plan		Proposed	Proposed	Proposed
	2011-12	2012-13	2013-14	2014-15	2015-16
GENERAL FUND					
Buildings					
City Hall Entry Steps	10,000	130,000			
Exterior Painting of Ludwick and Senior Centers			91,500		
Jack House Exterior Painting			24,600		
City Hall Exterior Painting			31,500		
Corporation Yard Fuel Building Rehabilitation			8,000	35,000	
City Hall Perimeter Drain Repair			9,600	27,500	
Ludwick Center Roof Replacement				7,900	78,900
City/County Library Heat Pump Replacement				13,200	38,000
Fleet Management					
* Particulate Matter Trap Retrofit	54,800				
Total General Fund	3,355,800	3,044,400	4,027,200	4,146,200	4,961,100
FEDERAL AND STATE GRANTS					
Thermal Image Camera Replacement	40,000				
* Bob Jones Trail Connection	50,000		689,000		
* Prado Road Bridge Maintenance			13,200	150,000	
* Marsh Street Bridge Rehabilitation			265,600	5,665,900	
Bob Jones Trail Octagon Barn Connection		40,000	125,000	40,000	345,000
Silt Removal	250,000	280,000	90,000	90,000	540,000
Mid-Higuera Bypass			500,000		
Total Federal and State Grants	340,000	320,000	1,682,800	5,945,900	885,000
TOTAL CAPITAL OUTLAY FUND	\$3,695,800	\$3,364,400	\$5,710,000	\$10,092,100	\$5,846,100

CAPITAL IMPROVEMENT PLAN

PROJECT EXPENDITURES BY SOURCE - CDBG FUND

	2011-13 Financial Plan		Proposed	Proposed	Proposed
	2011-12	2012-13	2013-14	2014-15	2015-16
FEDERAL AND STATE GRANTS **					
Curb Ramps Replacements		105,000	105,000	105,000	105,000
TOTAL COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUND		\$105,000	\$105,000	\$105,000	\$105,000

* Project funded by more than one source

CAPITAL IMPROVEMENT PLAN

PROJECT EXPENDITURES BY SOURCE - TRANSPORTATION IMPACT FEE FUND

	2011-13 Financial Plan		Proposed	Proposed	Proposed
	2011-12	2012-13	2013-14	2014-15	2015-16
TRANSPORTATION IMPACT FEES					
Traffic Counts	48,000		48,000		48,000
Bicycle Facility Improvements	25,000	25,000	25,000	25,000	25,000
Total Impact Fees	73,000	25,000	73,000	25,000	73,000
FEDERAL AND STATE GRANTS					
* Los Osos Valley Road Interchange Improvements				13,800,000	
Railroad Safety Trail Extension - Hathway to Taft	50,000	250,000			
Railroad Safety Trail Extension - Taft to Pepper	280,000		1,004,000		
Total Grants	330,000	250,000	1,004,000	13,800,000	
OTHER SOURCES					
* Los Osos Valley Road Interchange Improvements				4,000,000	
Total Other Sources				4,000,000	
TOTAL TRANSPORTATION IMPACT FEE FUND	\$403,000	\$275,000	\$1,077,000	\$17,825,000	\$73,000

* Project funded by more than one source

CAPITAL IMPROVEMENT PLAN

PROJECT EXPENDITURES BY SOURCE - OPEN SPACE PROTECTION FUND

	2011-13 Financial Plan		Proposed	Proposed	Proposed
	2011-12	2012-13	2013-14	2014-15	2015-16
GENERAL FUND					
Froom Ranch Improvements	62,500	22,500			
* Open Space Acquisition	175,000		75,000	75,000	75,000
Total General Fund	237,500	22,500	75,000	75,000	75,000
FEDERAL AND STATE GRANTS					
* Open Space Acquisition			225,000	225,000	225,000
Total Grants			225,000	225,000	225,000
TOTAL OPEN SPACE PROTECTION FUND	\$237,500	\$22,500	\$300,000	\$300,000	\$300,000

* Project funded by more than one source

CAPITAL IMPROVEMENT PLAN

PROJECT EXPENDITURES BY SOURCE - FLEET REPLACEMENT FUND

	2011-13 Financial Plan		Proposed	Proposed	Proposed
	2011-12	2012-13	2013-14	2014-15	2015-16
GENERAL FUND					
Police Protection					
Police Department Marked Patrol Sedans	230,000			230,000	230,000
Police Department Unmarked Patrol Sedans				78,200	
Police Support Services Marked Pickup Truck				44,000	
Police Traffic Safety Motorcycles				185,400	30,900
Police Department Transportation Van					29,200
Police SNAP Program Sedan					25,800
Police Patrol Marked SUVs					92,000
Police Investigations Unmarked Sedans					105,800
Police Traffic Safety Speed Radar Equipment Trailer					25,700
Police Administration Unmarked Sedan					26,100
Fire & Environmental Safety					
Fire Battalion Chief Command Vehicle	61,200				
Fire Prevention SUVs			67,500		
Fire Administration Chief Sedan					41,500
Streets					
Street Maintenance Trucks			102,700		
Street Maintenance Backhoes			96,900		111,900
Street Maintenance Stencil Truck				97,100	
Street Maintenance Skid Steer					126,700
Street Maintenance Sweeper					210,300

CAPITAL IMPROVEMENT PLAN

PROJECT EXPENDITURES BY SOURCE - FLEET REPLACEMENT FUND

	2011-13 Financial Plan		Proposed	Proposed	Proposed
	2011-12	2012-13	2013-14	2014-15	2015-16
GENERAL FUND					
Parks & Recreation					
Parks & Recreation Ranger Program Pickup				31,400	
Parks Maintenance Field Conditioner			10,400		
Parks Maintenance Equipment Trailer			4,800		
Trees Maintenance Pickup Truck			20,500		
Parks Maintenance Pickup Trucks			68,400	135,900	
Parks Maintenance Tow-Behind Turf Sweeper				6,500	
Trees Maintenance Water Tank Truck				94,000	
Parks Maintenance Utility Cart					9,600
Swim Center Pickup Truck				31,400	
Laguna Lake Golf Course Mower Replacement	57,500				
Golf Mower					42,400
Building & Safety					
Building Inspection Vehicles					71,000
CIP Project Engineering					
Capital Engineering Pickup Trucks				50,200	25,100
Information Technology					
Van for Finance & Information Technology				27,100	
Finance & Information Technology Compact 4x4 Pickup Truck					27,100
Building Operations & Maintenance					
Building Maintenance Pickup Truck				30,900	
Fleet Management					
Fleet Division Forklift					32,600
Fleet Division City Pool Cars					44,800
TOTAL FLEET REPLACEMENT FUND	\$57,500	\$291,200	\$371,200	\$1,042,100	\$1,308,500

CAPITAL IMPROVEMENT PLAN

PROJECT EXPENDITURES BY SOURCE - ENTERPRISE AND AGENCY FUNDS

	2011-13 Financial Plan		Proposed	Proposed	Proposed
	2011-12	2012-13	2013-14	2014-15	2015-16
WATER FUND					
Water Distribution					
Water Reuse Automation Improvements	50,000		100,000		
Water Reuse Distribution Analysis and Master Plan	40,000			50,000	
Water Distribution System Improvements	200,000	200,000	200,000	1,487,300	1,421,400
Distribution Pump Station Assessment			35,000		
Stenner Canyon Raw Waterline Replacement			100,000		
Water Storage Reservoir Maintenance and Tank Replacement				181,000	446,000
Distribution Pump Station Upgrade					50,000
Fleet Replacement					
Mid-Size Pickup Truck Replacement for Water Distribution					20,000
Water Treatment Plant					
Air Compressor Replacements at Water Treatment Plant			100,000	100,000	100,000
Fleet Replacement					
Water Treatment Plant Compact Truck			23,100		
Water Treatment Plant Service Body Truck				63,300	
Administration & Engineering					
Utilities Telemetry System Improvements			1,500,000		
* Utilities Generator Replacement				55,000	
Water Division Asset Management Plan Development					100,000
Fleet Replacement					
Utilities Administration Sedan			24,200		
Utilities Conservation Compact Pickup Truck				20,400	
* City Website Upgrade	1,900				
* Microsoft Office Replacement	10,000				
* Wireless Network Infrastructure Replacement	9,500				
* Firewalls			10,500		
* Virtual Private Network Appliances			29,000		
* Web Filter/Security Upgrades/Network Security			6,500		
* Network Equipment Replacement				17,000	
Total Water Fund	311,400	200,000	2,128,300	1,974,000	2,137,400

CAPITAL IMPROVEMENT PLAN

PROJECT EXPENDITURES BY SOURCE - ENTERPRISE AND AGENCY FUNDS

	2011-13 Financial Plan		Proposed	Proposed	Proposed
	2011-12	2012-13	2013-14	2014-15	2015-16
SEWER FUND					
Wastewater Collection					
Laguna Sewer Lift Station Replacement	1,200,000				
Wastewater Collection System Infrastructure Replacement Strategy	200,000	100,000			
Calle Joaquin Siphon, Lift Station and Force Main Replacement	500,000	1,500,000			
Wastewater Collection System Improvements	1,380,000	500,000	1,575,000	800,000	1,470,000
Madonna Sewer Lift Station Replacement			100,000	500,000	
Margarita Sewer Lift Station Replacement				100,000	500,000
Foothill Sewer Lift Station Replacement					100,000
Fleet Replacement					
Wastewater Collections Pickup Truck			20,300		
Wastewater Collections Vac-Con Sewer Rodder Hydro-Cleaner			345,000		
Wastewater Collections Portable Generators				309,300	
Wastewater Collections Sewer Camera Cargo Van					160,600
Water Reclamation Facility (WRF)					
Water Reclamation Facility Energy Cogeneration	100,000	400,000			
Water Reclamation Facility Major Maintenance	310,000	370,000	575,000	320,000	505,000
* Water Reclamation Facility Upgrade		1,500,000	2,000,000	4,500,000	
Fleet Replacement					
Water Reclamation Facility Utility Trucks			42,200		
Water Reclamation Facility 4-Wheel Drive			129,000		
Water Reclamation Facility Compact Pickup				22,400	
Water Reclamation Facility Service Body Truck				33,500	
Water Reclamation Facility Sedan					19,900
Administration & Engineering					
* Utilities Generator Replacement				55,000	
* City Website Upgrade	1,900				
* Microsoft Office Replacement	7,600				
* Firewalls			8,500		
* Virtual Private Network Appliances			6,500		
* Web Filter/Security Upgrades/Network Security			5,500		
* Network Equipment Replacement				33,500	
* Particulate Matter Trap Retrofit	12,000				
OTHER SOURCES					
* Water Reclamation Facility Upgrade				56,300,000	
Total Sewer Fund	3,711,500	4,370,000	4,807,000	62,973,700	2,755,500

CAPITAL IMPROVEMENT PLAN

PROJECT EXPENDITURES BY SOURCE - ENTERPRISE AND AGENCY FUNDS

	2011-13 Financial Plan		Proposed	Proposed	Proposed
	2011-12	2012-13	2013-14	2014-15	2015-16
PARKING FUND					
Credit Card Parking Meter Enhancement	222,300				
Marsh Street Parking Structure Painting - Phase II		175,000			
Parking Lot Resurfacing		20,000	95,000		
* City Website Upgrade	1,300				
* Microsoft Office Replacement	5,000				
* Firewalls			5,000		
* Web Filter/Security Upgrades/Network Security			3,100		
* Network Equipment Replacement				9,500	
Fleet Replacement					
Parking Enforcement Vehicles			79,500		
Total Parking Fund	228,600	195,000	182,600	9,500	

TRANSIT FUND					
Transit Facility Expansion			261,000		
* City Website Upgrade	3,500				
* Microsoft Office Replacement	5,000				
* Firewalls			5,000		
* Web Filter/Security Upgrades/Network Security			3,100		
* Network Equipment Replacement				9,500	
Fleet Replacement					
SLO Transit Buses Replacement			450,000	472,500	483,600

PROJECT EXPENDITURES BY SOURCE - ENTERPRISE AND AGENCY FUNDS

FEDERAL AND STATE GRANTS					
Transit Facility Above Ground Fuel Tank			250,000		
Transit Facility Bus Wash Modification			100,000		
Transit Facility Roof Repair				100,000	
Fleet Addition					
SLO Transit Sedan with Wheelchair Lift			43,300		
Fleet Replacement					
SLO Transit Pickup Truck	45,500				
Total Transit Fund	54,000		1,112,400	582,000	483,600

CAPITAL IMPROVEMENT PLAN

PROJECT EXPENDITURES BY SOURCE - ENTERPRISE AND AGENCY FUNDS

	2011-13 Financial Plan		Proposed	Proposed	Proposed
	2011-12	2012-13	2013-14	2014-15	2015-16
WHALE ROCK FUND					
Whale Rock Reservoir Siltation Study	35,000				
Fleet Replacement					
Whale Rock Reservoir 4x4 Pickup Truck					50,100
Whale Rock Reservoir Skip Loader					39,600
Total Whale Rock Fund	35,000				89,700
TOTAL ENTERPRISE & AGENCY FUNDS	\$4,340,500	\$4,765,000	\$8,230,300	\$65,539,200	\$5,466,200

CAPITAL IMPROVEMENT PLAN

PROJECT DESCRIPTIONS—PUBLIC SAFETY

POLICE PROTECTION

Police Laser Fiche Server Replacement

Replacement of the police department's Laser Fiche server and acquisition of additional data storage space will cost \$65,000 in 2011-12.

Replace Variable Air Volume Control Units

Replacing the Police Department's air volume control units with updated versions due to aging equipment and recent failures will cost \$28,200 in 2011-12.

Computer Aided Dispatch Server Replacement

Replacement of the public safety Computer Aided Dispatch/Records Management System (CAD/RMS) servers will cost \$350,000 in 2011-12.

Police In-Car Video System Replacement

Replacing the in-car video camera system will cost \$244,200 in 2012-13.

Public Safety Automatic Vehicle Locator System

Purchasing an Automatic Vehicle Locator (AVL) System for Public Safety will cost \$85,000 in 2011-12.

Interior Painting: Police Station Building

Painting the interior of the Police Department located at 1042 Walnut Street will cost \$32,000 in 2013-14.

Police Station Chiller

Replacing the roof top chiller for the Police Station building at 1042 Walnut will cost \$100,000 in 2013-14.

Police Station Mechanical Well

Rehabilitating the roof top mechanical well for the Police Station building at 1042 Walnut will cost \$23,000 in 2013-14.

Police Station Exterior Painting

Painting the exterior of the Police Station building at 1042 Walnut will cost \$1,500 for design in 2013-14 and \$49,500 for construction in 2014-15.

Police Station Boiler

Replacing the boiler for the Police Station building at 1042 Walnut will cost \$18,000 in 2014-15.

Replacement of Mobile Data Computers

Replacing public safety mobile data computers for Police and Fire will cost \$429,000 in 2014-15.

Replacement of In-Car Video Equipment

Replacing the existing in-car video system located in police patrol vehicles will cost \$250,000 in 2014-15.

Police Station HVAC Ducting

Replacing the ducting in the records area of the Police Station building at 1042 Walnut will cost \$7,500 for design in 2014-15 and \$36,000 for construction in 2015-16.

Rifle Range Roof Replacement

Replacing the roof and deteriorated joists of the rifle range at Reservoir Canyon will cost \$27,000 in 2015-16.

Police Station Remodel

Updating and modifying completed plans for the remodel of the vacated dispatch rooms, briefing room, and if funds permit, the men's locker room, will cost \$20,000 in 2015-16, with construction costs for a future year estimated between \$300,000 and \$600,000 depending upon the final scope.

Fleet Replacement – Patrol Sedans

- Replacing four patrol sedans in 2012-13 will cost \$230,000.
- Replacing four patrol sedans in 2014-15 will cost \$230,000.
- Replacing four patrol sedans in 2015-16 will cost \$230,000.
- Replacing two (2) Police Department, Pursuit-Rated, Unmarked Patrol Sedans equipped with radios and mobile data computers will cost \$78,200 in 2014-15.

CAPITAL IMPROVEMENT PLAN

PROJECT DESCRIPTIONS—PUBLIC SAFETY

Fleet Replacement – Non-Patrol Sedans

- Replacing one (1) Mid-sized, 4-door, sedan equipped with radio and mobile data computer for the Police Department Student Neighborhood Assistance Program (SNAP) will cost \$25,800 in 2015-16.
- Replacing four (4) Mid-Sized, 4-door, Unmarked, Police Department Investigations program sedans, equipped with radios, will cost \$105,800 in 2015-16.
- Replacing one (1) Mid-Sized, 4-door, Unmarked sedan equipped with radio communications equipment and mobile data computer for the Police Department Administration program will cost \$26,100 in 2015-16.

Fleet Replacement – Police Pickup, SUV's and Van

- Replacing one (1) Mid-Sized Pickup Truck, equipped with truck bed shell, Code-3 Equipment, radio and Mobile Data Computer, for the Police Department Support Services program will cost \$44,000 in 2014-15.
- Replacing one (1) Transport Van, equipped with radio communications equipment, for the Police Department will cost \$29,200 in 2015-16.
- Replacing two (2) Mid-Sized, Marked, SUVs, equipped with Code-3 Equipment, radio communications and mobile data computers, for the Police Department Patrol program will cost \$92,000 in 2015-16.

Fleet Replacement – Traffic Safety Motorcycles

Replacing seven (7) Pursuit-Rated Motorcycles, equipped with Code-3 Equipment, radios and mobile data devices, for the Police Department Traffic Safety Division will cost \$185,400 in 2014-15 and \$30,900 in 2015-16.

Police Traffic Safety Speed Radar Equipment

Replacing one (1) Speed-Radar Mobile Equipment for the Police Department Traffic Safety division will cost \$25,700 in 2015-16.

FIRE AND ENVIRONMENT SAFETY

Thermal Image Camera Replacement

Replacing aging/obsolete Thermal Imaging Cameras will cost \$40,000 in 2011-12.

Cardiac Monitor Replacement

Replacing four (4) Cardiac Monitors with new/upgraded models that conform to new requirements and improve patient survivability will cost \$94,600 in 2012-13.

Fire Station Facility Improvements and Repairs

Engine Bay Slab Replacement at Fire Station 3

Replacement of the existing concrete slab at Fire Station 3 engine bay will cost \$20,000 for design in 2011-12 and \$80,000 for construction and construction management in 2012-13.

Fire Station Exterior Painting

Painting the exterior of Fire Station 2 will cost \$1,500 for design in 2013-14 and \$32,000 for construction in 2014-15.

Fire Station Masonry Sealing

Sealing the masonry at Fire Station 1 will cost \$27,000 in 2014-15.

Replacement of Holmatro Extrication Equipment on Two Fire Engines

Replacement of Holmatro extrication equipment on two of the four fire engines at a total cost of \$25,000. The industry standard for replacement is 10-15 years; the equipment will be 14 years old in 2014-2015.

Replacement of Nozzles and Hoses

Replacement of twenty 25 year old nozzles and ten 15 year old hoses will cost \$37,000 in 2014-15.

Replacement of Holmatro Extrication Equipment on Fire Truck

Replacement of Holmatro extrication equipment on Fire Truck 1 (Tiller Truck). The current equipment on Truck 1 was moved from Truck 2 when Truck 1

CAPITAL IMPROVEMENT PLAN

PROJECT DESCRIPTIONS—PUBLIC SAFETY

went into service. The extrication equipment will be 15 years old in 2015-16. The industry standard for replacement is 10-15 years.

Fire Station #2 Engine Bay Slab Replacement Design

Designing the cement slab replacement for Fire Station #2 engine bay will cost \$19,000 in 2015-16. Construction and other related costs are estimated at \$70,000 and will be budgeted in 2016-17.

Fleet Replacement – Fire Battalion Chief Command Vehicle

Replacing the existing Fire Battalion Chief Full-Sized SUV Mobile-Command vehicle, equipped with mobile data computers, GPS, radio and Code-3 response equipment will cost \$61,200 in 2012-13.

Fleet Replacement – Fire Prevention Vehicles

Replacing two (2) Fire Prevention compact SUVs will cost \$67,500 in 2013-14.

Fleet Replacement – Fire Administration Chief Sedan

Replacing one (1) Fire Administration Chief sedan, equipped with a V-6 engine, Code-3 Equipment, radio and mobile data devices, will cost \$41,500 in 2015-16.

CAPITAL IMPROVEMENT PLAN

PROJECT DESCRIPTIONS—PUBLIC UTILITIES

WATER SERVICES

Water Reuse Automation Improvements

Acquiring additional equipment to help automate the production of recycled water and address fluctuating system pressure will cost \$50,000 in 2011-12 and \$100,000 in 2013-14.

Water Reuse Distribution System Analysis and Master Plan Update

Reviewing existing recycled water distribution system and recommending improvements to address fluctuations in water pressure will cost \$40,000 for study in 2011-12 and updating the 2004 Water Reuse Master Plan will cost \$50,000 in 2014-15.

Water Distribution System Improvements

Replacement of water distribution pipes, mainlines, and related infrastructure is an ongoing program and will cost \$3.5 million over the next five years.

Utilities Telemetry System Improvements

Improving the Utilities telemetry system will cost \$1,500,000 in 2013-14 for construction. This project was previously approved in the 2009-11 Financial Plan. As part of the 2011-12 Water Fund Review the construction phase is proposed to be deferred to 2013-14.

Distribution Pump Station Assessment

Conducting an assessment of the water distribution pump stations will cost \$35,000 in 2013-14.

Stenner Canyon Raw Waterline Replacement

Replacing a section of the raw waterline, located in Stenner Canyon near the water treatment plant, will cost \$100,000 in 2013-14.

Air Compressor Replacements at the Water Treatment Plant

Replacing three air compressors, with one replacement per year, will cost \$100,000 in 2013-14, \$100,000 in 2014-15, and \$100,000 in 2015-16 for a total cost of \$300,000

Utilities Generator Replacement

Replacing a portable generator will cost \$110,000 in 2014-15.

Water Storage Reservoir Maintenance and Tank Replacement

Maintenance, repairs and coating for Serrano Tank and Edna Tank will cost \$181,000 in 2014-15. Maintenance repairs and coating for Terrace Hill Tank will cost \$386,000 in 2015-16. Design services for the planned replacement of Slack Tank will cost 60,000 in 2015-16.

Distribution Pump Station Upgrade

Upgrading a water distribution pump station will cost \$50,000 in 2015-16 for design. Anticipated project construction costs will be programmed in 2016-17.

Water Division Asset Management Plan Development

Developing an Asset Management Plan for the Water Division will cost \$100,000 in 2015-16.

Fleet Replacement – Water Treatment Plant Compact Pickup Truck

Replacing one (1) Compact Pickup Truck Water Treatment Plant (WTP) Program Compact Pickup Truck will cost \$20,400 in 2013-14.

Fleet Replacement – Utilities Administration Sedan

Replacing one (1) Mid-Sized, 4-door, sedan for the Utilities Administration division will cost \$24,200 in 2013-14.

Fleet Replacement – Water Treatment Plant Service Body Truck

Replacing one (1) Full-Sized, ¾ Ton, Service Body Truck with auxiliary crane for the Water Treatment program will cost \$63,300 in 2014-15.

Fleet Replacement – Utilities Conservation Compact Pickup Truck

Replacing one (1) Compact Pickup Truck for the Utilities Conservation program will cost \$22,400 in 2014-15.

CAPITAL IMPROVEMENT PLAN

PROJECT DESCRIPTIONS—PUBLIC UTILITIES

Fleet Replacement – Mid-Size Pickup Truck Replacement for Water Distribution

Replacing one mid-size pickup truck for the Water Distribution Program will cost \$20,000 in 2015-16.

WASTEWATER SERVICES

Laguna Sewer Lift Station Replacement

Replacement of the Laguna Sewer Lift Station will cost \$1,200,000 in 2011-12.

Wastewater Collection System Infrastructure Replacement Strategy

Preparation of a Master Plan to create a data-driven infrastructure replacement strategy for the wastewater collection system will cost \$200,000 in 2011-12 and \$100,000 in 2012-13.

Water Reclamation Facility Energy Cogeneration

Replacing the existing microturbine cogeneration facility will cost \$100,000 for design in 2011-12 and \$400,000 for construction in 2012-13.

Calle Joaquin Siphon, Lift Station and Force Main Replacement

Replacing the Calle Joaquin siphon, lift station, and force main will cost \$500,000 in 2011-12 for design, \$1,200,000 for construction and \$300,000 for construction management in 2012-13.

Wastewater Collection System Improvements

Replacement of sewer infrastructure is an ongoing program. Projects have been selected and prioritized for replacement due to existing structural deficiencies and the potential for near-term failure. Funding for raising manholes is necessitated by City paving projects. Total funding for these projects is expected to cost \$5.7 million over the next five years.

Water Reclamation Facility Major Maintenance

This project includes maintenance or replacement of key components at the Water Reclamation Facility in order to ensure proper operation and prolong the

useful life of equipment and other facilities and will cost nearly \$2.1 million over the next five years.

Water Reclamation Facility Upgrade

Upgrading the City's Water Reclamation Facility will cost \$3.5 million for design and \$60.8 million for construction.

Madonna Sewer Lift Station Replacement

Replacing the Madonna Sewer Lift Station will cost \$100,000 in 2013-14 for design and \$500,000 in 2014-15 for construction.

Margarita Sewer Lift Station Replacement

Replacing the Margarita Sewer Lift Station will cost \$100,000 in 2014-15 for design and \$500,000 in 2015-16 for construction.

Foothill Sewer Lift Station Replacement – Design

Replacing the Foothill Sewer Lift Station will cost \$100,000 in 2015-16 for design. Construction and other associated project costs are estimated at \$500,000 and will be budgeted in 2016-17.

Fleet Replacement – Wastewater Collections Pickup Truck

Replacing one (1) Compact Pickup Truck for the Wastewater Collections program will cost \$20,300 in 2013-14.

Fleet Replacement – Wastewater Collections Vac-Con Sewer Rodder Hydro-Cleaner

Replacing one (1) Heavy-Duty, Sewer Rodder Rodder Hydro-Cleaner for Wastewater Collection Program will cost \$345,000 in 2013-14.

Fleet Replacement – Water Reclamation Facility Club Car Utility Vehicles

Replacing three (3) Club Car Utility Vehicles for the Water Reclamation Facility (WRF) will cost \$42,200 in 2013-14.

Fleet Replacement – Water Reclamation Facility 4-Wheel Drive Loader

Replacing one (1) 4-Wheel Drive, construction-rated, Tractor-Loader with bucket attachments, for

CAPITAL IMPROVEMENT PLAN

PROJECT DESCRIPTIONS—PUBLIC UTILITIES

the Water Reclamation Facility (WRF) will cost \$129,000 in 2013-14.

Fleet Replacement – Wastewater Collections Portable Generators

Replacing five (5) Portable Generators for the Wastewater Collection program will cost \$309,300 in 2014-15.

Fleet Replacement – Water Reclamation Facility Compact Pickup Truck

Replacing one (1) Compact Pickup Truck for the Water Reclamation Facility (WRF) program will cost \$22,400 in 2014-15.

Fleet Replacement – Water Reclamation Facility Service Body Truck

Replacing one (1) Full-Sized, Service Body Truck for the Water Reclamation Facility (WRF) will cost \$33,500 in 2014-15.

Fleet Replacement – Wastewater Collections Sewer Camera Cargo Van

Replacing one (1) Cut-Away Television and Camera Cargo Van for the Wastewater Collection program will cost \$160,600 in 2015-16.

Fleet Replacement – Water Reclamation Facility Sedan

Replacing one (1) Compact Sedan for the Water Reclamation Facility (WRF) will cost \$19,900 in 2015-16.

WHALE ROCK RESERVOIR

Whale Rock Reservoir Siltation Study

Undertaking a proposed siltation study will provide a more accurate estimate of the rate of future siltation and greater reliability to safe annual yield estimates and will cost \$35,000 in 2011-12.

Fleet Replacement – Whale Rock Reservoir 4x4 Pickup Truck

Replacing one (1), Mid-Sized, 4-Wheel Drive, Pickup Truck for the Whale Rock Reservoir program will cost \$50,100 in 2015-16.

Fleet Replacement – Whale Rock Reservoir Skip Loader

Replacing one (1) Construction-rated, Skip Loader and attachments for the Whale Rock Reservoir program will cost \$39,600 in 2015-16.

CAPITAL IMPROVEMENT PLAN

PROJECT DESCRIPTIONS—TRANSPORTATION

TRANSPORTATION MANAGEMENT

Bob Jones Trail Connection

Constructing the southern bridge connection of the Bob Jones City-to-Sea trail at Los Osos Valley Road will cost \$181,000 in 2011-12 and \$689,000 in 2013-14.

Traffic Operations Projects

Constructing traffic operations improvements as identified in the Annual Traffic Operations Report will cost \$30,000 in 2011-12, 2013-14 and 2015-16.

Traffic Counts

Conducting City-wide bi-annual traffic counts to identify and monitor levels-of-service (LOS) on streets resulting from development and travel changes will cost \$48,000 bi-annually.

Traffic Safety Projects

Constructing traffic safety improvements as identified in the Annual Traffic Safety Report will cost \$25,000 annually.

Neighborhood Traffic Management

Constructing neighborhood traffic management projects requested by residents and approved by Council will cost \$20,000 annually starting in 2013-14.

Los Osos Valley Road Interchange Improvements

Installation of a new bridge on Los Osos Valley Road at US 101, improving the freeway ramps and widening the street to two lanes in each direction as well as other infrastructure improvements to improve traffic congestion relief and pedestrian and bicycle access will cost \$17.8 million in 2014-15.

STREETS

Pavement Maintenance

City Facility Parking Lot Maintenance

Performing pavement maintenance at parking lots for City facilities will cost \$75,000 in 2014-15 and \$82,000 in 2015-16, with an estimated future annual expenditure of \$80,000.

Street Improvements

Street Reconstruction & Resurfacing

Performing maintenance on City-owned pavement throughout the City will cost \$7.3 million over the next five years.

Sign Maintenance

Replacing roadway signs to meet minimum Federal Highway Administration's retro-reflectivity standards will cost \$66,500 annually.

Curb Ramp Replacements

Constructing curb ramps for accessibility in conjunction with street reconstruction projects and as requested by the public will cost \$105,000 annually.

Pismo Street Retaining Barrier

Completing preliminary design work and preparing an agreement between private property owners and the City for future slope stability work along a portion of the southerly side of Pismo Street between Morro and Chorro streets will cost \$25,000 in 2013-14. If an agreement is reached future funding for design and construction may be needed.

Prado Road Bridge Maintenance

Sealing and overlaying the Prado Road Bridge deck for structural protection of the bridge will cost \$15,000 for design in 2013-14 and \$170,000 in 2014-15 for construction and construction management.

CAPITAL IMPROVEMENT PLAN

PROJECT DESCRIPTIONS—TRANSPORTATION

Marsh Street Bridge Rehabilitation

Marsh Street bridge (between Santa Rosa and Osos Street) rehabilitation will cost \$300,000 for design in 2013-14 and \$6,400,000 for construction and construction management in 2014-15.

Median Landscaping

Designing the South Street median landscaping will cost \$50,000 in 2015-16. Construction of the improvements and construction management funding is estimated to be \$230,000 in a future year.

Fleet Replacement – Street Maintenance Trucks

Replacing three (3) Service Pickup Trucks for the Street Maintenance division will cost \$102,700 in 2013-14.

Fleet Replacement – Street Maintenance Backhoes

Replacing two (2) Backhoes construction equipment, equipped with concrete breaker and buckets, for the Street Maintenance division will cost \$208,800.

Fleet Replacement – Street Maintenance Stencil Truck

Replacing one (1) Heavy-Duty Full-Sized Service Body Stencil Truck for the Street Maintenance division will cost \$97,100 in 2014-15.

Fleet Replacement – Street Maintenance Skid-Steer

Replacing one (1) Heavy-Duty Construction Skid-Steer Equipment, for the Street Maintenance division, will cost \$126,700 in 2015-16.

Fleet Replacement – Street Maintenance Sweeper

Replacing one (1) Heavy-Duty Streets Sweeper, for the Street Maintenance division, will cost \$210,300 in 2015-16.

