



**2011-13
Financial
Plan
Supplement
July 1, 2012**

**Approved
2012-13 Budget**



city of
san luis obispo

2011-13 Financial Plan Supplement

July 1, 2012

**JAN HOWELL MARX, MAYOR
DAN CARPENTER, VICE MAYOR
JOHN ASHBAUGH, COUNCIL MEMBER
ANDREW CARTER, COUNCIL MEMBER
KATHY SMITH, COUNCIL MEMBER**

Katie Lichtig, City Manager

Prepared by the Department of Finance & Information Technology

Charles Bourbeau, Director/City Treasurer
Debbie Malicoat, Finance Manager
Jennifer Thompson, Revenue Supervisor
Sallie McAndrew, Accounting Supervisor
Rachel McClure, Administrative Analyst

Approved 2012-13 Budget

city of san luis obispo

REPORT PRODUCTION AND ANALYSIS

Budget Review Team

Charles Bourbeau, Director of Finance & Information Technology
Michael Codron, Assistant City Manager
Brigitte Elke, Principal Administrative Analyst
Monica Irons, Director of Human Resources
Debbie Malicoat, Finance Manager
Sallie McAndrew, Accounting Supervisor
Rachel McClure, Administrative Analyst
Shelly Stanwyck, Director of Parks & Recreation
Jennifer Thompson, Revenue Supervisor

CIP Review Committee

Charles Bourbeau, Director of Finance & Information Technology
Steve Gesell, Police Chief
Derek Johnson, Director of Community Development
Carrie Mattingly, Utilities Director
Shelly Stanwyck, Director of Parks & Recreation
Jay Walter, Director of Public Works

Staff Support to the Committee

Barbara Lynch, City Engineer
Debbie Malicoat, Finance Manager

Department of Finance & Information Technology Staff

Charles Bourbeau, Director/City Treasurer
Debbie Malicoat, Finance Manager
Sallie McAndrew, Accounting Supervisor
Rachel McClure, Administrative Analyst
Steve Schmidt, Information Technology Manager
Jennifer Thompson, Revenue Supervisor

Department Fiscal Officers

Ryan Betz, Community Development	Melissa Ellsworth, Police
Cheryl Blair, Utilities	Ashley Lopez, Parks & Recreation
Julie Cox, Fire	Rachel McClure, Finance & Information Technology
Kate Crosswhite, Human Resources	Melissa Mudgett, Public Works
Brigitte Elke, Administration	Claudia Prows, City Attorney's Office

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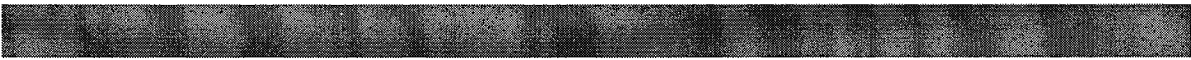
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PREFACE



PREFACE

BUDGET PROCESS OVERVIEW

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

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

Purpose of the Two-Year Financial Plan

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

Major City Goals

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

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

Financial Plan Policies

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

management, debt management, capital financing, fund balance and reserves, human resource management and productivity.

Preparation and Review Process

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

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

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

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

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

Administration

As set forth in the City Charter, the Council may amend or supplement the budget at any time after its adoption by majority vote of the Council members. The City Manager has the authority to make administrative adjustments to the budget as long as those changes will not have a significant policy impact nor affect budgeted year-end fund balances.

PREFACE

HOW TO USE THE FINANCIAL PLAN SUPPLEMENT

This supplement reflects the City's continued use of a two-year financial plan that emphasizes long-range planning and effective program management. The benefits identified when the City's first two-year plan was prepared for 1983-85 continue to be realized:

1. Reinforcing the importance of long-range planning.
2. Concentrating on developing and budgeting for significant objectives.
3. Establishing realistic schedules for completing program objectives
4. Creating a pro-active budget providing for orderly and structured operations.
5. Promoting more orderly spending patterns.
6. Reducing the amount of time and resources allocated to preparing annual budgets.

Appropriations continue to be made annually; however, the Financial Plan is the foundation for preparing the budget for the second year. Additionally, unexpended operating appropriations from the first year may be carried over for specific purposes into the second year with the approval of the City Administrative Officer.

The 2012-13 Budget document uses the same format as the 2011-13 Financial Plan and is organized into the following sections, which primarily focus on changes from its parent document:

Section A Introduction

Includes the Budget Message from the City Manager highlighting key issues considered in preparing the Financial Plan Supplement.

Section B Policies and Objectives

Highlights any changes to the 2011-13 Financial Plan policies and objectives; and provides a status summary of Major City Goals.

Section C Budget Graphics and Summaries

Provides simple tables and graphs which highlight key financial relationships and summarize the overall budget document.

Section D Operating Programs

Presents the operating budget at the function and program levels, and summarizes changes from the 2011-13 Financial Plan.

Section E Capital Improvement Plan

Summarizes changes in capital improvement plan expenditures from the 2011-13 Financial Plan.

Section F Debt Service Requirements

Summarizes the City's debt obligations at the beginning of the fiscal year.

Section G Changes in Fund Balance

Provides an individual summary of revenues, expenditures and changes in financial position for each of the City's operating funds.

Section H Financial and Statistical Tables

Summarizes revenues by major category and sources; expenditures by type and function; and authorized regular employees by department.

Section I Budget Reference Materials

Lists a number of major policy documents that guide the preparation and execution of the City's financial plan.

PREFACE

ABOUT THE CITY

Who We Are and How We Got Started

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

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

Where We're Located

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

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

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

Great Place to Live, Work and Visit

While San Luis Obispo grew relatively slowly during most of the 19th century, the coming of Southern Pacific Railroad in 1894 opened up the

area to the rest of California. The City's distance from major metropolitan areas to the north (San Francisco Bay Area) and south (Los Angeles) have allowed our area to retain its historic and scenic qualities, which contribute to the superb quality of life our residents enjoy, and attract visitors from many other areas.

Downtown

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

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

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

Government

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

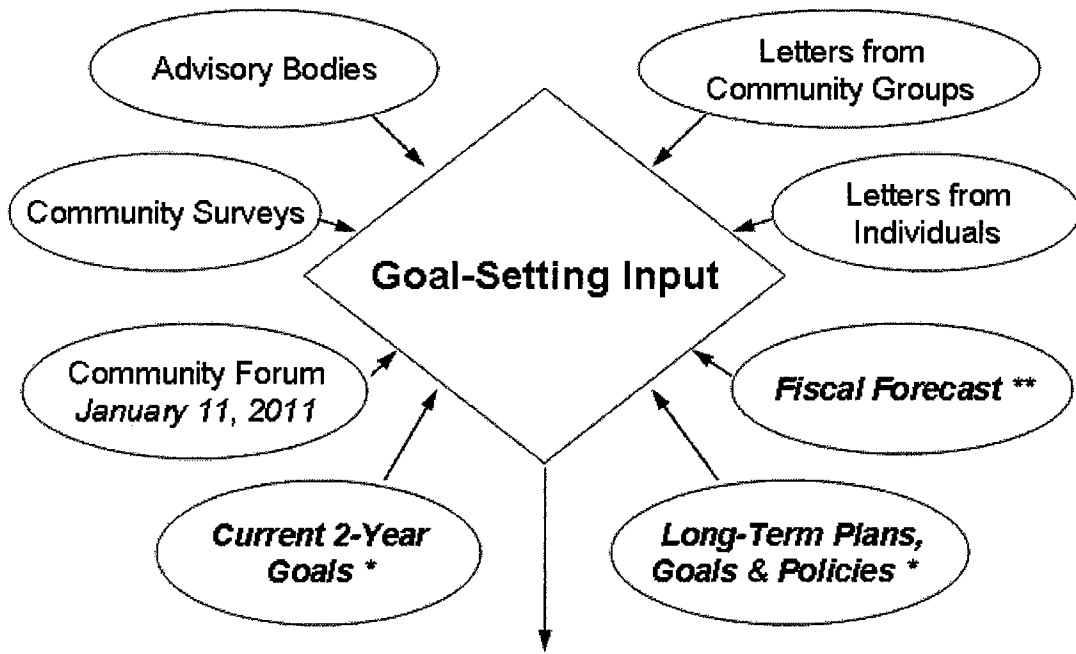
San Luis Obispo is a full-service city that provides police, fire, water, sewer, streets, transit, parking, planning, building, engineering and parks & recreation services to the community.



PREFACE

GOAL-SETTING AND THE BUDGET PROCESS

Goal-Setting and the Budget Process *2011-13 Financial Plan*



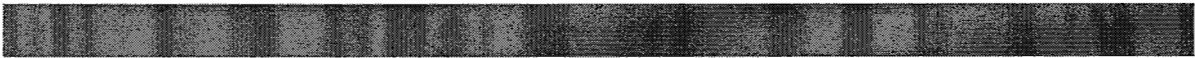
* December 14, 2010
"Budget Foundation"
Workshop

** October 19, 2010

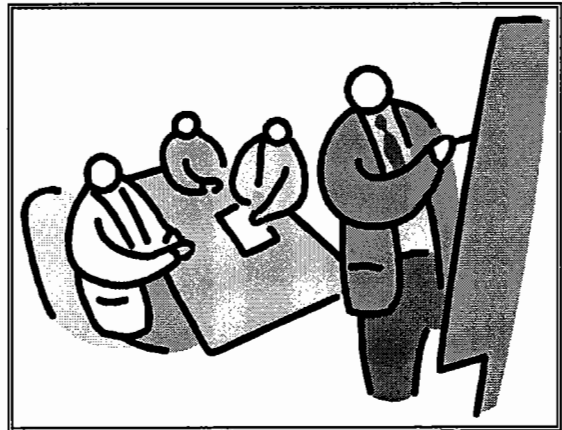
Staff Budget Preparation

Major City Goal Work Programs & Strategic Budget Direction: April 12
Preliminary Budget: May 20
Budget Workshops: June 2, 9, 14
Adopted Budget: June 21, 2011

city of san luis obispo



Section A
INTRODUCTION



BUDGET MESSAGE

TO: City Council
FROM: Katie Lichtig, City Manager

BUDGET OVERVIEW

Adoption of the 2011-13 Financial Plan Supplement and 2012-13 Budget will appropriate funds for the second year of the 2011-13 Financial Plan. Submission of this Financial Plan Supplement provides an opportunity to assess progress on the City's journey to fiscal sustainability laid out in the 2011-13 Financial Plan.

As at the adoption of the 2011-12 Mid-Year Budget Review, there are both positive and negative financial indicators to report along with considerable uncertainty. Increased revenues and better than expected beginning fund balance has been offset by increased expenditures and unrealized personnel cost reductions. This leaves the General Fund with a net result that is consistent with that projected in the 2011-13 Financial Plan. Fiscal Year 2012-13 will see General Fund revenues exceed expenditures, but only by a razor thin margin of \$157,900 out of an almost \$55 million operating budget.

Overall, the City's financial position continues to call for restraint and discipline. However, I am pleased to report that staff has been able to approach development of the 2012-13 Supplement without facing the budget cutting environment that has accompanied the development of previous budget documents since 2008.

Limited Budget Changes

In accordance with the City's two year budget framework, the 2012-13 Budget is primarily intended to "stay the course" while responding to changed circumstances since adoption of the 2011-13 Financial Plan and to best position the City for development of the 2013-15 Financial Plan.

Consequently, the 2012-13 Supplement updates revenue and cost assumptions, and recommends expenditure changes only where needed to address a specific timing requirement or take advantage of a particular opportunity.

Departments, and the Budget Review Team in turn, responded to this guidance by recommending the approval of less than \$300,000 in additional costs, most of which are one-time expenses for 2012-13.

Revenues

The most clearly positive change in the City's financial picture is the rise seen in two key revenue sources in 2011-12, which has more than offset declines or flat results in other areas.

Final Sales Tax and Measure Y (additional ½ cent sales tax) results for 2010-11 were better than when the 2011-13 Financial Plan was adopted, followed by greater than expected gains in the first and second quarters of 2011-12. As a result, staff has raised sales tax and Measure Y revenue projections for both 2011-12 and 2012-13. For 2012-13, the new projection is \$1.9 million higher than the original 2011-13 plan estimate.

Transient Occupancy Tax (TOT) revenues have also experienced recovery, which prompted an increase in revenue estimates at the Mid-Year Budget Review. This revenue source continues to exceed projections and will likely reach pre-recession levels during 2012.

By contrast, Property Tax continues to underperform earlier estimates, while Utility Users Tax is relatively flat and investment income is well below original estimates.

Overall the revenue trend is slightly favorable. However, given ongoing economic uncertainty discussed below, staff's projections of revenue growth in future years are moderate and prudent, as they are subject to a weak recovery.

Expenditures

Expenditures for 2011-12 are on track in most categories and we will likely exceed the projected 2% budgeted savings in operating expenses. For purposes of the fiscal forecast a 3.5% savings has been assumed. This assumption is a reflection of the

BUDGET MESSAGE

traditional stewardship of City resources and reflects the fact that departments do not have a “use it or lose it” mentality. This savings is in addition to the personnel compensation reductions included in the Financial Plan.

The City has reached agreement with a majority of bargaining units that will achieve 52% of the budgeted \$3.1 million in annual personnel compensation reductions in the long term. The City’s objective remains a 6.8% reduction in total compensation Citywide. The reductions for most non-management employees are being phased in over time, meaning most of the savings budgeted in 2011-12 will not be realized until 2012-13 or later. The final outcome for two large bargaining units remains to be seen.

The Supplement reflects personnel cost reductions for bargaining units that have reached agreements and anticipates achieving 50% of annual cost savings for remaining units in 2012-13, before full implementation of the 6.8% total compensation reduction in 2013-14.

The Supplement also reflects an increase in workers compensation and liability insurance premiums from CalJPIA that will increase 2012-13 expenses by over \$200,000.

Net Results

When these unrealized savings and the relatively small expenditures approved at Mid-Year are balanced against the increased current year revenues described above, the City’s projected General Fund net results for 2011-12 are consistent with the \$1,941,400 draw on reserves that was approved in the Financial Plan.

For 2012-13, the increased expenses, phased in personnel cost reductions, and increased revenues will largely offset each other with the net projected result for the year being a small surplus of \$157,900.

Thanks to prior year savings, the General Fund reserve balance will remain above the policy level of 20% of operating expenses for both years.

UNCERTAINTIES

As part of the 2012-13 Supplement, staff updated the numbers contained in the 2011-16 General Fund Five Year Fiscal Forecast. Doing so highlighted the considerable uncertainty still facing the City’s financial environment. Some of these uncertainties are discussed below.

The 2011-13 Financial Plan included projections reflecting known increases in employer contribution rates to the Public Employee Retirement System (PERS) in the out years. Based on actions by the PERS board in March 2012 to reduce the assumed investment rate of return, the Fiscal Forecast includes estimates totaling almost \$600,000 annually Citywide for PERS employer rate increases beginning in 2013-14. We will not know the actual impact until fall 2012 when we receive our next PERS valuation report.

In addition to this increase, we expect PERS to continue to refine various assumptions and previous rate smoothing methods that will likely result in further rises in employer contribution rates in 2014-15 or beyond.

Continuing cuts in the state budget retain the potential to adversely affect our financial status. While no direct State takeaways are on the table in the Governor’s budget, this could change as the state enters its budget adoption season. More directly, San Luis Obispo County’s heavy dependence on state funded institutions, such as Cal Poly, California Mens Colony, Cuesta College, and other regional offices, makes the City sensitive to layoffs, furloughs, or pay reductions such as the 5% pay cut proposed in the Governor’s May Budget Revise.

Finally, continued economic recovery in the United States and California and forecasts of growth may not materialize. While our sales tax and TOT revenues have turned up, these sources are heavily dependent on increasing consumer confidence, which is harder to sustain and more easily dashed in the wake of the Great Recession and uneven recovery. Despite signs of life and record low interest rates, development activity and property values are still on shaky ground with the impact fee and property tax revenue they support far from stable.

BUDGET MESSAGE

FIVE YEAR GENERAL FUND FORECAST

The updated General Fund Five Year Forecast summary provided on page A-9 reflects revenues and sources exceeding expenses and uses in each year for 2012-13 through 2015-16. This is a positive outlook and demonstrates some degree of financial sustainability. It is important to note however that the net positive result each year represents a margin of less than one per cent of General Fund operating expenses and includes capital improvement plan amounts that continue to fall short of long term needs. Other noteworthy assumptions contained in the forecast numbers include:

Further moderate increases in revenues

Assumes achieving all remaining projected personnel cost reductions in the out years and a proportional amount in 2012-13.

Assumes the reauthorization of the ½ cent sales tax (Measure Y) for 2014-15 and 2015-16 revenue projections.

FUTURE FINANCE RELATED INITIATIVES

Increasing capital investment. The City estimates the cost of maintaining, repairing, or replacing existing General Fund facilities, infrastructure and equipment is about \$9 million annually.

Over the course of the five year forecast, the combined Capital Improvement Project (CIP) plan, including fleet replacement, averages less than \$5 million annually. As staff develops the 2013-15 Financial Plan beginning in fall 2012, every effort will be made to provide Council with alternatives for addressing the shortfall in capital investment.

Along these lines, staff has identified the need to address more systematically the cost of acquiring or replacing software applications that are critical to the functioning of all City departments. Heretofore, the City has taken a “pay as you go” approach to software procurements with the result including some rather large changes in operating program budgets.

To recognize both the ongoing need for software application procurement, and the need for resource planning, staff is likely to propose the creation of an IT Replacement Fund, which would be similar to the City’s current Fleet Replacement Fund. Such a fund would include amounts set aside for the replacement of IT equipment as well as software. The priorities for the fund would be established by the IT Steering Committee in a process similar to that used by the CIP Review Committee. The purpose of the fund would be to enhance planning for IT hardware and software expenses and to even out IT application budget allocations. There are currently insufficient funds available to propose funding an IT Replacement Fund as part of the 2012-13 Supplement.

It is noteworthy that at this stage in the City’s history there is no provision for setting aside resources for maintenance and replacement of the City’s buildings and major systems such as roofs, plumbing, and heating and air conditioning systems. As this program moves forward in the coming years this aspect of the capital budget will be more thoroughly evaluated and solutions proposed.

Taking advantage of low interest rates. Twice in 2012 the City has been able to take advantage of low interest rates to refinance outstanding bonds and achieve considerable debt service savings. In one case the Water Fund achieved over \$100,000 in annual savings and in the other the General Fund will save over \$65,000 annually.

Staff will continue to look for opportunities where substantial cost savings can be achieved by using low interest financing to pay off fixed liabilities.

ROLE OF MEASURE Y REVENUES

Measure Y, a ½-cent general purpose sales tax adopted in November 2006 with 65% voter approval, now provides about \$6 million annually in added General Fund revenues. Measure Y will expire in March 2015 unless reauthorized by the voters at a General Election before then. Representing approximately 11% of General Fund revenue, Measure Y plays an important role in the City’s financial picture. Whether mitigating deeper cuts in City services or allowing support for community priorities, Measure Y revenues have

BUDGET MESSAGE

been critical to accomplishing the Major City Goal of preserving essential services and fiscal health.

The estimated revenue and proposed use of funds generated by Measure Y are integrated into the budget process so as to reflect community priorities. The proposed uses of Measure Y revenues in 2012-13 are reflected on page A-10 of the Supplement.

MAJOR CITY GOALS

The fundamental purpose of the City's Financial Plan is to link what the City wants to accomplish over the two year period with the resources required to do so. During the development of the 2011-13 Financial Plan the Council ultimately adopted four Major City Goals:

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

Council also identified Other Important Council Objectives through the goal setting process.

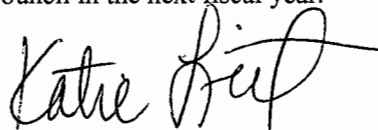
The status of these goals and objectives, and the action plans established to execute them, is discussed in detail in Section B. In general, staff believes the City is on track for achieving these goals and objectives.

GENERAL FUND FOCUS

While the focus of this message has been the General Fund, all of the City's funds, including the Water, Sewer, Parking, and Transit enterprise funds, are addressed in the Supplement document. While the enterprise funds are not directly affected by the revenue aspects discussed in this message, they are affected by most of the expenditure impacts addressed. The status and budget for each enterprise fund will have been discussed with Council in depth at its June 12, 2012 meeting when each enterprise fund review will be presented to the Council and community for consideration.

CLOSING THOUGHTS

In presenting the Financial Plan Supplement to the Council, staff has again made its best efforts to balance delivering day to day services, maintaining existing facilities, and funding new priorities, while prudently preparing for unpredicted costs and protecting against an uncertain future. I believe adoption of this Supplement will allow the community to be served in the best way possible while ensuring the City's financial sustainability in the coming years. Staff looks forward to your consideration of the 2012-13 Supplement and implementing the policies directed by the City Council in the next fiscal year.



Katie Lichtig, City Manager

ACKNOWLEDGMENTS

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

I would like to take this opportunity to extend my personal appreciation to all the staff involved in this process.

FINANCIAL HIGHLIGHTS

OVERVIEW

Total proposed appropriations for 2012-13 are \$96.1 million summarized as follows:

	Governmental Funds	Enterprise Funds	Total
Operating Programs	51,705,000	29,201,400	80,906,400
CIP	4,488,900	1,365,000	5,853,900
Debt Service	2,637,500	6,708,200	9,345,700
Total	\$58,831,400	\$37,274,600	\$96,106,000

The budget for 2012-13 is balanced for all funds.

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

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

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

REVENUE HIGHLIGHTS

General Fund

Sources used in preparing General Fund revenue projections include:

1. Analysis of key revenue trends for the past fifteen years compared with changes in the consumer price index, population and other demographic factors as well as legislative and other structural changes.
2. Economic trends as reported in the national media.
3. Forecast data for the State prepared by the UCLA forecasting project, and for San Luis Obispo County by the Central Coast Economic Forecast (of which the City is a sponsor).

4. Economic and fiscal trends provided by the State Legislative Analyst and the State Department of Finance.
5. Revenue estimating materials prepared by the State Controller's Office and the League of California Cities.

Ultimately, however, the 2012-13 revenue projections reflect the staff's best judgment about how the local economy will perform over the next year, and how it will affect our key revenues.

Key General Fund Revenues

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

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

1. **Sales Tax.** This is the City's number one General Fund revenue, accounting for 35% of General Fund sources. Positive results in the first two quarters of 2011-12 have led staff to project 7% growth in 2011-12 and 4.5% growth in 2012-13.

Similarly, the *Measure Y* ½-cent sales tax is projected to follow the same assumptions. Staff projects that *Measure Y* revenues will generate \$6 million in 2011-12, and \$6.3 million in 2012-13.

2. **Property Tax.** Under Proposition 13, assessed value increases are generally limited to 2% annually. They can be increased to market value for improvements or upon change of ownership. Based on both long-term and recent trends and projected growth in new housing units, property tax revenues are expected to be flat in 2012-13.
3. **Transient Occupancy Tax (TOT).** Compared to the prior year, year-to-date revenues through March are up by 8.3%, which is ahead of the 4% increase anticipated in the 2011-12 Mid-Year Budget.

Based largely on overall year-to-date trends for the first nine months of the year, staff is

FINANCIAL HIGHLIGHTS

projecting a 6% increase in TOT revenues for 2011-12.

Enterprise Fund Revenues

Comprehensive rate reviews and revenue requirement projections for the next four years were presented to the Council on June 12, 2012 for each of the City's four enterprise funds: Water, Sewer, Parking and Transit. The following is a brief overview of enterprise fund rate actions approved by the Council for 2011-13.

Water Fund. Consistent with the multi-year rate setting strategy previously approved by the Council to improve the City's water distribution and treatment systems as well as fund participation in the Nacimiento water project, the Council approved rate increases of 10% in July 2011 and 9% in July 2012. These increases are on target with prior projections for 2011-13.

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

Parking Fund. Last year City Council approved several revenue increases including charging on Sundays, a new super-core area with credit card capable parking meters, weekend residential parking enforcement, and some minor fine/fee increases. Parking revenues for 2011-12 are anticipated to be less than projections by about \$200,000. This is primarily due to delays in implementing Sunday parking, the delayed installation of new credit card capable meters with their associated increased rates, and a change in the schedule of the Major City Goal for Neighborhood Wellness.

Transit Fund. Transit fares are not scheduled to increase but there is an increase in funding expected from the contract with Cal Poly. Federal Transit Administration and State Transportation Development Act (TDA) funds are adequate to support current transit service levels in 2012-13.

OPERATING PROGRAM HIGHLIGHTS

Appropriations for operating programs—day-to-day delivery of services—total \$80.9 million for 2012-13 summarized as follows:

Operating Programs: 2012-13

	Governmental Funds	Enterprise Funds	Total
Public Safety	24,849,000		24,849,000
Public Utilities		20,610,400	20,610,400
Transportation	3,267,800	4,858,900	8,126,700
Leisure, Cultural & Social Services	7,199,200		7,199,200
Community Development	7,458,900		7,458,900
General Government	8,930,100	3,732,100	12,662,200
Total	\$51,705,000	\$29,201,400	\$80,906,400

Significant Operating Program Changes. Detailed supporting documentation for each of the recommended operating program additions is provided in the *Expenditure Summaries* part of Section D. The following is a summary of these.

Public Safety

Personal Protective Equipment for Newly Hired Firefighters. Providing three sets of required Personal Protective Equipment (PPE) for newly hired firefighters will cost \$21,300 in 2012-13.

Public Utilities

Update Water and Wastewater Development Impact Fee Study. Using consultant services to complete an update of the Water and Wastewater Development Impact Fee Study will cost \$15,000 in 2012-13.

Water Quality Studies for San Luis Obispo Creek. Performing enhanced studies and continuing stakeholder facilitation to better quantify water quality and the related beneficial uses of San Luis Obispo Creek will cost \$275,000 in 2012-13.

Organization Structure Review. Continuing improvement in organizational efficiency and effectiveness by ensuring the Utilities Department is appropriately structured will cost \$25,000 in 2012-13.

FINANCIAL HIGHLIGHTS

Utilities Business Manager. Meeting the complex analytic and fiscal needs of the Utilities Department requires the addition of a Utilities Business Manager.

Water Source of Supply: Nacimiento Water Project. Aligning the 2012-13 Source of Supply operating program budget with the 2012-13 Nacimiento Water Operating Fund budget recently adopted by the Nacimiento Project Commission will reduce costs by \$276,000.

Transportation

Signal Maintenance Technician Salary. Providing for an additional Signal and Street Lighting technician to provide overlap with a retiring technician will cost \$40,400 in regular salary and benefits in 2012-13.

Community Development

Housing Program Funding Gap. Offsetting the reduction in the City's Community Development Block Grant (CDBG) funding allocation and providing full funding for the Housing Assistance Program will cost \$21,200 in 2012-13.

Community Promotions Staffing – Tourism Manager. Hire a full-time, contract position as tourism manager to spearhead the Tourism Business Improvement District program and Community Promotions will cost \$93,100 in 2012-13.

General Government

City Clerk Office Reorganization. Ensuring the City Clerk program meets its legal obligations and supports City Council meetings, elections, advisory body recruitments, and records management by creating a Deputy City Clerk position and increasing a temporary administrative assistant to a three quarter time position will cost \$45,600 annually.

Deputy Director Leave Coverage. Adding contract services to provide critical program support during an extended leave of absence of the Deputy Director of Public Works position will cost \$85,100 in contract services in 2012-13.

City Attorney Office Staffing. Providing coverage for the operational needs of the City Attorney's

Office during the period of the Assistant City Attorney's maternity leave will cost \$25,300 in 2011-12 and \$11,700 in 2012-13, for a total cost of \$37,000.

Outside Counsel for Code Enforcement. Retaining outside code enforcement counsel to support timely staff support and prosecution of code enforcement cases in furtherance of the neighborhood wellness Major City Goal will cost \$25,000 beginning in 2012-13.

Upgrade Business Tax and License Software. Upgrading HdL, the City's business tax and license software to improve customer service by providing on-line renewal and payment capability. This upgrade will cost \$34,300 in 2012-13 and \$5,000 annually going forward.

City User Fee Study. Providing funding for an analysis of the City's user fees and configuration of the updated fee structure in the EnerGov system will cost \$36,100 in 2012-13.

Emergency Generator Preventative Maintenance. Increasing contract services in the Vehicle and Equipment Maintenance division budget will cost \$15,600 annually for emergency standby generator maintenance at various City locations.

Overtime and Callback Pay. Providing overtime and callback pay for the Vehicle and Equipment Maintenance division in support of unexpected maintenance and repairs of Fire Department apparatus and equipment will cost \$7,500 annually.

CIP HIGHLIGHTS

The five-year CIP for 2011-16 is summarized in Section E by function and funding source. The revised CIP for 2012-13 totals \$5.8 million, summarized as follows by function and funding source:

FINANCIAL HIGHLIGHTS

CIP Summary: 2012-13

CIP Expenditures by Function		2012-13
Public Safety		465,800
Public Utilities		1,170,000
Transportation		3,253,300
Leisure, Cultural & Social Services		765,800
Community Development		22,500
General Government		176,500
Total		\$5,853,900

CIP Expenditures by Source		2012-13
General Fund		3,273,400
Transportation Impact Fees		25,000
CDBG Fund		329,300
Other Grants and Contributions		570,000
Fleet Replacement Fund		291,200
Enterprise and Agency Funds		1,365,000
Total		\$5,853,900

FINANCIAL PLAN POLICIES

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



	2009-10	2010-11	2011-12	FORECAST				
	Actual	Actual	Financial Plan	2011-12	2012-13	2013-14	2014-15	2015-16
AVAILABLE FUND BALANCE, BEGINNING OF YEAR	13,991,900	11,114,100	11,480,600	<i>at 12-13 Supp</i>				
				12,907,900	10,963,800	11,121,700	11,437,800	11,920,800
REVENUES & OTHER SOURCES								
Taxes								
Sales Tax - General (Based on "effective" 1% tax rate)	10,723,900	12,098,600	11,914,500	12,945,500	13,528,000	14,061,500	14,483,300	15,175,000
Measure Y 1/2% Note: 2014-15/15-16 Estimates assume renewal	5,252,500	5,616,300	5,682,900	6,009,400	6,279,800	6,499,600	6,694,600	6,994,000
Sales Tax - Proposition 172	257,900	271,300	272,300	272,300	284,600	295,800	304,700	319,300
Property Tax	8,579,300	8,441,100	8,795,200	8,370,200	8,370,200	8,495,800	8,665,700	8,882,300
Property Tax in lieu of VLF	3,565,100	3,551,100	3,551,000	3,551,000	3,551,000	3,604,300	3,676,400	3,768,300
Transient Occupancy Tax	4,496,100	4,844,200	4,865,400	5,134,800	5,395,000	5,611,700	5,780,100	6,203,500
Utility Users Tax	4,862,400	4,592,300	4,898,900	4,898,900	4,938,100	5,007,200	5,107,300	5,250,300
Franchise Fees	2,396,700	2,352,100	2,446,400	2,503,400	2,523,000	2,618,900	2,718,400	2,821,700
Business Tax	1,830,100	1,797,800	1,849,800	1,849,800	1,923,100	1,990,400	2,050,100	2,111,600
Real Property Transfer Tax	129,000	133,700	160,000	160,000	180,000	200,000	204,000	209,700
Subventions & Grants								
Vehicle License In-Lieu Fees (VLF)	135,000	205,600	133,100	22,500	-	-	-	-
Mutual Aid Reimbursements (net)	365,000	86,800	-	-	-	-	-	-
Gas Tax/TDA/TBID Transfers In	1,195,400	1,658,400	1,265,900	1,282,800	1,281,100	1,285,600	1,292,000	1,298,500
Other Subventions & Grants	461,000	503,600	221,200	1,391,100	321,500	327,900	334,500	341,200
Service Charges								
Development Review Fees	1,794,000	1,668,000	1,857,600	2,244,400	2,035,800	2,096,900	2,180,800	2,268,000
Recreation Fees	1,268,300	1,300,700	1,588,400	1,511,800	1,532,500	1,554,000	1,585,100	1,629,500
Other Service Charges	1,629,300	2,018,400	2,014,900	1,858,700	1,880,600	1,906,900	1,945,000	1,999,500
Other Revenues								
Fines & Forfeitures	201,700	171,400	196,600	155,100	162,600	164,900	168,200	172,900
Interest Earnings and Rents	904,800	549,900	996,100	475,500	695,500	771,900	780,600	799,800
Other Revenues	139,600	179,300	75,000	79,200	75,000	100,000	100,000	100,000
Total Revenues	50,187,100	52,040,600	52,785,200	54,716,400	54,957,400	56,593,300	58,070,800	60,345,100
EXPENDITURES & OTHER USES								
Operating Programs	46,200,200	45,086,700	49,075,600	49,729,100	48,834,500	49,443,800	51,171,800	52,707,400
CalPERS increases						724,600	250,100	489,700
Personnel cost reductions			(1,300,000)		(590,900)	(1,181,800)	(1,181,800)	(1,181,800)
Operational efficiencies			50,000	(50,000)	(100,000)	(200,000)	(250,000)	(300,000)
Debt Service	2,908,700	3,023,200	2,705,200	2,705,200	2,637,500	2,638,100	2,342,100	2,332,900
Capital Improvement Plan - Equipment Replacement (Fleet & IT)	79,100	-	500,000	500,000	700,000	850,000	900,000	900,000
Capital Improvement Plan - All other CIP	3,802,900	2,136,900	3,695,800	3,776,200	3,318,400	4,002,500	4,355,600	5,052,400
Total Expenditures	52,990,900	50,246,800	54,726,600	56,660,500	54,799,500	56,277,200	57,587,800	60,000,600
Revenues Over (Under) Expenditures	(2,803,800)	1,793,800	(1,941,400)	(1,944,100)	157,900	316,100	483,000	344,500
FUND BALANCE, END OF YEAR	11,188,100	12,907,900	9,539,200	10,963,800	11,121,700	11,437,800	11,920,800	12,265,300
Reserve @ 20% of Operating Costs				9,945,800	9,648,700	9,757,300	9,998,000	10,343,100
Reserve above/(below) policy level				1,018,000	1,473,000	1,680,500	1,922,800	1,922,200

MEASURE Y FUNDING SUMMARY

The uses of Measure Y revenues for 2011-13 in funding operating programs and capital improvement plan (CIP) projects are aligned with top Council goals and objectives, and closely match projected revenues.

	Operating Programs		CIP		Two-Year Budget Total
	2011-12	2012-13	2011-12	2012-13	
Preservation of Essential Services					
<i>Public Safety</i>					
Police Services	702,000	684,000	350,000		1,736,000
Fire Prevention & Training	449,700	409,300			859,000
Personal Protective Equipment		21,300			
Cardiac Monitor Replacements				94,600	94,600
Fire Engine/Truck Replacement: Debt Service			129,900	126,900	256,800
<i>Maintenance Services</i>					
Streets, Sidewalks and Traffic Signal Operations	184,100	227,000	25,000	35,000	471,100
Creek & Flood Protection	449,600	457,200	-	35,000	941,800
Parks	80,000	81,700	25,000	50,000	236,700
Project Management & Inspection	261,500	257,000			518,500
Neighborhood Wellness					
Enhanced Building & Zoning Code Enforcement	127,800	123,900			251,700
Neighborhood Service Specialists	81,000	162,000			243,000
"SNAP" Enhancement	18,100	18,100			36,200
Outside Counsel Code Enforcement		25,000			
Traffic Congestion Relief					
Traffic Engineer	111,700	117,200			228,900
Traffic Safety Report Implementation			25,000	25,000	50,000
Traffic Operations Report Implementation			30,000		30,000
Roadway Sign Replacement			66,500	66,500	133,000
Bob Jones City to Sea Trail LOVR Bridge			131,000		131,000
Open Space Preservation					
Froom Ranch Improvements			62,500	22,500	85,000
Open Space Acquisition			175,000	-	175,000
Infrastructure Maintenance					
Fire Engine Bay Slab Replacement			20,000	80,000	100,000
Street Reconstruction & Resurfacing			1,700,000	1,500,000	3,200,000
Warden Bridge Deck/Mission Plaza walkway			7,500	57,500	65,000
Storm Drain Replacements			350,000	350,000	700,000
Toro Street Creek Bank Stabilization			35,000	30,000	65,000
Andrews Creek Bypass			84,000	-	84,000
Broad Street Creek Bank Reinforcement			-	35,000	35,000
Olympic Pool Heater Replacement				185,000	
Playground Equipment Replacement			35,300	520,000	555,300
TOTAL	\$2,465,500	\$2,583,700	\$3,251,700	\$3,213,000	\$11,282,600

Projected Measure Y Revenues

2011-12	6,009,400
2012-13	6,219,700
Total	\$12,229,100

MISSION STATEMENT

SAN LUIS OBISPO STYLE

Quality With Vision

WHO ARE WE?

People Serving People

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

WHAT DO WE STAND FOR?

Quality in all Endeavors – Pride in Results

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

WHERE ARE WE GOING?

Into the Future with a Design

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

ORGANIZATIONAL VALUES

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

Shared Vision, Mission and Goals

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

Service

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

Leadership and Support

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

Communication

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

Team Players

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

Honesty, Respect and Trust

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

Initiative and Accountability

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

Innovation and Flexibility

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

Employee Development and Recognition

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

Stewardship and Ethics

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

DIRECTORY OF OFFICIALS AND ADVISORY BODIES

CITY COUNCIL

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

ADVISORY BODIES

Architectural Review Commission
Bicycle Committee
Board of Appeals
Campaign Regulation Committee
Cultural Heritage Committee
Housing Authority
Human Relations Commission
Jack Residence Advisory Committee

Joint Recreational Use Committee
Mass Transportation Committee
Parks and Recreation Commission
Personnel Board
Planning Commission
Promotional Coordinating Committee
Tree Committee

APPOINTED OFFICIALS AND DEPARTMENT HEADS

Appointed Officials

Katie Lichtig
Christine Dietrick

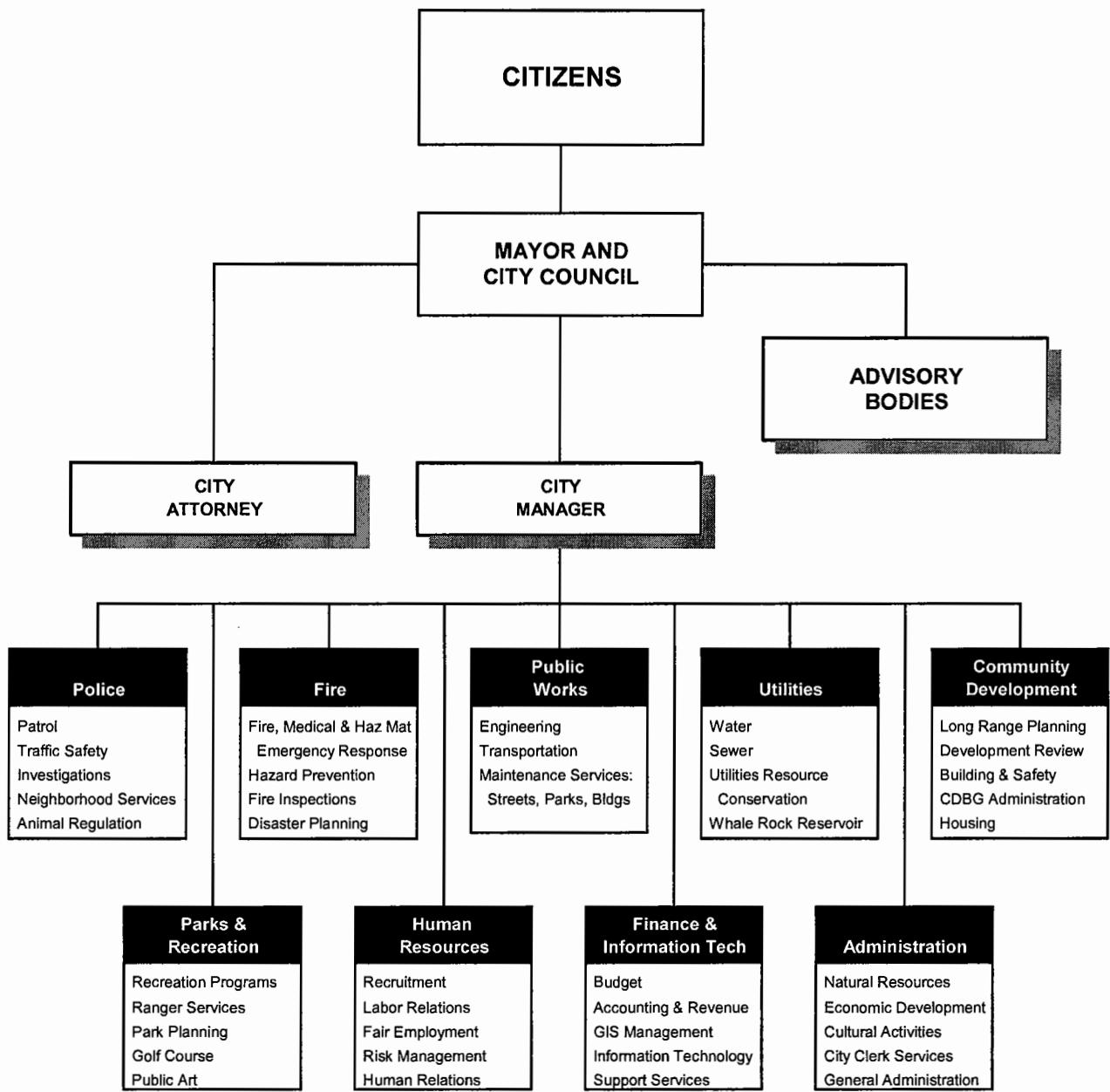
City Manager
City Attorney

Department Heads

Charles Bourbeau
Michael Codron
Steve Gesell
Charlie Hines
Monica Irons
Derek Johnson
Carrie Mattingly
Shelly Stanwyck
Jay Walter

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

ORGANIZATION OF THE CITY OF SAN LUIS OBISPO



Appointed by the City Council

Dept Appointed by the City Manager

AWARDS

GFOA. The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the City of San Luis Obispo, California for our two-year budget for the fiscal year beginning July 1, 2011.

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

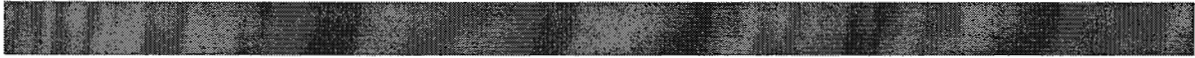
The award is valid for a period of two years only. We believe our current budget continues to conform to program requirements.



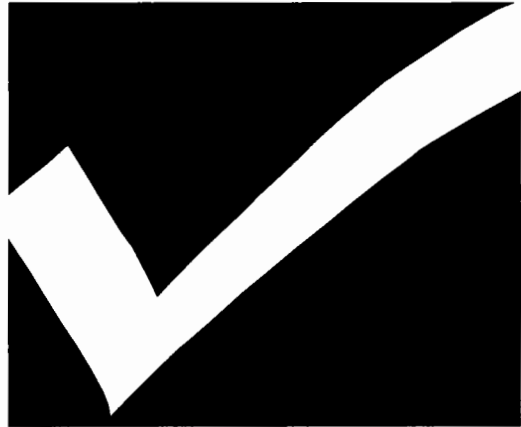
AWARDS

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





Section B
POLICIES & OBJECTIVES



POLICIES AND OBJECTIVES

OVERVIEW

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

In the “parent” 2011-13 Financial Plan document, this section outlines the policies used in guiding the preparation and management of the City's overall budget, the major objectives to be accomplished and status of prior plan major City goals.

For the 2011-13 Financial Plan Supplement, this section is composed of two major parts:

1. Budget and Fiscal Policies
2. Major City Goals for 2011-13

BUDGET AND FISCAL POLICIES

The following budget and fiscal policies appear in the 2011-13 Financial Plan:

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

No changes to the *Budget and Fiscal Policies* adopted as part of the 2011-13 Financial Plan are recommended in this supplement.

MAJOR CITY GOALS

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

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

As part of the 2011-13 Financial Plan, the Council adopted four *Major City Goals*, which represent the most important, highest priority goals for the City to accomplish over the next two years.

Ongoing Status Reporting. To ensure clarity about the objective and to measure progress in achieving it, the Council also approved detailed work programs and “action plans” for each major City goal. Accordingly, an essential component of the goal-setting process is to report on the City’s progress on an ongoing basis to ensure we stay “on track” in accomplishing them.

For this reason, along with “ad hoc” reporting on an ongoing basis, staff presents formal reports to the Council on the status of Major City Goals at least three times during the year: Fall Quarter, Mid-Year Budget Review and the Preliminary Budget. As such, this part of the Financial Plan Supplement includes a comprehensive status report on the City’s progress in achieving Major City Goals.

It also includes briefer status reports for “other Council objectives” for 2011-13 as well as for “carryover goals and objectives” from 2009-11. This is followed by a summary chart on the status of major Capital Improvement Plan (CIP) projects as of June 30, 2012.

POLICIES AND OBJECTIVES

INTRODUCTION: STATUS OF GOALS AND OBJECTIVES

OVERVIEW

This report details the status of Major City Goals and Other Important Council Objectives set by the Council as part of the 2011-13 Financial Plan as of June 30, 2012. In general, we are on track in accomplishing these objectives based on the work programs adopted by the Council.

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

As a benchmark, at June 30, 2012, we are 50% through the two-year Financial Plan period. Most of the goals and objectives are near or exceed this level, with most showing good progress.

Organization. The “report card” is followed by a short summary of notable changes from the original action plan. After this is a more detailed report on each Major City Goal and Other Important Council Objective, which shows the objective, action plan as adopted by the Council, any revisions and a brief status summary as of June 30, 2012. Revisions are displayed as follows:

Important Note

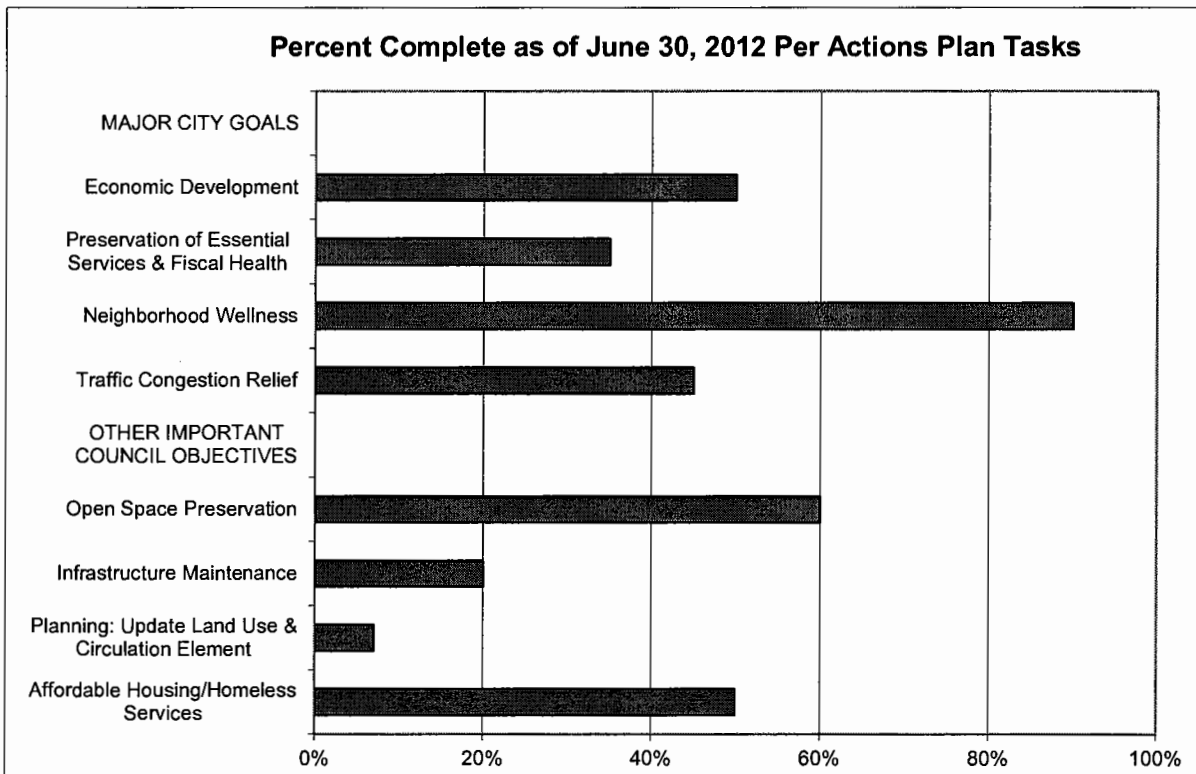
Many of these are multi-year goals that have activities associated with them that go beyond the two-year 2011-13 time frame. This status report is focused on approved “Action Plan” tasks as of June 30, 2012.

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

Shorter reports are provided for “Address as Resources Permit”

for 2011-13 as well as for “carryover goals” from 2009-11.

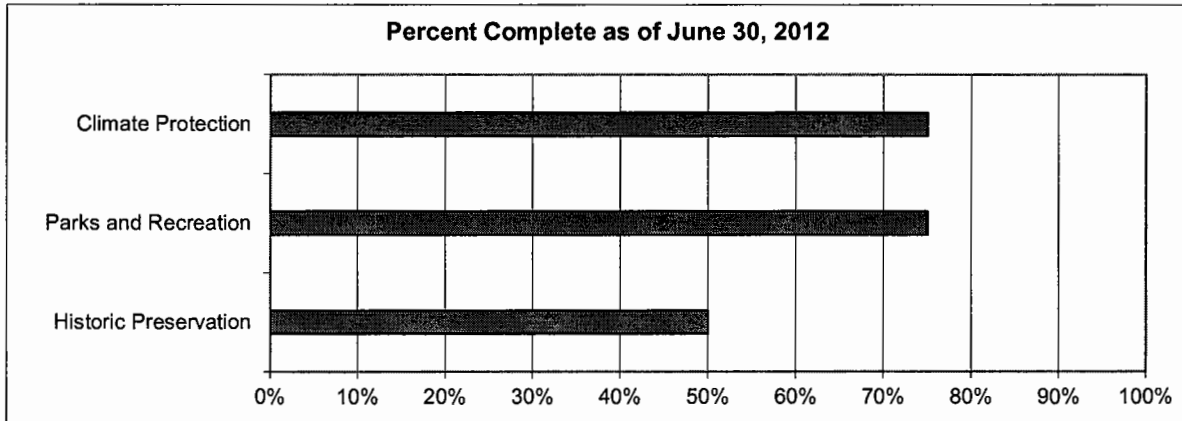
Report Card: 2011-13 Major City Goals & Other Important Council Objectives



POLICIES AND OBJECTIVES

INTRODUCTION: STATUS OF GOALS AND OBJECTIVES

Report Card: 2011-13 Address as Resources Permit



ACTION PLAN CHANGES

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

NEXT STEPS

Staff will present the next “formal report” to the Council in November 2012 at the “Setting the Table” budget workshop as part of 2013-15 Goal-Setting and Financial Plan process. In the interim, staff will keep the Council up-to-date on the status of major projects through agenda reports, Council Notes and other briefing opportunities.

POLICIES AND OBJECTIVES

STATUS OF MAJOR CITY GOALS

ECONOMIC DEVELOPMENT

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

Action Plan

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

POLICIES AND OBJECTIVES

STATUS OF MAJOR CITY GOALS

Status Summary: 50% Complete. The following is a summary of accomplishments and important next steps for this goal.

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

- The Economic Development Strategic Plan process continues to make progress utilizing the services of the consultant to conduct four community outreach workshops associated with development of the Plan. A draft Strategic Plan has been the subject of a community forum and Planning Commission review. The final Plan is slated to be presented to Council in July. Updates and background information are available online at: <http://www.slocity.org/economicdevelopment/strategicplan/plan.asp>.
- A City Council Study Session was held regarding a potential development agreement with Chevron to enable the installation of more than 50% of the public facilities (such as transportation infrastructure, water distribution lines, and stormwater infrastructure) identified in the Airport Area Specific Plan. Staff continues to make progress in discussions with Chevron Corporation regarding a development agreement that would include the installation of approximately \$16 million in infrastructure by Chevron as part of its SLO Tank Farm project. The discussions have focused on a method to provide for reimbursement of those costs that are beyond Chevron's fair share. That reimbursement will come primarily from the fees paid by future development. Fee credits are also proposed as a reimbursement method and staff is working with Chevron on a concept of crediting impact fees, as well as building permit and plan check fees for future businesses that choose to develop within the SLO Tank Farm. Such an agreement allows the City to put needed infrastructure in place, and allows Chevron to create attractive business park sites for new and expanding business that would be subject to lower fees.
- The City Council approved a public-private partnership with Digital West Networks for completion of the fiber-optic cable ring around the City and to improve access to high speed internet for businesses.
- The business friendly website (www.openforbusinessinslo.com), launched through a joint effort of the City and the Chamber of Commerce, has been updated to include space available listings, and promotional materials have been developed to promote the website to visitors and local businesses looking to expand.
- The Collaboration Committee work has been transferred to the Small Business Development Center at Cal Poly. Ongoing work continues to assure that growing businesses get needed assistance via coordination of available services and entrepreneurial forums. A small business incubator, initially focusing on Cal Poly student entrepreneurs, is slated to open in June.

