

city of san luis obispo



Damon Garcia Sports Fields
Keeping SLO Green with Recycled Water



Appendix A

Significant Operating Program Changes

2003-05 FINANCIAL PLAN

July 1, 2003

2003-05 Financial Plan: Appendix A

SIGNIFICANT OPERATING PROGRAM CHANGES

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Note: A detailed Table of Contents is provided with the Summary.

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Note: A detailed Table of Contents is provided with the Summary.

city of san luis obispo

SIGNIFICANT OPERATING PROGRAM CHANGES

OVERVIEW

The purpose of this document is to summarize and compile the supporting materials that were used in developing the significant operating program changes recommended by the City Administrative Officer (CAO) for inclusion in the 2003-05 Financial Plan. Significant operating program changes are defined as:

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

In addition to a summary of the significant operating program changes, this document is organized into two main sections:

Increases Required to Maintain Basic Service Levels

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. Factors driving the request for change
6. Alternatives
7. Implementation
8. Operating program affected
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General Fund Reductions Required to Balance the Budget

This section includes a summary of each proposed reduction in order to balance the General Fund budget by functional area providing the following information:

1. Operating program affected
2. Description of the reduction
3. Service impact
4. Full-time equivalent (FTE) staffing reduction
5. Cost savings in 2003-04 and 2004-05

SIGNIFICANT OPERATING PROGRAM CHANGES

SUMMARY OF INCREASES REQUIRED TO SUPPORT BASIC SERVICES

		Page	Regular Staffing	Fiscal Year	
				2003-04	2004-05
Public Safety					
<i>Police Protection</i>	■ Added Animal Control Costs	5		11,800	25,900
	■ Half-Time Administrative Assistant	6	0.5	27,200	28,500
	■ Booking/Transportation: Mardi Gras Weekend	8		9,700	9,900
<i>Fire & Environmental Safety</i>	■ Emergency Medical Supplies	9		5,000	5,000
	■ Special Events Overtime	10		6,700	7,000
	■ Fire Apparatus Gasoline and Fuel	11		6,000	6,200
	■ Continued Full-Time Contract Fire Inspector	12		60,200	66,000
	■ Fire Protection Plan Review	14		10,800	10,800
	■ Mandated Training Overtime	15		19,500	22,000
	■ Health Fitness Program	17		4,400	6,600
	■ Firefighter Recruit Academy	19			25,400
Public Utilities					
<i>Water Services</i>	■ Expanded Water Conservation Program	20		69,300	69,300
	■ Restoration of Water System Work Order History	22			10,000
<i>Wastewater Services</i>	■ Development of Local Discharge Limits	23		15,000	
	■ Phase II Stormwater NPDES Program	24		40,000	40,000
	■ Water Reclamation Facility NPDES Fee Increase	26		13,500	13,500
	■ Technical Studies for NPDES Permit	27		206,000	
Transportation					
<i>Parking</i>	■ Enhanced Parking Enforcement	29		67,000	85,600
	■ Additional Contract Services for Parking	31		49,200	49,200
	■ Additional Printing for Parking	32		6,500	6,500
	■ Blue Light Security for Parking Garages	33		5,000	
<i>Transit</i>	■ Restoration of Administrative Assistance for Transit	34	0.5	23,000	28,900
	■ Enhanced Transit Marketing	36		15,000	15,000
	■ Transit Smart Card Feasibility	37		5,000	
Leisure, Cultural & Social Services					
<i>Recreation Programs</i>	■ Damon Garcia Sports Fields Management	38			30,000
<i>Parks and Landscape Maintenance</i>	■ Damon Garcia Sports Fields Maintenance	40			217,200
	■ Minor Park Renovations	42		8,400	16,800
<i>Cultural Services</i>	■ Performing Arts Center Subsidy Increase	43		17,600	24,000
<i>Social Services</i>	■ Prado Day Center Support	45		50,000	50,000

SIGNIFICANT OPERATING PROGRAM CHANGES

SUMMARY OF INCREASES REQUIRED TO SUPPORT BASIC SERVICES

		Page	Regular Staffing	Fiscal Year	
			2003-04	2004-05	
Community Development					
<i>Development Review</i>	■ Continued Contract Planner	46	81,500	85,500	
<i>Long Range Planning</i>	■ Airport Area Annexation Fees	49	11,900		
	■ Margarita Area Annexation Fees	52	11,900		
	■ Monterey Plaza Technical & Environmental Studies	54			75,000
<i>Housing</i>	■ Contract Housing Programs Coordinator (CDBG)	56	68,700	93,200	
<i>Building and Safety</i>	■ Continued Building Inspector	60	70,200	73,400	
<i>Natural Resources</i>	■ Open Space Property Taxes	63	6,300	6,500	
<i>Community Promotion</i>	■ Improved Tourism Promotion	65	15,000		
<i>Economic Development</i>	■ San Luis Marketplace Economic Analysis	67	20,000	5,000	
	■ Economic Vitality Corporation Marketing Services	68	10,000	10,000	
General Government					
<i>Human Resources</i>	■ Increased General Liability and Insurance Costs	70	286,000	286,000	
<i>Finance Administration</i>	■ Revenue Ballot Measure Feasibility Analysis	72	37,500		
<i>Support Services</i>	■ Copier Replacements	75	52,000	52,000	
<i>Information Systems</i>	■ Mobile Data Computers: Wireless Services	77		21,000	
	■ Wide Area Network Equipment Maintenance	78		22,500	
	■ Underground Service Alert: Fiber Optic System	79	26,000	26,000	
<i>Buildings</i>	■ Minor Building Renovations	81	12,900	18,500	
TOTAL			1.00	1,461,700	1,643,900

Summary By Fund			
General Fund	0.5	878,500	1,232,700
Special Revenue Funds: Community Development Block Grant		68,700	93,200
Enterprise Funds			
Water Fund		69,300	79,300
Sewer Fund		274,500	53,500
Parking Fund		127,700	141,300
Transit Fund	0.5	43,000	43,900
TOTAL	1.0	1,461,700	1,643,900

SIGNIFICANT OPERATING PROGRAM CHANGES

SUMMARY OF GENERAL FUND REDUCTIONS REQUIRED TO BALANCE THE BUDGET

	Page	FTE's *	Annual Savings	
			2003-04	2004-05
PUBLIC SAFETY		3.00	490,300	523,500
Police Protection **	83	2.00	375,700	407,400
Fire & Environmental Safety	87	1.00	114,600	116,100
TRANSPORTATION		1.50	206,200	212,800
Pavement Maintenance	89	1.00	188,800	188,800
General Street Maintenance	90	0.50	17,400	17,400
Signal and Street Light Maintenance	90		-	6,600
LEISURE, CULTURAL & SOCIAL SERVICES		5.40	292,500	296,900
Recreation Programs	91	4.40	103,100	103,100
Parks, Landscape and Swim Center Maintenance	95	1.00	120,000	124,400
Golf Course Subsidy	98		52,900	52,900
Cultural Services	99		11,300	11,300
Human Relations	99		5,200	5,200
COMMUNITY DEVELOPMENT		0.35	252,600	202,600
Community Development Administration	100		54,000	54,000
Planning	101	0.35	20,600	20,600
Building & Safety	103		47,000	47,000
Engineering Development Review	104		10,600	10,600
Natural Resources Protection	104		63,000	63,000
Economic Development/Community Promotion	105		57,400	7,400
GENERAL GOVERNMENT		4.73	500,000	538,800
City Administration, City Attorney and City Clerk	106	1.30	100,400	105,300
Human Resources and Risk Management	107	0.23	53,300	53,300
Finance and Information Systems	109	1.50	197,100	227,000
Public Works Administration	111		41,400	41,400
GeoData Services	111	0.50	16,800	16,800
Buildings and Fleet Maintenance	112	1.20	91,000	95,000
TOTAL		14.98	\$1,741,600	\$1,774,600

* Full-time equivalent employees.

** Two sworn positions will be frozen indefinitely

SIGNIFICANT OPERATING PROGRAM CHANGES

INCREASES REQUIRED TO SUPPORT BASIC SERVICE LEVELS

PUBLIC SAFETY

ADDED ANIMAL CONTROL COSTS

Request Summary

Continuing the animal control services agreement with the County will cost an additional \$11,800 in 2003-04 and \$25,900 in 2004-05 based on proposed fees by the County.

Key Objectives

Maintain the full service animal control contract with the County.

Factors Driving the Request for Change

1. The County recently conducted a cost analysis, comparing actual costs for services versus payments received from the City during fiscal year 2001-02, which demonstrated that the County had assumed a larger portion of the City's prorated costs. Contract increases in the past did not meet actual increased costs of services. Contract increases over the last two years were 5% each year; and some years before that, there were no cost increases to the City
2. Changes in state law, with the enactment of the Hayden Bill, requires that all dogs and cats, among other things, be housed longer periods of time, thus increasing kennel costs and increasing costs to the City.
3. Based on information provided to us by the County, costs for the Animal Services Contract will increase 20% each year over the next three years, to bring payments in-line with actual prorated costs for services.

The following summarizes current and proposed costs:

Contract Services	Current Costs	2003/04	2004/05
Animal Control Services	58,700	70,500	84,600
Spay/Neuter Clinic	5,000	5,000	5,000
Total Contract	63,700	75,500	89,600

Alternatives

Reduce current service levels. The only alternative contract arrangement available from the County would result in service levels being reduced by at least one-third. A subsequent service rate based on total County costs would actually increase costs on a reduced contract, as services would be based on individual costs. This is not a cost effective option and is not recommended by staff.

Operating Program

Police Administration

Cost Summary

Contract Services	Account No.	2003-04	2004-05
Animal Control Agreement	100-80100-7211	11,800	25,900
Total Operating Costs		11,800	25,900

PUBLIC SAFETY

POLICE ADMINISTRATIVE ASSISTANT 50% FTE POSITION

Request Summary

Continuing the 50% Full-Time Equivalent (FTE) Administrative Assistant II position and converting it to a regular 50% position will cost \$27,200 in 2003-04 and \$28,500 in 2004-05.

Key Objectives

1. Ensure adequate staffing to continue business office, fiscal, administration and support responsibilities and meet Police Administrative Division workload demands.
2. Continue a critical position in order to meet workload demands, in keeping with the staffing changes and agreement of July 2002.

Factors Driving the Request for Change

1. As a result of the 2002 Job Study and moving of the Public Safety technology position from the Police Department budget to the Information Systems program, an assessment of the Police Administrative Division workload was conducted. The assessment identified the need for additional administrative support staff to meet workload demands.
2. Based on organizational changes and workload demands, in July 2002 the City Administrative Officer approved a one-year contract benefited 50% FTE Administrative Assistant position, pending further experience and analysis of ongoing support needs.
3. Quarterly assessments of Police Administrative Division workload demands and workload distribution—which includes processing payment vouchers, purchasing and receiving, budget administration, vehicle registrations, permit processing for Taxi and Massage permits, background investigation inquiry correspondence and administrative staff support—consistently confirm the critical need of the 50% FTE Administrative Assistant position.
4. Additional clerical staff support for the Neighborhood Services Manager will be necessary to meet the Neighborhood Wellness Major City Goal objectives.
5. There is only one other general office support position in the entire department: the Police Chief's Administrative Assistant.
6. *Retaining this position is especially critical in light of the recommendation to indefinitely freeze the Administrative Lieutenant position.*

Alternatives

1. ***Renew the contract benefited 50% FTE Administrative Assistant position.*** Costs for the contract-benefited position are the same costs as for a regular-benefited position. This alternative would provide appropriate staffing levels to meet the workload demand, while deferring the commitment of adding a regular position.
2. ***Eliminate the position.*** This would leave the Police Department (a 24-hour, 7-days a week operation with 88.5 employees) with only one Administrative Assistant position for administrative support work, business office, and management and staff support.

PUBLIC SAFETY

POLICE ADMINISTRATIVE ASSISTANT 50% FTE POSITION

3. *Contract out the work and/or use temporary staffing.* This would not meet the security requirements for access public safety information and systems.

Operating Program

Police Administration

Cost Summary

Line Item Description	Account No.	2003-04	2004-05
Staffing		27,200	28,500
Salaries - Regular	100-80100-7010	19,500	19,500
PERS	100-80100-7040	3,400	4,700
Group Insurance	100-80100-7042	3,400	3,400
Worker Compensation	100-80100-7048	800	800
Unemployment Insurance	100-80100-7046	100	100
Medicare	100-80100-7044	200	300

PUBLIC SAFETY

BOOKING AND TRANSPORTATION TEAMS: MARDI GRAS WEEKEND

Request Summary

Funding booking and transportation teams for Mardi Gras weekend in order to process a high volume of arrestees while keeping City law enforcement personnel in the City to serve the event will cost \$9,700 in 2003-04 and \$9,900 in 2004-05.

Key Objectives

1. Contracting with public safety allied agency resources to process and transport arrest volume associated with special event.
2. Funding three booking/transportation teams, each consisting of two correctional officers and a transport van, for a total of six correctional officers and three transport vans for 10-hour deployments on the Friday, Saturday and Sunday nights associated with Mardi Gras weekend.

Booking Teams	Quantity	Total Hours	Cost 2003/04	Cost 2004/05
Correctional Officers (\$54-\$55per hour)	6	30	\$9,700	\$9,900
Transport Vans	3	30	Included	Included
Total			\$9,700	\$9,900

Factors Driving the Request for Change

The jail booking process and arrestee transport to the County Jail takes City public safety resources away from the special event. With large numbers of arrestees, the booking process is lengthy. Booking/transport team resources contracted through the County Sheriff's Department will allow City police officers to remain in the City to focus law enforcement resources on the large event and associated public safety issues.

Operating Program

Police Administration

Cost Summary

Line Item Description	Account No.	2003-04	2004-05
Contract Services		9,700	9,900
Contract Services	100-80100-7227	9,700	9,900

PUBLIC SAFETY

EMERGENCY MEDICAL SUPPLIES

Request Summary

Providing medical supplies for emergency incidents will cost an additional \$5,000 annually.

Key Objectives

1. Support medical EMT-Paramedic program by providing supplies necessary to conduct medical calls.
2. Provide infectious disease control for Firefighters and the public.
3. Support new medical equipment technology.

Factors Driving the Request for Change

1. The majority of emergency responses are medical in nature. Supplies must be available to properly prevent emergency workers and the public from hazardous exposures.
2. Medical supplies in the past could be used more than once. This is no longer the case. Now the majority of medical supplies are disposable
3. Current technology needs material support; such as hands-free defibrillation.
4. Percentage of calls where medical equipment is needed for decontamination has escalated over the past five years.
5. Costs for medical supplies continue to increase.
6. Certain medical responses are known as “dry runs” in which the patient is treated, but not transported; Medical supplies would be used, but are not reimbursed by anyone.

Alternatives

Not funding this request could potentially expose emergency workers and the public to infectious diseases. Additionally, emergency workers would not be able to use the sophisticated medical technology that is in place.

Operating Program

Fire Emergency Response

Cost Summary

Line Item Description	Account No.	2003-04	2004-05
Other Operating Expenditures		5,000	5,000
Medical Supplies	85200-7839	5,000	5,000

PUBLIC SAFETY

FIRE SPECIAL EVENTS OVERTIME

Request Summary

Providing fire personnel at special events and Thursday Night Farmer's Market will cost an additional \$6,700 in 2003-04 and \$7,000 in 2004-05.

Key Objectives

1. Staff personnel at special events such as Mardi Gras, Bicycle Criterium, Christmas Parade and Triathlon.
2. Provide bike medics at Thursday Night Farmer's Market.

Factors Driving the Request for Change

1. **Special Events.** In the past, the current special events overtime budget was used to fund the Fire Department's annual Open House. However, the Fire Department is now providing emergency personnel at many more special events such as Mardi Gras, Bicycle Criterium, Christmas Parade and Triathlon.
2. **Thursday Night Farmer's Market.** Because of their maneuverability and pre-positioning in the downtown area, bicycle medics are able to respond immediately when incidents occur at Thursday Night Farmer's Market. Given the number of participants, congested access and closed streets, this faster response is an important public safety consideration.

Alternatives

Not providing additional funding, will cause the Fire Department to restrict the number of activities it can be involved in, which will decrease service to the community.

Operating Program

Fire Emergency Response

Cost Summary

Line Item Description	Account No.	2003-04	2004-05
Staffing			
Special Events Overtime	100.85200.7024	6,700	7,000
Total Operating Costs		6,700	7,000

PUBLIC SAFETY

FIRE APPARATUS GASOLINE AND FUEL

Request Summary

Fueling fire apparatus and vehicles with gasoline and bio-diesel at today's prices will cost an additional \$6,000 in 2003-04 and \$6,200 in 2004-05.

Key Objectives

Provide fuel for emergency apparatus to provide essential services.

Factors Driving the Request for Change

1. Current volatile trends in world affairs have raised fuel costs. Unpredictability in the fuel market has made it impossible to provide an accurate estimate of fuel costs. Therefore, these increases are based upon today's prices. Prices are as follows: bio-diesel gasoline is \$1.75/gallon (9,000 gallons used annually); and gasoline is \$2.24/gallon (6,000 gallons used annually). The department has also experienced an increase in fuel usage this past year.
2. The Department, for environmental concerns, is planning to convert to a blend of bio-diesel fuel, which is more costly.
3. For environmental reasons, in September all gasoline sold in California will be ethanol-based fuel, which is also more per gallon.

Operating Program

Fire Emergency Response

Cost Summary

The current budget for fire apparatus fuel is \$8,200. The requested funding will increase this to \$14,200 in 2003-04 and \$14,400 in 2004-05.

Line Item Description	Account No.	2003-04	2004-05
Other Operating Expenditures		14,190	14,190
Gasoline & Fuel	85200-7811	6,000	6,200

CONTINUED FULL-TIME CONTRACT FIRE INSPECTOR

Request Summary

Continuing a full-time contract Inspector with benefits will cost \$60,200 in 2003-04 and \$66,000 in 2004-05.

Key Objectives

1. Maintain an adequate level of service in the CUPA program to meet new State regulations.
2. Inspect underground fuel storage tanks and hazardous materials remediation sites.
3. Inspect newly annexed area businesses, including (but not limited to) the Airport Area.
4. Manage the downtown commercial fire zone sprinkler retrofit project.
5. Manage the Hazardous Materials Business Plan Program.
6. Assume duties previously assigned to other personnel in the Fire Prevention Bureau including field inspection workload.

Factors Driving the Request for Change

In 1996, the City Council requested that the California Environmental Protection Agency approve the Fire Department's status as Participating Agency (PA) under the San Luis Obispo County Certified Unified Program Agency (CUPA). With this approval, the Fire Department, the Utilities Department and the County Health Agency now act in a "unified format" to manage and implement the following six hazardous materials programs.

1. Underground Storage Tank Program
2. Hazardous Materials Business Plan Program
3. Above Ground Storage Tank Program
4. Hazardous Waste Generator Program
5. CalARP (California Accidental Release Prevention Program)
6. Uniform Fire Code, Article 80, Hazardous Materials Inventory Reporting Program

To help implement several components of the CUPA Program, a contract employee with full benefits was hired for a two-year period of June 2001 to June 2003. This employee is uniquely qualified and has far exceeded our expectations.

Current Situation

New State regulations have forced an expansion to the CUPA program. The contract employee is responsible for bringing businesses within the community into compliance with the new regulations. In addition, workload has increased due to the remediation of a number of severely contaminated properties: railroad right-of-way at Roundhouse, the new County Government Center building currently under construction downtown, and several service station sites throughout the City.

As areas are annexed into the City due to the ever-increasing expansion of the city limits and local economic growth, new businesses are incorporated into the various inspection programs. These programs include all the components of the CUPA program as well as Uniform Fire Code regulations.

Staff is anticipating a reduction in personnel due to retirements and a resignation. Each of these positions contain job duties, that, if reduced would severely impact service to the local community, State agencies and other City departments. The contract employee will not only perform the duties assigned as specified in the key objectives, but will also be responsible for updating the main fire prevention database. This database contains all critical fire

PUBLIC SAFETY

CONTINUED FULL-TIME CONTRACT FIRE INSPECTOR

response information for every business in the City. Additionally, this individual will assist the public with all public information requests relating to file reviews.

It should be noted that the Draft Airport Specific Plan calls for the addition of a full-time position to accommodate this workload. Accordingly, if significant annexations occur after this plan is adopted, staff is likely to return to the Council with a recommendation to convert the contract position to a regular full-time position.

Alternatives

1. We could decide not to renew the contract position; however, we would be unable to provide service to the community and other City departments in the following areas:
 - a. Guarantee quality, accuracy, and timeliness of permit issuance and fee collection. Significant revenues generated to the City would be reduced if businesses are not identified and included in the CUPA and Uniform Fire Code permit programs.
 - b. Meet the new State regulations for the CUPA program.
 - c. Provide regulatory oversight for hazardous materials remediation sites and upgrades to existing service stations.
 - d. Inspect new businesses to assure compliance with the CUPA program and the Uniform Fire Code regulations.
 - e. Maintain hazardous materials management software.
2. We could return the CUPA Program back to the SLO County Health Agency; however, this action would result in a significantly decreased level of service to the business community and other City departments.

Implementation

With the approval of the budget document, staff would initiate a renewal contract for implementation as soon as possible.

Operating Program

Fire Department-Hazard Prevention

Cost Summary

Line Item Description	Account No.	2003-04	2004-05
Staffing			
Salaries-Contract	85300-7012	42,300	44,500
PERS	85300-7040	7,300	10,700
Insurance	85300-7042	6,700	6,700
Medicare	85300-7044	600	600
Unemployment	85300-7046	200	200
Worker's Comp.	85300-7048	3,100	3,300
Total Operating Costs		60,200	66,000

It should be noted this position was approved in the 2001-03 Financial Plan. Also, the CUPA Program and the Uniform Fire Code Hazardous Materials permit fees generate considerable revenue respectively: CUPA Program: \$60,000 per year; and Uniform Fire Code: \$54,900 per year.

PUBLIC SAFETY

FIRE PROTECTION PLAN REVIEW

Request Summary

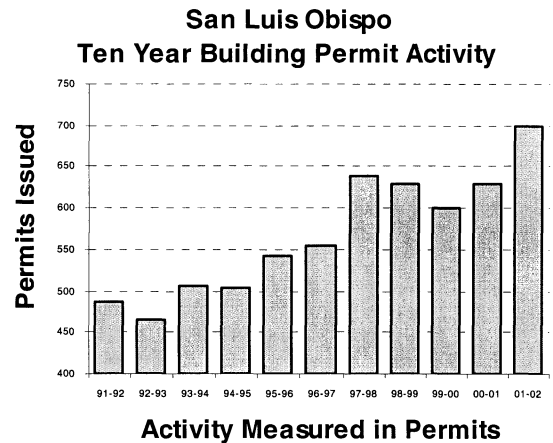
Improving customer service and streamlining the plan review process by contracting plan review services will cost an additional \$10,800 annually.

Key Objectives

1. Utilize the services of a licensed Fire Protection Engineer
2. Provide better customer service through improved streamlining of the plan review process.
3. Redistribute the fire inspector/plan checker workload to allow for more time conducting field inspections and assuring construction activities are complying with Fire and Building Codes.

Factors Driving the Request for Change

1. The Fire Department has experienced a significant increase in demands for plan reviews and inspection services due to increased building activity, which closely tracks building permits (fire fees are collected at the same time as building fees). This increase has resulted in a backlog of plan reviews and difficulty in meeting our requests for field inspections.
2. The technical nature of fire protection systems and building components is forcing us to seek the services of a licensed Fire Protection Engineer.
3. Revenues have increased due to the increased volume of plan checks. The additional revenues could be used to offset the cost of outside plan review services.
4. The Fire Department cooperatively provides residential fire sprinkler plan review services for our Building Department. With much of the current building activity centered on new homes there is a significant increase in these types of plan reviews.



Alternatives

Perform the work in-house. Unless staffing was increased, this would adversely affect other programs. Additionally, this is specialized plan review better performed by a licensed engineer.

Operating Program

Fire Hazard Prevention

Cost Summary

The current budget for contract fire plan check services is \$12,800; the requested funding will increase this to \$23,600 annually.

Line Item Description	Account No.	2003-04	2004-05
Contract Services			
Contract Services	85300-7227	10,800	10,800

FIRE MANDATED TRAINING OVERTIME

Request Summary

Complying with mandated training for Firefighters will cost an additional \$19,500 in 2003-04 and \$22,000 in 2004-05.