PEDESTRIAN AND BICYCLE PATHS

Pedestrian Improvements

Warden Bridge Deck/Mission Plaza Walkway Rehabilitation

Repair of Warden Bridge deck surface along with repair and replacement of walkway and railing for a portion of the Mission Plaza Creek Walk will cost \$7,500 for design in 2011-12 and \$57,500 for construction and construction management in 2012-13.

Sidewalk Repairs

Repairing various City sidewalks in Pavement Areas 5 and 6 will cost \$25,000 in 2011-12 and \$35,000 annually thereafter.

Pathway Maintenance

Performing pavement maintenance on Class 1 bicycle and pedestrian pathways throughout the City will cost \$60,000 annually beginning in 2013-14.

Bikeway Improvements

Railroad Safety Trail Extension – Hathway to Taft

Extending the Railroad Safety Trail along the west side of California Boulevard from its current terminus at Hathway Street south to Taft Street will cost \$50,000 for design in 2011-12, \$200,000 for construction and \$50,000 for construction management in 2012-13.

Railroad Safety Trail Extension – Taft to Pepper

Extending the Railroad Safety Trail from Taft Street south on the west side of the California Boulevard bridge and continuing through the California Highway Patrol property to a bicycle/pedestrian bridge over Union Pacific Railroad corridor to Pepper Street will cost \$280,000 in 2011-12 for land acquisition and design and \$1,004,000 for construction and construction management in 2013-14.

CAPITAL IMPROVEMENT PLAN

PROJECT DESCRIPTIONS—TRANSPORTATION

Bicycle Facility Improvements

Constructing small-scale, miscellaneous bicycle facility improvements identified in the City's Bicycle Transportation Plan will cost \$25,000 annually.

Bob Jones Trail: Octagon Barn Connection

Completing the planning effort, environmental and permitting work, and land acquisition for the extension of the Bob Jones City-to-Sea trail between the Octagon Barn and Los Osos Valley Road will cost \$40,000 in 2012-13, \$125,000 in 2013-14, \$40,000 in 2014-15, and \$345,000 in 2015-16.

CREEK AND FLOOD PROTECTION

Andrews Creek Bypass

Improving the storm water conveyance of Andrews Creek will cost an additional \$84,000 in 2011-12.

Toro Street Bank Stabilization

Stabilizing a section of San Luis Obispo Creek bank near Toro Street Bridge that has failed will cost \$35,000 in 2011-12 and \$30,000 in 2012-13.

Silt Removal

Removing areas of silt build-up within the City's open channel drainage system will cost \$1,250,000 over the next five years.

Storm Drain System Replacement

Replacing failing drainage infrastructure throughout the City will cost \$1,750,000 over the next five years.

Broad Street Bank Reinforcement

Improving creek bank prior to failure will cost \$35,000 in 2012-13 for design and permitting and \$35,000 in 2014-15 for construction.

Storm Drain Culvert Repair and Replacement

Repairing concrete culverts at street crossings at various locations within the City in Areas 2, 4, 7, and 8 will cost \$570,000 over the next five years.

Mid-Higuera Bypass

Construction of the Mid-Higuera Bypass channel in San Luis Obispo creek will cost \$500,000 in 2013-14.

Johnson Underpass Pump

Replacing the second storm drain pump at the Johnson Avenue underpass will cost \$180,000 in 2013-14.

City Property Stormwater Improvements

Providing for increased filtration and various improvements at high-priority City-owned properties for stormwater runoff will cost \$50,000 for design in 2014-15, \$400,000 for construction and construction management in 2015-16, and similar future costs to improve all City owned property stormwater run-off.

Headwall Replacement – Florence Ave

Replacing the existing concrete headwall in its original position along Florence Avenue will cost \$30,000 for design in 2014-15 and \$115,000 for construction and construction management in 2015-16.

Storm Drain Outlet Clearance

Clearing silt and vegetation accumulated at various storm drain outlets will cost \$40,000 in 2014-15 for design and permitting, and \$390,000 in 2015-16 for construction and construction management.

McMillan Road Bank Stabilization

Bank stabilization along McMillan Road near the railroad tracks will cost \$35,000 for design and permitting in 2014-15 and \$37,000 for construction in 2015-16.

PARKING

Credit Card Parking Meter Enhancement

Purchasing and installing four hundred (400) credit card accepting parking meters will cost \$222,300 in 2011-12.

CAPITAL IMPROVEMENT PLAN

PROJECT DESCRIPTIONS—TRANSPORTATION

Marsh Street Parking Structure Painting – Phase II

Painting the Marsh Street Parking garage expansion area will cost \$150,000 for construction and \$25,000 for construction management in 2012-13.

Parking Lot Resurfacing

Resurfacing and restriping City parking lots will cost \$20,000 for design in 2012-13 and \$95,000 for construction and construction management in 2013-14.

Fleet Replacement –Parking Enforcement Vehicles

Replacing two (2) Parking Enforcement Go-4 Interceptor vehicles will cost \$79,500 in 2013-14.

TRANSIT

Transit Facility Above Ground Fuel Tank

Installation of an above ground fuel tank and delivery system at the transit facility located at 29 Prado Road will cost \$250,000 in 2013-14.

Transit Facility Bus Wash Modification

Modifying the existing bus wash to accommodate the double deck bus at the City's Transit Facility located at 29 Prado Road will cost \$100,000 in 2013-14.

Transit Facility Expansion

Remodeling and expansion of the SLO Transit Facility located at 29 Prado Road will cost \$261,000 in 2013-14.

Transit Facility Roof Repair

Repairing the SLO Transit Facility roof will cost \$100,000 in 2014-15.

Fleet Replacement – SLO Transit Pickup Truck

Replacing one (1) SLO Transit Full-Size Pickup Truck, equipped with an ADA compliant wheel-chair lift, will cost \$45,500 in 2011-12.

Fleet Replacement – SLO Transit Sedan with Wheelchair Lift

Adding one (1) Mid-Sized Sedan, 4-door, equipped with a wheel-chair lift, for the SLO Transit program will cost \$43,300 in 2013-14.

Fleet Replacement – SLO Transit Buses Replacement

Replacing three (3) buses for the SLO Transit System will cost \$1,406,100 within the 5-year Financial Plan period.

CAPITAL IMPROVEMENT PLAN

PROJECT DESCRIPTIONS—LEISURE, CULTURAL & SOCIAL SERVICES

PARKS AND RECREATION

Recreation Programs

Parks and Recreation Administration Software Replacement

Replacing RecWare Safari, the critical operational software used for administrative and programmatic functions in the Parks and Recreation Department will cost \$13,500 in 2011-12.

Exterior Painting of Parks and Recreation Building

Painting the exterior of the Parks and Recreation building to waterproof and recoat exterior walls, trim, and doors will cost \$25,000 in 2011-12.

Public Art

Funding public art at 50% of the City's public art policy level (1/2% rather than 1% of eligible construction costs) but consistent with requirements for private development will cost \$8,500 in 2011-12, \$10,800 in 2012-13, \$10,500 in 2013-14, \$11,000 in 2014-15 and \$13,700 in 2015-16. This will continue funding for public art, but at a reduced level given the fiscal challenges facing the City that is the same as private sector requirements.

Playground Equipment Replacement

Replacing playground equipment that is at the end of useful life at City parks will cost \$1,256,000 over the next five years.

Fleet Replacement – Parks and Recreation Ranger Program Pickup Truck

Replacing one (1) Full-Sized Pickup truck for the Parks & Recreation Department Ranger program will cost \$31,400 in 2014-15.

Swim Center

Olympic Pool Replastering

Replastering the Olympic Pool at the Swim Center will cost \$22,500 for design in 2013-14 and \$187,500 for construction in 2014-15.

Bath House T-Bar Ceiling Replacement

Replacing the T-Bar Ceiling in Bath House at the Swim Center will cost \$24,200 in 2014-15.

Bath House Roof Replacement

Replacing the Bath House roof at the Swim Center will cost \$7,500 for design in 2014-15 and \$62,000 for construction in 2015-16.

Olympic Pool Boiler Replacement

Replacing the boilers for the Olympic Pool at the Swim Center will cost \$2,300 for design in 2014-15 and \$23,000 for construction in 2015-16.

Swim Center Pool Cover Replacement

Replacing the pool cover for the Olympic pool at the Swim Center will cost \$25,000 in 2015-16.

Fleet Replacement – Swim Center Pickup Truck

Replacing one (1) Full-Size ¾ Ton Pick Up Truck equipped with a Service Body, for the Swim Center division will cost \$31,400 in 2014-15.

Parks and Landscape

Meadow Park Roof Replacement

Metal roof replacement and roof repairs of the existing recreation building at Meadow Park will cost an additional \$25,000 in 2011-12.

Sinsheimer Stadium Building Assessment

Completing an assessment of the Sinsheimer Stadium Building to determine the full scope of needed repairs will cost \$50,000 in 2012-13.

Damon Garcia Maintenance Cover Construction

Construction of a cover for the Damon Garcia Sports Fields maintenance area to increase worker safety and protect water quality will cost \$62,000 in 2013-14. The project plans are complete and a building permit is in hand.

Sinsheimer Stadium Stairs

Replacing deteriorating stairs at Sinsheimer Stadium will cost \$15,000 for design in 2013-14 and \$95,000 for construction and construction management in 2014-15.

CAPITAL IMPROVEMENT PLAN

PROJECT DESCRIPTIONS—LEISURE, CULTURAL & SOCIAL SERVICES

Restroom Replacement & Remodeling

Remodeling the Jack House restroom will cost \$257,000 for construction in 2013-14, and designing the Golf Course restroom replacement will cost \$60,000 in 2014-15, and \$237,000 for construction and construction management in 2015-16. This work is required for these facilities to meet ADA requirements.

Fleet Replacement – Parks Maintenance Field Conditioner

Replacing one (1) Field Conditioner, used for sports field preparation, for the Parks Maintenance division will cost \$10,400 in 2013-14.

Fleet Replacement – Parks Maintenance Equipment Trailer

Replacing one (1) Equipment Trailer, used to transport equipment, for the Parks Maintenance division will cost \$4,800 in 2013-14.

Fleet Replacement – Trees Maintenance Pickup Truck

Replacing one (1) Compact Pickup Truck, used for tree trimming field work, for the Trees Maintenance division will cost \$20,500 in 2013-14.

Fleet Replacement – Parks Maintenance Pickup Trucks

Replacing six (6) Mid-Sized Pickup Trucks for the Parks Maintenance division will cost a total of \$204,300;

Fleet Replacement – Parks Maintenance Tow-Behind Turf Sweeper

Replacing one (1) Tow-Behind Turf Sweeper equipment, used for sports field maintenance, for the Parks Maintenance division will cost \$6,500 in 2014-15.

Fleet Replacement – Trees Maintenance Water Tank Truck

Replacing one (1) Heavy-Duty Full-Sized Water Tank Truck for the Trees Maintenance division will cost \$94,000 in 2014-15.

Fleet Replacement – Parks Maintenance Utility Cart

Replacing one (1) Carry-All, Motorized, Utility Cart for the Parks Maintenance division will cost \$9,600 in 2015-16.

Golf Course

Fleet Replacement – Laguna Lake Golf Course Mower

Replacing the existing Laguna Lake Golf Course Riding Mower with all-terrain cut will cost \$57,500 in 2011-12.

Fleet Replacement – Golf Mower

Replacing one (1) Two-Wheel Drive (2WD) Golf Course Mower for the Parks and Recreation Department Golf program will cost \$42,400 in 2015-16.

CAPITAL IMPROVEMENT PLAN

PROJECT DESCRIPTIONS—COMMUNITY DEVELOPMENT

NATURAL RESOURCES PROTECTION

Froom Ranch Improvements

Development of Trail and Other Recreational Infrastructure for the Froom Ranch addition to Irish Hills Natural Reserve.

Open Space Acquisition

Continued funding for open space acquisition in the Greenbelt surrounding the City of San Luis Obispo will cost \$175,000 in 2011-12 and \$300,000 annually in 2013-16.

CONSTRUCTION REGULATION

Building & Safety

Fleet Replacement – Building Inspection Vehicles

Replacing three (3) Building Inspection vehicles for the Community Development Department will cost \$71,000 in 2015-16.

CIP Project Engineering

Fleet Replacement – Capital Engineering Pickup Trucks

Replacing three (3) Compact Pickup Trucks for the Capital Improvement Program Inspection staff will cost \$75,300 in the 5-year Financial Plan period.

CAPITAL IMPROVEMENT PLAN

PROJECT DESCRIPTIONS—GENERAL GOVERNMENT

INFORMATION TECHNOLOGY

City Website Upgrade

Updating and redesigning the City's website to provide better communication with the community will cost \$45,000 in 2011-12.

Microsoft Office Replacement

Upgrading the Microsoft Office Suite from 2003 to 2010 will cost \$201,200 in 2011-12.

Wireless Network Infrastructure Replacement

Replacing the City's aging wireless network infrastructure will cost \$66,000 in 2011-12.

Emergency Communications Center Blade Warranty Extension

Extension of the ClearCube blade warranties for the Emergency Communication Center in 2012-13 will cost \$25,000.

Emergency Communications Center Blade Replacement

Replacing the Emergency Communication Center's server blades for the security, computer-aided dispatch (CAD) and radio PC's will cost \$150,000 in 2013-14.

Firewalls

Upgrading the City's firewalls will cost \$200,000 in 2013-14.

Virtual Private Network Appliances

Replacing the City's virtual private network (VPN) appliances will cost \$200,000 in 2013-14.

Web Filter/Security Upgrade/Network Security

Upgrading the City's web filter and network security will cost \$125,000 in 2013-14.

Dispatch Equipment Replacement

Replacing computer equipment that has reached its anticipated five year lifecycle in the Dispatch Center will cost \$50,000 in 2014-15.

Network Equipment Replacements

Replacing network equipment will cost \$550,000 in 2014-15.

Fleet Replacement – Finance & Information Technology Van

Replacing one (1) Transport Van for the Finance & Information Technology department will cost \$27,100 in 2014-15.

Fleet Replacement – Finance & Information Technology Compact 4x4 Pickup Truck

Replacing one (1) Compact, 4-Wheel Drive, Pickup Truck for the Finance & Information Technology department will cost \$ 27,100 in 2015-16.

BUILDINGS

City Hall Entry Steps

Removing and replacing all the concrete steps, landings, and handrails at the upper Palm Street entrance to City Hall will cost \$10,000 for design in 2011-12 and \$130,000 for construction and construction management in 2012-13.

Exterior Painting of Ludwick and Senior Centers

Painting the exteriors of the Ludwick Center and the Senior Center will cost \$91,500 in 2013-14.

Jack House Exterior Painting

Painting the exterior of the Jack House buildings will cost \$24,600 in 2013-14.

City Hall Exterior Painting

Painting the exterior of City Hall, located at 990 Palm Street, will cost \$31,500 in 2013-14.

Corporation Yard Fuel Building Rehabilitation

Repairing and rehabilitating the Corporation Yard Fuel Island and Buildings will cost \$8,000 for design in 2013-14 and \$35,000 for construction in 2014-15.

CAPITAL IMPROVEMENT PLAN

PROJECT DESCRIPTIONS—GENERAL GOVERNMENT

City Hall Perimeter Drain Repair

Repairing the City Hall perimeter drain system will cost \$9,600 for design in 2013-14 and \$27,500 for construction in 2014-15.

Ludwick Center Roof Replacement

Replacing the roof at the Ludwick Center will cost \$7,900 for design in 2014-15 and \$78,900 for construction in 2015-16.

City/County Library Heat Pump Replacement

Replacing the City/County Library Heat Pump will cost \$13,200 for design in 2014-15 and \$38,000 for construction in 2015-16.

Fleet Replacement – Building Maintenance Pickup Truck

Replacing one (1) Full-Sized, ¾ Ton, Pickup Truck, equipped with a Service Body, for the Building Maintenance division will cost \$30,900 in 2014-15.

FLEET MANAGEMENT

Particulate Matter Trap Retrofit

Mandated retrofit of various City fleet vehicles with the installation of Diesel Particulate Matter Filters will cost \$66,800 in 2011-12.

Fleet Replacement – Fleet Division Forklift

Replacing one (1) Forklift and accessories for the Fleet Maintenance division will cost \$32,600 in 2015-16.

Fleet Replacement – Fleet Division City Pool Cars

Replacing two (2) Mid-Sized, 4-door, Sedans as part of the City's shared "pool" fleet will cost \$44,800 in 2015-16.

Section F
DEBT SERVICE REQUIREMENTS



DEBT SERVICE REQUIREMENTS

INTRODUCTION

This section summarizes the debt service obligations of the City as of July 1, 2011. These obligations represent the City's annual installment payments of principal and interest for previous capital improvement plan projects or acquisitions funded through debt financings.

The City's debt management policies are comprehensively discussed in Section B (Capital Financing and Debt Management) of the 2011-13 Financial Plan.

This section includes:

- Descriptions of each lease or bond obligation existing at July 1, 2011
 - Summary of debt service by function
 - Summary of debt service by source
 - Computation of the City's legal debt margin
- 

DEBT SERVICE REQUIREMENTS

DESCRIPTION OF DEBT OBLIGATIONS

1986 Lease Revenue Bonds *Refunded in 1994 and 2004*

- Purpose: Construct parking structures (net proceeds: \$5,758,400); make road improvements and purchase facilities (net proceeds: \$4,450,000).
- Maturity Date: 2014
- Original Principal Amount: \$13,970,000
- July 1, 2011 Principal Outstanding: \$2,229,900
- Interest Rate: 2.0% to 3.5%
- Funding Source: General and Parking Funds

1990 Certificates of Participation *Refunded in 1999 and 2001: Series B Lease Revenue Bonds*

- Purpose: Acquire land for open space, rehabilitate the City's Recreation Center and acquire land for parks and recreation offices/neighborhood park.
- Maturity Date: 2010
- Original Principal Amount: \$4,500,000
- July 1, 2011 Principal Outstanding: \$0
- Interest Rate: 3.25% to 3.50%
- Funding Source: General Fund

1992 State Clean Water Revolving Fund Loan

- Purpose: Upgrade the City's water reclamation plant and collection system to meet discharge standards.
- Maturity Date: 2012
- Original Principal Amount: \$31,227,400
- July 1, 2011 Principal Outstanding: \$3,844,600
- Interest Rate: 3.00% to 3.20%
- Funding Source: Sewer Fund

1993 Water Revenue Bonds *Refunded in 2002*

- Purpose: Upgrade the City's water treatment plant to meet water quality standards.
- Maturity Date: 2023
- Original Principal Amount: \$10,890,000
- July 1, 2011 Principal Outstanding: \$6,300,000
- Interest Rate: 3.5% to 4.6%
- Funding Source: Water Fund

1996 Lease Revenue Bonds *Refunded in 2005*

- Purpose: Construct a new headquarters fire station and other City acquisitions.
- Maturity Date: 2026
- Original Principal Amount: \$7,100,000
- July 1, 2011 Principal Outstanding: \$5,195,000
- Interest Rate: 3.4% to 4.5%
- Funding Source: General Fund

1999 Series C Lease Revenue Bonds *Refunded in 2001: Series C Lease Revenue Bonds*

- Purpose: Purchase property and build athletic fields; purchase property for police station expansion; purchase Downtown Plan properties
- Maturity Date: 2029
- Original Principal Amount: \$6,745,000
- July 1, 2011 Principal Outstanding: \$5,755,000
- Interest Rate: 3.25% to 4.6%
- Funding Source: General Fund

2001 State Infrastructure Bank (CIEDB) Loan

- Purpose: Expand Marsh Street parking structure
- Maturity Date: 2031
- Original Principal Amount: \$7,765,900
- July 1, 2011 Principal Outstanding: \$6,251,600
- Interest Rate: 3.37% (including annual loan fees)
- Funding Source: Parking Fund

2003 Lease Purchase Financing

- Purpose: Construct energy conservation improvements at various City locations.
- Maturity Date: 2013
- Original Principal Amount: \$3,023,100
- July 1, 2011 Principal Outstanding: \$703,300
- Interest Rate: 3.6%
- Funding Source: General, Water and Sewer Funds

DEBT SERVICE REQUIREMENTS

DESCRIPTION OF DEBT OBLIGATIONS

2005 Water Resources Control Board Loan

- Purpose: Construct water reuse project.
- Maturity Date: 2024
- Authorized Principal Amount: \$8,883,200
- July 1, 2011 Principal Outstanding: \$6,143,100
- Interest Rate: 2.5%
- Funding Source: Water Fund

2006 Lease Revenue Bonds

- Purpose: Parking Structure and City Offices
- Maturity Date: 2036
- Original Amount: \$16,160,000
- July 1, 2011 Principal Outstanding: \$14,715,000
- Interest Rate: 4.0% to 4.7%
- Funding Source: General and Parking Funds

2006 Water Revenue Bonds

- Purpose: Water Treatment Plant Improvements
- Maturity Date: 2036
- Original Amount: \$16,905,000
- July 1, 2011 Principal Outstanding: \$15,360,000
- Interest Rate: 3.75% to 4.625%
- Funding Source: Water Funds

2008 Installment Sale Agreement

- Purpose: Tank Farm Lift Station and Force Main Project
- Maturity Date: 2023
- Original Amount: \$2,050,000
- July 1, 2011 Principal Outstanding: \$1,845,000
- Interest Rate: 4.2%
- Funding Source: Sewer Funds

2008 State Infrastructure Bank (CIEDB) Loan

- Purpose: Tank Farm Lift Station and Force Main Project
- Maturity Date: 2038
- Original Principal Amount: \$10,000,000
- July 1, 2011 Principal Outstanding: \$9,567,700
- Interest Rate: 3.25% (including annual loan fees)
- Funding Source: Sewer Fund

2009 Lease Revenue Bonds

- Purpose: Public Safety Communications and Emergency Operations Center
- Maturity Date: 2039
- Original Amount: \$10,705,000
- July 1, 2011 Principal Outstanding: \$9,755,100
- Interest Rate: 3.00% to 5.75%
- Funding Source: General, Water, Sewer, Parking Funds

2010 Fire Engine/Truck Lease Financing

- Purpose: Purchase of fire apparatus with 100-foot ladder
 - Maturity Date: 2020
 - Original Amount: \$1,080,000
 - July 1, 2011 Principal Outstanding: \$1,000,000
 - Interest Rate: 2.99%
 - Funding Source: General Fund
- 

DEBT SERVICE REQUIREMENTS

ANNUAL PAYMENTS BY FUNCTION

	Actual 2009-10	Budget 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
PUBLIC SAFETY				
Police Protection	461,100	464,500	465,300	462,400
Fire & Environmental Safety	487,400	588,300	557,200	553,100
Total Public Safety	948,500	1,052,800	1,022,500	1,015,500
PUBLIC UTILITIES				
Water Service	2,377,600	2,341,500	2,343,800	2,348,900
Wastewater Service	3,191,600	3,243,700	3,245,000	2,995,000
Total Public Utilities	5,569,200	5,585,200	5,588,800	5,343,900
TRANSPORTATION				
Streets	363,300	363,200	362,500	360,900
Parking	1,522,000	1,483,000	1,482,700	1,480,400
Total Transportation	1,885,300	1,846,200	1,845,200	1,841,300
LEISURE, CULTURAL & SOCIAL SERVICES				
Parks & Recreation	962,500	911,400	716,600	719,000
Total Leisure, Cultural & Social Services	962,500	911,400	716,600	719,000
GENERAL GOVERNMENT				
Information Technology	70,100	68,200	67,900	37,500
Buildings	564,400	621,300	535,700	566,700
Total General Government	634,500	689,500	603,600	604,200
TOTAL DEBT SERVICE REQUIREMENTS	\$10,000,000	\$10,085,100	\$9,776,700	\$9,523,900

DEBT SERVICE REQUIREMENTS

ANNUAL PAYMENTS BY SOURCE

	Actual 2009-10	Budget 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
GENERAL FUND				
2001 Revenue Refunding Bonds Series B & C				
Principal	515,000	535,000	200,000	205,000
Interest	282,800	264,800	251,700	244,100
2004/1994 Refunding Lease Revenue Bonds				
Principal	249,800	259,000	266,400	273,800
Interest	43,500	36,000	28,200	19,600
2005/1996 Lease Revenue Bonds				
Principal	235,000	250,000	255,000	270,000
Interest	228,100	219,900	211,100	202,000
2006 Lease Revenue Bonds-919 Palm Street				
Principal	144,900	149,500	156,400	163,300
Interest	314,700	308,900	303,000	296,800
2009 Lease Revenue Bonds - Public Safety EOC				
Principal	355,700	448,900	461,600	470,100
Interest	481,900	390,500	384,100	370,100
Fire Engine/Truck Lease Financing				
Principal		80,000	100,000	100,000
Interest		17,000	29,900	26,900
Energy Conservation Lease Financing				
Principal	49,800	51,600	53,800	55,900
Interest	7,600	5,800	4,000	2,000
Total Debt Service Fund	2,908,800	3,016,900	2,705,200	2,699,600
WATER FUND				
2002 Revenue Refunding Bonds				
Principal	390,000	400,000	415,000	435,000
Interest	327,500	287,200	273,200	257,900
2006 Water Treatment Plant Upgrade				
Principal	335,000	345,000	360,000	375,000
Interest	704,300	687,700	673,900	659,600
2009 Lease Revenue Bonds - Public Safety EOC				
Principal	28,100	35,500	36,500	37,100
Interest	38,200	31,500	30,400	29,400
Water Reuse Project Loan				
Principal	354,000	362,800	371,900	381,200
Interest	171,500	162,700	153,600	144,400
Energy Conservation Lease Financing				
Principal	25,200	26,200	27,300	28,300
Interest	3,800	2,900	2,000	1,000
Total Water Fund	2,377,600	2,341,500 0	2,343,800	2,348,900

DEBT SERVICE REQUIREMENTS

ANNUAL PAYMENTS BY SOURCE

	Actual 2009-10	Budget 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
SEWER FUND				
1992 State Revolving Fund Loan Fund				
Principal	1,895,500	1,954,700	2,015,700	1,828,900
Interest	186,900	180,900	119,800	56,900
Installment Sale Agreement - Tank Farm Lift Station				
Principal	100,000	105,000	110,000	115,000
Interest	89,800	81,900	77,600	72,900
CIEDB State Loan - Tank Farm Lift Station				
Principal	212,700	219,600	226,700	234,100
Interest	351,000	343,900	336,000	327,800
2009 Lease Revenue Bonds - Public Safety EOC				
Principal	31,900	40,300	41,400	42,200
Interest	43,300	35,700	34,500	33,300
Energy Conservation Lease Financing				
Principal	244,000	253,200	263,900	274,000
Interest	36,500	28,500	19,400	9,900
Total Wastewater Fund	3,191,600	3,243,700	3,245,000	2,995,000
PARKING FUND				
2004/1994 Refunded Lease Revenue Bonds				
Principal	425,200	441,000	453,600	466,200
Interest	117,500	69,300	56,000	41,200
CIEDB State Loan				
Principal	203,700	209,900	216,400	223,000
Interest	218,400	214,600	207,400	200,000
2006 Lease Revenue Bonds-919 Palm Street				
Principal	170,100	175,500	183,600	191,700
Interest	377,200	362,700	355,600	348,400
2009 Lease Revenue Bonds - Public Safety EOC				
Principal	4,200	5,300	5,500	5,600
Interest	5,700	4,700	4,600	4,300
Total Parking Fund	1,522,000	1,483,000	1,482,700	1,480,400
TOTAL DEBT SERVICE REQUIREMENTS	10,000,000	10,085,100	9,776,700	9,523,900

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

DEBT SERVICE REQUIREMENTS

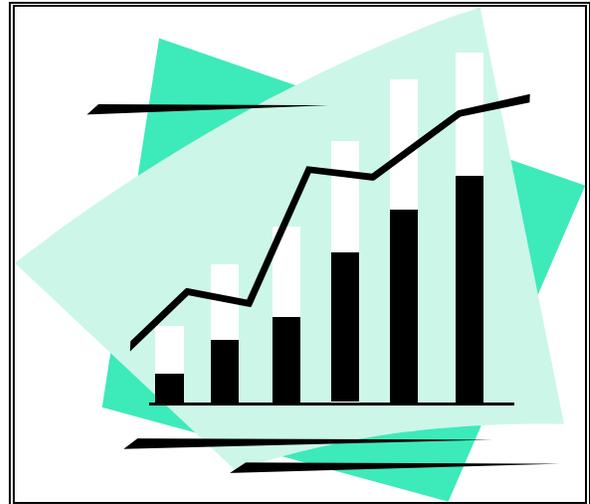
COMPUTATION OF LEGAL DEBT MARGIN

Gross Assessed Valuation (2010-11)	<u><u>\$6,422,949,592</u></u>
Legal Debt Limit - 3.75% of Gross Assessed Valuation (See Note Below)	<u><u>\$240,860,600</u></u>
Long-Term Debt:	
Revenue Bonds Secured by Capital Leases	39,990,000
State Water Resources Revolving Fund Loans	12,305,200
State Infrastructure Bank Loans	16,248,800
Water Revenue Bonds	22,405,000
Installment Sale Agreement	1,950,000
Lease Purchase Financing	<u>2,114,300</u>
	95,013,300
LESS DEDUCTIONS ALLOWED BY LAW:	
Revenue Bonds Secured by Capital Leases	39,990,000
State Loans	28,554,000
Water Revenue Bonds	<u>22,405,000</u>
	90,949,000
TOTAL DEBT APPLICABLE TO COMPUTED LIMIT	<u><u>\$4,064,300</u></u>
LEGAL DEBT MARGIN	<u><u>\$236,796,300</u></u>

NOTE

The California Government Code provides for a legal debt limit of 15% of gross assessed valuation based on 25% of market value. Since this limit was set, the State Constitution has changed, requiring assessed value to be set at 100% of market value. Adjusting for this change results in a comparable legal debt limit of 3.75% of assessed value. The City's debt management policy, however, sets a lower direct debt limit of 2% of assessed valuation which is \$128,458,992

Section G
CHANGES IN FINANCIAL POSITION



CHANGES IN FINANCIAL POSITION

OVERVIEW

INTRODUCTION

This section summarizes revenues, expenditures, and changes in financial position for each of the City's operating funds. For the Governmental Funds, financial position is defined as fund balance; for the enterprise funds it is defined as working capital; and for the Whale Rock Reservoir (an Agency Fund of the City) it is defined as fund balance as reported by the Whale Rock Commission in its separately issued financial statements.

Because governmental and enterprise funds use different bases of accounting, fund balance and working capital are different measures of financial position under generally accepted accounting principles. However, they represent similar concepts: resources available at the beginning of the year to fund operations, debt service, and capital improvements in the following year. Accordingly, to establish a similar framework for evaluating and projecting the City's overall financial position, these two measures of financial position are used interchangeably in this section.

Changes in financial position are provided for the last two completed fiscal years (2009-10 and 2010-11); and the two years covered by the 2011-13 Financial Plan (2011-12 and 2012-13).

BASIS OF ACCOUNTING AND BUDGETING

Basis of Accounting

In accordance with generally accepted accounting principles, the City's financial reporting system is organized on a fund basis consisting of three major fund types—governmental, proprietary and fiduciary. The City's various funds have been established in order to segregate and identify those financial transactions and resources associated with providing specific activities or programs in conformance with special regulations, restrictions, or limitations.

Governmental funds are reported using the current financial resources measurement focus and the

modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Expenditures generally are recorded when a liability is incurred; however, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Proprietary funds are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. The only type of proprietary funds that the City uses are *enterprise funds* for water, sewer, parking, transit and golf services.

The only *fiduciary funds* the City reports are agency funds. Unlike other types of funds, agency funds only report assets and liabilities, thus they do not have a measurement focus since they do not report operating activity. However, agency funds do use the accrual basis of accounting to recognize receivables and payables.

Basis of Budgeting

Budgetary basis refers to the basis of accounting used to estimate financing sources and uses in the budget. The City prepares its budget for each fund in accordance with its respective basis of accounting.