POLICIES AND OBJECTIVES

STATUS OF MAJOR CITY GOALS

PRESERVATION OF ESSENTIAL SERVICES AND FISCAL HEALTH

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

Action Plan

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

POLICIES AND OBJECTIVES

STATUS OF MAJOR CITY GOALS

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

Status Summary: 35% Complete. The following is a summary of accomplishments and important next steps for this goal.

POLICIES AND OBJECTIVES

STATUS OF MAJOR CITY GOALS

Cost Savings

The 2011-13 Financial Plan includes an expectation that the City will realize cost savings through efficiency and effectiveness measures implemented over the two-year financial plan period. These savings measures include ideas generated by the public through the financial plan process, by staff through the Non-Operating Budget Balancers (NOBBs) exercise, and by consultants through bi-annual organizational assessments. The amount of savings that the City is seeking through this effort corresponds to a 3-to-1 return on investment with respect to the cost of conducting the organizational assessment. Overall, the City is planning to achieve \$50,000 in savings during 2011-12, and an additional \$100,000 in savings during 2012-13. City staff has formalized the process whereby ideas for cost-savings generated by efficiency measures and organizational assessments will be measured. Staff has also started the process of implementing and accounting for these ideas. Additionally, in June 2012, the City refinanced lease revenue refunding bonds that were used to fund various land purchases and improvements at the Damon-Garcia Sports Fields. This will result in approximately \$65,000 in annual savings to the General Fund from 2013-2029.

Personnel Cost Containment

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

Together, these agreements achieve \$1,612,000 in savings, or approximately 52% of the overall \$3.1 million reduction objective. Negotiation discussions with the San Luis Obispo City Employees Association (SLOCEA) reached impasse and SLOCEA requested fact finding through the Public Employment Relations Board (PERB). Negotiations with the Police Officer's Association are ongoing. Staff remains focused on achieving Council's labor relations objectives.

Measure Y

On December 13, 2011, City staff presented the results of the 2011 Citizen Satisfaction Survey to the City Council with a recommendation to direct staff to continue to evaluate placing the reauthorization of the City's half-cent sales tax (Measure Y) on the general election ballot in November 2012, and return to the City Council in spring 2012 with an update. The Council accepted this recommendation and staff is moving forward with an outreach effort. Information gathered through this effort will inform staff's recommendation regarding the timing of Measure Y reauthorization. Staff is scheduled to provide the Council with an update on June 5, 2012. If, after the update, Council wants to move forward with reauthorization on the November 2012 ballot, staff will return to the Council in July with an agenda item to place the measure on the ballot.

POLICIES AND OBJECTIVES

STATUS OF MAJOR CITY GOALS

Long Term Liabilities

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

Benchmark Study

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

Utility User Tax (UUT) Analysis and Potential Ballot Measure

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

Equipment Replacement Funding

Staff have reviewed all fleet equipment assets and completed a comprehensive equipment replacement spreadsheet which identifies the timing of projected fleet purchases and the replacement funds needed over the life of the assets. Development of a "condition assessments" per each fleet replacement and an update of the Fleet Management Policy have been postponed until the Fleet Manager position is filled permanently. Information Technology (IT) staff are now starting on a similar spreadsheet for IT hardware and software. Following the completion of these two schedules, the next step will be to assess available funding, develop a funding plan, and establish an appropriate funding strategy for equipment replacement. The organizational assessment of the Public Works Department recommended utilizing an internal service fund for the City's Fleet equipment. However, a great deal of analysis is necessary to determine if this financing avenue is appropriate for the City.

Business License Tax Audit

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

Departmental Efficiencies

On January 17, 2012, Council approved the Water Reclamation Facility Sustainable Solutions Turnkey energy efficiency project investment grade analysis and 50% project design. This project is a public/private partnership with PG&E. The investment grade analysis is moving forward with an estimated completion date of November 2012. In anticipation of Council approval of the final proposed energy efficiency project, a funding request has been incorporated into the 2012-13 Financial Plan Supplement.

POLICIES AND OBJECTIVES

STATUS OF MAJOR CITY GOALS

NEIGHBORHOOD WELLNESS

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

Action Plan

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

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

Internal Collaboration

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

Internal collaboration has been ongoing in the hiring of the new Neighborhood Services Specialist (NSS) positions. The Neighborhood Services and Parking Services offices collaborated with Code Enforcement's request for input and suggestions on the NSS job description, interview questions and interview panel representation. The Neighborhood Services Manager has provided Code Enforcement with the current

POLICIES AND OBJECTIVES

STATUS OF MAJOR CITY GOALS

Neighborhood Enhancement Ordinance (NEO) enforcement training manual and printed Neighborhood Enhancement Ordinance (NEO) outreach and education materials currently in use which will be modified to reflect the new positions.

Policy Review

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

Per Council's direction, in November 2011, the Neighborhood Services Team (NST) met with the Police Chief and new Community Development Director to consider the involvement of neighborhood residents on the Team. After discussing several ways to keep community members meaningfully involved, it was decided that City resident "neighborhood stewards" will be invited to attend monthly NST meetings led by the Neighborhood Services Manager and the Chief Building Official. This will provide an opportunity for neighborhood representatives to be more involved in the transition to a proactive code enforcement program and to provide direct input regarding the issues that concern residents in the community. NST representatives from all City departments will meet quarterly without the neighborhood stewards in attendance to discuss case specific concerns and issues. This will allow the internal (staff only) NST to discuss pending cases, while protecting the confidentiality of the property owners involved.

Public Outreach

Staff received input from the neighborhood and student groups regarding the public outreach efforts. Because this audience is a diverse group, efforts were made to extend outreach through multiple media sources. Communication with the community will be ongoing as programs achieve the greatest amount of code compliance through education and outreach.

Front Yard Parking

The Council directed the Community Development Department staff to revise and clarify regulations regarding where vehicles can be parked in the front yards of residences. Parking in front yards outside of the driveway has been an ongoing issue in some neighborhoods, particularly in parking districts with a limited number of on-street parking permits. The new regulations will be a component of the Neighborhood Wellness Major City Goal and enforced by the Neighborhood Services Specialists. Communication with neighborhood groups, students, and property owners is critical to the successful implementation of the new regulations. Staff has discussed the proposed new parking regulations and enforcement with the Student Community Liaison Committee (SCLC), Residents for Quality Neighborhoods (RQN), and Cal Poly Associated Students, Inc. (ASI). A public forum was held at the Ludwick Center on April 4, 2012, and all property owners in the City's parking districts were invited

POLICIES AND OBJECTIVES

STATUS OF MAJOR CITY GOALS

(over 1,100 notices were sent). The Planning Commission has discussed the issue twice, including a study session in April 2011. Front yard parking amendments were heard by the Planning Commission on April 25, 2012 and the City Council on May 15, 2012.

Transition of Duties

Staff has discussed the timing for transition of the NEO duties from the Police Department Student Neighborhood Assistance Program (SNAP) program to the Community Development Building and Safety Division. Based on the timelines identified in the work plan, NEO duties will be transitioned from SNAP to the Neighborhood Services Specialists in late April to early May 2012. At that time, the training for the new positions will be sufficient to begin full implementation of the program.

POLICIES AND OBJECTIVES

STATUS OF MAJOR CITY GOALS

TRAFFIC CONGESTION RELIEF

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

Action Plan

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

POLICIES AND OBJECTIVES

STATUS OF MAJOR CITY GOALS

Task	Current	Revised
1. Complete and present 2010 Annual Traffic Safety Report to Council for approval.	Complete	
2. Complete and present 2010/11 Biennial Traffic Operations Report to Council for approval.	4/12	6/12
3. Implement Safety & Operations Report Recommendations.	Ongoing	
4. Complete and present 2011 Annual Traffic Safety Report to Council for approval.	11/12	
Grand & 101 Traffic Signal Installation		
1. Complete design.	Complete	
2. Acquire Caltrans permit & authorization / Begin construction.	Complete	
Widening, Signal Reconfiguration, and Railroad Crossing at Foothill & California		
1. Complete design.	Complete	
2. Acquire railroad approvals / Begin construction.	Complete	
Conversion of Relinquished Route 227 Traffic Signal Facilities		
1. Complete design.	Complete	
2. Begin construction.	5/12	7/12
3. Complete Traffic Signal Timing and Operations Optimization.	6/12	8/12
Mid Higuera Widening and Signal Upgrades		
1. Complete design.	Complete	
2. Begin construction.	5/12	6/12
3. Complete construction.	12/12	
Los Osos Valley Road (LOVR) Interchange		
1. Complete construction plans and specifications.	10/12	
2. Complete right of way acquisition.	2/13	
3. Pursue additional funding.	Ongoing	

POLICIES AND OBJECTIVES

STATUS OF MAJOR CITY GOALS

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

POLICIES AND OBJECTIVES

STATUS OF MAJOR CITY GOALS

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

Status Summary: 45% Complete. The following highlights key accomplishments so far and important next steps:

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

POLICIES AND OBJECTIVES

STATUS OF MAJOR CITY GOALS

The Los Osos Valley Road Interchange project has been delayed due to a lawsuit filed by adjacent property owners. With the lawsuit now resolved, right of way acquisitions can proceed. The construction plans are 65% complete, and appraisals for the needed property and easements are being updated.

Additional traffic congestion relief efforts on Los Osos Valley Road under design include the addition of a left turn pocket east of Froom Ranch Way and a third westbound through lane between Madonna Road and Laguna Lane.

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

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

Circulation modifications at the intersection of Foothill and Tassajara are complete

Construction of downtown beautification improvements is complete.

The Pismo and Buchon Neighborhood Traffic Management improvements have been well received by a majority of the public. Follow up studies will be undertaken in 2013 to learn the effects of the improvements.

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

The Tank Farm/Broad intersection improvements and the mid-Higuera improvements will be constructed in summer 2012.

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

Curb ramp construction is complete in Pavement Area 5 in preparation for summer 2012 paving work. Sidewalk repairs are also underway in Area 5.

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

The biennial Traffic Operations Report is being delayed due to other staff priorities. The annual Traffic Safety Report will be on schedule, but will be reduced in scope.

City staff has met with Regional Transit Authority (RTA) and San Luis Obispo Council of Governments (SLOCOG) staff to identify opportunities to share costs and improve efficiency. In December 2011, as a partial follow-up to both audits, the SLOCOG Board approved setting aside \$15,000 in "State Transit Assistance" funds toward a joint scheduling project in the Central Area. On February 7, 2012, RTA, SLOCOG and City staff held a kickoff meeting for a SLO Transit Route 2/RTA Route 10 efficiencies study. Through this project, route efficiency and timing is being reviewed to determine how best to coordinate services between the RTA and SLO Transit. Preliminary results are anticipated in April 2012. The effort requires the use of outside resources in order to gain an objective perspective on current coordination issues as well as to scope potential opportunities to improve service deployment. RTA is the lead agency on this joint project; both agencies will use half of the Transportation Development Act (TDA) third quarter funds (\$7,500) towards this effort.

POLICIES AND OBJECTIVES

STATUS OF OTHER IMPORTANT OBJECTIVES

OPEN SPACE PRESERVATION

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

Action Plan

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

POLICIES AND OBJECTIVES

STATUS OF OTHER IMPORTANT OBJECTIVES

Task	Current	Revised
2. Identify interested parties and groups. Begin a series of public workshops to develop a community supported maintenance plan for Laguna Lake and for Laguna Lake Park as it is affected by the maintenance plan. Develop an email group of participants and provide electronic information updates to this group.	2/12	<i>Complete</i>
3. Complete public workshops for the maintenance plan.	4/12	6/12
4. Draft the maintenance plan and begin circulation.	6/12	
5. Presentations of Draft Plan to: Stakeholders, Parks and Recreation Commission, and Planning Commission for review, comment, and recommendations to the City Council.	11/12	
6. Adoption of Maintenance Plan by Council.	12/12	

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

Acquisition, Preservation and Protection of Open Space

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

Laguna Lake Maintenance Plan

POLICIES AND OBJECTIVES

STATUS OF OTHER IMPORTANT OBJECTIVES

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

POLICIES AND OBJECTIVES

STATUS OF OTHER IMPORTANT OBJECTIVES

INFRASTRUCTURE MAINTENANCE

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

Action Plan

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

POLICIES AND OBJECTIVES

STATUS OF OTHER IMPORTANT OBJECTIVES

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

Status Summary: 20% Complete. The following is a summary of accomplishments and important next steps for this goal.

The Laguna and Calle Joaquin Lift Station Replacement projects are 20% complete. A Request for Proposals (RFP) for design services was approved by Council in August 2011, and a consultant is now under contract for both lift station projects. In June 2012, staff will ask Council for approval to request bids for construction of Laguna Lift Station, which is anticipated to begin in late summer of 2012. Construction of Calle Joaquin Lift Station has been rescheduled to summer 2013 because of the additional time needed for land acquisition and some unanticipated costs.

Several Water Distribution System Improvements projects are underway. The trench repair Job Order Contract is currently in place and repairs are underway. Completion of the Water Reuse Automation Improvements is anticipated in July 2012. A consultant is under contract for the Water Reuse Distribution Analysis and the project is 90% complete.

All project work for the 2011-12 and 2012-13 Wastewater Collection System Improvements projects is underway. In November 2011, two projects began construction, one of which was combined with another project to maximize efficiencies in design and construction. The last project is 95% complete with design; construction is expected to begin in summer 2012.

POLICIES AND OBJECTIVES

STATUS OF OTHER IMPORTANT OBJECTIVES

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

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

Chorro Street paving project will be constructed in spring 2012.

Storm Drain Replacements Year 1 is finished with the completion of the storm drain work on Highland Drive.

Downtown parking lot resurfacing design work is 50% complete.

POLICIES AND OBJECTIVES

STATUS OF OTHER IMPORTANT OBJECTIVES

PLANNING: UPDATE LAND USE AND CIRCULATION ELEMENTS

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

Action Plan

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

Status Summary: 7% Complete. The following is a summary of accomplishments and important next steps for this goal.

A consultant team was selected to help lead this grant-funded project and a contract was finalized in January 2012. Council selected 17 residents to serve on a task force to provide input to the process and their first meeting was held on April 18, 2012. The first public workshop was on May 16, 2012, and a survey modeled after the 1988 survey was distributed to all addresses in the City through April and May. Collection of data and evaluation of policy status for the elements is underway, and the web page www.slo2035.com has been launched to provide public access to all materials and dates associated with the effort. Finally, a neighborhood definition project has been underway and will be completed within this quarter.

POLICIES AND OBJECTIVES

STATUS OF OTHER IMPORTANT OBJECTIVES

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

Action Plan 2013-2015

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

POLICIES AND OBJECTIVES

STATUS OF OTHER IMPORTANT OBJECTIVES

AFFORDABLE HOUSING/HOMELESS SERVICES

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

Action Plan

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

Status Summary: 50% Complete. The following is a summary of accomplishments and important next steps for this goal.

Affordable Housing

The City received 12 Community Development Block Grant (CDBG) applications for the 2012 Program Year, including projects that meet each of the Council's adopted CDBG funding priorities. Staff coordinated a meeting with the CIP Review Committee to develop preliminary recommendations to the Human Relations Commission (HRC). On December 7, 2011, the HRC adopted funding recommendations for inclusion in the County 2012 Draft Action Plan. On February 21, 2012, Council approved funding allocations of \$573,125 for the 2012 CDBG Program Year. The preliminary funding estimate was provided to the City by the County based on available information from the U.S. Department of Housing and Urban Development (HUD). The recently adopted 2012 Federal budget included a 12% reduction in overall CDBG program funding. On March 13, 2012, HUD released its new funding estimate for the County, which reflects the Federal budget reduction to the CDBG program and mandate to use the American Communities Survey data as the basis for determining allocation amounts. This has resulted in an 11.6% (\$66,567) reduction to the City's 2012 Program Year allocation for a total allocation of \$506,658. On April 4, 2012, the HRC received a presentation on the proposed funding reductions and supported staff's recommendations. On April 17, 2012, Council considered staff's proposed funding reductions and adopted funding modifications, which will be forwarded to the County Board of Supervisors for inclusion in the 2012 Urban County Action Plan.

Staff researched the Housing-Related Parks (HRP) grant program which is designed to encourage cities and counties to develop new residential housing by rewarding those jurisdictions that approve housing for low income households. Funds from this grant program can be used for the creation of or improvements to park and recreation facilities and recreation projects. Based on the number of new low income housing starts last year, the City qualifies for the minimum grant amount. On March 20, 2012, Council authorized staff to apply to the California State Department of Housing and Community Development (HCD) for \$117,450 of HRP funds to be applied

POLICIES AND OBJECTIVES

STATUS OF OTHER IMPORTANT OBJECTIVES

towards the Santa Rosa Park playground equipment replacement project. On March 28, 2012, staff formally submitted the grant application to HCD for consideration.

Staff met with numerous developers and reviewed development projects for compliance with the City's Inclusionary Housing Program. The City received its first development proposal in the Orcutt Area Specific Plan. The development includes 146 dwelling units with a mix of affordability and housing types. The applicant is proposing approximately 25% of the units as affordable to very-low, low, and moderate income households. This level of dedication far exceeds the project's Inclusionary Housing requirement. The Village at Broad affordable housing project developed by ROEM Corporation on 2201 Emily Street is now complete and occupied. This project includes 42 rental apartment units 100% affordable extremely-low, very-low, and low income households earning 30% to 60% of the area median income within the County.

Staff completed a draft version of the South Broad Street Corridor Plan (SBSCP) that has been updated to reflect development intensity called for by the proposed form-based codes. An Environmental Impact Report is required to be completed to address potentially significant traffic impacts which will be completed as a part of the Land Use and Circulation Elements (LUCE) update process. On February 15, 2012, the plan was reviewed by the Airport Land Use Commission for consistency with the density provisions established in the Airport Land Use Plan (ALUP). Overall, the Commission was in general support of the Plan and determined that anticipated density was well below the ALUP's maximum allowable for the area. On February 29, 2012, staff met with the SBSCP focus group to provide an update on the Plan and review process. Overall, focus group comments were very positive regarding changes that have been made to ensure the Plan is more usable and understandable. Staff anticipates bringing the Plan to the Planning Commission for review and endorsement in fall 2012, with Council consideration in late fall 2012. Formal adoption of the Plan will occur after Council approval of the LUCE update.

On October 4, 2011, Council approved an Affordable Housing Fund award for the Housing Trust Fund in the amount of \$30,000. This award improves the City's ability to facilitate affordable housing and provides technical assistance to City staff and developers of affordable housing in the City. The award leverages significant additional funding from other sources.

The 1550 Madonna Road property (HUD 120-unit affordable housing project) has been offered for sale. This property is currently owned by the United Brotherhood of Carpenters and Joiners of America. The property is approximately seven acres in size and includes 120 residential apartment units. The project was constructed in 1971 and has been deed-restricted as affordable housing under a HUD 236 loan since occupancy. This loan came to maturity on March 2, 2012, and the property owners have decided to sell the property. Vitus Group, Inc., an affordable housing developer, has entered into a purchase agreement with the owners. Vitus Group's financing strategy includes the issuance of tax-exempt bonds to assist with property acquisition and rehabilitation. On March 13, 2012, Council authorized the California Municipal Finance Authority, on behalf of Vitus Group, to issue up to \$15,000,000 in tax exempt bonds to finance the project. This is a positive outcome since there were several market rate developers that bid on the property. Vitus Group plans to maintain the 120 units as affordable to low and very-low income households earning 50-60% of area median income within the County. Vitus Group is currently working on planning and building documents to submit to the City for review and approval.

Staff completed a National Environmental Policy Act (NEPA) environmental review for the disposition of 172 public housing units owned by HASLO. Historically, HASLO has been able to meet the operating and capital needs of public housing through a combination of tenant rental income, HUD operating subsidies and capital fund grants. However, in recent years, funding from all three sources has declined significantly. In order to properly maintain and operate the public housing units, HASLO is proposing to dispose of the units to an affiliated non-profit through the means of a long-term lease. This would allow for additional funding from a more stable source than HUD.

POLICIES AND OBJECTIVES

STATUS OF OTHER IMPORTANT OBJECTIVES

Staff continued efforts to implement an Affordable Housing Monitoring Program. Staff developed compliance questionnaires and met with the City Attorney prior to mailing to all owners, renters and property managers of Inclusionary Housing units. These questionnaires were mailed out on March 16, 2012, and staff is currently reviewing responses for compliance with the City's Inclusionary Housing Ordinance and Affordable Housing Standards. Staff met with the City Attorney on April 18, 2012 to review questionnaire results and determine "next steps" for those units that appear to be out of compliance with program requirements. Staff is also developing an ongoing formal process to monitor the City's Inclusionary Housing units.

On April 4, 2012, staff completed and submitted a local reviewing agency project evaluation form for ROEM Development Corporation's 313 South Street Tax Credit Allocation Committee application. This document is required to be submitted to the State by local agencies with projects requesting low income housing tax credits. The 313 South Street project includes 42 affordable housing rental units within four three-story buildings. The units would be available for rent to extremely-low, very-low and low income households earning 30% to 60% of the area median income within the County. The project has received public assistance commitments from a variety of sources including CDBG, Home Investment Partnerships Program (HOME), City Affordable Housing Fund, and development review and impact fee waivers. Local support is necessary for the project to be competitive for tax credits on a State-wide basis.

Homeless Services

Staff has met with Community Action Partnership of San Luis Obispo (CAPSLO) and County staff on a monthly basis regarding funding opportunities for the proposed Homeless Services Facility on 3451 South Higuera Street. On February 21, 2012, Council approved \$50,000 in CDBG funding from the 2012 Program Year to help fund pre-development costs for the design and construction of the Facility. This is in addition to the \$25,000 CAPSLO received in CDBG funds from the 2011 Program Year. The City also contributed \$2,500 to fill a funding gap to open the warming station at Prado Day Center during times of inclement weather.

In recent years, RV's and even automobiles have increasingly emerged as a form of shelter for persons who have not been able to obtain transitional or permanent housing and are seeking to escape the elements. On February 6, 2012, CAPSLO submitted a proposal to the City to establish a safe parking pilot program at the Prado Day Center to address this growing community issue and advance a key goal to provide a form of transitional housing consistent with the 10-Year Plan. On March 20, 2012, Council adopted a resolution to temporarily suspend the enforcement of Municipal Code Chapter 17.16.015 (Recreational vehicle as dwelling unit) for six months for the Prado Day Center parking lot and authorized the City Manager to enter into an agreement with CAPSLO to implement a safe parking pilot program for up to five vehicles, subject to conditions. Staff is working with CAPSLO on operational and budget details to implement the program consistent with Council's approval.

POLICIES AND OBJECTIVES

STATUS OF "ADDRESS AS RESOURCES PERMIT" OBJECTIVES

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

Climate Protection

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

Status Summary: 75% Complete.

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

In addition, the Community Development Department has released the public review draft of the Climate Action Plan and has conducted outreach in the form of workshops, Farmers Market attendance, stakeholder presentations and resident outreach at grocery stores. The Planning Commission directed staff to edit and re-organize the draft plan prior to returning to the Commission for approval. The revised draft was released the second week in April, was considered by the Planning Commission in May and will be reviewed by Council in July.

Parks and Recreation

Objective. Increase utilization of Damon-Garcia Sports Fields.

Status Summary: 75% Complete.

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

of the Parks and Recreation Commission, and representatives from both Youth and

Adult Turf Sports. The project team has met monthly since May of 2011.

The project team's first step was to create a project plan with four main objectives: determine current field usage (including maintenance); determine ways to increase play; identify short term strategies; and identify longer

term strategies. Based on permit records, the use of the Damon Garcia Sports Fields during calendar year 2010 was analyzed. For the calendar year 2010, staff found that 1,395 hours of play by youth was scheduled, 419.5 hours by adults, 5,483 hours were needed for maintenance (including closures for restoration), and 31 days of play were rained out. 47,388 people were estimated to have been on the fields as spectators or participants.

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

To increase awareness of field uses and to better serve the public, a Google calendar has been created for the fields so that users can have ready access to the scheduled play at the facility. Staff continues to: monitor field conditions; survey (every other month)

POLICIES AND OBJECTIVES

STATUS OF "ADDRESS AS RESOURCES PERMIT" OBJECTIVES

users about field conditions; and expand use of other facilities in the community for turf sports. As a result of

the additional uses described above for 2011-12, permitted uses and additional drop-in and practice uses will result in an increase at a minimum of 298 hours of permitted play (50 hours for youth and 248 hours for adults). This totals a 16% increase from the prior year's previously scheduled play.

In mid-May 2012, the Damon Garcia Sports Fields was closed for its annual renovation. Prior to that closure, a final survey of field conditions was taken by users to assist in the ongoing maintenance of the facility. During the renovation period, the project team will work on developing longer term aspects of the project plan focused on increased play in 2012-13 (from the already 16% increase) as well as identifying alternatives for increased turf play in the City. As always, the ideal balance between maintenance and use at Damon Garcia Sports Fields will be sought.

Historic Preservation

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

Status Summary: 50% Complete.

The Cultural Heritage Committee (CHC) has been conducting historic survey work of a 10-block area adjacent to the Old Town and Railroad Historic Districts. This survey is the first of several that will bring the Citywide historic resources inventory up to date. The CHC sent letters to property owners and received input at several meetings regarding the process and how to proceed with the survey.

The CHC organized a subcommittee consisting of CHC members and Community Development staff to assist with the survey work. Detailed workbooks with State Historic Survey forms, guidelines, architectural details and training materials were provided to the sub-committee members to assist with the work effort. The CHC hearings in October through December 2011 were utilized to review survey results and identify potential historic resources Seventy (70) properties within the survey

area are currently being examined for potential listing. The CHC will forward the final survey results

along with recommendations for historic listings to the City Council in summer 2012.

In December 2011, the City Council adopted a resolution to allow the City to move forward with an application to become a Certified Local Government (CLG). The CLG program facilitates a partnership between the City and the State Office of Historic Preservation (OHP), allowing for technical assistance, grant funding, and collaboration. The application was accepted by OHP and is pending submittal to the National Park Service. This will enable the City to apply for grant funding during the 2012 grant cycle which begins in April 2012. Grants can be utilized to assist with historic resource surveys, training, technical assistance, document preparation and other activities associated with the City's Historic Preservation Program. The City's application to become a Certified Local Government was approved in March 2012 and staff brought a grant proposal for Council consideration in April. If the grant application is successful, work will begin in October to develop a historic context for the City including a mid-century theme.

POLICIES AND OBJECTIVES

STATUS OF CARRYOVER OBJECTIVES

The following summarizes the status of “carryover” Other Important Council Objectives from the 2009-11 and 2007-09 Financial Plans. In several cases, “carryover tasks” have been incorporated into the Major City Goals (or “Other Important Council Objectives”) for 2011-13, and as such, they are not repeated in this section.

OTHER OBJECTIVES	IMPORTANT	COUNCIL
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Creek and Flood Protection

Objective. Advance Mid-Higuera flood protection improvements by seeking Zone 9 funding to complete design, obtain approvals and make progress toward construction as resources will allow.

Status Summary: 25% Complete. As recommended by the Zone 9 committee, the Board of Supervisors approved additional funding for preliminary design work to accompany the already completed technical studies necessary for the environmental document. The preliminary design work for the Mid-Higuera bypass flood control project, sponsored by Zone 9, is underway. A contract has been awarded to a consultant to prepare preliminary design documents with anticipated completion in September 2012. Staff will continue to move this project forward as resources permit.

Skatepark

Objective. Develop plans and specifications and seek funding to construct a skate park.

Status Summary: 75% Complete. The skate park has received all of its discretionary approvals by City advisory bodies. The project is now in the final stages and 75% construction ready plans are presently under review by City staff.

In September 2011, staff submitted grant applications for Proposition 84 funding (2008 Statewide Park Development and Community Revitalization Program) in the amount of \$1.27 million and to the Stewardship

Council Infrastructure Fund for \$200,000. Additionally, staff continue efforts to raise funds for the project through a variety of fundraisers including the ongoing “Buy a Brick Build a Dream” campaign for the park and the Deck it Out Art Project.

Airport Area Annexation

Objective. Annex the Airport Area.

Status Summary: 100% Complete for Phase 1A. The Local Agency Formation Commission (LAFCO) completed the annexation process for 626 acres associated with Phase 1A of the annexation area. The map and certificate of annexation was delivered to the State Board of Equalization and the land was officially added to the City boundary on July 25, 2008.

Discussion with property owners in the Phase 1B area was conducted in early 2009. The proposed development of the Chevron property will result in an amendment to the Airport Area Specific Plan (AASP). That project is in the Environmental Impact Report (EIR) preparation stage and City and County staff are collaborating in the review of the project. The administrative draft of the EIR, along with the scope of work for a financing plan, is underway. Annexation of the Chevron property will provide another key piece of the Airport Area annexation. Discussions with LAFCO staff have indicated that LAFCO would prefer the City pursue annexation of the entire remaining area including the San Luis Obispo County Regional Airport, but would support phased annexations as needed. This issue is significant because several areas of the AASP are not contiguous to existing City boundaries and the only way to bring those properties into the City will be to address the airport property itself. Including the airport may significantly alter the timing anticipated for Phase 1B.

Broad Street Corridor Plan

Objective. Adopt and implement a plan for South Broad Street corridor planning and improvements.

Status Summary: 80% Complete. The plan has been significantly revised after further evaluation revealed

POLICIES AND OBJECTIVES

STATUS OF CARRYOVER OBJECTIVES

that overall densities associated with reducing development to address traffic impacts, would result in less development than currently allowed. Utilities staff worked with Wallace Group to evaluate waste collection system capacity to ensure orderly development could occur. Staff revised the draft plan to achieve the project goal of mixed use and infill development. An Airport Land Use Commission sub-committee reviewed the draft plan with the project planner to assist with Airport density compliance determination. The infill densities envisioned appear to trigger significant traffic impacts at various intersections. Evaluation of project impacts will occur with the Environmental Impact Report (EIR) prepared for the General Plan update. Staff anticipates distributing the revised draft in fall 2012 for conceptual review by the public and the Planning Commission.

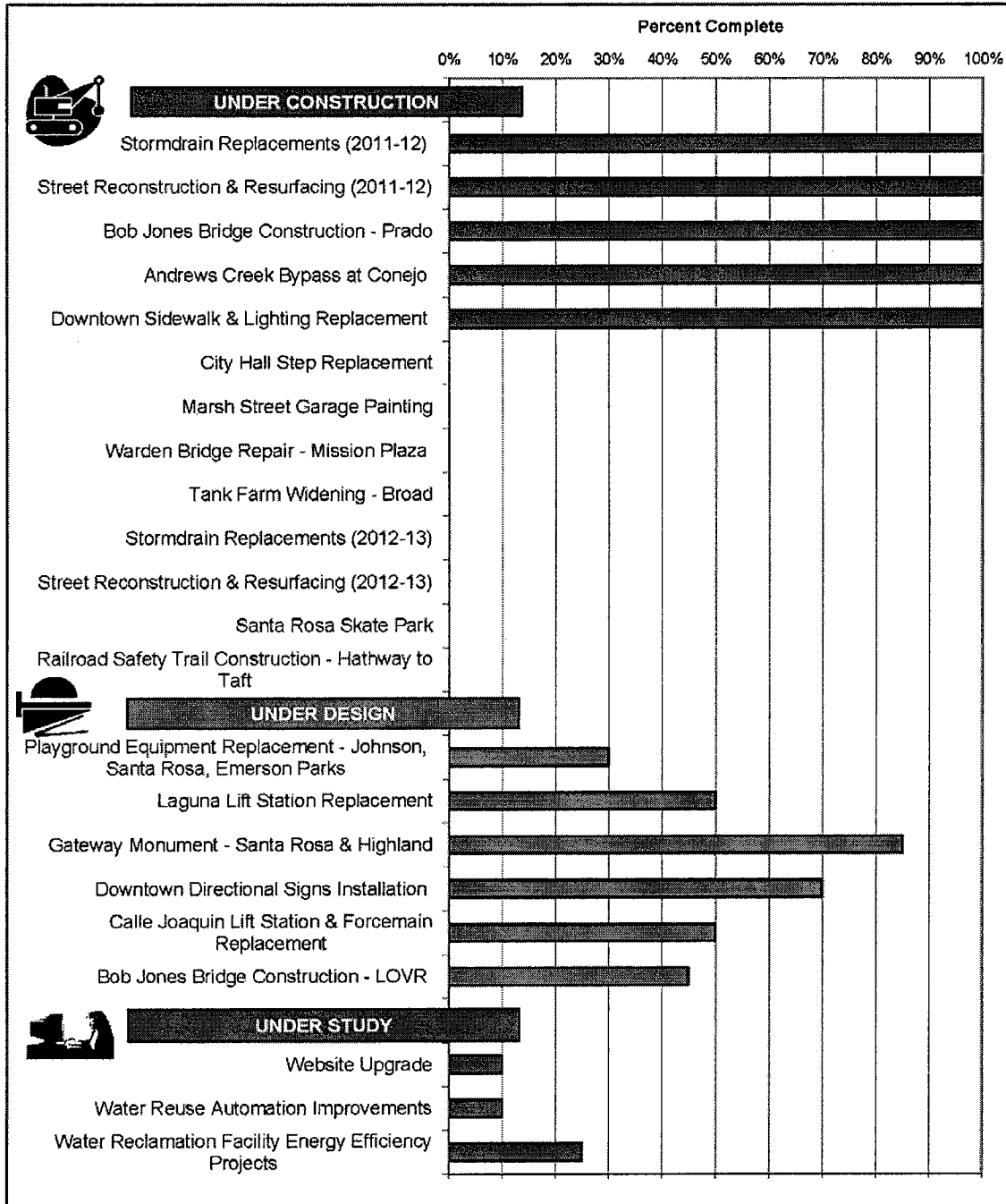
POLICIES AND OBJECTIVES

STATUS OF MAJOR CIP PROJECTS

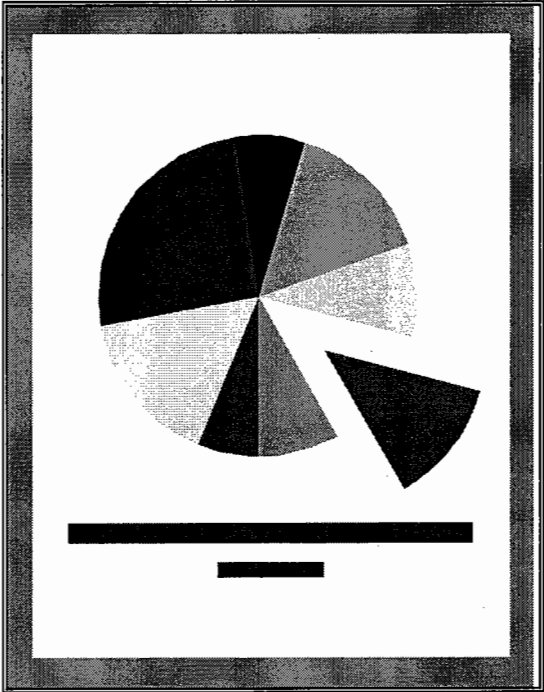
status of major cip projects



2011-12: Fourth Quarter
As of June 30, 2012



Section C
BUDGET GRAPHICS



BUDGET GRAPHICS AND SUMMARIES

OVERVIEW

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

Combined Expenditures and Revenues

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

Expenditures and Revenues by Fund

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

Changes in Financial Position

- Summary of Revenues, Expenditures and Changes in Financial Position by Fund for 2011-12 and 2012-13

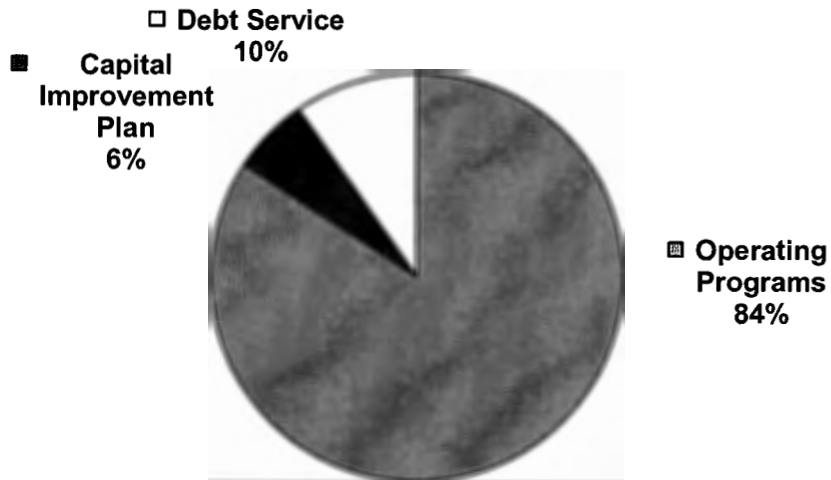
Authorized Regular Positions

- Authorized Regular Positions by Function

BUDGET GRAPHICS AND SUMMARIES

TOTAL EXPENDITURES BY TYPE - ALL FUNDS COMBINED

2012-13 Expenditures By Type: \$96.1 Million

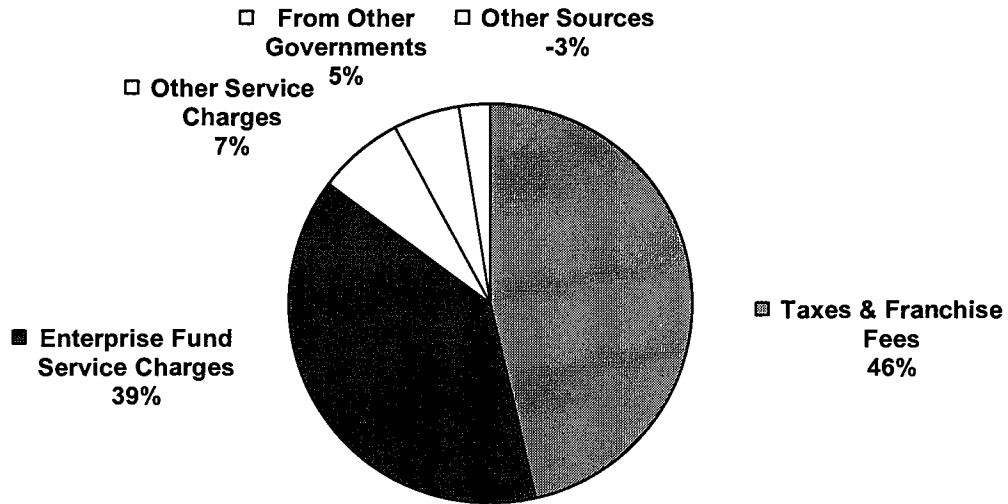


	Actual 2009-10	Actual 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Operating Programs	68,645,400	72,742,700	82,495,900	80,906,400
Capital Improvement Plan	22,649,700	16,688,500	39,400,900	5,853,900
Debt Service	9,999,900	10,110,700	9,821,800	9,345,700
TOTAL	\$101,295,000	\$99,541,900	\$131,718,600	\$96,106,000

BUDGET GRAPHICS AND SUMMARIES

TOTAL FUNDING SOURCES - ALL FUNDS COMBINED

2012-13 Funding Sources: \$96.1 Million

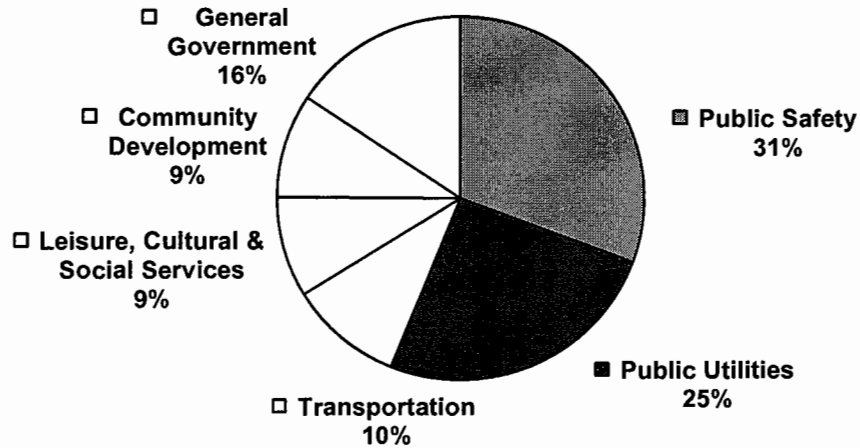


	Actual 2009-10	Actual 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Taxes & Franchise Fees	42,093,000	43,698,500	45,695,300	46,972,800
Service Charges				
Governmental Funds	5,882,600	9,209,300	8,413,500	7,016,900
Enterprise & Agency Funds	31,751,400	31,404,200	34,801,500	39,328,900
From Other Governments	8,277,700	8,444,800	15,660,300	5,349,600
Use of Money & Property	2,698,800	1,547,300	1,253,700	1,273,200
Other Revenues	1,286,900	2,129,200	1,372,000	1,873,700
Total Current Sources	91,990,400	96,433,300	107,196,300	101,815,100
Proceeds from Debt Financings		1,080,000		
Fund Balance/Other Sources (Uses)	9,304,600	2,028,600	24,522,300	(5,709,100)
TOTAL	\$101,295,000	\$99,541,900	\$131,718,600	\$96,106,000

BUDGET GRAPHICS AND SUMMARIES

OPERATING PROGRAM EXPENDITURES BY FUNCTION

2012-13 Operating Budget: \$80.9 Million

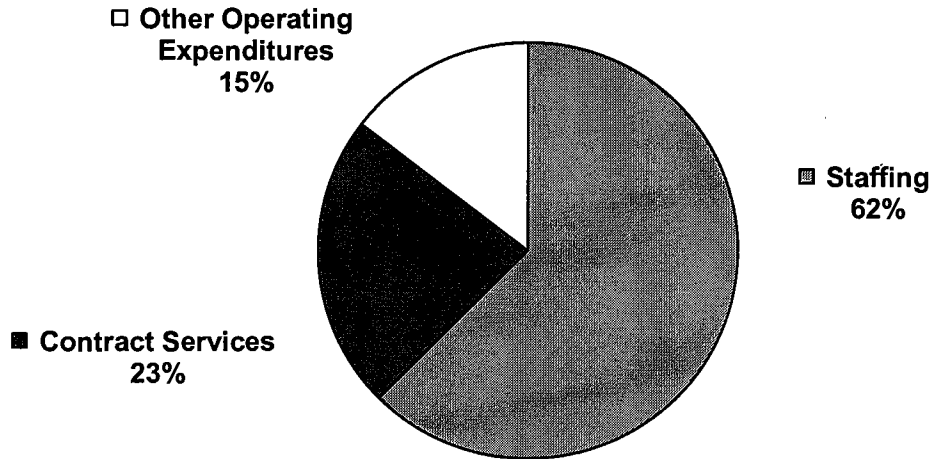


	Actual 2009-10	Actual 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Public Safety	24,203,800	23,506,100	25,240,700	24,849,000
Public Utilities	12,378,900	17,040,200	20,828,300	20,610,400
Transportation	7,069,800	7,079,100	7,954,500	8,126,700
Leisure, Cultural & Social Services	6,785,200	6,785,200	7,095,000	7,199,200
Community Development	6,690,200	7,053,500	8,724,200	7,458,900
General Government	11,517,500	11,178,100	12,653,200	12,662,200
TOTAL	\$68,645,400	\$72,642,200	\$82,495,900	\$80,906,400

BUDGET GRAPHICS AND SUMMARIES

OPERATING PROGRAM EXPENDITURES BY TYPE

2012-13 Operating Budget: \$80.9 Million

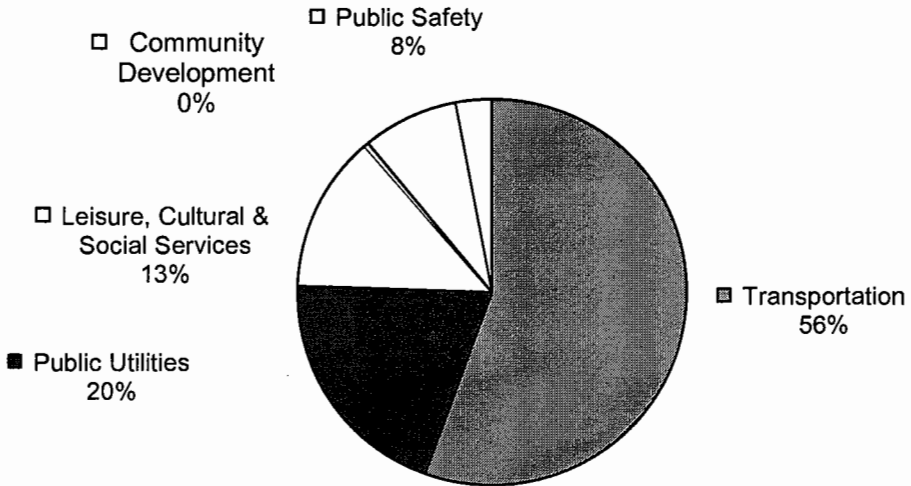


	Actual 2009-10	Actual 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Staffing	48,315,900	47,466,500	50,328,600	50,584,600
Contract Services	10,500,300	15,676,900	20,712,200	18,478,200
Other Operating Expenditures	9,648,300	9,303,700	11,323,900	11,813,200
Minor Capital	180,900	195,100	131,200	30,400
TOTAL	\$68,645,400	\$72,642,200	\$82,495,900	\$80,906,400

BUDGET GRAPHICS AND SUMMARIES

CAPITAL IMPROVEMENT PLAN EXPENDITURES BY FUNCTION

2012-13 Capital Improvement Plan: \$5.9 Million

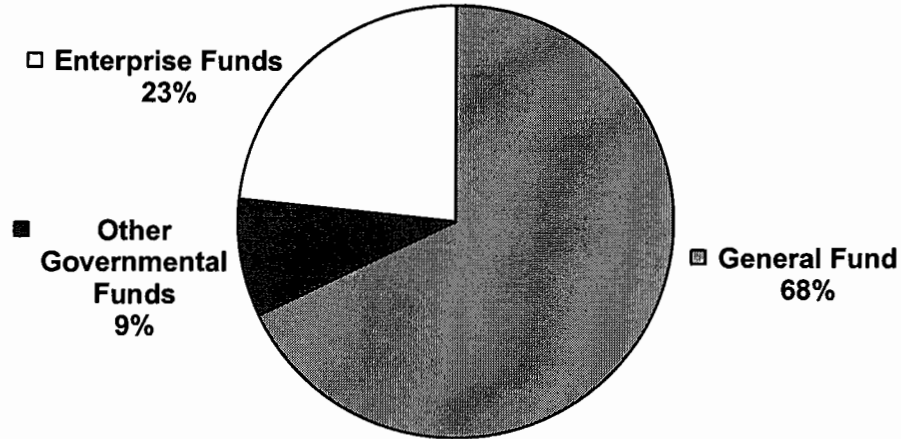


	Actual 2009-10	Actual 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Public Safety	4,704,400	494,100	616,700	465,800
Public Utilities	4,421,500	4,413,800	10,912,400	1,170,000
Transportation	5,323,900	8,547,900	21,754,200	3,253,300
Leisure, Cultural & Social Services	1,229,400	617,200	2,348,600	765,800
Community Development	3,893,700	884,100	2,904,900	22,500
General Government	3,076,800	1,731,400	864,100	176,500
TOTAL	\$22,649,700	\$16,688,500	\$39,400,900	\$5,853,900

BUDGET GRAPHICS AND SUMMARIES

CAPITAL IMPROVEMENT PLAN EXPENDITURES BY FUNDING SOURCE

2012-13 Capital Improvement Plan: \$5.9 Million

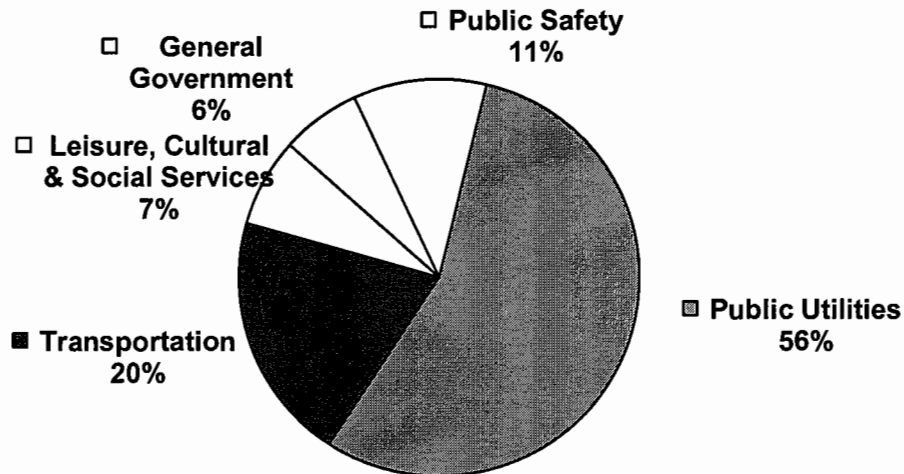


	Actual 2009-10	Actual 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Governmental Funds				
Current Sources				
General Fund	3,882,000	2,136,900	4,198,900	3,973,400
Other Governmental Funds	11,781,100	7,426,400	20,370,000	515,500
Debt Financing		1,044,000		
Total Governmental funds	15,663,100	10,607,300	24,568,900	4,488,900
Enterprise & Agency Funds				
Current Sources	5,549,100	6,081,200	14,832,000	1,365,000
Debt Financing				
Total Enterprise & Agency Funds	5,549,100	6,081,200	14,832,000	1,365,000
TOTAL	\$21,212,200	\$16,688,500	\$39,400,900	\$5,853,900

BUDGET GRAPHICS AND SUMMARIES

DEBT SERVICE EXPENDITURES BY FUNCTION

2012-13 Debt Service: \$9.3 Million

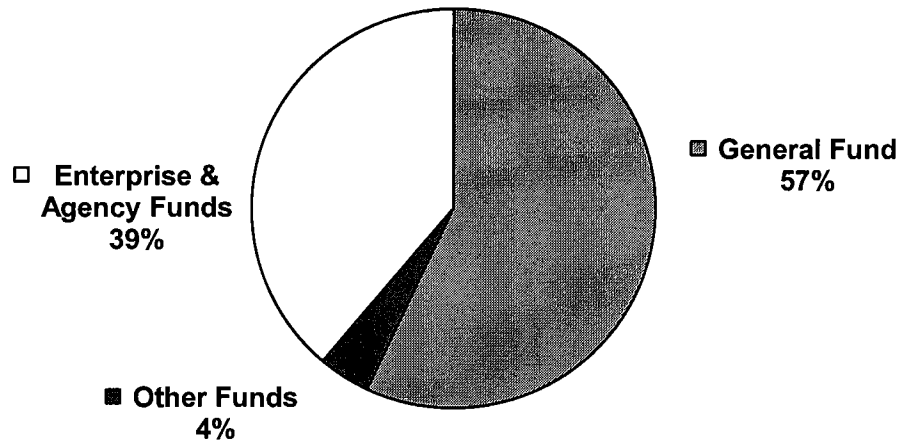


	Actual 2009-10	Actual 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Public Safety	948,500	1,065,900	1,022,500	1,003,100
Public Utilities	5,569,200	5,685,800	5,588,800	5,182,600
Transportation	1,885,200	1,826,300	1,890,300	1,886,500
Leisure, Cultural & Social Services	962,500	968,800	716,600	674,500
General Government	634,500	563,900	603,600	599,000
TOTAL	\$9,999,900	\$10,110,700	\$9,821,800	\$9,345,700