Key Objectives

1. Provide mandated training for Firefighters.

Factors Driving the Request for Change

1. Funds allocated to the Training Program's overtime budget are insufficient to meet both the Department's needs and Federal and State mandates. These costs are not new.
2. In 2001-02 the training budget was over-budget by \$57,000. These expenses were covered primarily through the administrative rate component of the United States Forest Service reimbursement schedule for the City's responses to fires throughout the State of California. These reimbursements cannot be relied upon, as fire seasons are unpredictable.
3. Mandated classes are generally aligned with a 40-hour workweek. Firefighters work a varied schedule consisting of 24-hour shifts. The conflict arises when a Firefighter is required to attend a Monday-Friday, 8-5 class. This schedule does not match their shift pattern, thus requiring the student to attend class on their off-duty time. This would be the equivalent of requiring a 40-hour workweek employee to attend a class on a Saturday and Sunday.
4. There are a number of mandated training classes. Paramedics are required to attain 24 hours of continuing education credits every two years in order to maintain their Paramedic licensing both at the state and local level. In order for Firefighters to respond to mutual aid requests within this county, they are required to have a minimum level of Incident Command System and Technical Rescue training. Additionally, Firefighters must annually receive training in SCBA, CPR, EMT, hazardous materials, vehicle extrication etc. The department tries whenever possible to have employees attend these classes on-duty. When students are attending required classes they must remain in class for the entire session or else they do not receive credit. Therefore, overtime personnel must be utilized to handle dispatched emergencies.
5. In an effort to reduce the cost of outside instructors, the Department plans to utilize our personnel as instructors, when qualified. The overtime costs of the instructors is far less expensive than hiring an outside trainer. Not only are outside trainers difficult to obtain, but typically design their classes to be taught over an 8-hour day. This does not match the Fire Department's daily schedule.

It should be noted that the Fire Department and Fire Union have already successfully agreed to a reduction in training overtime costs by discontinuing overtime costs for employees while attending non-mandated training. If this agreement had not been reached, the training overtime budget request would have been for an additional \$31,000 in 2003-04 and \$32,000 in 2004-05.

Alternatives

1. Not increasing the training overtime budget to meet the existing mandated training will put the Department in jeopardy of being in violation of State laws, local agreements with other fire agencies for mutual aid response, and contractual agreement with the Fire union.

PUBLIC SAFETY

FIRE MANDATED TRAINING OVERTIME

- 2. Choosing to not train Firefighters would place the City at risk for citation by State agencies, legal actions by citizens, etc. and could jeopardize our cooperative agreement for mutual aid resources.

Operating Program

Fire-Training Overtime

Cost Summary

Line Item Description	Account No.	2003-04	2004-05
Staffing			
Training Overtime	85400-7020	19,500	22,000

FIRE HEALTH FITNESS PROGRAM

Request Summary

Providing a negotiated required Health Fitness Program will cost an additional \$4,400 (14 comprehensive exams at \$310 each) in 2003-04 and \$6,600 in 2004-05 (14 comprehensive at \$310 each. and 14 basic physicals at \$250 each).

Key Objectives

1. Promote and evaluate the health of employees working in emergency situations and reduce the incidents of preventable accidents, illnesses and disability.
2. Comply with legal mandates that require Firefighters be approved by a program physician to wear self-contained breathing apparatus (SCBA) while engaged in the following activities:
 - interior structural firefighting;
 - working in confined spaces where toxic products or an oxygen deficient atmosphere may be present;
 - emergency situations involving toxic substances
 - all other phases of firefighting, such as wildland and vehicles.

Factors Driving the Request for Change

1. A mandated Respiratory Program in accordance with California Code of Regulations, sections 3409 and 5144 was established last fiscal year. This program defines Departmental policy, responsibilities and requirements for the protection of firefighters whose job requires the use of respiratory protection. The program physician is mandated to conduct a medical evaluation and provide clearance for the Firefighter to wear an SCBA and perform firefighting duties.
2. Recognizing the need for Firefighters to be in good physical condition, in 1989 the Fire Department instituted a health fitness program, which consisted of both a medical exam and a fitness test. This program has remained relatively unchanged for the past 14 years. However, new documentation has been created by the International Association of Firefighters and International Association of Fire Chiefs, which broadens and improves the function of this initial program.
3. The respiratory program regulations and health fitness program require existing employees receive medical examinations as follows; less than 35 years old once every three years, 35 – 45 years old every two years and greater than 45 years old annually. The age demographics of the existing firefighting force is older, thus dictating more medical examinations.
4. With the implementation of the new Respiratory Program, because of liability issues, the program physician the department had been using was unwilling to sign off on the releases. Doctors willing to take the responsibility of being the program physician simply cost more.
5. Lacking a designated program physician, rising costs from the health fit testing vendor (Cal Poly), new respiratory program regulations, and new guidelines from the International Association of Firefighters and Fire Chiefs caused staff to review and evaluate the entire health fitness program. After more than a year of study and research, the most cost-effective program was developed.

PUBLIC SAFETY

FIRE HEALTH FITNESS PROGRAM

6. The new health fitness program requires a more sophisticated comprehensive exam. This exam is a cardiac and pulmonary exercise stress test observed by a physician specializing in cardiology. Participation will occur on an annual cycle as determined by age (50 or older) or 40 years of age with two or more risk factors as defined below.

- Cardiovascular disease in immediate family, i.e. father, mother, grandmother, etc.
- Diabetes
- Use of Tobacco in any form
- Blood panel with irregularities, i.e., high triglycerides, high cholesterol
- High blood pressure, i.e. 140/90

This component was thoroughly studied and determined to be a necessary component of the testing process. Past exams have identified critical underlying medical issues that ultimately saved individual's lives.

7. The City and International Association of Firefighters, Local 3523 have approved the Health Fitness Program developed in 2003.
8. During 2003-05 a majority of Firefighters, because of their age, will be required to receive the medical exams. It is likely that with the implementation of the new 3% at 50-retirement system in 2004-05, many of these older employees will retire and costs will be reduced.
9. Medical costs have increased during the past two years, causing the cost of this program to escalate.

Alternatives

1. Not providing this program will be in violation of current regulations and policies, and contrary to negotiations with the union.
2. Limit the number of physicals and not provide medical exams to those individuals who may be at risk.

Operating Program

Fire Training Program

Cost Summary

Line Item Description	Account No.	2003-04	2004-05
Contract Services			
Medical Services	85400-7265	4,400	6,600

PUBLIC SAFETY

FIREFIGHTER RECRUIT ACADEMY

Request Summary

Providing a recruit Firefighter Academy will cost \$25,400 in 2004-05.

Key Objectives

Provide adequate training for new recruit Firefighters

Factors Driving the Request for Change

1. New Firefighter recruits are required to attend a 6-8 week internal training academy. To prepare and deliver an academy causes a major impact on the already significantly impacted Training Division.
2. In 1997, a study concluded that the Federal and State required training level had reached a total of 166 hours/firefighter. Given the Training Division's other responsibilities (emergency response), they are only able to deliver 144 hours/Firefighter. As an example, they may be forced to ignore mandated training such as: confined space, respiratory awareness, Sudden Infant Death Syndrome training (SIDS) and Utility training requirements.
3. The department does not have a dedicated Training officer, who would be able to handle the tasks involved in preparing, conducting and managing an academy. Personnel throughout the organization currently perform these assignments on an overtime basis. A successful academy cannot be done with on-duty personnel, who may be called away to handle emergency incidents.

Alternatives

1. Contract with Alan Hancock College to provide the training. This is considerably more expensive than doing it in-house. This would not provide us with the same level of quality training. Additional department specific training would be required prior to release for duty.
2. Many cities the size of San Luis Obispo could join together with other communities to develop a hiring/training program. Unfortunately, the City's remote location does not lend itself to having this as a cost-effective approach.

Implementation

Due to retirements, a recruit Firefighter academy is expected to be held in 2004-05.

Operating Program

Fire-Training

Cost Summary

Line Item Description	Account No.	2003-04	2004-05
Staffing			22,900
Training-OT	85400-7020		22,900
Other Operating Expenditures			2,500
Lumber & Hardware	85400-7835		1,000
Training Aids	85400-7909		1,500
Total Operating Costs			25,400

PUBLIC UTILITIES

EXPANDED WATER CONSERVATION PROGRAM

Request Summary

Implementing an expanded water conservation program to include a landscape water efficiency component and an increased commercial water conservation element with a goal of adding 300 acre feet of water to the City's Safe Annual Yield will cost \$69,300 annually. To support the additional program activities, an additional small pick-up truck is included in the 2003-05 Capital Improvement Plan at a cost of \$16,000.

Key Objectives

1. Increasing the City's Safe Annual Yield through increased water efficiency.
2. Providing for increased water supply reliability by implementing expanded water efficiency measures.

Factors Driving the Request for Change

1. The City has been pursuing multiple new water supply sources for many years to satisfy the requirements of the General Plan with limited success. Implementation of the proposed expanded water conservation measures will add to the Safe Annual Yield needed to reach the goals of the General Plan.
2. Water conservation has proven to be the most cost effective, environmentally sensitive means of creating water supply through the efficient use of the resource.
3. Many of the other water supply options require the cooperation of other agencies and/or cumbersome regulatory approvals, which add to the uncertainty of being able to complete the projects. Expanding the Water Conservation Program is under direct control of the City and the community.

Alternatives

Continue the status quo. Continue the current programs and service levels utilizing the existing dedicated resources. Currently, about 1.5 full time equivalencies (FTE's) are dedicated to the Water Conservation Program activities.

Implementation

Task	Date
Develop the irrigation efficiency component and implementation strategy.	11/03
Develop the commercial conservation component and implementation strategy.	10/03
Develop monitoring program.	1/04
Hire and train temporary staff.	3/04
Implement programs.	4/04

Operating Program

The requested program will be managed by the Utilities Department, Water Division's Utilities Conservation Office.

PUBLIC UTILITIES

EXPANDED WATER CONSERVATION PROGRAM

Cost Summary

Line Item Description	Account No.	2003-04	2004-05
Staffing		28,300	28,300
2 Temporary Staff-City Worker IV	500 55130 7014	23,200	23,200
Unemployment	500 55130 7046	950	950
Workers Comp	500 55130 7048	3,800	3,800
Medicare	500 55130 7044	350	350
Contract Services		35,000	35,000
Postage	500 55130 7227	5,000	5,000
Public Relations and Education	500 55130 7227	5,000	5,000
Computer Programming	500 55130 7227	5,000	5,000
Non-Residential Incentives	500 55130 7227	20,000	20,000
Other Operating Expenditures		6,000	6,000
Printed Material	500 55130 7283	5,000	5,000
Training	500 55130 7459	500	500
Office Supplies	500 55130 7421	500	500
Total Operating Costs		69,300	69,300

A request to add one vehicle to support program activities has been included in the Utilities Department 2003-05 Capital Improvement Project requests, at an estimated cost of \$16,000.

PUBLIC UTILITIES

RESTORATION OF WATER SYSTEM WORK ORDER HISTORY

Request Summary

Restoring the water system work order history in the new Hansen data base will require hiring a temporary employee in fiscal year 2004-05 at a one-time cost of \$10,000.

Key Objective

Recreate water system history lost as a result of the Hansen database corruption by inputting archived work - orders.

Factors Driving the Request for Change

Prior to the Hansen/GIS upgrade staff was informed by the vendor that all the history in our current database had been corrupted and could not be incorporated into the upgrade. Approximately 7 years of work orders were lost. Due to the workload of the Water Distribution Section it is not possible to accomplish this task in house.

Alternatives

Take no action. By doing so we will lose valuable information that helps us identify deficiencies and trends and is a critical tool for projecting future system needs.

Implementation

Task	Date
Advertise and hire temporary employee	July 2004
Project completion	January 2005

Cost Summary

Line Item Description	Account No.	2003-04	2004-05
Staffing			10,000
Temporary for data entry	500.55160.7014		10,000

PUBLIC UTILITIES

DEVELOPMENT OF LOCAL DISCHARGE LIMITS

Request Summary

Developing local discharge limits in compliance with federal and state requirements will require additional sampling laboratory services at a cost of \$15,000 in 2003-04.

Key Objectives

1. Protection of the City's wastewater collection system, Water Reclamation Facility (WRF) and wastewater staff from industrial discharges.
2. Ensure local discharge limits are properly developed.
3. Ensure compliance with state and federal regulations.

Factors Driving the Request for Change

1. The City is required to develop local discharge limits by the Environmental Protection Agency and state to ensure that industrial discharges to the wastewater collection system will not harm personnel, damage the collection system or Water Reclamation Facility or result in discharge violations or treatment problems. Recent audits and inspections from the State have indicated that the City's local limits need to be revised.
2. The City's current local discharge limits have not been revised for 13 years.
3. Several new constituents need to be considered for development of discharge limits.
4. Current local discharge limits may not provide adequate protection.

Alternatives

Continue the status quo. The City's local discharge limits need to be revised because of changes in industry, new information, and as identified by recent State inspections and audits. The City's current limits may not be as protective as required which may lead to industrial discharges that could injure wastewater staff, damage the collection system and WRF and lead to possible WRF effluent discharge violations.

Implementation

Task	Date
Wastewater sampling	10/01/03

Operating Program

Wastewater Pretreatment

Cost Summary

Line Item Description	Account No.	2003-04	2004-05
Contract Services		15,000	0
Laboratory Services	520.55320.7255	15,000	

PUBLIC UTILITIES

PHASE II STORMWATER NPDES PROGRAM

Request Summary

Funding various activities related to the implementation of the phase II municipal storm water National Pollutant Discharge Elimination System (NPDES) program will cost \$40,000 annually. This will be an ongoing program administered by Utilities Department, previously proposed to be administered by the Public Works Department.

The phase II municipal storm water program is a state/federal clean water act program that municipalities must begin implementing this year. Initially this program was proposed to include the addition of a coordinator position the second year of the 2003-05 Financial Plan. Because of job duty shifting associated with transferring the inspection duties of the CUPA program to the Fire Department, it is now proposed that the pretreatment section of the Utilities department perform the majority of the administrative and some of the implementation duties for this program over the next two years. Evaluation of this program's ongoing needs will continue during this financial plan.

Key Objectives

1. Implement the phase II municipal storm water program.
2. Ensure compliance with state and federal clean water act regulation.
3. Protect the water quality of local waterways.
4. Successful transition of the program responsibilities from the Public Works Department to the Utilities Department.

Factors Driving the Request for Change

1. In 1999 the EPA issued orders that cities must comply with phase II storm water regulations.
2. The phase II storm water program requires the control and/or reduction of pollutants found in storm water runoff being discharged into local waterways.
3. Funding needs to be dedicated to this program to ensure adequate implementation and demonstrate to state and federal regulators that sufficient resources are being allocated for this program.
4. Phase II NPDES storm water program is a mandated program that the City is required to implement.
5. As a General Fund cost savings measure, administration of this program has been shifted to the Sewer Fund as an additional water quality program.

Alternatives

Continue the status quo. The phase II storm water program is a mandated program. Shifting this program to the Utilities Department saves the General Fund program approximately \$120,000 annually and is a logical nexus with the other water quality programs Utilities administers. Failure to effectively implement this program may result in enforcement action against the City.

Implementation

This program will be on-going program. Listed below are some of the activities that will be implemented over the next two years.

PUBLIC UTILITIES

PHASE II STORMWATER NPDES PROGRAM

Task	Date
Development of public education materials	12/01/03
Staff training	On-going
Development of guidance materials	7/01/04
Development of storm water ordinance	7/01/04

Operating Program

Wastewater Pretreatment

Cost Summary

Projected costs associated with administration of this program are \$40,000 annually.

Line Item Description	Account No.	2003-04	2004-05
Contract Services		25,000	25,000
Contract Services	520.55320.7227	25,000	25,000
Other Operating Expenditures		15,000	15,000
Printing and Reproduction Supplies	520.55320.7425	12,000	12,000
Education and Training	520.55320.7459	3,000	3,000
Total Operating Costs		40,000	40,000

PUBLIC UTILITIES

WATER RECLAMATION FACILITY NPDES FEE INCREASE

Request Summary

Increases in the annual National Pollutant Elimination Discharge System (NPDES) Permit fee for the Water Reclamation facility (WRF) will cost an additional \$13,500 annually.

Key Objectives

Ensure adequate funding for payment of required state fees.

Factors Driving the Request for Change

1. State Water Resources Control Board (SWRCB) increase in annual NPDES fee from \$6,500 to \$20,000.
2. Payment of annual fees for state water quality programs is mandatory.

Alternatives

Continue the status quo. Inadequate funding is not recommended because insufficient payment of NPDES fees would be in violation of state water quality regulations, resulting in the City being in violation and subject to possible enforcement actions up to and including fines.

Operating Program

Water Reclamation Facility

Cost Summary

The increase in the WRF's NPDES fee is an increase of \$13,500 annually and will be an ongoing cost.

Line Item Description	Account No.	2003-04	2004-05
Contract Services		13,500	13,500
Taxes and Licenses	520.55330.7301	13,500	13,500

PUBLIC UTILITIES

TECHNICAL STUDIES FOR WATER RECLAMATION FACILITY NPDES PERMIT

Request Summary

Contracting for technical services for required studies found in the Water Reclamation Facility's National Pollutant Discharge Elimination System permit (NPDES) will cost \$206,000 in 2003-04.

Key Objectives

1. Perform required sampling and studies as identified in the WRF's NPDES permit.
2. Ensure compliance with the WRF's NPDES permit.

Factors Driving the Request for Change

1. The City's current NPDES permit requires these studies be performed.
2. City staff do not possess the technical knowledge or experience to perform these studies.
3. The results of these studies will assist the City and RWQCB staff in determining if additional discharge limits need to be developed, treatment processes to be added and certain pollutants to be controlled.
4. The studies should recommend the most practical manner to achieve compliance, if needed.
5. Failure to perform these studies and prepare documents will result in enforcement action, up to fines, from the RWQCB.
6. Completion of these studies will ensure that any additional requirements placed on the City and the associated costs to achieve compliance are warranted and based on good science.

Alternatives

1. *Continue the status quo.* If inadequate funding is unavailable this may result in delays or inadequate studies and documents being prepared. This would be in violation of the WRF's NPDES permit.
2. *Defer or re-phase the request.* The provisions of the WRF's NPDES permit include submittal dates for scope of work, data and study results. Deferral or re-phasing would require negotiations and approval by the RWQCB.

Implementation

Task	Date
Submittal of Trihalomethane (THM) and groundwater study scope of work	11/1/03
Submittal of sampling data	2/1/04
Submittal of Reasonable Potential Analysis (RPA) study	10/1/04
Submittal of results from groundwater and THM studies	12/1/04
Submittal of dilution study results	12/1/04

Operating Program

Wastewater Administration

PUBLIC UTILITIES

TECHNICAL STUDIES FOR WATER RECLAMATION FACILITY NPDES PERMIT

Cost Summary

Consulting for the WRF's NPDES permit will cost \$206,000 over the 2003-05 financial plan. Because of the nature of this type of work, it is difficult to estimate the exact amount of funding the studies will require each year. All encumbrances are expected to be in place during the 2003-04 Fiscal Year.

Line Item Description	Account No.	2003-04	2004-05
Contract Services		206,000	0
Contract Services	520.55300.7227	206,000	

TRANSPORTATION

ENHANCED PARKING ENFORCEMENT

Request Summary

Enhanced parking enforcement will cost \$67,000 in 2003-04 and \$85,600 in 2004-05 for the following:

1. Adding one Parking Enforcement Officer to the contract staffing of the Parking Program will cost \$45,600 in 2003-04 and \$63,700 in 2004-05.
2. Acquiring one computerized electronic ticket writer for the new enforcement officer will cost \$5,000 in 2003-04.
3. Processing additional citations generated by this position will cost \$14,600 in 2003-04 and \$19,500 in 2004-05.
4. Printing the additional citations and citation envelopes generated by this position will cost \$1,800 in 2003-04 and \$2,400 in 2004-05.

This position should generate a minimum \$141,000 of additional citation revenue each year. Potential citation revenues could range as high as \$295,000 each year.

A Capital Improvement Plan appropriation for one new utility scooter will be required at a costs of \$25,000, which is included in a separate CIP project request.

Key Objectives

1. Discourage repeat offenders from continuing to violate parking ordinances.
2. Implement Access and Parking Management Plan requirements that "parking laws will be strictly enforced."
3. Provide the increased enforcement called out in the Railroad Service Area Parking Plan.
4. Provide adequate enforcement in existing and proposed outlying parking districts.
5. Manage the downtown street parking inventory by encouraging regular turnover.

Factors Driving the Request for Change

The Parking Program strives to have two employees continuously enforcing parking laws in the downtown on six days a week, Monday through Saturday, between 8:30 a.m. and 5:30 p.m. This service is now provided primarily through two full-time regular Parking Enforcement Officers. One half-time temporary City Worker V fills in on regular days off, vacation days, and sick leave days.

Regular enforcement activities are also required in the Railroad Service Area and in two residential parking districts near Cal Poly. Regularly patrolling these outlying areas pulls one enforcement officer out of the downtown for extended periods. During these times the one enforcement officer remaining in the downtown cannot provide effective coverage. As a result, the City loses potential parking meter revenue as well as citation revenue. Also, during these periods there is not enough enforcement to encourage regular turnover in the on-street parking spaces.

Adding this position will increase the volume of parking citations issued by an additional 40 percent. The current amount allocated for contract citation processing is \$48,800 per year. Public Works is requesting an increase of \$19,500 per year. Likewise, the current amount allocated for printing citations and citation envelopes is \$5,900 per year. Public Works is requesting an increase of \$2,400 per year.

TRANSPORTATION

ENHANCED PARKING ENFORCEMENT

An extra benefit of increased enforcement would of course be additional citation revenue. Public Works is confident that the potential for added revenue through stepped-up enforcement is fairly elastic and that the minimum amount of additional revenue will be more than double the cost of added enforcement. If the additional revenue covers all costs associated with this position, this position should become a part of the regular staffing starting in 2005-06.

Alternatives

1. *Do not augment enforcement efforts.* This would result in lower enforcement and less revenue.
2. *Add regular staffing.* As noted above, we do not recommend taking this step until we can better document that significant new revenues will result from this added cost.

Implementation

Task	Date
Submit a requisition for one new enforcement officer	June 2003
Advertise for applicants	July 2003
Receive applications	August 2003
Interview applicants and select one candidate	September 2003
Begin training	October 2003

Operating Program

Parking

Cost Summary

Line Item Description	Account No.	2003-04	2004-05
Staffing		45,600	63,700
Salaries - Contract	510.50600.7012	30,000	40,000
Retirement Contributions	510.50600.7040	5,200	9,700
Health and Disability Insurance	510.50600.7042	5,000	6,700
Medicare	510.50600.7044	400	600
Unemployment Insurance	510.50600.7046	100	200
Workers Compensation Insurance	510.50600.7048	4,900	6,500
Contract Services		16,400	21,900
Contract Services	510.50600.7227	14,600	19,500
Printing and Reproduction	510.50600.7283	1,800	2,400
Minor Capital		5,000	0
Machinery and Equipment	510.50600.7953	5,000	0
Total Operating Costs		67,000	85,600

This position should generate a minimum \$141,000 of additional citation revenue each year. Potential citation revenue could range as high as \$295,000 each year.

TRANSPORTATION

ADDITIONAL CONTRACT SERVICES FOR PARKING

Request Summary

Adding various contract services needed for parking operations will cost an additional \$49,200 each year starting in 2003-04.

Key Objectives

1. Cover additional operating costs needed for the Marsh Street Garage Expansion project.
2. Cover the additional costs associated with issuing more parking citations.
3. Cover additional operating costs resulting from parking meter rate increases.

Factors Driving the Request for Change

The Marsh Street Garage Expansion project added more building area that requires contract janitorial and sweeping maintenance (at \$30,800 more per year) and contract elevator maintenance (at \$3,500 more per year).

More effective parking enforcement has increased the volume of parking citations issued each year by eight percent. The current amount allocated for contract citation processing is \$48,800 per year. Public Works is requesting an increase of \$3,900 per year.

Another expense associated with citation processing is express mail service where the post office automatically forwards citation payments made at the local drop box to the City's contract citation processing firm in Southern California. Past contract services budgets have not allocated money specifically for this purpose, and the expenses have been covered by savings available in other accounts. Because such savings are not anticipated in the future, Public Works is requesting an annual appropriation of \$5,000 for this express mail service.

Recently approved parking meter rate increases have resulted in more money being deposited in the meters. This in turn requires more frequent collection by the contract coin collection service. The additional cost of this more frequent collection will be \$6,000 per year.

In 2002-03 these additional contract costs were covered with the use of one-time carryover and savings available in the Parking Fund.

Operating Program

Parking (50600)

Cost Summary

Line Item Description	Account No.	2003-04	2004-05
Contract Services		49,200	49,200
Contract Services	510.50600.7227	49,200	49,200
Total Operating Costs		49,200	49,200

TRANSPORTATION

ADDITIONAL PRINTING FOR PARKING

Request Summary

Printing a higher volume of parking citations, a higher volume of parking garage tickets and two updated parking pamphlets will cost an additional \$6,500 each year starting in 2003-04.

Key Objectives

1. Cover the additional costs associated with issuing more parking citations.
2. Cover additional operating costs resulting from the Marsh Street Garage Expansion project.
3. Educate customers about using the various parking services available.

Factors Driving the Request for Change

More effective parking enforcement has increased the volume of parking citations issued each year by eight percent. The current amount allocated for printing citations and citation envelopes is \$5,900 per year. Public Works is requesting an increase of \$500 per year.