CHANGES IN FINANCIAL POSITION

ORGANIZATION OF THE CITY'S FUNDS

CITY FUND DESCRIPTIONS

The following funds are included in the Financial Plan; additional descriptions of each of the fund types are provided in the Budget Glossary (Section I) of the 2011-13 Financial Plan:

Governmental Funds

Most of the City's programs and functions are provided and financed through the following governmental funds, which are distinguished by their measurement focus on determining financial position and changes in financial position (modified accrual method), rather than upon determining net income:

- General Fund
- Special Revenue Funds
 - Downtown Business Improvement District
 - Gas Tax
 - Transportation Development Act
 - Community Development Block Grant
 - Law Enforcement Grants Fund
 - Public Art (Private Sector Contributions) Fund
 - Proposition 42 Fund
 - Proposition 1B Fund
 - Tourism Business Improvement District Fund
- Capital Project Funds
 - Capital Outlay Fund
 - Parkland Development Fund
 - Transportation Impact Fees Fund
 - Open Space Protection Fund
 - Airport Area Impact Fees Fund
 - Affordable Housing Fund
 - Fleet Replacement Fund
 - Los Osos Valley Road Sub-Area Fee Fund
- Debt Service Fund

Enterprise Funds

Enterprise funds are distinguished from governmental funds by their similarity to private sector enterprises, as it is intended that the cost of providing services will be financed or recovered primarily through user charges (accrual basis).

The City uses the following four enterprise funds:

- Water
- Sewer
- Parking
- Transit

Prior to 2011-13, the City also accounted for Golf in an enterprise fund. Beginning in 2011-13 these operations are recognized in the General Fund.

Trust and Agency Funds

Also known as fiduciary funds, agency funds are used to account for assets held by the City in a trustee capacity for private individuals, organizations, or other governmental agencies.

Agency funds are custodial in nature (assets equal liabilities) and do not measure the results of operations (revenues, expenditures, and changes in fund balance). Because of their custodial nature, agency funds are not typically included in budgetary documents. In this case, however, the City is directly responsible for the day-to-day management and operations of the Whale Rock Reservoir. As such, because of its significance to the City's operations and organizational structure, budget information for the Whale Rock Commission (which is accounted for as an agency fund of the City using the accrual basis) is provided in the City's Financial Plan.

CHANGES IN FINANCIAL POSITION

ALL FUNDS COMBINED

	Actual	Budget	2011-13 Financial Plan	
	2009-10	2010-11	2011-12	2012-13
Revenues				
Tax Revenues	42,093,000	43,582,600	44,436,400	45,208,600
Fines and Forfeitures	892,200	818,400	897,500	856,700
Investment and Property Revenues	2,667,700	1,567,700	1,513,500	1,391,500
Subventions and Grants	8,274,500	16,609,900	5,485,000	5,214,200
Service Charges				
Governmental Funds	5,885,800	7,566,200	6,915,100	7,116,600
Enterprise Funds	30,712,500	31,289,500	33,457,000	40,327,100
Trust and Agency Revenues	1,066,000	1,170,000	931,000	934,700
Other Revenues	398,700	1,272,500	148,400	144,100
Total Revenues	91,990,400	103,876,800	93,783,900	101,193,500
Expenditures				
Operating Programs				
Public Safety	24,203,800	24,954,200	25,090,000	25,271,000
Public Utilities	12,384,300	19,694,700	20,442,200	20,257,700
Transportation	7,069,800	7,497,400	7,844,600	8,070,400
Leisure, Cultural & Social Services	6,785,200	7,296,100	7,130,500	7,261,700
Community Development	6,690,200	7,703,800	7,729,300	7,551,400
General Government	11,517,500	11,815,900	12,396,700	12,516,800
Total Operating Programs	68,650,800	78,962,100	80,633,300	80,929,000
Capital Improvement Plan Projects	22,649,700	45,955,800	9,103,700	8,823,100
Debt Service	9,999,900	10,137,300	9,776,700	9,523,900
Total Expenditures	101,300,400	135,055,200	99,513,700	99,276,000
Other Sources (Uses)				
Operating Transfers In	8,378,000	6,643,900	8,139,500	7,762,800
Operating Transfers Out	(8,378,000)	(6,643,900)	(8,139,500)	(7,762,800)
Proceeds from Debt Financings		1,044,000		
Potential MOA Adjustments			1,439,200	2,848,500
Other Souces (Uses)	(202,000)		(332,000)	(2,864,500)
Expenditure Savings		2,119,500	1,093,100	1,093,000
Total Other Sources (Uses)	(202,000)	3,163,500	2,200,300	1,077,000
Revenues and Other Sources Over (Under)				
Expenditures and Other Uses	(9,512,000)	(28,014,900)	(3,529,500)	2,994,500
Fund Balance/Working Capital,				
Beginning of Year	75,318,900	65,806,900	37,792,000	34,262,500
Fund Balance/Working Capital,				
End of Year				
Reserved for Debt Service	2,285,700	1,887,500	1,887,500	1,887,500
Unreserved	63,521,200	35,904,500	32,375,000	35,369,500
Total Fund Balance/Working Capital	\$ 65,806,900	\$ 37,792,000	\$ 34,262,500	\$ 37,257,000

CHANGES IN FINANCIAL POSITION

ALL GOVERNMENTAL FUNDS COMBINED

	Actual	Budget	2011-13 Financial Plan	
	2009-10	2010-11	2011-12	2012-13
Revenues				
Tax Revenues	42,093,000	43,582,600	44,436,400	45,208,600
Fines and Forfeitures	201,700	195,000	196,600	198,200
Investment and Property Revenues	1,239,500	989,200	1,044,900	1,048,800
From Other Governments	4,972,000	11,609,900	2,916,800	2,812,300
Service Charges	5,885,800	7,566,200	6,915,100	7,116,600
Other Revenues	377,900	1,216,600	85,000	85,000
Total Revenues	54,769,900	65,159,500	55,594,800	56,469,500
Expenditures				
Operating Programs				
Public Safety	24,203,800	24,954,200	25,090,000	25,271,000
Transportation	3,019,700	3,147,900	3,169,700	3,199,800
Leisure, Cultural & Social Services	6,279,900	6,770,700	7,130,500	7,261,700
Community Development	6,690,200	7,703,800	7,729,300	7,551,400
General Government	11,517,500	11,863,400	12,396,700	12,516,800
Total Operating Programs	51,711,100	54,440,000	55,516,200	55,800,700
Reimbursed Expenditures	(4,264,000)	(4,396,900)	(3,862,300)	(3,920,900)
Total Operating Expenditures	47,447,100	50,043,100	51,653,900	51,879,800
Capital Improvement Plan Projects	17,100,600	28,280,100	4,763,200	4,058,100
Debt Service	2,908,700	3,069,100	2,705,200	2,699,600
Total Expenditures	67,456,400	81,392,300	59,122,300	58,637,500
Other Sources (Uses)				
Operating Transfers In	8,081,900	6,297,400	8,139,500	7,762,800
Operating Transfers Out	(8,378,000)	(6,643,900)	(8,139,500)	(7,762,800)
Proceeds from Debt Financings		1,044,000		
Potential MOA Adjustments			1,300,000	2,600,000
Other Sources (Uses)				
Expenditure Savings		1,369,500	1,082,400	1,087,600
Total Other Sources (Uses)	(296,100)	2,067,000	2,382,400	3,687,600
Revenues and Other Sources Over (Under)				
Expenditures and Other Uses	(12,982,600)	(14,165,800)	(1,145,100)	1,519,600
Fund Balance, Beginning of Year	44,405,900	31,423,300	17,257,500	16,112,400
Fund Balance, End of Year				
Reserved for Debt Service	2,285,700	1,887,500	1,887,500	1,887,500
Unreserved	29,137,600	15,370,000	14,224,900	15,744,500
Total Fund Balance	\$ 31,423,300	\$ 17,257,500	\$ 16,112,400	\$ 17,632,000

CHANGES IN FINANCIAL POSITION

ALL ENTERPRISE AND AGENCY FUNDS COMBINED

	Actual 2009-10	Budget 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Revenues				
Fines and Forfeitures	690,500	623,400	700,900	658,500
Investment and Property Revenues	1,428,200	578,500	468,600	342,700
From Other Governments	3,302,500	5,000,000	2,568,200	2,401,900
Service Charges	30,712,500	31,289,500	33,457,000	40,327,100
Other Revenues	20,800	55,900	63,400	59,100
Trust and Agency Revenues	1,066,000	1,170,000	931,000	934,700
Total Revenues	37,220,500	38,717,300	38,189,100	44,724,000
Expenditures				
Operating Programs				
Public Utilities	12,384,300	19,694,700	20,442,200	20,257,700
Transportation	4,050,100	4,349,500	4,674,900	4,870,600
Leisure, Cultural & Social Services	505,300	525,400		
General Government	4,264,000	4,349,400	3,862,300	3,920,900
Total Operating Programs	21,203,700	28,919,000	28,979,400	29,049,200
Capital Improvement Plan Projects	5,549,100	17,675,700	4,340,500	4,765,000
Debt Service	7,091,200	7,068,200	7,071,500	6,824,300
Total Expenditures	33,844,000	53,662,900	40,391,400	40,638,500
Other Sources (Uses)				
Operating Transfers In	296,100	346,500		
Proceeds from Debt Financings				
Expenditure Savings		750,000	10,700	5,400
Other Sources (Uses)	(202,000)		(332,000)	(2,864,500)
Potential MOA Adjustments			139,200	248,500
Total Other Sources (Uses)	94,100	1,096,500	(182,100)	(2,610,600)
Revenues and Other Sources Over (Under)				
Expenditures and Other Uses	3,470,600	(13,849,100)	(2,384,400)	1,474,900
Working Capital, Beginning of Year				
	30,913,000	34,383,600	20,534,500	18,150,100
Working Capital, End of Year				
	\$ 34,383,600	\$ 20,534,500	\$ 18,150,100	\$ 19,625,000

CHANGES IN FINANCIAL POSITION

GENERAL FUND

	Actual 2009-10	Budget 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Revenues				
Tax Revenues	42,093,000	43,582,600	44,436,400	45,208,600
Fines and Forfeitures	201,700	195,000	196,600	198,200
Investment and Property Revenues	904,800	820,000	996,100	992,300
Subventions and Grants	1,235,000	693,600	354,300	355,700
Service Charges	4,691,600	4,961,800	5,460,900	5,611,100
Other Revenues	139,600	818,300	75,000	75,000
Total Revenues	49,265,700	51,071,300	51,519,300	52,440,900
Expenditures				
Operating Programs				
Public Safety	24,203,800	24,954,200	25,090,000	25,271,000
Transportation	3,019,700	3,147,900	3,169,700	3,199,800
Leisure, Cultural & Social Services	6,279,900	6,770,700	7,130,500	7,261,700
Community Development	5,394,000	5,732,100	6,333,000	6,131,100
General Government	11,517,500	11,776,400	12,396,700	12,516,800
Total Program Expenditures	50,414,900	52,381,300	54,119,900	54,380,400
Reimbursed Expenditures	(4,264,000)	(4,396,900)	(3,862,300)	(3,920,900)
Total Expenditures	46,150,900	47,984,400	50,257,600	50,459,500
Other Sources (Uses)				
Operating Transfers In	1,195,400	1,274,300	1,277,000	1,296,300
Operating Transfers Out	(7,182,600)	(5,369,600)	(6,862,500)	(6,466,500)
MOA & Other Compensation Adjustments			1,300,000	2,600,000
Expenditure Savings		1,369,500	1,082,400	1,087,600
Total Other Sources (Uses)	(5,987,200)	(2,725,800)	(3,203,100)	(1,482,600)
Revenues and Other Sources Over (Under)				
Expenditures and Other Uses	(2,872,400)	361,100	(1,941,400)	498,800
Fund Balance, Beginning of Year	13,991,900	11,119,500	11,480,600	9,539,200
Fund Balance, End of Year	\$ 11,119,500	\$ 11,480,600	\$ 9,539,200	\$ 10,038,000

CHANGES IN FINANCIAL POSITION

DOWNTOWN BUSINESS IMPROVEMENT DISTRICT (DBID) FUND

	Actual 2009-10	Budget 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Revenues				
Investment and Property Revenues				
Service Charges				
Assessments	208,300	220,800	198,100	200,000
Other Service Charges				
<i>Total Service Charges</i>	<i>208,300</i>	<i>220,800</i>	<i>198,100</i>	<i>200,000</i>
Other Revenues				
Total Revenues	208,300	220,800	198,100	200,000
Expenditures				
Operating Programs				
Community Development	208,300	220,800	199,200	200,000
Total Expenditures	208,300	220,800	199,200	200,000
Revenues and Other Sources Over (Under)				
Expenditures and Other Uses			(1,100)	
Fund Balance, Beginning of Year	1,100	1,100	1,100	
Fund Balance, End of Year	\$ 1,100	\$ 1,100	\$ -	\$ -

CHANGES IN FINANCIAL POSITION

TOURISM BUSINESS IMPROVEMENT DISTRICT (TBID) FUND

	Actual 2009-10	Budget 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Revenues				
Investment and Property Revenues	17,800	6,800	7,000	7,000
Service Charges	902,500	905,000	973,100	992,500
Total Revenues	920,300	911,800	980,100	999,500
Expenditures				
Operating Programs				
Community Development	828,100	1,469,800	934,100	952,300
Capital Improvement Plan Projects				
Total Expenditures	828,100	1,469,800	934,100	952,300
Other Sources (Uses)				
Operating Transfer In				
Operating Transfer Out		(36,200)	(38,900)	(39,700)
Total Other Sources (Uses)		(36,200)	(38,900)	(39,700)
Revenues and Other Sources Over (Under)				
Expenditures and Other Uses	92,200	(594,200)	7,100	7,500
Fund Balance, Beginning of Year	523,800	616,000	21,800	28,900
Fund Balance, End of Year	\$ 616,000	\$ 21,800	\$ 28,900	\$ 36,400

CHANGES IN FINANCIAL POSITION

GAS TAX FUND

	Actual 2009-10	Budget 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Revenues				
From Other Governments -				
Gasoline Tax	762,400	1,215,600	1,215,600	1,233,800
Total Revenues	762,400	1,215,600	1,215,600	1,233,800
Other Sources (Uses)				
Operating Transfers Out	(762,400)	(1,215,600)	(1,215,600)	(1,233,800)
Total Other Sources (Uses)	(762,400)	(1,215,600)	(1,215,600)	(1,233,800)
Revenues and Other Sources Over (Under)				
Expenditures and Other Uses				
Fund Balance, Beginning of Year				
Fund Balance, End of Year				
	\$	-	\$	-
	\$	-	\$	-

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

CHANGES IN FINANCIAL POSITION

TRANSPORTATION DEVELOPMENT ACT (TDA) FUND

	Actual 2009-10	Budget 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Revenues				
Subventions and Grants	27,800	22,500	22,500	22,800
Total Revenues	27,800	22,500	22,500	22,800
Other Sources (Uses)				
Operating Transfers Out	(27,800)	(22,500)	(22,500)	(22,800)
Total Other Sources (Uses)	(27,800)	(22,500)	(22,500)	(22,800)
Revenues and Other Sources Over (Under)				
Expenditures and Other Uses				
Fund Balance, Beginning of Year				
Fund Balance, End of Year	\$ -	\$ -	\$ -	\$ -

CHANGES IN FINANCIAL POSITION

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUND

	Actual 2009-10	Budget 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Revenues				
From Other Governments				
CDBG Allocation	817,000	1,596,400	568,400	630,000
State Grant Close-Out				
Total Revenues	817,000	1,596,400	568,400	630,000
Expenditures				
Operating Programs				
Community Development	259,800	281,100	263,000	268,000
General Government		87,000		
Total Operating Programs	259,800	368,100	263,000	268,000
Capital Improvement Plan Projects	579,000	1,267,800	369,400	105,000
Total Expenditures	838,800	1,635,900	632,400	373,000
Other Sources (Uses)				
Operating Transfer In	21,800	39,500	64,000	
Total Other Sources (uses)	21,800	39,500	64,000	
Revenues and Other Sources Over (Under)				
Expenditures and Other Uses				257,000
Fund Balance, Beginning of Year				
Fund Balance, End of Year *	\$ -	\$ -	\$ -	\$ 257,000

* While final determinations of the use of CDBG funds for 2012-13 will be made by the Council next year as part of a county-wide public hearing process, based on programs and projects proposed for funding for 2012-13, there will be \$257,000 available for additional purposes.

CHANGES IN FINANCIAL POSITION

LAW ENFORCEMENT GRANTS FUND

	Actual 2009-10	Budget 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Revenues				
Investment and Property Revenues	1,300	1,100	800	900
Subventions and Grants				
Service Charges	3,200	2,600	2,000	2,000
Total Revenues	4,500	3,700	2,800	2,900
Expenditures				
Capital Improvement Plan Projects	13,000	2,000		
Total Expenditures	13,000	2,000		
Revenues and Other Sources Over (Under)				
Expenditures and Other Uses	(8,500)	1,700	2,800	2,900
Fund Balance, Beginning of Year	47,200	38,700	40,400	43,200
Fund Balance, End of Year	\$ 38,700	\$ 40,400	\$ 43,200	\$ 46,100

CHANGES IN FINANCIAL POSITION

PUBLIC ART (PRIVATE SECTOR CONTRIBUTIONS) FUND

	Actual 2009-10	Budget 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Revenues				
Investment and Property Revenues	12,100	5,300	5,000	5,000
Service Charges				
In-lieu fees	20,100	80,000	20,000	20,000
Other Revenues				
Total Revenues	32,200	85,300	25,000	25,000
Expenditures				
Capital Improvement Plan Projects	59,700	252,600		
Total Expenditures	59,700	252,600		
Revenues and Other Sources Over (Under)				
Expenditures and Other Uses	(27,500)	(167,300)	25,000	25,000
Fund Balance, Beginning of Year	415,800	388,300	221,000	246,000
Fund Balance, End of Year	\$ 388,300	\$ 221,000	\$ 246,000	\$ 271,000

CHANGES IN FINANCIAL POSITION

PROPOSITION 42 FUND

	Actual 2009-10	Budget 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Revenues				
Investment and Property Revenues				
Subventions and Grants				
State Grants	405,200			
Total Revenues	405,200			
Other Sources (Uses)				
Operating Transfer Out	(405,200)			
Total Other Sources (Uses)	(405,200)			
Revenues and Other Sources Over (Under)				
Expenditures and Other Uses				
Fund Balance, Beginning of Year				
Fund Balance, End of Year	\$ -	\$ -	\$ -	\$ -

Operating transfers out are for street maintenance.

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

CHANGES IN FINANCIAL POSITION

CAPITAL OUTLAY FUND

	Actual 2009-10	Budget 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Revenues				
Subventions and Grants	739,900	4,940,500	90,000	40,000
Service Charges		215,000	250,000	280,000
Other Revenues	113,100	67,800		
Total Revenues	853,000	5,223,300	340,000	320,000
Expenditures				
Capital Improvement Plan Projects	10,285,000	16,441,900	3,695,800	3,364,400
Total Expenditures	10,285,000	16,441,900	3,695,800	3,364,400
Other Sources (Uses)				
Operating Transfers In	3,542,500	2,312,700	3,355,800	3,044,400
Proceeds from Debt Financing				
Total Other Sources (Uses)	3,542,500	2,312,700	3,355,800	3,044,400
Revenues and Other Sources Over (Under)				
Expenditures and Other Uses	(5,889,500)	(8,905,900)		
Fund Balance, Beginning of Year	14,795,400	8,905,900		
Fund Balance, End of Year	\$ 8,905,900	\$ -	\$ -	\$ -

CHANGES IN FINANCIAL POSITION

PARKLAND DEVELOPMENT FUND

	Actual 2009-10	Budget 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Revenues				
Investment and Property Revenues	41,800	37,200	700	900
Subventions and Grants		50,000		
Service Charges				
Park In-Lieu Fees	35,200	50,000	10,000	10,000
Dwelling Unit Fees	1,200	1,000	1,000	1,000
Other Revenues		323,300		
Total Revenues	78,200	461,500	11,700	11,900
Expenditures				
Capital Improvement Plan Projects	67,000	1,718,300		
Total Expenditures	67,000	1,718,300		
Revenues and Other Sources Over (Under) Expenditures and Other Uses	11,200	(1,256,800)	11,700	11,900
Fund Balance, Beginning of Year	1,319,900	1,331,100	74,300	86,000
Fund Balance, End of Year	\$ 1,331,100	\$ 74,300	\$ 86,000	\$ 97,900

CHANGES IN FINANCIAL POSITION

TRANSPORTATION IMPACT FEE FUND

	Actual 2009-10	Budget 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Revenues				
Investment and Property Revenue	107,500	40,000	7,000	9,700
Subventions and Grants	399,900	2,341,300	666,000	530,000
Service Charges	30,200	780,000		
Other Revenues	87,200	7,200		
Total Revenues	624,800	3,168,500	673,000	539,700
Expenditures				
Capital Improvement Plan Projects	893,300	5,867,900	403,000	275,000
Total Expenditures	893,300	5,867,900	403,000	275,000
Other Sources (Uses)				
Operating Transfer In	74,000			
Total Other Sources (Uses)	74,000			
Revenues and Other Sources Over (Under)				
Expenditures and Other Uses	(194,500)	(2,699,400)	270,000	264,700
Fund Balance, Beginning of Year	3,592,800	3,398,300	698,900	968,900
Fund Balance, End of Year	\$ 3,398,300	\$ 698,900	\$ 968,900	\$ 1,233,600

CHANGES IN FINANCIAL POSITION

OPEN SPACE PROTECTION FUND

	Actual 2009-10	Budget 2010-11	2011-12	
			2011-12	2012-13
Revenues				
Investment and Property Revenue	12,700	1,000	1,000	1,000
Subventions and Grants	314,800	750,000		
Service Charges				
Other Revenues	10,500			
Total Revenues	338,000	751,000	1,000	1,000
Expenditures				
Capital Improvement Plan Projects	370,500	1,136,500	237,500	22,500
Total Expenditures	370,500	1,136,500	237,500	22,500
Other Sources (Uses)				
Operating Transfer In	260,400		237,500	22,500
Operating Transfer Out				
Total Other Sources (Uses)	260,400		237,500	22,500
Revenues and Other Sources Over (Under) Expenditures and Other Uses	227,900	(385,500)	1,000	1,000
Fund Balance, Beginning of Year	261,500	489,400	103,900	104,900
Fund Balance, End of Year	\$ 489,400	\$ 103,900	\$ 104,900	\$ 105,900

CHANGES IN FINANCIAL POSITION

AIRPORT AREA IMPACT FEE FUND

	Actual 2009-10	Budget 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Revenues				
Investment and Property Revenue	31,500	24,000	6,800	6,800
Service Charges	3,600			
Total Revenues	35,100	24,000	6,800	6,800
Expenditures				
Capital Improvement Plan Projects		375,000		
Total Expenditures		375,000		
Revenues and Other Sources Over (Under)				
Expenditures and Other Uses	35,100	(351,000)	6,800	6,800
Fund Balance, Beginning of Year	993,700	1,028,800	677,800	684,600
Fund Balance, End of Year	\$ 1,028,800	\$ 677,800	\$ 684,600	\$ 691,400

CHANGES IN FINANCIAL POSITION

AFFORDABLE HOUSING FUND

	Actual 2009-10	Budget 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Revenues				
Investment and Property Revenue	41,600	20,000	2,300	2,300
Subventions and Grants	270,000			
Service Charges	(21,300)	350,000		
Total Revenues	290,300	370,000	2,300	2,300
Expenditures				
Capital Improvement Plan Projects	3,407,600	808,300		
Total Expenditures	3,407,600	808,300		
Revenues and Other Sources Over (Under)				
Expenditures and Other Uses	(3,117,300)	(438,300)	2,300	2,300
Fund Balance, Beginning of Year	3,785,000	667,700	229,400	231,700
Fund Balance, End of Year	\$ 667,700	\$ 229,400	\$ 231,700	\$ 234,000

CHANGES IN FINANCIAL POSITION

FLEET REPLACEMENT FUND

	Actual 2009-10	Budget 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Revenues				
Investment and Property Revenues	59,800	30,000	17,100	21,800
Service Charges				
Other Revenues				
Sale of Surplus Property	27,500		10,000	10,000
Total Revenues	87,300	30,000	27,100	31,800
Expenditures				
Capital Improvement Plan Projects	1,406,500	348,400	57,500	291,200
Total Expenditures	1,406,500	348,400	57,500	291,200
Other Sources (Uses)				
Proceeds from Debt Financing		1,044,000		
Operating Transfers In	79,100		500,000	700,000
Total Other Sources (Uses)	79,100	1,044,000	500,000	700,000
Revenues and Other Sources Over (Under)				
Expenditures and Other Uses	(1,240,100)	725,600	469,600	440,600
Fund Balance, Beginning of Year	2,223,900	983,800	1,709,400	2,179,000
Fund Balance, End of Year	\$ 983,800	\$ 1,709,400	\$ 2,179,000	\$ 2,619,600

CHANGES IN FINANCIAL POSITION

LOS OSOS VALLEY ROAD SUB-AREA FEE FUND

	Actual 2009-10	Budget 2010-11	2011-12	
			2011-12	2012-13
Revenues				
Investment and Property Revenue	8,600	3,800	1,100	1,100
Service Charges	11,200			
Total Revenues	19,800	3,800	1,100	1,100
Expenditures				
Capital Improvement Plan Projects *	19,000	61,400		
Total Expenditures	19,000	61,400		
Revenues and Other Sources Over (Under)				
Expenditures and Other Uses	800	(57,600)	1,100	1,100
Fund Balance, Beginning of Year	168,200	169,000	111,400	112,500
Fund Balance, End of Year	\$ 169,000	\$ 111,400	\$ 112,500	\$ 113,600

* Includes pass-throughs to Costco per the City's reimbursement agreement with them for Calle Joaquin improvements.

CHANGES IN FINANCIAL POSITION

DEBT SERVICE FUND

	Actual 2009-10	Budget 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Expenditures				
Debt Service				
2001 Refunded Revenue Bonds	797,800	799,800	451,700	449,100
2004 Refunding Revenue Bonds	293,200	295,000	294,600	293,400
2005 Refunding Revenue Bonds	463,100	469,900	466,100	472,000
2006 Lease Revenue Bonds	459,600	458,400	459,400	460,100
2009 Lease Revenue Bonds	837,600	839,400	845,700	840,200
Fire Engine/Truck Lease Purchase		97,000	129,900	126,900
Energy Conservation Lease Purchase	57,400	109,600	57,800	57,900
Total Expenditures	2,908,700	3,069,100	2,705,200	2,699,600
Other Sources (Uses)				
Operating Transfers In	2,908,700	2,670,900	2,705,200	2,699,600
Total Other Sources (Uses)	2,908,700	2,670,900	2,705,200	2,699,600
Revenues and Other Sources Over (Under)				
Expenditures and Other Uses		(398,200)		
Fund Balance, Beginning of Year	2,285,700	2,285,700	1,887,500	1,887,500
Fund Balance, End of Year				
Reserved for Debt Service	2,285,700	1,887,500	1,887,500	1,887,500
Unreserved				
Total Fund Balance	\$ 2,285,700	\$ 1,887,500	\$ 1,887,500	\$ 1,887,500

CHANGES IN FINANCIAL POSITION

WATER FUND

	Actual	Budget	2011-13 Financial Plan	
	2009-10	2010-11	2011-12	2012-13
Revenues				
Service Charges				
Water Sales				
Water Service Charges	12,037,400	12,504,300	13,754,700	14,992,600
Sales to Other Agencies	939,600	850,800	935,900	1,020,100
Development Impact Fees	448,200	567,400	383,800	390,700
Connection Charges and Meter Sales		5,700	5,800	5,900
Account Set-up Fee		85,200	86,500	88,100
Other Service Charges	330,600	124,700	125,600	127,900
Total Service Charges	13,755,800	14,138,100	15,292,300	16,625,300
Other Revenues	56,300	30,400	30,900	31,500
Subventions and Grants				
Investment and Property Revenues	663,500	229,700	179,100	133,700
Total Revenues	14,475,600	14,398,200	15,502,300	16,790,500
Expenditures				
Operating Programs				
Public Utilities	5,934,200	12,351,500	13,603,300	13,311,900
General Government	1,669,300	1,702,700	1,352,700	1,379,800
Total Operating Programs	7,603,500	14,054,200	14,956,000	14,691,700
Capital Improvement Plan Projects	2,618,100	5,517,900	311,400	200,000
Debt Service	2,377,600	2,341,500	2,343,800	2,348,900
Total Expenditures	12,599,200	21,913,600	17,611,200	17,240,600
Other Sources (Uses)				
Other Sources (Uses)				
Proceeds from Debt Financing				
Potential MOA Adjustments			33,600	113,700
Expenditure Savings		750,000		
Other Sources (Uses)	(119,700)	64,600	(191,500)	(442,100)
Total Other Sources (Uses)	(119,700)	814,600	(157,900)	(328,400)
Revenues and Other Sources Over (Under)				
Expenditures and Other Uses	1,756,700	(6,700,800)	(2,266,800)	(778,500)
Working Capital, Beginning of Year	13,897,100	15,653,800	8,953,000	6,686,200
Working Capital, End of Year	\$ 15,653,800	\$ 8,953,000	\$ 6,686,200	\$ 5,907,700

CHANGES IN FINANCIAL POSITION

SEWER FUND

	Actual 2009-10	Budget 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Revenues				
Service Charges				
Customer Sales				
Sewer Service Charges	12,171,900	12,350,500	13,245,000	14,039,700
Sales to Other Agencies	779,300	751,400	804,000	852,200
Development Impact Fees	98,700	149,400	102,900	104,800
Other Service Charges	178,200	149,400	151,700	154,500
<i>Total Service Charges</i>	<u>13,228,100</u>	<u>13,400,700</u>	<u>14,303,600</u>	<u>15,151,200</u>
Other Revenues	(3,000)	3,000	3,500	3,600
Investment and Property Revenues	411,000	138,900	138,100	112,700
Total Revenues	<u>13,636,100</u>	<u>13,542,600</u>	<u>14,445,200</u>	<u>15,267,500</u>
Expenditures				
Operating Programs				
Public Utilities	5,606,400	6,431,100	6,046,000	6,131,300
General Government	1,438,400	1,467,200	1,525,900	1,556,400
<i>Total Operating Programs</i>	<u>7,044,800</u>	<u>7,898,300</u>	<u>7,571,900</u>	<u>7,687,700</u>
Capital Improvement Plan Projects	1,803,400	6,180,300	3,711,500	4,370,000
Debt Service	3,191,600	3,243,700	3,245,000	2,995,000
Total Expenditures	<u>12,039,800</u>	<u>17,322,300</u>	<u>14,528,400</u>	<u>15,052,700</u>
Other Sources (Uses)				
Proceeds from Debt Financing				
Potential MOA Adjustments			86,300	107,700
Other Sources (Uses)	(132,800)	(64,600)	(153,500)	(57,900)
Total Other Sources (Uses)	<u>(132,800)</u>	<u>(64,600)</u>	<u>(67,200)</u>	<u>49,800</u>
Revenues and Other Sources Over (Under)				
Expenditures and Other Uses	1,463,500	(3,844,300)	(150,400)	264,600
Working Capital, Beginning of Year	<u>8,165,000</u>	<u>9,628,500</u>	<u>5,784,200</u>	<u>5,633,800</u>
Working Capital, End of Year	<u>\$ 9,628,500</u>	<u>\$ 5,784,200</u>	<u>\$ 5,633,800</u>	<u>\$ 5,898,400</u>

CHANGES IN FINANCIAL POSITION

PARKING FUND

	Actual 2009-10	Budget 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Revenues				
Service Charges				
Parking Meter Collections				
Lots	392,100	396,500	508,200	351,300
Streets	1,153,200	1,181,200	1,359,000	1,436,700
Parking Structure Collections	702,400	707,400	764,200	881,500
Long-Term Parking Revenues	349,900	354,100	374,600	378,300
Lease Revenues	204,800	201,300	210,200	376,300
Parking In-Lieu Fees	12,800	20,600	21,000	4,481,200
Other Service Charges		100	100	100
Total Service Charges	2,815,200	2,861,200	3,237,300	7,905,400
Investment and Property Revenues	292,200	145,000	145,800	90,600
Fines and Forfeitures	690,500	623,400	700,900	658,500
Other Revenues	(9,600)			
Total Revenues	3,788,300	3,629,600	4,084,000	8,654,500
Expenditures				
Operating Programs				
Transportation	1,603,900	1,725,100	1,952,000	1,983,900
General Government	538,500	549,300	523,400	523,300
Total Operating Programs	2,142,400	2,274,400	2,475,400	2,507,200
Capital Improvement Plan Projects	100,200	2,632,600	228,600	195,000
Debt Service	1,522,000	1,483,000	1,482,700	1,480,400
Total Expenditures	3,764,600	6,390,000	4,186,700	4,182,600
Other Sources (Uses)				
Proceeds from Debt Financing				
Other Sources (Uses)	17,200			(2,377,500)
Potential MOA Adjustments			49,700	50,200
Total Other Sources (Uses)	17,200		49,700	(2,327,300)
Revenues and Other Sources Over (Under)				
Expenditures and Other Uses	40,900	(2,760,400)	(53,000)	2,144,600
Working Capital, Beginning of Year	7,250,900	7,291,800	4,531,400	4,478,400
Working Capital, End of Year	\$ 7,291,800	\$ 4,531,400	\$ 4,478,400	\$ 6,623,000