BUDGET GRAPHICS AND SUMMARIES

TOTAL EXPENDITURES BY FUND

2012-13 Expenditures By Fund: \$96.1 Million

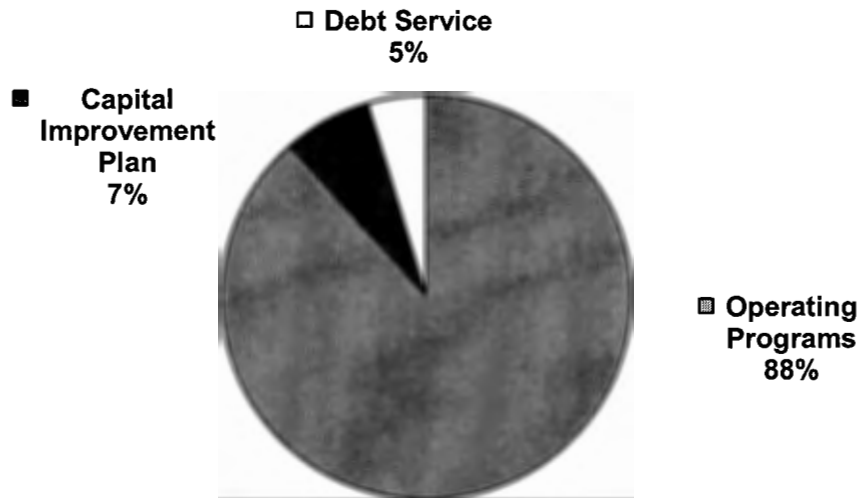


	Actual 2009-10	Actual 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Governmental Funds				
General Fund	53,338,900	50,246,800	56,660,500	54,799,500
Other Funds	14,117,500	9,842,100	23,764,700	4,031,900
Total Governmental Funds	67,456,400	60,088,900	80,425,200	58,831,400
Enterprise & Agency Funds				
Water Fund	12,599,200	16,959,700	20,134,900	16,968,600
Sewer Fund	12,034,400	12,527,400	18,459,400	11,902,200
Parking Fund	3,764,600	4,337,300	6,181,400	4,232,400
Transit Fund	3,782,900	3,904,100	5,017,800	3,272,600
Golf Fund	714,500	720,900		
Whale Rock Reservoir Fund	943,000	802,700	1,499,900	898,800
Total Enterprise Funds	33,838,600	39,252,100	51,293,400	37,274,600
TOTAL	\$101,295,000	\$99,341,000	\$131,718,600	\$96,106,000

BUDGET GRAPHICS AND SUMMARIES

GENERAL FUND EXPENDITURES AND USES

2012-13 General Fund Expenditures and Uses: \$54.8 Million

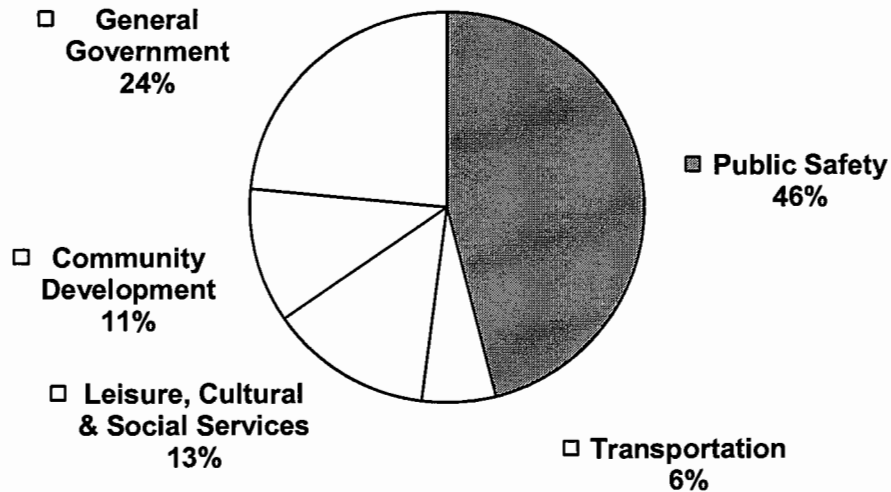


	Actual 2009-10	Actual 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Operating Programs	46,150,900	44,713,900	51,566,000	50,269,500
Capital Improvement Plan	3,882,000	2,136,900	4,198,900	3,973,400
Debt Service	2,908,700	3,023,200	2,705,200	2,637,500
Other Uses (Sources)				
Operating Subsidies to Other Funds:				
Golf Fund	301,500	333,300		
Community Development Block Grant Fund	21,800	39,500	77,300	45,000
Transportation Impact Fee Fund	74,000			
MOA & Other Compensation Adjustments			100,000	(540,900)
Expenditure Savings			(1,986,900)	(1,585,000)
TOTAL	\$53,338,900	\$50,246,800	\$56,660,500	\$54,799,500

BUDGET GRAPHICS AND SUMMARIES

GENERAL FUND OPERATING PROGRAM EXPENDITURES BY FUNCTION

2012-13 General Fund Operating: \$50.3 Million

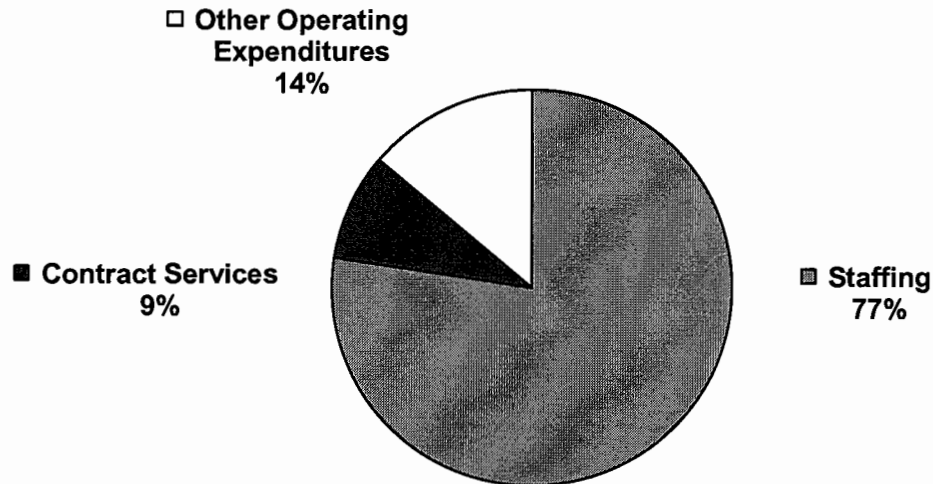


	Actual 2009-10	Actual 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Public Safety	24,203,800	23,506,100	25,240,700	24,849,000
Transportation	3,019,700	2,901,900	3,212,900	3,267,800
Leisure, Cultural & Social Services	6,279,900	6,268,700	7,095,000	7,199,200
Community Development	5,394,000	5,309,000	7,139,100	6,023,400
General Government	11,517,500	11,178,100	12,653,200	12,662,200
Reimbursed Expenditures	(4,264,000)	(4,449,900)	(3,774,900)	(3,732,100)
TOTAL	\$46,150,900	\$44,713,900	\$51,566,000	\$50,269,500

BUDGET GRAPHICS AND SUMMARIES

GENERAL FUND OPERATING PROGRAM EXPENDITURES BY TYPE

2012-13 General Fund Operating: \$50.3 Million

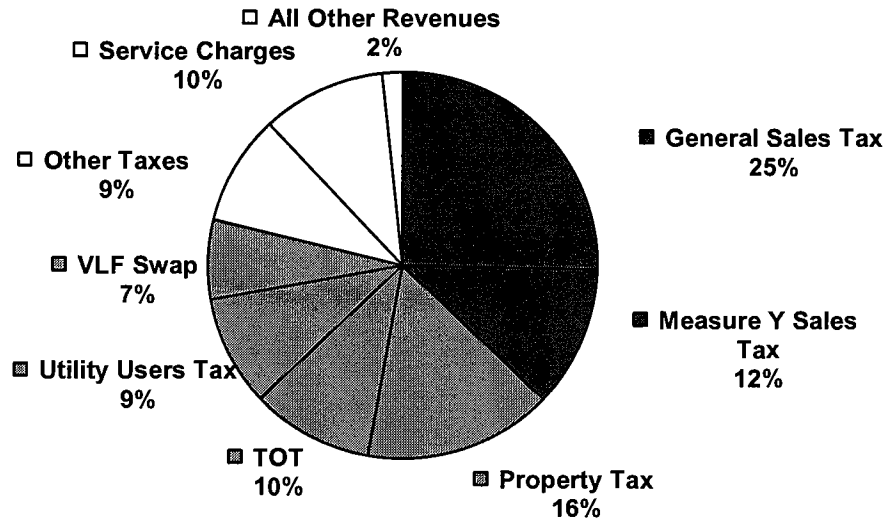


	Actual 2009-10	Actual 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Staffing	40,247,500	39,169,700	41,952,100	41,803,400
Contract Services	3,812,400	3,728,100	6,084,200	4,690,300
Other Operating Expenditures	6,316,700	6,255,200	7,275,900	7,479,200
Minor Capital	38,300	10,800	28,700	28,700
Reimbursed Expenditures	(4,264,000)	(4,449,900)	(3,774,900)	(3,732,100)
TOTAL	\$46,150,900	\$44,713,900	\$51,566,000	\$50,269,500

BUDGET GRAPHICS AND SUMMARIES

GENERAL FUND REVENUES

2012-13 General Fund Revenues: \$53.7 Million

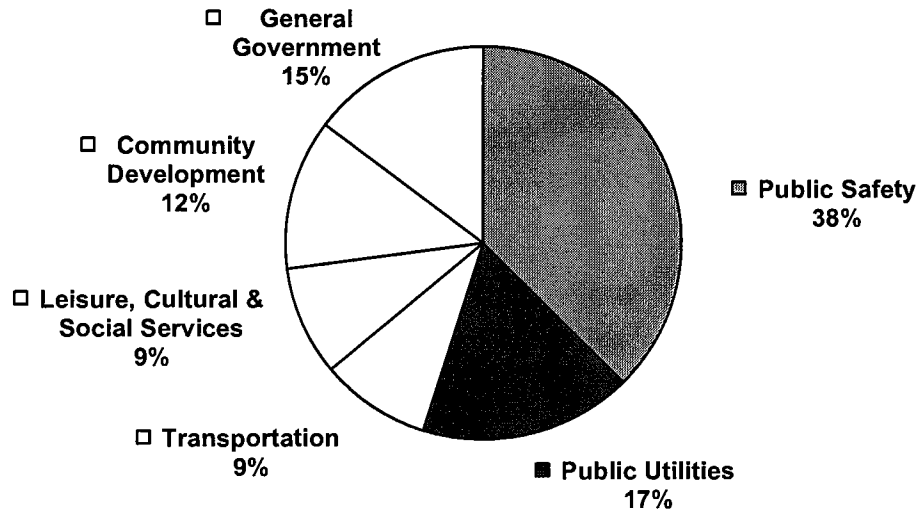


	Actual	Actual	2011-13 Financial Plan	
	2009-10	2010-11	2011-12	2012-13
Taxes				
Sales & Use Taxes				
General Sales Tax	10,723,900	12,098,600	12,945,500	13,528,000
Measure Y Sales Tax	5,252,500	5,616,300	6,009,400	6,279,800
Public Safety (Proposition 172) Sales Tax	257,900	271,300	272,300	284,600
Property Tax	8,579,300	8,441,100	8,370,200	8,370,200
Transient Occupancy Tax (TOT)	4,496,100	4,844,200	5,134,800	5,395,000
Utility Users Tax	4,862,400	4,592,300	4,898,900	4,938,100
Property Tax in lieu of VLF	3,565,100	3,551,100	3,551,000	3,551,000
Other Taxes	4,355,800	4,283,600	4,513,200	4,626,100
Total Taxes	42,093,000	43,698,500	45,695,300	46,972,800
Fines & Forfeitures	201,700	171,400	155,100	162,600
Use of Money & Property	904,800	549,900	475,500	695,500
From Other Governments	1,235,000	796,000	1,413,600	321,500
Service Charges	4,691,600	4,987,100	5,614,900	5,448,900
Other Revenues	139,600	179,300	79,200	75,000
TOTAL	\$49,265,700	\$50,382,200	\$53,433,600	\$53,676,300

BUDGET GRAPHICS AND SUMMARIES

AUTHORIZED REGULAR STAFFING BY FUNCTION

2012-13 Authorized Positions: 355.4



	Actual 2009-10	Actual 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Public Safety	140.3	139.5	135.3	133.3
Public Utilities	60.8	60.8	60.8	61.8
Transportation	33.0	32.2	32.0	32.0
Leisure, Cultural & Social Services	33.0	33.0	32.0	32.0
Community Development	41.1	41.1	42.9	43.9
General Government	51.0	51.0	50.5	52.3
TOTAL	359.2	357.6	353.5	355.3

BUDGET GRAPHICS AND SUMMARIES

SUMMARY OF CHANGES IN FINANCIAL POSITION

2011-12 Changes in Financial Position

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

	Revenues	Expenditures	Other Sources (Uses)		Sources Over (Under) Uses	Fund Balance/Working Capital	
			Operating Transfers	Other		Beginning of Year	End of Year
Governmental Funds							
General Fund	53,433,600	51,566,000	(5,698,600)	1,886,900	(1,944,100)	12,907,900	10,963,800
Special Revenue Funds							
Downtown BID (Note 1)	198,100	199,200			(1,100)	2,300	1,200
Tourism BID (Note 2)	1,028,000	1,122,900	(41,000)		(135,900)	193,000	57,100
Gas Tax	1,215,600		(1,215,600)		-	-	-
TDA (Note 3)	26,200		(26,200)		-	-	-
CDBG (Note 4)	1,461,500	1,538,800	77,300		-	-	-
Law Enforcement Grants	2,800	26,200			(23,400)	42,000	18,600
Public Art (Private Sector)	34,000	234,400			(200,400)	366,700	166,300
Proposition 42 Fund	-				-	-	-
Proposition 1B Fund					-	-	-
Capital Project Funds							
Capital Outlay	4,118,200	13,516,800	3,461,400		(5,937,200)	5,937,200	-
Parkland Development	412,300	1,548,900			(1,136,600)	1,246,700	110,100
Transportation Impact	2,679,000	5,668,500			(2,989,500)	4,221,100	1,231,600
Los Osos Valley Rd	619,300	236,400			382,900	360,700	743,600
Open Space Protection	565,700	813,500	237,500		(10,300)	115,100	104,800
Airport Area Impact	16,000	355,600			(339,600)	1,028,400	688,800
Affordable Housing	718,900	744,700			(25,800)	1,010,500	984,700
Fleet Replacement	27,100	148,100	500,000		379,000	1,796,200	2,175,200
Debt Service Fund		2,705,200	2,705,200		-	2,285,700	2,285,700
Enterprise & Agency Funds							
Water	16,124,800	20,134,900		13,100	(3,997,000)	13,377,400	9,380,400
Sewer	14,454,500	18,459,400		(157,300)	(4,162,200)	10,568,800	6,406,600
Parking	4,030,500	6,181,400			(2,150,900)	6,602,200	4,451,300
Transit	5,101,300	5,017,800		13,000	96,500	998,700	1,095,200
Golf Fund	-				-	20,200	20,200
Whale Rock Commission	928,900	1,499,900		(30,400)	(601,400)	1,160,900	559,500
TOTAL	\$107,196,300	\$131,718,600	-	\$1,725,300	(\$22,797,000)	\$64,241,700	\$41,444,700

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

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

BUDGET GRAPHICS AND SUMMARIES

SUMMARY OF CHANGES IN FINANCIAL POSITION

2012-13 Changes in Financial Position

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

	Revenues	Expenditures	Other Sources (Uses)		Sources Over (Under) Uses	Fund Balance/Working Capital	
			Operating Transfers	Other		Beginning of Year	End of Year
Governmental Funds							
General Fund	53,676,300	50,269,500	(5,374,800)	2,125,900	157,900	10,963,800	11,121,700
Special Revenue Funds						-	
Downtown BID	200,000	200,000			-	1,200	1,200
Tourism BID	1,058,000	992,000	(21,100)		44,900	57,100	102,000
Gas Tax	1,233,800		(1,233,800)		-	-	-
TDA	26,200		(26,200)		-	-	-
CDBG	506,600	572,800	66,200		-	-	-
Law Enforcement Grants	2,900				2,900	18,600	21,500
Public Art (Private Sector)	26,000				26,000	166,300	192,300
Proposition 42 Fund					-	-	-
Proposition 1B Fund							-
Capital Project Funds							
Capital Outlay	320,000	3,570,900	3,250,900		-	-	-
Parkland Development	29,000				29,000	110,100	139,100
Transportation Impact	595,500	275,000			320,500	1,231,600	1,552,100
Los Osos Valley Road	2,000				2,000	743,600	745,600
Open Space Protection	500	22,500	22,500		500	104,800	105,300
Airport Area Impact	16,500				16,500	688,800	705,300
Affordable Housing	20,000				20,000	984,700	1,004,700
Fleet Replacement	31,800	291,200	700,000		440,600	2,175,200	2,615,800
Debt Service Fund		2,637,500	2,637,500		-	2,285,700	2,285,700
Enterprise & Agency Funds							
Water	16,752,100	16,968,600		142,200	(74,300)	9,380,400	9,306,100
Sewer	15,492,400	11,902,200		19,100	3,609,300	6,406,600	10,015,900
Parking	7,586,700	4,232,400		(2,374,900)	979,400	4,451,300	5,430,700
Transit	3,339,900	3,272,600			67,300	1,095,200	1,162,500
Golf Fund	-				-	20,200	20,200
Whale Rock Commission	898,900	898,800		(44,200)	(44,100)	559,500	515,400
Park Hotel Fund			(21,200)		(21,200)	39,100	17,900
TOTAL	101,815,100	96,106,000	-	(131,900)	5,577,200	41,483,800	47,061,000

OPERATING PROGRAMS

OVERVIEW—PURPOSE AND ORGANIZATION

PURPOSE

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

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

ORGANIZATION

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

- Function
- Operation
- Program
- Activity

Function

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

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

Operation

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

Program

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

Activity

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

Sample Relationship: Public Utilities

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

FUNCTION___Public Utilities
OPERATION_____Water Service
PROGRAM_____Water Treatment
ACTIVITY_____Laboratory Analysis

OPERATING PROGRAMS

OVERVIEW—SUMMARY OF FUNCTIONS AND OPERATIONS

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

OPERATING PROGRAMS

EXPENDITURE SUMMARIES—OVERVIEW

The Supplement includes the following operating program expenditure summaries:

Expenditures by Function

- Summarizes operating expenditures at the function and operation level.

Expenditures by Program

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

Expenditures by Department

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

Expenditures by Type:

All Funds and the General Fund

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

Significant Operating Program Changes

- Summarizes all significant operating program changes by function and operation.

OPERATING PROGRAMS

EXPENDITURES BY FUNCTION

	Actual	Actual	2011-13 Financial Plan	
	2009-10	2010-11	2011-12	2012-13
PUBLIC SAFETY				
Police Protection	14,525,400	14,019,900	15,191,300	15,066,600
Fire & Environmental Safety	9,678,400	9,486,200	10,049,400	9,782,400
Total Public Safety	24,203,800	23,506,100	25,240,700	24,849,000
PUBLIC UTILITIES				
Water Service	5,934,200	10,686,600	13,664,100	13,264,300
Wastewater Service	5,601,000	5,652,200	6,373,700	6,543,100
Whale Rock Reservoir	843,700	701,400	790,500	803,000
Total Public Utilities	12,378,900	17,040,200	20,828,300	20,610,400
TRANSPORTATION				
Transportation Management	595,800	511,600	604,600	615,900
Streets	1,673,100	1,632,900	1,798,100	1,839,200
Creek & Flood Protection	750,800	757,400	810,200	812,700
Parking	1,603,900	1,640,900	1,983,000	2,003,200
Municipal Transit System	2,446,200	2,536,300	2,758,600	2,855,700
Total Transportation	7,069,800	7,079,100	7,954,500	8,126,700
LEISURE, CULTURAL & SOCIAL SERVICES				
Parks & Recreation				
Recreation Programs	3,451,400	3,380,400	3,512,000	3,517,400
Maintenance Services	2,739,700	2,811,100	3,067,300	3,160,100
Cultural Services	362,700	360,600	278,000	284,000
Social Services	231,400	233,100	237,700	237,700
Total Leisure, Cultural & Social Services	6,785,200	6,785,200	7,095,000	7,199,200

OPERATING PROGRAMS

EXPENDITURES BY FUNCTION

	Actual	Actual	2011-13 Financial Plan	
	2009-10	2010-11	2011-12	2012-13
COMMUNITY DEVELOPMENT				
Planning	1,871,500	1,756,300	3,058,000	1,824,700
Construction Regulation				
Building & Safety	829,100	910,900	1,138,200	1,160,500
Engineering	1,996,800	2,000,700	2,124,300	2,185,900
Natural Resources Protection	365,300	359,200	364,900	351,400
Economic Health				
Economic Development	213,400	184,100	284,800	296,600
Community Promotion	377,700	386,300	431,900	447,800
Downtown Business Improvement District	208,300	196,800	199,200	200,000
Tourism Business Improvement District	828,100	1,359,700	1,122,900	992,000
Total Community Development	6,690,200	7,154,000	8,724,200	7,458,900
GENERAL GOVERNMENT				
Legislation & Policy	129,700	130,700	138,400	133,400
General Administration				
City Administration	790,800	685,500	747,800	654,700
City Clerk Services	281,100	321,800	385,100	421,500
Public Works Administration	1,113,100	995,600	997,900	913,500
Legal Services	518,900	497,900	637,200	540,000
Organizational Support Services				
Human Resources Programs	3,020,300	2,644,100	2,987,800	3,071,400
Finance & Information Technology Programs	3,336,400	3,349,200	4,248,500	4,282,900
GeoData Services	389,800	509,800	453,300	446,900
Buildings & Equipment				
Building Operations & Maintenance	973,200	1,003,300	1,034,300	1,055,600
Fleet Maintenance	964,200	1,040,200	1,022,900	1,142,300
Total General Government	11,517,500	11,178,100	12,653,200	12,662,200
TOTAL OPERATING EXPENDITURES	\$68,645,400	\$72,742,700	\$82,495,900	\$80,906,400

OPERATING PROGRAMS

EXPENDITURES BY PROGRAM - PUBLIC SAFETY

	Actual	Actual	2011-13 Financial Plan	
	2009-10	2010-11	2011-12	2012-13
POLICE PROTECTION				
Administration	1,449,400	1,377,500	1,754,900	1,738,700
Neighborhood & Crime Prevention Services	238,100	232,400	254,300	256,600
Support Services	2,152,600	2,172,400	2,353,900	2,341,000
Investigative Services	2,637,700	2,622,600	2,535,700	2,494,300
Traffic Safety	950,300	891,300	966,000	958,200
Patrol Services	7,097,300	6,723,700	7,326,500	7,277,800
Total Police Protection	14,525,400	14,019,900	15,191,300	15,066,600
FIRE & ENVIRONMENTAL SAFETY				
Administration	687,200	561,800	582,400	772,300
Emergency Response	7,895,800	7,912,700	8,426,200	8,247,800
Hazard Prevention	736,900	636,700	648,500	630,400
Training	318,900	307,600	353,000	102,400
Technical Services	28,800	57,100	19,400	19,800
Disaster Preparedness	10,800	10,300	19,900	9,700
Total Fire & Environmental Safety	9,678,400	9,486,200	10,049,400	9,782,400
TOTAL PUBLIC SAFETY	\$24,203,800	\$23,506,100	\$25,240,700	\$24,849,000

OPERATING PROGRAMS

EXPENDITURES BY PROGRAM - PUBLIC UTILITIES

	Actual	Actual	2011-13 Financial Plan	
	2009-10	2010-11	2011-12	2012-13
WATER SERVICE				
Water Source of Supply	1,392,800	6,038,000	8,346,300	7,940,000
Water Treatment	1,871,500	1,930,400	2,274,600	2,317,900
Water Distribution	1,032,000	1,055,900	1,143,500	1,168,200
Water Customer Service	235,600	240,800	321,300	331,100
Utilities Conservation Office	379,000	362,100	413,000	382,300
Water Taxes & Fees	470,700	481,500	519,600	562,000
Water Administration & Engineering	552,600	577,900	645,800	562,800
Total Water Service	5,934,200	10,686,600	13,664,100	13,264,300
WASTEWATER SERVICE				
Wastewater Collection	1,087,000	1,184,100	1,122,400	1,086,600
Wastewater Pretreatment	205,200	202,300	231,800	234,300
Water Reclamation Facility	2,924,700	2,770,100	3,287,800	3,302,000
Water Quality Lab	400,300	437,900	484,100	474,300
Wastewater Taxes & Fees	412,100	463,000	489,700	522,800
Wastewater Administration & Engineering	571,700	594,800	757,900	923,100
Total Wastewater Service	5,601,000	5,652,200	6,373,700	6,543,100
WHALE ROCK RESERVOIR				
Reservoir Operations	843,700	701,400	790,500	803,000
TOTAL PUBLIC UTILITIES	\$12,378,900	\$17,040,200	\$20,828,300	\$20,610,400

OPERATING PROGRAMS

EXPENDITURES BY PROGRAM - TRANSPORTATION

	Actual	Actual	2011-13 Financial Plan	
	2009-10	2010-11	2011-12	2012-13
TRANSPORTATION MANAGEMENT				
Transportation Planning & Engineering	595,800	511,600	604,600	615,900
STREETS				
Street & Sidewalk Maintenance	1,164,000	1,178,600	1,310,800	1,314,400
Traffic Signals & Street Lights	509,100	454,300	487,300	524,800
Total Streets	1,673,100	1,632,900	1,798,100	1,839,200
CREEK AND FLOOD PROTECTION				
Operations & Maintenance	750,800	757,400	810,200	812,700
PARKING				
Operations, Maintenance & Enforcement	1,603,900	1,640,900	1,983,000	2,003,200
MUNICIPAL TRANSIT SYSTEM				
Operations & Maintenance	2,446,200	2,536,300	2,758,600	2,855,700
TOTAL TRANSPORTATION	\$7,069,800	\$7,079,100	\$7,954,500	\$8,126,700

OPERATING PROGRAMS

EXPENDITURES BY PROGRAM - LEISURE, CULTURAL & SOCIAL SERVICES

	Actual	Actual	2011-13 Financial Plan	
	2009-10	2010-11	2011-12	2012-13
PARKS & RECREATION				
Recreation Programs				
Recreation Administration	688,100	671,400	747,200	725,700
Aquatics/Sinsheimer Park Facilities	346,300	341,200	337,600	334,700
Youth Services	718,800	857,500	884,400	902,300
Facilities	220,200	209,800	221,700	218,800
Community Services	163,900	263,100	255,600	256,900
Recreational Sports	338,600	298,800	289,800	285,500
Teens, Seniors & Classes	257,800	0	0	0
Ranger Services	212,400	222,100	233,900	238,700
Golf Course Operation & Maintenance	505,300	516,500	541,800	554,800
Total Recreation Programs	3,451,400	3,380,400	3,512,000	3,517,400
Maintenance Services				
Parks & Landscape Maintenance	1,930,000	1,939,500	2,243,800	2,315,400
Swim Center Maintenance	345,400	404,600	422,900	436,800
Tree Maintenance	464,300	467,000	400,600	407,900
Total Maintenance Services	2,739,700	2,811,100	3,067,300	3,160,100
Total Parks & Recreation	6,191,100	6,191,500	6,579,300	6,677,500
CULTURAL SERVICES				
Cultural Activities	362,700	360,600	278,000	284,000
SOCIAL SERVICES				
Human Relations	231,400	233,100	237,700	237,700
TOTAL LEISURE, CULTURAL & SOCIAL SERVICES	\$6,785,200	\$6,785,200	\$7,095,000	\$7,199,200

OPERATING PROGRAMS

EXPENDITURES BY PROGRAM - COMMUNITY DEVELOPMENT

	Actual	Actual	2011-13 Financial Plan	
	2009-10	2010-11	2011-12	2012-13
PLANNING				
Commissions & Committees	21,000	17,900	33,900	33,900
Community Development Administration	439,800	471,100	497,700	499,100
Development Review	584,800	495,800	530,800	527,500
Long Range Planning	566,100	483,000	1,732,600	520,700
Housing	259,800	288,500	263,000	243,500
Total Planning	1,871,500	1,756,300	3,058,000	1,824,700
CONSTRUCTION REGULATION				
Building & Safety	829,100	910,900	1,138,200	1,160,500
CIP Project Engineering	1,555,500	1,583,600	1,723,700	1,780,200
Engineering Development Review	441,300	417,100	400,600	405,700
Total Construction Regulation	2,825,900	2,911,600	3,262,500	3,346,400
NATURAL RESOURCES PROTECTION				
Natural Resources Protection	365,300	359,200	364,900	351,400
ECONOMIC HEALTH				
Economic Development	213,400	184,100	284,800	296,600
Community Promotion	377,700	386,300	431,900	447,800
Downtown Business Improvement District	208,300	196,800	199,200	200,000
Tourism Business Improvement District	828,100	1,359,700	1,122,900	992,000
Total Economic Development	1,627,500	2,126,900	915,900	944,400
TOTAL COMMUNITY DEVELOPMENT	\$6,690,200	\$7,154,000	\$7,601,300	\$6,466,900

OPERATING PROGRAMS

EXPENDITURES BY PROGRAM - GENERAL GOVERNMENT

	Actual	Actual	2011-13 Financial Plan	
	2009-10	2010-11	2011-12	2012-13
LEGISLATION AND POLICY				
City Council	129,700	130,700	138,400	133,400
GENERAL ADMINISTRATION				
City Administration	790,800	685,500	747,800	654,700
City Clerk Services	281,100	321,800	385,100	421,500
Public Works Administration	1,113,100	995,600	997,900	913,500
Total General Administration	2,185,000	2,002,900	2,130,800	1,989,700
LEGAL SERVICES				
City Attorney	518,900	497,900	637,200	540,000
ORGANIZATIONAL SUPPORT SERVICES				
Human Resources Administration	642,900	578,800	607,000	568,500
Risk Management	2,377,400	2,065,300	2,380,800	2,502,900
Finance & Information Technology Administration	320,900	232,600	326,400	315,700
Accounting	559,400	540,100	634,900	617,500
Revenue Management	679,800	753,500	819,700	878,500
Support Services	85,800	96,900	189,100	208,100
Information Technology	1,690,500	1,726,100	2,278,400	2,263,100
Geographic Information Services	389,800	509,800	453,300	446,900
Total Organizational Support Services	6,746,500	6,503,100	7,689,600	7,801,200
BUILDINGS & EQUIPMENT				
Building Maintenance	973,200	1,003,300	1,034,300	1,055,600
Fleet Maintenance	964,200	1,040,200	1,022,900	1,142,300
Total Buildings & Equipment	1,937,400	2,043,500	2,057,200	2,197,900
TOTAL GENERAL GOVERNMENT	\$11,517,500	\$11,178,100	\$12,653,200	\$12,662,200

OPERATING PROGRAMS

OPERATING EXPENDITURES BY DEPARTMENT

	Actual	Actual	2011-13 Financial Plan	
	2009-10	2010-11	2011-12	2012-13
CITY COUNCIL				
Legislation & Policy	129,700	130,700	138,400	133,400
Total City Council	129,700	130,700	138,400	133,400
ADMINISTRATION				
City Administration	790,800	685,500	747,800	654,700
City Clerk Services	281,100	321,800	385,100	421,500
Cultural Activities	362,700	360,600	278,000	284,000
Natural Resources Protection	365,300	359,200	364,900	351,400
Economic Development	213,400	184,100	284,800	296,600
Community Promotion	377,700	386,300	431,900	447,800
Total Administration	2,391,000	2,297,500	2,492,500	2,456,000
CITY ATTORNEY				
Legal Services	518,900	497,900	637,200	540,000
Total City Attorney	518,900	497,900	637,200	540,000
HUMAN RESOURCES				
Human Resources Administration	642,900	578,800	607,000	568,500
Risk Management	2,377,400	2,065,300	2,380,800	2,502,900
Human Relations	231,400	233,100	237,700	237,700
Total Human Resources	3,251,700	2,877,200	3,225,500	3,309,100
FINANCE & INFORMATION TECHNOLOGY				
Finance & Information Technology Administration	320,900	232,600	326,400	315,700
Accounting	559,400	540,100	634,900	617,500
Revenue Management	679,800	753,500	819,700	878,500
Support Services	85,800	96,900	189,100	208,100
Information Technology	1,690,500	1,726,100	2,278,400	2,263,100
Geographic Information Services	389,800	509,800	453,300	446,900
Total Finance & Information Technology	3,726,200	3,859,000	4,701,800	4,729,800
COMMUNITY DEVELOPMENT				
Commissions & Committees	21,000	17,900	33,900	33,900
Administration	439,800	471,100	497,700	499,100
Development Review	584,800	495,800	530,800	527,500
Long Range Planning	566,100	483,000	1,732,600	520,700
Housing	259,800	288,500	263,000	243,500
Building & Safety	829,100	910,900	1,138,200	1,160,500
Total Community Development	2,700,600	2,667,200	4,196,200	2,985,200

OPERATING PROGRAMS

OPERATING EXPENDITURES BY DEPARTMENT

	Actual	Actual	2011-13 Financial Plan	
	2009-10	2010-11	2011-12	2012-13
PARKS & RECREATION				
Recreation Programs	3,451,400	3,380,400	3,512,000	3,517,400
UTILITIES				
Water Services	5,934,200	10,686,600	13,664,100	13,264,300
Wastewater Services	5,601,000	5,652,200	6,373,700	6,543,100
Whale Rock Reservoir	843,700	701,400	790,500	803,000
Total Utilities	12,378,900	17,040,200	20,828,300	20,610,400
PUBLIC WORKS				
Administration	1,113,100	995,600	997,900	913,500
CIP Project Engineering	1,555,500	1,583,600	1,723,700	1,780,200
Transportation & Development Review				
Engineering Development Review	441,300	417,100	400,600	405,700
Transportation Planning & Engineering	595,800	511,600	604,600	615,900
Parking	1,603,900	1,640,900	1,983,000	2,003,200
Municipal Transit System	2,446,200	2,536,300	2,758,600	2,855,700
Maintenance Services				
Street Maintenance	1,673,100	1,632,900	1,798,100	1,839,200
Creek & Flood Protection	750,800	757,400	810,200	812,700
Parks & Landscape Maintenance	1,930,000	1,939,500	2,243,800	2,315,400
Swim Center Maintenance	345,400	404,600	422,900	436,800
Tree Maintenance	464,300	467,000	400,600	407,900
Building Maintenance	973,200	1,003,300	1,034,300	1,055,600
Fleet Maintenance	964,200	1,040,200	1,022,900	1,142,300
Total Public Works	14,856,800	14,930,000	16,201,200	16,584,100
POLICE	14,525,400	14,019,900	15,191,300	15,066,600
FIRE	9,678,400	9,486,200	10,049,400	9,782,400
NON-DEPARTMENTAL				
Tourism Business Improvement District	828,100	1,359,700	1,122,900	992,000
Downtown Business Improvement District	208,300	196,800	199,200	200,000
Total Non-Departmental	1,036,400	1,556,500	1,322,100	1,192,000
TOTAL OPERATING EXPENDITURES	\$68,645,400	\$72,742,700	\$82,495,900	\$80,906,400

OPERATING PROGRAMS

OPERATING EXPENDITURES BY TYPE - ALL FUNDS COMBINED

	Actual	Actual	2011-13 Financial Plan	
	2009-10	2010-11	2011-12	2012-13
STAFFING				
Salaries and Wages				
Regular Salaries	28,915,800	28,831,700	29,591,900	30,370,200
Temporary Salaries	2,287,000	2,226,200	2,420,200	2,179,400
Overtime	2,552,700	2,341,300	2,511,700	2,462,700
Benefits				
Retirement	9,341,100	9,349,000	10,580,100	10,238,500
Group Health and Other Insurance	4,017,300	3,789,300	4,073,600	4,138,900
Retiree Health Care	649,100	440,700	524,300	558,000
Medicare	446,800	445,100	494,500	501,200
Unemployment Reimbursements	106,100	43,200	132,300	135,700
Total Staffing	48,315,900	47,466,500	50,328,600	50,584,600
CONTRACT SERVICES	10,500,300	15,676,900	20,712,200	18,478,200
OTHER OPERATING EXPENDITURES				
Communications & Utilities	3,042,000	2,986,300	3,472,400	3,641,500
Rents & Leases	136,600	147,400	157,200	155,900
Insurance	2,248,900	1,939,500	2,197,400	2,332,900
Other Operating Expenditures	4,220,800	4,331,000	5,496,900	5,682,900
Total Other Operating Expenditures	9,648,300	9,404,200	11,323,900	11,813,200
MINOR CAPITAL	180,900	195,100	131,200	30,400
TOTAL OPERATING EXPENDITURES	\$68,645,400	\$72,742,700	\$82,495,900	\$80,906,400

OPERATING PROGRAMS

OPERATING EXPENDITURES BY TYPE - GENERAL FUND

	Actual	Actual	2011-13 Financial Plan	
	2009-10	2010-11	2011-12	2012-13
STAFFING				
Salaries and Wages				
Regular Salaries	23,861,400	23,519,400	24,555,500	24,916,100
Temporary Salaries	1,911,700	1,836,200	1,945,500	1,793,700
Overtime	2,397,500	2,162,500	2,304,700	2,260,600
Benefits				
Retirement	7,915,900	7,899,200	8,944,600	8,565,800
Group Health and Other Insurance	3,191,500	3,002,900	3,254,900	3,299,400
Retiree Health Care	511,600	346,900	427,000	441,900
Medicare	370,300	367,100	410,700	414,200
Unemployment Reimbursements	87,600	35,500	109,200	111,700
Total Staffing	40,247,500	39,169,700	41,952,100	41,803,400
CONTRACT SERVICES	3,812,400	3,728,100	6,084,200	4,690,300
OTHER OPERATING EXPENDITURES				
Communications & Utilities	1,538,000	1,629,500	1,914,000	2,021,100
Rents & Leases	130,500	141,800	152,200	153,900
Insurance	2,248,900	1,939,500	2,197,400	2,332,900
Other Operating Expenditures	2,399,300	2,544,400	3,012,300	2,971,300
Total Other Operating Expenditures	6,316,700	6,255,200	7,275,900	7,479,200
MINOR CAPITAL	38,300	10,800	28,700	28,700
TOTAL PROGRAM EXPENDITURES	50,414,900	49,163,800	55,340,900	54,001,600
Reimbursed Expenditures	(4,264,000)	(4,449,900)	(3,774,900)	(3,732,100)
TOTAL GENERAL FUND OPERATING EXPENDITURES	\$46,150,900	\$44,713,900	\$51,566,000	\$50,269,500

SIGNIFICANT OPERATING PROGRAM CHANGES

INCREASES REQUIRED TO MAINTAIN BASIC SERVICE LEVELS

	Page	2011-12	2012-13
Public Safety			
<i>Fire & Environmental Safety</i> ■ Personal Protective Equipment	D-17		21,300
Public Utilities			
<i>Utilities Administration</i> ■ Update Water and Wastewater Development Impact Fee Study	D-19		15,000
	D-22		275,000
	D-26		25,000
	D-29		
■ Water Quality Studies for San Luis Obispo Creek			
■ Organizational Structure Review			
■ Utilities Business Manager*			
<i>Water Source of Supply</i> ■ Nacimiento Water Project	D-34		(276,400)
Transportation			
<i>Signals & Street Lights</i> ■ Signal Maintenance Technician Salary	D-36		40,400
Community Development			
<i>Planning</i> ■ Housing Program Funding Gap*	D-39		
<i>Economic Development</i> ■ Tourism Manager*	D-43		
General Government			
<i>Administration</i> ■ City Clerk Office Reorganization	D-46		51,600
<i>Public Works Administration</i> ■ Deputy Director Leave Coverage	D-50		85,100
<i>City Attorney</i> ■ City Attorney Office Staffing	D-56	25,300	11,700
	D-59		25,000
<i>Revenue Management</i> ■ Upgrade Business Tax & License Software	D-62		34,300
	D-65		36,100
<i>Fleet Maintenance</i> ■ Emergency Generator Preventative Maintenance	D-68		15,600
	D-72		7,500
TOTAL		\$25,300	\$367,200

* Request does not result in increased operating budget

Summary By Fund		
General Fund	25,300	298,700
Enterprise Funds		
Water Fund		(256,400)
Sewer Fund		295,000
Parking Fund		22,400
Transit Fund		7,500
TOTAL	\$25,300	\$367,200

PUBLIC SAFETY

PERSONAL PROTECTIVE EQUIPMENT FOR NEWLY HIRED FIREFIGHTERS

Request Summary

Providing three sets of required Personal Protective Equipment (PPE) for newly hired firefighters will cost \$21,300 in 2012-13.

Key Objectives

1. Provide required PPE for all firefighters.
2. Ensure safe and well fitted equipment for each newly hired firefighter

Existing Situation: Factors Driving the Need for Change

Currently, due to retirements and promotions, the Fire Department has four vacancies, and four additional vacancies are expected by the end of the calendar year 2012. If that occurs, the Department plans on filling five of these vacancies, and personal protective equipment will need to be purchased for each firefighter. The other three positions will be backfilled with overtime.

The 2011-13 Financial Plan provides for one set of PPE per fiscal year for a newly hired firefighter at a cost of \$7,071. In 2011-12, no new firefighters were hired so carrying that funding over to 2012-13 will provide \$14,142 for two sets of the anticipated five sets that will be needed.

Goal and Policy Links

Preservation of Essential Services and Fiscal Health

Program Work Completed

A list of required equipment and costs has been prepared. Items include: structure firefighting PPE - \$3,354; wildland firefighting PPE - \$2,006; emergency medical service PPE- \$546; and self-contained breathing apparatus portable mask with mask mounted regulator - \$1,000 and station boots - \$165.

Environmental Review

No environmental review required.

Program Constraints and Limitations

The figures are based upon anticipated attrition of Firefighters. If more than five vacancies occur, the requested amount may not provide sufficient funding.

Stakeholders

Fire Department personnel and the public who benefits from the services provided by the department.

PUBLIC SAFETY

PERSONAL PROTECTIVE EQUIPMENT FOR NEWLY HIRED FIREFIGHTERS

Implementation

Task	Date
1. Firefighter recruitment	Dates tentative October 2012
2. Firefighter testing	December 2012
3. Firefighter Academy	February 2013
4. Place Firefighters in service	March 2013

Key Program Assumptions

There are eight firefighter vacancies anticipated for 2012-13 which will create the need to hire entry level firefighters, requiring the purchase of five sets of personal protective equipment.

Program Manager and Team Support

Program Manager. Battalion Chief

Project Team. Fire Department Administrative Analyst, Finance Department

Alternatives

1. *Write grant for the PPE.* Guidelines have not been released for the Assistance to Firefighter Grant. If the PPE is an eligible expense, the Fire Department will prepare and submit a grant for the PPE needed.
2. *Do not hire new firefighters and fill the additional vacancies with overtime.* Operations are negatively affected when more than three vacancies exist due to the excessive overtime that is required to fill the constant staffing of 13 Emergency Response staff required on each shift.

Operating Program

Fire Department Emergency Response Budget (85200)

Cost Summary

Measure Y funds will be used for this purpose.

Line Item Description	Account No.	2012-13
Other Operating Expenditures		21,300
Protective Clothing	85200-7861	21,300
Total Operating Costs		21,300

PUBLIC UTILITIES

UPDATE WATER AND WASTEWATER DEVELOPMENT IMPACT FEE STUDY

Request Summary

Using consultant services to complete an update of the Water and Wastewater Development Impact Fee Study will cost \$15,000 in 2012-13.

Key Objectives

Ensure future development pays its proportionate share of water and wastewater facilities.

Existing Situation: Factors Driving the Need for Change

In 1991 the City implemented water and wastewater impact fees for the first time. In 2002, the fees were updated based on a study performed by David Taussig and Associates (DTA). The fees were updated in 2004 by City staff based on costs associated with the Nacimiento, Water Reuse, and Tank Farm projects.

In November 2006 the City Manager approved a contract in the amount of \$19,500 to DTA for consultant services to update the water and wastewater AB 1600 (development impact fee) study. Over time, there were several rounds of review and revision associated with finalizing the development impact fee update, some of which resulted in changes of scope and additional work for the consultant. The time frame to complete the fee update extended beyond that originally anticipated which resulted in the need to update portions of the data originally provided to the consultant. In January 2009, the City Manager approved Amendment No. 1 in the amount of \$14,510 and in March 2010, the City Council approved Amendment No. 2 in the amount of \$10,000.

The primary factors driving the remaining work to be funded by this request include: 1) updating facility costs based on actual and/or revised estimates especially related to the water reclamation facility; 2) updating demographic data and growth assumptions; 3) updating the water supply component of the fee study; and 4) consideration of secondary dwelling units/guest houses.

Goal and Policy Links

1. Major City Goal – Preservation of Essential Services and Fiscal Health
2. City of San Luis Obispo, General Plan, Water and Wastewater Management Element, policy A5.2.5 (water) and B2.2.3 (wastewater).

Program Work Completed

The identification and creation of wastewater catchment area maps, impact methodology, update of water maps with specific plan areas, draft development impacts in specific plan areas (Margarita, Airport, Orcutt), comprehensive narrative updates, draft calculation of add-on fees, draft calculation of citywide fees, demographics and population estimates, and a draft report have all been completed.

Environmental Review

No environmental review required.

Program Constraints and Limitations

Bringing this project to completion has been challenging due to a myriad factors. It is imperative to focus on bringing closure to this specific scope of work and ensure development impact fees that reflect past and proposed

PUBLIC UTILITIES

UPDATE WATER AND WASTEWATER DEVELOPMENT IMPACT FEE STUDY

facility expenditures are in place for incorporation into the FY 2013-15 Financial Plan fund analyses. There may be a desire to expand the scope of this project. It will be important to resist expanding the scope of work, stay focused on completing the project, and carefully note suggested additions for incorporation into the next development impact fee study undertaken by the department.

Stakeholders

Community Development Department, developers and builders, ratepayers, Utilities and Community Development Department staff, as well as the City's Economic Development Manager, will work together to ensure stakeholders are informed.

The City's water and sewer ratepayers will benefit from development impact fees that accurately reflect the costs incurred to provide service to new development.

Implementation

Task	Date
1. Execute contract amendment with consultant	August 2012
2. Update development impact fee study	August – October 2012
3. Conduct stakeholder meetings	November – January 2013
4. Present development impact fee recommendations to Council	January 2013

Bringing the updated Water and Wastewater Impact Fee recommendations to Council for adoption in January 2013 allows for adequate time for fee changes to be incorporated into the Water and Sewer Fund projections for the 2013-15 Financial Plan.

Key Program Assumptions

Costs are based on understanding of the remaining work to be completed by DTA.

Program Manager and Team Support

Program Manager. Utilities Project Manager

Project Team. Deputy Directors from Water and Wastewater, Water Conservation Manager, Deputy Director of Community Development, Chief Building Official, and the Economic Development Manager.

Alternatives

Use in-house resources to conduct the study. There is in-house expertise to complete the study without the use of consultant services although there is limited capacity to add this initiative to the current work program. There are credibility advantages to having the study prepared by an independent, third party which should be considered by Council if it should direct staff to perform this work in-house.

As the project is currently planned, it is anticipated staff will be performing a good level of work in order to keep consultant costs to a minimum. Partnering with a consultant to complete this current study is beneficial.

PUBLIC UTILITIES

UPDATE WATER AND WASTEWATER DEVELOPMENT IMPACT FEE STUDY

Operating Program

Water Administration, Wastewater Administration

Cost Summary

The cost of these services will not exceed \$15,000.

Line Item Description	Account No.	2012-13
Contract Services		\$15,000
Water Administration	500-55100-7227	\$7,500
Wastewater Administration	520-55300-7227	\$7,500
Total Operating Costs		\$15,000

PUBLIC UTILITIES

WATER QUALITY STUDIES FOR SAN LUIS OBISPO CREEK

Request Summary

Performing enhanced studies and continuing stakeholder facilitation to better quantify water quality and the related beneficial uses of San Luis Obispo Creek will cost \$275,000 in 2012-13

Key Objectives

1. Providing comprehensive information of water quality in San Luis Obispo Creek.
2. Determining the impacts and effects on the aquatic habitat.
3. Providing an effective and reasonable process to determine appropriate water quality objectives.
4. Eliciting community and stakeholder input.
5. Working collaboratively with regulators and stakeholders.
6. Identifying options and alternatives to meet regulatory and stakeholder conditions.
7. Providing reasonable and protective discharge limits for the Water Reclamation Facility (WRF).

Existing Situation: Factors Driving the Need for Change

The City's Water Reclamation Facility (WRF) discharges to San Luis Obispo Creek and operates under a National Pollutant Discharge Elimination System (NPDES) permit issued by the Central Coast Water Board (CCWB). The State has listed San Luis Obispo Creek as a Municipal and Domestic water supply (MUN) which may require nutrient and Trihalomethane (THM) removal in the WRF's next NPDES permit resulting in a costly upgrade to the WRF.

Nutrients are found in wastewater and THMs are a by-product of wastewater disinfection. The WRF is in compliance with its current discharge limits, but if a new permit, with more stringent discharge limitations, is adopted the City will have 5 years to construct new facilities.

The City has completed a study that shows the creek is not being used as a drinking water source and proposes to remove the MUN beneficial use. The CCWB disagrees with these findings. The City, in collaboration with the CCWB, has begun a stakeholder process to involve the community for input into protecting the beneficial uses of the creek including habitat and recreation and to move the process for resolution of this issue forward.

The WRF has a compliance order to achieve the proposed THM limits which will expire in a little less than three years. Staff is proposing the CCWB extend this order to coordinate with the resolution of the MUN beneficial use issue and allow the development of a reasonable THM limit.

More stringent nutrient requirements referred to as "biostimulatory" to protect habitat are being proposed throughout the State. The CCWB has proposed postponing the issuance of the WRF's NPDES permit until the new biostimulatory methodology has been adopted. It has proposed the City study biostimulatory effects to provide additional biostimulatory data and information for San Luis Obispo Creek. It has been determined developing a biostimulatory nutrient limit will postpone the issuance of a revised WRF NPDES permit for 2-3 years.

The proposed biostimulatory methodology for determining nutrient limits may have one or more major problems. San Luis Obispo Creek is a thriving aquatic habitat and the City has data that indicates the proposed methodology will not adequately take into account the creek's specific conditions. If this is the case the result may be the development of very stringent and expensive discharge limits. To provide more additional analytical data and run the biostimulatory methodology to ensure reasonable and scientifically defensible discharge limits will cost \$250,000 in 2012-13. To provide effective facilitation with stakeholders and regulators and move the process forward will cost \$25,000 in 2012.

PUBLIC UTILITIES

WATER QUALITY STUDIES FOR SAN LUIS OBISPO CREEK

Goal and Policy Links

1. General Plan, Water and Wastewater Management Element
2. Utilities Department Strategic Plan
3. Water Reclamation Facility Master Plan.

Program Work Completed

Significant work and numerous water quality studies have been performed by the City to satisfy NPDES permit requirements and determine possible alternatives and solutions to current and proposed future discharge requirements. Currently the City has a water quality consultant under contract with a scope of work to complete the study to remove the MUN use designation. The recent desire of the CCWB to postpone the issuance of the WRF's NPDES permit until a biostimulatory limit can be developed has changed this and will require additional funding because of the extensive additional sampling and analysis required.

Presently the City has retained a facilitator to help with a stakeholder process that engages the San Luis Obispo Creek stakeholders and interested parties and to assist in achieving a desired outcome of solutions and alternatives that are reasonable and protective of San Luis Obispo Creek. Originally anticipated to be short-termed, this process has taken longer because of the complicated nature of this regulatory issue. The City's facilitator has become a key team member in strategizing the process's next steps with the City and CCWB while honoring the stakeholders input. Because of this, facilitation will be critical in the shaping of the scope of the enhanced studies and has become interconnected to the study portion of this request. This is significantly different than the original scope of the facilitation proposal. This work, along with collaboration with the CCWB, will shape the scope of the WRF's revised NPDES permit.

Environmental Review

N/A

Program Constraints and Limitations

Currently, this process is allowed within adopted regulatory guidelines and has been successful at moving forward discussions of options to protect water quality in San Luis Obispo Creek. If this should change, staff will return to Council with recommended alternatives to this process. Staff will move forward with this approach to ensure the process does not lose momentum with regulators and stakeholders.

Stakeholders

This project has an identified community stakeholder group that has provided input regarding the protection of the beneficial uses of San Luis Obispo Creek including the City Manager and Council. Stakeholder participation will be key in determining and exploring possible water quality strategies, solutions, and alternatives to this issue. City staff at the WRF, Water Quality Laboratory, and Environmental Programs sections are also stakeholders.

PUBLIC UTILITIES

WATER QUALITY STUDIES FOR SAN LUIS OBISPO CREEK

Implementation

Task	Date
1. Meet and confer with the CCWB	May 2012
2. Stakeholders meeting	July 2012
3. Enhanced sampling of San Luis Obispo Creek	July – Oct 2012
4. Comprehensive constituent sampling of San Luis Obispo Creek	April – Oct 2013
5. Biostimulatory study of San Luis Obispo Creek	December 2013

Key Program Assumptions

This request will provide a short term comprehensive look at water quality in San Luis Obispo Creek and facilitation to determine if additional studies or work will be required prior to the adoption of the biostimulatory nutrient limit in the WRF's revised NPDES permit. Cost estimates and implementation have been developed utilizing past City studies and ongoing regulatory work within the State in conjunction with the on-going collaboration with the CCWB and stakeholders.