When the Marsh Street Garage Expansion project was completed, there was naturally an immediate increase in the number of garage tickets issued from the "ticket-spitters" at the garage entrance. As a result, the overall number of garage tickets issued from both garages together is expected to increase 25 percent each year. The current amount allocated for printing these tickets is \$8,000 per year. Public Works is requesting an increase of \$2,000 per year.

To help customers understand how to best use the parking services available to them, the Parking Program distributes a general parking services pamphlet and a more specific pamphlet about how to use the parking meter cash keys. The existing stocks of these pamphlets will be rendered obsolete by the next two parking rate increases on April 1, 2003 and July 1, 2004. There is no money currently allocated for printing revised pamphlets. Public Works is recommending that a smaller number of these pamphlets be printed each year to reduce the chance of ending up with an obsolete stock after regular rate changes. The requested annual allocation is \$4,000.

In 2002-03 these additional printing costs were covered with the use of one-time carryover available in the Parking Fund.

Operating Program

Parking

Cost Summary

Line Item Description	Account No.	2003-04	2004-05
Contract Services		6,500	6,500
Printing and Reproduction	510.50600.7283	6,500	6,500
Net Operating Costs		6,500	6,500

TRANSPORTATION

BLUE LIGHT SECURITY FOR PARKING GARAGES

Request Summary

Studying the feasibility of installing a “blue light” security system in the Palm Street Parking Garage, and expanding the one already in place at the Marsh Street Garage, will cost \$5,000 in 2003-04.

Key Objective

Improve personal security inside the parking garages.

Factors Driving the Request for Change

Currently only the new expansion portion of the Marsh Street Parking Garage is equipped with the blue light security system. The new lights have been installed as a test platform to determine their desirability and effectiveness for enhancing security inside all of the City’s parking garages.

Operating Program

Parking

Cost Summary

Line Item Description	Account No.	2003-04	2004-05
Contract Services		5,000	0
Contract Services	510.50600.7227	5,000	0
Net Operating Costs		5,000	0

TRANSPORTATION

RESTORATION OF TRANSPORTATION ASSISTANT FOR TRANSIT

Request Summary

Restoring one half-time Transportation Assistant to the regular staffing of the Transit Program will cost \$21,800 in 2003-04 and \$27,500 in 2004-05.

Key Objectives

1. Attract more ridership for SLO Transit.
2. Attract more fare revenue for SLO Transit.
3. Maintain compliance with Federal and State regulations to ensure continued eligibility to receive grant revenue.

Factors Driving the Request for Change

The primary purpose of adding a new Transportation Assistant is to allow the Transit Manager to focus on policy issues and marketing.

When SLO Transit began receiving ongoing formula grants from the Federal Transit Administration (FTA) in 1993, Public Works expected onerous reporting and record keeping requirements as a condition of receiving these grants. To deal with these requirements, a half-time technician was added to the regular staffing of the Transit Program. Because the in-service fleet size for SLO Transit was just under the minimum threshold required for full operations reporting, though, the actual reporting and record keeping turned out to be less burdensome than anticipated. For this reason, the half-time technician position was deleted.

When transit service improvements were initiated three years ago, the in-service fleet size passed the minimum threshold and triggered the need for full reporting. During that time, the Transit Manager has gradually become bogged down with an increased reporting and record keeping workload. In addition to the FTA reports, other regular reports must be prepared and submitted to the California Air Resource Board; the San Luis Obispo Council of Governments; the Mass Transportation Committee; the American Public Transportation Association; Cal Poly State University; and the San Luis Obispo Regional Transit Authority. Also, there are several routine reports received from the transit operations contractor that must be reviewed.

Over the same three-year period SLO Transit has experienced steadily declining ridership, a situation that has hampered SLO Transit's progress toward its program goals of providing quality transportation for transit dependent people, convenient transportation for all residents, and an attractive alternative to driving which can reduce traffic congestion and air pollution.

To reverse this trend, this request proposes restoring a regular half-time assistant to the Transit Program staffing to primarily take care of the regular reporting and record keeping workload. Another important duty for the assistant will be investigation of complaints. This transfer of routine duties will free up time for the Transit Manager to implement recommendations of the Short Range Transit Plan to improve service and attract more riders. This work will require extensive and time-consuming involvement with the public and the Mass Transportation Committee.

Based on an analysis of the Transit Program workload and recent experience with technician-level work in other transportation programs, Public Works originally proposed adding a regular full-time position. However, the Budget Review Team was concerned about increasing operating costs without a demonstrated commensurate increase in fare revenue. State grant conditions require that SLO Transit maintain at least a 20 percent ratio of fare revenue to operating cost. The current ratio is hovering right around 20 percent, so any increase in operating

TRANSPORTATION

RESTORATION OF TRANSPORTATION ASSISTANT FOR TRANSIT

cost must be considered very carefully. The Budget Review Team was also concerned with the impact on available Transportation Development Act (TDA) and FTA resources relative to the priority of other initiatives that might be identified in the upcoming Short-Range Transit Plan. Accordingly, depending on the results of Short-Range Transit Plan in terms of system funding priorities, available TDA and FTA funding in 2003-05 and the success of marketing efforts in generating fare revenue increases, we may return to the Council with a recommendation to fund the proposed position at a full-time level during 2003-04.

Implementation

Task	Date
Submit a requisition for one new half-time Transportation Assistant	June 2003
Advertise internally for applicants	July 2003
Receive applications	July 2003
Interview applicants and select one candidate	August 2003
Begin training	September 2003

Operating Program

Transit

Cost Summary

First year costs are based on filling the position by September 1, 2003.

Line Item Description	Account No.	2003-04	2004-05
Staffing		23,000	28,900
Salaries - Regular	530.50700.7010	19,600	19,600
Retirement Contributions	530.50700.7040	3,400	4,700
Health and Disability Insurance	530.50700.7042	3,400	3,400
Medicare	530.50700.7044	300	300
Unemployment Insurance	530.50700.7046	100	100
Workers Compensation Insurance	530.50700.7048	800	800
Salary Savings	530.50700.707	(4,600)	
Total Operating Costs		23,000	28,900

TRANSPORTATION

ENHANCED TRANSIT MARKETING

Request Summary

Promoting SLO Transit to attract more passengers will cost an additional \$15,000 each year starting in 2003-04.

Key Objectives

1. Maintain current ridership.
2. Attract new ridership.

Factors Driving the Request for Change

SLO Transit has experienced steadily declining ridership over the last three years. To reverse this trend, the Mass Transportation Committee has requested a more concerted effort in marketing and promoting the system, particularly to potential non-Cal Poly passengers. (Although attracting Cal Poly passengers is an important part of accomplishing SLO Transit's goals, no additional revenue accrues from such efforts, because Cal Poly pays the City a fixed amount each year for Cal Poly students and staff members to ride the system without paying a fare.)

Such an effort will be critical to bring in additional cash and transit pass fare revenue. In order to continue receiving State Transportation Development Act grants for SLO Transit, total fare revenues must amount to at least 20 percent of total operating costs. Currently, this fare/cost is hovering at just under 20 percent. While there are temporary grace periods, continued failure to meet required ratios will result in loss of TDA revenue.

Implementation

The Transit Manager is preparing a marketing plan that should be completed by July 2003. This plan will be reviewed by the MTC and will include an implementation schedule.

Operating Program

Transit

Cost Summary

Line Item Description	Account No.	2003-04	2004-05
Contract Services		15,000	15,000
Advertising	530.50700.7203	15,000	15,000
Total Operating Costs		15,000	15,000

TRANSPORTATION

TRANSIT SMART CARD FEASIBILITY

Request Summary

Studying the feasibility of using SMART Cards for SLO Transit will cost \$5,000 in 2003-04.

Key Objectives

1. Reduce the cost of processing fare revenue.
2. Reduce the potential for fare revenue theft.
3. Determine the actual usage of Cal Poly riders and general public.
4. Maintain current riders.
5. Attract new riders.

Factors Driving the Request for Change

Under an agreement between the City and Cal Poly, Cal Poly students and staff members ride SLO Transit buses without charge by showing their identification cards. Cal Poly then makes quarterly payments that roughly reimburse the City for the value of those rides.

The City and Cal Poly are investigating the feasibility of using the Cal Poly identification card as a "SMART Card" to accurately determine who is riding the system. This proposed system is a component of the Efficient Deployment of Advanced Public Transportation System (EDAPTS). Under EDAPTS, a Cal Poly rider would "swipe" an identification card upon boarding the bus. EDAPTS would validate the passenger's unique user identifier against an encrypted users list maintained in the on-board bus computer. EDAPTS would then record the trip, the user's identifier, and the location of the boarding.

Currently, the agreement between the City and Cal Poly expresses the desire to determine the actual number of riders participating in the zero fare program. The current fare collection system only counts the number of trips, not the actual number of users. The City SMART Card would expand on this joint project and work towards a single SMART Card system to deliver both Cal Poly and City ridership statistics and fare payment system.

Operating Program

Transit (50700)

Cost Summary

Line Item Description	Account No.	2003-04	2004-05
Contract Services		5,000	0
Contract Services	510.50700.7227	5,000	0
Net Operating Costs		5,000	0

LEISURE, CULTURAL AND SOCIAL SERVICES

DAMON-GARCIA SPORTS FIELDS PROGRAMS AND MANAGEMENT

Request Summary

Supporting the operations of the Damon-Garcia sports fields will cost \$30,000 for temporary staffing and materials beginning in 2004-05.

Key Objectives

1. Coordinating the fields for youth and adult programs to maximize the facility use while addressing turf sports needs.
2. Offer programs for adult and youth turf sports, soccer, grass volleyball and other events

Factors Driving the Request for Change

With the completion of the Damon-Garcia sports field complex, a major city goal will be accomplished. The venue would require management of the area for public use and scheduling programs appropriate for the facility, such as youth soccer, adult soccer, adult flag football, grass volleyball and special events.

A staff person would be on site for all functions to coordinate uses of the fields and assist with customer needs. Field use would be coordinated for adult and youth league scheduling, nights of activity, and promotional materials. Additional costs would include materials and supplies related to new programs at the facility.

Alternatives

Deferring or denying the request would restrict the level of programs at Damon Garcia Sports Fields. Existing resources can only accommodate programs currently in place. Funding for this facility would add new leagues currently not being met in the community, such as adult soccer, adult flag football, and grass volleyball. Having a staff person on site would enhance customer service and allow for effective management of the facility.

Implementation

Usage of the facility will start in Fall 2004. To prepare for this, programming should begin in July 2004.

Task	Date
Train staff for new program area and needs	June/July 04
Purchase needed work space equipment.	July 04
Meeting with users to schedule needs	July 04
Purchases needed equipment for field(s)	August 04
Dedicate facility for grand opening	August 04
Open facility	September 04

Operating Program

Parks & Recreation: Adult Sports, Classes and Facilities

LEISURE, CULTURAL AND SOCIAL SERVICES

DAMON-GARCIA SPORTS FIELDS PROGRAMS AND MANAGEMENT

Cost Summary

Line Item Description	Account No.	2003-04	2004-05
Staffing			23,600
Staffing	100.60230.7014		20,000
Workers Compensation	100.60230.7048		3,300
Unemployment	100.60230.7046		100
Medicare	100.60230.7044		200
Other Operating Expenditures			6,400
Operating Supplies and Equipment	100.60230.7843		6,400
Total Operating Costs			30,000

Offsetting Cost Savings or Revenues

Currently the city does not charge youth groups to pay for facility use. It is not anticipated that this practice will change at the Damon-Garcia Sports Fields. However, some adult use anticipated. If this is non-City groups renting the fields, a rental fee will be charged. Revenues will be charged for any new adult sports programs started at Damon Garcia. Staff will return to Council with a proposed fee schedule and revenue projections prior to the opening of the fields.

LEISURE, CULTURAL & SOCIAL SERVICES

DAMON-GARCIA SPORTS FIELDS MAINTENANCE

Request Summary

The new Damon-Garcia Sports Fields Complex will require appropriations in the Park and Landscape Maintenance Program for the following expenses:

1. Contract landscape maintenance at a cost of \$143,700 each year starting in 2004-05.
2. Contract janitorial maintenance for the restrooms at a cost of \$4,000 each year starting in 2004-05.
3. City water for irrigation at a cost of \$65,000 in 2004-05 and \$32,000 each year after that.
4. Electricity primarily for lights at a cost of \$4,000 each year starting in 2004-05.
5. Telephone service primarily for irrigation telemetry at a cost of \$500 each year starting in 2004-05.

Key Objectives

1. Keep the new Damon-Garcia Sports Fields Complex safe and attractive
2. Maintain the playability of the sports fields
3. Maximize the service life of the complex

Factors Driving the Request for Change

Construction of the Damon-Garcia Sports Fields Complex will be completed in summer 2003. The construction contractor will be responsible for maintaining the complex for one year after completion in order to ensure establishment of turf and other landscape areas. When this temporary maintenance ends in summer 2004, recreational scheduling will begin, and Public Works will take over permanent maintenance responsibility.

The landscape maintenance should be performed by contract only if two conditions are met: 1) a local firm will take on maintenance for a park area this large and complicated and 2) the contract price is less than what it would cost to perform the work in-house with regular staffing. To determine if these two conditions can be met, the City will solicit formal proposals for the work in October 2003. If analysis shows that a contractor cannot perform the maintenance at a cost less than using in-house staffing, then the City will proceed with a staffing recruitment.

Alternatives

Performing the Landscape Maintenance with Regular Staffing. Because of an understanding that contract landscape maintenance at this scale might not be available locally, Public Works prepared a detailed estimate of the annual cost to perform this maintenance in-house. This estimate is summarized in the following table:

Staffing (two full-time regular park maintenance workers)	\$123,500
Materials and supplies	13,900
Amortization of one turf mower (\$15,000 over 15 years)	3,400
Amortization of one pickup truck (\$23,000 over 12 years)	1,900
Amortization of one utility cart (\$6,000 over 6 years)	1,000
Total	\$143,700

If the annual cost of contract landscape maintenance is greater than \$143,700, then the City should hire the maintenance workers needed, purchase the equipment needed, and perform the maintenance in-house.

LEISURE, CULTURAL & SOCIAL SERVICES

DAMON-GARCIA SPORTS FIELDS MAINTENANCE

Implementation

Task	Date
Solicit formal proposals for contract maintenance	October 2003
Receive proposals and review cost proposals	November 2003
<i>If cost proposals are less than \$143,700:</i>	
Analyze proposals	December 2003
Interview qualified proposers and select a contractor	January 2004
Award a maintenance contract	February 2004
Start contract maintenance service	July 2004
<i>If cost proposals are greater than \$143,700:</i>	
Submit a requisition for two new maintenance workers	March 2004
Order needed equipment	March 2004
Advertise for applicants	April 2004
Receive applications	May 2004
Interview applicants and select two candidates	June 2004
Begin training	July 2004

Operating Program

Park and Landscape Maintenance

Cost Summary

Line Item Description	Account No.	2003-04	2004-05
Contract Services		0	147,700
Contract Services	100.50200.7227	0	4,000
Landscape and Pruning Contracts	100.50200.7257	0	143,700
Other Operating Expenditures		0	69,500
City Water Service	100.50200.7603	0	65,000
Electric Utility Service	100.50200.7605	0	4,000
Telephone Services	100.50200.7617	0	500
Total Operating Costs		0	217,200

Note: Because of the high amount of water needed to establish turf areas, irrigation costs for the first two years after installation of turf will be about double what ongoing costs will be. Starting in 2005-06, the appropriation for City Water Service at Damon-Garcia should drop to about \$32,000.

LEISURE, CULTURAL & SOCIAL SERVICES

MINOR PARK RENOVATIONS

Request Summary

Completing several minor park renovations will cost \$8,400 in 2003-04 and \$16,800 in 2004-05.

Key Objectives

1. Repair deterioration to park facilities.
2. Restore and preserve the condition of play surfaces.
3. Preserve the safety of ballfield areas.
4. Reduce maintenance workloads.

Factors Driving the Request for Change

Meadow Park Fence Replacement (\$4,800 in 2003-04). The ballfield fencing at Meadow Park is made from a light gauge chain link material. Because this material has not stood up well to typically rough ballfield use, park maintenance crews must continually repair holes in the fencing. Not only is this a maintenance headache, but the holes also present a potential safety problem until they can be repaired. This project will replace the existing fencing material with a heavier gauge chain link that is more suitable for regular ballfield use.

Sinsheimer Tennis Court Windscreen Replacement (\$4,000 in 2003-04). About half of the windscreens at the Sinsheimer Tennis Courts have deteriorated to the point where they no longer deflect the wind and cannot be repaired. Without functioning windscreens, serious tennis play is usually impossible at this location. There is high demand for tennis courts in City parks.

Tennis Court Resurfacing (\$8,600 in 2004-05). The tennis courts at French and Islay Parks have never been resurfaced. After heavy use over the last ten years, the court surfaces are beginning to crack and peel. This situation should be corrected in the near future so that moisture will not penetrate to the base material and destroy the integrity of court. Because similar maintenance at the Sinsheimer Tennis Courts have been deferred for several years, the repair cost for those surfaces has risen to \$25,000.

Picnic Table Top Replacement (\$8,200 in 2004-05). There has been a steadily increasing demand for group barbecue facilities that can be rented at City parks. After several years of use, the picnic table tops in the barbecue areas of nearly all City parks have deteriorated to the point where they are ready for replacement. Not only have they received heavy regular use, but they have also suffered damage from vandalism and skateboard grinding.

Operating Program

Park and Landscape Maintenance

Cost Summary

Line Item Description	Account No.	2003-04	2004-05
Contract Services		8,400	0
Building and Construction Contracts	100.50200.7219	8,400	0
Minor Capital		0	16,800
Capital Maintenance Projects	100.50200.7957	0	16,800
Total Operating Costs		8,400	16,800

LEISURE, CULTURAL & SOCIAL SERVICES

PERFORMING ARTS CENTER OPERATING SUBSIDY INCREASE

Request Summary

Providing the City's share of operating budget subsidy, including routine maintenance, utilities, reserves for operations, major equipment maintenance and replacement, for the Performing Arts Center (PAC) will cost an additional \$17,600 in 2003-04 and \$24,000 in 2004-05.

Background

The City first began exploring the concept of a performing arts center (PAC) in the mid 1980's. In early 1987, a memorandum of agreement was entered into between the University, the Foundation for the Performing Arts Center (FPAC), and the City to prepare a "development agreement" that would set forth the kind of facility collectively desired, and the responsibilities of the parties involved. Ultimately, in 1989, the parties agreed that the land would be donated by Cal Poly, and facility construction costs paid 2/3 by the University, 1/6 by FPAC, and 1/6 by the City. Construction began in 1994, and the PAC's grand opening occurred in October 1996.

Upon completion of construction, the PAC still requires long term and day-to-day management of a complex facility. This includes such things as: overseeing operation and facility use policies, scheduling and promoting events, working with community groups, ticketing, maintaining building and grounds, and insurance. The parties executed an operating agreement in 1993 that established the Central Coast Performing Arts Center Commission to oversee PAC operations. The City is a member of the Commission, and the Mayor and Assistant CAO represent the City on its Board of Directors.

Although the original Operating Agreement signed by the partners obligated the City and FPAC to share on an equal basis any operating deficit, it eventually became apparent that this was an unrealistic expectation. Accordingly, on May 23, 2002, the Council adopted revisions to the Operating Agreement that established a formula for sharing the operating deficit between all the partners, 1/6 by the City, 1/6 by FPAC and 2/3 by Cal Poly. The initial estimate of the cost to the City was \$200,000 for the first year, with relatively small incremental changes predicted over the next eight years.

Key Objectives

1. Provide an on-going operational subsidy, similar to that provided by other cities with performing arts centers.
2. Assure that the PAC is managed in a quality manner to fulfill its central purpose, which is to enhance the cultural life of the community
3. Provide for major maintenance and repair to avoid costs in the future through good planning and management today.
4. Allow for the creation of an operations reserve.

Factors Driving the Request for Change

1. The City's obligations under the Operating Agreement for the San Luis Obispo County Performing Arts to share the cost of any operating deficit on a 1/6, 1/6, 2/3 basis with the other partners
2. The increase in operating costs expected by the PAC, particularly in the area of insurance premiums, employee benefit costs, custodial services and utilities.
3. The fact that the City's failure to meet its 1/6 obligation toward the deficit would have an actual effect on the PAC budget of decreasing funding by \$105,600 when FPAC and Cal Poly decreased their share to retain the agreed proportion of 1/6, 1/6, 2/3.

LEISURE, CULTURAL & SOCIAL SERVICES

PERFORMING ARTS CENTER OPERATING SUBSIDY INCREASE

4. The PAC Finance Committee has scrutinized the budget to minimize the deficit as much as possible, and even with the proposed increase in partner funding, the PAC will be required to reduce administrative staff and ticket office hours, eliminate certain outreach programs, reduce publicity for events and increase some fees charged to users of the facility.

Alternatives

Continue the status quo. Maintain the current level of support at \$200,000 per year. This alternative would have the effective result of reducing the PAC budget by \$105,600 and would not be in accordance with the current Operating Agreement.

Operating Program

Cultural Services

Cost Summary

Line Item Description	Account No.	2003-04	2004-05
Contract Services		17,600	24,000
PAC subsidy increase	100.11100.7227	17,600	24,000

LEISURE, CULTURAL & SOCIAL SERVICES

PRADO DAY CENTER SUPPORT

Request Summary

Continuing to contract with the Economic Opportunity Commission (EOC) to operate the Prado Day Center twelve months a year will cost \$50,000 in 2003-04 (\$44,000 from the General Fund, and \$6,000 from interest paid on the Park Hotel loan) and \$50,000 in 2004-05 (all \$50,000 from the General Fund).

Key Objectives

1. Collaborate with other public and non-profit organizations to meet the daytime needs of the homeless.
2. Continue past funding levels for operation of the Prado Day Center.
3. Replace funds previously allocated to EOC from the CDBG Program and the Park Hotel Fund.
4. Maintain service levels at Prado Day Center.

Factors Driving the Request for Change

The Prado Day Center first opened its doors to the homeless in 1997. Since that time, it has served the needs of 75-90 homeless and hungry individuals each day. In 2000, the Center increased services to a year-round, seven day a week operation providing a daily lunch program through People's Kitchen, facilities to meet basic client needs for showers, laundry, storage and daytime shelter, and on-site programming of health and social service providers directed at fulfilling the day center mission of client self-sufficiency.

Since inception, funding for the Center has been a collaborative effort of the City and County, the Interfaith Coalition for the Homeless, The Downtown Association and the Chamber of Commerce. More recently, the latter two organizations have become members of Friends of Prado Day Center, along with several other organizations and agencies. Current funding comes from the City, County and Friends of Prado Day Center, combined with various private donations and grants. Initially, the City funded its full commitment to the Prado Day Center (\$40,000/year later increased to \$50,000/year) with Community Development Block Grant (CDBG) funds for Public Services. When the City's portion of Public Service funds shrunk three years ago, the City allocated funds from the Park Hotel Fund with the realization that it was a finite resource and, once depleted, an alternative funding source would need to be identified. Today, only \$6,000 remains in the Park Hotel Fund for Prado Day Center use, thus triggering the need for General Fund support during the 2003-05 Financial Plan.

Alternatives

Continue the status quo. If Council chooses to use just the Park Hotel Funds, it would mean that the Prado Day Center would have to reduce service levels by \$44,000 during 2003-04 and \$50,000 per year thereafter. This represents nearly a 20% service reduction, or one-third of their staffing. In this case, the program would most likely close its doors on the weekends, spilling 75-90 homeless and needy people on to the streets during the daylight hours.

Operating Program

Housing Assistance Program

Cost Summary

Line Item Description	Account No.	2003-04	2004-05
Contract Services		50,000	50,000
Prado Day Center Subsidy	100.10100.7227	50,000	50,000

COMMUNITY DEVELOPMENT

CONTINUED FULL-TIME CONTRACT PLANNER

Request Summary

Extending the contract Associate Planner position approved in 2001-03 for an additional 24 months to provide the resources needed to handle increased permit activity will cost \$81,500 in 2003-04 and \$85,500 in 2004-05.