CHANGES IN FINANCIAL POSITION

TRANSIT FUND

	Actual 2009-10	Budget 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Revenues				
Investment and Property Revenues	5,100	5,600	5,600	5,700
From Other Governments				
TDA Revenues	992,400	1,046,200	1,337,200	1,146,300
Other Grants	979,100	1,290,300		
FTA Grants	1,331,000	2,663,500	1,231,000	1,255,600
Service Charges	584,900	592,800	623,800	645,200
Other Revenues	(33,300)	22,500	29,000	24,000
Total Revenues	3,859,200	5,620,900	3,226,600	3,076,800
Expenditures				
Operating Programs				
Transportation	2,446,200	2,624,400	2,722,900	2,886,700
General Government	350,200	357,200	357,200	357,200
<i>Total Operating Programs</i>	<i>2,796,400</i>	<i>2,981,600</i>	<i>3,080,100</i>	<i>3,243,900</i>
Capital Improvement Plan Projects	986,500	2,728,100	54,000	
Total Expenditures	3,782,900	5,709,700	3,134,100	3,243,900
Other Sources (Uses)				
Potential MOA Adjustments				
Other Sources	33,300		13,000	13,000
Expenditure Savings				
Total Other Sources (Uses)	33,300		13,000	13,000
Revenues and Other Sources Over (Under)				
Expenditures and Other Uses	109,600	(88,800)	105,500	(154,100)
Working Capital, Beginning of Year	729,000	838,600	749,800	855,300
Working Capital, End of Year	\$ 838,600	\$ 749,800	\$ 855,300	\$ 701,200

CHANGES IN FINANCIAL POSITION

GOLF FUND *

	Actual 2009-10	Budget 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Revenues				
Service Charges				
Retail Sales	24,300	23,800		
Green Fees	255,300	230,000		
Other Fees	48,900	42,900		
<i>Total Service Charges</i>	<u>328,500</u>	<u>296,700</u>		
Other Revenues	10,400			
Investment and Property Revenues	56,400	59,300		
Total Revenues	395,300	356,000		
Expenditures				
Operating Programs				
Leisure, Cultural & Social Services	505,300	525,400		
General Government	168,300	171,700		
<i>Total Operating Programs</i>	<u>673,600</u>	<u>697,100</u>		
Capital Improvement Plan Projects	40,900	43,400		
Total Expenditures	714,500	740,500		
Other Sources (Uses)				
Operating Transfers In	296,100	346,500		
Other Sources				
Expenditure Savings				
Potential MOA Adjustments				
Total Other Sources (Uses)	<u>296,100</u>	<u>346,500</u>		
Revenues and Other Sources Over (under)				
Expenditures and Other Uses	(23,100)	(38,000)		
Working Capital, Beginning of Year	<u>61,100</u>	<u>38,000</u>		
Working Capital, End of Year	\$ 38,000	\$ -	\$ -	\$ -

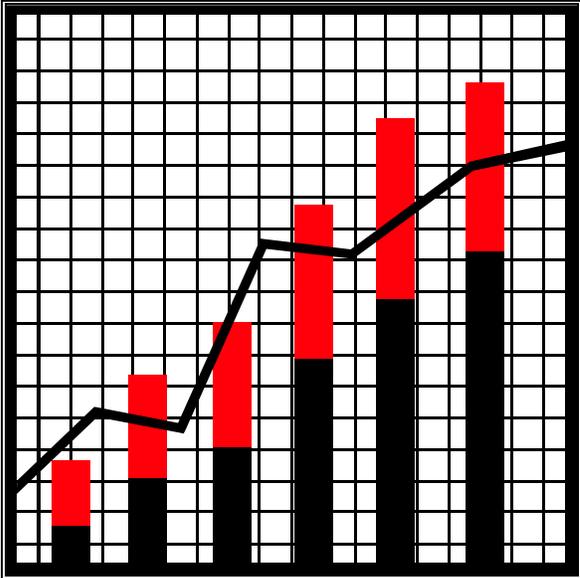
*Beginning in 2011-12, Golf operations are incorporated into Recreational Activities in the General Fund

CHANGES IN FINANCIAL POSITION

WHALE ROCK COMMISSION

	Actual	Budget	2011-13 Financial Plan	
	2009-10	2010-11	2011-12	2012-13
Revenues				
Investment and Property Revenues	31,100	13,800	14,000	14,100
Service Charges				
Member Agency Contributions	660,900	766,100	626,600	618,100
Water Distribution Charges	372,600	388,600	289,000	301,100
Other Service Charges	800	1,500	1,400	1,400
<i>Total Service Charges</i>	<u>1,034,300</u>	<u>1,156,200</u>	<u>917,000</u>	<u>920,600</u>
Other Revenues	600			
Total Revenues	1,066,000	1,170,000	931,000	934,700
Expenditures				
Operating Programs				
Public Utilities	843,700	912,100	792,900	814,500
General Government	99,300	101,300	103,100	104,200
<i>Total Operating Programs</i>	<u>943,000</u>	<u>1,013,400</u>	<u>896,000</u>	<u>918,700</u>
Capital Improvement Plan Projects		573,400	35,000	
Total Expenditures	943,000	1,586,800	931,000	918,700
Other Sources (Uses)				
Expenditure savings			10,700	5,400
Potential MOA Adjustments			(30,400)	(23,100)
Total Other Sources (Uses)			(19,700)	(17,700)
Revenues and Other Sources Over (Under)				
Expenditures and Other Uses	123,000	(416,800)	(19,700)	(1,700)
Working Capital, Beginning of Year	809,900	932,900	516,100	496,400
Working Capital, End of Year	\$ 932,900	\$ 516,100	\$ 496,400	\$ 494,700

Section H
FINANCIAL & STATISTICAL TABLES



FINANCIAL AND STATISTICAL TABLES

OVERVIEW

This section provides summaries that integrate the other Financial Plan sections as well as provide supplemental financial and statistical information. Generally, each schedule provides information for four fiscal years: last two completed fiscal years (2009-10 and 2010-11); and the two fiscal years covered by the 2011-13 Financial Plan (2011-12 and 2012-13). The following schedules are included in this section:

Revenue and Expenditure Summaries

- Summary of Key Revenue Assumptions
- Revenues by Major Category and Source
- Revenue Enhancements for 2011-13
- Total Expenditures by Type and Function

Interfund Transactions

- Reimbursement Transfers
- Operating Transfers

Staffing Summaries

- Regular Positions by Department
- Regular Positions by Function
- Temporary Full-Time Equivalents (FTE's) by Function

Financial Trends

- Pension Obligation Cost Trends
- Retiree Health Care Obligations:
- New or Increased Fees or Taxes: 2011-13
- Revenue and Expenditure Trends: Last Five Completed Fiscal Years
- Expenditures by Type: Last Five Years

Other Statistical and Financial Summaries

- Appropriations Limit History
 - Demographic and Statistical Summary
- 

FINANCIAL AND STATISTICAL TABLES

SUMMARY OF KEY REVENUE ASSUMPTIONS

GENERAL FUND

One of the key analytical tools developed during the 2011-13 Financial Plan process was a comprehensive five year financial forecast for the General Fund. This forecast considered key revenue and expenditure projection factors such as population, increases in the consumer price index (CPI) and other growth factors. The trending of these key factors and their effect on revenues and expenditures for the past fifteen years provided an historical basis for the five year financial forecast, which was initially presented to the Council in December 2010 and updated in April 2011.

As part of the 2010-11 mid-year budget review process, the revenue assumptions included in the forecast were comprehensively reexamined based on actual results for 2009-10 as well as emerging trends at the mid-point of the year. The only major changes made at that time were a reduction in Property Tax revenues and an increase in TOT. Accordingly, with few exceptions, the revenue projections reflected in this Financial Plan rely heavily on the projections made as part of the Forecast.

Sources used in developing these revised projections include economic trends as reported in the national media, forecast data for California as developed by the UCLA forecasting project, forecast data for San Luis Obispo County as developed by the UCSB forecasting project and the Central Coast Economic Forecast, economic and fiscal 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. Ultimately, however, the 2011-13 revenue projections reflect staff's best judgment about the performance of the local economy over the next two years and potential State budget actions and how these will affect the City's General Fund revenues.

Top Ten General Fund Revenues

The following provides a brief description of the City's top ten General Fund revenues along with an overview of the assumptions used in preparing 2011-13 revenue projections. These "top ten" revenues account for over 95% of total General Fund revenues.

1 Sales Tax (Includes Measure Y)

Grows by 7.25 % in 2010-11

Grows by 3.6% in 2011-12

Grows by 2.0% in 2012-13

2010-11 revenue	\$17,597,400
2011-12 revenue	\$17,929,500
% of total revenue	34%

In addition to growth in the base in 2011-12, the revenue estimate assumes added revenues from a new Target, scheduled to open in July 2011; and phase-in of new revenue from the Airport Area annexation pursuant to the five -year phase-in agreement with the County.

The City receives an "effective" rate of 1% from all taxable retail sales occurring in its limits: 0.75% is the local tax rate, which was reduced by the State from 1% in 2006-07, with the 0.25% used for their own purposes in paying-off deficit reduction bonds. However, this 0.25% takeaway is "backfilled" by the State under a complicated scheme known as the "triple flip." This is collected for the City by the State of California along with their component of the sales tax as well as funds dedicated to public safety and transportation.

Measure Y Revenues. In November 2006, City voters approved a 1/2 cent local sales tax increase. The same assumptions for sales tax were applied to this transaction tax in preparing revenue estimates for 2009-11.

2 Property Tax

Grows by 2.5% in 2010-11

Grows by 0% in 2011-12

Grows by 1.4% in 2012-13

2011-12 revenue	\$8,795,200
2012-13 revenue	\$8,927,100
% of total revenue	17%

Under Proposition 13 adopted in June of 1978, property taxes for general purposes may not exceed 1% of market value. Property tax assessment, collection and apportionment are performed by the County. The City receives approximately 14% of the levy within its limits. Assessment increases to reflect current market value are allowed when property ownership changes or when improvements are made; otherwise, increases in assessed value are limited to 2% annually. Based on both recent and long-term trends, this revenue is projected to remain flat in 2011-12 and grow by 1.4% in 2012-13.

FINANCIAL AND STATISTICAL TABLES

SUMMARY OF KEY REVENUE ASSUMPTIONS

3 Transient Occupancy Tax

Base grows by 6% in 2010-11

Base grows by 2% in 2011-12

Base grows by 2% in 2012-13

2011-12 revenue	\$4,865,400
2012-13 revenue	\$4,962,700
% of total revenue	9%

Transient occupancy taxes (TOT) are levied on all individuals occupying their dwelling for 30 days or less. This is generally most applicable to room rentals at motels and hotels, although it is also applicable to other types of short term rentals. The TOT rate is 10% of the room rental rate. Although the tax is collected for the City by the operators, it is a tax on the occupant, not the hotel or motel. Given the current year-to-date results in 2010-11, this revenue source appears to be making a good recovery to pre-recession amounts. We anticipate that we will experience modest growth of 2% over the 2011-13 Financial Plan.

4 Utility Users Tax

No growth in 2010-11

Grows by less than 1% in 2011-12

Grows by less than 1% in 2012-13

2011-12 revenue	\$4,898,900
2012-13 revenue	\$4,938,100
% of total revenue	10%

The City levies a 5% tax on all residences and businesses using the following utilities: telephone, electricity, natural gas, water and cable television. Government agencies are exempt. Although the tax is collected for the City by the utility companies, it is a tax on the user, not the utility. This revenue source is projected to grow by approximately 0.8% annually in 2011-13 based on current trends.

5 Property Tax in Lieu of VLF

Underlying base grows like property tax

2011-12 revenue	\$3,551,000
2012-13 revenue	\$3,604,300
% of total revenue	7%

Until 1998-99, the State levied vehicle license fees (VLF) in the amount of 2% of the market value of the motor vehicle in lieu of local property taxes. The State then allocated 81.25% of these revenues equally between cities and counties, apportioned based on population. The State subsequently reduced this rate by 65%, but made up the difference for several years to local agencies through the State General Fund

However, in responding to its budget crisis, the State cutback on this backfill. As part of a subsequent long-term solution, the State adopted a complicated swap of the "VLF Backfill," for a comparable increase in property revenues.

6 Franchise Fees

Grows by 1.2% in 2010-11

Grows by less than 1% in 2011-12

Grows by less than 1% in 2012-13

2011-12 revenue	\$2,446,400
2012-13 revenue	\$2,466,000
% of total revenue	5%

Franchise fees are levied by the City on a variety of utilities at various rates. The State sets franchise fees for utilities regulated by them (most notably gas and electricity): 2% of gross revenues. The City sets rates on a gross receipts basis for the following utilities: water and sewer (3.5%), solid waste collection (10%); and cable television (5%). These revenues are projected to increase by approximately 0.8% annually in 2011-13 based on recent trends.

7 Business Tax Certificates

Declines by 2% in 2010-11

Grows by 3.5% in 2011-12

Grows by 4.0% in 2012-13

2011-12 revenue	\$1,828,000
2012-13 revenue	\$1,864,600
% of total revenue	4%

Anyone conducting business in the City is subject to a municipal business tax. The tax basis and rate are the same for all businesses: \$50 per \$100,000 of gross receipts (or one-twentieth of one percent). The tax is not regulatory, and is only imposed for the purpose of raising general purpose revenues. Based on recent trends, and an enhanced enforcement effort beginning in 2011-12, this revenue is projected to increase by 3.5% in 2011-12 and 4% in 2012-13.

FINANCIAL AND STATISTICAL TABLES

SUMMARY OF KEY REVENUE ASSUMPTIONS

Service Charges

Based on Comprehensive User

Fee Cost Recovery Policy

(See Section B: Policies and Objectives)

The City sets charges for a broad range of services in accordance with a comprehensive user fee cost recovery policy as set forth in Section B (Policies and Objectives) of the Financial Plan. While no one fee category on its own accounts for more than 1% of total General Fund revenues, collectively service charges total \$5.5 million in 2011-12, and account for 11% of General Fund revenues.

8 Development Review Fees

2011-12 revenue	\$1,857,600
2012-13 revenue	\$1,894,700
% of total revenue	4%

Development review fees recover costs for planning, building & safety, engineering and fire plan check services. Cost recovery for these services is generally set at 100% of total costs. Based on the current construction market, we project that underlying permit levels will begin to recover and will be see modest growth in the second year of the Financial Plan.

9 Parks & Recreation Fees

2011-12 revenue	\$1,588,400
2012-13 revenue	\$1,620,200
% of total revenue	3%

Fees are charged for a wide variety of recreation activities including adult and youth athletics, classes, special events, facility rentals, aquatics, teen and senior services, and before and after school programs. Specific cost recovery goals are set for each activity based on a general policy framework that cost recovery should be relatively high for adult-oriented programs, and relatively low for youth and senior programs. Overall, recreation fees recover about 40% of total costs. Beginning in 2011-12, these fees also include revenues generated at Laguna Lake Golf Course, which had previously been an enterprise fund.

10 Other Fees

2011-12 revenue	\$2,014,900
2012-13 revenue	\$2,096,200
% of total revenue	4%

Fees are also assessed for a wide range of public safety, transportation and general government services. These are generally projected to grow about 3% annually.

SPECIAL REVENUE FUNDS

The City maintains nine special revenue funds: Downtown Business Improvement District Fund, Community Development Block Grant (CDBG) Fund, Gas Tax Fund, Transportation Development Act (TDA) Fund (to account for the 2% required allocation of TDA funds for bicycle planning), Law Enforcement Grants Fund, Tourism Business Improvement District, Public Art Fund, Proposition 42 Fund and Proposition 1B Fund. The following summarizes revenue assumptions for the two largest ongoing funds: Gas Tax and CDBG.

Gasoline Tax Subventions

Grows by 1.5% annually in 2009-11

2011-12 revenue	\$1,215,600
2012-13 revenue	\$1,233,800

The State allocates a portion of gas tax revenues to cities under four distinct funding categories on a population basis totaling about \$18.00 per capita. Gas tax revenues are restricted by the State for street purposes only (see Section B, Policies and Objectives - Revenue Distribution, for the City's policy regarding the use of gas tax revenues). They are projected to grow at about 1.5% annually during 2009-11. In March 2010 the State began swapping Proposition 42 revenues with allocations from the gas tax.

CDBG

Based on Estimated Allocation

2011-12 revenue	\$568,400
2012-13 revenue	\$630,000

CDBG funds are allocated by the federal government to eligible local agencies for housing and community development purposes. Within general program guidelines to assure that federal program goals are being met, entitlement cities determine their own projects and priorities. These revenues have recently been reduced by the Federal Government.

FINANCIAL AND STATISTICAL TABLES

SUMMARY OF KEY REVENUE ASSUMPTIONS

ENTERPRISE FUNDS

The City maintains four enterprise funds, which account for about 40% of the City's fiscal operations: water, sewer, parking, transit and golf. Comprehensive rate reviews and revenue requirement projections for the next five years are presented to the Council annually. The following is a brief overview of enterprise fund revenue issues and the rate changes for 2011-13.

■ **Water Fund**

<i>2011-12 revenue</i>	\$15,502,300
<i>2012-13 revenue</i>	\$16,790,500

Consistent with the multi-year rate setting strategy previously approved by the Council to improve the City's water distribution and treatment systems as well as fund participation in the Nacimiento water project, the Council will consider rate increases of 10% in July 2011 and 9% in July 2012. These increases are on target with prior projections for 2011-13.

■ **Sewer Fund**

<i>2011-12 revenue</i>	\$14,445,200
<i>2012-13 revenue</i>	\$15,267,500

The Sewer Fund also uses a multi-year rate-setting strategy. In order to continue supporting an adequate capital improvement plan and meet high wastewater treatment standards, the Council will consider rate increases of 7% in July 2011 and 6% in July 2012. These increases are on target with prior projections for 2011-13.

■ **Parking Fund**

<i>2011-12 revenue</i>	\$4,083,900
<i>2012-13 revenue</i>	\$8,654,500

On April 5, 2011 the Council considered several changes to parking fees. This included charging for parking on Sunday afternoons as well as increases in parking meter rates in a core area of the Downtown. In addition, parking fine and fee modifications are proposed in 2011-13 for commercial loading zone permits, residential parking permits, overtime and restricted parking fines and cancellation of disabled parking violations.

■ **Transit Fund**

<i>2011-12 revenue</i>	\$3,226,600
<i>2012-13 revenue</i>	\$3,076,800

Increases in general fares from \$1.00 per ride to \$1.25 were approved by the Council in April 2009, with similar increases in bus passes and special fares, to help fund day-to-day operations as meet State fare box recovery requirements (20% of operating costs). No additional fare box rate increases are projected for 2011-13.

FINANCIAL AND STATISTICAL TABLES

REVENUES BY MAJOR CATEGORY AND SOURCE

	Actual	Estimated	2011-13 Financial Plan	
	2009-10	2010-11	2011-12	2012-13
GENERAL FUND				
Tax & Franchise Revenues				
Sales & use tax				
General	10,723,900	11,500,000	11,914,500	12,157,300
Measure Y	5,252,500	5,489,000	5,682,900	5,772,200
Public safety (Proposition 172)	257,900	258,900	272,300	277,800
Property tax	8,579,300	8,800,000	8,795,200	8,927,100
Property tax in lieu of VLF	3,565,100	3,551,000	3,551,000	3,604,300
Transient occupancy tax	4,496,100	4,770,000	4,865,400	4,962,700
Utility users tax	4,862,400	4,860,000	4,898,900	4,938,100
Franchise fees	2,396,700	2,427,000	2,446,400	2,466,000
Business tax certificates	1,830,100	1,786,700	1,849,800	1,923,100
Real property transfer tax	129,000	140,000	160,000	180,000
Total Tax & Franchise Revenues	42,093,000	43,582,600	44,436,400	45,208,600
Fines & Forfeitures				
Vehicle code fines	151,900	155,000	155,600	156,200
Other fines & forfeitures	49,800	40,000	41,000	42,000
Total Fines & Forfeitures	201,700	195,000	196,600	198,200
Investment and Property Revenues				
Investment earnings	843,400	700,000	805,100	801,300
Rents & concessions	61,400	120,000	191,000	191,000
Total Investment & Property	904,800	820,000	996,100	992,300
Subventions & Grants				
Motor vehicle in-lieu	135,000	132,000	133,100	134,200
Homeowners & other in-lieu taxes	75,600	75,400	75,000	75,000
Other in-lieu taxes	20,500	20,900	21,200	21,500
Police training (POST)	37,600	30,000	30,000	30,000
Mutual aid reimbursements	639,000	73,300		
COPS grant AB3229	100,000	100,000		
OTS Grant	22,300			
Zone 9 reimbursements	100,200	95,000	95,000	95,000
Other state & federal grants	104,800	167,000		
Total Subventions & Grants	1,235,000	693,600	354,300	355,700
Service Charges				
Police Services				
Accident reports	3,300	3,000	3,000	3,000
Collision investigation	13,400	12,000	12,000	12,000
Alarm permits and false alarm fees	125,100	100,000	100,000	100,000
DUI cost recovery	7,500	33,000	33,000	33,000
Tow release fee	22,100	21,000	16,000	16,000
Booking fee recovery			44,500	44,500
Tobacco permit fees	19,600	20,000	20,000	20,400
Administrative citations	138,000	250,000	250,000	255,000

FINANCIAL AND STATISTICAL TABLES

REVENUES BY MAJOR CATEGORY AND SOURCE

	Actual	Estimated	2011-13 Financial Plan	
	2009-10	2010-11	2011-12	2012-13
GENERAL FUND				
Parking citations	64,500	88,000	80,000	81,600
Other police services	36,100	50,400	176,600	176,600
Total Police Services	429,600	577,400	735,100	742,100
Fire Services				
Cal Poly fire services	250,000	250,000	260,000	265,000
Medical emergency recovery	158,300	159,700	161,000	162,000
Fire safety/haz mat permits	133,400	136,000	130,000	130,000
Multi-dwelling unit inspections	188,800	188,300	188,500	188,700
CUPA fees	66,500	96,600	95,000	95,000
Other fire services	70,000	114,700	21,000	50,000
Total Fire Services	867,000	945,300	855,500	890,700
Development Review				
Planning & zoning fees	429,600	443,800	460,000	469,200
Construction plan check & inspection	829,000	760,000	831,600	848,200
Infrastructure plan check & inspections	283,500	305,500	310,000	316,200
Encroachment permits	130,700	135,000	130,000	132,600
Fire plan check & inspections	103,700	125,400	126,000	128,500
Waterways management plan fees	17,500	7,400		
Total Development Review	1,794,000	1,777,100	1,857,600	1,894,700
Parks & Recreation				
Adult athletic fees	136,500	120,000	120,000	122,400
Youth athletic fees	35,600	33,000	33,000	33,700
Skate park fees	200			
Instruction fees	94,900	82,300	82,300	83,900
Special event fees	87,000	83,700	83,700	85,400
Rental & use fees	179,800	183,500	183,500	187,200
Children services	496,400	551,600	511,600	521,800
Teens & seniors	2,200	500	500	500
Aquatics	235,700	213,400	213,400	217,700
Golf			355,400	362,500
Other recreation revenues		5,000	5,000	5,100
Total Parks & Recreation	1,268,300	1,273,000	1,588,400	1,620,200
General Government				
Business license	232,400	369,000	404,300	443,400
Sales of publications	8,200	5,000	5,000	5,000
Other service charges	92,100	15,000	15,000	15,000
Total General Government	332,700	389,000	424,300	463,400
Total Service Charges	4,691,600	4,961,800	5,460,900	5,611,100
Other Revenues				
Insurance refunds	15,700	15,400	10,000	10,000
Other revenues	123,900	802,900	65,000	65,000
Total Other Revenues	139,600	818,300	75,000	75,000
Total General Fund	\$49,265,700	\$51,071,300	\$51,519,300	\$52,440,900

FINANCIAL AND STATISTICAL TABLES

REVENUES BY MAJOR CATEGORY AND SOURCE

	Actual	Estimated	2011-13 Financial Plan	
	2009-10	2010-11	2011-12	2012-13
SPECIAL REVENUE FUNDS				
Downtown Business Improvement District Fund				
Service Charges	208,300	220,800	198,100	200,000
Total Downtown BID Fund	208,300	220,800	198,100	200,000
Tourism Business Improvement District Fund				
Investment & Property Revenues	17,800	6,800	7,000	7,000
Service Charges	902,500	905,000	973,100	992,500
Total Tourism BID Fund	920,300	911,800	980,100	999,500
Community Development Block Grant Fund				
Subventions & Grants	817,000	1,596,400	568,400	630,000
Gas Tax Fund*				
Subventions & Grants	762,400	1,215,600	1,215,600	1,233,800
Transportation Development Act Fund				
Subventions & Grants	27,800	22,500	22,500	22,800
Law Enforcement Grant Fund				
Investment & Property Revenues	1,300	1,100	800	900
Service Charges	3,200	2,600	2,000	2,000
Total Law Enforcement Grant Fund	4,500	3,700	2,800	2,900
Public Art Contributions Fund				
Investment & Property Revenues	12,100	5,300	5,000	5,000
Service Charges	20,100	80,000	20,000	20,000
Total Public Art Contributions Fund	32,200	85,300	25,000	25,000
Proposition 42 Fund*				
Subventions and Grants	405,200			
Proposition 42 Fund	405,200			
* In March 2010, the Legislature passed ABx8 6 and ABx8 9, which contained provisions for a swap of Proposition 42 state sales tax on gasoline with allocations from the motor vehicle excise tax (gas tax)				
Total Special Revenue Funds	\$3,177,700	\$4,056,100	\$3,012,500	\$3,114,000

FINANCIAL AND STATISTICAL TABLES

REVENUES BY MAJOR CATEGORY AND SOURCE

	Actual	Estimated	2011-13 Financial Plan	
	2009-10	2010-11	2011-12	2012-13
CAPITAL PROJECT FUNDS				
Capital Outlay Fund				
Subventions & Grants				
<i>State of California</i>				
Traffic safety grant				
		1,053,800		
		400,000		
SLTPP/STP grant				
STP/SHA - RRTC	324,400	1,511,700		
Other state grants	213,600		90,000	40,000
<i>Federal Government</i>				
Highway & bridge rehabilitation & replacement (HBRR)				
	1,200	485,700		
Transportation enhancement (TEA)	44,100	4,400		
Other federal grants	156,600	1,484,900		
Service Charges				
Zone 9 reimbursements		215,000	250,000	280,000
Other Revenues				
Contributions	13,100	67,800		
Other Revenue	100,000			
Total Capital Outlay Fund	853,000	5,223,300	340,000	320,000
Parkland Development Fund				
Investment & Property Revenues	41,800	37,200	700	900
Subventions & Grants		50,000		
Service Charges				
Park in-lieu fees	35,200	50,000	10,000	10,000
Dwelling unit charge	1,200	1,000	1,000	1,000
Other Revenues		323,300		
Total Parkland Development Fund	78,200	461,500	11,700	11,900
Transportation Impact Fee Fund				
Investment & Property Revenues	107,500	40,000	7,000	6,300
Subventions & Grants	399,900	2,341,300	666,000	530,000
Service Charges	30,200	780,000		
Other Revenues	87,200	7,200		
Total Transportation Impact Fee Fund	624,800	3,168,500	673,000	536,300
Fleet Replacement Fund				
Investment & Property Revenues	59,800	30,000	17,100	21,800
Other Revenues				
Sale of surplus property	27,500		10,000	10,000
Total Fleet Replacement Fund	87,300	30,000	27,100	31,800

FINANCIAL AND STATISTICAL TABLES

REVENUES BY MAJOR CATEGORY AND SOURCE

	Actual 2009-10	Estimated 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
CAPITAL PROJECT FUNDS				
Open Space Protection Fund				
Investment & Property Revenues	12,700	1,000	1,000	1,000
Subventions & Grants	314,800	750,000		
Service Charges	10,500			
Total Open Space Protection Fund	338,000	751,000	1,000	1,000
Airport Area Impact Fee Fund				
Investment & Property Revenues	31,500	24,000	6,800	6,800
Service Charges	3,600			
Total Airport Area Impact Fee Fund	35,100	24,000	6,800	6,800
Affordable Housing Fund				
Investment & Property Revenues	41,600	20,000	2,300	2,300
Subventions & Grants	270,000			
Service Charges	(21,300)	350,000		
Total Affordable Housing Fund	290,300	370,000	2,300	2,300
Los Osos Valley Road Sub-Area Fee Fund				
Investment & Property Revenues	8,600	3,800	1,100	1,100
Service Charges	11,200			
Total Los Osos Valley Road Sub-Area Fee Fund	19,800	3,800	1,100	1,100
Total Capital Project Funds	\$2,326,500	\$10,032,100	\$1,063,000	\$911,200
TOTAL-GOVERNMENTAL FUNDS	\$54,769,900	\$65,159,500	\$55,594,800	\$56,466,100

FINANCIAL AND STATISTICAL TABLES

REVENUES BY MAJOR CATEGORY AND SOURCE

	Actual 2009-10	Estimated 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
ENTERPRISE & AGENCY FUNDS				
Water Fund				
Investment & Property Revenues	663,500	229,700	179,100	133,700
Service Charges	13,755,800	14,138,100	15,292,300	16,625,300
Other Revenues	56,300	30,400	30,900	31,500
Total Water Fund	14,475,600	14,398,200	15,502,300	16,790,500
Sewer Fund				
Investment & Property Revenues	411,000	138,900	138,100	112,700
Service Charges	13,228,100	13,400,700	14,303,600	15,151,200
Other Revenues	(3,000)	3,000	3,500	3,600
Total Sewer Fund	13,636,100	13,542,600	14,445,200	15,267,500
Parking Fund				
Fines & Forfeitures	690,500	623,400	700,900	658,500
Investment & Property Revenues	292,200	145,000	145,800	90,600
Service Charges	2,815,200	2,861,200	3,237,300	7,905,400
Other Revenues	(9,600)			
Total Parking Fund	3,788,300	3,629,600	4,084,000	8,654,500
Transit Fund				
Investment & Property Revenues	5,100	5,600	5,600	5,700
Subventions & Grants	3,302,500	5,000,000	2,568,200	2,401,900
Service Charges	584,900	592,800	623,800	645,200
Other Revenues	(33,300)	22,500	29,000	24,000
Total Transit Fund	3,859,200	5,620,900	3,226,600	3,076,800
Golf Fund*				
Investment & Property Revenues	56,400	59,300		
Service Charges	333,900	296,700		
Other Revenues	5,000			
Total Golf Fund	395,300	356,000		
Whale Rock Commission				
Investment & Property Revenues	31,100	13,800	14,000	14,100
Service Charges	1,033,500	1,154,700	916,300	919,900
Other Revenues	1,400	1,500	700	700
Total Whale Rock Commission Fund	1,066,000	1,170,000	931,000	934,700
Total Enterprise & Agency Funds	\$37,220,500	\$38,717,300	\$38,189,100	\$44,724,000
TOTAL - ALL FUNDS	\$91,990,400	\$103,876,800	\$93,783,900	\$101,190,100

* Beginning in 2011-12, golf operations are reflected in the Parks & Recreation activities of the General Fund.