Program Manager and Team Support

Program Manager. Deputy Director of Utilities

Project Team. Utilities Director, Water Quality Lab Manager, Environmental Services Manager, the City's water quality consultant, and contract facilitator.

Alternatives

- Continue the Status Quo.** This is not a recommended. The City has an opportunity to continue to work collaboratively with regulators and stakeholders while collecting valuable data that may result in more reasonable discharge requirements. EPA and CCWB staff believe that the biostimulatory issue must be answered before a new permit can be issued to the WRF. The collection of additional data and analysis will provide information that will support the City's position when negotiating and discussing revised discharge requirements and upgrades at the WRF.
- Defer or Re-Phase the Request.** Deferring this request will result in the loss to collect crucial data and analysis along with the loss of stakeholder engagement and buy-in. Similar to continuing the status quo, the loss of a "sampling season" and the momentum of working with the stakeholders and CCWB, may be detrimental to the City's goals of reasonable discharge limits for the WRF.
- Change the Scope of Request.** This request has been scoped to provide the most responsible and cost effective study to furnish valuable information and determine the next steps in this process. A complete, in-depth study would cost \$1 million and would likely not provide significantly more valuable data than the scope of this request. If required or needed, staff will return with additional information and a request to expand the scope of the study.

Operating Program

Utilities Administration / Engineering (55300)

PUBLIC UTILITIES

WATER QUALITY STUDIES FOR SAN LUIS OBISPO CREEK

Cost Summary

The funding source is working capital.

Line Item Description	Account No.	2012-13
Contract Services		275,000
Water Quality Studies	520-55300-7227	250,000
Facilitation	520-55300-7227	25,000
Total Operating Costs		275,000

PUBLIC UTILITIES

ORGANIZATIONAL STRUCTURE REVIEW - CONSULTANT SERVICES

Request Summary

Continuing improvement in organizational efficiency and effectiveness by ensuring the Utilities Department is appropriately structured will cost \$25,000 in 2012-13.

Key Objectives

1. Completing this review, with consultant expertise, will assist in determining the best organizational structure for the Utilities Department. While the current structure may turn out to be the best structure; it is good business practice to conduct such an assessment on a periodic basis. The last organizational structure assessment was done approximately 20 years ago.
2. Involving all staff in a collaborative process related to this review is key to understanding the influences upon, and changes taking place in, the workplace and the reasons driving organizational structure change, if change is required.
3. Ensuring continued responsiveness and provision of outstanding service to the community in an effective and efficient manner is of high priority and an expected outcome of the organization structure assessment.

Existing Situation: Factors Driving the Need for Change

In an effort to ensure and validate the effectiveness and efficiency of the organizational structure of the Utilities Department, Utilities staff at all levels have been engaged in discussions to determine current and future organizational demands and alternative organizational structures that might better serve its stakeholders and the community.

The current regulatory and economic environment requires an assessment of the department's organizational structure to ensure continued responsiveness and provision of outstanding service to the community in an effective and efficient manner.

Hiring a consultant to assess staff work done to-date in this area and related findings from the recent Public Works organizational assessment, providing expertise to augment staff's work related to the department's internal organizational structure assessment findings and any proposed organizational structure changes will assist the department in remaining responsive to the ever-changing regulatory and economic environment.

A focus on continuous improvement to better meet the department's strategic plan goals drives the need to utilize consultant services to provide further guidance and expertise in the area of organizational structures.

Fundamental shifts in the economic and regulatory environment in recent years have impacted the department; ensuring the department is appropriately structured to continue to respond effectively to a changing environment is critical to its long-term success.

Goal and Policy Links

1. Major City Goal – Preservation of Essential Services and Fiscal Health
2. Utilities Department Strategic Plan

Program Work Completed

The proposed use of consultant services is the second phase of a two-phase, two year work effort. The first phase, on track for June 2012 completion, consists of an internal assessment of the organizational structure of all Utilities Department sections. These sections are: Water Supply, Water Conservation, Water Distribution/Customer

PUBLIC UTILITIES

ORGANIZATIONAL STRUCTURE REVIEW - CONSULTANT SERVICES

Service, Water Treatment, Wastewater Collection, Environmental Programs, Water Quality Laboratory, Water Reclamation, Administration/Engineering. Since July 2011, a collaborative process consisting of a series of individual interviews with section supervisors and managers, meetings with managers/supervisors and deputy directors, and meetings with all department staff and the management teams has taken place. An internal draft report will be complete at year-end and will be provided to the consultant for its use. Findings from the recently completed Public Works organizational assessment will also be provided.

Environmental Review

No environmental review is required.

Program Constraints and Limitations

There are no major program constraints or limitations.

Stakeholders

Department	Stakeholders	Outreach strategies
1. Utilities	All staff	Personal meetings, group meetings, email, draft reports
2. Finance and Information Technology	Utility Billing, Information Technology	Group meetings, email, draft reports
3. Public Works	Engineering, Permits	Group meetings, email, draft reports
4. Community Development	Permits	Group meeting, email
5. Human Resources	Appropriate staff	Group meetings, email, draft reports

Implementation

Task	Date
1. Consultant selection process	Aug 2012
2. Review/gather/assess data	Nov 2012
3. Final report	Dec 2012

Key Program Assumptions

The basis of the cost assumption is from a recently conducted organizational structure review for a utility in the Sacramento area. Implementation timing assumes completion of the internal review by June 2012.

Program Manager and Team Support

Program Manager. Utilities Director

Project Team. Water Division Manager; Wastewater Division Manager; varying levels of support from Finance and Information Technology, Public Works, Community Development, and Human Resources.

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ORGANIZATIONAL STRUCTURE REVIEW - CONSULTANT SERVICES

Alternatives

Change the Scope of Request. This work effort could be completed without utilizing the expertise of a consultant. A significant amount of work has been accomplished by staff and, although staff is not an organizational structure expert, completing the study in-house is a viable alternative. There is value-added to having a consultant review staff's work, bringing a broad perspective to the process, identifying any gaps in staff's analysis, and assisting staff in grappling with complex organizational structure questions and the roll-out of any proposed changes.

Operating Program

Utilities Administration/Engineering; Water and Sewer

Cost Summary

The funding source is working capital.

Line Item Description	Account No.	2012-13
Contract Services		25,000
Water	500-55100-7227	12,500
Sewer	520-55300-7227	12,500
Total Operating Costs		25,000

PUBLIC UTILITIES

UTILITIES BUSINESS MANAGER

Request Summary

Meeting the complex analytic and fiscal needs of the Utilities Department enterprise funds requires the addition of a Utilities Business Manager to the department's workforce. Adding one FTE will not result in the need to allocate additional funding as costs are currently budgeted in the 2011-13 Financial Plan for 2012-13 and split between water and sewer enterprise funds.

Key Objectives

1. Providing comprehensive Water and Sewer enterprise fund analyses will ensure improved responsiveness to a changing environment.
2. Developing grant and low interest loan opportunities will assist to maximize capital infrastructure improvements and minimize expenses to the ratepayer.
3. Adding a Utilities Business Manager will most appropriately structure the department's administrative functions to meet the complex and diverse requirements of the department's budget development, financial administration and reporting, revenue oversight and forecasting, purchasing, contract administration, metrics, and systems evaluation.

Existing Situation: Factors Driving the Need for Change

Since the Utilities Department was formed in 1988, over 20 years ago, the current administrative staffing structure has remained essentially unchanged. In the past two decades many changes have taken place, not just in the fiscal and regulatory environment in which the Utilities Department operates, but within other City departments as well. Staffing reductions in the Finance Department, especially the elimination of the Revenue Manager position, which provided significant assistance to the enterprise funds, has impacted the Utilities Department. Significant work previously performed for the department by the Revenue Manager was transferred to the Utilities Department administrative staff. As complex changes have occurred in the environment impacting the enterprise funds, its administrative structure has not kept up with the changes.

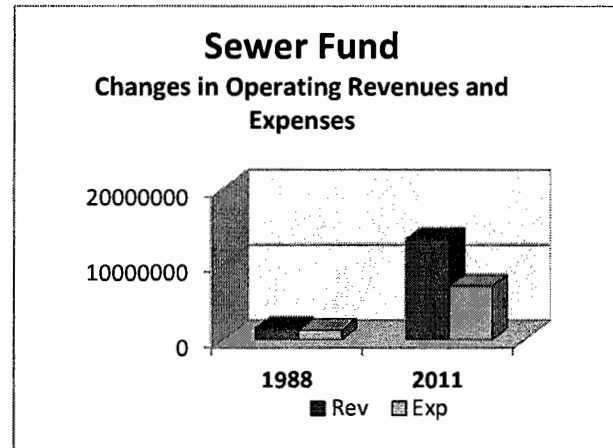
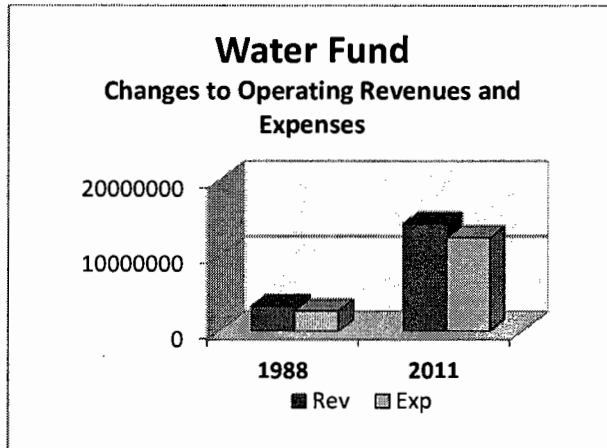
<i>Utilities Department</i>					
	1988		2011		Proposed 2013
Utilities Director	1	Utilities Director	1	Utilities Director	1
Utilities Engineer	1	Utilities Project	1	Utilities Project	1
Administrative Analyst	1	Senior Admin Analyst	1	Administrative Analyst	1
Secretary	1	Supervising Admin	1	Supervising Admin	1
		Administrative	.75	Administrative	.75
Total Full Time	4	Total Full Time	4.75	Total Full Time	5.75
				Utilities Business	1

Based on the City's 1988 Comprehensive Annual Financial Report (CAFR), the water fund had total operating revenues of \$3,319,675 and operating expenses of \$2,721,226. Today the 2011 CAFR reports total operating revenues are \$14,256,100 and total operating expenses are \$12,389,200. While a significant portion of the increase in operating expenses are directly attributable to debt service related to bringing on a new water supply, increased complexities related to managing the fund have occurred.

In 1988, sewer fund total operating revenues were \$1,512,711 with total operating expenses of \$1,256,648. In 2011, the CAFR reports sewer fund total operating revenues at \$13,318,600 with total operating expenses of \$7,119,500.

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UTILITIES BUSINESS MANAGER



Over time, the Utilities Department, as reflected in changes to operating revenues and expenses, has expanded its services as it continues to meet community goals and increasingly stringent legal requirements for treating and delivering drinking water and collecting, treating, and recycling wastewater.

Some examples are:

1. Bringing on-line two new sources of water supply (recycled water and Nacimienta) impacting both enterprise fund operations and adding debt service requirements
2. Assuming responsibility for the solid waste and recycling franchise, programs, and contract administration
3. Moving from bi-monthly to monthly meter reading and billing for water and sewer, and changing to a volumetric sewer rate structure which includes a winter water use period for billing
4. Upgrading the water treatment plant to allow for the treatment and delivery of Nacimienta water
5. Supporting the stormwater program
6. Modifying the water reclamation facility to provide recycled water to the community
7. Increasing the complexity of utility fund management by adhering to provisions of Proposition 218, a California Constitution amendment, which, over time, has added layers of regulatory requirements regarding the passage of water and sewer, and most recently solid waste, rates

Operationally, staffing has been modified (38 to 58 full time employees) to accommodate these significant changes. Some modifications include adding two additional meter readers (one position was eliminated in 2009 as a cost-cutting measure) related to the change from bi-monthly to monthly billing. Two additional staff (funded by the General Fund) were added to the wastewater collection system section to support the stormwater program storm drain maintenance efforts. Although there have been large impacts to Utilities administration, resources remained focused on field operations with minimal administrative staff added to absorb the impacts of new initiatives; in fact, as a cost reduction measure, the Utilities Engineer position was eliminated in 2009.

While changes and additional responsibilities and initiatives continue to be added to the department's work program, administrative and management resources have been stretched to an unsustainable point. Responsibilities have been delegated throughout the department's management team to the maximum extent possible, with everyone working together to meet requirements; at times working outside their core areas of expertise. Front line supervisors currently carry a large burden for financial and administrative aspects of the operation in order to meet the overall departmental workload demands. While this work is looked upon as a succession planning opportunity in general, the increasing volume of work draws supervisors away from their

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UTILITIES BUSINESS MANAGER

core functions as field supervisors, keeping them at their desks for increasingly greater amounts of time. This is not productive.

The department must think differently about how it is structured and the long-term effectiveness of its business model. It must provide adequate resources to be good stewards of its growing and changing fiscal and analytic needs in order to effectively and efficiently function.

Emerging regulatory requirements in water and wastewater treatment will require future infrastructure investment. Pursuit of grant funding opportunities to offset these costs is not currently pursued due to lack of resources. Research and applying for grant opportunities would be assigned to the Utilities Business Manager.

The proposed organizational structure related to the department's fiscal and analytic needs, which includes the addition of a Utilities Business Manager, has been pilot tested since November 2011. The department is seeing the benefits of increased in-depth analysis related to the department's revenues, operational changes are being enacted, and processes are being streamlined to improve effectiveness. The structure is more collaborative with a broader range of staff involved with the review and accomplishment of fiscal and analytic activities. It supports a more appropriate division of duties, which is good business practice. Field supervisors will begin to reap the benefits of the new structure as it solidifies and stabilizes.

The addition of a Business Manager in advance of the completion of the broader organizational structure analysis (scheduled for completion in 2012-13) is necessary and critical to meet the immediate and long-range needs of the department. The broader analysis has been underway for almost a year; the Business Manager position is aligned with findings to-date from that analysis.

Goal and Policy Links

1. Major City Goal – Preservation of Essential Services and Fiscal Health
2. Other Important Council Objectives – Infrastructure Maintenance
3. General Plan Water and Wastewater Management Element
4. City of San Luis Obispo Organizational Values
5. Utilities Department Strategic Plan

Program Work Completed

The comprehensive analytic and fiscal needs of the Utilities Department have been undergoing assessment since July 2010. This work complements the broader organizational structure analysis that commenced in July 2011.

The administrative assessment included an extensive analysis of the fiscal and analytic needs of each of the nine major work groups (or sections) in the Utilities Department and the appropriate division of work/skill level required to meet those needs. A minimum of one FTE is needed to meet the position requirements with intermittent, reasonable overtime requirements related to the financial planning process. The day-to-day staff engagement and supervisory requirements, as well as the diversity and complexity of position job duties, does not effectively lend itself to contracting out.

Information regarding the administrative/fiscal structure in similar enterprise fund-based organizations was gathered and analyzed. The organizations are the cities of Davis, Napa, Monterey, Palo Alto, Palm Springs, Santa Barbara, Santa Cruz, Santa Maria, and Ventura.

Due to a staff resignation in Utilities Administration, the department was allowed the opportunity to pilot test the proposed structure since November 2011. Staffing associated with this pilot test has provided critical resources to manage the complex analytic demands of the department and maintain proper stewardship of resources. While

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UTILITIES BUSINESS MANAGER

staffing has been temporary, and portions of it on a part time basis despite full-time workload requirements, the proposed structure is working and essential to meet the department's overall fiscal and analytic needs.

Staff from the Departments of Finance and Information Technology, Human Resources, and Administration have provided support, guidance, and review throughout the assessment. A draft job description for the Utilities Business Manager has been created and is undergoing review by Human Resources.

Environmental Review

No environmental review required.

Program Constraints and Limitations

A significant constraint is the amount of time it will take to recruit and put into place the new structure. It is requested the City Council, if it should approve the position of Utilities Business Manager, authorize the position recruitment at the time of the enterprise fund analysis presentation on June 12, 2012. This will accelerate the ability to fill the position in the new fiscal year and allow the new person more time to come up to speed prior to the upcoming 2013-15 Financial Planning process.

Funding for the anticipated addition of a Utilities Engineer (or similar position) was included in the 2011-13 Financial Plan as part of the fund analysis for 2012-13 due to concerns at the time with increasing complexities related to the enterprise funds, workload balance, and constraints facing field supervisors. Using the FY 2012-13 budgeted funding for the proposed business manager position is the best use of these resources. Additionally, as part of the proposed changes, the department's existing senior administrative analyst position (currently vacant) will be reclassified to an analyst position. As part of the pilot test, the analyst position is being filled on a temporary basis by existing staff working out-of-grade; it will need to be permanently filled after the hiring of the business manager.

Stakeholders

Stakeholders include the Utilities and Finance Departments. Stakeholders are involved in the current pilot study during daily business interface.

Implementation

Task	Date
1. Implement organizational pilot study	Nov 11- Current
2. Finalize job description	Apr 2012
3. Obtain approval from Council, advertise for position	Jun 2012
4. Complete hiring process	Sep 2012

Key Program Assumptions

The job description and salary range are finalized prior to June 2012.

Program Manager and Team Support

Program Manager. Utilities Director

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UTILITIES BUSINESS MANAGER

Project Team. City Manager, Human Resources Director, Former Interim and Current Finance and Information Technology Directors, staff from each department

Alternatives

Continue the Status Quo. While the status quo is no longer a sustainable business model, if Council should choose not to authorize the Utilities Business Manager position, the community would continue to receive clean water and the collection and treatment of wastewater. The Senior Administrative Analyst position currently authorized would be filled. There is not capacity in one FTE, even with so many tasks delegated throughout the department, to accomplish all the work required to adequately meet the department's complex fiscal and analytic needs, even utilizing consultant services. A reduction in responsiveness and customer service would result with serious workload impacts on existing staff. There would be no capacity for new initiatives. The magnitude of overtime currently required by exempt staff to accomplish the work would remain unsustainable and could result in significant position turnover.

Operating Program

Water and Wastewater Administration and Engineering.

Cost Summary

Funding for the anticipated addition of a Utilities Engineer (or similar position) was included in the 2011-13 Financial Plan as part of the fund analysis for 2012-13 and incorporated into future year projections. Additionally, as part of the proposed changes, the department's existing Senior Administrative Analyst position (currently vacant) will be reclassified to an analyst position resulting in lower staffing costs for the reclassified position.

Line Item Description	Account No.	2012-13
Staffing		125,400
Water Administration	500-55100-7010	39,200
	500-55100-7040	9,000
	500-55100-7042	6,700
	500-55100-7044	600
	500-55100-7046	200
Sewer Administration	520-55300-7110	49,100
	520-55300-7040	11,300
	520-55300-7042	8,400
	520-55300-7044	700
	520-55300-7046	200
Total Operating Costs		125,400

PUBLIC UTILITIES

WATER SOURCE OF SUPPLY: Nacimiento Water Project

Request Summary

Aligning the 2012-13 Source of Supply operating program budget with the 2012-13 Nacimiento Water Operating Fund budget recently adopted by the Nacimiento Project Commission will reduce costs by \$276,400.

Key Objective

Ensuring budget projections appropriately reflect water supply costs.

Existing Situation: Factors Driving the Need for Change

1. The Nacimiento Project Commission adopted the 2012-13 Nacimiento Water Operating Fund budget on April 19, 2012. Changes to the budget reflect increased experience with project implementation. This is the second year of operation for the project.
2. Nacimiento Water Project routine operation and maintenance expenditures (excluding energy costs) decreased \$197,219 due to the following:
 - a) Transition of contract project management to County Utility Operations staff
 - b) Environmental Mitigation Efforts. Expenses will be paid out of construction fund savings rather than operations budget until such time construction funding is exhausted.
 - c) Operator and Office Engineering Efforts. Budget reduced as District continues to refine line item with operating history data.
3. Master Water Plan decreased \$10,321
4. Variable Energy Costs projection decreased \$36,117
5. Non-Routine Operations and Maintenance decreased \$12,720
6. Capital Projects decreased \$20,000
7. Capital Reserves / Equipment Replacement decreased \$61

NWP Budget Line Item	Projected	Adopted	Variance
Routine O&M	\$1,003,700	\$806,481	(\$197,219)
Master Water Plan	\$82,000	\$71,679	(\$10,321)
Variable Energy	\$453,800	\$417,683	(\$36,117)
Non-routine O&M	\$15,000	\$2,280	(\$12,720)
Capital Projects	\$20,000	\$0	(\$20,000)
Capital Reserves / Equipment Replacement	\$171,600	\$171,539	(\$61)
TOTAL	\$1,746,100	\$1,469,662	(\$276,438)

Goal and Policy Links

1. Major City Goal – Preservation of Essential Services and Fiscal Health
2. General Plan Water and Wastewater Management Element

Program Work Completed

Nacimiento Project Commission adopted its 2012-13 budget on April 19, 2012.

Environmental Review

No environmental review required.

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WATER SOURCE OF SUPPLY: Nacimiento Water Project

Program Constraints and Limitations

There are no significant project constraints.

Stakeholders

Utilities Department and City water rate payers.

Implementation

Nacimiento Project Commission adopted 2012-13 budget on April 19, 2012.

Key Program Assumptions

None

Program Manager and Team Support

Program Manager. Water Division Manager

Project Team. Senior Administrative Analyst

Alternatives

There are no alternatives.

Operating Program

Water Source of Supply

Cost Summary

Aligning the Source of Supply operating budget with the adopted 2012-13 Nacimiento Water Operating Fund budget represents a savings of \$276,400 in 2012-13.

Line Item Description	Account No.	2012-13
Contract Services		(276,400)
Water Source of Supply	500-55110-7271	(\$276,400)
Total Operating Costs		(276,400)

TRANSPORTATION

SIGNAL MAINTENANCE TECHNICIAN SALARY

Request Summary

Providing for an additional Signal and Street Lighting technician to provide overlap with a retiring technician will cost \$40,400 in regular salary and benefits in 2012-13.

Key Objectives

1. Provide cost effective maintenance services for the traffic signals and street lighting
2. Improve safety and operation of the traffic signal and street lighting systems

Existing Situation: Factors Driving the Need for Change

The City currently has two traffic signal and street lighting maintenance technician positions to provide maintenance and support of the systems. The technicians provide a variety of services including preventive maintenance, minor new equipment installations, failure or damage response, and construction support. Failure and damage response, along with construction support are priority areas as the need is immediate and response can be critical for public safety. The City's system consists of 2,240 street lights and 69 traffic signals and, while not completely unique, employs a number of very sophisticated elements in order to minimize staffing demand. These include such elements as a central management system, interconnection between signals, wireless live video streaming, IP based networked devices, audible & tactile pedestrian systems, and an electrical components inventory database. The trade-off for minimizing staffing demand with a sophisticated system is the need to have highly trained technical staff.

The first signal maintenance position was established in the mid-1980s, with the second established in the 2007-09 Financial Plan to address ongoing challenges in keeping a large and complex system operational and maintained. This addition provided the only backup for the signal maintenance position and allowed staff to train a new employee in anticipation of a retirement that, at the time, was expected in approximately 3 years.

For approximately 21 months (June 2009 until March 2012), there was a staffing shortage, leaving a single employee again responsible for maintenance of the entire system. As part of the 2011-12 Mid-Year budget, an augmentation of temporary salaries was approved, with this ongoing need to come from continued salary savings of the absent employee. Very recently the absent employee returned to work and a temporary employee can no longer be funded with salary savings.

The City has now received notice of the retirement, at the end of December 2012, of its long-tenured signal maintenance technician. Staff believes it is imperative to initiate an aggressive training program in advance of his departure given the complexity of the system. While the second employee has recently returned, it will be difficult for him to absorb all the information on such a sophisticated system, in such a short time. Given his very short period on the job prior to his absence, coupled with the very long absence, staff is re-initiating training of this inexperienced employee to the specialized equipment in the signal and lighting area. Further, the likelihood that he would be able to then effectively transfer the complex knowledge to another new employee is low, again due to the need to continue maintenance while transferring knowledge.

Although staff has undertaken considerable documentation of the system, and is continuing to augment that documentation, staff believes that hiring an additional employee ahead of the retirement will increase the likelihood that the long-tenured employee can effectively transfer his system knowledge to two employees allowing each to focus on smaller areas of the system for more in-depth learning. The added employee will also assist in completing the backlog of service and maintenance work that accumulated during the long absence at a lower cost than contract services. Once the five months of side-by-side training is complete, and the long-tenured employee retires, staffing levels will return to two regular full-time signal technicians.

TRANSPORTATION

SIGNAL MAINTENANCE TECHNICIAN SALARY

Goal and Policy Links

1. Major City Goal – Traffic Congestion Relief
2. Council Objective – Infrastructure Maintenance
3. Signal and Light Maintenance Program Goal – Ensure safe and efficient traffic flow through intersections and well lighted streets and neighborhoods

Program Work Completed

N/A

Environmental Review

N/A

Program Constraints and Limitations

Skilled electricians may be difficult to find to fill the position.

Stakeholders

City residents and the general public are the primary stakeholders of a properly operating signal system. Internal staff attempting to provide emergency response will also benefit by the presence of additional staff.

Implementation

Staff anticipated beginning the signal technician recruitment in June-July 2012 with the hiring of a new signal technician in August 2012. This schedule will allow for 5 months of side-by-side training and knowledge transfer of City's complex signal system ahead of the long-tenured employee's retirement at the end of December.

Task	Date
1. Undertake recruitment	June-July 2012
2. Complete new technician hire	August 2012

Key Program Assumptions

The implementation assumes that skilled electricians are available in the job market to apply for the technician position.

Program Manager and Team Support

Program Manager. Street Maintenance Supervisor

Project Team. Deputy Director of Public Works and Human Resources Department staff

TRANSPORTATION

SIGNAL MAINTENANCE TECHNICIAN SALARY

Alternatives

1. **Continue the Status Quo or Defer the Request.** The signal and lighting technician will continue to train the recently returned employee. There may be an increased risk of system failures upon retirement of the long term employee. Additional congestion and or delay should be anticipated with failures.

2. **Implementation in a Different Way.**

Contract Services. The City could expand its use of contract services in the future to provide response to situations beyond the experience of the remaining employee. The response time of contract services will not be the same as that of a local staff person, and the system knowledge will be limited for the contract service company. In comparing the cost of using on-call contract services with the cost of regular staff, including all indirect costs, the City is able to provide these services less expensively.

Temporary Staffing. Another alternative would be to attempt a recruitment of a temporary employee. The City is not required to pay benefits for temporary employees so this alternative would save an estimated \$19,800 during the five months compared to a regular employee. Temporary employment is unlikely to draw signal technicians with existing permanent employment, thus reducing the likelihood staff would be successful in preparing for the retirement.

Operating Program

(50330) Signal and Street Lighting Maintenance

Cost Summary

The total cost for providing regular salary and benefit funding in the Signal and Street Lighting program (50330) budget is estimated at \$40,400 in the 2012-13 fiscal year. Measure Y funds will be used for this purpose.

Line Item Description	Account No.	2012-13
Staffing		\$ 40,400
Regular Salaries	100.50330.7010	25,300
PERS	100.50330.7040	8,300
Insurance	100.50330.7042	6,300
Unemployment Insurance	100.50330.7046	100
Medicare	100.50330.7044	400
Total Operating Costs		\$ 40,400

COMMUNITY DEVELOPMENT

HOUSING PROGRAM FUNDING GAP

Request Summary

Offsetting the reduction in the City's Community Development Block Grant (CDBG) funding allocation and providing full funding for the Housing Assistance Program will cost \$21,200 in 2012-13. This will be paid from the Park Hotel Fund. The Park Hotel Funds are unrestricted and unallocated CDBG funds similar to a completed projects account that can be used to fund the current gap in funding.

Key Objectives

Fully funding the Housing Assistance Program, which primarily consists of the Housing Programs Manager position, will allow the Community Development Department to administer the City's CDBG Program, implement the Housing Element Programs, manage the City's Inclusionary Housing Program and manage the City's Affordable Housing Fund, Grant Award Program and assist local service providers address the needs of the City's homeless population.

Existing Situation: Factors Driving the Need for Change

On February 21, 2012, the City Council approved funding allocations of \$573,125 for the 2012 CDBG Program Year. The preliminary funding estimate was provided to the City by the County based on available information from the U.S. Department of Housing and Urban Development (HUD). The recently adopted 2012 Federal budget included a 12% reduction in overall CDBG program funding. On March 13, 2012, HUD released its new funding estimate for the County, which reflects the Federal budget reduction to the CDBG program. This has resulted in an 11.6% (\$66,567) reduction to the City's 2012 Program Year allocation for a total allocation of \$506,658. The Housing Program budget for 2012-13 is \$122,500. Based on HUD's estimated allocation, funding for program administration and Housing Element implementation (restricted to 20% of total grant allocation) the CDBG contribution for the Housing Program is \$101,300, which results in a \$21,200 funding gap for the Housing Program. The limited amount of CDBG funding available and the restriction on the use the CDBG funds is likely to continue into the future.

In the 1980's the City utilized CDBG funding to provide a loan to the Park Hotel for historic rehabilitation efforts. A separate fund and bank account were established to account for the re-payment of the Park Hotel loan, which was repaid in approximately March 2004. Although there was no requirement to use the loan proceeds for CDBG projects, the City has historically used the accumulated loan repayment funds to support CDBG type activities: at-risk youth programs, housing studies and other activities that would otherwise be grant eligible, but for the limitation on the amount of Public Service activities the CDBG can provide. Recently it has come to the attention of staff that there is \$39,124 available in this account.

Because of the limitation on CDBG funding and the likelihood of an ongoing gap in funding for the Housing Program, staff recommends using the Park Hotel Fund to provide full funding for the program in 2012-13. Staff recognizes that the Park Hotel Fund is one-time funding yet the need is ongoing, therefore a long-term strategy for funding it will be required when the City prepares the 2013-15 Financial Plan.

Goal and Policy Links

1. Other Important Council Objective: Affordable Housing/Homeless Services
2. General Plan Housing Element Implementation
3. Implementation of the 10-Year Plan to End Homelessness

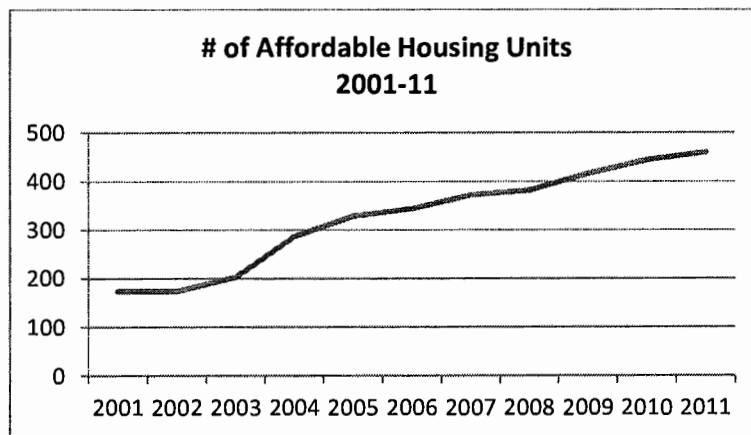
COMMUNITY DEVELOPMENT

HOUSING PROGRAM FUNDING GAP

Program Work Completed

The funding gap amount of \$21,200 was identified by comparing the 2012-13 Housing Assistance Program budget and the new funding estimate provided by HUD. Over the past 10 years, the position has assisted in adding 287 new affordable housing units to the city. The Housing Programs Manager responsibilities involve seeking additional housing opportunities to help the City achieve a healthier jobs-housing balance.

For the 2011-13 Financial Plan, the program has leveraged over \$1 million dollars in CDBG funds used for projects and programs that benefit low- and moderate-income households, businesses and community-based organizations, including funds for City capital projects such as handicap ramps and community center improvements. In addition, the program work has resulted in the City being eligible for a Housing and Community Development grant of over \$117,000 in this next fiscal year that will enable the City to off-set General Funds when replacing playground equipment.



The Housing Programs Manager position plays a key role in addressing the housing part of the jobs-housing ratio. This ratio is a measure of employment compared to housing in the City limits. It is a planning tool to determine whether a roughly equal number of jobs and housing units (households) exist. According to planning literature, the common target is a ratio of 1.5:1. A higher ratio indicates that the number of jobs in a community outweighs the workers who live there and tends to generate commuting patterns that have implications for infrastructure costs for development and maintenance. Since the Land Use Element goals show the City serving as the county's hub for county and state government; education; transportation; professional, medical and social services; entertainment; and retail trade, maintaining this jobs-housing balance is a challenge. The Housing Programs Manager focuses staff resources, works with the development community, and leverages grants and inclusionary housing funds to achieve as many housing units as possible.

Jobs-Housing Balance

Estimated jobs in City limits	33,451
Housing units	20,671
Jobs to housing ratio	1.6:1
Cal Poly jobs (not in City)	2,278
California Men's Colony jobs (not in City)	1,899
Jobs to housing ratio including neighboring major employers (Poly and Men's Colony)	1.8:1

Sources: 2007 Economic Census; Cal Poly, CMC, Community Development, 2011.

COMMUNITY DEVELOPMENT

HOUSING PROGRAM FUNDING GAP

Environmental Review

N/A

Program Constraints and Limitations

The Park Hotel Fund provides a one-time source of funding. The current balance available in the Park Hotel Fund is \$39,124. Identifying ongoing funding source will be required in the future.

Stakeholders

Community members that rely on the work provided by the Housing Programs Manager, including but not limited to:

- Community Action Partners San Luis Obispo (CAPSLO)
- Workforce Housing Coalition (WHC)
- San Luis Obispo County Housing Trust Fund (HTF)
- Friends of Prado Day Center
- Affordable housing and market rate developers
- Inclusionary Housing owners and renters
- People's Self Help Housing Corporation
- Non-profit organizations
- Habitat for Humanity
- Mission Community Services Corporation
- Transitions Mental Health Association
- Women's Shelter Program of SLO County
- AIDS Support Network
- Tri-Counties Housing Corporation
- Housing Authority of San Luis Obispo (HASLO)
- Homeless Services Oversight Council (HSOC)

Implementation

Task	Date
Implementation will occur with adoption of the budget.	07/01/2012

Key Program Assumptions

The basis for the cost projections is the City's annual CDBG funding allocation. The 2012 CDBG funding allocation for program administration was \$21,200 less than previously expected.

Program Manager and Team Support

Program Manager. Housing Programs Manager

Project Team. Deputy Director of Community Development, Director of Community Development

COMMUNITY DEVELOPMENT

HOUSING PROGRAM FUNDING GAP

Alternatives

1. **Continue the Status Quo.** This is not recommended because it will result in a budget deficit for the program. CDBG funding will not be sufficient in 2012-13 to provide for the Housing Programs Manager position.
2. **Reduce the Housing Programs Manager position to less than full time status.** This is not recommended because the responsibilities associated with the position require full time status. The position is required to attend regular evening meetings with advisory bodies and non-profit community services' boards outside of the normal work time hours. The position's responsibilities have increased over the past ten years, for example, 1) the number of affordable housing units the position monitors and services has increased by 287 units since 2001, 2) Federal CDBG reporting, tracking and monitoring requirements have increased, 3) the last four Financial Plans have identified production of affordable housing as either a *Major City Goal* or *Other Important Council Objective* resulting in an increase in staffing efforts and resource needs associated with this position, and 4) the position has seen a larger role in Council identified special projects such as the Safe Parking program, homeless service coordination and housing opportunities through infill development.
3. **Fund the position in a different way.** This is not recommended at this time. While there are other possible funding alternatives to help cover the gap in CDBG funding, including the possible use of the General Fund, the Affordable Housing Fund or some other fund, staff will need time to evaluate the appropriateness of these alternatives and formulate a recommendation. Consideration of other funding sources will be included in the 2013-15 Financial Plan.

Operating Program

(240-60650) Housing Program.

Cost Summary

Current Housing Assistance Program Budget	2012-13
Staffing	\$ 119,400
Other Operating Expenditures	\$ 3,100
Total Operating Budget	\$ 122,500
CDBG Allocation - Housing Program	\$ (101,300)
Park Hotel Funds required for Housing Program	\$ 21,200

COMMUNITY DEVELOPMENT

COMMUNITY PROMOTIONS STAFFING – TOURISM MANAGER

Request Summary

Within the Economic Development program, hire a full-time, contract position as tourism manager to spearhead the Tourism Business Improvement District program and Community Promotions will cost \$93,100 in 2012-13 and \$111,700 annually thereafter. The Tourism Manager will be the staff liaison for the Tourism Business Improvement District Board (TBID) and the Promotional Coordinating Committee (PCC) and will be paid with existing funds from these programs.

Key Objectives

1. Continue to grow the tourism marketing program of the City of San Luis Obispo.
2. Capitalize fully from all the investments currently done through the TBID Fund.
3. Coordinate efforts between the internal marketing arm (Community Promotions) and the external marketing approach (TBID).
4. Integrate tourism into the economic development program to better coordinate the City's overall approach in economic development.

Existing Situation: Factors Driving the Need for Change

Until 2008, the Administration Department spearheaded the City's Community Promotions efforts and the program under the Promotional Coordinating Committee. The program entailed advertising the City as a tourism destination, the administration of Grants-in-Aid program for non-profit organizations, countywide tourism, PR, and events promotion efforts. The program's goal was to advertise the City as a tourism destination and to enhance the recreational, cultural, and social life of City's residents.

In 2008, the City approved the formation of a tourism business improvement district as requested by the City's lodging industry. Formed under the State's Streets and Highway Code, the assessment funds have to be used for tourism marketing to benefit the industry paying into the assessment. An advisory body was formed, staffed by City hoteliers, to advise the City Council on the use of the assessment. The same staff person serving as the liaison to the PCC was assigned to the TBID in order to further collaboration between the programs. In the four years since, the TBID program has steadily increased its efforts and programmatic approach and is now investing in marketing efforts, events promotion, PR, tradeshow, industry groups, and promotional material. Combined, the two programs now require a full-time person to ensure investments are properly contracted and coordinated, as well as fully taken advantage of. This often requires travel to tradeshow, board meetings, advocacy session, and conferences. The program has become an important economic driver, having a direct impact on the third largest revenue to the City – Transient Occupancy Tax.

It has become apparent that the current part-time staffing levels are insufficient to take advantage of the investments made and keep up with the ever-increasing needs of the tourism marketing program. The TBID therefore appointed a task force to come forth with a staffing level recommendation. During its April meeting, the TBID board entertained the recommendation of the task force to hire a full-time, entry-level management position on a contract basis. The TBID was looking to the PCC to contribute to this effort as the staff person would be assigned to both advisory bodies and the respective programs.

The TBID reached the conclusion to hire an entry-level management position based on the research on other jurisdictions, including contract work, the demand for travel and weekend engagements, as well as the potential to attract a tourism professional. The committee felt that a full-time City employee hired on a contract basis would allow for adjustments considering the evolving nature of the program and lend itself perfectly for growth and expansion opportunity over time. Additionally, the main funding source, Tourism Business Improvement District

COMMUNITY DEVELOPMENT

COMMUNITY PROMOTIONS STAFFING – TOURISM MANAGER

Assessment, is funded year-by-year and is subject to approval by its constituency during the Districts annual review in a public hearing.

It should be noted that there will be an impact to the General Fund from this change. Presently, the TBID provides the City with 4% of its assessment to cover administrative costs. These costs have included Administration staff liaison time during TBID meetings. As part of the TBID's commitment to fund the new position, it is recommending a reduction in this administrative cost from 4% to 2%. This will result in a cost reduction for 2012-13 from \$40,600 to \$20,300 to the TBID fund and a commensurate cost increase to the General Fund.

The addition of the Tourism Manager position enables a reorganization of the Administration Department during 2012-13. The Principal Administrative Analyst will begin reporting directly to the City Manager, as the new Tourism Manager takes over the reins of the Community Promotions Program. Community Promotions will be supervised by the Economic Development Manager. These changes reduce the span of control for the Assistant City Manager, provide additional direct support to the City Manager, and integrate the City's Economic Development program with its tourism efforts.

Goal and Policy Links

1. Economic Development is currently a Major City Goal. Tourism is one of the most important industries of the City.
2. Ordinance No. 1517 – 2008 Series formed the TBID and stipulates the use of the assessment funds.

Program Work Completed

The TBID board took the lead in establishing the requirements for this position. Staff completed research for job titles, place within the organization, type of employment, cost, and funding options. A joint-task force between the TBID and the PCC will convene to discuss recommended job requirements and description for the position. The recommendations will be forwarded to the Human Resources Department for consideration in the development of the position's job description.

Stakeholders

Both the TBID and PCC are stakeholders and both advisory bodies have unanimously recommended the formation of the position. However, the City as a whole stands to gain from this investment in economic development and tourism efforts. The Administration department will regain its Principal Administrative Analyst as fully assigned to policy and fiscal matters under the City Manager.

Implementation

Task	Date
3. Development of recommended job description & requirements by advisory bodies	June 2012
4. Release of Recruitment	July 2012
5. Hiring of Position	September 2012

Key Program Assumptions

Staff assumes that the position will be hired by September 2012 and that the switch of job duties from the Principal Administrative Analyst (PAA) to the new Tourism Manager will happen by October 2012. The PAA will remain available to the new employee as well as the Economic Development program as a whole to maintain the knowledge base and consistency for the tourism program.

COMMUNITY DEVELOPMENT

COMMUNITY PROMOTIONS STAFFING – TOURISM MANAGER

Program Manager and Team Support

Program Manager: Economic Development Manager

Project Team: Assistant City Manager, Principal Admin. Analyst
Additional involvement of the TBID Board and the PCC

Alternatives

1. **Keep staffing levels as is:** This is not recommended as the tourism marketing program requires a full-time person to administer the tasks of a consistently growing and increasingly time-consuming program. Additionally, there is a need in Administration to regain full capacity of the Principal Administrative Analyst to address policy and fiscal projects under the City Manager
2. **Hire Contract Staffing/Consultant:** The task force reviewed the option of contracting for these services. However, the task force members found that similar positions were paid at a higher level than contemplated by this request. Additionally, accountability, availability, and overhead cost were additional factors that lead to the recommendation of a city position on a contract basis.

Operating Program

Community Promotions – 12100 (TBID Fund) & 11300 (Community Promotions)

Cost Summary

The cost of this position will be paid for by existing budget within the TBID fund and Community Promotions. However, there is a negative impact on the General Fund revenue as the TBID reimbursement for administration of the fund has been reduced from 4% of assessment value (\$40,600) to 2% (\$20,300) in 2012-13 and will be assessed at 2% of assessment value in future years.

Line Item Description	Account No.	2012-13
Staffing		\$ 93,100
From TBID Fund - 12100.7227		
Salaries	12100.7010	54,000
Retirement Contribution	12100.7040	12,400
PARS	12100.7041	600
Insurance	12100.7042	11,100
Medicare	12100.7044	700
UI	12100.7046	200
From Community Promotions - 11300.7337		
Salaries	11300.7010	9,500
Retirement Contribution	11300.7040	2,200
PARS	11300.7041	100
Insurance	11300.7042	2,000
Medicare	11300.7044	200
UI	11300.7046	100
Total Operating Costs		93,100
<i>Reduction in TBID contract services</i>		(79,000)
<i>Reduction in Community Promotions contract services</i>		(14,100)
Net Operating Costs		\$ -

GENERAL GOVERNMENT

CITY CLERK OFFICE REORGANIZATION

Request Summary

Ensuring the City Clerk program meets its legal obligations and supports City Council meetings, elections, advisory body recruitments, and records management by creating a Deputy City Clerk position and adding a three quarter time Administrative Assistant will cost \$45,600 annually. In addition, City costs associated with General Elections will require additional funding in the amount of \$6,000 annually.

Key Objectives

1. Maintain a high level of service provision in the City Clerk's Office while providing additional support for the City Clerk.
2. Create a succession planning opportunity with the goal of providing continuity of service provision in the City Clerk's Office over time.
3. Increase coverage and support in the Administration Office for the public, the City Council and the City Manager.
4. Respond to a reduction in State funding for local vote by mail during elections.

Existing Situation: Factors Driving the Need for Change

The City Clerk program underwent major personnel changes in the third quarter of the 2011-12 fiscal year and the department utilized this situation as an opportunity to evaluate job duties and the clerical needs of the program. In order to continue the functions of the program short-term, the currently vacant half-time City Worker 7 and full-time Administrative Assistant II positions are filled by temporary staff, and the City Clerk's position is staffed through an Interim assignment following the departure of the City Clerk on March 30, 2012.

The review and evaluation of the program indicated the need to create a Deputy City Clerk position to provide increased support for the City Clerk in the short term and the Council and public in the long term. Over the past few years, the Administrative Assistant II acted as the Deputy City Clerk, but was not able to fulfill all of the duties needed by the Department. Specifically, an employee filling an Administrative Assistant II position would not necessarily have the ability or desire to clerk a City Council meeting. Planning for "back-up" in case the City Clerk is unavailable for a meeting is a fundamental purpose of the proposed change. The proposed job description for the Deputy City Clerk clearly establishes this function as a job responsibility. In addition, establishing a Deputy City Clerk position will create a succession planning opportunity with the goal of providing continuity of service provision in the City Clerk's Office over time.

In consideration of the job duties of the half-time City Worker 7 position, two important factors were considered. First, the responsibilities of the position are on-going in nature and are fundamental to the efficient and effective operations of the City Clerk's Office. The person in this position normally occupies the front counter and is the "face" of City Hall - greeting, directing and answering questions for those who come in the front door. In addition to this duty and a wide-range of on-going clerical assignments (such as assisting with the Advisory Body Recruitment process), the Administration Department has a need for improved office coverage for flex days, vacation days, training days and other times when the Executive Administrative Assistant is unavailable. During these times, the proposed three-quarter time, Administrative Assistant I, would be located in the Administration office and from this desk would be available to serve the public, the City Council and the City Manager.

In summary, the new Deputy City Clerk position will assume duties and responsibilities that are not normally demanded of an Administrative Assistant II, and the proposed three-quarter time Administrative Assistant I position will be responsible for all of the duties of the former half-time City Worker 7 position, and some of the job duties formerly handled by the Administrative Assistant II position. It will also address a shortfall of

GENERAL GOVERNMENT

CITY CLERK OFFICE REORGANIZATION

administrative assistance in the Administration department following the elimination of the Administrative Assistant III position in that department.

Below is a chart representing the City Clerk's Office staffing levels proposed over the coming three to four months:

Budgeted Positions 2011-13 Financial Plan	Staffing per April 1, 2012	Proposed per July 1, 2012
City Clerk	City Clerk/Interim	City Clerk
Administrative Assistant II	Temporary Full-Time Employee	Deputy City Clerk (same salary range as an Administrative Assistant III)
City Worker 7 – Temporary Staffing	¾ time Administrative Assistant I	¾ time Administrative Assistant I
Additional Temporary Staffing budget for support during elections.	As needed for election and special assignments	As needed for election and special assignments

Goal and Policy Links

The City Clerk's Office provides a variety of support and information services to the Council, the public and City staff. Two program goals directly impacted by this request are the ability to provide complete and accurate records of Council actions and policies, and election administration.

Program Work Completed

A job description and duties have already been drafted for the Deputy City Clerk position.

Environmental Review

No environmental review required.

Program Constraints and Limitations

Constraints include the ability to find suitable candidates to fulfill the duties of the City Clerk and Deputy positions.

Stakeholders

Stakeholders include residents, Council, and staff.

GENERAL GOVERNMENT

CITY CLERK OFFICE REORGANIZATION

Implementation

Task	Date
1. Initiate City Clerk recruitment	3/12
2. Hire new City Clerk	7/12
3. Finalize Deputy City Clerk job description	7/12
4. Begin Deputy City Clerk Recruitment	7/12

Key Program Assumptions

Program assumptions include the ability to fill the City Clerk and Deputy City Clerk positions within the current salary ranges.

Program Manager and Team Support

Program Manager. City Manager and Assistant City Manager

Project Team. City Clerk, Deputy City Clerk, Administrative Assistant I, Executive Administration Assistant

Alternatives

Continue the Status Quo. This is not a recommended alternative as the City Clerk and staff are integral positions to the City.

Existing Program Evaluation. The City Clerk function is a highly specialized area in municipal government. Contracting this position and program to an outside organization is not a viable option. Additionally, the staffing levels have proved to be permanent as the temporary position was employed for many years for a function that is not temporary in nature.

Operating Program

Administration & Records

Cost Summary

There is currently \$223,700 budgeted for staffing in the City Clerk's Office which includes the City Clerk, an Administrative Assistant II, a half-time temporary position and additional funding for temporary staffing. With the reorganization of the Clerk's Office, staff has analyzed the staffing costs for positions at different levels, including a Deputy City Clerk (Admin. Assistant III) at step 1 and 3 salary range, and an Administrative Assistant I at step 1 and 3 salary range at three-quarter time as it compares to the current 2011-12 budget. The recruitment and hiring of a three-quarter time Administrative Assistant instead of an Administrative Assistant II position provides a salary cost savings of \$18,400.

There is also currently \$31,700 budgeted in temporary salaries for the Clerk's Office. Staff recommends reducing this to \$13,300 for temporary salaries assistance during elections and for special assignments, resulting in additional salary cost savings of \$18,400.

GENERAL GOVERNMENT

CITY CLERK OFFICE REORGANIZATION

Line Item Description	Account No.	2012-13
Staffing		82,400
Deputy City Clerk - Salary	20100.7010	50,000
Retirement Contribution	20100.7040	16,400
PARS	20100.7041	-
Insurance	20100.7042	15,100
Medicare	20100.7044	700
UI	20100.7046	200
Contract Services - Elections		6,000
Mail ballot reimbursement	20100.7227	6,000
Total Operating Costs		88,400
Offsetting Costs Savings		
Temporary salaries reduction	20100.7014	(18,400)
Admin II to 3/4 FTE Admin I		
Salaries	20100.7010	(13,600)
Retirement Contribution	20100.7040	(4,500)
Medicare	20100.7044	(200)
UI	20100.7046	(100)
Net Operating Costs		51,600

GENERAL GOVERNMENT

DEPUTY DIRECTOR LEAVE COVERAGE

Request Summary

Adding contract services to provide critical program support during an extended leave of absence of the Deputy Director of Public Works position will cost \$85,100 in contract services in 2012-13.

Key Objectives

1. Ensuring staff time is available to implement the Major City Goals of Transportation Congestion Relief and Neighborhood Wellness.
2. Ensuring staff time is available to implement transportation capital improvement projects.
3. Ensuring staff time is available to assist with the Land Use and Circulation Element updates.
4. Maintaining compliance with grant implementation deadlines and requirements.
5. Developing grant and low interest loan opportunities will assist to maximize capital infrastructure improvements and minimize expenses.
6. Ensuring implementation of the City's annual Traffic Operations Report.
7. Ensuring implementation of the City's Neighborhood Traffic Management Programs.
8. Completing the Los Osos Valley Road Interchange project.
9. Maintaining timely responses to citizen requests.
10. Completing the Bicycle Transportation Plan Update to remain eligible for Bicycle Transportation grants.

Existing Situation: Factors Driving the Need for Change

In September 2011, the Deputy Director of Public Works took an extended leave of absence; staff expects him to return to full-time work by January 2013.

The Deputy Director of Public Works position is responsible for planning, organizing, overseeing and reviewing programs and activities for all transportation programs, including: transportation planning, traffic engineering, parking, bicycle, pedestrian, and public transit. Additionally this position is involved on a daily basis with the private sector and reviews development for compliance with codes, ordinances and standards. This higher-level position is a key member of the departmental management team also serves as a departmental and City liaison and provides effective customer service to the community and project applicants' on transportation and development matters. This position often confers with and advises the City Council, Planning Commission, the Technical Transportation Advisory Committee and other committees and commissions, developers and a variety of community and stakeholder groups regarding transportation programs and directs all transportation planning, traffic engineering, transit, parking and permitting activities.

Based upon the assumption that the Deputy Director would be able to return to work by January 2012, staff implemented a temporary rotating workload coverage program in the interim. The current Parking Services Manager, Transportation Operations Manager and the Principal Transportation Planner assumed rotating coverage for this position, each for a three-week block of time. During these acting assignments, the managers served in the Deputy Director capacity attending critical meetings and negotiations with transit, development review agencies, planning committees and city departments. The acting roles also served to direct staff in the implementation of policies, procedures and programs. This additional higher-level workload, on top of the current workload of their positions, has proven to be an unsustainable long-term model.