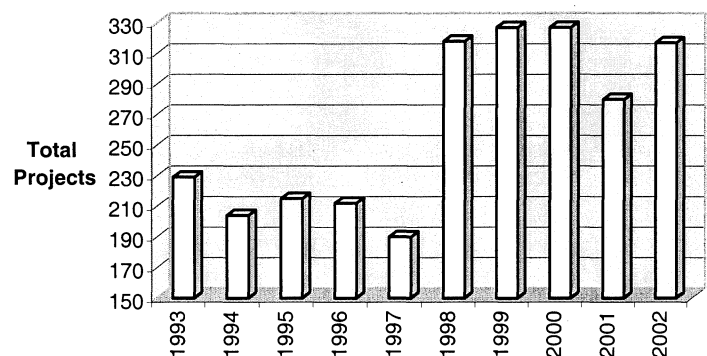
Key Objectives

1. Provide adequate staffing levels to accomplish Major Council Goals and Other Council Objectives for which Community Development has primary or support responsibility.
2. Provide adequate staffing levels to accomplish Advisory Body Work Program Goals and Objectives.
3. Manage a permit load that remains at elevated levels as well as keep up with the trend of more complex projects being applied for involving issues of greater community wide-interest.
4. Provide adequate staffing levels to meet the City's legal responsibilities of the State Permit Streamlining Act.
5. Maintain desired levels of customer service and community support.
6. Avoid reduction of support to economic development, natural resource management, Parks and Recreation, and Public Works CIP programs.
7. Provide applicants and the community with quality review that can only be accomplished with sufficient time to work on development permit applications.

Factors Driving the Request for Change

1. Permit loads have remained at the higher than normal levels; a fact that began in 1998 with the improved local economy. In addition, the department continues to receive a large number of complex planning applications of greater community-wide interest, that typically involve more extensive staff resources to provide full policy and environmental analysis. The current staffing resources for the division have been supplemented over the past four years to address this increased permit activity with a contract Associate Planner that has not been funded beyond June of 2003.
2. Many larger projects that were processed during the 2001-03 budget cycle are now or will soon be in the construction stage which involve extensive support to ensure that mitigation measures and project conditions are complied with. Thus the planning staff will continue to work on these projects after they are approved.
3. Increased volume of interdepartmental coordination responsibilities with other City programs. In addition, the large volume of complex projects in process requires greater involvement by more City Departments.
4. Council policy to increase cost recovery from 45% to 100% in the department should carry with it a commitment to maintain sufficient resources to ensure that applicants are not paying more for less service.

Annual Planning Application Totals



COMMUNITY DEVELOPMENT

CONTINUED FULL-TIME CONTRACT PLANNER

5. Maintain organizational vitality in light of increased workloads by maintaining a manageable ratio of planners to applications/assignments.
6. The State Permit Streamlining Act mandates minimum processing times for the City to evaluate development proposals. Failure to act on projects within these mandated processing times may result in a project being “deemed approved” without sufficient community review and staff analysis. The cumulative slowing in permit processing due to continued high permit volumes and reduced staffing to handle those volumes, will result in possible non-compliance with the Permit Streamlining Act within six months following a 25% reduction in staffing resources in the Development Review Division. The division has had three-fulltime permanent Associate Planners and one fulltime contract planner assigned to permit processing since 1999. Elimination of the Contract Associate Planner with adoption of the 2003-05 budget will result in a reduction of processing resources by 25%.

Alternatives

1. ***Let the contract expire on June 30, 2003.*** Given the Department’s current workload, this alternative would have significant detrimental impacts that would not allow the division to maintain current levels of service to the community. The time necessary to process development review applications would increase. This will lead to customer dissatisfaction and complaints to City Council members similar to those expressed before the department reformed the process in 1993. In addition there would be increased overtime. As discussed above, the loss of 25% of the Division’s Associate Planner workforce will result in a slowing in permit processing to a point where the City may no longer be able to comply with the State mandated Permit Streamlining Act.
2. ***Provide the added staffing with a part-time contract planner for two years.*** This alternative would provide some added staff resources, but clearly at a level that will not be able to keep pace with the expected planning applications and other work assigned to the division.
3. ***Budget More Overtime.*** Cost would be less than funding the contract position. However, the Department’s overtime budget has already increased due to the high permit load. Planning staff cannot be expected to work more overtime than they already are being asked to do.
4. ***Further Streamline the Development Review Process.*** By eliminating certain planning application requirements such as architectural review, use permit processing for development exceptions, or making appeals more difficult to file (i.e. charge a nominal appeal fee), the permit load could be reduced. Permit procedures have already been streamlined to the maximum extent possible for this quality conscious community, so continued planner resources is needed to respond to the continued pace of private and public projects going through the review process.
5. ***Transfer staff from the Long Range Planning Program.*** This alternative would result in full staffing of the Development Review Division to maintain adequate resources to process planning applications. However, the alternative would have serious consequences on the Long Range Planning Program that is responsible for several key Council goals and mandates including updating the City’s Housing and Conservation Elements. In addition, programs such as preparation of the Airport Area and Margarita Specific Plans could not proceed without proper staffing. Finally, support to our Cultural Heritage Committee, Planning Commission, and City Council on Long Range planning activities would not be possible.
6. ***Add a regular staff position.*** Given the uncertainty of permit workloads beyond 2003-05, this approach is not recommended.

COMMUNITY DEVELOPMENT

CONTINUED FULL-TIME CONTRACT PLANNER

Operating Program

Planning Development Review

Cost Summary

The total cost to extend the current contract Associate Planner position will be \$81,500 for the 2003-04 fiscal year and \$85,500 for 2004-05. The annual cost would be more than covered by changes to the departments fee system for 100% cost recovery with its estimated of \$500,000 in increased revenues.

Line Item Description	Account No.	2003-04	2004-05
Staffing		81,500	85,500
Salaries - Contract	100.40200.7012	60,700	60,700
Retirement Contributions	100.40200.7040	10,600	14,600
Health & Disability	100.40200.7042	6,700	6,700
Medicare	100.40200.7044	900	900
Unemployment Insurance	100.40200.7046	200	200
Workers Comp Insurance	100.40200.7048	2,400	2,400
Total Operating Costs		81,500	85,500

COMMUNITY DEVELOPMENT

AIRPORT AREA ANNEXATION FEES

Request Summary

Completing the Airport Area annexation will cost \$11,900 in 2003-2004 for LAFCo application filing fees.

Key Objectives

1. Annex the balance of the Airport Area to the City.
2. Mitigate the impacts of the area developing in its present manner.
3. Capture area sales tax revenue to pay for city services.

Factors Driving the Request for Change

1. **Implement the City's goal and General Plan policy to annex the Airport Area.**
2. **Complete the annexation of the Airport Area in one step rather than numerous incremental steps.** This will depend on the degree of property owner support in the area. If there were sufficient support for an area-wide annexation, a single annexation would be substantially more efficient in terms of staff resources than numerous incremental annexations leading to accomplishing the same goal.
3. **Realize greater efficiency in constructing infrastructure and public facilities in the area.** It will be more efficient and cost effective to install some of the infrastructure that will serve the area as complete units rather than in a piecemeal manner on a property-by-property basis. Having the entire area within the City limits will greatly simplify extending services or roads to developing areas by avoiding the need for extra-territorial agreements with the County to extend City services across land under the County's jurisdiction.
4. **Control the quality of development in the Airport Area.** Properties in the Airport Area continue to develop under the County's jurisdiction. Because the County approves these developments, the City does not have the authority to ensure that the quality of the development will contribute to the character desired for the area and the City's unique sense of place.
5. **Obtain participation in paying for public facilities and urban services.** Unless the City has the authority to approve development proposals it cannot insure that development impacts, such as increases in area-wide traffic, are adequately mitigated. In addition, properties that develop do not contribute to the cost of providing city services to the area. One of the primary mechanisms of obtaining impact fees is the development approval process. It is difficult to obtain fees for services from properties already developed. Development impact fees as a means of contributing their share of the costs are generally preferable to property owners because there is an obvious linkage between what they are getting for what they are paying (development entitlement & services in exchange for the fee). Assessment districts are more problematic because property owners who have already developed their property or who do not intend to develop in the near future pay the assessments regardless. Therefore, annexation while there remains significant development potential removes a potential obstacle to the City achieving its goal of serving the area with City services.
6. **Capture Airport Area sales tax revenues.** The Fiscal Impact Analysis on the Airport Area annexation, updated in June 1998, indicated that initially, the Airport Area annexation would have a net benefit of \$450,000 annually. This net fiscal benefit was projected to increase to \$750,000 annually at build out. This revenue is necessary to offset the long-term costs of providing the additional housing opportunities in the City shown in the General Plan. As the Airport Area develops under County jurisdiction, it creates more jobs and

COMMUNITY DEVELOPMENT

AIRPORT AREA ANNEXATION FEES

pressure for additional housing in the City. The City provides services to the new employees and residents generated by development in the area. Given that the area will develop whether or not it is in the City's jurisdiction, it benefits the City to capture revenues from the area to mitigate the impacts on the City's ability to provide housing.

7. **Provide an inventory of land to accomplish economic development goals.** The Airport Area provides the land resource necessary to accomplish the City's economic development goals, including providing a location for local businesses to expand and to accommodate the targeted industries that will provide household supporting incomes for City residents.

Alternatives

1. **Continue the status quo.** The interim annexation program is currently suspended. The City could reinstate this program. Annexing the entire area, which is the goal identified in the General Plan and the basis of the fiscal impact evaluations, could take an indeterminate amount of time or not happen at all if left to a piecemeal property owner initiated annexation process. Numerous incremental annexations would consume more staff resources than a single annexation. This may result in unnecessary costs incurred for interim infrastructure solutions that may have been avoided by installing planned system components in areas not annexed. Failing to annex the Airport Area in the long-term would result in a loss of long-term revenue needed to offset the cost of providing services to the additional residential development envisioned by the City's General Plan.
2. **Defer the annexation.** Area-wide annexation could be deferred. This may result in unnecessary costs incurred for interim infrastructure solutions that may have been avoided by installing planned system components in areas not annexed.
3. **Implement it in a different way.** The City could combine annexing the balance of the Margarita Area with the balance of the Airport Area. This would be more efficient in terms of staff resources but would not save a substantial amount of the money needed for paying the annexation and recording fees.

Implementation

The following table identifies the remaining milestones in the completion of the Airport Area Specific Plan and target months for completing these milestone tasks culminating in the Airport Area annexation.

Task	Date
1. Adopt Specific Plan	March 2004
2. Complete Annexation	
a. Prepare official map and legal description	May 2004
b. Submit LAFCo annexation application	June 2004
c. LAFCo Hearing	August 2004
d. City Protest Hearing	October 2004
e. Completion of annexation process	January 2005
f. Election (if necessary)	March 2005
g. Completion of annexation process involving election	June 2005

COMMUNITY DEVELOPMENT

AIRPORT AREA ANNEXATION FEES

Operating Program

Long Range Planning

Cost Summary

Line Item Description	Account No.	2003-04	2004-05
Other Operating Expenditures		11,900	0
Annexation Fees to LAFCo for MASP	40400 7287	11,900	

COMMUNITY DEVELOPMENT

MARGARITA AREA ANNEXATION FEES

Request Summary

Completing the Margarita Area annexation will cost \$11,900 in 2003-2004 for LAFCo application filing fees.

Key Objectives

1. Annex the balance of the Margarita Area to the City.
2. Provide additional residential land inventory to improve the City's jobs/housing balance.
3. Simplify the process of extending services and roads into the Margarita Area. The draft phasing plan for the area allows each property owner to proceed with the development of part of their property in the first phase (provide water supplies are adequate). It may be more efficient to install some of the infrastructure that will serve the area as complete units rather than in a piecemeal manner. Having the entire area within the City limits will greatly simplify extending services or roads to developing areas.
4. Remove an obstacle to annexing the Airport Area. Any attempt to annex the Airport Area first would leave the Margarita Area an island of unincorporated land, which is not allowed by LAFCo rules.

Factors Driving the Request for Change

1. The need for additional residential land to provide housing within the City.
2. The pending completion of the Margarita Area Specific Plan.
3. The need to pay the fees necessary to complete the annexation of the Margarita Area.
4. The pending completion of the Airport Area Specific Plan and the General Plan policies that the airport area be annexed.

Alternatives

1. ***Continue the status quo.*** Do not complete the annexation of the remainder of the Margarita Area or wait for individual property owners to request annexation. This may result in unnecessary costs incurred for interim infrastructure solutions that may have been avoided by installing planned system components in areas not annexed. Piecemeal annexation consumes more staff resources than one area-wide annexation.
2. ***Defer or re-phase the request.*** Wait to complete the annexation to some time in the future. This may result in unnecessary costs incurred for interim infrastructure solutions that may have been avoided by installing planned system components in areas not annexed. It could also delay the annexation of the Airport Area.
3. ***Implement it in a different way.*** The City could wait for property owners to request annexation of their individual properties. This alternative would recover some of the costs needed for application and recording fees. This type of piecemeal annexation consumes more staff resources than one area-wide annexation. The City could combine annexing the balance of the Margarita Area with the balance of the Airport Area. This would be more efficient in terms of staff resources but would not save a substantial amount of the money needed for paying the annexation and recording fees.

COMMUNITY DEVELOPMENT

MARGARITA AREA ANNEXATION FEES

Implementation

The following table identifies remaining milestones in the completion of the Margarita Area Specific Plan and target months for completing these milestone tasks, which will culminate in annexing the remainder of the Margarita Area.

Task	Date
1. Adopt Specific Plan	January 2004
2. Complete annexation	
a. Prepare official map and legal description	February 2004
b. Submit LAFCo annexation application	March. 2004
c. LAFCo Hearing	May 2004
d. City Protest Hearing	July 2004
e. Completion of annexation process	October 2004

Operating Program

Long Range Planning

Cost Summary

Line Item Description	Account No.	2003-04	2004-05
Other Operating Expendiures		11,900	0
Annexation Fees to LAFCo for MASP	40400 7287	11,900	

COMMUNITY DEVELOPMENT

MONTEREY PLAZA TECHNICAL AND ENVIRONMENTAL STUDIES

Request Summary

Performing the technical and environmental studies for a possible public plaza to be established within the Monterey Street right-of-way between Santa Rosa Street and Osos Street will cost \$75,000 in 2004-05.

The plaza could provide a civic space not unlike the Mission Plaza but with a more formal feel that should add to the pedestrian ambiance of the downtown as well as a link to the “uptown” area. This has been identified as a Major City Goal.

Key Objectives

1. Begin implementation of a 2003-05 Major City Goal and one part of the *Conceptual Physical Plan for the City's Center*.
2. Pursue the creation of a “Monterey Plaza” for civic gatherings and passive recreation, dependent upon the Copeland project.

Factors Driving the Request for Change

The *Conceptual Physical Plan for the City's Center* recommends that a public plaza be created on Monterey Street and that it be closed to traffic for special events. When the County initiated its current effort to construct a new administrative complex, the City Council authorized staff to hire that project's architect, Kaplan-McLaughlin-Diaz (KMD), to prepare concept drawings for a public plaza. KMD provided several preliminary sketch plans and is working with the staff to produce a final concept for consideration by the City Council (see action plan, Task #1 below). The conceptual design addresses the physical appearance of the street and minor functional items such as parking. Drainage, traffic flow, and costs were not considered in this study.

Alternatives

1. **Continue the status quo.** The current work by KMD will end with the completion of alternative conceptual plans for the plaza.
2. **Defer or re-phase the request.** Deferring the studies and completion of the plaza will delay the community benefit of improved public spaces and facilities in the City.
3. **Implement in a different way.** City staff could prepare the studies that are the next task in bringing the plaza from concept to reality. This would require that the plaza studies be made a higher priority than the other high priority tasks and public services already on the staff work programs. Because staff resources are being stretched further than ever by recent budgetary constraints, this alternative is not recommended.

Implementation

Task	Date
1. Consultant completes concept drawings.	July 1, 2003
2. After advisory body and public review, Council identifies preferred design concept(s) and establishes the scope of technical and environmental studies (such as circulation, access, utility and drainage analysis, and project phasing).	July 1, 2004
3. Consultants complete technical studies and environmental documents and project design is modified, as necessary, to address findings.	June 30, 2005

COMMUNITY DEVELOPMENT

MONTEREY PLAZA TECHNICAL AND ENVIRONMENTAL STUDIES

Cost Summary

Line Item Description	Account No.	2003-04	2004-05
Contract Services		0	75,000
Technical studies analyzing circulation, access, drainage, environmental impacts and project phasing.	40400 7227		75,000

COMMUNITY DEVELOPMENT

CONTRACT HOUSING PROGRAMS COORDINATOR (CDBG)

Request Summary

Adding a contract Housing Programs Coordinator to administer and expand the City's housing programs, aggressively seek grants, low-interest loans, public-private housing partnerships and other types of affordable housing assistance, coordinate with public and private agencies, manage the Community Development Block Grant (CDBG) program, provide technical assistance, prepare federal environmental documents, monitor grantee performance, and maintain grant records will cost \$68,700 in 2003-04 and \$93,200 in 2004-05. The cost of this position will be fully funded by the City's CDBG allocation.

Key Objectives

1. Provide a significant increase in the staff time that can be focused directly on housing programs.
2. Develop new programs to promote affordable housing which address a broad range of housing needs and income levels, including rehabilitation loans, development incentives, homebuyer assistance, renter assistance, group and senior housing, and related community development and zoning programs to assist housing initiatives.
3. Expand 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.
4. Assist citizens, non-profits, advisory bodies, staff and others seeking CDBG, HOME or other grants for community-wide housing, homeless, and community development programs.
5. Work closely with Cal Poly and Cuesta to provide on- and off-campus for their students that does not disrupt existing City neighborhoods.
6. Manage the City's federal grant programs and maintain high quality customer services through expeditious application review, processing and reporting.
7. Monitor grantee performance to ensure effective use of grant funds and to ensure compliance with federal grant rules and fair housing requirements.
8. Update and maintain the City's Housing Element, and administer housing policies, programs and city-owned housing.
9. Monitor affordable rental and ownership housing to assure that it is being utilized consistent with the City's housing programs and the conditions placed on the housing when approved.

Factors Driving the Request for Change

1. A major City Council goal for 2001-2003 and 2003-2005 has been to expand affordable housing in San Luis Obispo. Increasing the staff time available and focusing responsibility for housing and grants programs on will allow the City to more aggressively pursue a variety of housing grants and programs, and more effectively work with developers and non-profits to increase the City's affordable housing supply.
2. The City is at a critical juncture with regard to housing. Two major annexations are planned with the potential to add around 2,000 dwellings in the City. The Housing Element is being updated in 2003 with general interest in creating opportunities for new and varied housing types within the expansion areas as well as the existing neighborhoods. Significant statewide funding for affordable housing through Proposition 46 grants, the California Housing Finance Agency's *HELP* Program, and the State's new "Downtown Rebound" hotel rehabilitation program will demand competitive grant applications.

COMMUNITY DEVELOPMENT

CONTRACT HOUSING PROGRAMS COORDINATOR (CDBG)

3. A primary strategy for producing affordable housing is to buy down land costs. The City can currently allocate some CDBG funding and Affordable Housing Fund money for that purpose. There are few sources of contributions to the Affordable Housing Fund. Actively pursuing grants could significantly add to this fund and the City's ability to partner with non-profit agencies or a countywide affordable housing fund that can build and manage affordable housing.
4. Housing has become a complex, highly dynamic function within community development, requiring specialized knowledge and focused contacts and efforts.
5. The City's ability to effectively "cover" housing issues and programs while pursuing new opportunities is constrained, because the City's primary staff person responsible for housing programs is also responsible for several other major planning tasks. Consequently, important housing functions and opportunities are likely being overlooked.
6. About \$175,000 in Community Development Block Grant Funds is available annually to help the City implement its housing and grant programs, however the administrative funding is going largely unused, due in part, to staff's limited time to focus on housing and grant programs.
7. Based on the experiences of many other communities with similar positions (including Paso Robles and Santa Maria, locally), the additional funding sources obtained and enhanced housing services provided through a position dedicated to housing and grants justifies the commitment of resources.

Alternatives

1. **Continue the status quo.** Existing work demands for planning staff, including General Plan administration, permit application reviews and increasing demands of program administration and special projects, inhibit the City's ability to develop new affordable housing funding sources, programs or services unless reductions are made in other priority projects.
2. **Defer or re-phase the request.** Deferring the request will prevent the City from capitalizing on recently announced funding opportunities. Deferring the request could limit the City's ability to incorporate new affordable housing strategies in the residential expansion areas that are currently being planned.
3. **Implement it in a different way.** The tasks for which additional resources are needed are ongoing. The greater the familiarity with the City's standards and processes, as well as the technical, financial and legal components of housing and grants, the more efficient the work will be. Contracting for services needed could be done through a private planning firm or through a contract employee. Because there is no time in the foreseeable future when the services will no longer be needed, however, a permanent, full-time City employee is the most efficient way to provide these services. If contracting is used, an as-needed contract, or year-to-year contract will be needed. It is often difficult to retain a permanent employee with an uncertain or short-term contract. Turnover of contract employees would compromise the efficiency of the services the City would be seeking.

Some of the duties required for the CDBG program and other types of grants and loans may be effectively contracted out. For example, the Housing Authority of the City of San Luis Obispo, a housing non-profit agency, or a private firm could be contracted to provide the grant monitoring and income eligibility verification to ensure compliance with federal or state requirements. This task would not require day-to-day activity and the consultant's organizational experience and in-place procedures for this type of work would probably be as efficient as using City staff. These duties currently account for a relatively small part of the "housing planner's" responsibilities. As City housing programs expand, however, their importance and necessity will increase, particularly as part of the detailed annual auditing and reporting required of HUD

COMMUNITY DEVELOPMENT

CONTRACT HOUSING PROGRAMS COORDINATOR (CDBG)

grantees. City staff could provide a more direct and better-coordinated relationship with Cal Poly and other non-profit agencies.

4. **Reclassify an existing position.** An existing Associate Planner could become the Housing Program Coordinator with that position funded through the CDBG program. Because the existing Long Range Planning associate typically spends 60% of his time on non-housing or CDBG related activities, a reclassification would reduce the Long Range Planning Division's planning resources by approximately 25%. This will impact the Division's ability to address many of its existing work program items such as advisory body support, interagency coordination, General Plan maintenance, and new area plans.

Implementation

The position would be funded through CDBG Program Administration funds, since the primary duties of the new position would be the overall administration of the CDBG program, affordable housing programs and other grant-eligible activities. Council approved the 2003 CDBG program with the provision for the use of program administration funds for expanded affordable housing administration. That approval did not commit the City to the position but does provide the funding source provided the Council chooses to use it.

Task	Date
Begin Recruitment for Housing Programs Coordinator position	July 2003
Hire Housing Programs Coordinator	Oct 2003

Operating Program

Long Range Planning

Cost Summary

The following cost summary is for one housing planner with the standard CDBG training allowance and a workstation. It is possible that department staffing levels may eliminate the need for an additional workstation.

Line Item Description	Account No.	2003-04	2004-05
Staffing		65,700	92,200
Salary at Senior Administrative Analysts Level	40400-7012	49,800	66,500
Retirement		8,700	16,000
Health & Disability		5,000	6,700
Medicare		100	100
Unemployment		200	300
Workers Compensation		1,900	2,600
Other Operating Expenditures		3,000	1,000
Training	40400-7459	1,000	1,000
Computer workstation	40400-7413	2,000	
Total Operating Costs		68,700	93,200

Funding Analysis. The new position would be funded through the City's formula Community Development Block Grant (CDBG), which totals about \$875,000 annually. Of this, the City may use up to 20 percent for program administration, or about \$175,000. Since the beginning of the City's CDBG program in 1994, program administration costs have averaged about 9 percent of annual CDBG funding. CDBG Program Administration funds may be used to pay the costs related to planning and carrying out the City's approved CDBG, HOME, or

COMMUNITY DEVELOPMENT

CONTRACT HOUSING PROGRAMS COORDINATOR (CDBG)

other federal grant-funded activities. CDBG funds can also cover a broad range of other eligible activities that could assist the Housing Programs Coordinator, including:

1. Citizen participation costs (hearings, neighborhood meetings, publications)
2. Applications for federal programs
3. Planning and capacity building
4. Developing affordable housing programs for low/moderate income persons
5. Grant monitoring activities, reporting and environmental review
6. Interagency and grantee agreements

It is likely that CDBG funding for the position will be available for the foreseeable future. The City does not compete for its CDBG grants. It is a formula grant recipient under federal CDBG rules. Because of the national importance of the CDBG program for a wide array of critical housing, community development, public service and emergency needs, it is highly unlikely the program will be significantly cut back or eliminated. The City's annual CDBG has remained relatively constant during the past nine years of participation in the program. Congressional action indicates support for CDBG funding remains strong and with the possibility of consolidation of additional federal funding under the block grant program in the future. In the unlikely event that federal funding was curtailed or the City were no longer eligible for grant funds, the need and funding method for the position would need to be re-evaluated.

COMMUNITY DEVELOPMENT

CONTINUED FULL-TIME CONTRACT BUILDING INSPECTOR

Request Summary

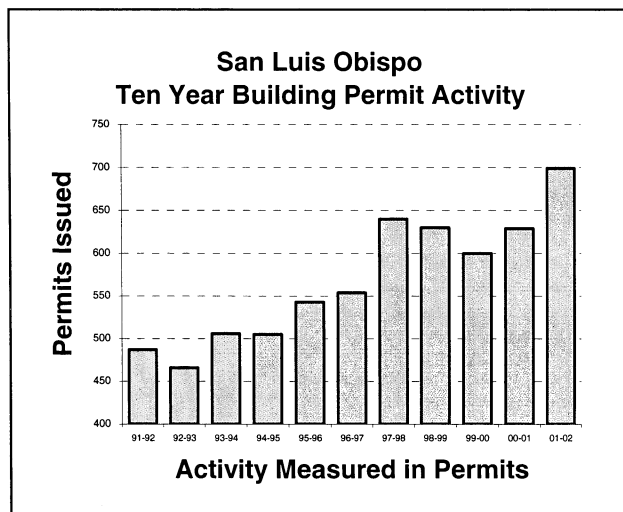
Continuing a contract full-time Building Inspector position to provide adequate staff resources for construction inspection workloads will cost \$70,200 in 2003-04 and \$73,400 in 2004-05.