POTENTIAL REVENUE ENHANCEMENTS

SUMMARY OF REVENUE ENHANCEMENTS

		Fiscal Year		
		2011-12	2012-13	
Public Safety				
<i>Police-Staffing</i>	■ Funding for School Resource Office (High School)	H-13	126,200	135,000
Transportation				
<i>Parking Services</i>	■ Parking Fines and Fees Modifications	H-16	20,900	20,900
Leisure, Cultural & Social Services				
<i>Facilities</i>	■ Rental of Office Space at the Ludwick Community Center	H-20		11,000
Community Development				
<i>Building and Safety</i>	■ Code Enforcement Cost Recovery	H-22	74,100	74,100
General Government				
<i>Revenue Management</i>	■ Enhanced Business Tax and License Enforcement	H-26	50,000	100,000
<i>Network Services</i>	■ Data Conduit Leasing	H-29	40,000	40,000
TOTAL			311,200	381,000

Summary By Fund		
General Fund	290,300	360,100
Enterprise Funds		
Water Fund		
Sewer Fund		
Parking Fund	20,900	20,900
Transit Fund		
TOTAL	311,200	381,000

REVENUE ENHANCEMENTS

FUNDING FOR SCHOOL RESOURCE OFFICER (HIGH SCHOOL)

Summary

A tentative agreement pending formal approval by the San Luis Coastal School District will generate approximately \$126,200 in new revenue annually to fund 75% of the cost of a Police Department School Resource Officer.

Key Objectives

1. Maintain School Resource Officer position with offset funding from school district.
2. Continue to provide enforcement and education services to the high school.

Existing Situation: Factors Driving the Opportunity for Change

The Police Department funds two School Resource Officer (SRO) positions that are responsible for various duties related to the K-12 schools in the City. The positions are filled by police officers who have been specially selected for the assignments. One SRO primarily handles issues related to the high school, including security planning, investigations involving students (on and off campus), early intervention meetings, curfew hearings, resource and liaison with school staff, and response to calls for service at the school.

The Police Chief has been in communication with the San Luis Coastal School District Superintendent to discuss shared funding of one SRO position primarily dedicated to the high school. A tentative verbal agreement has been reached for the District to fund 75% of the cost of the position with the City funding the remaining 25%. If approved by the City Manager, the Police Chief will work with the Superintendent to formalize the funding agreement. The funding will help offset existing staffing costs to the General Fund.

Goal and Policy Links

1. Major City Goal: Preservation of Essential Services and Fiscal Health
2. Operating Program Goals

Service Categorization Criteria

The high school SRO position is included in the Investigative Services division and was assigned service prioritization category 4 (Mid-Range).

Program Work Completed

Discussions have been held between staff and the San Luis Coastal School District Superintendent and a tentative funding agreement has been reached pending formal approval.

Practices in Other Agencies

Staff is aware that many other police agencies in California that have SROs share the funding of the positions with their school districts.

REVENUE ENHANCEMENTS

FUNDING FOR SCHOOL RESOURCE OFFICER (HIGH SCHOOL)

Program Constraints and Limitations

If at some point the District discontinues funding, the City would either need to resume paying the full cost of the position or reduce or eliminate the program.

Stakeholders

1. Students and school staff at the high school
2. Parents of high school students

Implementation

Task	Date
1. Implement partial funding for SRO (high school) position	7/1/11

Key Program Assumptions

Revenue assumptions are based on a preliminary commitment from the San Luis Coastal School District; pending official approval, to provide funding for the SRO position.

Alternatives

1. Deny request: Accepting funding from the San Luis Coastal School District to offset a substantial portion of the SRO position will allow the City to continue this valuable program at a significantly reduced cost. If the funding is not accepted, the Police Department will need to recommend elimination of this position and will need to place a filled position on its reduction option list which could result in the lay off of an existing officer. Therefore, staff does not recommend this alternative.

Financial Analysis

Calculation of Costs

The following costs are estimated based on 2011-13 salary and benefit projections for current SRO. Costs may change due to officer assignment.

Estimated Staffing Costs	2011-12	2012-13
Salary	102,600	108,000
Benefits	65,700	72,000
Total	\$168,300	\$180,000
Potential Offset Funding 75%	\$126,200	\$135,000
Balance paid by General Fund	\$42,100	\$45,000

REVENUE ENHANCEMENTS

FUNDING FOR SCHOOL RESOURCE OFFICER (HIGH SCHOOL)

Revenue Potential Summary

Description	Annual Activity	Proposed Fee	New Revenue 2011-12	New Revenue 2012- 13
Potential Funding for SRO position <i>(funding 75% of salary and benefits)</i>			126,200	135,000
			-	-
Total Potential Revenue			126,200	135,000

REVENUE ENHANCEMENTS

PARKING FINES AND FEES MODIFICATIONS

Summary

Raising miscellaneous parking fines and fees to better recoup operating costs and gain internal consistencies will increase Parking Fund revenue by \$20,900 per year going forward.

Key Objectives

1. Increase cost recovery for direct services conducted by the Parking Services Division.
2. Correct internal fee and fine inconsistencies that have developed over time.

Existing Situation: Factors Driving the Opportunity for Change

The City has numerous fines and fees associated with providing parking enforcement, residential parking programs and other miscellaneous parking services through the City. Over time, some fees and fines have become inconsistent within the structures of the fines and fees of the City. In addition, a small number of services currently provided by the City have little or no cost recovery for the direct services provided. These include: Residential Permits to park at 10 Hour meters – \$5 per year, Commercial Loading Zone Permits – \$25 per year and Residential District Permits – currently no charge. The proposed changes to these fees along with the proposed adjustments to the fines will create better cost recovery and fairness in spreading the cost of parking services provided by the City.

Goal and Policy Links

1. The proposed fee and fine changes are consistent with User Fee Cost Recovery Policy.
2. Many other cities charge for similar services with many higher fine structures than San Luis Obispo.
3. Better cost recovery for services rendered is consistent with the Major City Goal for Preservation of Essential Services and Fiscal Health.

Service Categorization Criteria

Public Works and Police parking compliance and enforcement have been prioritized as a Category 1 services as part of the Service Prioritization Project.

Program Work Completed

Staff has looked at all fees and fines to determine which ones were not covering costs to provide the program itself or were not meeting the rationale for the amount of the fee or fine.

Commercial Loading Zone permits: Established in 1998 for non-commercial licensed vehicles to deliver using yellow curbed areas downtown. State and local laws limit use of yellow curbs to those with special commercial license. For \$25 a year someone with a passenger car with an approved sign can use the yellow curbs to make deliveries. The cost of the permit was kept at about the cost of a commercial loading zone violation to encourage those needing to deliver with a passenger vehicle the incentive to join the program. Currently the fine for a violation is \$53. Staff recommends raising the permit to \$60 a year.

Charge for Residential Parking Permits. There has never been a charge for the initial permits because the program costs were covered by all of the parking fines going to the Parking Fund, including those issued by the Police department. In 2009, the General Fund was provided the fine amounts for the parking violations issued by the Police Department. A substantial number of these parking violations were for nighttime parking districts.

REVENUE ENHANCEMENTS

PARKING FINES AND FEES MODIFICATIONS

The traditional analysis for covering the costs of the Residential permit program no longer justifies providing free permits due to lower fines to the Parking Fund. Most cities charge for residential permits. Staff recommends charging \$10 for the initial residential permit to assist with covering the cost of the program.

Increase Overtime & Restricted parking fines. Overtime fines are currently \$33, the same as a meter violation. In the past the overtime fine was more than the meter fine to deter someone staying at 2-hour meter or other time zone all day. In 2006 the meter fine was increased while the overtime fine stayed the same. Staff recommends increasing the overtime fine to \$38, five dollars more than the meter fine.

The restricted parking fine is less than the meter fine, \$28 as compared to \$33. This fine is issued to vehicles without permits in permit parking lots in the City. The restrict parking fine should mirror the fine for violations in metered lots. Staff recommends increasing the fine to \$33.

Adopt California Vehicle Code § 40226 which allows for charging a \$25 administrative fee for cancelling a disabled parking violation. Quite often parking violations for a disabled parking violation at \$288 are dismissed under appeal because the disabled person forgot to display their disabled person’s placard. The fine is this high to deter parking for the non-disabled so once their status is proven the fine is dismissed. This code will allow for charging a substantially lower fine at \$25 rather than none at all. Staff recommends adopting this code section.

Revenue Enhancement	Current \$	Proposed \$	Annual Amount
Commercial Loading Zone permit	\$25/yr	\$60/yr	\$1,800
Residential permit	\$0/yr	\$10/yr	\$15,100
Overtime fine	\$33	\$38	\$2,000
Restricted parking fine	\$28	\$33	\$700
Adopt C.V.C. § 40226	\$0	\$25	\$1,300
Total			\$20,900

Practices in Other Agencies

Many agencies currently charge for similar services and have cost recovery goals similar to the City’s. The proposed fees are consistent with other jurisdictional fees and fines that are charged.

Program Constraints and Limitations

Other than charging for residential parking permits these enhancements are minor. Staff has not increased these fees in the past because other revenues were sufficient to cover the costs. Reduced revenues, reallocated revenues, and shifted costs to the Parking Fund require a new look at all fees and fines. Parking will begin the process to notify stakeholders to discuss all revenue enhancements. Since the City has never charged permit holders of residential permits, this program stands to have the largest potential downside. The following strategies will be used to explain the need for these parking enhancements.

1. Significant public involvement or coordination of issues with business, community or neighborhood groups (see “Stakeholders” below).
2. Any other significant stakeholder or special review considerations that will affect project implementation.

Stakeholders

Commercial vendors, some residents, and violators of some of the parking codes are the effected stakeholders of the proposed changes. Residential stakeholders will be notified of the new fees prior to the residential permits

REVENUE ENHANCEMENTS

PARKING FINES AND FEES MODIFICATIONS

being mailed which occurs in August each year. Because these services are currently free, there will likely be some criticism of the new charge. However, individual surveys of residents indicate that most understand the need for fees to be charged for the services or increased to cover costs. They prefer that to potentially losing the services or districts.

The proposed commercial loading zone increase from \$25 to \$60 a year will have a small effect on those currently using the program. Viewed on a monthly basis, that is only \$5 per month, which is nominal in order to continue the program.

Implementation

Task	Date
1. Approval and hearing for parking fee and fine increases at 2011-13 Parking Fund Review	June 2011
2. All increases take effect, except residential permit increase.	July 2011
3. Second reading of residential permit increase.	July 2011
4. Residential permit increase begins.	August 2011

Key Program Assumptions

It is assumed that the costs of providing the services and collection of the fees will not increase City costs. Ongoing efforts to collect the fees and fines will be performed as a part of the regular Parking Services administrative assistant duties.

Alternatives

1. Continue the Status Quo. Some additional fee revenues for cost recovery will not be realized and some inconsistencies with fine amounts will continue until some future time. Not making these changes would be contrary to the City fiscal health goal, which encourages recovering costs for services performed.
2. Change the Scope of Request. The Council could implement all, none or part of the proposed fee and fine modifications. Final revenue amounts that would be cost recovered would depend on the individual fees or fines that were chosen for implementation.
3. Implementation in a Different Way. The Council could opt to recover the costs for these services by increasing other fines levied on code infractions issued by the Parking Services and Police Department. This is not recommended because the City has passed on the increased State Surcharges for fine payers twice in the last two years. Additionally, each of the programs and services provided by the City should have as close to full cost recovery as possible pursuant to the cost recovery policies of the City.

REVENUE ENHANCEMENTS

PARKING FINES AND FEES MODIFICATIONS

Financial Analysis

Revenue Potential Summary

Enacting the proposed parking fines and fees to better recoup operating costs and gain internal consistencies will increase Parking Fund revenue by a net \$26,000 per year going forward.

Description	Annual Activity	Proposed (increase in) Fee	New Revenue 2011-12	New Revenue 2012-13
Increase Commercial Loading Zone permits from \$25/year to \$10/month.	51	60	1,800	1,800
Charge for Residential Parking Permits.	1,512	10	15,100	15,100
Increase Overtime parking fines from \$33 to \$38.	400	5	2,000	2,000
Increase Restricted Parking fines from \$28 to \$33.	140	5	700	700
Adopt Calif. Vehicle Code section 40226.	50	25	1,300	1,300
Total Potential Revenue			\$ 20,900	\$ 20,900

REVENUE ENHANCEMENTS

RENTAL OF OFFICE SPACE AT THE LUDWICK COMMUNITY CENTER

Summary

Renting office space (formerly the Boy Scout office) at the Ludwick Community Center (LCC) will generate revenue of approximately \$11,000 per year. The space is currently underutilized; the current uses can be easily relocated.

Key Objectives

1. Generate additional revenue for the Parks and Recreation Department.
2. Maximize utilization of the LCC.

Existing Situation: Factors Driving the Opportunity for Change

The LCC office consists of one main room, one private office and two bathrooms (male and female). The office is independent from the rest of the Center, has private access as well as an independent alarm system (not connected to the rest of the Center). In addition, ample parking is available (both on and off street parking utilizing the Center's lot). The proximity to downtown and transit center are added amenities.

Currently, the LCC office is primarily utilized for the Computer Partners program (computer training for seniors). The Computer Partners program can be easily relocated to the Arts and Crafts room at the LCC to accommodate the rental.

Goal and Policy Links

1. Consistency with User Fee Cost Recovery Policy
2. Major City Goal: Preservation of Essential Services and Fiscal Health

Service Categorization Criteria

3 = Facility Management.

Program Work Completed

A commercial real estate agency has been contacted to assist with best guess estimates of rental potential.

Program Constraints and Limitations

Renting out the LCC office will limit space available for potential City events/programs and outside user group rentals.

Stakeholders

Potential user groups may be affected; however, these groups can be easily accommodated at alternate facilities.

REVENUE ENHANCEMENTS

RENTAL OF OFFICE SPACE AT THE LUDWICK COMMUNITY CENTER

Implementation

Task	Date
1. Begin advertising rental space	June 2011
2. Move computers to Arts & Crafts Room for Computer Partners program	June 2011
3. Finalize rental agreement with new renter	July 2011

Key Program Assumptions

Based on information received from a local commercial real estate agent, it is assumed that the revenue potential for rental of the space will remain the same or potentially increase.

Alternatives

1. *Continue the Status Quo.* Forego potential revenue from long-term rental of LCC office, resulting in other budget reductions from Parks and Recreation operating budgets.
2. *Defer or Re-Phase the Request.* Rental of the Computer Room could be delayed until 2012-13.

Financial Analysis

Calculation of Costs

The cost to rent the facility is 6% of the total rent for the first five years and 3% thereafter.

Revenue Potential Summary

Description	Annual Activity	Proposed Fee	New Revenue 2011-12	New Revenue 2012-13
Renting of Computer Room at LCC (1.25 per sq ft-6% Broker fees)		11,000	11,000	11,000
			-	-
Total Potential Revenue			\$ 11,000	\$ 11,000

REVENUE ENHANCEMENTS

CODE ENFORCEMENT COST RECOVERY

Summary

In 2004, the City Council adopted Resolution # 9558 which established cost recovery fees for the code enforcement program. Another intent of Resolution #9558 was to create a deterrent for the existence of code violations. In practice, the cost recovery fee was only assessed to the most egregious violators; therefore it has never been implemented as intended. This was discovered as staff was again researching cost recovery practices. Use of the fees as intended in 2004 could allow the code enforcement program to recover up to 27% of program costs.

Key Objectives

1. Using the fee as originally intended by Resolution #9558 will result in better cost recovery for the code enforcement program.
2. A choice to require violators to pay fines as soon as the second notice of violation will result in higher cost recovery for the code enforcement program.
3. City staff will have better tools to deal with violators which will help support the Neighborhood Wellness Major City Goal efforts.

Existing Situation: Factors Driving the Opportunity for Change

Current practice related to use of approved code enforcement fees.

Subsequent to the adoption of the code enforcement fees, changes occurred within the code enforcement program. During the 2007-09 budget process the Increased Building and Zoning Code Enforcement program was approved. Additional staff was added and the pro-active efforts at that time resulted in the staff of the Community Development Department adopting policies and practices that was a bit kinder to the violators. Because the majority of the cases were getting resolved, staff did not apply the fees as quickly as the cost recovery resolution provided for. The cost recovery fees are currently only assessed to the most egregious violations or the most recalcitrant violators. With neighborhood code enforcement still in need of improvement, the previously approved fees can be a part of a more rigorous compliance program.

Neighborhood Wellness is one of four Major City Goals this year.

Residents within local neighborhoods recently spoke out at public meetings and as a result of those discussions Council has adopted Neighborhood Wellness as a Major City Goal. It is apparent that based on testimony given at these recent meetings, community groups are supportive of better tools for code enforcement to promote neighborhood wellness. There is the feeling that the kinder approach of seeking voluntary compliance is not creating a deterrent to causing violations. The community groups want more action to be taken by City staff including being more pro-active in finding violations and ensuring there are deterrents from reoccurrence.

The Police Department has recently brought forward several initiatives related to noise and unruly gathering nuisances and the community has been supportive of the more strict fine structures and the effort has resulted in fewer occurrences of problems. It may be time to create a level playing field for how all violations are handled with swifter action regarding obtaining compliance and reducing the risk that there will be future violations.

REVENUE ENHANCEMENTS

CODE ENFORCEMENT COST RECOVERY

Current cost of providing the service.

Based on the recent service categorization project, the code enforcement program costs the City approximately \$276,000. These costs include salary and overhead costs for all positions associated with investigating and resolving code enforcement violations. In addition to the two Code Enforcement Officers, the program relies on the efforts of the Chief Building Official and Assistant Building Official who oversee and administer the program, two Building Inspectors are responsible for investigating and clearing building code violations and one Permit Technician provides administrative support.

Goal and Policy Links

1. Consistency with User Fee Cost Recovery Policy and Resolution # 9558.
2. Practices in Other Cities. Many agencies rely on the investigation fee as allowed by the building code or they have adopted administrative citation policies that may apply. Seven communities out of 16 surveyed have developed an alternate fee similar to the City of San Luis Obispo. These communities are marked with an asterisk in the table below.
3. Major City Goals: Preservation of Essential Services and Fiscal Health and Neighborhood Wellness
4. Operating Program Goals. Maintaining staffing levels within the Building & Safety Division and the Code Enforcement Office will help enable the City to fulfill the objectives of the work programs within this division and fulfill the objectives of the Neighborhood Wellness Major City Goal.

Service Categorization Criteria

The operating programs within the Building & Safety Division are either legally mandated or related to public safety, which are categories 1 and 2.

Program Work Completed

There have been increases in the number of code enforcement cases due to staffing increases and there may be a slight increase related to the more proactive efforts that are proposed through the Neighborhood Wellness Major City Goal.

REVENUE ENHANCEMENTS

CODE ENFORCEMENT COST RECOVERY

Practices in Other Agencies

County Agencies	Current Fee	Benchmark City	Current Fee
City of Arroyo Grande	None	*City of Chico	\$300 - \$600
City of Atascadero	Yes	Davis	\$100 - \$1000
City of Grover Beach	\$100-\$500	Monterey	\$500 per day
*City of Morro Bay	2x Permit Fee + \$100	Napa	\$100 - \$1000
*City of Paso Robles	\$495	*Palm Springs	\$100 - \$1000 + \$101/hr
*City of Pismo Beach	2x permit + \$125	Santa Barbara	None
*San Luis Obispo County	\$401	*Santa Cruz	2x permit + \$100
		Santa Maria	2x permit
		Ventura	\$400 - \$1200

* Alternative fee similar to City of SLO.

	Current Fee	Proposed Fee
City of San Luis Obispo	2x permit + \$309.30	2x permit + \$309.30

Program Constraints and Limitations

A significant factor regarding achieving the anticipated cost recovery is how cooperative code violators are. If everyone who receives a violations takes quick action to resolve the issue, the City may not collect the cost recovery fee to the level predicted. The investigation fee will still be due and it could be assessed to achieve some recovery of costs.

Stakeholders

Major stakeholders associated with code enforcement efforts are the Police Department, members of Residents for Quality Neighborhoods (RQN), and the community at large.

Implementation

Task	Date
1. Begin applying previously authorized fee in a consistent manner.	July 2011

Key Program Assumptions

Staff deals with approximately 500 code enforcement cases per year. However, on average, 100 of these cases are related to sign enforcement and staff utilizes the administrative citation process to resolve these issues. The fees will apply as originally proposed in a three tiered system.

Tier 1 assumes the violation is self surrendered; therefore, no fees would be assessed.

Tier 2 would only double the permit fee because the violation is discovered by staff and a case is opened.

Tier 3 would be assessed in addition to doubling the permit fees and would apply to recalcitrant violators after second notice or second offense violations for the same property owner.

Tier 2 violations would be subject to a minimum \$131.00 permit fee and an inspection fee equal to the permit fee or a minimum of \$262.00.

REVENUE ENHANCEMENTS

CODE ENFORCEMENT COST RECOVERY

Tier 3 fees, as adopted in the City’s fee schedule, are \$309.30 and the minimum permit fee is \$131.00. The current fee schedule shows the adopted fees related to code enforcement activities which is consistent with the intent of Resolution 9558 (2004 Series).

Regarding the Tier 3 fees, approximately 40% of the code enforcement cases still require a second notice be sent. Deducting the 100 cases that involve sign violations, which are proposed to remain subject to administrative citations, although this higher fee could apply, would leave an average of 400 code enforcement cases that would be subject to normal processing. Forty percent of these 400 cases, or 160 cases per year, would likely be sent a second notice and be subject to the \$309.30 fee for an annual estimate of approximately \$49,500.

Staff has been applying the Tier 2 fee to some cases since 2004, however if violators can clear violations within 7 days staff has not been assessing the double permit fee. Assuming 75 % of the total average cases will require a permit to resolve the violations and 50% of those amounts are already paying the Tier 2 fee, staff should be assessing fees on 188 more cases than is currently being done. That means there is potentially \$24,600 in lost revenue that could be recovered based on the original intent of fee resolution #9558.

Alternatives

Continue the Status Quo. Do nothing and staff will continue to only apply the cost recovery fee to the most egregious offenders, however this is not recommended because the cost recovery objectives will not be met and additional efforts to reduce code violations are still needed.

Defer or Re-Phase the Request. Defer the request until more public outreach is done. Staff could implement changes after seeking feedback from community groups; however, comments at recent Council meetings indicate that pro-active code enforcement is synonymous with use of deterrents such as charging fees for violations of the code.

Change the Scope of Request. A choice could be made to charge the cost recovery fee in every circumstance when a violation has been discovered. Only cities with the most aggressive code enforcement tactics are doing this such as Azusa. This could result in collection of over \$200,000 in cost recovery or 74 % of program costs. Collecting a lesser amount would result in a reduction of the cost recovery efforts.

Implement in a Different Way. Staff could prepare an analysis and propose a new fee structure to achieve a higher level of cost recovery. This effort could be done in conjunction with the public outreach efforts that are planned for the implementation of the Neighborhood Wellness Major City Goal.

Financial Analysis

Revenue Potential Summary

Description	Annual Activity	Proposed Fee	New Revenue 2011-12	New Revenue 2012-13
2x permit fee (inspection fee)	188	131	24,600	24,600
Cost Recovery Fee	160	309	49,500	49,500
Total Potential Revenue			\$ 74,100	\$ 74,100

REVENUE ENHANCEMENTS

ENHANCED BUSINESS TAX AND LICENSE ENFORCEMENT

Summary

Increasing efforts to gain complete business tax and license ordinance compliance will increase General Fund revenue \$50,000 in 2012-13 and \$100,000 per year going forward.

Key Objectives

1. Increase revenue by taking a more proactive approach to business tax and license ordinance enforcement.
2. Obtain full business tax and license compliance from all City businesses.

Existing Situation: Factors Driving the Opportunity for Change

Business tax and license revenues are an important part of the City general fund budget. Taxes paid provide vital public services that directly benefit local residents and businesses. It is also important to assure business owners who pay their fair share of taxes that the City is taking reasonable steps to ensure that others are doing the same. Obtaining full compliance from all City businesses and collecting all tax and license revenue due to the City is in the best interest of the City organization and all of the City's residents and businesses.

Historically the City has taken a reactive approach to business tax and license enforcement; it has been limited to "tips" from the public and City employees about non-compliant businesses and information about new businesses from fictitious business name statements. Many cities take a more proactive approach to identify businesses that are not in compliance with their business tax and license ordinances. Some methods used by cities with more assertive enforcement programs are frequent site visits to look for new businesses and taking advantage of the Franchise Tax Board's AB63 Tax Discovery Program.

In 2010-11, the Finance Department performed an enforcement effort focused on owners of residential rentals. Many rental property owners did not know that the City of San Luis Obispo Municipal Code requires that all operators of rental properties maintain a valid Business Tax Certificate (certificate). This focused effort resulted in the discovery of many more rental property owners operating without a certificate than expected and resulted in approximately 1,500 new certificates and \$100,000 in new business tax and license revenue. The unexpected number of non-compliant businesses in one industry group has led City staff to believe that there are many other businesses throughout the City that do not have a certificate and are not paying their fair share of business tax and license fees. By proactively looking for these businesses rather than waiting for them to come to us, we hope to obtain full business tax and license compliance and increase general fund revenue.

Goal and Policy Links

1. Implementation of 2011-13 Major City Goal: Preservation of Essential Services and Fiscal Health—enhancing current revenue sources
2. Municipal Code §3.01 Business Tax Certification

Service Categorization Criteria

Business license and tax is a service priority ranking #3; a high mid-range service as established by the Municipal Code.

Program Work Completed

Registration to participate in the Franchise Tax Board's AB63 Tax Discovery Program has begun.

REVENUE ENHANCEMENTS

ENHANCED BUSINESS TAX AND LICENSE ENFORCEMENT

Practices in Other Agencies

Other agencies and governmental finance groups such as California Municipal Revenue and Tax Association (CMRTA) and California Society of Municipal Finance Officers (CSMFO) will be contacted as a part of developing the project plan.

Program Constraints and Limitations

There is an element of unknown; there may already be a high level of tax and license compliance in the business community. In this case, the second objective of this project, obtaining full business tax and license compliance from all City businesses, would be met but the first objective, increasing revenue by taking a more proactive approach to business tax and license ordinance enforcement, would not.

Stakeholders

Business tax and license revenues are an important part of the City general fund budget. Taxes paid provide vital public services that directly benefit local residents and businesses. Obtaining full compliance from all City businesses and collecting all tax and license revenue due to the City is in the best interest of the City organization and all of the City’s residents and businesses.

Before beginning the residential rental enforcement, the City issued a press release. This proved to be a successful way to forewarn the public that the enforcement would begin. Press releases and contact with business groups such as the Chamber of Commerce will be an ongoing part of the City’s new proactive approach to business tax and license enforcement.

Implementation

The project plan will outline how to begin and then maintain ongoing business tax and license enforcement efforts.

Task	Date
1. Develop an Ongoing Project Plan.	08/01/11
2. Public Outreach.	10/15/11
3. Begin Enforcement Efforts based upon Project Plan.	11/15/11

Key Program Assumptions

It is assumed that there are non-compliant businesses operating in the City and that the ongoing enforcement efforts will be able to be performed as a part of the regular business license Accounting Assistant duties.

Alternatives

Continue the Status Quo. This will lead to unrealized City revenues and businesses within the City that do not comply with the business tax and license ordinances.

REVENUE ENHANCEMENTS

ENHANCED BUSINESS TAX AND LICENSE ENFORCEMENT

Financial Analysis

This ongoing project will be accomplished with existing staff. The business license desk is cyclical; it is very busy during the summer renewal period but slows down for the rest of the year. This position, with the assistance of the Revenue Supervisor, will take on the new enforcement efforts during the slow time of year.

Revenue Potential Summary

Revenues are expected to be less in the first year for two reasons:

1. All businesses pay the minimum business tax and license fee when they obtain their initial business license and tax certificate. In the second year, they begin paying based upon their gross receipts. This analysis assumes that in the second year of the Financial Plan, calculating the fees based on gross receipts will generate more revenue than the minimum fee generates in the initial year of implementation.
2. As enforcement efforts continue it is expected that there will be additional new certificates issued in the second year.

Description	Annual Activity	Current Fee	New Revenue 2011-12	New Revenue 2012-13
Business License	735	\$ 43	31,617	63,235
Business Tax	735	\$ 25	18,382	36,765
Total Potential Revenue			\$ 50,000	\$ 100,000

REVENUE ENHANCEMENTS

DATA CONDUIT LEASING

Summary

Leasing air space in City-owned data conduits for fiber optic cables will increase General Fund revenue \$40,000 in 2011-12 and 2012-13.

Key Objectives

1. Increase revenue by utilizing a City-owned asset.
2. Provide additional fiber optic connections for local businesses.
3. Enhance the City’s ability to attract technology firms.

Existing Situation: Factors Driving the Opportunity for Change

A local Internet Service Provider (ISP) has expressed interest in utilizing the City’s data conduit space to run fiber optic cables between the Downtown corridor and the southern part of the City. It has been determined that this could be done with minimal impact to City resources. “Socks” can be placed within the data conduit, ensuring that the City can use any unallocated air space in the future or lease the conduit to multiple businesses or agencies. There may be other local or external businesses interested in leasing the fiber or utilizing the services provided by the ISP if this opportunity were available to them.

The availability of this resource may enhance the City’s image as an attractive place to locate technology firms, which could increase economic development activity and bring head-of-household jobs to the area.

Goal and Policy Links

1. Implementation of 2011-13 Major City Goal: Preservation of Essential Services and Fiscal Health—enhancing current revenue sources
2. User Fee Cost Recovery Policy
3. Operating Program Goals

Service Categorization Criteria

Leasing conduit space is a service priority ranking #5 - Other.

Program Work Completed

Network Services staff have surveyed local businesses to determine the market rate for data conduit air space.

Practices in Other Agencies

Other comparable agencies do not lease out the air space in their data conduits at this time.

	Current Fee	Proposed Fee
City of San Luis Obispo	n/a	\$40,000

REVENUE ENHANCEMENTS

DATA CONDUIT LEASING

Program Constraints and Limitations

Businesses may be uninterested in leasing the space unless the conduit contains dark fiber.

Stakeholders

Network Services staff and Economic Development Program

Implementation

Task	Date
1. Issue Request for Proposal.	October 2011
2. Award contract.	January 2012
3. Make conduit space available for vendor.	February 2012

Key Program Assumptions

At least one business or agency will lease the entire length of data conduit. It is possible that one or more bidders will be interested in leasing just the air space.

Alternatives

Implementation in a Different Way. The City could elect to pull dark fiber into the data conduit and then lease the fiber strands instead of the air space. This would allow the City more control over the use of the data conduit air space. However, this alternative is not recommended because it requires the availability of necessary funding.

Financial Analysis

Calculation of Costs

Minimal Network Services staff time would be involved.