Recently it has become clear that the Deputy Director will not be returning to work full-time as previously anticipated. In response to this delayed return to work, and increasing transportation and development review workload, programs and policies, staff recommends the approval of additional contract services to provide critical program support during the absence of the Deputy Director.

GENERAL GOVERNMENT

DEPUTY DIRECTOR LEAVE COVERAGE

Staff is essentially proposing to continue rotating coverage for this absence with the Traffic Operations Manager, Parking Service Manager and Principal Transportation Planner and backfill the shortages caused by this methodology with contract services. This represents the most cost effective solution by utilizing existing staff for higher cost functions and augmenting contracting services for lower cost functions.

Goal and Policy Links

1. Major City Goal – Preservation of Essential Services and Fiscal Health
2. Major City Goal – Traffic Congestion Relief
3. Major City Goal – Neighborhood Wellness Program
4. Other Important Council Objectives – Infrastructure Maintenance
5. City of San Luis Obispo Land Use and Circulation Element Updates
6. Other major policies and plans such as the Neighborhood Traffic Management Program, Traffic Safety Report, Traffic Operations Report, Bicycle Transportation Plan and the Short Range Transit Improvement Plan

Program Work Completed

Since the onset of leave for the Deputy Director of Public Works - Transportation, staff has assessed the increasing time constraints with increasing complexities related to the enterprise funds, workload balance, and constraints facing supervisors and managers. The Deputy Director of Public Works – Transportation position has been back-filled on a rotating basis by the Parking Services Manager, Transportation Operations Manager and the Principal Transportation Planner. These positions are being stretched beyond a level that is sustainable. Work and projects will need to be significantly delayed if additional contract services and support are not provided.

Because the Deputy Director has been able to assist on a part time, but limited basis, the primary impact of his absence has been project delays due to other staff assuming the Deputy Director duties and assignments. To ensure that the City's highest priority projects remain on schedule, staff has identified the Deputy Director workload they have now assumed and the following list of division projects and tasks that could be assisted by contracting out these services.

Transportation Engineering: 170 Hours @ \$180/Hr – Augment Contract Services by \$30,000

The Traffic Operations Manager has been assigned 1/3 of the Deputy Director's management responsibilities for the division including planning, organizing, overseeing, and reviewing all activities in the Transportation & Development review division. In addition to management responsibilities a number of projects and programmatic tasks previously assigned to the Deputy Director have been reassigned to the Traffic Operations Manager such as acting as traffic engineering lead on the Land Use & Circulation Element update, Broad Street Corridor, Chevron development and other such high priority development projects. In addition, such tasks as those associated with the Los Osos Valley Road Interchange, MD2 development, Prado Road Connection, and implementation of Neighborhood Wellness and Traffic Congestion Relief major city goals. The Traffic Operations manager has been responsible for the liaison functions associated with these reassigned projects and programs including conferring and advising City Council, Planning Commission, Technical Advisory Committees, developers and community stakeholder groups.

The abrupt reassignment of these functions has had a significant impact on City Traffic Engineering services. The eight tasks listed below represent the most critical impacts of these reassignments and the necessary hours of additional contract services to backfill.

1. Traffic Citizen Request: Investigations & Studies – 25 Hours
2. Prepare Grant Applications – 20 Hours
3. CIP & DevRev Plan Checks – 20 Hours

GENERAL GOVERNMENT

DEPUTY DIRECTOR LEAVE COVERAGE

4. Traffic Control Review – 30 Hours
5. Laguna Village Shopping Center Monitoring – 10 Hours
6. Speed Limit Updates – 20 Hours
7. Fixilini NTM Studies – 30 Hours
8. South & Parker Turn Restriction – 15 Hours

Transportation Planning: 240 Hours @ \$80/Hr – Augment Contract Services by \$19,200

The Principal Transportation Planner has been assigned 1/3 of the Deputy Director's management responsibilities for the division including planning, organizing, overseeing, and reviewing all activities in the Transportation & Development Review division. Associated rotational duties include conferring and advising City Council, Planning Commission, advisory bodies, developers and community stakeholder groups. In addition to management responsibilities, a number of projects and programmatic tasks previously assigned to the Deputy Director have been reassigned to the Principal Transportation Planner including the Los Osos Valley Road interchange project, transportation planning lead on the Land Use & Circulation Element update, City representative on SLOCOG's Technical Transportation Advisory Committee, and transportation planning lead on the Traffic Congestion Relief major city goal.

The abrupt reassignment of these functions has had a significant impact on Transportation Planning services. The two tasks listed below represent the most critical impacts of these reassignments and the necessary hours of additional contract services to backfill.

1. Caltrans Planning grant implementation – 160 Hours
2. Misc. transportation planning project assistance – 80 Hours

Transit: 150 Hours @ \$50/Hr – Augment Contract Services by \$7,500

The Transit Services Manager is not currently a part of the Deputy Director rotation. However, the Transit Services Manager has taken a lead role in presenting the City at SLOCOG meetings and hearings previously handled by the Deputy Director. Additionally, Transit staff has assisted Transportation Planning by fulfilling some of the duties of the Principal Transportation Planner. This assistance has had an impact on the ability for Transit Services to provide website updates, detour notices, event assistance, bus stop, schedule and route evaluations, and bus pass distribution. The two tasks listed below represent the most critical impacts of this workload shift.

1. Website maintenance and bus schedule changes – 110 Hours
2. Misc. Transit project assistance – 40 Hours
 - Transit event assistance-WOW, Farmers Market, Earth Day etc.
 - Bus stop condition evaluation (tree trimming, graffiti, etc.)
 - Posting of detour and rider alerts at bus stops
 - Route evaluation check rides
 - Restocking bus pass outlets (Albertsons, Chamber & Senior locations)

Parking: 120 Hours – Augment Contract Services by \$22,400

The Parking Services Manager has been assigned 1/3 of the Deputy Director's management responsibilities for the division including planning, organizing, overseeing, and reviewing all activities in the Transportation & Development review division. In addition to management responsibilities a number of projects and programmatic tasks previously assigned to the Deputy Director have been reassigned to the Parking Services Manager such as the Public Works responsibilities for implementing the Neighborhood Wellness major city goal. Associated rotational duties also include associated with these reassigned projects and programs including conferring and advising City Council, Planning Commission, advisory bodies, developers and community stakeholder groups.

GENERAL GOVERNMENT

DEPUTY DIRECTOR LEAVE COVERAGE

The abrupt reassignment of these functions has had a significant impact on Parking Services. The three tasks listed below represent the most critical impacts of these reassignments and the necessary hours of additional contract services to backfill. The long term parking restriction issue that received Council direction on May 1, 2012 is not included within this list because Parking staffing impacts are unknown at this time.

1. Railroad Square lease agreement renewals – 60 Hours @ \$80/Hr
2. Railroad Square parking options – 120 Hours @ \$120/Hr
3. Misc. parking project assistance – 40 Hours @ \$80/Hr

Development Review: 80 Hours @ \$75/Hr – Augment Contract Services by \$6,000

The Development Review Supervising Civil Engineer is not currently a part of the Deputy Director rotation. However, the Supervising Civil Engineer in the Development Review division is tasked with reviewing and responding to development project proposals and inquiries at all stages of development. The Supervising Civil Engineer is often asked about process questions, fees, and anticipated requirements before formal applications are submitted. Currently, the division is reviewing Planning Division applications for impacts, mitigation measures, and conditions, working drawings for building plan submittals and subdivision improvements. The Development Review division relies heavily on the Deputy Director position to convey traffic engineering information needed to anticipated application requirements for future developments, determine mitigation measures and correctly answer process questions. During the Deputy Director absence, Development Review staff has needed to attend these traffic/transportation committee meetings and workshops in order to have access to vital traffic information.

This assistance of the Supervising Civil Engineer in the Deputy Director's absence has had an impact on the ability for the Development Review program to provide timely plancheck reviews, front counter assistance, and development of conditions of approval, establishing fees and mitigation projects and overseeing the implementation. The Development Review file management system is key in archiving correspondence, direction, and prior decisions regarding development. It is important that the division has access to Traffic Engineering Consultation in the absence of the Deputy Director.

The two tasks listed below represent the most critical impacts of this workload shift.

1. File Management Coordination of Development files and unsorted files – 40 Hours
2. Traffic Engineering Consultation, Development Project and Plan Check Reviews – 40 Hours

Environmental Review

No Environmental Review required.

Program Constraints and Limitations

The most significant constraint facing this request is the availability of funding, which if approved would not be available until July 1, 2012; nine months after the Deputy Director first went out on leave. Due to the multi-faceted nature of these work programs, it is difficult for staff to identify one contract or consultant for the majority of this work. Staff will need to provide individual contract services and consultants for the significant variety of program work.

Stakeholders

Stakeholders include the Public Works Department staff and the community for which these transportation, transit, parking and development review services support.

GENERAL GOVERNMENT

DEPUTY DIRECTOR LEAVE COVERAGE

Implementation

Task	Date
1. Obtain approval from Council, advertise for contract services	July 2012
2. Seek proposals and award contracts for various projects	August 2012

Key Program Assumptions

Funding approved for contract services.

Program Manager and Team Support

Program Manager. Director of Public Works

Project Team Parking Services Manager; Transportation Operations Manager; Principal Transportation Manager; Deputy Director of Public Works; Transit Manager; Supervisor Civil Engineer; Administrative analyst.

Alternatives

- 1. Continue the Status Quo.** The current situation is no longer considered sustainable, as projects are falling behind. There is not enough capacity in the three rotating managers to provide backfill for one full time Deputy Director position without lower level project & operations relief in each of the workgroups. Even with so many tasks delegated throughout the department, it has become more difficult to accomplish all the work required to adequately meet the department's complex fiscal and analytic needs. A significant reduction in responsiveness and customer service would result with serious workload impacts on existing staff.
- 2. Defer or Re-Phase the Request.** To defer this request for the 2013-15 Financial Plan would cause further reduction in the level of services and programs provided to the community. It is unknown when the Deputy Director will return from his leave. The interim rotating support staff model is unsustainable. A delay in providing additional contract services to support the transportation and development review workload would result in a reduction in responsiveness and customer service would result with serious workload impacts on existing staff and significant delays and deferring of transportation-related programs and services.
- 3. Change the Scope of Request.** Council could choose to provide contract services funding for only the highest priority of projects. This alternative is not recommended because it would not make the best use of limited City funds. In developing this request staff identified a number of high priority City projects such as the Los Osos Valley Road interchange project and the Land Use and Circulation Element Updates that would be served by City staff expertise while consultants assist with other division duties.
- 4. Implementation in a Different Way.** In lieu of contract services, the Council could direct the hiring of a contract employee to take the place of the Deputy Director to provide support in-house on an interim basis. An alternative of hiring a contract employee, full-time during 2012-13 would cost approximately \$125,700 in contract salary and benefits, and may be very difficult to obtain.

Operating Program

50100 – Public Works Administration

GENERAL GOVERNMENT

DEPUTY DIRECTOR LEAVE COVERAGE

Cost Summary

The cost of contract salaries for a Deputy Director of Public Works would cost \$85,100 for contract services in 2012-13.

Line Item Description	Account No.	2012-13
Contract Services		85,100
Contract Services = Transportation	50500-7227	49,200
Contract Services = Dev Review	50400-7227	6,000
Contract Services = Transit	50700-7227	7,500
Contract Services = Parking	50600-7227	22,400
Other Operating Expenditures		0
Total Operating Costs		85,100

GENERAL GOVERNMENT

CITY ATTORNEY OFFICE STAFFING

Request Summary

Providing coverage for the operational needs of the City Attorney's Office during the period of the Assistant City Attorney's maternity leave will cost \$25,300 in 2011-12 and \$11,700 in 2012-13, for a total cost of \$37,000.

Key Objectives

4. Maintaining legal services levels
5. Maintaining capacity to address emergent issues.
6. Preventing existing staff burnout.

Existing Situation: Factors Driving the Need for Change

The Assistant City Attorney (ACA) started maternity leave May 1, 2012. She is expected to return September 4, 2012. The ACA handles a high volume of regular and recurring legal operational requests from Council, staff, and advisory bodies, and performs litigation, code enforcement, legal research, and issue management functions at the direction of the City Attorney. The Assistant City Attorney also staffs the Planning Commission. Her leave will create a significant deficit in the office's ability to perform and to deliver timely legal advice, document review, meeting and project support, and work product. In order to prevent significant slow-downs in responses to requests for legal advice and organizational support and to provide a legal advisor to the Planning Commission, the office is requesting funding to obtain attorney coverage for the office during the term of the ACA's leave.

Goal and Policy Links

The City Attorney's office provides litigation support, legal advice, negotiation and document review and preparation services to all City Departments to facilitate progress on Major City Goals and Other Important Objectives, including: economic development; preservation of essential services and fiscal health; neighborhood wellness; traffic congestion relief; open space preservation; planning; and affordable housing/homeless services.

Program Work Completed

The City Attorney has contacted two retired municipal/governmental agency attorneys and a current City Attorney, each of whom are well qualified and willing to assist with coverage of the City Attorney's office on a temporary basis. One attorney has agreed to begin work with the office on April 30, working 15-20 hours per week, through the term of the ACA's leave. The other retired attorney is anticipated to be able to work 40 hours per week, alternating weeks, beginning in early June. Another local City Attorney has agreed to provide Planning Commission meeting and staff advisory coverage. In exploring alternatives for coverage several local firms providing municipal services were contacted to explore availability and rates for temporary coverage. While there are several qualified attorneys with those firms who expressed interest in providing services, the City Attorney has determined that firm representation is cost prohibitive for regular operational needs, with rates ranging from \$165-\$200/per hour depending on the type of engagement and the attorney assigned. The rates of the attorneys with whom the office is currently negotiating range from \$75-\$150/hr.

Environmental Review

No environmental review required.

GENERAL GOVERNMENT

CITY ATTORNEY OFFICE STAFFING

Program Constraints and Limitations

One of the retired attorneys is a PERS retired annuitant, which constrains the number of hours worked with a PERS agency. The other retired attorney does not wish to work more than 20 hours a week and has constraints on her work days. The City Attorney has negotiated rates and hours within PERS parameters and will coordinate the schedules of the two attorneys to address the operational needs of the office.

Even with this coordination, these temporary staff will not provide the level of continuity, responsiveness and flexibility that is provided by the ACA. Moreover, the ACA often works more than 40 hours a week, so even "full time" temporary assistance will not equate to the office operating at full capacity during the term of the leave.

Stakeholders

The primary stakeholders impacted by the temporary staffing are City staff and elected and appointed officials. We will be outreaching to all Departments to communicate office coverage and issue contact information during the term of the leave. City Attorney will act as primary contact to assist in coordinating resources with organizational needs.

Implementation

Task	Date
1. Complete negotiations with PERS retiree attorney (40 hour alternating)	April 20, 2012
2. Complete contract with 15-20 hour attorney.	April 30, 2012
3. Complete negotiations and contract with Planning Commission coverage attorney	May 21, 2012
4. Council resolution making finding for PERS retiree employment	May 15, 2012
5. Complete contract with PERS retiree	May 30, 2012
6. PERS Retiree start date	June 4, 2012

Key Program Assumptions

The request is based on the assumption that the ACA will not be gone for longer than anticipated and that the office is able to complete negotiations and engagement of temporary staff within the \$75-\$150 hourly rate range.

Program Manager and Team Support

Program Manager. City Attorney

Project Team. Human Resources Director

Alternatives

1. *Do not authorize temporary staffing funding or authorize at less than 40/hr per week coverage for the office.* Given current and anticipated workloads in the City Attorney's office, denial of the SOPC or approval at a lesser level will result in significant delays in response time and work product production. If the request is denied, the office will have no attorney coverage in the event of the illness or absence of the City Attorney.

GENERAL GOVERNMENT

CITY ATTORNEY OFFICE STAFFING

Operating Program

Legal Services

Cost Summary

Line Item Description	Account No.	2011-12	2012-13
Staffing		32,600	36,700
Temporary Salaries	100-15100-7014	32,000	36,000
Medicare	100-15100-7044	500	500
Unemployment Insurance	100-15100-7046	100	200
Contract Services			
Contracted Attorney	100-15100-7227	1,000	1,000
Operating Costs		33,600	37,700
Offsetting Savings			
Regular Salaries	100-15100-7010	(6,500)	(20,400)
Retirement Contributions	100-15100-7040	(1,400)	(4,500)
Retirement-PARS	100-15100-7041	(100)	(200)
Health & Disability	100-15100-7042		(500)
Medicare	100-15100-7044	(200)	(300)
Unemployment Insurance	100-15100-7046	(100)	(100)
Total Offsetting Savings		(8,300)	(26,000)
Net Operating Costs		25,300	11,700

GENERAL GOVERNMENT

OUTSIDE COUNSEL FOR CODE ENFORCEMENT

Request Summary

Retaining outside code enforcement counsel to support timely staff support and prosecution of code enforcement cases in furtherance of the neighborhood wellness Major City Goal will cost \$25,000 beginning in 2012-13.

Key Objectives

1. Increasing timeliness and efficiency of code enforcement case development and prosecution.
2. Eliminating potential conflicts arising out of in-house City Attorney's office acting as both City prosecutor and advisor to a legislative body.

Existing Situation: Factors Driving the Need for Change

The City currently engages in complaint driven code enforcement, which historically resulted in relatively few resource intensive, complex code enforcement and prosecution cases being referred to the City Attorney. The City recently hired new code enforcement personnel and the City Council adopted a proactive code enforcement policy. Even prior to this policy change, the City Attorney's office has been seeing an increase in the complexity of case referrals involving issues such as high occupancy and group home regulations and sleeping in vehicles that are time intensive and present a high risk for litigation if the interplay between state and federal statutory and constitutional rights and local code enforcement are not carefully navigated. With the implementation of the proactive code enforcement policy, the City Attorney expects an increase in the volume and complexity of contested and prosecuted cases.

Goal and Policy Links

1. Major City Goal – Neighborhood Wellness

Program Work Completed

The City Attorney's office has contacted local municipal firms and practitioners to assess the availability and relative costs of code enforcement prosecution services. We have also made list serve inquiries regarding the nature, scope and budgets of other jurisdictions code enforcement prosecution programs and obtained RFP's for such services from other jurisdictions, including Malibu and Huntington Beach.

Environmental Review

No environmental review required.

Program Constraints and Limitations

Cost and availability of services are the two main constraints associated with contracting for this service. Local firms and practitioners hourly rates range from \$165-\$200/hr. depending on the nature of the engagement. Moreover there are a relatively small number of municipal code enforcement practitioners in the area. The City Attorney's office would anticipate issuing an RFP for this service and reviewing proposals, with code enforcement staff, to evaluate the most efficient and cost effective proposal, providing the greatest level of flexibility for the City. It would be the City Attorney's intention to continue advice and support to staff on more routine issues in house, while utilizing contract service for more time intensive or complicated cases or cases likely headed toward prosecution or requiring special expertise.

GENERAL GOVERNMENT

OUTSIDE COUNSEL FOR CODE ENFORCEMENT

Stakeholders

The primary stakeholders will be code enforcement staff. However, community members subject to enforcement action or prosecution will also be impacted by the prosecutorial approach.

Implementation

Task	Date
1. Consult with Code Enforcement staff to develop and RFP	July 2012
2. Issue RFP for services	July 2012
3. Review proposals	July 2012
4. Select contract counsel and execute contract	July 2012

Key Program Assumptions

The request is based on the assumption that outside code enforcement/prosecution service demands would not exceed 125-150 hours per year and that code enforcement counsel could be retained in the hourly rate range quoted during preliminary discussions with local counsel. It is also assumed that the outside counsel engaged would work cooperatively with the City Attorney's office, staff and the community in supporting the neighborhood wellness goals in the most cost effective manner.

Program Manager and Team Support

Program Manager. City Attorney

Project Team. Community Development Director, Assistant City Attorney, Chief Building Official, Code Enforcement Staff, Chief of Police and Police Department Staff.

Alternatives

Continue the Status Quo. The City Attorney's Office can continue to act as code enforcement legal advisor on all matters and as City Prosecutor. Enforcement of complex or time intensive cases may be delayed as other time sensitive and litigation issues present demands on the City Attorney's office. Alternatively, other non-litigation internal legal service matters will be delayed to accommodate the dedication of resources to code enforcement matters. If prosecution case loads increase significantly, timeliness of legal services and work product could be significantly adversely impacted.

Operating Program

Legal services (15100)

Cost Summary

For significant cases, the retention of outside resources may facilitate a more proactive prosecutorial approach and pursuit of resource intensive nuisance abatement actions, which can result in cost and attorney's fees recovery if successful. Measure Y funds will be used for this purpose.

GENERAL GOVERNMENT

OUTSIDE COUNSEL FOR CODE ENFORCEMENT

Line Item Description	Account No.	2012-13
Contract Services		25,000
Contracted Attorney	100-15100-7227	25,000
Total Operating Costs		25,000

GENERAL GOVERNMENT

UPGRADE BUSINESS TAX AND LICENSE SOFTWARE

Request Summary

Upgrading HdL, the City's business tax and license software, will cost \$34,300 in 2012-13 and \$5,000 annually going forward.

Key Objectives

1. Ensure the stability of the City's revenue sources.
2. Improve business tax and license processing efficiency through streamlined data entry and more timely communication between the public and the Finance and Community Development departments.
3. Improve customer service by allowing business owners to renew business licenses electronically rather than in person or by mail.

Existing Situation: Factors Driving the Need for Change

As part the "Preservation of Essential Services and Fiscal Health" Major City Goal, the Finance staff has been tasked with taking steps to preserve the City's existing revenue sources. This includes conducting ongoing business tax and license audits and increasing enforcement efforts of businesses that do not comply with the City's business tax and license codes. These ongoing efforts are expected to increase the number of business tax and license certificates that the Finance Revenue Division must process each year. A business tax and license enforcement of residential rental businesses in 2010 resulted in 1,500 new certificates. The number of business tax and license certificates is expected to increase with each new enforcement effort.

Processing new certificates and certificate renewals is time consuming and requires a great deal of materials, printing and postage costs. HdL Prime, the upgraded version of the City's business tax and license software, contains features that will help to alleviate the additional time and cost associated with processing more business tax and license certificates. For example, it allows City staff the ability to email renewal notices rather than printing and mailing hard copies. It also includes numerous enhancements that facilitate more efficient data entry and sharing of information across departments.

HdL Prime also includes a web module that allows business owners to renew business licenses online rather than in person or by mail. The web module automatically calculates all fees and accepts credit card payments so that all payments are sent to the City quickly and accurately. Currently the Revenue Division uses one full time employee and one seasonal temporary employee to manually open renewal mail, input the data into HdL and follow up with business owners on miscalculations and missing verification information. The web module will eliminate this work for businesses that choose to renew online. It takes, on average, five minutes to process each business license renewal that is received in the mail or in person. If just 1,000 of the City's 8,000 business licenses are renewed online the Revenue Division will save approximately 80 hours in staff time.

Increased revenues resulting from ongoing audits and increased enforcement efforts have already been included in the 2011-13 Financial Plan. All businesses pay the minimum business tax and license fee when they obtain their initial business license and tax certificate. In the second year, they begin paying based upon their gross receipts. This analysis assumes that in the second year of the Financial Plan, calculating the fees based on gross receipts will generate more revenue than the minimum fee generates in the initial year of implementation.

GENERAL GOVERNMENT

UPGRADE BUSINESS TAX AND LICENSE SOFTWARE

Description	Increased Annual Activity	Current Fee	New Revenue 2011-12	New Revenue 2012-13
Business License	735	\$ 43	31,617	63,235
Business Tax	735	\$ 25	18,382	36,765
Total Potential Revenue			\$ 50,000	\$ 100,000

Goal and Policy Links

1. Major City Goal: Preservation of Essential Services and Fiscal Health
2. Municipal Code 3.01 Business Tax Certification

Program Work Completed

HdL has provided a pricing proposal for the upgrade.

Environmental Review

No environmental review required.

Program Constraints and Limitations

This project will involve approximately 120 hours Revenue staff time and 10 hours Information Technology staff time. It will involve some collaboration between other departments.

Stakeholders

The citizens of the City will benefit from the City's fiscal health, and the business owners in the City will benefit from the ease of electronic business tax and license renewal. The staff in the Finance and Community Development departments will benefit from increased efficiencies.

Implementation

Task	Date
1. Execute agreement with HdL	September 2012
2. Project planning, data migration, training & outreach	October 2012-March 2013
3. Implement HdL Prime	March 2013

In order to realize the full potential efficiencies of the upgrade, the software must be implemented long enough before the beginning of the business tax renewal period, June 2013, for staff to become proficient with the software.

Key Program Assumptions

Costs are based on a vendor pricing proposal which expires July 15, 2012.

Program Manager and Team Support

Program Manager. Revenue Supervisor, Finance and Information Technology Department

GENERAL GOVERNMENT

UPGRADE BUSINESS TAX AND LICENSE SOFTWARE

Project Team. Revenue Division, Community Development Department, Information Technology

Alternatives

1. **Do not upgrade or defer upgrade of the software at this time.** Without the software upgrade and web module capabilities of HdL Prime, staff may be unable to process the increasing number of business tax and license certificates in a timely manner.
2. **Change the scope of the request.** This is not a scalable project.

Operating Program

Revenue Management

Cost Summary

Upgrading the business tax and license software will cost \$31,300 in 2012-13: \$30,000 for the software upgrade and \$1,300 for a prorated portion of the increased annual fee. The software upgrade will require \$1,000 for a SQL server license. Outreach to business owners to notify them of the electronic business license renewal option will cost \$1,000.

The software upgrade will cost \$5,000 annually going forward. \$4,000 represents the change in the annual cost for the upgraded software. The City's current annual use fee will increase from \$4,700 to \$8,700. It is estimated that the credit card fees for customers paying online will cost \$1,000 per year.

Line Item Description	Account No.	2012-13
Contract Services		34,300
One-time fee	100-25120-7227	31,300
Other Costs	100-25120-7227	2,000
Credit Card Fees	100-25120-7227	1,000
Total Operating Costs		34,300

GENERAL GOVERNMENT

CITY USER FEE STUDY

Request Summary

Providing funding for an analysis of the City's user fees and configuration of the updated fee structure in the EnerGov system will cost \$36,100 in 2012-13.

Key Objectives

1. Establish user fees for service in accordance with the City's existing processes.
2. Deliver fees that are commensurate with the services provided.
3. Allow staff to craft appropriate revenue projections.

Existing Situation: Factors Driving the Need for Change

Current City Budget and Financial Policies for User Fee Cost Recovery Goals recommend that fees be reviewed and updated at least every five years to ensure that they keep pace with changes in the cost-of-living as well as in methods or levels of service delivery. In implementing this policy, the City has adopted the strategy of comprehensively analyzing service costs on a five year basis with interim adjustments annually based on changes in the consumer price index. The last cost of services analysis was performed in 2006 and implemented in 2008.

NBS Government Financial Group (NBS), an independent firm serving local governments, recently completed a full analysis of the City's building plan check and permitting fees. It was necessary to complete a study of these fees at that time to ensure the results would be implemented with the new EnerGov land use and permitting system. The next step is an analysis of the remaining user fees—Planning, Engineering Development Review, Fire Prevention, Police, Utilities, Recreation, and General Government—to ensure they are set in accordance with the City's user fee cost recovery policy and are recovered on a cost of services basis

Goal and Policy Links

1. Preservation of Essential Services and Fiscal Health Major City Goal
2. Budget and Financial Policies for User Fee Cost Recovery Goals

Program Work Completed

NBS has conducted a cost of services study for the City's Building and Safety Division and has provided a proposal to conduct a full cost analysis of the City's remaining user fees.

EnerGov has provided a very broad estimate based of the work effort required to configure the results of the building fee study in the system.

Environmental Review

No environmental reviews required.

Program Constraints and Limitations

1. This project will involve collaboration of staff from multiple departments and significant data collection for the consultant.
2. As the study has not yet begun, the configuration cost associated with updating the fee structure in the EnerGov system is only an estimate. Additionally, although the current rate for these services is \$139 per hour, it is not possible to lock this rate at this time.

GENERAL GOVERNMENT

CITY USER FEE STUDY

Stakeholders

The citizens of the City, as well as City staff, will benefit from user fees that accurately reflect the costs incurred by the City to perform services. Outreach will be conducted with City residents and developers to communicate the results of the study.

Implementation

The fee study will begin after the Economic Development Strategic Plan (EDSP) is reviewed and adopted by the City Council in July 2012.

Task	Date
1. Execute contract with consultant	July 2012
2. Conduct fee study	August-November 2012
3. Conduct study session on fee analysis	January 2013
4. Present fee structure recommendations to Council	March 2013
5. Implement new fees structure in EnerGov system	May 2013

Key Program Assumptions

1. Costs are based on vendor estimates.
2. The EDSP, which is currently in development, will provide a host of recommendations, one of which will likely include an analysis of existing development review fees. The fee study will trail the EDSP analysis and investigate and offer suggestions regarding any related recommendations. It will not cover Development Impact Fees.

Program Manager and Team Support

Program Managers. Revenue Supervisor

Project Team. Staff from the Community Development, Public Works, Fire, Police, Parks and Recreation, and Utilities departments.

Alternatives

1. **Do not conduct the study at this time.** Staff does not recommend this alternative because the last fee study was conducted in 2006 and the current fee structure may not generate the intended cost recovery results.
2. **Use in-house resources to conduct the study.** Staff does not recommend this alternative as this would consume considerable resources to conduct in-house. This would mean that basic day-to-day core services would suffer as well as staff's ability to achieve other major goals and objectives. Additionally, it would take longer to complete the analysis and there are significant credibility advantages in having the study prepared by an independent, third party.

Operating Programs

Revenue Management (25120)

GENERAL GOVERNMENT

CITY USER FEE STUDY

Cost Summary

The cost of the consultant services from NBS will not exceed \$25,000. EnerGov has provided an estimate of 80 hours to complete configuration of the updated fee structure. The current rate for these services is \$139 per hour, which totals \$11,120.

Line Item Description	Account No.	2012-13
Contract Services		\$ 36,100
NBS consultant services	100-25120-7227	25,000
EnerGov configuration costs	100-25120-7227	11,100
Total Operating Costs		\$ 36,100

GENERAL GOVERNMENT

EMERGENCY GENERATOR PREVENTATIVE MAINTENANCE

Request Summary

Increasing contract services in the Vehicle and Equipment Maintenance division budget will cost \$15,600 annually for emergency standby generator maintenance at various City locations.

Key Objectives

1. Provide adequate funding for generator preventative maintenance and contracted services.
2. Ensure budget has necessary funding to cover expenses.
3. Conduct annual maintenance on emergency equipment to avoid equipment deterioration and costly repairs.
4. Adherence to regulatory requirements.

Existing Situation: Factors Driving the Need for Change

The City currently owns and operates fifteen (15) emergency stand-by generators. These generators are located at various locations through the City such as City Hall (1), 919 Palm Street Parking Structure (1), Corporation Yard (1), Utilities (6-mobile), Police Station (1), South Hill (1) and Fire Stations 1-4 (4). Routine generator maintenance is recommended whether the equipment is used for ongoing or emergency power as it must be properly maintained to ensure proper operation and long-life.

As a result of budget restrictions, funding for generator maintenance was eliminated in 2009. Repairs to generator engines only were provided on an as-needed basis by City Heavy Equipment Mechanics. As a result of eliminating a preventative maintenance service contract, several emergency standby generators have recently experienced failure of the computerized controller-units and costly repairs. In March, Fire Station 3 emergency standby generator failed in the event of a power outage. The controller panel of the generator was faulty and required immediate controller replacement by the manufacturer. This generator failure led to the inability of the remaining Fire Stations 1, 2 and 4 to communicate with this portion of the City and therefore had an immediate impact on the ability to respond to life and safety issues of the general public. This loss of radio communications, typically supported by power provided by the emergency generator, had a direct impact on the community served, as it resulted in a 16-hour period of communication loss with this portion of the City. Recent repairs to this one generator have cost approximately \$4,500 to date.

A Preventative Maintenance program for all City-owned emergency standby generators would ensure that the generators will work effectively in the event of a power outage or emergency situation. When the emergency generator equipment is serviced and maintained on a regular basis, equipment deficiencies can be identified and repairs made prior to an emergency situation. Contracted preventative maintenance will provide insight into potential problems and verify the component's electrical and mechanical integrity in the actual mechanical transfer operation.

The City's Heavy Equipment Mechanics will assist in emergency stand-by generator maintenance by servicing and repairing the main engine parts, such as spark plugs, ignition condensers, timing belts, servicing engine cooling systems, fuel levels, repairing hose leaks, filters and batteries. However, the computer controller units for the generators have increasingly sophisticated technology and the City does not have the equipment, nor trained staff, to adequately service, maintain or repair this computerized portion of the emergency standby generators. Therefore, the main responsibilities of the maintenance contractor would be to inspect the computer systems, study the technical data provided by the manufacturers, maintain records and take precautionary measures for safety as suggested by the manufacturers.

GENERAL GOVERNMENT

EMERGENCY GENERATOR PREVENTATIVE MAINTENANCE

Some of the steps taken to ensure smooth generator operation while carrying out scheduled maintenance would include:

- Load bank testing
- Verifying control panel readings and indicators
- Commutator and slip ring inspections
- Automatic transfer switch inspections
- Signal continuity
- Utility phase sensing

Goal and Policy Links

Preservation of Essential Services and Fiscal Health

Program Work Completed

Contacting regulatory agencies and contractors to determine contract fees for 2012-13.

Environmental Review

No environmental review required.

Program Constraints and Limitations

The contract amounts for 2012-13 are based on information received in March 2012.

Stakeholders

City Hall, Police Department, Utilities Department, Finance and IT, and Fire Department personnel at these locations and the public who benefits from the services provided by these departments.

Implementation

Staff will seek proposals from several vendors providing emergency generator preventative maintenance and repair service at various locations.

Staff will select the most qualified vendor and enter into a service agreement for emergency standby generator maintenance at various locations throughout the City.

Task	Date
1. Seek Proposals for generator maintenance	July 2012
2. Service Agreement for Generator Maintenance	August 2012

Key Program Assumptions

That contract information received in March 2012 will not change during 2012-13.

GENERAL GOVERNMENT

EMERGENCY GENERATOR PREVENTATIVE MAINTENANCE

Program Manager and Team Support

Program Manager. Administrative Analyst

Project Team. Fleet Services Supervisor, Public Works Director, Fire Department Administrative Analyst
Alternatives

1. ***Continue the Status Quo.*** Denial of this request and continuing with status quo would cause the contract services account to be overspent in 2012-13 and beyond. The Department has already reviewed contract services and made reductions where possible for 2011-12.

2. ***Implementation in a Different Way.***

Training

Currently, Fleet Services staff are not trained at a level to adequately service and repair the electrical interface and controller-units of the emergency stand-by generators. Additionally, the Fleet Services division does not have the appropriate equipment to perform load-bank testing and verify control panel reading and indicators. In lieu of a preventative maintenance contract, the Fleet Services division could train existing staff for this type of electrical maintenance and purchase the necessary load banking equipment. Staff does not have the training funding currently available to support this option. This alternative would require additional training funding. Staff estimates the cost of training, on-going staff certification and assessment tools to cost approximately \$12,000 annually.

Comprehensive Contract Services

Staff is currently recommending a service contract for only the electrical interface preventative maintenance and repairs with the assumption that Fleet Services staff would assume the responsibilities of maintaining and repairing the motor portion of the emergency standby generators. However, the annual servicing and related parts costs could be assumed by contract services. Staff solicited proposals from local vendors to include the annual motor servicing of the emergency standby generators (a function currently assigned to Fleet Services staff) in addition to the electrical interface maintenance. The cost of providing a comprehensive service contract for the City's emergency standby generators to include both the electrical interface and motor servicing and parts would cost approximately \$27,000 annually; or an additional \$11,400. The cost of providing this work in-house is estimated at \$4,200 in salary, benefits and parts. Fleet Mechanics are expected to utilize 45 hours of staff time to provide this service in-house.

3. ***Change the Scope of Request.*** The City could reduce this scope of the preventative maintenance program of the fifteen (15) City-owned emergency standby generators from three times annually to a lesser frequency. Even with a reduction in maintenance frequency, load-testing for the generators are required annually at a cost of \$680 each. The cost of one (1) preventative maintenance service inspection annually and load testing for each of the fifteen generators would cost approximately \$12,200, resulting in a \$3,300 annual savings. However, staff recommends increased intervals of preventative maintenance and testing due to the sophisticated electrical control panels on these units. The City will require dependable stand-by generators in the event of an emergency.

Operating Program

50340 – Vehicle and Equipment Maintenance (Fleet)

GENERAL GOVERNMENT

EMERGENCY GENERATOR PREVENTATIVE MAINTENANCE

Cost Summary

An electrical preventative maintenance program for emergency standby generator maintenance will cost approximately \$15,600 annually for the Fleet division contract services. This cost assumes that the fifteen (15) City-owned emergency generators will be serviced (3x) times annually. This service shall include load bank testing, verifying control panel readings and indicators, inspecting commutator, slip rings and automatic transfer switches. Inspections shall also include checking of signal continuity and utility phase sensing.

Line Item Description	Account No.	2012-13
Contract Services		15,600
Generator Maintenance	50340-7227	15,600
Total Operating Costs		15,600

GENERAL GOVERNMENT

OVERTIME AND CALLBACK PAY

Request Summary

The cost of providing overtime and callback pay for the Vehicle and Equipment Maintenance division in support of unexpected maintenance and repairs of Fire Department apparatus and equipment will cost \$7,500 annually.

Key Objectives

1. Provide adequate funding for overtime duty and callback requirements.
2. Ensure Vehicle and Equipment Maintenance program has necessary funding to cover expenses.
3. Adherence to requirements for standby and callback.
4. Maximize productivity in the Vehicle and Equipment Maintenance division by enabling callback and overtime pay for personnel assigned to repair and maintain Fire Department apparatus and equipment.
5. Maintain high level of customer service and quick response times to repairs of Fire vehicles, apparatus and equipment.
6. Ensure consistent support for critical equipment and fleet.

Existing Situation: Factors Driving the Need for Change

Background

As part of the 2011-12 Mid-Year budget process, the San Luis Obispo Fire Department sought City Manager and Council approval for a staffing restructure of the Fire Department. This request for restructuring comes as a result of independent recommendations provided as part of the Fire Department Master Plan, Fleet Study and the Public Works Department Organizational Assessment.

Assessment recommendations 72 and 73, regarding the Fleet Maintenance division, recommend the transfer of fire apparatus maintenance responsibility from the Fire Department to the Fleet Services division in Public Works and the reclassification of the Fire Vehicle Mechanic to a Heavy Equipment Mechanic.

- Recommendation 72 – *“Public Works Department and the Fire Department to transition the responsibility of fire apparatus maintenance to the Fleet Services division including the transferring the Fire Vehicle Mechanic position.”*
- Recommendation 73 – *“When the Fire Vehicle Mechanic position becomes vacant, the position should be reclassified as Heavy Equipment Mechanic.”*

Consolidation of fleet management functions into one centralized service organization was identified by the consultant (as well as in a previous Fleet Study done in 2007) as a best management practice for fleet services. Fire and Public Works Department staff agreed with the recommendations of the consultant and previous Fleet study and recognized this as the appropriate time to make these changes.

The Fire Department has requested the revision of the Fire Vehicle Mechanic job description and transfer of this position as part of the Department’s overall staffing restructuring efforts (City Manager Report dated December 21, 2011). The Fire Department staffing reorganization is consistent with recommendations from the Fire Master Plan and provides the Department with an opportunity to increase and maximize operational efficiencies.

Overtime and Call-back

The savings received from the Fire Vehicle Mechanic revision are slated to be used by the Fire Department to help offset costs incurred by the creation of a Deputy Chief position. Some of the salary and benefit savings associated with the Fire Department reorganization are derived from standby duty, callback pay and overtime funding for the Fire Vehicle Mechanic position. Overtime and callback pay is requested by the Fire Department in effort to maintain and repair critical life and safety equipment necessary to sustain department operations in the

GENERAL GOVERNMENT

OVERTIME AND CALLBACK PAY

event of an emergency. With a limited emergency response fleet, specialized equipment and mandated emergency response times, repairs to fire vehicles, apparatus and equipment must be made in a timely manner.

Prior to assuming the responsibility of the newly revised Fire Vehicle Mechanic position and Fire Department apparatus and equipment, the Fleet Maintenance division did not require its mechanics to participate in a callback program nor does the Fleet Services program have an operating budget to support overtime pay. Vehicle and Equipment Maintenance does not participate in standby duty/callback programs because equipment maintenance and repairs of the City's general fleet do not align with priority life, safety and emergency response concerns. However, the newly transferred and revised Fire Vehicle Mechanic is requested by the Fire Department, and as part of the service level agreement, to provide callback and overtime support for Fire Department apparatus and equipment.

Callback is defined as those circumstances which require an employee to unexpectedly return to work after the employee has left work at the end of the employee's work shift or workweek. For return to work as part of a callback agreement, the City shall guarantee a minimum of four (4) hours pay at time and one-half for time actually worked.

Based upon historical overtime needs for the Fire Department, staff recommends an allocation of \$7,500 be approved to support overtime callback pay for the Fleet Services operating program. This funding request is based upon a mid-range mechanic salary at time and one-half pay for an overtime average of sixteen hours per month.

Goal and Policy Links

1. Major City Goal, 2011-13 Preservation of Essential Services and Fiscal Health
2. San Luis Obispo City Employee's Association Memorandum of Agreement, Article 8 and Article 9
3. Fleet Study 2007
4. Fire Department Master Plan 2009
5. Public Works Department Organizational Assessment, 2010

Program Work Completed

In preparation for this reorganization and transfer of Fire fleet responsibility, Fire and Public Works staff has worked collaboratively with Human Resources in the revision of the Fire Vehicle Mechanic and Heavy Equipment Mechanic job descriptions to include general City Fleet requirements, specific Fire Department work, and consistency in education and training for the positions.

Staff has also worked on a tentative Service Level Agreement which defines the services as well as the level of fiscal support associated with the transfer of this position from the Fire Department to the Public Works Department. Funding for callback and overtime pay are not included in the Service Level Agreement.

The City is required to meet and confer over any identified impacts of reorganizations or reclassifications. The City has satisfied this obligation.

Environmental Review

No environmental review required.

GENERAL GOVERNMENT

OVERTIME AND CALLBACK PAY

Program Constraints and Limitations

Limited financial resources.

Stakeholders

The current Heavy Equipment Mechanic positions required to participate in callback duty will be affected by this program. These positions will be required to respond to Fire Department apparatus and equipment repairs consistent with life and safety operations.

Ultimately, San Luis Obispo community citizens will be the ultimately stakeholders in the program as the recipients of emergency life and safety efforts. Ensuring fire department apparatus and equipment are in working order and available in the event of an emergency.

Implementation

Authorization of annual overtime and callback pay will be included as part of funding augmentations related to the 2012-13 Budget Supplement. Annual funding for overtime and callback will be provided for the Vehicle and Equipment Maintenance program (50340) effective July 1, 2012.

Task	Date
1. Approved Overtime Callback Funding (Budget Supplement)	June 2012
2. Overtime Callback funding added to Fleet program budget (50340)	July 2012

Key Program Assumptions

1. The staff workloads in Vehicle and Equipment Maintenance division will continue at current levels.
2. Fire Department will continue to require overtime and callback response for mechanics supporting Fire Department apparatus and equipment.
3. Funding is available to support this request.

Program Manager and Team Support

Program Manager. Fleet Services Supervisor

Project Team. Public Works Director, Fire Chief, Public Works Analyst, Fire Department Analyst, Human Resources Analyst

Alternatives

1. **Continue the Status Quo.** Continue as status-quo would require Heavy Equipment Mechanics to participate in the callback program in support of Fire Department apparatus and equipment without additional compensation. Staff does not recommend this option as it is not consistent with the SLOCEA MOA Article 8 and Article 9 which define the nature and scope of callback duty and appropriate compensation.
2. **Change the Scope of Request.** Funding for the Fire Vehicle Mechanic has been historically budgeted through the Fire Department program in support of that position. With the recommended Fire Department reorganization, funding for the Fire Vehicle Mechanic standby, callback and overtime are being used by the Fire Department as part of the larger reorganizational savings. Council could direct the Fire Department to provide the previously budgeted amounts for standby, callback and overtime to the Vehicle and Equipment

GENERAL GOVERNMENT

OVERTIME AND CALLBACK PAY

Maintenance division in support of the newly reclassified Heavy Equipment Mechanic (formerly Fire Vehicle Mechanic) position. This alternative would mean less anticipated salary and benefits savings for the Fire Department reorganization, and off-setting of costs for the new Deputy Chief position.

Operating Program

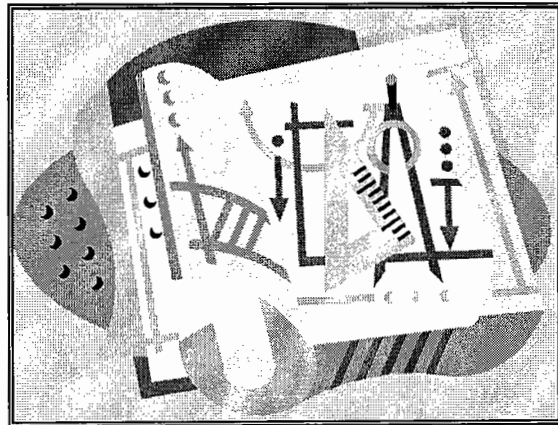
50340 – Vehicle and Equipment Maintenance (Fleet)

Cost Summary

The City shall compensate employees who are required to return to work unexpectedly with a minimum callback pay of four (4) hours pay at time and one-half or time actually worked, whichever is larger. Based on past experience of the former Fire Vehicle Mechanic, staff anticipates callback minimums to cost approximately \$1,000 annually with an average of sixteen overtime hours monthly for \$6,500.

Line Item Description	Account No.	2012-13
Staffing		\$ 7,500
Overtime	50340-7020	6,500
Call-Back	50340-7034	1,000
Total Operating Costs		\$ 7,500

Section E
CAPITAL IMPROVEMENT PLAN



CAPITAL IMPROVEMENT PLAN

OVERVIEW

INTRODUCTION

All of the City's construction projects and equipment purchases costing \$15,000 or more are included in the Capital Improvement Plan. (Minor capital outlays costing less than \$15,000 are included with the operating program budgets.)

Through the Capital Improvement Plan (CIP), the City systematically plans, schedules and finances capital projects to ensure cost-effectiveness and conformance with established policies. Comprehensive policies governing the development and management of the CIP are set forth in the Policies and Objectives section of the Financial Plan (capital improvement management; capital financing and debt management).

The CIP is a five year plan organized into the same six functional groupings used for the operating programs:

1. Public Safety
2. Public Utilities
3. Transportation
4. Leisure, Cultural & Social Services
5. Community Development
6. General Government

ORGANIZATION

The CIP section of the "parent" 2011-13 Financial Plan is composed of six parts:

1. Overview introducing the CIP and describing project types, phases and financing.
2. Summary of CIP expenditures by function and operation.
3. Summary of CIP expenditures by funding source.
4. Listing of all CIP projects by function providing the project title, phase (study, environmental review, design, real property acquisitions, site preparation, construction, construction management and equipment acquisitions), project cost and schedule.

5. Listing of all CIP projects by funding source.
6. Project description summaries.

APPENDIX B: CIP PROJECTS

2011-16 CIP Project Detail. The CIP information provided in the "parent" 2011-13 Financial Plan is based on the project detail provided in *Appendix B: Capital Improvement Plan Projects*.

In addition to summary information, Appendix B includes the following for each CIP project:

- Function
- Request title
- CIP project description
- Link to Council Goals and/or Measure Y
- Need and urgency
- Readiness to build
- Environmental review and permits required
- Operating program related to the request
- Project phasing and funding sources
- Details of ongoing costs
- Alternatives
- Project manager and team support
- Site list (if applicable)
- Location map/schematic design (if applicable)

Also included in Appendix B is summary documentation for CIP projects proposed for 2013-16.

FINANCIAL PLAN SUPPLEMENT

The following schedules have been included in this document as a supplement to the 2011-13 Financial Plan CIP:

1. Summary of CIP expenditures by function
2. Summary of CIP expenditures by funding source
3. Summary of CIP changes

CAPITAL IMPROVEMENT PLAN

SUMMARY OF CIP EXPENDITURES BY FUNCTION

	2011-13 Financial Plan		Proposed 2013-14	Proposed 2014-15	Proposed 2015-16
	2011-12	2012-13			
PUBLIC SAFETY					
Police Protection	508,900	230,000	156,500	1,291,600	648,500
Fire & Environmental Safety	107,800	235,800	69,000	121,000	105,500
Total Public Safety	616,700	465,800	225,500	1,412,600	754,000
PUBLIC UTILITIES					
Water Services	2,817,600	200,000	2,082,300	1,957,000	2,137,400
Wastewater Services	7,486,400	970,000	6,886,500	64,440,200	4,755,500
Whale Rock Reservoir	608,400				89,700
Total Public Utilities	10,912,400	1,170,000	8,968,800	66,397,200	6,982,600
TRANSPORTATION					
Streets	16,444,000	1,895,800	2,411,100	7,613,600	2,452,400
Pedestrian & Bicycle Paths	387,500	407,500	1,249,000	160,000	465,000
Creek & Flood Protection	719,000	730,000	1,337,000	532,000	2,248,000
Parking	2,136,900	195,000	174,500		
Transit	1,782,700		1,104,300	572,500	483,600
Transportation Management	284,100	25,000	812,000	17,845,000	123,000
Total Transportation	21,754,200	3,253,300	7,087,900	26,723,100	5,772,000
LEISURE, CULTURAL & SOCIAL SERVICES					
Parks & Recreation	2,348,600	765,800	471,100	776,400	949,700
Total Leisure, Cultural & Social Services	2,348,600	765,800	471,100	776,400	949,700
COMMUNITY DEVELOPMENT					
Natural Resource Protection	884,400	22,500	300,000	300,000	300,000
Housing	2,020,500				
Construction Regulation				50,200	96,100
Total Community Development	2,904,900	22,500	300,000	350,200	396,100
GENERAL GOVERNMENT					
Information Technology	642,400	25,000	675,000	627,100	27,100
Buildings	111,800	151,500	165,200	114,500	95,400
Fleet Management	109,900				77,400
Total General Government	864,100	176,500	840,200	741,600	199,900
TOTAL	\$39,400,900	\$5,853,900	\$17,893,500	\$96,401,100	\$15,054,300

CAPITAL IMPROVEMENT PLAN

SUMMARY OF CIP EXPENDITURES BY FUNDING SOURCE

	2011-13 Financial Plan		Proposed	Proposed	Proposed
	2011-12	2012-13	2013-14	2014-15	2015-16
CAPITAL OUTLAY FUND					
General Fund	9,963,600	3,250,900	4,027,200	4,143,900	4,916,600
Federal & State Grants	3,553,200	320,000	1,682,800	5,945,900	885,000
Total Capital Outlay Fund	13,516,800	3,570,900	5,710,000	10,089,800	5,801,600
COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUND					
Federal Grants	1,275,800	329,300	105,000	105,000	105,000
LAW ENFORCEMENT GRANT FUNDS					
Federal & State Grants	26,200				
PUBLIC ART PRIVATE SECTOR FUND					
Public Art In-lieu Fees	234,400				
PARKLAND DEVELOPMENT FUND					
Park In-lieu Fees	1,481,800				
Federal & State Grants	67,100				
Other Sources					
Total Parkland Development Fund	1,548,900				
TRANSPORTATION IMPACT FEE FUND					
Transportation Impact Fees	3,296,800	25,000	73,000	25,000	73,000
Federal & State Grants	2,371,700	250,000	1,004,000	13,800,000	
Other Sources				4,000,000	
Total Transportation Impact Fee Fu	5,668,500	275,000	1,077,000	17,825,000	73,000
OPEN SPACE PROTECTION FUND					
General Fund	250,300	22,500	75,000	75,000	75,000
Grants	563,200		225,000	225,000	225,000
Total	813,500	22,500	300,000	300,000	300,000
AIRPORT AREA IMPACT FEE FUND					
Impact Fees	355,600				

CAPITAL IMPROVEMENT PLAN

SUMMARY OF CIP EXPENDITURES BY FUNDING SOURCE

	2011-13 Financial Plan		Proposed 2013-14	Proposed 2014-15	Proposed 2015-16
	2011-12	2012-13			
LOVR SUB-AREA IMPACT FEE FUND					
Transportation Impact Fees	236,400		48,600	24,700	
AFFORDABLE HOUSING FUND					
In-lieu fees	744,700				
FLEET REPLACEMENT FUND					
General Fund	148,100	291,200	371,200	1,042,100	1,308,500
ENTERPRISE AND AGENCY FUNDS					
Water Fund	2,817,600	200,000	2,128,300	1,974,000	2,137,400
Sewer Fund	7,486,400	970,000	6,907,000	64,473,700	4,755,500
Parking Fund	2,136,900	195,000	182,600	9,500	
Transit Fund	1,782,700		1,112,400	582,000	483,600
Whale Rock Fund	608,400				89,700
Total Enterprise and Agency Funds	14,832,000	1,365,000	10,330,300	67,039,200	7,466,200
TOTAL	\$39,400,900	\$5,853,900	\$17,893,500	\$96,401,100	\$15,054,300

CAPITAL IMPROVEMENT PLAN

SUMMARY OF CAPITAL IMPROVEMENT PLAN CHANGES

		2012-13
Leisure, Cultural & Social Services		
<i>Building Maintenance</i>	■ Ludwick Community Center Gymnasium Reroof	21,500
		21,500
Funding Source		
General Fund		21,500
Total		\$21,500

LEISURE, CULTURAL & SOCIAL SERVICES

LUDWICK COMMUNITY CENTER GYMNASIUM REROOF

CIP Project Summary

Reroofing the gymnasium section of the Ludwick Community Center building will cost \$21,500 in fiscal year 2012-13.