Key Objectives

1. This request will supplement existing inspection staff, thereby providing necessary resources to satisfy the increased demand for construction inspection, triggered by a substantial increase in the number of permits issued.
2. This request will allow inspection services to be timely, and consistent with past service delivery levels, and a reasonable accommodation in return for permit fees paid.
3. This request will allow continuation of the expanded effort for code enforcement initiated in February 2003, which allows one full-time staff person to be devoted to violation case management, violation prevention programs, and community outreach.

Factors Driving the Request for Change

1. Construction activity has continued to increase, particularly at an unprecedented rate during the previous 24 months. At the conclusion of calendar year 2002, the Building & Safety Division reported an all-time high for the numbers of permits issued and dwelling units permitted, as well as the total construction valuation for permits issued. The number of permits issued in 2002 was 40% greater than 2000; construction valuation for the 2002 permits (\$79,148,791) was 75% greater than the 2000 permit value (\$45,562,051). The number of dwellings permitted in 2000 (83 units) increased by 425% (353 units) in 2002. This pace of permit and inspection activity is expected to continue for at least the next 2-year budget period, based on the number of projects approved through the planning process and the market conditions.



The number of inspections conducted has steadily risen over the past 12 months. On average, the Division receives 48 inspection requests daily. The industry standard for the number of inspections that a single inspector can adequately conduct, allowing for inspection and travel time, is 14-16 inspections per day. A staff of 3 inspectors is necessary to satisfy the daily demand for inspection services

and to conduct over 400 field investigations annually in support of code enforcement. The Building & Safety Division currently has only two permanent full-time inspectors (one Senior Building Inspector and one Building Inspector). In addition, several large projects will be constructed during the next two years, such as the Copeland's Court Street Project, Palm-Morro Parking Structure, Costco, Marketplace, etc., that will require an inspector to be dedicated to these special projects to help maintain a timely construction schedule. A temporary full-time Building Inspector was added at the beginning of January 2003, through temporary funding that will end June 30, 2003. This request will continue the staffing confirmed to be necessary to accommodate the anticipated inspection workload.

COMMUNITY DEVELOPMENT

CONTINUED FULL-TIME CONTRACT BUILDING INSPECTOR

2. There have been requests for “more code enforcement” from community groups, especially residential neighborhood organizations. Code enforcement in the Building & Safety Division has consisted of one-half of a position devoted to case management, with building inspectors conducting the majority of the field investigations. Although the Neighborhood Services Manager, after transfer to the Police Department at the beginning of 2000, continues community outreach efforts, it has been determined that separation of code enforcement case management and the many aspects of community relations and outreach is not desirable in the pursuit of City goals. The code enforcement case manager must have the time and skills necessary to pursue the relationships with community groups that will build trust, empathy, and confidence. In Fall of 2002, CAO authorized an interim plan that allowed a staff person to be assigned fulltime to code enforcement in the Building & Safety Division through short term funding to add a temporary Building Inspector. The interim plan included a commitment to study city-wide code enforcement and recommend a long-term solution to be reflected in the next budget period. A staff group, consisting of the Community Development Director, Police Chief, Neighborhood Services Manager, Fire Chief, City Attorney, and Chief Building Official, conducted the review in early March, 2003 and concluded that the best solution is to continue code enforcement in the Community Development Department as organized under the interim plan, with neighborhood conflict resolution to continue to be addressed by the Neighborhood Services Manager. This request, by supplementing inspection and investigation resources, will provide the necessary staff resource to implement more proactive code enforcement activities, present violation prevention programs, and provide community outreach, while providing resources for the Division’s primary mission: which is processing of permits and inspection of permitted construction projects.

Alternatives

1. **Continue the status quo.** Without authorization for additional inspection staff, code enforcement efforts will be curtailed. The Code Enforcement Officer will resume half-time construction inspection duties in order to meet the demand for services that our customers have paid for under permit fees. This is necessary to maintain customer service levels and avoid development community protests to a reduction in the timeliness of inspection services, since the permit fees are considered set at 100% cost recovery. Investigation of alleged code violations, normally occurring within 3 to 4 days of receipt of the information, will likely be delayed to several weeks, and then only those deemed to involve unsafe conditions will receive priority.
2. **Defer or re-phase the request.** Deferral of the request will result in the same scenario outlined above under “continue the status quo”. The additional inspection resource is needed now and throughout the upcoming fiscal periods.
3. **Authorize the Additional Staff as a Regular Position.** The needed inspection resource could be provided by an additional regular Building Inspector position. However, the likelihood of the current level of construction activity continuing beyond the next two-year budget period is difficult to predict. Adding a regular staff person will represent a long-term commitment to an employee in a position that may not be needed when construction activity slows down. The recommended two-year contract position provides a sufficient term and a competitive salary and benefit package that would be attractive to a career inspection professional, with the flexibility to evaluate needs near the end of the 2005-07 budget period and determine if necessary to continue or end this resource.
4. **Contract this need from the private sector.** Private firms exist that provide inspectors on an hourly basis to jurisdictions. However, the rate for a building inspector is approximately \$70.00 per hour, at an annual cost of \$134,000. This cost would be almost twice the total cost of salary and benefits (\$67,000) for a City employee doing the same work.

COMMUNITY DEVELOPMENT

CONTINUED FULL-TIME CONTRACT BUILDING INSPECTOR

5. *Existing program evaluation.* The Human Resources Department has reviewed this request for an increase in staffing as required by our adopted Human Resources Management Policy and supports the conclusions that (1) increased workload cannot be absorbed by existing staff and (2) contracting for services from the private sector is not an affordable alternative.

Implementation

Implementation would occur shortly after budget approval, since it is likely that the current temporary employee would likely accept an offer to be the contract Building Inspector.

Operating Program

Building & Safety.

Cost Summary

The cost of this program will be offset by permit revenue projections established for the 2003-05 period.

Cost of this request is comprised only of salary and benefits. A workstation exists in the Division for this position and a vehicle for the added inspector will be a surplus police car, available for a two-year period.

Line Item Description	Account Number	2003-04	2004-05
Staffing			
Salary-Regular	100-40700-7012	46,800	46,800
Retirement Contributions	100-40700-7040	8,200	11,400
Health & Disability	100-4070-7042	6,700	6,700
Medicare	100-40700-7044	700	700
Unemployment Insurance	100-40700-7046	200	200
Workers Comp Insurance	100-40700-7048	7,600	7,600
Total Operating Costs		70,200	73,400

COMMUNITY DEVELOPMENT

OPEN SPACE PROPERTY TAXES

Request Summary

Making open space property tax payments will cost an additional \$6,300 in 2003-04 and \$6,500 in 2004-05 (up from \$4,500 in 2002-03) for open space properties outside the city limits. However, partially offsetting this cost is rental income from the use of open space properties.

Background

Accounting for property taxes on newly acquired open space has been a misunderstood factor, and subsequently has “slipped through the cracks” in terms of being anticipated and budgeted. Certain City open space properties, on the other hand, have generated new revenues. For example, the Johnson Ranch was acquired in late 2001. The property was re-assessed under City ownership, and notice duly made of deed restrictions placed upon the property as requirements of certain State grants. The County Assessor’s office assigned a tax obligation of \$5,300 to the property in 2002-03. This amount was paid out of the natural resources protection program operating budget. However, rental income for the same period was approximately \$7,500. Similarly, the rental income from other open space properties for cattle grazing and other purposes has been approximately \$1,000 annually.

These revenues have been shown as general revenue, which did not accurately identify or reflect the offsetting value of this income. By relating these two features, the City can more accurately reflect the “net” cost of property taxes on City-owned open space beyond the City limits.

Key Objectives

Accurately reflect the actual tax costs of land ownership by the City outside of the city limits, and balance this by also accurately reflecting offsetting income from those properties.

Factors Driving the Request for Change

1. In the past, inadequate funding has been allocated for the property taxes on open space acquired by the City outside the city limits
2. Revenues generated by leasing activities on City-owned open space should be used to help off-set the tax cost of the property.

Alternatives

1. *Continue the status quo.* Adequate funding would not be available to pay the City’s property tax obligation on open space property it owns and the relationship between property-related income and property taxes would not be properly reflected.
2. *Annexations.* The Reservoir Canyon property could possibly be annexed into the City limits, as could the Johnson Ranch and the Filipponi Ecological Reserve, if intervening properties were either acquired or the owners acquiesced in annexation. This could result in long-term savings of about \$12,000 per year once the annexations were accomplished. Staff believes that such annexations have merit and will investigate and pursue them if appropriate. However, these are mid-to-long term goals and do not substitute for the current need.

COMMUNITY DEVELOPMENT

OPEN SPACE PROPERTY TAXES

Operating Program

Natural Resources Protection

Cost Summary

Line Item Description	Account No.	2003-04	2004-05
Other Operating Expenditures		6,300	6,500
Taxes and Licenses	100.11250.7301	6,300	6,500
Total Operating Costs		6,300	6,500

As noted above, there is rental income to help offset these costs.

COMMUNITY DEVELOPMENT

IMPROVED TOURISM PROMOTION

Request Summary

Performing a study of advertising effectiveness will cost \$15,000 for consultant services in 2003-04.

Key Objectives

1. Complete an update of the City's prior Advertising Effectiveness Study completed in 2000.
2. Assess the changes in the tourism market since September 11 and the value of electronic and web-based advertising.
3. Determine which components of the City's current promotional program are most effective at bringing tourists to the community so that they can be enhanced. Determine which components of the City's current promotional program are least effective in bringing tourists to the community so that they can be eliminated.
4. Provide the City with market comparisons between the City's program and those of nearby competitors, such as Paso Robles, Monterey and Santa Barbara.

Factors Driving the Request for Change

1. Having detailed information about the City's current promotional program's effectiveness is a critical component to accomplishing one of Council's Major Goals to increase Transient Occupancy Tax (TOT) revenues.
2. Although the City completed an Advertising Effectiveness Study in 2000, both market conditions, especially due to the September 11 event, and the technology by which marketing is done have changed dramatically since the completion of that Study.
3. The City's current Community Promotion Budget is a very small sum when compared to other neighboring communities and in order to use our limited funds most effectively, current and accurate data about the program is vitally important.

Alternatives

1. *Continue the status quo.* The Council could choose to not fund this request. This would result in staff not having all of the information necessary to conduct a high-level analysis of this nature. Also potential new TOT revenues could be lost.
2. *Defer or re-phase the request.* The Council could choose to defer the request to 2004-05. Because the need for this information is immediate, staff does not recommend deferral.

Implementation

Task	Date
Develop RFP for Ad Conversion Study and request proposals	9/03
Select consultant and begin study	12/03
Present results of Ad Conversion Study	4/04
Implement changed Community Promotions Program based on study	2004-05

COMMUNITY DEVELOPMENT

IMPROVED TOURISM PROMOTION

Operating Program

Community Promotion

Cost Summary

Line Item Description	Account No.	2003-04
Contract Services		15,000
Economic Analysis	100.11300.7227	15,000

COMMUNITY DEVELOPMENT

SAN LUIS MARKETPLACE ECONOMIC ANALYSIS

Request Summary

Continuing economic analysis and assistance in negotiations by Economist Allan Kotin on the economic impacts to the City of various aspects of the San Luis Obispo Marketplace Project will cost the City \$20,000 in 2003-04 and \$5,000 in 2004-05.

Background

The San Luis Obispo Marketplace Project presents many opportunities and challenges for the City. The most complex of which are the details surrounding a sales tax sharing arrangement to assist in the financing of a freeway interchange at Prado Road. Economist Allan Kotin has represented the City's interests in this Project for over ten years. It is critically important for continuity and for the City's interests that he stay involved on the City's behalf, until the Project and any agreements associated with it, are presented to Council for consideration.

Key Objectives

Continue to provide the City with high-level economic analysis and advice from qualified Economist Allan Kotin.

Factors Driving the Request for Change

1. Staff and the San Luis Marketplace Team continue to negotiate the deal points that will comprise the terms of the Development Agreement presented to Council for consideration for the San Luis Obispo Marketplace Project. Continued negotiations and finalization of terms require assistance from our Economic Advisor, Allan Kotin.
2. Consistent with Council's Major Goals, the San Luis Marketplace Project represents a significant opportunity for Council to increase sales tax revenue opportunities.

Alternatives

1. *Continue the status quo.* The Council could choose to not fund this request. This would result in staff not having all of the information necessary to conduct high-level negotiations of this nature. Further, it would result in Council making decisions based on insufficient data. Last, the City could incur unanticipated costs and lose potential new sales tax revenues.
2. *Defer or re-phase the request.* The Council could choose to defer the request to 2004-05 or provide a lesser amount of additional funding. Because on-going projects are involved, deferral is not recommended.

Cost Summary

Line Item Description	Account No.	2003-04	2004-05
Contract Services		20,000	5,000
Economic Analysis	100.11200.7227	20,000	5,000

COMMUNITY DEVELOPMENT

ECONOMIC VITALITY CORPORATION REGIONAL MARKETING SERVICES

Request Summary

Continuing contract services with the Economic Vitality Corporation of San Luis Obispo County (EVC) will cost \$10,000 per year in 2000-04 and 2004-05.

Background

The City is one of several local agencies that contract with the EVC for regional marketing services. Other funding agencies presently include the cities of Atascadero, Grover Beach, Morro Bay, Paso Robles, Pismo Beach, and the County of San Luis Obispo. With the exception of the City of Atascadero and the County, the other agencies funded the EVC in the amount of 5,000 for 2002-03. Atascadero and the County were at \$15,000 or more.

In an effort to prevent duplication of efforts, and to outline communication protocols in a competitive field, all of the Cities in the County have entered into a Protocol Agreement with the EVC establishing a framework to be used by the EVC for communication. In recognition of our budgetary constraints staff is recommending funding the EVC at a reduced level (from the current contract amount of \$15,000) in 2003-04 and in 2004-05. Due to previous problems with organization and contract performance (which currently have been resolved), staff recommends the continued evaluation of the EVC's performance under the Protocol Agreement and Regional Marketing Services Agreement to determine future funding levels and participation.

Key Objectives

1. Provide the City's Economic Development Program with assistance in the development of job employment, training and business opportunities for low and moderate income residents
2. Provide *regional* marketing services, consistent with the City of San Luis Obispo's Economic Development Policies, marketing the entire San Luis Obispo County region as a location for new businesses
3. Provide representation of the region by actively participating in the Central Coast Marketing Group (CCMT) to market to this group as well as to regional, state and federal agencies.

Factors Driving the Request for Change

1. The EVC provides regional marketing services to the City that can enhance its Economic Development Program by leveraging scarce human and financial resources.
2. The City has been providing funding to the EVC for the past six years, and we believe it is appropriate to continue this funding, at a slightly reduced rate (in recognition of our budget issues) and continuing funding in 2004-05 pending evaluation of the program.

Alternatives

1. *Continue the status quo.* Council could choose to not fund this request. The City's service delivery could be impacted. It could also send a potentially harmful message to other local agency sponsors who could reduce or eliminate their contributions, resulting in the weakening of countywide economic development efforts by the EVC. Staff recommends continuing to evaluate the EVC's performance under the terms of our Protocol Agreement and Service Agreement and determine future funding upon those evaluations.

COMMUNITY DEVELOPMENT

ECONOMIC VITALITY CORPORATION REGIONAL MARKETING SERVICES

2. *Re-phase the request.* Council could choose to provide a different amount of funding. A lesser amount could send a potentially harmful message to other local agency sponsors who could reduce their contributions, resulting in the weakening of countywide economic development efforts by the EVC. A greater amount could have potentially detrimental effects to the overall balancing of the City's budget.
3. *Defer the request.* Council could choose to defer the request. Deferral would send a mixed message to the EVC and other supporting agencies. Because the EVC is engaged in ongoing activities, deferral is not recommended.

Implementation

Task	Date
Funding Economic Vitality Corporation Regional Marketing Services (quarterly payments)	9/03 - 6/05
Monitoring and evaluating EVC's performance under the terms of the Protocol Agreement and Regional Marketing Contract	Ongoing

Operating Program

Economic Development

Cost Summary

Line Item Description	Account No.	2003-04	2004-05
Contract Services		10,000	10,000
Promotions and Public Relations	100.11200.7227	10,000	10,000

GENERAL GOVERNMENT

INCREASED GENERAL LIABILITY AND PROPERTY INSURANCE COSTS

Request Summary

Premiums for liability and property insurance will increase \$286,000 annually beginning in 2003-04 as follows:

1. The City's self-funded liability insurance premium for 2003-05 will cost an additional \$257,000 in each year to maintain the City's liability insurance coverage.
2. The City's property insurance premium will cost an additional \$29,000 in each year to maintain the City's property insurance coverage.

Key Objectives

1. Maintain the City's liability insurance coverage.
2. Maintain the City's property insurance coverage on all City facilities.

Factors Driving the Request for Change

Liability Insurance

1. Each year the City's self-insurance program administrator, Driver Insurance Services, releases the liability premium amount for the next fiscal year, which includes a "self-insured" amount based on claims up to the point that the excess liability insurance begins to pay. This annual premium is based upon the City's losses over a five-year rolling average; consequently, the premium varies each year.
2. Four claims within the last four years (retaining wall failure, POA lawsuit, fatality as a result of street design/defect, Mardi Gras lawsuit and mobile home rent control lawsuit) have had expenses and reserves of \$100,000 or more each. Most of the expenses in these claims are for defense costs, although there are also amounts reserved for potential awards/settlements. These four claims have had the most impact on our liability premium for 2003-04.
3. A significant increase in the excess liability insurance premium is also expected for 2003-05. As with other insurance coverages, the cost to continue excess liability insurance above the \$250,000 self-insured retention has increased dramatically over the last year and one-half.

Property Insurance

1. For the past several years and prior to September 11, 2001, the property and casualty insurance market had been soft. This meant that prices for automobile, property and liability coverages and workers' compensation declined or held steady for many insurance buyers, including local government. Moreover, competition and very aggressive pricing by insurance companies over the last few years also, until recently, gave rise to a "buyers' market".
2. As is the case with many other segments of the economy, the insurance market is cyclical. The emphasis during the last several years was on reducing prices and selling insurance. After years of competitive pricing, insurance companies were beginning to see some "red ink" from the practice of pricing insurance below losses and expenses. The decline in the stock market in early 2001 compounded by the events of September 11, 2001, drastically weakened the ability of the insurance industry financially.
3. Insurance companies could not sustain continued losses, so they have been increasing premiums at renewal time. Our property insurance rate for 2002-03 doubled, a not-uncommon phenomenon. Although we do not

GENERAL GOVERNMENT

INCREASED GENERAL LIABILITY AND PROPERTY INSURANCE COSTS

anticipate as significant an increase in the premium rate for 2003-04, the addition to the Marsh Street parking structure has increased the volume on which the premium is based.

Alternatives

1. Do not pay the premium and no longer participate in the self-funded Central Coast Cities Self Insurance Fund (CCCSIF). The City is one of 11 cities in the CCCSIF and obtains liability coverage through this group at a reduced premium. If the premium were not paid, the city would no longer experience the group-discounted premium. To obtain liability insurance coverage as a single city would be more expensive. Because the City is self-insured for the first \$250,000 for any claim, the majority of the amount is to fund actual expenses on claims and cannot be avoided.
2. Pursue other risk and insurance pools. The City, through CCCSIF, is exploring liability coverage through a number of other avenues. The next opportunity to review options will be in late March, but a final recommendation is not anticipated prior to the preliminary budget being presented to the City.
3. With an estimated property values of over \$78 Million, property insurance is an important aspect of the City's risk management program. It would not be prudent to "self-insure" our facilities.
4. Increase the deductible. Our current \$10,000 deductible is significant and is the highest in the JPA, so this alternative is not recommended.

Operating Program

Human Resources Risk Management

Cost Summary

Currently, \$613,000 is budgeted for liability insurance. This request represents an additional \$257,000 for liability insurance in each year, bringing the total to \$870,000 in each year.

Currently, \$98,400 in year one and \$100,700 in year two is budgeted for property insurance in the Insurance Premiums line item. This request represents an additional \$29,000 for property insurance for each year of the 2003-05 Financial Plan, for a total of \$127,400 in year one and \$129,700 in year two for that component. Other insurance premiums are also included in that line item.

Line Item Description	Account No.	2003-04	2004-05
Other Operating Expenditures		286,000	286,000
Liability Insurance	100-30200-7725	257,000	257,000
Insurance Premiums	100-30200-7727	29,000	29,000
Total Operating Costs		286,000	286,000

GENERAL GOVERNMENT

REVENUE BALLOT MEASURE FEASIBILITY ANALYSIS

Request Summary

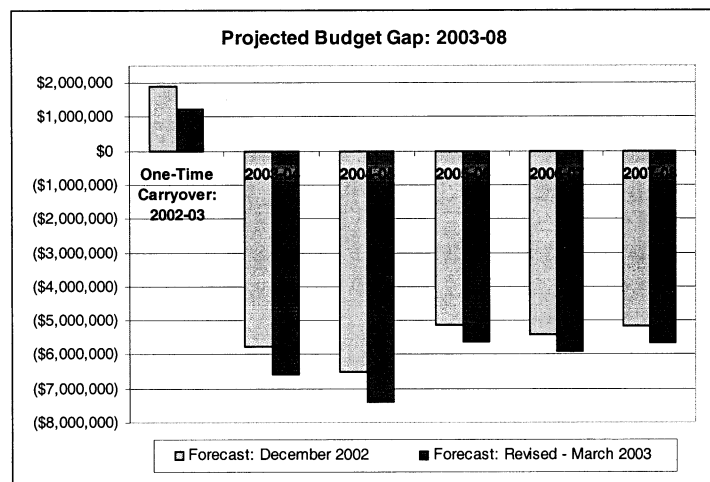
Using professional assistance in analyzing the feasibility of a revenue ballot measure in 2004 will cost \$37,500 in 2003-04.

Background. The results of the five-year General Fund fiscal forecast presented to the Council in December 2002 show that the City is facing our toughest fiscal outlook in many years. The forecast projected an ongoing budget gap of \$5.5 million annually beginning in 2003-04, even if all we do is continue *current* service levels and adequately maintain *existing* facilities and infrastructure. Importantly, this gap assumes no significant State budget takeways, such as the “VLF Backfill,” which would increase the gap by \$1.8 million.

While the forecast projected a “one-time” carryover of \$1.9 million (above our policy minimum) from 2002-03 that helps offset this somewhat, the fact is that we are facing an ongoing problem, which means that “one-time” fixes won’t work. We need to either decrease costs or increase revenues (or some combination of the two) on an ongoing basis.

Since then, we have updated the forecast to reflect new information, most notably the expenditure and revenue changes presented to the Council in February 2003 as part of the Mid-Year Budget Review. As reflected in the sidebar chart, the ongoing shortfall has increased significantly, and the carryover from 2002-03 has decreased by \$700,000. For 2003-05, assuming the use of the carryover (above our policy minimum), the gap increases by \$1.2 million on an annual basis, to about \$6.4 million.

Since the forecast is based on a “maintenance-only” Capital Improvement Plan (CIP), the challenge becomes even greater if the Council wants to achieve other important CIP goals, such as open space preservation, bikeway and pedestrian paths, pavement maintenance, other transportation system improvements creek and flood protection, parks and public safety improvements. As presented to the Council in October 2002, achieving our “end-game” CIP—excluding maintenance—will cost over \$650 million.



Short-Term Budget-Balancing Strategy. We presented the Council with our proposed budget balancing strategy for 2003-05 at the April 10, 2003 budget workshop. Assuming the problem stays about where it is as of March 2003, this proposed budget strategy will go a long way towards stabilizing our budget situation after 2003-05. However, it is based on a significantly reduced CIP that will not be good for the community over the long term. And funding a sufficient CIP beyond 2003-05 will be even harder, since the proposed budget-balancing strategy for 2003-05 uses projected reserves that are above our policy minimum (about \$1.2 million). This won’t be available after 2003-05: we can only use reserves once.

Additionally, while many people say that they want “less government,” the fact is that our surveys—and our daily experience—show that we mostly face requests for more service, not less. So, while our immediate goal for 2003-05 is to “stop the bleeding,” we will have to continue to work on ways of “re-tooling” the organization and developing new revenue sources if we want to meet our community’s needs and hopes for the long term.