Revenue Potential Summary

Description	Annual Activity	Proposed Fee	New Revenue 2011-12	New Revenue 2012-13
Conduit space lease	1	40,000	40,000	40,000
Total Potential Revenue			\$ 40,000	\$ 40,000

FINANCIAL AND STATISTICAL TABLES

TOTAL EXPENDITURES BY TYPE AND FUNCTION

	Actual	Budget	2011-13 Financial Plan	
	2009-10	2010-11	2011-12	2012-13
OPERATING PROGRAM EXPENDITURES				
Public Safety	24,203,800	24,954,200	25,090,000	25,271,000
Public Utilities	12,384,300	19,694,700	20,442,200	20,257,700
Transportation	7,069,800	7,497,400	7,844,600	8,070,400
Leisure, Cultural & Social Services	6,785,200	7,296,100	7,130,500	7,261,700
Community Development	6,690,200	7,703,800	7,729,300	7,551,400
General Government	11,517,500	11,776,400	12,396,700	12,516,800
Total Operating Programs	68,650,800	78,922,600	80,633,300	80,929,000
CAPITAL IMPROVEMENT PLAN EXPENDITURES				
Public Safety	4,704,400	548,100	503,200	465,800
Public Utilities	4,421,500	12,271,600	4,015,000	4,570,000
Transportation	5,323,900	24,345,500	3,424,800	3,029,000
Leisure, Cultural & Social Services	1,229,400	2,709,800	164,800	580,800
Community Development	3,893,700	3,856,600	237,500	22,500
General Government	3,076,800	2,257,100	389,000	155,000
Total Capital Improvement Plan	22,649,700	45,988,700	8,734,300	8,823,100
DEBT SERVICE EXPENDITURES				
Public Safety	948,500	1,052,800	1,022,500	1,015,500
Public Utilities	5,569,200	5,585,200	5,588,800	5,343,900
Transportation	1,885,300	1,846,200	1,845,200	1,841,300
Leisure, Cultural & Social Services	962,500	911,400	716,600	719,000
Community Development				
General Government	634,500	689,500	603,600	604,200
Total Debt Service	10,000,000	10,085,100	9,776,700	9,523,900
TOTAL EXPENDITURES				
Public Safety	29,856,700	26,555,100	26,615,700	26,752,300
Public Utilities	22,375,000	37,551,500	30,046,000	30,171,600
Transportation	14,279,000	33,689,100	13,114,600	12,940,700
Leisure, Cultural & Social Services	8,977,100	10,917,300	8,011,900	8,561,500
Community Development	10,583,900	11,560,400	7,966,800	7,573,900
General Government	15,228,800	14,723,000	13,389,300	13,276,000
Total Expenditures	\$101,300,500	\$134,996,400	\$99,144,300	\$99,276,000

FINANCIAL AND STATISTICAL TABLES

INTERFUND TRANSACTIONS - REIMBURSEMENT TRANSFERS

	Actual 2009-10	Budget 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
General Fund	(4,264,000)	(4,436,400)	(3,862,300)	(3,920,900)
Community Development Block Grant Fund		87,000		
Enterprise and Agency Funds				
Water	1,669,300	1,702,700	1,352,700	1,379,800
Sewer	1,438,400	1,467,200	1,525,900	1,556,400
Parking	538,500	549,300	523,400	523,300
Transit	350,200	357,200	357,200	357,200
Golf	168,300	171,700		
Whale Rock Commission	99,300	101,300	103,100	104,200
Total Enterprise and Agency Funds	4,264,000	4,349,400	3,862,300	3,920,900
NET REIMBURSEMENT TRANSFERS	\$0	\$0	\$0	\$0

Summary of Purpose of 2011-13 Reimbursement Transfers

All of the City's General Government and CIP Project Engineering programs are initially accounted and budgeted for in the General Fund. However, these support service programs also benefit the City's CDBG, enterprise and agency fund operations, and accordingly, transfers are made from these funds to reimburse the General Fund for these services. These transfers are based on a Cost Allocation Plan prepared for this purpose which distributes these shared costs in a uniform, consistent manner in accordance with generally accepted accounting principles. Copies of the most current Cost Allocation Plan are available from the Department of Finance upon request. For fiscal years 2009-11, the following is a summary of total general government, CIP project engineering and facility use costs, and the percentage level supported by the General, CDBG, Enterprise and Agency Funds:

	2011-12	2012-13
General Government Programs		
City Council	141,100	144,400
General Administration		
City Administration	761,100	737,600
City Clerk Services	316,400	376,700
Public Works Administration	978,800	960,200
Transportation Planning & Engineering	577,100	591,000
Parks & Recreation Administration	741,600	753,100
Legal Services	525,200	548,100
Organizational Support Services		
Finance, Human Resources, Information		
Systems, and Geodata Services	4,993,300	5,120,200
Risk Management and Insurance Expenditures	2,384,900	2,314,300
Other Support Services (telephones, copiers, etc)	207,100	208,100
Buildings and Vehicle Maintenance	2,073,300	2,107,200
Total General Government Programs	13,699,900	13,860,900
CIP Project Engineering Program		
Facilities and Equipment Use	4,857,400	5,003,100
Total Reimbursed Programs	18,557,300	18,864,000
Percent Funded By		
General Fund	79%	79%
Enterprise and Agency Funds	21%	21%
Total Reimbursed Programs	100%	100%

FINANCIAL AND STATISTICAL TABLES

INTERFUND TRANSACTIONS - OPERATING TRANSFERS

	Actual	Budget	2011-13 Financial Plan	
	2009-10	2010-11	2011-12	2012-13
General Fund				
Operating Transfers In				
Gas Tax Fund	762,400	1,215,600	1,215,600	1,233,800
TDA Fund	27,800	22,500	22,500	22,800
Tourism BID Fund		36,200	38,900	39,700
Proposition 42	405,200			
Total operating transfers in	1,195,400	1,274,300	1,277,000	1,296,300
Operating Transfers Out				
Community Development Block Grant	(21,800)	(39,500)	(64,000)	
Capital Outlay Fund	(3,542,500)	(2,312,700)	(3,355,800)	(3,044,400)
Open Space Protection Fund	(260,400)		(237,500)	(22,500)
Fleet Replacement Fund	(79,100)		(500,000)	(700,000)
Debt Service Fund	(2,908,700)	(2,670,900)	(2,705,200)	(2,699,600)
Transportation Impact Fee	(74,000)			
Golf Fund	(296,100)	(346,500)		
Total operating transfers out	(7,182,600)	(5,369,600)	(6,862,500)	(6,466,500)
Total Operating Transfers	(5,987,200)	(4,095,300)	(5,585,500)	(5,170,200)
Community Development Block Grant Fund				
Operating Transfer In				
General Fund	21,800	39,500	64,000	
Gas Tax Fund				
Operating Transfer Out				
General Fund	(762,400)	(1,215,600)	(1,215,600)	(1,233,800)
Transportation Development Act Fund				
Operating Transfer Out				
General Fund	(27,800)	(22,500)	(22,500)	(22,800)
Tourism Business Improvement District Fund				
Operating Transfer Out				
General Fund		(36,200)	(38,900)	(39,700)
Proposition 42 Fund				
Operating Transfer Out				
General Fund	(405,200)			

FINANCIAL AND STATISTICAL TABLES

INTERFUND TRANSACTIONS - OPERATING TRANSFERS

	Actual 2009-10	Budget 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Capital Outlay Fund				
Operating Transfer In				
General Fund	3,542,500	2,312,700	3,355,800	3,044,400
Open Space Protection Fund				
Operating Transfers In				
General Fund	260,400		237,500	22,500
Fleet Replacement Fund				
Operating Transfers In				
General Fund	79,100		500,000	700,000
Debt Service Fund				
Operating Transfer In				
General Fund	2,908,700	2,670,900	2,705,200	2,699,600
Transportation Impact Fee Fund				
Operating Transfer In				
General Fund	74,000			
Golf Fund				
Operating Transfer In				
General Fund	296,100	346,500		
NET OPERATING TRANSFERS	\$0	\$0	\$0	\$0

FINANCIAL AND STATISTICAL TABLES

AUTHORIZED REGULAR POSITIONS BY DEPARTMENT

	Actual 2009-10	Actual 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
ADMINISTRATION	10.3	10.3	9.3	9.3
City Administration				
City Manager	1.0	1.0	1.0	1.0
Assistant City Manager	1.0	1.0	1.0	1.0
Principal Administrative Analyst	0.5	0.5	0.5	0.5
Administration Executive Assistant	1.0	1.0	1.0	1.0
Total City Administration	3.5	3.5	3.5	3.5
Natural Resources Protection				
Natural Resources Manager	1.0	1.0	1.0	1.0
City Biologist	1.0	1.0	1.0	1.0
Total Natural Resources Protection	2.0	2.0	2.0	2.0
Economic Development				
Economic Development Manager	1.0	1.0	1.0	1.0
Administrative Analyst *	0.3	0.3	0.3	0.3
Total Economic Development	1.3	1.3	1.3	1.3
Community Promotions				
Principal Administrative Analyst	0.5	0.5	0.5	0.5
Total Community Promotions	0.5	0.5	0.5	0.5
City Clerk				
City Clerk	1.0	1.0	1.0	1.0
Administrative Assistant	2.0	2.0	1.0	1.0
Total City Clerk	3.0	3.0	2.0	2.0
<i>* Position is allocated 30% to Economic Development and 70% to Finance & Information Technology.</i>				
CITY ATTORNEY	3.0	3.0	3.0	3.0
Legal Services				
City Attorney	1.0	1.0	1.0	1.0
Assistant City Attorney	1.0	1.0	1.0	1.0
Legal Assistant/Paralegal	1.0	1.0	1.0	1.0
Total Legal Services	3.0	3.0	3.0	3.0
HUMAN RESOURCES	5.0	5.0	5.0	5.0
Human Resources Administration				
Director of Human Resources	1.0	1.0	1.0	1.0
Human Resources Analyst	1.0	1.0	1.0	1.0
HR Administrative Assistant I*	1.0	1.0	0.3	0.3
Human Resources Specialist	1.0	1.0	1.0	1.0
Total Human Resources Administration	4.0	4.0	3.3	3.3
Risk & Benefits Management				
Risk & Benefits Manager	1.0	1.0	0.0	0.0
Human Resources Manager	0.0	0.0	1.0	1.0
HR Administrative Assistant I	0.0	0.0	0.7	0.7
Total Risk & Benefits Management	1.0	1.0	1.7	1.7
<i>*Position is allocated 30% to Administration and 70% to Risk & Benefits Management effective July 1, 2011.</i>				

FINANCIAL AND STATISTICAL TABLES

AUTHORIZED REGULAR POSITIONS BY DEPARTMENT

	Actual	Actual	2011-13 Financial Plan	
	2009-10	2010-11	2011-12	2012-13
FINANCE & INFORMATION TECHNOLOGY	21.5	21.5	22.0	22.0
Finance & Information Technology Administration				
Director of Finance & Information Technology	1.0	1.0	1.0	1.0
Administrative Analyst*	0.7	0.7	0.7	0.7
Total Finance & Information Technology Administration	1.7	1.7	1.7	1.7
Accounting				
Finance Manager	0.5	0.5	0.5	0.5
Accounting Supervisor	1.0	1.0	1.0	1.0
Accounting Assistant	3.0	3.0	3.0	3.0
Total Accounting	4.5	4.5	4.5	4.5
Revenue Management				
Finance Manager	0.5	0.5	0.5	0.5
Revenue Supervisor	1.0	1.0	1.0	1.0
Accounting Assistant	5.0	5.0	5.0	5.0
Total Revenue Management	6.5	6.5	6.5	6.5
Network Services				
Information Technology Manager***	1.0	0.5	0.5	0.5
Network Administrator	4.0	3.0	3.0	3.0
Network Services Supervisor	0.0	1.0	1.0	1.0
Database Administrator	0.0	0.0	1.0	1.0
Information Technology Assistant	0.8	0.8	0.8	0.8
Total Network Services	5.8	5.3	6.3	6.3
Geographic Information Services (GIS)**				
Information Technology Manager***	0.0	0.5	0.5	0.5
GIS Supervisor	1.0	1.0	1.0	1.0
GIS Specialist	2.0	2.0	1.5	1.5
Total Geographic Information Services	3.0	3.5	3.0	3.0
*Position is allocated to 30% to Economic Development and 70% to Finance & Information Technology.				
**Geographic Information Services moved from Public Works to Finance & Information Technology effective 7/1/10.				
***Position is allocated 50% to Information Technology and 50% to Geographic Information Services.				
COMMUNITY DEVELOPMENT	21.3	21.3	22.3	22.3
Community Development Administration				
Director of Community Development	1.0	1.0	1.0	1.0
Supervising Administrative Assistant	1.0	1.0	1.0	1.0
Administrative Assistant	1.5	1.5	1.5	1.5
Total Community Development Administration	3.5	3.5	3.5	3.5
Planning Development Review				
Deputy Director	1.0	1.0	1.0	1.0
Assistant Planner	1.0	1.0	1.0	1.0
Senior Planner	1.0	1.0	1.0	1.0
Associate Planner	2.0	2.0	1.0	1.0
Total Planning Development Review	5.0	5.0	4.0	4.0

FINANCIAL AND STATISTICAL TABLES

AUTHORIZED REGULAR POSITIONS BY DEPARTMENT

	Actual	Actual	2011-13 Financial Plan	
	2009-10	2010-11	2011-12	2012-13
Long-Range Planning				
Deputy Director	1.0	1.0	1.0	1.0
Senior Planner	1.0	1.0	1.0	1.0
Associate Planner	1.0	1.0	1.0	1.0
Housing Programs Manager	1.0	1.0	1.0	1.0
Total Long-Range Planning	4.0	4.0	4.0	4.0
Building & Safety				
Chief Building Official	1.0	1.0	1.0	1.0
Assistant Building Official	1.0	1.0	1.0	1.0
Permit Coordinator	1.0	1.0	1.0	1.0
Building Inspector	2.0	2.0	2.0	2.0
Plans Examiner	1.0	1.0	1.0	1.0
Code Enforcement Officer	2.0	2.0	2.0	2.0
Neighborhood Services Specialist	0.0	0.0	2.0	2.0
Permit Technician	0.8	0.8	0.8	0.8
Total Building & Safety	8.8	8.8	10.8	10.8
PARKS & RECREATION	16.0	16.0	16.0	16.0
Parks & Recreation Administration				
Parks & Recreation Director	1.0	1.0	1.0	1.0
Recreation Manager	2.0	2.0	2.0	2.0
Administrative Analyst	0.0	1.0	1.0	1.0
Supervising Administrative Assistant	1.0	1.0	1.0	1.0
Administrative Assistant	1.0	1.0	1.0	1.0
Total Parks & Recreation Administration	5.0	6.0	6.0	6.0
Aquatics/Sinsheimer Park Special Facilities				
Recreation Supervisor	1.0	1.0	1.0	1.0
Total Aquatics/Sinsheimer Park Special Facilities	1.0	1.0	1.0	1.0
Youth Services				
Recreation Supervisor	1.0	1.0	1.0	1.0
Recreation Coordinator	1.0	1.0	1.0	1.0
Total Youth Services	2.0	2.0	2.0	2.0
Facilities				
Recreation Supervisor	1.0	1.0	1.0	1.0
Total Facilities	1.0	1.0	1.0	1.0
Community Services				
Recreation Supervisor	1.0	1.0	1.0	1.0
Total Community Services	1.0	1.0	1.0	1.0
Recreational Sports				
Recreation Supervisor	1.0	1.0	1.0	1.0
Total Recreational Sports	1.0	1.0	1.0	1.0
Teens, Seniors & Classes**				
Recreation Supervisor	1.0	0.0	0.0	0.0
Total Teens, Seniors and Classes	1.0	0.0	0.0	0.0

FINANCIAL AND STATISTICAL TABLES

AUTHORIZED REGULAR POSITIONS BY DEPARTMENT

	Actual	Actual	2011-13 Financial Plan	
	2009-10	2010-11	2011-12	2012-13
Ranger Services				
Recreation Supervisor	1.0	1.0	1.0	1.0
Total Ranger Services	1.0	1.0	1.0	1.0
Golf Course				
Golf Course Supervisor	1.0	1.0	1.0	1.0
Maintenance Worker	2.0	2.0	2.0	2.0
Total Golf Course	3.0	3.0	3.0	3.0
<i>**Division was disbanded July 1, 2010 and programs moved to other divisions.</i>				
PUBLIC WORKS	78.0	77.2	75.8	75.8
<i>Public Works: Transportation Programs</i>	<i>30.0</i>	<i>29.2</i>	<i>29.0</i>	<i>29.0</i>
Transportation Planning & Engineering				
Principal Transportation Planner*	1.0	1.0	0.5	0.5
Senior Transportation Engineer	1.0	0.0	0.0	0.0
Transportation Operations Manager	0.0	1.0	1.0	1.0
Engineer	1.0	1.0	1.0	1.0
Total Transportation Planning & Engineering	3.0	3.0	2.5	2.5
Street & Sidewalk Maintenance				
Street Maintenance Supervisor	1.0	1.0	1.0	1.0
Street Maintenance Technician	1.0	1.0	1.0	1.0
Heavy Equipment Operator	1.0	2.0	2.0	2.0
Maintenance Worker	7.5	5.7	5.7	5.7
Total Street & Sidewalk Maintenance	10.5	9.7	9.7	9.7
Signal & Light Maintenance				
Signal & Street Light Technician	2.0	2.0	2.0	2.0
Total Signal & Light Maintenance	2.0	2.0	2.0	2.0
Creek & Flood Protection				
Stormwater Code Enforcement Officer	1.0	1.0	1.0	1.0
Heavy Equipment Operator	1.0	1.0	1.0	1.0
Maintenance Worker	1.0	1.0	1.0	1.0
GIS Specialist	0.5	0.5	0.3	0.3
Total Creek & Flood Protection	3.5	3.5	3.3	3.3
Parking				
Parking Manager	1.0	1.0	1.0	1.0
Parking Coordinator	1.0	1.0	1.0	1.0
Principal Transportation Planner*	0.0	0.0	0.5	0.5
Parking Enforcement Officer	3.0	3.0	3.0	3.0
Parking Meter Repair Worker	1.0	1.0	1.0	1.0
Supervising Administrative Assistant	1.0	1.0	1.0	1.0
Administrative Assistant	2.0	2.0	2.0	2.0
Total Parking	9.0	9.0	9.5	9.5
<i>*Position is allocated 50% to Transportation Planning & Engineering and 50% to Parking effective 07/01/11.</i>				
Transit	1.0	1.0	1.0	1.0
Transit Manager	1.0	1.0	1.0	1.0
Transportation Assistant	2.0	2.0	2.0	2.0
Total Transit	2.0	2.0	2.0	2.0

FINANCIAL AND STATISTICAL TABLES

AUTHORIZED REGULAR POSITIONS BY DEPARTMENT

	Actual	Actual	2011-13 Financial Plan	
	2009-10	2010-11	2011-12	2012-13
Public Works: Leisure, Cultural & Social Services Programs	17.0	17.0	16.0	16.0
Parks & Landscape Maintenance				
Parks Maintenance Supervisor	1.0	1.0	1.0	1.0
Parks Maintenance Technician	1.0	1.0	1.0	1.0
Maintenance Worker	10.0	10.0	10.0	10.0
Total Parks & Landscape Maintenance	12.0	12.0	12.0	12.0
Swim Center Maintenance				
Building Maintenance Technician	1.0	1.0	1.0	1.0
Total Swim Center Maintenance	1.0	1.0	1.0	1.0
Tree Maintenance				
PW Maintenance Supervisor	1.0	1.0	0.0	0.0
Urban Forest Superviosr/City Arborist	1.0	1.0	1.0	1.0
Tree Trimmer	2.0	2.0	2.0	2.0
Total Tree Maintenance	4.0	4.0	3.0	3.0
Public Works: Community Development Programs	16.0	16.0	15.8	15.8
Engineering Development Review				
Supervising Civil Engineer	1.0	1.0	1.0	1.0
Senior Civil Engineer	1.0	1.0	1.0	1.0
Permit Technician	1.0	1.0	0.8	0.8
Total Engineering Development Review	3.0	3.0	2.8	2.8
CIP Project Engineering				
Construction Engineering Manager	1.0	1.0	1.0	1.0
Supervising Civil Engineer	1.0	1.0	1.0	1.0
Senior Civil Engineer	2.0	2.0	2.0	2.0
Engineer	2.0	2.0	2.0	2.0
Engineering Technician	2.0	2.0	2.0	2.0
Engineering Inspector	5.0	5.0	5.0	5.0
Total CIP Project Engineering	13.0	13.0	13.0	13.0
Public Works: General Government Programs**	15.0	15.0	15.0	15.0
Public Works Administration				
Director of Public Works	1.0	1.0	1.0	1.0
Deputy Director/City Engineer	1.0	1.0	1.0	1.0
Deputy Director/Public Works	1.0	1.0	1.0	1.0
Supervising Administrative Assistant	1.0	1.0	1.0	1.0
Administrative Assistant	1.0	1.0	1.0	1.0
Administrative Analyst	1.0	1.0	1.0	1.0
Total Public Works Administration	6.0	6.0	6.0	6.0
Building Maintenance				
Facilities Maintenance Supervisor	1.0	1.0	1.0	1.0
Building Maintenance Technician	2.0	2.0	2.0	2.0
Maintenance Worker	2.0	2.0	2.0	2.0
Total Building Maintenance	5.0	5.0	5.0	5.0
Fleet Maintenance				
Fleet Maintenance Supervisor	1.0	1.0	1.0	1.0
Heavy Equipment Mechanic	3.0	3.0	3.0	3.0
Total Fleet Maintenance	4.0	4.0	4.0	4.0

**Geographic Information Services moved from Public Works to Finance & Information Technology effective 7/1/10.

FINANCIAL AND STATISTICAL TABLES

AUTHORIZED REGULAR POSITIONS BY DEPARTMENT

	Actual	Actual	2011-13 Financial Plan	
	2009-10	2010-11	2011-12	2012-13
UTILITIES	63.8	63.8	63.8	63.8
<i>Utilities: Water Service Programs</i>	<i>30.3</i>	<i>29.0</i>	<i>29.0</i>	<i>29.0</i>
Water Administration & Engineering				
Utilities Director	0.5	0.5	0.5	0.5
Deputy Director/Water	0.9	0.9	0.9	0.9
Utilities Projects Manager	0.6	0.6	0.6	0.6
Senior Administrative Analyst	0.5	0.5	0.5	0.5
Supervising Administrative Assistant	0.5	0.5	0.5	0.5
Administrative Assistant	0.4	0.4	0.4	0.4
Total Water Administration & Engineering	3.4	3.4	3.4	3.4
Water Source of Supply				
Water Reclamation Facility Supervisor	0.0	0.1	0.1	0.1
Water Reclamation Facility Operator	0.0	0.5	0.5	0.5
Maintenance Technician	0.0	0.1	0.1	0.1
Total Water Source of Supply	0.0	0.7	0.7	0.7
Water Treatment				
Treatment Plant Supervisor	1.0	1.0	1.0	1.0
Treatment Plant Chief Operator	1.0	1.0	1.0	1.0
Treatment Plant Operator	7.0	7.0	7.0	7.0
Treatment Plant Maintenance Technician	1.0	1.0	1.0	1.0
Laboratory Manager	0.1	0.1	0.1	0.1
Laboratory Analyst	1.0	1.0	1.0	1.0
Total Water Treatment	11.1	11.1	11.1	11.1
Water Distribution				
Distribution Supervisor	1.0	1.0	1.0	1.0
Underground Utility Locator	1.0	1.0	1.0	1.0
Water Distribution System Operator	7.0	7.0	7.0	7.0
Total Water Distribution	9.0	9.0	9.0	9.0
Water Customer Service				
Water Customer Service Personnel	4.0	2.0	2.0	2.0
Total Water Customer Service	4.0	2.0	2.0	2.0
Utilities Conservation				
Utilities Conservation Manager	0.8	0.8	0.8	0.8
Utilities Conservation Technician	2.0	2.0	2.0	2.0
Total Utilities Conservation	2.8	2.8	2.8	2.8
<i>Utilities: Wastewater Service Programs</i>	<i>27.0</i>	<i>28.3</i>	<i>28.3</i>	<i>28.3</i>
Wastewater Administration & Engineering				
Utilities Director	0.4	0.4	0.4	0.4
Deputy Director/Wastewater	1.0	1.0	1.0	1.0
Utilities Engineer	0.4	0.4	0.0	0.0
Utilities Projects Manager	0.0	0.0	0.4	0.4
Senior Administrative Analyst	0.4	0.4	0.4	0.4
Supervising Administrative Assistant	0.4	0.4	0.4	0.4
Administrative Assistant	0.3	0.3	0.3	0.3
Total Wastewater Administration & Engineering	2.9	2.9	2.9	2.9

FINANCIAL AND STATISTICAL TABLES

AUTHORIZED REGULAR POSITIONS BY DEPARTMENT

	Actual	Actual	2011-13 Financial Plan	
	2009-10	2010-11	2011-12	2012-13
Wastewater Collection				
Wastewater Collection Supervisor	0.7	0.7	0.7	0.7
Water Customer Service Personnel	0.0	2.0	2.0	2.0
Wastewater Collection Operator	6.0	6.0	6.0	6.0
Total Wastewater Collection	6.7	8.7	8.7	8.7
Wastewater Pretreatment				
Environmental Programs Manager	0.8	0.8	0.8	0.8
Environmental Compliance Inspector	1.0	1.0	1.0	1.0
Total Wastewater Pretreatment	1.8	1.8	1.8	1.8
Water Reclamation Facility				
Wastewater Reclamation Plant Supervisor	1.0	0.9	0.9	0.9
Water Reclamation Chief Operator	1.0	1.0	1.0	1.0
Water Reclamation Operator	7.0	6.5	6.5	6.5
Chief Maintenance Technician	1.0	1.0	1.0	1.0
Maintenance Technician	3.0	2.9	2.9	2.9
Total Water Reclamation Facility	13.0	12.3	12.3	12.3
Water Quality Laboratory				
Laboratory Manager	0.9	0.9	0.9	0.9
Laboratory Analyst	1.7	1.7	1.7	1.7
Total Water Quality Laboratory	2.6	2.6	2.6	2.6
Utilities: Whale Rock Reservoir	3.5	3.5	3.5	3.5
Whale Rock Administration & Engineering				
Utilities Director	0.1	0.1	0.1	0.1
Deputy Director/Water	0.1	0.1	0.1	0.1
Senior Administrative Analyst	0.1	0.1	0.1	0.1
Supervising Administrative Assistant	0.1	0.1	0.1	0.1
Administrative Assistant	0.1	0.1	0.1	0.1
Total Whale Rock Administration & Engineering	0.5	0.5	0.5	0.5
Reservoir Operations				
Water Supply Supervisor	1.0	1.0	1.0	1.0
Water Supply Operator	2.0	2.0	2.0	2.0
Total Reservoir Operations	3.0	3.0	3.0	3.0
Utilities: Creek & Flood Protection	3.0	3.0	3.0	3.0
Wastewater Collection Supervisor	0.3	0.3	0.3	0.3
Utilities Conservation Manager	0.2	0.2	0.2	0.2
Collection System Operator	2.0	2.0	2.0	2.0
Environmental Programs Manager	0.2	0.2	0.2	0.2
Laboratory Analyst	0.3	0.3	0.3	0.3
Total Creek & Flood Protection	3.0	3.0	3.0	3.0

FINANCIAL AND STATISTICAL TABLES

AUTHORIZED REGULAR POSITIONS BY DEPARTMENT

	Actual	Actual	2011-13 Financial Plan	
	2009-10	2010-11	2011-12	2012-13
POLICE	86.5	86.5	83.5	82.5
Police Administration				
Police Chief	1.0	1.0	1.0	1.0
Police Captain	1.0	1.0	1.0	1.0
Police Sergeant	1.0	1.0	1.0	1.0
Senior Administrative Analyst	1.0	1.0	1.0	1.0
Administrative Assistant	1.5	1.5	1.5	1.5
Total Police Administration	5.5	5.5	5.5	5.5
Police Support Services				
Communications & Records Manager	1.0	1.0	1.0	1.0
Communications Supervisor	2.0	2.0	2.0	2.0
Communications Technician	11.0	11.0	10.0	10.0
Records Supervisor	1.0	1.0	1.0	1.0
Records Clerk	4.0	4.0	4.0	4.0
Total Police Support Services	19.0	19.0	18.0	18.0
Neighborhood & Crime Prevention Services				
Neighborhood Services Manager	1.0	1.0	1.0	1.0
Total Neighborhood & Crime Prevention Services	1.0	1.0	1.0	1.0
Patrol Services				
Captain	1.0	1.0	1.0	1.0
Police Lieutenant	2.0	2.0	2.0	2.0
Police Sergeant *	5.0	5.0	5.0	5.0
Police Officer *	30.0	30.0	30.0	30.0
Field Service Technician	2.0	2.0	2.0	1.0
Total Patrol Services	40.0	40.0	40.0	39.0
Traffic Safety				
Police Sergeant	1.0	1.0	1.0	1.0
Police Officer	4.0	4.0	4.0	4.0
Total Traffic Safety	5.0	5.0	5.0	5.0
Investigative Services				
Police Lieutenant	1.0	1.0	1.0	1.0
Police Sergeant *	1.0	1.0	1.0	1.0
Police Officer *	11.0	11.0	9.0	9.0
Evidence Technician	1.0	1.0	1.0	1.0
Field Service Technician	1.0	1.0	1.0	1.0
Records Clerk	1.0	1.0	1.0	1.0
Total Investigative Services	16.0	16.0	14.0	14.0
* Reflects allocation of one Sergeant and three officers in the Situation Oriented Response Team (SORT) from Patrol Services to Investigative Services, which better reflects their assignments.				
Sworn Positions	59.0	59.0	57.0	57.0
Non-Sworn Positions	27.5	27.5	26.5	25.5
Total Police Positions	86.5	86.5	83.5	82.5

FINANCIAL AND STATISTICAL TABLES

AUTHORIZED REGULAR POSITIONS BY DEPARTMENT

	Actual	Actual	2011-13 Financial Plan	
	2009-10	2010-11	2011-12	2012-13
FIRE	53.8	53.0	51.8	51.8
Fire Administration				
Fire Chief	1.0	1.0	1.0	1.0
Administrative Analyst	1.0	1.0	1.0	1.0
Administrative Assistant	2.0	2.0	1.0	1.0
Total Fire Administration	4.0	4.0	3.0	3.0
Emergency Response				
Battalion Chief	3.0	3.0	3.0	3.0
Fire Captain	12.0	12.0	12.0	12.0
Fire Engineer	15.0	15.0	15.0	15.0
Firefighter	12.0	12.0	12.0	12.0
Fire Vehicle Mechanic	1.0	1.0	1.0	1.0
Total Emergency Response	43.0	43.0	43.0	43.0
Hazard Prevention				
Fire Marshal	1.0	1.0	1.0	1.0
Hazardous Materials Coordinator	1.0	1.0	1.0	1.0
Fire Inspector	2.8	2.0	1.8	1.8
Administrative Assistant	1.0	1.0	1.0	1.0
Total Hazard Prevention	5.8	5.0	4.8	4.8
Training				
Battalion Training Chief*	1.0	1.0	0.0	0.0
Training Captain	0.0	0.0	1.0	1.0
Total Training	1.0	1.0	1.0	1.0
<i>*Training Battalion Chief position will be re-classified to a Training Captain at the end of 2011.</i>				
<i>Sworn Positions</i>	<i>44.0</i>	<i>44.0</i>	<i>44.0</i>	<i>44.0</i>
<i>Non-Sworn Positions</i>	<i>9.8</i>	<i>9.0</i>	<i>7.8</i>	<i>7.8</i>
Total Fire Positions	53.8	53.0	51.8	51.8
TOTAL REGULAR POSITIONS	359.2	357.6	352.5	351.5

FINANCIAL AND STATISTICAL TABLES

AUTHORIZED REGULAR POSITIONS BY FUNCTION

	Actual	Actual	2011-13 Financial Plan	
	2009-10	2010-11	2011-12	2012-13
PUBLIC SAFETY				
Police Protection	86.5	86.5	83.5	82.5
Fire & Environmental Safety	53.8	53.0	51.8	51.8
Total Public Safety	140.3	139.5	135.3	134.3
PUBLIC UTILITIES				
Water Service	30.3	29.0	29.0	29.0
Wastewater Service	27.0	28.3	28.3	28.3
Whale Rock Reservoir	3.5	3.5	3.5	3.5
Total Public Utilities	60.8	60.8	60.8	60.8
TRANSPORTATION				
Transportation Planning & Engineering	3.0	3.0	2.5	2.5
Street & Sidewalk Maintenance	10.5	9.7	9.7	9.7
Signal & Light Maintenance	2.0	2.0	2.0	2.0
Creek & Flood Protection	6.5	6.5	6.3	6.3
Parking	9.0	9.0	9.5	9.5
Transit	2.0	2.0	2.0	2.0
Total Transportation	33.0	32.2	32.0	32.0
LEISURE, CULTURAL & SOCIAL SERVICES				
Recreation Programs	13.0	13.0	13.0	13.0
Maintenance Services (Parks, Swim & Trees)	17.0	17.0	16.0	16.0
Golf Course Operations & Maintenance	3.0	3.0	3.0	3.0
Total Leisure, Cultural & Social Services	33.0	33.0	32.0	32.0
COMMUNITY DEVELOPMENT				
Planning	12.5	12.5	11.5	11.5
Natural Resources Management	2.0	2.0	2.0	2.0
Economic Development	1.3	1.3	1.3	1.3
Community Promotions	0.5	0.5	0.5	0.5
Building & Safety	8.8	8.8	10.8	10.8
Engineering Development Review	3.0	3.0	2.8	2.8
CIP Project Engineering	13.0	13.0	13.0	13.0
Total Community Development	41.1	41.1	41.9	41.9
GENERAL GOVERNMENT				
City Administration	3.5	3.5	3.5	3.5
Public Works Administration	6.0	6.0	6.0	6.0
Legal Services	3.0	3.0	3.0	3.0
City Clerk Services	3.0	3.0	2.0	2.0
Human Resources Programs	5.0	5.0	5.0	5.0
Finance & Information Technology	21.5	21.5	22.0	22.0
Building Maintenance	5.0	5.0	5.0	5.0
Vehicle & Equipment Maintenance	4.0	4.0	4.0	4.0
Total General Government	51.0	51.0	50.5	50.5
TOTAL REGULAR POSITIONS	359.2	357.6	352.5	351.5

FINANCIAL AND STATISTICAL TABLES

TEMPORARY FULL-TIME EQUIVALENTS (FTE'S) BY FUNCTION

	Actual 2009-10	Budget 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
PUBLIC SAFETY				
Police Protection	3.2	3.2	3.2	3.2
Fire & Environmental Safety	0.6	0.6	0.6	0.6
Total Public Safety	3.8	3.8	3.8	3.8
PUBLIC UTILITIES				
Water Service	0.8	0.8	0.8	0.8
Total Public Utilities	0.8	0.8	0.8	0.8
TRANSPORTATION				
Transportation Planning & Engineering	2.9	2.9	2.1	2.1
Street & Sidewalk Maintenance	0.4	0.4	0.4	0.4
Creek & Flood Protection	0.5	0.5	0.3	0.3
Parking	10.5	10.5	11.0	11.0
Transit	0.32	0.32	0.32	0.32
Total Transportation	14.6	14.6	14.1	14.1
LEISURE, CULTURAL & SOCIAL SERVICES				
Recreation Programs	55.2	55.2	53.9	53.9
Maintenance Services (Parks, Swim & Trees)	5.2	5.2	5.2	5.2
Golf Course Operations & Maintenance	3.3	3.3	3.3	3.3
Total Leisure, Cultural & Social Services	63.7	63.7	62.4	62.4
COMMUNITY DEVELOPMENT				
Planning	2.0	2.0	2.0	2.0
Engineering Development Review	0.8	0.8	0.6	0.6
CIP Project Engineering	0.7	0.7	0.7	0.7
Total Community Development	3.5	3.5	3.3	3.3
GENERAL GOVERNMENT				
Public Works Administration	3.0	3.0	2.6	2.6
City Clerk Services	0.5	0.5	0.7	0.7
Human Resources Administration	0.0	0.0	0.0	0.0
Risk & Benefits Management	0.4	0.4	0.0	0.0
Finance & Information Technology	0.7	0.7	0.5	0.5
Geographic Information Services	0.3	0.3	0.0	0.0
Vehicle & Equipment Maintenance	0.0	0.0	0.0	0.0
Total General Government	4.9	4.9	3.8	3.8
TOTAL TEMPORARY FTE'S	91.3	91.3	88.2	88.2

FINANCIAL AND STATISTICAL TABLES

PENSION OBLIGATION COST TRENDS

OVERVIEW

The following provides information on employer retirement costs and contributions for the past five years and budget for 2011-13, along with background information on the City’s retirement plans.