- Maintenance/Replacement New project Fleet Replacement New Fleet Request
- Council Goal / Measure Y Priority - List: Infrastructure Maintenance

Need and Urgency

This section of the Ludwick Community Center building, located at 895 Santa Rosa Street, was last reroofed in 1988 with a 25-year life expectancy. In 2012-13, the roof will have met its 25-year life expectancy and it has already been showing signs of needing replacement with the development of roof leaks over the past few years. At the first signs of leaks standard repairs were applied which controlled the worst of the leaks, protecting moisture from collecting on the wood gymnasium flooring.

This project was brought forward as part of the 5-year capital replacement program, 2011-13 Financial Plan, Appendix B, page 3-307. Design for the Ludwick Center roof replacement was scheduled for 2014-15 and construction in 2015-16. However, the most recent rains show the roof has further deteriorated beyond standard repairs and the area with the most significant damage must now be replaced. To continue attempting to patch or repair the many of the roof leaks is not practical. Further deferment of the roof replacement for the gymnasium section of the building could cause more significant internal damage to the building and will continue to drain available staff time and program financial resources. If this section of the roof is not replaced in a timely manner, internal damage will continue to accelerate and greatly increase repair costs in the future and may cause moisture related problems within the building.

Due to the on-going problems with this entire roof (meeting rooms, child care area, computer training room, craft room, storage areas, and the gymnasium) it was identified for a complete replacement during the creation of the 2011-13 budget process. Taking on-going repair efforts and current fiscal constraints into consideration, it was hoped that this project could be successfully deferred until the later years of the 5-year Financial Planning forecast. However, this past rainy season has shown that degradation of the oldest section of the roof (the gymnasium area) has advanced to where further deferment will result in significantly more water damage to the building which in turn will increase the eventual repair costs. Staff recommends accelerating a portion of the Ludwick Community Center roof replacement project to the 2012-13 fiscal year to support the roof replacement of the gymnasium section of the building.

Readiness to Build

- Study complete or n/a
 Equipment purchased or n/a
 Property owned or property agreement in place
 Environmental approval and permits complete or n/a
 Specifications or construction documents complete

Environmental Review and Permits Required

- Environmental Review
 Building Permit

LEISURE, CULTURAL & SOCIAL SERVICES

LUDWICK COMMUNITY CENTER GYMNASIUM REROOF

- Waterway Permits (Fish & Game, Water Quality, Army Corps)
- Railroad
- Other:

Operating Program Number and Title:

50230 Building Maintenance

Project Phasing and Funding Sources

Project Costs by Phase

	Project Costs						
	Budget-to-Date	2011-12	2012-13	2013-14	2014-15	2015-16	Total
Design					7,900		7,900
Construction - gymnasium			21,500				21,500
Construction - remaining roof						57,400	57,400
Construction Management							
Total	-	-	21,500	-	7,900	57,400	86,800

Project Funding by Source

	Project Funding Sources						
	Budget-to-Date	2011-12	2012-13	2013-14	2014-15	2015-16	Total
General Fund			21,500		7,900	57,400	86,800
Total	-	-	21,500	-	7,900	57,400	86,800

Reduced / Enhanced Project Alternatives

This is a phase repair as only the gym section of the roof is proposed for replacement. Further phasing is not practical.

Project Team

Assignment	Program	Estimated Hours
Coordinate and inspect	Building Maintenance	25-30

Project Effect on the Operating Budget

The Building Maintenance Supervisor and a Building Maintenance Technician will each spend several hours to facilitate this project with minimal to no effect on the CIP Engineering team or the programming within the building. This is a fairly straight forward maintenance project, and extensive design and/or construction management does not appear to be warranted. Staff has consulted and met on-site with Dennis Delby of Architectural Design Group on scope of work and minimal specifications which have been provided, and with Denis Rademacher of Wicks Roofing on project pricing.

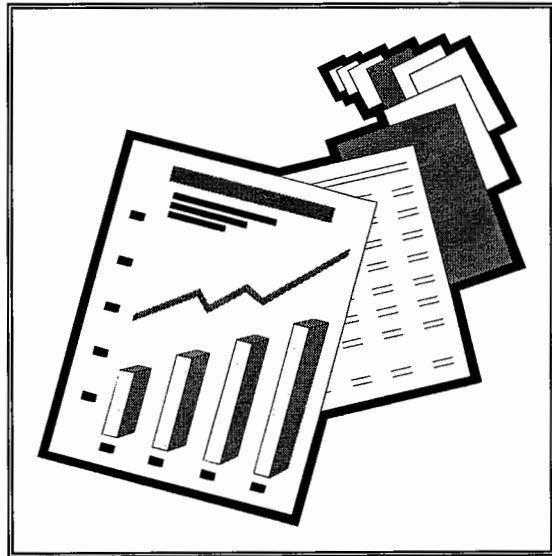
LEISURE, CULTURAL & SOCIAL SERVICES

LUDWICK COMMUNITY CENTER GYMNASIUM REROOF

The pricing provided includes removal of the old roof, the installation of a new felt and shingle roof, and a reasonable contingency level to address the nature of the project. The contingency level is based on the type of project faced, i.e. the roof has leaked for years, there may be rot repairs needed, and delay during the project to secure additional funding increases the time the building is open to rain damage. Due to the internal acoustic tiles installed on the ceiling of the gym during the 2002 remodel, and until the old roof is removed, the existence and/or extent of any needed sub-roof repairs is not determinable.

The project in and of itself will neither increase nor decrease current operating costs. It will: stop further internal damage to the building therefore minimizing future repair costs, eliminate the liability issues associated with a repeatedly wet floor, eliminate potential for moisture related indoor air quality problems, and will allow the Building Maintenance Division to shift existing staffing and financial resources now being expended on cleanup and control back to more useful repair tasks.

Section F
DEBT SERVICE REQUIREMENTS



DEBT SERVICE REQUIREMENTS

INTRODUCTION

This section summarizes the debt service obligations of the City as of July 1, 2012. These obligations represent the City's annual installment payments of principal and interest for previous capital improvement plan projects or acquisitions funded through debt financings.

The City's debt management policies are comprehensively discussed in Section B (Capital Financing and Debt Management) of the 2011-13 Financial Plan.

This section includes:

- Descriptions of each lease or bond obligation existing at July 1, 2012
- Summary of debt service by function
- Summary of debt service by source
- Computation of the City's legal debt margin



DEBT SERVICE REQUIREMENTS

DESCRIPTION OF DEBT OBLIGATIONS

1986 Lease Revenue Bonds *Refunded in 1994 and 2004*

- Purpose: Construct parking structures (net proceeds: \$5,758,400); make road improvements and purchase facilities (net proceeds: \$4,450,000).
- Maturity Date: 2014
- Original Principal Amount: \$13,970,000
- July 1, 2012 Principal Outstanding: \$1,509,900
- Interest Rate: 2.0% to 3.5%
- Funding Source: General and Parking Funds

1992 State Clean Water Revolving Fund Loan

- Purpose: Upgrade the City's water reclamation plant and collection system to meet discharge standards.
- Maturity Date: 2012
- Original Principal Amount: \$31,227,400
- July 1, 2012 Principal Outstanding: \$1,828,900
- Interest Rate: 3.00% to 3.20%
- Funding Source: Sewer Fund

1993 Water Revenue Bonds *Refunded in 2002 and 2012*

- Purpose: Upgrade the City's water treatment plant to meet water quality standards.
- Maturity Date: 2023
- Original Principal Amount: \$10,890,000
- July 1, 2012 Principal Outstanding: \$4,960,000
- Interest Rate: 2.0% to 4.0%
- Funding Source: Water Fund

1996 Lease Revenue Bonds *Refunded in 2005*

- Purpose: Construct a new headquarters fire station and other City acquisitions.
- Maturity Date: 2026
- Original Principal Amount: \$7,100,000
- July 1, 2012 Principal Outstanding: \$4,940,000
- Interest Rate: 3.4% to 4.5%
- Funding Source: General Fund

1999 Series C Lease Revenue Bonds *Refunded in 2001: Series C Lease Revenue Bonds* *Refunded in 2012*

- Purpose: Purchase property and build athletic fields; purchase property for police station expansion; purchase Downtown Plan properties
- Maturity Date: 2029
- Original Principal Amount: \$6,745,000
- July 1, 2012 Principal Outstanding: \$5,050,000
- Interest Rate: 2.0% to 4.0%
- Funding Source: General Fund

2001 State Infrastructure Bank (CIEDB) Loan

- Purpose: Expand Marsh Street parking structure
- Maturity Date: 2031
- Original Principal Amount: \$7,765,900
- July 1, 2012 Principal Outstanding: \$6,035,200
- Interest Rate: 3.37% (including annual loan fees)
- Funding Source: Parking Fund

2003 Lease Purchase Financing

- Purpose: Construct energy conservation improvements at various City locations.
- Maturity Date: 2013
- Original Principal Amount: \$3,023,100
- July 1, 2011 Principal Outstanding: \$358,300
- Interest Rate: 3.6%
- Funding Source: General, Water and Sewer Funds

DEBT SERVICE REQUIREMENTS

DESCRIPTION OF DEBT OBLIGATIONS

2005 Water Resources Control Board Loan

- Purpose: Construct water reuse project.
- Maturity Date: 2024
- Authorized Principal Amount: \$8,883,200
- July 1, 2012 Principal Outstanding: \$5,771,200
- Interest Rate: 2.5%
- Funding Source: Water Fund

2006 Lease Revenue Bonds

- Purpose: Parking Structure and City Offices
- Maturity Date: 2036
- Original Amount: \$16,160,000
- July 1, 2012 Principal Outstanding: \$14,375,000
- Interest Rate: 4.0% to 4.7%
- Funding Source: General and Parking Funds

2006 Water Revenue Bonds

- Purpose: Water Treatment Plant Improvements
- Maturity Date: 2036
- Original Amount: \$16,905,000
- July 1, 2012 Principal Outstanding: \$15,000,000
- Interest Rate: 3.75% to 4.625%
- Funding Source: Water Funds

2008 Installment Sale Agreement

- Purpose: Tank Farm Lift Station and Force Main Project
- Maturity Date: 2023
- Original Amount: \$2,050,000
- July 1, 2012 Principal Outstanding: \$1,735,000
- Interest Rate: 4.2%
- Funding Source: Sewer Funds

2008 State Infrastructure Bank (CIEDB) Loan

- Purpose: Tank Farm Lift Station and Force Main Project
- Maturity Date: 2038
- Original Principal Amount: \$10,000,000
- July 1, 2012 Principal Outstanding: \$9,341,000
- Interest Rate: 3.25% (including annual loan fees)
- Funding Source: Sewer Fund

2009 Lease Revenue Bonds

- Purpose: Public Safety Communications and Emergency Operations Center
- Maturity Date: 2039
- Original Amount: \$10,705,000
- July 1, 2012 Principal Outstanding: \$9,210,100
- Interest Rate: 3.00% to 5.75%
- Funding Source: General, Water, Sewer, Parking Funds

2010 Fire Engine/Truck Lease Financing

- Purpose: Purchase of fire apparatus with 100-foot ladder
- Maturity Date: 2020
- Original Amount: \$1,080,000
- July 1, 2012 Principal Outstanding: \$900,000
- Interest Rate: 2.99%
- Funding Source: General Fund

DEBT SERVICE REQUIREMENTS

ANNUAL PAYMENTS BY FUNCTION

	Actual	Budget	2011-13 Financial Plan	
	2009-10	2010-11	2011-12	2012-13
PUBLIC SAFETY				
Police Protection	461,100	450,800	465,300	461,400
Fire & Environmental Safety	487,400	615,100	557,200	541,700
Total Public Safety	948,500	1,065,900	1,022,500	1,003,100
PUBLIC UTILITIES				
Water Service	2,377,600	2,429,800	2,343,800	2,187,600
Wastewater Service	3,191,600	3,256,000	3,245,000	2,995,000
Total Public Utilities	5,569,200	5,685,800	5,588,800	5,182,600
TRANSPORTATION				
Streets	363,200	295,000	362,500	360,900
Parking	1,522,000	1,531,300	1,527,800	1,525,600
Total Transportation	1,885,200	1,826,300	1,890,300	1,886,500
LEISURE, CULTURAL & SOCIAL SERVICES				
Parks & Recreation	962,500	968,800	716,600	674,500
Total Leisure, Cultural & Social Services	962,500	968,800	716,600	674,500
GENERAL GOVERNMENT				
Information Technology	70,100	67,900	67,900	67,500
Buildings	564,400	496,000	535,700	531,500
Total General Government	634,500	563,900	603,600	599,000
TOTAL DEBT SERVICE REQUIREMENTS	\$9,999,900	\$10,110,700	\$9,821,800	\$9,345,700

DEBT SERVICE REQUIREMENTS

ANNUAL PAYMENTS BY SOURCE

	Actual	Actual	2011-13 Financial Plan	
	2009-10	2010-11	2011-12	2012-13
GENERAL FUND				
2001 Revenue Refunding Bonds Series B & C				
Principal	515,000	535,000	200,000	
Interest	282,800	264,800	251,700	
2004/1994 Refunding Lease Revenue Bonds				
Principal	249,800	259,000	266,400	273,800
Interest	43,400	36,000	28,200	19,600
2005/1996 Lease Revenue Bonds				
Principal	235,000	250,000	255,000	270,000
Interest	228,100	219,900	211,100	202,000
2006 Lease Revenue Bonds-919 Palm Street				
Principal	144,900	149,500	156,400	163,300
Interest	314,700	308,900	303,000	296,800
2009 Lease Revenue Bonds - Public Safety EOC				
Principal	355,700	448,900	461,600	470,100
Interest	481,900	397,500	384,100	370,100
2012 Refunding Lease Revenue Bonds				
Principal				210,000
Interest				177,000
Fire Engine/Truck Lease Financing				
Principal		80,000	100,000	100,000
Interest		16,300	29,900	26,900
Energy Conservation Lease Financing				
Principal	49,800	51,600	53,800	55,900
Interest	7,600	5,800	4,000	2,000
Total Debt Service Fund	2,908,700	3,023,200	2,705,200	2,637,500
WATER FUND				
2002 Revenue Refunding Bonds				
Principal	390,000	400,000	415,000	
Interest	327,500	314,600	273,200	
2006 Water Treatment Plant Upgrade				
Principal	335,000	345,000	360,000	375,000
Interest	704,300	691,400	673,900	659,600
2009 Lease Revenue Bonds - Public Safety EOC				
Principal	28,100	35,500	36,500	37,100
Interest	38,200	32,000	30,400	29,400
2012 Revenue Refunding Bonds				
Principal				340,000
Interest				191,600
Water Reuse Project Loan				
Principal	354,000	362,800	371,900	381,200
Interest	171,500	162,700	153,600	144,400

DEBT SERVICE REQUIREMENTS

ANNUAL PAYMENTS BY SOURCE

	Actual	Actual	2011-13 Financial Plan	
	2009-10	2010-11	2011-12	2012-13
Water Fund				
Energy Conservation Lease Financing				
Principal	25,200	26,200	27,300	28,300
Interest	3,800	2,900	2,000	1,000
Total Water Fund	2,377,600	2,373,100	2,343,800	2,187,600
SEWER FUND				
1992 State Revolving Fund Loan Fund				
Principal	1,895,500	1,954,700	2,015,700	1,828,900
Interest	186,900	126,000	119,800	56,900
Installment Sale Agreement - Tank Farm Lift Station				
Principal	100,000	105,000	110,000	115,000
Interest	89,800	85,500	77,600	72,900
CIEDB State Loan - Tank Farm Lift Station				
Principal	212,700	219,600	226,700	234,100
Interest	351,000	343,300	336,000	327,800
2009 Lease Revenue Bonds - Public Safety EOC				
Principal	31,900	40,300	41,400	42,200
Interest	43,300	36,300	34,500	33,300
Energy Conservation Lease Financing				
Principal	244,000	253,200	263,900	274,000
Interest	36,500	27,700	19,400	9,900
Total Wastewater Fund	3,191,600	3,191,600	3,245,000	2,995,000
PARKING FUND				
2004/1994 Refunded Lease Revenue Bonds				
Principal	425,200	441,000	453,600	466,200
Interest	117,500	104,700	92,600	77,900
CIEDB State Loan				
Principal	203,700	209,900	216,400	223,000
Interest	218,400	211,300	207,300	200,000
2006 Lease Revenue Bonds-919 Palm Street				
Principal	170,100	175,500	183,600	191,700
Interest	377,200	370,400	364,100	356,800
2009 Lease Revenue Bonds - Public Safety EOC				
Principal	4,200	5,300	5,500	5,600
Interest	5,700	4,700	4,700	4,400
Total Parking Fund	1,522,000	1,522,800	1,527,800	1,525,600
TOTAL DEBT SERVICE REQUIREMENTS	9,999,900	10,110,700	9,821,800	9,345,700

Note: All General Fund debt service payments are accounted for in the Debt Service Fund.

DEBT SERVICE REQUIREMENTS

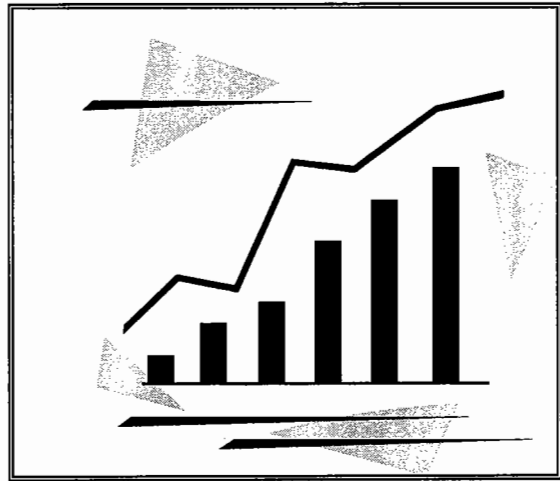
COMPUTATION OF LEGAL DEBT MARGIN

Gross Assessed Valuation (2011-12)	<u>\$6,170,252,021</u>
Legal Debt Limit - 3.75% of Gross Assessed Valuation (See Note Below)	<u>\$231,384,500</u>
Long-Term Debt:	
Revenue Bonds Secured by Capital Leases	36,945,000
State Water Resources Revolving Fund Loans	9,987,700
State Infrastructure Bank Loans	15,819,300
Water Revenue Bonds	21,660,000
Installment Sale Agreement	1,845,000
Lease Purchase Financing	<u>1,703,300</u>
	87,960,300
LESS DEDUCTIONS ALLOWED BY LAW:	
Revenue Bonds Secured by Capital Leases	36,945,000
State Loans	25,807,000
Water Revenue Bonds	<u>21,660,000</u>
	84,412,000
TOTAL DEBT APPLICABLE TO COMPUTED LIMIT	<u>\$3,548,300</u>
LEGAL DEBT MARGIN	<u>\$227,836,200</u>

NOTE

The California Government Code provides for a legal debt limit of 15% of gross assessed valuation based on 25% of market value. Since this limit was set, the State Constitution has changed, requiring assessed value to be set at 100% of market value. Adjusting for this change results in a comparable legal debt limit of 3.75% of assessed value. The City's debt management policy, however, sets a lower direct debt limit of 2% of assessed valuation which is \$123,405,040

Section G
CHANGES IN FINANCIAL POSITION



CHANGES IN FINANCIAL POSITION

OVERVIEW

INTRODUCTION

This section summarizes revenues, expenditures, and changes in financial position for each of the City's operating funds. For the Governmental Funds, financial position is defined as fund balance; for the enterprise funds it is defined as working capital; and for the Whale Rock Reservoir (an Agency Fund of the City) it is defined as fund balance as reported by the Whale Rock Commission in its separately issued financial statements.

Because governmental and enterprise funds use different bases of accounting, fund balance and working capital are different measures of financial position under generally accepted accounting principles. However, they represent similar concepts: resources available at the beginning of the year to fund operations, debt service, and capital improvements in the following year. Accordingly, to establish a similar framework for evaluating and projecting the City's overall financial position, these two measures of financial position are used interchangeably in this section.

Changes in financial position are provided for the last two completed fiscal years (2009-10 and 2010-11); and the two years covered by the 2011-13 Financial Plan (2011-12 and 2012-13).

BASIS OF ACCOUNTING AND BUDGETING

Basis of Accounting

In accordance with generally accepted accounting principles, the City's financial reporting system is organized on a fund basis consisting of three major fund types—governmental, proprietary and fiduciary. The City's various funds have been established in order to segregate and identify those financial transactions and resources associated with providing specific activities or programs in conformance with special regulations, restrictions, or limitations.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are

recognized as soon as they are both measurable and available. Expenditures generally are recorded when a liability is incurred; however, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Proprietary funds are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. The only type of proprietary funds that the City uses are *enterprise funds* for water, sewer, parking, and transit.

The only *fiduciary funds* the City reports are agency funds. Unlike other types of funds, agency funds only report assets and liabilities, thus they do not have a measurement focus since they do not report operating activity. However, agency funds do use the accrual basis of accounting to recognize receivables and payables.

Basis of Budgeting

Budgetary basis refers to the basis of accounting used to estimate financing sources and uses in the budget. The City prepares its budget for each fund in accordance with its respective basis of accounting.

CITY FUND DESCRIPTIONS

The following funds are included in the Financial Plan; additional descriptions of each of the fund types are provided in the Budget Glossary (Section I) of the 2011-13 Financial Plan:

Governmental Funds

Most of the City's programs and functions are provided and financed through the following governmental funds, which are distinguished by their measurement focus on determining financial position and changes in financial position (modified accrual method), rather than upon determining net income:

- General Fund

CHANGES IN FINANCIAL POSITION

■ Special Revenue Funds

- Downtown Business Improvement District (DBID)
- Tourism Business Improvement District (TBID)
- Gas Tax
- Transportation Development Act
- Community Development Block Grant
- Law Enforcement Grants Fund
- Public Art (Private Sector Contributions) Fund
- Proposition 42 Fund
- Proposition 1B Fund

■ Capital Project Funds

- Capital Outlay Fund
- Parkland Development Fund
- Transportation Impact Fees Fund
- Open Space Protection Fund
- Airport Area Impact Fees Fund
- Affordable Housing Fund
- Fleet Replacement Fund
- Los Osos Valley Road Sub-Area Fee Fund

■ Debt Service Fund

Enterprise Funds

Enterprise funds are distinguished from governmental funds by their similarity to private sector enterprises, as it is intended that the cost of providing services will be financed or recovered primarily through user charges (accrual basis).

The City uses the following four enterprise funds:

- Water
- Sewer
- Parking
- Transit

Trust and Agency Funds

Also known as fiduciary funds, agency funds are used to account for assets held by the City in a trustee capacity for private individuals, organizations, or other governmental agencies.

Agency funds are custodial in nature (assets equal liabilities) and do not measure the results of operations (revenues, expenditures, and changes in fund balance). Because of their custodial nature, agency funds are not typically included in budgetary documents. In this case, however, the City is directly responsible for the day-to-day management and operations of the Whale Rock Reservoir. As such, because of its significance to the City's operations and organizational structure, budget information for the Whale Rock Commission (which is accounted for as an agency fund of the City using the accrual basis) is provided in the City's Financial Plan.

CHANGES IN FINANCIAL POSITION

ALL FUNDS COMBINED

	Actual	Actual	2011-13 Financial Plan	
	2009-10	2010-11	2011-12	2012-13
Revenues				
Tax Revenues	42,093,000	43,698,500	45,695,300	46,972,800
Fines and Forfeitures	892,200	816,900	856,000	857,200
Investment and Property Revenues	2,698,800	1,547,300	1,253,700	1,273,200
Subventions and Grants	8,277,700	8,444,800	15,095,300	5,349,600
Service Charges				
Governmental Funds	5,882,600	9,209,300	8,978,500	7,016,900
Enterprise Funds	30,685,200	31,404,200	33,886,600	39,328,900
Trust and Agency Revenues	1,034,900	1,008,500	914,900	884,800
Other Revenues	426,000	303,800	516,000	131,700
Total Revenues	91,990,400	96,433,300	107,196,300	101,815,100
Expenditures				
Operating Programs				
Public Safety	24,203,800	23,506,100	25,240,700	24,849,000
Public Utilities	12,378,900	17,040,200	20,828,300	20,610,400
Transportation	7,069,800	7,079,100	7,954,500	8,126,700
Leisure, Cultural & Social Services	6,785,200	6,785,200	7,095,000	7,199,200
Community Development	6,690,200	7,053,500	8,724,200	7,458,900
General Government	11,517,500	11,278,600	12,653,200	12,662,200
Total Operating Programs	68,645,400	72,742,700	82,495,900	80,906,400
Capital Improvement Plan Projects	22,649,700	16,688,500	39,400,900	5,853,900
Debt Service	9,999,900	10,110,700	9,821,800	9,345,700
Total Expenditures	101,295,000	99,541,900	131,718,600	96,106,000
Other Sources (Uses)				
Operating Transfers In	8,383,400	7,297,400	8,264,200	7,958,200
Operating Transfers Out	(8,383,400)	(7,297,400)	(8,264,200)	(7,958,200)
Proceeds from Debt Financings		1,044,000		
Potential MOA Adjustments		23,700	(117,400)	(1,821,300)
Other Souces (Uses)	(202,000)	263,800	(95,000)	25,100
Expenditure Savings			1,937,700	1,664,300
Total Other Sources (Uses)	(202,000)	1,331,500	1,725,300	(131,900)
Revenues and Other Sources Over (Under)				
Expenditures and Other Uses	(9,506,600)	(1,777,100)	(22,797,000)	5,577,200
Fund Balance/Working Capital,				
Beginning of Year	75,318,900	65,812,300	64,035,200	41,238,200
Fund Balance/Working Capital,				
End of Year				
Reserved for Debt Service	2,285,700	2,285,700	2,285,700	2,285,700
Unreserved	63,526,600	61,749,500	38,952,500	44,529,700
Total Fund Balance/Working Capital	\$65,812,300	\$64,035,200	\$41,238,200	\$46,815,400

CHANGES IN FINANCIAL POSITION

ALL GOVERNMENTAL FUNDS COMBINED

	Actual	Actual	2011-13 Financial Plan	
	2009-10	2010-11	2011-12	2012-13
Revenues				
Tax Revenues	42,093,000	43,698,500	45,695,300	46,972,800
Fines and Forfeitures	201,700	171,400	155,100	162,600
Investment and Property Revenues	1,239,500	742,500	640,900	849,700
Subventions and Grants	4,975,200	4,982,100	10,672,100	2,658,100
Service Charges	5,882,600	9,209,300	8,978,500	7,016,900
Other Revenues	377,900	270,500	414,400	85,000
Total Revenues	54,769,900	59,074,300	66,556,300	57,745,100
Expenditures				
Operating Programs				
Public Safety	24,203,800	23,506,100	25,240,700	24,849,000
Transportation	3,019,700	2,901,900	3,212,900	3,267,800
Leisure, Cultural & Social Services	6,279,900	6,268,700	7,095,000	7,199,200
Community Development	6,690,200	7,053,500	8,724,200	7,458,900
General Government	11,517,500	11,278,600	12,653,200	12,662,200
Total Operating Programs	51,711,100	51,008,800	56,926,000	55,437,100
Reimbursed Expenditures	(4,264,000)	(4,449,900)	(3,774,900)	(3,732,100)
Total Operating Expenditures	47,447,100	46,558,900	53,151,100	51,705,000
Capital Improvement Plan Projects	17,100,600	10,607,300	24,568,900	4,488,900
Debt Service	2,908,700	3,023,200	2,705,200	2,637,500
Total Expenditures	67,456,400	60,189,400	80,425,200	58,831,400
Other Sources (Uses)				
Operating Transfers In	8,081,900	6,964,100	8,264,200	7,958,200
Operating Transfers Out	(8,383,400)	(7,191,300)	(8,264,200)	(7,937,000)
Proceeds from Debt Financings		1,044,000		
Potential MOA Adjustments			(100,000)	540,900
Other Sources (Uses)		393,900		
Expenditure Savings			1,986,900	1,585,000
Total Other Sources (Uses)	(301,500)	1,210,700	1,886,900	2,147,100
Revenues and Other Sources Over (Under)				
Expenditures and Other Uses	(12,988,000)	95,600	(11,982,000)	1,060,800
Fund Balance, Beginning of Year	44,405,900	31,417,900	31,513,500	19,531,500
Fund Balance, End of Year				
Reserved for Debt Service	2,285,700	2,285,700	2,285,700	2,285,700
Unreserved	29,132,200	29,227,800	17,245,800	18,306,600
Total Fund Balance	\$31,417,900	\$31,513,500	\$19,531,500	\$20,592,300

CHANGES IN FINANCIAL POSITION

ALL ENTERPRISE AND AGENCY FUNDS COMBINED

	Actual	Actual	2011-13 Financial Plan	
	2009-10	2010-11	2011-12	2012-13
Revenues				
Fines and Forfeitures	690,500	645,500	700,900	694,600
Investment and Property Revenues	1,459,300	804,800	612,800	423,500
Subventions and Grants	3,302,500	3,462,700	4,423,200	2,691,500
Service Charges	30,685,200	31,404,200	33,886,600	39,328,900
Other Revenues	48,100	33,300	101,600	46,700
Trust and Agency Revenues	1,034,900	1,008,500	914,900	884,800
Total Revenues	37,220,500	37,359,000	40,640,000	44,070,000
Expenditures				
Operating Programs				
Public Utilities	12,378,900	17,040,200	20,828,300	20,610,400
Transportation	4,050,100	4,177,200	4,741,600	4,858,900
Leisure, Cultural & Social Services	505,300	516,500		
General Government	4,264,000	4,349,400	3,774,900	3,732,100
Total Operating Programs	21,198,300	26,083,300	29,344,800	29,201,400
Capital Improvement Plan Projects	5,549,100	6,081,200	14,832,000	1,365,000
Debt Service	7,091,200	7,087,500	7,116,600	6,708,200
Total Expenditures	33,838,600	39,252,000	51,293,400	37,274,600
Other Sources (Uses)				
Operating Transfers In	301,500	333,300		
Operating Transfers Out		(106,100)		(21,200)
Expenditure Savings			(49,200)	79,300
Other Sources (Uses)	(202,000)	(130,100)	(95,000)	25,100
Potential MOA Adjustments		23,700	(17,400)	(2,362,200)
Total Other Sources (Uses)	99,500	120,800	(161,600)	(2,279,000)
Revenues and Other Sources Over (Under)				
Expenditures and Other Uses	3,481,400	(1,772,200)	(10,815,000)	4,516,400
Working Capital, Beginning of Year	30,913,000	34,394,400	32,728,300	21,913,300
Working Capital, End of Year	\$34,394,400	\$32,622,200	\$21,913,300	\$26,429,700

CHANGES IN FINANCIAL POSITION

GENERAL FUND

	Actual	Actual	2011-13 Financial Plan	
	2009-10	2010-11	2011-12	2012-13
Revenues				
Tax Revenues	42,093,000	43,698,500	45,695,300	46,972,800
Fines and Forfeitures	201,700	171,400	155,100	162,600
Investment and Property Revenues	904,800	549,900	475,500	695,500
Subventions and Grants	1,235,000	796,000	1,413,600	321,500
Service Charges	4,691,600	4,987,100	5,614,900	5,448,900
Other Revenues	139,600	179,300	79,200	75,000
Total Revenues	49,265,700	50,382,200	53,433,600	53,676,300
Expenditures				
Operating Programs				
Public Safety	24,203,800	23,506,100	25,240,700	24,849,000
Transportation	3,019,700	2,901,900	3,212,900	3,267,800
Leisure, Cultural & Social Services	6,279,900	6,268,700	7,095,000	7,199,200
Community Development	5,394,000	5,309,000	7,139,100	6,023,400
General Government	11,517,500	11,178,100	12,653,200	12,662,200
Total Program Expenditures	50,414,900	49,163,800	55,340,900	54,001,600
Reimbursed Expenditures	(4,264,000)	(4,449,900)	(3,774,900)	(3,732,100)
Total Expenditures	46,150,900	44,713,900	51,566,000	50,269,500
Other Sources (Uses)				
Operating Transfers In	1,195,400	1,658,400	1,282,800	1,281,100
Operating Transfers Out	(7,188,000)	(5,532,900)	(6,981,400)	(6,655,900)
Proceeds from Debt Financings				
MOA & Other Compensation Adjustments			(100,000)	540,900
Expenditure Savings			1,986,900	1,585,000
Total Other Sources (Uses)	(5,992,600)	(3,874,500)	(3,811,700)	(3,248,900)
Revenues and Other Sources Over (Under) Expenditures and Other Uses	(2,877,800)	1,793,800	(1,944,100)	157,900
Fund Balance, Beginning of Year	13,991,900	11,114,100	12,907,900	10,963,800
Fund Balance, End of Year	\$11,114,100	\$12,907,900	\$10,963,800	\$11,121,700

CHANGES IN FINANCIAL POSITION

DOWNTOWN BUSINESS IMPROVEMENT DISTRICT FUND

	Actual	Actual	2011-13 Financial Plan	
	2009-10	2010-11	2011-12	2012-13
Revenues				
Investment and Property Revenues				
Service Charges				
Assessments	208,300	198,000	198,100	200,000
Other Revenues				
Total Revenues	208,300	198,000	198,100	200,000
Expenditures				
Operating Programs				
Community Development	208,300	196,800	199,200	200,000
Total Expenditures	208,300	196,800	199,200	200,000
Revenues and Other Sources Over (Under)				
Expenditures and Other Uses		1,200	(1,100)	
Fund Balance, Beginning of Year	1,100	1,100	2,300	1,200
Fund Balance, End of Year	\$1,100	\$2,300	\$1,200	\$1,200

CHANGES IN FINANCIAL POSITION

TOURISM BUSINESS IMPROVEMENT DISTRICT FUND

	Actual	Actual	2011-13 Financial Plan	
	2009-10	2010-11	2011-12	2012-13
Revenues				
Investment and Property Revenues	17,800	8,200	3,000	3,000
Service Charges	902,500	967,200	1,025,000	1,055,000
Other Revenues				
Total Revenues	920,300	975,400	1,028,000	1,058,000
Expenditures				
Operating Programs				
Community Development	828,100	1,359,700	1,122,900	992,000
Total Expenditures	828,100	1,359,700	1,122,900	992,000
Other Sources (Uses)				
Operating Transfers Out		(38,700)	(41,000)	(21,100)
Total Other Sources (Uses)		(38,700)	(41,000)	(21,100)
Revenues and Other Sources Over (Under)				
Expenditures and Other Uses	92,200	(423,000)	(135,900)	44,900
Fund Balance, Beginning of Year	523,800	616,000	193,000	57,100
Fund Balance, End of Year	\$616,000	\$193,000	\$57,100	\$102,000

CHANGES IN FINANCIAL POSITION

GAS TAX FUND

	Actual 2009-10	Actual 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Revenues				
Subventions and Grants				
Gasoline Tax	762,400	1,092,500	1,215,600	1,233,800
Total Revenues	762,400	1,092,500	1,215,600	1,233,800
Other Sources (Uses)				
Operating Transfers Out	(762,400)	(1,092,500)	(1,215,600)	(1,233,800)
Total Other Sources (Uses)	(762,400)	(1,092,500)	(1,215,600)	(1,233,800)
Revenues and Other Sources Over (Under)				
Expenditures and Other Uses				
Fund Balance, Beginning of Year				
Fund Balance, End of Year	\$ -	\$ -	\$ -	\$ -

CHANGES IN FINANCIAL POSITION

TRANSPORTATION DEVELOPMENT ACT (TDA) FUND

	Actual	Actual	2011-13 Financial Plan	
	2009-10	2010-11	2011-12	2012-13
Revenues				
Subventions and Grants	27,800	27,200	26,200	26,200
Total Revenues	27,800	27,200	26,200	26,200
Other Sources (Uses)				
Operating Transfers Out	(27,800)	(27,200)	(26,200)	(26,200)
Total Other Sources (Uses)	(27,800)	(27,200)	(26,200)	(26,200)
Revenues and Other Sources Over (Under) Expenditures and Other Uses				
Fund Balance, Beginning of Year	<hr/>			
Fund Balance, End of Year	\$ -	\$ -	\$ -	\$ -

CHANGES IN FINANCIAL POSITION

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUND

	Actual 2009-10	Actual 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Revenues				
From Other Governments				
CDBG Allocation	817,000	709,700	1,461,500	506,600
Total Revenues	817,000	709,700	1,461,500	506,600
Expenditures				
Operating Programs				
Community Development	259,800	188,000	263,000	243,500
General Government		100,500		
Total Operating Programs	259,800	288,500	263,000	243,500
Capital Improvement Plan Projects	579,000	460,700	1,275,800	329,300
Total Expenditures	838,800	749,200	1,538,800	572,800
Other Sources (Uses)				
Operating Transfer In	21,800	39,500	77,300	66,200
Total Other Sources (uses)	21,800	39,500	77,300	66,200
Revenues and Other Sources Over (Under) Expenditures and Other Uses				
Fund Balance, Beginning of Year				
Fund Balance, End of Year *	\$ -	\$ -	\$ -	\$ -

* Estimate of revenue and expenditure activity for 2011-12 as approved by Council April 17, 2012.

CHANGES IN FINANCIAL POSITION

LAW ENFORCEMENT GRANTS FUND

	Actual	Actual	2011-13 Financial Plan	
	2009-10	2010-11	2011-12	2012-13
Revenues				
Investment and Property Revenues	1,300	700	800	900
Subventions and Grants	3,200			
Service Charges		2,600	2,000	2,000
Total Revenues	4,500	3,300	2,800	2,900
Expenditures				
Operating Programs				
Public Safety				
Total Operating Expenditures				
Capital Improvement Plan Projects	13,000		26,200	
Total Expenditures	13,000		26,200	
Revenues and Other Sources Over (Under)				
Expenditures and Other Uses	(8,500)	3,300	(23,400)	2,900
Fund Balance, Beginning of Year	47,200	38,700	42,000	18,600
Fund Balance, End of Year	\$38,700	\$42,000	\$18,600	\$21,500

CHANGES IN FINANCIAL POSITION

PUBLIC ART (PRIVATE SECTOR CONTRIBUTIONS) FUND

	Actual	Actual	2011-13 Financial Plan	
	2009-10	2010-11	2011-12	2012-13
Revenues				
Investment and Property Revenues	12,100	7,000	6,000	6,000
Service Charges				
In-lieu fees	20,100	85,100	28,000	20,000
Total Revenues	32,200	92,100	34,000	26,000
Expenditures				
Operating Programs				
Leisure, Cultural & Social Services				
Capital Improvement Plan Projects	59,700	113,700	234,400	
Total Expenditures	59,700	113,700	234,400	
Revenues and Other Sources Over (Under)				
Expenditures and Other Uses	(27,500)	(21,600)	(200,400)	26,000
Fund Balance, Beginning of Year	415,800	388,300	366,700	166,300
Fund Balance, End of Year	\$ 388,300	\$ 366,700	\$166,300	\$192,300

CHANGES IN FINANCIAL POSITION

PROPOSITION 42 FUND

	Actual 2009-10	Actual 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Revenues				
Investment and Property Revenues				
Subventions and Grants				
State Grants	405,200			
Total Revenues	405,200			
Expenditures				
Operating Programs				
Transportation				
Capital Improvement Plan Projects				
Total Expenditures				
Other Sources (Uses)				
Operating Transfer In				
Operating Transfer Out	(405,200)			
Total Other Sources (Uses)	(405,200)			
Revenues and Other Sources Over (Under)				
Expenditures and Other Uses				
Fund Balance, Beginning of Year				
Fund Balance, End of Year				
	\$ -	\$ -	\$ -	\$ -

Operating transfers out are for street reconstruction, resurfacing and sealing.

CHANGES IN FINANCIAL POSITION

CAPITAL OUTLAY FUND

	Actual	Actual	2011-13 Financial Plan	
	2009-10	2010-11	2011-12	2012-13
Revenues				
Subventions and Grants	739,900	1,467,000	3,553,200	40,000
Service Charges			565,000	280,000
Other Revenues	113,100	33,600		
Total Revenues	853,000	1,500,600	4,118,200	320,000
Expenditures				
Capital Improvement Plan Projects	10,285,000	6,606,200	13,516,800	3,570,900
Total Expenditures	10,285,000	6,606,200	13,516,800	3,570,900
Other Sources (Uses)				
Operating Transfers In	3,542,500	2,243,000	3,461,400	3,250,900
Operating Transfers Out		(500,000)		
Other Sources (Uses)		393,900		
Proceeds from Debt Financing				
Total Other Sources (Uses)	3,542,500	2,136,900	3,461,400	3,250,900
Revenues and Other Sources Over (Under)				
Expenditures and Other Uses	(5,889,500)	(2,968,700)	(5,937,200)	
Fund Balance, Beginning of Year	14,795,400	8,905,900	5,937,200	
Fund Balance, End of Year	\$ 8,905,900	\$ 5,937,200	\$ -	\$ -

CHANGES IN FINANCIAL POSITION

PARKLAND DEVELOPMENT FUND

	Actual	Actual	2011-13 Financial Plan	
	2009-10	2010-11	2011-12	2012-13
Revenues				
Investment and Property Revenues	41,800	23,600	18,000	18,000
Subventions and Grants		25,600	67,100	
Service Charges				
Park In-Lieu Fees	35,200	34,900	3,000	10,000
Dwelling Unit Fees	1,200	900	1,200	1,000
Other Revenues			323,000	
Total Revenues	78,200	85,000	412,300	29,000
Expenditures				
Capital Improvement Plan Projects	67,000	169,400	1,548,900	
Total Expenditures	67,000	169,400	1,548,900	
Other Sources (Uses)				
Operating Transfers In				
Operating Transfers Out				
Total Other Sources (Uses)				
Revenues and Other Sources Over (Under) Expenditures and Other Uses	11,200	(84,400)	(1,136,600)	29,000
Fund Balance, Beginning of Year	1,319,900	1,331,100	1,246,700	110,100
Fund Balance, End of Year	\$1,331,100	\$1,246,700	\$110,100	\$139,100

CHANGES IN FINANCIAL POSITION

TRANSPORTATION IMPACT FEE FUND

	Actual	Actual	2011-13 Financial Plan	
	2009-10	2010-11	2011-12	2012-13
Revenues				
Investment and Property Revenue	107,500	72,100	64,000	65,500
Subventions and Grants	399,900	647,300	2,371,700	530,000
Service Charges	30,200	804,600	236,100	
Other Revenues	87,200	55,900	7,200	
Total Revenues	624,800	1,579,900	2,679,000	595,500
Expenditures				
Capital Improvement Plan Projects	893,300	757,100	5,668,500	275,000
Total Expenditures	893,300	757,100	5,668,500	275,000
Other Sources (Uses)				
Operating Transfer In	74,000			
Operating Transfer Out				
Total Sources (Uses)	74,000			
Revenues and Other Sources Over (Under)				
Expenditures and Other Uses	(194,500)	822,800	(2,989,500)	320,500
Fund Balance, Beginning of Year	3,592,800	3,398,300	4,221,100	1,231,600
Fund Balance, End of Year	\$3,398,300	\$4,221,100	\$1,231,600	\$1,552,100

CHANGES IN FINANCIAL POSITION

LOS OSOS VALLEY ROAD SUB-AREA FEE FUND

	Actual	Actual	2011-13 Financial Plan	
	2009-10	2010-11	2011-12	2012-13
Revenues				
Investment and Property Revenue	8,600	18,200	13,000	2,000
Service Charges	11,200	1,796,100	606,300	
Total Revenues	19,800	1,814,300	619,300	2,000
Expenditures				
Capital Improvement Plan Projects *	19,000	1,622,600	236,400	
Total Expenditures	19,000	1,622,600	236,400	
Revenues and Other Sources Over (Under)				
Expenditures and Other Uses	800	191,700	382,900	2,000
Fund Balance, Beginning of Year	168,200	169,000	360,700	743,600
Fund Balance, End of Year	\$169,000	\$360,700	\$743,600	\$745,600

* Includes pass-throughs to Costco per the City's reimbursement agreement with them for Calle Joaquin improvements.

CHANGES IN FINANCIAL POSITION

OPEN SPACE PROTECTION FUND

	Actual	Actual	2011-13 Financial Plan	
	2009-10	2010-11	2011-12	2012-13
Revenues				
Investment and Property Revenue	12,700	(800)	2,500	500
Subventions and Grants	314,800	186,800	563,200	
Other Revenues	10,500	200		
Total Revenues	338,000	186,200	565,700	500
Expenditures				
Capital Improvement Plan Projects	370,500	560,500	813,500	22,500
Total Expenditures	370,500	560,500	813,500	22,500
Other Sources (Uses)				
Operating Transfer In	260,400		237,500	22,500
Operating Transfer Out				
Total Other Sources (Uses)	260,400		237,500	22,500
Revenues and Other Sources Over (Under)				
Expenditures and Other Uses	227,900	(374,300)	(10,300)	500
Fund Balance, Beginning of Year	261,500	489,400	115,100	104,800
Fund Balance, End of Year	\$489,400	\$115,100	\$104,800	\$105,300

CHANGES IN FINANCIAL POSITION

AIRPORT AREA IMPACT FEE FUND

	Actual	Actual	2011-13 Financial Plan	
	2009-10	2010-11	2011-12	2012-13
Revenues				
Investment and Property Revenue	31,500	19,000	16,000	16,500
Service Charges	3,600			
Total Revenues	35,100	19,000	16,000	16,500
Expenditures				
Capital Improvement Plan Projects		19,400	355,600	
Total Expenditures		19,400	355,600	
Revenues and Other Sources Over (Under)				
Expenditures and Other Uses	35,100	(400)	(339,600)	16,500
Fund Balance, Beginning of Year	993,700	1,028,800	1,028,400	688,800
Fund Balance, End of Year	\$1,028,800	\$1,028,400	\$688,800	\$705,300

CHANGES IN FINANCIAL POSITION

AFFORDABLE HOUSING FUND

	Actual	Actual	2011-13 Financial Plan	
	2009-10	2010-11	2011-12	2012-13
Revenues				
Investment and Property Revenue	41,600	19,900	20,000	20,000
Subventions & Grants	270,000	30,000		
Service Charges	(21,300)	332,800	698,900	
Total Revenues	290,300	382,700	718,900	20,000
Expenditures				
Capital Improvement Plan Projects	3,407,600	39,900	744,700	
Total Expenditures	3,407,600	39,900	744,700	
Revenues and Other Sources Over (Under)				
Expenditures and Other Uses	(3,117,300)	342,800	(25,800)	20,000
Fund Balance, Beginning of Year	3,785,000	667,700	1,010,500	984,700
Fund Balance, End of Year	\$667,700	\$1,010,500	\$984,700	\$1,004,700

CHANGES IN FINANCIAL POSITION

FLEET REPLACEMENT FUND

	Actual	Actual	2011-13 Financial Plan	
	2009-10	2010-11	2011-12	2012-13
Revenues				
Investment and Property Revenues	59,800	24,700	22,100	21,800
Other Revenues				
Sale of Surplus Property	27,500	1,500	5,000	10,000
Total Revenues	87,300	26,200	27,100	31,800
Expenditures				
Capital Improvement Plan Projects	1,406,500	257,800	148,100	291,200
Total Expenditures	1,406,500	257,800	148,100	291,200
Other Sources (Uses)				
Operating Transfers In	79,100		500,000	700,000
Proceeds from Financing		1,044,000		
Total Other Sources (Uses)	79,100	1,044,000	500,000	700,000
Revenues and Other Sources Over (Under)				
Expenditures and Other Uses	(1,240,100)	812,400	379,000	440,600
Fund Balance, Beginning of Year	2,223,900	983,800	1,796,200	2,175,200
Fund Balance, End of Year	\$983,800	\$1,796,200	\$2,175,200	\$2,615,800

CHANGES IN FINANCIAL POSITION

DEBT SERVICE FUND

	Actual 2009-10	Actual 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Expenditures				
Debt Service				
2001 Refunded Revenue Bonds	797,800	799,800	451,700	
2004 Refunding Revenue Bonds	293,200	295,000	294,600	293,400
2005 Refunding Revenue Bonds	463,100	469,900	466,100	472,000
2006 Lease Revenue Bonds	459,600	458,400	459,400	460,100
2009 Lease Revenue Bonds	837,600	846,400	845,700	840,200
2012 Refunding Revenue Bonds				387,000
Fire Engine/Truck Lease Financing		96,300	129,900	126,900
Energy Conservation Lease Purchase	57,400	57,400	57,800	57,900
Total Expenditures	2,908,700	3,023,200	2,705,200	2,637,500
Other Sources (Uses)				
Operating Transfers In	2,908,700	3,023,200	2,705,200	2,637,500
Proceeds from Debt Financing				
Total Other Sources (Uses)	2,908,700	3,023,200	2,705,200	2,637,500
Revenues and Other Sources Over (Under) Expenditures and Other Uses				
Fund Balance, Beginning of Year	2,285,700	2,285,700	2,285,700	2,285,700
Fund Balance, End of Year				
Reserved for Debt Service	2,285,700	2,285,700	2,285,700	2,285,700
Unreserved				
Total Fund Balance	\$2,285,700	\$2,285,700	\$2,285,700	\$2,285,700

CHANGES IN FINANCIAL POSITION

WATER FUND

	Actual 2009-10	Actual 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Revenues				
Service Charges				
Water Sales				
Water Service Charges	12,150,500	12,290,700	13,951,200	14,859,900
Sales to Cal Poly	939,600	1,098,000	1,137,100	1,028,800
Development Impact Fees	448,200	639,600	516,300	386,900
Connection Charges and Meter Sales	6,500	6,800	9,100	9,200
Account Set-up Fee	81,100	113,800	115,500	116,400
Other Service Charges	112,200	112,800	125,600	126,600
Total Service Charges	13,738,100	14,261,700	15,854,800	16,527,800
Other Revenues	74,000	36,400	37,800	38,100
Subventions and Grants				
Investment and Property Revenues	663,500	342,500	232,200	186,200
Total Revenues	14,475,600	14,640,600	16,124,800	16,752,100
Expenditures				
Operating Programs				
Public Utilities	5,934,200	10,686,600	13,664,100	13,264,300
General Government	1,669,300	1,702,700	1,309,400	1,316,700
Total Operating Programs	7,603,500	12,389,300	14,973,500	14,581,000
Capital Improvement Plan Projects	2,618,100	2,197,400	2,817,600	200,000
Debt Service	2,377,600	2,373,000	2,343,800	2,187,600
Total Expenditures	12,599,200	16,959,700	20,134,900	16,968,600
Other Sources (Uses)				
Other Sources (Uses)				
Proceeds from Debt Financing				
Potential MOA Adjustments				
Expenditure Savings			(49,200)	79,300
Other Sources (Uses)	(119,700)	42,700	62,300	62,900
Total Other Sources (Uses)	(119,700)	42,700	13,100	142,200
Revenues and Other Sources Over (Under)				
Expenditures and Other Uses	1,756,700	(2,276,400)	(3,997,000)	(74,300)
Working Capital, Beginning of Year	13,897,100	15,653,800	13,377,400	9,380,400
Working Capital, End of Year	\$15,653,800	\$13,377,400	\$9,380,400	\$9,306,100

CHANGES IN FINANCIAL POSITION

SEWER FUND

	Actual 2009-10	Actual 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Revenues				
Service Charges				
Customer Sales				
Sewer Service Charges	12,171,900	12,493,800	13,152,400	14,266,000
Sales to Cal Poly	779,300	471,000	725,000	799,200
Industrial User Charges	63,400	63,500	65,200	65,700
Development Impact Fees	98,700	169,800	128,600	103,700
Connection Charges and Meter Sales	6,500	6,700	9,100	9,200
Account Set-up Fee	108,300	113,800	115,500	116,400
Other Service Charges				
Total Service Charges	13,228,100	13,318,600	14,195,800	15,360,200
Other Revenues	(3,000)	1,800	45,700	3,600
Investment and Property Revenues	411,000	206,500	213,000	128,600
Total Revenues	13,636,100	13,526,900	14,454,500	15,492,400
Expenditures				
Operating Programs				
Public Utilities	5,601,000	5,652,200	6,373,700	6,543,100
General Government	1,438,400	1,467,200	1,354,300	1,394,100
Total Operating Programs	7,039,400	7,119,400	7,728,000	7,937,200
Capital Improvement Plan Projects	1,803,400	2,216,400	7,486,400	970,000
Debt Service	3,191,600	3,191,500	3,245,000	2,995,000
Total Expenditures	12,034,400	12,527,300	18,459,400	11,902,200
Other Sources (Uses)				
Proceeds from Debt Financing				
Potential MOA Adjustments				82,000
Other Sources (Uses)	(132,800)	(64,600)	(157,300)	(62,900)
Total Other Sources (Uses)	(132,800)	(64,600)	(157,300)	19,100
Revenues and Other Sources Over (Under)				
Expenditures and Other Uses	1,468,900	935,000	(4,162,200)	3,609,300
Working Capital, Beginning of Year	8,165,000	9,633,900	10,568,900	6,406,700
Working Capital, End of Year	\$9,633,900	\$10,568,900	\$6,406,700	\$10,016,000

CHANGES IN FINANCIAL POSITION

PARKING FUND

	Actual 2009-10	Actual 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
Revenues				
Service Charges				
Parking Meter Collections				
Lots	392,100	402,900	468,500	415,000
Streets	1,141,900	1,193,000	1,359,000	1,436,700
Parking Structure Collections	713,700	739,500	764,200	814,800
Long-Term Parking Revenues	349,900	364,200	374,600	378,300
Lease Revenues	204,800	209,300	210,200	376,300
Parking In-Lieu Fees	12,800	15,400	21,000	3,382,000
Other Service Charges	(9,600)	900	100	100
Total Service Charges	2,805,600	2,925,200	3,197,600	6,803,200
Investment and Property Revenues	292,200	165,400	132,000	88,900
Fines and Forfeitures	690,500	645,500	700,900	694,600
Other Revenues		(6,000)		
Total Revenues	3,788,300	3,730,100	4,030,500	7,586,700
Expenditures				
Operating Programs				
Transportation	1,603,900	1,640,900	1,983,000	2,003,200
General Government	538,500	549,300	533,700	508,600
Total Operating Programs	2,142,400	2,190,200	2,516,700	2,511,800
Capital Improvement Plan Projects	100,200	624,100	2,136,900	195,000
Debt Service	1,522,000	1,523,000	1,527,800	1,525,600
Total Expenditures	3,764,600	4,337,300	6,181,400	4,232,400
Other Sources (Uses)				
Potential MOA Adjustments				
Operating Transfers Out	17,200	(106,100)		25,100
Other Sources (Uses)		23,700		(2,400,000)
Total Other Sources (Uses)	17,200	(82,400)		(2,374,900)
Revenues and Other Sources Over (Under) Expenditures and Other Uses	40,900	(689,600)	(2,150,900)	979,400
Working Capital, Beginning of Year	7,250,900	7,291,800	6,602,200	4,451,300
Working Capital, End of Year	\$7,291,800	\$6,602,200	\$4,451,300	\$5,430,700

CHANGES IN FINANCIAL POSITION

TRANSIT FUND

	Actual	Actual	2011-13 Financial Plan	
	2009-10	2010-11	2011-12	2012-13
Revenues				
Investment and Property Revenues	5,100	10,500	21,600	5,700
From Other Governments				
TDA Revenues	992,400	1,046,200	1,379,300	1,416,900
Other Grants	979,100	318,800	1,160,000	
FTA Grants	1,331,000	2,097,700	1,883,900	1,274,600
Service Charges	584,900	592,000	638,400	637,700
Other Revenues	(33,300)	1,100	18,100	5,000
Total Revenues	3,859,200	4,066,300	5,101,300	3,339,900
Expenditures				
Operating Programs				
Transportation	2,446,200	2,536,300	2,758,600	2,855,700
General Government	350,200	357,200	476,500	416,900
<i>Total Operating Programs</i>	<i>2,796,400</i>	<i>2,893,500</i>	<i>3,235,100</i>	<i>3,272,600</i>
Capital Improvement Plan Projects	986,500	1,010,600	1,782,700	
Total Expenditures	3,782,900	3,904,100	5,017,800	3,272,600
Other Sources (Uses)				
Potential MOA Adjustments			13,000	
Other Sources (Uses)	33,300	(2,100)		
Expenditure Savings				
Total Other Sources (Uses)	33,300	(2,100)	13,000	
Revenues and Other Sources Over (Under)				
Expenditures and Other Uses	109,600	160,100	96,500	67,300
Working Capital, Beginning of Year	729,000	838,600	998,700	1,095,200
Working Capital, End of Year	\$838,600	\$998,700	\$1,095,200	\$1,162,500

CHANGES IN FINANCIAL POSITION

GOLF FUND

	Actual	Actual	2011-13 Financial Plan	
	2009-10	2010-11	2011-12	2012-13
Revenues				
Service Charges				
Retail Sales	24,300	16,700		
Green Fees	255,300	244,500		
Other Fees	48,900	45,500		
<i>Total Service Charges</i>	<u>328,500</u>	<u>306,700</u>		
Other Revenues	10,400			
Investment and Property Revenues	56,400	57,700		
Total Revenues	<u>395,300</u>	<u>364,400</u>		
Expenditures				
Operating Programs				
Leisure, Cultural & Social Services	505,300	516,500		
General Government	168,300	171,700		
<i>Total Operating Programs</i>	<u>673,600</u>	<u>688,200</u>		
Capital Improvement Plan Projects	40,900	32,700		
Total Expenditures	<u>714,500</u>	<u>720,900</u>		
Other Sources (Uses)				
Operating Transfers In	301,500	333,300		
Other Sources (Uses)				
Expenditure Savings				
Potential MOA Adjustments				
Total Other Sources (Uses)	<u>301,500</u>	<u>333,300</u>		
Revenues and Other Sources Over (under)				
Expenditures and Other Uses	(17,700)	(23,200)		
Working Capital, Beginning of Year	<u>61,100</u>	<u>43,400</u>	<u>20,200</u>	<u>20,200</u>
Working Capital, End of Year	<u>\$43,400</u>	<u>\$20,200</u>	<u>\$20,200</u>	<u>\$20,200</u>

*Beginning in 2011-12, Golf operations are incorporated into Recreational Activities in the General Fund.