REVENUE BALLOT MEASURE FEASIBILITY ANALYSIS

Revenue Ballot Measure. Under Proposition 218, implementation of any significant new revenues will require voter approval. A number of communities have been successful in doing so; however, this has only occurred when there have been serious fiscal problems of crisis proportions, or a compelling vision for the use of the new revenues.

Although they were driven by very different factors—hopes versus fears—all of these successful efforts share one thing in common: they were the result of extensive community-based efforts, which included a combination of outreach tools and professional assistance to use them effectively such as scientific public opinion research, education programs and a strong follow-on advocacy group that will aggressively raise funds and campaign for the issue once it is on the ballot.

This last issue cannot be stressed enough. Under State law, cities have broad discretion in using their funds for professional assistance in researching issues, conducting surveys and developing voter support strategies. However, once an issue becomes a formal ballot measure, cities cannot participate as an advocate in any way. In short, unless there is a strong community-based group that is willing to aggressively raise funds and campaign for the measure, it is not likely to pass.

Related Past Work. The City completed a similar analysis in May 2000 with the assistance of The Lew Edwards Group and Fairbank, Maslin, Maullin & Associates (FMMA). While the results were generally favorable, the Council decided not to go forward with a revenue measure at that time. Due to significant changes in the economic and fiscal environment since then, we do not recommend relying upon the results of this three-year old analysis. However, if we go forward with this analysis, we recommend retaining the same team based on the quality of their work and their familiarity with the City.

Timing. Under Proposition 218, new or increased general-purpose taxes require majority voter approval, and the measure must be held at the same time as Council elections. This means that the soonest that a general-purpose tax measure could be submitted to the voters is November 2004. On the other hand, special taxes require two-thirds majority approval, but the election can be held at any time. However, research shows that tax measures typically do better when held in conjunction with general elections, rather than as standalone items. With this approach, the soonest that a special tax measure should be submitted to the voters is March 2004.

In either case, in order to be ready for a revenue ballot measure at some point in 2004, the feasibility analysis needs to begin right away.

Key Objectives

1. Assess the overall feasibility of a ballot measure in 2004.
2. Identify programs and projects most likely to generate broad-based community support.
3. Recommend a majority or two-thirds voter approval measure.
4. Advise on the best increased or new revenue sources, and the amount they should raise.
5. Evaluate community-group resource requirements, and the likelihood that such group will be formed.

GENERAL GOVERNMENT

REVENUE BALLOT MEASURE FEASIBILITY ANALYSIS

Factors Driving the Request for Change

1. Major City goal to ensure the City's long-term fiscal health.
2. In a post-Proposition 218 environment, successful revenue ballot measures are required to increase existing taxes or establish new ones.

Alternatives

1. *Do not consider the feasibility of revenue ballot measure in 2004.* Future operating programs and capital improvement plan projects will be limited to existing revenue sources if the City does not explore alternative revenue options. This will significantly limit our ability to maintain current service levels and adequately maintain existing assets – let alone achieve our long-term CIP goals.
2. *Consider a revenue ballot measure in 2004 but do not use professional assistance in preparing for it.* Based on the experience of other communities, this is likely to result in an unsuccessful ballot measure.

Implementation

Task	Date
Enter into an agreement with The Lew Edwards Group.	7-03
Complete the feasibility analysis and present the results to the Council.	11-03

In the event that the Council decides to go forward in preparing for a 2004 revenue ballot measure, additional work (and related) resources will be required. These will be determined at that time, but conducting a successful community education program before placing the measure on the ballot is likely to cost between \$50,000 and \$75,000.

Operating Program

Finance Administration

Cost Summary

Line Item Description	Account No.	2003-04	2004-05
Contract Services		37,500	0
Contract Services	100.25100.7227	37,500	
Total Operating Costs		\$ 37,500	\$ -

GENERAL GOVERNMENT

COPIER REPLACEMENTS

Request Summary

Replacing four copiers per year – on an as needed basis – will cost \$52,000 annually during 2003-05.

Key Objectives

Provide adequate resources to ensure that the City's in-house copying requirements are met.

Factors Driving the Request for Change

1. The City owns 21 copiers in 14 different locations. The guidelines for copier replacement were revised in 1999-01 to extend the useful lives by 50% from 40 to 60 months. As part of the 2001-03 Financial Plan, replacing copiers that met this revised replacement guideline were again deferred (in the amount of \$65,000). These copiers are beginning to experience frequent maintenance problems. Funding should be available to replace copiers once it is no longer feasible to repair them. Accordingly, we recommend appropriating funds to replace four copiers per year on a case-by-case basis, which is significantly less than budgeting for the replacement of copiers based on the target useful life of five years: this would be \$129,000 in 2003-04 (13 copiers) and \$62,000 in 2004-05 (6 copiers).
2. The Fire Department is requesting a table top copier for station No. 2 to assist with preparing materials for Community Emergency Response Team (CERT) training and day-to-day office and training needs. Currently, when multiple copies are required, Engine no. 2 must travel to Station No. 1. The fax machine at Station No. 2 can produce one copy at a time, but does not allow for copying from manuals or producing in larger volumes.

Alternatives

1. ***Do not fund any replacements.*** Reliable, reasonably accessible copiers are an important part of effective service delivery and high levels of productivity. As such, it would be unwise not to replace copiers that fail beyond repair. Accordingly, given the age of our current inventory, some level of funding for copier replacements is necessary to maintain reasonable productivity and service levels.
2. ***Fund replacements at a lower level.*** Given the age of our current inventory, we believe that lower funding levels will simply mean supplemental appropriations later.
3. ***Fund copier replacements based on the revised 60-month guideline.*** As noted above, this would cost \$191,000 over the next two years, which is \$87,000 more than the proposed approach..

Implementation

Copiers will only be replaced upon failure; we will not make “pro-active” replacements based on age or use.

Operating Program

Support Services

GENERAL GOVERNMENT

COPIER REPLACEMENTS

Cost Summary

Line Item Description	Account No.	2003-04	2004-05
Minor Capital		52,000	52,000
Copier replacement: Four per year @ \$13,000 each	100.26100.7953	52,000	52,000
Total Operating Costs		52,000	52,000

City Copier Inventory

Reflects revised replacement cycle from 40 months to 60 months.

	Scheduled Replacements									
	Model	Install. Date	Purchase Price	Replace. Model	Month	Cost	Month	Cost	Month	Cost
Admin/Attorney/Clerk	C6551	Aug-98	\$11,295	5000/hp	Aug-02	13,000				
City Clerk	C GP200	Aug-98	3,195	210/df			Aug-03	5,000		
Community Development	C6551	Aug-98	11,295	5000/hp	Aug-02	13,000				
Corporation Yard	C6551	Aug-98	11,295	5000/hp			Aug-02	13,000		
Finance	C6551	Aug-98	11,295	5000/hp	Aug-02	13,000				
Fire Station No. 1	C6551	Aug-99	11,295	5000/hp					Aug-04	13,000
Fire Station No.3	C6551	Aug-99	11,295	5000/hp					Aug-04	13,000
Parking Administrative Offices	C6551	Aug-99	11,295	5000/hp					Aug-04	13,000
Parks & Recreation Offices	C6551	Aug-98	11,295	5000/hp			Aug-03	13,000		
Human Resources	C6551	Aug-99	11,295	5000/hp					Aug-04	13,000
Planning	C GP200	Aug-99	3,195	210/df					Aug-04	5,000
Police-Dispatch	C6551	Aug-98	11,295	5000/hp			Aug-03	13,000		
Police-Admin	C GP200	Aug-98	3,195	210/df			Aug-03	5,000		
Police-Investigations	C GP200	Aug-98	3,195	210/df			Aug-03	5,000		
Police - Records	C6551	Aug-98	11,295	5000/hp	Aug-02	13,000				
Police-1016 Walnut	C GP200	Aug-00	4,628	210/df						
Public Works 955 Morro	C6551	Aug-98	11,295	5000/hp	Aug-02	13,000				
Utilities 879 Morro	C6551	Oct-00	12,114	5000/hp						
Water Reclamation	C GP200	Aug-98	3,195	210/df			Aug-03	5,000		
Water Treatment	C GP200	Aug-98	3,195	210/df			Aug-03	5,000		
Whale Rock Reservoir	C GP200	Aug-99	3,195	210/df					Aug-04	5,000
TOTAL	21				5	\$ 65,000	8	\$ 64,000	6	\$ 62,000

GENERAL GOVERNMENT

PUBLIC SAFETY MOBILE DATA COMPUTERS: WIRELESS SERVICES

Request Summary

Continuing to use Nextel's "air" network (Airnet) services for the public safety mobile data computers will cost \$21,000 in 2004-05.

Key Objectives

Ensure data transmission capability for the public safety mobile data computers following the trial usage agreement.

Factors Driving the Request for Change

1. The City entered into a Trial Agreement with Nextel to use their Airnet for public safety mobile data communications. The Trial Agreement began February 2003 and has a twelve month timeframe. The City can accept the system as fully functioning any time during the next twelve months.
2. After the City accepts the system, the monthly service rate will not exceed \$59.99 per month per unit (27 are currently projected for deployment in police and fire vehicles, with 2 spares) for the first 20 Mb of data. The cost for any usage above 20Mb will not exceed \$3 per Mb.
3. The City will be responsible for ongoing services charges for the data circuit connecting Nextel's network with the City's network which is estimated at \$650 annually.

Alternatives

1. **Do not fund ongoing service charges.** In lieu of incurring the substantial cost of building own wireless network, the City chose to secure the services of a local wireless data communication provider for the mobile data computer project. To deny the funding of ongoing service charges beyond the trial period would discontinue the deployment of public safety mobile computers, which is one of the highest priority initiatives in the 2001 Information Technology Strategic Plan.
2. **Fund ongoing service charges at a lower level.** Reducing the number of vehicles with mobile data capabilities will result in a proportionate decrease in ongoing costs. However, given the significant investment that the City has made in software and hardware (\$350,000) to-date, and the high-value of deploying mobile data in our emergency response vehicles, this is not recommended.

Implementation

At the earliest, sign-off from the City on the Nextel system is projected for January 2004.

Operating Program. Information Systems

Cost Summary

Line Item Description	Account No.	2003-04	2004-05
Contract Services			21,000
Nextel Airnet Services	100.25300.7227		21,000
Total Operating Costs			21,000

GENERAL GOVERNMENT

WIDE AREA NETWORK EQUIPMENT MAINTENANCE

Request Summary

Maintaining the City's wide area network (WAN) equipment will cost \$22,500 in 2004-05.

Key Objectives

Ensure reliable data transmission capability between City facilities.

Factors Driving the Request for Change

Information Systems will be improving the data communication equipment located throughout the City by June 2003 at an estimated cost of \$300,000. Maintenance for the first year after installation should be part of the system contract and warrantee; however, prospective manufacturers estimate that maintenance for the new equipment will cost \$22,500 annually beginning in 2004-05.

Alternatives

Do not fund ongoing contract maintenance charges. Given the importance of reliability of our fiber system, the investment we have made in and the high cost of replacing failed equipment on a case-by-case basis, this option is not recommended.

Implementation

Maintenance charges will commence following the purchase and successful installation of the WAN equipment.

Operating Program

Information Systems

Cost Summary

Line Item Description	Account No.	2003-04	2004-05
Wide Area Network			22,500
Contract Services	100.25300.7229		22,500
Total Operating Costs			22,500

UNDERGROUND SERVICE ALERT MARKING: FIBER OPTIC SYSTEM

Request Summary

Contracting for Underground Service Alert (USA) marking services in order to protect the City's fiber infrastructure will cost \$26,000 annually. However, this cost can be fully offset by establishing user fees for those requesting this service.

Key Objectives

1. Protect the City's technology investment in its fiber optics network.
2. Offset this cost by setting fees to be recovered from those who drive the need for this service in accordance with the City's user fee cost recovery policy.

Factors Driving the Request for Change

1. USA requests are made to a variety of utility providers—such as gas, electric, telephones, water and sewer—whenever contractors are working in the public right-of-way. With the USA notification, utility providers are responsible for marking the location of underground services to prevent them from being damaged. No service charges are currently assessed to those requesting this service.
2. Our fiber optic system needs to be included in the USA system.
3. Public Works is currently tasked with the responsibility of responding to USA request and marking the City's fiber system. To date, the City has not experienced major damage to the fiber system. On those occasions when fiber conduit has been hit and damaged, conductivity has not been lost.
4. With the completion of the City/Cal Poly joint fiber project, the City will be responsible for maintaining and protecting over 15 miles of underground fiber. Any damage or loss of conductivity will affect the City, Cal Poly, Cal Poly's state and nationwide partners, and County libraries. Minimizing downtime and restoring services in a timely manner will be of the utmost importance.
5. Given their knowledge of the City's fiber infrastructure, the primary contractor for the City/Cal Poly joint fiber project believes it will be a fulltime job for one person to properly locate the City's fiber conduits under the requirements of USA.
6. The City does not have the staffing resources nor the equipment it will take to assume the additional responsibility associated with the expanded fiber system. Both Public Works and Information Systems recommend hiring the services of an experienced fiber installer to locate our facilities on a daily basis when contacted by the USA system. This contractor will also accept the liability for damage to the City's conduit and fiber due to mis-marking or failing to mark City fiber cables.
7. As a point of reference, a recent repair to a similar damaged fiber system in the area cost \$18,000 for the incident.

Alternatives

1. *Continue the status quo.* The City currently does not have the staffing resources to assume this additional responsibility associated with the expanded fiber system. If the City were to retain the responsibility of marking our fiber cables, then a City employee will need to be trained for this type of work, appropriate

GENERAL GOVERNMENT

UNDERGROUND SERVICE ALERT MARKING: FIBER OPTIC SYSTEM

locating equipment purchased, and a vehicle provided. Should damage occur in the field, then either contract services would be augmented to repair the damage or City staff would need to be trained to splice and terminate fiber cable. Fiber splicing equipment and materials would have to be purchased for this work and spare fiber cable warehoused to facilitate immediate emergency response. Given current workloads, contracting-out for this is recommended.

2. **Fund USA marking at a lower level.** USA marking services are based on the number of tickets and re-marks estimated for the year; as such, funding this at a lower level will not meet the expected workload.
3. **Do not charge for this service.** Charging a fee for this service is consistent with the City's user fee cost recovery policy that service "drivers" should pay for services when this is appropriate. Since contractors drive the need for this service, we do not recommend using general-purpose revenues to fund this cost.

Implementation

1. Selecting the vendor and entering into an agreement with them will take 90 days after budget adoption. Locating and marking the City's fiber and conduits will occur thereafter in accordance with the requirements of the USA system.
2. Implementation of service charges is recommended with budget adoption, to be effective July 1, 2003.

Operating Program

Information Systems

Cost Summary

Line Item Description	Account No.	2003-04	2004-05
Contract Services		26,000	26,000
USA Marking	100.25300.7227	26,000	26,000
Offsetting Revenues		(26,000)	(26,000)
Net Cost		0	0

GENERAL GOVERNMENT

MINOR BUILDING RENOVATIONS

Request Summary

Completing several minor building renovations will cost \$12,900 in 2003-04 and \$18,500 in 2004-05.

Key Objectives

1. Project a positive image for the City
2. Repair deterioration and prevent more expensive future repairs
3. Reduce energy consumption
4. Improve comfort and productivity

Factors Driving the Request for Change

Jack House Gift Shop Reroofing (\$5,000 in 2003-04). The wood shingle roof on this building has deteriorated to point where there are minor leaks. These leaks have damaged merchandise and historical artifacts in the gift shop and should be replaced to prevent further damage.

Carnegie Library Water Penetration Repair (\$5,000 in 2003-04). During rainstorms water is leaking through the walls along the Monterey Street of the building. This project will identify the cause of this leakage and repair it before it causes serious damage to this recently renovated building.

Fire Station 1 Turnout Shelving Replacement (\$1,200 in 2003-04). The metal shelving at Fire Station 1 used for turnout gear (fire protection clothing and related gear) is undersized and inconveniently situated. This project will strengthen and reconfigure the existing shelving and add some new shelving.

Fire Station 3 Turnout Cabinet Installation (\$500 in 2003-04). Additional authorized staffing has added three firefighters at this station. There is now nowhere to store their turnout gear.

Fire Station 4 Turf Renovation (\$1,200 in 2003-04). On the Madonna Road side of the station between the sidewalk and the street, there is a parkway where the turf has died out and needs to be replaced to restore appearance.

Fire Station 1 Roof Repairs (\$3,500 in 2004-05). There are minor roof leaks on the flat roof areas of this station. So far only minor damage to ceiling tiles has occurred, but these leaks should be repaired to prevent more substantial future damage.

Fire Station 2 Kitchen Flooring Replacement (\$1,100 in 2004-05). The vinyl floor in the kitchen at this station is peeling and worn through in some places.

Fire Station 2 Wall and Fence Repairs (\$1,900 in 2004-05). A low block wall retaining wall next the driveway and a taller block wall at the rear of the station property have deteriorated to the point where they should be repaired to prevent further more expensive damage. Also, the wall at the rear of the property intersects some wooden fencing that should be replaced and heightened at the same time.

Fire Station 3 Planter Reconstruction (\$2,000 in 2004-05). A brick planter at the front of the station was built several years ago without proper footings and has deteriorated severely. It should be replaced to restore function and appearance.

GENERAL GOVERNMENT

MINOR BUILDING RENOVATIONS

Fire Station 4 Window Replacement (\$10,000 in 2004-05). This project will replace existing single-pane windows with dual-pane windows in order to save energy, reduce noise, and improve comfort. Although no detailed feasibility studies have been conducted, based on previous window replacement projects the Building Maintenance staff is confident that the proposed replacement will be cost-effective. After windows were replaced at Stations 2 and 3, natural gas consumption dropped by more than 50 percent.

Operating Program

Building Maintenance (50230)

Cost Summary

Line Item Description	Account No.	2003-04	2004-05
Contract Services		2,900	8,500
Building and Construction Contracts	100.50230.7219	2,900	8,500
Minor Capital		10,000	10,000
Capital Maintenance Projects	100.50230.7957	10,000	10,000
Total Operating Costs		12,900	18,500

SIGNIFICANT OPERATING PROGRAM CHANGES

GENERAL FUND REDUCTIONS REQUIRED TO BALANCE THE BUDGET

GENERAL FUND OPERATING PROGRAM REDUCTIONS

PUBLIC SAFETY

Description	Service Impact	FTE's	Annual Savings	
			2003-04	2004-05
POLICE ADMINISTRATION				
Alarm Program Contract Services	Renegotiating the alarm contract agreement or performing this work in-house is anticipated to result in an annualized net savings of \$24,400.		24,400	24,400
Education and Training	Reductions in education and training would reduce the non-POST reimbursable training budget from \$12,700 annually to \$5,200 annually. Overall, this is a 60% reduction and would eliminate our computer-training budget, and significantly reduce (50% reduction) investigative, special event, DARE, management and non-sworn personnel training.		7,500	7,500
Office Furniture/Equipment	Reduction of office furniture and equipment will eliminate our \$1,500 budget for lamps, bookcases, and small case goods and will reduce our budget for tape recorders and transcribers by \$500. These reductions will have limited impacts.		2,000	2,000
Training Aids	The monies are used for visual aids, educational materials and handouts, for 911 Kids Program, a public education program delivered to elementary aged children. The annual budget for this program is \$1,600, the \$700 reduction will result in an annual budget of \$1,100. This reduction would result in fewer materials, students would share some materials, and Dispatchers would develop more of the visual aids in-house. The 911 Kids Program teaches kids how, when and for what type of emergency situation to call 911 and includes role-playing exercises.		700	700
Professional Conferences	A 36% reduction to professional conference budget will reduce or eliminate our attendance at the annual COPS West Police Training/Trade show and will impact our professional development resources for new management staff.		3,000	3,000

GENERAL FUND OPERATING PROGRAM REDUCTIONS

PUBLIC SAFETY

Description	Service Impact	FTE's	Annual Savings	
			2003-04	2004-05
Police Lieutenant - Freeze Administrative Police Lieutenant position.	Administrative Lieutenant functions include: Administration of licenses and permits, assisting with facility, property, and plant administration, conducting employee background investigations, investigation of citizen complaints, internal and administrative investigations, policy review, development and implementation, supervision and oversight of training and recruitment, and special projects management. These duties would shift to the Investigative Lieutenant, Operations Lieutenants and other staff severely impacting their current mission critical responsibilities and workload demands.	1.00	140,200	157,500
POLICE INVESTIGATIVE SERVICES				
Photo Supplies	Reduction of camera and photo supplies will impact the ability to purchase film and develop prints for evidence. The \$5,000 reduction equates to a 70% reduction. Instead digital photos with in-house printing will be utilized with the labor performed by PD investigative/evidence staff. Camera and case repair budget will be slightly reduced. If a camera case is damaged in the field, it will be mended/repared rather than replaced. The technology improvements and cost savings with digital photos will allow this reduction to work operationally, with more labor performed by PD staff and less expense for film and development costs.		5,000	5,000

GENERAL FUND OPERATING PROGRAM REDUCTIONS

PUBLIC SAFETY

Description	Service Impact	FTE's	Annual Savings	
			2003-04	2004-05
Investigative Expenses	Reduction in the Investigative Expenses budget will impact services minimally and is a belt tightening measure. However, if investigative workload includes major investigations, then this reduction would have more significant impacts to service those investigative expenses. The \$1,000 reduction equate to 10% of Investigative Expense budget.		1,000	1,000
Lab Services	An 18% reduction to crime lab services budget will have minimal impacts based on recent historical usage and investigative caseload.		2,100	2,100
PATROL SERVICES				
Ammunition	Reduction of ammo supply / resources may reduce the number of rounds available for range training. However, the \$2,200 reduction is just a 12% budget reduction for ammo and is anticipated to have minimal impacts based on historical ammo usage and costs.		2,200	2,200
POLICE TRAFFIC ENFORCEMENT				
Education and Training	Reduction of approximately 35 hours of training and education will have some impacts on traffic officers. POST reimbursable training will provide basic motorcycle and safety training. But, training for Collision Investigation and Reconstruction, and Child Safety Seat Inspection Training will be reduced by 60% (35 total hours of training amongst 5-officers and 1-sergeant).		1,100	1,100

GENERAL FUND OPERATING PROGRAM REDUCTIONS

PUBLIC SAFETY

Description	Service Impact	FTE's	Annual Savings	
			2003-04	2004-05
Operating Materials	Reduction of traffic operating materials budget by 60% will eliminate the purchase of a digital camera and case for Traffic, and will impact the budget for Collision Investigation Supplies and eliminate the Passive Alcohol Screening (PAS) devices budget. The PAS devices are necessary and will be funded in the ABC grant. The additional digital cameras would provide more resources for field/accident documentation. However, based on limited history of Traffic operating material expenses, it is anticipated that the impacts will be manageable, particularly with ABC funding for the PAS devices.		2,400	2,400
Equipment Maintenance	Reduction of traffic equipment maintenance budget by 22% will reduce the budget for radar trailer maintenance/repairs. Overall impacts should be minimal.		1,000	1,000
Police Officer - Freeze Traffic Police Officer position and related equipment costs.	Increased workload for patrol on traffic enforcement and traffic collisions. Possible impacts to police response times. Reduced availability of patrol backfill resources. Reduced ability to provide special programs. Reduced ability to participate in special events. Reduced special enforcement response to citizen complaints. Reduced ability to investigate complex major collisions.	1.00	125,000	139,400
ALL POLICE PROGRAMS				
Non-Staffing Operating Program Reductions - All program managers carefully reviewed their budgets to reduce costs where possible. Overall, the base-operating budget was reduced below the original budget in the first year and increased in the second year by less than the targeted 3% COLA.	These impacts will be experienced by all programs across a number of non-staffing line items, including operating materials, supplies and resources, and travel and training, resulting in a leaner, tighter budget with little room for error or emergencies.		58,100	58,100

GENERAL FUND OPERATING PROGRAM REDUCTIONS

PUBLIC SAFETY

Description	Service Impact	FTE's	Annual Savings	
			2003-04	2004-05
FIRE ADMINISTRATION				
Administrative Assistant - Eliminate the Administrative Assistant III position upon retirement of incumbent in July 2003.	No assistant to answer phone, no Fire Prevention/Fire Chief secretary. The overall administrative activities will be severely affected and will require some critical tasks to be reassigned. The weed abatement program and some fire prevention administration duties will continue with a temporary part-time City Field Worker I (no benefits) at \$7.30/hr. for 1,000 hours (\$7,300/yr.).	1.00	53,000	54,500
Linens Service Reduction - Reduce the amount of shop rags, floor mop heads, oily rags, etc. sent to professional laundry service.	Because some towels are used to soak up oil and other solvents, they cannot be washed at the stations because they will contaminate other laundry as well as ruin the washing equipment. Washing non-solvent soaked towels will increase usage of soap, water and electricity and take time away from other assignments.		1,000	1,000
FIRE HAZARD PREVENTION				
Hydrants - Utilities will assume the costs for hydrant testing by the Fire Department.	This will have no impact on workload this is only a shifting of cost, not work.		7,000	7,000
CUPA - Consolidating all CUPA program elements under Fire Department oversight. Fire Department will be assuming all duties of the CUPA program previously done by Utilities.	To offset the increased workload, the inspection responsibilities for the Fire Prevention bureau will be redistributed. One inspector will have total hazardous materials/CUPA responsibilities. The contract inspector, if approved, will have 50% CUPA responsibilities and 50% general inspection responsibilities. The third inspector will have 100% general inspection responsibilities, which goes along with the Hunt Management Study that designates 1.5 inspectors per program (1.5-CUPA/haz. Mat. and 1.5-general inspections).		30,000	30,000