Background

About CalPERS. Along with 2,500 other cities and local agencies, the City contracts with the California Public Employees Retirement System (CalPERS) for our “defined benefit” retirement plan, which covers all of our regular employees (except in rare circumstances, temporary employees are not covered by the CalPERS plan). We have two plans: one for sworn safety employees (like police officers and firefighters) and another for all non-sworn employees (also called miscellaneous).

CalPERS is a separate and distinct legal entity from the City, and serves as an independent fiduciary in managing the City’s retirement plan assets.

CALPERS EMPLOYER CONTRIBUTIONS

CalPERS Employer Cost Trends

The following summarizes CalPERS employer costs since 1998-99:

Employer Retirement Contributions			
Fiscal Year	Safety	Non-Safety	Total
2002-03	498,000	264,100	762,100
2003-04	1,660,100	1,397,300	3,057,400
2004-05	2,422,500	1,987,700	4,410,200
2005-06	2,796,100	2,550,200	5,346,300
2006-07	3,159,100	2,747,100	5,906,200
2007-08	3,385,800	3,145,200	6,531,000
2008-09*	4,484,300	3,629,800	8,114,100
2009-10*	4,403,400	3,243,100	7,646,500
2010-11*	4,510,400	3,347,300	7,857,700

* Estimated for 2008-09 and budget for 2009-10 and 2010-11.

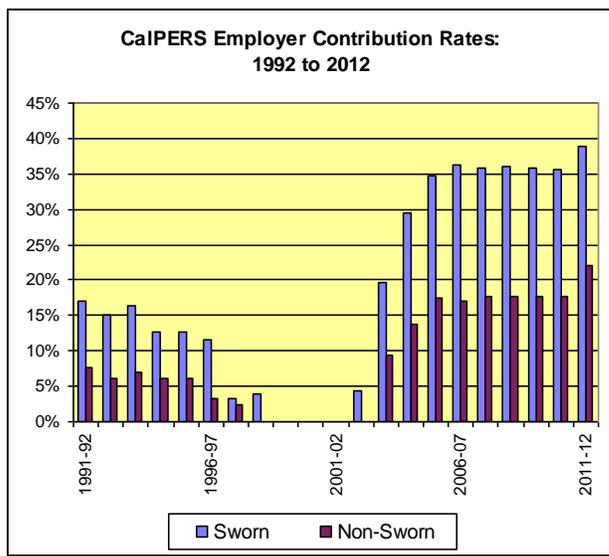
2008-09 reflects retroactive costs for binding arbitration decision.

Future Cost Outlook. CalPERS experienced significant stock market losses in 2008, and these losses caused employer contribution rates to rise. Also impacting the rates was the demographic study conducted by CalPERS in 2010, which concluded that employees were living longer and retiring earlier. The result of the study was to increase the employer rates beginning in 2011-12.

CalPERS has developed smoothing strategies in order to prevent large fluctuations in the employer rates. Smoothing provides for the amortization of gains and losses over a long period of time (20 to 30 years) which allows for gradual changes in the rates to make up for these gains and losses. While this means that the rates will remain relatively stable, it also means that they are unlikely to go down in the near future, even if CalPERS experiences higher than anticipated investment returns.

CalPERS Employer Contribution Rates

These costs are directly affected by required employer contribution rates as a percent of payroll for covered employees. (Note: These rates only apply to “regular” compensation; they do not apply to overtime or “non-regular” pay.) The following shows changes in employer contribution rates for sworn and non-sworn employees since 1992:



As reflected in the chart above, while rates are higher than in the past, the very low rates in the late 1990’s and early 2000’s were an exception – not the

FINANCIAL AND STATISTICAL TABLES

PENSION OBLIGATION COST TRENDS

rule – to employer contribution rates. In addition, no contributions for non-safety employees were required for four years (1998-99 through 2001-02); and no contributions were required for safety employees for three years (1999-00 through 2001-02), when these plans were “super funded” and actuarial assets exceeded actuarial liabilities.

While rates are now stabilized, they have stabilized at a higher rate, due to the amortization of past losses. We do not expect rates to decrease anytime in the near future, based on current retirement benefits.

Current CalPERS Employer Contribution Rates

For 2011-12, the City’s employer contribution rates are as follows:

	Normal	Unfunded Liability	Total
Non-Sworn	10.3%	11.7%	22.0%
Sworn	17.2%	21.7%	38.9%

As reflected above, our contribution rate is comprised of two components:

1. The *normal* rate is what’s needed to fund the benefits earned by active employees during the current fiscal year.
2. The *unfunded liability rate* is what’s required to amortize past unfunded liability costs over time.

Employee Contribution Rates

While the method of doing so varies between employee groups, employees are responsible for making contributions to CalPERS along with employer contribution rates as follows.

Employee Contribution Rates

Non-Sworn	8%
Public Safety Sworn	9%

CALPERS PLAN FUNDING LEVELS

The following shows CalPERS funding levels for the City’s Miscellaneous plan and Safety Pool for 2000 through 2009. This is the most recent actual information that is available from CalPERS:

CalPERS Plan Funding Levels: Last Ten Years

Actuarial Valuation Date Ending June 30	Actuarial Asset Value	Entry Age Actuarial Accrued Liability	Assets Over (Under) Actuarial Accrued Liability	Funded Ratio
Safety Employee Plan				
2000	62,387	54,256	8,131	115.0%
2001	65,800	65,700	100	100.1%
2002	60,300	73,400	(13,100)	82.1%
2003	61,200	80,300	(19,200)	76.2%
2004	64,997	88,300	(23,400)	73.6%
2005	69,399	94,527	(25,128)	73.4%
2006*	6,102,616	7,278,050	(1,175,434)	83.9%
2007	6,826,599	7,986,055	(1,159,456)	85.5%
2008	7,464,927	8,700,468	(1,235,541)	85.8%
2009	8,027,159	9,721,676	(1,694,517)	82.6%
Non-Safety Employee Plan				
2000	55,308	43,017	12,291	128.6%
2001	57,800	55,500	2,300	104.1%
2002	53,500	61,700	(8,200)	86.8%
2003	55,100	71,000	(16,000)	77.5%
2004	59,400	77,600	(18,200)	76.5%
2005	64,740	85,207	(20,467)	76.0%
2006	70,848	92,505	(21,657)	76.5%
2007	78,069	100,312	(22,243)	77.8%
2008	85,341	110,763	(25,422)	77.0%
2009	91,851	130,764	(38,913)	70.2%

In thousands of dollars

** Beginning with 2006 Safety Plan is a member of a CalPERS safety pool, and as such, the City will only receive information on the entire pool, not City specific data.*

The most recent actuarial valuations received from CalPERS indicate that our Miscellaneous plan is now 51.4% funded and the Safety pool is 60.2% funded. We also received estimated employer rates for future years. For Miscellaneous, the employer rate for 2012-13 is projected to be 22.4% and for 2013-14 it is expected to be 24.6%. The Safety pool projection is only for 2012-13, and it is 40.1%.

FINANCIAL AND STATISTICAL TABLES

RETIREE HEALTH CARE OBLIGATIONS

VERY LIMITED COST OBLIGATIONS

Compared with many other cities throughout the State and the nation, the City has taken a very conservative approach to providing retiree health care benefits. In fact, our contribution is the lowest allowed under our participation in the California Public Employees' Retirement System (CalPERS) health benefit program.

And as discussed below, the City has committed to fully funding our obligations on an actuarial basis.

DESCRIPTION OF THE CITY'S PROGRAM

The City's primary cost obligation for retiree health benefits is our election to participate in the CalPERS health benefit program under the "unequal contribution option."

Background. The City's primary "other post employment benefits than pensions" (OPEB) obligation is the minimum contribution that the City is required to make under its participation in the CalPERS health care program. When the City joined the CalPERS plan in 1993, it immediately experienced an increase in the plan choices available along with a significant reduction in rates. And due to CalPERS purchasing power, the City has continued to experience competitive health care rates since then.

However, as a condition of joining the CalPERS health program, the City agreed to contribute a minimum of \$16 per month towards retiree health care coverage. Under the regulations in place at the time, this was scheduled to increase by 5% per year. By 2007, this had risen to only \$20 per month. However, legislation adopted in 2006 (AB 2544) significantly altered this formula, resulting in significant increases in the City's required contribution.

The following chart compares projected contribution rates, pre-AB 2544 and post-AB 2544. As reflected in this chart, contributions take a big jump in 2008. The only good news is that under AB 2544, the increases in contribution rates should level-off by 2013 at about \$145 per month. While higher than

we expected, this is still much lower than the costs incurred by many California agencies.

CalPERS Retiree Health Care Contributions

Year	Minimum Monthly Contributions	
	Pre-AB 2544	Post-AB 2545
2007	\$20.30	\$20.30
2008	25.15	72.75
2009	30.47	85.16
2010	36.28	98.71
2011	42.57	113.33
2012	49.36	128.93
2013	56.63	145.38

ACCOUNTING FOR FUTURE COSTS

Until 2008-09, the City accounted for our limited retiree health care costs on a pay-as-you-go basis, which was consistent at the time with generally accepted accounting principles. However, beginning in 2008-09, GASB 45 required that these costs be reported on an actuarial basis. Complying with GASB 45 required performing an actuarial evaluation to determine these costs and prepare a plan for funding them. The results of this actuarial valuation of our retiree health care plans were presented to the Council on May 20, 2008.

Based on Council direction, the City began pre-funding the OPEB obligation via an irrevocable trust and in May 2009, the Council approved a contract with CalPERS to provide OPEB trustee services.

As reflected below, the estimated cost for this organization-wide in 2011-12 is \$524,300. Of this amount, \$427,000 will be incurred in the General Fund and the balance in other funds, summarized as follows:

GASB 45 Cost allocation by Fund		
	2011-12	2012-13
General Fund	427,000	444,400
Community Development Block Grant	1,500	1,600
Water Fund	43,400	45,200
Sewer Fund	30,700	44,200
Parking Fund	13,500	14,000
Transit Fund	3,000	3,100
Whale Rock	5,200	5,500
Total	\$ 524,300	\$ 558,000

FINANCIAL AND STATISTICAL TABLES

NEW OR INCREASED TAXES AND FEES

The following summarizes the role that new or increased taxes or fees will play in the 2011-13 Financial Plan, organized into four categories:

1. New or increased taxes
2. New or increased General Fund fees for operations
3. New or increased fees Enterprise Fund fees for operations
4. New or increased development impact fees

TAXES

No New or Increased Rates in 2011-13. Tax and franchise fee revenues account for about 80% of total General Fund revenues. There are no new or increased tax or franchise fee rates in the 2011-13 Financial Plan.

GENERAL FUND FEES

Fees for a wide range services, including use of City facilities, recreation programs, public safety services and development review, account for about 10% of General Fund revenues.

The 2011-13 Financial Plan relies upon enhanced cost recovery from existing fees to generate revenues that help balance the budget, but does not implement any new fees. Enhanced business license and tax enforcement and code enforcement efforts are expected to generate approximately \$124,000 as detailed on pages H-13 to H-30 of the Financial Plan.

Modest CPI Adjustments to Existing Fees.

Consistent with the City's adopted cost recovery policies as set forth in Section B of the Financial Plan (Policies and Objectives), cost of living adjustments are scheduled for 2011-13 based on changes in the U.S. Consumer Price Index, All Urban Consumers (CPI-U). This will result in modest increases of about 1% annually in 2011-13 for most of the City's service fees and charges.

ENTERPRISE FUND FEES

Comprehensive rate reviews and revenue requirement projections for the next five years will be presented to the Council on June 14, 2011 for each of the City's four enterprise funds. The following is a brief overview of enterprise fund revenue issues and rate requirements reflected in the 2011-13 Financial Plan:

Water Fund

Consistent with the multi-year rate setting strategy previously approved by the Council to improve the City's water distribution and treatment systems as well as fund participation in the Nacimientto water project, the Council will consider rate increases of 10% in July 2011 and 9% in July 2012. These increases are on target with prior projections for 2011-13.

Sewer Fund

The Sewer Fund also uses a multi-year rate-setting strategy. In order to continue supporting an adequate capital improvement plan and meet high wastewater treatment standards, the Council will consider rate increases of 7% in July 2011 and 6% in July 2012. These increases are on target with prior projections for 2011-13.

Parking Fund

On April 5, 2011 the Council considered several changes to parking fees. This included charging for parking on Sunday afternoons, as well as increases in parking meter rates in a core area of the Downtown.

In addition, as detailed on pages H-16 to H-19, parking fine and fee modifications are proposed in 2011-13 for commercial loading zone permits, residential parking permits, overtime and restricted parking fines and cancellation of disabled parking violations.

FINANCIAL AND STATISTICAL TABLES

NEW OR INCREASED TAXES AND FEES

Transit Fund

No fare box rate increases are currently projected for 2011-13.

Golf Fund

In accordance with Council direction on April 19, 2011, the operations and costs of the Laguna Lake Golf Course will no longer be represented in an enterprise fund. Beginning in 2011-13, these operations will be incorporated into the General Fund like other recreational activities.

Changes to greens fees will continue to be adopted by resolution and not automatically updated by CPI, in order to allow for analysis of the various aspects of greens fees, including comparison to other local golf courses.

DEVELOPMENT IMPACT FEES

In accordance with General Plan policies, new development is responsible for paying for its fair share of the facilities needed to serve it. Development impact fees are one of the City's key tools for implementing this policy.

The City currently has three types of community-wide impact fees: water, wastewater and transportation. In addition, the City has adopted "sub-area" fees in some cases covering specific water, wastewater, transportation and park needs in the Airport, Margarita, Orcutt and Los Osos Valley Road areas.

Like the City's General Fund operating fees, it is the City's policy to prepare a comprehensive analysis of each impact fee at least once every five years, with CPI increases in the interim to keep fees current.

No New Impact Fees in the 2011-13 Budget

There are no new community-wide development impact fees in the 2011-13 Financial Plan. However, fee studies are currently in progress that may result in new or increased fees in selected areas as follows:

Water and Wastewater Impact Fee Update. We are in the process of updating water and wastewater impact fees. Based on preliminary work completed, there will be moderate fee changes.

Modest CPI Adjustments to Existing Fees

As noted above, it is the City's policy to make cost of living adjustments annually in development impact fees to keep them current between comprehensive updates. Like the City's General Fund operating fees, this is likely to result in modest increases of about 1% annually in the City's development impact fees in 2009-11.

FINANCIAL AND STATISTICAL TABLES

REVENUE AND EXPENDITURE TRENDS - LAST FIVE COMPLETED YEARS

<i>Includes all governmental fund types</i>	2005-06 ACTUAL	2006-07 ACTUAL	2007-08 ACTUAL	2008-09 ACTUAL	2009-10 ACTUAL
REVENUES					
Taxes					
Sales and use	12,977,100	15,302,500	19,866,700	18,020,500	16,234,300
Property	7,519,600	8,255,000	8,374,200	8,788,400	8,579,300
Property in lieu of VLF	2,221,200	3,061,500	3,280,100	3,504,700	3,565,100
Utility users	3,947,300	4,096,100	4,177,700	4,358,500	4,862,400
Transient occupancy	4,539,200	4,786,000	5,054,700	4,679,500	4,496,100
Franchise fees	2,101,300	2,153,700	2,361,700	2,439,400	2,396,700
Business tax certificates	1,578,000	1,706,700	1,866,400	1,878,500	1,830,100
Real property transfer	390,600	283,900	213,000	159,100	129,000
Total Taxes	35,274,300	39,645,400	45,194,500	43,828,600	42,093,000
Fines and Forfeitures	213,900	236,500	228,200	261,000	201,700
Investment and Property Revenues	601,900	1,751,400	1,736,600	1,775,300	1,239,500
Subventions and Grants	5,929,200	4,983,500	4,738,000	8,940,700	4,972,000
Service Charges	9,655,000	8,524,800	8,510,700	6,677,700	5,865,700
Other Revenues	514,300	174,700	532,600	1,810,300	398,000
Total Revenues	52,188,600	55,316,300	60,940,600	63,293,600	54,769,900
EXPENDITURES					
Operating Programs					
Public Safety	19,247,000	20,659,600	25,055,900	26,002,400	24,203,800
Transportation	1,967,800	2,173,500	2,539,800	3,224,200	3,019,700
Leisure, Cultural & Social Services	5,280,500	5,705,000	6,398,600	6,598,900	6,279,900
Community Development	5,060,900	5,620,100	6,341,600	6,280,800	6,690,200
General Government	4,988,200	6,093,700	6,333,900	6,793,100	7,253,500
Total Operating Programs	36,544,400	40,251,900	46,669,800	48,899,400	47,447,100
Capital Outlay	12,720,400	7,068,000	10,939,300	11,296,400	17,100,600
Debt Service	1,620,300	2,083,500	2,078,000	2,075,800	2,908,700
Total Expenditures	50,885,100	49,403,400	59,687,100	62,271,600	67,456,400
OTHER SOURCES (USES)					
Operating Transfers In (Out)	(255,300)	(350,900)	(462,000)	(335,000)	(301,500)
Proceeds from (uses of) Debt Proceeds	7,106,200			8,785,200	
Other Sources (Uses)	(217,100)				
Total Other Sources (Uses)	6,633,800	(350,900)	(462,000)	8,450,200	(301,500)
Excess of Revenues & Sources Over (Under) Expenditures & Uses	7,937,300	5,562,000	791,500	9,472,200	(12,988,000)
Fund Balance, Beginning of Year	20,642,900	28,580,200	34,142,200	34,933,700	44,405,900
Fund Balance, End of Year					
General Fund	13,559,900	18,830,000	14,829,100	13,991,900	11,114,100
Special Revenue Funds	641,900	519,900	585,500	987,900	1,044,100
Capital Outlay Funds	12,732,900	13,146,800	17,873,600	27,140,400	16,974,000
Debt Service Fund	1,645,500	1,645,500	1,645,500	2,285,700	2,285,700
Total - All Governmental Funds	\$28,580,200	\$34,142,200	\$34,933,700	\$44,405,900	\$31,417,900

FINANCIAL AND STATISTICAL TABLES

EXPENDITURE TRENDS BY TYPE: ALL FUNDS COMBINED

	Actual	Actual	Actual	Actual	Budget	2011-13 Financial Plan	
	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
OPERATING PROGRAMS							
Staffing							
<i>Salaries and Wages</i>							
Regular Salaries	\$22,637,200	\$27,398,100	\$29,098,600	\$28,915,800	\$30,096,600	\$29,877,100	\$30,150,600
Temporary Salaries	2,634,400	2,489,000	2,535,400	2,287,000	2,409,400	2,197,500	2,198,100
Overtime	2,673,200	3,075,200	3,191,800	2,552,700	2,185,500	2,358,100	2,455,200
<i>Benefits</i>							
Retirement	7,425,500	8,773,200	9,337,100	9,341,000	9,775,000	10,976,000	11,278,900
Group Health & Other Insurance	3,048,200	3,422,400	3,933,800	4,017,300	4,135,700	4,070,000	4,048,200
Retiree Health Care			592,900	649,100	519,000	524,300	558,000
Medicare	332,600	407,500	440,100	446,800	501,300	492,700	497,700
Unemployment Reimbursements	23,900	50,700	29,900	106,100	135,600	131,500	134,500
Total Staffing	38,775,000	45,616,100	49,159,600	48,315,800	49,758,100	50,627,200	51,321,200
Contract Services	11,450,300	11,192,500	10,783,500	10,482,000	17,592,200	18,777,600	18,328,800
Other Operating Costs							
Communications & Utilities	2,872,700	2,940,800	3,259,500	3,029,600	3,650,800	3,455,900	3,610,800
Rents & Leases	182,900	185,400	156,000	135,000	151,800	154,200	155,900
Insurance	2,653,400	2,713,800	2,390,300	2,248,900	1,976,900	2,197,400	2,119,500
Other Operating Expenditures	4,148,000	3,836,100	4,664,800	4,257,700	5,652,500	5,352,100	5,369,900
Total Other Operating Costs	9,857,000	9,676,100	10,470,600	9,671,200	11,432,000	11,159,600	11,256,100
Minor Capital	303,800	402,600	321,800	181,800	140,300	68,900	22,900
TOTAL OPERATING PROGRAMS	60,386,100	66,887,300	70,735,500	68,650,800	78,922,600	80,633,300	80,929,000
CAPITAL IMPROVEMENT PLAN	24,177,600	20,479,000	28,925,300	22,649,700	45,988,700	8,734,300	8,823,100
DEBT SERVICE	8,804,700	8,682,500	8,721,100	9,999,900	10,137,300	9,776,700	9,523,900
TOTAL EXPENDITURES	93,368,400	96,048,800	108,381,900	101,300,400	135,048,600	99,144,300	99,276,000

FINANCIAL AND STATISTICAL TABLES

EXPENDITURE TRENDS BY TYPE: GENERAL FUND

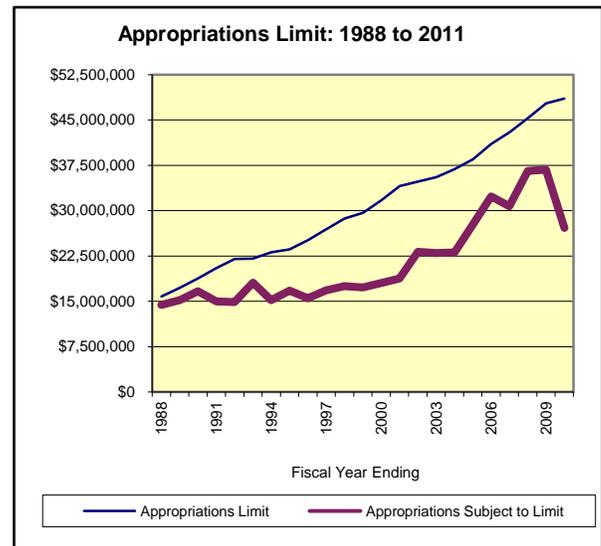
	Actual	Actual	Actual	Actual	Budget	2011-13 Financial Plan	
	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
OPERATING PROGRAMS							
Staffing							
<i>Salaries and Wages</i>							
Regular Salaries	\$18,491,700	\$22,745,800	\$24,310,100	\$24,180,400	\$24,740,500	\$24,651,900	\$24,851,000
Temporary Salaries	2,108,000	2,026,800	1,851,700	1,592,700	1,963,100	1,805,700	1,812,400
Overtime	2,484,600	2,876,000	3,009,200	2,397,500	1,980,500	2,151,100	2,253,100
<i>Benefits</i>							
Retirement	6,278,300	7,485,200	8,006,100	7,915,900	8,271,900	9,264,600	9,523,100
Group Health and Other Insuranc	2,399,900	2,710,000	3,110,800	3,191,500	3,279,500	3,249,700	3,229,500
Retiree Health Care			468,600	552,700	408,800	427,000	444,400
Medicare	271,700	339,600	363,700	370,300	415,100	408,900	412,600
Unemployment Reimbursements	19,600	42,900	24,100	87,600	111,400	108,400	111,200
Total Staffing	32,053,800	38,226,300	41,144,300	40,288,600	41,170,800	42,067,300	42,637,300
Contract Services	4,300,300	4,546,400	4,228,700	3,812,400	4,393,400	4,758,600	4,487,500
Other Operating Costs							
Communications & Utilities	1,489,900	1,539,700	1,662,000	1,538,000	1,910,100	1,904,500	1,991,100
Rents & Leases	133,400	142,100	147,700	130,500	146,500	152,200	153,900
Insurance	2,253,900	2,569,300	2,068,500	2,207,800	1,976,900	2,197,400	2,119,500
Other Operating Expenditures	2,874,900	2,699,900	3,061,900	2,399,300	2,736,500	2,990,100	2,956,800
Total Other Operating Costs	6,752,100	6,951,000	6,940,100	6,275,600	6,770,000	7,244,200	7,221,300
Minor Capital	195,800	162,500	90,600	38,300	47,100	21,200	21,200
Total Operating Programs	43,302,000	49,886,200	52,403,700	50,414,900	52,381,300	54,091,300	54,367,300
Reimbursed Expenditures	(3,786,700)	(4,075,300)	(4,210,800)	(4,264,000)	(4,349,400)	(3,888,200)	(3,946,900)
TOTAL OPERATING PROGRAM	39,515,300	45,810,900	48,192,900	46,150,900	48,031,900	50,203,100	50,420,400
CAPITAL IMPROVEMENT PLA	3,457,700	11,499,500	4,633,100	3,882,000	2,312,700	4,177,000	3,744,400
DEBT SERVICE*	2,083,500	2,078,000	2,075,800	2,908,700	2,670,900	2,705,200	2,699,600
TOTAL GENERAL FUND EXPENDITURES	45,056,500	59,388,400	54,901,800	52,941,600	53,015,500	57,085,300	56,864,400

FINANCIAL AND STATISTICAL TABLES

APPROPRIATIONS LIMIT HISTORY

The *Gann Spending Limit Initiative*, a State constitutional amendment adopted by the voters on June 6, 1979, restricts appropriations from tax revenues by State and local governments. Under its provisions, no local agency can appropriate proceeds of taxes in excess of its "appropriations limit." Excess funds may be carried over into the next year. However, any excess funds remaining after the second year must be returned to taxpayers by reducing tax rates or fees; or a majority of the voters may approve an override to increase the limit.

The following summarizes changes in the City's appropriations limit and appropriations subject to the limit since the effective date of the initiative. While there are exceptions, in general, the City's appropriations limit increases annually by compound changes in cost-of-living and population. This summary also reflects changes made by Proposition 111 (adopted in June 1990) in determining the appropriations limit as well as the appropriations subject to it.



Fiscal Year	Limit Base	Cost-of-Living Factor	Population Factor	Appropriations Limit	Appropriations Subject to Limit	Variance
<i>Post-Proposition 111</i>						
1987-88	14,836,300	3.47%	2.93%	15,800,900	14,411,700	1,389,200
1988-89	15,800,900	4.66%	4.10%	17,215,200	15,223,500	1,991,700
1989-90	17,215,200	5.19%	3.92%	18,818,600	16,691,800	2,126,800
1990-91	18,818,600	4.21%	4.59%	20,511,000	15,005,400	5,505,600
1991-92	20,511,000	4.14%	3.04%	22,009,500	14,911,100	7,098,400
1992-93	22,009,500	-0.64%	1.00%	22,087,300	18,094,900	3,992,400
1993-94	22,087,300	2.72%	1.86%	23,110,100	15,215,000	7,895,100
1994-95	23,110,100	0.71%	1.40%	23,600,000	16,778,400	6,821,600
1995-96	23,600,000	4.72%	1.60%	25,109,300	15,530,800	9,578,500
1996-97	25,109,300	4.67%	2.31%	26,889,000	16,825,500	10,063,500
1997-98	26,889,000	4.67%	2.06%	28,724,500	17,513,200	11,211,300
1998-99	28,724,500	4.15%	2.70%	29,671,300	17,291,800	12,379,500
1999-00	29,671,300	4.53%	2.28%	31,717,100	18,030,500	13,686,600
2000-01	31,717,100	4.91%	2.46%	34,093,000	18,802,000	15,291,000
2001-02	34,093,000	0.33%	1.80%	34,821,200	23,227,900	11,593,300
2002-03	34,821,200	0.33%	1.80%	35,565,000	23,018,400	12,546,600
2003-04	35,565,000	2.31%	1.32%	36,866,700	23,072,400	13,794,300
2004-05	36,866,700	3.28%	1.15%	38,513,100	27,670,400	10,842,700
2005-06	38,513,100	5.26%	1.19%	41,021,300	32,371,900	8,649,400
2006-07	41,021,300	3.96%	0.73%	42,957,100	30,757,100	12,200,000
2007-08	42,957,100	4.42%	0.96%	45,286,400	36,582,900	8,703,500
2008-09	45,286,400	4.29%	1.12%	47,758,200	36,795,300	10,962,900
2009-10	47,758,200	0.62%	1.01%	48,540,600	27,159,400	21,381,200
2010-11*	48,540,600	-2.54%	0.87%	47,719,200	34,706,700	13,012,500
2011-12*	47,719,200	2.51%	0.83%	49,323,000	35,000,000	14,323,000

* Appropriations subject to limit are estimates for these years.

FINANCIAL AND STATISTICAL TABLES

DEMOGRAPHIC AND STATISTICAL SUMMARY

LOCATION

Central Coast of California, 235 miles south of San Francisco and 200 miles north of Los Angeles

INCORPORATED

February 19, 1856
Chartered May 1, 1876

FORM OF GOVERNMENT

Council - Mayor - City Manager

POPULATION (JANUARY 1, 2010)

44,948

PHYSICAL SIZE

11.8 Square Miles

Public Safety	2010-11	2011-12	2012-13
Fire			
Sworn personnel	44	44	44
Number of fire stations	4	4	4
Police sworn personnel	59	57	57

Public Utilities

Water services			
Sources of supply (acre feet)			
Whale Rock Reservoir capacity (City share).			22,380
Salinas Reservoir capacity			23,800
Groundwater (acre feet by policy)			500
Estimated miles of main line			186
Customer accounts			14,346
Wastewater services			
Treatment plant capacity (million gallons per day)			5.1
Average daily plant flows (million gallons per day)			4.5
Estimated miles of sewer line			130

Streets and Flood Protection

Estimated miles of paved streets	128
Intersections with traffic signals	60
Street lights operated & maintained	2,300
Estimated miles of creekbed maintained	30

SERVICES PROVIDED BY OTHER AGENCIES

Public elementary and secondary schools..... San Luis Coastal Unified School District
 Cuesta Community College..... San Luis Obispo Community College District
 Animal regulation..... San Luis Obispo County
 Property tax collection & administration..... San Luis Obispo County
 Solid waste collection and disposal Private companies under franchise

Section I
BUDGET REFERENCE MATERIALS



BUDGET REFERENCE MATERIALS

OVERVIEW

Complementing the City's *Budget and Fiscal Policies* are a number of major policy documents that also guide the preparation and execution of the City's Financial Plan. A brief narrative summary for each of the following documents is provided in this section of the Financial Plan.