CHANGES IN FINANCIAL POSITION

WHALE ROCK COMMISSION

	Actual	Actual	2011-13 Financial Plan	
	2009-10	2010-11	2011-12	2012-13
Revenues				
Investment and Property Revenues	31,100	22,200	14,000	14,100
Service Charges				
Member Agency Contributions	660,900	766,100	624,500	582,300
Water Distribution Charges	372,600	240,800	289,000	301,100
Other Revenues	1,400	1,600	1,400	1,400
<i>Total Service Charges</i>	<u>1,034,900</u>	<u>1,008,500</u>	<u>914,900</u>	<u>884,800</u>
Other Revenues				
Total Revenues	<u>1,066,000</u>	<u>1,030,700</u>	<u>928,900</u>	<u>898,900</u>
Expenditures				
Operating Programs				
Public Utilities	843,700	701,400	790,500	803,000
General Government	99,300	101,300	101,000	95,800
<i>Total Operating Programs</i>	<u>943,000</u>	<u>802,700</u>	<u>891,500</u>	<u>898,800</u>
Capital Improvement Plan Projects			608,400	
Total Expenditures	<u>943,000</u>	<u>802,700</u>	<u>1,499,900</u>	<u>898,800</u>
Other Sources (Uses)				
Expenditure savings				
Potential MOA Adjustments			(30,400)	(44,200)
Total Other Sources (Uses)			<u>(30,400)</u>	<u>(44,200)</u>
Revenues and Other Sources Over (Under) Expenditures and Other Uses	123,000	228,000	(601,400)	(44,100)
Working Capital, Beginning of Year	809,900	932,900	1,160,900	559,500
Working Capital, End of Year	<u>\$932,900</u>	<u>\$1,160,900</u>	<u>\$559,500</u>	<u>\$515,400</u>

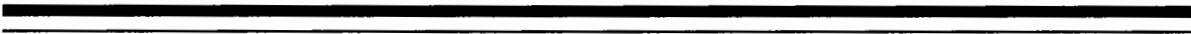
CHANGES IN FINANCIAL POSITION

PARK HOTEL FUND

	Actual	Actual	2011-13 Financial Plan	
	2009-10	2010-11	2011-12	2012-13
Revenues				
Investment and Property Revenues				
Subventions and Grants				
Total Revenues				
Expenditures				
Operating Programs				
Capital Improvement Plan Projects				
Total Expenditures				
Other Sources (Uses)				
Operating Transfer In			17,900	
Operating Transfer Out				(21,200)
Total Other Sources (Uses)			17,900	(21,200)
Revenues and Other Sources Over (Under)				
Expenditures and Other Uses			17,900	(21,200)
Fund Balance, Beginning of Year	21,200	21,200	21,200	39,100
Fund Balance, End of Year	\$ 21,200	\$ 21,200	\$ 39,100	\$ 17,900



Section H
FINANCIAL & STATISTICAL TABLES



FINANCIAL AND STATISTICAL TABLES

OVERVIEW

This section provides summaries that integrate the other Financial Plan sections as well as provide supplemental financial and statistical information. Generally, each schedule provides information for four fiscal years: last two completed fiscal years (2009-10 and 2010-11); and the two fiscal years covered by the 2011-13 Financial Plan (2011-12 and 2012-13). The following schedules are included in this section:

Revenue and Expenditure Summaries

- Summary of Key Revenue Assumptions
- Revenues by Major Category and Source
- Total Expenditures by Type and Function

Interfund Transactions

- Reimbursement Transfers
- Operating Transfers


Staffing Summaries

- Regular Positions by Department
- Regular Positions by Function
- Temporary Full-Time Equivalents (FTE's) by Function

Financial Trends

- Pension Obligation Cost Trends
- Retiree Health Care Obligations
- New or Increased Fees or Taxes
- Revenue and Expenditure Trends: Last Five Completed Fiscal Years
- Expenditures by Type: Last Five Years

Other Statistical and Financial Summaries

- Appropriations Limit History
 - Demographic and Statistical Summary
- 

FINANCIAL AND STATISTICAL TABLES

SUMMARY OF KEY REVENUE ASSUMPTIONS

GENERAL FUND

One of the key analytical tools developed during the 2011-13 Financial Plan process was a comprehensive five year financial forecast for the General Fund. This forecast considered key revenue and expenditure projection factors such as population, increases in the consumer price index (CPI) and other growth factors. The trending of these key factors and their effect on revenues and expenditures for the past fifteen years provided an historical basis for the five year financial forecast, which was initially presented to the Council in December 2010 and updated in April 2011.

As part of the 2011-12 mid-year budget review process, the revenue assumptions included in the forecast were comprehensively reexamined based on actual results for 2010-11 as well as emerging trends at the mid-point of the year. Accordingly, with few exceptions, the revenue projections reflected in this Financial Plan rely heavily on the projections made as part of the Forecast.

Sources used in developing these revised projections include economic trends as reported in the national media, forecast data for California as developed by the UCLA forecasting project, forecast data for San Luis Obispo County as developed by the UCSB forecasting project and the Central Coast Economic Forecast, economic and fiscal information developed by the State Legislative Analyst and the State Department of Finance, and materials prepared by the League of California Cities and State Controller's Office. Ultimately, however, the 2011-13 revenue projections reflect staff's best judgment about the performance of the local economy over the next two years and potential State budget actions and how these will affect the City's General Fund revenues.

Top Ten General Fund Revenues

The following provides a brief description of the City's top ten General Fund revenues along with an overview of the assumptions used in preparing 2011-13 revenue projections. These "top ten" revenues account for over 95% of total General Fund revenues.

1 Sales Tax (Includes Measure Y)

Grows by 7% in 2011-12

Grows by 4.5% in 2012-13

2011-12 revenue	\$18,954,900
2012-13 revenue	\$19,807,800
% of total revenue	35%

In addition to growth in the base in 2011-12, the revenue estimate assumes added revenues from the Airport Area annexation pursuant to the five-year phase-in agreement with the County.

The City receives an "effective" rate of 1% from all taxable retail sales occurring in its limits: 0.75% is the local tax rate, which was reduced by the State from 1% in 2006-07, with the 0.25% used for their own purposes in paying-off deficit reduction bonds. However, this 0.25% takeaway is "backfilled" by the State under a complicated scheme known as the "triple flip." This is collected for the City by the State of California along with their component of the sales tax as well as funds dedicated to public safety and transportation.

Measure Y Revenues. In November 2006, City voters approved a 1/2 cent local sales tax increase. The same assumptions for sales tax were applied to this transaction tax in preparing revenue estimates for 2011-13.

2 Property Tax

Decline by 1.5% in 2011-12

Grows by 0% in 2012-13

2011-12 revenue	\$8,370,200
2012-13 revenue	\$8,370,200
% of total revenue	16%

Under Proposition 13 adopted in June of 1978, property taxes for general purposes may not exceed 1% of market value. Property tax assessment, collection and apportionment are performed by the County. The City receives approximately 14% of the levy within its limits. Assessment increases to reflect current market value are allowed when property ownership changes or when improvements are made; otherwise, increases in assessed value are limited to 2% annually. Based on both recent and long-term trends, this revenue is projected to decline by 1.5% in 2011-12 and remain flat in 2012-13.

FINANCIAL AND STATISTICAL TABLES

SUMMARY OF KEY REVENUE ASSUMPTIONS

3 Transient Occupancy Tax

Base grows by 6% in 2011-12

Base grows by 4% in 2012-13

2011-12 revenue	\$5,134,800
2012-13 revenue	\$5,395,000
% of total revenue	10%

Transient occupancy taxes (TOT) are levied on all individuals occupying their dwelling for 30 days or less. This is generally most applicable to room rentals at motels and hotels, although it is also applicable to other types of short term rentals. The TOT rate is 10% of the room rental rate. Although the tax is collected for the City by the operators, it is a tax on the occupant, not the hotel or motel. Given the current year-to-date results in 2011-12, this revenue source appears to be making a good recovery to pre-recession amounts.

4 Utility Users Tax

Grows by less than 1% in 2011-12

Grows by less than 1% in 2012-13

2011-12 revenue	\$4,898,900
2012-13 revenue	\$4,938,100
% of total revenue	9%

The City levies a 5% tax on all residences and businesses using the following utilities: telephone, electricity, natural gas, water and cable television. Government agencies are exempt. Although the tax is collected for the City by the utility companies, it is a tax on the user, not the utility. This revenue source is projected to grow by approximately 0.8% annually in 2011-13 based on current trends.

5 Property Tax in Lieu of VLF

Underlying base grows like property tax

2011-12 revenue	\$3,551,000
2012-13 revenue	\$3,551,000
% of total revenue	7%

Until 1998-99, the State levied vehicle license fees (VLF) in the amount of 2% of the market value of the motor vehicle in lieu of local property taxes. The State then allocated 81.25% of these revenues equally between cities and counties, apportioned based on population. The State subsequently reduced this rate by 65%, but made up the difference for several years to local agencies through the State General Fund.

However, in responding to its budget crisis, the State cutback on this backfill. As part of a subsequent long-term solution, the State adopted a complicated swap of the "VLF Backfill," for a comparable increase in property revenues.

6 Franchise Fees

Grows by less than 1% in 2011-12

Grows by less than 1% in 2012-13

2011-12 revenue	\$2,503,400
2012-13 revenue	\$2,523,000
% of total revenue	5%

Franchise fees are levied by the City on a variety of utilities at various rates. The State sets franchise fees for utilities regulated by them (most notably gas and electricity): 2% of gross revenues. The City sets rates on a gross receipts basis for the following utilities: water and sewer (3.5%), solid waste collection (10%); and cable television (5%). These revenues are projected to increase by approximately 0.8% annually in 2011-13 based on recent trends.

7 Business Tax Certificates

Grows by 2.5% in 2011-12

Grows by 3.0% in 2012-13

2011-12 revenue	\$1,849,800
2012-13 revenue	\$1,923,100
% of total revenue	3%

Anyone conducting business in the City is subject to a municipal business tax. The tax basis and rate are the same for all businesses: \$50 per \$100,000 of gross receipts (or one-twentieth of one percent). The tax is not regulatory, and is only imposed for the purpose of raising general purpose revenues. Based on recent trends, and an enhanced enforcement effort beginning in 2011-12, this revenue is projected to increase by 2.5% in 2011-12 and 3% in 2012-13.

FINANCIAL AND STATISTICAL TABLES

SUMMARY OF KEY REVENUE ASSUMPTIONS

Service Charges

Based on Comprehensive User

Fee Cost Recovery Policy

(See Section B: Policies and Objectives)

The City sets charges for a broad range of services in accordance with a comprehensive user fee cost recovery policy as set forth in Section B (Policies and Objectives) of the Financial Plan. While no one fee category on its own accounts for more than 1% of total General Fund revenues, collectively service charges total \$5.6 million in 2011-12, and account for 11% of General Fund revenues.

8 Development Review Fees

2011-12 revenue	\$2,244,400
2012-13 revenue	\$2,035,800
% of total revenue	4%

Development review fees recover costs for planning, building & safety, engineering and fire plan check services. Cost recovery for these services is generally set at 100% of total costs. Based on the current construction market, underlying permit levels have begun to recover.

9 Parks & Recreation Fees

2011-12 revenue	\$1,511,800
2012-13 revenue	\$1,532,500
% of total revenue	3%

Fees are charged for a wide variety of recreation activities including adult and youth athletics, classes, special events, facility rentals, aquatics, teen and senior services, and before and after school programs. Specific cost recovery goals are set for each activity based on a general policy framework that cost recovery should be relatively high for adult-oriented programs, and relatively low for youth and senior programs. Overall, recreation fees recover about 40% of total costs. Beginning in 2011-12, these fees also include revenues generated at Laguna Lake Golf Course, which had previously been an enterprise fund.

10 Other Fees

2011-12 revenue	\$1,858,700
2012-13 revenue	\$1,880,600
% of total revenue	3%

Fees are also assessed for a wide range of public safety, transportation and general government services. These are generally projected to grow about 3% annually.

SPECIAL REVENUE FUNDS

The City maintains nine special revenue funds: Downtown Business Improvement District Fund, Community Development Block Grant (CDBG) Fund, Gas Tax Fund, Transportation Development Act (TDA) Fund (to account for the 2% required allocation of TDA funds for bicycle planning), Law Enforcement Grants Fund, Tourism Business Improvement District, Public Art Fund, Proposition 42 Fund and Proposition 1B Fund. The following summarizes revenue assumptions for the two largest ongoing funds: Gas Tax and CDBG.

Gasoline Tax Subventions

2011-12 revenue	\$1,215,600
2012-13 revenue	\$1,233,800

The State allocates a portion of gas tax revenues to cities under four distinct funding categories on a population basis totaling about \$18.00 per capita. Gas tax revenues are restricted by the State for street purposes only (see Section B, Policies and Objectives - Revenue Distribution, for the City's policy regarding the use of gas tax revenues). In March 2010 the State began swapping Proposition 42 revenues with allocations from the gas tax.

CDBG

Based on Estimated Allocation

2011-12 revenue*	\$1,461,500
2012-13 revenue	\$506,600

CDBG funds are allocated by the federal government to eligible local agencies for housing and community development purposes. Within general program guidelines to assure that federal program goals are being met, entitlement cities determine their own projects and priorities. These revenues have recently been reduced by the Federal Government.

* Includes carryover grant funding from 2010-11

FINANCIAL AND STATISTICAL TABLES

SUMMARY OF KEY REVENUE ASSUMPTIONS

ENTERPRISE FUNDS

The City maintains four enterprise funds, which account for about 40% of the City's fiscal operations: water, sewer, parking, transit and golf. Comprehensive rate reviews and revenue requirement projections for the next five years are presented to the Council annually. The following is a brief overview of enterprise fund revenue issues and the rate changes for 2011-13.

■ Water Fund

2011-12 revenue	\$16,124,800
2012-13 revenue	\$16,752,100

Consistent with the multi-year rate setting strategy previously approved by the Council to improve the City's water distribution and treatment systems as well as fund participation in the Nacimiento water project, rate increases were approved of 9% in July 2012.

■ Sewer Fund

2011-12 revenue	\$14,454,500
2012-13 revenue	\$15,491,900

The Sewer Fund also uses a multi-year rate-setting strategy. In order to continue supporting an adequate capital improvement plan and meet high wastewater treatment standards, rate increases were approved of 6% in July 2012.

■ Parking Fund

2011-12 revenue	\$4,030,500
2012-13 revenue	\$7,586,700

On April 5, 2011 the Council considered several changes to parking fees. This included charging for parking on Sunday afternoons as well as increases in parking meter rates in a core area of the Downtown. In addition, parking fine and fee modifications are proposed in 2011-13 for commercial loading zone permits, residential parking permits, overtime and restricted parking fines and cancellation of disabled parking violations.

■ Transit Fund

2011-12 revenue*	\$5,101,300
2012-13 revenue	\$3,339,900

Increases in general fares from \$1.00 per ride to \$1.25 were approved by the Council in April 2009, with similar increases in bus passes and special fares, to help fund day-to-day operations as meet State fare box recovery requirements (20% of operating costs). No additional fare box rate increases are projected for 2011-13.

* Includes capital project carryover revenues from 2010-11

FINANCIAL AND STATISTICAL TABLES

REVENUES BY MAJOR CATEGORY AND SOURCE

	Actual	Actual	2011-13 Financial Plan	
	2009-10	2010-11	2011-12	2012-13
GENERAL FUND				
Tax & Franchise Revenues				
Sales & use tax				
General	10,723,900	12,098,600	12,945,500	13,528,000
Measure Y	5,252,500	5,616,300	6,009,400	6,279,800
Public safety (Proposition 172)	257,900	271,300	272,300	284,600
Property tax	8,579,300	8,441,100	8,370,200	8,370,200
Transient occupancy tax	4,496,100	4,844,200	5,134,800	5,395,000
Utility users tax	4,862,400	4,592,300	4,898,900	4,938,100
Property tax in lieu of VLF	3,565,100	3,551,100	3,551,000	3,551,000
Franchise fees	2,396,700	2,352,100	2,503,400	2,523,000
Business tax certificates	1,830,100	1,797,800	1,849,800	1,923,100
Real property transfer tax	129,000	133,700	160,000	180,000
Total Tax & Franchise Revenues	42,093,000	43,698,500	45,695,300	46,972,800
Fines & Forfeitures				
Vehicle code fines	151,900	125,100	125,100	127,600
Other fines & forfeitures	49,800	46,300	30,000	35,000
Total Fines & Forfeitures	201,700	171,400	155,100	162,600
Investment and Property Revenues				
Investment earnings	843,400	414,100	300,000	514,700
Rents & concessions	61,400	135,800	175,500	180,800
Total Investment & Property	904,800	549,900	475,500	695,500
Subventions & Grants				
Vehicle license fee (VLF)	135,000	205,600	22,500	
Homeowners & other in-lieu taxes	75,600	75,400	75,000	75,000
Other in-lieu taxes	20,500	20,900	21,300	21,500
SB 90 reimbursements			6,000	
Police training (POST)	37,600	20,800	35,000	30,000
Mutual aid reimbursements	639,000	86,800	128,400	
COPS grant AB3229	100,000	100,100	100,000	100,000
State Office of Traffic Safety (OTS)	22,300			
Strategic Growth Council			880,000	
Zone 9 reimbursements	100,200	79,100	85,000	95,000
Other state & federal grants	104,800	207,300	60,400	
Total Subventions & Grants	1,235,000	796,000	1,413,600	321,500
Service Charges				
Police Services				
Accident reports	3,300	2,600	3,000	3,000
Collision investigation	13,400	15,900	12,000	12,000
Alarm permits and false alarm fees	125,100	112,500	90,000	90,000
DUI cost recovery	7,500	29,300	30,000	30,000
Tow release fee	22,100	16,500	14,000	14,000
Tobacco permit fees	19,600	23,200	22,000	20,000
Administrative citations	138,000	257,100	170,000	165,000

FINANCIAL AND STATISTICAL TABLES

REVENUES BY MAJOR CATEGORY AND SOURCE

	Actual	Actual	2011-13 Financial Plan	
	2009-10	2010-11	2011-12	2012-13
GENERAL FUND				
Parking citations	64,500	94,200	80,000	80,000
Other police services	36,100	62,200	115,500	115,500
Total Police Services	429,600	613,500	536,500	529,500
Fire Services				
Cal Poly fire services	250,000	256,100	259,500	265,000
Medical emergency recovery	158,300	159,700	162,500	164,000
Fire safety/haz mat permits	133,400	141,600	140,000	130,000
Multi-dwelling unit inspections	188,800	183,000	188,500	188,700
CUPA fees	66,500	87,800	86,000	95,000
CUPA Fines	70,000	63,200		
Other fire services		66,300	41,900	45,000
Total Fire Services	867,000	957,700	878,400	887,700
Development Review				
Planning & zoning fees	429,600	500,400	375,000	400,000
Construction plan check & inspections	829,000	724,800	860,000	850,000
Infrastructure plan check & inspections	283,500	168,700	744,600	500,000
Encroachment permits	130,700	142,400	130,000	150,000
Fire plan check & inspections	103,700	122,900	126,000	127,000
Waterways Management Plan Fees	17,500	8,800	8,800	8,800
Total Development Review	1,794,000	1,668,000	2,244,400	2,035,800
Parks & Recreation				
Adult athletic fees	136,500	124,900	120,000	122,400
Youth athletic fees	35,600	35,800	33,000	33,700
Skate Park Fees	200	100		
Instruction fees	94,900	99,700	53,600	83,900
Special event fees	87,000	100,100	96,300	92,700
Batting Cages				
Rental & use fees	179,800	177,600	182,200	174,500
Children services	496,400	540,800	511,600	511,600
Teens & seniors	2,200	1,400	500	500
Aquatics	235,700	225,000	218,900	217,500
Golf*			292,700	292,700
Other recreation revenues		(4,700)	3,000	3,000
Total Parks & Recreation	1,268,300	1,300,700	1,511,800	1,532,500
General Government				
Business license	232,400	395,400	423,800	443,400
Sales of publications	8,200	8,900	5,000	5,000
Other service charges	92,100	42,900	15,000	15,000
Total General Government	332,700	447,200	443,800	463,400
Total Service Charges	4,691,600	4,987,100	5,614,900	5,448,900
Other Revenues				
Insurance refunds	15,700	22,600	14,200	10,000
Sale of surplus property		12,400		
Other revenues	123,900	144,300	65,000	65,000
Total Other Revenues	139,600	179,300	79,200	75,000
Total General Fund	\$49,265,700	\$50,382,200	\$53,433,600	\$53,676,300

FINANCIAL AND STATISTICAL TABLES

REVENUES BY MAJOR CATEGORY AND SOURCE

	Actual 2009-10	Actual 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
SPECIAL REVENUE FUNDS				
Downtown Business Improvement District Fund				
Investment & Property Revenues				
Service Charges	208,300			
Assessments		198,000	198,100	200,000
Total Downtown Association Fund	208,300	198,000	198,100	200,000
Tourism Business Improvement District				
Investment and Property Revenues	17,800	8,200	3,000	3,000
Service Charges				
Assessments	902,500	967,200	1,025,000	1,055,000
Total Tourism BID Fund	920,300	975,400	1,028,000	1,058,000
Community Development Block Grant Fund				
Subventions & Grants	817,000	709,700	1,461,500	506,600
Gas Tax Fund				
Subventions & Grants	762,400	1,092,500	1,215,600	1,233,800
Transportation Development Act Fund				
Subventions & Grants	27,800	27,200	26,200	26,200
Law Enforcement Grant Fund				
Investment & Property Revenues	1,300	700	800	900
Subventions & Grants	3,200			
Service Charges		2,600	2,000	2,000
Total Law Enforcement Grant Fund	4,500	3,300	2,800	2,900
Public Art Contributions Fund				
Investment & Property Revenues	12,100	7,000	6,000	6,000
Service Charges	20,100	85,100	28,000	20,000
Total Public Art Contributions Fund	32,200	92,100	34,000	26,000
Proposition 42 Fund				
Investment & Property Revenues				
Subventions and Grants	405,200			
Proposition 42 Fund	405,200			
Total Special Revenue Funds	\$3,177,700	\$3,098,200	\$3,966,200	\$3,053,500

FINANCIAL AND STATISTICAL TABLES

REVENUES BY MAJOR CATEGORY AND SOURCE

	Actual 2009-10	Actual 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
CAPITAL PROJECT FUNDS				
Capital Outlay Fund				
Subventions & Grants				
<i>State of California</i>				
Traffic safety grant		189,300	210,700	
SLTPP/STP grant			1,511,700	
STP/SHA - RRTC	324,400		777,800	
Safe routes to school grant		295,400	127,000	40,000
Other state grants	213,600			
<i>Federal Government</i>				
Highway & bridge rehabilitation & replacement (HBRR)	1,200	100	485,700	
American Recovery and Reinvestment Act		981,700	296,400	
Transportation enhancement (TEA)	44,100			
Other federal grants	156,600	500	143,900	
Service Charges				
Zone 9 reimbursements			565,000	280,000
Other Revenues				
Contributions	13,100			
Other Revenue	100,000	33,600		
Total Capital Outlay Fund	853,000	1,500,600	4,118,200	320,000
Parkland Development Fund				
Investment & Property Revenues	41,800	23,600	18,000	18,000
Subventions & Grants		25,600	67,100	
Service Charges				
Park in-lieu fees	35,200	34,900	3,000	10,000
Dwelling unit charge	1,200	900	1,200	1,000
Other Revenues			323,000	
Total Parkland Development Fund	78,200	85,000	412,300	29,000
Transportation Impact Fee Fund				
Investment & Property Revenues	107,500	72,100	64,000	65,500
Subventions & Grants	399,900	647,300	2,371,700	530,000
Service Charges	30,200	804,600	236,100	
Contributions	87,200	55,900	7,200	
Total Transportation Impact Fee Fund	624,800	1,579,900	2,679,000	595,500
Los Osos Valley Road Sub-Area Fee Fund				
Investment & Property Revenues	8,600	18,200	13,000	2,000
Service Charges	11,200	1,796,100	606,300	
Total Los Osos Valley Road Sub-Area Fee	19,800	1,814,300	619,300	2,000

FINANCIAL AND STATISTICAL TABLES

REVENUES BY MAJOR CATEGORY AND SOURCE

	Actual	Actual	2011-13 Financial Plan	
	2009-10	2010-11	2011-12	2012-13
CAPITAL PROJECT FUNDS				
Fleet Replacement Fund				
Investment & Property Revenues	59,800	24,700	22,100	21,800
Other Revenues				
Sale of surplus property	27,500	1,500	5,000	10,000
Total Fleet Replacement Fund	87,300	26,200	27,100	31,800
Open Space Protection Fund				
Investment & Property Revenues	12,700	(800)	2,500	500
Subventions & Grants	314,800	186,800	563,200	
Other Revenues	10,500	200		
Total Open Space Protection Fund	338,000	186,200	565,700	500
Airport Area Impact Fee Fund				
Investment & Property Revenues	31,500	19,000	16,000	16,500
Service Charges	3,600			
Total Airport Area Impact Fee Fund	35,100	19,000	16,000	16,500
Affordable Housing Fund				
Investment & Property Revenues	41,600	19,900	20,000	20,000
Subventions & Grants	270,000	30,000		
Service Charges	(21,300)	332,800	698,900	
Total Affordable Housing Fund	290,300	382,700	718,900	20,000
Total Capital Project Funds	\$2,326,500	\$5,593,900	\$9,156,500	\$1,015,300
TOTAL-GOVERNMENTAL FUNDS	\$54,769,900	\$59,074,300	\$66,556,300	\$57,745,100

FINANCIAL AND STATISTICAL TABLES

REVENUES BY MAJOR CATEGORY AND SOURCE

	Actual	Actual	2011-13 Financial Plan	
	2009-10	2010-11	2011-12	2012-13
ENTERPRISE & AGENCY FUNDS				
Water Fund				
Investment & Property Revenues	663,500	342,500	232,200	186,200
Service Charges	13,755,800	14,256,100	15,854,800	16,527,800
Other Revenues	56,300	42,000	37,800	38,100
Total Water Fund	14,475,600	14,640,600	16,124,800	16,752,100
Sewer Fund				
Investment & Property Revenues	411,000	206,500	213,000	128,600
Service Charges	13,228,100	13,318,600	14,195,800	15,360,200
Other Revenues	(3,000)	1,800	45,700	3,600
Total Sewer Fund	13,636,100	13,526,900	14,454,500	15,492,400
Parking Fund				
Fines & Forfeitures	690,500	645,500	700,900	694,600
Investment & Property Revenues	292,200	165,400	132,000	88,900
Service Charges	2,815,200	2,925,200	3,197,600	6,803,200
Other Revenues	(9,600)	(6,000)		
Total Parking Fund	3,788,300	3,730,100	4,030,500	7,586,700
Transit Fund				
Investment & Property Revenues	5,100	10,500	21,600	5,700
Subventions & Grants	3,302,500	3,462,700	4,423,200	2,691,500
Service Charges	584,900	592,000	638,400	637,700
Other Revenues	(33,300)	1,100	18,100	5,000
Total Transit Fund	3,859,200	4,066,300	5,101,300	3,339,900
Golf Fund*				
Investment & Property Revenues	56,400	57,700		
Service Charges	333,900	306,700		
Other Revenues	5,000			
Total Golf Fund	395,300	364,400		
Whale Rock Commission				
Investment & Property Revenues	31,100	22,200	14,000	14,100
Service Charges	1,033,500	1,006,900	914,900	884,800
Other Revenues	1,400	1,600		
Total Whale Rock Commission Fund	1,066,000	1,030,700	928,900	898,900
Total Enterprise & Agency Funds	\$37,220,500	\$37,359,000	\$40,640,000	\$44,070,000
TOTAL - ALL FUNDS	\$91,990,400	\$96,433,300	\$107,196,300	\$101,815,100

* Beginning in 2011-12, golf operations are reflected in the Parks & Recreation activities of the General Fund.

FINANCIAL AND STATISTICAL TABLES

TOTAL EXPENDITURES BY TYPE AND FUNCTION

	Actual	Actual	2011-13 Financial Plan	
	2009-10	2010-11	2011-12	2012-13
OPERATING PROGRAM EXPENDITURES				
Public Safety	24,203,800	23,506,100	25,240,700	24,849,000
Public Utilities	12,378,900	17,040,200	20,828,300	20,610,400
Transportation	7,069,800	7,079,100	7,954,500	8,126,700
Leisure, Cultural & Social Services	6,785,200	6,785,200	7,095,000	7,199,200
Community Development	6,690,200	7,053,500	8,724,200	7,458,900
General Government	11,517,500	11,178,100	12,653,200	12,662,200
Total Operating Programs	68,645,400	72,642,200	82,495,900	80,906,400
CAPITAL IMPROVEMENT PLAN EXPENDITURES				
Public Safety	4,704,400	494,100	616,700	465,800
Public Utilities	4,421,500	4,413,800	10,912,400	1,170,000
Transportation	5,323,900	8,547,900	21,754,200	3,253,300
Leisure, Cultural & Social Services	1,229,400	617,200	2,348,600	765,800
Community Development	3,893,700	884,100	2,904,900	22,500
General Government	3,076,800	1,731,400	864,100	176,500
Total Capital Improvement Plan	22,649,700	16,688,500	39,400,900	5,853,900
DEBT SERVICE EXPENDITURES				
Public Safety	948,500	1,065,900	1,022,500	1,003,100
Public Utilities	5,569,200	5,685,800	5,588,800	5,182,600
Transportation	1,885,200	1,826,300	1,890,300	1,886,500
Leisure, Cultural & Social Services	962,500	968,800	716,600	674,500
General Government	634,500	563,900	603,600	599,000
Total Debt Service	9,999,900	10,110,700	9,821,800	9,345,700
TOTAL EXPENDITURES				
Public Safety	29,856,700	25,066,100	26,879,900	26,317,900
Public Utilities	22,369,600	27,139,800	37,329,500	26,963,000
Transportation	14,278,900	17,453,300	31,599,000	13,266,500
Leisure, Cultural & Social Services	8,977,100	8,371,200	10,160,200	8,639,500
Community Development	10,583,900	7,937,600	11,629,100	7,481,400
General Government	15,228,800	13,473,400	14,120,900	13,437,700
Total Expenditures	\$101,295,000	\$99,441,400	\$131,718,600	\$96,106,000

FINANCIAL AND STATISTICAL TABLES

INTERFUND TRANSACTIONS - REIMBURSEMENT TRANSFERS

	Actual	Actual	2011-13 Financial Plan	
	2009-10	2010-11	2011-12	2012-13
General Fund	(4,264,000)	(4,449,900)	(3,774,900)	(3,732,100)
Community Development Block Grant Fund		100,500		
Enterprise and Agency Funds				
Water	1,669,300	1,702,700	1,309,400	1,316,700
Sewer	1,438,400	1,467,200	1,354,300	1,394,100
Parking	538,500	549,300	533,700	508,600
Transit	350,200	357,200	476,500	416,900
Golf	168,300	171,700		
Whale Rock Commission	99,300	101,300	101,000	95,800
Total Enterprise and Agency Funds	4,264,000	4,349,400	3,774,900	3,732,100
NET REIMBURSEMENT TRANSFERS	\$0	\$0	\$0	\$0

Summary of Purpose of 2011-13 Reimbursement Transfers

All of the City's General Government and CIP Project Engineering programs are initially accounted and budgeted for in the General Fund. However, these support service programs also benefit the City's CDBG, enterprise and agency fund operations, and accordingly, transfers are made from these funds to reimburse the General Fund for these services. These transfers are based on a Cost Allocation Plan prepared for this purpose which distributes these shared costs in a uniform, consistent manner in accordance with generally accepted accounting principles. Copies of the most current Cost Allocation Plan are available from the Department of Finance upon request. For fiscal years 2011-13, the following is a summary of total general government, CIP project engineering and facility use costs, and the percentage level supported by the General, CDBG, Enterprise and Agency Funds:

	2011-12	2012-13
General Government Programs		
General Administration		
City Administration	684,300	622,900
Public Works Administration	960,200	825,700
Transportation Planning & Engineering	731,000	620,300
Parks & Recreation Administration	797,300	730,800
Legal Services	457,700	442,800
City Clerk Services	169,000	265,700
Organizational Support Services		
Finance, Human Resources, Information		
Systems, and Geodata Services	3,590,600	4,162,500
Risk Management and Insurance Expenditures	1,999,300	1,724,800
Buildings and Vehicle Maintenance	2,161,700	2,211,600
Total General Government Programs	11,551,100	11,607,100
CIP Project Engineering Program	1,945,300	1,923,700
Facilities and Equipment Use	183,900	186,100
Total Reimbursed Programs	13,680,300	13,716,900
Percent Funded By		
General Fund	72%	73%
Enterprise and Agency Funds	28%	27%
Total Reimbursed Programs	100%	100%

FINANCIAL AND STATISTICAL TABLES

INTERFUND TRANSACTIONS - OPERATING TRANSFERS

	Actual	Actual	2011-13 Financial Plan	
	2009-10	2010-11	2011-12	2012-13
General Fund				
Operating Transfers In				
Gas Tax Fund	762,400	1,092,500	1,215,600	1,233,800
TDA Fund	27,800	27,200	26,200	26,200
Tourism BID Fund		38,700	41,000	21,100
Capital Outlay Fund		500,000		
Proposition 42	405,200			
Total operating transfers in	1,195,400	1,658,400	1,282,800	1,281,100
Operating Transfers Out				
Downtown Association Fund				
Community Development Block Grant	(21,800)	(39,500)	(77,300)	(45,000)
Capital Outlay Fund	(3,542,500)	(2,136,900)	(3,461,400)	(3,250,900)
Open Space Protection Fund	(260,400)		(237,500)	(22,500)
Transportation Impact Fee Fund	(74,000)			
Fleet Replacement Fund	(79,100)		(500,000)	(700,000)
Debt Service Fund	(2,908,700)	(3,023,200)	(2,705,200)	(2,637,500)
Golf Fund	(301,500)	(333,300)		
Total operating transfers out	(7,188,000)	(5,532,900)	(6,981,400)	(6,655,900)
Total Operating Transfers	(5,992,600)	(3,874,500)	(5,698,600)	(5,374,800)
Tourism Business Improvement District Fund				
Operating Transfer Out				
General Fund		(38,700)	(41,000)	(21,100)
Community Development Block Grant Fund				
Operating Transfer In				
General Fund	21,800	39,500	77,300	45,000
Park Hotel Fund				21,200
Total operating transfers	21,800	39,500	77,300	66,200
Park Hotel Fund				
Operating Transfer Out				
CDBG Fund				(21,200)
Gas Tax Fund				
Operating Transfer Out				
General Fund	(762,400)	(1,092,500)	(1,215,600)	(1,233,800)
Transportation Development Act Fund				
Operating Transfer Out				
General Fund	(27,800)	(27,200)	(26,200)	(26,200)
Proposition 42 Fund				
Operating Transfer Out				
General Fund	(405,200)			
Capital Outlay Fund				
Operating Transfer In				
General Fund	3,542,500	2,136,900	3,461,400	3,250,900

FINANCIAL AND STATISTICAL TABLES

INTERFUND TRANSACTIONS - OPERATING TRANSFERS

	Actual	Actual	2011-13 Financial Plan	
	2009-10	2010-11	2011-12	2012-13
Parking Fund		106,100		
Operating Transfer Out				
General Fund		(500,000)		
Total operating transfers	3,542,500	1,743,000	3,461,400	3,250,900
Open Space Protection Fund				
Operating Transfers In				
General Fund	260,400		237,500	22,500
Fleet Replacement Fund				
Operating Transfers In				
General Fund	79,100		500,000	700,000
Debt Service Fund				
Operating Transfer In				
General Fund	2,908,700	3,023,200	2,705,200	2,637,500
Transportation Impact Fee Fund				
Operating Transfers In				
General Fund	74,000			
Golf Fund				
Operating Transfer In				
General Fund	301,500	333,300		
Capital Outlay Fund				
Total operating transfers	301,500	333,300	0	0
Parking Fund				
Operating Transfers Out				
Capital Outlay Fund		(106,100)		
NET OPERATING TRANSFERS	\$0	\$0	\$0	\$0

FINANCIAL AND STATISTICAL TABLES

AUTHORIZED REGULAR POSITIONS BY DEPARTMENT

	Actual 2009-10	Actual 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
ADMINISTRATION	10.3	10.3	9.3	11.1
City Administration				
City Manager	1.0	1.0	1.0	1.0
Assistant City Manager	1.0	1.0	1.0	1.0
Principal Administrative Analyst	0.5	0.5	0.5	0.5
Administration Executive Assistant	1.0	1.0	1.0	1.0
Total City Administration	3.5	3.5	3.5	3.5
Natural Resources Protection				
Natural Resources Manager	1.0	1.0	1.0	1.0
City Biologist	1.0	1.0	1.0	1.0
Total Natural Resources Protection	2.0	2.0	2.0	2.0
Economic Development				
Economic Development Manager	1.0	1.0	1.0	1.0
Administrative Analyst *	0.3	0.3	0.3	0.3
Tourism Manager	0.0	0.0	0.0	1.0
Total Economic Development	1.3	1.3	1.3	2.3
Community Promotions				
Principal Administrative Analyst	0.5	0.5	0.5	0.5
Total Community Promotions	0.5	0.5	0.5	0.5
City Clerk				
City Clerk	1.0	1.0	1.0	1.0
Deputy City Clerk	0.0	0.0	0.0	1.0
Administrative Assistant	2.0	2.0	1.0	0.8
Total City Clerk	3.0	3.0	2.0	2.8
<i>* Position is allocated 30% to Economic Development and 70% to Finance & Information Technology.</i>				
CITY ATTORNEY	3.0	3.0	3.0	3.0
Legal Services				
City Attorney	1.0	1.0	1.0	1.0
Assistant City Attorney	1.0	1.0	1.0	1.0
Legal Assistant/Paralegal	1.0	1.0	1.0	1.0
Total Legal Services	3.0	3.0	3.0	3.0
HUMAN RESOURCES	5.0	5.0	5.0	5.0
Human Resources Administration				
Director of Human Resources	1.0	1.0	1.0	1.0
Human Resources Analyst	1.0	1.0	1.0	1.0
HR Administrative Assistant I*	1.0	1.0	0.3	0.3
Human Resources Specialist	1.0	1.0	1.0	1.0
Total Human Resources Administration	4.0	4.0	3.3	3.3

FINANCIAL AND STATISTICAL TABLES

AUTHORIZED REGULAR POSITIONS BY DEPARTMENT

	Actual	Actual	2011-13 Financial Plan	
	2009-10	2010-11	2011-12	2012-13
Risk & Benefits Management				
Risk & Benefits Manager	1.0	1.0	0.0	0.0
Human Resources Manager	0.0	0.0	1.0	1.0
HR Administrative Assistant I	0.0	0.0	0.7	0.7
Total Risk & Benefits Management	1.0	1.0	1.7	1.7
<i>*Position is allocated 30% to Administration and 70% to Risk & Benefits Management effective July 1, 2011.</i>				
FINANCE & INFORMATION TECHNOLOGY	21.5	21.5	22.0	22.0
Finance & Information Technology Administration				
Director of Finance & Information Technology	1.0	1.0	1.0	1.0
Administrative Analyst*	0.7	0.7	0.7	0.7
Total Finance & Information Technology Administration	1.7	1.7	1.7	1.7
Accounting				
Finance Manager	0.5	0.5	0.5	0.5
Accounting Supervisor	1.0	1.0	1.0	1.0
Accounting Assistant	3.0	3.0	3.0	3.0
Total Accounting	4.5	4.5	4.5	4.5
Revenue Management				
Finance Manager	0.5	0.5	0.5	0.5
Revenue Supervisor	1.0	1.0	1.0	1.0
Accounting Assistant	5.0	5.0	5.0	5.0
Total Revenue Management	6.5	6.5	6.5	6.5
Network Services				
Information Technology Manager***	1.0	0.5	0.5	0.5
Network Administrator	4.0	3.0	3.0	3.0
Network Services Supervisor	0.0	1.0	1.0	1.0
Database Administrator	0.0	0.0	1.0	1.0
Information Technology Assistant	0.8	0.8	0.8	0.8
Total Network Services	5.8	5.3	6.3	6.3
Geographic Information Services (GIS)**				
Information Technology Manager***	0.0	0.5	0.5	0.5
GIS Supervisor	1.0	1.0	1.0	1.0
GIS Specialist	2.0	2.0	1.5	1.5
Total Geographic Information Services	3.0	3.5	3.0	3.0

**Position is allocated to 30% to Economic Development and 70% to Finance & Information Technology.*

***Geographic Information Services moved from Public Works to Finance & Information Technology effective 7/1/10.*

****Position is allocated 50% to Information Technology and 50% to Geographic Information Services.*

FINANCIAL AND STATISTICAL TABLES

AUTHORIZED REGULAR POSITIONS BY DEPARTMENT

	Actual	Actual	2011-13 Financial Plan	
	2009-10	2010-11	2011-12	2012-13
COMMUNITY DEVELOPMENT	21.3	21.3	22.3	22.3
Community Development Administration				
Director of Community Development	1.0	1.0	1.0	1.0
Supervising Administrative Assistant	1.0	1.0	1.0	1.0
Administrative Assistant	1.5	1.5	1.5	1.5
Total Community Development Administration	3.5	3.5	3.5	3.5
Planning Development Review				
Deputy Director	1.0	1.0	1.0	1.0
Assistant Planner	1.0	1.0	1.0	1.0
Senior Planner	1.0	1.0	1.0	1.0
Associate Planner	2.0	2.0	1.0	1.0
Total Planning Development Review	5.0	5.0	4.0	4.0
Long-Range Planning				
Deputy Director	1.0	1.0	1.0	1.0
Senior Planner	1.0	1.0	1.0	1.0
Associate Planner	1.0	1.0	1.0	1.0
Housing Programs Manager	1.0	1.0	1.0	1.0
Total Long-Range Planning	4.0	4.0	4.0	4.0
Building & Safety				
Chief Building Official	1.0	1.0	1.0	1.0
Assistant Building Official	1.0	1.0	1.0	1.0
Permit Coordinator	1.0	1.0	1.0	1.0
Building Inspector	2.0	2.0	2.0	2.0
Plans Examiner	1.0	1.0	1.0	1.0
Code Enforcement Officer	2.0	2.0	2.0	2.0
Neighborhood Services Specialist	0.0	0.0	2.0	2.0
Permit Technician	0.8	0.8	0.8	0.8
Total Building & Safety	8.8	8.8	10.8	10.8
PARKS & RECREATION	16.0	16.0	16.0	16.0
Parks & Recreation Administration				
Parks & Recreation Director	1.0	1.0	1.0	1.0
Recreation Manager	2.0	2.0	2.0	2.0
Administrative Analyst	0.0	1.0	1.0	1.0
Supervising Administrative Assistant	1.0	1.0	1.0	1.0
Administrative Assistant	1.0	1.0	1.0	1.0
Total Parks & Recreation Administration	5.0	6.0	6.0	6.0
Aquatics/Sinsheimer Park Special Facilities				
Recreation Supervisor	1.0	1.0	1.0	1.0
Total Aquatics/Sinsheimer Park Special Facilities	1.0	1.0	1.0	1.0
Youth Services				
Recreation Supervisor	1.0	1.0	1.0	1.0
Recreation Coordinator	1.0	1.0	1.0	1.0
Total Youth Services	2.0	2.0	2.0	2.0
Facilities				

FINANCIAL AND STATISTICAL TABLES

AUTHORIZED REGULAR POSITIONS BY DEPARTMENT

	Actual	Actual	2011-13 Financial Plan	
	2009-10	2010-11	2011-12	2012-13
Recreation Supervisor	1.0	1.0	1.0	1.0
Total Facilities	1.0	1.0	1.0	1.0
Community Services				
Recreation Supervisor	1.0	1.0	1.0	1.0
Total Community Services	1.0	1.0	1.0	1.0
Recreational Sports				
Recreation Supervisor	1.0	1.0	1.0	1.0
Total Recreational Sports	1.0	1.0	1.0	1.0
Teens, Seniors & Classes**				
Recreation Supervisor	1.0	0.0	0.0	0.0
Total Teens, Seniors and Classes	1.0	0.0	0.0	0.0
Ranger Services				
Recreation Supervisor	1.0	1.0	1.0	1.0
Total Ranger Services	1.0	1.0	1.0	1.0
Golf Course				
Golf Course Supervisor	1.0	1.0	1.0	1.0
Maintenance Worker	2.0	2.0	2.0	2.0
Total Golf Course	3.0	3.0	3.0	3.0
<i>**Division was disbanded July 1, 2010 and programs moved to other divisions.</i>				
PUBLIC WORKS	78.0	77.2	76.8	77.8
Public Works: Transportation Programs	30.0	29.2	29.0	29.0
Transportation Planning & Engineering				
Principal Transportation Planner*	1.0	1.0	0.5	0.5
Senior Transportation Engineer	1.0	0.0	0.0	0.0
Transportation Operations Manager	0.0	1.0	1.0	1.0
Engineer	1.0	1.0	1.0	1.0
Total Transportation Planning & Engineering	3.0	3.0	2.5	2.5
Street & Sidewalk Maintenance				
Street Maintenance Supervisor	1.0	1.0	1.0	1.0
Street Maintenance Technician	1.0	1.0	1.0	1.0
Heavy Equipment Operator	1.0	2.0	2.0	2.0
Maintenance Worker	7.5	5.7	5.7	5.7
Total Street & Sidewalk Maintenance	10.5	9.7	9.7	9.7
Signal & Light Maintenance				
Signal & Street Light Technician	2.0	2.0	2.0	2.0
Total Signal & Light Maintenance	2.0	2.0	2.0	2.0
Creek & Flood Protection				
Stormwater Code Enforcement Officer	1.0	1.0	1.0	1.0
Heavy Equipment Operator	1.0	1.0	1.0	1.0
Maintenance Worker	1.0	1.0	1.0	1.0
GIS Specialist	0.5	0.5	0.3	0.3
Total Creek & Flood Protection	3.5	3.5	3.3	3.3
Parking				
Parking Manager	1.0	1.0	1.0	1.0