GENERAL FUND OPERATING PROGRAM REDUCTIONS

PUBLIC SAFETY

Description	Service Impact	FTE's	Annual Savings	
			2003-04	2004-05
FIRE EMERGENCY RESPONSE				
Injury Excess Shift Allowance Overtime Reduction - An analysis of the past three years indicates that reimbursements (excluding \$30,000 base budget) exceeded expenditures.	An analysis of the past three years, excluding \$30,000 base budget, shows more money was received from Worker's Comp. reimbursements then was used for overtime backfill. However, the Department must provide some additional budget for extended light duty assignments due to Worker's Comp. or off duty injuries when there is no offsetting reimbursement.		15,000	15,000
ALL FIRE PROGRAMS				
Non-Staffing Operating Program Reductions - All program managers carefully reviewed their budgets to reduce costs where possible. Overall, the base-operating budget was reduced below the original budget in the first year and increased by only 1.9% in the second year instead of the permitted 3% COLA.	These impacts, while modest, will be experienced by all programs. Impacts range from loss of software support, participation in associations, agency specific publications, to safety supplies.		8,600	8,600
TOTAL		3.00	\$490,300	\$523,500

GENERAL FUND OPERATING PROGRAM REDUCTIONS

TRANSPORTATION

Description	Service Impact	FTE's	Annual Savings	
			2003-04	2004-05
PAVEMENT MAINTENANCE				
<p>Reduce Seasonal Pavement Repair - Eliminate two half-time temporary City Worker V positions that assist the paving crew with street repairs from March through August(\$28,800 per year); and reduce the asphalt mix budget (\$10,000 per year).</p>	<p>Public Works has determined that the overall service impact of this reduction will be moderate. Maximum response time for pothole repair requests will continue to be 24 hours. Response times for other street repair requests will be longer. The backlog of street repairs will grow, and preventive paving maintenance will be deferred. The reduction in preventive maintenance will likely cause more expensive future repairs.</p>	1.00	38,800	38,800
<p>Eliminate Downtown Street Resurfacing by City Crews - Eliminate the operating budget appropriations recommended in the Pavement Management Plan for downtown street resurfacing. These appropriations include \$25,000 for contract services, \$50,000 for construction equipment rental, and \$75,000 for asphalt.</p>	<p>Public Works has determined that the overall service impact of this reduction will be moderate in the shorter term. Funding has been set aside from the 2002-03 budget for resurfacing streets following the current round of downtown construction. Thus, for at least the next two years, this program can be deferred. Because resurfacing of downtown streets is primarily cosmetic and does not improve the pavement condition index, the long-term impact on fundamental street condition will be minimal. The pavement surfaces in some areas will become somewhat rougher. If resurfacing becomes necessary to restore smoothness in these areas, required work will be accomplished by contract under the annual Capital Improvement Plan appropriations. City crews will continue the pavement grinding and resurfacing work made possible by other Pavement Management Plan appropriations. This work will preserve or improve the overall pavement condition index.</p>		150,000	150,000

GENERAL FUND OPERATING PROGRAM REDUCTIONS

TRANSPORTATION

Description	Service Impact	FTE's	Annual Savings	
			2003-04	2004-05
GENERAL STREET MAINTENANCE				
Reduce Curb Painting Supplies - Fully implement existing policy of not painting curbs in areas outside the downtown. Signing will be used in lieu of curb paint.	Public Works has determined that the overall service impact of this reduction will be low. Painted curbs must be recoated each year. Signs have an estimated lifetime of 8 years.		3,000	3,000
Reduce Seasonal Downtown Sidewalk Repair - Eliminate one half-time temporary City Worker V position that assists the concrete crew with downtown sidewalk repairs from March through August. This position is currently filled.	Public Works has determined that the overall service impact of this reduction will be moderate. General downtown maintenance provided by another City Worker V will not be affected. Because there are more potential trip and fall hazards in the downtown, the efforts of the regular concrete crew will shift away from outlying areas in order to prevent a repair backlog in the downtown.	0.50	14,400	14,400
SIGNAL AND LIGHT MAINTENANCE				
Eliminate Telephone Service Charges - Eliminate the service charges for telephone lines that serve as traffic signal interconnections. This cost reduction option can be implemented effective 07/01/04 after telephone lines for traffic signal interconnections are replaced with fiber optic cable.	Public Works has determined that the overall service impact of this reduction will be low.			6,600
TOTAL		1.50	\$206,200	\$212,800

GENERAL FUND OPERATING PROGRAM REDUCTIONS

LEISURE, CULTURAL & SOCIAL SERVICES

Description	Service Impact	FTE's	Annual Savings	
			2003-04	2004-05
PARKS AND RECREATION ADMINISTRATION				
Print & Reproduction: Master Plans - Reduce funding for office forms, envelopes, letterhead, and reproduction as well as special event reproduction projects.	Impact is minimal. Funding primarily used for the reproduction of plans pertaining to proposed projects for use by Committees and Commissions. Upcoming projects are significantly reduced and so is the need for plan reproduction.		700	700
Construction Material Office Improvements – Reduce funding for office improvements.	Impact will be minimal. Reducing this amount to \$200 annually will ensure that at the very least ADA and workers compensation requirements are addressed. There will be no reconfiguration on existing furniture or cubicles.		1,000	1,000
ADULT SPORTS, CLASSES AND FACILITIES				
Reduce purchasing of Boomer sporting equipment - Reduce related costs to boomer program in adult athletic supplies.	Staff will seek other funding sources or donations to support the Boomer sports program.		1,400	1,400
Reduce supplies at the Ludwick Community Center - Decrease Recreation Center Supply line to address changes in programming at Ludwick Community Center after renovation work is completed.	With the changes expected after the renovation of the Ludwick Center, there will be fewer materials needed for the facility operations. Office supplies, staff uniforms, and game room supplies will be reduced with fewer drop-in activity hours available in the facility.		2,300	2,300
Reduce the Contract Class Instructor payment budget by 20% - Decrease the contract labor budget to reflect actual payments made in relation to instruction revenues.	The adjustment will better reflect realistic costs for instructor payments based upon projected revenues for contract instructional classes.		15,000	15,000
Reduce offerings in adult sports program - Reduce temporary salaries, fringe, adult athletic supplies, and first aid associated with producing the adult volleyball program. There will be no revenue loss, as program has not been successfully offered since 1998.	The program fees are higher than other agencies due to the Cost of Services Study. League consistency and access to better and more affordable facilities elsewhere are available in nearby communities. No longer offering this program, for which there has been no demand since 1998, will not result in a revenue loss.	0.04	2,200	2,200

GENERAL FUND OPERATING PROGRAM REDUCTIONS

LEISURE, CULTURAL & SOCIAL SERVICES

Description	Service Impact	FTE's	Annual Savings	
			2003-04	2004-05
<p>Reduce the Adult Basketball league by 30% - Reduce adult basketball costs associated with temporary salaries, fringe, contract services, adult athletic supplies, and first aid. There will be no revenue loss, as the basketball league has not been filled to capacity over the last three years.</p>	<p>Over the past three years, the league has experienced reducing participation annually losing one division of six teams. The department now offers three divisions instead of four. With the reduction of one division, the program is consolidated and costs are reduced.</p>	0.02	3,700	3,700
<p>Reduce fall adult softball league budget by 20% - Reduce related costs associated with temporary salaries, fringe, contract services, adult athletic supplies and first aid.</p>	<p>The program has been budgeted for 80 teams each season. Over the past five years, the league has averaged 61 teams. Reducing the program budget by 20% will better reflect on the attendance totals, revenues and expenditures.</p>	0.15	4,400	4,400
CHILDREN'S SERVICES				
<p>Reduce the Scholarship Coordinator position from 20 hours per week to 10 hours per week - The current position of Children's Services Scholarship Coordinator is responsible for tracking and distributing \$55,000.00 in scholarships annually as well as managing a contract for subsidized childcare with the Economic Opportunity Commission (EOC). This reduction of hours for this position, would consequently increase the responsibilities of the Sun 'N Fun and S.T.A.R. Coordinators as well as the site directors. There is no associated revenue reduction with this cost reduction.</p>	<p>The decreased number of hours allotted for the Scholarship Coordinator position may result in a slower response time for customers in regards to processing scholarship applications, payments received/due and/or status of subsidized care contracts. Consequently, the tracking of scholarships and subsidized care payments may be affected, increasing the likelihood that all payments may not be remitted from EOC in a timely manner.</p>	0.25	8,000	8,000

GENERAL FUND OPERATING PROGRAM REDUCTIONS

LEISURE, CULTURAL & SOCIAL SERVICES

Description	Service Impact	FTE's	Annual Savings	
			2003-04	2004-05
<p>Reorganization of childcare site directors - This will result in 1 site director where 2 are currently staffed. The site director will supervise both Sun 'N Fun and S.T.A.R. program at each individual school. This decreases the number of site directors from 10 to 5. There is no associated revenue reduction with this cost reduction.</p>	<p>Site Directors are responsible for managing childcare staff and overseeing program development at their respective sites. As managers, they are not included in the staff-to-child ratios required by state licensing law and therefore have no direct bearing on the safety and care of the children. At each school, there is a Sun 'N Fun and S.T.A.R. program and because of differences in age and activity preferences, each program has its own room and direct care staff. To reorganize these programs under one Site Director while maintaining separate rooms will result in a more efficient, consistent and focused continuum of care for the children and a more effective means of maintaining continuity in leadership and policy implementation. The increased management workload may result in a slower response time to non-critical incidences, but overall should result in beneficial efficiencies. This is currently and successfully being implemented at one of the childcare sites as a trial run, with very positive results.</p>	3.10	19,000	19,000
SPECIAL EVENTS/YOUTH SPORTS				
<p>Do not offer the Annual Great Pumpkin Run which has been replaced with a duplicate program called the Grandparents Day Run - With declining interest in the program, elimination of the Great Pumpkin Run will create reductions in temporary salaries, fringe, contract services, special event supplies, and advertising. Based upon fees collected for the 2002-2003 event, a revenue loss of \$1,700.00 would be seen. There will be a \$3200 reduction in costs and a \$1700 revenue reduction, for a net savings of \$1500.</p>	<p>The impact is minimal. The number of participants has declined in the past three years. The department offers another fun run, called the Grandparents Day run, a few weeks before the Great Pumpkin Run so duplication of events is not needed. An outside organization has expressed interest in possibly taking over this event.</p>	0.01	1,500	1,500

GENERAL FUND OPERATING PROGRAM REDUCTIONS

LEISURE, CULTURAL & SOCIAL SERVICES

Description	Service Impact	FTE's	Annual Savings	
			2003-04	2004-05
<p>Do not purchase extra apparel for the San Luis Obispo Triathlon - Dropping the additional Triathlon apparel sales reduces the contract services line by \$7,200. There will not be any revenue reduction. Revenues that could potentially be lost would be recovered in a sponsorship agreement with the vendor, who would make on-site sales.</p>	<p>Pre-ordered shirts will be encouraged and offered through a local vendor. The opportunity for the public to buy extra clothing at the event would still be offered by a private vendor, but at no cost to the City.</p>		7,200	7,200
<p>Reduce the Extreme Games program - This activity for 6-12 year olds will no longer be offered due to low participant over a 2 year period. Reductions will be made in temporary salaries, fringe, youth sports supplies, and advertising. There will be a minimal revenue loss of \$400, which was the amount collected in 2002-2003 for the program. There will be a \$1400 reduction in costs and a \$400 loss in revenue. The net reduction is \$1000.</p>	<p>Impact is minimal. Eliminating the Extreme Games program will mean that the department will no longer offer a one-week camp type program during the summer. Participant numbers have declined significantly in the last 2 years. The need for a camp type program is already being addressed by other organizations during the summer. Revenue will be reduced slightly based on last summer's number of participants.</p>	0.02	1,000	1,000
<p>Due to low or no participation, no longer offer the 3 on 3 basketball tournament - Program has not been successfully offered for the last two years. Budget reductions associated with the 3 on 3 tournament to be reduced in temporary salaries, fringe, special event supplies and advertising. Revenues were not recovered in the last two years so there is no associated revenue reduction.</p>	<p>Impact is minimal. An outside organization is interested in offering the program and staff could still be involved without incurring any cost to the our budget.</p>	0.01	2,800	2,800
MAJOR SPECIAL EVENTS				
<p>Eliminate budgeted funds for additional law enforcement for Mardi Gras - Eliminate contract services expenditure associated with hiring additional law enforcement to assist with the Mardi Gras Parade because Police Department uses mutual aid to recover costs.</p>	<p>The Police Department utilized mutual aid response to meet the increased staffing needs for the 2003 Mardi Gras Parade. The Court ruling identified crowd control as a non-recoverable expense. The budgeted \$8000, was used for additional barricade purchase in 2003 and can be eliminated.</p>		8,000	8,000

GENERAL FUND OPERATING PROGRAM REDUCTIONS

LEISURE, CULTURAL & SOCIAL SERVICES

Description	Service Impact	FTE's	Annual Savings	
			2003-04	2004-05
TEENS AND SENIORS				
Temporary Salaries/Fringe for Boomer Program Specialist - Reduce budgeted position to 28 hours/week from 40. The small number of participants and self sufficiency of Boomer programs allows for less staff time needed to maintain programs.	While a reduction in Boomer Specialist hours will not diminish or weaken the quality of ongoing Boomers programs, it is likely to impact the expansion of existing and development of new programs for this blossoming age section of the population. Additional duties assumed by full time Coordinator.	0.30	10,000	10,000
AQUATICS				
Reduce temporary staff and fringe - Reduce the assistant pool manager's hours by 15%.	This will require the Aquatic Supervisor to assume those duties. The Assistant Manager is responsible for most staff-related duties, including payroll and scheduling.	0.15	8,000	8,000
RANGER SERVICE				
Contract Service - Reduce contract service funding for maintenance and construction projects.	Reducing the contract service line, will require the City's Rangers to perform more hands on, self initiated and performed maintenance and construction projects, instead of contracting for work and large equipment (e.g. backhoes, dump trucks) Therefore, in some cases construction projects will take longer because more manual labor will be performed, The Rangers will spend more time working on these projects, and less time on other key duties. This will result in a reduction in time spent on environmental education lesson plans at the after school day care programs, patrolling open space, parks, and creeks, enforcing and cleaning illegal encampments, and conducting Ranger-led hikes.	0.35	6,900	6,900
PARKS AND LANDSCAPE MAINTENANCE				
Redirect Parking Lot Maintenance Costs - Charge the cost of maintaining landscaped areas in parking lots to the Parking Fund rather than the General Fund.	None.		19,500	20,100

GENERAL FUND OPERATING PROGRAM REDUCTIONS

LEISURE, CULTURAL & SOCIAL SERVICES

Description	Service Impact	FTE's	Annual Savings	
			2003-04	2004-05
<p>Redirect Park Trash Collection - 1.) City crews will move trash from trash cans in parks to dumpsters located in parks. The solid waste franchisee will collect this additional trash from the dumpsters. (No effect on costs). 2.) Eliminate one half-time temporary City Worker III position that collects trash from parks. This position is currently filled (\$12,100 per year). 3.) Reduce the trash service budget by \$8,000 to account for the reduction in landfill tipping fees now paid for disposal of parks trash (\$8,000 per year).</p>	<p>Public Works has determined that the overall service impact of this reduction will be low. As a condition of its franchise, the solid waste franchisee is required to collect trash from dumpsters located in City parks without charge to the City. Some of the trash in parks is now deposited in dumpsters, but there is also some that remains in trash cans and is now collected by a temporary City employee in a trash compactor truck and taken to the dump.</p>	0.50	20,100	20,100
<p>Combine Supervision for Park and Tree Maintenance - 1.) Combine supervision of the Park and Landscape Maintenance Program and the Tree Maintenance Program under the Park Maintenance Supervisor. (No effect on cost). 2.) Reclassify the vacant regular Urban Forestry Supervisor position to Urban Forestry Technician. Create a full-time three-person tree trimming crew (\$14,900 per year). 3.) Eliminate the half-time temporary City Worker V position that assists with seasonal tree trimming (\$14,600 per year). 4.) This cost reduction option can be implemented effective 07/01/03.</p>	<p>Public Works has determined that the overall service impact of this reduction will be low, although processing of tree removal permits could take longer. Details about which positions will have responsibility for administering the Tree Ordinance have not yet been resolved. Likely there will be some division of responsibility between the Park Maintenance Supervisor and the Urban Forestry Technician. Both of the current Tree Trimmers are certified arborists. Other implementation details need to be worked out.</p>	0.50	29,500	30,500
<p>Redirect Park Maintenance - 1.) Eliminate one vacant full-time regular Park Maintenance Worker II (\$59,100 per year); 2.) Add two half-time temporary City Worker V positions (+\$29,200 per year)</p>	<p>Public Works has determined that the overall service impact of this reduction will be moderate. The one advantage to this reduction option will be that maintenance effort can be concentrated in the high growth season. This advantage will be offset by the generally lower productivity of temporary workers and the difficulty of keeping the temporary positions staffed.</p>		29,900	32,700

GENERAL FUND OPERATING PROGRAM REDUCTIONS

LEISURE, CULTURAL & SOCIAL SERVICES

Description	Service Impact	FTE's	Annual Savings	
			2003-04	2004-05
SWIM CENTER MAINTENANCE				
<p>Switch to Liquid Chlorine Disinfection at the Swim Center - Convert the system for disinfecting swimming pool water from ozone-bromine to liquid chlorine. Reduce the appropriation for chemicals. (\$21,000 per year). Implementing this reduction option will require installing new equipment and creating a storage area for the liquid chlorine at a one-time cost of \$15,000, which can be accommodated in the current Public Works budget.</p>	<p>Public Works has determined that the overall service impact of this reduction will be low. One benefit of the ozone-bromine disinfection system has been a reduction of minor chemical irritation to the eyes and skin of some swimmers. Converting to liquid chlorine disinfection may result in some complaints about nuisance irritation. Cal Poly and Cuesta College have both recently converted from ozone-bromine to liquid chlorine disinfection without any complaints from swimmers. The City, along with many other pool operators, converted from gas chlorine to ozone-bromine disinfection in the 1990's. The primary reason for these conversions was to avoid the danger of handling gas chlorine and the exorbitant cost of building a special containment structure to store gas chlorine.</p> <p>Handling and storing liquid chlorine does not pose the dangers associated with gas chlorine. Conversions to ozone-bromine in California were based on the success of similar conversions on the East Coast. Unfortunately, these conversions have not been as successful here. In the East, pool water is routinely drained completely, an operation that makes ozone-bromine disinfection more effective. Such an operation is not feasible in the West because of the high cost of water.</p>		21,000	21,000

GENERAL FUND OPERATING PROGRAM REDUCTIONS

LEISURE, CULTURAL & SOCIAL SERVICES

Description	Service Impact	FTE's	Annual Savings	
			2003-04	2004-05
GOLF COURSE SUBSIDY				
Golf Fund Capital Improvement Plan (CIP) Reductions - This reduction reflects \$25,000 in 2003-04 and \$40,000 in FY 2004-04. The average of \$32,500 is shown.	Reducing Capital Improvement expenditures will delay the replacement of course equipment. The bridge replacement on Prefumo Creek is deferred. Replacement bridge will be the City owned bridge temporary in place on Foothill at the completion of the Foothill Bridge replacement project.		32,500	32,500
Portable Structures - Reduce expenses associated with porta-pottie rental.	Paying for the full year rather than on a monthly basis for porta-potties.		300	300
Salary Savings – Change in current actual salary amounts of regular employees at the Golf Course.	As a result of retirement and promotions, the two replacement employees at the Golf Course are compensated at a significantly lower starting level than the retiring employees. The GC Supervisor is placed at a lower level in the range and the replacement Maintenance Worker is at a 2 nd step level I which replaces a top step level III. This will continue to reflect savings throughout 2005-07 and on with the retirement of additional full time GC staff. The figure shown is the average salary savings not to exceed 2% of the average of the direct operating budget, which is the same expenditures savings assumption used for the General Fund. This savings will continue through 2005-07 and beyond.		8,200	8,200
City Water Service - Reduce use of City water for irrigation due to new flow switch, backflow device, clay valve on the wells and more efficient irrigation programming.	During years of normal rainfall these savings can be realized however during dry years the savings may not be as significant.		6,000	6,000
Assorted Operating materials and supplies - \$1000 – Food sold, \$1000 – Merchandise sold, \$400 – Fencing, \$2500 – Netting, \$1000 – Sprinkler & Irrigation	This reduction represents several line items in the operating materials and supplies category in the Golf Course budget. These reductions can be offset by more efficient management of course operations and will not effect the attraction and appeal to the course.		5,900	5,900

GENERAL FUND OPERATING PROGRAM REDUCTIONS

LEISURE, CULTURAL & SOCIAL SERVICES

Description	Service Impact	FTE's	Annual Savings	
			2003-04	2004-05
CULTURAL SERVICES				
Grants-In-Aid - At their March 12, 2003 meeting, the Promotional Coordinating Committee recommended reducing Grants-in-Aid funding 9.3% below the 2002-03 level.	Will have an effect on the agencies and organizations that count on this money each year to meet expenses.		11,300	11,300
HUMAN RELATIONS				
Advertising - Reduce funding for the Human Relations Commission's advertising.	Smaller ads announcing grants-in-aids; no specialty advertising.		100	100
Contract Services - Reduce funding for consultant support to the HRC.	Reduced assistance for human relations issues.		200	200
Grants-in-Aid - Retain funding at 2002-03 level.	Reduced support for human service agencies in the community.		3,700	3,700
Print & Reproduction - Reduce funding for HRC.	Reduced community awareness of the HRC role in City government and the community.		200	200
Office Supplies - Reduce funding.	Reduced support for the activities of the HRC.		200	200
Education and Training - Reduce funding.	Reduced training opportunities will be provided to members of the community on human relations issues.		300	300
Professional Conferences - Reduce funding.	One member will be able to attend the CAHRO conference instead of two.		500	500
TOTAL		5.40	\$292,500	\$296,900

GENERAL FUND OPERATING PROGRAM REDUCTIONS

COMMUNITY DEVELOPMENT

Description	Service Impact	FTE's	Annual Savings	
			2003-04	2004-05
COMMUNITY DEVELOPMENT ADMINISTRATION				
Graphic/Digital Services and Map Updating - Provide 50% of this service in-house by Planning Technician with potential for training planning interns (regular and temporary staffing).	Staff will seek interns, potentially volunteers, with GIS or graphic backgrounds, as well as planning, which is beginning to be a standard knowledge base. The Planning Technician can absorb more graphic/digital responsibilities. Consider some training for Permit Technician position for digital responsibilities. The Planning Tech could train interns and Permit Tech in these tasks, but it will affect his workload productivity. Customer service may be impacted slightly due to the impact of training time. It will also take increased staff time to locate qualified interns (3-month to 1-year internships) and interview, etc.		6,000	6,000
Office Equipment Maintenance - Do not purchase maintenance agreements for newer equipment that does not require service or for equipment that is used infrequently. Replace office furniture only when safety is an issue.	Defer all basic maintenance of newer equipment and repair or replace only if critical to operations.		1,000	1,000
Printing and Reproduction - Focus more on digitized copies and e-mailing data, specifically where color maps or drawings are involved. Begin a program to eliminate unnecessary "paper" items that are stored on-site; computer generate as necessary. Explore digitizing options at Poor Richard's Press (RFP being sent out soon to obtain these services at contract pricing).	Minimal service impact <u>provided</u> the printing contract RFP provides the services that we have been providing. It would be more cost-effective to out-source digitizing at a lesser cost, and reserving staff time for customer service. Consider seeking a bid from other vendors for this service only (more specialized might give us a better cost).		3,000	3,000
Publications and Subscriptions. Eliminate some publications that are available on-line or in digitized format such as the Polk Directory.	Minimal service impact, although on-line publications may not be as easily accessible as hard copies.		500	500