Citywide Policy Documents

- City Charter
- Municipal Code
- City Council Policies and Procedures Manual
- City Code of Ethics
- General Plan
- Conceptual Physical Plan for the City's Center
- Facilities Master Plan: 1988-2010

Utilities

- Urban Water Management Plan
- Wastewater Management Plan

Transportation

- Short-Range Transit Plan
- Access and Parking Management Plan
- Pavement Management Plan
- Bicycle Transportation Plan

Creek & Flood Protection

- Waterway Management Plan
- Storm Sewer Management Plan

Leisure, Cultural & Social Services

- Parks and Recreation Master Plan

Administrative

- Information Technology Strategic Plan
- Property Management Manual
- Public Art Policy
- Fleet Management Program
- Goals and Objectives Reporting System
- Risk Management Manual

Financial

- General Fund Five Year Fiscal Forecast: 2011-2016
- Financial Management Manual
- Investment Management Plan
- Revenue Management Manual
- Cost Allocation Plan
- Monthly and Quarterly Financial Reports
- Comprehensive Annual Financial Report (CAFR)

The following materials are also included in this section to facilitate the reader's understanding of the Financial Plan document and preparation process:

- **Budget Glossary.** Defines terms that may be used in a manner unique to public finance or the City's budgetary process in order to provide a common terminology in discussing the City's financial operations.
- **Major Preparation Guidelines and Budget Calendar.** Describes the steps, procedures and calendar used in developing and documenting the 2009-11 Financial Plan.
- **Budget Resolution.** Provides the resolution approving the 2009-11 Financial Plan and 2009-10 Budget.

BUDGET REFERENCE MATERIALS

SUMMARY OF MAJOR POLICY DOCUMENTS

Citywide Policy Documents

City Charter. The City of San Luis Obispo changed from a General Law City to a Charter City on May 1, 1876. Under the state constitution, charter cities have more independence than general law cities in managing their municipal affairs.

Municipal Code. The Municipal code contains all of the regulatory, penal, and administrative ordinances of the City of San Luis Obispo, codified according to the Government Code of the State of California.

City Council Policies and Procedures Manual. This manual establishes guidelines for the conduct of Council meetings. It also sets forth other policies and procedures related to the Council such as appointments to advisory bodies, Council compensation, and Council/staff relationships.

City Code of Ethics. The purpose of this code is to establish and communicate City standards for ethical conduct. Containing examples, it addresses conflicts-of-interest (real and perceived), public confidence, acceptance of favors, use of confidential information, use of City facilities, contracts, outside employment personal investments, and each individual employee's personal responsibility for ethical behavior.

General Plan. A General Plan is the blueprint of a community's future addressing land use, transportation, housing, open space preservation, conservation of resources, public safety and noise. In addition to these mandated topics, called *elements*, San Luis Obispo's General Plan also addresses energy conservation, park and recreational facility development, water, and wastewater treatment facilities.

Conceptual Physical Plan for the City's Center. The City's downtown business and shopping area is over 100 years old and is rich in historical, cultural, and social significance. This plan guides development and change in the central business

district by providing design concepts and policies for this key area of the City.

Facilities Master Plan: 1988-2010. This report consolidates the findings of previous consultant and staff reports, census and economic data, field investigations, staff interviews and data from city-wide office workspace studies. The master plan examines potential solutions to existing and projected facility needs.

Utilities

Urban Water Management Plan. This policy document provides a strategic plan for the continued development of the City's water resources and its treatment and delivery systems.

Wastewater Management Plan. Wastewater is a critical resource consideration for the City. Recent upgrades to the water reclamation facility and other large capital requirements required to modernize the entire infrastructure will significantly influence financial planning for many years to come. Like the Urban Water Management Plan, this document is a policy instrument that defines and analyzes the key wastewater issues facing the City and recommends solutions.

Transportation

Short-Range Transit Plan. This plan outlines five-year goals and objectives for transit system operation and objectives.

Access and Parking Management Plan. This plan establishes vehicle parking policies and programs throughout the City. However, its primary focus is the management of parking in the Downtown. It identifies management techniques for putting to better use existing parking spaces, and for reducing employee demand for parking spaces in the Downtown. It also addresses parking impacts and strategies in neighborhoods, as well as general funding concepts.

BUDGET REFERENCE MATERIALS

SUMMARY OF MAJOR POLICY DOCUMENTS

Pavement Management Plan. The City maintains over 100 miles of streets representing a significant community investment in infrastructure and rights-of-way. The Plan's objectives are to establish design and maintenance standards, prioritize maintenance actions, schedule long term maintenance activities to obtain maximum pavement life, and protect the investment made in pavement systems.

Bicycle Transportation Plan. This plan identifies projects and programs that encourage and enhance bicycling in San Luis Obispo. A key element of this plan is the recommended network of bikeways (on-street lanes and routes and off-street paths) that extend throughout the community and connect neighborhoods with activity centers.

Creek & Flood Protection

Waterway Management Plan. There are several natural waterways, feeder streams, and catch basins within the City that are critical drainage channels as well as sensitive resource areas. The objectives of the policy include maintaining creeks in a natural state to the maximum extent feasible and preventing the loss of life and minimizing property damage from flooding. Additionally, the policy establishes design capabilities, development guidelines, flood management standards and priorities, and an action plan.

Storm Sewer Management Plan. This plan sets forth a long-term strategy to address the maintenance, rehabilitation and capacity improvements for the facilities that carry urban runoff. It presents a system for prioritizing facility maintenance, replacement and improvement in addressing system deficiencies. With the use of this management plan, the City will be able to transition from a reactive replacement strategy to a proactive plan of system improvements: replacing, repairing, and maintaining existing flood control facilities before failure; and systematically resolving historic flooding problems while avoiding the creation of new flooding hazards.

Leisure, Cultural & Social Services

Parks and Recreation Master Plan. This plan evaluates current and future parks and recreation needs, identifies City recreation goals, policies and programs, and establishes short and long-range implementation and funding mechanisms to ensure our facilities and programs keep pace with our changing community.

Administrative

Property Management Manual. This document aims to maximize the productive use of the City's real property assets by defining property management activities, assigning responsibility for property management to the appropriate City departments, and establishing a process for developing and maintaining a comprehensive inventory and data base of the City's real property assets.

Public Art Policy. Adopted in May of 1990, this policy encourages the creation and placement of public art throughout the community. Implementation components include "percent for art" and matching fund programs.

Fleet Management Program. This policy document establishes fleet management responsibilities including purchasing and disposition, insurance, vehicle utilization, and operations and maintenance.

Goals & Objectives Reporting System. The Financial Plan identifies major goals to be accomplished over its two-year timeframe. Formal reports are provided to the Council on a periodic basis that report our progress in accomplishing these goals as well as the status of capital improvement plan projects or other key objectives.

Risk Management Manual. The City's goals, policies, and procedures regarding risk management activities are provided in this document.

BUDGET REFERENCE MATERIALS

SUMMARY OF MAJOR POLICY DOCUMENTS

Financial

General Fund Five-Year Fiscal Forecast: 2011-2016. The City begins each of its two-year Financial Plans with a detailed forecast of the General Fund's projected financial position for the next five years. This forecast is provided to the Council in conjunction with the goal-setting process. The forecast looks at trends for the past 15 years in the consumer price index, population, revenues and expenditures. Based on these past trends as well as economic forecasts prepared for the state and region by Beacon Economics, revenue forecasts prepared by the State Controller's Office, and other key assumptions prepared by the staff about likely revenue and expenditure factors that will affect the upcoming Financial Plan, the forecast provides an "order of magnitude" feel for the fiscal challenges likely to face the City in preparing the budget.

Financial Management Manual. This manual is distributed to key individuals throughout the organization who are involved in managing the financial operations of the City. As indicated by its title, the purpose of this document is to provide a single, up-to-date reference source of the major policies and procedures that guide the administration of the City's fiscal affairs. Subject areas include internal control concepts, purchasing policies and procedures, travel guidelines, fixed assets and inventory management, budget policies and procedures, accounting policies and procedures, and general administrative policies that affect the City's fiscal operations.

Investment Management Plan. The purpose of this plan is to establish strategies, practices, and procedures to be used in administering the City's investment portfolio in accordance with the City's adopted Investment Policy.

Revenue Management Manual. This manual is distributed to key individuals throughout the organization who are responsible for managing the revenue operations of the City. As indicated by its title, the purpose of this document is to provide a single, up-to-date reference source of the major

policies and procedures that guide the administration of the City's revenues. Subject areas include revenue chart of accounts, revenue sources, cash management, accounts receivable, City fees, employee labor rates, and revenue management policies.

Cost Allocation Plan. The cost allocation plan identifies the total cost of providing City services by allocating indirect costs such as accounting, personnel, legal, and facility usage to direct program cost areas. This information is used in setting City fees, reimbursing the General Fund for services provided to other funds, evaluating service delivery options, and recovering grant administration costs. The plan is updated every two years in conjunction with the Financial Plan.

Interim Financial Reports. In addition to providing up-to-date, on-line access to City financial information, the Department of Finance & Information Technology publishes interim financial statements on a monthly and quarterly basis. Monthly reports are distributed to the operating departments at a detailed level for ongoing monitoring and tracking of revenues and expenditures. Formal quarterly reports are prepared for distribution to a broader group of end users that summarize revenues, expenditures, and fund balance, and highlight key trends and issues. The purpose of these reports is to provide meaningful information on an ongoing basis regarding the City's financial position as well as emerging trends.

Comprehensive Annual Financial Report (CAFR). The CAFR includes the City's audited general-purpose financial statements as well as a comprehensive review of the City's financial operations and statistical information of general interest about the San Luis Obispo community. The City's commitment to the highest levels of financial reporting is evidenced by its receipt of the Certificate of Achievement for Excellence in Financial Reporting for all of its CAFR's issued since 1983-84.

BUDGET REFERENCE MATERIALS

BUDGET GLOSSARY

Activities. Specific services performed in accomplishing program objectives and goals. (See Program)

Appropriation. An authorization made by the Council that permits the City to incur obligations and to make expenditures of resources.

Assessed Valuation. A value established for real property for use as a basis in levying property taxes. For all agencies in the State of California, assessed value is established by the County for the secured and unsecured property tax rolls; the utility property tax roll is valued by the State Board of Equalization. Under Article XIII of the State Constitution (Proposition 13 adopted by the voters on June 6, 1978), properties are assessed at 100% of full value. Proposition 13 also modified the value of real taxable property for fiscal 1979 by rolling back values to fiscal 1976 levels. From this base of assessment, subsequent annual increases in valuation are limited to a maximum of 2%. However, increases to full value are allowed for property improvements or upon change in ownership. Personal property is excluded from these limitations, and is subject to annual reappraisal. Property taxes for general purposes cannot exceed 1% of assessed value.

Audit. Prepared by an independent certified public accountant (CPA), the primary objective of an audit is to determine if the City's financial statements fairly present the City's financial position and results of operations in conformity with generally accepted accounting principles. In conjunction with performing an audit, independent auditors customarily issue a Management Letter stating the adequacy of the City's internal controls as well as recommending improvements to the City's financial management practices.

Bonds. A form of borrowing (debt financing) which reflects a written promise from the City to repay a sum of money on a specific date at a specified interest rate. Bonds are used to finance large capital projects such as buildings, streets,

utility infrastructure, and bridges. (See Debt Financing Policy and Revenue Bonds)

Budget. A financial plan for a specified period of time that matches projected revenues and planned expenditures to municipal services, goals and objectives. The City of San Luis Obispo uses a financial plan covering two fiscal years, with actual budget appropriations made annually.

Budget Amendment. Under the City Charter, the Council has the sole responsibility for adopting the City's budget, and may amend or supplement the budget at any time after adoption by majority vote. The City Manager has the authority to approve administrative adjustments to the budget as long as those changes will not have a significant policy impact nor affect budgeted year-end fund balances.

Budget Message. Included in the opening section of the budget, the Budget Message provides the Council and the public with a general summary of the most important aspects of the budget, changes from previous fiscal years, and the views and recommendations of the City Manager.

Budget and Fiscal Policies. General and specific guidelines adopted by the Council that govern financial plan preparation and administration.

Capital Improvement Plan (CIP). A four-year plan for maintaining or replacing existing public facilities and assets, and for building or acquiring new ones that have an initial useful life beyond on year. The CIP only includes projects that cost \$15,000 or more; projects costing less than \$15,000 are included in the operating budget.

Capital Project Funds. This fund type is used to account for financial resources used in acquiring or building major capital facilities other than those financed by Proprietary Funds and Trust Funds. (See Fund)

Certificates of Participation. Form of lease-purchase financing used to construct or acquire capital facilities and equipment.

BUDGET REFERENCE MATERIALS

BUDGET GLOSSARY

Debt Financing. Borrowing funds for capital improvements needed today and pledging future revenues to repay principal and interest expenditures (See Debt Service). The City of San Luis Obispo uses debt financing only for one-time capital improvements whose life will exceed the term of financing and where expected revenues are sufficient to cover the long-term debt. (See Debt Financing Policy)

Debt Instrument. Methods of borrowing funds, including general obligation bonds, revenue bonds, lease/purchase agreements, lease-revenue bonds, tax allocation bonds, certificates of participation, and assessment district bonds. (See Bonds and Revenue Bonds)

Debt Service. Payments of principal and interest on bonds and other debt instruments according to a pre-determined schedule.

Debt Service Funds. This fund type is used to account for the payment and accumulation of resources related to general long-term debt principal and interest; debt service payments related to enterprise operations are directly accounted for in those funds. (See Fund)

Department. A major organizational unit of the City that has been assigned overall management responsibility for an operation or a group of related operations within a functional area.

Enterprise Funds. This fund type is used to account for operations that are: (a) financed and operated in a manner similar to private sector enterprises and it is the City's intent that the costs (including depreciation) of providing goods or services to the general public be financed or recovered primarily through user charges; or (b) the City or an outside grantor agency has determined that a periodic determination of revenues earned, expenses, and net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The City has established five enterprise funds: water, sewer, parking, transit and golf. (See Fund)

Expenditure. The outflow of funds paid or to be paid for an asset, goods or services regardless of when the invoice is actually paid. This term applies to all funds. Note: An encumbrance is not an expenditure; an encumbrance reserves funds to be expended.

Expenditure Savings. Under the City's budgeting procedures, staffing cost projections are based on all positions being filled throughout the year. Cost projections for major supply purchases and service contracts are projected on a similar basis. However, costs may be less due to vacancies and purchase cost-savings. Past experience indicates that actual expenditures are likely to be less than budgeted amounts, due in large part to this costing methodology. Accordingly, the expenditure savings category is used to account for this factor in preparing fund balance and working capital projections.

Financial Plan. A parent document for the budget that establishes management policies, goals and objectives for all programs within the City over a two-year period. (See Budget)

Financial Position. In the Financial Plan, the term financial position is used generically to describe either fund balance or working capital. Because governmental and enterprise funds use different bases of accounting, fund balance and working capital are different measures of results under generally accepted accounting principles. However, they represent similar concepts: resources available at the beginning of the year to fund operations, debt service, and capital improvements in the following year.

Fiscal Year. The beginning and ending period for recording financial transactions. The City has specified July 1 to June 30 as its fiscal year.

Fixed Assets. Assets of long-term nature such as land, buildings, machinery, furniture and other equipment. The City has defined such assets as those with an expected life in excess of one year and an acquisition cost in excess of \$5,000.

BUDGET REFERENCE MATERIALS

BUDGET GLOSSARY

Fund. An accounting entity that records all financial transactions for specific activities or government functions. The six generic fund types used by the City are: General Fund, Special Revenue, Debt Service, Capital Project, Enterprise, and Trust & Agency Funds.

Fund Balance. Also known as financial position, fund balance for the governmental fund types is the excess of fund assets over liabilities, and represents the cumulative effect of revenues and other financing sources over expenditures and other financing uses. Fund balance is a similar (although not exact) concept as working capital in the enterprise funds (See Working Capital).

Function. A group of related programs crossing organizational (departmental) boundaries and aimed at accomplishing a broad goal or accomplishing a major service. The six functions in the City's financial plan are: Public Safety; Public Utilities; Transportation; Leisure, Cultural and Social Services; Community Development; and General Government.

General Fund. The primary operating fund of the City, all revenues that are not allocated by law or contractual agreement to a specific fund are accounted for in the General fund. Except for subvention or grant revenues restricted for specific uses, General fund resources can be utilized for any legitimate governmental purpose. (See Fund)

Goal. A statement of broad direction, purpose or intent.

Governmental Funds. Funds generally used to account for tax-supported activities. The City utilizes four different types of governmental funds: the general fund, special revenue funds, a debt service fund and capital projects funds.

Investment Revenue. Interest income from the investment of funds not immediately required to meet cash disbursement obligations.

Line-Item Budget. A budget that lists detailed expenditure categories (temporary salaries, postage, telephone service, chemicals, travel, etc.) separately, along with the amount budgeted for each specified category. The City uses a program rather than line-item budget; however, detail line-item accounts are maintained and recorded for financial reporting and control purposes.

Major City Goals. Provides policy guidance and direction for the highest priority objectives to be accomplished during the Financial Plan period.

Measurement Focus. Types of balances reported in a given set of financial statements (ie. Economic resources, current financial resources, assets and liabilities resulting from cash transactions).

Objective. A statement of specific direction, purpose, or intent based on the needs of the community and the goals established for a specific program.

Operating Budget. The portion of the budget that pertains to daily operations and delivery of basic governmental services. The program budgets in the financial plan form the operating budget. (See Operating Programs – Overview)

Operations. A grouping of related programs within a functional area. (See Function and Program)

Program. A grouping of activities organized to accomplish basic goals and objectives. The financial plan includes seventy programs grouped into six functions. (See Function, Operation, and Activity)

Reserve. An account used to indicate that a portion of a fund's balance is legally restricted for a specific purpose and is, therefore, not available for general appropriation.

Revenue Bonds. Bonds sold to construct a project that will produce revenues pledged for the payment of related principal and interest. (See Bonds)

BUDGET REFERENCE MATERIALS

BUDGET GLOSSARY

Special Revenue Funds. This fund type is used to account for the proceeds from specific revenue sources (other than trusts or major capital projects) that are legally restricted to expenditures for specific purposes. (See fund)

Subventions. Revenues collected by the State (or other level of government) that are allocated to the City on a formula basis. The major subventions received by the City from the State of California include motor vehicle in-lieu and gasoline taxes.

Trust and Agency Funds. Also known as Fiduciary Fund Types, these funds are used to account for assets held by the City in a trustee capacity or as an agent for private individuals, organizations, or other governmental agencies. The fiduciary funds used by the City include expendable trust and agency funds. Expendable trust funds are accounted for in the same manner as Governmental Funds (general, special revenues, debt service, and capital project funds). Agency funds are custodial in nature (assets equal liabilities) and do not measure the results of operations. Due to its significance to the City's operations and organizational structure, budget information for the operation of the Whale Rock Reservoir (which is accounted for as an agency fund of the City) is included in the City's financial plan. (See Fund)

Working Capital. Also known as financial position in private sector accounting and in enterprise fund accounting in the public sector, working capital is the excess of current assets over current liabilities. For the enterprise funds, this term is a similar (although not exact) concept as fund balance in the governmental fund types (See Fund Balance).

BUDGET REFERENCE MATERIALS

MAJOR PREPARATION GUIDELINES

In preparing the 2011-13 Financial Plan, several key workshops were held and documents produced that significantly affected its development. The following is a description of each of these along with a calendar of key dates in the preparation process.

COUNCIL GOAL-SETTING

The City’s budget process is driven by – and as such, starts with – Council goal-setting. The City uses the following five-step process in identifying the highest priority, most important things to accomplish over the next two years, and in allocating the resources needed to do so.

1 Council Budget Workshop: “Budget Foundation”

Held on December 14, 2010, the purpose of this workshop was to “build the foundation” for upcoming goal-setting workshops by providing in-depth background materials on the:

1. Recommended goal-setting process for 2011-13.
2. Financial Plan policies and organization.
3. General Fund five-year fiscal forecast.
4. Status of General Plan implementation programs
5. Long-term capital improvement plan: Facility and infrastructure improvements through General Plan build-out
6. Status of 2009-11 goals and objectives
7. Status of current capital improvement plan (CIP) projects

2 Community Forum

The first of these was a special workshop on January 11, 2011, at which the Council considered candidate goals presented by community groups, interested individuals and Council advisory bodies. Along with about 400 responses to the City’s “Budget

Bulletin Survey,” over 200 community members participated in this interactive forum.

3 Council Goal-Setting Workshop

The Community Forum was followed by an all-day workshop on January 29, 2011, facilitated by an outside consultant specializing in group goal-setting. At this workshop, Council members discussed the specific goals presented by each Council member, resulting in their setting and prioritizing goals for 2011-13.

At the end of this goal-setting workshop, the Council agreed upon eleven goals organized into three priority groupings:

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 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 Council Objectives.** Goals in this category are also important for the City to accomplish, and resources should be made available in the 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 current resource availability.

4 Major City Goal Work Programs

Following the goal-setting workshop on January 29, staff prepared detailed work programs for achieving Council goals in order to:

1. Clearly define and scope the adopted goal.

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MAJOR PREPARATION GUIDELINES

2. Ensure that there is a clear understanding of the means selected to pursue the goal.
3. Convert the general goal into specific action steps to measure progress in achieving it.

Each work program provides the following information:

1. Objective.
2. Discussion of its relationship to Measure Y, workscope summary, existing situation and related work accomplished in the past.
3. Constraints and limitations.
4. Stakeholders.
5. Action plan detailing specific tasks and schedule for the next two years. When applicable, likely “carryover and spin-off” tasks beyond the next two years are also discussed.
6. Key assumptions in preparing the work program.
7. Responsible department.
8. Financial and staff resources required to achieve the goal.
9. General Fund revenue potential, if any.
10. Outcome—final work product at the end of the next two years.

After an in-depth review, the Council conceptually approved the work programs on April 19, 2011.

BUDGET INSTRUCTIONS

Comprehensive guidelines were issued to the staff on January 24, 2011 describing the City’s fiscal situation, overall budget strategy, procedures for preparing operating program and capital improvement plan budget submittals, and budget review calendar. These were preceded by focused instructions for preparing Capital Improvement Plan in November 2010.

MID-YEAR BUDGET REVIEW

On March 1, 2011, the Council was provided with a detailed update and review of the City’s financial condition at the mid-point of 2010-11 along with year-end fund balance and working capital projections.

PLANNING COMMISSION CIP REVIEW

The Planning Commission will review the proposed CIP on June 8, 2011 for consistency with the General Plan.

PRELIMINARY FINANCIAL PLAN: COUNCIL WORKSHOPS AND HEARINGS

After issuance of the Preliminary Financial Plan on May 20, 2011, the Council will hold five workshops and hearings covering the following topics:

1. **June 2.** Preliminary Financial Plan overview and General Fund operating programs.
2. **June 9.** General Fund CIP (and other non-enterprise fund projects).
3. **June 14.** Enterprise Fund operating programs, CIP projects, revenues and rates.
4. **June 21.** Continued review and adoption of the Preliminary Financial Plan.

FINANCIAL PLAN APPENDICES

Appendix A Significant Operating Program Changes

Supporting documentation for each significant operating program change recommended by the City Manager is included in this appendix. Significant operating program changes include: major service expansions; increases in regular staffing; major changes in the method of delivering services;

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MAJOR PREPARATION GUIDELINES

significant one-time costs; changes in operation that affect other departments or customer service; and changes that affect current policies.

This section of the Appendix includes a narrative for each request providing the following information:

1. Functional area affected
2. Request title
3. Request summary
4. Key objectives
5. Existing Situation: Factors driving the request for change
6. Goal and Policy Links
7. Service Categorization Rating
8. Program Work Completed
9. Environmental Review
10. Program Constraints and Limitations
11. Stakeholders
12. Implementation
13. Key program Assumptions
14. Program Manager and Team Support
15. Alternatives
16. Operating program
17. Cost summary

Appendix B Capital Improvement Plan

For the 2011-13 Financial Plan, the City is transitioning to a five-year Capital Improvement Plan (CIP). Detailed supporting documentation for each recommended (CIP) project proposed during 2011-13 is included in this document providing the following information for each project:

1. Function
2. Request title
3. CIP project description
4. Link to Council Goals and/or Measure Y
5. Need and urgency
6. Readiness to build
7. Environmental review and permits required
8. Operating program related to the request
9. Project phasing and funding sources
10. Details of ongoing costs
11. Alternatives

12. Project manager and team support
13. Site list (if applicable)
14. Location map/schematic design (if applicable)

Also included in this document is summary documentation for CIP projects proposed for 2013-16. It is the City’s intent that with the 2013-15 Financial Plan, all proposed CIP projects will include detailed documentation, however during this transition Financial Plan, summary information is provided for projects beyond the current two-year period.

To assist the City Manager in developing the recommended operating program changes and CIP projects included in these documents, a Budget Review Team was created with the responsibility for evaluating each request and submitting their recommendations to the City Manager.

The team was composed of the following staff members who were divided into two review groups for operating program changes and CIP project requests:

Operating and Capital Improvement Plan

- Mary Bradley, Interim Director of Finance & IT
- Michael Codron, Assistant City Manager
- Brigitte Elke, Principal Administrative Analyst
- Monica Irons, Human Resources Director
- Debbie Malicoat, Finance Manager
- Sallie McAndrew, Accounting Supervisor
- Rachel Messner, Administrative Analyst
- Jennifer Thompson, Revenue Supervisor

Capital Improvement Plan

- Deborah Linden, Police Chief
- Barbara Lynch, City Engineer
- John Mandeville, Director of Community Development
- Carrie Mattingly, Director of Utilities
- Shelly Stanwyck, Director of Parks & Recreation
- Jay Walter, Director of Public Works



BUDGET REFERENCE MATERIALS

MAJOR PREPARATION GUIDELINES

Calendar of Key Budget Dates

July 8, 2010	<ul style="list-style-type: none"> ■ City Manager briefs Council advisory body members on their role in the budget process at quarterly meeting with the Mayor.
September 7, 2010	<ul style="list-style-type: none"> ■ City Manager and Director of Finance & IT send memorandum to advisory body chairs on the goal setting process.
October 2010 through January 2011	<ul style="list-style-type: none"> ■ Council advisory bodies begin preparing work programs and goals for consideration by the Council for 2011-13. ■ Community groups and interested individuals requested to prepare candidate goals for consideration by the Council. ■ Finance begins preparing five year General Fund fiscal forecast. ■ “Community Budget Bulletin” providing information about the Financial Plan process and survey sent to all City utility customers (about 400 responses received by January 2011).
November 18, 2010	<ul style="list-style-type: none"> ■ Public Works & Finance issue Capital Improvement Plan (CIP) budget instructions and holds briefing with departments.
December 14, 2010 Special Budget Workshop: Budget Foundation	<ul style="list-style-type: none"> ■ Council holds budget workshop on the on the status of General Plan implementation programs; long-term CIP status of 209-11 major City goals; status of current CIP projects; and general fiscal outlook. ■ Council finalizes goal-setting process for 2011-13; reviews and approves Financial Plan policies; and discusses the results of the General Fund five-year fiscal forecast.
January 11, 2011 Special Budget Workshop: Community Forum	<ul style="list-style-type: none"> ■ Council holds Community Forum: considers candidate goals presented by community groups, interested individuals and Council advisory bodies; reviews results of “Community Budget Bulletin” surveys.
January 24, 2011	<ul style="list-style-type: none"> ■ Finance issues budget instructions and holds briefing with departments.
January 29, 2011 Special Budget Workshop: Council Goal-Setting	<ul style="list-style-type: none"> ■ Council holds goal-setting workshop: considers candidate goals and other information presented to them at the January 11 Community Forum; discusses Council member goals; and sets and prioritizes goals for 2011-13.
January 31, 2011	<ul style="list-style-type: none"> ■ Departments submit CIP budget requests.
March 1, 2011 Regular Council Meeting	<ul style="list-style-type: none"> ■ Council considers mid-year budget review.
March 1 through April 2011	<ul style="list-style-type: none"> ■ Departments submit Council goal work programs and operating budget requests. ■ Budget Review Team and CIP Review Committee begin evaluating budget proposals and hold briefings with departments to discuss budget requests.

BUDGET REFERENCE MATERIALS

MAJOR PREPARATION GUIDELINES

Calendar of Key Budget Dates

<div style="background-color: #cccccc; padding: 2px;">April 12, 2011 <i>Special Budget Workshop: Council Goal Work Programs & Strategic Budget Direction</i></div>	<ul style="list-style-type: none"> ■ Council reviews and conceptually approves detailed work programs to accomplish Major City Goals. ■ Council reviews and conceptually approves budget balancing strategy.
<div style="background-color: #cccccc; padding: 2px;">April 19, 2011 <i>Regular Council Meeting: Budget Balancing Follow-Up</i></div>	<ul style="list-style-type: none"> ■ Council holds follow-up review on budget balancing strategy
<p>April through May 13, 2011</p> <p>May 20, 2011</p>	<ul style="list-style-type: none"> ■ Budget Review Team completes review of budget proposals and revenue projections; makes recommendations to the City Manager. ■ City Manager finalizes preliminary budget recommendations. ■ Finance completes and distributes the Preliminary Financial Plan.
<div style="background-color: #cccccc; padding: 2px;">June 2, 9, 14, 2011 <i>Special Budget Workshops: General Fund Operating General Fund CIP Enterprise Fund</i></div>	<ul style="list-style-type: none"> ■ June 2: Council considers overview of Preliminary Financial Plan and reviews General Fund operating programs. ■ June 9: Council reviews General Fund CIP. ■ June 14: Council reviews enterprise fund operating programs, CIP projects, changes in working capital and rate requirements.
<p>June 8, 2011 <i>Planning Commission Meeting</i></p>	<ul style="list-style-type: none"> ■ Planning Commission reviews preliminary CIP for consistency with the General Plan.
<div style="background-color: #cccccc; padding: 2px;">June 21, 2011 <i>Regular Council Meeting</i></div>	<ul style="list-style-type: none"> ■ Council continues budget hearings; adopts the 2011-13 Financial Plan and 2011-12 Budget; and approves water and sewer fund rate increases.



Council Review/Action Dates

BUDGET REFERENCE MATERIALS

BUDGET RESOLUTION

RESOLUTION NO. 10280 (2011 SERIES)

**A RESOLUTION OF THE CITY OF SAN LUIS OBISPO APPROVING
THE 2011-13 FINANCIAL PLAN AND 2011-12 BUDGET**

WHEREAS, the City Manager has submitted the 2011-13 Financial Plan to the Council for its review and consideration in accordance with budget policies and objectives established by the Council; and

WHEREAS, the 2011-13 Financial Plan is based upon extensive public comment and direction of the Council after fourteen scheduled budget workshops and public hearings.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of San Luis Obispo that the 2011-13 Financial Plan is hereby approved and that the operating, debt service and capital improvement plan budget for the fiscal year beginning July 1, 2011 and ending June 30, 2012 is hereby adopted.

Upon motion of Vice Mayor Ashbaugh, seconded by Council Member Carter, and on the following vote:

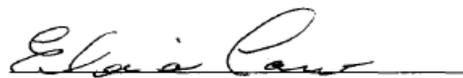
- AYES: Council Member Carter, Vice Mayor Ashbaugh and Mayor Marx
- NOES: Council Members Carpenter and Smith
- ABSENT: None

The foregoing resolution was adopted this 21st day of June 2011.



Vice Mayor John Ashbaugh

ATTEST:



Elaina Cano
City Clerk

APPROVED AS TO FORM:



J. Christine Dietrick
City Attorney