FINANCIAL AND STATISTICAL TABLES

AUTHORIZED REGULAR POSITIONS BY DEPARTMENT

	Actual	Actual	2011-13 Financial Plan	
	2009-10	2010-11	2011-12	2012-13
Parking Coordinator	1.0	1.0	1.0	1.0
Principal Transportation Planner*	0.0	0.0	0.5	0.5
Parking Enforcement Officer	3.0	3.0	3.0	3.0
Parking Meter Repair Worker	1.0	1.0	1.0	1.0
Supervising Administrative Assistant	1.0	1.0	1.0	1.0
Administrative Assistant	2.0	2.0	2.0	2.0
Total Parking	9.0	9.0	9.5	9.5
<i>*Position is allocated 50% to Transportation Planning & Engineering and 50% to Parking effective 07/01/11.</i>				
Transit	1.0	1.0	1.0	1.0
Transit Manager	1.0	1.0	1.0	1.0
Transportation Assistant	2.0	2.0	2.0	2.0
Total Transit				
Public Works: Leisure, Cultural & Social Services Programs	17.0	17.0	16.0	16.0
Parks & Landscape Maintenance				
Parks Maintenance Supervisor	1.0	1.0	1.0	1.0
Parks Maintenance Technician	1.0	1.0	1.0	1.0
Maintenance Worker	10.0	10.0	10.0	10.0
Total Parks & Landscape Maintenance	12.0	12.0	12.0	12.0
Swim Center Maintenance				
Building Maintenance Technician	1.0	1.0	1.0	1.0
Total Swim Center Maintenance	1.0	1.0	1.0	1.0
Tree Maintenance				
PW Maintenance Supervisor	1.0	1.0	0.0	0.0
Urban Forest Superviosr/City Arborist	1.0	1.0	1.0	1.0
Tree Trimmer	2.0	2.0	2.0	2.0
Total Tree Maintenance	4.0	4.0	3.0	3.0
Public Works: Community Development Programs	16.0	16.0	16.8	16.8
Engineering Development Review				
Supervising Civil Engineer	1.0	1.0	1.0	1.0
Senior Civil Engineer	1.0	1.0	1.0	1.0
Permit Technician	1.0	1.0	0.8	0.8
Total Engineering Development Review	3.0	3.0	2.8	2.8
CIP Project Engineering				
Construction Engineering Manager	1.0	1.0	1.0	1.0
Supervising Civil Engineer	1.0	1.0	1.0	1.0
Senior Civil Engineer	2.0	2.0	2.0	2.0
Engineer	2.0	2.0	2.0	2.0
Engineering Technician	2.0	2.0	2.0	2.0
Engineering Inspector	5.0	5.0	5.0	5.0
Administrative Asst I	0.0	0.0	1.0	1.0
Total CIP Project Engineering	13.0	13.0	14.0	14.0

FINANCIAL AND STATISTICAL TABLES

AUTHORIZED REGULAR POSITIONS BY DEPARTMENT

	Actual	Actual	2011-13 Financial Plan	
	2009-10	2010-11	2011-12	2012-13
Public Works: General Government Programs**	15.0	15.0	15.0	16.0
Public Works Administration				
Director of Public Works	1.0	1.0	1.0	1.0
Deputy Director/City Engineer	1.0	1.0	1.0	1.0
Deputy Director/Public Works	1.0	1.0	1.0	1.0
Supervising Administrative Assistant	1.0	1.0	1.0	1.0
Administrative Assistant	1.0	1.0	1.0	1.0
Administrative Analyst	1.0	1.0	1.0	1.0
Total Public Works Administration	6.0	6.0	6.0	6.0
Building Maintenance				
Facilities Maintenance Supervisor	1.0	1.0	1.0	1.0
Building Maintenance Technician	2.0	2.0	2.0	2.0
Maintenance Worker	2.0	2.0	2.0	2.0
Total Building Maintenance	5.0	5.0	5.0	5.0
Fleet Maintenance				
Fleet Maintenance Supervisor	1.0	1.0	1.0	1.0
Fire Vehicle Mechanic***	0.0	0.0	0.0	1.0
Heavy Equipment Mechanic	3.0	3.0	3.0	3.0
Total Fleet Maintenance	4.0	4.0	4.0	5.0
**Geographic Information Services moved from Public Works to Finance & Information Technology effective 7/1/10.				
***Fire Vehicle Mechanic moved from Fire to Public Works for Fiscal Year 2012-13.				
UTILITIES	63.8	63.8	63.8	64.8
Utilities: Water Service Programs	30.3	29.0	29.0	28.9
Water Administration & Engineering				
Utilities Director	0.5	0.5	0.5	0.4
Deputy Director/Water	0.9	0.9	0.9	0.9
Utilities Projects Manager	0.6	0.6	0.6	0.4
Utilities Business Manager	0.0	0.0	0.0	0.5
Senior Administrative Analyst	0.5	0.5	0.5	0.0
Administrative Analyst	0.0	0.0	0.0	0.4
Supervising Administrative Assistant	0.5	0.5	0.5	0.4
Administrative Assistant	0.4	0.4	0.4	0.3
Total Water Administration & Engineering	3.4	3.4	3.4	3.3
Water Source of Supply				
Water Reclamation Facility Supervisor	0.0	0.1	0.1	0.1
Water Reclamation Facility Operator	0.0	0.5	0.5	0.5
Maintenance Technician	0.0	0.1	0.1	0.1
Total Water Source of Supply	0.0	0.7	0.7	0.7

FINANCIAL AND STATISTICAL TABLES

AUTHORIZED REGULAR POSITIONS BY DEPARTMENT

	Actual	Actual	2011-13 Financial Plan	
	2009-10	2010-11	2011-12	2012-13
Water Treatment				
Treatment Plant Supervisor	1.0	1.0	1.0	1.0
Treatment Plant Chief Operator	1.0	1.0	1.0	1.0
Treatment Plant Operator	7.0	7.0	7.0	7.0
Treatment Plant Maintenance Technician	1.0	1.0	1.0	1.0
Laboratory Manager	0.1	0.1	0.1	0.1
Laboratory Analyst	1.0	1.0	1.0	1.0
Total Water Treatment	11.1	11.1	11.1	11.1
Water Distribution				
Distribution Supervisor	1.0	1.0	1.0	1.0
Underground Utility Locator	1.0	1.0	1.0	1.0
Water Distribution System Operator	7.0	7.0	7.0	7.0
Total Water Distribution	9.0	9.0	9.0	9.0
Water Customer Service				
Water Customer Service Personnel	4.0	2.0	2.0	2.0
Total Water Customer Service	4.0	2.0	2.0	2.0
Utilities Conservation				
Utilities Conservation Manager	0.8	0.8	0.8	0.8
Utilities Conservation Technician	2.0	2.0	2.0	2.0
Total Utilities Conservation	2.8	2.8	2.8	2.8
Utilities: Wastewater Service Programs	27.0	28.3	28.3	29.4
Wastewater Administration & Engineering				
Utilities Director	0.4	0.4	0.4	0.5
Deputy Director/Wastewater	1.0	1.0	1.0	1.0
Utilities Business Manager	0.0	0.0	0.0	0.5
Utilities Engineer	0.4	0.4	0.0	0.0
Utilities Projects Manager	0.0	0.0	0.4	0.6
Senior Administrative Analyst	0.4	0.4	0.4	0.0
Administrative Analyst	0.0	0.0	0.0	0.5
Supervising Administrative Assistant	0.4	0.4	0.4	0.5
Administrative Assistant	0.3	0.3	0.3	0.4
Total Wastewater Administration & Engineering	2.9	2.9	2.9	4.0
Wastewater Collection				
Wastewater Collection Supervisor	0.7	0.7	0.7	0.7
Water Customer Service Personnel	0.0	2.0	2.0	2.0
Wastewater Collection Operator	6.0	6.0	6.0	6.0
Total Wastewater Collection	6.7	8.7	8.7	8.7
Wastewater Pretreatment				
Environmental Programs Manager	0.8	0.8	0.8	0.8
Environmental Compliance Inspector	1.0	1.0	1.0	1.0
Total Wastewater Pretreatment	1.8	1.8	1.8	1.8

FINANCIAL AND STATISTICAL TABLES

AUTHORIZED REGULAR POSITIONS BY DEPARTMENT

	Actual	Actual	2011-13 Financial Plan	
	2009-10	2010-11	2011-12	2012-13
Water Reclamation Facility				
Wastewater Reclamation Plant Supervisor	1.0	0.9	0.9	0.9
Water Reclamation Chief Operator	1.0	1.0	1.0	1.0
Water Reclamation Operator	7.0	6.5	6.5	6.5
Chief Maintenance Technician	1.0	1.0	1.0	1.0
Maintenance Technician	3.0	2.9	2.9	2.9
Total Water Reclamation Facility	13.0	12.3	12.3	12.3
Water Quality Laboratory				
Laboratory Manager	0.9	0.9	0.9	0.9
Laboratory Analyst	1.7	1.7	1.7	1.7
Total Water Quality Laboratory	2.6	2.6	2.6	2.6
<i>Utilities: Whale Rock Reservoir</i>	3.5	3.5	3.5	3.5
Whale Rock Administration & Engineering				
Utilities Director	0.1	0.1	0.1	0.1
Deputy Director/Water	0.1	0.1	0.1	0.1
Senior Administrative Analyst	0.1	0.1	0.1	0.0
Administrative Analyst	0.0	0.0	0.0	0.1
Supervising Administrative Assistant	0.1	0.1	0.1	0.1
Administrative Assistant	0.1	0.1	0.1	0.1
Total Whale Rock Administration & Engineering	0.5	0.5	0.5	0.5
Reservoir Operations				
Water Supply Supervisor	1.0	1.0	1.0	1.0
Water Supply Operator	2.0	2.0	2.0	2.0
Total Reservoir Operations	3.0	3.0	3.0	3.0
<i>Utilities: Creek & Flood Protection</i>	3.0	3.0	3.0	3.0
Wastewater Collection Supervisor	0.3	0.3	0.3	0.3
Utilities Conservation Manager	0.2	0.2	0.2	0.2
Collection System Operator	2.0	2.0	2.0	2.0
Environmental Programs Manager	0.2	0.2	0.2	0.2
Laboratory Analyst	0.3	0.3	0.3	0.3
Total Creek & Flood Protection	3.0	3.0	3.0	3.0

FINANCIAL AND STATISTICAL TABLES

AUTHORIZED REGULAR POSITIONS BY DEPARTMENT

	Actual	Actual	2011-13 Financial Plan	
	2009-10	2010-11	2011-12	2012-13
POLICE	86.5	86.5	83.5	82.5
Police Administration				
Police Chief	1.0	1.0	1.0	1.0
Police Captain	1.0	1.0	1.0	1.0
Police Sergeant	1.0	1.0	1.0	1.0
Senior Administrative Analyst	1.0	1.0	1.0	1.0
Administrative Assistant	1.5	1.5	1.5	1.5
Total Police Administration	5.5	5.5	5.5	5.5
Police Support Services				
Communications & Records Manager	1.0	1.0	1.0	1.0
Communications Supervisor	2.0	2.0	2.0	2.0
Communications Technician	11.0	11.0	10.0	10.0
Records Supervisor	1.0	1.0	1.0	1.0
Records Clerk	4.0	4.0	4.0	4.0
Total Police Support Services	19.0	19.0	18.0	18.0
Neighborhood & Crime Prevention Services				
Neighborhood Services Manager	1.0	1.0	1.0	1.0
Total Neighborhood & Crime Prevention Services	1.0	1.0	1.0	1.0
Patrol Services				
Captain	1.0	1.0	1.0	1.0
Police Lieutenant	2.0	2.0	2.0	2.0
Police Sergeant *	5.0	5.0	5.0	5.0
Police Officer *	30.0	30.0	30.0	30.0
Police Field Service Technician	2.0	2.0	2.0	1.0
Total Patrol Services	40.0	40.0	40.0	39.0
Traffic Safety				
Police Sergeant	1.0	1.0	1.0	1.0
Police Officer	4.0	4.0	4.0	4.0
Total Traffic Safety	5.0	5.0	5.0	5.0
Investigative Services				
Police Lieutenant	1.0	1.0	1.0	1.0
Police Sergeant *	1.0	1.0	1.0	1.0
Police Officer *	11.0	11.0	9.0	9.0
Evidence Technician	1.0	1.0	1.0	1.0
Field Service Technician	1.0	1.0	1.0	1.0
Records Clerk	1.0	1.0	1.0	1.0
Total Investigative Services	16.0	16.0	14.0	14.0
* Reflects allocation of one Sergeant and three officers in the Situation Oriented Response Team (SORT) from Patrol Services to Investigative Services, which better reflects their assignments.				
<i>Sworn Positions</i>	<i>59.0</i>	<i>59.0</i>	<i>57.0</i>	<i>57.0</i>
<i>Non-Sworn Positions</i>	<i>27.5</i>	<i>27.5</i>	<i>26.5</i>	<i>25.5</i>
Total Police Positions	86.5	86.5	83.5	82.5

FINANCIAL AND STATISTICAL TABLES

AUTHORIZED REGULAR POSITIONS BY DEPARTMENT

	Actual	Actual	2011-13 Financial Plan	
	2009-10	2010-11	2011-12	2012-13
FIRE	53.8	53.0	51.8	50.8
Fire Administration				
Fire Chief	1.0	1.0	1.0	1.0
Deputy Fire Chief*	0.0	0.0	0.0	1.0
Administrative Analyst	1.0	1.0	1.0	1.0
Administrative Assistant	2.0	2.0	1.0	1.0
Total Fire Administration	4.0	4.0	3.0	4.0
Emergency Response				
Battalion Chief	3.0	3.0	3.0	3.0
Fire Captain	12.0	12.0	12.0	12.0
Fire Engineer	15.0	15.0	15.0	15.0
Firefighter	12.0	12.0	12.0	12.0
Fire Vehicle Mechanic***	1.0	1.0	1.0	0.0
Total Emergency Response	43.0	43.0	43.0	42.0
Hazard Prevention				
Fire Marshal	1.0	1.0	1.0	1.0
Hazardous Materials Coordinator	1.0	1.0	1.0	1.0
Fire Inspector	2.8	2.0	1.8	1.8
Administrative Assistant	1.0	1.0	1.0	1.0
Total Hazard Prevention	5.8	5.0	4.8	4.8
Training				
Battalion Training Chief**	1.0	1.0	0.0	0.0
Training Captain***	0.0	0.0	1.0	0.0
Total Training	1.0	1.0	1.0	0.0
<i>*Fire Department reorganization adds a Deputy Fire Chief for Fiscal Year 2012-13.</i>				
<i>**Training Battalion Chief position will be re-classified to a Training Captain at the end of 2011.</i>				
<i>***Training Captain position removed and Fire Vehicle Mechanic moved to Public Works as part of Fire Department reorganization.</i>				
Sworn Positions	44.0	44.0	44.0	44.0
Non-Sworn Positions	9.8	9.0	7.8	6.8
Total Fire Positions	53.8	53.0	51.8	50.8
TOTAL REGULAR POSITIONS	359.2	357.6	353.5	355.3

FINANCIAL AND STATISTICAL TABLES

AUTHORIZED REGULAR POSITIONS BY FUNCTION

	Actual	Actual	2011-13 Financial Plan	
	2009-10	2010-11	2011-12	2012-13
PUBLIC SAFETY				
Police Protection	86.5	86.5	83.5	82.5
Fire & Environmental Safety	53.8	53.0	51.8	50.8
Total Public Safety	140.3	139.5	135.3	133.3
PUBLIC UTILITIES				
Water Service	30.3	29.0	29.0	28.9
Wastewater Service	27.0	28.3	28.3	29.4
Whale Rock Reservoir	3.5	3.5	3.5	3.5
Total Public Utilities	60.8	60.8	60.8	61.8
TRANSPORTATION				
Transportation Planning & Engineering	3.0	3.0	2.5	2.5
Street & Sidewalk Maintenance	10.5	9.7	9.7	9.7
Signal & Light Maintenance	2.0	2.0	2.0	2.0
Creek & Flood Protection	6.5	6.5	6.3	6.3
Parking	9.0	9.0	9.5	9.5
Transit	2.0	2.0	2.0	2.0
Total Transportation	33.0	32.2	32.0	32.0
LEISURE, CULTURAL & SOCIAL SERVICES				
Recreation Programs	14.0	14.0	14.0	14.0
Maintenance Services (Parks, Swim & Trees)	17.0	17.0	16.0	16.0
Golf Course Operations & Maintenance	2.0	2.0	2.0	2.0
Total Leisure, Cultural & Social Services	33.0	33.0	32.0	32.0
COMMUNITY DEVELOPMENT				
Planning	12.5	12.5	11.5	11.5
Natural Resources Management	2.0	2.0	2.0	2.0
Economic Development	1.3	1.3	1.3	2.3
Community Promotions	0.5	0.5	0.5	0.5
Building & Safety	8.8	8.8	10.8	10.8
Engineering Development Review	3.0	3.0	2.8	2.8
CIP Project Engineering	13.0	13.0	14.0	14.0
Total Community Development	41.1	41.1	42.9	43.9
GENERAL GOVERNMENT				
City Administration	3.5	3.5	3.5	3.5
Public Works Administration	6.0	6.0	6.0	6.0
Legal Services	3.0	3.0	3.0	3.0
City Clerk Services	3.0	3.0	2.0	2.8
Human Resources Programs	5.0	5.0	5.0	5.0
Finance & Information Technology	21.5	21.5	22.0	22.0
Building Maintenance	5.0	5.0	5.0	5.0
Vehicle & Equipment Maintenance	4.0	4.0	4.0	5.0
Total General Government	51.0	51.0	50.5	52.3
TOTAL REGULAR POSITIONS	359.2	357.6	353.5	355.3

FINANCIAL AND STATISTICAL TABLES

TEMPORARY FULL-TIME EQUIVALENTS (FTE'S) BY FUNCTION

	Actual 2009-10	Budget 2010-11	2011-13 Financial Plan	
			2011-12	2012-13
PUBLIC SAFETY				
Police Protection	3.2	3.2	3.2	3.2
Fire & Environmental Safety	0.6	0.6	0.6	0.6
Total Public Safety	3.8	3.8	3.8	3.8
PUBLIC UTILITIES				
Water Service	0.8	0.8	0.8	0.8
Total Public Utilities	0.8	0.8	0.8	0.8
TRANSPORTATION				
Transportation Planning & Engineering	2.9	2.9	2.1	2.1
Street & Sidewalk Maintenance	0.4	0.4	0.4	0.4
Creek & Flood Protection	0.5	0.5	0.3	0.3
Parking	10.5	10.5	11.0	11.0
Transit	0.32	0.32	0.32	0.32
Total Transportation	14.6	14.6	14.1	14.1
LEISURE, CULTURAL & SOCIAL SERVICES				
Recreation Programs	55.2	55.2	53.9	53.9
Maintenance Services (Parks, Swim & Trees)	5.2	5.2	5.2	5.2
Golf Course Operations & Maintenance	3.3	3.3	3.3	3.3
Total Leisure, Cultural & Social Services	63.7	63.7	62.4	62.4
COMMUNITY DEVELOPMENT				
Planning	2.0	2.0	2.0	2.0
Engineering Development Review	0.8	0.8	0.6	0.6
CIP Project Engineering	0.7	0.7	0.7	0.7
Total Community Development	3.5	3.5	3.3	3.3
GENERAL GOVERNMENT				
Public Works Administration	3.0	3.0	2.6	2.6
City Clerk Services	0.5	0.5	0.7	0.7
Human Resources Administration	0.0	0.0	0.0	0.0
Risk & Benefits Management	0.4	0.4	0.0	0.0
Finance & Information Technology	0.7	0.7	0.5	0.5
Geographic Information Services	0.3	0.3	0.0	0.0
Vehicle & Equipment Maintenance	0.0	0.0	0.0	0.0
Total General Government	4.9	4.9	3.8	3.8
TOTAL TEMPORARY FTE'S	91.3	91.3	88.2	88.2

FINANCIAL AND STATISTICAL TABLES

PENSION OBLIGATION COST TRENDS

OVERVIEW

The following provides information on employer retirement costs and contributions for the past five years and budget for 2011-13, along with background information on the City's retirement plans.

Background

About CalPERS. Along with 2,500 other cities and local agencies, the City contracts with the California Public Employees Retirement System (CalPERS) for our "defined benefit" retirement plan, which covers all of our regular employees (except in rare circumstances, temporary employees are not covered by the CalPERS plan). We have two plans: one for sworn safety employees (like police officers and firefighters) and another for all non-sworn employees (also called miscellaneous).

CalPERS is a separate and distinct legal entity from the City, and serves as an independent fiduciary in managing the City's retirement plan assets.

CALPERS EMPLOYER CONTRIBUTIONS

CalPERS Employer Cost Trends

The following summarizes CalPERS employer costs since 2002-03:

Employer Retirement Contributions			
Fiscal Year	Safety	Non-Safety	Total
2002-03	498,000	264,100	762,100
2003-04	1,660,100	1,397,300	3,057,400
2004-05	2,422,500	1,987,700	4,410,200
2005-06	2,796,100	2,550,200	5,346,300
2006-07	3,159,100	2,747,100	5,906,200
2007-08	3,385,800	3,145,200	6,531,000
2008-09	4,484,500	3,630,900	8,115,400
2009-10	3,993,600	3,514,100	7,507,700
2010-11	3,940,000	3,521,100	7,461,100
2011-12*	5,508,100	4,973,200	10,481,300
2012-13*	5,200,600	4,938,500	10,139,100

*Budget for 2011-12 and 2012-13

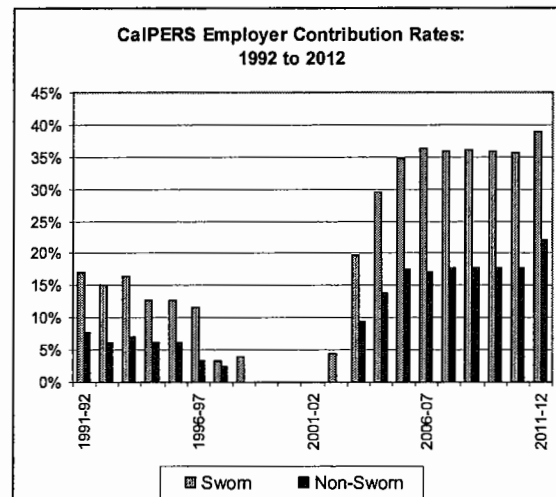
2008-09 reflects retroactive costs for binding arbitration decision.

Future Cost Outlook. CalPERS experienced significant stock market losses in 2008, and these losses caused employer contribution rates to rise. Also impacting the rates was the demographic study conducted by CalPERS in 2010, which concluded that employees were living longer and retiring earlier. The result of the study was to increase the employer rates beginning in 2011-12. In addition, in March 2012, CalPERS reduced the discount rate to 7.5%, from 7.75% based on changes in economic assumptions. This change is likely to result in additional costs of approximately \$600,000 annually, beginning in 2013-14.

CalPERS has developed smoothing strategies in order to prevent large fluctuations in the employer rates. Smoothing provides for the amortization of gains and losses over a long period of time (20 to 30 years) which allows for gradual changes in the rates to make up for these gains and losses. While this means that the rates will remain relatively stable, it also means that they are unlikely to go down in the near future, even if CalPERS experiences higher than anticipated investment returns.

CalPERS Employer Contribution Rates

These costs are directly affected by required employer contribution rates as a percent of payroll for covered employees. (Note: These rates only apply to "regular" compensation; they do not apply to overtime or "non-regular" pay.) The following shows changes in employer contribution rates for sworn and non-sworn employees since 1992:



FINANCIAL AND STATISTICAL TABLES

PENSION OBLIGATION COST TRENDS

As reflected in the chart above, while rates are higher than in the past, the very low rates in the late 1990's and early 2000's were an exception – not the rule – to employer contribution rates. In addition, no contributions for non-safety employees were required for four years (1998-99 through 2001-02); and no contributions were required for safety employees for three years (1999-00 through 2001-02), when these plans were “super funded” and actuarial assets exceeded actuarial liabilities.

While rates are now stabilized, they have stabilized at a higher rate, due to the amortization of past losses. We do not expect rates to decrease anytime in the near future, based on current retirement benefits.

Current CalPERS Employer Contribution Rates

For 2012-13, the City's employer contribution rates are as follows:

	Normal	Unfunded Liability	Total
Non-Sworn	10.5%	12.6%	23.1%
Sworn	17.2%	22.7%	39.9%

As reflected above, our contribution rate is comprised of two components:

1. The *normal* rate is what's needed to fund the benefits earned by active employees during the current fiscal year.
2. The *unfunded liability rate* is what's required to amortize past unfunded liability costs over time.

Employee Contribution Rates

While the method of doing so varies between employee groups, a PERS member contribution is also required along with the employer contribution rates as follows.

Member Contribution Rates

Non-Sworn	8%
Public Safety Sworn	9%

CALPERS PLAN FUNDING LEVELS

The following shows CalPERS funding levels for the City's Miscellaneous plan and Safety Pool for 2000 through 2010. This is the most recent actual information that is available from CalPERS in its annual valuation report to the City received in October 2011:

CalPERS Plan Funding Levels: Last Ten Years

Actuarial Valuation Date Ending June 30	Actuarial Asset Value	Entry Age Actuarial Accrued Liability	Assets Over (Under) Actuarial Accrued Liability	Funded Ratio
Safety Employee Plan				
2001	65,800	65,700	100	100.1%
2002	60,300	73,400	(13,100)	82.1%
2003	61,200	80,300	(19,200)	76.2%
2004	64,997	88,300	(23,400)	73.6%
2005	69,399	94,527	(25,128)	73.4%
2006*	6,102,616	7,278,050	(1,175,434)	83.9%
2007	6,826,599	7,986,055	(1,159,456)	85.5%
2008	7,464,927	8,700,468	(1,235,541)	85.8%
2009	8,027,159	9,721,676	(1,694,517)	82.6%
2010	8,470,235	10,165,475	(1,695,240)	83.3%
Non-Safety Employee Plan				
2001	57,800	55,500	2,300	104.1%
2002	53,500	61,700	(8,200)	86.8%
2003	55,100	71,000	(16,000)	77.5%
2004	59,400	77,600	(18,200)	76.5%
2005	64,740	85,207	(20,467)	76.0%
2006	70,848	92,505	(21,657)	76.5%
2007	78,069	100,312	(22,243)	77.8%
2008	85,341	110,763	(25,422)	77.0%
2009	91,851	130,764	(38,913)	70.2%
2010	97,282	138,627	(41,345)	70.2%

In thousands of dollars

* Beginning with 2006 Safety Plan is a member of a CalPERS safety pool, and as such, the City will only receive information on the entire pool, not City specific data.

FINANCIAL AND STATISTICAL TABLES

RETIREE HEALTH CARE OBLIGATIONS

VERY LIMITED COST OBLIGATIONS

Compared with many other cities throughout the State and the nation, the City has taken a very conservative approach to providing retiree health care benefits. In fact, our contribution is the lowest allowed under our participation in the California Public Employees' Retirement System (CalPERS) health benefit program.

And as discussed below, the City has committed to fully funding our obligations on an actuarial basis.

DESCRIPTION OF THE CITY'S PROGRAM

The City's primary cost obligation for retiree health benefits is our election to participate in the CalPERS health benefit program under the "unequal contribution option."

Background. The City's primary "other post employment benefits than pensions" (OPEB) obligation is the minimum contribution that the City is required to make under its participation in the CalPERS health care program. When the City joined the CalPERS plan in 1993, it immediately experienced an increase in the plan choices available along with a significant reduction in rates. And due to CalPERS purchasing power, the City has continued to experience competitive health care rates since then.

However, as a condition of joining the CalPERS health program, the City agreed to contribute a minimum of \$16 per month towards retiree health care coverage. Under the regulations in place at the time, this was scheduled to increase by 5% per year. By 2007, this had risen to only \$20 per month. However, legislation adopted in 2006 (AB 2544) significantly altered this formula, resulting in significant increases in the City's required contribution. While significant, these obligations are substantially less than in many other cities in California and the nation.

ACCOUNTING FOR FUTURE COSTS

Until 2008-09, the City accounted for our limited retiree health care costs on a pay-as-you-go basis, which was consistent at the time with generally accepted accounting principles. However, beginning in 2008-09, GASB 45 required that these costs be reported on an actuarial basis. Complying with GASB 45 required performing an actuarial evaluation to determine these costs and prepare a plan for funding them. The results of this actuarial valuation of our retiree health care plans were presented to the Council on May 20, 2008.

Based on Council direction, the City began pre-funding the OPEB obligation via an irrevocable trust and in May 2009, the Council approved a contract with CalPERS to provide OPEB trustee services.

The City is required to engage an actuary to calculate the OPEB obligation every two years. In meeting this requirement, the City recently received its OPEB valuation that determines the contribution required for 2012-13 and 2013-14. The good news is that the latest valuation indicates that the City's OPEB trust is 26.6% funded at June 30, 2011 and the contributions will remain relatively stable in the future, growing by approximately CPI.

As reflected below, the estimated cost for this organization-wide in 2012-13 is \$558,000. Of this amount, \$441,900 will be incurred in the General Fund and the balance in other funds, summarized as follows:

GASB 45 Cost allocation by Fund		
	2011-12	2012-13
General Fund	427,000	441,900
Community Development Block Grant	1,500	1,600
Water Fund	43,400	44,900
Sewer Fund	30,700	45,900
Parking Fund	13,500	15,000
Transit Fund	3,000	3,200
Whale Rock	5,200	5,500
Total	\$ 524,300	\$ 558,000

FINANCIAL AND STATISTICAL TABLES

NEW OR INCREASED TAXES AND FEES

The following summarizes the role that new or increased taxes or fees will play in the 2011-13 Financial Plan, organized into four categories:

1. New or increased taxes
2. New or increased General Fund fees for operations
3. New or increased Enterprise Fund fees for operations
4. New or increased development impact fees

TAXES

No New or Increased Rates in 2011-13. Tax and franchise fee revenues account for about 80% of total General Fund revenues. There are no new or increased tax or franchise fee rates in the 2011-13 Financial Plan.

GENERAL FUND FEES

Fees for a wide range services, including use of City facilities, recreation programs, public safety services and development review, account for about 10% of General Fund revenues.

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

Modest CPI Adjustments to Existing Fees. Consistent with the City's adopted cost recovery policies as set forth in Section B of the Financial Plan (Policies and Objectives), cost of living adjustments are scheduled for 2011-13 based on changes in the U.S. Consumer Price Index, All Urban Consumers (CPI-U). This will result in modest increases of about 3% annually in 2011-13 for most of the City's service fees and charges.

ENTERPRISE FUND FEES

Comprehensive rate reviews and revenue requirement projections for the next five years will be presented to the Council on June 12, 2012 for each of the City's four enterprise funds. The following is a brief overview of enterprise fund revenue issues and rate requirements reflected in the 2011-13 Financial Plan:

Water Fund

Consistent with the multi-year rate setting strategy previously approved by the Council to improve the City's water distribution and treatment systems as well as fund participation in the Nacimiento water project, the Council approved rate increases of 10% in July 2011 and 9% in July 2012.

Sewer Fund

The Sewer Fund also uses a multi-year rate-setting strategy. In order to continue supporting an adequate capital improvement plan and meet high wastewater treatment standards, the Council approved rate increases of 7% in July 2011 and 6% in July 2012.

Parking Fund

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

In addition, as detailed in the Financial Plan, parking fine and fee modifications are proposed in 2011-13 for commercial loading zone permits, residential parking permits, overtime and restricted parking fines and cancellation of disabled parking violations.

FINANCIAL AND STATISTICAL TABLES

NEW OR INCREASED TAXES AND FEES

Transit Fund

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

Golf Fund

In accordance with Council direction on April 19, 2011, the operations and costs of the Laguna Lake Golf Course are no longer represented in an enterprise fund. Beginning in 2011-12, these operations have been incorporated into the General Fund like other recreational activities.

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

DEVELOPMENT IMPACT FEES

In accordance with General Plan policies, new development is responsible for paying for its fair share of the facilities needed to serve it. Development impact fees are one of the City's key tools for implementing this policy.

The City currently has three types of community-wide impact fees: water, wastewater and transportation. In addition, the City has adopted "sub-area" fees in some cases covering specific water, wastewater, transportation and park needs in the Airport, Margarita, Orcutt and Los Osos Valley Road areas.

Like the City's General Fund operating fees, it is the City's policy to prepare a comprehensive analysis of each impact fee at least once every five years, with CPI increases in the interim to keep fees current.

No New Impact Fees in the 2011-13 Budget

There are no new community-wide development impact fees in the 2011-13 Financial Plan. However, fee studies are currently in progress that may result in new or increased fees in selected areas as follows:

Water and Wastewater Impact Fee Update. We are in the process of updating water and wastewater impact fees. Based on preliminary work completed, there will be moderate fee changes.

Modest CPI Adjustments to Existing Fees

As noted above, it is the City's policy to make cost of living adjustments annually in development impact fees to keep them current between comprehensive updates. Like the City's General Fund operating fees, this is likely to result in modest increases of about 3% annually in the City's development impact fees in 2011-13.

FINANCIAL AND STATISTICAL TABLES

REVENUE AND EXPENDITURE TRENDS - LAST FIVE COMPLETED YEARS

<i>Includes all governmental fund types</i>	2006-07 ACTUAL	2007-08 ACTUAL	2008-09 ACTUAL	2009-10 ACTUAL	2010-11 ACTUAL
REVENUES					
Taxes					
Sales and use	15,302,500	19,866,700	18,020,500	16,234,300	17,986,200
Property	8,255,000	8,374,200	8,788,400	8,579,300	8,441,100
Property in lieu of VLF	3,061,500	3,280,100	3,504,700	3,565,100	3,551,100
Utility users	4,096,100	4,177,700	4,358,500	4,862,400	4,592,300
Transient occupancy	4,786,000	5,054,700	4,679,500	4,496,100	4,844,200
Franchise fees	2,153,700	2,361,700	2,439,400	2,396,700	2,352,100
Business tax certificates	1,706,700	1,866,400	1,878,500	1,830,100	1,797,800
Real property transfer	283,900	213,000	159,100	129,000	133,700
Total Taxes	39,645,400	45,194,500	43,828,600	42,093,000	43,698,500
Fines and Forfeitures	236,500	228,200	261,000	201,700	171,400
Investment and Property Revenues	1,751,400	1,736,600	1,775,300	1,239,500	742,500
Subventions and Grants	4,983,500	4,738,000	8,940,700	4,975,200	4,982,100
Service Charges	8,524,800	8,510,700	6,697,300	5,882,600	9,209,300
Other Revenues	174,700	532,600	1,790,700	377,900	270,500
Total Revenues	55,316,300	60,940,600	63,293,600	54,769,900	59,074,300
EXPENDITURES					
Operating Programs					
Public Safety	20,659,600	25,055,900	26,002,400	24,203,800	23,506,100
Transportation	2,173,500	2,539,800	3,224,200	3,019,700	2,901,900
Leisure, Cultural & Social Services	5,705,000	6,398,600	6,598,900	6,279,900	6,268,700
Community Development	5,620,100	6,341,600	6,280,800	6,690,200	7,053,500
General Government	6,093,700	6,333,900	6,793,100	7,253,500	6,828,700
Total Operating Programs	40,251,900	46,669,800	48,899,400	47,447,100	46,558,900
Capital Outlay	7,068,000	10,939,300	11,296,400	17,100,600	10,607,300
Debt Service	2,083,500	2,078,000	2,075,800	2,908,700	3,023,200
Total Expenditures	49,403,400	59,687,100	62,271,600	67,456,400	60,189,400
OTHER SOURCES (USES)					
Operating Transfers In (Out)	(350,900)	(462,000)	(335,000)	(301,500)	(227,200)
Proceeds from (uses of) Debt Issuance			8,785,200		1,044,000
Other Sources (Uses)					393,900
Total Other Sources (Uses)	(350,900)	(462,000)	8,450,200	(301,500)	1,210,700
Excess of Revenues & Sources Over (Under) Expenditures & Uses	5,562,000	791,500	9,472,200	(12,988,000)	95,600
Fund Balance, Beginning of Year	28,580,200	34,142,200	34,933,700	44,405,900	31,417,900
Fund Balance, End of Year					
General Fund	18,830,000	14,829,100	13,991,900	11,114,100	12,907,900
Special Revenue Funds	519,900	585,500	987,900	617,100	604,000
Capital Outlay Funds	13,146,800	17,873,600	27,140,400	17,401,000	15,715,900
Debt Service Fund	1,645,500	1,645,500	2,285,700	2,285,700	2,285,700
Total - All Governmental Funds	\$34,142,200	\$34,933,700	\$44,405,900	\$31,417,900	\$31,513,500

FINANCIAL AND STATISTICAL TABLES

EXPENDITURES TRENDS BY TYPE: ALL FUNDS COMBINED

	Actual 2006-07	Actual 2007-08	Actual 2008-09	Actual 2009-10	Actual 2010-11	2011-13 Financial Plan	
						2011-12	2012-13
OPERATING PROGRAMS							
Staffing							
<i>Salaries and Wages</i>							
Regular Salaries	\$22,637,200	\$27,398,100	\$29,098,600	\$28,915,800	\$28,831,700	\$29,591,900	\$30,370,200
Temporary Salaries	2,634,400	2,489,000	2,535,400	2,287,000	2,226,200	2,420,200	2,179,400
Overtime	2,673,200	3,075,200	3,191,800	2,552,700	2,341,300	2,511,700	2,462,700
<i>Benefits</i>							
Retirement	7,425,500	8,773,200	9,337,100	9,341,100	9,349,000	10,580,100	10,238,500
Group Health & Other Insurance	3,048,200	3,422,400	3,933,800	4,017,300	3,789,300	4,073,600	4,138,900
Retiree Health Care			592,900	649,100	440,700	524,300	558,000
Medicare	332,600	407,500	440,100	446,800	445,100	494,500	501,200
Unemployment Insurance	23,900	50,700	29,900	106,100	43,200	132,300	135,700
Total Staffing	38,775,000	45,616,100	49,159,600	48,315,900	47,466,500	50,328,600	50,584,600
Contract Services	11,450,300	11,348,600	10,783,500	10,500,300	15,676,900	20,712,200	18,478,200
Other Operating Costs							
Communications & Utilities	2,872,700	2,940,800	3,259,500	3,042,000	2,986,300	3,472,400	3,641,500
Rents & Leases	182,900	185,400	156,000	136,600	147,400	157,200	155,900
Insurance	2,653,400	2,713,800	2,390,300	2,248,900	1,939,500	2,197,400	2,332,900
Other Operating Expenditures	4,148,000	3,680,000	4,664,800	4,220,800	4,331,000	5,496,900	5,682,900
Total Other Operating Costs	9,857,000	9,520,000	10,470,600	9,648,300	9,404,200	11,323,900	11,813,200
Minor Capital	303,800	402,600	321,800	180,900	195,100	131,200	30,400
TOTAL OPERATING PROGRAM:	60,386,100	66,887,300	70,735,500	68,645,400	72,742,700	82,495,900	80,906,400
CAPITAL IMPROVEMENT PLAN	24,177,600	20,479,000	28,925,300	22,649,700	16,688,500	39,400,900	5,853,900
DEBT SERVICE	8,804,700	8,682,500	8,721,100	9,999,900	10,110,700	9,821,800	9,345,700
TOTAL EXPENDITURES	93,368,400	96,048,800	108,381,900	101,295,000	99,541,900	131,718,600	96,106,000

FINANCIAL AND STATISTICAL TABLES

EXPENDITURES TRENDS BY TYPE: GENERAL FUND

	Actual	Actual	Actual	Actual	Actual	2011-13 Financial Plan	
	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
OPERATING PROGRAMS							
Staffing							
<i>Salaries and Wages</i>							
Regular Salaries	\$18,491,700	\$22,745,800	\$24,310,100	\$23,861,400	\$23,519,400	\$24,555,500	\$24,916,100
Temporary Salaries	2,108,000	2,026,800	1,851,700	1,911,700	1,836,200	1,945,500	1,793,700
Overtime	2,484,600	2,876,000	3,009,200	2,397,500	2,162,500	2,304,700	2,260,600
<i>Benefits</i>							
Retirement	6,278,300	7,485,200	8,006,100	7,915,900	7,899,200	8,944,600	8,565,800
Group Health & Other Insurance	2,399,900	2,710,000	3,110,800	3,191,500	3,002,900	3,254,900	3,299,400
Retiree Health Care			468,600	511,600	346,900	427,000	441,900
Medicare	271,700	339,600	363,700	370,300	367,100	410,700	414,200
Unemployment Insurance	19,600	42,900	24,100	87,600	35,500	109,200	111,700
Total Staffing	32,053,800	38,226,300	41,144,300	40,247,500	39,169,700	41,952,100	41,803,400
Contract Services	4,300,300	4,546,400	4,228,700	3,812,400	3,728,100	6,084,200	4,690,300
Other Operating Costs							
Communications & Utilities	1,489,900	1,539,700	1,662,000	1,538,000	1,629,500	1,914,000	2,021,100
Rents & Leases	133,400	142,100	147,700	130,500	141,800	152,200	153,900
Insurance	2,253,900	2,569,300	2,068,500	2,248,900	1,939,500	2,197,400	2,332,900
Other Operating Expenditures	2,874,900	2,699,900	3,061,900	2,399,300	2,544,400	3,012,300	2,971,300
Total Other Operating Costs	6,752,100	6,951,000	6,940,100	6,316,700	6,255,200	7,275,900	7,479,200
Minor Capital	195,800	162,500	90,600	38,300	10,800	28,700	28,700
Total Operating Programs	43,302,000	49,886,200	52,403,700	50,414,900	49,163,800	55,340,900	54,001,600
Reimbursed Expenditures	(3,786,700)	(4,075,300)	(4,210,800)	(4,264,000)	(4,449,900)	(3,774,900)	(3,732,100)
TOTAL OPERATING PROGRAMS	39,515,300	45,810,900	48,192,900	46,150,900	44,713,900	51,566,000	50,269,500
CAPITAL IMPROVEMENT PLAN	3,457,700	10,797,600	4,633,100	4,279,300	2,509,700	4,276,200	4,018,400
DEBT SERVICE*	2,083,500	2,078,000	2,075,800	2,908,800	3,023,200	2,705,200	2,637,500
TOTAL GENERAL FUND EXPENDITURES	45,056,500	58,686,500	54,901,800	53,339,000	50,246,800	58,547,400	56,925,400

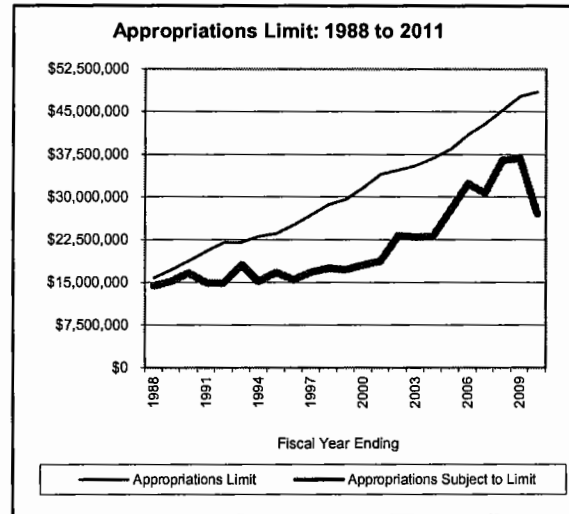
* Based on operating transfers from the General Fund for this purpose.

FINANCIAL AND STATISTICAL TABLES

APPROPRIATIONS LIMIT HISTORY

The *Gann Spending Limit Initiative*, a State constitutional amendment adopted by the voters on June 6, 1979, restricts appropriations from tax revenues by State and local governments. Under its provisions, no local agency can appropriate proceeds of taxes in excess of its "appropriations limit." Excess funds may be carried over into the next year. However, any excess funds remaining after the second year must be returned to taxpayers by reducing tax rates or fees; or a majority of the voters may approve an override to increase the limit.

The following summarizes changes in the City's appropriations limit and appropriations subject to the limit since the effective date of the initiative. While there are exceptions, in general, the City's appropriations limit increases annually by compound changes in cost-of-living and population. This summary also reflects changes made by Proposition 111 (adopted in June 1990) in determining the appropriations limit as well as the appropriations subject to it.



Fiscal Year	Limit Base	Cost-of-Living Factor	Population Factor	Appropriations Limit	Appropriations Subject to Limit	Variance
<i>Post-Proposition 111</i>						
1987-88	14,836,300	3.47%	2.93%	15,800,900	14,411,700	1,389,200
1988-89	15,800,900	4.66%	4.10%	17,215,200	15,223,500	1,991,700
1989-90	17,215,200	5.19%	3.92%	18,818,600	16,691,800	2,126,800
1990-91	18,818,600	4.21%	4.59%	20,511,000	15,005,400	5,505,600
1991-92	20,511,000	4.14%	3.04%	22,009,500	14,911,100	7,098,400
1992-93	22,009,500	-0.64%	1.00%	22,087,300	18,094,900	3,992,400
1993-94	22,087,300	2.72%	1.86%	23,110,100	15,215,000	7,895,100
1994-95	23,110,100	0.71%	1.40%	23,600,000	16,778,400	6,821,600
1995-96	23,600,000	4.72%	1.60%	25,109,300	15,530,800	9,578,500
1996-97	25,109,300	4.67%	2.31%	26,889,000	16,825,500	10,063,500
1997-98	26,889,000	4.67%	2.06%	28,724,500	17,513,200	11,211,300
1998-99	28,724,500	4.15%	2.70%	29,671,300	17,291,800	12,379,500
1999-00	29,671,300	4.53%	2.28%	31,717,100	18,030,500	13,686,600
2000-01	31,717,100	4.91%	2.46%	34,093,000	18,802,000	15,291,000
2001-02	34,093,000	0.33%	1.80%	34,821,200	23,227,900	11,593,300
2002-03	34,821,200	0.33%	1.80%	35,565,000	23,018,400	12,546,600
2003-04	35,565,000	2.31%	1.32%	36,866,700	23,072,400	13,794,300
2004-05	36,866,700	3.28%	1.15%	38,513,100	27,670,400	10,842,700
2005-06	38,513,100	5.26%	1.19%	41,021,300	32,371,900	8,649,400
2006-07	41,021,300	3.96%	0.73%	42,957,100	30,757,100	12,200,000
2007-08	42,957,100	4.42%	0.96%	45,286,400	36,582,900	8,703,500
2008-09	45,286,400	4.29%	1.12%	47,758,200	36,795,300	10,962,900
2009-10	47,758,200	0.62%	1.01%	48,540,600	27,159,400	21,381,200
2010-11	48,540,600	-2.54%	0.87%	47,296,800	32,058,100	15,238,700
2011-12*	47,296,800	2.51%	0.83%	48,886,400	36,155,500	12,730,900
2012-13*	48,886,400	3.77%	0.47%	50,967,800	40,154,900	10,812,900

* Appropriations subject to limit are estimates for these years.

FINANCIAL AND STATISTICAL TABLES

DEMOGRAPHIC AND STATISTICAL SUMMARY

LOCATION

Central Coast of California, 235 miles south of San Francisco and 200 miles north of Los Angeles

INCORPORATED

February 19, 1856
Chartered May 1, 1876

FORM OF GOVERNMENT

Council - Mayor - City Manager

POPULATION (JANUARY 1, 2011)

44,418

PHYSICAL SIZE

11.8 Square Miles

Public Safety	2010-11	2011-12	2012-13
Fire			
Sworn personnel.....	44	44	44
Number of fire stations.....	4	4	4
Police sworn personnel.....	59	57	57

Public Utilities	
Water services	
Sources of supply (acre feet)	
Whale Rock Reservoir capacity (City share).....	22,380
Salinas Reservoir capacity.....	23,800
Groundwater (acre feet by policy).....	500
Estimated miles of main line.....	186
Customer accounts.....	14,777
Wastewater services	
Treatment plant capacity (million gallons per day).....	5.1
Average daily plant flows (million gallons per day).....	4.5
Estimated miles of sewer line.....	130

Streets and Flood Protection	
Estimated miles of paved streets.....	130
Intersections with traffic signals.....	60
Street lights operated & maintained.....	2,270
Estimated miles of creekbed maintained.....	30

SERVICES PROVIDED BY OTHER AGENCIES

Public elementary and secondary schools..... San Luis Coastal Unified School District
 Cuesta Community College..... San Luis Obispo Community College District
 Animal regulation..... San Luis Obispo County
 Property tax collection & administration..... San Luis Obispo County
 Solid waste collection and disposal Private companies under franchise

Section I
BUDGET REFERENCE MATERIALS



BUDGET REFERENCE MATERIALS

OVERVIEW

Complementing the City's *Budget and Fiscal Policies* are a number of major policy documents that also guide the preparation and execution of the City's Financial Plan. A brief narrative summary for each of the following documents is provided in Section I of the 2011-13 Financial Plan.

Citywide Policy Documents

- City Charter
- Municipal Code
- City Council Policies and Procedures Manual
- City Code of Ethics
- General Plan
- Conceptual Physical Plan for the City's Center
- Facilities Master Plan: 1988-2010

Utilities

- Urban Water Management Plan
- Wastewater Management Plan

Transportation

- Short-Range Transit Plan
- Access and Parking Management Plan
- Pavement Management Plan
- Bicycle Transportation Plan

Creek & Flood Protection

- Waterway Management Plan
- Storm Sewer Management Plan

Leisure, Cultural & Social Services

- Parks and Recreation Master Plan

Administrative

- Information Technology Strategic Plan
- Property Management Manual
- Public Art Policy
- Fleet Management Program
- Goals and Objectives Reporting System
- Risk Management Manual

Financial

- General Fund Five Year Fiscal Forecast: 2011-2016
- Financial Management Manual
- Investment Management Plan
- Revenue Management Manual
- Cost Allocation Plan
- Monthly and Quarterly Financial Reports
- Comprehensive Annual Financial Report (CAFR)

The following materials are also located in Section I of the 2011-13 Financial Plan to facilitate the reader's understanding of the CIP document and preparation process:

- **Budget Glossary.** Defines terms that may be used in a manner unique to public finance or the City's budgetary process in order to provide a common terminology in discussing the City's financial operations.
- **Major Preparation Guidelines and Budget Calendar.** Describes the steps, procedures and calendar used in developing and documenting the 2009-11 Financial Plan.
- **Budget Resolution.** Provides the resolution adopted by Council approving the 2011-13 Financial Plan and 2011-12 Budget.

The 2011-13 Financial Plan Supplement includes the resolution adopted by the Council approving the Supplement and the 2012-13 Budget.

RESOLUTION NO. 10377 (2012 Series)

**A RESOLUTION OF CITY OF SAN LUIS OBISPO APPROVING THE
2011-13 FINANCIAL PLAN SUPPLEMENT AND ADOPTING THE 2012-13 BUDGET**

WHEREAS, the City Council adopted the 2011-13 Financial Plan on June 21, 2011, which established comprehensive financial and policy guidelines for fiscal years 2011-12 and 2012-13; and

WHEREAS, the 2011-13 Financial Plan included appropriations for fiscal year 2011-12; and

WHEREAS, the City Council has reviewed proposed changes to the 2011-13 Financial Plan to be effective for fiscal year 2012-13 after holding noticed public hearings; and

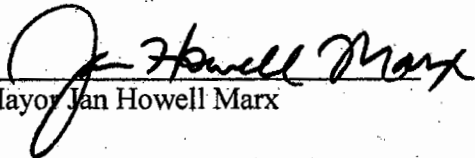
WHEREAS, the City Manager submitted the 2011-13 Financial Plan Supplement and Preliminary 2012-13 Budget to the City Council for their review and consideration.

NOW, THEREFORE, BE IT RESOLVED that the Council of the City of San Luis Obispo hereby approves the 2011-13 Financial Plan Supplement and adopts the 2012-13 Budget.

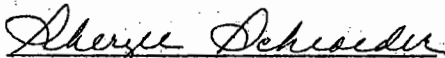
Upon motion of Council Member Ashbaugh, seconded by Council Member Carter, and on the following roll call vote:

AYES: Council Members Ashbaugh, Carter and Smith, Vice Mayor Carpenter
and Mayor Marx
NOES: None
ABSENT: None

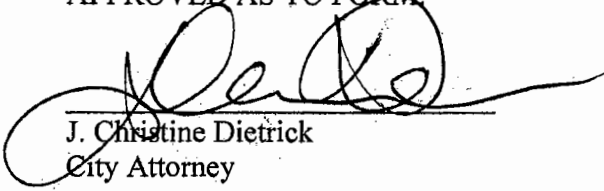
The foregoing resolution was adopted this 19th day of June 2012.


Mayor Jan Howell Marx

ATTEST:


Sheryll Schroeder
Interim City Clerk

APPROVED AS TO FORM:


J. Christine Dietrick
City Attorney

R 10377