GENERAL FUND OPERATING PROGRAM REDUCTIONS

COMMUNITY DEVELOPMENT

Description	Service Impact	FTE's	Annual Savings	
			2003-04	2004-05
Publications for Resale - Begin the reduction of paper documents; sell CD's of the larger documents whenever possible, again saving needed storage space. CD burners are being installed in support staff's computers to handle much of smaller documents in-house.	Minimal service impact provided the printing contract RFP provides other services staff currently provides. It would be more cost-effective to out-source digitizing at a lesser cost, reserving staff time for customer service. Consider seeking a bid from other vendors for this service only (more specialized might give us a better cost). This process has been incorporated into the RFP currently being considered and staff is anticipating a positive outcome.		4,000	4,000
Non-Staffing Operating Program Reductions - All program managers carefully reviewed their budgets to reduce costs where possible. Overall, the base-operating budget was reduced below the original budget in the first year and increased by only 1% in the second year instead of the targeted 3% COLA.	Decreases occurred in areas such as office expenses, contract services, travel and meetings. These impacts will be experienced by all programs across a number of non-staffing line items, resulting in a leaner, tighter budget with little room for error or emergencies.		39,500	39,500
COMMITTEES AND COMMISSIONS				
Staffing Reductions - Reduce budget for temporary staff support at meetings.	12 special meetings budgeted for; 6 meetings will be adequate, based on historical experience.	0.20	4,600	4,600
Office Expenses - Office Supplies. Concentrated effort to reduce office supplies.	Minimal service impact.		400	400
Office Expenses - Publications and Subscriptions. Reduce by 50% the amount for historical books for the CHC library.	Less informational/research materials for committee members.		100	100
Travel and Meetings - League Convention	Minimal Planning Commission attendance currently occurs.		3,000	3,000
PLANNING DEVELOPMENT REVIEW				
Overtime Budget - Reduce annual overtime budget by \$2,000 (or 17%) in each of the 2003-04 and 2004-05 budget years effective July 1, 2003	Anticipated service impacts will be the slowing of permit processing. Overtime is currently generated through frequent night meetings and after-hours work on planning projects. Planners may need to take comp time off in lieu of overtime, leaving less hours in the office to process planning applications.		2,000	2,000

GENERAL FUND OPERATING PROGRAM REDUCTIONS

COMMUNITY DEVELOPMENT

Description	Service Impact	FTE's	Annual Savings	
			2003-04	2004-05
LONG RANGE PLANNING				
<p>Overtime - Reduce annual overtime budget by \$5,000 (or 50%) in each of the 2003-04 and 2004-05 budget years effective July 1, 2003. This will reduce available staff overtime by approximately 100 hours.</p>	<p>Anticipated service impacts will be the slowing of non-urgent projects. Overtime is currently generated through frequent night meetings and after-hours work on major time-sensitive documents for the CDBG program. Planners may need to take comp time off in lieu of overtime, leaving less hours in the office to work on the planning work program.</p>		5,000	5,000
<p>Salaries-Temporary - Eliminate the annual amount used to support interns.</p>	<p>Anticipated service impacts will be somewhat more difficulty in attracting high quality interns, particularly those with special skills such as computer graphics, potentially affecting quality of some outputs.</p>	0.15	2,000	2,000
<p>Project Fees and Expenses - Long Range Planning Project Newsletters: Reduce the annual amount used to provide newsletter updates on the major specific plans by \$2,000 (or 35%) in each of the 2003-04 and 2004-05 budget years effective July 1, 2003.</p>	<p>Anticipated service impacts include more difficulty in providing consistent communication with the stakeholders in each of the specific plan areas. The remaining budgeted amount should provide two newsletters per year.</p>		2,000	2,000
<p>Professional Conferences - Reduce the annual amount available for professional conferences by \$1,000 (or 33%) in each of the 2003-04 and 2004-05 budget years.</p>	<p>It will be more difficult for staff to stay abreast of new methods and techniques for resolving long range planning problems, such as the provision of affordable housing.</p>		1,000	1,000
<p>Computer Supplies - Reduce the annual amount used to buy new, or updated versions of existing software by \$500 (or 33%) in each of the 2003-04 and 2004-05 budget years.</p>	<p>Anticipated service impacts are limited. Any new software products should be covered by the remaining budgeted amount.</p>		500	500

GENERAL FUND OPERATING PROGRAM REDUCTIONS

COMMUNITY DEVELOPMENT

Description	Service Impact	FTE's	Annual Savings	
			2003-04	2004-05
BUILDING AND SAFETY				
<p>Engineering and Plan Checks - Reduce funding for plan review by consultants. Staff will negotiate with consultants for a "structural only" review for complicated structures, which will lower costs considerably for plan review services.</p>	<p>Processing time may be extended beyond the established 15-day turnaround time if excessive workload overwhelms staff resources. However, the workload experienced over the past two years will likely continue at the same pace, with no foreseeable increase. The Plans Examiner position was vacant for the majority of the past year. The new Plans Examiner is capable of checking all code issues except for the most complicated structural systems. Efficiency will likely increase with time on the job.</p>		35,000	35,000
<p>Publications for Resale - Eliminate funding for purchase of construction codebooks for resale. Books are purchased at member rates and then made available to the public at cost plus shipping and handling fees.</p>	<p>Customers will need to find an alternate source for construction codes. All are available for purchase on various web sites. Publication cost at web sites is typically more than the City resale price because of bulk purchase at a reduced member price.</p>		3,000	3,000
<p>Microfilming - Reduce funds for microfilming of building permit plans and documents. This budget item was increased for 2003-05 due to commitment to convert to a digital archive system for these records.</p>	<p>Digitizing of records can be deferred to a later financial plan. When the final details of a digitizing plan are complete, equipment and some amount of City staff time may be available to complete the preparation and digitizing of records. If digitizing is not practical in a few years, a significant backlog of building plans to be archived may require major funding at a future date to continue the microfilm system.</p>		3,000	3,000
<p>Overtime Reduction - Reduce the funding for overtime</p>	<p>A reduced amount of overtime funding will remain. The amount may not be sufficient (1) to allow attendance at meetings beyond regular business hours for the code enforcement officer, (2) to provide inspection services beyond the regular 8-hour day or on weekends, or (3) to provide timely plan check services on sensitive or emergency projects.</p>		6,000	6,000

GENERAL FUND OPERATING PROGRAM REDUCTIONS

COMMUNITY DEVELOPMENT

Description	Service Impact	FTE's	Annual Savings	
			2003-04	2004-05
ENGINEERING DEVELOPMENT REVIEW				
<p>Reclassify the Principal Civil Engineer Position to a Less Expensive Position - Conduct a promotional recruitment to fill the vacant Supervising Civil Engineer position (no effect on costs); if the employee in the Principal Civil Engineer position is promoted to Supervising Civil Engineer, reclassify the newly vacant Principal Civil Engineer position to Associate Engineer (\$10,600 per year).</p>	<p>While an Associate Engineer is not a registered engineer like the Principal Civil Engineer, that position still requires an engineering degree. Anyone filling it should still have the technical knowledge to perform most of the required duties. There may be more instances where more complicated issues will need referral to the Supervising Civil Engineer.</p>		10,600	10,600
NATURAL RESOURCES PROTECTION				
<p>Regular Salaries – Cost Allocation of Manager and Biologist to Water & Sewer Funds for mitigation monitoring & reporting for Water Reuse Plan, Salinas Reservoir, Filliponi (5% Manager's time & 12% Biologist's time). Also, hourly estimates for Manager & Biologist on Coon Creek and Old Creek Habitat Conservation Plan.</p>	<p>Cost allocation to Utility funds for mitigation monitoring corrects accounting oversight and has no service impact. Assuming responsibility for Coon Creek and old Creek Habitat Conservation Plan will affect ability of Biologist to create new conservation plans and work on other projects.</p>		40,500	40,500
<p>Printing Materials and Operating Materials and Supplies</p>	<p>Minimal impact to service levels. The Open Space Guides have proven less expensive to produce than anticipated, therefore not as much funding is needed for printing. Operating materials and supplies encompass expenses related to open space acquisitions (i.e. clean-up, signage, fencing, etc.) Anticipated 2003-05 acquisitions are primarily easements that come with fewer needs.</p>		3,500	3,500
<p>Contract Services - Reduce contract with the Land Conservancy from \$15,000 to \$7,500.</p>	<p>Impact on Land Conservancy should be negligible because of an increase in contracting and other income in the South County making them less dependent on City funds.</p>		7,500	7,500

GENERAL FUND OPERATING PROGRAM REDUCTIONS

COMMUNITY DEVELOPMENT

Description	Service Impact	FTE's	Annual Savings	
			2003-04	2004-05
Contract Services - Reduce contract amount for ECOSLO from \$26,500 to \$14,000.	The impact on ECOSLO will be the reduction of general support, the assumption of the SLO Stewards program by City staff and reduction of SLO Stewards newsletter from 4/year to 3/year.		11,500	11,500
ECONOMIC DEVELOPMENT				
Office Expenses and Travel, Meetings and Dues	No significant service impacts.		1,200	1,200
Web Support - Reduction in web design with a majority conducted "in-house" by staff.	Reduction in the website design expenditures will be offset by staff's increased involvement with design.		1,000	1,000
Chamber Directory Ad - Eliminate placement of SLO Chamber of Commerce Membership Directory ad.	Could result in decreased program awareness by local businesses, but is unlikely, given program age and other media used to develop program awareness among local businesses.		1,200	1,200
Marketing - Eliminate other marketing and trade show expenses.	Could result in decreased awareness about the program with potential new businesses but other methods can be used to provide this information.		4,000	4,000
COMMUNITY PROMOTION				
Eliminate Enhanced Promotional Funding - At the March 12, 2003 Promotional Coordinating Committee meeting, the PCC recommended and approved elimination of the Enhanced Promotional Fund for 2003-05. (Total funding is \$50,000 averaged over 2 years for a cost savings of \$25,000 per year).	Funding is used as start-up money for new major events and other projects that promote and market the City. Could effect TOT income and sales tax because of fewer events or new promotional projects.		50,000	
TOTAL		0.35	\$252,600	\$202,600

GENERAL FUND OPERATING PROGRAM REDUCTIONS

GENERAL GOVERNMENT

Description	Service Impact	FTE's	Annual Savings	
			2003-04	2004-05
CITY COUNCIL				
Office Supplies and Travel & Meetings	Minimal service impact, since Council members typically underspend these categories. Two new council members (small reduction of \$200 in Professional Development and \$150 in Business Allowance, total of \$700 occurring in 2005). Existing council members (small reduction of \$150 in Professional Development and \$150 in Business Allowance/council member occurring both years). Existing Mayor (\$400 - same areas reduced as for other council members occurring both years). New Mayor (\$400 - Same as for existing Mayor, total occurring in 2005).		2,800	2,800
CITY ADMINISTRATION				
Temporary Salaries - Eliminate temporary salaries.	Position is responsible for assisting Administration, Economic Development and Natural Resources with projects. The position is active with research, correspondence, grant writing, procedure manual updates, public art and special events. All work will be assumed by Managers and Administrative Assistants, where possible. Service reduction will most likely occur in staff's ability to respond in as timely a manner to citizen concerns and will result in staff having to re-prioritize and possibly forego some projects.	0.25	8,600	8,600
Contract Services, Office Expenses and Travel & Meetings	Minimal impact when absorbed by 5 staff. Will have some cumulative effect based on two years of prior training chill. Staff will research training opportunities that are local or available via webstream and satellite.		4,200	4,200

GENERAL FUND OPERATING PROGRAM REDUCTIONS

GENERAL GOVERNMENT

Description	Service Impact	FTE's	Annual Savings	
			2003-04	2004-05
CITY ATTORNEY				
Travel and Meetings	Minimal service impact. Will reduce travel so that attorneys can attend League Conferences annually, but obtain mandatory education credits online.		2,000	2,000
CITY CLERK				
Regular Salaries - Eliminate Administrative Assistant III Position currently vacant due to employee retirement.	The office is already functioning at this reduced staffing level. The duties have been reassigned to existing staff in City Clerk and Administration Departments.	1.00	60,000	62,900
Temporary Services – Eliminate temporary staffing for the election season.	No service impact. There has not been any need to hire temporary staff in the past. The money was budgeted just in case it was needed.	0.05		2,000
Office Expenses and Travel & Meetings	Moderate impact to services expected, due to belt-tightening and close monitoring of expenditures.		14,800	14,800
Radio Contract - Reduce contract services.	No service impact. KCPR Radio broadcast agreement amended to reduce cost from \$240 to \$20 per broadcast Council Meetings.		8,000	8,000
HUMAN RESOURCES ADMINISTRATION				
Temporary Staffing - Reduce number of hours of temporary staffing.	Reduced assistance for vacation coverage and special projects.	0.18	4,700	4,700
Advertising - Reduce newspaper advertising.	Smaller ads on a less frequent basis will reduce the opportunity to advertise vacancies. With reductions in staffing, less advertising will be needed.		11,000	11,000
Advertising-Periodicals - Reduce advertising in specialty publications.	Less frequent advertising in specialty publications and on the internet will limit our ability to recruit qualified applicants in classifications that have been difficult to fill.		4,000	4,000
Laboratory Services - Reduce contingency amount for reasonable suspicion and follow up testing under the City's Policy on Drug and Alcohol Testing.	No service impact unless there is a significant increase in the need for reasonable suspicion testing.		500	500

GENERAL FUND OPERATING PROGRAM REDUCTIONS

GENERAL GOVERNMENT

Description	Service Impact	FTE's	Annual Savings	
			2003-04	2004-05
Contract Services - Reduce funding for legal expenses.	Need for legal services has been less over the last twelve months. This could change with a significant increase in grievances or disciplinary actions.		7,000	7,000
Medical Services - Reduce the number of pre-employment physicals.	Pre-employment physicals would only be required for police, fire and maintenance/laborer positions, instead of all regular employees.		3,800	3,800
Personnel Services - Reduce testing materials and services.	With staffing reductions, fewer written tests and clerical testing services should be needed.		800	800
Print and Reproduction - Reduce printing of job flyers and recruitment brochures	Most job openings are posted on the web, so fewer job flyers and recruitment brochures should be needed.		1,300	1,300
Publications & Subscriptions - reduce number of publications and subscriptions	Only publications and subscriptions most critical to keeping up on HR issues will be ordered.		200	200
Education and Training - Reduce funding for Organizational Vitality by 4%.	Reduce food and other expenses at OV activities.		1,100	1,100
RISK MANAGEMENT				
Temporary Staffing - Eliminate temporary staffing hours.	No assistance for updating policies and procedures.	0.05	1,000	1,000
Contract Services - Reduce funding for safety audits.	Reduced ability to respond for requests for assistance from departments in reviewing safety issues that come up.		7,000	7,000
Professional Conferences - Eliminate funding for conferences (other than Public Agency Risk Management Association).	PARMA would be the only conference attended by the Risk Manager.		400	400
Contract Services - Reduce funding for Employee Assistance Program contract.	By acquiring the contract through a broker, we were able to reduce the rate for the EAP contract.		5,000	5,000
Medical Services - Reduce funding for blood draws as part of the Wellness Program.	Number of participants has leveled off and several faithful members have retired. If there is a sudden increase in participation, the spring blood draw may be eliminated or employees may be asked to cover the cost.		700	700

GENERAL FUND OPERATING PROGRAM REDUCTIONS

GENERAL GOVERNMENT

Description	Service Impact	FTE's	Annual Savings	
			2003-04	2004-05
Publications and Subscriptions - Reduce funding for the purchase of videos, tapes and books for the Wellness library.	Less new material for employees to check out for Wellness Program credit.		600	600
Wellness Reimbursement - Reduce the number of wellness reimbursements available.	Number of participants has leveled off and several faithful members have retired. If there is a sudden increase in participation, the spring reimbursement may have to be reduced.		3,600	3,600
Education and Training - Reduce amount available for "Brown Bag" educational presentations.	Instead of an outside speaker, more of these will be done by the Wellness Coordinator.		200	200
Professional Conferences - Eliminate Wellness funding.	This has been used for the Wellness Coordinator to update her skills in ergonomic assessment. Staff will look for local training opportunities that can be funded through department's regular Education and Training budget.		400	400
FINANCE ADMINISTRATION				
Reduced Administrative Support - Eliminating the Administrative Assistant III position when the incumbent retires in November 2003 will save \$59,500 annually. This savings will be partly offset by the need to backfill some of the lost productivity with a part-time clerical assistant (City Worker VI at 1,000 hours: \$14,500), resulting in net cost savings of \$45,100 annually.	By reducing department support, this will impact the productivity of managers and direct service providers in the department. This will translate into reduced customer service to the organization and public in all areas of the department's operations.	0.50	22,500	47,900
Web Site Support - Eliminating web contract services for web site support will save \$3,600 annually.	We will not make any expansions to the Finance web site over the next two years.		3,600	3,600

GENERAL FUND OPERATING PROGRAM REDUCTIONS

GENERAL GOVERNMENT

Description	Service Impact	FTE's	Annual Savings	
			2003-04	2004-05
REVENUE MANAGEMENT				
Department Reorganization - Eliminating the Revenue Manager position and reorganizing the Department into two divisions (Fiscal Services and Information Technology) will result in net savings of \$77,400, after accounting for position savings less reclassification costs in upgrading the Accounting Manager position to Finance Manager to reflect the significant increase in scope of duties.	This will result in reduced organizational capacity to manage the City's resources. While impacts on day-to-day services should be minimal, this will mean fewer resources will be available to monitor revenue trends, prepare longer-term plan, continue "best practices reviews" and take advantage of cost reduction opportunities such as refinancings or innovative fiscal management tools. Although it is difficult to quantify these "lost opportunity costs" in preserving the City's long-term fiscal health, they are nonetheless real.	1.00	96,000	100,500
INFORMATION SYSTEMS MANAGEMENT				
Revised Standard Workstation Cost - The City's current replacement policy sets the standard "desktop" workstation cost at \$2,500, including monitors, City-standard application software, taxes and delivery; and the cost standard for laptops and GIS/CAD workstations is set at 1.5 times the desktop standard. Based on the City's current estimated life of 3.5 years per unit, reducing the desktop standard from \$2,500 to \$2,000 (and related decreases in laptop and GIS-CAD costs) results in annual savings of \$45,000.	Given rapid changes in technology and our policy of retaining workstations for 3.5 years, reducing the capabilities of replacement computers will have some impact in achieving our goal of staying current with technology, especially as units approach the end of their 3.5-year life. However, this impact is largely offset by improvements in price/performance since this standard was set in 1996.		45,000	45,000
Reduced Organization-Wide Training - Reducing the budget for organization-wide IT training by 50% will save \$20,000 annually.	Reducing user training opportunities may result in lower productivity.		20,000	20,000

GENERAL FUND OPERATING PROGRAM REDUCTIONS

GENERAL GOVERNMENT

Description	Service Impact	FTE's	Annual Savings	
			2003-04	2004-05
<p>Reduced Customer Support - There are a number of network support and maintenance functions that can only be performed by taking the system off-line. To minimize the impact on users, this means performing these tasks during "non-regular" hours. To maintain user access to support assistance during working hours, many of these tasks are done on an overtime basis. Additionally, "special projects" are often performed on an overtime basis for the same reason. No longer doing this on an overtime basis, and only using overtime for "emergency" situations, will save \$10,000 annually; however, it will reduce the availability of technical assistance to users during their working hours.</p>	<p>Reduced availability of technicians during regular working hours for other staff is likely to result in reduced productivity, since it will take longer to respond to user problems.</p>		10,000	10,000
PUBLIC WORKS ADMINISTRATION				
<p>Non-Staffing Operating Program Reductions - All program managers carefully reviewed their budgets to reduce costs where possible. Overall, the base-operating budget was reduced below the original budget in the first year and second year instead of the 3% COLA as permitted.</p>	<p>Decreases occurred in areas such as utility costs (due to energy conservation projects) and materials and supplies. These impacts will be experienced by all programs across a number of non-staffing line items, resulting in a leaner, tighter budget with little room for error or emergencies.</p>		41,400	41,400
GEODATA SERVICES				
<p>Reduce GIS Application Development - Eliminate the half-time temporary City Worker VII position. This position is currently filled.</p>	<p>Public Works has determined that the overall service impact of this reduction will be low. Development of lower priority GIS applications will be delayed. Response times to customer departments will be somewhat longer.</p>	0.50	16,800	16,800

GENERAL FUND OPERATING PROGRAM REDUCTIONS

GENERAL GOVERNMENT

Description	Service Impact	FTE's	Annual Savings	
			2003-04	2004-05
BUILDINGS				
<p>Realign Janitorial Maintenance and Street Light Maintenance -</p> <p>1. Eliminate one vacant full-time regular Maintenance Worker I position that has performed janitorial maintenance at City Hall. (\$57,600 per year)</p> <p>2. Add contract janitorial service at City Hall, Public Works Offices, Parks and Recreation Offices, and Corporation Yard Offices. Continue to service restrooms and break rooms daily. Reduce service in remaining areas to four days per week. (+\$115,400 per year)</p> <p>3. Reduce contract janitorial service at the Jack House, Meadow Park, the Recreation Center, the Senior Center, and the Library Community Room by 16 percent. Continue to service restrooms and kitchen areas daily. Reduce service in remaining areas to four days per week. (\$11,300 per year)</p> <p>4. Reassign two Maintenance Worker II positions from janitorial service at Public Works Offices, Parks and Recreation Offices, and Corporation Yard Offices to craft maintenance service at various locations, including recently added responsibilities at the Police and Fire facilities. (No effect on costs)</p> <p>5. Reassign one Building Maintenance Technician (who is an electrician and has previous private sector experience with industrial lighting) to spend up to one half of his time maintaining the City's street lights. (No effect on costs)</p> <p>6. Eliminate the City's street light maintenance contract. (\$55,700 per year).</p>	<p>Public Works has determined that the overall service impact of this reduction will be low. There will be no janitorial service impacts for restrooms, break rooms, and kitchen areas. Janitorial service for remaining areas will suffer slightly on one day of the week.</p> <p>To the extent that a portion of janitorial service is preventive maintenance, there will be a minor amount of long-term additional deterioration to facilities that will have to be corrected through capital projects in the future.</p> <p>There will be no service impacts for street light maintenance. The current required response time on contract service calls is 14 days. Most responses under in-house maintenance will occur within seven days.</p>	1.00	13,400	15,900

GENERAL FUND OPERATING PROGRAM REDUCTIONS

GENERAL GOVERNMENT

Description	Service Impact	FTE's	Annual Savings	
			2003-04	2004-05
<p>7. Reduce janitorial supplies expense. (\$10,000 per year)</p> <p>8. Increase street light maintenance supplies expense. (+\$6,000 per year) Implementing this reduction option will require acquisition of a lift truck for street light maintenance at a one-time cost of \$70,000. Implementing this reduction option will also require out-of town training for certification of the Building Maintenance Technician to work on street lights. This training will have a one-time cost of \$3,500. All portions of this cost reduction option can be implemented effective 07/01/03 with the exception of the shift to in-house street light maintenance, which can be implemented effective 10/01/03.</p>				
<p>Reduce Janitorial Maintenance - Continue to service restrooms, break rooms, and kitchen areas daily. Reduce service in remaining areas from four days per week to three days per week. This option cannot be implemented without first implementing the option to realign janitorial maintenance and street light maintenance.</p>	<p>Public Works has determined that the overall service impact of this reduction will be moderate. There will be no janitorial service impacts for rest rooms, break rooms, and kitchen areas. Janitorial service for remaining areas will suffer somewhat on two days of the week. To the extent that a portion of janitorial service is preventive maintenance, there will be long-term additional deterioration to facilities that will have to be corrected through capital projects in the future.</p>		30,300	30,300

GENERAL FUND OPERATING PROGRAM REDUCTIONS

GENERAL GOVERNMENT

Description	Service Impact	FTE's	Annual Savings	
			2003-04	2004-05
<p>Redirect Quarterly Janitorial Maintenance - Assign the Maintenance Worker II positions the quarterly janitorial maintenance tasks now assigned to contractors; and eliminate quarterly maintenance tasks from the janitorial maintenance contracts. This cost reduction option can be implemented effective 07/01/03. This option cannot be implemented without first implementing the option to realign janitorial maintenance and street light maintenance.</p>	<p>Public Works has determined that the overall service impact of this reduction will be low. The Maintenance Worker II positions will spend about 775 fewer hours each year on craft maintenance. As a consequence there will be some long-term additional deterioration to facilities that will have to be corrected through capital projects in the future.</p>		19,600	19,600
FLEET MANAGEMENT				
<p>Reduce Fleet Maintenance -</p> <p>1. Eliminate one vacant half-time regular Heavy Equipment Mechanic position. (\$34,800 per year)</p> <p>2. Add a third-time temporary City Worker III position to perform vehicle shuttling and parts chasing tasks. (+\$7,100 per year)</p> <p>3. This cost reduction option can be implemented effective 07/01/03, assuming that one existing Heavy Equipment Mechanic retires in May 2003 as expected.</p>	<p>Public Works has determined that the overall service impact of this reduction will be moderate. Turnaround time for repairs on complicated equipment may increase.</p> <p>Preventive maintenance intervals for newer vehicles will be extended from four months to six months. Problems may go undetected for longer periods and may result in more expensive repairs.</p> <p>Because preventive maintenance theoretically extends service life, ultimate service life may be shortened, with the likely effect being lower surplus values upon disposal.</p>	0.20	27,700	29,200
TOTAL		4.73	\$500,000	\$538,800